



2010 OWEB Board Meeting Documents

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Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board January 20-21, 2010

**Red Lion Hotel
Umpqua Ballroom
1313 N. Bayshore Drive
Coos Bay**

Directions: The hotel is directly on Hwy 101, across from the bay.

Wednesday, January 20, 2010

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items G and P), 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. Board Co-Chair Elections

Current Oregon Watershed Enhancement Board Co-Chair Diane Snyder was elected by Board vote in January 2008 to a two-year term. Co-Chair Heagerty will lead a discussion and vote by Board members to elect one Board Co-Chair position for a new two-year term. *Action item.*

C. Review and Approval of Minutes

The minutes of the following meetings will be presented for Board approval. *Action item.*

September 15-16, 2009, Board meeting in Joseph.

September 22, 2009, special meeting via telephone conference call.

D. Executive Director Update

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

E. Strategic Plan

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, will report on the public comments received on the September 2009 draft Strategic Plan and present a final Strategic Plan for Board consideration and adoption. *Action item.*

F. Strategic Plan Implementation

Tom Byler, Executive Director, and OWEB staff will update the Board on immediate action items underway to implement the proposed Strategic Plan. *Information item.*

G. Public Comment [approximately 11:30 a.m.]

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

H. Strategic Plan Implementation – continued

Tom Byler, Executive Director, and OWEB staff will update the Board on immediate action items underway to implement the awareness and involvement elements of the proposed Strategic Plan. *Information item.*

I. Integrated Water Resource Strategy Presentation

Brenda Bateman, Senior Policy Coordinator, from the Oregon Water Resources Department will describe the agency's process for developing an integrated water resource strategy that will be a roadmap for the state to follow as it prepares to meet Oregon's water needs now and in the future. *Information item.*

J. Research Program Reports

Greg Sieglitz, Monitoring and Reporting Program Manager, will introduce two presentations on research project investments from the University of Oregon Climate Leadership Initiative (CLI) and Ecosystem Workforce Program (EWP). The CLI will present their work related to creating dialogue and learning about climate change predictions at the watershed scale. The EWP will update the Board on the progress made to estimate the economic impact and job creation from OWEB's restoration investments. *Information item.*

K. Signature Project Presentation – Bandon Marsh

Roy Lowe, Project Leader, Oregon Coast National Wildlife Refuge Complex, will report on the project to restore over 400 acres of tidal marsh at the Ni-les'tun Unit of the Bandon Marsh National Wildlife Refuge, which will be accomplished by removing dikes, filling drainage ditches, and reconstructing tidal channels, and the improvements to North Bank Lane that include installing fish-friendly culverts at Fahys Creek and Redd Creek. *Information item.*

L. Coos Life Cycle Monitoring Presentation

Jon Souder, Coos Watershed Association, will give a presentation on the CWA's Life Cycle Monitoring project that has a goal to estimate adult coho salmon spawner abundance and outmigrant coho smolt population size in order to calculate freshwater and marine survival for coho populations in Larson and Palouse Creeks. *Information item.*

Informal Reception – 5:15 - 6:15 p.m.

The public is invited to join the OWEB Board and staff at a reception honoring local conservation groups and efforts.

*Red Lion Hotel
1313 N. Bayshore Drive, Coos Bay*

Thursday, January 21, 2010**Business Meeting - 8:00 a.m.**

During the public comment periods (Agenda Items G and P), 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.***

M. Legislative and Budget

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, will brief the Board on the status of OWEB's 2009-2011 budget, outlook for the 2010 special legislative session, and process leading up to the 2011 legislative session. *Information item.*

N. Partnership Investments

Ken Bierly, Deputy Director, will update the Board on two partnership efforts. The first is an effort to discuss and identify a flood management project that has significant estuarine restoration benefits in Tillamook Bay. The second is a request for Board allocation of capital funds to continue support for the partnership with the U.S. Forest Service, National Marine Fisheries Service, and Ecotrust to support Whole Watershed Restoration Initiative projects. *Action item.*

O. Ecosystem Services Update

Renee Davis Born, Ecosystem Services Coordinator, will update the Board about two ecosystem services initiatives in which OWEB is involved and additional efforts in the area of ecosystem services markets. *Information item.*

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

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

Q. Gold Ray Dam

Ken Bierly, Deputy Director, will request Board consideration of funding to match a federal American Recovery and Rehabilitation Act grant to remove Gold Ray Dam on the Rogue River. *Action item.*

R. 2009-2011 Grant Program Update

Lauri Aunan, Grant Program Manager, will update the Board on the October 19, 2009, grant cycle and propose the solicitation of non-capital grants for the April 19, 2010, grant cycle. *Action item.*

S. Briefing on Parks and Natural Resource Fund Renewal Effort

Nan Evans, The Nature Conservancy, and Bruce Taylor, Defenders of Wildlife, will update the Board on the efforts to renew the lottery dedication for parks and natural resources. *Information item.*

T. 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 general public comment period will be held on Wednesday, January 20 at 11:30 a.m., and Thursday, January 21 at 10:15 a.m. 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: **John Jackson**
Public member (tribal): **Eric Quaempts**
Public member: **Daniel Heagerty, Board Co-Chair**
Public member: **Dan Thorndike**
Public member: **Patricia Smith**
Public member: **Diane Snyder, Board Co-Chair**
Public member: **Karl Wenner**

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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503-986-0181

2010-2011 Board Meeting Schedule

March 16-17, 2010 in Hood River
June 2-3, 2010 in Baker City
September 14-15, 2010 in Garibaldi

January 19-20, 2011 in Salem/Willamette Valley
March 16-17, 2011 in Salem/Willamette Valley
June 7-8, 2011 in Salem/Willamette Valley
September 13-14, 2011 in Hermiston

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

January 20-21, 2010 OWEB Board Meeting
Executive Director Update #D1: Small Grant Program Review

Background

Oregon Administrative Rule 695-35-0070 directs OWEB to review reports submitted by the Small Grant Teams and evaluate the need for program improvements and administrative rule changes once a biennium. As previously reported to the Board, staff committed to conducting a review of the Small Grant Program following the end of the 2009 legislative session.

Staff began to review the program by scheduling several “listening” tours, which combined visits to small grant project sites and discussion with small grant team members. Staff planned to visit each of the six regions to tour Small Grant Team projects during the summer and fall of 2009. Tours were accomplished in regions 2, 3, 4, and 5, but tours in regions 1 and 6 were postponed due to staff illness. Staff intend to resume the tours in late March and April 2010 as weather permits.

Small Grant Project Tour Schedule

Date	Region	Small Grant Team Area
July 24	4	Hood River SGT 14
August 13	3	Upper Willamette West SGT 09
October 5	2	South Coast SGT 05
September 14 & 17	5	Grande Ronde SGT 27
November—Postponed until February/March	6	John Day SGT 25
November—Postponed until March/April	1	Lower Columbia 01

Staff have also reviewed the biennial reports for 2007-2009 submitted by Small Grant Teams in August 2009. Comments concerning the program will be summarized in a final report to the Board in June 2010. The updated table below outlines the timeline for program review.

Small Grant Program Review Timeline

Timing	Activity
July-September 2009	Review Small Grant Team Biennial Reports; summarize comments; develop list of issues and OWEB proposals on how to respond/address
July 2009-March 2010	Site/Listening Tours with Small Grant Teams (6 tours around the state ensuring a visit to each region)
January 2010	Update Board
March-April 2010	Summarize listening tours and Small Grant Biennial Report comments; develop list of issues and OWEB proposals on how to respond/address to circulate to the Small Grant Teams via email
June 2010	Final report and recommendations to the Board

Staff Contact

If you have questions or need additional information, please contact Bev Goodreau, Grant Program Specialist, at bev.goodreau@state.or.us or 503-986-0187.

**January 20-21, 2010 OWEB Board Meeting
Executive Director Update #D2: Deferred Acquisitions**

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. Attachment A provides a summary of the five land acquisition grant applications that are currently deferred by the Board for due diligence review. Two applications were recently withdrawn by applicants. At the time of the writing of this staff report, none of the deferred land acquisition grant applications is ready for funding consideration by the Board at the January meeting.

Staff Contact

If you have questions or need additional information about the deferred land acquisition grant applications, please contact Miriam Hulst at miriam.hulst@state.or.us or 503-986-0026.

OWEB DEFERRED ACQUISITIONS AS OF DECEMBER 11, 2009							
Application Number	Applicant	Project Name	Date Received	OWEB Funds Requested	Acreage	Primary Ecological Value(s)	Status
208-117	The Wetlands Conservancy	Yaquina II	2/29/2008	\$46,250	61 ac.	tidal marsh	match for Coastal Wetlands grant; deferred for due diligence
209-101	North Coast Land Conservancy	Necanicum Forest	4/23/2008	\$1,314,960	212 ac.	riparian and wetlands	deferred for due diligence
209-104	Benton County	Cardwell Hills Conservation Easements	4/23/2008	\$385,230	66 ac.	prairie	deferred for due diligence
209-112	City of Cannon Beach	Ecola Creek Forest Reserve Addition	10/20/2008	\$1,400,000	805 ac.	riparian, wetlands, forested upland	deferred for due diligence
210-102	City of Tigard	Summer Creek	10/19/2009	\$1,000,000	43 ac.	riparian, wetlands, forested upland	deferred for due diligence
Total				\$4,146,440			

January 20-21, 2010 OWEB Board Meeting Executive Director Update #D3: Willamette and Deschutes SIP

Background

In 2008, the Board allocated \$10 million of capital funds for two Special Investment Partnerships (SIP). In September 2009, the Board awarded an additional \$4 million of capital funding for the Deschutes SIP along with \$125,000 of non-capital funding for project development and outreach.

Deschutes SIP

The Deschutes partnership is comprised primarily of four local groups and the operators of the Pelton Fund (the Confederated Tribes of the Warm Springs Indian Reservation and Portland General Electric). The Deschutes SIP is dedicated to projects that enhance the habitat and access for anadromous fish reintroduced above the Pelton-Round Butte Dam complex. The \$4 million allocated in 2008 has been awarded in grants, the majority of which have been completed. A biennial report of the accomplishments has been completed that identifies the SIP projects and other work in the basin. The Deschutes partners will report to the Board in March of 2010 describing the progress made to date. Grant awards for \$3,250,000 of the \$4 million allocated in September 2009, have already been made this biennium. A non-capital project development grant has also been awarded from this biennium's funding. The partners are making great strides in their implementation efforts.

Willamette SIP

In March of 2008, the Board allocated \$6 million to address channel complexity and floodplain connection to the main stem Willamette River. Staff were clear at the time that working on the mainstem Willamette would take significant effort and more staff attention than the Deschutes SIP. At the time OWEB adopted the Willamette SIP, staff were in discussions with the Meyer Memorial Trust as a funding partner.

Since the adoption of the Willamette SIP, OWEB and Meyer Memorial Trust have been cooperating on joint efforts to engage both public and private landowners in the effort to address common interests. Staff have awarded approximately \$1.3 million to projects to date. It is becoming clear that implementation will be difficult on the mainstem of the Willamette. The effort will involve changing public attitudes and perceptions as well as conducting physical alterations.

While the Willamette SIP is proceeding more slowly, recent activities indicate a concurrence of partner interests. Staff are working with three additional parties on projects that will be considered for awards this spring. Implementation of the tributary strategy of the Meyer Memorial Trust and creating a vision for the mainstem are high priority efforts of staff this spring and summer.

Staff Contact

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

January 20-21, 2010 OWEB Board Meeting Executive Director Update #D4: Biennial Conference

Background

Every two years, OWEB holds a conference which typically draws approximately 350-400 attendees representing the diversity of those interested and involved in watershed restoration in the state. The conference aims to provide opportunities for both professional development and networking. Based upon feedback from previous events, not only does the conference provide an important opportunity for collaboration and information sharing, but the speakers and presenters inspire and challenge those in attendance to think creatively about their work.

The next biennial conference will be held at the Pendleton Convention Center November 15-17, 2010. Board member Eric Quaempts and staff are brainstorming ways to involve the Confederated Tribes of the Umatilla Restoration.

Denise Ker, of Viva! Consult, has been hired to assist staff in the coordination and logistics of the conference. A planning team will be created which will work to identify a conference theme and will begin planning speakers and sessions. Staff will report progress at upcoming Board meeting.

Staff Contact

If you have questions or need additional information, please contact Carolyn Devine, Communications Coordinator, at carolyn.devine@state.or.us or 503-986-0195.



Oregon

Theodore R. Kulongoski, Governor

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January 4, 2010

MEMORANDUM



TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: Agenda Item E: Strategic Plan
January 20-21, 2010 OWEB Board Meeting

I. Introduction

This report seeks Board approval of a final Strategic Plan, which has been revised based on a public comment process conducted in the fall of 2009.

II. Background

At the March 2009 meeting, the Board decided to initiate a strategic planning exercise involving Board members, staff, and stakeholders. The goal was to identify, discuss, and determine OWEB program priorities and actions to focus on between 2009 and 2014. Don Harker was hired in May to facilitate the strategic planning process, interview staff and stakeholders, and help write the plan.

The Board met with management staff for facilitated planning sessions in Eugene on June 1, 2009, and in Silverton on June 30 and July 1, 2009. Drafts were then circulated among Board members and staff during the month of August. The Board Planning Subcommittee met on August 27, 2009, to discuss a draft to be presented to the full Board at the September meeting. At the September 2009 meeting at Wallowa Lake, the Board made minor edits, approved a final draft of the strategic plan, and directed staff to make the draft available for public review in October.

III. Public Comment and Plan Revision Process

Staff distributed the final draft Strategic Plan by email and on the OWEB's web site in early October. A message from the Executive Director was made available with the draft inviting comment on the plan by Friday, November 6, 2009. The message specifically requested feedback on the following questions:

1. Do the Mission Statement and Vision Statement capture the spirit of what you do and what is possible by the use of the funding from OWEB?
2. Do the Goals and Strategies link effectively to the Mission and Vision?
3. Are there issues of concern that you do not see addressed in the Final Draft Strategic Plan?

Staff discussed the draft plan at meetings of key stakeholders, including the Gathering of the Network of Oregon Watershed Councils in Klamath Falls in late October, and the annual convention of the Oregon Association of Conservation Districts (OACD) in the first week of November.

By November 6, 2009, OWEB received ten comments on the Strategic Plan goals, strategies, and actions. Based on the comments received, Don Harker, the Board co-chairs, and staff developed a proposed draft for the Board Planning Subcommittee to consider on December 8, 2009. The Subcommittee suggested additional minor edits.

Attachment A is a summary of the public comments received with OWEB's response to the comments and a description of whether changes have been proposed by staff, the co-chairs, and Planning Subcommittee. Attachment B shows the proposed edits to the Strategic Plan in tracked changes. Finally, Attachment C contains a clean version of the proposed final plan.

IV. Final Strategic Plan Draft

Many of the public comments proposed to the Strategic Plan provide clarity to the goals, strategies, and actions discussed by the Board in the strategic planning process. Over all, the comments help to strengthen the final plan. There are a handful of substantive changes proposed or policy issues raised by the public comment process that staff and the Subcommittee wish to highlight.

A. Watershed and Habitat Restoration and Conservation

Bruce Taylor, with Defenders of Wildlife, proposed adding "habitat" before the term conservation in Goal 2 as a way to more "explicitly reflect OWEB's movement away from its perceived traditional focus on salmon and water quality...(and) to make it clear that habitat conservation, for wildlife as well as for fish, will be a central focus for OWEB's investment program." This suggested edit raised the issue of how OWEB describes it work consistently throughout the Strategic Plan document. Staff have proposed changes to the Plan throughout the document to use the phrase "watershed and habitat restoration and conservation" as way to consistently and more comprehensively describe OWEB's efforts related to fish and wildlife habitat, clean water, and watershed functions and processes.

B. Land Trust and Local Infrastructure

Bruce Taylor, with Defenders of Wildlife, also proposed that the plan be more explicit about the role of land conservation and suggested including land trusts in the supporting language and actions under Goal 2 for the purposes of setting the "stage for a more thorough consideration of the role of land conservation in OWEB's future investment strategies." The proposed draft Plan adds land trusts to the list of local partners engaged in watershed and habitat restoration and conservation and that should be at the table to discuss ways to build and support a diverse and enduring local infrastructure (Goal 2, Strategy 1, Action 1). Staff are not proposing changes that commit the Board to supporting land trust capacity in ways similar to how OWEB supports the operational capacity of watershed councils or soil and water conservation districts. OWEB's expectations for and relationship to local land trusts is a policy area worthy of more focused discussion. Staff recommend the Board direct staff to develop a process for the Board to begin a dialogue about this issue over the next 18 months.

C. Long-Term Stewardship

The Long-Tom Watershed Council suggested that the concept of long-term stewardship be added to Goal 2. OWEB supports the general concept of supporting local infrastructure that encourages and sustains long-term stewardship by landowners of OWEB's restoration and protection investments across the state. However, OWEB rules prohibit funding for "routine project maintenance" [OAR 695-010-0040(4)], and long-term stewardship of land acquisition projects [OAR 695-045-0030]. If the Board is interested in further discussion of this issue, staff will incorporate this into the agency's periodic administrative rule review process. At this time, staff do not recommend starting this process until there is greater certainty about constitutional and legislative changes that may also impact OWEB's rules.

D. Public Awareness and Involvement

A number of comments suggested that Goal 3 was too focused on the public awareness side of OWEB's education and outreach mandate and recommended goal, strategy, and action item language changes or additions to include more involvement elements. The recommended revisions in Goal 3, group the public awareness actions into Strategy 1 and the public involvement actions into Strategy 2.

V. Recommendation

Staff recommend the Board approve the final draft Strategic Plan contained in Attachment C to this staff report.

Attachments

- A. Summary of Public Comments
- B. December 2009 proposed Final Strategic Plan (tracked changes)
- C. December 2009 proposed Final Strategic Plan (clean)

OWEB Strategic Plan 2009

Summary of Public Comments

Context and Document Organization

OWEB received comments from ten individuals or organizations on the final draft Strategic Plan. This document compiles those comments and identifies those that have been incorporated into the final proposed Strategic Plan. The comment language, including italic, strikeout, and underlined formatting, have been inserted into this document as submitted to OWEB. The full versions of the comments are posted with the staff reports on OWEB's web site at:

http://www.oregon.gov/OWEB/BoardMtgs/boardmtg_SR_jan10.shtml.

The comments have been divided into two major sections 1) Strategic Plan Comments and 2) Implementation and Process Comments. In section one the comments are organized by the sections in the draft strategic plan. The page reference in the section headings refers to the version of the plan contained in Agenda Item E, Attachment C.

OWEB's response and any proposed changes to the strategic plan are identified either after each comment or after a related group of comments. Some comments that were editing type comments (addition of a clarifying word or sentence) were made directly in the strategic plan and are not identified in this summary.

The following individuals and organizations commented on the OWEB Strategic Plan:

- Bob Zybach
- Bruce Taylor, Defenders of Wildlife
- Cyndi Karp
- Jeffrey Kee
- Long Tom Watershed Council
- MidCoast Watersheds Council
- Oregon Cattlemen's Association
- Oregon Invasive Species Council
- Thomas Stahl, Oregon Department of Wildlife
- Tom Marlin

OWEB's Comment Review Approach

OWEB has worked to keep the strategic plan short and readable. For this reason, some comments to add information that is readily available on the website or in other publications have not been included in this document. This includes updates, progress reports and general descriptions of OWEB.

OWEB chose an approach to strategic planning that started with driving forces affecting the organization and watersheds. The process was deliberately abbreviated and left a lot of work for the implementation plan, including identifying measures.

Section One: Strategic Plan Comments

Message from Executive Director and Board (page 2)

Comment One – Oregon Invasive Species Council

The message from the Executive Director and Board could be greatly strengthened. For example, one paragraph notes “No matter where you live in Oregon, you’re in a watershed.” This statement could have a great deal more meaning and empower people to think about the role they can play in contributing to healthy watersheds by stating, “No matter where you live in Oregon, your actions affect a watershed.”

The message notes that the plan represents the “best thoughts” of the Board and staff. Should it instead reflect the highest priority actions to protect and conserve Oregon’s watersheds based on a statewide analysis of watershed-based management, activities, and funding, and the unique role OWEB can play to fill gaps not currently filled by other entities?

OWEB has been in existence for quite some time. The message should reflect some clear and specific accomplishments during the first 10 years. An entire section of the plan (1-2 pages) could be devoted to helping people understand what OWEB has achieved.

Recommendation: Consider strengthening the “No matter where you live in Oregon, you’re in a watershed” statement, consider characterizing the actions of the plan as highest priority strategies versus “best thoughts,” and provide a summary of OWEB’s key accomplishments in the first 10 years.

OWEB Response (Message Comment)

Language was added to this section of the plan to address the concerns above. In order to keep this document short and directly related to strategic goals, strategies and actions OWEB decided to not include information easily obtained on the OWEB website or in existing OWEB documents. Likewise, a full history and accomplishments would take considerable room so is left for readers to seek out on the web or in the many publications regarding OWEB work and progress. See the revised plan for changes.

Oregon’s Conservation Legacy (page 3)

Comment One – MidCoast Watersheds Council

We think the introductory passage about Oregon’s Conservation Legacy is incomplete. In particular, it should not shy away from describing the metaphor of a three-legged stool, and the development of the Oregon Plan for Salmon and Watersheds as the critical third leg of that stool, complementing the existing two legs. This passage should also reference the critical contribution to the legacy from the other “two” legs:

- Agencies continuing to adapt their processes to help implement the plan, working to incorporate new information as it becomes available (e.g. policies that reflect the importance of beavers) and
- The importance of effective enforcement of existing rules (e.g. leveling the playing field so good “actors” are not at a competitive disadvantage and so that existing work, e.g. to protect wetlands is not undermined by their continued loss by rule violators).

OWEB Response (Conservation Legacy Comment)

The comments, while valid, represent a partial list of factors that could be identified as important. OWEB’s point is that Oregonians have a clear conservation legacy and has included examples to support that point, not provide a full accounting of that legacy. OWEB does agree the Oregon Plan for Salmon and Watersheds is an important example of that legacy. However, because the Oregon Plan is not as well known to the public as the Bottle Bill and other examples, it has not been specifically identified.

Mission Statement (page 4)

Comment One – Oregon Invasive Species Council

Recommendation: It may be more technically accurate for the mission statement to read, *To help protect and restore watersheds and their associated native fish and wildlife habitats and sources of high quality water, services provided by healthy watersheds that contribute to thriving communities and strong economies.*” This suggested revision does three things: (1) it ties the natural habitat statement to watersheds, which is the statutory responsibility of OWEB; (2) it helps to more clearly define “natural,” an often misunderstood statement; and (3) it places an emphasis on native fish and wildlife habitat as a key desired outcome in a healthy watershed.

Comment Two – Oregon Cattlemen’s Association

We recommend that the Mission Statement and Vision Statement continue to adhere to the importance of supporting “local communities and economies,” and that those involved in administering OWEB grants and projects never lose sight of their importance to the program.

OWEB Response (Mission Statement Comments)

No changes based on these comments. The mission statement has been around for many years and OWEB desires to keep it succinct. OWEB believes the words “natural habitats” is short and understandable and includes “native fish and wildlife habitats and sources of high water quality”. OWEB is updating its website information, and will make sure to include language and examples of supporting native fish and wildlife and sources of “high water quality” as part of the work we do.

Vision Statement (page 4)

Comments included several language recommendations for the vision statement and the explanatory information that follows the statement including the bulleted requirements list.

Comment One – MidCoast Watersheds Council

This statement frames your whole document and could use additional work to clarify your intent. Is the intention to be a leader, or to be recognized as a leader? Unfortunately it is possible to be the latter without being the former, which we think is not really OWEB's intention. Is the goal public support for its operations or public support for the difference OWEB's efforts make on the ground in the communities? It's also important that the vision doesn't imply that support for local economies is direct, but comes indirectly from having healthy resources. This point may be better made elsewhere (as it isn't what OWEB directly does or measures).

Proposed alternate wording: OWEB provides continuing strong leadership and funding that leads to effective community-based conservation of Oregon's natural resources.

Comment Two – Long Tom Watershed Council

We strongly disagree that the vision statement would not only mention OWEB by name, but have its recognition and support as the central focus. If worded this way, it may be a vision that only OWEB and friends of OWEB can get behind, instead of a broad generous vision that every Oregonian can't argue with.

The focus instead should be for healthy watersheds throughout Oregon with strong public support for significant public investment in managing healthy river and upland systems with local community engagement, support, and direct relationships with vibrant local economies.

Comment Three – Oregon Cattlemen's Association

The Cattlemen's Association will be supportive of science based decision involving public and private stakeholders in partnerships that have the ability to identify necessary projects to help maintain, repair, protect, restore, and when needed, improve our natural water systems in Oregon. We are concerned with the possible broadening effect of the Vision Statement in the draft plan. The over-reaching effect could include "agency building" for OWEB by moving the project lists further away from the immediate streams needing attention to the "upland landscapes capable of sustaining and enriching Oregon's biological diversity, ecosystems..."

Comment Four – Defenders of Wildlife

OWEB ~~is recognized as a leader~~ plays a leading role in the conservation of Oregon's vast natural resources and enjoys strong public support for its contributions to community-based conservation and local economies.

The vision calls for ~~Oregon's watersheds to include healthy river systems and well managed upland~~ healthy landscapes across Oregon capable of sustaining and enriching ~~Oregon's the~~

state's biological diversity, ecosystems, fish and wildlife habitat, and agricultural, forest and human communities.

Comment Five – MidCoast Watersheds Council

The requirements of the vision are good, but incomplete (though these points are captured in your strategies and actions). It seems essential to set out as the big picture here (and then to assure they are also captured in the Goals and actions below.) We therefore propose adding a new first bullet, and expanding on the “ridgetop to ridgetop” bullet (both underlined below):

OWEB's vision will guide future decisions about programs and funding priorities. This vision requires:

- A continuing commitment to utilizing the best available science to steer its priorities, projects, and assessments.
- A ridgetop to ridgetop approach to achieving healthy watersheds, with emphasis on maintaining and expanding functioning systems to maintain resiliency in light of climate change, population growth and other ecological stressors;

OWEB Response (Vision Statement Comments)

Visions were initially crafted for both the organization and the landscape. The board chose to proceed with a vision of the organization since they must be concerned with how the organization performs. The vision for the watersheds is embodied in the bulleted list of requirements and strategies and the words “watershed health” have been added to the vision statement.

The vision may appear to be an expansion of OWEB's current mandate but scientists agree that the watershed is a system and whole watersheds must be considered, ridgetop to ridgetop and headwaters to confluence. The articulation of this comprehensive coverage of a watershed is consistent with the agency's authority and responsibilities.

The vision statement is changed to read as follows: “OWEB is a leader in the conservation of Oregon's natural resources and enjoys strong public support for its contributions to community-based conservation, watershed health and local economies.”

The narrative is changed to read: “The vision calls for healthy landscapes across Oregon capable of sustaining and enriching the state's biological diversity, ecosystems, fish and wildlife habitat, and agricultural, forest and human communities.”

Language was also added to include the phrase “ridgetop to ridgetop and headwaters to confluence”. The modification of the first additional bullet under comment five is accepted. The language proposed in the second bullet is covered under various strategies in the plan. Other bullets were edited.

The complete bulleted list now reads: “OWEB's vision will guide future decisions about programs and funding priorities. This vision requires:

- *Integrated investments in projects that emphasize protection and/or restoration of watershed processes and ecosystem functions required by Oregon’s native fish and wildlife;*
- *A ridgetop to ridgetop and headwaters to confluence approach to achieving healthy watersheds;*
- *Dynamic river and floodplain systems that interact with physical and ecological processes;*
- *Water quality that supports Oregon’s native fish and wildlife species and meets human needs;*
- *Involved community members including both public and private interests that build and sustain a watershed stewardship ethic;*
- *Use of science and experience to guide priorities, projects and assessments.*
- *Monitoring to support adaptive management and effective investments.”*

Goals and Strategies

General comments are covered first then specific comments relevant to each goal and strategy and then actions are covered separately.

General Goal and Strategy Comments

Comment One – various commenters

There are not performance metrics. (Oregon Invasive Species Council)
My concern is that “plans” need measurable objectives. (Bob Zybach)

OWEB Response (General Goal - Comment One)

Measures were not added to the strategic plan. OWEB recognizes that progress must be measured. OWEB currently has a number of mandated performance measures they must report on and will be examining these for alignment with the final strategic plan. Additional measures may be created as part of that ongoing process.

Comment Two – Bob Zybach

The goals are full of political and meaningless statements. The “goal” of the original GWEB was to “restore” fish runs. Fish can be counted. The runs have apparently increased since then; whether through changed ocean conditions, altered fishing quotas, OWEB activities, or some combination thereof is not known. OWEB is now openly fishing for a rationale to continue its existence. The bait looks a lot more like artificial plastic than actual substance. This document is almost entirely politics, full of meaningless phrases, “outreach” and consensus building. It is the design for a bureaucracy with an unlimited budgetary need, a perpetually unfinished “mission,” and no possible way to be held accountable.

OWEB Response (General Goal - Comment Two)

No changes to the plan resulted from these comments. OWEB’s strategic look at its work is a genuine attempt to be relevant and contribute to the essential work of managing and restoring Oregon’s watersheds. Some language is general and requires additional definition which is

accomplished through strategies and actions. Specific work plans for OWEB staff will further specify the details of how the language translates into work on the ground. OWEB believes it is important to continue to address how to protect and enhance watershed health in the face of ongoing challenges such as population growth, land use changes, and climate change.

Comment Three – Jeffrey Kee

I would suggest adding a couple of more goals.

Goal 6 – OWEB will work to support increased water availability through natural storage and consumptive water conservation strategies in all watersheds.

Goal 7-OWEB will work to become the regional, national and international model and example of effective utilization of public and private investments to restore and sustain natural functions to watersheds.

OWEB Response (General Goal – Comment Three)

No specific changes were made to the plan based on this comment; however other specific comments on the plan did lead to goal and strategy language changes (see revised plan) which may have increased alignment with the intent of these statements. These proposed goal statements are closer to strategy statements. OWEB believes that the spirit and intent of these two suggested goals is embodied in the Vision and strategies under Goal 1.

Comment Four – Cyndi Karp

First and foremost is Education and Research. I would like to add a Goal 6 to Page 5. Education and Research. There is not enough emphasis put into OWEB's Strategic Plan that Stresses the Importance of Education and Research. A separate goal for Education and Research would be appropriate.

To accomplish all the Strategic Conservation Goals of the State of Oregon, all aspects of Education should be considered as solutions to current and future issues. Only through the Education of Humans are we able to meet National goals for all watershed's.

Everything that happens in a watershed effects the whole. What my neighbors put into their drains or on their lands affects the whole watershed and everything that lives in the watershed. What humans put down their drains upstream is what the downstream occupants drink. The EPA is well on the way of proving that humans are poisoning ourselves with our own waste. There have been National News reports about Pharmaceuticals in our drinking water.

What are pharmaceuticals doing to the watershed? What are pesticides/herbicides doing to the watershed? What are the chemical that we clean our homes, offices and cars doing to the watershed? How much damage have the Transportation systems of Oregon affected the watershed? I have lists of thousands of what is happening to the Watershed questions. The answer to all of these question is received from education. Good Scientific Research and Education. I believe that every OWEB grant should have some connection with education or research. What are we going to learn or do to help education should be written into every

grant, somehow. There are many ways to do that. Many of the grants that I have read have education and research already written into the grant. I would like to see the support of education and research in every grant. One of these grant projects could be based in Education and Research with all K-12 School Districts in the State of Oregon. This would be unprecedented, but an Basic K-12 Education Goal could be amazing. All Oregon School children being Educated about Watershed's. The General Public is in need of Education about watershed's. There are Public Education funds directly set aside for Gambling Addiction. Why not funds set aside for Watershed Education and Research. Goal 6 - Education and Research would support Goals 1 through 5. Please Support Education and Research in all of Oregon Watershed's. Education and Research will help guide Oregon's and maybe the World's path to Watershed Recovery.

OWEB Response (General Goal - Comment Four)

OWEB agrees with the commenter's points that education is important for public understanding of the threats to watershed health and what people and organizations can do to protect and improve clean water, wildlife habitat and watersheds. We believe that the strategies and actions under Goal 1, Strategy 2 and Goal 3 address issues about research and education expressed in these comments.

Goal 1 and Strategy Comments (pages 5-8)

Comment One – MidCoast Watersheds Council

A focus on “watershed and ecosystem functions and processes” is like mom and apple pie: everybody supports this. However, over the past 10 years we have seen much disagreement about which restoration actions actually do this, versus “just treating symptoms.”

In the second paragraph of the Where are we now? explanation, the list of 5 bullets appears to be a list presented by a consultant to OWEB several years ago as a priority list with the first bullet (connectivity) being highest priority, and the fifth (addressing symptoms) being lowest priority. Presenting this list now as a set of equal-priority “types of activities have been identified to address watershed function improvement” is not appropriate. The fifth – addressing symptoms – was explicitly described as lowest priority, and probably should stay low-priority. The point is, treating symptoms does not by itself “address watershed function improvement.” But in fact, the restoration projects you fund tend to do both, and it is often hard to categorize particular projects as primarily doing one or the other.

Happily, the list of 6 Actions following this strategy point to a solution. These actions are more about addressing Limiting Factors than about restoring functions and processes, and a Strategy based more on Limiting Factors would fit better with these 6 Actions. Accordingly, we recommend rewriting the Strategy 1 language to capture that point.

Proposed language: Strategy 1: Maintain and enhance restoration and protection programs that address factors limiting natural watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

Comment Two – Defenders of Wildlife

Goal 1: Restore and sustain resilient ecosystems through program and project investments that ~~incorporate~~ enhance watershed and ecosystem functions and processes ~~and~~ in ways that address community needs.

OWEB Response (Goal 1 Comments)

Goal 1 is changed to read: “Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.” OWEB is satisfied with the existing language in Strategy 1 and recommends no changes.

Goal 2 and Strategy Comments (pages 8-10)

Comment One – Defenders of Wildlife

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed restoration and habitat conservation.

Watershed councils, soil and water conservation districts, land trusts and other nongovernmental organizations are key partners in implementing OWEB’s habitat conservation and watershed enhancement program. Councils and districts account for roughly two-thirds of OWEB grants. They play a critical role in working with interested landowners to design projects, apply for grants, implement restoration projects, monitor project results, and provide local watershed education. Land trusts and other partners play a key role in delivering the land conservation element of the state’s conservation strategies, which help ensure that the benefits of the state’s conservation investments are sustained over time. The work of all these ~~local~~ partners also provides significant community and economic benefits. Success of OWEB’s mission and vision requires these partners to have sufficient capacity and funding to continue and enhance their work. In addition, watershed restoration and protection needs are so great, that more partners at the local level are needed.

Comment Two – Long Tom Watershed Council

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed restoration, conservation, and long-term stewardship.

OWEB Response (Goal 2 – Comments One and Two)

The suggestion to add the words “long-term stewardship” is not included. Staff believe the board needs to have considerable conversation about this idea. Support of specific groups may be one way for assuring long-term stewardship, but the resilience of OWEB funded restoration is also part of ensuring the long-term benefits. It should be noted that the phrase “watershed and habitat restoration and conservation” is new and now used throughout the strategic plan where appropriate.

Goal 2 is revised to read: “Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.”

The suggested changes to the narrative, with modification, are accepted. Land trusts are included in language under Strategy 1 and Action 1 (see strategic plan changes). This is recognition that they are important part of the local infrastructure. OWEB’s statutes and rules call out OWEB’s role to provide capacity support for watershed councils and soil and water conservation districts, but not land trusts. As such, land trusts are not being considered for regular ongoing support grants.

The narrative is revised to read: “Watershed councils, soil and water conservation districts, land trusts, and other nongovernmental organizations are key partners in implementing OWEB’s watershed and habitat restoration and conservation program. Councils and districts account for roughly two-thirds of OWEB grants. They play a critical role in working with interested landowners to design projects, apply for grants, implement restoration projects, monitor project results, and provide local watershed education. Land trusts work with willing landowners to protect lands with important ecological or habitat values. The work of all these partners also provides significant community and economic benefits. Success of OWEB’s mission and vision requires these partners to have sufficient capacity and funding to continue and enhance their work. In addition, watershed restoration and protection needs are so great, that more partners at the local level are needed.”

Comment Three – MidCoast Watersheds Council

Goal 2, Strategy 1. Establish and articulate policies related to the support and development of a diverse local infrastructure for watershed restoration.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships.

We cannot argue with these proposed actions, but we had hopes that this Strategic Plan would have gone farther in addressing the issues of infrastructure support and the grant review and funding processes. We have known for a while that these actions are necessary, and just promising (again) to take them is not a lot of progress. Missing from Strategy 2 is the commitment to evaluate the effectiveness of the work being done by watershed councils and to prioritize and award funding based on effectiveness.

OWEB Response (Goal 2 – Comment Three)

No changes to the strategic plan were made. OWEB acknowledges that issues related to policies for council funding and local infrastructure development have been ongoing. The actions identified for the two strategies articulate specific ways to make progress on these issues. Strategy 2, Action 3 will specifically address council funding.

Goal 3 and Strategy Comments (pages 10-11)

Comment One – Long Tom Watershed Council

Goal 3. When working with a conservation focus, we frequently run into moments of strategic panic that we can’t “save enough”. A key component of the long-term strategy that

we're all counting on is that our work will include restoration, conservation, *and* demonstrating methods for long-term stewardship.

Comment Two – MidCoast Watersheds Council

We appreciate the language in Goal 3 regarding the importance of public information to increasing understanding and we read it to say that OWEB will provide information that will help people know how to effectively engage in action. We support this goal and the text that goes with it, but think the strategies need work, particularly to emphasize the importance of information that influences individual actions and attitudes and information that fosters a deeper understanding of process and function of watersheds and ecological interdependence as a whole. Furthermore, Actions need to be added that help Oregonians engage in activities that support healthy watersheds (the second part of Goal 3).

Strategy 1 reads: Engage Oregonians on a broad level, reminding them of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

The main goal of Strategy 1 and the text that follows seems to reference a publicity campaign to promote OWEB and its work rather than to promote effective education programs through its investments that engage more people in effective work and support that work.

Perhaps the compiling of the investments and outcomes needs to be a separate strategy than one that promotes effective education programs and helps support effective education by local partner investments.

Proposed language:

Strategy 1. Help build and support effective outreach and education by local partners.

Strategy 2. Help promote awareness of the ecological outcomes of OWEB investments.

Comment Three – Oregon Invasive Species Council

The strategies and action items for Goal 3 related to outreach and education initiatives could be strengthened by promoting actions that truly engage Oregonians regarding activities they can do to support healthy watersheds. What does “on a broad level” in strategy 1 mean? This strategy is very OWEB-focused versus achieving the goal of “providing information to Oregonians to help Oregonians understand the need for and engage in activities that support healthy watersheds.” Strategy 2 relates to OWEB accomplishments, as well. Perhaps this goal could be split into 2 separate goals – one to increase awareness of OWEB and its accomplishments, and the other to engage Oregonians in actions that enhance watershed protection and restoration.

Recommendation: If support for OWEB is a desired outcome, perhaps there should be 2 outreach-related goals; one to increase awareness and support for OWEB and the other to engage Oregonians in actions that enhance watershed protection and restoration. The action items for these two goals are different.

OWEB Response (Goal 3 – Comments One-Three)

The language of Strategies 1 and 2 is modified to read: “Strategy 1: Make Oregonians aware of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others. Strategy 2: Encourage and facilitate greater exploration and knowledge for those Oregonians who seek greater involvement in watershed restoration and conservation.”

Comment Four – Bob Zybach

Goal 3: Would have been good to stop after “providing information to Oregonians.” Maybe if we had more information, we wouldn’t see a “need.” And what the heck is a “healthy” watershed, and why could it possible need my “support?” These are political calls for consensus and action, needing a community organizer, not a scientist or a results-oriented worker.

OWEB Response (Goal 3 – Comment Four)

OWEB is carrying out a public mandate to protect and restore watersheds. OWEB believes that partnering, consensus building and education are all needed to make our program investments successful. This in no way reduces the essential need for scientists and knowledgeable land owners and restoration practitioners. There is considerable scientific evidence that watersheds have been negatively impacted by humans and that human activity can positively impact watersheds.

Goal 4 and Strategy Comments (page 11-12)

Comment One – Defenders of Wildlife

Goal 4: Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for habitat conservation and watershed health.

OWEB Response (Goal 4 – Comment One)

OWEB has added the language “watershed and habitat restoration and conservation” as a standard phrase throughout the strategic plan at appropriate places. The language for Goal 4 is changed to read: “Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.”

Comment Two – Bob Zybach

Goal 4: Would have been good to stop after “build strong partnerships.” The phrase “for watershed health” sounds like a lot of meaningless meetings and memos and workshops just trying to figure out what “health” means. One more excuse for bureaucrats to get together to “conduct business” that goes nowhere, but costs money.

OWEB Response (Goal 4 – Comment Two)

The watershed is an important geographic and ecological unit for integrating the work from multiple agencies and owners. This requires partnership development which leads to the most

efficient use of public monies by public agencies. OWEB believes the language in the goal describing to what end the partnerships are being developed is appropriate and useful.

Goal 5 and Strategy Comments (pages 12-13)

Comment One – Long Tom Watershed Council

What does “highly” really mean? Either we’re efficient and accountable or we’re not. The Watershed Council’s concern is the danger of the pursuit of this goal getting out of balance in relation to the pursuit of the other goals, perhaps even being used to thwart the others. Of particular concern is the emphasis on “highly” because this suggests that just being efficient and accountable either isn’t enough or those words don’t mean anything anymore.

“Highly” suggests that something close to perfection is the goal and that the importance is fear-based or we’re trying to convince someone we’re not lying. If the efficiency and accountability is taken too far we are concerned it can impede smaller, community-based organizations from being part of the picture. In our area, we have already seen grantees with good reputations suffer under increasing forms, paperwork, and extra administrative procedures communicated as rules to local grantees. “Accountability” is paperwork and staff time, and we need enough to be satisfactory, reasonable, and impressive but not perfect.

As important is the need to remain flexible enough to support the spirit of local volunteerism and the ability to support innovation and adaptive management. These are methods and techniques we’re counting on for success of the Oregon Plan and they need to be specifically enabled in the broader mission and goal language.

Goal 5: Ensure efficient and accountable administration of all investments in balance with supporting a spirit of local volunteerism and the ability to support innovation and adaptive management.

OWEB Response (Goal 5 Comment)

Goal 5 is modified to read: “Ensure efficient and accountable administration of all investments.”

OWEB agrees that efficiency and accountability must be balanced and support innovation and adaptive management. This language is included in the narrative for Goal 5, which now reads: “OWEB’s core function is the administration of a competitive grant program, which has experienced significant growth in the number of grants and funding award amounts over the past ten years. The timely, accurate and transparent administration of all aspects of the program is an everyday activity for all employees. This approach benefits the agency and its partners by providing streamlined processes and necessary resources to carry out watershed and habitat restoration and conservation in an expeditious and responsible manner. OWEB will continue to focus on this important goal and continue to look for opportunities for advancement and improvement while balancing and supporting flexibility, innovation and adaptive management.”

Actions

Goal 1, Strategy 1, Actions Comments (page 6-7)

Comment One – MidCoast Watersheds Council

Re-examine the Restoration and Acquisition Priorities making them consistent with the vision and incorporate climate change strategies as they emerge from international, national, state and local sources.

While we think that re-examination of priorities in light of climate change is a good thing to do, as the Draft Vision Statement is currently written, we do not see much that would warrant much re-examination of priorities. Our suggested language above in our Comment 5 on what actions “the vision requires” (mentioning climate change, population growth and other stressors and emphasizing continuing guidance based on the best technical knowledge) would provide the link to consistency with the vision that this Action requires.

Comment Two – Defenders of Wildlife

Add an action item and revise other actions as suggested below:

Action 1: Work with the Oregon Department of Fish and Wildlife to align and integrate OWEB’s restoration and acquisition priorities with the Oregon Conservation Strategy, salmon recovery plans, and climate change considerations.

Action ~~12~~: ~~Re-examine~~ Revise the Restoration and Acquisition Priorities ~~making to make~~ them consistent with the vision and incorporate climate change strategies as they emerge from international, national, state and local sources.

Action ~~23~~: Board adopts final set of Restoration and Acquisition Priorities.

Action 4: OWEB enhances the grant application development and review processes, including the makeup of Regional Review Teams, to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic and deliver watershed and ecological function and process outcomes consistent with the vision.

Action 6: Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving habitat conservation objectives and sustainable watershed improvements.

Action 7: Work with partners to develop, and adopt and apply standardized metrics for use in quantifying the ecosystem services generated through OWEB’s investments.

Comment Three – MidCoast Watersheds Council

Action 4: OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic and deliver watershed and ecological function and process outcomes consistent with the vision.

As we recommended above for Strategy 1, Action 4 should also reference limiting factors and should mention expansion of healthy functioning areas (from the suggested vision requirements).

Proposed language: OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic, address limiting factors, maintain and expand areas of high functionality, or otherwise deliver watershed and ecological function and process outcomes consistent with the vision.

Comment Four – MidCoast Watersheds Council

Action 6: Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving sustainable watershed improvements.

This is good. At the September 2009 Board Meeting our coordinator commented on the use of the word “sustainable.” The current language solves the problems with its use in the previous draft.

Comment Five – MidCoast Watersheds Council

Action 3: OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.

This proposed action is important, and we strongly support it. OWEB also needs to provide/improve access to the databases supporting the priorities, and streamline processes for updating priorities by incorporating new information. Linkage to science and technical documents supporting such priorities is also key.

OWEB Response (Goal 1, Strategy 1 Actions – All Comments)

Modified changes have been accepted to the actions based upon the comments above, except for the proposal regarding ecosystem services in Comment Two. OWEB believes that comment is covered in Goal 1, Strategy 1, Action 7 and Goal 2, Strategy 3, Action 3. Developing standardized metrics for ecosystem services will be an important tool.

The Goal 1, Strategy 1 action items have been revised to read as follows:

“Action 1: Work with partners to update OWEB’s restoration and acquisition priorities and align them with the Oregon Conservation Strategy, species conservation and recovery plans, water quality management plans, local watershed assessments and climate change strategies as they emerge from international, national, state and local sources.

Action 2: Periodically review and update the Restoration and Acquisition Priorities to reflect changes in watershed and habitat restoration and conservation strategies and plan or lessons learned from the monitoring and research program status review.

Action 3: Board adopts final set of Restoration and Acquisition Priorities.

Action 4: OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.

Action 5: OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic and deliver watershed and ecological function and process outcomes consistent with the vision.

Action 6: Continue investment in the Willamette and Deschutes Special Investment Programs (SIPs) and work with partners to explore additional SIPs and other partnerships.

Action 7: Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving watershed and habitat restoration and conservation.”

Goal 1, Strategy 2, Actions Comments (page 8)

Comment One – Defenders of Wildlife

Action 1: Undertake a monitoring and research program status review to describe the lessons learned, the current use of data and analyses, and the actions needed to successfully implement this strategy. Update acquisition and restoration priorities to reflect lessons learned.

OWEB Response (Goal 1, Strategy 2 Actions Comment)

The requested action is included in the revised Goal 1, Strategy 1, Action 2, which now reads: “Periodically review and update the Restoration and Acquisition Priorities to reflect changes in watershed and habitat restoration and conservation strategies and plans or lessons learned from the monitoring and research program status review.”

Goal 2, Strategy 1, Actions Comments (page 9)

Comment One – Cyndi Karp

The second concern that I have is related to the Fair and Equitable Support of Watershed Councils across the State of Oregon. OWEB needs to find and set aside a Permanent Funding Source for Support Systems for Watershed Councils.

A Watershed Councils requires a base budget to support Coordinator's and Office Salaries. There are Liability Insurance expenses. I believe that OWEB needs to support each Watershed Council to have a good Web Page. The more successful the Watershed Council, the more Financial Support of the Council is going to require. The more grants that are proposed and written up, the higher the Fixed Cost of Support will be. Watershed Councils are currently competing for Funding. There has been in the past trouble caused between Watershed Council's fighting for the funding for the Watershed Council to Survive. Some Watershed Councils in the state have not survived. Some continue to fight for survival. Just

having Volunteers does not solve the Financial Support problems of a Watershed Council. A permanent funding source for a fair and equitable Watershed Council Support System needs to be addresses in the Final OWEB Strategic Plan. The world of fighting for Grant funding among each other is against the basic principles of the OWEB Strategic Plan. There is never enough money to go around to do all of the Watershed Projects that need to be done. The system of Grant selection is very competitive. What concerns me is that Grants are so competitive that the Grant System pits Watershed Councils against each other for funding. Can Cooperation among Watershed Councils solve the fighting for grants? Maybe, but it is not always easy to bring people together that have to fight each other for survival. I believe to my core that Cooperation can Accomplish Common Goals.

In the State of Oregon the last 13 years, I have witness and participated in a Eco-System Based Cooperation among Oregonian's that is drawing World wide attention. More funding sources for Watershed Basin Cooperation Projects is sorely needed.

OWEB Response (Goal 2, Strategy 1 Actions Comment)

No changes were made to the strategic plan based upon these comments. OWEB believes that Goal 2, Strategy 1, Action 1 of the strategic plan adequately addresses the concerns in this comment.

Goal 2, Strategy 3, Actions Comments (page 10)

Comment One – MidCoast Watersheds Council

We support very much the 3 actions listed, but propose a fourth, which would explore additional direct assistance to councils and SWCDs, and possibly others, for particular tasks that might increase local organizational resilience and capacity. OWEB has one model already in place for this: the use of PCSRF funds to help defray costs of participating in recovery planning efforts. Additional, comparable opportunities could include OWEB using or brokering PCSRF and/or BPA funds to enhance local organizations' roles in recovery plan implementation teams, and OWEB working with WRD on processes for improving local groups' capacities to take part in WRD's current efforts to develop a statewide Integrated Water Resource Strategy. Likely additional opportunities exist, as yet unrecognized.

Proposed, very rough language: Action 4: Explore opportunities to partner with other agencies in enhancing local groups' capacities for contributing positively to those agencies' actions relevant to this Strategic Plan's Mission Statement and Goals.

Comment Two – Defenders of Wildlife

Add one action to read: Action 4: Work with the Coalition of Oregon Land Trusts and other partners to identify options for strengthening capacity for land conservation to support OWEB's long-term investment strategies.

OWEB Response (Goal 2, Strategy 3 Actions – All Comments)

The proposed language of Action 4 in Comment One is an important issue that did not come up during Board discussions and is raised for the first time. No change is proposed as the

Board needs to engage in a discussion about this issue before considering whether to change the strategic plan to incorporate this proposed action.

Similarly, the language proposed in Comment Two envisions long-term investment strategies that the OWEB Board has not discussed and is not prepared to commit to at this time. This will be an important conversation for the Board to have as it goes forward to implement the local infrastructure actions as proposed in Goal 2, Strategy 1.

Goal 3, Strategy 1, Actions Comments (page 11)

Comment One – MidCoast Watersheds Council

For Strategy 1: Help build and support effective outreach and education by local partners.

Action 1: Develop and implement simple, effective and strategic awareness messages and messaging tools aligned with OWEB’s strategic plan.

Action 2: Develop a range of tools for OWEB grant recipients to use to further the Strategy and implement Action 1.

Action 3: Coordinate and develop specific plans with other agencies and partners to deliver consistent messages.

Action 4: [RE-NUMBERED] Work with partners to develop and implement the Oregon Environmental Literacy Plan (“No Child Left Inside”).

Action 5. [NEW] Increase knowledge of effective education and engagement strategies, programs, and tools through detailed descriptions of projects from around the state through the OWEB website and at conferences.

Comment Two – Defenders of Wildlife

Action 5: Review and enhance ~~the Oregon Plan for Salmon and Watershed~~ OWEB’s Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.

OWEB Response (Goal 3, Strategy 1 Actions – All Comments)

Goal 3, Strategy 1 has been revised to clarify the intent that it focuses on OWEB’s outreach and awareness statutory mandate. Some of the proposed language from the Comment One is incorporated into new actions proposed in Goal 3, Strategy 2. One action in Strategy 1 was revised and one was added to reflect that a Strategic Communication Plan has been adopted by the OWEB Board.

The proposed change in Comment Two was not made because current statutes require OWEB to submit a Biennial Report on the Oregon Plan for Salmon and Watersheds. One potential avenue to implement Action 4 – “Compile a history of OWEB investments and ecological outcomes” – may be the Oregon Plan Biennial Report.

Goal 3, Strategy 2, Actions Comments

Comment One – MidCoast Watersheds Council

For Strategy 2: Help promote awareness of the ecological outcomes of OWEB investments.

Action 1: [RE-NUMBERED] Compile a history of OWEB investments and ecological outcomes (“Decade of Investment”) to describe how OWEB has invested on behalf of Oregonians to improve and protect watersheds and the ecosystems they support.

Action 2: [RE-NUMBERED] Review and enhance the Oregon Plan for Salmon and Watershed Biennial Report into OWEB’s Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.

Action 3: [RE-NUMBERED] Use the Strategic Communication Plan to guide education and outreach grant offerings.

OWEB Response (Goal 3, Strategy 2 Actions Comment)

Strategy 2 has been revised to clarify its intent to be the strategy for implementation of OWEB’s education and involvement authorities. Some of the proposed changes have been incorporated into Goal 3, Strategy 1 actions.

Section Two: Implementation and Process Comments

Some of the comments received are suggestions for how to implement a particular strategy or action. They are more detailed than the level of the strategic plan. Those comments should not be lost and are included below for staff to review as work plans are developed to implement the strategic plan. Some comments include an explanatory reply.

Comment One – Oregon Invasive Species Council

The document lacks some key elements of a strategic plan. There are no "core principles" defined. There is no SWOT analysis - an articulation of OWEB's strengths, weaknesses, opportunities, and threats. There are no performance metrics.

Given the role that OWEB plays in advancing watershed health in Oregon, an articulation of core principles would advance an understanding of its mission. Perhaps characterizing the statements at the bottom of page 4 as “core principles” would strengthen this portion of the document.

It is critical that OWEB conduct a SWOT analysis as part of its strategic plan so that it reflects on its strengths, weaknesses, opportunities, and threats, and communicates that SWOT analysis in its strategic plan—with emphasis on how OWEB will respond to the analysis. Only by conducting this activity can OWEB anchor its mission, vision, core principles, goals, objectives, and strategies. Without a SWOT analysis, the public will have difficulty understanding the unique role OWEB plays in watershed restoration in Oregon

relative to other agencies and organizations that conduct work in watersheds. The document fails to articulate OWEB's niche in Oregon. Why is OWEB best suited to do what it does, versus another organization or entity managing lottery dollars?

How has OWEB assessed its success over the past 10 years? The short “Where are we now?” sections don’t seem adequate in terms of their depth and breadth. How much money has OWEB distributed/managed in Oregon since 2001? In what geographic areas? At a recent Board meeting, our Council was asked by an OWEB Board member how OWEB can determine its effectiveness. Development of performance metrics will allow OWEB to assess itself and will allow the public to assess OWEB.

Recommendation: Identify OWEB’s core principles, conduct and communicate a SWOT analysis, identify OWEB’s niche, and develop performance metrics as part of the strategic plan.

Comment Two – Oregon Invasive Species Council

There is no description of the groups/partners that contributed to the development of this plan, nor is there any mention of the public process used to gain input. And although partnerships are referenced in more than 40 locations in the new strategic plan, the expected outcomes of these partnerships are not clearly articulated. In addition, Goal 4 on page 5 references the types of partners OWEB wishes to work with, but this list does not include academic institutions or industry representatives. Both of these types of entities play important roles in advancing and communicating sound science (academic institutions) as well as helping to leverage funds and perform other important functions as part of the government/nonprofit/private industry three-legged stool.

Recommendation: Include the list of partners that were involved in the development of OWEB’s new strategic plan, including the IMST that provides scientific guidance (organization name and name of individual that participated in planning sessions), consider expanding the types of groups OWEB wishes to work with to include academic institutions and industry representatives, and develop clear, measurable objectives related to work with partners. Consider a futuring workshop with partners focused specifically on long-term strategic initiatives for OWEB.

Comment Three – Oregon Invasive Species Council

Many federal, state, local, and tribal governments, nonprofit organizations, academic institutions, and companies are actively involved in watershed restoration, management, policy development, research, and monitoring. However, OWEB’s strategic plan does not acknowledge the “state of the state.” What is the status of watershed restoration in Oregon? How will implementation of this strategic plan address the highest priority weaknesses in watershed restoration, through OWEB’s efforts and collaborative efforts with partners? How will what OWEB does help Oregon to achieve the goals in Oregon’s Conservation Strategy? Where are the gaps in watershed restoration in Oregon, and does this plan address those gaps?

Recommendation: Add an analysis of the “state of the state” (also termed environmental scans in the strategic planning arena) of watershed restoration in Oregon so that readers will understand how the goals, objectives, and strategies in the strategic plan address gaps in restoration efforts.

OWEB Response (Implementation and Process Comments One-Three)

There are various ways to approach strategic planning. OWEB decided to look at driving forces as their approach. We also chose an abbreviated process so there was not sufficient time to develop metrics that would normally be done after acceptance of the strategies and actions. OWEB currently has a number of performance measures we must report on and will be examining the alignment of those with the final strategic plan. Additional measures may be created.

OWEB senior staff and Board were the primary participants in the workshops. Interviews were conducted with a range of stakeholders and all staff. Summaries of their interviews were made available to the workshop participants. The Board represents a broad range of expertise and organizations.

The state of the state of watershed restoration would be a very large undertaking. It could be worthwhile if specific goals were outlined for what information about the work is most needed. The knowledge and expertise of the staff, stakeholders and Board is in effect an environmental scan and helped identify driving forces that are most likely to impact watersheds and OWEB. The OWEB Board believes the process has created an excellent strategic guidance document. The process is described in a separate report to OWEB.

Comment Four – MidCoast Watersheds Council

Goal 5, Strategy 1. Continue to evaluate, explore and implement grant administrative processes to maintain and enhance efficiencies at all levels.

We support this goal, and have some specific suggestions for Action 1: Conduct an independent review of OWEB’s business processes to identify ways to improve communications and streamline and simplify the processes for staff, applicants and grantees, without compromising accountability and legal requirements.

We would like to see this review to include the following opportunities to possibly simplify processes.

1. Electronic grant application submissions, with further modifications to the application based on analysis if each of the sections of each application is actually a basis for decision making by the grant review team members. If it is not, the application should be simplified accordingly.
2. A detailed review, with grantee participation, of just what information is needed to document expenditures of grant funds, with a goal of reducing requirements for non-essential information.
3. An analysis, with grantee participation, of best ways to honor legitimate privacy and confidentiality concerns of grantees, their partners' and their participating landowners. Because OWEB is a state agency, all paperwork submitted becomes publicly available.

We would like to see careful consideration to limit information submissions to that which is truly necessary for OWEB to be effective.

4. Effort to update/produce QuickBooks applications and make them available to grantees for use in managing OWEB grants. We are aware of the past effort to SWCDs in partnership with OACD, and we are also aware that new reporting forms are being developed that are not supported by that computer application, creating additional work. We think that use of this software should be voluntary to grantees, but is very useful to both OWEB and those grantees that participate. We are aware that many Watershed Councils, at least, would welcome an opportunity to streamline processes in this way.

Comment Five – Jeffrey Kee

Local Infrastructure: OWEB needs to be more responsible and accountable for funds given to other organizations to carry out the mission of OWEB. Funds given to ODA and/or federal partners to implement related programs (ie CREP) need to be critically evaluated. If investments are not providing good returns...take the political heat and move those funds to more effective investments.

Councils, Districts, non-profits and other governments receiving OWEB funds need to be evaluated with clear and consistent methods. And if OWEB wants to meet many of the goals implemented in the draft strategy it seems there may be a benefit to requiring everybody that gets support to do at least one of the actions identified....For example...every organization that receives OWEB support is required to have at least two stories written highlighting a successful project supported by OWEB, and/or every organization receiving funds has a prioritized strategy and a monitoring program that provides feedback on their success. Every OWEB funded project will have a sign stating who and where the partners are, every landowner that receives a capitol grant agrees to an annual tour for the public.

OWEB should consider reducing support for SWCD's that have secured large tax bases. Organizations with more staff are able to produce more and better grant applications. Theoretically they can build their own capacity more easily now and rural districts (and Councils) will continue to struggle.

Comment Six – Jeffrey Kee

Ecosystem Services: OWEB needs to develop a system that can account and track ecosystem services. Carbon sequestering, increasing water availability and increasing the number of redds are valuable commodities. The future value could be great as ecosystem markets mature, but there is an immediate value for a systematic accounting system that can tell us what our public investments are buying. A system that allows the state of Oregon and the local partner maintaining the ecosystem to realize real value would prepare Oregon to be a sustained leader in this field.

Comment Seven – Jeffrey Kee

Public Support: More work needs to be done in this area...how about underwriting a series with Oregon Field Guide that looks at 10 years worth of OWEB's supervision of the public's investment. See above also.

Acquisitions need to require permanent transfer of the majority of any consumptive surface water right permanently in-stream.

Comment Eight – Jeffrey Kee

Partnerships: OWEB should consider letting out some restoration contracts to some for-profit private and public companies. This may show that it is more effective to have non-governmental organizations do watershed restoration. See above for more partner accountability.

Comment Nine – Jeffrey Kee

Efficiency and Accountability: OWEB has to improve this or OWEB will go away. And OWEB has to put strong, clear, consistent mechanisms in place to make sure organizations that receive public investments are efficient and accountable.

OWEB staff has always been great to work with, and it might be a great goal to state that OWEB wants to have the best and the brightest of the conservation community and will continue to invest in their continued growth. A job trade between OWEB staff and organizations that receive OWEB funds might bear additional effectiveness and efficiency.

Comment Ten – Thomas Stahl

The Oregon Department of Fish and Wildlife supports OWEB's draft Strategic Plan and looks forward to working with OWEB toward its implementation. The only additional comment that I offer is that the Strategic Plan does not specifically mention the potential role that conservation plans (developed under the State's Native Fish Conservation Policy) and recovery plans (developed to address federal listing under the Endangered Species Act) may have in achieving many of the strategies and actions for the five goals. These plans represent significant efforts that provide a more detailed and specific "roadmap" to conservation and recovery of the State's listed fish and wildlife species than the overarching plans that they support, such as the Oregon Plan for Salmon and Watersheds and the Oregon Conservation Strategy. We hope that they will be considered as OWEB implements the Strategic Plan.

Comment Eleven – Oregon Invasive Species Council

Invasive species is not mentioned in this plan, yet invasive species has the potential to significantly alter healthy watershed ecosystem functions. The following statement from the US Environmental Protection Agency is one of literally thousands that document the effect of invasive species on watersheds:

“It is increasingly important that watershed managers become aware of invasive species in their watersheds, in both the aquatic and terrestrial environments. Aquatic invaders are clearly of concern to a water resources manager, but invasive species in the watershed can have significant effects on water quality and aquatic ecosystem health due to the ways they affect bank stability and the volume and pollution levels in runoff.”

In addition, the Oregon Conservation Strategy notes that “Control of invasive species is considered one of six key issues of statewide concern in the Oregon Conservation Strategy.”²

Nine of the 10 of Oregon Department of Fish and Wildlife's 10 Most Unwanted Species³ are aquatic species. The tenth, feral swine, is associated with aquatic habitats and riparian corridors, where facilitation of weed invasion by disturbance is a major concern, particularly in Oregon. Rooting in riparian areas may be contributing to the spread of knotweed in Oregon.

Invasive species issues consumed an entire day-long session at the OWEB conference in November of 2008. One of the clinics: Watershed Councils Building Partnerships to Address Invasive Species invited participants to weigh in on important questions facing watershed councils and their partners as they attempt to manage invasive species at the watershed scale. Since 2009, OWEB has funded about \$33.4 million for investments in watershed programs and projects that include work on invasive species. Omission of invasive species-related strategies in this plan, given past funding in this arena, fails to highlight this achievement and overlooks opportunities for OWEB's continued support for invasive species control/eradication/outreach initiatives.

Recommendation: Acknowledge the threat of invasive species to Oregon's watersheds and develop specific objectives and strategies to reduce that threat and align with the objectives of the Oregon Conservation Strategy.

OWEB Response (Implementation and Process Comments Four-Eleven)

OWEB agrees that invasive species are a major concern. Controlling invasive species is part of many OWEB projects. OWEB has not listed all the specific management activities that might contribute to a restored, healthy watershed in this plan. Controlling invasive species would be one of those. This plan is intended to be at a high level and not specify recommendations about management practices. Under Goal 1, strategy 1, action 2 invasive species will be included in restoration priorities work. In response to Comment Eleven, an action item was added to Goal 1, Strategy 1, Action 1 to specifically coordinate with the Oregon Conservation Strategy.

Oregon Watershed Enhancement Board

Strategic Plan

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December 2009

Oregon Watershed Enhancement Board
775 Summer Street NE #360
Salem, Oregon 97301

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Oregon's Conservation Legacy

People have a deep and enduring connection to Oregon's natural environment—the cool and clean water of its rivers and lakes, the rich diversity of its fish and wildlife, and the inspiring beauty and variety of its landscapes. Generations of Native Americans have been sustained by the land's abundant natural resources. In the nineteenth century trappers, settlers, farmers, and ranchers made the arduous trek to Oregon attracted by the special qualities of Oregon's lands and waters. Oregonians continue to deepen their tie to the lands and waters on which they live, work, and play.

This collective care and appreciation for the state's natural places and working landscapes has created a strong and enduring legacy of conservation in Oregon. Looking back, Oregon's conservation legacy is embodied in milestone actions involving incentives for recycling (the bottle bill), protecting unique and special places for the public to enjoy (the beach bill), and the development of land use planning laws to protect important land uses and prevent unchecked urban sprawl.

The most recent expression of Oregon's conservation legacy has been quietly and effectively taking place in communities around the state for ten years. Local groups—primarily watershed councils (councils) and soil and water conservation districts (districts)—are engaging farmers, ranchers, foresters, and other landowners to voluntarily work with other partners to take actions on their properties that help restore and protect our natural environment. Together, these local, cooperative actions are writing the most recent chapter to Oregon's conservation legacy.

These actions are possible because Oregon voters decided in 1998 to dedicate Lottery Fund dollars to support grants for clean water and to improve and protect habitat for fish and wildlife. The Oregon Watershed Enhancement Board (OWEB) is the state agency responsible for administering these grants.

OWEB is a non-regulatory public investment board that employs a locally driven, collaborative conservation approach to watershed enhancement. OWEB solicits and awards grants to improve and protect watershed health and monitors project effectiveness so all partners can adaptively manage the resource. OWEB is led by a policy oversight board that represents state, tribal, and federal interests, as well as the public at large.

OWEB's grant programs support voluntary efforts that result in:

- Projects that restore and protect natural processes and functions of watersheds;
- A statewide network of councils, districts, and other local groups that develop and implement restoration projects;
- Citizen awareness of watershed issues and participation in restoration and protection actions;
- Strong and lasting partnerships to address complex natural resources issues; and
- Jobs and the purchase of goods and services in local communities.

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Mission and Vision

OWEB has been working from a mission statement ~~since created in~~ 2001. This strategic plan aligns that mission statement with statutory language and expands the mission statement with a vision statement. The vision statement was developed from discussions between board members and management staff, input from staff and stakeholders, and OWEB's experience in implementing its mission over the past ten years.

Mission Statement

A mission statement is a brief description of an organization's fundamental purpose. OWEB's mission is:

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Vision Statement

A vision statement articulates the dreams and hopes for an organization. OWEB's vision is:

OWEB is ~~recognized as~~ a leader in the conservation of Oregon's ~~vast~~ natural resources and enjoys strong public support for its contributions to community-based conservation, watershed health, and local economies.

The vision calls for ~~Oregon's watersheds to include healthy river systems and well managed upland healthy~~ landscapes across Oregon capable of sustaining and enriching ~~Oregon's the state's~~ biological diversity, ecosystems, fish and wildlife habitat, and agricultural, forest, and human communities.

Watersheds have three primary functions with regard to water. They capture, store, and release water. The entire watershed, ridgetop to ridgetop and headwaters to confluence, is essential to these processes. Floodplains of rivers are complex systems that evolved over time, shaped by the soils, topography, vegetation, and other natural forces. In addition to water-related functions, watersheds are also landscapes that ~~provide~~create fish and wildlife habitats essential to the natural functioning of entire ecosystems.

OWEB's vision will guide future decisions about programs and funding priorities. This vision requires:

- *Integrated investments in projects that emphasize protection and/or restoration of watershed processes and ecosystem functions required by Oregon's native fish and wildlife;*
- *A ridgetop to ridgetop and headwaters to confluence approach to achieving healthy watersheds;*
- *Dynamic river and floodplain systems that interact with physical and ecological processes;*
- *~~High w~~Water quality that supports Oregon's native fish and wildlife species and meets human ~~needs~~requirements;*
- *Involved community members including both public and private interests that build and sustain a watershed stewardship ethic;*

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- *Use of science and experience to guide priorities, projects and assessments; and*
- *Monitoring to support adaptive management and efficienteffective investments
efficiencies of the resource.*

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Goals, Strategies, and Implementation Actions

The OWEB Board has established the following goals, strategies and actions in support of OWEB's vision. In order to effectively consider and implement the strategies and actions identified below, OWEB staff will develop work plans and realign staff workload to achieve vision-driven priorities. Measures of progress and success will be developed and aligned with currently required reporting measures.

Goals

OWEB's goals are to:

- Goal 1: Restore and sustain resilient ecosystems through program and project investments that enhance~~incorporate~~ watershed and ecosystem functions and processes and support community needs.**
- Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.**
- Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.**
- Goal 4: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.~~health~~.**
- Goal 5: Ensure highly efficient and accountable administration of all investments.**

These goals are further described below, including strategies and actions.

Strategies and Actions

Adaptive Investment

- Goal 1: Restore and sustain resilient ecosystems through program and project investments that enhance~~incorporate~~ watershed and ecosystem functions and processes and support community needs.**

OWEB faces the challenge of funding a mix of programs and projects across the state with many partners to build a broad restoration and monitoring infrastructure. Population growth and climate change will affect communities around the state and the watershed processes and functions upon which those communities and fish and wildlife depend. These driving forces are significant and their impact is uncertain. The key to achieving OWEB's vision is an adaptive, principled, and well structured investment strategy that incorporates monitoring and evaluation into local project development and implementation~~and program evaluation~~. Monitoring information is the basis for adapting investment and management activities to achieve the most effective and resilient outcomes.

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Strategy 1: Maintain and enhance restoration and protection programs that focus on watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

Where are we now?

OWEB has worked for ten years to ~~enhance and maintain~~restore and protect healthy watersheds and natural habitats that support thriving communities and strong economies. OWEB achieves this by working closely with local partners to provide watershed enhancement grants, providing funding to support the capacity of watershed councils and soil and water conservation districts, partnering with other agencies and organizations, monitoring and managing information, and reporting on implementation of the Oregon Plan for Salmon and Watersheds. OWEB's mission and work also support and complement governmental climate change policy and priorities through locally based, on-the-ground work to improve watershed health and resilience, which will become increasingly important to address the effects of climate change.

OWEB has developed tools to assist partners in the strategic development of restoration or conservation projects. OWEB adopted priorities for land acquisition grants in 2004. OWEB has also developed and begun to implement a framework, known as Restoration Priorities, that establishes priorities at regional geographic scales to assist in the evaluation of proposed improvement projects at the local watershed level. The framework was developed to categorize actions by the effect they will have on ecosystem function and process. Five general types of activities have been identified as ways to address watershed function improvement, including activities that:

- ~~Actions that r~~Restore habitat connectivity;
- ~~Actions that a~~Address impaired watershed processes ~~that affecting the~~aquatic systems or water quality;
- ~~Actions that a~~Address key habitats and water quality for at-risk and ESA-listed species;
- ~~Actions that r~~Reduce human impacts and inputs to the watershed; and
- ~~Actions that a~~Address symptoms of impaired watershed and ecosystem functions and processes ~~and functions~~ that impact fish and wildlife habitat or water quality.

OWEB's Restoration grant applications require applicants to address how their proposal fits with the Restoration Priorities; this is one of the factors evaluated by OWEB's Regional Review Teams when developing funding recommendations for OWEB consideration. The Review Teams also consider technical merit, feasibility, likelihood of success, experience of the applicant, and budget.

Where are we going?

Action 1: Work with partners to update OWEB's Restoration and Acquisition Priorities and align them with the Oregon Conservation Strategy, species conservation and recovery plans, water quality management plans, local watershed assessments and climate change strategies as they emerge from international, national, state, and local sources.

Action ~~2~~4: ~~Re-examine~~RevisePeriodically review and update the Restoration and Acquisition Priorities to reflect changes in watershed and habitat restoration and conservation strategies and plan, or lessons learned from the monitoring and research program status review~~to making them~~

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~~consistent with the vision and incorporate climate change strategies as they emerge from international, national, state and local sources.~~

Action ~~32~~: Board adopts final set of Restoration and Acquisition Priorities.

Action ~~43~~: OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.

Action ~~54~~: OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic and deliver watershed and ecological function and process outcomes consistent with the vision.

Action ~~65~~: Continue investment in the Willamette and Deschutes Special Investment Partnerships (SIPs) and work with partners to explore additional SIPs and other partnerships.

Action ~~76~~: Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving ~~sustainable watershed improvements, and habitat restoration and conservation.~~

Strategy 2: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements.

Where are we now?

In 2003, the Board adopted a far-reaching and long-term strategy to guide coordinated monitoring efforts under the Oregon Plan for Salmon and Watersheds. From this strategy, OWEB initiated an effectiveness monitoring program in 2005. To date, effectiveness monitoring has been initiated on many of the top 25 restoration program areas funded cumulatively since 1999. These monitoring projects include detailed evaluations of riparian planting and fencing, fish barrier removal, irrigation efficiency, western juniper removal, dam removal, in-stream large wood placement, road removal and rehabilitation, wetland restoration, tide gate replacement, and others.

While OWEB has funded research since 2002, it is only within the last two years that OWEB has developed a research program. One competitive grant process and one targeted research opportunity occurred in 2008 and 2009 respectively. Reports and results are made available on the OWEB website. A coordinated effort with external monitoring experts and stakeholders is the grounded approach OWEB takes with its monitoring and research activities.

OWEB manages the Oregon Watershed Restoration Inventory (OWRI), which has tracked completed restoration work since 1995. Except for projects funded by OWEB or implemented under certain permits, all reporting to this database is voluntary. [OWEB will continue to implement enhancements and improvements to its data systems with specific focus on data sharing of the OWRI with project partners and the public.](#)

The actions under Strategy 2 provide the building blocks for understanding the results of OWEB investments from the project level to the cumulative impact of all investments. The data collected through the implementation of this strategy will be assembled into information that will

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be shared under the Goal 3, Strategy 1, for the purpose of building awareness, success, and support for OWEB actions.

Where are we going?

Action 1: Undertake a monitoring and research program status review to describe the lessons learned, the current use of data and analyses, and the actions needed to successfully implement this strategy.

Action 2: Implement the appropriate compliance and effectiveness monitoring in key investment areas and the remaining one third of OWEB's top restoration investment areas.

Action 3: Assemble data, information, lessons learned, and stories from effectiveness monitoring that will be used to implement Goal 3 to build awareness and understanding.

Action 4: Continue to work with partners through collaborative workgroups and by providing funding through grants to high priority monitoring activities.

Action 5: Continue to establish and maintain databases internally and through grants used to store, analyze, and provide the backbone of information delivery through electronic and traditional forms of communication.

Action 6: Revise OWEB Research Priorities to align with Board goals related to climate change, Oregon Plan for Salmon and Watersheds, and the Oregon Conservation Strategy.

Local infrastructure development

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed [and habitat](#) restoration and conservation.

Watershed councils, soil and water conservation districts, [land trusts](#), and [other](#) nongovernmental organizations are key partners in implementing OWEB's watershed [and habitat restoration and conservation](#) program. Councils and districts account for roughly two-thirds of OWEB grants. They play a critical role in working with interested landowners to design projects, apply for grants, implement restoration projects, monitor project results, and provide local watershed education. [Land trusts work with willing landowners to protect lands with important ecological or habitat values](#). The work of [all](#) these ~~local~~ partners also provides significant community and economic benefits. Success of OWEB's mission and vision requires these partners to have sufficient capacity and funding to continue and enhance their work. In addition, watershed restoration and protection needs are so great that more partners at the local level are needed.

Strategy 1: Establish and articulate policies related to the support and development of a diverse local infrastructure for watershed restoration.

Where are we now?

OWEB is exploring a diverse approach to building local infrastructure to support restoration and conservation. This includes watershed councils, soil and water conservation districts, [land trusts](#), [and other](#) nongovernmental organizations and landowners. Partnerships are encouraged to

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organize at a scale that can be sustained over the long term. OWEB continues to explore issues related to the number of councils and the best ways to manage and fund a high capacity infrastructure.

Where are we going?

Action 1: Work with watershed councils, soil and water conservation districts, [land trusts](#), public and private foundations, tribes, and other governmental and non-governmental organizations to identify needs and funding partners to strengthen their ability to build capacity and develop a diverse and enduring local infrastructure.

Action 2: Identify and evaluate alternative organizational structures to achieve more stable local infrastructure.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding, and promote strategic partnerships.

Where are we now?

The legislature currently provides councils and districts with a base level of funding of \$5 million each, every two years. During the 2007-2009 biennium, OWEB supplemented this base funding with an additional \$1 million each. Councils and districts work to supplement OWEB's funding by seeking other funding such as foundation grants, memberships, donations, business contributions, and for some districts, local taxes. The level of support and resources varies based on the leadership, capacity, and geographic location of these organizations. OWEB recognizes that more support needs to be provided to help build sustainable local organizations to carry on watershed restoration work.

This strategy only addresses the support grants for watershed councils. Soil and water conservation district support funding is provided by OWEB through the Oregon Department of Agriculture, which runs its own distribution and accountability processes.

Where are we going?

Action 1: Develop funding policy guidelines for achieving sustainable council support.

Action 2: Develop policy guidance for the Board on council requests for solo funding ("splitting" from umbrella councils) for the 2011-2013 council support grant awards.

Action 3: Work with applicants, reviewers, and others to explore options regarding how OWEB funds councils, including looking at new applicant funding, base funding, partnership incentives, outcomes from OWEB funding, and other issues.

Strategy 3: Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience.

Where are we now?

OWEB has provided funding to support capacity building for watershed councils and soil and water conservation districts through the Network of Oregon Watershed Councils (Network) and Oregon Association of Conservation Districts (OACD). OWEB's funding also supports coordination and cooperation between OACD and the Network to the benefit of councils,

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districts, and OWEB. The work of these organizations directly complements the funding for councils and districts and helps their respective groups perform at a high level and communicate their successes.

Where are we going?

Action 1: Require specific capacity building products and expectations as deliverables for the funding provided to the Network of Oregon Watershed Councils and Oregon Association of Conservation Districts.

Action 2: Reserve non-capital funds to contract with one or more organizations to deliver additional capacity building services in 2009-2011.

Action 3: Continue working with partners and exploring possibilities to develop tools and strategies for ecosystem services market participation that may diversify revenue streams for local infrastructure, and leverage and diversify project and maintenance/monitoring funding.

Public ~~Support~~ Awareness and Involvement

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

All Oregonians appreciate and recognize the value of clean, abundant water. Fewer Oregonians recognize that clean, abundant water depends on functioning watersheds. Still fewer Oregonians identify the critical link between investments in watershed [and habitat restoration and conservation](#) and clean, abundant water [and healthy populations of fish and wildlife](#). It is important to expand the awareness that land and water management actions can improve and/or protect water quality. Healthy watersheds require an informed public that supports fish and wildlife habitat protection, well managed river corridors, agricultural and forest land stewardship and urban land and water management.

Strategy 1: ~~Engage~~ Make Oregonians ~~on a broad level, reminding them aware~~ of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

Where are we now?

OWEB was created in 1999 and now has over a decade of projects and programs that illustrate the linkages between ecosystem health and community and economic sustainability. Every two years, OWEB develops a biennial report on the progress of the Oregon Plan for Salmon and Watersheds that highlights implemented projects, local community efforts, and agency program accomplishments.

[In early 2009, the Board recognized that OWEB would benefit from outside assistance to develop effective messages, identify key outreach tools, and develop a strategic communications implementation plan to promote public awareness and involvement in the agency's watershed enhancement program. A Strategic Communications Plan was presented to the Board in fall of 2009 to help guide agency efforts to produce useful and timely information about our programs,](#)

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the people we work with, and our accomplishments in terms that are more accessible to the general public. For example,

After ten years it is important to compile a history of investments and ecological outcomes to help the public understand the value received. The more people know about the public investments in watershed health and the benefits of those investments, the more they will value them and support continued funding of these efforts.

Where are we going?

Action 1: Develop and implement simple, effective and strategic awareness messages, and messaging tools aligned with OWEB's strategic plan.

Action 2: Develop a range of tools for OWEB grant recipients to use to further the Strategy and implement Action 1.

Action 3: Coordinate and develop specific plans with other agencies and partners to deliver consistent messages.

Action 4: Compile a history of OWEB investments and ecological outcomes ("Decade of Investment") to ~~describe how OWEB has invested on behalf~~ increase awareness of the accomplishments of Oregonians to improve and protect watersheds ~~and the ecosystems they support.~~

Action 5: Review and enhance the Oregon Plan for Salmon and Watershed Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.

Action 6: Use the Strategic Communication Plan to guide outreach grant offerings.

Strategy 2: Encourage and facilitate greater exploration, and knowledge and appreciation of OWEB's accomplishments for those Oregonians who seek greater involvement in watershed and habitat restoration and conservation.

Where are we now?

OWEB administers a competitive grant program that invests approximately \$1 million a biennium in watershed education and outreach grants across Oregon. In 2005, OWEB developed an Education and Outreach Strategy to connect and support OWEB's education and outreach functions and investments. The strategy included three elements that build upon each other: enhance awareness; improve knowledge; and develop skills.

Where are we going?

Action 1: Increase knowledge of effective education and engagement strategies, programs, and tools through detailed descriptions of projects from around the state through the OWEB website and at conferences. ~~Develop and implement simple, effective and strategic education and involvement messages and messaging tools aligned with OWEB's strategic plan.~~

Action 2: Use the Strategic Communication Plan to guide education and outreach grant offerings ~~Build and support effective education efforts that increase Oregonian's knowledge and involvement in watershed and habitat restoration and conservation.~~

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Action 3: Work with partners to develop and implement the Oregon Environmental Literacy Plan (“No Child Left Inside”).

Partnership development

Goal 4: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation health.

OWEB combines the regulatory and land management programs of state and federal agencies and local governments with voluntary watershed restoration by private landowners and others. Over the years, solutions to address water quality, watershed health, native salmon habitat, and wildlife conservation have been achieved by building partnerships between government agencies, tribes, watershed councils, soil and water conservation districts, land trusts, and other nonprofit organizations, landowners, and citizens.

~~OWEB’s is charged with being the central organization for managing Measure 66 and federal funds for watershed enhancement and habitat conservation. This is a~~ grant based, non-regulatory program to improve watershed and ~~ecosystem health~~ habitat restoration and conservation that requires a high level of coordination and collaboration with local, state, and federal agencies and organizations. OWEB ~~dollars funds~~ can be leveraged and partners can help inform the public about the successful watershed and habitat restoration and conservation work underway. There is clearly opportunity to expand the nature of current partnerships and create new partnerships.

Strategy 1: Identify new and expand existing strategic partnerships that leverage OWEB funds and knowledge to achieve healthy watershed and community outcomes.

Where are we now?

Partnerships are a required element for all OWEB investments. Partnerships range from the matching funds for individual grants to institutional arrangements to implement federally developed programs. OWEB maintains a portfolio of investments with different kinds of partners and at different levels of formal relationships. Criteria for evaluating formal partnerships has been developed and adopted by the Board.

OWEB has successful partnerships with local watershed councils, soil and water conservation districts, state and federal agencies, tribes, local government, land trusts, private foundations, and other nongovernmental organizations.

Where are we going?

Action 1: Executive Director and the Board partnership subcommittee will identify and prioritize partnership development on behalf of OWEB consistent with the vision and Board-adopted partnership criteria.

Action 2: OWEB key messages will be developed and shared with partners. Specific plans will be developed for distribution of messages ~~by partners~~.

Efficient and Accountable Administration

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Goal 5: Ensure highly efficient and accountable administration of all investments.

OWEB's core function is the administration of a competitive grant program, which has experienced significant growth in the number of grants and funding award amounts over the past ten years. The timely, accurate, and transparent administration of all aspects of the program is an everyday activity for all employees. This approach benefits the agency and its partners by providing streamlined processes and necessary resources to carry out watershed [and habitat restoration and conservation](#) in an expeditious and responsible manner. OWEB will continue to focus on this important goal and continue to look for opportunities for advancement and improvement [while balancing and supporting flexibility, innovation, and adaptive management](#).

Strategy 1: Continue to evaluate, explore and implement grant administrative processes to maintain and enhance efficiencies at all levels.

Where are we now?

OWEB is in constant communication with staff to determine the most efficient ways to carry out its business. A staff review is conducted following each grant cycle to develop recommended improvements. OWEB has begun to develop digital processes for the organization, including a grant administration system and online reporting. Staff members in other program areas are working with partners to improve agency processes in order to better facilitate on-the-ground actions.

In addition to internal processes, OWEB benefits from third party reviews of its work. OWEB's grant process, files, and expenditures are audited every other year by the Secretary of State and OWEB has received a favorable audit each time. OWEB also conducts an annual customer service survey [that is reported to the Legislature as part of the agency's budget process](#).

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Action 1: Conduct an independent review of OWEB's business processes to identify ways to improve communications and streamline and simplify the processes for staff, applicants and grantees, without compromising accountability and legal requirements.

Action 2: Prioritize and implement business process recommendations.

Action 3: Explore options and develop information technology tools to increase efficiencies and meet the needs of stakeholders and staff.

Oregon Watershed Enhancement Board

Strategic Plan

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December 2009

Oregon Watershed Enhancement Board
775 Summer Street NE #360
Salem, Oregon 97301

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Message from Executive Director and Board

Dear Citizens, Stakeholders, and Partners;

The Oregon Watershed Enhancement Board (OWEB) is a state agency that helps local communities take care of Oregon's streams, rivers, wetlands and natural areas. Local community members and property owners decide jointly what needs to be done to conserve and improve rivers and natural habitat in their communities. OWEB supports those efforts by providing funds from the Oregon Lottery.

No matter where you live in Oregon, your actions affect a watershed. Healthy watersheds are not only vital to clean water and healthy habitat for fish and wildlife, they are also vital to maintaining our quality of life and building a strong economy. Oregonians should be proud of Oregon's unique approach to enhancing and maintaining these watersheds. The work is done at the local level by citizens, landowners, and volunteers. This approach creates community and provides maximum value from public dollars. By working in partnership with local efforts, OWEB empowers watershed and habitat restoration and conservation across Oregon.

No one can predict the future. How the future will unfold is a complex interaction of numerous driving forces. OWEB must be adaptive and innovative to achieve ongoing success in the face of an uncertain future. With this in mind, OWEB created an ambitious strategic plan using input from partners, staff and board members.

The five goals and nine strategies that follow represent high priority strategic guidance to continue our work on behalf of Oregon citizens. The board and senior staff share an understanding that:

- 1) Oregonians hold a deep set of conservation values;
- 2) Building a high capacity local infrastructure to implement projects is essential;
- 3) Significant ongoing resources will be needed for watershed and habitat restoration and conservation;
- 4) Partnerships are essential to OWEB's work;
- 5) Monitoring and feedback will inform and improve our work; and
- 6) Outreach and education will increase public awareness and involvement.

OWEB is proud to be part of an ongoing Oregon conservation legacy. We invite your thoughts, comments, and support in the restoration and conservation of Oregon's natural resources.

Tom Byler
Executive Director

Diane Snyder
Board Co-chair

Daniel Heagerty
Board Co-Chair

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Oregon's Conservation Legacy

People have a deep and enduring connection to Oregon's natural environment—the cool and clean water of its rivers and lakes, the rich diversity of its fish and wildlife, and the inspiring beauty and variety of its landscapes. Generations of Native Americans have been sustained by the land's abundant natural resources. In the nineteenth century trappers, settlers, farmers, and ranchers made the arduous trek to Oregon attracted by the special qualities of Oregon's lands and waters. Oregonians continue to deepen their tie to the lands and waters on which they live, work, and play.

This collective care and appreciation for the state's natural places and working landscapes has created a strong and enduring legacy of conservation in Oregon. Looking back, Oregon's conservation legacy is embodied in milestone actions involving incentives for recycling (the bottle bill), protecting unique and special places for the public to enjoy (the beach bill), and the development of land use planning laws to protect important land uses and prevent unchecked urban sprawl.

The most recent expression of Oregon's conservation legacy has been quietly and effectively taking place in communities around the state for ten years. Local groups—primarily watershed councils (councils) and soil and water conservation districts (districts)—are engaging farmers, ranchers, foresters, and other landowners to voluntarily work with other partners to take actions on their properties that help restore and protect our natural environment. Together, these local, cooperative actions are writing the most recent chapter to Oregon's conservation legacy.

These actions are possible because Oregon voters decided in 1998 to dedicate Lottery Fund dollars to support grants for clean water and to improve and protect habitat for fish and wildlife. The Oregon Watershed Enhancement Board (OWEB) is the state agency responsible for administering these grants.

OWEB is a non-regulatory public investment board that employs a locally driven, collaborative conservation approach to watershed enhancement. OWEB solicits and awards grants to improve and protect watershed health and monitors project effectiveness so all partners can adaptively manage the resource. OWEB is led by a policy oversight board that represents state, tribal, and federal interests, as well as the public at large.

OWEB's grant programs support voluntary efforts that result in:

- Projects that restore and protect natural processes and functions of watersheds;
- A statewide network of councils, districts, and other local groups that develop and implement restoration projects;
- Citizen awareness of watershed issues and participation in restoration and protection actions;
- Strong and lasting partnerships to address complex natural resources issues; and
- Jobs and the purchase of goods and services in local communities.

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Mission and Vision

OWEB has been working from a mission statement created in 2001. This strategic plan aligns that mission statement with statutory language and expands the mission statement with a vision statement. The vision statement was developed from discussions between board members and management staff, input from staff and stakeholders, and OWEB's experience in implementing its mission over the past ten years.

Mission Statement

A mission statement is a brief description of an organization's fundamental purpose. OWEB's mission is:

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Vision Statement

A vision statement articulates the dreams and hopes for an organization. OWEB's vision is:

OWEB is a leader in the conservation of Oregon's natural resources and enjoys strong public support for its contributions to community-based conservation, watershed health, and local economies.

The vision calls for healthy landscapes across Oregon capable of sustaining and enriching the state's biological diversity, ecosystems, fish and wildlife habitat, and agricultural, forest, and human communities.

Watersheds have three primary functions with regard to water. They capture, store, and release water. The entire watershed, ridgetop to ridgetop and headwaters to confluence, is essential to these processes. Floodplains of rivers are complex systems that evolved over time, shaped by the soils, topography, vegetation, and other natural forces. In addition to water-related functions, watersheds are also landscapes that provide fish and wildlife habitats essential to the natural functioning of entire ecosystems.

OWEB's vision will guide future decisions about programs and funding priorities. This vision requires:

- *Integrated investments in projects that emphasize protection and/or restoration of watershed processes and ecosystem functions required by Oregon's native fish and wildlife;*
- *A ridgetop to ridgetop and headwaters to confluence approach to achieving healthy watersheds;*
- *Dynamic river and floodplain systems that interact with physical and ecological processes;*
- *Water quality that supports Oregon's native fish and wildlife species and meets human needs;*
- *Involved community members including both public and private interests that build and sustain a watershed stewardship ethic;*
- *Use of science and experience to guide priorities, projects and assessments; and*
- *Monitoring to support adaptive management and effective investments.*

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Goals, Strategies, and Implementation Actions

The OWEB Board has established the following goals, strategies and actions in support of OWEB's vision. In order to effectively consider and implement the strategies and actions identified below, OWEB staff will develop work plans and realign staff workload to achieve vision-driven priorities. Measures of progress and success will be developed and aligned with currently required reporting measures.

Goals

OWEB's goals are to:

- Goal 1: Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.**
- Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.**
- Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.**
- Goal 4: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.**
- Goal 5: Ensure efficient and accountable administration of all investments.**

These goals are further described below, including strategies and actions.

Strategies and Actions

Adaptive Investment

- Goal 1: Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.**

OWEB faces the challenge of funding a mix of programs and projects across the state with many partners to build a broad restoration and monitoring infrastructure. Population growth and climate change will affect communities around the state and the watershed processes and functions upon which those communities and fish and wildlife depend. These driving forces are significant and their impact is uncertain. The key to achieving OWEB's vision is an adaptive, principled, and well structured investment strategy that incorporates monitoring and evaluation into local project development and implementation. Monitoring information is the basis for adapting investment and management activities to achieve the most effective and resilient outcomes.

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Strategy 1: Maintain and enhance restoration and protection programs that focus on watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

Where are we now?

OWEB has worked for ten years to restore and protect healthy watersheds and natural habitats that support thriving communities and strong economies. OWEB achieves this by working closely with local partners to provide watershed enhancement grants, providing funding to support the capacity of watershed councils and soil and water conservation districts, partnering with other agencies and organizations, monitoring and managing information, and reporting on implementation of the Oregon Plan for Salmon and Watersheds. OWEB's mission and work also support and complement governmental climate change policy and priorities through locally based, on-the-ground work to improve watershed health and resilience, which will become increasingly important to address the effects of climate change.

OWEB has developed tools to assist partners in the strategic development of restoration or conservation projects. OWEB adopted priorities for land acquisition grants in 2004. OWEB has also developed and begun to implement a framework, known as Restoration Priorities, that establishes priorities at regional geographic scales to assist in the evaluation of proposed improvement projects at the local watershed level. The framework was developed to categorize actions by the effect they will have on ecosystem function and process. Five general types of activities have been identified as ways to address watershed function improvement, including activities that:

- Restore habitat connectivity;
- Address impaired watershed processes affecting aquatic systems or water quality;
- Address key habitats and water quality for at-risk and ESA-listed species;
- Reduce human impacts and inputs to the watershed; and
- Address symptoms of impaired watershed and ecosystem functions and processes that impact fish and wildlife habitat or water quality.

OWEB's Restoration grant applications require applicants to address how their proposal fits with the Restoration Priorities; this is one of the factors evaluated by OWEB's Regional Review Teams when developing funding recommendations for OWEB consideration. The Review Teams also consider technical merit, feasibility, likelihood of success, experience of the applicant, and budget.

Where are we going?

Action 1: Work with partners to update OWEB's Restoration and Acquisition Priorities and align them with the Oregon Conservation Strategy, species conservation and recovery plans, water quality management plans, local watershed assessments and climate change strategies as they emerge from international, national, state, and local sources.

Action 2: Periodically review and update the Restoration and Acquisition Priorities to reflect changes in watershed and habitat restoration and conservation strategies and plan, or lessons learned from the monitoring and research program status review.

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Action 3: Board adopts final set of Restoration and Acquisition Priorities.

Action 4: OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.

Action 5: OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic and deliver watershed and ecological function and process outcomes consistent with the vision.

Action 6: Continue investment in the Willamette and Deschutes Special Investment Partnerships (SIPs) and work with partners to explore additional SIPs and other partnerships.

Action 7: Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving watershed and habitat restoration and conservation.

Strategy 2: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements.

Where are we now?

In 2003, the Board adopted a far-reaching and long-term strategy to guide coordinated monitoring efforts under the Oregon Plan for Salmon and Watersheds. From this strategy, OWEB initiated an effectiveness monitoring program in 2005. To date, effectiveness monitoring has been initiated on many of the top 25 restoration program areas funded cumulatively since 1999. These monitoring projects include detailed evaluations of riparian planting and fencing, fish barrier removal, irrigation efficiency, western juniper removal, dam removal, in-stream large wood placement, road removal and rehabilitation, wetland restoration, tide gate replacement, and others.

While OWEB has funded research since 2002, it is only within the last two years that OWEB has developed a research program. One competitive grant process and one targeted research opportunity occurred in 2008 and 2009 respectively. Reports and results are made available on the OWEB website. A coordinated effort with external monitoring experts and stakeholders is the grounded approach OWEB takes with its monitoring and research activities.

OWEB manages the Oregon Watershed Restoration Inventory (OWRI), which has tracked completed restoration work since 1995. Except for projects funded by OWEB or implemented under certain permits, all reporting to this database is voluntary. OWEB will continue to implement enhancements and improvements to its data systems with specific focus on data sharing of the OWRI with project partners and the public.

The actions under Strategy 2 provide the building blocks for understanding the results of OWEB investments from the project level to the cumulative impact of all investments. The data collected through the implementation of this strategy will be assembled into information that will be shared under the Goal 3, Strategy 1, for the purpose of building awareness, success, and support for OWEB actions.

Where are we going?

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Action 1: Undertake a monitoring and research program status review to describe the lessons learned, the current use of data and analyses, and the actions needed to successfully implement this strategy.

Action 2: Implement the appropriate compliance and effectiveness monitoring in key investment areas and the remaining one third of OWEB's top restoration investment areas.

Action 3: Assemble data, information, lessons learned, and stories from effectiveness monitoring that will be used to implement Goal 3 to build awareness and understanding.

Action 4: Continue to work with partners through collaborative workgroups and by providing funding through grants to high priority monitoring activities.

Action 5: Continue to establish and maintain databases internally and through grants used to store, analyze, and provide the backbone of information delivery through electronic and traditional forms of communication.

Action 6: Revise OWEB Research Priorities to align with Board goals related to climate change, Oregon Plan for Salmon and Watersheds, and the Oregon Conservation Strategy.

Local infrastructure development

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Watershed councils, soil and water conservation districts, land trusts, and other nongovernmental organizations are key partners in implementing OWEB's watershed and habitat restoration and conservation program. Councils and districts account for roughly two-thirds of OWEB grants. They play a critical role in working with interested landowners to design projects, apply for grants, implement restoration projects, monitor project results, and provide local watershed education. Land trusts work with willing landowners to protect lands with important ecological or habitat values. The work of all these partners also provides significant community and economic benefits. Success of OWEB's mission and vision requires these partners to have sufficient capacity and funding to continue and enhance their work. In addition, watershed restoration and protection needs are so great that more partners at the local level are needed.

Strategy 1: Establish and articulate policies related to the support and development of a diverse local infrastructure for watershed restoration.

Where are we now?

OWEB is exploring a diverse approach to building local infrastructure to support restoration and conservation. This includes watershed councils, soil and water conservation districts, land trusts, and other nongovernmental organizations and landowners. Partnerships are encouraged to organize at a scale that can be sustained over the long term. OWEB continues to explore issues related to the number of councils and the best ways to manage and fund a high capacity infrastructure.

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Where are we going?

Action 1: Work with watershed councils, soil and water conservation districts, land trusts, public and private foundations, tribes, and other governmental and non-governmental organizations to identify needs and funding partners to strengthen their ability to build capacity and develop a diverse and enduring local infrastructure.

Action 2: Identify and evaluate alternative organizational structures to achieve more stable local infrastructure.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding, and promote strategic partnerships.

Where are we now?

The legislature currently provides councils and districts with a base level of funding of \$5 million each, every two years. During the 2007-2009 biennium, OWEB supplemented this base funding with an additional \$1 million each. Councils and districts work to supplement OWEB's funding by seeking other funding such as foundation grants, memberships, donations, business contributions, and for some districts, local taxes. The level of support and resources varies based on the leadership, capacity, and geographic location of these organizations. OWEB recognizes that more support needs to be provided to help build sustainable local organizations to carry on watershed restoration work.

This strategy only addresses the support grants for watershed councils. Soil and water conservation district support funding is provided by OWEB through the Oregon Department of Agriculture, which runs its own distribution and accountability processes.

Where are we going?

Action 1: Develop funding policy guidelines for achieving sustainable council support.

Action 2: Develop policy guidance for the Board on council requests for solo funding ("splitting" from umbrella councils) for the 2011-2013 council support grant awards.

Action 3: Work with applicants, reviewers, and others to explore options regarding how OWEB funds councils, including looking at new applicant funding, base funding, partnership incentives, outcomes from OWEB funding, and other issues.

Strategy 3: Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience.

Where are we now?

OWEB has provided funding to support capacity building for watershed councils and soil and water conservation districts through the Network of Oregon Watershed Councils (Network) and Oregon Association of Conservation Districts (OACD). OWEB's funding also supports coordination and cooperation between OACD and the Network to the benefit of councils, districts, and OWEB. The work of these organizations directly complements the funding for councils and districts and helps their respective groups perform at a high level and communicate their successes.

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Where are we going?

Action 1: Require specific capacity building products and expectations as deliverables for the funding provided to the Network of Oregon Watershed Councils and Oregon Association of Conservation Districts.

Action 2: Reserve non-capital funds to contract with one or more organizations to deliver additional capacity building services in 2009-2011.

Action 3: Continue working with partners and exploring possibilities to develop tools and strategies for ecosystem services market participation that may diversify revenue streams for local infrastructure, and leverage and diversify project and maintenance/monitoring funding.

Public Awareness and Involvement

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

All Oregonians appreciate and recognize the value of clean, abundant water. Few Oregonians recognize that clean, abundant water depends on functioning watersheds. Still fewer Oregonians identify the critical link between investments in watershed and habitat restoration and conservation and clean, abundant water and healthy populations of fish and wildlife. It is important to expand the awareness that land and water management actions can improve and/or protect water quality. Healthy watersheds require an informed public that supports fish and wildlife habitat protection, well managed river corridors, agricultural and forest land stewardship and urban land and water management.

Strategy 1: Make Oregonians aware of the importance of healthy watersheds and inform them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

Where are we now?

OWEB was created in 1999 and now has over a decade of projects and programs that illustrate the linkages between ecosystem health and community and economic sustainability. Every two years, OWEB develops a biennial report on the progress of the Oregon Plan for Salmon and Watersheds that highlights implemented projects, local community efforts, and agency program accomplishments.

In early 2009, the Board recognized that OWEB would benefit from outside assistance to develop effective messages, identify key outreach tools, and develop a strategic communications implementation plan to promote public awareness and involvement in the agency's watershed enhancement program. A Strategic Communications Plan was presented to the Board in fall of 2009 to help guide agency efforts to produce useful and timely information about our programs, the people we work with, and our accomplishments in terms that are more accessible to the general public. For example, after ten years it is important to compile a history of investments and ecological outcomes to help the public understand the value received. The more people know about the public investments in watershed health and the benefits of those investments, the more they will value them and support continued funding of these efforts.

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Where are we going?

Action 1: Develop and implement simple, effective and strategic awareness messages, and messaging tools aligned with OWEB's strategic plan.

Action 2: Develop a range of tools for OWEB grant recipients to use to further the Strategy and implement Action 1.

Action 3: Coordinate and develop specific plans with other agencies and partners to deliver consistent messages.

Action 4: Compile a history of OWEB investments and ecological outcomes ("Decade of Investment") to increase awareness of the accomplishments of Oregonians to improve and protect watersheds.

Action 5: Review and enhance the Oregon Plan for Salmon and Watershed Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.

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Action 2: Build and support effective education efforts that increase Oregonian's knowledge and involvement in watershed and habitat restoration and conservation.

Action 3: Work with partners to develop and implement the Oregon Environmental Literacy Plan ("No Child Left Inside").

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OWEB's grant based, non-regulatory program to improve watershed and habitat restoration and conservation requires a high level of coordination and collaboration with local, state, and federal agencies and organizations. OWEB funds can be leveraged and partners can help inform the public about the successful watershed and habitat restoration and conservation work underway. There is clearly opportunity to expand the nature of current partnerships and create new partnerships.

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Action 2: Prioritize and implement business process recommendations.

Action 3: Explore options and develop information technology tools to increase efficiencies and meet the needs of stakeholders and staff.



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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January 5, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: **Tom Byler, Executive Director**
Melissa Leoni, Senior Policy Coordinator
Ken Bierly, Deputy Director
Lauri Aunan, Grant Program Manager

SUBJECT: Agenda Item F: Strategic Plan Implementation
January 20-21, 2010 OWEB Board Meeting

I. Introduction

This report provides an update on implementation of immediate actions under the Final Draft Strategic Plan. Agenda Item H reports more specifically about the implementation of actions under goal three of the plan, which addresses communications related issues.

II. Background

At the September 2009 Board meeting, staff presented the five goals, nine strategies, and 33 actions in the draft final Strategic Plan and recommended specific actions needing immediate attention. Staff also identified the actions that could be carried forward, in whole or part, under ongoing programs, resources and staffing. Staff recommended and the Board approved funding allocations to facilitate staff moving forward with implementation of immediate action items.

III. Immediate Actions

Attachment A contains an updated table showing the five goals, nine strategies, and 35 actions associated with the proposed final Strategic Plan (Agenda Item E). In addition to this report, staff will update the Board on the implementation of other plan priorities, including Ecosystem Services (Agenda Item O) and Partnership Investments (Agenda Item N). The following sections focus on three high priority action items. Staff will describe these efforts and provide updates on the progress of other actions at the January Board meeting.

A. Restoration and Acquisition Priorities

Action 1 of Goal 1, Strategy 1 of the proposed final Strategic Plan is to

“Work with partners to update OWEB’s restoration and acquisition priorities and align them with the Oregon Conservation Strategy, species conservation and recovery plans, water quality management plans, local watershed assessments, and climate change strategies as they emerge from international, national, state and local sources.”

Staff plan to implement this action in partnership with the Oregon Department of Fish and Wildlife's (ODFW) update of the Oregon Conservation Strategy. The OWEB and ODFW directors and program managers met on December 21, 2009, to discuss how to best move forward with this collaborative effort. The agencies agreed to work toward the goal of making a more explicit and understandable connection between the various state and federal plans and strategies related to watershed restoration and species recovery in Oregon. The desired outcome is greater clarity of ecological needs and priorities for stakeholders and the public at large.

ODFW has ambitious plans to update its Conservation Strategy in a number of areas, including climate change adaptation. ODFW is targeting June 2011 to complete these updates. Initially, OWEB will contribute to this effort by helping complete updates on freshwater and estuarine habitat priorities and through coordination and information sharing on climate change adaptation. OWEB's goal for its restoration and acquisition priorities is not only to more effectively integrate the priorities with existing plans and strategies, but also to make the priorities a useful tool for stakeholders, review team members and staff. A framework for OWEB tasks for the action item is as follows:

1. Compile restoration priorities in a consistent database (contract for services).
2. Compile aquatic species recovery plan implementation actions; draft narrative on freshwater and estuarine aquatic habitat priorities (contract for services).
3. Develop a cross-walk between restoration and protection priorities and Conservation Strategy conservation opportunity areas and/or principles (contractor, staff, ODFW).
4. Develop a clear mechanism for identifying and using priorities (contractor, staff, ODFW).
5. Develop and implement an outreach and training program to provide access to the tools developed.

Tasks A-C may be completed by the fall of 2010. Discussion will continue with ODFW and may lead to including additional partners in the effort.

B. Watershed Council Listening Sessions

Goal 2 of the Strategic Plan is to

“Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.” Strategy 2 under Goal 2 is to “Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships.”

In October 2009, OWEB's Director met with the Board of the Network of Oregon Watershed Councils and appeared at the Network's Annual Meeting. The discussion included the importance of engaging watershed councils in a deeper dialogue about what makes watershed councils successful and how OWEB's council funding and processes might be changed in order to build local capacity, provide base funding and promote strategic partnerships. It was agreed that there should be a series of “listening sessions” with watershed councils in order to have this deeper dialogue, and to communicate the goals and thoughts of OWEB's Board regarding council support.

Because of the importance of watershed council support funding to more than 60 council organizations across the state, it will take time and continued dialogue to do a good job developing proposed changes and understanding how councils might be affected by those changes. As a result, OWEB is not currently planning to make significant changes to watershed council support for the 2011-2013 watershed council support grant cycle. It is currently contemplated that any significant changes would occur for the 2013-2015 cycle.

OWEB and the Network have worked together to select dates and locations. We plan to hold six meetings around the state in February and March as follows:

Willamette Basin, Region 3: Hillsboro – February 22
Southwest Oregon, Region 2: Roseburg – February 24
North Coast, Region 1: Newport – February 25
Willamette Basin, Region 3: Salem – March 1
Central Oregon, Region 4: Redmond – March 2
Eastern Oregon & Mid-Columbia, Regions 5, 6: La Grande – March 4

OWEB issued a Request for Proposals (RFP) to retain a third party facilitator. The RFP closed December 8, 2009, and OWEB received six responses to the RFP. The top candidates will be interviewed on January 6, 2010, and we hope to have a facilitator hired by January 11, 2010.

Following the listening sessions, staff are planning to convene a work group of council support applicants and reviewers to develop improvements to the existing application and review process, based on feedback from the 2009-2011 process. Staff will also look at whether to make any policy recommendations to the OWEB Board for the 2011-2013 cycle, regarding the current OWEB rules that attempt to discourage “splitting” of umbrella councils, and how OWEB should approach funding for new councils or applicants.

C. Working Lands Conservation Easements

Action 7 of Goal 1, Strategy 1 is to

“Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving watershed and habitat restoration and conservation.”

OWEB staff have been working with the Board Acquisition Subcommittee on the question of how working lands conservation easements – those land conservation projects that include continued private ownership and economic use of a property – are evaluated for funding. OWEB’s current administrative rules focus on habitat, plant community, and species ecological priorities and whether applications meet one or more conservation principles to protect those priorities. In contrast, a number of working lands easement proponents have argued that protection from land division and intensification of use should be sufficient for OWEB funding.

As part of the strategic plan implementation, staff are seeking an independent contractor to analyze programs that fund “working lands” conservation easements and interview interested parties to seek opinions about what working lands easements can contribute to watershed and habitat restoration and conservation in Oregon. The purpose of the project is to compile

policy and program information and stakeholder perspectives to help OWEB better determine how its funding can be used for working lands conservation easements that provide long-term economic benefits for landowners in a manner that is consistent with the Constitution and OWEB's mission and statutes.

OWEB issued an RFP on November 6, 2009 to hire a contractor to perform these tasks. The initial RFP received no interest. Staff extended the RFP deadline until January 6, 2010, and are hoping to secure the services of a contractor in January with a goal of presenting findings to the Board at the September 2010 or January 2011 meeting.

IV. Recommendation

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

Attachment

- A. Strategic Plan Immediate Action Table

Draft Strategic Plan - Proposed Implementation Actions

Attachment A

Goal 1: Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes support community needs.

Strategy 1: Maintain and enhance restoration and protection programs that focus on watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

Action	Immediate Action	Status	Staff Lead
Action 1: Work with the Oregon Department of Fish and Wildlife to update OWEB’s restoration and acquisition priorities and align them with the Oregon Conservation Strategy, salmon conservation and recovery plans, water quality management plans, and climate change strategies...	Yes	<ul style="list-style-type: none"> • Numerous phone calls and meetings with ODFW in November and December 2009. Statement of Work drafted. • RFPs targeted in January 2010. 	Ken Bierly
Action 2: Periodically review and update the Restoration and Acquisition Priorities... <i>(NEW in December 2009 Strategic Plan)</i>	No		
Action 3: Board adopts final set of Restoration and Acquisition Priorities.	No		
Action 4: OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.	Yes	<ul style="list-style-type: none"> • Ensuring Review Team discussions of process and function during application evaluations. Information will be included in evaluation summaries. • Developing more explicit “process and function” question for April 2010 Restoration application, replacing current process and function questions. • Developing website updates to make Restoration Priorities more visible and highlight process and function importance to OWEB Board. 	Lauri Aunan Courtney Shaff Miriam Hulst
Action 5: OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities...	No		
Action 6: Continue investment in the Willamette and Deschutes Special Investment Partnerships (SIPs) and work with partners to explore additional SIPs and other partnerships.	Yes	<ul style="list-style-type: none"> • Ongoing, Deschutes likely to soon utilize its full allocation of funding. • Willamette moving forward on slower track. • Continued interest in the Lower John Day and Sandy River basins for new SIPs. 	Ken Bierly
Action 7: Encourage and support programs that result in positive long-term economic outcomes for landowners while	Yes	<ul style="list-style-type: none"> • SB 513 Ecosystem Services Markets Work Group launched. 	Renee Davis-Born

Draft Strategic Plan - Proposed Implementation Actions

achieving watershed and habitat restoration and conservation.		<ul style="list-style-type: none"> • Carbon ecosystem services contract in progress. • Working Lands RFP pending. 	Ken Bierly
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Strategy 2: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements.

Action	Immediate Action	Status	Staff Lead
Action 1: Undertake a monitoring and research program status review to describe the lessons learned, the current use of data and analyses, and the actions needed to implement this strategy.	No		
Action 2: Implement the appropriate compliance and effectiveness monitoring in key investment areas and the remaining one third of OWEB's top restoration investment areas.	Yes	<p>Land Acquisition Hiring assistance for field effort. Anticipate field effort of site inspections in spring-summer.</p> <p>C&E Monitoring: Ongoing – To date:</p> <ul style="list-style-type: none"> • Effectiveness monitoring position hiring initiated • Wrapped-up initial Grande Ronde/South Coast fish passage and riparian projects • Completed first year of EPA Willamette wetland evaluation • Next steps include: website stories featuring monitoring results, fish passage and water quality evaluation, contracts for riparian, small dam, in-stream, IMW, and irrigation evaluation 	<p>Miriam Hulst Ken Bierly (acquisitions)</p> <p>Greg Sieglitz</p>
Action 3: Assemble data, information, lessons learned, and stories from effectiveness monitoring that will be used to implement Goal 3 to build awareness and understanding.	Yes	<ul style="list-style-type: none"> • Hired temporary staff to assist in database improvements and data mining • Contracted with I-Ten to map older unmapped projects • Contracted with Lane Community College to map small grant projects • Initiated database organization to align with websites • Initiated website clean-up and mock-up of new features • Drafted agreement with Department of 	Greg Sieglitz

Draft Strategic Plan - Proposed Implementation Actions

		Administrative Services for website project mapping and fish passage <ul style="list-style-type: none"> Worked with Defender's of Wildlife on Conservation Registry 	
Action 4: Continue to work with partners through collaborative workgroups and by providing funding through grants to high Immediate Action monitoring activities.	Yes	Ongoing – To date: <ul style="list-style-type: none"> Initiated coordination with ODFW, DEQ, USFS and NRCS related to Goal 3, Strategy 1, Action 3. Drafted work plan for DEQ participation 	Greg Sieglitz
Action 5: Continue to establish and maintain databases internally and through grants used to store, analyze, and provide the backbone of information delivery...	Yes	Ongoing – To date: <ul style="list-style-type: none"> Completed annual upload of 5 years of data to NOAA Made significant adjustments to database and processes to match NOAA requirements Continued work with ODFW on state-wide fish passage database Continued work with OWRD on GIS services and data hosting 	Greg Sieglitz
Action 6: Revise OWEB Research Priorities to align with Board goals related to climate change, Oregon Plan for Salmon and Watersheds, and Oregon Conservation Strategy.	No		

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Strategy 1: Establish and articulate policies related to the support and development of a diverse local infrastructure for watershed restoration.

Action	Immediate Action	Status	Staff Lead
Action 1: Work with watershed councils, soil and water conservation districts, et al to identify needs and funding partners to build capacity and develop diverse/enduring local infrastructure.	Yes	Listening Sessions with councils planned for February/March 2010	Lauri Aunan Courtney Shaff
Action 2: Identify and evaluate alternative organizational structures to achieve more stable local infrastructure.	No		

Draft Strategic Plan - Proposed Implementation Actions

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships.

Action	Immediate Action	Status	Staff Lead
Action 1: Develop funding policy guidelines for achieving sustainable council support.	Yes	Listening Sessions with councils planned for February/March 2010	Lauri Aunan Courtney Shaff
Action 2: Develop policy guidance for the Board on council requests for solo funding (“splitting” from umbrella councils) for the 2011-2013 council support grant awards.	Yes	Listening Sessions with councils planned for February/March 2010	Lauri Aunan Courtney Shaff
Action 3: Work with applicants, reviewers and others to explore options regarding how OWEB funds councils...	No		

Strategy 3: Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience.

Action	Immediate Action	Status	Staff Lead
Action 1: Require specific capacity building products and expectations as deliverables for the funding provided to the Network and OACD.	Yes	Network GA drafted - – Working with the Network to develop council training opportunities under this funding. Waiting for OACD application.	Melissa Leoni Courtney Shaff
Action 2: Reserve noncapital funds to contract with one or more organizations to deliver additional capacity building services in 2009-2011.	Yes	Ongoing. To date: <ul style="list-style-type: none"> • Funded travel scholarships for councils to attend the Network Gathering • Funded “excellent” councils to provide training for Needs Improvement and Satisfactory councils at the Network Gathering • Funding “Connect 2010” training for SWCD employees • Developing follow up training and mentoring ideas for Needs Improvement councils 	Lauri Aunan Courtney Shaff
Action 3: Continue working with partners and exploring possibilities to develop tools and strategies for ecosystem service market participation...	Yes	<ul style="list-style-type: none"> • SB 513 Working Group effort launched. • Ecosystem Services contract in progress. 	Renee Davis-Born

Draft Strategic Plan - Proposed Implementation Actions

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Strategy 1: Make Oregonians aware of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

Action	Immediate Action	Status	Staff Lead
Action 1: Develop and implement simple, effective and strategic awareness messages and messaging tools aligned with OWEB's strategic plan	Yes	Gard contract in progress: <ul style="list-style-type: none"> • Messages/co-branding strategy in final development • Final Microsite and PowerPoint products due by February 2010 	Tom Byler Carolyn Devine
Action 2: Develop a range of tools for OWEB grant recipients to use to further the Strategy and implement Action 1.	Yes	Gard Co-branding/messages in development.	Carolyn Devine
Action 3: Coordinate and develop specific plans with other agencies and partners to deliver consistent messages.	Yes	Agency partner coordination: <ul style="list-style-type: none"> • In October, Melissa discussed issue at Oregon Plan Core Team Meeting. • Ken/Tom will coordinate with the Governor's office. • Staff completing work plan to engage agencies in 2010 to develop consistent messages, stories, and results information to describe achievements over past 10 years. • Work plan for local groups drafted and will be implemented in spring 2010. 	Melissa Leoni Greg Sieglitz Ken Bierly Carolyn Devine
Action 4: Compile a history of OWEB investments and ecological outcomes ("Decade of Investment") to increase awareness of the accomplishments of Oregonians to improve and protect watersheds.	Yes	<ul style="list-style-type: none"> • Investments – staff have begun developing fact sheets, organizing OWEB grant data, and developing internal protocols to better answer questions about OWEB investments. • Ecological Outcomes –Part of Goal 1, Strategy 2, Action 3 	Melissa Leoni Carolyn Devine Greg Sieglitz
Action 5: Review and enhance the Oregon Plan for Salmon and Watershed Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.	Yes	<ul style="list-style-type: none"> • Internal meeting to identify content enhancements on January 13, 2010. • Follow-up discussions with agencies (see Action 3 above) and additional content planning to be complete by April 2010. 	Melissa Leoni

Draft Strategic Plan - Proposed Implementation Actions

Action 6: Use the Strategic Communication Plan to guide outreach grant offerings. <i>(NEW in December 2009 Strategic Plan)</i>	No		
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Strategy 2: Encourage and facilitate greater exploration and knowledge for those Oregonians who seek greater involvement in watershed restoration and conservation.

Action	Immediate Action	Status	Staff Lead
Action 1: Increase knowledge of effective education and engagement strategies, programs, and tools... <i>(NEW in December 2009 Strategic Plan)</i>			
Action 2: Build and support effective education efforts that increase Oregonians knowledge and involvement... <i>(NEW in December 2009 Strategic Plan)</i>			
Action 3: Work with partners to develop and implement the Oregon Environmental Literacy Plan (“No Child Left Inside”).	Yes	Initial organizational meeting of work group held. OWEB staff will participate.	Carolyn Devine

Goal 4: Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.

Strategy 1: Identify new and expand existing strategic partnerships that leverage OWEB funds and knowledge to achieve healthy watershed and community outcomes.

Action	Immediate Action	Status	Staff Lead
Action 1: Executive Director and partnership subcommittee will identify and prioritize partnership development on behalf of OWEB consistent with the vision and Board adopted partnership criteria.	Yes	Ongoing: <ul style="list-style-type: none"> • Whole Watersheds Restoration Initiative is active and has solicited project proposals. • Tillamook flooding remediation and estuarine wetland restoration through an Oregon Solutions effort has developed to the point of consideration. • Partnership with Jackson County to remove Gold Ray Dam on the Rogue River is fully developed. 	Ken Bierly Tom Byler
Action 2: OWEB key messages will be developed and shared with partners. Specific plans will be developed for distribution of messages by partners.	Yes	Gard contract co-branding work in progress (see Goal 3, Strategy 1, Action 2)	Tom Byler Carolyn Devine

Draft Strategic Plan - Proposed Implementation Actions

Goal 5: Ensure efficient and accountable administration of all investments.

Strategy 1: Continue to evaluate, explore and implement grant administrative processes to maintain and enhance efficiencies at all levels.

Action	Immediate Action	Status	Staff Lead
Action 1: Conduct an independent review of OWEB's business processes...	No		
Action 2: Prioritize and implement business process recommendations.	No		
Action 3: Explore options and develop information technology tools to increase efficiencies and meet needs of stakeholders/staff.	No		



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January 4, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Greg Sieglitz, Monitoring and Reporting Program Manager
Carolyn Devine, Communications Coordinator
Melissa Leoni, Senior Policy Coordinator

SUBJECT: Agenda Item H: Strategic Plan Implementation
Public Awareness and Involvement
January 20-21, 2010 OWEB Board Meeting

I. Introduction

This report provides an update on implementation of immediate actions under Goal 3 of the Final Draft Strategic Plan. Agenda Item F reports more specifically about the implementation of actions under the other four goals.

II. Background

In January of 2009, OWEB contracted with Gard Communications to help develop messages and identify tools that could be used for strategic media and communications efforts to promote public awareness and involvement in the agency's watershed enhancement program. Gard undertook an initial discovery process that involved interviewing key stakeholders representing a variety of perspectives from every corner of the state, drafting messages, vetting the messages with a focus group, and developing recommendations on strategy and tactics associated with implementing a communications effort. The Gard team updated the Board on their efforts at the March and June meetings last year. The results of Gard's efforts were presented at the September 2009 Board meeting.

The OWEB Strategic Plan described in Agenda Item E was developed at the same time; the recommendations of the Strategic Communications Plan are incorporated into the public awareness and involvement goal (Goal 3) of the Strategic Plan. Based on public comments, Goal 3 has been revised in the final draft strategic plan, resulting in one new action under Strategy 1 and two new actions under Strategy 2.

In order to implement both plans, and to address the anticipated need to respond to information inquiries and questions from the public due to the Lottery Fund reauthorization initiative, staff proposed and the Board approved an allocation of \$400,000 in September of 2009 to carry out the necessary public awareness and involvement work and product development in an expedited manner.

The implementation status of each action under Goal 3 is shown in Attachment A to Agenda Item F. This staff report briefly describes the priority communications products and education efforts being implemented under the Strategic Plan and Strategic Communications Plan.

III. Communications Products

A. Messaging and PowerPoint Presentation

Staff have contracted with Gard Communications to further refine the messages and tools associated with the draft plans that will help OWEB build its information infrastructure. These messages will be used in future communications products. One product that will be produced in 2010 is a simple PowerPoint presentation that can be used for outreach presentations to local community groups that may not be familiar with OWEB and the work the agency funds.

B. Microsite and OWEB Web Site

OWEB's contract with Gard also includes the design and launch of a simple, compelling, and effective site (Microsite) that will be the centerpiece of OWEB's long-term communications efforts. With high-level messages and easy navigation, the objective of the Microsite is for visitors to gain an increased awareness of the accomplishments of the work that has been done by OWEB and others on behalf of all Oregonians. Staff plan to demonstrate the proposed Microsite at the Board meeting in anticipation of an early February launch of the site.

At the same time, OWEB staff have initiated work to update OWEB's current web site to eliminate redundancies and improve content delivery whenever possible. Out of date or confusing text is being updated or removed, new explanatory content is being added, and basic improvements are being planned to provide essential connectivity to the Microsite. Staff plan to complete many of these updates by the end of January 2010 and will report progress at the January Board meeting.

Once the initial clean up of OWEB's web site is complete, staff plan to launch a second phase of updating our online presence that will be implemented between February and the summer of 2010. Phase two will involve engaging an outside contractor to evaluate both web sites from a user's perspective to improve the delivery of information and content and integration of sites. The second phase will also include the development of additional content, including stories and web videos about OWEB-funded projects and ways to better show the cumulative results from OWEB's investments over the past ten years.

C. Agency Coordination

Over the next year, staff will engage in both ongoing and new efforts to coordinate with our sister agencies on communications, messaging, and reporting results from our collective investments in watershed and habitat restoration and conservation. Staff have developed a draft work plan to engage the Oregon Plan agencies over the spring and summer in developing consistent messages, stories, and results information to describe the achievements that have been made possible by the dedication of lottery and other funds over the past ten years. The results of this effort will inform updates to OWEB's web sites, the Oregon Plan for Salmon and Watersheds web site, and the content and format of the 2009-2011 Oregon Plan Biennial Report.

Staff are currently developing a reporting template for agencies to use that will inform further story and information development efforts. Some of the funding reserved by the Board at the September 2009 meeting for Oregon Plan Products may be used to accelerate agency efforts to discover, compile, and deliver priority program investment and accomplishment information if necessary.

D. OWEB Investments and Ecological Outcomes

As described in September, it is likely that the public may show more interest in OWEB and our programs over the next year than we have previously seen. It is essential that OWEB be able to provide meaningful information about its investments, programs, and activities. Staff are moving forward with the Strategic Communication Plan's recommendation to "create and enhance an ongoing information infrastructure" that can provide useful and timely information about our investments and the results.

To date, OWEB's main delivery vehicle for information about programs and accomplishments has been the Oregon Plan Biennial Report. While these reports have been quite comprehensive, they have been structured to provide an accounting of outputs related to funding and projects. Through the Strategic Planning development process, staff and the Board have discussed enhancing the Biennial Report to feature outcome-based messages.

With the recent developments in web site, mapping, and database technologies, a new era of information accessibility is emerging. Staff are exploring how to use these new tools to better communicate ecological outcomes and programmatic accomplishments to the public and our stakeholders. However, the migration to outcome-based reporting will be a significant adjustment and will require a large investment of staffing and other resources. Some of this may be achieved through partnerships with agencies as described in Section III.C. above. Other tasks may be accomplished through existing staffing or contracted services.

One challenge for OWEB will be to integrate our investments, outputs, and outcomes around common messages. However this also presents an exciting opportunity for OWEB to showcase the tremendous benefits of our investments to local communities and ecosystems. Linking results derived from effectiveness and other types of monitoring to specific OWEB project investments is a key method that staff plan to employ to portray progress made and outcomes achieved. In many cases, we will utilize a description of the trajectory we are on and targets we are trending towards, as opposed to describing specific end points that have been attained. This approach is important because it recognizes the realities of ecosystem restoration as a necessary long-term investment to overcome legacy perturbations. Similarly, many restoration actions require decades of maturity before their complete ecosystem benefits are fully realized.

Goal 3, Strategy 1, Action 4 in the OWEB Strategic Plan proposes a compilation of historic investments and outcomes. Staff do not view this as a single document or publication. Rather, this compilation would consist of the maps, stories, web site narratives, data, and information that are described above. Staff anticipate providing access to project and investment information primarily through our web site in a manner that would allow users to organize information by year, geography, grant type, fund source, grantee, project activity,

and others categories. Staff will present examples and mock-up versions on these concepts at the Board meeting.

IV. Oregon Environmental Literacy Plan

HB 2544, passed by the 2009 Oregon Legislature, establishes an 11-member Oregon Environmental Literacy Task Force charged with developing an Oregon Environmental Literacy Plan to integrate environmental education into the academic curriculum. This plan is required for Oregon to be eligible for federal grant monies that support K-12 teacher efforts to utilize the local environment as an extension of the classroom.

Goal 3, Strategy 2, Action 3 of the Strategic Plan calls for staff to work with partners on the development and implementation the Oregon Environmental Literacy Plan. The Task Force has been appointed and will begin more formal discussions the first week of January 2010. Staff will participate in these meetings.

V. Recommendation

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



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December 31, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item J: Research Program Reports
January 20-21, 2010 OWEB Board Meeting**

I. Introduction

This report provides background on two of the Research Project investments made by the Board in 2009. More detailed presentations will be made by project representatives at the January Board meeting.

II. Climate Change Planning at the Local Level

In 2009, the Board invested research funds in a project specifically designed to provide more exposure to and awareness of climate change at the local level. This project capitalizes on the work of an existing University of Oregon program that creates a forum for dialogue and learning about climate change predictions at the watershed scale.

At the June Board meeting, staff presented the work conducted by the university's Climate Leadership Initiative (CLI) in the Rogue and upper Willamette basins. Staff proposed supporting similar work in the Umatilla, Klamath, and lower Willamette basins over the coming year through the support of a research grant to the CLI. The Board allocated \$171,128 to enter into an agreement to initiate this work in the basins named above.

At the January Board meeting, representatives from the Climate Leadership Initiative will provide a presentation on their efforts in 2009 and answer questions about the program's plans for the coming year.

III. Ecosystem Workforce Evaluation

Another research project the Board invested in 2009 focuses on evaluating, quantifying, and describing the local community economic benefits resulting from Board investments in restoration work. At the January 2009 Board meeting, OWEB staff requested Board approval to contract with the University of Oregon (UO) to prepare an estimate of the economic impact and job creation from OWEB's restoration investments. Work with the UO Ecosystem Workforce Program occurred over the spring and summer to enter into an agreement and to conduct this study. Results from the preliminary analysis were provided to the Board at the March and June meetings. Representatives from the Ecosystem Workforce Program will update the Board on progress of the study to date and outline next steps in 2010.

IV. Recommendation

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



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January 4, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item M: Legislative and Budget
January 20-21, 2010 OWEB Board Meeting**

I. Introduction

This report provides an update on OWEB's 2009-2011 budget and spending plan and any anticipated impacts from the upcoming 2010 Special Session of the Legislature. This staff report also describes the agency budget and legislative agenda preparation for the 2011 legislative session.

II. 2009-2011 Budget and Spending Plan

At the September 2009 meeting, staff proposed a spending plan for the \$46.6 million in capital funds and \$8.0 million in non-capital funds appropriated to the Oregon Watershed Enhancement Board by the Legislature for the 2009-2011 biennium. The proposed plan was intended 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.

The proposed spending plan was influenced by a number of factors, the first being an update to OWEB's Strategic Plan and the development of a Strategic Communications Plan and the second being the potential vote to reauthorize dedicated lottery funding for watershed and conservation purposes. The plans offer a series of actions above and beyond traditional program demands and the latter requires immediate action to be able to respond to an anticipated increase of interest in and requests for information about OWEB's programs.

The Board approved spending plan is shown in Attachment A. Staff are not proposing changes or additions to the non-capital spending plan at this time because of the uncertainty over the February Special Session (as described in Section III below) and because we are still implementing actions funded by the Board at the September 2009 meeting (see Agenda Items F and H). Staff propose the Board allocate \$1.5 million in capital funds for two restoration efforts described in Agenda Items N and Q. Staff will present grant cycle targets and an updated spending plan, if necessary, at the March 2010 Board meeting.

III. 2010 Legislative Session

The Oregon Legislature is scheduled to meet for a special session in February 2010. Staff do not anticipate that the session will involve any policy bills affecting the agency. However, OWEB's

budget, as well as other state agency budgets, could be subject to legislative reductions. There are two primary factors for the potential reductions. First, declining General Fund and Lottery Fund revenues are below predicted revenue levels for the first six months of the biennium. Second, Oregon voters will consider two ballot measures in late January that could repeal revenue increases made by the 2009 Legislature. These factors may compel state agency budget cuts during the February session. This fall, all General Fund and Lottery Fund supported agencies were directed by the Legislative Fiscal Office to identify 10 percent budget reductions to help prepare for the February session. OWEB could face reductions to both capital and non-capital funds.

IV. 2011 Legislative Session

Although the 2011 legislative session does not begin for another year, state agencies are beginning to prepare policy and budget proposals. State agency legislative concepts are only 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) in April 2010. Once approved by DAS, legislative concepts are sent to Legislative Counsel for drafting in fall 2010 prior to pre-session filing by the Governor in December 2010.

Staff do not propose any legislative concepts at this time, largely due to the uncertainty over the possibility of a rededication of lottery funding for parks and conservation purposes. Further discussions are needed with the Governor's office about the potential for submitting a placeholder legislative concept that could be developed after specific language qualifies for the ballot and/or the results of the November 2010 election are known. Another possible legislative placeholder may be needed for policy proposals generated by the Ecosystem Services Markets Working Group created by Senate Bill 513 last session. See Agenda Item O for more information on the efforts of the Working Group.

Staff will have further conversations with the Governor's office over the next few months and will present any legislative concepts for Board consideration at the March meeting in order to meet the April DAS deadline.

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 2011-2013 biennium. Staff anticipate bringing draft budget packages to the Board at the March and June 2010 Board meetings prior to the anticipated July 1, 2010, deadline for agency requests.

V. Recommendation

Board action is not requested at this time.

Attachment

A. Spending Plan

2009-2011 Biennium Non-Capital Spending Plan

Available Funding (July 1, 2009) = \$8 million

Program Element	Sept 2009 Allocation	Sept 2009 Reserve	Total
Local Capacity: WSC & SWCD Support; Network, OACD, and training	\$2,440,454	\$0	\$2,440,454
Technical Assistance Grants (April 2009 Cycle)	\$576,610	\$0	\$576,610
Restoration Projects Non-capital (2009-2011 Biennium)	\$17,113	\$107,887	\$125,000
Recovery Planning	\$100,000	\$0	\$100,000
Information and Communication Needs	\$400,000	\$0	\$400,000
Oregon Plan Products	\$250,000	\$140,000	\$390,000
OP Products: Restoration/Acq. Priorities	\$180,000	\$0	\$180,000
Effectiveness Monitoring & Reporting	\$270,000	\$420,000	\$690,000
Biennial Conference, Tech Training & Outreach	\$125,000	\$0	\$125,000
SIP: Willamette Contract and Deschutes TA	\$300,000	\$0	\$300,000
Working Lands Conservation Easement Contract	\$50,000	\$0	\$50,000
Totals	\$4,709,177	\$667,887	\$5,377,064

Remaining Funding =

\$2,622,936

2009-2011 Biennium Capital Spending Plan

2009-2011 Available Funding = \$46.6 million

Program Element	Sept 2009 Allocation	January 2010 Allocation
Small Grant Program	\$2,800,000	
CREP	\$1,300,000	
Special Investment Partnerships	\$4,000,000	
Regular Restoration/Acquisition Grants	\$7,194,590	
Item N - Whole Watersheds Restoration Initiative		\$500,000
Item Q - Gold Ray Dam (#210-2048)		\$1,000,000
Totals	\$15,294,590	\$1,500,000

Remaining Funding =

\$29,805,410



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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January 5, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item N-1: Partnership Investments
Oregon Solutions Tillamook Project Exodus
January 20-21, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the proposed flood management and reduction project that has significant estuarine restoration benefits in Tillamook Bay. This report is for information purposes only.

II. Background and Summary

Tillamook County has the highest repeated flood damages in the state. For the last two years a group of stakeholders has been working to identify opportunities to reduce the impacts of flooding in Tillamook. Governor Kulongoski convened an Oregon Solutions team chaired by Senator Betsy Johnson and Commissioner Mark Labhart in April of 2007. OWEB is a member of the Oregon Solutions team. The group has worked diligently to find ways to address flooding of Highway 101 north of the City of Tillamook. The group has recently contracted with nationally recognized hydraulic consultants to evaluate potential approaches to reduce flood impacts. They have developed a proposed plan that includes a flood reduction project involving removal of more than eight miles of dikes and construction of a two mile flood directing structure. The proposal is modeled to reduce flooding at Highway 101 by at least 1.0 foot at most flood flows. In addition, it could restore nearly 600 acres of intertidal marsh from diked pasture.

III. Flood Reduction Project History and Status

OWEB staff have participated in the Oregon Solutions meetings since the beginning. A cornerstone of the restoration element of the project is the County-owned property at the confluence of the Trask and Tillamook rivers (Figure 1). OWEB funding and the receipt of a National Coastal Wetlands Grant in 2000 made the acquisition of the property possible for the purpose of wetland restoration. This project will allow the acquired lands to be restored to intertidal function.



The Oregon Solutions team chairs and Tillamook County staff will present the flood reduction proposal to the Board and will discuss the community evaluation and deliberation. The project will be primarily funded by Federal Emergency Management Agency (FEMA) funds associated with a settlement of the Tillamook Railroad loss. The project proponents will describe the project and the timing of funding needs for implementation. It is anticipated that the County will need up to \$2 million to complete the restoration and land acquisition for the project.

