

APPROVED BY THE BOARD JANUARY 20, 2010
Oregon Watershed Enhancement Board
September 15, 2009
OWEB Board Meeting
Joseph, Oregon

Minutes

OWEB Members Present

Dan Carver
Dan Heagerty
John Jackson
Jim Johnson
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Dave Powers
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike

OWEB Staff Present

Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Courtney Gibbs
Sue Greer
Mark Grenbemer
Wendy Hudson
Karen Leiendecker
Tom Shafer
Courtney Shaff
Greg Sieglitz
Teresa Trump

Others Present

John Moriarty
Rob Richardson
John McDonald
Bruce Taylor
Scott Sparling
Tom Straughan
Bill Knox
Wayne Hoffman
Don Harker

Members Not Present

Miles Brown
Jennifer Phillippi
Ken Williamson

County Commissioner Mike Howard welcomed Board members to Wallowa County. Commissioner Howard previously served on the Grande Ronde Model Watershed and commented that 50 landowners affected by Wallowa County rivers and parks are taking the lead on restoration activities in the county.

A. Board Member Comments

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

B. Minutes

Minutes of the following meetings were unanimously approved with one correction on Board member attendance. (Note: Board Member Dan Thorndike abstained from voting on the minutes from the June 1-3, 2009, Board meeting in Eugene.)

June 1-3, 2009, Board meeting in Eugene;

June 29-30, July 1, 2009, strategic planning session in Silverton; and

July 29, 2009, special meeting via telephone conference call.

C. Executive Director Update

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

1. Information Security Plan

Melissa Leoni, OWEB Senior Policy Coordinator, has been working on different components of OWEB's Information Security Plan which is due to the Department of Administrative Services by December 31, 2009.

2. 2009 Legislative Session

The Legislature adjourned on June 29, 2009. OWEB was specifically mentioned in only three bills (HB 3369, SB 30, and SB513). No bills were legislatively approved affecting OWEB statutes.

3. Working Lands Easements

Staff proposed to work with the Board Land Acquisition Subcommittee to frame working lands easement issues and develop a set of questions to be addressed by a work group. Whether to have a work group depends on how the matter is addressed by OWEB's strategic planning process.

4. Flow Conservation Work Group

Deputy Director Ken Bierly organized a Flow Conservation Work Group in December 2008 to discuss ways to better integrate flow restoration into the suite of habitat and land conservation efforts that OWEB funds. The Work Group identified three recommendations for further consideration, and will provide a report at the January or March 2010 Board meeting.

5. Effectiveness Monitoring Program

The report contained in Agenda Item C updated Board members on completed effectiveness monitoring project investments and identified ongoing efforts including a wetland project in the Willamette basin, a fish barrier removal project in the South Coast basin, and riparian enhancement projects in the South Coast and Grande Ronde basins.

6. Research Program

An update on climate change research awards was provided in the report for Agenda Item C. The status of LiDAR, Ecosystem Workforce Evaluation and Ecosystem Services projects was discussed.

7. Deschutes SIP Progress Report

Ken Bierly, Deputy Director, distributed a draft report on progress made during the 2007-2009 biennium by the Deschutes SIP. The final report should be available in January. He discussed progress to date and lessons learned.

8. Partnership Report

The report provided Board members with a list of partnership projects OWEB is currently supporting (CREP, Whole Watershed Restoration Initiatives, and Oregon 150 which has been completed) and two active Special Investment Partnerships (Deschutes and Willamette SIPs). Staff have been approached about interest in additional partnerships and will work with the Board Partnership Subcommittee for recommendations.

9. Small Grant Program Review

Staff presented an overview of the Small Grant Program as well as a tentative timeline for conducting a review of the Small Grant Program. OWEB is required by administrative rule to review reports submitted by Small Grant Teams and evaluate the need for program improvements and administrative rule changes once a biennium. Bev Goodreau, Grant Program Specialist is leading this effort.

D. Strategic Plan

Tom Byler, Executive Director, updated Board members on the progress of the Board's strategic planning effort since June 2009, and presented a draft plan for Board approval that will be distributed for public review and comment.

