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Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
January 16-17, 2008

Holiday Inn Express Hotel & Suites
204 West Marine Drive, Astoria
River View Meeting Room

**Map is available at www.astoriahie.com*

Wednesday, January 16, 2008

Business Meeting - 8:00 a.m.

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A. Board Member Comments

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

B. Board Chair(s) Election

Oregon Watershed Enhancement Board Co-Chairs Dan Heagerty and Jane O’Keeffe were elected by Board vote in September 2005. Board member Dan Thorndike will lead a discussion and vote by Board members to elect Board chair(s) for the coming year. *Action item.*

C. Review and Approval of Minutes

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D. Executive Director Update

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

E. Grant Program Update

Lauri Aunan, Grant Program Manager, will give an update on the October 22, 2007, grant cycle, discuss recent developments in the Grant Program, and propose grant offerings for the April 21, 2008, grant deadline. *Action item.*

F. Public Comment [approximately 10:15 a.m.]

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Staff from the Department of Geology and Mineral Industries will give a presentation on Light Detection and Ranging (LIDAR) capabilities and the agency's plan for mapping large portions of western Oregon with this technology over the next year. *Information item.*

L. Award Adjustments

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Lower Columbia River Estuary Partnership (LCREP)
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Informal Reception - 4:30 – 6:00 p.m.

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*4:30 – 6:00 p.m.
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Jeff Uebel, U.S. Forest Service, and Ken Bierly, Deputy Director, will update the Board on results from a previous \$500,000 OWEB investment in the Whole Watersheds Restoration Initiative Partnership, and request an allocation of funding to continue the partnership with additional partners and for specific projects. *Action item.*

Q. Restoration Priorities

Roger Wood, Special Projects, will update Board members on the progress for completion and adoption of basin restoration priorities and request adoption of the restoration priorities for the coastal basins from the Coquille to the Lower Columbia watersheds. *Action item.*

R. Public Comment [approximately 10:45 a.m.]

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Melissa Leoni, Senior Policy Coordinator, will discuss proposed administrative rules developed to address recent legislation relating to public records requests. The Board will also accept public testimony on the proposed rules. Members of the public wishing to present testimony to the Board are asked to fill out a comment request sheet (available at the information table).

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tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

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Oregon

Theodore R. Kulongoski., Governor

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December 27, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item E: Grant Program Update
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report provides an update on the October 22, 2007, grant cycle and recommends grant types for the April 21, 2008, grant cycle.

II. October 22, 2007 Grant Cycle

A total of 264 grant applications were submitted to OWEB on its October 22, 2007 deadline. This is the largest number of applications OWEB has received for a grant cycle, exceeding by 48 the previous high mark from October 2005. Table 1 displays the number of applications and amounts requested from the grant application submissions. The application review process has started with regional review team meetings to evaluate applications in the Central Oregon and Eastern Oregon regions on December 10-12, 2007. Regional review teams in western Oregon will meet on January 9, 14, and 15, 2008 to review applications.

At the September 2007 Board meeting, the Board established funding allocations for available capital and non-capital funds. The Board reserved approximately \$9,250,000 per grant cycle for capital grants for the biennium. The Board also approved October 2007 grant cycle reserves of up to \$1,500,000 for monitoring grant applications, \$500,000 for education and outreach grant applications, and \$500,000 for technical assistance grant applications. The amount of funds requested, shown in Table 2, far exceeds the funding available for this round of applications.

Table 1. October 22, 2007, Grant Applications by Types of Applications

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	5	6	8	1	17	37
Region 2	7	10	10	0	34	61
Region 3	15	10	6	7	24	62
Region 4	2	7	4	3	26	42
Region 5	4	7	8	1	40	60
Statewide	0	2	0	0	0	2
TOTALS	33	42	36	12	141	264

Table 2. October 22, 2007 Grant Applications by Funding Requested

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	\$166,735	\$163,093	\$418,740	\$100,000	\$2,743,784	\$3,592,352
Region 2	\$227,248	\$218,646	\$908,495	0	\$4,129,444	\$5,483,833
Region 3	\$673,062	\$422,662	\$346,797	\$4,052,540	\$4,019,128	\$9,514,189
Region 4	\$50,156	\$242,902	\$63,492	\$2,108,534	\$4,461,835	\$6,926,919
Region 5	\$149,208	\$264,097	\$706,711	\$550,000	\$6,263,106	\$7,933,122
Statewide	0	\$106,695	0	0	0	\$106,695
Totals	\$1,266,409	\$1,418,095	\$2,444,234	\$6,811,074	\$21,617,297	\$33,557,110

III. Proposed Allocation for Non-Capital Grants for April 21, 2008, Grant Cycle

Budgeting for non-capital grant solicitations is not as straight-forward as it is for capital grants. Most of the non-capital funds OWEB received in our initial 2007-2009 budget have already been committed or reserved for specific purposes by the Board at the September 2007 meeting. As has been the tradition, an infusion of non-capital funds from Pacific Coastal Salmon Recovery Funds (PCSRF) in the even-numbered federal fiscal year contributes significantly to OWEB’s ability to fund non-capital grant cycles in the second half of the biennium.

At the time of writing this report, it appears Congress has included \$67 million of PCSRF in the omnibus budget bill for federal fiscal year 2008. This is the same total amount of PCSRF funds as was appropriated over the previous two federal funding cycles. It is not clear what percentage of those funds will be distributed to the State of Oregon, and it will likely be several months before we know the final distribution numbers.

Staff recommend a non-capital grant solicitation for April 2008 that includes a Technical Assistance offering and a solicitation for Watershed Assessments targeted to basins where such work has not yet been completed. Although the amount of PCSRF funds that Oregon will receive is not yet known, staff recommend setting funding allocations of up to \$500,000 for each of the solicitations, with the caveat that this amount may change depending on the amount of PCSRF funds distributed to Oregon. Until there is more clarity on the amount of 2008 PCSRF funds available to OWEB, we do not recommend non-capital grant solicitations beyond the April 2008 grant cycle. The capital-funded Restoration and Acquisition solicitations for April 2008 will continue to target \$9.25 million.

IV. Recommendation

Staff recommend the Board approve:

- A. The solicitation of Technical Assistance grant applications for the April 21, 2008, deadline, with a targeted funding allocation of up to \$500,000, dependent upon new PCSRF funds.
- B. The solicitation of Watershed Assessment grant applications for the April 21, 2008, deadline, targeted to basins where assessments have not been completed, with a targeted funding allocation of up to \$500,000, dependent upon new PCSRF funds.



Oregon

Theodore R. Kulongoski., Governor

Oregon Watershed Enhancement Board

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FAX (503) 986-0199

www.oregon.gov/OWEB



December 26, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: **Greg Sieglitz, Monitoring and Reporting Program Manager**
Courtney Shaff, Effectiveness Monitoring Specialist

SUBJECT: Agenda Item G: Livestock Exclusion Effectiveness Monitoring Report
January 16-17, 2008 OWEB Board Meeting

I. Introduction

This report provides an update on the effectiveness monitoring of livestock exclusion projects and the efforts of OWEB and the Washington State Salmon Recovery Funding Board (SRFB) to coordinate on current and future effectiveness monitoring opportunities.

II. Background

Livestock exclusion in riparian areas has been a long standing practice of restoration experts in their attempts to reduce water quality degradation, increase riparian vegetation diversity and structure, increase shade on streams, and reduce disturbances to fish and other wildlife. Riparian livestock exclusion projects are OWEB's second largest category of restoration funding, second only to fish passage projects and totaling over \$20 million in investments over the last 10 years. These project activities also form the backbone of the CREP program in Oregon. Most of the projects fence livestock out of riparian areas so that both stream banks and riparian vegetation can recover, usually naturally, sometimes with additional restoration such as planting projects.

Because of this large investment in riparian livestock exclusion projects, OWEB hired the firm Tetra Tech EC, Inc. (Tetra Tech) in May of 2006, to implement effectiveness monitoring of a portion of OWEB's livestock exclusion restoration projects. By the close of 2006, Tetra Tech completed the baseline monitoring for seven projects located in OWEB's Southwest, Willamette, and Eastern Oregon regions (Regions 2, 3, and 5). Prior to awarding the contract for the second year of monitoring, OWEB staff worked with the SRFB and Tetra Tech staff to plan a coordinated report on the efforts conducted in the two states.

III. Monitoring Results

At the January meeting, Tetra Tech will provide a summary of the early results from the first year of surveys following the implementation of livestock exclusion projects. They will also describe how OWEB and the SRFB have worked together on this project to increase the sample size for analysis and to create one report for both states.

IV. Future Monitoring Coordination

Staff will also discuss the opportunities for future coordination between the states of Washington and Oregon when evaluating the effectiveness of restoration projects. OWEB staff intend to continue to work with the SRFB to evaluate restoration projects jointly and to share information about monitoring efforts to avoid unnecessary duplication and to use limited monitoring dollars effectively.

V. Recommendation

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

January 2007

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360
Salem OR 97301



**WESTWIND
STEWARDSHIP
GROUP**

To: Oregon Watershed Enhancement Board Members and Staff

The Westwind Stewardship Group (WSG) is pleased to be presenting an "update" on the Westwind project to you during your annual meeting in Astoria.

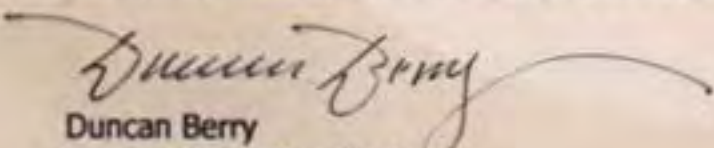
We have had a very productive first year at Westwind starting with successful acquisition of the property's 529 acres on September 1st 2006. This was concurrent with recording of the conservation easement held by OWEB. Many thanks for your in-valuable support!

In 2005 WSG convened an advisory group of leading scientists and stakeholders who completed a WSG Conservation Plan this spring. We have since implemented a number of their priority recommendations. An outline of that plan is enclosed.

Westwind has enjoyed a diverse range of visitors to the site including over 3000 youth from all over Oregon, members of the Siletz and Grande Ronde Tribes and members of the NGO, business, and higher education communities from all over the Northwest.

We are enclosing a group of materials for your review in order to provide general context for the project and our presentation.

We look forward to our time with you in Astoria!


Duncan Berry
Founder/ Vice President
Westwind Stewardship Group

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May 2007

Westwind Site Conservation Plan



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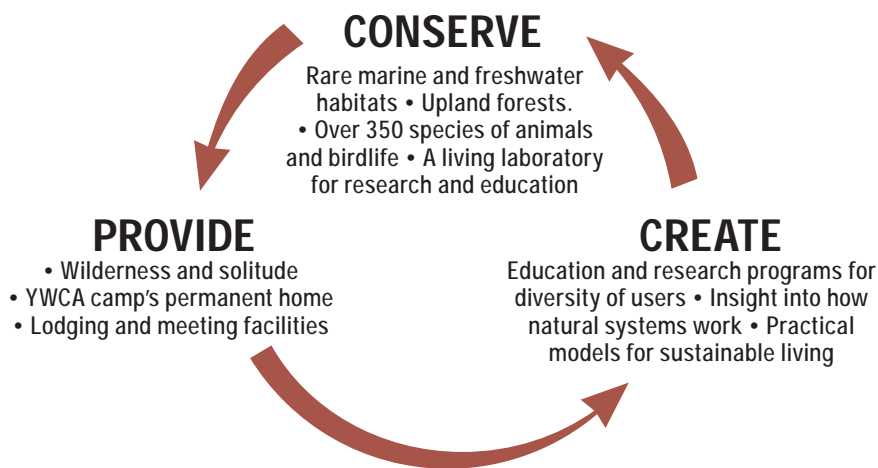
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Project Map -
Westwind's location
on the Oregon coast

WSG Vision and Mission

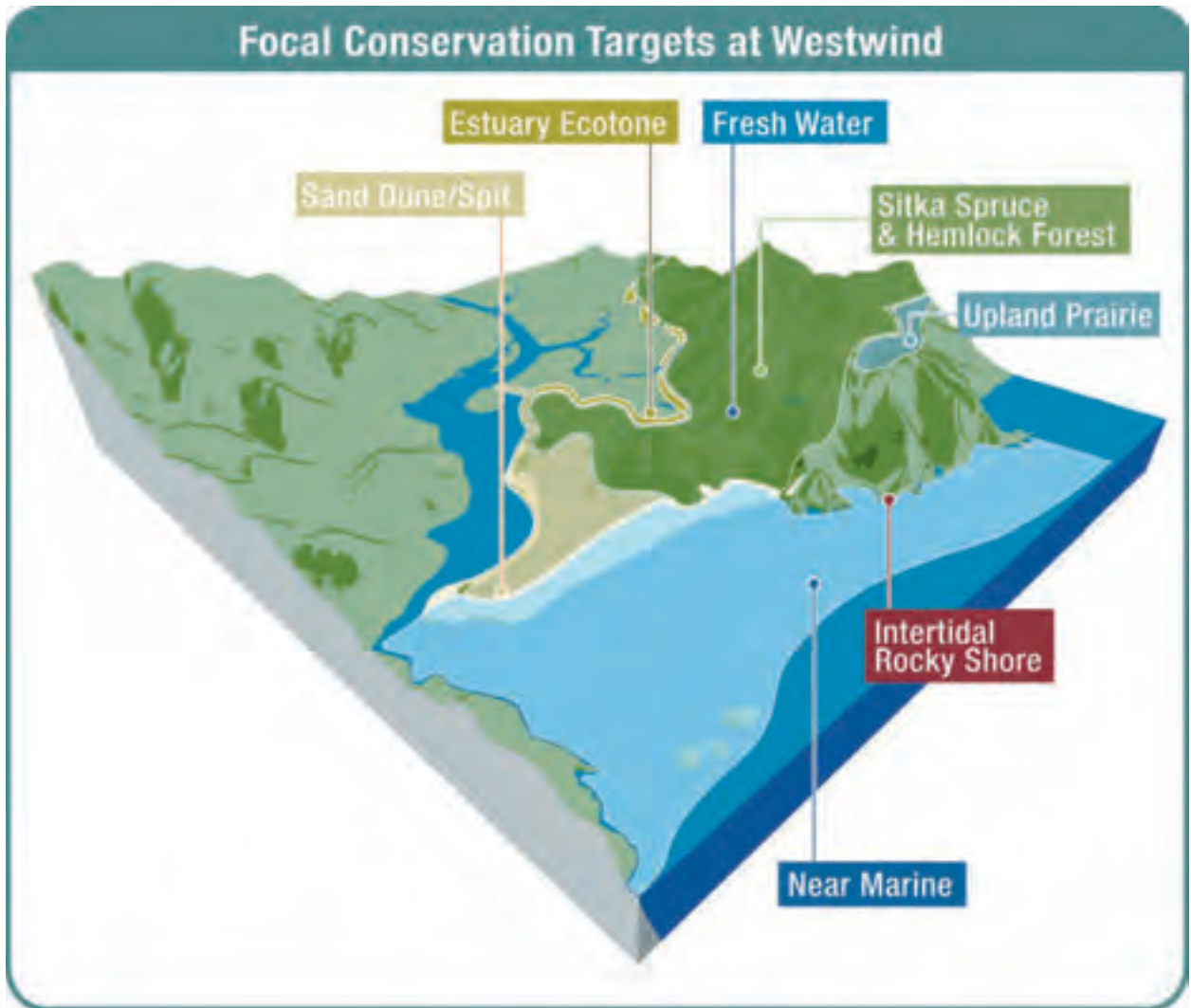


“The purpose of the Westwind Stewardship Group (WSG) is to steward in perpetuity a 529 acre parcel of property commonly known as “Westwind”, situated on the central Oregon coast, at the mouth of the Salmon River, south of Cascade Head.”

“We exist in order to **conserve this ecosystem**, to **create educational experiences** for individuals and groups, and to provide facilities for the 10-week YWCA Summer Camp.”

“Through its site and programs, the WSG shall **provide the context for people to participate in and look deeply at natural systems in operation**, while providing practical ways to create more **balanced and sustainable lifestyles.**”

Focal Conservation Targets Map



Conservation Easement







Oregon

Theodore R. Kulongoski, Governor

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December 21, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item I: Mid-Coast Report Follow-up
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of funding to support mediation and training for watershed councils in the Mid-Coast area.

II. Background

At the May 15-16, 2007, OWEB Board meeting in Salem, the Board heard testimony from a citizen from Newport that included allegations about the Mid-Coast Watershed Council (MCWC) and its watershed council support grant application. The Board Co-Chairs committed OWEB to look into the issues raised and later tasked the Executive Director with conducting an investigation into the allegations. OWEB's Executive Director reported the results of that investigation to the Board Co-Chairs on August 30, 2007. On the basis of the issues investigated, OWEB staff found no conclusive evidence to support the allegations made against the MCWC. The investigation identified a number of areas that could merit further consideration by OWEB. Those recommendations were that:

1. OWEB should review policies and rules applicable to umbrella watershed councils, and evaluate council support application requirements to ensure that OWEB is receiving the necessary documentation.
2. OWEB should explore opportunities to provide training to watershed councils 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 first recommendation is addressed in Agenda Item T, Administrative Rulemaking. The fifth is addressed in this report. Staff are developing implementation plans for the remaining recommendations. Staff will report back on these recommendations over the coming year.

III. Mid-Coast Assistance Proposal

Staff have been pursuing an implementation plan for the fifth recommendation that OWEB consider offering funding to provide mediation or other forms of assistance to the Mid-Coast Watershed Council to improve council and community relationships. Staff, in discussion with the MCWC Coordinator, have identified two forms of assistance that we think could both benefit members of all the watershed councils in the Mid-Coast area and the relationships between councils in the area. Those proposals are described in the following sections.

A. Effective Watershed Council Member Training

The purpose of this assistance would be to improve consensus and decision-making processes and behavior issues, and to clarify council member roles and responsibilities for all members of watershed councils in the Mid-Coast area. This assistance would involve an interagency agreement with Oregon State University Extension Service to provide two training sessions in the area based on existing modules from the Watershed Stewardship Education Program. These trainings may be half day or evening sessions and all council members would be invited to attend one of the trainings. The cost of two trainings is estimated to be \$5,000.

B. Mediated Joint Council Meetings

The purpose of this assistance would be to provide a mediator to conduct joint meetings between the MCWC and Salmon-Drift WC and between the MCWC and the Alsea WC following the training for council members. The goal of this assistance would be to improve relationships between watershed councils in the area, to clarify the roles and responsibilities of each group, to support ongoing efforts, and build partnerships and relationships between the councils. Staff anticipate that this assistance will cost approximately \$15,000.

IV. Recommendation

Staff recommend the Board allocate up to \$20,000 in non-capital funds to support the proposal described in Section III of the staff report and delegate distribution authority to the Executive Director to enter into agreements as necessary to implement this funding allocation.



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December 21, 2007



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects

SUBJECT: **Agenda Item J: Special Investment Partnerships
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report provides an update on Special Investment Partnerships (SIP) development, including the status of the Willamette and Deschutes SIPs, and seeks Board authorization for the Executive Director to negotiate project details and enter into agreements to obligate up to \$4 million in Lottery capital funds this biennium for implementation of the Deschutes SIP.

II. Background

The goal of the Special Investment Partnerships is the same as that of OWEB overall – to help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies. SIP is a tool that OWEB may elect to use in situations where an important and extremely beneficial project (or group of related projects) requires an interaction or funding mechanism different than those provided by OWEB's grant programs.

Partnerships through SIP are defined by these characteristics:

1. **Ecological Significance.** The ecological impact, significance of the issues addressed, and the anticipated outcome(s) are large. Ideally, a Partnership contributes to a historic change or surge of progress in, for example, the recovery of a species, the restoration to self-sustainability of an ecosystem, the restoration to health of a river system or watershed, or the launching of an initiative that addresses widespread issues.
2. **Importance of OWEB's Contribution.** OWEB's contribution will be critical, not only to funding the effort, but also to attracting the other support and catalyzing the action necessary for achievement of the objectives. In particular, a SIP investment will tend to launch important efforts that otherwise have been stalled or delayed.
3. **Robust Partnerships.** SIP investments will be made where other partners, with significant funding or other contributions to offer, are available, interested, and likely to join the effort within a reasonable period of time.

4. **Triple Bottom Line.** Projects implemented by Partnerships will produce ecological, community, and economic outcomes – the “triple bottom line” – through a deliberate effort to produce benefits that sustain themselves over time because they’ve become a part of local custom and culture.
5. **Captures the Imagination/High Visibility.** The scale, importance, and sustainability of a Partnership will attract public attention not only to the work of that one project but also to the importance of watersheds and of watershed enhancement generally.
6. **Ripeness.** To receive a funding allocation from the Board, a Partnership: (a) needs to be ready to form and begin functioning to finalize objectives and a work plan; (b) must have a likely time frame for implementation and completion that is reasonable and fits OWEB’s needs; and (c) must be at the point developmentally where it both needs and can take advantage of the OWEB funding commitment to further the project.

At its September 2007 meeting, the Board reserved up to \$12 million in Lottery capital funds for potential allocation to SIP in this biennium. Up to \$6 million of that was reserved for the Willamette SIP. No specific reservations were made for the remaining \$6 million. Since September, staff and the Board’s SIP Subcommittee have worked closely with the Deschutes SIP partners to develop the details necessary to make that SIP ready for a formal award of OWEB funds by the Board. Simultaneously, staff have worked closely with a number of Willamette SIP partners to move that SIP closer to readiness for a SIP award.

III. SIP Status

Since the September 2007 Board meeting, staff have concentrated on the Deschutes and Willamette SIPs in anticipation of bringing action items for those SIPs to the January and March 2008 Board meetings, respectively. Brief summaries of those two SIPs are below; greater detail is included in Attachments A and D.

Other potential SIPs have also made progress since the September meeting. We now have a draft for the South Coast portion of the Estuarine and Coastal SIP, and conversations with the Mid-Coast and North Coast regions are continuing. Staff have met with the partners on the Rogue Basin WISE – Water for Irrigation, Streams, and Economy – and we’ve collectively advanced the discussion of roles, timing, and other details. Staff anticipate that both of these SIPs will ripen in time to be action items for the Board in the first half of 2008. The Biomass Utilization SIP is presently on simmer, and like a good winter stew, should benefit from the slow preparation and be all the better when finally ready to serve.

A. Deschutes SIP

The central partners in the Deschutes SIP have been developing their needs assessments, project concepts, action plans, and priorities, identifying crucial partners, and implementing restoration projects for a number of years with a view toward general restoration and protection of the basin. Completion of the Mid-Columbia Steelhead Recovery Plan (expected in January), agreement on Pelton-

Round Butte fish passage issues, and the arrival of OWEB's SIP all have served to focus the local partners on a coordinated set of priorities. Intensive discussion over the last four months have brought this SIP to full ripeness.

OWEB's role in the Deschutes SIP is to allocate an amount of funding for the current biennium, describe the appropriate uses for those funds, establish and run a technical review process to certify that projects receiving OWEB funding meet OWEB's technical and fiscal standards, work with the partners to design and implement effectiveness monitoring, execute the necessary contractual agreements, review and respond to payment requests, and review interim and final reports from project managers on project accomplishments.

Attachment A describes the Deschutes SIP in terms of the format established by the September 2007 (and earlier) staff reports. Attachment B shows the list of immediate high priorities agreed upon by the SIP group with funding information. This list includes the projects to which OWEB funds will be allocated in the current biennium and also includes projects that will be highest on the list for any OWEB funding that may be available in the next biennium. Attachment C is a map showing the SIP focus areas in the basin.

B. Willamette SIP

The Willamette SIP has continued to ripen over the past few months, thanks significantly to the Board's reservation of \$6 million at the September 2007 meeting. Detailed conversations are proceeding with a number of partners toward the objective of refining enough project-specific detail so that staff can present the Board with a much clearer description of how the Willamette SIP funds will be spent and for what outcomes. Sufficient detail was not quite ready to support further action on this SIP at the January 2008 Board meeting, but an action item should be ready for the March 2008 meeting. Attachment D provides additional background for future discussion and briefly updates the characteristics of the Willamette SIP.

IV. Recommendation to the Board.

- A. Staff and the SIP Subcommittee recommend that the full Board:
1. Endorse the merit and objectives of the Deschutes SIP contained in Attachment A and the value of likely outcomes.
 2. Allocate to the Deschutes SIP up to \$4 million of capital funds from the \$12 million previously reserved for SIP for the 2007-2009 biennium.
 3. Delegate the distribution authority for the \$4 million to the Executive Director.
 4. Authorize the Executive Director to enter into Deschutes SIP negotiations necessary to:
 - a. Identify which of the high and immediate project priorities are right for OWEB funding.
 - b. Certify that these projects are technically sound.

- c. Identify which activities and line item expenses for each project are appropriate for OWEB funding.
 - d. Identify any special conditions that should apply to the OWEB funding.
 - e. Enter into grant agreements with the appropriate implementing partners.
- B. Staff also recommend that the Board place these conditions on the Deschutes SIP funding allocation:
- 1. The central partners must sign a Partnership Agreement by March 1, 2008, and before project implementation agreements are signed.
 - 2. Any projects and actions in the implementation work plan for which OWEB funds will be used will be subject to detailed scrutiny and approval by a technical review process designated by OWEB.
 - 3. Implementation must proceed in a timely manner. If the entire \$4 million is not committed by September 1, 2008, the Board reserves the right to redirect the unallocated amount for other uses.
 - 4. Irrigation efficiency improvement projects may use OWEB SIP funds only if they produce legally protected instream flows.
 - 5. OWEB SIP funds may be used for acquisition of conservation easements or title to land and water only if OWEB's standard acquisition program criteria and due diligence requirements have been satisfied.

Attachments

- A. Deschutes SIP Summary
- B. Deschutes SIP Immediate Priorities
- C. Deschutes SIP map
- D. Willamette SIP Summary

Deschutes Special Investment Partnership Summary

1. Measurable Ecological Outcomes

The Deschutes SIP will contribute to re-establishment of anadromous fish runs and to enhancement of resident fish populations in the main stem and in tributary streams on both the eastside and the westside of the Deschutes, including the Crooked River Subbasin. Historic anadromous fish populations were eliminated by a number of factors, chief among them being construction of a series of dams and reservoirs, with Pelton and Round Butte Dams (1964) being the lowest of the passage barriers on the Deschutes River itself.

The SIP is comprised of a long list of site-specific projects (see Attachment A). Each of these projects has one or more specific and quantifiable objectives relating to passage barrier removal, aquatic or riparian habitat restoration, or in-stream flow enhancement. In some cases this may involve the acquisition of conservation easements or title to land or water. The ultimate measure of success will be the reintroduction of vigorous and self-sustaining anadromous fish populations in as much of their historic range as is feasible. As this will be affected by many factors beyond the SIP, the effectiveness of SIP projects will be evaluated also on a project-by-project basis comparing the objectives and outcomes of those projects. For example, successful removal of a passage barrier should be indicated by the presence of anadromous fish in the system above where that barrier had been.

2. Impact of the SIP Investment

The Deschutes partners have been active for some time in developing and implementing projects related to habitat restoration, flow enhancement, passage barrier removal, irrigation intake screening, and other projects supportive of anadromous fish reintroduction. However, OWEB's investigation of a Deschutes SIP has convened the central partners in an accelerated process of refining and finalizing a list of high and immediate priority projects. Also, the SIP will provide important leveraging funds for other funding sources, including the Portland General Electric (PGE) and Warm Springs Tribes' Pelton Fund, and will allow the funds from all available sources to stretch further and for implementation of critical reintroduction projects to move forward more quickly and at a better and more coordinated strategic pace. The SIP commitment will be further evidence to potential federal funding sources that the Deschutes anadromous fish reintroduction project has enthusiastic local and state support. Federal funds are being actively sought now by community leaders and elected officials, and the SIP commitment will provide them with another tool to use in their quest.

3. Partners

The central partners along with OWEB are the Upper Deschutes Watershed Council, the Deschutes Basin Land Trust, the Crooked River Watershed Council, the Deschutes River Conservancy, the Confederated Tribes of Warm Springs, PGE, National Marine Fisheries Service (NMFS), and Oregon Department of Fish and Wildlife (ODFW). The central partners have been in communication with other interested parties in the affected areas of the basin, including the soil and water conservation districts (SWCDs), which are represented on the boards of the watershed councils.

The Upper Deschutes Watershed Council, Deschutes Basin Land Trust, Crooked River Watershed Council, and Deschutes River Conservancy produced the "Habitat Restoration Plan

for Whychus Creek, Lake Creek, and the Crooked River.” This plan is the basis for the list of high and immediate priority site-specific projects identified for utilization of SIP funding starting this biennium. All partners will contribute design, technical assistance funding, project management, and effectiveness monitoring in differing degrees and combinations, depending on the particular project. PGE is providing very significant funding through its Pelton Fund grants, which has the same objectives as the Deschutes SIP, and which has moved out ahead of SIP by offering funding in November 2007 for a number of the projects on the high priority list.

OWEB’s role is to allocate an amount of funding for the current biennium, describe the appropriate uses for those funds, establish and run a technical review process to certify that projects receiving OWEB funding meet OWEB’s technical and fiscal standards, work with the partners to design and implement effectiveness monitoring, execute the necessary contractual agreements, review and respond to payment requests, and review interim and final reports from project managers on project accomplishments.

A similar list of specific roles and responsibilities will be developed for each of the other central partners and will be cited in the Partnership Agreement.

4. Sustainability

The scale and importance of the Deschutes anadromous fish reintroduction effort already has attracted strong support and involvement from affected local communities throughout the Basin. The reintroduction is driven by a strong stewardship ethic modeled by the Confederated Tribes of Warm Springs and by the rest of the SIP partners. It also is fueled by the Mid-Columbia Steelhead Recovery Plan, which is expected to be complete in January 2008. Part of the SIP will involve irrigation efficiency improvements for the sake of enhancing in-stream flows, and these efficiency improvements have been whole-heartedly embraced by the local irrigation districts and their customers, who will contribute very significant match toward the improvements. The large amount of federal funding necessary to ultimately complete these flow enhancement projects is much more likely as a result of the SIP funding commitment. The restoration necessary for anadromous fish reintroduction will also enhance all other local fisheries and recreational uses of the river (along with the associated economic activities) and thus has broad community support.

5. Implementation Activities

The partnership has identified a long list of activities critical to reintroduction of anadromous fish. A list of the 25 projects, deemed the highest and most immediate priorities, is attached (Attachment B). The technical design of these projects has already advanced to the point where implementation costs and time lines can be estimated, where the viability of the methods is established, and where support for the projects is certain. In general, projects will be undertaken in order of importance and ripeness. However, each project has its own intrinsic implementation trajectory, and factors external to the SIP will affect when projects can begin and how long they will take to complete. Many of the projects can begin implementation this biennium, but will not be complete by June 30, 2009. See #8 below for a discussion of the partnership’s prioritization criteria.

6. Ripeness and Timing

The effort to reintroduce anadromous fish into the Deschutes system above the dams is well established, as are parallel efforts to restore habitat and stream flows throughout the basin. Individual projects have moved forward steadily for over a decade. What is needed now is the infusion of funding sufficient to boost the momentum of project implementation to a new level that will more forcefully capture the public's attention and imagination. Also, the start-up of the Pelton Fund grant program creates a separate source of significant funds and, provides an ideal source for leveraging OWEB investments. Working in concert, each funding source can optimize the effectiveness of the other, as well as serve as a magnet for other funds, including the federal funds that will be necessary to complete the full range of reintroduction and restoration projects.

7. Costs

The total implementation costs for the 25 listed high priority projects is about \$22 million. For each of those 25 projects a desirable OWEB SIP funding amount has been estimated. Likely match amounts (meaning secured or 90 percent certain) also have been identified. The desirable OWEB SIP contribution for these projects totals about \$9 million. The likely match totals \$7.8 million so far, with at least an additional \$5.2 million in match yet to be found to fully implement all the projects. If secured, the total match for the desired OWEB contribution would be almost 150 percent. The local partners understand that the OWEB staff's recommended SIP award for the present biennium is less than half of the OWEB contribution desired for all 25 projects. OWEB understands that projects will proceed to implementation only as quickly as full funding can be found. All partners understand that fewer than half of the high priority 25 projects – perhaps eight to 10 – can proceed to implementation before June 30, 2009.

Unit-costs and line-item budget amounts (particularly those associated with the use of OWEB's funds) will be scrutinized by the technical review process set up by OWEB.

8. Deschutes SIP Prioritization Criteria

The following criteria are listed in order of importance, but no exact value has been assigned to each one:

- a. Ecological significance: Projects that are particularly critical for successful reintroduction of anadromous fish; a high likelihood that an anadromous fish will "feel" the project.
- b. Strategic significance: Projects that should happen sooner rather than later in the reintroduction process.
- c. Technical merit: Projects must have reliable implementers who will use sound methods to produce a proper result within a reasonable budget and time frame.
- d. Ripeness: Projects must be ready to begin implementation before July 2009.
- e. Leverage: Projects with other funding support secured and with match amounts significantly greater than 25% should have priority.
- f. Balance: Consideration should be given to distributing funding geographically and between partners and activity types (e.g. habitat restoration or protection, passage barrier removal, in-stream flow enhancement).

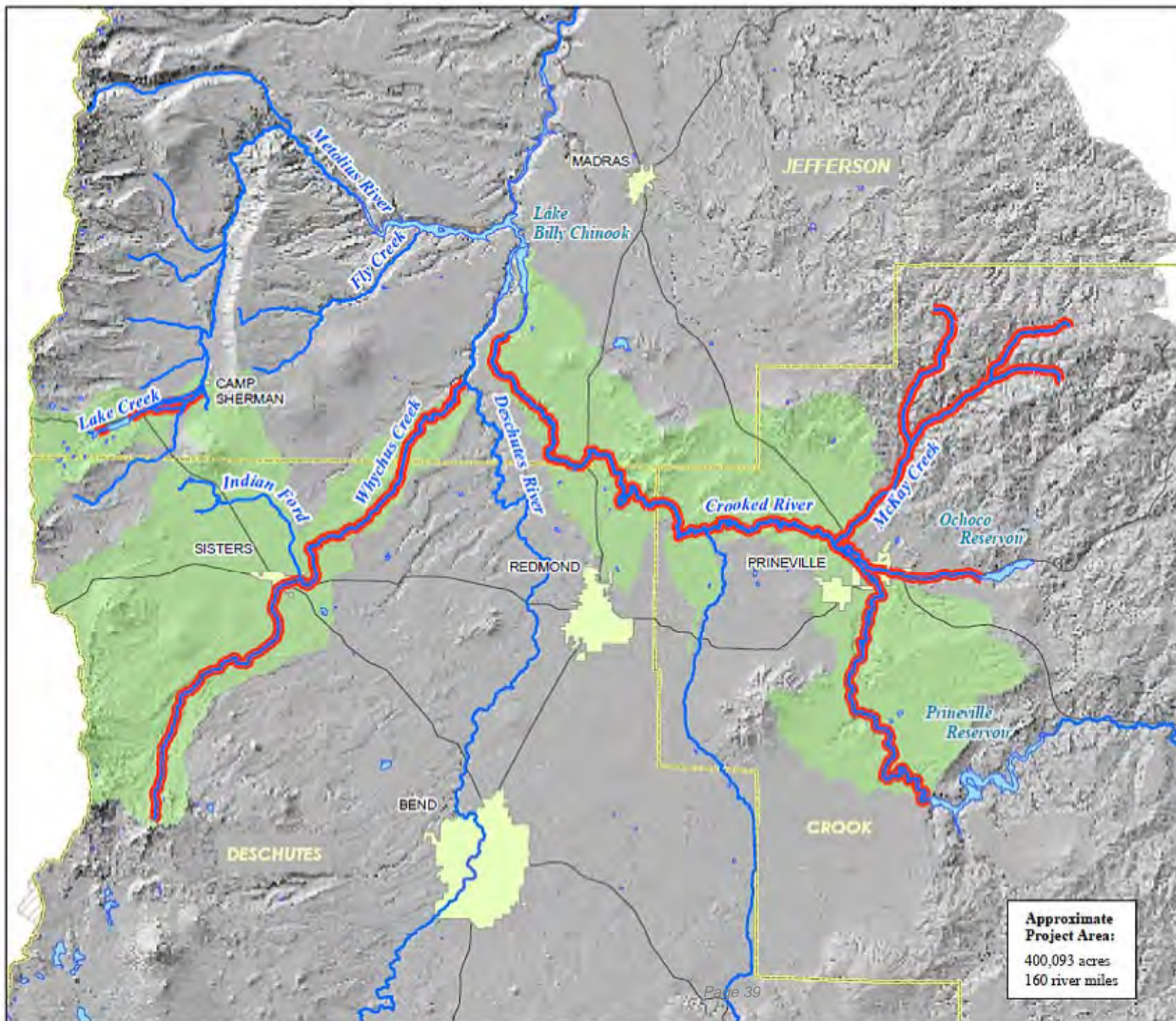
A metric for scoring projects has yet to be necessary. The partners screened projects first by their ecological significance. Those that “made the cut” were then screened by the next criteria, and so on down the list. By this means the partners have arrived at a consensus list of high priorities that extends beyond the likely SIP allocation for the current biennium. The least certain factor is “ripeness,” particularly with regard to funding from other partners, landowner willingness to proceed, and obtaining necessary permits. For this reason it is understood that some of the projects ranked as higher priorities may be implemented later than projects lower on the list. However, all of the first 25 projects on the list are deemed to be such immediate priorities that implementation of any of them will move the anadromous fisheries reintroduction forward in important ways.

Deschutes Special Investment Partnership Immediate Priorities

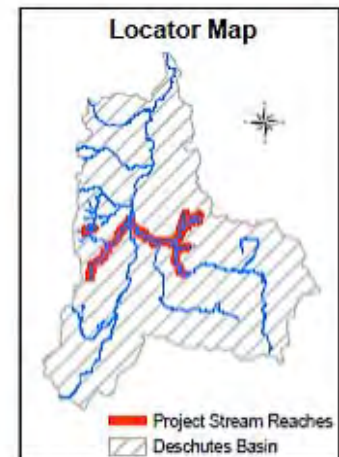
Name / Location	Lead Organization	Summary	Key Partners	Relevance to Criteria
Whychus Creek & Lake Creek				
Habitat Restoration				
Camp Polk Stream Restoration	UDWC	The project includes 1.7 miles of stream channel restoration at the Camp Polk Meadow Preserve to benefit spawning and rearing for resident and anadromous fish. It includes >200,000 native plants, >30 acres wetlands created, and an increase of 0.5 miles of channel length.	DBLT, DRC, USFS, ODFW, USFWS, Wolfree, TNC, OSU, U of O	The project is 'ready to go', with strong partnerships, excellent match funding and high ecological significance. This is currently the flagship habitat restoration project for the watershed.
Rimrock Ranch Stream Restoration	UDWC	The project will focus on 2 miles of stream channel restoration to improve spawning and rearing habitat for resident and anadromous fish. It will include >100,000 native plants, 25 acres wetlands created and 0.25 mile of new channel created.	DBLT, DRC, USFS, BLM, ODFW, USFWS, Wolfree, TNC, OSU	The project is currently in design, with completion expected Spring 2008 and implementation to begin in early 2009. It has strong partnerships, good match funding, and high ecological significance.
City of Sisters Stream Restoration	UDWC	The project will restore ~1.0 mile of stream channel to improve spawning and rearing habitat for resident and anadromous fish within the City of Sisters UGB. The project will result in Whychus Creek being restored throughout the urban area, resulting in significant benefits to steelhead, redband trout, riparian condition and water quality.	City of Sisters, Landowners, ODFW	The project focuses on one of the critical issues in Sisters - i.e., the urban impacts to the stream. A comprehensive restoration design will catalyze many key projects, with strong public involvement, excellent match funding and important ecological benefits.
Public Land Riparian (near Sisters)	UDWC	The project includes restoration of at least 6 sites (near TSID diversion, Sokol Property, Rd 1605) along Whychus Creek near Sisters. Restoration involves student-run planting and riparian area protection.	USFS, Wolfree, Oregon Trout	Projects are 'ready to go' with students, teachers, Forest Service and other partners standing by. Each project results in incrementally improved riparian habitat upstream of Sisters.
SF Lake Creek Culvert Removal	UDWC	The project focuses on removal of a culvert and obliteration of road to enhance migration and spawning in Lake Creek for chinook, sockeye, bull trout and redband trout. Culvert removal eliminates a significant erosion hazard and creates improved floodplain access for Lake Creek.	DBLT, USFS	The project helps restore an important reach of Lake Creek to benefit resident and anadromous fish. There are excellent partnerships in place and the project represents a 'win-win' for those involved.
Fish Passage / Screening				
Private diversions / passage	UDWC	The project involves developing and implementation fish passage solutions for 6 private diversions on Whychus Creek and Lake Creek.	OWRD, DRC, ODFW, NOAA, USFWS, Landowners	There is already excellent match funding, strong partnerships and a real need to address these problems. Screening and passage are critical to making the reintroduction efforts successful.
TSID Diversion	UDWC	The project includes comprehensive fish passage, screening and channel restoration for the TSID diversion. This diversion is currently on ODFW's 'Top 10' list of diversions in the state to be retrofitted. Improvements will open more than 15 miles of habitat.	TSID, USFS, ODFW, USFWS, NOAA	The project addresses the largest diversion in the watershed. Match funding is in place, there are strong partnerships and the team is ready to start the project.
Flow Restoration				
McKenzie Conservation	DRC	This canal piping project will permanently restore and legally protect 2.4 cfs instream to be held in trust by the State of Oregon.	TSID, OWRD, Landowners	All of the instream flow restoration projects provide critically needed permanent flow restoration. They have strong leverage, excellent partnerships and a track record of success.
Whychus Transfers	DRC	The project will permanently acquire and legally protect 64 acres of water rights, resulting in 2 cfs permanently instream to be held in trust by the State of Oregon.	TSID, City of Sisters, Landowners, OWRD	[see comments above]
TSID Main Canal	DRC	The project includes piping the main canal to restore 6 cfs permanently instream to be held in trust by the State of Oregon.	TSID, USFS, OWRD, Landowners	[see comments above]
Land Conservation				
Whychus Creek Acquisition #1	DBLT	The project will protect 0.75 miles of priority floodplain and provide an opportunity for comprehensive restoration by the UDWC.	UDWC	The site has high ecological significance/potential and is adjacent to another protected reach.
Whychus Creek Acquisition #2	DBLT	The project will protect 1.75 miles of quality stream habitat (both sides of creek) and outstanding uplands. Public access will be included.	TPL, BLM	This project will protect almost 2 miles of stream (both sides) and provide public access to the creek. There is excellent match funding and strong partnerships.
Spring Creek Conservation Easement	DBLT	The project protects critical spring chinook spawning area in Metolius subbasin.	UDWC, ODFW	Studies show lower Lake Creek contains the most productive spring chinook rearing habitat in the Metolius subbasin. This project will protect an undeveloped property with significant stream frontage.
Lake Creek Conservation Easement	DBLT	Protects .5 miles of undeveloped stream habitat on Lake Creek, provides for UDWC enhancement	UDWC	This project will protect nearly all the undeveloped acreage on Spring Creek, an important spring chinook stream.

Name / Location	Lead Organization	Summary	Key Partners	Relevance to Criteria
Lower Crooked River & McKay Creek				
Habitat Restoration				
Lower Crooked River - City of Prineville Restoration	CRWC	This project will improve habitat on 3 miles of the Lower Crooked River through the City of Prineville Urban Growth Boundary. The project will involve removing or lowering levees, constructing off-channel habitat for fish rearing and flood refugia, bank stabilization to reduce erosion, and riparian afforestation.	Crook County Parks and Recreation District, City of Prineville, Mayberry Development, USFWS	This is a high profile project with strong partnerships, good ecological benefits and excellent leverage.
Middle McKay (McKay Creek Bridge to Allen Creek)	CRWC	This project will restore floodplain connectivity and instream habitat structure, and conduct riparian afforestation between the McKay Creek Road Bridge and Allen Creek. The project will provide rearing and spawning habitat for anadromous and resident fish in a reach of permanently restored streamflow. The project will also overlap with a conservation easement being pursued by the Deschutes Basin Land Trust.	Landowners (Santucci, Dill, Seamus, Parga), DRC, USFWS, DBLT	There is strong synergy between this project and others (flow restoration, land conservation). It has high ecological significance and great leverage.
Lower Crooked River - Prineville Valley Restoration	CRWC	This project will promote strategic reach level restoration for the approximately 16 mile reach (including Butler Ranch, Alves Ranch, Estridge Ranch, and Tognoli Ranch) between the City of Prineville urban growth boundary and the Lone Pine Bridge. A design must first be completed by the SIP partnership.	12 private landowners, NRCS, ODFW, USFWS	This is a critical step toward large scale restoration on the Crooked River. Given the scope of the restoration need, this design phase is a wise investment. There are excellent partnerships and good leverage.
Fish Passage / Screening				
Opal Springs Passage and Screening	CRWC	The Opal Springs Dam is a 25 foot fish passage barrier at river mile 1 on the Crooked River. The barrier blocks upstream migration to the 132 miles of upstream habitat on the Crooked River. Designs for a fish ladder to provide passage over the dam have already been completed, and studies of the effects on downstream passage have shown downstream passage mortality to be minimal.	Deschutes Valley Water District, USFWS, ODFW, CTWS, BOR, SWCD	The project provides critically important passage into the Crooked River. It is fundamental to successful reintroduction and well supported by local partners.
NUID Pump Screening	CRWC	This project will reconfigure NUID's Crooked River Pump Station to minimize entrapment or injury to fish and to allow NUID to return up to 75 cfs in-stream to a critical low water reach. The project will facilitate anadromous migration from the lower canyons of the Crooked River to spawning habitat upstream.	North Unit Irrigation District, Pelton Fund, ODFW	The project provides important protecting for migrating fish low in the Crooked River system. There are excellent partnerships, existing match, and the project is "ready to go".
Crooked River Central Irrigation District Passage	CRWC	This project will replace the existing dam with an inflatable Obermeyer weir and a pool and chute fishway. The project will provide permanent up and downstream passage for migrating anadromous and resident fish, opening approximately 43 miles of habitat.	Crooked River Central Irrigation Owners, Pelton Fund, ODFW, BOR, USFWS, PGE	The project protects fish while retaining irrigation capacity - there is strong ecological significance as the project will open passage to McKay Creek, Ochoco Creek, and the Bowman Tailrace of the Crooked River. There is good leverage and excellent partnerships in place.
People's Irrigation District Passage	CRWC	This project will construct a natural fishway over the 7 foot concrete dam and install fish screens. The project will provide permanent up and downstream fish passage for migrating anadromous and resident fish, and reduce entrainment in the People's canal. The project will open approximately 7 miles of habitat.	People's Irrigation District Owners, Pelton Fund, NRCS, USFWS, ODFW	The project protects fish while retaining irrigation capacity - the natural fishway design will improve existing rearing habitat while simultaneously providing passage. There is strong ecological significance, good leverage, and excellent partnerships in place.
Stearns Dam Removal Project	CRWC	This project will provide passage into the Bowman Tailrace fishery - a fishery renowned for its excellent habitat and productivity. The project make the existing 5 foot structure passable to up and downstream migrating fish, opening approximately 13 miles of habitat.	Owners, BLM, Pelton Fund, ODFW	The project will play an important part of successful steelhead reintroduction in the lower Crooked River. Match funding is in place, NEPA is close to completion, and the partnership is ready to move forward.
McKay Private Diversions & Passage Projects	CRWC	Four diversion structures on McKay Creek are no longer used or will no longer be needed after the DRC completes the McKay Creek Water Rights Switch Project. This project will work with four landowners to either remove the diversions entirely or construct a series of engineered pools to proved passage over the diversion.	Landowners, DRC, USFWS	The projects are an important part of steelhead reintroduction on McKay Creek. They have excellent leverage and strong partnerships.
Flow Restoration				
McKay Creek Exchange	DRC	The project will use an innovated exchange of water rights to permanently restore and legally protect up to 7 cfs instream in McKay Creek	Ochoco Irrigation District, Landowners, CRWC, OWRD, NRCS, DBLT	The project addresses flow restoration, one of the most important issues in McKay Creek. It is innovative, ecologically important and well supported.
NUID Canal Lining	DRC	This irrigation conservation project will annually restore and legally protect up to 14.5 cfs instream in the Crooked River.	North Unit Irrigation District, Pelton Fund, OWRD	The project will result in a significant instream flow benefit. There are excellent partners, leverage and ecological benefits.
Land Conservation				
McKay Creek Conservation Easement #1	DBLT	This permanent conservation easement will protect 1.5 miles of priority McKay habitat and provide opportunities for habitat restoration by the CRWC.	CRWC, DRC	McKay Creek, the top priority stream for steelhead reintroduction, is threatened by rapid development. This project will reverse the parcelization trend by combining two large properties into one ownership. Strong partnership component.
McKay Creek Conservation Easement #2	DBLT	This permanent conservation easement will protect 1.5 miles of priority McKay habitat and provide opportunities for habitat restoration by the CRWC.	CRWC, DRC	Protects a key reach of McKay Creek from possible destination resort development. Strong potential for restoring instream flow as part of the project.

Upper Deschutes Project Area



- █ Project Stream Reaches
- █ Target Watersheds
- █ Streams
- █ Lakes
- Highway
- County Boundary
- City Boundary
- Deschutes Basin



Approximate Project Area:
 400,093 acres
 160 river miles

Willamette Special Investment Partnership (SIP) Summary

1. Measurable Ecological Outcomes

The main objectives of the SIP are to (a) re-establish channel complexity and (b) re-connect flood plains in the historic meander corridor of the Willamette main stem and the major tributaries. These objectives will restore aquatic and riparian habitats for a wide variety of species, and also will contribute significantly to restoration of river processes that contribute to good water quality. SIP partners who share OWEB's objectives may also have other objectives of their own in the Willamette. One foundation of the SIP partnership is that all partners will do what they can to mutually support one another's objectives, with particular emphasis on the areas of overlap. One example – and a principal objective of two central partners in the SIP, the Oregon Parks and Recreation Department (OPRD) and Congresswoman Darlene Hooley (through her Willamette River United Act, H.R. 3574) – is public access to the river for aesthetic and recreational purposes. These objectives are readily supported by the projects necessary to achieve OWEB's SIP objectives.

Objectives for various reaches of the river and for each project within a reach will be developed in terms of specific benefits to:

- a. Fish and Wildlife habitat: Quantity and type of habitat, species affected, types and amounts of improvements.
- b. Water quality: Types and amounts of water quality increase or pollution reduction, and beneficial uses supported.
- c. Recreation: Types and amounts of public access and recreation opportunities.
- d. Private sector: Benefits to landowners, business and industry – e.g. an avenue to “green” labeling and recognition; a way to make farming on marginal, flood-prone or high maintenance lands more viable; an alternative to expensive bank stabilization; a way to address Total Maximum Daily Load (TMDL) and Endangered Species Act (ESA) compliance; tax reduction opportunities.
- e. Public sector: Benefits to public program objectives (e.g. parks and recreation, fishing and hunting, management of state lands, achievement of TMDLs and Recovery Plans).
- f. Local communities: Benefits to education, recreation, open space, wastewater treatment, capacity of local stewardship organizations [e.g. watershed councils, soil and water conservation districts (SWCDs)].

The Willamette Basin has many important ecological and watershed needs beyond OWEB's SIP objectives. Those other needs may still be addressed through OWEB's regular grant program.

2. Impact of the SIP Investment

OWEB has assumed a leadership role in convening and guiding the central partnership toward re-establishment of channel complexity and flood plain connection. Many important details are yet to be worked out, but OWEB's \$6 million funding reservation has underscored that progress is possible and has encouraged our partners to invest time in SIP project development that likely would not otherwise have occurred. We know that OWEB's funding reservation is an important tool for Congresswoman Hooley as she advocates in Congress for her Willamette River United

Act. We now regularly hear our SIP partners talking in terms of a “30- to 50-year” effort to restore Willamette River hydrologic complexity and functioning.

3. Partners

The list of SIP partners in the Willamette is long and diverse. Any watershed council, SWCD, land trust, unit of government, or other entity is welcome to participate in this activity if they are willing and able. OWEB has been talking with the Oregon Department of State Lands (DSL), OPRD, Metro, the cities of Portland, Eugene, and Springfield, and several land trusts to identify "early action" project implementation opportunities. We also have been talking with several other funding sources to explore and promote contributions from them. Finally, the willing participation of private landowners will be crucial to the success of the Willamette SIP.

Recognizing that the conversation with these folks is extremely sensitive, OWEB now is crafting an approach based on individualized contacts, one landowner at a time, as the opportunity presents itself, and often carried out by a non-governmental organization.

4. Sustainability

The Willamette SIP development and implementation is:

- a. Cooperative.
- b. Incentive-based.
- c. Science-based.

Partnerships of public and private organizations and landowners will be formed or expanded at the local and regional level to design, fund, and implement projects. The Willamette SIP combines ecological restoration with expanded public access to and involvement with the river, enhancing the likelihood that residents will strongly identify with the SIP’s bottom land restoration objectives and projects. OWEB will convene limited conversations among its SIP partners as necessary to move the SIP forward. Other, broader conversations and coordinating functions may be important to overall stewardship of the basin, but may need to be convened by other partners.

5. Implementation Activities

- a. Lengthening and “roughening” the shore line through restoration of old channels and construction of alcoves.
- b. Reconnection of river channels to adjacent flood plains.
- c. Restoration of hydrologic processes that optimize water quality.
- d. Creation or expansion of opportunities for public access to the river area for a variety of recreational uses.
- e. Acquisition of title or easements from willing sellers for fair market value.
- f. Restoration and protection, consistent with natural hydrologic processes, of aquatic, riparian, and wetland habitats for all native species and particularly for listed or at-risk species.

Work will focus initially on:

- a. Publicly owned lands, and state owned lands in particular.
- b. Pre-existing but not yet implemented project concepts that fit the SIP goals.
- c. Areas of highest opportunity and lowest constraint.

6. Ripeness and Timing

OWEB has been exploring “early action” opportunities with DSL, OPRD, Metro, Portland, Eugene, Springfield, and several land trusts. A sufficient number of these exist for us to move ahead with allocating the \$6 million reserved by the Board from this biennium's funding. Details of these projects are now being written up. OWEB staff will ask the Board at its March 2008 meeting to authorize staff to obligate the funds. We expect that contracts will be signed in the early spring of 2008, with implementation on some projects starting immediately thereafter.

7. Costs

A preliminary and informal inventory of ripe projects shows that OWEB’s entire reservation of \$6 million could be dedicated to projects within a few months of authorization from the Board. A more detailed breakout of costs and SIP allocations by project is now being developed and will be presented to the Board at the March meeting.



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December 21, 2007



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item L: Award Adjustments
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report seeks Board authorization to amend OWEB grant #206-293, Tenmile Lakes Watershed Fish Passage and Sediment Abatement Phase III, and #208-8008, Development of Physiological Health Criteria to Assess Habitat Quality in Degraded and Recovering/Restored Stream Systems, and to replace capital funds with non-capital funds for each award.

II. Background

Capital funds may only be used for project elements that meet the definition in statute. Staff typically identify potential non-capital expenses in budget proposals prior to the Board approval of a grant or award. For example, in response to advice from legal counsel, OWEB uses non-capital funds for the education and outreach elements of capital-funded restoration projects. Non-capital costs such as this are identified in the tables attached to each grant staff report.

III. Restoration Award #206-293

The Tenmile Lakes Basin Partnership submitted an application in October of 2005 for a project that proposed to correct 12 stream crossings and improve anadromous and resident fish access to approximately 23 miles of spawning and rearing habitats. During the staff review of this application, a budget element of \$3,600 for office space and related expenses was overlooked. These costs would normally be recommended for funding with non-capital funds. Staff failed to identify these funds as non-capital expenditures at the time of Board action in March of 2006. Staff request the Board replace \$3,600 of capital funds with non-capital funds for this budget element of grant #206-293 as shown in the table below. The total award of \$320,071 remains unchanged. This replacement represents a no-cost adjustment of the budget.

Application Number: 206-293
Project Name: Tenmile Lakes Watershed Fish Passage and Sediment Abatement
Phase III
Region Region 2

	Capital	Non-Capital	Total
March 2006 Award	\$318,577	\$1,494	\$320,071
REVISED ALLOCATION	\$314,977	\$5,094	\$320,071

IV. Research Award #208-8008

In September of 2007, the Board allocated \$240,000 to the research project (#208-8008) designed to investigate the physiological relationships in fish as they are affected by the stream environment. As with all of the research grants, the award was split into capital and non-capital eligible expenditures. The Board award for this project was split into \$235,500 of capital funds and \$4,500 of non-capital funds.

The tuition for a graduate student was misplaced into the capital funding category prior to the September 2007 Board action. Tuition is not eligible for capital funds; therefore \$36,856 of non-capital funds is needed to pay for this budget item. Replacing \$36,856 of capital research funds with non-capital research funds for this project will result in an additional \$36,856 made available to the research capital budget for future awards. The research non-capital budget will be reduced by the same amount.

Application Number: 208-8008
Project Name: Development of Physiological Health Criteria to Assess Habitat Quality in Degraded and Recovering/Restored Stream Systems
Region Region 5
Category of Research: Indicator of Conditions

	Capital	Non-Capital	Total
September 2007 Award	\$235,500	\$4,500	\$240,000
REVISED ALLOCATION	\$198,644	\$41,356	\$240,000

V. Recommendation

Staff recommend that the Board:

- A. Amend grant #206-293 and authorize the replacement of \$3,600 in capital funds with non-capital funds.
- B. Amend #208-8008 and authorize the replacement of \$36,856 in research capital funds with research non-capital funds.



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December 21, 2007



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item M: 2009 Legislative Concepts
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report briefs the Board on the process to develop proposals for the 2009 legislative session and seeks Board discussion of potential draft legislative concepts.

II. Background

State agency legislative concepts are submitted to the Legislature by the Governor after a nearly nine month development and review process. Legislative concepts are first submitted by agencies to the Department of Administrative Services (DAS). Once approved by DAS, legislative concepts are sent to Legislative Counsel for drafting prior to pre-session filing by the Governor. The table below shows the key deadlines for development of agency legislative concepts for the 2009 session.

March 19-20, 2008	Final Board review of proposed concepts.
April 4, 2008 – 5:00 PM	Last day to submit concepts to DAS.
June 2, 2008 – 5:00 PM	Last day for DAS to submit concepts to Legislative Counsel.
December 1, 2008 – 5:00 PM	Legislative Counsel stops work on agency drafts.
December 15, 2008 – 5:00 PM	Deadline for Governor to pre-session file agency bills.
January 12, 2009	Session begins.

Concurrently, staff will be preparing the agency's budget proposals, which also will be submitted to the Governor and DAS for possible inclusion in the Governor's Recommended Budget for the 2009-2011 biennium. Staff anticipate bringing draft budget packages to the Board at the March and May 2008 Board meetings prior to the anticipated July 1, 2008 deadline for agency requests.

III. Draft Legislative Concepts

To date, staff have developed the following two proposed legislative concepts for Board consideration and discussion.

A. Landscape Contractor Exemption

This draft concept would add an exception to the landscape contractors licensing requirements for watershed councils and other eligible grant recipients who are performing landscaping work as part of an OWEB-funded restoration grant. This addition makes the landscape contractors statutes consistent with the Oregon Plan for Salmon and Watersheds goals outlined in ORS 541.405.

“Landscape contractor” is defined in ORS 671.520 as including any person who for potential or actual compensation performs or supervises the planting or installation of trees or nursery stock. As described in ORS 671.530(1), a person may not operate as a landscape contractor without a license. The statute also lists a number of exceptions to the licensing requirement (ORS 671.540); but for federal and state agencies, or any political subdivision, only planting on public property is currently exempt.

This issue has come to staff’s attention over the past year and may be resolvable in other ways. It is our understanding that it is not the intent of the Landscape Contractors Board to require licensing for riparian restoration work. We propose an addition to ORS 671.540 that would allow watershed councils, SWCDs, and other eligible grantees to implement riparian restoration funded by OWEB without being subject to the landscape contractors licensing requirements. OWEB is working with the Landscape Contractors Board on this concept. OWEB will seek support from stakeholders and grant recipients who benefit from this proposal.

B. Multiple Projects and Permit Requirements

This proposed concept would clarify that funding for a specific activity could be released when all the required permits for that specific activity are submitted to OWEB, regardless of whether permits are needed for other activities funded in the proposed project through a single grant application. OWEB’s statutes contained in ORS 541.351 to 541.415 use the term “project” in a way that implies that applicants only apply to OWEB for funding of a single activity on one specific site. In the past few years, OWEB has seen an increase in the number of grant applications that propose multiple distinct restoration activities, often involving multiple landowners and properties.

The interpretation of a project equaling a single grant application means that under ORS 541.375(10), all permits for all project activities funded in a single application (a “project”) must be obtained before OWEB can release any money. For example, if an application has proposed a riparian planting on Smith’s property and channel reconstruction on Jones’ property, the grant recipient cannot either begin, or be paid for, the Smith planting until all permits have been obtained for the restoration activities on the Jones property. OWEB has attempted to address this issue by dividing these grant applications into multiple agreements, but that defeats the purpose for the applicant to submit a single application in the first place, namely efficiencies gained through consolidated grant management.

The intent of this proposed concept is to maintain the policy of not paying for activities without documentation that permits have been issued, while giving OWEB the flexibility to more effectively administer complex restoration applications.

IV. Recommendation

Board action is not requested at this time. Staff will further develop the two legislative concepts identified in this report. These concepts, and any additional staff proposals, will be presented for final Board consideration at the upcoming March meeting in order to meet the April 4, 2008, DAS deadline.



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December 21, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Miriam Hulst, Oregon Plan Implementation Specialist
Ken Bierly, Deputy Director

**SUBJECT: Agenda Item N: Oregon Coast Coho Recovery Plan Implementation
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report describes a strategy for intensive, community-based outreach and subsequent project development assistance intended to encourage landowner participation in Oregon Coast coho salmon habitat restoration in high-priority areas. Staff have begun working with the Upper Nehalem, Lower Nehalem, and Tillamook Bay watershed councils to implement the outreach strategy.

II. Background

The 2007-2009 Biennium Spending Plan, approved by the Board at the September Board meeting, allocated \$1.5 million for recovery planning. A portion of the funds was approved to implement the Oregon Coast Coho Conservation Plan. A key element of the implementation strategy is to provide an enhanced level of habitat restoration support to local conservation groups and private landowners. Coastal watershed councils have identified the need for aid in recruiting landowner involvement in habitat restoration in high-priority areas and developing projects of maximum value for coho.

III. Assistance Needed by Watershed Councils

Many coastal watershed councils lack the funds and staff needed to actively recruit landowners for Oregon Coast coho habitat restoration. Therefore, councils often operate opportunistically, working with landowners who initiate contact. Staffing constraints also sometimes prompt councils to treat with preference projects that do not require extensive design, permitting, or other planning activities. Although there is great value in opportunistic and expeditious projects, the emphasis on these projects has over time led to a perception by some in the restoration community that most of the simple projects are done, and that improved project locations and designs will more effectively address the habitat deficiencies that most severely limit coho production.

The Coastal Coho Assessment concluded that coho are limited primarily by insufficient stream complexity, especially with respect to winter habitat. Restoring stream complexity in lowlands, which constitute the majority of coho high intrinsic potential habitat, is a critically important part

of recovering Oregon Coast coho. Coastal lowland landowners are frequently adverse to restoration, citing concerns about channel movement, flooding, and concomitant economic losses. It takes significant time and effort to address diverse perceptions and values. Watershed councils need enhanced staffing to successfully recruit willing lowland landowners and develop projects of maximum value for coho.

IV. Strategy for Intensive Local Outreach

Staff chose to offer non-competitive coho outreach and project development funding to the Upper Nehalem, Lower Nehalem, and Tillamook Bay Watershed Councils. The councils are receiving special assistance because the Coastal Coho Assessment determined that the Nehalem and Tillamook coho populations are not currently viable. The lack of viability was attributed primarily to insufficient habitat complexity. The Nehalem and Tillamook effort is a pilot project. At a later date, staff will consider expanding the project to other coho populations for which production is limited as a result of deficient habitat complexity. The project could also be extended to salmon recovery domains in other parts of the state.

V. The Outreach Process

Staff are working with the Nehalem and Tillamook councils to develop and implement a two-part plan for intensive outreach:

A. Part 1: Data Synthesis

The Nehalem and Tillamook watershed councils are compiling and integrating a variety of datasets for their watersheds. Many biophysical data exist for the watersheds but have been gathered at different times using disparate techniques, spatial scales, and metrics.

Synthesizing the data will afford the councils a cohesive understanding of watershed conditions, from which informed outreach priorities can be developed. The data work will be conducted with the leadership of a local technical advisory committee and with public input, so as to develop outreach priorities that have broad-based stakeholder support.

B. Part 2: Intensive Outreach

The Nehalem and Tillamook councils will conduct intensive outreach in areas identified as priorities by the data synthesis process. The outreach is likely to be patterned after an approach developed and successfully implemented in Coos Bay watersheds by the Coos Watershed Association (CWA) and OSU Extension. The process consists of a series of three landowner gatherings in each priority area. The CWA refers to the landowner meetings as coffee klatches.

The first coffee klatch entails introducing the council, presenting synopsized data about watershed conditions, and surveying landowner values, concerns, and goals related to land management. One of the council's primary objectives is to gain an understanding of landowner attitudes about restoration so that the information can be used in developing feasible, large-scale restoration plans for the priority area. Importantly, the meeting is not a forum in which pre-determined restoration plans and projects are presented to landowners.

The CWA learned a number of lessons about conducting the first of the three coffee klatches. The insights will assist the Nehalem and Tillamook councils with planning their landowner meetings. Chief among the lessons learned in Coos Bay are that coffee klatches run more smoothly in private homes than in public meeting places, individual invitations are important,

klatch invitees should be limited to landowners in the area being targeted for restoration, the number of meeting leaders should be minimized, the watershed council's mission and community role should be clearly presented and thoroughly discussed, and emphasis should be placed on two-way communication intended to acquire landowner input regarding watershed issues and raise landowner awareness of watershed conditions.

The second coffee klatch consists of a landowner field trip to restoration project sites. The meeting is intended to increase landowner understanding of restoration actions, build confidence in restoration outcomes, and demonstrate restoration compatibility with active land use.

The third, and final, coffee klatch entails a landowner meeting at which the council verifies restoration priorities developed by combining weighted watershed data with input provided by landowners at the first coffee klatch.

VI. Project Development

Upon completion of the coffee klatches, the Nehalem and Tillamook councils will work with OWEB staff to assess funding needed for project development. Additional project development capacity will be necessary because each council's staff is limited to a coordinator, two of which are half-time. Without additional capacity, the councils will be unable to efficiently build landowner relationships initiated at the klatches, maintain landowner interest, develop potentially complex restoration projects, and prepare grant proposals for project funding.

VII. Support for the Councils

Assistance to the Nehalem and Tillamook councils will not be limited to funding for outreach and project development. Staff will ensure that the councils receive the training and technical assistance needed to compile and understand watershed data, successfully facilitate landowner meetings, identify rigorous restoration priorities, and develop sound projects. The CWA and OSU Extension have offered to provide training and guidance to the councils. Staff will help the councils receive additional sources of support as needed.

VIII. Recommendation

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



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December 28, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item P: 2007-2009 Capital Partnership with U.S. Forest Service
Whole Watershed Restoration Initiative
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

The Board allocated \$500,000 of capital funds for the U.S. Forest Service (USFS) Whole Watershed Restoration Initiative effort in May of 2006. This report describes the progress and successes of the Initiative to date. The report also seeks Board approval to allocate \$500,000 of capital funds to continue support for Initiative projects for the first year of the biennium.

II. Background

In 2005 and early 2006, staff discussed with the Board the proposed partnership with the U.S. Forest Service to complete whole watershed restoration efforts. The concept was to identify priority basins and within those basins, identify priority watersheds to complete a series of restoration activities that would address the critical needs in that watershed and allow for natural recovery. The effort was approved by the Board in May of 2006. A copy of the May 2006 staff report is contained in Attachment A. A table showing the funded projects is contained in Attachment B.

The Whole Watershed Restoration Initiative is a broad-based, landscape-scale, public/private partnership intended to expedite restoration of a core set of the Northwest's most valuable salmonid streams. This partnership, initiated in 2006, has involved OWEB, USFS, Ecotrust, National Fish and Wildlife Foundation, BLM, Oregon Trout, and Wolfree, Inc. NOAA Fisheries has joined the partnership with a \$1.2 million three-year grant (\$400,000 per year) to Ecotrust beginning in 2008, encouraging growth of the partnership and community investments.

A detailed report on the efforts of the Initiative was submitted to the Board at its September 2007 meeting. A copy of that report is included in Attachment C. Members of the partnership will be available at the January meeting to provide further updates and respond to any specific questions from Board members.

III. Proposed Continuation

A detailed proposal for continuation and expansion of the partnership is contained in Attachment D of this report. The proposal includes a significant new funding partner (NOAA Fisheries) and a focus on private lands. The proposal requests \$500,000 for the first year of projects.

The administration of the initial OWEB funding to the Initiative was more complex and difficult than anticipated. If the Board decides to continue to provide funding for the Initiative, staff will take a new approach in the administration of the OWEB funds. Specifically, staff will ask the Board to approve funding for specific projects, rather than awarding a lump sum, and to be administered by a third party (Ecotrust). A list of potential Initiative projects for the upcoming year is included in Attachment E.

By the time of the January Board meeting, staff will present funding recommendations for specific projects from this list. For each project the list will include: (1) a description the proposed restoration activities; (2) the anticipated sources of funding and match for OWEB funds; (3) a description of participating local partners; (4) the location of the proposed project and whether it is within a priority basin or focus watershed; (5) the ratio of private and public lands the project proposes to restore. Staff anticipate that between USFS and NOAA funding, OWEB funds will be matched with at least \$1.5 million.

IV. Recommendation

Staff recommend the Board approve up to \$500,000 of capital funds to match USFS and NOAA funding for projects approved through the Whole Watersheds Restoration Initiative. A list of recommended projects for specific Board awards will be presented at the January meeting.

Attachments

- A. May 2006 Staff Report
- B. USFS Whole Watershed Initiative Funded Projects
- C. The Whole Watershed Restoration Initiative Progress Report 2006-07
- D. Whole Watershed Restoration Initiative 2008 Proposal
- E. WWRI Applications

May 12, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item R: Other Business
U.S. Forest Service Whole Watershed Restoration Partnership
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

This staff report updates the Board on a proposal to partner with the U.S. Forest Service (USFS) to conduct “Whole Watershed Restoration” efforts. The Board considered action to fund this project at its March meeting and raised a number of issues regarding the project. Since that meeting, OWEB staff worked with USFS staff to respond to Board member questions, and now request Board action to allocate funds to support the USFS project.

II. Issues Raised and Proposed Resolution

One concern raised at the March meeting was whether the USFS was requesting OWEB funds to make up for funding shortfalls within their agency. This is not the case. The federal funds available for the partnership project are entirely above and beyond core agency responsibilities. In fact, the Pacific Northwest Region of the USFS has successfully competed for approximately \$100,000 in additional discretionary restoration funds for this federal fiscal year from within the agency. In this instance, OWEB funds would not replace federal funding shortfalls. Instead, OWEB funds would further leverage existing funds that the USFS has obtained to achieve additional aquatic restoration beyond what they would otherwise accomplish. Moreover, OWEB funds would all be used for restoration purposes, not to support USFS staff or to fulfill other federal mandates of the agency.

A second issue raised was about previous partnership accomplishments. In response, the USFS has provided information about the previous year’s accomplishments with the program (Attachment A) that shows restoration projects completed in the Umpqua, Sandy, John Day, and Goose Lake basins. The total investment for these projects was \$457,000, which included \$113,000 of USFS funds and \$344,000 of other funds.

A third issue raised by Board members concerned the use of OWEB funds by a federal agency on federal lands. For this project, all OWEB funds are to be used directly for watershed restoration purposes. This use is fully consistent with OWEB funding objectives. OWEB has also discussed with USFS staff the desire to use OWEB funds to the greatest extent possible on non-federal lands or on elements of projects that provide resource benefits to non-federal lands. This approach would be carried out in implementing the project with the understanding that the

effort seeks to effectively address watershed restoration issues and to avoid, to the extent possible, unnecessary limitations created by land ownership boundaries. This partnership method to restoration offers the opportunity to achieve significant benefits for improving watershed function at a large geographic scale.

Finally, Board members raised concerns about establishing a separate funding process without the same level of review as the OWEB Grant Program. The process developed under the USFS partnership has a substantive review that includes OWEB staff participation. While different in form, the nature of the review is in significant alignment with that provided by the OWEB regional review teams. In addition, OWEB staff commit to consult with regional review team members on an informal basis to get their input on proposed projects under the USFS process. This will be especially important for technically complex and large-scale projects.

To address these Board member concerns, OWEB staff worked with the USFS to develop a list of conditions that would be part of the USFS partnership agreement. The conditions are contained in Attachment B.

IV. Recommendation

Staff recommend the Board allocate \$500,000 of capital funds as an interagency agreement between USFS and OWEB. These funds will be distributed through individual grant agreements to implementing parties.

Attachments

- A. 2004-2005 USFS Partnership Program
- B. Proposed Interagency Agreement Conditions

US FOREST SERVICE WHOLE WATERSHED INITIATIVE FUNDED PROJECTS
December 20, 2007

Project Number	Pjt ID	Grantee	Project Name	Project Start Date	Project End Date	Project Amount	PTD	Receipts	Balance
206-833	5299	USDA Forest Service Siuslaw NF	US Forest Service Whole Watershed Restoration Reserve			\$ 45,430.00	\$ -	\$ -	\$ 45,430.00
206-833	5362	Partnership for the Umpqua Rivers	Joe Hall In-Channel Project	6/1/2006	6/30/2008	\$ 27,000.00	\$ 15,624.25	\$ 15,624.25	\$ 11,375.75
206-833	5363	MidCoast WSC	Green River Large Wood Placement	10/3/2006	6/30/2008	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -
206-833	5364	Wallowa Resources	Peavine, Chesnimnus and Devils Run Creeks Project	6/1/2006	6/30/2008	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
206-833	5365	Wallowa Resources	Upper Joseph Creek Culvert Replacement	6/1/2006	6/30/2008	\$ 62,000.00	\$ 55,800.00	\$ 58,689.14	\$ 6,200.00
206-833	5366	Sandy River Basin WSC	Sandy River Riparian Restoration Project	7/12/2007	6/30/2008	\$ 6,770.00	\$ -	\$ -	\$ 6,770.00
206-833	5367	USDA Forest Service Wallowa-Whitman NF	Bear and Meadow Creek Large Wood	6/18/2007	6/30/2008	\$ 18,000.00	\$ -	\$ -	\$ 18,000.00
206-833	5370	USDA Forest Service Umatilla NF	Road 5510 Decommissioning	4/6/2007	7/31/2008	\$ 52,000.00	\$ -	\$ -	\$ 52,000.00
206-833	5371	USDA Forest Service Malheur NF	Upper Beaver Creek Culvert Project	4/6/2007	7/31/2008	\$ 55,000.00	\$ -	\$ -	\$ 55,000.00
206-833	5372	USDA Forest Service Fremont - Winema NFs	Deming Culvert Replacement	4/7/2007	7/31/2008	\$ 60,000.00	\$ -	\$ -	\$ 60,000.00
206-833	5373	USDA Forest Service Willamette NF	Middle Fork Willamette Large Wood Placement	6/11/2007	6/30/2008	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00
206-833	6003	Upper Deschutes WSC	Whole Watershed Restoration Partnership - Upper Metolius Fish Passage	6/13/2007	7/31/2008	\$ 34,000.00	\$ -	\$ -	\$ 34,000.00
206-833	6004	USDA Forest Service Pacific NW Region	Whole Watershed Restoration Partnership - Rock Creek Fish Passage	6/15/2007	6/30/2009	\$ 9,000.00	\$ -	\$ -	\$ 9,000.00
206-833	6005	USDA Forest Service Umatilla NF	Whole Watershed Restoration Partnership - Phase II Road 5510 Decommissioning	6/15/2007	6/30/2009	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00
206-833	6009	Hood River SWCD	Whole Watershed Restoration Partnership - Robinhood LWD Placement	5/29/2007	12/31/2009	\$ 19,800.00	\$ -	\$ -	\$ 19,800.00
206-833	6027	USDA Forest Service Umpqua NF	Whole Water Restoration Partnership - Cedar Creek Aquatic	6/14/2007	10/31/2009	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00

\$ 500,000.00

USDA Forest Service Agreements \$ 284,000.00
Local Partner Grants \$ 170,570.00
Uncommitted \$ 45,430.00
\$ 500,000.00

Whole Watershed Restoration Initiative- *Securing core habitats for recovery of Pacific salmon and other native fish and wildlife*
A Proposal to the Oregon Watershed Enhancement Board

Executive Summary

On behalf of the PNW Whole Watershed Restoration Partnership, Ecotrust respectfully requests \$500,000 from the Oregon Watershed Enhancement Board (OWEB) to contribute to the Whole Watershed Restoration Initiative. Our Partnership combines several large-scale collaborative efforts to recover Pacific salmon habitat in high conservation-value watersheds in Oregon and Washington. With plans for considerable growth in 2008, the Partnership is currently funded by the USDA Forest Service, the National Oceanic and Atmospheric Administration, and the Bureau of Land Management. Ecotrust is the fiscal agent and program coordinator. The **Partnership Fund** was created in 2006. Since that time, the partners have collectively invested \$1,935,000 in 28 projects in Oregon, improving conditions on more than 130 miles of stream habitat, 135 acres of critical riparian, wetland, and forested habitat, removing more than twelve barriers to salmon and bull trout passage, and decommissioning more than thirteen miles of sediment-producing roads. More than half of these projects were in high priority basins. By participating in the Initiative this year (2008), OWEB funding will be matched by at least \$1.5 million dollars of federal funding, plus additional local contributions. (Over two-thirds of this funding is expected to go to projects in Oregon.)

This Initiative is unique, and highly attractive to new partners, for three primary reasons: 1) the rigorous multi-scale analyses used to select priority basins, focus watersheds and specific projects needed for salmon recovery; 2) the Partnership's focus on completing whole watershed restoration and accelerating the pace of this restoration; and 3) our partners' restoration expertise and commitment to provide technical and operational support to community-based restoration groups, through all project phases including planning, implementation, and monitoring.

Our Initiative amplifies community-based and regional partnerships, focusing funding for strategic restoration of Pacific salmon ecosystems. This initiative brings together a unique set of resources, tools, technical expertise, and proven accomplishment with a diverse and growing network of partners for recovery of at-risk salmon stocks.

Partnership Background

Ecotrust's mission is to inspire fresh thinking that creates social, environmental, and economic value. Founded in 1991, Ecotrust is a private, nonprofit organization that works with its partner, Ecotrust Canada to build a more reliable prosperity in the coastal bio-region stretching from northern California through British Columbia and Alaska.

For fifteen years, Ecotrust has been at the forefront of salmon ecosystem conservation efforts, building an infrastructure to spur investment in the natural and social capital of Salmon Nation. Ecotrust has an extensive history of planning, promoting and facilitating salmon habitat restoration and protection. In 1997, we worked with Sea Resources, one of our community-based partners in Southwest Washington, to publish *Restoring the River, Plan for the Chinook River*. This plan was adopted and many of the activities recommended in the plan have been implemented by a coalition of partners led by Sea Resources. In 2000, we collaborated with Oregon Trout and Wild Salmon Center to complete *A Salmon Conservation Strategy for the Tillamook and Clatsop State Forests* (<http://www.inforain.org/mapsatwork/anchorhabitats/>). From that input, the Oregon Department of Forestry crafted its own version of a Salmon Anchor Habitat Strategy in 2003, and we continue to assist them in improving the conservation measures associated with their strategy. To help support and integrate the work of multiple partners, in 2002, Ecotrust completed *The Development of Regional*

Priorities for Salmon Restoration in the Coastal Watersheds of the Pacific Northwest
(<http://www.inforain.org/mapsatwork/priorities/>).

The Forest Service is a primary coalition partner, with considerable technical expertise and operational experience. The agency manages more than 30 million acres of forest and rangelands critical to the successful recovery of Pacific salmon in Washington, Oregon, California and Idaho. These National Forest System lands compose the headwaters of most of Oregon's river basins, delivering high-quality water to downstream habitats and composing a significant portion of remaining refugia for wild fish and aquatic organisms. Protection and restoration of salmon habitat on these lands is provided by a comprehensive Aquatic Conservation Strategy (USDA Forest Service, 1994). Coupled with adjoining private lands containing broad, productive valley bottoms, these National Forest System lands provide some of the best sites to target for cooperative restoration, requiring a relatively small investment to produce high-quality habitat conditions at the watershed scale.

Ecotrust and the Forest Service have partnered for more than five years to identify and implement priority work for salmon recovery in the watersheds of Oregon and Washington (Pacific Coast Watershed Partnership, www.PacificWatersheds.net). For a description of past community-based project work, please see: *Roots of Prosperity, The Pacific Coast Watershed Partnership*
http://www.ecotrust.org/publications/roots_of_prosperity.html.

Priority Areas

Initial priority areas in Oregon and Washington were identified using our conservation planning priorities tool (www.PacificWatersheds.net/priorities) combined with outputs from the river basin-scale prioritization by the Forest Service (Basin-scale Restoration Prioritization Process, PNW Region, USDA Forest Service, **Appendix 1**). The Partnership selected the following **priority basins** for this initiative:

- Mid-North Oregon Coast
- South Oregon Coast (Rogue/Umpqua)
- John Day
- Lower Columbia (Hood River downstream)
- Upper Columbia (Above Yakima, below Grand Coulee)
- Puget Sound

Based on watershed analyses and community input, our partners in these basins have selected **focus watersheds** as their initial targets for recovery. Focus watersheds within the basins are:

- Mid-North Oregon Coast: **Alsea River**
- South Oregon Coast: **Steamboat Creek (North Fork Umpqua) ; South Fork Coquille**
- John Day: **Middle and North Fork**
- Lower Columbia: **Sandy River, Oregon; and Lewis River, Washington**
- Upper Columbia: **Methow/Twisp Rivers**
- Puget Sound: **Skagit River and South Fork Skokomish River**

See **Appendix 2**, Map: Whole Watershed Restoration Partnership Priority Basins.

NOAA has also rated the relative conservation value (high, medium, or low) of all watersheds with critical habitat for salmon. The WWRI focus watersheds are all ranked high by NOAA.

Our planning and prioritization process takes a '*Protect the Best*' approach, focusing restoration activities in a few important watersheds per basin. Using watershed analyses, we identify the most critical work needed for each in action plans. The goal is to restore and protect the major ecological functions, removing risk factors and restoring damaged habitat-forming processes in the watershed, across all

ownerships. Once we have completed this work, we shift focus of restoration efforts to the next priority watershed. We believe that by concentrating and coordinating restoration efforts where there is strong community support, collaboration, and high ecological value, we achieve measurable and sustainable recovery faster than when our efforts are spread randomly across the landscape.

Goals and Objectives

Goal:

Complete whole watershed restoration within priority river basins, securing core habitats for recovery of native, at-risk fish and wildlife species.

Long term objectives:

1. Complete essential work restoring major ecological functions in at least 5 watersheds by 2010.
2. Publicize habitat restoration and protection efforts to increase citizen awareness and support of watershed restoration efforts.

Short-term objectives:

1. Support at least one high-quality project in each watershed in all priority basins per year, implementing the rigorous **Sub-Award Selection Process** described in **Appendix 3**.
2. Manage, track, fund, and report on more than 20 sub-award projects.
3. Grow the Partnership Fund to \$2 million per year of public and private funding.
4. Incorporate a base monitoring program for each sub-award project selected and establish a common reporting and monitoring format.
5. Increase and improve the public outreach and education efforts associated with the restoration activities supported by the Partnership Fund (sub-awards) and publicize the Initiative's goals, supporters, and achievements.

Pacific Northwest Region, Forest Service Basin-scale Restoration Prioritization Process

Pacific Northwest Region
U.S.D.A. Forest Service

Dave Heller, Regional Fish Program Leader
Bruce McCammon, Regional Hydrologist
Jeff Uebel, Regional Habitat Biologist

June 2002

I. General Background

A prioritization process to identify geographic emphasis areas for restoration work has been developed by the Pacific Northwest Region, Forest Service. It provides an ecological basis for priority setting. The Regional process consists of three “modules” displaying priorities for aquatic, terrestrial and community/social environments. The modules are designed to operate independently or be combined to produce an integrated priority ranking for basins. These modules have been initially applied at the basin scale (3rd level hydrologic unit or HUC), to provide information for broad-scale strategic planning. It is anticipated that the general approach and criteria used in the modules will be used at other spatial scales (4th, 5th and even 6th field HUC’s) as a basis for developing a consistent, nested strategy for restoration work at all levels in the Pacific NW Region. Increasingly more detailed local data would be used as watershed size decreases. Basic concepts guiding development of the three modules has emphasized analysis of whole basins (not just Federal lands), as well as rating areas in the best relative condition as the highest priority for restoration.

II. Aquatic Module Approach

The aquatic module considers resource condition, watershed sensitivity, and management-related risk factors in establishing priorities. It addresses ecological needs of at-risk fish stocks, watershed condition and water quality. The underlying approach in developing the model is to utilize quantitative information, using the best data consistently available across the two-state area (Oregon and Washington).

The model utilizes the same general methodology developed in the interagency (IIT) Interim Watershed Restoration Strategy, for Biological Opinions in the PACFISH/INFISH areas (May 2000). Please refer to this document for details on derivation of the model. It is included as Appendix A. This Regional model incorporates additional variables for reflecting water quality improvement needs. It also uses some different information than was used in the IIT Restoration Strategy analysis, in an effort to utilize uniform data sets available for the entire two-state area.

III. Model Development and Framework

The model construction incorporates three primary categories for analysis: 1) Aquatic Resource Condition; 2) Watershed Sensitivity; and 3) Management Intensity. The paradigm of risk reduction in the “best” basins first drives the weighting of the model components from 4 for aquatic resource condition to 1 for watershed integrity. These weights were assigned based on the modelers’ belief of their relative importance. The model is intended to select for basins with a

higher proportion of watersheds in a “fully functioning” or “functioning at risk” condition. Among basins with similar condition ratings, the most “sensitive” are rated highest for treatment, and then among similar groupings, the basins with the greatest amount of risk factors are rated highest.

Each of the categories is represented by a series of criteria/indicators. These are both physical and biological for each of the categories. Basins are scored for each indicator and the indicator ratings are ranked to normalize. In an Excel spreadsheet, each indicator ranking is then weighted by multiplying it's relative importance within the category by the reliability of the data – high-3, medium 2, and low-1. This results in a possible range of weights for each indicator, ranging from 1-9. The weighted indicator scores within each category for each basin are summed and averaged to produce a weighted average score for the category. The weighted average score for each category is then multiplied by the category weight. The scores for each of the categories are then totaled for each basin. The general logic track followed for model development follows (refer also to Table I):

1. Aquatic Resource Condition: With a weighting of 4, this category is weighted as the most important category in the model. It represents basin condition under existing management regimes. It also infers the potential for detectable response in resources of concern (fish populations, water quality, etc.) to restoration work. It is intended to select for basins with the highest proportion of sub basins/watersheds in “functioning” or “functioning at risk” condition. The category uses both physical and biological criteria/indicators.

- Physical Indicators
 - Current condition/potential for response: Water quality impaired stream segments
 - Future status: Land-use (amount of protected/reserved lands)
- Biological Indicators
 - General condition: Native biodiversity
 - Condition/potential for response: Healthy fish stocks

2. Basin Sensitivity: This category has a weighting of 2. It characterizes the inherent relative sensitivity of the watershed to disturbance using selected risk factors (see #3 below).

- Physical Indicators
 - Surface erosion risk
 - Mass failure risk
- Biological Indicator
 - Federally Listed T& E species

3. Management Intensity: This category measures the degree of human impact on the landscape, and is a measure of potential to affect significant change in resource conditions through restoration work. Human-caused disturbance such as road building and consumptive water use are considered risk factors. This is the lowest weighted category and is intended to help sort basins after each basins' condition and sensitivity are factored together.

- Terrestrial/Watershed Indicator- Road density
- Aquatic Indicator (channel condition)- Consumptive water use

TABLE I: Aquatic Model Construction

1. Aquatic Resource Condition

<u>Indicator</u>	<u>Score-></u>	<u>Rank (1-9)</u>	<u>X</u>	<u>Indicator Weight*</u>	<u>=</u>	<u>Weighted Rank</u>
303d segments	---	---		<u>3</u>		---
Key watershed %	---	---		<u>9</u>		---
Wild/Parks %	---	---		<u>9</u>		---
Healthy Stocks	---	---		<u>6</u>		---
Biodiversity	---	---		<u>6</u>		---

$$\text{Condition Category Score} = \frac{\text{Sum Indicator Weighted Ranks}}{\text{Sum of Indicator Weights (33)}} \times 4 \text{ (Category Weight*)}$$

2. Basin Sensitivity

<u>Indicator</u>	<u>Score-></u>	<u>Rank (1-9)</u>	<u>X</u>	<u>Indicator Weight*</u>	<u>=</u>	<u>Weighted Rank</u>
Surf. Erosion risk	---	---		<u>4</u>		---
Mass failure risk	---	---		<u>4</u>		---
T&E species	---	---		<u>3</u>		---

$$\text{Sensitivity Category Score} = \frac{\text{Sum Indicator Weighted Ranks}}{\text{Sum of Indicator Weights (11)}} \times 2 \text{ (Category Weight*)}$$

3. Management Intensity (Risk)

Indicator Score->Rank (1-9) X Indicator Weight*=Weighted Rank

Road Density	___	___	<u>3</u>	___
Water Use	___	___	<u>3</u>	___

$$\text{Risk Category Score} = \frac{\text{Sum Indicator Weighted Ranks}}{\text{Sum of Indicator Weights (6)}} \times 1 \text{ (Category Weight*)}$$

Total Basin Score = Condition+Sensitivity+Risk Scores

*Weighting assignment:

Category Weighting- relative importance based on restoration philosophy

Indicator Weighting- importance in category times the reliability of the data

IV. Criteria description/derivation

An attempt was made to use the most robust, ecologically representative, and direct measure for each indicator. In many cases, it was difficult to find complete data sets derived in a consistent fashion that covered both states for preferred indicators. Therefore a different, less directly related indicator was sometimes used. Indicators utilized include:

Water Quality/Physical Criteria

1. Number of currently listed 303(d) segments in the basin.
303(d) listed segments identify those water-bodies that are currently not meeting water quality standards and, therefore, are not providing for beneficial uses. Data was taken from an EPA source. No attempt to validate the listings was made. The data is for total number of segments and does not represent miles of "impaired" segments.
2. Irrigation water use
Measures water withdrawal without return flow to streams in million gallons/day. 1998 water use values were taken from published USGS data.
3. Surface erosion risk
Potential for surface erosion was estimated for each basin. A professional panel was convened to qualitatively assign a Very High, High, Moderate, or Low rating to each of Omernick's eco-regions (level IV). A GIS query was made to intersect the basin and eco-region maps with a resultant data table showing acres of

each eco-region in each basin. A final rating for each basin was determined based on the relative real extent of each erosion class within a basin.

4. Mass failure risk

Derived in the same fashion as Surface Erosion, above.

5. Road density

Percent of basin with transportation network greater than or equal to 2 miles per sq. mile. A “moving windows” approach was applied to a GIS layer that contains transportation maps for all ownerships in both Oregon and Washington. The result of the analysis is a tabulation of acres of density classes by ownership by basin. The table, in concert with the spatial arrangement of the densities, provides a good representation of the variability of roads within each basin. Ownership was ignored in the model input. The total area for road networks with density greater than or equal to 2 miles per square mile was totaled for use in the model.

Land-use “Condition” Indicators

Two general classes of land-uses were identified as likely to maintain or improve watershed conditions over time:

1. Wilderness and National parks

Highly protected lands with relatively limited current and future amounts of human caused disturbance. The percent of each basin’s acreage in these lands was calculated.

2. Key Watersheds

These are high quality and readily restorable watersheds with high biological fish recovery and/or water quality values. They are the focus areas for protection and restoration efforts on FS and BLM lands. The percent of each basin’s acreage allocated to Key watersheds (Northwest Forest Plan, Tier I/Tier II) and/or A1/A2 watersheds (ICBEMP) was calculated.

Biological/Fish criteria

The three biological criteria utilized include:

1. Healthy stocks – number/status of healthy anadromous fish stocks.

Some agencies and interest groups have proposed these stocks as a logical focal point for protection/restoration efforts. The rationale for this index recognizes healthy stocks as indicators of functional habitats. They also infer a relative lack of other significant impacts

acting on the populations, which suggests good potential for response from further habitat restoration.

The number of species represented by a healthy stock in each basin was taken from Huntington, et al. (1994), Healthy Native Stocks of Anadromous Salmonids in the Pacific Northwest and California. Basins shown with a “Healthy Level 1” stock (greater than 2/3 potential productivity for the river system) were given two points; basins with only a “Healthy Level 2” stock (10-66% of potential productivity) were given one point. Points for each species were summed to give a total basin score. No attempt was made to verify the information from the source document. (There is no comprehensive information on relative status of resident fish populations available for the two-state area.)

2. Threatened and Endangered Species- number of federal threatened and endangered fish species in each basin.

Each listed species is given one point. These are totaled for each basin. Distribution of fish species listed as Endangered or Threatened (or proposed for listing) were taken from Listing Status Maps (see www.nwr.noaa). The rationale for the criterion is to reflect the relative risk for loss of fish species, as well as to recognize potential benefits from restoration work to help recover listed species.

3. Biodiversity- number/basin of native salmonid plus rare endemic non-salmonid fish species.

Each native salmonid species and each Regionally listed sensitive non-salmonid species was given one point and totaled for each basin. Due to the current lack of consistent, complete information on aquatic biodiversity in the watersheds across Oregon and Washington, the modeling effort utilized two of the more complete data sets available: The number of native salmonid species in each basin and the Pacific NW Region FS Sensitive Species list (which incorporates species listed by both States and Natural Heritage databases). It was assumed that the diversity of these native species still present in these basins could function as an indicator of aquatic community status, and also reflect the additive benefits for watershed restoration to multiple species. Sources for data were StreamNet GIS maps, USFWS Distinct Population Segment maps, and NOAA Coastal Listing Status Map (see www.nwr.noaa.gov/1salmon/salmesa/cuttesum .htm.) Efforts are underway in both Oregon and Washington to compile general aquatic biodiversity information. When this is available, the model can be updated with more representative criteria.

V. Sensitivity Testing

In initial tests of early versions of the model, weighting of the indicators differed from that shown above. Weighting was adjusted for several indicators to provide better balance within the model. Computing weighted average scores for each category also helped to balance the indicators. Subsequent sensitivity testing has shown that results from the present version of the model do not change significantly with small changes to weighting in any of the indicators or categories.

VII. Results

Values for the indicators in each basin, and the resulting total model scores are displayed in Table II. The basin total scores are shown in Table III. Basins ranking 30 or more were rated as having “high” ecological priority for restoration. These basins include: Puget Sound, Lower Columbia, Washington Coastal, Southern Oregon Coastal, Northern Oregon Coast, Lower Snake and John Day. Basins ranking 23-29 were rated moderate, and include Willamette, Klamath, Upper Columbia, Northern California Coastal, Deschutes, Middle Columbia, Clearwater, and Yakima. Basins ranking 22 and below rated low, including Pend Oreille, Middle Snake-Powder, Spokane, Oregon Closed Basins, Middle Snake-Boise, Upper Sacramento and Black Rock Basin.

TABLE II: Basin Criteria and Category Scores

Resource Condition

	Basin Name	303(d)	key WS	NP/wild	healthy stk	biodivers.	Wtd. Rank
160402	Black Rock Basin	9: 27	0: 0	0: 0	0: 0	0: 0	1
170102	Pend Oreille	9: 27	4: 38	0: 1	0: 0	3: 20	3
170103	Spokane	9: 27	1: 12	0: 0	0: 0	2: 15	2
170200	Upper Columbia	7: 21	3: 29	3: 26	5: 27	7: 44	4
170300	Yakima	7: 21	4: 38	3: 24	0: 0	5: 29	3
170501	Middle Snake-Boise	8: 25	2: 20	0: 1	0: 0	2: 10	2
170502	Middle Snake-Powder	8: 25	4: 35	0: 0	0: 0	1: 5	2
170601	Lower Snake	7: 21	5: 43	4: 35	0: 0	5: 29	4
170603	Clearwater	9: 27	7: 67	0: 0	0: 0	4: 25	4
170701	Middle Columbia	7: 21	2: 17	0: 4	2: 14	6: 34	3
170702	John Day	6: 19	9: 81	1: 13	2: 14	4: 25	5
170703	Deschutes	8: 23	3: 31	2: 14	0: 0	4: 25	3
170800	Lower Columbia	7: 21	5: 42	5: 44	3: 20	7: 39	5
170900	Willamette	7: 22	5: 41	3: 23	0: 0	6: 34	4
171001	Washington Coastal	7: 22	2: 15	4: 39	9: 54	8: 49	5
171002	Northern Oregon Coastal	7: 22	4: 37	0: 3	5: 27	5: 29	4
171003	Southern Oregon Coastal	2: 7	6: 55	2: 19	6: 34	5: 29	4
171100	Puget Sound	0: 0	5: 43	9: 81	7: 41	9: 54	7
171200	Oregon Closed Basins	8: 23	1: 12	0: 0	0: 0	6: 34	2
180101	Northern California Coastal	9: 27	5: 48	0: 0	1: 7	2: 15	3
180102	Klamath	8: 25	7: 61	1: 12	0: 0	7: 44	4
180200	Upper Sacramento	9: 27	1: 10	0: 0	0: 0	0: 0	1
	importance	1	3	3	2	2	
	data reliability	3	3	3	3	3	
	criteria wt.	3	9	9	6	6	33

Risk

	Basin Name	roads	water use	
160402	Black Rock Basin	0 0	9 27	5
170102	Pend Oreille	0 1	9 27	5
170103	Spokane	3 9	9 26	6
170200	Upper Columbia	4 13	0 0	2
170300	Yakima	5 16	4 11	4
170501	Middle Snake-Boise	1 2	7 20	4
170502	Middle Snake-Powder	3 9	7 22	5
170601	Lower Snake	3 9	7 20	5
170603	Clearwater	0 0	9 27	5
170701	Middle Columbia	4 12	5 14	4
170702	John Day	4 12	8 25	6

170703	Deschutes	5 15	7 21	6
170800	Lower Columbia	6 18	9 26	7
170900	Willamette	8 23	6 18	7
171001	Washington Coastal	5 16	9 27	7
171002	Northern Oregon Coastal	9 27	9 27	9
171003	Southern Oregon Coastal	6 19	8 23	7
171100	Puget Sound	5 14	9 26	7
171200	Oregon Closed Basins	3 9	6 17	4
180101	Northern California Coastal	0 0	9 27	5
180102	Klamath	2 6	7 21	5
180200	<u>Upper Sacramento</u>	0 1	8 25	4
importance		1	1	
data reliability		3	3	
criteria wt.		3	3 6	

Sensitivity

	Basin Name	sfc		T&E		
		eros.	mass fail			
160402	Black Rock Basin	2 8	2 8	0 0		1
170102	Pend Oreille	5 20	2 8	1 3		3
170103	Spokane	5 20	2 8	1 3		3
170200	Upper Columbia	5 20	2 8	3 9		3
170300	Yakima	5 20	2 8	3 9		3
170501	Middle Snake-Boise	5 20	2 8	1 3		3
170502	Middle Snake-Powder	5 20	2 8	1 3		3
170601	Lower Snake	8 32	2 8	4 12		5
170603	Clearwater	5 20	2 8	3 9		3
170701	Middle Columbia	5 20	2 8	4 12		4
170702	John Day	8 32	2 8	2 6		4
170703	Deschutes	5 20	2 8	1 3		3
170800	Lower Columbia	2 8	5 20	5 15		4
170900	Willamette	2 8	2 8	6 18		3
171001	Washington Coastal	2 8	2 8	2 6		2
171002	Northern Oregon Coastal	2 8	6 24	1 3		3
171003	Southern Oregon Coastal	5 20	6 24	2 6		5
171100	Puget Sound	2 8	2 8	3 9		2
171200	Oregon Closed Basins	2 8	2 8	1 3		2
180101	Northern California Coastal	9 36	5 20	1 3		5
180102	Klamath	2 8	2 8	5 15		3
180200	<u>Upper Sacramento</u>	5 20	2 8	0 0		3
importance		2	2	1		
data reliability		2	2	3		
criteria wt		4	4	3 11		

TABLE III: Total Basin Scores, Aquatic Restoration Priority Model

		Cond.	Risk	Sens.	total
160402	Black Rock Basin	3	5	3	11
170102	Pend Oreille	10	5	6	21
170103	Spokane	7	6	6	18
170200	Upper Columbia	18	2	7	27
170300	Yakima	14	4	7	25
170501	Middle Snake-Boise	7	4	6	16
170502	Middle Snake-Powder	8	5	6	19
170601	Lower Snake	16	5	9	30
170603	Clearwater	14	5	7	26
170701	Middle Columbia	11	4	7	23
170702	John Day	18	6	8	33
170703	Deschutes	11	6	6	23
170800	Lower Columbia	20	7	8	35
170900	Willamette	15	7	6	28
171001	Washington Coastal	22	7	4	33
171002	Northern Oregon Coastal	14	9	6	30
171003	Southern Oregon Coastal	17	7	9	34
171100	Puget Sound	26	7	5	38
171200	Oregon Closed Basins	8	4	3	16
180101	Northern California Coastal	12	5	11	27
180102	Klamath	17	5	6	27
180200	<u>Upper Sacramento</u>	4	4	5	14

4-1-2

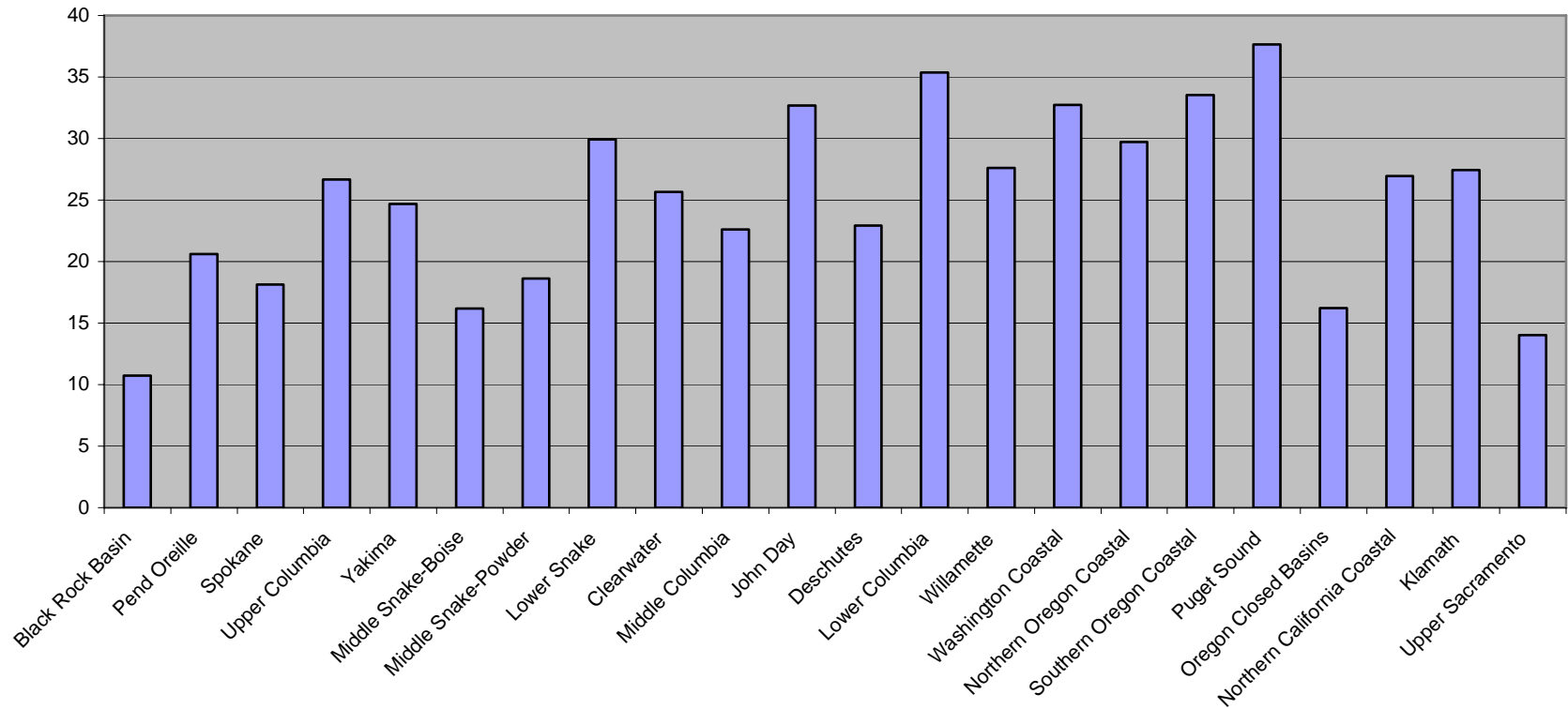
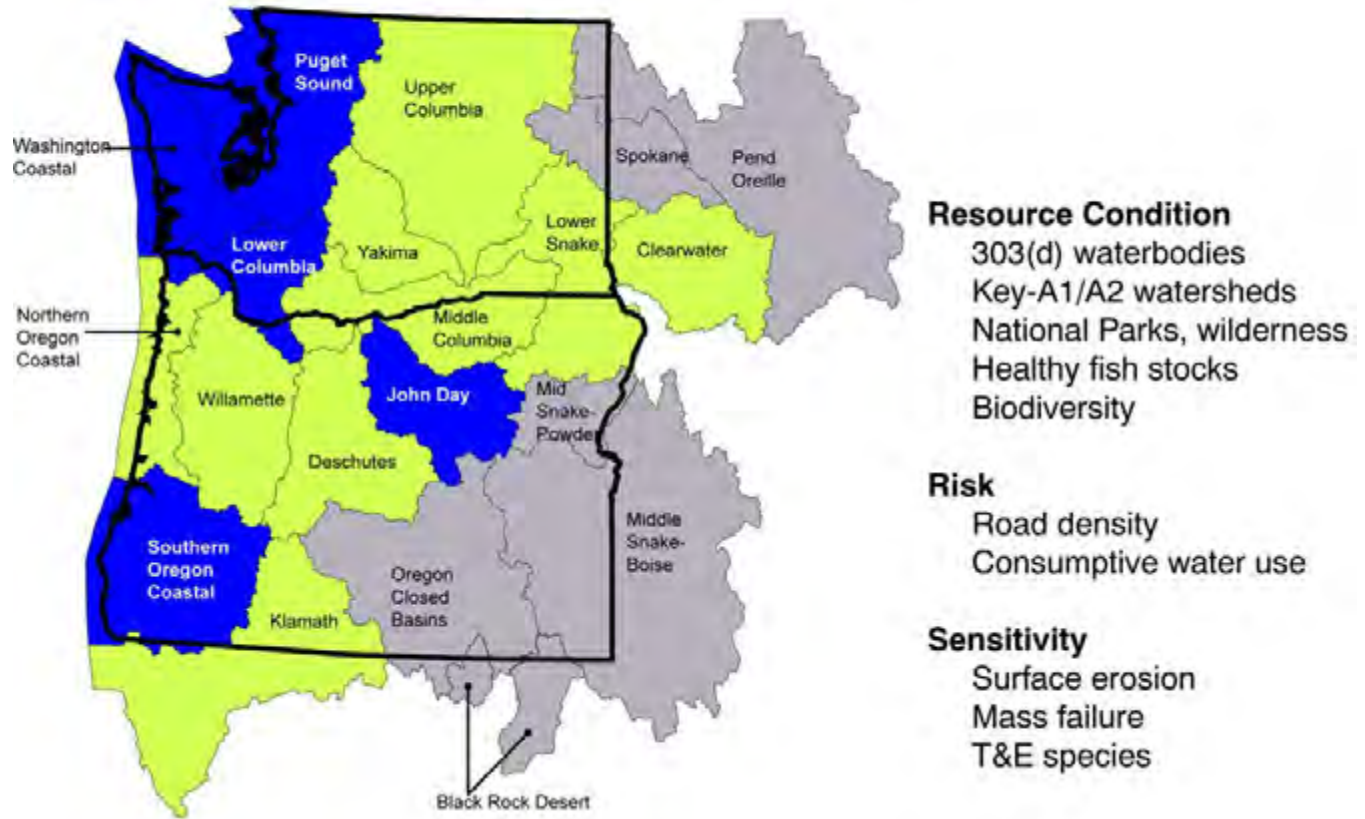


Table IV. TOTAL BASIN SCORES, Aquatic Restoration Priority Model

Aquatic



Legend: Blue= Highest priority for restoration, Green= Moderate, Gray= Low.

Pacific Northwest Whole Watershed Restoration Partnership 2007 Priority Basins in Salmon Nation



Appendix 3: Sub-Award Selection Process

A request for proposals (RFP) was emailed directly to all watershed councils and Soil and Water Conservation Districts in priority areas as well as to dozens of land trusts, Tribes, local governments, and other restoration-focused organizations in Oregon. NOAA's Community-based Restoration Center also sent the RFP out to its entire mailing list of those interested in restoration. Ecotrust, NOAA, and the PNW Region of the Forest Service also sent out press releases announcing the Whole Watershed Restoration Initiative's available funding, and the RFP was available on the front page of Ecotrust's web site for over seven weeks.

The Partnership Fund's selection committee currently includes staff members from the following agencies and organizations: OWEB; the US Fish and Wildlife Service (USFWS); Ecotrust; NOAA; Trout Unlimited; the Bureau of Land Management (BLM); the Forest Service; The Nature Conservancy; the Grand Ronde Tribe; the Wild Salmon Center (invited); the Washington Salmon Recovery Funding Board (invited); and the Bonneville Environmental Foundation.

The project **Evaluation Criteria** with which we will select sub-award projects with OWEB funds are:

- A. Goals and Objectives**(10 points)
- B. Justification/Technical Merit** (20 points)
- C. Benefits** (15 points)
- D. Diversity of Partnership** (10 points)
- E. Project Readiness** (10 points)
- F. Applicant Experience** (5 points)
- G. Monitoring** (10 points)
- H. Community Outreach** (10 points)
- I. Budget/Cost Effectiveness** (10 points)

The sub-award details below were derived directly from the Whole Watershed Restoration Initiative's RFP.

Eligible Projects

Restoration projects including, but not limited to, the following activities will be considered for funding:

- Breaching or removal of levees
- Removal of dams or other large obstructions to rivers and streams
- Culvert removal and traditional culvert replacement with stream-bed simulation type culverts or bridges
- Reestablishing river flow patterns, meanders, and channels that have been altered or obstructed
- Restoring and enhancing connections between lakes, sloughs, side channels, the floodplain, and the main channel
- Restoring riverbanks and floodplains, including riparian restoration

A portion of the funding is dedicated to fish passage barrier removal activities. Proposals should focus on on-the-ground habitat restoration activities, but they may include other activities such as feasibility analysis, design, outreach, education, and monitoring. Project activities should be completed within twenty-four months of the award start date. Activities that constitute legally required mitigation for the adverse effects of an activity regulated or otherwise governed by local, state, or federal law will not be considered. Projects requesting less than \$20,000 or more than \$100,000 will not be considered for funding under this solicitation.

Eligible Applicants

Eligible applicants include: Tribes, local governments, and non-profit organizations such as local watershed councils and Soil and Water Conservation Districts, educational institutions, and other non-governmental community groups and organizations. Federal agencies may apply, but they are ineligible to receive the NOAA-contributed funds.

Projects that demonstrate strong partnerships are encouraged. A non-federal match of at least 25% of the total project cost is required, though exceptions may be made for projects that otherwise rank extremely high.

Compliance with NEPA and Other State and Federal Regulations

Successful applicants will be required to satisfy all financial and programmatic requirements and meet all applicable local, state, and Tribal environmental laws and Federal consistency requirements before project implementation. Applicable NEPA, ESA, Clean Water, and state/federal requirements for all projects located on federal land will be completed by the Forest Service, Bureau of Land Management, or other federal agency. The Forest Service may be able to assist with these requirements for projects on non-federally managed land where resources directly benefit federal land.

Applicants should provide detailed information on the activities to be conducted, locations, sites, species and habitat to be affected, possible construction activities, and environmental concerns that may exist in order for the federal agency to make a NEPA determination on each proposal.

Application Process

Application forms are available on Ecotrust's Web site at www.ecotrust.org. Applications and all other required documentation must be submitted electronically to tbriggie@ecotrust.org by 5:00 PM on December 15, 2007. Applicants are required to use the provided format. Please limit the narrative section (A-H) of the application to five pages.

The application consists of three sections:

1. Title Page (basic organization, contact, and project information);
2. Narrative Questions (based on above evaluation criteria); and
3. Budget Section (expense description and budget table).

Please use the following evaluation criteria descriptions when completing the narrative question section:

A. Goals and Objectives (10 points)

Goals and objectives refer to the expected condition of the treated area and anticipated project outcomes. Goals and objectives should be stated clearly and include quantifiable targets. Examples of measurable objectives include the number of barriers removed or number of points where flow patterns are restored.

B. Justification/Technical Merit (20 points)

Scoring for this category is heavily weighted towards selecting and completing essential restoration work in priority areas (see *Priority River Basins* and *Focus Watersheds* described below).

What is the importance of the project and why is it needed? Where is it located? What is the context of the project in terms of accomplishment of whole watershed restoration? Is the action tied to or identified in an existing recovery plan or a watershed action plan? What is the basis for the activity (extent to which the project is based on analysis and identification of limiting factors). Cite existing watershed analyses and restoration or recovery plans.

Priority River Basins (5 points, maximum) are:

- Mid-North Oregon Coast

- South Oregon Coast (Rogue/Umpqua)
- John Day
- Lower Columbia (Hood River downstream)
- Upper Columbia (above Yakima, below Grand Coulee)
- Puget Sound

Focus Watersheds (10 points, maximum) are:

- Mid-North Oregon Coast: Alsea River
- South Oregon Coast: North Fork Umpqua (Steamboat Creek) and South Fork Coquille
- John Day: Middle (Camp Creek) and North Fork (Granite Creek)
- Lower Columbia: Sandy River (Salmon River), Oregon; and Lewis River (East Fork), Washington
- Upper Columbia: Methow (Twisp) River
- Puget Sound: Upper Skagit River (Sauk/Suiattle) and Skokomish River (South Fork)

Up to an additional five points will be awarded based on the project justification. This includes the extent to which the project addresses identified limiting factors and implements and existing restoration plan.

C. Benefits (15 points)

The description of project benefits should include benefits to target species (Pacific salmon and steelhead). Benefits include the number of acres and stream miles of habitat improved and the magnitude of the improvements (percentage increase in usable habitat, floodplain capacity, etc.). The description should also address the degree to which the action will improve watershed condition and contribute to completion of whole watershed restoration. Economic and social benefits should also be described.

D. Diversity of Partnership (10 points)

Developing partnerships among communities, organizations, individuals and agencies is an important element to long term restoration success. Projects that involve more than one entity will be ranked higher during the evaluation process. *Diversity of partnership* will be measured by the number and level of confirmed partner contributions. Total project funding should consist of at least 25% of funding matched by other (non-federal) organizations.

E. Readiness (10 points)

Readiness is the degree to which the project is ready for implementation in terms of NEPA standing, project design, permits, and contract preparation. Projects that are ready to implement will rank higher during the evaluation process than those that are in the planning phase.

F. Experience (5 points)

Applicants must show capacity to implement the scope and scale of the proposed work and the ability to successfully complete the project within the proposed budget and timeline. Organizations previously participating in similar projects with a proven record of project completion and qualified staff members may be ranked higher during the evaluation process.

G. Monitoring (10 points)

All funded projects must include plans for monitoring project effectiveness consistent with the Estuary Restoration Act of 2000. Guidance and tools for developing monitoring plans and more information on monitoring requirements are available at: http://era.noaa.gov/htmls/era/era_monitoring.html

Project monitoring plans must also include a project completion report containing before and after photo points that illustrate the effects of the project activities as clearly as possible.

H. Community Outreach (10 points)

Ideal projects will demonstrate a high degree of community involvement in all phases of project development, including implementation and monitoring. Restoration project proposals that include

complementary public outreach and awareness-building components contributing to their watershed restoration effort will be ranked higher than those without these outreach activities.

I. Budget/Cost Effectiveness (10 points)

The budget description should detail all funds requested and all matching funds and in-kind contributions and follow the budget format provided. Please also include whether matching funds and other contributions are pending or secured.

Whole Watershed Restoration Initiative Proposed Projects 2008

Organization	State	ID #	Total Funds Req
Alsea Watershed Council- Canal Creek	OR	1	\$44,150
Alsea Watershed Council- Crooked Creek	OR	2	\$37,800
Clackamas River Ranger District	OR	3	\$75,000
Confederated Tribes of the Umatilla Indian Res.	OR	4	\$58,200
Coquille Watershed Association	OR	5	\$65,000
Crooked River Watershed Council	OR	6	\$80,000
Grande Ronde Model Watershed	OR	8	\$92,724
Illinois Valley Watershed Council & SWCD	OR	9	\$72,000
Jackson County OR	OR	10	\$100,000
Malheur National Forest - Culvert	OR	11	\$100,000
Malheur National Forest - Log Weir	OR	12	\$25,000
Middle Fork Ranger District	OR	13	\$73,000
Middle Fork Willamette Watershed Council	OR	14	\$100,000
Middle Rogue Watershed Council- RR & SP	OR	15	\$40,920
Middle Rogue Watershed Council- Louse Creek	OR	16	\$70,950
Middle Rogue WC- Jumpoff Joe	OR	17	\$37,620
Native Fish Society	OR	18	\$99,000
Oregon Trout	OR	19	\$98,100
Partnership for the Umpqua Rivers	OR	20	\$96,000
South Santiam Watershed Council	OR	21	\$82,775
The Wetlands Conservancy	OR	22	\$65,500
Umatilla National Forest- Granite	OR	23	\$23,960
Umatilla National Forest- Wall	OR	24	\$68,245
Umpqua National Forest - Jackson Creek	OR	25	\$100,000
Umpqua National Forest - RRD	OR	26	\$81,000
Upper Deschutes Watershed Council	OR	27	\$137,600
Forest Service -Salmon River	OR	28	\$97,100
Forest Service, Mt. Hood Natl F Hood River RD	OR	29	\$100,000
Walla Walla Basin Watershed Council	OR	30	\$45,478
Wallowa-Whitman NF	OR	31	\$10,000
Total			\$2,177,122
			Not a Priority Basin
			Priority Basin
			Priority & Focus



Oregon

Theodore R. Kulongoski., Governor

Oregon Watershed Enhancement Board

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www.oregon.gov/OWEB



December 21, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects

SUBJECT: **Agenda Item Q: Restoration Priorities
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This staff report asks the Board to adopt watershed restoration priorities for the basins along the middle to north Oregon coast. This set of priorities covers all the coastal watersheds from Saint Helens on the Columbia River down to the Coquille River.

II. Background

The Board has identified the development of funding priorities as a significant need for application review and evaluation in OWEB's grant program. The authorization and mandate for development of regional restoration priorities comes from statutory direction. ORS 541.371(c) states that OWEB: "*Shall establish statewide and regional goals and priorities that shall become the basis for funding decisions by the board. In adopting such goals and priorities, the board shall adopt priorities for grant funding based on the Oregon Plan and on measurable goals. In carrying out this function, the board shall consider local economic and social impacts among the criteria.*" OWEB has also identified adoption of these basin priorities as an agency performance measure.

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

In September 2002, the Board authorized staff to contract for the facilitation of efforts to develop restoration priorities in two pilot basins, the Lower Columbia and the Hood-Fifteenmile basins. The Board then allocated funding in May 2004 to coordinate OWEB regional priorities with subbasin plans in the Columbia Basin and to complete regional priorities in the remainder of the state. Since that time, the Board has been presented with and has adopted restoration priorities in the Rogue, South Coast, Willamette, Hood-Fifteenmile, Deschutes, Malheur, John Day, Umatilla, Grande Ronde, Innaha, and Powder basins. Adoption of the present batch of middle to north Oregon coast basins addressed in this report will leave the Umpqua, Klamath, Lake,

Harney, Owyhee, and Walla Walla basins yet to do. Funding for these remaining basins was allocated by the Board in September 2007 and the prioritization will be carried out during 2008.

III. Process

The area covered by these restoration priorities includes 66 fifth-field hydrologic units that for simplicity are combined into 12 units named for the larger river(s) in the vicinity or by the local watershed council(s). They are:

1. Lower Columbia
2. North Coast
3. Nehalem-Necanicum
4. Tillamook Bay
5. Nestucca-Neskowin
6. Mid-Coast
7. Siuslaw
8. Smith River
9. Elk Creek
10. Tenmile Lakes
11. Coos
12. Coquille

These restoration priorities were contracted to the Watershed Professionals Network (WPN). For this set of basins, OWEB and WPN re-designed the prioritization process to incorporate heightened participation by watershed councils and other local partners in defining limiting factors, designing the database format, collating and interpreting raw data, inputting limiting factors ratings, and proofing results. Subcontracts were established with a local lead entity for each of the 12 areas listed above to ensure that the local efforts necessary to accomplish the project's objectives were compensated. Finally, a new user interface was created to ensure the easiest possible access to the completed database.

Once the database template was created it was posted on an interactive Web site where the local partners could add and review their data and limiting factors analyses. The majority of data were entered at the fifth-field HUC scale and all the final report detail is at this scale, which is consistent with the standard set for all other restoration priorities adopted by OWEB. However, a significant amount of data were entered for the smaller, sixth-field hydrologic units at the request of some local partners who will find the database more useful at that finer resolution.

The point is that for a drainage of any particular scale, fifth-field, sixth-field, larger, or smaller, the detailed information on limiting factors will vary from site to site and from reach to reach and must be aggregated and summarized for the whole drainage. The larger the scale of the drainage, the more site-specific detail will be lost in whatever is recorded in the database. This site-specific variability is important to understand and to take into consideration as criteria are developed for how the adopted restoration priorities will be used in OWEB's proposal review and grant award processes.

Many of the local partners who helped with this project expressed the desire that OWEB commit to maintaining the database over time. This would require periodic review and update of the contents to reflect the latest information about watershed conditions, causal factors, and limiting factors. Our partners assert that the database can be very useful to them only if it is frequently updated, every two years at the very longest and ideally on an ongoing basis as new information becomes available. Beyond the matter of local utility, it is clear that the restoration priorities are

most useful to OWEB to prioritize and direct OWEB funding, if they reflect current reality. The challenge is in balancing the relationships between update frequency, staffing, costs, how OWEB will adopt updated material, and how OWEB will use the database for reviewing and ranking proposals. OWEB staff will develop and bring to the Board recommendations on how to keep the database current and useful.

Staff would like to acknowledge the efficient and professional efforts of the local partners, without whose assistance this project would not have been possible.

IV. Recommendation

Staff request the Board approve the approach and content of the restoration priorities described in the final report titled “Summary of the Watershed Health Indicators for the Oregon Coast Coho ESU – 2007” and included here as Attachment A.

Attachment

- A. Summary of the Watershed Health Indicators for the Oregon Coast Coho ESU – 2007

Summary of the Watershed Health Indicators for the Oregon Coast Coho ESU 2007

Report Prepared for:

Oregon Watershed Enhancement Board



Completed in cooperation with the Oregon Coast Watershed Councils

December 15, 2007

Summary of the Watershed Health Indicators for the Oregon Coast Coho Evolutionary Significant Unit

2007

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360
Salem, Oregon 97301

Completed in cooperation
with the Oregon Coast Watershed Councils

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Steve Bauer, Ed Salminen, Paul Hoobyar, John Runyon (Jones & Stokes)

December 15, 2007

Acknowledgements

This report is a result of the combined efforts of the watershed council coordinators and staff that took time away from their busy work to input information from their watersheds. We sincerely appreciate their efforts, and enjoyed working with these dedicated professionals.

Lori Lilly, North Coast Watershed Association, Astoria, Oregon
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Denise Lofman, Tillamook Watershed Council, Garibaldi, Oregon
Alex Sifford, Nestucca Neskowin Watershed Council, Hebo, Oregon
Wayne Hoffman, MidCoast Watershed Council, Newport, Oregon
Todd Miller & Gus Gates, Siuslaw Watershed Council, Mapleton, Oregon
Jennifer Hampel, Coquille Watershed Association, Coquille, Oregon
Jon Souder, Coos Watershed Association, Coos Bay, Oregon
Mike Mader, Tenmile Lakes Partnership, Lakeside, Oregon
Lee Russell, Elk Creek Watershed Council, Yoncalla, Oregon
Troy Turney, Smith River Watershed Council, Reedsport, Oregon

Thanks to Roger Wood, OWEB Project Manager, for his proficiency and wit in coordinating all of us into a working unit. We appreciate the assistance of Laura Brophy, Greenpoint Consulting, who provided advice on estuary assessment and limiting factors. Special thanks to Wayne Hoffman and Jon Souder for their sound professional advice on watershed health factors and testing our data entry system.

We appreciate the assistance of Karen Holt, Parkdale, Oregon, in developing the online report generator for the watershed health indicators.

Summary of the Watershed Health Indicators for the Oregon Coast Coho ESU

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Appendix C. Watershed Health Indicators: Definitions and Criteria.

1.0 INTRODUCTION

This report identifies factors limiting watershed health within selected Oregon watersheds draining to the Pacific Ocean. The characterization of Watershed Health Indicators focuses on a “ridgetop-to-ridgetop” perspective, encompassing all habitat types. This broad watershed context is the basis for identifying the key factors limiting fish and wildlife populations, biological diversity, and water quality.

The geographic scope of this report is the twelve Watershed Council Areas comprising most of the coastal tributaries north of the Rogue River. The area ranges from the Coquille Watershed Association in the south to the lower Columbia Watershed Council in the north (Figure 1; Appendix A, Watershed Council Contacts). The primary emphasis is on watersheds within the extent of the Oregon Coast Coho Evolutionary Significant Unit (ESU). The reporting was extended beyond the Coastal Coho ESU to include watersheds covered by the North Coast Watershed Association (Youngs River and Big Creek) and the Lower Columbia Watershed Council (Claskane River), both of which are within the range of the lower Columbia River coho salmon ESU. The Umpqua River Basin, where there is a similar ongoing project to identify watershed limiting factors, is not included in this report.

The consulting team worked with watershed council staff to develop and describe a range of watershed health characteristics that are indicative of environmental conditions (e.g., stream habitat quality) and processes (e.g., stream flows) that shape aquatic and terrestrial habitat and affect fish and wildlife populations and water quality. The Watershed Health Indicators are organized by the major watershed habitat components represented in this coastal ecosystem – aquatic, riparian, wetland, and upland, and estuarine.

The Watershed Health Indicators were identified by watershed council staff based on information contained in local watershed assessments, aquatic habitat inventories, monitoring and other studies. The primary output from this project is a list of Watershed Health Indicators organized by the 5th-field watersheds within each watershed council area. In some cases, watershed council staff compiled indicators for 6th-field watershed. All of the information is contained in an on-line database. This document concentrates on reporting the Watershed Health Indicators for the 5th-field watersheds.

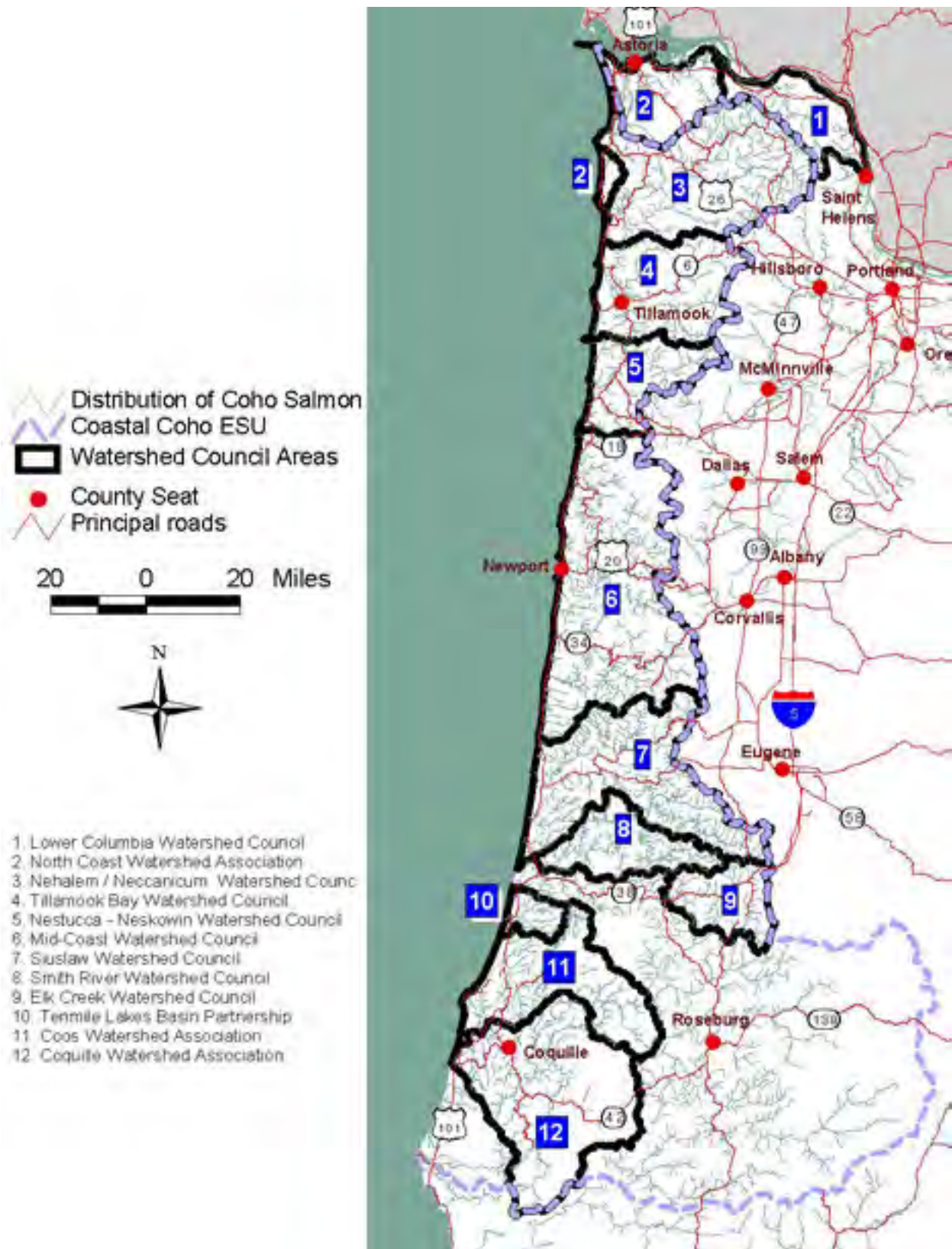


Figure 1. Watershed Council area boundaries and extent of the Oregon coastal coho ESU.

1.1 GOALS AND OBJECTIVES

The goal of this project was to summarize Watershed Health Indicators that are limiting the health of watersheds, with a primary focus on the Oregon Coast Coho Salmon Evolutionarily Significant Unit (ESU). This report fulfills the Oregon Watershed Enhancement Board's legislative mandate to establish priorities that will help guide funding decisions.

The specific tasks were to:

- 1) Develop a template to facilitate compilation of data regarding watershed conditions as reported in watershed assessments, water quality plans, the conservation plan for the Oregon Coast Coho ESU, and the Oregon Conservation Strategy, and other documents;
- 2) Ensure that the template guides the synthesis of Watershed Health Indicators in a manner that is consistent with work accomplished in previous OWEB river basins;
- 3) Work with watershed councils and other stakeholders to extract information from source documents and place it in the template, thus developing a consistent matrix of Watershed Health Indicators; and
- 4) Produce a report that summarizes Watershed Health Indicators within the Coast Coho ESU region that can be used to guide restoration funding.

1.2 BACKGROUND

An overarching goal for the Oregon Watershed Enhancement Board (OWEB) is to fund watershed projects that have the greatest potential for restoring fisheries, water quality, and watershed processes. This goal was established by enabling legislation for OWEB as provided in Oregon law. The Oregon Revised Statutes (ORS) 541.371 (1) (c) direct the OWEB Board to *“establish statewide and regional priorities that shall become the basis for funding decisions by the board. In adopting such goals and priorities, the board shall adopt priorities for grant funding based on the Oregon Plan and on measurable goals.”*

The policy framework to meet this requirement was outlined in the 2004 report, “OWEB Prioritization Framework: Improvement Priorities at Basin and Watershed Scales” (OWEB, 2004). This document establishes a general conceptual strategy to prioritize improvement projects based on sound ecological concepts (Beechie et al. 2003, Bilby et al. 2003, and Naiman et al. 1992). The strategy consists of five fundamental principles:

Principle 1: Restore Watershed Connectivity Limiting Key Fish and Wildlife Populations.

Principle 2: Restore Watershed Processes Impacting the Aquatic System, Water Quality Limited Streams, and Wildlife Habitat.

Principle 3: Restore Key Habitats and Water Quality For ESA-Listed Species.

Principle 4: Reduce or Eliminate Human Impacts and Inputs into Watersheds from Land Use Activities in the Basin.

Principle 5: Address the Symptoms of Disturbance that Impact Fish and Wildlife Populations and Water Quality-Limited Streams.

These principles are consistent throughout the planning processes implemented in the Oregon Plan for Salmon and Watersheds. The Oregon Watershed Enhancement Board's *Watershed Assessment Manual* (WPN, 1999) directs watershed assessments that evaluate watershed functions and identifies improvement priorities at the watershed scale. The *Oregon Coast Coho Conservation Plan for the State of Oregon* (ODFW, 2007) presents a strategy for improving fish habitat to ensure continued viability of coastal coho at a population scale. The *Oregon Conservation Strategy* (ODFW, 2006) considers fish and wildlife from a statewide perspective, with a focus on limiting factors and conservation actions for a suite of species and habitats in greatest need of conservation attention at an ecoregion scale. Water quality documents, such as water quality management plans (WQMPs) and total maximum daily loads (TMDLs) also provide information about factors impacting aquatic habitats.

All of these efforts serve as a foundation for identifying factors that limit watershed health. In 2005 OWEB initiated a process of summarizing habitat restoration priorities in major basins by compiling limiting factors in the Willamette River Basin (OWEB, 2005). The limiting factors were organized by major watershed habitat components – aquatic, riparian, wetland, and upland. A similar process for identifying factors limiting watershed health was expanded to include other Oregon basins: the lower Columbia River Basin, the Rogue River Basin, and South Coast Watersheds. These previous evaluation frameworks served as the general starting point for adapting Watershed Health Indicators to the Coast Coho ESU.

2.0 METHODS

2.1 LIMITING FACTORS/ WATERSHED HEALTH INDICATORS

The approach to identifying statewide and regional habitat investment priorities is to first summarize the anthropogenic factors that limit aquatic habitat and water quality. The ecological definition of “limiting factor” emphasizes the constraints imposed on the productivity of a specific species’ population: “A requirement such a food, cover or spawning gravel that is in shortest supply with respect to all resources necessary to sustain life and thus limits the size or retards production of a fish population.” (<http://www.streamnet.org/pub-ed/ff/Glossary/index.html>). The *Oregon Coast Coho Conservation Plan* (ODFW, 2007) described a set of aquatic limiting factors that constrain coho populations within the ESU. In addition to identifying instream factors that specifically constrain fish populations this effort expanded the scope beyond factors that constrain a specific species’ population to include habitat characteristics and watershed processes that affect a variety of aquatic and terrestrial wildlife and influence water quality. These factors, such as forest fragmentation, erosion, and invasive species, are used as *indicators* of watershed health. For the purposes of this project, we refer to the entire set of limiting factors and environmental conditions as **Watershed Health Indicators**.

The set of Watershed Health Indicators were developed based on lessons learned from the previous OWEB projects completed in other river basins, including the Willamette, Upper Columbia, Rogue River, and South Coast. In addition to this foundation, the limiting factors described in the *Oregon Coast Coho Conservation Plan* (ODFW, 2007) were adapted to this process. Finally, based on input from watershed council staff, we integrated the councils’ analysis of watershed conditions and proposed rating systems, particularly the work of the Coos Bay Watershed Association (<http://www.cooswatershed.org/>) and Mid-Coast Watershed Council (<http://www.midcoastwatershedscouncil.org/>). For example, Stream Complexity (primarily winter habitat quality) was a key limiting factor identified in the *Conservation Plan*. Based on work completed by the watershed councils, this Stream Habitat Complexity was developed into two factors based on juvenile salmonid rearing habitat quality – summer rearing habitat complexity and winter habitat complexity.

The watershed health factors were identified for aquatic, riparian, freshwater wetland, upland, and estuary habitat components. The estuary system was divided into three major components – the tidal wetland, tidal flats, and sub-tidal zone. See Appendix B for a description the development of the estuarine factors.

Criteria were identified for each Watershed Health Indicator to rate the degree to which the indicator is impacting watershed health; the rating categories are: 1) Limiting; 2) Moderate; 3) Adequate; and 4) Insufficient Information. The definitions of for the categories were adapted from the Rogue Basin Coordinating Council (Rogue Basin Council, 2006):

Limiting: indication of degraded watershed health and a significant amount of restoration action is needed to improve watershed conditions.

Moderate: indication of less than desirable watershed health and moderate to significant levels of restoration action is needed to improve watershed conditions.

Adequate: indication of functional watershed health and minimal restoration activities are needed to maintain existing watershed conditions.

Insufficient Information: There is insufficient information to rate the Watershed Health Indicator.

Table 1 lists the Watershed Health Indicators. The criteria for rating each of the indicators were developed in collaboration with watershed council staff and, where applicable, were based on other habitat evaluation frameworks such as the Oregon Department of Fish and Wildlife's aquatic habitat benchmarks. Appendix C lists the definitions and criteria for the Watershed Health Indicators.

The *Variability* (High, Moderate, Low) of the indicator within the watershed and the *Rating Confidence* (High, Moderate, Low) were also documented. Variability describes the degree to which the Indicator varies across a watershed. If stream temperature, for example, was consistently limiting across a watershed then it would be documented as "Low Variability" for water quality. Conversely, if there were observations of abundant large wood within scattered stream reaches and low levels of wood abundance in other stream reaches, then the watershed would be documented as "High Variability" for large wood.

The *Confidence* rating (High, Moderate, Low) is a measure of the certainty in the condition rating. This is a qualitative evaluation of the Indicator Rating based on the quality, completeness, and degree of documentation of the underlying data sources. High confidence sources include quantitative or measured parameters (e.g., temperature, percent pools, or measured occurrence of spawning gravel), particularly recent data collection efforts using accepted protocols. Moderate confidence sources include indirect measures, partial coverage of the watershed, and dated information. Low confidence sources include subjective ratings and minimal data coverage within the watershed.

Each rating includes a rationale that documents the reasoning behind the rating. An example of the rationale for water quality: "Monitoring at ODEQ WQI sites indicates increased fecal coliform bacteria associated with agricultural animal waste practices. (ODEQ WQI, 2006)".

Finally, the source of information for the Watershed Health Indicator rating is documented. Typical sources include watershed assessments, aquatic habitat inventories, water quality monitoring reports, and fish passage barrier inventories.

Table 1. List of Watershed Health Indicators.

<p style="text-align: center;">Aquatic</p> <p>Water temperature Water quality Water quantity Spawning gravel quantity Spawning gravel quality Stream complexity: winter rearing habitat Stream complexity: summer rearing habitat Large wood Barriers Channel modification Invasive species Hatchery impacts</p>	<p style="text-align: center;">Riparian/Wetlands</p> <p>Riparian stand condition Riparian roads Invasive species Wetland habitat loss Wetland habitat function Wetland connectivity</p> <p style="text-align: center;">Uplands</p> <p>Hydro modification Fine sediment sources Invasive species Habitat Fragmentation Upland Large Wood Recruitment</p>
<p style="text-align: center;">Tidal Wetlands</p> <p>Hydro-modification Sediment regime Water quality Vegetation modification Invasive species Wetland loss (Complete)</p> <p style="text-align: center;">Tidal Flats</p> <p>Hydro-modification Sediment regime Water quality Invasive species Tidal flat loss (Complete)</p>	<p style="text-align: center;">Sub-tidal Zone</p> <p>Hydro-modification Sediment regime Water quality Invasive species Sub-tidal zone loss (Complete)</p>

2.2 DATA ENTRY METHOD

An online database was created for capturing the Watershed Health Indicators (<http://www.oregonwatersheds.net/coast/>). The database consisted of two interactive databases, one for rating the Watershed Health Indicators and the second database for entering the report citations.

The data entry system, as shown below, documents the person and organization submitting the data; provides a drop down selection of 5th or 6th field HUCs; a drop down menu for the Watershed Health Indicator rating, confidence in the rating, and variability. A text field is used for explaining the rationale and source of information for the rating.

Home | Insert | Search | Show all | Help | Top

Insert a new record. Please fill in the following fields (where applicable).

Added_by Name of the person entering the information

Organization Name of the organization the person entering the data is affiliated with

Str/6th-Field HUC Please choose the fifth or sixth-field watershed

Mid-Coast WC 6th-Field subwatershed The MCWC has information summarized by a different 6th-field HUC system. Use these subwatersheds if you prefer

7th-Field watershed, stream reach, or other identifier If desired, enter the name of the 7th-field watershed, stream reach, or other identifier

Aquatic/Instream: n/a Please choose the impact rating, associated confidence in the rating, and spatial variability in the results.

Water Temperature

Water Temperature Rationale Please provide the rationale for the impact rating and confidence call

An example data entry for water temperature from the Coquille River Basin is shown below:

Example of Detailed Information Contained in the Database	
Added By	Dan Delaney
Last Updated	12 October 2007
5th/6th Field HUC	171003050402: Middle Creek-Cherry Creek
Water Temperature	Limiting (M)
Water Temperature Rationale	There are 13 major streams, including the mainstem, in this subwatershed. Five are 303(d) listed for temperature (ODEQ 2004/06).

A similar screen is used to enter the literature citation, as shown below. The database captures both the rating and the source of information. By using the database system we are able to summarize information without losing the underlying detail. This provides an opportunity for reviewers to evaluate the source and rationale of the rating when needed. It also provides the opportunity of readily revising the Watershed Health Indicators if and when additional information becomes available.

Home | Insert | Search | Show all | Help | Top

Insert a new record. Please fill in the following fields (where applicable).

*Author Author(s)

*date Date of publication

*Title Title of the source document

*publisher Publisher, or entity that can be contacted for unpublished materials

Link to materials Link to the document or materials (if available)

3.0 RESULTS

3.1 ON-LINE DATA REPORTS

An online database (<http://www.oregonwatersheds.net/coast/db/>) was used for data entry and editing. Watershed Councils had the option of entering data by USGS fifth-field HUC, USGS sixth-field HUC, or (in the case of the Mid-Coast Watershed Council) by locally developed sixth-field HUCs. In addition to the data entry table there was an additional database table to enter literature citations and unpublished data sources. This document summarizes the limiting factor ratings by fifth-field HUC, however, the rationale for these calls, along with the more detailed sixth-field information (where available) can be viewed either in the database (referenced above), or using an online data summarization tool (<http://www.oregonwatersheds.net/coast/reports/>).

3.2 WATERSHED HEALTH INDICATORS BY COUNCIL AND WATERSHED

The following section summarizes Watershed Health Indicators by fifth-field HUC. This section is organized by Watershed Council area, from north to south along the coast. Three-dimensional summary ratings are provided that give the following information:

- Limiting factor rating: “Limiting”, “Moderate”, or “Adequate”.
- Confidence in the rating can be inferred from the font: **Bold font indicating high confidence**, normal font indicating moderate confidence, and *italicized font indicating low confidence*.
- Spatial variability is summarized with a suffix of (H) for highly variable; (M) for moderate variability, and (L) for low variability.
- Attributes that were either not rated or not applicable were denoted with a “-“.
- Areas where there was insufficient information to make a call were denoted as a “Data Gap”.

3.2.1 Lower Columbia Watershed Council

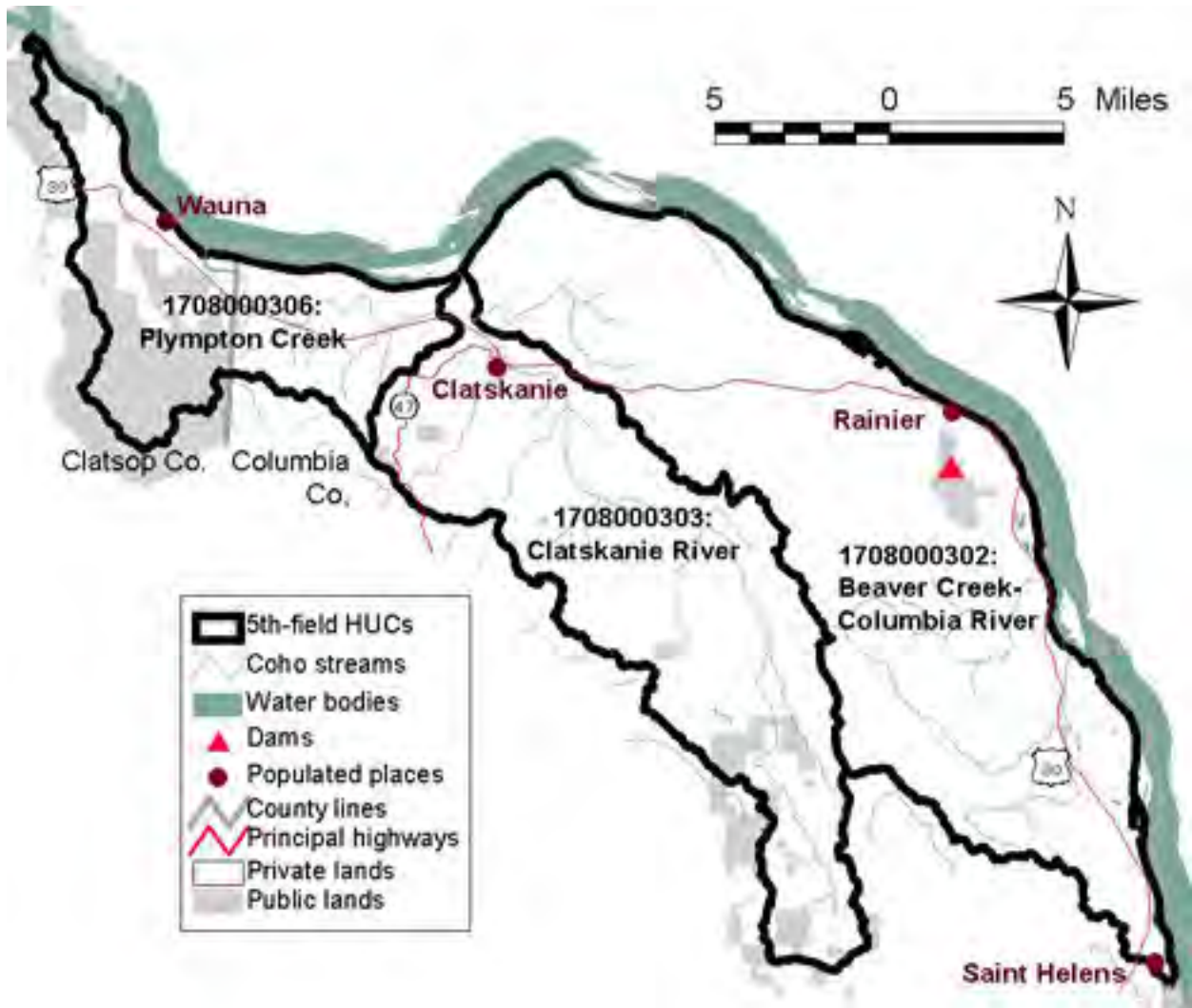


Figure 2. Lower Columbia Watershed Council area map.

Table 2. Lower Columbia Watershed Council aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1708000302: Beaver Creek-Columbia River	Moderate (M)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Data Gap	-	Data Gap	Data Gap	Limiting (L)	Limiting (L)	Limiting (L)
1708000303: Clatskanie River	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	-	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)
1708000306: Plympton Creek	Adequate (L)	Moderate (M)	Limiting (M)	Limiting (L)	Moderate (M)	Limiting (M)	-	Limiting (L)	Adequate (L)	Moderate (L)	Moderate (L)	Limiting (L)

Table 3. Lower Columbia Watershed Council riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1708000302: Beaver Creek-Columbia River	Limiting (H)	Limiting (M)	Limiting (L)	Data Gap	Data Gap	Limiting (L)	Limiting (L)	Limiting (L)	Data Gap	Data Gap	Data Gap
1708000303: Clatskanie River	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Moderate (M)	Limiting (L)	Limiting (L)
1708000306: Plympton Creek	Limiting (L)	Adequate (L)	Moderate (L)	Limiting (L)	Limiting (L)	Moderate (L)	Moderate (L)	Adequate (L)	Moderate (L)	Limiting (L)	Moderate (L)

Table 4. Lower Columbia Watershed Council tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1708000302: Beaver Creek-Columbia River	Limiting (L)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (M)	-	-	-	-	-	-	-	-	-	-
1708000303: Clatskanie River	Limiting (L)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (M)	-	-	-	-	-	-	-	-	-	-
1708000306: Plympton Creek	Limiting (L)	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	-	-	-	-	-	-	-	-	-	-

3.2.2 North Coast Watershed Association



Figure 3. North Coast Watershed Association area map.