Figure 2: Land Ownership Involved in Project Exodus

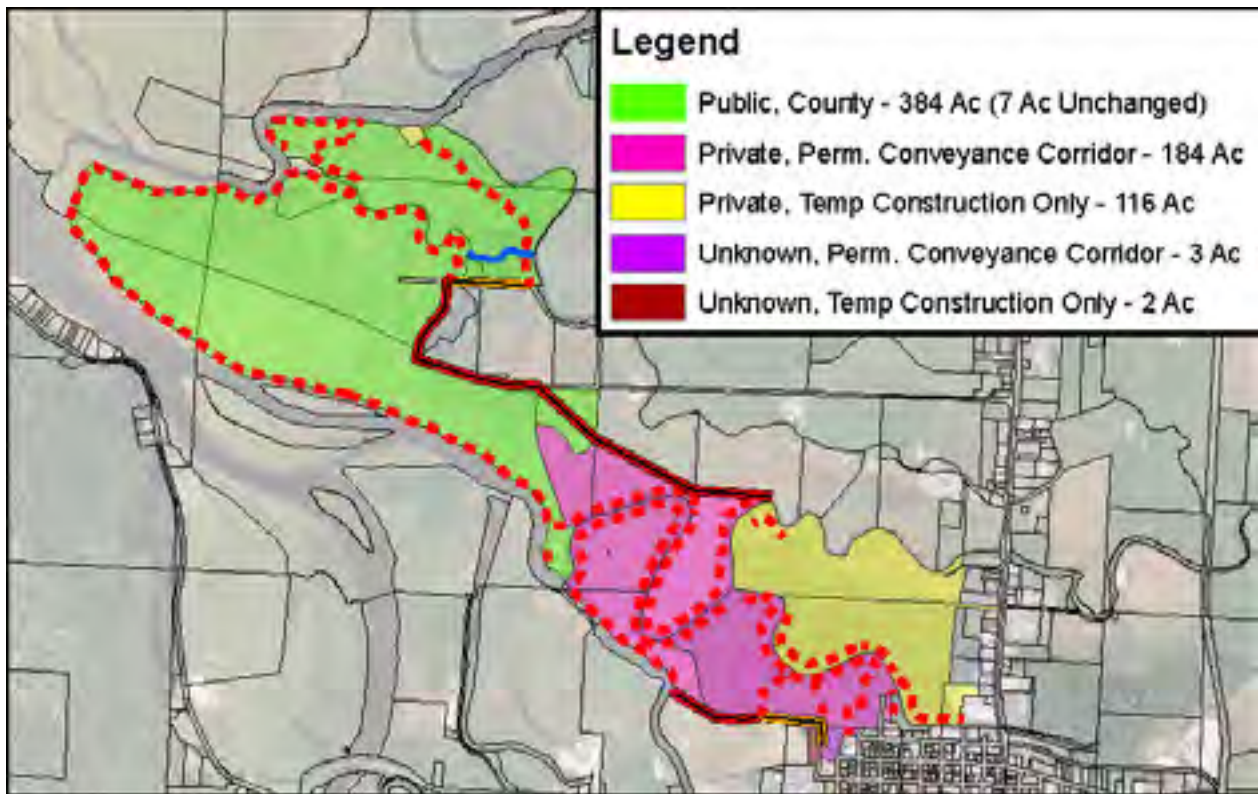
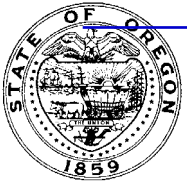


Figure 2 identifies the lands involved in the proposed “Project Exodus” that involve dike removal and estuarine restoration. The properties in green were acquired by Tillamook County with the assistance of OWEB and USFWS grants. The dashed line represents dike removal. The solid double lines represent the flood directing structure.

IV. Recommendation

This report is for information purposes only, no Board action is required.



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January 5, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item N-2: Partnership Investments
Whole Watersheds Restoration Initiative
January 20-21, 2010 OWEB Board Meeting**

I. Introduction

This staff report seeks Board approval to allocate \$500,000 of capital funds to continue support for the Whole Watersheds Restoration Initiative in partnership with the U.S. Forest Service, National Marine Fisheries Service, and Ecotrust. Staff will present the list of recommended projects at the January Board meeting with recommended amounts of OWEB funding to match other partner funds.

II. Background and Summary

In 2005 and early 2006, staff discussed with the Board the proposed partnership with the U.S. Forest Service (USFS) 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.

This effort became the Whole Watershed Restoration Initiative (WWRI), 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 has involved OWEB, USFS, Ecotrust, and numerous local partners. The National Marine Fisheries Service (NMFS) joined the partnership with a \$1.2 million three-year grant (\$400,000 per year) to Ecotrust beginning in 2008, which encouraged growth of the partnership and community investments.

In January of 2008 the OWEB Board approved the allocation of \$500,000 to 12 WWRI projects selected through a review process involving partners and other interests. OWEB's funds were matched by \$400,000 from NMFS and \$1,500,000 from USFS. Ecotrust has brought a significant level of consistency and efficiency to the program for the WWRI funding agencies by acting as administrator of the program.

III. Application Solicitation and Review Process

In October 2009, Ecotrust solicited new applications for community-based habitat restoration projects for the 2010 cycle of the WWRI. (Attachment A) Similar levels of matching funds are expected to be available for the 2010 cycle. Since federal budgets are just now being completed, the final contribution by the U.S. Forest Service is not available. Ecotrust received 33 applications by the November 20, 2009, deadline (Attachment B); they have been sent to a review team for evaluation. The review team will meet on January 6, 2010, to make final recommendations for funding. Ecotrust will work with the partners to allocate funds immediately following the review process. A list of applications recommended for OWEB funding will be prepared at that time. The WWRI partners will also provide a summary of program accomplishments at the Board meeting.

IV. Recommendation

Staff recommend the Board approve up to \$500,000 of capital funds 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. Request for Proposals for Community-Basin Habitat Restoration Projects
- B. List of Whole Watersheds Restoration Initiative Applications 2010

REQUEST FOR PROPOSALS FOR COMMUNITY-BASED HABITAT RESTORATION PROJECTS IN OREGON, WASHINGTON, AND IDAHO

Proposal Deadline – November 20, 2009 at 5:00 PM PST

Grant Awards Announced – January 2010

Download Grant Applications – www.ecotrust.org

Contact:

WWRI@ecotrust.org

Ecotrust

721 NW Ninth Avenue, Suite 200

Portland, Oregon 97209

Ecotrust is pleased to request project proposals for the 2010 cycle of the Whole Watershed Restoration Initiative (WWRI). In partnership with the National Oceanic and Atmospheric Administration (NOAA), Oregon Watershed Enhancement Board (OWEB), and the Pacific Northwest Region of the Forest Service, Ecotrust has the extraordinary opportunity to continue supporting community-based habitat restoration projects through the WWRI.

Introduction

Ecotrust's mission is to inspire fresh thinking that creates social equity, economic opportunity and environmental well-being. For nearly two decades, Ecotrust has created, capitalized and catalyzed innovative ways to restore environmental conditions while fostering economic opportunities in the temperate rain forest–Pacific salmon region that stretches from Alaska to California.

The goal of the Whole Watershed Restoration Initiative is to restore the natural functions of whole watersheds in Oregon, Washington, and Idaho along with amplifying community-based partnerships focused on the strategic restoration of Pacific salmon and steelhead ecosystems.

Available Funding

For 2010, the majority of WWRI funding comes from Federal sources, but may include up to \$250,000 in State funds. Successful applicants should expect project funding to be Federal.

Applicants may request between \$20,000 and \$100,000 in funding. Projects requesting less than \$20,000 or more than \$100,000 will not be considered for funding through the WWRI.

Applicants whose project will be implemented in 2010 will be given priority. Project activities must be completed within twenty-four months of the award start date.

Eligibility

Geographic Considerations

Projects located in one of the Pacific Northwest Whole Watershed Restoration Partnership priority basins will receive emphasis for funding. Additional emphasis for funding will be given to projects within a focus watershed. Priority basins are in **bold** font and *focus watersheds* are in italics.

- **Mid-North Oregon Coast:**

- *Alsea River*
- *Nestucca River*

- **South Oregon Coast:**
 - *Steamboat Cr in the North Fork Umpqua River*
 - *Upper South Fork and Jackson Cr of the Umpqua River*
 - *Sucker Cr of the Illinois River*
 - *Applegate River*
 - *South Fork Coquille River*
- **John Day:**
 - *Camp Creek of the Middle Fork*
 - *Granite and Wall Creeks of the North Fork*
- **Lower Columbia:**
 - *Salmon River and Still Creek of the Sandy River, Oregon*
 - *Hood River, Oregon*
 - *East Fork and Muddy River of the Lewis River, Washington*
 - *Wind River, Washington*
 - *Grays River, Washington*
- **Upper Columbia:**
 - *Twisp River*
 - *Nason Creek of the Upper Wenatchee River*
 - *Lower Chewuch River*
- **Puget Sound:**
 - *Upper Sauk and Lower Suiattle Rivers of the Skagit River*
 - *North and South Forks of the Skykomish River*
 - *South Fork Skokomish River*
- **Clearwater:**
 - *Lapwai Cr / Big Canyon Cr*
 - *Potlatch River*
 - *Lochsa River*
- **South Fork Salmon:**
 - *Secesh River*
 - *Upper South Fork Salmon River*

Look for a Priority Basin and Focus Watershed map coming soon to www.ecotrust.org/forestry/wwri.html.

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
- Road decommissioning

Projects should focus on restoration of anadromous fish habitat, implementing on-the-ground habitat restoration activities, but they may include other activities such as feasibility analysis, design, outreach, education, and monitoring. Applicants are encouraged to submit projects which are part of a recognized restoration action plan, salmon recovery plan, or other publicly-vetted prioritization document.

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.

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 are ineligible for NOAA funds. Federal agencies are encouraged to partner with non-federal, local organizations.

Partnerships and Match

Diversity of partners and degree of leveraged of funding are important considerations in project selection (see *Diversity of Partnership*, Evaluation Criteria D, below.) Applicants are encouraged to show non-federal match of at least 50% of the total project cost if possible. Projects with less than 50% non-federal match are eligible for funding, though some non-federal match is required.

Compliance with NEPA and Other State and Federal Regulations

Successful applicants are very likely to receive Federal funds, and therefore will be required to satisfy all applicable financial and programmatic requirements and meet all applicable local, state, and Tribal environmental laws and Federal consistency requirements, including but not limited to the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), and the Clean Water Act (CWA) before project implementation. Applicants are expected to work with the funding entities to provide information necessary to complete compliance requirements. For specific project inquiries, you may contact WWRI@ecotrust.org.

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.

If environmental compliance requirements have not already been completed, applicants are encouraged to incorporate necessary funding in the budget section of the application. For

example, if the project may affect historic or cultural resources and a survey will be needed to complete consultation with State or Tribal Historic Preservation Offices, the funding for this survey should be accounted for in the overall project budget.

Proposal Evaluation

Each proposal will be ranked by a selection committee on a scale from zero to 100 points and awarded funding based on how well it meets each of the following criteria:

- A. Goals and Objectives** (10 points)
- B. Geographic Focus** (15 points)
- C. Benefits and Project Justification** (20 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)

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 WWRI@ecotrust.org by 5:00 PM on November 20, 2009. Applicants are required to use the application format provided below. Please limit the narrative section (A-H) of the application to eight pages. Applicants may submit other information, such as maps, pictures, or designs, relevant to the evaluation of the project in an attachment.

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).

Evaluation Criteria – (Please respond to these in 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. Geographic Focus (15 points)

Scoring for this category is heavily weighted towards selecting and completing essential restoration work in priority basins (10 points) and focus watersheds (5 points). (See *Geographic Considerations* described above.)

C. Benefits and Project Justification (20 points)

What is the importance of the project and why is it needed? 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 salmon 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 salmon recovery plans, water quality restoration plans, etc.

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. A discussion of how the project will benefit water quality and other water resource concerns would also be helpful. Economic and social benefits should also be described to the extent possible.

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. Projects must show some 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, 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, as well as all matching funds and in-kind contributions. Budgets submitted should follow budget format provided. Please also specify whether matching funds and other contributions are pending or secured.

Whole Watersheds Restoration Initiative Applications 2010

Project Number	Organization	Project Name	Amount Requested	Priority Basin	Focus Watershed
OR-7	Freshwater Trust, The	Rudio Creek Ranch Habitat Restoration Project	\$98,572	John Day	No
OR-8	Grant SWCD	Kennedy - Murray Ditch Dam Elimination	\$77,875	John Day	No
OR-9	Malheur National Forest	Camp Creek Log Weir Removal Project (Phase II)	\$50,000	John Day	Camp Creek
OR-10	Native Fish Society	Technical Evaluation of Aquatic Conservation Options at Bates Pond	\$23,409	John Day	No
OR-11	North Fork John Day Watershed Council	Granite Riparian Revegetation Project	\$34,989	John Day	Granite Creek
OR-12	Confederated Tribes of the Warm Springs, The	Dee Irrigation District System Improvements Project Final Design	\$72,000	Lower Columbia	Hood River, OR
OR-13	Mt. Hood National Forest - Hood River	McGee Creek In-channel and Floodplain Restoration	\$72,550	Lower Columbia	Hood River, OR
OR-14	West Multnomah SWCD	Sturgeon Lake Restoration Action Plan Development	\$75,000	Lower Columbia	No
OR-15	Alsea Watershed Council	Canal Creek Design and Aquatic Restoration	\$36,740	Mid-North Oregon Coast	Alsea River
OR-16	McKenzie River Trust	Waite Ranch Tidal Wetland Restoration Project	\$100,000	Mid-North Oregon Coast	No
OR-17	Siuslaw Institute, The	Five-Mile Bell Instream Wood, Phase I	\$95,100	Mid-North Oregon Coast	No
OR-18	Siuslaw National Forest	Pixieland and Fraser Creek Restoration, Salmon River Estuary	\$97,000	Mid-North Oregon Coast	No
OR-19	Tillamook Bay WC	Waldron Creek Enhancement Project	\$69,800	Mid-North Oregon Coast	No
OR-20	Trout Unlimited	Boulder Creek Passage Project: Phase I	\$91,138	Mid-North Oregon Coast	Nestucca
OR-21	Trout Unlimited	Bummer Creek Habitat Enhancement Project, Phase II	\$30,300	Mid-North Oregon Coast	Alsea River
OR-22	Coos Watershed Association	South Fork Coos River Riparian Restoration Project	\$24,763	South Oregon Coast	No
OR-23	Coquille Watershed Association	Restoring Salmonid Habitat & Stream Dynamics in Rock Creek Phase II	\$45,800	South Oregon Coast	South Fork Coquille
OR-24	Curry County SWCD	Elephant Bar Estuary Habitat Creation	\$78,375	South Oregon Coast	No
OR-25	Illinois Valley Watershed Council	White-Deer Creek Habitat and Channel Enhancement Design	\$27,500	South Oregon Coast	No

Attachment B

OR-26	National Center for Conservation Science & Policy	Little Butte Creek Meander Restoration	\$100,000	South Oregon Coast	No
OR-27	Pacific Rivers Council	Sucker Creek Sediment Reduction Action Plan: Phase 2 - Middle Mainstem	\$99,370	South Oregon Coast	Sucker Creek
OR-28	Pacific Rivers Council	Salmonid Restoration Potential of the Umpqua River	\$100,000	South Oregon Coast	Steamboat, Jackson
OR-29	Partnership for the Umpqua Rivers	Rock Creek Hatchery Fish Passage Improvements	\$100,000	South Oregon Coast	No
OR-30	Partnership for the Umpqua Rivers	Elk Creek Watershed Salmon Recovery Project	\$100,000	South Oregon Coast	Trib to Upper South Umpqua
OR-31	Partnership for the Umpqua Rivers	Upper South Umpqua Instream Restoration Project Phase III - Gravel	\$95,675	South Oregon Coast	Upper South Umpqua
OR-32	Umpqua National Forest - Tiller	Middle Jackson Creek Salmon and Steelhead Restoration	\$100,000	South Oregon Coast	Jackson
OR-33	Williams Creek Watershed Council	West Fork Williams Stream Restoration	\$49,600	South Oregon Coast	Applegate River



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December 31, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Renee Davis-Born, Ecosystem Services Coordinator

**SUBJECT: Agenda Item O: Ecosystem Services Update
January 20-21, 2010 OWEB Board Meeting**

I. Introduction

This report provides an update about two ecosystem services initiatives with which OWEB is involved and additional efforts in the area of ecosystem services markets. The first part of the report is a progress update on the Ecosystem Services LLC project supported with OWEB Research funds. The second portion of this report is a status update about activities of the Senate Bill 513 Ecosystem Services Markets Working Group, which is staffed by OWEB. The third item is an update about work underway by the Willamette Partnership and others related to ecosystem market development.

II. OWEB Research Project on Ecosystem Services

OWEB has begun to investigate how traditional OWEB restoration and acquisition projects may provide ecosystem services and how these investments may converge with ecosystem services markets. At the March 2009 meeting, the Board approved \$165,000 of Measure 66 Research non-capital funds for an Ecosystem Services Module within the agency's Research Program. As the Board learned at the September 2009 meeting, a Request for Proposals process resulted in OWEB contracting with Ecosystem Services LLC (ESS) and Ecotrust to evaluate how ecosystem services markets may connect to restoration and conservation actions funded by OWEB. The contract's scope focuses on carbon-offset ecosystem services, but takes into account co-benefit ecosystem services that result from carbon-related projects. This project will benefit the OWEB Board and staff, local partners, and restoration and conservation practitioners by assessing the alignment between ecosystem services markets and OWEB funded projects, and by describing pathways by which local entities may participate in the ecosystem marketplace.

The research project by ESS and Ecotrust includes three phases of work:

- 1) Phase I – Identify current ecosystem services markets and potentially eligible OWEB funded projects that have carbon-offset and co-benefit ecosystem services.
- 2) Phase II – Evaluate the market opportunities for ecosystem services credits emerging from OWEB funded projects.
- 3) Phase III – Develop up to two pilot projects, focused on carbon offsets and co-benefit ecosystem services, for market transactions.

Phase I is complete and consisted of a historical survey of past OWEB projects and their potential carbon offset and co-benefit ecosystem services values. Given the focus on carbon, ESS included both forest carbon projects (e.g., riparian plantings) and soil-carbon projects (e.g., rangeland management improvements and changes in agricultural practices). Other criteria applied include: a) projects with a net gain in carbon sequestration; b) restoration projects funded between January 2008 and July 2009; c) acquisition projects funded between January 2005 and June 2009; and d) projects greater than 10 acres in size.

A total of 39 restoration projects met these criteria. ESS then reviewed the amount and quality of data available for each of these projects and categorized each project as having either “low” or “high” amounts of key data needed for estimating carbon sequestration levels. While none of the project descriptions contained enough analytical data to meet the rigorous standards required for market-based projects, ESS was able to estimate carbon offset tonnage by making standard assumptions where needed.

The projects rated “high” (a total of 12) are estimated to sequester a total of 275,500 tons of CO₂ equivalent (the standard unit of measurement for sequestration) over a 50-year project timeframe. This value translates into approximately \$2 million in potential market value, based on a representative per ton price of \$7.50. This price is likely a conservative estimate given the range of \$0.10 per ton for low-quality carbon paid by the Chicago Climate Exchange to \$30 per ton for high-quality carbon in the regulated European market.

A total of 19 acquisition projects met these criteria. The projects rated “high” (a total of 16) are estimated to sequester a total of 620,000 tons of CO₂ equivalent over a 50-year project timeframe. This value translates into approximately \$4.65 million in potential market value, again based on a representative per ton price of \$7.50.

While the Phase I review provides an estimated monetary value for carbon sequestration emerging from a subset of OWEB funded projects, it does not assume that OWEB is preparing to enter the market or that these values should be considered a revenue source for grantees or OWEB. Policy issues such as these will require input and deliberation by the OWEB Board and potentially could be discussed as part of the SB 513 Working Group process. In their final report, ESS will describe characteristics of restoration and acquisition projects that have high likelihood for market viability and the co-benefit ecosystem services that emerge from such projects. They also will make recommendations to the agency about approaches to increase the potential for OWEB funded projects to result in carbon offsets.

Phase II includes several activities that will evaluate market opportunities for OWEB funded projects. ESS will provide an overview of current voluntary markets for carbon offsets and both voluntary and regulatory-based markets for co-benefit ecosystem service credits and describe the requirements of these markets (e.g., standards, monitoring requirements, etc.). They also will describe emerging market opportunities in Oregon. The contractor is in the process of completing a survey of all members of the supply chain, ranging from landowners and managers and project developers to third-party verifiers, environmental registry experts, and regulatory agencies. The survey is intended to describe potential barriers to project development and identify information and resources that are necessary for a project to result in successful carbon transactions.

Phase II will culminate in a “Supply Chain” event that will bring together Board and staff from OWEB, local partners and landowners, agency and NGO staff, and representatives of the “demand side” of ecosystem services markets. At this event, which will be held in April of 2010, participants will share lessons learned from actual Oregon-based carbon transactions, discuss tools for quantifying and monetizing several ecosystem services in a market-based setting, and identify resources and collaborations required to accelerate the practical monetization of carbon offsets and opportunities for future projects.

Phase III consists of two pilot projects focused on carbon offsets and co-benefit ecosystem services to demonstrate what steps are necessary to create market-ready projects. One pilot, a forest based land acquisition-project, will provide practical information about how to project proceeds from inception to completion. The site identification, project feasibility, and project design phases have all been completed and the final transaction is now being negotiated between a state agency, who will be holding title to the land, and a wholesale purchaser of carbon offsets representing the state’s utilities. When completed in April of 2010, the transaction will result in a mixed use of conservation, recreation, and forest management for 580 acres of coastal temperate forest. Approximately 50 percent of the purchase price will be provided by the sale of carbon offsets generated by changing the future management of the property from its current industrial timber harvest cycle.

A second pilot concept has focused on soil-based carbon sequestration projects, which primarily would occur in Oregon east of the Cascades. The ESS and Ecotrust team, in consultation with scientists and practitioners working in this field, are developing a research plan that will address unknowns about how different rangeland management approaches influence soil-carbon offset potential. This plan will identify specific tasks, including field testing of new, lower cost protocols for quantification and verification or monitoring that use remote-sensing technology. When implemented, this research will lead to better understanding of how to maximize soil-carbon sequestration while maintaining working rangeland landscapes, and may offer cost-effective alternatives for monitoring that result in increased market viability for soil-carbon projects. At least one federal agency has expressed interest in supporting this research in the future.

Staff will brief the Board about project status again at the March 2010 meeting. Project findings will be presented to the Board at the June meeting, with the final report due in mid-June 2010. The report will capture information about OWEB projects and insights gained from the pilot projects, will identify carbon-offset services and potential market opportunities in context of the agency’s mission and programs, and will provide a “roadmap” sketching out the steps necessary to take a carbon-offset project from inception to market transaction. These products will increase the agency’s understanding of the potential for ecosystem services markets to enhance restoration and conservation opportunities in Oregon by generating revenue for such activities.

III. Senate Bill 513 Ecosystem Services Markets Working Group

Senate Bill 513 (SB 513) charges the Sustainability Board with convening an Ecosystem Services Markets Working Group (Working Group), and names OWEB to provide staff support to this group. At the June 2009 meeting, the Board awarded \$290,000 in 2007–2009 Research non-capital funds to cover costs associated with staffing and contracted services to support implementation of SB 513, contingent upon final passage of SB 513 by the Legislature and signature by the Governor. SB 513 passed out of the Legislature on June 5, 2009, and was

signed into law by the Governor on July 23, 2009. The Working Group is charged with articulating the need for and advancing policy recommendations to create a framework for integrated ecosystem services markets in Oregon that produce positive ecological and economic outcomes.

On August 21, 2009, the Sustainability Board approved the proposed approach for the implementation of SB 513. In addition to the Working Group, which is comprised of individuals who are knowledgeable about and active in improving the ecological effectiveness of ecosystem services markets, an Ad Hoc Group has been convened to advise and help frame policy issues that will be addressed by the Working Group. Staff finalized membership of both groups (Attachment A), then worked with Oregon Consensus staff to contract for facilitation assistance for the SB 513 process. The contract was awarded to Kearns & West, which also facilitated the Counting on the Environment project that developed an ecosystem credit accounting system. In addition, staff developed an Interagency Agreement with the Institute for Natural Resources (INR) at Oregon State University to provide policy-analysis support to the SB 513 process. INR has extensive experience with ecosystem markets, including leading a process in 2008 to identify policies and strategic actions needed to develop an integrated ecosystem marketplace in Oregon.

On November 2, 2009, the Ad Hoc Group met for the first time. Discussion at the meeting focused on high-level policy issues that are important for the Working Group to address during their deliberations. The Ad Hoc Group suggested that the role of government is an especially important issue for the SB 513 process to articulate, and proposed four potential roles for government in the development of ecosystem services markets: 1) Developing shared goals; 2) Developing standards; 3) Providing technical expertise; and 4) Serving as a market maker. The Ad Hoc Group underscored the importance of ensuring that products from the SB 513 process increase the understanding of ecosystem services markets to legislators, state agency staff, landowners, and interest groups. The Ad Hoc Group suggested that the Working Group should build upon existing efforts underway in the state with the intent of positioning Oregon as a model for development of ecosystem markets.

The Working Group convened its first meeting on December 3, 2009. At the meeting, group members agreed upon the process and principles to guide their work over the next 12 months. The Working Group also discussed the absence of small landowners and some federal agencies, and decided to consider the addition of a limited number of new members to address these gaps. Members offered their input about what the state should aim to achieve with an ecosystem marketplace with the intent of creating a goal statement that will guide the group's work. The Working Group then proposed a framework for the final report that will articulate a vision and principles for development of integrated ecosystem services markets in Oregon, describe obstacles that have limited progress toward achieving this vision, and articulate opportunities and solutions to address these challenges (including short, medium, and long-term policy recommendations). Participants suggested several case studies that would exemplify both impediments that currently exist and areas where agencies and ecosystem marketplace practitioners are making progress.

The Working Group will hold its next meeting on January 27, 2010, and will hold seven additional meetings between February and October of next year. Staff will continue to update the Board about progress by the SB 513 Working Group at future meetings. It is anticipated that the Working Group will provide its final report and policy recommendations to the Sustainability

Board for review and approval in November 2010. The Sustainability Board will then submit the report to the Legislature by January 1, 2011. In the months ahead, staff may suggest OWEB submit a legislative placeholder for policy recommendations developed by the Working Group. Staff will revisit this question with the Board at the March meeting.

IV. Other Ecosystem Services Markets Efforts – Willamette Partnership

The Willamette Partnership, through its Counting on the Environment program, developed an Ecosystem Credit Accounting system that was released in August 2009. The system is intended for use by resource managers and regulated entities in the Willamette Basin that are interested in using an ecosystem credit accounting system for multiple ecosystem services, including wetlands, salmon habitat, upland prairie, and water quality. To date, 27 state and federal natural resource management agencies and non-profit organizations have agreed with the principles and content of this system.

The program now has moved into a two-year pilot phase, which will test version 1.0 of the accounting system through the use of pilot projects. Several projects underway or in development include the Gales Creek Project in the Tualatin River Watershed that will produce wetland, salmon habitat, and water temperature credits, and three projects in conjunction with the Freshwater Trust in Johnson Creek and the Marys and Mohawk Rivers that will result in temperature and salmon credits. These and other pilot projects will provide important lessons learned that will be used to refine the Ecosystem Credit Accounting system for future application.

The Willamette Partnership has several other projects underway related to development of an ecosystem marketplace. Its staff are in the process of developing additional currencies for habitat/biodiversity, nutrients (i.e., nitrogen and phosphorus), and sediment to supplement those currencies available in version 1.0 of the Ecosystem Credit Accounting system. They are in the process of developing technology tools, such as a web-based crediting platform and a working credit registry, to support use of the accounting system. The Willamette Partnership, in collaboration with several soil and water conservation districts, is offering trainings to local groups, landowners, and agency staff interested in using the accounting system. OWEB staff will stay in regular communication with the Willamette Partnership and others to track progress of these ecosystem services markets efforts and determine whether and how the agency might partner to advance this work.

V. Recommendation

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

Attachment

- A. List of SB 513 Group Members

SB 513 Ecosystem Services Markets

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January 5, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item Q: Gold Ray Dam**
January 20-21, 2010 OWEB Board Meeting

I. Introduction

This staff report describes the grant application, review comments, and staff recommendation for providing OWEB funding as cost share to a federal grant to remove Gold Ray Dam on the Rogue River. Staff have brought this project forward now because of the shortened time period required to implement projects funded under the American Recovery and Rehabilitation Act (ARRA) of 2009.

II. Background and Summary

The Gold Ray Dam is the only remaining main-stem dam on the Rogue River. With the removal of Gold Hill Dam and Savage Rapids Dam, and the notching of the Elk Creek Dam, the Rogue River could be free flowing for more than 155 miles following the removal of Gold Ray Dam. (Attachment A) OWEB was a significant funding partner in the removal of the Gold Hill Dam and a cost share partner with the Bureau of Reclamation for the removal of Savage Rapids Dam.

Gold Ray Dam was built in 1905 and power generators were installed in 1907. The dam was abandoned as a power plant in the 1970s and deeded to Jackson County in 1972. The County has been concerned about their liability for the aging structure and its potential impediment to fish passage for listed coho salmon. In early 2009, Jackson County applied to the National Marine Fisheries Service (NMFS) for a grant funded by the ARRA to remove the dam. NMFS awarded a \$5 million grant with the expectation that all work be completed by the winter of 2010.

In March 2009, OWEB funded a grant to Jackson County for an evaluation of the sediment behind Gold Ray Dam. In September 2009, OWEB funded a technical assistance grant for the County to develop a sediment management plan for the removal of the dam. In October 2009, Jackson County submitted a grant application to OWEB for \$1 million in capital funds to cost share with the federal ARRA funding to remove the dam. (Attachment B)

In recent months, Jackson County solicited bids for the removal of the dam and awarded a contract for the environmental analysis, permitting, alternative use evaluations, and dam removal. The County Commissioners are scheduled to make a formal decision on the removal in

March of 2010 following significant evaluation and public review. The cost estimate for removal in the proposal exceeds the \$5 million awarded by NMFS. (Attachment C) The grant application to OWEB is for the difference between the full cost of removal and the federal award. Due to the accelerated timing needs associated with ARRA funding and the unique opportunity this proposed project presents to complement previous dam removal work on a major Oregon river with significant conservation value, staff initiated a separate, expedited review for this application from the other grant applications received from Region 2.

III. Review Comments and Other Issues

The Region 2 Review Team (RRT) members strongly support the proposed project. They have uniformly recognized the significance of free access for anadromous fish throughout the Rogue River. They recognize the expertise of the contractor and found the proposal to be sound. The RRT raised questions about the budget and the allocation of funds to different aspects of the project. OWEB staff have met with Jackson County staff to refine the budget and clarify concerns about the allocation of costs in relation to the bid accepted by the County. The revised proposed budget is shown in Attachment D.

The RRT was also interested in the results of the sediment analysis funded in part by OWEB. The results were received by OWEB on December 10, 2009, and the evaluation concludes that “Sediment quality analyses were conducted on 24 samples for trace metals ...organochloride pesticides, PCB’s, and total organic carbon. The sample concentrations were compared to the screening levels given in the SEF (*Sediment Evaluation Framework developed by U.S. Army Corps of Engineers*). All metals concentrations were lower than the lowest screening level for freshwater...organochloride pesticide was not detected...PCB’s were not detected.” These conclusions indicate that the removal will not require additional measures to address sediment quality.

As a result with the potential removal of Gold Ray dam, three issues have been raised by the public and have been reported in the local press. First, the loss of wetlands created by the impoundment has been raised by a landowner that lives adjacent to the backwater channel. The County is evaluating the history of the wetlands and has initial information that wetlands may not be entirely lost from the area. The determination by the Department of State Lands indicates that there is a limited area of wetlands affected by the dam removal.

The possibility of rebuilding the dam and generating power from the facility is the second issue raised by the public. There are neither the water rights for power generation nor an effective turbine structure for power generation. The County’s evaluation shows that the costs for rebuilding the dam sufficient to meet current standards are significantly above removal costs. The likelihood of approval of a water right for hydropower generation is also low.

The third issue raised by removal of the dam is the loss of a fish counting station used by the Oregon Department of Fish and Wildlife (ODFW) to enumerate fish passage. This facility provides “real time” data on fish species abundance that allows for flexible management of stocks. While fish population data can be obtained in other ways, including through instream monitoring, the loss of real time data for managing the fishing take will reduce management flexibility. The alternatives provide less precision, but allow for improved aquatic production, which is seen as a reasonable tradeoff especially given the lack of funding to make the structure safe and meet fish passage requirements.

IV. Recommendation

Staff recommend the Board award \$1 million of capital funds to Jackson County for the cost share to remove Gold Ray dam (application #210-2048) conditioned upon formal approval by Jackson County.

Attachments

- A. Map
- B. Grant Application (210-2048) Summary
- C. Jackson County Letter
- D. Revised Budget

Rogue River Dam Removal Projects

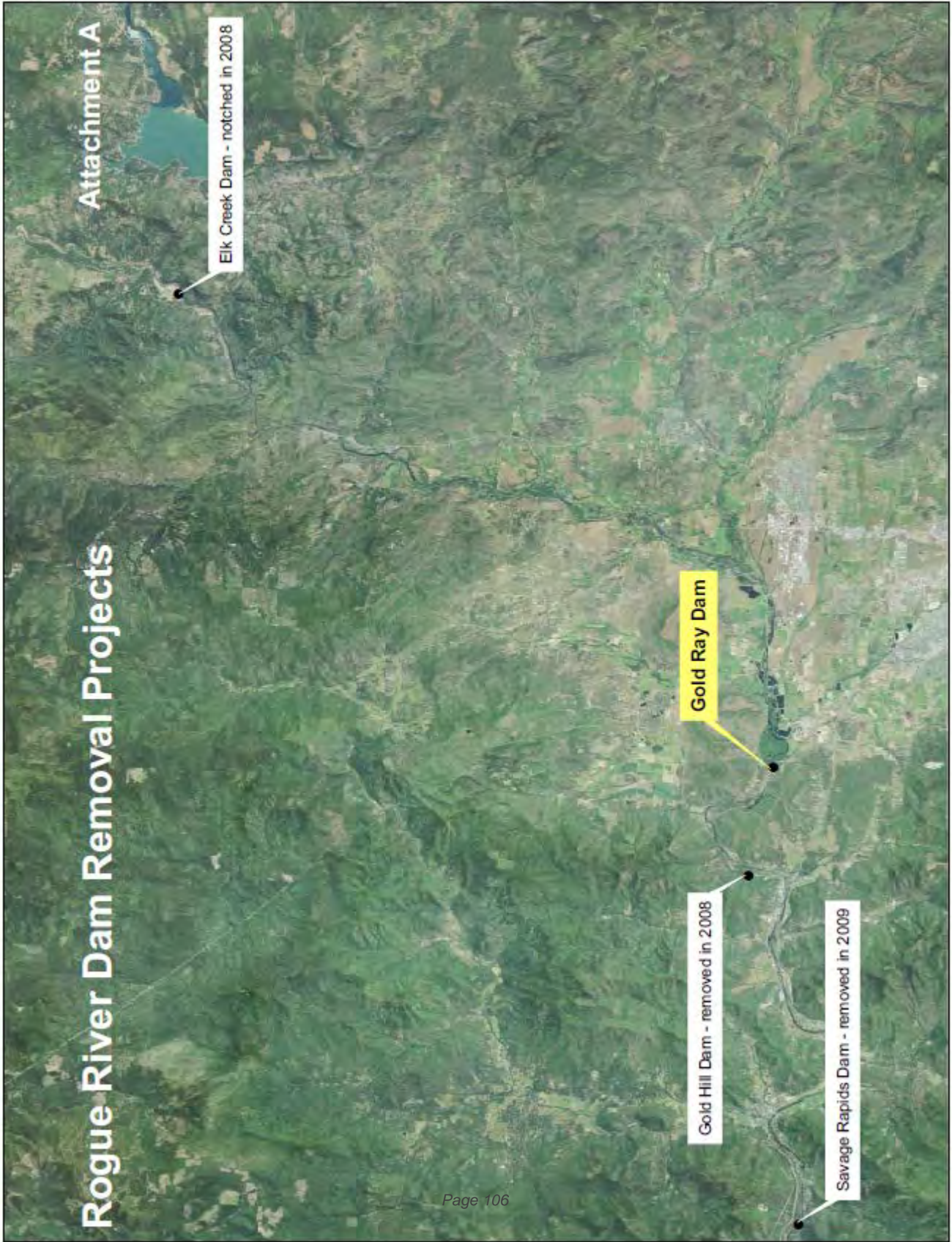
Attachment A

Elk Creek Dam - notched in 2008

Gold Ray Dam

Gold Hill Dam - removed in 2008

Savage Rapids Dam - removed in 2009



Gold Ray Dam OWEB Application Additional Detail

Remove Fish Ladder

The existing concrete fish ladder on the north side of the river will require removal to ensure there is no fish entrapment potential after the dam is removed. The fish ladder consists of a pool and weir system that will create fish entrapment pools during high flows with no chance for escapement. By removing the concrete fish ladder the entrapment possibility will be removed.

Remove Counting Station and Additional Fish Ladder

The existing concrete counting station and additional fish ladder have several areas that consist of concrete pools and have the possibility of trapping fish during high flows. By removing these structures the potential for fish entrapment will be reduced and eliminated.

Remove Powerhouse and Raceway

The existing powerhouse and concrete/rock raceway present significant environmental hazards as well as human safety concerns. Removal of the powerhouse will ensure contaminated materials and an overall unsafe structure is removed from the river area.

Salvage Timber Crib Dam

The existing timber crib dam upstream of the concrete dam needs to be removed to ensure complete, unhindered, fish passage at all times. In addition, the crib dam is a significant safety concern with the opening of the river for recreational travel and enjoyment. It is anticipated that a portion of the timber crib dam could be relocated as a historical preservation task that could be used for historical monumentation purposes and education.

Salvage Fish Counting Station

The existing fish counting station is a unique piece of history found on the Rogue River and is a feature that should be preserved for future generations to see and learn about from an educational standpoint. We are proposing to move portions of the counting station to a location that is open to the public for long term historical benefits.

Improve Historical Rogue River Channel Inlet

The upstream end of Kelly Slough is a remnant channel of the Rogue River. As a result of the modified geomorphic processes caused by the dam, the historical channel has silted in and become fully vegetated. The potential recovery of the historical channel creates a significant opportunity for off-channel habitat and refugia area during high flows for adult and juvenile anadromous fish. We are anticipating installing multiple large wood structures and providing some channel modifications to activate the historical channel over a larger range of flows.

Restore and Protect Channel Areas

As a result of removing the dam, several areas along the river will require significant restoration to ensure long term stability and fish passage. Most importantly, the confluence of the Rogue River with Bear Creek will require a significant amount of restoration due to the drastic water surface elevation change in the existing reservoir area. We propose rebuilding this area to provide continuous fish passage throughout all flows. Other areas will require restoration and initial stability measures to protect the long term stability of the river channel and surrounding areas.

Contain Sediment / Minimize Erosion

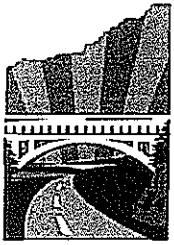
When the reservoir water surface is lowered, bare earth will be exposed with the potential for unnatural erosion and loss of fine grain sediments. It is anticipated that we will stabilize the majority of this freshly exposed soil using bioengineering and similar vegetative techniques to ensure immediate stability of the reservoir areas.

Dam Rehab Alternatives Analysis

A third alternative was determined by stakeholders to be significant for a thorough review of the various scenarios for Gold Ray Dam. This scenario includes evaluation of refurbishing the dam to current criteria and installing a new fish ladder that meets current fish passage criteria.

Repair Riparian Areas

With the dam removed, there is a potential for riparian areas to be altered due to the modified water table. We propose augmenting the riparian area with various species of vegetation that will complement the existing vegetation and become hardier than the existing riparian cover and stabilize the riparian area to minimize erosion.



JACKSON COUNTY

Roads

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December 31, 2009

Ken Bierly, Deputy Director
Oregon Watershed Enhancement Board
775 Summer St., Suite 360
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Dear Mr. Bierly,

Jackson County would like to express our thanks to OWEB for considering accelerated approval of the Restoration Grant application for the Gold Ray Dam removal. OWEB has played a vital role thus far in funding many of the studies and analyses that were required for the project to progress to this point and we appreciate your continued support.

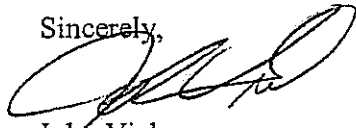
I would like to clarify how acceleration of our grant application will assist the County in this effort. To date, Jackson County has received a \$5,000,000 NOAA ARRA Grant to complete all remaining studies, obtain permits, write an Environmental Assessment, remove the dam, and complete all necessary restoration. The contract we signed with Slayden Construction to complete these activities was for a little over \$5.5 million. In addition, we are finalizing the negotiation of a contract change order for an additional \$100,000 to fully study a rehabilitation alternative required through the NEPA process. So as you can see we are currently over budget by slightly more than \$600,000 for this project.

The Jackson County Board of Commissioners continues to be strongly in support of this project. They are awaiting the results of the Environmental Assessment before they make a final decision on the fate of the dam, but unless the Environmental Assessment provides compelling evidence that the dam should not be removed, the Board is expected to support removal due to the high liability concerns we are facing. However, as you know, dam removal is a very controversial subject, so the current position of the Board is to seek grants for the project, and provide in-kind match and staff time for the project, but not to provide general fund support. Therefore, without additional grant funds, the project is in jeopardy of stalling as we would have to stop the contractors' work at some point in the future due to lack of funding and we would have to return all remaining federal ARRA funds to NOAA.

OWEB, Ken Bierly Letter
December 31, 2009
Page 2

The early awarding of OWEB funds will provide the security needed for Jackson County and for Slayden Construction to continue work on the project with the knowledge that the project is fully funded. We appreciate OWEB's consideration of this request.

Sincerely,



John Vial
Jackson County Roads and Parks Director

c: Danny Jordan, County Administrator
Craig Harper, RVCOG

Budget Details for Gold Ray Dam Removal Application

Prepared for OWEB, December 22, 2009, Craig Harper, RVCOG

Detailed Costs Provided In Part by Slayden Construction (contract bid items listed)

Remove Fish Ladder –
Bid Item 10

Description	Total Qty	Total
Access/Staging	15.00%	\$23,250.00
Removal/Demo	75.00%	\$116,250.00
Disposal	10.00%	\$15,500.00
TOTAL	100.00%	\$155,000.00

Remove Counting Station & Secondary Fish Ladder –
Bid Item 11

Description	Total Qty	Total
Access/Staging	5.00%	\$6,000.00
Removal/Demo Counting Station	10.00%	\$12,000.00
Removal/Demo Ladder	75.00%	\$90,000.00
Disposal	10.00%	\$12,000.00
TOTAL	100.00%	\$120,000.00

Remove Powerhouse and Raceway – Bid Item 12

Description	Total Qty	Total
Access/Staging	5.00%	\$16,750.00
Unwater	10.00%	\$33,500.00
Silt/sediment Relocation	5.00%	\$16,750.00
Demo PH Building	20.00%	\$67,000.00
Demo PH Mechanical/Electrical	15.00%	\$50,250.00
Demo PH Foundations	20.00%	\$67,000.00
Demo PH Guidewall	15.00%	\$50,250.00
Disposal	10.00%	\$33,500.00
TOTAL	100.00%	\$335,000.00

Salvage Timber Cribbing-Wood Dam – Bid Item 13

Description	Total Qty	Total
Salvage Timber Cribbing	100.00%	\$5,000.00
TOTAL	100.00%	\$5,000.00

Salvage Fish Counting Equipment for ODFW – Bid Item 14

Description	Total Qty	Total
Salvage ODFW Counting Chamber Equipment	100.00%	\$5,000.00
TOTAL	100.00%	\$5,000.00

Improve Old Rogue River Channel Inlet
 – Bid Item 15

Description	Total Qty	Total
Access/Staging	15.00%	\$9,000.00
Procure Materials	30.00%	\$18,000.00
Construction	50.00%	\$30,000.00
Seeding disturbed areas	5.00%	\$3,000.00
TOTAL	100.00%	\$60,000.00

Restore and Protect All Channel Areas
 – portions of Bid Items 7, 8, and 9, and
 additional restoration work

Description	Total Qty	Total
Access/Staging	20.00%	\$23,000.00
Procure Materials	25.00%	\$28,750.00
Construction	50.00%	\$57,500.00
Seeding disturbed areas	5.00%	\$5,750.00
TOTAL	100.00%	\$115,000.00

Contain Sediment – portion of Bid Item 5

Description	Total Qty	Total
Procure Materials (Silt Curtains)	25.00%	\$36,948.14
Construction	50.00%	\$3,051.86
TOTAL	100.00%	\$40,000.00

Evaluate Rehabilitation of Dam & Powerhouse
 – portion of new Modified Bid Item #1

Description	Total Qty	Total
HDR	50.00%	\$17,500.00
River Design Group	50.00%	\$17,500.00
TOTAL	100.00%	\$35,000.00

Repair Riparian Areas, Control Erosion and Sedimentation – Bid Item 6 and additional restoration work

Description	Total Qty	Total
Restore riparian areas	60.00%	\$36,000.00
Procure materials	10.00%	\$6,000.00
Construction/installation	25.00%	\$15,000.00
Seeding disturbed areas	5.00%	\$3,000.00
TOTAL	100.00%	\$60,000.00

Remove Debris – portion of Bid Item 5

Description	Total Qty	Total
Disposal fees	100.00%	\$20,000.00
TOTAL	100.00%	\$20,000.00

SUBTOTAL	\$950,000.00
Project Management	\$30,000.00
Fiscal Administration	\$20,000.00
TOTAL	\$1,000,000.00



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December 31, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item R: 2009-2011 Grant Program Update
January 20-21, 2010 OWEB Board Meeting**

I. Introduction

This report provides an update on the October 19, 2009, grant cycle, and recommends non-capital grant types for the April 19, 2010, grant cycle.

II. Background

OWEB offers four regular grant cycles per biennium. The Board sets the schedule and identifies the types of grant applications solicited for each deadline based on OWEB's legislatively approved budget. A Restoration/Acquisition and Technical Assistance grant offering was made available for the April 20, 2009, cycle, as approved by the Board at the March 2009 meeting. The Board then established grant application deadlines and Restoration/Acquisition grant offerings for the remainder of the 2009-2011 biennium at the June 2009 meeting. Non-capital grant application types, other than Watershed Council Support, were not proposed pending final legislative approval of the OWEB 2009-2011 budget.

OWEB typically solicits for Technical Assistance, Education and Outreach, and Monitoring grants in the October grant cycle. At the July 29, 2009, special Board meeting via conference call, staff recommended and the Board approved the solicitation of Technical Assistance, Education and Outreach, and Monitoring grants for the October 19, 2009, grant cycle. Due to the ongoing uncertainty about State revenues, including Lottery funds, staff did not propose soliciting non-capital grant application types for the remainder of the 2009-2011 biennium. Staff also have not recommended capital and non-capital funding reserves for the 2009-2011 grant cycles.

III. October 19, 2009 Grant Cycle

A total of 226 grant applications were submitted to OWEB on its October 19, 2009, deadline. Table 1 displays the number and type of grant applications request submitted. Table 2 displays amounts requested.

The review process started in December 2009 with regional review team meetings to evaluate applications in the Eastern Oregon region on December 8-9, 2009, and in the Mid-Columbia region on December 15-16, 2009. Regional review teams for the Willamette Basin, North Coast,

Central Oregon, and Southwest Oregon meet on January 5, 7, 15, and 26, 2010, to review applications.

OWEB's Education and Outreach Review Team (EORT) met by conference call on December 4, 2009, to review and score the four Statewide education and outreach applications. Due to staff workload from the strategic and communications plan, the EORT was not convened to review the 34 regional education and outreach applications for this cycle.

The Oregon Plan Monitoring Team will meet in January in Salem to review all 28 monitoring applications. Results of the review will be incorporated into the grant deliberation process.

Table 1 – Types of Applications for October 19, 2009

	Technical Assistance	Monitoring	Education	Acquisition	Restoration	Totals
Region 1	4	5	6	2 (Land)	14	31
Region 2	5	8	4	0	*28	*45
Region 3	9	4	6	0	22	41
Region 4	8	4	12	0	14	38
Region 5	4	5	2	0	30	41
Region 6	1	2	4	0	19	26
Statewide	0	0	4	0	0	4
Totals	31	28	38	2	*127	*226

Table 2 - Dollar Amounts by Application Type

	Technical Assistance	Monitoring	Education	Acquisition	Restoration	Totals
Region 1	134,458	256,342	95,569	848,761	1,433,468	2,768,598
Region 2	157,987	954,409	116,414	0	*3,705,553	*4,934,363
Region 3	354,092	344,674	166,803	0	3,630,461	4,496,030
Region 4	292,272	151,165	350,514	0	1,820,470	2,614,421
Region 5	106,534	459,981	59,180	0	3,500,407	4,126,102
Region 6	25,641	292,440	53,665	0	2,434,923	2,806,669
Statewide	0	0	234,306	0	0	234,306
Totals	1,070,984	2,459,011	1,076,451	848,761	*16,525,282	*21,980,489

**Totals include Gold Ray Dam removal (\$1,000,000); this application has been removed from the regular grant cycle and will be recommended for funding in January 2010 because it received \$5 million in federal stimulus funding, which is on an expedited time frame (See Agenda Item Q).*

IV. Proposed Non-Capital Grant Types for April 19, 2010, Grant Cycle

The next grant application deadline is April 19, 2010. Applications solicited for OWEB's April cycles have typically included Technical Assistance, and applicants will be expecting OWEB to offer this type of application. Accordingly, staff recommend a non-capital grant solicitation for April 2010 that includes a Technical Assistance offering. However, until there is more clarity on the amount of State Lottery funds and 2010 Pacific Coastal Salmon Recovery Fund (PCSRF) funds available to OWEB, we do not recommend non-capital grant solicitations beyond the April 2010 grant cycle.

V. Grant Cycle Funding Reserves

Due to the uncertainty about State revenues, including Lottery funds, staff have not yet developed recommended reserves for the 2009-2011 grant cycles. Based on the regional review team recommendations, and taking into account the available capital and non-capital funding, staff will develop funding recommendations for the October 2009 grant cycle at the March 2010 meeting. As shown in Table 2 in Section III, the amount of funds requested far exceeds the likely amount of funding available for this cycle of applications. The March funding recommendations may also include the second half of the staged awards for the Bandon Marsh Restoration and Willow Creek Water Quality Improvement projects, which the Board committed to at the September 2009 Board meeting.

Staff also do not recommend setting funding reserves for the biennium or for the April 2010 cycle at this time. Overall Lottery funding – capital and non-capital – is uncertain, particularly in light of the tax ballot measures pending voter action in January. In addition, most of the non-capital funds OWEB received in our initial 2009-2011 budget have already been committed or reserved for specific purposes by the Board at the September 2009 meeting. As has been the tradition, an infusion of non-capital funds from 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 \$80 million of PCSRF in the omnibus budget bill for federal fiscal year 2010. This is the same amount of PCSRF funds appropriated in the 2009 federal funding cycle, of which Oregon received \$13.2 million through a competitive grant process. 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 expect to develop funding allocations for the remainder of the 2009-2011 grant cycles after the conclusion of the 2010 legislative session, and will bring recommendations to the Board in March or June.

VI. Recommendation

Staff recommend the Board approve the solicitation of Technical Assistance grant applications for the April 19, 2010, grant cycle.

APPROVED BY THE BOARD MARCH 16, 2010
Oregon Watershed Enhancement Board
January 20, 2010
OWEB Board Meeting
Coos Bay, Oregon

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
John Jackson
Jim Johnson
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Jennifer Phillippi
Dave Powers
Eric Quaempts
Diane Snyder
Dan Thorndike
Karl Wenner
Ken Williamson

Members Not Present

Patricia Smith

OWEB Staff Present

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

Others Present

Chrysta Swift
Tom O'Brien
Paul Siebert
Dan VanSlyke
Rhonda Black
Laura Smith
Jon Souder
Bruce Taylor
Nan Evans
Bob Doppelt
Jen Feola
Charlie Boyer
Eric Himmelreich
Roy Lowe
Laura Brophy
Leo Naapi
Stan vandeWetering
Glenn Harkleroad
Reese Bender
J.R. Herbst

A. Board Member Comments

Dr. Karl Wenner from Klamath Falls was introduced as a new Board member representing the Public at Large. Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies and areas.

B. Board Co-Chair Election

Executive Director, Tom Byler, provided background information on how the Board has elected Co-Chairs in the past. Board member Dan Thorndike led a discussion of Board Chair/Co-Chair roles. Board Co-Chair Dan Heagerty accepted nominations for Board Co-Chair. Diane Snyder was unanimously elected to serve another two year term.

C. Minutes

Minutes of the following meetings were unanimously approved:

- September 15-16, 2009, Board meeting in Joseph; and
- September 22, 2009, special meeting via telephone conference call.

D. Executive Director Update

Executive Director, Tom Byler, directed Board member to the staff reports and briefly reported on the following program updates:

1. Small Grant Program Review

OWEB staff have scheduled “listening sessions” (discussions with small grant team members) in each region and combined those with visits to small grant project sites.

Staff will prepare a final report and recommendations to the Board for the June 2010 meeting.

2. Deferred Acquisitions

The staff report summarizes the status of deferred land acquisition grant applications. None are ready for funding consideration by the Board at this time.

3. Willamette and Deschutes SIP

Board members were provided updates on the Deschutes and Willamette Special Investment Partnerships. The Deschutes SIP partners are working to spend the \$4 million allocated by the Board in September and will report to the Board in March 2010 describing the progress made to date.

The Willamette SIP is proceeding more slowly than the Deschutes. Staff are working with three additional parties on projects that will be considered for awards this spring.

Implementation of the tributary strategy of the Meyer Memorial Trust (a funding partner in the Willamette) and creating a vision for the mainstem are high priority efforts of staff this spring and summer.

4. Biennial Conference

OWEB hired a contractor, Denise Ker of Viva! Consult, to assist staff in the coordination and logistics of the next biennial conference scheduled for November 15-17, 2010, at the Pendleton Convention Center. A planning team will work with the contractor to identify a conference theme and begin planning speakers and sessions. OWEB staff are also working with Board member Eric Quaempts on ways to involve the Confederated Tribes of the Umatilla Reservation. Progress will be reported at upcoming Board meetings.

5. Other Agency Updates

Director Byler also noted that the U.S. Fish and Wildlife Service selected a project in the Nehalem to receive a 2010 National Coastal Wetlands Conservation Grant -- \$994,290 to the North Nehalem Bay Wetlands Conservation Project, Phase II. Phase 1 of the project was selected for a 2009 award of \$629,665.

The total awarded for Pacific Coastal Salmon Recovery Funds is \$80 million; we do not know what Oregon’s share will be. The Department of the Interior has developed a Cooperative Watershed Management Program to create/enlarge watershed groups nationwide. The Governor has designated OWEB as the point of contact for the state with this new Department of Interior program.

E. Strategic Plan

Public Comment

- Bruce Taylor, Defenders of Wildlife, supported OWEB's proposed Strategic Plan.

Tom Byler, Executive Director, discussed the Board's strategic planning effort, and presented the revised draft for Board approval.

In early October, OWEB staff sent the final draft Strategic Plan out for public comment. Ten comments were received by the November 6, 2009, deadline. Based on the comments received, a proposed draft was developed and reviewed by the Board Planning Subcommittee who suggested a few additional edits.

Melissa Leoni, OWEB Senior Policy Coordinator, discussed the substantive changes proposed and policy issues raised by the public comment process. They related to:

- A. Watershed and Habitat Restoration and Conservation;
- B. Land Trust and Local Infrastructure;
- C. Long-Term Stewardship; and
- D. Public Awareness and Involvement.

The Board agreed with the staff recommendation to bring back a plan for Board discussion about land trusts and local infrastructure. The Board also discussed improving the introduction to the plan and the readability and flow of the document. The Board recommended that staff create a one page summary of the plan.

The Board unanimously approved the plan and directed staff to develop an introductory element.

F. Strategic Plan Implementation

Director Byler updated Board members on implementation of immediate actions under the Final Draft Strategic Plan. Ken Bierly, Deputy Director, and Lauri Aunan, Grant Program Manager, described agency efforts on three high priority action items:

- A. Restoration and Acquisition Priorities (Action 1, Goal 1, Strategy 1)

Ken Bierly reported that OWEB staff plan to implement this action in partnership with the ODFW update of the Oregon Conservation Strategy. OWEB's goal for its restoration and acquisition priorities is not only to more effectively integrate the priorities with existing plans and strategies, but also to make the priorities a useful tool for stakeholders, review team members, and staff. The following framework was developed to address this action:

1. Compile restoration priorities in a consistent database (contract for services).
2. Compile aquatic species recovery plan implementation actions; draft narrative on freshwater and estuarine aquatic habitat priorities (contract for services).
3. Develop a cross-walk between restoration and protection priorities and Conservation Strategy conservation opportunity areas and/or principles (contractor, staff).
4. Develop a clear mechanism for identifying and using priorities (contractor, staff).

5. Develop and implement an outreach and training program to provide access to the tools developed.

Tasks A-C may be completed by the fall of 2010. Discussion will continue to work with ODFW, DEQ, and other agencies to ensure broad understanding among state agencies of the shared priorities.

B. Watershed Council Listening Sessions (Goal 2)

Lauri Aunan briefed Board members on a series of “listening sessions” scheduled around the state. These sessions are being held in order to engage in a dialogue with watershed councils about what makes watershed councils successful and how OWEB’s council funding and processes might be changed in order to build local capacity, provide base funding and promote strategic partnerships. A third party facilitator was hired to preside over these meetings. The sessions run February 22 through March 4. OWEB staff will work with the Board Council Support Subcommittee to evaluate the listening sessions discussions and develop recommendations for “next steps.” Because of the importance of watershed council support funding to more than 60 councils across the state, it will take time and continued dialogue to do a good job developing proposed changes and understanding how councils might be affected by those changes. As a result, OWEB is not currently planning to make significant changes to watershed council support for the 2011-2013 watershed council support grant cycle. It is currently contemplated that any significant changes would occur for the 2013 cycle.

At the conclusion of the listening sessions, staff will also convene a work group of council support applicants and reviewers to develop recommended improvements to the existing application and review process for the 2011-2013 council support cycle. Staff will also work with the Board Council Support Subcommittee regarding any recommendations about solo funding petitions and new council funding for the 2011-2013 cycle. Any changes to OWEB’s approach to solo funding petitions and new council funding would need to be made by the Board at its June 2010 meeting in preparation for the 2011 council support application process which begins in July 2010.

C. Working Lands Conservation Easements (Action 7, Goal 1, Strategy 1)

Ken Bierly reported that staff have been working with the Board Acquisition Subcommittee on how working lands conservation easements are evaluated for funding. Staff issued a request for proposals to help answer this question and are in the process of reviewing submittals to select a contractor. Staff expect findings to be presented at the September 2010 or January 2011 Board meeting and following that to work with a Work Group to develop policy for Board consideration.

G. Public Comment – General

- Judith Jensen, Educational Solutions, provided an update on an educational project funded by OWEB.
- Tom O’Brien, Network of Oregon Watershed Councils, introduced himself as the new Executive Director of the Network replacing John Moriarty.

H. Strategic Plan Implementation –continued

Executive Director Tom Byler provided Board members with an overview of Goal 3 of the proposed Strategic Plan.

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Director Byler discussed the five components of the Communications Work Plan: Shared Messaging; Watersheds Microsite; Social Networking; OWEB Website; and the Oregon Plan Website. A three-phase timeline was provided for each of the components.

Carolyn Devine, Communications Coordinator, briefed Board members on components of the agency's Microsite. She has been working directly with Gard Communications on the design of a simple, compelling, and effective site that will be the centerpiece of OWEB's long-term communications efforts. She demonstrated the basic look and feel of the proposed Microsite that is set to be launched in February.

Ashley Seim, GIS and Web Site Specialist, has been working to update OWEB's current web site to eliminate redundancies and improve content delivery. She showed Board members future plans for updating, streamlining, and improving the web site. Once the initial clean up is completed, staff plan to launch phase two that will engage an outside contractor to evaluate both web sites from a user's perspective to improve the delivery of information and content and integration of sites. Greg Sieglitz, Monitoring and Reporting Program Manager, then described agency data collection and sharing efforts and an initiative underway to begin to describe OWEB investments in terms of outcomes instead of outputs.

I. Integrated Water Resource Strategy Presentation

John Jackson, OWEB Board member and Chair of the Water Resources Commission, provided an overview of the state's Integrated Water Resources Strategy which is just getting underway after a series of issue papers. He indicated the goal is to integrate water quality, water quantity, and ecosystem needs; to provide state guidance and tools to drive solutions at the local level; and that changes to water law are not the goal. The Water Resources Department is the lead agency for the strategy. Board member Jackson also informed the Board and Board member Eric Quaempts is participating in the process through the Policy Advisory Group, which met for the first time the day before the Board meeting.

J. Research Program Reports

Greg Sieglitz, OWEB Monitoring and Reporting Program Manager, introduced two presentations on research project investments from the University of Oregon Climate Leadership Initiative (CLI) and Ecosystem Workforce Program (EWP). The CLI presented their work related to creating dialogue and learning about climate change predictions at the watershed scale. The EWP updated the Board on the progress made to estimate the economic impact and job creation from OWEB's restoration investments.

K. Signature Project Presentation – Bandon Marsh

Roy Lowe, Project Leader, Oregon Coast National Wildlife Refuge Complex, reported on the project to restore over 400 acres of tidal marsh at the Ni-les'tun Unit of the Bandon Marsh National Wildlife Refuge. The project will be accomplished by removing dikes, filling drainage

ditches, and reconstructing tidal channels, and implementing improvements to North Bank Lane, including installing fish-friendly culverts at Fahys Creek and Redd Creek.

L. Coos Life Cycle Monitoring Presentation

Jon Souder, Coos Watershed Association, gave a presentation on the CWA's Life Cycle Monitoring project that has a goal to estimate adult coho salmon spawner abundance and outmigrant coho smolt population size in order to calculate freshwater and marine survival for coho populations in Larson and Palouse Creeks.

At the conclusion of the day's meeting, an informal reception for OWEB Board members, staff, watershed partners, and local officials was held at the Red Lion Hotel.

APPROVED BY THE BOARD MARCH 16, 2010
Oregon Watershed Enhancement Board
January 21, 2010
OWEB Board Meeting
Coos Bay, Oregon

Minutes

OWEB Members Present

Dan Carver
Dan Heagerty
John Jackson
Jim Johnson
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Jennifer Phillippi
Dave Powers
Eric Quaempts
Diane Snyder
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Ken Williamson

OWEB Staff Present

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

Others Present

Charlie Boyer
Senator Betsy Johnson
Mark Labhart
Leoni Naapi
Brian Swift
Tyler Pedersen
Craig Harper
John Vial
Rhonda Black
Laura Smith
Raeth Morgan

Members Not Present

Miles Brown
Patricia Smith

M. Legislative and Budget

Tom Byler, Executive Director, updated Board members on OWEB's 2009-2011 budget and spending plan, and described the agency budget and legislative agenda preparation for the 2011 legislative session. He also briefed the Board on the upcoming February session.

2010 Legislative Session

Potential agency budget reductions decided in the Special Session will be based partly on declining General Fund and Lottery Fund revenues, and two ballot measures being considered by voters in late January. In preparation, the Legislative Fiscal Office asked agencies to identify 10 percent budget reductions. OWEB's reduction is proposed to be taken from grant funds as opposed to operational funds. The Board expressed interest in being more involved in discussions regarding OWEB's budget. Director Byler will work with the Board Co-Chairs to schedule those discussions.

2011 Legislative Session

State agencies are starting to prepare policy and budget proposals, as well as legislative concepts for the 2011-2013 budget. Although OWEB does not expect to have any, initial legislative concepts are due in April 2010. Staff anticipate bringing draft budget packages to the Board at

the March and June 2010 Board meetings prior to the anticipated July 1, 2010, deadline for agency requests.

2009-2011 Budget and Spending Plan

At the September 2009 meeting, Board members approved the spending plan below. Because of the uncertainty over the February Special Session, staff did not propose any changes other than proposing \$1.5 million in capital funds for two restoration efforts described in Agenda Items N and Q. Staff plan to present grant cycle targets and an updated spending plan, if necessary, at the March 2010 Board meeting.

2009-2011 Biennium Non-Capital Spending Plan

Available Funding (July 1, 2009) = \$8 million

Program Element	Sept 2009 Allocation	Sept 2009 Reserve	Total
Local Capacity: WSC & SWCD Support; Network, OACD, and training	\$2,440,454	\$0	\$2,440,454
Technical Assistance Grants (April 2009 Cycle)	\$576,610	\$0	\$576,610
Restoration Projects Non-capital (2009-2011 Biennium)	\$17,113	\$107,887	\$125,000
Recovery Planning	\$100,000	\$0	\$100,000
Information and Communication Needs	\$400,000	\$0	\$400,000
Oregon Plan Products	\$250,000	\$140,000	\$390,000
OP Products: Restoration/Acq. Priorities	\$180,000	\$0	\$180,000
Effectiveness Monitoring & Reporting	\$270,000	\$420,000	\$690,000
Biennial Conference, Tech Training & Outreach	\$125,000	\$0	\$125,000
SIP: Willamette Contract and Deschutes TA	\$300,000	\$0	\$300,000
Working Lands Conservation Easement Contract	\$50,000	\$0	\$50,000
Totals	\$4,709,177	\$667,887	\$5,377,064

Remaining Funding =

\$2,622,936

2009-2011 Biennium Capital Spending Plan

2009-2011 Available Funding = \$46.6 million

Program Element	Sept 2009 Allocation	January 2010 Allocation
Small Grant Program	\$2,800,000	
CREP	\$1,300,000	
Special Investment Partnerships	\$4,000,000	
Regular Restoration/Acquisition Grants	\$7,194,590	
Item N - Whole Watersheds Restoration Initiative		\$500,000
Item Q - Gold Ray Dam (#210-2048)		\$1,000,000
Totals	\$15,294,590	\$1,500,000

Remaining Funding =

\$29,805,410

N. Partnership Investments

N-1: Oregon Solutions Tillamook Project Exodus

Public Comment

- Bruce Taylor, Oregon Habitat Joint Venture, supported funding for the Tillamook County project.

State Senator Betsy Johnson, Mark Labhart, Tillamook County Commissioner, and Paul Levesque, Tillamook County Chief of Staff, described the county's plans to restore 500-600 acres of tidal wetlands and reduce flooding at Highway 101. OWEB funds and a National Coastal Wetlands Grant made the acquisition of 377 acres involved in the

project possible for wetland restoration. Project Exodus will allow the acquired lands to be restored to intertidal function. The county anticipates submitting a grant application in the April cycle for \$2 million to complete the restoration and land acquisition for the project. This was an information item only.

N-2: Whole Watersheds Restoration Initiative

Representatives from Ecotrust and the U.S. Forest Service briefed Board members on the results to specific watersheds from the Board's previous investments in the Whole Watersheds Restoration Initiative (WWRI) partnership with the USFS, National Marine Fisheries Service, and Ecotrust. Brent Davies of Ecotrust gave the Board a summary of accomplishments over the last biennium for their review. Staff proposed a \$500,000 award for the biennium, planning to allocate \$250,000 on 2010 projects, and \$250,000 on 2011 projects. Staff presented a list of eligible applications for 2010 totaling over \$1 million in funds requested.

Board members voted unanimously to allocate up to \$500,000 of capital funds to match USFS and NOAA funding for projects approved through the Whole Watersheds Restoration Initiative grant process and delegate the authority to the Director to determine the OWEB amount of funds for each project grant award to Ecotrust.

O. Ecosystem Services Update

Renee Davis-Born, Ecosystem Services Coordinator, updated Board members on OWEB's involvement in two ecosystem services initiatives.

OWEB Research Project on Ecosystem Services

OWEB hired a contractor, Ecosystem Services LLC (ESS) and Ecotrust to evaluate how ecosystem services markets may connect to restoration and conservation actions funded by OWEB. The contract's scope focuses on carbon-offset ecosystem services, but takes into account co-benefit ecosystem services that result from carbon-related projects.

Phase I is complete and consisted of a historical survey of past OWEB projects and their potential carbon offset and co-benefit (wildlife habitat, water temperature, water quality, flow, etc.) ecosystem services values. She explained the process and results of the study.

Phase II will evaluate market opportunities for OWEB-funded projects. They are in the process of completing a survey of all members of the supply chain to describe potential barriers to project development and identify information and resources that are necessary for a project to result in successful carbon transactions. An event will be held in late March to share lessons learned from actual Oregon-based carbon transactions, discuss tools for quantifying and monetizing several ecosystem services in a market-based setting, and identify resources and collaborations required to accelerate the practical monetization of carbon offsets and opportunities for future projects.

Phase III consists of two pilot projects focused on carbon offsets and co-benefit ecosystem services to demonstrate what steps are necessary to create market-ready projects. A forest based land acquisition project will provide practical information about how to project proceeds from inception to completion. The second pilot is focusing on soil-based carbon sequestration projects, which primarily would occur in Oregon east of the Cascades.

Staff will again brief the Board at the March meeting, present findings at the June meeting, and a final report is due in mid-June 2010.

SB 513 Ecosystem Services Markets Working Group

SB 513 charges the Sustainability Board with convening an Ecosystem Services Markets Working Group, and names OWEB to provide staff support to this group. The Working Group met in early December and agreed upon the process and principles to guide their work over the next 12 months. Since that meeting, representatives from the Oregon Small Woodlands Association and Oregon Farm Bureau have joined the Working Group, and staff have initiated dialogue with representatives of NOAA Fisheries, the U.S. Army Corps of Engineers, and Network of Oregon Watershed Councils about a process for keeping these groups involved in the 513 process.

The Working Group meets next on January 27 and will hold seven additional meetings between February and October 2010. It is anticipated that the Working Group will provide its final report and policy recommendations to the Sustainability Board for review and approval in November 2010 followed by submittal to the Legislature by January 1, 2011.

P. Public Comment – General

- Charlie Boyer, Oregon Association of Conservation Districts, introduced himself as the new Executive Director of OACD, and presented a video display of the Jackson County Soil and Water Conservation District.
- Jon Souder, Executive Director, Coos Watershed Association, briefed Board members on the Elliott State Forest Habitat Conservation Plan, and the Ford Family Foundation leadership program.

Q. Gold Ray Dam

Ken Bierly, Deputy Director, was joined by Ashley Seim, GIS and Web Site Specialist, to brief Board members on a request to match a federal American Recovery and Rehabilitation Act (ARRA) grant to remove Gold Ray Dam on the Rogue River.

In early 2009, the National Marine Fisheries Service (NMFS) awarded a \$5 million ARRA grant to Jackson County to remove Gold Ray Dam. In March 2009, OWEB funded a grant to Jackson County for an evaluation of the sediment behind Gold Ray Dam. In September 2009, OWEB funded a technical assistance grant for the county to develop a sediment management plan for the removal of the dam. In October 2009, Jackson County submitted a grant application to OWEB for \$1 million in capital funds to cost share with the federal ARRA funding to remove the dam. The federal dollars come with an expedited timeline and OWEB funding is needed to cover the full costs estimated for removal. The Southwest Oregon Regional Review Team supports funding the project. Jackson County Commissioners are scheduled to make a formal decision on the dam removal in March of 2010 following significant evaluation and public review.

Board members unanimously approved up to \$1 million in capital funds to Jackson County for the cost share to remove Gold Ray Dam (Application No. 210-2048) conditioned upon formal approval by Jackson County.

R. 2009-2011 Grant Program Update

Lauri Aunan, Grant Program Manager, updated Board members on the October 19, 2009, grant cycle. A total of 226 grant applications were submitted by the deadline. Regional Review Team (RRT) meetings to evaluate applications have been held for Regions 1, 3, 4, 5, and 6; the Southwest Oregon RRT is scheduled to meet on January 26. The Education and Outreach Review Team (EORT) met by conference call to review and score the four statewide education and outreach applications; the regional education and outreach applications are being reviewed by the applicable RRT. The Oregon Plan Monitoring Team (OPMT) is scheduled to meet in January to review monitoring applications.

The next application deadline is April 19, 2010. Staff typically solicit Technical Assistance applications along with Restoration/Acquisition applications, and staff proposed to offer the solicitation in the April cycle for Technical Assistance.

Ms. Aunan briefly discussed the uncertainty of State revenues, and will wait to propose further funding reserves for the 2009-2011 grant cycles until after the 2010 legislative session concludes, and OWEB knows the amount of Oregon's PCSRF award. Staff expect to bring recommendations to the Board in March or June.

Board members unanimously approved the solicitation of Technical Assistance grant applications for the April 19, 2010, grant cycle.

S. Briefing on Parks and Natural Resource Fund Renewal Effort

Nan Evans, The Nature Conservancy, and Bruce Taylor, Defenders of Wildlife, made a brief presentation of the status of their efforts to renew the Parks and Natural Resource Fund. Director Byler briefed Board members on the statute governing the restrictions on political campaigning by public employees (ORS 260.432).

T. Other Business

There was none.

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board March 16-17, 2010

Gorge Room (*Building A on the map at the bottom of page 2*)
Hood River Inn
1108 E. Marina Way
Hood River

Directions: Off I-84, take Exit 64, take a left at the bottom of the ramp, then take the first right (after the westbound off ramp) into the Inn's entry drive

Tuesday, March 16, 2010

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 20-21, 2010, Board meeting in Coos Bay 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. Dam Removal Monitoring

Desiree Tullos, Oregon State University, and Greg Sieglitz, Monitoring and Reporting Program Manager, will present effectiveness monitoring results from recent dam removal projects in Oregon and in other states. The presentation will provide information to inform the development of future dam removal projects and it will describe preliminary ecological outcomes. *Information item.*

E. Public Comment – Pending Grant Applications [approximately 10:15 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 5, 2010, deadline. The Board encourages persons to limit comments to no more than five minutes.

F. Board Consideration of Pending Grant Applications

The Board will consider grant applications submitted by the October 16, 2009, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

Tour – 3:00 p.m.

The Hood River Watershed Group and its partners will lead a tour of restoration projects and discuss restoration challenges and opportunities in the Hood River Basin.

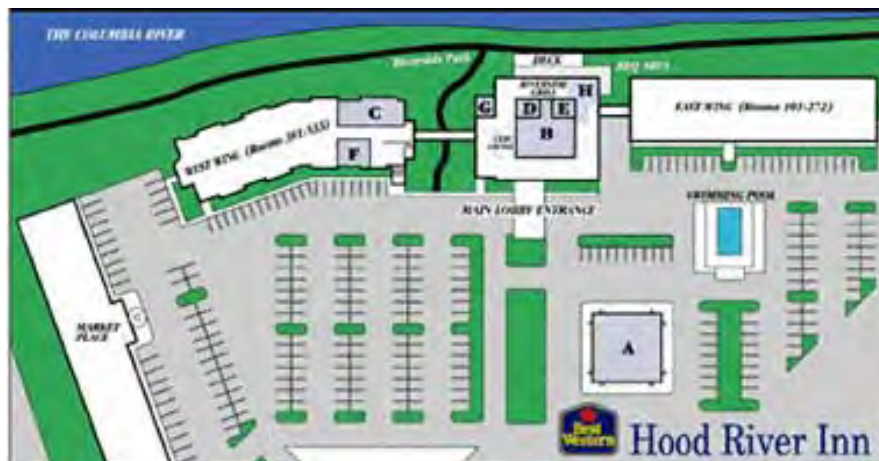
Transportation will be provided for OWEB Board members and staff. Anyone is welcome to join the tour, but please be prepared to provide your own transportation.

Informal Reception – 5:30 - 6:15 p.m.

The public is invited to join the OWEB Board and staff at a reception honoring local conservation groups and efforts.

Shoreline Room (Room H on the map below)

*Hood River Inn
1108 E. Marina Way
Hood River*



Wednesday, March 17, 2010**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.*

G. Budget and Legislative

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, will brief the Board on the status of OWEB's 2009-2011 budget, results from the 2010 special legislative session, and the process for developing legislative concepts and budgets for the 2011 legislative session. *Action item.*

H. Deschutes Special Investment Partnership Presentation

Ken Bierly will present the biennial accomplishments report of the Deschutes Special Investment Partnership (SIP) and Ryan Houston of the Upper Deschutes Watershed Council and other partners will describe the current Deschutes SIP activities and the significance of the SIP in Central Oregon. *Information item.*

I. Public Comment – General [approximately 9:45 a.m.]

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

J. Ecosystem Services Update

Renee Davis Born, Ecosystem Services Coordinator, will update the Board about two ecosystem services initiatives in which OWEB is involved and additional efforts in the area of ecosystem services markets. *Information item.*

K. OWEB Communications Products

Tom Byler, Executive Director, and OWEB staff will update the Board on the action items underway to implement the Board's Strategic Communications Plan and the awareness and involvement elements of the adopted Strategic Plan. *Information item.*

L. Mid-Columbia Steelhead Conservation and Recovery Plan

Sue Knapp with the Governor's Natural Resource Office will give an information briefing on the Mid-Columbia Steelhead Conservation and Recovery Plan. *Information item.*

M. Klamath Basin Restoration Agreement

Sue Knapp with the Governor's Natural Resource Office will update the Board on the status of the Klamath Basin Restoration Agreement. *Information item.*

N. 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, March 16, at 10:15 a.m. The Board will not accept any written materials at that time. Any written comments pertaining to pending grant proposals must be received by the March 5, 2010, 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, March 17 at 10:00 a.m. 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: *John Jackson*
Public member (tribal): *Eric Quaempts*
Public member: *Daniel Heagerty, Board Co-Chair*
Public member: *Dan Thorndike*
Public member: *Patricia Smith*
Public member: *Diane Snyder, Board Co-Chair*
Public member: *Karl Wenner*

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

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
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

2010-2011 Board Meeting Schedule

June 2-3, 2010 in Baker City
September 14-15, 2010 in Garibaldi

January 19-20, 2011 in Salem/Willamette Valley
March 16-17, 2011 in Salem/Willamette Valley
June 7-8, 2011 in Salem/Willamette Valley
September 13-14, 2011 in Hermiston

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

March 16-17, 2010 OWEB Board Meeting Executive Director Update #C-1: Biennial Conference

Background

Every two years, OWEB holds a conference which typically draws approximately 350-400 attendees representing the diversity of those interested and involved in watershed restoration in the state. The conference aims to provide opportunities for both professional development and networking.

November 15-17, 2010

The next biennial conference will be held at the Pendleton Convention Center on November 15-17, 2010. Board member Eric Quaempts and staff are exploring a visit to the Tamátslikt Cultural Institute and planning a traditional dinner at the Longhouse for conference participants.

Other new ideas for this conference that are being explored by staff include a networking bus from the Willamette Valley and increased options and incentives for Sponsorships and Exhibitors.

A planning team will be created that will work to identify a conference theme and begin planning speakers and sessions. Staff will report progress at upcoming Board meetings.

Staff Contact

If you have questions or need additional information, please contact Carolyn Devine, Communications Coordinator, at carolyn.devine@state.or.us or 503-986-0195.

March 16-17, 2010 OWEB Board Meeting Executive Director Update #C-2: Partnerships

Background

OWEB has developed a number of partnerships to invest in specific ecological outcomes and effectively leverage OWEB funding. Because the partnership projects undergo different review processes, the Board formed the Partnership Investment Subcommittee in 2008 to provide greater focus on these investment areas. The Subcommittee meets periodically to review the status of existing partnership projects and to review potential new ideas and proposals before they are introduced to the full Board. This report lists the current partnerships and their status.

Whole Watersheds Restoration Initiative

In October 2009, Ecotrust solicited new applications for community-based habitat restoration projects for the 2010 cycle of the WWRI. At the January Board meeting, the Board awarded \$500,000 to continue the agency's support of the partnership during the 2009-2011 biennium. Since the January Board meeting, the partners have allocated \$1,390,000 to 24 projects. The OWEB funds will go to seven projects in Oregon. The final list of Oregon projects is attached. (Attachment A) Staff are preparing grant agreements with Ecotrust to implement the projects.

Conservation Reserve Enhancement Program (CREP)

The status of CREP technical assistance efforts is addressed in Executive Director Update #C-10.

Willamette Special Investment Partnership (SIP)

On February 17, 2010, the Willamette SIP Technical Review Team met to review six projects and discuss the potential relationship between the Willamette SIP and the Willamette Biological Opinion on the operation of the system of dams on the Willamette River. Staff are pursuing opportunities to work with Meyer Memorial Trust and Bonneville Environmental Foundation to implement restoration strategies in the Meyer "model watersheds."

Deschutes SIP

The Deschutes SIP partners will give a presentation on the SIP status at the Board meeting under Agenda Item H.

Staff Contact

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

Attachment

- A. Final list of Oregon Projects

Whole Watersheds Restoration Initiative 2010

Attachment A

Applicati on No.	Organization	Project Name	State	Amount Req	OWEB	Forest Serv	BLM	NOAA
50	Chelan County Natural Resource Department	N1 Oxbow Reconnection	WA	70,000.00		25,000.00		NOAA
34	Columbia River Estuary Study Task Force (CREST)	Grays River Whole Watershed Restoration Initiative	WA	99,993.52				NOAA
23	Coquille Watershed Association	Restoring Salmonid Habitat & Stream Dynamics in Rock Creek Phase II	OR	45,800.00	16,000.00	30,000.00		
7	Freshwater Trust, The	Rudio Creek Ranch Habitat Restoration Project	OR	98,572.00				NOAA
57	Illinois Valley Watershed Council	Sucker Creek Phase II	OR	100,000.00		50,000.00		
3	Latah SWCD	Potlatch River Restoration/Corral Creek	ID	38,994.00				NOAA
9	Malheur National Forest	Camp Creek Log Weir Removal Project (Phase II)	OR	50,000.00	30,000.00	20,000.00		
53	Malheur National Forest	Eagle Creek Culvert Replacement	OR	80,000.00		80,000.00		
16	McKenzie River Trust	Waite Ranch Tidal Wetland Restoration Project	OR	100,000.00				NOAA
36	Mid-Columbia Fisheries Enhancement Group	Wind River Watershed Fish Passage Improvement	WA	90,000.00		50,000.00		NOAA
13	Mt. Hood National Forest - Hood River	McGee Creek In-channel and Floodplain Restoration	OR	72,550.00		72,550.00		
26	National Center for Conservation Science & Policy	Little Butte Creek Meander Restoration	OR	100,000.00	64,000.00			NOAA
5	Nez Perce Tribe	Spring Creek Wetland and Riparian Restoration	ID	43,058.00				NOAA
11	North Fork John Day Watershed Council	Granite Riparian Revegetation Project	OR	34,989.00		35,000.00		
41	Northwest Watershed Institute	Tarboo Creek Stream and Wetland Restoration	WA	27,400.00				NOAA

Whole Watersheds Restoration Initiative 2010

Attachment A

Applicati on No.	Organization	Project Name	State	Amount Req	OWEB	Forest Serv	BLM	NOAA
30	Partnership for the Umpqua Rivers	Upper South Umpqua Instream Restoration Project Phase III - Gravel	OR	95,675.00	15,000.00			NOAA
18	Siuslaw National Forest	Pixieland and Fraser Creek Restoration, Salmon River Estuary	OR	97,000.00		97,000.00		
44	Skagit Fisheries Enhancement Group	Upper Skagit Invasive Plant Control Project	WA	86,420.00				NOAA
46	Skagit River System Cooperative	Queensgate Floodplain and Riparian Restoration	WA	96,000.00		86,000.00		
19	Tillamook Bay WC	Waldron Creek Enhancement Project	OR	69,800.00	45,000.00			
32	Umpqua National Forest - Tiller	Middle Jackson Creek Salmon and Steelhead Restoration	OR	100,000.00	30,000.00	70,000.00		
37	Underwood Conservation District	Little Wind River Community Habitat Restoration	WA	89,293.00		55,000.00		NOAA
33	Williams Creek Watershed Council	West Fork Williams Stream Restoration	OR	49,600.00	15,000.00		20,000.00	
	Total			1,735,144.52	215,000.00	670,550.00	20,000.00	440,000.00

March 16-17, 2010 OWEB Board Meeting

Executive Director Update #C-3: Oregon Climate Change Adaptation Plan

Background

In late 2009, Governor Kulongoski instructed state agencies to begin developing an Oregon Climate Change Adaptation Plan (Plan). (Attachment A) The Governor identified key agencies in his instructions; other agencies, including OWEB, are also involved in this effort. The Oregon Department of Land Conservation and Development has taken the lead at organizing and convening the relevant state agencies. At the kickoff meeting in January, DLCD Director Richard Whitman articulated three primary goals that the Plan is intended to enable the State to achieve:

1. Assist the State in preparing for the 2011 Legislative Session including budget development, legislative concepts, and policy option packages.
2. Organize the State around current and developing federal policies and programs related to climate change.
3. Establish a structured means for state agencies to communicate with each other and the Legislature about current climate change related actions and future needs.

Adaptation Work Group

During the Director's meeting, a work group was formed and charged with developing the materials that will be necessary to prepare for the 2011 Legislative Session. To date, several products have been generated. A list of likely effects of climate change occurring or expected to occur in the Pacific Northwest (Attachment B), a chart of the alignment between these effects and sectors to which Oregon's agencies are related (Attachment C), and a matrix that ties these products to agency responses and needs (Attachment D).

By the OWEB March Board meeting, the work group will have completed the matrix and staff can make this available. Several recent Board actions through the Research and Monitoring programs will provide important information for the State and the Plan efforts. These include the Climate Leadership Initiative future forums, sea-level rise, water availability, and ecosystem services contracts.

Next Steps

Agency Directors and delegates will continue to meet this spring to work on coordinated budget requests with regard to climate change adaptation. The next meeting in late March is to further advance and agree on a set of policy option packages regarding climate change adaptation that will be submitted to the Oregon Legislature for the 2011-2013 biennial budget.

Staff Contact

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

Attachments

- A. Governor Kulongoski's letter
- B. PNW Climate Change Effects
- C. Oregon sectors affected by climate change
- D. Adaptation Matrix

Likely Effects of Future Climate Conditions in the Pacific Northwest

Changes in temperature

- Higher average air temperatures year around
- Reduced snow cover
- Higher ocean water temperatures
- Hotter summers
- Warmer winters
- Higher surface water temperatures
- Earlier spring, longer summers, later fall
- More winter precipitation falling as rain
- Higher sea levels

Changes in precipitation

- Shift in seasonal precipitation patterns and/or amounts
- Greater variability in year-to-year precipitation patterns and trends
- Increased difference between winter and summer precipitation amounts
- Reduced snow cover
- Greater incidence of drought conditions
- More winter precipitation falling as rain

Changes in extreme events

- Increased strength and frequency of coastal storms
- Increased strength and frequency of winter storms
- More extreme heat events
- More extreme weather events and conditions
- Higher significant storm wave heights
- Higher storm surges and wave heights

Changes in ocean conditions

- Changes in interannual North Pacific oceanic and atmospheric circulation patterns
- Acidification of Pacific Ocean waters

Risks to vulnerable people, communities, resources and infrastructure		Ecosystems	Built/Developed Systems	Economic Systems	Public Health and Safety
1	Increase in wildfire frequency and intensity (two- or three-fold by 2080s)	●	●	●	●
2	Increased competition for water resources	●	●	●	●
3	Increased frequency of landslides	●	●	●	●
4	Increased incidence and magnitude of extreme weather events	●	●	●	●
5	Increased incidence of drought	●	●	●	●
6	Increased inundation of tideland reclamation infrastructure	●	●	●	●
7	Reduced annual water availability	●	●	●	●
8	Reduced water quality	●	●	●	●
9	Increased erosion of beaches, dunes, and ocean bluffs, and estuarine shore habitats	●	●	○	●
10	Increased inundation of ocean and estuarine shorelands	●	●	●	○
11	Reduced snowpack	●	●	●	○
12	Potential for increased incidence and magnitude of damaging floods	○	●	●	●
13	Increased erosion of road base and bridge supports	○	●	●	●
14	Loss of beaches, dunes, and tidal wetlands	●	●	○	○
15	Changes in vegetation growth and mortality rates, geographical distributions, and water use efficiency	●	○	●	○
16	Increase in invasive species	●	○	●	○

Statewide Climate Change Adaptation Framework

Matrix to compile agency actions

Version 1.0, January 11, 2010

I.	A.	1.	a.	i.	
System	Subsystem	Likely Effects	Risks and Opportunities	Inventory of Current and Planned Actions	Gaps
Natural Systems	Forests				
Built and Developed Systems					
Economic Systems					
Human Health					

Framework_Matrix_V1.0.doc

March 16-17, 2010 OWEB Board Meeting

Executive Director Update #C-4: 2009-11 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.

The 2009-2011 report will be the fifth report prepared to meet this statutory obligation. Previous editions have been printed reports, with an electronic version of the document available on the OWEB and Oregon Plan web sites. Beginning with the 2005-2007 report, OWEB began making additional content, primarily project stories and agency accomplishments, available via the web.

2009-2011 Biennial Report

As part of the agency's communications efforts, staff have begun planning the content and production elements of the 2009-2011 Oregon Plan Biennial Report. Staff plan to produce a print document, but currently are discussing how to pare down the content included in the print version while enhancing the amount of data, information, and stories made available on the Oregon Plan web site. The keystone of the printed report will continue to be the 13 Oregon Plan reporting basins with the basin maps of completed and reported projects.

The following is a general schedule for production of the 2009-2011 report. Staff will update the Board at the upcoming June and September Board meetings.

March – June 2010	Oregon Watershed Restoration Inventory Data collection/entry. Implement agency coordination efforts to collect program and accomplishment information.
July – September 2010	Map and graphic development. Finalize Oregon Plan related program and accomplishment information. Draft text. Check in with Board on observations and recommendations.
September 2010	Report to Board on status, issues identified, and recommended observations. Refine Board observations and recommendations. Finish drafting text. Review maps and graphics.
October – November 2010	Final document assembled and reviewed. Web content drafted and page production begins.
December 2010	Biennial Report sent to printer. Web content finalized.

January 14, 2011

Biennial Report distributed to Board, Legislature, and other stakeholders. Web report and content made available.

More information on OWEB's efforts to coordinate with its sister agencies is provided in Agenda Item K.

Staff Contact

If you have questions or need additional information about the 2009-2011 Oregon Plan Biennial Report, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

**March 16-17, 2010 OWEB Board Meeting
Executive Director Update #C-5: Small Grant Program Evaluation**

Background

Oregon Administrative Rule 695-35-0070 directs OWEB to review reports submitted by the Small Grant Teams and evaluate the need for program improvements and administrative rule changes once a biennium.

As previously reported to the Board, staff began to review the program by scheduling several “listening” tours, which combined visits to small grant project sites and discussion with small grant team members. Staff embarked on visits to the six regions to tour Small Grant Team projects starting in the summer of 2009 and will complete the tours in Regions 1 and 6 by early April 2010.

Small Grant Project Tour Schedule

Date	Region	Small Grant Team Area
July 24, 2009	4	Hood River SGT 14
August 13	3	Upper Willamette West SGT 09
October 5	2	South Coast SGT 05
September 14 & 17	5	Grande Ronde SGT 27
March 30, 2010	1	Lower Columbia SGT 01
April 6-8	6	John Day SGT 25

Staff have also reviewed the biennial reports for 2007-2009 submitted by Small Grant Teams in August 2009. Team comments concerning the program will be summarized in a final report to the Board in June 2010. The table below outlines the timeline for program review.

Small Grant Program Review Timeline

Timing	Activity
July-September 2009	Review Small Grant Team Biennial Reports; summarize comments; develop list of issues
July 2009-April 2010	Site/Listening Tours with Small Grant Teams (6 tours around the state ensuring a visit to each region)
January 2010	Update Board
March-April 2010	Summarize listening tours and Small Grant Biennial Report comments; develop list of issues and OWEB proposals on how to respond/address to circulate to the Small Grant Teams via email
June 2010	Final report and recommendations to the Board

Staff Contact

If you have questions or need additional information, please contact Bev Goodreau, Grant Program Specialist, at bev.goodreau@state.or.us or 503-986-0187.

March 16-17, 2010 OWEB Board Meeting Executive Director Update #C-6: Strategic Plan Update

Background

At the March 2009 meeting, the Board initiated a strategic planning exercise involving Board members, staff, and stakeholders. The goal was to identify, discuss, and determine OWEB program priorities and actions to focus on between 2009 and 2014. Don Harker was hired in May to facilitate the strategic planning process, interview staff and stakeholders, and help write the plan.

The Board met with management staff for facilitated planning sessions in Eugene on June 1, 2009, and in Silverton on June 30 and July 1, 2009. Drafts were then circulated among Board members and staff during the month of August. At the September 2009 meeting at Wallowa Lake, the Board made minor edits, approved a final draft of the strategic plan, and directed staff to make the draft available for public review in October. Staff distributed the final draft Strategic Plan for public comment in early October. Based on the comments received, staff and the Board Planning Subcommittee proposed final edits for Board consideration in January 2010. The Board adopted the content of the plan at the January Board meeting and directed staff to make improvements to the introduction and the look and feel of the document.

Final Strategic Plan Document

Staff are currently reviewing the language in the adopted plan for consistency and are drafting language to strengthen the introductory sections. Over the next month, staff will complete the document review and will contract for the production of the final document. Staff intend to have a final, more reader friendly version of the document completed before the June Board 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.

March 16-17, 2010 OWEB Board Meeting
Executive Director Update #C-7: Working Lands Conservation
Easements Contract

Background

OWEB staff have been working with the Board Acquisition Subcommittee on the question of how working lands conservation easements – those land conservation projects that include continued private ownership and economic use of a property – are evaluated for funding. OWEB’s current administrative rules focus on habitat, plant community, and species ecological priorities and whether applications meet one or more conservation principles to protect those priorities. In contrast, a number of working lands easement proponents have argued that protection from land division and intensification of use should be sufficient for OWEB funding.

As part of the strategic plan implementation effort, staff advertised for an independent contractor to analyze programs that fund “working lands” conservation easements and interview interested parties to seek opinions about what working lands easements can contribute to watershed and habitat restoration and conservation in Oregon. The purpose of the project is to compile policy and program information and stakeholder perspectives to help OWEB better determine how its funding can be used for working lands conservation easements that provide long-term economic benefits for landowners in a manner consistent with the Oregon Constitution and OWEB’s mission and statutes.

Working Lands CE

Four responses to the Request for Proposal were received for review. A staff review team was assisted by Bruce Taylor, Defenders of Wildlife, and Meta Loftsgaarden, Natural Resources Conservation Service, to evaluate the proposals. James Fox Ph.D. was selected to conduct the work. Dr. Fox has experience with the Washington Salmon Recovery Funding Board and extensive policy analysis and implementation experience to bring to the project. Staff have initiated contracting with Dr. Fox.

Next Steps

Staff and Dr. Fox anticipate reporting on the analysis and findings at the September 2010 or January 2011 meeting.

Staff Contact

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

March 16-17, 2010 OWEB Board Meeting

Executive Director Update #C-8: Watershed Council Listening Sessions

Background

The Oregon Watershed Enhancement Board began a strategic planning process in June 2009 and the Board approved the Final Strategic Plan at its January 2010 meeting.

Goal 2 of the Strategic Plan is to “Support an enduring, high capacity local infrastructure for conducting watershed restoration and conservation.” Strategy 2 under Goal 2 is to “Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships.”

In October 2009, OWEB’s Director and the Board of the Network of Oregon Watershed Councils discussed the importance of engaging watershed councils in a deeper dialogue about what makes watershed councils successful and how OWEB watershed council funding, and processes might be changed in order to build local capacity, provide base funding and promote strategic partnerships. OWEB staff coordinated with the Network Board to develop a list of questions to be discussed with watershed councils in order to have this deeper dialogue. In early January, OWEB hired Jim Owens to facilitate the listening sessions and to provide OWEB with a final report. The schedule for the Listening Sessions is below and the agenda can be found in Attachment A. A summary of the listening sessions and a participant list will be available at the Board meeting.

Schedule

Date	Location	Time
Monday, Feb. 22	Clean Water Services, Hillsboro	1-5pm
Wednesday, Feb. 24	Douglas County Library, Roseburg	1-5pm
Thursday, Feb. 25	OSU Guin Library, Newport	9am-1pm
Monday, Mar. 1	Marion County Fire District Office, Salem	1-5pm
Tuesday, Mar. 2	Central Oregon Intergovernmental Council, Redmond	1-5pm
Thursday, Mar. 4	Union County Extension Services, LaGrande	1-5pm

Staff Contact

If you have questions or need additional information, please contact Courtney Shaff, at Courtney.Shaff@state.or.us or 503-986-0046.

Attachment

- A. Listening Sessions Agenda

**WATERSHED COUNCIL SUPPORT LISTENING SESSIONS
AGENDA**

Time	Item
1:00 pm	Welcome and Introductions – Tom Byler and Jim Owens <ul style="list-style-type: none">▪ Background and Purpose▪ Listening Session Approach
1:10	Expectations/Desired Outcomes -- Group Discussion
1:20	What is Success: What does it mean to be a successful watershed council and how can OWEB help you be successful? <ul style="list-style-type: none">▪ What does it take financially to be successful as an organization?▪ What do you need/desire from OWEB to help you be a success?▪ Are we accomplishing what we need to with the available funding? How can OWEB funding be better focused to meet those needs?
2:00	Building Local Capacity: What should OWEB do to help build capacity? <ul style="list-style-type: none">▪ Should OWEB limit the number of councils that it funds to order to provide more adequate levels of funding to councils?▪ Should OWEB continue to provide additional financial support to umbrella councils? If so what amount of financial support would be an incentive to keep umbrella councils together?▪ Are there functions where contracted services or technical assistance would help build WC capacity?▪ Should there be incentives for establishing and maintaining effective partnerships?
2:30	Break
2:40	Improving the Funding Program: How can OWEB make more effective use of the limited funding that is available? <ul style="list-style-type: none">▪ Is there a better model that should be explored? Examples: Regional basis, flat funding, RFPs issued by OWEB to address defined restoration priorities, more funding for areas with ESA compliance issues.▪ Are there modifications to the existing funding program that would make it more equitable?▪ Should OWEB continue to fund low performing councils?
3:10	Application Process: What works/doesn't work?
3:30	Setting Priorities: How do we best move forward? <ul style="list-style-type: none">▪ What is the single highest priority for change in OWEB's council support funding program?▪ What are the 2-3 most important actions that OWEB can take to respond to what we've heard today?
3:50	Break
4:00	Open Conversation (any topic)
4:50	Summary and Next Steps -- Tom Byler/Lauri Aunan
5:00	Adjourn

March 16-17, 2010 OWEB Board Meeting Executive Director Update #C-9: Restoration Priorities

Background

Goal 1, Strategy 1, Action 2 of the OWEB Strategic Plan directs staff to develop restoration priorities and integrate recovery plans and the Oregon Conservation Strategy. OWEB staff have met with the Oregon Departments of Fish and Wildlife and Environmental Quality to discuss aligning the priorities in the Conservation Strategy and OWEB restoration priorities. Staff have developed a work plan to create an effective cross walk between the recovery plans, the Conservation Strategy and the restoration priorities developed from watershed assessments. The work plan includes three activities: 1) compilation of the previously developed priorities in a common database; 2) developing priorities for freshwater and estuarine systems; and 3) assisting in the update of the Oregon Conservation Strategy to clearly connect OWEB restoration priorities and Conservation Strategy priorities. This report identifies the work involved in the first portion of the work plan.

Compilation of Restoration Priorities

To date, OWEB has identified restoration priorities at the basin scale throughout most of the state. This effort started with a pilot project coordinated with watershed councils in the Willamette River subbasin. OWEB then annually funded work on restoration priorities in different regions of Oregon. The status of restoration priorities is summarized in Table 1, which is organized by the 15 reporting basins as used by OWEB.

Table 1. Summary of basin priority projects organized by OWEB Reporting Basin, contract, and hydrologic area.

#	OWEB Reporting Basins	Contract	No. of 5th Fields	4th Field
1	Deschutes	Columbia	64	
2	Hood	Columbia	15	
3	Grande Ronde	Columbia	24	
4	John Day	Columbia	44	
5	Klamath	South Oregon	36	
6	Lakes (Lake County)	South Oregon		4
6	Lakes (Harney County)	South Oregon		8
7	L. Columbia	Coho ESU Coast	3	
8	North Coast	Coho ESU Coast	60	
9	Malheur -Owyhee (Owyhee)	South Oregon		7
9	Malheur -Owyhee (Malheur)	Columbia	29	
10	Powder	Columbia	25	
11	Rogue	Rogue	8	
12	South Coast	South Coast	10	
13	Umatilla	Columbia	24	
14	Umpqua	Umpqua	19	
15	Willamette	Willamette	58	

The target geographic scale for the restoration priorities effort was fifth-field hydrologic unit codes (HUCs), however, not all project areas were amenable to this scale because information was not available at this level or watershed councils targeted finer scale information. The fifth-field HUC was the reporting unit for the Willamette and Columbia basin projects; and for the Klamath basin portion of the South Oregon project. The fourth-field HUC was used for the eastern basins of the South Oregon project – Lake, Harney and Owyhee watersheds – because of the lack of data in these areas. A finer scale (sixth-field, or seventh-field in the case of the MidCoast Council) was used in the Coho ESU Coast project at the request of the watershed councils participating in the assessment. The differences in reporting unit areas will need to be addressed as part of the effort going forward. Another consideration will be whether additional data gaps can be filled with more recent studies.

The restoration priorities development process evolved over time as OWEB worked with the individual characteristics of the basins and watershed councils. This resulted in a diversity of geographic reporting scales, limiting factors, reporting methods, and databases. Understanding these differences is necessary before compiling the priorities together into a single database. The dimensions of these different approaches are summarized in Table 2.

Table 2. The geographic scale and number of reporting units and limiting factors that were rated.

Project	HUC Scale	Council/ Subbasin	Reporting Units - HUCS	Limiting Factor Categories	Limiting Factors
Willamette	Mix 4 & 5	26	58	5	47
Columbia	5	8	225	5	31
Coho ESU Coast	Mix 6 & 7	12	63	7	40
South Oregon - Klamath	5	1	37	4	14
South Oregon - Walla Walla	5	1	6	4	15
South Oregon - Owyhee, Harney, Lakes	4	3	19	6	na
Rogue	Mix 4 & 5	1	8	4	18
South Coast	Mix 4 & 5	1	10	3	11
Umpqua	5	1	19	4	10

The information for Willamette, Columbia, Coho ESU Coast, Klamath and Walla Walla projects are in electronic format, and are therefore accessible for placement into a common database. The information on the Rogue, South Coast and Umpqua will need to be reviewed and may need to be entered by hand into a database structure.

While much of the state has been covered, there are gaps in both geographic extent and information sources. For example, federal lands were not included in the Umpqua and Willamette basin projects, and there are some areas (e.g., Greater Oregon City Watershed Council) that were not covered in the original effort because there was no information where now there are watershed assessments. In addition, some relevant conservation planning documents, the Oregon Conservation Strategy and federal ESA Recovery Plans for salmon and steelhead, were not consistently integrated into the prioritization scheme.

To align the restoration priorities, the following assumptions are being considered by the staff:

1. Geographic Scale

The target geographic scale for reporting priorities is the fifth-field HUC (retaining fourth-field HUC scale where finer detail is not available). However, the database should retain the fine-scale information as reported by watershed councils. For example, for basins in the range of coho salmon the information was compiled at the sixth/seventh-field HUC scale.

2. Data Gaps

The data completed independently by watershed councils (Umpqua, Sandy, Rogue and South Coast basins) or where additional watershed studies have since been completed will need to be added and attributed to the database.

3. Salmon and Steelhead Recovery Plans

Include priorities identified in three ESA recovery plans: the Lower Columbia River, Upper Willamette, and Middle Columbia Basin. Also include information from the Oregon Conservation Strategy.

4. Federal Lands

In general, no additional effort is expected to address federal lands where they have not already been addressed.

5. Use of the database

OWEB wishes to have an information set that provides a consistent set of attributes for watersheds across the State. The information will be used to evaluate priorities within a basin to help evaluate grant requests from watershed councils. The database will be also be used to report restoration priorities to the OWEB Board at various geographic scales.

As decisions are made about this process, staff will update the Board.

Staff Contact

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

March 16-17, 2010 OWEB Board Meeting
Executive Director Update #C-10: CREP Technical Assistance

Background

The Board allocated \$1.3 million in capital funds to support the Conservation Reserve Enhancement Program for the 2009-2011 biennium.

CREP Technical Assistance

Staff have been working with a work group following the discussion at the September 2009 Board meeting to review the distribution and approach to providing technical assistance for the Conservation Reserve Enhancement Program (CREP). The working group includes the Farm Service Agency, Natural Resources Conservation Service, Oregon Association of Conservation Districts, and the Department of Agriculture. The work group discussed alternative approaches with the Soil and Water Conservation Commission at their February meeting.

The work group has evaluated where technical assistance is being provided by OWEB funds and other funding partners. We have looked at the distribution of technical staff in relation to number of contracts and acreage of enrollments. The group has identified a number of criteria to evaluate to more efficiently allocate resources. The group expects to have an analysis prepared for the Board to consider in June that will be used for the funding recommendation for the 2011-2013 biennium.

Care is being taken to use a process that will maintain the current investment in technical capacity and more effectively provide assistance. The group is also looking at other needs to facilitate program implementation. Attachment A provides some of the background information on the allocation of technical assistance at this time.

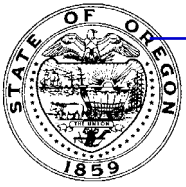
Staff Contact

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

Attachment

- A. Current Technical Assistance Allocations

CREP Technical Assistance					
Basin	Districts	Contracts	Acreeage	OWEB CREP TA	Other CREP TA
North Coast	Clatsop	*			
	Columbia	8	388		
	Tillamook	0	0		
Lower Willamette	Clackamas	14	73		SWCD
	Tualatin	41	247		Clean Water Services
	Yamhill	51	361	Yamhill	NFWF
	W. Multnomah	14	73		SWCD
	E. Multnomah	4	94		SWCD
	Polk	49	526	Polk	NFWF
	Marion	18	195		SWCD
Central Coast/Upper Willamette	Lincoln	8	173		
	East Lane	33	172		
	Siuslaw				
	Benton	26	556		
	Linn	27	339		
Southwest	Coos	27	232		
	Curry	22	617	Curry	
	Douglas	83	1,050	Douglas	
	Umpqua				
	Jackson	5	264		SWCD
	Josephine	*		Josephine	
	Illinois Valley				
Deschutes	Deschutes	0			
	Jefferson	11	439		
	Crook	13	459	Crook	
	Wasco	230	7,847	Wasco	BPA
	Sherman	87	4,899	Sherman	BPA
	Hood River	0			
High Desert	Klamath	37	1,614	Klamath	
	Lake	0			
	Ft. Rock-Silver Lake	23	1,314		
	Harney				
John Day/Umatilla	Gilliam	60	1,654	Gilliam	BPA
	Wheeler	25	661	Wheeler	BPA
	Umatilla	185	2,462	Umatilla	
	Grant	46	1,931		
	Morrow	70	1,361		
Snake	Baker Valley	34	1,996	Baker Valley	
	Burnt River				
	Eagle Valley				
	Keating				
	Wallowa	67	1,542		
	Union	64	1,482		
	Malheur	4	277		
		* Likely single contract			



Oregon

Theodore R. Kulongoski, Governor

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February 24, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

SUBJECT: Agenda Item D: Dam Removal Monitoring
March 16-17, 2010 OWEB Board Meeting

I. Introduction

This report provides a summary and an update on the preliminary findings from recent dam removal projects in various basins in Oregon that OWEB has participated in through our effectiveness monitoring program.

II. Background

Dam removal has been a growing field of restoration science and implementation in recent years. As watershed restoration actions continue to grow in size and scope, dam removal has moved to the forefront of the field. Several small to medium sized dams have recently been removed in just the last three years in Oregon. These include Brownsville on the Calapooia River, Chiloquin Dam on the Sprague River, Marmot Dam on the Sandy River, and Gold Hill and Savage Rapids dams on the Rogue River. Over the next two years, Sodom and Shears dams on the Calapooia River and Gold Ray Dam on the Rogue River are scheduled for removal.

With this very active portfolio of dam removal actions in Oregon, coupled with a relatively young field of study and practice, significant opportunities are present to learn from these efforts to inform future work. The OWEB Board elected to take advantage of these opportunities and to play an active role in providing funding to those experts that plan for and study dam removal projects. In September of 2007, the Board funded effectiveness monitoring of the Calapooia River dam removal projects; in 2008 funding was provided for Marmot dam removal studies; and in 2009 dam removal monitoring was supported for the Savage Rapids and Gold Ray dam removals.

III. Discussion

Oregon State University, through its Biological and Ecological Engineering Department, has been a leader in studying dam removal around the Pacific Northwest and elsewhere. Through the combined efforts supported by OWEB and others, new and exciting findings are emerging in this budding field of restoration and study.

As OWEB continues to organize and describe information about restoration project accomplishments and outcomes through its Strategic Plan and communications efforts, projects that are of high dollar value, have a strong social recognition, and potentially provide immediate and clear ecological results should be candidates for demonstrating the return on our investments. In many cases, dam removal projects fit these criteria. The response of rivers, by the fish that inhabit them and the sediment and other material that is transported by them, are proving to be rapid and definitive in many cases. While information is preliminary for many of the projects identified above, there has been a great deal learned in just the last two field seasons. At the March meeting, Dr. Desiree Tullos will brief the Board on the early findings from recent dam removal projects and discuss where some critical uncertainties and needs still exist in offering a strategic approach to future dam removal evaluation. Dr. Tullos has worked on effectiveness monitoring associated with the removal of five dams in Oregon and two outside of the state.

IV. Recommendation

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



Oregon

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February 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Carolyn Devine, Communications Coordinator
Greg Sieglitz, Monitoring and Reporting Program Manager
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Overview and Statewide Projects
March 16-17, 2010 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 19, 2009, deadline. The report includes budget considerations and a summary of combined funding recommendations for the October 19, 2009, grant cycle, including the Statewide Education grant evaluations and staff funding recommendations.

This staff report also contains funding recommendations for the second phases of the “staged” awards for the Bandon Marsh restoration project and Willow Creek Water Quality Improvement Phase II grants, for which the Board awarded the first phase of funding in September 2009, and deferred awarding funding for the second phase following progress reports, which are included in this report.

II. Background and Summary

Two hundred and twenty-six grant applications seeking a total of \$21,980,489 were received by the October 19, 2009, deadline. The breakdown by region, project type, and dollar amount is shown on the attached table. (Attachment A) One application in Region 1 was not accepted because it was submitted on an old application form that did not contain information required for the October 2009 cycle. Another application, 210-2048, for removal of the Gold Ray Dam, was pulled from consideration for this cycle and funded at the January 2010 Board meeting because of the need to provide expedited state funding to supplement federal stimulus funding, which requires the project to be completed this year. The two applications were withdrawn by the applicants.

Restoration and Acquisition applications that use capital funds were solicited in this funding cycle, as were Technical Assistance, Monitoring, and Education/Outreach applications that generally use non-capital funds. After being screened for eligibility and completeness, the applications were sent to the six 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.

As explained in more detail below, the four Statewide Education/Outreach applications (Attachment B) were reviewed only by the statewide Education/Outreach Review Team (EORT). Monitoring applications were also reviewed by the Oregon Plan Monitoring Team (OPMT).

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

III. Review Process

The applications were screened for completeness and categorized by application type. The RRTs were sent packets or CDs 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 projects. All RRT members were invited on these visits and some members were able to participate.

The RRTs met in December and January. For Restoration, Technical Assistance, Monitoring and Education/Outreach, the RRTs evaluated the merit of each proposal. Discussion of Restoration applications included how the proposed project addresses watershed process and function. After classifying applications as “fund” or “no fund,” the RRTs then prioritized the projects recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. The recommended funding amount and any special conditions are identified in the tables attached to each regional staff report. For Acquisition applications, the RRTs only discussed the ecological and educational value of the proposed acquisition.

The EORT met in Salem in December to review the four Statewide Education/Outreach grant applications and discuss five main aspects of each proposal: the applicant's understanding of audience needs; the design of the activities and whether or not they will lead toward the intended outcomes; the process for evaluation; and the proposal's overall value toward furthering the broader goal of developing and maintaining healthy watersheds.

The OPMT met in Salem in February to review each Monitoring grant application and identify their significance to the Oregon Plan and their likelihood of success.

The RRT recommendations in summary form were distributed to all applicants whose proposals were reviewed by that RRT. The EORT evaluations were also distributed to the Statewide Education/Outreach applicants. Prior to the Board meeting, staff forward to the Board all written comments received from applicants regarding the RRT, EORT and staff recommendations.

IV. Statewide Education Applications

Based on EORT evaluations and staff consideration of the evaluations and available funding, staff recommend funding one Statewide Education/Outreach application, 210-7003, at a reduced level of \$60,000. This application will fund Oregon State University's work to publish the master watershed stewardship program on-line. The learning modules will be self-paced and accessible to participants regardless of time and location. One aspect of this proposal is to create

a step-by-step training interface for Oregon Explorer, which will increase the general public's accessibility and usability of the resource.

The EORT recommended two additional Statewide applications for funding, 210-7001 and 210-7002. For 210-7001, staff do not recommend funding this cycle. The proposal demonstrated innovative ideas, including the utilization of water bill inserts to drive users to a website and the use of online social networking such as Facebook. While the proposal has merit, at this time, it is most strategic to wait and determine how the proposed website may coordinate and complement content on OWEB's own newly launched portal website.

For 210-7002 submitted by SOLV, staff do not recommend funding this cycle, but instead will work with SOLV and other OWEB stakeholders and grantees to explore local capacity funding.

V. Acquisition Applications

Two new land acquisition applications were reviewed during this grant cycle. By rule, acquisition projects undergo a multifaceted review. The applications often require more time to fully evaluate and prepare funding recommendations than is available in the regular 21-week grant cycle.

Applications are first reviewed by a Board Acquisition Subcommittee (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 that specific questions be addressed by the RRT.

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 environmental site assessment is reviewed by staff at the Department of Environmental Quality. Staff typically recommend the Board defer funding decisions for applications for which due diligence has been requested but not completed in the regular 21-week grant cycle.

After the due diligence review is complete, the Subcommittee synthesizes the proposed project's ecological and educational benefits, applicant capacity, partnerships, local support, local and regional community effects, RRT evaluation, and due diligence results into a funding recommendation to OWEB staff. Staff then consider all evaluation criteria, the Subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full Board.

The applications submitted in October 2009 are discussed in the Region 1 staff report and are recommended for deferral. No acquisition projects previously deferred by the Board are ready for a funding decision at this time.

VI. Staged Awards

The following sections report on the progress to implement the Bandon Marsh Restoration and Willow Creek Water Quality Improvement Phase II grants that received staged funding awards in September 2009. Attachment C shows the staged awards and recommended funding amounts.

A. Bandon Marsh Restoration Progress Report

OWEB grant 210-2032 will help restore more than 400 acres of tidal and freshwater marsh and riparian habitats in the 582-acre Ni-les'tun Unit of the Bandon Marsh National Wildlife Refuge. Restoration will return historic tidal influence and provide foraging, roosting and rearing habitat for a suite of wildlife including migratory shorebirds, waterfowl, and anadromous and resident fish. The project is occurring in two phases, and OWEB funding supports the implementation of Phase II work.

The implementation of Phase I work began in the fall of 2009. Phase I work occurred in drained or ditched locations behind levees and consisted of eliminating minor drainage ditches to allow for natural tidal inundation of the historic marsh when dikes are breached in Phase II. The U.S. Fish and Wildlife Service has confirmed that the Phase I work has been completed and Phase II work is ready to commence as soon as the contracts are awarded and the weather gets drier.

The Phase II work is scheduled for the summer of 2010. Major elements include ditch filling, tidal channel excavation, placement of large wood, the removal of dikes and tide gates along the Coquille River, and removal of unpaved farm roads. Fahy's Creek, which flows through the project site, will be reconfigured to re-connect the creek to the Coquille River in its historic location. Concurrently, the work to raise the Northbank Road to reduce flooding and the relocation of the Coos Curry power lines (both funded with federal dollars) will be taking place.

Grant 210-2032 was submitted to OWEB during the April 2009 application cycle. The Region 2 RRT recommended funding for the application. Staff recommended full funding for the restoration portion of the project and partial funding of the effectiveness monitoring component (\$979,265), to be provided through a staged award. Under the staged award, the Board awarded \$500,000 in September, 2009, with \$479,265 to be awarded in March 2010 on the condition of receiving a progress report on the status of the project. Given the complex nature of Phase I and Phase II, OWEB staff wanted to ensure that Phase II was ready to be implemented before awarding the second stage of funding.

While Phase I has been completed, Phase II has been awaiting drier weather and to date no OWEB funds have been expended or advanced to the grantee, Ducks Unlimited, Inc. (DU). Ducks Unlimited will be putting the entire project out to bid in March 2010 and will be awarding contracts soon afterward. This will legally obligate DU to the entire construction project, currently estimated at \$1.5 million. DU is required to have project funds under agreement prior to awarding a construction contract. This prevents DU from being legally obligated to construction contract payments without having the project funding legally obligated to them. Mobilization and other preparatory work will begin in March. Minor earthwork will begin in June. Major earthwork will proceed as the ground dries in July and August. The final levee removal is scheduled for the first two weeks in September.

B. Willow Creek Water Quality Improvement Phase II

The Willow Creek Working Group (WCWG) is continuing its effort to address irrigation-induced erosion and high bacterial counts in the Willow Creek drainage located west of Vale. The Willow Creek drainage encompasses about 500,000 acres. WCWG's efforts focus on approximately 30,000 acres of intensive agriculture and feedlots below Brogan Canyon to Willow Creek's confluence with the Malheur River near Vale. WCWG has already piped over 30 miles of irrigation laterals, 20 miles of buried mainline, and 6,800 feet of pipe near feedlots to prevent contamination of drain water. WCWG has also implemented 15 miles of riparian and cross-fencing and many individual projects to improve water quality, reduce runoff, and improve efficiency. They have successfully obtained several OWEB and Bureau of Reclamation (BOR) grants in the past six years to help fund these efforts and have provided all the installation of the pipe, which is a significant cost-share. WCWG estimates that due to implementation of previous projects, 8,000 to 16,000 tons of soil and millions of *E. coli* colonies were prevented from entering Willow Creek.

Grant 210-5021 will install 8 pumpbacks to eliminate return flow on 880 acres; 8 sprinklers on 462 acres; 19,720 feet of pipe in open drains and irrigation ditches on 4 separate properties treating 698 acres; 2,800 feet of exclusion fence on an irrigation canal, and 6,000 feet of fence to exclude cattle from 3,000 feet of Willow Creek. The grant is a coordinated effort of 19 individual projects involving 18 different landowners. Watershed benefits include elimination of return flow and run-off on 2,075 acres and preventing 42,000 to 57,000 tons of sediment and millions of *E.coli* colonies from entering Willow Creek. Water quality will be substantially improved as a result of decreased sediment, nutrient, and bacteria levels. The WCWG used the following criteria to evaluate individual projects: proximity to Willow Creek; ability to connect to a pipe lateral; current cropping and irrigation; the size of the irrigated parcel; and the potential for riparian protection.

Grant 210-5021 was submitted to OWEB during the April 2009 application cycle. The Region 5 RRT recommended funding and ranked it number three in priority out of 15 Restoration applications. Staff recommended funding the project in two stages. Under the staged award, the Board awarded \$322,142 in September 2009, with the remaining \$322,142 to be awarded in March 2010 on the condition of receiving a progress report on the status of the project. Given the amount of coordination with 19 separate projects, OWEB staff wanted assurance that the grantee was ready to implement the rest of the project before awarding the second stage of funding.

With the funding awarded in September 2009, two projects have been completed and six will be completed this spring. WCWG needs the second stage of funding to complete the projects planned for the spring as well as purchase pipe and materials for nine projects planned for later this year. Most of the 19 total projects will be completed by the fall of 2010.

VII. Budget Considerations

A. Capital Funds

Due to the continuing uncertainty around the State budget and Lottery revenues, the Board has not yet established capital funding targets for OWEB's 2009-2011 biennium. For the first funding cycle in this biennium, staff recommended, and the Board approved, a

conservative award level of about \$7.3 million in capital grant awards. In the 2007-2009 biennium, the capital funding target was \$9.25 million for each grant cycle.

Given the economic downturn, it is difficult to predict with certainty exactly the amount of capital funds available for the remainder of the biennium. The February 8, 2010, Revenue forecast showed Lottery revenues declining. OWEB staff estimates that capital Lottery funds are down by about \$2.5 million when compared to OWEB's budgeted funds. As of the writing of this report, the Legislature has not acted to adjust Lottery funds in agency budgets.

Based on this information, OWEB estimates having approximately \$25.4 million in uncommitted capital funds available for the remainder of the biennium; this includes unspent grant funds returned from completed grants. However, this figure is uncertain, and could change if Lottery revenues continue to fall.

Staff expect that between \$125,000 and \$1.25 million in land acquisition applications may be ready for Board consideration at the June 2010 meeting. The total dollar amount of deferred acquisitions is \$4.1 million.

Staff recommend funding for 71 of the 92 Restoration applications recommended for funding by the RRTs. No Acquisition applications are ready for funding at this time. Staff recommend funding these applications through the expenditure of \$9,213,716 in capital funds and \$21,584 in non-capital funds.

In addition, in order to allow funding further down the list of non-capital applications, staff recommend funding three Monitoring applications using capital funds for a total of \$117,404. These applications are eligible for capital funds because they propose effectiveness monitoring for three implemented Restoration projects where work is continuing. The capital fund source designation for the Sprague River Restoration project in Region 4 and the Luther Wetlands and Choirboys Wetlands Pond projects in Region 5 are noted in the regional funding tables.

B. Non-Capital Funds

Due to the continuing uncertainty around the State budget and Lottery revenues, the Board has not yet established non-capital funding targets for OWEB's 2009-2011 biennium. At this stage of the biennium, Lottery Fund non-capital funds have declined by approximately \$538,000 when compared to budgeted non-capital funds.

In September 2009, the Board awarded \$577,000 to the April 2009 Technical Assistance applications. For the October 2008 grant cycle, which included Technical Assistance, Monitoring, and Education/Outreach, the Board was able to target \$2.8 million in non-capital funding, including \$750,000 each for Education and Technical Assistance, and \$1.3 million for Monitoring.

Table 1 shows the amount of non-capital funding recommended by OWEB staff for each non-capital grant type.

Table 1. Non-Capital Applications Recommended by OWEB Staff

Grant Type	Budget
Education/Outreach	\$ 588,969
Monitoring	\$1,213,702*
Technical Assistance	\$ 571,315
Total	\$2,373,986*

*Includes \$117,404 in capital funding for three monitoring applications.

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 \$21,584.

Staff recommend funding 23 of the 31 Education/Outreach applications recommended by the RRTs, and one of the three recommended Statewide Education/Outreach applications (at a reduced level). Staff recommend funding all 23 of the 23 Monitoring applications recommended by the RRTs. Staff recommend funding 18 of the 24 Technical Assistance applications recommended by the RRTs.

Staff recommend funding these applications through the expenditure of \$2,256,582 in non-capital funds and \$117,404 in capital funds, for total funding of \$2,373,986.

If the Board acts on the staff recommended non-capital awards for this grant cycle, there will be approximately \$1.6 million in uncommitted non-capital funds for the remainder of the biennium. Staff expect to receive additional non-capital funds through the Pacific Coastal Salmon Recovery Fund (PCSRF) for federal fiscal year 2010. In 2009, OWEB was awarded \$13.2 million in PCSRF funds. The 2010 PCSRF funds should be available by the end of the summer.

VII. Point of Interest: The Role of Big-Ticket Projects

Over the past several years, OWEB has seen a greater number of more complex, large-dollar grant applications vying for the available resources. The challenge has been to balance support for smaller, shorter-term opportunities with support for larger, longer-term projects, while also making award decisions that assure the larger applications will receive the funding they need to succeed. This becomes even more challenging this biennium where OWEB has fewer capital funds.

In previous cycles, including the September 2009 cycle, staff have addressed this issue by recommending that the Board approve “big-ticket” applications on the condition that only part of the funding is awarded, and remaining funds are awarded at future Board meetings. This approach allows OWEB to continue to fund a number of applications in all six regions during each cycle. It also requires that OWEB staff carefully track the future commitments made by the Board to ensure accurate calculations of available grant resources.

For this cycle, staff recommend the Board approve one “big-ticket” application in Region 3 (210-3067, Sodom Ditch-Calapooia River Fish Passage Improvement Project, \$697,470), with the condition that only part of the funding be awarded at this meeting, and the remaining funds

be awarded at the September 2010 meeting. The Regional Review Team and OWEB staff support funding the application in its entirety; all of the staff-recommended funding is needed. Staff have discussed the “staged award” with the applicant and the staging of funds works for the project. More detail is provided in the Region 3 staff report.

VII. Staff Funding Recommendations

Staff recommendations for Board action are identified by region for the applications indicated in each of the following six regional reports. “Do Fund” applications are indicated on the tables by shading.

A. Capital Funding Recommendations

The statewide funding totals recommended by staff are shown below. Details are contained within each of the attached regional staff reports.

Restoration Applications, <i>Capital</i> Portion	\$9,214,966
Restoration Applications, Staged Awards	\$ 801,407
<u>Monitoring Applications</u>	<u>\$ 117,404</u>
TOTAL <i>Capital</i> Staff Recommendation	\$10,132,527

B. Non-Capital Funding Recommendations

The statewide funding totals recommended by staff are shown below. Details are contained within each of the attached regional staff reports.

Education/Outreach Applications	\$ 588,969
Monitoring Applications	\$1,096,298
Technical Assistance Applications	\$ 571,315
<u>Restoration Applications, <i>Non-Capital</i> Portion</u>	<u>\$ 21,584</u>
TOTAL <i>Non-Capital</i> Staff Recommendation	\$2,278,166

C. Statewide Education and Outreach Application Recommendations

Attachment B shows the proposals and funding amounts for the statewide Education/Outreach applications. The table also indicates, by means of shaded entries, the OWEB staff funding recommendations to the Board.

Staff recommend the Board approve the staff funding recommendations contained in Attachment B to this report.

D. Staged Award Recommendations

The Bandon Marsh Restoration and Willow Creek Water Quality Improvement Phase II have submitted the required progress reports. Staff recommend the Board award the second stage of funding for 210-2032 and 210-5021 as shown in Attachment C to this report.

Attachments

- A. Types of Applications Received and Amounts Requested by Application Type
- B. Statewide Applications Recommended for Funding
- C. Staged Awards from September 2009 Recommended for Funding

Oregon Watershed Enhancement Board

Types of Applications for October 19, 2009

	Technical Assistance	Monitoring	Education	Acquisition	Restoration	Totals
Region 1	4	5	6	2 (Land)	14	31
Region 2	5	8	4	0	28	45
Region 3	9	4	6	0	22	41
Region 4	8	4	12	0	14	38
Region 5	4	5	2	0	30	41
Region 6	1	2	4	0	19	26
Statewide	0	0	4	0	0	4
Totals	31	28	38	2	127	226

Dollar Amounts by Application Type

	Technical Assistance	Monitoring	Education	Acquisition	Restoration	Totals
Region 1	134,458	256,342	95,569	848,761	1,433,468	2,768,598
Region 2	157,987	954,409	116,414	0	3,705,553*	4,934,363*
Region 3	354,092	344,674	166,803	0	3,630,461	4,496,030
Region 4	292,272	151,165	350,514	0	1,820,470	2,614,421
Region 5	106,534	459,981	59,180	0	3,500,407	4,126,102
Region 6	25,641	292,440	53,665	0	2,434,923	2,806,669
Statewide	0	0	234,306	0	0	234,306
Totals	1,070,984	2,459,011	1,076,451	848,761	16,525,282	21,980,489

*Totals include the \$1 million Gold Ray Dam removal project (210-2048) which was removed from the cycle and funded at the January, 2010, Board meeting because of the shortened time to implement projects funded under the American Recovery and Rehabilitation Act of 2009

ATTACHMENT B

**Statewide
Education Applications Reviewed by the Education/Outreach Team
October 19, 2009 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project name	Total Amount	Priority
210-7003	On-line Watershed Stewardship*	60,000	1
210-7001	Love Your River Education and Outreach Campaign	41,800	2
210-7002	SOLV Watershed Education Program	33,943	3
Total Education Projects Recommended for Funding by Staff to Board		\$60,000	

* Listed Amount Reflects Recommended Reduction

**Statewide
Education Applications NOT Recommended for Funding by RRT
October 19, 2009 Grant Cycle**

Project #	Project Name	Total Amount
210-7000	Enhancement Watershed Protection Information Access	39,169

Staged Awards
October 19, 2009 Grant Cycle
Second Stage Award

Staff Recommendations to the Board are Highlighted in Gray		
Project #	Project name	2nd stage award
210-2032	Bandon Marsh NWR, NI-les'tun Unit Restoration	479,265
210-5021	Willow Creek Water Quality Improvement Phase II	322,142
Total Restoration Projects Recommended for Second Stage Award by Staff to Board		\$801,407



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February 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Tom Shafer, North Coast Regional Program Representative
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 1, North Coast
March 16-17, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the North Coast Regional Review Team evaluations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 31 applications for a total request of \$2,768,598 including \$848,761 for Acquisitions. The Regional Review Team (RRT) recommended to staff 25 applications for funding, and favorably reviewed the two Acquisition applications. Staff recommend 24 applications for a total award of \$1,568,669: \$1,102,430 for Restoration; \$75,439 for Education/Outreach; \$256,342 for Monitoring; and \$134,458 for Technical Assistance.

III. Regional Review Team Recommendations

The North Coast Regional Review Team (RRT) met in Rockaway Beach in January 2010 to review the applications received in this grant cycle and make recommendations to OWEB staff. Restoration, Education/Outreach, Monitoring and Technical Assistance applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Region 2 RRT recommended 10 Restoration applications; six Education/Outreach applications; five Monitoring applications and four Technical Assistance applications.

The RRT recommended to staff increased funding for three Restoration applications, 210-1026, 210-1032, and 210-1023. Staff concur with these recommended increases as described in the Region 1 evaluations for these applications.

The RRT recommended to staff that three Restoration applications be funded with conditions: 210-1032, 210-1046 and 210-1022. Staff concur with the conditions for 210-1022 and 210-1032, as described in the evaluations. Staff do not agree with the condition recommended for 210-1046; based on follow-up discussions with the applicant and U.S. Forest Service staff, OWEB staff recommend increased funding as described in the evaluation. In order to meet the recommended capital funding level for this cycle, staff recommend decreased funding for one Restoration application, 210-1022, as described in the evaluation.

The RRT recommended to staff that Technical Assistance application 210-1038 be funded with conditions. Staff concur with this recommendation, as described in the evaluation.

IV. Acquisitions

Two land acquisition applications were received from Region 1 this grant cycle. Both of the applications are recommended for deferral.

A. Nehalem Bay Wetlands Conservation Project Phase II (210-106)

The Lower Nehalem Community Trust (LNCT) requests \$583,761 to purchase five properties totaling approximately 56 acres at the northern edge of Nehalem Bay in Tillamook County. The properties contain freshwater and tidally influenced freshwater forested wetlands, and intertidal salt marsh and mudflats. The application states that the acquisitions will be accompanied by LNCT collaboration with local homeowner's associations (HOAs). The HOAs own 143 acres of wetlands adjacent to the properties LNCT proposes to purchase. LNCT wishes to work with the HOAs to develop conservation-oriented management plans for the HOA-owned wetlands.

The project is the second phase of a two-phase effort to permanently protect wetlands that link land owned by LNCT to Nehalem Bay State Park and large expanses of tidal wetlands adjacent to LNCT-owned land. The first phase, funded jointly by OWEB and the U.S. Fish and Wildlife Service (USFWS) Coastal Wetlands Conservation Grant Program (Coastal Wetlands), is nearly complete, and will permanently protect approximately 14 acres of freshwater and tidally influenced freshwater wetlands.

LNCT proposes to use the currently requested OWEB funds to match approximately \$994,000 in Coastal Wetlands funds recently awarded to OWEB by USFWS for acquisition of the Phase II properties.

At the direction of the Acquisitions Subcommittee, staff requested due diligence materials in November 2009. The RRT felt that the project has high ecological and educational value. The requested due diligence materials have not been received. Staff and the Acquisitions Subcommittee recommend the Board defer consideration of Nehalem Bay Wetlands Conservation Project Phase II until due diligence materials have been received and reviewed.

B. Lewis and Clark River Habitat Conservation Project (210-107)

The Columbia Land Trust (CLT) requests \$265,000 to purchase a 100-acre property at the head of tide on the Lewis and Clark River in Clatsop County. The property contains approximately one mile of the river, the majority of which includes both banks. CLT proposes to acquire the property in order to correct degradation caused by previous agricultural use. CLT intends to stabilize the river's eroding banks, reconnect the river to its

side channels, revegetate wetlands and floodplain, and address the deleterious effects of the property's dilapidated bridge, which is used by a neighbor to access adjacent property. The application states that the acquisition and restoration projects are in early stages of development.

The RRT felt that the project has high ecological and educational value. The Acquisitions Subcommittee felt that it could possibly be supportive of the project, but that the restoration needed to return the property to good ecological condition will be complex and expensive. The Subcommittee declined to recommend due diligence review without first having a better understanding of the extent of restoration that OWEB can expect CLT to achieve on the property. Specifically, the Acquisitions Subcommittee requested that staff obtain from CLT the following information: 1) the outcomes of CLT consultation with a professional geomorphologist or engineer, experienced in mainstem river restoration work, to determine the extent to which reconnecting the river to its side channels and floodplain is possible; 2) letters of interest from potential restoration funders; 3) the results of CLT's current effort to arrange for alternate access for the neighboring landowner who currently uses the property's bridge; 4) the results of initial dialogue with neighboring landowners regarding CLT's vision for large-scale restoration that includes reconnecting the river to its historic side channels and floodplain; and 5) the outcome of CLT conversation with the Lewis and Clark National Historical Park regarding a partnership to educate the public about the importance of habitat conservation and restoration in the Young's Bay watershed.

If CLT submits all of the requested information within six months, the Acquisitions Subcommittee will review the information, and will either recommend that staff proceed with due diligence or recommend a no-fund decision. Staff currently recommend that the Lewis and Clark River Habitat Conservation Project be deferred for six months to allow CLT the opportunity to submit the additional information requested by the Acquisitions Subcommittee.

V. Staff Recommendation

Staff recommend funding for 10 Restoration applications, five Education/Outreach applications, five Monitoring applications, and four Technical Assistance applications.

Staff and the Acquisitions Subcommittee recommend the Board defer consideration of the two Acquisition applications submitted in October 2009

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some "do fund" projects, the amount shown in the table, and the conditions, may be the staff recommendation rather than the RRT recommendation.

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 1 - North Coast
Acquisition Applications Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-106	Nehalem Bay Wetlands Conservation Project Phase II	583,761
210-107	Lewis & Clark River Habitat Conservation Project	265,000

Region 1 - North Coast
Restoration Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-1037	Bear Creek Large Wood Placement	31,235	794	32,029	1
210-1039	Miami Wetlands Enhancement EM \$9,464	450,648		450,648	2
210-1030	Alder Creek Stream Enhancement Project	26,391		26,391	3
210-1048	Kenusky Creek Habitat Restoration - Phase II	100,985		100,985	4
210-1026	Fall Creek (Neskowin) Restoration**	131,017		131,017	5
210-1032	Condon Creek Project^**	110,325		110,325	6
210-1023	Elk Flats Restoration and Enhancement Project EM \$17,212**	79,678		79,678	7
210-1043	Feagles Creek Channel Restoration	13,095		13,095	8
210-1046	Little Beaver Creek Fish Passage Project**	28,452		28,452	9
210-1022	Trout Creek Basin Improvement^*	128,385	1,425	129,810	10
Total Restoration Projects Recommended for Funding to Staff by RRT		1,100,211	2,219	1,102,430	
Total Restoration Projects Recommended for Funding by Staff to Board		1,100,211	2,219	1,102,430	

* Listed Amount Reflects Recommended Reduction **Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 1 - North Coast
Education Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-1025	Siuslaw Middle School Stream Team	10,486	1
210-1029	Stream Team Extension IV	9,724	2
210-1040	Utilizing Natural Resource Crews For Watershed Work	24,962	3
210-1034	Mapleton Schools' Watershed Education Program	18,910	4
210-1031	Siuslaw Watershed Exploration Camps 2010	11,357	5
210-1041	Forest to the Sea Outdoor Schools and Habitat Comparison Studies	20,130	6
Total Education Projects Recommended for Funding to Staff by RRT		95,569	
Total Education Projects Recommended for Funding by Staff to Board		\$75,439	

Region 1 - North Coast
Monitoring Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-1035	Siuslaw Volunteer Water Quality Monitoring Program 2010-2011	8,609	1
210-1036	2010 SDCWC Water Quality Monitoring	26,140	2
210-1021	Mid Coast Monitoring Project	117,950	3
210-1049	Upper Nehalem - Rapid Bio-Assessment - Phase II of II	93,643	4
210-1044	Green River Fish Production Monitoring	10,000	5
Total Monitoring Projects Recommended for Funding to Staff by RRT		256,342	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$256,342	

Region 1 - North Coast
Technical Assistance Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-1028	God's Valley Meadows Technical Assistance	37,833	1
210-1038	Illingsworth Creek Bridge Design & Wetland Feasibility Study^	35,200	2
210-1042	Limiting Factor Project Development (5 Rivers/Upper Yaquina)	37,153	3
210-1047	Upper Nehalem - Landowner Outreach - Cooperation	24,272	4
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		134,458	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$134,458	

^Fund with Conditions

Region 1 - North Coast
Restoration Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-1027	Upper Miami River Restoration Project Phase I	139,908
210-1033	Swamp-Wolf Creek Stream Enhancement Project	55,455
210-1045	Bummer Creek Habitat Enhancement Phase II EM \$37,620	63,140

Region 1 - North Coast
Restoration Application Ineligible
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-1024	Cook Creek Riparian Enhancement Project	75,150



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February 19, 2010

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 16-17, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team evaluations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 45 applications for a total request of \$4,934,363. One application, 210-2048, for removal of the Gold Ray Dam, was pulled from consideration for this cycle and funded at the January 2010 Board meeting because of the need to provide expedited state funding to supplement federal stimulus funding, which requires the project to be completed this year. The Regional Review Team (RRT) recommended funding for 32 applications. Staff recommend 30 applications for a total award of \$2,696,664: \$1,915,640 for Restoration; \$92,456 for Education/Outreach; \$557,888 for Monitoring; and \$130,680 for Technical Assistance.

III. Regional Review Team Recommendations

The Southwest Oregon Regional Review Team (RRT) met in Roseburg in January 2010 to review the applications received in this grant cycle and make recommendations to OWEB staff. All applications were reviewed for 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 18 Restoration applications; four Education/Outreach applications; seven Monitoring applications; and three Technical Assistance applications.

Staff concur with the RRT-recommended special conditions for three Restoration applications (210-2056, 210-2051, and 210-2070) and two Monitoring applications (210-2043 and 210-2059), as described in the Region 2 evaluations.

The RRT recommended an increased budget to add a year of effectiveness monitoring for the top-ranked Restoration application, 210-2053 (Sucker Creek Channel and Floodplain Restoration). Staff concur with this recommendation.

The RRT recommended, and staff concur with, a minor reduction to the budget for Restoration application 210-2045, as described in the evaluation. Staff also concur with the RRT recommended reduction to Monitoring application 210-2074, as described in the evaluation.

IV. Staff Recommendations

Staff recommend funding 17 Restoration applications; three Education/Outreach applications; seven Monitoring applications; and three Technical Assistance applications.

Staff recommend a budget reduction for Monitoring application 210-2059, as described in the evaluation.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation.