Included with the report were a summary report from Don Harker, Consultant; the final draft strategic plan; a proposed stakeholder process; and implementation action table.

Harker explained the process used which included Board and staff shared understandings, OWEB models, driving forces and future scenarios, OWEB mission and vision, strategic planning facilitated session, subcommittee report on adaptive investments, and appendices on the staff and stakeholder interview process.

Board members discussed the proposed mission and vision statements expressing concern that the vision statement was two separate statements. The Board subcommittee will work with staff to refine the vision statement.

Goals 1 through 5 and their associated strategies were reviewed along with the proposed implementation actions over the next biennium were discussed. Board member consensus was to send the draft plan out for comment.

E. Communications Strategy

Tom Byler, Executive Director, was joined by Carolyn Devine, Communications Coordinator, and Scott Sparling of Gard Communications, to discuss progress on the Communications Strategy and how its relationship to the Strategic Plan.

Staff asked Board members to approve the draft communications strategy as a working draft and direct staff to continue work on refinement and development of plan elements. Scott Sparling summarized elements of the draft plan including the process, goals, and main elements. Staff will continue working with Gard Communications as the Strategic Plan is finalized so the two plans work together.

F. Public Comment – General

- Bruce Taylor, Defenders of Wildlife, and Catherine Macdonald, The Nature Conservancy, updated Board members on the Ballot Measure 66 Reauthorization effort.
- Wayne Hoffman, MidCoast WC, commented on the proposed Strategic Plan, and expressed concerns with the Oregon Conservation Strategy.

G. Strategic Plan and Communications Strategy Adoption

After discussion under Agenda Items D and E, Board members unanimously approved the draft strategic plan contained in Attachment B to the Item D staff report as a final draft plan and directed staff to conduct a public review process on the final draft once refinements based on Board member comments are made.

The Board also unanimously approved the draft Strategic Communications Plan contained in Attachment B to the Item E staff report as a final working draft and directed staff to continue work on plan elements consistent with the objectives described in the report.

H. Ecosystem Services Report and Board Discussion

Renee Davis-Born provided an update on two ecosystem services initiatives OWEB is involved with.

OWEB Research Project on Ecosystem Services

In June 2009, OWEB contracted with Ecosystem Services LLC to assist OWEB in understanding and negotiating the marketplace of ecosystem services that have a likely connection to the restoration and conservation actions funded by OWEB. The contract will focus on carbon-offset ecosystem services, but will take into account co-benefit ecosystem services that result from carbon-related projects. Phase I of the three phase project commenced on August 12, 2009. Board members will be briefed at the January and March 2010 meetings, with a final report due in mid-June 2010.

Senate Bill 513

SB513 passed out of the Legislature on June 5 and was signed into law by the Governor on July 23, 2009. OWEB is charged to provide staff support for an Ecosystem Services Markets Working Group as a result of this legislation. Renee Davis-Born, Ecosystem Services Coordinator, will staff this group, and has been working with members of the Sustainability Board's Ecosystem Services Subcommittee and staff from the PSU Oregon Consensus Program to identify working group members and develop a process and timeline for implementation of SB513.

A draft report and preliminary policy recommendations for review by the Sustainability Board should be ready in early fall of 2010, with a final report including recommendations for legislation submitted to the Legislature by January 1, 2011.

At the conclusion of the day's meeting, OWEB Board members, staff, and local partners toured projects in the Wallowa Basin. OWEB Board members, staff, and invited guests returned to the Eagle Cap Chalets for an informal reception sponsored by Board Co-Chair Diane Snyder.

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Karen Leiendecker
Tom Shafer
Courtney Shaff
Greg Sieglitz
Teresa Trump

Others Present

Marty St. Louis
Kathy Ferge
Paula Burgess
Joshua Uriarte
Walt Powell
Peggy Browne
Jason Spriet
Cathy Macdonald
Steve Parrett
Tom Straughan
John Moriarty
John McDonald
Wayne Hoffman
Leslie Grimes
Kelly Thomas
Don Harker

I. 2009-2011 Spending Plan

Executive Director Tom Byler, presented a proposed spending plan to the Board which was developed by staff based on decreased revenue. Funds for Research will be presented later in the biennium to allow time for interest to accrue on the account.