Table 5. North Coast Watershed Association aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1708000601: Youngs River	Moderate (H)	Limiting (L)	Limiting (H)	Moderate (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (M)
1708000602: Big Creek	Limiting (M)	Limiting (L)	Limiting (M)	Moderate (M)	Moderate (M)	Moderate (M)	Moderate (M)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (M)
1710020101: Necanicum River [South]												

Table 6. North Coast Watershed Association riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1708000601: Youngs River	Limiting (L)	Limiting (L)	Limiting (M)	Moderate (M)	Limiting (M)	Limiting (M)	Data Gap	Moderate (H)	Data Gap	Limiting (L)	Limiting (M)
1708000602: Big Creek	Limiting (L)	Limiting (L)	Moderate (M)	Moderate (M)	Moderate (M)	Moderate (M)	Data Gap	Moderate (H)	Data Gap	Moderate (M)	Limiting (M)
1710020101: Necanicum River [South]											

Table 7. North Coast Watershed Association tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1708000601: Youngs River	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (L)	Data Gap	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Data Gap
1708000602: Big Creek	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (L)	Data Gap	Data Gap	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Data Gap
1710020101: Necanicum River [South]																

3.2.3 Nehalem / Neccanicum Watershed Council

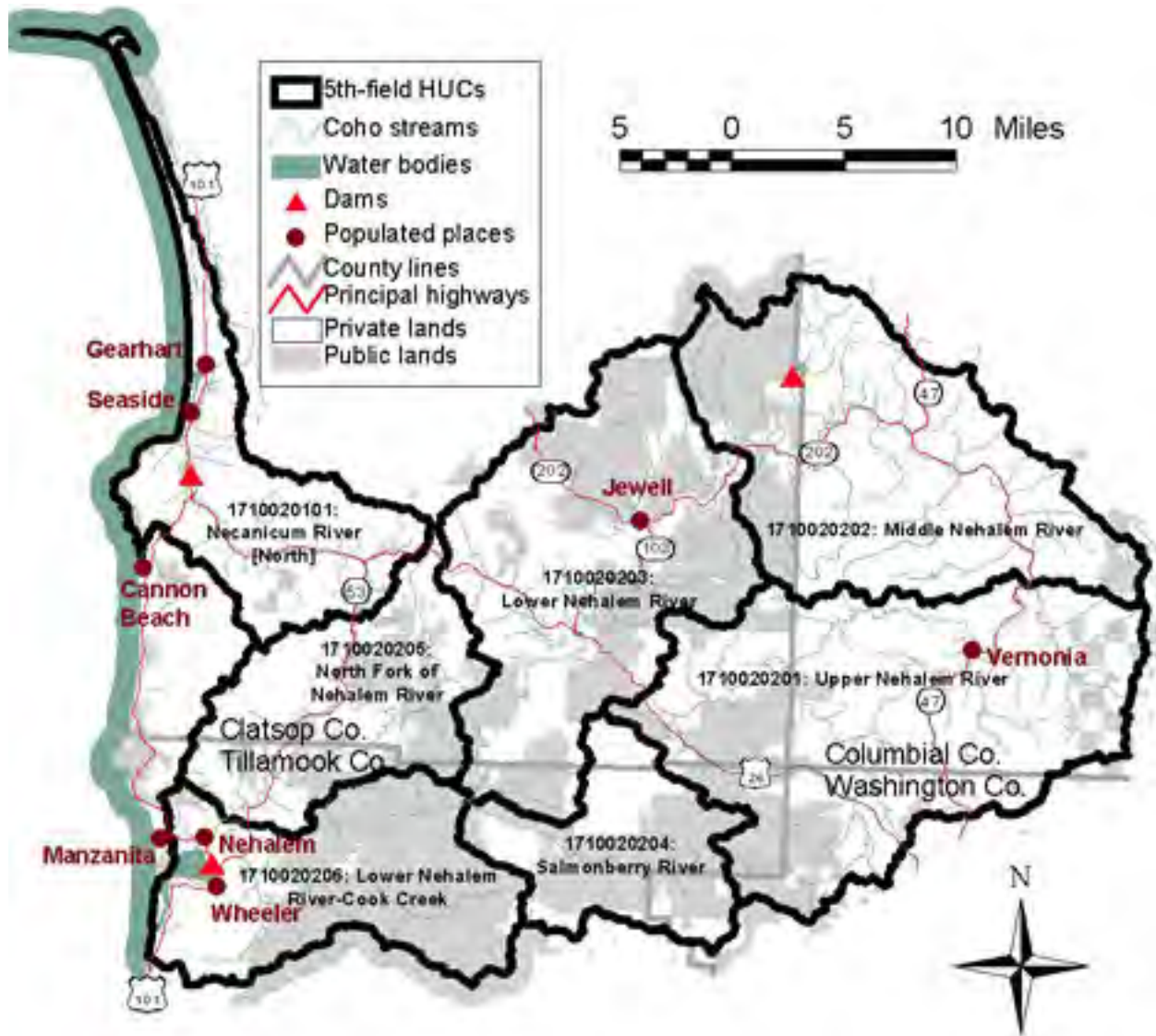


Figure 4. Nehalem / Neccanicum Watershed Council area map.

Table 8. Nehalem / Neccanicum Watershed Council aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710020101: Necanicum River [North]												
1710020201: Upper Nehalem River												
1710020202: Middle Nehalem River												
1710020203: Lower Nehalem River												
1710020204: Salmonberry River												
1710020205: North Fork of Nehalem River												
1710020206: Lower Nehalem River-Cook Creek												

Table 9. Nehalem / Neccanicum Watershed Council riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1710020101: Necanicum River [North]											
1710020201: Upper Nehalem River											
1710020202: Middle Nehalem River											
1710020203: Lower Nehalem River											
1710020204: Salmonberry River											
1710020205: North											

Fork of Nehalem River																
1710020206: Lower Nehalem River-Cook Creek																

Table 10. Nehalem / Neccanicum Watershed Council tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710020101: Necanicum River [North]																
1710020201: Upper Nehalem River																
1710020202: Middle Nehalem River																
1710020203: Lower Nehalem River																
1710020204: Salmonberry River																
1710020205: North Fork of Nehalem River																
1710020206: Lower Nehalem River-Cook Creek																

3.2.4 Tillamook Bay Watershed Council



Figure 5. Tillamook Bay Watershed Council area map.

Table 11. Tillamook Bay Watershed Council aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710020303: Tillamook River	Limiting (M)	Limiting (H)	Data Gap	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (L)	Limiting (L)	Data Gap	Limiting (L)	Moderate (H)	Adequate (H)
1710020304: Trask River	Limiting (M)	Limiting (M)	Moderate (M)	Adequate (L)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (M)	Data Gap	Adequate (L)
1710020305: Wilson River	Limiting (L)	Limiting (M)	Moderate (H)	Moderate (M)	Moderate (M)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (H)	Limiting (H)	Moderate (H)	Data Gap
1710020306: Kilchis River	Limiting (L)	Limiting (H)	Data Gap	Adequate (H)	Moderate (H)	Limiting (M)	Limiting (M)	Limiting (M)	Moderate (M)	Data Gap	Data Gap	-
1710020307: Miami River	Limiting (M)	Limiting (M)	Moderate (L)	Moderate (M)	Moderate (M)	Limiting (H)	Moderate (H)	Limiting (M)	Limiting (L)	Limiting (H)	Data Gap	Moderate (H)
1710020308: Tillamook Bay	-	-	-	-	-	-	-	-	-	-	-	-
1710020309: Spring Creek-Sand Lake-Neskowin Creek Frontal [North]	Data Gap	Moderate (H)	Data Gap	Data Gap	Data Gap	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (L)	Limiting (M)	Moderate (M)	Data Gap

Table 12. Tillamook Bay Watershed Council riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1710020303: Tillamook River	Limiting (M)	Limiting (L)	Data Gap	Data Gap	Data Gap	Data Gap	Limiting (L)	Data Gap	Data Gap	Limiting (L)	Data Gap
1710020304: Trask River	Limiting (H)	Moderate (M)	Moderate (M)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (H)	Adequate (M)	Data Gap	Limiting (M)
1710020305: Wilson River	Limiting (L)	Adequate (M)	Limiting (M)	Limiting (M)	Data Gap	Limiting (M)	-	Limiting (H)	Data Gap	Data Gap	Limiting (H)
1710020306: Kilchis River	Moderate (H)	Data Gap	Moderate (H)	Limiting (L)	Limiting (H)	Limiting (H)	Data Gap	Limiting (M)	Data Gap	Data Gap	Limiting (M)
1710020307: Miami River	Limiting (M)	Moderate (H)	Limiting (H)	Moderate (H)	Data Gap	Data Gap	Limiting (M)	Limiting (M)	Data Gap	Adequate (M)	Limiting (L)
1710020308: Tillamook Bay	-	-	-	-	-	-	-	-	-	-	-
1710020309: Spring Creek-Sand Lake-	Moderate (M)	Limiting (M)	Moderate (M)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Adequate (M)	Data Gap

Neskowin Creek Frontal [North]																
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Table 13. Tillamook Bay Watershed Council tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710020303: Tillamook River	Limiting (L)	Data Gap	Limiting (L)	Limiting (L)	Data Gap	Limiting (L)	-	-	-	-	-	-	-	-	-	-
1710020304: Trask River	Limiting (M)	Data Gap	Limiting (M)	Limiting (M)	Data Gap	Limiting (M)	Data Gap	Data Gap	Limiting (H)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap
1710020305: Wilson River	Limiting (M)	Data Gap	Limiting (M)	Limiting (M)	Data Gap	Limiting (M)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Limiting (M)	Data Gap	Data Gap	Data Gap	Data Gap
1710020306: Kilchis River	Limiting (L)	Data Gap	Limiting (L)	Limiting (H)	Data Gap	Limiting (L)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Limiting (H)	Data Gap	Data Gap	Data Gap	Data Gap
1710020307: Miami River	Limiting (M)	Data Gap	Limiting (L)	Limiting (L)	Data Gap	Limiting (M)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Limiting (M)	Data Gap	Data Gap	Data Gap	Data Gap
1710020308: Tillamook Bay	Data Gap	Data Gap	Data Gap	Limiting (L)	Data Gap	Limiting (L)	-	Data Gap	Limiting (M)	Moderate (H)	-	-	-	-	-	Limiting (L)
1710020309: Spring Creek-Sand Lake-Neskowin Creek Frontal [North]	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap

3.2.5 Nestucca - Neskowin Watershed Council

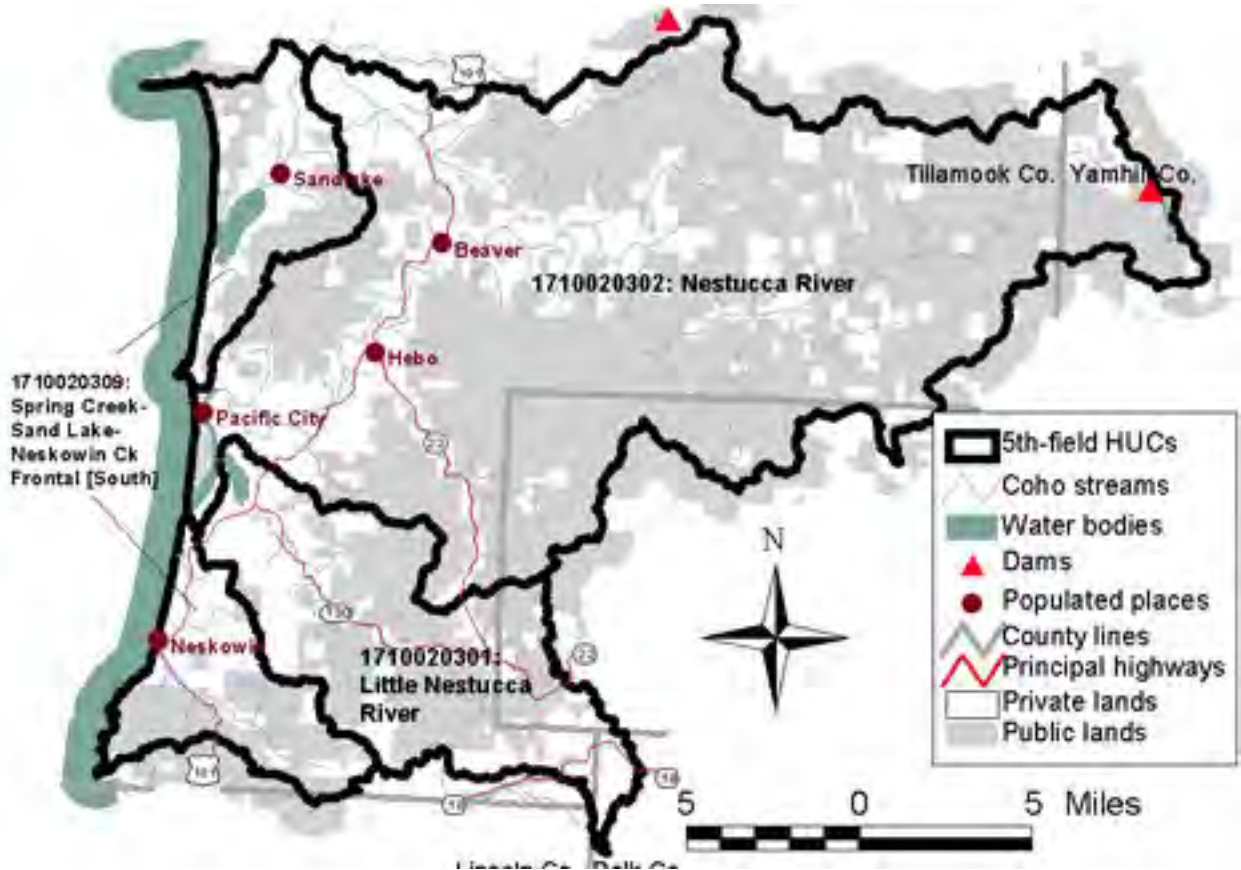


Figure 6. Nestucca - Neskowin Watershed Council area map.

Table 14. Nestucca - Neskowin Watershed Council aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710020301: Little Nestucca River	Limiting (M)	Moderate (M)	<i>Moderate (H)</i>	Moderate (H)	Moderate (M)	Limiting (M)	Moderate (H)	Limiting (H)	Moderate (H)	Limiting (H)	Adequate (L)	<i>Adequate (L)</i>
1710020302: Nestucca River	Limiting (H)	Limiting (M)	<i>Moderate (M)</i>	Moderate (M)	Adequate (H)	Limiting (H)	Moderate (H)	Limiting (H)	Limiting (H)	Limiting (H)	Adequate (L)	Moderate (M)
1710020309: Spring Creek-Sand Lake-Neskowin Creek Frontal [South]	Limiting (L)	Moderate (M)	Moderate (M)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Limiting (H)	Limiting (H)	Limiting (H)	Adequate (L)	Moderate (L)

Table 15. Nestucca - Neskowin Watershed Council riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1710020301: Little Nestucca River	Moderate (H)	Moderate (M)	Moderate (H)	Limiting (H)	Moderate (H)	Limiting (H)	Moderate (H)	Moderate (H)	Moderate (M)	Limiting (M)	<i>Limiting (H)</i>
1710020302: Nestucca River	Moderate (H)	Limiting (H)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Limiting (M)	Limiting (H)	Moderate (H)	Limiting (M)	<i>Limiting (H)</i>
1710020309: Spring Creek-Sand Lake-Neskowin Creek Frontal [South]	Limiting (H)	Limiting (H)	Moderate (H)	Limiting (H)	Limiting (H)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Limiting (M)	<i>Limiting (H)</i>

Table 16. Nestucca - Neskowin Watershed Council tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710020301: Little Nestucca River	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (L)	Adequate (M)	Limiting (L)	Limiting (L)	Moderate (M)	Data Gap	Data Gap	Adequate (L)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap
1710020302: Nestucca River	Limiting (L)	Limiting (L)	Limiting (L)	Moderate (L)	Moderate (M)	Limiting (L)	Limiting (L)	Moderate (M)	Moderate (L)	Data Gap	Moderate (M)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap
1710020309: Spring Creek-Sand Lake-Neskowin Creek Frontal [South]	Limiting (L)	Limiting (H)	Moderate (L)	Limiting (L)	Adequate (M)	Limiting (L)	Limiting (L)	Moderate (M)	Data Gap	Data Gap	Moderate (H)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap

3.2.6 Mid-Coast Watershed Council



Figure 7. Mid-Coast Watershed Council area map.

Table 17. Mid-Coast Watershed Council aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710020401: Upper Yaquina River	Moderate (H)	Moderate (H)	Adequate (M)	Moderate (H)	Moderate (H)	Limiting (H)	Moderate (H)	Moderate (M)	Moderate (H)	Moderate (M)	Data Gap	Moderate (M)
1710020402: Big Elk Creek	Moderate (H)	Moderate (H)	Adequate (L)	Moderate (H)	Adequate (M)	Limiting (H)	Moderate (H)	Moderate (H)	Adequate (M)	Moderate (H)	Adequate (L)	Moderate (M)
1710020403: Lower Yaquina River	Moderate (M)	Moderate (M)	Adequate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (M)	Limiting (L)	Moderate (H)	Moderate (H)	Moderate (H)	Adequate (L)
1710020404: Upper Siletz River	Adequate (L)	Adequate (L)	Adequate (L)	Adequate (L)	Adequate (L)	-	-	Limiting (H)	Moderate (H)	Adequate (L)	Data Gap	Adequate (L)
1710020405: Middle Siletz River	Adequate (L)	Moderate (L)	Adequate (L)	Adequate (M)	Moderate (M)	Limiting (M)	Limiting (M)	Moderate (M)	Adequate (L)	Adequate (L)	Data Gap	Moderate (M)
1710020406: Rock Creek-Siletz River	Moderate (H)	Moderate (M)	Adequate (L)	Moderate (H)	Adequate (M)	Limiting (M)	Moderate (M)	Limiting (L)	Adequate (M)	Adequate (L)	Data Gap	Moderate (M)
1710020407: Lower Siletz River	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Limiting (H)	Moderate (H)	Moderate (H)	Adequate (H)	Adequate (H)	Moderate (M)	Moderate (M)
1710020408: Salmon River-Siletz River	Moderate (H)	Moderate (M)	Moderate (H)	Moderate (M)	Moderate (M)	Limiting (H)	Limiting (H)	Limiting (H)	Moderate (H)	Moderate (H)	Moderate (M)	Limiting (L)
1710020409: Devils Lake-Moolack Frontal	Moderate (H)	Moderate (H)	Moderate (H)	Limiting (H)	Moderate (M)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)
1710020501: Upper Alsea River	Moderate (H)	Adequate (H)	Adequate (L)	Moderate (H)	Adequate (H)	Limiting (M)	Moderate (M)	Moderate (H)	Adequate (H)	Adequate (H)	Data Gap	Moderate (M)
1710020502: Five Rivers-Lobster Creek	Moderate (H)	Adequate (M)	Adequate (H)	Moderate (H)	Adequate (M)	Limiting (H)	Moderate (H)	Moderate (H)	Adequate (H)	Adequate (H)	Adequate (M)	Moderate (M)
1710020503: Drift Creek	Moderate (H)	Adequate (L)	Adequate (L)	Adequate (L)	Adequate (M)	Limiting (H)	Moderate (H)	Moderate (H)	Adequate (L)	Adequate (L)	Limiting (H)	Moderate (M)
1710020504: Lower Alsea River	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (M)	Limiting (H)	Limiting (M)	Limiting (H)	Adequate (H)	Adequate (H)	Moderate (H)	Moderate (H)
1710020505: Beaver Creek-Waldport Bay	Moderate (H)	Moderate (H)	Adequate (L)	Limiting (L)	Moderate (L)	Adequate (M)	Limiting (L)	Limiting (L)	Adequate (L)	Moderate (H)	Adequate (L)	Adequate (L)
1710020506: Yachats River	Moderate (H)	Limiting (M)	Moderate (H)	Moderate (H)	Moderate (M)	Limiting (M)	Moderate (H)	Limiting (M)	Adequate (L)	Moderate (H)	Adequate (L)	Adequate (L)
1710020507: Mercer Lake Frontal [North]	Adequate (L)	Adequate (L)	Adequate (L)	Adequate (H)	Adequate (H)	Limiting (M)	Moderate (H)	Moderate (H)	Moderate (H)	Adequate (L)	Adequate (L)	Adequate (L)
1710020508: Big Creek-Vingie Creek	Adequate (L)	Limiting (H)	Limiting (L)	Limiting (L)	Limiting (M)	Adequate (L)	Adequate (L)	Limiting (M)	Adequate (M)	Adequate (L)	Adequate (L)	Adequate (L)

Table 18. Mid-Coast Watershed Council riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1710020401: Upper Yaquina River	Moderate (H)	Moderate (H)	Moderate (M)	Limiting (H)	Adequate (L)	Moderate (H)	Moderate (M)	Moderate (M)	Moderate (M)	Moderate (M)	Limiting (M)
1710020402: Big Elk Creek	Moderate (H)	Moderate (H)	Moderate (M)	Limiting (H)	Adequate (H)	Adequate (M)	Moderate (M)	Moderate (M)	Moderate (M)	Adequate (M)	Limiting (M)
1710020403: Lower Yaquina River	Limiting (M)	Moderate (M)	Moderate (M)	Adequate (H)	Moderate (H)	Adequate (M)	Moderate (M)	<i>Moderate (M)</i>	Moderate (M)	Moderate (H)	Limiting (M)
1710020404: Upper Siletz River	Adequate (M)	Adequate (L)	Data Gap	<i>Adequate (M)</i>	Data Gap	Data Gap	Moderate (M)	Moderate (M)	Data Gap	Adequate (L)	Moderate (H)
1710020405: Middle Siletz River	Moderate (M)	Limiting (M)	Data Gap	Moderate (H)	Data Gap	Adequate (M)	Moderate (M)	Limiting (M)	Data Gap	Adequate (L)	Limiting (M)
1710020406: Rock Creek-Siletz River	Moderate (H)	Moderate (H)	Moderate (M)	<i>Moderate (L)</i>	Data Gap	Data Gap	Moderate (M)	Moderate (M)	Moderate (L)	Adequate (L)	Limiting (M)
1710020407: Lower Siletz River	Moderate (H)	Moderate (H)	Moderate (M)	Adequate (H)	<i>Adequate (M)</i>	Adequate (H)	Moderate (M)	Moderate (H)	Moderate (M)	Moderate (H)	Limiting (H)
1710020408: Salmon River-Siletz River	Moderate (H)	Moderate (H)	Limiting (H)	<i>Limiting (H)</i>	Limiting (M)	Limiting (L)	Moderate (H)	<i>Moderate (M)</i>	Moderate (M)	Moderate (H)	Limiting (M)
1710020409: Devils Lake-Moolack Frontal	Moderate (H)	Adequate (M)	Moderate (M)	Adequate (M)	Adequate (M)	Adequate (M)	Moderate (M)	Moderate (M)	Moderate (H)	Moderate (H)	Limiting (H)
1710020501: Upper Alsea River	Moderate (H)	Adequate (M)	Moderate (M)	<i>Limiting (H)</i>	Data Gap	<i>Limiting (M)</i>	Moderate (M)	Moderate (M)	Moderate (M)	Moderate (H)	Limiting (H)
1710020502: Five Rivers-Lobster Creek	Moderate (H)	Moderate (H)	Moderate (M)	<i>Moderate (H)</i>	Data Gap	Adequate (M)	Moderate (M)	Moderate (M)	Moderate (M)	Adequate (L)	Moderate (H)
1710020503: Drift Creek	Moderate (H)	Adequate (H)	Moderate (M)	Adequate (L)	Adequate (M)	Adequate (L)	Adequate (L)	Adequate (L)	Moderate (M)	Adequate (L)	Moderate (H)
1710020504: Lower Alsea River	Moderate (H)	Moderate (H)	Moderate (H)	Moderate (M)	<i>Moderate (H)</i>	Adequate (H)	Moderate (H)	Moderate (M)	Moderate (M)	Moderate (H)	Limiting (M)
1710020505: Beaver Creek-Waldport Bay	Moderate (H)	Adequate (M)	Moderate (M)	Adequate (L)	Moderate (H)	Moderate (H)	Adequate (M)	<i>Moderate (H)</i>	Moderate (M)	Moderate (M)	Limiting (H)
1710020506: Yachats River	Moderate (H)	Moderate (L)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	<i>Adequate (L)</i>	Moderate (M)	Limiting (M)	Moderate (M)	Limiting (M)
1710020507: Mercer Lake Frontal [North]	Adequate (M)	Adequate (H)	Moderate (H)	Adequate (L)	Data Gap	Adequate (L)	Adequate (M)	Adequate (M)	Moderate (L)	Adequate (L)	Adequate (H)
1710020508: Big Creek-Vingie Creek	Adequate (L)	Adequate (L)	Adequate (L)	Adequate (L)	Adequate (M)	Adequate (L)	Adequate (L)	Adequate (M)	Adequate (M)	Adequate (M)	Adequate (H)

Table 19. Mid-Coast Watershed Council tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710020401: Upper Yaquina River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020402: Big Elk Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020403: Lower Yaquina River	Limiting (L)	<i>Limiting (M)</i>	Moderate (M)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (M)	<i>Limiting (H)</i>	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (H)	<i>Limiting (M)</i>	<i>Moderate (M)</i>	Limiting (H)
1710020404: Upper Siletz River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020405: Middle Siletz River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020406: Rock Creek-Siletz River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020407: Lower Siletz River	<i>Limiting (L)</i>	Limiting (M)	Moderate (L)	Moderate (M)	Moderate (M)	Limiting (L)	Moderate (M)	Limiting (L)	Moderate (M)	Moderate (M)	Adequate (L)	Moderate (H)	Adequate (L)	Moderate (M)	Moderate (M)	Adequate (M)
1710020408: Salmon River-Siletz River	Limiting (M)	<i>Moderate (H)</i>	Adequate (L)	Moderate (M)	Moderate (M)	Moderate (H)	Adequate (M)	<i>Adequate (M)</i>	<i>Adequate (M)</i>	<i>Moderate (M)</i>	Adequate (L)	<i>Adequate (L)</i>	Adequate (M)	<i>Adequate (M)</i>	<i>Moderate (M)</i>	Adequate (L)
1710020409: Devils Lake-Moolack Frontal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020501: Upper Alsea River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020502: Five Rivers-Lobster Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020503: Drift Creek	Adequate (L)	Data Gap	Adequate (M)	Moderate (M)	Moderate (M)	Adequate (M)	-	-	-	-	-	-	-	-	-	-
1710020504: Lower Alsea River	Limiting (M)	Limiting (M)	Moderate (M)	Limiting (M)	<i>Adequate (M)</i>	Moderate (H)	Moderate (H)	Limiting (H)	Moderate (M)	Limiting (M)	Adequate (H)	Moderate (H)	<i>Moderate (M)</i>	Moderate (M)	Moderate (M)	Moderate (H)
1710020505: Beaver Creek-Waldport Bay	Adequate (L)	Data Gap	Data Gap	Adequate (M)	Adequate (L)	Adequate (L)	-	-	-	-	-	-	-	-	-	-
1710020506: Yachats River	<i>Adequate (L)</i>	Data Gap	Limiting (M)	-	-	-	-	-	-	-	-	<i>Adequate (M)</i>	Data Gap	Limiting (M)	<i>Adequate (L)</i>	Adequate (L)
1710020507: Mercer Lake Frontal [North]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020508: Big Creek-Vingie Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

3.2.7 Siuslaw Watershed Council

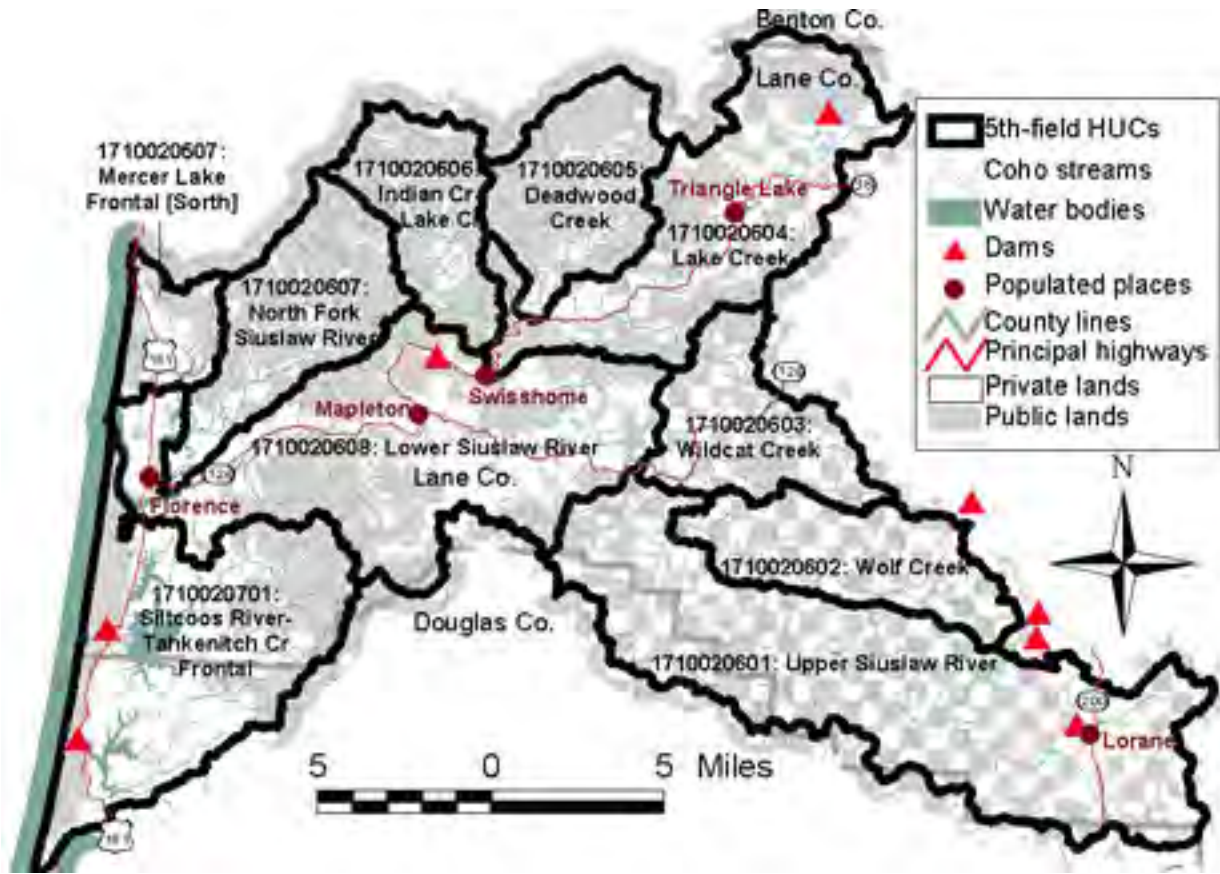


Figure 8. Siuslaw Watershed Council area map.

Table 20. Siuslaw Watershed Council aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710020507: Mercer Lake Frontal [South]	<i>Limiting (M)</i>	Limiting (M)	Data Gap	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (L)	<i>Limiting (H)</i>	Adequate (M)
1710020601: Upper Siuslaw River	Limiting (M)	Moderate (H)	<i>Adequate (L)</i>	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (M)	Data Gap	Adequate (L)
1710020602: Wolf Creek	Limiting (M)	Limiting (M)	Moderate (M)	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (L)	Data Gap	Adequate (M)
1710020603: Wildcat Creek	Limiting (M)	Limiting (M)	Moderate (M)	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (L)	Data Gap	Adequate (M)
1710020604: Lake Creek	Limiting (M)	Limiting (H)	Moderate (H)	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (L)	Data Gap	Adequate (M)
1710020605: Deadwood Creek	Limiting (M)	Limiting (M)	Moderate (M)	Moderate (M)	Moderate (M)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (M)	Data Gap	Adequate (M)
1710020606: Indian Creek-Lake Creek	Limiting (M)	Limiting (H)	Moderate (H)	Moderate (M)	Moderate (M)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (M)	Data Gap	Adequate (M)
1710020607: North Fork Siuslaw River	Limiting (M)	Limiting (M)	Moderate (M)	Moderate (M)	Moderate (M)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (M)	Data Gap	Adequate (M)
1710020608: Lower Siuslaw River	Limiting (M)	Limiting (M)	Moderate (M)	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (M)	Data Gap	Adequate (M)
1710020701: Siltcoos River-Tahkenitch Creek Frontal	<i>Limiting (H)</i>	Limiting (H)	Data Gap	Limiting (H)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (H)	Moderate (M)	Limiting (L)	Limiting (M)	Adequate (M)

Table 21. Siuslaw Watershed Council riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1710020507: Mercer Lake Frontal [Sorth]	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (M)	Limiting (M)	Limiting (M)
1710020601: Upper Siuslaw River	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (H)	Limiting (M)	Limiting (M)
1710020602: Wolf Creek	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (M)	Limiting (M)	Limiting (M)
1710020603: Wildcat Creek	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (M)	Limiting (M)	Limiting (M)
1710020604: Lake Creek	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (M)	Limiting (H)	Limiting (H)
1710020605: Deadwood Creek	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (H)	Limiting (H)	Limiting (M)
1710020606: Indian Creek-Lake Creek	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (H)	Limiting (H)	Limiting (M)
1710020607: North Fork Siuslaw River	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (M)	Limiting (M)	Limiting (M)
1710020608: Lower Siuslaw River	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)
1710020701: Siltcoos River-Tahkenitch Creek Frontal	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (M)	Moderate (M)	Limiting (M)	Limiting (M)

Table 22. Siuslaw Watershed Council tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710020507: Mercer Lake Frontal [Sorth]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020601: Upper Siuslaw River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020602: Wolf Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020603: Wildcat Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020604: Lake Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020605: Deadwood Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020606: Indian Creek-Lake Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710020607: North Fork Siuslaw River	Limiting (L)	Limiting (M)	Limiting (H)	Limiting (L)	Limiting (M)	Moderate (H)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	-
1710020608: Lower Siuslaw River	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (M)	Moderate (L)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap
1710020701: Siltcoos River-Tahkenitch Creek Frontal	Moderate (L)	Data Gap	Data Gap	Data Gap	Data Gap	Moderate (L)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap

3.2.8 Smith River Watershed Council



Figure 9. Smith River Watershed Council area map.

Table 23. Smith River Watershed Council aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710030306: Upper Smith River												
1710030307: Lower Smith River-Lower Umpqua River												

Table 24. Smith River Watershed Council riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:					
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment	
1710030306: Upper Smith River												
1710030307: Lower Smith River-Lower Umpqua River												

Table 25. Smith River Watershed Council tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710030306: Upper Smith River																
1710030307: Lower Smith River-Lower Umpqua River																

3.2.9 Elk Creek Watershed Council

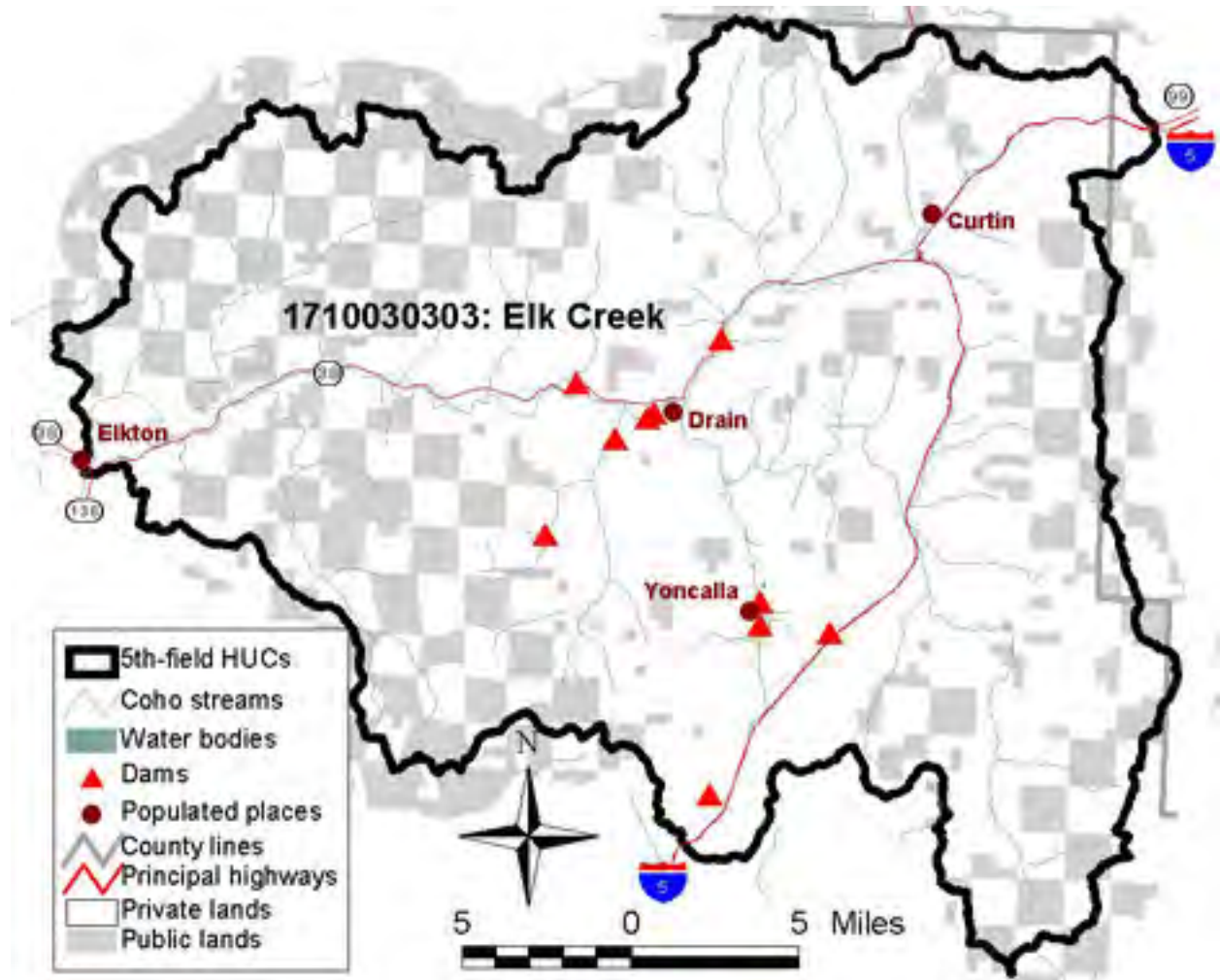


Figure 10. Elk Creek Watershed Council area map.

Table 26. Elk Creek Watershed Council aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710030303: Elk Creek	Limiting (L)	Limiting (H)	Limiting (L)	Moderate (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (L)	Moderate (H)	Adequate (M)

Table 27. Elk Creek Watershed Council riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5 th -Field HUC	Riparian:			Freshwater Wetlands:			Uplands:					
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment	
1710030303: Elk Creek	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (L)	Adequate (L)	Limiting (L)

Table 28. Elk Creek Watershed Council tide land Watershed Health Indicators by 5th-field HUC.

5 th -Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710030303: Elk Creek	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

3.2.10 Tenmile Lakes Basin Partnership

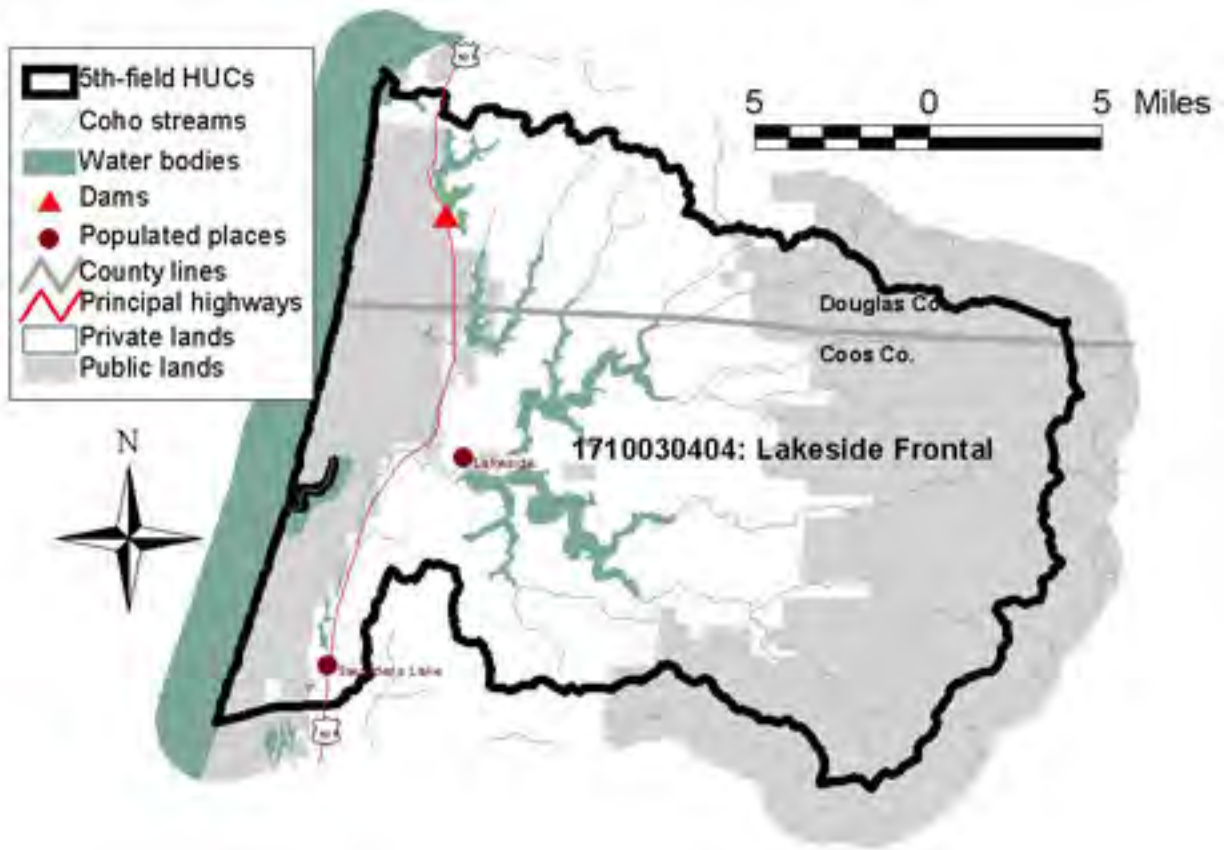


Figure 11. Tenmile Lakes Basin Partnership area map.

Table 29. Tenmile Lakes Basin Partnership aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710030404: Lakeside Frontal	Moderate (L)	Limiting (L)	Limiting (H)	Adequate (L)	Adequate (L)	Moderate (L)	Limiting (L)	Moderate (L)	Limiting (L)	Limiting (L)	Limiting (L)	-

Table 30. Tenmile Lakes Basin Partnership riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:					
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment	
1710030404: Lakeside Frontal	Moderate (L)	Adequate (L)	Moderate (L)	Limiting (L)	-	-	-	-	-	-	-	-

Table 31. Tenmile Lakes Basin Partnership tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710030404: Lakeside Frontal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

3.2.11 Coos Watershed Association

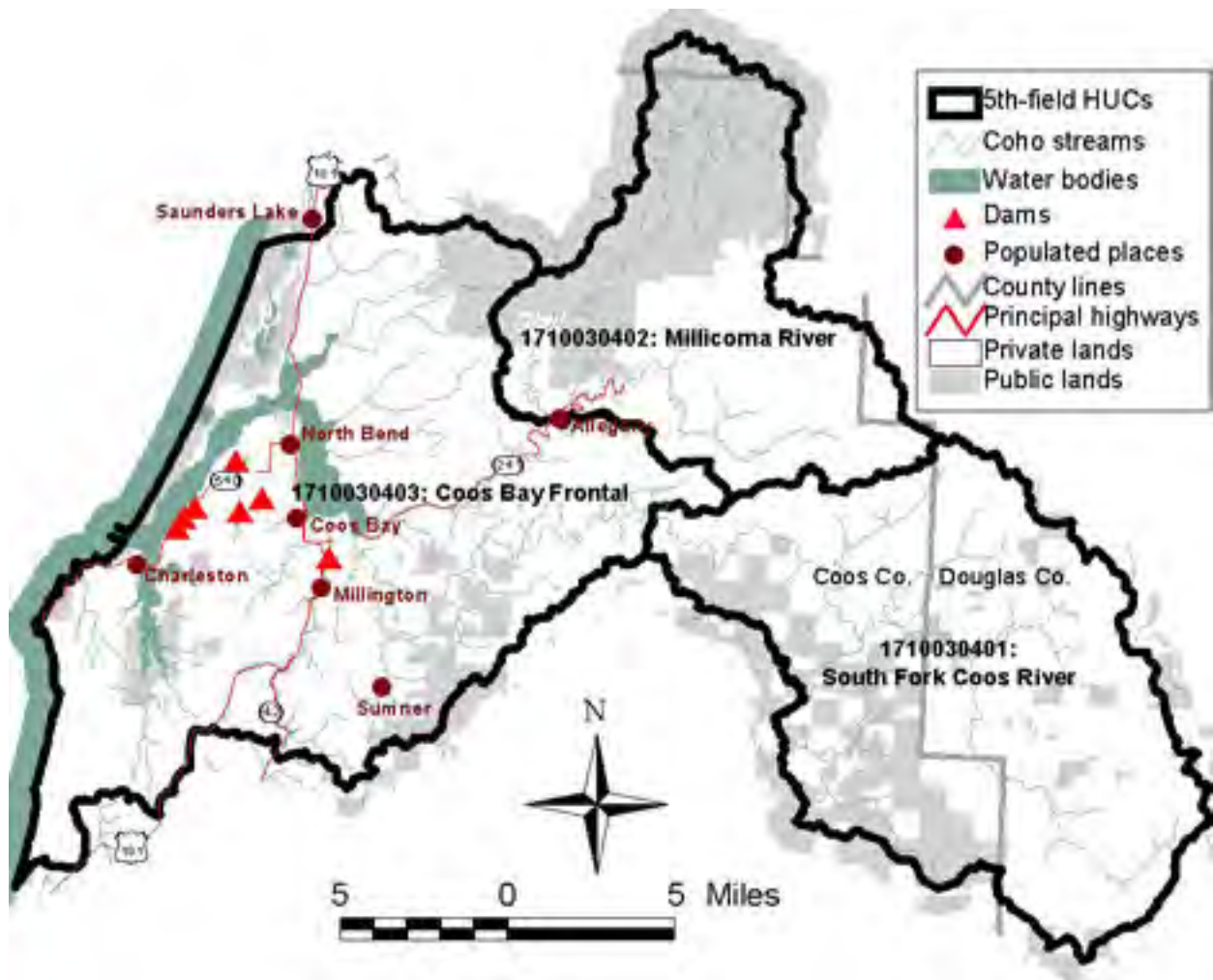


Figure 12. Coos Watershed Association area map.

Table 32. Coos Watershed Association aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710030401: South Fork Coos River	Limiting (M)	Limiting (M)	Adequate (L)	Limiting (M)	Limiting (H)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (H)	Limiting (H)	Data Gap	Moderate (M)
1710030402: Millicoma River	Limiting (M)	Limiting (M)	Adequate (L)	Limiting (M)	Moderate (M)	Limiting (M)	Limiting (M)	Limiting (L)	Moderate (H)	Moderate (M)	Data Gap	Moderate (H)
1710030403: Coos Bay Frontal	Limiting (M)	Moderate (H)	Adequate (M)	Moderate (H)	Adequate (M)	Limiting (M)	Limiting (L)	Limiting (L)	Moderate (L)	Limiting (L)	Adequate (L)	Limiting (H)

Table 33. Coos Watershed Association riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1710030401: South Fork Coos River	Limiting (M)	Limiting (L)	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (M)	Moderate (M)	Limiting (L)	Limiting (M)
1710030402: Millicoma River	Limiting (H)	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (M)	Moderate (M)	Limiting (M)	Limiting (M)
1710030403: Coos Bay Frontal	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (M)	Moderate (H)	Moderate (L)	Limiting (L)

Table 34. Coos Watershed Association tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710030401: South Fork Coos River	Limiting (M)	Limiting (M)	Data Gap	Limiting (L)	-	Limiting (M)	-	-	-	-	Adequate (L)	Limiting (L)	Limiting (M)	Limiting (L)	Data Gap	Adequate (L)
1710030402: Millicoma River	-	-	-	-	-	Moderate (L)	-	-	-	-	Adequate (L)	Limiting (M)	Limiting (M)	Limiting (M)	Data Gap	Adequate (L)
1710030403: Coos Bay Frontal	Limiting (M)	Limiting (H)	Moderate (H)	Limiting (L)	Moderate (L)	Limiting (L)	Limiting (M)	Moderate (L)	Moderate (M)	Moderate (M)	Moderate (L)	Moderate (M)	Moderate (M)	Moderate (L)	Moderate (L)	Moderate (L)

3.2.12 Coquille Watershed Association

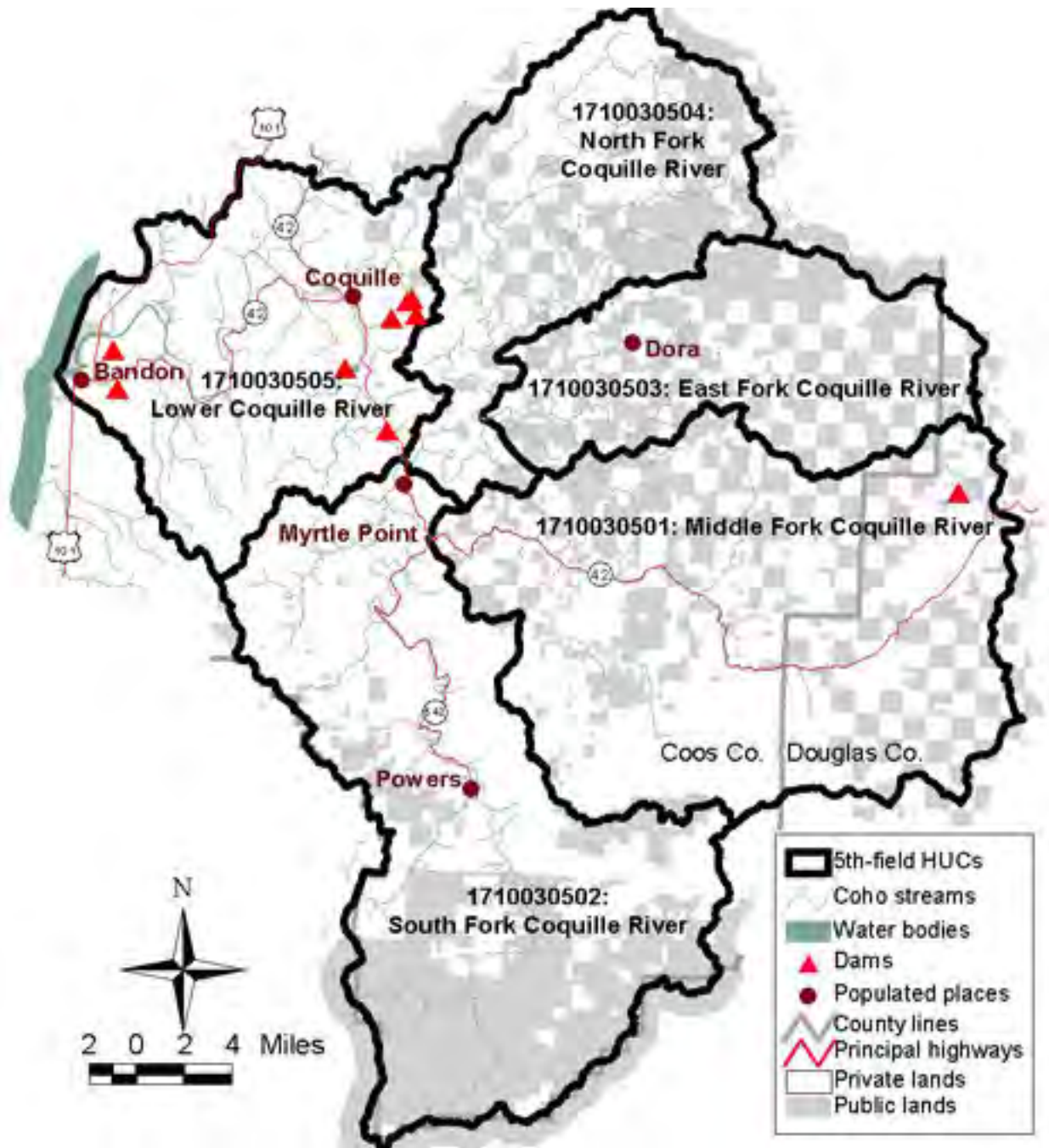


Figure 13. Coquille Watershed Association area map.

Table 35. Coquille Watershed Association aquatic/instream Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Water Temperature	Water Quality	Water Quantity	Spawning gravel quantity	Spawning gravel quality	Complexity: winter rearing habitat	Complexity: summer rearing habitat	Large Wood	Barriers	Channel Modification	Aquatic invasive species	Hatchery impacts
1710030501: Middle Fork Coquille River	Limiting (M)	Limiting (H)	Moderate (M)	Moderate (M)	Limiting (M)	Limiting (L)	Limiting (L)	Limiting (L)	Adequate (H)	Limiting (L)	Moderate (M)	Moderate (M)
1710030502: South Fork Coquille River	Limiting (M)	Moderate (M)	Moderate (H)	Adequate (L)	Moderate (L)	Limiting (M)	Moderate (M)	Moderate (M)	Limiting (H)	Moderate (M)	Limiting (H)	Moderate (M)
1710030503: East Fork Coquille River	Limiting (L)	Limiting (M)	Moderate (H)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Moderate (H)	Limiting (M)	Limiting (H)	Moderate (M)
1710030504: North Fork Coquille River	Limiting (M)	Moderate (L)	Moderate (H)	Moderate (M)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (L)	Moderate (H)	Limiting (M)	Moderate (H)	Moderate (M)
1710030505: Lower Coquille River	Limiting (H)	Limiting (M)	Limiting (M)	Limiting (H)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (M)	Moderate (M)

Table 36. Coquille Watershed Association riparian, wetland, and upland Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Riparian:			Freshwater Wetlands:			Uplands:				
	Stand condition	Roads	Invasive species	Habitat loss	Habitat function	Connectivity	Hydro modification	Fine sediment sources	Invasive species	Habitat fragmentation	Large wood recruitment
1710030501: Middle Fork Coquille River	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Moderate (M)	Limiting (M)	Moderate (M)	Adequate (L)	-
1710030502: South Fork Coquille River	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Moderate (H)	Moderate (H)	Moderate (M)	Adequate (M)	-
1710030503: East Fork Coquille River	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Moderate (M)	Limiting (M)	Moderate (M)	Adequate (L)	-
1710030504: North Fork Coquille River	Limiting (M)	Limiting (L)	Moderate (M)	Limiting (M)	Limiting (M)	Limiting (M)	Moderate (M)	Limiting (M)	Moderate (M)	Adequate (M)	-
1710030505: Lower Coquille River	Limiting (L)	Limiting (L)	Limiting (L)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Limiting (M)	Moderate (L)	-

Table 37. Coquille Watershed Association tide land Watershed Health Indicators by 5th-field HUC.

5th-Field HUC	Tidal Wetlands:						Tidal Flats:					Sub-tidal:				
	Hydro modification	Sediment regime	Water quality	Vegetation modification	Invasive species	Tidal Wetland Loss	Hydro modification	Sediment regime	Water quality	Invasive species	Tidal flat loss	Hydro modification	Sediment regime	Water quality	Invasive species	Sub-tidal area loss
1710030501: Middle Fork Coquille River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710030502: South Fork Coquille River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Fork Coquille River																
1710030503: East Fork Coquille River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1710030504: North Fork Coquille River																
1710030505: Lower Coquille River	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (L)	Limiting (M)	Limiting (L)	<i>Moderate (M)</i>	Moderate (M)	Data Gap	Moderate (M)	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap	Data Gap

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Appendix A: Watershed Council Contacts

Council	Coordinator	Phone	Email	Location
Coos WA	Jon Souder	(541) 888-5922	cooswa@cooswatershed.org	Coos Bay
Coquille WA	Jennifer Hampel	(541) 572-2541	jennifer.hampel@verizon.net	Coquille
Elk Creek WC	Lee Russell	(541) 836-7206	lee085@centurytel.net	Yoncalla
Lower Columbia WC	Margaret Magruder	(503) 728-9015	magruder@clatskanie.com	Clatskanie
MidCoast WC	Wayne Hoffman	(541) 265-9195	mcwc@midcoastpartners.org	Newport
Nestucca Neskowin WC	Alex Sifford	(503) 392-6134	nnwc@oregoncoast.com	Hebo
No. Coast WA	Lori Lilly	(503) 325-0435	llilly@columbiaestuary.org	Astoria
Siuslaw WC	Todd Miller	(541) 268-3044	watershed@siuslaw.org	Mapleton
	Gus Gates	(541) 997-1272	wcsswcd@oregonfast.net	Florence
Smith River WC	Troy Turney	541-217-5219	smithriver@toast.net	Reedsport
Tenmile Lakes Partnership	Mike Mader	(541) 759-2414	tlbp@presys.com	Lakeside
Tillamook WC	Denise Lofman	(503) 322-0002	tbwc@oregoncoast.com	Garibaldi
Upper Nehalem WC	Maggie Peyton	(503) 429-2401	maggie@nehalem.org	Vernonia

Appendix B:

Development of Estuarine Watershed Health Indicators

The importance of estuaries to salmon and other fisheries has stimulated various assessment and restoration ranking systems. We reviewed a number of assessment approaches used in Oregon to develop the approach in describing limiting factors and estuary health indicators used in this report. These methods included the National Coastal Assessment (National Estuary Program, 2007); OWEB's recently completed Estuary Assessment procedure (Brophy 2007); Coos Bay HGM Rapid Assessment procedure and science review (Adamas 2006, Adamas 2005), and procedures used in the National Coastal Zone Management Effectiveness Study (Good et al. 1998). We incorporated ideas from these procedures to develop the list of Watershed Health Indicators and rating system.

For the purposes of this assessment, the estuary was divided into three zones: 1) tidal wetlands, 2) tidal flats, and 3) sub-tidal zone based on descriptions from Brophy (2007), Good (1999), and recommendations from the participating watershed councils. These areas are as follows:

Tidal wetlands: Marshes and swamps; a vegetated wetland that is periodically inundated by tidal waters. Tidal wetlands include emergent, scrub-shrub, and forested wetland types.

Tidal flat: An area inundated by all high tides and exposed only at low tide. Some tidal flats have extensive growth of algae or seagrass; others are bare mud.

Sub-tidal zone: Subtidal estuarine habitats include channel bottoms, slope bottoms, and the open water above them.

Descriptions of anthropogenic alterations to estuary functions in Adamas (2005), Good et al. (1998), and Brophy (2007) were used to identify the categories of limiting factors/indicators that provide the basis of the ratings. Dikes, culverts/tide gates, roads/railroads, and dams restrict tidal flow, reducing or altering nearly all tidal wetland functions. Ditches change tidal flow patterns and channel morphology, affecting nearly all tidal wetland functions. Tillage and grazing compact soils, contribute to erosion of channel banks, and reduce vegetation diversity and wildlife habitat. Channel armor and riprap cause erosion, reduce vegetation diversity and channel shading, and reduce salmonid habitat functions. Impoundments, excavation and dredged material disposal change wetland surface elevations, water flow patterns, and soil biology. Logging and driftwood removal reduces salmon habitat functions of formerly shaded tidal channels. Invasive species can completely alter the character of estuaries.

These stressors were grouped into categories and evaluated as estuarine health indicators:

Tidal Wetlands	Tidal Flats	Sub-tidal Zone
Hydro-modification	Hydro-modification	Hydro-modification
Sediment regime	Sediment regime	Sediment regime
Water quality	Water quality	Water quality
Vegetation modification	Invasive species	Invasive species
Invasive species	Tidal flat loss (Complete)	Sub-tidal zone loss (Complete)
Wetland loss (Complete)		

The definition and criteria used to rate the Watershed Health Indicators (health condition indicator) are listed in Appendix C. The qualitative method of rating these factors was adopted from the categorical rating suggested in Good et al. (1998). In their assessment, Good et al. (1998) used percent of alteration from historic condition to categorize the extent of change: 1) Limiting is Greater than 40%, 2) Moderate is 20 – 40%, and 3) Adequate is Less than 20% alteration.

Appendix C:

Watershed Health Indicator Definitions and Criteria

Aquatic

Indicator	Definition	Criteria
Water temperature	Changes in water temperature patterns that affect aquatic life.	Limiting: > 64 deg. F Moderate: 62 - 64 deg. F Adequate: 42 - 62 deg. F
Water quality	Changes in water quality, both harmful to fish and public health. Evaluated based on the extent to which parameters meet or exceed DEQ standards.	Limiting: Does not attain DEQ water quality criteria. Greater than 10% of the samples exceed the appropriate criteria. Moderate: Intermediate in severity or extent of water quality criteria violations. Adequate: Attains DEQ water quality criteria. Greater than 90% of the samples meet the appropriate criteria.
Water quantity	Inadequate summer stream flows that limit fish production and increase water temperatures. Elevated winter peak flow magnitudes that increase scour, bank erosion, and/or otherwise degrade channel function and fish habitat.	Measurement: Significant departure from normal stream flow regime. LOW FLOWS Limiting: Stream flow restoration priorities categories 3 (high) and 4 (highest) See example at this link. Moderate: Category 2 (moderate) Adequate: Category 1 (low) PEAK FLOWS Limiting/Moderate/Adequate: Can be estimated if watershed analysis or other studies have information that addresses peak flows; otherwise the rating will be Insufficient Information.
Spawning gravel quantity	Sufficient spawning gravel available to produce enough fry to seed the rearing habitat given adequate adult escapement, as defined by ODFW habitat benchmarks for percent of riffle area covered with gravel.	Measurement: Spawning gravel quantity (as measured by percent riffle area covered in gravels): Limiting: <15% Moderate: 15% - 35% Adequate: >35%
Spawning gravel quality	The quality of spawning gravel as measured by the degree of embeddedness in comparison to reference conditions for the stream type and geology, as defined by ODFW benchmarks for percent of riffle area covered with fine sediments.	Measurement: Spawning Gravel Quality as indicated by substrate embeddedness (percent riffle area in silt, sand, and organics). Limiting: Volcanic parent material: >15%; Sedimentary parent material: >20%; Channel gradient <1.5%: >25% Moderate: Volcanic parent material: 8% - 15% ; Sedimentary parent material: 10% - 20%; Channel gradient <1.5%: 12% - 25% Adequate: Volcanic parent material: <8%; Sedimentary parent material: <10% ; Channel gradient <1.5%: <12%
Stream complexity: winter rearing habitat	From Coho Conservation Plan (2006): "Stream complexity and high quality over-winter rearing habitat refer to the same thing." Present only in areas where the stream is fairly low gradient (less than 2%) and there are broad valley areas near the stream. Usually recognizable by one or more of the following features: large wood, pools, connected off-channel alcoves, beaver ponds, lakes, and connected	Limiting: A simple channel containing a fairly uniform flow and few of the high quality habitat types. Moderate: An unconfined stream network that contains few of the high quality habitat types. Adequate: A meandering stream network with complex channels containing a mixture of the high quality habitat types that provide areas with different velocity and depth for use at different fish life stages.

Indicator	Definition	Criteria
	floodplains and wetlands.	
Stream complexity: summer rearing habitat	Complex summer rearing habitat includes the components above with an emphasis on appropriate water temperatures, accessible areas of cold water refugia, and abundant complex pools with adequate depth, structure, and hiding cover.	<p>Limiting: A simple channel containing a fairly uniform flow and few of the high quality habitat types.</p> <p>Moderate: low-moderate percent of summer stream surface area is pools; or pools lack the complexity of large wood, or low overhanging riparian vegetation.</p> <p>Adequate: Much of stream surface area is in pools, with considerable woody structure in the pools for cover (submerged large wood, and/or riparian vegetation extending low over or into pools). Adequate habitat also includes beaver ponds and lakes.</p>
Large wood	Large in-channel wood (usually conifer) that forms pools and/or provides complex structure and hiding cover, as defined by ODFW benchmarks for number of pieces and/or volume.	<p>Measurement: Large wood volume (m³/100m stream length) and number of pieces (per 100 m stream length):</p> <p>Limiting: Pieces: >10; Volume: >20</p> <p>Moderate: Pieces: 10 - 20 ; Volume: 20 - 30</p> <p>Adequate: Pieces: >20 ; Volume: >30</p>
Barriers	Fragmented aquatic habitats that affect the dispersal of aquatic life and reduce access to key habitats. This includes structures blocking fish passage and unscreened water diversions. For example, reduced access to spawning/rearing habitat in tributaries from a culvert that is a barrier to fish passage.	<p>Assessment based on the percent of habitat blocked by barriers or degree of blockage.</p> <p>Limiting: Complete blockage to fish movement into high quality spawning and/or rearing habitat; or significant quantities of high quality habitat inaccessible due to barriers.</p> <p>Moderate: Barriers limit (partial blockage) fish movement into high quality spawning and/or rearing habitat.</p> <p>Adequate: There are no barriers.</p>
Channel modification	A stream channel that is altered from its normal channel movement, particularly providing an abundance of low velocity habitats. Typical channel modifications include gravel extraction, channel straightening, bank armoring and channel relocation. These actions reduce key habitat features such as pools, gravel bars, lateral scour pools, side channels and habitat complexity.	<p>Qualitative assessment:</p> <p>Limiting: The stream channel network has been impacted by extensive instream or riparian work (e.g., riparian area roads that confine the stream, or channelization). The stream channel network has been channelized or relocated, particularly in areas with potentially high habitat quality (low gradient streams that would be unconfined without the impact).</p> <p>Moderate: Some portions of the stream channel network have been impacted by channelization or other measures.</p> <p>Adequate: Natural channel; no human impacts.</p>
Invasive species	Non-native animal and plant species that affect the aquatic environment. Includes exotic fish species that compete with, prey on, or displace native fish species.	<p>Qualitative assessment incorporating both severity of impacts and spatial extent:</p> <p>Limiting: Abundant exotic fish species that impact coho production; key limiting factor for coho populations according to Coho Conservation Plan (i.e., primary lake systems: Siltcoos, Tahkenitch, and Tenmile); non-native plant species that affect aquatic productivity and/or water quality.</p> <p>Moderate: Exotic species are limited in spatial extent or moderate overall impact on aquatic productivity and/or water quality.</p> <p>Adequate: There are minimal or no non-native species present.</p>
Hatchery impacts	Impacts to wild anadromous fish populations from improper hatchery management, including the following possible risk factors: genetic (inbreeding, unintentional natural selection, etc), ecological (competition, carrying capacity, etc.), behavioral, diseases, and other factors.	<p>Qualitative assessment:</p> <p>Limiting: Substantial hatchery impacts to fish populations; key limiting factor for coho populations according to Coho Conservation Plan (i.e., Salmon Watershed).</p> <p>Moderate: Some hatchery impacts to fish populations.</p> <p>Adequate: There are no or minimal hatchery impacts.</p>

Riparian

Indicator	Definition	Criteria
Riparian stand condition	Riparian stand conditions that affect normal succession to native vegetation (for example, blackberry areas) or influence the recruitment of large wood to the aquatic system (for example, an alder stand where there would normally be conifers).	<p>Measurement: Stand composition, size and structure (within 150 feet of stream).</p> <p>Limiting : Current stand conditions do not provide reference functions; composition, size or structure are below reference condition. May include stands that are recently planted, and areas heavily impacted from invasive species or other factors that affect normal successional processes.</p> <p>Moderate: Stand composition is similar to reference condition for site; however stand size is too small to provide reference functions and/or stand composition is below reference conditions (e.g., conifer plantations with large tree size but lacking multi-storied structure).</p> <p>Adequate: Stand composition, size and structure are similar to reference condition for the given location.</p>
Riparian roads	Roads prevent establishment of native streamside vegetation, deliver sediment, interrupt ground water flow, and provide a pathway for non-native exotic species.	<p>Measurement: Lineal miles of road within the riparian area per mile of stream.</p> <p>Limiting: > 0.1 mile of road per mile of stream</p> <p>Moderate: > 0.1 but < 0.04 mile of road per mile of stream</p> <p>Adequate: < 0.04 mile of road per mile of stream</p>
Invasive species	Non-native plants and animals that modify riparian habitats and displace native species.	<p>Qualitative assessment:</p> <p>Limiting: Abundant invasive species are impacting riparian vegetation or normal successional processes.</p> <p>Moderate: Invasive species are limited in spatial extent or minimal overall impact on riparian function.</p> <p>Adequate: There are no or minimal invasive species present.</p>

Wetlands

Indicator	Definition	Criteria
Wetland habitat loss	Loss of wetlands due to drainage, dredging, deposition of dredged material, levees, diking, tiling, development, and other means. Loss of wetlands impacts water quality, water storage, flood abatement, and wildlife habitat.	<p>Qualitative assessment:</p> <p>Limiting: Wetlands have been impacted by extensive ditching, draining, filling, tiling, development, and other human-caused destruction.</p> <p>Moderate: Some wetlands have been impacted by draining, filling and other measures.</p> <p>Adequate: Naturally occurring wetlands present, no human impacts.</p>
Wetland habitat function	Alterations to existing wetlands that reduce wetland functions - water filtering, flood storage, and wildlife habitat.	<p>Limiting: <30% functional</p> <p>Moderate: 30-50% functional</p> <p>Adequate: >50% functional</p>
Wetland connectivity	Loss and/or degradation of the physical connection between surface water sources and wetlands. In the context of this assessment wetland connectivity relates primarily to the loss of access by juvenile salmonids to off-channel wetland habitats.	<p>Qualitative assessment:</p> <p>Limiting: Widespread wetland connectivity loss due to diking, impassible barriers, channel downcutting, or other physical barriers that restrict juvenile access to wetland habitats.</p> <p>Moderate: Some wetland connectivity loss, however opportunities for off -channel wetland use remain.</p> <p>Adequate: Naturally occurring wetland connectivity is present.</p>

Uplands

Indicator	Definition	Criteria
Hydro modification	Roads, impervious surfaces, and land uses that affect water runoff timing, magnitude of peak and low flows, and storage.	Measurement: Percent of watershed area in urban or agricultural use: Limiting: > 30% Moderate: 5%-30% Adequate: < 5%
Fine sediment sources	Increased sediment delivery to the aquatic system from changes in land use patterns and management. For example, road practices or other land use management that increase soil erosion rates and delivery to stream channels.	Qualitative assessment: Limiting: Roads or other land management activities are delivering significant quantities of sediment to the stream network. Moderate: Roads or other land management activities are delivering some quantities of sediment to the stream network; or sediment impacts are limited in spatial extent. Adequate: Minimal sediment contributions to the stream network from upland land movement activities.
Invasive species	Non-native plants and animals that modify terrestrial habitats and displace native species.	Qualitative assessment: Limiting: Abundant invasive species are impacting terrestrial habitat or normal successional processes. Moderate: Invasive species are limited in spatial extent or minimal overall impact on terrestrial habitat function. Adequate: There are no or minimal invasive species present.
Habitat Fragmentation	Fragmented terrestrial habitats that affect wildlife/plant dispersal and connectivity across the landscape. Human-caused forest fragmentation is one metric that can be used to evaluate the extent of habitat fragmentation in the Oregon Coast Range.	Measurement: Mean human-caused forest fragmentation rating (scale of 1-100): Limiting: Mean fragmentation rating greater than of 27 Moderate: Mean fragmentation rating of 8-27 Adequate: Mean fragmentation rating less than 8
Upland Large Wood Recruitment	Note: WPN investigated GIS support for this factor and provided the GIS layers to Councils that requested the information. A GIS-based solution could not be completed for the entire ESU.	INTENTIONALLY LEFT BLANK Limiting: Moderate: Adequate:

Tidal Wetlands

Indicator	Definition	Criteria
Hydro-modification	Man-made alterations that restrict tidal flow, hydrologic alterations can reduce or greatly alter nearly all tidal wetland functions, and in some cases completely eliminate those functions.	Extent of wetlands altered by restricted flow. Limiting: > 40% of historic wetland area modified Moderate: 20-40% of historic wetland area modified Adequate: <20% of historic wetland area modified
Sediment regime	Increased or reduced sediment delivery to the tidal wetlands from changes in land use patterns and management.	Qualitative assessment of the alteration of the sediment regime - both increased and decreased sediment delivery. Limiting: > 40% of wetlands affected by major change in sediment regime Moderate: 20 - 40% of wetlands affected by major change in sediment regime Adequate: < 20% of wetlands affected by major change in sediment regime
Water quality	Changes in water quality, both harmful to fish and public health. Evaluated based on the extent to which parameters meet or exceed DEQ standards.	Limiting: Does not attain DEQ water quality criteria. Greater than 10% of the samples exceed the appropriate criteria. Moderate: Intermediate in severity or extent of water quality criteria violations. Adequate: Attains DEQ water quality criteria. Greater than 90% of the samples meet the appropriate criteria.
Vegetation modification	Change or reduction of wetland vegetation through agricultural or other management practices. Tillage, grazing and logging compact soils, contribute to soil erosion of channel banks, and reduce vegetation diversity and wildlife habitat.	Qualitative assessment of the percent of vegetation in existing wetlands modified by land management practices. Limiting: > 40% of wetland vegetation modified by land management practices Moderate: 20 - 40% of wetland vegetation modified by land management practices Adequate: < 20% of wetland vegetation modified by land management practices
Invasive species	Non-native species that displace native species and alter the tidal wetland ecosystem. These species are characteristically adaptable, aggressive, and have a high reproductive capacity.	Limiting: Invasive species are having a significant effect on tidal wetland functions. Moderate: Invasive species are limited in spatial extent or moderate overall impact on tidal wetland functions. Adequate: There are no/minimal invasive species or they are exhibiting no measurable effect on tidal wetland function.
Wetland loss (Complete)	Wetland loss occurs with complete fill and conversion to developed uses, or other irreversible changes. In contrast to hydro-modification, this refers to historic conversion to cities, developments, etc. with no opportunity for restoration.	Rough measure of long term-direct impacts of human development of the coastal zone. Limiting: > 40 % complete fill or conversion Moderate: 20-40% complete fill or conversion Adequate: < 20% complete fill or conversion

Tidal Flats

Indicator	Definition	Criteria
Hydro-modification	Man-made alterations that restrict tidal flow.	Extent of tidal flats altered by restricted flow. Limiting: > 40% of historic tidal flat area modified Moderate: 20-40% of historic tidal flat area modified Adequate: <20% of historic tidal flat area modified
Sediment regime	Increased or reduced sediment delivery to the tidal flats from changes in land use patterns and management.	Qualitative assessment of the alteration of the sediment regime - both increased and decreased sediment delivery. Limiting: > 40% of tidal flats affected by major change in sediment regime Moderate: 20 - 40% of tidal flats affected by major change in sediment regime Adequate: < 20% of tidal flats affected by major change in sediment regime
Water quality	Changes in water quality, both harmful to fish and public health. Evaluated based on the extent to which parameters meet or exceed DEQ standards.	Limiting: Does not attain DEQ water quality criteria. Greater than 10% of the samples exceed the appropriate criteria. Moderate: Intermediate in severity or extent of water quality criteria violations. Adequate: Attains DEQ water quality criteria. Greater than 90% of the samples meet the appropriate criteria.
Invasive species	Non-native species that displace native species and alter the tidal flat ecosystem. These species are characteristically adaptable, aggressive, and have a high reproductive capacity.	Invasive species can have variable effects on tidal flats. Limiting: Invasive species are having a significant effect on tidal flat functions. Moderate: Invasive species are limited in spatial extent or moderate overall impact on tidal flat functions. Adequate: There are no/minimal invasive species or they are exhibiting no measurable effect on tidal flat function.
Tidal flat loss (Complete)	Tidal flat loss occurs with complete fill and conversion to developed uses, or other irreversible changes. In contrast to hydro-modification, this refers to historic conversion to cities, developments, etc. with no opportunity for restoration.	Rough measure of long term-direct impacts of human development of the coastal zone. Limiting: > 40 % complete fill or conversion Moderate: 20-40% complete fill or conversion Adequate: < 20% complete fill or conversion

Sub-Tidal Zone

Indicator	Definition	Criteria
Hydro-modification	Man-made alterations that restrict tidal flow.	Extent of wetlands altered by restricted flow. Limiting: > 40% of historic wetland area modified Moderate: 20-40% of historic wetland area modified Adequate: <20% of historic wetland area modified
Sediment regime	Increased or reduced sediment delivery to the sub-tidal zone from changes in land use patterns and management.	Limiting: > 40% of sub-tidal zone affected by major change in sediment regime Moderate: 20 - 40% of sub-tidal zone affected by major change in sediment regime Adequate: < 20% of sub-tidal zone affected by major change in sediment regime
Water quality	Changes in water quality, both harmful to fish and public health. Evaluated based on the extent to which parameters meet or exceed DEQ standards.	Limiting: Does not attain DEQ water quality criteria. Greater than 10% of the samples exceed the appropriate criteria. Moderate: Intermediate in severity or extent of water quality criteria violations. Adequate: Attains DEQ water quality criteria. Greater than 90% of the samples meet the appropriate criteria.
Invasive species	Non-native species that displace native species and alter the sub-tidal zone ecosystem. These species are characteristically adaptable, aggressive, and have a high reproductive capacity.	Invasive species can have variable effects on sub-tidal zone. Limiting: Invasive species are having a significant effect on sub-tidal zone functions. Moderate: Invasive species are limited in spatial extent or moderate overall impact on sub-tidal zone functions. Adequate: There are no/minimal invasive species or they are exhibiting no measurable effect on sub-tidal zone function.
Sub-tidal zone loss (Complete)	Sub-tidal wetland loss occurs with complete fill and conversion to developed uses, or other irreversible changes. In contrast to hydro-modification, this refers to historic conversion to cities, developments, etc. with no opportunity for restoration.	Rough measure of long term-direct impacts of human development of the coastal zone. Limiting: > 40 % complete fill or conversion Moderate: 20-40% complete fill or conversion Adequate: < 20% complete fill or conversion



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December 26, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item S: Public Records Rulemaking and Public Hearing
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report provides an update on the rulemaking process to address Senate Bill 554, legislation passed in the 2007 session, related to public records requests.

II. Background

The public has a right to inspect and obtain a copy of any public document unless the document is specifically excluded from disclosure (ORS 192.420). State agencies may charge a fee reasonably calculated to reimburse it for the costs associated with making the records available (ORS 192.440). "Actual costs" include the time agency staff spend locating the records; searching its records for the requested material (even if it does not locate any requested records); supervising a requestor's inspection of the records to protect the records' integrity; copying, certifying, and mailing the requested records; and separating exempt from non-exempt material.

Senate Bill 554 (SB 554) requires a state agency to respond "as soon as practicable and without undue delay" to a written request for a public document. State agencies may request clarification concerning a public records request. SB 554 requires a response that acknowledges receipt of the request, identifies whether the agency possesses the documents, and estimates the time and cost associated with honoring the request. Under SB 554 government entities must also make available to the public a written procedure for public records requests, including the name of the person to whom the request may be sent, the amounts charged for requests, and how these charges are determined. SB 554 is effective on January 1, 2008.

Staff asked the Board for authorization to begin rulemaking to address public records requests at the September 2007 meeting. Board members unanimously approved the staff recommendation to initiate rulemaking.

III. Public Records Rulemaking

Proposed administrative rules addressing public records requests and SB 554 requirements will be made available for public comment as of January 7, 2008. The public comment period lasts four weeks and ends at 5:00 p.m. on February 1, 2008. In addition to public comment that may

be offered at the January Board meeting, OWEB staff will hold a public hearing on January 23, 2008, at 10:30 a.m. in the State Lands Building, Land Board Room in Salem.

The proposed rules (Attachment A) are designed to be a stand alone division in OWEB's rules, largely to make them more visible for public. The proposed rules are divided into four sections, Purpose, Requests to Inspect or Obtain Copies of Public Records, Fees for Inspections or Copies of Public Records, and Fee Waivers and Reductions. In general, the proposed rules include that public records requests should be sent to a single Public Records Coordinator, OWEB will charge its actual costs to respond to requests, and fees will be waived for providing public records that are within the normal scope of implementing OWEB's programs. The latter allows OWEB to continue to provide data or monitoring information that are key to the agency's responsibilities, and to provide grant documents that benefit OWEB's administration of its grant awards.

The rules do not specify fee amounts. Rather than put the fees in rules where future additional rulemaking would be required to adjust fees based on cost increases, staff propose the rules identify that fees will be adopted by the Board. Staff will present proposed fees for adoption by the Board at the same time as the rules. OWEB staff will present the proposed administrative rules for adoption by the Board at the March 2008 Board meeting.

IV. Public Records Written Procedure

Attachment B contains OWEB's written public records procedure, which will be made available on the agency's Web site by January 1, 2008. The attached procedure is consistent with the proposed administrative rules described in Attachment A; any rule changes and fees adopted by the Board in March will require the public records procedure to be updated.

V. Recommendation

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

Attachments

- A. Proposed Administrative Rules
- B. OWEB Public Records Request Procedure

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DIVISION 3

PUBLIC RECORDS ACCESS AND REPRODUCTION

695-003-0010 Purpose

These rules govern implementation by the Oregon Watershed Enhancement Board (OWEB) of the public records law, ORS 192.410 to 192.505, including fees for recovery of the actual costs involved in making public records available and in providing copies of public records, pursuant to ORS 192.440.

695-003-020 Requests to Inspect or Obtain Copies of Public Records

(1) The right to review public records includes the right to review the original public record where practicable. The requestor does not have a right to personally locate the public record or to review portions of the public record that are exempt from disclosure pursuant to ORS 192.501 to 192.505.

(2) A request to inspect or obtain copies of a public record or information from public records must be made in writing to the Public Records Coordinator at the Oregon Watershed Enhancement Board, 775 Summer Street NE, Suite 360, Salem, OR 97301-1290, and must include:

- (a) The name, mailing address, email address, and telephone number of the requester;
- (b) Identification of the needed public record or of the type and format of needed public record information, if known to the requester;
- (c) The time period the records or information were produced, and the officials involved in producing the records or relevant information, if known to the requester; and
- (d) The number of copies for each item requested of the record, if copies are requested.

(3) OWEB will make all its public records, not otherwise exempt from disclosure by law, available for inspection and copying during regular business hours.

(4) OWEB may condition the time and manner of inspection or copying as necessary under the circumstances to protect the records and prevent interference with the regular discharge of the duties of the OWEB Board, OWEB, and OWEB’s employees.

(5) OWEB will accommodate public records requests from persons with disabilities in accordance with the Americans with Disabilities Act.

1 **695-003-0030 Fees for Inspections or Copies of Public Records**

2 (1) A person inspecting a public record or receiving a copy of a public record or
3 information from a public record must pay OWEB's actual costs, as follows:

4 (a) The cost of staff time necessary to locate and handle the records, to delete material
5 exempt from disclosure and to supervise the inspection by the requester;

6 (b) The cost of producing the copy or the information; and

7 (c) The cost of other supplies or services necessary to furnish the copy or information.

8 (2) The OWEB Board shall establish the agency's list of fees for inspection and copying
9 of public records. The list of fees shall be posted on OWEB's website and shall be
10 available on request from OWEB. The OWEB Board shall review the list of fees adopted
11 from time to time in order to ensure that the fees reflect current actual costs.

12 (3) If the request appears to require services for which no fee has been established, the
13 actual costs will be determined or estimated by OWEB, and the requester will be notified
14 of those costs before OWEB complies with the request.

15 (4) OWEB may require that all or a portion of the estimated fees be paid before the
16 public record is made available for inspection or copies provided.

17 (5) Payment for public record requests may be made in the form of cash, check, or money
18 order.

19 **695-003-0040 Exception to Fee Charge; Fee Waivers and Reductions**

20 (1) There is no fee for obtaining one or more copies of a public record, if providing one
21 or more copies of that particular public record without charge is part of OWEB's
22 programs at the time of the request, including but not limited to the public distribution of
23 OWEB reports, news releases and public notices, and the routine provision of documents
24 related to grant administration or the Oregon Plan.

25 (2) Subject to the exception described in subsection (1), no fee waiver or reduction will
26 be given for OWEB's actual costs in providing access for inspection or furnishing copies
27 of public records, if those actual costs would be otherwise paid from funds dedicated to
28 watershed protection under Article IV, Section 4b, of the Oregon Constitution, federal
29 funding allocated by intergovernmental agreement to salmon recovery efforts, or license
30 plate revenues statutorily dedicated to salmon recovery projects.

DRAFT Public Records Request Procedure

Public records requests should be sent to:

Melissa Leoni , Public Records Coordinator
Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
melissa.leoni@state.or.us
(503) 986-0179

A request to inspect or obtain copies of a public record should include:

1. The name, mailing address, email address, and telephone number of the requester;
2. Identification of the needed public record or of the type and format of needed public record information, if known;
3. The time period the records or information were produced and the officials involved in producing records or relevant information, if known; and
4. The number of copies for each item requested of the record, if copies are requested.

There is no fee for obtaining one or more copies of a public record, if providing one or more copies of that particular public record without charge is part of OWEB's programs at the time of the request, including but not limited to the public distribution of OWEB reports, news releases and public notices, and the routine provision of documents related to grant administration or the Oregon Plan.

Other than this exception, no fee waiver or reduction will be given if OWEB's actual costs would be otherwise paid from funds dedicated to watershed protection under Article IV, Section 4b, of the Oregon Constitution, federal funding allocated by intergovernmental agreement to salmon recovery efforts, or license plate revenues statutorily dedicated to salmon recovery projects.

OWEB's existing fees for public record requests have been established by an agreement with the Oregon Water Resources Department. Those fees are:

- Copies made by OWEB: \$2 for the first page, 50 cents for each subsequent page.
- Copies made by the customer: 10 cents a copy, with a minimum charge of \$2.
- Research fees are \$20/hour.
- Tapes are \$2 each.

If the request appears to require services for which no fee has been established, the actual costs will be determined or estimated by the agency and the requester will be notified of such prior to the agency complying with the request.

OWEB's fees are subject to change. The OWEB Board will be asked to consider proposed administrative rules and to establish the fees to be charged for public records requests at its March 19-20, 2008, meeting.



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December 26, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item T: Administrative Rulemaking
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report seeks Board authorization to begin administrative rulemaking to address three areas of OWEB's administrative rules. Not all three areas may ultimately require rule language changes, but staff are seeking permission now to be able to pursue rulemaking that could be completed by May 2008, if needed.

II. Background

OWEB staff completed an extensive review and update of its administrative rules in 2004. This rulemaking involved three major components:

- Updating and restructuring the current rules to include a separate division for each grant type and filling in gaps created by the new structure;
- Adding to the rules current fiscal and administrative policies and procedures; and
- Reworking the watershed restoration grant division to include the regional review team process, staff recommendation process, and revised evaluation criteria used to make funding decisions.

The goals for the rules restructuring project were to provide better clarity and consistency for applicants, to update the rules to reflect current policies and practices, and to make the review process more transparent to applicants.

In 2004, OWEB also completed rulemaking for watershed council support grants that completed the transition to merit-based watershed council support criteria begun in 2002. The rule revisions attempted to capture how watershed councils are able to illustrate their efforts to identify and address key watershed issues and emphasized past council accomplishments. The rules were drafted to more clearly describe the merit criteria that are used to evaluate watershed council support grant applications. The intent of the rules was that watershed council applicants who demonstrate a high level of performance will be awarded more funding than applicants who do not demonstrate the same high level of performance.

The 2004 council support rules also added language intended to reward organizational efficiencies with extra funding. The rules included language that certain characteristics can be used as a factor in recommending a higher funding level for an applicant. These characteristics include whether a council is an umbrella watershed council, serves an area larger than three 4th field hydrologic units, or supports multiple separate watershed councils. This was meant to be an incentive to reward the efficiencies gained by sharing resources. It was not intended to say that a single watershed organization serving a large geographic area or multiple councils is necessarily more effective, or that OWEB desires to see the consolidation or merger of councils.

III. Watershed Council Support Rules

At the May 2007 meeting, the Board directed staff to evaluate the council support funding distribution criteria, including bonuses for umbrella watershed councils and whether there should be a bonus award for “two or more watershed councils” demonstrating operational efficiencies. In August of 2007, staff recommended in its report on the Mid-Coast Watersheds Council that OWEB should review policies and rules applicable to umbrella watershed councils. The issue for discussion and potential rule revision is the council support funding allocation formula or criteria, including whether umbrella or multiple watershed councils should be allocated additional funding, how that additional increment is determined, and how additional funding is distributed.

The reality of council support funding is that the actual funding formula or award level must be based upon the results of the evaluation and the amount of money available to award. Neither factor is known until near the end of the process and is therefore not described in detail in the administrative rules. The 2004 rule revisions allowed staff to apply organizational characteristics to the funding allocation formula. For the 2005-2007 and 2007-2009 awards, umbrella watershed councils, as defined in rule, received an additional 18, 9 or 22 percent of their base award, depending on their organizational type. OWEB staff and Board members have received comments suggesting that this approach doesn’t work well for umbrella councils, multiple council applicants, or single council applicants that may have higher costs based on non-organizational factors.

Staff would like to explore options for improving the funding formula and criteria. This may be achievable without a change to the administrative rules, but we cannot disregard that rulemaking may be needed. Furthermore, this policy issue and any alternatives need to be discussed with the Board Council Support Subcommittee before a course of action is decided.

If rulemaking is needed, it will be critical to have the rules adopted by the Board at the May 2008 meeting in order to have them apply to the next watershed council support grant cycle. To be ready for Board adoption in May, staff propose the following rulemaking schedule:

Dates/Deadlines	Actions
January 2008	Board Subcommittee meeting/discussion
January 16-17	Request Board approval to begin rulemaking
Jan 22-Feb 15	RAC meetings (if needed) and rule drafting
February 15	Submit Rulemaking Notice to Secretary of State, Archives Division
February 19-27	Board Subcommittee review of proposed rules
March 3-31	Draft rules available and Public Comment Period (4 weeks)
March 19-20	Board update on rules and process

April 1	Notify legislators and public about rules
April 1-11	Finalize rules and prepare staff report
April 14-May 20	Finish revising council support application/instructions
May 20-21	Board adoption of rules
June 1	Application materials available on website

IV. Restoration Grant Eligibility

When the Governor’s Watershed Enhancement Board was created, and the grant program associated with it was established, the Legislature wanted to make sure that the funding made available for watershed enhancement was not eligible to support projects that were required to “mitigate” or offset a resource loss. Rather, the purpose of the funds was to provide a net natural resource (watershed) benefit. The purposes of OWEB grant investments as stated in its enabling statutes are to improve fish and wildlife and their habitats.

Over the years, OWEB has continued to focus its conservation investments on projects having a net benefit for watershed health. OWEB’s administrative rules prohibit grant funds be used for a restoration project “constructed solely to comply with a state or federal agency enforcement order, legal judgment or mitigation requirement” (OAR 695-010-0040(3)). Staff are encountering significant and increasing opportunities to leverage OWEB funding with some other types of funding that could be construed as being required for mitigation purposes or are in compliance with a state or federal legal judgment. If OWEB is to join in these opportunities it is critical to ensure that OWEB funds are used only for restoration benefits that are above and beyond, or separable from the actions taken to comply with mitigation or legal judgment requirements.

There are clear instances where it would not be appropriate for OWEB funds to be associated with mitigation requirements. For example, OWEB funding for the creation of 15 acres of wetlands would not be appropriate if those 15 acres were used to mitigate the filling of 15 wetland acres for a development project. There is no net benefit to watershed health in that instance. Other examples are not so clear. Are OWEB funds appropriate for use in restoration projects associated with a Habitat Conservation Plan under the federal Endangered Species Act, or associated with restoration objectives under a hydroelectric relicensing settlement agreement—especially if they only describe broad ecological outcomes?

Staff recommend further exploration of this policy issue to determine whether administrative adjustments or specific rule changes are needed to clarify if and how OWEB funds may be used in these types of scenarios. It is not certain that a rulemaking will be necessary to address this matter. Nevertheless, staff seek Board approval to enter into rulemaking on this matter in order to preserve the option to have final rules in place by late spring, rather than waiting until next fall.

V. Grant Administration

Since the 2004 rule restructuring, staff have been tracking issues associated with the rules that have created frustration with grantees or generated requirements for staff that do not effectively or efficiently assist in the grant administration effort. There are two areas where a policy discussion and re-visitation of the grant administration rules could benefit the program. The first is the requirement for and consequences of landowner agreements. The second has to do with the ability of the grant program manager to amend grants.

A. Landowner Agreements

Prior to 2004, OWEB rules required landowner agreements for all projects on private lands (OAR 695-020-0055(6)) and prohibited funding from being released until all documents required by the Board had been submitted (OAR 695-020-0090(4)). The rule revisions in 2004 merged the two concepts into the following rule:

695-005-0060 (4) Prior to disbursement of Board funds for projects involving private lands, the Board must receive a signed cooperative agreement between the landowner and the Grantee that, at a minimum, includes: (a) Permission to access the private land, at times agreeable to the landowner, to implement the project, inspect the project, monitor the effectiveness of the project, or perform repairs or maintenance; and (b) Identification of the party responsible for repairs and maintenance of the project.

The purpose of this rule is to ensure that OWEB grant recipients have permission to access the project site and to implement the project as proposed. Under the current rule language, all agreements must be signed before any funding may be released. This requirement has not been met on a significant number of grants, and has been waived more than 40 times over the last year. Staff would like to have a discussion as to whether there is a better tool to allow grants to move forward without requiring all landowner signatures up front for complex projects with many landowners. This policy discussion also involves a discussion of whether or not it is OWEB's responsibility to monitor landowner agreements.

B. Grant Amendments

OAR 695-005-0050 (1) does not allow staff to process a grant amendment unless the grantee has all other reporting and administrative functions completed.

695-005-0050 (1) The Board will only enter into new agreements or amendments to existing agreements, exclusive of Small Grant agreements, with prior Grantees if all reporting obligations under earlier agreements have been met.

This rule was added in 2004 to address grant management recommendations identified a 2000 Secretary of State Audit of OWEB's grant management. The requirement that all reporting obligations be met prior to entering into a new agreement is an appropriate form of discipline for both OWEB and the grantee. Staff would like to have a policy discussion about whether Small Grants should continue to be exempted, whether the rule creates inefficiencies in managing grant amendments, and the appropriate linkage between grantee responsiveness and grant management functions.

In addition to these two specific issues, staff have identified a number of minor technical adjustments that would make the rules more consistent (e.g. consistent distinction between Director and designee, clarification between effectiveness monitoring and post project implementation reporting).

VI. Recommendation

Staff recommend the Board authorize staff to begin administrative rulemaking to address issues relating to watershed council support, restoration grant eligibility, and grant administration rules.

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Oregon Watershed Enhancement Board

January 16, 2008

OWEB Board Meeting

Astoria, Oregon

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Dan Heagerty
Jim Johnson
Skip Klarquist
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers
Patricia Smith
Diane Snyder
Michael Tehan
Dan Thorndike
Helen Westbrook
Ken Williamson

Member Not Present

Jose Linares

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Douglass Fitting
Miriam Hulst
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Roger Wood

Others Present

Charlie Corrarino
Wayne Hoffman
Paul Siebert
Bruce Taylor
Jo Morgan
David Bailey
Lori Lilly
Margaret Magruder
Anne Squier
Jim Scheller
David Ambrose
Micah Russell
Bruce Crawford
Jennifer O'Neil
Chris Hathaway
Dave Ambrose
Teresa Retzlaff
Katie Volkie

A. Board Member Comments

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

B. Board Chair Election

Board member Dan Thorndike provided background information on how the Board has elected Board Co-Chairs in the past and described the three decisions facing the Board: 1) Chair or co-chairs; 2) Terms; and 3) Election of chair/co-chairs. Dan Heagerty expressed interest in serving another year as co-chair. Board member Bobby Brunoe nominated Diane Snyder to serve as co-chair.

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

- 1. Continue the practice of Board co-chairs;*
- 2. Elect each Board co-chair to serve a two-year term, and annually consider one of the co-chairs;*
- 3. Dan Heagerty will continue to serve as co-chair for the next year, and Diane Snyder is elected to serve as board co-chair for a two-year term.*

C. Minutes

Minutes of the following Board meetings were unanimously approved:

<i>September 18-19, 2007</i>	<i>Board meeting in La Grande</i>
<i>September 24, 2007</i>	<i>Special Board meeting via teleconference</i>

D. Executive Director Update

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

1. Staff Changes

- Lauri Aunan, Grant Program Manager, started on December 17;
- Carolyn Devine, Communications Coordinator, started on November 26;
- Douglass Fitting was reassigned to Council Support/Acquisitions Specialist; and
- The Legislature approved two new positions in OWEB's 2007-2009 budget: regional program representative for a 6th region, and a technical assistance coordinator, which have not been filled pending the hiring of a Grant Program Manager.

2. New Board Member

Jose Linares, Director of Natural Resources, Pacific Northwest Region 6 of the U.S. Forest Service will fill Alan Christensen's vacancy on the Board representing the USFS. Jennifer Phillippi, who resides in Cave Junction, is new to the Board representing the Oregon Board of Forestry.

3. Storm Aftermath

Tom Shafer, North Coast Regional Program Representative, and Greg Sieglitz, Monitoring and Reporting Program Manager, discussed the status of how OWEB investments fared in the recent storm that swept across the coast. The preliminary report is that, so far, culvert and bridge replacements all appear to have survived and there are not reports of large wood being lost or causing damage downstream. We are getting reports of new log and gravel recruitment and new braided channels. Channel reconstruction projects also all appear to be okay. There is some riparian fencing and planting damage on the Upper Nehalem. Sieglitz discussed using effectiveness monitoring funds to do follow-up research on the effect of storm events on projects and what that means for OWEB programs and grant projects.

4. 2008 Legislative Session will begin on February 4, 2008, and run through February, with a very limited focus.

E. Grant Program Update

Lauri Aunan, OWEB's new Grant Program Manager, provided Board members with an update on the October 22, 2007, grant cycle and recommended types of solicitations for the April 21, 2008, grant cycle.

OWEB received 264 grant applications on its October 22, 2007, deadline, which is the largest number of applications OWEB has received for a grant cycle. At the September 2007 Board meeting, the Board established funding allocations and reserves for available capital and non-capital funds as follows:

Capital grants	9,250,000/cycle
Non-capital grants (October 2007 Grant Cycle)	
Monitoring	\$1,500,000
Education and Outreach	\$ 500,000
Technical Assistance	\$ 500,000

Non-capital funding allocations/reserves are conservative thus far because we have not been awarded a grant from NOAA Fisheries for PCSRF funds for the biennium. It is anticipated that Oregon will receive PCSRF funds estimated between \$4.0 and 6.5 million. Until there is more clarity on the amount of 2008 PCSRF funds available to Oregon, additional non-capital grant solicitations beyond the April 2008 grant deadline are not recommended.

With the number and complexity of applications received in the October 2007 cycle, the workload of the regional review teams has increased. Due to the increased workload, OWEB staff are looking into new ways for the regional review teams to evaluate applications.

Board members and staff discussed the following:

- Staff expectations for applications and the amount of funding available.
- How OWEB communicates with applicants to tell them why applications were not funded.
- If projects could be carried over into the next grant cycle without resubmitting applications
- If some of the “do fund” projects could be partially funded by some of the other partner agencies
- The importance of monitoring what does not get funded and telling applicants up front about the limited pool of money, and the constant struggle with capital and limited non-capital funding.

Board members unanimously approved the staff recommendation identified in Section IV, Parts A and B of the staff report which state:

- A. *The solicitation of Technical Assistance grant applications for the April 21, 2008, deadline, with a targeted funding allocation of up to \$500,000, dependent upon new PCSRF funds; and*
- B. *The solicitation of Watershed Assessment grant applications for the April 21, 2008, deadline, targeted to basins where assessments have not been completed, with a targeted funding allocation of up to \$500,000, dependent upon new PCSRF funds.*

F. Public Comment

Wayne Hoffman, Mid-Coast Watershed Council, presented Board members with a copy of the Council’s Annual Report, and commented on a recent financial audit of the council’s investments.

Margaret Magruder, Lower Columbia River Watershed Council, welcomed Board members to the North Coast and commented on damage from the recent storm.

G. Livestock Exclusion Effectiveness Monitoring Report

Bruce Crawford, Washington State Salmon Recovery Funding Board, and Jennifer O’Neil, Tetra Tech EC, Inc., joined Greg Sieglitz, Monitoring and Reporting Program Manager, and Courtney Shaff, Effectiveness Monitoring Specialist, to update Board members on the effectiveness monitoring of livestock exclusion projects and the efforts of OWEB and the Washington SRFB to coordinate current and future effectiveness monitoring opportunities. Findings after just one year on several restoration sites show a decrease in the erosion when compared to pre-treatment conditions. Vegetation growth was not significant after one year but is expected to improve after three or more years. The Board was appreciative of the collaboration between the two states and encouraged staff to continue to look for similar opportunities in the future.

H. Westwind Stewardship Group Presentation

Anne Squier, Duncan Berry, and Melany Berry of the Westwind Stewardship Group provided Board members with a report on the status and activities of the Camp Westwind acquisition project in Lincoln County.

In March 2006, the OWEB Board awarded \$1.5 million to the Westwind Stewardship Group toward the purchase of Westwind’s 508 acres adjacent to and south of the Salmon River estuary and north of Lincoln City. The property is located within the Cascade Head Scenic Forest Research Act area and has been a YWCA camp since the 1930s. Other partners for the \$4 million project include Spirit Mountain Community Fund, National Fish and Wildlife Foundation, U.S. Forest Service, private foundations, individuals, and Westwind Stewardship Group member contributions.

Camp Westwind has received both national and international recognition. Key points of the presentation were:

- Westwind as a model for successful conservation-based acquisition that is self supporting.
- Serving a diverse population of Oregonians with emphasis on youth environmental education and stewardship.
- A practical example of financial and environmental sustainability.
- Engagement with the local community.

I. Mid-Coast Report Follow-Up

Melissa Leoni, Senior Policy Coordinator, explained a funding request to support mediation and training for watershed councils in the Mid-Coast area. At its May 2007 meeting, the OWEB Board heard testimony from a citizen from Newport that included allegations about the Mid-Coast Watershed Council (MCWC) and its watershed council support grant application. The Board Co-Chairs committed OWEB to look into the issues raised and tasked the Executive Director with conducting an investigation into the allegations. On the basis of the issues investigated, OWEB staff found no conclusive evidence to support the allegations made against the council, although the investigation identified a number of areas that could merit further consideration by OWEB. This funding request comes from a recommendation made in the final report, which states:

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

Staff discussions with Wayne Hoffman, MCWC Coordinator, identified two forms of assistance that could both benefit members of all the watershed councils in the Mid-Coast area and the relationships between councils in the area.

Effective Watershed Council Member Training.

The goal would be to improve consensus and decision-making processes and behavior issues, and to clarify council member roles and responsibilities for all members of watershed councils in the Mid-Coast area. OWEB would partner with OSU Extension to deliver the training through their existing Watershed Education Program. The cost is estimated to be \$5,000.

Mediated Joint Council Meetings.

The goal would be to improve relationships between watershed councils in the area, to clarify the roles and responsibilities of each group, to support ongoing efforts, and build partnerships and relationships between the councils. The cost is approximately \$15,000 for this element.

Board members questioned whether other councils in the state could benefit from the watershed council member training, and staff responded that they are looking into the cost of providing 10 trainings across the state. Board members also expressed that it was important to have voluntary participation in the mediated joint council meetings.

Board members unanimously approved an allocation of up to \$20,000 in non-capital funds to support training and mediation in the Mid-Coast area contingent upon voluntary participation of local groups, and delegated distribution authority to the Executive Director to enter into agreements as necessary to implement this funding allocation.

J. Special Investment Partnerships (SIP)

Roger Wood, Special Projects, and Rick Craiger, Central Oregon Regional Program Representative, provided Board members with an update on Special Investment Partnerships (SIP) development, specifically in the Willamette and Deschutes basins. SIP is a tool that OWEB may elect to use in situations where an important and extremely beneficial ecological outcome is facilitated by an interaction with OWEB different than OWEB's regular grant program.

Deschutes SIP

Tod Heisler, Deschutes River Conservancy, Ryan Houston, Upper Deschutes Watershed Council, and Max Nielsen-Pinkus, Crooked River Watershed Council, joined Roger Wood to brief Board members on the proposed Deschutes SIP. Local partners have been able to focus their efforts on a coordinated set of priorities by working together on completion of the Mid-Columbia Steelhead Recovery Plan, agreement on Pelton-Round Butte fish passage issues, and OWEB's SIP. OWEB's role in the Deschutes SIP is to allocate funding for the current biennium, describe the appropriate uses for those funds, establish and run a technical review process, work with the partners to design and implement effectiveness monitoring, execute the necessary contractual agreements, review and respond to payment requests, and review interim and final reports on project accomplishments.

Board member Bobby Brunoe cited a conflict of interest and recused himself from voting. *Board members unanimously approved staff's recommendation in the staff report as follows:*

1. *Endorsed the merit and objectives of the Deschutes SIP contained in Attachment A of the staff report and the value of likely outcomes.*
2. *Allocated to the Deschutes SIP up to \$4 million of capital funds from the \$12 million previously reserved for SIP for the 2007-2009 biennium and delegate the distribution authority to the Executive Director.*
3. *Placed the conditions described in Section IV of the staff report on the Deschutes SIP funding allocation as follows:*
 - a. *The central partners must sign a Partnership Agreement by March 1, 2008, and before project implementation agreements are signed.*
 - b. *Any projects and actions in the implementation work plan for which OWEB funds will be used will be subject to detailed scrutiny and approval by a technical review process designated by OWEB.*
 - c. *Implementation must proceed in a timely manner. If the entire \$4 million is not timely committed, the Board reserves the right to redirect the unallocated amount for other uses.*
 - d. *Irrigation efficiency improvement projects may use OWEB SIP funds only if they produce legally protected instream flows.*
 - e. *OWEB SIP funds may be used for acquisition of conservation easements or title to land and water only if OWEB's standard acquisition program criteria and due diligence requirements have been satisfied.*
4. *Authorized the Executive Director to enter into Deschutes SIP negotiations necessary to*
 - a. *Identify which of the high and immediate project priorities are right for OWEB funding.*
 - b. *Certify that these projects are technically sound.*
 - c. *Identify which activities and line item expenses for each project are appropriate for OWEB funding.*
 - d. *Identify any special conditions that should apply to the OWEB funding.*
 - e. *Enter into agreements and contracts with the appropriate implementing partners.*

Willamette SIP

(Note: This item was heard on January 17.)

Roger Wood, Special Projects, updated Board members on the Willamette SIP. At the September 2007 meeting, Board members approved a \$6 million reserve for the Willamette SIP. With OWEB assuming the leadership role, this reservation has allowed detailed conversations to proceed with a number of partners toward the objective of refining enough project-specific detail to present this item to the Board for further action. Staff are expecting to have the Willamette SIP ready for Board consideration at the March Board meeting.

K. DOGAMI – LiDAR Presentation

Vicki McConnell, Director, and Ian Madin, Chief Scientist, of the Department of Geology and Mineral Industries (DOGAMI) provided Board members with a presentation on LiDAR.

LiDAR (Light Detection and Ranging) is a new tool that can provide very precise, accurate, and high-resolution images of the surface of the earth, vegetation, and the built environment.

Airborne LiDAR uses a laser range finder mounted in a precisely navigated aircraft to scan the

earth's surface to help identify geologic hazards, manage forests, farmlands, fish, streams and fires, and help with urban engineering and planning applications. LiDAR data are useful for anyone wanting to know the shape of the land surface or of the vegetation and buildings on the land.

In 2007, the Legislature provided \$1.5 million of Measure 66 funds and directed DOGAMI to extend LiDAR collection efforts throughout the state in order to provide high-quality LiDAR coverage for the entire state. To achieve this goal DOGAMI has formed the Oregon LiDAR Consortium, to bring together funding partners and to help promote the use of the new LiDAR data to better understand and manage Oregon's resources. The geographic focus this biennium is centered in western Oregon.

L. Award Adjustments

Ken Bierly, Deputy Director, and Greg Sieglitz, Monitoring and Reporting Program Manager, described two projects that needed award adjustments.

Restoration Award #206-293 – Tenmile Lakes Watershed Fish Passage and Sediment Abatement Phase III in Region 2

The Board approved funding for this project in March 2006. Due to a staff error, a budget element of \$3,600 for office space and related expenses was overlooked. Staff request the Board replace \$3,600 of capital funds with non-capital funds for this budget element. The total grant award of \$320,071 remains unchanged.

Research Award #208-8008 – Development of Physiological Health Criteria to Assess Habitat Quality in Degraded and Recovering/Restored Stream Systems in Region 5

The Board approved funding for this project in September 2007. Tuition for a graduate student was misplaced into the capital funding category prior to the Board action. Tuition is not eligible for capital funds; therefore \$36,856 of non-capital funds is needed to pay for this budget item. The total research grant award of \$240,000 remains unchanged.

Board members unanimously approved staff's recommendation as outlined in Section V, Parts A and B of the staff report as follows:

- A. Amend grant #206-293 and authorize the replacement of \$3,600 in capital funds with non-capital funds; and*
- B. Amend grant #208-8008 and authorize the replacement of \$36,856 in research capital funds with research non-capital funds.*

Local Partner Presentations

Board member Helen Westbrook introduced Neal Maine, Director of the North Coast Land Conservancy, and recognized his many years of contributions to Oregon. The following representatives from local watershed and conservation organizations made presentation to the Board:

- Lori Lilly, North Coast Watershed Association
- Katie Volkie, North Coast Land Conservancy
- Teresa Retzlaff, Necanicum Watershed Council
- Dave Ambrose, Clatsop Soil and Water Conservation District
- Chris Hathaway, Lower Columbia River Estuary Partnership (LCREP)

At the conclusion of the Board meeting, there was an informal reception for OWEB Board members, staff, watershed partners, and local officials at the Holiday Inn Express Inn & Suites.

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Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Douglass Fitting
Miriam Hulst
Melissa Leoni
Tom Shafer
Greg Sieglitz
Roger Wood

Others Present

John Runyon
Wayne Hoffman
Brent Davies
Megan Callahan
Jeff Uebel
Shirley Kalkoven
David Bailey

Members Not Present

Jose Linares
Ken Williamson

M. 2009 Legislative Concept Discussion

Melissa Leoni, Senior Policy Coordinator, briefed Board members on the process to develop legislative concepts for the 2009 legislative session and potential draft legislative concepts. To date, staff have identified two legislative concepts for Board consideration and discussion. The deadline to turn in legislative concepts to the Department of Administrative Services is April 4, 2008. Staff will return at the March Board meeting with further developed concepts (these or other proposals) and draft budget packages.

The two draft concepts are:

1. Exception to landscape contractors licensing requirements for OWEB grantees who are performing landscaping work as part of an OWEB-funded restoration grant. OWEB is working with the Landscape Contractors Board to see if the concept is needed or whether it could be resolved in another way.
2. Proposed change to OWEB's statute that requires all permits to be obtained before OWEB can release any funds. The intent of this proposed concept is to maintain the policy of not paying for activities without documentation that permits have been issued,

while giving OWEB the flexibility to more effectively administer complex restoration applications.

No Board action was requested.

N. Oregon Coast Coho Recovery Plan Implementation

Ken Bierly, Deputy Director, and Miriam Hulst, Oregon Plan Implementation Specialist, described a strategy for intensive, community-based outreach and subsequent project development assistance intended to encourage landowner participation in Oregon Coast coho salmon habitat restoration in high-priority areas. The Coastal Coho Assessment determined that the Nehalem and Tillamook coho populations are not currently viable. Therefore, staff are offering non-competitive coho outreach and project development funding to councils in that area (Upper Nehalem, Lower Nehalem and Tillamook Bay watershed councils) as a pilot project. At a later date, staff will consider expanding the project to other coho populations and possibly to salmon recovery domains in other parts of the state.

Staff are working with the Nehalem and Tillamook councils to establish outreach priorities and plan landowner meetings. The meetings are likely to be patterned after an approach implemented in Coos Bay watersheds. The Coos Bay approach entailed a series of landowner meetings termed coffee klatches. The coffee klatches helped the Coos Watershed Association to introduce itself to landowners, present information about watershed conditions, survey landowner concerns related to land management, provide a tour of restoration project sites, and develop restoration priorities using input from landowners.

At the completion of the Tillamook and Nehalem landowner meetings, the councils will work with OWEB staff to assess funding needed for project development.

No Board action was requested.

O. Williamson River Delta Presentation

Mark Stern, The Nature Conservancy, provided a multi-media presentation to the Board updating members on the status of the Williamson River Delta project and a recent effort to use explosives to breach two miles of levees along Upper Klamath Lake flooding more than 2,500 acres. Removing the levees is part of a larger project to restore the vast marsh wetlands that once dominated the Williamson River Delta. In March 2006 the OWEB Board awarded \$2 million in Oregon Lottery funds for the restoration project estimated to cost \$10.5 million. Other partners include The Nature Conservancy, U.S. Fish and Wildlife Service, National Fish and Wildlife Foundation, and the Natural Resources Conservation Service.

P. Whole Watersheds Restoration Initiative Partnership

Brent Davies, Ecotrust, Jeff Uebel, U.S. Forest Service, and Megan Callahan, NMFS, joined Ken Bierly, Deputy Director to explain this funding proposal. In May 2006, the OWEB Board allocated \$500,000 of capital funds for the USFS Whole Watershed Restoration Initiative effort. At this meeting, staff are requesting the Board allocate an additional \$500,000 to continue support for the Initiative projects for the first year of the biennium. The proposal includes a new funding partner, and a focus on private lands.

The Whole Watershed Restoration Initiative is a broad-based, landscape-scale, public/private partnership intended to expedite restoration of a core set of the Northwest's most valuable salmonid streams. This partnership, initiated in 2006, has involved OWEB, USFS, Ecotrust, National Fish and Wildlife Foundation, BLM, Oregon Trout, and WolfTree, Inc. NOAA Fisheries has joined the partnership with a \$1.2 million three-year grant (\$400,000 per year) to Ecotrust beginning in 2008, encouraging growth of the partnership and community investments.

Because of past experience with the tribes working with the USFS, Board member Bobby Brunoe was concerned if this was an effective use of OWEB funds. He hopes that the parties are very supportive and responsive to concerns.

OWEB staff provided Board members with a list of proposed projects, including a description of the proposed restoration activities, the anticipated sources of funding and match for OWEB funds, a description of participating local partners, the location of the proposed project and whether it is within a priority basin or focus watershed, and the ratio of private and public lands the project proposes to restore.

The administration of OWEB funding via grant agreements will be handled through a third party, Ecotrust. If approved by the Board, the Director will determine the amount of OWEB's contribution for each specific project with the funding partners and Ecotrust.

A portion of the Board approved May 2006 allocation (\$45,430) has not been awarded to specific projects, and staff are recommending that amount be reallocated to fund proposed projects this year.

Board members unanimously approved the following:

- A. *Allocate up to \$500,000 of capital funds to match USFS and NOAA funding for projects shown in Attachment F of the updated report, and delegate the authority to the Director to determine the OWEB amount of funds for each project grant award to Ecotrust; and*
- B. *Reallocate \$45,430 from grant #206-833 to fund projects shown in Attachment F of the updated report, and delegate the authority to the Director to determine the OWEB amount of funds for each project grant award to Ecotrust.*

Q. Restoration Priorities

Public Comment:

Wayne Hoffman, Mid-Coast Watersheds Council, although supporting the restoration priorities, suggested the focus should be on the data base and making it accessible to the regional review teams and applicants, and there should be a process in place for ongoing data base updates.

Roger Wood, Special Projects, briefly described the watershed restoration priorities for the basins along the middle to north Oregon coast, which are presented for Board consideration at this meeting. This set of priorities covers all the coastal watersheds from St. Helens on the Columbia River down to the Coquille River. Adoption of these priorities continues OWEB's development of priorities for the 15 Oregon Plan reporting basins in the state. Priorities for the Umpqua, Klamath, Lake, Harney, Owyhee, and Walla Walla basins still need to be completed. Funding for these remaining basins was allocated by the Board in September 2007 and the prioritization will be carried out during 2008.

Roger Wood also discussed the next steps that will include rulemaking to identify how OWEB will use the priorities in grant evaluations and funding recommendations. Several Board members commented that OWEB should be careful not to adopt a system that could exclude good projects and provide flexibility. There was also discussion about whether the data is too high level vs. site specific and that higher level data can be too general and limiting for local projects. OWEB staff will develop and bring to the Board recommendations on how to keep the database current and useful.

Board members unanimously approved the approach and content of the restoration priorities described in the final report titled “Summary of the Watershed Health Indicators for the Oregon Coast Coho ESU – 2007” and included as Attachment A to the staff report with the amended tables 8, 9, 10, 23, 24, and 25 for the Nehalem and Smith River watersheds.

R. Public Comment

Shirley Kalkoven, Mayor of the City of Nehalem, commented on recent storm damage on the North Coast including Fish Hawk Lake levee/dam being overtopped in the storm and concern about the risk to the city, downed timber, local opposition to a proposed new state park, and the Tillamook Railroad damage.

David Bailey, Necanicum Watershed Council and Lower Nehalem Watershed Council, questioned if OWEB could provide copies of OWEB grant applications on the OWEB Web site.

S. Public Records Rulemaking and Public Hearing

Melissa Leoni, Senior Policy Coordinator, briefed Board members on proposed rules to establish procedures and fees for OWEB to respond to public records requests. The proposed rules address requests to inspect or obtain copies of public records, the fees for inspection or copies of public records, exceptions to fee charges, and fee waivers and reductions.

Rules were created to address OWEB’s implementation of the Public Records Law, including the 2007 legislative changes to the law. In addition, Senate Bill 554, which also passed last session, required each agency to make a written procedure for public records requests available by January 1, 2008. As required by SB 554, OWEB has posted its procedure for public record requests on our Web site. The proposed rules are designed to be a standalone division in OWEB’s rules. The proposed rules include that public records requests should be sent to a single Public Records Coordinator, OWEB will charge its actual costs to respond to requests, and fees will be waived if providing certain public records is within the normal scope of implementing OWEB’s programs. This exemption allows OWEB to continue to provide data or monitoring information that are key to the agency’s responsibilities and to provide grant documents related to OWEB’s administration of its grant awards.

Public comments will be received today at the Board meeting, as well as at another public hearing scheduled for January 23, 2008. Written comments will also be accepted until the public comment period ends at 5:00 p.m. on February 1, 2008. Leoni will prepare a report on comments received after the close of the public comment period.

Public Comment

Wayne Hoffman, Mid-Coast Watershed Council, is supportive of the proposed rules but had some concerns about wording on the second page, lines 20-24.

T. Administrative Rulemaking

Melissa Leoni, Senior Policy Coordinator, presented a request for the Board to authorize staff to begin administrative rulemaking if needed on the following issues: 1) Watershed Council Support; 2) Restoration Grant Eligibility; and 3) Grant Administration.

1. Watershed Council Support

Staff would like to work with the council support subcommittee and a rules advisory committee and if necessary, propose rules for adoption by May of this year if changes need to be made before the 2009-2011 grant cycle.

2. Restoration Grant Eligibility

Staff would like to explore opportunities for OWEB to leverage its funding with other significant restoration funding sources that could be construed as being required for mitigation purposes or for compliance with a legal judgment, and make rule changes if needed.

3. Grant Administration

Since 2004 rule restructuring, staff experience with implementing the rules has identified areas where they would like to revisit rules and make changes as necessary: landowner agreements, grant amendments, as well as make some minor technical adjustments, and explore rules for types of awards that do not go through the competitive, regular grant process.

Board members voted unanimously to begin administrative rulemaking to address issues relating to watershed council support, restoration grant eligibility, and grant administration rules.

U. Other Business

There was none.

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board March 19-20, 2008

**Red Lion Hotel
200 N. Riverside Avenue, Medford
Siskiyou Room**

Directions: From I-5 Southbound: Take Exit 27 (South Medford Exit) - turn right onto Barnett Road - drive two blocks to Riverside Avenue - turn right onto Riverside Avenue

Red Lion is located on the left hand side between 6th and 4th Streets - one mile from Barnett Road.

Wednesday, March 19, 2008

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items E and I), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

A. Board Member Comments

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

B. Review and Approval of Minutes

The minutes of the January 16-17, 2008, meeting will be presented for Board approval. *Action item.*

C. Executive Director Update

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

D. Special Investment Partnerships – Willamette

Roger Wood, Special Projects Coordinator, will ask the Board for a funding allocation to the Willamette SIP and for authorization to proceed with necessary agreements and contracts to implement projects. *Action item.*

E. Public Comment – Pending Grant Applications [approximately 10:45 a.m.]

This time is reserved for public comment on pending grant applications to be considered for funding by the Board. Only comments pertaining to the specific grant applications will be accepted during the meeting. The Board will not accept any written materials at this time. Any written comments pertaining to pending grant proposals must be received by agency staff by the March 7, 2008, deadline. The Board encourages persons to limit comments to no more than five minutes. NOTE: Board members will break for lunch during the public comment period, and will continue the public comment period starting at 1:00 p.m.

F. Board Consideration of Pending Grant Applications

The Board will consider grant applications submitted by the October 22, 2007, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

Informal Reception – 4:30 - 6:00 p.m.

The Oregon Watershed Enhancement Board invites you to join Board members and staff for a reception for area councils, districts, and local officials who are OWEB's partners supporting watershed restoration activities. Local partners in attendance will be acknowledged and asked to give a brief description of activities in their watershed.

*4:30 – 6:00 p.m.
Red Lion Hotel Lounge*

Thursday, March 20, 2008

Tour – 8:00 a.m.

OWEB is working with the Grants Pass Irrigation District and WaterWatch to prepare a tour of the Savage Rapids Dam project. From January of 2002 through September of 2005, OWEB committed \$3 million to fund removal of Savage Rapids Dam and post-removal restoration of the riparian area upstream of the dam site.

Tour participants should meet in the lobby of the Red Lion Hotel no later than 7:45 a.m. The public is invited to attend the tour; however space on OWEB-sponsored transportation may be limited to Board members, agency staff, and individuals making presentations. If you wish to join the tour, please be prepared to provide your own transportation in the event that space is unavailable on State vehicles. Hard hats will be provided for those attending the tour. We plan to return to the hotel by 10:00 a.m.

Business Meeting – 10:15 a.m.

During the public comment periods (Agenda Items E and I), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. **The Board encourages persons to limit comments to no more than five minutes.**

G. 2009 Legislative Concepts and Budget Discussion

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, will update the Board on the process to develop legislative and budget proposals for the 2009 legislative session and introduce potential budget option packages for Board discussion. *Information item.*

****H. Public Records Rules and Fee Schedule Adoption**

Melissa Leoni, Senior Policy Coordinator, will ask the Board to adopt proposed administrative rules and a fee schedule developed to address recent legislation relating to public records requests. *Action item.*

I. Public Comment [approximately 11:15 a.m.]

This time is reserved for public comment on any matter before the Board.

J. Wetlands Investments

Ken Bierly, Deputy Director, and Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on agency efforts related to wetland restoration. Mr. Bierly will describe the Coastal Wetlands Grant funding to Oregon and request action on providing match funding for the Salmon River Estuary restoration project. Mr. Sieglitz will update the Board on recent funding provided to OWEB for the National Wetlands Inventory mapping and a grant request to the Environmental Protection Agency for wetland restoration effectiveness monitoring. *Action item.*

K. Climate Change Presentation

This agenda item is the first in a series of presentations to the Board about climate change and its potential implications for watershed restoration and other OWEB investments. Guest presenters will provide an overview of the current “state of the science” regarding climate change and related assumptions with a particular focus on water availability and watershed function. *Information item.*

L. Other Business

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

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

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

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

A public comment period for pending grant applications will be held on Wednesday, March 19, 2008. The Board will not accept any written materials at that time. Any written comments pertaining to pending grant proposals must be received by the Friday, March 7, 2008, deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

A general public comment period will be held on Thursday, March 20, 2008, for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

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

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

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

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

Oregon Watershed Enhancement Board Membership

Voting Members

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

Non-voting Members

Representative of NMFS: **Michael Tehan**
Representative of Oregon State University Extension Service: **James Johnson**
Representative of U.S. Forest Service: **Jose Linares**
Representative of U.S. BLM: **Miles Brown**
Representative of U.S. NRCS: **Meta Loftsgaarden**
Representative of U.S. EPA: **Dave Powers**

Contact Information

Oregon Watershed Enhancement Board
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Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director - Tom Byler

tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

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

2008-2009 Board Meeting Schedule

2008
May 20-21, Ontario
September 16-17, The Dalles

2009
January 21-22, Salem
March 18-19, Portland/Salem
May 19-20, Salem
September 15-16, Klamath Falls

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

March 19-20, 2008 OWEB Board Meeting Executive Director Update #C1: Oregon 150 Update

Background

The Board approved an investment of \$1 million to fund a grant offering addressing Oregon's symbol species in conjunction with Oregon Department of Fish and Wildlife as part of Oregon's sesquicentennial celebration. The Board delegated authority to distribute the funding to the OWEB Director. This report provides an update on the status of the grant solicitation and response.

Progress to Date

On January 2, 2008, the Oregon Department of Fish and Wildlife (ODFW) posted grant application forms for the Oregon 150 grant offering on their web site. The application forms were developed in consultation and collaboration with OWEB program and fiscal staff. The deadline for submitting applications was February 25, 2008. ODFW received 12 applications for a total of \$750,000.

OWEB and ODFW staff have coordinated roles and responsibilities for application processing and project management. ODFW has developed a review process that uses taxon specialists (one each for Chinook Salmon, Western Meadowlark, American Beaver, and Swallowtail Butterfly), ODFW staff, OWEB regional review team members, and OWEB staff. The review process is described in Attachment A. The draft review criteria are described in Attachment B.

Review of the applications will be conducted during the month of March. A suite of recommended projects will be presented to OWEB Director Byler by April 15, 2008, for funding.

Staff Contact

If you have questions or need additional information about the Oregon 150 review process or evaluation criteria, please contact Ken Bierly, at ken.bierly@state.or.us or 503-986-0182.

Attachments

- A. Oregon 150 Review Process and Timeline
- B. Oregon 150 Draft Review Criteria



Celebrating and Conserving Oregon's Natural Heritage
Oregon 150 Fish, Wildlife and Habitat Restoration
Review Process and Timeline, 2/06/08

Timeline:

Feb 25th: deadline

Feb 26 – 27th: ODFW distributes copies to taxon experts, review team and OWEB

Late Feb – Early March: OWEB enters application information into database, provides data to ODFW

March: optional field trips (reviewers have option to visit project site, but not mandatory)

March 26th: review deadline for taxon experts

March 27th-28th: send taxa reviews to rest of review team

April 8th or 11th: review team meets, ranks proposals and makes recommendations

~April 10-15th: Ken, Michael and Peg finalize recommendations; Tom makes final decisions

~April 15th: inform applicants

Taxon experts:

- One each: American beaver, western meadowlark, Chinook salmon and Oregon swallowtail.
- Only review proposals for individual taxon.
- Provide review via e-mail. Invited to review team meeting, but attendance not required.
- Provide input on strengths and weaknesses of each project relative to benefits to Oregon symbol species and appropriateness of actions for species. Ranks proposals based on biological considerations only.
- ODFW to provide guidance regarding the balance between benefits to species and broad habitat benefits.

Review team:

- Reviewers provided spreadsheet and scoring criteria.
- Reviewers each assigned to be lead on 6-8 proposals and back-up on 6-8 proposals. Maximum assigned to any one person = 15. Lead: knows proposal in and out and prepared to lead a discussion at review meeting. Back-up: familiar with proposal and prepared to lead a discussion if lead gets sick.
- Reviewers are provided all proposals, but reading proposals other than those assigned will be optional.
- Reviewers assign score, provide feedback on strengths and weaknesses. Note: ODFW will summarize information and provide to OWEB (who will provide to applicants).
- Team meets in person to discuss and rank proposals, make tentative decisions. ODFW will record discussion of strengths/weaknesses and recommendations, and will provide to OWEB.



Celebrating and Conserving Oregon's Natural Heritage
Oregon 150 Fish, Wildlife and Habitat Restoration
Draft Review Criteria

This grant program focuses on habitat-based actions that benefit Oregon Symbol species; American beaver, western meadowlark, Chinook salmon and Oregon swallowtail butterfly.

Please use the following categories to evaluate applications. The bulleted criteria are examples of elements you may wish to consider. They are not intended to be strict criteria that are assigned individual points or weighed against each other. A total of 60 points is available.

**Directly addresses an Oregon Symbol species and implements identified priorities:
25 points**

Some example considerations include:

- Project objectives are clearly beneficial to Oregon symbol species and/or their habitats. Proposed actions are appropriate for the identified symbol species. *(Note: Projects that benefit the species' habitat but are less beneficial to the species will be considered but will score lower.)*
- Project has immediate, practical and measurable conservation benefits.
- Project implements specific actions listed in the Conservation Strategy, in particular project objectives are clearly beneficial or relevant to Strategy habitats and/or Key Conservation Issues. Secondly, project implements priority identified in the OWEB Restoration Prioritization Framework or other planning effort.
- The project occurs within a Conservation Opportunity Area (COA). *(Note: projects outside of COAs are considered but score lower).*
- The project connects well with other conservation work in the watershed or ecoregion and, if a continuation, builds on the experience of previous work.

Technical feasibility: 15 points

Some example considerations include:

- Description of objectives, methods and benefits are adequate and clear. Application provides enough detail to evaluate project approach and chances for success.
- Project has clear, feasible objectives and tasks. Tasks tie well to objectives.
- Methods are appropriate to achieve objectives.
- Objectives can be met within the grant period (2 years). The proposed project schedule is well thought out and appears to be realistic. The proposed project will have made some progress towards objectives by February 14, 2009.
- The project designer is experienced and qualified. Project planning and design take into consideration natural events and conditions (see question 5).

- The applicant has considered alternatives and selected the most effective and reasonable alternative (see question 6).
- Completion inspection is by the appropriate entities. The right elements are being maintained at the right frequency by the right people (see questions 10 and 11).

Partnership and financial considerations: 15 points

Some example considerations include:

- Application has multiple partners involved. Partners are diverse.
- The right parties and partners are involved. Affected or interested stakeholders and partners are engaged as appropriate (e.g., a restoration project at a state park involves Oregon Parks and Recreation Department as a partner or supporter).
- The budget shows sufficient detail for all categories, and unit quantities and costs appear to be reasonable, appropriate, and consistent with local market rates. Personnel and fiscal administrative costs are reasonable.
- A high proportion of Oregon 150 (Lottery) funds go “to the ground” (i.e., is paying for materials, labor or other direct restoration costs rather than the manager’s personnel costs). *Note: administrative overhead is limited to 10%.*
- The applicant has sought at least 25% match. Match is realistic and appropriate. Applications for which cash match is included should score higher. In-kind match is realistic and appropriate (not padded). Applications with a higher level of match should score higher. Applications which document that >50% of match is secured should score higher.

Project impacts and context: 5 points

Some example considerations include:

- Project fits well with existing work by connecting to similar or larger efforts, by sharing information, by addressing conservation gaps, or by complementing existing work. Does not duplicate existing work.
- Project has community support (at a minimum, it is not controversial).
- The project meets basic expectations for educating and raising public awareness. The project will raise awareness about Oregon’s Sesquicentennial Celebration, the Oregon Conservation Strategy, etc.
- Based on application taken as a whole or any experience/information you may have, there is a strong indication that the applicant can implement a project with a high likelihood for success (for example, strong multiple-partner support for the project; secured and adequate match; applicant’s past performance, experience or expertise relative to project, etc.).

March 19-20, 2008 OWEB Board Meeting
Executive Director Update #C2: Whole Watershed Restoration Initiative

Background

At the January 2008 meeting, the Board approved an investment of \$545,430 to fund to fund projects in priority basins and focus watersheds through a partnership with the U.S. Forest Service, NOAA Fisheries, and Ecotrust. This report provides an update on the status of the partnership.

Progress to Date

OWEB and partners have coordinated roles and responsibilities for application processing and project management. Ecotrust has developed a review process that involves staff of USFS, NOAA Fisheries, BLM, Oregon Trout, and OWEB staff. Ecotrust has invited an additional tribal representative.

Initial evaluations have winnowed the 30 applications to 12 that are likely to be funded with OWEB funds. Each recommended application is within the identified priority basins and all but three of the 12 are in focus watersheds. The table below shows the 12 applications with anticipated OWEB and partner contributions. The OWEB contribution may be adjusted as final budgets are developed.

Organization	ID #	NOAA	OWEB	Forest Service
Coquille Watershed Association	5		\$35,000	\$30,000
Illinois Valley WC/Illinois Valley SWCD	9		\$36,000	\$36,000
Malheur National Forest - Culvert	10		\$84,000	\$181,000
Malheur National Forest - Log Weir	11		\$25,000	\$0
Middle Rogue WC - RR & SP	14	\$10,000	\$26,000	\$5,000
Middle Rogue WC- Jumpoff Joe	16		\$28,000	\$10,000
Oregon Trout	18	\$25,000	\$53,000	\$20,000
Partnership for the Umpqua Rivers	19		\$48,000	\$38,000
Umpqua National Forest - Jackson Creek	24		\$50,000	\$50,000
Umpqua National Forest - RRD	25		\$25,000	\$56,000
USDA Forest Service - Salmon River	27		\$55,000	\$42,000
USDA Forest Service, Mt. Hood National Forest, Hood River RD	28		\$30,000	\$70,000
Sub-total		\$35,000	\$495,000	\$538,000
Administration		\$32,500	\$50,000	\$10,000
Total		\$67,500	\$545,000	\$548,000

Staff Contact

If you have questions or need additional information about the Whole Watershed Restoration Initiative, please contact Ken Bierly, at ken.bierly@state.or.us or 503-986-0182.

March 19-20, 2008 OWEB Board Meeting

Executive Director Update #C3: Pacific Coastal Salmon Recovery Fund

Background

The Pacific Coastal Salmon Recovery Fund (PCSRF) has provided significant resources to Oregon and to OWEB's non-capital grant program since the fund's inception in 2000. Beginning last year, NOAA Fisheries initiated a competitive grant application and review process that each of the major recipients of PCSRF participated in. OWEB submitted a request of \$12.5 million dollars in May of 2007 and received \$6.8 million (after earmarks) in August of 2007. A similar process is underway in 2008.

FFY 2008

On February 8, 2008, NOAA Fisheries announced the availability of Federal Fiscal Year (FFY) 2008 funding through a Federal Notice. Applications are due on March 24, 2008. OWEB's proposal describes the importance of the PCSRF to Oregon for its support of OWEB's non-capital grant program, local group capacity funding, and recovery plan development and implementation. OWEB's 2008 request is for \$12.5 million.

A new Memorandum of Understanding (MOU) needs to be developed between OWEB and NOAA Fisheries for the use of the FFY 2008 funds. The existing MOU, negotiated in 2005, will remain in place for the life of the previously awarded PCSRF funds. NOAA Fisheries has also replaced its quarterly reporting requirements with semi-annual reports.

FFY 2009

While the process of applying for and receiving the PCSRF 2009 funding is still not certain, staff anticipate a similar process as FFY 2007 and 2008. The President's budget proposes funding for PCSRF at \$35 million, which represents a nearly 50 percent reduction in the fund from the previous two fiscal years. With the significant reliance on PCSRF funding for watershed council and soil and water conservation district support in Oregon, it is prudent that we begin developing plans and priorities for managing with diminishing federal resources.

Staff Contact

If you have questions or need additional information about the Pacific Coastal Salmon Recovery Funds, please contact Tom Byler, at tom.byler@state.or.us or 503-986-0180, or Greg Sieglitz, at greg.sieglitz@state.or.us or 503-986-0194.

March 19-20, 2008 OWEB Board Meeting
Executive Director Update #C4: Oregon Watershed Restoration Inventory
Electronic Improvements

Background

OWEB maintains the single largest database of restoration actions in the Northwest with over 9,000 projects logged to date. That database, known as the Oregon Watershed Restoration Inventory, or OWRI, has been the primary vehicle for capturing and tracking data related to voluntary restoration actions in Oregon since 1995. Within the last year, OWEB staff have worked with outside assistance to give the public the ability to access and submit OWRI data through the Internet.

Purpose

The OWRI captures very detailed information about the type, cost, number, participation, and location of projects throughout Oregon each year. The database serves as the backbone for the production of the Oregon Plan Biennial Report, Reports to Congress, and for OWEB's effectiveness monitoring program.

While the OWRI has been a significant resource for those users that have known about it, publishing the database on the Internet has provided a vast improvement for the audience served. The Board was presented the results of this work at the March 2007 meeting. To recap, the primary objectives of the modifications are as follows:

- To improve access to the data.
- To allow for the overlay of data in a map-based environment.
- To allow users to define their questions.
- To reduce staff workload for routine data requests.

OWRI data online may be accessed at: http://oregonexplorer.info/owri_vistool/Intro.aspx.

The next phase of the electronic improvements to the OWRI has focused on the submittal of the actual data forms to OWEB. On an annual basis OWEB staff receive approximately 700 to 900 multi-page forms from grantees and the many other parties who conduct volunteer restoration actions under the Oregon Plan for Salmon and Watersheds. Those forms, most often filled out electronically, had to be printed out and mailed to OWEB where staff entered the data into an electronic database. This process was time consuming, allowed for data entry errors to occur, and used a significant amount of staff time and paper resources. Moving to a more automated process allows for a higher quality product and quicker customer feedback. The primary objectives of this phase are:

- To provide for timely customer feedback.
- To initiate OWEB investment in e-government tools.
- To reduce duplicative work requested of grant applicants and other customers.
- To reduce the use of paper.
- To move in the direction of smart electronic forms (Turbo Tax model).

The Internet address for electronically submitting OWRI data is:
www.oregon.gov/OWEB/MONITOR/OWRI_online.shtml.

Staff Contact

If you have questions or need additional information about the electronic improvements to the Oregon Watershed Restoration Inventory, please contact Renee Davis-Born, at renee.davis-born@state.or.us or 503-986-0029. For information about the OWRI database, please contact Bobbi Riggers, bobbi.riggers@state.or.us, or 503-986-0059.

March 19-20, 2008 OWEB Board Meeting Executive Director Update #C5: Deferred Land Acquisitions

Background

This report provides a brief summary of the status of Land Acquisition applications that have previously been deferred for final consideration by the Board. The previously deferred acquisitions total nearly \$1,700,000. None of these applications is ready for Board action in March. The land and water acquisition applications received in October of 2007 are described in Agenda Item F.

Shangrila Creek Wetlands (208-103)

The North Coast Land Conservancy requested \$180,000 (\$240,000 total project cost) to purchase 60 acres along Shangrila Creek in Seaside. This acquisition would add to previous purchases of the Neawanna Wetland Reserve, a planned effort begun by the community in 1992 aimed at protecting the Necanicum Estuary. To date, over 100 acres in the estuary system and tributary streams have been acquired and protected. Staff requested due diligence materials in May of 2007, but they have not yet been received.

Newton Creek Wetlands (207-301)

Mary's Peak Natural Resources Interpretive Center originally requested \$1,500,000 (total project cost of \$2,531,000) to purchase 124 acres of wetland and upland along Newton Creek, in Philomath in October of 2006. The project was recently revised to eliminate some of the partially developed lots on the parcel with a revised request of \$750,000. This application was deferred by the Board at the March 2007, May 2007, and the September 2007 Board meetings. The Board Acquisition Subcommittee has communicated its desire that the applicant should make more progress toward developing the capacity to own and manage the site and develop other funding partners for the project before requesting due diligence materials.

Lostine River (207-324)

The Wallowa Land Trust requested \$516,000 toward purchase of a conservation easement on 175 acres of riparian habitat in Wallowa County. The parcel is located near the confluence of the Lostine and Wallowa rivers. The acquisition is a first step toward future restoration of the riparian and wetland areas on the parcel. This application was received in October 2006 and was deferred by the Board at the March 2007, May 2007 and the September 2007 Board meetings. Due diligence materials were received by staff in October 2007; however the appraisal was not acceptable. The applicant is currently revising the appraisal to address the issues identified in the review.

Pilcher Creek (206-339)

The Rocky Mountain Elk Foundation submitted an application on October 24, 2005, requesting \$250,000 toward purchase of a conservation easement on a 138-acre parcel on Pilcher Creek in the North Powder River Watershed. The application was first deferred at the March 2006 Board meeting, pending review of due diligence materials. A complete set of due diligence materials has not been submitted.

Staff Contact

If you have questions or need additional information about land acquisition grant applications, please contact Douglass Fitting, at douglass.fitting@state.or.us or 503-986-0046.

March 19-20, 2008 OWEB Board Meeting

Executive Director Update #C6: Monitoring and Research Strategy

Background

At the Board's Planning Session, on July 18 and 19, 2007, there was a theme expressed by members to establish targeted solicitations for a variety of OWEB grant offerings. There was an explicit recognition that the Monitoring and Research grants can and do fill a niche of providing scientific evaluation and discovery that assists in characterizing past accomplishments and describing progress toward goals and objectives of OWEB's programs. Particular interest was expressed by the Board to establish a Monitoring and Research Subcommittee that would develop a set of recommendations for the full Board to consider prior to the 2008 grant solicitation for these two grant types.

Planning Session Themes

At the Board Planning Session, it was established that monitoring projects have the inherent capacity to provide data and information that are useful in describing accomplishments undertaken under the auspices of Measure 66, the Oregon Plan, Recovery Planning, Pacific Coastal Salmon Recovery Fund and other large initiatives. It was recognized that without clear targets for prospective grantees to design their work towards, the agency is not likely to have all of its objectives met through these grants. Similarly, with the potential of the Board offering an additional Research solicitation this biennium, and the often long term nature of both monitoring and research investments, it is important to act soon in establishing priorities and targets for future grant offerings. These themes will be instructive in guiding the work of the subcommittee.

Subcommittee Activity

The subcommittee consists of Board members Meta Loftsgaarden, Ken Williamson, and Bobby Brunoe and it is staffed by Greg Sieglitz and Courtney Shaff. Their first meeting is scheduled for February 27, 2008 and will focus on several areas:

- 1) Reflecting on the Board Planning Session outcomes.
- 2) Developing a common understanding of the investments made to date in Restoration and Monitoring.
- 3) An evaluation of the current Effectiveness Monitoring Program and Procedures.
- 4) Begin consideration of alternative targeted grant offerings for Monitoring and Research.

The subcommittee will likely meet on two occasions this spring in preparation for the May 2008 Board meeting. At that meeting, it is anticipated that the Board will consider alternative means of focusing the future Monitoring and Research grants in a manner that will provide a high likelihood of achieving results from the subsequent projects that will: a) complement the Restoration grant projects; b) coincide with necessary reporting periods between 2008 and 2014; c) be flexible enough to adapt to a variety of non-capital funding scenarios; and d) align with the Board's intent of funding more strategic, outcome based projects.

Staff Request

If you have questions or need additional information about the Monitoring and Research Subcommittee please contact Greg Sieglitz, at greg.sieglitz@state.or.us or 503-986-0194.

March 19-20, 2008 OWEB Board Meeting Executive Director Update #C7: Administrative Rule Development

Background

In January, staff sought Board authorization to begin administrative rulemaking to address three areas of OWEB's administrative rules. At the time staff was uncertain whether all three areas would ultimately require rule language changes, but staff wanted the ability to pursue rulemaking that could be completed by May 2008, if needed. The following sections update the Board on the three administrative rulemaking efforts.

Watershed Council Support Rules

The issue for potential rule revision is the council support funding allocation formula or criteria, including whether umbrella or multiple watershed councils should be allocated additional funding, how that additional increment is determined, and how additional funding is distributed. Because the funding distribution criteria or formula plays only a minor role in how councils prepare their grant application, staff have determined that rulemaking, if needed, can wait until the September 2008 Board meeting.

This will allow staff the time to have further discussions with the Board subcommittee, watershed councils, and other stakeholders on the formula or criteria between now and May, with a longer public comment period during June and July. Any rule revisions will be covered in the application workshops or training to be held in October of 2008 and will give staff the opportunity to explain how the rules will be implemented and how that implementation may affect how watershed councils prepare their applications (i.e. the proposed budget).

Restoration Grant Eligibility

OWEB's administrative rules prohibit grant funds to be used for a restoration project "constructed solely to comply with a state or federal agency enforcement order, legal judgment or mitigation requirement" (OAR 695-010-0040(3)). Staff are encountering significant and increasing opportunities to leverage OWEB funding with some other types of funding that could be construed as being required for mitigation purposes or are in compliance with a state or federal legal judgment. After further staff discussion, we have concluded that rulemaking is not needed at this time. The existing rule provides enough flexibility to allow OWEB funds to be used in these types of scenarios. Instead staff will develop additional guidance to provide internal and external clarification about the rule and these scenarios.

Grant Administration

There are two areas where a policy discussion and re-visitation of the grant administration rules could benefit the program. The first is the requirement for and consequences of landowner agreements. The second has to do with the ability of the grant program manager to amend grants. Due to a number of factors, including a new grant program manager and compressed spring Board meeting schedule, staff have determined that any rule revisions on these issues can wait until the September 2008 Board meeting. This schedule will allow staff more time to explore these issues to determine whether rules changes are needed.

Staff Contact

If you have questions or need additional information about OWEB's administrative rules, please contact Melissa Leoni, Senior Policy Coordinator at melissa.leoni@state.or.us or 503-986-0179.

March 19-20, 2008 OWEB Board Meeting Executive Director Update #C8: Education and Outreach Strategy

Background

This report updates the Board on the Education and Outreach strategy.

Subcommittee Membership

Subcommittee members include Dan Thorndike, Trish Smith, Meta Loftsgaarden, and Jim Johnson. The subcommittee is staffed by Tom Byler and Carolyn Devine.

Activities

The subcommittee has had two conference calls in which we've discussed and agreed upon basic assumptions regarding education and outreach. In particular, the group recognizes that while there are many great education and outreach funding opportunities, the Board has decided to be strategic in our investments and will therefore need to set priorities. Being able to articulate the impact and value of our educational investments is important. The Board subcommittee also discussed how each region is unique and may require different education and outreach programs.

Based on interviews with staff and grant applicants, the most effective Education and Outreach grant projects funded by OWEB are those that have a multiplier effect and give back to the community through furthering the education of a second or third tier of learners, provide useful monitoring data that are used by agencies, or create clear improvements to the land. Using this knowledge, the subcommittee is beginning a discussion of overarching goals for awareness and participation in voluntary conservation efforts.

In the Future

Staff will brief Board members at future meetings as the subcommittee's work progresses. We aim to be in a position to inform the October grant applicants about our future direction.

Staff Contact

If you have questions or need additional information about the Education/Outreach Board Subcommittee please contact Carolyn Devine, at Carolyn.Devine@state.or.us or 503-986-0195.

March 19-20, 2008 OWEB Board Meeting Executive Director Update #C9: Partnership Investments

Background

This report proposes an organizational framework for OWEB grant programs. Staff welcome Board member feedback on this concept.

Investment Summary

OWEB's primary vehicle for making conservation-related investments is through the regular grant process. This process offers two grant solicitations per year, at six month intervals. The types of grants offered include restoration, monitoring, technical assistance, assessment, and education and outreach. These offerings are statewide in scope and tend to allow applications for a broad range of activities to compete in the review process. The majority of OWEB funds are invested through the regular grant program.

The regular grant program process is not the only means for OWEB to solicit and review potential grant investments. Examples of other investment areas include:

- Special Investment Partnerships (SIP)
- Conservation Reserve Enhancement Program (CREP)
- Whole Watershed Restoration Initiative
- Recovery Plan development and implementation
- Oregon 150 grants
- Coastal salmon fishing emergency grants
- Local Innovation Fund
- Products associated with the Oregon Plan for Salmon and Watersheds

Each of these investment areas has value because of the strength of its partnerships, focus on specific ecological needs, and leveraging of other funding sources, among other factors. From an organizational standpoint, staff increasingly refer to these other investment areas that operate outside the regular grant process as "partnership investments."

OWEB partnership investments have specific and limited ecological objectives, specific partner roles and responsibilities, and alternative delivery systems. OWEB maintains fiscal controls, technical review criteria, and enforceable agreements.

Partnership Investments Subcommittee

The number of partnership investment programs and their combined funding has grown over the years. Each partnership investment program is unique. Staff recommend creating a Partnership Investments Subcommittee to establish a more frequent Board-staff communication link to strengthen the understanding of the expectations and outcomes from each partnership.

Staff suggest that the Partnership Investments Subcommittee subsume the current Special Investment Partnerships Subcommittee and add two additional board members. Under this scenario, the membership of the Partnership Investments Subcommittee would be as follows:

- Diane Snyder
- Dan Heagerty
- Ken Williamson
- Dave Powers
- *One additional voting member*
- *One additional non-voting member*

The new subcommittee would continue to take the lead on Special Investment Partnership matters. It would also serve as the standing subcommittee to receive periodic updates from staff on other partnership investment areas. It is our hope that this organizational structure will lead to enhanced awareness and understanding of partnership investment issues by the subcommittee and full Board.

Staff Contact

If you have questions or need additional information about the Partnership Investments Subcommittee please contact Tom Byler, at Tom.Byler@state.or.us or 503-986-0180.



Oregon

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February 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects

SUBJECT: **Agenda Item D: Special Investment Partnerships
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This report seeks Board authorization for the Executive Director to negotiate project details and enter into agreements to obligate up to \$6 million in Lottery capital funds this biennium for implementation of the Willamette Special Investment Partnership.

II. Background

The goal of the Special Investment Partnerships (SIP) is the same as that of OWEB overall – to help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies. SIP is a tool that OWEB may elect to use in situations where an important and extremely beneficial project (or group of related projects) requires an interaction or funding mechanism different than those provided by OWEB's grant programs.

Partnerships through SIP are defined by these characteristics:

1. **Ecological Significance.** The ecological impact, significance of the issues addressed, and the anticipated outcome(s) are large. Ideally, a Partnership contributes to a historic change or surge of progress in, for example, the recovery of a species, the restoration to self-sustainability of an ecosystem, the restoration to health of a river system or watershed, or the launching of an initiative that addresses widespread issues.
2. **Importance of OWEB's Contribution.** OWEB's contribution will be critical, not only to funding the effort, but also to attracting the other support and catalyzing the action necessary for achievement of the objectives. In particular, a SIP investment will tend to launch important efforts that otherwise have been stalled or delayed.
3. **Robust Partnerships.** SIP investments will be made where other partners, with significant funding or other contributions to offer, are available, interested, and likely to join the effort within a reasonable period of time.
4. **Triple Bottom Line.** Projects implemented by Partnerships will produce ecological, community, and economic outcomes – the "triple bottom line" – through a deliberate effort to produce benefits that sustain themselves over time because they've become a part of local custom and culture.

5. **Captures the Imagination/High Visibility.** The scale, importance, and sustainability of a Partnership will attract public attention not only to the work of that one project but also to the importance of watersheds and of watershed enhancement generally.
6. **Ripeness.** To receive a funding allocation from the Board, a Partnership: (a) needs to be ready to form and begin functioning to finalize objectives and a work plan; (b) must have a likely time frame for implementation and completion that is reasonable and fits OWEB's needs; and (c) must be at the point developmentally where it both needs and can take advantage of the OWEB funding commitment to further the project.

III. SIP Status

At its September 2007 meeting, the Board reserved up to \$12 million in Lottery capital funds for potential allocation to SIP in this biennium. Up to \$6 million of that was reserved for the Willamette SIP. At its January 2008 meeting in Astoria, the Board approved up to \$4 million for the Deschutes SIP and authorized the Director to follow through with the contracts and agreements necessary to begin implementation of a list of projects and project concepts.