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 2 - Southwest Oregon
Restoration Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-2053	Sucker Creek Channel and Floodplain Restoration - Phase 2** EM \$15,000	219,607		219,607	1
210-2061	Morgan Creek Restoration	138,218		138,218	2
210-2076	Sweet Ranch Ag Water Quality and Estuary Rearing Habitat Restoration*	75,171		75,171	3
210-2066	West Fork Millicoma Habitat Improvements and Road Decommission EM \$3,438	200,955		200,955	4
210-2075	South Coast Fish Passage Restoration	148,794		148,794	5
210-2063	Fate and Days Creeks Stream Restoration	77,897		77,897	6
210-2067	Williams River Watershed Habitat Improvement Phase I	147,418	200	147,618	7
210-2081	N Fk Coquille Watershed Restoration Project Phase II	210,658		210,658	8
210-2055	Billy Creek Habitat Improvement	33,295		33,295	9
210-2056	Cox Creek Habitat Improvement^	35,450		35,450	10
210-2080	Coquille Elk Creek 2010 Instream Restoration	188,123		188,123	11
210-2057	Andrews Creek Habitat Improvement	31,663		31,663	12
210-2045	Ashland Creek Ponds Riparian Restoration*	41,759		41,759	13
210-2051	Limpy Creek Stream Restoration^	79,755		79,755	14
210-2073	Coos Watershed Riparian Maintenance Project	71,114		71,114	15
210-2070	North Slough Creek Riparian Restoration Project^	62,058		62,058	16
210-2042	South Tenmile Lake Fish Passage	153,505		153,505	17
210-2041	Swanson Sediment Abatement #2	166,159		166,159	18
Total Restoration Projects Recommended for Funding to Staff by RRT		2,081,599	200	2,081,799	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,915,440	\$200	1,915,640	

* Listed Amount Reflects Recommended Reduction ** Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 2 - Southwest Oregon
Education Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-2069	Coos Watershed Stewardship Synergies	39,213	1
210-2044	Nonpoint Source Pollution Education Package	31,243	2
210-2065	Bear Creek Regional Education Project	23,958	3
210-2085	Cultivating Healthy Watersheds Education Project	22,000	4
Total Education Projects Recommended for Funding to Staff by RRT		116,414	
Total Education Projects Recommended for Funding by Staff to Board		92,456	

Region 2 - Southwest Oregon
Monitoring Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-2074	Curry Watersheds Monitoring Program 2010*	97,753	1
210-2060	Umpqua Basin Stream Flow Monitoring Project	68,980	2
210-2071	Coho Life History in Tide Gated Coastal Lowland Streams	169,813	3
210-2059	PUR Umpqua Fish Population Monitoring 2010-2011^*	66,738	4
210-2064	Umpqua Basin Stream Gauge Monitoring	28,710	5
210-2043	Tenmile Lakes Watershed Monitoring 2010-11^	117,275	6
210-2058	Upper South Umpqua Life Cycle Monitoring 2010	8,619	7
Total Monitoring Projects Recommended for Funding to Staff by RRT		557,888	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$557,888	

* Listed Amount Reflects Recommended Reduction ** Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 2 - Southwest Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-2052	White-Deer Creek Habitat and Channel Enhancement Design	34,298	1
210-2072	Upper West Fork Millicoma Baseline Aquatic Inventory Surveys	49,644	2
210-2068	Cedar Creek Road Erosion Surveys	46,738	3
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		130,680	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$130,680	

**Region 2 - Southwest Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle**

Project #	Project Name	Total Amount Requested
210-2054	Ni-les'tun Tidal Wetland Restoration Effectiveness Monitoring	361,401

**Region 2 - Southwest Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle**

Project #	Project Name	Total Amount Requested
210-2049	Veranda Park Restoration Project	10,000
210-2078	North Fork/East Fork Coquille Watershed Restoration Project Development	17,307

Region 2 - Southwest Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-2046	Medford-Cearley Riparian Restoration	155,260
210-2047	Illinois Valley Tree Planting Project	30,380
210-2050	Quartz Creek Restoration III	51,869
210-2062	Hubbard Creek Restoration	99,522
210-2077	Coquille Fish Trap Creek Riparian Fencing 2010	68,875
210-2079	Coquille Catching Creek Creek Riparian Fencing 2010	55,171
210-2082	Lake Creek Riparian Restoration	21,690
210-2083	West Fork Williams Stream Restoration	78,790
210-2084	Applegate Riparian Restoration Program 2010-2011	68,365

Region 2 - Southwest Oregon
Restoration Applications Pulled and Awarded at January Board
October 19, 2009 Grant Cycle

210-2048	Gold Ray Dam Removal and Restoration	1,000,000
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February 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Wendy Hudson, Willamette Basin Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 3, Willamette Basin
March 16-17, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the Willamette Basin Regional Review Team evaluations, special issues, and staff recommendations for funding.

II. Background

Applicants submitted 41 applications for a total request of 4,496,030. The Regional Review Team (RRT) recommended to staff funding for 30 applications. Staff recommend 22 applications for a total award of \$2,227,536. This includes \$1,830,610 for Restoration; \$127,400 for Education/Outreach; \$100,819 for Monitoring; and \$168,707 for Technical Assistance.

III. Regional Review Team Recommendations

The Willamette Basin Regional Review Team (RRT) met in Salem in January 2010 to review the applications received in this grant cycle and make recommendations to OWEB staff. All applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Willamette Basin RRT recommended to staff funding for 16 Restoration applications, six Education/Outreach applications, two Monitoring applications, and six Technical Assistance applications.

Staff concur with the RRT-recommended funding conditions for four Restoration applications recommended by staff for funding (210-3048, 210-3044, 210-3065, and 210-3037), one Monitoring application (210-3055), and two Technical Assistance applications (210-3042 and 210-3053). The conditions are described in the Region 3 Restoration evaluations for these applications.

Staff also concur with the RRT-recommended budget reductions for three Restoration applications recommended by staff for funding (210-3037, 210-3050 and 210-3065), as described in the evaluations.

Special Issues – Sodom Ditch-Calapooia River Fish Passage Improvement

The RRT recommended funding of \$697,470 for 210-3067, Sodom Ditch-Calapooia River Fish Passage Improvement Projects. The project, when completed, will open 70 miles to spring Chinook and winter steelhead.

The project area, located five miles west of Brownsville, includes the Calapooia River from the Calapooia River-Sodom Ditch bifurcation, downstream to the Calapooia River-Butte Creek confluence, a distance of nearly 11 miles. After a lengthy, collaborative process, the Landowner-Technical Team selected a preferred alternative for fish passage and flow management in this complex system. The preferred alternative includes (1) removal of Sodom Dam and channel restoration with grade control that provides fish passage at all flows (already covered under grant #207-087; to be implemented in 2010); (2) removal of Shear Dam and regrading the channel for fish passage at all flows (part of this grant request); (3) development of a design for the bifurcation to minimize sediment deposition and maintenance requirements (part of this grant request); and (4) consideration of the removal of Spillway Dam and installation of an alternative water supply to meet the Oregon Parks and Recreation Department's needs for demonstration milling at Thompson's Mills (still under consideration).

After a robust discussion, the RRT ranked this project as one of its top three restoration priorities in the Willamette Basin. They complimented the applicant for their commitment to organizing a diverse stakeholder/technical team process that collectively weighed the merits of five alternatives. There were some reservations about the cost of the project, and reviewers encouraged the applicant to investigate additional public and private funding sources.

The RRT recommended fully funding the application at \$697,470. Staff recommend funding at a slightly reduced amount of \$688,335; however, for the reasons described in the Overview report, staff recommend an award of \$368,300 at this time, with the remaining \$320,035 to be awarded in September 2010. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the remaining funding.

V. Staff Recommendations

Staff recommend funding 11 Restoration applications; five Education/Outreach applications; two Monitoring applications; and four Technical Assistance applications. Following the review team evaluation meeting, staff learned that Technical Assistance application 210-3056 had also been submitted to, and will be fully funded by, the National Fish and Wildlife Foundation. As a result, staff do not recommend this application for funding, allowing OWEB to fund further down the line for other applications.

Staff also recommend budget reductions for two Restoration applications (210-3048 and 210-3067) and one Education/Outreach application (210-3032), as described in the evaluations for these 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 and the conditions are the staff recommendation rather than the RRT recommendation.

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

ATTACHMENT A

Region 3 - Willamette Basin
Restoration Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-3059	Upper Gales Creek Large Wood Placement Project	94,385		94,385	1
210-3050	Middle McKenzie Side Channel Enhancement*	82,400		82,400	2
210-3067	Sodom Ditch-Calapooia River Fish Passage Improvement Projects^*♦	365,800	2,500	368,300	3
210-3054	Nelson's Checkermallow Recovery Phase II EM \$ 8,896	148,706	1,650	150,356	4
210-3038	Stout Creek Stream Restoration	155,590		155,590	5
210-3048	North Santiam Headwaters Spring Chinook Salmon Habitat Improvement^*	85,090	2,500	87,590	6
210-3029	Zena Forest Oak Habitat Restoration EM \$ 11,652	209,349	2,400	211,749	7
210-3063	TumTum River Restoration Project	60,464	900	61,364	8
210-3044	Restoring Sensitive Oak and Prairie Habitat in the Lower Willamette Watershed^	385,361		385,361	9
210-3065	Starr & Duffy Creek Fish Passage Project^*	173,605	2,100	175,705	10
210-3037	Redland Road Fish Passage Improvement^*	57,010	800	57,810	11
210-3057	Willamette River and Johnson Creek Confluence Salmon Habitat Enhancements	168,525		168,525	12
210-3041	North Fork Molalla River Habitat Enhancement^	119,280		119,280	13
210-3027	Upper Luckiamute Fish Passage Improvement^	142,458		142,458	14
210-3047	Jordan Creek Fish Passage and Water Quality Improvement^* EM \$ 5,411	152,872		152,872	15
210-3051	Hollyer Wetland Enhancement Project	78,910	2,600	81,510	16
Total Restoration Projects Recommended for Funding to Staff by RRT		2,479,805	2,600	2,495,255	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,817,760	\$12,850	\$1,830,610	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

♦Total amount is \$688,335 staged award with \$368,300 recommended now and \$320,035 to be awarded in September 2010.

Region 3 - Willamette Basin
Education Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-3062	Willamette River: Parks & Futures Educational Film Project	40,000	1
210-3036	Youth Watershed Council STEWARDS Program	12,500	2
210-3045	Middle Fork Willamette Watershed Rangers Project	20,000	3
210-3049	Camp Creek Basin Study	9,900	4
210-3032	Salmon Watch*	45,000	5
210-3031	Willamette Watershed Stewardship Project^	34,403	6
Total Education Projects Recommended for Funding to Staff by RRT		161,803	
Total Education Projects Recommended for Funding by Staff to Board		\$127,400	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 3 - Willamette Basin
Monitoring Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-3030	Implementing Invertebrate-Based Biomonitoring in Selected Willamette Valley Wetlands	40,819	1
210-3055	Fish Diversity and Distribution of Beaver and Upper Johnson Creeks^	60,000	2
Total Monitoring Projects Recommended for Funding to Staff by RRT		100,819	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$100,819	

^Fund with Conditions

Region 3 - Willamette Basin
Technical Assistance Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-3046	Middle Fork Fish Passage Implementation Project	47,964	1
210-3064	Rapid Bio-Assessment, Landowner Outreach & Project in Greasy, TumTum & Beaver Cr subbasins	49,928	2
210-3056	Oak Creek Landowner Recruitment for Riparian Restoration (funded by Nat'l Fish & Wildlife Fnd.)	40,319	3
210-3042	Scappoose Bay Watershed Limiting Factors Analysis^	49,965	4
210-3053	Evergreen Restoration Plan^	20,850	5
210-3034	Lower Springfield Mill Race Restoration Plan	25,000	6
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		234,026	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$168,707	

^Fund with Conditions

ATTACHMENT B

Region 3 - Willamette Basin
Monitoring Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-3039	Assessing Riparian Habitat, Aquatic Habitat and Water Quality in the Chehalem Valley Watershed	147,336
210-3060	Continuous Pesticide Monitoring in the Pudding Watershed	96,519

Region 3 - Willamette Basin
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-3028	Portland Metro Conservation Framework	46,726
210-3035	Peckenpaugh Drainage Enhancement	35,442
210-3052	Mid Willamette Landowner Recruitment and Restoration Design	37,898

Region 3 - Willamette Basin
Restoration Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-3033	FBP Native Plant Nursery Expansion	75,000
210-3040	Delph Creek/Porter Road Fish Passage	148,197
210-3043	N and S Scappoose Creek Confluence Restoration	181,650
210-3058	Lower Gales Creek Restoration Project	217,763
210-3061	Clark Culvert/Barrier Removal Project	44,590
210-3066	Calapooia Watershed Noxious Weed Control	39,226



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February 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Rick Craiger, Central Oregon Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 4, Central Oregon
March 16-17, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the Central Oregon Regional Review Team evaluations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 38 applications for a total request of \$2,614,421. The Central Oregon Regional Review Team (RRT) recommended funding 30 applications. Staff recommend 20 applications for a total award of \$1,276,046: \$908,562 for Restoration; \$120,829 for Education/Outreach; \$151,165 for Monitoring; and \$95,490 for Technical Assistance.

III. Regional Review Team Recommendations

The RRT met in Redmond in January 2010 to review the applications received in this grant cycle and make recommendations to OWEB staff. All applications were reviewed for 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 funding 11 Restoration applications; nine Education/Outreach applications; four Monitoring applications; and six Technical Assistance applications.

Staff concur with the RRT-recommended funding conditions for the following applications recommended by staff for funding: three Restoration applications (210-4050, 210-4058, and 210-4052), one Education/Outreach application (210-4031), and one Technical Assistance application (210-4047). The conditions are described in the Region 4 evaluations for these applications.

The RRT recommended a moderate reduction for one Restoration application (210-4032), and staff agree with the reduction, described in the evaluation.

IV. Staff Recommendation

Staff recommend funding eight Restoration applications; four Education/Outreach applications; four Monitoring applications; and four Technical Assistance applications recommended by the RRT.

Following the review team evaluation meeting, staff learned that Restoration application 210-4039 had also been submitted to, and will be fully funded by, the Whole Watershed Restoration Initiative. As a result, staff do not recommend this application for funding, allowing OWEB to fund further down the line for other applications. In addition, staff recommend a small reduction for Restoration application 210-4058, as described in the evaluation.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some applications, the amount shown in the table and the conditions are the staff recommendation rather than the RRT recommendation.

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

ATTACHMENT A

**Region 4 - Central Oregon
Restoration Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-4036	North Fork Sprague/Bailey Flat	95,591		95,591	1
210-4032	Lone Pine Main Canal Piping Project*	429,332		429,332	2
210-4054	Horseshoe Ranch - Wood River Restoration Project	20,952		20,952	3
210-4057	North Fork Sprague Fish Passage	161,093	100	161,193	4
210-4039	McGee Creek In-channel and Floodplain Restoration (funded by USFS Whole Watersheds)	73,150		73,150	5
210-4050	Sprague River at Dusty Lane^	10,320		10,320	6
210-4058	Crazy Creek and Deep Creek Restoration Project^*	112,450	2,500	114,950	7
210-4052	Kircher's Riparian Enhancement Project^	31,239		31,239	8
210-4045	Threemile Creek Culvert Replacement	44,985		44,985	9
210-4029	Hess Irrigation Efficiency (Phase I)	31,021		31,021	10
210-4061	Badger Springs Reconnection and Wetland Enhancement	58,563		58,563	11
Total Restoration Projects Recommended for Funding to Staff by RRT		1,068,696	2,600	1,071,296	
Total Restoration Projects Recommended for Funding by Staff to Board		905,962	2,600	908,562	

* Listed Amount Reflects Recommended Reduction **Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 4 - Central Oregon
Education Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-4042	Crook County High School Watershed Education Project	44,295	1
210-4043	Environmental Education for Elementary Students on the Warm Springs Reservation	41,434	2
210-4040	Landmark Project	12,000	3
210-4031	Resources and People Camp^	23,100	4
210-4035	Student Stewardship Projects	36,600	5
210-4025	Seeds to Streambanks Native Plant Education	30,215	6
210-4060	Outdoor Science Education Camps 2010	49,097	7
210-4049	Teaching Core Biology to Save Salmon	49,500	8
210-4048	Central Oregon Weed Education Program	30,000	9
Total Education Projects Recommended for Funding to Staff by RRT		316,241	
Total Education Projects Recommended for Funding by Staff to Board		\$120,829	

^Fund with Conditions

Region 4 - Central Oregon
Monitoring Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-4027	Fifteenmile Watershed Flow Monitoring	20,106	1
210-4055	Sprague River Past-Project Effectiveness Evaluation❖	104,855	2
210-4051	Streamflow & Water Quality Monitoring in the Wood River Valley, Upper Klamath Basin	16,225	3
210-4030	Hood River Irrigation Upgrade Flow Meter Monitoring	9,979	4
Total Monitoring Projects Recommended for Funding to Staff by RRT		151,165	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$151,165	

❖Fund with capital.

Region 4 - Central Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-4053	Fourmile Creek and Harriman Spring Delta Restoration, Upper Klamath Basin	14,960	1
210-4047	Antelope Creek Subbasin Restoration Planning^	36,000	2
210-4033	TTDC Diversion Improvement and Habitat Restoration	35,000	3
210-4059	Westside Water Users Irrigation Efficiency Project	9,530	4
210-4024	Aquifer Recovery Planning for Streamflow Restoration	50,000	5
210-4056	Upper Klamath Landowner Recruitment^	46,782	6
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		192,272	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$95,490	

^Fund with Conditions

**Region 4 - Central Oregon
Education Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle**

Project #	Project Name	Total Amount Requested
210-4026	Wasco County Rural Living Handbook	8,707
210-4028	Woody Species Planting Guide and Workshop	10,359
210-4046	Urban Homesteading for Healthy Communities and Watersheds	15,207

**Region 4 - Central Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle**

Project #	Project Name	Total Amount Requested
210-4037	Middle Fork Hood River Instream Flow Assessment	50,000
210-4038	MFID Clear Branch Dam Fish Passage Feasibility Assessment	50,000

**Region 4 - Central Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle**

Project #	Project Name	Total Amount Requested
210-4034	Ryan Meadow Wetland Restoration Project	98,150
210-4041	Horse Heaven Creek Watershed Restoration Project	593,450
210-4044	The Dalles Waterfront Restoration	34,906



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February 19, 2010

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 16-17, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the Eastern Oregon Regional Review Team evaluations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 41 applications for a total request of \$4,126,102. The Regional Review Team recommended 32 applications. Staff recommend 22 applications for a total award of \$2,113,376: \$1,955,761 for Restoration; \$59,180 for Education/Outreach; \$56,455 for Monitoring; and \$41,980 for Technical Assistance.

III. Regional Review Team Recommendations

The Eastern Oregon Regional Review Team (RRT) met in Burns in December 2009 to review the applications received in this grant cycle and make recommendations to OWEB staff. All applications were reviewed for 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 funding for 22 Restoration applications; two Education/Outreach applications; four Monitoring applications; and four Technical Assistance applications.

Staff concur with the RRT-recommended funding conditions for the following Restoration applications recommended by staff for funding: 210-5037, 210-5040, 210-5060, 210-5067 and 210-5073. The conditions are described in the Region 5 evaluations for these applications.

The RRT recommended significant budget reductions for one Technical Assistance application, 210-5047. Staff concur with this recommendation, as described in the evaluation. The RRT also recommended, and staff concur with, budget reductions for one Restoration application, 210-5067.

The RRT recommended a slight budget increase to add a flow meter to Restoration application, 210-2053 (Homestead Irrigation Efficiency). Staff concur with this recommendation.

IV. Staff Recommendation

Staff recommend funding 13 Restoration applications, two Education/Outreach applications, four Monitoring applications, and three Technical Assistance applications.

Staff also recommend funding conditions for Restoration applications 210-5058, 210-5049, 210-5050, 210-5059, and 210-5054, as described in the Region 5 evaluations for those applications.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some applications, the amount shown in the table and the conditions are the staff recommendation rather than the RRT recommendation.

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

ATTACHMENT A

**Region 5 - Eastern Oregon
Restoration Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-5049	Vale Water Quality Improvement Project (Lateral 230)^	382,821		382,821	1
210-5058	Blackjack Irrigation and Sediment Control^	187,037		187,037	2
210-5044	Clear Creek Fish Passage & Irrigation Efficiency	218,419		218,419	3
210-5059	Grand Irrigation Efficiency^	43,653		43,653	4
210-5050	Vale Water Quality Improvement Project^	383,792		383,792	5
210-5073	Upper Grande Ronde Invasive Weed Control^	38,750	1,250	40,000	6
210-5046	North Powder River Push Up Dam Removal	27,551		27,551	7
210-5040	Wallowa River/Cross-Country Canal Diversion Replacement^	124,740		124,740	8
210-5060	Homestead Irrigation Efficiency^**	182,259		182,259	9
210-5037	Foothill Return Flow Elimination & Drain Ditch Restoration^	59,958		59,958	10
210-5067	Van Riparian Rehabilitation Project^*	151,120		151,120	11
210-5065	Wilson Family Ranches Habitat Restoration	88,423		88,423	12
210-5054	Bettis Juniper Control Project^	65,988		65,988	13
210-5045	McEwen Valley Fish Passage Restoration^	84,740		84,740	14
210-5055	Belnap Juniper Control Project^	109,615		109,615	15
210-5072	Wallowa County Weed Control^	52,700		52,700	16
210-5043	Not Dry Gulch Offstream Watering Project*	21,247		21,247	17
210-5052	Clover Creek Juniper Control Project^	40,782		40,782	18
210-5066	Smith Brothers Forest Health & Restoration^** EM \$10,186	32,824	1,500	34,324	19
210-5039	Cottonwood Creek Diversion Improvement^	130,852		130,852	20
210-5069	Stinkingwater Habitat Enhancement and Grazing Management Phase II^	27,853		27,853	21
210-5068	Lone Pine Stream Stabilization	24,480		24,480	22
Total Restoration Projects Recommended for Funding to Staff by RRT		2,479,604	2,750	2,482,354	
Total Restoration Projects Recommended for Funding by Staff to Board		1,954,511	1,250	1,955,761	

* Listed Amount Reflects Recommended Reduction **Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 5 - Eastern Oregon
Education Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-5048	Wallowa Resources - Wallowa Mountain Institute's Wallowa and Imnaha River WET Program	11,992	1
210-5064	South Eastern Oregon Watershed Education, Phase 2	47,188	2
Total Education Projects Recommended for Funding to Staff by RRT		59,180	
Total Education Projects Recommended for Funding by Staff to Board		59,180	

Region 5 - Eastern Oregon
Monitoring Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-5056	Luther Wetland Intensive Monitoring Project - Phase 2 ❖	6,653	1
210-5057	Continuation of Migratory Assessment of Spring Chinook in the Lostine River	19,906	2
210-5035	Phase II Wallowa Mountains Bull Trout Redd Monitoring (2010-2011)	24,000	3
210-5063	Choirboys Wetland Pond Monitoring Project ❖	5,896	4
Total Monitoring Projects Recommended for Funding to Staff by RRT		56,455	
Total Monitoring Projects Recommended for Funding by Staff to Board		56,455	

❖Fund with capital.

Region 5 - Eastern Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-5033	Luther Meander Constructed Wetland	7,534	1
210-5036	Three P's Wetland Addition	9,009	2
210-5047	Perkins Dam Removal/Baldock Slough Restoration*	25,437	3
210-5042	Historical Wetlands of Harney Basin	49,966	4
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		91,946	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		41,980	

* Listed Amount Reflects Recommended Reduction

ATTACHMENT B

Region 5 - Eastern Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-5041	A Rigorous Assessment of Restoration Projects with Greater Grande Ronde Watershed	403,526

Region 5 - Eastern Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-5034	Graham Blvd Water Quality Improvement Project (Lateral 216)	143,730
210-5038	Wheaton Creek Alternative Water System	32,082
210-5051	Fletcher Gluch Pipeline Project	514,695
210-5053	Indian Creek Juniper Control Project	74,168
210-5061	Napton Sediment Reduction Phase I	34,355
210-5062	Howarth Farm Irrigation Efficiency Project	66,948
210-5070	Summerville Off-Stream Watering	27,220
210-5071	Catherine Creek Water Quality Improvement	79,180



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February 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Sue Greer, Mid-Columbia Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 6, Mid-Columbia
March 16-17, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the Mid-Columbia Regional Review Team evaluations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 26 applications for a total request of \$2,806,669. The Mid-Columbia Regional Review Team (RRT) recommended 21 applications. Staff recommend funding 17 applications for a total award of \$1,666,995: \$1,522,297 for Restoration, \$53,665 for Education and Outreach, and 91,033 for Monitoring.

III. Regional Review Team Recommendations

The RRT met in Milton-Freewater in December 2009 to review the applications received in this grant cycle and make recommendations to OWEB staff. All applications were reviewed for merit and given a “do fund” or “no fund” recommendation. The RRT then prioritized the applications recommended for funding.

The RRT recommended funding for 15 Restoration applications; four Education/Outreach applications; one Monitoring application; and one Technical Assistance application.

Staff concur with the RRT-recommended funding conditions for seven Restoration applications (210-6022, 210-6035, 210-6042, 210-6033, 210-6037, 210-6027 and 210-6026), one Education/Outreach application (210-6023) and one Monitoring application (210-6039) recommended by staff for funding. The conditions are described in the Region 6 evaluations for these applications. The RRT also recommended conditions for the one Technical Assistance application, 210-6045. Staff agree with the concerns that led the RRT to recommend these conditions, but as discussed in Section IV of this report, below, staff do not recommend 210-6045 for funding at this time.

The RRT recommended significant budget reductions for Restoration applications 210-6033 and 210-6043. Staff concur with these budget reductions, as described in the evaluations.

IV. Staff Recommendations

Staff recommend funding 12 Restoration applications, four Education/Outreach applications, and one Monitoring application. Staff recommend budget reductions for Restoration application 210-6046 and Monitoring application 210-6039, as described in the Region 6 evaluation for those applications.

Staff do not recommend funding the one Technical Assistance application, 210-6045, recommended by the RRT. As described in the evaluation, the RRT was concerned whether enough community outreach had occurred to ensure that the technical assistance project could succeed and then result in a successful on-the-ground restoration project. The RRT recommended numerous conditions to its funding recommendation. Following the review team evaluation, staff learned additional information that led to the recommendation not to fund the application at this time. Staff have discussed its concerns with the applicant and have encouraged them to resubmit an application that includes a community outreach component to go hand in hand with the technical review of alternatives.

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 and the condition is the staff or RRT 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

ATTACHMENT A

**Region 6 - Mid Columbia
Restoration Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-6021	John Day Basin Fish Habitat Enhancement Program	139,700		139,700	1
210-6022	Murray and Kennedy Ditch Push Up Dam Elimination^	152,019		152,019	2
210-6035	Fox & Cottonwood Watershed Restoration - Leafy Spurge Control^ EM \$20,328	109,391	215	109,606	3
210-6038	Joliff Barrier and Stream Restoration Project	153,741		153,741	4
210-6042	Dad's Creek Upland Watershed Restoration^	72,106		72,106	5
210-6033	Middle Fork John Day Aspen Restoration^*	200,000		200,000	6
210-6037	Jarvis Ranch Watershed Improvements^	46,177		46,177	7
210-6027	Bologna Creek Restoration^	28,746		28,746	8
210-6044	Mortimore Upland Improvement	41,264		41,264	9
210-6026	Schoolhouse Hill Restoration^	29,535		29,535	10
210-6046	Murtha Ranch Habitat Restoration - Phase I* EM \$13,420	155,629		155,629	11
210-6043	Walla Walla Basin Aquifer Replenishment and Stream Restoration Program (ARSRP)* EM \$76,255	391,524	2,250	393,774	12
210-6024	Sherman County Area Watersheds Upland Erosion Control	28,275		28,275	13
210-6030	Hermiston Irrigation District B4 Ditch Conversion Project	33,602		33,602	14
210-6031	Stanfield Irrigation District - Piping C-Line	46,089		46,089	15
Total Restoration Projects Recommended for Funding to Staff by RRT		1,627,798	2,465	1,630,263	
Total Restoration Projects Recommended for Funding by Staff to Board		1,519,832	2,465	1,522,297	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 6 - Mid Columbia
Education Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-6034	STELLAR	22,121	1
210-6025	Eastern Oregon Natural Resources Youth Camp	6,000	2
210-6028	Creek Connections: Connecting Kids and Curriculum through Watershed Studies	13,682	3
210-6023	Sherman County Conservation Awareness Program^	11,862	4
Total Education Projects Recommended for Funding to Staff by RRT		53,665	
Total Education Projects Recommended for Funding by Staff to Board		53,665	

^Fund with Conditions

Region 6 - Mid Columbia
Monitoring Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-6039	Umatilla TMDL Target Watershed Implementation Study^*	91,033	1
Total Monitoring Projects Recommended for Funding to Staff by RRT		91,033	
Total Monitoring Projects Recommended for Funding by Staff to Board		91,033	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 6 - Mid Columbia
Technical Assistance Applications Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
210-6045	Technical Evaluation of Aquatic Conservation Options at Bates Pond^	25,641	1
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		25,641	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		0	

^Fund with Conditions

Region 6 - Mid Columbia
Restoration Applications NOT Recommended for Funding by the RRT
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-6032	Rudio Creek Ranch Habitat Restoration Project	360,488
210-6036	Rudio Creek Upland Watershed Improvements	89,942
210-6040	Lower Kayser Fish Ladder	36,176

Region 6 - Mid Columbia
Monitoring Applications Withdrawn by Applicant

Project #	Project Name	Total Amount Requested
210-6029	Umatilla Basin Monitoring of Recharge Groundwater Return Flows	192,665

Region 6 - Mid Columbia
Restoration Applications Withdrawn by Applicant
October 19, 2009 Grant Cycle

Project #	Project Name	Total Amount Requested
210-6041	Ramsey Fish Passage Project	58,130



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February 24, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item G: Budget and Legislative
March 16-17, 2010 OWEB Board Meeting**

I. Introduction

This report provides an update on OWEB's 2009-2011 budget and spending plan and the 2010 Special Session of the Legislature. This staff report also updates the Board on the agency's budget and legislative agenda preparation for the 2011 legislative session, and requests Board approval of a placeholder legislative concept related to ecosystem services.

II. 2009-2011 Budget and Spending Plan

At the September 2009 meeting, staff proposed a spending plan for \$46.6 million in capital funds and \$8.0 million in non-capital funds appropriated to the Oregon Watershed Enhancement Board by the Legislature for the 2009-2011 biennium. The proposed plan was intended 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.

The proposed spending plan was influenced by a number of factors, the first being an update to OWEB's Strategic Plan and the development of a Communications Plan, and the second being the potential vote to reauthorize dedicated lottery funding for watershed and conservation purposes. These plans offer a series of actions above and beyond traditional program demands and the latter requires immediate action to be able to respond to an anticipated increase of interest in and requests for information about OWEB's programs.

The Board approved spending plan is shown in Attachment A. Staff have updated the spending plan tables to incorporate the capital and non-capital recommendations set forth in Agenda Item F. As stated in the Item F Overview staff report, staff did not propose targets for the October 2009 Grant Cycle. At this time, we are not proposing targets for the April 2010 and October 2010 cycles.

Given the economic downturn, it is difficult to predict with certainty exactly the amount of Lottery capital and non-capital funds available for the remainder of the biennium. Staff expect

that OWEB will receive additional non-capital funds through the Pacific Coastal Salmon Recovery Fund (PCSRF) for federal fiscal year 2010. In 2009, OWEB was awarded \$13.2 million in PCSRF funds. The 2010 PCSRF funds should be available by the end of the summer.

The latest revenue forecast for the current biennium estimates Lottery Fund revenues are down six percent from projections made at the beginning of the budget cycle. At the time of writing this report, it appeared the Legislature would not take action to cut the budgets of dedicated Lottery Fund agencies. Rather, it appears more likely that reduced revenues will be reflected in the last distribution of funding for the biennium in May 2011. Under this scenario, all agencies that receive Lottery Parks and Natural Resources funds would see a proportionate reduction reflected in their final distribution. If the last distribution were to happen at this time, OWEB would face a shortfall of approximately \$538,000 in non-capital funds and \$2.5 million in capital funds. It is difficult to predict whether Lottery Fund revenues will grow, go down or stay where they are over the remainder of the biennium.

In light of this situation, the OWEB management team is considering all available options to cover a budget hole for the agency at the end of the biennium. We have also alerted the other Parks and Natural Resources agencies of the need for them to prepare for a shortfall of revenue in their budgets.

III. 2010 Legislative Session

The Oregon Legislature met in special session during February. Staff tracked a handful of bills with the potential to affect OWEB or its programs. As of writing this staff report, only one bill is anticipated to impact OWEB's statutes. SB 1014, sponsored by Senate President Peter Courtney, is primarily a housekeeping bill related to state boards, commissions, and legislatively appointed task forces. The original bill did not include language changing the Board's statutes, although it would explicitly allow meetings of boards and commissions via conference call in Oregon state law.

In the Senate committee process, however, language was added to eliminate a number of inactive task forces, including deletion of the Healthy Streams Partnership (HSP) statutes. The HSP was first authorized by statute in 1997 and was directed to advise the Joint Legislative Committee on Stream Restoration and Species Recovery on Oregon Plan issues. The HSP statutes are housed in the OWEB statutes.

Oregon statute does not include a sunset date for the HSP; it hasn't been appointed or convened by the Governor or Legislature per the statute since the 2001-2003 biennium. Similarly, the Joint Legislative Committee structure hasn't been used since the 2001-2003 biennium. If the bill becomes law, staff will provide the Board with an updated copy of the OWEB statutes.

As mentioned in Section II of this report, it appears that the Legislature will not act to cut dedicated Lottery Fund agency budgets. Instead, OWEB and other agencies may be required to make administrative reductions to address a revenue shortfall at the end of the biennium.

IV. 2011 Legislative Concepts

Although the 2011 legislative session does not begin for another year, state agencies are beginning to prepare legislative proposals. 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). The deadline to submit 2011 legislative concepts is April 9, 2010.

By June 1, 2010, DAS and the Governor's Office will make final decisions about which legislative concepts are approved and can be submitted to Legislative Counsel for drafting. Ideally, agencies propose legislative concepts that are fairly well developed, with draft language and stakeholder involvement. However, it is often not possible to have fully developed concepts by April for task forces or work groups that have been formed to develop policy recommendations. In these instances, agencies may submit placeholder concepts. Agencies are then given until July 14, 2010, to submit additional substantive or administrative details about placeholder concepts.

At the February 17, 2010, meeting of the SB 513 Ecosystem Services Markets Working Group (Working Group), members requested that OWEB submit a legislative concept placeholder on their behalf. While there is uncertainty as to whether a legislative concept will be necessary for advancing policy recommendations from the SB 513 process, the Working Group prefers to preserve the option in the event that it is appropriate.

Staff recommend that the Board authorize staff to submit a placeholder legislative concept to DAS by April 9, 2010 to preserve this option for the Working Group. Staff will report back to the Board at the June 2010 meeting on the status and potential content of the concept.

V. 2011-2013 Budget

This section of the report describes the process for developing the agency budget for 2011-2013, and seeks Board member input on principles to help guide staff in the development of new budget proposals for consideration at the June Board meeting.

A. Process

Oregon agencies are budgeted on a biennial basis. Budgets 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 Department of Administrative Services 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.

Staff recently started internal discussions regarding possible budget proposals for the 2011 legislative session. We plan to present staff budget proposals to the Board for discussion at the June Board meeting. We estimate the schedule for agency budget development will be as follows:

- March 2010 OWEB Board sets out budget guidance principles for staff
- March-May 2010 Staff develop budget proposals based on Board principles
- June 2010 OWEB Board discussion of draft Policy Packages
- June-July 2010 Finalize agency Policy Packages
- September 2010 Submit full Agency Request Budget document

B. Board Guidance for Budget Development

The development of the Agency Request Budget is the opportunity for an agency to consider the optimal needs and highest priorities for its programs. With this in mind, at the March meeting OWEB staff will seek input from Board members on principles that can help shape the drafting of budget proposals for the June Board meeting. For example, the Board may want to consider the recently developed goals of the updated Strategic Plan as a foundation:

- Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs (Goal 1).
- Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation (Goal 2).
- Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds (Goal 3).
- Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowner for watershed and habitat restoration and conservation (Goal 4).
- Ensure efficient and accountable administration of all investments (Goal 5).

With the five goals in mind, principles by which Board and staff could determine new budget needs and priorities could include the following:

EXAMPLE: OWEB budget proposals for 2011-2013 will:

- Contribute to OWEB's core values and strategic goals.
- Maintain ongoing commitments to strategic initiatives that further the goals of the strategic plan.
- Maintain OWEB's ability to timely deliver and continuously improve core program services.
- Position OWEB strategically for the short- and long-term.
- Identify opportunities to improve the delivery of services through technology.
- Consider the impact of new budget proposals on OWEB program delivery structure, including local groups and agency capacity.
- Maximize opportunities to leverage other sources of funding and strong partnerships.

At the March meeting, staff will seek feedback from Board members on the suggestions above and any other ideas that help guide the development of specific budget proposals for consideration in June.

VI. Recommendation

Staff recommend the Board authorize staff to submit a placeholder legislative concept to DAS related to ecosystem services. Staff will report on the status and content of the legislative concept at the June and September Board meetings.

Attachment

A. Spending Plan

2009-2011 Biennium Non-Capital Spending Plan

Available Funding (July 1, 2009) = \$8 million*

Program Element	Sept 2009 Allocation	March 2010 Allocation	Reserve (Sept. 2009)	Total
Local Capacity: WSC & SWCD Support; Network, OACD, and training	\$2,440,454		\$0	\$2,440,454
Technical Assistance Grants (April 2009 Cycle)	\$576,610		\$0	\$576,610
Restoration Projects Non-capital (2009-2011 Biennium)	\$17,113	\$21,584	\$86,303	\$125,000
Recovery Planning	\$100,000		\$0	\$100,000
Information and Communication Needs	\$400,000		\$0	\$400,000
Oregon Plan Products	\$250,000		\$140,000	\$390,000
OP Products: Restoration/Acq. Priorities	\$180,000		\$0	\$180,000
Effectiveness Monitoring & Reporting	\$270,000		\$420,000	\$690,000
Biennial Conference, Tech Training & Outreach	\$125,000		\$0	\$125,000
SIP: Willamette Contract and Deschutes TA	\$200,000		\$0	\$200,000
Working Lands Conservation Easement Contract	\$50,000		\$0	\$50,000
Item F - Non-Capital Grant Awards (October 2009 Cycle)		\$2,256,582		\$2,256,582
Totals	\$4,609,177	\$2,278,166	\$646,303	\$7,533,646

Remaining Funding = **\$466,354****2009-2011 Biennium Capital Spending Plan**

2009-2011 Available Funding = \$46.6 million*

Program Element	Sept 2009 Allocation	January 2010 Allocation	March 2010 Allocation
Small Grant Program	\$2,800,000		
CREP	\$1,300,000		
Special Investment Partnerships	\$4,000,000		
Regular Restoration/Acquisition Grants (April 2009 Cycle)	\$7,194,590		
Whole Watersheds Restoration Initiative		\$500,000	
Gold Ray Dam (#210-2048)		\$1,000,000	
Item F - Capital Grants (October 2009 Cycle) and Staged Awards			\$10,132,527
Totals	\$15,294,590	\$1,500,000	\$10,132,527

Remaining Funding = **\$19,672,883**

*Available funding as of July 1, 2009 does not include potential decreases in Lottery funds.



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February 23, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Renee Davis-Born, Ecosystem Services Coordinator

**SUBJECT: Agenda Item J: Ecosystem Services Update
March 16-17, 2010 OWEB Board Meeting**

I. Introduction

This report provides updates about two ecosystem services initiatives: OWEB's Ecosystem Services LLC research contract and the Senate Bill 513 Ecosystem Services Markets Working Group. The report also briefs the Board on a request to develop a legislative concept placeholder on behalf of the Senate Bill 513 Ecosystem Services Markets Working Group.

II. OWEB Research Project on Ecosystem Services

In August 2009, OWEB contracted with Ecosystem Services LLC (ESS) and Ecotrust to investigate how traditional OWEB restoration and acquisition projects may provide ecosystem services and how these investments may converge with ecosystem services markets. This contract is supported by Research non-capital funds approved by the Board in March 2009 for an Ecosystem Services Module within the agency's Research Program. The contract's scope focuses on carbon-offset ecosystem services, but takes into account co-benefit ecosystem services that result from carbon-related projects.

The research project includes three phases of work:

1. Phase I – Identify current ecosystem services markets and potentially eligible OWEB funded projects that have carbon-offset and co-benefit ecosystem services.
2. Phase II – Evaluate the market opportunities for ecosystem services credits emerging from OWEB funded projects.
3. Phase III – Develop up to two pilot projects, focused on carbon offsets and co-benefit ecosystem services, for market transactions.

As reported at the January 2010 Board meeting, Phase I is complete and consisted of a historical survey of past OWEB projects and their potential carbon offset and co-benefit ecosystem services values. Estimates of carbon sequestration levels for subset of restoration and acquisition projects were presented at that meeting.

Phase II, which is underway, evaluates potential market opportunities for OWEB funded projects. ESS is developing an overview of current and emerging markets for carbon offsets and co-benefit ecosystem service credits, and the requirements of these markets (e.g., standards, monitoring requirements, etc.). The contractor has completed a survey of all members of the “supply chain,” ranging from those owning land necessary for sequestration of carbon and those involved in project design and support, to those who purchase carbon offsets. The intent of the survey is to better understand the maturity of the supply chain for ecosystem markets in Oregon and more broadly, the types of restoration and conservation projects that are most promising from a market perspective, potential barriers to project development, and information and resources that are necessary for a project to result in successful carbon transactions. Highlights of the survey findings include:

- There exists a fairly well developed supply chain that is eager and prepared to advance ecosystem services markets in Oregon.
- Survey participants identified potential OWEB-type projects that could be marketed with multiple ecosystem services projects to take advantage of outcomes in fish habitat, biodiversity, stream protection, and forest carbon.
- Those in a position to benefit from an ecosystem marketplace are eager to see its development, but expressed a need for guidance on project development and performance criteria. Some respondents expressed a “show me” perspective in terms of the financial bottom line.
- Few forest-carbon projects have been transacted in Oregon, and virtually no soil-carbon projects have been transacted at this time. Wetlands-carbon projects are in their infancy, though this is a sector to watch.
- The economic downturn has affected the carbon-offset and ecosystem services markets, urging caution particularly on the part of landowners and a “wait and see” approach by some project developers and investors.
- Approaches are needed to aggregate ecosystem services that would be provided by multiple, small landowners.

A workshop for representatives from each step within the supply chain will be held March 29-30, 2010, at Silver Falls Conference Center. Participants will share lessons learned from actual transactions for carbon and other ecosystem services, discuss approaches to creating and tools for quantifying ecosystem services, and identify resources and collaborations required to the development of projects that are viable in the marketplace. Several OWEB staff and Board members plan to attend this workshop, along with representatives from watershed councils, soil and water conservation districts, conservation organizations, and land trusts.

Phase III involves the use of pilot projects to demonstrate the steps necessary to create market-ready projects. The forest based carbon pilot is a land acquisition project of nearly 600 acres along the central coast of Oregon. When the transaction is complete, approximately 50 percent of the purchase price will be provided by the sale of carbon offsets generated by changes in forest management on the property. A second pilot concept focuses on soil-based carbon sequestration projects, which would occur in Oregon primarily east of the Cascades. As described at the January 2010 Board meeting, the contractors, in consultation with rangeland scientists and practitioners, have drafted a scoping document that outlines research and

monitoring needed to address unknowns about carbon-sequestration capacity of soils in Oregon and how different rangeland management approaches influence soil-carbon offset potential. In early March, OWEB staff are convening a meeting of representatives from Bureau of Land Management, Environmental Protection Agency, Natural Resources Conservation Service, and U.S. Forest Service to review the draft scope for this pilot concept and identify how the proposed tasks align with Federal agency initiatives and activities.

ESS and Ecotrust will present final results from this research contract to the Board at the June meeting, with the final report due in mid-June 2010.

III. Senate Bill 513 Ecosystem Services Markets Working Group

OWEB is convening and staffing the Ecosystem Services Markets Working Group (Working Group) created as part of Senate Bill 513 (SB 513). At the June 2009 meeting, the Board awarded Research non-capital funds to support the Working Group, which is developing policy recommendations intended to advance the development of integrated ecosystem services markets in Oregon. In addition to the Working Group, which is comprised of individuals who are knowledgeable about and active in improving the ecological effectiveness of ecosystem services markets, an Ad Hoc Group has been convened to advise and help frame policy issues to be addressed by the Working Group.

The Working Group has met three times since December 2009. As mentioned at the January Board meeting, the group has expanded to improve representation of landowners and key federal agencies by adding staff from the Oregon Small Woodlands Association, the Oregon Farm Bureau, and the Army Corps of Engineers. The Working Group has developed a vision statement and completed review of several case studies offered by group members that demonstrate impediments to an ecosystem marketplace that currently exist and areas where agencies and ecosystem marketplace practitioners are making progress. Priority policy areas have been identified to guide the Working Group's deliberations and recommendations; these areas include:

1. Overarching ecological, economic, and integration goals to guide the development of integrated ecosystem services markets in Oregon;
2. Agency processes and interactions to address appropriate roles at local, regional, state and national scales;
3. Public/private financing issues; and
4. Private and government roles in developing standards, methodologies, metrics and tools.

Small subgroups have been formed around each of these policy areas. The subgroups will build upon the case-study experiences and "best practices" information compiled by the Institute for Natural Resources to focus on specific issues that have limited progress toward developing integrated markets. They will articulate opportunities and solutions to address these challenges, including suggestions for policy recommendations, administrative changes and other actions that would be undertaken over the short, medium, and long term.

At the February 17, 2010, meeting of the Working Group, members requested that OWEB submit a legislative concept placeholder on behalf of the group. While there is uncertainty as to whether this vehicle for advancing policy recommendations from the SB 513 process will be necessary, the Working Group prefers to preserve the option in the event that it is appropriate.

Staff recommend in Agenda Item G that the Board approve submission of a placeholder legislative concept related to ecosystem services.

Legislative concepts are due to the Oregon Department of Administrative Services (DAS) by April 9, 2010, with additional substantive or administrative details for placeholder concepts due by July 14, 2010. Staff will report to the Board at the June 2010 meeting on the progress of the Working Group to identify and develop an ecosystem services legislative concept.

IV. Recommendation

This is an informational item. No Board action is requested at this time. Staff will continue to update the Board on the progress of the SB 513 Working Group, including any potential policy recommendations that may be advanced through a legislative concept.



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March 15, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Renee Davis-Born, Ecosystem Services Coordinator

**SUBJECT: Agenda Item J-1: Ecosystem Services – Pilot Project Proposal
Ecosystem Services Markets in the Willamette Basin
March 16-17, 2010 OWEB Board Meeting**

I. Introduction

The Willamette Partnership and the Freshwater Trust request OWEB to partner on a proposal to the 2010 U.S. Department of Agriculture (USDA) Conservation Innovation Grant (CIG) program of the Natural Resources Conservation Service. The proposal would seek funding to implement a pilot market for ecosystem services in the Willamette Basin. OWEB is being asked to participate in order to encourage the involvement of private investors by using grant funds as a backstop to minimize financial risk for investors if the market fails to appear.

II. Proposal Concept

The proposed pilot project would have the Willamette Partnership take the lead in building on and enhancing markets for ecosystem services related to watershed restoration actions. Ecosystem services credits emerging from restoration projects could be made available for sale in an ecosystem marketplace. OWEB would allocate funds dedicated to the purchase of completed and verified restoration projects as a backstop option only if private investors decide to no longer pursue the sale of credits on the market. The OWEB role is to only pay for completed projects that meet agreed upon ecological and fiscal accountability criteria at a defined future point in time. A diagram describing the pilot project process is attached. (Attachment A)

The pilot project will “test drive” the potential for ecosystem services markets to attract private funding for restoration. If successful, the approach would stimulate private investment in restoration and conservation and ensure that restoration outcomes emerging from projects can be quantified. This pilot effort is proposed to reduce risk and help establish the market.

If OWEB funding is committed to this project, the Willamette Partnership and the Freshwater Trust would be responsible for “matching” restoration project developers with private investors. Using the Freshwater Trust’s StreamBank tool, private investors would

provide financing for projects that meet rigorous eligibility requirements and adhere to verification and registration protocols. The Willamette Partnership, using its Ecosystem Crediting Platform, would provide verification services, work with regulatory agencies to certify projects and issue credits, and facilitate registration on the Markit Environmental Registry.

In the event market sales of the restoration credits do not occur, OWEB funds could be used only to reimburse implementation costs (i.e., capital expenses at cost of receipts) for projects that are complete, meet objectives and achieve ecological criteria defined by OWEB, and are able to demonstrate fiscal accountability as required by OWEB.

III. Connection to the Willamette SIP

Staff propose that this pilot project would be conducted within the framework of the tributary initiative of the Willamette SIP and the Meyer Memorial Trust/Bonneville Environmental Foundation (BEF) “Model Watershed Program.” The project has good potential to meet nearly all of the SIP criteria (Ecological Significance, Importance of OWEB’s Contribution, Robust Partnerships, Triple Bottom Line, Captures the Imagination/High Visibility, and Ripeness). The Model Watershed Program is a focused effort involving seven watershed councils in the basin that are developing prioritized restoration and monitoring plans. Since the Willamette SIP was initiated, OWEB has been committed to funding implementation of the projects in the plans developed by this process. Meyer and BEF staff support this concept.

The proposed pilot project could connect with the Willamette SIP by aligning restoration projects developed under the pilot with the restoration priorities identified in the model watersheds. If markets develop, this alignment could supplant public restoration funding with private funding.

The Willamette Partnership and the Freshwater Trust are requesting a commitment of \$200,000–\$400,000. Staff recommend these funds be made available from the \$4,700,000 of capital funds already allocated by the Board to the Willamette SIP.

The Willamette Partnership expects to apply for the USDA CIG grant within the next four to six weeks. The CIG funds will help with the administrative needs of the Willamette Partnership and the Freshwater Trust to implement most aspects of the pilot project. Private funding will be required for on-the-ground projects under the proposal.

The proposed pilot project only recently came to the attention of staff. The timing to apply for the CIG grant is driving the Willamette Partnership to seek a signal of OWEB’s interest to participate as soon as possible. Last week staff discussed this concept with the Board’s Partnership Subcommittee, which expressed interest in the idea and supported presenting the proposal to the full Board.

IV. Recommendation

Staff support the proposed pilot project for the following reasons:

- A. It offers an innovative approach to test the viability of emerging ecosystem services markets at minimal risk to OWEB;
- B. It advances the objectives of the Willamette SIP tributary initiative;
- C. It has the potential to add new private funding to watershed restoration work; and
- D. It does not impact remaining unallocated capital funds.

Staff recommend the Board support OWEB's participation in the pilot project. OWEB's participation is dependent on the Willamette Partnership's success in receiving a CIG grant later this summer. No funding action is required of the Board.

Attachment

- A. Pilot Project Process Diagram



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February 24, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Carolyn Devine, Communications Coordinator
Melissa Leoni, Senior Policy Coordinator

SUBJECT: Agenda Item K: Communications Products
March 16-17, 2010 OWEB Board Meeting

I. Introduction

This report provides an update on development of OWEB communications products under the Strategic Plan and Communications Plan.

II. Background

Since the September 2009 Board meeting staff have moved forward on a number of key action items from the Draft Communications Implementation Plan and Board adopted Strategic Plan. At that meeting, staff proposed and the Board approved funding to carry out the necessary work and product development in an expedited manner.

At the January 2010 Board meeting, staff presented drafts of the new Portal Web site (formerly called the Microsite) and updates to the OWEB agency web site, and discussed the beginnings of efforts to better communicate ecological outcomes and programmatic accomplishments to the public and our stakeholders.

III. Communications Products

The following sections briefly describe recent developments related to the priority communications products and education efforts being implemented under the Strategic Plan and Draft Strategic Communications Plan.

A. Portal Site and OWEB Web Site

OWEB's contract with Gard also includes the design and launch of a simple, compelling, and effective portal site (formerly called the "Microsite") that will be the centerpiece of OWEB's long-term communications efforts. The portal site, www.healthywatersheds.org, will be launched soon, with new stories and functionalities added over the next year. Staff will demonstrate the latest portal site at the March meeting.

OWEB has launched the first phase of efforts to update OWEB's current web site to eliminate redundancies and improve content delivery, consistent with the Board discussion in January. Notices were posted on the site and OWEB staff will be communicating with its stakeholders about the improvements and portal site launch over the coming month.

Staff are moving forward with the second phase of updating our online presence. Staff are preparing a Request for Proposals to engage an outside contractor to evaluate both web sites from a user's perspective to improve the delivery of information and content and integration of sites. Staff are also continuing to identify and develop additional content, including stories and web videos about OWEB-funded projects and ways to better show the cumulative results from OWEB's investments over the past ten years.

B. Messaging and PowerPoint Presentation

An important part of OWEB's mission is to build public awareness of and involvement in watershed restoration efforts around the state. Staff have contracted with Gard Communications to further refine messages and tools to help OWEB improve its communication infrastructure. These messages are being used now and will be used in future communications products. Over the coming months, staff will work with grantees and stakeholders to start utilizing these messages as a part of local outreach efforts. Staff are also looking into organizing a series of meetings this summer with local partners around the state to build awareness about and get feedback on the message language and outreach tools, and to explore how OWEB can best help local groups with outreach goals to build community awareness and involvement in their work. Another product that will be produced in 2010 is a simple PowerPoint presentation that can be used for outreach presentations to local community groups that may not be familiar with OWEB and the work the agency funds. The presentation will be available for use this summer.

C. Agency Coordination

Over the next year, staff will engage in both ongoing and new efforts to coordinate with our sister agencies on communications, messaging, and reporting results from our collective investments in watershed and habitat restoration and conservation. Staff will engage the Oregon Plan agencies over the spring and summer in developing consistent messages, stories, and information to describe the achievements that have been made possible by the dedication of lottery and other funds over the past ten years. The results of this effort will inform updates to OWEB's web sites, the Oregon Plan for Salmon and Watersheds web site, and the content and format of the 2009-2011 Oregon Plan Biennial Report (as described in Agenda Item C, Executive Director Update #C-4). Director Byler has contacted the Governor's office and natural resource agency directors to begin engaging those agencies in story and information development efforts. Staff will update the Board on progress throughout the year.

D. Social Media

Staff are aware of the increasing value of such social media web sites as a communications tool and are considering whether to join one or several of the available social media web sites in the future. Staff are being mindful of the time commitment and risks of participating on social media web sites, particularly for state agencies. The guidelines developed by the Department of Administrative Services for agency use of websites such as Facebook, YouTube, and Twitter have recently been released. In addition, OWEB still needs to

consider many factors, including what the specific goals and purposes of the use would be, which sites to engage on, the degree of our interactivity, the frequency and content of posts, and guidelines for removing inappropriate discussions, maintaining public records, and information security. Staff will keep the Board apprised of our evaluation of social media as an OWEB communication tool.

E. Other Communications Efforts

In light of the possible November 2010 ballot measure to renew the Parks and Natural Resources Fund, it is possible that the public and media will show more interest this year in the agencies and programs supported with the dedicated lottery funds than has been seen in the past. With this in mind, OWEB is preparing for information requests about our program and the projects we fund. We are working internally and with the other agencies, as described in Section III.C. above, to develop and coordinate useful information about our collective efforts. OWEB is also arranging for customer service and communications training for all OWEB staff.

IV. Recommendation

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

APPROVED BY THE BOARD JUNE 2, 2010
Oregon Watershed Enhancement Board

March 16, 2010
OWEB Board Meeting
Hood River, Oregon

Minutes

OWEB Members Present

Dan Carver
Dan Heagerty
John Jackson
Jim Johnson
Kim Kratz
Jose Linares
Meta Loftsgaarden
Jennifer Phillippi
Dave Powers
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike
Karl Wenner
Ken Williamson

OWEB Staff Present

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

Others Present

Jerry Wilcox
Kelly Weideman
Wayne Hoffman
Liz Vollmer-Buhl
Alan Henning
Cheryl McGinnis
Mike Weinberg
Kate Merrick
Jim Myron
Ryan Houston
Charlie Boyer
Anne MacDonald
Coleen Coleman
Chris Hagerbaumer
Joshua Uriarte
Brian Wolcott
Gregg Smith
Erik Christy
Jennie Klein
Deb Marriott
Erik and Goretti Christy
Dale Waddell
Laura Brophy
Anne Saxby
Steve Stampfli

Members Not Present

Miles Brown
Skip Klarquist

Board Co-Chairs Diane Snyder and Dan Heagerty announced that this would be the last meeting for Board members Dave Powers and Jose Linares and thanked them for their service on the Board.

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 January 20-21, 2010, Board meeting in Coos Bay were unanimously approved.

C. Executive Director Update

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

1. Biennial Conference

OWEB's 11th Biennial Conference will be held November 15-17, 2010, at the Pendleton Convention Center. Staff are working with Board member Eric Quaempts on a visit to the Tamástslíkt Cultural Institute and planning a traditional Longhouse dinner for conference participants.

2. Partnerships

The Whole Watershed Restoration Initiative (WWRI) has received the U.S. Forest Service 2009 Chief's Honor Award for its success in improving habitat for salmon and other wildlife. The initiative is jointly managed by OWEB, Ecotrust, the U.S. Forest Service, and NOAA Fisheries.

3. Oregon Climate Change Adaptation Plan

Greg Sieglitz, Monitoring and Reporting Program Manager, is representing OWEB on a inter-agency work group charged with developing a framework for an Oregon Climate Change Adaptation Plan. OWEB is one of the key state agencies assigned by the Governor to be involved in this effort.

4. Oregon Plan Biennial Report

OWEB staff have begun planning the content and production elements of the 2009-2011 Oregon Plan Biennial Report. Staff plan to produce a print document, but are discussing how to pare down the content included in the print version while enhancing the amount of data, information, and stories made available on the Oregon Plan web site. The report is due to the Governor and appropriate legislative committees by January 15, 2011.

5. Small Grant Program Evaluation

OAR 695-35-0070 directs OWEB to review reports submitted by the Small Grant Teams and evaluate the need for program improvements and administrative rule changes once a biennium. Program staff are completing site/listening tours in each region, and will prepare a final report for the June Board meeting.

6. Strategic Plan Update

The content of OWEB's strategic plan was adopted by the Board at the January Board meeting. At the Board's direction, staff are reviewing the language in the adopted plan for consistency, improving the look and feel of the document, and are drafting language to strengthen the introductory section. The final document should be completed by the June Board meeting.

7. Working Lands Conservation Easements Contract

Staff submitted a Request for Proposals to compile policy and program information and stakeholder perspectives to help OWEB better determine how its funding can be used for working lands conservation easements that provide long-term economic benefits for landowners in a manner consistent with the Oregon Constitution and OWEB's mission and statutes. James Fox, Ph.D. was selected as the contractor. A report will be presented at the Board's September 2010 or January 2011 meeting.

8. Watershed Council Listening Sessions

Lauri Aunan, Grant Program Manager, briefed Board members on Watershed Council Listening Sessions held in each region in February and March. Jim Owens of Cogan Owens Cogan was hired as a contractor to facilitate the listening sessions and provide OWEB with a final report. A total of 53 councils were represented at the sessions. The contractor is preparing a report to be completed in mid-April that will summarize the responses gathered through the listening sessions and an online anonymous survey. OWEB program staff have convened a work group of watershed council representatives and council support reviewers to streamline and simplify the council support application form.

9. Restoration Priorities

Goal 1, Strategy 1, Action 2 of the OWEB Strategic Plan directs staff to develop restoration priorities and integrate recovery plans and the Oregon Conservation Strategy. Staff have met with ODFW and DEQ to develop a work plan to create an effective crosswalk between the recovery plans, Conservation Strategy, and restoration priorities. Staff will continue to update Board members as this effort progresses.

10. CREP Technical Assistance

A work group was established to review the distribution and approach to providing technical assistance for CREP. The work group includes the Farm Service Agency, NRCS, OACD, and ODA. The work group expects to have an analysis for the Board to consider at the June Board meeting that will be used for the 2011-2013 biennium.

D. Dam Removal Monitoring

Greg Sieglitz, Monitoring and Reporting Program Manager, was joined by Dr. Desiree Tullos, Oregon State University, to present effectiveness monitoring results from recent dam removal projects in Oregon. The results indicate that rivers in the West respond quite differently to dam removal than rivers in the East. The presentation contained information about the preliminary results from the last two years of monitoring at Brownsville Dam on the Calapooia River, Savage Rapids Dam on the Rogue River, Marmot Dam on the Sandy River and Chiloquin Dam on the Sprague River. Important findings related to sediment movement, habitat changes, river flows, and fish utilization were presented to the Board. These projects are in their early stages and will need to continue in order to realize the most significant findings in out-years. These data will be used to inform the development of future dam removal projects.

E. Public Comment – Pending Grant Applications

- Kelly Weideman, Malheur WC, and Jerry Wilcox, Willow Creek WC, provided a progress report for the staged grant award for application 210-5021 (Willow Creek Water Quality Improvement Phase II).
- Erik Christy and Wayne Hoffman, Mid-Coast WC, supported application 210-1045 (Alsea Bummer Creek Project), which was not recommended for funding by the Regional Review Team and OWEB staff.
- Application 210-6045 (Bates Pond Technical Assistance) which was recommended for funding by the Regional Review Team and not recommended for funding by OWEB staff.

Supported

Jim Myron, Native Fish Society

Scott Turo and Brian Cochran, Confederated Tribes of Warm Springs

Opposed

Judge Mark Webb, Grant County

Gregg Smith, Friends of Bates State Park

- Ryan Houston, Upper Deschutes WC, supported application 210-4035, which was recommended for funding by the Regional Review Team, but fell below the funding line.
- Chris Hagerbaumer, Oregon Environmental Council, supported application 210-7001 (Love Your River Education and Outreach Campaign), which was recommended for funding by the Education/Outreach Review Team, but fell below the funding line.
- Kate Merrick, Wasco County WC, supported application 210-4024 (Aquifer Recovery Planning for Streamflow Restoration) which was recommended 5 of 6 by the Regional Review Team, but fell below the funding line.
- Joshua Uriarte, Baker Valley SWCD, supported application 210-5045 (McEwen Valley Fish Passage Restoration) which was recommended 13 of 22 by the Regional Review Team, but fell below the funding line.
- Debrah Marriott and Jenny Cline, Lower Columbia River Estuary Partnership, supported application 210-3031 (Willamette Watershed Stewardship Project) which was recommended 6 of 6 by the Regional Review Team, but fell below the funding line.
- Brian Wolcott, Walla Walla Basin WC, briefly explained application 210-6043 (Walla Walla Basin Aquifer Replenishment and Stream Restoration Program) and thanked OWEB and the Regional Review Team for their support.

F. Board Consideration of Pending Grant Applications

Lauri Aunan, Grant Program Manager, provided Board members an overview of the October 19, 2009, grant cycle. Two hundred and twenty-six grant applications seeking a total of \$21,980,489 were received.

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

Technical Assistance	31	\$ 1,070,984
Monitoring	28	\$ 2,459,011
Education	38	\$ 1,076,451
Acquisition	2	\$ 848,761
Restoration	<u>127</u>	<u>\$16,525,282</u>
TOTAL	226	\$21,980,489

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

Since the Board has not 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 “stand alone” 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.

Statewide Education Applications

Staff recommended funding one of the three applications submitted this grant cycle. Based on the Education and Outreach Team evaluations and staff consideration of the evaluations, staff recommended funding 210-7003, On-line Watershed Stewardship, at a reduced level of \$60,000. Staff will work with SOLV, who submitted application 210-7002, to explore local capacity funding.

Board members unanimously approved the funding award for 210-7003 at \$60,000. Board members directed staff to work with the Oregon Environmental Council (application 210-7001) to explore the role of OEC and other organizations in implementing the OWEB Strategic Communication Plan.

Staged Awards

The following two grants received staged funding awards in September 2009, and staff recommended the Board fund Phase II of the projects.

Application 210-2032 (Bandon Marsh Restoration)

In September 2009, staff recommended full funding for the restoration portion of the Bandon Marsh project and partial funding of the effectiveness monitoring component (\$979,265).

Under the staged award, the Board awarded \$500,000 with \$479,265 to be awarded in March 2010 on the condition of receiving a progress report on the status of the project.

Application 210-2054 (Ni-les'tun (Bandon Marsh) Tidal Wetlands Restoration Effectiveness Monitoring) was submitted in the October 2009 grant cycle, and was not recommended for funding by the Regional Review Team; however the Regional Review Team wanted OWEB to work with the applicant to determine what monitoring should occur. Because 210-2054 proposed effectiveness monitoring for a funded restoration project, it is eligible for capital funding. Therefore, after working with the applicant, staff recommended awarding an additional \$69,500 in capital funds to the \$479,265, already reserved for 210-2032, making the total Phase II award \$548,765 in capital funds.

Application 210-5021 (Willow Creek Water Quality Improvement Phase I)

In September 2009, staff recommended funding the Willow Creek project in two stages; \$322,142 in September 2009, and the remaining \$322,142 in March 2010 on the condition of receiving a progress report on the status of the project.

Board members unanimously approved the award of the second stage of funding for 210-2032 and 210-5021 as shown in the revised Attachment C to the Overview staff report.

Acquisition Applications

Two new land acquisition applications were received during the October 2009 grant cycle. 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.

Both applications received this cycle are recommended for deferral, and there are no other previously deferred acquisitions ready for a funding decision.

REGION 1, NORTH COAST

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

Ken Bierly briefly described the two land acquisition applications received in this cycle and noted that they are recommended for deferral.

Application 210-106, Nehalem Bay Wetlands Conservation Project Phase II; and
Application 210-107, Lewis & Clark River Habitat Conservation Project.

Board members discussed application 210-1045, Bummer Creek Habitat Enhancement Phase II, which was brought up during the Public Comment period.

REGION 2, SOUTHWEST OREGON

Lauri Aunan, Grant Program Manager
Mark Grenbemer, Regional Program Representative

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

REGION 3, WILLAMETTE BASIN

Lauri Aunan, Grant Program Manager
Wendy Hudson Regional Program Representative

Lauri Aunan briefed Board members on 210-3067, Sodom Ditch-Calapooia River Fish Passage Improvement projects, as the “big ticket” item submitted this cycle in Region 3. Due to the amount of funding requested, staff recommended staged funding, with partial funding now (\$368,300), and the remainder in September 2010 (\$320,035) for a total grant award of \$688,335.

Board members discussed 210-3031, Willamette Watershed Stewardship Project, which was ranked 6 of 6 by the Regional Review Team, but fell below the funding line. Board members asked the applicant if they could take \$20,000 less funding due to the limited availability of non-capital funds.

REGION 4, CENTRAL OREGON

Lauri Aunan, Grant Program Manager
Rick Craiger, Regional Program Representative

Board members discussed 210-4024, Aquifer Recovery Planning for Streamflow Restoration, which was ranked 5 of 6 by the Regional Review Team, but fell below the funding line.

Board members discussed 210-4035, Student Stewardship Projects, which was ranked 5 of 9 by the Regional Review Team, but fell below the funding line. Board members asked the applicant if they could take less funding due to the limited availability of non-capital funds.

REGION 5, EASTERN OREGON

Lauri Aunan, Grant Program Manager

Board members discussed 210-5045, McEwen Valley Fish Passage Restoration, which was ranked 14 of 22 by the Regional Review Team, but fell below the funding line.

REGION 6, MID COLUMBIA

Lauri Aunan, Grant Program Manager

Sue Greer, Regional Program Representative

Due to the public comment received, Board members discussed 210-6045, Technical Evaluation of Aquatic Conservation Options at Bates Pond, which was recommended for funding by the Regional Review Team, but not recommended for funding by OWEB staff.

Capital Funding

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

210-1045, Bummer Creek Habitat Enhancement Project at \$56,000; and

210-5045, McEwen Valley Fish Passage Restoration, at \$84,740.

Board members discussion centered around reduced state lottery revenues this biennium and whether additional projects should be funded because applicants provided public comment at the meeting.

A motion to fund projects recommended by staff in Section IIIA of the March 12 staff report, with the addition of 210-1045 and 210-5045 failed with three nays.

A second motion to fund projects recommended by staff in Section III.A of the March 12 staff report, with the addition of 210-1045 for \$56,000, was passed with two nays.

Non-capital funding

Following the staff presentation for each region, the Board discussed whether to fund any additional non-capital applications that staff did not recommend for funding.

Board member discussion centered around the reduced state lottery revenues this biennium and whether or not additional projects should be funded to applicants who provided public comment at the meeting.

A motion to fund projects recommended by staff in Section III.B of the March 12 staff report, with no addition was passed with two nays.

At the conclusion of the day's meeting, OWEB Board members, staff, and local partners toured projects in the Hood River Basin led by the Hood River Watershed Group and its partners. OWEB Board members, staff, and invited guests returned to the Hood River Inn for an informal reception.

APPROVED BY THE BOARD JUNE 2, 2010
Oregon Watershed Enhancement Board

March 17, 2010
OWEB Board Meeting
Hood River, Oregon

Minutes

OWEB Members Present

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

OWEB Staff Present

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

Others Present

Tom Stahl
Brad Nye
Denise Ker
Dian Hilliard
Mike Weinberg
Ryan Houston
Tod Heisler

Members Not Present

Miles Brown

Board members discussed the process used for making grant award decisions on grants that were not recommended for funding by the regional review teams and/or staff based on public comment provided at the meeting, especially with the state's current budget situation. Board members asked staff to emphasize available grant funds in the Overview staff report.

A motion to revisit the decision not to fund additional non-capital applications from Agenda Item F at the March 16 meeting, failed.

G. Budget and Legislative

Tom Byler, Executive Director, briefed Board members on the outcome of the February 2010 legislative session, which did not affect OWEB other than SB 1014, a housekeeping bill that eliminated the now defunct Healthy Streams Partnership and Joint Salmon Legislative Committee; however the bill was not signed by the Governor and did not go into effect.

Director Byler briefed Board members on the 2011-2013 Legislative Concept development process. OWEB has been requested to submit a "placeholder" legislative concept on behalf of the SB 513 Work Group relating to ecosystem services markets. A placeholder concept preserves the Work Group's options should they decide to introduce a concept later in the process.

Board members unanimously approved to authorize staff to submit a placeholder legislative concept to the Department of Administrative Services related to ecosystem services.

Director Byler discussed the development of OWEB's 2011-2013 Agency Request Budget and presented the following estimated timeline.

- March 2010 OWEB Board sets out budget guidance principles for staff
- March-May 2010 Staff develop budget proposals based on Board principles
- June 2010 OWEB Board discussion of draft Policy Packages
- June-July 2010 Finalize agency Policy Packages
- September 2010 Submit full Agency Request Budget document

After submittal, the Governor reviews the Agency Request Budget and may make changes based on the Governor's priorities and the status of the state budget situation. The Governor's Recommended Budget is submitted to the Legislature in 2011. The Legislature then hears and considers the Governor's Recommended Budget for OWEB and may make additional changes based on priorities and the current budget situation.

A Board Budget Subcommittee was created to work with Director Byler and OWEB's managers to develop guidance and principles around OWEB's Agency Request Budget using the newly adopted Strategic Plan goals as the foundation. Subcommittee members include Board Co-Chairs Dan Heagerty and Diane Snyder, Karl Wenner, Meta Loftsgaarden, Kim Kratz, Dan Thorndike, and Skip Klarquist.

OWEB staff have not been advised on the final amount of federal Pacific Coastal Salmon Recovery Funds the agency will receive for FFY 2010. Staff are also unsure of what effect the loss of General Funds will have on other natural resource agency backfill needs. An updated 2009-2011 Spending Plan for capital and non-capital funds, as well as the Lottery Long-Term Forecast, were provided as a staff report attachment. As the Lottery Forecast is updated, staff will provide it to the Board.

H. Deschutes Special Investment Partnership Discussion

Ken Bierly, Deputy Director, was joined by Ryan Houston, Upper Deschutes Watershed Council; Tod Heisler, Deschutes River Conservancy; and Brad Nye, Deschutes Land Trust; to update Board members on the partnerships developed in the Deschutes Basin. Their presentation highlighted the Whychus Creek at Camp Polk project funded as part of the Deschutes SIP. The Board was provided a biennial summary of accomplishments.

I. Public Comment – General

- Tom O'Brien, Network of Oregon Watershed Councils, and Greg Sieglitz, Monitoring and Reporting Program Manager, discussed a potential partnership involving the establishment of language that would be easy to understand by a non-scientific audience and methods for reporting on incremental conservation achievements. This partnership will grow over the summer and future reports will be provided to the Board.

J. Ecosystem Services Update

Renee Davis-Born, Ecosystem Services Coordinator, provided updates on the following:

OWEB Research Project on Ecosystem Services

In August 2009, OWEB contracted with Ecosystem Services LLC and Ecotrust to investigate how traditional OWEB restoration and acquisition projects may provide ecosystem services and how these investments may converge with ecosystem services markets. Phase I of a three-phase study has been completed. Phase II to evaluate potential market opportunities for OWEB-funded projects is underway. Phase III involves the use of pilot projects to demonstrate the steps necessary to create market-ready projects. Two pilot efforts have been identified. Final results from this contract will be reported at the June Board meeting with the final report due in mid-June.

SB 513 Working Group

The Working Group has met three times since December 2009. They divided into four subgroups around four identified priority policy areas, and will report back to the group as a whole on their findings.

1. Overarching ecological, economic, and integration goals to guide the development of integrated ecosystem services markets in Oregon;
2. Agency processes and interactions to address appropriate roles at local, regional, state and national scales;
3. Public/private financing issues; and
4. Private and government roles in developing standards, methodologies, metrics and tools.

The Working Group will provide a final report to the Sustainability Board in November 2010, and will continue to brief Board members at the June and September meetings.

J-1 Pilot Project Proposal: Ecosystem Services Markets in the Willamette Basin

The Willamette Partnership and The Freshwater Trust have asked OWEB to partner on a proposal to the 2010 U.S. Department of Agriculture Conservation Innovation Grant program of the Natural Resources Conservation Service. The proposal will request funding to implement a pilot market for ecosystem services in the Willamette Basin. OWEB would participate in order to encourage the involvement of private investors by using grant funds as a backstop to minimize financial risk for investors if the market fails to appear.

Board members discussed the potential investors (developers, municipalities, foundations, and other private entities), the amount of risk involved for OWEB, the importance of the terms in the grant agreement, the uncertainty of the use of credits, the amount of funding that could be involved and what funding source, the timing of the proposal, whether or not this is OWEB's role, and staffing for the project. Board member Meta Loftsgaarden, NRCS, who also supports the proposal, stated that the Willamette Partnership is one of three leaders at the national level in ecosystem services. Board members agreed to support this pilot project in concept for the purposes of the Willamette Partnership and The Freshwater Trust submitting a pre-proposal to NRCS for a Conservation Innovation Grant.

K. OWEB Communications Products

Tom Byler, Executive Director, and Carolyn Devine, Communications Coordinator, updated Board members on development of communications products under the Strategic and Communications Plan. Staff have moved forward on a number of key action items.

A. Portal Site and OWEB Web Site

Updates have been made on the agency's main web site, and the portal site (formerly called the microsite), www.oregonwatersheds.org will be launched soon.

B. Messaging and PowerPoint Presentation

Staff have contracted with Gard Communications to further refine messages and tools to help OWEB improve its communications infrastructure. Staff will work over the summer with grantees and stakeholders around the state to start utilizing these messages as part of local outreach efforts. Staff are also working on a simple PowerPoint presentation to be used for groups not familiar with OWEB.

C. Agency Coordination

Over the next months, staff plan to work with other natural resource agencies on communications, messaging, and reporting results from collective investments in watershed and habitat restoration and conservation. The work will inform the 2009-2011 Oregon Plan Biennial Report that is due to the Governor and legislators in January 2011, and other communications efforts.

D. Social Media

Staff are evaluating the use of social media web sites as a communications tool. The Department of Administrative Services has recently developed guidelines for agency use of websites such as Facebook, YouTube, and Twitter. Staff are considering many factors and will keep the Board apprised of the evaluation.

E. Other Communications Efforts

In light of the possible November 2010 ballot measure to renew the Parks and Natural Resources Fund, OWEB staff are preparing for information requests that may come from the public and media about programs supported with dedicated lottery funds. An all staff customer service and communications training session is scheduled in April.

Biennial Conference

Denise Ker and Dian Hilliard, from Viva! Consult, introduced themselves. Staff have contracted with them for OWEB's November 15-17, 2010, Biennial Conference in Pendleton. They are working with a current \$40,000 budget, but are hoping to get more sponsors for the conference.

L. Mid-Columbia Steelhead Conservation and Recovery Plan

This item was postponed until a later date.

M. Klamath Basin Restoration Agreement

Sue Knapp, Governor's Natural Resources Office, updated the Board on the status of the Klamath Basin Restoration Agreement. There was discussion about the importance of OWEB funding in the Klamath Basin as well as a possible special investment partnership.

N. Other Business

Coastal Wetlands Grants

Ken Bierly, Deputy Director, provided an update on the recent 2010 Coastal Wetlands Grant award from the U.S. Fish and Wildlife Service to fund a coastal wetlands acquisition project (the Nehalem Bay project). The federal grant is for \$994,290 with OWEB match of \$583,761.

After consultation with the Board Acquisition Subcommittee, staff requested due diligence materials from the applicant, the Lower Nehalem Community Trust on the OWEB grant application. Board authorization is required for staff to enter into the federal grant agreement for the project. This will allow the applicant to proceed with OWEB's due diligence requirements. After receipt and review of the due diligence materials, staff will ask the Board for the state match amount.

Board members unanimously approved the delegation of authority to the Director to enter into a grant agreement for the \$994,290 in USFWS 2010 Coastal Wetlands Grant funds for the Nehalem Bay Wetlands Conservation Project Phase II.

The USFWS is requesting applications for the 2011 Coastal Wetlands Grant Program. Staff solicited project concepts to coastal land conservation groups and expect to receive at least two project concepts. Applications received will be reviewed by the regional review team, Board Acquisition Subcommittee, and staff. Applicants will be selected based on their review and those determined to be most consistent with the Coastal Wetlands Grant funding criteria. OWEB also needs to seek legislative approval to apply for the federal grant during the May 24-27, 2010, Legislative Interim Committee Days.

Board members unanimously authorized the Director to request legislative approval to submit 2011 Coastal Wetlands Grant applications to USFWS, based on recommendations of the Board Acquisition Subcommittee.

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
June 2-3, 2010

Sunridge/Blue Mountain Conference Room
Best Western Sunridge Inn
1 Sunridge Lane
Baker City

Directions: The Best Western Sunridge Inn is located on I-84 at Baker City Exit 304.

Wednesday, June 2, 2010

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items H and K), 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 16-17, 2010, Board meeting in Hood River 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. Budget and Legislative

Tom Byler, Executive Director, will brief the Board on the status of OWEB's 2009-2011 budget, 2011 legislative concepts, and the 2011-2013 budget process. *Action item.*

E. 2010 Grant Cycles and Funding Targets

Lauri Aunan, Grant Program Manager, will update the Board on the April 19, 2010, grant cycle, propose the solicitation of non-capital grants for the October 18, 2010, grant cycle, and lead a discussion about grant funding targets for the April and October 2010 grant cycles. *Action item.*

F. Acquisition Grants

Miriam Hulst, Acquisitions Specialist, and Ken Bierly, Deputy Director, will update Board members on pending land and water acquisition applications and present funding recommendations for Board consideration. *Action item.*

G. Jobs Research Presentation

Greg Sieglitz, Monitoring and Reporting Program Manager, Cassandra Moseley and Max Nielsen-Pincus, with the University of Oregon's Ecosystem Workforce Program (EWP), will present the final results from a recent OWEB research project evaluating the economic impact and job creation associated with watershed restoration project funding. *Information item.*

H. Public Comment [approximately 1:45 p.m.]

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

Tour – 2:30 p.m.

The Board and OWEB staff will tour restoration projects in the Burnt River watershed with representatives from the Baker County soil and water conservation districts. 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.

Thursday, June 3, 2010

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items H and K), 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. 2011-2013 Watershed Council Support

Lauri Aunan, Grant Program Manager, will present recommendations for a one-biennium change to the Board's policy related to funding for new applicants and requests for solo funding, for the 2011-2013 Council Support Cycle. *Action item.*

J. Ecosystem Services Update

Renee Davis-Born, Ecosystem Services Coordinator, will update the Board on ecosystem services initiatives and introduce a presentation by Duncan Berry and Guy Sievert, with Ecosystem Services LLC, and Steve Dettman, Ecotrust, on the results from OWEB's investment in research on ecosystem services and the potential for ecosystem services markets related to OWEB investments. *Information item.*

K. Public Comment – General [approximately 10:15 a.m.]

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

L. DEQ Willamette Water Quality Presentation

Aaron Borisenko, Watershed Assessment Manager, with the Oregon Department of Environmental Quality, and Greg Sieglitz, Monitoring and Reporting Program Manager, will present water quality findings and policy implications about program priorities and effectiveness in the Willamette Basin. *Information item.*

M. Investment and Outcome Reporting

Ashley Seim, GIS and Web Site Specialist, and Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on additions to the OWEB web site related to "investment" and "outcome" reporting. *Information item.*

N. 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 general public comment period will be held on Wednesday, June 2 at 1:45 p.m. and Thursday, June 3 at 10:15 a.m. 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: *John Jackson*
Public member (tribal): *Eric Quaempts*
Public member: *Daniel Heagerty, Board Co-Chair*
Public member: *Dan Thorndike*
Public member: *Patricia Smith*
Public member: *Diane Snyder, Board Co-Chair*
Public member: *Karl Wenner*

Non-voting Members

Representative of NMFS: *Kim Kratz*
Representative of Oregon State University Extension Service: *James Johnson*
Representative of U.S. Forest Service: *Debbie Hollen*
Representative of U.S. BLM: *Miles Brown*
Representative of U.S. NRCS: *Meta Loftsgaarden*
Representative of U.S. EPA: *Alan Henning*

Contact Information

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OWEB Assistant to Executive Director and Board - Bonnie Ashford

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2010-2011 Board Meeting Schedule

September 14-15, 2010 in Garibaldi

January 19-20, 2011 in Salem/Willamette Valley

March 16-17, 2011 in Salem/Willamette Valley

June 7-8, 2011 in Salem/Willamette Valley

September 13-14, 2011 in Hermiston

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

June 2-3, 2010 OWEB Board Meeting Executive Director Update #C-1: 2010 Biennial Conference

Background

Every two years, OWEB holds a conference that typically draws approximately 350-400 attendees representing the diversity of those interested and involved in watershed restoration in the state. The conference aims to provide opportunities for both professional development and networking.

November 15-17, 2010

The next biennial conference, OWEB's 11th, will be held at the Pendleton Convention Center on November 15-17, 2010. Board member Eric Quaempts and staff are exploring a visit to the Tamástslíkt Cultural Institute and planning a traditional dinner at the Longhouse for conference participants. Contractor Denise Ker of Viva! Consult is working with staff to organize the event and coordinate logistics.

Sponsorships

As of May 13, 2010, we have \$11,500 committed in sponsorships from the Northwest Power and Conservation Council, \$5,000; U.S. Department of the Interior Bureau of Land Management, \$2,500; Oregon Wildlife Heritage Foundation, \$1,500; U.S. Environmental Protection Agency, \$1,500; and Oregon Department of Forestry, \$1,000. Our goal is \$40,000. Unfortunately, budget issues appear to be affecting sponsorships from OWEB's traditional partners.

Sponsorships defray the costs of registration, which have traditionally been kept very reasonable for our participants. Without additional sponsors, registration fees will be increased to cover more of the conference costs. Staff request the Board's assistance in identifying other potential sponsors. June 15, 2010, is the deadline for sponsorships to be recognized on printed materials.

Watershed Professional Community

Online social networking platforms will be used to encourage dialogue before, during, and after the conference, thereby extending the value the event brings to the community of watershed professionals. The conference web site will be published early June. OWEB will be sending email notices out when the web site is available.

Tracks and Sessions

The conference planning team is working to recruit and select speakers who will help attendees gain practical skills and knowledge that will help them to excel in their efforts to protect and restore Oregon's watersheds.

Staff Contact

If you have questions or need additional information, please contact Carolyn Devine at carolyn.devine@state.or.us or 503-986-0195.

June 2-3, 2010 OWEB Board Meeting

Executive Director Update #C-2: 2009-2011 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, which 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.

The 2009-2011 report will be the fifth report prepared to meet this statutory obligation. Previous editions have been printed reports, with an electronic version of the print document available on the OWEB and Oregon Plan web sites. Beginning with the 2005-2007 report, OWEB began making additional content, primarily project stories and agency accomplishments, available via the web.

2009-2011 Biennial Report Update

Staff currently plan to produce a pared down print version of the Biennial Report and enhance the amount of data, information, and stories made available on the Oregon Plan web site. The keystone of the printed report will continue to be the 13 Oregon Plan reporting basins with basin maps of completed and reported projects.

Staff have started discussions about web report options with the InfoGraphics Laboratory at the University of Oregon and Oregon Explorer team at Oregon State University (OSU).

InfoGraphics has produced the basin maps and graphics for all four Biennial Reports, and their focus is in the integration of GIS and graphic design tools with cartographic design. Oregon Explorer is a collaborative effort of OSU Libraries and Institute of Natural Resources and is a comprehensive digital library of Oregon's natural resources. OWEB is currently contracting with Oregon Explorer to develop an Oregon Watershed Restoration Inventory (OWRI) Visualization Tool. (See Agenda Item M for more information.) These partners are most familiar with the Biennial Report and its data sources. Staff anticipate reviewing web report options by mid-June.

Work over the summer will include map and graphic development from OWRI and federal data; data and information collection from Oregon Plan agencies and local partners; preparation of restoration project stories for each basin; and text drafting. Staff will report to the Board in September on the status of the web and print report and to discuss draft Board observations and recommendations.

Staff Contact

If you have questions or need additional information about the 2009-2011 Oregon Plan Biennial Report, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

June 2-3, 2010 OWEB Board Meeting Executive Director Update #C-3: Strategic Plan Update

Background

At the March 2009 meeting, the Board initiated a strategic planning exercise involving Board members, staff, and stakeholders. The goal was to identify, discuss, and determine OWEB program priorities and actions to focus on between 2009 and 2014. Don Harker was hired in May 2009 to facilitate the strategic planning process, interview staff and stakeholders, and help write the plan.

The Board met with management staff for facilitated planning sessions in Eugene on June 1, 2009, and in Silverton on June 30 and July 1, 2009. Drafts were then circulated among Board members and staff during the month of August. At the September 2009 meeting at Wallowa Lake, the Board made minor edits, approved a final draft of the strategic plan, and directed staff to make the draft available for public review in October. The final draft Strategic Plan was distributed for public comment in early October. Based on the comments received, staff and the Board Planning Subcommittee proposed final edits for Board consideration in January 2010. The Board adopted the content of the plan at the January Board meeting and directed staff to make improvements to the introduction and look and feel of the document.

Final Strategic Plan Document

Staff are formatting the Strategic Plan and a separate implementation action plan to be consistent with the look and feel of the www.healthywatersheds.org site. These documents will be available for the Board in June.

Staff Contact

If you have questions or need additional information, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

June 2-3, 2010 OWEB Board Meeting

Executive Director Update #C-4: Watershed Council Listening Sessions

I. Introduction

This report transmits the Report on Watershed Council Support Listening Sessions (Attachment A) and describes the next steps for follow-up on the Listening Sessions.

II. Background

Goal 2 of OWEB's Strategic Plan is to "Support an enduring, high capacity local infrastructure for conducting watershed restoration and conservation." Strategy 2 under Goal 2 is to "Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships." Under OWEB's administrative rules, "watershed council support" grants support the operating capacity of watershed councils. Applications are submitted every two years; they are evaluated for merit and funded based on criteria, processes, and factors in OWEB's rules. Grant awards cover the two years coinciding with OWEB's biennial state budget (e.g., July 1, 2011 – June 30, 2013). The next application deadline is January 18, 2011, with grant awards planned for June 2011.

OWEB began addressing Strategic Plan Goal 2 by holding six Watershed Council Listening Sessions around the state. The Listening Sessions were facilitated by Jim Owens, and were organized to reach and involve as many watershed councils as possible. Combined with interviews and an on-line survey, the Listening Sessions were intended to engage watershed councils in a dialogue about what makes watershed councils successful and how OWEB watershed council funding and processes might be changed in order to build capacity, provide base funding and promote strategic partnerships. The dialogue with councils was an important first step to inform OWEB's strategy to implement Goal 2.

III. Listening Sessions Report

The Report on Watershed Council Support Listening Sessions is found in Attachment A. Key observations are summarized on pages three through nine. A list of participants is found on pages 24 and 25. The rest of the report summarizes the responses gathered by the facilitator through interviews, the listening sessions, and the on-line survey.

A draft of the report was e-mailed to councils for their review and comment; OWEB did not receive any comments. The Board Council Support Subcommittee discussed the report at its May 6, 2010 meeting.

The Listening Sessions were very valuable for OWEB. It was important for us to hear from councils about what is important to them, the challenges they are dealing with, and their questions and concerns. There were many common themes in the responses, and staff will continue to reference the Listening Sessions report as we implement our follow-up actions. At the same time, there were many divergent opinions on some of the key policy issues around council support, and there were no "silver bullet" answers.

IV. Listening Sessions Follow-Up - Next Steps

The Listening Sessions are the first step in an ongoing assessment of council support funding and capacity building needs and actions. On a regular basis, OWEB will use Network of Oregon Watershed Council meetings, staff emails and OWEB's web site to communicate to councils

about OWEB deliberations and actions resulting from the Listening Sessions and the ongoing assessment.

In addition to ongoing communications and assessment, staff are proceeding with the steps outlined in the following sections.

A. Address Policy Questions

OWEB's governing law, rules and history reflect that watershed councils are deeply ingrained in the drive toward watershed health. OWEB's watershed management program "relies on the establishment of voluntary local watershed councils comprised of residents, state and federal agency staff, Indian tribes and other citizens interested in the management of watersheds." ORS 541.384(1)

In carrying out the watershed enhancement program, OWEB shall "grant funds for the support of watershed councils in assessing watershed conditions, developing action plans, implementing projects and monitoring results...from such moneys as may be available to the board therefor." ORS 541.370(1)(e)

Under Oregon law, local governments are encouraged to form voluntary watershed councils. [ORS 541.388(1)] OWEB does not have a direct role in the formation or structure of councils. Those decisions are strictly local. OWEB's role is to support the capacity of councils, which is extremely important in order for councils to accomplish watershed restoration and enhancement work.

1. OWEB's Struggle with Recurring Council Support Policy Questions

OWEB has consistently struggled with allocating limited funding to meet increasing infrastructure costs for a growing number of watershed councils whose formation is determined by another entity (local government). For example, in a tight budget period, OWEB awarded two separate councils a single shared council support grant (e.g., Rickreall and Luckiamute in 2003) and then later allowed them to submit separate applications for support (Luckiamute solo funding request approved in 2007).

There are many issues that need to be examined and considered as OWEB addresses Strategic Plan Goal 2. Some Board-raised questions include "should OWEB continue to fund new councils," "should OWEB continue to approve requests for solo funding," "are there too many councils," and "should OWEB encourage councils to combine to create efficiencies?"

Councils also have raised questions, such as "should OWEB's rules allow former 'umbrella council' members to apply for solo funding," and "should OWEB be funding very small urban councils?" There were also several occasions when council representatives asked the question, "what does OWEB want to see when it funds watershed councils?"

OWEB's answers to these questions have a direct effect on councils. Without a framework of principles around watershed council support, it is difficult to answer these policy questions. There are multiple reasons to answer 'yes' or 'no' to each of the questions.

2. 2011-2013 Watershed Council Support Policy

Staff's policy recommendations for 2011-2013 are contained in Agenda Item I, scheduled for Board discussion and action on Thursday, June 3, 2010.

3. Long-Term Watershed Council Support Program Principles

Staff will continue the dialogue with watershed councils and work with the Board Council Support Subcommittee to develop proposed council support program principles. The principles will define OWEB's desired results from council support funding, including defining the intended outcomes from OWEB's investment in watershed council capacity. The principles will be the basis for answering the recurring policy questions posed in subsection A.1 above, including but not limited to funding for new councils, requests for solo funding, and ways to incentivize council combining. The principles may lead to proposals to change the council support grant rules for 2013-2015.

Examples of potential principles (these are only examples, they are not recommendations or decisions about principles). The desired outcomes of OWEB's council support program and funding are:

- Effective watershed council coverage for all parts of Oregon at a hydrologic scale.
- A high level of citizen involvement in, and community support for, the development and implementation of watershed restoration and enhancement.
- Councils increase the diversity of their sources of operating funding
- State funding provides meaningful base funding and promotes strategic partnerships.
- Funding awarded on a merit basis, with a focus on key indicators of effectiveness [to be developed]

The schedule for developing the principles is included in the table below. Board members who have thoughts about the principles should contact staff or members of the Council Support Subcommittee (Alan Henning, Jim Johnson, and Dan Thorndike). Staff will report on progress at the September meeting. Draft principles will be presented for council review and feedback at the OWEB Biennial Conference in November 2010. Additional opportunities for feedback will also be offered in November and December 2010. The principles would not become final until adopted by the OWEB Board.

Tentative Schedule for Principles Development

July 2010	Subcommittee meeting. Listening Session follow up and discuss proposed watershed council support program principles.
Sept. 14-15, 2010	Board meeting. Update on status of principles development.
Nov. 15-17, 2010	OWEB's Biennial Conference. Continue Listening Session follow up with OWEB Board/staff/council discussion about <u>draft</u> principles.
December 2010 – June 2011	Continue work on draft principles; progress may be affected by 2011 legislative session
July – Dec. 2011	Continue Listening Session follow up. For example, if OWEB decides to change council support grant rules, a Rules Advisory Committee needs to be convened in summer/fall of 2011, with official rulemaking in January 2012, for rule adoption in June 2012, before the 2013-2015 council support cycle.

B. Support Capacity Building Activities for Councils

A recent study of the nonprofit sector defined capacity building as “any service that enhances the organization’s internal effectiveness at achieving its mission sustainably – in other words, services which strengthen the foundation or “engine” of the organization, not its specific programs.”¹ The same study identified the need for more general operating and capacity-building funding; the importance of approaching capacity-building in a long-term, flexible and holistic manner; the barriers to capacity-building, including money, time, lack of appropriate providers, and lack of awareness; and the particular challenges experienced by rural communities.

During the Listening Sessions, several councils commented that Oregon is unique in providing capacity support to councils. They noted that their counterparts in Washington and California do not get capacity support, only project support. OWEB’s capacity support funding has laid an important foundation, but, as recognized by many councils during the Listening Sessions, OWEB will not be able to meet all capacity support demands and needs.

Listening Session participants had a number of ideas about potential ways to build capacity outside of the OWEB council support grants, such as:

- Pooled organizational services, such as group insurance;
- “Toolbox” of services, available when organizations need it, including auditors, attorneys, and facilitators;
- Regional or centralized administrative services for activities that do not need to happen at the local level, such as accounting and payroll; and
- Continue and expand training opportunities.

The Network of Oregon Watershed Councils (Network) is already exploring a number of these areas. OWEB staff will work with the Network to explore the most appropriate OWEB role in supporting capacity-building efforts outside of the OWEB council support grant program. OWEB will also work with the Network to pursue opportunities to work with the broader funding community to advocate for capacity building resources for councils and other watershed restoration organizations.

C. Improve 2011-2013 Council Support Application, Review Process, and Reporting

During the Listening Sessions, councils frequently asked OWEB not to significantly change the application for the 2011-2013 cycle. At the same time, they acknowledged that the application is time-consuming and complex to fill out, and might not provide reviewers with clear enough information about the councils’ work. OWEB also heard during the Listening Sessions that we need to improve our communication around council support. As outlined in Section III.B. of Agenda Item I, OWEB is working with watershed council representatives and council support review team members to improve the application, review process, and reporting.

V. Listening Sessions Follow Up - Open Conversations Response

Several topics were frequently mentioned during the Listening Session “open conversations.” OWEB’s top priority for follow-up are the items covered in Section IV of this staff report.

¹ “An Assessment of Capacity Building in Washington State,” December 2009, The Giving Practice, a consultancy of Philanthropy Northwest

However, we want to acknowledge that we heard councils' frustrations and desires around the topics of regulatory review of restoration projects, reducing paperwork where possible, making processes and requirements as easy to understand and follow as possible, and more flexibility in funding overhead costs in projects grants.

A. Regulatory Review

OWEB agrees that restoration projects should not have to meet the same level of regulatory review required for non-restoration projects. OWEB has been an advocate of this and will continue to advocate it with federal and state regulatory agencies. For example, OWEB staff have participated in Oregon Plan Core Team discussions of regulatory streamlining for restoration actions. These conversations have led to a limited set of actions on the part of the Department of State Lands to exempt a number of restoration actions. However, there is clear recognition that significant issues remain to be addressed. OWEB is part of an effort to identify and address the issues that can be resolved over the coming year.

B. Paperwork and Processes

OWEB agrees it is important to effectively communicate processes and requirements, reduce paperwork, make processes as easy to understand and follow as possible, and continue to move toward more electronic forms including applications and reporting. As noted in Section IV.C. above, we are currently working to improve the council support application forms. Follow-up will occur through the implementation of Goal 5, Strategy 1 of OWEB's Strategic Plan, which is to "continue to evaluate, explore, and implement grant administrative processes to maintain and enhance efficiencies at all levels." Given staff workload, current Strategic Plan priorities, and available resources, we expect to make continued progress over time on this issue.

C. Overhead in Project Grants

OWEB heard councils' request for OWEB to explore the ability to provide greater flexibility within project grants for funding direct and indirect costs of implementing projects, as a way to help councils with their capacity needs. As noted in Section IV.B. above, OWEB is committed to exploring ways to help build capacity in addition to the council support grant program.

The Oregon Constitution and state statutes currently restrict the use of capital Lottery funds to funding for direct project costs only. Indirect overhead costs of grantees cannot be funded with capital funds. Non-capital Lottery funds are very limited and as a result would not be available to pay indirect overhead costs. However, capital Lottery funds can pay for direct overhead expenses of a grantee that are incurred for the sole purpose of supporting personnel working on a project funded with capital Lottery dollars.

VI. Staff Contact

If you have questions or need additional information, please contact Lauri Aunan at lauri.g.aunan@state.or.us, or 503-986-0047.

Attachment

A. Report on Watershed Council Support Listening Sessions

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**REPORT ON
WATERSHED COUNCIL SUPPORT LISTENING SESSIONS
FEBRUARY – MARCH 2010**

APRIL 26, 2010

PREPARED FOR:

OREGON WATERSHED ENHANCEMENT BOARD

PREPARED BY:

JIM OWENS, PRINCIPAL
COGAN OWENS COGAN, LLC

REPORT ON WATERSHED COUNCIL SUPPORT LISTENING SESSIONS FEBRUARY – MARCH 2010

SUMMARY

IMPLEMENTING STRATEGIC PLAN GOALS FOR HIGH CAPACITY COUNCILS

This report documents the results of six (6) Listening Sessions with watershed council representatives around the state conducted by the Oregon Watershed Enhancement Board (OWEB) in February and March, 2010. Combined with interviews and an on-line survey, the Listening Sessions were intended to engage watershed councils in a dialogue about what makes watershed councils successful and how OWEB watershed council funding and processes might be changed in order to build capacity, provide base funding and promote strategic partnerships. The Listening Sessions were part of the OWEB Board's strategy to implement its Final Draft Strategic Plan, specifically Strategy 2 under Goal 2.

The focus of the Listening Sessions was watershed council support funding. Because of the importance of this funding to more than 60 councils across the state, it will take time and continued dialogue to develop proposed changes and an understanding of how councils might be affected by those changes. As a result, OWEB is not currently planning to make significant changes to watershed council support for the 2011-2013 watershed council support grant cycle. It is currently contemplated that any significant changes would occur for the 2013 cycle.

Multiple Opportunities for Input

The Listening Sessions were one element of a three-part strategy to obtain input on what makes watershed councils successful, how best to build local capacity and improve the council support funding program, and on priorities for moving forward. The three-part strategy included:

1. *Interviews:* To help frame the agenda for the Listening Sessions, 20 in-person or telephone interviews were conducted with members of the Board's Council Support Subcommittee, the agency's Director and senior grant program staff, regional program representatives, selected watershed council coordinators, and the Director of the Network of Oregon Watershed Councils.
2. *Listening Sessions:* Watershed council coordinators and board members were invited to participate in six Listening Sessions held around the state. Fifty three (53) watershed councils were represented at the Listening Sessions. Representatives from the Network of Oregon Watershed Councils, regional program representatives, and senior grant program staff were present at all sessions. The agency's Director

and board members attended five of the six sessions. A list of participants is attached as Appendix B.

3. *On-Line Survey:* An on-line survey provided the opportunity for watershed council coordinators and board members unable to attend the Listening Sessions to provide input on the questions posed at the sessions. It was also an opportunity for Listening Session participants to provide additional comments. Eighteen (18) on-line surveys were completed.

Structured for Dialogue

The Listening Sessions were structured around open dialogue on a common set of questions (see Appendix B) and facilitated by Jim Owens, Principal with Cogan Owens Cogan, LLC. At each session, introductory remarks were provided by the OWEB Director, Tom Byler, or Lauri Aunan, Grant Program Manager. The agenda was organized around five themes/questions, followed by an open conversation on any issue of interest to the participants.

In the introductory remarks, participants were advised that there is no issue more important to OWEB staff and the Board than the success and effectiveness of the work of watershed councils. The work that councils undertake represents the nuts and bolts of the OWEB program. Historically, there has not been enough funding to fully support all watershed councils, but there is a sincere attempt by the staff and Board to attempt to improve the council support funding program. In its strategic planning process over the past year, the Board adopted Goal 5 to: "Support an enduring high capacity local infrastructure for conducting watershed restoration and conservation." Strategy 2 of that Goal directs the agency to: "Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding, and promote strategic partnerships." To assist the staff and Board in implementing Goal 5 and Strategy 2, these Listening Sessions were organized to obtain feedback from councils as step 1 of a longer-term effort to carry out strategy 2 to inform Board and staff.

At Listening Sessions, staff and Board members were present to hear from council representatives about how the program can best serve the needs of councils to be successful organizations. The sessions were designed for brainstorming, with no debating on issues and no attempt to reach decisions.

REPORT ORGANIZATION

This report both summarizes and documents the input from the interviews, Listening Sessions, and on-line survey. Report elements include:

- Summary, including a description of the Listening Session purpose and process, key observations, and an identification of next steps;
- Summary of interview results (Appendix A);
- Listening Session agenda (Appendix B) and roster of attendees (Appendix C);
- Compilation of input from each of the six Listening Sessions (Appendix D);

- Compilation of on-line survey results (Appendix E).

Additional input such as letters and emails received outside of the Listening Sessions, interviews and on-line survey has been integrated into this summary.

KEY OBSERVATIONS

A Most Impressive Commitment

While there is significant diversity among councils in their capacities, sophistication and interests, there is a commonality in commitment to improving watershed health through restoration projects, community outreach, and creative partnerships. Also of note:

- The openness and candor exhibited by Listening Session participants.
- OWEB's efforts to outreach to watershed councils through the Listening Sessions, interviews and on-line survey.
- Board member and staff participation in the Listening Sessions.

Of further note, the areas of commonality and differences in opinion were generally common to all three forms of input, i.e. there was little difference in the comments received at the Listening Sessions and via interviews and on-line surveys. By definition, the discussions at the Listening Sessions were more interactive and the comments via interviews and surveys were more individually in depth. Beyond that, there were no perceivable differences.

Defining and Measuring Success

What does it mean to be a successful watershed council?

The most commonly cited responses to this question in all three of the input venues were: (1) broad community recognition and involvement, and (2) the ability to develop and implement high quality projects that respond to community and watershed needs. A successful watershed council is seen as one that achieves its mission. That mission may include goals for fish and wildlife habitat or water quality improvements, for public education, or for community involvement, or it may include all of these. "A successful watershed council is one that finds a relevant space in their watershed. It is a community of stakeholders that is able to define a vision for their watershed community and resources in a manner that speaks to, connects with and motivates landowners to action and participation in the Oregon Plan." Noted by a number of participants, "Success is more about community involvement than it is miles of restoration." Other frequent responses:

- An ever increasing demand for council services.
- Building a sustainable organization in terms of continuity in staff, board leadership, and partnerships.
- Building strong, ongoing partnerships with local agencies, landowners and other similar organizations.
- Obtaining adequate funding from diverse sources.
- Measurably improving watershed health; seeing changes on the ground.

To be a successful watershed council was summed up as: "Successful watershed councils have credibility in their communities, continuity in knowledge, limited turnover on boards or in staff, and adequate funding to avoid having to constantly raise money."

It is also frequently noted that success needs to be defined by each council. What is "successful" for one council may not be so for another.

Due primarily to the differences among councils, measuring their success is seen to be very difficult and very subjective. "There are as many answers to the question of how to measure success as there are watershed councils. Every watershed council is different and what works in one is not necessarily going to work in another. We need flexibility to accommodate all those differences. " "Process is the product. You need to consider how well we are working with the people in our watershed as the key measure of success."

What would an enduring, high capacity watershed council infrastructure look like?

Such a council would have a secure source of funding sufficient to attract and maintain high quality staff, conduct frequent community outreach, be broadly representative, obtain increasing support from agencies and funders other than OWEB, and have ready access to needed technical and support services.

How can OWEB help watershed councils to be successful?

Providing stable funding and assistance in identifying and developing strategic partnerships are almost universal responses. Also frequently mentioned:

- Increased outreach and education funding.
- More flexibility in the use of project funding to pay for overhead costs.
- In coordination with the Network of Oregon Watershed Councils, continuation and expansion of training.
- Support services such as engineering, accounting, auditing.
- Assistance with pooling costs for insurance, legal support, and other similar services that are excessively expensive or difficult to obtain at the individual council level.
- Assistance with permit streamlining.
- Flexibility in fiscal and reporting requirements.

If OWEB funding disappeared tomorrow, what would be the consequences?

Without OWEB funding, well-established councils skilled in partnering would suffer with the reduction in operational support but would expect to be able to recover such funding over time. Smaller and newer councils indicate that they would likely not survive. "Most Councils would probably dissolve and we, as a state, would not meet the vision described in the Oregon Plan. We would also see a major decrease in voluntary restoration efforts by landowners and would need to rely more heavily on regulation to protect our resources."

Building Local Capacity

How can OWEB help build council capacity?

Although providing consistent funding was a common initial response, most of the conversation focused on support services desired by councils. These include both place-based services (those that are best provided at the local level) versus non-place based services (those that could be provided by OWEB, the Network or through another centralized mechanism). Among the latter: more training, pooled services such as insurance and legal support, and a “toolbox” of on-call technical services, especially auditors, engineers, hydrologists, facilitators. There is also strong support for OWEB assistance in identifying and facilitating strategic partnerships and for being an advocate with regulatory agencies for permit streamlining. Continuing to support the work of the Network of Oregon Watershed Councils is also supported.

Should the number of councils that are funded be limited in order to provide more adequate levels of funding to councils?

Opinion is very mixed about such a limitation. Among the comments:

- Are the councils producing and doing what they were asked to do? If they are, then no you don't eliminate them.
- There would be considerable political fallout if a watershed council is legitimately formed and recognized locally and then not funded by OWEB.
- As a statewide program, it would be inappropriate to restrict the formation of new councils where legitimately established through funding limitations.
- The pie keeps getting cut smaller and smaller with every new council created. Any new council, especially smaller ones, that wants to form should be encouraged to join in with other existing councils rather than establishing even a greater number of councils and diminishing the funds available to existing councils.
- No new councils and no splintering unless the overall funding pie increases.
- OWEB shouldn't dictate who can start a council but at some point it needs to place a limit on how many it can support. A cap on the number of councils that will be funded should be established.
- Councils should have to prove their capacity and potential before they are funded for the first time. It should not be easy to get funded for the first time. That challenge of "proving up" will self select those who won't be successful.
- What's an appropriate limit and what benefit would that give remaining councils? The focus should be on how to get more capacity with alternative funding sources rather than on limiting the number of councils funded.
- It is unhealthy to rely solely on OWEB funding; councils need to be diversified in their funding. Consideration should be given to reducing funding to well-performing councils in order to spread the available funds around a little more.

Should additional financial support continue to be provided to umbrella councils?

While the concept of umbrella councils is seen as a good approach to consolidating services to reduce costs, there is general agreement that the current umbrella “bonus” is not sufficient to be an incentive to form new umbrella councils or retain existing ones. More funding is made available to councils by not becoming members of an umbrella group and by requesting and receiving funding as solo councils. There is also general

agreement that the existing policies on establishing umbrella councils and on whether funding is available to individual councils withdrawing from these councils are not clearly understood. There is strong sentiment that umbrella councils should not be forced in any area. Additional comments:

- OWEB needs to make some hard decisions on what it expects from umbrellas and levels of support that it would actually take to meet those objectives. It should consider a number of options – abolish the concept, continue to support the concept but provide adequate funding, or consider options with different structures or concepts on what the role should actually be.
- If the umbrella concept is to continue it needs some serious rethinking and work.
- Most important thing that we do is work with the people who own the land that we want to improve or restore; we are the facilitators of that community vision. If we aggregate too much, we lose that level of connection with the community.

Should OWEB continue to fund low performing councils?

This is another issue on which there is mixed opinion. One perspective is to discontinue funding if there is no marked improvement after a specified period of time. A different perspective is that such councils are those most in need of continued funding. “One problem with the merit-based system as it currently exists is that councils that struggle the most are penalized by reducing their funding. Cutting funding is not going to help. Need to focus funding on enabling and building rather than cutting.”

Should there be incentives for establishing and maintaining effective partnerships?

Partnering is generally felt to be an essential council function and does not necessarily need to be incentivized. More importantly, OWEB can assist in identifying partnership opportunities for councils to pursue. It can also actively encourage other entities to partner with watershed councils. There is general agreement that effective partnerships should be recognized and given weight in council support applications.

Funding Program Improvements

How can OWEB make more effective use of the limited funding that is available? Is there a better model that should be explored?

During the first Listening Session, a multi-pronged funding approach was identified as a model to explore; during subsequent Listening Sessions, this approach was vetted and refined. Ultimately, a model for a multi-element council support funding program emerged:

- (1) Guaranteed annual council support funding at a consistent level (base level);
- (2) Separate competitive pool of funding available for special initiatives such as community education, events, participation in regional planning efforts, etc.;
- (3) Toolbox of technical services available upon request such as auditors, engineers, attorneys, and facilitators; and
- (4) Provision of pooled services such as group insurance.

In this approach, every council would receive a base level of support, e.g. \$75k, based on some threshold of qualification, rather than the varying amounts distributed under

the merit-based system. While there was general support for OWEB to investigate the feasibility of this model, there were also numerous concerns about it, including:

- Fragmenting of available funds for council support.
- Additional time taken in applying for additional add-on grants to bring council support to what it may have been.
- A variable guarantee is needed to reflect differences among councils, such as in the current merit-based funding.
- Would the guaranteed base have the same basic categories that are now in the council support? If you're going to eliminate some of that then don't touch it. Don't reduce what's currently funded now.
- Would the new pots of funding for elements such as the toolbox reduce the level of funds currently available for community education and outreach, etc.?

Distributing funds and services on a regional basis was also discussed. The sentiment was that before considering a regional approach to funding, OWEB needs to investigate examples – what has and hasn't worked. What can we learn and how can we improve on them? What size is regional?

It was also suggested that existing administrative rules limit the degree to which OWEB can be effective with the limited funds that it has because of the narrow definition of "fiscal administration." If the 10% were to become "general administration", councils could use this to help support organizational capacity, thus increasing the benefit of OWEB funding without increasing the total amount of OWEB funding.

The concept of OWEB addressing restoration priorities through RFPs was brought up at several of the sessions; a moderate level of interest was expressed.

Are there modifications to the existing funding program that would make it more equitable?

There was general support for continuing to distribute funding based on merit rather than on a regional, population, or number of projects basis. OWEB staff was urged to continue to recognize the variability in niches or types of work that councils undertake in their various watersheds, and to avoid funding determinations based on the number of on-the-ground projects undertaken. Much of the discussion focused on making the grant review process more transparent.

Application process: what works/doesn't work?

"We may not love it, but don't change it" is the common sentiment about the council support application. There is universal support for streamlining the application and the review process, but a request that there be no wholesale revisions. "The process will never be perfect but it is generally pretty fair. What doesn't work: the process is far too cumbersome for applicants, reviewers and OWEB. OWEB should establish a guiding philosophy that application processes should be as simple and streamlined as possible." Other key messages:

- Transparency in the review process is needed. OWEB cannot over-communicate in terms of the review process.
- Credit should be provided for multi-year projects.

- The uniqueness of each watershed council needs to be recognized; a council should be judged only on its own merits.
- It is a much easier application now than it has been in the past; the issue is trying to understand what comes out of the review process. What is the real difference between excellent and satisfactory? This categorization of merit is where the angst is. If we're demonstrating that we're doing our jobs, it would be helpful to take the competition out of it.
- The application process consumes the energies of coordinators, leaving them no time to do anything else for a couple of months.
- Too much of application is background information that does not change significantly over time. Maybe the boiler plate background information is needed for educating reviewers, but it gets tiresome for applicant. Ask questions that get to the meat of what reviewers need to know to evaluate if we are using our funds effectively.
- Reviews are fairly subjective; if they were more objective I could learn what it is that I'm being graded on and how.
- It gets easier every year.

Specific suggestions by participants include:

- Re-instate the opportunity to interact with the review team.
- Prior to the grant application due date, make at least a tentative decision about a funding formula.
- Periodically tour completed projects.
- Significantly shorten Section III. Since most applications are submitted every two years, why not ask only for what has changed in Section I. In the Match attachment, why not ask for examples of collaboration and cooperation that do not involve money, but do speak to involvement and dedication.
- Keep the same basic application and review process, but move the category funding amounts much closer together so that the difference between the "needs improvement" and "excellent" is much less; say 20%, rather than being 200% or 300%. This recognizes the difficulty of fairly evaluating so many diverse councils while not eliminating the merit rule consideration.

Priorities

What are the most important actions that OWEB should take to respond to the input from the Listening Sessions?

There was generally a commonality in the priorities identified at the six Listening Sessions and through interviews and on-line surveys. The following were the most frequently mentioned priority actions for OWEB to take:

- Provide funding stability
 - Provide a consistent (and guaranteed) level of annual base funding for council support.
 - Seek increased funding to support council capacity.

- Undertake and support efforts to garner large-scale broad-based funding from foundations, agencies and other funders.
- Continue to investigate how to enlarge the slice of the pie that each council receives.
- Develop funding partnerships that would benefit watershed councils as a whole.
 - Identify partnership opportunities for councils to pursue.
 - Consider what kinds of incentives, if any, could be provided to other entities to partner with watershed councils.
 - Build stronger relationships with other funders to encourage them to direct funding towards council projects. Encourage funders to fund capacity.
- Continue to investigate a more equal and even distribution of council support funding.
- Include funding for outreach as part of council support rather than as a separate competitive process.
- Continue to recognize and support the diversity among councils and each council's uniqueness. Measure councils against their specific local needs and plans rather than employing a cookie-cutter approach. Take into account differences among councils: grade them based on differences, base the merit not on the number of projects but the quality of those projects and all the other functions that the council is engaged in.
- Investigate alternative funding approaches.
 - Investigate the best methods to provide for place-based services (those that are best provided at the local level) vs non-place based services (those that could be provided by OWEB, the Network or through another centralized mechanism).
 - Investigate the feasibility of pooled services such as insurance and shared services such as an auditor.
 - Investigate the four-tiered concept (guaranteed pool, special initiative funding, tool box of shared services, and pooled services).
 - Investigate regional funding examples.
- Continue to streamline the application and reporting processes.
- Provide more transparency in the grant application review process.
- Adopt a "Go team" attitude instead of a parent-child relationship.
- Don't give up and don't give in. Don't give up on us and don't give in on helping us to improve.
- Continue to support the Network and promote its services to councils.

Next Steps

Following review by Listening Session participants and OWEB staff of its completeness and accuracy, this report will be revised as needed and submitted to the Board's Council Support Subcommittee. As noted in the report introduction, no significant changes to

watershed council support for the 2011-2013 watershed council support grant cycle are envisioned as a result of the Listening Sessions.

APPENDIX A. COMPILATION OF TARGETED INTERVIEW RESULTS

To help frame the agenda for the Listening Sessions, 20 in-person or telephone interviews were conducted by Cogan Owens Cogan, LLC with members of the Board's Council Support Subcommittee, the agency's Director and senior grant program staff, regional program representatives, selected watershed council coordinators, and the Director of the Network of Oregon Watershed Councils. The following is a compilation of responses; these responses are intentionally unattributed.

1. What would an “enduring, high capacity” watershed council infrastructure look like? How would it be different from today?

- Job security; certainty that their good work will be recognized and rewarded.
- Good salary levels and training provided.
- Regular funding.
- Management of fiscal, administration affairs and managing on-the-ground projects, while looking for alternative funding sources.
- A lot of different answers; probably all correct – account for complexity and differences.
- Healthy board turnover; good partnerships; sharing staff with other WCs; avoiding 1-2 people trying to do 1000 things.
- Highly variable, volatile entities due to geographic areas, personalities, sophistication – need to always be cognoscente of this.

2. What does it mean to be a successful watershed council? What does a successful council accomplish?

- Meeting all the criteria specified in grant applications.
- Reaching out to community.
- Putting projects on ground.
- 3-legged stool – environment, economy and community.
- Education versus large scale restoration projects.
- Recognized in community as resource.
- Conversation turned into projects.
- Respected and has integrity; bridges all the interests
- Highest functioning councils have active presence in their community; create forum to educate / address watershed health issues. Community aware of their presence; active member of their community. Issue of messaging this to councils – that success is more about community involvement than it is miles of restoration.
- Continuity in staff and in board membership; stable funding hat; adhering to priorities of watershed vs. chasing available funding.
- Will vary around the state.
- Community acceptance / used by community. Getting projects accomplished that meet community needs. Well – funded organization.
- Local support and community involvement. Projects completed based on capacity.
- Meet “best practices” for basic governance as non-profit truly inclusive with broad section of participation and outreach.

- Having variety of stakeholders engaged – engagement is more of a measurement than projects; strategic.
- 1) Represents the interests of their basin – equally, fairly; is non-exclusive; interests take active role in council – examples are few examples. 2) Ability to develop / implement projects.
- Number of projects; how engaged members are/how well attended meetings are; partnering; what they are accomplishing.

3. Generally, how do you measure the success of watershed councils? How do we determine success for watershed councils?

- Very difficult, thus a merit system not a good approach – need to rely on RPRs.
- Number of projects on ground; number of working relationships.
- Assessment of how meet benchmarks.
- What are we trying to fund here: underlying board? Are we encouraging the right activities? Are we funding the right things? Legislative budget note specifying merit review. What is success – are we correctly measuring it? Application process provides peer review.
- Partnerships, including those outside of their watershed. More focus on organization (vs. projects) – what’s an effective organization (vs. successful project). Never enough time/ funding for regional coordination. How striving to be a better organization; building communities, building capacity.
- Ease of obtaining funding / support.
- Correlate to size and capacity.
- Don’t know how to do quantitatively. Measure of improving system’s health; operational; community. Avoid getting more and more prescriptive through application and reporting processes.
- Can’t measure through grant applications.

4. Should OWEB continue to fund councils that rank low in the council support evaluation process? Should there be consequences for councils that fall in the “Needs improvement” category in the council support evaluation process for more than one biennium in a row? Examples: a) Reduced funding; b) No funding; c) Other

- Put on notice; if no improvement during the coming biennium, and then eliminate funding on case-by-case basis.
- 3 strikes, no funding; 2 attempts to improve is sufficient.
- One of the questions is how long to enable low performers, do we too easily look the other way?
- If can’t meet simple bars, shouldn’t be funded; cutting funding doesn’t do anything; significant staff energy being invested to help them meet standards.
- OWEB works hard to make them a more functioning council but the reduced funding is an impediment to improvement. Heavy reliance on regional representative is needed.
- After 2 biennium of no improvement, time to end investment but should be providing the resources to help such groups succeed.
- Struggling councils need more funding to get on their feet; successful councils can stand on their own; have other funding sources – need to refocus funding.
- Should continue to be funded.

- No, layout expectations for improvements, at end of biennium assess and let go if not improved.

5. Should OWEB continue to refine the current merit system, or move to a different approach? Examples: a) Flat funding for all councils (not merit based); b) Fund councils that have partnered to accomplish specific strategic priorities, such as model watersheds or special investment partnerships; c) Other.

- Drop merit system – unfair that WCs have and SWCDs do not.
- Very awkward
- Given limited funding, not really a merit award.
- Such a competitive structure is important; seems to be working well.
- Doesn't feel like even playing field; OWEB needs to better track progress meeting promises, e.g. benchmarks required by Meyer Memorial Trust.
- Somewhat of a caste system - once rated excelled, always rated excellent.
- Question of what's being measured; need to recognize real differences among the councils.
- Rewards those who are better grant writers. OWEB put into overseer role through application process. Creates dependency vs. partnership role.
- Similar to SWCD system with regular reports.
- Have to have some merit base.
- Need to recognize that urban and rural entities are very different.
- Need to recognize "drive" in middle level groups; (a) would encourage more diverse funding, especially for higher end councils forces creativity. May not need to rank councils (merit system); baseline with bonuses; council support should be an element of a council's strategic planning.
- Don't know anything better; works fairly well; huge amount of work; needs streamlining. Question is what are you really evaluating.
- Penalized if have difficulty raising funds. Biased toward extensive/documented process vs. developing/implementing process – focus on process vs. production. Consider additional funding for exceptional councils as an incentive to get even better.
- One option: run as business model – invest in areas that provide greatest return
- Categorization creates demoralization, jealousy, anger when groups fall below. Excellent category.
- Current system actually works as well as any approach.
- Deliverable based – everyone gets with work program as measure. (A) – yes.
- Evaluate on outcomes vs. what they do on a daily basis.
- Working ok; with variability in work being performed, how do rate on merit.
- Hard for smaller councils to advance without more operating support.

6. Should OWEB consider a moratorium on funding for new councils? If so, why and how should it be affected?

- Have to have one due to limited funding available; funding for existing WCs is too thin as is – few uncovered areas left.
- Physiologically, no; practically yes; only have so much money; maybe a time-limited moratorium; would also apply to splitting off from umbrellas.

- Apply on a certain scale, e.g. have to be of certain geographic area or addressing certain species of concern; on case-by-case basis.
- Time out until we figure out what we are trying to do, e.g. one biennium moratorium without definition of what trying to do.
- Yes, declining resources; not providing adequate resources to existing councils. Number of SWCDs as a model of a lower number of groups covering the same amount of territory.
- Yes, support WCs next to unrepresented areas.
- Yes, time to merge and combine a number of smaller areas.
- Open to the question.
- Maybe.
- No, but ultimately reduction in number funded, so that a well deserving council can get funded. Goal should be a level of representation – establish variety of criteria that results in representative model – don't need a WC for every stream. Do you need a bookkeeper for every WC / shared services?
- Not a huge issue as few requests recently.
- Continually thinning the soup; have to have some cap. Factors: size limitations. How to incentive vs. cap, e.g. giving umbrellas more funding – not accomplishing goal of de-facto cap.

7. Should OWEB limit how many councils it funds in order to provide more adequate levels of funding to those we do fund? Since councils are all different with different circumstances, how would it know what figure to target for “adequate funding”?

- Answer should come from councils themselves; need incentives for small councils to merge with each other.
- Special circumstances will always need to be considered.
- Yes, too many councils.
- Avoid over-funding excellent councils; bring down the top and raise the lower councils.
- Don't really know what trying to do for council support. Haven't done the analysis to know what we'd be getting. No analysis of bottom line funding needs.
- Yes, especially in areas with significant numbers – look for opportunities for consolidation. How much of the watershed is in public ownership should be a factor.
- Yes, in perfect world but reality is we've got what we've got.
- No; amount of funding that could be used for council support is far greater than is being expended. Could improve council activities by infusing more funding into council support.
- Yes, have to cap funding to each council.

8. What can be done to encourage more stable operational structures or partnerships? Examples: a) OWEB could fund sub-regional technical teams to provide services to all councils in a particular area; b) OWEB could increase funding for assessments and planning work as a way to help council capacity

- Need to provide decent salaries: a) helpful, particularly in more remote areas (but not in Willamette Valley). b) most areas have completed assessments; need updated assessments.

- Technical support for establishing partnerships.
- OWEB could help educate councils about possibilities; training on how to create and maintain; keep funding the network; reinvigorating partnering networks with agencies, funders, land trusts, etc; issue of affective, real partnerships vs. those that are partnerships name only.
- (A) would dilute available funding.
- Include as part of evaluation process. More investment needed in monitoring, education / outreach. Would help bring up partners. Assistance with networking to build partnerships. Need to re-energize partners about WCs. Being engaged with County Commissioners – key partnerships.
- Strong RPR is critical to identifying partnering opportunities. Mentoring (through network of WC); training support.
- In application, query on how using partnerships to increase effectiveness; appropriate to link partnerships and effectiveness.
- Trainings are extremely valuable.
- Works best where there are clearly defined responsibilities.
- Partnering works pretty well now – everyone knows the need/value of partnering. Help fund staff time for agency participation.

9. Should there be incentives for establishing and maintaining effective partnerships? What type?

- Good partnerships in this region with agencies; relationships among councils in the region improving.
- No, fundamental to what councils do.
- It's already within the ranking process; should carry more weight in application process.
- With incentives would need to monitor / assess such.
- Ability to establish/maintain partnerships should be a performance measure; function of necessity.
- "Secure funds regionally to act locally" partnering with 2 other WCs for landowner recruitment project.
- No, because it's a fundamental element of effectiveness. From practical perspective, already incentives in terms of obtaining funding from other organization.
- Yes, additional funding.

10. What level of funding would it take to incent umbrella councils? What can be done to make umbrella councils more effective?

- Coming together as umbrellas not providing the funding the councils say they need.
- Pretty effective already; where not, largely due to personalities (obstructive) – need effective rules.
- Need to revisit concept of larger geographic areas.
- Positives and negatives of umbrella council; goal should be sharing staff to accomplish more (economies of scale) vs. automatically creating umbrella council. Issues of autonomy and more layers of bureaucracy. Explore other avenues to achieve the goal vs. creating umbrellas; avoid top down approach.

- Not enough additional funding to be much of an incentive. Mechanism to fund more groups when there is lack of enough funding to go around. Some umbrella councils have worked well; others not.
- Efficiencies in scale. OWEB bonus funding doesn't make much difference. Need additional investment in staff capacity and training.
- Currently, incentive to stand alone vs. aggregating services.
- Works well in areas with low population.
- Umbrella councils = model with most promise.
- Regional umbrellas required by OWEB – would need to have bigger role in administering / delivering funds that reduces burdens on watershed councils; technical assistance; OWEB funds to umbrellas. Would be one more layer; questions of composition, how funded, role – would be a lot of resistance.
- Geographic umbrellas (3+ HUCs); some areas have too many councils; combining resources provides efficiencies, makes partner participation easier.

11. What should be the Board's policy on requests to split from umbrella coordinating councils and apply for solo funding support?

- Need to provide more effort to support continued participation in umbrella councils.
- S Coast umbrella is good example.
- Two separate grants = more funding than a single council receives (economic incentives).
- Splitting off reduces funding across board but would benefit the councils splitting off.
- Geographic distance, personalities, existing partnerships, etc. have to be considered. Encourage to stay together unless there's good need to split up.
- Moratorium on additional funding given limited dollars.
- Support existing umbrellas but do not promote new; if unstable, don't stand in way of splitting off.
- Support local control; should not try to force shotgun marriages. Board should allow to occur when there's good rationale. Lack of policy consistency; inequality in resource distribution = umbrella councils are penalized. No real policy option but to allow; would create too much discord.
- Depends.

12. How do/should regional factors affect OWEB's funding of councils? Are there distinct regional needs?

- Yes, areas with ESA issues should receive more funding than others
- Question is really does program recognize and fund district regional needs.
- Try to acknowledge regional factors that make councils productive; account for complexity.
- Councils will be smaller with less rotating memberships in more rural areas; challenge is keeping the same folks engaged over time. Needs are generally universal.
- Community outreach is critical to success in more rural areas; needs to be tailored to the community.

- Need to be recognized. Disadvantage with not being tied to Oregon Plan salmon recovery efforts – projects in those areas can't use federal funds for projects.
- In a qualitative sense.
- Pretty even distribution among regions. Good recognition of regional differences.
- Have not seen them come into play.
- Dramatic difference among regions. Regional review teams critical.

13. How involved are council board members in these issues regarding OWEB funding?

- Varies among councils; generally, board members not involved, need to provide more training to boards.
- Aware but not actively involved; defer to staff.
- Due to nature of periodically meeting, never have fully weighed in; high level of interest; goal to engage the board at a level to “get over the hump”.
- Depends on how much coordinators educate / involve.
- Not very much, but know that staff spends too much time on trying to obtain funding.
- Not involved generally beyond chairs; there are exceptions.
- Pretty knowledgeable.
- Several members are very active; all board members are up to speed.
- Minimally.
- Not.
- Heavy reliance on coordinators. Board members should be more involved than they are.
- Good grasp.

14. Should council board members be queried through a questionnaire or other mechanism for their input these issues?

- Can't hurt; good means to find out what they know about OWEB.
- Depends on whether represented in listening sessions.
- Yes. (3)
- Will require significant education.
- No, boards leave such issues to their staff; too many meetings.
- Will have limited knowledge of the details; would need to limit to big picture questions.

15. If OWEB funding disappearing tomorrow, what would be the consequences for watershed councils?

- Fall apart (almost all)
- Work wouldn't get done in some cases or not as fast in others; some projects would be disrupted.
- 2014 issue – no guarantee of funding after this; are we running so hard so fast that we can't lobby for additional lottery funding – what are the tools to strengthening ongoing capacity.
- Would have to scale back greatly – projects would not be as sophisticated.
- A lot of councils would cease to exist or downsize.

- A number of councils would disappear or become shadows of their existing organizations, number of projects would significantly decline; loss of funding to leverage partnerships.
- Restoration projects would continue. Would lose 95% of WCs within 2 years; only excellent councils would continue. Effectiveness would significantly diminish.
- While OWEB is primary funder, would not crash and burn, would find funding elsewhere; priority is to wean from OWEB.
- Provides core support that keeps us strong as an organization, allows us to build partnerships. Care investor that makes us solvent; severe contraction.
- Providing funding for operations is critical. A number would disband; leave many very weak.
- Critical support – majority of operating support. Loss of staff.
- Majority of councils would disappear within several years.
- Question for the listening sessions. No one to step in = loss of coordinators.
- With exception of few funders, no funding available for seeking funding.
- Watershed councils would disappear.

16. What are the greatest barriers to council success and how might OWEB funding help address these barriers?

- Inability to offer decent salary limits ability to attract experienced people – get what you pay for
- Training to both coordinators and boards.
- Streamline state and federal permitting processes.
- OWEB's approach: here's funding, get organized, go do a lot of projects – lack of investment in growing of and care and feeding of councils / infrastructure.
- Funding and training to understand/develop strategic approaches to restoration.
- Being able to have a sense of financial horizon and stability; where tomorrow's grants are going to come from. Organizational stability and predictability.
- The barriers will vary based on geographic, size, sophistication differences.
- Stable funding.

17. What is the single highest priority for change in OWEB's funding program?

- Eliminate distinction between capital (65% of lottery funds) and non-capital.
- Putting a lot of projects on ground without determining whether they are responding to restoration priorities.
- Need more education and outreach funding; never fund adequately.
- Stable funding.
- What to do with chronically low-performing councils – avoid creating an entitlement.
- Addressing issues of fairness and transparency.
- Is the process accomplishing what we want it to.
- Making the application process a tool vs. an obstacle – strategic planning tool.
- More streamlining.
- Resolution of question whether we want to make significant changes to program or not.

- More funding for non-capital activities to enable better assessments before we start projects and monitoring. More funding for operations to allow for outreach, education, partnerships and less time spent on applications. Less turnover of coordinators.
- How can we make grant programs more efficient, e.g. eliminate bottlenecks.
- Competitive-based WC support system
- Teaming up with Meyer Memorial Trust and other funding partners.
- Simplify council support program. Keep competitive for dynamic tension but simplify. Get out of micro-managing council business. How to keep councils at an adequate operating level.
- Selecting projects that address solutions not symptoms.
- More accountable for our dollars.

18. Specific comments on the application process?

- Application process is a necessary evil.
- Trim the application so that less staff time required by all. 2) 10% administrative fee – make it 10% overhead for use by WC as it sees but broaden the potential uses.
- Application – email submittal; requires for 25 copies is onerous.
- Shorter, easier application process that provides the needed information.
- Application process – should not be distributing funding based on skill of grant writer. No apparent bias in application process to excellence in past. Increase funding – establish security in funding.
- In application process, councils knowing how to provide the “right” information. Some are better grant writers than others. Application process is excruciating; enormous amount of time required. At listening session – establish comfortable environment; include an open portion; provide opportunity to identify what’s not working and what is.
- Investment vs. return on the application process, especially given the small amount of funding given out – spending too much time to get too little funding. Grant support process changes every cycle, requiring significant recalibration every time – pick something and stick with it. Focus on making it good, recognizing that it will never be perfect; less tinkering.

19. Listening Session expectations?

- Provide opportunity to identify issues for discussion; define what a functional council is; what does it take funding wise to be a functional council; unstructured and structured dialogue.
- How to feed and nurture WCs as project developers, relationship builders; how to support them so they’re successful.
- Provide time to reflect about what we need to do.
- Q/A session at end.
- Help frame more effectively than in past.
- How to get candid, full participation at listening session? – challenge: avoiding complaining / woe is me. “We have limiting funding, how can we work together to make the best use of it”.

- Listening sessions format – start with general issues, then go to specifics. Time devoted to how to make application process less burdensome – make sure to record sessions. Electronic application form. Avoid making process more burdensome as a result of trying to make it better.
- How to best support capacity-building; improving communication; improving relationships between SWCDs and WCs; building core capacity is the highest priority for OWEB funding. At Listening Sessions, explain the issue of limited amount of funding; what other funding models should we explore.
- At least hour for open forum/advice participants of this opportunity; have fiscal manager present.
- Results of listening sessions: very clear vision of what OWEB trying to achieve and path (including but not limited to) to get there; what defines local capacity, how is it achieved, measured, sustained; here's our role to help you get there. Organization of listening session: lay out hoped for results; focus on how to define the vision and path to get there; not enough funding to go around, how do we build local strength through different model.
- Push watershed councils on what they need to be perspective; how should OWEB choose among requests for money; is there a better model; are there functions better done through another structure – how to better connect to broader scale recovery efforts and how to fund that.
- What do you believe your job is/should be; how much funding do you need to be effective; how do you/we measure that effectiveness; council performance measurement – what should we use; how should OWEB focus and target funding at the basin level; what are the most important things to focus funding toward; what's the most appropriate mix; how much do you need to have a successful council; should funding be distributed on a regular basis; are there some functions that councils are not good at that technical assistant is needed, e.g. land assembly, accounting – SWAT teams; is there a different scale for funding that we should be looking at; distribution of funding questions; are we funding the most needed restoration projects; projects addressing symptoms vs. causes; addressing underlying issues in watersheds.
- Have directors hear concerns; better understanding of challenges; get everyone's perspective; share the results of the interviews.
- Environment that provides comfort in sharing thoughts; issues of peers in room limiting candidness; ensure that groups feel they're been heard; emphasize that getting their feedback.

20. Other comments?

- Never have enough funding, how to make funding go further than it does – will always be limited.
- Grant review process needs to be kept closed to public – internal issue.
- Don't know what we need to add or subtract from the tool kit.
- Everyone wants more funding for operations, less time spent on applications.
- Have created essentially on entitlement program, with assumption that you'll get what you got last grant cycle. Need to evaluate where we've been, where do we want to go, how do we get there.
- Special investment partnerships for model watersheds, provide long-term operational funding. Listening Session expectations: methods to streamline

- application process and fiscal reporting (e.g. reimbursement forms); small work groups related among topics.
- OWEB underwriting an entity as an extension of itself – produces mix bag of dynamics. OWEB to be more strategic in advising WCs where restoration needs are the greatest. Ties funding for projects to recovery planning and other strategic direction. Ok to be opportunistic, but need to be strategic first. A lot more education about WCs is needed. Listening session – need to know what will be done with the input; hope that all the watershed councils will participate constructively; provide clear definition of agenda and sideboards to prepare themselves accordingly; provide parking lot for off-agenda issues.
 - 1) RFPs model vs. applications based on priorities identified in recovery plans – specific pot of funding, councils submit proposals. How to restructure to request proposals; need to get out of creek a bit to address upland habitat; structure grant offerings based upon defined priorities also tied to other funding sources; how to get the applications that address the most important needs. 2) Separate fund for watershed councils geared to plugging into broader scale planning efforts and to prepare RFPs; would have to build capacity with major councils to do this type of major projects. 3) SWAT experts to help watershed councils design, conduct projects (technical resources).
 - Other topics – acquisitions and conservation easements – relationships with land trusts – what is role of watershed councils; data support – access and manipulation of data to assist watershed councils.

APPENDIX B. LISTENING SESSIONS AGENDA

Time	Item
9:00 am	Welcome and Introductions – Tom Byler and Jim Owens <ul style="list-style-type: none">▪ Background and Purpose▪ Listening Session Approach
9:10	Expectations/Desired Outcomes -- Group Discussion
9:20	What is Success: What does it mean to be a successful watershed council and how can OWEB help you be successful? <ul style="list-style-type: none">▪ What does it take financially to be successful as an organization?▪ What do you need/desire from OWEB to help you be a success?▪ Are we accomplishing what we need to with the available funding? How can OWEB funding be better focused to meet those needs?
10:00	Building Local Capacity: What should OWEB do to help build capacity? <ul style="list-style-type: none">▪ Should OWEB limit the number of councils that it funds to order to provide more adequate levels of funding to councils?▪ Should OWEB continue to provide additional financial support to umbrella councils? If so what amount of financial support would be an incentive to keep umbrella councils together?▪ Are there functions where contracted services or technical assistance would help build WC capacity?▪ Should there be incentives for establishing and maintaining effective partnerships?
10:30	Break
10:40	Improving the Funding Program: How can OWEB make more effective use of the limited funding that is available? <ul style="list-style-type: none">▪ Is there a better model that should be explored? Examples: Regional basis, flat funding, RFPs issued by OWEB to address defined restoration priorities, more funding for areas with ESA compliance issues.▪ Are there modifications to the existing funding program that would make it more equitable?▪ Should OWEB continue to fund low performing councils?
11:10	Application Process: What works/doesn't work?
11:30	Setting Priorities: How do we best move forward? <ul style="list-style-type: none">▪ What is the single highest priority for change in OWEB's council support funding program?