Board members unanimously approved the proposed spending plans contained in Attachments A and B as an overall guide for reserving and allocating OWEB funds at the beginning of the biennium with specific direction to staff to update the spending plan and report on the actions taken under the spending plan at each subsequent Board meeting.

In addition, Board members unanimously approved the specific capital funding proposals identified in Section VI. B of the staff report as identified below.

- a. Allocate \$2.8 million to the Small Grant Program (SGP) for the 2009-2011 biennium with a distribution of \$100,000 per team.
- b. Allocate \$1.3 million to support the Conservation Reserve Enhancement Program for the 2009-2011 biennium.

- c. Allocate \$4.0 million to the Deschutes SIP, delegate the distribution authority to the Executive Director, and approve the Deschutes SIP conditions described in Attachment D of this report.

The Board also unanimously approved the specific non-capital funding proposals identified in Section VI. C of the staff report as identified below.

- a. Approve an additional \$1,140,454 for Watershed Council Support grants as described in Section IV.A. and shown in Attachment F of the staff report.
- b. Allocate \$1,000,000 for Soil and Water Conservation District capacity as described in Section IV.A. and Attachment E of the staff report.
- c. Allocate \$100,000 to the Network of Oregon Watersheds Councils and \$100,000 to the Oregon Association of Conservation Districts as described in Section IV.A. and Attachment E of the staff report.
- d. Allocate \$100,000 and delegate authority to the Executive Director to distribute the funds through appropriate agreements and contracts for capacity building; travel expenses to help councils attend capacity building trainings and workshops; and facilitation to support the council support grant team review process as described in Section IV.A. and Attachment E of the staff report.
- e. Allocate \$100,000 to support the development 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.G. of the staff report.
- f. Allocate \$400,000 for information and communication needs associated with the development of the Strategic Plan, the Communications Plan, and other immediate related needs 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.H. of the staff report.
- g. Allocate \$180,000 to support a partnership with the Oregon Department of Fish and Wildlife intended to align and integrate OWEB's restoration and acquisition priorities 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.I. of the staff report.
- h. Allocate \$250,000 to Oregon Plan products in support of the Strategic Plan and the Communications Plan 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.I. of the staff report.
- i. Allocate \$270,000 for effectiveness monitoring in support of the Strategic Plan and the Communications Plan 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.J. of the staff report
- j. Allocate \$125,000 to support the 2010 OWEB Biennial Conference, technical training and outreach needs and delegate to the Executive Director the authority to

distribute the funds for personnel, contracted services, and other associated costs consistent with Section IV.K. of the staff report.

- k. Allocate \$200,000 to support the Deschutes and Willamette Special Investment Partnerships, consistent with the purposes identified in Section IV.K. and Attachment D of the staff report, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements, contracts, and interagency agreements.
- l. Allocate up to \$50,000 to evaluate the policy, program, and partnership considerations associated with “working lands” conservation easements, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements, contracts, and interagency agreements.

J. Public Comment – General

- Wayne Hoffman, MidCoast WC, commented on the proposed spending plan. He feels that the council support process needs work, but is pleased that the OWEB staff and Board are supportive of funding for watershed councils.
- John McDonald, OACD, and John Moriarty, Network of Oregon Watershed Councils, updated Board members on recent efforts. The Network recently completed a new council coordinator handbook

K. Public Comment – Pending Grant Applications

- Walter Powell, Kelley Thomas, Cathy Fergy, and Paula Burgess, Lower John Day Working Group, briefed Board members on a potential SIP in the John Day basin. (See also Agenda Item M.)
- Leslie Grimes, Mid Willamette Alliance supported 210-3013 which fell below the funding line.
- Marty St. Louis, ODFW, supported 210-4000 which was recommended for full funding.
- Joshua Uriarte, Baker County SWCDs, supported funding for the Small Grant Program, and supported 210-5004 which fell below the funding line.
- Peggy Browne, Browne Consulting, supported 210-5020 which was not recommended for funding; 210-5024 and 210-5031 which both fell below the funding line.
- Catherine Macdonald, The Nature Conservancy, commented on a withdrawn application, 210-104 for Pocket Ranch Conservation Easement.