Since September, staff and the SIP Subcommittee have worked with a number of partners to further develop the details of the Willamette SIP and its projects and project concepts. There is a brief summary of the Willamette SIP below; greater detail is included in Attachments A and B.

Other potential partnerships are evolving slowly due partly to the emphasis on the Deschutes and Willamette SIPs, and partly to the possibility of settlement regarding the Klamath River dams.

IV. Willamette SIP Overview

The Willamette SIP has twin objectives for the Willamette mainstem and major tributaries:

- A. Re-establish channel complexity and length.
- B. Re-connect flood plains with adjacent active channels wherever feasible.

Attachment A describes the Willamette SIP in terms of the format established by the September 2007 (and earlier) staff reports. Attachment B is the ecological objectives and project table listing immediate high priorities identified by staff in conjunction with other key funding and implementing partners. This list includes the projects to which OWEB funds will be allocated in the current biennium and also includes projects and ecological objectives that will be highest on the list for any OWEB funding that may be available in the next biennium. Attachment C offers notes on the project table. A collection of maps showing the SIP focus areas in the basin will be available at the Board meeting.

OWEB's role in the Willamette SIP has been significantly different than for the Deschutes SIP. In the Deschutes, the Board adopted the pre-existing objective of reintroducing anadromous fish into the basin above the Pelton and Round Butte dams, and then provided a framework for coordination, prioritization, and funding development for a core group of partners already active in addressing that purpose. In the Willamette SIP, OWEB staff created new objectives in order to address a suite of critically important recovery needs that have not been well represented by applications received by OWEB's regular grant program.

In the Deschutes, a healthy collection of site-specific and mostly designed projects was ready for Board consideration of the Partnership agreement. In the Willamette, we found (as expected) that the ecological objectives were identified, but site specific projects had not been fully developed. OWEB's active partners in the Willamette, understandably, had instead directed their staff-limited project development capabilities toward restoration of the tributary watersheds.

OWEB's exploration of the Willamette SIP over the last year has kindled a great deal of interest in new projects to address the restoration needs of the mainstem river. One effort of the Willamette partnership will be to help locally based groups and other non-governmental organizations further develop the details of promising projects.

V. Notes on Process

If granted the authorization requested in Section VII below, the OWEB Director (and staff) will pursue the following course of action (with timing in parentheses):

- A. Lead the identification of specific projects from the ecological objectives identified in Attachment B. We will strive for *at least* one exemplary project from each of the ecological objectives in Attachment B. (Spring 2008)
- B. Sign agreements with a number of key public and private partners with funding, land, or other resources to offer the Willamette partnership. (Spring 2008)
- C. Work with our partners to secure funding for the engineering and technical design phase of project development. (Spring 2008)
- D. Recruit partners to do the detail work of readying specific projects for review and funding. (Spring 2008)
- E. Solicit from these and other partners detailed project descriptions based on the standard OWEB Restoration and Acquisition application forms. (Starting spring 2008 and ongoing)
- F. Create a special Willamette SIP Technical Review Team (spring 2008 and ongoing) to scrutinize the project descriptions:
 1. According to the two Willamette SIP objectives.
 2. Against the usual OWEB criteria relating to the technical rightness, prudence, and cost-effectiveness of proposed actions. (See evaluation criteria OAR 695-010-0060 and 695-045-0040.)
 3. In consideration of high levels of match and other support from other partners.
 4. Regarding appropriate project public outreach, monitoring, and reporting.
- G. Sign funding agreements with the implementing partners for the best and ripest projects. (Spring 2008 and ongoing)
- H. Report on progress frequently to the OWEB SIP Subcommittee and to the Board at each of their regular meetings. (Ongoing)

Attachment D provides more detailed information on proposed processes for initial screening of project concepts and more intensive technical review of detailed project descriptions.

VI. Notes on the Ecological Objectives and Project Table, Attachment B

The projects and ecological objectives on this table define eligible Willamette SIP activities for purposes of spending the \$6 million from the current biennium. It is not intended as a comprehensive list of all work necessary to achieve the twin Willamette Partnership objectives of re-establishing channel complexity and re-connecting flood plains. The list will be modified based on experience from implementation this biennium. The list may be modified this biennium after initial Board adoption, but only to embrace an unanticipated opportunity of extraordinary merit.

The site-specific projects (e.g. those for Metro and Portland) result from 18 months of detailed conversations with these early partners in the SIP. Also, these projects have been in the public eye for months and thus are more ready for exposure on OWEB's list. They will be bundled into agreements with each partner designed to spread OWEB's SIP funding across several ripe and high priority projects.

The ecological objectives are intended to broadly describe restoration activities that have been discussed with the relevant partner(s), but that require further development before specific sites and projects can be revealed. In many cases these projects will require the willing cooperation of private parties who either own land that will be directly affected or are neighbors to the project sites. Since these conversations have not yet run their course, it is premature to list specific projects and locations. While specific projects may not yet be listed to address these ecological objectives a number of high priority potential activities and locations have been identified and are being actively developed.

VII. Recommendation to the Board.

Staff and the SIP Subcommittee recommend that the full Board:

1. Endorse the merit and objectives of the Willamette SIP contained in Attachment A of the staff report and the value of likely outcomes.
2. Allocate to the Willamette SIP up to \$6 million of capital funds from the \$12 million previously reserved for SIP for the 2007-2009 biennium and delegate the distribution authority to the Executive Director.
3. Place the following conditions on the Willamette SIP funding allocation:
 - a. The central partners must sign a Partnership Agreement by May 1, 2008, and before project implementation agreements are signed.
 - b. Any projects and actions in the implementation work plan for which OWEB funds will be used will be subject to detailed scrutiny and approval by a technical review process designated by OWEB.
 - c. If the entire \$6 million is not committed in a timely manner, the Board reserves the right to redirect the uncommitted amount for other uses.
 - d. OWEB SIP funds may be used for acquisition of land or water interests, including conservation easements or fee title, only if OWEB's standard acquisition program criteria and due diligence requirements have been satisfied.

4. Authorize the Executive Director to enter into Willamette SIP negotiations necessary to:
 - a. Identify which of the high and immediate project priorities are right for OWEB funding.
 - b. Certify that these projects are technically sound.
 - c. Identify which activities and line item expenses for each project are appropriate for OWEB funding.
 - d. Identify any special conditions that should apply to the OWEB funding.
 - e. Enter into agreements and contracts with the appropriate implementing partners.

Attachments

- A. Willamette SIP Summary
- B. Willamette SIP Project Table
- C. Notes on Attachment B
- D. Notes on Project Screening and Review Process

Willamette Special Investment Partnership (SIP) Summary

1. Measurable Ecological Outcomes

The main objectives of the Willamette SIP are to (a) re-establish channel complexity and length and (b) re-connect flood plains in the historic meander corridor of the Willamette main stem and the major tributaries, wherever feasible. These objectives will restore aquatic and riparian habitats for a wide variety of species, and also will contribute significantly to restoration of river processes that contribute to improved water quality and native aquatic species habitats. Partners who share OWEB's objectives may also have other objectives of their own in the Willamette. One foundation of the Willamette partnership is that all partners will do what they can to mutually support one another's objectives, with particular emphasis on the areas of overlap.

One example of this – and a principal objective of two central partners in the SIP, the Oregon Parks and Recreation Department (OPRD) and Congresswoman Darlene Hooley (through her Willamette River United Act, H.R. 3574) – is public access to the river for aesthetic and recreational purposes. Another example is the commitment of the Meyer Memorial Trust to achieving meaningful and measurable improvements in the health of the Willamette and selected tributaries by 2015 and, in the process, to create a national model for restoring large, complex ecological systems. All of these objectives are readily supported by the projects necessary to achieve the SIP ecological objectives of increased channel complexity and reconnected floodplains.

Objectives for various reaches of the river and for each project within a reach will be developed in terms of specific benefits to:

- a. Fish and Wildlife habitat: Quantity and type of habitat, species affected, types and amounts of improvements.
- b. Water quality: Types and amounts of water quality increase or pollution reduction, and beneficial uses supported.
- c. Recreation: Types and amounts of public access and recreation opportunities (e.g. opening additional navigable channels for water access).
- d. Private sector: Benefits to landowners, business and industry – e.g. an avenue to “green” labeling and recognition; a way to make farming on marginal, flood-prone or high maintenance lands more viable; an alternative to expensive bank stabilization; a way to address Total Maximum Daily Load (TMDL) and Endangered Species Act (ESA) compliance; tax reduction opportunities; or opportunities for private land owners to leave a special legacy for future Oregonians.
- e. Public sector: Benefits to public program objectives (e.g. parks and recreation, fishing and hunting, management of state lands, or achievement of TMDLs and Recovery Plans).
- f. Local communities: Benefits to education, recreation, open space, wastewater treatment, and capacity of local stewardship organizations [e.g. watershed councils and soil and water conservation districts (SWCDs)].

The Willamette Basin has many important ecological and watershed needs beyond OWEB's SIP objectives. Those other needs may still be addressed through OWEB's regular grant program and other restoration investment opportunities.

2. Impact of the SIP Investment

OWEB has assumed a leadership role in convening and guiding the central partnership toward re-establishment of channel complexity and flood plain connection. Many site-specific and project-specific details are yet to be worked out, but OWEB's \$6 million funding reservation (September 2007) has underscored that progress is possible and has encouraged our partners to invest time in SIP project development that likely would not otherwise have occurred. We know that OWEB's funding reservation is an important tool for members of Oregon's congressional delegation as they advocate for Congresswoman Hooley's Willamette River United Act. We now regularly hear our SIP partners talking in terms of a "30- to 50-year" effort to restore Willamette River hydrologic complexity and functioning.

3. Partners

The list of partners in the Willamette is long and diverse. Any watershed council, SWCD, land trust, unit of government, or other entity is welcome to participate in this partnership as they may develop projects that meet the ecological objectives. OWEB has been talking with the Oregon Department of State Lands (DSL), Department of Geology and Mineral Industries (DOGAMI), OPRD, Metro, the cities of Portland, Eugene, Springfield, Corvallis, and Albany, the Willamette Riverkeeper, and several watershed councils, soil and water conservation districts, and land trusts to identify "early action" project implementation opportunities. We also have been talking with several other funding sources to explore and promote contributions from them. Finally, the willing participation of private landowners will be crucial to the success of the Willamette SIP partnership

4. Sustainability

The Willamette SIP development and implementation is:

- a. Cooperative.
- b. Incentive-based.
- c. Science-based.

Partnerships of public and private organizations and landowners will be formed or expanded at the local and regional level to design, fund, and implement projects. The Willamette SIP combines ecological restoration with expanded public access to and involvement with the river, enhancing the likelihood that residents will strongly identify with the SIP's bottom land restoration objectives.

5. Implementation Activities

- a. Lengthening and diversifying the shore line through restoration of old channels and construction of alcoves.
- b. Reconnection of river channels to adjacent flood plains.
- c. Restoration of hydrologic processes that optimize water quality.

- d. Creation or expansion of opportunities for public access to the river area for a variety of recreational uses.
- e. Acquisition of title or easements from willing sellers for fair market value.
- f. Restoration and protection, consistent with natural hydrologic processes, of aquatic, riparian, and wetland habitats for all native species and particularly for listed or at-risk species.

Work will focus initially on:

- a. Publicly owned lands, and state owned lands in particular.
- b. Project proposals that fit the SIP objectives very well and are relatively far along in the development process because they were initiated by our partners prior to approval of the Willamette SIP funding.
- c. Areas of highest opportunity and lowest constraint.

6. Ripeness and Timing

OWEB has been exploring “early action” opportunities with DSL, OPRD, DOGAMI, Metro, several cities, and several watershed councils and land trusts. A sufficient number of these exist for us to move ahead to request allocation of \$6 million from the capital funds reserved by the Board from this biennium's funding. We expect that final project details will be developed and reviewed (by OWEB staff and by a technical review process) and contracts will be signed in the spring of 2008, with implementation on some projects starting immediately thereafter.

7. Costs

A preliminary and informal inventory of restoration activities to meet the Willamette SIP ecological objectives shows that OWEB’s entire reservation of \$6 million could be dedicated to projects within a few months of authorization from the Board. For the Willamette SIP, as for the Deschutes SIP, we have not attached funding amounts to specific projects in order to retain maximum flexibility in final fund distributions. The following table is intended only to suggest approximate distribution of the available \$6 million and does not represent an OWEB Board allocation. Final amounts will depend on many factors relating to specific project details as they are developed. A relatively large amount is left “un-targeted” to provide for that variability.

a. Channel and flood plain restoration: (Includes misc. acquisitions)	\$2,000,000
b. Restoration on DSL lands:	500,000
c. Restoration on OPRD lands:	500,000
d. Effluent cooling partnerships:	400,000
e. Aggregate site reclamation:	400,000
f. City of Portland projects:	400,000
g. Metro projects:	400,000
h. Scappoose Bottoms:	<u>200,000</u>
Preliminary Sub-Total:	\$4,800,000
 Preliminary Un-Targeted:	 \$1,200,000

Willamette Special Investment Partnership Ecological Objectives and Projects
February 20, 2008

Ecological Objectives and Projects	Lead Partner(s)	Summary and Outcomes	Status and Timing	Other Participants	Notes
Objective: Channel and Flood Plain Restoration.	Various partners who are able to recruit willing land owners, design projects, assemble the many parts, partners, and dollars necessary, and (where appropriate) to manage the acquisition process and hold titles or easements in perpetuity.	Acquire, restore, and protect bottom land parcels suitable for OWEB's twin Willamette SIP objectives of re-establishing channel complexity and re-connecting channels and flood plains. The results of that will be improved habitat, improved water quality, and improved response to flood events.	There are many potential sites throughout the Basin. OWEB and partners have identified a number of target reaches, often based around tributary confluences, state-owned lands, ag lands that frequently flood, and inactive aggregate mining sites. Three candidate acquisition proposals are presently in consideration. A number of other projects are in the recruitment or development phase now and could start implementation in 2008. Greater specificity at this time would be counter-productive.	Many and various. Many confluence areas include public land parcels. Land trusts, watershed councils, Willamette Riverkeeper and other NGOs, and government agencies interested in water quality and in fish and wildlife habitat restoration and protection.	This is the over-arching concept that includes the public lands work listed below as separate project concepts.
	Restoration on DSL lands. (Projects would be undertaken by local partners.)	Re-establish silted-in channels and alcoves, reconnect oxbows and cut-off side channels, reconnect channels and flood plains where appropriate, restore native vegetation where appropriate.	In development, with implementation on a few sites possible starting in 2008. By statute, DSL owns the "beds and banks" of navigable Oregon waters, including many oxbow lakes and other former Willamette channels.	Local partners, NGOs.	Numerous potential project sites on state owned land offer the benefit of focusing available funding on restoration.
	Restoration on OPRD lands. (Projects would be undertaken by local partners.)	Re-establish silted-in channels and alcoves, reconnect oxbows and cut-off side channels, reconnect channels and flood plains where appropriate, restore native vegetation where appropriate.	In development, with implementation on a few sites possible starting in 2008. OPRD owns many bottom land parcels that include channel and flood plain features appropriate for SIP.	Local partners, NGOs.	Numerous potential project sites on state owned land offer the benefit of focusing available funding on restoration. Restoration could also enhance public access for passive recreation.
Objective: Effluent Cooling through floodplain interaction	Various waste water dischargers, primarily municipalities or waste water districts.	Re-establish silted-in channels and alcoves, reconnect oxbows and cut-off side channels, reconnect channels and flood plains where appropriate, restore native vegetation where appropriate.	In development. Generic technical work to model, site, and design such cooling projects is underway. Conversation has begun with certain dischargers; a few potential sites identified. Commitment to sites is possible this biennium, but construction is more likely starting in 2009 and beyond.	Association of Clean Water Agencies (ACWA), various cities and special districts. Land trusts, watershed councils.	OWEB's contribution would focus on restoration and protection relating to our two Willamette SIP objectives rather than the hyporheic cooling and would be above and beyond any actions required of the dischargers by regulatory permits.
Objective: Aggregate Site Reclamation to reconnect floodplain and complex channels.	Projects would be undertaken by local partners, including mine site owners.	Acquire and/or restore aggregate mine sites in the bottom land suitable for OWEB's Willamette SIP objectives. Create off-channel habitat, eliminate or reduce the risk of accidental and catastrophic re-capture by the River.	In development. Conversation begun with certain site owners and project implementers. A few potential sites identified. Commitment to sites is possible this biennium, but construction is more likely starting in 2009 and beyond.	Mine site owners, Oregon Dept. of Geology and Mineral Industries, Dept. of State Lands, Meyer Memorial Trust.	OWEB's contribution would focus on restoration and protection relating to our two Willamette SIP objectives and would be above and beyond any actions required of the mine owners by regulatory permits
Objective: Edge Habitat Restoration to reconnect floodplain habitats.	Various. Projects would be undertaken by local partners.	Create alcoves at outfalls, at piped confluences of small tributaries, and where riverside fill is no longer needed for built use. Reconnect with flood plains and side channels where feasible. Create off-stream loitering habitat and refugia along critical migratory reaches.	Many projects in the Portland-Metro area, with some ready to start implementation in 2008.	Public and private urban groups, including local governments, special districts, and watershed councils. Other funding sources interested in whole-basin restoration (e.g. Ecotrust).	"Roughening" the river side is a viable approach to restoring loitering habitat in heavily built-up and channelized areas, such as Portland Harbor and any reach flowing through an urbanized area. This is the overarching concept for several of the Portland and Metro projects in the packages listed below, and also is applicable to other urban areas in the basin. <u>Not</u> to be confused with rock barbs, j-hooks, and other flow re-direction techniques intended for bank stabilization.

Ecological Objectives and Projects	Lead Partner(s)	Summary and Outcomes	Status and Timing	Other Participants	Notes
Project: Scappoose Bottom Restoration.	Scappoose Bay Watershed Council.	Restoration of wetlands and habitat, reconnection of channels and adjacent flood plains.	Area-wide action plan done. Much outreach to landowners and other partners. Some related projects started. Next projects will be ready within the year.	The Nature Conservancy, state and federal fish & wildlife agencies, City of Scappoose, LCREP, Ore. St. Parks, DSL.	This is a collection of projects addressing different site-specific objectives but all contributing to restoration of bottom land functions. Compliments work on Sauvie Island.
Project: Lower Portland Reach Package (Terminal 1 South, Centennial Mills, Swan Island Beach South, Balch Creek Confluence, Tanner Creek Confluence)	City of Portland.	Shallow water habitat, reshaping banks for flood plain reconnect, alcoves at Tanner and Balch Creek confluences, "roughening" the River's edge.	Initial design work done for most sites. Some projects could proceed this biennium.	Port of Portland, Metro, Portland Development Commission, private land owners, watershed councils.	These and other projects in the package listed below will be allocated SIP funds according to their ripeness in terms of design, match funding, land owner participation, and other factors.
Project: Upper Portland Reach Package (Oaks Bottom, Stephens Creek Confluence, Tryon Creek Confluence, Johnson Creek Confluence).	City of Portland.	Restore off-channel habitat, assure full hydrologic connection, replace invasives with natives, improve banks and riparian areas, reconnect flood plain.	Initial design work done for most sites -- detailed design work for some, which could proceed this biennium. Oaks Bottom project is large and might need to be done in several phases over several years.	Metro, Portland Development Commission, private land owners, watershed councils.	Along with adjacent Ross Island, Oaks Bottom constitutes the best and largest remaining undeveloped flood plain and side channel habitat in the central city. Refuge attracts many visitors.
Project: Columbia Slough.	City of Portland, Metro.	Restoration and protection of aquatic, riparian, and flood plain habitat and watershed functions. At confluence with Willamette: bank reshaping to create alcoves and to assure proper connection of Slough to the River at all flow levels.	Initial design work done for most sites. Some projects could proceed this biennium.	Columbia Slough Watershed Council, Metro, private land owners, Port of Portland.	The Slough, Smith and Bybee Lakes, and associated corridor are the principal natural area habitat in the north city.
Project: Johnson Creek Watershed.	Metro, City of Portland.	Reconnect flood plain, restore remnant alcoves and overflow channels, restore and protect habitat and connection corridors	Initial design work done for many sites. Some projects could proceed this biennium.	Johnson Creek WSC, Cities of Gresham and Milwaukie, ODFW, Counties of Clackamas and Multnomah.	Much of this work will be done well to the east of the Willamette main stem but will contribute to lower Willamette functions and values.
Project: Lower Willamette Greenway.	Metro, City of Portland.	Secure and restore critical native habitats and edge ecology at select locations from Lake Oswego downstream.	Parcels already acquired or identified for acquisition. Metro has acquisition funds. Site-specific details now being explored. Implementation likely in 2009-2010.	Local groups, private land owners, land trusts.	These parcels would offer opportunities for edge roughening in the lower river.
Project: Clackamas River Greenway.	Metro.	Protect and restore undeveloped flood plains, remnant side channels, gravel bars, and associated ecology and watershed functions.	Parcels already acquired or identified for acquisition. Metro has acquisition funds. Site-specific details now being explored. Implementation likely in 2009-2010.	Three Rivers Land Conservancy, Clackamas Co. Parks, North Clackamas Park Dist., Ore. St. Parks., PGE., Oregon City, Gladstone, watershed councils.	An example of the bottom land SIP objectives pursued on a major tributary to the Willamette.
Project: Tualatin River Greenway.	Metro.	Acquire, restore, and protect habitat, flood plain connections, and watershed functions along the lower reach of the Tualatin River.	Parcels already acquired or identified for acquisition. Metro has acquisition funds. Site-specific details now being explored. Implementation likely in 2009-2010.	Tualatin Riverkeeper, Three Rivers Conservancy, Clean Water Services, multiple local cities, state and federal fish and wildlife agencies, watershed councils..	An example of the bottom land SIP objectives pursued on a major tributary to the Willamette.
Project: Small Watershed Focus.	Meyer Memorial Trust. Local conservation partner	Contribute to restoration over a number of years in each of several selected small watersheds (e.g. 6 th field hydrologic units). The specific restoration objectives will be appropriate to each watershed.	This biennium, Meyer Memorial Trust will coordinate a process for identifying candidate small watersheds and will establish the program mechanism, which then may be contracted out to a suitable partner.	Forest Service Whole Watershed Program, Bonneville Environmental Foundation, watershed councils, land trusts, local governments and NGOs.	This effort will include projects that address the Willamette SIP objectives but also will address the larger matters of ecosystem restoration and protection and of refugia and connective corridors for species of concern. These other matters must be addressed in the Willamette in order for the SIP to have its full effect.

Notes on Willamette SIP Project Table

Lead Organization(s)

1. Even for work on public lands, local government or NGOs may take the lead on project design and implementation.
2. OWEB will make every effort to see that the SIP funds are passed through to local entities.

Summary and Outcomes

1. Most projects focus on the main stem Willamette and tributary confluences.
2. All relate to the twin OWEB SIP objectives of (1) restoring channel complexity and edge roughness and (2) of reconnecting active channels with flood plains.
3. The physical and cultural geography of the Basin reduces bottomland opportunities from about Newburg down through Portland Harbor as well as wherever other cities (Eugene, Corvallis, Albany, Salem, etc.) have built right up to and around the river. The nature of SIP investments in those areas will adapt to support projects that are viable in heavily developed urban areas – for example, the restoration of edge habitat complexity.

Status and Timing

1. Project ripeness, at this time, ranges from conceptual to ready for implementation.
2. The length of time to project implementation will range from a few months to several years, but many can begin implementation during 2008 (if funding is available), and most can move forward in the current biennium (prior to July 2009).
3. The sensitivity of conversations with land owners makes speculation about sites counter-productive at this time.

Other Partners

1. It should be understood that OWEB is open to working with any and all partners who can bring energy and other resources to the projects.
2. The danger of listing potential “other partners” is that some will invariably be left out by accident. OWEB regrets any omissions.

OWEB Funding 2007-2009

1. As with the Deschutes SIP project matrix, we have not attached numbers next to specific projects for the Willamette in order to retain maximum flexibility in final fund distributions.
2. The following table is intended only to suggest approximate distribution of the available \$6 million and does not represent an OWEB Board allocation. Final amounts will depend on many factors relating to specific project details as they are developed. A relatively large amount is left “un-targeted” to provide for that variability.

Channel and flood plain restoration:	\$2,000,000
(Includes misc. acquisitions)	
Restoration on DSL lands:	500,000
Restoration on OPRD lands:	500,000
Effluent cooling partnerships:	400,000
Aggregate site reclamation:	400,000
City of Portland:	400,000
Metro:	400,000
Scappoose Bottoms:	200,000
Preliminary Sub-Total:	\$4,800,000
Preliminary Un-Targeted:	\$1,200,000

Willamette SIP Project Screening and Evaluation Process

OWEB staff will provide information on the availability of Willamette SIP funding to all partners. The notice will identify the ecological objectives, application process and decision framework for proposed projects. Staff will develop a form for the abbreviated description of project concepts intended for screening. The SIP staff will receive these initial project concept descriptions at any time and review them for completeness and against the threshold and screening shown below.

Threshold Review

The project concept must meet the ecological objectives of the Willamette SIP, to:

- ❑ Re-establish channel complexity and length, and/or
- ❑ Re-connect active channels with adjacent flood plains.

Screening Review

OWEB staff and SIP partners will evaluate project concepts to identify high value, cost-effective projects that warrant the effort to further develop project detail. Each project concept will be evaluated to the extent that it:

1. Is in an area of high value for habitat or other restoration needs and outcomes as identified in the Synthesis Mapping Project.
2. Contains an oxbow lake, cut-off or seasonal side channel, alcove, restorable wetland, disconnected flood plain, or other similar feature. In roughly decreasing order of value, the site:
 - a. Entirely contains the feature.
 - b. Partially contains the feature.
 - c. Must be obtained and/or modified in order to take advantage of the feature.
 - d. Connects two or more SIP projects or features.
 - e. Contributes to a connection that could be completed in the future.
3. Is proposed on land already owned by (or otherwise controlled by) a SIP partner (e.g. DSL, OPRD, TNC) and thus offers immediate restoration opportunities.
4. Has been identified for work and a SIP partner has allocated funding, collected support, done significant design work, or otherwise has jump-started the project (e.g. OPRD and the Luckiamute WSC at Luckiamute Landing; or OPRD, the Corps, and Riverkeeper at Willamette Mission).
5. Has a relatively high concentration of partner land ownership.
6. Has one or more previous SIP projects and would benefit from further blocking up of projects
7. Is of only moderate importance by itself, but would be the “ice breaker” or catalyst in an area with high value and potential for other SIP projects.
8. Is in an area of only moderate importance but would be a valuable demonstration project or “door opener” with a particular constituency.

Technical Review

Screened project concepts that are deemed high priorities for further review will then be written up in detail on forms nearly the same as the Restoration and Acquisition applications for the regular grant program. This will provide the detail necessary for a rigorous technical review by the special team empanelled for this purpose.

OWEB staff will assemble a technical review team that includes the following expertise:

- ❑ Fluvial geomorphology
- ❑ Aquatic ecology
- ❑ Water quality management
- ❑ Floodplain management
- ❑ Riparian vegetation
- ❑ Engineering

The review team will meet and (with help from OWEB staff) provide written evaluations of the project proposals. The review team will be asked to identify whether the applications meet the basic funding criteria, are technically and fiscally sound (pursuant to OAR 695-010-0060 and 695-045-0040), and merit consideration for funding. The reviewers will also be asked to provide recommendations to enhance the application(s).

Funding decision by the Director

Based on the review team recommendations and on consultations with our SIP partners, staff will prepare findings for the Director's consideration. The findings will include at least:

- ❑ a recommendation to fund or not to fund the application,
- ❑ an explanation of the significance of the proposed application in relation to the ecological objectives of the Willamette SIP, and
- ❑ any special conditions that are recommended for the Director's consideration.

The director will provide the Willamette SIP staff with a written approval to fund or not to fund the application. OWEB staff will work with other partners to ensure the grant agreement provided to the applicant compliments the partner's objectives as well.



Oregon

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February 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations
Overview and Statewide Applications
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the process for evaluation of the capital and non-capital grant applications submitted by the October 22, 2007, deadline. The report also includes budget considerations and a summary of combined funding recommendations. Finally, this report includes the statewide Education and Outreach staff recommendations.

II. Background and Summary

Two hundred and sixty four grant applications seeking a total of \$33,557,110 were received by the October 22, 2007, deadline. The breakdown by region, project type, and dollar amount is shown on the attached table. (Attachment A)

Restoration and Acquisition applications that use capital funds were solicited in this funding cycle, as were Technical Assistance, Monitoring, and Education and Outreach applications that use non-capital funds. After being screened for eligibility and completeness, the applications were sent to the five Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered the funding availability and funds budgeted, and integrated the separate RRT recommendations into the staff funding recommendation to the Board. A map showing the location of the Restoration applications recommended for funding by OWEB staff is attached. (Attachment B)

Following this overview are staff reports containing the OWEB staff funding recommendations for each region.

III. Review Process

The applications were screened for completeness, categorized by application type, and copied for review. The RRTs were sent packets of eligible grant proposals to read and consider. OWEB staff in each region then scheduled visits to as many sites as possible, emphasizing new applications, acquisitions, and the more complicated applications. All RRT members were invited on these visits and some members were able to participate at each site. In their RRT meetings, reviewers were asked to determine the technical merit of each proposal and, with the exception of Acquisition applications (for which the RRT only discussed the ecological and

educational value of the proposed acquisition), whether to recommend each application for funding. After classifying applications as “do fund” or “no fund,” the RRTs were then asked to prioritize the applications recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. The staff-recommended funding amount and any special conditions are identified in the tables attached to each regional staff report.

OWEB received two Education and Outreach grant applications that have broader focus than a single region. These applications were reviewed only by the Oregon Plan Outreach Team.

The Oregon Plan Monitoring Team reviewed each Monitoring grant application and identified their significance to the Oregon Plan and their likelihood of success. These review comments were passed along to the RRTs for their consideration and used in recommending funding and ranking.

The RRT recommendations in summary form were distributed to all applicants whose proposals were reviewed by that RRT. Staff continued in this grant cycle the practice of forwarding all comments received from applicants regarding the RRT recommendations to the Board prior to the Board meeting.

IV. Statewide Education and Outreach Applications

The Oregon Plan Outreach Team recommended funding both of the Statewide Education and Outreach applications for a total of \$106,695. The Team members were supportive of The Nature Conservancy’s Weed Watcher program (208-7001) and recognized that this application is a key part of a much larger “Silent Invasives” project with Oregon Public Broadcasting, Oregon State University (OSU) Extension (208-7002), Stop Oregon Litter and Vandalism (SOLV), and others.

The Team also supported OSU Extension’s proposal (208-7002), which included invasive species awareness, prevention and management; training for successful riparian restoration projects; Water Wise landscaping and plantings to conserve water; Low Impact Growth; and training for restoration project prioritization. The Team evaluated the proposed activities within the application individually to come up with a prioritized list.

Staff were also impressed with the applications, but due to limited non-capital funding and the number of Education and Outreach applications across the state, the demand far exceeded available funds and made it impossible to meet all needs. Staff recommend funding 208-7001 and the top three prioritized activities of 208-7002, for a combined total of \$73,708.

V. Acquisition Applications

A total of 12 Acquisition applications were received, including one water acquisition and 11 land acquisitions. One land acquisition application was withdrawn by the applicant. The process for reviewing Acquisition applications and the status of those applications is described in the sections below.

A. Land Acquisition

By rule, land acquisition applications undergo a multifaceted review. Applications are first reviewed by the Board Acquisition Subcommittee, which recommends whether or not staff

should proceed with a due diligence review of the project. Simultaneously, applications are reviewed by the RRTs for ecological and educational values. The Subcommittee may ask for additional information from the applicant or may ask the RRTs to address specific questions.

If the due diligence review is recommended, staff request an appraisal report, title report and exceptions, option, donation disclosure, environmental site assessment, and proposed conservation easement. An independent review appraiser evaluates the appraisal report. OWEB's legal counsel at the Department of Justice reviews the title report, exceptions, option agreement, and conservation easement. Department of Environmental Quality reviews the environmental site assessment.

After the due diligence review is complete, the Subcommittee reviews the results and makes a funding recommendation to staff. Staff then consider all of the evaluation criteria, the Subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full Board. The staff funding recommendations are summarized in a separate section in the appropriate regional staff report.

The Subcommittee reviewed the applications and requested staff to solicit due diligence materials from nine of the 11 land acquisition applicants. Due diligence materials were received and reviewed for one application, Yamhill Oaks (208-108) in the Willamette Basin. This application from The Nature Conservancy is proposed for funding by staff.

The Subcommittee and staff have recommended no funding for a land acquisition application from the Deschutes Basin (208-105, Coffey Ranch). The other eight land acquisition applications are recommended for deferral; one from the North Coast, five from the Willamette Basin, one from the Snake River Basin, and one from the Deschutes Basin. The applications recommended for deferral total approximately \$4.25 million and may mature over the spring and summer of 2008 for Board consideration in May or September.

B. Water Acquisition

The ecological value of a proposed water acquisition project is based on a project's ability to increase instream flow to address the needs of priority habitat and species, and/or to improve water quality in a water quality limited stream reach. This evaluation is conducted in part by reference to the Oregon Plan Streamflow Restoration Priorities (2001) and evaluation by the appropriate RRT.

In addition to the ecological review of a proposed project, a review of due diligence materials is conducted. Due diligence materials include a fair market appraisal or other valuation assessment, a written assessment of the water right, the water right certificate, an ownership and lien report, an option agreement, and a donation disclosure statement. The appraisal or other valuation is reviewed by OWEB's review appraiser. The assessment of the water right is evaluated by the Oregon Water Resources Department to determine its reliability to provide instream benefit. The remaining items are evaluated by staff for consistency with the administrative rules and by OWEB's legal counsel for legal sufficiency.

The water acquisition application is located in the Deschutes Basin (208-104, Deschutes River Instream Leasing). Staff and the Subcommittee recommend the Board defer consideration of this application pending the receipt of more information and clarification

from the applicant. This application requests \$863,534 for a 10-year temporary instream lease.

VI. Budget Considerations

A. Capital Funds

The Board established a capital funding target of \$9.25 million for each grant cycle for the 2007-2009 biennium.

Currently OWEB has approximately \$36.3 million in capital funds available for the remainder of the biennium; this includes unspent grant funds returned from completed grants. Eight million dollars of these capital funds is reserved for Special Investment Partnerships. Accordingly, about \$28.3 million in capital funds is available to be allocated among three remaining capital grant cycles (October 22, 2007, April 21, 2008, and October 20, 2008) – roughly \$9.4 million per cycle. In the October 22, 2007 grant cycle alone, OWEB received more than \$28 million in requested funding for Restoration and Acquisition grants.

Staff recommend the expenditure of \$9,204,204 in capital funds at the March Board meeting. This amount would fund one acquisition and 64 restoration applications. It should be noted that OWEB has approximately \$6 million in pending land acquisition applications, which will affect future capital grant cycles.

B. Non-Capital Funds

Table 1 shows the non-capital funding reserved for each grant type. This reserve was approved by the Board in September 2007.

Table 1. Non-Capital Budget Reserve for the October 2007 Grant Cycle

Grant Type	Budget
Education	\$ 500,000
Monitoring	\$1,500,000
Technical Assistance	\$ 500,000
Total Budgeted	\$2,500,000

OWEB also uses non-capital funds for the education and outreach elements of Restoration applications. These non-capital costs are identified in the tables attached to each regional report.

Given the demand for non-capital funding, staff recommend the expenditure of \$2,541,552 at the March Board meeting. This total is \$41,552 more than the amount budgeted by the Board, and would be funded through \$2,112,911 in non-capital dollars and \$428,641 from the non-capital Research Operating Account dollars. The total recommended non-capital expenditure would fund 16 Technical Assistance, 21 Education, and 26 Monitoring applications.

VII. Staff Capital and Non-Capital Funding Recommendations

Staff recommendations for Board actions are identified by region for the applications indicated in each of the following five regional reports. “Do Fund” applications are indicated on the tables by shading.

A. Capital Funding Recommendations

The statewide funding total recommended by staff is shown below. Details are contained within each of the attached regional staff reports.

Restoration Applications, <i>Capital</i> Portion	\$ 8,704,204
<u>Acquisition Applications</u>	<u>\$ 500,000</u>
TOTAL <i>Capital</i> Staff Recommendation	\$ 9,204,204

B. Non-Capital Funding Recommendations

Technical Assistance Applications	\$ 489,496
Monitoring Applications	\$1,498,188
Education and Outreach Applications	\$ 531,716
<u>Restoration Applications, <i>Non-Capital</i> Portion</u>	<u>\$ 22,152</u>
TOTAL <i>Non-Capital</i> Staff Recommendation	\$2,541,552

The statewide funding total for non-capital applications recommended by staff exceeds the budgeted amount by approximately \$41,552. The proposed funding level for Education and Outreach exceeds the amount budgeted for this category. There were, however, significant additional Technical Assistance, Monitoring and Education and Outreach applications that staff were not able to recommend due to the limited amount of non-capital funds available this cycle.

VIII. Staff Recommendations on Statewide Education and Outreach Application Funding

Attachment C shows the proposals, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the Oregon Plan Outreach Team. The table also indicates, by means of shaded entries, the OWEB staff funding recommendation to the Board.

Staff recommend the Board approve the staff funding recommendation contained in Attachment C to this report.

Attachments

- A. Types of Applications Received and Amounts Requested by Application Type
- B. Map Showing Projects Recommended by OWEB Staff
- C. Statewide Applications Recommended for Funding

Oregon Watershed Enhancement Board

Types of Applications for October 22, 2007

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	5	6	8	1	17	37
Region 2	7	10	10	0	34	61
Region 3	15	10	6	7	24	62
Region 4	2	7	4	3	26	42
Region 5	4	7	8	1	40	60
Statewide	0	2	0	0	0	2
Totals	33	42	36	12	141	264

Dollar Amounts by Application Type

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	166,735	163,093	418,740	100,000	2,743,784	3,592,352
Region 2	227,248	218,646	908,495	0	4,129,444	5,483,833
Region 3	673,062	422,662	346,797	4,052,540	4,019,128	9,514,189
Region 4	50,156	242,902	63,492	2,108,534	4,461,835	6,926,919
Region 5	149,208	264,097	706,711	550,000	6,263,106	7,933,122
Statewide	0	106,695	0	0	0	106,695
Totals	1,266,409	1,418,095	2,444,234	6,811,074	21,617,297	33,557,110

**Statewide
Education Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application name	Total Amount	Priority
208-7001	Protecting WSs throught the Early Detection & Rapid Response to Invasive Species	36,708	1
208-7002	Projects for: Advancing WS Stewardship Education in Communities *	37,000	1
Total Education Applications Recommended for Funding to Staff by Oregon Plan Outreach Team		\$106,695	
Total Education Applications Recommended for Funding by Staff to Board		\$73,708	

* Listed Amount Reflects Recommended Reduction



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February 27, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Tom Shafer, North Coast Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 1, North Coast
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the North Coast Regional Review Team recommendations, special issues, and staff recommendations for funding.

II. Background and Summary

Applicants submitted 37 applications for a total request of \$3,592,352. The Regional Review Team (RRT) recommended 24 applications for approximately \$2.4 million. Because the demand for funding exceeds available funds, staff recommend 22 applications for a total award of \$2,169,758: \$1,667,945 for Restoration, \$342,257 for Monitoring, \$88,912 for Technical Assistance, and \$70,644 for Education/Outreach.

III. Regional Review Team Recommendations

The North Coast Regional Review Team (RRT) met at the Guin Library at the Hatfield Marine Science Center in Newport on January 9, 2008, to review the applications received in this grant cycle. One application (208-1021) was not reviewed by the RRT because it answered Watershed Assessment questions rather than Monitoring questions, and Assessment applications were not solicited for this round of funding. All other applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The RRT increased funding for two applications. Application 208-1024 proposes to address the lack of spawning gravel in the main stem of the Big Elk River by placing large trees and boulders in three reaches along 3.4 miles of the river. Because this is a large, powerful, bedrock-dominated river, the proposed restoration technique is unique and experimental. The RRT recommended adding \$48,400 for effectiveness monitoring to assess the project’s success and provide guidance for future similar projects. The new total recommended award is \$212,968. For the second application, the RRT’s site visit to Wildcat Creek (208-1044) led to the identification of the opportunity to expand the project for a relatively low cost. Ten large wood sites were added at a cost of \$5,280, which will result in improved project benefits. The new recommended amount for the Wildcat Creek application is \$229,017.

The RRT recommended reduced funding for five applications. The RRT recommended:

- Eliminating the effectiveness monitoring components for Restoration applications 208-1025 and 208-1040. While the RRT appreciates the value of Rapid Bioassessment surveys, they questioned whether such a survey for 208-1025, at a cost of \$48,000, would provide any new or different effectiveness information for large wood projects. For application 208-1040, the RRT recommended eliminating fish monitoring, at a cost of \$18,000.
- Reducing the administration costs of application 208-1029 by \$29,202 and reducing the total application cost to \$469,800 as a result.
- Eliminating cyanotoxin testing from Monitoring application 208-1041, and reducing the application by \$8,050.
- Minor reductions in Monitoring application 208-1034 to account for donated monitoring supplies.

Special conditions are recommended for one Monitoring application, 208-1050, and one Restoration application, 208-1051.

IV. Acquisition

One land acquisition application was received from Region 1 this grant cycle for the Coal Creek Swamp acquisition (208-106). The North Coast Land Conservancy submitted an application requesting \$100,000 (total project cost of \$145,750) to purchase 80 acres of tidally influenced lowland forested wetlands adjacent to the lower Nehalem River in Tillamook County. Staff requested due diligence materials in November of 2007. The appraisal was submitted to OWEB in January of 2008, but the other requested due diligence materials have not been received. Staff and the Board Subcommittee recommend the Board defer consideration of the Coal Creek acquisition application pending receipt and review of all the due diligence materials.

V. Staff Recommendation

A. Capital Applications

Staff recommend funding eight of the nine Restoration applications recommended by the RRT. Lower Deadwood (208-1029), Elkhorn Creek (208-1025), Gods Valley (208-1026), and Wildcat Creek (208-1044) are large projects that will restore important coho habitat. Elkhorn Creek is the second most important anchor habitat in the Tillamook Bay watershed and Gods Valley Creek is a key coho stream in the Nehalem basin. All of these applications build on previous restoration work in these watersheds.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding all three of the Technical Assistance applications recommended by the RRT.
- *Education and Outreach.* Staff recommend funding four of the five applications recommended by the RRT, with reductions to application 208-1049 in an effort to fund as far down the list as possible given the limited non-capital funds. The first-

and third-ranked applications continue and expand the award-winning Siuslaw Stream Team that involves the community and numerous partners in supporting in-the-field and classroom activities to increase student understanding of watershed resources and issues. The one Education and Outreach application not recommended by staff has merit, but the limitation of non-capital funds makes it impossible to meet these needs.

- *Monitoring.* Staff concur with the RRT recommendation to fund all seven of the Monitoring applications.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendations as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 1 - North Coast
Education Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-1022	Siuslaw Middle School Stream Team	8,962	1
208-1032	Siuslaw Watershed Exploration Camp 2009	14,532	2
208-1028	Stream Team Extension II	7,150	3
208-1049	Mid Coast Watersheds Council Education Program *	40,000	4
208-1033	Building Citizen Stewardship in Local Watersheds	49,985	5
Total Education Applications Recommended for Funding to Staff by RRT		\$153,028	
Total Education Applications Recommended for Funding by Staff to Board		\$70,644	

* Listed Amount Reflects Recommended Reduction

Region 1 - North Coast
Monitoring Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-1035	East Fork Nehalem - Rapid Bio-Assessment (RBA)	17,235	1
208-1052	Mid Coast Monitoring Project	112,168	2
208-1034	Yachats Water Quality Monitoring Project *	5,035	3
208-1050	Rapid Bioassessment Surveys of Yaquina River and Ocean Tributaries **	96,300	4
208-1031	Siuslaw Volunteer Water Quality Monitoring Program 2008-2009 (VWQMP)	8,109	5
208-1023	Tillamook Sediment and Habitat Assessment	72,200	6
208-1041	Salmon Drift Creek Watersheds Water Quality Monitoring *	31,210	7
Total Monitoring Applications Recommended for Funding to Staff by RRT		\$351,357	
Total Monitoring Applications Recommended for Funding by Staff to Board		\$342,257	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 1 - North Coast
Technical Assistance Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-1042	Salmon River Limiting Factors Analysis	24,514	1
208-1037	Deer Island Tidal Floodplain Integration Study	48,948	2
208-1019	Elk Flats Stream Restoration Phase I	15,450	3
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$88,912	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$88,912	

Region 1 - North Coast
Acquisition Application Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-106	Coal Creek Swamp Acquisition	100,000

Region 1 - North Coast
Restoration Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
App #	Application Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
208-1029	Lower Deadwood Aquatic Restoration *	469,300	500	469,800	1
208-1025	Elkhorn Creek Habitat Enhancement Project *	244,830		244,830	2
208-1024	Big Elk River Restoration Project □	212,968		212,968	3
208-1040	Tamara Quays Dike Removal and Fish-Passage Culvert *	232,614		232,614	4
208-1026	God's Valley Culvert Replacements	185,154		185,154	5
208-1044	Wildcat Creek (East Beaver) Restoration □	229,017		229,017	6
208-1030	Siuslaw Restoration Materials Acquisition III	33,194		33,194	7
208-1051	Fish Log Bank - MidCoast **	60,368		60,368	8
208-1027	Hawk Creek Fishway	140,808	2,000	142,808	9
Total Restoration Applications Recommended for Funding to Staff by RRT		1,808,253	2,000	\$1,810,753	
Total Restoration Applications Recommended for Funding by Staff to Board		1,667,445	500	\$1,667,945	

* Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase ** Fund with Conditions

Region 1 - North Coast
Education Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-1020	Stewardship is Citizenship: the Deadwood Creek Restoration Story	9,565

Region 1 - North Coast
Monitoring Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-1021	Lower Columbia-Clatskanie Habitat Assessment <i>ineligible</i>	66,800
208-2046	Monitoring OR Coastal Marine Habitats to Examine Linkages to WSs & Upstream Land Use ♦	98,795

♦ Ranked 8 of 8 in Region 2

Region 1 - North Coast
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-1047	North Beaver Creek Restoration Design Project	49,968
208-1053	Yaquina Conservation Plan	27,855

Region 1 - North Coast
Restoration Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-1018	Coastal Windthrow Tree Salvage and Transport	240,000
208-1036	North Fork Cascade Creek Road Decommissioning	80,838
208-1038	Private Property Protection and Repair-Gnos Dike/Salmon Creek Marsh Restoration	153,989
208-1039	Private Property Protection and Repair-High Marsh Restoration	201,720
208-1043	Little Nestucca River LWD Restoration	44,185
208-1045	Horn Creek (Nestucca) Restoration	51,922
208-1046	North Beaver Creek Tributary Restoration Project	40,172
208-1048	Kosydar Farm Riparian and Wetland Enhancement Project	81,682



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February 27, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Mark Grenbemer, Southwest Oregon Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 61 applications for a total request of \$5,483,833. The Regional Review Team (RRT) recommended 45 applications for approximately \$3.9 million. Because the demand for funding exceeds available funds, staff recommended 33 applications for a total award of \$2,742,222: \$2,115,083 for Restoration, \$406,769 for Monitoring, \$129,499 for Technical Assistance, and \$90,871 for Education and Outreach.

III. Regional Review Team Recommendations

The Southwest Oregon Regional Review Team met at the DEQ Regional offices in Medford on January 15, 2008, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The RRT recommended a small increase in funding for Restoration application 208-2090. The RRT also recommended reductions in funding for eight Restoration applications, two Education applications and one Monitoring application. Many of these reductions were minor to moderate; a few were significant in dollar amount. For example:

- Application 208-2087 proposed funding Restoration work in nine different areas. The RRT felt that only one area, Dean Creek, was ready, and reduced the recommended award from \$205,771 to \$47,429.
- Application 208-2091 proposed funding fish passage work for five areas; the RRT recommended funding for two of these five areas, reducing the recommended award from \$499,238 to \$403,915.

- Application 208-2084 proposed to continue several different monitoring activities in the Umpqua Basin. The RRT recommended funding only trapping for smolt out-migration from habitat restoration sites, reducing the award from \$155,442 to \$104,818.

IV. Staff Recommendations

A. Capital Applications

Region 2 received an unusually high number (34) of Restoration applications, causing the demand to far exceed available funds. No Acquisition applications were submitted for Region 2. Staff recommend funding for only 17 of the 25 Restoration applications recommended by the RRT.

The on-the-ground results of implementing all 17 staff-recommended applications will be approximately 45 miles of stream receiving large wood placement (with an average of 60 pieces of wood per mile), addressing nine fish passage barriers and opening up access to 16 miles of stream, planting 177 acres of riparian area, treating 37 acres of noxious vegetation, stabilizing one mile of stream bank, and enhancing 17 acres of estuarine wetland through planting and large wood placement.

B. Non-Capital Applications

Region 2 also received a high number (27) of non-capital applications this grant cycle, causing the demand to exceed available funds.

- *Technical Assistance.* Staff recommend funding all five of the Technical Assistance applications recommended by the RRT.
- *Education and Outreach.* Because of the limited amount of non-capital funds, staff recommend funding for five of the seven RRT-recommended Education and Outreach applications. The two Education and Outreach applications not recommended by staff each have merit, but the limitation of non-capital funds makes it impossible to meet these needs.
- *Monitoring.* Staff recommend funding for six of the eight RRT-recommended Monitoring applications.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT or OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 2 - Southwest Oregon
Education Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-2065	Bear Creek Watershed Education Project *	22,405	1
208-2039	Stream Bank Erosion: What Can I Do? Part II	3,355	2
208-2088	Non-point Source Pollution Education Package	25,500	3
208-2057	Deer Creek Center Education Stations	24,711	4
208-2066	Seven Basins Education and Outreach Publication	14,900	5
208-2058	Increasing Public Awareness and Knowledge in the Coos Watershed *	22,544	6
208-2048	Applegate Salmon-Safe Education Project	21,835	7
Total Education Applications Recommended for Funding to Staff by RRT		\$135,250	
Total Education Applications Recommended for Funding by Staff to Board		\$90,871	

* Listed Amount Reflects Recommended Reduction

Region 2 - Southwest Oregon
Monitoring Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-2093	Upper South Umpqua Life Cycle Monitoring	11,856	1
208-2037	Tenmile Lakes Watershed Monitoring	137,876	2
208-2089	Curry Watersheds Monitoring Program	112,626	3
208-2076	Willow-Witt Ranch Headwater Monitoring	8,521	4
208-2084	PUR Monitoring Oct 2007 *	104,818	5
208-2095	Rogue Basin Streamflow Monitoring	31,072	6
208-2082	Diamond Lake Restoration Project Post-Treatment Monitoring	72,763	7
208-2046	Monitoring OR Coastal Marine Habitats to Examine Linkages to Ws /Upstream Land Use ♦	98,795	8
Total Monitoring Applications Recommended for Funding to Staff by RRT		\$578,327	
Total Monitoring Applications Recommended for Funding by Staff to Board		\$406,769	

* Listed Amount Reflects Recommended Reduction

♦ Ranked No Fund in Region 1

Region 2 - Southwest Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-2072	Riley Creek Fish Passage Design	50,000	1
208-2075	Fitch Creek Habitat Design	11,050	2
208-2074	Buck Creek Fish Passage	13,650	3
208-2096	Rogue Basin Stream Flow Enhancement Project	34,799	4
208-2051	Thompson Creek Restoration Action Plan Development	20,000	5
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$129,499	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$129,499	

Region 2 - Southwest Oregon
Restoration Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
App #	Application Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
208-2050	Applegate Riparian Restoration *	68,481		68,481	1
208-2067	North Fork Coquille Watershed Restoration Project	335,100		335,100	2
208-2071	Riley Creek Fish Passage	127,953		127,953	3
208-2080	Black Canyon Creek Instream Restoration	98,000		98,000	4
208-2042	Jones Creek Fish Passage *	23,685		23,685	5
208-2036	Jeff Creek Structure Placement II	35,960		35,960	6
208-2043	Louse Creek Restoration "Rendata Reach"	81,483	375	81,858	7
208-2090	Curry Large Wood Placement □	213,130	400	213,530	8
208-2060	0600 High Risk Road Sediment Reduction	42,839		42,839	9
208-2059	Bottom Creek Sediment Reduction *	106,381		106,381	10
208-2038	Hawk Creek Habitat Enhancement Project	34,000		34,000	11
208-2041	Stream Riparian Corridor Restoration Project *	113,616	2,675	116,291	12
208-2077	Lees Creek Habitat Restoration	108,640		108,640	13
208-2086	English Settlement Stream Restoration Project	47,761		47,761	14
208-2087	Lower Umpqua River and Associated Tributaries *	47,129	300	47,429	15
208-2061	Marlow Creek Stream Complexity Restoration *	223,260		223,260	16
208-2091	PUR Fish Passage October 2007 *	403,915		403,915	17
208-2092	Lutsinger Creek Enhancement	288,926		288,926	18
208-2062	Oxbow Ranch Habitat Enhancement Project	360,639	4,900	365,539	19
208-2054	WCWC/BLM Joint Bill Creek Restoration Project	37,100		37,100	20
208-2083	South Fork Deer Creek Restoration Phase II	32,229		32,229	21
208-2069	South Fork Coquille (Rock Creek) Instream 2008	38,720		38,720	22
208-2068	Myrtle Creek North Fork Stream Enhancement	50,485		50,485	23
208-2085	South Umpqua River Watershed Restoration	110,041		110,041	24
208-2052	Anderson Creek Restoration *	47,342		47,342	25
Total Restoration Applications Recommended for Funding to Staff by RRT		\$3,076,815	\$8,650	\$3,085,465	
Total Restoration Applications Recommended for Funding by Staff to Board		\$2,111,333	\$3,750	\$2,115,083	

* Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase

Region 2 - Southwest Oregon
Education Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application name	Total Amount Requested
208-2044	Field Guide to Shrubs of SW Oregon	19,401
208-2047	Applegator Newspaper	26,400
208-2073	Diamond Lake Restoration Symposium	23,163

Region 2 - Southwest Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application name	Total Amount Requested
208-2064	Jackson County Surface Water Monitoring Program	192,670
208-2094	Elk Creek Bacterial DNA Source Tracking	86,600

Region 2 - Southwest Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application name	Total Amount Requested
208-2055	Ashland Forest Resiliency, City of Ashland Technical Assistance	50,000
208-2078	Umpqua Basin Fish Barrier Identification and Removal	39,449

Region 2 - Southwest Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application name	Total Amount Requested
208-2040	Jumpoff Joe In-Stream Habitat Enhancement	33,218
208-2045	Coquille Irrigation Efficiency Project	166,564
208-2049	Upper Little Applegate Stream Crossing Restoration	34,108
208-2053	Watts Topping Dam Fish Passage	148,478
208-2056	Hunter Water Quality Improvement Project	63,710
208-2063	Grayback Creek Culver Replacement	80,000
208-2070	Coquille Riparian 2007	143,880
208-2079	Urban Riparian Restoration Tree Program	30,598
208-2081	Lofrano Riparian Restoration Project	50,502



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February 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Wendy Hudson, Willamette Basin Regional Program Representative
Douglass Fitting, Policy Specialist

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 3, Willamette Basin
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the Willamette Basin Regional Review Team recommendations, land acquisition grant applications, and staff recommendations for funding.

II. Background and Summary

Applicants submitted 62 applications for a total request of \$9,514,189. The Regional Review Team (RRT) recommended 46 applications for approximately \$7 million. Because the demand for funding exceeds available funds, staff recommended 29 applications for a total award of \$2,892,446: \$1,754,765 for Restoration, \$500,000 for Acquisition, \$292,126 for Monitoring, \$206,555 for Technical Assistance, and \$139,000 for Education and Outreach.

III. Regional Review Team

The Willamette Basin Regional Review Team (RRT) met at the Roth's Hospitality Center in Salem on January 14, 2008, to review Restoration and Acquisition applications received in this grant cycle. Given the high number of applications submitted for Region 3 this grant cycle (62), the RRT held conference calls on January 8 and 10, 2008, to review the non-capital applications. The RRT reviewed all applications for technical merit and gave a "do fund" or "no fund" recommendation to each. The RRT then prioritized the applications recommended for funding.

The RRT recommended reduced funding for one Restoration application (208-3054). The application consisted of four separate projects, one of which the RRT was unwilling to recommend for funding due mainly to their discomfort with the proposed approach. This reduced the recommended amount from \$449,890 to \$278,443.

The RRT did not recommend for funding the highly visible Delta Ponds project in Eugene. Reviewers were very enthusiastic about this proposal, but felt that they didn't have quite enough information to recommend it for funding. Through a written evaluation to the applicant, staff have encouraged the City of Eugene to address the team's concerns and resubmit the application for the April deadline.

IV. Acquisitions

OWEB received seven land acquisition applications in Region 3. One was withdrawn by the applicant. Of the six remaining, only one is recommended for funding at this time. The five remaining applications are recommended for deferral pending review of due diligence materials.

A. McKenzie Camp (208-107)

The McKenzie River Trust withdrew its land acquisition application.

B. Yamhill Oaks – Nielsen Trust (208-108)

The Nature Conservancy (TNC) is requesting \$500,000 (\$1,391,571 total project cost) to purchase 272 acres of Oak woodland/savannah, upland prairie, and wet prairie in the South Yamhill River-Deer Creek watershed in Yamhill County. This acquisition includes at least 143 acres of OWEB priority ecological systems and supports a key population of the federally listed Fender's blue butterfly (endangered) and its host plant Kincaid's lupine (threatened). Acquisition of this property will significantly advance recovery efforts for these two species.

1. Ecological Benefits

Over 143 acres are represented as priority ecological systems that support two priority plant communities and up to 12 priority species. The property contains 66 acres of upland and wet prairie, 28 acres of riparian forest and shrubland, and 49 acres of Oregon white oak woodland and savannah. The remaining area is predominantly a dry type Douglas fir forest, part of which will be restored to oak woodlands and oak savannah. The property also contains approximately 1.5 miles of Deer Creek, a tributary to the South Yamhill River. Priority species documented include Fender's blue butterfly and Kincaid's lupine.

The Regional Review Team evaluated the project for ecological and educational benefit. They confirmed that more than half of the property contained priority ecological systems and significant habitat for federally listed species. They thought the oak savannah and upland prairie could support a variety of species and provide anchor habitat for the Fender's blue butterfly. In addition to providing critical habitat, the site provides water quality benefits to Deer Creek by maintaining shade and riparian function.

The RRT agreed that the project met four of OWEB's conservation principles:

- 1) stabilize an area on the brink of ecological collapse;
- 2) securing a transition area, protecting it from development;
- 3) protect a site with exceptional biodiversity; and
- 4) complete or complement an existing network of sites in the basin or region.

2. Capacity to Sustain the Ecological Benefits

TNC will hold title to the property and be responsible for managing the land interest. TNC has been involved in management and recovery of prairie and oak habitat, and most of the OWEB priority species in the Willamette Valley, for over three decades. They have eight staff that focus exclusively on management of their Willamette Valley preserves with extensive experience in prairie restoration, endangered species management, controlling invasive species, using prescribed fire, managing volunteers, and monitoring.

Over the past 15 years, they have worked closely with the three key researchers on Fender's blue butterfly and Kincaid's lupine, including doctors Cheryl Schultz, a leading scientist researching Fender's blue butterfly and Kincaid's lupine for Washington State University; Paul Hammond of Oregon State University's Department of Entomology; and Mark Wilson of Oregon's State University's Department of Botany and Plant Pathology. Their research provides the backbone of information available on the biology, habitat requirements and management strategies for Fender's blue butterfly and Kincaid's lupine, and what needs to be done to maintain and expand their populations.

In addition to research collaborations, TNC has partnered extensively in the Willamette Valley with other non-profits, agencies, and local governments to protect and restore habitats for over 15 years. Management of the Yamhill Oaks area will benefit from these ongoing partnerships, including joint planning with the U.S. Fish and Wildlife Service (USFWS), the Yamhill Soil and Water Conservation District (SWCD), a regional plant materials and restoration partnership being coordinated by the Institute for Applied Ecology, and the Natural Resources Conservation Service. Although discussions have been preliminary at this point, the Confederated Tribes of the Grand Ronde have also expressed interest in a working partnership at the site.

TNC standard operating policies require creation of a start-up fund and stewardship endowment with every acquisition. They estimate long-term management costs at about \$10,000 per year. They are fully committed to raising the necessary funds to cover sound management.

3. Educational Benefits

TNC uses a variety of approaches to educate, inform, and build support for habitat protection and watershed restoration among key constituents and the public, including research and management partnerships, internships, volunteer work experiences, teacher assistance, classroom and general public field trips, open houses, newspaper articles, radio and television broadcasts, and brochures. TNC advances their own research and encourages basic and applied scientists to use lands for independent research projects and where possible to engage students from local schools and universities. TNC regularly presents results of research at professional meetings and are increasing their efforts to publish in peer-reviewed journals.

TNC will use the site as a field trip destination to inform current and potential partners about conservation issues and opportunities in the Willamette Valley and make it available to local partners for similar purposes. TNC will hold regular work parties on the site for volunteers to learn about the site, enjoy it, and help improve and restore parts of it for native species.

4. Partners, Project Support and Community Effects

The Yamhill SWCD provided the initial lead on the site and will provide local knowledge and assist with management. Based on preliminary discussions, the Confederated Tribes of the Grande Ronde will likely provide local knowledge, management capacity and forest management expertise. The application is also supported by the Oregon Department of Fish and Wildlife and the Yamhill Basin Council. USFWS will provide guidance on recovery and, as available, funding for management. TNC has applied to the

USFWS Section 6 Recovery Land Acquisition fund for matching funds for the acquisition. Fenders' blue butterfly researchers Dr. Cheryl Schultz and Paul Hammond will provide consultation on basic Fender's ecology and monitoring. TNC has reported to staff that they are not aware of any opposition to the proposal and that the proposal to protect the property has been well received by an immediate neighbor of the property.

Property taxes paid for the 2006-2007 tax year were \$512.30. TNC proposes to file for tax exemption as allowed by Oregon law.

5. Legal and Financial Terms

OWEB funds are requested for approximately 40 percent of the \$1.2 million cost of the project. The balance of the funds will be provided by USFWS and TNC.

Legal review of the option agreement, title report and exceptions to the title identified one issue of concern, an exception related to an existing grazing lease. The exception, recorded on July 28, 2004, is a Memorandum of Amendment extending the lease expiration date to February 28, 2008, and providing the lessees sole discretion to renew the lease for an additional five years. TNC has indicated that the lessees are elderly and in poor health, they have not grazed the property for several years, and their plans are unknown. The leased area is not within the proposed conservation area and the proposed grazing does not threaten the long-term conservation goals or adversely affect the conservation values of the site. TNC's long-term goals are to restore the prairie habitat, including in the grazing area; short-term continuation of the lease will not affect the area's restoration potential. OWEB will require the management plan to address restoration of prairie habitat.

An appraisal of the property was completed on November 5, 2007. The appraisal concluded a fair-market value of \$1.2 million. OWEB's independent review appraiser has concluded that the report complies with the Uniform Standards of Professional Appraisal Practice and the market value is supported.

A Phase I Environmental Assessment (ESA) of the property was completed on December 18, 2007. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report meets the American Society for Testing and Materials practice. DEQ agrees with the Phase I ESA report's recommendation to perform a Phase II ESA of the residential portion of the site, including field sampling and evaluation for releases of legacy agricultural chemicals. The report also recommends an asbestos survey of building structures, decommissioning of the septic system, and proper disposal of agricultural chemicals and batteries. DEQ agrees with these recommendations as well.

TNC has proposed to remove the home site, outbuildings, and orchard on Tax Lot 300, consisting of 7.32 acres, from the area proposed for acquisition with OWEB funds. By removing Tax Lot 300 from the proposal, OWEB will no longer require that the Phase I recommendations be completed prior to OWEB funding of the application. The species OWEB values on this property will not be impacted by the ESA issues on this tax lot.

OWEB will hold a conservation easement on the property, except for Tax Lot 300, to protect its investment. Staff and the applicant are working on the final easement

language using OWEB's template conservation easement. A public hearing on the easement is scheduled for Thursday, March 13 at 4:00 p.m. at the Yamhill SWCD office (2200 SW Second Street) in McMinnville.

6. Conclusion

The RRT concluded that the project has high ecological and educational benefit and meets four of OWEB's conservation principles. The due diligence materials submitted have been reviewed and approved by staff and legal counsel. The Board Subcommittee and staff recommend the Board award \$500,000 toward the Yamhill Oaks acquisition.

C. Luckiamute Meadows/Maxfield Creek (208-111)

The Greenbelt Land Trust submitted an application on October 22, 2007 requesting \$200,000 (total project cost of \$275,000) towards purchase of a conservation easement on 76 acres of riparian, wet prairie, and oak savannah/woodlands in Benton County near Corvallis, Oregon. The property is located at the confluence of Maxfield Creek and the Luckiamute River. Staff requested due diligence materials in November of 2007, but they have not been received. Staff and the Board Subcommittee recommend the Board defer consideration of the application pending receipt and review of the due diligence materials.

D. Luckiamute/Willamette Confluence (208-112)

The Greenbelt Land Trust submitted an application requesting \$600,000 (total project cost of \$800,000) towards purchase of a conservation easement on 125 acres of wetlands, uplands and forested bluff in Polk County near Buena Vista, Oregon. The property is located near the confluence of the Luckiamute River and the Willamette River. Staff requested due diligence materials in November of 2007, but they have not been received. Staff and the Board Subcommittee recommend the Board defer consideration of the application pending receipt and review of the due diligence materials.

E. Willamette Floodplain Upland (208-113)

The Greenbelt Land Trust submitted an application requesting \$600,000 (total project cost of \$1.1 million) towards purchase of a conservation easement on 200 acres of wetlands, riparian forest and shrublands and uplands in Linn County near Albany, Oregon. The property is located on the Willamette River floodplain and contains a portion of the Little Willamette River channel. Staff requested due diligence materials in February of 2008, but they have not been received. Staff and the Board Subcommittee recommend the Board defer consideration of the application pending receipt and review of the due diligence materials.

F. Evergreen Creek (208-114)

The Greenbelt Land Trust submitted an application requesting \$500,000 (total project cost of \$750,000) towards purchase of a conservation easement on 222 acres of freshwater emergent wetlands, Oregon Ash- Oregon white oak forest and riparian forest in Benton County near Corvallis, Oregon. The property is located on a portion of Evergreen Creek in the Muddy Creek watershed. Staff requested due diligence materials in November of 2007, but they have not been received. Staff and the Board Subcommittee recommend the Board defer consideration of the application pending receipt and review of the due diligence materials.

G. South Eugene Hills (208-115)

The City of Eugene, Parks and Open Space submitted an application requesting \$1,205,330 (total project cost of \$4,851,100) to purchase fee title on 400 acres of oak woodlands, oak savannah, uplands and wet prairie in Lane County near Eugene, Oregon. The parcel is located between the Ridgeline Park System and the West Eugene Wetlands in the Long Tom River watershed. Staff requested due diligence materials in November of 2007, but they have not yet been received. Staff and the Board Subcommittee recommend the Board defer consideration of the application pending receipt and review of the due diligence materials.

V. Staff Recommendations for Project Funding

To help limited funds go further, staff refined some of the RRT recommendations, as discussed below.

A. Capital Applications

Region 3 received an unusually high number (31) of capital applications this grant cycle, causing the demand to far exceed available funds. A brief discussion follows.

- *Acquisition.* Staff recommend funding just one of the six applications recommended by the RRT (208-108). The other five are recommended for deferral, pending receipt of due diligence materials, as discussed in Section III. Two of the deferred applications (208-112 and 208-113) have potential SIP significance as they are properties bordering the mainstem Willamette River.
- *Restoration.* Staff recommend funding 13 of the 18 applications recommended by the RRT. Of these 13, staff recommend modest budget reductions to three applications (208-3048, 208-3052, and 208-3058).

The Rickreall Watershed Council had the top-ranked application (208-3062). Villwock's Ford on Rickreall Creek in Polk County is a significant barrier to fish passage and is causing upstream sedimentation and channel widening and downstream bed and bank erosion. Removal of the ford, as proposed in the application, will open up 17 miles of spawning and rearing habitat for winter steelhead, Coho, juvenile Chinook, cutthroat trout, and Pacific lamprey.

B. Non-Capital Applications

Region 3 received an unusually high number (31) of non-capital applications this grant cycle, causing the demand to far exceed available funds. A brief discussion follows.

- *Technical Assistance.* Staff recommend funding five of the eight applications recommended by the RRT, with a modest budget change to one application (208-3049).

The Nature Conservancy had the top-ranked application (208-3086). In partnership with the Army Corps of Engineers and the Eugene Water and Electric Board (EWEB), The Nature Conservancy proposes to develop ecological flow targets for the McKenzie River. Both the Corps and EWEB are committed to testing and implementing changes in the operation of their McKenzie River dams to better meet the downstream flow needs of critical fish and wildlife species. The need for

restoring historical flow regimes is critical to fish recovery and their long-term viability in this area.

- *Education and Outreach.* Staff recommend funding four of the nine applications recommended by the RRT, with significant reductions to all four in an effort to fund as far down the list as possible. As a result, staff are able to recommend four, instead of two, applications for funding. The five Education and Outreach applications not recommended by staff each have merit, but the limitation of non-capital funds makes it impossible to meet these needs.
- *Monitoring.* Staff concur with the RRT recommendation to fund all five of the Monitoring applications, with a modest budget change to one application (208-3070).

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 3 - Willamette Basin
Education Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-3087	Marys River Watershed Council Outreach and Education *	43,000	1
208-3035	Salmon Watch - Willamette River Basin *	44,000	2
208-3040	West Eugene Wetland Education Program *	22,000	3
208-3055	Junior Watershed Council STEWARDS Program *	30,000	4
208-3083	Clackamas River Basin Council Outreach and Education	55,690	5
208-3037	Slough School Education Program *	45,676	6
208-3038	Outdoor School Water Education	1,500	7
208-3050	Middle Fork Willamette Watershed Council Watershed Rangers Project	50,000	8
208-3084	Watershed Outreach for Low-Income Communities	50,000	9
Total Education Applications Recommended for Funding to Staff by RRT		\$341,866	
Total Education Applications Recommended for Funding by Staff to Board		\$139,000	

* Listed Amount Reflects Recommended Reduction

Region 3 - Willamette Basin
Monitoring Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-3046	Developing an Invertebrate Index of Biological Integrity in Pacific NW Wetlands	55,550	1
208-3041	Scappoose Bay Watershed Comprehensive Monitoring Project	78,305	2
208-3070	Marmot Dam Removal Geomorphic Monitoring and Modeling *	87,353	3
208-3053	Mosby Creek Aquatic Habitat Inventory	17,300	4
208-3077	E. coli Study and Lower Yamhill Basin Water Quality Monitoring	53,618	5
Total Monitoring Applications Recommended for Funding to Staff by RRT		\$299,341	
Total Monitoring Applications Recommended for Funding by Staff to Board		\$292,126	

* Listed Amount Reflects Recommended Reduction

Region 3 - Willamette Basin
Technical Assistance Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-3086	Managing Water Releases to Restore Ecological Flows in the McKenzie River	42,825	1
208-3075	Luckiamute Watershed Rapid Bio-Assessment	49,599	2
208-3067	Long Tom Stream Restoration, Fish Passage and Oak Habitat Enhancement Designs	43,198	3
208-3049	Middle Fork Willamette Watershed Headwaters to Confluence Action Plan *	48,500	4
208-3061	Abernathy Creek Enhancement Project	22,433	5
208-3051	Upper Willamette Landowner Recruitment and Floodplain Restoration Design	47,965	6
208-3073	Landowner Recruitment for Maxfield Creek Restoration	48,594	7
208-3056	Tangent Storm Master Drainage Plan	49,850	8
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$352,964	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$206,555	

* Listed Amount Reflects Recommended Reduction

Region 3 - Willamette Basin
Acquisition Application Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Funding by OWEB Staff
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-108	Yamhill Oaks-Nielsen Trust Property Acquisition	\$500,000

Region 3 - Willamette Basin
Restoration Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
App #	Application Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
208-3062	Villwock's Ford Fish Passage Improvement	191,509		191,509	1
208-3082	Corvallis West and Salem West Nelson's Checkermallow Recovery Project	116,565	5,540	122,105	2
208-3074	Ritner Creek Jam Removal	54,188		54,188	3
208-3057	Moose Creek Steelhead Habitat Improvement Project	74,155	500	74,655	4
208-3052	East Regional Park Enhancement Project *	183,830	1,800	185,630	5
208-3054	Calapooia-Santiam 2007 Salmon Habitat Restoration Projects *	278,443		278,443	6
208-3058	Hatch Side Channel Habitat Restoration - Phase 2 *	139,049	601	139,650	7
208-3063	Beaver Creek Riparian Restoration	27,090	2,475	29,565	8
208-3089	Rock Creek Focused Passage and Instream Structure Project	415,135	3,350	418,485	9
208-3047	Atkinson Stream and Riparian Enhancement	15,652	1,136	16,788	10
208-3079	Gales Creek - Sahnaw Property Enhancement Project	73,976		73,976	10
208-3043	Johnson and Errol Creek Confluence Fish Habitat Restoration Project	134,790	2,000	136,790	12
208-3048	Nelson Creek Riparian Restoration Project *	32,981		32,981	13
208-3036	Lower Willamette River Off-Channel Habitat Restoration	177,034	940	177,974	14
208-3071	Gooseneck Creek Confluence Restoration Project	74,530		74,530	15
208-3042	South Meadow Floodplain Enhancement - Phase 3 (2008-10)	250,090	2,000	252,090	16
208-3085	Munger Riparian and Wetland Restoration	118,725	5,800	124,525	17
208-3068	McFadden Water Quality and Riparian Enhancement	32,758	4,193	36,951	18
Total Restoration Applications Recommended for Funding to Staff by RRT		\$2,390,500	\$30,335	\$2,420,835	
Total Restoration Applications Recommended for Funding by Staff to Board		\$1,737,363	\$17,402	\$1,754,765	

* Listed Amount Reflects Recommended Reduction

Region 3 - Willamette Basin
Acquisition Applications Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-111	Luckiamute Meadows/Maxfield Creek Conservation Easement	200,000
208-112	Luckiamute/Willamette Confluence Conservation Easement	600,000
208-113	Willamette Floodplain-Upland Conservation Easement	600,000
208-114	Evergreen Creek Conservation Easement	500,000
208-115	South Eugene Hills Acquisition Project	1,205,330
Total		\$3,105,330

Region 3 - Willamette Basin
Education Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-3069	Benton SWCD Watershed Education Support	49,040

Region 3 - Willamette Basin
Monitoring Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-3039	Harmful Algal Bloom Monitoring in Western Oregon Watersheds	47,456

Region 3 - Willamette Basin
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-3059	Stout Creek Stream Restoration Project Plan and Design	49,500
208-3060	Snake-Deford Stream and Floodplain Restoration - Phase 2	44,000
208-3072	Luckiamute Watershed Action Plan	49,930
208-3078	The Middle Molalla River Rehabilitation Plan - Phase I	50,000
208-3080	The Lower Molalla River Rehabilitation Plan - Phase I	50,000
208-3081	Deep Creek Fish Passage Engineering	47,873
208-3088	Norwood Island Survey and Planning	27,295

Region 3 - Willamette Basin
Acquisition Application Withdrawn by Applicant
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-107	McKenzie Camp	447,210

Region 3 - Willamette Basin
Restoration Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-3044	Crystal Springs Culvert Replacement and Volunteer Restoration Project	584,904
208-3045	Delta Ponds Habitat Restoration Project	289,000
208-3064	Ash Creek Riparian Restoration	299,659
208-3065	Price Creek Bridge Installation	23,353
208-3066	Jordan Creek Fish Passage and Water Quality Improvement	99,260
208-3076	Hutchinson WRP Restoration	115,390



Oregon

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February 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Rick Craiger, Central Oregon Regional Program Representative
Douglass Fitting, Policy Specialist

**SUBJECT: Agenda Item D: OWEB Grant Award Recommendations
Region 4, Central Oregon
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the Central Oregon Regional Review Team recommendations, special issues, acquisitions, and staff recommendations for funding.

II. Background and Summary

Applicants submitted 42 applications for a total request of \$6,926,919. The Central Oregon Regional Review Team (RRT) recommended 29 applications for approximately \$3.9 million. Because the demand for funding exceeds available funds, staff recommend 18 applications for a total award of \$1,224,030: \$1,060,612 for Restoration, \$47,530 for Monitoring, \$17,623 for Technical Assistance, and \$98,265 for Education and Outreach. In addition, as discussed below, four of the Restoration applications are now being recommended for funding through the Upper Deschutes Special Investment Partnership (SIP) approved by the Board in January of 2008.

III. Regional Review Team Recommendations

The RRT met at the Central Oregon Intergovernmental Council office in Redmond on December 10, 2007, to review the applications received in this grant cycle. One Monitoring application, 208-4049, was not reviewed because the applicant submitted the same proposal under Technical Assistance (208-4038), which was reviewed. All other applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Region 4 RRT recommended for funding one Technical Assistance application (with conditions) and three Monitoring applications (one with conditions). The RRT recommended funding for six Education and Outreach applications, with recommended reductions for one application (208-4060).

The RRT recommended for funding 17 Restoration applications, reducing the amount of one application (208-4054) because of questions about the necessity of some of the monitoring

components. The RRT's recommendations included funding for four Restoration applications that are now part of the Upper Deschutes SIP, discussed in more detail below.

The RRT recommended special conditions for one Monitoring application (208-4042), one Technical Assistance application (208-4038), and one Restoration application (208-4041).

IV. Special Issues

Following the RRT meeting in December 2007, the Board on January 16, 2008, adopted an Upper Deschutes SIP project list and allocated \$4 million for Upper Deschutes SIP projects. The Board-approved Upper Deschutes SIP list includes four of the Restoration applications reviewed by the RRT: 208-4065, 208-4067, 208-4069, and 208-4072. Staff recommend that these four applications, totaling \$1,456,764, be funded through the Upper Deschutes SIP. Accordingly, these four applications are not recommended for funding through the grant program at this time.

V. Acquisitions

Two land acquisition applications and one water lease application were submitted in Region 4.

A. Deschutes River Instream Leasing (208-104)

The Deschutes River Conservancy (DRC) is requesting \$863,534 in OWEB funding (with a total project cost of \$8,818,740) to secure 18,000-25,000 acre-feet (AF) or 60-70 cubic feet per second (cfs) of instream flow, over a period of 10 years in the mainstem Deschutes River from Wickiup Reservoir to Lake Billy Chinook, and key tributaries including the Little Deschutes River and Tumalo Creek. The DRC will work with seven irrigation districts and up to 150 different landowners to secure leased annual instream flow for a period of one to five years.

1. Ecological Benefits

Through its annual water leasing program, the DRC has been working with irrigation districts and farmers in the Upper Deschutes Subbasin since 1998. Since 1998, the DRC has worked with hundreds of landowners to lease over 100,000 AF of water, restoring streams and rivers throughout the watershed. While the DRC leasing program operates throughout the entire basin, this application seeks cost share funding specifically to restore flows in the mainstem Deschutes River from Wickiup Reservoir to Lake Billy Chinook, while also providing flow restoration to key tributaries including the Little Deschutes River and Tumalo Creek, each of which is regarded as a high priority for flow restoration in the Oregon Plan for Salmon and Watersheds.

The Deschutes River and its tributaries are highly manipulated for the purpose of managing water for use by irrigators. Streamflow depletion results in elevated stream temperatures which can be lethal for fish. This is especially common in the Deschutes River below Bend and in the lowest 2.5 miles of Tumalo Creek. Due to the relatively small volume of water left instream below the major irrigation diversions in Bend, solar heating warms water temperatures quickly on hot summer days. Persistent low flows also have a significant impact on riparian health and instream channel complexity in these reaches. Instream flow restoration will benefit a number of important species including redband trout, Bull trout, rainbow trout, and non game species such as the large

scale sucker and chiselmouth. Increased streamflows will also improve riparian and wetland conditions benefiting both the American Beaver and Columbia spotted frog.

The RRT was asked to evaluate the project for ecological benefits, including the habitats and species listed in the application that would benefit from the project. They noted the Middle Deschutes River is identified as being water quality limited for stream temperature and temporary instream leases can address this factor, as well as temporarily improve channel complexity and riparian function. They also noted the project will benefit multiple native fish species as well as beavers and the Columbia spotted frog. The RRT rated the overall ecological benefits as high.

The Oregon Water Resources Department (WRD) provided a review of an assessment of the reliability of the transfer to provide instream benefits. According to WRD, the water leases proposed for this project are generally available throughout the irrigation season. For the last ten years of the leasing program, WRD had to proportionally regulate the North Unit Irrigation District 1913 water rights during dry periods, which is about five percent of the total leasing program. All other mainstem Deschutes River leased water has been satisfied in full. The leases that have a priority date of 1905 and older will be met 100 percent of the time during the irrigation season on an average year. The Deschutes River and the canals which divert the water from the river and tributaries are monitored by continuous flow monitoring recording devices.

2. Financial Partners and Project Support

The DRC's Groundwater Mitigation Bank produces revenue that is reinvested in leasing water. In 2007, the Avion Water Company located in Bend, initiated the Blue Water program to support leases in the Deschutes River. This voluntary program allows Avion Water Company customers to make monthly contributions to streamflow restoration as part of their water bill.

Local irrigation districts support the leasing program with in-kind contributions of staff time, promotion of the leasing program in district newsletters, preparation of leases and lease maps, and in-district monitoring of leasing program participants. Landowners and water right holders provide in-kind contributions in the form of donated leases and assessment payments. WRD, Upper Deschutes Watershed Council, and Crooked River Watershed Council provide in-kind contributions with their monitoring activities.

In the past, DRC has received funding for the Deschutes River water leasing program through the National Fish and Wildlife Foundation's (NFWF) Columbia Basin Water Transactions Program. This program has been funded with Bonneville Power Administration (BPA) mitigation dollars. BPA is now limiting the use of mitigation funding to streams and rivers that support anadromous fish, so the DRC instream lease program on this reach of the Deschutes River is no longer eligible for this funding.

Letters of support were received from the irrigation districts and their patrons. In addition to the farm community, a broad array of nongovernmental organizations, such as watershed councils and soil and water conservation districts, recognize the importance of the instream leasing program. State, tribal, and federal entities continue to support the

DRC leasing program in a variety of ways by providing cost share, technical assistance, and landowner contacts.

3. Effect on Local and Regional Community

Leasing should provide a net economic benefit to the individual participants and communities in which they live. Leasing provides a small amount of income to offset irrigation district assessment costs for farmers who are fallowing land. Leasing protects water instream to improve water quality, habitat for wildlife and fish, and recreation opportunities such as fishing and water sports. Central Oregon is a destination for recreation, tourism, fishing, and instream leasing benefits these activities. Instream leasing also supports fisheries, which is an important cultural resource.

Blue Water, a new program initiated by the DRC and Avion Water Company, encourages urban water users to make a monthly donation on their water bill to support streamflow restoration through the leasing program. The application describes how this program continues to grow and demonstrates social responsibility and community support of flow restoration programs. Instream leasing is an important voluntary action that irrigators can take that, when aggregated with other actions, constitutes a significant contribution to the health of the watershed.

4. Legal and Financial Terms

The applicants did not submit an appraisal of the proposed lease payments because a true market does not exist in the Deschutes Basin for annual water leases, and many people participating in the DRC leasing program donate their water for free. OWEB staff requested that DRC submit a valuation memorandum describing water market and fair market value information. The most recent published information on the subject of market valuation of short duration water transfers suggests an average price per acre-foot in the western United States of \$42 (Scarborough & Lund 2007). Another recent study of instream leasing in the Pacific Northwest found that lease prices ranged from \$7 to \$200 per AF (Westwater, 2003).

DRC's lease payments vary based on a number of factors, including the number of acres, priority date, location, and duty of the water right. The majority of farmers are offered payments of \$7 per acre-foot. In 2007, the average price paid for instream leases was \$4.19 per acre-foot, due to a significant number of donated leases. This valuation approach was found to be sufficient by OWEB's review appraiser, and the water leases proposed are cost-effective when compared to similar transactions around the state and region.

OWEB's administrative rules require submission of ownership and lien reports. The DRC has requested to have OWEB's Director waive this requirement because ownership and lien reports are not required by WRD for instream leases and it is not financially feasible to submit ownership and lien reports for each instream lease given the high volume of leases submitted each irrigation season by the DRC. The DRC maintains individual and pooled district leases with more than 230 lessors.

The DRC did provide copies of its water lease program memorandums of agreement (MOA) with the local irrigation districts involved with this proposal. Under the MOAs,

each individual lease is signed by the landowner and verified by the irrigation district and local WRD Watermaster prior to the lease final order and approval by the State. Only leases with final order approval from WRD will be paid by DRC. At the time of writing this staff report DOJ is reviewing the MOAs for legal sufficiency. If funded, staff recommend that OWEB require DRC to submit funding invoices with the landowner name, amount of leased water, location, and WRD order information.

5. Conclusion

OWEB's administrative rules allow funding for short-term instream leases. This is one of the first applications for short-term leases reviewed under the rules adopted in 2004 and the proposal includes a significant number of leases. The significant scale of the application and the newness of the process have created a challenge for staff to process and evaluate the application.

The RRT concluded that the project would provide an ecological benefit for the period of the temporary instream lease. However, they expressed concerns about the long term benefit to water quality and the priority species listed in the application and noted that securing permanent water right transfers to address in stream flow would provide more long term ecological benefit. The RRT also noted that the DRC has a successful record of accomplishments with temporary instream leases in the Deschutes Basin and they have made significant increases in instream flow in the Middle Deschutes since they started the program.

Because of these issues, staff asked the Board Acquisition Subcommittee to review the application. The Subcommittee expressed similar concerns regarding temporary instream leases and requested assurances that this approach will lead to permanent water right transfers. The Subcommittee also requested additional information to be able to evaluate the appropriateness of OWEB Measure 66 funds for the temporary leasing program, and to answer whether the limited duration of the ecological benefit meets the long term resource value intended from the dedicated lottery funds.

Staff have discussed these issues with the DRC and they are willing to provide additional information and discuss these issues with OWEB. At this time, these significant policy questions have not been resolved. In order to receive and fully evaluate the additional information requested, both the Subcommittee and staff recommend the Board defer consideration of this application.

B. Coffey Ranch (208-105)

The Coffey Ranch conservation easement is the first phase of a conservation program to protect the outstanding natural and agricultural values of the Mill Creek valley from the continuing development pressure in Crook County, Oregon's second fastest-growing county between 2000 and 2006. The Deschutes Basin Land Trust (DBLT) proposes to use \$475,000 in OWEB funds to help purchase a \$950,000 conservation easement on 330 acres, including one mile of Mill Creek, four large spring areas with 10-18 acres of associated wetlands, and 167 acres of prime agricultural soils.

1. Ecological Benefits

Existing priority ecosystems, habitats and species include approximately 90 acres of xeric mixed sagebrush shrubland, 60 acres of bitterbrush/Idaho fescue, 12 acres of riparian woodland and shrubland and 10 acres of freshwater emergent marsh. The site includes protection of up to one mile of Mill Creek. Documented priority species include Redband trout, Western toad, and the Yellow-headed blackbird. Protection of this property will benefit the priority habitats, plant communities and species by limiting activities that would degrade the existing and potential quality habitats provided by this site.

The RRT was asked to evaluate the project for ecological benefits, including the habitats and species listed in the application that would benefit from the project. They concluded that a portion of the property contained OWEB priority ecological systems, especially wetlands and riparian communities. The RRT noted that the current landowner has been fairly aggressive in implementing protection and restoration on this property and they discussed that a new owner may not be as cooperative in restoring this area. The RRT questioned the likelihood of steelhead being reintroduced to Mill Creek and did not feel confident that steelhead would successfully get to the site above Bowman Dam. The RRT did confirm the existence of freshwater emergent marsh, lowland riparian woodland, and shrubland and xeric mixed sagebrush shrubland. The RRT rated the overall ecological benefits as moderate.

The RRT thought the project met two of the three conservation principles listed in the application, including protecting a large intact area and improving habitat connectivity.

2. Capacity to Sustain the Ecological Benefits

The landowners will continue to own the property. The DBLT will hold a conservation easement and monitor and enforce its provisions. The DBLT has conserved over 7,000 acres of wildlife habitat and agricultural lands by working cooperatively with private landowners. They have extensive experience in the development and management of conservation easements and they develop projects with careful planning and with support of an experienced staff and a strong network of volunteers, partners, and consultants.

The DBLT policy is to secure a monitoring and enforcement endowment prior to closing. The endowment must be sufficient to support annual monitoring and periodic enforcement of the easement. They determine the amount of the endowment using a software program designed for this purpose. For this project, the landowners have agreed to provide a \$25,000 stewardship endowment.

3. Educational Benefits

As part of the conservation easement, the DBLT will reserve the right to conduct limited, small-scale tours of the property. The goal of these tours would be to educate landowners and others about private lands conservation and conservation easements specifically. The DBLT will include this project on its website and other informational pieces such as maps, brochures, and posters. A sign on the property adjacent to Mill Creek Road will inform the public about the benefits of private land conservation.

The RRT evaluated the educational benefits of the project. They concluded that the site could serve as an example of a variety of habitats and features that benefit fish and wildlife; however, they expressed concern about the landowner retaining control over public access, and their willingness to allow volunteers, researchers and/or students access to the property. Due to this concern, the RRT rated the educational benefits as low.

4. Partners, Project Support and Community Effects

The DBLT is solely responsible for the acquisition of the conservation easement. DBLT has received formal support from Oregon Department of Fish and Wildlife. They anticipate receiving formal support from other entities, including the Crooked River Watershed Council. The property will remain in private ownership and the landowner will continue to pay property taxes, therefore there should be no impact on the local tax base.

5. Legal and Financial Terms

OWEB funds are requested for approximately 50 percent of the \$991,050 cost of the project. The balance of the funds will be provided by the Natural Resources Conservation Service and the landowner.

A draft conservation easement was submitted with the application. The DBLT has just begun detailed negotiations of the easement language. The easement is currently an initial draft based on the agreed-upon terms of a Letter of Intent for the project, but the landowners and their attorney have not reviewed it. The Subcommittee did not recommend proceeding with due diligence and these materials were not requested by staff.

6. Conclusion

The RRT concluded that the project has moderate ecological benefit and low educational benefit and meets two of OWEB's conservation principles. The Subcommittee raised concerns about the ecological benefits associated with this project, and they were not convinced that investing in a conservation easement on this property would provide additional ecological benefits. The Subcommittee also discussed the potential threat of subdivision and questioned what type of impact would be associated with dividing the property into 160 acre parcels. The most significant concern raised by the Subcommittee was that the property was not distinct or have any compelling attributes that would be significantly different from similar properties throughout central Oregon. Overall the Subcommittee did not feel this project offered unique ecological attributes or provide significant protection to OWEB priority habitats and species. Based on these concerns, the Subcommittee and staff recommend that the application not be funded.

C. Wychus Creek Discovery Outpost (208-110)

Wolftree, Inc. submitted an application requesting \$500,000 (total project cost of \$909,000) to purchase fee title on 58 acres of Aspen forest and wetland, lower montane riparian woodland, and shrubland adjacent to Wychus Creek in Deschutes County near Sisters, Oregon. Staff requested due diligence materials in November of 2007, but they have not been received. Staff and the Board Subcommittee recommend the Board defer consideration of the application pending receipt and review of the due diligence materials.

VI. Staff Recommendation

A. Capital Applications

- *Restoration.* Staff recommend that the Board fund 12 Restoration applications that are not being funded through the Upper Deschutes SIP. Together, the SIP funding and grant program funding would fund all but one of the 17 RRT-recommended Restoration applications.

Two applications for work in Sycan Marsh in the Klamath basin (208-4057 and 208-4059) will build on past projects to provide connectivity for native fish, including bull trout (ESA listed as Threatened), while restoring the natural hydrograph of the marsh. During the Upper Sprague River Watershed Assessment, landowners voiced concern about water being stored in Sycan Marsh and its effect on water in the Sycan and Sprague Rivers. The Nature Conservancy has documented that their efforts to remove weirs while filling drainage ditches is increasing groundwater recharge, while areas elsewhere in the Sprague River watershed are not showing groundwater recharge. The increase in groundwater recharge may benefit springs that flow into the Sycan, Sprague, and Williamson rivers, providing important spawning areas for the shortnose and Lost River sucker fish (ESA listed). This work will benefit water quality and quantity in the Upper Klamath basin and may have increased value considering the potential impacts of global warming.

Following up on the RRT's recommendation to reduce the amount of one Restoration application (208-4054) because of questions about some of the monitoring components, staff determined that the application's proposed monitoring cost is justified. The staff funding recommendation does not include a reduced budget for application 208-4054.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding for the one Technical Assistance application recommended by the RRT.
- *Education and Outreach.* Because of the limited amount of non-capital funds, staff recommend funding for only two of the six RRT-recommended Education and Outreach applications. The four Education and Outreach applications not recommended by staff each have merit, but the limitation of non-capital funds makes it impossible to meet these needs.
- *Monitoring.* Staff recommend funding for all three of the RRT-recommended Monitoring applications.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 4 - Central Oregon
Education Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-4055	Klamath Watershed Dialogues	48,840	1
208-4037	Outdoor Science Education Camps	49,425	2
208-4068	Whychus Creek Education Project	36,600	3
208-4073	Riverfest	17,600	4
208-4060	Upper Klamath Basin Landowner Outreach *	15,300	5
208-4046	Wasco County Rural Living Handbook	12,619	6
Total Education Applications Recommended for Funding to Staff by RRT		\$180,384	
Total Education Applications Recommended for Funding by Staff to Board		\$98,265	

* Listed Amount Reflects Recommended Reduction

Region 4 - Central Oregon
Monitoring Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-4042	Bakeoven Instream Habitat Survey **	34,958	1
208-4044	Lower Mill Creek Physical and Ecological Survey	4,937	2
208-4047	Threemile Creek Instream Habitat Survey	7,635	3
Total Monitoring Applications Recommended for Funding to Staff by RRT		\$47,530	
Total Monitoring Applications Recommended for Funding by Staff to Board		\$47,530	

** Fund with Conditions

Region 4 - Central Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-4038	Juniper Flat Water Conveyance Efficiency Investigation and Action Plan **	17,623	1
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$17,623	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$17,623	

** Fund with conditions

Region 4 - Central Oregon
Land Acquisition Application Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount
208-110	Whychus Creek Discovery Outpost Land Acquisition	500,000
Total		\$500,000

Region 4 - Central Oregon
Water Acquisition Application Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount
208-104	Deschutes River Instream Leasing	863,534

Region 4 - Central Oregon
Restoration Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
App #	Application Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
208-4072	Ochoco Creek Stream Enhancement & Greenway Expansion ●	209,846	6,500	216,346	1
208-4059	Sycan River Weir 7 Removal	25,300		25,300	2
208-4054	Crane Creek Reconnection - Phase 2 (Upper Klamath Basin)	76,536		76,536	3
208-4035	Corbett Jack Creek Water Conservation	31,700		31,700	4
208-4069	Whychus Creek Restoration at Camp Polk ●	824,125	9,500	833,625	5
208-4065	McKenzie Canyon Black Butte Canal Irrigation Efficiency Phase II * ●	321,266		321,266	6
208-4048	Indian Creek Juniper and Grazing Management	82,288		82,288	7
208-4070	Robinhood Creek Watershed Restoration	129,745		129,745	8
208-4056	2008 Juniper Hills Watershed Restoration	84,552	500	85,052	9
208-4041	Marshall Irrigation Conversion **	58,211		58,211	10
208-4063	Goold's Irrigation Efficiency	19,346		19,346	11
208-4039	Company Hollow Junction Instream Restoration	30,225		30,225	12
208-4071	Bakeoven/Cottonwood Water and Sediment Control Basins	22,704		22,704	13
208-4057	Chocktoot Delta Restoration	347,105		347,105	14
208-4036	Shitike Creek Restoration Project	152,400		152,400	15
208-4067	Lake Creek Culvert Removal Project ●	72,527	1,000	73,527	16
208-4051	Lower Fifteenmile Instream Pool Habitat Establishment	27,510		27,510	17
Total Restoration Applications Recommended for Funding to Staff by RRT		\$2,515,386	\$17,500	\$2,532,886	
Total Restoration Applications Recommended for Funding by Staff to Board		\$1,060,112	\$500	\$1,060,612	

● Recommended for SIP Funding by Staff * Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 4 - Central Oregon
Education Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-4053	KBRT Restoration and Outreach Capacity Building	46,200

Region 4 - Central Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-4049	Juniper Flat Water Conveyance Efficiency Investigation	14,972

Region 4 - Central Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-4058	Restoration of Native Fish in the Upper Sycan Watershed	32,533

Region 4 - Central Oregon
Acquisition Applications Receiving a Positive Rating for Ecological Merit by the RRT
And NOT Recommended for Funding by OWEB Staff
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount
208-105	Coffer Ranch Conservation Easement	745,000

Region 4 - Central Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-4040	No-till Sustainability Improvements	113,340
208-4043	Lone Pine Wetland Restoration	32,005
208-4045	Herbicide Drift Reduction to Sustain No-till Farming	78,470
208-4052	Off-Stream Stockwater and Riparian Protection (Upper Klamath Ba	36,787
208-4061	Abel's Sprague River Riparian Management	34,774
208-4062	Modoc Irrigation Efficiency Project	272,481
208-4064	Ferel Swine Eradication in North Central Oregon	364,379
208-4066	McKay Creek Water Rights Switch	904,713

Region 4 - Central Oregon
Restoration Application Withdrawn by Applicant
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-4050	Flymon Stewardship Project	80,000



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February 27, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Karen Leiendecker, Eastern Oregon Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the Eastern Oregon Regional Review Team recommendations, land acquisition grant applications, and staff recommendations for funding.

II. Background and Summary

Applicants submitted 60 applications for a total request of \$7,933,122. The Regional Review Team (RRT) recommended 34 applications for approximately \$4.7 million. Because the demand for funding far exceeds available funds, staff recommended 25 applications for a total award of \$2,643,592: \$2,127,951 for Restoration, \$409,506 for Monitoring, \$46,907 for Technical Assistance, and \$59,228 for Education and Outreach.

III. Regional Review Team Recommendations

The Eastern Oregon Regional Review Team (RRT) met in Baker City on December 11 and 12, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Region 5 RRT recommended for funding two Technical Assistance applications and five Education/Outreach applications. The RRT also recommended for funding six Monitoring applications, three of which were reduced in amount.

The RRT recommended for funding 20 Restoration applications total, five of which were reduced in amount.

IV. Acquisitions – Pocket Ranch (208-109)

The Nature Conservancy submitted an application requesting \$550,000 (total project cost of \$1,100,000) toward purchase of a conservation easement on 5,817 acres of Columbia Basin grassland (Palouse Prairie) and lower montane riparian woodland in Wallowa County, near Joseph, Oregon. The project is located near Little Sheep Creek in the Imnaha River watershed.

Staff requested due diligence materials in November of 2007, but they have not been received. Staff and the Board Subcommittee recommend the Board defer consideration of the application pending receipt and review of the due diligence materials.

V. Staff Recommendations

A. Capital Applications

Region 5 received an unusually high number (41) of capital applications this grant cycle, causing the demand to far exceed available funds.

- *Acquisitions.* Staff recommend deferring application 208-109 pending receipt and review of the due diligence materials.
- *Restoration.* Staff recommend funding 14 of the 20 RRT- recommended Restoration applications. Because the demand for capital funding far exceeds the available funds, this recommendation means that six applications would not be funded.

Staff recommend significant funding reductions to application 208-5122, Willow Creek Water Quality Restoration Phase II. OWEB and numerous other partners previously funded Phase I, which has engaged landowners on several large-scale projects including irrigation changes, riparian protections, and plantings to reduce erosion, sediment, and high bacterial counts in the Willow Creek drainage of the Malheur basin. The RRT recommended funding the full amount of the Phase II application (\$1,976,608) while recognizing that OWEB likely would not be able to fund the full request. Fully funded, the application would treat 4,665 acres and involve 31 separate projects. Staff recommend funding at a level of \$1 million. The Willow Creek Working Group is currently working with Department of Environmental Quality, Oregon Department of Agriculture, and OWEB monitoring staff to develop a comprehensive monitoring strategy.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding both of the RRT-recommended Technical Assistance applications.
- *Education and Outreach.* Due to limited non-capital funding, staff recommend funding four of the five RRT-recommended Education and Outreach applications. The one application not recommended by staff has merit, but the limitation of non-capital funds makes it impossible to meet these needs.
- *Monitoring.* Due to limited non-capital funding, staff recommend funding five of the six RRT-recommended Monitoring applications. The one application not recommended by staff has merit, but the limitation of non-capital funds makes it impossible to meet these needs.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the

amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT and OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 5 - Eastern Oregon
Education Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-5099	STELLAR	17,996	1
208-5086	Malheur Noxious Weed Booklet Development	12,850	2
208-5116	2008 Annual Watershed Field Days	13,873	3
208-5085	LUBGWMA Clean Water Neighborhood Program	14,509	4
208-5095	Education for Environmental Stewardship	39,475	5
Total Education Applications Recommended for Funding to Staff by RRT		\$98,703	
Total Education Applications Recommended for Funding by Staff to Board		\$59,228	

Region 5 - Eastern Oregon
Monitoring Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-5064	Grande Ronde Basin Gauging Stations Operation	95,099	1
208-5089	Constructed Wetland Effectiveness Monitoring - Luther Wetland Intensive Project	12,751	2
208-5106	Bi-State WS Management Initiative Hydrology and Fisheries Monitoring Modeling Project *	132,467	3
208-5082	Umatilla TMDL and Wildhorse Monitoring *	125,274	4
208-5076	Migratory Assessment of Spring Chinook Salmon in Lostine River Using Radio Telemetry *	43,915	5
208-5073	Brownlee Subbasin - Pine Creek Monitoring	115,181	6
Total Monitoring Applications Recommended for Funding to Staff by RRT		\$524,687	
Total Monitoring Applications Recommended for Funding by Staff to Board		\$409,506	

* Listed Amount Reflects Recommended Reduction

Region 5 - Eastern Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application Name	Total Amount	Priority
208-5083	Simmons Dike Removal Feasibility Study	24,907	1
208-5094	Wilson Cattle Wetland Restoration	22,000	2
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$46,907	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$46,907	

Region 5 - Eastern Oregon
Acquisition Application Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-109	Pocket Ranch Conservation Easement	550,000

Region 5 - Eastern Oregon
Restoration Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

App #	Application Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
208-5108	Wallowa Canyonlands Partnership Noxious Weed Control	45,100		45,100	1
208-5102	Middle Fork John Day Channel Relocation and Riparian Restoration *	266,381		266,381	2
208-5112	Drewsey Reclamation Ditch Fish-Friendly Diversion Project	110,000		110,000	3
208-5100	Muleshoe Creek Upland Improvement	20,007		20,007	4
208-5090	Hawk Irrigation Enhancement Project	100,997		100,997	5
208-5091	Ridgeview Water Quality Improvement Project	33,741		33,741	6
208-5084	Lower Umatilla River Bank Stabilization and Bio-engineering Project	24,534		24,534	7
208-5109	Wallupa Bridge Replacement	134,232		134,232	8
208-5078	Milk Ranch Restoration	19,103		19,103	9
208-5115	Eagle Creek Restoration Project *	166,220		166,220	10
208-5111	Devine Ridge Restoration Project	75,441		75,441	11
208-5122	Willow Creek Water Quality Restoration Phase II *	1,000,000		1,000,000	12
208-5114	Soldier Creek Forest Health Project	79,487		79,487	13
208-5068	Martin's Lookout Mountain Range Management	52,708		52,708	14
208-5104	Middle Fork John Day River Instream Habitat Improvement Project *	177,614		177,614	15
208-5118	2008 Deer Creek Culvert Replacement *	101,832		101,832	16
208-5080	Freeman Spring Developments	13,838		13,838	17
208-5075	Kelsay Creek Fencing Project	27,997		27,997	18
208-5074	Camp 9 Ranch/Mud Creek Riparian Enhancement	61,745		61,745	19
208-5113	Dry Creek Fish Passage *	40,672		40,672	20
Total Restoration Applications Recommended for Funding to Staff by RRT		\$3,528,257		\$3,528,257	
Total Restoration Applications Recommended for Funding by Staff to Board		\$2,127,951		\$2,127,951	

* Listed Amount Reflects Recommended Reduction

Region 5 - Eastern Oregon
Education Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-5087	Malheur Reduced Tillage Education and Demonstration	79,012
208-5101	Meeting Climate's Challenges, John Day Basin	31,110

Region 5 - Eastern Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-5092	Walla Walla Basin Photo Point Monitoring	11,117
208-5110	Pre/Post-Restoration Monitoring of 2 Headwater Projects in Middle Fork John	136,920

Region 5 - Eastern Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-5071	North Pine Creek Crossing	50,000
208-5107	Wal' a wa -Tamkaliks Side Channel Engineering	49,601

Region 5 - Eastern Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 22, 2007 Grant Cycle

App #	Application Name	Total Amount Requested
208-5065	Clear Creek Fish Passage and Riparian Enhancement	410,620
208-5066	Succor Creek Push-up Dams Removal	139,531
208-5067	Bishop Wetland Restoration	134,100
208-5069	Powder River Water Quality Enhancement Project - Phase 4	366,780
208-5070	John Day Basin Juniper Control 2008	60,000
208-5072	Meadowbrook Riparian Improvements	60,297
208-5077	Rudio Creek Water System	52,848
208-5079	K Bar M Wildlife Habitat	28,770
208-5081	Knox Fence and Water System Project	38,461
208-5088	Berret Water Control Improvement	37,700
208-5093	Medicine Creek Bank and Headcut Stabilization	34,067
208-5096	Morgan Water Conservation & Runoff Elimination	50,367
208-5097	Westfall Malheur River Water Quality Improvement	32,270
208-5098	Native Grass Restoration	58,613
208-5103	Lower Rudio Creek Restoration	289,181
208-5105	2008 Upper Joseph Creek Restoration	56,430
208-5117	Thompson Creek Uplands Improvement	37,085
208-5119	Mountain Creek Fish Passage	32,250
208-5120	Painted Hills Culvert Replacement	79,615
208-5121	Opal Butte	414,400



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February 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item G: 2009 Legislative Concepts and Budget Preparation
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This report briefs the Board on the legislative proposal and budget development process for the 2009 legislative session.

II. Background

State agency legislative concepts are submitted to the Legislature by the Governor after a nearly nine month development and review process. Legislative concepts are first submitted by agencies to the Department of Administrative Services (DAS). Once approved by DAS, legislative concepts are sent to Legislative Counsel for drafting prior to pre-session filing by the Governor. The DAS deadline for submission of agency legislative concepts for the 2009-2011 biennium is April 4, 2008.

The process for developing the Agency Request Budget also involves interactions with DAS and the Governor's Office. The first organizational meeting between DAS and the state agencies is scheduled for March 6. Details about the process and timing for developing budget proposals will be set out at that time. Based on past experience, final agency budget proposals will be due for submittal to DAS in June.

III. 2009 Draft Legislative Concepts

Staff presented two draft legislative concepts for discussion at the January 2008 Board meeting. The following sections provide an update on the status of those proposed concepts.

A. Landscape Contractor Exemption

In this draft concept, staff proposed adding an exception to the landscape contractors licensing requirements for watershed councils and other eligible grant recipients who are performing landscaping, as defined by statute, as part of an OWEB-funded restoration grant. OWEB staff met with staff and board members from the Landscape Contractors Board on January 28, 2008, to discuss the first draft concept.

At this time OWEB and the Landscape Contractors Board are not proposing to address this issue through legislation. We are working to address the issue through policy and administrative avenues and will report back to the Board on further developments.

B. Multiple Projects and Permit Requirements

Oregon statutes require that all required permits be obtained before grant funds are distributed to a grantee. This supports the policy objective that public funds not be spent before a project has received necessary approvals. Some complex restoration grants involve several separate and distinct activities. Current law would not allow funding one activity that has received all necessary permits if a second separate and distinct activity under the same grant has not received all permits.

In this concept, staff proposed adding language to the statute to clarify that funding for a specific restoration activity could be released when all the required permits for that specific activity are submitted to OWEB, regardless of whether permits are needed for other restoration activities funded in the same grant.

OWEB staff are exploring ways in which grant applications, grant agreements, and internal operating procedures could address this issue for the few complex restoration grant applications the Board receives in each grant cycle. We are optimistic that administrative mechanisms will be sufficient to help with these types of grants. Therefore, we do not recommend pursuing a legislative concept on this issue for the 2009 session.

IV. Budget Development

Oregon agencies are budgeted on a biennial basis. Submissions are structured so that each agency's existing (or "base") budget is recalibrated and submitted without need for specific policy description or justification. Additions to the base budget are identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called "Policy Packages."

The Governor provides instructions to guide agency development of Policy Packages. Each agency submits its Agency Request Budget to the Governor and the DAS the summer before the legislative session. The Governor then develops the Executive Branch budget for submission to the Legislature in December, just before the session begins. Called the "Governor's Recommended Budget," this budget document includes a selection of agency Policy Packages that reflect the Governor's priority programs and initiatives.

It is the Governor's Recommended Budget, not the Agency Request Budget that is the beginning point for legislative budget hearings. During the legislative session, agencies may advocate for their individual Policy Packages only to the extent that they are included in the Governor's Recommended Budget.

As mentioned in Section II of this report, we have not yet received specific guidance on the process and timelines for developing our budget proposal for the 2009 legislative session. Staff recently started internal discussions regarding possible budget proposals for the 2009 legislative session. We plan to present staff budget proposals to the Board for discussion at the May Board meeting. We estimate the schedule for agency budget development will be as follows:

- May 2008 OWEB Board discussion of draft Policy Packages
- May/June 2008 Staff draft Policy Packages
- June 2008 Finalize agency Policy Packages
- September 2008 Submit full agency request budget document

V. Recommendation

Board action is not requested at this time. Staff will present agency budget proposals for Board consideration at the upcoming May meeting.



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Theodore R. Kulongoski, Governor

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February 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item H: Public Records Rules and Fee Schedule
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of proposed administrative rules related to OWEB's implementation of the Public Records Law (ORS 192.410 to 192.505) and to implement Senate Bill 554 approved by the 2007 Legislature. This report also seeks Board approval of a proposed fee schedule to reimburse OWEB for actual costs associated with public records requests.

II. Background

The public has a right to inspect and obtain a copy of any public document unless the document is specifically excluded from disclosure (ORS 192.420). State agencies may charge a fee reasonably calculated to reimburse it for the costs associated with making the records available (ORS 192.440). "Actual costs" include the time agency staff spend locating the records; searching its records for the requested material (even if it does not locate any requested records); supervising a requestor's inspection of the records to protect the records' integrity; copying, certifying, and mailing the requested records; and separating exempt from non-exempt material.

Enacted by the 2007 Legislature, Senate Bill 554 (SB 554) requires a state agency to respond "as soon as practicable and without undue delay" to a written request for a public document. Under SB 554 government entities must also make available to the public a written procedure for public records requests, including the name of the person to whom the request may be sent, the amounts charged for requests, and how these charges are determined.

Staff asked the Board for authorization to begin rulemaking to address public records requests at the September 2007 meeting. Board members unanimously approved the staff recommendation to initiate rulemaking. Proposed rules were developed and made available for public comment by January 7, 2008, which was the start of the public comment period. The public comment period ended on February 1, 2008. Public hearings were held at the January Board meeting in Astoria on January 17, 2008, and on January 23, 2008, at the State Lands Building in Salem.

III. Proposed Administrative Rules

The proposed administrative rules are designed to be a standalone division in OWEB's rules and are divided into four sections, Purpose, Requests to Inspect or Obtain Copies of Public Records, Fees for Inspections or Copies of Public Records, and Fee Waivers and Reductions. In general,

the proposed rules include that public records requests should be sent to a single Public Records Coordinator, OWEB will charge its actual costs to respond to requests, and fees will be waived for providing public records that are within the normal scope of implementing OWEB's programs. The latter is intended to allow OWEB to continue to provide data or monitoring information that are key to the agency's responsibilities, and to provide grant information and documents that benefit OWEB's administration of its grant awards.

OWEB received only one public comment on the proposed rules. Wayne Hoffman from the Mid-Coast Watersheds Council provided public testimony during the January 17, 2008, public hearing at the Astoria Board meeting. Mr. Hoffman commented on the proposed language in 695-003-0040(1), stating that the language is obtuse and difficult to understand. He requested that what is meant by "routine provision" allow the continued interaction between grantees and OWEB staff. The proposed rule language is written to give OWEB flexibility to allow the continued interaction between OWEB staff and the public and grantees, including the routine provision of grant administration information and documents to grantees. Therefore staff do not recommend changes based on public comment. OWEB will provide additional guidance related to this intent.

Attachment A shows the public comment version of the proposed rules with two minor changes proposed by staff. The first proposed change, in line 10 on page one, is a grammar correction. The second change, to line 24 on page two, is proposed to make the language of 695-003-0040 consistent with other rules in this division by changing "document," which is not defined, to "public records or information from public records."

Attachment B contains a clean copy of the final rule language proposed for Board adoption.

IV. Fee Schedule

The proposed administrative rules do not specify fee amounts in order for the Board to have the ability to adjust fees based on cost increases. Staff have prepared a proposed fee schedule representing the most likely costs to be incurred in responding to requests to inspect or copy public records. The proposed fee schedule is contained in Attachment C.

If a fee has not been adopted by the Board in the fee schedule, the proposed administrative rules allow OWEB to charge its actual costs. Proposed rule 695-003-0030(3) (lines 12 through 14 on page two) states that if no fee has been established, the actual cost will be determined or estimated by OWEB, and the person who submitted the public records request will be notified of that cost before OWEB complies with the request.

V. Recommendation

Staff recommend the Board approve:

- A. The proposed administrative rules for public records access and reproduction contained in Attachment B of this staff report, and
- B. The proposed public records fee schedule contained in Attachment C of this staff report.

Attachments

- A. Proposed Public Records Access and Reproduction Administrative Rules (Tracked Changes)
- B. Proposed Public Records Access and Reproduction Administrative Rules
- C. Proposed Public Records Fee Schedule

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DIVISION 3

PUBLIC RECORDS ACCESS AND REPRODUCTION

695-003-0010 Purpose

These rules govern implementation by the Oregon Watershed Enhancement Board (OWEB) of the public records law, ORS 192.410 to 192.505, including fees for recovery of the actual costs involved in making public records available and in providing copies of public records, pursuant to ORS 192.440.

695-003-0020 Requests to Inspect or Obtain Copies of Public Records

(1) The right to review public records includes the right to review the original public record where practicable. The ~~requestor~~-requester does not have a right to personally locate the public record or to review portions of the public record that are exempt from disclosure pursuant to ORS 192.501 to 192.505.

(2) A request to inspect or obtain copies of a public record or information from public records must be made in writing to the Public Records Coordinator at the Oregon Watershed Enhancement Board, 775 Summer Street NE, Suite 360, Salem, OR 97301-1290, and must include:

- (a) The name, mailing address, email address, and telephone number of the requester;
- (b) Identification of the needed public record or of the type and format of needed public record information, if known to the requester;
- (c) The time period the records or information were produced, and the officials involved in producing the records or relevant information, if known to the requester; and
- (d) The number of copies for each item requested of the record, if copies are requested.

(3) OWEB will make all its public records, not otherwise exempt from disclosure by law, available for inspection and copying during regular business hours.

(4) OWEB may condition the time and manner of inspection or copying as necessary under the circumstances to protect the records and prevent interference with the regular discharge of the duties of the OWEB Board, OWEB, and OWEB’s employees.

(5) OWEB will accommodate public records requests from persons with disabilities in accordance with the Americans with Disabilities Act.

1 **695-003-0030 Fees for Inspections or Copies of Public Records**

2 (1) A person inspecting a public record or receiving a copy of a public record or
3 information from a public record must pay OWEB's actual costs, as follows:

4 (a) The cost of staff time necessary to locate and handle the records, to delete material
5 exempt from disclosure and to supervise the inspection by the requester;

6 (b) The cost of producing the copy or the information; and

7 (c) The cost of other supplies or services necessary to furnish the copy or information.

8 (2) The OWEB Board shall establish the agency's list of fees for inspection and copying
9 of public records. The list of fees shall be posted on OWEB's website and shall be
10 available on request from OWEB. The OWEB Board shall review the list of fees adopted
11 from time to time in order to ensure that the fees reflect current actual costs.

12 (3) If the request appears to require services for which no fee has been established, the
13 actual costs will be determined or estimated by OWEB, and the requester will be notified
14 of those costs before OWEB complies with the request.

15 (4) OWEB may require that all or a portion of the estimated fees be paid before the
16 public record is made available for inspection or copies provided.

17 (5) Payment for public record requests may be made in the form of cash, check, or money
18 order.

19 **695-003-0040 Exception to Fee Charge; Fee Waivers and Reductions**

20 (1) There is no fee for obtaining one or more copies of a public record, if providing one
21 or more copies of that particular public record without charge is part of OWEB's
22 programs at the time of the request, including but not limited to the public distribution of
23 OWEB reports, news releases and public notices, and the routine provision of ~~documents~~
24 public records or information from public records related to grant administration or the
25 Oregon Plan.

26 (2) Subject to the exception described in subsection (1), no fee waiver or reduction will
27 be given for OWEB's actual costs in providing access for inspection or furnishing copies
28 of public records, if those actual costs would be otherwise paid from funds dedicated to
29 watershed protection under Article IV, Section 4b, of the Oregon Constitution, federal
30 funding allocated by intergovernmental agreement to salmon recovery efforts, or license
31 plate revenues statutorily dedicated to salmon recovery projects.

1

DIVISION 3

2

PUBLIC RECORDS ACCESS AND REPRODUCTION

3

695-003-0010 Purpose

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These rules govern implementation by the Oregon Watershed Enhancement Board (OWEB) of the public records law, ORS 192.410 to 192.505, including fees for recovery of the actual costs involved in making public records available and in providing copies of public records, pursuant to ORS 192.440.

8

695-003-0020 Requests to Inspect or Obtain Copies of Public Records

9

(1) The right to review public records includes the right to review the original public record where practicable. The requester does not have a right to personally locate the public record or to review portions of the public record that are exempt from disclosure pursuant to ORS 192.501 to 192.505.

13

(2) A request to inspect or obtain copies of a public record or information from public records must be made in writing to the Public Records Coordinator at the Oregon Watershed Enhancement Board, 775 Summer Street NE, Suite 360, Salem, OR 97301-1290, and must include:

17

(a) The name, mailing address, email address, and telephone number of the requester;

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(b) Identification of the needed public record or of the type and format of needed public record information, if known to the requester;

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(c) The time period the records or information were produced, and the officials involved in producing the records or relevant information, if known to the requester; and

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(d) The number of copies for each item requested of the record, if copies are requested.

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(3) OWEB will make all its public records, not otherwise exempt from disclosure by law, available for inspection and copying during regular business hours.

25

(4) OWEB may condition the time and manner of inspection or copying as necessary under the circumstances to protect the records and prevent interference with the regular discharge of the duties of the OWEB Board, OWEB, and OWEB's employees.

28

(5) OWEB will accommodate public records requests from persons with disabilities in accordance with the Americans with Disabilities Act.

29

1 **695-003-0030 Fees for Inspections or Copies of Public Records**

2 (1) A person inspecting a public record or receiving a copy of a public record or
3 information from a public record must pay OWEB's actual costs, as follows:

4 (a) The cost of staff time necessary to locate and handle the records, to delete material
5 exempt from disclosure and to supervise the inspection by the requester;

6 (b) The cost of producing the copy or the information; and

7 (c) The cost of other supplies or services necessary to furnish the copy or information.

8 (2) The OWEB Board shall establish the agency's list of fees for inspection and copying
9 of public records. The list of fees shall be posted on OWEB's website and shall be
10 available on request from OWEB. The OWEB Board shall review the list of fees adopted
11 from time to time in order to ensure that the fees reflect current actual costs.

12 (3) If the request appears to require services for which no fee has been established, the
13 actual costs will be determined or estimated by OWEB, and the requester will be notified
14 of those costs before OWEB complies with the request.

15 (4) OWEB may require that all or a portion of the estimated fees be paid before the
16 public record is made available for inspection or copies provided.

17 (5) Payment for public record requests may be made in the form of cash, check, or money
18 order.

19 **695-003-0040 Exception to Fee Charge; Fee Waivers and Reductions**

20 (1) There is no fee for obtaining one or more copies of a public record, if providing one
21 or more copies of that particular public record without charge is part of OWEB's
22 programs at the time of the request, including but not limited to the public distribution of
23 OWEB reports, news releases and public notices, and the routine provision of public
24 records or information from public records related to grant administration or the Oregon
25 Plan.

26 (2) Subject to the exception described in subsection (1), no fee waiver or reduction will
27 be given for OWEB's actual costs in providing access for inspection or furnishing copies
28 of public records, if those actual costs would be otherwise paid from funds dedicated to
29 watershed protection under Article IV, Section 4b, of the Oregon Constitution, federal
30 funding allocated by intergovernmental agreement to salmon recovery efforts, or license
31 plate revenues statutorily dedicated to salmon recovery projects.

OWEB Proposed Public Records Fee Schedule

- No charge for the first 30 minutes of staff time to provide the information requested.
- \$25 per hour for Support Services staff time after the first 30 minutes.
- \$40 per hour for Professional Services staff time after the first 30 minutes.
- No charge for the first 25 printed or photocopied pages.
- 25 cents per single-sided printed or photocopied page after the first 25 pages.
- 50 cents per two-sided printed or photocopied page after the first 13 pages.
- 25 cents per page faxed.
- \$2 per audio tape.
- \$2 per CD.
- Actual costs of mailing and/or shipping the materials.



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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February 28, 2008



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Greg Sieglitz, Monitoring and Reporting Program Manager
Renee Davis-Born, Data Analyst and Information Specialist

**SUBJECT: Agenda Item J: Wetlands Investments
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This report provides an update about several wetlands related activities and investments of importance to OWEB. Items included in this report are: 1) the recent award of approximately \$2.2 million to OWEB from the U.S. Fish and Wildlife Service to fund four coastal wetlands grants; 2) funding received by OWEB from the Oregon Geographic Information Council to support digitization of National Wetlands Inventory maps; and 3) joint submission of a proposal by OWEB and the Oregon Department of State Lands to the U.S. Environmental Protection Agency for compliance and effectiveness monitoring of wetlands projects. Staff will also request authority from the Board to award grants to local partners for the Salmon River Estuary project from the coastal wetlands grants.

II. Coastal Wetlands Grants

The National Coastal Wetlands Conservation Grant Program was established by Title III of P.L. 101-646, Coastal Wetlands Planning, Protection and Restoration Act of 1990. Under the Program, the U.S. Fish and Wildlife Service (USFWS) provides matching grants to states for acquisition, restoration, management or enhancement of coastal wetlands. To date, about \$183 million in grant monies have been awarded to 25 coastal states and one U.S. Territory to acquire, protect or restore over 250,000 acres of coastal wetland ecosystems. Typically, between \$13 million and \$17 million in grants are awarded annually through a nationwide competitive process. Funding for the program comes from excise taxes on fishing equipment and motorboat and small engine fuels.

To date OWEB has been awarded more than \$6 million in federal funds for the implementation of coastal wetland acquisition and restoration in Oregon. Oregon was awarded a Coastal Wetlands grant in 1998 for the Neawanna wetland acquisition in Seaside (\$170,000). In 1999, OWEB was awarded grants for the Coos-Coquille wetland acquisition and restoration (\$820,000), Tillamook wetland acquisition (\$750,000), and Smith River estuarine restoration (\$138,875) projects. In 2003, OWEB was awarded grants for the acquisition of estuarine lands in the Yaquina River estuary (\$952,214) and Circle Creek wetlands (\$750,000) in the Seaside area.

In June of 2007, OWEB submitted four applications on behalf of our coastal partners for project funding under the Coastal Wetlands Grant Program. On January 9, 2008, the Secretary of the Interior announced the awards that included all four applications submitted by OWEB. Combined, the four federal grants total approximately \$2.2 million and require a total state match of just over \$1 million.

The Coastal Wetlands Grants offer a significant partnership investment opportunity to restore and protect wetland and estuary ecological values, promote strong partnerships, and provide a two to one match of OWEB funds. If agreements between OWEB and local partners proceed this spring for the four federal grants, there is a tremendous opportunity to accomplish a significant amount of the restoration this summer. The following descriptions briefly identify the projects and their status, and describe the next steps in securing the required state match.

A. Lower Salmon River Estuary Restoration

The federal grant for the Lower Salmon River Estuary Restoration is \$754,800 with state match of \$395,000. This project is ready for funding at the March Board meeting.

1. Project Description

This project involves six separate activities that will complete the majority of the restoration of the Salmon River to intertidal inundation (short of alteration to the Highway 101 causeway). The individual projects are:

- Restoration of Tamara Quays (a trailer park diked from the estuary in the 1960s) by removing fill, infrastructure, and dike. The project will require replacing culverts that affect Rowdy Creek and reestablishing the Rowdy Creek channel through the old trailer park.
- Restoration of Pixieland, an abandoned amusement park. The project will require removal of infrastructure, dike removal and re-meandering Salmon Creek.
- Restoration of Crowley Creek by filling a ditch through the marsh surface and breaching a dike along the creek east of Knight Park.
- High-marsh restoration on the Gnos property by filling a subsided marsh to high-marsh elevations.
- Reclamation of Frazier Creek to protect from fish stranding.
- Placing large wood in the estuary.

2. Partners

The partners in the Lower Salmon River Estuary project are the U.S. Forest Service, Salmon-Drift Watershed Council (SDWC), Mid-Coast Watersheds Council (MCWC), Oregon Department of Transportation (ODOT), and Oregon Department of State Lands (DSL).

3. Process and Status

The Lower Salmon River Estuary project is ready for funding by the Board. The state match for this project is OWEB's approval of \$232,614 for grant application #208-1040 for the Tamara Quays element of the project. This application is recommended for

funding in Agenda Item F, Region 1. Additional state match of \$218,000 will come from funding from ODOT and DSL.

Since there are a large number of elements to the project, it is likely that the entire project will be accomplished through multiple grant agreements. For example, the Tamara Quays element will be implemented through a grant to the SDWC (if approved by the Board). Other elements might be implemented by the MCWC, SDWC, or other eligible parties as identified. Staff have initiated discussions with staff of both councils and is waiting for Board action to finalize implementation details with each watershed council so that grant agreements can proceed.

Staff are asking the Board to authorize the Director to enter into grant agreements for the \$754,800 federal grant. This will allow for agreements to be finalized soon after the other state match and implementation details are completed.

B. Lint Slough Restoration

The federal grant for Lint Slough Restoration is \$310,000 with \$265,000 of state match.

1. Project Description

Lint Slough in the Alsea Bay was altered significantly in the 1950s to rear juvenile fish. The fishway was created by dredging through salt marsh and rerouting Lint Slough channel through a salt marsh. In 2000, OWEB funded a technical evaluation of the project to restore the site to intertidal marsh and relocate the channel to its original location. During the summer of 2007 the first phase of restoration was completed. The grant will fund the remaining two phases of restoration.

2. Partners

The partners in the Lint Slough project are the Oregon Department of Fish and Wildlife and MCWC.

3. Process and Status

Staff have requested submission of a restoration grant application for the Lint Slough state match. Staff will have a group of the Region 1 Regional Review Team (RRT) members review the application and will present the proposal to the Board Partnership Investments Subcommittee for its review. If the review is complete by the end of April, staff may recommend a Board allocation of \$265,000 at the May Board meeting.

C. Yaquina Acquisition

The federal grant for the Yaquina Acquisition is \$95,725 with a state match of \$46,250.

1. Project Description

The Wetlands Conservancy (TWC) identified a parcel of land that complements their previous acquisitions in the Yaquina Estuary. The property is 61 acres and the acquisition will protect high salt marsh in the Poole Slough area.

The Yaquina is unique in that nearly all the intertidal lands were deeded to competing railroads as an enticement for the construction of a railroad from Corvallis to Newport.

The railroad was never built, and the tidelands were deeded to private parties. This grant will add to the conservation purchase of intertidal areas in the Yaquina estuary.

2. Partners

The partners in the Yaquina Acquisition project are TWC, Lincoln Soil and Water Conservation District (SWCD), MCWC, Pacific Forest Trust, Central Coast Land Conservancy (CCLC), and The Nature Conservancy (TNC).

3. Process and Status

Staff have requested TWC to submit a complete land acquisition application, including all required due diligence materials, for OWEB to consider funding the state match component to the Yaquina Acquisition project. Staff will have a group of the Region 1 RRT members review the application for its ecological and educational benefits. The Board Acquisition Subcommittee will be asked to review the application based the land acquisition evaluation criteria, and the results of the RRT evaluation and due diligence review. If this review is complete by the end of April, staff may recommend a Board allocation of \$46,250 in capital funds for this project at the May 2008 Board meeting.

D. Alsea Bay Acquisition

The Alsea Acquisition federal grant is \$997,350 with state match of \$301,000.

1. Project Description

TWC has identified a parcel of land that complements their previous acquisitions in the Alsea Estuary. The property is 223 acres and the project will allow the diked marsh area to be restored to intertidal function.

2. Partners

The partners in the Alsea Bay Acquisition project are TWC, MCWC, private landowner, CCLC, TNC, and Lincoln SWCD.

3. Process and Status

Staff have requested TWC to submit a complete land acquisition application, including all required due diligence materials, for the state match to the Alsea Bay Acquisition project. Staff will have a group of the Region 1 RRT members review the application for its ecological and educational benefits. The Board Acquisition Subcommittee will be asked to review the application based the land acquisition evaluation criteria, and the results of the RRT evaluation and due diligence review. If this review is complete by the end of April, staff may recommend a Board allocation of \$301,000 in capital funds for this project at the May 2008 Board meeting.

III. Digitization of National Wetlands Inventory Maps

In recent years, significant progress has been made toward building an electronic map of all wetlands located in the state that is readily available and based on data from the National Wetlands Inventory (NWI). These data are critical to local and state-level decision-making. The maps are the basis for the state's wetland mitigation program, as well as, useful to watershed councils and soil and water conservation districts for determining the change in wetland area over time and for prioritizing restoration activities.

By the end of 2005 only 39 percent of the state was available as geographic information system (GIS) data layers. In 2006, OWEB received \$75,000 in funding from the Oregon Geographic Information Council (OGIC), the governing body overseeing GIS development across state government, to coordinate digitization of 353 NWI maps by Oregon Corrections Enterprises, and to develop a data standard and stewardship plan for the new digital wetland maps.

In November of 2007, OWEB staff submitted a proposal to OGIC to fund additional digitization of NWI maps at the encouragement of The Wetlands Conservancy and the Oregon Department of State Lands. In January of 2008, OGIC awarded \$48,000 to OWEB for the digitization of 240 additional maps. This will grow the coverage of high-quality publicly available NWI maps to nearly 70 percent of Oregon's land area. (Attachment A)

OWEB staff are coordinating with the U.S. Fish and Wildlife Service's (USFWS) National Wetlands Inventory office and Oregon Corrections Enterprises to implement the upcoming digitization work. Digital maps are scheduled for delivery by Corrections staff in September of 2008. Final quality assurance and quality control work will be conducted by USFWS staff.

This project is complemented by The Wetlands Conservancy's initiative to revise outdated NWI maps in western Oregon. In total, these two projects will result in over 75 percent of the state having comprehensive, electronic maps delineating the location of wetlands.

Staff are likely to report back to the Board at the May 2008 Board meeting on the results of the work conducted this spring and to request consideration of funding from Pacific Coastal Salmon Recovery Funds for digitization of the remaining NWI maps in Oregon.

IV. Compliance and Effectiveness Monitoring of Wetlands Projects

OWEB has provided nearly \$10 million to wetland restoration projects around the state between 1999 and 2008. This is the sixth largest investment in restoration activity of all project types undertaken using Measure 66 funds. As such, OWEB staff have identified wetland restoration projects as a significant type of restoration activity and the next project type positioned for effectiveness monitoring focus.

OWEB staff have worked with the U.S. Environmental Protection Agency (EPA) to establish a wetland monitoring and assessment program in Oregon. In late January of 2008, EPA released its 2008 Request for Proposals for Wetlands Program Development Grants. Priority areas identified by EPA for this funding cycle include 1) developing a comprehensive monitoring and assessment program, 2) improving the effectiveness of compensatory mitigation, and 3) refining the protection of vulnerable wetlands and aquatic resources.

Staff from Oregon Department of State Lands (DSL) and OWEB developed a grant proposal to EPA that creates the framework for an Oregon Wetland Monitoring and Assessment Program encompassing compliance monitoring of the State's compensatory wetland mitigation projects and effectiveness monitoring of restoration projects. The grant application is due March 14, 2008, and OWEB should be notified of EPA's decision by early May of 2008.

The purpose of the program will be to quantify the functions, conditions, and associated services of naturally occurring and restored wetlands. Of particular importance to OWEB is the information from the wetland monitoring and assessment program that will be used to report on

the effectiveness of wetland restoration and conservation projects. This work will interface well with the planned national assessment of wetlands planned for rollout by EPA in 2010.

DSL will use the resulting wetland information to evaluate the performance of compensatory wetland mitigation projects. OWEB will use the wetland monitoring information to report on the effectiveness of funded restoration activities (i.e., are restoration projects having a measurable, positive effect on the condition of wetlands within a watershed) and guide the geographical placement and design of future restoration practices. DSL and OWEB staff will propose that initial implementation of the wetland monitoring and assessment program focus on the development of a wetland monitoring network within the Willamette Basin, which likely would complement and inform investments associated with the Willamette Special Investment Partnership.

Staff will present alternatives for future funding of effectiveness monitoring to the Board Monitoring and Research Subcommittee, including companion funding for wetland effectiveness monitoring in additional Oregon Plan Reporting Basins. The results of the Subcommittee discussions will be presented to the Board at the May 2008 Board meeting.

V. Staff Recommendation

Staff recommend the Board delegate to the Director the authority to enter into the appropriate grant agreements for the \$754,800 in USFWS funds to accomplish the Lower Salmon River Estuary restoration project as identified in the federal grant application.

Board action is not requested at this time on the digitization of wetlands maps and the potential EPA grant for compliance and effectiveness monitoring of wetland projects.






Attachment

- A. Status map of National Wetlands Inventory digitization

Oregon Status Map National Wetlands Inventory February 2008



Legend

-  Outdated Partial Quads (updated product in development by TWC)
-  Outdated Final Quads (updated product in development by TWC)
-  Digital
-  2008 Digitizing
-  Remaining Quads to be Digitized

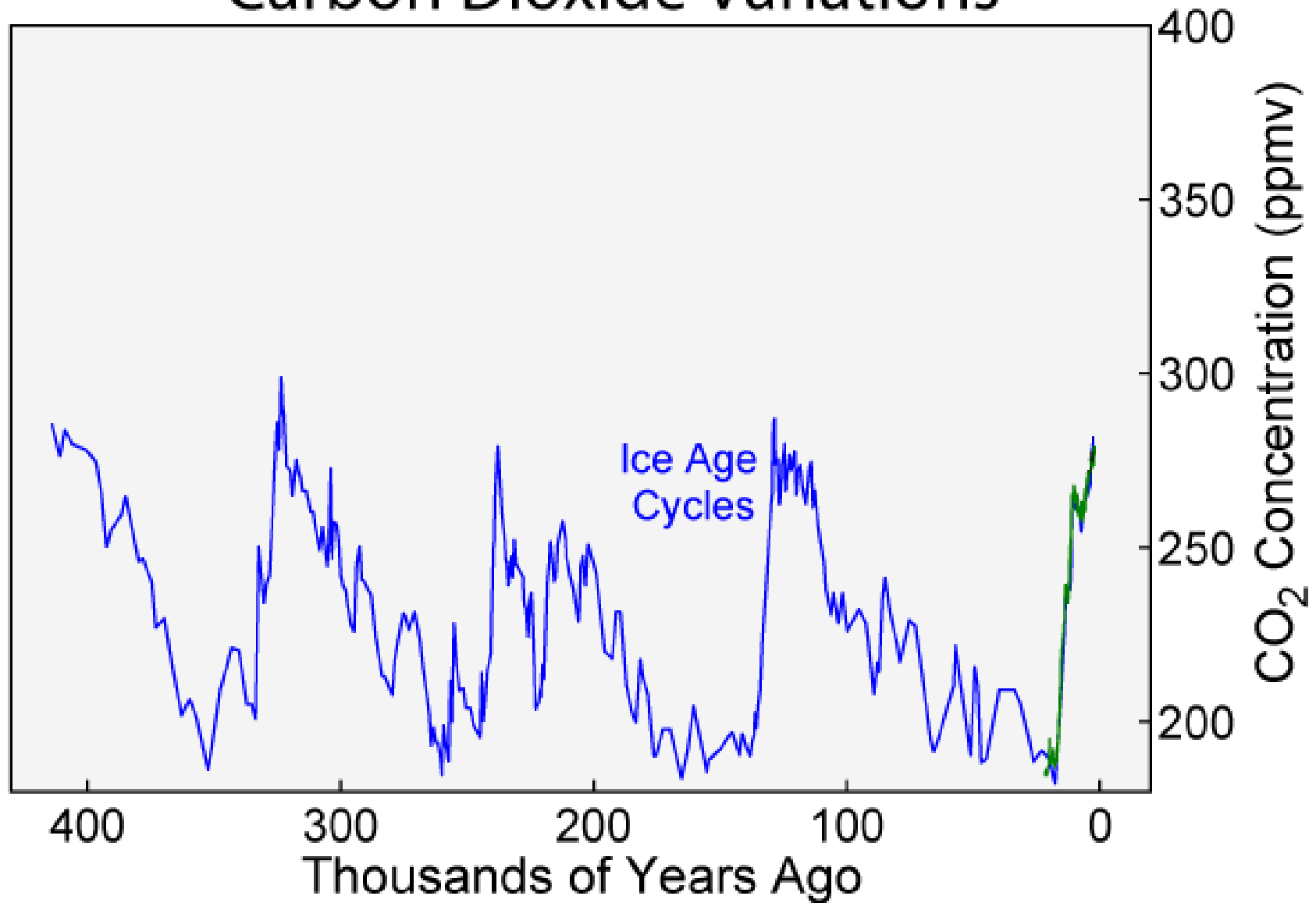
0 15 30 60 90 120
Miles

Adapting to the Effects of Climate Change in Pacific Northwest Forests

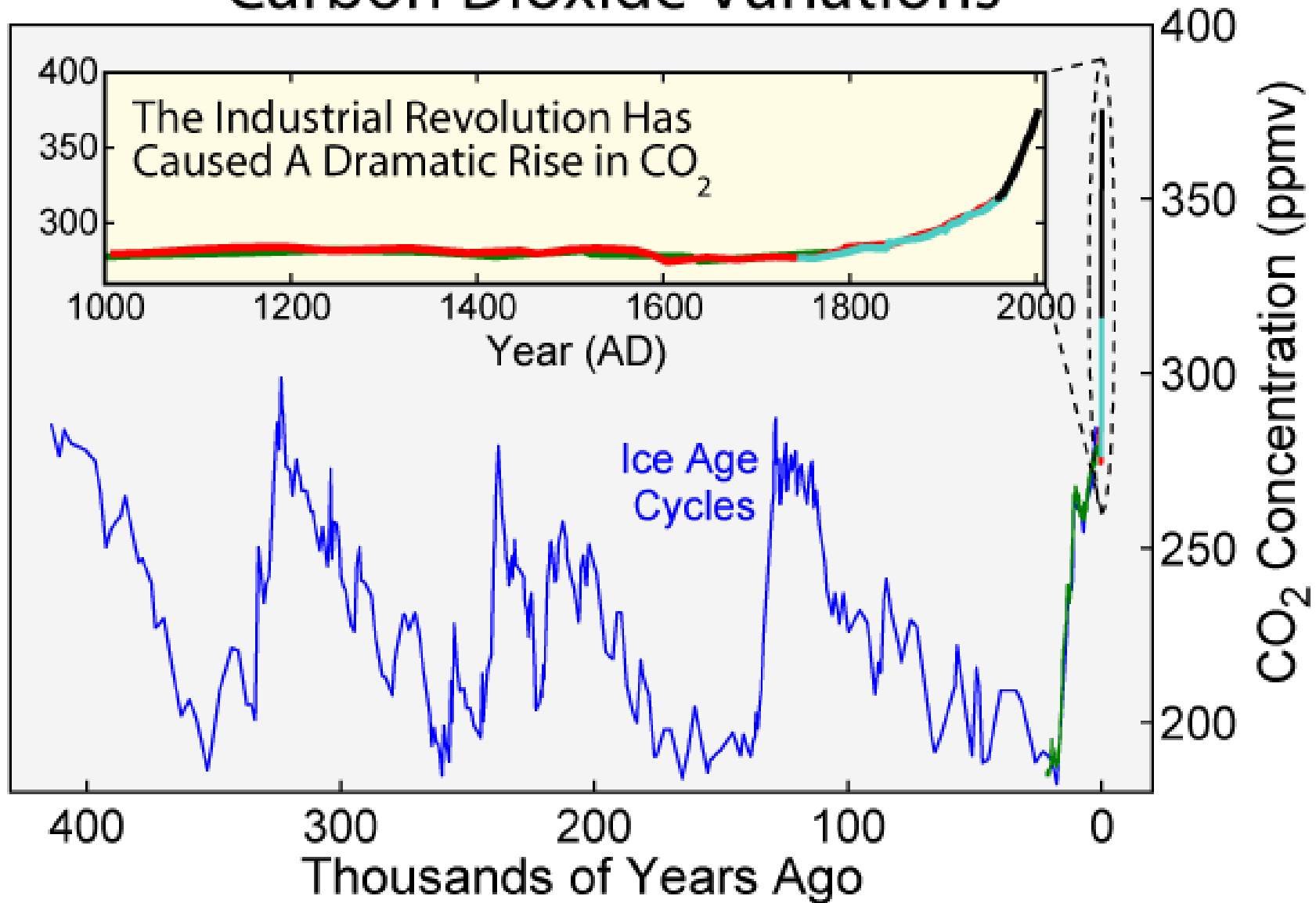


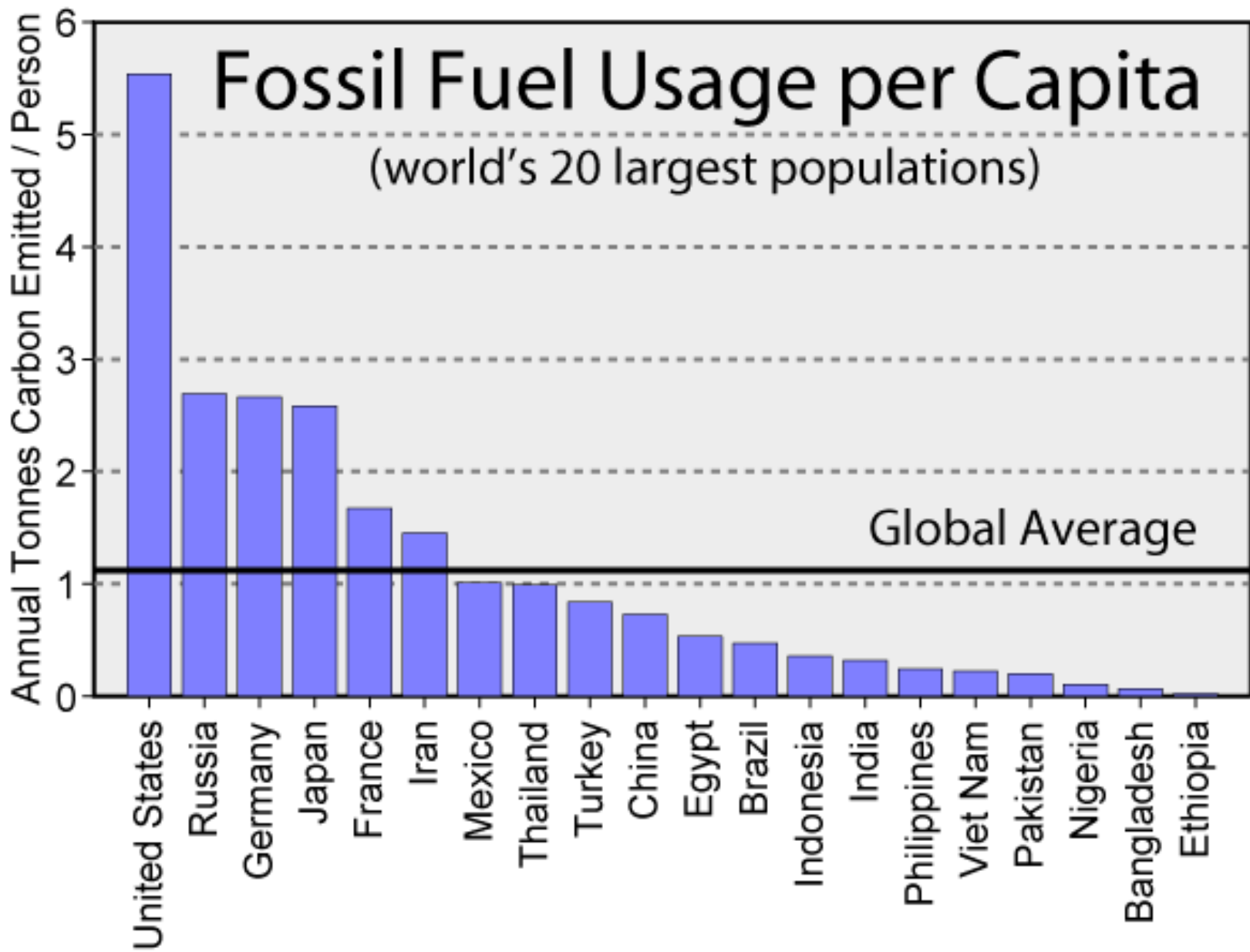
Jessica E. Halofsky
David L. Peterson
Pacific Wildland Fire Sciences Lab
Seattle, WA

Carbon Dioxide Variations

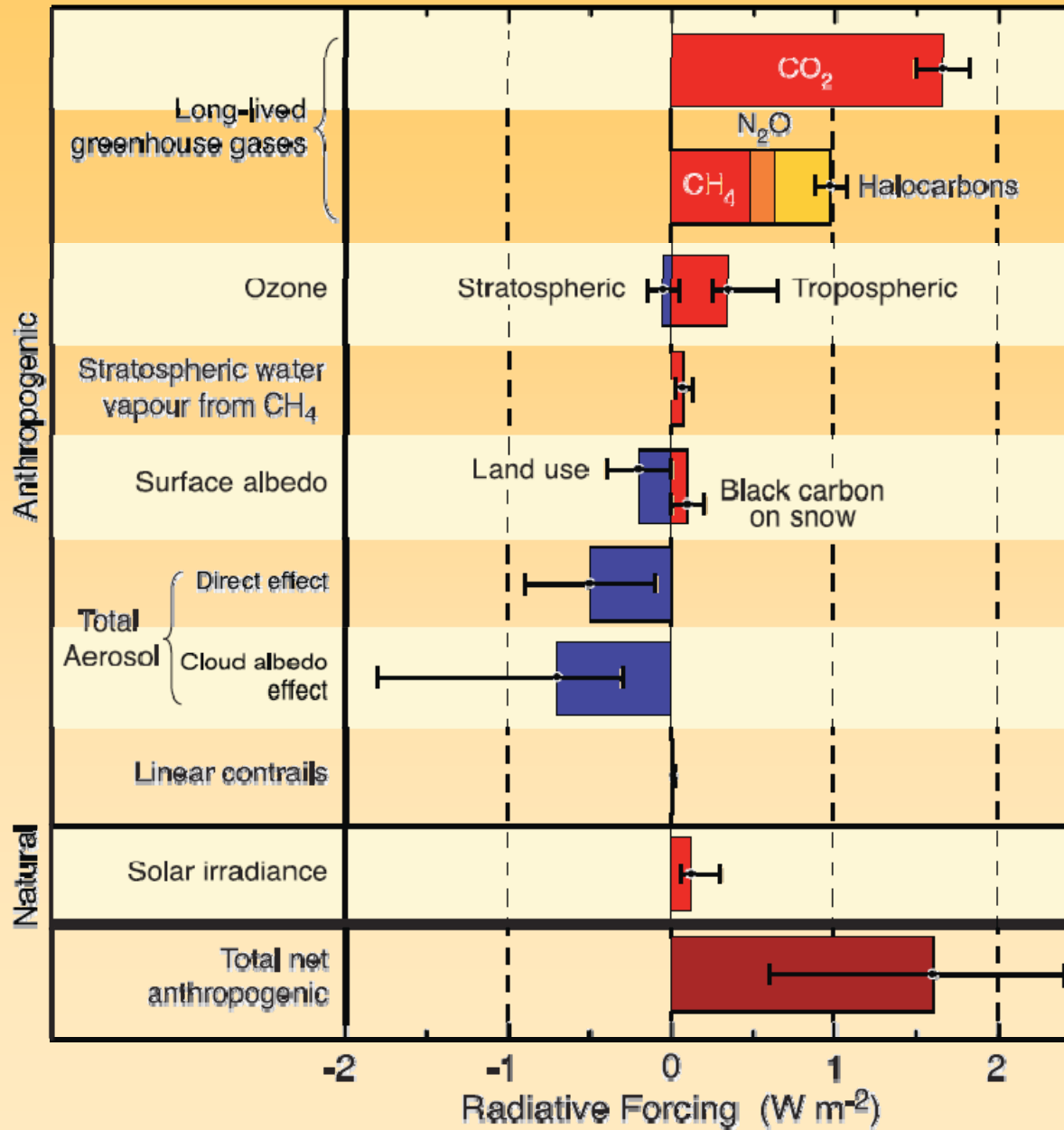


Carbon Dioxide Variations

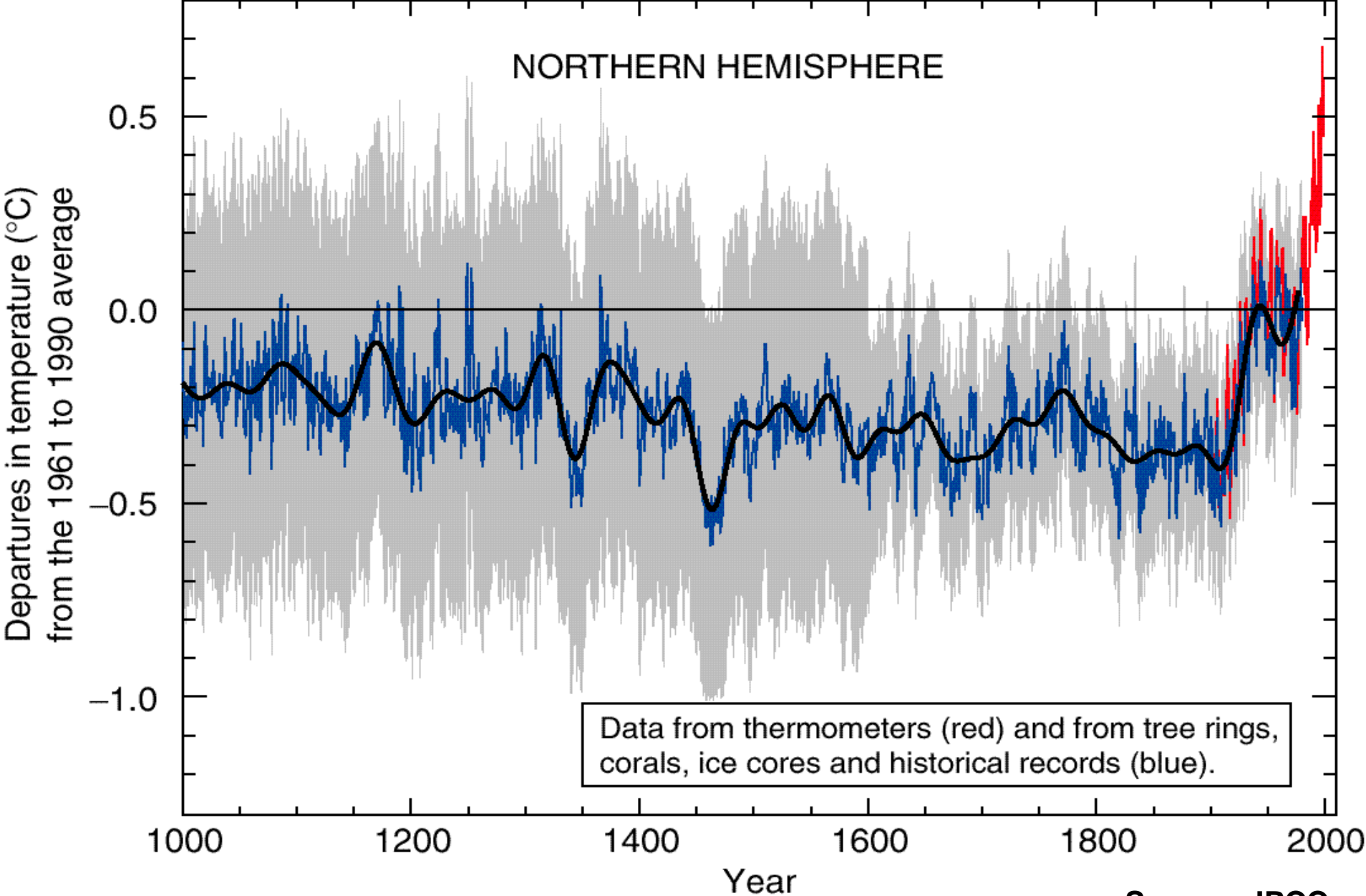




Radiative Forcing Components of Global Warming



the past 1,000 years

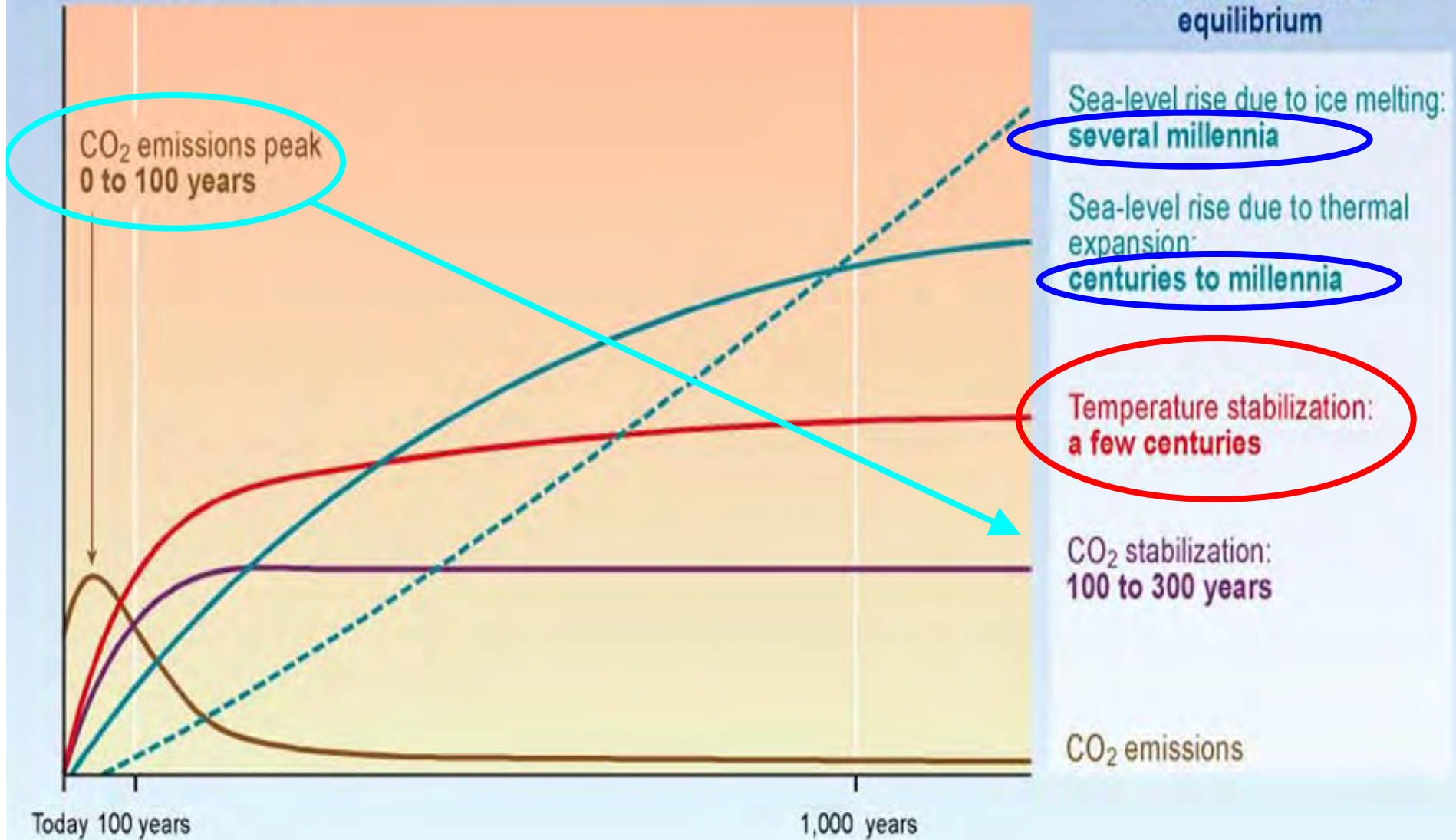


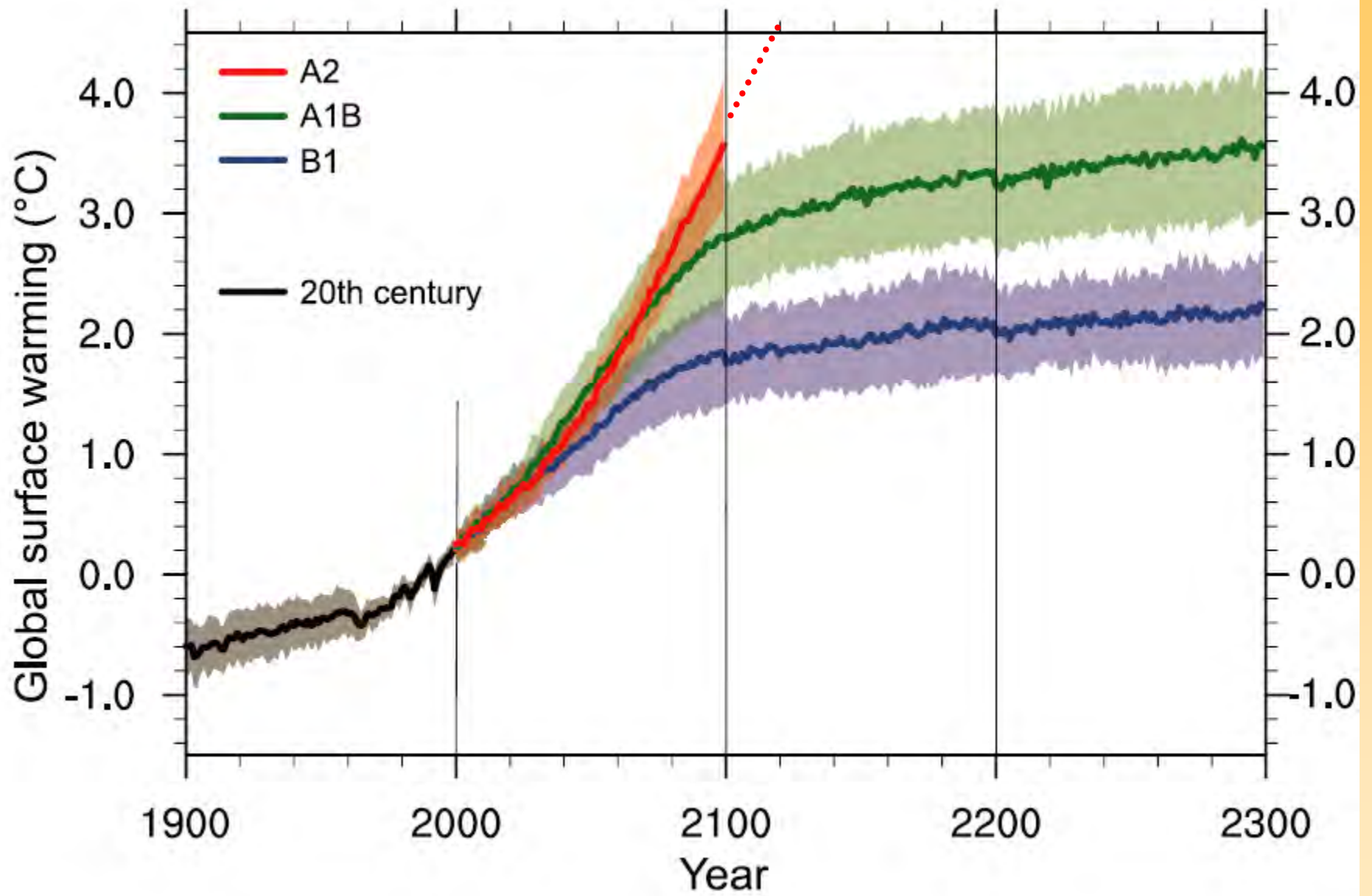
Source: IPCC

CO₂ concentration, temperature, and sea level continue to rise long after emissions are reduced

Magnitude of response

Time taken to reach equilibrium





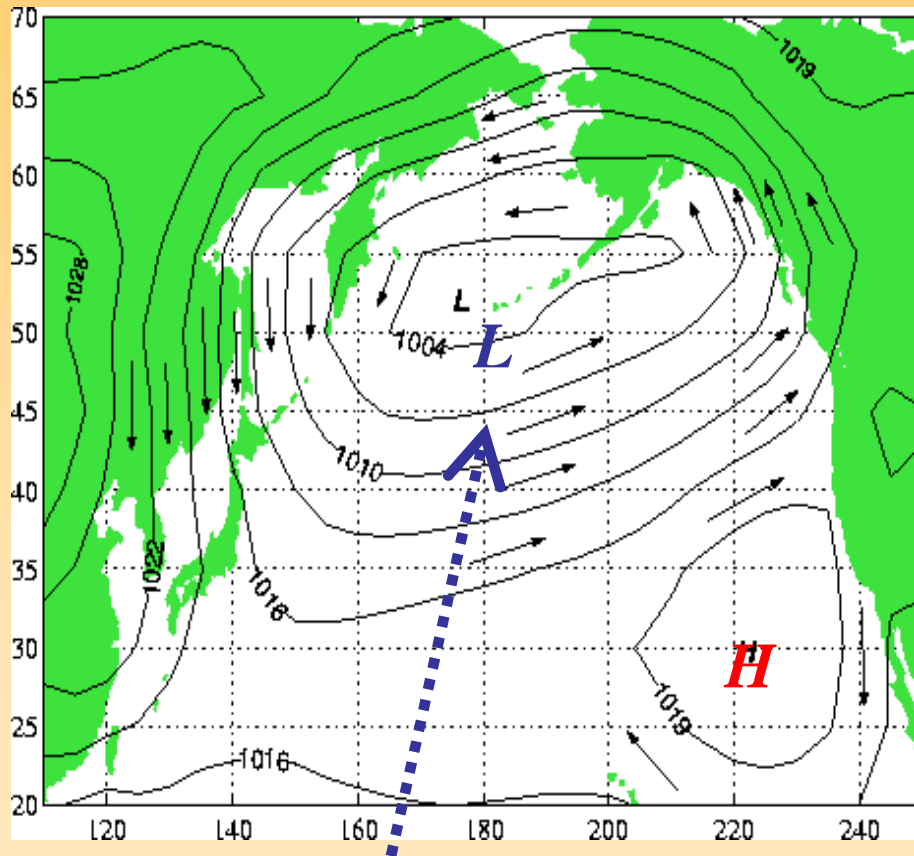
© Original Artist
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© Mike Baldwin / Corbis



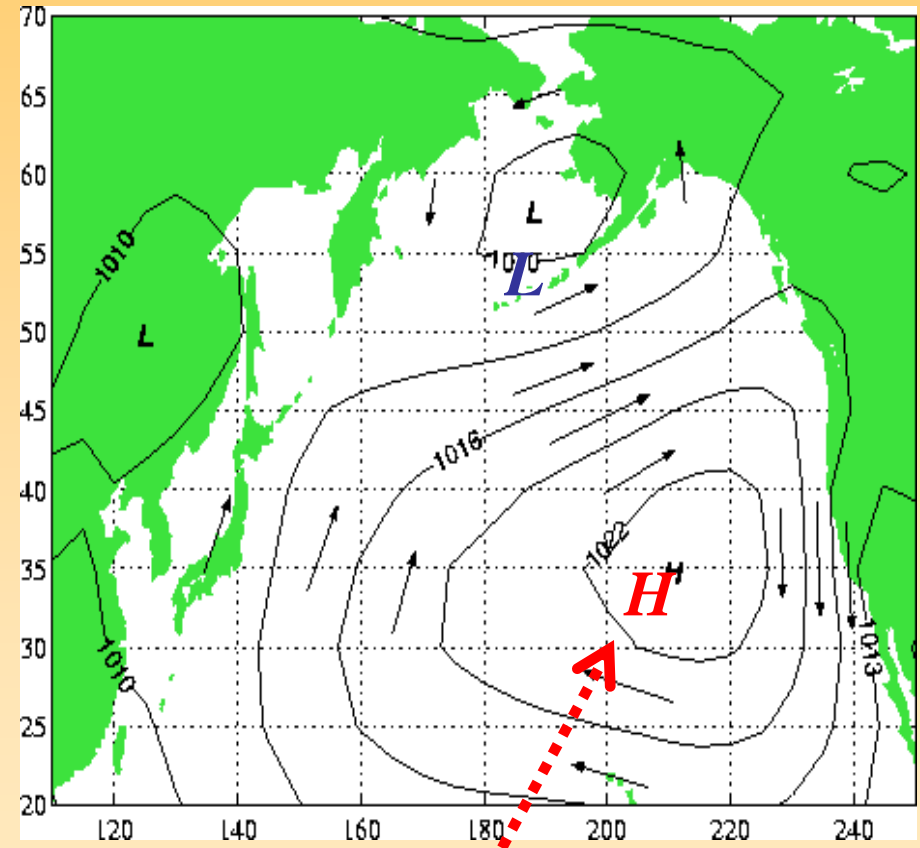
The ice caps were melting and no one seemed to care. Except the guy who had to clean it up.