- What are the 2-3 most important actions that OWEB can take to respond to what we've heard today?

11:50 Break

12:00 pm Open Conversation (any topic)

12:50 Summary and Next Steps -- Tom Byler/Lauri Aunan

1:00 Adjourn

APPENDIX C. LISTENING SESSIONS PARTICIPANTS

Feb 22 Hillsboro

Wasco Area WSCs
Scappoose Bay WSC
Tualatin River WSC
Johnson Creek WSC
Greater Oregon City WSC
Lower Nehalem/ Necanicum WSC
Lower Columbia WSC
Sandy River Basin WSC
Upper Nehalem WSC
The Network of Oregon Watershed Councils
Dave Powers, OWEB Board
Tom Byler
Lauri Aunan
Tom Shafer
Courtney Shaff

February 24 Roseburg

Partnership for the Umpqua Rivers
Smith River WSC
Bear Creek WSC
Elk Creek WSC
Seven Basins WSC
Upper Rogue WSC
Middle Rogue WSC
Illinois Valley WSC
Klamath Watershed Partnership
Tenmile Lakes Basin Partnership
The Network of Oregon Watershed Councils
Dan Thorndike, OWEB Board
Miles Brown, OWEB Board
Tom Byler
Lauri Aunan
Mark Grenbemer

February 25 Newport

MidCoast WSC
Alsea WSC
Salmon-Drift Creek WSC
Nestucca Neskowin WSC
The Network of Oregon Watershed Councils
Tom Byler
Lauri Aunan
Tom Shafer

March 1 Salem

McKenzie WSC
North Santiam WSC

Siuslaw WSC
Clackamas River
Glenn & Gibson WSC
Long Tom WSC
Luckiamute WSC
Marys River WSC
Molalla River Watch
South Santiam WSC
Tillamook WSC
MidWillamette Watershed Alliance
Coast Fork Willamette WSC
Yamhill Basin Council
North Coast Watersheds
Columbia Slough
The Network of Oregon Watershed Councils
Meta Loftsgaarden, OWEB Board
Jose Linares, OWEB Board
Tom Byler
Lauri Aunan
Tom Shafer
Wendy Hudson

March 2 Redmond

Lake County WSC
Sherman County Area WSC
Harney WSC
Bridge Creek/Middle John Day WSCs
Middle Deschutes WSC
Crooked River WSC
The Network of Oregon Watershed Councils
Patricia Smith, OWEB Board
Lauri Aunan
Rick Craiger
Sue Greer

March 4 LaGrande

North Fork John Day WSC
Owyhee WSC
Powder Basin WSC
Walla Walla WSC
Umatilla WSC
Grande Ronde Model Watershed
Gilliam-East John Day
Malheur WSC
The Network of Oregon Watershed Councils
Eric Quaempts, OWEB Board
Tom Byler
Lauri Aunan
Karen Leiendecker
Sue Greer

APPENDIX D. LISTENING SESSION REPORTS

LISTENING SESSION #1

Date: February 22, 2010

Location: Hillsboro, Oregon; Clean Water Services

Attendees: Representatives of 9 watershed council representatives, Network of Oregon Watershed Councils, OWEB Board member and staff

Tom Byler, OWEB Director, welcomed attendees and advised that this listening session is the first of six in the next two weeks. This process and Watershed Councils are important to OWEB staff; in his experience there is no issue in more important to staff and the Board then the success and effectiveness of the work of OWEB's local partners. What watershed councils do embodies the heart and soul of OWEB's community-based work plus the nuts and bolts of getting things done. Historically, there hasn't been enough funding to support watershed councils, but there is a sincere attempt by OWEB staff, the Board and other interested parties to try to make things better. Over the last year, the OWEB Board went through a strategic plan update. Goal 5 of the strategic plan states: "Support an enduring high capacity local infrastructure for conducting watershed restoration and conservation." OWEB cannot achieve much without local participants in watershed protection and restoration. Staff and Board members want to listen and hear from watershed councils, what is down the road for watershed councils, what are successful councils, what do they look like and what do they accomplish. This is an opportunity to brainstorm.

Jim Owens, Facilitator, advised that the listening sessions will be informal and hopefully everybody will engage. We're not striving for decisions today; we're striving for dialogue. We have organized an agenda around five themes/questions that we want to work through with you plus an open conversation at the end to discuss anything you would like. Nothing is off the table and we are not confined to the agenda items.

Expectations for the Listening Session?

- Appreciate the opportunity to be heard. Beyond today, would like to know that it's an open-ended process. Looking forward to the Board's feedback.
- Want the opportunity today to what hear what other people are saying. How my ideas evolve after hearing from other people as well.
- Would like to hear from various watershed councils where they found the best networking opportunities.
- Hoping that we learn how to streamline council support application process – it's hard to get inspired when writing the application.
- Would like to know what OWEB staff envisions as next steps.
- Improved way that projects are reviewed and treated by review team.
- How to level the playing field.
- A lot to learn about individual challenges – looking forward to big picture ideas. What can this look like 5–10 years from now, beyond grant by grant or project by project basis, but fully functional, sustainable councils – what they look like.
- Appreciative of OWEB staff over time tweaking the application process. Can feel like we're working toward a moving target.
- What is it we want to be when we grow up?

- Premise that watershed councils were founded and volunteers were going to do all this great work. How do we continue to attract people and keep enthusiasm? People are out there – how do you get them to keep coming. There has to be some paid positions.

What does it take to be a successful Watershed Council?

- Having a base level of OWEB support has been essential to survival. Maintaining that base and building upon it is part of our future success. Being able to pool resources regionally. We fall short of being able to come up with base or matching funds for outreach and education. Other pools of resource that we could draw from regionally, e.g. pool of facilitators to bring in on an as-needed basis. Another resource is legal advice – volunteer here or there, but we do struggle with paying for legal advice. Board can't afford it. OWEB couldn't pay for it, but maybe get a pro-bono pool of advisers. Financial adviser pool – for audits, etc.
- Successful councils have credibility in our communities, continuity in knowledge, not a lot of turnover on boards or in staff. Duration of coordinators has greatly increased over the years. Funding roller coasters create problems. Base funding – having enough funding to get our work done as opposed to raise money like a politician and constantly having to do so.
- Most important is that the funding base needs to be more or less stable. How does the watershed council get its name out and be distinguished between the variety of groups out there.
- When topic of merit first came up – Willamette area watershed coordinators had a meeting and discussed what a successful council would look like. Good to look up.

What would be the consequences if OWEB funding disappeared?

- From a council which has significant outside resources, if this goes away I don't think we'll be directly affected, but couldn't survive without a system of councils in Oregon. It was the system that gave them the power.
- It will differ depending on where you are. There's not a whole lot of money out there in certain areas, e.g. Nehalem. Small population base and small industrial support – struggle for funding. Doing fundraising, etc takes a lot of time, takes extra staff support, we've taken classes on how to do this – we know how to do it, we just don't have the resources. Lacking available personnel resources.
- Adequate funding is the basic essential we all have to have. When you go to hire a coordinator we hoped for somebody with appropriate degree, computer literate, be able to do field work, etc. etc., we want the sun, moon and stars but don't have the money to pay such a person appropriately.
- Since July when OWEB allowed us to break away as a solo council, we have a significant increase in funding.
- Funding – element of realism here, I don't think we'll get a bigger share of the pie from the lottery. Is the OWEB portion of the lottery guaranteed?
- It seems to me that if you ignore the funding issue, put it aside for a moment, looking at it from a 1000-foot view, criteria or quality around success seems to be leadership teams – one person can't do it alone. Groups of people who are functioning together in a high capacity mode. All the money without the leadership wouldn't lead to success.
- I think we all know that people come and go but consistency is very helpful and also have the time for our councils to take a half day or day retreat to look at possibilities

and what we want to be, not just what we need to be doing this week, the next 10 days, etc.

- Sustainability of councils and council function -- there is an increasing burden that everything we do is becoming more complicated. Grant writing and projects are becoming more challenging. It gets to the point where there is no resting place. A pool of money that we didn't have to report everything on would be helpful. I am spending majority of my job figuring out how to maintain organization 6 months down the road, hard to engage with the community. Spend too much time reporting stuff out and takes away from our original purpose.

What would constitute an adequate funding base?

- Being able to fund executive director at a reasonable pay rate, full time fiscal manager, outreach person. 3 full time employees. Would like a full time restoration crew. Each funding source comes with its bureaucracy and stipulations and requirements. You can only do so much in a day. Some streamlining of the OWEB process. More agency support. Revisit the whole process – we've made use of our resources, now what.
- Too much is expected of us. If you're lucky you can partner with a local university, college. Takes away the ability "to do" when you're hunched over a computer.
- Set goals to match reasonable level of funding – have to be realistic. Have to develop strategic partnerships. Look away from increased funding from OWEB because that's not realistic at this time.
- Feasible and a good thing if OWEB would say 'council a' is doing a good job and is meeting requirements, you've crossed this threshold (base) level and we're not going to ask you for this information every two years. We'll give you this base funding every year, if you want more than you must apply for that.
- Flat level of funding if you met basic level of criteria. What would it be? What is the merit piece? Could have to compete for specialized funds. Maybe there is an opportunity for different kind of funding – could compete for larger pools of funding to supplement it. Core of funding that isn't so hard to get and report on it. Operating expenses – shouldn't we have the freedom to use these as each council sees fit.
- Expectation of any granting agency – you're going to have reporting (fiscal) that is required. Saying it's too onerous at this point. How could granting authority come up with process that isn't as time consuming?
- Different funders manage expectations; the conversations can cost more than the small amount of money that we have to report on.
- We spent \$200 over a \$5 receipt on both ends – when we added up the time.
- Predictability – if we fall into the lower tier, how do we pay certain staff?
- Just wrote first council support grant – found it informational, educational, and helpful. Learned about his own Watershed Council but may find it bothersome if it was not his first. Thinks there is value in the process. Everyone has an interest in how Watershed Councils are run.
- Agree, learned a lot. Washington doesn't have an "OWEB" support or council support grant. Partnerships are very important. Make the most of our money from OWEB by sharing with other folks and them sharing with us.
- Can OWEB identify and help with strategic partnerships? Identify methods to not increase funding but increase Watershed Councils efficiency through partnerships or

other means. OWEB be an advocate against regulatory agencies – in diminishing unnecessary rules.

- Last couple of council support applications have been a good improvement. Old grant manager had an entire page for OWEB grants when the whole doc was 7 pages for 23 grant agencies. Freedom and flexibility even with insufficient funding with less reporting to free up time to do actual work.

Are we using the available funding correctly?

- Yes, we've followed priorities that have been set, from community, advisors and our own assessment we have done these things. But there are bigger things that need to be done in the community.
- It seems there are different camps. Some feel that being tied to SWCD with 10% charge is a drain and others feel that a tie to SWCD and using their fiscal agent saves them. Some councils are operating grant to grant. Whole thing seems to incentivize defragmentation of the entities.
- Should OWEB limit the number of councils? We've had time to analyze what's been accomplished. Until you do your assessment and evaluate what's been accomplished statewide – then you can't judge this. Could be a review by OWEB – regions that have accomplished X. This would be highly valuable, could take to voters and say look what we've be able to accomplish.
- Smaller council approached us to join our group, but they ultimately decided that the priority of their issues could be controlled by themselves rather than joining with a larger council. They decided to go it alone.
- What is OWEB trying to accomplish with council support funding? Trying to get more of the citizens of Oregon aware of their local watersheds and how they are affected and what they can do overtime to improve them. Having councils in as many locations as possible to do this outreach and education is highly important. Grassroots kind of stuff – I live here, I'm invested in this place, want it to be different for my kids etc – maybe you can consolidate in some ways but let's not lose this important piece.
- How does OWEB view the long-term/bigger picture for watershed councils? And what do we become when we grow up? Had the first flush of energy with folks being involved, having hard time attaining board members. People are either scared of or not excited about. What's our relationship with OWEB? Are we just grantees or part of a bigger conversation?
- Thought my mission was to implement the Oregon Plan for fish restoration and watersheds.
- In my watershed, easy to know that some of our projects are successful but no idea whether salmon restoration is working. Difficult to tie results with individual projects – no idea if they are worth the investment. We do not have the means to collect the data.
- Councils were set up as ground up / grassroots organizations that are now intersecting with complicated big agency stuff – salmon recovery planning, etc. What is the expectation of the councils now? Are councils the best to do the salmon recovery data collection – is it success? Are they the best agency to do the education? What are your expectations for watershed councils?
- Salmon recovery is not the only important thing about watersheds.

What should be the focus of watershed councils -- outreach and education, projects or implementing statewide initiatives or is it all?

- In my council, goal is to implement the Oregon Plan for Salmon and Watersheds. In doing this we try to engage the community and raise awareness.
- Watershed Council board members are there for different reasons – i.e. fish, riparian zones, bike / pedestrian.
- Unless you have some overarching goal that your projects are trying to achieve, just doing projects for projects sake doesn't make sense. There needs to be something that we all agree on and are striving for.
- Significant conversation was around scalable efficiencies. There should be organization representation at the slough or creek level. Place-based stewardship with increasingly efficient models. Is there a way to have place-based local capacity without having to replicate organization pieces necessary to do that? Does it need to be on same micro-scale? Seems unrealistic.
- We struggle with how much duplication you have, how many people do you share where another organization is providing funding for technical staff person. Can you share resources across councils to increase capacity in areas where you wouldn't be able to stay at your own goal line? How do you maintain place-based community outreach and justify your cost and running your organization and what it would require? How do you determine the critical mass of groups without having funding restrictions? Do you have more who are limping along or do you cut funding to those who are not functioning at high capacity and direct funding to the more efficient Watershed Councils? Don't have the answer, but I think that's the question we need to look at.
- If you have 0.5 million people in a watershed in a highly developed area vs. John Day where there are superior fish resources, does it make sense for you to be doing research monitoring or outreach in this highly developed area. How to effectively fund or set up a scale for funding?
- Give us credit for what we have chosen to do vs. what we haven't done because it might not make sense to do outreach in particular areas or projects in certain areas. We're not all able to do the same things.
- Last year, the president of League of Oregon Cities traveled around Oregon and talked with people about their relationship with their state. Oregon is a very large geographically diverse state. What fits in Portland might not fit in Klamath Falls, John Day, etc. Economic factor about fish runs is very critical in our community and watershed.
- I really like concept if you were to give people a chance to say – what do you do best, how do you do it, show it, what are your efficiencies. Say what we do and report on it and have flexible funding on this. We focus on projects because that is where we can get the money. Not trying to be everything to all people. For those larger level issues, there should be special interest funding that we could apply for. It gets tiring to be everything to all people.
- From a systems standpoint, we need a strategy for determining scalable inefficiencies. What functions are place-based and what kind of functions are not?
- There are some things like audits that do not need to be done by someone in the community. You could have someone do audits for you that is not on your site.
- Strategic partnerships help with this. There are maybe more opportunities out there that we are aware of.

- The thing I'm good at is outreach, so give me funding for that. Self-evaluation process – how do you have limited pot of funds disseminated amongst 60 odd groups when they self-evaluate?
- Provide base funding so that we're not squirming, but anything above and beyond we still have to apply for. Are they doing what they say they're doing? Are they doing reasonable projects for what they say they're good at? We complete for merit funding for special types of projects. If we knew that we had guaranteed base funding it would make life a lot easier. Pools are going to be limited and are never going to meet all needs, and that is where strategic partnerships come into play.
- Purely self-identifying what you're good at – OWEB would have to decide if it makes sense. Does it meet some larger priority?
- OWEB was going to set regional priorities; this would be helpful to organize our regional goals. Identify common priorities and get the incentive of OWEB restoration priorities.
- We all try to spread ourselves out over as many areas as we can. It would be better if we could focus on what we're good at. It's amazing that we are in competition on all fronts, really nice until council support comes around. We're going to provide you with a staff person for 2 years, you have to compete for it and decide how best to share this person.

What should the policy be on umbrella councils?

- We received incentive funding but we've been able to get more funding for our base support as individual councils. Undermined us working together. We're not meeting as a joint group anymore. When we shared a grant, there was just no way there was enough money to support two coordinators. I suppose it could be effective if councils are small enough and geographically close enough.
- OWEB needs to play the role of arbitrator. Every council is going to advocate for as much funding as it can. We don't have that regional perspective. Stand alone so that we can get more money and have our projects be the highest priority.
- What would you look at if you were the arbitrator? Size and geographic distance?
- Population served, geographic proximity, alignment of priorities.
- It doesn't make sense to me. I don't know why I'm not considered an umbrella when I serve over 4 councils. Some councils get extra benefit for serving more watersheds. Currently it's a little "weird."
- Is it an economic disincentive to be two combined councils – you bring in more money as separate organizations.

Should the number of councils that OWEB funds be limited?

- We didn't feel like we had enough money to give base level of support. In some cases a larger boundary does make sense. Would it be easy to work with another watershed that doesn't have the same philosophy?
- It is hard to convince people that they should get together to talk 4 times per year to get more money for the coordinator – these board members are volunteers and don't necessarily care what's going on in another watershed.
- Funders out there that will only fund if there is collaboration.
- Local stakeholder involvement and knowledge – this thing doesn't work. Outreach, monitoring, project maintenance, contract oversight, education – place-based. Non place-based – payroll, bookkeeping, project management, accounting etc. Those could

be taken off the burden of the individual. What can be centralized that can increase the ability to work locally.

- Other funders give organizations a certain number of years funding, then say they become self-sufficient and they cut off the funding. OWEB thought about this and received negative feedback. At some point we will need to get to the point where under-functioning councils must be cut off.
- Criteria to become a watershed council? Have you looked at this?

Are there specific place-based activities (those that need to take place in the watershed) versus those that are more aggregate functions (financial, audit, bookkeeping, etc) that OWEB should fund?

- Web-site design, GIS mapping – these would be awesome to share.
- Also how do you determine what those aggregate things are so that it's not arbitrary?
- Could be something different depending on where you are in the state.
- Are these designations coming from you or defined by OWEB?
- Could be designated regionally.

What are your thoughts on the application process? What's working/not working?

- It's better than it was. It does help us go back and reflect. Every 6 months we review and look at "we said we were going to do x, y & z – how are we doing."
- Basically comfortable with the OWEB application at this point, used it to complete the council support application.
- Hearing from councils that OWEB is trying to identify and incentivize councils to act in a certain way, governance / operational way. But the getting to that on the part of councils through application seems reiterative. Layout big broad picture of benchmarks, standards or principles and let us figure out how to achieve those. Have a conversation around the same intentions but the disconnect is how to get there – becomes complicated. Heard people say don't change it because we don't want it to get worse.
- Much easier application than it has been in the past. Issue is trying to understand what comes out of the review process and the difference between excellent and satisfactory. Categorization of the merit – this is where the angst is. Could we take it out? If we're demonstrating that we're doing our jobs, it would be helpful to take the competition out of it. A lot of really good councils, there are councils that need help and some that are not functioning. It adds unnecessary burden to everybody to make the point systems. What forces you to do the merit system?
- Much better than it used to be. There is still an awful lot of time on paperwork and repetitive stuff.
- When you have a finite pot of money, how can you not build merit into the evaluation?
- You can have people meet requirements without having to compete in this way.
- You would have to demonstrate some sort of outcome to get the base funding. There does have to be some sort of competition otherwise people won't give much effort to it.

What are the most important actions that OWEB can take as a result of this conversation?

- When board and councils look at regional ideas, we need to look at what examples out there – what has and hasn't worked. What can we learn and how can we improve on them? What size is regional?
- Regional examples and how well they work.

- Investigate opportunities for creative funding and also simpler process.
- Supporting efforts to garner large scale broad-based funding. Try to enlarge the slice of the pie.
- Ways for councils to show what they're good at – not trying to be good at everything. Shouldn't be merit based for projects if we're not a project based council.

OPEN CONVERSATION

(Watershed council representative comments/questions in italics; OWEB staff responses in regular text)

We expect the summary report of the listening sessions will be ready by the June Board meeting. It's not realistic to make a dramatic overhaul of the council support process or funding approach for the next funding cycle. We will develop recommendations and next steps. There are some things that the Board will have to tackle in June. Two items that the Board has specifically raised – what should OWEB's policy be regarding funding for new councils for 2011/2013, and should we change our policy regarding requests for "solo funding" by councils that have been part of an umbrella council? OWEB's rules are very specific and detailed regarding the merit evaluation of applications. If we were not going to do a merit based application it would be a longer process to change our rules.

What kind of consensus is there around councils as an automatic funding entity through which OWEB will do work?

Councils are strongly engrained in who we are by statue, rule and tradition. Board members see councils as an important component of what we do – 1/3 of our grants go to watershed councils. Board members greatly appreciate what watershed councils do, especially in making the Oregon Plan work. Figuring out if there are ways to help councils diversify funding and grow the funding pie outside of OWEB funding is very important.

As I look towards councils and districts, are there any larger computations on how Oregon is going to get work done and fund agencies – is there a conversation on the state level in any way – looking proactively towards natural resource funding? Does it exist at all?

It's a tough arena right now -- every agency is working hard to develop game plans, budgets, but it's just a tough budget environment right now. This is a time of uncertainty but folks are working on it. There is a Governor's election this fall – there will be a changing of the guard. Potential shifting of priorities depending on who is elected.

Is there any opportunity for OWEB to deregulate things we have to deal with? Permitting, different agency requirements, etc.

OWEB can continue to raise this issue with the regulatory agencies. We've been involved in the past to some degree, e.g. 4D Rule. Restoration projects shouldn't have to jump through as many hoops as a proposed mini-mall or strip mall.

Another thought – threshold project idea with different twist – identifying groups/ partnerships where you'll expense specific funds for a specific process. We'll invest a block grant of fund without folks having to go through grant cycle.

From a legal standpoint, several tools to distribute funds. We could explore the possibility of an RFP, here's what we want, it would be a competitive process and folks could apply, and we could make decision on who to contract with. We also have the special investment partnership grant-based model where the Board sets up front goals that seek specific outcomes in certain areas for certain types of projects.

As groups diversify how do you make it fair? Some of us are suffering in comparison; we do not have all the resources as others. How can you be an excellent council when you're competing with councils that have endless resources? Pushing for leveling the playing field a bit – understand that it has to be merit-based to some extent. It would just be nice to know that you could rely on a certain level of funding.

Let's assume that in the future there is still a legal difference between capital vs. non-capital resources. Also assume that council support funding approved by the legislature in OWEB's budget is still \$5 million. Assume we have our traditional grant types. How would you react if we expended less money on monitoring, education, etc. grants and crafted regional RFPs that targeted funding for technical assistance positions or fiscal positions shared amongst the councils? What would be more useful for you?

First reaction – RFP may not be the way to do, may create a scramble. It would need to be a regional collaborative process that results in a consensus plan for which there is a pot of funds. The goals are the same but there may be unintended results of the process. OWEB has the resources, the design needs to come from the community.

Part of the criteria could be to require partnerships. Partly why umbrella councils haven't worked very well is because there haven't been adequate financial incentives. Real challenge is that there is just not enough money on the non-capital front.

LISTENING SESSION #2

Date: February 24, 2010

Location: Roseburg, Oregon; David Douglas County Library

Attendees: Representatives of 10 watershed council representatives, Network of Oregon Watershed Councils, two OWEB Board members and staff

Tom Byler, OWEB Director, provided opening comments similar to those reported above for the Hillsboro session.

Expectations for the Listening Session?

- More money.
- Streamlining process – making it easy to understand and easy for people who don't have extensive experience as coordinator. High turnover.
- That Courtney Shaft knows that I'm here.
- Good understanding of the diversity of the various councils. More cows in our watershed than people, things that we do very different from what an urban council

- would be doing. Hard to get volunteers in our area, but the things we are doing don't really require volunteers. Not putting everyone in the same box.
- Document produced that clearly delineates the process and perhaps also creates a venue for interaction with people that make the decisions.
 - Some of the confusions that we have are related to interpreting OWEB processes and deadlines. Can we pay for X with Y. Interpretations from OWEB are not consistent. Not always clear what goes and what doesn't and who you talk to and what is the process for clearing it up.
 - Interested in capital capacity, not only funding, but technical support and all those things that make a council viable and successful. Is there something OWEB can do to assist us to maintain or increase capacity.
 - Cannot separate council support and on the ground restoration projects. On the ground money is absolute to success.
 - Reality is that there is never enough money. OWEB is bouncing down an alley on one side trying to spread out coverage and on the other side they aren't paying enough to get quality people and effectiveness. Not quite sure how these decisions are being made. Guidance about what the future holds would be excellent.
 - Hoping for a good discussion to give input so that there can really be a thoughtful look about how council support funding is handled to create a stronger system. Reward different kinds of successes that different councils have. Looking at the box a little differently – reshaping application process and funding criteria could make a difference in creating stronger councils and more opportunities for other kinds of support.
 - Recently OWEB went through process wanting verification of project management funds. When you are having somebody do project management that covers not just their salary and benefits but their portion of utilities and computers. OWEB is getting narrowly focused here. Most councils are small businesses – have to cover expenses, be profitable or they lose money. Problem with this new tactic – SWCDs are supported by Department of Agriculture but also use OWEB funds. If we can look at each project as having to be something that pays for itself then capacity issue becomes for this project we have to be able to pay for this person. OWEB support for one full time employee to manage the process and projects would help.
 - Extremely different councils. OWEB portion covers half the coordinator's salary, utilities and overhead costs. Would be better to just support one full time person across the board.
 - Why can't OWEB give support like they used to – encompass capacity and restoration rather than just the council support.

What does it mean to be a successful Watershed Council?

- A group that is defined and works within its own niche.
- There are as many answers to this question as there are watershed councils. Every watershed council is different. What works in one watershed council is not necessarily going to work in another. Priorities vary, land ownership varies. We need flexibility to accommodate all those differences.
- Watershed council mission statement – how it is measured by the goal, where have we succeeded or failed in relation to that mission statement. Implementation of mission statement – whether you are achieving it or not.
- Council support application – scoring is not fair to all watershed councils.

- Council support grants were no longer uniform (2003) but they became accomplishment/merit driven. There have been some obvious benefits but this is where we get into the issues of what is successful and because you have to set level of success for the merit based applications, but those councils that don't conform to the particular requirements are hurting because of this but that doesn't mean they are successful.
- We have to have merit based – it's a grant world.

How do you know when you're successful in your community?

- Opening on your board – how quickly you can fill that position.
- How council is perceived by non-council (contractors or anyone who would have direct contact with – landowners, urban dwellers etc).
- Awareness of the council in the watershed, no matter how much restoration or work is done.
- OWEB has some kind of mission statement too that is articulated and controls how they feel about where they are going to put their money and measure effectiveness. We should be aware of this statement and how we mesh with it. We don't just need to look at our own organization and ask if we're effective.
- Try to get along with very disparate groups (farmers, ranchers, tribes), responsive to those people, responsive to OWEB, responsive to community at large. OWEB funds are something that we deserve – it's our responsibility to use these public funds wisely and with the most benefit.
- You put together something you want to achieve and you do it. Sign of success is when you're asked to repeat. Achieved goal and become known.
- We basically have a strategic plan that we track and measure our successes on. Restoring streams for fish and people. Watershed Council is the entity that is part of the Oregon Plan to restore Salmon and Steelhead. We focus on stream restoration work. We have a lot of willing landowners; just don't have the resources to address all the demand for services.
- Successful audit report.

What are your standards for success and how can OWEB help you be successful?

- It keeps coming back to money. We need to be successful in helping OWEB get more money. Reinvent the wheel. We need to be competitive in the economy that we are in. If we're getting funded then that's successful.
- Are we getting more fish in the streams? What are we getting for the dollars? How do you go to people and ask them for money without producing something.
- High turnover for coordinators – why is that happening?
- We went through extensive strategic plan geared for success – our idea is to be thoroughly integrated in the community, common household name, reliable non-regulatory citizen based organization that is actively pursuing active fisheries, salmon recovery and water quality. If there was a mechanism created to give people a context to get stuff done, managing expectations and doing it successfully so that we're not losing landowner support. General perceptive that landowners are the bottleneck and he doesn't see it that way. We need tools to help people properly adjust to their expectations – we could have a publication or overall plan that would allow people to say – ok here's where I fit into it. A big part of our plan and the reason we want to be

more involved is also for the purpose of building capacity. We want our community to support it along with OWEB.

- If OWEB had a way to measure that pent up demand it would help with the legislature.
- Capacity – you get to the ceiling and you can't go any further because there is no additional funding. Not sure how OWEB can facilitate us getting through that ceiling.
- We are all inter-connected. Failure of a council in one area impacts us all. OWEB can do a better job of picking out the bad apples and get rid of them or do something about them before the word spreads. When one of us is perceived as failing (not good public servants and completely our missions) then we all are impacted.
- One thing that strengthens us is that there are councils all over the state. Councils going under worries me. Talking about figuring out a way that this program can be tweaked so that there are as many successful councils as possible, bad apples go away and something there to create another watershed council in their place. Support to allow residents to reform and progress and not spend several years with low or no funding. For a council with low capacity but isn't a bad apple, there needs to be support to help them increase capacity – some sort of safety net to help them build and move forward because if they're successful we're all successful.
- Fund all councils and districts period.

What is an adequate level of funding?

- Depends on the council.
- Shouldn't be flat level base.
- Solid piece of pie of council support would probably reduce turnover, but would turn us into state agencies.
- One problem with merit based system as it stands is councils that are struggling the most to be successful are penalized. Cutting funding is not going to help – creates double whammy.
- Hybrid things here – rather than cut funding, allocate funding in different ways. Fund successful watershed councils and provide feedback for where they need improvement. Struggling watershed council -- focus funding towards enabling and building rather than cutting.
- Maybe there are too many watershed councils?
- Don't fund all the way; there is a certain level that enables. Bigger piece of the pie towards council support, a lot of what we've been hammering around today has been looked at. OWEB has ways of dealing with. Merit-based system has merit to it but beyond that there is a point in time where I want all you guys to have your funding but I want to get my projects done too. Other sources of funding for restoration projects. OWEB could do better liaison work on that – more dollars for council support which is hard to obtain through alternate funding sources.

Should we limit the number of councils receiving funding?

- Yes, I think we need to at some point or we have to grow funding before we grow the number of councils. We need a bigger piece of the pie toward council support and capacity. Lobby to get more dollars.
- Making what you've got work smarter and effectively.
- OWEB has priorities too and that's where the dollars have to go to meet these priorities. I have a hard time dumping councils that are struggling. We have to rely on the

business model – where the money is coming from and how to run with the amount of money you have. Any council should be capable of doing that. Maybe it's a training issue.

- There is council support and then there is capacity building. Maybe those should be two separate pots of money. Would have to demonstrate need and compete for the capacity piece and council support be guaranteed. Merit based with the capacity piece.

Are we accomplishing what we need to with the funding that we have?

- I'm seeing more fish.
- Is there some other model or something else that might work better? Things that need to be corrected?
- Topics are the same in these meetings in the last 12.5 years – only the faces change. Now the difference is the restoration funding is so tight.

Thoughts about a concept of a guaranteed pool of money matched with special initiative funding and a toolbox of shared services, e.g. auditing or other technical needs?

- This touches on what I mentioned earlier with capacity = special initiative funding. This would work ok, guaranteed pool money to get us started and then special initiative funding.
- Nexus to quantify the issues so that they are not repeated. Put them down on paper and make them available for people – help us find a solution.
- This sounds really good as long as I don't have to go through a grant process that changes every spring or fall. In principle I like this.
- Maybe one of the reasons it's the same conversation at the table is because of coordinator turnover. In the time that the Network has been conducting new coordinator training, we have seen the numbers of new coordinators to train decrease.

If there were a pool of shared technical services, what kinds of services should be provided?

- Relationship therapists – councils are really about relationships i.e. with community, board, OWEB, funding agencies, etc.
- Facilitators.
- Self-evaluation assistance. Professional facilitator.
- Engineering.
- Equip Watershed Councils with potential sources of funding outside of OWEB. Think in watershed scale when issues we are addressing are on a much larger scale – other entities out there that are interested in the same big picture and may be willing to fund.
- Original thought was to have OWEB support councils for first 3 years then would be self reliant – never worked. Envy Watershed Councils that have municipalities, water boards, etc as we are so sparsely populated and have no such sources of funding.
- Technical assistance is a big problem, agencies have been somewhat supportive in providing technical assistance, but they don't come up to our area, e.g. project design.
- DEQ has a monitoring equipment sharing program/services.
- Project management.
- Funded peer support – Watershed Council act as peer mentor to lower functioning Watershed Councils.

What can OWEB do to help you build effective partnerships?

- One person working to gain foundation funding rather than 58 different watershed councils, kind of like umbrella group and then disperse between the Watershed Councils.
- Pursue stimulus funding.
- Over-worked and under-paid agency employees – hard to get their time.
- Noticed that when approaching projects and wanting to get funding – there is always match required – can't we use OWEB funding as a match for these other alternative funding sources that require match funding.
- Most other funders don't require you to have funding in hand but you have to have it by the end of the contract.
- We have very good relationship with ODFW but if you want something more complicated than logs in the stream you have to go somewhere else.
- Partnership points in the application with same level of points.
- Letters of support in the application, also a way of showing success.
- More money for effective partnerships.
- Increasing the match requirement for council support.

Application process – what's working and what isn't?

- Stop changing it every time. The format is fantastic – work plan, bulleted, tables etc. I'm happy with the Watershed Council Support application – let's just quit changing.
- I think it is fine – stick with it as it is.
- There is a lot of redundant information.
- There is a lot of cut and paste.
- I like it – no problem with it.
- Would like to see OWEB go to every council meeting through the process. There are limitations to the applications, it doesn't describe us. During the process come in and evaluate the councils to see what's going on. Put it in combination with the applications.
- Response/critique by our Board was very useful. Our Board took it to heart and we are working on our quoted weaknesses. Our Board wasn't interested in the application but what the grade we received was. We then discussed our weaknesses with them and are addressing them. I was just starting so it let me know where OWEB was coming from.
- Basically you're filling out an application of what you have done over the last two years, you get a grade. If you get a bad grade then you pay for it for the next two years. You can use this to improve. Priorities of the application process may not fit your Watershed Council exactly though, but if they are this is a good thing to use to improve, but if your priorities or needs are different then it varies.
- We could include capital and restoration costs. Can we utilize capital expenses to cover costs of project manager or other things like we used to.

Thoughts about umbrella councils?

- Think they are more efficient than not.
- Get a few more points on your application.
- Funding is not that much more. Is more efficient because with the little bit extra funding we are getting instead of covering one watershed we are covering seven.

What are the highest priority messages for the OWEB Board?

- Get match funding through foundations or stimulus funding to support capital capacity.
- Like the idea of sharing an auditor.
- In some way having interface with OWEB where the dialogue continues after these rounds of meetings will be very beneficial.
- Also important where we get things done on the ground – councils go through process when they form. Scramble to get projects done, no real system to it then it evolves to systematic council. Not entirely how much you get done on the land – but where you get it done. Value of doing these projects is only half of what the fish are getting out of it – but the other side of it is when I walk around with the landowner my goal is to get the landowners involved in their streams and to change the land use practices to get us to where we are.
- Would be worthwhile to have one on one dialogue with the application review team. Would like to be able to answer questions first hand and gives opportunity to let reviewers better understand the individual watersheds and where they fit in this whole process.

Should the concept of a guaranteed funding pool with special initiative funding be further investigated?

- Like this model with the technical assistance box because it covers the extra expenses by having a higher capacity.
- Model doesn't do much for me – just takes same amount of insufficient money and slices it up differently – does like the shared services.
- Likes it with further investigation – can see some negatives, but likes it in general.
- See myself working harder to get the same amount of funding. Like the guaranteed pot, but have some merit base to it. Think we need to keep going with this thing.

OPEN CONVERSATION

(Watershed council representative comments/questions in italics; OWEB staff responses in regular text)

What if you hear from the others that they like this three-part funding concept – will you be able to present to it to the Board in June?

For the next council support funding cycle, we are not planning significant changes. In June, the Board will consider its policy around funding for new councils and requests for “solo funding” by councils that have been part of an umbrella council.

We will be working on next steps and recommendations from the listening sessions. We have formed a work group with councils and council support application reviewers, with the goal to simplify the application where we can – for example, perhaps pull things out that are redundant or that we have on file. We'll keep you posted. Those meetings start at the end of March and beyond and we'll take information learned in these sessions to that work group.

On the question of funding new councils, can you statutorily say no to more councils?

We don't control whether they are formed or not, but the Board can decide whether to provide funding to new councils.

Uncomplicate the umbrella council process.

The practical reality is there is no financial incentive to do an umbrella council and actual incentive is to split up if splitting results in more OWEB funding. Conceptually, the Board is interested in aggregating services to make more efficient. Model that we've created hasn't worked in a number of cases.

I have some difficulty swallowing all the money being spent by OWEB on consultants. Already work that the watershed councils are doing, hired consultants come in and expect us to do their work. I would hope that when you're looking at projects you're looking at supporting the watershed councils. A lot of the work being done by the consultants could be done by the watershed councils.

Interesting and fair point. In some areas where we deal with a contractors, it's because the project has a statewide scope. Also we have been hearing that we already ask you to do so much that we don't dare ask you to do more without additional resources.

Each agency has its own culture and own set of priorities and issues that they address. We felt like if we had more self-determination in the process it would more effectively address our concerns. (Referring to umbrella councils)

There are umbrellas that work. We at OWEB haven't done a good job creating incentives to make it work. We've given people the impression that if you carve out your own council you'll get more funding. We are interested in finding ways to create efficiencies whether that be umbrellas or this model you were talking about today. Willing to work on growing the pie but that will be hard.

Do you agree that monitoring of watershed councils is important? What about a program for all watershed councils to have a monitoring component?

Monitoring is important. What kind of monitoring is also an important question. One thing at OWEB that we are working on – we do a good job of measuring outputs, that's important too, but where we really want to go is to be able to talk about outcomes – return on investment. Interested in ways to invest dollars to understand what is happening on a larger landscape scale rather than just individual projects, so that we can provide meaningful information for long term goals.

What happens with all this monitoring? Several watershed councils have years of monitoring and they do nothing with it because they don't have the resources.

Everyone will say monitoring is important. But you end up with all these different silos with different monitoring techniques, limited resources, etc. Tougher and tougher budget cycles will diminish monitoring funds. We need to get better at it with these limited funds.

It would be nice if OWEB said one of the criteria for funding our projects is whether you are going to do validation monitoring. It seems to me that OWEB should have to answer to the legislature

if the funding is being used to improve the salmon and steelhead. Please just come up with some standards – what you want monitored, what scale you want it on – some protocol.

We are definitely thinking about this a lot.

We get funds for salary and benefits. Want to discuss healthcare – one big consideration for retention of employees. Is there anything you could do to contact companies that provide healthcare and if they would provide a healthcare at a reduced amount and get tax benefit for the difference because we are non-profits. Have a group policy for Watershed Councils?

The Network is looking into health care group coverage.

Years ago, there was an OWEB business person to help build relationships between business and watershed councils.

A long-term goal is to build communication tools that can reach people to increase awareness and involvement. We'd like to provide tools for councils to reach out to sectors in the community that haven't typically been involved – there may be some role they can play to contribute resources; much like working with private foundations. This is in the building block stage right now.

We like the application as it is now. How does that work for you?

Our application reviewers volunteer their time and it's a hugely intensive process for them to read and review the applications. We are trying to figure out things that they don't need to look at. We want to streamline for the reviewers too. The work group will be looking at the application and asking where's the value and what's not needed?

Additional comments

OWRI and OGMS are incredible

OWEB should keep providing scholarship funds for council training.

LISTENING SESSION #3

Date: February 25, 2010

Location: Newport, Oregon; Guin Library

Attendees: Representatives of 4 watershed council representatives, Network of Oregon Watershed Councils, OWEB staff

Tom Byler, OWEB Director, provided opening comments similar to those reported above for the Hillsboro session.

Expectations for the Listening Session?

- Have to have money – hard to do anything without it.
- Learning about the issues of the councils in this area.
- Big picture ideas that get us beyond individual councils and watersheds but to the systemic and sustainable stuff that can make this thing work for a long time.

- Hope from this process is that OWEB will be motivated to move to coming up with definitive answers to some of the nagging questions.
- Other funding sources – partnership funding sources.
- Like to see some a way for local councils to get support from OWEB – if you want local infrastructure you have to support them.
- Understanding OWEBs non-watershed council obligations and where we fit into OWEBs scheme.
- Our council gets good financial support for our projects and indirect support for capacity building, would like to see how OWEB is supporting our council rather than just capacity building. Support for sustenance.
- Desired outcomes would be to have OWEB make tough decisions unless we can increase the amount of the overall pie, OWEB increase pie by partnering with foundations or similar. Councils that are not functioning need to have funding cut back, not supported just because to free up funding for functioning councils.
- Clear and logical method of deciding support.
- Like to see more accountability in the whole process – migration from GWEB to OWEB and how it morphed.
- Would be nice for OWEB to know and articulate and practice to the extent that it is truly involved in council capacity and high performance as opposed to or in combination with being a project funder. Local capacity mechanism in a comprehensive way as opposed to just a project funded.
- When I hear references as “within the rules” – to what extent can the framework be written to challenge/change the rules.

What does a successful council look like?

- We see success as getting things done, getting projects implemented, getting education programs implemented, making a difference and having the capacity to get all the steps done necessary to achieve these things. We have a variety of ad hoc measures – how many, how big, how many students for how much time were involved in education plan.
- Do actions support planning goals – basin plans, strategic plans? Are our accomplishments in line with our plans?
- Success comes out of tech teams and how they work together with action plans.
- Whether the end goals are being met – community support, salmon return, water quality.
- Viable organization in terms of board, staff, contractors etc.
- Good working partnerships with local agencies, land owners and organizations within your basin.
- Using basic goals as reference.
- People’s willingness in the community to be involved with your ideas, approaches, projects – willingness to participate.
- It would seem that representation on boards and make up of organization – how truly representative that is in terms of form and function.
- Creative tension with local activity and larger scale priorities – need to be opportunistic at local level but to some extent needs to be consistent with larger goals (Oregon Plan etc).

- Powerful to see the extent to which leadership teams either make or break the ability of the organization to work well over time. Is there a leadership structure in place that is sustainable and strong?
- When you look at capacity – does one person cause the success of the organization and does the success rely on that person being there.
- You can't judge a fully staffed council for 15 years against a council who has never received capacity funding and you're still here 12 years.
- Remove obstacles that may have created an unsuccessful organization.
- If we're talking about a successful watershed council, it has to go back to the goals for OWEB and their goal for funding. I tend to be part of the "on the ground" world which takes all the capacity stuff, but unless we are doing restoration projects that make a difference, then what's point.
- Success of a watershed council should be judged on whether it is making difference on the ground for high priority species and educating people on the way. Those councils that have received funding and don't have successful projects are not acceptable. Success on the ground.
- Conversation is around survival of watershed councils on a day-to-day basis. Successful system would be conversation at every level is outcome based. This is a reflection on the state of the system on the individuals involved. Focus forward with implementation.

How can OWEB help watershed councils be successful?

- The number of projects you have going will dictate how much administrative money you will need. Every grant should set aside funding for administrative needs.
- Fixed by outside party – written in the rules. Economies of scale – smaller projects larger percentage, larger projects smaller percentage.
- Administration only covers fiscal administration rather than capacity support in general.
- Discontent about processes should be looked at by OWEB, e.g. applying for grant monies, bookkeeping things. Should be streamlined and more thought through.
- There are a number of places where capacity could be improved other with than just cash. Years ago in cooperation with Association of Conservation Districts, OWEB hired somebody to do some QuickBooks trainings specific to OWEB fiscal application forms. We're in the position with sharing a fiscal person with a SWCD, working well for us. Sense I'm getting is that OWEB is no longer supporting that system – creating new documents and forms that will not be integrated into this system. Opportunity here to create capacity support by providing opportunity to make business support streamlined.
- Outside circumstances that affect our success as well as OWEB's success. Intent of supporting watershed councils has changed to its own bureaucracy. Using each other to justify our own existence. Takes away from getting stuff done on the ground.
- OWEB needs to work itself out of a job. Money needs to get to the ground where it needs to be rather than to support a larger bureaucracy. When landowners want to do projects, they ask themselves why get involved with another government entity/agency.
- If I'm doing my job well, we will be building, promoting, exporting and training a systems-based approach to all watershed council management. What are the strategic investments that can be made on organization management systems. What's the place-based operation – on the ground, stakeholder holder input etc, but what is non place-based – have a decentralized staff model (payroll, bookkeeping, HR, legal issues,

contracting support, engineering). How do we share in a way that we all don't have to do these things?

- Administrative funding – base funding for councils that is not project oriented. That now gives you a base to work from and that you can accomplish your projects with.
- OWEB has refrained from telling councils have to work or run. Might be more fiscally responsible to have an organization structure divided up into place based vs. non place based so we don't all have to spend the time doing the same fiscal things. Would eventually reduce overhead costs, more productive and really help watershed councils.
- I thought this was the point of the umbrella councils – having shared tech teams, shared administrative costs.
- Some times in dealing with staff in OWEB I don't feel a lot of respect – especially as a young woman.
- As a tax payer, I want to know where our money is being spent. On one hand I get irritated having to do the fiscal reporting, but I understand that they have to show how the money was spent.

What would be the consequences if OWEB funding disappeared?

- We would not survive.
- It may need to be an entitlement.
- There is only one source of funding.
- Not true – we have alternative funding sources – foundation funding etc.
- Some watershed councils could survive that do not depend on OWEB funding, but others would not.
- Other forms of support – streamlining procedures such that the costs of doing business are not as great. OWEB behaves like most agencies in that it responds to problems by developing new rules. If it comes to the attention of fiscal staff that somebody has found a loophole allowing them to spend money as it wasn't intended then staff comes up with a new rule – new form. Normal pattern will do this for a number of years and somebody will say this isn't working and there is a big revision/start over. May be getting toward the time that OWEB should take that look at administrative processes for administrative grant funding. Identify opportunities to simplify.
- We do spend a lot of time dealing with things that are not actually helping anyone. New coordinators handbook that the Network put together is good on the intro level, but having a place in that notebook or website listing all the rules that must be followed for certain things.
- OWEB site could have some more help.
- Grant writing and education or workshops would be helpful. As council becomes a more successful, council need education on how to write grants.
- Evaluation criteria being based upon a 7th grade reading level. If we need to be writing at a 7th grade level then it needs to be in an OWEB document unless it's just a person's opinion.
- There are other organizations that help build capacity. You want to make things understandable – not using jargon. This 7th grade level means you have to write it clearly and in linear fashion – this is common practice.
- Would like to see OWEB improve ability to provide capacity at local level, on political level to work with larger scale funders who don't want to have to work with each individual watershed council, want to give large chunk of money – easy process. They

- want to know if they give money to OWEB to increase capacity then they want to see that – people understand that without people on the ground you are not going to be able to get the restoration projects done. If we give you the money you are going to work with groups that are making a difference. Support watershed councils by working with larger foundations and then dispersing the funding to the various councils.
- Much better use of resources out there – administration funding, funneled through OWEB.
 - Focus on national sources to fund councils. Network may be able to do this vs. OWEB due to legal restrictions.

Thoughts about a concept of a guaranteed pool of money matched with special initiative funding and a toolbox of shared services, e.g. auditing or other technical needs?

- Who is going to be paying for those shared technical resources?
- I think there are a number of things that might fit into that tool box, but not sure how the two funding buckets relate to what we've been talking about.
- Having a restoration engineer in some capacity would be a good idea. I don't know how you'd allocate it.
- Original intent to deal with restoration, education, economic development and the social element of the community building. Challenges you have is the funding source and the reliability of it. Create viable economic engine without having to rely on government funding sources. There are a lot of folks in this area that are retired and highly skilled in technical aspects.
- Isn't this what the technical assistance grants are for? Seems like it's already there.
- I agree that they are for that, but you could reduce the costs of technical assistance grants if you had a group of individuals that you could pull from, could be streamlined.
- We can get technical assistance grants and we appreciate them, but the process involves filling out an application, getting answer in six months, entering into grant agreement. If there were a few people on retainer and send a form describing a problem and is this something that one of these people could do in the next month.
- By the time you fill out the technical assistance grant, get the approval and retain the engineer, the costs are different.
- Special initiative side takes away from the guaranteed pool. Recipe for disaster.
- Would like to see, under shared technical support services, USGS and NOAA help support these shared services. More federal partners.
- Could take resources away from where they are needed unless it's really well structured. There are new exciting initiatives happening right now. All of them get funding and want to do the right thing. Thing that is driving them is the urgency to do priority things for priority reasons. We're not going to twist anything unless we fit into key boxes. Size and way we do projects don't fit into these priorities. We do opportunistic projects with willing land owners. Need key filtering mechanism.
- That's a challenge we're all going to have no matter what – wouldn't just be challenge with this technical assistance box.

Thoughts about umbrella councils?

- I think Mid Coast was the first Umbrella; we took that on in 1999. Overlapping council support issue, so GWEB convinced us to join together as an umbrella. Not going to claim reasons are all financial for lack of success, but the amount of support was not

really enough to make it work well, particularly not enough to have a functioning central office with satellite groups as part of the issue. General pattern has been for OWEB to promote umbrella organizations where there are several smaller groups in close proximity and then to, in my opinion, under-fund them. My sense is that it is not working well anywhere around the state. Tension, request to break up the structure. What needs to happen is that OWEB needs to make some hard decisions on what they expect from umbrellas and levels of support that it would actually take to meet those objectives. Number of options – abolish the concept, continue to support the concept but provide adequate funding (takes money away from others), may be 3rd or 4th options with different structures or concepts on what the role should actually be. Current approach is not very functional.

- Watershed councils are individual non-profit organizations. Only method by which they can be controlled by OWEB is if we want OWEB's funding. Umbrellas do exist. OWEB doesn't have the ability to absolve or create.
- Don't see a lot of incentive to be an umbrella, work as partners and respect each other. We don't have any reason to be with an umbrella.
- Alsea was under the umbrella and broke off and we are seeing that the umbrella concept is a good one – reduce overhead, technical coordinator and basic planning team people. But the reality of it was that it just didn't work for us. Large geographic area with few people – they want to make their own decisions. We're trying to work with issues – had mediation session, 100s of hours spent on this. Support grant fell apart after a joint agreement to complete it together. Doesn't think that OWEB not telling Watershed Councils how to work has worked very well.
- General council support process and lack of communication with me as a coordinator by OWEB; I have never felt so disrespected.
- Would like to see OWEB encourage partnerships between the watershed councils. The way OWEB system is set up is actually pitting councils against each other. Nobody really understands how decisions are made and the priorities are set.
- Transparency – greater transparency from OWEB.
- Most successful models of government investments are through the use of incentives rather than told how to spend it or do it. Unless you incentivize through resources then most people won't participate. Incentivizing the idea of umbrellas through adequate funding and is by nature is cooperative.
- Centralizing management support systems but not centralizing local decision making.
- Fiscal agency could certainly be centralized and that would help a lot.
- Decentralization of the decision making process – OWEB could say this is your pool of money within this organization. From tech perspective it should have technical merit and results, but the decision making process has always been moved back to Salem.
- I'd like to see a solution that would let us be creative about sharing resources on a council-to-council basis. There are some things that could be shared on a larger scale. OWEB structure now makes it difficult. Political issues getting in the way is not productive; we all want to be doing things we care about.
- Administrative rule in place that causes some of these problems. Local government recognition. Right now Mid Coast is funded to work in the Alsea but the Alsea is not funded to work in the Alsea. Constant battle with each other rather than being partnering organizations. We don't want to battle – the system creates this.

- If OWEB wants to truly look at this as making people come together or wanting to come together you have to get rid of some of these administrative rules. Today we are spending thousands of dollars that could have been better spent in council support funding. Staff and consultant time and travel, etc.
- It is a valid thing to cut back on the largest funding groups and spread it around a little more and encourage councils to find other funding sources. Unhealthy to rely solely on OWEB funding. We need to be diversified in our funding. Force this issue to those who rely solely on OWEB funding.
- Each council is a non-profit and should have the ability to have the independence to work in an area with ways of deciding to work together. I believe that the Mid Coast Watershed Council has done amazing things, Alsea has done amazing things. Neither should be each other's boss. The more that you can encourage partnerships that it would be to the advantages of the watershed. OWEB is causing friction among the watershed councils – we are all partners, we are all working together for the benefit of the watershed and restoration. Need to incentivize.
- Driving this is how many councils do you fund around the state? Do we put a cap on the number of councils are funded or do we revise the model? Redesign the whole support system – technical drives things, know the priority assessments – we are going to incentivize the existing watershed councils on certain criteria. Funding too much capacity building for people who don't necessarily have the skills. What are watershed councils really for? Are they really for putting projects on the ground? What are the priority areas? Asking coordinators to do projects on the ground when they were hired for the coordination skills – asking too much, asking different skills and what are we funding? I want the outcomes on the ground, but that's just me.
- Councils are diverse and see value in watershed councils having different specialties. Wouldn't want that to be lost. Some areas education is the main thing that can be accomplished.
- Umbrella and tool box of resources – could pay less to a coordinator if they are just an administrator, but then in your tool box you could have the technical, fiscal, education experts.
- Really hard to justify providing council support for one full time person for an area that 40k acres and another that has one million.
- Place-based services vs. centralized services. Three legged stool – funding designed for place-based activities, way to fund aggregate systems management stuff and to be a projects funder. Step away from models and look at funding streams for these three areas. Desegregation of councils for the administrative/aggregate i.e. fiscal, bookkeeping etc.
- One of the things that concerns me is that you have such a short window with land owner cooperation on big projects. Recovering a stream or river in a large section with multiple property owners – when a grant is applied for those multiple property owners have an expectation of project being accepted and funded, when that doesn't happen the support of the land owner partner's changes.

What are the two or three highest priorities for improving council support funding?

- Broaden the pie is a good idea.
- If the umbrella concept is to continue it needs some serious rethinking and work.

- Don't just deny a council who has been working really hard for years to be the local provider because of an administrative rule.
- Finding ways for incentives for partnerships to work together.
- Flexibility to support the diversity of councils and the diversity of methods of working together.
- Respect – improvement of.
- Place-based vs. aggregate.
- What are they going to look like if they don't get funding – what's the next strategy.
- Reaffirming or relooking at what the purpose of the WC is, current and future. Was the past purpose met and if not how to we change it?
- Transparency.

OPEN CONVERSATION

(Watershed council representative comments/questions in italics; OWEB staff responses in regular text)

In terms of allocating council support, what has caused me aggravation is the way the process is set up, the review and then out of that comes the ranking. That ranking is then taken by staff and the amount of money available is brought together – some of the fundamental decisions in that room need to be more open and earlier in the process. Difference in dollars between lowest and highest ranked councils – would like to see. Rubs with system is that the tendency has been over the history of OWEB is the definition of merit has been getting squeezed. Difference between dollars for lowest and highest ranked has been squeezed – small spread. Lot of energy goes into the process on both sides for the minimal difference in funding that you get. At what level does this cease to honor the legislature requirement of a merit based system? Is this addressing the more fundamental policy that is ultimately implementing the Oregon Plan? What is going to be the most effective strategy? How to allocate X amount of dollars to Y list of councils.

We struggle when we go through council review process. We know stakes are high, we want to support you to the greatest extent that we can. Review board, staff and OWEB Board really put a lot into this. How many hats are you expected to wear? It's not realistic given the resources that are available. We struggle with this.

Specific suggestion – prior to the grant application due date; make at least a tentative decision about a funding formula.

The more information we can communicate up front would be helpful and we are going to try to do as much as possible.

Or also set a base line funding i.e. every council gets \$75k rather than the merit based council support funding system we have but if you qualify at a certain level you get this guaranteed funding.

If we went in this direction we could distribute funds pro-rata across the board and if you reach a certain merit threshold you qualify to receive the base level funding.

How does funding direction or initiative process affect the guaranteed pool?

One way to look at grant program – is that there are 2 colors of money – capital funds and non-capital funds. Capital funds are the greatest amount of dollars that we have – and can only be used for on the ground restoration projects and acquisitions that are actually implemented. Capital funds cannot be used for general operating expenses, education grants or technical assistance grants. Lottery non-capital resources are the much smaller pie – defined by the legislature. Historically when you look at funds for non-capital grants, the vast majority have been federal salmon dollars. Only in recent years have we been able to use non-capital lottery funds in this arena. Acquisitions are funded with capital dollars and do not take away from our non-capital resources.

Suggest hybrid model for funding – base amount for if you meet certain requirements then they get X dollars in funding, if they can then make a really good case that they need more because of Y reason then they could get a hire amount. Having a base amount might help.

That's an idea that others have come up with this week as well.

That was always the understanding or feeling in talking to people who wrote the original legislation. That was the emphasis of the grassroots aspect of these WCs. How that's changed/morphed over time – why or how?

I have heard some say their understanding is that the framework of the Oregon Plan was that the state funds would be temporary to get watershed councils off the ground and then state funds would no longer be needed. There are varied perceptions out there of the original purposes.

How the bar has risen – initial idea with Oregon Plan is that watershed councils would be doing things with a lot of volunteer work and through last 20 years the realization has developed as to what is important to develop and implement the Oregon Plan has been increasingly technical and expensive. Asked for a lot more information in our grant applications now - that is one of the drivers for the need of capacity today.

I've seen the trend for larger, more complex projects. I don't think we want to signal that we want everyone to scale up and be those big ticket/big project providers. There is room for all types of projects.

I think that it's hard to talk about Watershed Councils and their role independent of the Oregon Plan – was supposed to be a three legged stool - agencies, WC and level playing field by enforcement of environmental rules. Only recently there is beginning to be enforcement. There has been no incentive for folks to do voluntarily because there has been no consequences. Watershed council funding out of that concept. Size of basins – payment based on area but it's also based on the priorities. Formulated approach is very good. Building capacity – those that are well functioning, they shouldn't have to fill out an application every year and half and spend all this time if we know they are doing good work. Formulated approach - we are going to continue funding you for a 5 or 6 year period, while new ones that haven't been funded submit applications until proven. Concerned that unless we look at watershed councils – know what we

want them to accomplish, what their roles are and are there are those other two legs, then I don't know if we'll meet our goals.

One thing that might help with support money, if OWEB let it be known to other partners that you are reducing support funding. You may be able to get other partners to support capacity.

The trick would be to enlighten other funders about the value of investing their dollars with us.

This is not just the capacity funding – it's across the board.

Formulaic approach – transparency in decision making is important, but formulaic approach will lose flexibility and may not be appropriate. Important to take into size of watershed and what councils are doing. Just have to be extremely careful and allow flexibility.

Original intent of legislature was to only fund council support for a period of time. If a program was viable then they would then stand on their own merit through other funding sources and organizations. But unfortunately we didn't fund all organizations so right off the bat we skewed the process. Transparency and accountability are huge.

Having a hybrid evaluation – for the base amount that a basin or subbasin council gets maybe think about exactly what you want the council to do – what basic functions i.e. having an office, 25% of coordinators time to develop projects, etc., set low level basic functions that you'd like to support and let that be your base level that you fund. If you are going to stick with the umbrella council model I think you should consider sub-basin and evaluate them – if they meet criteria give them the base amount.

1. Would like to ask OWEB to go to legislature and ask for permanent funding for council support and watersheds. 2. If a council does not get OWEB support then they have a hard time getting support from other sources – “why aren't you funded through OWEB?” 3. We need to echo system based thinking – where are we at with the landowners right now (should have higher priority than an agency due to small window of availability). How do you get cooperation by landowners that don't want to cooperate? Landowners feel it's their land and they feel they should have the decision about what happens to it – what one person does effects the whole watershed. Stronger base in the state and federal government to actually recognize what WCs do on the ground. Government is not thinking system-wide enough. Mitigation fairness. Need to build bridges not mistrust.

Permanent funding for Watershed Councils – we're actually as good as we can get in that regard. I agree that having OWEB funding adds credibility to get other funding sources. There can be a limited window with landowners and it's a challenge – how can project implementers with all the hoops you have to jump through – how do you thread the needle with the time you have? One thing that came up in the last meeting was a request for OWEB to be more proactive with federal and state partners to streamline permitting processes. OWEB should continue to make the case that restoration projects should not have to go through the same regulatory hoops as non-restoration projects such as development.

LISTENING SESSION #4

Date: March 1, 2010

Location: Salem, Oregon; Marion County Fire District Office

Attendees: Representatives of 16 watershed council representatives, Network of Oregon Watershed Councils, two OWEB board members and staff

Tom Byler, OWEB Director, provided opening comments similar to those reported above for the Hillsboro session.

What defines a successful Watershed Council?

- When you become the go-to group for whatever area you serve.
- Name recognition.
- Landowner participation in projects.
- High school sciences classes are participating in our projects.
- Diverse cross section of community involvement, variety of stakeholders engaged.
- Accomplishing conservation and restoration on the ground.
- Got enough funding or money to accomplish those on the ground projects (adequately funded).
- Organization is meeting measurable objectives that you have set out. Adequate funding from diverse sources.
- Not being able to accommodate those who request services.
- Increasing attendance at special events.
- Measurably improving the health of the watershed.
- Having some internal structure – method to madness. Procedures/policies so it's just not a free for all.
- Active board, fiscal policies that make sure finances are taken care of in responsible and transparent manner.
- Having active partnerships with other agencies in local area.

What would be the consequences if OWEB funding disappeared?

- OWEB is the vehicle to fund the Oregon Plan – it's the primary seed/funding source. Majority of councils couldn't do their part.
- Most would cease to function.
- Important source of capacity funding – challenge to get it and couldn't replace it from other sources.
- In an ideal world, even if each council was getting majority of funding from other sources it would be unrealistic to function.
- Framing it in this way could make us value OWEB's funding and all funding sources a little more.
- Majority of ability to function with on-the-ground projects would go away even with just taking away council support.
- If OWEB wasn't around councils would look at lot different today. Sees a variety of different models. Project types and management type would be a lot different from where we are today.

What can OWEB do to help councils be successful?

- Liability insurance and workman's comp insurance.

- Health insurance pool.
- Services that OWEB could provide to councils as a group rather than on own that are expensive.
- Looking at other capacity pieces, e.g. GIS, insurance, Quick Books. Program reps have so much of their capacity taken up by grant management.
- Flexibility in funding – fiscal requirements and reporting requirement are continuing to be more and more strict. Paying consultants large sums on projects while restricting in-house staff. We can't pay for a chair or phone for a person who supports projects. Technical ability in-house – tightening funding in narrow way threatens objective of the community and social structure of long-term stewardship.
- Another funding flexibility issue – if we do something that requires design and engineering and finish with on-the-ground work – we have to figure out how to bank-roll design and engineering pieces due to funding requirements.
- More flexibility built into the project side so they could be more performance based – more freedom to use percentage of monies for the overhead associated with those projects.
- As we see more watersheds come into play – some with marginal return vs. those with restoration of fish runs are eminent – how do we prioritize how dollars are dispersed? Based upon ability to be successful?

With the available funding, are we accomplishing what we need to; are we adequately implementing the Oregon Plan?

- Oregon Plan is such a lofty piece, complicates these processes. When you ask about prioritization, you have to really look at what your goal is in the first place.
- Intent of watershed councils isn't just what you do but how you do it. Measurable ecological developments but the question is could it also be done through RFPs and consultants. How it gets done in this collaborative community based way – that in itself should have some weight. Methodology should have some outcome statements associated with community-based side of things.
- Customer service side – political capacity issues. It would be nice to see things standardized in terms of outcomes on the education side, etc. Show outcomes for those capacity support dollars.
- Structure of the grants with so many pots makes it difficult to approach our mission strategically and adaptively. Very stop / start approach. Like the idea of including large overhead component in education and outreach grants to fund the capacity that goes along with those projects.
- Clarifying what council support money is for. Most of the smaller councils have to use council support funding to do the pre-project stuff to actually get the project running.
- Individual councils have a better idea about how the money should be spent in their community. A single model will not fit each council – there needs to be more flexibility at lower reaches, can be monitoring by outcomes.

Given limited funding, should the number of councils that are funded be limited?

- If we have a static funding base, then we need to make some hard decisions.
- Incentive to disaggregate – how do we serve the purposes and reach and engage people at the local level – all kinds of examples of organizations that have reached into lots of

small places with even centralized administrative systems rather than the re-creation of all aspects that is involved in watershed council management.

- There is a lot of getting restoration on the ground, but we see groups that don't have to deal with overhead like we do. Can we get more flexibility at a statute level, so we can have more flexibility at the local level? Allocating funding that is definitely available at a regional level. Intermittent funding is an issue. Makes sense to not have to go back to the drawing board for all funding.
- Serious reservations about limiting number of councils. What's the number we are talking about and what benefit would that provide to remaining councils that weren't cut? How can we get more capacity with alternative funding sources without talking about cutting?

Is there a minimum funding level that should be instituted for council support?

- Kind of how it's operated thus far, board has tried to look at watershed council function.
- Going the wrong way with allowing splinter councils and allowing councils in really small areas.
- There are quite a few areas that don't have watershed councils – has to be some sort of way to incorporate these areas – probably have some sort of critical resources to assist with restoration. Not little tiny watershed councils – but incorporating smaller areas with others.
- If you want to allow new groups to form and invite them into the fold it should be tied to an increase of funding. Adequate level of funding for capacity.
- Most important thing that we do is work with the people who own the land that we want to improve / restore. Facilitator of that community desire / vision. That's what I think we'd lose if we started to aggregate too much – 10 mega councils would not have that level of connection with the community. Delicate balancing act that OWEB has to play to maintain that local ownership / vision / interaction.
- Consider what the landowners want. Landowner doesn't want to have to drive far to go to a meeting – they'd prefer 100+ Watershed Councils rather than 60.
- In the Willamette region especially, when we talk about size we are talking about a population vs geographic area. If we do one project it might be small land base but reaches a lot of people.
- The problem is that there aren't enough resources to adequately fund more and more individual organizations. So what we're trying to do is reach landowners on a local level and move the ecological dial. For me, there are some pragmatic things that need to be considered. Look at place based – outreach, involvement, education project oversight etc. Non place-based – HR, legal support, contracting, insurances, financial management, audit, high level engineering, bookkeeping. Seems a lot of this second list can be centralized. Freed up of these non-place-based tasks so that we can be freed up to do the outreach and projects, etc.
- Needs to be a happy medium. Have to explore some kind of efficiency, but not sure how it would work best.
- Not talking about mega councils. Centralizing systems. Local ownership and control but aggregating those things that take up time.
- You can still have localized staff and not have council coordinators time being sucked up with certain issues. We're at a point where there is very limited dollars. Is there a way that we can share some economies of scales for certain tasks.

- We've been having these conversations for at least 4 years. Very important that the OWEB process be a logic continuum. An entity like the Network to set up "best practices", there is a way out there to make more efficient and streamline processes. There could be some standardization of the processes. Could try a group liability plan and see if it works.
- Individualized areas with shared person do the bookkeeping etc. This would be helpful.
- Fiscal administration is limited to 10% of the grant for capacity support. Still the issue of how we distribute that 10%. Distribution formula doesn't account for that.
- Reluctant or concerned about asking OWEB to provide us with a bunch of new services – where would the funding come from?
- Support and standardization of systems. There isn't really anyone helping to support councils on these administrative functions. If we don't have flexibility on top of this it gets us coming every way. If we don't have support, standardization or training then we need to increase the flexibility. The less we have, the more flexible we need to be, but also support learning from each other.
- When you want us to do something that isn't in the scope, such as participation in recovery planning processes, we have to find dollars. Such requests need to be accompanied by funding.
- Local councils all have different issues. All these broader plans want council involvement where they all think we are funded by OWEB, we can only do so much. We want to do more but only have so much funding.
- Recognition when we are submitting council support grants, i.e.. time spent on recovery planning or other entity/agency initiatives being valued on the council support grant applications.
- More time towards restoration but you can't take away from attending meetings/relationship creation, but restoration gets you funding.

Thoughts about umbrella councils?

- Thus far – the funding umbrella councils receive isn't enough of an incentive.
- When it means multiple councils under one support grant it doesn't seem to help or work. Partnerships (regional) seem to work better when they find each other.
- We get this asked every two years – few examples around the state where they cover more geographic region – they drive more, I call more people. I really wish we would have more of a go-team approach about the council support discussion. We don't have enough money and never have. We need to foster environment where councils are learning from each other – we're already at a competitive business model but it would be great to be pushing the collaborative model more.
- Double edged sword – could access more resources as they are larger entity.

What can OWEB do to help you develop and strengthen partnerships?

- Concern with making things too specific – each council operates differently. Various partnerships may not be appropriate in certain regions. Depends on specific area.
- Critically important, but at the same time I'm a little wary of having OWEB or anybody incentivizing them, it gets away from organic approach to partnerships.
- There are a lot of false partnerships and you have to be careful why they form. Better for OWEB to incentivize other entities to partner with watershed councils. How are watershed councils supposed to know what's going on in their watershed all the time?

Great if other entities are calling us. Reporting requirement in council support grant has us reporting to all of our local partners in the county/region.

- Partnerships and umbrellas have so much in common – they have to start out locally. Biggest problem is personalities. Have to be developed as it makes sense rather than somebody up high saying that the partnership / umbrella should be established.
- Hear common themes – umbrella / partnerships and carrying incentives around it – chasing the wrong tail. Councils have the ability to be creative on the ground what partnerships would save money and make sense but are getting distracted by all these check marks on the support applications – micro-management prohibiting us from doing what we do best.
- There are different models for different types of umbrellas and relationships. It is a big fear that somebody else will be deciding what is happening in their watershed – you have to have a strong leader. You can dispel those kinds of fears then there should be a sharing of ideas and good process to have different types of projects without someone from one telling another what should happen in their watershed. Doesn't mean that you're losing resources by combining watersheds – can be a strength.
- Network is a broad-based group organized around trying to improve permitting and funding integration of major projects. Integrated water resources concept. Network has spent a lot of time with councils in one-on-one to mediate relationship challenges that have existed.
- State level partnerships that the Network has brought to bear have been really important. Brought partners in at the state legislative level. Looking forward to more private funding partnerships and Network has been instrumental in helping with this.

Application process – what's working and what isn't?

- Key criteria for evaluating council performance in the past has been the number of projects you completed in the previous biennium. Some of us have projects that go beyond the biennium scope – how do we get credit for work done on those longer projects?
- It has improved over time, more streamlined. Great difference based on how written and what asking for – much clearer. They've really tried to allow flexibility in that process – felt like I was able to tell the story of my council. Very important because we are all different. Judged based on what all reviewers are seeing but also really on your story.
- As a new coordinator and submitting the first application, have really struggled with the grant application and review process. Our council being compared to a council that has a fiscal policy and good bylaws for the last 10 years is going to look different. Better to compare to your council two years ago vs. another council.
- Very helpful to have council training sessions on the support application process. Instructions and supplemental documentation – most important to have embedded spreadsheet.
- Not wanting to see the whole thing redone before next round for the “copy and paste” aspect.
- Even a subtle change in wording in a question makes it a completely different question. Resist urge to add more questions. Has got to a point where it is really useful and streamlined.

- It's a lot better – not perfect, more room to tell a story. Don't want to see any major changes. Major frustrations and questions – what do they do with it? They get a paragraph back. "Application hard to understand, very unclear but we know they do good work so they're excellent." What's coming back is somewhat confusing. Same answer to same question between two applications and vastly different rankings. Clarifying the ranking would be helpful.
- We appreciated that for the 2005/7 council support you could call and get your scores and there was a quantitative score which didn't exist in this last round. "Got 3 of 4 here and we got dinged because of this" was very helpful. Transparency.
- Council support review process is about building that trust. If we can understand where we stand and why. Will also build trust among Watershed Councils so that we can build partnerships, share resources. There is no transparency, we're in competition with each other and it's not clear why.
- Some of the remarks are mystifying. If there are questions, somebody in the review process should call. Then we would at least be able to explain if there was a question.
- Do feel it's a lot about what is communicated in the grant application and how that in the past it was ranked by how we've done in the past vs. the biennium review. May warrant some sort of site visit or meeting – move away from the competitive aspect.
- Was surprised to see that you got ranked and got a set amount of money but no relationship to what you asked for according to your budget. You need to recognize that we all live in different watersheds – don't have a lot of restoration landowner potential in urban environment. Hard to give us flexibility but if you're not doing a lot of restoration in your watershed then you are penalized. Needs to match up.
- Why are watershed councils ranked rather just dividing the funds equally like for SWCDs? To foster partnerships you should just divide up equally; some councils would need more. Why ranking in the first place?

How is the merit based system working?

- Councils were ranked almost to the dollar; I like how most councils tend to be lumped in the good, very good and excellent ranking. Why should a high performing council accept less than a council that isn't performing?
- Other challenges – why are you ranked the way you are is unclear so in reality there is ambiguity – let's recognize the ones that are functioning well in their watersheds the way they are intending too.
- Dynamic around OWEB trying to measure effectiveness of councils and it's the how that happens and what you have to do to prove it that creates tension. Agreed upon effectiveness indicators, from both OWEB and grantees? Whether or not consideration looking at organization life cycles and stages; the way we judge a teenager is different that we would an adult or child. Should this be a factor in evaluating? Has Oregon considered operational watershed life cycle? Each project/watershed plan has stages – where people are at and system around that stage i.e. in restoration stage vs. education stage.
- I'm saying the ranking system is looking at everybody in the same way, but should look at the context in the life cycle of each council.
- Who is better able to know what an effective council is than those councils? Self-governed, standards and practices established within the group and then the funder

approve and make a decision. Everybody has the same interest – being effective, but how you measure is where there are tension/issues.

- Should move from 5 tiers to 3 tiers. Get a warning and have to go through a process to prove that you're going to improve. If not, out for one cycle – then show you that you have reformed and you'll get funding again.

Thoughts about a concept of a guaranteed pool of money matched with special initiative funding and a toolbox of shared services, e.g. auditing or other technical needs?

- I see funding pool being split evenly as being less flexible, who knows what guaranteed amount is and then having to apply for special funding that you need. Does that include all council support funding that is there now for the guarantee pot or is it divided up for both pools guaranteed and special funding initiatives.
- Concept overall has merit, things to consider – additional time taken in applying for additional add-ons to bring council support to what it may have been; overhead funding to being limited to 10%, with that we're also putting a lot of funding on the ground which is our focus, functioning at bare bones as is – hard to give answer.
- What if renewal language and what OWEB funding might look like in a year from now – one is grant side, one is the non-grant side and the other is the box of services that OWEB is already trying to do. Council capacity – non-grant, other funding grant based. On grant side provide a percentage of those grants. Implementation costs on the grant side. Tool box – services provided around capacity issues that are central to everybody that OWEB is already trying to provide.
- What we are trying to do is invest in the watershed and have it spin off into restoration, grant writing, etc. See this model as fragmentation – if you start fragmenting council support you start fragmenting coordinator. At some level you can't keep patching it together.
- Do a survey of watersheds to ask this question – how many hours a month, year do you spend doing community outreach or various agency meetings. Successful watershed list – most of the list is community involvement – you're the person who goes to all these meetings, you're the local expert – you're the go-to group. Diverse involvement – more to some of this that we may think.

What are the two or three highest priorities for improving council support funding?

- Every council is unique; we've tried for many, many years to have a good ranking process. We wouldn't be having these meetings if we've achieved this. More even distribution – stable hub of funding as small as it may be and then if you can find the partnerships to leverage on that. Efforts at defining performance base have improved but are still questionable. Not fair to rank reforming group against established large group, 15 year projects against two year projects. Simplify – stable hub of funding – moving towards a more equal and even distribution in terms of council support. May also require additional conversation – if all get same amount etc. (Group agreed).
- Good if solutions were found from these conversations and moved on rather than having to have the conversation again.
- Don't under-fund council support.
- Simplification of application for council support, time could be spent better doing other things.

- Recognize that we are unique, just maintaining the funding seems to be the most important thing, understand that responsibility lies in a number of places. Let's not complicate the application any more or radically change it.
- Surprised by documentation requirements – seem to be getting worse instead of improving. Not sure why that is, we do it and live with it. Know other government agencies operate without such restrictions.
- Taking into account differences among watershed councils, finding a way to grade them based on differences, not necessarily basing the merit on number of projects but quality. Streamline process of application and reporting. Making reports as easy as possible.
- Streamlining application and reporting aspect.
- Like to see us not subsidize project work with capital funding and vice versa.
- No new councils and no splintering unless the overall funding pie increases.
- Go-team attitude instead of parent-child relationship with OWEB board. Integrating councils fully within landscape of Oregon Plan institutions – encouraging partnerships instead of constantly writing another requirement.
- Supporting broader access to technical services on a more spontaneous level would support project development or consultant approval partners. Three-tiered concept (guaranteed pool, special initiative and tool box) does make sense to me and would be nice to have additional conversation but makes sense in terms of grant and funding process.
- Don't like splitting grant monies to multiple pools as it further fragments the available funding. Might work better – application in context of our own strategic plan and what we need in terms of council support. Measured against our own local needs and plans rather than cookie cutter approach to fit the diversity of the councils across the state.

OPEN CONVERSATION

(Watershed council representative comments/questions in italics; OWEB staff responses in regular text)

Since there is not going to be substantive changes in this upcoming process, what about splintering umbrellas?

There are two important questions for OWEB's June Board meeting – do we fund new councils and how do we deal with requests to split off from umbrellas and apply to OWEB for individual council support funding? You will know well in advance of the application deadline what the outcome of this is.

Could you comment on building partnerships? What are your ideas about incentivizing partnerships?

I agree that the fact that other agencies desire to have council input is a mark of success. You're not a flash in the pan – you're institutionalized in people's minds. It's a burden at the same time as you're being pulled in a lot of different directions. We struggle trying to measure your success knowing you're all unique and there are many ways to reflect your successes. Are there ways that OWEB can help reconnect partnerships – I don't know, I'd like to think that the carrot we have can create some opportunities – the challenge is, many of our agency partners at the

state or federal level have fewer resources than they did 10 years ago. That's going to be a constant challenge for us. It's harder to have partnerships when all of us are struggling with capacity. I'm open to ideas that you all have on how we can incent partnerships.

Personally and from an OWEB-centric standpoint, OWEB cannot replace relationships and partnerships that you build locally. One area that OWEB could be of service would be to work on our own partnerships that would benefit all of you – OWEB could build stronger relationships with other funders to encourage them to direct funding towards the projects that you all are doing. No one funds capacity. The opportunity for OWEB would be to encourage funders to fund capacity and help them understanding the value of that investment.

Is there way to be creative with how you fund technical and monitoring applications? Do you have to fund with non-capital dollars?

Technical assistance and monitoring applications have to be funded with non-capital dollars unless they are directly tied to an OWEB-funded, on-the-ground restoration or acquisition project that has been implemented. We look for capital opportunities as much as we can.

LISTENING SESSION #5

Date: March 2, 2010

Location: Redmond, Oregon

Attendees: Representatives of 6 watershed council representatives, Network of Oregon Watershed Councils, OWEB board members and staff

Lauri Aunan, Grants Program Manager, provided opening comments similar to those reported above for the Hillsboro session.

What defines a successful Watershed Council?

- It's subjective – its county dependent, depends on your county and your clientele.
- Communication and trust in your community, relationships with the community, projects on the ground, partnerships.
- Implementing high quality on-the-ground projects – defines success with our council.
- Outreach and education throughout the community about what we're doing.
- If people know about the WC and know we're there and what we're doing.
- Depends on the life cycle of the watershed – one council just gaining landowner trust, another has it already, another working with the high school for education / outreach.
- Meeting goals.
- Success is not about having a great many projects at one time but projects we have are successful. Our board is struggling with our identity – high turnover recently.
- Success is a layered deal. People know who you are. Good landowner relationship, successful projects.

What would be the consequences if OWEB funding disappeared?

- Some of the more people dense and larger councils have higher capacity and could potentially survive. Our smaller councils rely on OWEB to keep us afloat.

- Unanimous among the group that it would be difficult to survive.

What is an adequate level of OWEB funding?

- We job share and we're both only being paid for about 20 hours per week when we're working more like 30. We get a lot done, but there is just not the dollars to stretch it.
- Council support award does not fully fund a full time position.
- Pretty well funded with OWEB funds, don't have a lot of other funds, but have a lot of in-kind support i.e. county providing office and local phone, OSU covers internet service, does not have benefits.
- we work closely with NRCS to support each other.
- Council support funds my position, we don't have a lot of partners in the county. We have the wind towers and our county has benefited tremendously. Rely a lot on OWEB, they provided us with over 60% of our funding for projects in the last year.

Are we accomplishing what we need to with the available funding?

- We could accomplish much more with more staff.
- More interesting to measure success from the bottom up. The purpose of OWEB simply is to implement the Oregon Plan. If we had it our way we would increase the WC support.
- Council support – we all look at our projects as success in what we can complete. There are not other places that we can get council support – you need staff to complete the projects. We can get support for projects from other sources / partnerships.
- Less than ½ project funding comes from OWEB, but most if not all of our council support funding comes from OWEB.

Given limited funding, should funding of new councils be limited?

- Who decides that – WC gets to decide who and what it is.
- We are all very individual. We have to take that into consideration.
- Councils in the valley that are small land wise, but it works for them. It would not work for us. We can't say you need larger or smaller areas to each other. We shouldn't look at the number of councils – take into account the area that they cover and make sure they are getting projects accomplished.
- Pie keeps getting cut smaller and smaller with every new council created – less funding for the ones that are already around. Shouldn't dictate who can start a council but at some point need to put a limit on how many they support. I personally have a hard time cutting that piece of pie smaller and smaller. Not discouraging new ones from forming but put a cap on the number that OWEB will fund.
- You can't say "no, you can't become a council," but at a point what are you going to improve by becoming a council – maybe you could combine with another.

How is the merit-based system for council support funding working?

- Stressful having to define your success as a council and to justify every two years that you deserve to have capacity funding, but would not be fair for funding to automatically be dolled out evenly.
- Need to better articulate what we have done or what we feel were our successes.
- Various levels of funding make sense.

- Incentive based – we are all different how to you measure success between completely different councils?
- How does OWEB evaluate this when each of us is unique different (council capacity) seems a bit unfair, should be more of a local decisions. Local board knows if you're meeting the capacity needs of your local area.
- We were pretty frustrated that we ranked in the same category as two years ago when there was probably 100Xs more work done. Disheartening. Spent all this time on the grant and had the same level of funding. From my point of view it would be great to split the council support 60 even ways, but that's not fair to those councils doing a lot more work and covering more area.
- Two ways in which current system could be improved: 1) continuously giving lower funds to lower councils does not help them improve; 2) penalizes councils who have defined their niche as not necessarily an on the ground project council but spend their energies elsewhere – i.e. outreach, education.

With lower-performing councils, what should be the criteria for receiving continued funding?

- You need to figure out why not improving – if it's because of funding then it's not fair to penalize them because they are trying.
- Sometimes it takes time to build trust and get projects going on the ground with private landowners.
- Council and district goals – we're getting a lot done and we have a lot of landowner involvement but we didn't rank very well in the application process. Every area is unique. Maybe more travel done by OWEB to see what councils are doing, give reasons why they are doing the projects they are doing. More OWEB involvement in understanding the bigger picture – see firsthand – can only read so many reports and applications.

Thoughts about the effectiveness of umbrella councils?

- Ours is working really well, covers 5 watersheds. We more efficiently get more work done.
- Has encouraged more of a board formation, board members are now stepping up to the plate.
- We weren't funded as an umbrella council – we have 4 watersheds under our umbrella. We didn't get funding because the 4 councils that we umbrella over were/are not necessarily active even though we have board members from each of the 4 councils. Would be a mess if we didn't combine as an umbrella. Told to do it and then didn't get worked well for us.
- If we wanted to split off it would be fine but funding separately would be hard to get. We are such a small area that I don't think they would want to – wouldn't have the community support.

What kind of incentives can OWEB offer to encourage partnering?

- Our partners look at OWEB as a good thing and if we are involved with OWEB that alone is enough to get support.

- Would be great if somebody could provide a middle level of planning for groups if they want to partner, how to best use resources to gain partnerships. Not sure if this is OWEB's role.
- So many partners that we don't have a clue about. Network does a great job helping us find partners. Very important – most of the funding requires some kind of match. Don't think you can have too many.
- Very important, I have been one of the lucky people as there were a lot of partnerships established before I came on so it is just been maintaining. But we could be shown other sources that would be great.
- Hard to sift through looking for specifically funders who have an interest in watershed issues and would be willing to fund in this region. Each funder has specific area of interest and location.

Thoughts about a concept of a guaranteed pool of money matched with special initiative funding and a toolbox of shared services, e.g. auditing or other technical needs?

- Great idea – would have to be regional and would still need local technical assistance team. Have local team but this toolbox would be great on regional level.
- Definitely something to think about, would improve the process to implement at least some of this. A lot for the Board to think about.
- Has some potential – like the base funding. Toolbox is great – not sure how to decide who gets the last engineer. Umbrella services – trying to pick health insurance right now, if we had a good plan at cheaper rate that would be very helpful.
- Could make a more solid foundation for all of us, give us some stability. Weak areas with the toolbox could be very beneficial.
- A lot to look at there but sounds like a good direction to look in.
- If there was an economical way to provide health benefits that would be great.
- I like all of this but I do have questions about the toolbox approach. How divvied up and where funds come from – from pool that we're already using for education etc? Don't want it to pull from my funds to be divvied up between the State.

How are the grant application and review processes working?

- It gets easier every year.
- It is long and it takes a lot of time to compile. But we do use that document a lot. A good way to see what you have accomplished as you're always moving forward so fast that you don't always see what's your completed.
- Each council is unique, we were in a unique position tied with SWCD, considered partnership but was considered as a ding against us. We could split from them but it just doesn't make sense as have all these resources because of this partnership. Application gives you space to explain those things, not sure if I'm just not explaining it well or if we were perceived as too close to the SWCD. Only 1400 people in Wheeler County, we have people that serve on the two boards. They are my fiscal agent – I pay them 10% so that leaves that much more for us to do projects.
- There are some projects that one could not get done without the other. Dinged due to this partnership.
- I do not know if they understand the significance of partnerships that we have with the SWCD. WC also does a lot for the SWCD. Application makes it look like we don't need OWEB support because we could just get it from the SWCD.

- While it's valuable for us to measure our success with the application process, it's hard to put this into someone else's hand to determine the success of our watershed.
- Comments received from review team are very valuable to us as a council.
- It's easy to get tunnel vision so comments are valuable – make us open our eyes, think outside the box.
- Some reviewers' comments can be a little frustrating. I have certain practices that my council is comfortable with and some of the comments come back why aren't you doing this or that, but the council is satisfied so there is a struggle. Do we do more to rank better or stay were council is satisfied?
- It's a long application, takes a long time for those of us that are just one person. Don't want to see it completely change. That would be way worse. Some of the important things – for councils that have been there time after time, it seems redundant to always ask certain questions. Maybe better to ask if your board composition changed – rather than having to explain everything over and over like you're a new council. Eliminate some of the redundancy.
- Several grant cycles ago, review team had the opportunity to ask questions as they were ranking before it went to the board. Coordinators had the opportunity to respond to questions before review finalized.
- We may not love it but don't change it.
- Frustrates me – go through application, lot of time writing it, biggest frustration for two times now is that I spend about a month writing this application for council support but then I spend 2 months writing the final report. Takes time away from other things that I'm supposed to be doing. Streamline this process.

What are the two or three highest priorities for improving council support funding?

- Guaranteed funding base.
- Don't give up and don't give in. Don't give up on us and don't give in on helping us to improve.
- Outreach funds included with council support rather than included in a competitive process. Councils would be more effective in doing outreach if this was the case.
- Look at what it is that supports the council – obviously salary, but trainings to educate staff etc. Council support does not just mean coordinator salary – but keeping staff, making them better and creating awareness of council.

OPEN CONVERSATION

(watershed council representative comments/questions in italics; OWEB staff responses in regular text)

Why is there not the same level of review for SWCDs?

Years ago, the legislature actually put in a budget note that you had to provide a merit based council support system. Then OWEB adopted administrative rules for a merit-based council support system. There is no longer a legislative requirement, OWEB could change its rules. The SWCDs have a different system – the Oregon Department of Agriculture requires submittal of a work plan and quarterly reports. If the quarterly report doesn't show progress or success then they don't get their money. Council support grants require a report once a biennium and they have to submit a work plan.

Regarding your council support application and concerns about how you were evaluated by reviewers – communication is critical. OWEB has a team of reviewers from around the state, they are familiar with councils and many are return reviewers. In our application and training of reviewers, we tell reviewers to look at councils in the context of their local circumstances rather than compare them with each other. We do need to try hard to accurately capture the reviewers' evaluation so it is most useful to councils. We applaud the fact that you work with the SWCD so that we know our dollars are getting stretched as much as they can. You're not dinged because of this.

Do the reviewers have the opportunity to ask the councils questions before they submit their final review to the board?

No, not in this last round. We tried it out 4 years ago. It's a valid question – something we need to look at. There were mixed reviews of this approach, and it adds time to the review process.

How was the State of Oregon divided into the regions? We don't have issues similar with the basin that we are thrown into.

Historically we had 5 regions and then parts of regions 4 and 5 got put into region 6 to address workload issues. We needed to be more equitable in terms of travel time and number of projects. The original 5 regions were based on staffing from the Oregon Watershed Health days.

When you receive grant applications – do you look at it regionally and divide up appropriately or is it always the same for each region?

Project applications in each region are reviewed and ranked. Then we look at the available funding that we have and look at the projects and the rank that they were recommended to determine how many get funded. It is important to fund everywhere around the state – we try to stay within the ballpark but funding is not exactly the same for each region. When you get to the projects at the bottom line of how much funding is available, we look at how urgent the project is, i.e. will other match funds go away, is this a now or never project?.

LISTENING SESSION #6

Date: March 4, 2010

Location: LaGrande, Oregon; Union County Extension Services

Attendees: Representatives of 6 watershed council representatives, Network of Oregon Watershed Councils, OWEB board members and staff

Tom Byler, OWEB Director, provided opening comments similar to those reported above for the Hillsboro session.

What does it take for you to be successful? How do you know if you're successful?

- Accomplishing the goals that you set. Setting goals according to the priorities of the watershed. Having something that can be seen and measured.
- Seeing an ecological change / benefit on the ground.

- When people are coming to you with projects and wanting to get projects done.
- People know who you are – feeling connected to the community.
- Depends on your environment – success appears differently in different areas.
- Even with a diverse board being able to move forward on a project – coming to agreement.
- Finding a ranking of projects – types of projects.
- Types of partnerships that you have – public and private entities.
- OWEB funding is essential to success.

How can OWEB help you be a successful watershed council?

- Of course funding – we’re spending a lot of time looking for funding when that time could be better spent elsewhere.
- More staff.
- Full funding for the one position there is – do not need more staff.
- General money in budget – general education budget.
- Would like to see more technical workshops. Does not have to be OWEB workshops but they could let us know of workshops going on around the state. You can always learn more. Three engineers gave three options for the same project with no similarities – with technical knowledge you would be able to know which direction to go.
- Money split up in such a way that non-capital things i.e. education in the schools would have some sort of guaranteed funding.
- Outreach funds should be included in council support – part of criteria to be evaluated in the council support but have to get funding elsewhere.
- You cannot effectively run an office without at least two staff – an office person and a field person.
- Streamlined administrative and reporting stuff to be able to spend more time working with community and doing projects. Reduction in time spent on these activities. Electronic setup for doing grant proposals – could create some efficiency for us and OWEB staff as well.

Are there specific services that OWEB could provide that would improve your efficiency, e.g. shared services?

- Add an attorney to the list of shared services.
- Health insurance – if we could have a group health insurance that would be great.
- Vehicles / transportation. As a 501c3, you cannot lease from the state motor pool.
- Auditor.
- Besides fiscal office stuff, we could really use technical consultants i.e. engineers, hydrologists, wetland specialists, mitigation specialists.
- State has mitigation funds for highways, help tuning into that would be beneficial. Technical assistance.
- For several years, NRCS engineers have done our technical stuff – having more and more problems with them not wanting to deal with it. If you need to have something engineered we are extremely hard pressed to get engineering done – have three or four projects that we are unable to complete because they do not have an engineer and cannot afford to hire an engineering consultant.
- OWEB has created interesting dynamic – sense of empowerment granted to locals to do projects / activities in their local watershed. Whole new culture of regulation –

- oversight vs. interference. For people like us whose objective is to go out and restore habitat for listed species, it has become more complex for us to do restoration than for a big box store to come in and get permits. Governor's office is not getting it – salmon/steelhead areas being hamstrung by one agency. OWEB needs to step up to the plate here more. Need to make the case for us regarding restoration projects – there is a difference between development and restoration. Seems to be a more difficult road for restoration. OWEB should play a role in permit streamlining and running interference.
- Delays that we struggle with in getting project through permitting. So few staff to review these permits. Restoration projects are increasing their workload. Creates issues with funding. Statewide exclusions for certain types of activities. Would reduce burden to us for getting through the process and the burden for the permitter as well.

What level of council support funding is needed to sustain your business?

- Why do some get more funding than others? At what point do you get to move up to more staff.
- Confusing as to why certain councils get so much more than another. Three different umbrella councils here in the room today and we all get different funding.
- With a half-time employee how can you expect to move up in the merit level. Hard to build sustainability in this process.
- There should be a guaranteed base of funding. Having an employee with lack of funding – you're never going to get anywhere.
- As long as the level is not the same for everybody. You can't give same funding to a 2000-acre watershed council as you would to a 1 million acre watershed council.
- Speaking to the merit part of it – why do we have to compete with each other.
- At least enough funding to cover a full time employee and office costs – paper, ink, replacement printer etc.

Should OWEB board limit the number of councils given the limited available funding? Is there some point at which you cap the number of councils?

- Are the councils producing and doing what they were asked to do. If they are, then no you don't eliminate them. But don't penalize those councils that have their hands tied due to lack of funding – could do more if they were even partially more funded.
- Maybe set up councils regionally – for the smaller watersheds.
- Maybe cap the amount that each council could get.
- Political fallout if a WC forms and then OWEB won't fund new councils.
- It's the Oregon Watershed Enhancement Board – not the mostly OWEB. If there is a watershed that wants to form then you have to let them do that.
- Smaller watersheds that want to form should be encouraged to join in with other watersheds.

What can OWEB do to encourage partnerships?

- Not sure it needs to be encouraged – I'm pretty sure we are all doing it. We're forced into partnering.
- With the ESA recovery plans out there, someone is reminding the state agencies to contact the WCs. It seems like they are making these connections.
- There is a section in the application about this and we get points for it.

- Writing the OWEB grant really helps us design a project. By the time I have the grant figured out I can approach other people more professionally. Empowers me to go out and find more matching funding. Found this tremendously helpful. Also – if funded by OWEB you have more credibility.

Thoughts about having 1) guaranteed base of council support funding concept 2) competitive pool of funding – special initiative i.e. education, special projects etc. 3) toolbox of technical services – a pool of services that you could request. 4) pooled services i.e. group insurance?

- Looks reasonable. Pooled services – Network is looking into this.
- Like the toolbox of technical services, but they have to be dispersed throughout the State.
- Toolbox of technical services – few opportunities for those who are out here to get that type of work. If you have a statewide pool, then you'll be able to hire competent people from outside the region putting local folks out of work who have a lot of clout. Must be done in a way to not be alienating local people who have been the depended upon.
- We wouldn't be interested in the toolbox, but we would be interested in the pooled services – i.e. group insurance. Guaranteed base level of funding for councils with some kind of incentive package – I could see a lot of merit to it.
- Guaranteed base is important – knowing that you would at least have it and then apply for more. Toolbox and pooled services would be really beneficial as well.
- This could create spreading the money too thin so that you're back in the same boat that you were before.

Thoughts about an RFP process where funding is targeted to respond to restoration priorities?

- Interesting idea but takes some of the local control away, which is at the heart of what we do.
- Priorities differ. OWEB's priorities could vary from WCs and the landowners.
- How would you establish the selection criteria? Based on recovery planning? Would be a challenge. Some people up high think that once we have a list of priorities you should just work from the top down. We'd like to do this, but really challenging with landowners to do so.
- Recovery planning and competitive RFPs – Mid Columbia Recovery Planning – hiring an implementation coordinator to help. OWEB process already serves this role; I wish ODFW would instead hire a state fish biologist as that position hasn't been filled.
- It will prioritize the money in areas where you can't get work.
- My concern is that something like that would encourage or embed the practice of chasing funds rather than strategically developing project plans.
- Didn't OWEB do some sort of prioritization with each watershed. Basin restoration priorities. Priorities are not only based upon the watershed health but the landowners too.

Application process – how well is it working?

- When it's application time, my coordinator doesn't have time to do anything else. There is no way that we can make any request of the coordinator.
- Feedback doesn't help me that much. Reviews are fairly subjective. If they were more objective I could learn what it is that I'm being graded on and how.
- Felt comments were very helpful, but it goes in cycles.

- Seems like there is a lot of emphasis right now that you have continually updated strategic plans. But if I have a landowner that comes forward after years and is ready to do the restoration project then that becomes my priority.
- Less repetition now than has been in the past. Maybe yes/no questions or multiple choice would help streamline.
- Do wonder about multi-year projects and if you're getting credit on the application.
- Strategic planning is way over-rated in this application process. Opportunity is more valuable than strategy.
- We got penalized for lack of daily supervision by our board members – they hired me to run, staff and program and do not want to do hand holding. Nobody that sits on an evaluation committee can make that determination that the board is not providing proper supervision and oversight.
- Struggle with the budget, reflecting council support of OWEB. A lot of other projects that contribute to salary costs and overhead.
- Overly subjective – few cycles ago, two watersheds were in similar situation we wrote basically the same applications and got two completely different results.
- Reviewers should be on a regional level so they have some familiarity.
- I thought it was great. Good comments, something to work towards and set goals around and be able to achieve.
- How reviewers arrived at the final result is not transparent.
- There is a perception out there from our board members and people that we work with that more emphasis is put on the western side of the state and more emphasis deal with fish issues. See everything leaning the other direction and us kind of like the step child. Council support reflects this. If we did something on a regional standpoint – i.e. regional review team, they would understand what we have to deal with – our issues are totally different than the western side of the state.
- Had opportunity to interact with the review team before. Was valuable. It wasn't enough to give somebody a clear picture of what was going on if they didn't have that already.
- Don't change the grant application much. Give us a couple shots with this one.

What are the two or three highest priorities in terms of improvements of the funding program?

- Essentially keep all bureaucratic processes as short and easy as possible.
- Fund at least one staff person full time.
- What would be in the guaranteed base? (Would like general funds for outreach, education; coordinator salary.) Would it have the same basic categories that you have now in the council support? If you're going to eliminate some of that then don't touch it – we can't do with less than what is there now. Don't reduce what's currently funded now.
- Fiscal manager stated that a 30-40 day wait on payment is tough to handle. Doesn't like 10% withholding but I understand why it has to be there.
- Council member is concerned about matching requirement on restoration projects – portion of match qualification prior to grant should be.

OPEN CONVERSATION

(Watershed council representative comments/questions in italics; OWEB staff responses in regular text)

Could you look at previous applications/reviews when reviewing the current application? I know it's our job to include in the application but would make it easier for review team to judge against the individual council rather than against each other.

OWEB funds the CREP technicians but gave funding to ODA. Why?

OWEB is in partnership with the Oregon Department of Agriculture (ODA) for the Conservation Reserve Enhancement Program (CREP) because of the strong ties ODA has with SWCDs and NRCS. Most of the CREP money is federal. OWEB has been approached by the Oregon Association of Conservation Districts and districts to help support technical assistance for CREP that is important to successful projects.

When OWEB receives/approves an application, before you write the agreement are you able to define where the money comes from? Are you able to sway it? Have a water quality project funded by DEQ and OWEB. Got in trouble by DEQ because we found out that OWEB funding had federal funds in it and DEQ couldn't consider it match funds.

Capital will always be state money, non-capital will be both state and federal. Restoration and acquisition projects are funded with capital money, always the bigger pot. Monitoring, assessment, outreach, education, technical assistance are funded with non-capital funds – a more limited pot of funding than capital, and most of the non-capital funding is federal, not state.

Acquisition is considered capital because it's stipulated so in the constitution.

OWEB and WCs have had effective symbiotic relationship for quite a while now – new player that will be valuable to both and that's the Network. Nobody else will make the commitment to serve on the board in our area so I have since it started. Capacity that the Network has been able to help develop within individual councils. To the degree that OWEB can be supportive of the Network it will be beneficial to all of us. Appreciate the cooperation that we have seen with staff and OWEB board.

The Network has been hugely valuable – without the Network councils would be looking at \$4 million, and now we're looking at \$5 million for watershed council support. The Network also helps councils collectively help each other. Love the model that councils provide in the community.

Mitigation – is there any way we could pressure some of these agencies to keep funding in the county where the work/project is being done? Even in the same state would be nice.

This is a huge issue right now. I can understand the perspective of keeping the funds where the development is occurring. Also if you're eliminating 20 acres of wetlands and there is no place to do restoration / mitigation in that region, then you should be able to move that mitigation elsewhere.

Wind Turbines and other development, I have projects that we could use those mitigation funds. Who do I talk to?

You need to talk with the individual agencies involved with the mitigation.

State and federal agencies need to understand how they can actually be partners. Some sort of programmatic delivery could be meaningful.

Need strong encouragement. While we don't have same communication and infrastructure as we did 7 – 8 years ago, it's impressive that the Oregon Plan has persevered.

OWEB Board member, Eric Quaempts, provided closing remarks. He has been impressed with efforts of staff. What he heard today about success is:

- Environmental change – only a few comments on this more on operational successes.
- Operational success – diversity, quality of participants etc. Important to have equitable administrative support across the councils i.e. health, 401k, issues surrounding IT, admin services.
- Improve consistency and clarity of review criteria and how reviewed.
- Mitigation criteria – how mitigation is being credited – you could have a role in this. Be careful that it doesn't take you away from your work functions.

APPENDIX E. COMPILATION OF SURVEY RESPONSES

In addition to comments received during the six Listening Sessions, Watershed Council representatives were given the opportunity to complete an online survey by March 12, 2010. Eighteen (18) online surveys were completed.

1. What does it mean to be a successful watershed council?

- A successful watershed council is one that makes substantial progress on achieving its mission. That mission may include goals for fish and wildlife habitat or water quality improvements, for public education, or for community involvement. It may include all of these.
- It means having habitat remediation projects underway at all times, at various locations in the watershed.
- A successful watershed council is one that finds a relevant space in their watershed. The community of stakeholders are able to define a vision for their watershed community and resources in a manner that speaks to, connects with and motivates landowners to action and participation in the Oregon Plan. The Council can create objectives and goals around the limiting factors that prevent the tipping point at which watershed health starts to improve that can be monitored for progress and feedback can be used to adjust their strategy to meet changing conditions and landscapes.
- A successful WSC is one that works with a diverse group of stakeholders to establish a clear mission, set goals and objectives, and then implement projects and programs to meet these. As part of this, a successful WSC must measure its progress toward these goals and objectives.
- That needs to be defined by each council. It is like defining personal success. What is "successful" for one person is not for another. Success generally could be defined as meeting goals and objectives related to the council's mission.
- To be respectful for the needs of ALL peoples: Industrial, agriculture, commercial, residential segments in fulfilling the 'Watershed Mission Statement.
- Community awareness and support of watershed issues; strong educational presence in local schools; active and meaningful projects; anticipation and preparedness for upcoming political, social, and environmental issues and their consequences to the watershed
- To bring various, diverse parts of the community together to create positive results for the watershed
- Create better informed citizens and complete on the ground projects that promote the survival of all species.
- To be a self perpetuating group- have financial footing, active membership, presence in the community and providing successful and effective restoration projects
- A council must maintain the ability to do assessments, restoration and protection of their watersheds while engaging stakeholders, the general public and related agencies
- Result in actual change to environmental functions
- To enhance and facilitate watershed residents' desire to restore watershed function, through education, outreach and site-specific restoration projects.
- It means to actively engage your community and people of the watershed in activities that benefit watershed health.

- It means something entirely different according to the geographical and demographic conditions under which the WC is trying to conduct a successful program.
- A successful watershed council engages with the people in its area to promote watershed health in a cost-effective manner. This can be through education or on-the-ground restoration/enhancement projects.
- Successful councils are able to identify and implement projects that are meaningful in their community and improve the health of the watershed (and whatever critical resources are identified). This will be different depending on the nature of the need in the watershed. Some councils provide a project focus and some councils provide an education focus. Councils still need to bring together stakeholder, but this can be done in a lot of creative ways other than just having folks attend meetings.

a. What does it take financially to be successful?

- To be financially successful, a council must undertake projects and/or activities that advance its mission while maintaining its budget.
- A coordinator and a board member or two who are great grant writers, and who know people at federal agencies.
- If funding is tight, flexibility in applying the funding to the needs that are barriers to restoration happening.
- Two things: 1) Fiscal management and governance that meets Generally Accepted Accounting Practices (GAAP). This ensures credibility and accountability. 2) Stable, long-term funding that allows the WSC to function effectively.
- Depends on the definition of success. Some things cost more (dam removal) some things cost less (networking). Generally I would say a council needs to be able to pay a comparable wage to keep staff competent and retained. Competent staff are critical to meet council criteria for "successful".
- To plan the each 'Budget' year with a road map/program plan representing sound financial practice and be ethically accountable to adhere to accomplishing goals/objectives.
- Support for projects, especially in the assessment and design phases support for the coordinator, to leave more time for planning, coordination, and seeking additional grant funding a history of successful community involvement and significant project completion
- Enough money to pay a coordinator to help develop projects and seek support through grants and community support to complete beneficial projects.
- A mix of funding sources is important. OWEB council support is at the base. Without good general support we cannot write the grants to accomplish on the ground projects and do the outreach and education that help people do the right thing.
- Not sure since were not there yet!!! It would be good to have some more direction as to how to become financially secure and what sort of insurance you need and all those 'boring' but important details
- Councils must have sufficient funding for a coordinator or staff person that is attractive for recruitment and retention. Councils must also have the capacity to write successful grants and manage projects on a budget.
- Enough money to fund a coordinator full time.
- Financially, it is important to have sufficient funds not only for specific projects, but to conduct all of the pre-project planning and conduct partner and landowner meetings as

projects and restoration policy are being developed. It is also important to have sufficient funds to cover true overhead costs -- occupancy, furnishings, supplies, equipment, insurance, etc. Council support funds are vital to cover flexible staff time, and can also be applied to some of the minimal core overhead costs. Ideally, any successful Council has a diversity of funding sources. In order to accomplish that goal, it takes a higher level of audit and better communications materials, both of which have associated costs which are difficult to cover with OWEB funds.

- Funding for staff and projects
- Minimal funds to support the personnel and office expenses are essential. Funding for specific projects can be from OWEB or other funding sources.
- It takes a variety of different funding sources that allow you to cover organizational costs, staff costs, and project costs. It is also important to have a cash reserve to accommodate the wait time that often comes with grant reimbursement requests. Success is also indicated by having a sufficient number of staff (or shared staff with other organizations) to get the work done without leading to staff burnout. Some councils can handle having one staff, but two or three helps to distribute the work load so that one person does not have to be all things for all people.

b. What do you need/desire from OWEB to help you be a success?

- A steady level of funding! (Good luck with that one in our state)! Cogent rules on substance abuse, sexual harassment, and the other logistics, so that there is not duplication with every single watershed organization. Help becoming a 501c3.
- It would be ideal to have a relationship with OWEB that is more partnership like in this endeavor to make the Oregon Plan and watershed restoration happen on the ground. The relationship still feels parent/child at times (especially on the fiscal side) and it undermines a great opportunity for collaboration. It would be nice for OWEB to understand that Councils are just as or more under-staffed than OWEB. I recognize they are trying their best to run a complicated and large grant program on limited resources, and would like a return understanding that we are juggling a large number of balls in the air while trying to implement various projects and programs that meet watershed health objectives (e.g. design, permits, landowner outreach, funding etc). Most Councils are not intentionally trying to get out of reporting on fiscal correctly or final reports. Most Councils have one FTE or less with a rather steep learning curve, and one person trying to get projects on the ground while also running an office. OWEB makes mistakes and so will Councils given this impossible amount of work for one staff. The point is Councils need OWEB and OWEB needs Councils to be able to report those great restoration results that provide the data to keep OWEB in existence. Some mutual understanding of challenges would be greatly appreciated. And if we move to a more collaborative partnership approach to our granting relationship, together Councils and OWEB are more likely to come up with solutions that make all our work easier.
- Three things: 1) Council Support funding that is efficient (i.e., not long, tedious, overbearing applications and processing) and predictable. 2) Grant programs that efficiently deliver funding to projects/programs with a minimal amount of unnecessary administration. 3) A philosophy that focuses on outcomes...not bureaucratic process.
- Continued full and vocal support of the diverse councils who work to make the Oregon Plan happen; reduce bureaucracy and administrative work that takes away from

"getting things done"; streamlining all OWEB processes and information (OGMS is a great step).

- To be respectful to the financial needs of the smaller WC's and assisting in fostering growth in working toward their growth objectives.
- Financial support; fewer bureaucratic requirements to free up time for meaningful work, for example frequent and redundant financial reporting; increasingly complex grant applications and reporting ; and excessive requirements (reporting and otherwise) for council members.
- A fair playing field for support grants. The entire process is so opaque and constantly changing that I have no trust that OWEB is fair to all participants.
- Money, seminars, help with networking and information sharing to understand what works and doesn't work.
- It seems like some of the building processes should be established already from other councils that have already gone through new stage- I know OWEB tries to make it a community based organization but it seems like there could be some more structure on the building of a watershed council...
- I would ideally like to see enhanced and stable funding for council staff and projects
- Continuation of council support funding.
- Flexible funding streams that acknowledge the scope and pace of the community process required to do meaningful education, outreach and restoration work. Ready access to content and process information, in reports, website and workshops. Core funding to sustain the minimal staff and capacity presence to get a functional Council up and running -- ideally enough for one full-time position, at a minimum.
- OWEB needs to better understand the differences between each and every watershed/watershed council throughout the state.
- State perspective on watershed planning and action, i.e. an integrated approach.
- All we need from OWEB is some level of council support funding. Project funding is great but there are other sources for that.
- Reliable, reasonably predictable funding would be a big help. It would be nice to be able to count on a certain level of funds and then be able to compete for additional funds. It would also be helpful to reduce the level of paperwork required for grant applications (although the council support app is much better than previous iterations) and financial reporting. There is a lot of money wasted on our end and on OWEB's end chasing down small receipts. It seems that the level of scrutiny increases on a regular basis. OWEB grants require much more administrative time than any of the other grants we manage (including several federal funding sources). It takes away from our ability to work with the community when we are spending significant numbers of hours trying to make sure we have our paperwork correct.

c. If OWEB funding disappeared tomorrow, what would be the consequences?

- All remediation work comes largely to a halt about 3 mos. after the last input of OWEB funding. (I.e., we have a small cushion, not a huge one). Education at local events could continue to take place with our stream and watershed simulators, though. Some volunteers might continue to meet and take on carcass seeding in local streams. Invasive weeds would mount a comeback; landowners would have to turn to other agencies to help with streambank stabilization. A couple of grants would be left uncompleted.

- Most Councils would probably dissolve and we, as a state, would not meet the vision described in the Oregon Plan. We would also see a major decrease in voluntary restoration efforts by landowners and would need to rely more heavily on regulation to protect our resources. However, I don't think you would see a trajectory to improving conditions as we do now but rather maintenance of the status quo if our regulatory agencies even have capacity to maintain it.
- Most WC's would disappear very quickly. My specific WSC would shrink by about 70% and struggle just to remain afloat.
- Probably 95% of councils (including ours) would be gone within one year, the rest would struggle on, a few would survive or change.
- The alternative would represent additional financial assistance through outside foundation grant sources. Also, the lack of OWEB funds would hopefully foster more WC local community financial assistance and 'In-Kind' support, e.g. volunteering through networking with local service groups- Rotary, Lions clubs, church groups, schools, individual families ,etc.
- Fewer projects, less outreach, decreased awareness of watershed issues
- Our watershed council would close and projects would cease to happen. The streams would deteriorate
- YIKES!!!!!! It would shut down. We have uncommitted emergency funds to operate for a month or so. Even if we could find volunteers to do some of the work, OWEB pays most of the phone bill, the copier lease, office space fees, the internet connection, etc. We simply would not have a place to live or the ability to communicate.
- Our council would probably fold-we are new (~3years receiving OWEB funds) and the difference between having funds from OWEB from before(we were a council for about 3 years before OWEB funds) is that we have progressed in 1 year what took us 2.5 years as an all volunteer council.
- We would immediately lose our staff and capacity to make significant assessments, protection and restoration efforts. We would also lack any capacity to consider land purchases, trades or significant projects. We would be entirely volunteer operated and be able to have a few meetings, plant a few trees, advocate for watershed health and pick up trash
- Coordinator position would be curtailed.
- Our capacity to help landowners understand watershed function in an experiential way, and to improve stewardship of lands and waters, would virtually disappear. If Council support were to be discontinued, we could still put the occasional project on the ground, but the probability of those projects adding up to any real ecological uplift would be very low, as they would be too few, too geographically dispersed, and not working synergistically in time.
- I believe watershed improvement projects would stop by at least 50%. Watershed Council staffing would decrease.
- Oregon Plan Gone
- It would be a problem but our watershed council has never been supported by OWEB and we have operated very successfully for over twelve years.
- Most councils would have to make some hard choices about the future of their existence. It becomes harder and harder to get dollars for basic operational support. We can not live on project dollars alone and it takes a lot of time to build up a donor base (which only works in areas with enough population). I would predict that at least 2/3 of

councils would cease to exist after a few years. Some of the higher profile groups would survive and others might be able to share resources or work with an SWCD with a tax base.

2. Are we accomplishing what we need to with the available funding?

- YES! Definitely YES.
- No. Now we have a funding program that rewards promises and 100% success rate (which is not possible). If we really want to understand our impact with this funding, we need a funding approach that allows space to learn and monitor. For example, instead of a council support grant application in which we submit a new accomplishments/work plan section each biennium that does not connect with the previous biennium to monitor whether promises are met; an application in which Councils define benchmarks to meet a certain objective and then a reporting space on progress would allow reviewers and OWEB to see if Councils really are moving down a path that makes sense. There could be room for Councils to adjust those benchmarks as new information is available about their watersheds. By building a work plan for a longer term with benchmarks we could be helping council build a strategy and make the council support process a tool. Benchmarks can be as simple as recruit the landowners in the next year and start plantings in year two. Or re-create by-laws to address internal problems. This set up might give councils a change to get credit for things that take a lot of work that currently is not given in the council support evaluation. On a more specific level, we need more capacity with technical assistance, education, and so one, which is critical for moving a project to completion (but I think this is well understood).
- Yes. In general, WC's and other recipients do a very good job of being strategic, focused and effective.
- OWEB needs to keep separate (in their minds and in their funding practices) the different scale of work done in the name of the OR Plan and recognize the importance of all scales and types of work/impact its money goes to create. Is multi million dam removal intrinsically worth more than outreach to 1000 residents? There is glory in the big money, large scale projects but the important work of reaching the minds or Oregonians is just as critical, if not glamorous.
- Depending on the individual WC goals/objectives (Projects) and priorities, the funding will vary. While the available funding provides necessary assistance, in some cases...the larger priority programs, requiring available funding, will fall short of fulfilling the total project goals.
- Yes
- I have no way of knowing other than in our watershed. I know we have more projects we could do, but lack time and resources.
- I think it works fairly well. I'd like to see some research funding on the local level but I can understand why that isn't a priority.
- I think so? Unknown.
- A qualified yes.
- I think we are doing a good job under current funding.
- I think that OWEB Council support as it is presently structured keeps some Councils limping along, and rewards those that are already thriving. I cannot speak to overall OWEB accomplishments, as I am too new to the system. I believe that the modus

operandi of our Council is accomplishing what we need to under the Oregon Plan in our watershed, but we still have insufficient funds for community and K-12 education.

- For the most part, yes.
- I think it is time for OWEB to answer this question and provide more information on what needs to be accomplished from a state perspective. OWEB needs staff that will be very knowledgeable within 3 basic regions: 1) Salmon - west; 2) Salmon - east; and 3) No salmon. There is really a dearth of knowledge concerning what OWEB is expecting to accomplish in each of the three categories of watershed basins.
- Full or nearly full council support funding for watersheds that do little in the way of projects and education is a waste of public resources. Council support funding levels should be based on the effectiveness of each council.
- We are accomplishing an amazing amount with limited resources, but it has a price. Coordinators and other council staff are generally significantly underpaid for their level of expertise. We do this job because we love the work (hopefully), but burnout is high. We are asking councils to take on more and more responsibility without providing the support (like technical assistance funds) to do the job. We are getting it done anyway, but it is a constant struggle. The available funds keep us going, but aren't really sufficient. The responsibility is on the larger state level to adequately support natural resource agencies and not just rely on volunteer led efforts supported by lottery dollars to restore salmon and watersheds.

a. Are we addressing the priority needs in watersheds?

- This is a tough question. It seems that different entities have different priorities. Someone comes out with one study that says "focus here" and we do it. ODFW comes out with another study and we focus there.
- I think we have a good idea of what the needs are and are trying. The challenge in meeting those needs is that there are so many hoops to jump from permits to grantors. From the on-the-ground perspective, the most challenging and disheartening aspect of the job is that we are just trying to do good work with volunteers on very limited resources. We spend so much energy trying to get landowners from skeptical to believers, accrue donated materials to help with costs, apply for grants, etc. and then permitting agencies and grantors make it hard to just get the work done. Of course we need protocols and reporting to make sure we present a logical use of funding, but again, we are partners in this and it sometimes feels it should not be so hard to just get the work done.
- Yes. In general, WC's and other recipients do a very good job of being strategic, focused and effective.
- Mostly. Councils tend to grab onto the low hanging fruit, regardless of whether it is high priority. Sometimes work that is high priority is important because it is obvious it needs to be done, but there are obstacles to doing the work. I am thinking especially of significant fish barriers in our watershed that have so many obstacles (e.g. multiple and/or non-cooperative landowner/agencies; requiring professionally designed instream engineering which really has unknown/unpredictable consequences downstream) involved in removing them, it is almost impossible to get the barrier out and the priority need met.
- In my 7 seven year WC experience, the majority needs are addressed. But as noted above, the shortfall in funding may prevent the selection of lesser priority projects.

- Yes, although more emphasis should be placed on assessments and design, which may not be 'shovel-ready', but better ensure a successful and long-lasting project.
- I have no idea from your process. We think we do OK as far as we go, but I'm not sure OWEB contributes much other than financial support, which is critical.
- Yes.
- Yes- our area had little to no information in a comprehensive format- our priority was a watershed assessment- without OWEB funds it would not have been possible.
- Yes and thank you.
- Yes.
- I cannot speak for any other watersheds, but I believe we are addressing most of our priorities here at home. We do not have sufficient funds to meet educational priorities or policy issues.
- In most watersheds, yes. However I feel that recently OWEB has turned more towards salmon and steelhead related projects and there are some watersheds whose priorities do not involve that need. If they want to be a "Watershed" funding source they need to look a little closer and be more open to addressing individual needs of all watersheds and not limit funding to "fish" projects.
- It would be very helpful to us if OWEB could finish defining the priority needs for every basin.
- Not always. Often watershed activities are based on available funding rather than priorities.
- Yes and no. Council have gotten a lot more sophisticated about developing priorities and implementing priority projects. There is likely room for improvement with some councils, but many have evolved. We have moved away from being able to provide the community organization piece because we are so busy trying to get good projects done. So it depends on how you define priority. Do you mean ecological priorities or community priorities, or both? We are not able to do a good job on both without burning out staff and volunteers.

b. How can OWEB funding be better focused to meet those needs?

- Identify our areas of highest priority for remediation.
- I think I would just reiterate the answer above about applications with benchmarks.
- With only a few very minor edits to the rules that govern "fiscal administration" OWEB could allow grant recipients to use the 10% "fiscal administration" funding for "general administration" just like most other local, state and federal funders do. This would not cost OWEB any more...but recipients could make better use of the admin funding if it were not limited to the very narrowly defined uses of "fiscal administration." This would significantly increase WSC capacity with no net impact to the OWEB budget.
- Many councils do not have the expertise (meaning money, experience, and viewpoint) to analyze their watersheds and prioritize where they need to work and do the engineering required to make fixes. Some of the stumbling blocks with addressing priority needs lie in areas like permitting (confusing, contradictory, expensive) which may be beyond the scope of OWEB having any impact on regarding funding, but OWEB could recognize the additional costs and challenges involved in improving the capacity of councils to deal with these complex projects.
- To understand the needs of the smaller WC's and assisting in providing state wide networking assistance, especially in adjacent watershed areas.

- Increase in TA funding.
- I cannot tell how it is focused now, with apparently changing criteria and an opaque process for making decisions which sometimes don't seem based on the stated criteria.
- I'm not sure.
- Unknown.
- I ask if OWEB can internally use their funds in a leveraged fashion with other government and private funds.
- Current system is very good.
- I do not think OWEB can meet all needs, across the full spectrum.
- Maybe group watersheds throughout the state that have similar needs. If watersheds that had similar needs could compete against other watersheds with those same needs then I think it would help make the funding process a little more fair.
- Base project and outreach funding on developed priorities. Fully fund updating assessments and Plans so the priorities reflect current circumstances. Provide council support funding based on council effectiveness.
- We don't have a way to pay for grant development other than with council support which means that we don't have as much time for community outreach unless we have a specific program with some funding attached. As grants become more challenging to write we have to spend a lot more time on them which means that we have even less time to involve the community. Our dedicated volunteers are also dropping out because they have put in a good number of years and are ready to do something else. New folks step up, but there is a limited pool of people in small communities. OWEB would help us by simplifying the grant process, and perhaps being able to direct funds to what a group really needs to function. It would be nice to actually have funds to re-visit our assessment and be able to get technical help for complex projects without having to go through multiple funding cycles to get the funds (or not have access to them at all). I know that the capital/ non capital restrictions are challenging. Perhaps the new ballot measure will open things up a bit (and hopefully not make it worse).

3. What should OWEB do to help build watershed council capacity?

- I don't see that as a job they can, or should do well. This is best done at the local level.
- I think the biggest capacity problem right now is the concern over liability for council members. It is costing OWEB more than they think. Not only are councils going out and buying individual general liability insurance (which typically comes from OWEB council support), but they are hiring engineers to design and oversee large wood placements and other projects that might not need an engineer. But by having one, there is some protection there. The cost of projects keeps getting higher as well. There is a statute that protects landowners doing restoration, but legal advice to councils has been that it doesn't clearly protect councils (until it is tested). It would be great to have something like this for councils, but they don't know how to make this happen on their own.
- Please see answer to Question #2b. In addition, OWEB should look at capacity from two sides: 1) funding, and 2) what WC's must do. If funding cannot be increased, then OWEB should look at how to decrease the level of administrative work necessary for WCs to administer OWEB grants. OWEB grants require more administrative work than grants from virtually every other funder, including DEQ, ODFW, USFS, USFWS, EPA, etc. A reduction in the administrative requirements would free up more capacity for WC's to focus on "real" deliverables in watershed restoration.

- Support the work of NOWC. Continue to make the importance of council capacity an element at OWEB Biennial Conference. Help councils from Salem and in the local watersheds by being a presence and representing OWEB and watershed councils as working as one body to achieve the OR Plan. OWEB as an agency has very little exposure to the public; most Oregonians do not know what OWEB is or what it does or what the connection between watershed councils and OWEB is. The understanding of these issues and connections will be even more important given the upcoming renewal measure on the ballot. The more the public understands these issues, the stronger councils can be within their own communities by gaining public support and involvement.
- I do not understand this question?
- Stop requiring regulated processes for councils such as self-evaluations, formalized work plans... our councils are volunteers and very impatient with this process. They would prefer to devise their own work and reporting processes to report success/progress to OWEB for accountability purposes.
- Provide consistent funding, with some certainty and fairness.
- Not sure.
- More guidelines or outlines as to how to go about to build watershed capacity-maybe it is available but I am not familiar with it-maybe that is the issue.
- Regular communication and local presence with the councils is always advised.
- Continue council support.
- Adequately fund the underfunded Councils for at least 2 years (one cycle). Defund if they cannot get on their feet in that time. Allocate Council support in block funds.
- What do they consider council capacity? Some watersheds have thousands of people living in that watershed while others have only hundreds at the most. They need cannot ask for the capacity to be the same in every watershed...it's just not feasible. Look at what projects are being done, how much on the ground work is completed every year, etc. Sometimes councils with fewer people get just as much or more work done than those with many members.
- Provide assessment and support funding. Provide on-site effectiveness training to coordinators. Reduce paperwork requirements. Much of the paperwork that is required of councils currently could be done by OWEB staff using already submitted information. Continue to develop interactive spreadsheets within applications.
- Provide us with flexible operational support that doesn't come with such a paperwork requirement. It would be nice to spend funds on what we need without having the document every penny. Some councils may need to put all their funds into the coordinators salary, some may need to be able to pay the rent and utilities. I think that councils are doing a lot to increase their own capacity. We are hindered by the paperwork burden. I'd also like to see a change in how councils are rated on merit. Giving more money to councils that are doing well means that they are more likely to continue to do well, while the struggling councils continue to struggle. If we even the playing field and then provide an opportunity for councils to apply for additional funds for what they really need then we might be able to really improve council capacity.

a. Should OWEB limit the number of councils that it funds to order to provide more adequate levels of funding to councils?

- Yes.

- Yes.
- Yes. The number should be capped where it currently is.
- Councils should be able to prove their capacity and potential before they are funded for the first time. It should not be easy to get funded for the first time. That challenge of "proving up" will self select those who won't be successful. Those existing councils who are struggling need to be mentored and given special help (which I believe OWEB is working on) to get them back on their feet to be productive.
- Yes...something to review and consider.
- That should definitely be considered.
- I don't know what the demands are funds.
- I'm not sure what the question is. OWEB should not fund a new council for the west fork of the north branch of upper fish creek and maybe should try to combine small councils if they exist in some areas, but limiting the number to 50 just means that next year to save money it will be 45.
- Interesting concept-although since our council is quite small and the nearest geographically councils are huge (and been in existence for 10+years) I think we would feel swallowed up by them if we were to join them. Would the bigger councils be sensitive to a smaller need-would our area be expected to participate in council that has different structures, bylaws, etc how would that morph into one being? Seems like you would spend quite a bit of time trying to figure out how to mesh together-which may or may not be a good experience.
- Only if the state's significant watersheds have a council operating.
- No, money should go to top rated applications.
- Yes, but only after giving all councils a chance to come up to par in this next round of funding.
- Maybe, but they need come up with a very fair way to do so. I think that if a council is not accomplishing any goals, then yes they should not receive funding. But there are also councils out there that have projects lined up and people willing to participate but are not receiving funding to do so.
- Definitely not. Our watershed council is effective primarily because the people of our community feel connected to it. Operating more regional council may save some money but will reduce OWEBs overall ability to accomplish its mission. Its mission is to promote watershed health, not operate as cheaply as possible.
- OWEB should set limits on funding new councils. They have to cover an area that is not currently represented and meet criteria for either population size or watershed size. They also have to demonstrate that there is a real gap in need in a area (no other group that could do the work- either council or SWCD).

b. What support is needed to make umbrella councils more effective?

- Limit their size to maximize funding at the local level. How do you feel about the Oregon Dept. of Education?
- Don't know much about how umbrella councils work.
- No answer to this question.
- Perhaps the question should be more focused on determining social, political, and geographic boundaries for effectiveness.
- I don't know how umbrella councils operate, since ours disbanded and with two councils sharing a coordinator, we do not meet the umbrella definition.

- I don't know anything about this.
- Unknown even what umbrella council is...
- Regular visits with the council boards would be helpful.
- NA.
- I do not have experience in this arena, but I believe it probably takes the right leadership in the umbrella position.
- OWEB has encouraged councils to make up an umbrella council but there are cases where councils do so and then OWEB does not fund them as an umbrella council. They need to make the guidelines very clear as to what an umbrella council entails and look at each umbrella council individually to decide if they are in fact an umbrella council.
- Not really familiar with their needs
- Umbrella councils either work or they don't. Umbrella council funding is not sufficient to keep groups from splitting.

c. Are there functions where contracted services or technical assistance would help build watershed council capacity?

- Yes. We lean on our engineers and riparian contractors often, when we need greater expertise than our coordinator can provide.
- Not if it means taking from the council support pot of money.
- No. In most cases, WC's have so few staff that the core staff need to be built/sustained before the use of outside contractors can really be useful. Contractors need to be managed by staff so the core staff needs to be strong first.
- Yes, in providing strategic planning, conflict resolution, policy and procedure development, fiscal management (setting up systems, auditing), marketing, and much more.
- Yes...this would depend on what the key priority programs would gain from the above assistance (contracted/technical services).
- Perhaps in researching and writing grants.
- Yes - to help determine project feasibility.
- Do you mean things like project design?
- yes- I was wondering if the smaller councils could 'piggy back' services such as insurance and paperwork needs to the larger councils that have capacity to do those things-such as paying the admin fees to council X for our paperwork, etc. One of our council's big issues is that we currently use the SWCD as our insurance 501 3c status, because we don't want to get into the issue of liability, employment rules as we are worried about legal stuff.
- We use both regularly now but typically for projects. Our council benefitted from contracting to create a strategic plan.
- Yes.
- Insurance pools, regional payroll services/contracts. I would not want to go too far afield, since our local business is part of what makes us a welcome part of the community.
- Yes. Most watershed councils do not have the internal capacity to design and follow through with all the projects needed in their area.
- It would be very helpful to have engineering help to develop project designs and budgets. We often have to ask folks to do work pro bono to do this for grant

development. It might also be helpful to have contracted services to help develop or improve accounting systems.

d. Should there be incentives for establishing and maintaining effective partnerships?

- A good council won't need any incentives; it will already be happening.
- Yes, but you have to be careful about how this is presented. How is OWEB and reviewers going to know from the application that the partnerships are active and not just in name to get an incentive?
- Not directly. WCs should be judged based on their effectiveness and efficiency at achieving outcomes....not on counting partnerships. In most cases, partnerships are necessary to be effective and efficient (in the same way that good fiscal management, talented staff, strong Boards, etc. are necessary for any organization to be effective). But, in some cases, partnerships may not be as important for overall effectiveness. Given that one size does not fit all and that the OUTCOMES are what should be judged, OWEB should keep focused on the outcomes, not on measuring the individual partnerships.
- Effective partnerships should be recognized and given weight in council support applications. Maybe in the application, each council needs to talk about their partners and the mutually beneficial gains of the relationship. Networking may seem amorphous, but it is critical to gaining support and hence, capacity for councils.
- Yes...we are a competitive society and incentives represent are similar to achieving goals and objectives and fulfillment thereof.
- Absolutely.
- Yes.
- Partnerships are generally good. I guess it depends on the incentive. I'm not sure it is too good of an idea for OWEB to get too involved in monitoring and promoting partnerships. Some watershed councils don't get along with their local soil and waters conservation districts. Cutting down funding is not the answer.
- Of course.
- Yes.
- Not beyond what's current.
- Not specifically. I think there should be block Council support grants, perhaps with the opportunity to apply at any time of the year for small sums (<10k) for extra Council support for special partnership projects (e.g., participating in an ESA process, helping to design a local TMDL riparian planting strategy, developing a municipal watershed management plan for a drinking water source).
- Yes, that might help in the decision of weather or not to limit the number of councils it is going to fund. I think partnerships are very important to watershed councils and the work they do.
- Yes. But not to the point that it becomes difficult for councils to work independently.
- All councils have to develop partnerships or else we don't get grants. Some councils have better community partnership options than others. It would be helpful to offer some creative opportunities for funding, but don't make it detrimental to councils that come from poor or indifferent communities that struggle to find other groups that are willing and able to work with them.

4. How can OWEB make more effective use of the limited funding that is available?

- By maximizing funding to local watershed councils.
- Please see answer to Question 2b. The administrative rules are severely limiting the degree to which OWEB can be effective with the limited funds that it has because of the narrow definition of "fiscal administration." If the 10% were to become "general administration", WC's and other recipients could use this to help support organizational capacity, thus increasing the benefit of OWEB funding without increasing the total amount of OWEB funding. This would also decrease the funding pressure on the very limited Council Support program.
- Have rigorous examination of how and if funds are being used effectively. Otherwise, I think most funds are being used effectively. Work done with OWEB funds are spare and I would say there is little to trim.
- To recognize and reward those WC's with funding on key priority programs that have higher importance rating to the overall statewide program goals. This would especially be true if the programs are interrelated with adjacent WC's and even statewide programs. And above all... 'Fairness to All.'
- Reduce overhead
- Simplify the funding process so that it takes fewer resources.
- Maintain a lean and efficient staffing system in Salem, and get as many resources to councils as possible. Limit overhead and reporting requirements made of councils. Concentrate on environmental outcomes, and limit monitoring, reporting, etc.
- Unsure. I don't know how much OWEB spends on admin versus grants.
- Work at the level of HUC 4. Use the umbrella designation to reach down to the HUC 5. Define a sub-umbrella designation to apply strategic projects to HUC 6 levels.
- Provide council support funding based on council effectiveness. Reduce administrative requirements as much as possible. Provide technical and administrative support to assist council accomplish their goals.*
- The hardest thing now is to get basic operational support (over head) and staff dollars that aren't covered by projects. This should continue to be a priority for funding. The next priority would be for education, technical assistance, and planning dollars. There are quite a few sources that offer project dollars.

a. Is there a better model that should be explored? Examples: Regional basis, flat funding, RFPs issued by OWEB to address defined restoration priorities, more funding for areas with ESA compliance issues.

- Unknown, although I do like the idea RE: ESA.
- I think councils could use ESA compliance and restoration priorities to guide a strategy with benchmarks that would become the template for reporting each biennium in our council support grants.
- I think the existing model works well - i.e., that WC's are ranked on a scale of 1 to 5 and funding on a sliding scale. However, the application process should be streamlined by simplifying the applications. I believe that OWEB would be able to rank applicants based on 10-page applications just as well as they do based on 30-page applications....regardless of length/complexity, applicants will still fall out on a bell-shaped curve. OWEB should conduct an analysis of how much money is spent preparing and reviewing Council Support applications relative to how much money is distributed. Given the excessive amount of time required to complete, process and

review the applications, the total cumulative "cost" is probably very high (when you account for the costs of the reviewers' time, OWEB staff time, etc.).

- I do not like flat funding; that does not recognize diversity of councils and their work. I suppose regional basis could work if one looks at priorities in a region and targets regional priorities to fund, looking at real or potential effectiveness (how to gauge that?). Funding for areas with ESA compliance issues: too narrow a focus.
- To further explore the RFP's issued by OWEB addressing defined restoration priorities.
- The idea of RFPs (brief RFPs) is appealing, so that all the time and effort that goes into an OWEB grant is not spent uselessly - good idea, as long as it is a BRIEF RFP that is required. Do not use EPA or NOAA as a model.
- perhaps OWEB should have grants as currently do-where lots of innovative ideas could come forward- but I like the idea of RFP's- I've have a few meetings at various councils where OWEB has been there-where the council says to OWEB, 'what would you like us to focus on?' and then OWEB says, 'well, what would you like to focus on?' then the councils says, 'well, what do you want us to focus on?' it seems like OWEB and councils have confidence of community so if OWEB was a bit more explicit that might be interesting for some RFPs, but still have open ended grants as well. Flat funding seems nice- but it might get a little to entitlement-ish...
- I do not like the idea of flat funding. Process should be kept competitive.
- The answer to this question really depends on the primary OWEB goal. If it is to achieve long-lasting ecological restoration and stewardship everywhere across the landscape, then flat funding for Council support is the way to go. If OWEB is really dedicated to grass roots, bottom-up conservation, I think this is the best approach. If some other federally driven conservation mandate is driving, then it may make sense to issue RFPs or provide additional funds for Councils that must comply with ESA. You must recognize that while it may be more costly to deal with ESA issues, there are also far more funds available for these locales with species in the emergency room. I would like to see the state acting proactively to keep ESA-free areas out of the emergency room.
- I think there are different models that should definitely be explored. Maybe group councils by there watershed priorities.
- Individual watershed councils should represent their watershed and their community. Their may be a value in more regional management but not to the extent that councils become disconnected from their community.
- I think some RFP's to address specific issues would be useful for restoration funds. It would also help to identify some target priority areas, but move those around the state so there are more opportunities. Try to keep the process fairly simple (not like the SIP program, but perhaps like the coastal emergency funds) so that people can access funds more easily for important projects.

b. Are there modifications to the existing funding program that would make it more equitable?

- No.
- Even though the application is not likely to change, we can still look at the review process to make it more equitable. It is unfair and inexplicable that there are councils listed as excellent and yet the review comments talk about how poor the application is. Also, I do not think there is enough difference to break councils out into so many categories. When reading the reviews and seeing other council work, most are

operating in one of three categories (1) they know their niche and are building projects accordingly, (2) they need help defining their niche and have some project work that keeps them going and (3) they are not functioning. When reading the budget note that lead to the merit based system, it doesn't say anything about ranking and grading them against each other (which is really what the review process ends up doing now). It says funding should be based on performance and accomplishments. If every council has benchmarks for performance defined and can describe reasonable progress towards reaching them, then we should all be excellent and that is okay. I once had an OWEB staff person tell me that if that happened then councils on the top would get less money than they are used to. But why should my council be perpetually underfunded if they are doing good work that demonstrates performance and accomplishments just because we did not start on top. There are a lot of rumors that at the end of the council support grant application process that region reps basically throw out scoring of applications and rank councils in the excellent, very good, good, etc. categories as they see fit. That would explain why some of the applicants with poor applications ended up in the excellent category. This is not equitable or transparent. The review process needs to be changed if not the council support application. Also, on other grant programs, there is a lot of concern that review teams are behind closed doors. It sounds like people get the same kind of confidence behind close doors as they often do over e-mail to say things that are not appropriate or incorrect that can sink a perfectly good project. Many agency grant programs allow this process to be accessible to the public and even ask applicant questions. In the interest of transparency and retaining public confidence, we really need to make this process more equitable also by allowing them to be open for the public to observe or to be more firm in facilitation to keep the discussion to technical merits.