L. Board Consideration of Pending Grant Applications

Lauri Aunan, Grant Program Manager, provided Board members an overview of the April 20, 2009, grant cycle. One hundred and seventy-one grant applications seeking nearly \$24.4 million were received making it the largest dollar request, and the second highest number of applications submitted to OWEB for an April grant cycle.

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

Technical Assistance	47	\$ 1,566,539
Acquisition	5	\$ 3,080,094
Restoration	<u>119</u>	<u>\$19,741,515</u>
TOTAL	171	\$24,388,148

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

Since the Board has not yet established an overall spending plan or set capital and non-capital funding targets for each grant cycle in the 2009-2011 biennium, staff recommendations for this cycle were developed as a “standalone” funding allocation. Budgets for future grant cycles will depend on the Board’s spending plan and strategic plan, as well as funding availability, which is uncertain given the State’s budget situation and economic climate.

Acquisition Applications

Five new acquisition applications were received during this grant cycle (one water lease and transfer application and four land acquisition applications). The Board Acquisition Subcommittee reviewed the applications before regional review team evaluation of the ecological merit and recommended whether staff should proceed with due diligence review.

None of the four land acquisition applications submitted in April 2009 is recommended for funding at this time. One is recommended for deferral (Summer Creek Conservation Project, 210-103); two are not recommended for funding (Miami River Conservation Easement, 210-101, and Maxwell Easement Acquisition, 209-108); and one was withdrawn by the applicant.

The water acquisition application, Deschutes River Water Transfers, 210-103 is ready for funding at this time. (See Region 4 staff report.)

**Due to the absence of a Board quorum, voting members were polled regarding recommended funding decisions. Voting to expend funds was postponed until a telephone conference call was scheduled with Board members to fulfill the quorum requirement. Funding recommendations discussed at the meeting were revisited and voted on during the teleconference on September 22, 2009.*

REGION 1, NORTH COAST

Lauri Aunan, Grant Program Manager
Tom Shafer, Regional Program Representative
Ken Bierly, Acquisitions

Board member Jose Linares had concerns about a technical assistance application 210-1000 not being recommended for funding. Tom Shafer replied that the RRT wanted to see results of a feasibility study before offering a funding recommendation.

Board members supported 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

Board Co-Chair Heagerty asked about funding for 210-2016. Mark Grenbemer replied that he had spoken with the applicant and they will be resubmitting for funding next cycle.

Board members supported staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

REGION 3, WILLAMETTE BASIN

Lauri Aunan, Grant Program Manager

Wendy Hudson Regional Program Representative

Ken Bierly, Acquisitions

Board members discussed 210-3013 which was brought up during the public comment period.

Board members supported 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, Acquisitions

Board members discussed 210-104 and 210-4000 which were brought up during public comment.

Board members 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 discussed the Pocket Ranch application which was withdrawn by the applicant; and the Willow Creek Phase 2 application.

Board Co-Chair Diane Snyder thanked Karen Leiendecker for her help on logistics of the Board meeting and tour.

Board members supported staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

REGION 6, MID COLUMBIA

Lauri Anan, Grant Program Manager

Sue Greer, Regional Program Representative

Board members discussed 210-6008 which was not recommended for funding. Sue Greer replied that the applicant is looking to resubmit because plans have changed for more improvement.

Board member Jim Johnson asked why there was only one technical assistance application from Region 6. Sue Greer replied that the April cycle has more projects on-the-ground and more technical assistance applications are received in the October cycles.

Board members supported staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

Following the staff presentation for each region, the Board expressed support for funding the following non-capital applications that staff did not recommend for funding:

- 210-3013 (Region 3);
- 210-5004 (Region 5);
- 210-5024 (Region 5); and
- 210-5031 (Region 5).

Staff indicated that because this is the beginning of the biennium there is funding available, however because non-capital funding is very tight, funding these now will reduce the availability of non-capital funds later in the biennium.

M. Other Business

Lower John Day Working Group

This was presented during the public comment period, Agenda Item K.

Having no further business, the meeting was adjourned.