Winter winds and pressure over the North Pacific



“Aleutian Low”

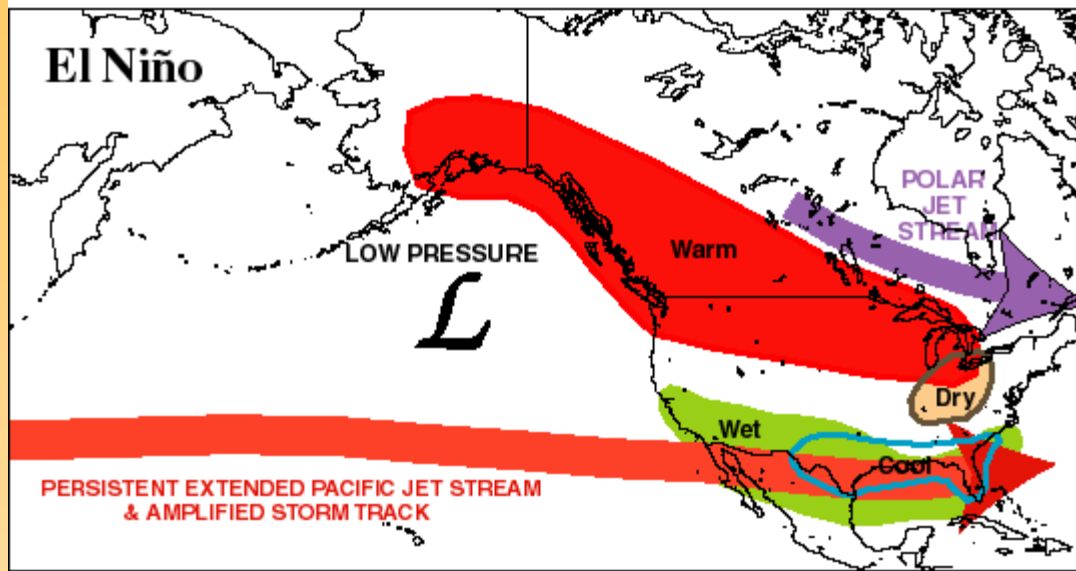
Summer winds and pressure over the North Pacific



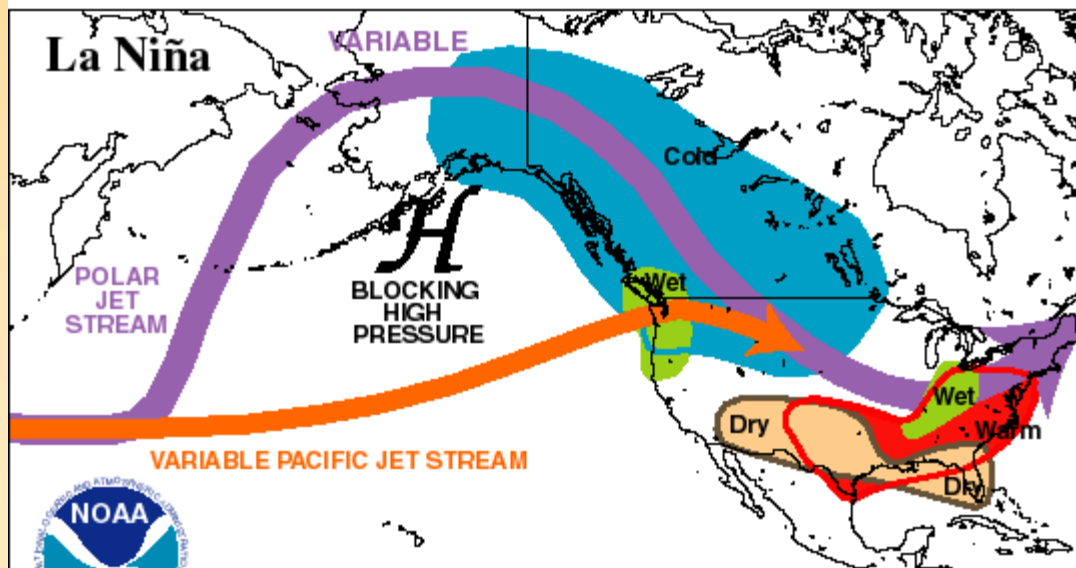
“Subtropical High”

**TYPICAL JANUARY-MARCH WEATHER ANOMALIES
AND ATMOSPHERIC CIRCULATION
DURING MODERATE TO STRONG
EL NIÑO & LA NIÑA**

Warm, dry

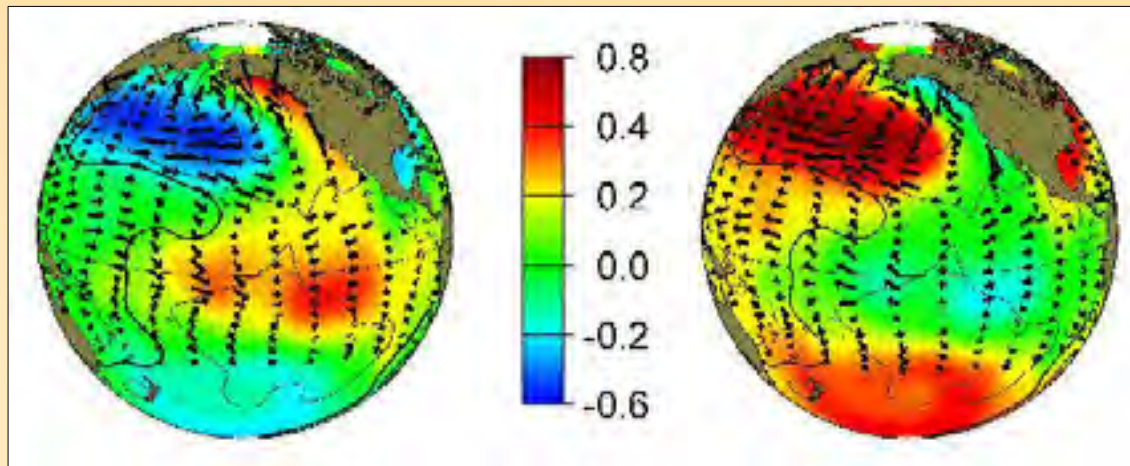
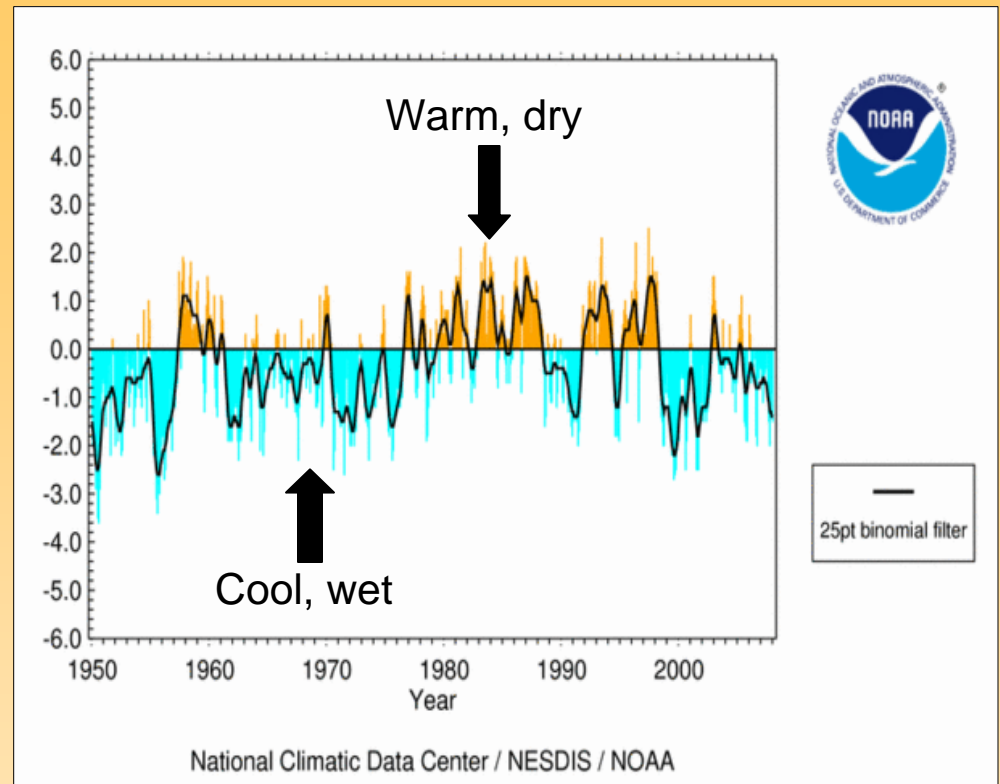


Cool, wet

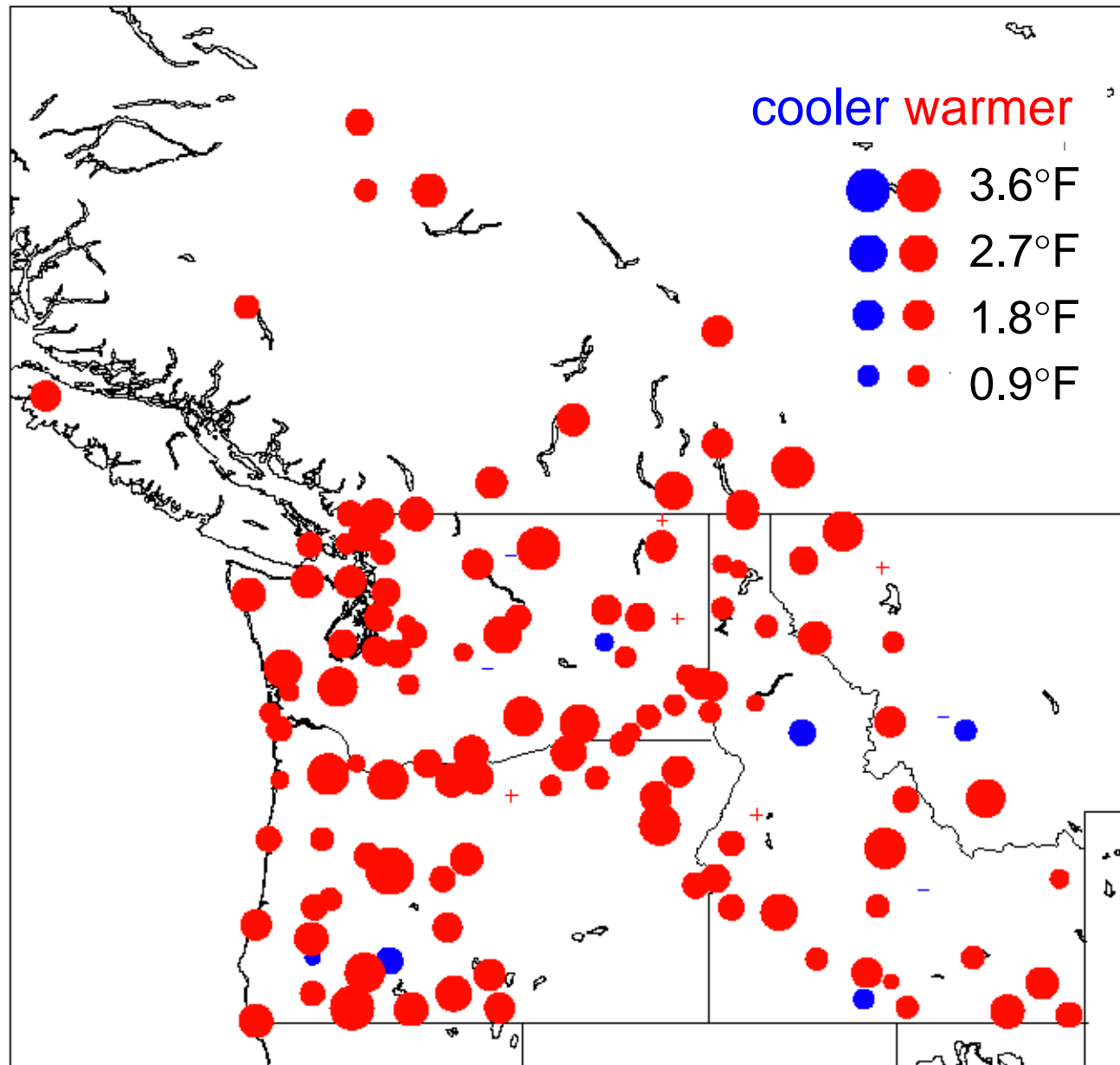


Pacific Decadal Oscillation

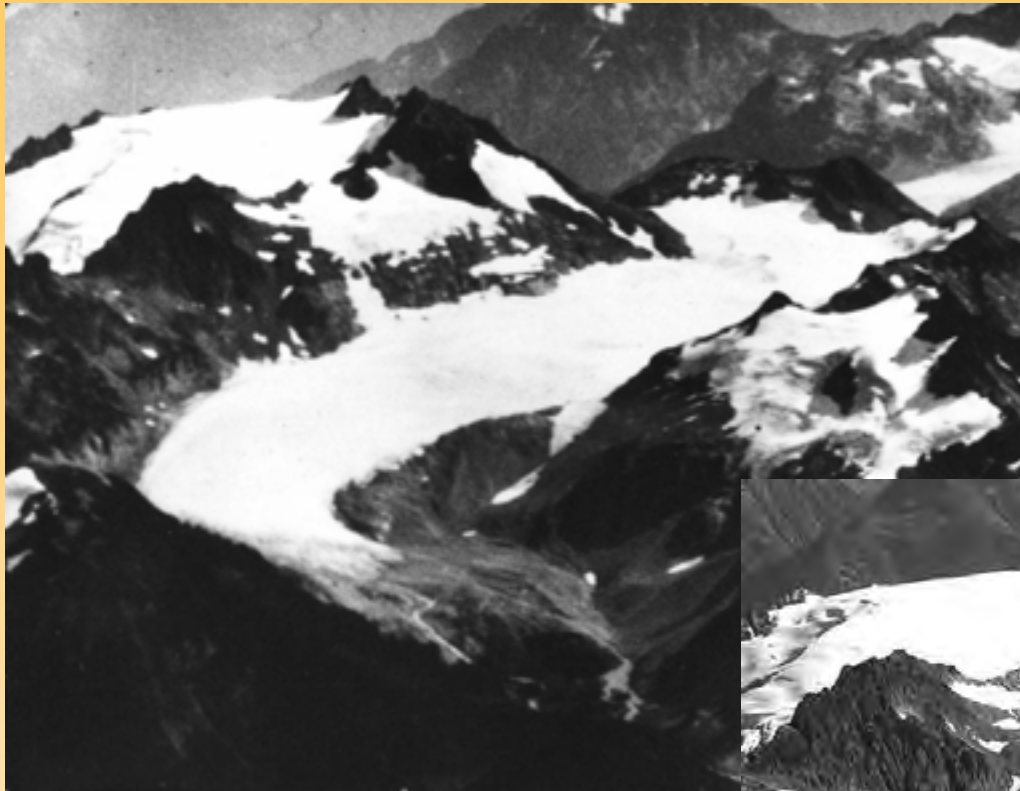
- An El Niño-like pattern of climate variability
- 20 - 30 year periods of persistence in North American and Pacific Basin climate



Temperature trends (°F per century) since 1920



**Nearly every glacier in
the Cascades and
Olympics has retreated
during the past 50-150
years**



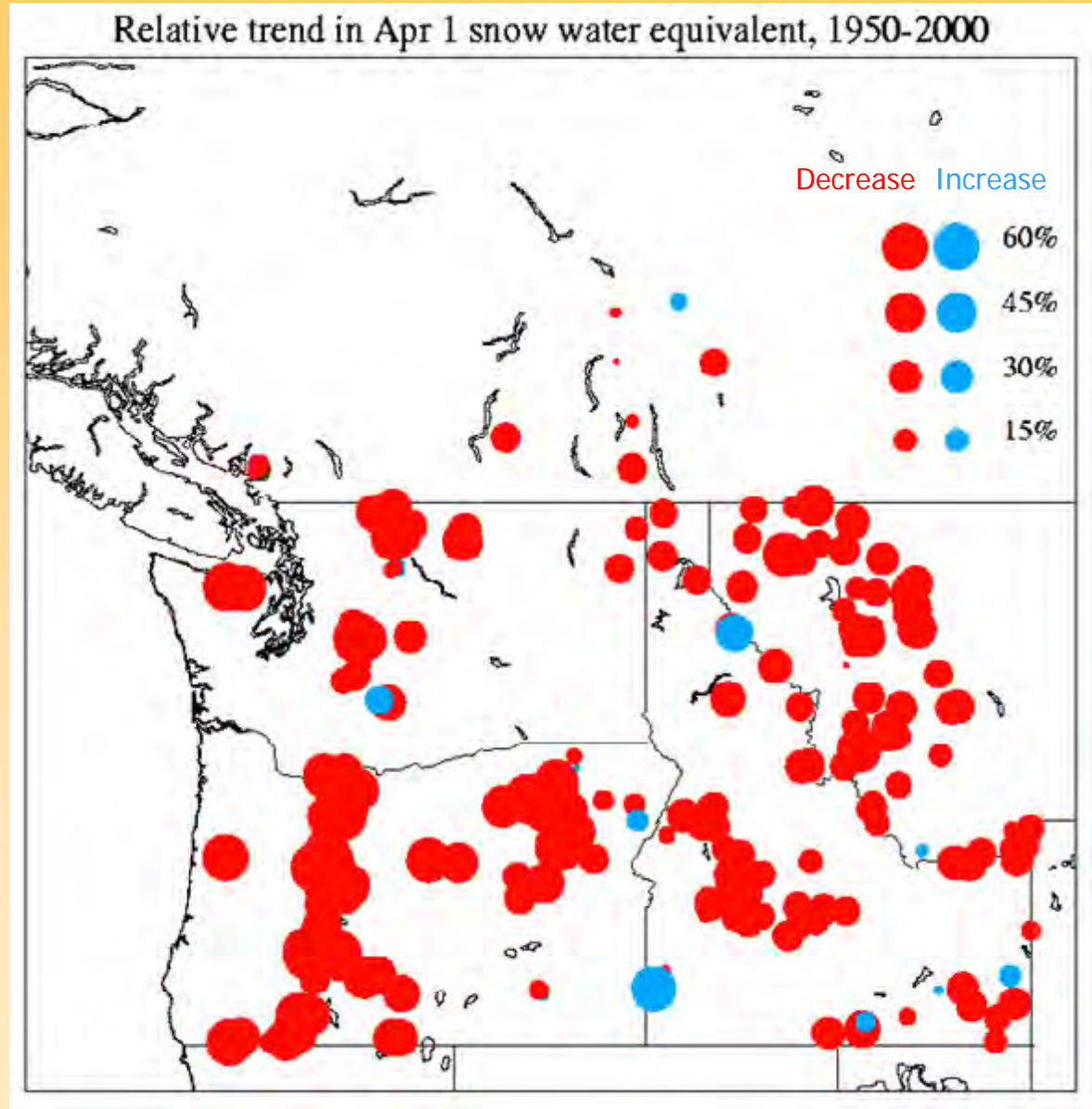
***South Cascade
Glacier, 1928 (top)
and 2000 (right)***

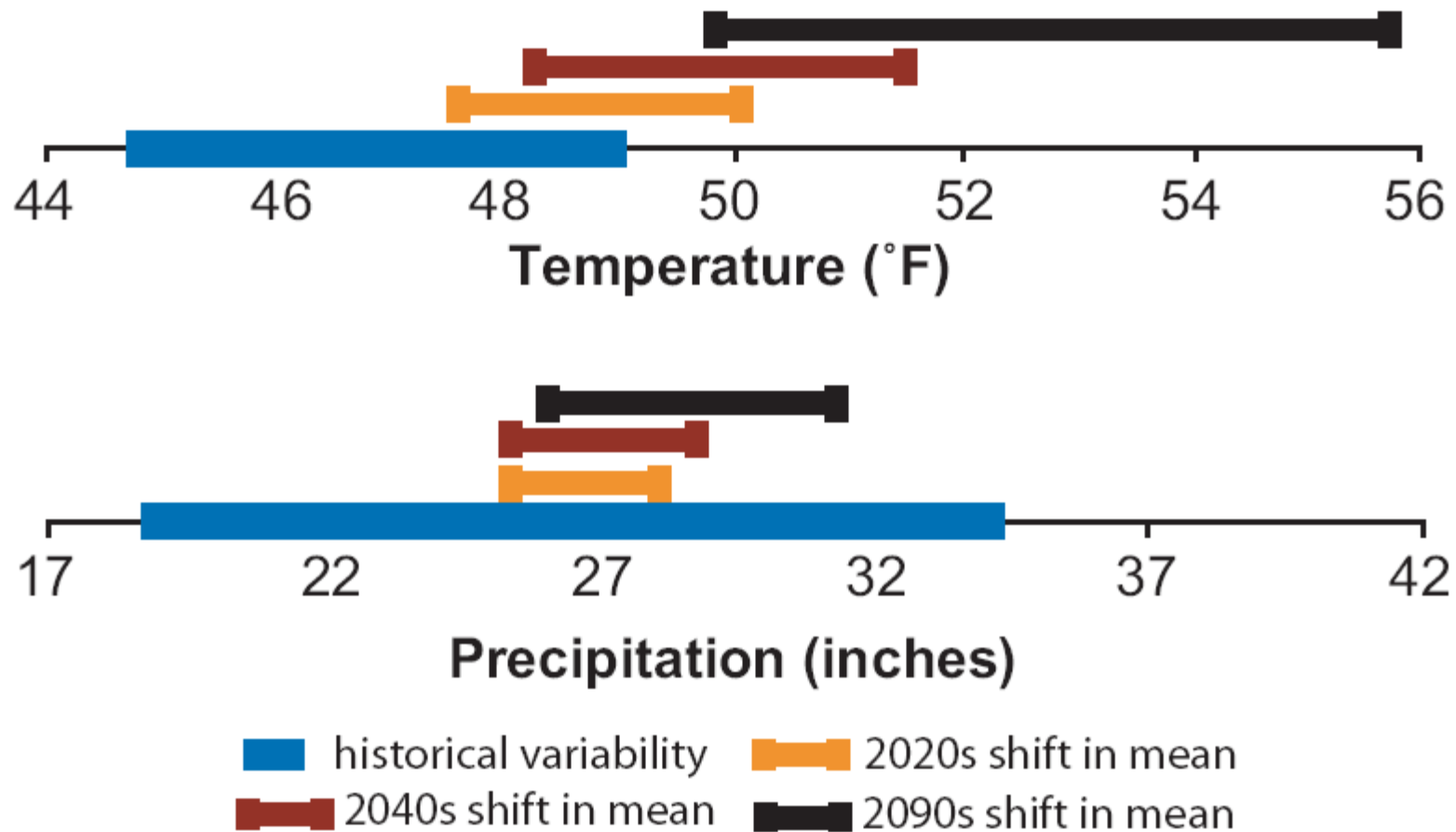
Photos courtesy of Dr. Ed Josberger, USGS
Glacier Group, Tacoma, WA

USGS

Snow Water Equivalent Trends

- **Most PNW stations show a decline in snow water equivalent**
- **Numerous sites in the Cascades with 30% to 60% declines**
- **Similar trends throughout the western U.S.**





Comparison of observed year-to-year variability and projected shifts in temperature and precipitation from climate models

Climate controls ecosystem processes

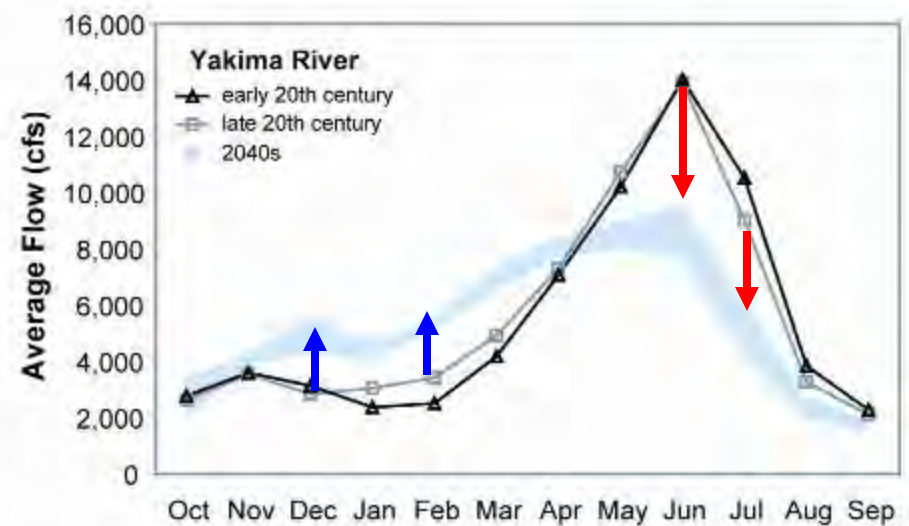
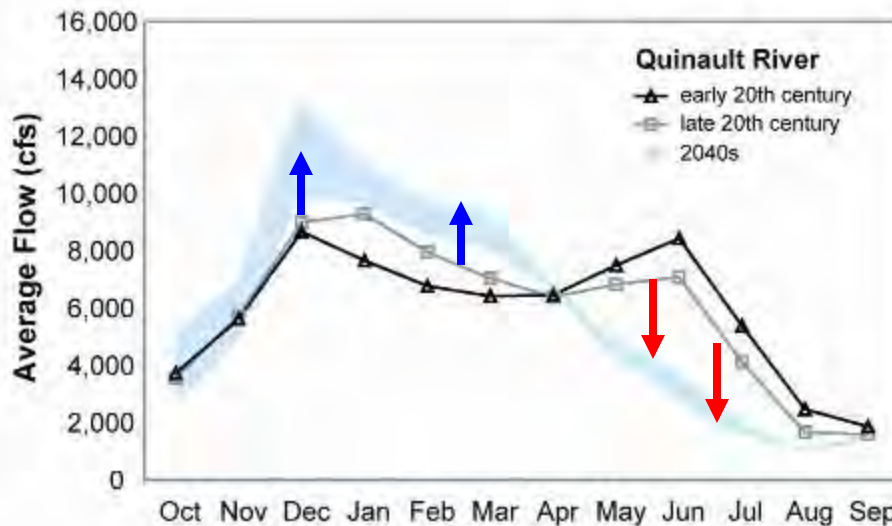
- Species distribution and abundance
- Vegetation productivity and growth
- Hydrologic cycle
- Disturbance
 - Fire
 - Insect outbreaks



Climate Change and Streamflow

- More winter rain, less snow → **higher winter streamflows**
- Warmer temperatures → **earlier snowmelt and shift in timing of peak runoff**
- Lower winter snowpack → **lower spring and summer flows**

Projected streamflow changes, 2050s



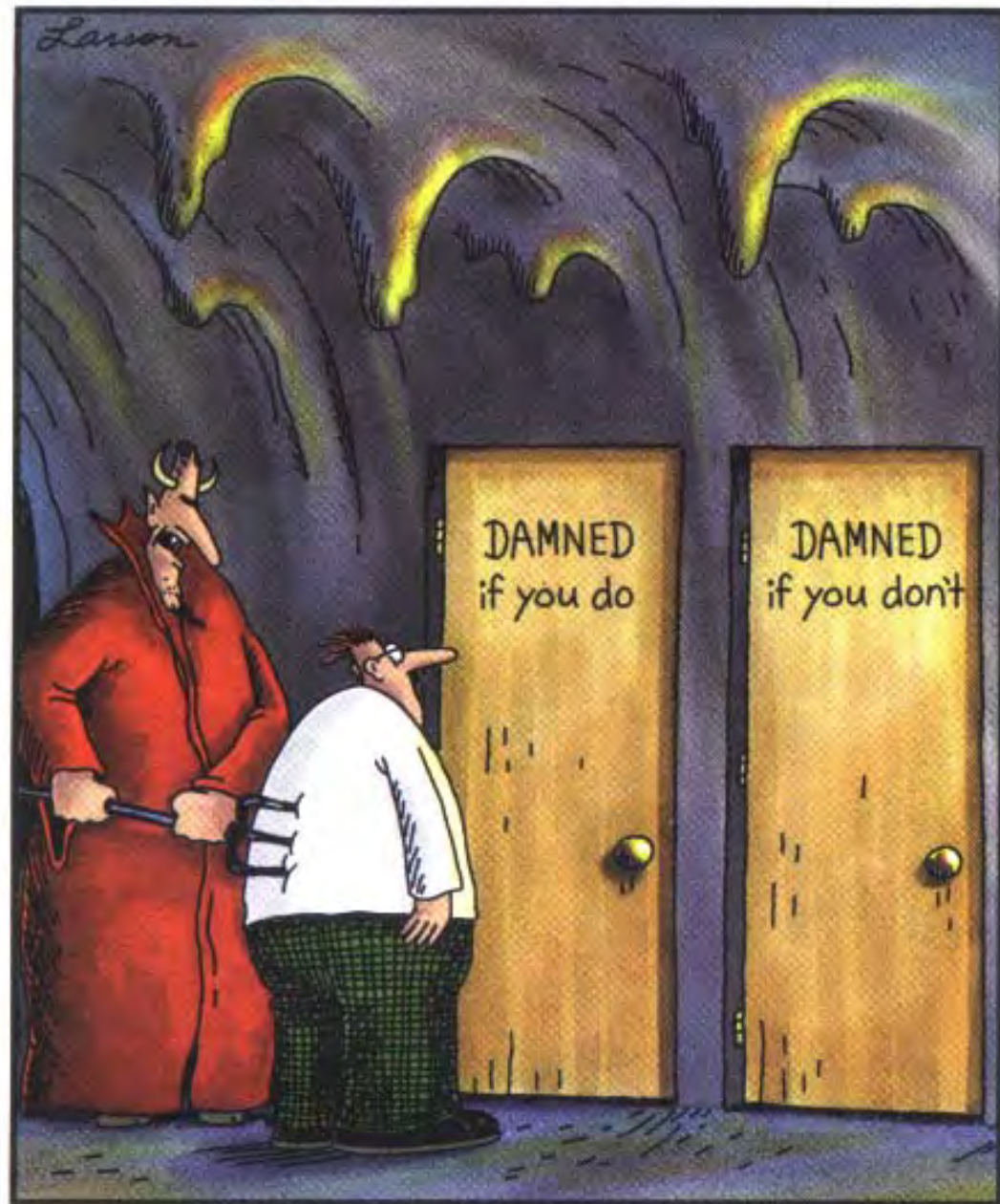
+3.6 to +5.4°F
(+2 to +3°C)

Climate Change and Fire

- Warmer and drier spring conditions =
 - early snowmelt
 - lower summer soil and fuel moisture
 - longer fire seasons
 - increased fire frequency and extent
- Fire intensity and severity may also increase



Adaptation strategies for natural resource management?



“C’mon, c’mon—it’s either one or the other.”

Can resource management help adapt to climate change?

General adaptation strategies

- *Implement* adaptive management
- Incorporate uncertainty in science and management
- View fire disturbance (and ecological disturbance in general) as an opportunity
- Work with your neighbors – collaboration among organizations

Adaptation strategy #1

Increase landscape diversity

Increase resilience at large spatial scales

--Treatments and spatial configurations that minimize loss of large number of structural and functional groups

Increase size of management units

-- Much larger treatments and age/structural classes

Connectivity

Adaptation strategy #2

Maintain biological diversity

Modify genetic guidelines

Experiment with mixed species, mixed genotypes

Assist colonization, establish neo-native species

Identify species, populations, and communities that are sensitive to increased disturbance

Adaptation strategy #3

Manage for realistic outcomes

Identify key thresholds for species and functions

Determine which thresholds will be exceeded
(e.g., Pacific salmon)

Prioritize projects with high probability of success;
abandon hopeless causes

Identify those species and vegetation structures
tolerant of increased disturbance

Adaptation strategy #4

Incorporate climate change in restoration

Reduce emphasis on historical references

Reduce emphasis on guidelines based on static relationships (e.g., plant associations, habitat types)

Develop performance standards appropriate for accomplishing realistic restoration trajectories

Adaptation strategy #5

Anticipate big surprises

Expect mega droughts, larger fires, system collapses, species extirpations, etc.

Incorporate these phenomena in planning

Thank you!



Jessica Halofsky: jhalo@u.washington.edu

Other Resources:

Climate Change Resource Center: <http://www.fs.fed.us/ccrc>

US Climate Change Science Program Synthesis and
Assessment Product 4.4 (SAP 4.4):

<http://www.climate-science.gov/Library/sap/sap4-4/default.php>

Carbon in forest ecosystems

Carbon dioxide (CO₂) is emitted by human activities

- Fossil fuel combustion (autos, industry)

CO₂ is emitted by natural processes

- Fire, decomposition, respiration

Trees conduct photosynthesis by assimilating CO₂, a limiting factor for productivity and growth.

Forests take up and store large quantities of carbon on a global and regional basis

- But annual uptake in Oregon only ~20% of emissions

Can resource management help mitigate climate change?

Increase rotation length

Retain woody debris on site or utilize it for products

Extend the life cycle of wood products; encourage recycling, re-use

Protect forests from crown fire (suppression, fuel management)

Potential market for carbon credits?

Carbon budgets

Storage (quantity) vs. uptake (rate)



Storage

ton / ac

25 - 50

Uptake

ton / ac / yr

3 - 6

250 - 500+

(300?)

+0.5?



Climate Change: Truth and Consequences



Ronald P. Neilson
USDA Forest Service
Pacific Northwest Research Station
Corvallis, OR, USA



MAPSS Team

(Mapped Atmosphere-Plant-Soil System)

USFS Pacific Northwest Research Station
Managing Disturbance Regimes Program

Ron Neilson, Leader

Jim Lenihan, USFS

Ray Drapek, USFS

Lisa Balduman, USFS

Cooperators:

Dominique Bachelet, TNC

Dave Conklin, OSU

John Wells, OSU



Are we warming up?
If so, what is happening?

Just a few examples!
From the entire Earth
System

Ice, Air, Land and Sea

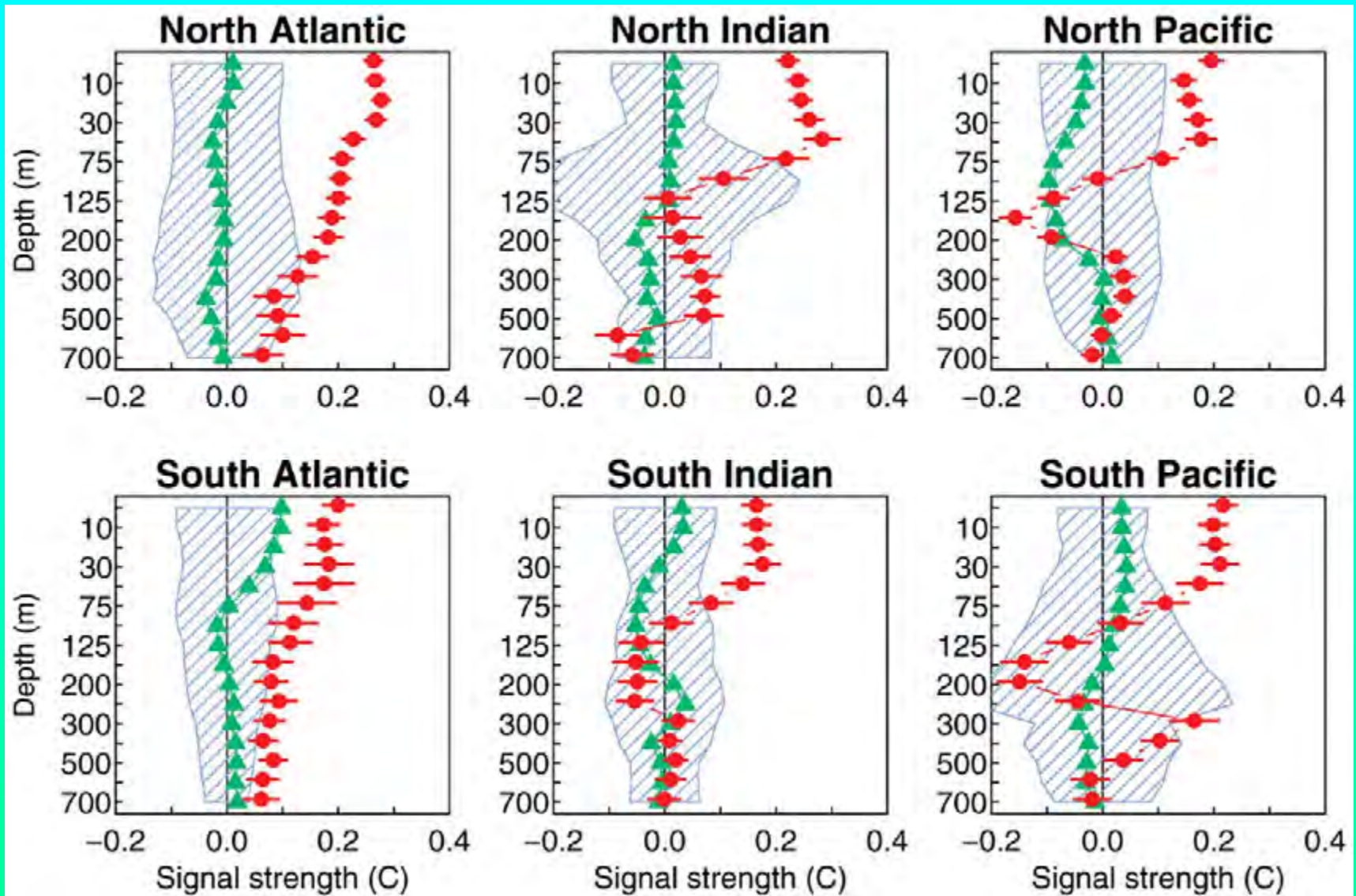


Treeline is Advancing



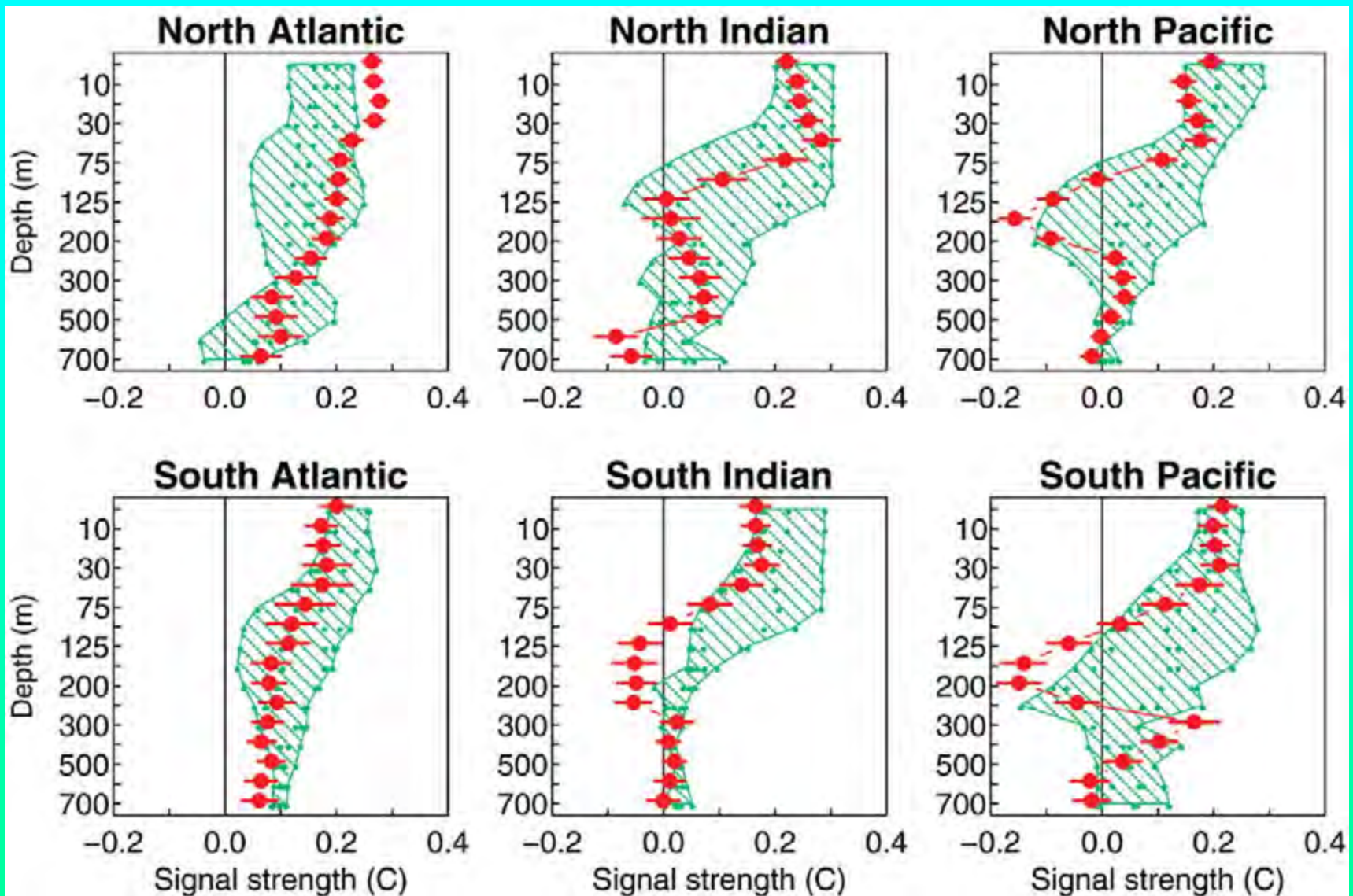
© 2000 Gary Braasch

Forty Years of Ocean Temperature Change



Simulation without Greenhouse Gas Forcing, *Barnett et al. 2005. Science.*

Forty Years of Ocean Temperature Change



Simulation with Greenhouse Gas Forcing, *Barnett et al. 2005. Science.*

Future Climate
Managing for *Change* with
Uncertainty

Global to Local
Assessments
Across Sectors





INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE



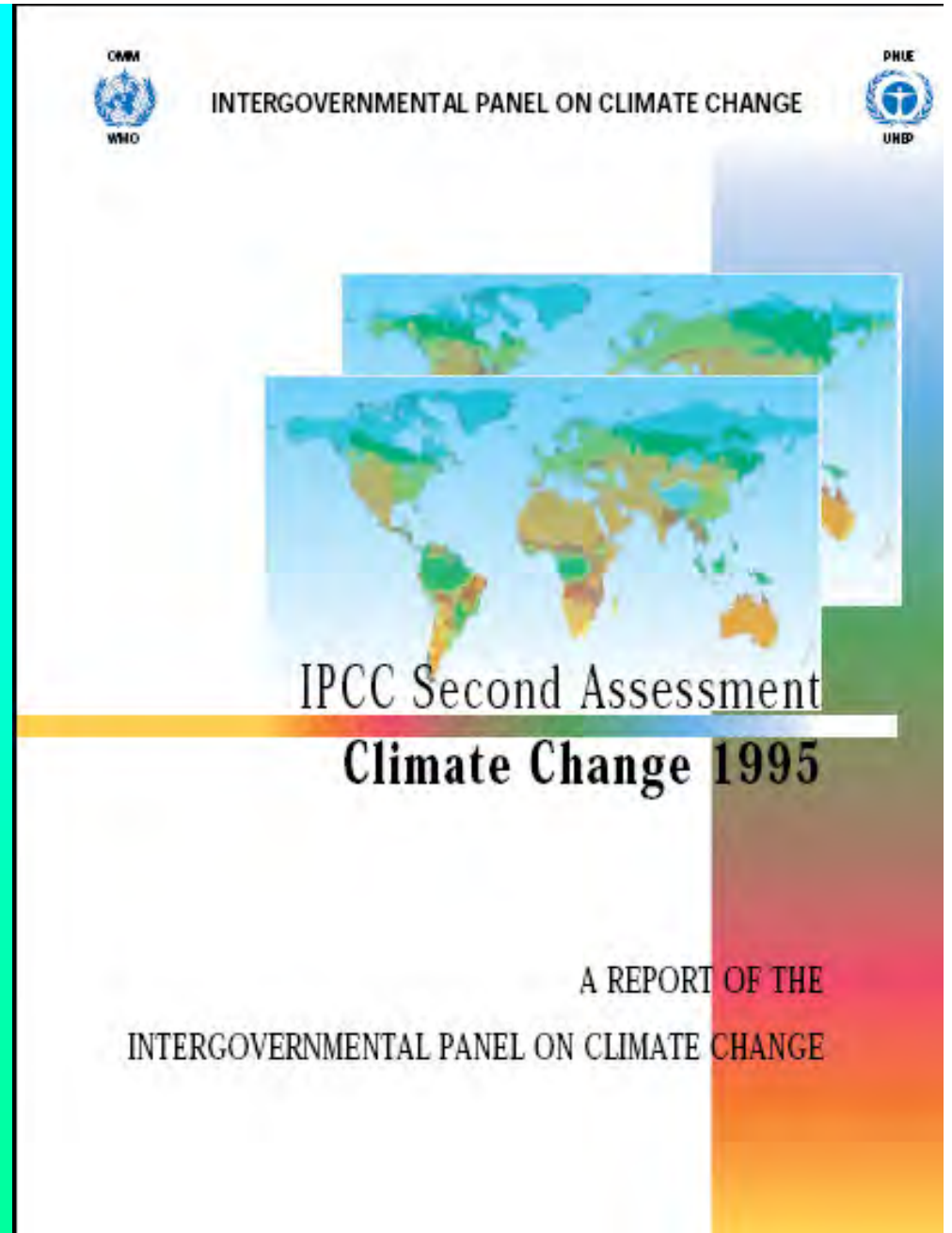
Climate Change 2007: The Physical Science Basis

Summary for Policymakers

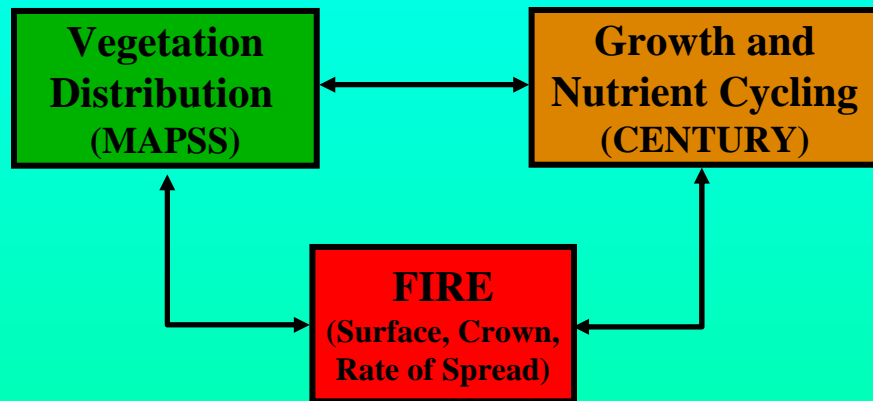
MAPSS Model
Featured on the Front Cover

**IPCC Second Assessment
Summary for Policymakers**

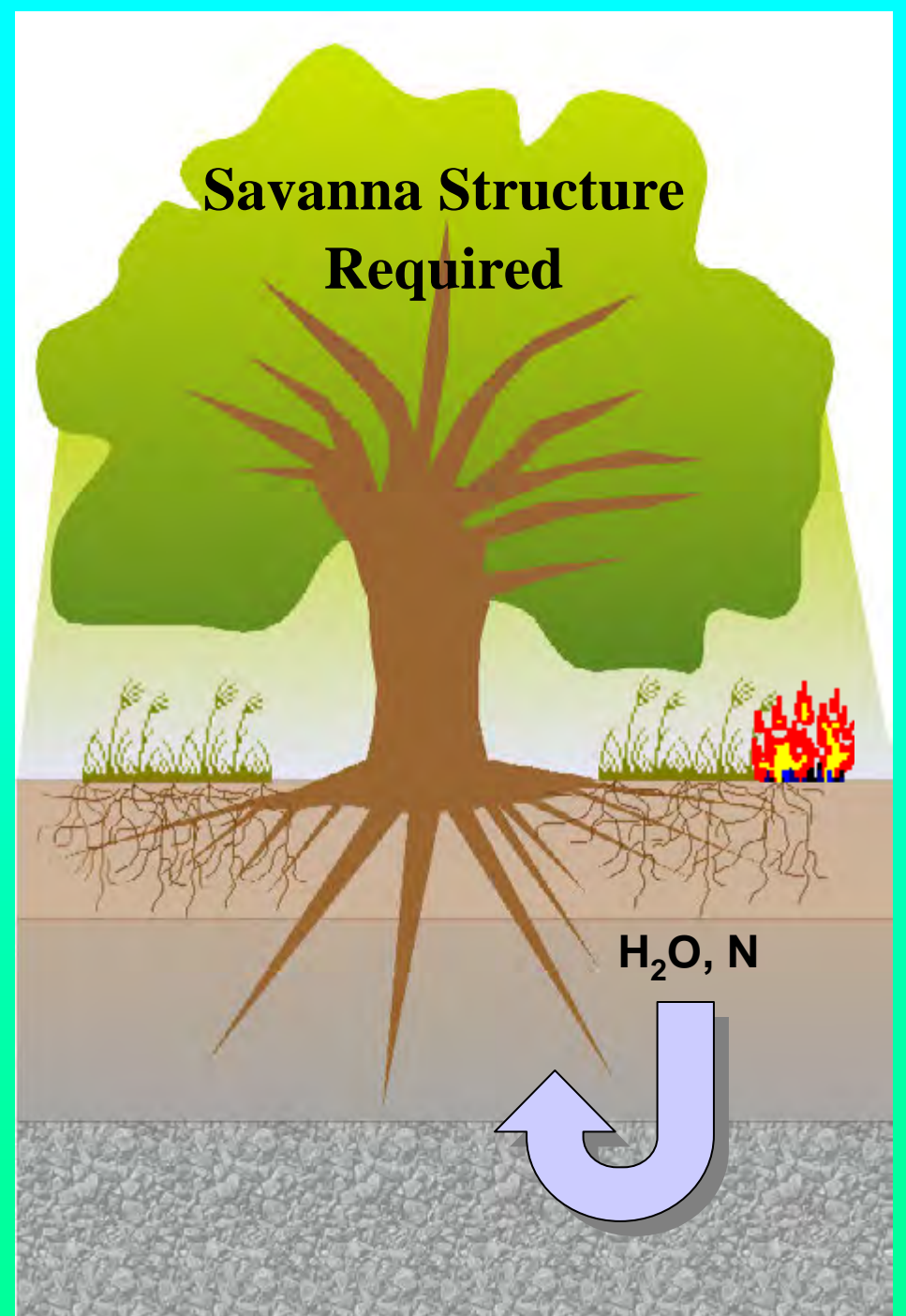
**IPCC awarded the
2007 Nobel Peace Prize**



Vegetation and Fire Dynamics (MC1 Model)



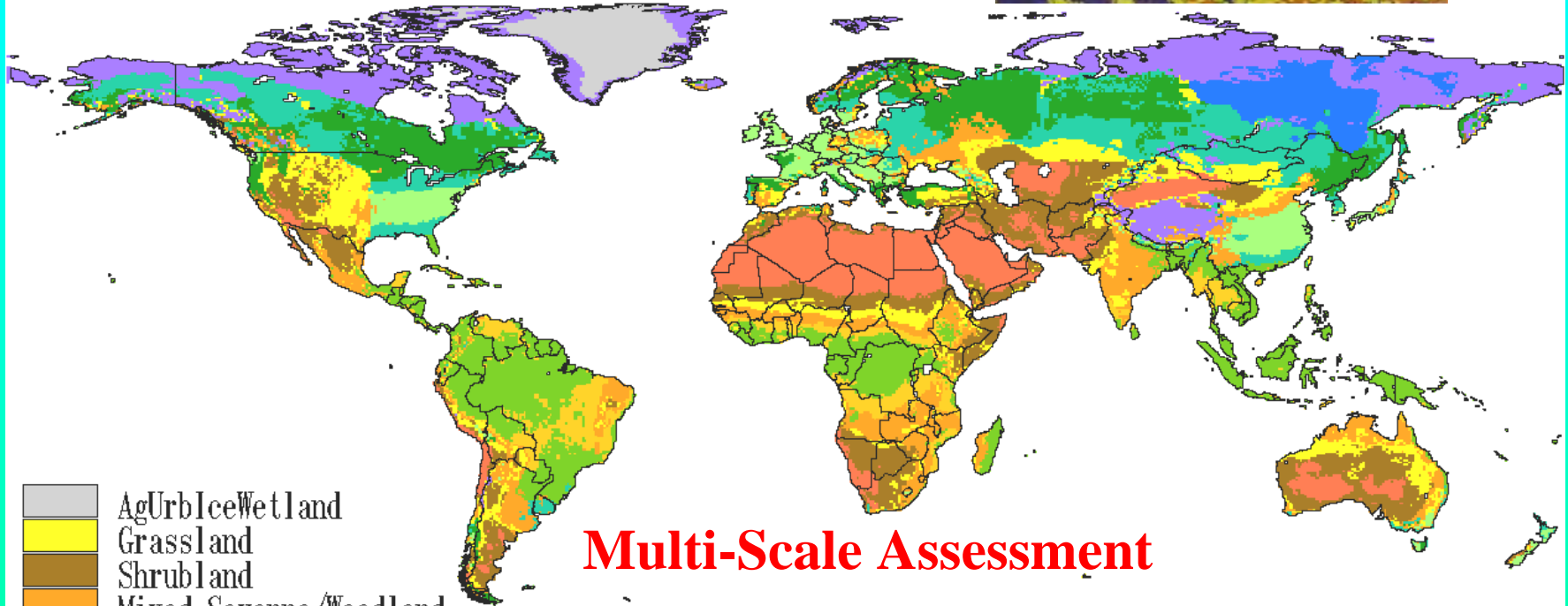
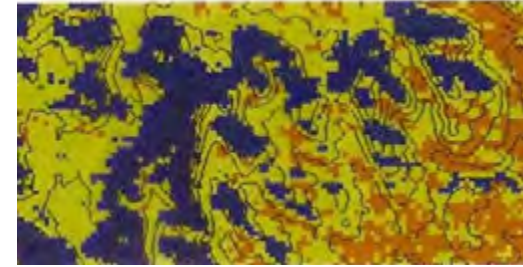
Drought Responses
Fire Risks
Carbon Sequestration



Simulated Historical Vegetation MC1 (MAPSS-CENTURY, v.1)

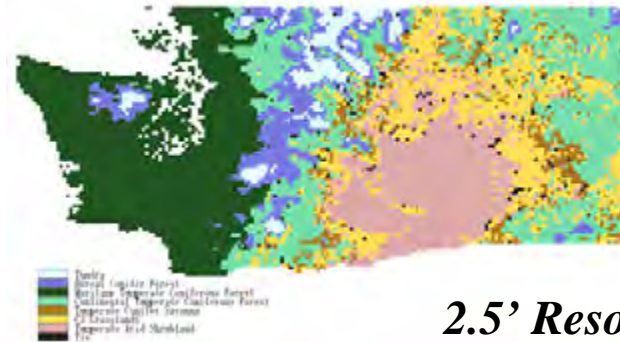
0.5° Resolution

50m Resolution



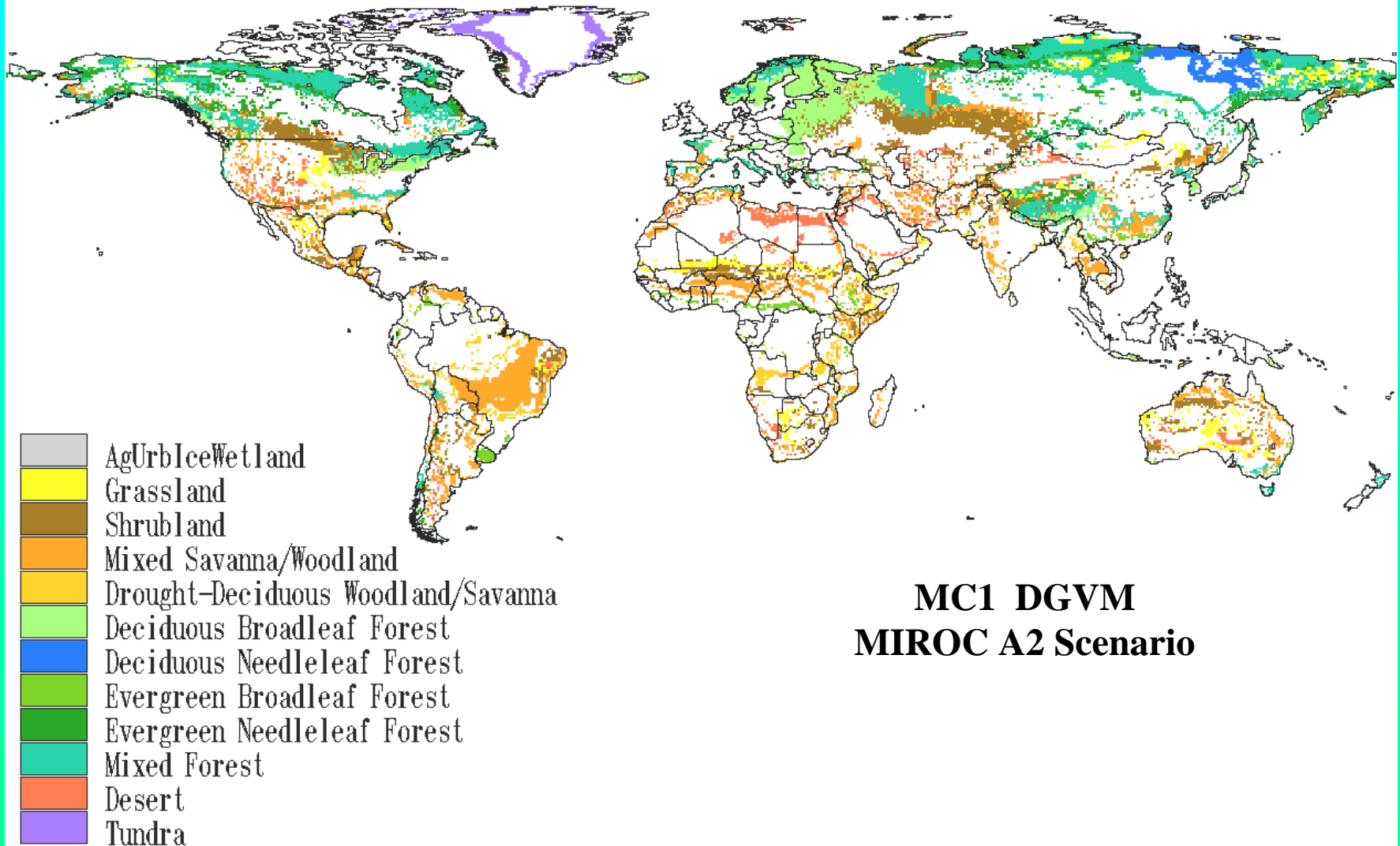
Multi-Scale Assessment

- AgUrbIceWetland
- Grassland
- Shrubland
- Mixed Savanna/Woodland
- Drought-Deciduous Woodland/Savanna
- Deciduous Broadleaf Forest
- Deciduous Needleleaf Forest
- Evergreen Broadleaf Forest
- Evergreen Needleleaf Forest
- Mixed Forest
- Desert
- Tundra



2.5' Resolution

New Simulated Vegetation Type 2070 – 2099 versus 1961 – 2000 MIROC A2 Scenario, MAPSS Team, In Prep.

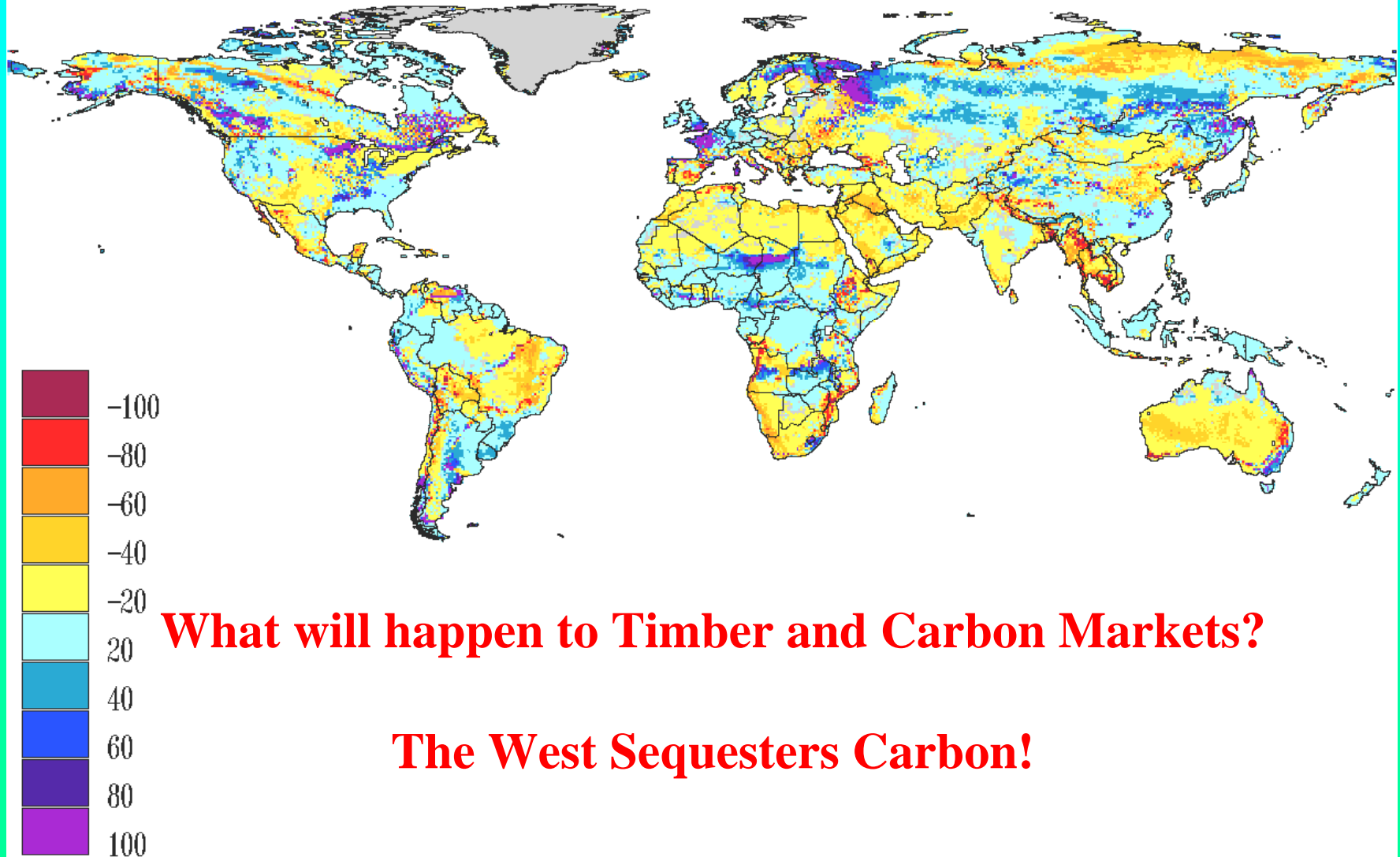


**MC1 DGVM
MIROC A2 Scenario**

Percent Change in Total Ecosystem Carbon

MAPSS Team, In Prep.

CSIRO_MK3 A2



What will happen to Timber and Carbon Markets?

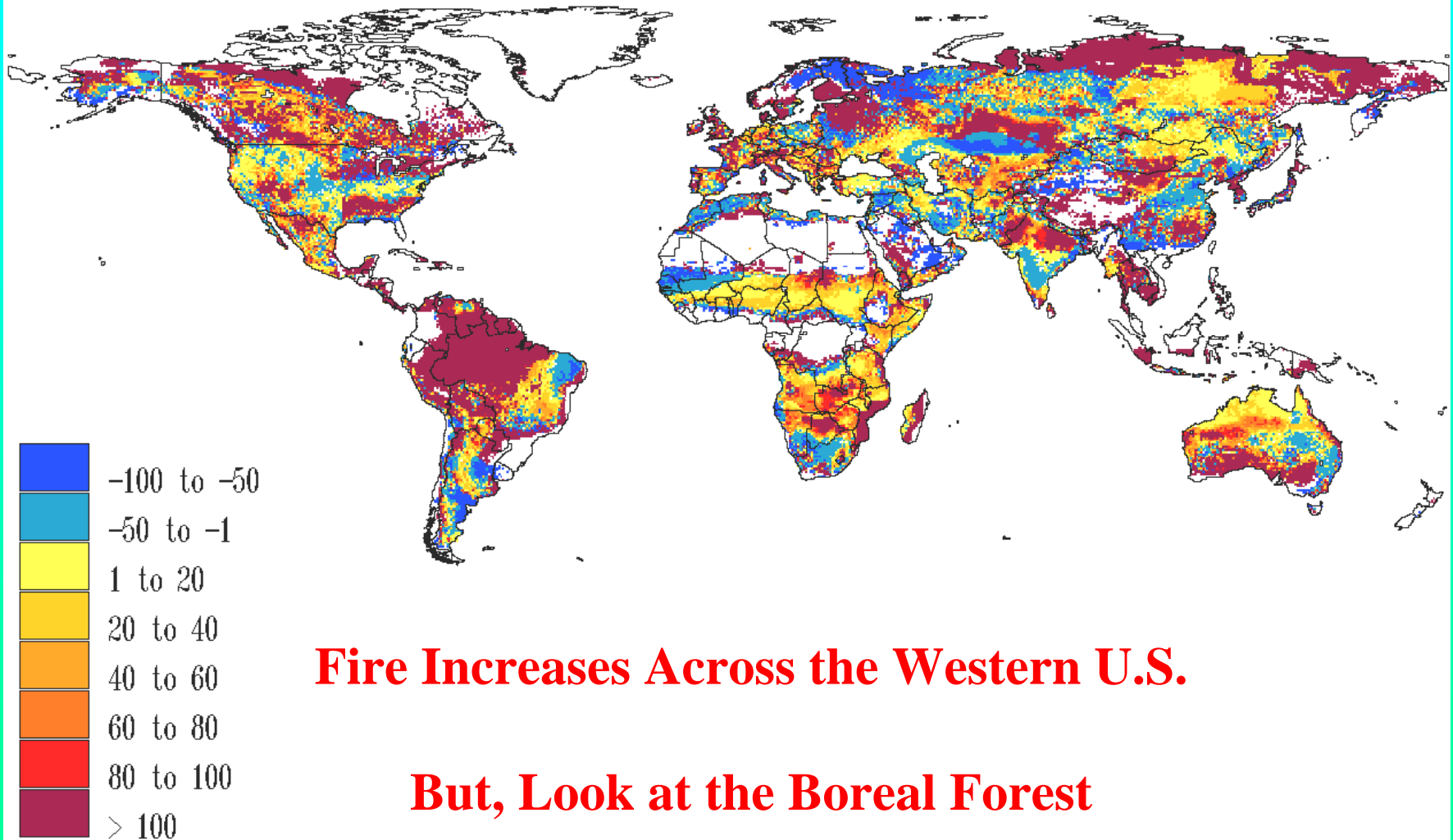
The West Sequesters Carbon!

Percent Change in Biomass Burned

MAPSS Team, In Prep.

HADCM3-A2

2051-2100 vs. 1951-2000



Fire Increases Across the Western U.S.

But, Look at the Boreal Forest

Future *Climate*
Managing for Change with
Uncertainty

Regional Assessments



Prineville, OR

1910



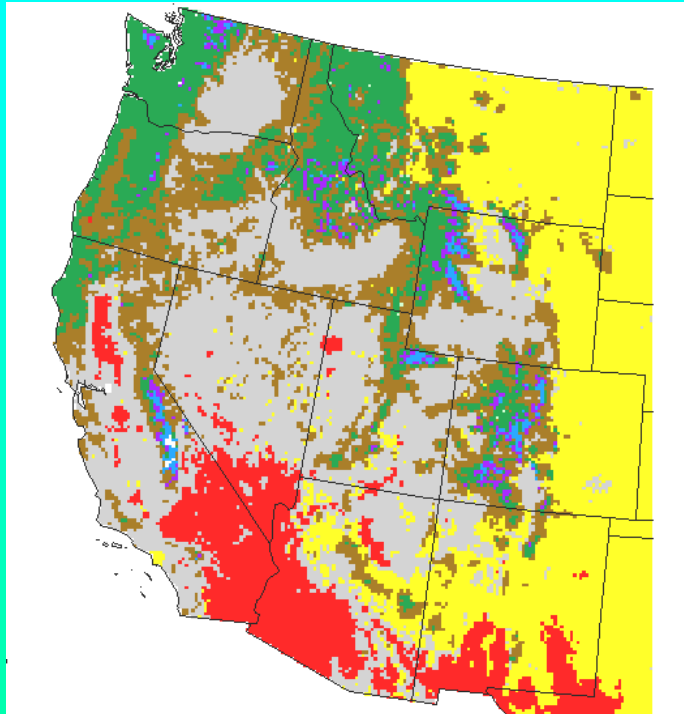
**Have ecosystems reached their Water-limited Carrying Capacity
Under Fire Suppression/Exclusion → Drought Stress, Infestation**

1991

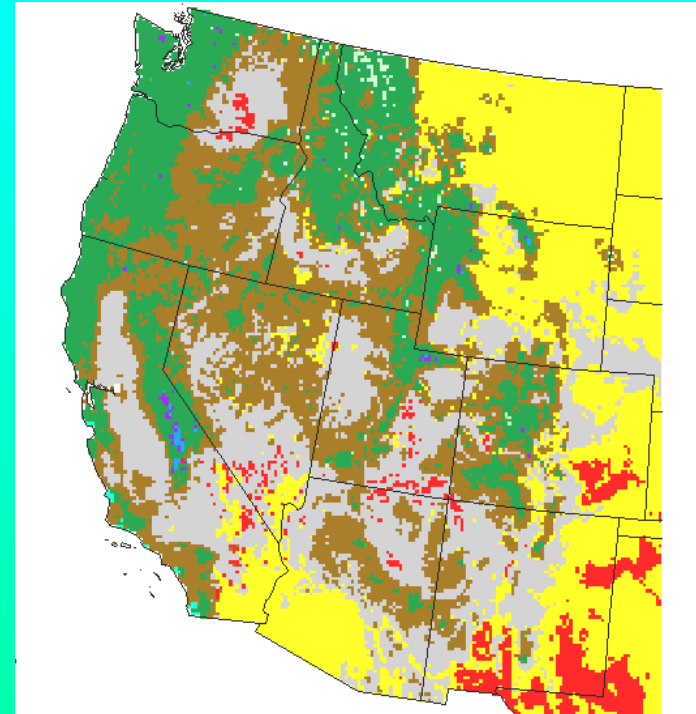


MAPSS Simulated Vegetation Distribution

Current Climate

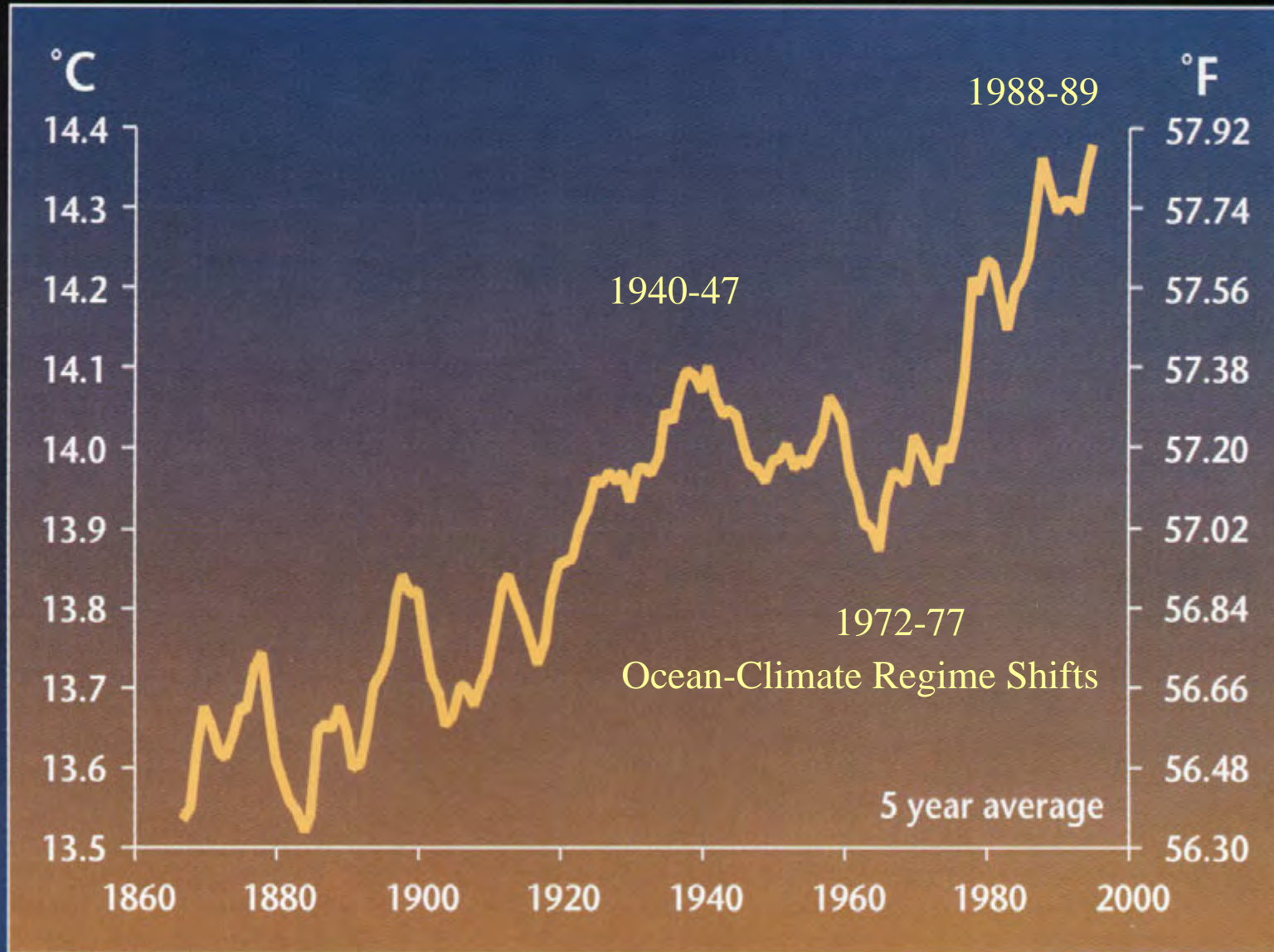


Future Climate
(CGCM1)



**Future Woody and Grass Expansion in the West
Enhance Carbon Storage, and
Catastrophic Wildfire, But...**

Global Average Temperature

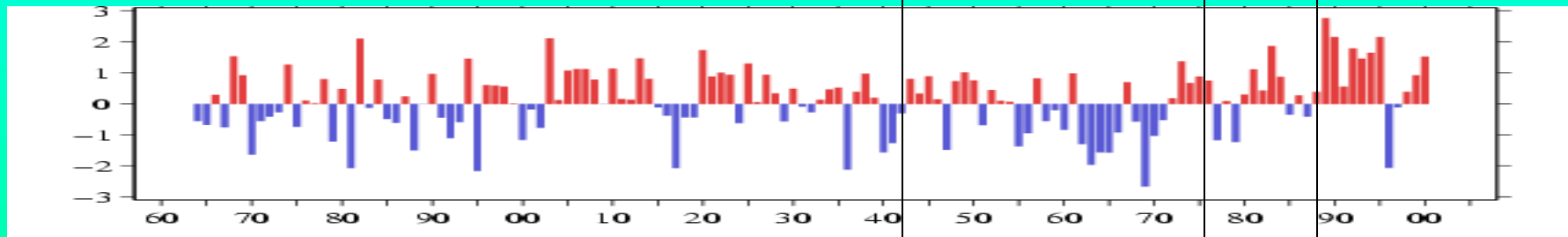
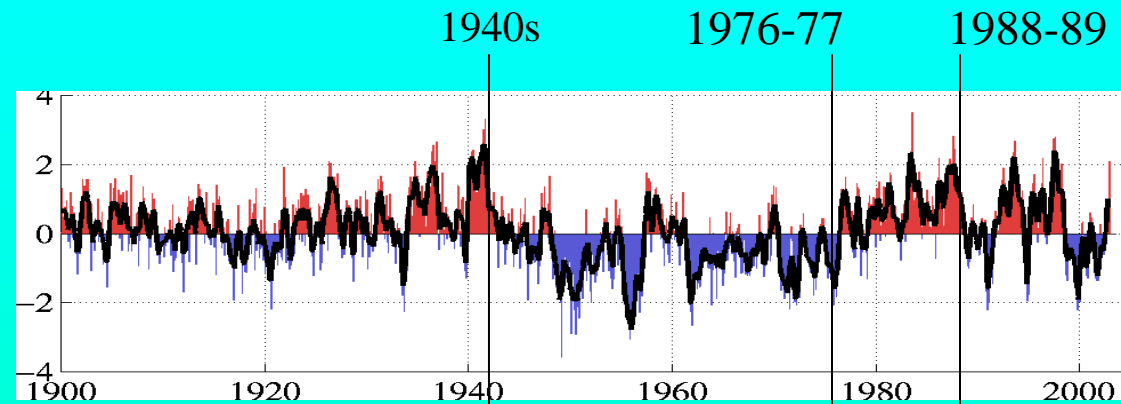


Source: OSTP

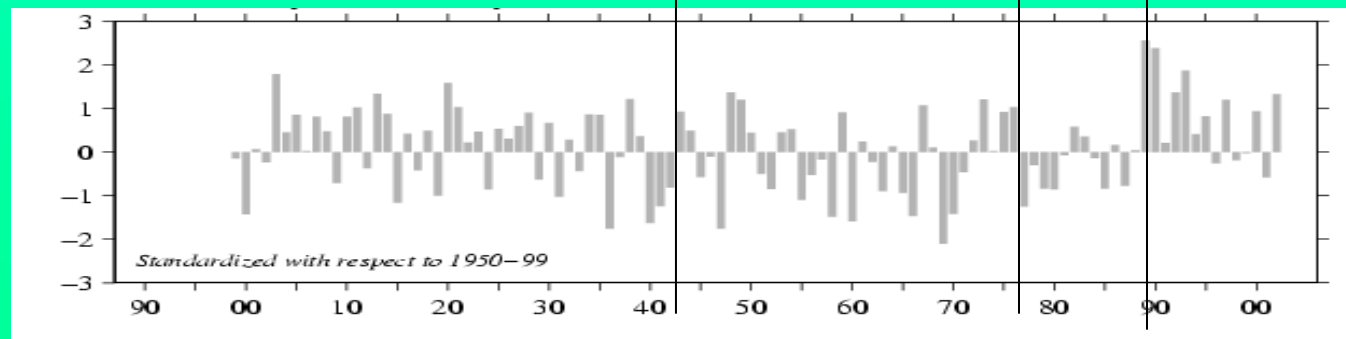
Ocean – Climate Regime Shifts

Pacific Decadal
Oscillation
(Mantua and Hare 2002)

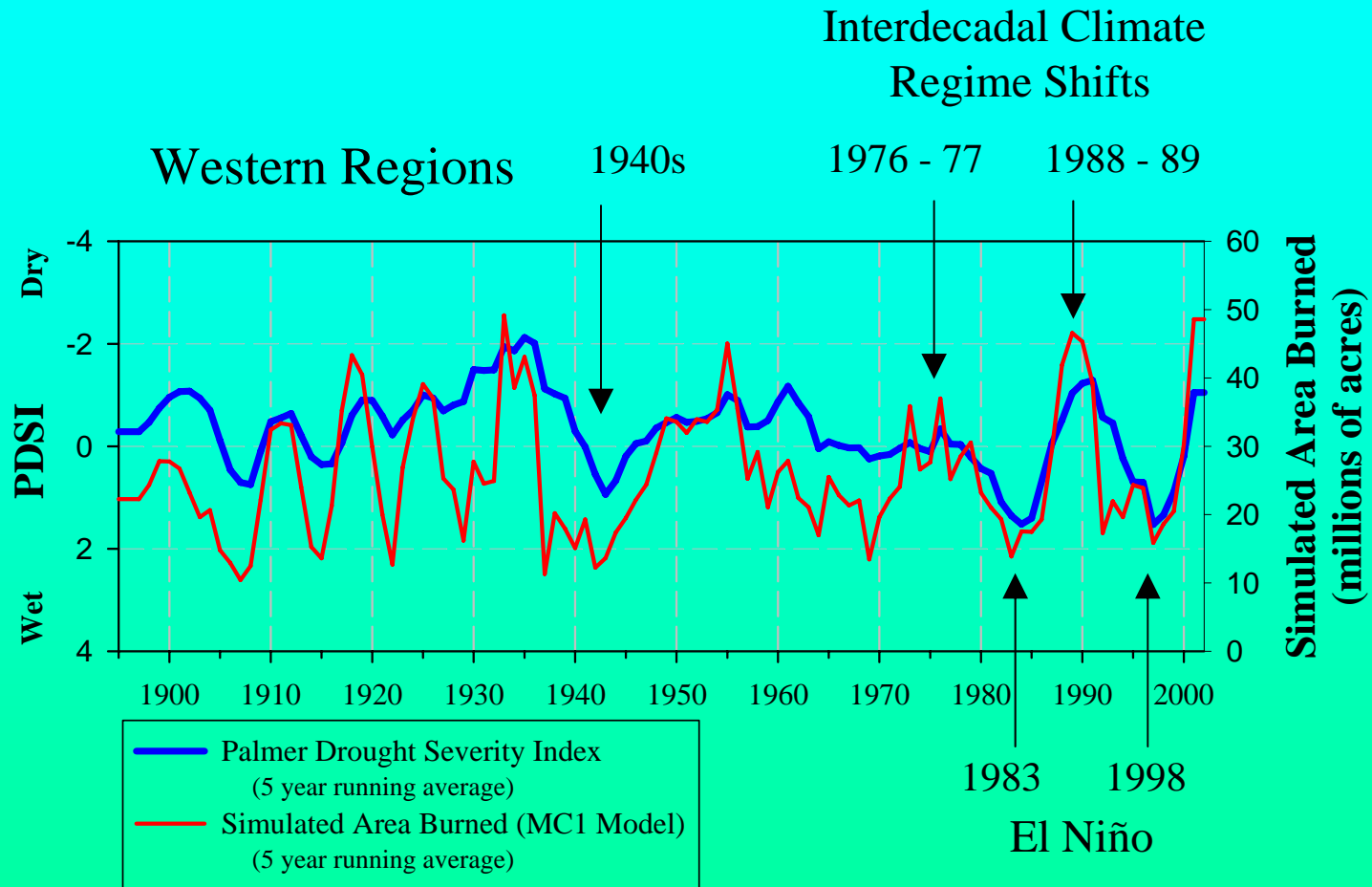
North Atlantic
Oscillation
(Hurrell 1995)



Arctic
Oscillation
(Thompson and
Wallace 1998)



Drought and Fire in the West (Simulated Fire, no Fire Suppression)



Spearman Rank Correlation Coefficient -0.59***

San Francisco Peaks, AZ – May 17, 2003

(courtesy of Neil Cobb)



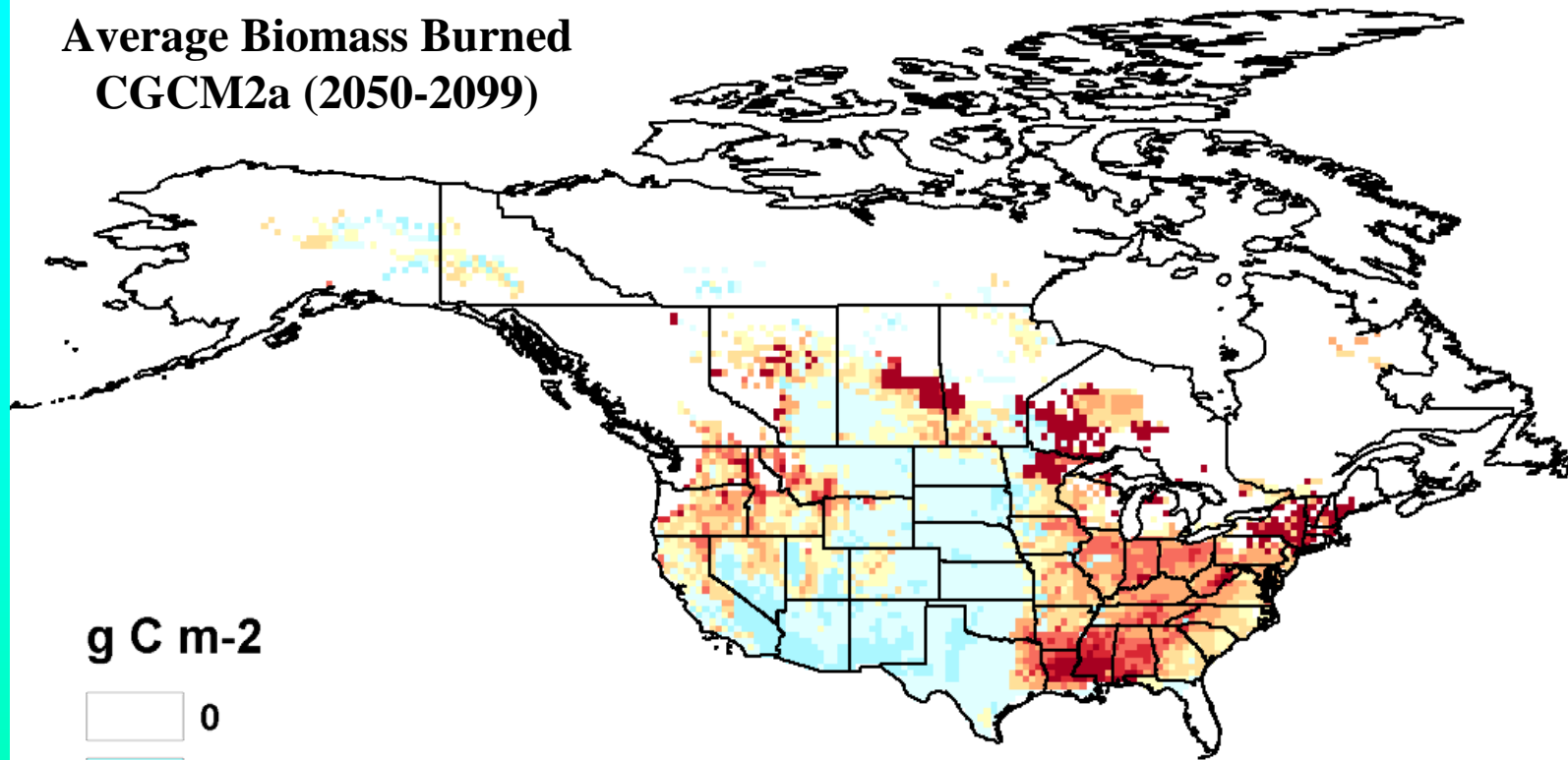
San Francisco Peaks, AZ – 4 Months Later

(courtesy of Neil Cobb)

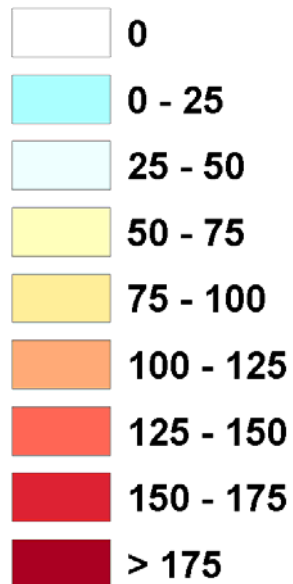


Threshold Change – Drought → Infestation → Dieback

**Average Biomass Burned
CGCM2a (2050-2099)**



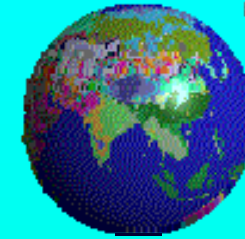
g C m⁻²



**In the Future
The West gets Woodier, and
It burns a lot more!...
But, look at the East!**

Future *Climate*
Managing for Change with
Uncertainty

Local Assessments



Forests, Carbon and Climate Change

A SYNTHESIS OF SCIENCE FINDINGS

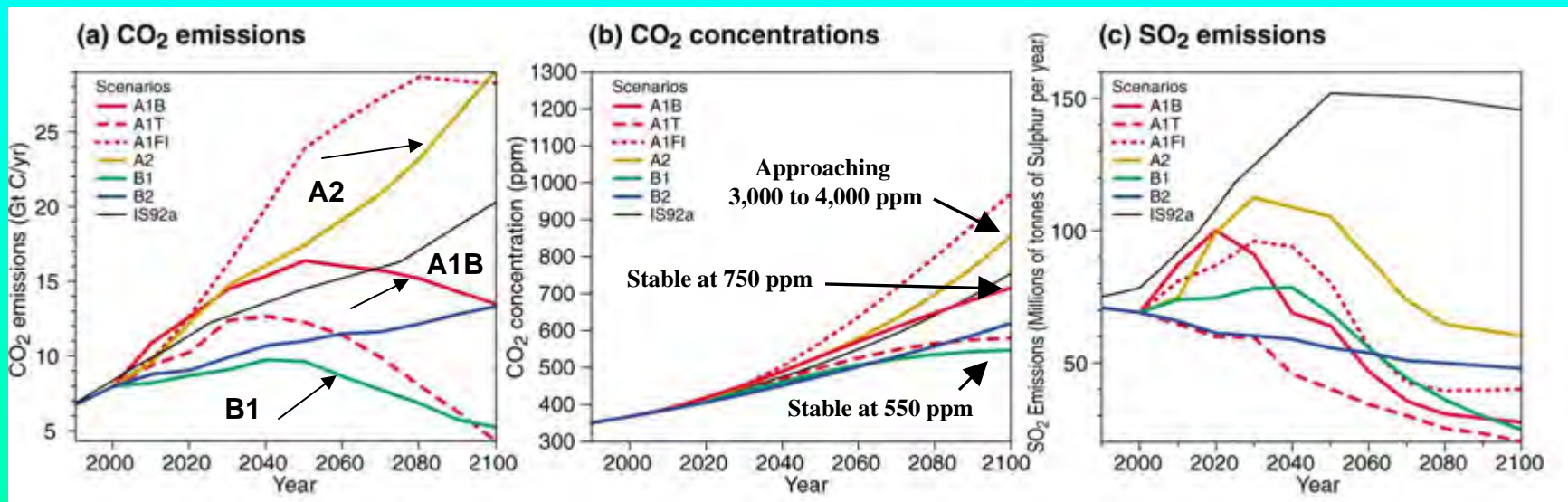


**Oregon Forest Resources Institute
OFRI**

<http://www.oregonforests.org/media/pdf/CarbonRptFinal.pdf>

Assessments of Future Climate Change Begin with Uncertainty

CO₂ and SO₂ in the 21st Century

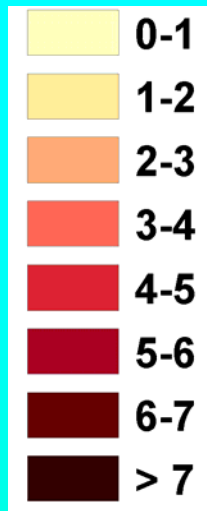


Future Scenarios are Based on Socio-Economic ‘Storylines’

**This Presents a Paradigm for
All Future Management Considerations**

Source: IPCC TAR 2001

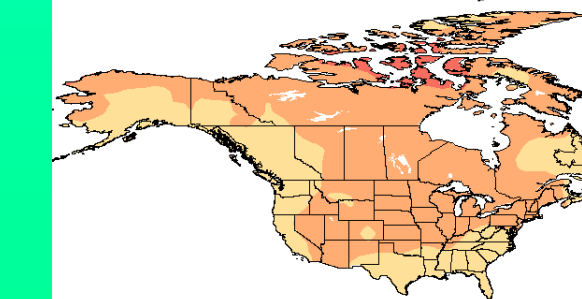
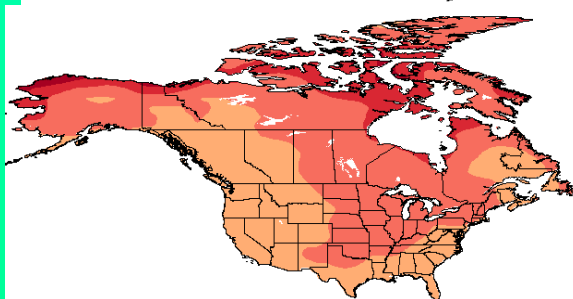
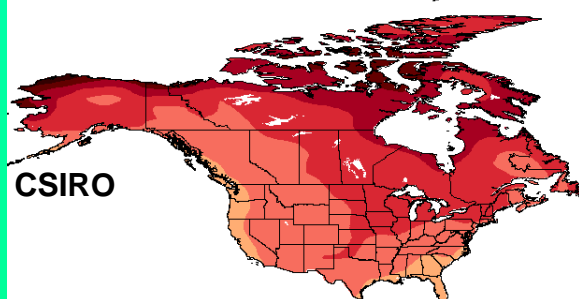
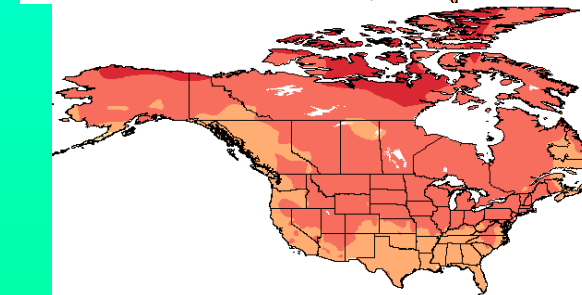
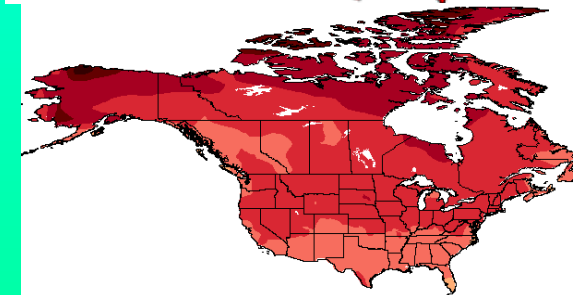
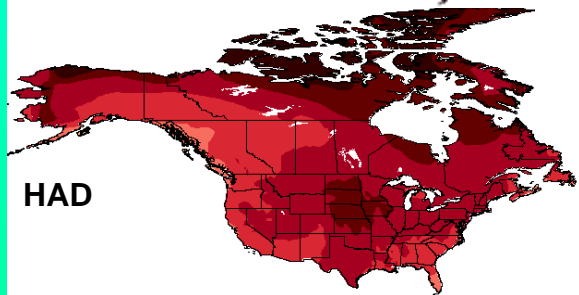
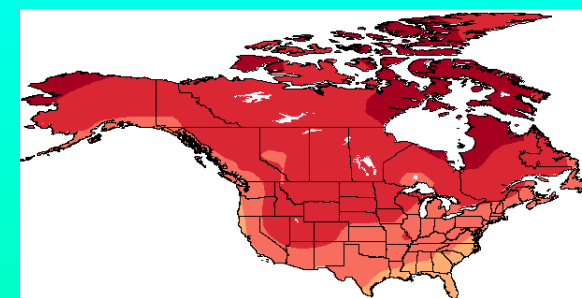
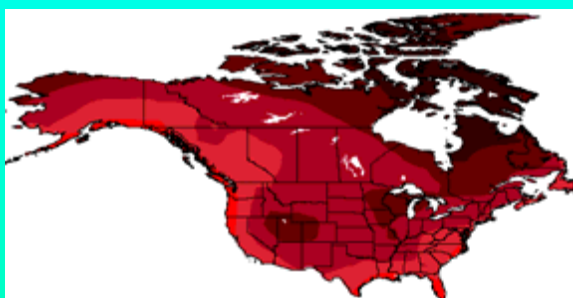
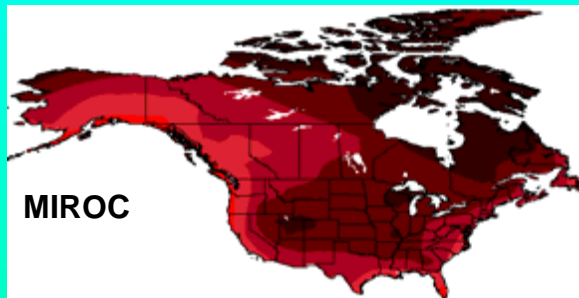
Change in Mean Monthly Temperature (Degrees C) 2070-2099 vs 1961-1990



A2

A1B

B1



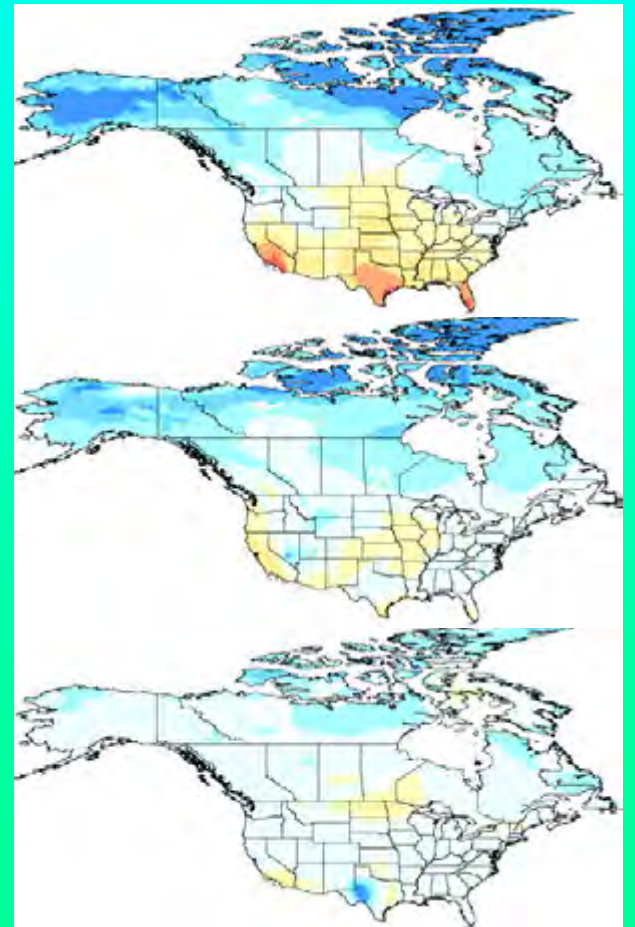
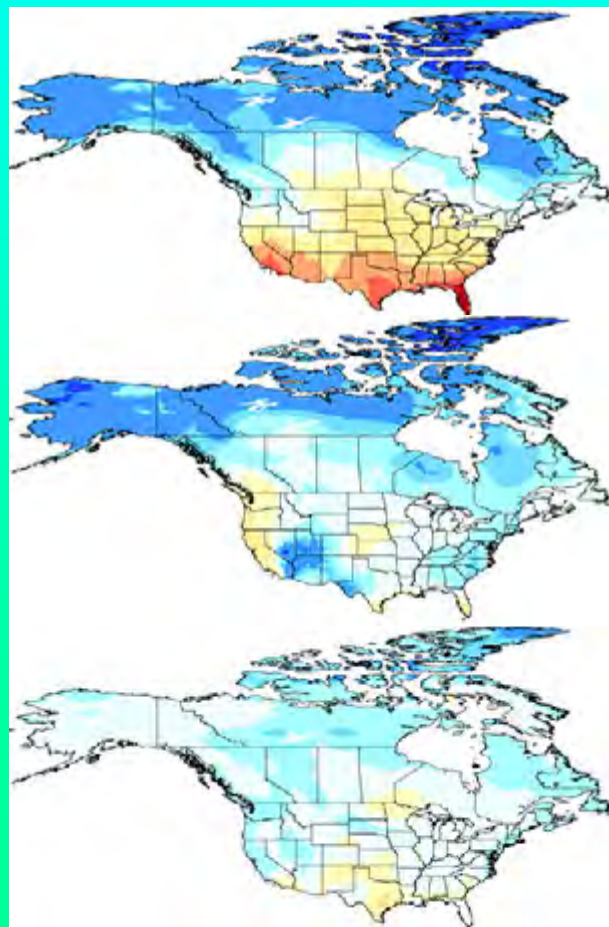
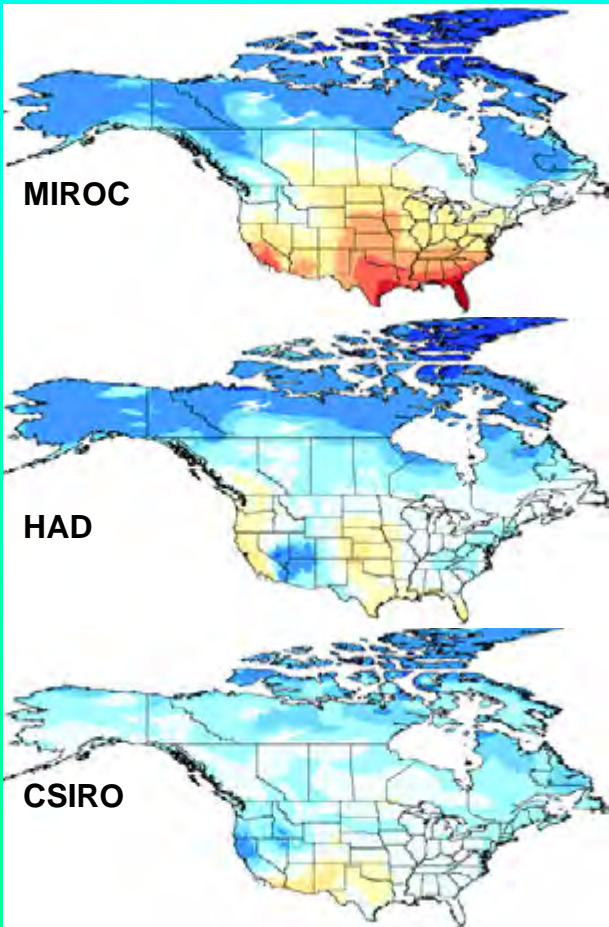
Percent Change in Precipitation 2070-2099 vs 1961-1990



A2

A1B

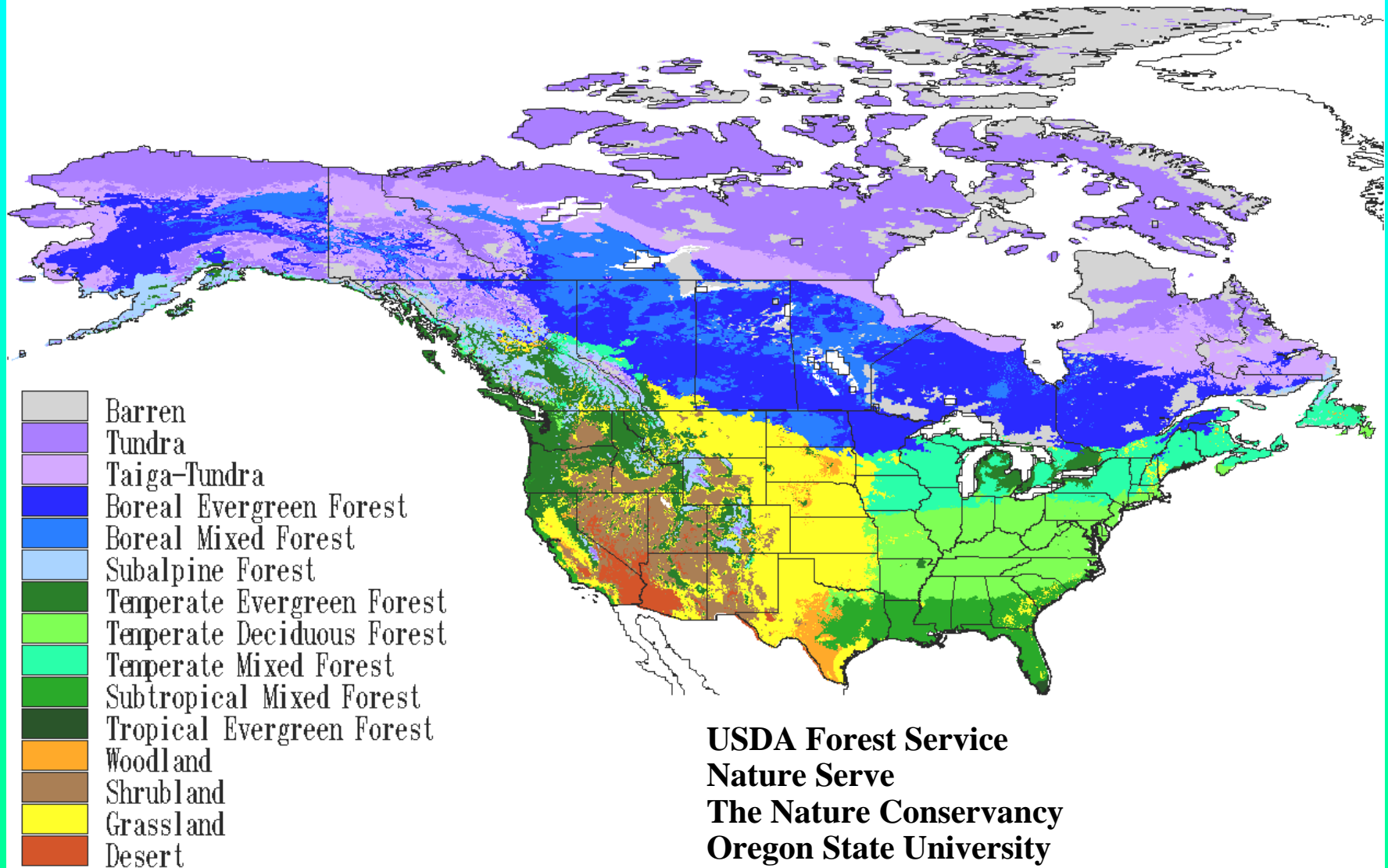
B1



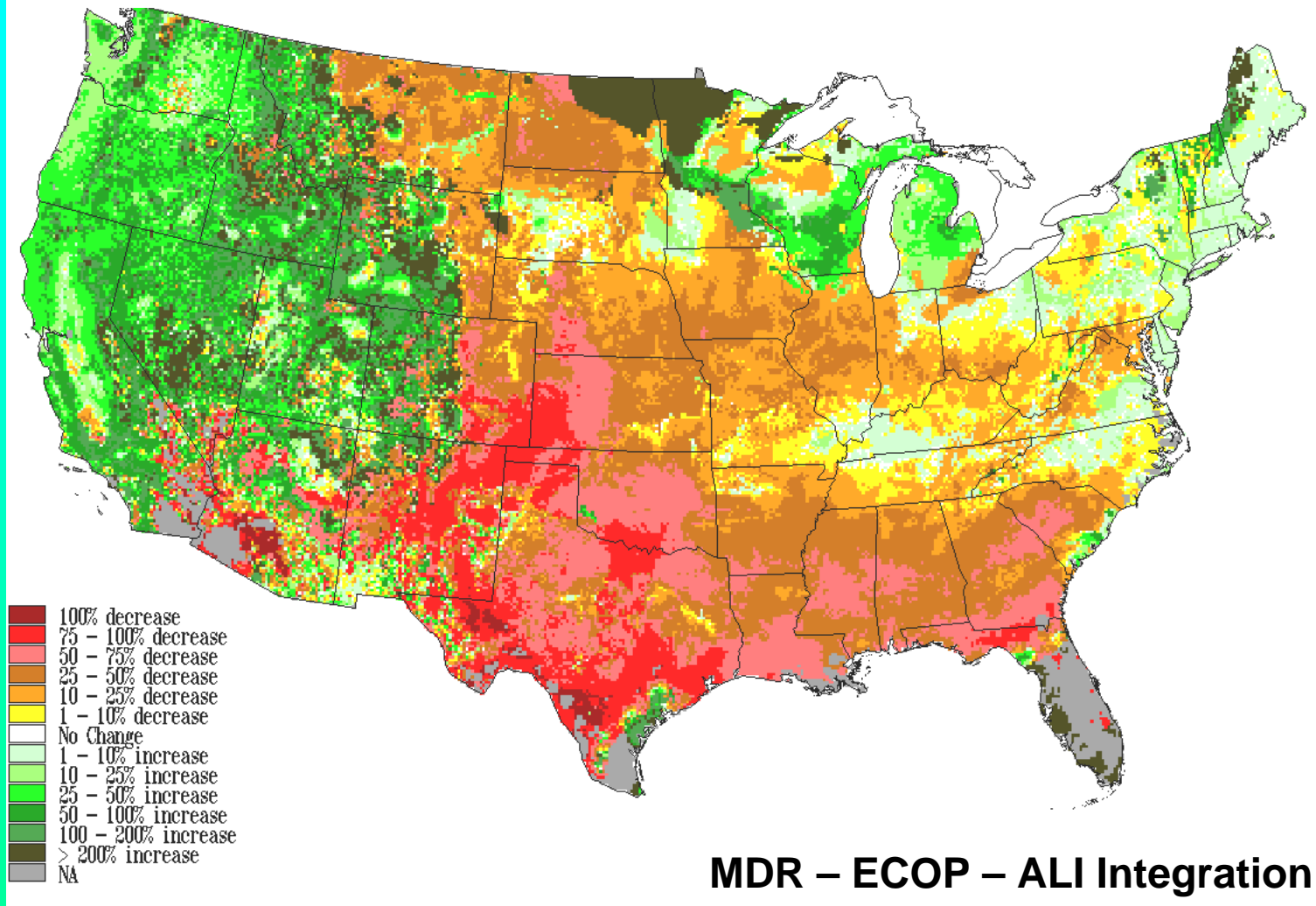
Lynx Conservation Project

MC1 Simulated Modal Vegetation Type

Historical 1961-1990

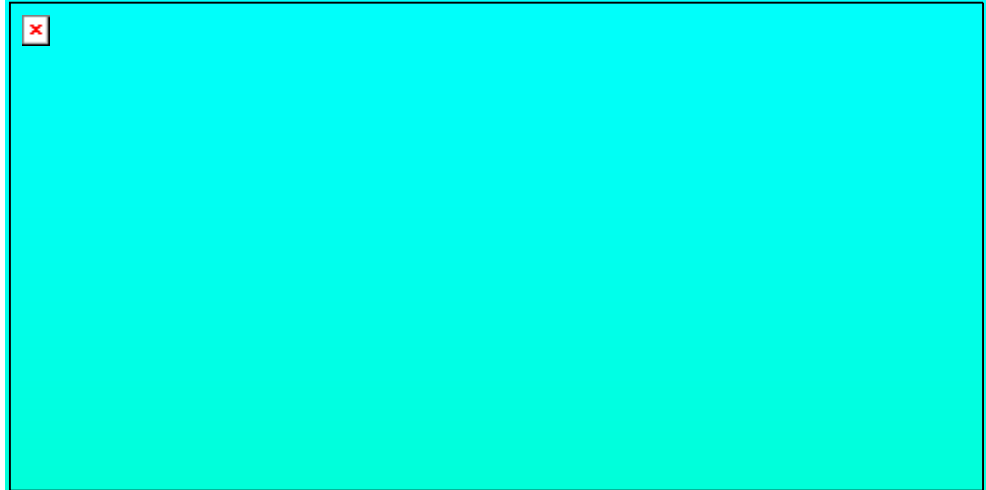


Average Percent Change in Runoff Under 5 Future Climate Scenarios



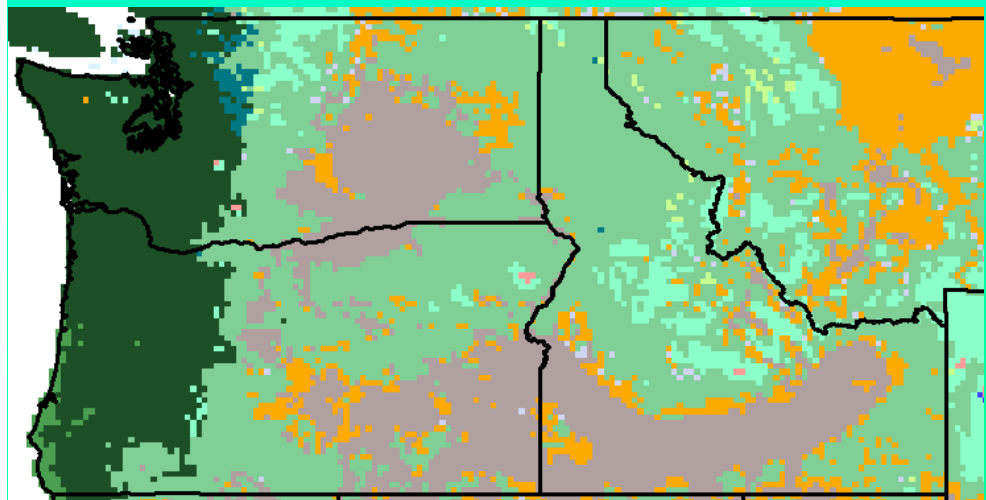
- Tundra
- Boreal Coniferous Forest
- Maritime Temperate Coniferous Forest
- Continental Temperate Coniferous Forest
- Cool Temperate Mixed Forest
- Warm Temperate / Subtropical Mixed Forest
- Temperate Deciduous Forest
- Temperate Deciduous Savanna
- Temperate Conifer Savanna
- C3 Grasslands
- Mediterranean Shrubland
- Temperate Arid Shrubland

Observed

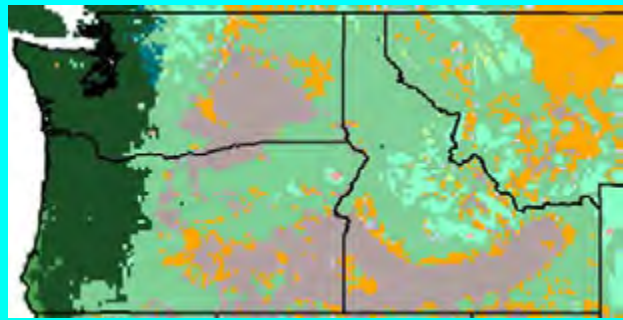


- Tundra
- Subalpine Forest
- Maritime Evergreen Needleleaf Forest
- Temperate Evergreen Needleleaf Forest
- Temperate Deciduous Broadleaf Forest
- Temperate Cool Mixed Forest
- Temperate Evergreen Needleleaf Woodland
- Temperate Shrubland
- Temperate Grassland
- Subtropical Mixed Forest
- Subtropical Grassland

Simulated Historical



Historical

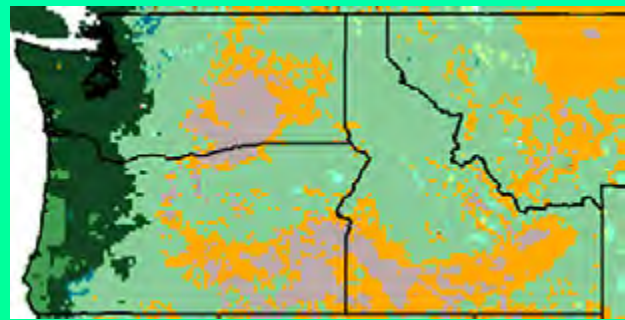
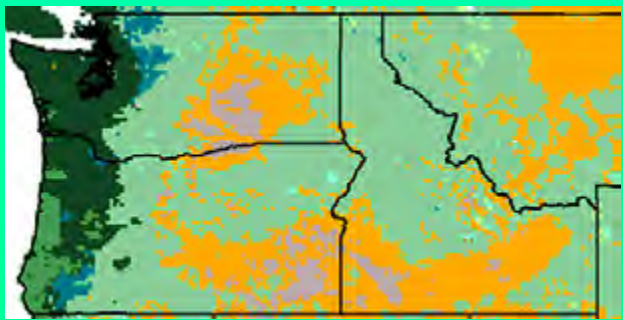
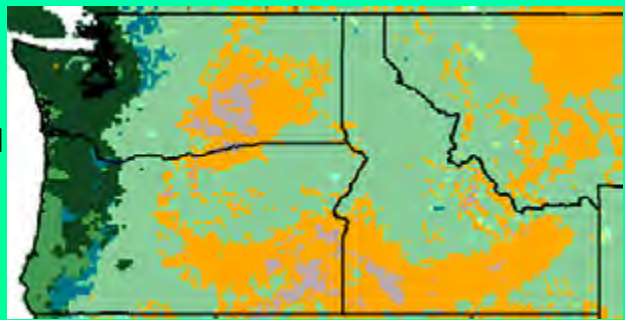
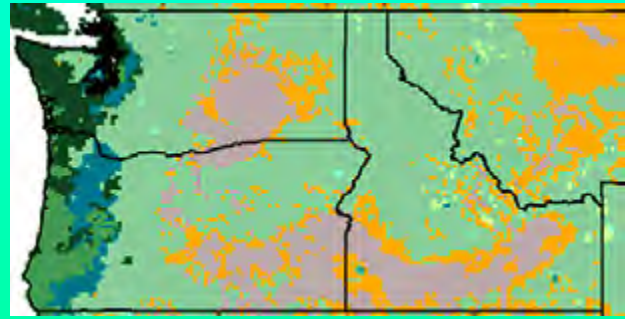
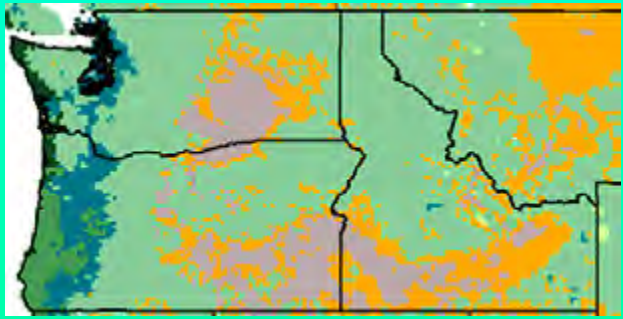
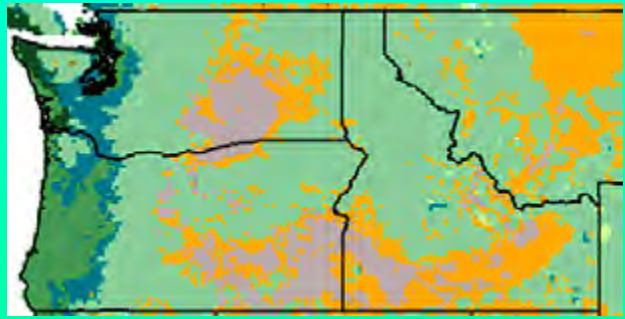
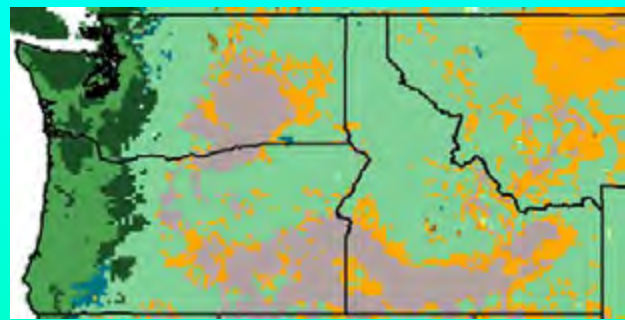
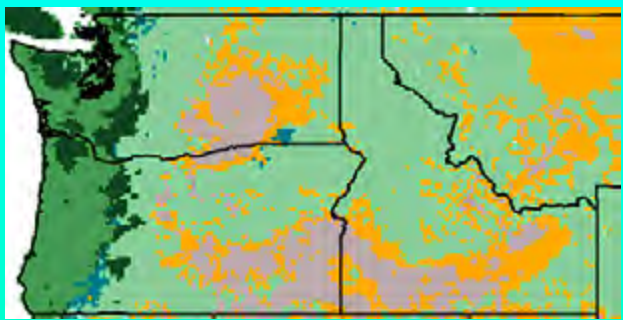
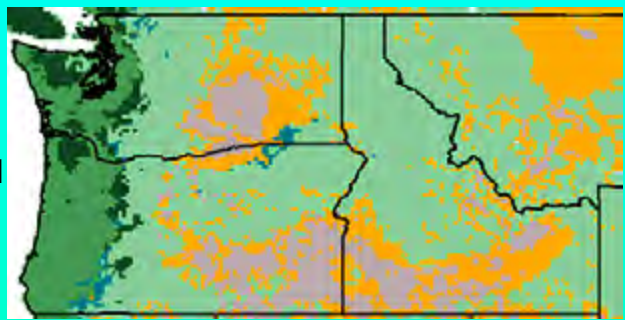


A2

A1B

B1

MIROC3_MEDRES
HADCM3
CSIRO_MK3



MIROC3_MEDRES

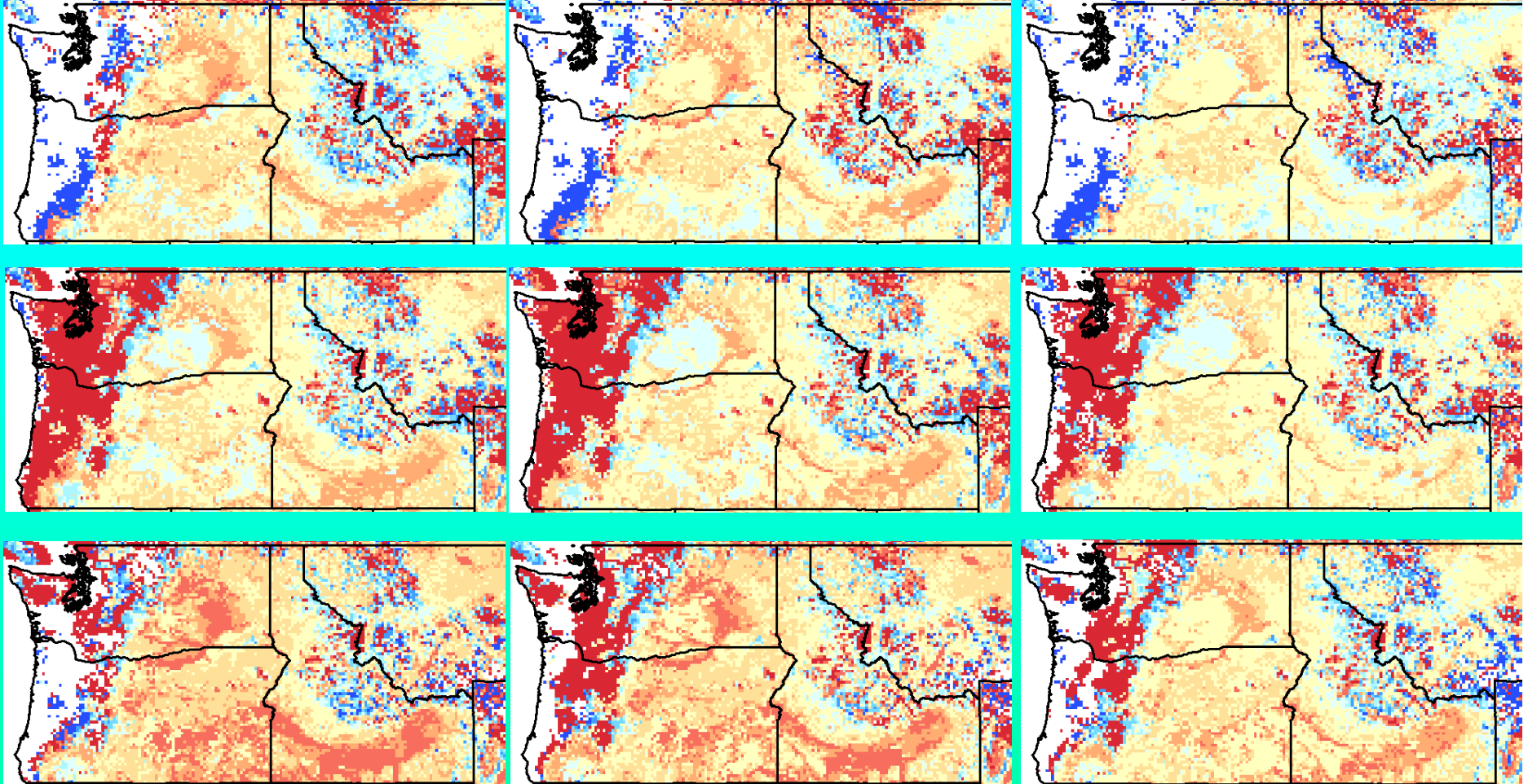
HADCM3

CSIRO_MK3

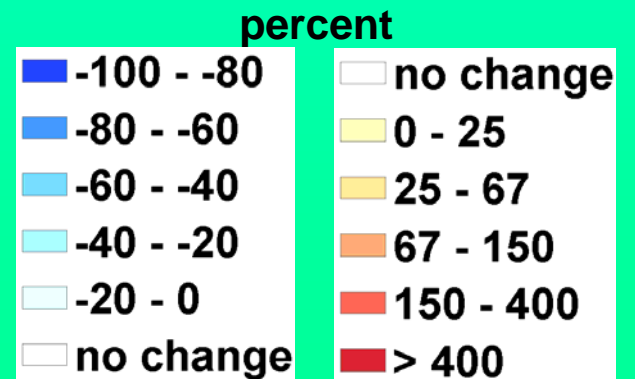
A2

A1B

B1



**Percent Change Biomass consumed by Fire
2051-2100 vs. 1951-2000.**



MIROC3_MEDRES

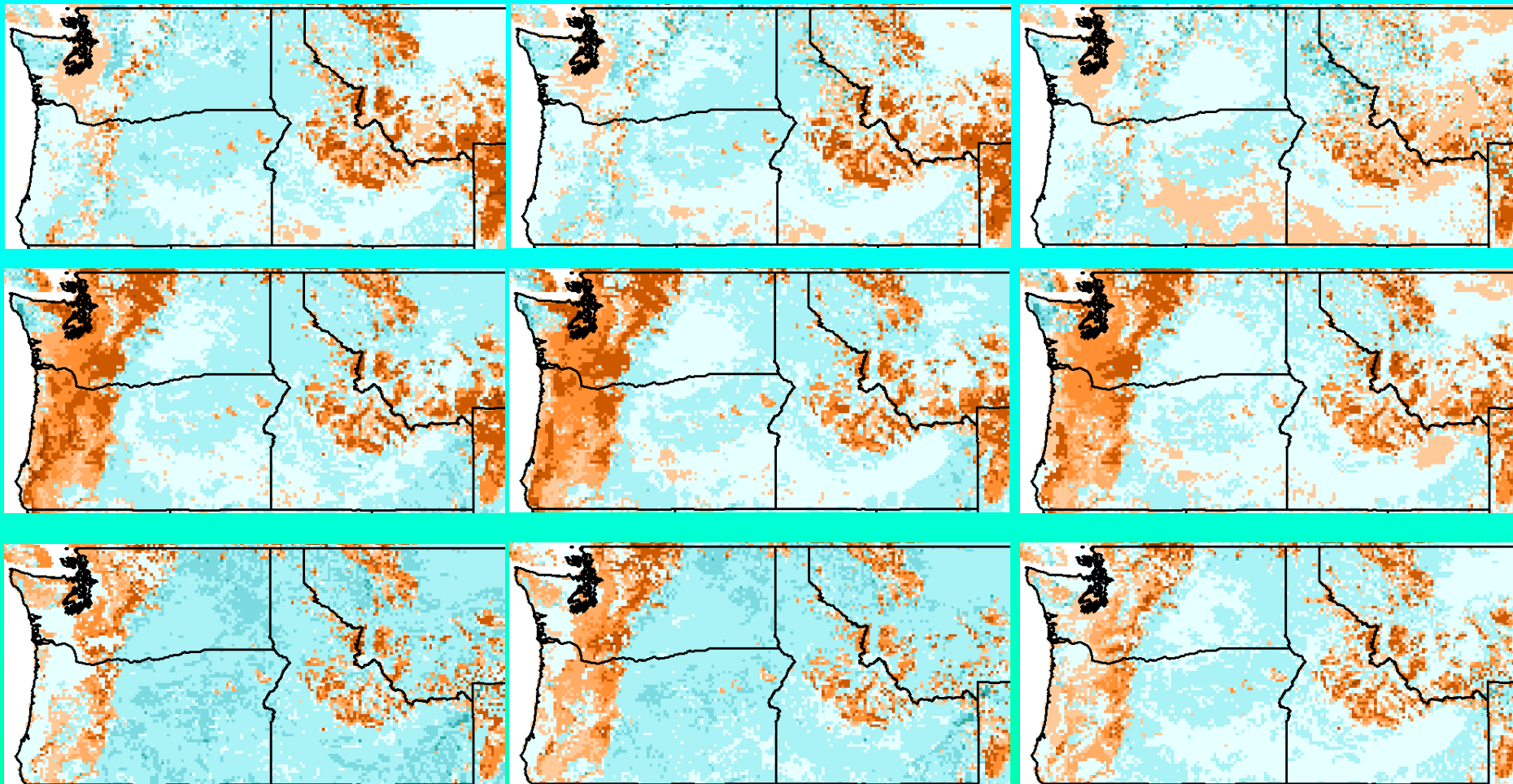
A2

A1B

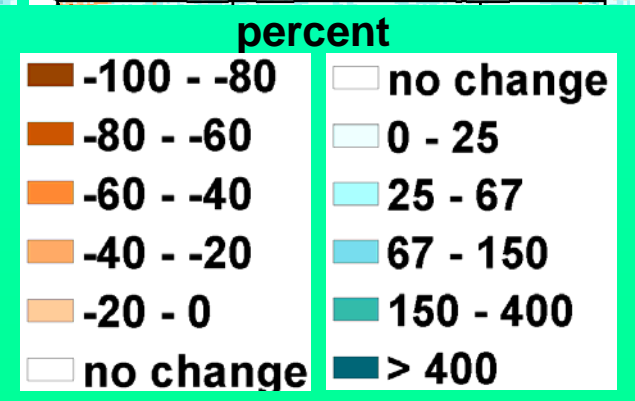
B1

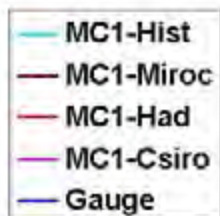
HADCM3

CSIRO_MK3

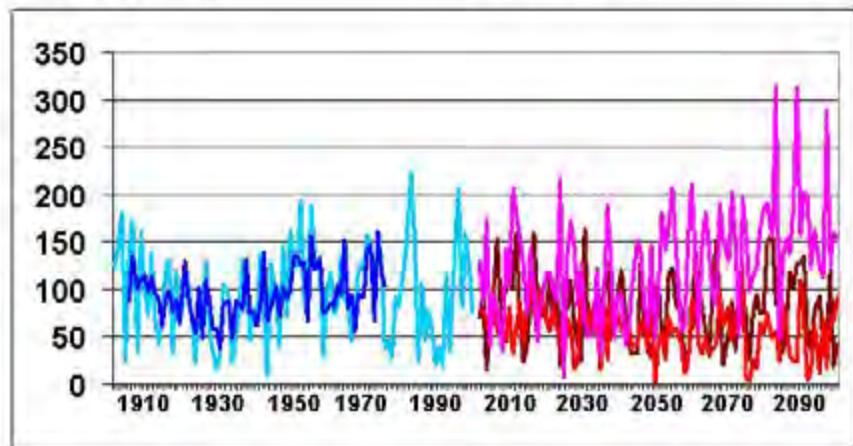


**Percent Change in Vegetation Carbon
2070-2099 vs. 1961-1990.**

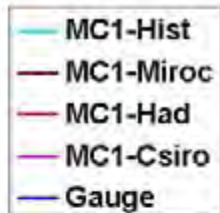
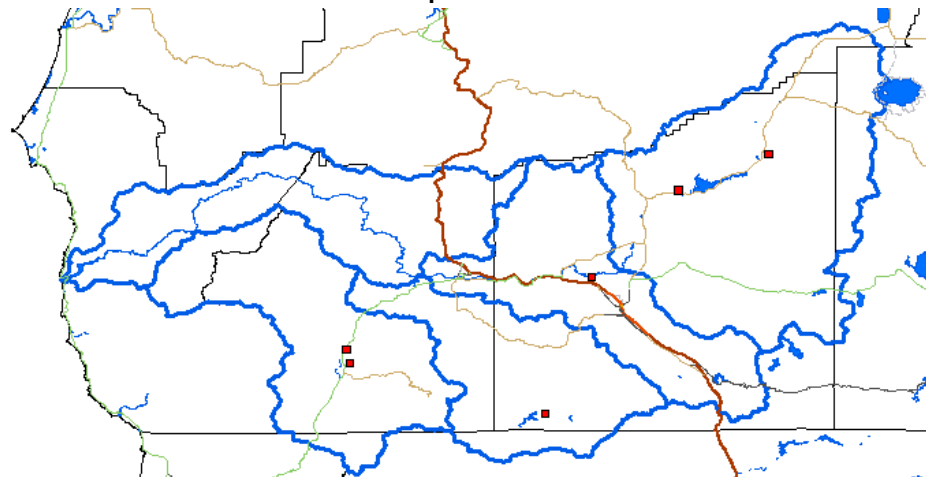




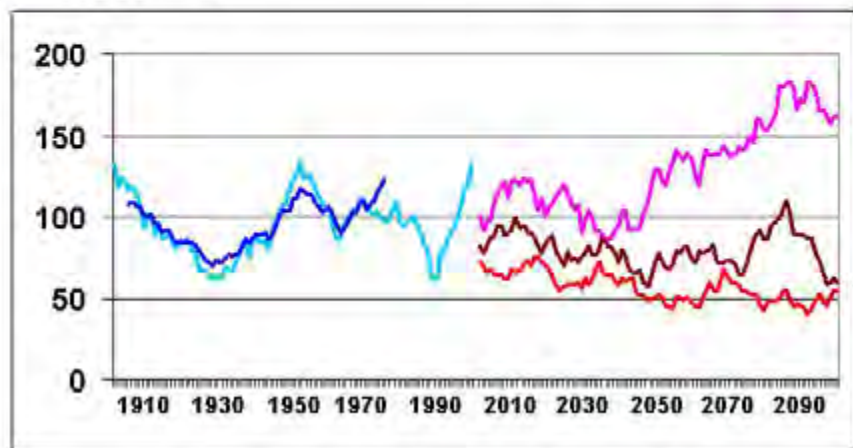
Annual Stream Flow at the Gold Rey Gauge (Ft³ x 10⁹)
 Measured Historical
 Simulated Historical
 Simulated Future



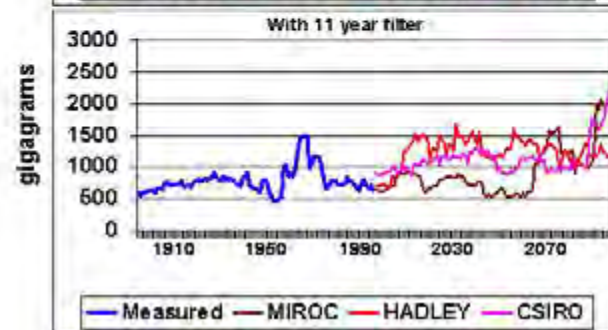
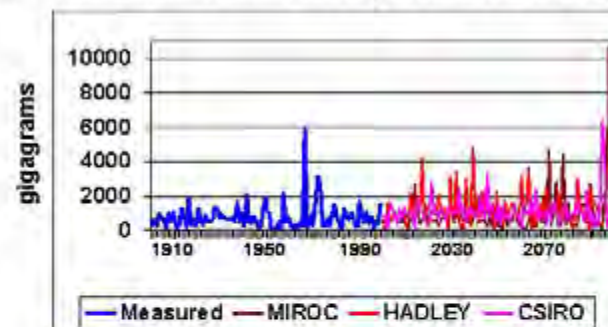
To check MC1 runoff against I looked up HCDN station data. This map shows the HCDN stations present within the Rogue Basin. Five Rogue sub-basins are outlined in dark blue line. Red squares mark the locations of 6 stations. I do have the Main branch of the Rogue River also marked in blue, though The map I had access to stops just upstream of Medford for some reason. Also this map has roads marked in misc. colors.