- The funding process should be fair, transparent and competitive. However, if equitable means that poor performers are funded in the same way as outstanding performers, then the funding program should not be equitable. Fair, honest, friendly competition is what keeps WC's from becoming stagnant and ineffective. Given that WC's are independent organizations (not state agencies), they should be subject to this kind of friendly competition to keep them functioning at a high level.
- Let councils rate their own effectiveness using their own standards. On application, let council list 5 measures of success and rate their effectiveness at reaching those 5 measures. The reviewers will have to decide if those measures are worth funding by asking if they meet OWEB and OR Plan goals?
- No comment.
- It appeared in the Council Support grant deliberations that too much emphasis was put on 'council capacity', which translated into not how successful the council was in developing and maintaining partnerships, accomplishing meaningful projects, or doing outreach - but, was heavily based on whether or not the council followed and met all the Council capacity procedures and protocols.
- The Eastern Regional review teams (for all categories of non-support grant funding) should be reorganized so that non-anadromous Councils are competing only with each other for competitive funding avenues from OWEB. Non-support funding options between anadromous and non-anadromous councils are disparate and prioritization of project applications, within the review teams, is understandably weighted heavily in favor of anadromous watersheds. Realizing that WC support does not evaluate councils by anadromous presence, we still hope that OWEB realizes how dependent WC

capacity is on other grant awards distributed by OWEB, e.g. restoration. Non-anadromous WCs need a more equal playing field.

- No.
- Issue Council support as block grants, perhaps in three tiers, acknowledging the differences in geographic extent, population density, and unique needs of hard-start or low staffing Councils (at least in the short term). Loosen limitations on use of admin funds, to acknowledge the real cost of doing business to put projects on the ground, which also serves to fairly reward very active Councils for the real work they are accomplishing.
- Within the categories of Excellent, Very Good, etc. WCs - there should be no differentiation of funding except that based on umbrella designation. All WC within the ranking competitive category should receive the same base funding. It should not be prorated on score within the category; that is when ugly politics can step in. The problem might be a few scores that fall at the very low or very high end of a category. Perhaps OWEB might consider adding interim categories between the existing category whose funding would be an average of the lower one with the higher. This would not be so disheartening as finding yourself at the low end of the Very Good Category with all those WCs above you to climb over!
- See 4, above*
- Offer a flat rate for all the councils (provided that they prove they are meeting requirements and doing what they say they will do) and the offer additional funding on a competitive basis.

c. Should OWEB continue to fund low performing councils?

- Depends on whether they have streams with anadromous fish, or as mentioned, other endangered species that might benefit. Funding could increase, but perhaps there might at some point be a need to remove an ineffective coordinator...?
- Yes and no. I don't think they can be dropped yet because the council support application still does not allow OWEB or reviewers to assess progress from the previous biennium to the next because the application does not reflect on what was promised. Again, an application that has those benchmarks laid out and reporting to achieving them would help assess if the councils are moving forward or not and that data would help determine a no fund decision.
- Not beyond a trial period. OWEB should offer low performing WC's a limited period of time and a limited amount of funding to meet specific benchmarks. If the WC's meet the benchmarks, they should be brought back to good standing. If they do not, they should not be funded.
- YES, with a probation period in which council receives special mentoring, council capacity assistance and support, and frequent review and communication. I would recommend funding an OWEB position or give RPR more support/time to do that work.
- Prior to a NO...but careful determination of the individual WC group low performance and continued failure to achieve goals, etc.
- No.
- Yes, perhaps at .5FTE + operating budget. No WC should be hired to assess problems and recommend solutions or discontinuation of funding.
- How important is their work? If critical, OWEB should help build capacity if possible, otherwise abandon if nothing is happening. How are low performing councils defined?

- One bad year should not be the death knell for a Council but if the performance is consistently poor don't waste the money.
- Not sure- of course not funding low performance councils sounds appealing- but once you got rid of the 'low performers' the medium performers would be considered 'low performers'... if that makes sense.
- At reduced rates perhaps but the judgment would be tricky.
- No.
- I think there should be a probationary period, where low performing councils are given additional technical assistance to determine why they are performing poorly and given an opportunity to address root causes. In the case of an area where the local populace is simply not ready for any level of active restoration, it may behoove OWEB to recognize that and to provide funds specifically for outreach and partnerships, designed to get to receptivity and action.
- No but I think if they are considering cutting funding on low performing councils they need to talk with those councils and discuss why their performance is low. If it is because they cannot get funding, ask them why. If they don't have the participation then that is probably a good sign that they are going to have a hard time raising their performance.
- No. However, OWEB should work with these councils to help them become high performers if possible. If funding is stopped for these councils there should be a way for future councils to develop if they can show a likelihood of being productive.
- Offer sufficient funding and help to struggling councils on a one time basis. If they can't make needed improvements in two years then cut them off.

5. What works/doesn't work in the application process?

- One-size-fits-all RE: criteria.
- I'll just reiterate some previous points. What doesn't work is the review process and reporting on accomplishments because it doesn't relate back to previous promises made.
- What works: -The vast majority of applicants (95%?) appear to be ranked fairly. The process will never be perfect but it is generally pretty fair. What doesn't work: -The process is far too cumbersome for applicants, reviewers and OWEB. OWEB should establish a guiding philosophy that application processes should be as simple and streamlined as possible. A critical examination of the process with this philosophy in mind would likely lead to major improvements.
- Too much of application is background info that does not change significantly over time. Maybe the boiler plate background info is needed for educating reviewers, but it gets tiresome for applicant. Give us points for being clear and concise and we will do the same for you. Be direct, ask questions that get to the meat of what reviewers need to know to evaluate if we are using our funds effectively. We have gotten dinged on our application for items that we thought we addressed. Example: there is little timber industry in our watershed, but reviewers always seem to comment on our lack of timber representation. Timber is not very present or has much of an impact, but even when we state it, reviewers don't seem to get it, but they have their view of what a council should be. Annoying.
- What doesn't/didn't work for us - Section III.

- It is a great mystery, so I expect most councils have no idea how it works much less how well.
- I like the application- it makes you really think about the process- but maybe we haven't filled it out as many times as other councils.
- Application review teams seem to consider reputation of councils too much, and seem to overlook what is stated in the applications.
- No experience to date.
- The Council Support Application tends to be repetitive. I think OWEB could get by with cutting some of the questions out and making it more to the point. Maybe they could add a question that would help them group up the different councils priorities, needs, and capacity.
- Complex and redundant applications are time consuming. A feedback process to be helpful where councils can respond to and clarify questions that grant reviewer have. Grand funds should be provided based on the proposed project's value rather than on a council's grant writing skills.
- The form itself is decent and much better than previous years. It would be better to just do a simple budget (like what we end up with in our contract). I'm not sure why all the detail is needed if we are going to simplify it anyway for the contract. It would also be good to ask councils to report on what they have accomplished (compared to what they said they would accomplish).

a. How well is the application process working in defining and differentiating council support needs?

- I think on whole, it works well.
- Very little to not at all.
- I don't understand this question.
- Fair. See suggestions given in other parts of survey.
- Did not.
- Poorly, in my opinion.
- OK.
- I think it working ok. There are councils that feel like they should be ranked higher and when you talk to OWEB staff they agree with you a lot of the time. So what is going wrong in the review process? Do the reviewers not completely understand each council and what they are saying? I think that instead of the councils writing in to the review team they should have the option to go and talk to them face to face. It makes things much clearer. Then if the review team still feels the same way then they can rank them accordingly. I know that time is a factor in the application process but sometimes I think that if they took a little more time to understand each council it would help tremendously.
- Not very well.
- Not well at all for our council. We have never received council support funding yet are one of the most productive councils in our region.*
- I'm not sure what this question is asking.

b. What changes or improvements would you recommend to the application process for council support funding?

- Touring the local watersheds and seeing completed projects.

- See previous comments on benchmarks and reporting on accomplishments.
- See answer to question #5. In addition, I think it is critically important that the process be consistent over time. OWEB frequently changes application forms and processes, making it challenging for applicants to learn from one process and apply it to the next. With more consistency, applicants would (over time) better understand the processes, and then likely perform better on the applications. Eventually, this would lead to a better process.
- Shorter. Too the point. The accomplishments and work plan seem to be the most important, emphasize that.
- Drastically shorten Section III since most applications are submitted every two years, why not just as for what has changed in Section I the section on working collaboratively is all about money; since that is covered in the Match attachment, why not ask for examples of collaboration and cooperation that do not involve money, but do speak to involvement and dedication.
- Simplify, Simplify, Simplify and open the doors and windows.
- Straight answers to direct questions from applicants in the process. It sometimes seems like OWEB staff know the answer they want but are not specific. Sort of a read my mind between the lines deal.
- I like biennial approach. Keep applications short and to the point.
- Don't really know. See above.*
- It would be good to ask councils to report on what they have accomplished (compared to what they said they would accomplish). Council should be able to highlight what they are good at rather than trying to do well in all categories. The review process does not seem to produce fair results in some cases. I'm not sure why this is happening. Some of it may be bias on the part of the RPR, or additional info brought in by reviewers (or how an application is written). It would seem to be easier to level the playing field and have some solid criteria that councils have to meet for funding.

6. What is the single highest priority for change in OWEB's council support funding program?

- Unknown.
- Review process to scoring. Less categories and more recognition that most of us are moving forward in a journey towards watershed restoration. Performance and accomplishments (i.e. merit) is not only number of projects but rather how far did you travel on that journey in the last 2 years to meeting your community vision for your watershed.
- It should be more efficient (i.e., more streamlined applications). For every hour that a WC staff spends writing the application, OWEB staff spends processing and agency staff spend reviewing it, there is one less hour being invested in watershed restoration activities.
- Streamlining bureaucracy and admin work. Make the process clear, simple, and less time consuming. The less time coordinators are sucked into learning about and doing admin and bureaucracy the better. Making idiot guides to get coordinators etc through the fiscal admin issues may assist.
- Minimize the redundancy and frequency of financial reporting minimize the paperwork required of the Councils (e.g. those listed in Section III of the grant application)
- Consistency and openness.
- Hybrid between current funding and flat rate idea.

- Stability.
- Simplify ranking, based on formula as stated above based upon extent, population, and recognition that start-ups need more boost than ongoing operations. Loosen limitations on admin overhead, so that those funds can truly be used to fund the increased overhead faced by very active Councils. Right now, our hands are tied in using those funds flexibly to address true operating costs.
- To try and make the funding a little more fair. Instead of ranking two councils against each other with completely different priorities and capacity, rank councils that are similar and have similar needs and priorities.
- Find a way to evaluate a WC based on its defined role within the watershed(s) it must work in
- Base funding on the effectiveness and productivity of the council, not on watershed size or location. Divide funding into discrete levels such as 1) full funding to support a small office, the coordinator and some additional overhead for highly productive councils, 2) Partial funding to support part-time coordinator at a home office for moderately performing councils, 3) A small amount of council development funding and training for under achieving councils.
- The sheer amount of paperwork required to document funding.

7. Other comments?

- Thanks for providing me with the opportunity to provide feedback. I've been a board member for 10 years, and welcome the opportunity.
- Thanks for the opportunity for dialogue on these issues.
- Thank you OWEB for seeking feedback.
- This survey took too long. I appreciate the opportunity for feedback, but considering each of these questions is a brain drain, so I hope it is used.
- No, thanks for listening.
- I ran out of time so am sending what I got done.
- Thank you for listening; you are doing a great job just surviving in this revenue shortfall economy.
- Thank you for listening.
- Without OWEB there would not be Watershed Councils. They do a great job at helping to improve watershed health and needs. It sounds like we want a lot of changes but all in all OWEB really does a good job. There will always be someone out there that thinks something is not fair but that should encourage them to do a better job. If anything, I don't know that OWEB really needs to make many changes.
- Thank you for this very excellent activity - the Listening Sessions. The questions reflect a whole lot of prior preparation and thoughtfulness, not to mention knowledge of the constituents! Wonderful job - best wishes!
- OWEB could change its funding process from identifying reasons not to fund councils (the current application process) to supporting councils through training to become more effective and deserving of funding. This is an area where regional management could be really effective
- I appreciate the opportunity to comment. I think OWEB is doing a good job. I recognize that some of the challenges are caused by forces external to OWEB. I would like to see some discussion about creative funding that is separated from the regular grant cycles.

June 2-3, 2010 OWEB Board Meeting
Executive Director Update #C-5: Small Grant Program Evaluation

I. Introduction

This report provides an update on the review process and findings regarding the OWEB Small Grant Program. Staff have provided a program overview as Attachment A. A map of the 28 Small Grant Team areas is provided as Attachment B.

II. Background

Oregon Administrative Rule 695-35-0070 directs OWEB to review reports submitted by the Small Grant Teams and evaluate the need for program improvements and administrative rule changes once a biennium. The table below outlines the timeline and methods used for program review.

Small Grant Program Review Timeline

Timing	Activity
July-September 2009	Review Small Grant Team Biennial Reports; summarize comments
July 2009-April 2010	Site/Listening Tours with Small Grant Teams (6 tours around the state ensuring a visit to each region)
January 2010	Update Board
March-April 2010	Summarize listening/project tours and Small Grant Team Biennial Report comments and staff response. Send draft report to the Small Grant Teams via email for review and comment
June 2010	Final report and recommendations to the Board

III. Review of Small Grant Team 2007-09 Biennial Reports

Program rules require each Team to submit a report at the end of each biennium. Each Team is to report how its funded projects demonstrated a watershed benefit to aquatic species, wildlife or watershed health; how the projects met the watershed concerns the Team listed as high priorities in its bylaws; and evaluation of the Team’s internal and external interactions. Additionally, Teams were asked to explain how the Small Grant Program benefits their area and whether there are changes that would make the program work better for them.

A. Recurring Issues

While Attachment C lists the predominant issues included in the Team reports in more depth, Teams consistently listed the following as benefits of the program in their areas:

- Flexible, straightforward program
- Local review
- Quick turn-around
- Develops partnerships among watershed councils, SWCDs and tribes
- Develops landowner trust in government
- Builds strong relationships with landowners
- Develops partnerships with city, county, state and federal agencies and non-profits
- Aids the local economy by using local venders and contractors
- Leverages funding

B. Suggested Changes and Staff Responses

Eighteen of the 28 Teams made no suggested changes to the program.

1. Increased Funding

Ten Teams indicated they could easily allocate more than the current \$100,000 per biennium. Four Teams noted they had high priority projects in the queue and ready for funding after they had expended their funding for each biennium.

Staff response: Small grants are funded with capital Lottery funds, which must be used to fund on-the-ground restoration projects. At the beginning of each two-year state budget period (“biennium”), the OWEB Board sets an overall agency spending plan including a budget for the Small Grant Program. Staff recognize that many Teams could put more funding toward Small Grant projects during a biennium, but given the economic downturn and State budgetary shortfalls, more funding for the program is unlikely at this time.

2. Team Contact Workload

The topic of workload and/or the unpaid role of the Team contact was mentioned by six Teams. Some Team contacts have asked whether OWEB can provide them with administrative funding to help cover their costs.

Staff response: Staff recognize that the contact role involves operational expenses and can be a significant workload. Activities of the Team contact include copying and distributing applications, organizing review meetings, and coordinating mailings to OWEB. Additionally, Teams vary in terms of their make-up (membership is drawn from watershed councils, soil and water conservation districts, and Tribes, and ranges from two to 11 members), their capacity to use electronic methods to distribute or evaluate grant applications, and the driving distances within small grant areas for meetings. Consequently, the extent of the duties the contact must perform can vary greatly.

The Small Grant Program is funded with capital funds. There are constitutional and statutory restrictions against using capital funds to cover general overhead. Capital funds can only pay administrative costs directly associated with an on-the-ground restoration project. Non-capital funds are more flexible, but there are fewer funds available, especially with the recent shortfall in Lottery revenues.

Staff note that many Teams have developed creative strategies to ease the workload, such as sharing or dividing up the contact duties among Team members. One Team changes the contact person each quarter of the biennium.

3. Simplify Paperwork and Application

One Team suggested changes that included less paperwork and two Teams suggested a simpler application.

Staff response: Staff understand the benefits of a minimum amount of paperwork to Team members due to staffing and the need to be in the field. All Small Grant documents and forms are thoroughly reviewed before the start of each biennium.

Staff will continue to work to make the program paperwork and applications as straightforward as possible. OWEB has provided a one-page checklist of required documents, made changes to forms such as the addition of an Excel budget section (formulas add the figures entered automatically), the consolidation of some invoice requirements, and the option to submit some reports online.

OWEB’s required documentation is based on its responsibility to monitor the use of public funds. Additionally, to meet the expanded reporting requirements to NOAA, it was necessary to develop and add a section to all applications to collect information about the types of projects funded, how they will be implemented, and their outcomes.

4. Miscellaneous Suggestions

Two Teams suggested that allowing more than two payments for Small Grants might help some entities.

Staff response: The two-payment maximum is based on the fact that administration of Small Grants is intended to be quick, from application evaluation through project completion, with a minimum amount of processing time for grantee, fiscal agent, and OWEB.

There was also one suggestion to allow more funding for plant establishment after project completion (program rules currently allow small grants to pay for no more than two years of post-project plant establishment, not to exceed \$1,000 for two years).

Staff response: Staff are reviewing the results of prior riparian planting projects (both regular grants and Small Grants) and will review the amount of funding and length of time allowed for plant establishment based on how it impacts the success of a project.

One Team stated they would like OWEB’s maximum amount allowed for fiscal administration to be greater than 10 percent of the grant.

Staff response: Under OWEB’s rules for all grants, fiscal administration for a grant is limited to 10 percent of direct project costs. The question of whether this limit should be changed would involve more than just the Small Grant Program rules, and would need to be part of a larger rule review process.

IV. Listening Tours

Staff also reviewed the program by scheduling several “listening” tours, which included visits to small grant project sites and discussion with small grant Team members. Staff embarked on visits to each of the six regions to tour small grant projects starting in the summer of 2009; visits were completed in May 2010.

A. Small Grant Listening/Project Tour Schedule

Date	Region	Small Grant Team Area
July 24, 2009	4	Hood River SGT 14
August 13, 2009	3	Upper Willamette West SGT 09

October 5, 2009	2	South Coast SGT 05
September 14 & 17, 2009	5	Grande Ronde SGT 27
April 6-8, 2010	6	John Day SGT 25
April 14 & 15, 2010 (Listening Tour) May 13, 2010 (Site Tours)	1	Lower Columbia SGT 01

B. Information Gathered

Input from Teams visited as part of the listening/project tours included the issue of Teams frequently having more potential projects than can be funded within the allocated \$100,000 per biennium. Each Team mentioned the quick turnaround and local review process that makes the program so popular with landowners and grantees. The short time between application submission and the response regarding grant funding (60 days or less) is a benefit to landowners and Team members.

The program creates landowner trust in government and helps landowners understand the grant process, including the application, grant agreement, payment process, and project completion and post-implementation reports. This understanding often leads them to do additional and sometimes larger restoration projects on their property to benefit the watershed. The program provides the necessary funding assistance to initiate projects that would not otherwise be done. Another topic repeated in each tour was the partnerships that develop within Small Grant Teams and with other entities as they work together to prioritize project types, evaluate applications, and provide on-the-ground technical expertise and/or in-kind or funding match.

The topic of workload and the unpaid role of the Team contact was discussed with some Team representatives. Also discussed were the challenges of bringing Team members together for meetings due to geographic distances, using electronic communication, and the long distances to project sites.

In general, most Team comments mirrored their biennial reports. The consensus among the Teams visited was that the program provides an important means of quick funding for small restoration projects that is not available through any other program and it works well the way it is without substantive changes at this time.

V. Program Rule Review

Staff also reviewed the Oregon Administrative Rules (Division 35) pertaining to the Small Grant Program. While staff found some “housekeeping” items that could be changed based on review and input from Small Grant Team members, we did not discover substantive changes necessary to fulfill OWEB’s funding responsibilities or allow the program to function more smoothly, which would warrant a rule change process at this time. However, a list of suggested changes has been compiled to be considered at such time as other OWEB rule changes are undertaken (available upon request).

VI. Small Grant Team Comments Regarding the Program Review and Staff Response

Three Teams responded to an offer to comment on staff’s draft review of the Small Grant Program. Two Teams thought the review was fine, one noting that match funding (25 percent is required) actually provides much more in the way of project funds than the initial \$2.8 million dollars allocated to the program. The third comment was from one Team member who

expressed a wish for funding to write grants and for a change specific to their Team's application evaluation guidelines. Staff note that with limited program funding and the relatively straightforward Small Grant application, it is unlikely there would be money for funding grant writing. Additionally, given that most Teams have noted that local review is an important element of the program, and because Team decision-making and evaluation procedures and guidelines are written by each Team in its bylaws at the beginning of each biennium based on OWEB Administrative Rules, these sorts of issues should be discussed and resolved at Team meetings.

VII. Recommendation

After a thorough review, staff recommend no changes to the Small Grant Program at this time. However, staff work to review the program for improvements will be ongoing.

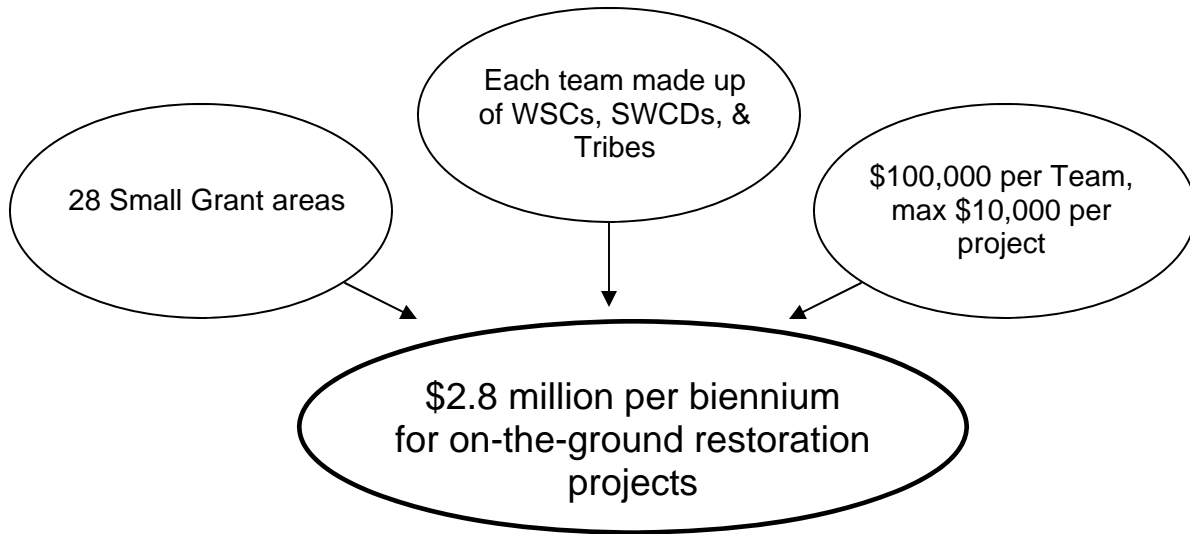
VIII. Staff Contact

If you have questions or need additional information, please contact Bev Goodreau, Grant Program Specialist, at bev.goodreau@state.or.us or 503-986-0187.

Attachments

- A. Small Grant Program Overview
- B. Small Grant Area Map
- C. Small Grant Team 2007-09 Biennial Reports Recap

**Oregon Watershed Enhancement Board (OWEB)
Small Grant Program Overview**



- Each Biennium (Beginning)**
- *Teams develop new bylaws and priority watershed concerns based on OWEB's rules.*
 - *Each team receives a \$100,000 grant agreement.*
 - *Small grant program funding may only be used during the current biennium and cannot be carried over into the next.*

- Part 1**
- *Teams develop their own application deadlines and review dates.*
 - *Teams develop outreach methods to inform landowners about the small grant program.*
 - *Applications are submitted to teams.*

- Part 2**
- *Teams have 30 days to evaluate applications and make recommendations to OWEB for funding.*
 - *Recommended projects are sent with a signed project grant agreement to OWEB.*





Part 3

- *OWEB has 20 days to review recommended applications.*
- *If the application meets OWEB's rules and the grantee has no outstanding reports, the grant agreement is signed by OWEB and entered into the database.*



Part 4: 2 Years After Funding

- *All projects must be completed.*
- *A completion report including OWRI report, map, and photos are required within 60 days of project completion.*



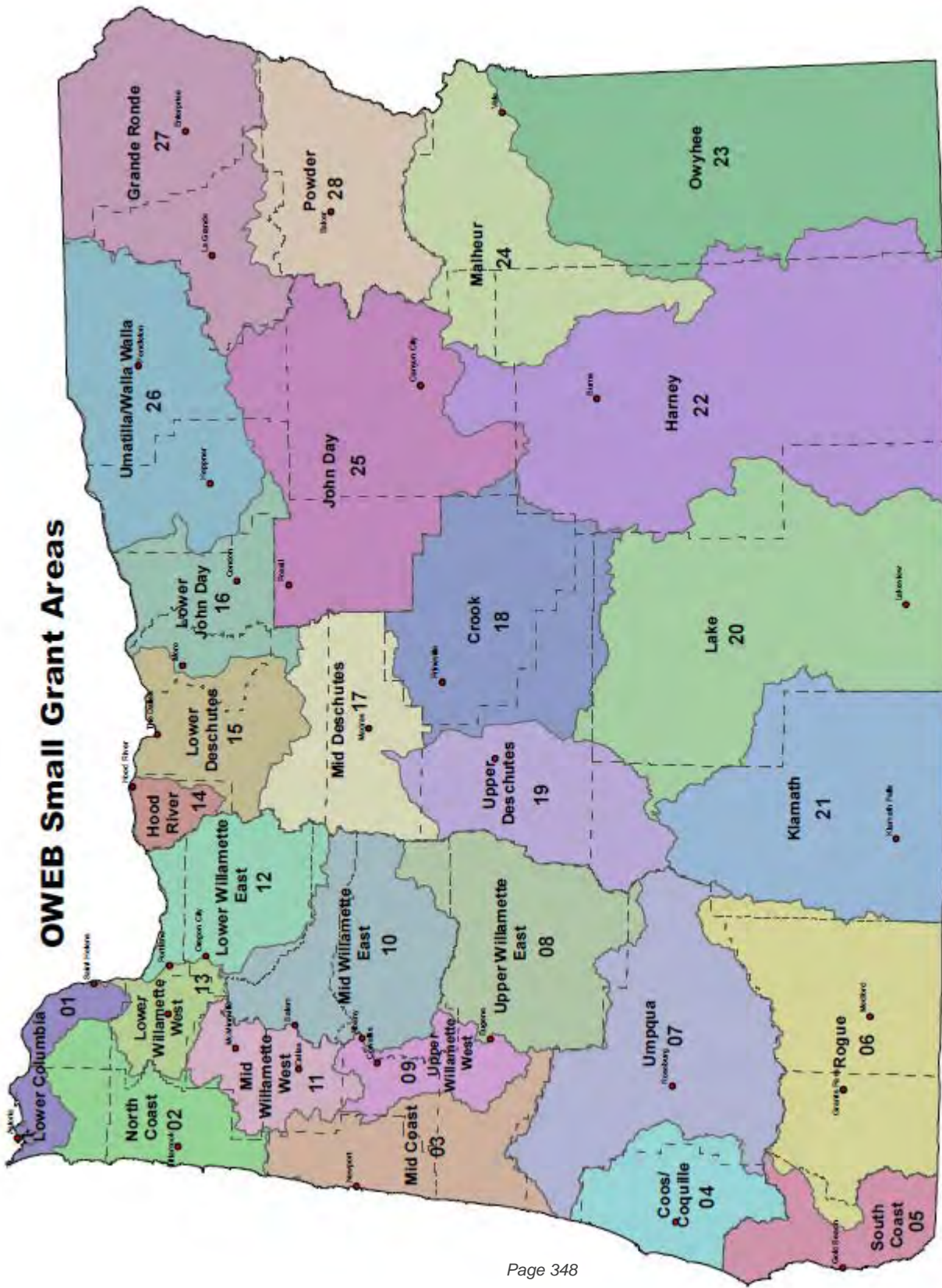
Part 5: 2 Years After Completion




- *A Year-Two Status Report and photos are required.*

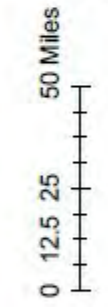
Each Biennium (End)

- *Each small grant team is required to submit a biennial report 60 days after the end of the biennium.*

OWEB Small Grant Areas



-  Small Grant Areas
-  Counties
-  County Seats



Oregon Watershed Enhancement Board
 775 Summer St, NE Suite 360
 Salem, OR 97301-4290
 (503) 966-0178
<http://oregon.gov/OWEB/>

This product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the suitability of the information.

Software: ESRI ArcMap 9.2
 OWEB: A. Seim, November 2007

Small Grant Team Biennial Reports 2007-09 Recap

The following issues were discussed by Small Grant Teams in their reports in response to the following questions:

How does the Small Grant Program benefit your area?

Are there changes that would make the program work better for your team?

Quick Turn-Around—Each of the 28 Small Grant Teams listed the quick turnaround the program provides as a benefit. This element allows the teams to quickly let landowners know whether a project will be funded (usually within 30 days), helps ensure match fund availability, and enables projects to be completed within two years.

Flexible—Twenty-three teams noted that the relatively simple program allows types of projects that would not be recommended for funding in the regular grant process due to the competition for limited funds, the small acreage involved, longer turn-around, and/or the lack of landowner trust in government bureaucracy. The program also allows grantees to work with several adjacent landowners in concert, but with different completion dates.

Develops Partnerships and Trust in Government—Twenty-one teams mentioned the partnerships the program develops between watershed councils, districts and Tribes and that it builds strong relationships with landowners. They also noted increased partnerships with other entities including city, county, state and federal agencies, and non-profits.

Aids Local Economy—Twelve teams observed that Small Grant projects often benefit local vendors and provide employment opportunities for local contractors.

Local Review—This topic was mentioned by 22 teams as an important aspect of the program, noting the teams develop local priorities and then review applications and recommend projects to OWEB for funding.

Leverages Other Funding—Fourteen teams mentioned Small Grant funding leverages other funding from such sources as the Natural Resources Conservation Service Environmental Quality Incentive Program, Oregon Department of Environmental Quality 319 grants, and non-profits such as SOLV.. Additionally, landowners often view the required 25 percent match as moderate enough to make the projects doable for them.

Would Use More Funding—Ten teams confirmed that they could easily use more than the current \$100,000 per team funding if it was available. Four teams noted they have projects waiting in the queue after they have either allocated all of their \$100,000, or at the end of each biennium.

No Suggestions for Substantive Change to Program—Eighteen teams made no suggested changes for the program.

Suggestions for Minor Changes ---The following suggestions *came from one or two teams each* and included: less paperwork, a simpler application, allow more than two payments, allow more money for monitoring and maintenance of plants, wished for more than one watershed council and one SWCD as team partners, some reviewers are not always as knowledgeable as they would like. One team noted members must travel long distances to have face-to-face meetings, electronic communication isn't always as effective, and some Team members' responses could be more timely.

Contact Role—Six teams broached the subject of the workload and/or the unpaid role of the team contact.

June 2-3, 2010 OWEB Board Meeting

Executive Director Update #C-6: Coastal Wetlands Grant Applications

Background

The National Coastal Wetlands Conservation Grant (Coastal Wetlands 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 \$220 million in grants has been awarded to coastal states and territories for the protection, restoration, and enhancement of approximately 258,000 acres of habitat. 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 Grant Program offers 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 \$8.5 million in federal funds for coastal wetland acquisition and restoration projects in Oregon. OWEB has five open Coastal Wetlands grants at this time and is working with partners to close them as soon as possible.

2011 Coastal Wetland Grants

On February 5, 2010, the USFWS requested applications for the 2011 Coastal Wetlands Grant Program. Staff attended a meeting organized by the USFWS in Newport on February 18, 2010, where the program was described to potential applicants. Staff sent a memo to coastal land conservation groups the first week of March to solicit project concepts.

As described at the March meeting, the Acquisitions Subcommittee and staff, considering regional review team input, will select for submission to USFWS the project(s) determined to be most consistent with the Coastal Wetlands Grant funding criteria, OWEB's Ecological Priorities for Land Acquisition, and other appropriate criteria. The local partners, with guidance from staff, will develop the Coastal Wetlands Grant applications according to USFWS criteria. Draft applications are due to USFWS by May 21, 2010, and final applications are due June 25, 2010.

Staff anticipate any OWEB funds that would serve as state match for successful applications under the 2011 Coastal Wetlands process would come out of capital funds from the 2011-2013 budget.

2011 Proposals

OWEB staff solicited project proposals from interested parties in March and received three proposals. The three proposals are for projects in the Tillamook (two projects) and Coquille estuaries (one project). The concept proposals were reviewed by the Acquisition Subcommittee in April and all three were selected to be submitted to USFWS. The three applications are:

1. *Tillamook County Project Exodus Wetlands Conservation Project, a proposal to acquire approximately 300 acres of diked, former intertidal wetlands north and west of the City of Tillamook.* This project was developed in cooperation with the Oregon Solutions Group and

Tillamook County who have committed significant time and resources to address flooding impacts to Highway 101. This project will provide community benefits through flood reduction and will increase intertidal wetland areas for anadromous and estuarine fish and wildlife resources. The acquisition would be from willing sellers and title would be held by Tillamook County or the Port of Tillamook Bay. OWEB seeks \$1 million in federal funds through this application. The application also proposes a total of \$2 million in non-federal matching funds for the acquisition of the properties.

2. *Tillamook Bay Conservation Acquisition, a proposal to acquire 204.5 acres at two locations by The Nature Conservancy.* The first location involves a project developed to facilitate the potential restoration of 92.3 acres of wetlands at the mouth of the Miami River in Tillamook County. The proposal involves five parcels owned by different landowners. The project would allow estuarine intertidal marsh and swamp restoration to occur. The acquisitions would be from willing sellers and the restoration would be conducted by the Tillamook Estuaries Partnership. The second location includes a 112.2 acre parcel north of and abutting Hall Slough at the north edge of the properties included in the Project Exodus application (see above). The parcel is currently marginal agricultural pasture and could be added to the restoration actions of Project Exodus. OWEB seeks \$1 million in federal funds through this application for both locations. The application also proposes a total of \$500,000 in non-federal matching funds.
3. *Coquille “Winter Lake” Acquisition, a proposal to acquire 1,100 acres just downriver from the city of Coquille in Coos County.* This project was developed by The Nature Conservancy and Oregon Department of Fish and Wildlife (ODFW) and involves five different landowners who are all willing sellers. The properties would be managed and restored by ODFW. OWEB seeks \$1 million in federal funds through this application, with a total of \$2 million in non-federal matching funds.

Oregon State agencies are required by state law to request permission from the Legislature to apply for federal grants. OWEB submitted a letter to the Legislative Emergency Board (E-Board) on April 27, 2010, to request permission to apply for the federal grants to fund the three projects. The E-Board meets on May 25-26, 2010; staff will report the results of the E-Board meeting at the June OWEB meeting. Staff are working with partners to develop grant applications for the three projects.

Staff Contact

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

June 2-3, 2010 OWEB Board Meeting

Executive Director Update #C-7: Pacific Coastal Salmon Recovery Fund

Background

On an annual basis since 1999, OWEB has applied for and received funding from NOAA Fisheries through the Pacific Coastal Salmon Recovery Fund (PCSRF) to be used to complement the Board's investment of the dedicated Lottery funding. Over the previous 10 years, PCSRF has contributed nearly \$120 million, or 25 percent of OWEB's expenditures, towards grants for salmon recovery and watershed restoration actions.

Current Status

In March of this year, NOAA announced the latest funding opportunity in the Federal Register for Federal Fiscal Year 2010 PCSRF funding, which is a two step application process this year. The first step was submittal of a draft application on April 23, 2010, to be reviewed by NOAA; the second was a final application due on May 10, 2010. OWEB submitted the application materials by the due dates and is awaiting comment by NOAA.

The main objectives of OWEB's 2010 PCSRF funding proposal are found below and include two new provisions requested by NOAA to specifically work with the Oregon Department of Fish and Wildlife on Lower Columbia monitoring and hatchery reform actions.

1. Oregon will continue its high level of commitment to complete Recovery Plans for remaining Recovery Domains.
2. OWEB will continue its support of local organizations implementing cooperative conservation under the Oregon Plan within the Recovery Domains and evolutionarily significant units (ESUs) around the state.
3. OWEB will continue offering grant opportunities for technical assistance, monitoring, assessment, and education and outreach work implemented at the local level.
4. OWEB will also focus on improving data and information used for tracking PCSRF goals and project accomplishments as required under phase II of the PCSRF database roll-out.
5. Oregon will continue to place a strong emphasis on research, monitoring, and evaluation.
6. Oregon will continue to implement high priority hatchery reform actions as called for by the Congressionally established Hatchery Science Review Group and federal Endangered Species Act Recovery Plans for Salmon and Steelhead.
7. If awarded additional PCSRF resources, OWEB will commit funding to priority on-the-ground restoration actions in a targeted manner to leverage additional funding and benefits for salmon and steelhead.

Staff will update the Board on the results of the PCSRF application process and the funding provided by NOAA at the June and September Board meetings.

Staff Contact

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

June 2-3, 2010 OWEB Board Meeting Executive Director Update #C-8: Communications Strategy

Background

At the September 2009 Board Meeting, Board approved the communications strategy as a working draft and directed staff to continue work on refinement and development of plan elements. The potential for an initiative to reauthorize the dedicated Lottery funds in 2010 creates unique circumstances for OWEB to implement items under its communications plan. While some strategies and tactics under the draft plan were well-suited for OWEB to move forward with in the near term, others have been delayed until the reauthorization effort is completed. This is an update on the products that are being implemented.

Healthywatersheds.org

The www.healthywatersheds.org web site is essentially an electronic brochure. The high-level content of this newly launched web site is intended for those who are not currently involved in the watershed enhancement program, but who are curious about the agency and the work that has been done through OWEB investments to protect and restore our state's clean water and healthy habitats.

Web Communications

Evaluating, improving upon, and adding to OWEB's electronic communications is a priority action item. With two different live web sites, an interest in social networking's ability to reach the broadest audience and other forms of electronic communications, it is imperative to find a way to integrate these various communications channels in a way that makes business sense for the agency while achieving goals for good customer service.

In January, staff described efforts to update OWEB's current web site to eliminate redundancies and improve content delivery. Staff also reported that once the initial clean up of OWEB's web site was complete; we planned to launch a second phase of improvements by engaging an outside contractor to evaluate both of OWEB's web sites from a user's perspective to improve the delivery of information and content and integration of sites.

To that end, OWEB contracted with OakTree Digital Resources to assist staff in implementing a usability study request for proposal and identifying short term web improvements. OakTree is meeting with OWEB staff on Monday 17, 2010 to present recommendations to improve both sites between now and July. Their work will also inform the statement of work for a longer term usability contract that includes the development of a "combination" web site to serve as the primary welcome page to OWEB from which users would more easily find information based on their needs. Staff will update the Board on the usability contract at the June and September meetings.

Communications Training

OWEB staff participated in training on April 23, 2010, to improve both our external and internal communications. This summer, staff who serve as agency spokespersons will participate in a more intensive training on effective communications with members of the media.

OWEB Quick Reference

In conjunction with the communications training, staff have developed a short, one-page reference document, which uses the messages developed in the communications strategy, to help staff answer some of the most frequently asked questions about the agency.

Co-messaging

An important part of OWEB's mission is to build public awareness of and involvement in watershed restoration efforts around the state. The breadth and diversity of OWEB's partners and grant recipients provides extensive opportunities for grass roots communications. These are communications that must be initiated by others—watershed councils, volunteers, local officials—at the local level. The first step is for staff to share the messaging refined in the communications strategy with these groups.

Staff, assisted by the Network of Oregon Watershed Councils and its board, are planning meetings this summer with local partners around the state to share and receive feedback on the messaging language. The discussions will also explore how OWEB can best help local groups with outreach goals to build community awareness and involvement in their work. The goal is to bring value to all – local groups help OWEB to be accountable to Oregonians, which in turn may build additional awareness and involvement in local watershed enhancement programs, including more resources to those doing the on-the-ground work.

Staff Contact

If you have questions or need additional information, please contact Carolyn Devine at carolyn.devine@state.or.us or 503-986-0195.

May 21, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item D: Budget and Legislative
June 2-3, 2010 OWEB Board Meeting**

I. Introduction

This staff report provides an update on the status of OWEB's 2009-2011 budget and preparations to address a potential revenue shortfall. This report also updates the Board on the agency's legislative agenda preparation for the 2011 legislative session, and staff recommendations for the Agency Request Budget for 2011-2013. The report seeks Board input on and approval of staff recommendations on these items.

II. 2009-2011 Budget and Spending Plan

At the beginning of each biennium, the Board and staff develop a spending plan for the two-year budget. At the September 2009 meeting, the Board approved a spending plan for \$46.6 million in capital funds and \$8.0 million in non-capital funds appropriated to the Oregon Watershed Enhancement Board by the Legislature for the 2009-2011 biennium. The spending plan guided 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.

The 2009-2011 spending plan was influenced by two unique factors. First, was the update to OWEB's Strategic Plan and the development of a Communications Strategy. These plans identified a number of priority actions above and beyond traditional program demands. Second, was the potential ballot measure to reauthorize dedicated lottery funding for watershed and conservation purposes. The spending plan included several actions to be able to respond to an anticipated increase of interest in and requests for information about OWEB's programs.

For the first time in OWEB's history, decreased Lottery Fund revenues resulting from the economic downturn of the past year now threaten to significantly impact the current spending plan. The latest revenue forecast for the current biennium estimates Lottery Fund revenues are down six percent from projections made at the beginning of the budget cycle. Based on the most current revenue forecast, if the last distribution were to happen at this time, OWEB would face a shortfall of approximately \$538,000 in non-capital funds and \$2.5 million in capital funds.

If there is a revenue shortfall, it will be reflected in the last distribution of funding for the biennium, which occurs in May 2011. Under this scenario, all agencies that receive Parks and Natural Resources Lottery Funds would see a proportionate reduction reflected in their final distribution. It is the responsibility of these agencies to adjust their budget expenditures in order to address the shortfall and maintain a balanced budget at the end of the biennium.

Toward that end, the OWEB management team developed a plan to rebalance the OWEB budget if there is a revenue shortfall at the end of the biennium. The plan was discussed with the Budget Subcommittee at its two April meetings. The subcommittee consists of Dan Heagerty, Diane Snyder, Karl Wenner, Meta Loftsgaarden, Kim Kratz, Dan Thorndike, and Skip Klarquist.

In essence, OWEB must withhold spending funds in order to have sufficient resources to balance the agency budget if a shortfall occurs at the end of the biennium. The rebalance plan must address both capital and non-capital Lottery Funds. The plan takes into account OWEB Strategic Plan goals and strategies, budget principles adopted by the Board in March, the long term revenue forecast, all funding sources, and the capacity of the agency to recover from cuts.

A. Lottery Funds – Non-Capital

For non-capital Lottery funds, the rebalance plan includes the following key elements:

1. **Prepare for a shortfall of \$800,000 for non-capital Lottery Funds.** This is a conservative number, and well in excess of the current estimated shortfall of \$538,000. The number may be adjusted depending on the trend of future quarterly revenue forecasts. We do not expect to shift from the \$800,000 level prior to the fall forecast.
2. **Avoid reductions to open grants with our stakeholders.** Instead of cutting funding for previously awarded grants, any revenue shortfall will be met with OWEB operations reductions, cuts to Board allocations that were delegated to the director but have yet to be distributed, or unallocated non-capital grant funds.
3. **Retain as much unallocated grant funds as possible for the two remaining grant cycles.** Non-capital grant funds are critical to maintain monitoring, technical assistance and project design, and education and outreach efforts of local watershed groups.
4. **Avoid impacts to OWEB positions that are currently filled.** OWEB's operations account for approximately 6% of the agency's total budget. Losing operations capacity would have an immediate impact on program service delivery. Under the rebalance plan, OWEB operations reductions can be taken through a combination of position vacancy savings and other savings identified in the operations budget.

There are three sources of funding that we can use to meet the \$800,000 target. First, we can use reductions to OWEB operating funds. We have identified cuts that can meet up to 20% of the \$800,000, and are prepared to hold those funds through the remainder of the biennium. The hold back of this funding includes position vacancy savings but does not impact current staff.

The second source of funding is allocated but unspent Lottery Funds that have been delegated to the director to distribute for specific purposes. Examples of some of these funds include: program investments for improving communication and information systems per goals and actions identified in the Strategic Plan; alignment of OWEB restoration priorities

with ODFW's Conservation Strategy and DEQ's TMDL priorities; ecosystem services; effectiveness monitoring; Oregon Plan Products; climate change; and education and outreach.

The management team has identified portions of these funds that can be held back, in combination with the savings from OWEB operations, in order to have sufficient non-capital Lottery Funds to meet an \$800,000 shortfall at the end of the biennium. In doing so, we would not be able to carry out all the actions we had envisioned when these funds were first allocated by the Board.

The third source of funds is unallocated grant funds. These include non-capital Lottery Funds, research Lottery Funds, Salmon License Plate funds, and federal salmon funds.

These funds can be used to supplant Lottery Funds that are needed to meet the \$800,000 target. However, our goal is to preserve as much of these funds as possible for the two remaining grant cycles.

B. Lottery Funds – Capital

For capital funds, the rebalance plan prepares for a \$4.5 million reduction scenario. As with the non-capital funds, this is a conservative estimate and exceeds the current predicted shortfall of \$2.5 million. The plan avoids impacting open capital grants. The only existing option is to withhold \$4.5 million of unallocated capital grant funds from the two remaining grant cycles. Staff estimate that this action would leave \$8.25 million available for each grant cycle.

C. Overall

Our goal is to maintain administrative flexibility to meet critical program needs while ensuring we are holding in reserve sufficient Lottery Funds to balance our budget at the end of the biennium. The management team will meet periodically to consider adjustments to our budget rebalance plan—in particular, in response to updated revenue forecasts. We will keep the budget subcommittee informed along the way—especially if revenue forecasts shift significantly or if the management team identifies a need to make a major unexpected adjustment to the rebalance plan.

No action is requested from the Board on this matter.

III. 2011 Legislative Concepts

Although the 2011 legislative session does not begin for another year, state agencies are preparing legislative proposals. 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).

At the February 17, 2010, meeting of the SB 513 Ecosystem Services Markets Working Group (Working Group), members requested that OWEB submit a legislative concept placeholder on their behalf. While there is uncertainty as to whether a legislative concept will be necessary for advancing policy recommendations from the SB 513 process, the Working Group prefers to preserve the option in the event that it is appropriate. OWEB submitted a placeholder legislative concept in early April on behalf of the Working Group.

By June 1, 2010, DAS and the Governor's Office will make final decisions about which legislative concepts are approved and can be submitted to Legislative Counsel for drafting. OWEB and the Working Group will then have until July 14, 2010, to submit additional substantive or administrative details about OWEB's placeholder concept.

No action is requested of the Board on this topic.

IV. 2011-2013 Budget

Staff are preparing the Agency Request Budget, 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 2011-2013 biennium. OWEB must submit budget requests for needs that are in addition to the agency base budget by the end of June. Therefore, the June Board meeting provides an important opportunity for staff and the Board to discuss potential what will be included in the Agency Request Budget.

Key dates for the budget process are as follows:

- Spring/Summer 2010 – Complete and submit Agency Request Budget
- Fall 2010 – Governor's Office and DAS reviews Agency Request Budget
- Late 2010 – Governor's Recommended Budget released
- Early 2011 – New Governor's Recommended Budget
- June 2011 – Legislatively Adopted Budget

There are two main components of the Agency Request Budget that staff seek Board input and approval. First, we will present staff recommendations for potential OWEB budget "policy packages"—requests for funding to meet program goals and needs that exceed current base budget levels. Second, we will present staff recommendations for base budget reduction scenarios that are required of all agencies for certain revenue sources.

A. Proposed OWEB Budget Policy Packages

Policy Package proposals that are included in the Agency Request Budget are OWEB's best opportunity to articulate its needs to meet program goals and priorities that cannot be accomplished within the current base budget.

Staff recognize that projected revenues for 2011-2013 are down considerably. It is possible that the 2011 Legislature will focus more on reductions to agency base budgets than on policy package requests. Nevertheless, staff believe it is important for OWEB to set out its ideas on what is needed to carry out strategic goals and program needs. At the same time, staff proposals do not ignore the potential revenue shortfalls that lie ahead. As a result, most of our proposals focus on using funding sources other than Lottery Funds. There are no budget requests that contemplate using General Funds. The complete list of staff policy package proposals is contained in Attachment A.

Staff propose sixteen Policy Package concepts as potential additions to OWEB's existing base budget. Of the proposals, three seek funding for other entities (watershed councils/soil and water conservation districts, the Lower Columbia River Estuary Partnership, and Independent Multidisciplinary Science Team); three seek to continue existing limited duration positions; six request new full or part time limited duration positions; three seek

administrative or grant program funding; and one requests a new permanent position. 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.

B. Budget Reduction Scenarios

In preparing their Agency Request Budgets, all agencies are required to submit budget reduction scenarios for certain funding sources. The exercise directs agencies to determine their priorities for cuts to base budget programs based on certain percentages of reduced revenue. The Legislature is under no obligation to consider or use the agency priorities if they consider base budget reductions. For OWEB, reduction scenarios are required for Lottery Funds and Federal/Other Funds.

Lottery Funds

A 25% reduction scenario for Lottery Funds is required for the Agency Request Budget. This is a larger percentage reduction of Lottery Funds than agencies have been asked for in the past, a likely reflection of the concern over future revenues next biennium. A reduction scenario for capital Lottery Funds is not required, as capital funds are not considered part of the agency's base budget. Therefore the reduction scenario only applies to non-capital Lottery Funds. A 25% reduction to OWEB's base budget non-capital Lottery Funds involves approximately \$3.2 million.

The Lottery Fund reduction scenario must be assembled in cumulative increments of 5%, 5% and 15%. The base budget resources needed to meet reduction increments can be attained through three sources—operations funds, unallocated grant funds, or shifting programs from Lottery Funds to other funding sources. The OWEB management team discussed a range of potential approaches with the board budget subcommittee, taking into consideration the long term revenue forecast, strategic goals, board budget principles and the agency's ability to recover from cuts. It was agreed that the burden of cuts should be shared roughly equally between the three funding sources, with unallocated grant funds bearing the greater burden for the first two 5% increments.

Federal/Other Funds

Base budget reduction scenarios for Federal Funds and Other Funds are required at 10%. The reductions would amount to \$1.9 million in Federal Funds and approximately \$154,000 in Salmon License Plate funds. The management team discussed options with the budget subcommittee and agreed that the reductions would come out of unallocated grant funds from these sources. Under this approach, significant unallocated grant funds would remain in OWEB's base budget—\$8.3 million in Federal Funds and \$1.4 million in Salmon License Plate revenues.

V. Recommendation

Staff recommend the Board approve staff recommendations for the Policy Packages described in Section IV.A and further detailed in Attachment A, and the base budget reduction scenarios described in Section IV.B, for inclusion in the Agency Request Budget for the 2011-2013 biennium.

Attachment

A. OWEB 2011-2013 Proposed Policy Packages

OWEB Proposed Policy Packages for 2011-2013

1. **Increase capacity funding for watershed councils and soil and water conservation districts.** OWEB's base budget contains a total of \$5 million each for watershed council and soil and water conservation district capacity support funded from a combination of Lottery Funds-Operating and PCSRF. This request seeks to increase the base funding for each by \$1 million.
2. **Request Lottery Research funds to continue the Research Grant Program based on interest earnings to be credited during 2011-2013.** Early calculations project \$480,000 capital (the operating funds are used to support the Ecosystems position).
3. **Continue the NRS 4 Ecosystems Services Coordinator position as limited duration funded from Research-Operating.** This position will allow OWEB to continue its leadership and coordination role in the developing area of ecosystem services valuation, and voluntary and regulatory markets.
4. **Continue the limited duration NRS 2 Performance Analyst and Reporting Specialist position funded from PCSRF grant funds.** This limited duration position has been part of the Monitoring and Reporting team since July 2005. The position will continue to provide the data reconciliation, project research, report evaluation and data extraction, and act as the principal in the collection of the new historic project data reporting requirements associated with the federal grants from NOAA Fisheries.
5. **Establish a permanent PCSRF NRS 3 Reporting Coordinator funded from PCSRF-direct.** The Reporting Coordinator position is necessary to provide organization, structure and daily guidance to the large data collection, analysis and reporting efforts associated with the mandatory grant conditions within the federal grants.
6. **Establish a limited duration ISS 4 Data Systems Specialist funded from PCSRF-direct.** The Data Systems Specialist position is necessary to develop the database adjustments, reporting tools, building macros and queries, data entry screens and tracking features associated with the new federal grant agreement requirements.
7. **Establish a part-time limited duration Office Specialist 2 position in the Monitoring and Reporting Program funded from PCSRF-Admin.** The Office Specialist position is necessary to provide clerical, data entry, filing, and other support services to the team of PCSRF positions that will enhance and improve data systems and reporting as required under the federal grants from NOAA Fisheries.
8. **Establish an Education Program Analyst position (Program Analyst 3) from Other Funds-Salmon License Plates.** This proposal involves shifting responsibilities of the current limited duration Communications Coordinator position to focus on long-term education and outreach program development and implementation.

9. **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.
10. **Request reclass of the Acquisitions Specialist position from an NRS 3 to an NRS 4.** This request recognizes that the responsibilities of land acquisition have grown considerably and are of sufficient significance that the position represents a stand-alone program within the agency. The position is responsible for permanent relationships with an increasing number of properties that require monitoring through time to assure the public that the dedicated funds are achieving the purposes expected. The reclass recognizes the growing responsibilities for the position to represent the agency, conduct or assign technical evaluations, review and assure technical evaluations are accurate and complete and present recommendations to the Board.
11. **Establish a limited duration NRS 3 Acquisitions Assistant funded from Lottery Funds-Operating.** Establishing the position recognizes that there are responsibilities that the agency has taken on with land acquisitions that are not being fulfilled. This position would be responsible for field evaluation of conservation easement compliance for each of the OWEB acquisitions. The position would assist the Program Lead in initial site inspections by establishing baseline reports for projects approved by the Board. The position would also assist in coordinating appraisal and Environmental Site Assessment reviews.
12. **Establish a limited duration NRS 3 Partnership Specialist position funded from Lottery Funds-Operating.** This position would assist with ongoing workload associated with existing partnership program efforts, including the Whole Watershed Restoration Initiative, the Conservation Reserve Enhancement Program, and Special Investment Partnerships in the Willamette and Deschutes basins, as well as a possible new partnership emerging in the Klamath basin next biennium. The position would process applications, draft grant agreements, process payment requests, review project status and progress, respond to stakeholder requests and questions.
13. **Establish a limited duration NRS 4 Willamette Partnership Coordinator funded from Federal Funds-BPA.** This position will help carry out implementation of a proposed integrated funding approach to restoration in the Willamette Basin that will further goals under the Biological Opinion on the operation of the Willamette River Basin Project and the Willamette Special Investment Partnership.
14. **Request funding for OWEB's email, internet, network and file server.** These functions had been provided by the Oregon Business Development Department at \$50 per month; however, in January 2009 OECDD notified OWEB they would no longer provide these services. OWEB has since contracted out the email function, while the Department of State Lands has agreed to provide the internet connection and Water Resources Department will host OWEB's network and file server. These costs are still in the development stage and should be approximately \$30,000 funded from Lottery Funds-Operating and PCSRF.

15. **The Independent Multidisciplinary Science Team seeks an increase of \$296,807.** The IMST base budget for 2011-2013 is \$450,560 (equal to the 2009-2011 budget plus a 2.4% inflation factor). Having operated at this level (which was a roughly 30% decrease from 2007-2009) for about a year, the IMST has concluded this budget level is unsustainable; deep cuts were made to IMST professional staff who are key to completing projects, team members who are university faculty did not receive sufficient funds to offset their teaching responsibilities so they could perform IMST work, and projects could not be completed without significant pro bono work on the part of team members. The Policy Package amount of \$296,807 is intended to overcome these issues, and restores funding to a level considered by the team to be the minimum needed to responsibly perform its function for the State.

16. **The Lower Columbia River Estuary Partnership (LCREP) seeks to increase its base funding received from the state by \$180,762.** Part of the National Estuary Program, LCREP's base operations come from the Environmental Protection Agency and the states of Oregon and Washington. To date, these funds have supported staff, project delivery, and outreach efforts. LCREP endured a 25% reduction to its base budget by the Oregon Legislature in 2009-2011 that will have a significant impact on ongoing operations if it cannot be restored to previous levels. The request amount of \$180,762 would restore the State of Oregon's investment in the LCREP to the 2007-2009 level and recover lost inflation adjustments since 1995.



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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May 11, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item E: 2010 Grant Cycles and Funding Targets
June 2-3, 2010 OWEB Board Meeting**

I. Introduction

This report provides an update on the April 19, 2010, grant cycle; recommends non-capital grant types and funding targets for the October 18, 2010, grant cycle; and recommends funding targets for capital grants for the remainder of the biennium.

II. Background

A. Grant Cycles

OWEB offers four regular grant cycles per biennium, soliciting applications in April and October and awarding funds in March and September of each year. Grant applications are evaluated by regional review teams, which make funding recommendations to OWEB staff. Under Oregon Administrative Rule 695-010-0080(2), "staff shall review the recommendations from each regional review team and make a statewide funding recommendation to the Board based on available resources for the grant period and type." A flow chart of OWEB's competitive grant evaluation process can be found in Attachment A.

The Board typically sets the schedule and identifies the types of grant applications solicited for each deadline based on OWEB's legislatively adopted budget. Restoration/Acquisition and Technical Assistance grant offerings were made available for the April 20, 2009, cycle, as approved by the Board at the March 2009 meeting. The Board then established grant application deadlines and Restoration/Acquisition grant offerings for the remainder of the 2009-2011 biennium at the June 2009 meeting. Non-capital grant application types, other than Watershed Council Support, were not proposed pending final legislative approval of the OWEB 2009-2011 budget. At the July 29, 2009, special Board meeting, the Board approved the solicitation of Technical Assistance, Education and Outreach, and Monitoring grants for the October 2009 grant cycle. At the January 2010 meeting, the Board approved the solicitation of Technical Assistance grant applications in addition to Restoration/Acquisition applications for the April 19, 2010, grant cycle.

Due to the ongoing uncertainty about revenues, staff did not propose non-capital grant solicitations for the remainder of the 2009-2011 biennium at the January meeting. OWEB has typically solicited for Technical Assistance, Education/Outreach, and Monitoring grants in the October grant cycle and only Technical Assistance in the April grant cycle.

B. Spending Plan and Funding Targets

At the September 2009 meeting, staff proposed a spending plan for the \$46.6 million in capital funds and \$8.0 million in non-capital funds appropriated to OWEB by the Legislature for the 2009-2011 biennium. Capital funds are dedicated Lottery funds used to support on-the-ground restoration and acquisition projects. Non-capital funds include Lottery non-capital, Pacific Coastal Salmon Recovery Funds (PCSRF), and Salmon License Plate funds. These funds are used to support an assortment of needs that capital funds cannot support. These include technical assistance, education and outreach, monitoring and assessment, local capacity support, agency efforts related to the Oregon Plan for Salmon and Watersheds, and information and communication needs related to implementation of the Board's Communication Strategy and Strategic Plan.

The September 2009 spending plan was intended 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. The proposed spending plan was influenced by a number of factors, including an update to OWEB's Strategic Plan and the development of a Strategic Communications Plan.

1. Capital Funds

Capital Lottery Funds have generally been more plentiful than non-capital Lottery Funds. OWEB usually solicits for Restoration and Acquisition grant applications in every grant cycle and has traditionally set capital funding targets for each of the biennium's four grant cycles at the September Board meeting following legislative adoption of OWEB's budget.

For the 2009-2011 biennium, the Board has not set capital funding targets for grant cycles due to reduced Lottery Fund revenues, uncertainty as to whether revenues would meet projected budget levels, and uncertainty over the February 2010 Special Session. Instead, the Board made funding allocations at the time of the grant awards in September 2009 and March 2010, based on staff estimates of available resources. The Board awarded \$7.3 million in September 2009 and \$9.9 million in March 2010 of capital funds.

2. Non-Capital Funds

Budgeting for non-capital grant solicitations is not as straight-forward as it is for capital grants. The Board allocated or reserved most of the non-capital funds OWEB received in our 2009-2011 budget for specific purposes at the September 2009 Board meeting. In addition, because of the relative shortage of non-capital Lottery funds, OWEB has relied on an infusion of federal PCSRF funds in even-numbered years to support non-capital grant cycles in the second half of the biennium. Given these circumstances, OWEB doesn't typically set non-capital funding targets at the beginning of the biennium; instead funding targets by grant type are set throughout the biennium in advance of upcoming grant cycles.

For 2009-2011, the uncertainty of revenue shortfalls and the February 2010 Special Session also influenced the setting of funding targets for non-capital grant types. The Board awarded \$577,000 in September 2009 and \$536,000 in March 2010 for Technical Assistance grants. The Board also awarded \$589,000 for Education and Outreach grants and \$1.1 million for Monitoring grants in March 2010.

C. Pacific Coastal Salmon Recovery Funds

Congress included \$80 million of PCSRF in the omnibus budget bill for Federal Fiscal Year 2010. This is the same total amount of PCSRF funds as was appropriated last year. The distribution of funding to the states is done following a competitive application and review process. OWEB recently submitted an application requesting \$27 million in PCSRF; we expect to be informed of the Oregon award amount by July of 2010. The award to the State of Oregon in Federal Fiscal Year 2009 was \$13.2 million, an increase of \$5 million over the 2008 award.

III. April 19, 2010 Grant Cycle

A total of 156 grant applications were submitted to OWEB on its April 19, 2010 deadline. Table 1 displays the number of applications and amounts requested from the grant application submissions. Regional review teams will meet in June and July to evaluate applications and make funding recommendations to OWEB staff.

Table 1. April 19, 2010 Grant Applications by Types of Applications and Funding Requested

Types of Applications				
	Acquisition	Technical Assistance	Restoration	Totals
Region 1	5	8	10	23
Region 2	0	6	20	26
Region 3	3	9	21	33
Region 4	1	8	10	19
Region 5	1	4	26	31
Region 6	0	1	23	24
Totals	10	36	110	156

Funding Requests by Application Type				
	Acquisition	Technical Assistance	Restoration	Totals
Region 1	\$4,486,000	\$355,111	\$1,766,381	\$6,607,492
Region 2	0	\$205,638	\$2,560,331	\$2,765,969
Region 3	\$5,200,000	\$374,303	\$2,589,162	\$8,163,465
Region 4	\$171,252	\$302,334	\$2,706,099	\$3,179,685
Region 5	\$450,000	\$89,965	\$2,131,152	\$2,671,117
Region 6	0	\$11,495	\$2,073,320	\$2,084,815
Totals	\$10,307,252	\$1,338,846	\$13,826,445	\$25,472,543

IV. October 18, 2010 Grant Cycle

The next grant application deadline is October 18, 2010. Applications solicited for OWEB’s October cycles have typically included Technical Assistance, Education/Outreach, and Monitoring. While there is still uncertainty about the amount of non-capital funding that will be available, staff expect to receive PCSRF funds this summer. We would like to be able to give grant applicants more advance notice of the October non-capital grant offerings than they would have if the decision were delayed until the September 2010 Board meeting. Accordingly, staff recommend a non-capital grant solicitation for October 2010 that includes Technical Assistance, Education/Outreach, and Monitoring offerings in addition to Restoration/Acquisition grants.

V. Funding Targets

A. Capital Grant Cycles

Staff estimate the amount of capital funds available for grant purposes for the remainder of the biennium to be between \$16.1 and \$18.1 million with two regular grant cycles remaining. Based on the uncertainty of Lottery Fund revenues, staff propose a conservative approach to setting a funding target for each cycle, and recommend \$8.25 million per cycle for Restoration and Acquisition grants. This figure is 10 percent less than the \$9.25 million per cycle capital fund reserve set by the Board for 2009-2011. If revenues improve, the Board may have the option of providing a higher level of funding for Restoration and Acquisition grants.

B. Non-Capital Grant Types

Staff estimate that \$1.6 million in non-capital funds is currently available for grant purposes. We expect to receive an infusion of PCSRF funding in August or September of 2010, to augment this funding. Staff propose a conservative approach based on the uncertainty of Lottery revenues and the level of PCSRF funding. The funding targets recommended in Tables 2 and 3 below are 10 percent less than those set by the Board for 2009-2011. Depending on the level of PCSRF funding and Lottery revenues, the Board may have the option of providing additional funding for these grant offerings.

Table 2. April 2010 Non-Capital Grants

Technical Assistance	\$450,000
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Table 3 - October 2010 Non-Capital Grants

Technical Assistance	\$450,000
Education/Outreach	\$450,000
Monitoring	\$1,350,000

VI. Recommendation

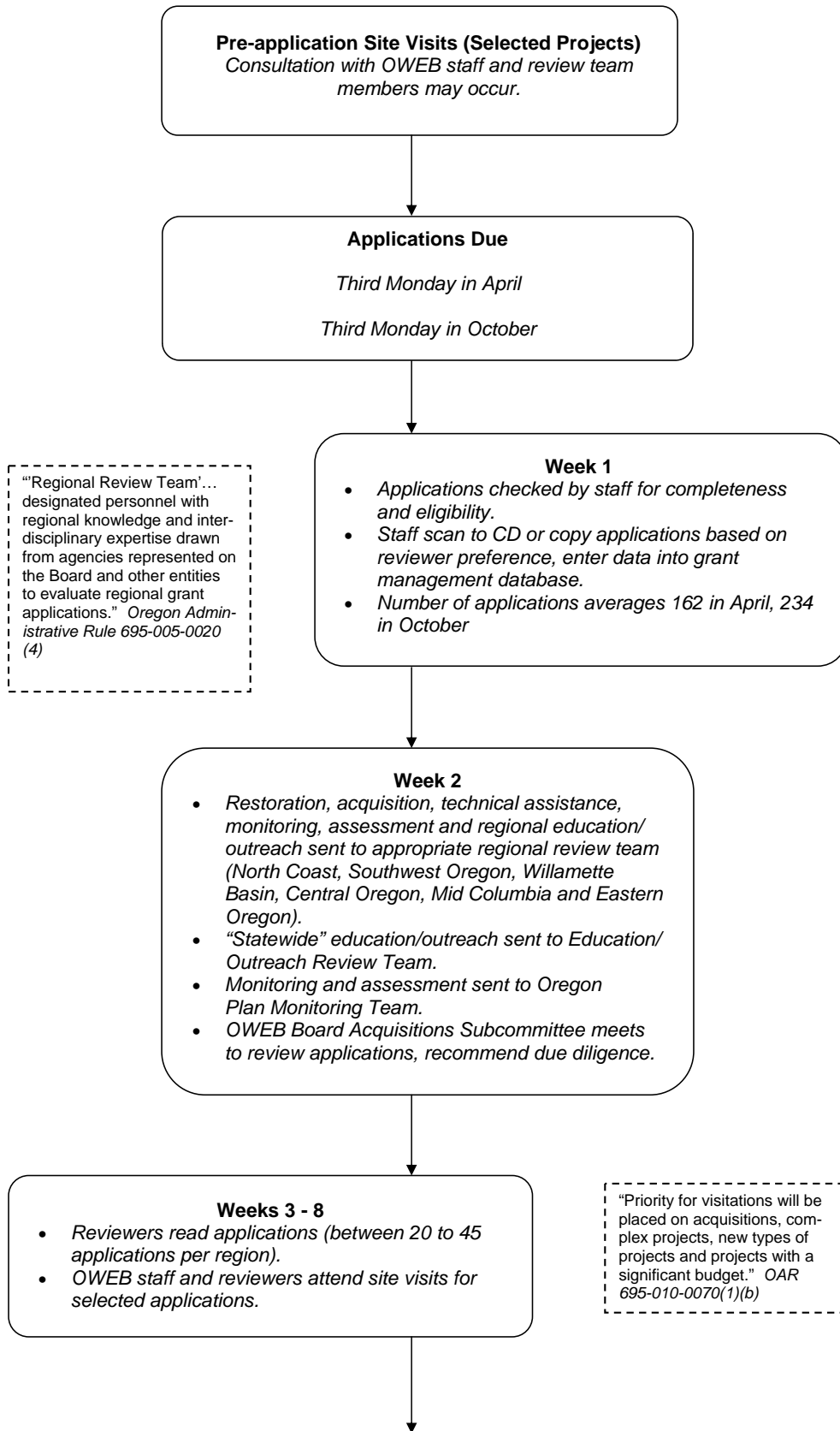
Staff recommend the Board approve:

- A. A funding target of \$8.25 million each for the April 2010 and October 2010 capital grant cycles.
- B. A funding target of up to \$450,000 for Technical Assistance grant applications received for the April 19, 2010 grant cycle.
- C. The solicitation of Technical Assistance grant applications for the October 18, 2010, grant cycle, with a funding target of up to \$450,000, dependent upon the receipt of new PCSRF funds.
- D. The solicitation of Education/Outreach grant applications for the October 18, 2010, grant cycle, with a funding target of up to \$450,000, dependent upon the receipt of new PCSRF funds.
- E. The solicitation of Monitoring grant applications for the October 18, 2010, grant cycle, with a funding target of up to \$1,350,000, dependent upon the receipt of new PCSRF funds.

Attachment

- A. Competitive Grant Program Evaluation Process

**Oregon Watershed Enhancement Board (OWEB)
Competitive Grant Program Evaluation Process**



- **Weeks 9-13**
- *OWEB staff and regional review teams hold 1- to 2-day meetings in the regions to evaluate applications.*
- *Education/Outreach Review Team meets for group evaluation of all statewide education/outreach applications (typically less than 10).*
- *Oregon Plan Monitoring Team meets for group evaluation of all monitoring applications.*
- *OWEB Board Acquisition Subcommittee meets to consider reviewer feedback and make recommendations to staff (fund, no fund, defer)*

Restoration Grants Review Rule
 “(2) At the regional review team meeting, the team shall:

- (a) Review and evaluate each project individually based on how well the proposed project meets the criteria in 695-010-0060;
- (b) Recommend the project as;
 - (A) Do fund;
 - (B) Do fund with conditions;
 - (C) Do not fund; or
 - (D) Defer to staff or the Board with an explanation, if there is a policy issue or budget issue that needs to be addressed by the Board prior to a funding decision; and
- (c) Rank order all projects recommended for funding based on;
 - (A) How well the project meets the criteria established in 695-010-0030 and 695-010-0060;
 - (B) (B) The certainty of success, based on the organizational capacity of the applicant and the likelihood the project will meet its ecological objectives;
 - (C) The benefit to the *Oregon Plan for Salmon and Watersheds*, as evidenced by its expected benefits to watershed functions, fish habitat or water quality; and
 - (D) The project costs relative to the anticipated watershed health benefits.

(3) The project description, summary evaluation and funding recommendation for all projects, and the rank order of projects recommended for funding shall be forwarded from the regional review team to Board staff for their consideration.”
Oregon Administrative Rule 695-010-0070

Weeks 14-18
OWEB staff write summaries of review team evaluations, review all recommendations, consider available funding, and develop funding or acquisition deferral recommendations for the Board.

“(2) Staff shall review the recommendations from each regional review team and make a statewide funding recommendation to the Board based on available resources for the grant period and type.” *Oregon Administrative Rule 695-010-0080*

Week 19
OWEB staff funding recommendations and review team evaluation summaries distributed to applicants, reviewers and Board.

Weeks 20-22
OWEB accepts comment letters on staff recommendations and reviewer evaluations.

Week 23
OWEB Board makes funding or acquisition deferral decisions.

May 21, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item F-1: Acquisition Grants
Deferred Land Acquisition: Summer Creek (#210-102)
June 2-3, 2010 OWEB Board Meeting**

I. Introduction

This staff report provides information about an acquisition application previously deferred by the Board for due diligence review, which is now ready for funding consideration. Land acquisition grant applications often require more time to fully evaluate and prepare funding recommendations than is available in the regular 21-week grant cycle.

II. Summary of Grant Application

The City of Tigard requests \$1 million to purchase 43 acres at the confluence of Summer and Fanno creeks in Tigard. The total purchase price is anticipated to be approximately \$5.3 million. The property is currently owned by the Tigard-Tualatin School District, which intends to sell the property to the Trust for Public Land (TPL) to fund school investments elsewhere in the district. TPL in turn will sell the property to the City of Tigard.

The application states that the city will manage the property as a park and outdoor education site. The property contains a 7-acre ball field, and a paved pedestrian and bicycle trail. The city intends to build restroom facilities and a pavilion adjacent to the ball field. The property's less developed areas contain numerous foot trails.

The application states that the property contains a mix of freshwater emergent marsh, oak woodland, Western Oregon upland prairie and oak savanna, ponderosa pine woodland, riparian forests and shrublands, and forested wetlands. The application states that restoration will result in an additional 10 acres of Oregon upland prairie and oak savanna.

The application states that the property contains the following rare or at-risk plant communities: bigleaf maple – red alder/sword fern – fringe cup, quaking aspen / slough sedge, white oak / snowberry / sword fern, and white oak / poison oak / blue wild rye. Further, the application states that the project will benefit the following OWEB priority species: winter steelhead, Pacific lamprey, northern red-legged frog, western pond turtle, and painted turtle.

The application states that the project is consistent with all seven of OWEB's conservation principles for land acquisition: protecting a large intact area, stabilizing an area on the brink of ecological collapse, securing a transition area, restoring function to an area that requires active restoration to achieve its conservation purpose, protecting a site with exceptional biodiversity, improving connectivity of habitat, and complementing an existing network of sites in the basin. The application states that TPL will contribute \$30,000 to launch an education program, which will blend stewardship and restoration with science education. The education program concept contemplates signage, interpretive centers, and nature camps.

III. Regional Review Team Evaluation

The Regional Review Team (RRT) was generally supportive of this acquisition, although it questioned some of the ecological claims made in the application. RRT members thought that the extent and quality of the priority habitats were overstated, and they were skeptical that the property could support breeding populations of either western pond or painted turtles. The floodplain nature of the property and its resultant annual inundation, as well as heavy human use, make it unsuitable breeding habitat for turtles.

The RRT found the claim of connectivity to be weak because stream areas immediately above and below the property are thin "riparian ribbons." The retention of the ball field in the proposal troubled reviewers, and they recommended making OWEB funding contingent on restoration of the ball field to priority upland habitats. The RRT noted that the application does not indicate that any OWEB priority upland species will benefit from the project, yet more than half of the property is uplands. Overall, the RRT felt that the property is a key anchor for the confluence area of Summer and Fanno creeks.

The RRT noted that the property is currently being used almost exclusively by one teacher at adjacent Fowler Middle School. However, the urban nature of the property and the diversity of habitats in its relatively small area lend promising education potential on a larger scale. Reviewers felt confident that the city and its partners such as TPL, Metro, Friends of Fanno Creek, Tualatin Riverkeepers, Tualatin Watershed Council, Tigard-Tualatin School District, and Fowler Middle School would be committed to developing a broad-based education plan.

The RRT concluded that the project has medium ecological value and high educational merit. The RRT recommended that if OWEB funding is granted, it should be contingent on restoration of the ball field for improved ecological benefit.

IV. Capacity to Sustain the Ecological Benefits

The application states that green spaces such as Summer Creek are maintained by the Parks and Grounds Division and the Storm Water Division of the city's Public Works Department. The application also states that the Parks and Grounds Division has been involved in stream and riparian corridor restoration for ten years. The Parks and Grounds Division has ten fulltime employees and an annual operating budget of approximately \$1.3 million. Currently, the city is actively restoring more than 160 acres of public property. The application states that the city maintains an on-call services contract for restoration work and has secured \$10,000 for the development of a management plan for the property.

The application states that public access on trails in sensitive areas will be managed by “dense native plantings.” The application also states that to further protect sensitive areas, the existing trail system will be consolidated. Physical barriers, including downed trees or railing, will be considered in the development of the management plan.

V. Educational Benefits

Summer Creek is a relatively large, undeveloped property in an urban matrix, and therefore presents strong opportunities for outdoor education. The property’s diverse habitats and its proximity to Fowler Middle School are also positive aspects of the property’s educational value.

The application describes the Summer Creek Environmental Program, a concept that it states will develop over time. The program will begin with preserving and fostering the continued use of the property by Fowler Middle School, expanding educational use of the property into the summer months by inviting nature camps to use the property, inviting a “broader segment of children from the region” to learn about nature at the property, and generating a forum to “exchange environmental learning.”

The application states that the project will be highlighted in TPL regional and national publications and on TPL’s web site. These efforts will describe the property’s role as an “oasis of nature in a heavily urbanized area” and the partnerships that led to its protection and use for environmental education. The application further states that TPL will highlight how Summer Creek fulfills the promise of Connecting Green, a collaborative effort of local non-profits, jurisdictions, and Metro to leverage and coordinate local conservation efforts.

The application states that the city will hold a ribbon cutting ceremony with project partners, promote the acquisition through its web sites, and reach out to the media. The city will also place signage on the property educating visitors about the funding that made protection possible.

VI. Project Support and Community Effects

The Summer Creek project is strongly supported by a wide variety of organizations and individuals. The mayor of Tigard and several local state-elected officials have indicated that this project is important. Fowler Middle School and its students are avid supporters. Conservation organizations such as Tualatin Riverkeepers and Friends of Fanno Creek support acquisition of the property with public funds. The Tualatin Watershed Council also supports the project.

The project will provide the Tigard-Tualatin School District with approximately \$5.3 million plus additional revenue from selling three separate upland parcels (see below) for use elsewhere in the district, while preserving the right of the district’s children to use the property for environmental education.

VII. Financial and Legal Terms

The City of Tigard has secured \$2.5 million of the \$4.3 million it needs to match OWEB funds and purchase the property. The city and Metro have each committed \$1 million for the purchase. Washington County and Clean Water Services have committed \$400,000 and \$100,000 respectively. The Oregon Parks and Recreation Department recently determined that it did not have sufficient funding to grant the \$500,000 requested by the city for the project.

A. Property Title

The 43-acre property to be purchased from the school district is a portion of a larger parcel currently owned by the district. A series of lot line adjustments will be necessary for the 43 acres to be sold separately. In the lot line adjustments, the district will maintain ownership of three pieces of land and will also reserve utility easements on the acreage that it is selling to TPL, in order to make the land it is keeping later sellable for housing development.

Review of the property's title revealed several sewer easements that are inconsistent with protection of the property's ecological values. The sewer lines are present mainly under the creeks and in the riparian areas.

In light of the threats posed to the property's conservation values by the existing sewer easements and the utility easements the school district intends to reserve at the time of the property's sale, the Acquisitions Subcommittee directed staff to work with TPL to identify an area on the property that contains conservation values most likely to be protectable by an OWEB conservation easement. An area of 9.8 acres was identified by staff and TPL. The area is currently title-encumbered by one reservation, a sewer easement, which staff understand from the city contains an abandoned line. The title company has indicated a willingness to remove the easement from the title, which would result in an area unencumbered by sewer or other utility easements.

B. Appraisal

An appraisal was conducted for the entire 43-acre parcel proposed for acquisition. Subsequent information was submitted for the 9.8-acre area of the property. All of the appraisal information was reviewed by OWEB's independent review appraiser. The review appraiser issued a report stating that the appraisal meets specified standards, that proper appraisal methodology was used, and the value conclusions are adequately supported with the exception of a discount for the developable portion of the property. The review appraiser was of the opinion that, due to zoning, the fair market value of the developable area is \$50,000 less than \$4.9 million the appraiser determined, and that the total property value is \$5.28 million. The review appraiser also concluded that the 9.8-acre area is valued at more than \$2 million.

C. Conservation Easement

The school district intends to place a blanket access easement on the entire 43 acres at the time of sale to TPL. The easement states that the school district retains a permanent right to use the property for environmental education, and that future measures to manage and protect the property's natural resources must be "limited in duration and scope as reasonably necessary to achieve that purpose." The Department of Justice advised staff that the district's easement language could hamper future protection of the property's conservation values should the parties involved be unable to agree on what constitutes "reasonable" natural resources management and protection. Staff discussed alternatives at length with TPL and the city to resolve this potential conflict; TPL subsequently told staff that none of the alternatives was acceptable to the school district.

In exchange for Metro's \$1 million grant, the city must grant Metro an easement on the entire 43-acre property. TPL has told staff that it anticipates that the Metro easement will be recorded before any OWEB conservation easement, and has offered to work with OWEB to subordinate the Metro easement. Staff have received from Metro a template easement.

Metro anticipates recording on the property title an easement based on the template. The easement template states that the purpose of the easement is to prevent any use or occupancy of, or activity on, the property that will impair or interfere with the conservation values as identified in the Metro grant agreement. The easement template also states that the property is to be preserved for outdoor recreation by, or the education of, the general public.

D. Environmental Site Assessment

The environmental site assessment (ESA) concluded that no recognized environmental contamination was observed on the property. The Department of Environmental Quality, OWEB's independent reviewer, agreed with the conclusion. The assessment did, however, recommend the removal and disposal of solid waste that is present on the property. The ESA also recommended investigations for septic systems, cesspools, water supply wells, and underground storage tanks, followed by decommissioning and soil testing depending on the results of the investigations.

VIII. Acquisition Subcommittee Recommendation

The Acquisitions Subcommittee and staff have discussed the level of protection possible for the property's conservation values on multiple occasions. The Subcommittee has concluded that, given the title and sale conditions, it would be inappropriate and impractical to place OWEB's conservation easement on the property. Under statute, a conservation easement is required when dedicated Lottery funds are used for a land acquisition project. On the other hand, OWEB grant awards of federal or other funds for land acquisition only need a "notice of grant agreement" recorded on the title to restrict the transfer or sale of the property without Board approval.

The Subcommittee concluded that this project is important as an outdoor environmental education site, and is very interested in the possibility of the property being used as a pilot for a long-term regional educational collaboration. The Subcommittee acknowledged that this focus is a departure from OWEB's typical acquisition investments, and stressed the need to assess the pilot closely for success in subsequent years before committing to similar types of investments.

Staff recommend that OWEB use funds other than dedicated Lottery funds, thereby removing the need for a conservation easement to limit the use of the property to conservation purposes consistent with the use of Lottery funds. The Subcommittee discussed and supported the proposed use of federal and other funds for the application at its May meeting.

IX. Staff Recommendation

Staff recommend, based on the Acquisition Subcommittee's recommendation to staff, that the Board award \$1 million of federal and other funds for the Summer Creek (#210-102) acquisition application subject to the following conditions:

- A. Removal from the title the easement for the abandoned sewer line. This should be completed before OWEB funds are used to purchase the property.
- B. Completion of the investigations recommended by the environmental site assessment, and any clean-up or other actions determined to be necessary as a result of the investigations. All work should be completed before OWEB funds are used to purchase the property.

- C. A grant agreement provision that requires development and implementation of a regional outdoor education program consistent with the education plan presented in the application. The program should include an access management plan that addresses trail consolidation and other measures that will be taken to protect the property's natural resources.
- D. The applicant will be required to present the regional outdoor education program to the Board for discussion and approval not more than nine months after the purchase of the property.
- E. The applicant will be required for five years to report to the Board regarding the annual use and effectiveness of the educational program.

May 21, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item F-2: Acquisition Grants
Water Lease Application for Upper Klamath Basin (#211-100)
June 2-3, 2010 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of funding for a water acquisition application that proposes to fund a three year water lease on Sevenmile Creek in the Upper Klamath Basin. The water would be leased for in-stream aquatic resource values.

II. Background

The Klamath Basin Rangeland Trust (KBRT) submitted a grant application for the Upper Sevenmile Creek Critical Habitat Instream Water Lease (#211-100) project on April 14, 2010. The application requests \$171,252 to fund half of the cost of a three year water right lease (2010-2012) to apply the water to in-stream uses in Sevenmile Creek. The water rights are owned by JaCox Ranch, which has been working with the Klamath Basin Rangeland Trust to reduce cattle numbers and adjust grazing management to conserve water use. The lease arrangement has developed confidence with the landowner to consider a permanent arrangement, and the three year lease includes an option to negotiate a permanent transaction. The option would use the lease payment towards the purchase price of the acquisition of the water right.

Normally, this grant application would be reviewed by staff and the Central Oregon Regional Review Team over the summer, and would receive consideration along with the other applications received in April at the September Board meeting. This application is being taken out of regular sequence to help address Klamath Basin drought issues. The project will help to maintain water in the upper basin, which is a current critical need. A Board award in June will allow the project to achieve benefits this summer.

III. Project Proposal

The JaCox Ranch diverts flow from Sevenmile Creek near River Mile 17 for distribution throughout the ranch property for irrigation purposes. The four surface water rights involved in the application date from 1891, 1898, 1928, and 1971. An application to lease the water rights instream was originally submitted to the Oregon Water Resources Department (WRD) in 2003. WRD issued a Final Order approving Instream Lease 479 (IL-479) in January 2005, with a termination date of 2008.

In March of 2009, a lease renewal application was submitted. It was approved in April 2009 with a termination date of September 30, 2013. KBRT and the water right owner executed a three-year Water Rights Instream Lease Agreement in March 2010. That agreement requires IL-479 to remain in effect through 2012 if funding is secured by February 15 of each year to pay the annual lease price of \$114,168. In February 2010, KBRT secured matching funds from the National Fish and Wildlife Foundation (NFWF) for the three-year agreement price.

The proposed project will extend IL-479 for three years to increase flow in a 17-mile reach of Sevenmile Creek. The instream water lease will also supply additional high-quality water to Agency Lake for fisheries, agriculture, and downstream river flow. The cost of the three year lease will be credited towards the price of an instream transfer, currently in negotiation. OWEB is requested to contribute 50 percent of the total three-year lease purchase price of \$342,504. WRD will hold the IL-479 in trust for the people of Oregon.

The lease adds flow to a critically dewatered, two-mile reach of Sevenmile Creek (from the Upper Sevenmile Ditch diversion down to Blue Springs). The restored flow is up to 16.41 cfs starting in April, decreasing to between 5 and 8 cfs restored in August and September. The lease also restores a lesser amount of flow to a 15-mile secondary reach of Sevenmile Creek (to the mouth).

Prior to the lease, Sevenmile Creek was often dewatered from the diversion at River Mile 17 for at least two miles. This reach of the creek is critical; documented effects from the first three years of the lease have shown that flow in this portion of the stream has significantly enhanced access to critical habitat for bull trout, Lost River sucker, and red-band trout. There is a robust monitoring program in place funded by the KBRT and conducted by Graham Matthews and Associates, Inc. to document effects of the lease.

IV. Application Review

The application is timely to addressing a critical need for this summer. The application review process was accelerated to ensure adequate review and to allow for the project to be implemented during the current drought conditions in the Klamath Basin. However, the process has included all of the elements contained in OWEB's administrative rules at OAR 695-046-0040, including ecological benefits, financial partners and support for the project, effect on the local and regional community, and the soundness of the legal and financial terms of the proposed transaction.

The Acquisition Subcommittee of the Board reviewed the application on May 10, 2010; they have identified it as a high priority for funding. Staff have reviewed the project with members of the Regional Review Team individually who recognize the importance of the project's ecological benefits.

In an effort to use existing water transaction expertise, OWEB staff requested that Andrew Purkey, manager of the Columbia Basin Water Transaction Program for the NFWF, review the application. The review is attached to the staff report. (Attachment A) The review considered the four criteria described in rule. The lease provides ecological benefits of increased seasonal habitat for aquatic species, including candidate and listed species, increased connectivity for more than 17 miles of Sevenmile Creek, and improved water quality conditions. The project has full match (50 percent cost share) committed from the NFWF, which will also support the

transaction and monitoring costs of the project. The project is also supported by the Oregon Department of Fish and Wildlife, U.S. Forest Service, Natural Resources Conservation Service, and U.S. Fish and Wildlife Service. The owner, rancher of JaCox Ranch sees the lease as an integral part of his operation at this time, and there does not appear to be any evidence that the previous lease or other instream leases in the Wood Valley have had any detrimental effect on the local and regional community. There is strong support for cooperative solutions to water use like this in the basin.

OWEB staff also consulted with Oregon Water Resources Department staff on the application. They were familiar with the project since they approved the lease in 2009. The water lease has been perfected and is being renewed. The draft valuation conducted by WestWater Research concluded that \$120 per acre is a reasonable annual lease price for the Upper Klamath Basin. This equates to be a price of just over \$26/acre-foot/year of water procured for instream use.

V. Recommendation

Staff recommend the Board award \$171,252 of capital funds to the Upper Sevenmile Creek Critical Habitat Instream Water Lease grant application (#211-100).

Attachment

- A. Review Comments from Andrew Purkey

Funding Recommendation

Sevenmile Creek Water Transaction Grant Application

National Fish and Wildlife Foundation to Oregon Watershed Enhancement Board

May 11, 2010

Per Oregon Administrative Rules (OAR) 695-046-0090(2)(c), the Director of the Oregon Watershed Enhancement Board (OWEB) is charged with making a staff funding recommendation to the OWEB Board on all water acquisition projects considered for funding. Andrew Purkey, director of the National Fish and Wildlife Foundation's (NFWF's) Western Water Programs, has developed the following recommendation for the Director based on criteria found under (OAR) 695-046-0090(2)(c)(A)-(F). The recommendation is based on information provided by the project sponsor, the Klamath Basin Rangeland Trust (KBRT), to NFWF.

The transaction will extend existing instream water lease 479 (IL-479) with the JaCox Ranch for three years (2010-2012) to increase flow by up to 16 cubic feet per second in a 17-mile reach of Sevenmile Creek that provides critical habitat for numerous important species, including bull trout, redband trout, suckers and Oregon spotted frog. The instream water lease also will supply additional water to Agency Lake for the potential benefit of fisheries, agriculture and downstream river flows.

(A) The ecological benefits of a proposed project:

NFWF has based its evaluation of the proposed transaction on the following criteria used for evaluating proposals submitted under other funding programs.

Watershed Planning Criteria. The proposal satisfies the following:

Environmental flow in the stream reach(es) or area(s) addressed by the proposal is identified as a limiting factor for fish and wildlife, biodiversity, and/or ecosystem function in a publicly-available, scientifically credible assessment, study or plan; or through a written statement by a biologist or ecologist with in-depth knowledge of the site.

The Oregon Conservation Strategy is divided into Ecoregions. The project is in the East Cascades Ecoregion, Conservation Opportunity Area EC-09. Conservation Opportunity Area EC-09 key habitats are aquatic, riparian and wetlands. Recommended conservation actions include: maintain or enhance watershed function, connection to riparian habitat, flow and hydrology.

KBRT, the Oregon Department of Fish and Wildlife (ODFW), and the United States Forest Service (USFS) identified the primary limiting factors to a functional Sevenmile Creek Watershed as excessively low flows throughout the irrigation season; impediments to fish passage due to irrigation diversion structures and stream modifications for diversions; poor

riparian conditions due to unmanaged cattle access to the streams; and lack of habitat features such as large wood, undercut banks, and spawning areas due to cattle activity and channel modification for irrigation.

These factors are listed in the 2006 ODFW Sevenmile Creek Fish Survey and Limiting Factor Analysis, the 2003 and 2008 Wood River Valley Aquatic Habitat Study, the 2002 KBRT Wood River Valley Restoration Plan, the USFS Westside Action Plan (in production), and the 2008 NFWF Business Plan for the Lost River sucker, shortnose sucker, and redband rainbow trout.

Collaborative and synergistic efforts with other entities are demonstrated with regard to efforts to resolve other factors limiting fish, wildlife, and/or ecosystem function in the target stream or site.

Since 2003 KBRT has taken a strategic approach to address these limiting factors. In that time, KBRT and its' partners have established riparian corridors on all but one ½ mile reach of the natural creek and its tributaries, removed all but one (which is in the planning stages) of the impediments to fish passage, restored miles of habitat by placing large wood and spawning gravel, returning tributaries to their natural channels, and reconnecting the creek to important springs. High-quality habitat is now available in the primary reach and is quickly improving in much of the secondary reach. Fish passage barriers have been addressed and much of the riparian corridor has been fenced to exclude cattle. Only the lowest few miles of the secondary reach are not currently good habitat because of poor water quality and a straightened, simplified stream channel (known as the Sevenmile Canal).

In the primary reach of the water right transaction, flow historically got as low as less than 1 cubic foot per second (cfs), resulting in diminished habitat. The low flow in this primary reach also disconnected the lower segment of Sevenmile Creek from high-quality habitat on USFS land upstream. The transaction will improve habitat in the primary reach of flow restoration and connect the lower segment of the creek to the upper segment of the creek.

Hydrologic Criteria. The proposal satisfies the following:

Environmental flow will be secured and/or protected at both a location and time of year where low flows are a limiting factor for fish and wildlife, biodiversity, and/or ecosystem function.

The transaction adds flow to a critically dewatered, two-mile reach of Sevenmile Creek (from the Upper Sevenmile Ditch diversion down to Blue Springs). The restored flow is up to 16.41 cfs starting in April, decreasing to between 5 and 8 cfs restored in August and September. The lease also restores a lesser amount of flow to a 15-mile secondary reach of Sevenmile Creek (to the mouth).

An application to lease the water rights instream was originally submitted to the Oregon Water Resources Department in 2003. The Department issued a Final Order approving Instream Lease 479 with conditions resulting from a Stipulated Agreement on January 5, 2005, with a termination date of September 30, 2008. In March of 2009 a lease renewal was

submitted and approved on April 24, 2009, with a termination date of September 30, 2013, while allowing for the option to terminate early. The water rights to be leased have priority dates of 12/31/1891, 12/31/1898, 09/25/1928 and 09/24/1971.

The transaction adds up to 16.41 cfs in April decreasing to up to 8 cfs in August/September - to a critically dewatered, two-mile reach of Sevenmile Creek (from the Upper Sevenmile Ditch diversion down to Blue Springs). The lease also describes a 15-mile secondary reach to the mouth of Sevenmile Creek.

As described above, in the primary reach of the water right transaction, flow historically got as low as less than 1 cfs, resulting in diminished habitat. The low flow in this primary reach also disconnected the lower segment of Sevenmile Creek from high-quality habitat on USFS land upstream. The transaction will improve habitat in the primary reach of flow restoration and connect the lower segment of the creek to the upper segment of the creek.

Biological Criteria. The proposal satisfies the following:

Native fish, wild fish, and/or wildlife populations are expected to benefit from the proposed project.

Resident fish species that benefit from the proposed water transaction include Brook, Brown, Bull, and Redband Trout. There currently are no anadromous fish in the Upper Klamath Basin due to total blockage by several downstream dams. These dams may be removed and anadromous fish passage may be restored to the Upper Basin sometime after 2020. It is expected that both salmon and steelhead may use the Sevenmile Creek system if and when passage is restored.

The biological benefits of the transaction have been documented in a 2008 report by Graham Matthews and Associates entitled “Wood River Valley Aquatic Habitat Study Final Report”:

Pg 11. Significantly more habitat was available in the summer of 2008 than in 2003 due to the large increase in flow. [IL-479 went into effect in 2005]

Pg 12. Reach 6 (JaCox Ranch above Bluespring) has experienced the most dramatic changes resulting from the KBRT Project land management changes, which directly affected water diversions and grazing practices. Fish habitat greatly improved as shown by increased pool numbers, pool quality, pool depth, large woody debris, and presence of gravel substrate. As glides scoured into pools, existing pool depths increased, and silt substrate was scoured into gravel, substantial amounts of sediment were released. Some of these sediments were trapped by the improved riparian vegetation, contributing to the narrowing of the channel, while others were flushed downstream. Reach 6 clearly demonstrates the possible improvements in channel and riparian conditions over a 5 year period with new management prescriptions. We believe Reach 6 saw the most significant improvements for several reasons: (1) it is the most upstream reach, thus having less sediment to move through it from upstream reaches, (2) it has a much steeper gradient than the other reaches (4-5 times steeper) thus providing considerably more energy with the increased streamflows to scour the bed, and (3) it likely saw the highest percentage

increase in base flow, as prior to the management changes, it was essentially dewatered much of the summer.

The transaction also results in improved water quality conditions. Water quality is excellent in the upper portion of Sevenmile Creek as the water comes from the Cascade Mountains and from natural springs. Water quality historically decreased downstream in the lower segment of the creek due to water withdrawals, sediment, solar radiation, and poor-quality irrigation tailwater. Water quality has been improving since much of the water has been leased instream along Sevenmile Creek, and the riparian area has been improved do to conservation efforts.

(B) Financial partners in and other support for the project:

This transaction is a 3-year lease with the annual lease payments counting toward the price of a parallel Transfer Option Agreement KBRT is now negotiating with the landowner. This is essentially a lease-to-own transaction that will allow time to identify and secure the balance of the transfer purchase price, anticipated to be in excess of \$2,000,000. Funding from NFWF will provide cost-share for the 3 year lease. Additional funding must be secured in order to implement the proposed permanent transaction. KBRT anticipates that federal funding sought through the Klamath Basin Restoration Agreement is a likely source of funding for the desired permanent transaction.

The annual lease rate being paid to landowners in the Wood River Valley in 2010 is \$120/acre. In 2009 the price was \$150 per acre. These prices reflect both water being leased instream and obligations to manage cattle stocking rates to maintain a 3-inch stubble height. The landowner is willing to take the 2010 per acre rate for three years. A draft valuation by WestWater Research confirms that \$120 per acre is a reasonable annual lease price for the Upper Klamath Basin. This equates to be a price of just over \$26/acre-foot/year of water procured for instream use. This is a reasonable price for water in the Upper Klamath.

(C) The effect of the proposed project on the local and regional community:

NFWF has not discovered any evidence that the previous implementation of this instream lease had any detrimental effect on the local and regional community.

(D) The due diligence review of a proposed project:

The implementation of this lease since 2005 provides assurances that the water rights of record are valid and qualified for continued lease instream.

Recommendation: NFWF supports OWEB funding of this proposed transaction. The positive ecological impacts of the lease since 2005 have been well documented. Continuation of this lease for an additional 3 years will maintain the ecological value of flow restored to Sevenmile Creek. Importantly, the lease price will counts towards the purchase price under negotiation between the landowner and KBRT to permanently acquire the water right.



Oregon

Theodore R. Kulongoski, Governor

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May 11, 2010

MEMORANDUM

TO: *Oregon Watershed Enhancement Board*

FROM: Lauri Aunan, Grant Program Manager
Courtney Shaff, Grant Program Coordinator

SUBJECT: **Agenda Item I: 2011-2013 Watershed Council Support
June 2-3, 2010 OWEB Board Meeting**

I. Introduction

This report presents recommendations related to policy changes for new applicants and solo funding requests for the 2011-2013 Watershed Council Support grant cycle.

II. Background

A. Statute and Rules

By statute, “watershed council” means a voluntary local organization, designated by a local government to address the goal of sustaining natural resource and watershed protection, restoration and enhancement [ORS 541.351(15)]. Support for council capacity is specifically identified in Oregon statute:

In carrying out the watershed enhancement program, OWEB shall “grant funds for the support of watershed councils in assessing watershed conditions, developing action plans, implementing projects and monitoring results...from such moneys as may be available to the board therefor.” ORS 541.370(1)(e)

“The Oregon Watershed Enhancement Board may work cooperatively with any local watershed council that may be formed. Requests from local watershed councils for state assistance shall be evaluated on the basis of whether the requesting organization reflects the interests of the affected watershed and the potential to protect and enhance the quality of the watershed in question.” ORS 541.388(1)

Under OWEB’s administrative rules, “watershed council support” grants support the capacity of a watershed council or group of watershed councils to conduct activities necessary for the watershed protection, enhancement, and restoration work of the council(s). This support may include coordinator salary and benefits, operating costs, risk management and accountability assurance, and fiscal grant management costs.

OWEB has also defined watershed council eligibility by rule; OAR 695-040-0030 states:

(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.

Watershed council support grant applications are submitted every two years. Applications are evaluated for merit based on criteria and processes in OWEB's rules, and funding is awarded based on factors in OWEB's rules. Grant awards cover the two years coinciding with OWEB's biennial state budget (e.g., July 1, 2009 – June 30, 2011). The next council support grant application deadline is January 24, 2011, with grant awards planned for June 2011.

B. OWEB Strategic Plan and Listening Sessions

During the summer and fall of 2009, the OWEB Board developed a Strategic Plan, which was adopted in January 2010. Goal 2 of the Strategic Plan is to "Support an enduring, high capacity local infrastructure for conducting watershed restoration and conservation." Strategy 2 under Goal 2 is to "Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships."

OWEB began addressing Goal 2 by holding six Watershed Council Listening Sessions around the state. The Listening Sessions were organized to get feedback from councils to inform OWEB staff and Board members in developing actions to implement Goal 2. The Agenda Item C-4 staff report outlines OWEB's follow-up steps arising from the Listening Sessions.

III. 2011-2013 Council Support Grant Cycle

Attachment A contains a flowchart for the 2011-2013 Watershed Council Support grant evaluation process.

A. Watershed Council Support and Listening Session Follow Up Schedule

June 2-3, 2010	Board meeting. Action on recommended policy changes for new applicants and requests for solo funding. Submit Listening Session Report.
July 2010	Board Council Support Subcommittee meeting. Listening session follow up: <u>draft</u> watershed council support program principles.
Sept. 14-15, 2010	Board meeting. Update on watershed council support program principles.

Nov. 15-17, 2010	OWEB's Biennial Conference. Continue Listening Session follow up with OWEB Board/staff/council discussion about <u>draft</u> watershed council support program principles. Workshops with councils on filling out the council support application.
Jan. 18, 2011	Council support applications due to OWEB. Listening Session follow up.
March 2011	Council Support Advisory Committee evaluation of applications. Listening Session follow up.
April 2011	Subcommittee meeting. Discuss 2011-2013 cycle merit ranking and funding alternatives. Listening Session follow up.
May 2011	Subcommittee meeting. Develop funding recommendations for full Board award; review applicant comment letters. Listening Session follow up.
June 7-8, 2011	Board meeting; award of 2011-2013 council support grants.
July – Dec. 2011	Continue Listening Session follow up. For example, if OWEB wants to change council support grant rules, we would need to convene a Rules Advisory Committee during the summer/fall of 2011, and start official rulemaking in January 2012, for adoption of rules in June 2012 before the 2013-2015 council support cycle.

B. 2011-2013 Application, Review Process, and Reporting Improvements

During the Listening Sessions, councils frequently asked OWEB not to significantly change the watershed council support application for the 2011-2013 cycle. At the same time, councils acknowledged that the application is time-consuming and complex to fill out, and might not provide reviewers with clear enough information about the councils' work.

For the 2011-2013 cycle, OWEB is working with a Watershed Council Support Work Group to improve – but not make significant changes to – the application, review process, and reporting requirements. The Work Group is made up of watershed council coordinators, council support application reviewers, and OWEB staff (see list in Attachment B). The goals of the Work Group are to make the application easier and quicker to fill out and review, and ensure that key information is more clearly communicated to reviewers without losing information needed for the merit evaluation.

The Work Group started meeting in March and should wrap up its work in June. Currently, the Work Group is:

- Revising the evaluation sheet to ensure applicants get credit for multi-year projects.
- Providing easier to understand instructions for umbrella and multiple council applicants to make the application easier to fill out and easier for reviewers to evaluate.
- Reducing the number of narrative questions in the application so applicants can provide more detailed information on fewer questions.
- Simplifying the budget application page.
- Simplifying reporting requirements.
- Exploring the suggestion to provide time in the review process for applicants to meet with the council support reviewers.

OWEB also heard during the Listening Sessions that we need to improve our communication around council support, including how the evaluation process works, eligibility criteria, the makeup of the review team. Staff's goal will be to provide information and communication about council support through email and the OWEB web site, as early as we can, with regular updates and reminders.

IV. OWEB Policy for New Applicants and Requests for Solo Funding for the 2011-2013 Council Support Cycle

A. New Applicants

A "new applicant" is a council that has not previously applied for, or been awarded, council support funds. In 2003, the Board adopted a funding principle to limit awards for new watershed council applicants to \$37,500, regardless of merit. This amount was based on the estimated cost for a council to employ a part-time council coordinator (at that time, staff estimated that full-time coordinator salary for the biennium cost \$75,000).

OWEB received applications from two new applicants during the 2009-2011 council support cycle. There was also uncertainty about whether OWEB would be able to fund councils at the \$6 million level provided in 2007-2009. If funding were limited to \$5 million, the Board Subcommittee did not want to thin the soup by adding two new applicants. Initially, the Board denied funding for the two new applicants under OAR 695-040-0060(4), which states that grant awards will be based on four factors:

- (a) An applicant's merit category.
- (b) Whether the applicant is an umbrella watershed council as defined in OAR 695-040-0020(4).
- (c) Whether the applicant is two or more watershed councils serving unique geographic areas in a single Watershed Council Support grant where the application demonstrates operational economies of scale over two separate grant applications.¹
- (d) Available funding. (emphasis added)

After OWEB's budget was adopted by the Legislature and OWEB developed a spending plan to fund councils at the \$6 million level, the Subcommittee and staff recommended, and the full Board approved, funding for the two new councils at \$37,500. At that time the Board also asked staff to explore whether there should be a moratorium on funding new councils for 2011-2013.

Staff are aware of two recently formed new councils in Region 3 (North Clackamas and Lake Oswego) that have received local government recognition and are in geographic areas not served by other councils. In addition, the Pudding River WSC, who was previously funded by OWEB, but did not apply in 2009, is likely to apply in 2011-2013. It is possible that OWEB could receive at least 66 council support applications for 2011-2013. The table below shows the number of new and total applicants per biennia since 2003.

¹ Note: staff have consistently recommended not providing additional funding to councils under this rule; in 2005, staff recommended the need to clarify this rule or repeal it.

New Applicant History

Biennium	New Applicants	Total Councils
2003-2005	4	57
2005-2007*	1	57
2007-2009	0	60
2009-2011	2	63

**One council combined with another in 2005-2007 leaving the number of applicants at 57 despite having one new applicant.*

During the Listening Sessions, it was clear there is no consensus among councils regarding funding for new applicants. Some councils think OWEB should fund all councils; others think there should be a cap on the number of councils funded; others think there should be a size or population requirement for OWEB funding. At the same time, there was significant feedback that OWEB needs to make hard decisions in the near term, and should not continue to “thin the soup” without addressing key council support policy questions.

OWEB’s rules state that a watershed council can apply if it meets the eligibility requirements; OWEB has accepted all applications that meet those requirements. All eligible applications have also been evaluated on merit. The Board has funding discretion based on *available funding*. During the 2009 Board discussions about funding new applicants, some Board members were concerned that OWEB was relying solely on the “available funding” criteria without providing enough notice to applicants. It was a difficult discussion and decision for the Subcommittee and Board.

B. Requests for Board Approval of Solo Funding

Under OAR 695-040-0030, if 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.

OWEB has required councils to address the following criteria in their solo funding requests to the Board.

- 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.

The table below shows the history of solo funding requests for the past two biennia.

Solo Funding History Using Above Criteria

Biennium	Requests	Granted	Results	Total Councils
2007-2009	2	2	2 additional councils	60
2009-2011	4	1	2 additional councils	63*

**One previously funded watershed council did not apply; two new applicants were funded*

There is interest by at least two councils to seek Board approval for solo funding. In addition, there are at least six other councils that could request solo funding because they currently receive shared council support funding, but serve areas that are not served by other watershed councils.

During the Listening Sessions, it was clear there is no consensus among councils about OWEB’s policy on solo funding, although it was noted that OWEB’s funding is a disincentive to creating coordinating council umbrellas since councils can receive more funding by applying individually. At the same time, there was significant feedback that OWEB needs to make hard decisions in the near term and should not continue to “thin the soup” without addressing key council support policy questions.

C. Policy Recommendations

OWEB has begun to implement Goal 2, Strategy 2 of its newly adopted Strategic Plan. As described in the Director’s Update Item C-4 on the Watershed Council Listening Sessions, OWEB is committed to developing long-term council support program principles that will form the basis for potential funding and rule changes for the 2013-2015 council support grant cycle.

The state budget (including, for the first time, Lottery revenues) faces significant revenue shortfalls for the 2011-2013 biennium, resulting in OWEB budget uncertainty and the likelihood of limited council support funding.

Based on these factors, staff recommend the following changes to Board policy for the 2011-2013 biennium only. The recommendations are based on the expectation that the Board and staff will address key council support policy questions before the 2013-2015 council support funding cycle.

1. Recommended New Applicant Policy

Based on OWEB’s eligibility rules, OWEB cannot refuse to accept an application for council support funding if the application meets the eligibility requirements. However, the Board has the discretion to make no award based on “available funding.” OWEB has provided council support funding in the past two biennia to achieve an award average of approximately \$100,000 per council (recognizing that actual individual awards vary based on merit category and umbrella council bonuses). For the 2011-2013 council support grant cycle, staff recommend that the Board give notice to councils that we expect the 2011-2013 budget to be constrained, and that if the level of available funding does not support an average award of \$100,000 per council, the Board will not fund new applicants. As an example, if OWEB received 65 eligible applications, the total amount

of funding available would need to meet or exceed \$6.5 million for new applicants to be awarded council support funding.

2. Recommended Policy on Requests for Solo Funding

OWEB's rules give the Board broad discretion to decide whether to entertain or approve requests for solo funding. For the 2011-2013 council support grant cycle, staff recommend that the Board give notice to councils that it will not accept requests for solo funding. This hiatus will allow staff and Board to concentrate on developing council support program principles that will form the basis for potential funding and rule changes.

V. Recommendation

Staff recommend the Board:

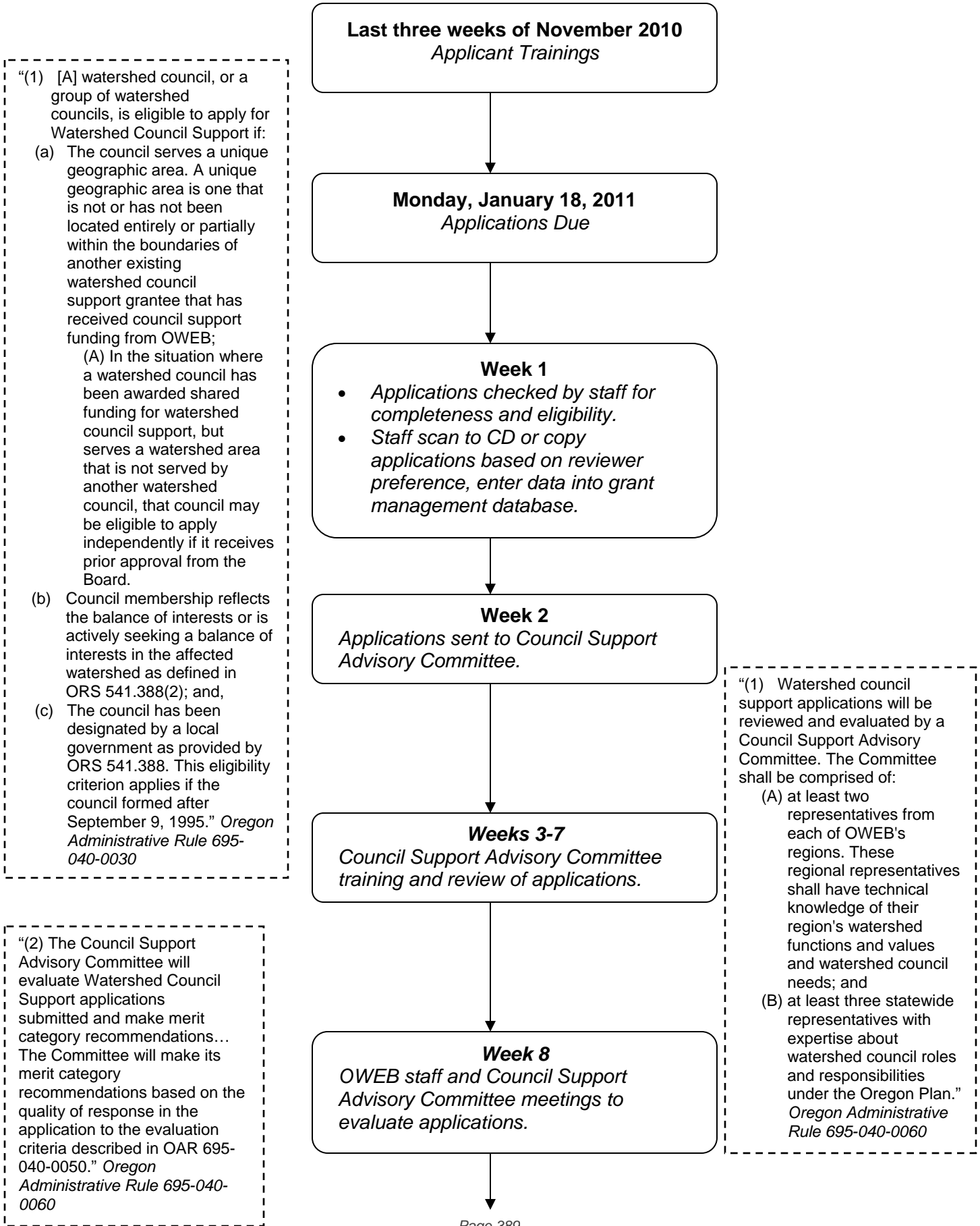
- A. Approve the new applicant policy as described in paragraph IV.C.1 above.
- B. Approve the solo funding request policy as described in paragraph IV.C.2 above.

Staff will immediately and frequently communicate with councils about these policies, the reasons for the policies, and what they mean for the 2011-2013 council support application process and schedule.

Attachments

- A. 2011-2013 Watershed Council Support Grant Evaluation Process (diagram)
- B. Watershed Council Support Workgroup Participants

Oregon Watershed Enhancement Board (OWEB)
2011-2013 Watershed Council Support Grant Evaluation Process



“(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.” *Oregon Administrative Rule 695-040-0030*

“(2) The Council Support Advisory Committee will evaluate Watershed Council Support applications submitted and make merit category recommendations... The Committee will make its merit category recommendations based on the quality of response in the application to the evaluation criteria described in OAR 695-040-0050.” *Oregon Administrative Rule 695-040-0060*

“(1) Watershed council support applications will be reviewed and evaluated by a Council Support Advisory Committee. The Committee shall be comprised of:

(A) at least two representatives from each of OWEB’s regions. These regional representatives shall have technical knowledge of their region’s watershed functions and values and watershed council needs; and

(B) at least three statewide representatives with expertise about watershed council roles and responsibilities under the Oregon Plan.” *Oregon Administrative Rule 695-040-0060*

“(3) Information provided by the applicant, the evaluation criteria in OAR 695-040-0050, the recommendation of the Council Support Advisory Committee, the recommendation of the Director, and the applicant’s response to these recommendations will be used by the Board to determine an applicant’s merit category placement and grant funding level.” *Oregon Administrative Rule 695-040-0060*

Weeks 9-12
OWEB staff write summaries of Council Support Advisory Committee evaluations, develop merit ranking and present draft merit ranking to Director.

Week 13
OWEB staff merit ranking and funding recommendations, and Council Support Advisory Committee evaluation summaries, distributed to applicants, reviewers, and Board.

Weeks 14-16
OWEB accepts comment letters on staff recommendations and Council Support Advisory Committee evaluations.

Week 20
OWEB Board makes funding decisions.

“(4) Individual watershed council support grant funding levels will be based on
(a) An applicant’s merit category,
(b) whether the applicant is an umbrella watershed council as defined in OAR 695-040-0020(4),
(c) whether the applicant is two or more watershed councils serving unique geographic areas in a single Watershed Council Support grant where the application demonstrates operational economies of scale over two separate grant applications, and
(d) available funding.”
Oregon Administrative Rule 695-040-0060
Footnote: OWEB staff have never used (c) in determining funding levels because of limited available funding.

Watershed Council Support Workgroup Participants

Anne Saxby
Hood River SWCD and Watershed Working Group

Brian Wolcott
Walla Walla Watershed Council

Max Nielsen-Pincus
University of Oregon
Institute for a Sustainable Environment

Amy Charette
North Fork John Day Watershed Council

Harry Hoogesteger
South Coast Watershed Council

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May 13, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Renee Davis-Born, Ecosystem Services Coordinator

**SUBJECT: Agenda Item J: Ecosystem Services Update
June 2-3, 2010 OWEB Board Meeting**

I. Introduction

This report provides updates about two ecosystem services initiatives: OWEB's Ecosystem Services LLC research contract and the Senate Bill 513 Ecosystem Services Markets Working Group. The report also updates the Board on the Conservation Innovation Grant proposal to develop a pilot market for ecosystem services in the Willamette Basin.

II. OWEB Research Project on Ecosystem Services

In August 2009, OWEB contracted with Ecosystem Services LLC and Ecotrust to investigate how traditional OWEB restoration and acquisition projects may provide ecosystem services and how these investments may converge with ecosystem services markets. This contract is supported by Research non-capital funds approved by the Board in March 2009 for an Ecosystem Services Module within the agency's Research Program. The contract's scope focuses on carbon-offset ecosystem services, but takes into account multiple benefits to ecosystem services that result from carbon-related projects.

The research project includes three phases of work:

- I) Identify current ecosystem services markets and potentially eligible OWEB-funded projects that have carbon-offset and other ecosystem services benefits.
- II) Evaluate the market opportunities for ecosystem services credits emerging from OWEB funded projects.
- III) Develop up to two pilot projects, focused on carbon offsets and other ecosystem services benefits, for market transactions.

Preliminary results were provided to the Board at the January and March meetings. At the June meeting, representatives from Ecosystem Services LLC and Ecotrust will brief the Board about their research findings and recommendations regarding the intersection between OWEB investments and ecosystem services and markets.

III. Senate Bill 513 Ecosystem Services Markets Working Group

OWEB convened and is staffing the Ecosystem Services Markets Working Group (Working Group) created as part of Senate Bill 513 (SB 513). At the June 2009 meeting, the Board awarded Research non-capital funds to support the Working Group, which is developing policy recommendations intended to advance the development of integrated ecosystem services markets in Oregon. In addition to the Working Group, which is comprised of individuals who are knowledgeable about and active in improving the ecological effectiveness of ecosystem services markets, an Ad Hoc Group has been convened to advise and help frame policy issues to be addressed by the Working Group.

The Working Group has met five times since December 2009. Priority policy areas have been identified to guide the Working Group's deliberations and frame its recommendations; these areas include:

1. Overarching ecological, economic, and integration goals to guide the development of integrated ecosystem services markets in Oregon;
2. Agency processes and interactions to address appropriate roles at local, regional, state and national scales;
3. Public/private financing issues; and
4. Private and government roles in developing standards, methodologies, metrics and tools.

Subgroups were formed around each of these policy areas. The subgroups have begun drafting policy recommendations and will finalize their work in advance of the May 27, 2010 meeting of the Working Group. At that meeting, the full Working Group is expected to come to general agreement on priority policy recommendations that will be advanced as part of its final report.

OWEB staff provided a very well-received presentation about the SB 513 process to the Oregon Sustainability Board at their March 26, 2010 meeting. Staff will also give a presentation about the SB 513 process to a joint meeting of the Senate Environment and Natural Resources and House Environment and Water Committees on May 25, 2010.

Following authorization from the Board at the March meeting, staff submitted a legislative concept placeholder to the Department of Administrative Services on behalf of the Working Group to preserve this as a possible option by which policy recommendations from the SB 513 process could be advanced. OWEB will learn by May 28 if the proposed concept is approved. Staff will update the Board on the status of the placeholder concept at the June meeting.

IV. Other Ecosystem Services Markets Initiatives – Willamette Pilot Project

At the March Board meeting, staff provided an update about a late-breaking opportunity for OWEB to partner with the Willamette Partnership and The Freshwater Trust on a proposal to the 2010 U.S. Department of Agriculture (USDA) Conservation Innovation Grant (CIG) program of the Natural Resources Conservation Service (NRCS). The proposed project seeks funding to implement a pilot market for ecosystem services in the Willamette Basin by encouraging private investors to fund restoration work that results in ecosystem services credits that could be sold in a marketplace.

OWEB's role in the proposed project is to provide grant funds that could be used as a backstop option to reimburse private investors for high-quality restoration work if the market for ecosystem services credits fails to appear. OWEB would allocate funds dedicated to the purchase of completed and verified restoration projects as a backstop option only if private investors decide to no longer pursue the sale of credits on the market. OWEB's role is to only pay for completed projects that meet agreed upon ecological and fiscal accountability criteria at a defined future point in time. The pilot project will "test drive" the potential for ecosystem services markets to attract private funding for restoration. If successful, the approach would stimulate private investment in restoration and conservation and ensure that restoration outcomes emerging from projects can be quantified. This pilot effort is proposed to reduce risk and help establish the market.

Staff proposed that the pilot project be conducted within the framework of the tributary initiative of the Willamette Special Investment Partnership (SIP) and the Meyer Memorial Trust/Bonneville Environmental Foundation "Model Watershed Program." The proposed pilot project connects well with the Willamette SIP by aligning restoration projects developed under the pilot with the restoration priorities identified in the model watersheds. If markets develop, this alignment could supplant public restoration funding with private funding.

The Willamette Partnership and The Freshwater Trust requested a commitment of \$200,000–\$400,000 from OWEB, which staff recommended be made available from capital funds already allocated by the Board to the Willamette SIP. At the March meeting, the Board agreed to support OWEB's participation in this project for the purpose of the development of a pre-proposal for submission to USDA.

On April 26, 2010, the Willamette Partnership, The Freshwater Trust, and OWEB submitted a CIG pre-proposal to USDA requesting funding to support implementation of the pilot project. The pre-proposal demonstrates an equivalent amount of non-federal matching funds, including OWEB's commitment, for planning and implementation of on-the-ground projects, ecosystem services protocol development, and verification of ecosystem services credits emerging from restoration projects. On May 10, 2010, NRCS requested a full application package for this project. Staff are working with the Willamette Partnership and The Freshwater Trust to develop the proposal materials, which are due on June 4, 2010.

V. Recommendation

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



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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May 13, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ashley Seim, GIS and Web Site Specialist
Greg Sieglitz, Monitoring and Reporting Program Manager

SUBJECT: Agenda Item M: Investment and Outcome Reporting
June 2-3, 2010 OWEB Board Meeting

I. Introduction

This report provides an update on the implementation of various actions related to the reporting and communication about OWEB investments and outcomes achieved as described in the OWEB 2010 Strategic Plan. Staff will demonstrate investment and outcome reporting additions to the OWEB web site at the June meeting.

II. Background

During the summer and fall of 2009, the OWEB Board developed a Strategic Plan, which was adopted in January 2010. At the same time, the Board was developing a Communications Strategy, which was approved in September 2009 as a working draft. The recommendations of the Communications Strategy are incorporated into the public awareness and involvement goal (Goal 3) of the Strategic Plan. Staff are also moving forward with the Communication Strategy's recommendation to "create and enhance an ongoing information infrastructure" to guide the implementation of the agency's communications tactics.

At the January Board Meeting, staff updated the Board on the Strategic Plan immediate action items and communication products. Part of that update focused on implementation of Goal 3, Strategy 1, Action 4 of the Strategic Plan, which proposes to compile a history of OWEB investments and ecological outcomes ("Decade of Investments"). As reported in January, staff do not view this as a single document or publication; this compilation consists of maps, stories, web site narratives, data, and information about OWEB investments and outcomes.

The January presentation also demonstrated proposed changes to the OWEB web site (www.oregon.gov/OWEB) and presented other investment and outcome reporting tools, including the OWEB Investment Tracking Tool in development by the Department of Administrative Services/Geospatial Enterprise (DAS/GEO) office and a Fish Passage Project Viewer in development by the InfoGraphics Lab at University of Oregon. Other investment reporting tools that were presented included the Conservation Registry, the Oregon Explorer, and Pacific Coastal Salmon Recovery Fund data viewer.

III. Web Sites as Information Vehicles

OWEB now has two web sites providing information about the agency, our investments, outcomes and other program areas. Staff will present the improvements made to the main OWEB web site and opportunities for linkages between the OWEB site and www.healthywatersheds.org site.

A. Web Site Updates and Enhancements

Since January, staff have implemented the planned improvements to the OWEB web site (www.oregon.gov/OWEB) presented to the Board. At the end of March, several improvements were made “live,” including the addition of a ‘Resources’ web page that compiles links to OWEB resources (e.g., grant applications, data, forms, contacts, publications, etc.) on one page. New content was added, including a page for ecosystem services coordination and a clickable map with a summary of 2007-2009 lottery funding by county.

In May, the Watersheds home page (once a page for general watershed resources) was removed because it’s no longer needed with the Resources page providing for more intuitive linkages to the same information. These changes reflect the goals to eliminate redundancies, add new content, and begin changing the structural organization of the site from programmatic (e.g., internal OWEB sections) to thematic (e.g., Resources, which compile web pages from multiple internal OWEB sections).

B. Investment and Outcome Linkages

With the public release of the www.healthywatersheds.org site, OWEB has another means to reach the public and create awareness. Staff have been developing potential linkages between the www.oregon.gov/OWEB site and www.healthywatersheds.org site. (See Agenda Item C-8 for more information about the www.healthywatersheds.org site and web communications.)

One potential area for linking the two sites is to provide more information about the jobs and local economies research funded by OWEB. (See Agenda Item G.) The www.healthywatersheds.org site provides high level information and messages about the new ‘restoration economy’ and how OWEB’s grant funding supports jobs and local businesses. OWEB staff have developed a web page for the www.oregon.gov/OWEB site that provides more detail about the research that was done, defines the new ‘restoration economy,’ and provides the results of the research. The new page also provides a direct link to the Ecosystem Workforce Program at the University of Oregon and the briefing papers developed with the research funding.

IV. Investment Reporting

OWEB staff have been participating in collaborative processes, prioritizing Board investments, and establishing the foundation for reporting on the summation of agency investments for the last few years. Several of these efforts are maturing and will be featured for the Board.

A. Conservation Registry

At the January Board meeting, staff provided an overview of the ongoing collaboration with the Defenders of Wildlife on the recently developed Oregon Conservation Registry. This on-line tool can be found at: (<http://blog.conservationregistry.org/2010/04/oregons-new-dataset/>)

In late April, the remaining issues of data quality and representation were resolved between OWEB and the Defenders of Wildlife. A new set of information was provided by OWEB from the Oregon Watershed Restoration Inventory (OWRI) that now is 'live' on the Conservation Registry with a user interface that provides access to complete project information through the Oregon Explorer. The OWRI tracks voluntary watershed restoration actions in Oregon since 1995 and is maintained by OWEB.

B. OWEB Investment Tracking Tool

OWEB staff have been working on an OWEB Investment Tracking Tool with the DAS/GEO office. The targeted audience for this new tool is the general public who desire more information about OWEB grants. The OWEB Investment Tracking Tool is a web mapping application that combines the location of projects with an abbreviated set of high-level project data (e.g. project name, grantee, project cost, grant type) from OWEB's Grant Management System (OGMS). A user will be able to sort by different grant types, zoom to their physical address to view projects nearby, and view a table providing OWEB project information grant.

OWEB staff have been working in coordination with the DAS/GEO office to provide direction and feedback on the development of the tool. The public release will be in late June. OWEB staff will continue to work with DAS/GEO to identify new functionality that can be added after the initial release. Staff will display the most current version of the viewer and demonstrate the linkage to OWEB's web sites at the meeting in June.

C. OWRI Visualization Tool

The OWRI Visualization Tool on Oregon Explorer was created to show the locations and information about restoration projects reported to OWRI. OWEB has invested in the Oregon Explorer Program at the Institute for Natural Resources at Oregon State University for various products. The Oregon Explorer team has been working on an OWEB contract since early 2009, with deliverables to include updating OWRI products and enhancing the OWRI Visualization Tool, creating a Lakes Basin Explorer Portal, creating a Deschutes River Basin Explorer, scoping and integrating fish-passage barrier data among Oregon Plan partner agencies, and implementing information sharing between Oregon Explorer and the Oregon Department of Fish and Wildlife's (ODFW) Natural Resources Information Management Plan.

The latest version of the Visualization Tool organizes OWRI data by basin for user downloads, allows users to overlay additional spatial datasets on restoration project data (e.g. fish distribution), adds other restoration datasets (e.g., U.S. Forest Service and Bureau of Land Management), and makes the data available by watershed council boundaries. In addition, the full detail report has been reconfigured to show a funding chart (by participant), and to allow for project photo uploads, among other improvements. Staff will display the enhanced OWRI Visualization Tool at the June Board meeting.

The tool can be viewed at:

- OWRI Visualization Tool – beta
<http://oregonexplorer.info/OregonRestorationVisTool/>
- Full Detail Report – beta
<http://oregonexplorer.info/OregonRestorationVisTool/FullReport.aspx>

V. Reporting Outcomes

In addition to enhancing the exposure of the general public to the information about OWEB investments, staff have been building platforms and compiling information for reporting on the outcomes of those investments. While the reporting on investments is a relatively simple and rapid process, establishing demonstrable results and outcomes is a longer term more complex process. Through the Board's investment in the Effectiveness Monitoring Program and Oregon Plan Products, preliminary results will soon be made available in several formats, in addition to existing information provided through the OWEB web site.

A. "A Decade of Fish Passage Improvements"

As reported to the Board in September 2008, several efforts have been underway to improve fish passage barrier data across several agencies. These efforts lay the foundation for a comprehensive, web-accessible data management system for fish-passage barriers. 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.

As mentioned in Section IV.C above, one task of this effort has been taken on by the Oregon Explorer team. The team has developed a reconciliation process for integrating OWRI fish passage project data with the ODFW barriers dataset. Once the full reconciliation task is complete; the result will be a dataset that identifies fish passage barriers and the historical barriers that have been removed or improved for fish passage.

The effort that will be demonstrated to the Board in June is the web-based data viewer being developed by the InfoGraphics Lab at the University of Oregon. The viewer will portray fish habitat made accessible by OWRI projects over the last 10 years in the Coos and Upper John Day sub-basins. It will also display the number of stream miles reported to the OWRI. The viewer is intended to be interactive, allowing the user the capability to explore the cumulative data by project completion year. The viewer will be available on the web site by August 31, 2010.

B. Effectiveness Monitoring Results

OWEB has initiated a variety of effectiveness monitoring efforts in the last three years and one half years. These include:

1. Livestock exclusion riparian work (entering fourth season of monitoring);
2. Western juniper removal (two years of monitoring);
3. Small dam removal (entering third year of monitoring);
4. Irrigation efficiency improvements (four seasons of monitoring in Malheur Basin and three seasons in Deschutes Basin);
5. Conservation Reserve Enhancement Program (CREP) evaluation (two years of monitoring);
6. Intensively Monitored Watersheds (entering third year of John Day monitoring); and
7. Wetland restoration (entering second year of monitoring).

While watershed restoration results can take many years to be realized through monitoring activities, OWEB staff are compiling early indicators of outcomes from a subset of the effectiveness monitoring projects funded to date. Staff will describe for the Board the mock-up web pages that will be used to provide information to the public about what we are learning so far.

VI. Next Steps

At the June meeting, staff will describe the work products and priority reporting and communication areas for the remainder of the calendar year. Key deliverables to watch for:

- The Oregon Explorer - OWRI Visualization Tool Phase II will be live by June 30, 2010.
- The OWEB Investment Viewer will be live by June 30, 2010, with additional phases to be determined by funding availability.
- The Decade of Investments Fish Passage Project Viewer will be live by August 31, 2010.

Additional focus on the necessary linkage between the OWEB web site and www.healthywatersheds.org site will occur between June and the end of the year. Web site based reporting of outcomes will be a continued focus area between June and December.

VII. Recommendation

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

APPROVED BY THE BOARD SEPTEMBER 14, 2010
Oregon Watershed Enhancement Board

June 2, 2010
OWEB Board Meeting
Baker City, Oregon

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Alan Henning
Debbie Hollen
Skip Klarquist
Kim Kratz
Meta Loftsgaarden
Jennifer Phillippi
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike
Karl Wenner
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Carolyn Devine
Sue Greer
Karen Leiendecker
Melissa Leoni
Greg Sieglitz

Others Present

Vicki Wares
Charlie Boyer
Tom O'Brien
Mayor Craig Dirksen
Owen Wozniak
Lisa Seales
Laurie Owen
Ed Merriman

Members Not Present

John Jackson
Jim Johnson

Note: Due to the absence of Tom Byler, OWEB's Executive Director, the order of agenda items was modified. Items in the minutes are not identified in the order they were heard/considered by the Board.

Board Co-Chairs Diane Snyder and Dan Heagerty welcomed new Board members Debbie Hollen representing the U.S. Forest Service, and Alan Henning, representing the U.S. EPA.

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 March 16-17, 2010, Board meeting in Hood River were unanimously approved.

C. Executive Director Update

OWEB staff briefly reported on the following program updates:

1. Biennial Conference (Carolyn Devine)

OWEB's 11th Biennial Conference will be held November 15-17, 2010, at the Pendleton Convention Center. Staff are working with Board member Eric Quaempts on a visit to the Tamástslíkt Cultural Institute and planning a traditional Longhouse dinner for conference participants. As of May 13, 2010, \$11,500 has been committed in sponsorships. Without additional sponsors, registration fees will be increased to cover more of the conference costs. Steve Amen, OPB Oregon Field Guide, will be the keynote speaker. A call for presentations will be out soon and staff will begin to schedule sessions and Board member participation.

2. Oregon Plan Biennial Report (Melissa Leoni)

OWEB staff have begun planning the content and production elements of the 2009-2011 Oregon Plan Biennial Report. Staff plan to produce a print document, but are discussing how to pare down the content included in the print version while enhancing the amount of data, information, and stories, made available on the Oregon Plan web site. The report is due to the Governor and appropriate legislative committees by January 15, 2011.

3. Strategic Plan Update (Melissa Leoni)

The content of OWEB's strategic plan was adopted by the Board at the January Board meeting. Staff are working on the public version of the plan and hope to have it ready soon.

4. Watershed Council Listening Sessions (Lauri Aunan)

Watershed Council Listening Sessions were held in each region in February and March. A total of 53 councils were represented at the sessions. Jim Owens of Cogan Owens Cogan, facilitated the listening sessions and provided OWEB with a final report summarizing the responses gathered through the listening sessions and an online anonymous survey. Staff is working with the Board Council Support Subcommittee, the Network of Oregon Watershed Councils and the Watershed Council Support Application Work Group to follow up on key areas identified in the Listening Sessions. Work includes improving, but not significantly changing, the application for the 2011-2013 grant cycle; holding a council support program dialogue at the OWEB Biennial Conference in November; and working with the Network on ideas for tools for capacity building. Board members discussed how OWEB is following up with watershed councils that ranked as "needs improvement" as a result of the 2009-2011 watershed council support evaluation process.

5. Small Grant Program Evaluation (Lauri Aunan)

OAR 695-35-0070 directs OWEB to review reports submitted by the Small Grant Teams and evaluate the need for program improvements and administrative rule changes once a biennium. Staff reviewed the submitted Small Grant Team 2007-2009 Biennial reports and conducted listening tours/site visits to each of OWEB's six regions. Staff found some housekeeping items that could be changed at a later date, but did not discover any substantive changes necessary. Staff concluded that no changes to the Small Grant Program are recommended at this time.

6. Coastal Wetlands Grants (Ken Bierly)

OWEB staff solicited project proposals for submission to the U.S. Fish and Wildlife Service (USFWS) Coastal Wetlands Grant Program. Three proposals in Tillamook and Coos

counties were received, and have been reviewed and approved for submittal to USFWS by the Board Acquisition Subcommittee. On May 26, the Legislative Emergency Board granted OWEB permission to apply for the three grants. Final applications are due June 25, 2010 to USFWS.

7. PCSRF Grant Process Report (Greg Sieglitz)

OWEB recently submitted a proposal to NOAA for Federal Fiscal Year 2010 PCSRF funding. OWEB is requesting a total of \$27 million for Oregon, which will include two new objectives requested by NOAA to specifically work with the Oregon Department of Fish and Wildlife on Lower Columbia monitoring and hatchery reform actions. OWEB expects to receive a response from NOAA in June of 2010.

8. Communications Strategy (Carolyn Devine)

OWEB's second web site www.healthywatersheds.org was recently launched. It is intended for those who are not currently involved in the watershed enhancement program, but who are curious about the agency and the work that has been done through OWEB investments. Staff contracted with OakTree Digital Resources on implementing a usability study request for proposals (RFP) and they identified short term web improvements. Staff plan to launch a second phase of improvements by hiring a contractor to evaluate both of OWEB's web sites from a user's perspective to improve the delivery of information and content and look at integration of sites.

On April 23, staff received customer service training. More intensive training on effective communications with members of the media will be offered to selected staff this summer.

Staff are also working with the Network of Oregon Watershed Councils on a communications effort to help build public awareness about involvement in watershed restoration efforts around the state.

D. Budget and Legislative

Tom Byler, Executive Director, provided Board members with 1) an overview on preparations to rebalance funds for the 2009-2011 biennium; 2) an update on the proposed SB 513 Working Group legislative concept for 2011-2013; and 3) preparations for creating the agency request budget for 2011-2013.

1. 2009-2011 Rebalance

Based on the latest revenue forecast, OWEB's managers have been discussing different options to rebalance funds for the remainder of the 2009-2011 biennium. Managers have identified reductions in operations, unallocated grant funds, and allocated but unspent funds that the Director has delegated authority to expend. Although Lottery Funds seem to be steady, the manager's recommendation is to be cautious and prepare for the worst case scenario by holding back more than the estimated shortfall.

The rebalance approach was structured to avoid affecting awarded grants, funds allocated to watershed council or SWCD support, impacting filled positions, and retaining as many grant funds as possible. The proposal uses awarded but unspent funds that were reserved for effectiveness monitoring, restoration priorities, and the communication strategy.

2. 2011-2013 Legislative Concept

At the request of the SB 513 Ecosystem Services Markets Working Group, and with approval from the Board, OWEB submitted a placeholder legislative concept on behalf of the Working Group relating to ecosystem services markets. The Working Group recently decided to have OWEB withdraw the legislative concept placeholder.

3. 2011-2013 Agency Request Budget

Director Byler provided an overview of the state's budget process, specifically the development of OWEB's Agency Request Budget (ARB) for 2011-2013. Key considerations in developing the ARB are:

- Strategic Plan Goals, Strategies, and Actions
- Board Budget Principles
- Potential Ballot Measure to Reauthorize Measure 66
- Long Term Revenue Forecast
- All Fund Sources and Fund Shifts
- Resiliency to Recover – 2014 Revenue forecasts
- Risks of backfill

In addition to the base budget, staff developed option packages to meet program goals and needs. These option packages cover

- Program Continuity (Ecosystems Services Coordinator, Performance Analyst/Reporting Specialist, Education Program Analyst, Acquisitions Specialist Reclass, and Information Technology Needs)
- Local Capacity (additional \$2 million for watershed councils and SWCDs)
- Research Capital (\$480,000)
- Federal Commitments (PCSRF Reporting Coordinator, Data Systems Specialist, Office Specialist, Willamette Partnership Coordinator)
- Program Enhancements (7th RPR, Acquisitions Assistant, Partnership Specialist)
- Capital Grant Funds
- Lower Columbia River Estuary Partnership (LCREP)
- Independent Multidisciplinary Science Team (IMST)

OWEB staff met with the Board Budget Subcommittee (Board Co-Chairs Dan Heagerty and Diane Snyder, Karl Wenner, Meta Loftsgaarden, Kim Kratz, Dan Thorndike, and Skip Klarquist) to review the staff report and draft staff recommendations.