Annual Stream Flow at the Gold Rey Gauge (Ft³ x 10⁹)
 Historical & Simulated
 With 11-yr Filter



Annual Sum Biomass Consumed by Fire Across the Rogue Basin



Management Implications

(personal musings)



- Management Goals face an *uncertain* Future
 - The Future will NOT echo the Past
- Instead,... Manage *Change, per se*
 - Desired *function* may supercede ‘Desired future *condition*’
- Near-term strategies – Maintain the Status Quo?
 - High-valued resources – forestall effects, protection
 - Desired ecosystems – intensive management to maintain
- Long-term strategies – Improve resilience of ecosystems to rapid change, e.g.
 - Keep forest density below water-limited carrying capacity
 - Plant or Manage diversity rather than homogeneous monocultures
- Do NOT Stovepipe Policy Formation – Fire, carbon and other policies may be at cross-purposes demanding creative management of change

Approved by the Board May 20, 2008
Oregon Watershed Enhancement Board

March 19, 2008
OWEB Board Meeting
Medford, Oregon

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Jim Johnson
Skip Klarquist
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers (arrived at 3:00 p.m.)
Diane Snyder
Dan Thorndike
Helen Westbrook

Members Not Present

Bobby Brunoe
Patricia Smith
Michael Tehan
Ken Williamson

OWEB Staff Present

Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Douglass Fitting
Mark Grenbemer
Wendy Hudson
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Teresa Trump
Roger Wood

Others Present

Tim Franklin
Laura Jackson
Darren Borgias

Others Present

Kip Wood
Mary Loftin
Kim Schoner
Bruce Taylor
Wayne Hoffman
Paul Siebert
Scott Turo
Larry Six
Joseph Feldhaus
Jonathan Soll
Tom Wiley
Brad Carlson
Liz Vollmer-Buhl
Charlie Boy
Frances Oyung
Lee Russell
Elise Granek
Larry Putlitz
Bob Kinyon
Cheryl McGinnis
Daniel Newberry

A. Board Member Comments

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

B. Minutes

Minutes of the January 16-17, 2008, Board meeting in Astoria were unanimously approved.

C. Executive Director Update

Executive Director, Tom Byler, reminded Board members of OWEB's biennial conference which will be held November 5-7, at the Eugene Hilton. He asked for Board participation and sponsorships. He discussed the timeline for the proposed Region 6 regional program representative recruitment. At its April 8, 2008, meeting, The Nature Conservancy (TNC) staff will be recognized by the State Land Board for their work on the Williamson River Delta project.

1. Oregon 150 Update

Ken Bierly, Deputy Director, briefly discussed the applications received, the review process, and will have a update Board members at the May meeting.

2. Whole Watershed Restoration Initiative
The Board was provided information on the proposed project distribution for the partnership.
3. Pacific Coastal Salmon Recovery Fund
Director Byler stated that he expects PCSRF funds to be distributed sometime this summer. This is the second year that states have competed for PCSRF funds. The MOU with NOAA Fisheries has been revised significantly. Since it is unlikely that the federal budget will pass before the November elections, the outcome of FFY 09 funding is not known.
4. Oregon Watershed Restoration Inventory Electronic Improvements
Reporting to the OWRI is required for grants awarded by OWEB, but available for voluntary data received from our partners. OWEB recently established an electronic reporting option that enables projects to be submitted on e-forms. About 25% of the projects are being reported electronically.
5. Deferred Land Acquisitions
The following acquisitions deferred from previous meetings are not ready for Board consideration pending receipt of due diligence materials, or resolution of issues.
 - Shangrila Creek Wetlands (208-103), \$180,000 request, received in April 2007.
 - Newton Creek Wetlands (207-301), \$1.5 million request, received in October 2006.
 - Lostine River (207-324), \$516,000 request, received in October 2006.
 - Pilcher Creek (206-339), \$250,000 request, received in October 2005.
6. Monitoring and Research Strategy
Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on results of the Board subcommittee's first meeting, which was held on February 27, 2008. Members of the subcommittee are Meta Loftsgaarden, Ken Williamson, and Bobby Brunoe. Focus was on issues raised at the Board Planning Session last July.
7. Administrative Rule Development
Director Byler briefly updated Board members on potential administrative rulemaking efforts involving watershed council support, restoration grants, and grant administration. Only the grant administration rules may be ready for consideration at the September Board meeting. Staff have determined that rules are not necessary for the others.
8. Education and Outreach Strategy
Carolyn Devine, Communications Coordinator, has been researching past education and outreach grants, and has been working with a Board subcommittee on developing the education and outreach strategy.
9. Partnership Investments
Director Byler provided Board members with a brief overview of the need to add two Board members (one voting and one non-voting) to the Partnership Investments subcommittee to provide a greater frequency of communication with staff.

D. Special Investment Partnerships – Willamette

Roger Wood, Special Projects, was joined by Pam Wiley from Meyer Memorial Trust (MMT), to update Board members on the Willamette SIP and MMT’s contribution to the effort. OWEB staff are requesting the Board approve a \$6 million allocation toward implementation of the Willamette SIP and authorize the Executive Director to negotiate project details and enter into agreements to obligate the funding.

The MMT allocates resources in three strategic areas: 1) education initiative (The Chalkboard Project); 2) affordable housing; and 3) restoration of the Willamette River. OWEB has been working with the MMT on the Willamette SIP. The MMT is excited to be working with OWEB as they can allocate funds without the capital/non-capital issues that OWEB struggles with. The MMT is strongly interested in a five to seven year monitoring commitment.

Beginning in spring 2008, OWEB will help partners further develop the details of promising projects, and sign agreements with a number of key public and private partners with funding, land, or other resources to offer the Willamette Partnership. Partners to date include: Meyer Memorial Trust, the Oregon Departments of Geology and Mineral Industries, State Lands, Environmental Quality, Fish and Wildlife, Parks, and possibly others.

Board discussion focused on details and management of proposed projects, and items contained in the agreements.

Roger Wood stated that OWEB will strive for the fewest number of agreements with the largest number of partners.

Board members unanimously approved the following:

1. The Board endorsed the merit and objectives of the Willamette SIP contained in Attachment A of the staff report and the value of likely outcomes.
2. The Board allocated to the Willamette SIP up to \$6 million of capital funds from the \$12 million previously reserved for SIP for the 2007-2009 biennium and delegated the distribution authority to the Executive Director.
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- Joseph Feldhaus, Coos Watershed Association, requested full funding for 208-2061 and 208-2059 which were both recommended for funding at a reduced amount.
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- Representative Susan Morgan, Laura Jackson, ODFW, and John Ouimet, District Ranger, U.S. Forest Service, and Bob Kinyon, Partnership for the Umpqua Rivers, supported 208-2082, Diamond Lake Restoration Post-Treatment Monitoring, which was recommended for funding by the RRT, but fell below the OWEB staff recommended funding line.
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Lauri Aunan, Grant Program Manager, provided Board members an overview of the October 22, 2007, grant cycle. Two hundred and sixty four grant applications seeking a total of \$33,557,110 were received, making this the largest number of applications OWEB has ever received in a grant cycle.

Ms. Aunan thanked those who were involved in the application review process, and their continuing commitment.

- Regional Review Teams
- Oregon Plan Monitoring Team
- Oregon Plan Outreach Team
- OWEB staff

She also thanked Board members, Dave Powers and Miles Brown, for attending site visits with the regional review team members and staff.

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Twelve Acquisition applications were received, including one water acquisition, and 11 land acquisitions. Two land acquisition projects were withdrawn by applicants. The Board acquisition subcommittee reviewed the applications before regional review team evaluation of ecological merit and recommended whether staff should proceed with due diligence review.

The subcommittee requested due diligence materials from nine of the 11 land acquisition applicants. Due diligence materials were received and reviewed for one application, Yamhill Oaks (208-108), which is recommended for funding by staff. The remaining eight applications are recommended for deferral.

Board members were presented funding recommendations by staff and voted on the staff recommendations, and considered additional projects based on public input. At the conclusion of all the regional reports, Board members had a final vote on funding awards.

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Lauri Aunan, Grant Program Manager
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.

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Lauri Aunan, Grant Program Manager
Mark Grenbemer, Regional Program Representative

Board members discussed projects that were identified in the public comment period. The Board was interested in how the funding source (capital vs. non-capital) affected prioritization. Director Byler clarified that funding sources do not affect prioritization, and that the review teams make their determinations on the merits of the applications, not the funding source.

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Lauri Aunan, Grant Program Manager
Wendy Hudson, Regional Program Representative
Douglass Fitting, Acquisitions

208-108 Yamhill Oaks-Nielsen Trust Property Acquisition, which is recommended for funding.

Board members unanimously supported staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

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Rick Craiger, Regional Program Representative

Douglass Fitting, Acquisitions

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- 208-104 Deschutes River Instream Leasing was withdrawn by the applicant before the Board meeting.
- 208-105 Coffey Ranch Conservation Easement was withdrawn prior to the Board meeting.

Staff explained the four projects reviewed by the regional review team that were to be funded by the resources available to the Deschutes SIP.

Board members unanimously supported staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

REGION 5, EASTERN OREGON

Lauri Aunan, Grant Program Manager

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.

STATEWIDE

Lauri Aunan, Grant Program Manager

Carolyn Devine, Communications Coordinator

Board members unanimously supported staff's funding recommendations for the two statewide applications, as shown in the "shaded area" of the corrected attachment C to the Overview and Statewide Application staff report.

The following applications were identified for further discussion by the Board:

- 208-2082 Diamond Lake Restoration Post Treatment Monitoring
- 208-5104 Mid-Fork John Day River Instream Habitat Improvement
- 208-2046 PSU's Monitoring Oregon Coastal Marine Habitats
- 208-2048 Applegate Salmon Safe Education
- 208-3083 Clackamas River Basin Council Outreach and Education

At the end of the discussion, Board members voted (7 yes, 1 no (Dan Carver)) to award \$127,614 (\$50,000 reduction) to Application 208-5104.

At the conclusion of the Board meeting, there was an informal reception for OWEB Board members, staff, watershed partners, and local officials at the Red Lion. Representatives of the following local entities provided a brief description of activities in the Rogue. OWEB was honored to have Representative George Gilman and Mayor Gary Wheeler of Medford attend the reception.

- Applegate Watershed Council
- Bear Creek Watershed Council
- Illinois Valley Watershed Council and Soil and Water Conservation District
- Middle Rogue Watershed Council
- Upper Rogue Watershed Council
- Southwest Oregon RC&D
- WaterWatch
- Oregon Water Trust
- Medford Water Commission
- Rogue Basin Coordinating Council

**Approved by the Board May 20, 2008
Oregon Watershed Enhancement Board**

**March 20, 2008
OWEB Board Meeting
Medford, Oregon**

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Jim Johnson
Skip Klarquist
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers
Diane Snyder
Dan Thorndike
Helen Westbrook

OWEB Staff Present

Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Mark Grenbemer
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Teresa Trump

Others Present

Representative Ron Maurer
Sue Knapp
Kami Ellingson
Jessica Halofsky
Ron Neilson

Members Not Present

Bobby Brunoe
Patricia Smith
Michael Tehan
Ken Williamson

Savage Rapids Dam Tour

OWEB Board members, staff, local partners, and invited guests began the day with a tour of Savage Rapids Dam. From January of 2002 through September of 2005, OWEB committed \$3 million to fund removal of the dam and post removal restoration of the riparian area upstream of the dam site. OWEB was honored to have Representative Ron Maurer and Representative George Gilman attend the tour.

OWEB staff worked with the grantee, the Grants Pass Irrigation District, and WaterWatch to prepare the tour.

At the beginning of the Board meeting, the Co-Chairs recognized and welcomed Representative Ron Maurer who was in attendance.

G. 2009 Legislative Concepts and Budget Discussion

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, provided Board members with a brief update of legislative concepts and the agency's budget for 2009-2011. After considering two proposed legislative concepts (Landscape Contractor Exemption and

Multiple Projects and Permit Requirements) OWEB staff are confident that issues will be addressed in other avenues and will not submit them to the 2009 legislature.

Director Byler offered Board members a timeline of the process to submit OWEB's requested budget to the Governor. OWEB staff will submit draft policy packages for Board discussion at the May Board meeting, expecting to finalize those policy packages in June 2008. OWEB's requested budget is due to the Governor in September 2008. Following that submission, the Governor submits his recommended budget to the Legislature for consideration. OWEB's budget is final when the Legislature adopts the final budget.

H. Public Records Rules and Fee Schedule Adoption

Melissa Leoni, Senior Policy Coordinator, briefed Board members on the Public Records Rules and Fee Schedule proposed for adoption. The rules and fee schedule were developed in response to Senate Bill 554 approved by the 2007 Legislature.

Rulemaking was initiated in September 2007; proposed rules were developed and made available for public comment by January 7, 2008, and two public hearings were held (January 17 and 23, 2008). Staff considered the one public comment received, and are recommending two minor changes for clarification and consistency purposes.

OWEB staff also developed a fee schedule representing the most likely costs to be incurred in responding to requests to inspect or copy public records. The rule specifies that the requester be notified in a reasonable time period of when to expect a response to their request.

Board members unanimously adopted the administrative rules for public records access and reproduction contained in Attached B of the staff report; and adopted the proposed fee schedule as proposed in Attachment C of the report.

I. Public Comment – General

- Sue Knapp, Governor's Natural Resources Office, spoke on behalf of the Governor and the Natural Resources Office, in support of the Willamette SIP. Restoring the Willamette is high on the Governor's agenda along with climate change issues. She believes we will see renewal of the Rogue River with the Savage Rapids Dam removal and thanked the Board for all of their work, efforts, and participation.

J. Wetlands Investments

Coastal Wetlands Grants

Ken Bierly, Deputy Director, was joined by Kami Ellingson, U.S. Forest Service, Siuslaw National Forest, to brief Board members about the National Coastal Wetlands Conservation Grants awarded to OWEB. Under the competitive program, the U.S. Fish and Wildlife Service (USFWS) provides matching grants to states for acquisition, restoration, management or enhancement of coastal wetlands. In 2008, OWEB applied for, and was awarded, \$2.2 million for four grants:

- Lower Salmon River Estuary Restoration (\$754,800)
- Lint Slough Restoration (\$310,000)
- Yaquina Acquisition (\$95,725)
- Alsea Bay Acquisition (\$997,350)

Ms. Ellingson described the Lower Salmon River Estuary project and Mr. Bierly described the need for the Board to approve the distribution of the federal funds. Staff will return to the May Board meeting for funding the other three grants.

Board members unanimously approved to delegate authority to the Director to develop the appropriate grant agreements for \$754,800 with the U.S. Fish and Wildlife Service as described in the staff report.

Digitization of National Wetlands Inventory Maps

Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on digitization of National Wetlands Inventory Maps. In recent years, significant progress has been made toward building an electronic map of all wetlands located in the state that is readily available and based on data from the National Wetlands Inventory. In 2006, OWEB received \$75,000 from the Oregon Geographic Information Council (OGIC) to coordinate digitization of NWI maps. Again in January 2008, OGIC awarded \$48,000 to OWEB for the digitization of 240 additional maps, covering nearly 70 percent of the state. This project, combined with a project by The Wetlands Conservancy to revise outdated NWI maps in western Oregon, will provide total state coverage of about 75 percent. Staff will return at a future meeting to discuss funding for digitizing the remaining NWI maps in Oregon.

Compliance and Effectiveness Monitoring of Wetlands Projects

Greg Sieglitz, Monitoring and Reporting Program Manager, stated that OWEB is partnering with The Xerces Society and the Department of State Lands to submit a grant application to EPA to evaluate wetland restoration projects.

OWEB has provided nearly \$10 million to wetland restoration projects around the state between 1999-2008. Therefore, OWEB has identified wetland restoration projects as a significant type of restoration activity and the next project type positioned for effectiveness monitoring focus.

K. Climate Change Presentation

Jessica Halofsky, from the University of Washington, and Ron Neilson, from the U.S. Forest Service, discussed climate change scenarios and their possible impacts on ecosystem functions in the Pacific Northwest. This agenda item was the first in a series of presentations at Board meetings about climate change and its potential implications for watershed restoration and other OWEB investments.

OWEB plans to have presentations on the effects of climate change at subsequent board meetings and the biennial conference in November 2008.

L. Other Business

There was none.

Having no further business, the meeting was adjourned.

**MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD
Oregon Watershed Enhancement Board**

**March 19, 2008
OWEB Board Meeting
Medford, Oregon**

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Jim Johnson
Skip Klarquist
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers (arrived at 3:00 p.m.)
Diane Snyder
Dan Thorndike
Helen Westbrook

Members Not Present

Bobby Brunoe
Patricia Smith
Michael Tehan
Ken Williamson

OWEB Staff Present

Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
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Mark Grenbemer
Wendy Hudson
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Teresa Trump
Roger Wood

Others Present

Tim Franklin
Laura Jackson
Darren Borgias

Others Present

Kip Wood
Mary Loftin
Kim Schoner
Bruce Taylor
Wayne Hoffman
Paul Siebert
Scott Turo
Larry Six
Joseph Feldhaus
Jonathan Soll
Tom Wiley
Brad Carlson
Liz Vollmer-Buhl
Charlie Boy
Frances Oyung
Lee Russell
Elise Granek
Larry Putlitz
Bob Kinyon
Cheryl McGinnis
Daniel Newberry

A. Board Member Comments

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

B. Minutes

Minutes of the January 16-17, 2008, Board meeting in Astoria were unanimously approved.

C. Executive Director Update

Executive Director, Tom Byler, reminded Board members of OWEB's biennial conference which will be held November 5-7, at the Eugene Hilton. He asked for Board participation and sponsorships. He discussed the timeline for the proposed Region 6 regional program representative recruitment. At its April 8, 2008, meeting, The Nature Conservancy (TNC) staff will be recognized by the State Land Board for their work on the Williamson River Delta project.

1. Oregon 150 Update

Ken Bierly, Deputy Director, briefly discussed the applications received, the review process, and will have a update Board members at the May meeting.

2. Whole Watershed Restoration Initiative
The Board was provided information on the proposed project distribution for the partnership.
3. Pacific Coastal Salmon Recovery Fund
Director Byler stated that he expects PCSRF funds to be distributed sometime this summer. This is the second year that states have competed for PCSRF funds. The MOU with NOAA Fisheries has been revised significantly. Since it is unlikely that the federal budget will pass before the November elections, the outcome of FFY 09 funding is not known.
4. Oregon Watershed Restoration Inventory Electronic Improvements
Reporting to the OWRI is required for grants awarded by OWEB, but available for voluntary data received from our partners. OWEB recently established an electronic reporting option that enables projects to be submitted on e-forms. About 25% of the projects are being reported electronically.
5. Deferred Land Acquisitions
The following acquisitions deferred from previous meetings are not ready for Board consideration pending receipt of due diligence materials, or resolution of issues.
 - Shangrila Creek Wetlands (208-103), \$180,000 request, received in April 2007.
 - Newton Creek Wetlands (207-301), \$1.5 million request, received in October 2006.
 - Lostine River (207-324), \$516,000 request, received in October 2006.
 - Pilcher Creek (206-339), \$250,000 request, received in October 2005.
6. Monitoring and Research Strategy
Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on results of the Board subcommittee's first meeting, which was held on February 27, 2008. Members of the subcommittee are Meta Loftsgaarden, Ken Williamson, and Bobby Brunoe. Focus was on issues raised at the Board Planning Session last July.
7. Administrative Rule Development
Director Byler briefly updated Board members on potential administrative rulemaking efforts involving watershed council support, restoration grants, and grant administration. Only the grant administration rules may be ready for consideration at the September Board meeting. Staff have determined that rules are not necessary for the others.
8. Education and Outreach Strategy
Carolyn Devine, Communications Coordinator, has been researching past education and outreach grants, and has been working with a Board subcommittee on developing the education and outreach strategy.
9. Partnership Investments
Director Byler provided Board members with a brief overview of the need to add two Board members (one voting and one non-voting) to the Partnership Investments subcommittee to provide a greater frequency of communication with staff.

D. Special Investment Partnerships – Willamette

Roger Wood, Special Projects, was joined by Pam Wiley from Meyer Memorial Trust (MMT), to update Board members on the Willamette SIP and MMT's contribution to the effort. OWEB staff are requesting the Board approve a \$6 million allocation toward implementation of the Willamette SIP and authorize the Executive Director to negotiate project details and enter into agreements to obligate the funding.

The MMT allocates resources in three strategic areas: 1) education initiative (The Chalkboard Project); 2) affordable housing; and 3) restoration of the Willamette River. OWEB has been working with the MMT on the Willamette SIP. The MMT is excited to be working with OWEB as they can allocate funds without the capital/non-capital issues that OWEB struggles with. The MMT is strongly interested in a five to seven year monitoring commitment.

Beginning in spring 2008, OWEB will help partners further develop the details of promising projects, and sign agreements with a number of key public and private partners with funding, land, or other resources to offer the Willamette Partnership. Partners to date include: Meyer Memorial Trust, the Oregon Departments of Geology and Mineral Industries, State Lands, Environmental Quality, Fish and Wildlife, Parks, and possibly others.

Board discussion focused on details and management of proposed projects, and items contained in the agreements.

Roger Wood stated that OWEB will strive for the fewest number of agreements with the largest number of partners.

Board members unanimously approved the following:

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Board members unanimously supported staff's funding recommendations for the two statewide applications, as shown in the "shaded area" of the corrected attachment C to the Overview and Statewide Application staff report.

The following applications were identified for further discussion by the Board:

- 208-2082 Diamond Lake Restoration Post Treatment Monitoring
- 208-5104 Mid-Fork John Day River Instream Habitat Improvement
- 208-2046 PSU's Monitoring Oregon Coastal Marine Habitats
- 208-2048 Applegate Salmon Safe Education
- 208-3083 Clackamas River Basin Council Outreach and Education

At the end of the discussion, Board members voted (7 yes, 1 no (Dan Carver)) to award \$127,614 (\$50,000 reduction) to Application 208-5104.

At the conclusion of the Board meeting, there was an informal reception for OWEB Board members, staff, watershed partners, and local officials at the Red Lion. Representatives of the following local entities provided a brief description of activities in the Rogue. OWEB was honored to have Representative George Gilman and Mayor Gary Wheeler of Medford attend the reception.

- Applegate Watershed Council
- Bear Creek Watershed Council
- Illinois Valley Watershed Council and Soil and Water Conservation District
- Middle Rogue Watershed Council
- Upper Rogue Watershed Council
- Southwest Oregon RC&D
- WaterWatch
- Oregon Water Trust
- Medford Water Commission
- Rogue Basin Coordinating Council

**MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD
Oregon Watershed Enhancement Board**

**March 20, 2008
OWEB Board Meeting
Medford, Oregon**

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Jim Johnson
Skip Klarquist
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers
Diane Snyder
Dan Thorndike
Helen Westbrook

OWEB Staff Present

Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Mark Grenbemer
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Teresa Trump

Others Present

Representative Ron Maurer
Sue Knapp
Kami Ellingson
Jessica Halofsky
Ron Neilson

Members Not Present

Bobby Brunoe
Patricia Smith
Michael Tehan
Ken Williamson

Savage Rapids Dam Tour

OWEB Board members, staff, local partners, and invited guests began the day with a tour of Savage Rapids Dam. From January of 2002 through September of 2005, OWEB committed \$3 million to fund removal of the dam and post removal restoration of the riparian area upstream of the dam site. OWEB was honored to have Representative Ron Maurer and Representative George Gilman attend the tour.

OWEB staff worked with the grantee, the Grants Pass Irrigation District, and WaterWatch to prepare the tour.

At the beginning of the Board meeting, the Co-Chairs recognized and welcomed Representative Ron Maurer who was in attendance.

G. 2009 Legislative Concepts and Budget Discussion

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, provided Board members with a brief update of legislative concepts and the agency's budget for 2009-2011. After considering two proposed legislative concepts (Landscape Contractor Exemption and

Multiple Projects and Permit Requirements) OWEB staff are confident that issues will be addressed in other avenues and will not submit them to the 2009 legislature.

Director Byler offered Board members a timeline of the process to submit OWEB's requested budget to the Governor. OWEB staff will submit draft policy packages for Board discussion at the May Board meeting, expecting to finalize those policy packages in June 2008. OWEB's requested budget is due to the Governor in September 2008. Following that submission, the Governor submits his recommended budget to the Legislature for consideration. OWEB's budget is final when the Legislature adopts the final budget.

H. Public Records Rules and Fee Schedule Adoption

Melissa Leoni, Senior Policy Coordinator, briefed Board members on the Public Records Rules and Fee Schedule proposed for adoption. The rules and fee schedule were developed in response to Senate Bill 554 approved by the 2007 Legislature.

Rulemaking was initiated in September 2007; proposed rules were developed and made available for public comment by January 7, 2008, and two public hearings were held (January 17 and 23, 2008). Staff considered the one public comment received, and are recommending two minor changes for clarification and consistency purposes.

OWEB staff also developed a fee schedule representing the most likely costs to be incurred in responding to requests to inspect or copy public records. The rule specifies that the requester be notified in a reasonable time period of when to expect a response to their request.

Board members unanimously adopted the administrative rules for public records access and reproduction contained in Attached B of the staff report; and adopted the proposed fee schedule as proposed in Attachment C of the report.

I. Public Comment – General

- Sue Knapp, Governor's Natural Resources Office, spoke on behalf of the Governor and the Natural Resources Office, in support of the Willamette SIP. Restoring the Willamette is high on the Governor's agenda along with climate change issues. She believes we will see renewal of the Rogue River with the Savage Rapids Dam removal and thanked the Board for all of their work, efforts, and participation.

J. Wetlands Investments

Coastal Wetlands Grants

Ken Bierly, Deputy Director, was joined by Kami Ellingson, U.S. Forest Service, Siuslaw National Forest, to brief Board members about the National Coastal Wetlands Conservation Grants awarded to OWEB. Under the competitive program, the U.S. Fish and Wildlife Service (USFWS) provides matching grants to states for acquisition, restoration, management or enhancement of coastal wetlands. In 2008, OWEB applied for, and was awarded, \$2.2 million for four grants:

- Lower Salmon River Estuary Restoration (\$754,800)
- Lint Slough Restoration (\$310,000)
- Yaquina Acquisition (\$95,725)
- Alsea Bay Acquisition (\$997,350)

Ms. Ellingson described the Lower Salmon River Estuary project and Mr. Bierly described the need for the Board to approve the distribution of the federal funds. Staff will return to the May Board meeting for funding the other three grants.

Board members unanimously approved to delegate authority to the Director to develop the appropriate grant agreements for \$754,800 with the U.S. Fish and Wildlife Service as described in the staff report.

Digitization of National Wetlands Inventory Maps

Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on digitization of National Wetlands Inventory Maps. In recent years, significant progress has been made toward building an electronic map of all wetlands located in the state that is readily available and based on data from the National Wetlands Inventory. In 2006, OWEB received \$75,000 from the Oregon Geographic Information Council (OGIC) to coordinate digitization of NWI maps. Again in January 2008, OGIC awarded \$48,000 to OWEB for the digitization of 240 additional maps, covering nearly 70 percent of the state. This project, combined with a project by The Wetlands Conservancy to revise outdated NWI maps in western Oregon, will provide total state coverage of about 75 percent. Staff will return at a future meeting to discuss funding for digitizing the remaining NWI maps in Oregon.

Compliance and Effectiveness Monitoring of Wetlands Projects

Greg Sieglitz, Monitoring and Reporting Program Manager, stated that OWEB is partnering with The Xerces Society and the Department of State Lands to submit a grant application to EPA to evaluate wetland restoration projects.

OWEB has provided nearly \$10 million to wetland restoration projects around the state between 1999-2008. Therefore, OWEB has identified wetland restoration projects as a significant type of restoration activity and the next project type positioned for effectiveness monitoring focus.

K. Climate Change Presentation

Jessica Halofsky, from the University of Washington, and Ron Neilson, from the U.S. Forest Service, discussed climate change scenarios and their possible impacts on ecosystem functions in the Pacific Northwest. This agenda item was the first in a series of presentations at Board meetings about climate change and its potential implications for watershed restoration and other OWEB investments.

OWEB plans to have presentations on the effects of climate change at subsequent board meetings and the biennial conference in November 2008.

L. Other Business

There was none.

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board May 20-21, 2008

Holiday Inn Ontario 1249 Tapadera Avenue Sawtooth/Wilderness Room

DIRECTIONS

I-84 East (from Portland): Take I-84 East to Ontario. Exit 376B – Turn right. Turn left at second stoplight (Goodfellow St.). Turn left onto Tapadera Ave. Hotel is one block on the right.

I-84 West (from Boise): Take I-84 West to Ontario. Exit 376B – Turn right. Turn left at second stoplight (Goodfellow St.). Turn left onto Tapadera Ave. Hotel is one block on the right.

Tuesday, May 20, 2008

Business Meeting - 8:00 a.m. (Mountain Time)

*NOTE: Mountain time is one hour later than Pacific time (i.e., 8:00 a.m. Mountain time is 7:00 a.m. Pacific time).

During the public comment periods (Agenda Items H and O), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

A. Board Member Comments

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

B. Review and Approval of Minutes

The minutes of the March 19-20, 2008, meeting will be presented for Board approval. *Action item.*

C. Executive Director Update

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

D. Education and Outreach Subcommittee Report

Carolyn Devine, Communications Coordinator, will update the Board on the work of the Education and Outreach Subcommittee and will discuss potential options for future education and outreach grant cycles. *Action item.*

E. Monitoring and Research Subcommittee Report

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on the work of the Monitoring and Research Subcommittee and will discuss potential options for future monitoring and research grant solicitations. *Action item.*

F. Non-Capital Funding and October Grant Applications

Tom Byler, Executive Director, will update the Board on the status of OWEB's application for 2008 Pacific Coastal Salmon Recovery Funds. Lauri Aunan, Grant Program Manager, will propose non-capital grant offerings for the October 20, 2008, grant deadline. *Action item.*

G. Deferred Land Acquisition Applications

Douglass Fitting, Policy Specialist, will update Board members on deferred land acquisition projects and present funding recommendations for Board consideration. *Action item.*

H. Public Comment [approximately 11:00 a.m.]

This time is reserved for public comment on any matter before the Board.

I. Oregon Plan Products

Greg Sieglitz, Monitoring and Reporting Program Manager, and Renee Davis-Born, Data Analyst and Information Specialist, will lead a discussion about potential investments in the Oregon Explorer, voluntary water quality monitoring, and other agency products beneficial to the Oregon Plan for Salmon and Watersheds. *Information item.*

J. 2009-2011 Budget and Policy Packages

Tom Byler, Executive Director, will update the Board on the process to develop budget proposals for the 2009 legislative session, and will lead a discussion with Board members on potential budget option packages for the agency's 2009-2011 budget. *Information item.*

Local Projects Tour – 2:00 p.m.

OWEB Board members and staff will be joined by representatives of the Oregon Departments of Environmental Quality and Agriculture, the Willow Creek, Owyhee, and Malheur watershed councils, and the Malheur Soil and Water Conservation District for a tour of OWEB-funded projects in the Malheur basin. Transportation will be provided for OWEB Board members and staff. Anyone is welcome to join the tour, but please be prepared to provide your own transportation. At the conclusion of the tour, Board members and staff will remain at Willow Creek where they will attend a barbeque and informal reception hosted by the Malheur Watershed Council.

Wednesday, May 21, 2008

Business Meeting – 8:00 a.m. (Mountain Time)

During the public comment periods (Agenda Items H and O), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. **The Board encourages persons to limit comments to no more than five minutes.**

K. Wetland Mapping and Monitoring

Greg Sieglitz, Monitoring and Reporting Program Manager, and Renee Davis-Born, Data Analyst and Information Specialist, will update Board members on a grant request to the Environmental Protection Agency for wetland restoration effectiveness monitoring, and request Board approval of funding for National Wetlands Inventory mapping. *Action item.*

L. Coastal Wetlands Grants

Ken Bierly, Deputy Director, will describe potential OWEB proposals to submit to the U.S. Fish and Wildlife Service (USFWS) for its 2009 Coastal Wetlands Grants; request Board authorization to enter into the appropriate grant agreements for the 2008 Coastal Wetlands Grant awards for the two acquisition projects and an estuarine restoration project; and request Board action to provide match funding for the estuarine restoration project. *Action item.*

M. Oregon CREP

Ken Bierly, Deputy Director, will discuss a proposal to organize and participate in a joint work group with the Department and Board of Agriculture to review and develop an approach to address technical assistance and program delivery for the Oregon Conservation Reserve Enhancement Program. *Information item.*

N. Climate Change Presentation and Discussion

This agenda item is the second in a series of presentations to the Board about climate change and its potential implications for watershed restoration and other OWEB investments. Guest presenters Anne Nolin, OSU Department of GeoSciences, Tim DeBoodt, OSU Eastern Oregon Agricultural Research Center, and Tony Svejcar, USDA-Agricultural Research Service, will discuss issues related to water availability, rangeland health, and climate change. *Information item.*

O. Public Comment [approximately 11:15 a.m.]

This time is reserved for public comment on any matter before the Board.

P. StreamBank

Pete Dalke, coordinator with the Oregon Solutions Office, and Joe Whitworth, Oregon Trout, will give a presentation on StreamBank, a web-based tool for private landowners and local restoration professionals to quickly identify and obtain restoration dollars and necessary permits based on project type, geographic location, science-based restoration needs, and funding priorities. *Information item.*

Q. Other Business

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

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

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

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

A general public comment period will be held on Tuesday, May 20, and Wednesday, May 21, for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

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

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

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

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

Oregon Watershed Enhancement Board Membership

Voting Members

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

Non-voting Members

Representative of NMFS: **Michael Tehan**
Representative of Oregon State University Extension Service: **James Johnson**
Representative of U.S. Forest Service: **Jose Linares**
Representative of U.S. BLM: **Miles Brown**
Representative of U.S. NRCS: **Meta Loftsgaarden**
Representative of U.S. EPA: **Dave Powers**

Contact Information

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Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director - Tom Byler

tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

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

2008-2009 Board Meeting Schedule

2008
September 16-17, The Dalles

2009
January 21-22, Salem
March 18-19, Portland/Salem
May 19-20, Salem
September 15-16, Klamath Falls

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

May 20-21, 2008 OWEB Board Meeting Executive Director Update #C1: Oregon 150 Grants

Background

In September of 2007, the Board approved an investment of \$1 million to fund a grant offering addressing Oregon's symbolic species in conjunction with the Oregon Department of Fish and Wildlife (ODFW) as part of Oregon's sesquicentennial celebration. The Board delegated authority to the OWEB Director to distribute the funding. This report provides an update on the status of the grant solicitation, response, and award recommendations.

Progress to Date

On January 2, 2008, ODFW posted grant application forms for the Oregon 150 grant offering on their web site. The application forms were developed in consultation and collaboration with OWEB staff. The deadline for submitting applications was February 25, 2008. ODFW received 12 applications for a total of \$750,000.

As reported at the March Board meeting, OWEB and ODFW staff coordinated roles and responsibilities for application processing and project management. ODFW developed a review process, including a review team consisting of taxon specialists (one each for Chinook Salmon, Western Meadowlark, American Beaver, and Swallowtail Butterfly), ODFW staff, OWEB regional review team members, and OWEB staff. The review criteria presented in March included how the application addresses the symbolic species, its technical feasibility, partnership and financial considerations, and project impact and context.

On April 11, 2008, the reviewers met and developed consensus funding recommendations for the OWEB Director to consider. The funding recommendations, contained in Attachment A, have been reviewed by Director Byler who concurred with the recommendations. Grant agreements will be developed for each recommended applicant. ODFW has prepared written evaluations and is contacting the applicants of the funding decisions.

The grant award total is \$282,511. With the remaining funds, ODFW will advertise for grant applications later this summer for additional projects that would benefit Oregon's symbolic species.

Staff Contact

If you have questions or need additional information about Oregon 150 Grants, please contact Ken Bierly, at ken.bierly@state.or.us or 503-986-0182.

Attachment A

Applicant	Species Addressed	Amount Requested	Funding Recommendation
City of Eugene	beaver, chinook salmon	\$81,558	Fund with conditions
Confederated Tribes of the Umatilla Reservation	meadowlark	\$15,852	Fund with conditions
East Lane SWCD	beaver	\$31,113	Do Not Fund
Heritage Seedlings, Inc.	beaver, meadowlark	\$39,846	Fund
Inland Empire Action Coalition	beaver, meadowlark	\$74,765	Do Not Fund
Institute for Applied Ecology	meadowlark	\$118,887	Do Not Fund
Lower Columbia Watershed Council	beaver	\$37,300	Do Not Fund
MidCoast Watersheds Council	beaver	\$42,352	Do Not Fund
Nez Perce Tribe	beaver	\$20,432	Fund with conditions
The Nature Conservancy	meadowlark	\$124,823	Fund with conditions
Wallowa SWCD	meadowlark	\$18,210	Do Not Fund
Willamette Riverkeeper	chinook salmon, meadowlark	\$125,231	Do Not Fund

May 20-21, 2008 OWEB Board Meeting
Executive Director Update #C2: Administrative Rulemaking

Background

In January, staff sought Board authorization to begin administrative rulemaking to address three areas of OWEB’s administrative rules. At the time staff was uncertain whether all three areas would ultimately require rule language changes, but staff wanted the ability to pursue rulemaking that could be completed by May 2008, if needed. This staff report provides an update on developments since the March 2008 staff report.

Restoration Grant Eligibility

As reported in the March staff report, staff have concluded that the existing rule language provides enough flexibility to allow OWEB funds to be used in certain scenarios where leveraging other funding might be construed as being required for mitigation purposes or in compliance with a state or federal legal judgment. Staff will develop guidance to provide internal and external clarification about the rule and these scenarios.

Watershed Council Support Rules

At this time staff do not recommend proceeding with rulemaking to address the funding distribution criteria in watershed council support grants. After further discussion, staff believe that there is enough flexibility in the current rules to allow staff to change the formulas or award “bonuses” to better address funding needs and concerns. Staff plan to discuss this recommendation and options for distributing council support funding for the 2009-2011 biennium with the Council Support Subcommittee over the summer. Staff and the Subcommittee will report on the status of this discussion at the September 2008 meeting.

Grant Administration Rules

In January, staff identified a couple of areas where a policy discussion and re-visitation of the grant administration rules could benefit the program. After further discussion of the policy issues and rules, staff intend to pursue rulemaking on the following list of rule topics:

Rule Topic	Oregon Administrative Rule Number
Landowner Agreements	695-005-0060(4) and 695-005-0030(4)
Grant Amendments	695-005-0050(1)
Rule Waivers	695-005-0070/All divisions
Consistent use of Director and Board	All divisions
Consistent use of effectiveness and implementation monitoring terms	All divisions
Partnerships and Non-Competitive Grants	New rules (Division 4)

Staff will develop a set of proposed rules and rule amendments during the month of May, and plan to convene a rules advisory committee to provide feedback during June in preparation for a four week public comment period during July. Staff will then present a set of proposed administrative rules for Board consideration at the September 2008 meeting.

Staff Contact

If you have questions or need additional information, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

May 20-21, 2008 OWEB Board Meeting
Executive Director Update #C3: 2007-2009 Oregon Plan Biennial Report

Background

ORS 541.405 states that by January 15 of each odd-numbered year the Oregon Watershed Enhancement Board must submit a report to the Governor and to the appropriate committee or committees of the Legislative Assembly that assesses the statewide and regional implementation and effectiveness of the Oregon Plan for Salmon and Watersheds. The report must address each drainage basin in the state and include watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments, and recommendations of the Board for enhancing Oregon Plan effectiveness in each basin.

2007-2009 Biennial Report

Staff have begun production on the 2007-2009 Oregon Plan Biennial Report based on the following schedule in order to deliver the report to the Legislature by January 15, 2009.

April – June 2008	Data collection and entry.
July – August 2008	Map and graphic development. Collect program and accomplishment information. Draft text.
September 2008	Report to Board on report status, issues identified, and recommended observations. Refine Board observations and recommendations. Finish drafting text. Review maps and graphics.
October – November 2008	Final document assembled and reviewed.
December 5, 2008	Biennial Report sent to printer.
January 12, 2009	Biennial Report distributed to Board, Legislature, and other stakeholders.

Attached is the current draft outline for the 2007-2009 Biennial Report. In addition to a reorganization of sections, staff have eliminated the basin accomplishments section and will instead highlight a single restoration project on the basin summary pages connected to the basin maps showing all completed and reported restoration projects.

Staff Contact

Staff anticipate updating the Board at the September 2008 and January 2009 meetings. If you have questions or need additional information about the 2007-2009 Oregon Plan Biennial Report, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

2007-2009 Proposed Biennial Report Outline

SECTION	# PAGES	PAGE #S
Introduction/Director's Letter		inside front cover
Table of Contents	1	page 1
Executive Summary	2	pages 2-3
<ul style="list-style-type: none"> • Board observations/recommendations 		
Oregon Plan Overview	2	pages 4-5
<ul style="list-style-type: none"> • What is the Oregon Plan • Difference between OWEB and OPSW • Partnerships • Threatened and Endangered Species, including recovery planning and conservation strategy. 		
Agency Actions	4	pages 6-9
<ul style="list-style-type: none"> • State agency actions by ecological themes • Federal investments (NRCS/BPA data) 		
Voluntary Restoration Activities Summary	2	pages 10-11
Monitoring & Evaluation Overview	1	page 12
Science Oversight	1	page 13
OWEB Investments	2	pages 14-15
<ul style="list-style-type: none"> • Funding Pie Charts • OWEB Story 		
Basin Highlights Overview	2	page 16-17
<ul style="list-style-type: none"> • Describe basin pages and included data • Guide for the basin highlights • Restoration Outcomes/Project Funding since 1995 		
Basin Highlights (15 basins)	30	pages 18-47
<ul style="list-style-type: none"> • Completed and Reported Restoration Map • Restoration Issues • Investments – completed and reported activities and OWEB investments • Add one project story per basin 		
Data Sources, Acronyms & Credits	1	page 48
OWEB Board Members		inside back cover
TOTAL PAGES	48 + cover	

May 20-21, 2008 OWEB Board Meeting
Executive Director Update #C4: 2009-2011 Watershed Council Support

Background

This report describes the proposed schedule for solicitation and evaluation of watershed council support grants for the 2009-2011 biennium. Attachment A shows the schedule depicting the key proposed dates and actions for the council support grant process.

Staff are proposing to complete minor revisions to the council support application by July 24, 2008, in order to make the application available to applicants by August 1, 2008. Staff plan to convene the Council Support Board Subcommittee several times this summer to discuss the funding distribution criteria or formula as described in the Item #C2 - Administrative Rules staff report. Staff will report back to the Board on the results of those discussions at the September 2008 meeting.

Subcommittee Membership

The Council Support Board Subcommittee consists of Dave Powers, Helen Westbrook, Jim Nakano, and Jim Johnson. Staff support is provided by Ken Bierly, Deputy Director.

Staff Contact

If you have questions or need additional information about watershed council support process for the 2009-2011 biennium, contact Ken Bierly, at ken.bierly@state.or.us, or 503-986-0182.

DRAFT 2009-2011 Watershed Council Support Grant Award Schedule

DATES	ACTIONS
May 17, 2008	Staff suggestions due on any proposed changes for the Council Support (CS) application.
June – August 2008	CS Board Subcommittee meetings.
July 30, 2008	Solo funding petitions due to OWEB.
August 1, 2008	CS application posted on web.
August 22, 2008	CS internal kickoff meeting to discuss changes to the CS process.
August 29, 2008	Staff report on solo funding petitions sent to Board.
September 16-17, 2008	Board meeting. Solo petition decision.
October 3-10, 2008	Council Support Advisory Committee (CSAC) reviewers selected and sent process information.
October 13-24, 2008	CS application training for watershed council coordinators.
December 2-5, 2008	CSAC (reviewer) Training.
December 15, 2008	Application Deadline 5:00 p.m.
January 2008	CS Board Subcommittee meeting.
January 30, 2009	Evaluation score sheets due to OWEB from CSAC for tabulation.
February 9-13, 2009	CSAC scoring sessions to develop “consensus scores.”
February 24, 2009	Staff discussion on merit score distribution and policy issues.
February 27, 2009	CS Board Subcommittee meeting on merit score distribution and policy issues.
Feb. 25-March 6, 2009	Staff prepare CS evaluation write-ups.
March 23, 2009	CS evaluation write-ups, merit scores, and funding alternatives sent to Board and applicants.
April 23, 2009	Written comments due from applicants on evaluation write-ups, merit scores, and funding alternatives.
May 4, 2009	Comment letters and staff reports sent to Board.
May 19-20, 2009	Board awards Watershed Council Support Grants (Salem).
May 22, 2009	Web posting of Board decision.
July 1, 2009	Grant Agreements signed and mailed to grantees for their signature.

May 20-21, 2008 OWEB Board Meeting Executive Director Update #C5: SIP Status

Background

The Board adopted Special Investment Partnership (SIP) programs for the Upper Deschutes at the January 2008 meeting, and for the Willamette at the March 2008 meeting. For both SIPs, daily progress continues on project design details, technical reviews, effectiveness monitoring plans, grant agreements, and the whole range of activities associated with implementation or immediate pre-implementation. The notes below capture the status as of April 30, 2008, and may be updated by the time of the Board meeting on May 20-21, 2008.

SIP Staffing

The need for additional assistance to address workload demands has significantly grown with the approval of the two SIP efforts. Staff are exploring all options to either hire temporary positions or to contract for specific tasks. OWEB staff have interviewed three individuals for part-time temporary positions to assist current SIP staff with Deschutes SIP grant management and with Willamette SIP project refinement and implementation. One person began working part-time on May 1. Staff are continuing to seek additional assistance.

Deschutes SIP Status

The Deschutes Partnership Agreement was signed by OWEB, Upper Deschutes Watershed Council, Crooked River Watershed Council, Deschutes Basin Land Trust, and Deschutes River Conservancy. Five projects have all received extensive technical review and are in various stages of implementation start-up. The following list gives a general description of these five projects and their current status.

1. North Unit Irrigation District Canal Intake modification (#208-4074-6558):
 - a. Improving the canal intake area to minimize injury to fish.
 - b. OWEB amount is \$420,000 of \$1,123,117.
 - c. Award Memo issued by the OWEB Director.
 - d. Grant agreement signed.
 - e. Project completed.
2. Lake Creek Culvert Removal (#208-4074-6560):
 - a. Improve fish passage on an important stream in the Metolius drainage.
 - b. OWEB amount is \$73,527 of \$134,292.
 - c. Award Memo issued by the Director.
 - d. Grant agreement drafted.
3. Whychus Creek Restoration at Camp Polk (#208-4074-6551):
 - a. Complex of activities to restore native vegetation on 35 acres of wetland and riparian area, restore habitat on 1.7 miles of stream, and restore creek to original channel, increasing its length by 2,500 feet.
 - b. OWEB amount is \$833,625 of \$2,034,625.
 - c. Extensive effectiveness monitoring plan drafted.
 - d. Award Memo issued by the Director.
 - e. Grant agreement in development.

4. McKenzie Canyon Black Butte Canal Improvement, Phase II (#208-4074-6559):
 - a. Pipe over 9,300 feet of open irrigation ditch to reduce loss and eventually restore 2.4 cubic feet per second (cfs) of permanent and protected in-stream flow to Whychus Creek.
 - b. OWEB amount is \$656,000 of \$1,629,187. This phase spends the first \$333,266 to get the first 1.2 cfs.
 - c. Award Memo issued by the Director.
 - d. Grant agreement in development.

5. Lower Crooked River City of Prineville (#208-4074-6562):
 - a. Restore flood plain, wetlands, riparian habitat, and in-stream complexity on about one half mile of Ochoco Creek while also providing better public access.
 - b. OWEB amount is \$216,346 of \$474,396.
 - c. Award Memo issued by the Director.
 - d. Grant agreement in development.

Applications are being written for another eight Deschutes SIP projects from the list approved by the Board in January.

Willamette SIP Status

- Partnership Agreements are drafted and under review by Meyer Memorial Trust, Oregon Parks and Recreation Department (OPRD), Department of State Lands (DSL), and Department of Geology and Mineral Industries (DOGAMI).
- Meetings and site visits with partners have been held at Willamette Mission State Park to develop projects to reconnect about two miles of side channel. The approximate and anticipated OWEB contribution is \$300,000.
- Meetings with partners have been held at Confluence Island to develop projects to construct two alcoves of about .25 miles each; to consider a cross-island channel and flood plain re-connection; and to consider ways to extend the benefits from a possible hyporheic cooling project on the site.
- Exploration with DOGAMI of potential sites for aggregate mine restoration projects.
- Meetings to develop a project to reconnect the abandoned aggregate mine within Bowers Rock State Park.
- Partnership Agreements are drafted and under review by Metro and the City of Portland.
- Conversations with partners have been held to explore the best early-action projects in the Multnomah Channel and Scappoose bottomlands area.
- Willamette River Aerial Photo Atlas has been updated with OPRD, DSL.
- Meetings with land trusts have been held to explore early-action projects.
- Meetings with Meyer Memorial Trust and partners to discuss and refine small watershed focus process.

Staff Contact

If you have questions or need additional information about the Special Investment Partnership, please contact Roger Wood, at roger.wood@state.or.us or at 503-986-0203.

May 20-21, 2008 OWEB Board Meeting
Executive Director Update #C6: April 21, 2008 Grant Cycle

Background

At the January 2008 Board meeting, the Board approved April 2008 grant cycle reserves of up to \$500,000 for Technical Assistance and \$500,000 for Watershed Assessment, targeted to basins where assessments have not been completed. The non-capital Technical Assistance and Watershed Assessment grant offerings are dependent upon receipt of the 2008 Pacific Coastal Salmon Recovery (PCSRF) funds. The Board previously reserved approximately \$9,250,000 per grant cycle for capital Restoration and Acquisition grants for the biennium.

April 21, 2008 Grant Cycle

A total of 150 grant applications were submitted to OWEB by the April 21, 2008, deadline. Table 1 displays the number of applications by region and type of application. The application review process has started with OWEB Regional Program Representatives and members from the Regional Review Teams attending site visits for some of the applications. The Regional Review Teams will meet in June and July to evaluate and prioritize applications.

The amount of funds requested, shown in Table 2, far exceeds the funding available for this round of applications.

Table 1. April 21, 2008 Grant Applications by Types of Applications

	Assessment	Technical Assistance	Acquisition	Restoration	Totals
Region 1	1	8	2	11	22
Region 2	3	9	0	13	25
Region 3	1	16	2	14	33
Region 4	0	3	1	14	18
Region 5	3	11	0	38	52
Totals	8	47	5	90	150

Table 2. April 21, 2008 Grant Applications by Funding Requested

	Assessment	Technical Assistance	Acquisition	Restoration	Totals
Region 1	\$59,180	\$305,033	\$5,064,960	\$1,024,011	\$6,453,184
Region 2	\$169,544	\$238,300	\$0	\$2,041,111	\$2,448,955
Region 3	\$49,940	\$592,849	\$2,285,230	\$1,607,422	\$4,535,441
Region 4	\$0	\$118,832	\$70,000	\$3,969,628	\$4,158,460
Region 5	\$265,883	\$450,762	\$0	\$4,406,523	\$5,123,168
Totals	\$544,547	\$1,705,776	\$7,420,190	\$13,048,695	\$22,719,208

Staff Contact

If you have questions or need additional information the April 2008 grant cycle, please contact Lauri Aunan, at lauri.g.aunan@state.or.us or 503-986-0047.



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April 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Carolyn Devine, Communications Coordinator

SUBJECT: **Agenda Item D: Education and Outreach Subcommittee Report
May 20-21, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the process and current activities of the Board Education and Outreach Subcommittee.

II. Background

OWEB's Education and Outreach Strategy continues to evolve to better fit the needs of the agency's mission and objectives. The statutes guiding the education and outreach investments of OWEB state that OWEB "shall provide educational and informational materials to promote public awareness and involvement in the watershed enhancement program." (ORS 541.370)

Development of an OWEB Education and Outreach Strategy began in September of 2003 as an effort to create an implementation plan for the Board's 2001 strategic plan, *A Strategy for Achieving Healthy Watersheds in Oregon*. The Board's Citizen Understanding Subcommittee began pursuing a three-pronged approach in early 2004 that differentiated efforts aimed at enhancing citizen awareness from those designed to increase knowledge and develop critical skills in key constituencies. Adopted in May of 2005, the Education and Outreach Strategy had evolved into an umbrella plan that connected and supported all of OWEB's education and outreach functions: the Grant Program, Oregon Plan support, partnerships, and support of local voluntary efforts. The strategy was comprehensive and ambitious. Its full implementation would have required a much larger funding and staffing investment.

At the Board retreat in July of 2007, the Board decided to re-visit its Education and Outreach Strategy and in December, a Board subcommittee was created. Board members include Jim Johnson, Meta Loftsgaarden, Dan Thorndike and Patricia Smith. Staff include Tom Byler and Carolyn Devine. The Subcommittee has met three times, from which a set of assumptions, a process, and a timeline for moving forward have been drafted.

On May 6, 2008, the Subcommittee will meet for a day-long focused discussion from which staff hope to present recommendations to the Board for OWEB's target audience(s) for future Education and Outreach grants.

III. Education and Outreach Subcommittee Draft Assumptions

Listed below are the subcommittee's draft assumptions describing the circumstances, basic beliefs, and values that affect their approach. These assumptions continue to be challenged, reviewed, and adjusted.

- Measurable goals and outcomes of education and outreach investments are critical. OWEB needs to be able to articulate the impact and value of its education and outreach efforts.
- One size does not fit all. Each region of the state is unique and may require different education and outreach programs. Those most influential in helping OWEB maximize its measurable goals should be the target audience. Each region will have different stakeholders, who are at different stages of commitment to OWEB's sustainability goals. However, comparable measurable outcomes across regions will be important to demonstrate statewide impact.
- Tailor the message to the audience. The methods of communication and education and outreach need to be appropriate for the audience. If an improper match occurs there is no return on the investment, or a negative result can occur. Therefore, OWEB needs to know what its target audience is thinking or feeling before creating the message.
- Partnerships are an important way to leverage OWEB investments. If OWEB has a clear enough target audience and associated messages, partners can be more easily identified.
- Look for opportunities to maximize the impact of OWEB investments. The most effective education and outreach grant projects funded by OWEB are those that have a multiplier effect and give back to the community through furthering the education of a second or third tier of learners, providing useful monitoring data that are used by agencies, or creating clear improvements to the land.
- OWEB can't do everything everywhere. There are a lot of good ideas but OWEB can't fund them all. The over-arching goals should define and prioritize our focus.

IV. Process

The Subcommittee and full Board will first discuss measurable goals and specific audiences. Once these are vetted with the Board, a group of stakeholders will be engaged to further refine the goals and audiences and provide advice for the strategy and its implementation. Following these stakeholder meetings, OWEB staff and the Subcommittee will bring a strategic recommendation to the full Board for final approval.

V. Recommendation

Staff will update the Board on progress made at the May 6 Subcommittee meeting, and may have recommendations for the October 2008 Education and Outreach grant cycle.



Oregon

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May 2, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

SUBJECT: **Agenda Item E: Monitoring and Research Subcommittee Update
May 20-21, 2008 OWEB Board Meeting**

I. Introduction

This report provides an update to the Board on the progress made to date by the Monitoring and Research Subcommittee and requests action on some alternative grant offerings for the October grant cycle and for early 2009.

II. Background

OWEB has funded Monitoring projects through competitive grant offerings and direct Board awards for many years. The first Research solicitation was offered last year following approval of the OWEB Budget by the 2007 Legislature. In prior biennia, Research projects were funded directly by the Legislature.

At the Board's planning session held July 18-19, 2007 in Maupin, Board members expressed an intent to consider targeted solicitations for a variety of OWEB grant offerings. There was an explicit recognition that the Monitoring and Research grants can and do fill a niche of providing scientific evaluation and discovery that assists in characterizing past accomplishments and describing progress toward goals and objectives of OWEB's programs. Particular interest was expressed by the Board to establish a Monitoring and Research Subcommittee that would develop a set of recommendations for the full Board to consider prior to the 2008 grant solicitation for these two grant types.

At the planning session, it was established that monitoring projects have the inherent capacity to provide data and information that are useful in describing accomplishments undertaken to further the objectives of Measure 66, the Oregon Plan, Recovery Plans, the Pacific Coastal Salmon Recovery Fund, and other large initiatives. It was recognized that without clear targets for prospective grantees to design their work towards, the agency is not likely to have all of its objectives met through these grants. Similarly, with the potential Board offering of an additional Research solicitation this biennium, and the often long term nature of both monitoring and research investments, it is important to act soon in establishing priorities and targets for future grant offerings. These themes have been used to guide the work of the Subcommittee.

III. Subcommittee Activity

The Subcommittee consists of Board members Meta Loftsgaarden, Ken Williamson, and Bobby Brunoe, and is staffed by Greg Sieglitz and Courtney Shaff. The Subcommittee's meetings focused on several topics:

1. Reflecting on the Board Planning Session outcomes.
2. Developing a common understanding of the investments made to date in Restoration and Monitoring.
3. An evaluation of the current Effectiveness Monitoring Program and Procedures.
4. Discussion of alignment of current Monitoring and Research investments and the ability to capture data and information relevant to the objectives expressed by the Board at the planning session.
5. Consideration of alternative targeted grant offerings for Monitoring and Research.

The Subcommittee met on two occasions in February and March this year. Staff provided the Board members background materials about the investments made in restoration and monitoring projects funded by both GWEB and OWEB since 1992. The materials and subsequent discussions were used to formulate an understanding of the types and total number of restoration projects and monitoring projects funded through grants and other agreements.

IV. Summary of Board Subcommittee Discussions

The following lists the variety of topics that the Subcommittee discussed during their meetings:

- Monitoring and Restoration Grant Administration
- Rogue and Grande Ronde Basins
- Fish and Water Quality Monitoring
- Intensively Monitored Watersheds
- Small Dam Removal
- Wetlands
- Juniper
- Urban
- Research
- Monitoring Projects and Outcomes

For each topic, the Subcommittee identified specific areas that would provide progress toward meeting the Board's objectives expressed in Maupin, either through modification to existing processes or the addition of new opportunities. The following sections identify the areas of discussion and any Subcommittee recommendation to staff.

A. Monitoring and Restoration Grant Administration

1. Discussion

Not unlike restoration projects, monitoring projects are often successful or not based on the methods used and the clear articulation of the problems or questions that are attempting to be addressed with the action. In restoration grants, guidelines and prescriptions are often established after years of testing and analysis to determine the methods most appropriate and successful for given circumstances and conditions.

Protocols established for monitoring activities are very similar to this. In the case of OWEB grants, the agency does not presently identify or endorse specific protocols for monitoring activities. Until 2006 when the grant application was modified to request information about protocols, the protocols being used by a prospective grantee were not known in many cases. Presently, OWEB does not specifically provide guidance on the use of any particular protocols for monitoring.

2. Recommendation

The Subcommittee recommended to OWEB staff:

- That guidance be given to grantees on using established protocols for certain types of monitoring projects.
- The establishment or identification of a single repository for collecting data under OWEB monitoring grants at the conclusion of the projects. The Subcommittee suggested that data that can be used to demonstrate agency accomplishments should not be hard to find and that we should use the opportunity to have data sent to a central location in order to make it accessible to OWEB staff, particularly as we approach 2014.
- That while collecting status reports for each restoration project is valuable, housing this information in paper reports in grant files is not the most useful for generating understanding of the big picture of what we have learned or gained as an organization from our collective investments.
- Establishing an electronic repository of at least some of the information obtained from the post-project monitoring of restoration projects. The Subcommittee suggests looking into the possibility of contracting for services to develop these databases and electronic means of information capture.

B. Rogue and Grande Ronde Basins

1. Discussion

The Rogue and Grande Ronde basins were selected as pilot projects in 1992 to establish locally based watershed council organizations designed to engage citizens in an effort to improve their understanding of the watershed they live in and to promote participation in activities to make improvements to their watershed. These early efforts under the Watershed Health Program were eventually merged with the Governor's Watershed Enhancement Board, which later evolved into OWEB, and watershed councils were established in every corner of the state.

2. Recommendation

The Subcommittee proposed that with the longevity of watershed improvement investments in these basins, and with the two largest categories of OWEB restoration investment areas (fish passage and riparian) represented in the basins (Attachments A and A1), a set of watershed improvement accomplishments from these basins could provide a strong basis for overall accomplishment under OWEB and Oregon Plan programs.

The Subcommittee would also like to establish some specific inquiries into the information that exists in the two basins particularly as it relates to fish passage improvements and riparian area restoration. Given the amount of likely information available for these areas, the Subcommittee is interested in a specific grant offering or

investment target within the October 2008 monitoring grant cycle designed to focus on collecting this information.

C. Fish and Water Quality Monitoring

1. Discussion

Fish and water quality monitoring are the two single largest investments the Board and GWEB have made since 1997. (Attachment B) In total, nearly \$13 million has been invested in fish monitoring and \$5 million in water quality projects. The Subcommittee felt strongly that with the top three restoration project investments (riparian, fish passage, and irrigation improvement) totaling approximately \$70 million, and with these investments having the principle objectives of improving fish passage and water quality, that the monitoring of these two parameters should be linked more closely in some cases. Currently, the monitoring of fish passage and water quality is not often linked to OWEB investments in restoration projects.

The Subcommittee believes that these monitoring projects could be more closely aligned with the restoration actions and thereby strengthen our understanding of the overall efficacy of the Board's investments. The Grande Ronde and Rogue basins were identified as possible case studies for this alignment given the maturation of some projects and the relative large number of riparian and fish passage projects located within these basins. They also agreed that fish monitoring should be quantitative in nature and focused in areas where fish passage has been modified.

2. Recommendation

The Subcommittee recommended that monitoring for fish and water quality be linked more closely, that this monitoring should be quantitative, and focused in areas where fish passage has been modified.

D. Intensively Monitored Watersheds

1. Discussion

The Subcommittee confirmed the importance of the Intensively Monitored Watersheds (IMWs), the role they play in a comprehensive effectiveness monitoring program at a scale larger than individual projects, and the ability they have in assembling the results from multiple actions on the landscape. The Subcommittee recognized the long-term nature of IMWs and that funding must be provided for extended periods to yield useful results. The Subcommittee supports the continued efforts of the IMWs around Oregon and staff efforts in securing additional funding for the work.

2. Recommendation

The Subcommittee recommended OWEB continue investments in IMWs.

E. Small Dam Removal

1. Discussion

The Subcommittee is pleased with the Board's investment in the dam removal monitoring on the Calapooia River and in maintaining a connection with the lessons learned from Marmot dam removal on the Sandy River. The Subcommittee suggested that the agency continue to act as a point of contact and delivery vehicle for technical information learned from dam removal projects around the Northwest. The Powerdale and Elwha dam

removal projects in the State of Washington, the Chiloquin Dam on the Sprague River (Klamath Basin), and Savage Rapids and Gold Hill dams on the Rogue River were identified specifically to track over the next several years. With the Klamath River dams projected for removal in 2015, Oregon could be a major contributor of technical information about dam removal through OWEB's actions over the next seven years.

2. Recommendation

The Subcommittee recommended the continued OWEB investment in small dam removal monitoring projects around the state.

F. Wetlands

1. Discussion

The Subcommittee recognized the importance of wetland projects as one of the top ten OWEB investments, and they supported OWEB's joint effort with The Xerces Society and Department of State Lands in submitting a Wetland Development Grant to the Environmental Protection Agency. (See Agenda Item K.) There was significant Subcommittee discussion about drilling deeper to focus effectiveness monitoring on overall wetland functions rather than just on the acreage lost and gained. Some typical outcomes proposed by the Subcommittee were reducing invasive species (plant and animal), enhancing native species diversity and extent, improving conditions for pollinators, and creating favorable habitat conditions for neo-tropical migratory birds.

2. Recommendation

The Subcommittee supported the pursuit of an EPA grant (Agenda Item K) and for staff to continue to develop a wetland restoration effectiveness monitoring module to the program.

G. Juniper

1. Discussion

The Subcommittee reaffirmed its desire to continue with the western juniper effectiveness monitoring program. With the vast expanse of central and eastern Oregon comprised of favorable or potentially favorable habitat for western juniper, the considerations of global climate change and effect on water availability, and the pivotal importance water plays in the watersheds of the eastern two thirds of the state, western juniper management within the context of rangeland ecosystem health is a top priority issue. Interest was also expressed for continuing the dialogue with organizations such as the Central Oregon Intergovernmental Council through Special Investments Partnership (SIP) on the possibilities for biomass utilization and western juniper management.

2. Recommendation

The Subcommittee recommended the continued investment in juniper removal effectiveness monitoring.

H. Urban

1. Discussion

The Subcommittee recognized that in some cases, the restoration of watershed functions and conditions is limited. Citizen relationships, community satisfaction, and community experience are important components of restoration projects in urban landscapes. These

community experiences and understandings may be an important aspect of future monitoring and could take the form of grants to survey local citizens in the area of restoration investments. The maps in Attachment C depict the current distribution of restoration projects in Urban Growth Boundaries from various cities around Oregon.

This work is clearly an opportunity to bridge the gap between OWEB Monitoring and Education and Outreach grants, and could provide a barometer of awareness by non-landowners about OWEB investments. The results could aid in focusing future agency investment in outreach strategies. Another important connection is with the SIP in the Willamette and Deschutes basins, both basins with large populations, but where many SIP investments may occur outside of metropolitan areas. The East Multnomah Soil and Water Conservation District and Salmon Safe were both identified as potential partners in the Portland Metropolitan area.

2. Recommendation

The Subcommittee suggested combining the Monitoring and Research Subcommittee with the Education and Outreach Subcommittee once the current monitoring and research topics are covered. The topic of surveying urban citizens could be raised in the joint committee.

I. Research

1. Discussion

The Subcommittee encouraged the continued collaboration and use of the U.S. Forest Service Pacific Northwest Research Stations around the region. The newly established Oregon Climate Change Research Institute under the Governor's Initiative on Climate Change and the Oregon Climate Change Commission are important entities to continue to be connected to through our Research Grant Program. Research on climate change should focus in part on addressing the scale issue and making it real for Oregonians.

The Subcommittee recognized that the recent research grant solicitation and the current OWEB Research Priorities (Attachment D) are significantly focused on anadromous salmonid research needs and that a broader suite of topics was likely necessary for future grant solicitations. Given the strong connection between OWEB actions and salmon health it was agreed that a continued focus, for a portion of the research funds, on salmon was important. Focusing on climate change, ocean conditions, and salmon health are important areas to establish a role for OWEB research investments. Of significant concern is the general lack of connection between fish management processes, especially predicting fish returns, and marine ecosystem research. Better predictive models could be used in concert with better coordination and the use of leading indicators rather than lagging indicators. It was recognized by the Subcommittee that effectiveness monitoring could add value to and highlight certain research needs over time. Again, the idea of using the Grande Ronde and Rogue basins as pilots was discussed. It was suggested that some research needs may require a direct investment or non-competitive award process to focus on the Planning Session comments and desires to link to 2014 needs.

2. Recommendation

The Subcommittee recommended development of a Research solicitation in early 2009.

J. Overarching Considerations

1. Discussion

Monitoring projects and their outcomes (i.e. data and information) have significance and relevance to Education and Outreach projects supported by the Board. There are several ways that OWEB could capitalize on this and improve that relationship:

- **Requiring consistent information** from grantees and requiring that information to end up in a place (repository) that is easily accessible to others is an important first step to making data and information readily available for analysis and story building.
- **Monitoring should be connected to restoration projects** whenever possible when the primary objective of the project is educational monitoring. When the logistics and conditions are favorable, OWEB should encourage grantees to site educational monitoring projects on OWEB funded restoration projects. This could provide better exposure to other OWEB investments for the participants and could provide more project monitoring and potentially at a reduced cost.
- **Better linkage to Total Maximum Daily Loads (TMDLs)** will enhance the ability to characterize the value of OWEB investments. A stronger assessment of the value provided by riparian projects through the contributions to the prevention of warming of streams is one example. Modeling the British Thermal Units (BTUs) saved through exiting or future riparian projects as compared to pre-project conditions could provide interesting information about the value and relevance of projects to other agency programs.
- **Reporting results needs to span multiple years** in order to establish trends and provide meaningful information to the public. Year-to-year variation is not likely to reveal compelling information nor be a touchstone for citizens. The Subcommittee suggests combining the Monitoring and Research Subcommittee with the Education and Outreach Subcommittee once the current monitoring and research topics are covered.

V. Next Steps

The Subcommittee identified five types of Monitoring investment principles and strategies for future grant offerings, including the October 2008 grant cycle. These are:

- A. Continue local need-based grant offerings for monitoring projects.
- B. Continue the practice of funding some effectiveness monitoring through restoration grants.
- C. Provide targeted monitoring grant opportunities for specific data needs (eg. Rogue basin fish passage evaluation).
- D. Continue direct funding of contracts for specific monitoring services.
- E. Entertain a research grant offering in early 2009 when enough interest accrues in the Research Fund to warrant a new offering.

While this set of actions accomplishes the tasks outlined at the July 2007 Board Planning Session in Maupin, and provides advance notice of potential changes to the October 2008 monitoring grant solicitation, there is still a need to share these concepts and solicit feedback from local

constituents. There is adequate time to take the above principles and ideas and share them with local groups to refine the October grant offering. Staff would like to undertake efforts to solicit feedback on the strategies and principles over the summer and report back to the Board at the September meeting.

VI. Recommendation

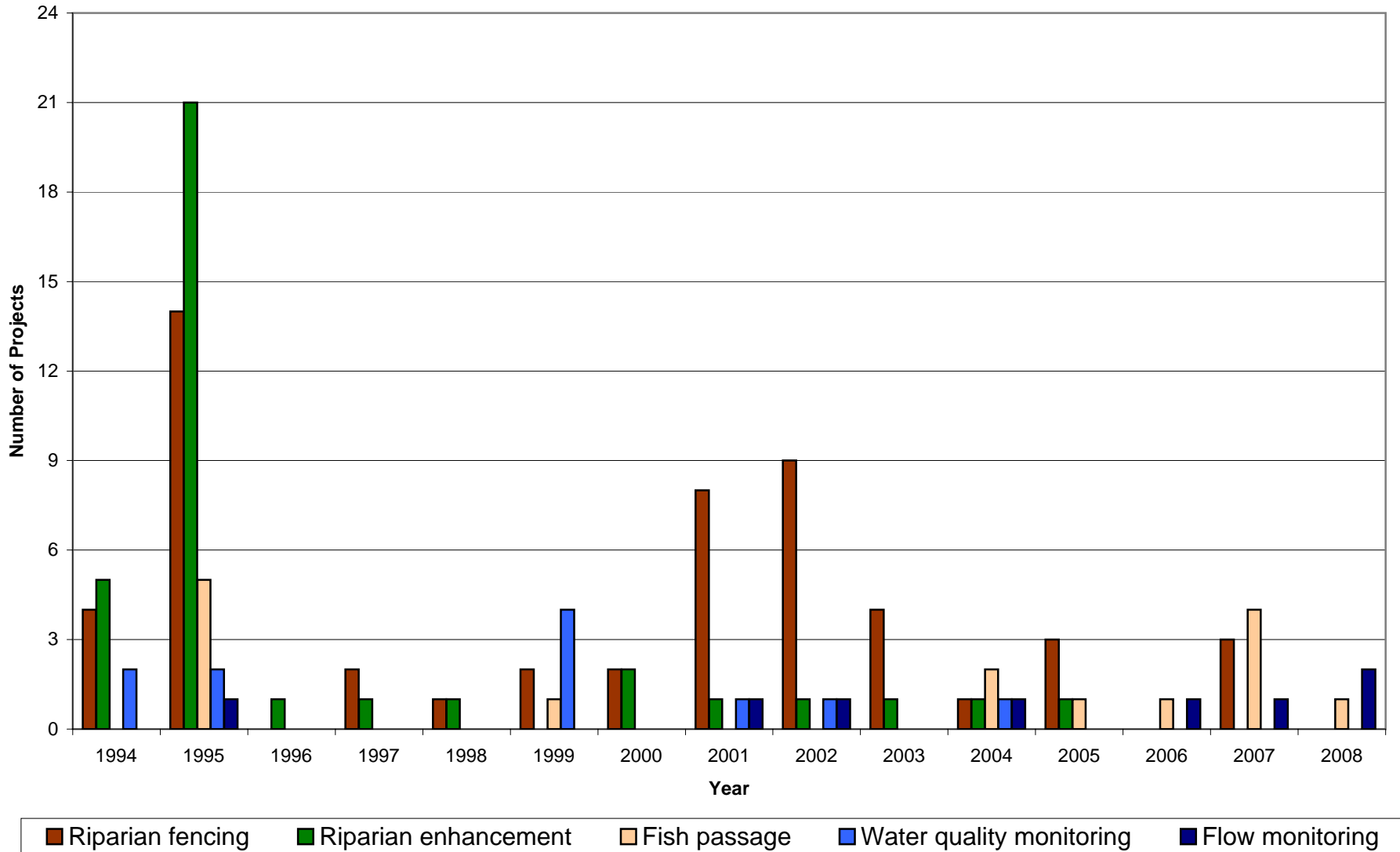
Staff recommend that the Board:

- A. Adopt the principles and strategies for the October 2008 Monitoring grant cycle contained in Section V of this staff report.
- B. Support soliciting feedback on the strategies and principles over the course of the summer from local groups with a report back to the Board in September.
- C. Approve development of an early 2009 Research Grant Offering.

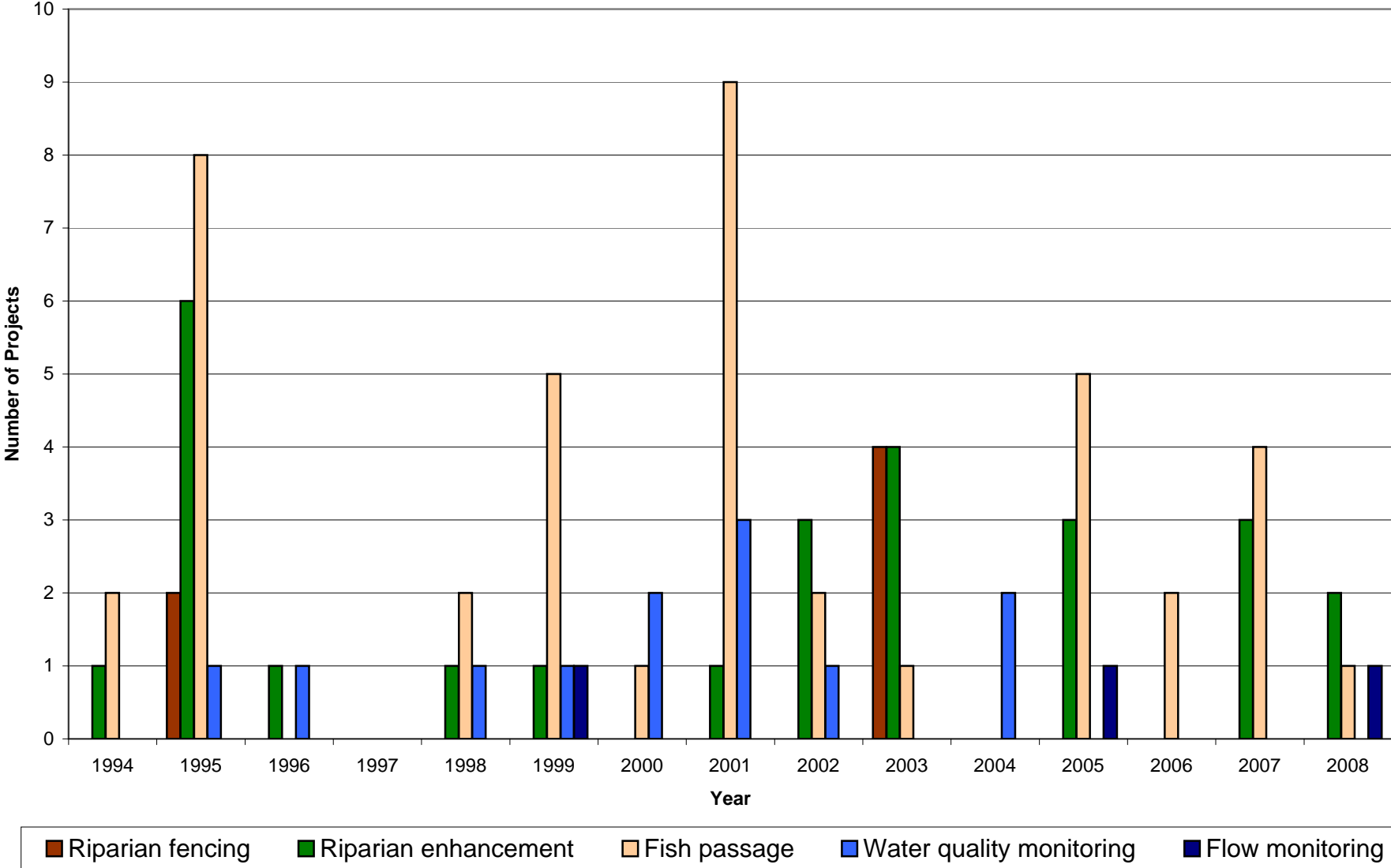
Attachments:

- A. Grande Ronde and Rogue basins restoration investments
- B. Restoration and Monitoring investments
- C. Restoration Projects in Urban Growth Boundaries
- D. Restoration Projects in selected cities in Oregon
- E. OWEB Research Priorities

Fish Passage, Riparian Enhancement and Fencing Projects
in the Grande Ronde Basin 1994-2008

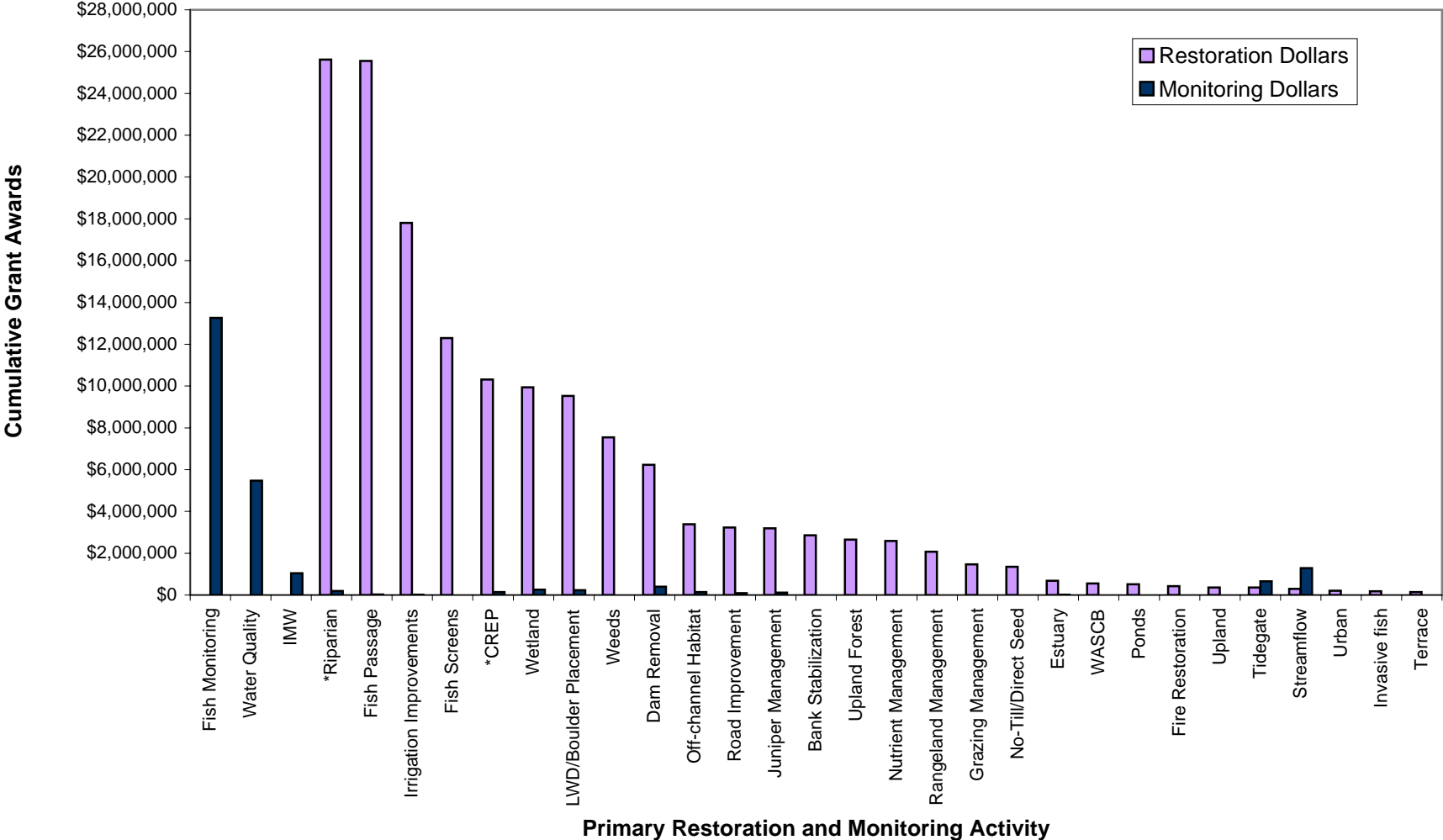


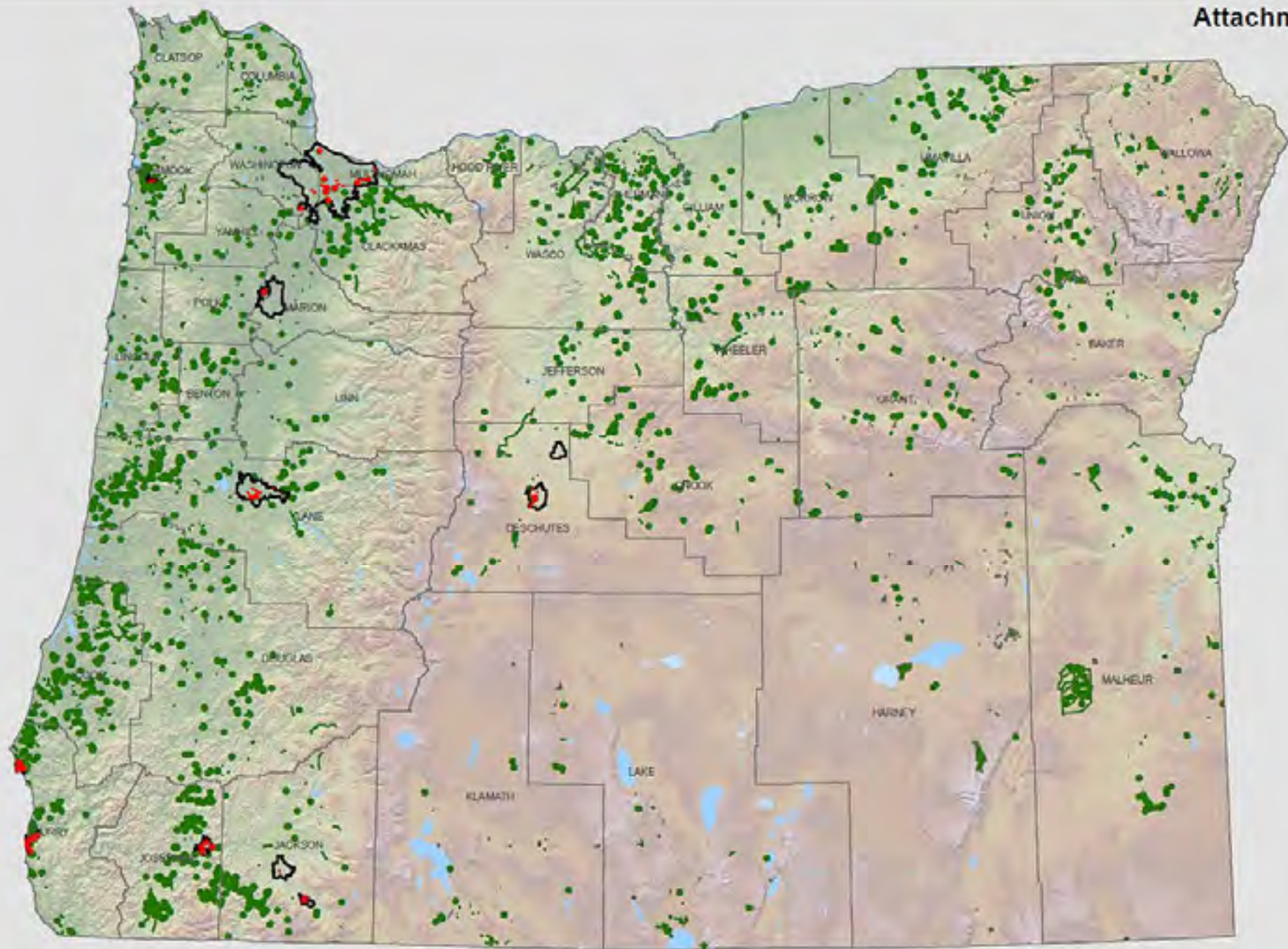
Fish Passage, Riparian Enhancement and Fencing Projects
in the Rogue Basin 1994-2008



OWEB Restoration & Monitoring Grant Awards 1997 - Feb 2008

(Restoration expenditures include both small and regular grant programs. Monitoring expenditures do not include monitoring funded through restoration grants. Minor investments are not shown.)

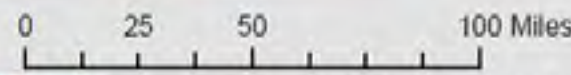




- Legend**
- OWEB URBAN Projects
 - Urban Growth Boundary
 - County
 - OWEB-funded projects
 - OWEB-funded projects
 - OWEB-funded projects

OWEB Restoration Projects

Highlighting Projects within UGBs



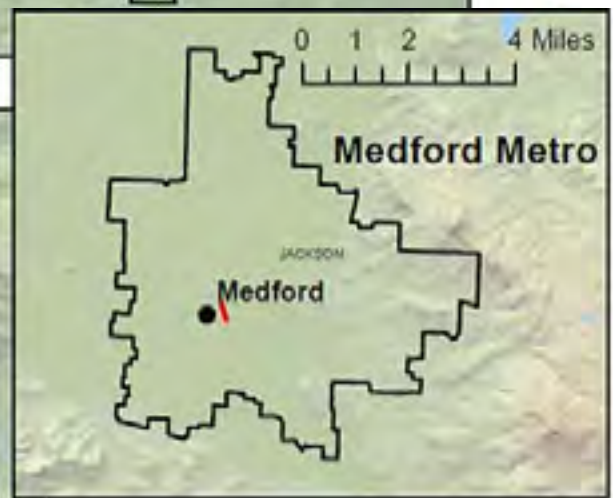
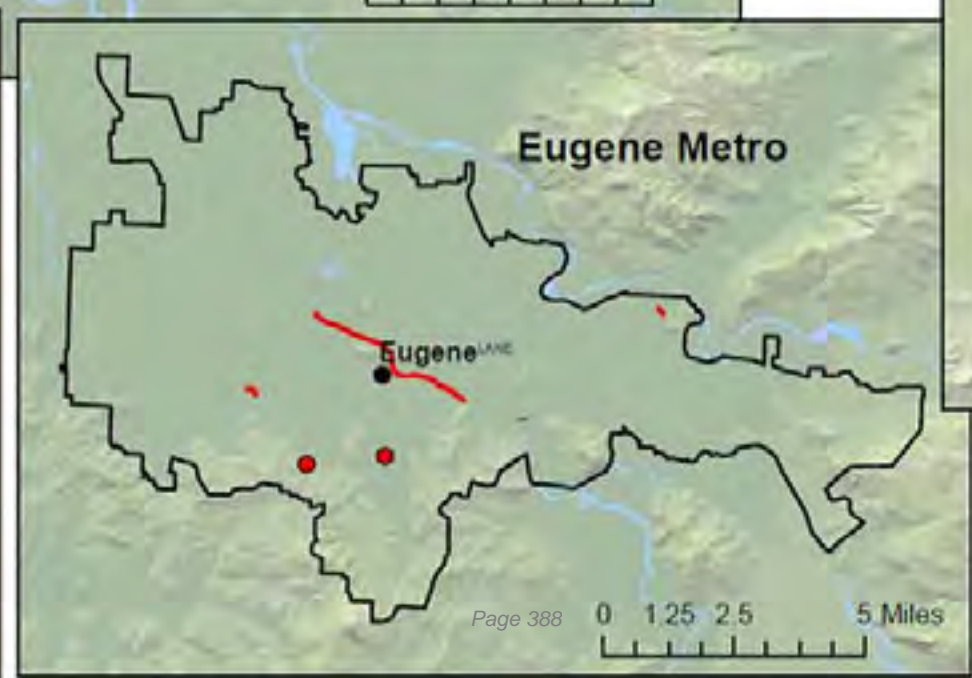
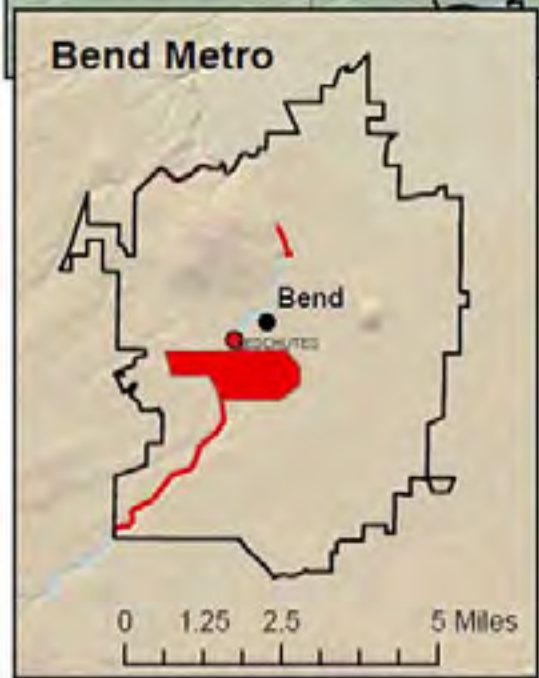
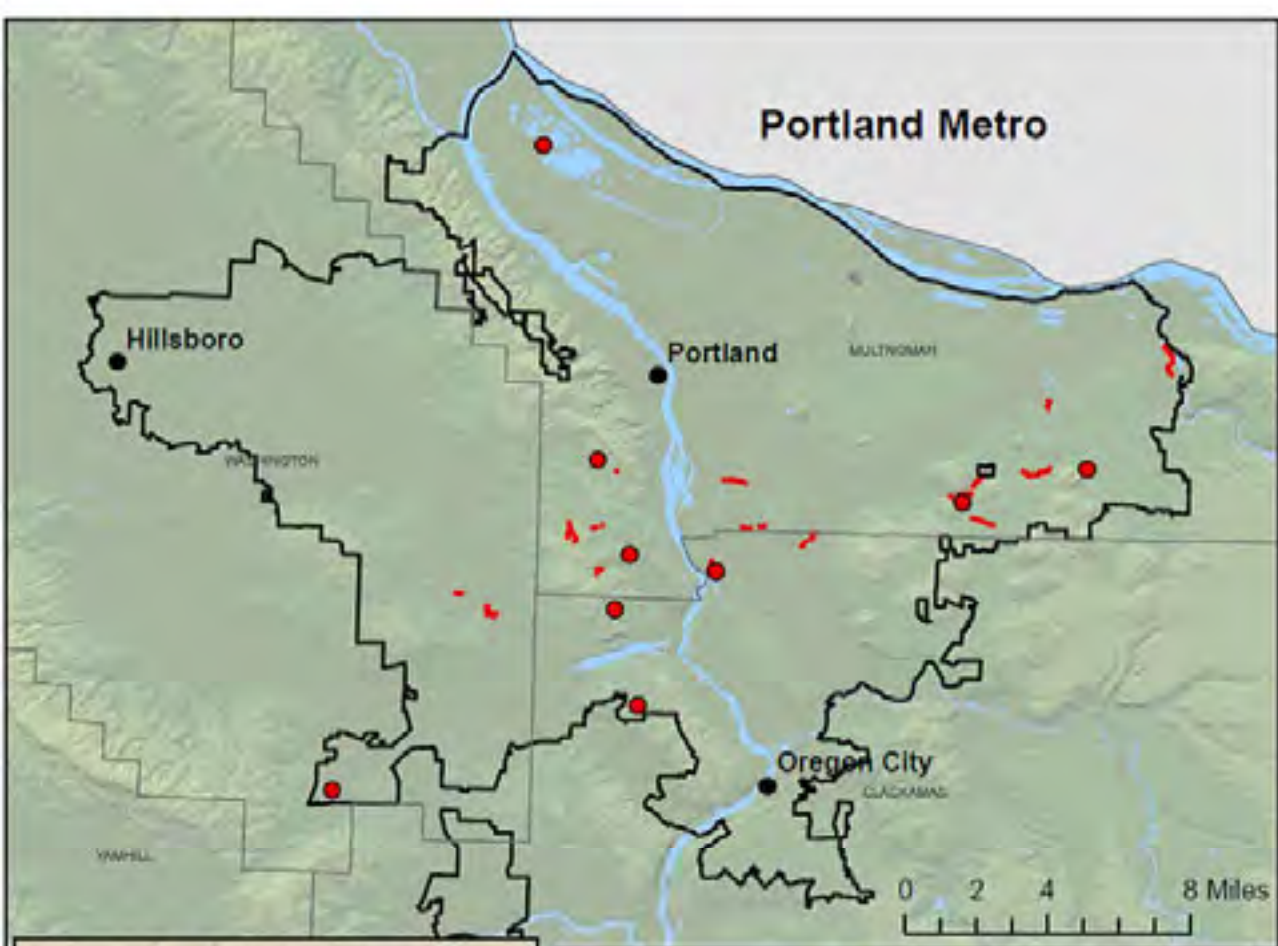
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Software: ESRI ArcMap 10.2
 Oregon Lambert Projection, NAD 83
 CW19-A, 10m, March 2009

OWEB Projects within UGBs



- Legend**
- City
 - County
 - ▭ Urban Growth Boundary
 - OWEB Urban Projects
 - OWEB Urban Projects
 - OWEB Urban Projects

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Software: ESRI-ArcMap 9.2
 Oregon Lambert Projection, NAD 83
 OWEB - A, Item, March 2008

**Oregon Watershed Enhancement Board
Research Priorities – March 2002 revised June 2006**

I. Highest Priority Information Needs for the Oregon Plan

1. Assess the status of watershed health as indicated by anadromous salmonid stocks (coho, chinook, and chum salmon, sea-run cutthroat trout, and steelhead), and the risk for their extinction by integrating dynamic ocean conditions, habitat availability and quality, and human activities.

The IMST has identified the importance of adopting a landscape context for the Oregon Plan, and the need for long-term perspectives that incorporate changing conditions in terrestrial, freshwater, and ocean ecosystems. The IMST identified several components needed to support these overall research goals. These include:

- Research that aids understanding of interactions among basin populations, metapopulations, ocean survival rates, life history stage (survival) trends, and population viability.
- Analysis and integration of information from habitat assessments and salmon spawner or juvenile surveys with models that assess salmon population trends and population dynamics and to conduct sensitivity analysis of models and model parameters.
- Research that compares distribution of spawner abundance relative to spawning habitat of differing quality.
- Evaluation of the ability of current monitoring and research programs to provide data required for life-cycle modeling and to measure the following: 1) recolonization of habitats as stocks recover, 2) straying rates, 3) distribution of spawners across their ranges, 4) degree of unoccupied habitats, and 5) variable effects of ocean survival rates within and among Gene Conservation Groups.
- Strengthen life-cycle modeling concepts and apply them to broader ranges of land use and management questions.
- Research that identifies the relationships between landscape dynamics and aquatic resources and their habitats.

II. High Priority Information Needs for the Oregon Plan

A. Related to Watershed Conditions

1. Determine how changes in land use and land cover, including riparian and upland vegetation, can affect salmonid habitat quality.

Remote sensing and ground surveys are needed to establish baseline data and to compare them to historical records in order to conduct trend assessments of watershed and habitat conditions. Currently, remote sensing has not been used to its fullest potential under the Oregon Plan. Determine the accuracy of various remotely sensed data and the proper scales at which they should be used.

2. Determine relationships between population trends of fish and wildlife and land use/land cover changes.

Research is needed to estimate: 1) the past abundance and distribution of salmon throughout the landscape, 2) the changes in abundance and distribution through time, and 3) the changes in habitat type and availability that have occurred as estuaries, rivers, and streams have been modified to accommodate a variety of human activities.

B. Specifically Related to Fishery Management

1. Determine the effects of wild-hatchery fish interactions and the impacts of hatchery management programs on wild stocks. Test the assumptions about survival differences between hatchery and wild fish.

Few studies have tracked the effects of interactions between hatchery and wild fish on the long-term persistence of wild populations. Future research should include both genetic analysis and ecological analysis of the effects of competition.

2. Determine the origin and the temporal and spatial distribution of wild ocean-caught fish.

Research is needed to determine which freshwater populations are altered by ocean harvest, and when, where, and how many fish are encountered. Harvest management decisions and policies will not be effective for protecting critically low populations without this information.

3. Determine the spawning escapement rate of steelhead.

There are comparatively few steelhead survival data due to difficulties in monitoring both juvenile migrants and adult returns. Little is known about both freshwater and marine survival of steelhead. There is a need for increased emphasis on monitoring the spawning escapement of steelhead to obtain better estimates of survival and abundance.

4. Determine the genetic basis of various life history strategies in salmonids.

Environmental and genetic controls of life-history paths need to be determined so genetic life history stages can be preserved on both the population and metapopulation levels. The diversity in migration times, spawning times, and unique life history paths (e.g. residual fish and precocial males) should be preserved to maintain a population's resiliency.

III. Moderate Priority Information Needs for the Oregon Plan

1. Determine the impacts of declining wild salmonid populations on ecosystem processes.

Examples of research needs include, but are not limited to:

- Determining the response of juvenile salmonids and their food webs to carcass abundance and how many spawners are needed to support the next generation of developing salmonids. Experiments are needed to establish this relationship and to determine the processes involved. This is crucial when available carcass numbers are low.
- Determining the effects of hatchery releases on the same and other species. Ecosystem attributes to consider include stream and ocean carrying capacity, biodiversity, life history diversity, the effects of inter- and intra-specific competition, diseases, and ocean trends and climate conditions.

2. Determine the effects of predation on salmonid recovery and how predation interacts with other environmental factors.

A holistic approach is required to evaluate predation in comparison with other causes of population declines and to effectively undertake management actions. The information required for this purpose is not currently available.

IV. Low Priority Information Needs for the Oregon Plan

1. Determine the impacts of non-indigenous (exotic) aquatic and terrestrial species on salmonid recovery.

The extent of deleterious effects from non-native species on salmonids and their recovery and the overall effect of non-native species on the health of natural ecosystems in the state are not known.

2. Determine the cause and effects of disease, tumors, and other abnormalities of fish on the population dynamics of the fish and the implications for ecosystem and human health.

The extent and consequences of an increase in the incidences of diseases, tumors, and physical abnormalities and their epidemiology is not fully known but may have the potential to prevent some salmonid stocks from fully recovering.

Additional Research Priorities for OWEB Research Solicitation 2006

I. Oregon Coastal Coho Recovery Plan Research Priorities

Prioritization of *potential* Research, Monitoring and Evaluation Needs related to the Conservation Plan.

Top Tier RME

- Verify results of Coho Winter High Intrinsic Potential habitat model.
- Evaluate effects of marine mammal and avian predation on salmonids in Oregon coastal rivers especially regarding achieving desired status goals.
- Evaluate effectiveness of restoration actions.
- Evaluate methods to support management of beaver populations

Middle Tier RME

- Tools to identify and prioritize restoration projects at local watershed and stream-reach scales;
- Evaluate re-establishment of a self-sustaining population of coho in Salmon River.

Lower Tier RME

- Marine derived nutrient (salmon carcasses) benefits to coho.
- Document actual versus permitted water use
- Evaluate land values to support new incentives to fund CREP and other long term conservation contracts.
- Methods to remediate the primary factors limiting the production of coho from Tahkenitch, Siltcoos, Tenmile, and Floras Lakes;
- Impacts of hatchery programs (species other than coho salmon, including effects of Columbia River Releases).



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May 1, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item G: Deferred Acquisitions**
May 20-21, 2008 OWEB Board Meeting

I. Introduction

This staff report provides an update on the status of the 12 land acquisition grant applications currently pending and requests Board approval for the Wychus Creek Discovery Outpost acquisition application (#206-059).

II. Background

Land acquisition grant applications often require more time to fully evaluate and prepare a funding recommendation than is available in the regular 21-week grant cycle. At the time of writing this staff report, only one of the 12 land acquisition applications deferred at previous Board meetings will be ready for consideration at the May 2008 Board Meeting.

III. Status of Previously Deferred Acquisition Projects

Attachment A depicts the status of the 11 previously deferred land acquisition applications, which are not ready for Board action. Of the 11, ten are pending because OWEB has not received or reviewed a complete set of due diligence materials. The eleventh, #207-301, Newton Creek Wetlands, is being deferred until the applicant demonstrates adequate capacity to purchase and maintain the property. OWEB staff and the Board Acquisition Subcommittee (Subcommittee) recommend that the Board continue to defer consideration of the 11 applications to allow for staff and the Subcommittee to complete review of the due diligence materials and the capacity development for the Newton Creek Wetlands application.

One of the 12 deferred land acquisition applications is ready for Board consideration. The section below describes the results of the evaluation process for this application.

A. Wychus Creek Discovery Outpost (206-059)

The grant application from WolfTree, Inc. submitted in October 2007, requests \$500,000 from OWEB to assist in the purchase of 58 acres of biologically diverse habitat along Wychus Creek, near Sisters, Oregon in the Deschutes Basin.

1. Ecological Benefits

The OWEB priority habitats involved are 15 acres of Aspen forest and wetland, approximately 30 acres of foothill and lower montane riparian woodland, and the

remaining 13 acres of Western juniper woodland (mature trees). The priority fish and wildlife species involved are steelhead trout, Chinook salmon, Redband trout, Golden eagle(s), Townsend's Solitaire, and Western gray squirrel. The Region 4 Regional Review Team (RRT) agreed that the priority habitats, plant communities, and fish and wildlife species on the property were of high value and worthy of protection.

The application lists six Conservation Principles as applying to the site. The RRT thought the project met five of the six conservation principles listed in the application, including securing a transition area, protecting it from development, requiring active restoration that would not occur without a change in ownership, protecting a site with exceptional biodiversity, improving connectivity of habitat, and complementing an existing network of sites in the basin.

2. Capacity to Sustain the Ecological Benefits

Although Wolfree is mainly a science education organization, they have extensive experience in managing programs and facilities on their 600-acre Cascade Streamwatch Education Site in Welches, Oregon. They have raised over \$75,000 annually for the last seven years to support the core programs and facilities at this site. Their staff and Board of Directors are comprised of scientists, resource professionals and educators with decades of experience in resource management, business operations, fund and program development, and education. They have over 100 professional biologists, resource managers, and educators serving as mentors in their education programs. Wolfree is represented by a real estate attorney from the Sisters area with over 40 years of experience real estate and land-use law.

The Wychus Creek Discovery Outpost land acquisition capital fund raising campaign is directly linked to a stewardship endowment fund project that is designed to increase the fiscal development capacity of the Board of Directors while providing funds to grow an endowment fund for future restoration and education for the Wychus Discovery Outpost acquisition project. Although the costs for managing this site are expected to be low, the stewardship endowment fund will ensure that funds are available for management of this site as well as restoration and education projects in the Upper Deschutes Watershed for future years.

3. Educational Benefits

Improving public understanding of river and forest ecosystems, and the complex issues regarding the management of natural resources is a common goal held by Wolfree partners. Wolfree immerses students in rigorous inquiry-driven studies of aquatic and forest systems and provides opportunities for advanced students to pursue authentic research and management projects in local watersheds. Over 40 public and private partners are directly involved in the development and delivery of this program. Wolfree currently serves annually over 5,000 students and teachers representing 51 schools and organizations in Oregon and Southwest Washington.

The following are the two major educational program goals for the Wychus Creek Discovery Outpost acquisition. Public access to the property will be limited to planned programs for public watershed education.

- Goal 1: Increase the science literacy of students, by providing hands-on, science-inquiry based classroom and field activities led by Wolfree staff, local scientists, naturalists, and educators.
- Goal 2: Students demonstrate a basic understanding of watershed (ecosystem) composition, structure, and processes while helping to develop a culture of watershed stewardship in their community.

The RRT concluded that the site could serve as an excellent example of a variety of habitats and features that benefit fish and wildlife. The RRT noted the applicant has excellent capacity for conservation education; however, they raised concerns about how this project would collaborate with existing educational programs on the nearby Rimrock Ranch and Camp Polk acquisitions. The RRT questioned the need for additional conservation education programs in this area of Wychus Creek. Due to this concern, the RRT ranked the educational benefits of this project as low.

Wolfree has been conducting watershed science education in the Deschutes since 1996. Wolfree is providing education opportunities for schools visiting the Camp Polk site as well as eight other sites in the Deschutes watershed. The Wychus Creek Discovery Outpost is in many ways of greater educational value than any other sites because of the property's unique physiographic position in the upper reaches of the watershed. Several local resource specialists have indicated the Wychus Creek property has exceptional, unique terrestrial and aquatic components that offer outstanding educational values when incorporated into Wolfree's watershed science educational programs.

4. Partners, Project Support and Community Effects

The current owner paid \$3,400 in taxes last year. Wolfree is a 501(c)(3) non-profit and is exempt from property taxes, thus the county will no longer collect these taxes. In the fall of 2007, Wolfree Board members met with the Deschutes County Planning and Zoning Department to discuss the proposed acquisition. In an email communication shared with OWEB, Paul Blikstad, a Deschutes County planner, stated the county was familiar with the project and very supportive of protecting this area, and that they were not concerned about the loss of a small amount of property tax revenue estimated to be about \$3,000 per year.

Partners identified in the application include the USDA Forest Service, Upper Deschutes Watershed Council, Aspen Lakes Golf Course, and approximately 100 small businesses and individuals in central Oregon (volunteers and donors). Letters of support for the project were written by Ryan Houston, Executive Director of the Upper Deschutes Watershed Council, and Nate Dachtler, Fish Biologist, with the Deschutes National Forest.

The application has attracted support from private landowners who have historically been opposed to these activities in the Upper Deschutes watershed. Because Wolfree is a science-based education organization that is backed by both conservative and liberal organizations, they have found common ground in the areas of education, which has translated into support for their work. This project has appeared in recent articles published in the local Sisters, Oregon newspaper, and local residents have been leading conservation tours for local community members. In addition to the community based conservation tours, a variety of local fund raising events have occurred and are planned,

including an October 2007 fundraising dinner at the Aspen Lakes Golf Course (one the local project partners).

5. Legal and Financial Terms

OWEB funds are requested for 53 percent of the \$950,000 purchase price of the property. The balance of the funds will be provided by the Friends of Wolfree and the Laird Norton Foundation.

The legal review of the title report and exceptions is currently underway. Currently two exceptions listed in the title report have been identified as concerns. One is for gas and mineral rights held by a previous owner of the property; the other is for rights of way for ditch, canal, and reservoir sites. OWEB staff are currently working with Department of Justice and the applicant to learn more about these exceptions and potentially have these exceptions removed from the title before Board action or funding is released. Language in the OWEB held conservation easement will require Wolfree to develop a management plan to address preservation, active restoration and passive restoration activities.

A Phase I Environmental Site Assessment (ESA) of the property was completed on December 19, 2007 by David Evans and Associates of Bend, Oregon. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report conforms to the American Society for Testing and Materials (ASTM) practice. DEQ agrees with the conclusion that the ESA has not revealed evidence of recognized environmental conditions as identified by the ASTM practice and that no further action is needed at the site.

An appraisal of the property was completed on January 29, 2008, by H&S Appraisals LLC of Bend, Oregon. The appraisal concluded a fair-market value of \$950,000. OWEB's independent review appraiser has concluded that the report complies with the Uniform Standards of Professional Appraisal Practice (USPAP) and the market value is supported.

6. Conclusion

The Wychus Creek Discovery Outpost acquisition received a high ecological and low educational rating from the Region 4 RRT. The application has received support from the local community through local community tours, articles in local newspapers, and fund raising events. The timing of the due diligence review and staff report deadlines came between regularly scheduled Board Subcommittee meetings, therefore the Subcommittee is not scheduled to discuss this acquisition application until May 6, 2008. Staff will update the Board on the results of that meeting at the May Board meeting. However, based on previous Subcommittee discussions about this application, staff do recommend that the Board award up to \$500,000 in funds toward the Wychus Creek Discovery Outpost acquisition application.

IV. Recommendation

Staff recommend the Board award up to \$500,000 in funds toward the Wychus Creek Discovery Outpost acquisition project.

Attachment

- A. OWEB Pending Acquisitions

OWEB Pending Acquisitions

App Number	Applicant	Project Name	Date Received	OWEB Funds Requested	Status
206-339	Rocky Mountain Elk Foundation	Pilcher Creek	10/24/2005	\$250,000	Pending Due Diligence
207-301	Mary's Peak Natural Resources Newton Creek Wetlands	Newton Creek Wetlands Acq.	10/16/2006	\$750,000	Applicant needs to demonstrate capacity
207-324	Wallowa Basin Land Trust	Lostine River CE	10/16/2006	\$516,000	Received Title Report and Phase I ESA, Pending Appraisal
208-103	North Coast Land Conservancy	Shangrila Wetlands Acq.	4/23/2007	\$180,000	Pending Due Diligence
208-106	North Coast Land Conservancy	Coal Creek Swamp Acq.	10/22/2007	\$100,000	Received Appraisal and Title Report, Pending Phase I ESA
208-109	The Nature Conservancy	Pocket Ranch CE	10/22/2007	\$550,000	Pending Due Diligence
208-111	Greenbelt Land Trust	Luckiamute Meadows/ Maxfield Creek CE	10/22/2007	\$200,000	Pending Due Diligence
208-112	Greenbelt Land Trust	Luckiamute/Willamette Confluence CE	10/22/2007	\$600,000	Pending Due Diligence
208-113	Greenbelt Land Trust	Willamette Floodplain- Upland CE	10/22/2007	\$600,000	Pending Due Diligence
208-114	Greenbelt Land Trust	Evergreen Creek CE	10/22/2007	\$500,000	Pending Due Diligence
208-115	City of Eugene	South Eugene Hills Acq.	10/22/2007	\$1,205,330	Pending Due Diligence

CE = Conservation Easement

Total \$5,451,330



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April 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
Renee Davis-Born, Data Analyst and Information Specialist

**SUBJECT: Agenda Item I: Oregon Plan Products
May 20-21, 2008 OWEB Board Meeting**

I. Introduction

In this report, staff provide an update about recent discussions regarding the need for and creation of high-priority products related to the Oregon Plan for Salmon and Watersheds. The concept of Oregon Plan products initially focuses on making technical and technological tools available and useful to local groups such as watershed councils and soil and water conservation districts, and improving information flow and data sharing between agencies and local groups.

II. Background

OWEB provides support for several Oregon Plan-related products through direct allocations of non-capital funds. The Board has retained an Oregon Plan Products non-capital spending plan line item for each of the last several biennia to be utilized for Oregon Plan needs established through the Oregon Plan Monitoring Team and Core Team that do not fit well into the current suite of grant offerings provided through the regular grant program. Projects that implement the goals and objectives of the Oregon Plan Monitoring Strategy, the Oregon Plan Information Systems Strategy, recovery planning for salmon species, and the OWEB Research Priorities have been funded with this spending plan allocation in the past.

Results of these efforts provide technical and information resources to local groups and partner agencies charged with the implementation of the Oregon Plan. Examples include the joint Oregon Departments of Fish and Wildlife and Environmental Quality (ODFW and DEQ) macro-invertebrate sampling, DEQ volunteer water quality monitoring program, Middle Columbia River Steelhead Recovery Plan development, the Oregon Explorer website development, and mapping of anadromous salmon distribution in the state by ODFW.

III. Retreat Follow-up

At the 2007 Board Planning Session in Maupin, the topics of non-competitive awards, data development, and information and technology grants were discussed. The Board expressed a desire to have further discussion about the need for and use of the Oregon Plan Products spending plan line item. At the planning session, the Board specifically expressed the desire to hold off on funding additional Oregon Plan Products in the fall of 2007 and have staff return to

the Board in the spring of 2008 to discuss this type of funding allocation in more detail, especially when there was more clarity about the amount of available non-capital funding from the Pacific Coastal Salmon Recovery Fund. This staff report and presentation to the Board assist in fulfilling those next steps.

IV. Oregon Plan Monitoring Team Progress

OWEB staff convened the Data Subcommittee for the Oregon Plan Monitoring Team for the first time in January of this year. The intent of the subcommittee is to address issues related to improving the collection, integration, and distribution of data and information among agencies and between agencies and local groups. The subcommittee is in the process of prioritizing potential projects, related to information management and technology for Oregon Plan themes such as fish, hydrology, and habitat, for consideration by the Oregon Plan Monitoring Team and Core Team. Work by this group will address the need for Oregon Plan-related products to inform such activities ranging from project planning and implementation by watershed councils to reporting on Key Performance Measures by OWEB and other agencies.

V. Examples of Oregon Plan Products on the Horizon

The following is a list of example Oregon Plan Products staff are currently considering that would improve the accessibility of technology tools, data, and information, and would facilitate information sharing among Oregon Plan partners.

A. Digitization of remaining National Wetland Inventory (NWI) maps

This investment by OWEB in data development will result in a comprehensive map delineating the location of wetlands statewide that is available via the Internet. These data are critical to local and state-level decision-making. For example, they are used by watershed councils and soil and water conservation districts to determine the change in wetland area through time and prioritize restoration activities. This product is discussed in greater detail in Agenda Item K.

B. Equipment for DEQ's Volunteer Water Quality Monitoring Program

In the past, OWEB provided funding for purchase of equipment to be used by volunteer groups such as councils and districts as part of this DEQ program. Over 50 groups from around the state have participated in this program. Data have been submitted from over 1,000 locations in the state. The success of the program results in the need for periodic replacement and upgrade of monitoring equipment in order to continue to make these technical resources available to local groups. The equipment enables local groups to expand the water-quality monitoring network informing both their local watershed needs and the larger Oregon Plan needs.

C. Oregon Explorer natural resources digital library

In January 2003, the Board unanimously approved the Oregon Plan and OWEB Information System Strategy. The strategy calls for, among other things, the creation of a web-based "portal" that provides access to data, tools, and expertise related to the Oregon Plan. In order to address this need for a readily accessible and user friendly resource, OWEB awarded funds to the Institute for Natural Resources and OSU Libraries to build Phase 1 of the Oregon Explorer natural resources digital library (www.oregonexplorer.info). The Board also has supported basin-specific websites within this framework for the Willamette, Umpqua, and North Coast in 2004, 2005, and 2007.

Recent discussions among staff from OWEB, watershed councils and other local groups, and the Oregon Explorer Program, suggest shifting the emphasis to focus on local derived and OWEB specific needs. Some examples of this refined focus include the following types of activities:

- Upload and integrate local data – This would build upon tools developed for the Umpqua Basin Explorer last year allowing local groups to add their data and information to the Oregon Explorer websites. A specific proposal under discussion would expand this functionality to address needs articulated by local data management groups in the Deschutes and Lakes basins.
- Spatially based data management system – This functionality would improve OWEB’s ability to manage data in a map-based format. This work will utilize the improvements made to the Oregon Watershed Restoration Inventory last year and make other Oregon Plan related information, such as the location of monitoring and education projects, available in an easy-to-understand manner and on-line.
- Online paperwork submittal to OWEB – This feature would address a topic that has long been in discussion by OWEB staff by making available to grantees more of the many forms we require to be filled out and sent to OWEB.

D. Inventory and online data management system for fish-passage barriers

This effort would build upon recent work by ODFW to create a data standard for fish-passage barrier inventories. The product would be a comprehensive, standard, compliant barrier inventory and restoration database that includes data from such sources as ODFW, Oregon Water Resources Department, Oregon Department of Transportation, U.S. Forest Service, Bureau of Land Management, watershed councils, soil and water conservation districts, counties, and tribes. The database would accommodate the addition of future inventories and serve as the source dataset for a web-based information management system that enables visualization, assessment, and prioritization of the passage barriers statewide.

VI. Staff Recommendation

This is an informational item. No Board action is requested at this time. At the September 2008 Board meeting, the Board may be asked to consider funding requests for Oregon Plan Products identified as a result of the Oregon Plan Monitoring Team process and subsequent discussions by OWEB staff with watershed councils, districts, and agency staff who would be the ultimate users of the products and consumers of the information.



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May 5, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item J: Potential Budget Policy Packages
May 20-21, 2008 OWEB Board Meeting**

I. Introduction

This staff report updates the Board on the process to develop budget proposals for the 2009 legislative session, and describes potential budget policy packages for the 2009-2011 biennium.

II. Background

Staff are preparing agency budget proposals, which will be submitted to the Governor and the Department of Administrative Services (DAS) for possible inclusion in the Governor's Recommended Budget for the 2009-2011 biennium. OWEB must submit budget requests for needs that are in addition to the agency base budget by the end of June. The May meeting provides an important opportunity for staff and the Board to discuss potential budget policy packages. The budget process and policy packages staff are considering are outlined below.

III. Budget Development

A. Process

Oregon agencies are budgeted on a biennial basis. Submissions are structured so that each agency's existing (or "base") budget is recalibrated and submitted without need for specific policy description or justification. Additions to the base budget are identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called "Policy Packages."

The Governor provides instructions to guide agency development of Policy Packages. Each agency submits its Policy Packages to the Governor and DAS each summer before the legislative session. The Governor then develops the Executive Branch budget for submission to the Legislature in December, just before the session begins. Called the "Governor's Recommended Budget," this budget document includes a selection of agency Policy Packages that reflect the Governor's priority programs and initiatives. It is the Governor's Recommended Budget, not the Agency Request Budget, which is the beginning point for legislative budget hearings. During the legislative session, agencies may advocate for their individual Policy Packages only to the extent that they are included in the Governor's Recommended Budget.

B. OWEB Schedule for Policy Package Development

Staff have already initiated internal discussions regarding Policy Packages for the 2009 Legislative Session. The schedule for the development of Policy Packages follows:

May 2008	OWEB Board discussion of draft Policy Package concepts
May-June 2008	Staff draft Policy Packages
June 2008	Finalize agency Policy Packages
September 2008	Submit full agency request budget document

C. Proposed OWEB Budget Policy Packages

OWEB's budget has grown and its programs have evolved to meet the needs of the public it serves. Increasing Lottery Fund revenues have allowed for significant grant investments around the state. That growth has created challenges for OWEB staff to effectively administer programs associated with these investments.

Most of OWEB's budget for current operations and key programs is reflected in the essential budget level of the agency, which has continued during the 2007-2009 biennium, and is anticipated to be continued in the 2009-2011 budget biennium. OWEB staff approach the development of Policy Packages as a means to identify and address constraints and deficiencies in current program levels, and to meet new and emerging needs.

Staff propose the following Policy Package concepts as potential additions to OWEB's existing base budget funding and positions. Some concepts seek only program funds, while others seek funding to continue limited duration positions or create new ones. Each proposal contains a brief description of the request, identifies the needed position or funding, and proposes the source of revenue to meet the need. Over the years, OWEB's budget has been funded with a combination of Lottery Funds-Operating (non-capital) and Pacific Coastal Salmon Recovery Funds (PCSRF) federal funds. Based on the significant cut proposed for PCSRF in the President's FY09 federal budget, staff anticipate a significant drop in PCSRF funds in the future. Our budget proposals reflect that potential outcome by shifting as much funding to Lottery Funds as possible.

1. This biennium, OWEB's budget contained a total of \$5 million each for watershed council and soil and water conservation district support funded from a combination of Lottery Funds-Operating and PCSRF. A request will be made to shift 100 percent of the funding to Lottery Funds-Operating.
2. The 2007-2009 budget included \$11.1 million for non-capital grants funded from Lottery Funds-Operating and PCSRF. A request will be made to shift the funding onto 100 percent Lottery Funds-Operating and increase the amount to \$15 million.
4. Establish a placeholder of approximately \$7.3 million to receive Federal Funds limitation for the PCSRF Federal Fiscal Year 2009 and 2010 grants.
5. Request Lottery Research funds to continue the Research Grant Program based on interest earnings to be credited during 2009-2011. Early calculations project \$2 million operating and \$3.8 million capital.

6. Establish a permanent Office Specialist 2 position in the Grant Program funded with Lottery Funds-Operating. Since November 2003 the position has been limited duration. It is funded with PCSRF and Lottery Funds-Operating in 2007-2009.
7. Establish a permanent Grant Payment Specialist (Acct 1) position in the Fiscal Section funded from Lottery Funds-Operating. This position processes small grant and Conservation Reserve Enhancement Program payments as well as regular grants, and reconciles the database accounts to the state accounts. Since November 2003 the position has been limited duration. It is funded with PCSRF and Lottery Funds-Operating in 2007-2009.
8. Establish a permanent Business Application Specialist (ISS 7) funded from Lottery Funds-Operating. This position will continue the development and maintenance of an integrated database for fiscal and performance reporting functions of the agency. This position has been limited duration since July 2005. It is funded from PCSRF in 2007-2009.
9. Continue the limited duration PCSRF Reporting Specialist (NRS 2) funded from PCSRF grant funds. This position will continue to provide key support for Oregon's quarterly and annual reporting to NOAA Fisheries on use of PCSRF funds. This position has been limited duration since July 2005. It is funded from PCSRF in 2007-2009.
10. Establish a permanent Oregon Plan Communications Coordinator position (Public Affairs Specialist 2) from Lottery Funds-Operating. This position carries out the statutory mandate for OWEB to promote the Oregon Plan. The position has been limited duration since July 2007. It is funded with PCSRF and Lottery Funds-Operating in 2007-2009.
11. Establish a permanent Data Management position (NRS 3) in the Monitoring and Reporting Program from Lottery Funds-Operating. This position addresses the need for coordination of inter-agency databases and information systems and improves the sharing of data between the local and statewide levels. The position is the lead technical contact for agency performance measures. This position has been limited duration since July 2007. It is funded from PCSRF in 2007-2009.
12. Establish a permanent Regional Program Representative (RPR) (NRS 4) in a seventh region west of the Cascades funded from Lottery Funds-Operating. The position will help manage an RPR workload that has increased tremendously over the years. The position will help expand and improve RPR services to stakeholders in regions 1, 2 and 3.
13. Establish a limited duration Internal Auditor (IA 3) from Lottery Funds-Operating to support an internal audit function as required by OAR 125-700-0020. Agencies with biennial expenditures exceeding \$100 million are required to support and maintain a full-time internal audit function. OWEB's 2007-2009 biennial budget is \$108 million and the 2009-2011 budget is expected to exceed \$100 million.

14. Establish a limited duration Climate Change and Research Coordinator (NRS 4) from Lottery Funds-Operating to serve as lead on climate change issues, manage the research grant program, and serve as an assistant program leader for the Monitoring and Reporting section.
15. Establish a permanent Partnership Investment Coordinator (NRS 4) from Lottery Funds-Operating to plan, lead, and implement OWEB's program investments that occur outside of the regular grant program. These investment areas, which involve approximately \$20 million of OWEB funds, include the Conservation Reserve Enhancement Program (CREP), Special Investment Partnerships (SIP), the Whole Watersheds Partnerships Initiative, and salmon recovery plan development and implementation.
16. Establish two limited duration Partnership Investment Specialists (NRS 3) from Lottery Funds-Operating to focus on day-to-day implementation and oversight of OWEB program investments that occur outside of the regular grant program. These positions will concentrate on efforts in the field, manage grant agreements and contracts, and work with local partners to implement high priority projects associated with salmon recovery plans, CREP, SIP, and the Whole Watersheds Initiative.
17. Establish a permanent Office Specialist 2 position from Lottery Funds-Operating to provide administrative support to the Monitoring and Fiscal programs.
18. The Independent Multidisciplinary Science Team seeks funding to support additional team member and research assistant time to complete salmon recovery plan reviews, help meet overhead obligations to Oregon State University, and host two workshops dealing with existing projects and emerging issues. The total funding necessary to cover these needs has not been finalized.
19. The Lower Columbia River Estuary Partnership seeks to increase its base funding received from the state. LCREP, as part of the National Estuary Program, has received approximately \$300,000 from the States of Oregon and Washington since 1995. LCREP proposes to increase this amount, which covers base operations for the organization, to address cost of living increases over the past 13 years.

IV. Staff Recommendation

This is an informational item. Staff seek Board discussion and input on these proposed Policy Packages and other potential issues of interest to Board members, but no Board action is requested at this time.



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April 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Renee Davis-Born, Data Analyst and Information Specialist
Greg Sieglitz, Monitoring and Reporting Program Manager
Courtney Shaff, Effectiveness Monitoring Specialist

**SUBJECT: Agenda Item K: Wetland Mapping and Monitoring
May 20-21, 2008 OWEB Board Meeting**

I. Introduction

This report provides an update about two wetlands related activities of importance to OWEB. First is a progress report on digitization of National Wetlands Inventory maps. Second is an overview of and status report about the proposal to the U.S. Environmental Protection Agency (EPA) for compliance and effectiveness monitoring of wetlands projects. Staff also will request authority from the Board to provide funding in the amount of \$96,200 to complete digitization of the National Wetlands Inventory maps for Oregon.

II. Compliance and Effectiveness Monitoring of Wetlands Projects

On March 14, 2008, OWEB, the Oregon Department of State Lands (DSL), and the The Xerces Society for Invertebrate Conservation submitted a grant application to EPA that proposes to create the framework for an Oregon Wetland Monitoring and Assessment Program. Funding for OWEB and its partners is requested from the 2008 funds for Wetlands Program Development Grants.

OWEB has provided nearly \$10 million to wetland restoration projects around the state between 1999 and 2008. At present, this is the sixth largest investment in restoration activity of all project types undertaken using Measure 66 funds and the trend has shown an increasing number of watershed councils planning wetland restoration projects. At the same time, DSL provides permits for approximately 200 wetland mitigation projects each year, about 50 percent of which include enhancement activities. Despite this activity, no comprehensive strategy to assess the success of wetland restoration, mitigation, and enhancement projects in Oregon currently exists.

To address this need, OWEB partnered with DSL and The Xerces Society to develop a framework for assessing and monitoring Oregon wetlands to provide guidance to groups involved in wetland restoration and mitigation. This project will develop and test a preliminary invertebrate-based biological monitoring tool and apply the Oregon Wetland Assessment Protocol. A portion of the project will also develop detailed effectiveness monitoring to assess wetland quality and evaluate restoration and mitigation success. In addition, the project will

improve the quality and management of data on mitigation and restoration sites and increase information exchange to improve decision-making about wetland enhancement and investments.

Implementation of the framework is proposed initially in the Willamette Valley. This scope complements and informs investments that will be made by OWEB associated with wetlands under the Willamette Special Investment Partnership. This focus also is directly relevant to innovative new standards released by the EPA and the U.S. Army Corps of Engineers on March 31, 2008. The standards state that where appropriate and practicable, compensatory mitigation decisions should be based on watershed assessments and made in a way that furthers watershed-scale goals. Finally, a Willamette Valley focus meshes well with EPA's Willamette Ecosystems Services Project that includes evaluation and mapping of wetland ecosystem services as a major component.

The proposed project would provide the framework for a compliance and effectiveness monitoring program that would be expanded statewide in the future. The monitoring design developed by this project will be implemented by OWEB to assess restoration projects located around the state. Results from the project will enable the development of guidelines to inform future wetland restoration and mitigation practices thereby augmenting the effectiveness of restoration projects and enhancing the compliance with Oregon's compensatory wetland mitigation projects.

The proposal currently is under consideration by EPA. Preliminary conversations with EPA staff suggest that the proposal will be competitive with regional proposals from Oregon, Washington, and Idaho. If funded, this proposal will not require OWEB match.

OWEB anticipates being notified of EPA's decision by the May Board meeting. If successful, staff intend to go the legislative Emergency Board in June to seek authorization to receive the EPA funds.

III. Digitization of National Wetlands Inventory Maps

As reported at the March Board meeting, significant progress has been made in recent years toward building an electronic map of all wetlands located in the state. This map is based on data from the National Wetlands Inventory (NWI) and will be readily available to local restoration groups and interested parties such as state and federal agencies responsible for the management of wetlands.

Data for wetlands are critical to local and state-level decision-making. For example, watershed councils and other local groups completing wetland acquisition and restoration projects need detailed information about the location and type of wetlands for the purposes of prioritization and planning. When development activities are proposed, wetland data are critical to agencies charged with reviewing permits and advising on the proper siting of projects. In the event that impacts to wetlands are unavoidable, information is needed to develop and implement projects that effectively mitigate for wetland loss. The lack of a comprehensive wetlands data layer for Oregon has the potential to limit the ability of watershed councils, soil and water conservation districts, landowners, agencies, and other entities to effectively carry out integrated wetland protection and conservation efforts. An example of an electronic NWI map is found in Attachment A.

In January of 2008, the Oregon Geographic Information Council awarded \$48,000 to OWEB for the digitization of 240 NWI maps, building upon a similar effort by OWEB in 2006-2007 to digitize 353 NWI maps. At the completion of the 2008 project, the coverage of high-quality publicly available NWI maps will cover nearly 70 percent of Oregon's land area. (Attachment B)

Since the March Board meeting, OWEB staff have finalized interagency agreements with both the Oregon Department of Administrative Services (which is providing the \$48,000 in funding) and Oregon Corrections Enterprises (the agency with which OWEB is contracting to complete the digitization work). Staff are coordinating with the U.S. Fish and Wildlife Service's (USFWS) National Wetlands Inventory staff to arrange the transfer of scanned NWI maps to Oregon Corrections Enterprises. Corrections staff expect to begin digitizing work in early May and anticipate delivering all 240 digital NWI maps to OWEB in September of 2008. Final quality assurance and quality control work will be conducted by USFWS staff.

In addition, all NWI digital wetlands will be made available through the Oregon Wetlands Explorer. This will be developed by The Wetlands Conservancy (TWC) in coordination with Oregon State University, and will be integrated with other datasets such as local wetland inventories, soils, vegetation, hydro-geomorphic status, conservation status, rare species, past and present regulated activity, and the location of Oregon's most biologically significant wetlands.

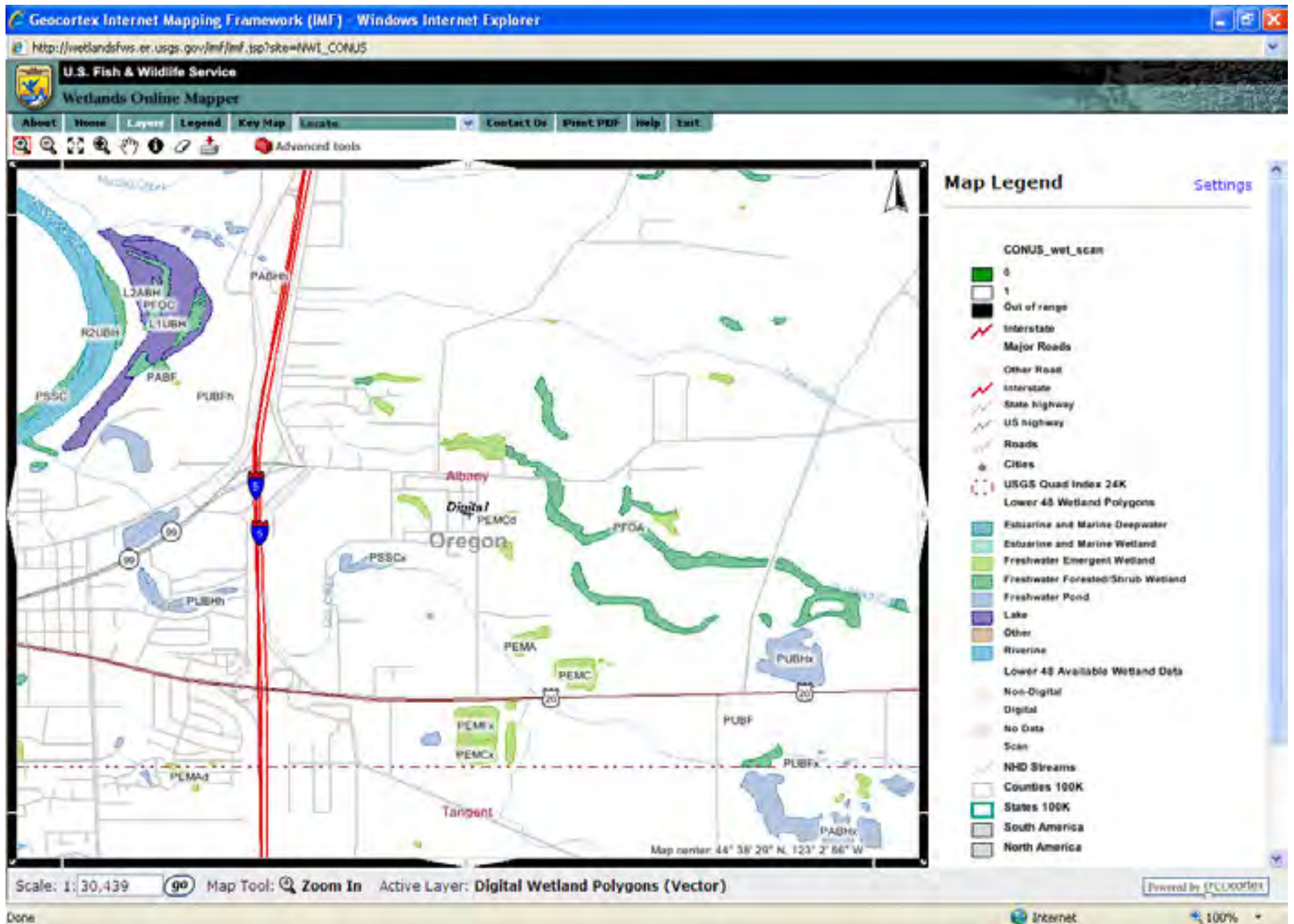
When the latest phase of digitizing is completed, 528 NWI maps will remain to be digitized. The TWC initiative includes revision of 97 outdated NWI maps in western Oregon and making available digital maps delineating the location of wetlands for an additional five percent of the state. When the TWC work is completed, 481 maps in southeastern Oregon will still need to be digitized. These NWI maps can be digitized for \$200 per map and would complete statewide coverage of wetland location information for Oregon. Staff are proposing to have the Board allocate funding at the May meeting because Corrections staff can begin digitizing the remaining 481 maps over the summer. This project has been underway for two years and staff would like to complete the project as soon as possible.

IV. Staff Recommendation

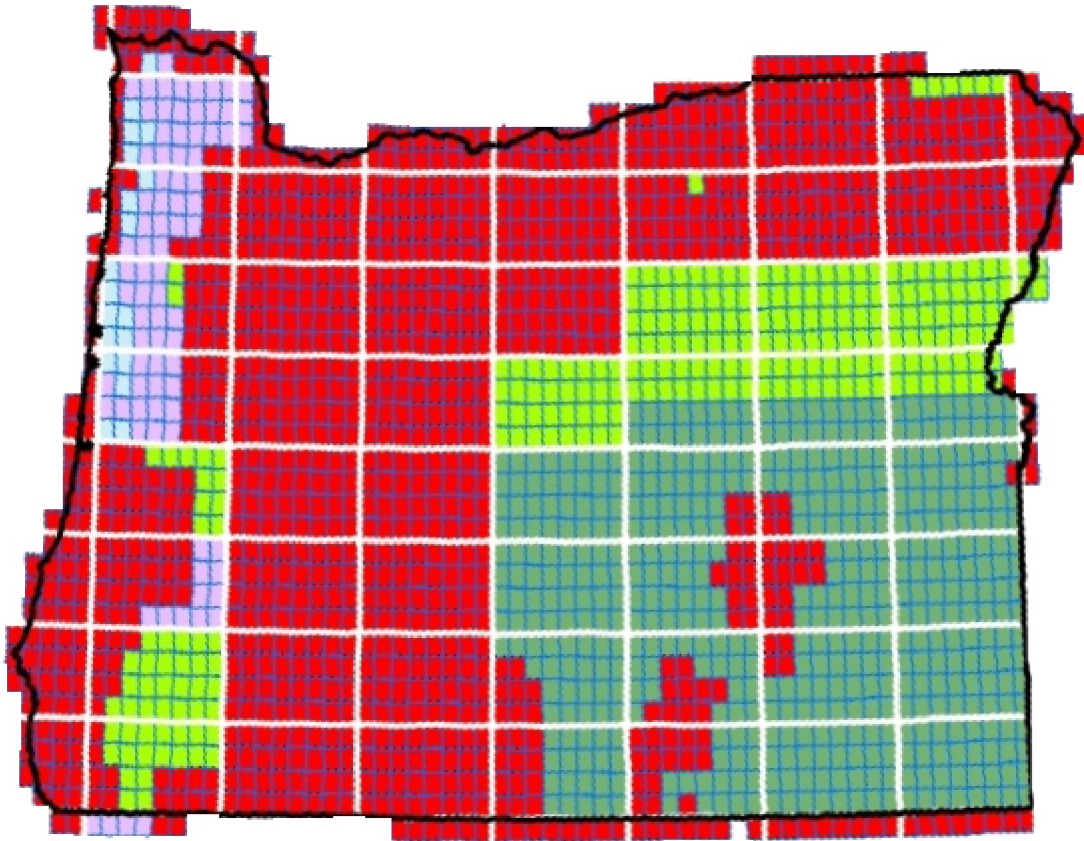
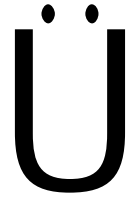
Staff recommend that the Board allocate \$96,200 in non-capital funding and delegate authority to the Director to enter into a contract to complete digitization of the remaining 481 National Wetlands Inventory maps for Oregon.

Attachments






- A. Example of NWI map
- B. Status map of NWI digitization

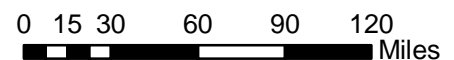


Oregon Status Map National Wetlands Inventory May 2008



Legend

-  Outdated Partial Quads (updated product in development by TWC)
-  Outdated Final Quads (updated product in development by TWC)
-  Digital
-  2008 Digitizing
-  Remaining Quads to be Digitized





Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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May 1, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Miriam Hulst, Oregon Plan Implementation Specialist

**SUBJECT: Agenda Item L: Coastal Wetlands Grants
May 20-21, 2008 OWEB Board Meeting**

I. Introduction

This staff report provides an update on the recent 2008 Coastal Wetlands Grant awards of approximately \$2.2 million to OWEB from the U.S. Fish and Wildlife Service (USFWS) to fund four coastal wetlands projects. Staff request Board authorization to enter into the appropriate grant agreements for the 2008 Coastal Wetlands Grant awards for the three remaining projects and request Board action to provide match funding for one of the three. Finally, the report describes potential OWEB proposals to submit to USFWS for the 2009 Coastal Wetlands Grant solicitation.

II. Background

The National Coastal Wetlands Conservation Grant Program was established by Title III of P.L. 101-646, Coastal Wetlands Planning, Protection and Restoration Act of 1990. Under the Program, the USFWS provides matching grants to states for acquisition, restoration, management or enhancement of coastal wetlands. To date, about \$183 million in grants has been awarded to 25 coastal states and one U.S. Territory to acquire, protect or restore over 250,000 acres of coastal wetland ecosystems. Typically, between \$13 million and \$17 million in grants are awarded annually through a nationwide competitive process. Funding for the program comes from excise taxes on fishing equipment and motorboat and small engine fuels.

The Coastal Wetlands Grants offer a significant partnership investment opportunity to restore and protect wetland and estuary ecological values, promote strong partnerships, and provide a two to one match of OWEB funds. To date OWEB has been awarded more than \$6 million in federal funds for the implementation of coastal wetland acquisition and restoration in Oregon. Oregon was awarded a Coastal Wetlands grant in 1998 for the Neawanna wetland acquisition in Seaside (\$170,000). In 1999, OWEB was awarded grants for the Coos-Coquille wetland acquisition and restoration (\$820,000), Tillamook wetland acquisition (\$750,000), and Smith River estuarine restoration (\$138,875) projects. In 2003, OWEB was awarded grants for the acquisition of estuarine lands in the Yaquina River estuary (\$952,214) and Circle Creek wetlands (\$750,000) in the Seaside area.

In June of 2007, OWEB submitted four applications on behalf of our coastal partners for project funding under the Coastal Wetlands Grant Program. On January 9, 2008, the Secretary of the Interior announced the awards that included all four applications submitted by OWEB. Combined, the four federal grants total approximately \$2.2 million and require a total state match of just over \$1 million. At the March Board meeting, the Board awarded a \$232,614 to grant application #208-1040, Tamara Quays Dike Removal and Fish-Passage Culvert, and authorized OWEB to enter into grant agreements for the \$754,800 of federal funding for restoration activities in the Lower Salmon River.

Attachment A shows current Coastal Wetlands Grants in Oregon.

III. 2008 Coastal Wetlands Grants

The following sections describe the remaining three 2008 Coastal Wetland Grant awards to Oregon, including the review process used and current status.

A. Lint Slough Restoration

The federal grant for Lint Slough Restoration is \$310,000 with a state match of \$265,000.

1. Project Description

Lint Slough in the Alsea Bay was altered significantly in the 1950s to rear juvenile fish. A fishway was created by dredging through salt marsh and rerouting Lint Slough channel through a salt marsh. In 2000, OWEB funded a technical evaluation of the project to restore the site to intertidal marsh and relocate the channel to its original location. During the summer of 2007 the first phase of restoration was completed. The grant will fund the remaining two phases of restoration.

2. Partners

The partners in the Lint Slough project are the Oregon Department of Fish and Wildlife and Mid-Coast Watersheds Council (MCWC).

3. Process and Status

A restoration grant application was submitted to OWEB staff and sent to the Region 1 Regional Review Team (RRT) for evaluation of the Lint Slough state match. The RRT recommended that the project be funded and identified that it was a high priority for restoration of aquatic habitat in the Alsea estuary. The RRT unanimously recommended the project go forward as proposed. OWEB staff have evaluated the RRT comments and recommend the project be funded with the condition that the abandoned water right associated with the facilities be surrendered and an in-stream right be applied for instead.

B. Yaquina Acquisition

The federal grant for the Yaquina Acquisition is \$95,725 with a state match of \$46,250.

1. Project Description

The Wetlands Conservancy (TWC) has identified a parcel of land that complements their previous acquisitions in the Yaquina Estuary. The property is 61 acres and the acquisition will protect high salt marsh in the Poole Slough area.

The Yaquina Estuary is unique in that nearly all the intertidal lands were deeded to competing railroads as an enticement for the construction of a railroad from Corvallis to Newport. The railroad was never built, and the tidelands were deeded to private parties. This grant will add to the conservation purchase of intertidal areas in the Yaquina Estuary.

2. Partners

The partners in the Yaquina Acquisition project are TWC, Lincoln Soil and Water Conservation District (SWCD), MCWC, Pacific Forest Trust, Central Coast Land Conservancy (CCLC), and The Nature Conservancy (TNC).

3. Process and Status

The Wetlands Conservancy has submitted a land acquisition application to OWEB for the state match component to the Yaquina Acquisition project. The Region 1 RRT members have reviewed the application for its ecological and educational benefits. The consensus of the RRT is that the project meets high priority North Coast ecological attributes of salt marsh and intertidal flats. The proposed acquisition ties to previous wetland acquisitions and adjacent protected uplands. The Board Acquisition Subcommittee was asked to review the application on April 10, 2008, based the land acquisition evaluation criteria, and the results of the RRT evaluation. They concluded that it should proceed to the due diligence review.

Staff recommend the Board authorize staff to enter into the federal grant agreement with TWC so that they may proceed with completing OWEB's due diligence requirements. When the due diligence materials have been submitted and reviewed, staff will return with a recommendation for the state match fund awards.

C. Alsea Bay Acquisition

The Alsea Acquisition federal grant is \$997,350 with a state match of \$301,000.

1. Project Description

TWC has identified a parcel of land that complements their previous acquisitions in the Alsea Estuary. The property is 223 acres and the project will allow the diked marsh area to be restored to intertidal function.

2. Partners

The partners in the Alsea Bay Acquisition project are TWC, MCWC, private landowner, CCLC, TNC, and Lincoln SWCD.

3. Process and Status

TWC has submitted a land acquisition application to OWEB for the state match component to the Alsea Bay Acquisition project. The Region 1 RRT reviewed the application for its ecological and educational benefits. The RRT identified that the application met the North Coast ecological priorities of diked marsh and low gradient tributary streams. The RRT also recognized that the project could lead to a significant restoration project. The Board Acquisition Subcommittee was asked to review the application on April 10, 2008, based the land acquisition evaluation criteria, and the

results of the RRT evaluation. They concluded that it should proceed to the due diligence review.

Staff recommend the Board authorize staff to enter into the federal grant agreement with TWC so that they may proceed with completing OWEB's due diligence requirements. When the due diligence materials have been submitted and reviewed, staff will return with a recommendation for the state match fund awards.

IV. 2009 Coastal Wetlands Grant Applications

Staff are working with local land conservation groups along the Oregon Coast to identify opportunities for estuarine resource protection. The objective is to identify opportunities to develop partnerships for land protection that have significant ecological value in terms of both estuarine and fresh water coastal wetlands. Staff propose to develop up to four specific federal grant applications for the Coastal Wetlands Grant program of the USFWS. The grant applications are due June 27, 2008, at the USFWS Regional Office in Portland.

To date, OWEB staff are working with four partners on four separate applications. The projects and partners are:

1. Nehalem Bay Acquisition, Lower Nehalem Community Trust
2. Siuslaw River (Duncan Island) Conservation Easement, McKenzie River Trust
3. New Lake Conservation Easement, The Nature Conservancy
4. Alsea Bay Acquisition, The Wetlands Conservancy

The total funding requested and state match amounts have not yet been determined. OWEB anticipates requesting at least \$3 million of federal funding, which would require a 25 percent state match of at least \$750,000. Staff recommend the Board authorize the Director to request Emergency Board approval in June to submit applications to the USFWS for the Coastal Wetlands Grant program. If successful, staff would request Board approval of match funding for these grants. Because OWEB won't be notified of its award until January of 2009, it is likely that the required state match could be allocated from the 2009-2011 biennium capital funds.

V. Staff Recommendation

Staff recommend the Board:

- A. Delegate to the Director the authority to enter into the appropriate grant agreements for the U.S. Fish and Wildlife Service 2008 Coastal Wetlands Grant funds, \$310,000 for Lint Slough Restoration, \$95,725 for Yaquina Acquisition, and \$997,350 for Alsea Bay Acquisition, to accomplish the three projects as identified in the federal grant applications.
- B. Authorize up to \$265,000 of capital funds for the state match for the Lint Slough Restoration application.
- C. Authorize the Director to request legislative Emergency Board approval to submit 2009 Coastal Wetlands Grant applications to the U.S. Fish and Wildlife Service.

Attachments

- A. National Coastal Wetlands Conservation Grants in Oregon



Oregon

Theodore R. Kulongoski, Governor

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May 1, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item M: Oregon Conservation Reserve Enhancement Program
May 20-21, 2008 OWEB Board Meeting**

I. Introduction

In this report, staff propose to organize and participate in a joint work group with the Board of Agriculture to review and develop an approach to address future technical assistance and program delivery for the Oregon Conservation Reserve Enhancement Program (CREP).

II. Background

In 1997, Oregon initiated discussions with the U.S. Department of Agriculture (USDA) about the possibility of developing a state-federal cost share program that focused on improving riparian conditions in agricultural areas of the state. The Oregon Conservation Reserve Enhancement Program was approved in September 1998 with a signing ceremony by then Governor Kitzhaber and the Secretary of Agriculture in October 1998.

As an offspring of the Conservation Reserve Program, CREP is a voluntary program for agricultural landowners. This unique state and federal partnership allows landowners to receive incentive payments and conservation rental payments from the Farm Services Agency (FSA) for installing and maintaining specific conservation practices. Through the CREP, farmers can receive annual rental payments and cost-share assistance to establish long-term, riparian buffers on eligible land and protect them from domestic grazing. The Oregon CREP was initially developed to address listed salmon streams; the program was later modified to assist in addressing stream water quality issues (primarily temperature). The program uses state funding for partial payment (25 percent) of all conservation activities (fencing, off-stream watering, site preparation, plant materials, planting, etc.).

Public interest in the program has increased significantly since the program was initiated and the number of participants and the number of stream miles treated has grown dramatically along with OWEB's investment in CREP. In September of 2007, the Board allocated \$4 million to cover the costs of CREP direct cost share expenses during the 2007-2009 biennium.

III. CREP Technical Assistance

As early as 2001, some groups expressed concern that the program was not being promoted to sufficiently address the significant agricultural riparian restoration needs in Oregon. As a result

of the concerns, and in response to critical review, OWEB funded an evaluation of the program through the Oregon Department of Agriculture (ODA) and Oregon Association of Conservation Districts (OACD). The report identified technical assistance for outreach, conservation plan development, and landowner assistance as a critical need for the program to become effective. The OWEB Board responded by providing funding for technical assistance (the primary factor limiting participation).

OWEB has provided state funding for technical assistance for the CREP program for the last four biennia. This funding has been made available to soil and water conservation districts since they had an existing relationship with USDA partners. The most recent request for the Soil and Water Conservation Commission to recommend use of funds for this purpose from the additional \$1 million made available to districts from OWEB, has raised questions about the manner of providing technical assistance funding.

IV. 2007 Farm Bill and USDA-Oregon Agreement

The 2002 Farm Bill expired in 2007 and is being considered for reauthorization by Congress. The 2004 CREP agreement between Oregon and the USDA expired on December 31, 2007. The Farm Bill and Oregon's agreement have been incrementally extended since the beginning of the year. Once a new Farm Bill is approved, Oregon and the USDA will need to begin negotiating a new CREP implementation agreement. During this process, OWEB could explore ways to focus its participation in the program.

V. Oregon CREP Work Group

In cooperation with the Board of Agriculture and Department of Agriculture, OWEB staff propose to develop and facilitate a work group to discuss the infrastructure needed to support Oregon's CREP investment, including the new Oregon agreement and the technical assistance needs of the program.

The Board of Agriculture is expected to discuss forming the work group at its May 15, 2008, meeting. OWEB staff will update the Board about that discussion at the Board meeting.

VI. Recommendation

This is an informational item. Staff seek Board feedback on this proposal. No Board action is requested at this time.



Agenda Item P:

StreamBank: Oregon Solutions Project Team

Background

In late 2006, Oregon Trout began development of a web-based software tool that aims to simplify and accelerate the process of funding, permitting, implementing, and reporting on stream restoration projects without sacrificing quality of outcomes. The tool advances ecologically needed restoration projects consistent with regulatory agency and funder sideboards and objectives. It also brings benefits to local restoration project coordinator capacity and the rural workforce, while empowering local landowners and communities to better control their future.

In 2008, Oregon Trout will test the tool, called StreamBank, on a wider scale, with up to 20 projects around the state. An Oregon Solutions project team will work to identify the needed resources for these projects and to assess the policy changes necessary for simplifying and accelerating the process for stream restoration projects.

Concurrently, the Department of State Lands is streamlining its authorization process for restoration projects. The Department sees the potential for restoration proponents using StreamBank to, at the same time, access a streamlined web-based application and reporting process resulting in good projects receiving expedited approvals.

The impetus for the StreamBank tool comes from the current situation where, despite growing threats to already compromised freshwater resources and rural economies, a system of long planning, funding and permitting cycles delays projects, or discourages landowners from undertaking projects altogether. Restoration projects require implementation on a meaningful scale for both ecological and economic benefits. By using technology and changing underlying systemic barriers to efficiency, Oregon can send a strong signal that it remains committed to environmental innovation.

Ken Bailey, CFO Orchard View Farms and member of the Oregon Board of Agriculture, is serving as the Governor's convener for this project. He is supported by Oregon Solutions staff Pete Dalke.

Oregon Solutions

The mission of Oregon Solutions is to develop sustainable solutions to community-based problems that support economic, environmental, and community objectives and are built through the collaborative efforts of businesses, government, and non-profit organizations.

The Community Governance System

1. **A problem or opportunity defined by the community** that addresses at least one sustainable community objective.
2. **An impartial community convener** from the local community, appointed by the Governor, who can lead a team to address the challenge.
3. **An Oregon Solutions Team** of federal, state, local, and other government entities, businesses, non-profits, and citizens who are needed, or can contribute to a solution.
4. **An integrated solution** that leverages the resources of the Solution Team to meet the challenge at hand and sustainability objectives.
5. **A declaration of cooperation** that team members sign that commits their resources and time in an integrated action plan.

StreamBank Objectives

February 2008
Draft

Oregon Solutions

2008

A. Implement Stream Restoration Projects

1. Solicit and select project applications
2. Fund, permit and execute 20 restoration projects across the state (using private and public funds through StreamBank)

Project types to consider:

- Large wood, boulder or gravel placement (DSL GA-permitted)
 - Culvert removal or replacement
 - Riparian invasive weed removal
 - Riparian planting with native vegetation
 - Fence construction
 - Off-channel watering
3. Secure public and private funds for project work
- Address agency funder needs and comfort level with partnership funds
 - Address needs of other partners regarding funding comfort (prioritization, source of funds, etc.)

B. Advance Expedited Permitting

1. Work with regulatory entities to explore expediting permits in coordination with 2008 non-wood and boulder StreamBank pilot projects. Use the Oregon Solutions process and the narrow 2008 pilot project scope to give agencies security in exploring expedited permitting for other restoration actions with a low-risk approach. (They may not need to set any precedents outside of this 2008 experiment.)
2. Work to ensure DSL, COE, NOAA, USFWS and ODFW have a coordinated approach to large wood and boulders that will truly expedite the process for the end user
 - Clarify what is and is not covered by new SLOPES, RGP, DSL GA and other ongoing agency work, where gaps or a lack of coordination exist in agency approaches and standards
 - Make application forms consistent
 - Standardize reporting
 - Address cultural resource efficiency issues
 - Assess need for additional Programmatic Biops and NEPA
 - Get SLOPES approved

C. Develop StreamBank Tool

1. Develop "single entry" system for landowners to apply for funding, permitting, contracting, reporting, and monitoring
2. Assess whether the StreamBank tool delivers funds to projects in a manner that meets the requirements of agencies and funders
3. Establish and prioritize data and GIS integration needs and opportunities for:
 - E-permitting
 - Project monitoring
 - Aligning with the Oregon Conservation Strategy and other assessments and restoration priorities
 - Syncing and exchanging data with the Conservation Registry, the Oregon Explorer, the Nature Conservancy, the Wetlands Conservancy (and others?)
4. Assess ongoing operation and maintenance needs for the StreamBank tool

2009 and beyond

A. Continue Developing StreamBank Tool

- Develop additional tools for landowners to access habitat restoration and ecosystem market opportunities.
- Advance expedited permitting (including e-permitting) for additional types of restoration projects
- Advance data and GIS integration and links and data sharing with conservation partners
- Develop and implement an operation and maintenance plan for StreamBank



APPROVED BY THE BOARD SEPTEMBER 16, 2008
Oregon Watershed Enhancement Board
May 20, 2008
OWEB Board Meeting
Ontario, Oregon

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Dan Heagerty
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers
Dan Thorndike
Helen Westbrook
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Karen Leiendecker
Melissa Leoni
Greg Sieglitz

Others Present

Dave Waddell
Bruce Taylor
Heather Swartz
Carl W. Hopp Jr.
Elizabeth Felix
Hugh Barrett

Members Not Present

Jim Johnson
Patricia Smith
Diane Snyder

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Co-Chair Heagerty welcomed new Board member Kim Kratz. Kim replaces Michael Tehan on the Board representing the National Marine Fisheries Service (NMFS). Board member Jim Nakano welcomed the Board to Malheur County.

State Representative Cliff Bentz welcomed the OWEB Board and staff to Ontario. Representative Bentz thanked Director Byler and Lauri Aunan for traveling to Burns recently to meet with OWEB's partners about the boundaries for the new sixth region and complimented them for a job well done.

B. Minutes

Minutes of the March 19-20, 2008, Board meeting in Medford were unanimously approved.

C. Executive Director Update

In addition to written items in the staff report, Executive Director, Tom Byler, briefly described the following to Board members: .

- The revenue forecast will be available the end of May; Lottery revenues are down.

- OWEB is expanding its work area in the Salem office to take over the entire west side of the third floor of the State Lands Building.
- The agency has started the recruitment for the regional program representative for the new Region 6, Mid-Columbia Region.
- Director Byler joined the Parks Commission for a coastal tour and discussed future partnering opportunities with the Oregon Parks and Recreation Department to leverage funding and interest in Ballot Measure 66 which will be up for renewal with Oregon voters in 2014.
- Director Byler gave an “OWEB 101” presentation at a recent Board of Agriculture meeting.
- Director Byler and Grant Program Manager, Lauri Aunan, traveled to Burns to meet with local partners on the boundaries of the new 6th region, and also met with the Bureau of Land Management on work they are doing in the area.

1. Oregon 150 Grants

The Board was provided information on the status of the Oregon 150 application review. Twelve applications requesting \$750,000 were received by ODFW by the February 25, 2008, deadline. The applications were reviewed and five were selected for funding for a total grant award of \$282,511. ODFW will advertise this summer for additional projects with the remaining funds.

2. Administrative Rulemaking

Staff intend to pursue rulemaking on a list of topics listed in the staff report. Staff will develop proposed rules and rule amendments, and work with a rules advisory committee to present a set of proposed rules for Board consideration at the September 2008 meeting.

3. 2007-2009 Oregon Plan Biennial Report

Staff presented Board members with a production schedule in order to deliver the biennial report to the Legislature by the due date, January 15, 2009. Staff included a draft outline for the 2007-2009 Biennial Report following the same format as the 2005-2007 report.

4. 2009-2011 Watershed Council Support

The Council Support Board Subcommittee staffed by Ken Bierly consists of Dave Powers, Helen Westbrook, Jim Nakano, and Jim Johnson. They will meet over the summer to discuss funding distribution criteria and will report back to the Board in September. A draft schedule was provided leading up to the December 15, 2008, application deadline, with Board consideration at the May 19-20, 2009, meeting.

5. SIP Status

Staff provided Board members a report that summarized the status of the Deschutes and Willamette SIP partnerships. In order to address workload demands that have significantly grown with the approval of the two SIP efforts, OWEB is exploring options to hire temporary staff or contracted staff to help with specific tasks. One part-time temporary staff position has been hired, and staff are continuing to seek additional assistance.

The Deschutes partnership agreement has been signed. Five projects have all received extensive technical review and are in various stages of implementation start-up. Applications are being written for another eight Deschutes SIP projects from the list approved by the Board in January.

Willamette SIP partnership agreements have been drafted and are being reviewed by involved partners. Staff are continuing discussions with Meyer Memorial Trust and other partners on project development.

6. April 21, 2008 Grant Cycle

The staff report provided numbers, types, and amounts requested for Assessment, Technical Assistance, Acquisition, and Restoration applications received by the April 21, 2008, deadline.

D. Education and Outreach Subcommittee Report

Carolyn Devine, OWEB Communications Coordinator, reported that the Board Education and Outreach Subcommittee (Jim Johnson, Meta Loftsgaarden, Trish Smith, and Dan Thorndike) met recently. The Subcommittee supports the locally driven, regional approach to Education and Outreach grants and do not expect there to be a major change for the October grant cycle for these grants. However, Ms. Devine is working on two areas for the Education and Outreach grants: 1) modifying the application to enhance measurable outcomes that will allow OWEB to better describe the impact of the Education and Outreach projects that we fund; and 2) reviewing how and when to implement an Education and Outreach Review Team to provide support and help for the Regional Review Teams' review of Education and Outreach grants. The Subcommittee is also discussing a broader communication strategy for OWEB including goals and a process for stakeholder input.

E. Monitoring and Research Subcommittee Update

Greg Sieglitz, OWEB Monitoring and Reporting Program Manager, updated Board members on the Monitoring and Research Subcommittee consisting of Bobby Brunoe, Meta Loftsgaarden, and Ken Williamson. The Subcommittee is following up the Board's direction developed at last year's Board summer planning session, to develop a more focused strategic approach for monitoring and research grants.

The Board concurred with the following five proposed investment and strategies for monitoring and research grant offerings.

- A. Continue local need-based grant offerings for monitoring projects.
- B. Continue the practice of funding some effectiveness monitoring through restoration grants.
- C. Provide targeted monitoring grant opportunities for specific data needs (eg. Rogue basin fish passage evaluation).
- D. Continue direct funding of contracts for specific monitoring services.
- E. Entertain a research grant offering in early 2009 when enough interest accrues in the Research Fund to warrant a new offering.

Board members unanimously approved the following:

- A. Adopt the principles and strategies for the October 2008 Monitoring grant cycle contained in Section V of the staff report.*
- B. Support soliciting feedback on the strategies and principles over the course of the summer from local groups with a report back to the Board in September.*
- C. Approve development of an early 2009 Research Grant Offering.*

The Board funded nine research projects in September 2007, and staff are recommending a research grant solicitation in early 2009. Staff may be developing changes or additions for the October 2008 monitoring grant application offering.

F. Non-Capital Funding and October Grant Applications

Lauri Aunan, Grant Program Manager, briefed Board members on funding reserved for each grant cycle. Non-capital funds are dependent on how much Pacific Coastal Salmon Recovery Funds (PCSRF) Oregon receives.

In March, OWEB submitted an application requesting \$12 million of PCSRF funds for FY 2008. Although the awards process is not yet complete, based on the preliminary response to OWEB's application, OWEB expects to receive more than the previous year's award of \$6.5 million, but significantly less than the \$12 million requested. Director Byler announced that the informal award for Oregon will be \$8.2 million. Following confirmation and award of FY 2008 Pacific Coastal Salmon Recovery Funds, OWEB will develop a spending plan for those non-capital funds. Until then, staff recommended that the non-capital grant solicitation for October 2008 include the same as the April 21, 2008 cycles.

Board members unanimously approved the solicitation as recommended by staff as listed below:

- A. The solicitation of Technical Assistance grant applications for the October 20, 2008, deadline, with a targeted funding allocation of \$500,000.*
- B. The solicitation of Monitoring grant applications for the October 20, 2008, deadline, with a targeted funding allocation of \$1,500,000.*
- C. The solicitation of Education and Outreach grant applications for the October 20, 2008 deadline, with a targeted funding allocation of \$500,000.*

G. Deferred Land Acquisition Applications

Ken Bierly, Deputy Director, provided an update on the status of the 12 land acquisition grant applications currently pending. He reported that the Board Acquisition Subcommittee will be developing a strategy to identify which are the most important pending acquisitions for OWEB to fund, with a goal of bringing recommendations to the full Board in September 2008. This is necessary because OWEB is looking at a total of about \$14 million in pending acquisitions.

Staff are recommending funding up to \$500,000 for the Whychus Creek Discovery Outpost acquisition project submitted in October 2007 by Wolfree, Inc. The acquisition is for 58 acres on Whychus Creek just east of Sisters. Wolfree has been operating in Sisters for about six years, engaging youth in environmental studies and restoration of habitats. This property will serve as a base for their field learning experiences for central Oregon youth. They continue to expand the number of schools they offer their educational services to. The property is one of

several protected on Whychus Creek to protect and improve the riparian areas and aquatic habitats for the re-introduction of anadromous fish.

Board members unanimously approved to award up to \$500,000 in funds toward the Wychus Creek Discovery Outpost acquisition project (#208-110).

H. Public Comment

- Carl W. (Bill) Hopp, Jr., Tumalo Irrigation District, expressed his appreciation for Phase I funding for a project in Tumalo and Crescent creeks.
- Bruce Taylor, Oregon Habitat Joint Venture, and Heather Swartz, provided information on the Sagebrush Cooperative.

I. Oregon Plan Products

Greg Sieglitz, Monitoring and Reporting Program Manager, and Renee Davis-Born, Data Analyst/Information Specialist, presented this agenda item. Following up on the Board planning session last summer, they reported on recent discussions about the need for and creation of high-priority products supporting the Oregon Plan for Salmon and Watersheds. These projects using non-capital funds are recommended by the Oregon Plan Monitoring Team, Oregon Plan Core Team, or the Oregon Plan Data and Information Subcommittee. Staff are currently considering the following projects that would improve the accessibility to technology tools, data and information, and would facilitate information sharing among Oregon Plan partners. Possible future projects involve 1) Digitization of remaining National Wetland Inventory (NWI) maps; 2) Equipment for DEQ's volunteer water quality monitoring program; 3) Oregon Explorer natural resources digital library; and 4) Inventory and online data management system for fish-passage barriers. Staff may return to the September 2008 Board meeting with funding requests after subsequent discussions with watershed councils, districts, and agency staff who would be the ultimate users of the products and consumers of the information.

J. 2009-2011 Budget and Policy Packages

Director Byler reported that OWEB has begun working on its 2009-2011 budget. In addition to OWEB's base budget, staff develop policy packages as a means to identify and address constraints and deficiencies in current program levels, and to meet new and emerging needs. OWEB's policy package concepts are developed to make limited duration positions permanent, add new positions to meet the workload demands resulting from the growth in OWEB funding and projects, and to address new areas such as climate change. He briefly discussed OWEB's proposed policy packages.

He explained the process for policy package development and submittal of the agency's requested budget to the Governor. After reviewing the agency budgets, the Governor submits his recommended budget to the Legislature, who eventually comes up with the legislatively approved budget for agencies.

At the conclusion of the meeting, Board members and staff were joined by representatives of the Oregon Departments of Environmental Quality and Agriculture, the Willow Creek, Owyhee, and Malheur watershed councils, local landowners, and the Malheur Soil and Water Conservation District for a tour of OWEB-funded projects in the Malheur basin. At the conclusion of the tour, Board members and staff attended a barbeque and informal reception hosted by the Malheur Watershed Council.

APPROVED BY THE BOARD SEPTEMBER 16, 2008
Oregon Watershed Enhancement Board

May 21, 2008
OWEB Board Meeting
Ontario, Oregon

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Dan Heagerty
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers
Dan Thorndike
Helen Westbrook
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Karen Leiendecker
Melissa Leoni
Greg Sieglitz

Others Present

Karen Moon
Jack Wenteroth
Hugh Barrett
Tony Svejcar
Tim Deboodt

Members Not Present

Jim Johnson
Patricia Smith
Diane Snyder

K. Wetland Mapping and Monitoring

Greg Sieglitz, Monitoring and Reporting Program Manager, and Renee Davis-Born, Data Analyst and Information Specialist, updated Board members on a grant request to the Environmental Protection Agency for wetland mitigation and restoration effectiveness monitoring. OWEB partnered with the Department of State Lands and the Xerces Society to prepare the EPA grant application. OWEB received advance notice from the EPA that the grant was awarded and funding will be available this fall.

They also reported on progress made toward building an electronic map of all wetlands located in the state. The map is based on data from the National Wetlands Inventory (NWI) and will be readily available to local restoration groups and interested parties such as state and federal agencies responsible for the management of wetlands. OWEB has finalized interagency agreements with the Oregon Department of Administrative Services and Oregon Corrections Enterprises to receive funding and digitize 240 NWI maps.

Four hundred and eighty one maps in southeastern Oregon remain to be digitized to complete a full digital collection of wetlands data for Oregon. This work will complete a two and one-half year project. Staff are requesting \$96,200 in non-capital funding and to delegate authority to the Director to enter into a contract to complete the remainder of the map digitization as identified in the staff report.

Board members unanimously approved the staff recommendation to allocate \$96,200 in non-capital funding and delegate authority to the Director to enter into a contract to complete digitization of the remaining 481 National Wetlands Inventory maps for Oregon.

L. Coastal Wetlands Grants

Ken Bierly, Deputy Director, reported on the partnership that OWEB has developed with the US Fish and Wildlife Service under which a 3:1 federal funding and state funding package has been, and continues to be used, to acquire and restore important habitat on Oregon's coast. He described the three projects (Lint Slough Restoration, and the Yaquina and Alsea Bay acquisitions) proposed for 2008 Coastal Wetlands Grant funding.

For the 2009 Coastal Wetlands Grant submissions, staff are working with local land conservation groups along the Oregon Coast to identify opportunities for estuarine resource protection. To date, OWEB staff are working with four partners on four separate applications:

1. Nehalem Bay Acquisition, Lower Nehalem Community Trust;
2. Siuslaw River (Duncan Island) Conservation Easement, McKenzie River Trust;
3. New Lake Conservation Easement, The Nature Conservancy; and
4. Alsea Bay Acquisition, The Wetlands Conservancy.

OWEB staff are seeking Board authorization for the Director to request approval from the June 2008 Emergency Board in order to submit applications to the USFWS 2009 Coastal Wetlands Grant program. Successful applicants are not notified until January 2009, therefore, because of the timing involved, the required state match funds most likely will be allocated from the 2009-2011 biennium capital funds.

Board members unanimously approved the following:

- A. *Delegate to the Director the authority to enter into the appropriate grant agreements for the U.S. Fish and Wildlife Service 2008 Coastal Wetlands Grant funds, \$310,000 for Lint Slough Restoration, \$95,725 for Yaquina Acquisition, and \$997,350 for Alsea Bay Acquisition, to accomplish the three projects as identified in the federal grant applications.*
- B. *Allocate up to \$265,000 of capital funds for the state match for the Lint Slough Restoration application.*
- C. *Authorize the Director to request legislative Emergency Board approval to submit 2009 Coastal Wetlands Grant applications to the U.S. Fish and Wildlife Service.*

Board members requested that the Partnership Investments Subcommittee would be used to review applications.

M. Oregon Conservation Reserve Enhancement Program (CREP)

Ken Bierly, Deputy Director, provided Board members with background information on the Oregon CREP. OWEB funded an evaluation of CREP through the Oregon Department of Agriculture and the Oregon Association of Conservation Districts. Findings in the report identified critical technical assistance needs for outreach, conservation plan development, and landowner assistance in CREP. The Board responded by providing funding for technical assistance (the primary factor limiting participation).

Use of a part of the recent \$1 million allocation to support CREP technical assistance made available from OWEB via the soil and water conservation districts has raised questions about the manner of providing technical assistance funding.

The Farm Bill expired in 2007 and is being considered for reauthorization by Congress. The 2004 CREP agreement between Oregon and the USDA expired on December 31, 2007. Once a new Farm Bill is approved, Oregon and the USDA will need to begin negotiating a new CREP implementation agreement. OWEB proposes to develop and facilitate a work group to discuss the infrastructure needed to support Oregon's CREP investment, including the new Oregon agreement and the technical assistance needs of the program.

OWEB staff plan to come back to the September 2008 meeting with a new Oregon /USDA agreement upon passage of the new Farm Bill.

N. Climate Change Presentation and Discussion

Tony Svejcar, USDA-Agricultural Research Service; Tim Deboodt, OSU Eastern Oregon Agricultural Research Center; and Hugh Barrett, SCR Consulting; discussed issues related to water availability, rangeland health, and climate change. Barrett, author of the Juniper Field Guide, is presenting three workshops this summer based on the Guide.

O. Public Comment

There was none.

P. StreamBank Presentation

Pete Dalke, coordinator with the Oregon Solutions Office, and Joe Whitworth, Oregon Trout, provided Board members with a presentation on StreamBank, a web-based tool for private landowners and local restoration professionals to quickly identify and obtain restoration funding and necessary permits based on project type, geographic location, science-based restoration needs, and funding priorities.

Q. Other Business

Salmon Season State of Emergency Grants and Temporary Rules

Melissa Leoni, Senior Policy Coordinator, presented proposed rules for Board approval in response to the Governor's Executive Order No. 08-10 declaring a state of emergency in response to serious economic and social impacts facing coastal communities due to significant commercial and sport fishing restrictions imposed this year.

Again in response to Governor's Executive Order 06-06 issued on April 24, 2006, the Board adopted temporary rules to give OWEB the ability to apply award preferences related to the employment of displaced fishers, providing fish habitat benefits, and addressing identified watershed needs. The temporary rules expired on January 21, 2007, and permanent administrative rules based on the temporary rules were adopted on January 25, 2007. For clarity, the permanent rules were given their own division in OWEB's rules.

The need for an amendment to the permanent administrative rules was needed because the adopted rules did not reference eligibility for the charter fleet, which are affected now, but weren't affected by the 2006 closure.

Board members unanimously approved the proposed amendments to OAR 695, Division 7 as shown in Attachment B of the staff report.

Dam Removal Effectiveness Monitoring

Greg Sieglitz, Monitoring and Reporting Program Manager, requested Board approval for a change in scope to an interagency agreement which allows for Oregon State University to conduct effectiveness monitoring at Savage Rapids Dam on the Rogue River. The original scope of work in the agreement (208-931) was for the Brownsville Dam and Sodom Dam removal projects on the Calapooia River in the Willamette basin. This change allows the scientists to collect pre-dam removal data in preparation for the actual demolition of Savage Rapids Dam next year while additional negotiations occur over Sodom Dam removal.

Board members unanimously approved a change in the scope of work for Grant No. 208-931 to reflect the addition of Savage Rapids Dam.

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
September 16-17, 2008

Ross Ragland Cultural Center
218 North 7th Street
Klamath Falls

Directions: Once in Klamath Falls, the Ross Ragland Theater and Cultural Center is located one block west of the corner of 7th Street and Main Street, on the corner of 7th Street and Pine Street.

Tuesday, September 16, 2008

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items G and J), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

A. Board Member Comments

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

B. Review and Approval of Minutes

The minutes of the May 20-21, 2008, meeting will be presented for Board approval. *Action item.*

C. Executive Director Update

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

D. Spending Plan Update

Tom Byler, Executive Director, will lead a discussion with the Board on an updated spending plan for the use of capital and non-capital funds for the 2007-2009 biennium. *Action item.*

E. OACD and Network Update

Gary Whitney, Oregon Association of Conservation Districts, and John Moriarty, Network of Oregon Watershed Councils, will update Board members on their activities and the progress made in the collaborative effort between soil and water conservation districts and watershed councils. *Information item.*

F. Watershed Council Support – Solo Funding and Subcommittee Report

Ken Bierly, Deputy Director, and Melissa Leoni, Senior Policy Coordinator, will update the Board on discussions with the Council Support Subcommittee and will discuss requests from watershed councils who have previously applied for and received watershed council support funding with other councils, to apply independently for 2009-2011 Watershed Council Support. *Action item.*

G. Public Comment – Pending Grant Applications [approximately 10:45 a.m.]

This time is reserved for public comment on pending grant applications to be considered for funding by the Board. Only comments pertaining to the specific grant applications will be accepted during the meeting. The Board will not accept any written materials at this time. Any written comments pertaining to pending grant proposals must be received by agency staff by the September 5, 2008, deadline. The Board encourages persons to limit comments to no more than five minutes.

H. Board Consideration of Pending Grant Applications

The Board will consider grant applications submitted by the April 21, 2008, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

Tour – 2:45 p.m.

OWEB staff are working with The Nature Conservancy to prepare a tour of projects in the Williamson Delta and Chiloquin area. A detailed tour itinerary will be available at the meeting and on our web site (www.oregon.gov/OWEB) prior to the meeting. Transportation will be provided for OWEB Board members and staff. Anyone is welcome to join the tour, but please be prepared to provide your own transportation.

Informal Reception – 5:30 - 6:30 p.m.

The public is invited to join the OWEB Board and staff at a reception sponsored by the Klamath Watershed Partnership.

More details about the reception will be available at the meeting and on our web site (www.oregon.gov/OWEB) prior to the meeting.

Wednesday, September 17, 2008**Business Meeting – 8:00 a.m.**

During the public comment periods (Agenda Items G and J), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. *The Board encourages persons to limit comments to no more than five minutes.*

****I. Administrative Rulemaking – Grant Administration and Salmon Season Emergency Grant Rules**

Melissa Leoni, Senior Policy Coordinator, will ask the Board to adopt two sets of proposed administrative rules. The first set of rules was developed to update OWEB's grant administration rules related to landowner agreements, grant amendments, rule waivers, consistent language usage, and the Board's authority to make watershed enhancement investments. The second set of rules would make permanent the temporary rule amendments related to the 2008 Salmon Season State of Emergency Grants that were adopted by the Board in May of 2008. *Action item.*

J. Public Comment [approximately 8:25 a.m.]

This time is reserved for public comment on any matter before the Board.

K. Partnership Investments

OWEB staff will update the Board on a number of the Board's partnership investment program areas, including:

1. Oregon Plan Products

Greg Sieglitz, Monitoring and Reporting Program Manager, will lead a discussion about Oregon Plan Products that are beneficial to the agency and will request Board action on specific investments in the Oregon Explorer and the Department of Environmental Quality voluntary water quality monitoring program. *Action item.*

2. Wetlands Investments

Greg Sieglitz, Monitoring and Reporting Program Manager, will update Board members on the National Wetlands Inventory mapping, and request Board action to delegate authority to the Director to enter into agreements to implement a grant from the Environmental Protection Agency for effectiveness monitoring of wetland mitigation and restoration projects in the Willamette Valley. *Action item.*

3. Special Investment Partnerships

Ken Bierly, Deputy Director, will update the Board on development of special investment partnerships and implementation of the Willamette and Deschutes SIPs. *Information item.*

4. 2008 Farm Bill

Ken Bierly, Deputy Director, will update the Board on progress made by the work group charged to review and develop an approach to address technical assistance and program delivery for the Oregon Conservation Reserve Enhancement Program. *Information item.*

5. Coastal Wetlands – Alsea Acquisition

Ken Bierly, Deputy Director, and Miriam Hulst, Policy Specialist, will request Board action to provide match funding for the Alsea Acquisition project that was part of the 2008 Coastal Wetlands Grant awards. *Action item.*

L. Climate Change Presentation

This agenda item is the third in a series of presentations to the Board about climate change and its potential implications for watershed restoration and other OWEB investments. Guest presenters Dr. Gordon Grant, USFS Pacific Northwest Research Lab, and Dr. Jack Barth, OSU College of Oceanic and Atmospheric Sciences, will discuss issues related to water availability, coastal effects and sea level rise, and salmon and fish habitat. *Information item.*

M. Monitoring and Research Update

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on the work of the Monitoring and Research Subcommittee and will request Board action on options for the October 2008 monitoring grant solicitation, future research solicitation, and an investment in the Nonpareil Dam coastal coho genetics research study. *Action item.*

N. Small Grant Report

Lauri Aunan, Grant Program Manager, and Bev Goodreau, Grant Program Specialist, will present the 2005-2007 Small Grant Program report and discuss potential future program evaluation. *Information item.*

O. Rural Compact

Diane Snyder, Board Co-Chair, will lead a discussion to consider Board endorsement of the Rural Compact, a set of principles for building stronger rural communities developed by the National Rural Assembly. *Action item.*

P. Other Business

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

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

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

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

A public comment period for pending grant applications will be held on Tuesday, September 16. The Board will not accept any written materials at that time. Any written comments pertaining to pending grant proposals must be received by the September 5, 2008, deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). *The Board encourages persons to limit comments to no more than five minutes.*

A general public comment period will be held on Wednesday, September 17, for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). *The Board encourages persons to limit comments to no more than five minutes.*

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

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

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

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

Oregon Watershed Enhancement Board Membership

Voting Members

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

Non-voting Members

Representative of NMFS: *Kim Kratz*
Representative of Oregon State University Extension Service: *James Johnson*
Representative of U.S. Forest Service: *Jose Linares*
Representative of U.S. BLM: *Miles Brown*
Representative of U.S. NRCS: *Meta Loftsgaarden*
Representative of U.S. EPA: *Dave Powers*

Contact Information

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Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director - Tom Byler

tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

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

2009 Board Meeting Schedule

January 21-22, Salem
March 18-19, Portland/Salem
May 19-20, Salem
September 15-16, Wallowa County

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

**September 16-17, 2008 OWEB Board Meeting
Executive Director Update – Agenda Item C**

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1. Biennial Conference
2. Communications Implementation Plan
3. Performance Measures
4. Measure 66 Secretary of State Audit
5. Acquisition Subcommittee and Prioritization Report
6. 2007-2009 Oregon Plan Biennial Report
7. Agency Request Budget Update

September 16-17, 2008 OWEB Board Meeting Executive Director Update #C1: Biennial Conference

Background

The 2008 Oregon Watershed Enhancement Board Conference will be held November 5-7, 2008 in Eugene with the theme “Working for Healthy Watersheds—Climate Change and Watershed Resilience.” The biennial event will feature speakers and numerous workshop sessions on the impacts of climate change for Oregon’s watersheds.

For the first time, the conference will offer a special half-day registration fee for a concentrated series of sessions on November 6 designed to help natural resource organization managers, volunteers, and board members function effectively and work closely with community partners. In addition, two half-day, pre-conference workshops on November 5 will provide in-depth offerings on non-profit management topics. Other major workshop topics include invasive species and restoration project management.

Featured Speakers

The Wednesday opening session lunch speakers will focus on climate change impacts to watersheds. The speakers include:

- Keynote Speaker: Bill Bradbury, Oregon Secretary of State.
- Tim Beechie, Watershed Program Science Coordinator, NOAA Fisheries Science Center.
- Russ Hoeflich, Oregon Director, The Nature Conservancy.

The Thursday lunch speaker will be Julie Daniel of Eugene’s BRING Recycling who will talk about innovative and effective organizational management for non-profits. For the Thursday banquet, Chad Pregracke will give a multi-media presentation about one man’s crusade to clean America’s rivers, starting with the Mississippi.

Sponsorships

Planners expect sponsorships to exceed the level received for the 2006 conference. Major contributors at this time include the Oregon Lottery, the Bureau of Land Management and The Nature Conservancy.

Reducing Environmental Impact

Several initiatives will reduce the environmental impact of the conference:

- Most of the conference promotion has been done electronically, saving mailing and printing costs while reducing paper use. Registration is on-line.
- Planners are working with the Hilton to reduce, reuse and recycle materials.
- The conference Web site offers an on-line tool to make it easy for attendees to establish carpools.
- Some sponsorship fees will purchase carbon credits (called Green tags) from the Bonneville Environment Foundation to offset the impact of the conference center, lodging and travel.

Staff Contact

If you have questions or need additional information, please contact Conference Coordinator Monte Turner at monte.turner@state.or.us or 503-986-0057.

September 16-17, 2008 OWEB Board Meeting

Executive Director Update #C2: Communications Implementation Plan

Background

This report provides an update to the Board on the progress made to date by the Education and Outreach Subcommittee in developing a prioritized communications implementation plan.

History

Adopted in May 2005, OWEB's Education and Outreach Strategy had evolved into an ambitious umbrella plan that included the Grant Program, Oregon Plan support, partnerships, and support of local voluntary efforts. At the Board planning session in July 2007, the Board decided to re-visit the strategy and in December of that year, a Board subcommittee was created.

Subcommittee

The Subcommittee Board members include Jim Johnson, Meta Loftsgaarden, Dan Thorndike, and Patricia Smith; OWEB staff include Tom Byler and Carolyn Devine. The Subcommittee has met four times, including one all-day focused discussion. These meetings have focused on the following topics:

1. Statutory guidance to the Board regarding communications
2. Basic assumptions for OWEB communications
3. Over-arching goals and outcomes
4. Target audiences and messages
5. The vehicles for communications, such as the Education/Outreach grant program
6. Adaptive management and measuring results

Goal and Outcomes

Statutory guidance to the Board directs that OWEB shall "provide educational and informational materials to promote public awareness and involvement in the watershed enhancement program." [ORS 541.370(c)] Building upon this direction, staff, with input from the Subcommittee, began drafting a communications implementation plan. The purpose of this plan is to integrate OWEB's communications efforts toward providing educational and informational materials to promote public awareness and involvement in the watershed enhancement program. All communications (Education/Outreach grants, the website, press releases, publications, etc.) will support the larger mission of creating and maintaining healthy watersheds and natural habitats. The Subcommittee drafted the following goal and outcomes to guide the plan.

Goal

OWEB serves as the infrastructure that supports and catalyzes sustained voluntary, incentive-based watershed enhancement activity 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.

Current Activities: October 2008 Grant Cycle, Education/Outreach Grants

While a more detailed communication plan is being developed, the Subcommittee concentrated considerable discussion on one vehicle of communications, the Education/Outreach grants. This area has been a primary focus of staff in recent months.

Fund locally driven projects

The Subcommittee recommended continuing the current approach of funding locally driven projects. Each region is unique and has its own set of stakeholders. However, the Subcommittee believes that comparable measurable outcomes are important in order for OWEB to articulate a statewide impact of its investments.

Revised application

The application for the October grant-cycle has been revised to better follow an outcomes-based planning and evaluation approach to education/outreach investments. The updated application was posted for the public by July 31, 2008.

Education/Outreach Review Team

A group of volunteers in the field of Education/Outreach has been formed that will conduct a parallel review of the education/outreach grants in support of the Regional Review Teams' review. Both groups of reviewers will inform staff who will in turn present the funding recommendation to the board.

Communication Implementation Plan, Next Steps

The next step for the Subcommittee is to further refine the communications plan, and engage key stakeholders for specific elements of its implementation. Staff intend to discuss the detailed plan with the full Board at the January 2009 meeting.

Staff Contact

If you have questions or need additional information, please contact Carolyn Devine, at carolyn.devine@state.or.us or 503-986-0195.

September 16-17, 2008 OWEB Board Meeting
Executive Director Update #C3: Agency Key Performance Measures
Annual Report

Background

Each year Oregon's state agencies, commissions, and boards are required to submit a progress report documenting their performance as evaluated against Key Performance Measures (KPMs) adopted by the Legislature. Annual Performance Progress Reports (APPRs) use key performance measure data to describe each agency's progress towards meeting its mission and goals. Each of the agency performance measures is linked to statewide Oregon Benchmarks and/or the agency's Strategic Plan. The Oregon Benchmarks are high-level societal measures that gauge how Oregon is doing as a whole. Where an agency's work aligns with Oregon Benchmarks, agency performance measures represent stepping stones to achieving Oregon Benchmark targets.

Presently, OWEB has 11 KPMs adopted by the 2007 Legislature that it is responsible for reporting on by September 1, 2008. Five of the KPMs are designed to evaluate the agency and its program performance while the balance of the measures represent accomplishments achieved under the Oregon Plan for Salmon and Watersheds (Oregon Plan). Many of OWEB's performance measures are new or recently revised to provide better alignment with federal performance measures required by NOAA Fisheries for the use of monies from the Pacific Coastal Salmon Recovery Fund. It will take time to track data associated with the newly adopted or revised KPMs to provide meaningful reports on achieving performance targets. Moreover, reporting on five of the agency's 11 KPMs requires data and information from other agencies that collect and maintain pertinent data.

Improved Reporting through Coordination

Because OWEB's ability to report on Oregon Plan related measures is largely a result of the capabilities of the other agencies, a specific focus for the agency beginning with the 2007-2009 biennium, has been to improve coordination of the collection and assembly of data for KPM reporting. Since early 2008, staff have developed near- and long-term plans for reporting on several measures in conjunction with the Oregon Department of Fish and Wildlife. Staff also convened administrators and performance-measure coordinators from several state natural resources agencies to discuss coordination opportunities, including:

- Creating data-sharing agreements for related, cross-agency KPMs
- Designing spatially based, online tools to support integration of Oregon Plan related activities and data across agencies, and
- Assembling information from individual agencies about Oregon Plan related performance measures into a single, comprehensive document that describes annual progress.

A few examples of the results of the ongoing discussion are found in the staff report on Oregon Plan Products (Agenda Item K). By facilitating information sharing and better coordinating reporting among natural-resources agencies, OWEB will improve its ability to accurately and effectively report on the agency's Key Performance Measures and Oregon natural resource performance measures.

Staff Contact

Staff are in the process of submitting the final Fiscal Year 2008 APPR, which will document the progress made toward achieving the 11 KPMs described above. If you have questions or need additional information about OWEB's Performance Measures, please contact Greg Sieglitz, at greg.sieglitz@state.or.us or 503-986-0194.

September 16-17, 2008 OWEB Board Meeting Executive Director Update #C4: Measure 66 Audit Update

Background

The Oregon Constitution requires an independent audit be performed of all the agencies receiving and expending Measure 66 funds. Earlier, this year, the Secretary of State Audits Division began the process to conduct an audit for the 2005-2007 biennium, its fourth Measure 66 audit. The Audits Division conducted their field work this past spring for fiscal compliance of the use of Measure 66 funds during this time period for expenditures at OWEB and the Departments of Agriculture (ODA), Environmental Quality (DEQ), Fish and Wildlife (ODFW), and the State Police Fish and Wildlife Division.

Preliminary Audit Findings

This summer, we received the preliminary findings of the Audits Division for OWEB and the other state agencies. A final audit report is planned to be issued by the end of the calendar year.

With respect to OWEB, the preliminary findings conclude that the agency expended Measure 66 funds in compliance with the Constitution, and classified and recorded expenditures appropriately. This is good news for the agency, and a testament to the skill and expertise of OWEB staff in properly managing Measure 66 funded expenditures.

In a July 2008 letter, the Audits Division notified OWEB that its preliminary findings noted exceptions with two other agencies (ODA and ODFW) involving Measure 66 expenditures that lacked clear documentation to link the costs to specific capital projects. The letter recommended that OWEB work with those agencies to make sure appropriate corrective measures are taken.

OWEB has a significant interest in the appropriate expenditure of Measure 66 funds. As a reminder, OWEB enters into interagency agreements with all state agencies that receive legislatively appropriated Measure 66 funds. The agreements include a statement of work and reporting requirements. Each agreement also includes language that states, “[i]f through a report or otherwise, the Board learns that the Agency did not spend funds consistent with this agreement, the Board may take steps reasonably necessary and appropriate to correct the deficiency.”

Next Steps

Subsequent to receiving the Audits Division letter, OWEB staff contacted ODA and ODFW at the agency head and staff level to initiate discussions to better understand the issues and explore options for resolving them. We have offered our assistance to both agencies. We have a meeting scheduled with ODA on August 28 and expect to meet with ODFW shortly to discuss their plans to bring the M66 Capital funds into compliance with the Secretary of State’s exceptions. It is our desire to work with the agencies to resolve the issues with the Audits Division prior to the issuance of the final audit report at the end of the year.

Staff Contact

Contact Tom Byler at tom.byler@state.or.us or 503-986-0180, or Cindy Silbernagel at cindy.silbernagel@state.or.us or 503-986-0188, with questions about the Audit.

September 16-17, 2008 OWEB Board Meeting Executive Director Update #C5: Acquisition Subcommittee Report

Background

On June 20, 2008, the Land Acquisition Subcommittee (Dan Heagerty, Dave Powers, Miles Brown, and Skip Klarquist) met to discuss the growing list of pending applications and the potential methods and criteria for prioritizing them. The purpose of this staff report is to report on the Subcommittee discussion and to provide a brief summary of the status of Acquisition applications that have previously been deferred for final consideration by the Board.

Previously Deferred Applications

At the May meeting, staff reported that there was approximately \$12 million in OWEB funds requested by 11 deferred and six new acquisition applications. Since that time, two applications, 206-339, Pilcher Creek, and 208-109, Pocket Ranch CE, have been withdrawn by their applicants. Three applications are proposed for funding and two applications are recommended as “no fund” in Agenda Item H. One Coastal Wetlands Acquisition is proposed for funding in Agenda Item K-5.

Should the Board act on the staff recommendations in Agenda Item H and K-5, there will remain 10 deferred Acquisition applications totaling approximately \$9.1 million. The attached table identifies each of the deferred applications and their current status.

Prioritizing Land Acquisition Applications

Staff have developed an approach for comparing and potentially prioritizing the current pending acquisition applications. The elements used for comparison were identified as:

- **Parcel significance.** How the parcel relates to the Board adopted priority ecological systems and species in OWEB rules.
- **Context.** How the project connects to other protected areas and the relationship between protected land status and species support.
- **Duplicability.** Whether the property represents similar habitat to other protected properties, is a rare example of that habitat, or is one that is difficult to restore, rather than being fairly common and easy to duplicate.
- **Benefit/Cost.** A simple calculation of \$/acre of requested OWEB funds. Total costs were not considered nor were benefits attempted to be calculated.
- **Support.** The depth of community support and strength of the experience of the proposed title holder.

The Subcommittee appreciated the idea of additional guidance to compare competing acquisition applications. The Subcommittee identified additional information that they felt was important to consider. They suggested that leveraged funding was also an important evaluative factor as was long term management capacity. The Subcommittee would like to see an evaluation of the risk of losing the proposed ecological benefits (both through funding decisions and management capacity). Other factors discussed included the property’s effect on the local economy and potential encumbrances or liabilities assumed by the acquisition. Subcommittee members discussed the idea of weighting different factors in developing recommendations but did not develop a specific recommendation.

The prioritization discussion led to a discussion about whether OWEB staff should take a stronger role in identifying targeted areas for conservation acquisitions. The pros and cons of such an approach was discussed. The conversation also led to a discussion about budgeting for acquisitions.

The Subcommittee agreed on two ways staff could help them to evaluate applications: (1) a clear geographic (map) idea of the conservation context of each parcel; and (2) a strong sense of the applicant's ability to manage the lands involved over the long term. The former was uniformly seen as an important tool in the evaluation.

The Subcommittee will have further discussions about prioritizing applications and the pending applications over the fall of 2008 and into early 2009.

Staff Contact

If you have questions or need additional information, contact Miriam Hulst, at miriam.hulst@state.or.us or 503-986-0026, or Ken Bierly, at ken.bierly@state.or.us or 503-986-0182.

OWEB Pending Acquisitions

App Number	Applicant	Project Name	Date Received	OWEB Funds Requested	Acerage	Primary Ecological Value(s)	Status
207-324	Wallowa Basin Land Trust	Lostine River CE	10/16/2006	\$516,000	175 ac.	riparian and wetlands	Received Title Report and Phase I ESA, Pending Appraisal
208-111	Greenbelt Land Trust	Luckiamute Meadows/Maxfield Creek CE	10/22/2007	\$200,000	76 ac.	riparian and wetlands	Pending Due Diligence
208-112	Greenbelt Land Trust	Luckiamute/Willamette Confluence CE	10/22/2007	\$600,000	125 ac.	riparian and wetlands	Pending Due Diligence
208-113	Greenbelt Land Trust	Willamette Floodplain-Upland CE	10/22/2007	\$600,000	200 ac.	riparian and wetlands	Pending Due Diligence
208-114	Greenbelt Land Trust	Evergreen Creek CE	10/22/2007	\$500,000	222 ac.		Pending Due Diligence
208-115	City of Eugene	South Eugene Hills Acq.	10/22/2007	\$1,205,330	400 ac.	Fenders Blue & Kinkaid's Lupine	Pending Due Diligence
208-117	Wetlands Conservancy	Yaquina II	Coastal Wetlands Grant	\$46,250	61.35 ac.	tidal marsh	Pending Due Diligence
209-101	North Coast Land Conservancy	Neawana Riparian Forest	4/23/2008	\$1,314,960	212 ac.	riparian and wetlands	Pending Due Diligence
209-104	Benton County	Cardwell Hills CE	4/23/2008	\$385,230	65.5 ac.	Willamette Valley prairie	Policy Issues and Pending Due Diligence
209-105	The Nature Conservancy	Big Creek Inholding	4/23/2008	\$3,750,000	193 ac.	coastal prairie and forest	Pending Due Diligence

\$9,117,770

CE = Conservation Easement

September 16-17, 2008 OWEB Board Meeting

Executive Director Update #C6: 2007-2009 Oregon Plan Biennial Report

Background

ORS 541.405 states that by January 15 of each odd-numbered year the Oregon Watershed Enhancement Board must submit a report to the Governor and to the appropriate committee or committees of the Legislative Assembly that assesses the statewide and regional implementation and effectiveness of the Oregon Plan for Salmon and Watersheds. The report must address each drainage basin in the state and include watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments, and recommendations of the Board for enhancing Oregon Plan effectiveness in each basin.

2007-2009 Biennial Report Status Report

Staff are progressing with production on the 2007-2009 Oregon Plan Biennial Report. We had hoped to report to the Board on the issues identified and recommended observations at the September Board meeting. Because of staffing changes over the summer, many of the fall biennial report production deadlines have been pushed back by a few weeks. The original production schedule included additional time this fall for review of the document, so there should be not impact on the final production date.

Currently the InfoGraphics Lab at the University of Oregon is developing the basin maps and graphics, which constitute the largest section of the report. State agencies are reporting on their accomplishments for the 2007-2008 fiscal year (first half of the 2007-2009 biennium). Staff are collecting project stories in each basin to highlight and are preparing text to describe the overall voluntary restoration accomplishments of watershed councils and soil and water conservation districts. Staff anticipate finishing with data collection and analysis and text drafting by the end of September.

Due to the shifting timeframes, rather than having a discussion with the Board at the September meeting about the Board observations and recommendations, staff would like to distribute a discussion draft by October 1, 2008 for Board input. Staff will then compile Board input for discussion with the Co-Chairs sometime in mid-October.

Staff Contact

If you have questions or need additional information about the 2007-2009 Oregon Plan Biennial Report, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

September 16-17, 2008 OWEB Board Meeting Executive Director Update #C7: Agency Request Budget Update

Background

Oregon agencies are budgeted on a biennial basis. Submissions are structured so that each agency's existing (or "base") budget is recalibrated and submitted without the need for specific policy description or justification. Additions to the base budget are identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called "Policy Packages." Last May, staff presented a list of Policy Packages to the Board for inclusion in OWEB's submission of its Agency Request Budget for 2009-2011. The Agency Request Budget contains an agency's base budget and desired additional budget needs to carry out its programs.

At the time of writing this report, OWEB's Agency Request Budget was being finalized for submission to the Governor and the Department of Administrative Services. As a next step, the Governor's Office develops the Governor's Recommended Budget for submission to the Legislature in December, just before the session begins. The Governor's Recommended Budget includes a selection of agency Policy Packages that reflect the Governor's priority programs and initiatives. It is the Governor's Recommended Budget, not the Agency Request Budget, which is the beginning point for legislative budget hearings. During the legislative session, agencies may advocate for their individual Policy Packages only to the extent that they are included in the Governor's Recommended Budget.

OWEB Policy Packages

Staff have grouped the proposed packages presented to the Board in May of 2008 into 11 policy packages. They are listed below in priority ranking.

1. **Program Continuity** – Package 100, \$1,195,810, 7.00 FTE. This package requests the continuation of seven limited duration positions from the 2007-2009 biennium. Staff seek to shift six of the seven positions to permanent status. The positions are:
 - Office Specialist 2 (permanent)
 - Accountant 1 (permanent)
 - PCSRF reporting specialist (NRS 2 limited duration)
 - Business Application Specialist (ISS 7 permanent)
 - Data Analyst (NRS 3 permanent)
 - Communications Coordinator (Public Affairs Specialist 2 permanent)
 - Grant Program Specialist (Operations and Policy Analyst 1 permanent)

The package also seeks full funding for OWEB's current office space in Salem, Medford and Enterprise.

2. **Local Capacity Continuity** – Package 120. This package shifts the funding sources for watershed council and soil and water conservation district base support from Federal Funds to Measure 66 Lottery Funds. Staff consider Lottery Funds to be a more stable long term funding source for this important budget need. The package does not change the base level of support for councils and districts, which will remain at \$5 million each.

3. **Capital Grants** – Package 200, \$53,857,079. This package supports the agency’s restoration and acquisition grants. Based on recent Lottery Fund revenue projections, the requested capital funds are less than the funds OWEB received last biennium.
4. **Pacific Coastal Salmon Recovery Fund Grants** – Package 130, \$7,561,392. This package requests federal non-capital funds to support salmon-focused technical assistance, monitoring, watershed assessment, and education grants funded from PCSRF funds that support and compliment capital fund restoration grants.
5. **Non-Capital Grants Enhancement** – Package 140, \$15,000,000. This package seeks to increase the amount of non-capital Lottery Funds to a level that helps meet the 65/35 capital/non-capital fund type distribution identified in Measure 66. Staff also seek an increase in Lottery Fund non-capital moneys due to the uncertainty regarding future federal funds.
6. **Research Grants** – Package 300, \$5,400,000. OWEB requests expenditure authority to continue funding a research grant program for both operating (\$1,900,000) and capital (\$3,500,000) research funds.
7. **Program Enhancements** – Package 150, \$1,021,824, 6.00 FTE. This package requests six new positions to advance our mission and additional responsibilities. The positions are:
 - Regional Program Representative—west side (NRS 4 permanent)
 - Office Specialist 2 (permanent)
 - Partner Investment Coordinator (NRS 4 permanent)
 - Partner Investment Specialist (NRS 3 limited duration)
 - Partner Investment Specialist (NRS 3 limited duration)
 - Internal Auditor 3 (limited duration)
8. **Monitoring for Climate Change** – Package 413, \$203,134, 1.00 FTE. OWEB requests a permanent Climate Change and Research Coordinator (NRS 4).
9. **Independent Multidisciplinary Science Team** – Package 180, \$473,191. This would bring the total funding for the IMST to \$1,124,586.
10. **Lower Columbia River Estuary Program Inflation Adjustment** – Package 190, \$76,952. This brings the total state funding for LCREP operations to \$400,000.
11. **Lower Columbia River Estuary Program Toxics Reduction** – Package 191, \$200,000. This proposal seeks General Funds to monitor and evaluate contaminants in the lower Columbia River and nearby communities and implement on-the-ground toxic reduction projects.

Staff Contact

Contact Tom Byler at tom.byler@state.or.us or 503-986-0180, or Cindy Silbernagel at cindy.silbernagel@state.or.us or 503-986-0188, with questions about the Agency Request Budget.



Oregon

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August 29, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item D: 2007-2009 Spending Plan Update for Non-capital Funds
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of a mid-biennium spending plan for additional federal funds recently received by OWEB.

II. Background

Funding for the Pacific Coastal Salmon Recovery Fund (PCSRF) is appropriated by Congress on an annual basis. These funds are then made available to eligible recipients through a competitive grant process administered by the National Marine Fisheries Service.

Earlier this year, OWEB, on behalf of the State of Oregon, was awarded \$8.2 million in Federal Fiscal Year 2008 PCSRF funds. This funding was recently received by the agency. Pursuant to federal rules, three percent of the \$8.2 million will be used for administrative purposes. The remaining \$7,962,000 may be distributed through the competitive grant process or by direct allocation by the Board.

PCSRF funds are used by OWEB for non-capital purposes to fund an assortment of needs that capital funds cannot support. These include technical assistance, education and outreach, monitoring and assessment, watershed council support, and agency efforts related to the Oregon Plan for Salmon and Watersheds. PCSRF funds support these investment areas to advance OWEB's salmon recovery and habitat restoration goals.

The \$7.9 million in PCSRF funds, when combined with initial funding received at the beginning of the biennium, provides a total of \$15.8 million of non-capital funds for the biennium. This represents the second largest total biennial amount of non-capital funds available to the Board since 1999-2001. The table below sets out the amounts of non-capital funding for each biennium since 1999. These fund totals do not include legislatively appropriated funds to support the capacity of watershed councils and soil and water conservation districts (SWCDs).

Table 1: OWEB Non-Capital Funds

Biennium	Initial Funds	Mid-Biennium Funds	Biennium Totals
1999-2001	\$3.7 million	\$9.0 million	\$12.7 million
2001-2003	\$8.9 million	\$11.1 million	\$20 million
2003-2005	\$0	\$8.3 million	\$8.3 million
2005-2007	\$4.35 million	\$4.1 million	\$8.45 million
2007-2009	\$7.9 million	\$7.9 million	\$15.8 million

At its September 2007 meeting, the Board approved an overall spending plan for the 2007-2009 biennium for the funds available at that time. This included a non-capital funds spending plan involving \$7.9 million (\$6.4 million of M66 and PCSRF non-capital, and \$1.5 million non-capital research). A copy of the September 2007 spending plan report, which includes the non-capital plan, is attached. (Attachment A) The non-capital funds were fully allocated by the Board over the past year through grants, interagency agreements, and contracts. The receipt of 2008 PCSRF funds allows OWEB to continue non-capital investments through the remainder of the biennium.

III. Non-Capital Spending Plan

This report makes recommendations to the Board on the best uses of the recently received \$7.9 million in PCSRF funds to support OWEB non-capital program areas. The additional PCSRF funds offer opportunities for increased investment in a number of priority program areas.

A. Local Capacity Funding

Staff propose a reserve of \$1,987,000 of funds to assist with the local capacity needs of watershed councils and SWCDs. Staff propose keeping these funds in reserve until there is a better sense of revenue and budget needs for next biennium.

B. Technical Assistance

Non-capital funds to support technical assistance increases the capacity of OWEB's local partners to engage in project development, planning, design, coordination and permitting, thereby playing an important role in developing good quality restoration grant proposals for capital funded projects. Staff recommend the Board reserve up to \$800,000 for technical assistance grant awards that will be considered as part of Agenda Item H. Staff further recommend the Board reserve \$750,000 for future technical assistance needs this biennium, particularly the upcoming October grant solicitation.

C. Recovery Planning

Earlier in the biennium, the Board allocated \$1.5 million for recovery planning work for salmon species listed under the federal Endangered Species Act. The funding supports technical staff work, facilitation, contracting, research peer review, and local outreach and community involvement. The funds also contribute to an OWEB recovery plan implementation strategy for coastal coho by supporting intensive local community outreach to encourage landowners located in high priority recovery areas to participate in restoration work. Staff recommend reserving \$350,000 in non-capital funds to further assist in these efforts.

D. Monitoring

Monitoring continues to be a key investment area for OWEB to track and evaluate progress of watershed enhancement program investments and local restoration efforts across the state.

Staff recommend the Board reserve \$2 million in non-capital funds to support a suite of monitoring program needs. The type of needs and proposed timing for funding them are articulated in detail as part of Agenda Item M.

E. Education/Outreach

Education and outreach efforts are guided by the Education and Outreach Strategy adopted by the Board in May of 2005. A communications plan to implement the strategy is in development and a brief update is contained in Agenda Item C.2. The Board Education and Outreach Subcommittee and staff recommend continuing to offer education and outreach grant cycles, as well as other ways to advance OWEB's goals. Staff recommend reserving \$750,000 in non-capital funds for the October 2008 grant cycle and other potential education and outreach needs.

F. Assessment

Staff did not propose an assessment grant offering in October of 2007, and no funding was reserved as part of the spending plan in 2007. The Board approved an assessment grant solicitation for the April-September 2008 cycle. Staff recommend reserving \$400,000 in non-capital funds for watershed assessment grant awards that will be considered as part of Agenda Item H. Staff do not propose any further assessment grant cycles this biennium.

G. Oregon Plan Products

Over the years, OWEB has funded projects and products from state agencies and other partners that help implement the Oregon Plan for Salmon and Watersheds. These actions often do not fit well within OWEB's grant cycle process. Based on Board direction from the 2007 planning session, staff have worked closely with partner agencies to consider additional needs for the Oregon Plan, and have briefed the Board on those discussions at recent Board meetings. Staff propose reserving \$650,000 in non-capital funds for the purposes of supporting Oregon Plan Products. A more detailed discussion of Oregon Plan Product needs can be found in Agenda Item K-1.

H. Partnership Investments

Partnership Investment program areas, particularly the Special Investment Partnership efforts for the Deschutes and Willamette, will benefit from additional non-capital resources. Staff recommend reserving \$150,000 in non-capital funds to support appropriate contracts, grants or other agreements necessary to enhance coordination, development, and implementation of partnership efforts.

I. Previous Allocations

A small number of recent non-capital Board allocations were made knowing that federal funds would soon be available to fulfill the obligation. The most significant of these was funding to support the complete digitization of remaining National Wetland Inventory maps for Oregon. Approximately \$125,000 will be used to follow through on these previous non-capital funding commitments.

The following table summarizes the elements of the proposed spending plan set out in this section:

Table 2: Non-Capital Spending Plan Summary

Section III.	Program Area	Requested Reserve	Additional Considerations
A.	Local Capacity Funding	\$1,987,000	
B.	Technical Assistance	\$1,550,000	Agenda Item H proposes to award \$800,000 of these funds
C.	Recovery Planning	\$350,000	
D.	Monitoring	\$2,000,000	Agenda Item M proposes to award \$100,000 of these funds
E.	Education/Outreach	\$750,000	
F.	Assessment	\$400,000	Agenda Item H proposes to award \$400,000 of these funds
G.	Oregon Plan Products	\$650,000	Agenda Item K proposes to award \$185,493 of these funds
H.	Partnership Investments	\$150,000	
I.	<i>Previous Allocations</i>	<i>\$125,000</i>	<i>These funds will not be reserved, instead they will be used to fund previous board allocations</i>
Totals		\$7,962,000	

IV. Recommendation

Staff recommend the Board approve the non-capital spending plan reserves as outlined in Section III of this report.

Attachment

- A. Agenda Item D: 2007-2009 Biennium Spending Plan (September 2007 Board Meeting)

August 31, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item D: 2007-2009 Biennium Spending Plan
September 18-19, 2007 OWEB Board Meeting**

I. Introduction

In this report, staff propose a spending plan for \$59.5 million in capital funds, \$6.4 million in non-capital funds, and \$7.7 million in non-capital and capital Restoration and Protection Research Funds appropriated to the Oregon Watershed Enhancement Board by the Legislature for the 2007-2009 biennium. This report and its attachments offer a strategy to guide the distribution of capital and non-capital funds by describing the potential uses of the funds, recommending fund allocations for specific identified needs, and suggesting reservations of funds for certain purposes.

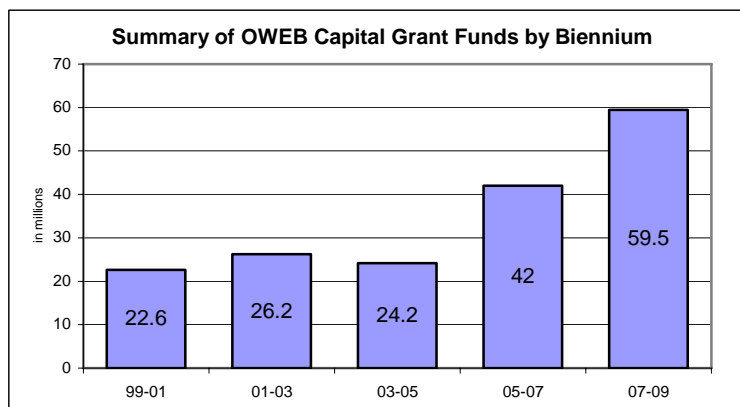
II. Background

Measure 66 funds may be used for a wide variety of purposes that further the goals of improving water quality, recovering fish and wildlife, and enhancing watershed health. The criteria for use of Pacific Coastal Salmon Recovery Funds (PCSRF) are for recovery planning or for recovery and restoration of salmon or steelhead. Measure 66 and PCSRF funds may be distributed through the competitive grant process or by direct allocation by the Board.

A. Capital Funds

The 2007-2009 Legislatively Adopted Budget for OWEB includes \$59.5 million of Measure 66 Lottery Funds available to be allocated by the Board for capital grant purposes. Capital funds are used to fund on-the-ground restoration and protection projects. Table 1 shows the considerable growth of capital funds since 1999.

Table 1



B. Non-Capital Funds

The 2007-2009 Legislatively Adopted Budget for OWEB includes \$5.4 million of non-capital Measure 66 Lottery Funds. An additional \$1 million of federal Pacific Coastal Salmon Recovery Funds (PCSRF) is available to be allocated by the Board for non-capital grant purposes. Non-capital funds are used to fund an assortment of needs that capital funds cannot support. These include: technical assistance, education and outreach, monitoring and assessment, watershed council support, and agency efforts related to the Oregon Plan for Salmon and Watersheds.

The \$6.4 million in available non-capital funds does not include potential additional funds from PCSRF for Federal Fiscal Year 2008. In previous biennia, even-year PCSRF funds became available to support the non-capital grant program during the second half of the biennium. Table 2 compares this biennium’s non-capital funds with previous biennia.

Table 2. Non-Capital Funds

Biennia	Initial Funds	Mid-Biennium Funds
1999-2001	\$3.7 million	\$9.0 million
2001-2003	\$8.9 million	\$11.1 million
2003-2005	\$0	\$8.3 million
2005-2007	\$4.35 million	\$4.1 million
2007-2009*	\$6.4 million	Unknown

* Does not include FFY 2008 PCSRF Funds

C. Research Funds

For the first time, the 2007-2009 Legislatively Adopted Budget for OWEB includes \$4.93 million of capital and \$2.75 million of non-capital research funds available to be allocated by the Board at its discretion. The funds from the Restoration and Protection Research Fund are based on the interest earned on the Measure 66 Lottery Funds and can be used for the “purpose of funding research and other activities related to the restoration and protection of native salmonid populations, fish and wildlife habitats and water quality, including but not limited to research, monitoring, evaluation and assessment related to the Oregon Plan.” (ORS 541.378(1))

III. Proposed Capital Fund Spending Plan

The \$59.5 million in Measure 66 capital funds is an increase of \$17.5 million over the previous biennium. This increase provides the opportunity for OWEB to explore new investments, like the Special Investment Partnerships, while continuing to fund traditional capital investment program areas at a high level.

A. Previous Commitments

During the 2005-2007 biennium, OWEB awarded grants for four projects that were only partially funded, with the understanding and commitment to fully fund the projects with funds from the 2007-2009 biennium. The cumulative effect of the deferred funding recommendations from last biennium is \$2,750,750. A more detailed discussion on these funding commitments is included in Agenda Item F.

B. Small Grant Program

In May, the Board awarded \$2.8 million to support the Small Grant Program for this biennium. As per the Board direction at the July Planning Session, staff will review the

program and provide recommendations at an upcoming Board meeting on whether adjustments to the program are needed.

C. Conservation Reserve Enhancement Program

Staff propose the Board allocate \$4 million in capital funds to support the Conservation Reserve Enhancement Program for the 2007-2009 biennium. Agenda Item N contains a detailed discussion on this program area.

D. Special Investment Partnerships

Staff recommend the Board reserve \$12 million in Measure 66 capital funds to support Special Investment Partnerships. This proposal represents a new investment opportunity for the Board made possible in large part due to the increase in funding. Discussion regarding the requested action on this reserve is included in Agenda Item J.

E. Oregon 150 Grants

In 2009, Oregon will celebrate its 150th anniversary of statehood. Governor Kulongoski has organized a sesquicentennial planning group, referred to as Oregon 150, to organize a celebration to mark the event. As part of the planning, state agencies with grant programs have been encouraged to focus their grants in a manner that underscores and celebrates Oregon.

Toward that end, OWEB staff propose to allocate \$1 million in capital funds to support a collaboration with the Oregon Department of Fish and Wildlife (ODFW) that would fund a series of projects dedicated to the protection and enhancement of several of Oregon's state species, the Western Meadowlark, Chinook Salmon, American Beaver, and Swallowtail Butterfly. Under this joint effort, ODFW would solicit, review, and select projects for these species consistent with the Oregon Conservation Strategy. ODFW will consult with OWEB on the proposed projects. OWEB will administer the grant funds. The goal is to have projects solicited, reviewed, funded, and to the degree possible, implemented by the time of the 2009 celebration.

This endeavor has the potential to get significant public attention due to its association with the sesquicentennial celebration. This effort also represents the strong partnership opportunities associated with implementing the Oregon Plan for Salmon and Watersheds and the Oregon Conservation Strategy.

F. Regular Restoration and Acquisition Grants

Staff recommend the Board reserve a total of approximately \$37 million for restoration and acquisition grants this biennium. This reserve allows nearly \$9.25 million in capital funds to be available for each of the four restoration and acquisition grant cycles over the biennium. The \$9.25 million represents a \$1.75 million increase over the reserve from last biennium and offers a continued strong investment in this important program area.

A summary of the proposed capital fund spending plan is contained in Attachment A.

IV. Proposed Non-Capital Fund Spending Plan

The \$6.4 million of non-capital grant funds for this biennium is a welcome increase over previous biennia. Staff recommend adding \$1.5 million in non-capital research funds to this

total. Research non-capital funds can be used to support monitoring and technical assistance needs. The combination of regular non-capital funds and research non-capital funds provides a total of \$7.9 million in non-capital funds to start the biennium.

While this funding will not meet all non-capital program needs, it does offer opportunities for increased investment in priority programs. As with last biennium, investment in the capacity of local groups, watershed councils, and soil and water conservation districts, continues to be a high priority. The Legislature's increase in council and district base support funding will help these groups considerably. The proposed spending plan below is designed to augment the legislative appropriation by focusing on local capacity and other key non-capital program areas. The proposal is also devised with the expectation that additional federal funds will become available to support continued non-capital grant investments in the second half of the biennium.

A. Local Capacity Funding

Staff propose an immediate allocation of funds to augment the watershed council support grant funding decision made at the May 2007 Board meeting, and an additional allocation to support local soil and water conservation district capacity. This funding proposal will provide a total of \$6 million each for the support of councils and districts for the biennium. This item also includes support for the Network of Oregon Watershed Councils and the Oregon Association of Conservation Districts to help OWEB's local partners improve local capacity and effectiveness. More detail on this proposal and requested action are described in Agenda Item H.

B. Technical Assistance

Technical assistance plays a key role in developing restoration grant proposals for capital funded projects. Non-capital funds to support technical assistance increase the capacity of OWEB's local partners to engage in project development, planning, design, coordination and permitting. Staff recommend the Board award approximately \$1 million for technical assistance grants as part of Agenda Item F. Staff also recommend the Board reserve \$500,000 in non-capital funds for a technical assistance grant offering for the October 2007-March 2008 grant cycle. Funding for technical assistance beyond the upcoming grant cycle will depend on the availability of additional federal funds.

C. Recovery Planning

Completing plans for salmon recovery for species listed under the federal Endangered Species Act is a high priority for the Governor's Office, Legislature, and the National Marine Fisheries Service. Last biennium, OWEB funded \$1.55 million to assist in the development of recovery plans and the Legislature allocated \$750,000 of Measure 66 funds to the Oregon Department of Fish and Wildlife for recovery planning purposes.

This biennium, staff propose the Board allocate \$1.5 million for recovery planning work. These funds will provide the resources to complete ongoing planning work by the end of 2008. The funding will support technical staff work, facilitation, contracting, research peer review, and local outreach and community involvement. The funds will also contribute to an OWEB recovery plan implementation strategy for coastal coho by supporting intensive local community outreach to encourage landowners located in high priority recovery areas to participate in restoration work.

D. Monitoring

Staff recommend the Board reserve \$1.5 million to support a monitoring grant cycle offering for the October 2007-March 2008 period. Future monitoring grant offerings or potential non-grant awards for this biennium will depend on the availability of additional federal funds.

E. Education/Outreach

The investment in Education and Outreach is guided by the Board Education and Outreach Strategy adopted in May of 2005 that focuses on awareness, knowledge, and skill development. The spending plan proposes to reserve \$500,000 for an education and outreach offering for the October 2007-March 2008 grant cycle. At an upcoming meeting, staff will present recommendations on options for effective implementation of the strategy. This may influence future grant offerings. OWEB's ability to make Education and Outreach offerings later in the biennium will depend on the availability of additional federal funds.

F. Assessment

Watershed assessments have been completed in most parts of the state. There are still a few remaining areas where assessments are needed, and other areas where updates may be desirable. Staff do not propose an assessment grant offering in October of 2007. Staff also do not recommend reserving funding for assessments with the existing funds. Future assessment grant offerings or potential non-grant awards for this biennium will depend on the availability of additional federal funds.

G. Oregon Plan Products

Through its funding resources, OWEB supports projects and products from state agencies and other partners that help implement the Oregon Plan for Salmon and Watersheds. These actions often do not fit well within OWEB's grant cycle process. Examples of potential projects that may be presented to the Board this biennium include funding for: stream gauges and measuring devices; digitization of wetland maps; continued development of the Oregon Explorer; and probabilistic water quality monitoring.

At this time, it is not clear what project proposals may be brought forward to the Board or when that would occur. It is also possible that some projects could be supported with capital and/or non-capital research funds. Given this situation, staff do not propose reserving funds in this program area at this time. Potential items may be brought before the Board at future meetings if sufficient funding is available.

H. Regional Restoration Priorities

The continuation and completion of the effort to develop regional restoration priorities (at the reporting basin scale) will help to guide future restoration funding decisions and be useful in the review of projects. The ultimate goal is to establish investment priorities for each of the 15 Oregon Plan reporting basins in the state using information from Columbia subbasin planning, species recovery planning by federal and state agencies, action plans developed by local watershed groups, and prioritization principles developed for the Board.

Significant progress was made on this effort last biennium. Staff recommend the Board allocate \$100,000 to complete regional priorities in the Klamath and Lakes basins.

I. Miscellaneous

Staff propose the Board provide funding from the 2007-2009 OWEB budget for the following purposes:

1. Biennial Conference--\$50,000. This funding allocation will support efforts needed to carry out the next OWEB biennial conference in the fall of 2008. Examples of costs include personnel, contracted services, printing and mailing.
2. Staff support and contracting for development and implementation of Special Investment Partnerships--\$200,000. Only \$50,000 of that total will come out of the 2007-2009 budget, the remainder will utilize recaptured non-capital funds. Staff will ask the Board to allocate funding for this purpose as part of Agenda Item J.
3. Agency Outreach--\$50,000. This funding allocation will support OWEB's non-grant efforts to promote participation in the Oregon Plan for Salmon and Watersheds and other outreach related activities.
4. Training Opportunities--\$25,000. Last biennium, the Board allocated funds to support local council and district training and for scholarships to attend training sessions and workshops. Staff propose the Board allocate funds to continue offering these opportunities to our local partners.

Attachment B provides a summary of the non-capital spending plan proposal.

V. Proposed Restoration and Protection Research Fund Spending Plan

The Research Fund is projected to achieve approximately \$7.7 million in revenue by the end of the 2007-2009 biennium. The composition of those funds is anticipated to be \$4.93 million in capital and \$2.75 million of non-capital. These investments will depend on the availability of research funds, which are based on interest accrued from the regular Measure 66 funds over the course of the biennium.

A. Research Grants

As set out in Agenda Item K, staff recommend the Board allocate \$2,964,616 in research capital funds and \$129,154 in research non-capital funds to support research awards that were solicited during the past year. Additional research investments are anticipated during the biennium.

B. Non-Capital Investments

As referenced in section IV of this report, staff propose reserving \$1.5 million of non-capital research funds to support monitoring and technical assistance grant awards in the October 2007-March 2008 grant cycle offering. Staff recommend the Board allocate \$308,410 of capital research funds to Oregon State University for effectiveness monitoring of the Brownsville and Sodom dam removals. More detail on this proposal is described in Agenda Item L.

A summary of the proposed Restoration and Protection Research Fund spending plan is contained in Attachment C.

VI. Recommendation

Staff recommend:

- A. The Board approve the proposed spending plans in Attachments A, B, and C as a guide to reserve OWEB funds for the first year of the biennium with specific direction to staff to report on the actions taken under the spending plan at each subsequent Board meeting; and
- B. The Board approve the following specific funding proposals:
 - a. Allocate \$1 million of capital funds to the Oregon 150 Grant effort identified, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements consistent with the purposes outlined in section III.E. of this report.
 - b. Allocate \$1.5 million of non-capital funds to support the development and and implementation of recovery plans, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements, contracts and interagency agreements consistent with the purposes identified in section IV.C. of this report.
 - c. Allocate \$100,000 of non-capital funds to support the completion of regional restoration priorities, and delegate to the Executive Director the authority to distribute the funds through appropriate personal service contracts or interagency agreements consistent with the purposes described in section IV.H. of this report.
 - d. Allocate \$50,000 of non-capital funds to support the 2008 OWEB Biennial Conference, and delegate to the Executive Director the authority to distribute the funds for personnel, contracted services, and other associated costs consistent with section IV.I. of this report.
 - e. Allocate \$50,000 of non-capital funds to support Agency Outreach, and delegate to the Executive Director the authority to distribute the funds consistent with section IV.I. of this report.
 - f. Allocate \$25,000 of non-capital funds to support Training Opportunities, and delegate to the Executive Director the authority to distribute funds consistent with the purposes outlined in section IV.I. of this report.

Other specific proposals for Board funding allocations are recommended as part of other staff reports as referenced above.

Staff will report to the Board on the implementation of the spending plan at each Board meeting and suggest alterations as needed. As the availability of other funds becomes more certain, staff will discuss with the Board how those additional funds may be used to meet OWEB needs.

Attachments

- A. Capital Spending Plan Allocations (table)
- B. Non-Capital Spending Plan Allocations (table)
- C. Research Fund Allocations (table)

2007-2009 Biennium Capital Spending Plan

Available Funding = \$59.5 million

Program Element	May 2007 Allocation	Sept 2007 Allocation	Sept 2007 Reserve	Total
Small Grants	\$2,800,000	\$0	\$0	\$2,800,000
2005-07 Phased Awards	\$1,263,500	\$1,487,250	\$0	\$2,750,750
CREP	\$0	\$4,000,000	\$0	\$4,000,000
Special Investment Partnerships	\$0	\$0	\$12,000,000	\$12,000,000
Oregon 150 Grants	\$0	\$1,000,000	\$0	\$1,000,000
Regular Restoration/Acquisition	\$0	\$8,821,753	\$28,127,497	\$36,949,250
Totals	\$4,063,500	\$15,309,003	\$40,127,497	\$59,500,000

2007-2009 Biennium Non-Capital Spending Plan

Available Funding = \$7.9 million

Program Element	Sept 2005 Allocation	Sept 2007 Reserve	FFY 2008 PCSRF	Total
Local Capacity	\$2,200,000	\$0		\$2,200,000
Technical Assistance	\$1,000,000	\$500,000		\$1,500,000
Recovery Planning	\$1,500,000	\$0		\$1,500,000
Monitoring Grants	\$0	\$1,500,000		\$1,500,000
Education/Outreach Grants	\$0	\$500,000		\$500,000
Assessment Grants	\$0	\$0		\$0
Oregon Plan Products	\$0	\$0		\$0
Regional Restoration Priorities	\$100,000	\$0		\$100,000
Biennial Conference	\$50,000	\$0		\$50,000
Special Investment Partnerships	\$50,000	\$0		\$50,000
Agency Outreach	\$50,000	\$0		\$50,000
Training Opportunities	\$25,000	\$0		\$25,000
Totals	\$4,975,000	\$2,500,000	\$0	\$7,475,000

Remaining Funding = \$425,000

2007-2009 Biennium Capital Research Funds Spending Plan

Anticipated Funding = \$4.9 million

Program Element	Sept 2007 Allocation	Sept 2007 Reserve	Total
Item K Research Awards	\$2,964,616		\$2,964,616
Item L Dam Removal Effectiveness Monitoring	\$308,410		\$308,410
Unallocated Balance			\$1,626,974
Totals	\$3,273,026	\$0	\$4,900,000

2007-2009 Biennium Non-Capital Research Funds Spending Plan

Anticipated Funding = \$2.7 million

Program Element	Sept 2007 Allocation	Sept 2007 Reserve	Total
Item K Research Awards	\$129,154		\$129,154
Non-Capital Grant Program		\$1,500,000	\$1,500,000
Unallocated Balance			\$1,070,846
Totals	\$129,154	\$1,500,000	\$2,700,000



Oregon

Theodore R. Kulongoski, Governor

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August 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator
Ken Bierly, Deputy Director

**SUBJECT: Agenda Item F: Watershed Council Support
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report updates the Board on discussions of the Council Support Subcommittee and the requests received from watershed councils who would like to apply for watershed council support funding separately from their current funding partners. It also provides options for the Board to consider in response to these requests.

II. Background

Watershed council support is a grant for the purpose of supporting the capacity of a watershed council or group of watershed councils to conduct the activities necessary for the watershed protection, enhancement, and restoration work of the council(s). Watershed councils are eligible to apply for watershed council support grants based on the following administrative rule criteria, adopted by the Board in 2004:

OAR 695-040-0030(1) A watershed council, or a group of watershed councils, is eligible to apply for Watershed Council Support if:

(a) The council serves a unique geographic area. A unique geographic area is one that is not or has not been located entirely or partially within the boundaries of another existing watershed council support grantee that has received council support funding from OWEB;

(A) In the situation where a watershed council has been awarded shared funding for watershed council support, but serves a watershed area that is not served by another watershed council, that council may be eligible to apply independently if it receives prior approval from the Board.

(b) Council membership reflects the balance of interests or is actively seeking a balance of interests in the affected watershed as defined in ORS 541.388(2); and,

(c) The council has been designated by a local government as provided by ORS 541.388. This eligibility criterion applies if the council formed after September 9, 1995.

In previous council support grant cycles, the Board had adopted policies attempting to encourage watershed councils to consolidate and apply jointly for council support grants. The objectives of these policies were to encourage similar councils to take advantage of economies of scale and to restrict the number of councils eligible to apply for grants from a limited funding source. For example, in April 2003, the Board adopted four funding principles that were applied to the 2003-2005 council support grants. These principles were:

1. No staffing increases from the 2001-2003 FTE levels.
2. Limit funding for new watershed councils to \$37,500 per biennium, regardless of their merit rating.
3. Establish a financial disincentive to council splintering off from an existing group and not fund councils that form within existing hydrologic watershed areas that have been served, or could continue to be served by an existing watershed council.
4. Encourage staff consolidation by identifying councils that could combine operations, take advantage of economies of scale and submit a joint council support application.

Recipients of watershed council support grant are eligible to request funding to support coordinator salary and benefits, operating costs (rent, utilities, supplies, and equipment), risk management and accountability assurance, and fiscal grant management costs.

III. Solo Funding Requests

The administrative rules adopted by the Board in November of 2004 formalized the policy to keep councils together. The administrative rules for Watershed Council Support Grants, OAR 695-040-0030(1)(a)(A) state: “In the situation where a watershed council has been awarded shared funding for watershed council support, but serves a watershed area that is not served by another watershed council, *that council may be eligible to apply independently if it receives prior approval from the Board.*” (Emphasis added.) Councils who desire to break off from a group of councils and apply independently must obtain Board approval prior to submitting the application.

In 2006, in anticipation of requests for independent funding, staff developed a list of items for watershed councils to address in their petition to the Board. The list focuses on trying to determine whether requiring multiple councils to combine operations has resulted in any efficiencies in terms of watershed services. The list included whether:

- The council represents unique ecological or social conditions that are significantly different from that of its funding partners.
- Solo funding would result in a significant improvement of service to the watershed and its residents compared to the level of service possible under the present funding arrangement.
- There is widespread and broad-spectrum community awareness of and support for the change.
- The split-off will not result in significant detrimental effects to previous funding partners.

In 2006, OWEB received requests from two watershed councils for permission to apply for council support funding separately from their current funding partners: the Elk Creek Watershed Council and the Luckiamute Watershed Council. Staff recommended and the Board approved both requests, increasing the number of council support grant applicants by two to 60.

IV. 2009-2011 Biennium Requests

OWEB received requests from seven watershed councils who would like permission to apply for council support funding separately from their current funding partners. The sections below provide background information on each request, which are attached to this report. (Attachments A-D)

A. Alsea Watershed Council (Region 1 – Attachment A)

The Alsea Watershed Council (Alsea) began with an informational and organizational meeting in December of 1997. It joined the MidCoast Watersheds Council (MidCoast) organization in 1998. The OWEB council support awards to the MidCoast for the 1999-2001, 2001-2003, 2003-2005, and 2005-2007 biennia included funding to support basin planning team staff for the Alsea.

The Alsea separated from the MidCoast as a basin planning team in June of 2005. OWEB received a letter from the Alsea in December of 2005 notifying OWEB that it had separated from the umbrella of the MidCoast with the intent of it becoming an independent council to “better represent the local people and communities.” The letter also stated that it understood that the MidCoast would continue to pay its coordinator \$375/month for the remainder of the biennium.

The Alsea adopted bylaws in December of 2006 and received its non-profit status in May of 2007. In 2008, the Alsea received watershed council recognition from Benton, Lane, and Lincoln counties as “the” watershed council serving the Alsea watershed. The MidCoast is recognized by the same counties, and Tillamook County, as serving the mid-coast area, which includes the Alsea watershed.

B. Lower Nehalem, Upper Nehalem, and Necanicum Watershed Councils (Region 1 – Attachment B)

In 1996, the Upper Nehalem was formed. The Lower Nehalem formed in 1997. Both councils were independently recognized by local government, and there have always been two councils with both shared and separate projects.

The Nehalem councils secured their first council support grant in 1997 and shared a coordinator from 1997 through 2003. The coordinator worked primarily out of the upper watershed, with only one day a week spent in the lower watershed. Until 2003, the Lower Nehalem was able to augment staffing with watershed planner funding and the Resource Assistance for Rural Environments program.

The Necanicum formed in 1997 and later joined what was then known as the Clatsop Coordinating Council (now called the North Coast Watershed Association). The Necanicum, with OWEB’s permission, left the North Coast Watershed Association in January of 2004, six months into the 2003-2005 biennium and joined the Nehalem councils. This move was allowed by OWEB when the Necanicum was unhappy with the staff support arrangement at the North Coast.

As a result, the total award to the three councils for the 2003-2005 biennium was \$112,426. The three councils applied for council support funding together for the 2005-2007 and 2007-2009 biennia, where they were awarded \$100,185 and \$134,520, respectively. The three councils qualified for the umbrella bonus, in which they received approximately \$30,000 more than the average council support award.

C. Williams Creek Watershed Council (Region 2 – Attachment C)

The Williams Creek Watershed Council (WCWC) formed in 1996. The Applegate Watershed Council (AWC) formed in 1994. Williams Creek is a fifth field watershed within the Applegate River Watershed. The Applegate Watershed is approximately 500,000 acres in size, with the Williams Creek watershed representing about 10 percent of that area.

The AWC has received council support funding since 1997. In 2000, the WCWC applied for its first council support grant for the 2001-2003 biennium. The WCWC received a positive evaluation, but OWEB took the position that it should not fund new councils that form within a geographic area wholly encompassed by an existing watershed council. This objective was applied to two councils in that grant cycle. Administrative rules adopted by OWEB subsequent to the 2001-2003 biennium made the WCWC ineligible to apply for council support funding on its own because it serves a portion of the Applegate watershed. For the past two biennia, the WCWC has applied jointly with the AWC.

D. Rickreall and Glenn-Gibson Watersheds Councils (Region 3 – Attachment D)

The Rickreall Watershed Council (Rickreall) was formed in 1997. The council requested and received part-time council support funding for the 1999-2001 biennium, but because of unresolved issues between council stakeholders, it did not hire its first coordinator until 2000. The council received funding in the 2001-2003 biennium. In 2001, the newly formed Luckiamute Watershed Council (Luckiamute) received a council support start-up grant in the amount of \$1,000.

The Rickreall and Luckiamute councils independently applied for council support in 2002. Through the grant evaluation process and in application of the funding principles developed in April of 2003, the Luckiamute and the Rickreall were identified as candidates for consolidation in 2003. As a consequence, they were awarded a joint council support award of \$85,000 for the 2003-2005 biennium.

Early in the 2003-2005 biennium, the two councils were joined by the Glenn-Gibson Creek Watershed Council (Glenn-Gibson), which is also located in Polk County and had previously been funded as part of the Salem Keizer Area Watershed Councils. Glenn-Gibson left the Salem Keizer Area Watershed Councils and took its portion of 2003-2005 council support funding from that organization to the Rickreall-Luckiamute organization, which resulted in a total award of \$100,776. This move was allowed by OWEB when Glenn-Gibson was unhappy with the staff support at the Salem Keizer council.

The three councils formed an umbrella organization that provided coordination services for the three groups. The councils received \$108,584 for the 2005-2007 biennia, in part because the organization qualified for the umbrella bonus. At the time, the Rickreall and Glenn-Gibson councils shared a staff person who also worked with the umbrella coordinating body

for the umbrella organization, while the Luckiamute contracted for coordinator services separately.

In 2006, the Luckiamute requested permission to apply for solo funding based on the assertion that it serves a much larger watershed, has more forest land, and has different partners than the other two councils. The staff evaluation at the time indicated that the three groups had been effective in sharing resources and regularly collaborating on projects, especially related to outreach and capacity building. However, the Luckiamute felt umbrella organization diluted their efforts and hindered their “ability to implement watershed improvement activities.” The Board approved the solo funding request and the Luckiamute submitted a separate application in December of 2006. The Luckiamute was ranked in the Very Good category and received \$104,000; the Rickreall-Glenn-Gibson was ranked in the Good category and received \$94,000.

V. Evaluation

Attachment E contains a matrix showing how each request addresses the criteria in their petition. Staff are not necessarily convinced that every petition makes a strong case with good evidence to support each criteria. The following sections summarize and evaluate each petition.

A. Alsea Watershed Council

The Alsea describes the reasons for its split with the MidCoast as a basic philosophical difference. It believes in good stewardship, but also believes that the local people should be responsible for and help make the decisions concerning their watershed. The Alsea does not plan to request full-time coordinator support and feels the work can be done with a part time person. It also describes its advantage as having members who are second and third generation to the area and have long-standing relationships with local people.

Because the MidCoast is also recognized for the same geographic area and has received council support funds to support watershed council efforts in that watershed, the Alsea does not serve a unique geographic area and is currently ineligible to apply independently.

B. Lower Nehalem, Upper Nehalem, and Necanicum Watershed Councils

The three councils have submitted separate petitions and one joint petition signed by the chairs of each council. The main reason for requesting permission to apply solo is the general feeling that they each must receive their own funding to survive. With the current funding scenario, each council falls short of its potential to work with landowners and implement restoration projects. The petitions also describe the different ecological and social aspects of each watershed.

For the Upper Nehalem (345,680 acres), the community hub is Vernonia, the watershed is mainly an upland valley watershed with diverse stakeholders and a large agricultural community that is spread out over 60 river miles. The Upper Nehalem also involves four counties and a number of small unincorporated communities.

The Lower Nehalem (200,172 acres) includes the Nehalem estuary and the small cities of Nehalem, Wheeler, and Mohler. Agricultural use is concentrated in the lower reaches of the Nehalem and is mainly dairy farms. The uplands are primarily owned by two industrial forestland owners and the Oregon Department of Forestry.

The Necanicum (53,817 acres) has the City of Seaside as its hub and the watershed is almost entirely owned by two industrial forest companies. There is little agricultural land and no public forest land in the watershed. The Necanicum is a coastal watershed, but its estuary is very different than the Nehalem estuary.

Staff and the Board Subcommittee felt that these councils had made a reasonable argument for solo funding and were more convinced that the councils could perform better with the opportunity to apply for funding on their own.

C. Williams Creek Watershed Council

The petition packet includes both a letter from the WCWC and numerous letters of support from other organizations, funders, agencies, and citizens in the community. All request that OWEB allow the WCWC to apply for council support funding to enable the council to continue operating and implementing projects with the local community. The AWC has also written a letter of support claiming benefit to both organizations with independent council support from OWEB. Only the WCWC and AWC letters are included in Attachment C.

The petition claims that shared support is difficult and time consuming for both organizations and that funding for each will increase the ability of both councils to focus on implementing projects. The geographic distance between the Williams community and AWC, the different constituencies served by each council, physiographical isolation of the Williams watershed, and inability of the AWC to adequately serve Williams Creek or share adequate council support resources are all reasons given as to why OWEB should support the request.

Similar to the Alsea Watershed Council, the WCWC is not eligible at this time to apply independently for council support funding and staff do not recommend approval of their request.

D. Rickreall and Glenn-Gibson Watersheds Councils

The petition requests the ability to apply for solo funding because there are ecological and social differences between the two watersheds and because both councils would benefit financially if allowed to apply independently.

The Rickreall watershed, at 64,541 acres, is primarily forest land in the upper watershed and agricultural land in the lower watershed. Fish passage and habitat enhancement are the priority issues. The council's main partners are the City of Dallas and large acreage landowners.

The Glenn-Gibson watershed, at 6,400 acres, is primarily residential and urban with some agriculture, parkland, and woodlands. Stormwater issues and habitat protection are priority issues. The council's main partners are the City of Salem and small acreage landowners.

Staff and the Subcommittee were not convinced that the two watersheds and councils are significantly unique and that services are affected by the current funding arrangements. Staff and the Subcommittee are also concerned about providing independent support to a council serving such a small area given the limited council support resources available.

VI. Approval Options

Below are three decision options that were discussed with the Council Support Subcommittee.

A. Option 1 – Approve All Requests

Under this option the Board would approve all requests from organizations that are eligible. Pursuant to rule, the Williams Creek and Alsea watershed councils are not eligible to apply independently at this time and staff and the Board Subcommittee would not recommend approval of their requests. This option would result in a net increase of three council support applicants, for a total of 63.

The downside of approving all requests is that the action could encourage additional councils to request solo funding permission two years from now. Staff expect non-capital funding for the 2009-2011 biennium to be limited and possibly less than the current biennium. Approval of all requests continues the process of “thinning the soup” of council support funding at a time when less funding may be available than is currently awarded.

B. Option 2 – Approve Limited Requests

Under this option, each petition would be evaluated based on the funding principles and criteria and only those councils who have demonstrated a strong case for solo funding would be recommended for funding. The advantage of this option would be to limit the number of newly eligible council support applicants and minimizes the “thinning of the soup.” This option also allows the Board to address situations that most meet the criteria and policy principles of Board and could further refine the criteria under which OWEB would approve requests to apply independently. This option requires additional justification and analysis and does not necessary discourage future splintering and solo funding requests.

C. Option 3 – No Approval of Requests

Under the third option the Board does not approve any solo funding requests and instead would need to address the funding allocation issues identified in the petitions through the grant funding allocation process in 2009. This option holds constant the number of applicants, maintains Board principles, and does not encourage further splintering.

Under this option, it will become even more important for the Board and staff to address the allocation formula for distributing funds before the evaluation process begins in 2009. The Board may also need to make more difficult choices in allocating funding rather than relying on base funding amounts or applied percentages for umbrella bonuses. One option for addressing the issues identified in some of the petitions would be to specify amounts for groups served in a single application; this would be new and potentially controversial. Councils have no basis on which to trust promises that OWEB would address council funding needs through the application and funding process, whereas there is significant belief (because it has yet to be proven incorrect) that applying independently results in more funding.

The Subcommittee supported Option 2 with a condition that the ability to apply independently be conditional and those who are funded will need to show progress and improved service to the watershed and community. The Subcommittee and staff will need to work out further details on how this will be implemented and monitored.

The Subcommittee also discussed the reality that approval of requests to apply for funding may make the funding decisions in 2009 even more difficult. For the past few biennia, staff and the Board have struggled with the question of whether to not fund some applicants with low merit scores. In the 2007-2009 biennium, councils that scored low were awarded provisional funding as an opportunity to show improvement and merit for council support funds. If the number of applicants increases, but the amount of funding available to allocate is static or decreases, one option to prevent further thinning of resources is to consider not funding all applicants. Under this approach, approval of a request to apply for funding does not guarantee funding. Staff and the Subcommittee will have time over the coming months to further consider how to best address this difficult issue.

VII. Recommendation

Based on discussions with the Board Subcommittee and staff evaluation of the petitions and options, staff recommend the Board approve Option 2 and only approve the solo petitions from the Upper Nehalem, Lower Nehalem, and Necanicum watershed councils.

Attachments

- A. Alsea Watershed Council
- B. Lower Nehalem, Upper Nehalem, and Necanicum Watershed Councils
- C. Williams Creek Watershed Council
- D. Rickreall and Glenn-Gibson Watershed Councils
- E. 2009-2011 Solo Funding Criteria Matrix

JUL 23 2008

Alsea Watershed Council

10518 E Five Rivers Rd
Tidewater, OR 97390
541/528-3221
5rivers@pioneer.net

Oregon Watershed Enhancement Board
Attn: Watershed Council Support
775 Summer St NE, Suite 360
Salem OR 97301-1290

22 July 2008

Dear Council Support Board subcommittee:

Background

The Alsea Watershed Council wishes to apply for solo council support funding. The AWC was an independent watershed council before the decision to join the MidCoast Watersheds Council (MCWC) umbrella organization. Over two years ago, after years of frustration, the AWC voted to separate from the umbrella structure. There are many reasons for this split, the primary being our basic philosophical differences. While the AWC believes in good stewardship of the land, better habitat for fish and wildlife, and the overall concept of watershed restoration, we also firmly believe the local people should be responsible for and help make the decisions concerning their watershed. Many local landowners have complained about not having a say in restoration projects in our basin, or have been discouraged when their opinions were ignored. The AWC represents the people who live here, are property owners in the watershed, and encourage local dialogue and involvement in restoration work in our Alsea basin, as was the original intent of watershed council formation.

- The AWC was an independent organization before the decision to join MCWC was made in 1998 (copy of minutes available).
- The AWC is a non-profit corporation and has completed the Central Contractor Registration with USA.gov.
- The AWC has received recognition from Benton, Lane and Lincoln county commissioners as "THE watershed council which will serve the entire Alsea River Watershed" (copies from Benton & Lincoln attached; Lane is verbal with written confirmation receipt on July 30).
- The AWC has a partnership arrangement with the Oregon Hatchery Research Center (OHRC) on Fall Creek in the Alsea basin, enabling us to utilize their technical resources and assistance on projects and grants.
- The AWC is an active member of the US Forest Service (USFS) Alsea Stewardship Group and received funding for one of the first projects submitted in the Alsea stewardship process.
- The AWC applied for the Bonneville Model Watershed program, and, although we were not approved for this go-round, the staff told us that because of the high ranking we received in their review process, they would greatly appreciate the continued opportunity to follow our progress and revisit a potential Model Watershed partnership in the future.

- The AWC will not return to our previous status under the MCWC umbrella, nor will we consider any sort of relationship where they are the decision maker in the Alsea watershed. The AWC struggled for the entire time we were involved with MCWC, with many heated discussions, conflicts, threats to cut our funding, and character assassinations. That experience does not bear repeating.
- The AWC is not seeking funding for a full time coordinator. We feel that the work in the basin can be managed with a part time person in addition to funding for other things such as project management, outreach and basic office support. Technical assistance is available through the various agencies and OHRC. We do not feel the people's money needs to be spent on high overhead organizations.
- Several AWC members voluntarily work each year on the wild brood stock collection program with the North Fork Alsea hatchery. They also assist ODFW and the Oregon Department of Fish and Wildlife (ODFW) North Fork Alsea Hatchery with the stream nutrient program by placing fish carcasses in selected streams each year. This is all volunteer with no cost to the public.
- All Board members are residents in the Alsea basin, are volunteers, and have a vested interest in the Alsea watershed

Criteria

The AWC has answered the following required questions/criteria as best we can.

1. *That the council represents unique ecological or social conditions that are significantly different from that of its previous funding partners. The point is to show that watershed issues, biology, geography, priorities, project types and practices are so different as to make the continued partnership impractical.*

There is a marked distrust of MCWC by some landowners in the Alsea basin. There was a trespass issue brought by one of our stakeholders; another landowner has complained repeatedly about the MCWC's unwillingness to listen to him regarding the effects on his land brought about by a MCWC restoration project. Many of the AWC members are second and third generation families, have worked in this area, and have long-standing relationships with local people. The AWC has the trust needed to gain admittance to some properties that currently are inaccessible to the MCWC. We believe that the people who live on the land have more knowledge about conditions than those who are not from the area. This philosophy goes much further than defining success by dollars spent or the size of the budget, which is what MCWC seems to emphasize. Successful projects have clearly defined goals and measurable results, no matter the amount of money spent. The basic differences between the AWC & MCWC are most likely insurmountable, given the concept of a practical local watershed management versus a large bureaucratic organization that will not undertake a project unless it has a large dollar value.

2. *How solo funding would result in a significant improvement of service to the watershed and its residents compared to the level of service possible under the present funding arrangement. This can be discussed in terms of project implementation, watershed enhancement, program efficiency (organizational and fiscal), and "bang for the buck."*

Service to the watershed and its residents would be improved due to the fact that the members of the AWC live in the basin and many are very familiar with the terrain and the people who in the basin. This local expertise is invaluable not only for access to private land, but in the knowledge gained from talking to the long time stakeholders, hearing their accumulated wisdom, and respecting their opinions and concerns. By keeping a small organization with a low overhead, project cost can be reduced. Using a compiled list of local contractors, and going out for bid will help control costs as well as bring employment to local people. Also, the high degree of trust that comes with a locally based organization brings more cooperation and willingness to "help out" with materials that might otherwise have to be purchased. Another improvement to the local people is the AWC strong belief in communication with the people. AWC projects will not be conceived and sent for grant approval unless all affected parties are aware and the AWC has their approval. That is not the current practice with MCWC in the Alsea. A glaring example of ignoring the local landowners is the proposed beaver project in Five Rivers. Dumping a bunch of beavers in an area without a word to the landowners may well be a violation of private property rights. Proposed projects should be an improvement over current conditions and not cause detrimental effects.

3. Widespread and broad community awareness of and support for the change.

One of the most important support issues is the response the AWC received from the county commissioners of Benton, Lane and Lincoln counties. Their willingness to designate the AWC as "THE" watershed council for the Alsea watershed speaks volumes as to their belief that watershed councils are most effective when locally based. Several of them congratulated the AWC on our achievements. The AWC already has a great working relationship with Benton County Public Works, one of the partners in our USFS stewardship culvert replacement.

The AWC is currently putting together another culvert replacement project with BLM, Weyerhaeuser and Benton County.

The manager of the Port of Alsea stated she is pleased to see our progress in representing the Alsea watershed.

The AWC has the support of Weyerhaeuser, Starker Forest, Hull-Oakes, as well as businesses like Integrated Resource Management.

The local people have been supportive of the AWC for years, and many have congratulated us on our progress in becoming an independent watershed council, and are becoming more involved now that the AWC is a locally based organization.

We are the core of the USFS Alsea Stewardship Group, helping on all levels to make sure the group concepts are publicized and successful partnerships are forged.

We continue to encourage agencies to work with us; however, we find there is some reluctance due to previous relationships and comments about our inability to function. Securing a council support grant would go a long ways in convincing these agencies that we are capable of managing our watershed. We continue to persevere, and progress is coming along.

4. *That the split-off will not result in significant detrimental effects to previous funding partners. The ideal demonstration of this being outright support for the split from the previous funding partners and their constituents.*

The AWC believes the MCWC will be better able to support their current basin groups if they do not have to be concerned about the Alsea. Of all their basin groups, only the Siletz is truly functioning. The Yaquina is struggling, the Yachats has not reformed nor has the proposed Beaver Creek group. The MCWC could better use their time, money and efforts to support those groups they claim under their umbrella, rather than striving to remove local influence in the Alsea. The AWC is willing to form partnerships with other watershed groups such as MCWC, providing the AWC is the lead in the Alsea basin, and a mutually respectful relationship can be fashioned and sustained. Apparently a mediation process is still available through OWEB; this is being considered.

The AWC wrote a letter to MCWC telling them we are asking for permission from the OWEB Board to apply for solo support funding. We requested their support in this endeavor. Their reply is that this request needs to come before the MCWC Administration committee, which will not meet until after this letter is due at OWEB.

Melissa Leoni also has spoken with the AWC, and indicated that for the AWC to be eligible for OWEB Board approval to apply independently for council support funding, either the MCWC voluntarily agrees to not operate as the watershed council in the Alsea watershed, or the county commissioners redraw council boundaries so there is only one recognized watershed council in the Alsea. The AWC is reviewing these options.

Thank you for your consideration,

Tom Davis, Elmer Ostling, Joe Rohleder, Donny Davis, Stan Steele, Linda Johnston
Alsea Watershed Council Board of Directors

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR BENTON COUNTY, OREGON**

**IN THE MATTER OF A RESOLUTION)
TO FORMALLY RECOGNIZE THE ALSEA)
WATERSHED COUNCIL, AS THE)
VOLUNTARY WATERSHED COUNCIL)
INTENDED TO DEVELOP AND IMPLEMENT) RESOLUTION NO. R2008-007
A WATERSHED ACTION PROGRAM TO)
PROTECT AND ENHANCE THE NATURAL)
RESOURCES OF THE ALSEA RIVER)
WATERSHED)**

WHEREAS, ORS 541.347(2)(a) encourages the initiation of voluntary programs at the local level to protect and enhance the quality and stability of watersheds; and

WHEREAS, ORS 541.350(7) defines a watershed council as "voluntary local organization designated by a local government group convened by a county governing body to address the goal of sustaining a natural resource and watershed protection with a water shed;" and

WHEREAS, ORS 541.388(1) encourages local government groups to form voluntary local watershed councils; and

WHEREAS, ORS 541.388(2) states that local watershed councils shall consist of a majority of local residents, including local officials, and that the council represent a balance of interested and affected persons within the watershed and assure a high level of citizen involvement in the development and implementation of a watershed action program; and

WHEREAS, the Alsea Watershed Council began an informational and organizational meeting in December of 1997 and established an organizational charter in June of 1998; and

WHEREAS, after separating from a basin planning team status with the MidCoast Watersheds Council umbrella in June of 2005 and establishing a steering committee; and

WHEREAS, the Alsea Watershed Council adopted bylaws on 28 December 2006; and

WHEREAS, the Alsea Watershed Council received non-profit status in May 2007 with an effective date of 26 December 2006; and

WHEREAS, the membership of the Alsea Watershed Council includes landowners in the Alsea River Watershed as well as representatives of local government, public interest groups, and industries, with a mailing list of about 120; and

WHEREAS, article 1.02 of the Alsea Watershed Council bylaws states that "The mission of the Alsea Watershed Council is to maintain or enhance the fauna, flora, and water of the Alsea watershed, while also taking into consideration the economic and social needs of the human population, and providing a forum for people to work through differences and come to some common ground;" and

WHEREAS, membership in the Alsea Watershed Council is open to any individual supporting the purpose and mission of the Alsea Watershed Council, living within the watershed or representing a group or organization active within the watershed; and

WHEREAS, the Benton County Board of Commissioners and its staff have examined the bylaws and organization activities to date of the Alsea Watershed Council and finds that they are consistent with ORS 541.345 to 541.400;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Benton County Board of Commissioners hereby recognizes the Alsea Watershed Council as the watershed council which will serve the entire Alsea River Watershed; and

IT IS FURTHER RESOLVED that the Benton County Board of Commissioners encourages the Alsea Watershed Council to maintain an organization which represents a balance of interested and affected persons within the watershed; and

IT IS FURTHER RESOLVED that the Benton County Commissioners encourages the Alsea Watershed Council to develop and implement watershed action programs intended to protect and enhance the quality of stability of the Alsea River Watershed both for the health of the watershed and for the economic and social betterment of the individuals, organizations, and communities in the watershed; and

IT IS FURTHER RESOLVED that the Benton County Commissioners request the Alsea Watershed Council to make progress reports to the Board of Commissioners on at least an annual basis.

Dated this 25 day of March, 2008.

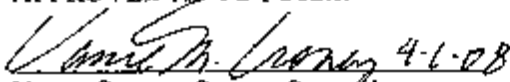
BENTON COUNTY BOARD OF COMMISSIONERS


Linda Modrell, Chair


Jay Dixon, Commissioner


Annabelle Jaramillo, Commissioner

APPROVED AS TO FORM:


Vance Croney, County Counsel

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR LINCOLN COUNTY, OREGON

IN THE MATTER OF AMENDING A)
RESOLUTION FORMALLY RECOGNIZING)
THE ALSEA WATERSHED COUNCIL, AS THE) **RESOLUTION NO. 08-07-05F**
VOLUNTARY WATERSHED COUNCIL) **Amending**
INTENDED TO DEVELOP AND IMPLEMENT) **Resolution No. 07-05-12A**
A WATERSHED ACTION PROGRAM TO)
PROTECT AND ENHANCE THE NATURAL)
RESOURCES OF THE ALSEA RIVER)
WATERSHED)

WHEREAS Resolution No. 07-05-12A, was adopted on December 5, 2007, and is amended as follows:

WHEREAS, ORS 541.347(2)(a) encourages the initiation of voluntary programs at the local level to protect and enhance the quality and stability of watersheds; and

WHEREAS, ORS 541.350(7) defines a watershed council as "voluntary local organization designated by a local government group convened by a county governing body to address the goal of sustaining a natural resource and watershed protection with a watershed;" and

WHEREAS, ORS 541.388(1) encourages local government groups to form voluntary local watershed councils; and

WHEREAS, ORS 541.388(2) states that local watershed councils shall consist of a majority of local residents, including local officials, and that the council represent a balance of interested and affected persons within the watershed and assure a high level of citizen involvement in the development and implementation of a watershed action program; and

WHEREAS, the Alsea Watershed Council began an informational and organizational meeting in December of 1997 and established an organizational charter in June of 1998; and

WHEREAS, after separating from a basin planning team status with the MidCoast Watersheds Council umbrella in June of 2005 and establishing a steering committee, the Alsea Watershed Council adopted bylaws on 28 December 2006; and

WHEREAS, the Alsea Watershed Council received non-profit status in May 2007 with an effective date of 26 December 2006; and

WHEREAS, the membership of the Alsea Watershed Council includes landowners in the Alsea River Watershed as well as representatives of local government, public interest groups, and industries, with a mailing list of about 120; and

WHEREAS, article 1.02 of the Alsea Watershed Council bylaws states that "The mission of the Alsea Watershed Council is to maintain or enhance the fauna, flora, and water of the Alsea watershed,

while also taking into consideration the economic and social needs of the human population, and providing a forum for people to work through differences and come to some common ground;" and

WHEREAS, membership in the Alsea Watershed Council is open to any individual supporting the purpose and mission of the Alsea Watershed Council, living within the watershed or representing a group or organization active within the watershed; and

WHEREAS, the Lincoln County Board of Commissioners and its staff have examined the bylaws and organization activities to date of the Alsea Watershed Council and finds that they are consistent with ORS 541.345 to 541.400;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Lincoln County Board of Commissioners hereby recognizes the Alsea Watershed Council as the watershed council which will serve the entire Alsea River Watershed; and

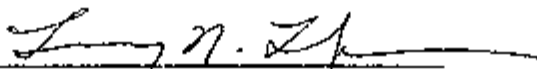
IT IS FURTHER RESOLVED that the Lincoln County Board of Commissioners encourages the Alsea Watershed Council to maintain an organization which represents a balance of interested and affected persons within the watershed; and

IT IS FURTHER RESOLVED that the Lincoln County Commissioners encourages the Alsea Watershed Council to develop and implement watershed action programs intended to protect and enhance the quality of stability of the Alsea River Watershed both for the health of the watershed and for the economic and social betterment of the individuals, organizations, and communities in the watershed; and

IT IS FURTHER RESOLVED that the Lincoln County Commissioners request the Alsea Watershed Council to make progress reports to the Board of Commissioners on at least an annual basis.

Dated this 7th day of May, 2008.

LINCOLN COUNTY BOARD OF COMMISSIONERS


TERRY N. THOMPSON, Chair


DON LINDLY, Commissioner


BILL HALL, Commissioner

JUL 25 2008



July 8, 2008

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290

To: OWEB Board Members

As the Chairs of the Lower Nehalem Watershed Council, the Upper Nehalem Watershed Council, and the Necanicum Watershed Council, it is our intent to communicate the need for the dissolution of the Nehalem Watershed Umbrella. We all mutually agree that for long term survival of each Watershed Council, each council must receive solo council support funding. We all mutually agree that under the present funding scenario, each council falls well short of its potential to positively impact healthy salmon populations, both biologically and socially. Further more, even though the present relationship between the councils is very positive, we recognize that sharing the current funding status to support three vibrant watershed councils is not working and each council must go its separate way.

We ask that you please seriously consider this request as we see no other sustaining options. Thank you for your consideration.

Sincerely,

Jay Holland, Chair Lower Nehalem Watershed Council

Dennis Nelson, Chair Upper Nehalem Watershed Council

Teresa Retzlaff, Chair Necanicum Watershed

JUL 22 2008



Upper Nehalem Watershed Council
919 Bridge St., Vernonia, Oregon 97064
(503) 429-2401

Date: July 17, 2008

To: Oregon Watershed Enhancement Board
Attn: Watershed Council Support
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290

Re: Separation of the Nehalem and Necanicum Watershed Councils, seeking permission to apply for solo council support funding for the Upper Nehalem Watershed Council, the Lower Nehalem Watershed Council, and the Necanicum Watershed Council.

We request approval from OWEB to submit solo council support applications for the Upper Nehalem Watershed Council (UNWC), the Lower Nehalem Watershed Council (LNWC), and the Necanicum Watershed Council (NWC). Currently, these three councils share one council support grant as an umbrella council, under a Memorandum of Understanding (MOU) negotiated by a joint steering committee comprised of representatives of each council. Our joint support grant funds provide for one FTE. The result has been that all three councils have been under funded, limiting our potential and growth to the point of threatening the survival of the councils. All three councils are in agreement that we could work toward the accomplishment of our goals to protect, restore, and enhance our watersheds more effectively if we were funded individually. The Councils maintain good relationships, and will continue communications with each other, but are in agreement that each council needs stand alone funding to survive and to grow.

A little History: In 1996 the UNWC was formed, and the LNWC was formed in 1997. The Nehalem Councils secured their first coordinator support grant, GWEB # 97-025, for the 1997-98 fiscal year. Although the UNWC and LNWC shared one coordinator from 1997-2003, due to geography, social, and land use differences, there have always been two Nehalem Councils, with both shared and individual projects. Both Nehalem councils have been recognized as separate 501(c) 3 non-profit organizations. The distance (and the poor road conditions) from the upper to the lower, and the limited valuable time of the volunteer council members prevented the two councils from holding frequent joint meetings.

Until the 2003-2005 biennium the two councils shared a coordinator who worked primarily out of the UNWC office in Vernonia, and worked out of the LNWC office in Nehalem one day a week. In addition, the lower council was able to maintain a staff person in the LNWC office using RARE funding and watershed planner funding. In the 03-05 biennium, the other

UNWC 919 Bridge Street, Vernonia, Or. 97064 (503) 429-2401

funds which had been available to fund additional staff for the LNWC were no longer available. The UNWC & LNWC joint steering committee negotiated a MOU to divide/share the support money for the two councils and the LNWC hired a coordinator who would work only for the lower council. The UNWC continued to employ their existing coordinator. Also during the 2003-2005 biennium, at OWEB's strong suggestion, the Nehalem councils took in the Necanicum council, and formed an umbrella, with the belief that the umbrella council would be funded at a rate sufficient to enable all three councils to function to their capacities. The experience of the last two council support funding cycles has proved that expectation to be incorrect. In reality, we believe we would have received more total funding if we had applied as three individual councils. Our main limiting factor to the work we can get accomplished on the ground is a shortage of funding, particularly funding for coordination. The value of the position of coordinator to the functioning ability of a watershed council should never be underestimated. In order for each of our councils to function to their capacity, they need a full time staff person. Part-time funding for staff limits our capacity to accomplish our work and puts unnecessary stress on the current staff as they try to accomplish a full-time job with less than half-time funding. Increasingly over time, OWEB appears to have the expectation that the councils should function as though they are fully staffed full time, yet the council support funding that OWEB provides does not allow our councils to employ full time personnel.

The UNWC represents the following unique ecological and social conditions that are significantly different than the LNWC and the Necanicum WC: The UNWC covers 625 miles of stream of the mid and upper Nehalem and its tributaries. There are 22 6th field HUCs in the upper river. The boundaries of the UNWC lie within four counties: Columbia, Clatsop, Washington, and Tillamook. The only incorporated city in the upper basin is Vernonia. There are a number of other very small and very individual communities located primarily downstream, including Mist, Birkenfeld, Fishhawk Lake, Vesper, Jewell, Vinemaple, and Elsie, and upstream there is the small community of Timber. Agricultural use is scattered throughout the valley, consisting primarily of pasture and hay production, interspersed with small woodlot, residential, private industrial timber, and public landownership. The headwaters and uplands are primarily public and private industrial forest land. The upper river valley land use is not concentrated into well defined areas as is the lower river. The projects most commonly implemented in the UNWC are fish passage barrier removal, stream habitat complexity enhancements, and riparian restoration. The upper river and its tributaries provide spawning and rearing habitat, as well as summer and winter refuge for chinook (summer and fall), coho, winter steelhead and cutthroat trout.

The LNWC covers 311 miles of stream, with 12 6th field HUCs including the estuary of the Nehalem, which is a priority area and a unique habitat. The small cities of Nehalem, Wheeler, and Mohler are located on the estuary. There is a large and concentrated agricultural component, primarily dairy farms, in the lower reaches of the Nehalem, significantly different than the scattered small farms of the upper river valley. The remainder of the Lower Watershed is primarily timber under public and private industrial ownership.

The Necanicum watershed covers 86 stream miles, of small coastal stream, with the city of Seaside located on the Necanicum estuary. There is little agriculture, little public landownership, and the relationship of the Council with the City of Seaside is a priority. The

Necanicum estuary is very different than the Nehalem estuary, with different ecological issues.

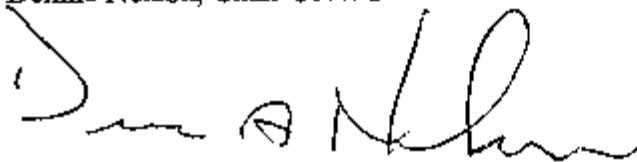
If all three councils had adequate individual funding for their coordinators, and the coordinators did not need to spend valuable time working with the joint steering committee on the negotiations to divide the support grant, there would be more time available to develop projects, write project grants, and oversee implementation of those projects. Volunteer council members also have spent much of their valuable time on the negotiations to divide the support grant; time and energy that could be spent more productively for each individual council. Currently, the funding for coordination is not adequate for the amount of outreach and education that needs to occur in these watersheds. Office procedures, volunteer and staff supervision, grant writing and project development consume most of the coordination time. If the councils had adequate funding for coordination, more projects including more outreach (resulting in more projects) could occur. The coordinator needs to be available when landowners come in or call with questions or ideas – the phone messages must be answered, e-mails read and responded to, reports completed, projects developed, grants written – the job is too complex to do well if there are not enough (funded) hours available.

Our board/steering committee, and the Joint steering committee, representing community as well as other stakeholders, have desired this change for a long time. The general populace in the Upper Nehalem already views the UNWC as an entity independent of the LNWC and the Necanicum, and is probably unaware that we share a council support grant with two other councils. The limited time and resources the councils can dedicate to outreach and education have not been spent explaining the details of OWEB's council funding processes.

We believe this change will not result in significant detrimental effects to the previous funding partners: all three councils support this decision, and ultimately it is up to OWEB whether or not this will result in detrimental financial effects. We believe each of our councils would compete well in the statewide council support application review and as such we believe our three councils would be funded higher individually than the share we each get under the current umbrella funding. It is certainly our hope that all three councils will be able to survive and grow.

Thank you for taking the time to consider our request.

Dennis Nelson, Chair UNWC

A handwritten signature in black ink, appearing to read "Dennis Nelson", written in a cursive style.



Received By
OWEB

JUL 25 2008

July 8, 2008

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290

To: OWEB Board Members

It is the desire of the Lower Nehalem Watershed Council (LNWC) to dissolve the umbrella status of the Nehalem Watershed Council and to officially divide the Nehalem Watershed Council into the Upper Nehalem Watershed Council (UNWC) and the LNWC. This desire is shared by the other councils under the umbrella status, the Necanicum Watershed Council (NWC) and the UNWC. Attached to this letter is a copy of a joint letter from the chairs of each council communicating the need to separate.

The desire to separate the three watershed councils is based upon a positive relationship between the councils. All three councils are on good terms with good inter-council communication. All three councils recognize that in the best interest for each council, the only alternative for long term survival and growth is stand alone status for each council with solo council support funding.

All three councils share one geographic point in common, the very peak of Humbug Mountain. From this common geographic point, the "distances" in social focal points, environmental concerns, biological characteristics, and physical locations are not so common.

The NWC has Seaside as its hub. It is dominated by one community with the watershed almost entirely owned by two industrial forestry companies. For the most part there is no agricultural component and no public forest lands. The NWC is a coastal watershed and the social and biological issues of the estuary are very different than the estuary of the LNWC. For the NWC, its relationship to the City of Seaside is a top priority.

The Nehalem River historically supported strong populations of Chinook (summer and fall), coho, chum, steelhead, and cutthroat (resident and searun). The geographic break between the Lower and the Upper Nehalem watersheds is Humbug Cr. The reason for that break back in 1997 when the councils were first beginning was the distance between "hub centers". The hub for the LNWC is the cities of Nehalem, Wheeler and Manzanita. There is a large agriculture component and a large public (ODF) ownership of the forestlands along with two major industrial forest landowners. The LNWC is a coastal watershed with a large estuary that is a key priority component.

The hub of the UNWC is Vernonia. The drive between the Vernonia office and the LNWC office in Nehalem is one and a half hours. The UNWC is a valley watershed (vs. coastal watershed) and doesn't have the dynamics of an estuary. The UNWC is a long upland river valley and must deal with a spread out community of stakeholders unlike the NWC and the LNWC. There is a large agriculture component for the UNWC, but unlike the LNWC where it is all concentrated near the lower river reach, the agriculture interest in the upper watershed is spread out over much of its 60 river miles. The UNWC has many more industrial landowners than the other two watershed councils as well as considerable ODF and BLM holdings.

The driving force for the need/desire to be stand alone watershed councils is long term survival. OWEB has always recognized and funded the Nehalem Watershed Council as one council, even though since 2003 the reality has been that the LNWC and the UNWC have had their own coordinators and their own offices. The reasons for the internal establishment of the LNWC and the UNWC as separate councils are alluded to above: the great distance between hub centers and the different characteristics and needs of the watershed basins. Since 2003, the reality of having two councils, yet being recognized as one has meant half funding for both councils. Due in part to a request from OWEB and also to bring in more funding, in 2005 the Necanicum Watershed Council was included with the Upper and Lower Nehalem councils to form the umbrella status.

However, the hard facts remain that for the last three years, the council support award has been split with 50% going to the Upper Nehalem to run that council and to accomplish any basin-wide work, and the LNWC and the NWC split the remaining 50% of the support grant. The LNWC and the NWC share a coordinator and thus each council gets a quarter time position. Each council has an office and the time requirement of office "procedures" consumes most of the quarter time position. Under the current funding for the LNWC and the NWC, each council literally struggles to survive. There is no funding left over for outreach, council growth, or project development, and the frustration level within the councils is high. In the opinion of the councils' membership, the umbrella arrangement with OWEB has actually penalized the three councils and reduced the councils' capacity to accomplish the important restoration work desired to do. With the seeming lack of backing from OWEB, the future of the councils is in jeopardy.

With quarter time funding for the LNWC coordinator, the time and opportunity to network with other partners is extremely limited. The LNWC receives direct financial support, in-kind support, or indirect support from a variety of community or agency partners for many of the council's projects and activities. These partners include, but are not limited to, Oregon Department of Fish & Wildlife, US Fish & Wildlife, Lower Nehalem Community Trust, North Coast Land Conservancy, Tillamook Estuary Partnership, Oregon Department of Forestry, Longview Timber Corp., Green Diamond Resource Co., City of Nehalem, and the many local businesses that help support the council's efforts. These partnerships know of the struggles of the council and support the move to change.

We believe the fact that the UNWC, the LNWC and the NWC want to stand alone and seek solo council support funding is a good thing. The councils want to continue to make a difference for salmon restoration and the Oregon Plan. The councils want to grow and reach out to the stakeholders so that all can share in the vision of the return of healthy salmon populations. The UNWC, the LNWC, and the NWC all have rejected the status quo of continuing to struggle with

shared funding. Each council is tired of falling far short of its potential because of the low support level from OWEB. This is a positive move by the councils to get positive results in very important watersheds. With sufficient funding these councils will continue to work together because of a shared history and a shared basin for the UNWC and the LNWC. It is the hope of the LNWC that the OWEB Board will grant the three watershed councils independent status.

Thank you for your time and consideration.

Jay Holland, Chair LNWC

A handwritten signature in cursive script that reads "Jay Holland". The signature is written in black ink and is positioned below the typed name.

JUL 25 2008



July 17, 2008

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290

To: OWEB Board Members

On behalf of the members of the Necanicum Watershed Council (NWC), I am writing to express our unanimous wish to dissolve the umbrella group we participate in with the Upper Nehalem Watershed Council (UNWC) and the Lower Nehalem Watershed Council (LNWC), and to apply for stand-alone council status. We share this wish with the members of both the UNWC and the LNWC.

We have great respect for our umbrella group partners, and deeply appreciate all that they have shared with us while we have been connected. We desire for all three of our councils to achieve the full potential for both meaningful ecological work and important education and outreach to community members that exists in each of our watersheds. We believe that stand-alone status, with appropriate solo council support funding, is the best chance that each of our councils has to achieve these goals.

Jay Holland, the chair of the LNWC, has written eloquently about the geographic relationships that our councils share, and also outlined the tremendous differences between us all. I will not repeat his words here; I will only say that we at the NWC agree with his observations about the unique characteristics of each of our regions, and about the challenges that we each face.

The NWC has been fortunate to find a home with the UNWC and the LNWC for the last three years, and our council has benefited tremendously from the relationship. Prior to joining with these two fine groups, our council had gone through periods of dysfunction, of volunteer burnout and a lack of direction. We are proud of the achievements our council has made in recent years, and wish to build upon this newfound momentum. However, the economic realities of the way our council support funding is divided means that both our council and the

Necanicum Watershed Council 32825 Ripper Lane, Seaside OR 97138

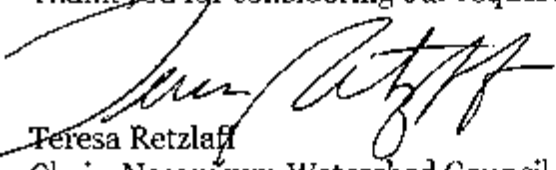
LNWC struggle with trying to share a half-time position between us. There is barely enough time for our coordinator to keep up with the paperwork for both our councils. Meaningful community outreach, capacity building, and working to strengthen partnerships with other organizations are virtually impossible under our current staffing situation. Our small membership is loyal, but with only a 1/4 time staff person we are unable to successfully connect to the larger community we seek to serve, and thus are unable to grow our membership, to strengthen our council and to strategically address the issues that our watershed faces.

The NWC has worked to develop positive relationships with the many organizations that operate in our watershed, and we have been fortunate to receive either direct financial support, in-kind support or other assistance from many of them, including the Oregon Department of Fish & Wildlife, US Fish & Wildlife, North Coast Land Conservancy, Trout Unlimited, Longview Timber Corp., Weyerhaeuser, City of Seaside, and Sunset Parks & Recreation, as well as many other small local businesses that support our endeavors. It takes time and effort to develop and nurture these relationships, and to take advantage of the opportunities to do meaningful work in our watershed. Time for someone to make that effort is in very short supply for us, and relying primarily upon over committed volunteers to provide council support activities has proven to be unsuccessful.

We see the desire of our three councils to stand alone as a positive step for us all. There are tremendous opportunities for progress in each of our geographic regions, opportunities that are too often lost because of a lack of capacity to seize them. Each of our three councils has the potential to fully address the issues raised in the Oregon Plan for salmon, and to keep the salmon that continue to live in our rivers and creeks not only alive, but also hopefully prospering. The reason our councils cannot make more significant contributions to the well being of our respective watersheds and the communities we serve is due to the financial realities that leave us each struggling for our own survival.

We in the NWC will continue to work with and support the UNWC and the LNWC wherever the opportunity arises. We hope that the OWEB board will grant our three councils stand-alone status so that we may all begin to live up to our full potential.

Thank you for considering our request.



Teresa Retzlaff
Chair, Necanicum Watershed Council

JUL 28 2008



Williams Creek Watershed Council

P.O. Box 94
Williams, OR 97544
(541) 846-9175
wcwc.arthur@starband.net

July 22, 2008

Oregon Watershed Enhancement Board
Ken Bierly, Deputy Director
775 Summer Street NE Suite 360
Salem, OR 97301-1290

Dear Mr. Bierly:

Attached is the Williams Creek Watershed Council's (WCWC) response to your June 9, 2008 memo regarding permission to apply for solo support funding. Included with this response is a chart showing OWEB funding to watershed councils in our region (based on OWEB's Grant Management System data) and letters supporting our request for solo support funding.

It is pretty clear from our history that WCWC is a very effective watershed council. Brian Barr's letter (see attached) from the NCCSP supports this view:

"I served on the support grant review team in 2007. That opportunity gave me a great sense of the accomplishments, approaches and visions of watershed councils from across the state." "...I would place the Williams Creek Watershed council among the better performers."

Although WCWC serves a fairly small area compared to many of the watershed councils in Oregon, there are 24 Oregon watershed councils with fewer stream miles. And, as we discuss in our attached document, these stream miles are of higher than average value to fish populations.

All of the watershed councils within our region are accomplishing good things. When analyzing the value of an individual council, however, there are many factors to consider. One is the bang derived per OWEB buck. The attached chart compares total OWEB "project" funding dollars to "council support" dollars for the eight watershed councils in our region. Granted, some councils may leverage OWEB dollars to a greater extent than others (over 41% of WCWC project funding comes from non-OWEB sources), but the data shows some definite trends:

- Historically, 'council support' grants in our region range from 30% to 306% of each council's OWEB 'project' funding amount.

- The regional average for watershed council support funding is 124% of council project funding.
- Three of the eight councils in our region have received more support funding than project funding.
- WCWC has managed more OWEB project funds than five of the eight councils in our region.
- OWEB records indicate that since 7/1/2001 one council received \$56,959 in OWEB project funds yet received \$281,529.08 in Council Support funds.
- While the seven other Watershed Councils in the Rogue Basin each receive from \$40k to \$55k a year in council support from OWEB, WCWC receives none.

Given these facts it seems a miracle that WCWC has accomplished as much as it has. We are proud of our accomplishments.

Clearly WCWC needs and deserves an opportunity for council support funding equal to the other Oregon watershed councils. We feel confident that OWEB would fund us providing the state's Administrative Rules would allow it to. A past sticking point in obtaining council support funding has been the perspective that WCWC is part of the Applegate Partnership and Watershed Council (APWC). The attached letter from them makes it clear that they are unable to manage the complex ecological and social issues within the Williams watershed.

We understand that OWEB, given the limited Council Support dollars, is attempting to reduce the number of councils receiving it. This is understandable. One of the two primary guidelines for watershed councils in state statute ORS 541.350, however, is that watershed councils be a "local" group. The Statute emphasizes over and over again the importance of the 'local' nature of watershed councils. The OWEB web page states that:

"Watershed Councils are made up of people from the local communities. They represent local knowledge and have ties to the existing community in all its complexity."

Sharing council support funding with the APWC (if it could really ever happen), or attempting to mix the two councils would significantly reduce, if not remove, the all-important "local" element that makes WCWC work so well.

We have attempted, here, to provide you with information you can use to make a strong case to the Watershed Enhancement Board for allowing WCWC to apply for solo council support funding side-by-side with the other watershed councils in the state.

Therefore we respectfully request eligibility for solo Council Support funding from OWEB so that we may continue to grow and flourish, and thereby be able to continue to serve the State of Oregon.

We thank you in advance for your support.

Sincerely,


 Arthur Sherman
 WCWC Council Coordinator

Oregon Watershed Enhancement Board
Attn: Watershed Council Support
775 Summer Street NE Suite 360
Salem, OR 97301-1290

July 10, 2008

Dear OWEB Board members:

We are grateful to have this opportunity to seek permission to apply for solo council support funding. We hope this letter will help to demonstrate our eligibility. We believe that we meet the criteria outlined in the June 9, 2008 letter from Ken Bierly:

1. *That the council represents unique ecological or social conditions that are significantly different from that of its previous funding partners. The point is to show that watershed issues, biology, geography, priorities, projects types, and practices are so different as to make the continued partnership impractical.*

When the National Center for Conservation Science & Policy (NCCSP) reviewed the southwest Oregon region for project funding, they selected the Williams Creek Watershed as their focal area, specifically because of its unique ecological position within the coho habitat system (Please see letter from NCCSP). They have invested heavily in WCWC restoration projects as part of their "Freeways for Fish" program. NCCSP also selected WCWC as recipients of their Headwaters Heritage Award. This prestigious award honors a single organization, *worldwide*, that does an "exemplary job" of being "solution oriented", "science based", "results driven" and "honest and accountable".

Williams Creek and its tributaries provide over 150 miles of spawning, rearing and over-wintering grounds for anadromous fish such as coho and chinook salmon; winter and summer steelhead; Pacific lamprey and other resident fish. Within the Williams Creek system, there are 25 miles of coho habitat, five miles of which are considered 'core area' habitat. It is one of only three such areas in the Applegate Basin and one of only 12 in the whole Rogue Basin. There are at least 24 watershed councils across the state whose watersheds have fewer stream miles than WCWC.

The Williams Creek Watershed Council is within the greater Applegate Watershed, however, the Williams Creek watershed is clearly an area defined by unique geographic and social conditions. As a cul-de-sac valley, Williams is physiographically isolated from the rest of the Applegate Watershed. In addition, the Williams Creek Watershed is unique in a social sense as well. The only "town" within the Williams Creek Watershed (52,000 acres) is the unincorporated, rural community of Williams, which is home to about 3,000 people. This is the most densely populated and tightly knit community in the Applegate Sub-basin.

The Applegate River Watershed contains over 500,000 acres. The Applegate River Watershed Council (ARWC) has had its hands full implementing basin-wide as well as more localized monitoring and restoration projects in other parts of the Applegate Sub-basin. As noted in the attached letter from the ARWC:

"WCWC fills a niche that cannot be fulfilled by the Applegate Partnership and Watershed Council (APWC)." and "We... simply do not have the personnel to give the

Williams Creek watershed the attention it needs to continue the major protection and restoration efforts that WCWC has accomplished there."

WCWC and ARWC have been complementing each other's efforts for over a decade: ARWC has focused its efforts outside the Williams Creek Watershed, and with the exception of a few basin-wide monitoring projects, has left the Williams Creek system in the hands of WCWC. Our partnership with the Applegate River Watershed Council has been cordial, but separate from the beginning. When WCWC was started in 1996, community members took to heart the language put forth by the 1995 House Bill 3441, which stated that (according to the OWEB website):

"Watershed councils offer local residents the opportunity to independently evaluate watershed conditions and identify opportunities to restore or enhance the conditions."

Thus, in 2000, WCWC, Williams residents and other interested parties developed a watershed assessment and action plan for the Williams Creek Watershed. We have been diligently working to execute projects prioritized in those documents. The Applegate River Watershed Council, meanwhile, has identified its own priorities, with the full knowledge that the Williams Creek Watershed is "covered" by WCWC.

It is the relationships that WCWC has developed with residents, local, state and federal agency staff and other groups that have provided for its success. Williams residents and agency personnel alike have come to rely on WCWC as a source of information and assistance as well as a link to other resources. Thanks to WCWC's outreach efforts, Williams' residents have become increasingly aware of conditions that limit fish production and good water quality. In the past twelve years, WCWC has worked with over 100 landowners to improve watershed health through on-the-ground projects. These accomplishments would have been impossible without WCWC's local presence in the Williams community.

- 2. How solo funding would result in a significant improvement of service to the watershed and its residents compared to the level of service possible under the present funding arrangement. This can be discussed in terms of project implementation, watershed enhancement, program efficiency (organizational and fiscal), and "bang for the buck."*

Although WCWC has a respectful and cooperative relationship with ARWC, both organizations have long recognized that we serve very different constituencies. The founders of WCWC recognized that the needs of our watershed and community would be better served by a local council focused on local issues, rather than by one whose home base (at the time) was over 35 miles away. This consideration is still applicable. It simply does not make sense for WCWC to share operational funding with a distant council, whose office is now over fifty miles away.

The geographic distance is indicative of the separate lives that these two organizations live. In fact, WCWC was already up and running and fully recognized by OWEB and the Josephine County Commissioners before the Applegate River Watershed Council got its first council support grant in December 1998 (OWEB grant #098-076). Therefore, WCWC fits the "Eligibility Criteria" of being:

"A unique geographic area... that is not or has not been located entirely or partially within the boundaries of another watershed council support grantee that has received council support funding from OWEB" (ORS 695-040-0030 (1)(a)).

When WCWC was formed in 1997 the ARWC was not "another watershed council support grantee that has received council support funding from OWEB." Given this, WCWC should technically already be eligible for council support funding.

The road to council support funding for WCWC, however, has been convoluted. In 2003, we were finally able to negotiate a percentage of ARWC's OWEB council support. We applied jointly, but ARWC did not follow through in passing the money on to WCWC. So, even though the funds were awarded jointly, WCWC didn't receive a penny of it. During the last funding cycle (2006) we applied jointly again and agreed on a 35% share for WCWC. When the funds were awarded, however, ARWC was having significant financial and staffing problems and was unwilling or unable to follow that agreement. The two councils discussed the issues and developed a MOU in which WCWC was to receive a two-year total distribution of \$11,400 of ARWC's \$104,000 Council Support grant. Thus far, however, we have not received any of the funds due to us. This lack of follow-through; the necessity for redundant, complicated bookkeeping; and our physical distance and differing program priorities makes the shared council support option unfeasible between WCWC and ARWC. Again, from the attached ARWC letter:

"On a practical level, we believe that both APWC [ARWC] and WCWC would benefit from independent council support..."

Although we are frustrated by the lack of forthcoming funds, we do not view this difficulty with animosity: instead it enhances our desire to be eligible for solo council support funding. Suffice it to say that our council has persevered but has spent an inordinate amount of time and energy wrestling with an unworkable arrangement with ARWC that has resulted in less time for meaningful and productive output and, in the end, less money for WCWC. Fortunately, for several years we were able to secure small general support grants from the Ralph L Smith Foundation, which has kept us afloat. As of this year, however, this source of funding is no longer available to us, leaving us in need of OWEB council support more than ever.

OWEB has recognized WCWC as unique and separate from ARWC and has granted WCWC \$521,195 in project funding: \$475K directly through WCWC and over \$45k in joint project funding through ARWC. Altogether, WCWC has raised over \$850,000 for solid on-the-ground and educational projects over the past twelve years, yet:

- Every year we struggle to pay our coordinator, the rent and utility bills.
- Many important restoration, monitoring and educational opportunities cannot be developed because our staff lacks funding to do so.
- We do not have a bookkeeper to manage the daily financial details.
- We are unable to participate in trainings, conferences and other professional development programs enjoyed by other councils.
- We are not able to fully integrate with other organizations such as RBFATT, RBCC, RBCoG and others.
- It is nearly impossible to support the OWEB regional Small Grant Team (although WCWC, the only non-funded member of the Team, worked closely with Bev Goodreau, OWEB Small Grant Specialist, to draft the team's bylaws, biannual report, expedite the receipt of late grant reports and facilitate reorganizing the team for the last biennium granting effort.)

These hardships could be greatly alleviated if we were eligible to receive independent OWEB council support funding.

WCWC has done a lot with a little for a long time. We have worked hard to manifest the goals and mission of the Oregon Watershed Enhancement Board for almost as long as the agency has existed. Our current workload, however, has grown considerably. We have managed to gain a reputation for effective project design and implementation and currently are fielding many calls coming in from across the region requesting technical support, advice and project assistance. Although WCWC will continue to seek community and other support funding, with 23 open grants, we need help to keep up with the increasing demands. We cannot effectively manage the increased workload without council support from OWEB.

3. Widespread and broad community awareness of and support for the change.

The attached letters of support from community members come at our request. They serve as evidence that we have made our community members aware of WCWC's desire to become eligible for solo council support funding. Most of these letters came in response to a single posting that we sent to our community email list announcing our intent and requesting letters of support.

We have engaged all kinds of people to participate with various aspects of our work: those who have historically been anti-government; those who had previously had no interest in fisheries or watershed health; and those who had previously written us off as a "radical environmental" organization. It is in our ability to respond "neighbor to neighbor", rather than as an outside interest, that WCWC has met with so much success in improving watershed conditions.

The Williams Creek Watershed Council's Board of Directors consists of ten Williams residents, representing the diverse interests of our community, thus meeting the requirements of OAR 695-040-0030(b). We hold regular elections and publicly announce board vacancies. This approach has benefited our organization, which enjoys a good balance of "old" board members (several of which have been with WCWC since its inception), and "new" members, who have more recently joined the council. In addition, WCWC has three long-term staff members, all of whom are longtime Williams residents. WCWC has been effective, in part, because the people in Williams take pride in the fact that WCWC is "their" council. The enclosed letters of support reflect this sentiment.

4. That the split-off will not result in significant detrimental effects to previous funding partners. The ideal demonstration of this being outright support for the split from the previous funding partners and their constituents.

As noted in the enclosed letter from the Applegate River Watershed Council, the proposed fiscal "split-off" of WCWC will be beneficial to both organizations. Although we have worked with ARWC on several projects, we are clearly two different organizations. Our financial interactions with ARWC have been fraught with difficulty, as noted above. In order to maintain the high level of effectiveness we demonstrated in the past, we need to maintain our historical status as an independently functioning watershed council.

ATTACHMENTS

Attachment #1 Council Funding Comparison Chart

Attachment #2 Letters from Organizations, funders and agencies

Attachment #3 Individual letters from our community

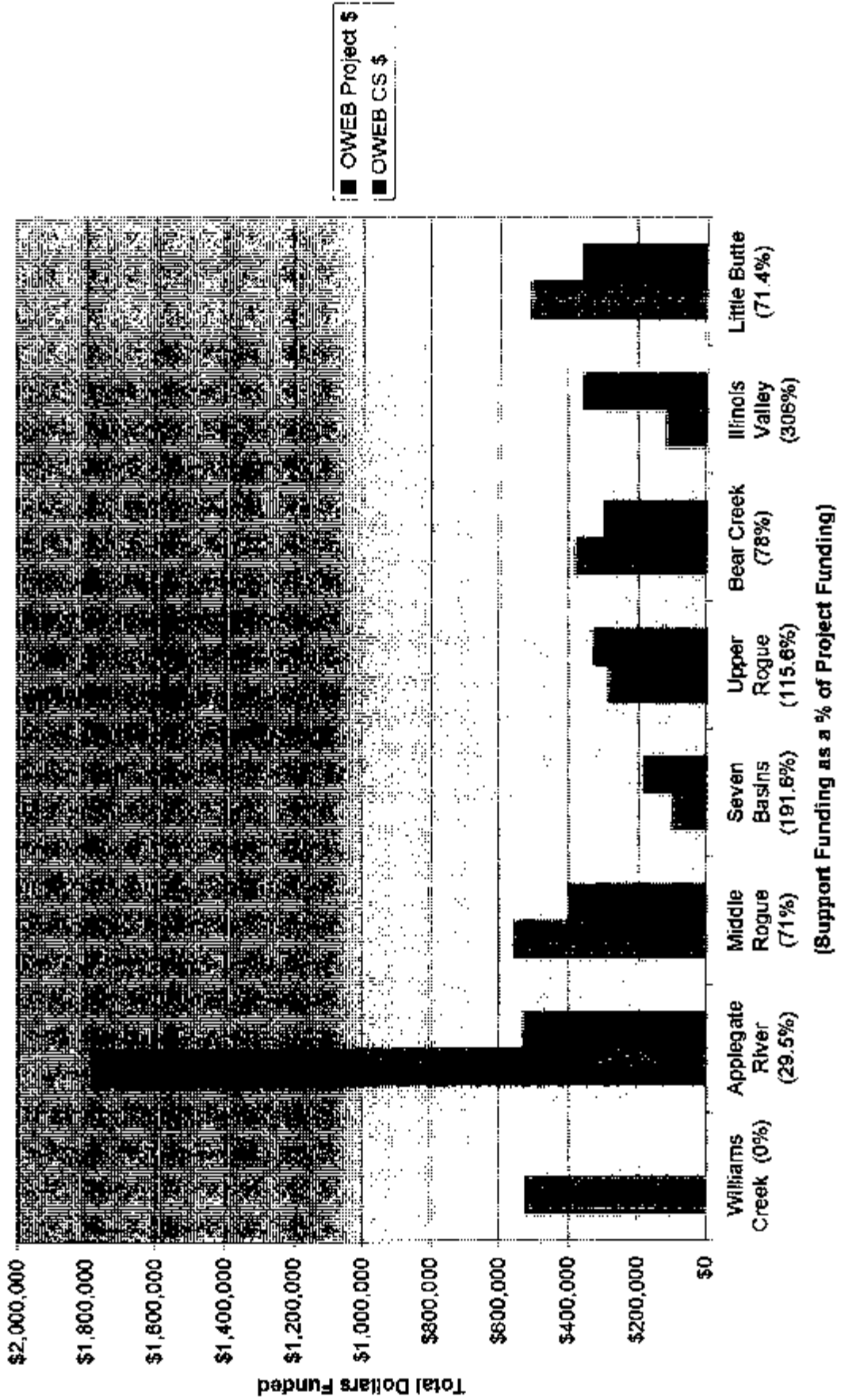
Attachment #4 Form letters of support from our community

NOTE: We have divided the letters into groups for your convenience. The "Form Letters" are copies of a letter drafted by WCWC to provide an informational format for their letter. Many people, due to the short time period we had for responses, chose to just sign and return the form letter.

Attachment #1

Council Funding Comparison Chart

Council OWEB \$\$ Projects vs. Council Support \$\$





Applegate Partnership & Watershed Council

6941 Upper Applegate Rd. | Jacksonville, OR 97530

Phone: 541-899-9982 | Fax: 541-899-1256

e-mail: director@arwc.org

www.arwc.org

Dear OWEB Board members,

We are writing to express our support for the Williams Creek Watershed Council (WCWC), which is seeking OWEB's recognition of its eligibility for Council Support funding. In the last biennium, WCWC received shared council support funding from OWEB together with the Applegate River Watershed Council. Therefore, according to the language put forth in OAR 695-040-0030 (1)(a)(A), the "council [WCWC] may be eligible to apply independently if it receives prior approval from the [OWEB] Board."

We encourage you to allow the Williams Creek Watershed Council to apply independently for council support funding. WCWC fills a niche that cannot be fulfilled by the Applegate Partnership and Watershed Council (APWC). As much as we would like to afford specific attention to each individual watershed, we represent and oversee five 5th field watersheds, covering over 500,000 acres. We simply do not have the personnel to give the Williams Creek watershed the attention it needs to continue the major protection and restoration efforts that WCWC has accomplished there. WCWC has served this need since 1996 and OWEB has historically recognized the unique and separate status of WCWC by granting them over half a million dollars in project money over the past twelve years.

Williams Creek supports runs of threatened coho salmon, fall Chinook and winter and summer steelhead. Although strategies employed by APWC and WCWC for enhancing fish habitat are similar, the social and political environments represented by these sister organizations are not. WCWC has been very effective (number three in the project funds awarded by OWEB to the region's WSC's) in their twelve years of work in Williams largely due to the fact that the residents of their community take pride in WCWC, because it is "their" watershed council.

On a practical level, we believe that both APWC and WCWC would benefit from independent council support from OWEB. We have worked together on watershed monitoring, grant proposals, workshops and other activities, but we acknowledge that it has also been very challenging for our organizations to meld our project priorities and fiscal management. Shared council support requires redundant bookkeeping, which is time consuming for both organizations and is not cost-effective from OWEB's perspective. In addition, funds APWC shares with WCWC effectively reduce council support funds for our organization.

WCWC has maintained its own board of directors, office, bookkeeping and 501(c)(3) status since 1997. It has managed almost a million dollars in project funding with no Council Support funding from OWEB. For these reasons, we believe WCWC is well equipped to handle its own Council Support funding.

Independent council support for our two groups would increase the abilities of both councils to focus on accomplishing projects that will move each watershed towards a healthy, more sustainable future. By granting this opportunity to WCWC, we believe OWEB would be working within its guidelines for watershed council support and improving the efficiency and cost-effectiveness of both APWC and WCWC.

We hope you will support this position and will find the Williams Creek Watershed Council eligible to apply for independent council support funding.

Thank you.

Sincerely,

Jack Shipley, Chairperson
Applegate Partnership and Watershed Council

July 22nd, 2008

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290

Re: 2009-2011 Council Support

Dear OWEB Board Members and Staff:

The Rickreall Watershed Council and the Glenn-Gibson Watershed Council request your permission to apply separately for OWEB Council Support for the 2009-2011 biennium. We believe this will allow each council to provide the best possible service to their watersheds. We have addressed the required criteria below.

The watershed council seeking eligibility to apply for new solo funding must demonstrate:

1. That the council represents unique ecological or social conditions that are significantly different from that of its previous funding partners, that watershed issues, biology, geography, priorities, projects types, and practices are so different as to make continued partnership impractical.

Ecological and social conditions both vary between watersheds. The two councils work with very different types of landowners and different municipalities. Project prioritization and partnerships are very different in each watershed.

The Rickreall Watershed runs from the Coast Range to the Willamette River and is primarily private forestland in the upper reaches and agricultural land in the lower reaches. Fish passage and habitat enhancement are priority issues here. Projects here often require partnerships with the City of Dallas and/or large acreage landowners.

The Glenn-Gibson is primarily in residential and urban areas with some agriculture, parklands and woodlands. Stormwater issues and habitat protection are a high priority here and projects often require partnership with the City of Salem and/or small lot owners.

2. How solo funding would result in a significant improvement of service to the watershed and its residents compared to the level of service possible under the present funding arrangement - this can be discussed in terms of project implementation, watershed enhancement, program efficiency (organizational and fiscal), and "bang for the buck."

Some background may help the Board understand the situation. The Rickreall and Glenn-Gibson were previously (2003-2005) directed by OWEB staff to join in council support with the Luckiamute WC as an umbrella group. At that time, assurances were made by

OWEB staff that agreement with this arrangement would bring positive benefits to the three councils even though written requests were made by the councils for the merger not to be forced. Even though the resulting applications were ranked reasonably well, the funding provided left each council with reduced funding for staff support. Two of the councils which previously had full time coordinators were reduced to less than one-third time staff. The Luckiamute previously applied for and was granted permission to split for the current 07-09 biennium. The Rickreall and Glenn-Gibson chose at that time to remain linked because council support was being revamped and even though we would lose Umbrella status, council support administrative rules also required consideration of groups of two or more council demonstrating "operational economies of scale". During the 07-09 council support review, staff and board chose:

- 1) To ignore this rule on shared efficiencies "in part because the situations it was developed to address have been resolved by applicants either qualifying for the umbrella council factor because of additional partnerships, or because of approved requests to the Board to apply independently." In fact, the approval of the Luckiamute split left the Rickreall and Glenn-Gibson as a two council group with demonstrated operational economies of scale. Council members expected OAR 695-040-0060 (4) c.) to be followed with a percentage above base award, just as OAR...0060 (4) b.) was allotted. However no such award was given and the incentive for the councils to split was increased.
- 2) To distribute council support funding among merit categories in ways that penalize councils with shared applications. Over the last two bienniums, this has left the Rickreall with between 0.33 FTE and 0.45 FTE support and the Glenn-Gibson with between 0.2 and 0.3 FTE support; a minimal support level, even though they are ranked in the middle of the pack as "Good".

Although the Rickreall and Glenn-Gibson councils maintain a good relationship, both councils feel it is clear that splitting would allow them to deliver better service to their watersheds based on: 1.)Eliminating the originally forced partnership while continuing to partner in ways that make sense (such as shared office space and educational materials) and 2) Applying independently for council support which under all past distribution systems would result in increased funding support for each watershed. The current shared funding levels simply prohibit them from being able to support a fair share of staff time for project development and management in each watershed.

3. Widespread and broad community awareness of and support for the change.

The Rickreall and Glenn-Gibson councils are each run by a board with representatives from the diversity of interest groups in that watershed. Each group listed this issue as an agenda item, discussed it at their open monthly meetings, and decided by consensus of their boards of representatives that applying for permission for solo council support funding was in their best interest.

4. That the split-off will not result in significant detrimental effects to previous funding partners – the ideal demonstration of this being outright support for the split from the previous funding partners.

This letter is a joint application of both funding partners. As discussed above, each council independently and unanimously decided to apply for solo funding.

We thank you for your serious consideration of our request.