Board members unanimously approved the staff recommendation for the Policy Packages described in Section IV.A and further detailed in Attachment A of the staff report except for numbers 15 and 16, additional funding for the IMST and LCREP, and the base budget reduction scenarios described in Section IV.B of the staff report, for inclusion in the Agency Request Budget for the 2011-2013 biennium.

E. 2010 Grant Cycles and Funding Targets

Lauri Aunan, Grant Program Manager, provided Board members with the background on development of OWEB's four biennial grant cycles, capital and non-capital grant offerings, and funding targets.

April 19, 2010, grant cycle

Staff received 156 applications in the April 19, 2010, grant cycle for a total request of over \$25 million. The solicitation was for Restoration/Acquisition (120 applications received) and Technical Assistance (36 applications received) applications.

October 18, 2010, grant cycle

The next grant application deadline is October 18, 2010. In addition to Restoration/Acquisition grants, staff recommended a non-capital solicitation that includes Technical Assistance, Education/Outreach, and Monitoring offerings.

Capital Grant Cycles (Restoration/Acquisition)

Staff estimate the amount of capital funds available for grant purposes for the remainder of the biennium to be between \$16.1 and \$18.1 million with two regular grant cycles remaining. Based on the uncertainty of funding, staff proposed a conservative approach to setting a funding target for each cycle -- \$8.25 million per cycle, which is 10 percent less than the funds reserved set by the Board for 2009-2011.

Non-Capital Grant Types

Staff estimate the amount of non-capital funds available for grant purposes is \$1.6 million. Staff again proposed a conservative approach (10 percent less) based on the uncertainty of lottery revenues and the level of PCSRF funding. Staff recommended the following grant solicitations and funding targets:

April 2010 Non-capital grants

Technical Assistance \$450,000

October 2010 Non-Capital Grants

Technical Assistance	\$ 450,000
Education/Outreach	\$ 450,000
Monitoring	\$1,350,000

Board members discussed whether Assessments should be added to the list of grant offerings for the October 2010 cycle since the last time it was offered was in April 2008. Staff will look into whether Assessments should be solicited for the October 2010 cycle or potentially for the April 2011 cycle.

Board members unanimously approved the following:

A) A funding target of \$8.25 million each for the April 2010 and October 2010 capital grant cycles; B) A funding target of up to \$450,000 for Technical Assistance grant applications received for the April 19, 2010, grant cycle; and C) The solicitation of Technical Assistance, Education/Outreach, Monitoring, and potentially Assessment grant applications with a funding target of up to \$2.25 million, dependent upon the receipt of new PCSRF funds.

F. Acquisition Grants

F-1. Deferred Land Acquisition: Summer Creek (#210-102)

Public Comment:

- Mayor Craig Dirksen, City of Tigard, and Dennis Kohlmeyer, Public Works Director, supported the Summer Creek acquisition.
- Owen Wozniak, Trust for Public Land, supported the Summer Creek acquisition.

Ken Bierly, Deputy Director, provided a brief summary of the Summer Creek application (#210-102), which was previously deferred by the Board for due diligence review, and was ready for Board consideration.

Staff worked with both the Board Acquisition and Budget subcommittees on this proposal. Board members discussed the benefits of this proposed application focusing on the education component.

Board members passed with one nay (Diane Snyder), a motion to award \$1 million of federal and other funds for the Summer Creek (#210-102) acquisition application subject to the conditions described in Section IX of the staff report.

F-2. Water Lease Application for Upper Klamath Basin (#211-100)

Ken Bierly, Deputy Director, provided a summary of this water acquisition proposal to fund a three-year water lease on Sevenmile Creek in the Upper Klamath Basin. This application was taken out of regular sequence to help address the Klamath Basin drought issues. Although it was not reviewed by the entire Central Oregon regional review team, it was reviewed by the Board Acquisition Subcommittee and Andrew Purkey, Manager of the Columbia Basin Water Transaction Program for the National Fish and Wildlife Foundation. Staff also consulted with Oregon Water Resources Department staff who were familiar with the project and strongly supported its funding.

Board members unanimously voted to award \$171,252 of capital funds to the Upper Sevenmile Creek Critical Habitat Instream Water Lease grant application (#211-100).

G. Jobs Research Presentation

Greg Sieglitz, Monitoring and Reporting Program Manager, introduced Cassandra Moseley and Max Nielsen-Pincus, with the University of Oregon's Ecosystem Workforce Program (EWP), who presented the final results from an OWEB-funded research project evaluating the economic impact and job creation associated with watershed restoration project funding. Mr. Sieglitz provided the Board members with summary comments and described the potential future phases of the project which may be presented to the Board at future meetings with funding requests.

H. Public Comment

- Tom O'Brien, Executive Director, Network of Oregon Watershed Councils, provided an update on follow-through from the Listening Sessions.
- Charlie Boyer, OACD President, said that OACD is advertising to fill the Executive Director position. He also commented that watershed councils are often working on restoration projects in riparian areas with no surveys for cultural resources unless a federal agency is involved.
- Jeff Oveson, Grande Ronde Model Watershed, presented OWEB with a photo book of the Wallowa River/6 Ranch Project in recognition of OWEB's contribution to the success of the project.

At the conclusion of the day's meeting, OWEB Board members, staff, and local partners toured restoration projects in the Burnt River watershed with representatives from the Baker County soil and water conservation districts.

APPROVED BY THE BOARD SEPTEMBER 14, 2010
Oregon Watershed Enhancement Board

June 3, 2010
OWEB Board Meeting
Baker City, Oregon

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Alan Henning
Debbie Hollen
Kim Kratz
Meta Loftsgaarden
Jennifer Phillippi
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike
Karl Wenner
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Renee Davis-Born
Carolyn Devine
Sue Greer
Karen Leiendecker
Melissa Leoni
Greg Sieglitz

Others Present

Rob Richardson
Charlie Boyer

Members Not Present

John Jackson
Jim Johnson
Skip Klarquist

Board members discussed the Klamath Water Lease funding decision made under Agenda Item F-2 at the previous day's meeting. Board members are interested in a training session on the valuation of water. Staff will work with the Board Co-Chairs and the Acquisition Subcommittee meeting on a presentation for the next meeting.

I. 2011-2013 Watershed Council Support

Lauri Aunan, Grant Program Manager, presented staff recommendations to the Board related to policy changes for new applicants and solo funding requests for the 2011-2013 Watershed Council Support grant cycle.

She provided background information on the Council Support process with the next application deadline on January 18, 2011, with grant awards planned for June 2011. Goal 2 of OWEB's newly adopted Strategic Plan is to "Support an enduring, high capacity local infrastructure for conducting watershed restoration and conservation." Strategy 2 under Goal 2 is to "Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships."

OWEB began addressing Goal 2 by holding six Watershed Council Listening Sessions around the state to get feedback from councils to inform OWEB staff and Board members in developing actions to implement Goal 2. A Council Support and Listening Session Follow-Up Schedule was provided. For the 2011-2013 cycle, OWEB is working with a Watershed Council Support Work Group made up of watershed council coordinators, council support application reviewers and OWEB staff. The goals of the Work Group are to make the application easier and quicker to fill out and review, and ensure that key information is more clearly communicated to reviewers without losing information needed for the merit evaluation.

Ms. Aunan provided Board members with information on OWEB's statutes and recommended policy changes for new applicants and requests for solo funding in the next council support cycle. OWEB is committed to developing long-term council support program principles that will form the basis for potential funding and rule changes for the 2013-2015 council support grant cycle. The State budget faces significant revenue shortfalls for the 2011-2013 biennium, resulting in OWEB budget uncertainty and the likelihood of limited council support finding.

Based on these factors, staff recommended changes to Board policy for the 2011-2013 biennium only, with the expectation that the Board and staff will address key council support policy questions before the 2013-2015 council support funding cycle.

Since watershed councils may face a funding shortage and need to find ways to do more with less, Board members suggested the importance of shared services as a way to get things done in a less expensive manner. OWEB's follow up with watershed councils that were ranked as "needs improvement" as a result of the 2009-2011 evaluation process was also discussed.

Board members unanimously approved the new applicant policy as described in paragraph IV.C.1 of the staff report; and the solo funding request policy as described in paragraph IV.C.2 of the staff report.

1. Recommended New Applicant Policy

Based on OWEB's eligibility rules, OWEB cannot refuse to accept an application for council support funding if the application meets the eligibility requirements. However, the Board has the discretion to make no award based on "available funding." OWEB has provided council support funding in the past two biennia to achieve an award average of approximately \$100,000 per council (recognizing that actual individual awards vary based on merit category and umbrella council bonuses). For the 2011-2013 council support grant cycle, staff recommend that the Board give notice to councils that we expect the 2011-2013 budget to be constrained, and that if the level of available funding does not support an average award of \$100,000 per council, the Board will not fund new applicants. As an example, if OWEB received 65 eligible applications, the total amount of funding available would need to meet or exceed \$6.5 million for new applicants to be awarded council support funding.

2. Recommended Policy on Requests for Solo Funding

OWEB's rules give the Board broad discretion to decide whether to entertain or approve requests for solo funding. For the 2011-2013 council support grant cycle, staff recommend that the Board give notice to councils that it will not accept requests for solo funding. This

hiatus will allow staff and Board to concentrate on developing council support program principles that will form the basis for potential funding and rule changes.

J. Ecosystem Services Update

Renee Davis-Born, Ecosystem Services Coordinator, provided updates on the following:

SB 513 Working Group

The Working Group has met three times since December 2009. They divided into four subgroups around four identified priority policy areas, and will report back to the group as a whole on their findings.

1. Overarching ecological, economic, and integration goals to guide the development of integrated ecosystem services markets in Oregon;
2. Agency processes and interactions to address appropriate roles at local, regional, state and national scales;
3. Public/private financing issues; and
4. Private and government roles in developing standards, methodologies, metrics and tools.

The Working Group will provide a final report to the Sustainability Board in November 2010, and staff will brief Board members at the September meeting.

Ecosystem Services Markets in the Willamette Basin

Ms. Davis-Born updated Board members on a proposal to the 2010 U.S. Department of Agriculture (USDA) Conservation Innovation Grant (CIG) program. In this proposed project, OWEB would partner with the Willamette Partnership and The Freshwater Trust to implement a pilot market for ecosystem services in the Willamette Basin by encouraging private investors to fund restoration work that results in ecosystem services credits that could be sold in a marketplace.

OWEB's role in the proposed project is to provide grant funds that could be used as a backstop option to reimburse private investors for high-quality restoration work if the market for ecosystem services credits fails to appear. The pilot effort is proposed to stimulate private investment in restoration and conservation, reduce initial risk to private investors, and help establish an ecosystem services market.

On April 26, 2010, the Willamette Partnership, The Freshwater Trust, and OWEB submitted a CIG pre-proposal to USDA requesting funding to support implementation of the pilot project to be conducted within the framework of the tributary initiative of the Willamette SIP and the Meyer Memorial Trust/Bonneville Environmental Foundation "Model Watershed Program." The organizations then were asked by USDA to submit a full application package by June 5, 2010, and will await an award decision following that.

OWEB Research Project on Ecosystem Services

In August 2009, OWEB contracted with Ecosystem Services LLC and Ecotrust to investigate how traditional OWEB restoration and acquisition projects may provide ecosystem services and how these investments may converge with ecosystem services markets. Ms. Davis Born introduced Duncan Berry and Guy Sievert from Ecosystem Services LLC who provided a presentation on their final report and recommendations from their research.

Following the presentation, Board members discussed several aspects of the research, ranging from methods used by the contractor to estimate monetary values for carbon emerging from OWEB projects, to related work underway by other organizations to develop protocols and methods to quantify other ecosystem services, to the potential for pilot projects that could evolve from this research to enhance stewardship, create opportunities for green marketing, and offer additional revenue streams to landowners involved in restoration projects. The contractor will provide a briefing to staff about this research in June or July, and staff will propose potential next steps for the agency's ecosystem services initiative to the Board at the September meeting.

K. Public Comment

There was none.

L. DEQ Willamette Water Quality Presentation

Greg Sieglitz, Monitoring and Reporting Program Manager, introduced DEQ staff, Aaron Borisenko, Watershed Assessment Manager, and Greg Pettit, Lab Division Administrator, who provided Board members a presentation on the Willamette Basin Rivers and Streams Assessment. The report, compiled by Michael Mulvey, Robin Leferink, and Mr. Borisenko, contained ten years of water quality data and included data gathered by watershed councils using OWEB funding. The data shows continued declines in water quality particularly in rivers and streams dominated by adjacent agricultural landscapes. The ten year, large scale review is the only means to evaluate overall incremental changes in water quality associated with OWEB and other project investments

This unique opportunity to pull together information about water quality was the result of standard methods that were used by the various water quality monitoring efforts and the capabilities of the DEQ Lab. Without those standard methods and with the staffing and funding reductions experienced at the DEQ Lab it is not likely this type of analysis will be possible in the future.

M. Investment and Outcome Reporting

Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on the implementation of various actions related to the reporting and communication about OWEB investments and outcomes achieved as described in the OWEB 2010 Strategic Plan.

Goal 3, Strategy 1, Action 4 of the Strategic Plan proposes to compile a history of OWEB investments and ecological outcomes. A number of investment and outcome reporting tools have been or are being developed such as the OWEB Investment Tracking Tool, a Fish Passage Project Viewer, as well as the Conservation Registry, Oregon Watershed Restoration Inventory Visualization Tool on the Oregon Explorer, and Pacific Coastal Salmon Recovery Funds data viewer.

In addition to enhancing the exposure of the general public to the information about OWEB investments, staff have been building platforms and compiling information for reporting on the outcomes of those investments. Staff have been working with InfoGraphics Lab at the University of Oregon on a web-based data viewer to portray fish habitat made accessible by OWRI projects over the last ten years in the Coos and Upper John Day sub-basins.

Mr. Sieglitz provided a demonstration of each online web tools that were developed or in development and provided the release dates of all products that correspond with the corresponding workplans. All tools have an initial release date between July 1 and August 31 2010. Staff will continue to report on improvements to the web site as well as additional reporting tools through the end of the year.

N. Other Business

Land Acquisition Grant Rulemaking

Ken Bierly, Deputy Director, and Melissa Leoni, OWEB Senior Policy Coordinator, briefly described the need to initiate permanent rulemaking related to OWEB's acquisitions grant program. Staff working with grantees and OWEB's independent due diligence reviewers, have identified needed revisions to three rules which will result in greater clarity for applicants, grantees, and staff.

The rules proposed for revision are: A) Funds Recoverable for Property Misuse or Unapproved Conveyance [OAR 695-045-0140(4)(b) and OAR 695-045-0150(4)]; and B) Due Diligence Requirements [OAR 695-045-0120(2)(b)-(e)].

Staff will convene a rules advisory committee of land acquisition grant applicants, OWEB due diligence reviewers, and other stakeholders to work with staff and the Board Acquisition Subcommittee on proposed rule changes.

Board members unanimously authorized staff to begin a targeted acquisition rulemaking for OAR 695-045-0120(2)(b)-(e), OAR 695-045-0140(4)(b), and OAR 695-045-0150(4) as described in Sections III and IV of the staff report.

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
September 14-15, 2010

City Community Hall
107 Sixth Street
Garibaldi

Tuesday, September 14, 2010

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items E 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 June 2-3, 2010, Board meeting in Baker City 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. OWEB Budget

Tom Byler, Executive Director, will brief the Board on the status of OWEB's 2009-2011 budget, and the 2011-2013 budget process. *Action item.*

E. Public Comment – Pending Grant Applications [approximately 10:15 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 3, 2010, deadline. *The Board encourages persons to limit comments to no more than five minutes.*

F. Board Consideration of Pending Grant Applications

The Board will consider grant applications submitted by the April 19, 2010, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

G. Ecosystem Services Update

Renee Davis Born, Ecosystem Services Coordinator, will present draft recommendations from the SB 513 Ecosystem Services Working Group and update the Board on other OWEB ecosystem services initiatives. *Information item.*

H. Local Partner Presentations

Representatives of local watershed and conservation organizations have been invited to give presentations to the Board. *Information item.*

Informal Reception - 5:00 – 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.

*Immediately following the meeting until 6:00 p.m.
City Community Hall
107 Sixth Street
Garibaldi*

Wednesday, September 15, 2010**Business Meeting - 8:00 a.m.**

During the public comment periods (Agenda Items E 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.*

I. OWEB Partnerships

Ken Bierly, Deputy Director, will update the Board on the status of OWEB's partnership activities and identify issues to be considered in the coming year. *Information item.*

****J. Land Acquisition Administrative Rules**

Melissa Leoni, Senior Policy Coordinator, will ask the Board to adopt proposed administrative rule amendments related to the administration of OWEB's land acquisition grant program. *Action item.*

K. OWEB Effectiveness Monitoring Program

Greg Sieglitz, Monitoring and Reporting Program Manager, and Kyle Abraham, Effectiveness Monitoring Specialist, will update the Board on the agency's effectiveness monitoring program. *Information item.*

L. Salmon and Steelhead Conservation and Recovery Plans

Sue Knapp with the Governor's Natural Resources Office will give an informational briefing on the Mid-Columbia Steelhead Conservation and Recovery Plan, and the Willamette and Lower Columbia recovery plans. *Information item.*

Tour - 10:30 a.m.

The Board and OWEB staff will tour a restoration project on the Miami River with the Tillamook Estuaries Partnership. Transportation will be provided for OWEB Board members and staff. At the conclusion of the tour, the OWEB Board and staff will be joining the TEP for lunch. Anyone is welcome to join the tour, but please be prepared to provide your own transportation and lunch.

Business Meeting Continued - 1:00 p.m.

M. Integrated Water Resources Strategy

Brenda Bateman, Senior Policy Coordinator, from the Oregon Water Resources Department will update the Board on the integrated water resource strategy and lead a discussion with the Board about how the strategy will be a roadmap for the state to follow as it prepares to meet Oregon's water needs now and in the future. *Information item.*

N. South Fork Yachats Large Wood Presentation

Kip Woods and Mark Stone, from the Lincoln Soil and Water Conservation District, and Wayne Hoffman, from the MidCoast Watersheds Council, will give a presentation about watershed process and function as viewed through a large wood placement project implemented in 2004 on the Yachats River. *Information item.*

O. Public Comment – General [approximately 2:30 p.m.]

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

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 14, 2010, at 10:15 a.m. 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 3, 2010, 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 15, 2010, at 2:30 p.m. 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: *John Jackson*
Public member (tribal): *Eric Quaempts*
Public member: *Daniel Heagerty, Board Co-Chair*
Public member: *Dan Thorndike*
Public member: *Patricia Smith*
Public member: *Diane Snyder, Board Co-Chair*
Public member: *Karl Wenner*

Non-voting Members

Representative of NMFS: *Kim Kratz*
Representative of Oregon State University Extension Service: *James Johnson*
Representative of U.S. Forest Service: *Debbie Hollen*
Representative of U.S. BLM: *Miles Brown*
Representative of U.S. NRCS: *Meta Loftsgaarden*
Representative of U.S. EPA: *Alan Henning*

Contact Information

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775 Summer Street NE, Suite 360
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

2011 Board Meeting Schedule

January 19-20, 2011 in Corvallis
March 16-17, 2011 in Salem
June 14-15, 2011 in Bend
September 13-14, 2011 in Hermiston

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

September 14-15, 2010 OWEB Board Meeting Executive Director Update #C-1: Biennial Conference

Background

The next biennial conference will be held at the Pendleton Convention Center November 15-17, 2010. Every two years, OWEB holds a conference that typically draws approximately 350-400 attendees representing the diversity of those interested and involved in watershed restoration in the state. The conference aims to provide opportunities for both professional development and networking. Based upon feedback from previous events, the event is an important opportunity for collaboration and sharing of information. In addition, speakers and presenters inspire and challenge those in attendance to think creatively about their work. Denise Ker, of Viva! Consult, has been hired to assist staff in the coordination and logistics of the conference.

Sponsors

Because of the economic downturn, the current level of sponsorships is down nearly 10 percent from 2008. Staff and the conference planner are still optimistic that additional support for the conference will be forthcoming and have decided to not raise registration fees.

Tracks and Presentations

A planning team is currently finalizing the conference speakers and presentations. The main tracks are: Clean Water, Working Together, Unique Approach, Healthy Habitat, Local Partner Spotlight, and the OWEB Grant Program (with two 90-minute sessions on the Council Support Principles and one training session on the Council Support application). For this conference, OWEB solicited for presentations and we received over 60 proposals by the July 16 deadline. A staff team then reviewed and evaluated the proposals and grouped similar presentations into single sessions. Track leads are now working to finalize presentation details and speaker logistics.

Highlights

On Monday, November 15, 2010, Board member Eric Quaempts will share with attendees how the First Foods approach directs the natural resources restoration and monitoring programs of the Confederated Tribes of the Umatilla Indian Reservation. A visit and reception at the Tamástlikt Cultural Institute, the interpretive center for the Cayuse, Umatilla and Walla Walla Tribes, will be followed by a First Foods dinner at the Longhouse.

Steve Amen, Executive Producer and Host of Oregon Public Broadcasting's Oregon Field Guide will be the keynote speaker the evening of Tuesday, November 16.

The Spirit of the Oregon Plan awards and winners of OWEB "mini-grants" will be announced during the closing luncheon on Wednesday, November 17.

New for the 2010 Conference

All conference communications and branding have been aligned with the messages and themes developed under the OWEB communications plan, including the www.healthywatersheds.org site.

Attendees to the 2008 conference ranked, “putting names to faces” as one of the most important aspects of the conference. To facilitate this objective at the 2010 conference, we are requesting that all of those attend the conference include a photo with their registration information for inclusion in a directory.

The role of the conference in strengthening the network of watershed professionals across the state was also an important element identified by attendees of the 2008 conference. In 2010, additions to the conference that will encourage networking include an enhanced poster and exhibitor area, a mentoring program, and an open topic room that attendees can use for spontaneous gatherings. In addition, the conference has allowed us a means to introduce social networking in to OWEB’s communications tools. The conference web page (<http://healthywatersheds.org/conference/>) includes links to OWEB’s Facebook page and the conference planner has a blog and Twitter feed associated with the event.

The conference is also an important venue for developing the professional skills of attendees. All presentations have identified specific learning objectives, which will then form the criteria by which attendees evaluate individual presentations and the conference as a whole.

Next Steps

As the conference sessions are confirmed and the agenda is finalized, staff will begin inviting Board members to participate at the conference in a number of capacities. Staff will report on the evaluation of the conference at the January Board meeting.

Staff Contact

If you have questions or need additional information, please contact Carolyn Devine, Communications Coordinator, at carolyn.devine@state.or.us or 503-986-0195.

September 14-15, 2010 OWEB Board Meeting

Executive Director Update #C-2: Oregon Plan Biennial Report

Background

ORS 541.405 states that by January 15 of each odd-numbered year, the Oregon Watershed Enhancement Board (OWEB) must submit a report to the Governor and to the appropriate committee or committees of the Legislative Assembly, which 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.

The 2009-2011 report will be the fifth report prepared to meet this statutory obligation. Previous editions have been printed reports, with an electronic version of the print document available on the OWEB and Oregon Plan web sites. Beginning with the 2005-2007 report, OWEB began making additional content, primarily project stories and agency accomplishments, available via the web.

Toward that end, staff intend to continue to move toward our web site as the primary tool for the Biennial Report. Staff reported in June that we planned to produce a pared down print version of the Biennial Report and enhance the amount of data, information, and stories made available on the Oregon Plan web site. The plan was to maintain the general look and feel of the printed report with two page spreads for each of the 15 Oregon Plan reporting basins with maps of completed and reported projects.

2009-2011 Biennial Report Update

Since June, staff have reconsidered our original plans for the 2009-2011 printed report because of the state budget situation and likely shortfall of dedicated Lottery funds to OWEB. Instead, staff will produce only a four page Oregon Plan Biennial Report Executive Summary document containing the elements described in Attachment A. The objectives of this approach are:

- Reduce document production costs to achieve budget savings (contracts and printing).
- Meet OWEB's statutory obligations.
- Reduce duplication of efforts; content displayed in Biennial Report is now viewable online (OWEB Investment Tracking Tool and Oregon Watershed Restoration Tool).
- Streamline requests of other agencies during difficult budget times.
- Comply with a 2009 bill requesting only an executive summary of legislative reports.

The Executive Summary will still contain the Board's observations and recommendations. We had hoped to discuss those elements at the September Board meeting. Instead, staff would like to distribute a discussion draft by October 29, 2010, for Board review and input by November 12, 2010. Staff will then compile Board input for discussion with the Co-Chairs sometime before early December.

Staff Contact

If you have questions or need additional information about the 2009-2011 Oregon Plan Biennial Report, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

2009-2011 Oregon Plan Biennial Report

Printed Executive Summary Document

Page One

Cover/Logo
Oregon Plan Overview
OWEB “About Us”
Purpose of Report
More Information/Web Site reference

Page Two

“Status Report” on watershed and key habitat conditions by basin (text and graphs)
Reference to online grant and project visualization tools
Summary of OWEB Investments 2009-2011

Page Three

Board Observations/Recommendations

Page Four

Brief talking points about:

- Agency Actions
- Voluntary Restoration
- Data and information needs (Monitoring and IMST)

Online Content

1. Executive Summary PDF.
2. Agency actions and projects (documents or online links provided by Oregon Plan agencies).
3. Link to Network Atlas.
4. Link to SWCD accomplishments/OACD Atlas.
5. Links to OWEB Investment Tracking Tool (<http://www.oregon.gov/OWEB/oitt.html>) and Oregon Watershed Restoration Tool (<http://oregonexplorer.info/RestorationTool/>).
6. Link to Fish Passage Viewer.
7. Link to OWRI Annual Report or new pages with charts and tables showing detail from OWRI data for 2008 and 2009 by basin.

September 14-15, 2010 OWEB Board Meeting

Executive Director Update #C-3: Fiscal and Performance Audits

Background

This year the Secretary of State's Audit Division has focused three separate audits on OWEB activities. This report provides a brief description of the audits and their status.

Lottery Funds Fiscal Audit

The Oregon Constitution requires an independent audit be performed on all the agencies receiving and expending dedicated Parks and Natural Resources Fund Lottery Funds. Earlier this year, the Audits Division completed the process of conducting a fiscal audit for the 2007-2009 biennium, its fourth Parks and Natural Resources Fund audit. In July 2010, the Secretary of State released its final audit report and found that OWEB expended its Lottery Funds for the 2007-2009 biennium in compliance with laws and regulations.

In addition, the audit found that in past years other agencies that had received Parks and Natural Resources Funds for their operations and that carried-forward those funds from one biennium to the next did not credit the interest earned on the funds to accounts dedicated to Parks and Natural Resources Fund activities. Instead, the interest was credited to the Economic Development Fund held by the Department of Administrative Services. The audit report estimates approximately \$161,000 of interest was erroneously credited to that account in 2007-2009. All the agencies and OWEB agreed to work with the Department of Administrative Services (DAS) to ensure that interest earned on Parks and Natural Resources Fund allocated funds is credited to accounts dedicated to Parks and Natural Resources Fund activities. The audit also recommended the agencies work with OWEB and DAS to get a better estimate of the cumulative interest earnings lost over prior biennia and explore potential actions to obtain reimbursement. The summary and full audit report can be found at www.sos.state.or.us/audits/reports/agency/watershed.html.

Performance Audit

A performance audit, a companion to the fiscal audit, was also initiated by the Audits Division in 2010. The addition of the performance audit is new to OWEB this year. Other agencies that receive funding from the Parks and Natural Resources Fund have also been or will be audited for performance. The Audits Division goal of the performance audit is "to provide information to improve public accountability and facilitate decision-making by parties with responsibility for overseeing or initiating corrective action. The issues that performance audits cover vary, but generally address whether agencies are operating economically and efficiently, or whether they are achieving desired results."

Beginning in April 2010, Audits Division staff began extensive interviews with OWEB Board members, OWEB staff, grantees, watershed councils, soil and water conservation districts, state and federal agencies, and others to learn more about OWEB. Concurrently, auditors were provided full access to grant files, databases, and other materials to conduct further investigatory research.

This research work was done to help the auditors frame their formal performance audit objective. The performance audit objective is "To help OWEB report on its progress of protecting and restoring healthy watersheds and natural habitats that support thriving communities and strong economies." The auditors also described that they may develop findings and recommendations

in addition to helping OWEB report on accomplishments, but they were not likely to provide pointed recommendations in any specific area of performance as is standard practice for the division.

Over the course of August through December, the Audits Division will complete the remaining phases of the audit. OWEB staff will have an opportunity to review and comment on the Public Report in November with a final report completed by the end of the calendar year.

Staff will provide an update to the Board at the January 2011 meeting following the conclusion of the audit and the issuance of the Performance Audit Report.

Environmental Management Fund Audit

OWEB was notified in July that the Secretary of State would be including OWEB in its annual audit of the statewide Comprehensive Annual Financial Report – Environmental Management Fund for the fiscal year ending in 2010. Several other natural resource agencies are routinely audited and OWEB will be included in this year's audit. To date, the Secretary of State has done a limited review of agency practices and they will resume their review of OWEB when they complete audit procedures at other agencies. The expected date of completion is October 31, 2010.

Staff Contact

If you have questions or need additional information, please contact Cindy Silbernagel, at cindy.silbernagel@state.or.us or 503-986-0188, or Greg Sieglitz, at greg.sieglitz@state.or.us or 503-986-0194.

September 14-15, 2010 OWEB Board Meeting Executive Director Update #C-4: October 2010 Grant Cycle Update

Background

At the June 2-3, 2010, OWEB Board meeting, the Board approved the solicitation of non-capital Technical Assistance, Education/Outreach, and Monitoring grant applications for the October 18, 2010, grant cycle, with a total funding target of up to \$2.25 million, dependent upon the receipt of new Pacific Coastal Salmon Recovery Funds (PCSRF). The Board also set a funding target of \$8.25 million each for the April 2010 and October 2010 capital grant cycles (Restoration and Acquisition grant applications).

Update on Lottery Revenue Forecasts and Pacific Coastal Salmon Recovery Funds

Given the unprecedented economic downturn, it has been difficult to predict with certainty the amount of Lottery funds available for the biennium. Based on the September state revenue forecast, Lottery earnings are down slightly, although overall revenues are up a modest amount due to added administrative savings. Unless there is a significant increase in Lottery revenues, capital and non-capital funds will still fall short of the projected revenues reflected in OWEB's 2009-2011 budget. As discussed in Agenda Item D, staff have prepared a rebalance plan in response to the revenue shortfall.

OWEB typically runs short of Lottery non-capital funds in the last year of the biennium. Taking the rebalance plan into account, staff currently estimate that \$847,000 in non-capital Lottery funds and \$224,673 in non-capital Research Account funds are available for the remainder of the biennium, for a total of \$1,071,673.

OWEB has relied on an infusion of Pacific Coastal Salmon Recovery Funds (PCSRF) to augment non-capital funding in the second half of the biennium. The good news is that OWEB was awarded \$15 million in PCSRF for Federal Fiscal Year 2010. This is a strong signal of support for Oregon's effective use of PCSRF funds. Unfortunately, due to the concern about significant budget shortfalls for the 2011-2013 biennium, there is a question about the extent to which the Legislature will seek to reserve Fiscal Year 2010 PCSRF for use in the 2011-2013 biennium, which could make some or all of those funds unavailable for the 2009-2011 biennium.

If the Board approves the non-capital funding recommendations contained in Agenda Item F totaling \$455,393, staff estimate having about \$616,280 in non-capital Lottery funds remaining for the October 2010 cycle. Unless the new PCSRF funds are made available by action of the legislative Emergency Board this year, or the Ways and Means Committee early next year, OWEB's available funding for the March 2011 Board meeting will fall far short of the funding target. Further, when the Legislature convenes in 2011, unallocated non-capital funds will be more vulnerable to legislative appropriation. OWEB has been in discussions with legislative leadership about the purposes of PCSRF funding and the importance of OWEB's grants to jobs, communities, and the environment.

Communications with Applicants

OWEB staff have communicated with applicants our desire to fund the October 2010 grant cycle as fully as possible at the March 2011 Board meeting. However, we have also let them know that there are significant uncertainties around funding for the October cycle. We may not know

until the end of this year whether the Legislature will authorize OWEB to spend PCSRF funding this biennium. It is unknown whether the Legislature will “sweep” unallocated non-capital funds when they convene next year. If the worst case scenario occurs and non-capital funding is not available in March, it is possible that some or all Board awards for the October cycle may be delayed until June 2011 at the earliest.

Next Steps

Staff will keep the Board and OWEB’s grantees and applicants informed of any changes or new information that may affect the Board’s ability to make awards at the March 2011 Board meeting.

Staff Contact

If you have questions or need additional information, please contact Lauri Aunan, Grant Program Manager, at lauri.g.aunan@state.or.us or 503-986-0047.

September 14-15, 2010 OWEB Board Meeting

Executive Director Update #C-5: Watershed Council Support Principles

Background

At the June 2-3, 2010, OWEB Board meeting, staff reported on the six Watershed Council Listening Sessions held across the state in February and March of 2010. The dialogue with councils was an important first step to inform OWEB's strategy to implement Goal 2: "Support an enduring, high capacity local infrastructure for conducting watershed restoration and conservation."

Status Report

Staff are working with the Board Council Support Subcommittee to discuss potential council support program principles. The principles would function as a "vision statement" for council support. If the Board were to adopt council support principles, these could be followed by changes to rules and processes. Ultimately, the principles would be the foundation for how OWEB makes decisions about council support grant awards.

During the Board Council Support Subcommittee conference call on July 21, 2010, Board members and staff discussed the council support funding process and potential ways to streamline it; performance expectations of funding; adequacy of funding; and measuring and reporting on outcomes of funding. The Subcommittee thought it was important to have a dialogue with councils at the Biennial Conference and then check in with the Board at the January 2011 Board meeting.

Next Steps

The Board Council Support Subcommittee will meet by conference call on October 12, 2010, to prepare for the Watershed Council Support Listening Sessions follow up at the OWEB Biennial Conference. One conversation over two 90-minute sessions will be held at the Conference to have a dialogue with councils about what OWEB has done to follow up on the Listening Sessions and about how OWEB watershed council funding and processes can build capacity, provide base funding, and promote strategic partnerships. OWEB is planning to make the sessions available by videoconference and archived for council coordinators and members who are unable to attend in person. The Board Council Support Subcommittee will meet again in early December to prepare for the January 2011 Board meeting.

Staff Contact

If you have questions or need additional information, please contact Lauri Aunan, Grant Program Manager, at lauri.g.aunan@state.or.us or 503-986-0047.

September 14-15, 2010 OWEB Board Meeting

Executive Director Update #C-6: Oregon “No Child Left Inside” Update

Background – Federal No Child Left Inside Act of 2009

A pending federal bill, the No Child Left Inside Act of 2009, amends the Elementary and Secondary Education Act of 1965 (also known as “No Child Left Behind”) to allow states to receive grants to implement environmental education programs. Under the bill, \$100 million would be allocated nationally for fiscal year 2010 and each of the four succeeding fiscal years for implementation and teacher professional development. To receive funds, a state must develop and begin implementation of an Environmental Literacy Plan.

Status – No Child Left Inside Act of 2009

It was introduced in the House of Representatives in April of 2009 as H.R.2054 and referred to the House Committee on Education and Labor. The bill was introduced in the Senate as S.866 and was referred to the Senate Committee on Health, Education, Labor, and Pensions. On June 4, 2009, the bill was referred to the Senate Subcommittee on Early Childhood, Elementary, and Secondary Education. The national No Child Left Inside Coalition is still optimistic about the bill’s passage and many states are moving forward with their Environmental Literacy Plans in preparation.

Background – No Oregon Child Left Inside Act of 2009

In June of 2009, the Oregon Legislature passed HB 2544, the “No Oregon Child Left Inside Act” (NOCLI). The bill was signed into law by Governor Ted Kulongoski on July 22, 2009. NOCLI established a Task Force, made up of officials from state natural resource and education agencies and other organizations, to develop an Oregon Environmental Literacy Plan.

OWEB staff have participated in Task Force and subcommittee meetings because of the agency’s interest as a primary funder of many of the model environmental education programs of the state. In addition, there have been preliminary discussions among Task Force members regarding the potential strategic alignment of OWEB’s educational investments with the goals of the Environmental Literacy Plan.

OWEB’s Strategic Plan

Goal 3, Strategy 2, Action 3 in the OWEB 2010 Strategic Plan is to “Work with partners to develop and implement the Oregon Environmental Literacy Plan (“No Child Left Inside”).” As stated above, staff have been attending Task Force meetings and participating in its subcommittees.

Status of Oregon’s Environmental Literacy Plan

A draft Environmental Literacy Plan will be discussed at the Task Force meeting on September 2, 2010. Staff intend to update the Education/Outreach Subcommittee on the elements and status of the plan this fall.

Staff Contact

If you have questions or need additional information, please contact Carolyn Devine, Communications Coordinator, at carolyn.devine@state.or.us or 503-986-0195.

August 27, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Tom Byler, Executive Director
**SUBJECT: Agenda Item D: Budget Update
September 14-15, 2010 OWEB Board Meeting**

I. Introduction

This staff report provides an update on OWEB's 2009-2011 budget, the status of 2011-2013 budget preparations, and other related considerations for the 2011-2013 biennium.

II. 2009-2011 Budget Update

During the 2009-2011 biennium, the state economy has experienced a severe downturn and is in the midst of a slow recovery. The bad economy has impacted state government. State General Fund revenues have declined significantly, forcing cuts to many state agency budgets. OWEB receives no General Fund dollars in its budget. However, OWEB faces reduced Lottery Fund revenues for its current budget. The following sets out key budget considerations for OWEB for the remainder of the biennium.

A. Lottery Funds

As discussed with the Board earlier this year, decreased Lottery Fund revenues resulting from the economic downturn have impacted OWEB's 2009-2011 budget and spending plan. The March 2010 revenue forecast estimated Lottery Fund revenues were down approximately six percent from projections made at the beginning of the budget cycle—this amounts to a shortfall of \$538,000 in non-capital funds and \$2.5 million in capital funds.

The revenue shortfall will be reflected in the last distribution of funding for the biennium, which occurs in May 2011. Under this situation, all agencies that receive Parks and Natural Resources Lottery Funds will receive a proportionate reduction reflected in their final distribution. These agencies must adjust their budget expenditures in order to address the shortfall and maintain a balanced budget at the end of the biennium.

OWEB has been withholding the expenditure of certain funds in order to have sufficient resources to balance the agency budget if a shortfall occurs at the end of the biennium. Earlier this year the OWEB management team developed a plan to rebalance the OWEB budget. The rebalance plan sets aside \$800,000 in non-capital funds and \$4.5 in capital funds. Both amounts exceed the estimated revenue shortfall. The plan was discussed with the Budget Subcommittee at its two April meetings, and discussed with the full Board at the June meeting.

The two forecasts subsequent to March 2010 do not show a clear trend for Lottery revenues. The June 2010 forecast indicated a slight increase of Lottery Fund revenues. The September revenue forecast shows that Lottery earnings are down slightly (-2.8 percent) compared to the June forecast, but that there is an overall modest increase in Lottery revenues due to the addition of administrative savings.

Under the September revenue forecast, the current Lottery Fund shortfall for OWEB is slightly less than predicted in March. The management team will continue to consider adjustments to our budget rebalance plan in response to revenue forecasts. If revenues stabilize or improve, some funds from the rebalance reserve may be expended before the end of the biennium. We will keep the Budget Subcommittee and Board informed as we consider our options.

B. Federal Funds

Since 1999, OWEB has applied for and received funding on an annual basis from NOAA Fisheries through the Pacific Coastal Salmon Recovery Fund (PCSRF). PCSRF has contributed nearly \$120 million, or 25 percent of OWEB's expenditures, towards grants for salmon recovery and watershed restoration actions.

In March, NOAA announced the latest funding opportunity in the Federal Register for Federal Fiscal Year 2010 PCSRF funding, which included a two step application process. The first step was submittal of a draft application on April 23, 2010. The second was a final application due on May 10, 2010. OWEB submitted the necessary materials by the due dates and NOAA awarded a \$15 million grant to OWEB this summer.

Over the years, OWEB has relied on receiving additional PCSRF funds to help fund non-capital grants in the last year of the biennium. At this point in time, OWEB will need additional expenditure authority from the Legislature in order to utilize any new PCSRF funds for the October 2010–March 2011 non-capital grant cycle. OWEB is working with legislative leadership toward that end, and hope to receive legislative approval for additional federal funds limitation at the December 2010 meeting of the Emergency Board. If additional expenditure authority is not obtained, or if other remaining unallocated non-capital funds are “swept” away to build budgets for the 2011-2013 biennium, it is possible that some or all of the March 2011 Board awards may be delayed until funding is more certain. Additional information on the upcoming October 2010 grant cycle is contained in Agenda Item C-4.

III. 2011-2013 Budget

A. Budget Development Process

OWEB's Agency Request Budget (ARB) will be submitted to the Governor and the Department of Administrative Services (DAS) at the end of August for consideration and possible inclusion in the Governor's Recommended Budget for the 2011-2013 biennium. The ARB describes the agency's base budget, requests new funding for specific programs, and recommends priorities for reductions to current programs if there are insufficient resources to meet base budget needs. The Board approved new budget proposals and reduction scenarios for the Agency Request Budget at its June meeting.

Key remaining dates for the budget process are as follows:

- August 2010 – Submit Agency Request Budget
- Fall 2010 – Governor’s Office and DAS reviews Agency Request Budget
- Late 2010 – Governor’s Recommended Budget released
- Early 2011 – New Governor’s Recommended Budget
- June 2011 – Legislatively Adopted Budget

At this point, it appears initial development of the 2011-2013 state budget by the Budget and Administrative Management Division of the Department of Administrative Services will be based on revenues that are below agency current service levels for 2009-2011. This includes Lottery Fund revenues, although proposed reductions for Lottery-funded agencies will be less severe than for General Fund agencies. The Governor’s Recommended Budget will be based on the December 2010 revenue forecast.

Staff will update the Board on subsequent budget developments at the January 2011 meeting.

B. Future Scenarios

There is considerable uncertainty facing OWEB as we approach the 2011-2013 biennium.

One area of uncertainty involves the overall state budget. The September revenue forecast suggests legislators will face a General Fund budget deficit that is significantly greater than the approximately \$2.5 billion hole estimated earlier this year. Lottery Fund revenues are also expected to be down slightly for next biennium. It remains to be seen how the legislature will respond to the budget crisis and what impact it will have on OWEB programs.

Another area of uncertainty involves Ballot Measure 76, which Oregon voters will consider at the November 2010 election. Ballot Measure 76 proposes to make permanent the constitutional dedication of Lottery Funds for parks and watersheds, as well as make other modifications to the current constitutional law. If Ballot Measure 76 passes, it is not clear how the legislature will interpret the new law, whether the legislature will seek to amend the law through a subsequent referendum, and what changes might occur in how Lottery Funds are budgeted to OWEB in the future. OWEB staff are reviewing the language of the measure and discussing its potential budget and policy effects with stakeholders and interested agencies.

Lastly, the November 2010 election will also determine Oregon’s next Governor. The priorities of the new Governor could also influence budget and program priorities.

Staff will update the Board on these issues and any new developments at upcoming meetings.

IV. Recommendation

This report is for informational purposes. No action is requested of the Board.



August 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations Overview**
September 14-15, 2010 OWEB Board Meeting

I. Introduction

This staff report describes the evaluation process for the capital and non-capital grant applications submitted by the April 19, 2010, deadline. The report also includes budget considerations and a summary of funding recommendations.

II. Background and Summary

By the April 19, 2010, grant deadline, OWEB received 156 applications requesting more than \$25 million. 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 applications that use non-capital funds. After being screened for eligibility and completeness, the applications were sent to the six Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered funding availability 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 distributed to the RRTs. About half of the reviewers are now receiving CDs of the applications, which has reduced OWEB's copying and mailing costs (the other half prefer hard copies). OWEB staff in each region then scheduled visits to as many sites as possible, emphasizing new Restoration applications, Acquisition applications, and the more complicated applications. All RRT members were invited on these visits and some were able to participate.

In their RRT meetings, reviewers considered the ecological significance of the proposed project, technical merit, feasibility, likelihood of success, experience of the applicant, and whether the

budget supports the proposed work. Reviewers were asked how the applications address watershed processes and functions. After classifying Restoration and Technical Assistance applications as “do fund” or “no fund,” the RRTs were then asked to prioritize the applications recommended for funding. For Acquisition applications, the RRT only discussed the ecological and educational value of the proposed acquisition and did not make funding recommendations.

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.

Summaries of the RRT evaluations and 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

Nine new land acquisition applications were reviewed during this grant cycle. One of the nine applications received in April 2010 is not recommended for funding. Five applications have been withdrawn by the applicants. One application is recommended for deferral, one is recommended for further consideration in the Willamette SIP, and one requires submission of an updated application in order to be considered further. These applications are described in the appropriate regional staff reports.

Two acquisition applications previously submitted and deferred by the Board, the Necanicum Forest Acquisition, application 209-101 in Region 1, and the Nehalem Bay Wetlands Conservation Project Phase II, application 210-106 in Region 1, are ready for a funding decision at this time. The projects are described in the Region 1 staff report.

The application review process and an update about OWEB’s acquisitions program are described in the following sections.

A. Application Review Process

By rule, land acquisition projects undergo a multifaceted review. Applications are first reviewed by a Board Acquisitions Subcommittee, which recommends whether or not staff should proceed with a due diligence review of the proposed acquisition. Soon thereafter, applications are reviewed by the RRTs for ecological and educational values. The Subcommittee may ask for additional information from the applicant or may ask that specific questions be addressed by the RRT.

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 environmental site assessment is reviewed by staff at the Department of Environmental Quality.

After the due diligence review is complete, the Subcommittee synthesizes the proposed project’s ecological and educational benefits, applicant capacity, partnerships, local support, local and regional community effects, RRT evaluation, and due diligence results into a

funding recommendation to OWEB staff. Staff then consider all 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.

B. Acquisition Program Status

When OWEB's land and water acquisition grant program was started in 2000, and for several years thereafter, OWEB received an average of three acquisition applications per grant cycle. Interest in OWEB acquisition grants has increased significantly since then. Between September 2008 and April 2010, OWEB received 28 acquisition applications or an average of seven applications per grant cycle.

The increase in acquisition grant applications has generally been accompanied by an increase in the amount of funds requested by each application. Of the ten applications received in April 2010, five requested more than \$1 million. Furthermore, OWEB has recently received numerous acquisition applications that propose high quality projects. These factors, combined with OWEB's current budget shortfall, have created intense competitive pressure in the acquisitions program.

The growth of the acquisitions program has resulted in OWEB staffing resources that are insufficient to keep up with the demand applicants place on the program. The program is currently staffed by one full-time position, the Acquisitions Specialist, with a temporary half-time administrative support position that was added in 2010.

Currently, the Acquisitions Specialist is working on due diligence for eight regular acquisition applications and two Deschutes Special Investment Partnership acquisition projects. The Acquisitions Specialist is also working to close three acquisitions previously funded by the Board.

OWEB's acquisition projects are complex and time-consuming, because unlike other OWEB investments, acquisition project benefits are required, rather than expected, to last over time. It takes approximately 150-200 staff hours, from receipt of a new application to transaction closing, to implement an OWEB acquisition project. This significant investment of time is necessary to ensure the soundness of OWEB's investment of Lottery funds. It is essential that each project is thoroughly vetted and the transaction is structured appropriately to protect conservation values in perpetuity.

Due to the combination of increased demand, limited staff capacity, and funding shortfall, staff and the Acquisitions Subcommittee are forced to focus the program on only the most competitive grant applications. As a result, for the current grant cycle the Subcommittee and staff determined not to proceed with due diligence review for a number of applications that did not rank as highly or have significant unresolved issues.

V. Budget Considerations

A. Capital Funds

In June 2010, the Board established a capital funding target of \$8.25 million for each of the two remaining grant cycles for the 2009-2011 biennium (April 2010 and October 2010).

Given the unprecedented economic downturn, it has been difficult to predict with certainty the amount of capital funds available for the biennium. The most recent revenue forecast in May 2010, and the most recent distribution of Lottery revenues in August 2010, both show revenues up by a fraction. However, unless there is a significant increase in Lottery revenues, capital funds will still fall short of the projected revenues reflected in OWEB’s 2009-2011 budget. Staff estimate the amount of capital funds available for grant purposes for the remainder of the biennium to be between \$16.1 and \$18.1 million.

Staff expect that \$1 million in acquisition applications could be ready for Board consideration at the January 2011 meeting. If the Board approves staff’s acquisition recommendations in September, the total dollar amount of deferred acquisitions will be approximately \$4.4 million.

Staff recommend funding for 73 of the 81 Restoration applications recommended for funding by the RRTs and two Acquisition applications deferred earlier by the Board in September 2008 (Necanicum 209-101) and March 2010 (Nehalem Bay Wetlands, Phase 2, 210-106). Staff recommend funding these grants through the expenditure of \$8,140,432 in capital funds. This is \$109,568 less than the target amount of \$8.25 million per cycle.

B. Non-Capital Funds

Table 1 shows the total amount of non-capital funding reserved for Technical Assistance applications for the April 2010 grant cycle. This reserve was approved by the Board in June of 2010 and was a conservative approach based on the uncertainty of Lottery revenues and the level of PCSRF funding. Table 1 also shows the total dollar amount of non-capital applications recommended for funding by the RRTs.

Table 1. April 2010 Grant Cycle Non-Capital Budget Reserve and RRT Recommendations

Grant Type	Budget
Technical Assistance	\$450,000
Total RRT “Do Fund”	\$926,206

As discussed above, there is some uncertainty about the exact amount of Measure 66 funds that will be available to OWEB for the remainder of the biennium. OWEB typically runs short of Lottery non-capital funds in the last year of the biennium. Staff currently estimate that \$847,000 in non-capital Lottery funds and \$224,673 in non-capital Research Account funds are available for the remainder of the biennium, for a total of \$1,071,673.

OWEB has relied on an infusion of Pacific Coastal Salmon Recovery Funds (PCSRF) to augment non-capital funding in the second half of the biennium. Due to the concern over significant budget shortfalls for the 2011-2013 biennium, there is a question to what extent the Legislature wants to reserve Fiscal Year 2010 PCSRF for use in the 2011-2013 biennium, which would make some or all of those funds unavailable for the 2009-2011 biennium.

Staff recommend funding 13 of the 25 Technical Assistance applications recommended by the RRTs through the expenditure of \$450,093 in non-capital funds. OWEB also uses non-capital funds for non-capital equipment and education and outreach elements of Restoration applications. Based on the limited availability of non-capital funding, staff recommend

funding only essential non-capital equipment elements of Restoration applications in this cycle, and do not recommend funding any education and outreach elements. These non-capital costs are identified in the tables attached to each regional report and total \$5,300. The total recommended non-capital award is \$455,393.

If the Board approves the September 2010 non-capital funding recommendations, staff estimate having about \$616,280 in non-capital Lottery funds remaining for the October 2010 cycle. The Board has approved an October 2010 offering of Technical Assistance, Monitoring, and Education/Outreach grants, with a funding target of \$2.25 million “dependent on new PCSRF funds.” Unless the new PCSRF funds are made available, OWEB’s available funding for the March 2011 Board meeting will fall far short of the funding target. Further, the Legislature will convene in January 2011, and unallocated non-capital funds are more vulnerable to legislative appropriation.

VI. Point of Interest: The Role of Big-Ticket Projects

Over the past several years, OWEB has seen a greater number of more complex, large-dollar projects vying for the available resources. The challenge has been to balance support for smaller, shorter-term opportunities with support for larger, longer-term projects, while also making award decisions that assure the larger projects will receive the funding they need to succeed. This becomes even more challenging this biennium where OWEB has fewer capital funds.

In previous cycles, the Board has approved “big-ticket” projects with the condition that only part of the funding is awarded now, with the remaining project funds being awarded at a future Board meeting. This “staged award” approach allows OWEB to continue to fund a number of projects in all six regions during each cycle. It also requires that OWEB staff carefully track the future commitments made by the Board to ensure accurate calculations of available grant resources.

For this cycle, the staff recommend a staged award approach for two Restoration applications in the Central Oregon Region (Region 4). The total amount of all Restoration applications recommended for funding by the Region 4 RRT is \$2,318,907. Staff agree that all of the recommended applications are important to fund. One of the applications, 211-4008, Tumalo Feed Canal Piping Phase 2, continues a project OWEB has already invested in and when completed, will result in 20 cubic feet per second (cfs) of conserved water instream in Tumalo Creek and Crescent Creek in the Upper Deschutes Basin. A staged award is not feasible for the Tumalo Feed Canal Piping project. However, staff have worked with the applicants for 211-4002, MFID Evans Creek Fish Passage, and 211-4010, Horse Heaven Creek Watershed Restoration, to develop staged funding recommendations. These applications are recommended for funding with the condition that only part of the funding is awarded at this meeting, with the remaining project funds being awarded at a future Board meeting.

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	\$7,720,432
<u>Acquisition Applications (Region 1)</u>	<u>\$ 420,000</u>
TOTAL <i>Capital</i> Staff Recommendation	\$8,140,432

B. Non-Capital Funding Recommendations

Technical Assistance Applications	\$ 450,093
<u>Restoration Applications, <i>Non-Capital</i> Portion</u>	<u>\$ 5,300</u>
TOTAL <i>Non-Capital</i> Staff Recommendation	\$ 455,393

Attachment

- A. Types of Applications Received and Amounts Requested by Application Type

Oregon Watershed Enhancement Board

Types of Applications Received for April 19, 2010

	Acquisition	Technical Assistance	Restoration	Totals
Region 1	5	8	10	23
Region 2	0	6	20	26
Region 3	3	9	21	33
Region 4	1	8	10	19
Region 5	1	4	26	31
Region 6	0	1	23	24
Totals	10	36	110	156

Dollar Amounts by Application Type

	Acquisition	Technical Assistance	Restoration	Totals
Region 1	\$4,486,000	\$355,111	\$1,766,381	\$6,607,492
Region 2	0	\$205,638	\$2,560,331	\$2,765,969
Region 3	\$5,200,000	\$374,303	\$2,589,162	\$8,163,465
Region 4	\$171,252	\$302,334	\$2,706,099	\$3,179,685
Region 5	\$450,000	\$89,965	\$2,131,152	\$2,671,117
Region 6	0	\$11,495	\$2,073,320	\$2,084,815
Totals	\$10,307,252	\$1,338,846	\$13,826,445	\$25,472,543



Oregon

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August 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Tom Shafer, North Coast Regional Program Representative
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 1, North Coast
September 14-15, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the North Coast Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 23 applications for a total request of about \$6.6 million. Five Acquisition applications were submitted for a total of about \$4.5 million (see Section IV below). The North Coast Regional Review Team (RRT) recommended 15 applications for funding. Staff recommend 14 applications for a total award of \$1,767,750: \$1,198,860 for Restoration, \$148,890 for Technical Assistance, and \$420,000 for Acquisitions.

III. Regional Review Team

The North Coast RRT met in Newport on June 30, 2010, to review applications. The RRT reviewed all Restoration and Technical Assistance applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT recommended budget reductions and funding conditions for some of the applications, as described in the Region 1 Review Team Evaluations for April 19, 2010, Applications. The RRT then prioritized the applications recommended for funding.

IV. Acquisitions

Five acquisition applications were received from Region 1 this grant cycle (Subsections A-E below). One is recommended for deferral, one requires an update in order to be considered further, and three were withdrawn by the applicants. Two previously deferred acquisitions are ready for funding (Subsections F and G below).

A. Waite Ranch Acquisition Project (211-102) – April 2010 Cycle

The McKenzie River Trust (MRT) requests \$595,000 to purchase a 217-acre agricultural

property in the Siuslaw River Estuary in Lane County. MRT wishes to purchase the property, which is diked, to restore historic tidal wetlands. Restoration will be implemented by the Siuslaw Basin Partnership, which consists of the Siuslaw Watershed Council; McKenzie River Trust; Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians; Siuslaw SWCD; Siuslaw National Forest; Oregon Department of Fish and Wildlife (ODFW); Oregon State University; Ecotrust; and the U.S. Fish and Wildlife Service.

The application states that when restoration is complete, the property is expected to contain a gradient of wetland types, ranging from intertidal mudflats to tidally influenced freshwater wetlands. The application also states that after restoration, the property is expected to contain approximately 21 miles of Essential Fish Habitat.

The Acquisitions Subcommittee and staff felt that the project partners have the capacity, commitment, and momentum to ensure that the property is fully restored to intertidal wetlands in a manner that successfully engages neighboring landowners and the broader community. The RRT felt that the project has high ecological and educational value. At the direction of the Acquisitions Subcommittee, staff requested due diligence materials in July 2010. The materials were recently received, but review is not complete. Staff and the Acquisitions Subcommittee recommend the Board defer consideration of the Waite Ranch Acquisition project until the due diligence review is complete.

B. Dooher Wetlands Acquisition Project (211-104) – April 2010 Cycle

The Nature Conservancy (TNC) submitted an application requesting \$405,000 to purchase a 67-acre diked agricultural property in Tillamook County. The property is bordered by 0.8 miles of the Kilchis River and 1.4 miles of Stasek Slough. TNC intends to restore the property to intertidal wetlands by breaching or removing the dike that separates the property from the Kilchis River. TNC might also fill the property's ditches to speed tidal wetland recovery. TNC would subsequently manage the property as a nature preserve, allowing light day-use recreation.

The Acquisitions Subcommittee and staff felt that although the project has merit, greater ecological and educational benefits will be achieved by other proposed acquisition projects. Therefore, given the issues described in Section IV of the Overview, the Dooher Wetlands project is not a priority at this time. The Subcommittee declined to request due diligence materials.

The RRT felt that although the application should have discussed the proposed restoration in greater detail, the restoration is likely to be achievable and would be beneficial. The RRT decided that TNC should plan not only to remove or breach the dike on the Kilchis River, but reconnect Stasek Slough to the Kilchis River at the downstream end of the property. The RRT felt that including slough restoration would significantly increase the project's water quality benefits and other ecological values. The RRT determined that the project has modest educational values, noting that there is no formal program proposed, but agreeing that the Tillamook Estuaries Partnership (TEP), a project partner, undertakes good educational efforts.

TNC acknowledges OWEB's constraints, and has opted to withdraw the Dooher Wetlands application rather than have staff make a no-fund recommendation to the Board. TNC has expressed an interest in resubmitting the application in a later grant cycle.

C. Beaver Creek Acquisition Project (211-107) – April 2010 Cycle

The Wetlands Conservancy (TWC) submitted an application requesting \$1.7 million to purchase three properties totaling 417 acres in the Beaver Creek watershed, seven miles south of Newport in Lincoln County. The application states that the properties contain perennial streams, riparian forest and wetlands, Sitka spruce forest, and industrial Douglas fir forest. OWEB priority habitats total 50 percent of the 417 acres proposed for acquisition.

The properties are located between the Beaver Creek Natural Area and Ona Beach State Park, both owned and managed by the Oregon Parks and Recreation Department (OPRD). Upon purchase, two of the properties will be transferred to OPRD ownership. TWC will retain ownership of the third property. The application states that the properties planned for OPRD ownership are likely to be incorporated into the Beaver Creek Natural Area, making them low-development sites managed primarily for natural resources protection.

The Acquisitions Subcommittee declined to request due diligence for the project because of the issues described in Section IV of the Overview, the relatively low percentage of priority habitats on the properties proposed for acquisition, and concerns about the scope and cost of forest management that the properties will require. The RRT felt that the project has high ecological and education merit. TWC has withdrawn its application rather than have staff make a no-fund recommendation to the Board.

D. Tillamook Bay Wetlands Acquisition Project (211-108) – April 2010 Cycle

Tillamook County submitted an application requesting \$1,342,500 to purchase a total of 184 acres from five landowners. The properties are adjacent to a previous OWEB-funded acquisition on the edge of Tillamook Bay at the mouth of the Wilson, Tillamook, and Trask rivers. Acquiring these diked agricultural properties in order to restore them to natural estuarine function, as well as restoring the property previously purchased with OWEB funds, is part of an Oregon Solutions effort, a community-based collaboration to reduce flooding that frequently affects Highway 101, businesses, farms, and residences north of Hoquarten Slough in Tillamook.

Several days before the Regional Review Team's June 30, 2010, meeting, the county notified OWEB that it has changed the project by reducing the acreage to be acquired from 184 acres to approximately 89 acres. The 89 acres, and the property previously purchased with OWEB funds, will be restored to full estuarine function. The remainder of the 184 acres originally proposed for acquisition will not be acquired in fee simple, but instead will be encumbered by flood easements. The flood easement properties will be surrounded by relatively low dikes, which will occasionally be overtopped by winter flows. The dikes will keep the properties suitable for agricultural use. Because these properties are not being restored to full tidal flooding, the county will not use funding from OWEB to purchase the flood easements.

The RRT decided that it could not evaluate the project because the application no longer describes the project the county intends to implement. The RRT requested that the county submit an updated application, fully describing the project, its outcomes, and its benefits, for consideration by the team in the October grant cycle. The RRT's concerns, which it encourages the county to consider and address in an updated application, and additional staff recommendations are included in the Region 1 Review Team Evaluations for April 19, 2010, Applications.

The Subcommittee also expressed concern about the project changes, and felt that an updated application is needed before a due diligence decision can be made.

OWEB submitted a grant application for this project to the Coastal Wetlands Conservation Grant Program (Coastal Wetlands Program) administered by the U.S. Fish and Wildlife Service (USFWS) in June of 2010. OWEB will receive notification about the Coastal Wetlands grant in December 2010 or January 2011. If Coastal Wetlands funds are awarded, the grant will result in a reduction of the county's OWEB request from \$1,342,500 to approximately \$650,000. The timeframe in which OWEB will receive news from USFWS regarding a Coastal Wetlands award allows the county to submit an updated application in the October cycle without delaying the project.

E. Sandlake Estuary Wetlands Acquisition Project (211-109) – April 2010 Cycle

The North Coast Land Conservancy (NCLC) submitted an application requesting \$443,500 to purchase a 167-acre property in the Sandlake Estuary in southern Tillamook County. The application states that the property contains a wetland gradient, ranging from eelgrass beds to tidally influenced forested wetlands. It also states that three streams, totaling 1.5 miles, flow through the property to the estuary. The property is located near Clay Myers State Natural Area (Whalen Island), which is owned by OPRD, and another conservation property owned and managed by TNC. The Clay Myers property was acquired in part with OWEB funds.

The Acquisitions Subcommittee and staff felt that the property contains a valuable diversity of wetland types, and although Sitka spruce was removed from a portion of the property nine years ago, that area is regenerating well. The RRT felt that the property's wetland gradient and high biodiversity give the project high ecological value. The RRT felt that the project also has high educational value.

The Acquisitions Subcommittee declined to request due diligence for the project because of the issues described in Section IV of the Overview even though the Subcommittee felt that the project is a valuable one. The Subcommittee recommended that staff encourage NCLC to resubmit the application next biennium. NCLC has withdrawn its application rather than have staff make a no-fund recommendation to the Board.

F. Necanicum Forest Acquisition Project (209-101) – Previously Deferred

North Coast Land Conservancy (NCLC) requests \$145,000 to purchase 31 acres of riparian forest adjacent to the mainstem Necanicum River in Clatsop County. The application proposes the purchase of 212 acres from three landowners. However, due to changes in property ownership and landowner interest, it's very likely that the project will consist only

of the purchase currently before the Board for consideration, and one additional 40-acre purchase to be considered at a later Board meeting.

1. Ecological Benefits

The application states that the property proposed for acquisition contains forested wetlands, riparian and floodplain forest, and Sitka spruce forest. The property also contains the confluence of Klootchie Creek and the Necanicum River, and approximately 0.5 miles of Necanicum River frontage, a portion of which contains braided channels. The application states that protection of the property will benefit the following OWEB priority species: chum salmon, coho salmon, steelhead trout, red-legged frog, rufous hummingbird, and bald eagle. The property is adjacent to Klootchie Creek County Park, and near property owned by ODFW. Acquisition of the property will protect a site with exceptional biodiversity, improve connectivity of habitat, and protect a tributary junction, all of which are consistent with OWEB's Basin Ecological Priorities.

The RRT felt that the property is ecologically important because it sustains salmon rearing and spawning. The RRT also felt that the property is valuable because it can serve as a freshwater link to tidal conservation acquisitions in the basin, thereby protecting watershed function and productivity. Lastly, the RRT felt that the property is an acquisition priority because the threats of logging and residential development are evidenced on nearby properties.

2. Capacity to Sustain the Ecological Benefits

NCLC has been in existence for 26 years. It holds conservation easements on 600 acres. It also owns 33 properties totaling approximately 1,800 acres, including four fee title acquisitions funded in part by OWEB. NCLC has a full-time executive director, development director, conservation director, and stewardship director, and committees involving more than 40 volunteers from the North Coast region. NCLC also has an acquisition and stewardship framework, which guides its investment in, and active management of, conservation properties that contribute to the ecological integrity of the Northern Oregon coast. The application states that NCLC has established a general endowment fund of approximately \$500,000 to support stewardship staff, and has been successful in obtaining grant funding to implement the property management plans it has developed using its stewardship framework. NCLC currently has \$10,000 reserved specifically for management of the property proposed for acquisition.

The application states that a small amount of knotweed is present on the property but that the property otherwise needs little restoration. NCLC is entering the third year of a partnership with the Natural Resources Conservation Service (NRCS) to eradicate knotweed on the Necanicum River, including the property proposed for acquisition. The partnership will continue knotweed eradication efforts on the property.

3. Education Benefits

The application states that the property's proximity to Klootchie Creek County Park presents opportunities for NCLC and Clatsop County Parks to partner on watershed

outreach and education efforts. The RRT felt that the project has high educational value because of the possibilities for education collaboration.

4. Partners, Project Support, and Community Effects

The Rainland Fly Casters, a local non-profit conservation organization, has donated \$5,000 to NCLC, to be applied to the property's purchase price. The project is supported by the City of Seaside, which recognizes that protection of the property will benefit the citizens of Seaside because the Necanicum River is Seaside's drinking water source. The application states that land conservation is one of the most important ways to protect drinking water.

Lewis and Clark Oregon Timber, the owner of the property proposed for acquisition, is a supporter of the project. The timber company owns large tracts of land surrounding the property, and is willing to grant to NCLC a permanent access easement. The easement will enable NCLC to use a company-owned logging road to access the property proposed for acquisition.

The application states that the average per-acre tax payment for the properties originally proposed for acquisition is less than \$10 per acre. Therefore, approximately \$300 per year would be lost from the Clatsop County tax base if the proposed property were to be acquired for conservation. NCLC is of the opinion that the amount is negligible. The application states that in some cases, tax assessments increase for properties adjacent to lands conserved by NCLC because buyers are willing to pay a premium for home sites next to protected viewsheds. NCLC enjoys broad-based support for its work in Clatsop County.

5. Legal and Financial Terms

NCLC will match OWEB funds with \$62,000 in cash it has on-hand for the purchase, and \$10,000 in dedicated stewardship funds.

The project's real estate sales contract is compatible with an OWEB conservation investment. Legal review of the title report identified several title exceptions, such as trust deeds and financing statements, which are not acceptable to OWEB, and which all parties have agreed will be removed at closing. All other title exceptions have been investigated and found to pose negligible threats to an OWEB conservation investment, and thus are acceptable.

All parties agree that Lewis and Clark Oregon Timber will grant NCLC a permanent access easement at closing, the form of which will be approved in advance by staff. The access easement must grant full rights to NCLC to enter the property to protect and manage its conservation values. The access easement must also allow OWEB to enter the property to monitor the conservation easement.

An appraisal of the property was conducted by RWLS, Inc. OWEB's independent review appraiser initially determined that the appraisal contained unacceptable sales comparables and had several other problems. The appraiser corrected the problems, and

the review appraiser subsequently determined that the appraisal is in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the value conclusions are adequately supported, and the proper appraisal methodology was used.

A Phase 1 Environmental Site Assessment (ESA) was conducted for the property by Parametrix. A review of the ESA by the Oregon Department of Environmental Quality (DEQ) determined that the report conforms to the American Society for Testing and Materials (ASTM) standard required by OWEB and no further investigation is needed.

6. Conclusion

In May 2008, the Acquisitions Subcommittee decided to proceed with a due diligence review because the project will protect low-gradient floodplain, which is high-value habitat for coho salmon and other native fish. The RRT determined that the project has high ecological and educational value, and noted that it will augment other conservation efforts in the basin. Staff and the Acquisitions Subcommittee recommend funding for the project, contingent on resolution of remaining title and access issues to staff's satisfaction.

G. Nehalem Bay Wetlands Conservation Project, Phase II (210-106) – Previously Deferred

The Lower Nehalem Community Trust (LNCT) requests \$275,000 to purchase a 19-acre property at the northern edge of Nehalem Bay in Tillamook County. LNCT proposes to use the funds to match Coastal Wetlands funds recently awarded to OWEB by USFWS for acquisition of the property.

The acquisition is the first purchase in the second phase of LNCT's efforts to permanently protect wetlands that link land owned by LNCT to Nehalem Bay State Park. The Board previously funded the purchase of three properties totaling approximately 14 acres of tidally influenced forested wetlands and associated forested uplands.

After acquiring the 19-acre property currently before the Board for funding consideration, LNCT anticipates concluding the two-phased project with several additional property purchases. The recent Coastal Wetlands award included approximately 60 percent of the funds needed for the additional purchases; the remaining funds have been requested in the pending OWEB grant application. Staff will return to the Board when the additional properties are ready for funding consideration, which will not be earlier than the 2011-2013 biennium.

1. Ecological Benefits

The application states that the property proposed for acquisition contains OWEB priority habitats, which it characterizes as freshwater marsh, freshwater aquatic beds, and intertidal salt marsh. In reality, the property is more accurately described as containing mostly tidally influenced freshwater forested and shrub-scrub wetlands, a small amount of intertidal salt marsh, and approximately three acres of uplands.

The application states that protection of the parcels will conserve OWEB priority species, including coho salmon, steelhead, chum salmon, band-tailed pigeon, bald eagle, great-blue heron, Pacific-slope flycatcher, rufous hummingbird, marbled murrelet, and peregrine falcon.

The application states that the proposed acquisition is consistent with five of OWEB's conservation principles: protecting a large, intact area; securing a transition area; protecting a site with exceptional biodiversity; improving the connectivity of habitat; and complementing an existing network of conservation sites.

The RRT felt that the proposed acquisition is an important opportunity to build on the positive effects of the first phase of LNCT's conservation effort, thereby further assuring ecological connectivity of high-value wetlands at the perimeter of Nehalem Bay. The RRT stated that forested wetlands are a rapidly declining wetland type, in need of special conservation considerations. The property's residential zoning increases the chance that the wetlands will eventually be degraded or lost if the property is not acquired for conservation.

2. Capacity to Sustain the Ecological Benefits

LNCT was founded in 2002 and currently owns approximately 80 acres at four conservation sites. LNCT has demonstrated success in obtaining OWEB and USFWS grants, collaborating with non-profit groups and government entities to develop management and education plans for LNCT-owned properties, and raising private funds for the purchase and maintenance of its properties. LNCT successfully engages North Coast residents in the care and understanding of coastal ecosystems.

3. Education Benefits

LNCT currently conducts frequent educational activities at its Alder Creek Farm conservation site, the purchase of which was funded in part by OWEB. LNCT leads a wide variety of workshops, provides free education programs to more than 400 children per year, and trains and maintains a team of natural resources research and monitoring volunteers. During the last six months, LNCT has held avian spring migration and native plant identification workshops.

LNCT is committed to expanding its educational offerings to include on-site learning at the property proposed for acquisition, which is adjacent to Alder Creek Farm. LNCT is currently working with TEP and local educational experts to design an ethnobotanical interpretive trail at Alder Creek Farm, and intends to expand the trail plans to incorporate the upland portion of the property proposed for acquisition. LNCT is also committed to providing an access point for the public at the property, but will ensure that all recreational use of the property is consistent with protection of the property's conservation values.

The Coastal Wetlands program encourages educational and recreational use of properties for which it grants funds. Staff feel that LNCT's conceptual plans are appropriate for the property. LNCT is committed to working with staff to further develop the plans.

The RRT felt that LNCT's current educational programs are outstanding and expressed confidence that LNCT will implement that same high-quality community education programs at the proposed properties as it does at Alder Creek Farm.

4. Partners, Project Support, and Community Effects

In January 2010, OWEB was awarded \$994,290 in Coastal Wetlands funds to assist LNCT with acquisition of this property and several additional properties at the northern edge of Nehalem Bay. The Coastal Wetlands grant is intended to complete the wetlands connectivity effort started with the first Coastal Wetlands and OWEB grants, awarded in 2009.

LNCT has received commitments from the following entities for in-kind assistance with the development of stewardships plans for the property: ODFW, NCLC, TNC, a private consultant, Urban Greenspaces Institute, Audubon Society, and OPRD. LNCT gathered more than 450 signatures from local residents who support LNCT's phased effort to protect Nehalem Bay wetlands.

Annual property taxes are approximately \$1,050 for the property for which LNCT is currently seeking funding. If the property is acquired for conservation, the taxes would no longer be paid. Despite this, the project has received unanimous support from the Tillamook County Board of Commissioners and is also supported by the Mayor of Nehalem. LNCT and many members of the community feel that the loss of property taxes will be offset by the project's educational and ecological benefits.

5. Legal and Financial Terms

LNCT currently requests \$275,000 from OWEB to match \$448,773 in Coastal Wetlands funds for the purchase of one of the properties it intends to acquire in the second phase of a two-phase project that will protect wetland linkages adjacent to Nehalem Bay. The property for which LNCT is currently requesting funding has a fair market value of \$715,000 because it is zoned for residential development and would offer highly desirable view home sites at the edge of Nehalem Bay.

The project's real estate sales contract is compatible with an OWEB conservation investment. Legal review of the title report identified one title exception that had to be removed, and several that required clarification. One title exception, for a road easement, cannot be fully clarified. LNCT attempted to have the road easement removed from the title, but encountered difficulties. Staff do not feel that it is reasonable for LNCT to further pursue removal. Staff feel that the risk posed to an OWEB conservation investment by the road easement is minimal, and therefore it is acceptable for the easement to remain on the title.

There is also a title exception pertaining to a fence that encroaches on approximately 1,200 square feet of the 19-acre property. LNCT has begun working with the owner of the fence to resolve the problem. LNCT anticipates that it will be successful in moving the fence to the property boundary before closing, or removing the fence altogether.

There are several title exceptions pertaining to utilities that traverse the property. The utilities are all located in the same general area, and are not under wetlands. Therefore, staff feel that risks posed by future maintenance of the utilities are within acceptable limits for an OWEB conservation investment. LNCT is committed to working with the utility easement holders to minimize any impacts to conservation values caused by the holders exercising rights reserved in the utility easements, and ensure that the utility easement holders return the easement area to conditions specified in the easements.

An appraisal of the property was conducted by Zell and Associates. OWEB's independent review appraiser determined that the appraisal meets Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the value conclusion is adequately supported, and the proper appraisal methodology was used to reach the conclusion.

A Phase 1 ESA was conducted for the property by Hahn and Associates, Inc. A review of the ESA by DEQ determined that the report conforms to the ASTM standard required by OWEB and no further investigation is needed. However, two discarded fluorescent light fixtures were found on the property. Although the fixtures are not a Recognized Environmental Condition as defined by the ASTM, they might contain substances that pose threats to water quality. Staff feel that it is appropriate to require LNCT to remove and properly dispose of the light fixtures and any other refuse on the property promptly upon closing.

6. Conclusion

In November 2009, the Acquisitions Subcommittee decided to proceed with due diligence because the members felt that acquisition of the property, despite the expense, is advisable. The property is part of an important wetland link between ecologically significant, protected areas. The Acquisitions Subcommittee also felt that the project has strong educational merit and outstanding community support. The RRT felt that the project has high ecological and educational merit. Staff and the Acquisitions Subcommittee recommend funding for the North Nehalem Wetlands project, contingent on resolution of the remaining title issue to staff's satisfaction.

V. Staff Recommendations for Project Funding

A. Capital Applications

- *Restoration.* Staff recommend funding for all nine applications recommended by the RRT.
- *Acquisitions.* Staff recommend the Board defer consideration of the Waite Ranch Acquisition (211-102) application until the due diligence review is complete. Staff also recommend the Board defer consideration of the Tillamook Bay Wetlands Protection and Restoration (211-108) application so that an updated application can be submitted.

Staff recommend the Board award:

- ~ \$145,000 for the Necanicum Forest Acquisition (209-101), contingent on resolution of remaining title and access issues to staff's satisfaction; and
- ~ \$275,000 for the Nehalem Bay Wetlands Conservation Project, Phase II (210-106), contingent on resolution of the remaining title issue to staff's satisfaction.

B. Non-Capital Applications

- *Technical Assistance.* Due to limited non-capital funds, staff recommend funding only three of the six applications 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. The conditions shown in the table also may reflect staff or RRT funding conditions; staff conditions may differ from RRT-recommended conditions. Staff funding recommendations and funding conditions are contained in the Region 1 Review Team Evaluations for the April 19, 2010, Applications.

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 1 - North Coast
Acquisition Application Recommended for Deferral by OWEB Staff
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount
211-102	Waite Ranch Land Acquisition	595,000
Total		\$595,000

Region 1 - North Coast
Acquisition Application Requiring an Application Update
In Order To Be Considered Further by Board
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount
211-108	Tillamook Bay Wetlands Protection and Restoration	1,342,500
Total		\$1,342,500

Region 1 - North Coast
Deferred Acquisition Applications Recommended for Funding by OWEB Staff
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount
209-101	Necanicum Forest* (Sept. 2008 Board Agenda Item H and Jan. 2009 Board Agenda Item O)	145,000
210-106	OWEB Nehalem Bay Wetlands Conservation Project Phase II* (March 2010 Board Agenda Item F)	275,000
Total		\$420,000

*Listed Amount Reflects Recommended Reduction

Region 1 - North Coast
Technical Assistance Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
211-1009	Roy Creek Fish Passage	\$50,000	1
211-1002	Lobster & Preacher Creek Technical Design Assistance	48,890	2
211-1001	Spout Creek Fish Passage Technical Assistance	50,000	3
211-1011	Tillamook-Nestucca Estuaries Tidal Wetland Strategic Planning	50,000	4
211-1000	Westwind Invasive Species Action Plan	9,559	5
211-1008	Tillamook County Landowner Recruitment for Restoration	48,514	6
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$256,963	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$148,890	

Region 1 - North Coast
Restoration Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
211-1013	Dichter Road Passage and Stream Enhancement Project	76,357		76,357	1
211-1003	Otter Point Restoration Project^	85,577		85,577	2
211-1012	Miami Wetlands Revegetation and Effectiveness Monitoring EM \$72,624 & PE	223,419		223,419	3
211-1014	Tillamook Estuaries Partnership Co-Op Log Salvage Fund 2011-2012^	33,920		33,920	4
211-1006	Hawley Creek Restoration Project* PE	116,705		116,705	5
211-1017	Upper Fawcett Creek Fish Passage Project^	390,204		390,204	6
211-1015	Lower Beneke Creek LWD and Riparian Restoration PE	114,379		114,379	7
211-1010	Cook Creek Riparian Enhancement Project^ PE	90,630		90,630	8
211-1004	Merrill Creek Restoration Project*^ PE	67,669		67,669	9
Total Restoration Applications Recommended for Funding to Staff by RRT		\$1,198,860	\$0	\$1,198,860	
Total Restoration Applications Recommended for Funding by Staff to Board		\$1,198,860	\$0	\$1,198,860	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions EM=Effectiveness Monitoring PE=Plant Establishment Award

Region 1 - North Coast
Technical Assistance Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-1005	Clatskanie River Restoration Plan	49,748
211-1016	5N2W	48,400

Region 1 - North Coast
Acquisition Applications Withdrawn by Applicant
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-104	Dooher Wetlands Acquisition on Lower Kilchis River	405,000
211-107	Beaver Creek Acquisition	1,700,000
211-109	Sandlake Estuary Wetlands Acquisition	443,500

Region 1 - North Coast
Restoration Project NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-1007	Schrum Creek Railroad Culvert Replacement	561,645

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-102	PROJECT TYPE:	Acquisition
PROJECT NAME:	Waite Ranch Land Acquisition		
APPLICANT:	McKenzie River Trust		
BASIN:	NORTH COAST	COUNTY:	Lane
OWEB FUNDS REQUESTED:	\$595,000	TOTAL COST:	\$793,520

APPLICATION DESCRIPTION:

McKenzie River Trust (MRT) requests \$595,000 to purchase a 217-acre agricultural property in the Siuslaw River estuary in Lane County. MRT wishes to purchase the property, which is diked, to restore historic tidal wetlands. MRT anticipates that the restoration will entail removing the property's tide gate, breaching or removing a portion of the dike which separates the property from the Siuslaw River, or a combination of removing the tide gate and altering the dike.

The restoration will be implemented by the Siuslaw Basin Partnership, which consists of the Siuslaw Watershed Council; McKenzie River Trust; Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians; Siuslaw Soil and Water Conservation District (SWCD); Siuslaw National Forest; Oregon Department of Fish and Wildlife; Oregon State University; Ecotrust; and the U.S. Fish and Wildlife Service. MRT is considering adding capacity to its coastal program, including staff based in Florence or another nearby coastal community.

MRT has begun project discussions with the Oregon Department of Transportation, whose support is critical because Highway 126 is adjacent to the property and must be protected from flooding.

The application describes the property as "a working wetland – a grazed, diked, former tidal wetland that is currently a freshwater marsh" vegetated by a mixture of non-native pasture grasses and native freshwater wetland grasses, sedges, and rushes. Although freshwater marsh is an OWEB priority ecological system, the application acknowledges that freshwater marsh is not the type of wetland the property contained before it was diked for agriculture, nor is the property functioning at full ecological potential in its current wetland state.

The application states that when restoration is complete, the property is expected to contain the following ecological systems, with approximately the following acreages: intertidal mudflats (132 acres), intertidal salt marsh (60 acres), lowland nonlinear forested wetlands/Sitka spruce forest/tidally influenced freshwater wetlands (15 acres), and Sitka spruce forest/lowland riparian woodland (nine acres). Furthermore, the application states that after restoration, the property is expected to contain approximately 21 miles of Essential Fish Habitat.

The application states that the property currently contains no rare or at-risk plant communities, but that the site was historically a crabapple and Sitka spruce tidal swamp, an especially rare wetland type. The application states that there is limited use of the property by OWEB priority species.

The application states that after the property is restored, it's likely to benefit a myriad of OWEB priority species, including: coho salmon, steelhead, Chinook salmon, marbled murrelet, dunlin, band-tailed

pigeon, willow flycatcher, Pacific-slope flycatcher, rufous hummingbird, white-footed vole, northern red-legged frog, greenish blue butterfly, spotted tailedropper, and Henderson's checkermallow.

The application states that the project is consistent with all of OWEB's conservation principles, and therefore it will: protect a large, intact area; stabilize an area on the brink of ecological collapse; secure a transition area; restore watershed function; protect a site with exceptional biodiversity; improve connectivity of habitat; and complement an existing network of conserved sites.

The application contains extensive information about the water quality benefits the project might have when restoration is completed. Among the information is the statement that data collected in the Yaquina River estuary show an average temperature difference of five degrees between diked and natural tidal marshes during the critical spring rearing period for juvenile salmon.

The project partners have begun education and outreach efforts, which the application states include well-received project presentations at SWCD and watershed council meetings. The application also states that the project partners have met individually with neighbors, who have expressed support for the project. The partners will expand their outreach to include tours, and presentations at local civic organizations and schools. Periodic articles will be published in partner newsletters and on web sites. Similar articles will be submitted to newspapers and radio stations serving western Lane County. The property will be a point of interest on the Siuslaw Water Trail. The application states that the project partners will explore the possibility of public involvement in the development of educational opportunities at the property, including an interpretive pull-off from Highway 126.

The application states that the project will create significant research opportunities, which will enhance understanding of tidal wetland restoration outcomes.

REGIONAL TEAM REVIEW:

The RRT was very supportive of the project, stating that it is an outstanding opportunity to restore tidal wetlands at the freshwater-to-saltwater transition zone of the Siuslaw River, an especially important area for migrating salmon. The RRT noted that the project would add to a network of conserved properties, which includes Cox Island Preserve, owned by The Nature Conservancy, and a Duncan Island property encumbered by an OWEB-funded conservation easement. The RRT also noted that the property's elevation gradient will result in diverse restored conditions, ranging from tidal mudflats to forested wetlands. The RRT agreed that although it will take time for certain wetland types to reestablish, returning tidal flows to the property will nonetheless have immediate benefits for fish.

The RRT felt that although the project partners do not seem to have adequately explored how the adjacent landowner might be impacted by dike removal, the partners have the necessary momentum, commitment, expertise, and capacity to design and implement a project that will return the property to full ecological function while protecting neighboring properties and infrastructure. The RRT similarly felt that the project partners have not developed as robust an education strategy as the project deserves, but felt confident that the partners will subsequently do so, and agreed that the watershed council has a track record of high-quality educational programs. The RRT also agreed that the restoration will present very good research opportunities.

REGIONAL TEAM RECOMMENDATION: High ecological value and medium educational value, with SEM contributing more strongly to the high ecological value than DAG Trust.

HIGH ECOLOGICAL VALUE

MEDIUM EDUCATIONAL VALUE

REGIONAL TEAM REVIEW:

The RRT was supportive of the project. The team felt that the Kilchis River is especially important for chum salmon, and noted that the property is located in a vital saltwater-to-freshwater transition zone, and adjacent to Squeedunk Slough. The RRT also felt that the presence of upstream ODF-designated Salmon Anchor Habitat will complement project outcomes.

The RRT concluded that the project could give the TNC-TEP partnership a conservation “toe-hold” in the area because the sellers are well-respected farmers. If the project is successful, it could demonstrate that restoration is a legitimate and positive option for marginal-quality farmlands.

The RRT felt that although the application should have discussed restoration in greater detail, the restoration is likely to be technically simple. The RRT decided that TNC should plan not only to remove or breach the dike on the Kilchis River, but reconnect Stasek Slough to the Kilchis River at the downstream end of the property. The RRT felt that including slough restoration would significantly increase the project’s water quality benefits and other ecological values. The RRT acknowledged that this will require TNC to work with the neighbor to ensure that the slough is restored in a manner the does not adversely impact the neighbor’s property.

The RRT felt that TNC and TEP have the capacity to accomplish the restoration, but expressed concerns about the expense. The RRT concluded that TNC and TEP should not rely solely on OWEB for restoration funding.

The RRT determined that the project has modest educational values, noting that there is no formal program proposed, but agreeing that TEP undertakes good educational efforts. The RRT also felt that informal discussions in the agricultural community could be very effective at raising public awareness of the project. Lastly, the RRT thought that with interpretive signage, the property could be a meaningful addition to the Kilchis River water trail.

REGIONAL TEAM RECOMMENDATION:

HIGH ECOLOGICAL VALUE, WITH RESTORATION OF STASEK SLOUGH RECOMMENDED.

MEDIUM EDUCATIONAL VALUE.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-107	PROJECT TYPE: Acquisition
PROJECT NAME: Beaver Creek Acquisition	
APPLICANT: The Wetlands Conservancy	
BASIN: NORTH COAST	COUNTY: Lincoln
OWEB FUNDS REQUESTED: \$1,700,000	TOTAL COST: \$3,336,000

APPLICATION DESCRIPTION:

The Wetlands Conservancy (TWC) requests \$1.7 million to purchase three properties totaling 417 acres in the Beaver Creek watershed, seven miles south of Newport in Lincoln County. The properties are located between Beaver Creek Natural Area and Ona Beach State Park, both owned and managed by the Oregon Parks and Recreation Department (OPRD).

Upon purchase, two of the properties will be transferred to OPRD ownership. TWC will retain ownership of the third property. The application states that the properties planned for OPRD ownership are likely to be incorporated into the Beaver Creek Natural Area, making them low-development sites managed primarily for natural resources protection. The application also states that TWC and OPRD will work collaboratively to develop a management framework for the properties.

The application states that the following OWEB priority ecological systems are present on properties: floodplain/outwash lowland riparian linear wetlands, Sitka spruce forest, lowland riparian woodland and shrubland, and 1.1 miles of perennial streams.

The application states that two of the properties contain 60 percent OWEB priority habitats, and one contains 29 percent OWEB priority habitats. The average of these percentages is 50 percent. Most of the remaining acreage is an industrial Douglas fir forest. The application states that it is necessary to acquire all of the acreage because doing so will ensure watershed connections and an “opportunity to manage forestlands toward the goal of mature late-successional forest.”

The application does not state that rare or at-risk plant communities will benefit from the project. The application does not indicate that OWEB priority species have been observed on the properties proposed for acquisition. However, the application states that the following OWEB priority species have been observed on land near the properties proposed for acquisition: coho salmon, steelhead, bald eagle, northern red-legged frog, band-tailed pigeon, olive-sided flycatcher, ruffed grouse, rufous hummingbird, marbled murrelet, red tree vole, and white-footed vole.

The application states that the project is consistent with OWEB conservation principles because it will secure a transition area, restore watershed function, protect a site with exceptional biodiversity, improve connectivity of habitat, and complement an existing network of conserved sites.

The application states that community members and local and university students will be encouraged to participate in future research, restoration, and stewardship activities. The application also states that TWC has begun conversations with the Audubon Society and the Native Fish Society about holding joint citizen workshops and trainings on the ecological importance of Beaver Creek. The workshops will be used to solicit volunteers for biological surveys and wetland restoration projects. The application also

states that if the properties are acquired, a trail system and “interpretive opportunities” will be built in the uplands, and eventually the properties are likely to be connected to a larger Western Oregon hiking trail system.

No financial information was provided for an analysis of TWC’s capacity to successfully acquire and steward the lands proposed for OWEB funding. There is no indication that TWC will fund a designated stewardship account for the property that it will retain. The application does state that TWC will support OPRD in the management of the properties that OPRD will own, and that other organizations such as the Forest Service and the U.S. Fish and Wildlife Service have expressed interest in helping fund and implement restoration and management.

REGIONAL TEAM REVIEW:

The RRT was generally supportive of the project, stating that Beaver Creek is an important watershed for coho salmon, marbled murrelet, and other fish and wildlife. The team also felt that the properties will augment a significant network of properties already protected by TWC and OPRD, and ensure conservation of upland-wetland connections.

The RRT did, however, note that the properties proposed for acquisition contain a relatively low percentage of OWEB priority habitats. Specifically, the RRT questioned that ecological value of the industrial Douglas fir, noting that it is diseased by Swiss needle cast, and that it might need to be entirely cut down. The team also questioned the ecological value of several of the upland areas on the other properties, although members did acknowledge that some of the Sitka spruce trees are of sufficient age and structure to possibly benefit marbled murrelets. Other RRT members pointed out that by dint of their age and structure, and the documented presence of marbled murrelets nearby, these trees might already be protected by habitat provisions of the Endangered Species Act.

The RRT also expressed concern about what it felt were weak restoration plans presented in the application. The RRT questioned the capacity of OPRD and TWC to undertake what the team thinks will be expensive thinning or removal of the industrial Douglas fir, and other ongoing forest management activities. The RRT acknowledged that OPRD recently hired a Natural Resources Specialist, whose job is more conservation oriented than typical OPRD positions, and that the new staff person might be able to influence the agency’s priorities and management activities in the watershed. The RRT also thought that an OPRD or U.S. Forest Service silviculturist could provide technical assistance with forestry issues.

The RRT liked the fact that OPRD is already conducting education in the watershed, and thought that there’s a good chance that the educational efforts can be successfully expanded to the properties proposed for acquisition. However, the RRT did point out that if the properties are not purchased, Beaver Creek watershed education will continue nonetheless.

REGIONAL TEAM RECOMMENDATION:

HIGH ECOLOGICAL VALUE.

HIGH EDUCATIONAL VALUE.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-108	PROJECT TYPE:	Acquisition
PROJECT NAME:	Tillamook Bay Wetlands Protection and Restoration		
APPLICANT:	Tillamook County		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$1,342,500	TOTAL COST:	\$1,790,000

APPLICATION DESCRIPTION:

Tillamook County submitted an application requesting \$1,342,500 to purchase a total of 184 acres from five landowners. The properties are adjacent to a previous OWEB-funded acquisition, on the edge of Tillamook Bay, at the mouth of the Wilson, Tillamook, and Trask Rivers. Acquiring diked agricultural properties in order to restore them to natural estuarine function, as well as restoring the property previously purchased with OWEB funds, is part of an Oregon Solutions effort, a community-based collaboration to reduce flooding that frequently affects Highway 101, businesses, farms, and residences north of Hoquarten Slough in Tillamook.

Several days before the Regional Review Team's June 30, 2010 meeting, the county notified OWEB that it has changed the project by reducing the acreage to be acquired from 184 acres to approximately 89 acres. The 89-acre area, and the property previously purchased with OWEB funds, will be restored to full estuarine function. The remainder of the 184 acres originally proposed for acquisition will not be acquired in fee simple, but instead will be encumbered by flood easements. The flood easement properties will be surrounded by relatively low dikes, which will be occasionally overtopped by winter flows. The dikes will keep the properties suitable for agricultural use. Because these properties are not being restored to full tidal flooding, the county will not use funding from OWEB to purchase the flood easements.

REGIONAL TEAM REVIEW:

The RRT decided that it could not evaluate the project because the application no longer describes the project the county intends. The RRT requested that the county submit an updated application, fully describing the project, its outcomes, and its benefits, for consideration by the team in the October grant cycle.

The RRT has the following concerns about the county's revised project concept, which it encourages the county to consider and address in an updated application:

- The flood easements could possibly further degrade water quality in Hoquarten Slough because there are trees on the levees that currently border the properties proposed for flood easements. The trees will have to be removed in order to lower the levees, whereas the originally planned restoration could be accomplished with strategic levee breaches that leave the majority of the trees undisturbed. Dissolved oxygen levels and other water quality parameters could worsen from increased solar inputs when the trees are removed. Although the RRT recognized that the county is not asking OWEB to fund the flood easements, the team felt that the overall project is now less ecologically valuable than previously anticipated. The RRT needs complete project information to assess its values.

- The RRT felt that levee removal on the Sadri property might be inappropriate because the majority of the property's levees appear to be naturally formed, and thus should be left in place. Without an updated application, the team couldn't come to shared understanding of what's really intended for that property now that the county has modified the project.
- The RRT pointed out that historic vegetation maps show that some of the areas proposed for restoration to low marsh were historically forested wetland. The team requests a full explanation of expected restoration outcomes, how the outcomes were developed, and in any cases of expected outcomes differing from historical wetlands, an explanation of why.
- The RRT questioned whether the county is still willing to allow a two-acre fill on the Sadri property in exchange for acquisition of the remainder of the property, and expressed concern that this could lessen the value of the restoration efforts.

REGIONAL TEAM RECOMMENDATION: The county should submit an updated application in the October grant cycle. The application should clearly and fully describe the project and its outcomes and benefits. It should also address the concerns of the RRT.

STAFF RECOMMENDATION TO BOARD: OWEB will receive notification of a Coastal Wetlands grant from the U.S. Fish and Wildlife Service (USFWS) in December 2010 or January 2011. If Coastal Wetlands funds are awarded, the grant will result in a reduction of the county's OWEB request from \$1,342,500 to approximately \$650,000. The timeframe in which OWEB will receive news from USFWS regarding a Coastal Wetlands award allows the county to submit an updated application in the October cycle without delaying the project.

If the owner of the Sadri property wishes to pursue the right to place fill on two acres of the property, those acres need to be retained by the landowner via a partition process in advance of the sale of the remaining land to the county for restoration. OWEB will not grant funds for, or otherwise be involved in, a transaction that subsequently allows a portion of a conservation property to be degraded. The updated application should reflect this. It should also demonstrate that if the Sadri property is partitioned and the landowner retains two acres that are subsequently filled, the restoration potential of the county-held portion of the property will not be lessened as a result.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-109	PROJECT TYPE:	Acquisition
PROJECT NAME:	Sandlake Estuary Wetlands Acquisition		
APPLICANT:	North Coast Land Conservancy		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$443,500	TOTAL COST:	\$665,000

APPLICATION DESCRIPTION:

North Coast Land Conservancy (NCLC) requests \$443,500 to purchase a 167-acre property in the Sandlake estuary in southern Tillamook County. The property is located near Clay Meyers State Natural Area (Whalen Island), which is owned by Oregon Parks and Recreation Department (OPRD), and property owned and managed by The Nature Conservancy (TNC). OWEB previously granted funds to assist with the purchase of property that is now part of Clay Meyers State Natural Area.

The application states that the following OWEB priority ecological systems are present on the property: eelgrass beds, mudflats, low and high intertidal salt marsh with tidal channels, tidally influenced freshwater emergent wetlands, and tidally influenced lowland nonlinear forested wetlands (Sitka spruce and western red cedar swamp). The application states that three streams, totaling 1.5 miles, flow through the property to the estuary. The northwest portion of the property was logged nine years ago, resulting in the removal of much of the Sitka spruce from that area. Western red cedar is now establishing there.

The application states that the property contains western Labrador tea/salal/slough sedge, an at-risk plant community. The application also states that the following OWEB priority species use the property: coho salmon, steelhead, cutthroat trout, chum salmon, Chinook salmon, bald eagle, dunlin, rufous hummingbird, and willow flycatcher.

The application states that the project is consistent with OWEB conservation principles because it will protect a large intact area, protect a site with exceptional biodiversity, and complement an existing network of conserved sites.

A management plan outline attached to the application indicates that NCLC is prepared to remove invasive species and undertake "active habitat development" as needed to achieve full ecosystem values. The application states that NCLC will partner with the Oregon Department of Fish and Wildlife to develop a management plan, and with TNC to implement stream management.

The application states that although NCLC is not currently considering an educational program for the property, the land fits into "the larger picture of coastal ecology with its connection to Oregon State Park land" (Clay Meyers State Natural Area).

The application states that NCLC has a full-time stewardship director who is supported by a volunteer-based oversight committee. Other NCLC staff include a full-time executive director, a development director, and a conservation director. The application states that NCLC is engaged in implementing a major capacity-building plan to ensure the long-term stability of the organization, and now has committees that involve more than 40 volunteers. NCLC also has a framework by which it calculates

stewardship funds needed for each property it purchases. For the proposed acquisition, NCLC's goal is to raise 10% of the purchase price, or approximately \$66,000.

REGIONAL TEAM REVIEW:

The RRT agreed that the level of immediate threat posed to the property is low, because only a small portion of the property is imminently developable, and much of the merchantable timber was removed nine years ago. The RRT also felt that the Sand Lake estuary contains relatively few stream miles, and therefore it is not as important for salmon as estuaries elsewhere. Nonetheless, the RRT felt that the project is a good opportunity to protect a property that contains a valuable gradient of wetland types and high biodiversity.

The property is somewhat unusual because it includes a significant amount of estuarine marsh and mudflats, land that is most often owned by the state. Privately owned mudflats elsewhere on the coast are being developed with piling-based condominiums. The RRT felt that a large golf course, planned for an area west of Whalen Island, has a high likelihood of being built when the economy recovers. The team felt that protecting the property will help buffer the estuary's ecological function from the impacts of eventual development.

The team pointed out that western red cedar is regenerating very well in the logged portion of the property, and that many snags and some live trees remain. The RRT concluded that the area must have been logged in a minimally invasive way, because the property contains only low levels of invasive species that often colonize disturbed areas after logging.

The RRT agreed that the road on which the property is located gets a lot of traffic, and therefore the property would be a good drive-by educational opportunity for users of the estuary's recreational areas. The team also noted that NCLC conducts high-quality educational programs in Clatsop County, and that if NCLC were to expand the geographical scope of its educational efforts, it would likely do a good job of regularly showcasing the property's ecological values.

REGIONAL TEAM RECOMMENDATION:

HIGH ECOLOGICAL VALUE.

HIGH EDUCATIONAL VALUE.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1003	PROJECT TYPE:	Restoration
PROJECT NAME:	Otter Point Restoration Project		
APPLICANT:	Youngs Bay WSC		
BASIN:	LOWER COLUMBIA	COUNTY:	Clatsop
OWEB FUNDS REQUESTED:	\$85,577	TOTAL COST:	\$1,241,271

APPLICATION DESCRIPTION:

The Otter Point restoration site is located within the Lewis & Clark National Historic Park on the western side of the Lewis & Clark River. The Lewis & Clark River is a tributary of Young's Bay, located near the mouth of the Columbia River in the northwest corner of Clatsop County. The Young's Bay watershed is the largest watershed in the Columbia River estuary. Research indicates that the Young's Bay estuary is one of the lower Columbia's most bio-diverse areas.

However, the Young's Bay watershed, including the Lewis & Clark River, has undergone considerable modification to its former forested, wetland and estuarine habitats. It is estimated that 95% of all bottomlands within the watershed have been lost to diking and most of the former tidal, estuarine wetlands are now privately owned and managed for agriculture. The lower Lewis & Clark river basin once contained significant Sitka Spruce swamp habitat as well as extensive estuarine marshes, freshwater tidal wetlands and bottomland riparian vegetation. A combination of land management activities including: logging; grazing; manipulation of the river channel through dredging and levee construction; and recent rural development, has degraded the habitat and prevented the natural tidal interactions between the river and all but 5% of its adjacent lands.

In this restoration application, the Young's Bay Watershed Council, in partnership with the Columbia River Estuary Study Taskforce (CREST), the Lower Columbia River Estuary Partnership, the National Park Service and Bonneville Power Administration, requests OWEB funds for Phase II of a two-part project to re-establish tidal connection between the Lewis & Clark River and 33.5 acres of diked pastureland at the Lewis & Clark National Historic Park. In Phase I, scheduled for implementation during the summer of 2010 using funds from the other project partners, tidal channels will be restored; large wood will be placed in the restored tidal channels and in the wetlands areas; invasive plants will be removed and native vegetation replanted; and a cross dike will be constructed to protect a downstream neighboring property. Phase II, using OWEB funds and scheduled for implementation in 2011, will strategically breach the existing dike along the river bank to restore tidal connection to the wetlands behind. 77% of the OWEB funds will be used for contracted services for the activities necessary to breach the dike and remove the material. The balance is budgeted for project management, travel and administration.

REGIONAL TEAM REVIEW:

Back on May 11th, six members of the review team visited the site along with Madeline Dalton, the coordinator of the watershed council, and Micah Russell, the director of CREST. The visit was valuable for the reviewers to better understand the current situation and see how the site is situated in relation to neighboring properties and they shared their observations at the review meeting.

The reviewers understood that other restoration projects had previously occurred upstream in the Lewis & Clark basin and they appreciated that this project would supplement the work accomplished in those projects. They all agreed that this estuarine area was a critical place in which to work, noting that juveniles of all the species of anadromous salmonids in the Columbia basin would use the area on their way to sea and they noted that the essential habitat type to be restored in this project has been decimated by years of diking and draining. The reviewers appreciated that 5,000 lineal feet of tidal channel habitat would be recreated in Phase I and that the dike breaching in Phase II would allow 33.5 acres of floodplain habitat to be restored to tidal influence. They expected that the salmonid downstream migrants would soon discover and utilize that habitat for rearing and acclimation to salt water.

The reviewers brought up a few concerns with the application, including the expense of the whole project (\$1.3 million) and the continuing issue of hatchery influence in the Young's Bay watershed. They also noted that the whole dike was not being removed, which they would have preferred, figuring that full tidal access was better than limited tidal access. They also noted that the Phase I project included the construction of a cross dike.

The project expense concern was discussed and it was first noted that the OWEB component of the project was limited to the dike breach in Phase II and the costs for that activity (\$85,577) were modest and in line with expectations. The reviewers discussed the fact that moving fill (the spoils of the dike breach) by barge was expensive and that the relative high costs of that action was the driving force for the decision to not remove the entire dike structure. That discussion eliminated the angst of the project costs. The issue of the cross dike construction was quickly resolved by noting that the cross dike was necessary to protect the private property downstream from the effects of opening the Park property to tidal inundation, and the reviewers further noted that OWEB funds were not involved in that component of the project. The hatchery issue was acknowledged as a continuing concern with the health of the system, but the reviewers noted that the policy of using Young's Bay as a net pen rearing and release site was a state policy decision. The reviewers also noted that the native salmonid stocks in the Young's Bay watershed were improving as a result of improving habitat conditions and revisions to previous hatchery practices.

With those few concerns quickly addressed, and with the realization that 33.5 acres of floodplain and wetland would, within a year's time, once again be open to tidal influence and use by juvenile salmonids, the reviewers enthusiastically recommended the project for funding.

How the application addresses watershed and ecosystem functions and processes:
Breaching the dike will reestablish tidal connection to historic tidal wetlands and restore the ability of the Lewis & Clark River to reconnect to its floodplain at this site, thereby restoring filtration capacity and nutrient deposition. Fish access to tidal channels will also be restored, providing downstream migrant juvenile salmonids additional habitat for rearing and acclimatization to salt water.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 2 of 9

CAPITAL AMOUNT: \$85,577 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will provide that OWEB funds cannot be used for construction of the crossdike. Before funds are released, grantee will provide the OWEB Project Manager with written confirmation from the diking district that it is aware of this project and does not oppose it.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-1004 **PROJECT TYPE:** Restoration
PROJECT NAME: Merrill Creek Restoration Project
APPLICANT: Columbia SWCD
BASIN: LOWER COLUMBIA **COUNTY:** Columbia
OWEB FUNDS REQUESTED: \$68,502 **TOTAL COST:** \$97,028

APPLICATION DESCRIPTION:

Merrill Creek is a tributary of Tide Creek in Columbia County. Tide Creek flows into Deer Island Slough before joining the Columbia River at RM 81, roughly 5 miles downstream of St. Helens. A study of the USGS topographic map of the area indicates that Merrill Creek historically would have flowed to Deer Island Slough directly, upstream of Tide Creek's confluence with the Slough. It appears development activities channelized the lower reach of Merrill Creek, forcing it to flow parallel to Hwy 30 and the Slough before joining with Tide Creek, after which the combined flow continues on into the Slough and then into the Columbia. Upstream of its confluence with Tide Creek, Merrill Creek has roughly 7 miles of stream miles suitable for salmonids, approximately 5 miles of which is low gradient coho habitat. A road runs alongside a portion of Merrill Creek, beginning roughly at RM 1 and terminating at roughly RM 2.2. A number of rural residences and small hobby farms are scattered along the valley floor in this reach. The upper reaches of Merrill Creek are in industrial timber company ownerships. Due to land management practices, fishing and Columbia River hatchery management over the last 150 years, the habitat and fish populations of Merrill Creek have degraded and declined significantly.

In 2008, the Columbia SWCD began working with the community in Deer Island and the Tide and Merrill Creek drainages to identify and implement habitat restoration projects within the area. With funding from the Lower Columbia River Estuary Partnership (LCREP), the SWCD began collecting hydrologic and fisheries data for the restoration of the Deer Island complex. Information from the data indicated strong opportunities existed to restore salmonid habitat in Merrill Creek and South Deer Island Slough. Surveys of Merrill Creek conducted in 2009 by staff from USFWS showed surprising numbers of coho and lamprey juveniles. The surveyors were pleased to also find large numbers of freshwater mussels. The stream historically should have supported chum populations but the recent surveys provided no sightings of that species.

A number of rural residences and other structures have been built along the valley floor, some at the very edge of the active floodplain. In several instances, the creek is eroding the streambanks and threatening structures. The Columbia SWCD has been contacted by several landowners, seeking advice and aid in implementing projects which would protect their property and, at the same time; help restore the fisheries and health of the sub-basin. In this restoration application, the Columbia SWCD is proposing to implement streambank stabilization projects along 3,140 linear feet of stream and to plant native trees and shrubs along 4,475 linear feet of stream (3 acres). The OWEB funds would be used for streambank stabilization activities (52%), geotechnical assessment and design (15%), project management (13%), riparian planting (11%) and administration (9%).

REGIONAL TEAM REVIEW:

Eight of the review team members toured the sites in this application, along with staff from the SWCD and LCREP. On the tour, they were able to see the problem issues in the reach and they shared their on-the-ground observations at the review meeting.

The reviewers found the application pretty straightforward, with considerable detail included of the work that would actually occur, and they noted that much of the work was following standard NRCS practices. They also recognized that this project provided an opportunity to begin work in the basin, and the project offered a chance to gain support from the landowners for additional future work on their properties.

The site visit provided the reviewers with an appreciation of the difficulties with some of the sites and the need for a technical approach for some of the solutions. The site visit also provided information on the results of the surveys done by USFWS staff during the previous summer and the reviewers were both surprised and pleased to hear of the numbers of juvenile coho, cutthroat, lamprey and freshwater mussels encountered. They agreed there was good reason to implement restoration projects in the basin.

However, a number of the reviewers saw this application as little more than a site specific bank stabilization project with little restoration value. They didn't find much detail on the basin's resources in the application, nor did they think the application provided a clear picture of the underlying physical causes of the problems at the specific sites. Some of the reviewers thought the application addressed symptoms without showing an understanding of the causes. They noted the misaligned and undersized culverts which were part of the problem causing the erosion. They noted the fact that some of the structures should never have been built in the locations, since they were on the very edge of the floodplain and would be threatened by any extreme event that caused the stream channel to move. The reviewers understood that the basin had been highly manipulated in its lower reaches and logged several times in the upper basin, and they thought that this application presented very little work to address the sub-basin's long-term problems. A significant number of the reviewers also expressed concern with the application's seeming reliance on herbicide treatments to get the plantings to a free-to-grow state and they wanted other tree establishment options tried instead.

The differences of opinion on the review team caused the discussion to continue for quite awhile as more information was shared and options considered. The reviewers agreed that the bank stabilization work was technical in nature, site specific, limited in life and other than adding some channel roughness and complexity to the stream, provided little benefit to watershed function. But, they also understood that at one site a house was only a few feet away from being undermined by bank erosion, and in another, the only pastureland of the landowner was also threatened to be claimed by the river. The reviewers recognized those threats to be real and also recognized that something was going to be done to protect the private property, and this technical stabilization offered the most river and fish friendly option. The reviewers also understood that by helping address these problems, the SWCD expected to be able to work with additional landowners in the basin on projects designed for restoration of watershed function and fish populations. The reviewers noted that the number of residents in the basin was less than 30 and that news would travel through the community swiftly. They also heard from the SWCD staff that everyone contacted had been open and supportive of future restoration work. The reviewers would have preferred an application that included replacement and realignment of the problem culverts in the reach, since the problems they presented would continue to plague the reach until corrected. But, the reviewers understood that the culverts would have to wait, since their replacement fix would require additional technical and engineering assistance, as well as the time necessary to accomplish the actual physical tasks, and in the meantime, the banks were eroding and the house and pasture were threatened. The reviewers understood that in an emergency situation, the sites would most likely be rip rapped and any restoration value and outreach opportunity would be lost. They thought this proposed approach was a softer fix than rip rap and would provide more benefit to the resources.

The reviewers also acknowledged that while they would prefer that the application provided a broader look at the basin and a better understanding of the forces in play, they understood the application was in part a response to a request for help from the landowners and that the SWCD had been able to include almost a mile of riparian planting activities in the project as a result of the time spent in the basin working on the stabilization problems.

The reviewers tackled the herbicide concern next and it quickly became evident there were clear divisions in opinion and those divisions would not be resolved in the course of the day. While the other concerns had been resolved to a degree where a positive recommendation for the project was possible, the herbicide issue promised to derail that recommendation. The reviewers agreed that in order to proceed with a “do fund” recommendation, they’d condition the award by disallowing the use of any OWEB funds on herbicide purchase or application in this project.

How the application addresses watershed and ecosystem functions and processes:
Planting native trees and shrubs along the riparian area will increase the shading of Merrill Creek thereby helping to decrease summertime water temperatures. The planted trees will also provide a future source of in-stream large wood as they mature and fall, which will increase stream complexity and provide additional habitat for fish and other aquatic species. The streambank stabilization structures will stop the streambank erosion at those sites, decreasing the input of sediment to the stream and providing additional stream channel roughness and complexity. Water quality and fish habitat will be improved.

REGIONAL TEAM RECOMMENDATION: Fund with the condition that no OWEB funds be used for herbicide purchase or treatments of the project’s plantings.

REGIONAL TEAM PRIORITY: 9 of 9

CAPITAL AMOUNT: \$67,669 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will provide that no OWEB funds can be used for herbicide purchase or treatments of the project’s plantings.

Reviewers noted that Hawley Creek is typical of many of the creeks in the upper Siuslaw, in the cloudiness of the water caused by colloidal suspension of fine silts and sands in the soils of the area. They noted that this phenomena was consistent year-round and the reason why there were no counts available of juvenile salmonids in much of the upper Siuslaw system. They also remarked on the different geology and biology of the region, noting that it included oak savannah habitat and was much more similar to the Willamette Valley than it was to the normal coastal river basin environment.

The reviewers were pleased to have a project that worked on a large reach of stream and appreciated the single landowner's willingness to alter their land management practices to allow for restoration work to occur, noting that the valley bottom portion of the property had previously been used to raise 3,000 head of cattle. But, more than anything else, the inclusion of the western pond turtle element in the project brought out the reviewer's enthusiasm. The reviewers who'd attended the site tour relayed that they'd seen 7 turtles in their brief visit. The entire review team welcomed the opportunity to work with a different species and they enjoyed the opportunity provided by the application to learn more about the animals. They remarked that the application did a very good job providing the information necessary to understand the restoration work proposed for the turtles.

The reviewers agreed that all the restoration work proposed, for salmonids and turtles both, was appropriate, addressed indentified limiting factors and appeared well designed. On the site tour, the reviewers noted that some of the existing fencing appeared to be in decent shape, and provided a good setback from the creek. They asked the project manager to return and walk the entire existing fence line to determine how much of the fence could be retained, and to provide them with that information. The reviewers also remarked on the tour that the amount of time budgeted for tree and plant release (80 hrs) seemed too low and they wanted the applicant to re-evaluate that portion of the project.

The applicant did so and provided information a day or two before the review meeting that a significant portion of existing fence could be retained and that the amount of tree release time had been doubled to 160 hours. The applicant noted they'd subsequently reconsidered the entire project budget, including other funding sources, and indicated that they could reduce the OWEB request by roughly \$4,500. The reviewers appreciated that information and were pleased to provide a positive funding recommendation for the project.

How the application addresses watershed and ecosystem functions and processes:

Addition of large wood instream structures will add stream complexity, encourage natural stream meander, slow stream flows, sort migrating substrate and provide resting and rearing habitat for fish and other aquatic species. Planting native trees and shrubs along the riparian area will increase the shading of Hawley Creek thereby helping decrease summertime water temperatures. The planted trees will also provide a future source of in-stream large wood as they mature and fall. Fencing the Hawley Creek riparian area will eliminate livestock grazing of riparian vegetation, decrease bacteria loading and stop erosion caused by livestock trampling of the streambank. Water quality will be improved by increased shading, increased filtration of overland flows and decreased sediment input.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 5 of 9

CAPITAL AMOUNT: \$116,705 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

In this application, the Council, in partnership with the Port, identified the Schrum Creek culvert as a priority for replacement and is seeking OWEB funds to design a RR bridge crossing, remove the existing wooden box culvert and install the new bridge, thereby opening 2 miles of creek to unimpeded fish passage and improved wetland function. The OWEB funds would be used for engineering (36%, including survey & design), culvert removal and bridge installation (41%) and the bridge itself (19%).

REGIONAL TEAM REVIEW:

Reviewers appreciated that the Siltcoos watershed is a high producer of coho. They noted that at the confluence of Schrum and Maple Creeks there is a railroad across the wetland with a single small culvert, which is now submerged as shown in the photograph in the application. They understood the culvert is not a passage issue at this time, since a survey of the stream showed many juveniles upstream of the culvert. The reviewers noted that replacing the culvert with a bridge would improve wetland connectivity.

Five of the reviewers visited the site on a squally day in early June. They shared their observation, gained from a mile-long walk down the railroad track, that the lower reach of Maple Creek was indeed a wetland, that it had been manipulated for agriculture and that the railroad needed extensive, and undoubtedly expensive repairs before it could be operated again. They also remarked that if one were to desire to collect garter snakes, this stretch of railroad track offered a prime opportunity to do so. They stood atop the culvert site and couldn't see the actual culvert, since both sides were under water, and confirmed to the other reviewers that the pictures of the site in the application were accurate. They told the rest of the review team that they had walked further up the track and doing so had provided the perspective that Schrum Creek appeared to provide high quality fish and wildlife habitat, even in its manipulated state. They noted that one of the reasons for walking further up the tracks was to look at the other side of the Schrum valley to see what opportunities that might offer for a different bridge location, since it appeared that side of the valley might have been the location of the original stream channel. At the review meeting, they discussed their belief that this northern location appeared to be a far better choice for a bridge site and they agreed that reconstruction of a stream channel to bring the creek back to this side of the valley would provide opportunity for additional meander and rearing habitat for salmonids.

The reviewers on the tour noted that the walk also provided the opportunity to discuss the project in greater detail with the applicant and they shared those discussions with the rest of the review team at the meeting. In response to the question of why Schrum had been identified as a priority, since fish passage did not appear to be a significant issue, the applicant indicated that the Port had the Schrum culvert as their highest priority for replacement and, while fish passage wasn't an immediate concern, the combination of the opportunity to work with the Port, thereby hopefully beginning a good relationship for other projects, and the need to replace the culvert for improved wetland function led the Council to agree to start on the RR culverts with this site.

The reviewers who had been on the tour also shared the discussion with the applicant about the overall costs of the project and, in particular, the high cost of the engineering component. They noted that the applicant agreed that a Technical Assistance (TA) application for the initial survey, study and design, should have been submitted first, with a subsequent Restoration project application following upon completion of the TA project. The applicant further explained that the timeline of the desired RR return to operation conflicted with the timeline of the OWEB application cycle and funding schedule, making the current approach of an all inclusive application the only option available to them. The applicant further explained that part of the reason for the application's high cost was that because of uncertainties and the lack of solid information available, they'd built the project budget using their highest estimates for the activities, and they actually expected the project to come in a couple of hundred thousand dollars less than the current request.

The site visit also provided the chance to discuss the note in the application that a "...larger, multi-phase restoration project...its tributaries, and associated wetlands..." was in the making. The reviewers learned that discussions were taking place for an acquisition of the entire Schrum Creek sub-basin and that once the land changed ownerships, a whole-watershed restoration project would be designed and implemented, similar to the one done over the ridge in Karnowsky Creek in the Siuslaw.

Once all that information had been shared, the review team quickly came to the conclusion that too many details were missing in the application and that it was not mature enough to consider. They understood the timing issues that led the Council to try this approach and regretted the unfortunate combination of events. They agreed that the opportunity to visit the site and discuss the project had been valuable and they hoped that the applicant would keep those discussions in mind as the hoped-for larger project develops. The reviewers agreed that there was great potential in restoring the sub-basin and hoped that they'd see an application to do so once the acquisition occurred.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.

Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1010	PROJECT TYPE:	Restoration
PROJECT NAME:	Cook Creek Riparian Enhancement Project		
APPLICANT:	Lower Nehalem WSC		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$90,630	TOTAL COST:	\$124,080

APPLICATION DESCRIPTION:

Cook Creek, a major tributary of the lower Nehalem River in Tillamook County, is one of the largest producers of salmon in the lower Nehalem basin. Cook Creek joins the Nehalem from the southeast at RM 13. Mainstem Cook Creek is approximately 11 miles long, with roughly 8 miles of low-gradient coho habitat. The sub-basin has numerous tributaries, many of which supply additional miles of coho habitat. Besides coho, the sub-basin supports populations of chinook, steelhead and cutthroat trout and provides cold water refuge for salmonids escaping the high temperatures in the mainstem Nehalem during the low-flow summer months. The sub-basin lies entirely within the Tillamook State Forest and was almost entirely involved in the Tillamook fires of the 1930s and 40s. The sub-basin is slowly reforesting and the riparian zones are dominated by alder. Legacy snags and downed logs from the fires continue to supply some large wood to the system but the mainstem and tribs are deficient in large wood according to current standards. Besides the natural resources of the sub-basin, the Cook Creek valley is used regularly by both the local and Portland communities for a variety of recreational uses including hunting, camping, hiking and biking. Oregon Department of Forestry (ODF) has 12 designated campsites along the valley bottom.

The Lower Nehalem Watershed Council (Council) has a completed assessment and action plan and has updated those documents with the addition of an estuary assessment, numerous aquatic habitat surveys and snorkel surveys to determine juvenile salmonid abundance and distribution. Priority actions identified in the assessment and action plan include improving stream complexity and addressing stream temperature issues. The Cook Creek sub-basin has been identified in a number of documents as a priority sub-basin and as requiring future riparian planting.

In this application, the Council is partnering with ODF, BLM, the Fire Mountain School and ODFW to conduct an invasive species removal and conifer planting project along roughly six miles of mainstem Cook Creek. The 12 designated camping sites would be treated for invasive species removal (Scotch Broom and Blackberry) and selectively replanted with conifers. Selected half-acre areas within 5.2 miles of mainstem riparian area would be planted with 12,000 native conifers (Sitka Spruce, Western Red cedar, Western hemlock and Douglas fir) and 1,000,000 hemlock seeds would be manually dispersed. Some felling and girdling of alders would also occur to increase the amount of light to the understory. OWEB funds are budgeted for planting and invasive species removal labor (47%), project management (27%) and tree protection supplies (16%).

REGIONAL TEAM REVIEW:

The reviewers were familiar with this application from an earlier iteration which had not been recommended for funding. They found this application somewhat improved but they continued to have concerns with details of some of the activities proposed. Ten of the reviewers attended the site visit in early June, where they had an opportunity to discuss the project further with the project manager and the ODF staff involved, and they found the visit useful to help clarify some of the issues. They all agreed that

the numbers of conifer in the riparian area were very low and the watershed would benefit from an increase. The site visit provided information on the conifer stock used in the replantings of the area after the fires of the 1940s, including the fact that the stock used for the replanting was not native to the area and that problems were expected with success of the future seed from those plantings. The reviewers found that information fairly compelling as a reason for not waiting for the conifers upslope to provide the seed stock necessary for natural conifer succession in the valley bottom riparian zone. The reviewers agreed that the current alder forest along the stream was all roughly the same age and that once it matured and began to die; large areas of the riparian area would be open to sun and brush domination. They also recognized the problem of invasive plants in portions of the valley and they agreed that addressing those sites now would be smart, since they believe the areas are currently small enough for eradication efforts to succeed. The reviewers were also pleased to hear from ODF that the agency was fully committed to seeing the project succeed and they found the staff capable and responsible.

However, the reviewers continued to have concerns with the project, in part because the application was not clear on details and in part because the numbers and actions in the application changed somewhat during the site visit discussions. Some of the reviewers were not convinced that forest succession was as large a problem in the area as the application made it appear, noting the fact that fires were natural events and that the current succession process looked natural. They were also concerned about the girdling and cutting of alders proposed in the application, and due to comments made during the visit, the reviewers were concerned that existing Big-leaf Maple would be treated similarly to alders and they strongly objected to that possibility. On the site visit, the reviewers asked the project manager to provide them with information on exactly which half-acre sites would be selected and to provide an explanation of why those sites were chosen out of all the possible options along the 5.2 mile reach. The project manager agreed to do so and two days before the review meeting subsequently provided a map showing the sites, with 16 small circles marked along the valley bottom. The reviewers found the map of little use and the detailed answers they'd hoped for not available. They noted that the site visit discussions indicated 12,000 conifers total would be planted in the 16 sites, and that each of the sites would be roughly 0.5 acre in size. The reviewers did the math and came up with a planting density of 1,500 trees/acre and were further confused as a result, since the application had indicated a planting density of 200-250 trees/acre. The reviewers were also concerned that the amount of time budgeted for follow-up tree release appeared insufficient and on the site visit they'd asked for additional assurance that the tree release would actually occur over a long enough time period to ensure success. ODF subsequently provide a letter committing to two tree release visits per year done by the South Fork prison crew, over a three year period.

The reviewers continued their debate, with a strong argument that while die-off of the alders would be natural; since the alders were all currently of similar age class, the concern that large areas would experience die-off over a short period of time was valid. The reviewers agreed that if we were to wait for that die-off to occur before replanting with conifers, we'd lose 30 or 40 years before regaining stream shading as well as increase the amount of time before large conifer logs/trees were available naturally to fall into the creek to provide woody debris and complexity. That point pushed the group to agreement that the project had value but they remained uncertain about planting densities and girdling/cutting activities. They noted again that in order to get conifers to grow quickly, sunlight was needed and the only way to get that was to open the alder canopy to allow light in, meaning that some girdling and cutting would be required. They reminded themselves that ODF was strongly involved in the project and wanted it to succeed, so some of their worries lessened.

The reviewers finally decided that the way to make a positive recommendation for the project was to condition it so the numbers and activities allowed were clear. To that end, they decided to condition the planting densities to not exceed 200 trees/acre. To achieve the planned 12,000 trees, the number of sites would have to be expanded, or the project budget would have to be adjusted to account for the smaller number of trees planted, protected and released. They also conditioned the project so that no girdling or cutting of Big-leaf Maple occurred, and more specifically, only alders would be girdled or cut.

How the application addresses watershed and ecosystem functions and processes:
Planting native conifers and shrubs along the riparian area will increase the shading of Cook Creek thereby helping to decrease summertime water temperatures. The planted trees will also provide a future source of in-stream large wood as they mature and fall, which will help restore stream complexity and provide additional habitat for fish and other aquatic species.

REGIONAL TEAM RECOMMENDATION: Fund with the conditions that the planting density not exceed 200 trees per acre, that if 12,000 trees were not planted that the budget be adjusted accordingly, and that only alders would be cut or girdled; no Big-leaf Maples.

REGIONAL TEAM PRIORITY: 8 of 9

CAPITAL AMOUNT: \$90,630 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will provide that the planting density not exceed 200 trees per acre, that if 12,000 trees were not planted that the budget be adjusted accordingly , and that only alders would be cut or girdled; no Big-leaf Maples.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1012	PROJECT TYPE:	Restoration
PROJECT NAME:	Miami Wetlands Revegetation & Effectiveness Monitoring		
APPLICANT:	Tillamook Estuaries Partnership		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$223,419	TOTAL COST:	\$282,586

APPLICATION DESCRIPTION:

The Miami River is the northernmost of the five 5th-field watersheds entering Tillamook Bay. The upper reaches of the Miami are part of the Tillamook State Forest. As the river flows out of the forest, the gradient lessens, the valley floor begins to widen and rural residences and dairy farms take over the land use of the bottomlands all the way to the estuary. Down at the confluence of the river and the Bay, the Miami's inter-tidal wetland and marsh habitats have been severely altered by historic land use practices. The historic spruce swamp was cleared for agriculture and the river diked, its wetlands drained and tributaries channelized. Highway 101 and a railroad were built across the river mouth and utility power poles were placed across the valley bottom. Even with the litany of development activities, the Miami continues to support populations of chum, coho, chinook, steelhead and cutthroat trout although many of those populations continue to decline.

A number of assessments, surveys and inventories have been accomplished for the Miami basin, including the Tillamook Estuaries Partnership's (TEP) Coordinated Conservation Management Plan and their Rapid Bioassessment project. All of those documents clearly indicate the need for restoration of intertidal marsh habitats. In addition, the state's Oregon Coast Coho Assessment identifies reduced habitat complexity and limited water quality as the primary and secondary limiting factors, respectively, to coho populations in the basin. ODFW believes these factors have limited the production of other salmonids in the Miami as well, including perhaps most importantly the population of chum salmon.

The work to be accomplished if this application is funded is part of a much larger restoration project, funded in part by OWEB (210-1039). The larger project, currently in the process of implementation, includes channel re-meandering, ditch filling, tidal channel excavation, large wood placement and the relocation of utilities. This application would fund the follow-up revegetation necessary to restore the site to its historic Sitka spruce swamp habitat type and to conduct five years of effectiveness monitoring activities for the overall project. The requested OWEB funds will be used for native plants and planting labor (21%), plant establishment labor (46%) and effectiveness monitoring (32%).

REGIONAL TEAM REVIEW:

The reviewers were very familiar with this project, having reviewed and recommended funding for its initial technical assistance grant (208-1008) and its sibling, the larger wetland restoration grant (210-1039). The reviewers had toured the site before and did so again for this application, taking a closer look out in the canary grass dominated wetlands to gain a better sense of the challenges involved in restoring this site to its historic spruce swamp habitat. This June's site tour, with nine of the reviewers participating, showed the beginnings of the larger restoration project and the accomplishment of the pre-implementation baseline monitoring, as grids were being established and surveys conducted as the tour occurred.

The reviewers all agreed that this project was a necessary component of the larger restoration work occurring on the site. They thought the application was well done and the planting plans well designed. They recognized that the planting was going to be difficult due to the current domination of the site by the invasive Reed Canary Grass and Blackberries, and that subsequent plant establishment work would be absolutely crucial for the new planting's success. They recognized that the planting and plant establishment costs were high, but they realized that the site would not recover without it and the challenges presented by the current conditions were severe. The reviewers found the monitoring questions appropriate for the site and they thought it important to conduct the effectiveness monitoring component so future projects in similar locations and facing similar challenges could benefit from lessons learned at this site. They recognized that spruce swamp habitat, once common in the coastal estuaries, is now extremely rare due to historic development actions and they thought it very important to monitor this project to learn how to restore this important habitat type.

The reviewers raised only two issues: 1) they didn't think the fish monitoring component would be accomplished due to the state's current budget difficulties, noting the application's plan for fish monitoring had ODFW staff from the Corvallis Research office conducting the monitoring and; 2) the reviewers wanted to know where all the data to be collected by the monitoring component would be stored and how it would be distributed. The fish monitoring issue was resolved by a follow-up letter from the applicant stating that local ODFW staff had guaranteed to conduct one year of fish monitoring on the site and would train TEP staff so they could accomplish the next four years of monitoring. The TEP letter also guaranteed that their staff would accomplish the necessary monitoring using the funds in the application line item for that activity and supplementing it with their own funds if necessary. The second issue of where the data would be housed and how it would be distributed was resolved by noting that the application stated that the data would be available on the TEP website. The reviewers agreed that approach would work and that the information would be readily available to any who wanted to access it.

How the application addresses watershed and ecosystem functions and processes:
Planting native trees and shrubs across the wetlands and the riparian areas of the newly restored tributaries and the mainstem Miami River will help restore the site's historic spruce swamp habitat, benefiting the native species of fish, birds, amphibians, mammals and invertebrates that evolved in that habitat type. The planted trees will also provide a future source of in-stream large wood when they mature and fall, which will help restore stream complexity and provide additional habitat for fish and other aquatic species.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 3 of 9

CAPITAL AMOUNT: \$223,419 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$72,624

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1013	PROJECT TYPE:	Restoration
PROJECT NAME:	Dichter Road Passage and Stream Enhancement Project		
APPLICANT:	Necanicum WSC		
BASIN:	NORTH COAST	COUNTY:	Clatsop
OWEB FUNDS REQUESTED:	\$76,357	TOTAL COST:	\$147,118

APPLICATION DESCRIPTION:

This project is located on an unnamed tributary (hereon referred to as Dichter Trib due to Dichter Road, a forest road that travels through much of the sub-basin) that enters the mainstem Necanicum River very close to RM 18, near the Hwy 26/Hwy 53 junction. Dichter Road, managed by The Campbell Group, intersects Dichter Trib approximately 0.17 miles upstream of its confluence with the Necanicum. The project begins at the Dichter Road crossing and extends upstream for approximately 0.9 miles. The project area is characterized by an average 3.0% stream gradient, with a predominately mixed gravel/sand substrate. Dichter Trib supports populations of coho, steelhead and cutthroat trout and virtually all of the sub-basin is managed as industrial timber.

While the Necanicum watershed has a completed watershed assessment, very little data is available for Dichter Trib. Local ODFW staff identified the tributary as a potential project area based on apparent fish passage issues at the Dichter Road crossing, coupled with the potential coho spawning and rearing habitat upstream of the crossing. The Campbell Group (TCG) acquired the property in 2009 and their road management and engineering staff identified the Dichter Road culvert as a replacement need, as well as recognizing the fish habitat value of the stream. The current culvert is a corrugated metal pipe, six feet in diameter and 36 feet long. It is undersized for the creek's flow, bare of substrate within and has a greater than 6 inch drop at the outlet. At high flows it would present a velocity barrier to fish passage and at low flows the outlet drop would present a barrier to upstream movement of juvenile salmonids.

In this project, the Necanicum Watershed Council, in partnership with The Campbell Group (TCG) and ODFW, will replace the Dichter Road culvert with a 16-ft wide steel bridge, place 80 pieces of large wood within a 0.9 mile reach upstream of the road crossing and plant a variety of native conifers (Sitka spruce, western hemlock and western red cedar) throughout the project area, including riparian management areas, adjacent tributaries and access corridors created by machinery used for wood placement. OWEB funds will be used for bridge purchase (7%), bridge installation (82%) and administration (9%).

REGIONAL TEAM REVIEW:

This project proposed to open up 1.3 miles of habitat and add large wood to almost a mile of stream. Reviewers had high confidence that this project would be successful. Ten of the reviewers attended a site visit back on June 3rd and they shared their observations at the review meeting. Everyone agreed that the application was thorough and presented the project well. The reviewers appreciated the amount of match involved and that TCG was an enthusiastic cooperator. On the site visit, several of the reviewers noted it appeared sites for additional large wood placement existed downstream of the road crossing and when they mentioned the benefit of increasing the project so those sites could be treated, TCG agreed to do so. The reviewers on the tour found TCG staff to be very professional and knowledgeable and they appreciated the staff's willingness to do whatever it took to make the project succeed. On the site visit, the

reviewers got a chance to see a significant portion of the 0.9 miles of stream above the crossing and they all shared their observations that the stream needed wood and once treated should provide excellent fish habitat.

The reviewers noted only two concerns: 1) the habitat survey work planned for post implementation was to have been accomplished by ODFW staff. The reviewers recognized that with the cutbacks to the ODFW budget, those surveys would, in all probability, not occur as planned. 2) The planting component of the project, while to be funded and accomplished by TCG, provided no information on the post planting establishment plan.

The issues were quickly resolved by agreeing that the ODFW budget problems would probably preclude the habitat surveys from occurring but that while unfortunate, that failure was no reason to not implement the restoration project. The reviewers also agreed that since timber management was TCG's business, the reviewers could expect TCG knew what it was doing with the plantings and that the plantings would succeed.

How the application addresses watershed and ecosystem functions and processes:
Replacing an undersized culvert with a properly designed and sized bridge on Dichter Trib will restore natural flow patterns to the site, allowing unrestricted passage for fish, substrate and other materials. Addition of large wood instream structures will help restore stream complexity, encourage natural stream meander, slow stream flows, sort migrating substrate and provide resting and rearing habitat for fish and other aquatic species.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 1 of 9

CAPITAL AMOUNT: \$76,357 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1014	PROJECT TYPE:	Restoration
PROJECT NAME:	Tillamook Estuaries Partnership Co-Op Log Salvage Fund 2011-2012		
APPLICANT:	Tillamook Estuaries Partnership		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$33,920	TOTAL COST:	\$50,320

APPLICATION DESCRIPTION:

The project area includes eight significant salmon bearing watersheds: the Nestucca, Tillamook, Trask, Wilson, Kilchis, Miami, Nehalem and Necanicum Rivers as well as numerous direct-to-ocean tributaries. Large wood is a fundamental component of Oregon coast stream systems, integral for a variety of stream ecosystem functions. The amount of large wood in the region's streams is far below the desired standard as a result of the cumulative effects of a litany of past land use practices including development, channelization, stream clearing and dredging. This deficiency is well recognized in a variety of documents including the respective watershed assessments and the state's recent Oregon Coast Coho Assessment, and is listed as the cause of the primary limiting factor for salmonids (lack of over-wintering habitat) in the region.

All of the assessments of the region's watersheds clearly portray the lack of in-stream large wood as a primary factor limiting production of salmonids. A significant cost for any in-stream large wood restoration project is the cost of the woody material. When purchased, trees with rootwads, or logs large enough to meet the Restoration Guidelines, are expensive. However, opportunities to acquire these materials often arise through extreme weather events or through land clearing activities. While the materials can sometimes be acquired for free after those events, the materials most often need to be moved from the location quickly and either taken to a restoration project site or to a storage area where they can be kept until a restoration site is available. Those relocation actions involve equipment and labor costs.

Tillamook Estuaries Partnership (TEP) has implemented two similar log salvage projects (208-1009 and 209-1012). To date, the two projects have combined to acquire, transport and distribute to restoration sites 488 logs, 52 stumps w/rootwads, and numerous secondary pieces. The most recent grant (209-1012) has some funds remaining, however those funds are allocated to on-going salvage projects and are expected to be exhausted by the end of the 2010 in-water work window.

In this application, using the lessons learned from the earlier efforts, TEP is requesting funds to continue the log salvage effort. The requested OWEB funds would pay log and dump-truck drivers, equipment operators, and other laborers to acquire and transport large wood and boulders donated for use in habitat restoration projects in the region (88%), project management (5%) and administration.

REGIONAL TEAM REVIEW:

The reviewers were very familiar with this project type, having recommended similar projects throughout the region over the last decade. They were familiar with TEP's previous log salvage program efforts and appreciated the program's ability to quickly learn and adjust from the lessons and experiences of previous projects. They thought that TEP had developed an excellent process that promised fair distribution of acquired materials and good communication between all the project partners. The reviewers understood

that all the partners were already in place and were now familiar with the program's processes, so the reviewers expected the program would function smoothly in the future. They understood that as time passed the project was getting better known within the region, and they expected the program would continue to improve, in process and volume of material, as a result.

The reviewers thought the application was well written and they appreciated the table showing the results of the previous projects. They thought the program provided good ecological value for a low price and they had no concerns recommending the application for funding.