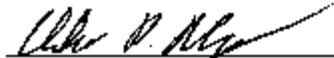
Sincerely,



David Simmons, Chairperson, Glenn-Gibson Watershed Council



Frank Pender, Chairperson, Rickcall Watershed Council



Charles Redon, Coordinator

2009-2011 Solo Funding Criteria Matrix

Council	Eligibility	Unique Ecological and Social	Service Improvement	Community Awareness & Support	Detrimental Effects
Alsea Watershed Council (R1)	No – MidCoast WC is also recognized for watershed	<ul style="list-style-type: none"> • Council has landowner trust and relationships. • Different philosophies. • Does not address ecological differences 	<ul style="list-style-type: none"> • Council listens and involves landowners and has landowner trust. • Lower project overhead. 	<ul style="list-style-type: none"> • Lists organizations that support watershed council. • Landowner involvement 	<ul style="list-style-type: none"> • No letter from MidCoast Watershed Council. Petition claims MCWC could better support other basin groups with split.
Upper Nehalem, Lower Nehalem, and Necanicum WCs (R1)	Yes – all three councils are recognized for unique areas.	<ul style="list-style-type: none"> • Upper Nehalem - community hub is Vernonia; watershed is mainly an upland valley; diverse stakeholders; large ag community spread out over 60 river miles; four counties and a number of small unincorporated communities. • Lower Nehalem – estuary, small cities of Nehalem, Wheeler, and Mohler, ag use is in the lower reaches (mainly dairy farms), uplands are two industrial forestland owners and ODF. • Necanicum - City of Seaside, coastal watershed, almost entirely owned by two industrial forest companies, little ag land, and no public forest land. 	<ul style="list-style-type: none"> • Current grant is split 50/25/25 between groups – limits ability of councils to develop projects or do outreach. • Lack of resources – need additional funding to survive. • Less time coordinating grant means more staff and board time for grants and projects. 	<ul style="list-style-type: none"> • Three boards and steering committees as representatives of the community support the request. • General population already believes the councils to be separate. 	<ul style="list-style-type: none"> • No detrimental effects. More funding is key.

Council	Eligibility	Unique Ecological and Social	Service Improvement	Community Awareness & Support	Detrimental Effects
Williams Creek Watershed Council (R2)	No – Applegate WC is also recognized for watershed.	<ul style="list-style-type: none"> • Communities are different; Williams is heart of watershed. • Watershed is isolated from Applegate (cul-de-sac valley). • Travel distance from Applegate WC • One of three core coho areas in Applegate. 	<ul style="list-style-type: none"> • Have been successful at obtaining OWEB and other grants for restoration projects. • Will lose ability to service the watershed without council support funds. • Applegate does not have resources to support Williams. 	<ul style="list-style-type: none"> • Large number of letters from community members, organizations, and agencies. • All support council and projects and would like council to be part of community. 	<ul style="list-style-type: none"> • Letter from Applegate WC – they would like the Williams Creek WC to have their own funding.
Rickreall and Glenn-Gibson WCs (R3)	Yes – both councils are recognized for unique areas.	<ul style="list-style-type: none"> • Rickreall - forest land in upper and ag in lower watershed, fish passage and habitat enhancement are priorities, partners are City of Dallas and large acreage landowners. • Glenn-Gibson - primarily residential and urban, some ag, parkland/woodland, stormwater and habitat protection are priorities, partners are Salem and small acreage landowners. 	<ul style="list-style-type: none"> • Improve funding by applying separately 	<ul style="list-style-type: none"> • Council board support only. 	<ul style="list-style-type: none"> • Both submitted the petition requesting funding and see benefits.



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



August 22, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item H: OWEB Grant Award Recommendations Overview**
September 16-17, 2008 OWEB Board Meeting

I. Introduction

This staff report describes the process for evaluation of the capital and non-capital grant applications submitted by the April 21, 2008, deadline. The report also includes budget considerations and a summary of combined funding recommendations.

II. Background and Summary

One hundred and fifty grant applications seeking a total of \$22,719,208 were received by the April 21, 2008, deadline. The breakdown by region, project type, and dollar amount is shown on the attached table. (Attachment A)

Restoration and Acquisition applications that use capital funds were solicited in this funding cycle, as were Technical Assistance and Watershed Assessment applications that use non-capital funds. After being screened for eligibility and completeness, the applications were sent to the five Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered the funding availability and funds budgeted, and integrated the separate RRT recommendations into the staff funding recommendation to the Board.

Following this overview are staff reports containing the OWEB staff funding recommendations for each region.

III. Review Process

The applications were screened for completeness, categorized by application type, and copied for review. The RRTs were sent packets of eligible grant proposals to read and consider. OWEB staff in each region then scheduled visits to as many sites as possible, emphasizing new applications, acquisitions, and the more complicated applications. All RRT members were invited on these visits and some members were able to participate at each site. In their RRT meetings, reviewers were asked to determine the technical merit of each proposal and, with the exception of Acquisition applications (for which the RRT only discussed the ecological and educational value of the proposed acquisition), whether to recommend each application for

funding. After classifying applications as “do fund” or “no fund,” the RRTs were then asked to prioritize the applications recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. The tables attached to each regional staff report identify the staff-recommended funding amount and note whether any grants include funding conditions.

The Oregon Plan Monitoring Team reviewed each Assessment grant application and identified their significance to the Oregon Plan and their likelihood of success. These review comments were passed along to the RRTs for their consideration and used in recommending funding and ranking.

Summaries of the RRT and staff funding recommendations were distributed to all applicants whose proposals were reviewed by that RRT. Written comments received from applicants regarding the RRT or staff recommendations will be forwarded to the Board prior to the Board meeting.

IV. Acquisition Applications

A total of five Acquisition applications were received in the April grant cycle, including one water acquisition and four land acquisitions. The process for reviewing Acquisition applications and the status of those applications is described in the sections below.

A. Land Acquisition

By rule, land acquisition applications undergo a multifaceted review. Applications are first reviewed by the Board Acquisition Subcommittee, which recommends whether or not staff should proceed with a due diligence review of the project. Simultaneously, applications are reviewed by the RRTs for ecological and educational values. The Subcommittee may ask for additional information from the applicant or may ask the RRTs to address specific questions.

If the due diligence review is recommended, staff request an appraisal report, title report and exceptions, option, donation disclosure, environmental site assessment, and proposed conservation easement. An independent review appraiser evaluates the appraisal report. OWEB’s legal counsel at the Department of Justice reviews the title report, exceptions, option agreement, and conservation easement. The Department of Environmental Quality reviews the environmental site assessment.

After the due diligence review is complete, the Subcommittee reviews the results and makes a funding recommendation to staff. Staff then consider all of the evaluation criteria, the Subcommittee’s recommendation, and available funding resources to develop a funding recommendation to the full Board. The staff funding recommendations are summarized in a separate section in the appropriate regional staff report.

The Subcommittee reviewed the applications and has requested staff to solicit due diligence materials from two of the land acquisition applicants at this time. No due diligence materials have been received for these two applications and neither is recommended for funding at this time. The Subcommittee and staff have recommended no funding for a land acquisition application from the Willamette Basin (209-103, Amazon Creek Acquisition). The other three land acquisition applications are recommended for deferral; two from the North Coast and one from the Willamette Basin. The applications recommended for deferral total

approximately \$5.45 million and may mature over fall of 2008 for Board consideration in 2009.

B. Water Acquisition

The ecological value of a proposed water acquisition project is based on a project's ability to increase instream flow to address the needs of priority habitat and species, and/or to improve water quality in a water quality limited stream reach. This evaluation is conducted in part by reference to the Oregon Plan Streamflow Restoration Priorities (2001) and evaluation by the appropriate RRT.

In addition to the ecological review of a proposed project, a review of due diligence materials is conducted. Due diligence materials include a fair market appraisal or other valuation assessment, a written assessment of the water right, the water right certificate, an ownership and lien report, an option agreement, and a donation disclosure statement. The appraisal or other valuation is reviewed by OWEB's review appraiser. The assessment of the water right is evaluated by the Oregon Water Resources Department to determine its reliability to provide instream benefit. The remaining items are evaluated by staff for consistency with the administrative rules and by OWEB's legal counsel for legal sufficiency.

The one water acquisition application submitted is located in the Deschutes Basin (209-102, Deschutes River Instream Leasing) and is a resubmitted application from the October 2007 grant cycle. Staff and the Subcommittee recommend the funding for the application on the condition that staff continue discussions with DRC to identify long term benefits from the effort.

V. Budget Considerations

A. Capital Funds

The Board established a capital funding target of \$9.25 million for each grant cycle for the 2007-2009 biennium.

Currently OWEB has approximately \$20.8 million in uncommitted capital funds available for the remainder of the biennium; this includes unspent grant funds returned from completed grants. Two million dollars of these capital funds is reserved for Special Investment Partnerships. Accordingly, about \$18.8 million in capital funds is available to be allocated between the two remaining capital grant cycles (April 21, 2008, and October 20, 2008) – roughly \$9.4 million per cycle. In addition, OWEB's salmon license plate fund currently contains about \$514,000.

In the April 21, 2008, grant cycle alone, OWEB received 95 Restoration and Acquisition applications requesting more than \$20 million in funding. We expect to receive at least this level of request in the October 20, 2008 grant cycle. Typically, more grant applications are submitted in the October grant cycle than in the spring cycle preceding it. In addition, OWEB has approximately \$10 million in pending land acquisition applications, which will affect future capital grant cycles.

Staff recommend funding 57 of the 63 Restoration applications, two land acquisitions received through earlier grant cycles, and one instream water acquisition. Staff recommend

funding these grants through the expenditure of \$8,672,619 in capital funds and \$195,413 in salmon license plate funds. Staff also recommend the allocation of \$301,000 of capital funds for the Alsea Acquisition application (208-116) in Agenda Item K5, which is state match for a Coastal Wetlands Grant.

As noted on the funding table attached to the Region 3 staff report, staff recommend that one of the Willamette Basin Restoration projects should be funded through the Willamette Special Investment Partnership.

The total recommended expenditure of capital funds is \$8,973,619, which is \$276,381 less than the budgeted amount of \$9.25 million per cycle. This will reserve more capital funds for the October 2008 grant cycle in which we expect to receive more applications than were submitted in April 2008. In addition, we expect additional Acquisitions to be ready for funding by the March 2009 funding Board meeting.

B. Non-Capital Funds

Table 1 shows the non-capital funding reserved for each grant type. This reserve was approved by the Board in January of 2008.

Table 1. Non-Capital Budget Reserve for the April 2008 Grant Cycle

Grant Type	Budget
Assessment	\$ 500,000
Technical Assistance	\$ 500,000
Total Budgeted	\$1,000,000

Table 2 shows the non-capital funding recommended by OWEB staff as part of the spending plan for Pacific Coastal Salmon Recovery Funds, as outlined in Agenda Item D: Spending Plan Update. The Assessment budget for the April 2008 grant cycle is recommended for reduction because the Regional Review Teams recommended funding totaling approximately \$400,000 for Assessment applications. The Technical Assistance budget for the April 2008 grant cycle is recommended for increase because the RRTs recommended funding applications totaling about \$942,000.

Table 2. Non-Capital Recommended by OWEB Staff

Grant Type	Budget
Assessment	\$ 400,000
Technical Assistance	\$ 800,000
Total Budgeted	\$1,200,000

OWEB also uses non-capital funds for the education and outreach elements of Restoration applications. These non-capital costs are identified in the tables attached to each regional report and total \$23,938.

Staff recommend funding all six of the Assessment applications recommended by the Regional Review Teams, and 24 of the 28 Technical Assistance applications recommended by the RRTs. Staff recommend funding the Assessment and Technical Assistance grants through the expenditure of \$1,128,667 in non-capital funds and \$50,000 in salmon license plate funds, for total funding of \$1,178,667.

VI. Staff Capital and Non-Capital Funding Recommendations

Staff recommendations for Board actions are identified by region for the applications indicated in each of the following five regional reports. “Do Fund” applications are indicated on the tables by shading.

A. Capital Funding Recommendations

The statewide funding total recommended by staff is shown below. Details are contained within each of the attached regional staff reports.

Restoration Applications, <i>Capital</i> Portion	\$ 8,322,619
Acquisition Applications (Regions 1 and 4)	\$ 350,000
<u>Coastal Wetlands Acquisition (Agenda Item K5)</u>	<u>\$ 301,000</u>
TOTAL <i>Capital</i> Staff Recommendation	\$ 8,973,619

B. Non-Capital Funding Recommendations

Technical Assistance Applications	\$ 751,777
Assessment Applications	\$ 376,890
<u>Restoration Applications, <i>Non-Capital</i> Portion</u>	<u>\$ 23,938</u>
TOTAL <i>Non-Capital</i> Staff Recommendation	\$1,152,605

C. Salmon License Plate Funding Recommendations

Technical Assistance Applications	\$ 50,000
<u>Restoration Applications</u>	<u>\$ 195,413</u>
TOTAL <i>Salmon Plate</i> Staff Funding Recommendation	\$ 245,413

Attachment

- A. Types of Applications Received and Amounts Requested by Application Type

Oregon Watershed Enhancement Board

Types of Applications for April 21, 2008

	Assessment	Technical Assistance	Acquisition	Restoration	Totals
Region 1	1	8	2	11	22
Region 2	3	9	0	13	25
Region 3	1	16	2	14	33
Region 4	0	3	1	14	18
Region 5	3	11	0	38	52
Totals	8	47	5	90	150

Dollar Amounts by Application Type

	Assessment	Technical Assistance	Acquisition	Restoration	Totals
Region 1	\$59,180	\$305,033	\$5,064,960	\$1,024,011	\$6,453,184
Region 2	\$169,544	\$238,300	\$0	\$2,041,111	\$2,448,955
Region 3	\$49,940	\$592,849	\$2,285,230	\$1,607,422	\$4,535,441
Region 4	\$0	\$118,832	\$70,000	\$3,969,628	\$4,158,460
Region 5	\$265,883	\$450,762	\$0	\$4,406,523	\$5,123,168
Totals	\$544,547	\$1,705,776	\$7,420,190	\$13,048,695	\$22,719,208



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August 22, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Tom Shafer, North Coast Regional Program Representative
Ken Bierly, Deputy Director

SUBJECT: Agenda Item H: OWEB Grant Award Recommendations
Region 1, North Coast
September 16-17, 2008 OWEB Board Meeting

I. Introduction

This staff report describes the North Coast Regional Review Team recommendations, special issues, and staff recommendations for funding.

II. Background and Summary

Applicants submitted 22 applications for a total request of \$6,453,184 including \$5,064,960 for Acquisitions. The Regional Review Team (RRT) recommended 14 applications for approximately \$994,062, and favorably reviewed the two Acquisition applications. Staff recommend 14 applications for a total award of \$1,274,062: \$820,399 for Restoration; \$59,180 for Assessment; \$114,483 for Technical Assistance; and \$280,000 for Acquisition.

III. Regional Review Team Recommendations

The North Coast Regional Review Team (RRT) met in Newport on July 1, 2008, to review the applications received in this grant cycle. Restoration, Assessment and Technical Assistance applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The RRT recommended reduced funding for two applications, 209-1003 and 209-1018. Technical Assistance application 209-1003 (Lower Columbia-Clatskanie Habitat Assessment) included funding for monitoring. The RRT recommended funding only the Aquatic Habitat Inventory portion of the application, and did not support funding snorkel surveys. Eliminating the snorkel surveys reduced the recommended award by \$3,533.

Restoration application 209-1018 (Westwind Aquatic Organism Passage and Estuary Sediment Reduction Project) proposed repair and reconditioning of the dirt access road to the property, including replacing undersized, failing culverts and hardening the road with crushed asphalt and gravel. The RRT recommended funding only the costs associated with the replacement of the

culverts, reducing the cost from \$106,585 to \$70,491. Staff concur with this reduction of \$35,644.

IV. Acquisitions

Two land acquisition applications were received from Region 1 this grant cycle, but neither is ready for Board action at this time. Two previously deferred land acquisition applications are ready for Board consideration. The sections below summarize the status of these four applications and describe the staff recommendations.

A. Shangrila Creek Wetlands Acquisition (208-103)

The North Coast Land Conservancy (NCLC) requested \$180,000 (\$253,000 total project cost) in April of 2007 to purchase 60 acres along Shangrila Creek in Seaside. This fee title acquisition would add to previous purchases of the Neawanna Wetland Reserve, a planned effort begun by the community in 1992 aimed at protecting the Necanicum Estuary. To date, over 100 acres in the estuary system and tributary streams have been acquired and protected.

1. Ecological Benefits

This proposed acquisition includes roughly one mile of stream interface of Shangrila Creek, one of the largest tributaries to the Neawanna Creek watershed, itself a tributary to the Necanicum River estuary. The Neawanna is a relatively small system, flowing south to north as it drains the low hills just east of the City of Seaside, joining the Necanicum only a short distance from the ocean. While Shangrila Creek is in the upper reaches of the Neawanna, much of the reach of Shangrila Creek included in this acquisition is tidally influenced. As a result, the property includes several Basin Ecological Priority Habitats, including intertidal salt marsh (10 acres); tidally influenced wetlands (16 acres); freshwater marsh (10 acres); Sitka Spruce forested wetlands (20 acres); and upland forest (4 acres). Priority species documented in the sub-basin include Coho Salmon, Red-Legged Frogs, Rufous Hummingbirds and Willow Flycatchers.

The lower reach of Shangrila Creek is connected to a diverse array of tidal channels considered critical to maintaining a direct linkage to freshwater wetlands and the upland waterways of the system. The biodiversity of the area is high, with 160 species of birds listed for the site, including a large number of neo-tropical migrants (22 species); at least 20 species of butterflies; 11 species of fish; 15 species of dragonflies; and 4 species of amphibians.

This proposed acquisition will continue to build the vision of a protected estuary-wetland system. Conservation goals include securing and restoring (1) the hydrological connections of the Neawanna Estuary and its freshwater wetland system; (2) the tidal and freshwater marshes of the Neawanna Estuary and its freshwater system; and (3) the ecological systems of the associated wetland and upland forest. Partners in the Neawanna Wetland Reserve to date include OWEB, U.S. Fish and Wildlife Service (USFWS), City of Seaside, and the NCLC.

The RRT was familiar with the Neawanna Wetland Reserve program and appreciated the fact the Shangrila Creek site would provide another link in the chain of properties already protected by the program. They recognized the value of the important habitat types included in the property (salt marsh, tidally influenced wetlands, freshwater marsh, Sitka

Spruce forested wetlands and upland forest) and the number of fish and wildlife species that utilize the site and would benefit from its protection. They also recognized the value of the property for storage and filtration of floodwater. The RRT discussed the potential threat to the property if it wasn't acquired and protected and they all agreed the threat of development was very real, since the site is well within the City of Seaside, only one block east of Highway 101. They also understood that Shangrila Creek is one of the largest producers of Coho in the Neawanna system and that the habitat was in good enough shape to not require a great deal of restoration work.

The RRT agreed that the acquisition addressed the ecological system priority of freshwater swamp and provides habitat for listed and focal species. The RRT also recognized that the proposed acquisition met the conservation principles of a site with exceptional biodiversity, that it improves connectivity of habitat, and builds on an existing network of sites.

2. Capacity to Sustain the Ecological Benefits

The NCLC will hold fee title to the property. A conservation easement, using OWEB's template will be recorded at closing. The NCLC has been a land trust in Clatsop and Tillamook counties for 20 years and currently holds 26 resource properties managed for ecological and cultural values. They have recently established a full time land steward position.

The NCLC has a policy to establish an endowment for its new acquisitions. The source of the endowment for this project is a combination of a proposed donation from the seller (\$20,000) and fundraising. The site is in excellent ecological condition and the NCLC does not anticipate a need for money to conduct restoration activities.

3. Educational Benefits

Direct public access is not planned at this time. However, the property will be incorporated into the network of natural history education opportunities in the community, related to the estuary resources. The RRT concluded that the project has high educational merit.

4. Partners, Project Support and Community Effects

The project is supported by the City of Seaside, Coastal Natural History Center, Necanicum Watershed Council (who will provide support for habitat protection, restoration and fundraising), and the Columbia River Estuary Study Taskforce (who will provide technical support to the NCLC). Letters of support were received from Celeta Research Associates, North Coast Watershed Association, City of Seaside, and the Necanicum Watershed Council.

The property is zoned Lake and Wetland. Land uses in the surrounding area include forestry, light industrial, commercial and natural areas. The property is within the city limits of the City of Seaside.

The application suggests that taxes for comparable wetland areas are about \$365 per year. The NCLC does not anticipate paying in-lieu of taxes. Support by the City of Seaside for the conservation acquisition shows the project is well received in the local community.

5. Legal and Financial Terms

OWEB funds are requested for approximately 82 percent of the \$220,000 purchase price of the property. The applicant has some secured match and is seeking match from The Nature Conservancy.

The legal review of the title report and exceptions and the option agreement shows no conflict or concerns about title exceptions or easement provisions.

An appraisal of the property was conducted on June 20, 2008, by Real Valuation and Research Services, LLC in McMinnville. The appraisal concluded a fair-market value of \$220,000. OWEB's independent review appraiser has concluded that the report complies with the Uniform Standards of Professional Appraisal Practice (USPAP) standard and the market value is supported.

A Phase I Environmental Site Assessment (ESA) of the property was conducted in August 1, 2007, by Amy Horstman of the U.S. Fish and Wildlife Service. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report conforms to the American Society for Testing and Materials (ASTM) practice. DEQ agrees with the conclusion that the ESA has not revealed evidence of recognized environmental conditions as identified by the ASTM practice and that no further action is needed at the site.

6. Conclusion

The proposed fee acquisition project meets the evaluation criteria, is strongly supported by the RRT and complements previous acquisitions made by the Board in the Neawanna River system. The Board Subcommittee and staff recommend the application be funded.

B. Coal Creek Swamp Acquisition (208-106)

The North Coast Land Conservancy (NCLC) submitted an application in October of 2007 requesting \$100,000 (total project cost of \$145,750) to purchase 80 acres of tidally influenced lowland forested wetlands adjacent to the lower Nehalem River in Tillamook County.

1. Ecological Benefits

The Coal Creek Swamp is a large-intact Sitka spruce tidally influenced wetland with a fringe of forested upland. This 80-acre parcel is located on the North Fork Nehalem at River Mile 1 and is the largest intact-forested wetland site in the Nehalem estuary. The proposed fee acquisition will protect a key ecological site in the lower Nehalem estuary. With direct exposure to the main stem N. Fork Nehalem River and encompassing large tidal channels, this site is critical as refuge for salmon and steelhead at different stages of their life cycle. Based on preliminary review and site visits, this land will be managed as a natural area with the major management focus on protecting the boundary from invasive species.

The property contains 73.8 acres of priority ecological systems, encompassing over 92 percent of the property including 50.2 acres of Sitka spruce forest (forested wetland), 4.3 acres of tidally influenced freshwater wetlands, 19.3 acres of lowland non-linear forested

wetlands, and 3,000 feet of N. Fork Nehalem River frontage and riparian area, including both sides of a large tidal channel, approximately 2,000 feet in length. The applicant identified the following conservation principles as applying to the project: protect a large intact area, secure a transition area, protect a site with exceptional biodiversity values, improve habitat connectivity and complement an existing network of sites in the basin.

The RRT noted that this is an exceptional piece of property with complex tidally influenced forested habitats that are critical to off-channel rearing opportunities for salmonids. The RRT felt this acquisition could be used as a building block for future conservation land acquisition projects in this area. They noted that tidally influenced, forested wetlands and estuary habitats are becoming rare along the North Coast, and felt the threat of development for this area is high. The RRT rated the overall ecological benefits as high and thought the project met all five of the conservation principles listed in the application.

2. Capacity to Sustain the Ecological Benefits

The North Coast Land Conservancy will hold title and manage this site. NCLC owns and manages over 1,500 acres of coastal habitat and currently two other key resource properties in the Nehalem estuary. An endowment fund will be established to ensure a level of income for management. NCLC has requested a landowner contribution to the endowment, which is proposed to be \$20,000.

3. Educational Benefits

Due to the location and nature of the habitat, this site has limited use as an education site that would include direct access. But, the story of this habitat type and secondary communications about it can be developed and shared with a number of audiences, including the local community and its various interest groups. The greatest potential for this site is use by researchers to better understand the functions of this system and use that information to inform a wide variety of audiences at the local and regional level. This site also has the potential to develop a film product that could be used in local schools and in other coastal communities to appreciate and understand how the Sitka spruce wetland forest fits into the larger Oregon coastal estuary system.

The RRT evaluated the educational benefits of the project and rated the educational benefits as high. They concluded that the site could serve as an excellent example of a variety of habitats and features that benefit fish and wildlife. The RRT noted that this project could offer outstanding opportunities as a reference research site that could assist in guiding restoration projects and provide valuable information pertaining to refuge and rearing.

4. Partners, Project Support and Community Effects

The Lower Nehalem Community Trust has been involved in the proposed acquisition from the beginning and has been supportive; the proposed acquisition is a high priority for the Trust as well. The adjoining landowners have been involved in the discussion of this acquisition and have cooperated in a land swap with the current owner of the Coal Creek site to include more of the forested wetland in the acquisition. The current owner of the property under consideration has been very cooperative in the effort to protect this

site and has been an active participant in designing the sale to protect its conservation values.

Putting this property into conservation status will have little effect on the local economy. While the North Coast Land Conservancy is tax exempt and thus will not be paying property taxes on the parcel, the most recent records show the current landowner paid only \$307.37 for taxes on the property in 2006.

The proposed acquisition is zoned F-1 farm use by the Tillamook County Planning Department. Land use on the property will not change. The property is not farmed and has not been logged, so putting it into conservation ownership will have no negative effect on the regional economy or the agriculture/forestry infrastructure.

5. Legal and Financial Terms

OWEB funds are requested for 80 percent of the \$125,000 purchase price of the property. The applicants have secured additional funding from the USFWS.

The legal review of the title report and exceptions and the option agreement shows no conflict or concerns about title exceptions or easement provisions. The option agreement expires in December; the applicant would like to close on the property by this deadline rather than negotiating an extension.

An appraisal of the property was originally conducted by Capital Valuation Services Group, Ltd. OWEB's independent review appraiser has identified problems with the analysis in the appraisal report that cannot be resolved by that appraiser. NCLC is contracting for another appraiser to complete a review of the original appraisal and develop a report that complies with the Uniform Standards of Professional Appraisal Practice (USPAP) standard. NCLC and staff hope to have the new appraisal reviewed by the Board meeting and will provide an update at that time. Staff do not anticipate that the new appraisal will reduce the property's value or affect the negotiated purchase price.

A Phase I Environmental Site Assessment (ESA) of the property was conducted on August 1, 2007 by Amy Horstman of the U.S. Fish and Wildlife Service in Portland. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report conforms to the American Society for Testing and Materials (ASTM) practice. DEQ agrees with the conclusion that the ESA has not revealed evidence of recognized environmental conditions as identified by the ASTM practice and that no further action is needed at the site.

6. Conclusion

The Coal Creek Swamp acquisition project has high ecological and educational benefits and meets five of OWEB's conservation principles. The project complements both previous conservation acquisitions by OWEB and provides a critical link in the protected habitats proposed for federal funding. The Board Subcommittee has recommended funding for the application. Staff also recommend funding at this time contingent upon resolution of the appraisal.

C. Necanicum Riparian Corridor Acquisition (209-101)

The North Coast Land Conservancy (NCLC) has an option to purchase three properties along the Necanicum River. They are requesting \$1,314,960 to acquire 212 acres of land from three landowners. The total cost of the acquisition is estimated at \$1,590,000. Two of the properties are contiguous and abut the Necanicum River. The third parcel is on an adjacent tributary near the Necanicum properties.

The proposed acquisition links to a number of conservation properties in the watershed. The NCLC manages a series of properties along the Necanicum from Circle Creek (RM 3.75) to the mouth. The NCLC's predominant properties are flood plain and wetland properties within the estuarine reach of the Necanicum. This proposed acquisition includes a significant portion of the intact freshwater riparian forested area within the Necanicum low gradient floodplain. The river reach within the proposed acquisition is high intrinsic potential coho habitat. The Regional Review Team identified high ecological and educational value of the property.

The Board Subcommittee recommended proceeding with a due diligence review in May of 2008. The due diligence materials have not been submitted or reviewed, therefore staff recommend the application be deferred.

D. Big Creek Headland and Forest Acquisition (209-105)

The Nature Conservancy (TNC) has an option to purchase 193 acres of land along Big Creek in Lane County. The property, bounded to the west by Hwy 101, is located 10.5 miles south of Yachats. The total cost of the acquisition is estimated at \$5,000,000. TNC is requesting \$3,750,000 from OWEB for the fee simple purchase.

The proposed acquisition protects a coastal headland prairie and shrubland that is critical for the recovery of Oregon silverspot butterfly. The property includes a significant reach of low gradient complex channel floodplain forest and stream. The property also includes a mature conifer forest element that may support Marbled Murrelet nesting. The application identified salmon and steelhead, red-legged frog, rufous hummingbird, band tailed pigeon, olive-sided flycatcher, and pacific-slope flycatcher along with Oregon silverspot butterfly as priority species. The property is central to the southern population of the Oregon silverspot butterfly and a critical site for the recovery of the species. The RRT recognized that the property had high ecological and educational value.

In May of 2008, the Board Subcommittee had questions about the project cost and long-term ownership and management of the property, and did not recommend proceeding with the due diligence review. TNC will be reducing its request and is in discussion with Oregon State Parks to be the long-term owner of the property. Given the RRT evaluation of the ecological and educational benefits and the willingness of TNC to address OWEB's concerns, the Subcommittee recommended proceeding with a due diligence review in July of 2008. At this time the due diligence materials have not been received and the review is not complete, therefore staff recommend the application be deferred.

V. Staff Recommendation

A. Capital Applications

- *Restoration.* Staff recommend funding all 10 of the Restoration applications recommended by the RRT, with reduced funding for application 209-1018 as discussed in Section III of this report.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding all three of the Technical Assistance applications recommended by the RRT, with reduced funding for application 209-1003 as discussed in Section III of this report. As shown on the funding table attached to this report, staff recommend funding application 209-1004 (East Devil's Lake Road Preliminary Evaluation and Investigation) with salmon license plate funds. Rock Creek is the major tributary to East Devil's Lake and supports a genetically unique population of coho salmon. This application proposes development of pre-engineering designs for fixing the sinking East Devil's Lake Road in order to minimize wetland impacts, improve salmon rearing habitat, and eliminate road flooding issues.
- *Assessment.* Staff recommend funding the one Assessment application recommended by the RRT.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendations as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 1 - North Coast
Assessment Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
209-1006	Necanicum Estuary and Neacoxie Watershed Assessment	59,180	1
Total Assessment Projects Recommended for Funding to Staff by RRT		\$59,180	
Total Assessment Projects Recommended for Funding by Staff to Board		\$59,180	

Region 1 - North Coast
Technical Assistance Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
209-1004	East Devils Lake Road Preliminary Evaluation and Investigation◇	50,000	1
209-1008	Yaquina Estuary (35th Street) Tidal Culvert Design	21,628	2
209-1003	Lower Columbia-Clatskanie Habitat Assessment*	42,855	3
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$114,483	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$114,483	

*Listed Amount Reflects Recommended Reduction ◇Fund using Salmon Plate funds

Region 1 - North Coast
Deferred Acquisition Projects Recommended for Funding by OWEB Staff

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount
208-103	Shangrila Creek Wetlands (April 2007 Grant Cycle)	180,000
208-106	Coal Creek Swamp Acquisition (October 2007 Grant Cycle)^	100,000
Total		\$280,000

^Fund with Conditions

Region 1 - North Coast
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
April 21, 2008 Grant Cycle

Project #	Project Name	Total Amount
209-101	Necanicum Forest	1,314,960
209-105	Big Creek	3,750,000
Total		\$5,064,960

Region 1 - North Coast
Restoration Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-1012	Tillamook Estuaries Cooperative Log Salvage Fund	36,040	0	36,040	1
209-1011	Sampson-Drift Cr LWD Placement	172,390	0	172,390	2
209-1002	Wilson River Restoration Project	34,579	0	34,579	3
209-1001	North Coast Watershed Association Log Salvage Fund	41,550	0	41,550	4
209-1013	Filosi Fencing/Planting Project	35,415	0	35,415	5
209-1016	Upper Circle Creek - Storm/Floodplain Restoration & Fish Passage Improvement	192,360	0	192,360	6
209-1019	Salmon Creek Stream Restoration	61,234	0	61,234	7
209-1005	Jewell Meadows Riparian Restoration Phase III	32,582	500	33,082	8
209-1018	Westwind Aquatic Organism Passage and Estuary Sediment Reduction Project*	70,941	0	70,941	9
209-1015	Hawk Creek Fishway	142,808	0	142,808	10
Total Restoration Projects Recommended for Funding to Staff by RRT		\$819,899	\$500	\$820,399	
Total Restoration Projects Recommended for Funding by Staff to Board		\$819,899	\$500	\$820,399	

*Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 1 - North Coast
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Attachment B

Project #	Project name	Total Amount Requested
209-1000	Yaquina Estuary Conservation Plan	32,341
209-1007	Tillamook Project Exodus Pre-Design	50,000
209-1010	Kerry Island Restoration Design	34,000
209-1014	Sand Lake Limiting Factors Analysis	21,076
209-1017	Necanicum Storm Assessment	49,600

Region 1 - North Coast
Restoration Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-1009	Bummer Cr/Addressing Limiting Factor Prescriptions	167,968



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August 22, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Mark Grenbemer, Southwest Oregon Regional Program Representative

**SUBJECT: Agenda Item H: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 25 applications for a total request of \$2,448,955. The Regional Review Team (RRT) recommended, and staff concur and also recommend, 14 applications for approximately \$1.78 million: \$1,575,220 for Restoration; \$56,437 for Assessment; and \$144,062 for Technical Assistance.

III. Regional Review Team Recommendations

The Southwest Oregon Regional Review Team met in Roseburg on June 17, 2008, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The RRT recommended increases in funding for Restoration applications 209-2005 and 209-2017. The RRT also recommended reductions in funding for two Restoration applications, one Assessment application and one Technical Assistance application. Several of these budget change recommendations were minor to moderate in amount, including the increase to 209-2017, but some were significant. The RRT also recommended significant conditions for some of the applications. The significant budget changes and conditions are summarized below.

- Application 208-2005 proposes to complete the Farmers’ Dam Removal begun with an OWEB grant in 1999. The completion will increase and protect instream flow by about 6 cubic feet per second (cfs) and remove a diversion dam that is the lowest human-made fish passage barrier on the Little Applegate River. The RRT recommended adding funds to support a contract officer and provide the full 10 percent for fiscal administration due to the complex water rights and landowner agreements involved with this application. The budget change increased the recommended award from \$301,400 to \$334,840.

- Application 208-2010 proposes funding the third phase of restoration in the Bottom Creek watershed, a tributary to Williams River, a fork of the Coos River. Phase III will restore instream complexity by placing large wood. The application requests more than \$26,000 in effectiveness monitoring funding. The RRT recommended funding only for road surveys and aquatic habitat surveys, and did not support juvenile and adult salmonid surveys because of the lack of enough baseline information to allow snorkel surveys to provide meaningful information. The RRT recommended, and staff concur, reducing the recommended award by \$17,630 from \$220,783 to \$203,153.
- Application 208-2013 proposes to restore a riparian buffer along 2.25 miles of the Millicoma River, a large tidally influenced river in the Coos watershed. The application requests more than \$13,000 for effectiveness monitoring for five years to measure shade produced by the riparian plantings. The RRT had several questions about whether this monitoring would provide significant information in this period of time; the project is located on tidally influenced waters and it will take many years for shade benefits to be realized. Staff concur with the RRT recommendation to eliminate the effectiveness monitoring components, reducing the award from \$198,994 to \$183,025.

IV. Staff Recommendations

A. Capital Applications

- *Restoration.* Region 2 received 13 Restoration applications and no Acquisition applications. The RRT and OWEB staff recommend funding eight Restoration applications for a total of \$1,575,220.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding all five of the Technical Assistance applications recommended by the RRT.
- *Assessment.* Staff recommend funding the one RRT-recommended Assessment application.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT or OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 2 - Southwest Oregon
Assessment Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-2012	Isthmus Slough Assessment*	56,437	1
Total Assessment Projects Recommended for Funding to Staff by RRT		\$56,437	
Total Assessment Projects Recommended for Funding by Staff to Board		\$56,437	

*Listed Amount Reflects Recommended Reduction

Region 2 - Southwest Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-2019	Lower Umpqua River Restoration Program Development	47,348	1
209-2018	Curry Road Inventory & Sediment Plan Development*	38,802	2
209-2011	East Fork Millicoma River Oxbow Reconnection	31,639	3
209-2006	Beaver Creek Sediment Source Assessment & Design	11,263	4
209-2023	Billy Creek Restoration Design	15,010	5
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$144,062	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$144,062	

*Listed Amount Reflects Recommended Reduction

Region 2 - Southwest Oregon
Restoration Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-2021	Wolf Creek Basin Restoration^	366,244	660	366,904	1
209-2020	Lutsinger Creek Enhancement	191,941	330	192,271	2
209-2005	Farmers' Dam Removal, Fish Passage Enhancement**/^	334,840	0	334,840	3
209-2022	Lower North Umpqua Oak Creek Restoration	34,011	168	34,179	4
209-2017	Walker Ranch Water Quality Restoration**	75,597	0	75,597	5
209-2010	Bottom Creek Large Wood Placement*	203,153	0	203,153	6
209-2008	Coquille NF/Bear Cr Riparian*	184,651	600	185,251	7
209-2013	Millicoma Pastures Riparian Restoration*	183,025	0	183,025	8
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,573,462	\$1,758	\$1,575,220	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,573,462	\$1,758	\$1,575,220	

* Listed Amount Reflects Recommended Reduction **Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 2 - Southwest Oregon
Assessment Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Attachment B

Project #	Project name	Total Amount Requested
209-2009	Williams Creek 10 year Assessment and Action Plan Revision	14,850
209-2024	Elk Creek Watershed Assessment and Action Plan	96,800

Region 2 - Southwest Oregon
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2000	Jumpoff Joe "Ellison Watson Reach" Technical Design	6,792
209-2001	Landowner Recruitment for Middle Rogue WSC Restoration Projects	49,792
209-2004	Kelley Creek Project	23,095
209-2016	Quartz Creek Fish Restoration Pilot Project	11,865

Region 2 - Southwest Oregon
Restoration Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2002	WCWC/BLM Joint Bill Creek Restoration	37,405
209-2003	Tucker Ditch Push-Up Removal	34,179
209-2007	Upper Little Applegate Restoration - Phase II	32,517
209-2014	Williams River Quarry Fish Passage Improvement	56,806
209-2015	Oxbow Ranch Habitat Enhancement Project	302,135



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August 22, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Wendy Hudson, Willamette Basin Regional Program Representative
Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item H: OWEB Grant Award Recommendations
Region 3, Willamette Basin
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the Willamette Basin Regional Review Team recommendations, land acquisition grant applications, and staff recommendations for funding.

II. Background and Summary

Applicants submitted 33 applications for a total request of \$4,535,441, including \$2.3 million for two Acquisition applications. The Regional Review Team (RRT) recommended 23 Restoration, Technical Assistance and Assessment applications for approximately \$1.9 million, and favorably reviewed the two Acquisition applications.

Staff recommend 19 applications for a total award of \$1,570,909: \$1,242,588 for Restoration; \$278,381 for Technical Assistance; and \$49,940 for Assessment. In addition, staff recommend that one of the Restoration applications, 209-3023 South Meadow Floodplain Enhancement, should be funded through the Willamette Special Investment Partnership.

III. Regional Review Team

The Willamette Basin Regional Review Team (RRT) met in Salem on July 10, 2008, to review applications. The RRT reviewed all Restoration, Technical Assistance, and Assessment applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT then prioritized the applications recommended for funding.

Metro Parks and Greenspaces had the top-ranked Restoration application (209-3021). The Sandy River Wild and Scenic Area is threatened by the invasion of English ivy, traveler’s clematis, and English holly. These non-natives invade trees and the forest floor, resulting in a loss of native biodiversity. The applicant proposes to protect the ecological integrity of the 3,800-acre area by treating the invasive species from Dodge Park to Oxbow Park. Treatment in this area is considered “early intervention” and will be entirely completed with this project. Region 3 reviewers appreciated the applicant’s proactive commitment to early detection and

rapid response for such a substantial land area. Due to its proximity to the Portland metro area, the project offers excellent education potential.

The RRT recommended a significant reduction for 209-3000 (Lower Beaver Creek Area 3). Application 209-3000 proposes to restore five acres of riparian habitat on lower Beaver Creek near the confluence of the Sandy River, by removing invasive vegetation, planting native trees and shrubs, adding large wood, and designing an alcove. The RRT supported the removal of invasives and riparian planting, but did not think the application provided enough detail to support the large wood and alcove. Staff concur with this recommendation, which reduced the recommended award from \$51,079 to \$24,805, a reduction of \$26,274.

IV. Acquisitions

OWEB received two land acquisition applications in Region 3. Amazon Creek (209-103) is not recommended for funding, while Cardwell Hills (209-104) is recommended for deferral. None of the previously deferred Willamette Basin applications are ready for Board consideration at this time; however, staff recommend that one previously deferred application, Newton Creek (207-301) not be funded.

A. Amazon Creek Acquisition (209-103)

The City of Eugene requests \$1,900,000 from OWEB to purchase a 39.9 acre undeveloped parcel located on the west flank of the South Hills that includes three streams, riparian forest, broad-leaf forested wetland, and upland mixed-fir forest attributes. With a \$3.8 million total purchase price, the proposed acquisition of the property seeks to benefit multiple functions, including passive recreation, preservation of water quality, stormwater retention, and habitat preservation. The property is located in the headwaters of Amazon Creek, which is a tributary of the Long Tom River.

1. Ecological Benefits

The application states that the proposed acquisition contains OWEB priority ecological systems, including coniferous forested wetlands, depressional wetland broadleaf forests, oak woodland, and riparian forests and shrublands. Priority plant communities include grand fir-big leaf maple/vine maple-hazelnut, white oak/snowberry/sword fern, white oak-black oak/poison oak, and Oregon ash/spreading rush. Habitats on the property support priority species including the Wayside aster, Northern Red-legged frog, Townsend's big-eared bat, and Western Gray Squirrel. The application claims that the proposed acquisition will support four of OWEB's conservation principles, including protecting a large, intact area, stabilizing an area "on the brink" of ecological collapse, securing a transition area, protecting it from development, and completing or complementing an existing network of sites in the basin or region.

The RRT felt that the habitat on the property is fairly intact and that development of the property would have the most impact on soil erosion and sedimentation of Amazon Creek. There was general agreement that protecting headwaters is important, but the RRT questioned the significance of protecting this property given the level of impacts on Amazon Creek. The property does appear to provide wildlife habitat connectivity to other parcels within the Ridgeline Open Space area and the location of the property adds

value, but the RRT felt that this value was greater for parks and human use instead of ecological or habitat benefits.

The RRT concluded that the property does contain priority habitats, is locally significant and important for the Eugene community, and has ecological significance for that community. However, they also concluded that the ecological and habitat values are not regionally significant, especially compared with other pending acquisition applications in the Willamette Basin. As a result the RRT concluded that the property has low ecological significance.

2. Capacity to Sustain the Ecological Benefits

The City of Eugene would hold title to the property and it would be managed within the Parks and Open Space Division of the Public Works Department, which currently manages over 1,200 acres of Ridgeline Open Space and (in partnership) 3,000 acres of West Eugene Wetlands. OWEB invested \$1.4 million in acquisition projects in the West Eugene Wetlands in 2001 and 2002.

3. Educational Benefits

The application describes how a passive recreation trail is proposed for the site, and that there are opportunities for both informal and programmed educational activities. In evaluating educational value, the RRT concluded that the property has potential value, but that in Eugene there are other properties better suited to educational use than this site. The RRT didn't feel that the application laid out any specific educational plans, although the RRT was impressed with the involvement and support from the two educational community organizations (Willamette Resources and Education Network and Nearby Nature).

4. Partners, Project Support and Community Effects

The property is currently zoned for residential development. The current owner proposed a development with 113 home sites that was rejected by the planning commission on a technicality. Future development proposals will be subject to a Goal 5 natural resource zone overlay, which requires riparian buffers on Amazon Creek and one tributary. The current property tax is \$9,000 per year out of a \$360 million county tax base.

Partners in the acquisition project include The Nature Conservancy, McKenzie River Trust, Lane County Parks, Willamalane Parks and Recreation District, Bureau of Land Management, and the Long Tom Watershed Council. Funds from OWEB would be matched by Oregon Parks and Recreation Department and the City of Eugene.

5. Legal and Financial Terms

OWEB funds are requested for 50 percent of the \$3.8 million purchase price of the property. The applicants have secured additional funding from the landowner (bargain sale) and the City, and are seeking additional match from Oregon Parks and Recreation Department's Local Government Grant Program.

6. Conclusion

In May of 2008, the Board Subcommittee did not recommend proceeding with a due diligence review because they were concerned that the ecological systems, plant

communities, and species on the property were not significant and the integrity of the systems that exist on the property were at risk because of the adjacent development. The Subcommittee was also not convinced that acquisition of this property is the best match for OWEB's program. The Willamette RRT concluded that the property has low ecological value and medium education value. The RRT evaluation did not change the Subcommittee's evaluation of the application. Therefore staff do not recommend funding for the Amazon Headwaters application.

B. Cardwell Hills Conservation Easements (209-104)

Benton County requests \$385,230 to acquire conservation easements over portions of five properties totaling 65.5 acres in the Cardwell Hills area outside of Philomath in Benton County. These sites contain riparian forest and western Oregon upland prairie priority ecological systems and support one of the largest known populations of the endangered Fender's blue butterfly and threatened Kincaid's lupine (approximately 60 percent of the habitat) in Benton County. The area proposed for conservation easements also includes Roemer's fescue valley prairie and California oatgrass valley grassland priority plant communities for the Willamette Basin.

The RRT felt that the proposed acquisition had high ecological value largely because it provides a significant benefit to Kincaid's Lupine and Fender's Blue Butterfly. The easement will also protect the riparian area along the Marys River, which is significant habitat for western pond turtles because it lies between the river and recently restored and/or created ponds.

In May of 2008, the Board Subcommittee did not recommend proceeding with the due diligence review because the Subcommittee was concerned about legal and policy issues related to the use of mitigation fee funds to manage these properties, and was concerned about long-term management of the properties. Staff will work over the next few months on the policy questions surrounding OWEB participation in "mitigation" projects and would like to have that resolved before proceeding with the Cardwell Hills application. Staff and the Board Subcommittee recommend the Board defer consideration of the application pending resolution of this policy issue and receipt and review of the due diligence materials.

C. Newton Creek Wetlands (207-301)

The Mary's Peak Natural Resources Interpretive Center (MPNRIC) originally requested \$1,500,000 (total project cost of \$2,531,000) in October of 2006 to purchase fee title on 124 acres of wetland and upland along Newton Creek, in Philomath. The proposal was adjusted to eliminate some of the partially developed lots on the parcel with a revised request of \$750,000.

1. Ecological Benefits

The application lists autumnal freshwater mudflats, depressional wetland broadleaf forest, depressional wetland shrublands, freshwater emergent marsh, oak woodland, riparian forests and shrublands, vernal pools, and western Oregon wet prairie as priority ecological systems that will be protected or restored on the site. Approximately 60 acres of these priority ecological systems currently exist on the site with a potential to restore

more acres. The RRT confirmed the existence and importance of preserving these priority ecological systems.

Tufted hairgrass-California oatgrass exists on the site: The site has small remnants of rare or at-risk plant communities and has a high potential for enhancement. There is potential to restore common *Downingia* vernal pools, coyote thistle-low gumweed vernal pools, creeping spikerush-one sided sedge marsh, dense sedge-tufted hairgrass prairie, pacific willow/stinging nettle, and white oak/poison oak/blue wild rye plant communities.

The following priority species are known to exist on the site or on adjacent properties: Cutthroat trout, Oregon chub, Pacific lamprey, Acorn woodpecker, American Bittern, Hooded merganser, Oregon vesper sparrow, red-legged frog, Western pond turtle, and Western gray squirrel. The RRT confirmed these species and emphasized the importance of this site for Western pond turtle and Cutthroat trout.

The RRT thought the project met the majority of the conservation principles, particularly, “protect a large intact area” and “stabilize an area ‘on the brink’ of ecological collapse.”

The parcel was used as a veneer mill that closed 20 years ago and was heavily disturbed through the creation of log ponds and associated berms. This has resulted in the creation of diverse hydrological regimes and a high degree of habitat complexity that would not otherwise exist. The site is bordered on the northwest by Lupine Meadows, another OWEB-funded acquisition, and on the northeast by the Boy Scout Lodge. The Board Subcommittee was concerned about the potential of the property to be affected by future development of adjacent lands that are zoned Industrial Park land.

2. Capacity to Sustain the Ecological Benefits

MPNRIC is an educational non-profit organization and would hold title to the property. MPNRIC was formed in 2004 and operates with an 8-member board. A technical management team will advise MPNRIC on the development and implementation of the management plan. MRNRIC plans to fund a director through development and capacity building grants and program revenue. MPNRIC intends to establish a stewardship endowment of \$500,000 through private grants and donations.

3. Educational Benefits

The MPNRIC has conducted educational programs on the site, including “Science, Music and Marshmallows,” teacher workshops, high school student research projects and public tours. In 2006, the RRT confirmed the extensive educational activities currently being conducted on the site and anticipate a continued educational benefit from the acquisition.

4. Partners, Project Support and Community Effects

The following organizations agreed to participate in the technical management team: Mary’s River Watershed Council (MRWC), U.S. Fish and Wildlife Service, Institute for Applied Technology, Pacific Wildlife Research, Oregon Department of Fish and Wildlife, Benton Soil and Water Conservation District, Oregon State University, Greenbelt Land Trust, and the Philomath School District. Benton County will provide GIS support and one of the Benton County Commissioners is on the MRNRIC board.

The City of Philomath will assist with permitting. The MRWC will participate in future educational programs.

The MRNRIC is planning to finance the balance of the project through grants and community donations. At the time of application there were no other established funding partners.

The property is located in an Industrial Park zone. In 2002, the property was annexed into the City of Philomath and utilities were extended to the site in preparation of a small industrial park. Because of the cost of mitigating for the wetlands on the site, the landowner abandoned the project and entered into an option agreement with the MPNRIC. The Board Subcommittee wondered what effect this project may have on the City's industrial land base. In a letter to the applicant dated December 12, 2006, the City of Philomath confirmed its support for the preservation of the wetlands portion of the parcel but stated its need for the remainder of the parcel to be retained for industrial development. In response, the applicant submitted a revised proposal to limit the acquisition project to the wetland areas and small portion of upland for the interpretive center. The remainder of the partially developed lots would be used to construct a resource related "green campus" of light industry.

Taxes for 2005-2006 totaled \$10,055. The MRNRIC will apply for tax exempt status. The City is aware that it may need to accept the deferral of property taxes on portions of the subject property. Given the potential economic benefits of this site as a regional attraction, the city continues to support the project and has included the interpretive center in Philomath's Strategic Plan. A letter of support was received from the Benton County Board of Commissioners.

5. Legal and Financial Terms

OWEB funds were originally requested for 75 percent of the purchase price of the property. The revised request is for \$750,000 and it is not clear what percent of the purchase price this represents because the appraisal has not been conducted.

6. Conclusion

The Willamette Basin RRT concluded that the project has high ecological and educational benefit and meets five of OWEB's conservation principles. The Board Subcommittee raised questions related to the capacity of MPNRIC to own and manage the site, the lack of other funding partners and the potential for incompatible uses adjacent to the site.

This application was officially deferred by the Board at the March, May, and September 2007, and March 2008 meetings. The Board Acquisition Subcommittee has recommended to staff that the applicant make more progress toward developing the capacity to own and manage the site and develop other funding partners for the project before requesting due diligence materials. The applicant applied for other funding, but has not secured other funding partners. Staff and the Subcommittee do not believe the applicant has the capacity to purchase and manage the property at this time and therefore recommends that the application not be funded.

V. Staff Recommendations for Project Funding

A. Capital Applications

- *Acquisition.* Staff recommend deferral for 209-104, Cardwell Hills. Staff do not recommend proceeding with further consideration of 209-103, East Fork Amazon Headwaters, or 207-301, Newton Creek Wetlands.
- *Restoration.* Staff recommend funding 10 of the 11 applications recommended by the RRT through the regular grant program, with a reduction for application 209-3000 as described in Section III of this report. For the application not recommended for funding, 209-3023 South Meadow Floodplain Enhancement Phase III, staff recommend that it be funded through the Willamette SIP.

As shown Attachment A, staff recommend funding application 209-3019 (Spring Creek/Mattoon Road Fish Habitat Restoration Project) with salmon license plate funds. This application proposes a modular bridge to replace two culverts – one a complete barrier to fish passage – in the Clear Creek subbasin of the Clackamas watershed. Clear Creek subbasin is identified within the Clackamas Basin Action Plan as the highest priority of Clackamas tributaries for recovery of Endangered Species Act-listed Coho and steelhead.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding eight of the 11 applications recommended by the RRT, with a moderate budget change to one application (208-3030) in order to fund further down the list. As shown on Attachment A, staff recommend funding the ninth ranked application, 208-3030, instead of the eight ranked application, 209-3028. Both applications are from the Coast Fork Willamette Watershed Council, and both are for Mosby Creek, one of the largest free-flowing tributaries of the Coast Fork Willamette River. Application 208-3030, recommended by staff for reduced funding, will recruit landowners for future restoration projects. 208-3028 proposes to develop designs for instream habitat structures. Both OWEB staff and the applicant believe that without enough funding for both applications, the landowner recruitment is more important at this time, both to continue momentum and to identify specific landowners willing to work on restoration projects on their land.
- *Assessment.* Staff concur with the RRT recommendation to fund one Assessment application for the Abernethy and Beaver/Parrot Creeks Watershed.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 3 - Willamette Basin
Assessment Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-3004	Abernethy and Beaver/Parrot Creeks Watershed Assessment	49,940	1
Total Assessment Projects Recommended for Funding to Staff by RRT		\$49,940	
Total Assessment Projects Recommended for Funding by Staff to Board		\$49,940	

Region 3 - Willamette Basin
Technical Assistance Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-3013	Middle Calapooia River Reach 3 Conservation and Restoration Project Design	50,000	1
209-3003	Huckleberry Mountain Side Channel Restoration Project Design	20,932	2
209-3012	Baker Creek Fish Habitat Enhancement Project	34,485	3
209-3024	Salmon River Landowner Recruitment	32,983	4
209-3001	North Santiam Tributary Restoration	50,000	5
209-3005	Upper Luckiamute WS Landowner Recruitment and Stream Restoration Design	48,990	6
209-3020	TumTum River TA - Fish Habitat Enhancement	18,991	7
209-3028	Mosby Creek Salmonid Habitat Enhancement	50,000	8
209-3030	Mosby Creek Collaborative Restoration Planning*	22,000	9
209-3027	Jordan Creek Fish Passage and Off-Channel Irrigation Design	19,812	10
209-3029	Coast Fork Fish Passage Prioritization	12,127	11
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$368,703	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$278,381	

*Listed Amount Reflects Recommended Reduction

Region 3 - Willamette Basin
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
April 21, 2008 Grant Cycle

Project #	Project Name	Total Amount
209-104	Cardwell Hill Land Acquisition	385,230
Total		\$385,230

Region 3 - Willamette Basin
Restoration Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-3021	Sandy River Wild and Scenic	92,455	3,682	96,137	1
209-3010	Green Island Restoration	232,717	0	232,717	2
209-3019	Spring Creek/Mattoon Road Fish Habitat Restoration Project◊	112,151	3,262	115,413	3
209-3015	McKenzie Watershed Riparian Enhancement	77,140	0	77,140	4
209-3007	Delta Ponds Habitat Restoration Project	204,368	0	204,368	5
209-3026	Wild Iris Ridge Upland Prairie & Oak Savanna Restoration Phase 3	88,217	2,270	90,487	6
209-3014	Munger Riparian & Wetland Restoration	77,229	5,800	83,029	7
209-3011	Gooseneck Creek Confluence Restoration Project	93,951	450	94,401	8
209-3016	Lower Middle Fork Willamette False-brome Treatment & Habitat Restoration Project	224,091	0	224,091	9
209-3023	South Meadow Floodplain Enhancement Phase III■	266,972	6,500	273,472	10
209-3000	Lower Beaver Creek Area 3*	19,555	5,250	24,805	11
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,488,846	\$27,214	\$1,516,060	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,221,874	\$20,714	\$1,242,588	

* Listed Amount Reflects Recommended Reduction ◊Fund using Salmon Plate funds ■Staff Recommends Willamette SIP funding

Region 3 - Willamette Basin
Restoration Projects Withdrawn by Applicant
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-3006	Johnson Creek Riparian Rehabilitation Program - Phase II	11,154

Region 3 - Willamette Basin
Restoration Projects found Ineligible during review
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-3022	Millrace Stream Bank Restoration	20,000

Region 3 - Willamette Basin
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-3002	Salemtowne Fish Passage and Water Quality Improvement Project	36,526
209-3008	Pringle Creek Salmon Restoration Project	50,000
209-3009	Conservation Reserve Enhancement Program (CREP)	49,725
209-3017	Deep Creek Fish Passage Engineering	37,503
209-3025	School District Recruitment, Restoration Design, and Stormwater Management	49,650

Region 3 - Willamette Basin
Restoration Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-3018	Deep Creek Riparian Planting	31,334

Region 3 - Willamette Basin
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And NOT Recommended for Funding by OWEB Staff

Project #	Project Name	Total Amount
207-301	Newton Creek Wetlands Acquisition (October 16, 2006 Grant Cycle)	750,000
209-103	East Fork Amazon Headwaters Project (April 21, 2008 Grant Cycle)	1,900,000



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August 22, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Rick Craiger, Central Oregon Regional Program Representative
Ken Bierly, Deputy Director

**SUBJECT: Agenda Item H: OWEB Grant Award Recommendations
Region 4, Central Oregon
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the Central Oregon Regional Review Team recommendations, special issues, acquisitions, and staff recommendations for funding.

II. Background and Summary

Applicants submitted 18 applications for a total request of \$4,158,460. The Central Oregon Regional Review Team (RRT) recommended 12 applications for approximately \$3.6 million and favorably reviewed the one water Acquisition application. Because the demand for funding exceeds available funds, staff recommend eight applications for a total award of \$2,963,618: \$2,817,086 for Restoration; \$70,000 for Acquisition; and \$76,532 for Technical Assistance. No applications for Assessment were submitted for Region 4.

III. Regional Review Team Recommendations

The RRT met in Redmond on June 27, 2008, to review the applications received in this grant cycle. All Restoration and Technical Assistance applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Region 4 RRT recommended for funding two Technical Assistance applications (one with conditions). The RRT recommended for funding 10 Restoration applications, one with conditions and two with minor to moderate budget reductions.

IV. Acquisitions

One water lease application was submitted in Region 4.

A. Deschutes River Limited Term Water Leasing (209-102)

The Deschutes River Conservancy (DRC) has developed a program of short term leases with individual water right holders within the irrigation districts in the Deschutes Basin. The

leasing program provides one to five year in-stream leases from individuals within each district. While the portfolio of leases changes from year to year, the amount of flow added to the middle Deschutes River (below Bend) is significant. The leasing program has added up to 75 cubic feet per second (cfs) additional flow to the reach of stream most affected by irrigation withdrawals. The application proposes to provide from 58 to 65 cfs of flow for the \$70,000 requested.

The leasing program is part of a larger effort to increase flows, which include permanent instream transfers. The temporary leasing program was funded with federal funds previously. The DRC is working to obtain new authorization of federal legislation for the program, however has not yet obtained a funding allocation.

1. Ecological Benefits

The Deschutes River and its tributaries are highly manipulated for the purpose of managing water for use by irrigators. Streamflow depletion results in elevated stream temperatures which can be lethal for fish. This is especially common in the Deschutes River below Bend and in the lower 2.5 miles of Tumalo Creek. Due to the relatively small volume of water left instream below the major irrigation diversions in Bend, solar heating warms water temperatures quickly on hot summer days. Persistent low flows also have a significant impact on riparian health and instream channel complexity in these reaches. Instream flow restoration will benefit a number of important species including redband trout, Bull trout, rainbow trout, and non game species such as the large scale sucker and chiselmouth. Increased streamflows will also improve riparian and wetland conditions benefiting both the American Beaver and Columbia spotted frog.

This application is a resubmit of application 208-104, from the October 2007 grant cycle. For that review, the RRT noted the Middle Deschutes River is identified as being water quality limited for stream temperature and temporary instream leases can address this factor, as well as temporarily improve channel complexity and riparian function. They also noted the project will benefit multiple native fish species as well as beavers and the Columbia spotted frog. In this cycle, the RRT again recognized the clear benefits of significant increase in flow from the limited term leases.

The Oregon Water Resources Department (WRD) provided a review of an assessment of the reliability of the transfer to provide instream benefits. According to WRD, the water leases proposed for this project are generally available throughout the irrigation season. For the last ten years of the leasing program, WRD had to proportionally regulate the North Unit Irrigation District 1913 water rights during dry periods, which is about five percent of the total leasing program. All other mainstem Deschutes River leased water has been satisfied in full. The leases that have a priority date of 1905 and older will be met 100 percent of the time during the irrigation season on an average year. The Deschutes River and the canals which divert the water from the river and tributaries are monitored by continuous flow monitoring recording devices. The proposed leases will benefit areas identified as high priorities in the Oregon Plan Streamflow Restoration Priorities.

The RRT and Board Subcommittee were, however, concerned about the relatively short duration of the ecological benefits. The RRT and Board Subcommittee felt that the

project would provide sound ecological benefit, but would be a medium priority for funding.

2. Capacity to Sustain the Ecological Benefits

The DRC has the capacity and track record to oversee the temporary leases. The DRC has worked with the Oregon Water Resources Department to ensure the leases are honored and managed.

3. Educational Benefits

The DRC has an active outreach program to promote the benefits of protecting water in stream.

4. Partners, Project Support and Community Effects

The project is supported by the Oregon Water Resources Department and the cooperating irrigation districts.

5. Legal and Financial Terms

OWEB funds are requested for 44 percent of the \$158,000 price to lease the water. DRC has secured additional funding from the Deschutes Water Alliance, and are seeking additional match from the National Fish and Wildlife Foundation. The legal review of the water rights shows no conflict or concerns about the legitimacy of the rights. The water rights were not appraised, however DRC provided a copy of an external evaluation of water rights transactions that shows the values of water rights in the west. The values proposed for lease are well within the values identified in the external evaluation of the Columbia Basin Water Transactions Program.

6. Conclusion

There was considerable discussion by the Subcommittee concerning the relative value of OWEB investments in short term instream water leases. Permanent instream transfers offer a stronger ecological value, but occur infrequently and can be high cost for modest flow levels. The Subcommittee discussed the value of utilizing short term water leases as a bridge to longer term or permanent instream transfers. It is not yet clear whether instream lease programs, like that of DRC, will lead to increasing opportunities to fund permanent instream transfers. The Subcommittee believed that the ecological benefits offered through this proposal clear relative to the amount of funding requested. The Subcommittee observed that OWEB support for the application this year would allow time for the Board and staff to further consider the appropriate long-term role for OWEB with respect to funding instream flow protection. Staff concur with this recommendation and will discuss the broader policy issues associated with instream leases and transfers with the Board at future meetings.

V. Staff Recommendation

A. Capital Applications

- *Restoration.* The RRT recommended funding for 10 Restoration applications for a total of \$3,537,464. Because the demand for funding exceeds available funds, staff recommend that the Board fund only five of the 10 Restoration applications, for a

total of \$2,817,086. Three applications make up the bulk of this recommended amount:

- 209-4012, Coe Branch Dam Removal and Irrigation Diversion Improvement (\$528,040). The RRT recommended this as the top priority. The removal of this barrier will provide access for Endangered Species Act-listed bull trout and winter steelhead to three miles of upstream habitat. The 2002 U.S. Fish and Wildlife Service draft Bull Trout Recovery Plan describes restoring passage at Coe Branch as a number one priority.
 - 209-4014, South Fork Beaver Creek Uplands Enhancement (\$542,720). This application takes a comprehensive approach to watershed improvement by proposing treatment of 40 aspen stands by removing encroaching juniper; spring development to troughs outside the aspen stands; and treatment of 60 small headcuts on tributaries to Beaver Creek. The result of restoration activities will include reducing grazing on wet meadows and riparian areas; improving aspen recruitment, expansion and survival for rare aspen stands; and ensuring maintenance of wet meadow complexes, followed by riparian plantings. This is a remote area. Transportation and freight costs will be high due to the distance from Prineville to the project area, and many sites are not accessible by road. This area forms the top of the North Fork Crooked River watershed.
 - 209-4010, Phase 3 to complete the Middle Deschutes Streamflow Restoration (\$1,438,649) project. The previous two phases, also supported by OWEB grants, piped 3.9 miles of the main irrigation canal of the Swalley Irrigation District just north of Bend, enabling the District to transfer 23 cfs of senior water rights instream to the Middle Deschutes River. This third phase will pipe 1.2 miles and allow another 6.7 cfs of permanent instream water to be transferred to the Middle Deschutes. The total of all three phases will be 30 cfs transferred to the river. The RRT struggled with the high cost of this project, but recommended it for funding based on its significant ecological benefit.
- *Acquisition.* Staff recommend that the Board fund one water lease acquisition application for \$70,000, on the condition that staff continue discussions with DRC to identify long term benefits from the effort

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding for the two Technical Assistance applications recommended by the RRT.
- No Assessment applications were submitted in Region 4.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the

amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 4 - Central Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-4013	Weed Management Planning Tool for Landowners	26,625	1
209-4011	North Fork Sprague Technical Assistance 2008^	49,907	2
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$76,532	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$76,532	

^ Fund with Conditions

Region 4 - Central Oregon
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Funding by OWEB Staff
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray		
Project #	Project Name	Total Amount
209-102	2009 Deschutes River Instream Leasing^	70,000
Total		\$70,000

^ Fund with Conditions

Region 4 - Central Oregon
Restoration Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-4012	MFID - Coe Branch Dam Removal and Irrigation Diversion Improvement	528,040	0	528,040	1
209-4005	2008 Sevenmile Creek Passage, Screening, and Instream Flow Protection	16,781	0	16,781	2
209-4002	Thomas Creek Restoration*	290,896	0	290,896	3
209-4014	South Fork Beaver Creek Uplands Enhancement Project	542,720	0	542,720	4
209-4010	Middle Deschutes Streamflow Restoration Project Phase 3*	1,438,649	0	1,438,649	5
209-4007	Glaze Riparian Restoration Project	51,545	3,500	55,045	6
209-4001	Clover-Snyder Creek Juniper Cutting^	86,436	0	86,436	7
209-4003	Wapinitia Native Range Restoration	47,957	0	47,957	8
209-4008	Evans Creek - Hutson Drive Culvert Replacement	450,000	0	450,000	9
209-4004	Flymon Stewardship Project	78,440	2,500	80,940	10
Total Restoration Projects Recommended for Funding to Staff by RRT		\$3,531,464	\$6,000	\$3,537,464	
Total Restoration Projects Recommended for Funding by Staff to Board		\$2,817,086	\$0	\$2,817,086	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 4 - Central Oregon
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-4006	Establishment of a Water Transaction Program for the Upper Klamath Basin	42,300

Region 4 - Central Oregon
Restoration Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-4000	Jespersen Groundwater Conservation and Wetland Project	107,437
209-4009	Sprague River Landowners Riparian Restoration	139,626
209-4015	Tule Smoke Wetland Restoration	74,770
209-4016	Precision Farming Applications for Improved Nutrient Management	92,802



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August 22, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Karen Leiendecker, Eastern Oregon Regional Program Representative

**SUBJECT: Agenda Item H: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the Eastern Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 52 applications for a total request of \$5,123,168. The Regional Review Team (RRT) recommended 34 applications for approximately \$2.6 million. Staff recommend funding 33 applications for a total award of \$2,486,329: \$2,086,677 for Restoration; \$188,319 for Technical Assistance; and \$211,333 for Assessment. No Acquisition applications were submitted in Region 5.

III. Regional Review Team Recommendations

The Eastern Oregon Regional Review Team (RRT) met in Hines on June 24-25, 2008, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Region 5 RRT recommended for funding seven Technical Assistance applications and three Assessment applications, five of which included reductions in recommended funding. The RRT also recommended conditions for one of the Technical Assistance applications. Staff agree with the RRT recommendations; in addition, staff reduced the budget and added a condition for one of the Assessment applications. Significant reductions and conditions are summarized below.

Technical Assistance

- The RRT did not support the size of the engineering budget for 209-5013 (BNW Proposed Wetland, constructed wetlands for water quality improvement) and recommended reducing the budget by \$11,436.

- For application 209-5019 (Chadwick Farms, project design to restore native grasslands and 1.5 miles of Pyles Creek south of Union), the RRT recommended that OWEB not fund partner recruitment and adjacent landowner discussions, reducing the budget from \$31,823 to \$19,954, a reduction of \$11,869.
- For application 209-5039 (Camp Creek Diversion Restoration Design Project, design for fish passage, irrigation and sedimentation on Camp Creek, an important steelhead spawning stream), the RRT was critical of the high cost for design given only two landowners and small acreage, and recommended reducing the budget from \$44,709 to \$27,500, a reduction of \$17,209.

Assessment

- Application 209-5047 requested \$122,885 to assess 172,346 acres in the Bridge Creek Watershed near Mitchell. The RRT recommended reducing personnel and survey costs by \$30,000 for a recommended award of \$92,885. Staff concur with this recommendation.
- Although the RRT recommended funding the full amount of the request for 209-5006 (\$68,550), Upper Owyhee Assessment Phase II, staff recommend that the Board fund this application at a reduced level of \$44,000, with conditions. Since the Upper Owyhee Watershed has significant acreage located in Idaho and Nevada, staff needs assurance that OWEB funds will be spent only on the Oregon portion. The revised amount will fund \$40,000 for the contractor and \$4,000 for fiscal administration, and OWEB funds are only to be used to pay for assessment of the 220,000+ acres in Oregon.

Restoration

The RRT recommended for funding 24 Restoration applications, eight of which included reductions in recommended funding and five of which include recommended special conditions. Staff agree with all of the RRT recommendations. Significant reductions are summarized below.

- For 209-5007 (Thomas Irrigation Enhancement Project, irrigation improvements to improve water quality by reducing erosion from flood irrigation that drains into Succor Creek), the RRT recommended reducing OWEB's contribution to pipe installation costs, decreasing the budget from \$115,366 to \$105,124, a reduction of \$10,242.
- Project 209-5034 (Moore Feedlot Relocation Project) proposes to move a feedlot which currently results in runoff to the Burnt River. The RRT recommended that OWEB funding be used only for the portions of the application that pertain to water quality improvement and ecological benefits, and removed the concrete pads from OWEB funding. This reduced the budget from \$133,417 to \$107,616, a reduction of \$25,801.
- The RRT supported the upland project in 209-5038 (Lookout Mountain Sage Grouse/Mountain Mahogany Improvement Project), particularly because of the focus on mountain mahogany. The RRT felt that more information was needed on the juniper portion of the application and recommended eliminating juniper treatment, reducing the budget from \$246,789 to \$96,708, a reduction of \$150,081.

- Project 209-5050 (Rudio Creek Water System) proposes piping an open ditch to improve water quality in Rudio Creek, the largest tributary of the North Fork John Day and an important spawning and rearing habitat for spring Chinook salmon. The RRT recognized that OWEB cannot fund the requested replacement of an existing mainline water system and eliminated it, reducing the budget from \$117,554 to \$90,596, a reduction of \$26,958.

IV. Staff Recommendations

A. Capital Applications

- *Restoration.* Staff recommend funding all 24 of the RRT- recommended Restoration applications, with the budget reductions and conditions summarized in Section III of this report.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding six of the seven RRT-recommended Technical Assistance applications, with the budget reductions and conditions summarized in Section III of this report.
- *Assessment.* Staff recommend funding all three of the RRT-recommended Assessment applications, with the budget reductions and conditions summarized in Section III of this report.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

Attachment B shows those applications not recommended for funding at this time by the RRT and OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 5 - Eastern Oregon
Assessment Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-5006	Upper Owyhee Assessment Phase II*/^	44,000	1
209-5029	Brownlee Reservoir Subbasin Assessment	74,448	2
209-5047	Bridge Creek Watershed Assessment*	92,885	3
Total Assessment Projects Recommended for Funding to Staff by RRT		\$235,883	
Total Assessment Projects Recommended for Funding by Staff to Board		\$211,333	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 5 - Eastern Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-5028	Implementation Plan for Pine Creek near Halfway OR	48,420	1
209-5013	BNW Proposed Wetland*	33,660	2
209-5000	Fruitvale Irrigation System Restoration and Upgrade	9,285	3
209-5015	Owyhee Irrigation Partner Assistance^	49,500	4
209-5019	Chadwick Farms*	19,954	5
209-5039	Camp Creek Diversion Restoration Design Project*	27,500	6
209-5017	Clean Water Neighborhood Project Management^	50,000	7
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$238,319	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$188,319	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 5 - Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-5027	Burnt River/Woodtick Watershed Restoration WUI	234,827	0	234,827	1
209-5046	Mountain Creek Fish Passage	32,250	0	32,250	2
209-5001	John Day Basin Fish Habitat Enhancement Program	96,457	0	96,457	3
209-5026	Banks Ditch Push-up Dam Removal	112,600	0	112,600	4
209-5023	Summerfield Pasture Enhancement*/^	34,266	0	34,266	5
209-5003	Five Creeks - Riddle Ranch Restoration Project	271,414	0	271,414	6
209-5007	Thomas Irrigation Enhancement Project*	105,124	0	105,124	7
209-5043	Painted Hills Culvert Replacement◇	80,000	0	80,000	8
209-5049	Lower Rudio Creek Restoration*	171,147	0	171,147	9
209-5034	Moore Feedlot Relocation Project*/^	107,616	0	107,616	10
209-5030	Kelsay Creek	22,594	0	22,594	11
209-5032	Rhinehart Pasture Management Project	19,550	0	19,550	12
209-5033	Planting the Powder^	66,750	0	66,750	13
209-5042	Neal Push-Up Dam Removal	66,086	216	66,302	14
209-5038	Lookout Mountain Sage Grouse/Mountain Mahogany Improvement Project*	96,708	0	96,708	15
209-5045	Thompson Creek Uplands Improvement*	30,117	0	30,117	16
209-5050	Rudio Creek Water System*/^	90,596	0	90,596	17
209-5010	Stinkingwater Habitat Enhancement & Grazing Management	29,050	0	29,050	18
209-5041	John Day Basin Juniper Control 08	79,552	0	79,552	19
209-5035	West Fork Meadowbrook Riparian Improvement	60,297	0	60,297	20
209-5004	Silvies Riparian Enhancement and Energy Conservation*/^	44,135	0	44,135	21
209-5002	John Day Uplands Rehabilitation Incentive Program	114,172	750	114,922	22
209-5048	Freeman Spring Developments	17,628	0	17,628	23
209-5008	2008 Upper Joseph Creek Restoration	102,775	0	102,775	24
Total Restoration Projects Recommended for Funding to Staff by RRT		\$2,085,711	\$966	\$2,086,677	
Total Restoration Projects Recommended for Funding by Staff to Board		\$2,085,711	\$966	\$2,086,677	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions ◇Fund with Salmon Plate funds

Region 5 - Eastern Oregon
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-5021	North Pine Creek Crossing	50,000
209-5025	Determining Status of Native Fish as a Restoration Tool	41,639
209-5037	Upper Wallowa River Stream Bank Stabilization	50,000

Region 5 - Eastern Oregon
Technical Assistance Projects Withdrawn by Applicant
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-5020	Cougar Springs Wetlands	30,290

Region 5 - Eastern Oregon
Restoration Projects NOT Recommended for Funding by the RRT
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-5005	Black Mountain Lane Restoration	100,203
209-5009	Little Muddy Creek Range & Habitat Restoration	143,540
209-5011	Malheur River Run-off Elimination	34,177
209-5012	Rose Creek Irish Spring Fire Fencing Project	56,002
209-5014	Butler Ranches Juniper Removal Project	128,110
209-5016	Berrett Water Quality Protection	147,710
209-5022	Wolf Creek Riparian Improvement Project	64,252
209-5024	Clear Creek Push-Up Dam Replacement	271,900
209-5031	Desolation and Granite Creek Watersheds	395,707
209-5036	Oxbow Conservation Area Instream Habitat Project	181,949
209-5040	Opal Butte	414,500
209-5044	Gable Creek Irrigation Efficiency/Fish Passage	83,431
209-5051	Knox Fence & Water System	51,037

Region 5 - Eastern Oregon
Restoration Projects Withdrawn by Applicant
April 21, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-5018	Butter Creek-Vinson Riparian Fencing Project	14,707



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August 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item I: Administrative Rulemaking – Grant Administration and Salmon Emergency Grant Rules
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of two sets of proposed administrative rules. One set of rules was developed to update OWEB's grant administration rules relating to landowner agreements, grant amendments, rule waivers, consistent language usage, and the Board's authority to make watershed enhancement investments. The second set of rules would make permanent the temporary rule amendments adopted by the Board in May of 2008 relating to the 2008 Salmon Season State of Emergency Grants.

II. Grant Administration Rules

A. Background

OWEB staff completed an extensive review and update of its administrative rules in 2004. Since the 2004 rule restructuring, staff have been tracking issues associated with the rules that have created frustration with grantees or generated requirements for staff that do not effectively or efficiently assist in the grant administration effort. At the January 2008 Board meeting in Astoria, staff described the main areas where it wanted to begin a policy discussion and revisit rule language, including addressing landowner agreements, grant amendments, and partnership investments. In addition to these specific issues, staff had also identified a number of other minor technical adjustments that would make the rules more consistent (e.g., consistent distinction between Director and designee and clarification between effectiveness monitoring and post project implementation reporting).

B. Rulemaking Process

Proposed rules were developed through internal discussions among OWEB's program managers and with an internal work group of staff from each of OWEB's program areas. On June 24, 2008, staff convened a Rules Advisory Committee (RAC) to review a staff set of proposed rules. The RAC included the following representatives of OWEB's grantees, regional review teams, and partners.

Liz Volmer-Buhl, Siuslaw Watershed Council

Bob Kinyon, Partnership for Umpqua Rivers

Gerry St. Pierre, Willamette Riverkeeper
Ryan Houston, Upper Deschutes Watershed Council
Ellen Hammond, Oregon Department of Agriculture (Region 4 Regional Review Team)
Bev Kopperud, Umatilla Soil and Water Conservation District

With input from the RAC, staff developed a set of rules that were made available for public comment on July 7, 2008. The public comment period began on July 7 and ended on August 1, 2008. OWEB held one public hearing on July 15, 2008, at the State Lands Building in Salem. No written public comments were submitted by the August 1 deadline, and no one attended the public hearing to give oral testimony.

C. Proposed Rules

The public comment version of the rules is included as Attachment A. The sections below provide additional information about the proposed rules.

1. Landowner Agreements [695-005-0030(4) and 695-005-0060(4)]

The purpose of OWEB's rules related to landowner agreements is to ensure that OWEB grant recipients have permission to access the project site and to implement the project as proposed. These rules and the policy foundation under the rules have a long history at OWEB and its predecessor, including a statutory requirement for access and maintenance (ORS 541.396).

Under the current rule language, landowner signatures are requested in the grant application and required prior to release of a grant agreement, and a cooperative agreement must be signed by the landowner before any funding is released. This requirement has not been practical for many complex, multi-landowner grants. The application requirement has been waived by OWEB at least 35 times since 2006 and the cooperative agreement requirement has been waived at least 30 times to facilitate implementation of complex, multi-landowner projects.

Staff would like to address this situation to allow for greater flexibility to allow payments for activities within a grant agreement that still meet the landowner access, approval, and maintenance agreement objectives. The proposed rules eliminate the requirements for landowner signatures in the application and OWEB copies of the cooperative agreement, and instead require the applicant and grantee to certify that they have the required commitments.

2. Grant Amendments [695-005-0050(1)]

OAR 695-005-0050(1) does not allow staff to enter into new agreements or to process any grant amendments unless the grantee has all other reporting and administrative functions completed. The purpose of the rule was to improve grant management and reporting by grantees. Small Grants were exempted in 2004, primarily because most grantees were landowners (that changed in 2005 when OWEB's rule defined eligible applicants to be tribes, watershed councils, and soil and water conservation districts) and OWEB had separate databases to track small grants and regular grants.

There have been occurrences when the ability to amend a budget or change the fiscal agent in an agreement has created additional administrative burdens for both OWEB and

its grantees. Staff recommend eliminating the Small Grants exemption because Small Grants and regular grants are both tracked in the same database and are awarded to similar grantees. Staff also recommend allowing certain amendments, such as budget or fiscal agent change amendments, to proceed regardless of reporting obligation status. Staff feel that exempting these amendments will relieve an unnecessary administrative burden without undermining our timely reporting needs. Staff do not propose changing the requirement that all reporting obligations be met prior to the release of new grant agreements.

3. Waiver of Rules [Divisions 10, 35, and 40]

The purpose of the rule waiver in division 5 is to allow the OWEB Director some flexibility, unless required by statute, to address specific situations or particular types of Board investments where it may be more effective or efficient to use an alternate application or grant implementation process. Rules waivers are rarely granted and always involve serious discussion between the grantee and OWEB's grant and fiscal staff.

Staff propose giving the Director similar discretion, unless required by statute, to waive rule requirements in other rule divisions for the same purpose, i.e. the more efficient or effective implementation of the OWEB grant program. Rule waivers are proposed for divisions 10, 35, and 40 (restoration, small grants, and council support) at this time because the education, monitoring and assessment rule divisions have few rule requirements to waive, and divisions 45 and 46 already include rule waiver provisions for due diligence requirements.

4. Consistent Use of "Board" and "Director" [Divisions 5 and 10]

The purpose for including a rule definition would be to provide clarity for a term used in that division that isn't already defined in statute. ORS 541.351(3) defines Board by the statutory reference that creates and describes the membership of the 17 member OWEB Board. There is no statutory definition of OWEB the state agency.

As OWEB's administrative rules have been developed over the past nine years by different staff, the terms "OWEB," "Board," and "Director" have been used inconsistently among the rule divisions. In this rulemaking, we propose to update only the definitions for these terms in divisions 4 and 5 and update the references to "Director" in divisions 5 and 10. The use of OWEB, Board, and Director in the remaining divisions, and the creation of a general definition rule will be addressed in the 2009 periodic review process.

5. Budget Form Requirements [695-005-0030(2)(d)]

The Application Requirements rules in division 5 require an application to include an estimate line item budget including the sources and amount of funding in addition to the amount of funding requested from OWEB. There is also rule language requiring that applicants demonstrate at least 25% match on a form "prescribed by the Board." The purpose of these rules is to have the applicants provide a detailed budget showing what is proposed to be implemented and to show how and by whom match funding or in-kind contributions will be provided.

Staff are proposing updated rule language that requires applicants to provide an estimated line item budget on the most current form prescribed by the Board and provided by OWEB. This language allows staff the most flexibility to design budget forms to meet the needs of applicants, regional review teams, OWEB staff, and the Board.

**6. Consistent use of Effectiveness and Implementation Monitoring Terms
[695-005-0060(4)(a) and 695-010-0100(2)]**

The term effectiveness is used in three administrative rules contained in divisions 5, 10, and 35. OWEB has developed the following distinction between effectiveness and implementation monitoring (otherwise known as post-project implementation reporting or status reports). Post-project implementation reporting is a requirement of all OWEB grants and includes a brief project description of the project and the work completed, pre- and post-project photographs, lessons learned during the project, recommendations on the implementation of future projects, maintenance performed, and accounting of expenditures. Effectiveness monitoring is monitoring above and beyond grant compliance monitoring, and determines whether the project is effective at meeting its biological and ecological objectives.

The purpose of the term in two of the three rules is inconsistent with OWEB's current usage of the term effectiveness. OWEB proposes to change "effectiveness" to "track the status" in two of the three rules. "Effectiveness" is also used in small grant rule 695-035-0020(17). In that rule, the use appears to be consistent; therefore staff propose waiting to address this rule until the stakeholder discussion about the small grant program, described in Agenda Item N, is conducted.

7. Partnership and Other Investment Rules [Division 4]

The majority of OWEB's existing administrative rules address the Board's grant program investments. The purpose of these new rules is to give clear recognition to the Board's other investment areas, like the Conservation Reserve Enhancement Program (CREP), Special Investment Partnerships (SIP), Whole Watersheds Partnership, or Coastal Wetlands Grants, and to provide internal and external guidance for those investments.

OWEB has proposed rule language to that creates an overall framework for all the Board's watershed enhancement program investments. For investments where no standards or guidance exist in rule, the Board will be asked to approve standards and guidance for application requirements, application processing, application evaluation, grant or interagency agreement conditions, and fund distribution criteria or conditions.

Staff made minor changes to the public comment draft based on review by OWEB's legal counsel. Those changes are reflected in Attachment B and are mainly wording changes, except for a change to 695-005-0030(4) where the language is changed to require the applicant to certify that it has informed landowners about the application and has advised all landowners that monitoring information is public, rather than the applicant certifying awareness and understanding from the landowners.

III. Salmon Emergency Grant Rules

These proposed rules would permanently adopt the temporary administrative rules adopted by the Board in May 2008 that establish grant application and award criteria for restoration, inventory and data collection, outreach, and project development grants that support priority salmon habitat enhancement and that are able to create work opportunities for fishers or workers displaced by the 2008 restrictions in ocean commercial and sport salmon fishing.

A. Background

On April 24, 2006, Governor Kulongoski issued Executive Order No. 06-06, declaring a state of emergency for Oregon's coastal counties impacted by Klamath River fishing restrictions. In response to the Executive Order, OWEB staff developed concepts to (1) create immediate opportunities to employ displaced fishers in salmon recovery-related activities; (2) develop future employment opportunities for fishers for additional salmon recovery restoration work; and (3) significantly expand state and local efforts to recover salmon populations on the Oregon coast.

In response to legal advice, staff developed temporary (emergency) administrative rules to give OWEB the ability to apply award preferences related to the employment of displaced fishers, providing fish habitat benefits, and addressing identified watershed needs. The Board adopted the temporary rules on July 20, 2006, and they expired on January 21, 2007.

Staff developed a proposed set of permanent rules based on the temporary rules and from the Board discussion at the September 2007 meeting. The proposed permanent rules contained the application criteria of the adopted temporary rules, but moved the rules to their own division (Division 7) of Chapter 695. The Board adopted the permanent administrative rules on January 25, 2007.

On April 10, 2008, the Governor issued Executive Order 08-10 declaring a state of emergency due to the limitations on ocean commercial and sport salmon fishing. The emergency was declared in response to the serious economic and social impacts facing coastal communities due to significant commercial and sport fishing restrictions imposed this year.

In order to exercise the preference for grants that hire displaced fishers to perform restoration and other related work under the new Executive Order, OWEB needed to amend the rules in Division 7 to reference the 2008 Executive Order and add eligibility for the charter fleet, which wasn't affected by the 2006 closure. The Board adopted these temporary rule amendments at the May Board meeting. The temporary rules expire on November 14, 2008.

B. Rulemaking Process

The adopted temporary rules were sent out for public comment beginning on August 1 and ending on August 22, 2008. OWEB did not convene a Rules Advisory Committee to review and discuss the proposed rule amendments because the proposed changes were discussed in the Board's May 2008 meeting, and because these are technical updates to a set of rules that were developed in 2006 in consultation with the Governor's Office, Oregon Salmon Commission, local watershed councils, and soil and water conservation districts, Oregon State University Extension, and affected fishers.

OWEB held a hearing on August 19, 2008, in Salem at the State Lands Building. No persons attended the hearing or provided written or oral comments at that time. No written public comments were received by the close of the public comment period.

C. Proposed Permanent Rules

The public comment draft is included as Attachment C to this staff report. Staff made one minor change to the definition of displaced worker from the public comment draft based on review by OWEB's legal counsel. That change is reflected in Attachment D.

IV. Recommendation

Staff recommend the Board approve:

- A. The proposed amendments to OAR 695, Division 5, 10, 35, and 40, and the proposed new rules in OAR 695, Division 4 as shown in Attachment B of this staff report.
- B. The proposed amendments to OAR 695, Division 7 as shown in Attachment D of this staff report.

Attachments

- A. Grant Administration Public Comment Draft Rules
- B. Proposed Grant Administration Rules
- C. Salmon Season State of Emergency Grants Public Comment Draft Rules
- D. Proposed Salmon Season State of Emergency Grants Rules

Proposed Administrative Rules

New language is underlined.

Deleted language is in ~~striketrough~~.

DIVISION 4
WATERSHED ENHANCEMENT PROGRAM

695-004-0010

Purpose

The Oregon Watershed Enhancement Board has broad authority to carry out a watershed enhancement program under the provisions of ORS 541.351 to 541.415. The Board may allocate funds to projects for restoration, monitoring, technical assistance, small grants, education and outreach, watershed council support, land acquisition, instream water leases and transfers, research and other related activities that advance the purposes of the watershed enhancement program.

695-004-0020

Definitions

- (1) "Board" means the Oregon Watershed Enhancement Board created under ORS 541.360.
- (2) "Director" means the Executive Director of the Oregon Watershed Enhancement Board or the Executive Director's designee.
- (3) "OWEB" means the Oregon Watershed Enhancement Board state agency.

695-004-0030

Process and Criteria

The Board shall approve standards and guidance for application requirements and processing, evaluation criteria, agreement conditions, and distribution of funds.

- (1) Guidance and criteria for accepting and reviewing applications for watershed enhancement projects proposed under the regular grant program are contained in OAR Chapter 695, divisions 5 through 50.
- (2) For watershed enhancement project requests for initiatives or programs that are separate or distinct from the programs referenced in subsection (1), the Board shall approve additional necessary guidance and criteria.
- (3) Board allocations under subsections (1) and (2) may be distributed through grant agreements, interagency agreements, and contracts for services.
- (4) The Director shall enter into the grant agreements, interagency agreements, or contracts necessary to carry out the standards approved by the Board.

DIVISION 5
OWEB GRANT PROGRAM

695-005-0010

Purpose

NO CHANGE

695-005-0020

Definitions

- (1) "Board" means the Oregon Watershed Enhancement Board created under ORS 541.360.
- (2) "Director" means the Executive Director of the Oregon Watershed Enhancement Board or the Executive Director's designee.
- (3) "Grant Agreement" is the legally binding contract between the Board and the grant recipient. It consists of the conditions specified in these rules, the notice of grant award, special conditions to the agreement, a certification to comply with applicable state and federal regulations, the project budget and the approved application for funding the project.

(4) "Regional Review Team" is a team, appointed by the Director, of designated personnel with regional knowledge and interdisciplinary expertise drawn from agencies represented on the Board and other entities to evaluate regional grant applications. The Director may change the composition of regional review teams.

(5) "Partners" are non-governmental or governmental persons or entities that have committed funding, expertise, materials, labor, or other assistance to a proposed project.

(6) "Match" is any contribution to a project that is non-Board funds. Match may include:

(a) Cash on hand or cash that is pledged to be on hand prior to commencement of the project;

(b) Secured funding commitments from other sources;

(c) Pending commitments of funding from other sources. In such instances, Board funding will not be released prior to secured commitment of the other funds. Pending commitments of the funding must be secured within 12 months from the date of the award; or

(d) The value of in-kind labor, equipment rental and materials essential to the project, based on local market rates.

(7) "OWEB" means the Oregon Watershed Enhancement Board state agency.

695-005-0030

Application Requirements

(1) Applications must be submitted on the most current form prescribed by the Board. Current applications are available on the OWEB Board's website. An explanation must accompany the application if any of the information required on the application cannot be provided. In addition to the information required in the application, and the required attachments, an applicant may submit additional information that will aid the Board in evaluating the project.

(2) All applicants for Board grants shall supply the following information:

(a) Names, physical and email addresses, fax and telephone numbers of the applicant contact person(s) and the fiscal officer(s);

(b) Name and address of involved landowner(s);

(c) The name and location of the proposed project. The location shall be described in reference to the public land survey, latitude and longitude using decimal degrees, North American Datum 1983, county, watershed, and stream mile, if appropriate;

(d) Estimated line item budget for the project including the sources and amounts of funding, and the amount of funding requested from using the most current budget form prescribed by the Board. Current budget forms are available on the OWEB website;

(e) Identification of specific project elements for which Board funds will be used;

(f) A list of any non-Board funds, services or materials available or secured for the project and any conditions which may affect the completion of the project;

(g) If the project is part of a multi-year project, and a new funding request continues a previously Board-funded activity, a description of the previous project accomplishments and results as well as an accounting of past expenditures and revenues for the project;

(h) Identification of volunteers and partners and the contribution they will make to the project;

(i) A project schedule including times of project beginning and completion; and

(j) Any information requested that is necessary to evaluate the project based on the evaluation criteria for that project type.

(3) All applicants shall demonstrate at least 25% match is being sought, on a form prescribed by the Board, based on the total Board grant request, at the time of application.

(4) All applications that involve physical changes or monitoring on private land must include a signature of approval of the landowner signifying their approval certification from the applicant that all landowners involved are aware of the application and the understanding that all monitoring information obtained on their property is public record. If the contact with all landowner's signature was not obtainable possible at the time of application, explain why. The landowner's signature will be required prior to release of the grant agreement if the application is approved for funding.

(5) Fiscal administration costs, which may include accounting, auditing, contract management and fiscal reporting expenses for the project, for a grant awarded by the Board may not exceed 10% of the total Board funds expended for the project.

(6) Applications will be considered complete as submitted. Clarification of information may be sought from the applicant during the evaluation process but additional, new information will not be accepted after the application deadline.

(7) Applicants are encouraged to submit requests for up to \$10,000 for watershed restoration projects to the Small Grant Team in their Small Grant Area, unless the project is not eligible for funding under the Small Grant Program or the Small Grant Program has no funds available at the time of application. Applicants may not submit the same proposal to both the Board and the Small Grant Team.

695-005-0040

Application Processing

NO CHANGE

695-005-0050

Grant Agreement Conditions

(1) The Board will only enter into new agreements or amendments to existing agreements for time extensions and award amounts, exclusive of Small Grant agreements, with prior Grantees if all reporting obligations under earlier agreements have been met.

(2) If the grant agreement has not been fully executed by all the parties within one year of Board approval, funding shall be terminated. The money allocated to the grant shall be available for reallocation by the Board.

(3) The Director ~~or designee~~ shall establish grant agreement conditions for each grant type. Grantees shall comply with all grant agreement conditions.

(4) The Grantee shall comply with all federal, state and local laws and ordinances applicable to the work to be done under the agreement.

(5) All project activities must demonstrate, to the extent possible, consistency with local community workforce and economic development plans and policies.

(6) Following project completion, equipment purchased with Board funds shall reside with any of the following: watershed council, soil and water conservation district, tribe, local government, state agency, institution of higher learning, or a school district. These entities will make the equipment available to others at no cost, other than nominal operation and maintenance costs.

(7) Upon notice to the Grantee in writing, the Director may terminate funding for projects not completed in the prescribed time and manner. The money allocated to the project but not used will be available for reallocation by the Board.

(8) The Grantee will account for funds distributed by the Board, using project expense forms provided.

(9) The Grantee will obtain the necessary permits and licenses from local, state or federal agencies or governing bodies and provide a copy to the Board.

(10) The Board may place additional conditions in the Grant Agreement as necessary to carry out the purpose of the watershed enhancement program. Such conditions may include:

- (a) A commitment by the landowner for continued access for monitoring the project after completion;
- (b) A commitment by the Grantee to maintain the project for a period of time as deemed appropriate by the Board;
- (c) A commitment to supply future reports on the project as required;
- (d) Such other conditions as the Board deems appropriate to the particular circumstances of the project.

695-005-0060

Distribution of Funds

(1) The Board will not reimburse the Grantee for any expenditures incurred prior to the signing of the grant agreement by all parties, except for fees charged by an affected city or county for processing the required Land Use Information Sheet.

(2) The Director may withhold payments to a Grantee in a situation where there are significant and persistent difficulties with satisfying Board requirements.

(3) Prior to disbursement of Board funds, the Grantee must provide proof that the 25% required match, based on the total Board award, has been secured.

(4) Prior to disbursement of Board funds for projects involving private lands, the Board must receive a ~~signed cooperative agreement between the landowner and~~ certification from the Grantee that they will obtain, prior to expending Board funds on a property, a cooperative agreement from the landowner that, at a minimum, includes:

(a) Permission to access the private land, at times agreeable to the landowner, to implement the project, inspect the project, ~~monitor the effectiveness~~ track the status of the project, or perform repairs or maintenance;

(b) Permission for the Board or its representatives to access the private land for inspection and evaluation of the project; and

(~~b~~c) Identification of the party responsible for repairs and maintenance of the project.

(5) Funds shall not be disbursed until the Board receives satisfactory evidence that necessary permits and licenses have been granted and documents required by the Board have been submitted.

(6) Funds will be released upon presentation of a completed fund release request form accompanied by receipts or invoices, and proof of completion of specific work elements of the project as identified in the Grant Agreement.

(7) Advance funds may be released upon presentation of a detailed estimate of expenses for up to 120 days. Within 120 days of the date of the advance check, receipts or invoices for the advance must be submitted, a justification to extend the advance must be approved, or the unexpended advance funds must be returned to the Board. Additional funds will not be released until receipts for expenditures of previous fund releases are submitted, or an estimate of expenditures is approved by the Director ~~or designee~~.

(8) The Board shall retain ten percent of project funds until the final report, as required in the grant agreement, has been approved. Final reports are due within 60 days of project completion. Any unexpended Board funds must be returned to the Board with the final report. Upon receipt of the final report, the Board shall have 90 days to approve the completed report or notify the Grantee of any concerns that must be addressed or missing information that must be submitted before the report is considered complete and reviewed for approval. Once the final report has been approved the final payment shall be promptly processed.

(9) All Grantees shall account for at least 25% in actual match, on a form prescribed by the Board, based on the total Board grant expenditures, upon project conclusion and final reporting.

695-005-0070

Waiver of Rules

The Director ~~or designee~~ may waive the requirements of division 5, unless they are required by statute, for individual grants where doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

695-005-0080

Periodic Rules Review and Program Evaluation

NO CHANGE

DIVISION 10 RESTORATION GRANTS

695-010-0010 to 695-010-0090

NO CHANGE

695-010-0100

Grant Agreement Conditions

(1) The Grantee must submit a report at completion of the project describing the work done and placing it in its larger watershed context.

(2) The Grantee will ~~monitor the long term effectiveness~~ track the status of the project, and continue its maintenance, submitting periodic reports on a schedule set by the Board. All reports will be filed with the Board or at a location specified by the Board.

(3) The Grantee must agree to complete the project as approved by the Board and within the timeframe specified in the grant agreement unless proposed modifications are submitted and approved by the Director ~~or designee~~ prior to the beginning of any work proposed in the modification.

(4) The Director ~~or designee~~ will consider project modifications including expansion of funded projects with moneys remaining from the original project allocation if the purpose and intent of the amendment remains the same as the original project, the proposed activity is within the same watershed, and the modification would be compatible with acknowledged comprehensive plans.

(5) The Director ~~or designee~~ may authorize minor changes within the scope of the original project plan.

(6) The Grantee will allow Board members or designated representatives access to the project area at a mutually agreeable time to monitor and evaluate the project.

(7) The Grantee must submit as part of their final report a completed Oregon Watershed Restoration Reporting form, using the most current form available on the ~~Board~~OWEB website.

695-010-0110

The Director may waive the requirements of division 10, unless they are required by statute, for individual grants where doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

DIVISION 35 SMALL GRANT PROGRAM

695-035-0100 to 695-035-0070

NO CHANGE

695-035-0080

The Director may waive the requirements of division 35, unless they are required by statute, for individual grants where doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

DIVISION 40 WATERSHED COUNCIL SUPPORT

695-040-0100 to 695-040-0070

NO CHANGE

695-040-0080

The Director may waive the requirements of division 40, unless they are required by statute, for individual grants where doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

Proposed Administrative Rules

New language is underlined.

Deleted language is in ~~strikethrough~~.

DIVISION 4
WATERSHED ENHANCEMENT PROGRAM

695-004-0010

Purpose

The Oregon Watershed Enhancement Board has broad authority to carry out a watershed enhancement program under the provisions of ORS 541.351 to 541.415. The Board may allocate funds to support projects for restoration, monitoring, technical assistance, small grants, education and outreach, watershed council support, land acquisition, instream water leases and transfers, research and other related activities that advance the purposes of the watershed enhancement program.

695-004-0020

Definitions

(1) "Board" means the Oregon Watershed Enhancement Board created under ORS 541.360.

(2) "Director" means the Executive Director of the Oregon Watershed Enhancement Board or the Executive Director's designee.

(3) "OWEB" means the Oregon Watershed Enhancement Board state agency.

695-004-0030

Process and Criteria

The Board shall approve standards and guidance for application requirements and processing, evaluation criteria, agreement conditions, and distribution of funds.

(1) Guidance and criteria for accepting and reviewing applications for watershed enhancement projects proposed under the regular grant program are contained in OAR Chapter 695, divisions 5 through 50.

(2) For watershed enhancement project requests for initiatives or programs that are separate or distinct from the programs referenced in subsection (1), the Board shall approve additional necessary guidance and criteria.

(3) Board allocations under subsections (1) and (2) may be distributed through grant agreements, interagency agreements, and contracts for services.

(4) The Director shall enter into the grant agreements, interagency agreements, or contracts necessary to carry out the standards approved by the Board.

DIVISION 5
OWEB GRANT PROGRAM

695-005-0010

Purpose

NO CHANGE

695-005-0020

Definitions

(1) "Board" means the Oregon Watershed Enhancement Board created under ORS 541.360.

(2) "Director" means the Executive Director of the Oregon Watershed Enhancement Board or the Executive Director's designee.

(3) "Grant Agreement" is the legally binding contract between the Board and the grant recipient. It consists of the conditions specified in these rules, the notice of grant award, special conditions to the agreement, a certification to comply with applicable state and federal regulations, the project budget and the approved application for funding the project.

(4) "Regional Review Team" is a team, appointed by the Director, of designated personnel with regional knowledge and interdisciplinary expertise drawn from agencies represented on the Board and other entities to evaluate regional grant applications. The Director may change the composition of regional review teams.

(5) "Partners" are non-governmental or governmental persons or entities that have committed funding, expertise, materials, labor, or other assistance to a proposed project.

(6) "Match" is any contribution to a project that is non-Board funds. Match may include:

(a) Cash on hand or cash that is pledged to be on hand prior to commencement of the project;

(b) Secured funding commitments from other sources;

(c) Pending commitments of funding from other sources. In such instances, Board funding will not be released prior to secured commitment of the other funds. Pending commitments of the funding must be secured within 12 months from the date of the award; or

(d) The value of in-kind labor, equipment rental and materials essential to the project, based on local market rates.

(7) "OWEB" means the Oregon Watershed Enhancement Board state agency.

695-005-0030

Application Requirements

(1) Applications must be submitted on the most current form prescribed by the Board. Current applications are available on the OWEB Board's website. An explanation must accompany the application if any of the information required on the application cannot be provided. In addition to the information required in the application, and the required attachments, an applicant may submit additional information that will aid the Board in evaluating the project.

(2) All applicants for Board grants shall supply the following information:

(a) Names, physical and email addresses, fax and telephone numbers of the applicant contact person(s) and the fiscal officer(s);

(b) Name and address of involved landowner(s);

(c) The name and location of the proposed project. The location shall be described in reference to the public land survey, latitude and longitude using decimal degrees, North American Datum 1983, county, watershed, and stream mile, if appropriate;

(d) ~~Estimated line item budget for the project including the sources and amounts of funding, and the amount of funding requested from using the most current budget form prescribed by the Board.~~ Current budget forms are available on the OWEB website;

(e) Identification of specific project elements for which Board funds will be used;

(f) A list of any non-Board funds, services or materials available or secured for the project and any conditions which may affect the completion of the project;

(g) If the project is part of a multi-year project, and a new funding request continues a previously Board-funded activity, a description of the previous project accomplishments and results as well as an accounting of past expenditures and revenues for the project;

(h) Identification of volunteers and partners and the contribution they will make to the project;

(i) A project schedule including times of project beginning and completion; and

(j) Any information requested that is necessary to evaluate the project based on the evaluation criteria for that project type.

(3) All applicants shall demonstrate at least 25% match is being sought, on a form prescribed by the Board, based on the total Board grant request, at the time of application.

(4) All applications that involve physical changes or monitoring on private land must include ~~a signature of approval of the landowner signifying their approval~~ certification from the applicant that the applicant has informed all landowners involved of the existence of the application and the has also advised all landowners understanding that all monitoring information obtained on their property is public record. If the contact with all landowner's signature was not obtainable possible at the time of application, explain why. The landowner's signature will be required prior to release of the grant agreement if the application is approved for funding.

(5) Fiscal administration costs, which may include accounting, auditing, contract management and fiscal reporting expenses for the project, for a grant awarded by the Board may not exceed 10% of the total Board funds expended for the project.

(6) Applications will be considered complete as submitted. Clarification of information may be sought from the applicant during the evaluation process but additional, new information will not be accepted after the application deadline.

(7) Applicants are encouraged to submit requests for up to \$10,000 for watershed restoration projects to the Small Grant Team in their Small Grant Area, unless the project is not eligible for funding under the Small Grant Program or the Small Grant Program has no funds available at the time of application. Applicants may not submit the same proposal to both the Board and the Small Grant Team.

695-005-0040

Application Processing

NO CHANGE

695-005-0050

Grant Agreement Conditions

(1) The Board will ~~only~~ enter into new agreements or amendments to existing agreements for time extensions and award amounts, exclusive of Small Grant agreements, with prior Grantees only if all reporting obligations under earlier agreements have been met.

(2) If the grant agreement has not been fully executed by all the parties within one year of Board approval, funding shall be terminated. The money allocated to the grant shall be available for reallocation by the Board.

(3) The Director ~~or designee~~ shall establish grant agreement conditions for each grant type. Grantees shall comply with all grant agreement conditions.

(4) The Grantee shall comply with all federal, state and local laws and ordinances applicable to the work to be done under the agreement.

(5) All project activities must demonstrate, to the extent possible, consistency with local community workforce and economic development plans and policies.

(6) Following project completion, equipment purchased with Board funds shall reside with any of the following: watershed council, soil and water conservation district, tribe, local government, state agency, institution of higher learning, or a school district. These entities will make the equipment available to others at no cost, other than nominal operation and maintenance costs.

(7) Upon notice to the Grantee in writing, the Director may terminate funding for projects not completed in the prescribed time and manner. The money allocated to the project but not used will be available for reallocation by the Board.

(8) The Grantee will account for funds distributed by the Board, using project expense forms provided.

(9) The Grantee will obtain the necessary permits and licenses from local, state or federal agencies or governing bodies and provide a copy to the Board.

(10) The Board may place additional conditions in the Grant Agreement as necessary to carry out the purpose of the watershed enhancement program. Such conditions may include:

(a) A commitment by the landowner for continued access for monitoring the project after completion;

(b) A commitment by the Grantee to maintain the project for a period of time as deemed appropriate by the Board;

(c) A commitment to supply future reports on the project as required;

(d) Such other conditions as the Board deems appropriate to the particular circumstances of the project.

695-005-0060

Distribution of Funds

(1) The Board will not reimburse the Grantee for any expenditures incurred prior to the signing of the grant agreement by all parties, except for fees charged by an affected city or county for processing the required Land Use Information Sheet.

(2) The Director may withhold payments to a Grantee in a situation where there are significant and persistent difficulties with satisfying Board requirements.

(3) Prior to disbursement of Board funds, the Grantee must provide proof that the 25% required match, based on the total Board award, has been secured.

(4) Prior to disbursement of Board funds for projects involving private lands, the Board must receive a ~~signed cooperative agreement between the landowner and~~ certification from the Grantee that they will obtain, prior to expending Board funds on a property, a cooperative agreement from the landowner that, at a minimum, includes:

(a) Permission to access the private land, at times agreeable to the landowner, to implement the project, inspect the project, ~~monitor the effectiveness~~ track the status of the project, or perform repairs or maintenance;

(b) Permission for the Board or its representatives to access the private land for inspection and evaluation of the project; and

(~~b~~c) Identification of the party responsible for repairs and maintenance of the project.

(5) Funds shall not be disbursed until the Board receives satisfactory evidence that necessary permits and licenses have been granted and documents required by the Board have been submitted.

(6) Funds will be released upon presentation of a completed fund release request form accompanied by receipts or invoices, and proof of completion of specific work elements of the project as identified in the Grant Agreement.

(7) Advance funds may be released upon presentation of a detailed estimate of expenses for up to 120 days. Within 120 days of the date of the advance check, receipts or invoices for the advance must be submitted, a justification to extend the advance must be approved, or the unexpended advance funds must be returned to the Board. Additional funds will not be released until receipts for expenditures of previous fund releases are submitted, or an estimate of expenditures is approved by the Director ~~or designee~~.

(8) The Board shall retain ten percent of project funds until the final report, as required in the grant agreement, has been approved. Final reports are due within 60 days of project completion. Any unexpended Board funds must be returned to the Board with the final report. Upon receipt of the final report, the Board shall have 90 days to approve the completed report or notify the Grantee of any concerns that must be addressed or missing information that must be submitted before the report is considered complete and reviewed for approval. Once the final report has been approved the final payment shall be promptly processed.

(9) All Grantees shall account for at least 25% in actual match, on a form prescribed by the Board, based on the total Board grant expenditures, upon project conclusion and final reporting.

695-005-0070

Waiver of Rules

The Director ~~or designee~~ may waive the requirements of division 5, unless they are required by statute, for individual grants, when ~~where~~ doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

695-005-0080

Periodic Rules Review and Program Evaluation

NO CHANGE

DIVISION 10 RESTORATION GRANTS

695-010-0010 to 695-010-0090

NO CHANGE

695-010-0100

Grant Agreement Conditions

(1) The Grantee must submit a report at completion of the project describing the work done and placing it in its larger watershed context.

(2) The Grantee will ~~monitor the long term effectiveness~~ track the status of the project, and continue its maintenance, submitting periodic reports on a schedule set by the Board. All reports will be filed with the Board or at a location specified by the Board.

(3) The Grantee must agree to complete the project as approved by the Board and within the timeframe specified in the grant agreement unless proposed modifications are submitted and approved by the Director ~~or designee~~ prior to the beginning of any work proposed in the modification.

(4) The Director ~~or designee~~ will consider project modifications including expansion of funded projects with moneys remaining from the original project allocation if the purpose and intent of the amendment remains the same as the original project, the proposed activity is within the same watershed, and the modification would be compatible with acknowledged comprehensive plans.

(5) The Director ~~or designee~~ may authorize minor changes within the scope of the original project plan.

(6) The Grantee will allow Board members or designated representatives access to the project area at a mutually agreeable time to monitor and evaluate the project.

(7) The Grantee must submit as part of their final report a completed Oregon Watershed Restoration Reporting form, using the most current form available on the ~~Board~~OWEB website.

695-010-0110

The Director may waive the requirements of division 10, unless they are required by statute, for individual grants, when doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

DIVISION 35 SMALL GRANT PROGRAM

695-035-0100 to 695-035-0070

NO CHANGE

695-035-0080

The Director may waive the requirements of division 35, unless they are required by statute, for individual grants, when doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

DIVISION 40 WATERSHED COUNCIL SUPPORT

695-040-0100 to 695-040-0070

NO CHANGE

695-040-0080

The Director may waive the requirements of division 40, unless they are required by statute, for individual grants, when doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

DIVISION 7

SALMON SEASON STATE OF EMERGENCY GRANTS

695-007-0010

Purpose

(1) The following administrative rules apply to the state of emergency established by Executive Order No. ~~06-06 and No. 06-07~~08-10, dated April ~~24, 2006~~10, 2008, relating to limitations on ocean commercial and sport salmon fishing.

(2) These rules provide for action available to the Board and Director. These rules are operative until the Governor declares that the state of emergency established by Executive Order No. ~~06-06 and No. 06-07~~08-10 is concluded. Action within these rules is intended to mitigate the economic and social impacts facing coastal communities during restricted commercial and sport salmon fishing seasons and to advance and accelerate salmon habitat restoration and recovery efforts.

695-007-0020

Definitions

(1) "Board" means Oregon Watershed Enhancement Board.

(2) "Director" means the Executive Director of the Oregon Watershed Enhancement Board.

(3) "Displaced Worker" or "displaced fisher" means an individual who meets the criteria adopted by the Oregon Salmon Commission to be considered displaced with respect to commercial fishing employment, or with respect to sport fishing employment, as identified as displaced by the Director in consultation with the ocean salmon charter industry to be made available on the OWEB web site prior to offering funding to grant applicants.

695-007-0030

OWEB Actions

(1) During the pendency of Executive Order No. ~~06-06 and No. 06-07~~08-10 declaring a salmon season state of emergency, the Board may:

(a) Provide grant funding to support fish-salmon habitat enhancement and related projects within salmon-bearing watersheds in Oregon, for the purpose of accelerating the rebuilding of fish-salmon populations and creating employment opportunities for displaced workers, including projects that:

(A) Support fish-salmon habitat enhancement;

(B) Gather information that can be directly used for salmon habitat restoration;

(C) Conduct outreach to the public concerning salmon habitat restoration; or

(D) Support research that assists in the evaluation of salmon stocks at sea.

(b) Provide grant funding to develop projects that would enhance salmon habitat in the future.

695-007-0040

Application Criteria

(1) For grant applicants to receive funding, the following award preferences are applicable, in addition to the evaluation criteria set forth in any other applicable rule. Projects must employ displaced fishers in all project labor opportunities to the greatest extent possible over a period of several months, and also must:

(a) Provide benefit to high priority fish-salmon habitat along the Oregon coast ~~and the Oregon portion of the Klamath River Basin;~~

(b) Directly address limiting factors for the recovery of coho-salmon in watersheds that drain directly to the ocean, including the Umpqua and Rogue basins;

~~(c) Directly address the recovery of Klamath River salmon stocks in the Klamath River Basin;~~

~~(d)~~ Be identified in an existing watershed-scale assessment and action plan; or

~~(e)~~ Address a specific limiting factor identified in the 2003-2005 Oregon Plan Biennial Report, Volume 2 published by the Oregon Watershed Enhancement Board in 2005.

(2) In addition to the preference criteria described in section 1, the following award preferences are applicable to specific types of grant applications:

(a) For Inventory and Data Collection grants, preference will be given to projects that focus on surveys and inventories that document conditions affecting aquatic resources or ground-truth mapping of high priority salmon habitat.

(b) For Restoration grants, preference will be given to projects that focus on restoration in high priority salmon habitat, or have received from OWEB a relevant technical assistance award in an earlier grant cycle.

(c) For Project Development grants, preference will be given to projects that have a high likelihood of being implemented within one year following completion of the project development grant, focus on high priority salmon habitat, or address a specific limiting factor identified in the 2003-2005 Oregon Plan Biennial Report, Volume 2 published by the Oregon Watershed Enhancement Board in 2005.

(3) The preferences identified in section 1 of this rule may also be applied to other OWEB grants, including Restoration Projects described in Division 10, Education and Outreach Grants described in Division 15, Monitoring Grants described in Division 25, and Assessment and Action Plan Grants described in Division 30, in addition to the evaluation criteria set forth in rules contained in those divisions.

DIVISION 7

SALMON SEASON STATE OF EMERGENCY GRANTS

695-007-0010

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Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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August 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
Renee Davis-Born, Data Analyst and Information Specialist

**SUBJECT: Agenda Item K-1: Oregon Plan Products
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of two specific Oregon Plan Products requests for the Department of Environmental Quality (DEQ) Volunteer Water Quality Monitoring Program and the Oregon Explorer. This report continues the follow-up from the July 2007 Board Planning Session where members expressed interest in discussing non-competitive grant awards in more detail prior to funding decisions, and describes four other potential Oregon Plan Products.

II. Background

OWEB provides support for Oregon Plan-related products through direct allocations of non-capital funds. The Board has retained an Oregon Plan Products non-capital spending plan line item for each of the last several biennia to be utilized for Oregon Plan needs established through the Oregon Plan Monitoring Team and Core Team that do not fit well into the current suite of grant offerings provided through the regular grant program.

At the 2007 Planning Session in Maupin, the Board decided to delay funding additional Oregon Plan Products until there was more clarity about the amount of non-capital funding that would be available from the Pacific Coastal Salmon Recovery Fund (PCSRF). At the May 2008 Board meeting, staff provided an update about the 2008 PCSRF grant award of \$8.2 million and briefed the Board about several high priority Oregon Plan Products. These products will inform such activities as project planning and implementation by watershed councils to reporting on Key Performance Measures by OWEB and other agencies.

III. Oregon Plan Products Proposed for Funding

Two of the potential Oregon Plan Products discussed with the Board at the May meeting are ready for Board consideration. The following sections describe each proposal.

A. Equipment for DEQ's Volunteer Water Quality Monitoring Program

DEQ provides equipment, training, database support, and analytical assistance for volunteer groups such as watershed councils and soil and water conservation districts (SWCDs) through the Volunteer Water-Quality Monitoring Program. OWEB has

traditionally provided funding for program coordination and the purchase of equipment to be used by volunteer groups as part of this DEQ program. The equipment enables local groups to expand the State's water-quality monitoring network informing both local watershed needs and the larger Oregon Plan needs. Over 50 groups from around the state have participated in this program to date. Data have been submitted from over 1,000 locations throughout Oregon.

The demands of the program results in the need for periodic replacement and upgrade of monitoring equipment in order to continue to make these technical resources available to local groups. Currently, 90 percent of the volunteer monitoring equipment is 10 years or older. The budget in Attachment A provides a detailed accounting of the equipment that is in need of updating and a justification for proposed purchases. The total OWEB funds proposed for the equipment is \$33,165.

Water-quality monitoring is the second largest investment area that OWEB has made in the monitoring category of projects. Investment in volunteer monitoring equipment ensures that local groups have the technical resources they need to collect high-quality data. The monitoring conducted by watershed councils also is considered by DEQ to be a valuable contributor towards assessing the effectiveness of the agency's TMDL program because without the local scale monitoring, DEQ would be unable to evaluate water quality improvements at that scale.

B. Oregon Explorer Natural Resources Digital Library

The Board has entertained and funded several proposals from the Institute for Natural Resources and Oregon State University Libraries associated with the development and deployment of the Oregon Explorer during the last three biennia. The proposals began with the North Coast and Willamette Basin Explorer sites. These early efforts were pilot projects testing both the concepts and technical aspects of the Explorer design. In 2006, the Board funded the Umpqua Explorer, which served as a pivotal moment for the Explorer development team, because it was driven by the needs expressed by the local communities and the ongoing management and use of the site is also a locally-based operation (as described by the Partnership for Umpqua Rivers and the Umpqua SWCD at the March 2007 Board meeting).

This evolution of the program matured further with the proposal funded by the Board in September of 2006 that enabled OWEB to provide its Oregon Watershed Restoration Inventory database (OWRI) online for the first time. This included the ability to view maps and download data from the Explorer website. That Board investment also established the first online submittal of information to OWEB from the public; thus, streamlining the reporting requirements for grantees and data-entry responsibilities for the agency. Grantees and others are able to submit the lengthy OWRI forms to OWEB; and, when a user hits the send button, the information is fed directly into OWEB's database. Within the first year of deployment, 63 percent of OWEB grantees are already using this online tool for reporting. This usage rate greatly exceeded staff expectations.

The current proposal before the Board represents a hybrid of both the Umpqua Explorer and the OWEB-focused Explorer work funded two years ago. Capitalizing on the strengths of these two projects, and learning from the lessons of the pilot projects on the

North Coast and in the Willamette, OSU staff embarked upon a campaign to develop project ideas through discussions with OWEB staff and locally based organizations.

Recent discussions among staff from OWEB, watershed councils, other local groups, and the Oregon Explorer Program, highlight the ongoing importance of addressing locally-derived and OWEB specific needs. User comments and discussions with Oregon Plan partner agencies underscore the benefits of a single point of public access to restoration related data and information, and the value of active local participation in keeping the Explorer sites relevant and useful.

INR and OSU Libraries are proposing to address OWEB's priorities for making technology useful to local groups and improving information flow and data-sharing between local groups and agencies. There are four specific segments to the current proposal:

1. Updating OWRI products and enhancing the Restoration Visualization Tool;
2. Creating a Lakes Basin Explorer portal;
3. Creating a Deschutes Basin Explorer portal; and
4. Prototyping a spatially based Data Management System for Oregon Plan related information, such as location of and data from monitoring projects.

Components 1 and 4 of the project are consistent with OWEB-identified priorities for Oregon Explorer and the creation of Oregon Plan Products that improve information flow and data sharing among local groups, such as watershed councils, SWCDs, and agencies. Components 2 and 3 not only respond to a direct request from local groups in the Lakes and Deschutes basins, but they are in line with OWEB's emphasized importance of local groups articulating the need and utility for an Oregon Explorer portal. Letters of support are included in Attachment B.

With the completion of these basin portals, one third of the state's Oregon Plan basins would be represented in the Oregon Explorer. These sites also would be the first basin portals representing eastside watersheds and environments. Staff have worked with INR and OSU Libraries to develop the current proposal, which is included as Attachment C. The total OWEB funds proposed for the Oregon Explorer is \$152,328.

Through this combination of OWEB, local, and interagency focused components, the proposed Oregon Explorer Phase II project will expand the capacity of watershed councils and local groups to conserve and restore habitats, track the results of their work, and share successes and opportunities with others in their basin and around the state.

IV. Oregon Plan Products for Future Consideration

The following are updates regarding Oregon Plan Products that staff are currently considering and that would improve accessibility to technological tools, data, and information for Oregon Plan partners in the future.

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

In recent months, Oregon Department of Fish and Wildlife (ODFW) has secured funding to update spatial datasets for 1) fish habitat distribution, and 2) fish-passage barriers. By the end of 2008, ODFW anticipates making up-to-date fish habitat distribution data available

online for the following species: coho salmon, winter and summer steelhead, spring and fall Chinook salmon, and chum salmon. A statewide, spatially based dataset of fish-passage barriers is expected to be completed by the summer of 2009. This dataset will incorporate information from ODFW, Oregon Department of Transportation, and the Bureau of Land Management about fish-passage barriers.

These efforts will lay the foundation for future work by ODFW to create a comprehensive, web-accessible data management system for fish-passage barriers. Data in this system would be regularly updated to reflect new inventories of barriers and restoration actions undertaken to address fish-passage problems. The database would include data from additional sources such as OWEB, watershed councils, soil and water conservation districts, tribes, Oregon Water Resources Department (OWRD), U.S. Forest Service, and industrial landowners. This web-based system is intended to allow users to depict fish habitat and barriers on maps, assess the level of severity of different barriers, and use decision-support tools to prioritize barrier removal restoration projects at multiple geographic scales around the state. OWEB funds would be used for the staff time and costs related to updating, developing, and distributing the data layers that would be generated under this effort.

B. Equipment and Data-Sharing Agreements for Stream flow Monitoring

During the previous legislative session, OWRD initiated discussions with OWEB staff about the importance of upgrading, installing, and maintaining Oregon's network of stream gages. These discussions included a potential partnership with OWEB on joint funding of priority stream gages for flow and water quality monitoring if certain legislation was passed to expand OWRD's authorities for stream flow measurement. The legislation did not pass, but the need for more and better coordinated stream flow measurement continues.

With the development of the Governor's H2O: Headwaters to Ocean and Climate Change initiatives, the discussions with OWRD about stream flow measurement have re-emerged. OWEB has funded stream flow monitoring stations, devices, and staff in parts of the state. It is not clear how these particular investments align with and complement the OWRD priorities for stream flow. It is also not clear whether the data generated by the OWEB-funded projects has been made available to the OWRD or general public. Staff expect to continue discussions with OWRD staff and may present a funding proposal to the Board at a future meeting.

C. Watersheds Research Monitoring Equipment

The Oregon Watersheds Research Cooperative (WRC) is implementing watershed scale research projects in three areas (Trask, Hinkle, and Alsea), in part, through OWEB assistance. The projects are designed to evaluate contemporary forest harvest and develop an understanding of the effect of those practices on physical and ecological processes in the landscape. OWEB has funded capital expenses through two separate research grants for the WRC.

The WRC approached staff this spring with a request for additional funding to cover research equipment repair and replacement costs, which are estimated at \$60,000 per year. The WRC and their partners recognize that the state has several priority Oregon Plan projects and has requested that OWEB consider partial funding to cover 50 percent of the estimated equipment maintenance expenses, or \$30,000 per year. Staff wish to have a dialogue with

the Board about these types of requests and to develop some policy considerations for future deliberations about funding monitoring equipment repair and replacement.

V. Staff Recommendation

Staff recommend the Board approve:

- A. Up to \$33,165 in non-capital funds for an interagency agreement with the Oregon Department of Environmental Quality for the replacement of volunteer monitoring equipment; and
- B. Up to \$152,328 in non-capital funds for an interagency agreement with the Institute for Natural Resources and OSU Libraries for web based enhancements for the Oregon Watershed Restoration Inventory, development of Oregon Explorer sites for the Lakes and Deschutes basins, and creation of a spatially based data management prototype for OWEB.

Attachments

- A. DEQ Volunteer Monitoring Equipment Budget and Justification
- B. Letters of support for Oregon Explorer
- C. Oregon Explorer Proposal and Budget

2008 ODEQ Volunteer Monitoring Equipment Needs

Parameter	Item	Quantity	Unit Cost	Total Cost
Temperature	HOBO® Pro v2 Water Temperature Data Logger	50	\$106.00	\$5,300.00
	HOBO® Pro v2 Water Temperature Data Logger Base	4	\$110.00	\$440.00
	HOBOWare® Pro for Windows	4	\$99.00	\$396.00
				subtotal= \$6,136.00
Bacteria	Idexx Sealer	2	\$430.00	\$860.00
	Idexx Incubator	2	\$675.00	\$1,350.00
	Idexx Fluorescent UV light with 110V AC cord	2	\$119.00	\$238.00
	Idexx view box	2	\$189.00	\$378.00
	Idexx Quanti-Tray/2000 Rubber insert	2	\$65.00	\$130.00
			subtotal= \$2,956.00	
pH	Beckman 240 φ pH/temp	17	\$435.00	\$7,395.00
	Orion Ross pH Combination Electrode	17	\$258.00	\$4,386.00
	ATC probe	17	\$108.00	\$1,836.00
			subtotal= \$13,617.00	
Turbidity	HACH Turbidimeter 2100P	2	\$837.00	\$1,674.00
			subtotal= \$1,674.00	
Stream Discharge	Marsh-McBirney Flo-Mate 2000 Velocity Meter	2	\$3,400.00	\$6,800.00
	4 ft. USGS Top Setting Wading Rod	2	\$380.00	\$760.00
	200 ft Sokkia/Eslon Fiberglass Tape Tag Line	2	\$80.00	\$160.00
			subtotal= \$7,720.00	
Conductivity	Meter- YSI Model 30	2	\$531.00	\$1,062.00
			subtotal= \$1,062.00	
Grand Total =				\$33,165.00

Budget Justification

The largest portion of this request is \$13,617 for replacing pH meters purchased 10 years ago. These meters have been demonstrating problems for several years and currently are proving very unreliable for many groups. Other large costs include expanding the capability of the program to support groups interested in doing fecal bacteria monitoring (2 systems for \$2,956) and measuring stream discharge (2 systems for \$7,720). Both fecal bacteria and stream discharge are parameters DEQ often has to deny support for because the agency does not have sufficient equipment to support all the groups wishing to do this monitoring. For TMDL effectiveness monitoring, both of these parameters will be important. Continuous temperature probes need to be replaced and purchasing 50 probes (\$6,136) will be required to maintain a limited supply to support groups. Replacements for failing 10 year-old turbidity meters (\$1,674) and conductivity meters (\$1,062) are also requested.

2008 ODEQ Volunteer Monitoring Equipment Needs Attachment A

Parameter	Item	Quantity	Unit Cost	Total Cost
Temperature	HOBO® Pro v2 Water Temperature Data Logger	50	\$106.00	\$5,300.00
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Turbidity	HACH Turbiditymeter 2100P	2	\$837.00	\$1,674.00
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Stream Discharge	Marsa-McB:ney Flo-Mate 2000 Velocity Meter	2	\$3,400.00	\$6,800.00
	4 ft. USGS Top Setting Wading Rod	2	\$380.00	\$760.00
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**Harney County
Watershed Council**

450 N Buena Vista #4
Burns, OR 97720

Phone: 541-573-8199

Fax: 541-573-8370

Karen.Moon@oregonstate.edu



July 24, 2008

Received By
OWEB

AUG 07 2008

Oregon Watershed Enhancement Board
775 Summer Street NE Suite 360
Salem, OR 97301-1266

Re: Support of Oregon Explorer grant request

To the Board:

The Harney County Watershed Council, with many others in this area, will be a partner in, and major contributor to the proposed Lakes Basin Portal in the expansion of the Oregon Explorer project. We feel that this venue will allow us to address many of our challenges in our efforts to provide a framework for education, coordination, and cooperation among all interested parties for the development and implementation of watershed action plans beneficial to the people and the environment. We feel that the portal will be beneficial in our efforts at education, to help "get the message out". It will be a single-source site for resource managers at all levels – public and private – to look for information relevant to this region. It will also be a valuable source of information for the casual visitor, to get good, sound, scientific information about the ecosystems, watersheds, wildlife, and all things reliant on the land base here, and not necessarily have to rely on unfounded comments, media statements, emotional, and often political rhetoric.


There is a lot of good science available on the area and its resources. It is just not available in one place. We have the luxury of having one of our major partners, the Eastern Oregon Agricultural Research Center, doing the majority of their research on the ecosystems of the Northern Great Basin, and associated Sage Steppe Environments. They are a significant source of science, but there are others. Everyone doing research in this area spends a great deal of time compiling and synthesizing data. We feel that our efforts, with the Oregon Explorer project, will help to alleviate that time-consuming situation.

As resource management, and managers, are attempting to get away from litigation stagnation by doing effective, proactive project design and assessment, it is imperative that they, and we, have a good source of information at hand.

We have been encouraged, and inspired by the existing Umpqua Basin Portal of the Oregon Explorer Project. We hope to be able to develop the same kind of tool, specific to our area.

Thank you for your support of the Oregon Explorer proposal.

Respectfully,



Bill Renwick for the HCWC



Tim Smith, Chairman, Harney County Watershed Council.



DESCHUTES RIVER CONSERVANCY

Deschutes River Conservancy
700 NW Hill St
Bend, OR 97701

August 13, 2008

Oregon Watershed Enhancement Board
Attn: Renee Davis-Born
775 Summer Street NE, Suite 360
Salem, OR 97301-1290

Oregon Watershed Enhancement Board,

The purpose of this letter is to voice our support for the Oregon Explorer Phase II proposal. The Oregon Explorer has demonstrated its value as an information portal for communities across Oregon. We believe that the Deschutes Basin Explorer outlined in the proposal will provide a central point for sharing information across agencies and organizations, allowing for better communication and increasing our efficiency.

The Deschutes River Conservancy has partnered with federal, state, and local agencies and non-profits to restore the Deschutes River and its tributaries. Each entity has a different focus but we share a common vision of functioning rivers that support self-sustaining fish and wildlife populations. Over the last ten years, we have coordinated our activities and developed joint restoration strategies for reaches across the basin.

The recent steelhead reintroduction to the upper Deschutes Basin reinforced the need to improve information sharing across these partners. Each organization currently maintains its own collection of local references, geographic information, and environmental data. As we implement our shared strategies and monitor our overall effectiveness, we need to share this information between agencies, organizations, and the general public. The Deschutes Basin Explorer will provide a medium to share data, communicate results, and improve accountability for agencies and organizations implementing restoration activities across the basin.

We thank you for your consideration, and we hope that you approve this proposal.

Sincerely,

Scott McCaulou
Senior Program Manager
Deschutes River Conservancy

700 NW Hill Street - Bend, Oregon 97701
(P.O. Box 1560 - 97709)
541.382.4077 - Fax 541.382.4078
www.deschutesriver.org / Info@deschutesriver.org



United States Department of the Interior

Received By
OWEB

AUG 14 2008

BUREAU OF LAND MANAGEMENT
Burns District Office
28910 Hwy 20 West
Hines, Oregon 97738

IN REPLY REFER TO:

8223 (OR-026)

AUG 13 2008

Oregon Watershed Enhancement Board
775 Summer Street, NE, Suite 360
Salem, Oregon 97301-1290

Re: Support of Oregon Explorer Grant Request

Dear Oregon Watershed Enhancement Board Members:

This letter is provided in support of an opportunity to create the Lakes Basin Portal on the OregonExplorer.info website supported by the Oregon State University Library and the Institute for Natural Resources. We have reviewed other portals, including the Umpqua Basin Explorer and are encouraged by the application of this website to our very important corner of Oregon. You will likely receive similar letters of support from the Steens Mountain Advisory Council and others who are committed to providing good information for both land managers and the public as we engage in restoration of our watersheds.

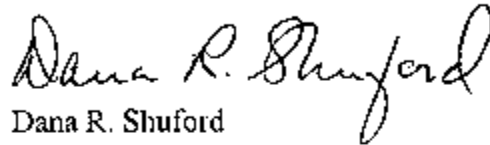
Land use, watershed and stream restoration and other natural resource issues are substantially tied to our communities; and current issues include juniper encroachment, wildfire, sagebrush habitats and threatened species, water availability and use, and economic development and its effects on natural resources. Information related to these issues will be displayed geographically with Oregon Explorer, with associated land use and/or scientific papers also provided.

The Bureau of Land Management (BLM) maintains a substantial amount of geographically tied information on public land resources on the BLM website, but much of this is only available upon request. However, the BLM does host a website from which the public can access land use plans and environmental analyses documents. If links to our public websites can be posted on the Oregon Explorer site, and BLM can provide certain mapped natural resource and land use information to be hosted by the site, the public and all agencies will have better, one-point access to helpful public information.

BLM's Burns District is committed to providing a substantial amount of content and expertise to develop Phase I of the Lakes Basin Portal. This includes the staff time to coordinate portal development in partnership with Oregon State University, identify and provide additional existing public information links (such as with Eastern Oregon Agricultural Experiment Station, the Sagebrush Cooperative, and others) and to provide geographically tied and publicly available information from BLM's data collection. Additional phases would have similar support from BLM.

Please contact Karla Bird, Andrews Field Manager at (541) 573-4425, if you have any questions.
Thank you for considering this opportunity.

Sincerely,

A handwritten signature in black ink that reads "Dana R. Shuford". The signature is written in a cursive style with a large, looping "D" and "S".

Dana R. Shuford
District Manager



August 12, 2008

Rence Davis-Born
Oregon Watershed Enhancement Board
775 Summer Street NE Suite 360
Salem, OR 97301-1290

Re: Support for Oregon State University Oregon Explorer Phase II Proposal

Dear Renee:

I am writing to express support for the Oregon State University Oregon Explorer Phase II proposal that has been submitted to the Oregon Watershed Enhancement Board.

The proposal includes a component that focuses on the creation of a Deschutes Basin Explorer, which would provide a centralized location for information sharing, data storage, and communication related to watershed restoration in the Deschutes. As described in the proposal, this type of a tool would complement the tremendous amount of ongoing watershed restoration activity in the Deschutes by making important information available through an organized, internet-based system. This would allow local organizations like the Watershed Councils, Soil and Water Conservation Districts and others to better communicate and organize their information.

Over the past several years, local organizations have worked toward building improved internet access to watershed information. For example, the Upper Deschutes Watershed Council has developed an online database of local water quality data that is used in conjunction with existing statewide database systems, and many local organizations have posted numerous reports and other information on their websites. However, this information has never been compiled into a single location, thus making it difficult to have quick, easy access to important data, reports, maps and other resources. The proposed Deschutes Basin Explorer would address this issue and lead to greatly improved access to information.

I am looking forward to working with the team from Oregon State University on the development of the Deschutes Basin Explorer. Please let me know if you have any questions or would like to discuss the proposed further.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Houston", written over a horizontal line.

Ryan Houston
Executive Director
Upper Deschutes Watershed Council

Steens Mountain Advisory Council

AUG 14 2008

Council Members:

Pamela Hardy, Chair
Michael Beagle, Vice Chair
Richard Angstrom
Brenda Sam
David Bilyeu
William Renwick
Hoyt Wilson
Fred Otley
Stacy Davies
Daniel Haak
Steve Purchase, State Liaison

Designated Federal Official:

Dana Shuford
Burns District Manager
Burns District Office
28910 Hwy 20 West
Hines, Oregon 97738

August 12, 2008

Renee Davis-Born
Data Analyst and Information Specialist
OWEB
775 Summer St. NE, Suite 360
Salem OR 97301-1290

Dear Renee,

I am writing today on behalf of the Steens Mountain Advisory Council (SMAC) to express the Council's support for the Oregon Explorer's grant application for the development of a Lakes Basin Portal.

The SMAC was established by Congress as a collaborative group of differing interests to advise the BLM on creative ways to manage over a half million acres of public land in the Steens Mountain area. The group includes representatives for ranchers, environmentalists, outfitters, the Burns Paiute tribe and other disparate interests. Although the group often works well together, and we agree on a common goal of creating ecosystem health, we often disagree on what that looks like, or how to achieve it. We often discover that different representatives have different beliefs about what the science really says. For example, is there really no known solution to cheat grass? What impacts do large predators actually have on cattle productivity? How does long light grazing v. heavy short grazing impact vegetation composition? And does that matter to wildlife? Some people think they've seen science on these questions, but few (none in our group) can regularly put their finger on the actual research. We believe that if we were to have the known data easily accessible, we would be far more likely to be able to reach the creative solutions our Congressional charter asks of us.

In short, there is a substantial unmet need for data and research related to the entire area, and the portal would be well used here. It will be critical infrastructure for long term watershed enhancement. There is already strong momentum toward creative, cooperative problem solving for watershed and upland ecological health, but that effort is regularly slowed by lack of data.

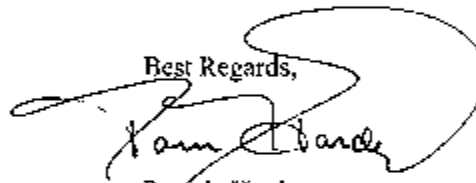
Because of this problem, the SMAC established a science subcommittee to help locate the missing information. The science subcommittee brought the existence of Oregon State University's Oregon Explorer project to the attention of the Council. The SMAC and BLM quickly realized that the Oregon Explorer would be an excellent place for locating these resources if a portal to the region was developed and the site populated with the resources currently scattered among many different agencies, organizations and researchers.

Additionally, since the creation of the SMAC in 2000 our members have observed a growing interest by other individuals, groups, and organizations in the region. Local officials concerned about the economic effects of land use decisions follow the developments carefully. Organizations concerned with fish and wildlife, wild and scenic rivers, wilderness preservation, recreation, grazing rights, hunting and horseback riding carefully follow - if not actively engage in - the decision making processes. Agencies and groups making decisions and recommendations about land use and natural resource policy need reliable, convenient, and equal access to relevant scientific information. Equal access to such data would allow all interested parties the opportunity to investigate, locate, and synthesize information for good policy and decision making on the issues affecting these natural resources.

The Steens Mountain Advisory Council supports the Oregon Explore grant application to the Oregon Watershed Enhancement Board for the development of a Lakes Basin Portal. We believe that, if implemented, this portal will become the key access point for the scientific information critical to making informed decisions about local stewardship.

Please feel free to contact me, (541) 550-7968 if you have any additional questions about the SMAC, or our support for the project.

Best Regards,



Pamela Hardy
Chair, Steens Mountain Advisory Council

Cc: SMAC members

Proposal and Project Description
from OSU Libraries and OUS Institute for Natural Resources (INR)
to the
Oregon Watershed Enhancement Board (OWEB) staff
for
Oregon Explorer Phase II
\$152,328 of OWEB funds out of a \$225,233 project total

1.0 Introduction

Since its launch in 2007, the Oregon Explorer has made important strides toward reaching its vision as a digital library providing access to natural resources information across the state. The OWEB support for *Phase I* of the Oregon Explorer (OE) allowed for a successful launch, and an increasing focus on watersheds and restoration. Additional major partnerships with the Department of Administration Services are integrating OE with the navigatOR GIS utility being created to develop and distribute spatial data in Oregon. Partnerships with the Department of Forestry, Land Conservation and Development, Fish and Wildlife, and others have led to the creation of topic portals for Wildfire Risk, Land Use, Wildlife, and Rural Communities.

In an effort to expand the capacity and useability of the Oregon Explorer (OE), over the last two years, the OE Team has been stepping up its outreach and marketing efforts. User comments and discussions with local groups and state and federal agencies have highlighted the benefits of a single point of public access to all topic relevant scientific, policy, and research information; and, the benefits of active local participation in the life cycle of OE portals. Recent discussions with OWEB also suggest several products that can expand the OE website's ability to address their priorities for making technology useful to local groups, and improving information flow and data-sharing between local groups and agencies.

While *Phase I* funding has been particularly important in expanding the watershed restoration inventory information, water quality information tools, and in expanding how a basin portal can work the *Oregon Explorer Phase II* project will further incorporate OWEB priorities and local requests to provide additional services and improve web-based access to comprehensive natural resources information

2.0 Project Description

The purpose of the *Oregon Explorer Phase II* project is to provide additional services and improve web-based access to comprehensive natural resources information by:

1. updating Oregon Watershed Restoration Inventory (OWRI) products and enhancing the OWRI Visualization Tool;
2. creating a Lakes Basin Explorer portal;
3. creating a Deschutes River Basin Explorer; and,
4. prototyping a spatially-based Data Management System for Oregon Plan related information.

Components 1 and 4 of the project are consistent with OWEB-identified priorities for *Oregon Explorer Phase II* and the creation of Oregon Plan products that improve information flow and data sharing between local groups, such as watershed councils and soil and water conservation districts, and agencies. Components 2 and 3, not only respond to a direct request from local groups in the Lake Basin and the Deschutes River Basin, but are in line with OWEB's emphasized importance of local groups articulating the need and utility for an Oregon Explorer portal. With the completion of these basin portals, one third of the state's Oregon Plan basins will be represented in the Oregon Explorer. These will also be the first basin portals representing Eastside watersheds and environments, as the Oregon Explorer currently features the Willamette Basin, North Coast, and Umpqua Basin.

Through this combination of OWEB/interagency-focused and locally-focused components, the proposed *Oregon Explorer Phase II* project will expand the capacity of watershed councils and local groups to conserve and restore habitats, track the results of their work, and share with successes and opportunities with other partners in the basin. It will increase the efficiency of restoration practitioners ability to get permits to do their work, to report on work done, to find partners for projects, and to get funding for additional work.

Component 1. Update OWRI products and enhance the OWRI Visualization Tool.

In *Phase I* of the Oregon Explorer, in conjunction with OWEB staff, INR and the OSU Libraries developed multiple approaches for accessing OWRI data. One approach was to present users with downloadable versions of the OWRI database in various formats. Another approach made the OWRI accessible through the OWRI Visualization Tool, which displays the locations of projects in the OWRI and allows users to obtain detailed information on any project.

To better provide current OWRI data to local groups, INR and the OSU Libraries propose to update OWRI products by 1) packaging a downloadable version of the OWRI database by basin, 2) making improvements to OE mapping tool(s) to address needs identified as important to OWEB (including those related to online submission of maps for the OWRI), and 3) updating OWRI products and data supporting the Restoration Visualization Tool to coordinate with the new SQL version of the OWRI database created by OWEB staff.

The OWRI Visualization Tool will also be enhanced to make it more accessible to local groups by 1) allowing users to overlay additional spatial datasets on restoration project data (e.g., fish distribution), 2) adding other restoration datasets, such as those from the U.S. Forest Service, Bureau of Land Management, and the Grande Ronde Model Watershed Council, and 3) making the Visualization Tool available based on watershed council boundaries.

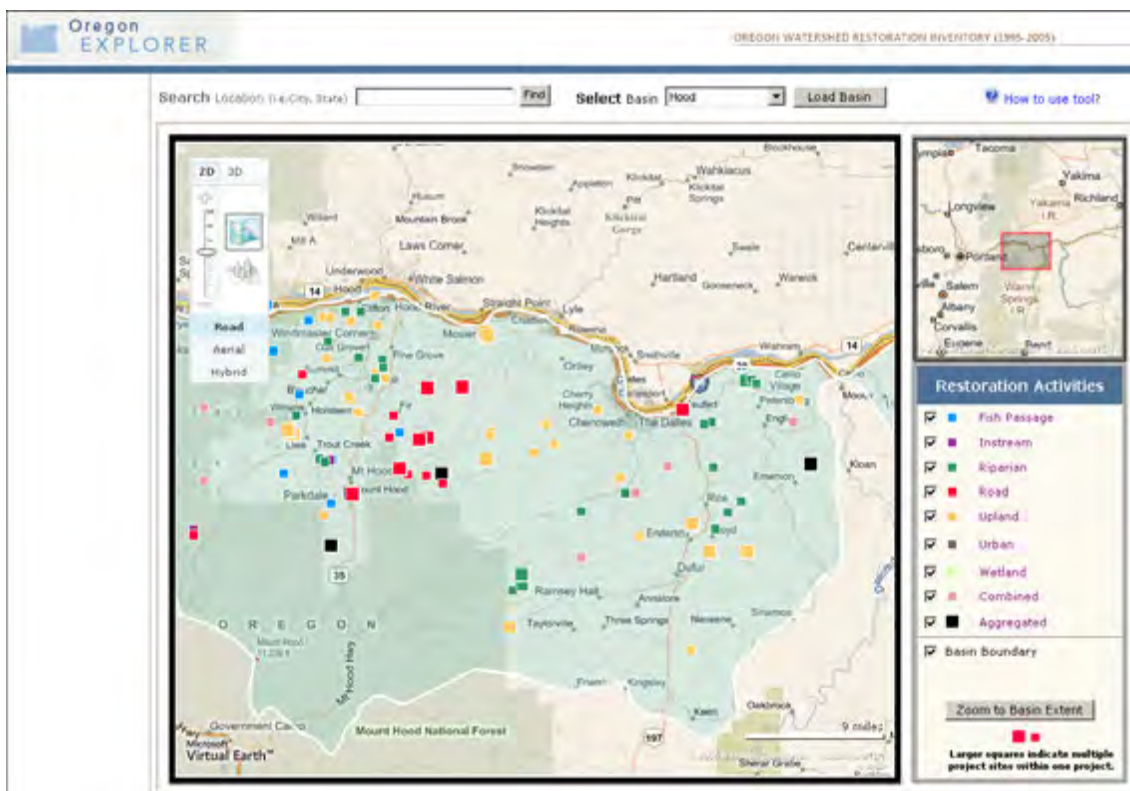


Figure 1. Current Version of Oregon Watershed Restoration Inventory Tool on Oregon Explorer (Hood River Basin featured)

Estimated cost: \$25,237 of OWEB costs (\$8,116 OSU Match, total of \$25,237)

Budget - OWRI Products and Visualization Tool				
	Project Months	Project Cost	OWEB Cost	OSU Match
Salaries				
INR Staff Costs	1.50	\$ 9,363	\$ 5,633	\$ 3,730
OSU Libraries Costs	5.25	\$ 20,758	\$ 17,109	\$ 3,649
subtotal - salaries		\$ 30,121	\$ 22,743	\$ 7,378
Travel		\$ 200	\$ 200	\$ -
Total - direct expenses		\$ 30,321	\$ 22,943	\$ 7,378
OSU Overhead (at 10%)		\$ 3,032	\$ 2,294	\$ 738
Total Costs		\$ 33,353	\$ 25,237	\$ 8,116

Components 2 and 3: Creating two Eastside Basin Portals

The Umpqua Basin Explorer will be used as the model for developing the basin portals. This effort is an excellent demonstration of participating in the life cycle of an Oregon Explorer portal – the active participation of local groups in the development, use, maintenance, outreach, and future fundraising of the basin portal.

Developed with the Partnership for the Umpqua Rivers (PUR), the Umpqua Basin Explorer portal is an ongoing collaboration to integrate the extensive information from the Umpqua Basin into a system that provides access to information and tools to assist local decision-makers, watershed groups, and landowners interested in watershed restoration. The success of the Umpqua Explorer provides lessons as to how to make the regional portals work, which primarily involves intense involvement of the local stakeholders. For the basin portals to succeed, there needs to be local ownership, and in moving forward to complete the vision, the Oregon Explorer team has focused on finding local demand for the tools and services and efficiency the digital library and portals can provide.

Component 2: Phase 1 of a Lakes Basin Explorer Portal

The Lakes Basin has been the center of extensive studies and assessments, organized by federal agencies, state agencies, and local restoration groups to address a variety of natural resource issues—all of whom have created significant amounts of data, analysis, and information. Upcoming management decisions within the Lakes Basin can be informed by new, comprehensive information. A limiting issue is that a large quantity of this data and information is not readily available to land-use practitioners, decision-makers, and the public in the basin.

Through a series of face-to-face meetings, e-mail communications, and phone calls, members of the Harney County Watershed Council, the Steens Mountain Advisory Council, and the Burns District BLM expressed keen interest in developing an Explorer portal for the Lakes Basin, which includes most of Harney County and Lake County (Figure 2).

Creating a Lakes Basin Explorer portal will enable local groups to better address natural-resource issues critical to their area by providing access to integrated information and tools to assist local decision-making by watershed groups, landowners, management entities, and others. The goals of the proposed Lakes Basin Explorer are to:

1. Provide a single point of electronic, public access to relevant scientific, policy and research information for the Lakes Basin;
2. Offer a place to organize, integrate and archive important documents, data, photos, videos, maps in a digital form that tie to a geographic database; and
3. Highlight one or more high-priority ecosystem restoration issues identified by local groups. Initial interest is in the issues around restoration in the uplands.

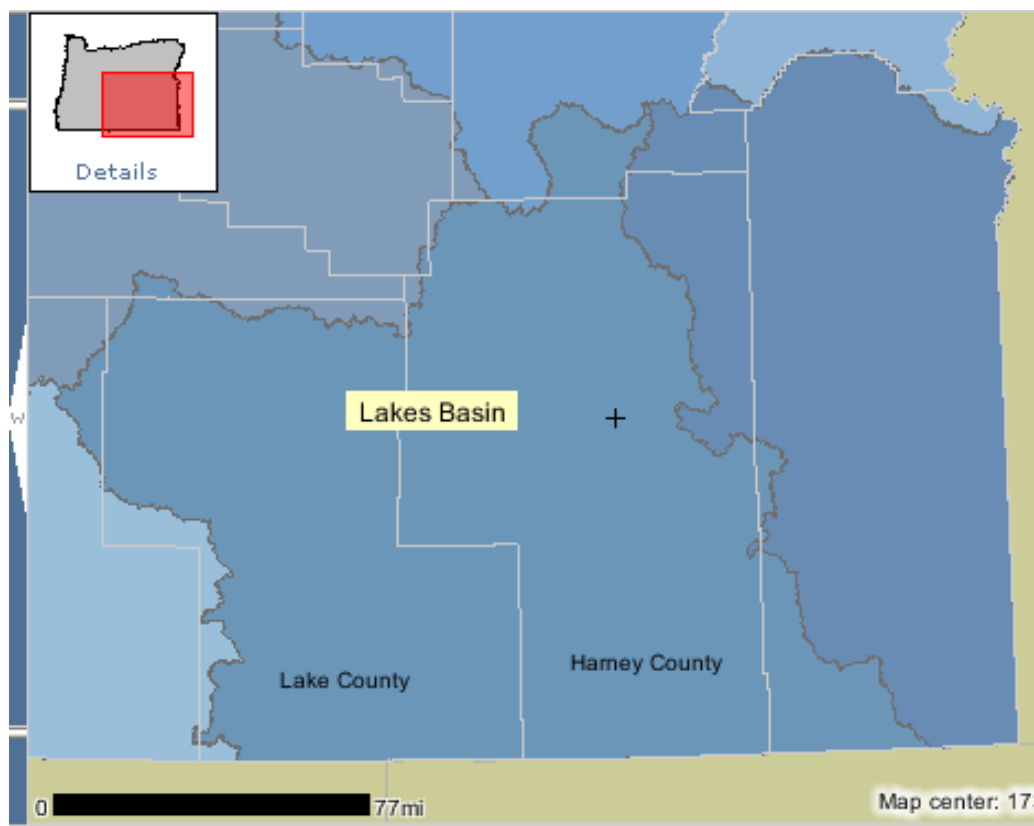


Figure 2. Geographic Extent of Lakes Basin

The Harney County Watershed Council, Burns District BLM, and the Steens Mountain Advisory Council’s request to develop a Lakes Basin Explorer portal ensures that a supportive partnership exists to assist with developing and maintaining the site over time.

Deliverables

- 1) Creation and release of the Lakes Basin Explorer (www.lakesbasin.info). It will be a web portal and digital natural resources library, with an initial focus on a high priority ecosystem restoration issue within the Lakes basin. The site will include a multi-media story, and it will prototype a tool for uploading photos from public sources.
- 2) Updated Oregon Explorer county pages for Harney County and Lake County. As the basin data and information is compiled and integrated for the Lakes Basin Explorer, new county-wide data and information will be made available from the Oregon Explorer county pages.
- 3) A Governance Document that would identify the specific roles and responsibilities of the local partners, as well as OSU Libraries and the Institute for Natural Resources in maintaining the portal over the long-term.

A comprehensive budget and expanded work plan for a “Lakes Basin Explorer Phase 2” project will also be developed. It is anticipated that the completion of the “Lakes Basin Explorer Phase 1” will provide demonstration materials and a functional portal that would allow project partners

to raise the additional funds from sources other than OWEB to address a variety of important issues in the basin.

Links to Ongoing Projects

The development of the Lakes Basin Explorer will take advantage of ongoing efforts portal development efforts at INR and OSU Libraries. Of particular relevance are two projects, the development of a Spatial Data Explorer being developed in partnership with the Department of Administrative Services (DAS), and the Wetlands Explorer being developed in partnership with The Wetlands Conservancy (TWC) and the Environmental Protection Agency (EPA). The Spatial Data Explorer Project will provide better and more immediate access to all the framework GIS data for the state and new mapping tools which will be available in all portals. It will be integrated into the national map effort, as funding for the portal is coming from the U.S.G.S., and as will therefore provide more direct and simple access to national map projects.

The Wetlands Explorer project will result in digital information on wetlands around the state, as well as maps and data showing priority wetlands for acquisition and restoration. It includes restoration tools providing councils and landowners information on wetland restoration best practices, seed sources, historic wetland information, and technical assistance. The Wetlands Explorer has particular relevance for the Lakes Basin Explorer because part of a Wetlands Explorer EPA grant involves funding to develop a wetlands conservation plan for the closed basin wetlands in the Warner and Harney Basins, and an assessment of the significance of the desert wetlands in the basin. The wetlands project includes links to ongoing efforts by the U.S. Fish and Wildlife Service to update the management plan for the Malheur Wildlife Refuge, and to determine how different wildlife species, particular waterfowl and shorebirds, use the refuge, with a goal of conserving important wetlands, wetland functions, and bird habitats. By creating the Lakes Basin Explorer, the partners can better share information from the newly developed wetlands assessment, and better involve the local community in decision making and conservation efforts.

Estimated cost: \$51,236 of OWEB costs (\$30,634 of OSU Match, total of \$81,870)

Budget - Lakes Basin Explorer - Phase 1				
	Project Months	Project Cost	OWEB Cost	OSU Match
Salary Costs				
INR Project Salaries	4.00	\$ 24,359	\$ 14,266	\$ 10,093
OSU Libraries Project Salaries	9.00	\$ 36,518	\$ 18,763	\$ 17,756
subtotal - salaries		\$ 60,877	\$ 33,028	\$ 27,849
Service contracts - Web design; science writing; web analytics		\$ 5,000	\$ 5,000	-
Service contracts, Local Partner (eg watershed council) Support		\$ 6,000	\$ 6,000	
OSU Libraries Digital Production Unit Archiving Services		\$ 1,000	\$ 1,000	-
Supplies (training and outreach materials)		\$ 350	\$ 350	-
Travel		\$ 1,200	\$ 1,200	-
Total - direct expenses		\$ 74,427	\$ 46,578	\$ 27,849
OSU Overhead (at 10%)		\$ 7,443	\$ 4,658	\$ 2,785
Total Costs		\$ 81,870	\$ 51,236	\$ 30,634

Component 3: Create Phase 1 of a Deschutes Basin Explorer portal

A significant amount of data, analysis, and information has been generated for the Deschutes Basin, but local groups in the area have informed us that this information is scattered among a number of different websites and database, and is difficult to access and/or navigate. Web sites exist for the Deschutes Basin, but many of them do not provide direct access to digital documents or mapping tools that would support resource decision-making.

Members of the Upper Deschutes Watershed Council, Deschutes River Conservancy, OSU Extension, and the OSU Cascades Campus expressed deep interest in collaborating with OSU Libraries and INR to develop a basin portal for the Deschutes Basin, which includes northern Klamath and Lake counties and most of Wasco, Jefferson, Crook and Deschutes counties.



Figure 3. Geographic Extent of Deschutes Basin

The goals of the proposed Deschutes Basin Explorer portal project are to:

1. Provide a single point of electronic, public access to relevant regional scientific, policy and research information for the Deschutes Basin. Initial interest suggests water quality information would be a good place to start;
2. Offer a place to organize, integrate and archive important current and historical documents, data, photos, videos, maps in a digital form that tie to a geographic database; and
3. Highlight one or more high-priority ecosystem restoration issues identified by local groups. Initial interest is in the fish and water issues related to salmon re-introduction in the upper Deschutes River.

Creating a Deschutes Basin portal, the fifth Oregon Explorer basin portal, will allow the Oregon Explorer team to expand information in the issues critical to eastern Oregon, such a wildfire risk reduction treatments, and integrate the considerable work by public agencies, local partners in the Deschutes, the expansive fire learning network, and watershed groups, landowners, management entities, and others.

Deliverables

- 1) Creation and release of the Deschutes Basin Explorer (www.deschutesbasin.info). It will be a web portal and digital natural resources library, with an initial focus on a high priority ecosystem restoration issue within the Deschutes basin.
- 2) Updated Oregon Explorer county pages for Deschutes, Jefferson, Crook, and Wasco Counties. As the basin data and information is compiled and integrated for the Deschutes Basin Explorer, new county-wide data and information will be made available from the Oregon Explorer county pages.
- 3) A governance document that would identify the specific roles and responsibilities of the local partners, as well as OSU Libraries and the Institute for Natural Resources in maintaining the portal over the long-term.

A comprehensive budget and expanded work plan for Phase 2 of the “Deschutes River Basin Explorer” will also be developed. It is anticipated that the completion of Phase 1 will provide demonstration materials and a functional portal that would allow project partners to raise the additional funds from sources other than OWEB to address a variety of important issues in the basin.

Links to Ongoing Projects

The development of the Deschutes Basin Explorer will take advantage of ongoing efforts portal development efforts at INR and OSU Libraries. Of particular relevance are two projects, the development of a Spatial Data Explorer being developed in partnership with the Department of Administrative Services (DAS), and the Wetlands Explorer being developed in partnership with TWC and EPA. The Spatial Data Explorer Project will provide better and more immediate access to all the framework GIS data for the state and new mapping tools which will be available

in all portals. It will be integrated into the national map effort, as funding for the portal is coming from the U.S.G.S., and as will therefore provide more direct and simple access to national map projects. The Wetlands Explorer project will result in digital information on wetlands around the state, as well as maps and data showing priority wetlands for acquisition and restoration, prescreening tools to allow developers and planners to avoid wetlands and endangered species before acquiring a parcel or spending money on project planning, and restoration tools providing councils and landowners information on wetland restoration best practices, seed sources, historic wetland information, and technical assistance. The efforts by partners in the Deschutes Basin to protect the important and threatened wetlands along the Little Deschutes River can be highlighted.

In addition to these two projects, all of the existing subject matter portal data will be available on the site. Access to Deschutes Basin specific fire risk data from the Fire Risk Explorer, wildlife data from the Wildlife Explorer, and land use and measure 49 data from the Land Use Explorer will be provided. Lastly, the ongoing work to further the implementation of the Conservation Registry (<http://conservationregistry.org>), to integrate it into the Oregon Explorer, and to link it to newly developed OWEB Watershed Restoration Inventory (OWRI) tools will be particularly important because of OWEB’s Special Investment Partnership (SIP) in the Deschutes. The Deschutes SIP will expand the number of restoration projects in the basin, and the speed of their implementation. The Deschutes Basin Explorer will provide tools for keeping folks in the basin up to speed on what is happening with the Deschutes SIP, and for sharing information about it.

Estimated cost: \$52,743 of OWEB costs (\$25,571 OSU Match, total of \$78,314)

Budget - Deschutes Basin Explorer - Phase 1				
Salary Expenses	Project Months	Project Cost	OWEB Cost	OSU Match
OSU Libraries Staff Costs	9.00	\$ 36,898	\$ 19,588	\$ 17,310
INR Staff Costs	3.25	\$ 21,146	\$ 15,210	\$ 5,937
subtotal - salaries	12.3	\$ 58,045	\$ 34,798	\$ 23,247
Service contracts - Web design, science writing, web analytics		\$ 5,000	\$ 5,000	\$ -
Service contracts - Local Support (watershed council, local groups)		\$ 6,000	\$ 6,000	
OSU Libraries Digital Production Unit Archiving Services		\$ 1,000	\$ 1,000	\$ -
Supplies (training and outreach materials)		\$ 350	\$ 350	\$ -
Travel		\$ 800	\$ 800	\$ -
Total - direct expenses		\$ 71,195	\$ 47,948	\$ 23,247
OSU Overhead (at 10%)		\$ 7,119	\$ 4,795	\$ 2,325
Total Costs		\$ 78,314	\$ 52,743	\$ 25,571

Component 4: Scope and create a prototype for a Spatially Based Data Management System for Oregon Plan related data and information.

The Oregon Explorer team proposes to create a prototype web tool to display and manage Oregon Plan related data and information. This functionality would improve OWEB's ability to manage data in a spatially relevant way. It would use visualization tools created during the OWEB Phase 1 project for the OWRI as a foundation for making other Oregon Plan related information available in an easy-to-understand way. This approach will inform data management for and annual reporting on Key Performance Measures by OWEB and other natural resources agencies. The initial focus will be on monitoring data collected by the many Oregon Plan partners, particularly data needed for state or national reporting projects.

Tasks and Deliverables

Specific tasks included in this component are:

1. Prototyping a spatially based data management system through the creation of a tool that shows the location of monitoring projects underway by Oregon Plan partners. Methodology if possible involve tapping into existing databases, such as the PNAMP pilot effort to conduct an aquatic monitoring inventory (see <http://www.pnamp.org/web/Content.cfm?SectionID=9#PNAMP>), and supplement this information with monitoring projects that may have been overlooked by other database compilations that are important to the Oregon Plan; and
2. Integrating with the in-development Spatial Data Explorer (a partnership between the Oregon Geospatial Enterprise Office and the Explorer Program) to demonstrate access to an Oregon Plan related framework data layer (i.e., Anadromous Fish Distribution [very high priority per Oregon Framework Implementation Team] or Fish Passage Barriers [high priority]). The intent of the Spatial Data Explorer is to make comprehensive, statewide data accessible via the Internet. The deliverable from this task will be accessible natural-resources data that is of importance to local restoration groups and Oregon Plan partner agencies.

This work will help address information needs that OWEB and other agencies have related to reporting annually on Key Performance Measures (KPMs). Data are currently collected and stored in ways that make it difficult for agencies to access and share information about KPMs. A prototype of a spatially based data management system would demonstrate the potential for data sharing and improved reporting efficiency among agencies.

Estimated cost: \$23,112 of OWEB costs (\$8,585 OSU Match, Total of \$31,696).

Budget - Oregon Plan Data Web Tool and Viewer				
Name	Project Months	Project Cost	OWEB Cost	OSU Match
OSU Staff Costs	5.00	\$ 19,252	\$ 14,431	\$ 4,820
INR Staff Costs	1.50	\$ 9,363	\$ 6,379	\$ 2,984
subtotal - salaries		\$ 28,615	\$ 14,431	\$ 4,820
Travel		\$ 200	\$ 200	\$ -
Total - direct expenses		\$ 28,815	\$ 14,631	\$ 4,820
OSU Overhead (at 10%)		\$ 2,881	\$ 1,463	\$ 482
Total Costs		\$ 31,696	\$ 16,095	\$ 5,302

3.0 Total Project Estimated Budget

Total Costs for Oregon Explorer Phase 2 Proposal			
Project	Total Cost	OWEB Funds	OSU Match
1) OWRI Products and Visualization Tool	\$33,353	\$25,237	\$8,116
2) Lakes Basin Explorer Portal - phase 1	\$81,870	\$51,236	\$30,634
3) Deschutes Basin Explorer Portal - phase 1	\$78,314	\$52,743	\$25,571
4) Spatially Based Data Management System Prototype	\$31,696	\$23,112	\$8,585
Total Costs	\$225,233	\$152,328	\$72,906
Cost Breakdown by OWEB Category			
Cost Breakdown by OWEB Category	Total Cost	OWEB Funds	OSU Match
Project Management	\$34,238	\$29,516	\$4,722
In-House Personnel	\$147,420	\$85,864	\$61,556
Contracted Services	\$20,000	\$20,000	\$0
Travel	\$2,400	\$2,400	\$0
Supplies and Materials	\$700	\$700	\$0
Equipment	\$0	\$0	\$0
Fiscal Administration (overhead at 10%)	\$20,476	\$13,848	\$6,628

The total OSU Libraries – INR match is 32.4%.

4.0 Plan for Evaluating Usage of Oregon Explorer

To help evaluate the success of the OSU Explorer Web site, OSU Libraries will continue to track use of sites in the Explorer series using Urchin 5 software from Google Analytics. This software analyzes traffic for Web sites and provides accurate and easy-to-understand reports about usage.

In December 2007, INR submitted a Project Completion Report to OWEB for the Oregon Explorer Web site. This report described how extensively the Explorer sites were being used between January 2007 and December 2007. (The Launch of Oregon Explorer was 6/28/07.) At that time we saw a steady increase in usage. Since then we have noticed that the North Coast Explorer has not experienced the same increase in usage, except for a recent increase in April 2008. Based on this trend information, we realize that the North Coast Explorer may be less useful because of a lack of local stewardship as compared to the Umpqua Basin Explorer. The Umpqua Basin Explorer has become more relevant because of local involvement. This information is being used as we plan to expand the site to include the Deschutes Basin and the Lakes Basin.

In May 2008, the following usage statistics were presented at the OWEB Board Meeting:

Number of Sessions per Month (note: a session here is a visit involving site interaction ending either following 30 minutes of inactivity or by a move to another site)

- OE: Steady increase from ~3,000 sessions/mo. in April 2007 to ~28,000 sessions/month in April 2008
- WBE: Steady use of between 2,000 and 4000 sessions/month since April 2007 with recent increases to 12,000-15,000 sessions/month in March and April 2008
- UBE: Steady use of between 2,000 and 3,000 sessions/month since May 2007
- NCE: Fairly steady use of between 3,000 and 5,000 sessions/month since April 2007, with a recent increase to 9,000 sessions/mo. in April 2008

OSU Libraries will continue to use the Urchin 5 software to track use of OE in the coming months and will report to OWEB about use statistics on an annual basis.

5.0 Project Timeframe

Estimated timeframe to complete all projects: 18 months, preferably beginning October 1, 2008 and ending on March 31, 2010.

Appendix 1. Funding Sources for Oregon Explorer Development as of 6/30/2008

I. Past Funding : \$1,490,498

OSU Libraries/INR (32%)	\$483,356	Willamette Basin Explorer North Coast Explorer
Other State Funds (42%)		
Oregon Watershed Enhancement Board	\$312,500	North Coast Explorer Willamette Basin Explorer Umpqua Basin Explorer Phase 2 Oregon Explorer Phase 1
Oregon Dept. Forestry	\$ 43,500	Wildfire Risk Explorer
Oregon Dept. of Fish and Wildlife	\$ 40,217	Wildlife Explorer; Conservation Registry
Oregon Dept. Administrative Services	\$225,596	Imagery Explorer Oregon Explorer Phase 1
Foundation Grants (24%)		
Meyer Memorial Trust	\$180,000	Willamette Basin Explorer
Oregon Community Foundation	\$175,329	Land Use Explorer
Local/Federal Funds (2%)	\$ 30,000	Umpqua Basin Explorer Phase 1
<u>II. Current Funding: \$556,833</u>		
OSU Libraries/INR (12%)	\$ 74,956	Oregon Explorer Phase 2 Rural Communities Explorer Phase 1
Foundation Grants (55%)		
The Ford Family Foundation	\$ 24,988	Rural Communities Explorer Phase 1
Murdock Foundation	\$284,000	Wetlands Explorer
State Funds (25%)		
Department of Administrative Services	\$ 49,854	Spatial Data Explorer Phase 1
Dept. of Land Conservation & Development	\$ 20,000	Measure 49 Tool
Oregon Dept. of Environmental Quality	\$ 70,258	Water Quality Data Submission Tool
Local/Federal Funds (5%)	\$ 30,000	Umpqua Basin Explorer Phase 3
CICEET	\$ 11,133	Stormwater Assessment Tool
Environmental Protection Agency	\$150,000	Wetland Explorer & Tools
<u>III. Proposed Funding:\$1,068,000</u>		
State Funds (98%)		
Department of Administrative Services	\$45,000	Hazards Explorer
Oregon Watershed Enhancement Board	\$150,000	Oregon Explorer Phase 2
Governor's Budget	\$150,000	Urban and Rural Connected POP
	\$500,000	OUS Research Council POP –(OE)
Governor's Budget (reintroduce in 2009)	\$200,000	Sustainable Ag Explorer POP
Co-sponsored projects (2%)		
Oregon Forest Resources Institute	\$19,374	Oregon Explorer for Teachers

I. Total Past Funding: \$1,482,142

II. Current Funding: \$706,833

III. Total Funding to date (6/30/2008): \$2,127,073

IV. Total Funding Breakdown:

Private Foundations	\$ 664,317	31.2%
State	\$1,241,623	58.5%
OWEB	\$ 312,500	14.7%
DAS	\$ 275,450	13.0%
OSU – INR	\$ 549,956	25.9%
Other State	\$ 103,717	4.9%
Federal	\$ 221,133	10.4%



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August 25, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Renee Davis-Born, Data Analyst and Information Specialist
Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item K2: Wetland Investments
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This item provides an update about two wetlands related activities of importance to OWEB. The first part of the report is a progress update on the digitization of National Wetlands Inventory (NWI) maps. The second portion of this report is a status update about the monitoring and assessment effort for wetlands projects that was recently provided to the agency through a grant from the U.S. Environmental Protection Agency (EPA). The report also seeks Board authorization to delegate authority to the Director to enter into contracts with the Oregon Department of State Lands and The Xerces Society for Invertebrate Conservation (Xerces) associated with the EPA-funded project.

II. Digitization of National Wetlands Inventory Maps

As reported at the March and May Board meetings significant progress has been made in recent years toward building an electronic map of all wetlands located in the state. When completed, this map, based on data from the NWI, will be readily available to local restoration groups and interested parties such as state and federal agencies responsible for the management of wetlands.

Since May of this year, Oregon Corrections Enterprises (OCE), the agency with which OWEB is contracting, has initiated digitization work and has completed transfer of 101 maps. In August of 2008, OCE added another technician to this project in order to meet the September 2008 timeline for delivering all 240 digital NWI maps to OWEB as required under the funding agreement between OWEB and the Oregon Department of Administrative Services, which awarded \$48,000 for this work. The U.S. Fish and Wildlife Service's (USFWS) NWI staff will complete final quality assurance and quality control work on these products. Upon completion of this contract, high-quality digital NWI maps will be available for nearly 70 percent of Oregon's land area. The maps will be available on the USFWS's NWI website found at: <http://wetlandfws.er.usgs.gov/nwi/index.html>

At the May Board meeting, the Board allocated \$96,200 in non-capital funding and delegated authority to the Director to enter into a contract with OCE to complete digitization of the

remaining 481 NWI maps that cover southeastern Oregon. This digitizing of NWI maps is planned to commence by the September 2008 Board meeting.

These products, in conjunction with deliverables from an initiative by The Wetlands Conservancy to revise 97 outdated NWI maps in western Oregon, will result in a comprehensive statewide coverage of wetland location information in electronic format that is easily accessible to watershed councils, soil and water conservation districts, landowners, agencies, and other entities for Oregon. The anticipated date the complete map will be available is September of 2009.

III. Compliance and Effectiveness Monitoring of Wetlands Projects

On May 2, 2008, the EPA announced funding decisions for its 2008 Wetlands Program Development Grants. OWEB, along with DSL and Xerces, was awarded \$342,281 to create the framework for an Oregon Wetland Monitoring and Assessment Program.

OWEB has provided nearly \$10 million to wetland restoration projects around the state between 1999 and 2008. At present, this is the sixth largest investment in restoration activity of all project types undertaken using Measure 66 funds. The trend has shown an increasing number of watershed councils planning wetland restoration projects. At the same time, DSL provides permits for approximately 200 wetland mitigation projects each year, and half of these include enhancement actions as well. Despite this number of wetland related activity, no comprehensive strategy currently exists to assess the success of wetland restoration, mitigation, and enhancement projects in Oregon.

To address this need, OWEB, DSL, and Xerces will develop a framework for assessing and monitoring Oregon wetlands to provide guidance to groups involved in wetland restoration and mitigation. The project will test a preliminary invertebrate-based biological monitoring tool and apply the Oregon Wetland Assessment Protocol, known as ORWAP. A portion of the project will also develop detailed effectiveness monitoring to assess wetland quality and evaluate restoration and mitigation success. In addition, the project will improve the quality and management of data on mitigation and restoration sites and increase information exchange to improve decision-making about wetland enhancement and investments. Project implementation will occur initially in the Willamette Valley, which is intended to complement and inform investments that will be made by OWEB under the Willamette Special Investment Partnership.

The compliance and effectiveness monitoring framework resulting from the project will be used by OWEB to assess wetland restoration projects located around the state in coming years. The project will also inform the development of guidelines for future wetland restoration and mitigation practices thereby augmenting the effectiveness of restoration projects and enhancing the compliance with Oregon's compensatory wetland mitigation projects.

Representatives from the three partner organizations held a preliminary project meeting in early July. Also in July, OWEB staff initiated discussions with researchers from EPA's Western Ecology Division about organizing a design workshop for restoration effectiveness monitoring for wetlands in the fall of 2008 that will inform sampling design for the OWEB-DSL-Xerces project. Finally, staff are exploring opportunities for collaboration with The Wetlands Conservancy and the OSU Institute for Natural Resources, which also were funded by EPA in a related Wetland Program Development grant.

As the grant recipient, OWEB staff currently are working with EPA Region 10 to develop the grant agreement for this award. Subsequent to the award, OWEB staff wish to enter into interagency and grant agreements with both DSL and Xerces for their work on this project.

IV. Staff Recommendation

Staff recommend that the Board delegate authority to the Director to enter into agreements with the Oregon Department of State Lands and The Xerces Society for Invertebrate Conservation to complete mapping and monitoring activities, respectively, associated with the EPA-funded project.



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August 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item K-3: Special Investment Partnership Progress
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report provides the Board a brief update of the progress being made on the two geographic Special Investment Partnership (SIP) fund allocations.

II. Background

The Board adopted Special Investment Partnership (SIP) programs for the Upper Deschutes at the January 2008 meeting, and for the Willamette at the March 2008 meeting. The goal of SIP is the same as that of OWEB overall – to help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies. SIP is a tool that OWEB may elect to use in situations where an important and extremely beneficial project (or group of related projects) requires an interaction or funding mechanism different than those provided by OWEB's grant programs. For both SIPs, daily progress continues on project design details, technical reviews, effectiveness monitoring plans, grant agreements, and the whole range of activities associated with implementation or immediate pre-implementation.

III. SIP Status

Partners in the Deschutes and Willamette basins are working hard to implement efforts approved by the Board. The status of each SIP is described in the sections below.

A. Deschutes SIP

The Deschutes SIP focuses on habitat restoration that will contribute to re-establish anadromous fish runs and to enhancement of resident fish populations in the main stem and in tributary streams on both the eastside and the westside of the Deschutes, including the Crooked River Subbasin. The Deschutes Basin partners were allocated \$4 million at the January 17, 2008, Board meeting in Astoria. The allocation was associated with a specific list of projects that had been identified and prioritized by the partners.

The OWEB Executive Director signed a partnership agreement with the Upper Deschutes Watershed Council, Deschutes River Conservancy, Deschutes Land Trust, and Crooked River Watershed Council to implement the SIP. OWEB has funded six SIP projects and has six projects in the pipeline for review and funding approval.

In the Crooked River Basin, two restoration projects have received funding and a new application for fish passage structures, at the Crooked River Central (RM 44) and People's Irrigation (RM 50) diversion dams on the Crooked River, is pending review. The approved projects include screening the Crooked River Pumping Plant diversion near Terrebonne to protect reintroduced anadromous fish and a restoration project along 3/8 mile of Ochoco Creek at a former mill site in Prineville to enhance floodplain connectivity and stream function.

Restoration projects in the Whychus and Lake Creek watersheds have focused on conserving instream flow, restoring fish passage and restoring floodplain connectivity. Two piping projects on Whychus Creek have been approved and will protect 2.4 cubic feet per second (cfs) of water for instream use and replace 25,875 feet of diversion ditch with 36-inch diameter piping. A multi-partner project at Camp Polk meadow, northwest of Sisters, will plug an incised, straightened channel and reconnect the historic channel to Whychus Creek while recreating 35 acres of wetland. A culvert and road crossing on Lake Creek, a tributary of the Metolius River, will be removed to allow fish passage. Projects pending review and approval include an acquisition along Lower Lake Creek and technical assistance to investigate the feasibility of piping the Three Sisters Irrigation District's main canal to return 6 cfs of water for instream use.

The following table lists the status of projects in the Deschutes SIP. The Deschutes SIP partners are on schedule to allocate the full \$4 million this biennium.

Deschutes SIP Projects Funded by OWEB

	Upper Deschutes Watershed Council	Deschutes River Conservancy	Deschutes Land Trust	Crooked River Watershed Council	Total
Proposals Reviewed	4	2	0	2	8
Incoming Applications	1	1	1	1	4
Awards Made	3	1		2	6
Agreements Signed (includes EM* splits)	4	1		2	7
Projects Started	3	0		1	4
Award Sums	\$979,388	\$333,266	0	\$629,346	\$1,942,000
Awards Pending	\$22,000	\$323,000	0	0	\$345,000
Headed for Review		\$50,000	~\$500,000	\$681,980	\$1,231,980
Total	\$1,001,388	\$706,266	~\$500,000	\$1,311,326	\$3,518,980

*EM means effectiveness monitoring.

The Deschutes SIP partners met in Bend on Thursday, August 21, 2008, to discuss priorities for the next biennium. The partners have identified nearly \$14 million in projects for the next biennium. They realize that OWEB continuation of the Deschutes SIP will not likely be able to fund all the work and recognize that bringing in additional funding partners will be an important priority.

A Deschutes SIP Reintroduction Steering Committee meeting to review progress and discuss future projects is proposed for September. The committee and partners will be exploring, among other topics, how to “tell the story” of the successful partnership and significant achievements possible from the partnership.

B. Willamette SIP

The main objectives of the Willamette SIP are to engage local partners to a) re-establish channel complexity, and b) re-connect flood plains in the historic meander corridor of the Willamette main stem and the major tributaries. These objectives will restore aquatic and riparian habitats for a wide variety of species, and also will contribute significantly to restoration of river processes that contribute to good water quality.

The Board allocated \$6 million to the purposes of the Willamette SIP at the March 19, 2008, Board Meeting in Medford. The allocation was associated with a suite of project concepts that were not as well developed as the Deschutes SIP projects. Staff have been working with partners to develop specific projects for implementation. The Executive Director has signed a partnership agreement with the state agency partners and is working with the Meyer Memorial Trust to finalize a partnership agreement that expresses the shared commitment of Meyer and OWEB to collaborate on mutual objectives in the Willamette.

On August 15, 2008, the Willamette SIP review team met to discuss three projects and formulate approaches to both evaluate projects and evaluate progress of the SIP. Attachment A describes a concept that may be used to document the changes brought about as a result of the SIP investments. The review team recommended going ahead with the three projects reviewed. They also had suggestions about how OWEB should solicit and evaluate potential projects. The conversation helped to identify some of the efforts necessary to provide guidance and focus for potential project developers.

Willamette SIP Projects Funded by OWEB

	Willamette Riverkeeper	City of Portland	Green Belt Land Trust	Friends of Buford Park	Total
Proposals Reviewed	1	1	0	1	3
Incoming Applications	1	2	1	0	4
Awards Made	0	0	0	0	0
Awards Pending	\$106,480	\$200,000	0	\$182,315	\$488,795
Application Sums	\$1,000,000	\$200,000	\$600,000	0	\$1,800,000
Total	\$1,106,480	\$400,000	\$600,000	\$182,315	\$2,288,795

In addition to the projects in the table, OWEB staff have had discussions with Scappoose Bay Watershed Council, Metro, Department of Geology and Mineral Industries, and others about potential projects. As much as \$1 million in additional projects are likely to be ready for review by the end of the calendar year.

The partnership with the Meyer Memorial Trust has significantly matured. The Trust has formally adopted funding for the Willamette River Basin Restoration Initiative (see <http://www.mmt.org/initiatives/river/>) as one of three major initiatives the Trust is undertaking. They have a long term commitment to making the partnership work.

Staffing for the program is a critical issue for OWEB. With the loss of a key staff member, recruiting and employing new staff is a critical priority. For the near term the Deputy Director will take a more active role in the direction and development of the SIP effort.

IV. Recommendation

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

Attachment

- A. Willamette SIP Concept

Attachment A

River Network Extent



Reach Extent
Example Selection Criteria

1. Unconstrained Channel Morphology.
2. Potential for Floodplain Forest Recovery.
3. Low Population Density and Few Structures.
4. Potential for Recovery of Channel Complexity.
5. Potential for Increased Natural Flood Storage.



Reach Extent



Focal Area
Example Selection Criteria

1. Willing Land Owners.
2. Low Density of Capital-Intensive Investments
3. Presence of Public Land.
4. Low Population Density
5. Potential for Recovery of Native Floodplain Forest and Channel Complexity.
6. Few Revetments.
7. Flood Storage Potential.



Focal Area Extent



Focal Area
Example Ranking Criteria

1. Willing Land Owners.
2. Ratio of Predicted Forest Area and Channel Complexity Increase to Cost of Restoration.
3. Availability of Incentives for Stewardship of Private Lands.



Site or Project Extent



Green Island Example

	Crescent Lake		Old McKenzie Channel		Nexus	
	Plan A	Plan B	Plan A	Plan B	Plan A	Plan B
Flood-water storage						
Channel complexity						
Forested floodplain						
Others ?						



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August 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item K-4: CREP Partnership Progress
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report provides the Board a brief update of the progress being made on the implementation of the Oregon Conservation Reserve Enhancement Program (CREP).

II. Background

During the discussions of the 2007-2009 biennium capital budget at the September of 2007 meeting in LaGrande, a concern was raised about the increased commitment of funds for CREP contracts. Staff committed to conducting a discussion with stakeholders and developing an approach for budgeting for the next biennium. Additional concerns about funding for CREP Technical Assistance were raised by the Oregon Department of Agriculture (ODA) and Soil and Water Conservation Commission during discussions about additional funding for soil and water conservation districts.

Staff of OWEB and ODA, in collaboration with staff from the Farm Service Agency (FSA) discussed the issues of the Oregon CREP in front of the Board of Agriculture in May of 2008. The Board of Agriculture adopted a resolution supporting the Oregon CREP as an important element in meeting water quality requirements in agricultural lands. (Attachment A)

III. Current Status

Staff have organized a CREP Work Group and scheduled the first meeting for September 5, 2008. The members of the work group are:

Gail Stinnett, FSA, Hillsboro
Kevin Macintyre, FSA, The Dalles
Lois Loop, FSA, Tualatin
Larry Ojua, ODA, Salem
Tom Straughan, ODA, Pendleton
Amie Loop-Frison, Yamhill SWCD
Ron Graves, Wasco SWCD
Meta Loftsgaarden, NRCS

OWEB staff support will be provided by Ken Bierly and Melissa Leoni. Staff will report on the results of the first meeting at the Board meeting.

IV. Recommendation

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

Attachment

- A. Board of Agriculture Resolution

State Department of Agriculture
Salem, Oregon

State Board of Agriculture
May 16, 2008

ACTION ITEM: Position on Conservation Reserve Enhancement Program

BACKGROUND: The Oregon Conservation Reserve Enhancement Program (CREP) is a cooperative venture between the State of Oregon and the U.S. Department of Agriculture (USDA) with support from local Soil and Water Conservation Districts and Watershed Councils. The purpose of the program is to restore, maintain and enhance streamside areas along agricultural lands to benefit fish, wildlife, and water quality. Landowners enrolled in CREP receive annual rental payments and financial incentives (cost share) to install conservation measures such as planting trees and shrubs, installing fencing, livestock watering facilities, and other approved conservation measures.

WHEREAS, the State Board of Agriculture recognizes CREP as a potential tool to assist landowner efforts toward achieving state goals for water quality and wildlife habitat,

WHEREAS, CREP provides an opportunity to provide an economic benefit to private landowners who provide ecosystem services that society desires,

WHEREAS, CREP provides a significant economic benefit to the state through the federal commitment to this program,

RESOLUTION NO.:

Resolution: Be it resolved that the Oregon State Board of Agriculture

- 1) Supports the state’s involvement in the CREP program
- 2) Endorses the department involvement in CREP as a significant tool to achieve state expectations of agriculture related to state goals for water quality.
- 3) Supports the department coordination with OWEB for continuation of CREP to support the maximum opportunity for landowner enrollment in CREP, to identify priority areas where efforts will be emphasized, and to identify opportunities for partnering with other entities interested in enhancing ecosystem services.

ACTION:

Moved by: Bob Levy

Seconded by: Doug Kraemer

Action taken: Passed by unanimous vote



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August 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item K-5: Coastal Wetlands Grant
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This staff report updates the Board the status of the 2008 Coastal Wetlands Grant from the U.S. Fish and Wildlife Service (USFWS) to fund a fee simple land acquisition project in the Alsea Estuary.

II. Background

The National Coastal Wetlands Conservation Grant Program was established by Title III of P.L. 101-646, Coastal Wetlands Planning, Protection and Restoration Act of 1990. Under the Program, the USFWS provides matching grants to states for acquisition, restoration, management, or enhancement of coastal wetlands. The Coastal Wetlands Grants offer a significant partnership investment opportunity to restore and protect wetland and estuary ecological values, promote strong partnerships, and provide up to a three to one match of OWEB funds. To date OWEB has been awarded more than \$6 million in federal funds for the implementation of coastal wetland acquisition and restoration in Oregon.

In June of 2007, OWEB submitted four applications on behalf of our coastal partners for project funding under the Coastal Wetlands Conservation Grant Program. On January 9, 2008, the Secretary of the Interior announced the awards that included all four applications submitted by OWEB. Combined, the four federal grants total approximately \$2.2 million and require a total state match of just over \$1 million.

At the March 2008 Board meeting, the Board awarded \$232,614 to grant application No. 208-1040, Tamara Quays Dike Removal and Fish-Passage Culvert, a project in the lower Salmon River. The Board also authorized OWEB to enter into grant agreements for \$754,800 of federal funding for additional restoration activities in the Lower Salmon River.

At the May 2008 Board meeting, the Board authorized OWEB to enter into grant agreements for the federal funding portion of the Lint Slough Restoration (\$310,000), Yaquina Acquisition (\$95,725), and Alsea Bay Acquisition (\$997,350). The Board also approved the state match for Lint Slough (\$265,000).

III. Alsea Coastal Wetlands Grant (208-116)

The Alsea Acquisition federal grant is \$997,350 with a state match of \$301,000. The Wetlands Conservancy (TWC) has identified a parcel of land that complements their previous acquisitions in the Alsea Estuary. The property is 223 acres and the project will allow the diked marsh area to be restored to intertidal function. TWC and OWEB staff had hoped to request Board approval of the state match at the September meeting. Agenda Item H, Overview, states that staff are recommending funding of up to \$301,000; however TWC has run into significant delays in obtaining the final due diligence materials and has agreed to wait until the January 2009 meeting to request Board approval of the state match.

IV. Staff Recommendation

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



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August 29, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

SUBJECT: **Agenda Item M: Monitoring and Research Update
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report provides an update on the Monitoring and Research programs. The report proposes a specific plan of action for utilizing the \$2 million reserved for monitoring as recommended in the spending plan contained in the staff report for Agenda Item D. Staff propose some alternative grant offerings for the October 2008 grant cycle and for early 2009. The report also requests Board action on funding the Non-pareil Dam/Umpqua Coho Pedigree Research Project.

II. Background

OWEB has funded Monitoring projects through competitive grant offerings and direct Board awards for many years. The first Research solicitation was offered last year following approval of the OWEB Budget by the 2007 Legislature. In prior biennia, a small number of Research projects were funded directly by the Legislature.

At the Board's planning session held July 18-19, 2007, in Maupin, Board members expressed intent to consider targeted solicitations for a variety of OWEB grant offerings. There was an explicit recognition that the Monitoring and Research grants can and do fill a niche of providing scientific evaluation and discovery that assists in characterizing past accomplishments and describing progress toward goals and objectives of OWEB's programs. Particular interest was expressed by the Board to establish a Monitoring and Research Subcommittee that would work with staff to develop a set of recommendations for the full Board to consider prior to the 2008 grant solicitation for these two grant types. The subcommittee is comprised of Board members Meta Loftsgaarden, Ken Williamson, and Bobby Brunoe, and is staffed by Greg Sieglitz and Courtney Shaff.

At the planning session, it was established that monitoring projects have the capacity to provide data and information that is useful in describing accomplishments undertaken to further the objectives of Measure 66, the Oregon Plan, Recovery Plans, the Pacific Coastal Salmon Recovery Fund, and other large initiatives. It was recognized that without clear targets for prospective grantees to design their work towards, the agency is not likely to have all of its objectives met through these grants. Similarly, with the potential Board offering of an additional Research solicitation this biennium, and the often long-term nature of both monitoring and

research investments, it is important to act soon in establishing priorities and targets for future grant offerings. These themes have been used to guide the work of the Subcommittee.

III. Monitoring Program Update

The following lists the variety of topics that the Subcommittee discussed during their meetings:

- Monitoring and Restoration Grant Administration
- Rogue and Grande Ronde Basins
- Fish and Water Quality Monitoring
- Intensively Monitored Watersheds
- Small Dam Removal
- Wetlands
- Juniper
- Urban
- Monitoring Projects and Outcomes

For each topic, the Subcommittee identified specific areas that would provide progress toward meeting the Board's objectives expressed in Maupin, either through modification to existing processes or the addition of new opportunities.

At the May 2008 Board meeting, following a discussion in detail about each of the topics shown above, Board members agreed that staff should move forward with an evaluation of which Subcommittee recommendations could be implemented with the October 2008 grant cycle or through other funding tools. The discussion below sets out the staff evaluation and includes spending plan recommendations.

A. General Considerations when reviewing grant applications during the next grant cycle.

- 1. Requiring consistent information** from grantees, and requiring that information to end up in a place (repository) that is easily accessible to others, is an important first step to making data and information readily available for analysis and distribution to the public.
- 2. Monitoring should be connected to restoration projects** whenever possible when the primary objective of the project is educational monitoring. When the logistics and conditions are favorable, OWEB should encourage grantees to site educational monitoring projects on OWEB funded restoration projects. This could provide better a better way to connect the public to OWEB funded restoration projects and could provide more project monitoring and potentially at a reduced cost.
- 3. Better linkage to Total Maximum Daily Loads (TMDLs)** will enhance OWEB's ability to characterize the value of its investments. A stronger assessment of the value provided by riparian projects to the prevention of stream warming is one example. Modeling the British Thermal Units (BTUs) saved through exiting or future riparian projects, as compared to pre-project conditions, could provide information about the value and relevance of OWEB-funded projects to other agency programs.

4. Reporting results needs to span multiple years in order to establish trends and provide meaningful information to the public. Annual variation, if not taken in context, is not likely to reveal compelling information nor be an especially useful tool to build citizen understanding (the annual salmon return rate for a population is a good example). Both the monitoring projects and subsequent reports need to be structured around the appropriate number of years to provide meaningful results.

B. Monitoring and Restoration Grant Administration

There are several areas of improvement in the administration of the monitoring and restoration programs that the subcommittee identified as immediate priorities that are described below.

1. Protocols

Not unlike restoration projects, monitoring projects are often successful or not based on the methods used and a clear articulation of the problems or questions that are attempting to be addressed with the action. In restoration grants, guidelines and prescriptions are often established after years of testing and analysis to determine the methods most appropriate and successful for given circumstances and conditions. Protocols established for monitoring activities are very similar to this. In the case of OWEB grants, the agency does not presently identify or endorse specific protocols for most monitoring activities. Until 2006, when the grant application was modified to request information about protocols, the protocols being used by a prospective grantee were not known in many cases.

Through the Pacific Northwest Aquatic Monitoring Partnership (PNAMP), a variety of protocols related to aquatic monitoring parameters were evaluated and compiled into a list of recommended protocols. OWEB will use this list to inform specific monitoring grant types and make the protocols available to prospective grantees. OWEB staff will look into opportunities for training grantees in the use of new protocols where traditionally different methods have been used.

2. Monitoring Grant Database

As discussed in May, the establishment or identification of a single repository for collecting data under OWEB monitoring grants at the conclusion of the projects is an important mechanism to ensure expedited data capture and retrieval. The Board recognized that data used to demonstrate agency accomplishments should not be difficult to find or report and that we should have data sent to a central location in order to make it accessible to OWEB staff, particularly as we approach 2014. OWEB staff will continue efforts in establishing a database and mapping system that will provide access to data derived from and information about monitoring grants funded by the agency.

3. Restoration Status Reports

Another source of underutilized information that OWEB requires all grantees to provide is the status report produced for restoration projects. The Board recognized that while collecting status reports for each restoration project is valuable, housing this information in paper reports in hard-copy grant files is not the most useful means for generating an understanding of what we have learned or gained as an organization from our collective

investments. OWEB staff will move forward with an initiative to develop a database, data capture, and reporting processes for these reports

4. Post-Project Monitoring Data

A final area of improvement recommended by the Subcommittee, and adopted by the Board in May, is the establishment of an electronic repository of at least some of the information obtained from the post-project monitoring of restoration projects. The Subcommittee suggested staff consider the possibility of contracting for services to develop these databases and electronic means of information capture. Staff will embark on this effort beginning this winter.

C. Other Monitoring Investment Areas

1. South Coast and Grande Ronde Basins

The South Coast and Grande Ronde basins were selected as pilot projects in 1992 to establish locally based watershed council organizations designed to engage citizens in an effort to improve their understanding of the watershed they live in and to promote participation in activities to make improvements to their watershed. These early efforts under the Watershed Health Program were eventually merged with the Governor's Watershed Enhancement Board, which later evolved into OWEB, and watershed councils were established in every corner of the state.

The Board recognized that with the longevity of watershed improvement investments in these basins, and with the two largest categories of OWEB restoration investment areas (fish passage and riparian) represented in the basins (Attachments A and A1), a set of watershed improvement accomplishments from these basins could provide a strong basis for describing overall accomplishment under OWEB and Oregon Plan programs.

Staff followed up on the Board's recommendation to discuss this proposal with regional staff and past grantees and inquire whether sufficient information exists in these two areas of the state about fish passage improvements and riparian area restoration currently. Through phone interviews, staff found that in neither area is there a specific set of information about the maturation of or whether objectives have been met for these projects. Most evaluation of riparian planting is occurring on more recent projects and fish monitoring is not focused in areas where fish passage barriers have been removed. Staff are in contact with ODFW to determine whether some of the fish sampling conducted by that agency covers areas where passage barriers have been removed.

Given the lack of information available for these early generation projects, and the suggestion from several grantees to have an independent party evaluate the projects, staff recommend approving \$100,000 for a request for proposal (RFP) to implement this proposal. This solicitation would occur subsequent to the October 2008 grant offering.

2. Fish and Water Quality Monitoring

Fish and water quality monitoring are the two single largest investments the Board and GWEB have made since 1997. (Attachment B) In total, nearly \$13 million has been invested in fish monitoring and \$5 million in water quality projects. The Subcommittee

felt strongly that with the top three restoration project investments (riparian, fish passage, and irrigation improvement) totaling approximately \$70 million, and with these investments having the principle objectives of improving fish passage and water quality, that the monitoring of these two parameters should be linked more closely where possible. Currently, the monitoring of fish passage and water quality is not often linked to OWEB investments in restoration projects.

As stated above, staff has been conducting research and interviewing local entities about the availability of water quality and fish passage barrier removal data and any associated fish use data. Similar findings suggest that a future RFP for fish sampling associated with water quality improvement and fish passage barrier removal projects would be warranted. The independent offering for this review is also recommended in this case due to the highly technical nature of fish sampling and the need for consistency in application of methods around vast areas of the state. Additionally, a contract could provide a composite report that would be much more difficult to develop from multiple projects and would require significant staff time to complete. Staff recommends that the Board reserve \$225,000 for the implementation of grants, agreements, and contracts related to water quality and fish monitoring. Staff will bring to the Board in January of 2009 a specific request of future action under this topic.

3. Effectiveness Monitoring

There are several project types that were discussed by the Board Subcommittee and recommended for continued monitoring under the effectiveness monitoring heading. These are small dam removal, western juniper treatment, intensively monitored watersheds, and wetland restoration. Staff intend to continue to move these initiatives forward through a variety of means including through outside funding.

- a. The small dam removal monitoring continues at Marmot Dam on the Sandy River, Savage Rapids Dam on the Rogue River, and Brownsville Dam on the Calapooia River. Future projects will be selected as the restoration work of dam removal is implemented.
- b. Western juniper education and evaluation continues as three classes have been offered in eastern Oregon to grantees and project implementers to provide the information and technical tools developed from the Board's investment in juniper removal monitoring over the past two years.
- c. Intensively monitored watersheds continue in the coast range, southern, and eastern Oregon in the Trask, Hinkle Creek and Middle Fork John Day basins funded through last year's research awards and NOAA funding secured through the Pacific States Marine Fisheries Service.
- d. Wetland effectiveness monitoring will begin this fall through the EPA grant secured for the Willamette Valley mitigation and restoration evaluation project. (See Agenda Item K-2 for more detail.)

Staff have made tremendous progress in the effectiveness monitoring program over the last two years and has utilized all of the funds allocated to the effort thus far by the Board. In order to continue these efforts and to initiate effectiveness monitoring of the

next priority of Board restoration investments (Attachment B) additional resources are necessary. Staff recommend reserving \$375,000 of the Monitoring budget placeholder for future effectiveness monitoring.

D. Monitoring Spending Plan Recommendations

In addition to the upcoming October 2008 grant solicitation for monitoring, this report identifies several additional areas of investment for funding. Staff recommend reserving \$1.3 million for the October grant cycle. This number is based on our recent experience with monitoring solicitation and local feedback. The remaining funds are proposed for the purposes discussed in this report. A summary of the investment areas, the amount of funds proposed for these areas, and whether staff seek Board action to reserve or approve funding is contained in the following table.

Table 1. Proposed Monitoring Spending Plan

Item	Amount	Action
October 2008 Monitoring Grant Solicitation	\$1,300,000	Reserve
South Coast and Grande Ronde (Riparian & Fish Passage) as per III.C.1.	\$100,000	Approve
Fish and Water Quality Monitoring as per III.C.2.	\$225,000	Reserve
Effectiveness Monitoring as per III.C.3.	\$375,000	Reserve

IV. Research Program Update

A. Overview

The Subcommittee encouraged the continued collaboration with and use of the U.S. Forest Service Pacific Northwest Research Stations around the region. The newly established Oregon Climate Change Research Institute under the Governor’s Initiative on Climate Change and the Oregon Climate Change Commission are also important entities to continue to be connected to through our Research Grant Program. Research on climate change should focus in part on addressing the scale issue and linking results to things that are important to Oregonians.

The Subcommittee recognized that the recent research grant solicitation and the current OWEB Research Priorities (Attachment C) are significantly focused on anadromous salmonid research needs and that a broader suite of topics was likely necessary for future grant solicitations. Given the strong connection between OWEB actions and salmon health it was agreed that a continued focus, for a portion of the research funds, on salmon was important. Focusing on climate change, ocean conditions, and salmon health are important areas to establish a role for OWEB research investments. Of significant concern is the general lack of connection between fish management processes, especially predicting fish returns, and marine ecosystem research. Better predictive models could be used in concert with better coordination and the use of leading indicators rather than lagging indicators.

The Subcommittee recognized that effectiveness monitoring could add value to and highlight certain research needs over time. Again, the idea of using the Grande Ronde and Rogue basins as pilots was discussed. It was suggested that some research needs may require a direct investment or non-competitive award process to focus on the Planning Session

comments and desires to link to 2014 needs. Staff will embark upon revising the current research priorities over the winter and develop a work plan to be presented to the Board at its January 2009 meeting.

B. Non-pareil Dam/Umpqua Coho Pedigree

1. Background

The OWEB Board began its investment in the Non-pareil Dam/Umpqua Coho Pedigree Research Project in September of 2002 following a solicitation of Conservation Hatchery Improvement Program (CHIP) concepts in 2001. The Independent Multidisciplinary Science Team reviewed the CHIP proposals and developed findings that indicated Non-pareil Dam and three other proposals had merit for the purposes of aiding in salmon recovery. The project, as originally proposed to the Board, was structured to span a nine-year period from the 2001-2003 to 2011-2013 biennia. The Board funded one year of the two year proposal reviewed last May. The current request is for the next two years (years seven and eight) and would carry the project through 2011. (Attachment D)

2. Intent of Study

The effective use of hatchery fish to increase the size of an existing wild population has not been demonstrated. The study concept is to take a portion of a small wild population into captivity and disproportionately increase the number of offspring produced by them, release those offspring into the wild, and then allow them to spawn naturally as adults, thereby, significantly increasing the total number of natural salmon spawners. If this larger spawning population reproduces successfully in the stream, it should produce a much larger naturally-produced (“wild”) population in a small number of generations (shorter period of time).

3. Proposed Work and Needed Funds

The following is excerpted from the attached proposal and describes the proposed work and needed funds.

2009-2010: Funds for this period are essential for the completion of the genotyping and analysis of fish returns in 2008. As stated above, this will consist of a replicate and allow us to rigorously address task 1 through 8. By the end of this period the main results of this research will be out and peer-review processed.

2010-2011: Funds for this period are requested to analyze the third replicate (parental generation 2003, F2 returns in fall 2009). This consists the last year of returns from the original research proposal. However, we suggest that we wait and re-evaluate our needs before going further with processing the returns from 2009, depending on our previous findings. Adding a third replicate may or may not be worth the cost, something we'll only be able to determine once we have the first two replicate results.

V. Recommendations

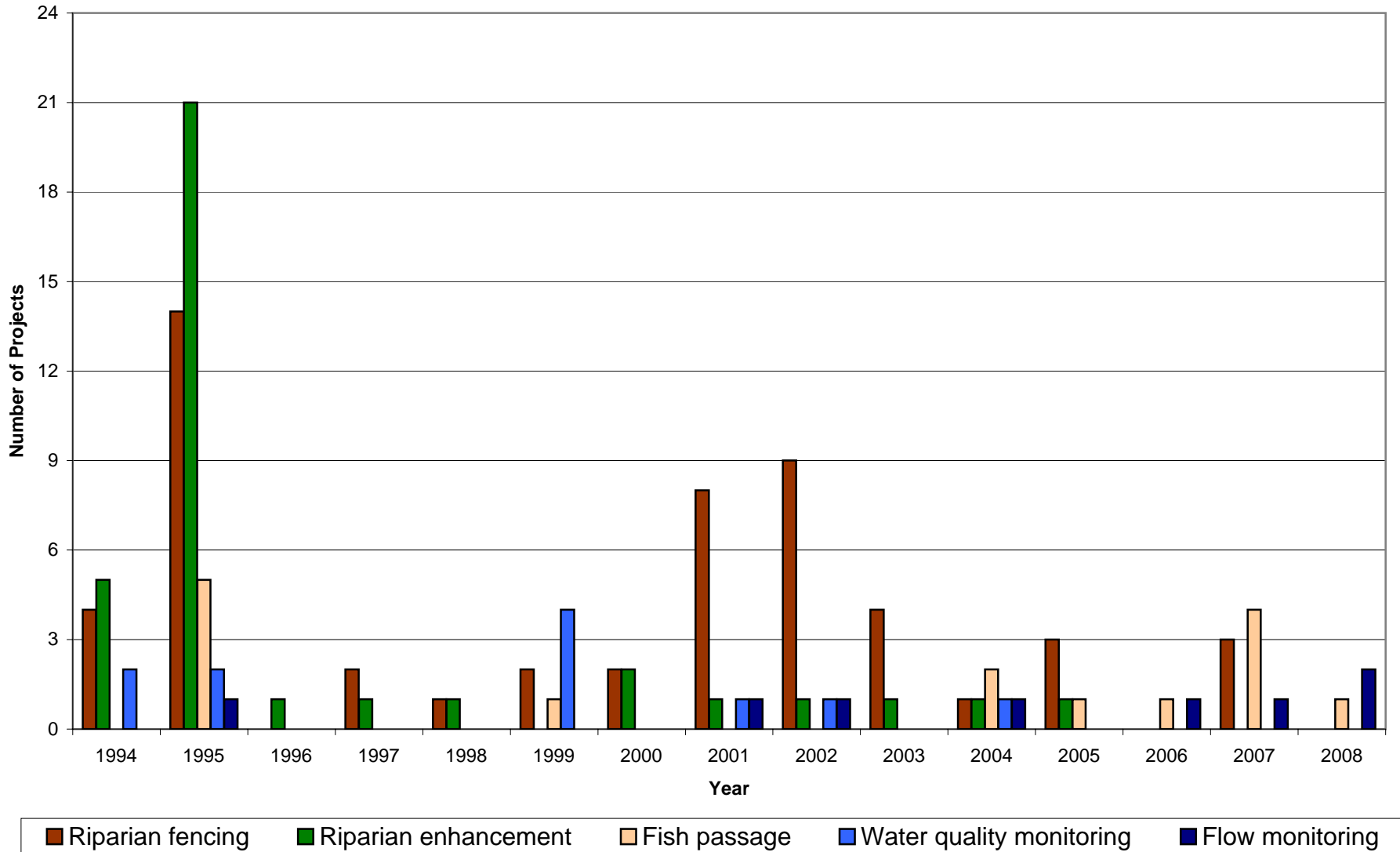
Staff recommend that the Board:

- A. Approve up to \$100,000 of non-capital funds for the Grande Ronde and South Coast riparian and fish passage project monitoring Request for Proposals (RFP) to select a contractor as shown in Section III.C.1.
- B. Reserve \$1.3 million for the October 2008 Monitoring Grant Solicitation; \$225,000 for Fish and Water Quality, and \$375,000 for Effectiveness Monitoring in non-capital funds as outlined in Table 1.
- C. Approve up to \$265,384 of non-capital research funds to Oregon State University for the Non-parallel Dam Coho Pedigree Research Project funding request for two years.

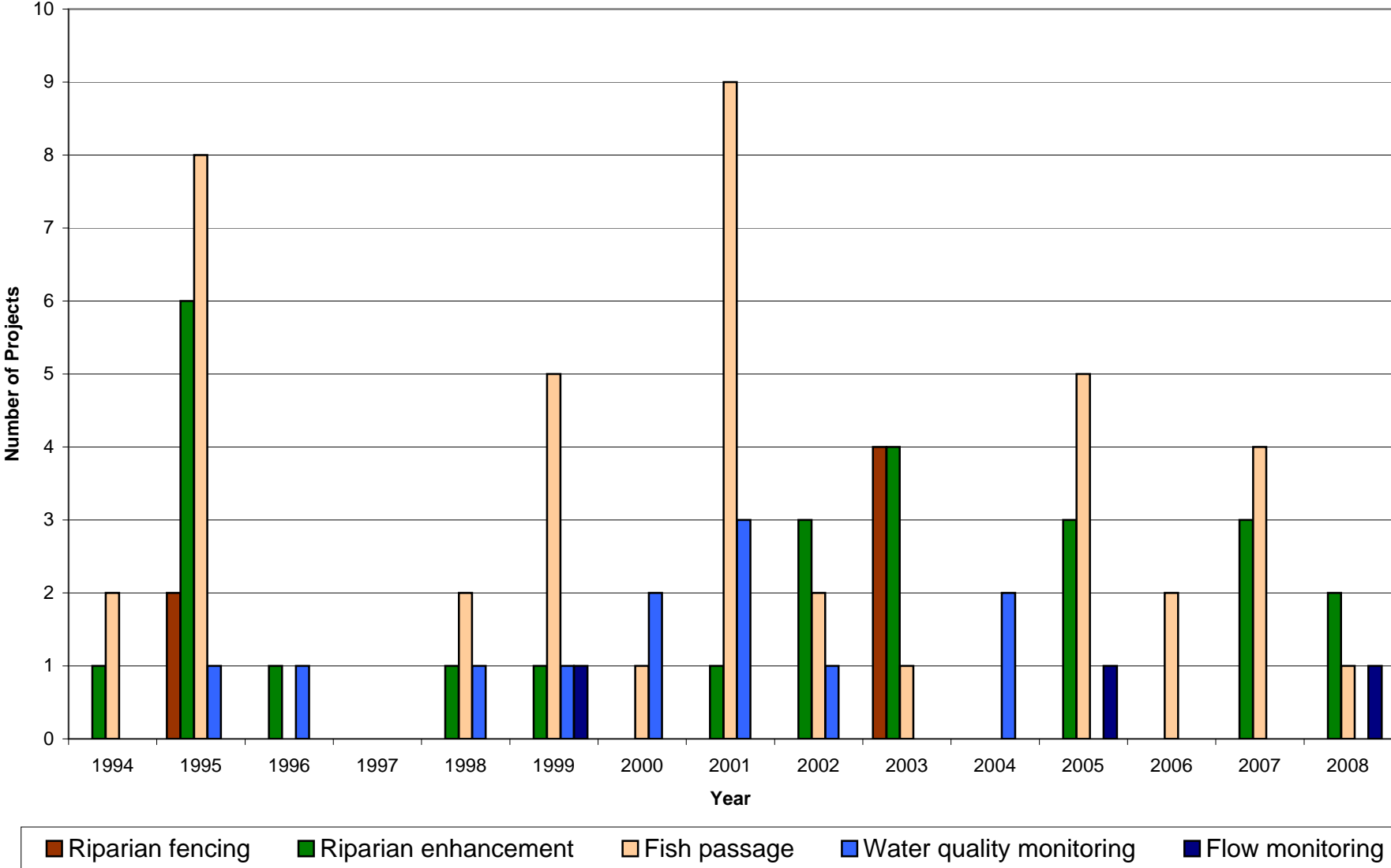
Attachments:

- A. Grande Ronde and Rogue basins restoration investments
- B. Restoration and Monitoring investments
- C. OWEB Research Priorities
- D. Non-parallel dam budget and work tasks 2009-2011

Fish Passage, Riparian Enhancement and Fencing Projects
in the Grande Ronde Basin 1994-2008

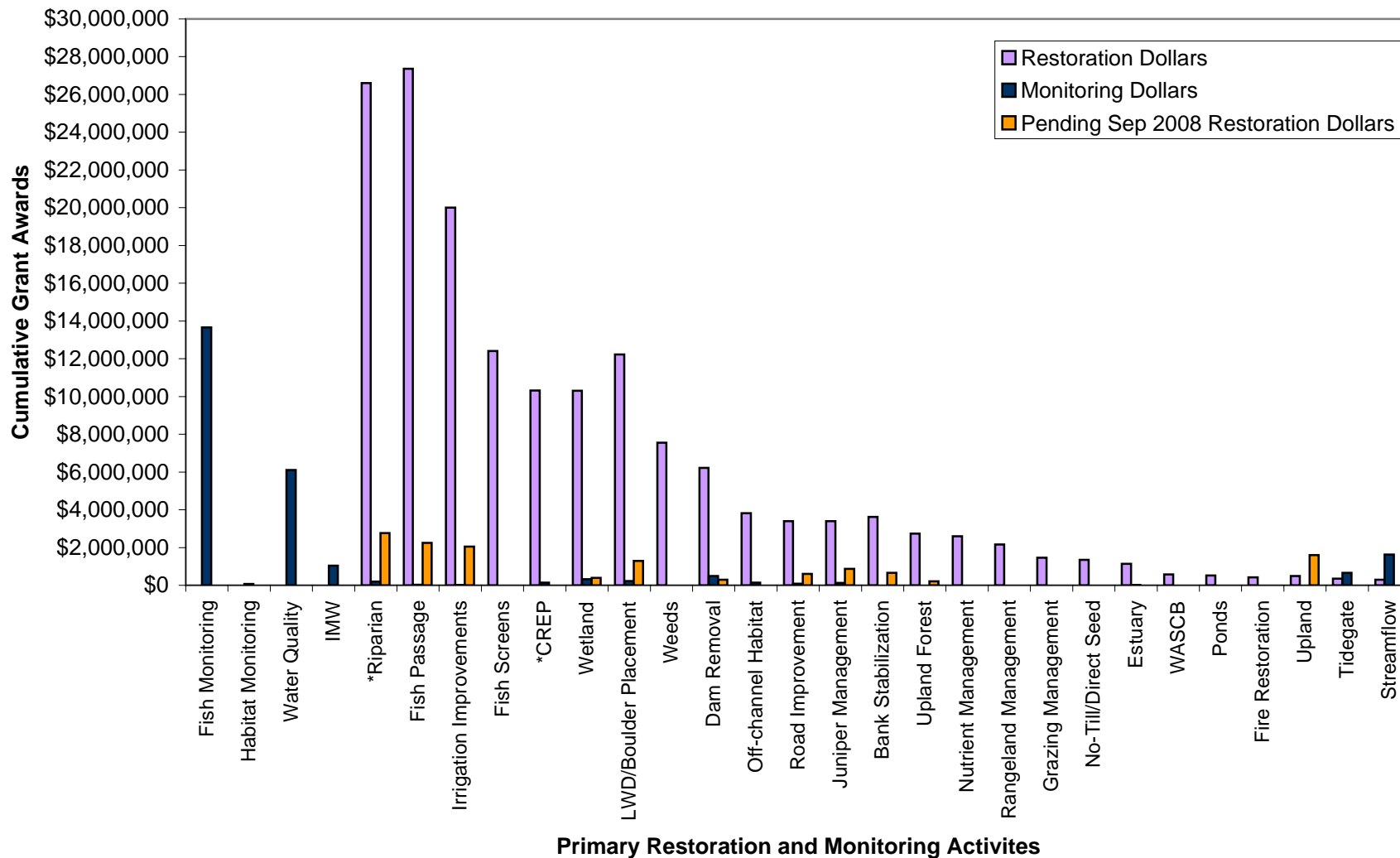


Fish Passage, Riparian Enhancement and Fencing Projects in the Rogue Basin 1994-2008



GWEB/OWEB Restoration & Monitoring Grant Awards 1997 - Mar 2008

(Small and Regular grant programs are represented. Monitoring expenditures do not include monitoring funded through restoration grants. Investments less than \$1M are not shown.)



**Oregon Watershed Enhancement Board
Research Priorities – March 2002 revised June 2006**

I. Highest Priority Information Needs for the Oregon Plan

1. Assess the status of watershed health as indicated by anadromous salmonid stocks (coho, chinook, and chum salmon, sea-run cutthroat trout, and steelhead), and the risk for their extinction by integrating dynamic ocean conditions, habitat availability and quality, and human activities.

The IMST has identified the importance of adopting a landscape context for the Oregon Plan, and the need for long-term perspectives that incorporate changing conditions in terrestrial, freshwater, and ocean ecosystems. The IMST identified several components needed to support these overall research goals. These include:

- Research that aids understanding of interactions among basin populations, metapopulations, ocean survival rates, life history stage (survival) trends, and population viability.
- Analysis and integration of information from habitat assessments and salmon spawner or juvenile surveys with models that assess salmon population trends and population dynamics and to conduct sensitivity analysis of models and model parameters.
- Research that compares distribution of spawner abundance relative to spawning habitat of differing quality.
- Evaluation of the ability of current monitoring and research programs to provide data required for life-cycle modeling and to measure the following: 1) recolonization of habitats as stocks recover, 2) straying rates, 3) distribution of spawners across their ranges, 4) degree of unoccupied habitats, and 5) variable effects of ocean survival rates within and among Gene Conservation Groups.
- Strengthen life-cycle modeling concepts and apply them to broader ranges of land use and management questions.
- Research that identifies the relationships between landscape dynamics and aquatic resources and their habitats.

II. High Priority Information Needs for the Oregon Plan

A. Related to Watershed Conditions

1. Determine how changes in land use and land cover, including riparian and upland vegetation, can affect salmonid habitat quality.

Remote sensing and ground surveys are needed to establish baseline data and to compare them to historical records in order to conduct trend assessments of watershed and habitat conditions. Currently, remote sensing has not been used to its fullest potential under the Oregon Plan. Determine the accuracy of various remotely sensed data and the proper scales at which they should be used.

2. Determine relationships between population trends of fish and wildlife and land use/land cover changes.

Research is needed to estimate: 1) the past abundance and distribution of salmon throughout the landscape, 2) the changes in abundance and distribution through time, and 3) the changes in habitat type and availability that have occurred as estuaries, rivers, and streams have been modified to accommodate a variety of human activities.

B. Specifically Related to Fishery Management

1. Determine the effects of wild-hatchery fish interactions and the impacts of hatchery management programs on wild stocks. Test the assumptions about survival differences between hatchery and wild fish.

Few studies have tracked the effects of interactions between hatchery and wild fish on the long-term persistence of wild populations. Future research should include both genetic analysis and ecological analysis of the effects of competition.

2. Determine the origin and the temporal and spatial distribution of wild ocean-caught fish.

Research is needed to determine which freshwater populations are altered by ocean harvest, and when, where, and how many fish are encountered. Harvest management decisions and policies will not be effective for protecting critically low populations without this information.

3. Determine the spawning escapement rate of steelhead.

There are comparatively few steelhead survival data due to difficulties in monitoring both juvenile migrants and adult returns. Little is known about both freshwater and marine survival of steelhead. There is a need for increased emphasis on monitoring the spawning escapement of steelhead to obtain better estimates of survival and abundance.

4. Determine the genetic basis of various life history strategies in salmonids.

Environmental and genetic controls of life-history paths need to be determined so genetic life history stages can be preserved on both the population and metapopulation levels. The diversity in migration times, spawning times, and unique life history paths (e.g. residual fish and precocial males) should be preserved to maintain a population's resiliency.

III. Moderate Priority Information Needs for the Oregon Plan

1. Determine the impacts of declining wild salmonid populations on ecosystem processes.

Examples of research needs include, but are not limited to:

- Determining the response of juvenile salmonids and their food webs to carcass abundance and how many spawners are needed to support the next generation of developing salmonids. Experiments are needed to establish this relationship and to determine the processes involved. This is crucial when available carcass numbers are low.
- Determining the effects of hatchery releases on the same and other species. Ecosystem attributes to consider include stream and ocean carrying capacity, biodiversity, life history diversity, the effects of inter- and intra-specific competition, diseases, and ocean trends and climate conditions.

2. Determine the effects of predation on salmonid recovery and how predation interacts with other environmental factors.

A holistic approach is required to evaluate predation in comparison with other causes of population declines and to effectively undertake management actions. The information required for this purpose is not currently available.

IV. Low Priority Information Needs for the Oregon Plan

1. Determine the impacts of non-indigenous (exotic) aquatic and terrestrial species on salmonid recovery.

The extent of deleterious effects from non-native species on salmonids and their recovery and the overall effect of non-native species on the health of natural ecosystems in the state are not known.

2. Determine the cause and effects of disease, tumors, and other abnormalities of fish on the population dynamics of the fish and the implications for ecosystem and human health.

The extent and consequences of an increase in the incidences of diseases, tumors, and physical abnormalities and their epidemiology is not fully known but may have the potential to prevent some salmonid stocks from fully recovering.

Additional Research Priorities for OWEB Research Solicitation 2006

I. Oregon Coastal Coho Recovery Plan Research Priorities

Prioritization of *potential* Research, Monitoring and Evaluation Needs related to the Conservation Plan.

Top Tier RME

- Verify results of Coho Winter High Intrinsic Potential habitat model.
- Evaluate effects of marine mammal and avian predation on salmonids in Oregon coastal rivers especially regarding achieving desired status goals.
- Evaluate effectiveness of restoration actions.
- Evaluate methods to support management of beaver populations

Middle Tier RME

- Tools to identify and prioritize restoration projects at local watershed and stream-reach scales;
- Evaluate re-establishment of a self-sustaining population of coho in Salmon River.

Lower Tier RME

- Marine derived nutrient (salmon carcasses) benefits to coho.
- Document actual versus permitted water use
- Evaluate land values to support new incentives to fund CREP and other long term conservation contracts.
- Methods to remediate the primary factors limiting the production of coho from Tahkenitch, Siltcoos, Tenmile, and Floras Lakes;
- Impacts of hatchery programs (species other than coho salmon, including effects of Columbia River Releases).

OSU Component for Nonpareil Dam Adult Trap and Genetic Pedigree

Deliverable and Expectations for 2008-2009

Fund request biennial 2009 – 2011

The CHIP Project Proposal Narrative detailed the following 8 primary tasks:

Task 1. What is the relative success of using a first generation, wild-type broodstock in a supplementation program compared to a broodstock that has been captive for multiple generations?

Task 2. What is the relative success of unfed fry releases compared to smolt releases in producing returning adults?

Task 3. What is the reproductive success in the wild of adult fish from the following treatments:

- a. First-generation hatchery fish from unfed fry releases;
- b. First-generation hatchery fish from smolt releases;
- c. Multi-generation hatchery fish from unfed fry releases;
- d. Multi-generation hatchery fish from smolt releases; and
- e. Wild fish.

Task 4: How does the supplementation program modify the effective population size of the population in the Calapooya (termed the “Ryman-Laikre Effect” (Ryman and Laikre 1991, Ryman et al 1995)

Task 5: What is the level of inbreeding that results from the supplementation program?

Task 6: What is the incidence of natural crossing between adults from the different treatment groups while on the natural spawning grounds and the consequences of mate choice to the relative production of offspring by individuals;

Task 7: What differences in reproductive success occur by treatment by age (males), by gender, by adult run time, and by adult body size (length)?

Task 8: Does the size of the naturally-produced population increase due to successful natural reproduction by hatchery fish? Does the contribution to this increase vary by treatment group?

Deliverables and expectation for 2008-2009

The first generation of returns (F1) from the three parental generations in the hatchery (2001, 2002 and 2003) has ended with run year 2006 (November 2006 to January 2007). All these data are now genotyped and the pedigree analysis is completed. The first results derived from the F1 are published in Moyer et al. (2007) (focusing on task 1,4,5). The F1 data will also be used for 2 publications that are on the way and should be submitted by the end of 2008:

1. Moyer, G.R. V. Theriault, and M. Banks. Assessing the Ryman-Laikre effect for a typical hatchery supplementation program. Intended for Canadian Journal of Fisheries and Aquatic Sciences.
2. Moyer, G.R. V. Theriault, and M. Banks. Avoiding a depression in

offspring fitness: maximization or optimization of offspring genetic diversity in coho salmon. Intended for Behavioral Ecology and Sociobiology

A third publication (brief communication/management brief) is in preparation by Theriault focusing on task 2. We now have 3 years/replicates to compare survival rates of smolt vs fry release. This paper is expected to be submitted by the end of summer 2008.

Run year 2007 (November 2007 to January 2008) comprised the end of the F2 returns for the 2001 parental generation. These data are all genotyped and the pedigree analysis is completed. We now have the first estimates of reproductive success of hatchery coho in the *wild*. These data provide the first results for task 3, 6, 7 and 8. However, because this is the core of the project, we want to wait to add a replicate before going further for publications with peer review. The F2 returns for the 2002 parental generation will end in run year 2008 (November 2008 to January 2009). These fish will be genotyped during the spring of 2009 and the data analyzed subsequently. By the end of 2009-beginning of 2010, we should have the main publications out concerning this research.

Justification of budget 2009 through 2011

2009-2010: Funds for this period are essential for the completion of the genotyping and analysis of fish returns in 2008. As stated above, this will consist of a replicate and allow us to rigorously address task 1 through 8. By the end of this period the main results of this research will be out and peer-review processed.

2010-2011: Funds for this period are requested to analyze the third replicate (parental generation 2003, F2 returns in fall 2009). This consists the last year of returns from the original research proposal. However, we suggest to wait and re-evaluate our needs before going further with processing the returns from 2009, depending on our previous findings. Adding a third replicate may or may not be worth the cost, something we'll only be able to determine once we have the first two replicate results.

Nonpariel Dam coho pedigree Genetics 2009-2010						
SALARIES & WAGES						
Name, Position, Title	Monthly Salary	OPE %	FTE	MM	Totals	
Post doc (Veronique Theriault)	3,605	56%	1	12	\$ 43,260	
Res. Asst	\$1,820	0.1	1	3	\$ 5,460	
A. TOTAL SALARIES & WAGES					\$ 48,720	
B. FRINGE BENEFITS					\$ 24,772	
student medical benefit					\$ -	
C. EXPENDABLE SUPPLIES & EQUIPMENT - under \$5,000 per unit					\$ 40,000	
D. TRAVEL						
			Instate:	2,000		
Domestic			Outstate:	3,000	\$ 5,000	
E. PUBLICATION COSTS						
OTHER COSTS (subcontracts, consultants, computer time, etc.)						
1. Communications					\$ 180	
2. Publications					\$ 600	
F. TOTAL OTHER COSTS					\$ 780	
G. GRADUATE STUDENT TUITION (1 students for 3 terms)						\$ -
H. PERMANENT EQUIPMENT						
I. TOTAL PERMANENT EQUIPMENT - \$5000 or more per unit						
J. GRAND TOTAL REQUESTED (sum items G to J)					\$ 119,272	
K. INDIRECT COSTS						
		Indirect Cost Rate				
ON-campus Cost at	0.1	% (multiply G x rate)			\$ 11,927	
L. GRAND TOTAL REQUESTED					\$ 131,199	

Nonpariel Dam coho pedigree Genetics 2010-2011						
SALARIES & WAGES						
Name, Position, Title		Monthly Salary	OPE %	FTE	MM	Totals
Post-doc (Veronique Theriault)		3,750	56%	1	12	\$ 45,000
Res. Asst		\$1,820	0.1	1	3	\$ 5,460
A. TOTAL SALARIES & WAGES						\$ 50,460
B. FRINGE BENEFITS						\$ 25,746
student medical benefit					3	\$ -
C. EXPENDABLE SUPPLIES & EQUIPMENT - under \$5,000 per unit						\$ 40,000
D. TRAVEL						
				Instate:	2,000	
Domestic				Outstate:	3,000	\$ 5,000
E. PUBLICATION COSTS						
OTHER COSTS (subcontracts, consultants, computer time, etc.)						
1. Communications						\$ 180
2. Publications						\$ 600
F. TOTAL OTHER COSTS						\$ 780
G. GRADUATE STUDENT TUITION (1 students for 3 terms)						\$ -
H. PERMANENT EQUIPMENT						
I. TOTAL PERMANENT EQUIPMENT - \$5000 or more per unit						
J. GRAND TOTAL REQUESTED (sum items G to J)						\$ 121,986
K. INDIRECT COSTS						
Indirect Cost Rate						
ON-campus Cost at	0.1	% (multiply G x rate)				\$ 12,199
L. GRAND TOTAL REQUESTED						\$ 134,185
Total						\$ 265,384



Oregon

Theodore R. Kulongoski, Governor

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August 25, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Bev Goodreau, Grant Program Specialist

**SUBJECT: Agenda Item N: Small Grant Program
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This staff report provides information on the 2005-2007 Small Grant Program awards, updates the status of 2007-2009 awards and discusses potential future review of the program. Staff plan to report on the 2007-2009 Small Grant Program awards by early 2010.

II. Background

In 1999, OWEB was seeking ways to be more responsive to small, straightforward restoration grant applications. During this time, the Legislature added a budget note to OWEB's budget to encourage the agency to initiate a county-based, local cost-share program.

In response to these identified needs, in September of 2000, the Board authorized the formation of a Board subcommittee to provide guidance for developing a Small Grant Program (SGP). The subcommittee developed nine overarching policy objectives (Attachment A), which the Board approved at its January 2001 meeting. At that meeting, the Board also authorized staff's initiation of rulemaking to develop a program with the nine policy objectives serving as a guide. A Rules Advisory Committee (RAC) — composed of representatives of the Oregon Association of Conservation Districts, Soil and Water Conservation Commission, watershed councils, and other interests — worked to develop SGP rules.

In January 2002, the Board adopted administrative rules establishing a Small Grant Program with the goal to support implementation of the Oregon Plan for Salmon and Watersheds by funding small, straightforward restoration projects designed to improve water quality, water quantity, and fish and wildlife habitat. The SGP encourages landowner participation in watershed improvement by making funds available more quickly than is possible through OWEB's Regular Grant Program and often leads to implementation of larger projects with greater impact on watershed health.

Twenty-eight Small Grant teams (Attachment B) consisting of representatives from local watershed councils, soil and water conservation districts, and tribes, are each allocated \$100,000

per biennium to put toward restoration projects of \$10,000 or less, a total commitment of \$2.8 million in capital (Lottery) funds each biennium.

III. Small Grant Funding Process

Small Grant Program funding is distributed through each of the 28 Small Grant teams (SGT). Each biennium SGTs agree upon bylaws and procedures using an OWEB template, deciding locally how they will evaluate Small Grant applications to recommend to OWEB staff for funding. The SGTs identify priority watershed concerns based on current information about the condition of the watershed and its limiting factors to support native fish populations and meet water quality standards. The SGTs use the list of eligible project types provided in rule to prioritize their watershed concerns by rating each project type high, medium or low.

Each SGT is responsible for local outreach concerning the availability of Small Grant funds. At a minimum, SGTs establish two-week windows four times in the state fiscal year (July 1 through June 30), during which they or their designated locally based committee will receive applications. The local evaluation committee reviews project applications and makes project funding recommendations to OWEB staff. Staff review them to verify that the application is consistent with the SGT's local priorities and with OWEB's statutes and administrative rules.

For the 2001-2003 biennium, SGTs recommended approximately \$2.4 million in Small Grant funding for 403 projects, each averaging \$6,200. All of those projects have been completed.

For the 2003-2005 biennium, the Board again allocated \$2.8 million for the Small Grant Program. The 28 SGTs recommended almost \$2.5 million for 384 projects, which averaged about \$6,300 each. All of the 2003-2005 projects have been completed.

IV. 2005-2007 Small Grant Program Biennial Report

In May 2005, the Board awarded \$2.8 million in capital funds for the SGP for the 2005-2007 biennium. Over the biennium, the 28 SGTs recommended 378 grants for funding totaling over \$2.5 million (Attachment C) with an average grant amount of \$6,600. At this time, 281 (74%) of the projects have been completed.

As shown by Attachment C, some SGTs were unable to recommend their full \$100,000 for small grant funding within the biennium. This was largely due to staffing changes within watershed councils and soil and water conservation districts and within the SGTs themselves. Monies not used by the end of the biennium (June 30, 2007) were recaptured to be allocated by the Board to fund other types of restoration projects.

During the 2005-2007 biennium, the SGP continued to fund a variety of projects from a low of \$478 to the maximum of \$10,000. The Small Grant rules designate the following project types as eligible for Small Grants: instream process and function, fish passage, urban impact reduction, riparian process and function, wetland process and function, upland process and function, water quantity and quality/irrigation efficiency, and road impact reduction. Attachment D shows how the Small Grant Teams prioritized and used their funding during the biennium.

Additional SGP information for the 2005-2007 biennium is contained in the Small Grant Program Biennial Report 2005-2007, which will be distributed at the September Board meeting.

V. Current (2007-2009) Biennium Update

In May 2007, the Board again awarded \$2.8 million in capital funds for the Small Grant Program for the 2007-2009 biennium. As of August 19, 2008, the 28 SGTs have recommended 244 grants for funding for over \$1.6 million, which average about \$6,650. Staff plan to provide a 2007-2009 Small Grant Program Biennial Report by early 2010.

The Small Grant Program continues to be extremely popular because of its ability to fund restoration projects more quickly with less process and paperwork than the regular grant program. The program also serves an important function by fostering local collaboration and partnerships.

VI. Small Grant Program Planning

Typically, OWEB has asked the Board to allocate Small Grant Program funding toward the end of each biennium. Staff plan to propose the 2009-2011 Small Grant Program allocation at the May 2009 Board Meeting.

The Small Grant Program rules require OWEB, in consultation with representatives of the Soil and Water Conservation Commission, tribes and Small Grant Teams, to evaluate the need for program improvements and administrative rule changes. Staff plan to initiate stakeholder discussions after the 2009 legislative session. Potential items to review include the \$10,000 cap on individual Small Grants and how the Small Grant process is working.

VII. Recommendation

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

Attachments

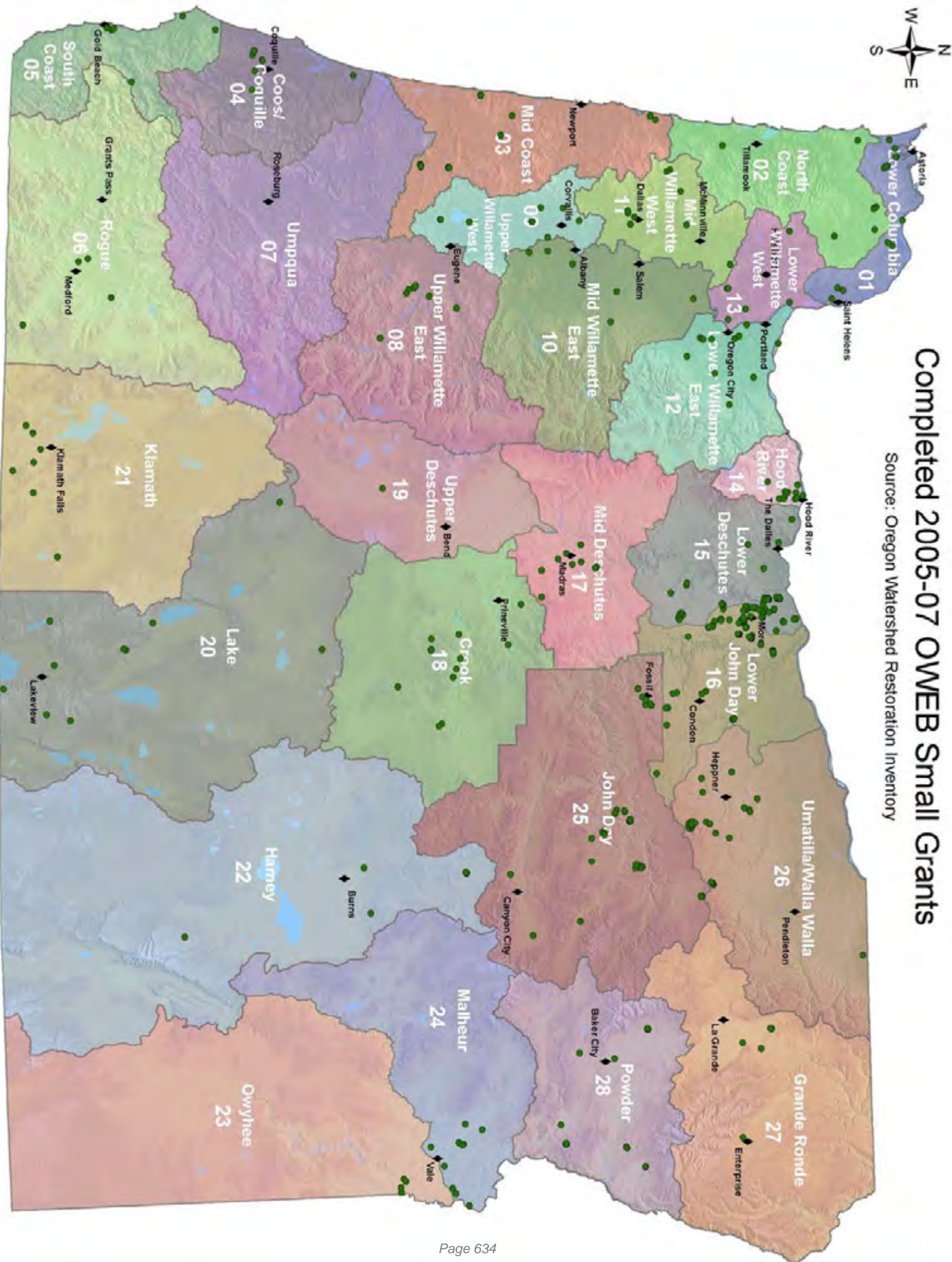
- A. Small Grant Program Policy Objectives
- B. Small Grant Team Map
- C. 2005-2007 Small Grant Funding by Team
- D. 2005-2007 Small Grant Priority Watershed Concerns

**Small Grant Program Policy Objectives
Approved by the OWEB Board January 2001**

1. Make small amounts of funds more available to meet local project needs outside of OWEB's existing watershed improvement grant program, thereby encouraging voluntary landowner actions.
2. Treat the source of watershed health problems through technically sound projects, and in doing so, demonstrate benefits to aquatic species, wildlife and/or watershed health across all land uses.
3. Support practices that implement Agricultural Water Quality Management Plans and Total Maximum Daily Loads (TMDLs) in the context of watershed restoration.
4. Target priorities and provide adequate funds to support Senate Bill 1010 implementation.
5. Provide a mechanism for ensuring local and regional resource concerns are addressed.
6. Vest local entities with the role of establishing local program priorities and making funding decisions to implement those priorities.
7. Encourage local partnerships between watershed councils and soil and water conservation districts (SWCDs).
8. Recognize OWEB's statutory charge to establish statewide and regional priorities in a way that acknowledges and provides a broader context for locally established priorities.
9. Ensure OWEB's fiscal and administrative accountability.

Completed 2005-07 OWEB Small Grants

Source: Oregon Watershed Restoration Inventory



**Small Grant Program Funding
2005-07 Biennium**

Team #	Name	Board Award	Total Funded	Not Allocated
01	Lower Columbia Small Grant Team	100,000.00	98,717.07	1,282.93
02	North Coast Small Grant Team	100,000.00	98,322.96	1,677.04
03	Mid Coast Small Grant Team	100,000.00	62,849.75	37,150.25
04	Coos Coquille Small Grant Team	100,000.00	63,165.00	36,835.00
05	South Coast Small Grant Team	100,000.00	95,420.00	4,580.00
06	Rogue Basin Small Grant Team	100,000.00	61,413.00	38,587.00
07	Umpqua Small Grant Team	100,000.00	96,847.00	3,153.00
08	Upper Willamette East Small Grant Team	100,000.00	87,786.07	12,213.93
09	Upper Willamette West Small Grant Team	100,000.00	98,007.83	1,992.17
10	Mid Willamette East Small Grant Team	100,000.00	99,999.51	0.49
11	Mid Willamette West Small Grant Team	100,000.00	99,025.68	974.32
12	Lower Willamette East Small Grant Team	100,000.00	99,617.00	383.00
13	Lower Willamette West Small Grant Team	100,000.00	98,652.00	1,348.00
14	Hood River Small Grant Team	100,000.00	99,663.95	336.05
15	Lower Deschutes Small Grant Team	100,000.00	98,150.55	1,849.45
16	Lower John Day Small Grant Team	100,000.00	88,207.26	11,792.74
17	Mid Deschutes Small Grant Team	100,000.00	90,901.55	9,098.45
18	Crook Small Grant Team	100,000.00	100,000.00	0.00
19	Upper Deschutes Small Grant Team	100,000.00	35,860.00	64,140.00
20	Lake Small Grant Team	100,000.00	99,545.00	455.00
21	Klamath Basin Small Grant Team	100,000.00	95,341.05	4,658.95
22	Harney Basin Small Grant Team	100,000.00	85,916.40	14,083.60
23	Owyhee Small Grant Team	100,000.00	100,000.00	0.00
24	Malheur Small Grant Team	100,000.00	99,998.00	2.00
25	John Day Small Grant Team	100,000.00	99,807.75	192.25
26	Umatilla-Walla Walla Small Grant Team	100,000.00	94,690.83	5,309.17
27	Grande Ronde Small Grant Team	100,000.00	89,320.00	10,680.00
28	Powder Basin	100,000.00	100,000.00	0.00
	TOTALS	\$2,800,000.00	\$2,537,225.21	\$262,774.79

**Small Grants by Priority Watershed Concern
2005-07 Biennium**

ATTACHMENT D

#	Team Name	# Instream Process	# Fish Passage	# Urban Impact Reduction	# Riparian Process	# Wetland Process	# Upland Process	# Water Quantity & Quality	# Road Impact Reduction
01	Lower Columbia	2	3	0	5	1	1	0	0
02	North Coast	3	1	0	9	0	0	0	0
03	Mid Coast	5	3	0	2	0	0	0	0
04	Coos Coquille	0	4	1	1	0	1	0	0
05	South Coast	3	4	0	3	1	1	0	0
06	Rogue Basin	0	0	0	3	0	2	5	0
07	Umpqua	2	0	0	6	1	0	0	0
08	Upper Willamette East	0	0	0	13	0	1	0	0
09	Upper Willamette West	1	0	0	6	2	4	2	0
10	Mid Willamette East	0	0	0	4	0	9	0	0
11	Mid Willamette West	2	3	0	3	2	5	2	0
12	Lower Willamette East	0	1	1	8	0	7	0	0
13	Lower Willamette West	0	0	1	6	0	5	1	0
14	Hood River	1	0	1	3	0	2	6	0
15	Lower Deschutes	0	0	0	2	0	17	2	0
16	Lower John Day	0	0	0	0	0	23	1	0
17	Mid Deschutes	0	0	0	1	1	0	8	1
18	Crook	0	0	0	4	0	8	2	0
19	Upper Deschutes	1	1	0	1	0	0	1	0
20	Lake	1	1	0	1	1	5	1	1
21	Klamath Basin	2	0	0	0	0	3	10	0
22	Harney Basin	0	0	0	3	0	7	0	0
23	Owyhee	1	0	0	2	0	0	9	0
24	Malheur	0	0	0	1	0	1	11	0
25	John Day	0	0	0	3	0	18	0	0
26	Umatilla-Walla Walla	0	1	0	0	0	13	1	0
27	Grande Ronde	0	0	0	1	0	11	2	1
28	Powder Basin	1	0	0	3	0	3	5	0
Total # Each Project Type		25	22	4	94	9	147	69	3



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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www.oregon.gov/OWEB



August 25, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item O: Rural Compact**
September 16-17, 2008 OWEB Board Meeting

I. Introduction

This report provides some background on The Rural Compact and invites discussion to consider Board endorsement of the document.

II. Background

The Rural Compact is a statement of principles about the future of rural America. (Attachment A) The Rural Compact is one of the activities from the National Rural Assembly, which is a movement of people and organizations devoted to building a stronger, more vibrant rural America. The goal of the Assembly is to make the country stronger by improving the outlook for rural communities. The guiding principle is that an inclusive, prospering, and sustainable rural America improves prospects for us all.

The organizations serving on the current Rural Compact steering committee are listed below. The steering committee is asking individuals and organizations to endorse the Compact in a nationwide campaign to build support for positive change for rural communities.

The University of New Hampshire Carsey Institute, Durham, New Hampshire
Center for Rural Strategies, Whitesburg, Kentucky
National Congress of American Indians, Washington, D.C.
Quitman County Community Development Organization, Marks, Mississippi
Llano Grande Center for Research and Development, Edcouch/Elsa, Texas
Rural Policy Research Institute (RUPRI)
Stand Up for Rural America, Washington, D.C.
Sustainable Northwest, Portland, Oregon
League of Rural Voters, Minneapolis, Minnesota

III. Board Endorsement

Co-Chair Diane Snyder has asked for the Board to consider endorsement of the Compact. While the principles of the Compact are broader than a natural resources focus, key aspects are fundamentally compatible with the Board's mission. Endorsement of the Compact could underscore the Board's investment in thriving rural communities. Rural communities play a key role in helping to implement restoration actions that carry out OWEB's watershed enhancement program. At the same time, rural communities benefit from and are strengthened by those actions.

IV. Recommendation

Staff recommend that the Board endorse the Rural Compact as outlined in Attachment A.

Attachment: A. The Rural Compact



A set of principles for building stronger rural communities and a stronger nation.

Rural America is more than the land. It is a way we are connected in culture, heritage, and national enterprise. While it may be vast, it is far from empty. Sixty million of us live in the American countryside, and far more grew up there. Rural Americans reflect the full diversity of the country in who we are, what we do, and what we want to achieve.



When rural communities succeed, the nation does better, and cities and suburbs have more resources on which to build. Conversely, when rural communities falter, it drains the nation's prosperity and limits what we can accomplish together.

We now face the challenges of how we sustainably fuel, feed, and nurture both ourselves and a fragile world. A vital rural America has a contribution to make in this effort and the responsibility to take on that endeavor.

We offer this compact as a set of principles on which to build the kind of rural America that is needed now and a rural America that is ready to face the challenges to come.

Quality in Education

Every child should have an equal chance to learn, excel, and help lead America to a better, brighter future. Education policy should recognize the distinctive challenges and opportunities for rural schools and reflect the unique needs of those students, families, and educators.

Stewardship of Natural Resources

Eighty percent of our country's land is rural. It is a heritage and a trust. We all have a responsibility to protect the environment and develop and sustain our natural resources in ways that strengthen rural communities for the long haul. Good environmental practices and responsive public land management provide the opportunity to promote energy independence, grow healthy food in a sustainable manner, mitigate climate change, and develop stronger natural-resource-based economies.

Health of Our People

All Americans deserve access to good, affordable healthcare. If we want small towns and rural communities to contribute to the well-being of the nation, we need rural healthcare systems that work. These should include preventive care, health education, and both community-based and high-tech delivery systems.

Investment in Our Communities

To fight poverty, create wealth, and build sustainable communities, all Americans need access to a safe and equitable system for saving, borrowing, and building capital. To fully participate in and contribute to the American economy, rural communities need public and private investment, access to philanthropic resources, and the tools to develop their own community-controlled assets.

**The Rural Compact is a statement of principle for The National Rural Assembly.
More information at www.ruralassembly.org**

The Rural Compact

Making a difference in rural America

Endorse the Rural Compact

The Rural Compact is a statement of principle about the future of rural America. We are asking individuals and organizations to endorse the Compact in a nationwide campaign to build support for positive change for rural communities. We'll present the Compact and the endorsement list to those who are in a position to help rural communities, including federal and state policy makers, journalists, corporate leaders, philanthropists, community leaders, and others.

When you endorse the Rural Compact, you're saying you want all Americans have a chance to succeed and to do their part to make our nation stronger. You're saying that when rural communities thrive, we're all better off.

To see who has endorsed the Rural Compact, visit www.ruralcompact.org.

Yes, I endorse the Rural Compact. By registering in the form below, I am adding my support for people working for a stronger rural America and a stronger nation.

First Name: _____ Last Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone #: (____) _____ Fax: (____) _____

Organization/Company: _____

Email Address: _____ Website: _____

Please Check One:

I am endorsing the Compact on behalf of my organization.

I am endorsing the Compact as an individual.

Statement of Support (Optional): _____

Please Mail or Fax this form to:

Center for Rural Strategies 2927 Essary Drive, Suite 201

Knoxville, TN 37918 Fax #: (865) 688-9596

Page 639

Or endorse online at www.ruralcompact.org

Monitoring in the South Coast and Grande Ronde Basins

- Projects funded under the Healthy Watersheds Initiative (1998) through 2002
- Riparian projects
- Fish passage projects

OWEB Funded Riparian Projects Coos/Coquille River Basin Grants Awarded: 1998-2002

Legend

— Rivers

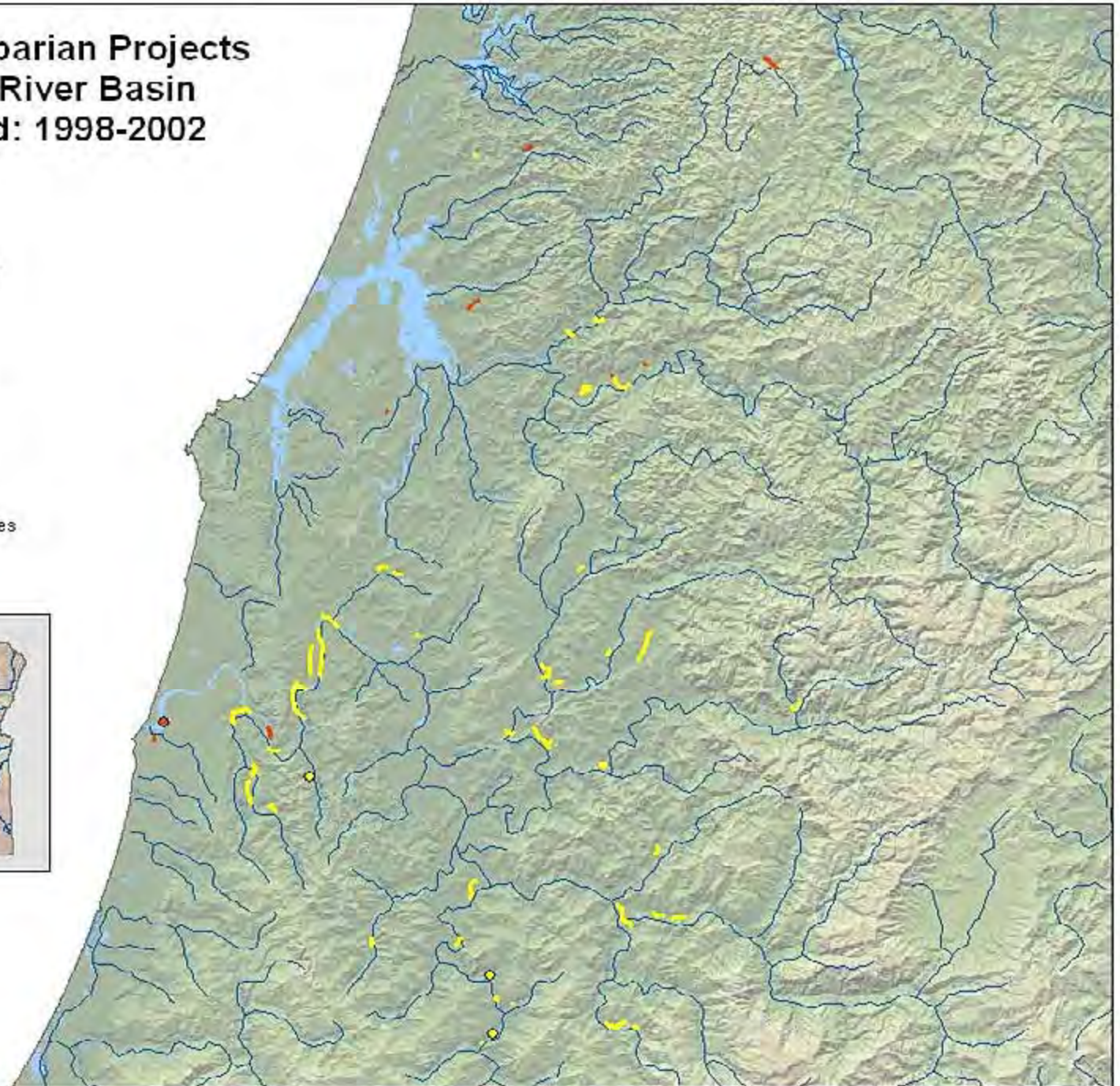
OWRI - Coos Riparian Projects

Treatment

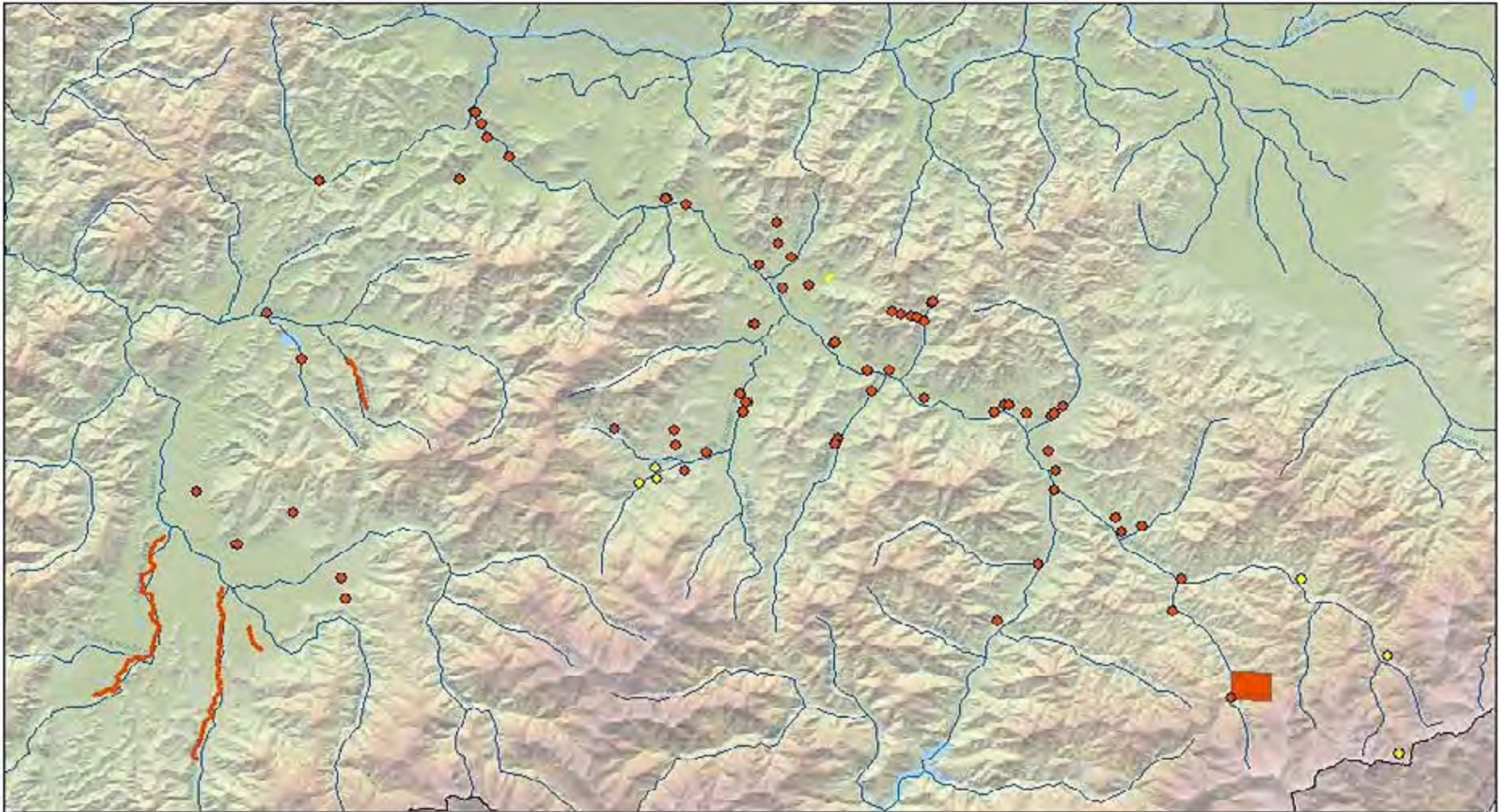
-  Riparian fencing
-  Riparian Planting
-  Riparian Fencing
-  Riparian Planting



0 3 6 12 Miles



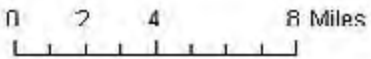
Source: OWRI ArcMap 9.3
Oregon Land Use Project, NAD 83
OWEB-A, Delta, September 2008



- Legend**
- Rivers
 - OWRI - Rogue Riparian Projects**
 - Treatment**
 - ◊ Riparian Fencing
 - ◊ Riparian Planting
 - ◊ Riparian Fencing
 - Riparian Planting
 - Riparian Planting

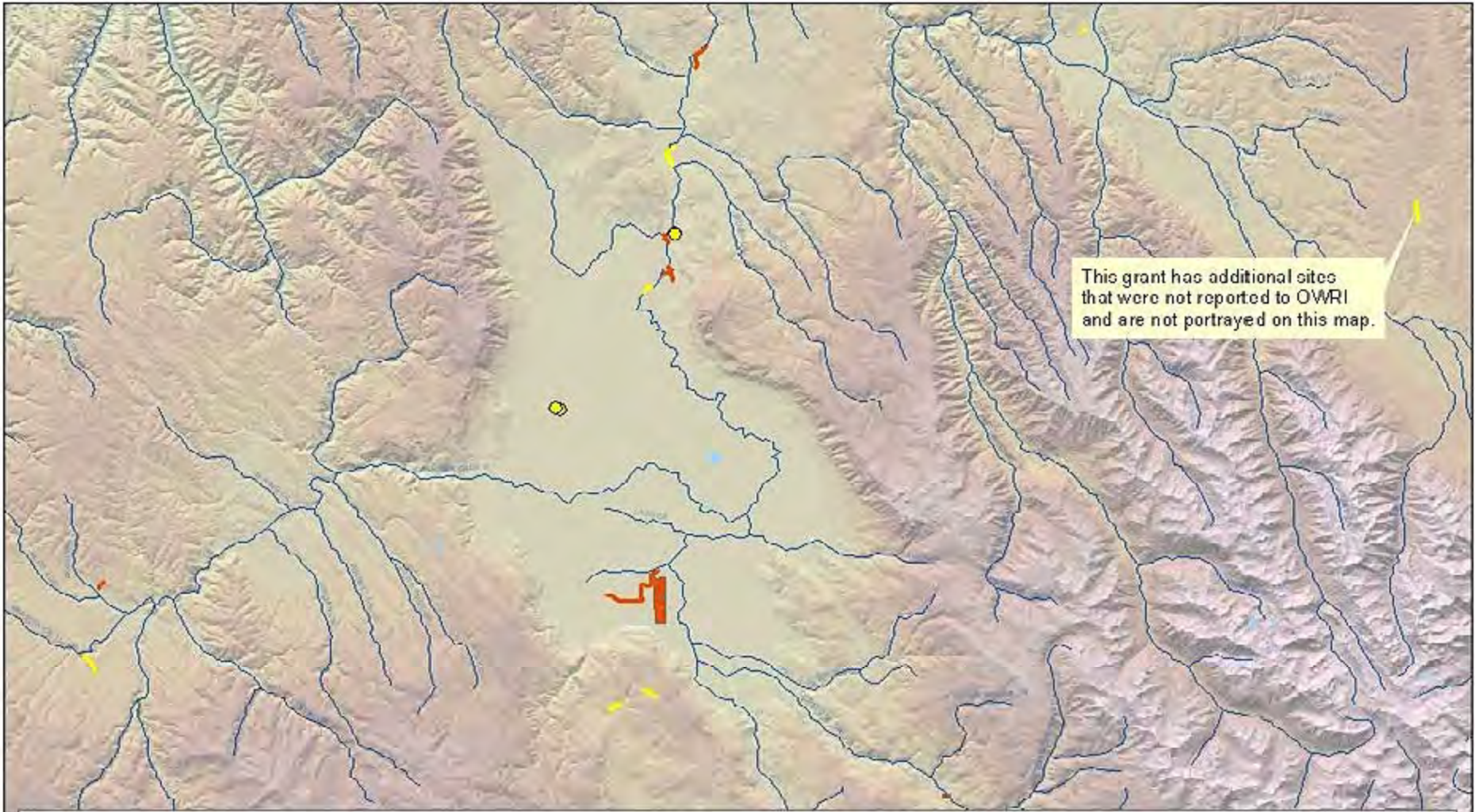


**OWEB Funded Riparian Projects
Rogue River Basin
Grants Awarded: 1998-2002**



Software: ESRI ArcMap 9.3
 OR.gov: Land Use and Planning, HA0 83
 OWRI-4: Salem, September 2008

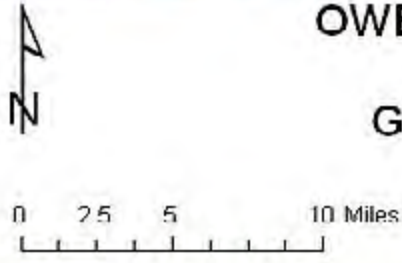




This grant has additional sites that were not reported to OWRI and are not portrayed on this map.




- Legend**
- Rivers
 - Treatment**
 - ◊ Riparian Fencing
 - Riparian Fencing
 - Riparian Planting
 - Riparian Planting



**OWEB Funded Riparian Projects
Grand Ronde Basin
Grants Awarded: 1998-2002**

SOFTWARE: ESRI/ARC/INFO 9.3
Map's Lambert Projection: NAD 83
OWEB-A, Data, September 2008



OWEB Funded Fish Passage Projects for Coho Grants Awarded: 1998 - 2001




Legend

- ◆ OWRP Points - Fish Passage for Coho
- OWRP Lines - Fish Passage for Coho
- Coho Distribution

0 5 10 20 Miles

N

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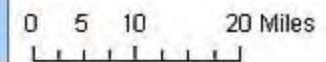
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OWEB Funded Fish Passage Projects for Steelhead Grants Awarded: 1998 - 2001



Legend

- ◆ OWRI Points - Fish Passage for Steelhead
- OWRI Lines - Fish Passage for Steelhead
- Summer Steelhead Distribution
- Winter Steelhead Distribution

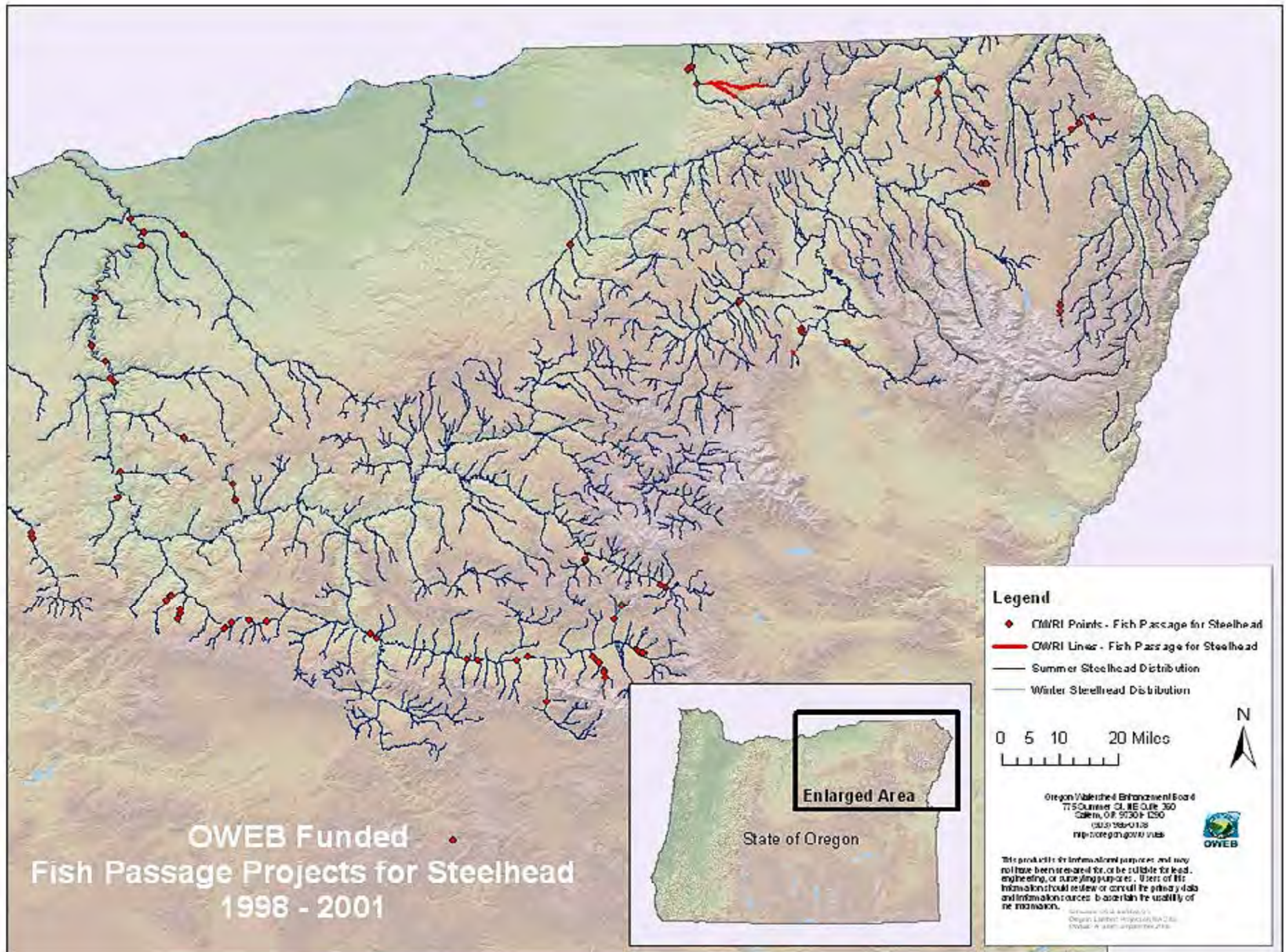


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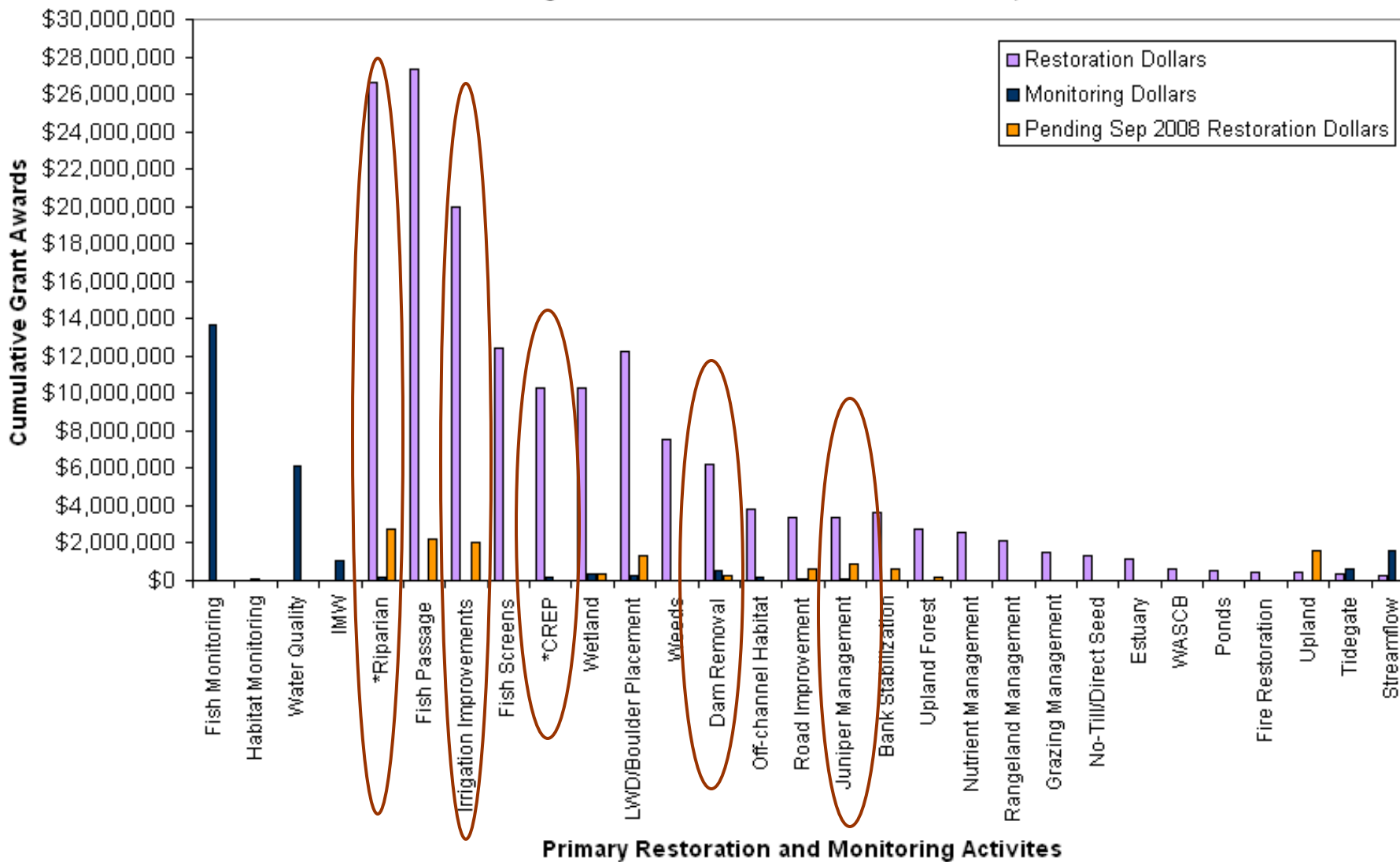
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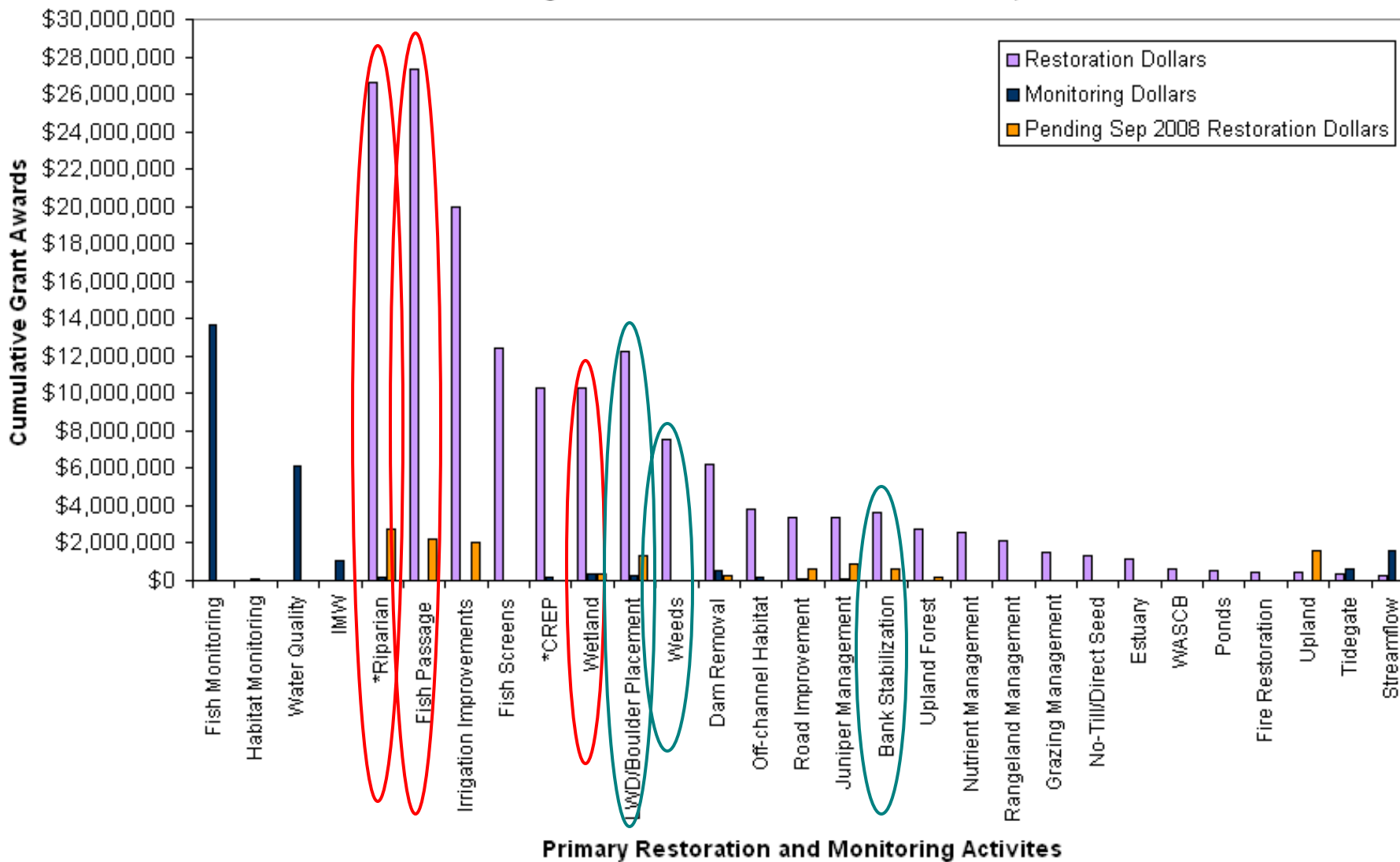
GWEB/OWEB Restoration & Monitoring Grant Awards 1997 - Mar 2008

(Small and Regular grant programs are represented. Monitoring expenditures do not include monitoring funded through restoration grants. Investments less than \$1M are not shown.)



GWEB/OWEB Restoration & Monitoring Grant Awards 1997 - Mar 2008

(Small and Regular grant programs are represented. Monitoring expenditures do not include monitoring funded through restoration grants. Investments less than \$1M are not shown.)



APPROVED BY THE BOARD JANUARY 21, 2009
Oregon Watershed Enhancement Board
September 16, 2008
OWEB Board Meeting
Klamath Falls, Oregon

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Jim Johnson
Skip Klarquist
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers
Patricia Smith
Diane Snyder
Ken Williamson

Members Not Present

Bobby Brunoe
Kim Kratz
Helen Westbrook

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Bev Goodreau
Sue Greer
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz

Others Present

John Moriarty
Alethea Gallman
Joe Rohleder
Linda Johnston
Wayne Hoffman
Jay Holland
David Ross
Terry Morton
Kevin O'Brien
T.J. Wordley
Heather Hendrixon
Larry Peach
Bob Jones
Tim Weaver
Tod Heisler
Jan Lee

Board Co-Chairs recognized and welcomed Senator Doug Whitsett who was in attendance.

Dan Heagerty, Board Co-Chair, spoke of former OWEB staff Roger Wood's recent unexpected death, and along with those in attendance observed a moment of silence in Roger's honor.

A. Board Member Comments

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

B. Minutes

Minutes of the May 20-21, 2008, Board meeting in Ontario were unanimously approved.

C. Executive Director Update

Executive Director, Tom Byler, reported on the following matters facing the agency:

1. Biennial Conference

OWEB's 10th Biennial Conference "Working for Healthy Watersheds – Climate Change and Watershed Resilience" will be held November 5-7, 2008, in Eugene. The conference will feature speakers and numerous workshop sessions on the impacts of climate change for Oregon's watersheds. To date, major contributors include the Oregon Lottery, Bureau of Land Management, and The Nature Conservancy.

Several initiatives will reduce the environmental impact of the conference including online registration, an online carpool option, and the purchase of carbon credits (Green tags) from Bonneville Environmental Foundation to offset the impact of the conference center, lodging, and travel.

2. Communications Implementation Plan

Staffed by Director Byler and Carolyn Devine, Communications Coordinator, the Board Education and Outreach Subcommittee (Jim Johnson, Meta Loftsgaarden, and Patricia Smith) met four times this year developing a prioritized communications implementation plan. The purpose of this plan is to focus OWEB's communications efforts on providing educational and informational materials that promote public awareness and involvement in the watershed enhancement program.

3. Performance Measures

OWEB recently submitted its annual Key Performance Measures (KPMs) progress report. Each of the agency's KPMs are linked to Oregon Benchmarks or the agency's strategic plan. OWEB has 11 KPMs adopted by the 2007 Legislature. Five of the KPMs evaluate the agency and its program performance; the balance of KPMs represent accomplishments achieved under the Oregon Plan. OWEB is working toward better coordination among state agencies to allow for improved reporting on KPMs.

4. Measure 66 Secretary of State Audit

The Secretary of State's Office Audit Division recently distributed preliminary findings on the 2005-2007 Measure 66 funds expenditures to OWEB and the Departments of Agriculture, Environmental Quality, Fish and Wildlife, and the State Police Fish and Wildlife Division. Findings indicate that OWEB expended Measure 66 funds in compliance with the Constitution, and classified and recorded expenditures appropriately. The Audits Division noted exceptions with ODA and ODFW involving Measure 66 capital funds expenditures that lacked clear documentation to link the costs to specific capital projects. They recommended that OWEB work with ODA and ODFW to ensure appropriate corrective measures are taken. OWEB has met with both agencies to resolve the issues with the Audits Division prior to the issuance of the final audit report at the end of the year.

5. Acquisition Subcommittee and Prioritization Report

The Board Land Acquisition Subcommittee (Dan Heagerty, Dave Powers, Miles Brown, and Skip Klarquist) staffed by Ken Bierly, Deputy Director, met to discuss the status of and to prioritize Acquisition applications that have previously been deferred for final consideration by the Board. The suggested prioritization approach includes 1) parcel significance; 2) context; 3) duplicability; 4) benefit/cost; and 5) community support. Further discussions will take place over the fall of 2008 and into early 2009 on the method to evaluate deferred applications for prioritization. A spreadsheet was provided detailing the outstanding Acquisitions.

6. 2007-2009 Oregon Plan Biennial Report

Staff are progressing with production on the 2007-2009 Oregon Plan Biennial Report. Currently the InfoGraphics Lab at the University of Oregon is developing the basin maps and graphics, which constitute the largest section of the report. State agencies are

reporting on their 2007-2008 accomplishments, and staff are collecting project stories in each basin to highlight, and plans to have the Board observations and recommendations for review in October.

7. Agency Request Budget Update

OWEB submitted its 2009-2011 Agency Request Budget to the Governor and Department of Administrative Services by the August 31 deadline. The next step is for the Governor’s office to develop the Governor’s Recommended Budget for submission to the Legislature in December, just before the session begins. OWEB’s Agency Request Budget includes 11 policy packages. During the session, agencies may advocate for these policy packages only to the extent that they are included in the Governor’s Recommended Budget.

D. Spending Plan Update

Tom Byler, Executive Director, presented an updated 2007-2009 non-capital funds spending plan to Board members. Unlike the spending plan approved by the Board earlier in the biennium, this plan includes \$8.2 million from federal fiscal year 2008 PCSRF funds that were recently received by OWEB. Pursuant to federal rules, three percent will be used for administrative purposes, leaving \$7.9 million for allocation by the Board.

Director Byler summarized the staff recommendations for these non-capital federal funds as follows:

Section III.	Program Area	Requested Reserve	Additional Considerations
A.	Local Capacity Funding	\$1,987,000	
B.	Technical Assistance	\$1,550,000	Agenda Item H proposes to award \$800,000 of these funds
C.	Recovery Planning	\$350,000	
D.	Monitoring	\$2,000,000	Agenda Item M proposes to award \$100,000 of these funds
E.	Education/Outreach	\$750,000	
F.	Assessment	\$400,000	Agenda Item H proposes to award \$400,000 of these funds
G.	Oregon Plan Products	\$650,000	Agenda Item K proposes to award \$185,493 of these funds
H.	Partnership Investments	\$150,000	
I.	<i>Previous Allocations</i>	<i>\$125,000</i>	<i>These funds will not be reserved, instead they will be used to fund previous board allocations</i>
Totals		\$7,962,000	

Board members unanimously approved the non-capital spending plan as outlined in Section III of the staff report.

E. OACD and Network Update

John Moriarty, Network of Oregon Watershed Councils, and Gary Whitney, Executive Director, Oregon Association of Conservation Districts, updated Board members on activities and the

progress made in the collaborative effort between soil and water conservation districts and watershed councils.

They emphasized the importance of local capacity funding and are starting to prepare for the next legislative session. The Network held a new coordinator workshop in May and have support from three private foundations to add to their core/base funding. In addition, support from businesses is starting to come through. The Network hired a new education and training coordinator. They plan to start having meetings with new legislators and legislative committees in early 2009 to stress the importance of local capacity funding for both councils and districts.

Gary Whitney has been the Executive Director of the OACD for three months, replacing John McDonald. He provided some background information on his experience and also stressed the importance of local capacity funding and to keep working with the Network of Oregon Watershed Councils to get their joint message out.

Board members commended both on their efforts and encouraged them to move ahead on current issues including climate change.

F. Watershed Council Support – Solo Funding and Subcommittee Report

Public Comment:

- Jay Holland, Lower Nehalem WSC, supported solo funding for Lower Nehalem, Upper Nehalem, and Necanicum watershed councils.
- Joe Rohleder and Linda Johnston, Alsea WSC, supported removing the Alsea WSC from the MidCoast umbrella council and solo funding, and asked the Board to reconsider if the boundary was redrawn.
- Wayne Hoffman, MidCoast WSC, spoke about the Midcoast WSC's work in the Alsea watershed and opposition to redrawing the boundary.

Ken Bierly, Deputy Director, and Melissa Leoni, Senior Policy Coordinator, updated Board members on watershed council support subcommittee discussions. The Subcommittee reviewed requests from watershed councils who have previously applied for and received watershed council support funding with other councils, and want to apply independently for 2009-2011 council support. Staff received four requests for independent council support funding. The four requests were from:

1. Alsea Watershed Council (funding separately from the MidCoast Watershed Council)
2. Lower Nehalem, Upper Nehalem, and Necanicum watershed councils (each separate)
3. Williams Creek Watershed Council (funding separately from the Applegate Watershed Council)
4. Rickreall and Glenn-Gibson Watershed Councils (each separate)

Administrative rules adopted by the Board only allow councils that serve a “unique geographic area” that is not served by another watershed council to be funded. This rule does not allow the Alsea or Williams requests to go forward.

In 2006, staff identified four items that needed to be addressed in a petition for solo council support funding.

- The council represents unique ecological or social conditions that are significantly different from that of its funding partners.

- Solo funding would result in a significant improvement of service to the watershed and its residents compared to the level of service possible under the present funding arrangement.
- There is widespread and broad-spectrum community awareness of and support for the change.
- The split-off will not result in significant detrimental effects to previous funding partners.

Based on the administrative rules and the four factors listed above, staff evaluated the petitions received, discussed with the Board subcommittee, and concluded that only the Lower Nehalem, Upper Nehalem, and Necanicum watershed council request warranted approval of their solo funding request.

Staff presented three options for the Board to consider. The Board Subcommittee and staff recommended Option 2 with a condition that the ability to apply independently be conditional and those who are funded will need to show progress and improved service to the watershed and community. The Subcommittee and staff will work out further details on how this will be implemented and monitored.

A. Option 1 – Approve All Requests

Under this option the Board would approve all requests from organizations that are eligible. Pursuant to rule, the Williams Creek and Alsea watershed councils are not eligible to apply independently at this time and staff and the Board Subcommittee would not recommend approval of their requests. This option would result in a net increase of three council support applicants, for a total of 63.

B. Option 2 – Approve Limited Requests

Under this option, each petition would be evaluated based on the funding principles and criteria and only those councils who have demonstrated a strong case for solo funding would be recommended for funding. The advantage of this option would be to limit the number of newly eligible council support applicants and minimizes the “thinning of the soup.” This option also allows the Board to address situations that most meet the criteria and policy principles of Board and could further refine the criteria under which OWEB would approve requests to apply independently. This option requires additional justification and analysis and does not necessary discourage future splintering and solo funding requests.

C. Option 3 – No Approval of Requests

Under the third option the Board does not approve any solo funding requests and instead would need to address the funding allocation issues identified in the petitions through the grant funding allocation process in 2009. This option holds constant the number of applicants, maintains Board principles, and does not encourage further splintering.

Board members unanimously approved Option 2 as described in Section VI of the staff report and only approve the solo petitions from the Upper Nehalem, Lower, Nehalem, and Necanicum watershed councils. Board members directed staff to carefully monitor the mediation between the Alsea and the MidCoast Watersheds Council.

G. Public Comment on Pending Grant Applications

- Tod Heisler, Deschutes River Conservancy, and Jan Lee, Swalley Irrigation District, requested full funding for 209-4010, that was recommended for funding at a reduced amount.
- Kevin O’Brien, Illinois Valley SWCD/WC, supported funding for 209-2015 that was not recommended for funding, and stated that they will resubmit in the October grant cycle.
- Tim Weaver and Bob Jones, Little Butte Creek WSC, asked the Board to reconsider funding 209-2003, that was not recommended for funding.
- Terry Morton, Klamath Watershed Partnership, commented on the review team evaluation and said they planned to resubmit 209-4009.
- Larry Peach and T.J. Woodley, commented on the review team evaluation and asked the Board to reconsider funding 209-4000.

H. Board Consideration of Pending Grant Applications

Lauri Aunan, Grant Program Manager, provided Board members an overview of the April 21, 2008, grant cycle. One hundred and fifty grant applications seeking a total of \$22,719,208 were received.

Of the 150 applications received in the April 21, 2008, grant cycle, the following table identifies the number of applications received and amount of OWEB funds requested:

Assessment	8	\$ 544,547
Technical Assistance	47	\$ 1,705,776
Acquisition	5	\$ 7,420,190
Restoration	<u>90</u>	<u>\$13,048,695</u>
TOTAL	150	\$22,719,208

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 rankings to develop funding recommendations for Board consideration. The funding recommendations are based on the budget allocated by the Board and the rankings of the reviewers.

Acquisition Applications

Miriam Hulst was introduced as the new Acquisitions Specialist. A total of five Acquisition applications were received, including one water acquisition, and four land acquisitions.

The water Acquisition application is a resubmittal from the October 2007 grant cycle, and is recommended for funding on the condition that staff continue discussions with the DRC to identify long term benefits from the effort.

The Board Acquisition Subcommittee reviewed the applications and requested staff to solicit due diligence materials from two of the land acquisition applicants. Due diligence materials have not been received for these and neither are recommended for funding at this meeting. The Subcommittee and staff have recommended a do not fund for the Amazon Creek Acquisition.

Board members were presented funding recommendations by staff, voted on the staff recommendations, and considered additional projects based on public input.

REGION 1, NORTH COAST

Lauri Aunan, Grant Program Manager
Tom Shafer, Regional Program Representative
Ken Bierly, Deputy Director, Acquisitions

Acquisitions

Shangrila Creek Wetlands Acquisition (208-103) was recommended for funding.
Coal Creek Swamp Acquisition (208-106) was recommended for funding.
Necanicum Riparian Corridor Acquisition (209-101) was recommended for deferral.
Big Creek Headland and Forest Acquisition (209-105) was recommended for deferral.

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

REGION 2, SOUTHWEST OREGON

Lauri Aunan, Grant Program Manager
Mark Grenbemer, Regional Program Representative

Acquisitions

There were none.

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of the revised Attachment A of the staff report, including 209-2003, the Tucker Ditch Push-Up Removal.

REGION 3, WILLAMETTE BASIN

Lauri Aunan, Grant Program Manager
Wendy Hudson, Regional Program Representative
Ken Bierly, Deputy Director, Acquisitions

Acquisitions

Amazon Creek Acquisition (209-103) was not recommended for funding.
Cardwell Hill Land Acquisition (209-104) was recommended for deferral.
Newton Creek Wetlands (207-301) was not recommended for funding.

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

REGION 4, CENTRAL OREGON

Lauri Aunan, Grant Program Manager
Rick Craiger, Regional Program Representative
Ken Bierly, Deputy Director, Acquisitions

Acquisitions

Deschutes River Limited Term Water Leasing (209-102) was recommended for funding.

Due to a potential conflict of interest, Board Co-Chair Dan Heagerty recused himself from voting on 209-4010.

Board members unanimously approved staff's funding recommendations except 209-4010, as shown in the "shaded area" of Attachment A of the staff report.

Board members other than Co-Chair Heagerty unanimously approved funding for 209-4010.

REGION 5, EASTERN OREGON

Lauri Aunan, Grant Program Manager

Karen Leiendecker, Regional Program Representative

Acquisitions

There were none.

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

At the conclusion of the day's meeting, OWEB Board members, staff, and local partners toured projects in the Williamson Delta and Chiloquin area. OWEB Board members, staff, and invited guests returned to the Ragland Cultural Center for an informal reception sponsored by the Klamath Watershed Partnership. OWEB was pleased to have Senator Doug Whitsett attend the reception.

APPROVED BY THE BOARD JANUARY 21, 2009
Oregon Watershed Enhancement Board
September 17, 2008
OWEB Board Meeting
Klamath Falls, Oregon

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Jim Johnson
Skip Klarquist
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers
Patricia Smith
Diane Snyder
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Bev Goodreau
Sue Greer
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Karen Leindecker
Melissa Leoni
Tom Shafer
Greg Sieglitz

Others Present

Larry Dunsmoor
Joe Rohleder
Jimmy Kagan
Joe Evans
Katharine Jackson
Sue Mattenberger
Anita Ward

Members Not Present

Bobby Brunoe
Kim Kratz
Helen Westbrook

I. Administrative Rulemaking

Melissa Leoni, Senior Policy Coordinator, and OWEB Rules Coordinator, described the proposed rules to Board members.

Grant Administration

Operating with rules adopted in 2004, staff identified changes to landowner agreements, grant amendments, and some other minor technical adjustments to make the rules more efficient for grant administration purposes. Staff convened a rules advisory committee consisting of representatives of OWEB's grantees, regional review teams, and partners. With input from the RAC, draft rules were developed and made available for public comment. Staff held one public hearing. No public comments were received via either venue. A list of the affected rules follows:

1. Landowner Agreements [695-005-0030(4) and 695-005-0060(4)]
2. Grant Amendments [695-005-0050(1)]
3. Waiver of Rules [Divisions 10, 35, and 40]
4. Consistent Use of "Board" and "Director" [Divisions 5 and 10]
5. Budget Form Requirements [695-005-0030(2)(d)]
6. Consistent use of Effectiveness and Implementation Monitoring Terms [695-005-0060(4)(a) and 695-010-0100(2)]
7. Partnership and Other Investment Rules [Division 4]

Board members unanimously approved the proposed amendments to OAR 695, Divisions 5, 10, 35, and 40 and the proposed new rules in OAR 695, Division 4 as shown in Attachment B of the staff report to be effective January 1, 2009.

Salmon Season Emergency Grant

In April 2008, Governor Kulongoski issued Executive Order 08-10 declaring a state of emergency due to the limitations on ocean commercial and sport salmon fishing. In May 2008, the Board adopted temporary administrative rules that establish grant application and award criteria for restoration, inventory and data collection, outreach, and project development grants that support priority salmon habitat enhancement and that are able to create work opportunities for fishers or workers displaced by the 2008 restrictions in ocean commercial and sport salmon fishing. The adopted temporary rules were similar to the rules adopted in 2006 resulting from the Governor's Executive Order 06-06, declaring a state of emergency for Oregon's coastal counties impacted by Klamath River fishing restrictions. The current temporary rules expire on November 14, 2008.

Following the process for permanent administrative rules adoption, the temporary rules were sent out for public comment. A rules advisory committee was not convened due to the fact that these rules were technical updates to the rules adopted in 2006, which were developed in consultation with the Governor's office, Oregon Salmon Commission, local watershed councils and soil and water conservation districts, Oregon State University Extension, and affected fishers. A hearing was held and no public comments were received either orally or in writing.

Board members unanimously approved the proposed amendments to OAR 695, Division 7 as shown in Attachment D of the staff report with the definitions of OWEB, Director, and Board updated to be consistent with the proposed rules in Division 5 to be effective November 14, 2008.

J. Public Comment -- General

- David Ross, Partners for Fish and Wildlife Program, Klamath Falls U.S. Fish and Wildlife Service office, welcomed Board members to Klamath Falls and thanked OWEB for their partnership on projects in the basin.
- Larry Dunsmoor, Klamath Tribes, complimented Board members on the atmosphere at Board meetings and their insight into Klamath Basin issues.
- Tod Heisler, Deschutes River Conservancy, thanked OWEB and provided an update on the Deschutes SIP.

K. Partnership Investments

1. Oregon Plan Products

Greg Sieglitz, Monitoring and Reporting Program Manager, briefly described funding requests for a couple of Oregon Plan products that were previously described at the March and May 2008 Board meetings are now ready for Board consideration.

Equipment for DEQ's Volunteer Water Quality Monitoring Program

This DEQ program is very successful; data from over 50 groups have been submitted from over 1,000 locations throughout Oregon. OWEB has traditionally provided funding for program coordination and the purchase of equipment to be used by volunteer groups as part of this DEQ program. The equipment enables local groups to expand the State's water quality monitoring network informing both local watershed needs and the larger

Oregon Plan needs. Most of the equipment is 10 years old and needs to be replaced. Request is for \$33,165.

Oregon Explorer Natural Resources Digital Library

Jimmy Kagan joined Greg Sieglitz to brief Board members on Phase II of the Oregon Explorer. The Institute for Natural Resources (INR) and OSU Libraries are proposing to address OWEB's priorities for making technology useful to local groups and improving information flow and data-sharing between local groups and agencies. The four segments to this proposal are:

1. Updating OWRI products and enhancing the Restoration Visualization Tool;
2. Creating a Lakes Basin Explorer portal;
3. Creating a Deschutes Basin Explorer portal; and
4. Prototyping a spatially based Data Management System for Oregon Plan related information, such as location of and data from monitoring projects.

The proposed Oregon Explorer Phase II project will expand the capacity of watershed councils and local groups to conserve and restore habitats, track the results of their work, and share successes and opportunities with others in their basin and around the state. Request is for \$152,328.

Board members unanimously approved up to \$33,165 in non-capital funds for an interagency agreement with the Oregon Department of Environmental Quality for the replacement of volunteer monitoring equipment; and up to \$152,328 in non-capital funds for an interagency agreement with the Institute for Natural Resources and OSU Libraries for web based enhancements for the Oregon Watershed Restoration Inventory, development of Oregon Explorer sites for the Lakes and Deschutes basins, and creation of a spatially based data management prototype for OWEB.

2. Wetlands Investments

Greg Sieglitz, Monitoring and Reporting Program Manager, provided Board members with an update about two wetlands related activities.

Digitization of National Wetlands Inventory Maps

At the May Board meeting, the Board allocated \$96,200 in non-capital funding for a contract with Oregon Corrections Enterprises (OCE) to complete digitization of the remaining 481 NWI maps that cover southeastern Oregon. When a Wetlands Conservancy project to revise 97 outdated NWI maps in western Oregon is completed, and OWEB's contract with OCE is completed (anticipated for September of 2009), the result will be a statewide map of comprehensive wetland location information for Oregon in electronic format that is easily accessible to watershed councils, soil and water conservation districts, landowners, agencies, and the public.

Compliance and Effectiveness Monitoring of Wetlands Projects

On May 2, 2008, OWEB, along with the Oregon Department of State Lands and The Xerces Society, was awarded a 2008 Wetlands Program Development Grant from the EPA. The \$342,281 award will be used to create the framework for an Oregon Wetlands Monitoring and Assessment Program. As the grant recipient, OWEB staff are working with EPA Region 10 to develop the grant agreement for this award.

Board members unanimously approved to delegate authority to the Director to enter into agreements with the Oregon Department of State Lands and The Xerces Society for Invertebrate Conservation to complete mapping and monitoring activities, respectively, associated with the EPA-funded project.

3. Partnerships

Ken Bierly, Deputy Director, updated Board members on the status of partnership projects.

A. Deschutes SIP

At the January 2008 meeting, the Board allocated \$4 million for SIP projects in the Deschutes Basin. A partnership agreement with the Upper Deschutes Watershed Council, Deschutes River Conservancy, Deschutes Land Trust, and Crooked River Watershed Council, has been signed to implement specific projects in the Deschutes Basin. The partners met to identify and prioritize all the projects and are on schedule to allocate the full \$4 million this biennium. OWEB has approved six of the projects and is currently reviewing the six others.

The Deschutes SIP partners met recently and have identified nearly \$14 million in projects for the next biennium, realizing that OWEB will not likely be able to provide full funding. They have made it a priority to bring in additional funding partners to increase the capacity in the basin. They also are meeting to explore how to “tell their partnership story” to reach a broader audience.

B. Willamette SIP

The main objectives of the Willamette SIP are to engage local partners to re-establish channel complexity and re-connect flood plains in the historic meander corridor of the Willamette main stem and the major tributaries. The Board allocated \$6 million to the Willamette SIP at the March 2008 meeting. Since then, a partnership agreement among the state agencies has been signed, and OWEB is working with Meyer Memorial Trust on a partnership agreement expressing the shared commitment of Meyer and OWEB to collaborate on mutual objectives in the Willamette.

OWEB staff have also had discussions with Scappoose Bay Watershed Council, Metro, Department of Geology and Mineral Industries, and others about \$1 million in potential projects that may be ready by the end of the year.

C. Oregon Conservation Reserve Enhancement Program (CREP)

Ken Bierly, Deputy Director, provided a brief update on CREP. Staff of OWEB and ODA in collaboration with the Farm Service Agency discussed the issues of CREP at the Board of Agriculture in May of 2008. The Board of Agriculture adopted a resolution supporting the Oregon CREP as an important element in meeting water quality requirements in agricultural lands.

A recently formed CREP Work Group staffed by Ken Bierly and Melissa Leoni had their first meeting on September 5. They will be tasked with developing recommendations for the Board to consider in the state’s investment in CREP.

D. Coastal Wetlands – Alsea Acquisition

Ken Bierly, Deputy Director, updated Board members on a request for the Board to provide match funding for the Alsea Acquisition project that was part of the 2008 Coastal Wetlands Grant awards. Due diligence materials have not been received and staff expect to bring this funding request for Board consideration in January 2009.

L. Climate Change Presentation

Continuing to inform Board members about climate change, OWEB invited the following speakers to provide presentations on climate change and its impact on the environment.

Gordon Grant is a research hydrologist with the U.S. Forest Service Pacific Northwest Research Lab in Corvallis and a courtesy professor with OSU in Forest Engineering and Forest Science. He spoke about climate change and water availability in Oregon, how what is predicted may differ from current conditions, and what that means for watershed restoration and monitoring.

Bill Peterson is an oceanographer with NOAA Fisheries in Newport and a courtesy professor with OSU and the Hatfield Marine Science Center. He talked about climate change and its influence on ocean productivity particularly as it relates to salmon. He explained what happens with salmon when they leave the freshwater environment and why it is important to keep this in mind when discussing restoration work on land.

Lisa Crozier is a research scientist with NOAA Fisheries at the Northwest Fisheries Science Center in Seattle. She specializes in salmon populations and climate change. She talked about the effects of climate change on population viability of Pacific salmon in the freshwater environment.

M. Monitoring and Research Update

Greg Sieglitz, Monitoring and Reporting Program Manager, updated 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). The Subcommittee, established as a result of the Board Planning Session held in July 2007, worked with staff on where to focus monitoring and research funds and developed a proposal with the following components:

- Improve the guidance given to grant applicants and grantees about monitoring protocols;
- Develop a database that will be used to compile information about monitoring grants, the location of monitoring, and the data generated from such grants;
- Capture information from required final and post completion reports for restoration projects in a database;
- Collect data that will describe the maturation of accomplishments in the model watersheds (Grande Ronde and South Coast) related to riparian improvements and fish passage;
- Work to establish a roll-up story of what has been accomplished in the areas of improvements made to fish passage and water quality improvements state-wide;
- Continue effectiveness monitoring program implementation for the remaining restoration project types where OWEB has invested more than \$1 million; and
- Revise the current OWEB Research Priorities and present these and a work plan to the Board for consideration in January 2009.

Board members unanimously approved up to \$100,000 of non-capital funds for the Grande Ronde and South Coast riparian and fish passage project monitoring Request for Proposals to select a contractor as shown in Section III.C.1. of the staff report.

The Board unanimously approved a reserve of \$1.3 million for the October 2008 Monitoring Grant Solicitation, and \$500,000 for fish passage, water quality, and effectiveness monitoring.

The Board also unanimously approved \$265,384 in research non-capital funds to Oregon State University for the ongoing Non-parallel Dam Coho Pedigree Research Project for 2008-2011.

N. Small Grant Report

Lauri Aunan, Grant Program Manager, and Bev Goodreau, Grant Program Specialist, provided Board members with information on the 2005-2007 Small Grant Program awards, the status of 2007-2009 awards, and discussed potential future review of the Small Grant Program. Goodreau also summarized the recently publicized 2005-2007 Small Grant Program Biennial Report.

Since the Small Grant Program was initiated in 2002, over 1,100 projects have been funded for a total of \$7.4 million. Since the 2003-2005 biennium, Small Grant Program allocations have been \$100,000 each for 28 small grant teams around the state for a total biennial allocation of \$2.8 million. A 25 percent match is required for each approved small grant project. Staff will propose the 2009-2011 Small Grant Program allocation at the May 2009 Board meeting before the start of the next biennium. Staff will initiate stakeholder discussions to evaluate the need for program improvements and administrative rule changes sometime after the 2009 legislative session, and how to re-distribute unspent funds returned from Small Grant Team allocations. The Board Co-Chairs commended Bev Goodreau on a job well done.

O. Rural Compact

Board Co-Chair Diane Snyder presented this item to the Board. She provided background information on The Rural Compact and requested Board endorsement of the Compact. The Rural Compact is a statement of principles about the future of rural America created by the National Rural Assembly. The goal of the Assembly is to make the country stronger by improving the outlook for rural communities. She believes that key aspects of the Compact are compatible with OWEB's mission, and endorsement of the Compact would underscore the Board's investment in thriving rural communities. All endorsements of the Compact will be included on a list of organizations supporting rural America.

Board members unanimously voted to formally endorse The Rural Compact, and have Director Tom Byler submit the endorsement on behalf of the Board.

P. Other Business

There was none.

Having no further business, the meeting was adjourned.