How the application addresses watershed and ecosystem functions and processes:

Addition of large wood instream structures will help restore stream complexity, encourages natural stream meander, slows stream flows, sorts migrating substrate and provides resting and rearing habitat for fish and other aquatic species. This project will provide the large wood materials necessary for restoration of natural stream functions and processes.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 4 of 9

CAPITAL AMOUNT: \$33,920 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require grantee to submit information in the Project Completion Report on the number, size, condition and species of the logs/trees collected; as well as the restoration project sites where the logs were utilized, including the number used at each site; or the number of logs stored for future use. If the logs are stored, the report has to include the number, size, condition and species of the logs at each storage site and the location of each such storage site.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1015	PROJECT TYPE:	Restoration
PROJECT NAME:	Lower Beneke Creek LWD and Riparian Restoration		
APPLICANT:	Upper Nehalem WSC		
BASIN:	NORTH COAST	COUNTY:	Clatsop
OWEB FUNDS REQUESTED:	\$114,379	TOTAL COST:	\$186,488

APPLICATION DESCRIPTION:

Beneke Creek flows into the Nehalem River at RM 47, in the community of Jewell in southeastern Clatsop County. Over 90% of the Beneke Creek sub-basin is owned by either industrial timber companies, the Clatsop State Forest or ODFW. ODFW manages the lower reach of Beneke Creek as one of the three tracts composing the Jewell Wildlife Meadows Area, a property managed primarily for the area's large herds of Roosevelt Elk. The Beneke tract is located one-half mile north of Jewell, along the Beneke Creek Road and the tract occupies most of the lower 2.5 miles of Beneke Creek's wide valley bottom.

The Beneke Creek sub-basin supports populations of chinook, coho, steelhead and cutthroat trout and has a significant amount of low gradient, high intrinsic potential habitat, particularly in the lower reaches. Due to historic land management actions, the stream is 303(d) listed for high summer water temperatures, has excessive fine sediment problems and a serious lack of large wood instream with the associated lack of complexity and off-channel habitat, all of which are identified factors limiting the production of salmonids in the sub-basin. The Upper Nehalem Watershed Council (Council) is currently implementing a large wood and riparian planting project in Walker Creek, a tributary to Beneke Creek that joins upstream of the ODFW property.

The Jewell Wildlife Meadows Area (JWMA) has been managed for elk since its purchase by the state in the 1970s. In recent years, management of the property has expanded to include aquatic species and habitat. The current manager of the JWMA has partnered with the Council in a number of riparian planting and in-stream wood placement projects in the Fishhawk Tract of the property, where the office headquarters is sited and where most of the public elk viewing activities take place. In this application, the Upper Nehalem Watershed Council is partnering with ODFW and Weyerhaeuser Company in a restoration project that would place 75 logs into in-stream structures in reaches of Beneke Creek and 42 logs in structures in Gilmore Creek, a tributary to Beneke that enters roughly 1.5 miles upstream of Beneke's confluence with the Nehalem. In addition to the in-stream log structures, 2.6 miles of the riparian area of Beneke Creek would be planted with a mix of native conifers and a half mile reach of Gilmore Creek riparian area would be similarly planted with native conifers. A culvert on an abandoned forest road crossing of Gilmore Creek will also be removed. The requested OWEB funds are budgeted for the in-stream wood structure work (57%), planting and tree protection devices (37%), tree release work (5%) and administration.

REGIONAL TEAM REVIEW:

Six of the review team members toured the project site with the JWMA manager, two Council staff and the area's ODFW watershed liaison staff back on May 11th. Many of the other reviewers were familiar with the area from the earlier projects accomplished in the Fishhawk Tract, so most of the reviewers understood the challenges of planting projects in an area with so many elk. They also recognized that

Beneke Creek, in its lower reaches, was relatively big water and large wood placements in the lower reaches would present challenges. All the reviewers were appreciative of the JWMA manager's enthusiasm and willingness to find methods to accomplish projects on the property aimed to restore habitats benefiting species other than elk. They understood that one of the challenges for a large wood placement in the area was the lack of trees in the area large enough to use in the lower reach of Beneke Creek, where the active channel width reaches 50 feet. On the site tour, the reviewers learned that early in the project development the use of a helicopter was considered, but the numbers of trees both close enough to the project and large enough to justify the use of a helicopter was so small as to be uneconomical. They heard that due to the inability to acquire really large diameter whole trees, the large wood placement component of the project was subsequently designed for the use of an excavator and smaller logs and the structure sites limited to Gilmore Creek and the upper reaches of the property where Beneke Creek reduced in size.

The reviewers were familiar with the unusual tree protection measures employed in the previous riparian planting projects accomplished in the Fishhawk Tract of the JWMA, where large wooden fence enclosures, protecting small clusters of trees, had been used to protect the young trees from grazing and horning damage caused by the resident elk herds, so they weren't surprised by the need for those same protection measures for some of the plantings planned in this project. They were also familiar with the applicant's track record of successful riparian planting projects throughout the Nehalem basin.

However, the reviewers raised a couple of concerns with this project, which led to considerable discussion both on site and during the review meeting. The easiest of the issues surrounded the Gilmore Creek culvert crossing under Beneke Road. The site visit showed that culvert to be undersized and perched and the reviewers were concerned that the current application included no plan to address the problem. The reviewers appreciated that another culvert further upstream in Gilmore Creek was going to be removed but they saw the culvert under the county road as a serious fish passage issue and wondered about the relative value of doing the planting and in-stream structures work planned for Gilmore Creek upstream of the county road culvert. They recognized that the culvert outlet perch was high enough to stop any upstream juvenile salmonid passage and while adults could still negotiate passage, the situation would continue to deteriorate over time as the perch becomes ever more extreme. They also noted that Beneke Creek was temperature limited and juvenile salmonids in both Beneke and the mainstem Nehalem would be seeking the cold water refuge in the summer that Gilmore Creek could provide, if it were accessible to them.

The second issue, and more contentious than the county road culvert, was the application's plan for protection of the trees that were not within the wooden fence enclosures. The application and the site tour both indicated that a significant number of trees would be protected only with mesh tubes and occasionally released with weed eaters and that other trees would simply be hidden in patches of brush and not released at all, with the strategy evidently being to hope that some would survive on their own to eventually overtop the brush. The reviewers had difficulty understanding why all the trees weren't being aggressively protected, since the elk herd had free range throughout the project area.

The reviewers discussed the two issues thoroughly. They learned that the county road culvert replacement wasn't included in the project because of timing issues. They learned that the current culvert had been replaced by the county after the floods of 1996 and 1997 and that since the culvert was relatively new, the county had no intention of, or funding for, replacing the culvert in the near future. The reviewers understood that the project partners were in discussion with the county about a replacement project for the culvert. They recognized the proper fix for the site would be to replace the culvert with a bridge but understood that the current county road engineering staff did not favor a bridge because of the maintenance and regular survey costs involved in bridges. The reviewers understood the discussions with the county were on-going and the project partners were hopeful of resolving the issues and partnering

with the county soon in a project to fix the road crossing problems. They also understood that large wood placed below the culvert site would help backwater the outlet pool and help reduce the culvert outlet drop.

The outcome of the discussion on planting protection and release plans was helped by understanding that the cost of the larger wooden fence structures prohibited their use throughout the project reach and that the elk did not use the upper area of the project to the same extent as they did the lower pastures, thereby lessening the need for extreme protection measures. The reviewers discussed the use of individual metal cages around the trees outside the wooden fences but found that option impossible, since experience has shown the JWMA manager that elk will get injured by metal tree cages, either by getting the cages wrapped up in their horns or around their hooves and lower legs. The reviewers also heard from the manager that some plantings done in the Fishhawk Tract back in the early 1990s had not been released and subsequently were buried by brush. But, the manager noted that the cover by brush had allowed those trees to not be browsed as other, accessible, trees had been and although the survival rate was low and the trees took a long time to overtop the brush, once tall enough, the trees were strong, healthy and also above the elk browse line. The reviewers understood the wildlife manager was in favor of repeating that strategy. They also understood that the applicant had some similar experience, where some species of trees were deliberately planted alongside or within patches of shrub species not favored for browse by the local herbivores, and that the survivability rate of those trees exceeded trees protected by cages but planted out in the open where they were accessible for browse.

The final outcome of the discussions was the agreement to recommend the in-stream large wood structure and planting work on Gilmore Creek be implemented, and hope for a culvert replacement solution to be found quickly by the project partners and the county. The reviewers noted two items with the planting project that allowed them to provide a positive recommendation: 1) the area offered a set of unique challenges, with its priority focus on providing elk habitat; and 2) the applicant had a good track record of successful riparian planting projects in the basin and would do whatever was necessary at this site to make the plantings succeed. The combination of those two considerations offset their worries that the unprotected plantings would fail and they recommended the full project for funding.

How the application addresses watershed and ecosystem functions and processes:
Planting native trees and shrubs along the riparian area of Beneke and Gilmore Creeks will increase shading of the streams, thereby helping to decrease summertime water temperatures. The planted trees will also provide a future source of in-stream large wood as they mature and fall, which will help restore stream complexity and provide additional habitat for fish and other aquatic species. Addition of large wood instream structures will provide increased stream complexity, encourage natural stream meander, slow stream flows, sort migrating substrate and provide resting and rearing habitat for fish and other aquatic species.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 7 of 9

CAPITAL AMOUNT: \$114,379 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1017	PROJECT TYPE:	Restoration
PROJECT NAME:	Upper Fawcett Creek Fish Passage Project		
APPLICANT:	Tillamook Bay WSC		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$390,204	TOTAL COST:	\$573,464

APPLICATION DESCRIPTION:

Fawcett Creek is a cold-water tributary entering the Tillamook River from the east at approximately RM 9. Land use in the lower reaches of the Fawcett Creek sub-basin is a mix of rural residences, hobby farms and commercial dairies. At roughly RM 2.4 of Fawcett Creek, where land use transitions to timber production and the hillslopes steepen, in 1905 the city of Tillamook built a water diversion to supply water to the city. When construction of the diversion began, the stream was forced out of its historic channel and pushed against the southern hillslope. The new northern streambank became a concrete wall, keeping the stream in a narrow channel to the diversion. The actual diversion structure is a concrete and adjustable wooden board construction set across the full width of the stream. The diversion has a three-foot drop onto a concrete apron before spilling to the streambed below, a drop that provides a total barrier to upstream movement of juvenile salmonids and a barrier to adult passage at low flows. The City's concrete settling pond is immediately alongside to the north and occupies much of the stream's historic floodplain.

Fawcett Creek still supports populations of coho, steelhead and cutthroat trout above the diversion. Chinook have not been seen above the diversion and appear to be unable to leap the diversion and thus are limited to the habitat downstream. The stream, though deficient in large wood, still has 3 miles of coho habitat upstream of the diversion dam. The Tillamook Bay Watershed Council (Council) has prioritized the Tillamook River system for restoration efforts due to its potential for increased coho production. Low gradient sandstone geology is prevalent on the western side of the Tillamook River basin, while the eastern tributaries, like Fawcett Creek, flow from steep forested basalt hillslopes, and provide year-round sources of cold water. The Tillamook River is temperature impaired, making the cold-water east side tribs extremely important both for their provision of cold water to the Tillamook as well as for temperature refuge for juvenile salmonids migrating through the Tillamook system.

The Council recognizes the potential benefit of restoring Fawcett Creek and has planned a future multiple activity project including large wood placement and riparian fencing and planting activities. However, the first step in the larger vision is to correct the passage barrier issue at the City diversion. The Council, using an OWEB grant (209-1037), worked with Water District employees and engineers to design a diversion to replace the one currently in place. The new diversion will pass fish at all life stages and flows, yet be designed to function and withstand any movement of the future large wood placements planned for upstream.

In this application, the Council requests funding to implement a restoration project that would demolish the existing antiquated diversion structure and in its place install a new diversion structure, fish ladder and settling pond. The OWEB funds will be used for demolition of the old diversion structure (5%), construction of the new diversion structure, ladder and settling pond (82%) and project management and engineering consultation during implementation (10%).

REGIONAL TEAM REVIEW:

The reviewers were all very familiar with the project, due to the previous Technical Assistance project and multiple site visits over the last year and a half. They were all pleased to see the actual implementation application come to fruition and they agreed that the engineering consultant had done a good job working with all the concerns raised by the project partners as the design work developed. The reviewers appreciated the enthusiastic cooperation of the City’s Water District staff and they agreed that once the project was built, fish passage will be improved and the large wood project planned for the future should be facilitated as a result.

The reviewers easily worked through the unexpected changes to the settling pond in the designs, noting that the volume of the pond stayed the same and that the reason for it not being moved as far north as expected was the result of newly surveyed property lines, the simple limitations of the narrow valley floor and the need for the City staff to have easy machinery access to all parts of the facility. They recognized the settling pond had been moved enough to allow the stream channel itself to be restored to a natural width and they thought that would help during high flow events and allow for easy passage of materials.

The only issue raised during the discussion dealt with the new fish screens and the need to operate them correctly if they were to function as designed. They noted that no OWEB funds were requested for the fish screens but they wanted to recommend that the City staff be trained in how to operate the screens correctly so juvenile salmonids were not harmed. The last site visit provided the reviewers the opportunity to note that the existing emergency standpipe was not screened properly and they wanted to condition their funding recommendation so that ODFW fish screening requirements would be followed when the project was implemented.

How the application addresses watershed and ecosystem functions and processes:

The existing water diversion structure on Fawcett Creek decreased the size of the stream channel, decreased or eliminated fish passage for different species and life stages of salmonids, trapped fish in the settlement pond and altered the natural downstream passage of substrates and other materials. Replacing the diversion with one designed to restore the stream channel to its natural size, allow for much improved fish passage, eliminate trapping of fish in the settlement pond and allow for free passage of substrate and woody materials will improve watershed processes and increase the fish populations of the stream.

REGIONAL TEAM RECOMMENDATION: Fund with the condition that during project implementation the emergency standpipe is screened to the ODFW requirements.

REGIONAL TEAM PRIORITY: 6 of 9

CAPITAL AMOUNT: \$390,204 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the grantee to provide documentation from local ODFW staff that the emergency standpipe was appropriately screened when project construction began.

That one concern was alleviated by noting that not all of the property was as steep or thick as that seen on the site visit and that Westwind was very good at acquiring and utilizing volunteers. The reviewers recognized that Westwind was committed to accomplishing this task and that doing so would help protect the State's considerable investment in the property. The reviewers reiterated their belief that the approach proposed in this application was well conceived and the protocols well proven. They also noted that because Westwind was visited by a few thousand people every year, this project could provide an excellent educational opportunity on a serious issue concerning all Oregonians.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 5 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$9,559

STAFF RECOMMENDATION TO BOARD:

The reviewers understood the current situation at both sites was obviously inadequate for fish passage or proper watershed function, while the habitat upstream at both sites appeared good. On a site tour, the county road staff provided assurances that the county was eager to participate and willing to accommodate solutions that helped fish and improved road safety. The reviewers noted that the county was under no obligation to replace the culverts and that the existing culverts would probably last another 20 or more years. The reviewers acknowledged that under current budgets, the County would not replace the culverts without financial help. The reviewers also were pleased to understand that a sub-basin wide restoration project was in the planning stages and would build upon the replacement of the culverts at these two sites.

The reviewers discussed a couple of budget concerns with the application, including the expense of the Geotech work and the overall project expense as well. They also were confused by the application's mention of conducting topographic surveys for 200 ft along the road on either side of the culverts and upstream and downstream 20 ft from the pavement edge. They couldn't understand the value of those surveys. The reviewers also wondered why other locations for the culverts weren't considered, since it appeared to them that the streams had been forced into their current placement. The reviewers noted that while on the site visit it appeared that fiber-optic cable had been buried across the culverts and they were concerned this potential difficulty had been missed during the project budgeting, since no mention was made of it in the application.

The discussions on the budget issues concentrated on the need for \$9,450 for Geotech work, specifically drilling to find bedrock level. The site visit provided clarity on the need to know the depth till bedrock at the Little Creek site but the reviewers thought that an excavator could provide the same information at a considerably lower price than a drilling rig. That possibility was discussed on the site visit with the applicant, the project manager and the county road staff, and all agreed that they'd investigate it further if the grant was awarded. While the reviewers agreed that finding bedrock was an issue with the Little Creek site due to the shallow layer of fill over the culvert, they noted that the Leaf Creek site would allow for the fill amount atop the culvert to be adjusted, making a precise location of the bedrock level not so necessary, in turn making the use of an excavator for the task more practical and cost effective.

Next the reviewers discussed the overall project budget and noted that concrete box arches would be the correct culvert design at both sites, so engineering costs should be reduced from the amount currently proposed. Should the application be funded, they wanted the applicant to investigate those costs to see if they could be lowered.

The confusion about the topographic surveys and the fiber-optic cable was clarified by the project manager subsequent to the site visit with an email in which he noted the text in the application was wrong and should have read "Topographic survey limits will extend along the roadway approximately 30 ft either side of the existing culverts and upstream and downstream approximately 200 ft from the existing edge of the pavement." In the same email the project manager indicated Pioneer Telephone Company had assured him that the only cable buried on the sites was a standard cable easily moved during construction, so additional costs weren't expected.

The final issue of why other locations for the culverts hadn't been considered was resolved by noting that each location had private property and infrastructure concerns making channel relocation impossible.

With the recommendation that the applicant keep costs under control by using an excavator for bedrock location determination where possible and making sure culvert engineering costs weren't duplicated, the reviewers decided their concerns with the application were resolved. They noted again the high potential for improved watershed function and increased production of salmonids after opening 1.7 miles of habitat with properly sized and designed culverts. They also wanted to see the future sub-basin wide restoration project get implemented once these two culverts were replaced.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 3 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$50,000

STAFF RECOMMENDATION TO BOARD:

Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1002	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Lobster & Preacher Creek Technical Design Assistance		
APPLICANT:	Alsea WS Council		
BASIN:	NORTH COAST	COUNTY:	Benton
OWEB FUNDS REQUESTED:	\$48,890	TOTAL COST:	\$68,620

APPLICATION DESCRIPTION:

Five Rivers is a large tributary of the Alsea River, entering from the south at RM 20. Lobster Creek, the largest tributary of Five Rivers, enters at RM 3.5. The Lobster Creek sub-basin is the largest producer of chinook salmon in the Alsea basin. It also supports good populations of coho, steelhead, cutthroat trout and brook and Pacific lamprey. Lobster Creek flows through Benton, Lane and Lincoln counties. From RM 0 to approximately RM 15, Lobster Creek is very low gradient and flows through a wide valley floor. The valley is very rural and has a scattering of private residences, hobby farms and agricultural operations. The hillslopes are a mixture of private and federal forestlands. Preacher Creek joins Lobster Creek near RM 10, flowing in from the south. Preacher Creek is also low gradient and provides good habitat for all the Lobster sub-basin salmonids. A number of restoration projects have been completed in the middle reaches of Preacher Creek in the last few years.

A Benton County road crosses Lobster Creek, via a bridge, only a hundred yards upstream of Lobster's confluence with Preacher Creek. The bridge has been in place for many years and over the course of time Lobster Creek has adjusted its upstream bed location, in part due to the constriction and armament of the bridge. The extreme high flow events over the last 15 years have exacerbated that adjustment and the stream has moved south on the valley floor a considerable distance and cut into a soft hillslope, taking riparian trees, eroding the banks and threatening pastureland and livestock fencing.

The lower reach of Preacher Creek has also suffered from manipulation and land management actions. After the Preacher Creek valley was settled, the stream in the lower reaches was moved to flow alongside the western hillslope so the valley could be converted to pasture. In the extreme weather event in the mid-1990s, a portion of that western hillslope near the confluence with Lobster Creek slid and caused Preacher Creek to move back into the soft soils of its valley bottom, where it has subsequently meandered through pastureland, downcut and continued to erode its banks as it adjusts.

Problems from the adjustments in both Lobster and Preacher Creeks have resulted in reduced riparian vegetation, increased channel instability, increased sediment, reduced retention of gravel substrate, reduced pool frequency and depth, increased channel incision, and increased stream temperature. In this application, the Alsea Watershed Council is partnering with several landowners, Benton County and the USFS to request technical assistance to survey the hydrology and morphology of 2,500 feet of Lobster Creek and 3,000 feet of Preacher Creek and to design wood placement projects that would improve salmon habitat (spawning and rearing), channel stability, bank stability, riparian vegetation and minimize risk to the county road and bridge. OWEB funds would be used to fund a civil engineer, project management and travel.

REGIONAL TEAM REVIEW:

Reviewers found great potential in this proposal, recognizing that the Lobster Creek sub-basin is an extremely important contributor of coho, chinook and steelhead to the Alsea watershed. They noted the project site is a low gradient confluence area, and has high potential for successful restoration. Previous restoration investments have been made in Preacher Creek and this proposed project works with a key landowner. The area can benefit from restoration and needs a design given the infrastructure issues and stream size.

All reviewers agreed that the issues they saw at the site visit were as described in the application. The reviewers valued the willingness of the landowners to find solutions that benefited the fish, stream processes and their land management needs. The reviewers were aware that these landowners were descendents of the original families that homesteaded the valley, people who had previously been reluctant to engage with agencies in salmon restoration actions, and they recognized the opportunity provided in this application. The reviewers agreed that the issues involved in these sites would require technical assistance to resolve. They also were pleased to work downstream of restoration projects previously accomplished, believing that this new project would complement the work done before.

The reviewers did have some concern with the perceived emphasis on streambank stability in the application, worrying that the project could turn into a rock riprap approach, thereby exacerbating the real causes of the problems, but that concern was resolved by further discussion of the conversations on site with the landowners and agency staff that had helped develop the project.

The reviewers found the application well presented, the proposed approach well conceived, the need real, the potential benefit to the resources significant, and the opportunity to work with these landowners important. They enthusiastically recommended the project for funding.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 2 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$48,890

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1005	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Clatskanie River Restoration Plan		
APPLICANT:	Columbia SWCD		
BASIN:	LOWER COLUMBIA	COUNTY:	Columbia
OWEB FUNDS REQUESTED:	\$49,748	TOTAL COST:	\$178,861

APPLICATION DESCRIPTION:

The Clatskanie River drains to the lower Columbia River at RM 50. The Clatskanie basin drains 94.9 sq miles of Columbia County and historically supported runs of chinook, coho, chum, steelhead and cutthroat trout. Due to a variety of anthropogenic causes, the habitat in the watershed has degraded and the fish runs have declined to fractions of their historic numbers. Changes to the riverine habitat include significant bank erosion, heavy sediment deposition, loss of off-channel habitat, reduction in floodplain connectivity, loss of channel complexity, diking, ditching and a loss of riparian vegetation.

The draft Lower Columbia Salmon Recovery Plan identifies the Clatskanie River as a key sub-basin for restoration of the region's salmonids, with a particular focus on chum and coho. The Columbia SWCD and the Lower Columbia River Watershed Council have been working on an advisory board (the Coordinated Resource Management Planning group [CRMP group]), along with NRCS, USFWS, USACE, ODFW, ODOT, the Lower Columbia River Estuary Program, the City of Clatskanie and residents of the Clatskanie basin, to develop a plan to restore the river's habitat and salmon runs.

In this application, the Columbia SWCD is requesting technical assistance to gather hydrologic and geomorphologic data on 8 miles of the mainstem Clatskanie River. The 8 mile reach would be roughly in the middle of the basin. Data would be collected from field studies as well as from existing sources. The data will be analyzed and synthesized, models developed and a strategic plan developed, which will include specific restoration and enhancement project opportunities. In addition, 3 conceptual designs will be developed for the restoration projects most highly ranked. The requested OWEB fund will be used for staff and contractors to collect and analyze the data, with very minor amounts for supplies and equipment.

REGIONAL TEAM REVIEW:

The reviewers all agreed the Clatskanie was an important river in which to work and they recognized that both ODFW and the draft Recovery Plan highlighted the Clatskanie basin as a high priority for restoration work. On the site visit, they found the SWCD and watershed council staff skilled, knowledgeable about the issues in the basin, enthusiastic, and ready to get to work. The reviewers heard that a similar project had been funded and implemented in the neighboring Scappoose Bay watershed and the result of that project was successful as restoration projects continued to be developed based on the study. The reviewers were pleased to know that a group of agencies and local landowners had been working on a restoration plan and strategy for the Clatskanie basin for more than a year and they understood that having this type of study was a high priority in order for that group to move forward.

Many of the reviewers were familiar with the basin from an earlier round of applications which included a Technical Assistance application to fund development of a hydraulic model for the lower seven miles of the river. They had not recommended that project for funding, and they found similarities between that application and this current one. One of the chief similarities was the geographic limit to the study. While

the previous proposal wanted to look at the lower seven miles of river, this proposal wanted to study only the middle eight miles of the mainstem. Given that the idea was to develop a strategic restoration plan for the river and the project would do so by analyzing data on flow, hydraulics, streambank stability, riparian condition, floodplain connectivity, off-channel habitat and stream complexity, the reviewers were confused about how a comprehensive picture could be developed for the river if only eight miles of mainstem, in the middle of the system, was studied. The reviewers understood that the applicants had another proposal in to a different funding entity (LCREP) to look at the lower seven miles, but they understood that not only hadn't that proposal yet been processed or awarded, it too looked only at a limited amount of mainstem habitat. The reviewers found this approach confusing and considered it technically flawed and incapable of achieving the project goals as they understood those goals.

The reviewers discussed their observations from the site visit and their read of the application. They recognized that the CRMP group was made of local landowners and agency field staff familiar with the basin and that the group had requested this type of study almost from its inception, believing it to be highly important. During the site visit, it became very apparent that the real value of the study was its use as an outreach tool to landowners in the basin, and the reviewers understood the potential value the tool might have for some landowners as they considered restoration activities on their property. They discussed this on the tour and again at the review meeting, but during both occasions the reviewers noted that since the value of the study/plan was in its acceptance by the landowners and that acceptance would require extensive outreach; they wanted to know more about the outreach plan. The discussions on the issue during the site tour provided limited assurance and no detail on how the outreach would actually occur. The reviewers noted the application had no funding included for outreach, nor any match indicated for the action, nor discussion on how it might be designed. Subsequent to the site visit, the SWCD staff sent their general outreach plan, which noted that one day per quarter, and one workshop per quarter were scheduled, but the document was not specific to location or subject. The reviewers did not find this effort satisfying.

The reviewers noted that finding specific sites where specific restoration activities would be beneficial shouldn't be difficult in the basin, remarking that the site visits had provided glimpses of several obvious sites. During the site visits, local staff indicated the landowners were not willing to begin any restoration work until assurances were provided that the proposed activities were sound, based on science and that no adverse consequences might result from the work. The reviewers wondered whether having a study/document in hand would actually be the straw that tipped that load. They came to the conclusion that while the study might provide the impetus for some of the heretofore reluctant landowners to conduct restoration activities, it probably wouldn't convince other landowners. The reviewers came back to their belief that the study was technically flawed, that it studied only a portion of the basin and that any comprehensive study of the basin had to start at the top and work down...and include the whole basin, not just the mainstem. They believed that many of the landowners would also recognize that issue and doubt the results of a study developed according to the approach proposed in this application.

The reviewers returned again to the application's lack of planning, detail or funding for outreach, even while the project's success depended on outreach, and they decided that even though the Clatskanie was a high priority basin, this application was not the vehicle to use to advance its restoration. They acknowledged that there could be some benefit to doing the project but they didn't believe the project's goals could be achieved as designed in this application and considering the limited funding available for technical assistance, they believed those funds would be better spent on other projects.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1008	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Tillamook County Landowner Recruitment for Restoration Project		
APPLICANT:	Tillamook Bay WSC		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$48,514	TOTAL COST:	\$60,878

APPLICATION DESCRIPTION:

The vast majority of the acreage for the Lower Nehalem, Tillamook Bay and Nestucca-Neskowin Watershed Councils is encompassed by the boundaries of Tillamook County, but a few of the Council's rivers headwaters lie within Clatsop (N. Fork Nehalem), Washington (Wilson & Trask) and Yamhill Counties (Nestucca). Seven major rivers (Nehalem, Miami, Kilchis, Wilson, Trask, Tillamook, and Nestucca), as well as numerous direct-to-ocean tribs, are covered by the three watershed councils. All the rivers provide habitat for important salmonids, including chinook, coho, chum, steelhead and cutthroat trout. The rivers also support brook and Pacific lamprey, a species of growing importance. Cities in the region include Manzanita, Nehalem, Wheeler, Rockaway Beach, Garibaldi, Bay City, Tillamook and Pacific City. The region includes numerous unincorporated communities as well. The dairy and timber industries are the largest natural resource dependent industries in the region, with commercial and recreational fishing following in impact. Much of the region's uplands are managed by state or federal timber agencies and the lowlands are dominated by dairy farms and rural residences. All of the major rivers are on the 303(d) list for a variety of issues, but high water temperature and excessive bacteria are common to all.

Partners in restoration efforts with the three watershed councils are the Tillamook Estuaries Partnership (TEP) and the Tillamook SWCD. Of the three watershed councils, only the Tillamook Bay council has a full-time coordinator. The need for restoration work in the region is large and while the three watershed councils accomplish valuable projects, the time spent on those projects precludes the opportunity for staff to get out into the communities and reach out to the smaller landowners, many of whom own river frontage along priority stream reaches.

In this technical assistance project, the three watershed councils are partnering to hire and direct an outreach contractor, whose job would be to work in key sub-basins in each of the watersheds, talking with landowners and identifying restoration opportunities. One of the products of the project would be three landowners recruited in each watershed, which would produce nine restoration projects. The requested OWEB funds would be used to pay the outreach contractor (66%), project management (11%), travel (10%), production (6%) and administration (6%).

REGIONAL TEAM REVIEW:

The reviewers found this application well presented and they appreciated the cooperative approach of sharing a contractor to accomplish similar tasks in each of the basins. They noted that sharing a contractor would also bring the three councils together more often to discuss the work and its problems and successes. They thought this regular communication would be helpful for reasons outside the framework of this specific project. The reviewers recognized the need for outreach to the landowners of smaller acreages in the region, since much of the High Intrinsic Potential acreage in the basins is within those ownerships and they understood the current level of watershed council staffing simply wasn't sufficient to

expand the rate of restoration projects being developed currently. They also appreciated that the outreach efforts were planned for sub-basins selected by the councils as high priority sub-basins in which to work.

The reviewers noted that for the project to succeed, the person hired had to possess the necessary skills, both in outreach to landowners and detailed knowledge of restoration work types possible in these properties. They also discussed their concern that the councils were clear on the employment and tax issues involved with using a contractor in this role, rather than using an employee.

Further discussion noted the councils were already using an attorney to help develop their Request for Qualifications and their MOU, so they thought the employee/contractor issue was under control. They also recognized that the councils would understand the need to be certain to hire only someone with the necessary skills to make the project succeed; they just hoped that enough people would find the contract interesting enough to provide the councils with a sufficient pool of applicants from which to select. They thought the project was clearly needed and they thought the cooperative approach was a good way to start.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 6 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$48,514

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1009	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Roy Creek Fish Passage		
APPLICANT:	Lower Nehalem WSC		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$50,000	TOTAL COST:	\$115,344

APPLICATION DESCRIPTION:

Roy Creek enters the mainstem Nehalem River at RM 8, very near the head of tidal influence. Historically, Roy Creek supported populations of chinook, coho, chum, steelhead and cutthroat trout. The stream has roughly 2.5 miles of low-gradient habitat for spawning and rearing of the various species of salmonids. Except for one summer cabin located 300 feet upstream of the confluence with the Nehalem, land use in the sub-basin is entirely industrial timber. When Foss Road was constructed along the northern shore of the mainstem Nehalem, Roy Creek was passed under the road through a culvert roughly 150 feet upstream of the creek's confluence with the Nehalem. A railroad track connecting Tillamook and the Willamette Valley was also built immediately alongside the section of road passing over Roy Creek.

Over time the initial culvert collapsed and two side-by-side culverts were stacked on top of the failed pipe when the crossing was repaired. As more years passed, those shot-gun culverts also collapsed and new culverts were again installed on top of the failed pipes. The current crossing consists of two 6-foot diameter culverts, stacked on top of multiple smashed and derelict culverts. The current pipes are undersized for the stream flow, impede sediment transport, present a velocity barrier and they're perched at low flows. The legacy of a century or more of undersized pipes has created a sediment plain upstream of the crossing for hundreds of feet up the valley bottom.

Besides the heritage of culverts in various stages of failure, the County roadway and the Port of Tillamook Bay's railroad track, there are a multitude of other issues involved in the crossing. A waterline for the nearby communities of Wheeler and Manzanita is buried in the fill, as is a Nehalem Telephone Company communication line and a WCI Cable fiber-optic line. Above ground are power poles and electrical lines.

ODFW rates the replacement of the Roy Creek/Foss Road crossing as one of the highest priority restoration projects in Tillamook County. The Lower Nehalem Watershed Council (Council) has been working on finding a solution to the problems for a number of years. In 2001 the Council was awarded a Technical Assistance grant from OWEB (201-101) to design a new crossing. The Council brought all the different interests to the table and worked to find a way through the tangle of issues, but was ultimately challenged by the construction timeline requirement that the Port of Tillamook Bay's railroad not be closed down for more than 24 hours at any time. Because of the construction timeline considerations and implementation costs, the project stalled.

However, as a result of the winter storm of 2007, a window of opportunity opened. The storm caused extensive damage to the railroad, including washing out the bridge over the Salmonberry River and several significant sections of track throughout the Salmonberry basin. Plans to repair the railroad have been put on hold and ODFW and the Council opened discussions with all the interests once again to see if the opportunity to fix the Roy Creek crossing, now that the railroad was not in operation, could be seized.

All the players are now in agreement to proceed and the Council is seeking funding for a Technical Assistance project to develop engineered plans and construction cost estimates for a crossing sized correctly for the stream and which would allow unimpeded fish passage. Partners in the project include the Council, ODFW, Tillamook County Public Works, US Fish & Wildlife Service, Tillamook Estuaries Partnership and the Port of Tillamook Bay. The OWEB funds would be used for contracted engineering services, project management, and travel to the project site.

REGIONAL TEAM REVIEW:

The reviewers recognized that the Roy Creek/Foss Road crossing is the highest priority fish passage barrier for the ODFW district office and that fixing the crossing will open access to 2.5 miles of excellent habitat. They understood that the timing is good for this project and there is good cooperation and involvement from key stakeholders.

The reviewers were pleased to see the participation on the site tour of many of the key players in the project and appreciated the opportunity to have their questions with the application quickly addressed and resolved as a result. The reviewers appreciated the County's willingness to contribute cash and project management to the effort. They found the Port representative open and enthusiastic about replacing the culvert and appreciated his assurance that the railroad would remain down for a long enough time to implement the actual future culvert replacement. They were also pleased to hear from the fiber optic cable company representative that when the '07 storm damaged the railroad, it also damaged the cable, and that until the railroad made its repairs, this particular cable would not be in use.

The reviewers found that the only remaining issue involved the owner of the cabin upstream of the site. They understood ownership of that property had just changed hands and the new owner had not yet been contacted. However, reviewers noted that the new landowner should be easily agreeable to the project, since the current situation caused the property to be flooded when the culverts backed up winter high flows. They also noted that they believed it would be a safe assumption that anyone purchasing that particular property would have an interest in fish and should welcome an opportunity to see the resource improved. The reviewers made this project their number one priority for funding and looked forward eagerly to seeing the problem crossing finally fixed.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 1 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$50,000

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1011	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Tillamook-Nestucca Estuaries Tidal Wetland Strategic Planning		
APPLICANT:	Tillamook Estuaries Partnership		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$50,000	TOTAL COST:	\$112,510

APPLICATION DESCRIPTION:

The Tillamook Estuaries Partnership (TEP) is a non-profit organization with its office located in Garibaldi. Originally established in 1994 as one of 28 National Estuary Projects throughout the country, the Tillamook Bay National Estuary Program evolved over the years, first becoming a department of Tillamook County in 2000 and changing its name to the Tillamook County Performance Partnership and then organizing as a non-profit in 2002, at which time it changed its name again to become the current Tillamook Estuaries Partnership. As the organization has matured, its interests have broadened from the original focus on the Tillamook Bay estuary to the conservation and restoration of the five Tillamook County estuaries and the watersheds that sustain them. The organization has a staff of nine and is a major partner in watershed restoration work in Tillamook County. It has conducted numerous surveys and analyses of water quality, habitat and fish populations in the region, and has successfully implemented over 20 high quality on-the-ground restoration projects over the recent years.

In the development of TEP's 2010 Work Plan, the TEP staff and Board determined that there was a great need for a project that would identify, evaluate and prioritize the tidal wetlands of the Tillamook and Nestucca estuaries in order to better understand the threats to those wetlands as well as any opportunities for their protection and/or restoration. The quantity and quality of the region's tidal wetlands have diminished dramatically over the course of the last 150 years, with reliable estimates of 86% of tidal wetlands in Tillamook Bay and 94% in the Nestucca estuary having been lost or seriously altered. While restoration and protection projects have occurred recently in both estuaries, those projects were opportunistic in their delivery. The staff and Board of TEP want to have the scientific grounding to not only identify priority locations for restoration and protection in the estuaries but to develop a strategic approach to wetland conservation and restoration for the future.

In the project of which this application is a part, TEP will contract with Laura Brophy of GreenPoint Consulting to identify and characterize tidal wetlands in Tillamook and Nestucca bays and prioritize them for conservation and restoration through the protocols of the Estuary Assessment component (chapter 10) of the Oregon Watershed Assessment Manual. All of the requested OWEB technical assistance funds would be used to develop the strategic plan on how to approach restoration and conservation for the tidal wetlands; the end product of the larger effort.

REGIONAL TEAM REVIEW:

Reviewers appreciated the goal of identifying and strategically targeting areas for restoration. They found the proposal well explained and well planned and were pleased that Laura Brophy would be the contractor; recognizing her expertise in the subject. They remarked that there wouldn't be anyone more capable of making this project successful. The reviewers also agreed that the end product, the strategic plan, would be useful for planning and responding to opportunities that offered themselves unexpectedly.

During the site visit, reviewers gained a better definition of the strengths and weaknesses of the application. Reviewers had questions about how useful the identification and characterization of the tidal wetlands, as well as the strategic plan, would be as an outreach tool out on the ground. The reviewers recognized that the need to get landowners involved was the key element to restoring and protecting the tidal wetlands and they weren't sure how useful the documents generated by this whole project would be in that outreach activity. They did not want to fund a project that developed a document that simply sat on the shelf and didn't provide on-the-ground projects. The reviewers did not find sufficient information in the application to satisfy their worries of how the document would be put to use.

A discussion on the June 15th site tour helped the reviewers understand how the product would be utilized, but it wasn't until TEP followed up that meeting with the assurance that TEP staff would be put to work conducting outreach to landowners identified in priority areas of the estuaries, with the products of this project in hand, that the reviewers dropped their concern on the product's usefulness. Besides its value as an outreach tool, the reviewers brought up the fact that the information developed from this project would also be valuable documentation for use with other grantors and in presentations on the state of the estuaries. Coupled with TEP's assurance of staff committed to use the products for outreach to landowners, the numerous benefits led the reviewers to a unanimous recommendation to fund the application.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 4 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$50,000

STAFF RECOMMENDATION TO BOARD:

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1016	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	5N2W		
APPLICANT:	Columbia SWCD		
BASIN:	LOWER COLUMBIA	COUNTY:	Columbia
OWEB FUNDS REQUESTED:	\$48,400	TOTAL COST:	\$64,775

APPLICATION DESCRIPTION:

Merrill Creek is currently a tributary of Tide Creek in Columbia County. Tide Creek flows into Deer Island Slough before joining the Columbia River at RM 81. A study of the USGS topographic map of the area indicates that Merrill Creek historically would have flowed to Deer Island Slough directly, upstream of Tide Creek's confluence with the Slough. It appears development activities channelized the lower reach of Merrill Creek, forcing it to flow parallel to Hwy 30 and the Slough before joining with Tide Creek, after which the combined flow continued on into the Slough and then into the Columbia. Upstream of its apparent forced confluence with Tide Creek, Merrill Creek has roughly 7 miles of stream miles suitable for salmonids, approximately 5 miles of which is low gradient coho habitat. A road runs alongside a portion of Merrill Creek, beginning roughly at RM 1 and terminating at roughly RM 2.2. A number of rural residences and small hobby farms are scattered along the valley floor in this reach. The upper reaches of Merrill Creek are in industrial timber company ownerships. Due to land management practices, fishing and Columbia River hatchery management over the last 150 years, the habitat and fish populations of Merrill Creek have degraded and declined significantly.

In 2008, the Columbia SWCD began working with the community in Deer Island and the Tide and Merrill Creek drainages to identify and implement habitat restoration projects within the area. With funding from the Lower Columbia River Estuary Partnership (LCREP), the SWCD began collecting hydrologic and fisheries data for the restoration of the Deer Island complex. Information from the data indicated strong opportunities existed to restore salmonid habitat in Merrill Creek and South Deer Island Slough. Surveys of Merrill Creek conducted in 2009 by staff from USFWS showed surprising numbers of coho and lamprey juveniles. The surveyors were pleased to also find large numbers of freshwater mussels. The stream historically should have supported chum populations but recent surveys provided no sightings of that species.

In this TA proposal, the Columbia SWCD requests funds to hire a contractor to collect additional data on 6,000 feet of mid Merrill Creek (topographic surveying, streambank stability analysis, stream sediment monitoring, channel characterization and flow), after which the data would be analyzed, restoration project types and sites identified and prioritized and a plan developed to strategically approach restoration in the basin. The contracting firm would then select three high priority projects for design based on the amount of reach restored, benefit to fisheries, and degree of ecological function restored. Designs for restoration work to occur at three sites would be produced to 65% completion and would be expected to restore a minimum of 2,500 linear feet of stream. OWEB funds will be used to pay the consulting contractor for the survey, analysis and design work; project management and; administration.

REGIONAL TEAM REVIEW:

The reviewers agreed that Merrill Creek would be a good place in which to work, considering the amount of low gradient stream mileage in Merrill Creek and the number of coho juveniles and fresh water

mussels encountered during the recent USFWS survey. They agreed that the problems identified in the application were real; that development in the floodplain both created the difficulties and that the difficulties required a technical solution to resolve. They were also pleased to hear that the landowners in the reach were anxious to have restoration work occur in the valley floor. The reviewers appreciated that the end product of this Technical Assistance project would include three restoration designs, completed to a 65% level.

During the site visit, which covered only the roughly 6,000 feet of stream bordered by the road, the reviewers saw a number of poorly designed and undersized culverts in the reach, as well as evidence of the threat to structures caused by erosion of the streambanks. The reviewers on the tour also noted that the sediment budget in the stream appeared to be way out of balance, as seen both in the depositions above the undersized culverts and the amount of fresh erosion along the streambank.

The reviewers found the application not clearly written, causing confusion between what was a technical assistance project and what was a restoration project, and what the products of the application would be. They also noted the application did not explain why the applicant picked this reach to focus on, and reviewers thought it would be more successful to start at the top of the watershed and work down, since some of the problems seemed to have their roots in activities occurring upstream.

After discussion at the review team meeting, the reviewers found the project very expensive for a 6,000 foot stream reach and they noted that other than the poorly designed culverts, many of the other problems had roots in actions that occurred further upstream. The reviewers thought that to be successful, a watershed analysis needed to start at the top of the basin and work down, particularly if erosion and sediment were key issues, and not be conducted in one small reach in mid-basin. The reviewers noted that priority restoration work was obvious in the reach, at least for the first bunch of sites, and an expensive analysis and planning process wasn't necessary to begin developing restoration projects. They remarked this observation was born out by the fact that the SWCD had submitted a restoration project, this same round of applications, for three properties in the same reach. The reviewers also noted that the application itself seemed to provide the information necessary to identify restoration actions and sites and they were confused about the apparent contradiction. They also remarked that they would have appreciated knowing why this specific reach was selected for this type of technical study. The reviewers agreed that restoration solutions for many of the potential sites could require technical help, and remarked that they'd welcome applications for that help, but they didn't believe this application made a good case for this proposed expensive analysis and planning process.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund



Oregon

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August 19, 2010

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
September 14-15, 2010 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 26 applications for a total request of about \$2.8 million. No Acquisition applications were submitted. The Southwest Oregon Regional Review Team (RRT) recommended 18 applications for funding. Staff recommend 14 applications for a total award of \$1,161,651: \$1,104,719 for Restoration and \$56,932 for Technical Assistance.

III. Regional Review Team

The Southwest Oregon RRT met in Bandon on June 10, 2010, to review applications. The RRT reviewed all Restoration and Technical Assistance applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT recommended budget reductions and funding conditions for some of the applications, as described in the Region 2 Evaluations for April 19, 2010, Applications. The RRT then prioritized the applications recommended for funding.

IV. Staff Recommendations for Project Funding

A. Capital Applications

- *Restoration.* Because RRT-recommended applications for the six OWEB regions exceed available funding, staff recommend funding for only 12 of the 14 applications recommended by the RRT.

B. Non-Capital Applications

- *Technical Assistance.* Due to limited non-capital funding, staff recommend funding only two of the four applications 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. The conditions shown in the table also may reflect staff or RRT funding conditions; staff conditions may differ from RRT-recommended conditions. Staff funding recommendations and funding conditions are contained in the Region 2 Review Team Evaluations for the April 19, 2010, Applications.

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 2 - Southwest Oregon
Technical Assistance Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
211-2004	Rogue Basin Garlic Mustard Early Detection Rapid Response	\$10,450	1
211-2014	Sullivan Gulch Restoration	46,482	2
211-2006	Catching Slough Riparian Project Development	47,141	3
211-2011	Savage Rapids Dam Riparian Revegetation	28,295	4
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$132,368	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$56,932	

Region 2 - Southwest Oregon
Restoration Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
211-2002	Tenmile Lakes Watershed Riparian Enhancement 2011 PE	41,615		41,615	1
211-2012	Williams Creek Diversion Improvement Project^	16,598		16,598	2
211-2000	South Fork Riley Creek Fish Passage	92,388		92,388	3
211-2019	West Fork Smith River Instream Restoration*^	264,359		264,359	4
211-2001	West Branch Elk Creek and Alco Creek Habitat Enhancement	59,900		59,900	5
211-2023	Upper South Umpqua Salmon Restoration Project*^	54,950		54,950	6
211-2010	Applegate Riparian Restoration Program^ PE	77,790		77,790	7
211-2003	Swanson Sediment Abatement*^	141,461		141,461	8
211-2016	Elliott State Forest Fish Passage Improvements 2011^	55,850		55,850	9
211-2017	Williams River Watershed Fish Passage and Habitat Improvements 2011*^	148,316		148,316	10
211-2022	Scholfield Creek Restoration*^	56,107		56,107	11
211-2024	Ollala-Lookingglass Instream Restoration*^	95,385		95,385	12
211-2020	South Sisters Structure Placement Phase V^	107,871		107,871	13
211-2018	Ross Slough Riparian Restoration Project*^ PE	24,241		24,241	14
Total Restoration Applications Recommended for Funding to Staff by RRT		\$1,236,831	\$0	\$1,236,831	
Total Restoration Applications Recommended for Funding by Staff to Board		\$1,104,719	\$0	\$1,104,719	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions PE=Plant Establishment Award

Region 2 - Southwest Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-2007	Elk Creek Bacteria Source Tracking Design	23,275
211-2021	Smith River Watershed Stream and Estuary Habitat Prioritization	49,995

Region 2 - Southwest Oregon
Restoration Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-2005	Applegate River Landslide Stabilization and Restoration	114,426
211-2008	Elk Creek Habitat Improvement	42,940
211-2009	Wasson Watershed Ridgetop to Estuary Restoration	290,454
211-2013	Curry Sediment Abatement 2010	333,643
211-2015	South Sister Creek and Jeff Creek Riparian Restoration Project	22,512
211-2025	Mill Creek Fish Passage	70,906

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2000	PROJECT TYPE:	Restoration
PROJECT NAME:	South Fork Riley Creek Fish Passage		
APPLICANT:	Lower Rogue WSC		
BASIN:	SOUTH COAST	COUNTY:	Curry
OWEB FUNDS REQUESTED:	\$92,388	TOTAL COST:	\$117,687

APPLICATION DESCRIPTION:

The project proposes to replace an existing 48" culvert crossing 11th Street on South Riley Creek located in Gold Beach. The culvert is undersized and a combination of aggradation upstream and incision downstream has created a hydraulic jump of over six feet. Historically, Riley Creek and its tributaries were utilized by steelhead and coho. After two recent downstream culvert replacements, part of OWEB restoration project 208-2071, steelhead were seen in mainstem Riley Creek in 2009. Replacing the 11th Street culvert with a 102" open bottomed arch pipe will open up approximately 3/4 mile of historic habitat to steelhead and coho use. The new culvert will allow for passage for adult and juvenile salmonids. The design for the project was developed under OWEB TA Grant 208-2072 and was reviewed by the council's local technical advisory committee consisting of local and state agency professionals. Some design alterations consisting of deeper footings, increased inlet protection, a steeper gradient and an engineered, reinforced stream bed utilizing large boulders were incorporated into the culvert design. The project design, including the changes based on the technical team recommendations was reviewed and approved by ODFW. The project is part of a community-based prioritized plan for restoration of Riley Creek.

Project partners providing project match include USF&WS, the City of Gold Beach, OSU Extension, Gold Beach Union High School, ODFW, local volunteers, Curry County Juvenile Department and Curry County Road Department. OWEB funds would be used for permitting, project management, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The project is the result of an OWEB technical assistance grant. The work would address the last remaining fish passage barrier on Riley Creek. Adult steelhead have been seen at the outlet to the culvert. The work complements the estuary reestablishment work that has been funded by ODEQ and the City of Gold Beach. The project is highly visible and very close to local schools. Both the grade school and the high school have projects in Riley Creek. It makes for a good education and outreach opportunity.

The RRT would have liked to have seen more detail in the project budget. There were few unit cost breakouts in the contracted services categories, making it hard to tell if line items were realistic. The RRT thought the costs associated with the backfill materials were high without explanation of how they were arrived at. The RRT felt that a more detailed budget should be provided.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will benefit watershed function and structure through the restoration of riparian areas by removal of noxious vegetation and replanting of the project area. Fish access will be provided to

upstream habitat through the upgraded culverts. Improved water quality will be realized through sediment reduction and improved sediment transport and improved hydrology via upgraded culverts.

Staff Follow Up: Staff followed up with the applicant to clarify the contracted services budget and obtain more information on how costs associated with the backfill were determined. The site designs were developed by a contracted engineer who was retained through OWEB TA grant #208-2072. The engineer also provided costs estimates that were used as the basis for development of the budget and more detail regarding unit costs and amounts were provided. The backfill dollar amounts requested were based on the actual costs associated with the recent replacement of the culvert below this project site and were warranted.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 3 of 14

CAPITAL AMOUNT: \$92,388 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2001	PROJECT TYPE:	Restoration
PROJECT NAME:	West Branch Elk Creek and Alco Creek Habitat Enhancement Project		
APPLICANT:	Upper Rogue WS Assn		
BASIN:	ROGUE	COUNTY:	Jackson
OWEB FUNDS REQUESTED:	\$59,900	TOTAL COST:	\$82,710

APPLICATION DESCRIPTION:

The project proposes to improve instream habitat conditions in two tributaries of Elk Creek located in the Upper Rogue Watershed. These two tributaries, West Branch Elk Creek and Alco Creek, are on lands managed by the ACOE. The ACOE recently notched the Elk Creek Dam on mainstem Elk Creek making the habitat above the dam more accessible to anadromous species, including the project areas which contain populations of coho, steelhead and resident trout. The stream lacks complex habitat such as pools, spawning gravel and overwintering habitat. The lack of large wood instream has led to the current state. The stream's condition is the result of historic land use management activities and clearing due to Dam pool development. The project is being designed by ODFW and USFS fisheries biologists. The logs will be positioned to replicate log jam- type structures. The project proposes to add 75 logs to one mile of West Branch Elk Creek creating 10-12 jams and 30 logs to 0.25 miles of Alco Creek, creating 5-9 jams. The jam configurations will be based on lessons learned from previous instream habitat complexity projects conducted in the watershed. The logs will be placed by excavator. The logs will meet or exceed the Oregon Aquatic habitat Restoration Guides requirements . Project activities are supported by ODFW habitat surveys and recommendations from the 2006 Rogue Basin Watershed Health Factors Assessment.

Project partners providing project match include ODFW, USFS and the Upper Rogue Watershed Association. OWEB funds would be used for contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The RRT felt this was an important project and the implementation of this project would provide instream benefits to coho. The project is in a cool water refugia area and will address key limiting factors for coho. The application was well-written and the project was presented in a straightforward manner and demonstrated good local partnerships. It builds on other successful instream structure projects in this watershed and is a good area for restoration due to removal of the Elk Creek Dam. The ODFW biologist and other partners involved in project design have adapted the designs of this project based on what has been learned from the previous instream work. Logs are being placed in larger jam type structures consisting of 6-7 logs which have benefits to habitat creation as well as structure function and stability. Reviewers commented that they appreciated the photographs and documentation of previous projects showing results of those projects.

The RRT did encourage the ACOE to become more active in providing funding for future instream projects which occur on lands managed by them. Future applications could be strengthened by including more information on the stream's hydrology. The RRT noted that the costs associated with the heavy equipment seemed higher than normal, but access issues to the project site could explain the higher cost.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will benefit watershed function and structure through the improvement of instream habitat complexity, along with rearing and spawning habitat for coho, steelhead and cutthroat trout.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 5 of 14

CAPITAL AMOUNT: \$59,900 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2002	PROJECT TYPE:	Restoration
PROJECT NAME:	Tenmile Lakes Watershed Riparian Enhancement 2011		
APPLICANT:	Tenmile Lakes Basin Partnership		
BASIN:	SOUTH COAST	COUNTY:	Coos
OWEB FUNDS REQUESTED:	\$41,615	TOTAL COST:	\$59,814

APPLICATION DESCRIPTION:

The project proposes to implement riparian restoration activities on agricultural stream reaches within the Big, Johnson, Wilkins and Adams Creek sub-basins of the Tenmile Lakes watershed, along with four riparian segments along rural Coos County Highways, for a total of 26,400 linear feet of riparian enhancement. All proposed project components and locations have been identified as high priorities within the Tenmile Lakes Action Plan (2006) and Tenmile Lakes TMDL. Agricultural land-use practices have impacted riparian areas by channelizing stream reaches and allowing access by livestock to riparian areas. This has resulted in reduced vegetation and actively eroding banks. The project builds on similar riparian protection, sediment abatement and fish passage restoration activities completed on this stream. Project sites have been identified within the Tenmile Lakes Watershed Assessment as having less than 50% shade values and increased stream bank erosion. Planting actions will follow approved, site-specific planting prescriptions for each location.

The project will contain both plant establishment work on existing sites and development and planting of sites identified through assessment work. The project will first remove non-native species through hand and mechanical means. Preventive predation measures will be installed on previous planting as needed and on new plantings. 4,045 native conifer and deciduous seedlings will be planted in identified locations protected by livestock exclusion fencing. Plantings will be dictated by planting plans developed for each site.

Project partners providing project match include participating landowners, Coos County, Eel-Tenmile STEP volunteers and Tenmile Lakes' Basin Partnership. OWEB funds would be used for pre-implementation, project management, travel, contracted services, supplies and materials, and fiscal administration.

REGIONAL TEAM REVIEW:

The RRT appreciated the improved quality of the application and wanted to let the applicant know that the quality of the application writing and presentation helped in review of the proposal. Planting prescriptions are good. The project is a mix of plant establishment work and new riparian plantings. The establishment work will help address issues with non-native blackberry that will help the survival success of the plantings. It is important to make sure the investment in riparian restoration is successful and this work will help to make it successful. The previous planting areas have suffered some elk browse damage. The applicant has adapted to meet this and is using more spruce because they have learned elk don't like to eat them. The planting plan for new riparian areas to be planted looks good. The Tenmile Lakes watershed has some critical water quality issues associated with the lake, and restoration of riparian areas along the streams which feed it will help the situation. This watershed is an important one for coho production, and project components will help protect and buffer those important stream habitats. The

project in the longer term should result in a well-shaded riparian area with enough shade to keep non-native blackberry from becoming reestablished.

The RRT found the application contained a discrepancy in the linear distances to be treated. The metrics form identified more mileage than the application described. Staff follow-up clarified the mileage to be the 26,400 feet described in the application abstract. It was also noted that future applications could be improved by strengthening success criteria used.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project would address watershed structure and function through improved riparian areas. The project has the potential to decrease stream temperatures, increase bank stability and provide a source of future wood recruitment. A review team member mentioned that successful riparian and shading projects will be one of the most effective ways to deal with affects of climate change on salmon.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 1 of 14

CAPITAL AMOUNT: \$41,615 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2003	PROJECT TYPE:	Restoration
PROJECT NAME:	Swanson Sediment Abatement		
APPLICANT:	Tenmile Lakes Basin Partnership		
BASIN:	SOUTH COAST	COUNTY:	Coos
OWEB FUNDS REQUESTED:	\$149,461	TOTAL COST:	\$188,925

APPLICATION DESCRIPTION:

The project proposes to implement 11,000 feet of exclusion fencing, 8 bank stabilization fixes, improve 3 off-channel watering sources, upgrade 4 ditch relief pipes on agricultural roads and correct 2 improperly functioning stream crossings on Johnson Creek, a tributary to Tenmile Lakes. Fish passage, riparian functions, and stream bank stability on reaches within Johnson Creek are greatly reduced due to past land-use practices. Nutrient loading from actively eroding stream banks at these project sites has direct linkages to the growth, distribution, and densities of toxic blue-green algae, and the heavy infestation of the exotic aquatic plant *Egexla densa* in the Lakes. All proposed project components and locations have been identified as high priorities within the Tenmile Lakes Action Plan (2006) and Tenmile Lakes TMDL. Agricultural land-use practices have impacted riparian areas by channelizing stream reaches, and with no controls over where livestock can enter streams to water, a simplified riparian zone with actively eroding banks has resulted. Actively eroding stream banks and perched high risk fill from private stream crossings and ditch crossings within these agricultural reaches result in increased sediment rates within the important lake habitat. Fish passage surveys and habitat surveys that have been completed by TLBP (Tenmile Lakes Fish Passage Plan TLBP 2003) have identified several high priority fish passage sites. The project builds on similar riparian protection, sediment abatement and fish passage restoration activities completed on this stream. The project will implement eight bio-engineered bank stabilization projects along the property. Approximately 11,000 feet of exclusion fence installed along with three off-channel watering systems. Four ditch crossings will be upgraded on private forest roads and two culverts which create fish passage barriers will be addressed by replacement with an appropriately sized culvert at one location and a bridge.

The eight actively eroding streambank sites will be stabilized prior to the installation of the exclusion fence. Stream banks will be sloped, at a ratio of 1:2, prior to future fencing and riparian plantings by the use of a "mini" excavator. Banks will then be layered with a jute erosion blanket and seeded with a native grass erosion control mix. The riparian areas will be planted with a mixture of native trees within sixteen months to ensure bank stability. Fences will have three strands of 4-point barbwire with a 5-inch wooden top rail and 5-inch diameter wood fence poles will be sunk with heavy equipment. Three off-channel watering sites will be established utilizing existing water rights and points of diversion. Four sites will receive ditch relief culvert upgrades to address accelerated erosion from undersized pipes. The old steel culverts will be repalced with 18-inch. The two fish passage barriers will be addressed through the implementation of approved engineered designs to remove these chronic sediment sources and fish barriers. Project designs will meet ODFW fish passage criteria. The project will improve fish access to approximately 2 miles of habitat and permanently remove 500 cubic yards of perched fill. One crossing will be replaced with a bridge and the other with a properly sized culvert.

Project partners include ODFW, the landowner, Wilcox Engineering, the City of Lakeside and Tenmile Lakes Basin Partnership. OWEB funds would be used for pre-implementation, project management, travel, contracted services, supplies and materials, and fiscal administration.

REGIONAL TEAM REVIEW:

The project is a resubmit. The RRT felt the applicant had done a good job of addressing concerns from the previous reviews. The applicant addressed issues with bank stabilization design elements and clarified the amount of habitat access opened. It was noted that the applicant's grant writing has improved. The project is ready to go with permits secured and the landowner agreement in place. The project would open up access to upstream habitats for coho, steelhead and cutthroat trout. The fencing is wildlife-friendly and constructed to withstand abuse by elk and high stream flows. The project demonstrates a good level of match.

The RRT discussed the fencing component of the project in length. It was noted the fence is designed like many agricultural land fences to follow the contours of the stream. The stream was historically channelized and pushed to one side of the field. It is still trying to stabilize and attempting to cut meanders is part of this process. The banks do not have a lot of stability to them currently. The RRT felt this stream was larger and had a larger discharge area than some of the applicant's other projects. The RRT did not feel that the applicant's fencing setback would be enough to help the stream stabilize. A smaller setback will see the stream meander into the fence in some areas and it would not provide enough room to establish a functioning riparian strip. The RRT felt that if OWEB was going to invest in this project, it needed the highest likelihood of success. The increased setback would help to make the project a success. The RRT was concerned about the lack of planting detail on the project, but it was noted that the riparian component was part of application 211-2002 that was submitted this round to support riparian restoration work in this watershed. The RRT felt strongly that the fencing setback described in the application would not be sufficient to ensure a successful project. The RRT felt that a minimum of a 40-foot setback would be needed to allow the stream to meander and stabilize enough reach project goals. The RRT conditioned the funding of this project on obtaining that setback. The RRT felt the fiscal administration costs associated with the project were high to OWEB and recommended that that line item be reduced to a lower level.

Staff Follow Up: Staff followed up with the applicant to determine the feasibility of the 40-foot setback to the landowner. The applicant felt the landowner would be receptive but the applicant noted that there were possible issues in several areas with road encroachment and steep hill slopes. Staff will follow up with a site visit with the applicant to look at fence line layout.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project would address watershed structure and function through improved fish passage and decreased sediment entering the stream due to crossing upgrades, fencing, and bank stabilization.

REGIONAL TEAM RECOMMENDATION: Fund with reduction in fiscal administration and establishment of a minimum of a 40' setback from the top of the bank.

REGIONAL TEAM PRIORITY: 8 of 14

CAPITAL AMOUNT: \$141,461 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$141,461 with conditions. Reduce fiscal administration to \$5,000. The grant agreement will require a setback of 40 feet from the top of the bank.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2005	PROJECT TYPE:	Restoration
PROJECT NAME:	Applegate River Landslide Stabilization and Restoration		
APPLICANT:	Applegate River WSC		
BASIN:	ROGUE	COUNTY:	Josephine
OWEB FUNDS REQUESTED:	\$114,426	TOTAL COST:	\$145,576

APPLICATION DESCRIPTION:

The project proposes to stabilize a landslide on the lower Applegate River next to Southside Road near Murphy, Oregon. The landslide is composed of at least three different slumps that have slipped into the Applegate River, blocked the river from its normal path and produced a large fault scarp of bare soil and rock 100 feet high. The area above the slide is forested and contains the County's Southside Road and several homes. The toe of the landslide has deposited unconsolidated rock and clay material within the river channel, forcing the river to change direction and cut a new channel into the opposite bank. The slide material is subject to high water erosion and removal of rock and clay deposits, along with further undercutting of the toe of the slope, and possible renewed sliding. The impacted reach of the river is currently lacking the quality salmon spawning gravels historically present due to commercial gravel extraction activities downstream. The sediment inputs from the slide further add to the problem due to the high amount of fines and clays the slide inputs into the river. DEQ lists the Applegate River as sediment limited and the slide exacerbates this condition. The river channel above the slide has been confined by ACOE dikes and levees built to stop flooding over developed lands within the floodplain.

This proposal includes stabilization techniques to be applied to the slide deposits, instream structures added to maintain stable channel configuration, and restoration and riparian planting programs to help reduce the potential of sediment mobilization, as well as restoration plans to develop greater chinook, coho and steelhead spawning, rearing and side-channel refugia. A large boulder vane will be constructed along the upstream edge of the slide where it projects into the river. Two secondary vanes will be constructed at points with the potential to receive highly erosive flows during higher water conditions. Flood plain relief will be provided by some channel widening and some slight reduction in the height of the point bar. Off-channel alcoves and side-channel pools will be developed behind and between the landslide deposits and the cut stream bank. Vegetative planting will be a vital aspect of the work. It will occur in a three-part planting to ensure that proper growth and survival occurs. First, the focus will be on pioneer species such as willow, alder and cottonwood along with other shrubs and native plants. Next, reeds, sedges and other wetland species will be planted in the back channel alcove areas to hold soils in place. Finally, trees that can establish cover over the long-term and produce strong root structure will be incorporated into the project.

Project partners providing project match include the landowner, Applegate River Watershed Council, Josephine County Road Department and Copeland Sand and Gravel. OWEB funds would be used for permitting, project management, contracted services, supplies, materials and fiscal management.

REGIONAL TEAM REVIEW:

The RRT recognized that there are a lot of factors contributing to the current conditions of the project site. The RRT felt Josephine County's effort to move the road and address runoff from the road will be important to any solution to the problem.

The Applegate River is a large, extremely dynamic system that has endured many historic land use practices which have changed its shape and character dramatically. The situation at the project site is extremely complex. The RRT was not convinced that the project budget and activities proposed would be enough to stabilize the situation there, or if the section of river that the project takes place is greatly impacted by the slide. Overall, the RRT felt the proposal was not addressing the true causes of the issues resulting in the slide. The stream has been channelized and contained by levees built by the ACOE to help prevent flooding of farmland areas. These levees have dramatically impacted the stream's behavior. Addressing the levees directly upstream will need to be part of any solution developed. The ACOE needs to be engaged in finding a solution that addresses causes, and not symptoms, of the problems. Hydrologic modeling would be very helpful to have for reviewers. This would help to evaluate how vane installation points were selected and how those structures would affect the stream. Only basic design information was provided. There also needs to be a more careful consideration of the levy impacts and the overall river stability. A larger look at the river above and below, as well as how the dam impacts the water flows, needs to be considered very carefully before developing a course of action.

The RRT thought that the riparian planting portion of the application lacked sufficient thought. For example, there is no plan to irrigate any plantings; without irrigation, the planting will not succeed. More information explaining how the project would ensure survival and growth of the vegetation in the current site conditions is needed to determine the potential for success of this component. The RRT would have liked to see more partnerships demonstrated in the application. Agencies like ODFW and user groups, such as the local fishing organizations, did not seem to be involved. In the end the RRT felt this project was more of a protection of infrastructure and not a watershed enhancement project.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: No Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2008	PROJECT TYPE:	Restoration
PROJECT NAME:	Elk Creek Habitat Improvement		
APPLICANT:	Elk Creek WSC		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$42,940	TOTAL COST:	\$72,750

APPLICATION DESCRIPTION:

The project proposes to improve instream habitat along one half mile of Elk Creek, located in the Umpqua River watershed. The project will construct five full-spanning rock weirs to trap gravels, and create pool habitat along with increasing hyporheic flow and reducing summer water temperatures. The project will help create additional pool habitats for juvenile coho and other salmonids. Historic land management activities, stream cleaning and channel straightening have contributed to increased water velocities which have eroded the stream to bedrock. As a result, there is little complex habitat for juvenile fish, and no accumulated gravels to help cool summer water temperatures.

The active channel width in the project area is thirty two feet and the stream gradient is generally less than one percent. The boulder weirs will consist of approximately 160 large boulders averaging one to one and a half cubic yards in size. The boulder weirs will be constructed by an excavator. Boulder placements will be overseen by an ODFW fisheries biologist. The project takes place in a high intrinsic potential area for coho. Project activities are consistent with activities necessary to address habitat conditions and limiting factors identified in local BLM watershed analyses and ODFW Aquatic Habitat surveys of Elk Creek and the project area. Project activities will be consistent with the Oregon Habitat Restoration Guides. Summer water temperatures will be monitored above and below the project site as well as in an untreated control reach.

Project partners providing project match include ODFW, BLM and the landowner. OWEB funds would be used for project management, travel, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The RRT felt addressing water quality issues and fish habitat complexity issues are important in the Elk Creek watershed. The habitat is important for coho. The RRT was pleased to see the landowner involved in CREP.

The application was weak on specific design information, as well as specific stream and flow conditions above and below the project area. The stream appears to be low gradient, almost flat and somewhat entrenched. Streams of this character often have highly erodible soils, and as flows back up due to project implementation, there could be increased bank cutting and erosion. The amount of rock to be used does not seem to fit well with the stream type and it appears amounts of rock per structure may be excessive. For example, the design calls for 160 boulders and generally not more than 75-90 should be used. The RRT also felt that rock weirs may not adequately perform in this type of situation, functioning at specific flows but not a range of flows, and providing little benefit to fisheries. The RRT also felt the application could be strengthened by examining opportunities to enhance flood-plain connectivity and develop more off-channel habitat that could interact with the stream at higher flows.

The RRT did not feel that the application could achieve the stated project goals. The application did not do a clear job of demonstrating how they were going to achieve the subsurface flow and the benefits associated with it. Creating hyporrheic flow can benefit water quality and stream temperatures but the RRT needed more information than the application provided to be convinced this could be achieved with the project design. In addition, the RRT was not sure if the project would create a situation where juveniles trying to over-summer in this habitat might face unsuitable conditions during the warm summer months. The RRT felt that the applicant needed to focus more specifically on those conditions and limiting factors that specifically apply to the project location. The applicant could reference information from Rosgen, Applied River Morphology, 1996, which has suggestions for addressing conditions in flatter F-type channels. This portion of Elk Creek appears to exhibit F-channel characteristics being of relatively low elevational relief, consisting of highly erodible soils, and having high channel width to depth ratios at bankfull (Rosgen, Dave; 1996; Applied River Morphology; published by Wildland Hydrology, 1481 Stevens Lake Road, Pagosa Springs, Colorado).

Additionally, the RRT would have liked to see in-kind or match contribution from the landowner. It was noted that the application did not contain a letter of support for the project from the landowner. The RRT feels that project contributions or at least a letter of support from the landowner is important to have because it demonstrates commitment to and ownership in the project.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: No Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2009	PROJECT TYPE:	Restoration
PROJECT NAME:	Wasson Watershed Ridge-Top to Estuary Restoration		
APPLICANT:	Ducks Unlimited Inc		
BASIN:	SOUTH COAST	COUNTY:	Coos
OWEB FUNDS REQUESTED:	\$290,454	TOTAL COST:	\$365,090

APPLICATION DESCRIPTION:

The project proposes to implement a ridge-top to ridge-top to estuary management approach based on the premise that the whole watershed contributes to the restoration of essential fish habitat in the South Slough National Estuarine Research Reserve (SSNERR), a 4,800-acre protected area located in the western arm of the Coos River estuary. The SSNERR was established in 1974 and is administered by the DSL. The SSNERR has, up until now, taken a passive approach to the restoration of the Wasson Creek sub-basin. The stream has been impacted by historical land use practices which have resulted in reduced water quality, simplified stream and instream habitats as well as wetland and marsh areas dominated by non-native invasive plant species. Upland areas suffer from impaired forest health and are a potential for fire hazard. The project will create one and a half kilometers of stream channel with large wood placements, recreating stream meanders and improving stream connectivity. Approximately five acres of invasive vegetation in tidal and non-tidal wetlands will be converted to native wetland forb, grass and woody vegetation communities. Approximately five acres of forested swamp will be returned to the valley bottom. Over 20 acres of degraded upland and riparian habitat will be treated to improve long-term watershed processes that support aquatic habitats in the project area.

Upland areas will see restorative treatments such as thinning. Exact treatment design will be based on current stand conditions and topography. Planting will be done after thinning activities to restore underrepresented species such as Western red cedar. Approximately two kilometers of historic unsurfaced logging roads and skid trails will be permanently decommissioned. Woody debris from the thinning units will be used to increase forest floor complexity and also for placement instream to create instream habitat complexity and restore more natural stream function. Woody material will also be placed in wetland areas to help achieve qualities attributed to more highly functional systems. Invasive species, such as reed canary grass, blackberry and Canada thistle will be treated and these areas converted to native plant communities. Project activities will benefit water quality, forest health, coho, steelhead and cutthroat trout, lamprey, marbled murrelet and spotted owls. Project activities are consistent with the SSNERR goals for the sub-watershed.

Project Partners providing project match include SSNNERR, Ducks Unlimited, Inc., BLM, ODFW and the Coos Watershed Association. OWEB funds would be used for project management, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The RRT applauded the applicant's look at implementing a ridgetop-to-ridgetop approach to addressing restoration of the stream's watershed. The project would have benefits to wetland, stream and upland habitats which would benefit multiple aquatic and terrestrial species including coho, marbled murrelet and spotted owl.

The RRT felt the application was vague regarding actual on-the-ground activity, including design specifics and project detail. The RRT noted that design information needed to be provided on the channel reconstruction as well as other project components to allow for a full review of what it would take to deliver the project's goals. The RRT felt that more specific maps could provide support, along with more text detailing site and treatment information. The application is tied to OWEB Technical Assistance grant 207-158 but provides no information about the results of that project or how it specifically related to the designs of this project. The budget could use additional breakout to better detail upland and riparian reforestation components. It was noted that 80% of the budget was for upland thinning and for the reforestation component. Alternatives were not discussed in the application. Is there a possibility of looking at other funding sources to help support these activities, either through stewardship projects or thinning timber sales? The RRT felt the cost for project management was high.

The application did not explain the reasons for the shift in management of the project area from passive restoration to active aggressive restoration, but the RRT felt it was an innovative project with a holistic approach that needed more detail on project components before the RRT could review adequately.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: No Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.: 211-2010	PROJECT TYPE: Restoration
PROJECT NAME: Applegate Riparian Restoration Program	
APPLICANT: Applegate Partnership & WSC	
BASIN: ROGUE	COUNTY: Jackson
OWEB FUNDS REQUESTED: \$77,790	TOTAL COST: \$127,440

APPLICATION DESCRIPTION:

The Applegate River Watershed Council proposes to continue its successful riparian restoration program in the Applegate River watershed, a tributary to the Rogue River. The work will involve the control of competing non native plant species, the establishment of native tree and shrubs and the protection of some key reaches from livestock through fencing. Sixteen stream segments in the Applegate are listed on the DEQ 303(d) list for exceeding stream temperatures. Stream temperature, largely due to degraded riparian areas, has been identified in the 2006 Rogue Basin Watershed Health Factors Assessment as a priority limiting factor in the Applegate River and its tributaries. In many areas, non-native blackberries have become the dominant riparian vegetation and prevent the establishment of native vegetation communities necessary for a healthy, functioning stream and riparian ecosystem. The planting of native vegetation and removal of invasive species within denuded riparian areas will help increase canopy cover, reduce excessive sediment loading from failing banks, and help restore natural floodplain function. Sites on Applegate River tributaries include Cheney Creek, Slate Creek, Thompson Creek, Williams Creek, the Little Applegate River, Yale Creek, Humbug Creek and Forest Creek.

Project work would occur on 29 sites covering 34 acres of riparian area. It is expected that all 34 acres will require treatment of non-native plant species. Site specific prescriptions will be developed prior to planting. These plans will include site treatment prescriptions along with maintenance and monitoring plans. Site prep work will include removal of non-native species such as blackberry and scotch broom through hand and mechanical means. All plantings will be undertaken by professional local contractors. Landowners selected have demonstrated a strong desire and commitment to improve habitat and riparian function and are committed to project maintenance. Fencing will occur on two sites located on Thompson Creek and Yale Creek where plantings are adjacent to existing cattle and goat pastures. Both sites have developed alternative off-channel watering sources. The work would also expand plant establishment activities to several sites previously planted to help ensure planting success. Project activities would benefit water quality, coho, chinook, steelhead and resident trout. Project sites in Slate, Cheney and Williams Creeks fall into critical core coho habitats.

Project partners include ODEQ, BLM, USFS, landowners and OSU student outreach. OWEB funds would be used for permitting, project management, monitoring, travel, contracted services, trees, supplies, materials and fiscal administration.

REGIONAL TEAM REVIEW:

The application is a resubmit. The RRT felt the applicant did a good job of addressing RRT comments from previous reviews and provided more site-specific information including a list of participating landowners. The project demonstrates strong relationships with landowners who show commitment to project success and a high degree of ownership in the project's outcomes. The project has good levels of match. Project implementation would benefit water quality, which will help survival of coho, steelhead

and cutthroat trout populations in the watershed. The project targets 303D-listed streams. The applicant has done a lot of work determining what it takes to defeat invasive blackberries in their watershed without herbicides and is planning the time and work required into the projects. Fencing setbacks and riparian buffer setbacks are sufficient and in many cases exceed the guidelines.

The RRT felt that the fiscal administrative costs were high for the project. The RRT also felt reporting should be a strong component of the project, but noted that Post-implementation Status Reporting (PISR) funds were not requested by the applicant. The RRT recommended that funds from fiscal administration be moved into PISR to support reporting over a five-year period. It was suggested The RRT found some discrepancies between budgeted fencing amounts and the descriptions in the application. It was concluded the reasons for the discrepancies were likely related to the fact that not all the landowner sites have been secured for fencing and the final amounts may not be known. The RRT wanted to see some clarification on the alternate sources of water for stock to make sure they were consistent with OWRD rules. This project continues previously funded riparian restoration efforts. It was noted that future applications could be continued to be strengthened by providing information on these previous projects, what was learned, and how they have affected the current proposal's approaches.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project would address watershed structure and function through improved riparian areas. The project has the potential to decrease stream temperatures, improve water quality, increase bank stability and provide for a source of future wood recruitment. The fenced riparian buffers will increase infiltration. A review team member mentioned that successful riparian and shading projects will be one of the most effective ways to deal with affects of climate change on salmon.

REGIONAL TEAM RECOMMENDATION: Fund with condition: using wildlife-friendly fencing. Reporting over 5 year period (fiscal admin reduction and move those dollars into PISR) and clarify alternative water sources for stock.

REGIONAL TEAM PRIORITY: 7 of 15

CAPITAL AMOUNT: \$77,790 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. Reduce fiscal administration by \$1,500 and move that amount to Post-Implementation Status Reporting to support three years of PISR reporting with reports in years 1, 3 and 5. Wildlife-friendly fencing must be used and the applicant will need to clarify alternative water sources for stock. Non-capital costs associated with outreach and education (\$1,500) will be moved to a capital line item.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2012	PROJECT TYPE:	Restoration
PROJECT NAME:	Williams Creek Diversion Improvement Project		
APPLICANT:	Williams Creek WSC		
BASIN:	ROGUE	COUNTY:	Josephine
OWEB FUNDS REQUESTED:	\$16,598	TOTAL COST:	\$39,322

APPLICATION DESCRIPTION:

The project continues work activities begun under OWEB project 209-2037. The applicant will work with landowners on one irrigation ditch and with nine other pump sites in Williams Creek, a tributary to the Applegate River in the Rogue River watershed. The project proposes to construct head-gates and install measuring devices (meters) on the pumps, and on the ditch, one flume and slide gate will be installed to measure and control water withdrawal. The project intends to help increase instream summer flows by providing the tools irrigators need to accurately monitor water withdrawal activities. Williams Creek provides critical habitat for coho as well as a variety of other aquatic organisms, including Chinook salmon, steelhead trout, cutthroat trout and Pacific lamprey. This project was selected because low stream flows and inadequate fish screens are both indicated as priority action items in the Williams Creek Watershed Action Plan (2000). The problem is twofold: 1) fish screens on several of the ditches need to be upgraded to prevent fish passage through the ditches to irrigated land, and 2) low summer water flows in Williams Creek and its tributaries lead to high water temperatures and reduced habitat. The water right holders on the ditches do not measure the amount of water they are diverting in relation to what they are entitled to (as authorized in their water right) nor do they have the infrastructure necessary to control the amount of water diverted. Six of the nine pumps do not have fish screens to prevent fish access into the irrigation system. None of the pump users have measuring devices necessary for accurate water diversion control.

ODFW will be upgrading fish screens where applicable and will oversee installation of the head-gates on the ditch. The Williams Creek Watershed Council will work with the irrigators to install head-gate flume on the ditch and meters on the pumps. Following installation, the local water master will instruct irrigators as to how much water they are entitled to and how to measure the flow in the ditches utilizing the weirs and flumes. Monthly measurements will be obtained during irrigation seasons.

Project partners include landowners, OWRD and ODFW. OWEB funding will pay for project management, measuring devices, supplies and materials, and fiscal administration.

REGIONAL TEAM REVIEW:

The project would continue an important effort to increase stream flows in a critical area for coho that is water quality limited. The project reaches suffer from intensive water withdrawals during the irrigation season, leaving little instream flow. The project demonstrates a high level of coordination and cooperation between the watershed council, state agencies and local landowners. The project has a highly valuable education component, not only for the landowners participating, but other water users as well. A significant restoration component of the project is the ODFW portion; however, this portion is ineligible for project match due to the fund source. ODFW will be working with landowners to install fish screens on pump intakes. The water rights where this work will occur were "grandfathered" in prior to screening requirements being in place.

While the goal is to keep 5cfs of water instream, this amount will be hard to quantify. It is also unclear what the actual benefits of the water remaining instream will be as far as the length and duration of the flow benefit. The applicant acknowledges that by the end of summer these benefits will disappear, but more water should remain in-stream for a longer duration than was there previously. It wasn't clear if all pump sites receiving meters would be screened. The RRT was adamant that meters would only be paid for by OWEB if the pump was receiving a fish screen or had one already installed. The RRT felt in the end that the project's low costs, the fact the work could help to address the top limiting factor in that stream reach, the strong partnerships, and the invaluable education and outreach benefits made this project important to fund.

Staff follow up: Follow up with ODFW and OWRD staff have shown that screening commitments by ODFW to this project will most likely be unaffected by the budget issues and the project can move forward in its entirety.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will benefit watershed function and structure through increased water quantity and improvement of water quality, leading to increased survival of rearing salmonids.

REGIONAL TEAM RECOMMENDATION: Fund with condition: pumps must be screened in order for OWEB to pay for the meters

REGIONAL TEAM PRIORITY: 2 of 14

CAPITAL AMOUNT: \$16,598 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with condition: The grant agreement will require grantee to submit written evidence that all pumps will be screened by ODFW before OWEB will release grant funds.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2013	PROJECT TYPE:	Restoration
PROJECT NAME:	Curry Sediment Abatement 2010		
APPLICANT:	Curry SWCD		
BASIN:	SOUTH COAST	COUNTY:	Curry
OWEB FUNDS REQUESTED:	\$333,643	TOTAL COST:	\$707,873

APPLICATION DESCRIPTION:

The project proposes to treat address high and medium priority sediment risks on three ranch and two forestry road networks and a series of pasture gullies. The project will reduce chronic sedimentation and help the treated areas to withstand large storm events. Project areas have been impacted and altered by historic forest management and agricultural land use practices. In total, 31.75 miles of road and 3.75 miles of pasture gully stream will be addressed, including the replacement or improvement of 75 non-fish bearing and six fish bearing stream culverts. Project areas include two ranches in the New river watershed, two ranches in Floras creek and two road networks in the Lower Rogue; one in Lobster Creek and one in Edson Creek. The project areas were selected for treatment because of elevated levels of fine and/or coarse sediment which are negatively impacting water quality, channel morphology and native salmonid fisheries. Each of the five road networks was inventoried for sediment risks and specific sediment abatement management plans were developed to treat all high and medium priority sites as well as addressing culverts with impaired fish passage. Roads will receive drainage improvement work including drainage feature and road drainage culvert improvements. This work will meet ODF specifications. Culverts that occur in areas with habitat suitable for salmonid use will be sized to allow adult and juvenile passage to a total of 2.6 miles of habitat above the culverts. Pasture gullies treatments are based on inventory work and the survey data collected was used to develop management plans for these areas. These pasture gullies will be stabilized using rock grade control structures. These structures have been used successfully on similar projects in the area.

The project builds on other successful sediment reduction project activities in the area. Project activities will benefit water quality and improve coho and other salmonid species habitat and fish access in project areas. The project activities are consistent with the South Coast Regional Restoration Priorities (2006) as well as watershed assessments and action plans developed for each of the watersheds to receive treatments.

Project partners providing project match include landowners, Menasha, Curry SWCD, Bonneville Power Administration, USFS and BLM. OWEB funds would be used for pre-project management, contracted services, travel, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The RRT found the application to be written well and when implemented, it would most likely help to address an important limiting factor, sediment inputs to streams, in multiple Curry County watersheds. Project work would support TMDL work in the area. The application demonstrates good levels of landowner participation.

The RRT would have liked to have seen a prioritization of the sediment sites chosen. The application identifies sediment as an issue, but has no priority areas identified, nor did it provide the RRT with a good

idea for the causes of the sedimentation. In the end, the RRT was not sure if the work was addressing the true sediment input priorities. For example, is the most critical sediment issue with roads or uplands? A discussion on the habitat conditions below project sites and the impacts sediment is having on them would be helpful for reviewers. The RRT would like to see more assurances built in that landowners working on the roads are following appropriate practices. ODF could help provide information and guidance materials. The RRT did recognize in their discussion that a new generation of ranchers was coming on board and that they are beginning to open up their properties for review and inspection. They are also going back and critiquing themselves about best practices and places to put roads and looking at the land use practices as well. The RRT would have liked to see some discussion or effort as part of the application to look at decommissioning or relocation of the roads. Some are in such poor places for roads that upgrading might just be a short term fix. Addressing gully erosion is important to addressing sediment inputs from Curry County agricultural lands. The RRT did not find grazing management or grazing plan development, or fencing and tree planting, as part of this application, and this raised some concerns. The RRT felt that these were important tools for developing long-term solutions to the pasture gully erosion. Reviewers also noted they would have liked to see more details on fill volumes. The RRT also noted differing budget amounts for landowner work activities. More discussion on how rates were developed would be helpful to reviewers in looking at the budget portions of the application.

Curry County is for the most part a very young geologic area and has extremely dynamic stream systems. The RRT would like to see the applicant design culverts for 100 year events. While a stream reach might be non-fish bearing now, it could possibly be in the future and planning culvert designs for that possibility is a good idea. Many areas that are non-fish bearing now historically were, but land use practices have rendered them currently non-fish bearing. While there is not a huge difference in discharge between a fifty and a 100-year event, culvert design will be different between a fish bearing and a non-fish bearing stream. While the application did not have strong education and outreach components, the RRT felt this project could offer a good opportunity for public education, and encouraged the applicant to look at this when submitting a future proposal.

Overall, the RRT was very supportive of the efforts by the applicant to implement sediment reduction projects in the project watersheds but felt more information was necessary before they could recommend it for funding. The landowner partnerships the application demonstrates are vital to restoring health to the local watersheds and it is a good opportunity to make inroads in a previously hard-to-reach agricultural areas.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: No Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2015	PROJECT TYPE:	Restoration
PROJECT NAME:	South Sister Creek and Jeff Creek Riparian Restoration Project		
APPLICANT:	Umpqua SWCD		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$22,512	TOTAL COST:	\$33,744

APPLICATION DESCRIPTION:

The project proposes to restore riparian areas disturbed during instream restoration project activities on South Sister Creek and Jeff Creek in the Smith River basin, located within the Umpqua River watershed. While addressing instream habitat limiting factors through placement of large wood instream with excavators, fifty-seven riparian area access corridors averaging 0.04 acres each were created. These areas were created as equipment was driven from the road to the stream to access project sites. Noxious weeds such as bull thistle, geranium, brooms and blackberry are found currently in low numbers in the project area. It is important to control noxious weeds while manual removal is still practical. Access corridors for the instream work, while seeded with native grasses, continue to lack native trees and shrubs. These disturbed areas make easy targets for invasive species to get established. Project activities include the inventory and removal of noxious weeds. Manual removal is the most practical method with the current low numbers of noxious vegetation in the project area. Herbicides would only be used if absolutely necessary. Following noxious weed treatment, the areas will be planted with native tree and shrub species. The project area will continue to receive manual noxious weed treatment for three years. During this time, the applicant will work to ensure the survival of native plantings including the addition or reinforcement of protective measures as necessary.

Project partners providing project match include BLM, Douglas SWCD, Roseburg Resources and Umpqua SWCD. OWEB funds would be used for project management, travel, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The RRT was concerned that the project access sites through the riparian area might have been left in a state where noxious vegetation could gain hold. Some reviewers were not convinced it was a problem and they noted that the photos didn't seem to show that there was a problem currently. It was discussed that in many cases, instream projects on industrial timber lands have adequate shade and native seeding to discourage noxious vegetation from getting established. It was also mentioned most projects utilize native grass seed mixes on entry sites to minimize erosion and establishment of invasive plant species. The likelihood that site vegetation regeneration would occur naturally is high at the project locations but will take time and will most likely be alder-dominated rather than a mix of hardwoods and conifers. The project areas are right along main forest roads and they will continue to have the potential for a noxious weed problem until the site is regenerated or restored. Natural regeneration may not be quick enough to stop invasive species from getting established. The RRT felt strongly that OWEB needed to hold all OWEB restoration projects to a high level of noxious weed prevention during implementation. Overall, the RRT would like to see applicants address project access and noxious weed prevention actions that will be taken before and after a project is completed. It was noted that some applicants do have specific guidelines that they hold contractors to for noxious weed prevention, and this should be part of all projects.

The RRT found the application lacking because it did not provide a site by site analysis on what the revegetation needs were and what was required site by site for restoration. There were no site prescriptions in the application. Because of the small size of each site, the RRT did not feel the project was restoring watershed structure or function, but it was more of a post-project site restoration issue tied to the original instream project to address impacts from implementing the project. The RRT felt they needed to see more information about what would happen at project sites. Planting plans would be helpful, as well as information describing the extent of the problems on site. A clearer budget and additional information on the number of trees to be planted would also help strengthen the application. They noted that the budget stated there will be 2000 trees planted and the narrative says 1000 trees. The RRT noted that funds associated with noxious weed removal were from another fund source. The RRT felt that even though there may have been errors in the past in restoring project access sites, it should not undermine the importance of the original restoration project. This proposal presents a chance to correct the situation before it gets out of control and keep it from getting worse. The RRT encouraged the applicant to move forward with the weed removal. If the application is resubmitted it should provide more detailed information and a correct budget and narrative.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: No Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2016	PROJECT TYPE:	Restoration
PROJECT NAME:	Elliott State Forest Fish Passage Improvements 2011		
APPLICANT:	Coos Watershed Association		
BASIN:	SOUTH COAST	COUNTY:	Coos
OWEB FUNDS REQUESTED:	\$55,850	TOTAL COST:	\$101,763

APPLICATION DESCRIPTION:

The project proposes to replace three stream crossing culverts in the Elliott State Forest that currently obstruct fish passage and are undersized to effectively pass a 50-year flood event. Project locations have been identified through the Elliott State Forest Watershed Analysis (2003) which classified culverts for fish passage criteria and roads by gradient, landform location and use level. Project work will occur on Pile Driver Creek and on unnamed tributaries to Elk Creek and the West Fork Millicoma. These creeks are all found on Elliott State Forest lands within the Coos River watershed.

The culverts will be replaced with appropriately sized culverts designed using stream simulation guidelines. The culverts will be sized to meet 100-year flood events and will comply with the ODF and ODFW Road/Stream Crossing Guide and ODFW fish passage guidance. The projects, in combination, will provide fish access to 1.4 miles of historic habitat and will reduce fine sediment inputs into high quality anadromous streams providing spawning and rearing habitat for coho, steelhead and cutthroat trout. The project addresses limiting factors identified in the Summary of Watershed Health Indicators for the Oregon Coast ESU (2008).

Project partners providing project match include ODF, and ODFW. OWEB funds would be used for pre-implementation, project management, travel, contracted services, and fiscal management.

REGIONAL TEAM REVIEW:

The applicant has developed a good track record with these types of projects. The project demonstrates strong partnerships that the applicant has developed and shows a good level of match. The project would open up important cool water refugia for coho, steelhead and cutthroat trout and would complement downstream restoration projects previously completed. The project would take place in a high priority habitat area.

There was some concern raised about potential impacts following culvert removal on the small unnamed tributary. The culverts have been in place a long time and their removal could potentially cause higher than anticipated sediment accumulation upstream to be transported downstream. This could include more fine materials which could cause sedimentation issues downstream. Additional information on the hydrology, geomorphology and the amount of fill behind the culvert would be helpful to the review of the design and potential project impacts both upstream and downstream. The RRT did want to see ODFW involved in the final project inspection. The RRT would like to see additional budget explanation on the contracted services labor hours. It was not clear what activity they are associated with.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project would address watershed structure and function through improved water quality through sediment reduction and improved hydrology via upgraded culverts. The project would also open up 1.4 miles of currently inaccessible habitat to coho, steelhead and cutthroat trout.

Staff Follow Up: Staff followed up with applicant on the sediment issue raised. The streambeds above the Piledriver and West Fork crossings are composed of coarse gravel and small cobble and the applicant expects very little sediment to be released. The bed material above the Tributary to Elk Creek crossing is made of coarse and fine gravel. This culvert may have a greater percent of fine sediment than the other two culverts. However, this project would be very similar to several other culverts the applicant has replaced in the Elk Creek sub-basin. Adverse impacts from sedimentation have not been associated with any of the previous projects. The amount of bed material above each crossing that may erode is unknown. It is difficult to calculate the extent of impact such a change in bed elevation will have. However, the applicant anticipates that any changes in bed elevation will be a shift towards a more natural (pre-road) state. The 50- and 100-year flood discharges were provided in the grant application and were used in project design. The applicant also provided detail on the contracted labor work activities. The contracted services labor hours are for one laborer to help in culvert installation. Activities will include use of jumping jack hammer to compact material around the culvert, assist with water pumping, and construction of concrete footings.

REGIONAL TEAM RECOMMENDATION: Fund with condition of ODFW involvement in final project inspection.

REGIONAL TEAM PRIORITY: 9 of 14

CAPITAL AMOUNT: \$55,850 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the grantee to submit to OWEB written confirmation that ODFW inspected the completed project.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2017	PROJECT TYPE:	Restoration
PROJECT NAME:	Williams River Watershed Fish Passage and Habitat Improvements 2011		
APPLICANT:	Coos Watershed Association		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$154,183	TOTAL COST:	\$310,793

APPLICATION DESCRIPTION:

The project proposes to address two existing culverts on Skip Creek and a tributary to Gods Thumb Creek and place large wood in Gods Thumb Creek. Both creeks are tributaries to the Williams River in the Coos River watershed. The culverts are barriers to upstream fish passage and are undersized to effectively pass a 50-year flood event. Instream habitat conditions have been simplified through historic land use management activities and stream cleaning activities. The culvert on Skip Creek will be replaced with a 50' concrete bridge. The Gods Thumb tributary stream crossing will be removed and left open for twenty years. Also included in Gods Thumb Creel portion of the project is the decommissioning of 1.5 miles of road, including removal of 6 additional stream crossings. The project will improve access to 1.2 miles of historic spawning and rearing habitat for coho, steelhead and cutthroat trout. Prior to road decommissioning, 96 whole trees will be placed in 1 mile of Gods Thumb Creek using a cable yarder. A 2008 Aquatic Habitat Survey of Gods Thumb Creek revealed that wood loading levels were low and no complex pools existed in the proposed project reach. Wood structures will be designed to capture coarse sediment released from removed stream crossings and increase channel complexity. Wood placements will improve spawning and rearing conditions in habitat that ranges from good to high intrinsic potential for coho and steelhead.

The project continues and builds on restoration efforts by the applicant and project partners to take a whole-watershed restoration approach in this watershed. The project addresses limiting factors identified in the Summary of Watershed Health Indicators for the Oregon Coast ESU (2008) and is consistent with recommendations from the Williams River Watershed Analysis and the South Fork Coos River Watershed Analysis.

Project partners providing project match include Weyerhaeuser and ODFW. OWEB funds would be used for pre-implementation, project management, travel, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The project application was well written and demonstrated good levels of match and strong partnerships. The project clearly addresses specific recommendations from the watershed analysis of the system and is being designed to meet 100-year flood events. The RRT also appreciated the discussion in the application on the non-OWEB funded restoration efforts being implemented. The RRT felt the road decommissioning components of the project helped to make a strong proposal.

The RRT did have some budget concerns. They felt fiscal administration was high and needed to be reduced. They found the budget discussion difficult to wade through. The RRT was not sure that the project manager would be spending 52 full days working on the project and requested that OWEB clarify that with the applicant. The RRT felt that the Skip Creek portion of the project was costly when compared

to the benefits. The project application did not make the case for the use of a costlier bridge at the site. The RRT felt that in tighter budgetary times, the investment was not justified and recommended that that portion of the project not be funded. The RRT wanted to see ODFW involved in the final project inspection.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will benefit watershed function and structure through the restoration of riparian areas by removal of roads and crossings. The project will also allow fish access to currently inaccessible habitat. Improved water quality through sediment reduction and improved hydrology via upgraded culverts should also be realized through project implementation.

Staff Follow up: Staff followed up with the applicant on clarifying the time required for project management. During follow up, the Skip Creek portion of the project and how the budget was conceived and developed, as well as how this activity supported the other project components, was discussed. The information was routed back through the RRT to determine if they would be supportive of keeping the Skip Creek portion in the project. They were supportive of this. The applicant provided details on how project management time associated with the project was determined. The time requested was justified by the applicant's detailed explanation of how the project management time was determined.

REGIONAL TEAM RECOMMENDATION: Fund with reduction in fiscal administrative costs and the condition of ODFW involvement in final project inspection.

REGIONAL TEAM PRIORITY: 10 of 14

CAPITAL AMOUNT: \$148,316 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$148,316, with conditions. Reduce fiscal administration costs to \$8,000. The grant agreement will require the grantee to submit to OWEB written confirmation that ODFW inspected the completed project.

**Oregon Watershed Enhancement Board
Region 2 (Southwest Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-2018	PROJECT TYPE:	Restoration
PROJECT NAME:	Ross Slough Riparian Restoration Project		
APPLICANT:	Coos Watershed Association		
BASIN:	SOUTH COAST	COUNTY:	Coos
OWEB FUNDS REQUESTED:	\$29,286	TOTAL COST:	\$41,931

APPLICATION DESCRIPTION:

The project proposes to conduct riparian plantings of conifers, hardwoods and shrubs on 1.2 acres and install 2,500 feet of livestock exclusion fencing on Ross Slough, a historical tidal wetland and tributary stream to Catching Slough located in the Coos River estuary. The banks are covered with reed canary grass and blackberry monocultures. Currently Ross Slough has a tide gate at its mouth and the stream channel has been extensively modified to accommodate agricultural production. The project location is 2.5 miles upstream from the mouth. The 2,500 foot long project reach has a sixteen foot wide channel and has high stream temperatures and unstable stream banks. The project proposes to conduct riparian plantings of conifers, hardwoods and shrubs on 1.2 acres and install 2,500 feet of livestock exclusion fencing. The project will help stabilize stream banks, shade out the canary reed grass, reduce stream temperatures and add habitat complexity for native fish and wildlife.

A four person crew will remove blackberry and canary reed grass using weed whackers and hedge trimmers. Weed wrenches will be used to remove Scotch broom. 1,000 native conifer, shrubs and hardwood trees will be planted along the project reach. The plantings will be based on a prescription appropriate for site conditions and the soil types. Trees will be protected with tubes and weed mats. Follow-up weed removal will occur for five years to allow plantings to reach the "free to grow" stage. Fencing will consist of four-strand barbed wire fences and will be placed back at least 15 feet from the top of the bank. The project site was a study reach in the CoosWA's Catching Slough, Daniels Creek and Heads of Tide Sub-basin Assessment and Restoration Opportunities (2008). The project addresses limiting factors identified in the Summary of Watershed Health Indicators for the Oregon Coast ESU (2008). Project activities will benefit habitats for coho, Chinook, steelhead, cutthroat as well as improve stream channel complexity and improve water quality.

Project partners providing project match include the project landowners. OWEB funds would be used for project management, travel, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The RRT felt that the applicant addressed many of the team's comments from the earlier submission. The description of the riparian components was clear and provided the RRT with a good idea of what would be done to accomplish the project's goals. The project has the potential to be a good outreach site. The project will be very visible and offers opportunities for education and outreach. Project activities could benefit water quality as well as coho, steelhead and cutthroat trout habitats.

Reviewers felt that the riparian portion of the application was confusing and not clear regarding exactly what they plan to do. The applicant will need to work closely with the landowner during and after project implementation to make sure the project has the highest likelihood of success. The RRT was confused over the type of fencing proposed. Fencing descriptions in questions R4 and R5 were different. The RRT

was adamant that this needed to be clarified and that the fencing needs to be wildlife-friendly. The landowner and applicant can look to NRCS for current specifications and USF&WS for information on wildlife-friendly fencing. The RRT encouraged the applicant to look at the blackberry treatment options discussed by Bennett (2007). The RRT wanted to stress to the applicant the importance of proper use of herbicides to avoid possible introduction to the stream environment. The RRT did not feel the effectiveness monitoring portion of the project would provide any new information on this type of project and recommended that it not be funded.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project would address watershed structure and function through improved riparian areas. The project has the potential to decrease stream temperatures, improve water quality and increase bank stability. The fenced riparian buffers will increase infiltration.

REGIONAL TEAM RECOMMENDATION: Fund reduced; do not fund effectiveness monitoring component (\$5,045). Condition that fence is wildlife-friendly and consult Bennett 2007 publication for blackberry treatment.

REGIONAL TEAM PRIORITY: 14 of 14

CAPITAL AMOUNT: \$24,241 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

team. The RRT did request that the applicant provide designs for this reach to OWEB to share with the RRT for review, along with information on gravel placement, which was identified in the budget but not discussed in the application. The RRT did not feel the application provided enough information on the helicopter portion of the project and no design information for these areas were provided. The RRT felt that this should be part of the application. The RRT did recognize the importance of project monitoring but were not sure it was as feasible with the project scale cutbacks they were recommending. The pre-implementation monitoring schedule seemed ambitious, and more discussion on how this schedule could be achieved would be helpful to the review. The RRT recognized that the applicant could resubmit the helicopter portion, as well as the monitoring portion, in the October 2010 cycle, and if recommended would still be able to implement in the 2011 instream field season as planned in this application or possibly phased into another field season. The RRT would have liked to see information how the applicant will work to prevent noxious weed introduction into the project access areas. Overall, the RRT would like to see applicants address project access and noxious weed prevention actions that will be taken before and after a project is completed.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will benefit watershed function and structure through the improvement of instream habitat for coho, steelhead and cutthroat trout as well as improve water quality conditions through the project reach and below.

REGIONAL TEAM RECOMMENDATION: Fund with reduction – Remove EM and helicopter components. Applicant will provide designs for the 9.5 mile sections already designed along with information on gravel placement. Plan to prevent noxious weed introduction.

REGIONAL TEAM PRIORITY: 4 of 14

CAPITAL AMOUNT: \$264,359 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$264,359, with conditions. Remove effectiveness monitoring and helicopter components. Non-capital education and outreach funds totaling \$1,000 will be moved to support a capital line item. Fiscal administration will be reduced to \$14,000. The grant agreement will require grantee to provide the following information before funds are released: designs for the 9.5 mile sections already designed; information on gravel placement; and plans to prevent noxious weed introduction.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2020	PROJECT TYPE:	Restoration
PROJECT NAME:	South Sisters Structure Placement Phase V		
APPLICANT:	Smith River WSC		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$107,871	TOTAL COST:	\$168,421

APPLICATION DESCRIPTION:

The project proposes to address simplified instream habitat conditions in South Sister Creek and Russell Creek, tributaries to the Smith River, located within the Umpqua River watershed. Large wood and boulders will be placed in severely scoured and bedrock dominated sections of these creeks. Historic land use practices, road building, logging and stream cleaning have altered and simplified instream habitat conditions. 28 log and/or boulder structures will be created along a two-mile section of stream. Five existing structure sites will have logs and boulders added to make them function more effectively. The structures will be placed with an excavator. The structures will reconnect the stream channel with the floodplain, as well as trap gravel and woody debris to help create spawning beds, complex pools and additional winter refuge opportunities for coho, steelhead and cutthroat trout. Boulders will average 1.5 cubic yards in size and logs will meet or exceed the ODFW Aquatic Restoration Guides.

The project addresses limiting factors identified in the Summary of Watershed Health Indicators for the Oregon Coast ESU (2008). The project builds on extensive instream habitat restoration efforts within this sub-basin. Project activities will benefit winter habitats for coho, steelhead and cutthroat as well as improve stream channel complexity.

Project partners providing project match include Roseburg Resources, BLM, ODFW and USFS. OWEB funds would be used for project management, travel, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The project strongly demonstrated a diversity of partnerships. The project falls into a high intrinsic value area for coho. The project complements other instream projects in the area. The RRT was pleased to see the applicant moving more towards wood-dominated structures and away from the boulder-centric structures.

The RRT was concerned that there were no plans for preventing noxious weed introduction at the project site, especially in light of application number 211-2015, which seeks to address issues from previous instream projects in this area where equipment access through riparian areas has led to the potential of noxious weed establishment. Overall, the RRT would like to see applicants address project access and noxious weed prevention actions that will be taken before and after a project is completed.

The RRT discussed staff capacity. This project, as well as several others being reviewed, calls for the heavy involvement of one ODFW biologist. The concern is that if the same person is doing design and implementing many projects, at what point do they reach capacity and fail to complete all the work? Discussion with the ODFW supervisor showed they are aware of the issue and are able to schedule help for the biologist. Future applications could be strengthened by including more information on the stream's

hydrology, how the project fits into basin priorities for restoration, and additional information on locations of specific sites and how designs for them were developed. A more detailed discussion on causes of the habitat's current condition would help the review. The application focuses on the impacts of the Oxbow Fire in 1966, but there are other issues and causes that need to be examined, especially if trying to evaluate the potential for future natural recruitment of large wood to the stream. The RRT felt the administration costs associated with the project were high and needed to be justified by the applicant and reduced if not warranted.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will benefit watershed function and structure through the improvement of instream habitat complexity along 2 miles of stream for coho, steelhead and cutthroat trout. The project will also benefit water quality.

REGIONAL TEAM RECOMMENDATION: Fund with reduction in fiscal administration costs and submission of a plan to prevent noxious weeds from entering the project access sites.

REGIONAL TEAM PRIORITY: 13 of 14

CAPITAL AMOUNT: \$107,871 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2022	PROJECT TYPE:	Restoration
PROJECT NAME:	Scholfield Creek Restoration		
APPLICANT:	Partnership for the Umpqua Rivers		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$168,240	TOTAL COST:	\$270,479

APPLICATION DESCRIPTION:

The project proposes to improve instream habitat conditions and improve water quality in Schofield Creek, a tributary to the Umpqua River estuary. Schofield Creek has been subject to stream cleaning which has helped to simplify instream habitats. Historic land use has resulted in riparian areas lacking conifers and in altered stream connectivity and wetland function. The project will seek to restore stream and wetland function.

30 whole trees will be placed instream to help improve instream habitat complexity and stream function. A cable yarder will pull whole trees into the stream from sites 1,000 feet from the stream. One mile of legacy streamside road will be improved to provide access for current and future log placement work sites, as well as to prevent annual flooding of the roadbed. Two truck trailers will be used to make bridges at existing livestock crossings for livestock and ATVs. The old road bed will be ripped and planted with native grasses while the new road surface, closer to the hill slope and elevated above flood levels is prepared. The road will be out-sloped and surfaced with 3-inch angular rock and will be seeded over with perennial grasses. The old road bed will be replanted with a buffer strip of native vegetation to help filter out road-generated sediments. At three sites where small tributaries meet the mainstem creek, a swale will be built in the road to handle the flow of water from the road and direct it to a vegetated catchment basin before reaching the creek. Three streamside pastures will be enclosed with fencing to keep livestock from riparian and stream habitats. A six-acre wetland will be restored to a properly functioning condition. A drainage ditch will be filled and a natural levee will be restored to its pre-altered state. A small outlet to the stream will be constructed to allow water levels to reach a pre-determined level. A filled wetland area will have the sediments and reed canary grass removed. The removed material will consist of around 3,000 cubic yards. The area will be allowed to return to its natural state. Existing wetland plants and their seed beds should restore the native vegetation communities fairly rapidly.

The project is consistent with recommendations from the Umpqua basin Action Plan (2007) and the Elliott State Forest Watershed Analysis (2003). The project addresses limiting factors identified in the Summary of Watershed Health Indicators for the Oregon Coast ESU (2008). Project activities will benefit winter habitats for coho, steelhead and cutthroat as well as improve stream function, channel complexity, wetland function and water quality.

Project partners providing project match include ODFW, the landowners, EPA, ODF and BLM. OWEB funds would be used for project management, travel, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The RRT felt that the project would have great local education and outreach benefits, and it has a strong diversity of partners. The project location is important to coho. It is a headwaters to estuary ecosystem

and this would be the first major restoration project in this area. The project is looking to address several factors impacting the health of the stream, and its implementation would benefit water quality, riparian health and instream habitat complexity.

The RRT expressed some concern over the use of the reed canary grass spoils as ditch fill. While other sediments would be placed on top, the RRT was concerned that it would result in a source for future reed canary grass generation. This needs to be clarified to make sure the reed canary grass is adequately taken care of so it does not regenerate or act as a seed source. One of the project support letters mentioned the use of the restored wetland as a stock watering area. While this was not described in the application, the RRT was concerned that it might disrupt the wetland restoration and function if livestock had access. This needs to be clarified, and if livestock access is planned, there need to be measures to limit livestock impacts to the wetland area. The RRT recommended strongly that the fencing installed be wildlife-friendly. The RRT also wanted to see more information on plant establishment activities to ensure plantings would be successful.

The road's primary function is to move between pastures. The main motorized traffic is from ATVs. The road does not serve as a transportation corridor for public access to state lands above the property. This is accessed elsewhere. The road would serve as an access corridor for the instream restoration activities. The RRT felt addressing issues with the road and culverts on the road would help reduce sediment inputs into the stream. The RRT was concerned over the high costs compared to the usage and benefits. They were also concerned that in some areas, rock outcroppings may prevent the road from being relocated far enough to make a significant improvement.

While the RRT was supportive of the applicant's desire to address several factors limiting the stream's function, the RRT did not feel the costs associated with the road (>\$100,000 in OWEB funding) were justified by the application. The RRT was supportive of the wetland, instream and livestock exclusion activities.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will improve water quality, riparian health and instream habitat complexity.

REGIONAL TEAM RECOMMENDATION: Fund with reduction - remove road replacement costs. Clarify reed canary grass disposal and livestock access to wetland area. Fencing needs to be wildlife-friendly and more details need to be provided on plant establishment activities.

REGIONAL TEAM PRIORITY: 11 of 14

CAPITAL AMOUNT: \$56,107 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$56,107, with conditions. - Funding for road components will be removed. Fiscal administration is reduced to \$6,390. The Grant Agreement will require the following information submitted to OWEB before funds are released: clarification on reed canary grass disposal and steps taken to make certain that disposal will not result in reinfestation; assurance that livestock access to wetland area will be managed to avoid wetland impacts; fencing needs to be wildlife-friendly; and more details need to be provided on plant establishment activities. Non-capital costs associated with outreach and education (\$100) will be moved to a capital line item.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2023	PROJECT TYPE:	Restoration
PROJECT NAME:	Upper South Umpqua Salmon Restoration Project		
APPLICANT:	Partnership for the Umpqua Rivers		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$182,280	TOTAL COST:	\$428,080

APPLICATION DESCRIPTION:

The project proposes to restore instream habitat complexity to the Upper South Fork Umpqua River and several tributaries in the vicinity of and upstream from the South Umpqua Falls. Historically large wood was present in the stream in high quantities. Historic land use practices and stream cleaning have resulted in massive bed load scour events and down-cutting of the stream to bedrock in many areas. This resulted in channel widening, floodplain disconnection and increased stream temperatures. In 2009 a severe wildfire burned the headwater area, creating an opportunity to capture post-fire gravel migrating through the system. Eight miles of stream will receive log and boulder placement. Rock weirs will be placed in the Upper South Fork in key Spring Chinook spawning areas. The weirs will be designed to trap gravels and prevent scour of redds. The weirs will be constructed in stream reaches too large for effective large wood placement. Instream wood placement will occur approximately ten miles above the weir sites on key tributaries, including Black Rock, Fork, Boze, French and Prong Creeks. 560 trees will be felled into seven miles of stream. An additional 150 hazard trees will be felled and hauled and placed instream. These logs will be placed using an excavator and portable yarder. These will be placed in Black Rock and Fork Creeks. Logs and boulders will meet or exceed the ODFW Aquatic Habitat Restoration Guides.

The project is consistent with recommendations from the Umpqua Basin Action Plan (2007) and the project addresses limiting factors identified in the Summary of Watershed Health Indicators for the Oregon Coast ESU (2008). Project activities will benefit key spawning habitats for Spring Chinook, as well as improve stream function and channel complexity and water quality.

Project partners providing project match include USFS, ODFW and USF&WS. OWEB funds would be used for contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The project is broken into two main components: one to benefit spring chinook spawning and the other, above a natural barrier, to improve stream hydrology above the weir site. The boulder weir work will benefit spring chinook. The project is trying to take advantage of gravel releases expected from the impacts of a wildfire upstream. Quality and quantity of spring chinook spawning habitat is a factor helping to limit their production in this system. Other weir placement has proven successful in the area and this project would build upon those successes. The project is built on spring chinook usage data gathered since 1961 and this has been used to help target where the adult fish over-summer and then spawn in the fall. The portion of the project above the impassable Deer Lake Falls is intended to address issues created by peak flows by adding roughness to the channel to reduce velocities by time it gets to areas below the falls where the spring chinook spawn. It is intended that the wood placed in these stream sections would trap additional wood and gravel and gradually move downstream, creating additional habitats as they move through the system.

The RRT felt the weir work would have immediate benefits to spring chinook production. The weir work is designed after other successful weir placement efforts. The weirs are designed and seated into the bedrock. This involves hammering out a channel in the bedrock so that the base rock in the weir is embedded in the bedrock. The structures were modeled to withstand higher flows. The RRT wanted to see ODFW and USFS involved in the final project inspection. The project would also have benefits for coho, steelhead and cutthroat trout.

The RRT was not convinced that the component above the falls was justified based on the information in the application. It is an innovative idea, but reviewers were not aware of any research that suggests instream structures reduce flow velocities. There was discussion that velocity will vary by flow and distance downstream and how the stream and substrate change from year to year; and that slope is the big driver. The RRT suggested that future applications could be strengthened by providing more specific project design and hydrology information, along with adding documentation on the impacts of large wood structures on velocities and slope and gradient of the stream in this project reach. The RRT was not supportive of funding this component at this time. Additional information is needed for review before they felt they could justify the expenditure of funds in the area that is impassable to anadromous species. The reviewers also felt that if this part of the project were to move forward, it would need before and after monitoring to determine whether instream structures are reducing downstream flow velocities. It would be important to gather pre-project data to establish baselines for post-project monitoring. Placement of flow monitoring sites will need careful consideration. The RRT discussed the possibility of using this kind of monitoring work as a possible research project funded through OWEB.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will benefit watershed function and structure through the improvement of instream spawning habitat.

REGIONAL TEAM RECOMMENDATION: Fund with reduction – only fund below the falls (boulder weirs component) and include ODFW and USFS in final project inspection. Reduce fiscal administration.

REGIONAL TEAM PRIORITY: 6 of 14

CAPITAL AMOUNT: \$54,950 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$54,950, with conditions. Remove the project component above the falls. Reduce fiscal administration costs to \$2,000. The grant agreement will require the grantee to provide written documentation that ODFW and USFS conducted a final project inspection

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2024	PROJECT TYPE:	Restoration
PROJECT NAME:	Ollala-Lookingglass Instream Restoration		
APPLICANT:	Partnership for the Umpqua Rivers		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$97,649	TOTAL COST:	\$183,958

APPLICATION DESCRIPTION:

The project proposes to improve instream conditions in two miles of Thompson Creek and one mile of Muns Creek located in the Olalla-Lookingglass sub-basin of the Umpqua River. Both Thompson and Muns Creeks have degraded riparian and instream habitat conditions as the result of historic logging and agricultural land use practices and stream cleaning. Muns Creek has poor juvenile survival success despite adequate spawning habitats. This poor success is because of lack of summer and winter rearing habitats for juvenile coho salmon and steelhead. Thompson Creek also has poor juvenile survival success due to the streambed being eroded to bedrock, which has resulted in lack of gravel for spawning and poor summer and winter rearing habitats. Fish survival can be increased through the placement of large wood and boulders to the stream to help diversify the habitat and create summer and winter rearing opportunities. The work would also improve stream function and connectivity.

Under this project, 255 logs will be placed to simulate naturally forming debris jams. An excavator and a portable yarder will be used to place the logs. 450 boulders will be placed to help diversify the habitat and provide foundations for the log jams. Logs and boulders will meet or exceed the ODFW Aquatic Habitat Restoration Guides. The project is consistent with recommendations from the Umpqua Basin Action Plan (2007) and the Olalla-Lookingglass Watershed Assessment (2003), and the project addresses limiting factors identified in the Summary of Watershed Health Indicators for the Oregon Coast ESU (2008). Project activities will benefit rearing and spawning habitats for coho and steelhead, as well as improve stream function and channel complexity and water quality.

Project partners providing project match include ODFW and BLM. OWEB funds would be used for project management, travel, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The project falls into a high intrinsic value area for coho. The project demonstrated a good level of match and showed good partnerships involved. The project costs per mile seemed reasonable and the designs are technically adequate. The project ties into other work in the area. The project reach is simplified with few pools and little habitat complexity. The RRT felt the project would be successful in reaching its intended goals.

The RRT would have liked to see some information on how the applicant will work to prevent noxious weed introduction into the project access areas. Overall, the RRT would like to see applicants address project access and noxious weed prevention actions that will be taken before and after a project is completed. This is potentially something the project application could address so all applicants are aware that this is a growing concern.

The RRT discussed staff capacity. This project, as well as several others being reviewed, calls for the heavy involvement of one ODFW biologist. The concern is that if the same person is doing design and implementing many projects at what point do they reach capacity and fail to complete all the work? Discussion with the ODFW supervisor showed they are aware of the issue and are able to schedule help for the biologist. The RRT was confused over the boulder aspect of the project. The project description identified boulder placement, and the budget contained costs for boulder hauling and purchase, but it did not contain a line item for boulder placement. Discussion on this matter concluded that it was an oversight in the budget description and that that work was included in the log placement line item. The project demonstrates a high degree of state and federal agency involvement and oversight. The RRT was not sure why 18 days of project management and executive director time as part of the request from OWEB. This time needs to have an explanation on how it was determined, or reduced if it is not warranted.

Staff follow up: Staff discussed the project management and executive director costs with applicant and is satisfied the costs are justified.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will benefit watershed function and structure through the improvement of instream habitat complexity for coho, steelhead and cutthroat trout.

REGIONAL TEAM RECOMMENDATION: Fund with reduction in fiscal administration. Provide justification for project management and executive director time. Provide information on how the applicant will work to prevent noxious weed introduction into the project access areas.

REGIONAL TEAM PRIORITY: 12 of 14

CAPITAL AMOUNT: \$95,385 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at the reduced level of \$95,385, with conditions. Fiscal administration is reduced. The grant agreement will require the grantee to provide OWEB project manager with information on how noxious weed introduction will be prevented.

**Oregon Watershed Enhancement Board
Region 2 (Southwest Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-2025	PROJECT TYPE:	Restoration
PROJECT NAME:	Mill Creek Fish Passage		
APPLICANT:	Partnership for the Umpqua Rivers		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$70,906	TOTAL COST:	\$149,988

APPLICATION DESCRIPTION:

The project proposes to address two fish passage barrier culverts identified by the Umpqua Basin Fish Access Team (UBFAT) in their work to identify and survey culverts and to rank them in their impact on fish passage. To date, 215 culverts have been prioritized under this method. Mill Creek, a tributary to the mainstem Umpqua River, holds 25 of the 215 barriers. Mill Creek is home to coho, steelhead and cutthroat trout. The project will address the number 1 and number 6 priority culverts on Mill Creek. The culverts are undersized and subject to over-topping and becoming blocked by debris. Fish passage is blocked for adult and juvenile fish at high flows and juvenile fish at low flows. Additionally, fine sediments are introduced to the stream during over-topping events.

The existing culverts will be replaced by a pre-fabricated bridge at each site. Once the existing culverts are excavated out, the bridge will be placed on foundation blocks. The approach will be built to the bridges to complete installation. The stream channel will be rebuilt in the area between the culverts. There is a mile and a half of habitat located above the culverts which can be accessed by anadromous species once the culverts are replaced. The replacement of the culverts will also reduce fine sediment inputs at the project sites. The project is consistent with recommendations from the Umpqua Basin Action Plan (2007).

Project partners providing project match include the landowners, ODFW, BLM and the Federal Economic Stimulus program. OWEB funds would be used for project management, travel, contracted services, supplies and materials and fiscal management.

REGIONAL TEAM REVIEW:

The project proposes to replace two culverts identified through the effort of the Umpqua Basin Fish Access Team (UBFAT). The UB FAT effort was to prioritize culverts based on several factors, including the severity of their impact on anadromous species. The culverts pose passage barriers and limit access to upstream habitats. The implementation of the project would benefit future fish production in Mill Creek

The RRT found the application to be very confusing and disjointed in its presentation. The RRT was confused in regards to the presentations of the actual rankings of the proposed culverts in both their relative ranking in the overall watershed and in Mill Creek. One culvert is being funded primarily by stimulus funds with no OWEB funding, and will be implemented during the 2010 field season. The second culvert is primarily OWEB funded and would be implemented in the 2011 field season. The RRT felt the stimulus-funded culvert was stand-alone and would most likely be implemented in the 2010 field season whether or not the second culvert was funded. With respect to the second culvert, the RRT felt the application did not make a good case for funding. The application stated that the applicant had completed survey and design, but no specific design or engineering details were provided in the application. The application did not provide information on the stream habitat conditions above and below the existing culverts. The RRT felt overall that the application did not provide enough detail to warrant their recommendation for funding at this time.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: No Fund

of recreational activity in the project area which causes the potential for the garlic mustard to spread quickly to other areas.

The RRT was concerned that ODA seemed absent from the application. ODA was identified on the form as a secured match partner. Staff follow-up confirmed ODA involvement in the project. ODA considers this a high priority. The RRT was concerned that the applicant did not indicate in the application that a restoration application to OWEB would be following the completion of this TA proposal. Staff follow up revealed that the applicant is actively seeking funds from other funding sources to address eradication and they hope to not have to come back to OWEB for those monies. Additional information on proposed eradication techniques at identified sites would have been helpful to have, but the RRT recognized that a Technical Assistance application is not geared toward extracting specifics on the resulting restoration proposal. The RRT felt that the small dollar amount requested and the benefits to getting a handle on a new invasive species in the Rogue basin made this project a good investment.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 1 of 4

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$10,450

STAFF RECOMMENDATION TO BOARD: Fund

project builds on the applicant's experiences and what has been learned from other similar successful efforts from the applicant's outreach and restoration work.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 3 of 4

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$47,141

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.: 211-2007 **PROJECT TYPE:** Technical Assistance
PROJECT NAME: Elk Creek Bacteria Source Tracking Design
APPLICANT: Elk Creek WSC
BASIN: UMPQUA **COUNTY:** Douglas
OWEB FUNDS REQUESTED: \$23,275 **TOTAL COST:** \$32,575

APPLICATION DESCRIPTION:

The applicant is submitting a Technical Assistance Type 2 Implementation project. The Elk Creek Bacteria Source Tracking Design project will enlist the services of a qualified water quality consultant to develop a monitoring program and analysis plan that will determine the source of coliform bacteria in the Elk Creek Watershed, located in the Umpqua River basin. The consultant will work closely with DEQ, the Elk Creek Watershed Council and other stakeholders in order to create a study that all participants have confidence in and that, when implemented, will provide an accurate account of the sources of bacteria pollution in the watershed.

The Umpqua Basin TMDL identified Elk Creek as water quality limited during the fall, winter and spring periods for bacteria using both fecal coliform and E. coli as indicator organisms. Agricultural landowners in the watershed have concerns about what actions might be necessary to reduce bacteria loads. The community feels until the sources of bacteria are determined, any actions or BMPs to reduce these loads can only be based on assumptions and speculation. More data on the sources of the bacterial pollution in the watershed are needed to give assurance to landowners that the actions they might be asked to take have a high probability of success. The goal of the project is to develop a plan, that when implemented, will deliver clear, unambiguous conclusions as to the sources of bacterial pollution in the Elk Creek watershed. The plan must address the issues and concerns of both DEQ and the local agricultural producers so that all will feel that the conclusions are accurate and unbiased.

Funding will be sought to secure the services of a qualified, private consultant to develop a comprehensive water quality monitoring study that will identify the various sources of bacteria in the Elk Creek watershed and determine their relative contributions. A draft monitoring plan will identify the number and location of proposed sampling sites within the watershed. The plan will include a sufficient number of sites, with samples to be collected at each site, over a sufficient period of time, and under varying flow conditions, to provide statistically significant conclusions. Sites will be selected so that the bacterial contributions of each of the major tributaries can be determined. Samples selected for DNA source tracking analysis will provide statistically accurate representation of the source species. The plan will cover in detail each aspect of the sampling process including the resources needed. The sampling plan will employ accepted procedures and protocols and will insure the integrity of the samples during collection and the quality of the analysis.

Project partners providing project match include Roseburg BLM, ODEQ and the Elk Creek Watershed council. OWEB funds would be used for project management, contracted services, mileage and fiscal administration.

REGIONAL TEAM REVIEW:

The RRT felt that the project's goal to "develop a plan that, when implemented, will deliver clear and unambiguous conclusions as to the sources of bacterial pollution" was not completely realistic. The applicant explains that existing data in the watershed is currently not sufficient to convince members of the watershed council and landowners of the sources of bacteria and to move them to take restorative measures. RRT feelings were that ambiguity will always exist because bacteria cannot be measured everywhere all the time. It would be helpful if the council and landowners could accept that there is uncertainty, and agree upon action levels before the monitoring begins. The RRT was not convinced funds were necessary for development of a plan to monitor or if this work was something that could be undertaken by DEQ and the council working together.

The RRT was concerned that there is no evidence that the council has made an effort to collect more data using traditional bacteria sampling methods. Bacteria source tracking is most likely to be effective in watersheds where extensive, traditional monitoring for bacteria has clearly identified reaches with diverse potential sources. The RRT felt the application could be strengthened by exploring how more traditional sampling could fit in with this work, and also by clearly identifying partners involved and insuring an appropriate level of involvement.

The sediment component of this proposal identifies an extremely complex problem to define with a high level of statistical confidence. RRT members were concerned that while the study techniques were innovative and interesting, they may not produce the results needed and goals may not be attainable with the funding requested. More involvement from other organizations is needed and there needs to be more outreach to landowners. Before funds are spent on bacteria source tracking, additional bacteria monitoring should be done to improve the understanding of the spatial and temporal distribution of the fecal bacteria from Drain to the headwaters, and to identify the relative magnitude of potential sources and risks of transport into the stream. The proposal needs a commitment to accept a realistic level of uncertainty and to supplement existing data with more traditional monitoring. The contractor developing the project must clearly identify the assumptions that are required, and then the council must work closely with landowners and stakeholders to understand and accept the work's limitations and move forward on projects that attempt to reduce bacteria loads.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: No Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.: 211-2011	PROJECT TYPE: Technical Assistance
PROJECT NAME: Savage Rapids Dam Riparian Revegetation	
APPLICANT: National Center for Conservation Science & Policy	
BASIN: ROGUE	COUNTY: Jackson
OWEB FUNDS REQUESTED: \$28,295	TOTAL COST: \$38,410

APPLICATION DESCRIPTION:

The applicant is submitting an application requesting a Technical Assistance Type 1 Project Design and a Type 3 Landowner Recruitment project. Savage Rapids Dam was removed from the mainstem Rogue River in October 2009. The resulting exposed streambank areas range from three to thirty meters in width and are completely devoid of vegetation that is capable of providing shade, bank stability or cover. The Rogue River is subject to increased warming and erosion in the near term. The work proposed will continue technical assistance activities which began under OWEB Technical Assistance Grant 209-2031.

Under this grant, 14 landowners were recruited and the development of 14 site plans was initiated with 10 other landowners demonstrating interest in having plans developed.

The proposed technical assistance activities are to recruit landowners along this reach of river to the riparian revegetation program and design riparian planting site plans for each recruit. Revegetation will focus on establishing native trees and shrubs to reduce erosion, increase shade, and increase streambank roughness. The project will supply needed expertise in working with landowners and developing riparian planting prescriptions to cover the range of streambank site conditions found along the three mile length of Rogue River affected by the former Savage Rapids dam impoundment.

Project partners include the Rogue National Center for Conservation Science and Policy. OWEB funds will be used for project management, contracted services, supplies and fiscal administration.

REGIONAL TEAM REVIEW:

The project would continue the technical assistance efforts to develop riparian restoration plans for the former pool area behind the removed Savage Rapids Dam. The RRT felt the applicant did a good job of describing the identification of planting areas and planting prescription development. The applicant has worked closely with OSU Extension on development of the planting prescription template.

The project application did not provide a lot of details on specific landowners identified. The RRT did recognize that part of the project was to identify additional landowners, but information on landowners already identified would have been helpful. The RRT would have liked to have seen more project partners involved, but realized that they will most likely materialize in the restoration phase of the project. The RRT suggested the applicant contact the local Master Gardner program to see if they can be of assistance. The RRT felt it was important to get riparian vegetation established in the former pool area before invasive plant species could become established. Well developed planting plans resulting from this project will be critical to the success of that effort.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 4 of 4

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$28,295

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2014	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Sullivan Gulch Restoration		
APPLICANT:	Curry SWCD		
BASIN:	SOUTH COAST	COUNTY:	Curry
OWEB FUNDS REQUESTED:	\$46,482	TOTAL COST:	\$61,705

APPLICATION DESCRIPTION:

The applicant is submitting a Technical Assistance Type 1 Project Design application. The work proposed will implement the Phase I design of a channel restoration project for Sullivan Gulch, a tributary to the Sixes River estuary, located within Cape Blanco State Park. Sullivan Gulch is a ditched stream channel that was dug in 1939 to drain a 385-acre wetland complex on the south side of the Sixes River just below the head of tide. Prior to being drained, the wetland provided excellent overwintering habitat for juvenile salmonids, particularly coho. In the mid-20th century, the Sullivan Gulch wetland complex and the Cape Blanco headlands were purchased by Oregon State Parks and converted into Cape Blanco State Park. As part of the sale agreement, the landowner included a stipulation that a portion of the Park, including the higher value pasture in Sullivan Gulch, be leased for livestock grazing. A fence was constructed to exclude livestock and 3 road crossings were removed over Sullivan Gulch. As a result, a large part has reverted back to wetland but the Sullivan Gulch ditch channel remains in place; the ditch channel is deeply incised. Juvenile salmonids migration is heavily impaired by large beaver dams and culverts which create barriers because of the stream hydrology and incised nature of the channel.

The project proposes to develop a restoration strategy that will provide unmanaged fish passage through Sullivan Gulch; retain the positive aspects of having beaver in the system; increase instream habitat quality and quantity; prevent any alterations to wetland hydrology that could negatively affect important plant or wildlife species and account for and avoid disturbance of cultural resources. Survey work to support the Phase I design will consist of a cultural resources survey, topographic survey/CAD drawings, a hydrologic and hydraulic analysis, field survey work and bridge design.

Project partners providing project match include ODFW, OPRD and Scott McKenzie. OWEB funds would be used for project management, contracted services for surveys and design activities and fiscal management.

REGIONAL TEAM REVIEW:

The RRT felt the proposal presented a reasonable project which was well thought out and written. The project would help return the area around Cape Blanco State Park to a more functional wetland. The project demonstrates good landowner cooperation and involvement. This is an important project for salmon over-wintering habitats, summer cool water availability, and juvenile coho and cutthroat trout rearing.

The RRT suggested the applicant look into incorporating the assessment work done by Laura Brophy two years ago in the Sixes Estuary. Some of that work might cover the project area and would help provide some additional baseline information. Topographic work proposed by the applicant could also be augmented by LIDAR work if that area has been covered. The RRT wants to see the applicants utilize surveys and assessments that have been completed. The RRT questioned the archeological survey budget

item and were not sure from the application why the applicant did not use existing agency resources. Discussion on this topic revealed that time factors and staff availability issues made the option of using existing agency resources not viable.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 2 of 4

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$46,482

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board Region 2 (Southwest Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-2021	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Smith River Watershed Stream and Estuary Habitat Prioritization		
APPLICANT:	Smith River WSC		
BASIN:	UMPQUA	COUNTY:	Douglas
OWEB FUNDS REQUESTED:	\$49,995	TOTAL COST:	\$128,180

APPLICATION DESCRIPTION:

The applicant is submitting a Technical Assistance Type 2 Implementation project. The Smith River flows into the Umpqua estuary near Reedsport, Oregon. The Smith River Watershed Council currently does not have a cohesive plan to help them identify and prioritize the many basin and estuary sites where restoration is needed. The council needs technical assistance funding to help gather existing state and federal data on the watershed, conduct site reconnaissance to help fill in data gaps and work closely with landowners to discuss and develop specific priority projects identified during the project.

The Smith River has been identified by ODFW as having a high potential for coho populations in the Umpqua Basin and many agencies have identified the need to restore the many degraded miles throughout the watershed. Although much data exists, compiling the information into a comprehensive document has not happened. Without a compilation of existing information, work to improve and increase salmon habitat in the watershed will not be well-coordinated or prioritized. The goal of the project is to create a prioritized action plan to restore instream habitat and fish passage based on existing data and input from local technical experts and combine this with field reconnaissance work to verify current conditions that exist to help fill data gaps. The information will be compiled and become the basis for a restoration plan. Outreach to landowners and stakeholders will be a large component of the project and will help to develop a restoration plan and identify potential restoration sites.

Project partners providing project match include BLM, Roseburg Resources, Partnership for the Umpqua Rivers, Reedsport-Gardiner STEP and ODFW. OWEB funds would be used for project management, travel, supplies, production, equipment and fiscal administration.

REGIONAL TEAM REVIEW:

The RRT found the application to be lacking important details and information. While the project mentions the study and data collections to occur, it does not describe the end use of the information. The applicant needs to think about how the data will be used before they decide how they collect the data. It would be helpful to re-think the point at which landowners become involved in the habitat prioritization process discussion. Landowners need to be consulted for input before priorities are established. The application could also be strengthened by providing more specifics regarding the supervision and guidance roles. The RRT knew the entities involved in the supervision but were not sure who had absolute responsibility for this task. The RRT members felt that this application did not provide enough information on design criteria and did not define success or provide specific project goals. The application did not identify a role for ODFW in the process and the RRT felt they would be a critical player in the success of the project. The RRT agreed that the Smith River Watershed Council was in need of a science-based restoration plan, or even a full watershed assessment and action plan for their basin, but they did not feel the application demonstrated a well-thought-out process nor provided enough detail to warrant funding at this time.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: No Fund



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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August 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Wendy Hudson, Willamette Basin Regional Program Representative
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 3, Willamette Basin
September 14-15, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the Willamette Basin Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 33 applications for a total request of about \$8.2 million, including \$5.2 million for three Acquisition application (see Section IV below). The Willamette Basin Regional Review Team (RRT) recommended 22 applications for funding. Staff recommend 13 applications for a total award of \$1,337,001: \$1,256,754 for Restoration and \$80,247 for Technical Assistance.

At its March 16-17, 2010, meeting, the Board approved a staged award for the Sodom Ditch-Calapooia River Fish Passage Improvement project (210-3067). When completed, the project will open 70 miles to spring Chinook and winter steelhead. The Board awarded part of the funding in March 2010, and deferred the remaining \$320,035 to be awarded in September 2010. The grantee has advised OWEB staff that the second phase of funding will not be needed until March 2011. The grantee will provide a progress report to the Board prior to requesting the remainder of the staged award in March of 2011.

III. Regional Review Team

The Willamette Basin RRT met in Salem on June 8, 2010, to review Restoration applications; Technical Assistance applications were reviewed via conference call on June 23, 2010. The RRT reviewed all Restoration and Technical Assistance applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT recommended budget reductions and funding conditions for some of the applications, as described in the Region 3 Evaluations for April 19, 2010, Applications. The RRT then prioritized the applications recommended for funding.

The Willamette River and Johnson Creek Confluence Salmon Habitat Improvement project (211-3014) was the top-ranked Restoration application. Located in Clackamas County, the project will provide increased habitat complexity for numerous species, including federally listed coho salmon, steelhead trout, and spring Chinook salmon. All of the fish produced in the upper and mid-Willamette Basin migrate past the confluence with Johnson Creek, and therefore, will benefit from improved cover and resting habitat resulting from the project.

IV. Acquisitions

Three acquisition applications were received from Region 3 this grant cycle. One was withdrawn, one was transferred to the Willamette SIP, and one is not recommended for funding.

A. South Eugene Hills Acquisition Project (211-101)

The City of Eugene submitted an application requesting \$1.2 million to purchase two non-adjacent, primarily upland properties totaling 400 acres south of Eugene, in Lane County. The application was previously submitted to OWEB (application 208-115), but was withdrawn by the city because it could not secure the necessary match.

The application states that the project is a key component of a multi-year partnership effort to conserve oak and prairie habitats, identified as a high priority for protection in numerous studies. The properties also have small amounts of riparian habitat. If the properties are acquired by the city, they will provide recreational and habitat connections between Eugene's Ridgeline Park System and the West Eugene Wetlands.

The Acquisitions Subcommittee and staff felt that the properties present an important opportunity to further protect ecological connectivity of oak and prairie habitats in South Eugene. The Subcommittee also recognized the city's capacity to accomplish high-quality restoration and education on the properties it acquires for conservation. The RRT felt that the project has high ecological value, with one of the properties contributing more strongly to the high value than the other. The RRT felt that the project has medium educational value.

The Acquisitions Subcommittee declined to request due diligence for the project because of the issues described in Section IV of the Overview, even though the Subcommittee felt that the project is a valuable one. The Subcommittee recommended that staff encourage the city to resubmit the application next biennium. The city has withdrawn its application rather than have staff make a no-fund recommendation to the Board.

B. River View Cemetery Acquisition Project (211-103)

The City of Portland requests \$1.5 million to purchase a portion of River View Cemetery, adjacent to Highway 43 and Lewis and Clark College in Multnomah County. The application states that a total of 146 acres will be acquired in three phases. Each phase will purchase approximately 50 acres. Staff were told by the Trust for Public Land (TPL), which is coordinating the transaction, that the city wishes to use OWEB funds for the first phase.

The application states that the city has twice received land-use applications from the current property owner proposing large residential developments, which would substantially impact

wildlife connectivity between north and southwest Portland, the condition of a relatively undisturbed subwatershed, and critical fish habitat in the Willamette River.

1. Ecological Benefits

The application states that the project will benefit depressional wetland broadleaf forest and riparian forests and shrublands, both of which are OWEB priority ecological systems. The application also states that the property, the majority of which is very steep, contains seven streams totaling 2.2 miles. Four of the streams are perennial and three are seasonal or intermittent. The streams flow out of the property in culverts. The culverts pass under Highway 43 and a railroad grade, and then drain to the Willamette River via Powers Marine Park, a narrow shoreline area adjacent to the railroad.

The application states that the project will benefit the following rare or at-risk plant communities: Oregon ash/dewey sedge – stinging nettle, black cottonwood – red alder/salmonberry, bigleaf maple – red alder/sword fern-fringecup, and grand fir – bigleaf maple/vine maple-hazelnut. The application does not clearly state whether each of these plant communities is known to occur on the property.

The property has been used for informal recreation for many years. The recreational use has created considerable soil disturbance and poses associated water quality impacts. The property has also been degraded by extensive infestations of invasive species.

The application states that the project will benefit red-legged frog and western gray squirrel, both OWEB priority species. The application also states that the project is very important for fish because protecting the property's streams will conserve crucial cold-water inputs to the Willamette River.

The application indicates that the proposed project is consistent with all of OWEB's conservation principles, and therefore will: protect a large intact area, stabilize an area on the brink of ecological collapse, secure a transition area, require active restoration, protect a site with exceptional biodiversity, improve connectivity of habitat, and complement an existing network of conservation sites.

The RRT acknowledged that the opportunity to conserve 146 acres in the Metro area is noteworthy, but felt that the application significantly overstated the project's ecological merits. The RRT felt that invasive species on the property present a large and possibly intractable problem. The RRT also felt that the project does not have a strong ecological connectivity benefit. The RRT acknowledged that if the property is protected, the distance between natural areas will be reduced, but felt the property will nonetheless be isolated in an urban area, affording a connectivity benefit only to birds.

The RRT felt that the application overstated the project's fish benefits because the streams contribute a relatively small amount of cool water to the Willamette River. Nearly all of the RRT members felt that it's unlikely that fish are afforded meaningful thermal refuge at the confluence of the streams and the Willamette River, although some juvenile fish have been found there. The RRT pointed out that it appears that several of

the streams do not originate on the property, and thus cannot be fully protected by the project.

Despite the land-use applications filed by the landowner, the RRT felt that as a whole, the property is not significantly threatened by development. Zoning, riparian set-backs, and liability associated with steep slopes would likely preclude development on most of the property. The RRT expressed concern that the three-phase nature of the acquisition doesn't seem to be structured to purchase the most threatened part of the property first. The RRT was also concerned that if fewer than all phases are completed, the project's relatively modest ecological benefits would be compromised.

2. Capacity to Sustain Ecological Values

The application states that the property will be managed by Portland Parks and Recreation's City Nature West division. City Nature West has seven fulltime staff responsible for managing natural areas and trails on the west side of the Willamette River.

The RRT acknowledged the city's efforts to manage its natural areas, but had serious concerns about the city's capacity for success. The property's invasive species and long-standing incompatible recreational use will present significant, long-term, and costly challenges. The city's parks staff and funding are already stretched thin by large responsibilities such as Forest Park, which a recent report by the City Club of Portland concluded is being degraded by invasive species.

3. Educational Benefits

The application does not specifically state what educational activities will be implemented if the property is acquired for conservation. However, it does state that in 2009, more than 18,000 people participated in environmental education programs offered elsewhere by the city. The application suggests "environmental education opportunities" such as amphibian surveys and water quality testing. The application also states that "educational opportunities exist with partner institutions such as Lewis and Clark College and local organizations such as Friends of Tryon Creek," and that a flat area on the property will offer an appropriate location for an interpretive trail.

The RRT felt that the project would not result in significant educational activities, and that schools and the public would continue to pursue safer, better educational opportunities at the nearby Tyron Creek Natural Area.

4. Partners, Project Support, and Community Effects

The application states that the city will contribute \$5 million to the acquisition, and will own, manage, steward, restore, and lead environmental education on the property. TPL has taken the lead on negotiations and contracting for the purchase of the property, as well as due diligence. The application states that TPL estimates its in-kind contribution will be valued at \$163,300, not including staff time costs. No explanation is given to explain why these costs are so high.

The application states that because the property is currently owned by a non-profit, no taxes are paid on the property, and thus acquisition by the city will not affect the local tax base.

The application states that acquisition of the property will have a positive impact on the local and regional economy by securing significant habitat, “thereby reducing future environmental liabilities.” The application also states that acquisition of the property will add to the region’s infrastructure of parks and natural areas, “thereby strengthening the region’s economic competitiveness by improving quality of life.” Lastly, the application states that acquisition of the property will provide an important new site for environmental education.

5. Legal and Financial Terms

The application states that for Phase I, match is secured from the city. For Phases 2 and 3, partial match is secured from the city, and additional match is being sought from BPA, West Multnomah SWCD, Metro, OPRD, and TPL. The application states that the city has approached “three of the five partners,” but does not identify which partners, or the funding amounts sought. Without knowing which funders will be involved and the programs from which funds will be used, it’s not possible to know what legal issues, such as easements required by other funders, might arise.

The application states that River View Cemetery plans to retain a portion of the land that it currently owns. If the retained portion were to be developed, residential run-off, pets, and other threats posed by development would increase existing urban impacts to the 146 acres proposed for conservation.

6. Conclusion

The Acquisitions Subcommittee and RRT both acknowledged that the property has good open space value. The RRT felt that for this reason, if all three phases are completed, the project will have medium ecological value. The RRT concluded that if less than all phases are completed, the project will have low ecological value. The RRT felt, overall, that the property has marginal habitat values for OWEB priority species, and thus is not a priority investment for OWEB. The RRT also felt that the project has low educational value, regardless of the number of phases completed.

The Acquisitions Subcommittee concluded that the property’s marginal habitat values for OWEB priority species make the property less competitive for OWEB’s acquisitions program relative to the other applications evaluated this cycle. For that reason and the issues described in Section IV of the Overview, the Subcommittee declined to request due diligence for the project. The applicant elected not to withdraw its application. The Acquisitions Subcommittee and staff do not recommend funding for the project.

C. Willamette Confluence Acquisition Project (SIP 208-3090-8358)

The Nature Conservancy (TNC) submitted an application requesting \$2.5 million to purchase a 1,270-acre property at the confluence of the Middle and Coast forks of the Willamette River. The property contains floodplain habitat along more than six miles of river, and therefore presents significant restoration opportunities. Staff and the Acquisition

Subcommittee felt that the project would be an appropriate Board investment through the Willamette SIP and has transferred the application to the Willamette SIP process where it will be evaluated for funding.

V. Staff Recommendations for Project Funding

A. Capital Applications

- *Restoration.* Because RRT-recommended applications for the six OWEB regions exceed available funding, staff recommend funding for only 11 of 15 applications recommended by the RRT.
- *Acquisitions.* Staff do not recommend funding for the River View Cemetery Acquisition (211-103).

B. Non-Capital Applications

- *Technical Assistance.* Due to limited non-capital funding, staff recommend funding only two of the seven applications 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. The conditions shown in the table also may reflect staff or RRT funding conditions; staff conditions may differ from RRT-recommended conditions. Staff funding recommendations and funding conditions are contained in the Region 3 Review Team Evaluations for the April 19, 2010, Applications.

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
Technical Assistance Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
211-3010	Lower Sandy River Habitat Assessment and Candidate Site Pre-Design Phase I [^]	49,650	1
211-3021	Design for Bateman Creek Culverts Replacement Project*	30,597	2
211-3022	Lower Springfield Mill Race Restoration Plan	25,000	3
211-3013	A Model EDRR Implementation Plan in the Mid and Upper Willamette Basin	26,169	4
211-3029	Butte Creek Subwatershed Assessment and Action Plan [^]	49,995	5
211-3001	Rinearson Creek Restoration Plan [^]	48,380	6
211-3009	Yamhill Basin Action Plan [^]	46,860	7
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$276,651	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$80,247	

*Listed Amount Reflects Recommended Reduction [^]Fund with Conditions

Region 3 - Willamette Basin
Restoration Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
211-3014	Willamette River and Johnson Creek Confluence Salmon Habitat Improvement*	126,750		126,750	1
211-3028	N and S Scappoose Creek Confluence Restoration EM \$28,490 & PE	151,358	2,400	153,758	2
211-3020	Lupine Meadows Habitat Restoration Phase 2	71,030	400	71,430	3
211-3012	Upper Luckiamute Bridge Pilings Removal^	36,658		36,658	4
211-3006	Sandy River Delta Floodplain Forest Restoration*^ PE	189,669		189,669	5
211-3005	North Fork Molalla River Habitat	132,931		132,931	6
211-3003	Cold Creek Culvert Replacements^	65,821		65,821	7
211-3007	Mirror Lake Salmonid Restoration Project - Phase II*^ PE	86,740		86,740	8
211-3017	Wren Nectar Network*	56,530		56,530	9
211-3023	Restoring/Expanding Grassland Bird Habitat in the Willamette Valley* EM\$28,907	284,553	2,500	287,053	10
211-3019	Duffy Creek Fish Habitat Improvement* PE	49,414		49,414	11
211-3024	Hollyer Wetland Enhancement Project*^	63,923		63,923	12
211-3026	Mid-Coyote Fish Passage, Water Quality, and Riparian Rest EM \$3,761 & PE	263,858		263,858	13
211-3008	Harris Creek Culvert Replacements^	110,189		110,189	14
211-3018	Marys River Fish Log Bank^	25,630		25,630	15
Total Restoration Applications Recommended for Funding to Staff by RRT		\$1,715,054	\$5,300	\$1,720,354	
Total Restoration Applications Recommended for Funding by Staff to Board		\$1,251,454	\$5,300	\$1,256,754	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions EM=Effectiveness Monitoring PE=Plant Establishment Award

Region 3 - Willamette Basin
Technical Assistance Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-3002	Multnomah Creek Restoration - Phase I	48,195
211-3004	Rickreall Spawning and Rearing Habitat Enhancement	48,000

Region 3 - Willamette Basin
Acquisition Application Not Recommended for Funding by OWEB Staff
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-103	River View Cemetery	1,500,000
Total		\$1,500,000

Region 3 - Willamette Basin
Acquisition Application Withdrawn by Applicant
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-101	South Eugene Hills Acquisition Project	1,200,000

Region 3 - Willamette Basin
Acquisition Application Transferred to Willamette SIP
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
208-3090-8358	Willamette Confluence Acquisition Project	2,500,000

Region 3 - Willamette Basin
Restoration Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-3000	Baker Creek Fish Habitat Enhancement	143,665
211-3011	Trillium Creek Restoration Project at Mary S. Young Park	79,513
211-3015	Peckenpaugh Watershed Enhancement	175,562
211-3016	Vanport Culvert Removal and Stream Enhancement	96,012
211-3025	Upper Poodle Creek Fish Passage, Channel, and Riparian Restoration	209,924
211-3027	Radio Telemetry SCADA System and Gate Automation	111,650

Oregon Watershed Enhancement Board

Region 3 (Willamette Basin) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.: 211-101 **PROJECT TYPE:** Acquisition
PROJECT NAME: South Eugene Hills Acquisition Project
APPLICANT: City of Eugene
BASIN: WILLAMETTE **COUNTY:** Lane
OWEB FUNDS REQUESTED: \$1,200,000 **TOTAL COST:** \$4,718,100

APPLICATION DESCRIPTION:

The City of Eugene requests \$1.2 million to purchase two non-adjacent, primarily upland properties totaling 400 acres south of Eugene, in Lane County. The application refers to the properties as DAG Trust and South Eugene Meadows (SEM).

The application states that the project is a key component of a multi-year partnership effort to conserve oak and prairie habitats, identified as a high priority in numerous conservation studies. The properties also have small amounts of riparian habitat. DAG Trust contains 2.3 miles of headwater streams of Willow Creek and SEM contains 2.2 miles of headwater streams of Spencer Creek. If the properties are acquired by the city, they will provide recreational and habitat connections between Eugene’s Ridgeline Park System and the West Eugene Wetlands.

The application states that the following OWEB priority ecological systems will be conserved by the project: Western Oregon upland prairie and oak savanna, oak woodland, Western Oregon wet prairie, riparian forests and shrublands, ponderosa pine woodland, depressional wetland shrublands, and herbaceous balds and bluffs.

The properties have been degraded by past land uses and invasive species. The application states that approximately 60 percent of each property currently contains OWEB priority habitats. The city estimates that, upon completion of restoration that will follow acquisition, each site will contain 80 to 90 percent priority habitats.

The application states that the project will benefit the following rare or at-risk plant communities, which preliminary surveys have shown are present on the properties: Roemer’s fescue valley prairie (SEM only), white oak/poison oak/blue wildrye (SEM only), white oak - black oak/poison oak (DAG Trust only). The application also states that the project will benefit the following unconfirmed rare or at-risk plant communities, either upon acquisition or upon subsequent restoration: California oatgrass valley grassland, white oak/Roemer’s fescue savanna, white oak/snowberry/sword fern, Oregon ash/dewey sedge – stinging nettle, Oregon ash/spreading rush.

The application states that the project will benefit the following OWEB priority species, although it indicates that Kincaid’s lupine is the only priority species that has been confirmed to be present, and only at SEM: chipping sparrow, Oregon vesper sparrow, western meadowlark, white-breasted nuthatch, acorn woodpecker, American kestrel, purple martin, yellow warbler, western gray squirrel, red-legged frog, Fender’s blue butterfly, Kincaid's lupine, white-topped aster, wayside aster, and Willamette Valley daisy.

The application states that the proposed project is consistent to “some degree” with all of OWEB’s conservation principles, but that it will most strongly: stabilize an area on the brink of ecological collapse,

secure a transition area, protect sites with exceptional biodiversity, and complement an existing network of conservation sites.

The application states that the public's awareness of the Ridgeline Park System is very high due to recreational opportunities, volunteerism, partnership activities and events, and media coverage. Acquisition of the proposed properties will provide new opportunities to inform and educate the public about the natural values that Eugene is protecting and restoring. The application also states that structured educational opportunities exist due to the presence of local organizations that specialize in environmental education, such as the Willamette Resources and Educational Network (WREN) and Nearby Nature. Furthermore, one of the objectives of the Ridgeline Park System is to provide direct trail connections from nearby schools.

The application states that the city has good capacity to ensure that the project's ecological and educational values are realized. The City of Eugene has a 17-member staff in the Natural Resource Section, a part of the Parks and Open Space Division. The Natural Resource Section has an annual budget of \$2 million. Ten of the 17 employees are dedicated to on-the-ground operations.

REGIONAL TEAM REVIEW:

The RRT was, overall, very supportive of the project, noting its strong consistency with OWEB's conservation principles of protecting ecological connectivity and biological diversity, both of which enhance watershed function. The RRT felt that the properties contain stronger oak habitat values than riparian values, noting that the properties contain headwater streams that are unlikely to have significant habitat value for fish. The RRT also felt that the properties are clearly threatened by invasive species, and that conservation ownership by the city will reverse degradation that has been caused by the invasive species. The RRT recognized that the city has the funding and capacity to restore and maintain properties that it acquires.

In general, the RRT felt that SEM is more important to acquire than DAG Trust because SEM seems more biologically diverse and more threatened by development than DAG Trust.

The RRT felt that the project has good, but not outstanding, educational merit because it seems unlikely that the properties will be used extensively for school-based activities.

REGIONAL TEAM RECOMMENDATION: High ecological value and medium educational value, with SEM contributing more strongly to the high ecological value than DAG Trust.

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-103	PROJECT TYPE:	Acquisition
PROJECT NAME:	River View Cemetery		
APPLICANT:	City of Portland		
BASIN:	LOWER COLUMBIA	COUNTY:	Multnomah
OWEB FUNDS REQUESTED:	\$1,500,000	TOTAL COST:	\$14,173,300

APPLICATION DESCRIPTION:

The City of Portland requests \$1,500,000 to purchase a portion of River View Cemetery, adjacent to Highway 43 and Lewis and Clark College. The application states that a total of 146 acres will be acquired in three phases. Each phase will purchase approximately 50 acres. Staff was told by the Trust for Public Land, which is coordinating the transaction, that the city wishes to use OWEB funds for the first phase.

The application states that the city has twice received land-use applications from the current property owner, proposing large residential developments that the application states would substantially impact wildlife connectivity between north and southwest Portland, the condition of a relatively undisturbed subwatershed, and critical fish habitat in the Willamette River.

The application states that the project will benefit depressional wetland broadleaf forest and riparian forests and shrublands, both of which are OWEB priority ecological systems. The application also states that the property, the majority of which is very steep, contains seven streams totaling 2.2 miles. Four of the streams are perennial and three are seasonal or intermittent. The streams flow out of the property in culverts. The culverts pass under Highway 43 and a railroad grade, then drain to the Willamette River via Powers Marine Park, a narrow shoreline area adjacent to the railroad.

The application states that the project will benefit the following rare or at-risk plant communities: Oregon ash/dewey sedge – stinging nettle, black cottonwood – red alder/salmonberry, bigleaf maple – red alder/sword fern-fringecup, and grand fir – bigleaf maple/vine maple-hazelnut. The application does not clearly state whether each of these plant communities is known to occur on the property.

The property has been used for informal recreation for many years. The recreational use has created considerable soil disturbance and poses associated water quality impacts. The property has also been degraded by marked infestations of invasive species.

The application states that the project will benefit red-legged frog and western gray squirrel, both OWEB priority species. The application also states that the project is very important for fish because protecting the property's streams will conserve crucial cold-water inputs to the Willamette River.

The application indicates that the proposed project is consistent with all of OWEB's conservation principles, and therefore will: protect a large intact area, stabilize an area on the brink of ecological collapse, secure a transition area, require active restoration to achieve its conservation purpose, protect a site with exceptional biodiversity, improve connectivity of habitat, and complement an existing network of conservation sites.

The application does not specifically state what educational activities would be implemented if the property is acquired for conservation. However, it does state that in 2009, more than 18,000 people participated in environmental education programs offered elsewhere by the city. The application suggests “environmental education opportunities” such as amphibian surveys and water quality testing. It also states that a flat area on the property will offer an appropriate location for an interpretive trail.

The application states that the property will be managed by Portland Parks and Recreation’s City Nature West division. City Nature West has seven fulltime staff responsible for managing natural areas and trails on the west side of the Willamette River.

REGIONAL TEAM REVIEW:

The RRT felt that, overall, the project has good open space value, but that the property has marginal habitat values for OWEB priority species, and thus is not a priority investment for OWEB. The RRT acknowledged that the opportunity to conserve 146 acres in the Metro area is significant, but felt that the application significantly overstated the project’s ecological merits.

The RRT felt that invasive species on the property present a significant problem. They also felt that the project does not have a convincing ecological connectivity benefit. They acknowledged that if the property is protected, the distance between natural areas will be reduced, but felt the property would nonetheless be isolated in an urban area, affording a connectivity benefit only to birds.

The RRT felt that the application overstated the project’s fish benefits because the streams contribute a relatively small amount of cool water to the Willamette River. The majority felt that it’s unlikely that fish are afforded meaningful thermal refuge at the confluence of the streams and the Willamette River, although some juvenile fish have been found there. The RRT pointed out that it appears that several of the streams do not originate on the property, and thus cannot be fully protected by the project.

Despite the land-use applications filed by the landowner, the RRT felt that as a whole, the property is not significantly threatened by development. Zoning, riparian set-backs, and liability associated with steep slopes would likely preclude development on most of the property. The RRT expressed concern that the three-phase nature of the acquisition doesn’t seem to be structured to purchase the most threatened part of the property first. The RRT was also concerned that if fewer than all phases are completed, the project’s relatively modest ecological benefits would be compromised.

The RRT acknowledged the city’s efforts to manage its natural areas, but had serious concerns about the city’s capacity for success. The property’s invasive species and long-standing incompatible recreational use will present significant, long-term, and costly challenges. The city’s parks staff and funding are already stretched thin by large responsibilities such as Forest Park.

The RRT felt that the project would not result in significant educational activities, and that schools and the public would continue to pursue safer, better educational opportunities at the nearby Tyron Creek Natural Area.

REGIONAL TEAM RECOMMENDATION: If all three phases are completed: medium ecological value. If less than all phases are completed: low ecological value. Low educational value, regardless of the number of phases completed.

Oregon Watershed Enhancement Board **Region 3 (Willamette Basin) Review Team** **Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-3000	PROJECT TYPE: Restoration
PROJECT NAME: Baker Creek Fish Habitat Enhancement	
APPLICANT: Yamhill SWCD	
BASIN: WILLAMETTE	COUNTY: Yamhill
OWEB FUNDS REQUESTED: \$143,665	TOTAL COST: \$185,179

APPLICATION DESCRIPTION:

Baker Creek, a tributary to the Yamhill River, has experienced significant bank erosion during the last four winters due to flood events. The stream supports winter-run steelhead, coho salmon and cutthroat trout, but the habitat has been compromised due to streambank erosion, sedimentation, and loss of riparian woody material. The applicant proposes to install nine large wood structures at critical stream bends to slow the streambank erosion and to add fish habitat. The structures were designed under a 2009 OWEB technical assistance grant. Large wood will increase habitat complexity, provide cover for fish, increase aquatic insect habitat, trap spawning gravel and create scour pools. OWEB funds will be used primarily for contracted services.

REGIONAL TEAM REVIEW:

Reviewers concurred that this intermittently armored, eroding site needs attention. The basin in which the site occurs could also use some good examples of private land restoration. However, reviewers had many reservations about the application and proposed design.

Overall, reviewers felt that there was a lack of detail in the application about the geomorphology of the area, and what is happening on the landscape to cause such erosion. Should the application be resubmitted at a later date, reviewers recommend a geomorphic analysis in addition to the hydrologic/hydraulic modeling conducted in last year's technical assistance grant.

Absent this analysis, reviewers felt that the proposed design needs more thought. They remained skeptical of the large, cabled structure above the existing bridge, despite the engineer's subsequent clarification. Many saw this as excessive and just adding to the existing problem of streamside armoring. The design alternatives discussion (R6) seemed sparse. For example, reviewers wanted to know whether the applicant had considered replacing the existing bridge.

Questions arose about the downstream properties before the county park. If the current bridge is undersized, wouldn't the same be true for all the other crossings downstream? Reviewers encourage the applicant to take a broader, reach-wide look at the system – one that involves the downstream private landowners in addition to the ownerships attached to this application. They were reluctant to support an expensive band-aid fix for this site without a sense of what needs to occur downstream, and perhaps upstream, of the site.

Many reviewers felt that the banks could be greatly stabilized simply by reshaping them and implementing dense riparian plantings. They were alarmed by the failure of the original CREP plantings, and noted the odd photo caption saying that “the planting may not have a chance to become established if the bank continues to erode.” It seemed clear to reviewers on the site visit that the CREP plantings had not been maintained, and therefore, could have no possible impact on bank stabilization. Reviewers

strongly recommend that any resubmission include a budget for plant establishment in addition to dense native riparian plantings (R17).

In other comments, reviewers found the landowner contribution to be small; they understood on the site visit that other families rely on the bridge, and therefore, could all contribute in some fashion to the project. They felt that a county road match would be appropriate given the proximity of at least one of the stream bends to the road; they found the unit cost for permits to be steep; reviewers on the site visit were frustrated by the absence of the engineer to answer their more technical questions; the project inspector (R12) needs to be someone, or some persons, with the necessary technical expertise. Some budget rows contained calculation errors. One reviewer questioned the conflicting line items for “fill” and “fill disposal”, and the wildly divergent costs for each.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do Not Fund

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3003	PROJECT TYPE:	Restoration
PROJECT NAME:	Cold Creek Culvert Replacements		
APPLICANT:	North Santiam WSC		
BASIN:	WILLAMETTE	COUNTY:	Marion
OWEB FUNDS REQUESTED:	\$65,821	TOTAL COST:	\$114,489

APPLICATION DESCRIPTION:

The proposed project builds on an existing Natural Resources Conservation Service (NRCS) Riparian Wetlands Reserve Project (WRP). The WRP placed two permanent conservation easements on 331 acres with the intent of restoring riparian gallery forest to the North Santiam River riparian corridor. Cold Creek-a small, year-round tributary to the North Santiam River-runs through this forest at its lower end. The project proposes to replace two undersized culverts impeding passage of adult and juvenile Threatened Upper Willamette River Chinook and steelhead. Additionally, large wood structures will be added to increase habitat complexity. Partners include the landowner, Marion Soil and Water Conservation District, NRCS/WRP, and the US Fish and Wildlife Service. OWEB funds will be used primarily for Supplies and Materials and Contracted Services.

REGIONAL TEAM REVIEW:

The project struck reviewers as very reasonable and cost efficient, and it complements other instream work previously implemented in the area. Reviewers found the application to be somewhat confusing since it occasionally used the terms “spans,” “structures,” and “culverts” interchangeably. They also found the application to be lacking in detail with regard to plans for large wood. Since the designs for the stream crossings have been completed already, it would have been helpful to reviewers to have them attached to the application.

Nevertheless, reviewers have confidence in the NRCS engineer. They noted that the application states that the NRCS designs have been “approved by NMFS and ODFW fish biologist,” but given the overall lack of detail, reviewers suggested conditioning the grant as shown below.

Match and partnerships seemed strong, but one reviewer felt that the Santiam Water Control District should be contributing to the project in some fashion. Some budget rows contained calculation errors.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Removing the fish passage barriers on this tributary to the North Santiam River will open 1.5 miles of critical spawning and rearing habitat to Threatened Upper Willamette Chinook and steelhead.

REGIONAL TEAM RECOMMENDATION: Fund with conditions. The grant agreement will require a copy of the designs and written confirmation from ODFW to the OWEB Project Manager, prior to project implementation, that designs for the culverts and large wood structures conform with ODFW guidelines.

REGIONAL TEAM PRIORITY: 7 of 15

CAPITAL AMOUNT: \$65,821 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with Conditions. The grant agreement will require a copy of the designs and written confirmation from ODFW to the OWEB Project Manager, prior to project implementation, that designs for the culverts and large wood structures conform with ODFW guidelines.

**Oregon Watershed Enhancement Board
Region 3 (Willamette Basin) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-3005	PROJECT TYPE: Restoration
PROJECT NAME: North Fork Molalla River Habitat	
APPLICANT: Molalla River Watch Inc	
BASIN: WILLAMETTE	COUNTY: Clackamas
OWEB FUNDS REQUESTED: \$132,931	TOTAL COST: \$266,911

APPLICATION DESCRIPTION:

The North Fork Molalla, a significant tributary to the Molalla River, needs structure to create rearing and spawning areas for Willamette ESU ESA-listed Chinook salmon and winter steelhead. The developed reach between Dead Horse Canyon and Lukens Creek is the appropriate gradient and flow for spawning and rearing; however, there is virtually no structure to capture and sort spawning gravel and create pools for rearing habitats. Currently the reach is not used for spawning and is used very little for rearing by either species. The proposed solution is to place large wood of adequate length and diameter along 5,500 feet of stream, anchored by boulders and secured by existing adjacent riparian trees. Effectiveness monitoring will be done through spawning surveys, snorkel surveys, and evaluation of gravel retention. Partners include the Native Fish Society (NFS), ODFW, and Weyerhaeuser Co. OWEB funds will be used primarily for contracted services and supplies materials.

REGIONAL TEAM REVIEW:

Reviewers were largely pleased with this resubmission, feeling that the applicant had addressed most of the team’s previous concerns. The cost has come down some, and the project has expanded to include a contractor with experience in large wood, instream projects. The applicant has also created a peer review team to evaluate project designs.

Reviewers felt that tree sizes still remain smaller than ideal for such a constrained, high-energy system. But they felt that, if placed properly, the smaller trees could be adequate. One reviewer wondered whether vegetation will need to be cleared from the side channel area since the channel opening is currently constrained. This reviewer also suggested that the contractor assess the upstream bedload potential, and confirm the true gradient of the channel, which varies from less than 2% to 4.5% in the application.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Adding instream structure to this important tributary to the Molalla River will provide improved spawning and rearing habitat for spring Chinook and winter steelhead by trapping and sorting spawning gravels and creating rearing pools.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 6 of 15

CAPITAL AMOUNT: \$132,931 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3006	PROJECT TYPE:	Restoration
PROJECT NAME:	Sandy River Delta Floodplain Forest Restoration		
APPLICANT:	Ash Creek Forest Management		
BASIN:	WILLAMETTE	COUNTY:	Multnomah
OWEB FUNDS REQUESTED:	\$198,558	TOTAL COST:	\$538,118

APPLICATION DESCRIPTION:

Located at the confluence of the Sandy and Columbia rivers, the Sandy River Delta supports the rich biological diversity of the Columbia River Gorge region and critical habitat for fish and wildlife, including five Evolutionarily Significant Units (ESUs) of salmonids listed under the Endangered Species Act (ESA). This proposal supports landscape-scale restoration under way and planned for the entire 1500-acre delta, as described in the NEPA approved US Forest Service Sandy River Delta Plan and numerous other regional conservation and recovery efforts. Land conversion and noxious weed infestation have degraded riparian forest structure and function at the Delta; without intervention, noxious weeds will entirely replace the forest canopy and inhibit natural regeneration on the 194-acre project site. Noxious weeds will be removed, site-appropriate native plants will be planted, and plant establishment treatments will be applied until plantings are free to grow. The site will be monitored by applicant and the Lower Columbia River Estuary Partnership (LCREP). It will be maintained after the OWEB grant period by the US Forest Service and other partners. OWEB funds will be used to purchase native plants from a salmon-safe-certified nursery and will support a portion of staff time for plant establishment and project management.

REGIONAL TEAM REVIEW:

This area is identified as high priority for the Lower, Mid, and Upper Columbia River recovery plans. Reviewers saw this as an ambitious, but doable project. The project continues ongoing efforts at the delta, and it builds on previous successes with a proven approach. Reviewers think highly of the applicant's work and note that lessons learned from previous large-scale plantings – specifically, the value of dense planting – are evident in the application. The applicant/project manager has extensive experience on the site and with this type of work, and has a long history of adaptive management. The planting strategy seems reasonable, given the challenges of the site. Reviewers also appreciated the focus on beaver – in terms of both enhancing beaver habitat and techniques for protecting establishing plants from beaver browse. Partnerships are strong as is the match.

Reviewers would have appreciated some discussion of how the slough and berms on the delta play into the project now and in the future when some of the berms will be removed. Reviewers were concerned that the plant establishment phase is too short as is currently shown in the Proposed Project Schedule (R7). They would like to see it extended out to at least 2013, understanding that establishment needs, and therefore costs, diminish over time, if conducted properly from the beginning. Reviewers also would like to ensure that the applicant establishes a competitive process for appropriate plant selection. They also noted that the application (R12) identifies the applicant/project manager and the landowning agency partner as the persons who will inspect and sign off on the completed project (R12). Reviewers wanted to ensure that both parties would do so and so set the condition below. The location of the site in a heavily used state park affords an excellent educational opportunity, but the application did not budget for any

such activities. Finally, the team wanted to reduce fiscal administration, feeling that the project does not merit the full 10 percent.

The Riparian Plant Establishment and Restoration budgets will need to be revised so that the former contains only plant establishment-related costs and the latter all other planting costs.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will restore functional floodplain forest in an important backwater habitat along three miles of slough and river bank.

REGIONAL TEAM RECOMMENDATION: Fund with conditions:

- 1) Reduce fiscal administration to no more than five percent of the OWEB request;**
- 2) The grant agreement for Plant Establishment will require an extended commitment through 2013;**
- 3) To address potential conflict of interest, the Restoration grant agreement will require, prior to a first payment, evidence of third-party involvement (for example, LCREP or other organization be involved) in selecting the salmon-safe nursery that will be providing plants; and**
- 4) Both grant agreements will require upon project completion a letter or email from the USDA Forest Service acknowledging that they have inspected and signed off on the implementation and establishment phases.**

REGIONAL TEAM PRIORITY: 5 of 15

CAPITAL AMOUNT: \$189,669 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced amount of \$189,669 with conditions:

- 1) Reduce fiscal administration to no more than five percent of the OWEB request;**
- 2) The grant agreement for Plant Establishment will require an extended commitment through 2013;**
- 3) To address potential conflict of interest, the Restoration grant agreement will require, prior to a first payment, evidence of third-party involvement (for example, LCREP or other organization be involved) in selecting the salmon-safe nursery that will be providing plants; and**
- 4) Both grant agreements will require upon project completion a letter or email from the USDA Forest Service acknowledging that they have inspected and signed off on the implementation and establishment phases.**

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3007	PROJECT TYPE:	Restoration
PROJECT NAME:	Mirror Lake Salmonid Restoration Project - Phase II		
APPLICANT:	Ash Creek Forest Management		
BASIN:	WILLAMETTE	COUNTY:	Multnomah
OWEB FUNDS REQUESTED:	\$88,757	TOTAL COST:	\$252,830

APPLICATION DESCRIPTION:

Located at Rooster Rock State Park in the western end of the Columbia River Gorge National Scenic Area, the 390-acre Mirror Lake site represents an opportunity to improve habitat conditions in the Lower Columbia River estuary for multiple at-risk salmonids, neo-tropical migratory birds and waterfowl, and other ESA-listed wildlife. Using guidelines from the 'Mirror Lake Conceptual Restoration Plan,' the project will benefit as many as eleven Evolutionarily Significant Units (ESUs) of salmonids listed as threatened under the Endangered Species Act (ESA). The project will be monitored by the applicant in partnership with the Lower Columbia River Estuary Partnership (LCREP). Funding from OWEB supports purchase and delivery of native plant materials from a 'salmon-safe certified' nursery and three weeks' staff time for project oversight and implementation.

REGIONAL TEAM REVIEW:

Similar to 211-3006, reviewers saw this as an ambitious, but doable, project, with strong partnerships and match. The Planting Plan is dense, but reasonable, given the issues with invasives and site access. The applicant/project manager has a proven track record with this type of large-scale habitat restoration.

Reviewers' concerns were similar to those with 211-3006. They would like to see the plant establishment schedule extended out to at least 2013, understanding that establishment needs and costs diminish over time. Reviewers would also like to ensure that the applicant establishes a competitive process for appropriate plant selection. The application (R12) identifies the applicant/project manager and others as the persons who will inspect and sign off on the completed project (R12); reviewers wanted to ensure that all parties would do so and so set the condition below. The proximity of the site to a state park affords an excellent educational opportunity, but the application did not budget for any such activities. Use of large wood instream and on the floodplain could enhance fish and beaver habitat, but again, the budget made no provision for this.

On budget matters, the team sought to reduce fiscal administration, feeling that the project does not merit the full 10 percent. The Riparian Plant Establishment and Restoration budgets will need to be revised so that the former contains only plant establishment-related costs and the latter all other planting costs.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Recovery of historic riparian forest conditions on 50.7 acres is expected to benefit salmonids through increased shade and cooler water temperatures, improved macro-invertebrate and small wood availability, and increased beaver activity and in-stream complexity. The project will also provide habitat benefits to neo-tropical migratory birds and waterfowl, and other ESA-listed wildlife.

REGIONAL TEAM RECOMMENDATION: Fund with conditions:

- 1) Reduce fiscal administration to between 5 and 8 percent of the OWEB request;
- 2) The grant agreement for Plant Establishment will require an extended commitment through 2013;
- 3) To address potential conflict of interest, the Restoration grant agreement will require, prior to a first payment, evidence of third-party involvement (for example, LCREP or other organization be involved) in selecting the salmon-safe nursery that will be providing plants; and
- 4) Both grant agreements will require upon project completion a letter or email from LCREP and OPRD acknowledging that they have inspected and signed off on the implementation and establishment phases.

REGIONAL TEAM PRIORITY: 8 of 15

CAPITAL AMOUNT: \$86,740 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced amount of \$86,740 with conditions:

- 1) Reduce fiscal administration to no more than five percent of the OWEB request;
- 2) The grant agreement for Plant Establishment will require an extended commitment through 2013;
- 3) To address potential conflict of interest, the Restoration grant agreement will require, prior to a first payment, evidence of third-party involvement (for example, LCREP or other organization be involved) in selecting the salmon-safe nursery that will be providing plants; and
- 4) Both grant agreements will require upon project completion a letter or email from LCREP and OPRD acknowledging that they have inspected and signed off on the implementation and establishment phases.

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3008	PROJECT TYPE:	Restoration
PROJECT NAME:	Harris Creek Culvert Replacements		
APPLICANT:	Luckiamute WSC		
BASIN:	WILLAMETTE	COUNTY:	Polk
OWEB FUNDS REQUESTED:	\$110,189	TOTAL COST:	\$144,884

APPLICATION DESCRIPTION:

Existing culverts in Harris Creek, a tributary to the upper Luckiamute River, are fish passage barriers. The culverts are perched, too small to effectively pass bank full flows, and the upper crossing is causing extreme channel and bank erosion. The project proposes to replace the lower culvert with a bottomless pipe arch. The paired 6-foot diameter upper culverts will be replaced with a counter-sunk pipe arch. The designs will conform to industry construction and installation standards, ODFW sizing and fish passage guidelines, and will adequately pass 100-year peak flow events. Partners include the landowners, ODFW, ODF, and National Fish and Wildlife Foundation. OWEB funds will be used for pre-implementation design, supplies and materials, and contracted services.

REGIONAL TEAM REVIEW:

The project will provide definite benefits for winter steelhead and cutthroat trout by opening up spawning habitat above the culverts. Reviewers appreciated that this project was resubmitted separate from the bridge pilings removal project (211-3012). Still, they found the application somewhat lacking. They would have liked a discussion of what the habitat conditions currently are above the culverts. Reviewers wanted to see more county involvement; the Land Use form was included but not yet signed; not all participating landowners provided letters of support although private match is strong. Reviewers appreciated the letter with budget detail from the contractor, but they nevertheless found the design cost to be high. They also found the hours for project management to be excessive, and did not feel that the project merited the full 10 percent in fiscal administration. Finally, reviewers felt that some of the cost savings from the above budget reductions could be directed toward erosion control, which was lacking from the budget.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The replacement of perched, undersized culverts on Harris Creek (a tributary to the Upper Luckiamute River) will open approximately 1.2 miles of good spawning and rearing habitat for winter steelhead and cutthroat trout.

REGIONAL TEAM RECOMMENDATION: Fund reduced with conditions: Reduce fiscal administration costs, project management hours and costs, and design costs. Put some of the savings toward erosion control following culvert replacement.

REGIONAL TEAM PRIORITY: 14 of 15

CAPITAL AMOUNT: \$110,189 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3011	PROJECT TYPE:	Restoration
PROJECT NAME:	Trillium Creek Restoration Project at Mary S. Young Park		
APPLICANT:	City of West Linn		
BASIN:	WILLAMETTE	COUNTY:	Clackamas
OWEB FUNDS REQUESTED:	\$79,513	TOTAL COST:	\$155,802

APPLICATION DESCRIPTION:

The Trillium Creek restoration project is located in the City of West Linn. The stream is characterized by streambank erosion, flooding and sediment deposition downstream, non-native riparian vegetation, and degraded fish habitat. The applicant proposes to raise the stream channel to reconnect it to the abandoned floodplain. The new channel will have the cross-sectional area and longitudinal profile of a stable channel. Habitat structures will include boulders, large wood, and cross vanes. Instream structures will create pools, glides, and riffles and provide grade control to prevent head cutting until mature riparian vegetation is established. Stream bank and floodplain stabilization includes planting with native riparian herbaceous plants, shrubs, and trees. The City of West Linn will implement effectiveness monitoring. OWEB funds will be used primarily for contracted services and supplies and materials.

REGIONAL TEAM REVIEW:

Reviewers appreciated the site visit and the enthusiasm of the applicant. They also appreciated the effort the applicant put in on the Riparian Plant Insert subsequent to the application deadline and prior to the review team meeting. The project has strong partnerships and secured match.

While reviewers acknowledged that the project could possibly provide benefits for fish, especially with the planned removal of most of the downstream culverts, they had significant concerns about the project as whole. The project site is located far up in the watershed away from the Willamette River and a long underground culvert, not slated for removal, is just below the project site. The project design, involving 20 cross vanes, struck reviewers as excessive for such a relatively small area. The cost was high for the small amount of stream that would be restored.

REGIONAL TEAM RECOMMENDATION: Do Not Fund

STAFF RECOMMENDATION TO BOARD: Do Not Fund

Oregon Watershed Enhancement Board

Region 3 (Willamette Basin) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3012	PROJECT TYPE:	Restoration
PROJECT NAME:	Upper Luckiamute Bridge Pilings Removal		
APPLICANT:	Luckiamute WSC		
BASIN:	WILLAMETTE	COUNTY:	Polk
OWEB FUNDS REQUESTED:	\$36,658	TOTAL COST:	\$53,287

APPLICATION DESCRIPTION:

Two sets of concrete bridge pilings remain from the old Valley and Siletz Railroad line on the upper Luckiamute River. The pilings have accumulated massive log jams on a bedrock substrate that serve as partial barriers to upstream migration of native steelhead and cutthroat trout. The obstructions have caused a widening of the channel and bank erosion, potentially endangering private property. Partners include the landowners, ODFW, ODF, and National Fish and Wildlife Foundation. OWEB funds will be used for contracted services.

REGIONAL TEAM REVIEW:

The project addresses limiting factors, the budget is reasonable, and match is excellent. The contractor is experienced and proven.

Since the applicant has completed another bridge piling removal on Rittner Creek, reviewers would have appreciated a brief summary of that project and lessons learned, if any. A new project manager has been hired since the previous application, but no information was provided on his qualifications or experience.

Concern was expressed about a sediment wedge upstream of the uppermost pilings that could blow out with their removal. Reviewers therefore would like the applicant to conduct a longitudinal profile upstream of the uppermost pilings to evaluate the bedload. The area has a huge knotweed problem, and reviewers understand that the applicant will work to control it through a separate Strategic Investment Partnership application to OWEB.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The removal of two sets of railroad bridge pilings on the Luckiamute River will reduce erosion and open unrestricted passage to approximately 12 miles of steelhead and cutthroat trout spawning and rearing habitat.

REGIONAL TEAM RECOMMENDATION: Fund with conditions: Evaluate the bedload upstream of the uppermost pilings through use of a longitudinal profile.

REGIONAL TEAM PRIORITY: 4 of 15

CAPITAL AMOUNT: \$36,658 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions The grant agreement will require the grantee to submit to the OWEB Project Manager an evaluation of the bedload upstream of the uppermost pilings through use of a longitudinal profile before any grant funds are released to the grantee. If the evaluation shows the bedload is not a concern, the project can proceed. If the bedload is of concern, funds for the project will not be released until the grantee has addressed the issue to the satisfaction of the OWEB Project Manager.

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3014	PROJECT TYPE:	Restoration
PROJECT NAME:	Willamette River and Johnson Creek Confluence Salmon Habitat Improvement		
APPLICANT:	Johnson Creek WSC		
BASIN:	WILLAMETTE	COUNTY:	Clackamas
OWEB FUNDS REQUESTED:	\$136,796	TOTAL COST:	\$294,371

APPLICATION DESCRIPTION:

The Lower Willamette River (defined as the 22 river miles between the Clackamas River input and the Multnomah Channel) suffers from lack of habitat complexity and floodplain interaction which is critical for rearing, migrating, and spawning salmonids. This project is located at the confluence of the Willamette River and Johnson Creek in Clackamas County. The project reach is defined as the quarter-mile stretch from the 17th Avenue Bridge crossing over Johnson Creek downstream to the creek's confluence with the Willamette River. The project will provide increased habitat complexity for numerous species, including federally listed coho salmon, steelhead trout, and spring Chinook salmon. All of the fish produced in the upper and mid-Willamette River basin migrate past the confluence with Johnson Creek and will benefit from improved cover and resting habitat resulting from the project. An effectiveness monitoring program will conduct spawning surveys and evaluate channel morphology, substrate, woody debris structures, and canopy cover for at least five years post implementation. OWEB funded initial project design to a 30 percent level for this project. Project design is now 90 percent complete. Partners include the Oregon Governor's Fund, Jubitz Family Foundation, City of Portland, and PGE. OWEB funds will be used primarily for contracted services and project management.

REGIONAL TEAM REVIEW:

Reviewers saw this application as a high priority for recovery planning, and ranked it as the top restoration project in the Willamette Basin. The application showed excellent match and good detail was provided in the budget. Reviewers appreciated the applicant's willingness to revise the application and scale it back. As a result, the cost to OWEB has come down considerably. Reviewers have high confidence in the designer and noted that this confluence project will benefit multiple listed fish species.

One reviewer commented that the application neglected to state that the biggest beneficiary of retaining gravel in the creek will be chum. Reviewers felt that in-house personnel hours and costs were excessive. The line item for the Outreach Associate is a non-capital expense.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The strategic placement of large wood structures and boulder clusters along Johnson Creek and the Willamette River floodplain will help retain gravels for spawning and promote scour pool development. This will help restore habitat complexity, which will provide cover and refuge habitat for federally listed Chinook and coho salmon and chum and steelhead trout.

REGIONAL TEAM RECOMMENDATION: Fund reduced: 1) reduce In-House Personnel costs, and 2) move Outreach Associate to non-capital.

REGIONAL TEAM PRIORITY: 1 of 15

CAPITAL AMOUNT: \$126,750 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced rate of \$126,750 to reflect reduced in-house personnel costs and the elimination of proposed education/outreach activities due to limited non-capital funds.

**Oregon Watershed Enhancement Board
Region 3 (Willamette Basin) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-3015 **PROJECT TYPE:** Restoration
PROJECT NAME: Peckenpaugh Watershed Enhancement
APPLICANT: Linn SWCD
BASIN: WILLAMETTE **COUNTY:** Linn
OWEB FUNDS REQUESTED: \$175,562 **TOTAL COST:** \$234,347

APPLICATION DESCRIPTION:

Currently, a failing 1960s Soil Conservation Service project is causing herbicides and sediments to run off farmland and enter Muddy Creek, a tributary to the Willamette River. The proposed action is to grade and stabilize the severely eroded 5,380-foot stretch and install four acres of filter, or a grassed waterway. The project will adhere to Best Management Practices, designed by Oregon State University and USDA Agricultural Research Service. OWEB funds will be used primarily for design, contracted services, and supplies and materials.

REGIONAL TEAM REVIEW:

Reviewers wanted to support this project because they felt it would provide a valuable demonstration to local area farmers on ways to address problems of on-farm erosion and runoff. However, reviewers found the application to be poorly written and lacking necessary detail for a proper evaluation. The application did not clearly describe what the project components would be. While the site visit cleared up many of the questions that arose from a reading of the application, reviewers expect applications to be the definitive description of proposed projects. They were concerned that the engineering and implementation design was not clear.

Reviewers would have like to have had the Effectiveness Monitoring insert completed so that a direct link to the project's impact on water quality can be made. They felt that wood, rather than boulders, were more appropriate.

Due to the poor quality of the application, reviewers did not recommend it for funding. They noted that they review many other project applications that provide more direct watershed benefits and that restore natural conditions and habitat. As a result, reviewers felt this project will have a hard time competing with projects that more directly address watershed process and function. Reviewers encourage the applicant to investigate project funding through NRCS and DEQ 319.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do Not Fund

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3016	PROJECT TYPE:	Restoration
PROJECT NAME:	Vanport Culvert Removal and Stream Enhancement		
APPLICANT:	Clackamas River Basin Council		
BASIN:	WILLAMETTE	COUNTY:	Clackamas
OWEB FUNDS REQUESTED:	\$96,012	TOTAL COST:	\$123,458

APPLICATION DESCRIPTION:

A squashed culvert on the North Fork of Deep Creek, a tributary to the Clackamas River, impedes fish migration and is improperly designed to withstand high flows and pass debris. The culvert is topped by rotting log spanners, and 15 feet of fill and has been compromised by high flows, causing erosion of the road grade and adjacent banks. Another flood event could cause a catastrophic failure resulting in excess sediment/debris entering the creek. The crossing is no longer needed by the owner, Vanport Manufacturing, and the applicant proposes to remove it entirely. Partial designs for the removal and enhancement of the area have been developed by GeoEngineers. OWEB project funds will be used to: 1) finalize the engineering designs, 2) apply for permits and secure project materials, 3) remove the culvert/crossing, 4) install a erosion resistant roughened stream channel in its place, along with multiple large wood structures for habitat and channel function, and 7) plant adjacent stream banks with native vegetation. Removal of the culvert will help open up more than 16 miles of upstream habitat.

REGIONAL TEAM REVIEW:

Overall, reviewers found the proposed solution to be much more complicated and expensive than is necessary for what should be a straightforward removal of an undersized culvert. Reviewers felt that the proposal for a hardened grade control is unnecessary, given the stream's overall low gradient. The plunge pool below the culvert will fill in naturally, and reviewers questioned the application's concern about a resulting head cut, given the stream's low gradient. They found some budget costs to be excessive, such as re-vegetation, engineering, and fiscal administration. They would have preferred to have seen detail, rather than a lump sum, for the engineer. A site visit turned up two large run-off pipes on either side of the channel downstream of the culvert. These should have been addressed in the application. The proposal would have been improved by providing more detailed information about the 16 miles of habitat. Reviewers also were concerned that the riparian zone has little to no vegetation and wanted the site to have a more comprehensive strategy for addressing riparian vegetation and run-off drainage in addition to removing the culvert.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do Not Fund

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3017	PROJECT TYPE:	Restoration
PROJECT NAME:	Wren Nectar Network		
APPLICANT:	Marys River WSC		
BASIN:	WILLAMETTE	COUNTY:	Benton
OWEB FUNDS REQUESTED:	\$59,778	TOTAL COST:	\$105,678

APPLICATION DESCRIPTION:

The Wren area in the Marys River Watershed is identified as a key nectar zone in the draft Benton County Prairie Species Habitat Conservation Plan. Host and nectar plant habitats for at-risk butterfly species are currently fragmented, resulting in small, isolated populations of at-risk Fender's blue and Taylor's checkerspot butterflies. The applicant seeks to expand the distribution and abundance of nectar sources for these prairie-dependent species. Specifically, the applicant proposes to plant multiple nectar species on private lands between known lupine sites to support the expansion of existing butterfly populations and to provide stepping stones for butterfly dispersal between existing host sites. The project will create a nectar network between known Wren host sites and other habitat areas, and will facilitate genetic exchange throughout the area's metapopulation of at-risk butterflies. OWEB funds will be used for project design, to purchase plant material, conduct site preparation, and to plant and maintain nectar species for Fender's blue and Taylor's checkerspot butterflies on private lands. Project partners include the US Fish and Wildlife Service, Northwest Youth Corps, Benton County, and the Institute for Applied Ecology.

REGIONAL TEAM REVIEW:

While this project does not officially count toward recovery planning because of its occurrence on non-protected private lands, it still appealed to reviewers on a number of levels. Fundamentally, they saw the project as an important effort in upland prairie restoration that builds on strong area plans and long-established, productive relationships with willing, enthusiastic private landowners. The county is seeking to purchase key parcels to add to the nectar network, and involving surrounding private landowners in the official network can only deepen the local stewardship ethic and benefit the at-risk butterflies. The application was well-written, with strong partnerships and match, and a reasonable budget.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The development of a private landowner nectar network will complement ongoing and planned federal and county efforts to provide critical host sites for at-risk Fender's blue and Taylor's checkerspot butterflies.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 9 of 15

CAPITAL AMOUNT: \$56,530 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced rate of \$56,530 to reflect the elimination of Education and Outreach activities due to limited non-capital funds.

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3018	PROJECT TYPE:	Restoration
PROJECT NAME:	Marys River Fish Log Bank		
APPLICANT:	Marys River WSC		
BASIN:	WILLAMETTE	COUNTY:	Benton
OWEB FUNDS REQUESTED:	\$25,630	TOTAL COST:	\$32,050

APPLICATION DESCRIPTION:

In the Marys Watershed, past logging practices, stream clearing, and channel straightening have left a legacy of simplified channels with inadequate sources of large wood to provide optimal stream function and fish habitat. Many of the applicant's restoration projects include large wood placement. While several local partners contribute large wood for projects, the council does not have funds to yard and store the logs near project sites. The applicant proposes to create a log yarding and hauling fund to cover the costs of yarding available logs and hauling them to project sites. OWEB funds will be used primarily contracted services.

REGIONAL TEAM REVIEW:

Reviewers were conflicted about this application. On the one hand, all appreciated the need for yarding logs as they become available. On the other hand, reviewers saw support for this project as a "slippery slope." If funded in the Marys Watershed, would other councils in the basin seek their own yarding operations? Would multiple yarding operations be the best use of OWEB funds? How could the operations be sustained over time? They thought a regional bank would have more traction, and encouraged the applicant to investigate interest in the concept, as well as a means for sustaining such an effort. Finally, reviewers noted that if OWEB were to pay for the yarding and hauling of specific logs, then those logs could not be used as match in future projects.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project would have no direct benefits to watershed and ecosystem functions and processes until the wood could actually be deployed to a restoration project site. Then, it would provide valuable instream habitat for fish.

REGIONAL TEAM RECOMMENDATION: Fund with conditions. Grantee must document that the stored logs were used in restoration projects.

REGIONAL TEAM PRIORITY: 15 of 15

CAPITAL AMOUNT: \$25,630 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

**Oregon Watershed Enhancement Board
Region 3 (Willamette Basin) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-3019	PROJECT TYPE:	Restoration
PROJECT NAME:	Duffy Creek Fish Habitat Improvement		
APPLICANT:	Marys River WSC		
BASIN:	WILLAMETTE	COUNTY:	
OWEB FUNDS REQUESTED:	\$75,253	TOTAL COST:	\$103,573

APPLICATION DESCRIPTION:

Duffy Creek provides the highest priority anchor habitat for cutthroat trout in the Beaver Creek subwatershed of the Marys River Watershed. Beaver Creek is dominated by agriculture in the lowlands, and timber production in the uplands, with an overlay of rural residential use. In its lower reaches, Duffy Creek displays a legacy of channel straightening associated with agricultural land reclamation. Headcutting is occurring, with the potential to affect additional area upstream. The applicant proposes a holistic, multi-landowner effort to reintroduce channel-floodplain connections along a two-mile segment of Duffy Creek. This will be accomplished by reconnecting historical channels and alcoves, a series of log placements, and strategic riparian planting and fencing. Two small culverts will be replaced to provide access to spawning tributaries. OWEB funds will be used for pre-implementation activities, project management, equipment operation (log placement, culverts, alcoves, and riparian site preparation), riparian planting, fencing and supplies.

REGIONAL TEAM REVIEW:

Reviewers saw this project as ambitious, but comprehensive, taking a whole watershed approach and “covering all the bases.” They particularly liked the emphasis on improving beaver habitat, as well as the emphasis on fencing. The project complements previous work done in the subwatershed, and reviewers have high confidence in the two project managers. The application was well put-together. Reviewers appreciated the excellent landowner outreach that has been done in the Beaver Creeek watershed and liked that the project used a good project designer and the design is completed. The budget was straightforward and the match strong. In addition to cutthroat, steelhead and Chinook salmon will benefit from the project. They commented they were disappointed there is not more landowner match.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Replacement of the culverts and/or the construction of grade control structures below existing culverts will open up five miles of habitat and improve fish passage (primarily cutthroat trout) in the Beaver Creek subwatershed.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 11 of 15

CAPITAL AMOUNT: \$49,414 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced rate of \$49,414. Subsequent to the review team meeting, the applicant notified staff that they had received significant match support, and they therefore offered to reduce their request to OWEB by nearly \$25,000. Hence the reduced award of \$49,414.

**Oregon Watershed Enhancement Board
Region 3 (Willamette Basin) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-3020	PROJECT TYPE:	Restoration
PROJECT NAME:	Lupine Meadows Habitat Restoration Phase 2		
APPLICANT:	Greenbelt Land Trust		
BASIN:	WILLAMETTE	COUNTY:	Benton
OWEB FUNDS REQUESTED:	\$71,430	TOTAL COST:	\$99,968

APPLICATION DESCRIPTION:

The 58-acre Lupine Meadows property in the Marys Watershed of Benton County contains a mix of low-to good-quality upland and wet prairies. These prairies provide habitat for several threatened and endangered species: Fender's blue butterfly, Kincaid's lupine, and Nelson's checkermallow, as well as re-introduced populations of Willamette daisy, Bradshaw's lomatium, and golden paintbrush. Non-native invasive plant species and native woody plants have been invading the prairies and threatening to displace native species, several of which are important nectar and host species for the Fender's blue butterfly. The proposed solution is to treat invasive species (non-native and woody trees and shrubs) on 25 acres of prairie with mechanical and chemical means and prescribed fire and replace with seeding and planting of native species. Long-term maintenance will be accomplished through periodic disturbance of mowing or prescribed fire. Partners include the US Fish and Wildlife Service (USFWS) and the Institute for Applied Ecology. OWEB funds will be used for contracted services, plant materials, and project management.

REGIONAL TEAM REVIEW:

The project is an anchor site for recovery of at-risk plant and butterfly species because it has a sustaining, independent population of Fender's blue butterfly and is protected by a conservation easement. The project builds on a successful first phase and provides a key steppingstone in the network of federal recovery zones for at-risk plants and butterfly species. The limiting factor on the site is nectar resources for butterfly populations, and the proposed solution of seeding/planting with periodic disturbance should greatly increase the site's biodiversity. There is good cash match, and neighborhood outreach is strong. The application was well-written, but missing a letter of support from a key partner, USFWS. Also, given the exurban location, the project has high education potential; reviewers would have liked to have seen an education and outreach component. They wondered whether interpretive signage at access points would be appropriate.

WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES

Restoration on 25 acres of wetland and upland prairie will reduce the area-wide effects of host/nectar plant fragmentation and genetic isolation dependent at-risk butterfly species. With planting/seeding and periodic controlled disturbance, genetic diversity should be improved.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 3 of 15

CAPITAL AMOUNT: \$71,030 NON-CAPITAL AMOUNT: \$ 400

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 3 (Willamette Basin) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-3023	PROJECT TYPE:	Restoration
PROJECT NAME:	Restoring and Expanding Grassland Bird Habitat in the Willamette Valley		
APPLICANT:	Institute for Applied Ecology		
BASIN:	WILLAMETTE	COUNTY:	
OWEB FUNDS REQUESTED:	\$289,941	TOTAL COST:	\$1,089,206

APPLICATION DESCRIPTION:

The project is located in the mid-Willamette Valley on public land within both Finley and Baskett Butte National Wildlife Refuges and on adjacent private lands that have recently been enrolled in the NRCS Wetlands Reserve Program. Populations of grassland birds and their associated plant communities have steadily declined in the valley over the past 40 years because of land conversion, natural succession, and land management practices that have degraded the communities. Oregon's state bird, the western meadowlark, has become rare throughout the valley. Like other grassland birds, their diet is composed mostly of seeds and invertebrates that depend on many different and vanishing native plant species. The applicant proposes to restore 392 acres strategically located in and around core meadowlark populations. Treatments will convert agricultural fields into suitable prairie habitat and increase habitat connectivity between restoration sites and core breeding sites.

Effectiveness monitoring will help evaluate grassland bird response to habitat restoration while vegetation monitoring will document rates of establishment of native species. Pairing bird and vegetation monitoring will help determine key habitat characteristics that will guide the creation of new habitat. OWEB funds will be used primarily for in-house personnel, supplies and materials, and effectiveness monitoring.

REGIONAL TEAM REVIEW:

The western meadowlark is one of the major indicator species linked to the Oregon Conservation Strategy. The applicant has much experience and success with large-scale wetland and prairie restoration. The budget is reasonable, though some reviewers felt that the applicant could have contributed more in-kind match. The proposed effectiveness monitoring is sound, with the right questions being asked.

The Non-Capital portion of the budget needs to be reduced to no more than \$2,500 in keeping with staff's efforts to reduce overall demand on limited non-capital funds.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This large-scale restoration project will improve essential grassland habitat and associated plant communities for western meadowlark recovery in the mid-Willamette Valley.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 10 of 15

CAPITAL AMOUNT: \$284,553 **NON-CAPITAL AMOUNT:** \$2,500

EFFECTIVENESS MONITORING AMOUNT: \$28,907

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$287,053. Reduce non-capital funds to \$2,500.

REGIONAL TEAM RECOMMENDATION: Fund with Conditions: Submit a new budget that 1) Reduces project management costs and in-house personnel costs; and 2) removes the line item cost to OWEB for “Year 3 follow up and plant survey”. Consider budgeting for tree protectors.

REGIONAL TEAM PRIORITY: 12 of 15

CAPITAL AMOUNT: \$63,923 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

Oregon Watershed Enhancement Board

Region 3 (Willamette Basin) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3025	PROJECT TYPE:	Restoration
PROJECT NAME:	Upper Poodle Creek Fish Passage, Channel, and Riparian Restoration		
APPLICANT:	Long Tom WSC		
BASIN:	WILLAMETTE	COUNTY:	Lane
OWEB FUNDS REQUESTED:	\$209,924	TOTAL COST:	\$360,624

APPLICATION DESCRIPTION:

The project is located in the upper Poodle Creek drainage in the Long Tom Watershed, and will address the following issues: 1) a fish passage barrier culvert blocking access to 1.5 miles of excellent cutthroat trout spawning habitat; 2) 500 feet of historically straightened/channelized stream which has reduced the amount of in-stream habitat available to cutthroat and other native fish, decreased floodplain interaction, increased erosion, and altered natural sediment transport processes; and 3) insufficient riparian forest area. The proposed solution includes replacing the culvert with a counter-sunk, stream-simulation culvert; abandoning 500 feet of straightened channel and creating 1,700 feet of new, meandering channel in the landowners' pasture; and creating a nine-acre riparian/wetland forest along the new channel of Poodle Creek and 900 feet of Jack Hays Creek at its confluence with Poodle Creek. Effectiveness monitoring will involve pre- and post-project stream channel surveys, macro-invertebrate community surveys, and snorkel surveys to evaluate fish species composition and abundance. Project partners include the Bureau of Land Management, Farm Services Agency (CREP), and volunteers. OWEB funds will be used to pay for the channel restoration component of the project, which will entail design, permitting, channel excavation, supplies and materials, effectiveness monitoring, and project management.

REGIONAL TEAM REVIEW:

Reviewers liked the project and greatly appreciated the willingness of the landowners to sacrifice a good portion of their meadow to re-meander the stream. The application was well-written and the planting plan was clear and reasonable.

However, they felt that parts of the design were excessive and that the project could be accomplished for less while still providing benefit to cutthroat. Specifically, they felt that the amount of large wood and boulders could be greatly reduced since the site gradient is less than one percent. One reviewer suggested instead that a limited amount of wood and boulders be spread on the floodplain. Another felt that boulders are not natural or appropriate for the site at all.

Although the applicant detailed project management/in-house personnel hours in R3, reviewers still felt that the 667 hours for project management were excessive. They recognized that slightly more than half those hours were designated as match, but they felt the overall number of hours was inflated. Moreover, it was unclear to reviewers where project management (staff) and construction oversight (contractor) diverged. Reviewers did not like the nearly \$22,000 lump sum for design and would have appreciated more detail. Finally, reviewers noted that more than \$28,000 was to go to fiscal administration. While \$10,000 of that was shown as match, just the \$18,000 asked of OWEB struck many as steep.

Reviewers talked about recommending the project for funding, but were reluctant to make the call on what needed to be reduced or eliminated from the budget and by how much. They encourage the applicant to resubmit the application with a scaled-back design and a tighter budget.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do Not Fund

Oregon Watershed Enhancement Board

Region 3 (Willamette Basin) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3026	PROJECT TYPE:	Restoration
PROJECT NAME:	Mid-Coyote Fish Passage, Water Quality, and Riparian Restoration		
APPLICANT:	Long Tom WSC		
BASIN:	WILLAMETTE	COUNTY:	Lane
OWEB FUNDS REQUESTED:	\$263,858	TOTAL COST:	\$380,998

APPLICATION DESCRIPTION:

This project is located on three private ownerships along Coyote Creek. Other major streams included in the project include Jordan and Nighswander creeks. The applicant proposes to replace or remove six fish passage barriers on Jordan Creek; one will be removed, two replaced with a rock crossing, and two will be replaced with appropriately sized culverts. The sixth passage barrier is an irrigation dam, which will be removed and replaced with an off-channel irrigation reservoir. Nearly 1,500 feet of livestock exclusion fencing and 18 acres of riparian enhancement will be implemented on all three creeks. Off-channel livestock watering will be installed at seven locations. Oak savanna/woodland enhancement will occur on 16 acres. Effectiveness monitoring of the fish passage/water quality enhancement on Jordan Creek will include snorkel surveys and summer temperature monitoring. OWEB funds will be used for project management, engineering design and oversight, permits, contracted services, supplies materials, tree/shrub establishment, and effectiveness monitoring.

REGIONAL TEAM REVIEW:

This application has been submitted several times and has not been recommended for funding due to concerns that the applicant was not addressing the underlying issue of the historically straightened channel. This resubmitted application included the original project, largely unchanged, plus the addition of two landowners. Reviewers found the additional projects to be short on detail. A lot is going on in the application, and reviewers found it difficult to read and sort through the various project elements.

The planting plan seemed reasonable and straightforward. Given the area's issues with E. coli and turbidity, one reviewer felt that a range of water quality parameters, in addition to the proposed temperature monitoring, needs to occur with the project's effectiveness monitoring. Addition errors appeared in the OWEB column of the Effectiveness Monitoring insert. In the Restoration budget under In-House Personnel, permit costs belong instead under Pre-Implementation. No mention was made of how wide the fenced-off corridor will be. Not much detail was provided on what the project manager's position would actually be doing for 9.5 weeks on all of this.

Reviewers continued to disagree on the issues on the original property. Some felt that the channel reconstruction should have been pulled from the project and submitted separately. Others noted that the point of including the two new landowners was to demonstrate a commitment to fish passage in the entire subwatershed. All again acknowledged that the landowners have come a long way from the original technical assistance. Even though the landowners remain unwilling to re-meander the channel, they are willing to put money and time into the project. There is a benefit to removing the dam structure and replacing it with an off-channel diversion. In the end, reviewers recognized that the landowners are making important concessions in their farm operations to implement the project, and the application addresses limiting factors through a comprehensive approach to the system. While the proposed solution is not ideal, reviewers felt that it will improve water quality and provide modest benefits for fish.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Process and function will largely be addressed outside the stream, even though six fish passage barriers will be remediated. The project will improve water quality through increased shading, off-stream fencing and watering, and relocation of the irrigation reservoir. Also, the project will enhance bird habitat.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 13 of 15

CAPITAL AMOUNT: \$263,858 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$3,761

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

**Oregon Watershed Enhancement Board
Region 3 (Willamette Basin) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-3027	PROJECT TYPE:	Restoration
PROJECT NAME:	Radio Telemetry SCADA System and Gate Automation		
APPLICANT:	Santiam Water Control District		
BASIN:	WILLAMETTE	COUNTY:	Marion
OWEB FUNDS REQUESTED:	\$111,650	TOTAL COST:	\$341,300

APPLICATION DESCRIPTION:

The Santiam Water Control District (SWCD) proposes to install a radio telemetry Supervisory Control and Data Acquisition (SCADA) system at four sites. The system will improve the district's ability to manage and monitor water in an area that is flow-critical for endangered species. The system will include automating one of the district's main head gates, and remotely monitoring and controlling the main fish screen. A base station and main computer will be installed at the district office, including automatic alarm dialing software. The district's hydropower facility will be included and will have level monitoring and alarm system integration. The system will provide long-term recording of levels that will help record and identify diversion rates and benefits of the system.

REGIONAL TEAM REVIEW:

Reviewers felt the application did not meet the threshold for evaluation, as it was not complete enough to review. The project appeared not to be suitable for a restoration application and it lacked key partnerships (e.g., ODFW, City of Salem) and associated letters of support. The intent of the SCADA system is to conserve water by automating water use. However, the water is traditionally over-subscribed, so it was unclear to reviewers how water ultimately would be conserved. Reviewers also wondered whether the SCADA system, or something similar to it, will be required by the Federal Energy Regulatory Commission. If that is the case, or will be the case, OWEB would not be able to fund the project (OAR 695-010-0040(3)).

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do Not Fund

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3028	PROJECT TYPE:	Restoration
PROJECT NAME:	N. and S. Scappoose Creek Confluence Restoration		
APPLICANT:	Scappoose Bay WSC		
BASIN:	WILLAMETTE	COUNTY:	Columbia
OWEB FUNDS REQUESTED:	\$153,758	TOTAL COST:	\$224,378

APPLICATION DESCRIPTION:

The project is located at the confluence of North and South Scappoose creeks in the Scappoose Bay Watershed. Scappoose Bay is located near the confluence of Multnomah Channel and the Columbia River. The project proposes address degrading creek conditions and disconnection of the floodplain at the confluence of these two important salmon-bearing creeks. The main goal of the project is to restore the function of the alluvial fan and to improve habitat. Outcomes include enhancing floodplain connectivity by grading out the head of the existing network of secondary channels; providing fish habitat by placing large wood instream; enhancing backwater habitat; managing sediment inputs into the creek; and reestablishing four acres of a healthy riparian forest. Baseline monitoring will measure changes in the biological and geomorphic conditions at the site before and after implementation over a 5-year period. Partners include National Fish and Wildlife Foundation, Lower Columbia River Estuary Program, Columbia SWCD, and ODFW. OWEB funds will be used for project construction, riparian restoration and plant establishment, project management, administration, effectiveness monitoring, and reporting.

REGIONAL TEAM REVIEW:

The project is the second highest priority restoration project for the region. Reviewers were pleased with the resubmission, feeling that the applicant addressed their many concerns from the previous submission, and developed thoughtful planting and effectiveness monitoring plans. The cost to OWEB has come down due to a reduction in the number of engineered log jams and scaled-back plans in the alcove-floodplain area. All in all, reviewers appreciated the "lighter touch" of this proposal, and they are curious to see through the effectiveness monitoring whether the project will succeed in slowing erosion and sedimentation. The budget continued to show a number of lump sums without further explanation; they encourage the applicant to do a better job with budget detail in both the budget and question R15 in future submissions.

The Riparian Plant Establishment and Restoration budgets will need to be revised so that the former contains only plant establishment-related costs and the latter all other planting costs. The Effectiveness Monitoring budget will need to be revised to shift the water level logger and laser level into the Non-Capital Equipment budget category. Match will need to pick up \$700 of the equipment as staff has limited the budget category to no more than \$2,500 per grant due to limited non-capital funding.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This project will enhance floodplain connectivity to a secondary channel and slow erosion, improving important spawning habitat for chum and fall Chinook.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 2 of 15

CAPITAL AMOUNT: \$151,358 **NON-CAPITAL AMOUNT:** \$2,400

EFFECTIVENESS MONITORING AMOUNT: \$28,490

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 3 (Willamette Basin) Review Team
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APPLICATION NO.: 211-3002	PROJECT TYPE: Technical Assistance
PROJECT NAME: Multnomah Creek Restoration - Phase I	
APPLICANT: Lower Columbia River Estuary Partnership	
BASIN: WILLAMETTE	COUNTY: Multnomah
OWEB FUNDS REQUESTED: \$48,195	TOTAL COST: \$96,416

APPLICATION DESCRIPTION:

This is Phase I of a multi-phase restoration project to enhance and restore spawning and rearing habitats for ESA-listed species (Lower Columbia River Chinook coho, and steelhead) in and along Multnomah and Wahkeena creeks. The applicant seeks technical assistance to determine the most feasible restoration strategy for this site. The applicant proposes to collect water temperature, topography, hydrology, and geomorphology data and to compile fish usage information. Using these data and working with project partners (US Forest Service, Oregon State Parks, Friends of the Columbia Gorge, and Oregon Department of Fish and Wildlife), the applicant will then (1) formalize goals and objectives for the site and (2) assess the feasibility and benefits of multiple restoration/enhancement alternatives, focusing on the site's limiting factors as well as on the project's goals and objectives. OWEB funds will be used principally for data collection and analysis.

REGIONAL TEAM REVIEW:

Reviewers were challenged by this application, which they did not really see as a TA1, design application. The focus is on data collection, and not on the development of a permit-ready plan, which is always the case with a TA1 application. For this reason, the project, as currently envisioned, is more appropriate for a monitoring application. Reviewers liked the focus on in-house expertise, but wondered why the Forest Service could not do the GIS as in-kind match.

The application could have been strengthened by more discussion on the benefits of a future restoration project to fish and wildlife. Though the project site is limited by permanent features – Interstate 84 and railway line, as well as Multnomah Falls – reviewers felt that the project could offer some benefits to fish beyond the two creeks.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do Not Fund

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3009	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Yamhill Basin Action Plan		
APPLICANT:	Yamhill Basin WSC		
BASIN:	WILLAMETTE	COUNTY:	
OWEB FUNDS REQUESTED:	\$46,860	TOTAL COST:	\$71,146

APPLICATION DESCRIPTION:

The Yamhill Basin supports populations of listed Upper Willamette River Chinook and steelhead. The basin currently has no comprehensive action plan that identifies habitat restoration and protection priorities for the watershed. This project brings together diverse community stakeholders and technical specialists to develop for the basin a prioritized restoration action plan, with a five-year time horizon. The planning process will examine priorities by subwatershed, reach, and site, as well as by project type and effectiveness. The resulting document will detail specific restoration projects prioritized by subwatershed. These projects will be implemented at a rate of at least one a year. The project differs from previous Yamhill Basin action plans in that it involves use of a consultant with proven expertise in action planning, collaboration with diverse stakeholders (including outreach to landowners), and a resulting list of potential prioritized actions. OWEB funds will help pay for a contractor with experience in Willamette Basin action planning and stakeholder outreach.

REGIONAL TEAM REVIEW:

Reviewers were very complimentary of the applicant's desire to integrate existing information and establish priorities for restoration. Nevertheless, they questioned why the 2005 Yamill Basin action plan had been so inadequate, why the applicant had waited until now to improve upon it, and whether a new plan would similarly end up on the shelf.

Reviewers found the contractor hours (398) to be excessive, given that the new plan will integrate existing information, and not need to develop new information. Reviewers also did not like the lump sum in the budget for the contractor's services; more detail is needed. If associates will be involved, a separate line item for their time would be appropriate. Reviewers wanted to see more internal ownership of the process and resulting document, rather than a contractor-driven product. For example, they want the council to engage the broader community in the process, and especially in the resulting action plan. They recommended that the applicant confer with the Calapooia Watershed Council on their community outreach.

REGIONAL TEAM RECOMMENDATION: Fund with conditions. Contractor to provide more detail on services to be provided, and contractor's total hours to be reduced to no more than 300. Some of the savings can then be used for a council-led, community outreach process, as mentioned above.

REGIONAL TEAM PRIORITY: 7 of 7

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$46,860

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

**Oregon Watershed Enhancement Board
Region 3 (Willamette Basin) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-3010	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Lower Sandy River Habitat Assessment and Candidate Site Pre-Design Phase I		
APPLICANT:	Metro		
BASIN:	WILLAMETTE	COUNTY:	Multnomah
OWEB FUNDS REQUESTED:	\$49,650	TOTAL COST:	\$71,218

APPLICATION DESCRIPTION:

The Lower Sandy River Basin supports the bulk of the fall Chinook salmon productivity throughout the basin. The Lower Sandy River functions as an important migration corridor for federally listed runs of juvenile and adult spring and fall Chinook and coho salmon and winter steelhead. In this Phase 1 study, the applicant is proposing to study an eight-mile reach of the lower Sandy River from river mile six at Dabney State Park upstream to Oxbow Regional Park at river mile 14. The project will evaluate potential sites for restoration that can provide habitat value for ESA-listed salmonids, and will complete 10 percent design plans for up to five candidate sites. OWEB funds will be used principally for engineering design.

REGIONAL TEAM REVIEW:

This is the top-ranked technical assistance application for the Willamette Basin. The application and future restoration projects will build on existing efforts in the area. Much study has already occurred; all that remains is selecting the best sites for restoration and developing related designs. Reviewers appreciated that the applicant asked for no fiscal administrative support from OWEB.

Reviewers noted that the application is titled, site “pre-design, Phase 1,” with just 10% designs proposed as the grant deliverable. They were not satisfied with this tentative approach for a region that has been heavily studied and documented. They recommend that designs be brought up at least to 30% for permits. To enable this, reviewers recommend that the design firm focus exclusively on the designs while the project partners sift through the available material (LiDar and hydraulics models) to select the final sites. Reviewers did not think that the line item for raft rentals was an appropriate cost to OWEB.

REGIONAL TEAM RECOMMENDATION: Fund with conditions. Reviewers recommend that the partners use available information to select the sites for restoration. This will free up the design firm to spend its time exclusively on developing related 30 percent designs ready for permitting. Remove the line item for raft rentals from the budget.

REGIONAL TEAM PRIORITY: 1 of 7

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$49,650

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will pay only for development and delivery to OWEB of 30% completed designs ready for permitting. Remove line item for raft rentals (the applicant has since done this).

Oregon Watershed Enhancement Board Region 3 (Willamette Basin) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-3013	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	A Model EDRR Implementation Plan for in the Mid and Upper Willamette Basin		
APPLICANT:	The Nature Conservancy		
BASIN:	WILLAMETTE	COUNTY:	Lane
OWEB FUNDS REQUESTED:	\$26,169	TOTAL COST:	\$43,362

APPLICATION DESCRIPTION:

Early Detection and Rapid Response (EDRR) is the most cost-effective approach to the problem of invasives species, but requires coordination among private and public partners across a large landscape (county or multi-watershed) to share responsibility for implementation. The applicant seeks to hire a professional facilitator to guide partners - including 11 watershed councils, two federal agencies, and other local public and private groups - through the process of creating an EDRR implementation plan with defined roles and responsibilities for the Upper Willamette Valley. Funds will also support a technical expert to ensure local buy-in to the process, adapt existing materials based on partner input, launch the program through a series of staff technical trainings, and contribute to a more efficient delivery of the product. The resulting implementation plan will ensure that resources spent on invasive species are targeted strategically to make the best use of limited resources. OWEB funds will be used principally for facilitation contracted services and facilitated trainings.

REGIONAL TEAM REVIEW:

Reviewers essentially liked the project, feeling that it provides a valuable coordinating service to watershed providers. This is a holistic, regional look at the problem of invasive plants, and seeks to ensure that watershed councils and other providers will coordinate treatment and follow-up efforts across watershed boundaries. Partnerships and match are strong. Reviewers generally acknowledged that the applicant is casting a wider net than previously, involving more partners and working with them to develop a strategic plan for action.

Reviewers found the application to be somewhat confusing. It was unclear what has been accomplished to date, and the budget lacked unit costs in some cases. Some of these questions were cleared up by reviewer-applicant contact prior to the RRT meeting, though the applicant should be aware that applications are considered final upon submission to OWEB.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 4 of 7

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$26,169

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.



Oregon

Theodore R. Kulongoski, Governor

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August 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Rick Craiger, Central Oregon Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 4, Central Oregon
September 14-15, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the Central Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 19 applications for a total request of about \$3.2 million. One Acquisition application for a water lease was submitted; because of the urgency of water conservation needs in the Klamath Basin, this application was pulled from the April cycle, reviewed by the Board Acquisition Subcommittee and members of the Regional Review Team, and funded at the June 2010, OWEB Board meeting. The Central Oregon Regional Review Team (RRT) recommended 10 applications for funding. Staff recommend nine applications for a total award of \$1,719,632: \$1,643,442 for Restoration and \$76,190 for Technical Assistance.

III. Regional Review Team

The Central Oregon RRT met in Redmond on July 13, 2010, to review applications. The RRT reviewed all Restoration and Technical Assistance applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT recommended budget reductions and funding conditions for some of the applications, as described in the Region 4 Review Team Evaluations for April 19, 2010, Applications. The RRT then prioritized the applications recommended for funding.

IV. Special Issues

As discussed in the Overview Staff Report, staff recommend a staged award approach for two Restoration applications in the Central Oregon Region (Region 4). Staging these awards allows staff to recommend funding for all seven of the Restoration applications recommended for funding by the RRT.

The RRT ranked application 211-4008, Tumalo Feed Canal Piping Phase 2, as priority 7 out of 7 applications recommended for funding. The recommendation reflects the disappointment that the Tumalo Irrigation District did not propose to contribute either in-kind or cash match for a project requesting more than \$1 million in OWEB funds. Typically, irrigation districts provide significant in-kind or cash match for piping projects; if not, the RRTs and staff recommend that match to be provided as part of staff's funding recommendation to the OWEB Board. Some RRT members also questioned the cost per cubic feet per second (cfs) of the Tumalo Feed Canal Piping project, which they felt was high. However, the RRT as a whole recognized the importance of improving stream flow and water quality in Tumalo Creek and the Deschutes River, and recommended the application for funding. The RRT recommend, and OWEB staff concur, that the budget be reduced to reflect a reduction in the in-house personnel costs and an expectation that the Tumalo Irrigation District provide \$150,000 in match, either through in-kind contributions or cash. It is not feasible to stage the award for 211-4008.

Staff worked with applicants for 211-4002, MFID Evans Creek Fish Passage, and 211-4010, Horse Heaven Creek Watershed Restoration, to develop staged funding recommendations.

The RRT recommended funding of \$314,250 for 211-4002, MFID Evans Creek Fish Passage, which would pipe an irrigation canal that breaches from time to time and puts silt-laden water into Evans Creek, a biologically important, non-glacial tributary to the East Fork Hood River. The improvement in water quality will benefit fish habitat for ESA listed coho salmon and native redband and cutthroat trout. Staff recommend full funding at an increased amount of \$367,059 to cover increased mobilization costs that come from phasing the project. Staff recommend an award of \$144,714 at this time, with the remaining \$222,345 to be awarded from 2011-2013 funds in September 2011. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on awarding \$222,345 at the September 2011 Board meeting.

The RRT recommended funding of \$518,848 for 211-4010, Horse Heaven Creek Watershed Restoration, which would treat 11,000 acres of juniper, develop off-stream water, treat noxious weeds, and seed up to 1,000 acres for perennial grasses. The RRT liked the whole watershed approach of the application and commented that the project will enable recovery of the perennial grass understory, increase infiltration and reduce sedimentation from overland flows into Horse Heaven Creek and the Crooked River, and reduce erosion and improve water quality. Staff recommend full funding at an increased amount of \$522,309 to cover increased mobilization costs that come from phasing the project. Staff recommend an award of \$199,919 at this time, with \$156,861 to be awarded in March 2011; and \$165,529 to be awarded from the 2011-2013 biennium capital funds in September 2012. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on awarding the additional funding at the March 2011 and September 2012 Board meetings.

V. Staff Recommendations for Project Funding

A. Capital Applications

- *Restoration.* Staff recommend funding for all seven of the applications recommended by the RRT.

B. Non-Capital Applications

- *Technical Assistance.* Due to limited non-capital funding, staff recommend funding for two of the three applications 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. The conditions shown in the table also may reflect staff or RRT funding conditions; staff conditions may differ from RRT-recommended conditions. Staff funding recommendations and funding conditions are contained in the Region 4 Review Team Evaluations for the April 19, 2010, Applications.

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 Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
211-4011	McKay Creek Watershed Restoration Strategy	50,000	1
211-4000	Pitcher Ranch Fish Passage and Screening Design	26,190	2
211-4016	Aquifer Recovery Planning for Streamflow Restoration^	50,000	3
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$126,190	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$76,190	

^ Fund with Conditions

Region 4 - Central Oregon
Restoration Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
211-4007	Howard Creek Culvert Removal/Replacement^	34,965		34,965	1
211-4017	Dry Creek Remeander	75,409		75,409	2
211-4014	Newman Fish Passage South Fork Sprague^	77,813		77,813	3
211-4002	MFID Evans Creek Fish Passage and Water Quality Improvements - Phase 3** #^	144,714		144,714	4
211-4010	Horse Heaven Creek Watershed Restoration Project** ##^	199,919		199,919	5
211-4003	Lateral 58-11 Re-regulating Pond and Piping^	255,385		255,385	6
211-4008	TID - Tumalo Feed Canal Piping Phase 2*	855,237		855,237	7
Total Restoration Applications Recommended for Funding to Staff by RRT		\$1,643,442	\$0	\$1,643,442	
Total Restoration Applications Recommended for Funding by Staff to Board		\$332,901	\$0	\$1,643,442	

* Listed Amount Reflects Recommended Reduction **Listed Amount Reflects Recommended Increase ^Fund with Conditions

#Total amount is \$314,250 staged award with \$144,714 recommended now and \$222,345 from 2011-13 capital funds for Sept 2011 Board Award

##Total amount is \$518,848 staged award with \$199,919 recommended now and \$156,861 from 2009-11 capital funds for March 2011 Board Award, and \$165,529 from 2011-13 capital funds for Sept 2012 Board Award

Region 4 - Central Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-4004	Deming Ranch Hydrologic Monitoring: Phase HYD-1	50,000
211-4006	Integrated Fruit Production Landowner Recruitment	39,380
211-4009	Lower Mill Creek Restoration Plan	27,500
211-4013	Miller Creek Habitat Improvement Feasibility	43,483
211-4015	Recruitment for Bark Beetle Prevention Thinning	15,781

Region 4 - Central Oregon
Acquisition Application Pulled and Awarded at June 2010 Board Meeting
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount
211-100	Upper Sevenmile Creek Habitat Instream Water Lease	\$171,252

Region 4 - Central Oregon
Restoration Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-4001	Deming Ranch - Sprague Fish Passage	100,000
211-4005	Maxwell Ranch Restoration Project	167,834
211-4012	Snake Creek Fish Barrier Removal	119,358

**Oregon Watershed Enhancement Board
Region 4 (Central Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-100	PROJECT TYPE:	Acquisition
PROJECT NAME:	Upper Sevenmiile Creek Habitat Instream Water Lease		
APPLICANT:	Klamath Basin Rangeland Trust		
BASIN:	KLAMATH	COUNTY:	Klamath
OWEB FUNDS REQUESTED:	\$171,252	TOTAL COST:	\$358,129

APPLICATION DESCRIPTION:

This water acquisition application was pulled from the April 2010 cycle, reviewed by the Board Acquisition Subcommittee and OWEB staff, and funded by the OWEB Board at the June, 2010 meeting, due to the importance of conserving water during the immediate drought in the Klamath Basin.

**Oregon Watershed Enhancement Board
Region 4 (Central Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-4001	PROJECT TYPE: Restoration
PROJECT NAME: Deming Ranch - Sprague Fish Passage	
APPLICANT: Deming Ranch Land and Cattle, LLC	
BASIN: KLAMATH	COUNTY: Klamath
OWEB FUNDS REQUESTED: \$100,000	TOTAL COST: \$533,500

APPLICATION DESCRIPTION:

This project would restore 1.5 miles of the Sprague River near Bly in the Upper Klamath Basin. The channel was straightened decades ago, has been heavily grazed and is downcut. The project would restore the natural sinuosity of the channel, pool/riffle ratios and remove a fish passage barrier. The Sprague is home to ESA listed Lost and shortnose sucker fish and redband trout.

The applicant acquired the property recently with the intent to restore watershed processes and fish and wildlife habitat. This project is near where the Sprague River comes out of the national forest so the work here is at the top of a much altered river system. The streambanks have been heavily grazed. Once the stream morphology has been restored, it would be fenced to restrict livestock access to the riparian areas. Once the fish barrier is removed as part of this project, there would be an additional 40 miles of habitat available upstream of the project.

OWEB funds would be used for project design, construction and materials. Other partners in the project include ODFW, USFWS, National Fish Passage Program and the landowner.

REGIONAL TEAM REVIEW:

While there is fish passage at some times of the year, during irrigation season the diversion weir is a total fish passage barrier. Since the Sprague River has been straightened, with dikes on both sides, it is now a ditch and provides no habitat for native fish. People have wanted to restore this reach of the river for a long time because of the erosion and nutrients that affect water quality in the river and Upper Klamath Lake. There would be a series of step pools for passage so the diversion(s) can be maintained. The OWEB budget is for equipment to do the work. This is the type of fix that needs to be done. Re-establishing the meanders and reducing erosion and wetting more area are necessary and beneficial to stream function and agriculture.

While the reviewers recognized the importance of this reach and support the concept, they raised a number of concerns about the proposal. There is no design for the new channel, the instream structure(s) for the weir or habitat structures and there are two different stream location options being considered. There was a question whether the new diversions would be screened since the budget does not show any funding for fish screens. The budget is not very descriptive. The area where the stream would go does not show any riparian plants and the application does not discuss riparian plantings. The application lacks a lot of detail of what will be done and lacks design detail to merit funding at this time. This work should be done but it is not clear that the proposal is ready to be implemented. Without the design detail it is not possible to determine if the budget is sufficient, therefore no assurance that it will be successful. It was noted that the budget is based on other similar projects done in the area, but reviewers felt that the proposal lacked critical details, and they were not familiar with the applicant and did not know the

applicant's experience or track record. The application also raised questions such as, if they are going to retire 220 acres of pasture, would they give up the water right? What is meant by the "intent to exclude?" There may be new points of diversion and no information where they will be or what they are going to look like. Reviewers thought that the partnership with the fish agencies was positive, but commented that the application could be improved by providing letters of support. For these reasons, the review team did not recommend funding at this time.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.

Oregon Watershed Enhancement Board

Region 4 (Central Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-4002	PROJECT TYPE:	Restoration
PROJECT NAME:	MFID Evans Creek Fish Passage and Water Quality Improvements - Phase 3		
APPLICANT:	Middle Fork Irrigation District		
BASIN:	DESCHUTES	COUNTY:	Hood River
OWEB FUNDS REQUESTED:	\$314,250	TOTAL COST:	\$529,101

APPLICATION DESCRIPTION:

This project would pipe an irrigation canal that breaches from time to time and puts silt laden water into Evans Creek, a biologically important, non-glacial tributary to the East Fork Hood River. Evans Creek is host to ESA listed Lower Columbia ESU winter steelhead and Lower Columbia ESU coho salmon as well as native redband and cutthroat trout.

The project would pipe Glacier Ditch with 5,400 feet of 18 inch pipe and 5,600 feet of 24 inch pipe. Besides stopping annual ditch failures which impair the water quality in Evans Creek, .3 cfs would be conserved and left in Clear Branch for flow supplementation. The project would also stop the transport of invasive species seed from U.S. Forest Service lands, county managed forests, roads and utility corridors.

OWEB funds would be used for contracted services and pipe. Other funds would come from the Middle Fork Irrigation District.

REGIONAL TEAM REVIEW:

The budget for this project is very reasonable and it is the last phase of a project to improve the water quality of Evans Creek. The application does not discuss the conserved water process. It was noted that fisheries agencies are considering flow changes and when they are needed for fish habitat in regards to the operation of Laurence Reservoir. The budget has all the money going into the project and not personnel costs. This project adds to restoration work already completed.

It doesn't seem like the saved water actually matches the leakage of the canal, so the amount of saving needs to be documented once the project is completed. The review team questioned the amount of sediment and the impact that actually occurs when the canal breaches. There is a letter from DEQ referencing 500 tons of sediment and violations of water quality standards due to ditch breaches. The review team would have liked to see additional support from other partners; however, there are good letters of support. The review team was quick to credit the District for putting cash and in-kind match into the project. The team felt the right partners are involved and the applicant is experienced and has a good track record of success.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project will enable Evans Creek to function without contaminated water from outside sources and therefore support ESA listed coho salmon and native redband and cutthroat trout.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 4 of 7

CAPITAL AMOUNT: \$144,714 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund increased with conditions: An award of \$144,714 in September 2010, with \$222,345 committed from 2011-2013 capital funds for the Board to award in September 2011. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on awarding \$222,345 at the September 2011 Board meeting. The grant agreement will require the final project completion report to document the amount of water savings from the completed project.

Oregon Watershed Enhancement Board Region 4 (Central Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.: 211-4003	PROJECT TYPE: Restoration
PROJECT NAME: Lateral 58-11 Re-regulating Pond and Piping	
APPLICANT: Jefferson SWCD	
BASIN: DESCHUTES	COUNTY: Jefferson
OWEB FUNDS REQUESTED: \$255,385	TOTAL COST: \$695,674

APPLICATION DESCRIPTION:

This project consists of building a surge pond/re-regulating pond on an irrigation lateral for North Unit Irrigation District north of Madras. The pond would allow sediment to settle out and it is necessary to construct the pond/basin so the District can move ahead with piping the lateral. Currently, sediment from the system above the pond and below the pond ends up as tailwater dumping into Trout Creek, an important steelhead spawning stream of the east side Deschutes River tributaries.

The pond is at the location that lateral 58-9 and 58-11 divide from a major irrigation canal. Lateral 58-9 has been piped within the last year. Lateral 58-11 is partially piped and the District is working to secure funding to fully pipe this lateral. Once this is done, tailwater will no longer go into Mud Springs Creek and Trout Creek. In order to initiate the completion of piping 58-11 it is necessary to complete the settlement basin/re-regulating pond.

OWEB funds will be used primarily for construction. Other partners on the project include North Unit Irrigation District, BOR, and R-2 Ranches.

REGIONAL TEAM REVIEW:

Reviewers discussed the excess tailwater that creates significant water pollution in Mud Springs that then flows into Trout Creek. It is a problem that needs to be fixed. The application is well supported by the landowners. It will really help the operation of the District when the laterals are piped. While this project addresses water quality issues, North Unit Irrigation District needs to follow through with their intentions of documenting water savings from the piping of lateral 58-9 and their work on 58-11.

The application was poorly written and was hard for reviewers to understand. The reviewers had a long discussion about the quality of the application and the need for the project. While the project is needed and important, several reviewers were concerned about the lack of clarity in the narrative of the application. Other reviewers noted that there were designs and a cost breakdown attached to the application, and good letters of support. They also noted that the applicant and engineer have a proven track record of success; they have done a geologic investigation; and there is high confidence the project will be successfully completed. It was noted that the project consultant should not be inspecting its own work as the application states. After a long discussion, the majority of reviewers felt comfortable recommending funding because of the importance of the project, the inclusion of detailed designs and budget information as attachments to the application, and the known track record of the project implementers. Reviewers wanted the applicant to know they were very frustrated with the quality of the application and urged the applicant to provide more clearly written, detailed applications in the future.

Reviewers noted that while this project addresses water pollution, the District needs to consider conserving water to be converted to instream water rights in the Deschutes River. The irrigation district should provide for weed management of the area excavated as this may be a problem since the area, in order to work, has to be essentially empty most of the time.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This project will ensure that, due to the piping of laterals 58-9 and 11, water will not carry sediment to Trout Creek, an important ESA listed steelhead spawning and rearing tributary to the Deschutes River.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 6 of 7

CAPITAL AMOUNT: \$255,385 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. Prior to the release of funding, the applicant must provide to OWEB in writing the name of the agency or organization that will evaluate the project, so that the consultant implementing the project is not inspecting its own work. Also, a weed management plan for the pond area needs to be submitted and approved prior to the release of funds.

costs are realistic but they seemed high. They were uncertain if the water developments were going to be portable (solar pumps and troughs on a trailer) or whether they would be fixed. This made the evaluation of the costs difficult.

The review team discussed the technical aspects of the instream work. It was not clear if the juniper instream or revetment work is the right fix considering the extent of the vertical banks. There is a floodplain developing so it might be just using the juniper as riprap, this would be appropriate. It would have been helpful to have a plan view (aerial) to show where the wood would be placed in the system. The review team could not determine how the instream wood would be placed or where it would be placed.

The review team liked the project but felt detail was lacking on some major project details that prevents them from recommending funding at this time. The application would have been improved if it included: the conservation easement; more details about the water developments (permanent/temporary; provide a map showing location); information about the type of fence and whether it is wildlife-friendly; more detail about juniper placement such as maps and photos of proposed placement; cost justifications for the costs of juniper and offstream water; and a letter from the watermaster confirming there is no transfer needed for a point of diversion change.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.

**Oregon Watershed Enhancement Board
Region 4 (Central Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-4007	PROJECT TYPE:	Restoration
PROJECT NAME:	Howard Creek Culvert Removal/Replacement		
APPLICANT:	Goose Lake Fishes Working Group		
BASIN:	LAKES	COUNTY:	Lake
OWEB FUNDS REQUESTED:	\$34,965	TOTAL COST:	\$90,618

APPLICATION DESCRIPTION:

This project on Howard Creek in Lake County would remove two fish passage barriers. At one site the perched culvert would be removed along with the road crossing, and at the other site two undersized perched culverts would be replaced with a pipe arch culvert designed to pass the 50 year peak flow. This is a part of the Drews Creek watershed which supports redband trout, Goose Lake tui chub, Goose Lake lamprey, pit roach, pit sculpin and speckled dace.

This project complements the treatment of six other projects to remove fish barriers on Drews Creek. Once these two are fixed, the only barrier in the Drews Creek watershed will be the dam at the reservoir. The removal of the barriers on Howard Creek will open up five additional miles of habitat. This is important to the native fisheries as fish go upstream to the reaches on national forest lands when flows decrease and water temperatures rise. It is important to restore this connectivity. In addition to restoring fish passage, drainage structures would be constructed on US Forest Service road 3870-144 to reduce sedimentation into Howard Creek and 60 trees would be felled into the creek to improve fish habitat.

OWEB funds would be used for field surveys, contracted services, supplies and fiscal administration. Other partners in the project include the Fremont-Winema National Forest, Jeld-Wen Timber Resources and the USFWS.

REGIONAL TEAM REVIEW:

Reviewers were very positive on the fact that the project will restore fish access to five miles of habitat for a small dollar amount. They liked the cost benefit ratio. They had some questions that were not answered by the application. The application does not speak to what the Oregon Department of Forestry requirements are for culvert replacement or whether they have jurisdiction on the proposed new culvert replacement. OWEB should ask for clarification on this point if the project is funded. The application would have been better if they had actually shown where the large wood would be added. The review team agreed that this project fits well within the basin priorities and it provides essential cool water habitat for native fish.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Removal of fish barriers and placement of large wood will restore access to habitat and improve fish habitat.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 1 of 7

CAPITAL AMOUNT: \$34,965 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. OWEB will not release any grant funds until the applicant has provided a letter from ODF confirming that the proposed culvert replacement meets their criteria for culvert placement or that they have no jurisdiction on this project.

REGIONAL TEAM RECOMMENDATION: Fund reduced with the condition TID show some in-kind match or cash at \$150,000 in value, and that between the fiscal administration and in-house personnel the budget be reduced by \$37,000.

REGIONAL TEAM PRIORITY: 7 of 7

CAPITAL AMOUNT: \$855,237 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$855,237. This includes a \$37,000 reduction in the applicant's personnel and/or fiscal administration costs.

Oregon Watershed Enhancement Board Region 4 (Central Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-4010	PROJECT TYPE:	Restoration
PROJECT NAME:	Horse Heaven Creek Watershed Restoration Project		
APPLICANT:	Crooked River WSC		
BASIN:	DESCHUTES	COUNTY:	Crook
OWEB FUNDS REQUESTED:	\$518,848	TOTAL COST:	\$902,448

APPLICATION DESCRIPTION:

This project would do juniper management, off-stream water development, seeding and weed treatments in the Horse Heaven Creek watershed, about 20 miles southeast of Prineville. The project area is 11,000 acres. This would build on landowner's efforts to reduce the negative impacts of juniper expanding its historic range and, in many instances, dominating sites that were once sage/bunchgrass plant communities.

There are three private landowners who hope to improve their efforts in a more strategic way with the assistance of this grant. Redband trout occupy Horse Heaven Creek. The creek is 303(d) listed as water quality impaired by DEQ due to temperature and sediment.

The project would cut 4,160 acres of juniper to be followed by burning the cut areas and 6,800 additional acres, totaling 11,000 acres over a three year period. Remnant big sagebrush stands will be protected from fire. Old growth juniper will be protected. It is estimated 1,000 acres may need to be seeded to perennial grasses where the seed source is inadequate, weed treatment will occur twice a year as necessary over a minimum of a four year period, 22 springs have been identified for improvement to better distribute livestock. An analysis of instream habitat restoration opportunities will occur in the first year of the project.

OWEB funds would be used for all aspects of the project but primarily for juniper management and spring development. Partners include the three landowners, OSU Extension, Crooked River Watershed Council, Oregon Department of Forestry and the Oregon Division of State Lands.

REGIONAL TEAM REVIEW:

The project proposes to treat a whole watershed, and treatment is proposed for a large number of acres. Juniper causes a huge imbalance in historical function of watersheds. This project has a significant ecological impact in how the watershed works. The off-site water and the improved habitat in the uplands significantly reduces grazing pressures on the stream above the reservoir, for livestock, mule deer, and sage grouse. There are redband above the reservoir. It is ranked high in the priority of watersheds needing juniper treatment in an analysis done in the Crooked River basin. The application is well written, with good documentation and it is a high priority area. This project was reviewed previously and this proposal addresses previous review team comments.

There was discussion about whether the benefit to redband trout is limited, whether treatment of juniper will cause any instream flow benefits, and whether there are sagegrouse in the area. It was noted that the proposal treats the whole watershed, not just the stream channel, and juniper impacts hydrology and infiltration. Grazing pressure on the streams is reduced by moving the livestock off. An active sagegrouse lek has been identified in the area and increased forbs and sagebrush benefit sagegrouse. The

property will be enrolled in CREP below the reservoir and along the Crooked River adjacent to the property. All but the old growth juniper will be taken out and the sagebrush areas will be protected from burning. If the project does result in improved infiltration and storage of water, the slow release of that water would help in the management of Prineville Reservoir. It would be a good spot for a controlled study. It is treatment of a whole sub-basin, which is good and it could be good to document the results of treatment. The cost per acre for the burn seems to be based upon smaller burns and, it seems like it is probably less. They are only showing match for about half of what it would really cost to do the work.

The reviewers commented that the proposed fiscal administration costs of \$37,000 seemed too high

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Removing the juniper will enable recovery of the perennial grass understory, increase infiltration and reduce sedimentation from overland flows into Horse Heaven Creek and the Crooked River. Providing offstream water protects and enhances riparian vegetation, reducing erosion and improving water quality. The reviewers commented that the proposed fiscal administration costs of \$37,000 seemed too high.

REGIONAL TEAM RECOMMENDATION: Fund with conditions. The applicant must provide a grazing plan before funding is released.

REGIONAL TEAM PRIORITY: 5 of 7

CAPITAL AMOUNT: \$199,919 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund increased with conditions: An award of \$199,919 in September 2010, with \$156,861 reserved from 2009-2011 capital funds for the Board to award in March 2011; and \$165,529 committed from 2011-2013 capital funds for the Board to award in September 2012. Staff will work with the applicant on reasonable fiscal administration costs for each phase of the project, based on the estimated work it will take for the fiscal administration tasks for each phase. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the reserved and committed funding. The final project completion report for each phase of the project must include a long-term juniper management plan.

Oregon Watershed Enhancement Board

Region 4 (Central Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-4014	PROJECT TYPE:	Restoration
PROJECT NAME:	Newman Fish Passage South Fork Sprague		
APPLICANT:	Klamath Watershed Partnership		
BASIN:	KLAMATH	COUNTY:	Klamath
OWEB FUNDS REQUESTED:	\$77,813	TOTAL COST:	\$249,748

APPLICATION DESCRIPTION:

This project would replace an undersized bridge and remove a weir on the South Fork Sprague River near Bly where both of these structures cause a fish passage barrier. The bridge is too narrow to accommodate high flows so water backs up and causes a velocity barrier. When the waters recede, the landowner places boards in the weir under the bridge that causes a complete barrier to fish passage. Passage would benefit the ESA listed shortnose and Lost River sucker fish and native redband trout.

In this area, the South Fork Sprague River has been channelized, straightened, and diked. The river is no longer connected to the floodplain. There is no riparian zone. There is a very similar situation on the upstream property and the upstream landowner is proposing to move the river into a new, meander channel and eliminate the fish passage barrier there. The landowners for this proposal are considering similar work on their land but no decision has been made at this time to engage in re-locating the river in a meandering pattern. If the stream configuration is restored to its historic pattern, there will still be a need to construct instream rock/log structures to backup water to divert down an irrigation ditch at the new stream location.

OWEB funds would be used primarily for fencing, stock panels for the water gaps and administration. Other partners include the USFWS, BOR and the landowners.

REGIONAL TEAM REVIEW:

This barrier and the one on the Deming Ranch are the only two barriers from the USFS to Upper Klamath Lake. The importance of achieving a barrier-free Sprague River overcame the areas where the application was unclear. The amount of fencing is unclear and should be verified if funded. The review team noted that it is unclear that the water-gaps are going to be hardened, and they need to be. It was also pointed out that conversations are continuing with the landowner about possibly re-meandering, thus relocating, the Sprague River. This is one of two fish barriers between the national forest lands and Upper Klamath Lake, it is important to restore fish passage at this location.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This project will improve access to one mile of fish habitat; after the upstream barrier is removed (the upstream landowner is actively pursuing barrier removal) all fish barriers will be removed. The project will also improve water quality by fencing both sides of the river for one mile, reducing erosion.

REGIONAL TEAM RECOMMENDATION: Fund with conditions. The fencing location must be identified and approved, the design of the fencing meet ODFW guidelines, a grazing plan be provided, and the water gap be hardened. In addition, if this project is awarded, funds should not be released until all efforts to develop support and funding for moving the Sprague River into its historical location/pattern have been exhausted.

REGIONAL TEAM PRIORITY: 3 of 7

CAPITAL AMOUNT: \$77,813 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. Prior to the release of funding, the applicant will (1) provide written confirmation that a final decision has been made regarding moving the Sprague River on this site, and provide the designs and locations for the project based on the final decision; (2) provide a map showing fencing location; (3) provide confirmation that the fence design meets ODFW guidelines. A grazing plan must be provided to OWEB prior to the release of funds. Proposed education and outreach activities are not funded due to limited non-capital funding.

**Oregon Watershed Enhancement Board
Region 4 (Central Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-4017	PROJECT TYPE: Restoration
PROJECT NAME: Dry Creek Remeander	
APPLICANT: Wasco SWCD	
BASIN: DESCHUTES	COUNTY: Wasco
OWEB FUNDS REQUESTED: \$75,409	TOTAL COST: \$112,571

APPLICATION DESCRIPTION:

This project would put Dry Creek, a tributary to Fifteenmile Creek in Wasco County, back into its historic channel. The creek was channelized and bermed many decades ago, but it has been managed for restoration for the last ten years and most of it is showing recovery except for this 1200 foot reach.

The landowner has focused on restoring the creek for over ten years. There is a beaver dam in the upper reach that helps sustain flows in the late summer. It is an active spawning stream for steelhead but this reach was moved and left on bedrock and instream habitat and riparian area recovery is constrained. The project would place the channel back in the historic channel with a meander to slow the water down, large wood would be added to create scour pools and it would be fenced again, like the rest of the stream, to protect it from livestock damage. In addition, the proposal is requesting funds to help with the construction of two bridges so the access road does not require driving in the creek.

OWEB funds would be used for contracted services, supplies and fiscal administration. Other partners include the landowner, ODFW, Wasco County SWCD and NRCS.

REGIONAL TEAM REVIEW:

The person designing and implementing this project has experience and a successful track record with similar projects. The ecological potential for this area is high. The project would connect good habitat above and below the project. The property is enrolled in CREP. This project complements other restoration work that has been completed on this reach of Dry Creek. It was pointed out that the applicant should keep the Farm Services Agency informed about this restoration since it is occurring within a CREP easement.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This project restores stream connectivity to improved habitat above and below this reach that subs out because the stream was moved to the side of the valley bottom.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 2 of 7

CAPITAL AMOUNT: \$75,409 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 4 (Central Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-4006	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Integrated Fruit Production Landowner Recruitment		
APPLICANT:	Wy'East RC&D		
BASIN:	DESCHUTES	COUNTY:	Wasco
OWEB FUNDS REQUESTED:	\$39,380	TOTAL COST:	\$104,698

APPLICATION DESCRIPTION:

This project would train orchardists in the The Dalles and Hood River areas how best to interpret and put to use local weather data in the timing and implementation of their integrated pest management operations. Growers participate online with data from over 200 Integrated Fruit Production IFPnet weather stations to reduce their use of high toxicity pesticides that may come in contact with local water bodies where native and ESA-listed fish may be present. Many of the more recent participants in this system don't fully realize the benefits of the information available to them or how to access it. This grant would support a staff person to work one-on-one with the growers to teach them how the weather net system applies to the timing and effectiveness of pesticide application.

OWEB funds would be used for project management, staffing, travel and administration. The project will receive assistance and support from the applicant, Wy'East Resource Conservation and Development Area Council.

REGIONAL TEAM REVIEW:

Some members of the review team felt this was more of an education application than a technical assistance proposal. The landowners have realized the value of having the weather stations close to their fields but they don't know how to use all the modeling tools. Although OWEB has invested in the IFPnet weather stations in the past, there has been little information provided about the impact the IFPnet has had on the reduction of pesticide use or the levels of pesticide in streams in either the Wasco County area or the Hood River basin. The review team felt the purpose of the grant is good but the application lacks detail, the budget is unclear and it appears to be more of an education proposal. The application would have been improved by providing data and information about pesticide reduction based on the monitoring that is occurring; how much pesticide use has changed as a result of the weather stations.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.

**Oregon Watershed Enhancement Board
Region 4 (Central Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-4009	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Lower Mill Creek Restoration Plan		
APPLICANT:	Wasco Area WSCs		
BASIN:	DESCHUTES	COUNTY:	Wasco
OWEB FUNDS REQUESTED:	\$27,500	TOTAL COST:	\$58,686

APPLICATION DESCRIPTION:

This project would identify, prioritize, and complete preliminary design for restoration projects on Mill Creek in The Dalles. Mill Creek, which flows directly into the Columbia River, supports a run of ESA listed steelhead. The project would focus on the lower two miles of the creek in the urban area of The Dalles.

Mill Creek has been altered and realigned. A sewer line crosses and parallels portions of this reach of stream. Commercial and residential developments line the stream and yards and invasive plant species occupy several portions of streambanks in the lower two miles of the stream. The project would follow up on past assessments and surveys identifying lack of habitat, stream complexity, properly vegetated riparian areas and altered channel characteristics as limiting factors affecting water quality and fisheries. The project would lead to specific restoration actions to improve stream function and in-stream habitat conditions.

OWEB funds would be used primarily for contracted services. Other partners include the Wasco County SWCD and U.S. Forest Service Title II funding.

REGIONAL TEAM REVIEW:

The reviewers recognized that Mill Creek is an important priority of the watershed council. There have been a number of watershed improvements upstream and this has the potential to tie into those improvements. The goal of this project would be to improve habitat on the creek through two miles of the city. It was noted that the residents living on the creek will have concerns about flooding that will need to be addressed. It was unclear how the proposed work builds on the previous work to map the stream and identify restoration needs.

While the reviewers appreciated the proposal, in the end they did not recommend it for funding. The budget seems high (\$120/hour) especially when it comes to report writing and developing goals and objectives with stakeholders. The expense of the project combined with the urbanized nature of this part of the creek and the limited opportunity for ecological benefits led to a do not fund recommendation.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.

**Oregon Watershed Enhancement Board
Region 4 (Central Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-4015	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Recruitment for Bark Beetle Prevention Thinning		
APPLICANT:	Klamath Watershed Partnership		
BASIN:	KLAMATH	COUNTY:	Klamath
OWEB FUNDS REQUESTED:	\$15,781	TOTAL COST:	\$567,291

APPLICATION DESCRIPTION:

This project would recruit landowners to participate in a program to reduce fuels and the risk of catastrophic fire in the Gearhart Mountain area of the Upper Sprague River. The mountain pine beetle has created a "Red Zone" of dead lodgepole and ponderosa pine trees in an area over 331,000 acres in and around the Gearhart Mountain Wilderness. Landowners would be recruited to participate in the Oregon Department of Forestry's Bark Beetle Prevention Thinning program.

In order to reduce fuel and create healthier forests it is necessary to thin the forest of both dead and live trees so the remaining trees are healthier and can repel bark beetle infestations. This activity also reduces the chance of a large catastrophic fire. The Klamath Watershed Partnership would work through the Sprague River Working Group, a sub-watershed arm of the KWP. A series of meetings and tours of the area would be conducted and flyers posted. The goal is to have private landowners treat 1,660 acres.

OWEB funds would be used for project management, project implementation, travel and some small printing costs. The primary partner in this project is the Oregon Department of Forestry.

REGIONAL TEAM REVIEW:

The project is to have community meetings and produce brochures to help recruit people to use ODF's cost-share dollars for the removal of dead lodgepole. The application states that participants at the applicant's regular meetings have asked questions and asked for information about this issue. Reviewers thought this was evidence the existing regular meetings provide an existing forum for outreach for this issue, and additional funding is not needed. It was noted that this is also a priority for NRCS, which is providing funding for this effort. Reviewers appreciated the importance of the issue, but felt that the application did not make the case that the funding is needed in order to conduct outreach.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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August 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Karen Leiendecker, Eastern Oregon Regional Program Representative
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
September 14-15, 2010 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 31 applications for a total request of about \$2.7 million. One Acquisition application was submitted (see Section IV below). The Eastern Oregon Regional Review Team (RRT) recommended 22 applications for funding. One Restoration application (211-5028), which was ranked 17th by the RRT, was withdrawn by the applicant after the RRT review. Staff recommend 19 applications for a total award of \$1,343,273: \$1,316,934 for Restoration and \$26,339 for Technical Assistance.

III. Regional Review Team

The Eastern Oregon RRT met in Jordan Valley on June 22 and 23, 2010, to review applications. The RRT reviewed all Restoration and Technical Assistance applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT recommended budget reductions and funding conditions for some of the applications, as described in the Region 5 Review Team Evaluations for April 19, 2010, Applications. The RRT then prioritized the applications recommended for funding.

The third-ranked application, Stinkingwater Habitat Enhancement and Grazing Management (211-5027), completes a previously funded effort that treats two channels of Stinkingwater Creek. Located in the Upper Malheur River Basin east of Burns in the Drewsey Valley, the project will improve riparian vegetation and streambank stability. Phase I (209-5010) included temporary fencing, off-stream water development, and fencing a spring as part of a grazing system designed to assist in riparian area recovery; it was funded for \$29,050. With significant funds from USFWS for this phase, Harney SWCD will install three Rosgen-style “J”-hooks to divert flow away from the streambank and reduce sediment input. A siphon will be installed to provide additional water in the

adjacent pasture heavily used by sage-grouse, and three hardened crossings will also be installed. The project will improve habitat for sage-grouse, which use riparian areas for extensive brood-rearing, and will significantly improve water quality and fisheries and wildlife habitat. Phase II of Stinkingwater is requesting \$16,611 from OWEB.

IV. Acquisitions

One acquisition application was received from Region 5 this grant cycle. It was subsequently withdrawn by the applicant.

A. Lostine-Wallowa Rivers Confluence Acquisition Project (211-106)

The Wallowa Land Trust (WLT) submitted an application requesting \$450,000 to purchase a conservation easement for ranch property at the confluence of the Wallowa and Lostine rivers in Wallowa County. The application was previously submitted to OWEB (application 207-324), but was withdrawn by WLT because of prolonged due diligence problems and loss of match funding.

The application states that the easement will protect 146 acres of wetlands and riparian areas, but will cover 386 acres, the majority of which is agricultural land. The application was accompanied by a draft conservation easement that staff and the RRT felt does not protect the property's conservation values from agricultural impacts, and does not commit the parties to undertake the restoration that the grant application indicates the property needs.

The Acquisitions Subcommittee declined to proceed with due diligence because of the issues described in Section IV of the Overview, concerns about the draft easement, and a lack of detail about restoration commitments.

The RRT felt that good riparian habitat in Wallowa County is scarce and valuable, and that the property contains some of the best riparian ecological values in the county. Despite determining that the project has high ecological and educational value, the RRT felt that it is not clear why the easement is needed or how it would protect the property's conservation values.

The Acquisitions Subcommittee asked staff to again offer guidance to WLT regarding how to develop a future project that is appropriate for OWEB funding. Staff have done this and the WLT has subsequently withdrawn its application rather than have staff make a no-fund recommendation to the Board.

V. Staff Recommendations for Project Funding

A. Capital Applications

- *Restoration.* Staff recommend funding for 17 of the 19 applications recommended by the RRT. Application #211-5028, which was ranked 17th by the RRT, was withdrawn by the applicant after the RRT review.

B. Non-Capital Applications

- *Technical Assistance.* Due to limited non-capital funds, staff recommend funding only two of the three applications 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. The conditions shown in the table also may reflect staff or RRT funding conditions; staff conditions may differ from RRT-recommended conditions. Staff funding recommendations and funding conditions are contained in the Region 5 Review Team Evaluations for the April 19, 2010, Applications.

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 5 - Eastern Oregon
Technical Assistance Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
211-5023	Miracle Wetland^	18,639	1
211-5000	Oliver Ditch Pipeline and Diversion^	7,700	2
211-5001	Harney Basin Groundwater Project - Data Analysis	46,200	3
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$72,539	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$26,339	

^Fund with Conditions

Region 5 - Eastern Oregon
Restoration Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
211-5007	Not Dry Gulch Offstream Watering Project	23,736		23,736	1
211-5014	Catherine Creek Water Quality and Fish Habitat Improvement** PE	105,255		105,255	2
211-5027	Stinkingwater Habitat Enhancement and Grazing Management^	16,611		16,611	3
211-5006	Duncan Ditch Water Quality Protection Project*^	53,006		53,006	4
211-5005	McEwen Valley Fish Passage Restoration^	108,931		108,931	5
211-5019	Alkali Irrigation Efficiency*	66,857		66,857	6
211-5003	Wallowa Canyon Lands Weeds Partnership	60,000		60,000	7
211-5017	Greenfield Elimination of Irrigation Runoff*	24,123		24,123	8
211-5011	Belnap Juniper Control Project^	108,401		108,401	9
211-5008	Helping the Pleasant Valley Sage Grouse^	60,900		60,900	10
211-5026	Stinkingwater Creek Juniper Control*^	112,484		112,484	11
211-5025	Dawson Irrigation Mainline*^	92,541		92,541	12
211-5024	Silvies River Riparian and Grazing Management*^	146,855		146,855	13
211-5002	Grande Ronde Healthy Forests 2010	187,250		187,250	14
211-5016	North Fork Burnt River Watershed Restoration - Phase I*^	46,668		46,668	15
211-5009	Howarth Irrigation Efficiency*	67,787		67,787	16
211-5021	Morgan Avenue Pipeline*	35,529		35,529	18
211-5004	McGinnis Range and Habitat Improvement Project^	56,800		56,800	19
Total Restoration Applications Recommended for Funding to Staff by RRT		\$1,316,934	\$0	\$1,316,934	
Total Restoration Applications Recommended for Funding by Staff to Board		\$740,304	\$0	\$1,316,934	

* Listed Amount Reflects Recommended Reduction ** Listed Amount Reflects Increase ^Fund with Conditions PE=Plant Establishment Award

Region 5 - Eastern Oregon
Technical Assistance Application NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-5020	Kathy Johnson Wetland	17,426

Region 5 - Eastern Oregon
Acquisition Application Withdrawn by Applicant
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-106	Lostine-Wallowa Rivers Confluence Protection Project	450,000

Region 5 - Eastern Oregon
Restoration Application Withdrawn by Applicant
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-5028	Smith Brothers Forest Health and Restoration	22,080

Region 5 - Eastern Oregon
Restoration Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-5010	Cow Creek Water Management	17,637
211-5012	Blackburn Pumpback	24,835
211-5013	Hubbell Off-Stream Watering System	17,405
211-5015	Fletcher Gulch Pipeline	527,272
211-5018	Heritage Irrigation Improvement	22,939
211-5022	Barton Irrigation Efficiency	61,119
211-5029	Dry Mountain Ranch Riparian Crossing	37,669

Oregon Watershed Enhancement Board Region 5 (Eastern Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.: 211-5002	PROJECT TYPE: Restoration
PROJECT NAME: Grande Ronde Healthy Forests 2010	
APPLICANT: Grande Ronde Model WS Program	
BASIN: GRANDE RONDE	COUNTY: Union
OWEB FUNDS REQUESTED: \$187,250	TOTAL COST: \$345,144

APPLICATION DESCRIPTION:

The upper Grande Ronde Basin contains unhealthy forest conditions, including overstocked stands, inappropriate species mixes for the site, and fuel loads beyond the historic levels. These unhealthy forest conditions negatively impact watershed function, creating the potential for catastrophic wildfire, insect and disease outbreak, and reducing the capture, storage and safe release of precipitation in forested uplands. The applicant is proposing to treat 580 acres on 18 different landowners to improve long-term forest health and vigor by reducing stand densities. Overstocked stands lead to decreased tree vigor, increased susceptibility to various bark beetles and increased chance of wildfire. These negative impacts adversely affect water quality, increase soil erosion and decrease nutrient cycling. In addition, the amount of precipitation that reaches the ground is decreased, causing less groundwater recharge.

Individual site-specific project descriptions will be written by ODF to optimize long-term forest health benefits and define the scope of work for each landowner. ODF will monitor and inspect work. Various methodologies include mastication (slash busting), mechanized harvesters, hand-felling with chainsaws and loppers, chipping, piling, prescribed burning and hauling biomass for utilization. Individual project sites will be designed for optimization of wildlife habitat including cover and maintaining large snags and downed wood.

OWEB funds are requested for contracted services- fuel treatment (93%) and administration (7%). Cost-share partners include ODF, Oregon State University Extension, USFS Bark Beetle Forest Health and Stimulus Forest Health.

Implementation follows the Grande Ronde Model Watershed Operations/Action Plan (1993) that identifies forested upland conditions having concerns with overstocking. The Upper Grande Ronde TMDL identifies sediment and temperature in the Grande Ronde as negatively impacting salmon, steelhead and bull trout.

REGIONAL TEAM REVIEW:

The application was well-written and provided good detail, although it was noted that it would have helped to have more detailed information about each site. There were several other similar projects previously implemented over the last 10 to 12 years which helped to reduce fuel loads and improve forest health. The last project, 206-150, was completed earlier this year and treated 1,098 acres on 21 different landowners. Almost all of the participating landowners are continuing with other projects that are forestry or restoration-related, including several other thinning efforts. This project is very complementary. In addition, some of these landowners submitted applications with other cost-share programs, enabling ODF to both extend the funding and treat more acres.

By reducing the stocking levels, the overall forest health will improve by making the remaining stands less susceptible to insects, including bark beetles and defoliators, disease and help to reduce the probability of a catastrophic fire. It was also stated that the recommended stocking density would be dependent on the soils, precipitation, aspect and site capability. Current stand densities are beyond the historic or natural range of variability for all these sites. It was stated that this proposed action is the best method to restore these stands to more natural stocking levels. In addition, the requested budget does not have any personnel or staff-related expenses. Requested administration is 7% which is reasonable given that there are 18 different landowners and there would be several funding requests. Overall, the team felt that this project is very complementary to other previous or on-going restoration efforts conducted by these landowners. There is substantial ecological merit to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Improving upland vegetative conditions will help to reduce the threat of wildfire, protecting and enhancing wildlife habitat. Properly functioning upland vegetation with healthy forest stands increases water storage capacity while safely releasing it. This project addresses altered watershed functions affecting water quality by reducing the threat of catastrophic fire that can produce large quantities of sediment and alter the vegetative stand component.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 14 of 19

CAPITAL AMOUNT: \$187,250 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5003	PROJECT TYPE:	Restoration
PROJECT NAME:	Wallowa Canyon Lands Weeds Partnership		
APPLICANT:	Wallowa Resources		
BASIN:	GRANDE RONDE	COUNTY:	Wallowa
OWEB FUNDS REQUESTED:	\$60,000	TOTAL COST:	\$160,000

APPLICATION DESCRIPTION:

The Wallowa Canyonlands Partnership (WCP) is part of a cooperative weed management area (CWMA) formed to protect and restore both private and public canyon grasslands of the Snake, Imnaha and Lower Grande Ronde River watershed from the invasion and degradation by noxious weeds. The project area is in the northeastern corner of the State. Despite the serious threat from noxious weeds, the canyon lands have relatively intact health native plant communities which provide habit for federally lists species including Spalding's catchfly, McFarland's four-o'clock, spring Chinook salmon, steelhead and bull trout. WCP will continue to manage high-priority noxious weeds such as sulfur cinquefoil, Medusahead rye, perennial pepperweed, meadow hawkweed, leafy spurge and rush skeletonweed, allowing the native vegetation to thrive and support critical habitat. Noxious weeds adversely affect water quality, increase sediment and erosion and displace native vegetation.

Project components include conducting ground surveys in high-risk areas using hand-held GPS units to identify and update existing sites; aerial survey to accurately map and monitor weed sites; landowner meetings to identify weed species and areas of concern; apply species-specific herbicides to high priority noxious weeds; revegetate 55 acres dominated by annual grasses; monitor sites to measure treatment efficacy for sulfur cinquefoil, Medusahead rye, whitetop and Dalmatian toadflax; map and track high priority weed sites using a GIS map and database containing known weed sites. Herbicides will be applied using backpacks, ATV's, horse-mounted sprayers. Seed will be applied by helicopter, ATV (broadcast) or using a rangeland drill.

OWEB funds are requested for project management (2%), in-house personnel (4%), contracted services (63%), travel (1%), materials (18%), education/outreach (3%), administration (9%). Cost-share partners include various landowners, BLM and USFS.

The Grande Ronde Subbasin Plan (2004) lists as a management strategy a coordinated weed control effort on both public and private lands and also identifies noxious weeds as contributors to increased sedimentation as a high priority in the Upper and Lower Grande Ronde watershed. The Imnaha Subbasin Plan (2004) suggests implementing an integrated noxious weed management program including survey, prevention practices, education, treatment and revegetation. The Wallowa County/Nez Perce Tribe Salmon Habitat Recovery Plan (1993) states as a high priority goal to "identify, map and monitor noxious weeds on an ongoing basis and to use whatever combination of herbicides, biological and mechanical control necessary to control or eradicate noxious weeds.

REGIONAL TEAM REVIEW:

The project involves multiple landowners located in very steep canyon lands with difficult access. Some of the area is extremely remote requiring significant effort and expense on a per-acre basis to successfully

locate and treat. This is the fourth application from Wallowa Resources and continues an ongoing effort to target and treat noxious weeds in a remote landscape.

It was questioned if the applicant is producing reports that demonstrate long-term effectiveness at reducing infestations. Recent final and annual reports from Wallowa Resources are demonstrating significant improvements to the treated areas. It was also stated that Medusahead needs more than one treatment and requires aggressive action. Ongoing seeding trials at NRCS are also showing significant results. Species such as leafy spurge are being reduced in number and being contained, which, while not always eradicated, is a positive sign. The team felt that this budget was improved, targeted more to on-the-ground activities and less to program personnel. It appeared that previous comments regarding past budgets were followed. Wallowa Resources has done a very good job of leveraging funds from other sources. Overall, the team felt the project has significant ecological merits to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Noxious weeds, especially in remote hard to reach areas, represent a significant threat to native upland vegetation, wildlife habitat and water quality. This project has substantial benefits to ecosystem function as there are no other ways to treat invasive vegetation effectively. Noxious weeds reduce biodiversity, increase soil erosion and decrease water quality.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 7 of 19

CAPITAL AMOUNT: \$60,000 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund. Noncapital request of \$1,000 not recommended because of limited noncapital dollars, limited noncapital dollars moved to capital in budget.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5004	PROJECT TYPE:	Restoration
PROJECT NAME:	McGinnis Range and Habitat Improvement Project		
APPLICANT:	Keating SWCD		
BASIN:	POWDER	COUNTY:	Baker
OWEB FUNDS REQUESTED:	\$56,800	TOTAL COST:	\$82,730

APPLICATION DESCRIPTION:

Keating SWCD is proposing to treat a Medusahead rye infestation on approximately 400 acres of range and pasture approximately 12 miles northeast of Baker City. A very significant impact of Medusahead invasion is that it exacerbates the decline of sagebrush-obligate wildlife, including sage grouse. Medusahead replaces desirable vegetation by competition and suppression, and indirectly by an increase in wildfire frequency. Its spread is a serious ecological concern because it degrades wildlife habitat, decreases biodiversity, potentially alters ecosystem function and reduces grazing opportunities up to 80% for wildlife and livestock. Medusahead has a silica content of 11% to 13%, making it non-palatable.

This project is located within ODFW's designated high priority sage-grouse habitat overlay and is also within 1.5 miles of a known lek (strutting grounds). Medusahead is being spread onto this property from adjacent BLM lands. Proposed restoration actions include a 100-acre, winter-controlled burn to reduce thatch, thereby allowing the herbicide to make direct contact with the soil; seed with a rangeland drill or aerially broadcast pubescent wheatgrass, Secar bluebunch, Sherman big blue, Idaho fescue and small burnett; aerially apply herbicide to 200 acres; ground spray 100 acres; install 1,500 feet of 2-inch pipe to a livestock watering trough; install 2,640- feet of four-strand, barbed-wire fence and install 800 feet of fencing around a pond for livestock exclusion. A burn plan will be developed. A team from ODFW, Tri-County Coordinated Weed Management Area (CWMA) and Baker County Weed Department designed the project.

OWEB funds are requested for project management (6%), contracted services – spraying, fencing, seeding (66%), seed (19%) and administration (8%). Cost-share partners include the landowners, ODFW, Baker County Weed Department, Tri-County CWMA, NRCS and Browne Consulting.

Project implementation follows the ODFW's Greater Sage-Grouse Conservation Assessment and Strategy for Oregon Hagen (2005) by keeping functioning sagebrush communities intact. It also follows the Oregon Conservation Strategy that identifies Medusahead rye as a limiting factor to conservation of a variety of species in the sagebrush-steppe and shrublands.

REGIONAL TEAM REVIEW:

The project is located in a prominent sage-grouse area with a known lek. The photos indicate that this property has encroaching Medusahead on two sides. A controlled winter burn is essential in order to reduce the amount of thatch present so that the applied herbicide can penetrate the Medusahead shoots. Otherwise, the application is ineffective. The controlled burn will be coordinated with Keating Valley Rural Fire Protection District. The proposed seed mix seems appropriate and site-specific to different soil depths which demonstrated a well-thought design. The fencing costs at \$2.00/foot were also very reasonable.

Some of the team questioned the grazing management plan as it was discussed, but insufficient detail was provided. Also, the aerial seeding of grass was questioned as to its success rate. However, it was also stated that much of the ground would be seeded with a rangeland drill, and areas with limited or no access would be broadcast seeded aurally or with a four-wheeler. Some team members suggested additional uninfested areas be interseeded, up to 600 acres, to promote improved grass stands as a preventative measure against future weed spreading. There was a lot of discussion about the likelihood of success of the project given the severity of infestation in the areas. It was also noted that it is most likely to be successful long-term if grazing is well-managed.

Additional information regarding current or future management in the application would have been beneficial. However, in talking with the landowner during the site visit, the team members present felt that the landowner had positive goals for the property. He is very interested in improving wildlife habitat. The infestation from the BLM will continue to worsen unless a proactive approach as proposed is done. The team also felt that the land would need to be rested for a few years in order to allow the new grass stand to become established. The team also suggested that if this project is funded, there needs to be a second phase to ensure success. The present proposal includes the most infested areas and the most difficult to treat.

The team had a long discussion about this project and while not all team members supported it, overall a majority of reviewers felt that the project has sufficient ecological merit to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The proposed action will help to reverse degradation of sagebrush habitat. Protecting sagebrush-obligate wildlife, including greater sage-grouse, in the sagebrush-steppe habitat is a goal identified in the Oregon Conservation Strategy.

REGIONAL TEAM RECOMMENDATION: Fund with conditions - include a grazing plan with the final report; rest the treated area for two years minimum; install antistrike markers on the fence; plan a second phase that has preventatives for future potential infestations; the phase 2 request should address interseeding to prevent infestation.

REGIONAL TEAM PRIORITY: 19 of 19

CAPITAL AMOUNT: \$56,800 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: No Fund falls below staff-recommended funding line

and USFWS were at the site for another inspection to discuss the previous design. The overall project concept is very positive for fisheries and water quality.

The application also stated that there were two design options, either a roughened channel or 3 channel-spanning weirs, for treating a plunge hole downstream of the existing diversion that eliminates fish passage. The team thought the application could have been written more clearly on this point. Although this was unclear in the application text, the designs are for the weirs. The team stipulated that the weirs should be funded and not the roughened channel.

The team discussed the ladder location. At low flows, water goes to the other side of the channel, and fish passage is usually where the sediment builds up and blocks the ladder. The engineer knows about this issue and has flow designs for low cfs and high cfs. The applicant needs to evaluate whether the fish ladder could be located on the opposite bank and, if not, is there going to be sufficient flow through the fish ladder during low-flow conditions. ODFW has to approve of the final location of the fish ladder.

The team discussed the point bar removal and the potential that it could re-form. They did not have concerns about the point bar removal and felt that the design is sound.

The team discussed that the application did not show any matching money for fish screens. ODFW pays up to 60% of the cost of fish screens. Fish screens are needed to prevent entrapment in the ditch, and if a fish screen is not installed, the ecological benefits of the project will be lower. The reviewers stated that the project is still important to fund even if fish screens are not installed.

Implementation will also improve water quality, as it will eliminate the need for heavy equipment to be in the stream, disturbing the substrate. The new diversion will also help to stabilize the streambanks, thus reducing erosion and sediment inputs into the Powder River. Overall, the team felt that the project has substantial water quality and fisheries benefits and recommends it for funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Replacing push-up dams with more fish-friendly diversion addresses altered watershed function affecting water quality and fish-passage capabilities. The project will improve fish habitat for ESA-listed bull trout and water quality in the Powder River.

REGIONAL TEAM RECOMMENDATION: Fund with conditions. The grant agreement will require (1) installation of the weirs, not a roughened channel in the plunge hole and a letter from ODFW that they approve the design and the location of the fish ladder.

REGIONAL TEAM PRIORITY: 5 of 19

CAPITAL AMOUNT: \$108,931 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require (1) installation of the weirs, not a roughened channel in the plunge hole; (2) a letter from ODFW that they approve the design and the location of the fish ladder, and (3) the grantee will seek funding to install fish screens and provide OWEB with copies of applications and requests for funding for fish screens.

**Oregon Watershed Enhancement Board
Region 5 (Eastern Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-5006	PROJECT TYPE:	Restoration
PROJECT NAME:	Duncan Ditch Water Quality Protection Project		
APPLICANT:	Keating SWCD		
BASIN:	POWDER	COUNTY:	Baker
OWEB FUNDS REQUESTED:	\$55,824	TOTAL COST:	\$79,893

APPLICATION DESCRIPTION:

Located in the Keating Valley of Baker County, the Duncan Ditch provides irrigation water to several landowners. Irrigation is applied to crop and pasture lands by flood and sprinkler irrigation. This section of the open ditch captures runoff from an adjacent 900-head confined animal feeding operation (CAFO) with the tailwater returning to the Powder River. The proximity of the CAFO results in decreased water quality, increased E. coli colonies and nutrient transport to the Powder River. To address the water quality problem, the applicant proposes to install 680 feet of 48-inch pipe in the ditch where it runs parallel with the feedlot. The pipe will eliminate runoff from the feedlot entering the ditch. In addition, an intake structure at the head of the pipe will be installed. The pipe will be buried with 3 feet of topsoil and the disturbed area seeded with an approved pasture mix. A nutrient management plan will be developed by ODA.

OWEB funds are requested for engineering (9%), project management (2%), contracted services - installation (14%), materials- pipe (66%) and administration (9%). Cost-share partners include the landowner, Lower Powder River Irrigation District, ODA and Keating SWCD.

The proposed project implements the Powder River Agricultural Water Quality Plan and the Powder Subbasin Plan since it will improve water quality and reduce nutrient and E. coli transport to the Powder River.

REGIONAL TEAM REVIEW:

The team felt that this project is straightforward and will address a significant water quality problem. Piping this section of the ditch will eliminate runoff from the feedlot entering the Powder River. Water for the Duncan Ditch is diverted from the Powder. Alternative measures to build berms or basins to contain the runoff would not be practical at this site and any collected waters would have to be disposed of through other means. By piping the ditch, any runoff would go into the surrounding pastures and would be filtered by vegetation as diffused discharge. Piping the ditch through the feedlot will prevent manure and sediment runoff from entering the ditch.

It was questioned if the ditch was screened and stated it was not. It is currently not a high priority since it is a ditch and not a creek. Also, the team recommended in other similar piping projects that a portion of the installation should be in-kind. To be consistent with other projects, the requested amount for installation was reduced. Overall, the team felt that the project has substantial water quality and fisheries benefits and recommends it for funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By installing a pipe an open drain ditch a significant amount of agricultural runoff, nutrients and bacteria will be eliminated from the entering the Powder River. This project addresses altered watershed functions affecting water quality.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 4 of 19

CAPITAL AMOUNT: \$53,006 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$53,006, with conditions. . Reduce the amount awarded for pipe installation by \$3,000. The grant agreement will add 2 years of post-implementation status reporting monitoring.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5007	PROJECT TYPE:	Restoration
PROJECT NAME:	Not Dry Gulch Offstream Watering Project		
APPLICANT:	Eagle Valley SWCD		
BASIN:	POWDER	COUNTY:	Baker
OWEB FUNDS REQUESTED:	\$23,736	TOTAL COST:	\$32,984

APPLICATION DESCRIPTION:

Located in Baker County, 2.5 miles east of Richland, Dry Gulch is 5.5-mile long stream that flows year-round, drains 2,466 acres, and flows through the pastures of this project's two landowners. The downstream landowner has livestock exclusion fencing on the west side of the gulch. However, the only current water source for livestock on these properties is from the gulch. Two ditches, the Waterbury-Allen and Dry Gulch ditch, cross the gulch. Eagle Valley SWCD is proposing to keep livestock off the gulch, listed by DEQ for habitat modification, sediment and temperature. Landowners will be using developed water sources and fencing to minimize livestock activity on streambank and to improve water quality.

Project components include developing 1 spring; installing 4,220 feet of 2-inch and 4-inch pipe for watering troughs; installing 1 hardened crossing in the corral area; installing 7 troughs and 1,300 feet of 4-strand barbed-wire fencing on the east side of Dry Gulch. In addition, disturbed areas will be seeded. Troughs will be located outside of the riparian area and supply water to each individual pasture. Fencing will be located approximately 35 feet from the gulch's thalweg. Fish have not been observed in the gulch. A hardened crossing will be installed to facilitate ranch operations. Having a riparian vegetative buffer strip will filter more sediment and nutrients coming from the uplands. In addition, as the vegetation matures, stream temperatures will moderate. Proper grazing management and vegetation along the stream will help stabilize these areas, minimizing the amount of sediment entering the stream and onto the Powder River. The landowners currently have a grazing management plan that promotes healthy vegetation in both the uplands and riparian areas. Watershed benefits include improved water quality, plant diversity, upland vegetation and wildlife habitat and stabilization of at-risk streambanks.

OWEB funds are requested for project management (8%), contracted services (46%), supplies/materials (39%) and administration (9%). Cost-share partners include the landowners and Eagle Valley SWCD.

The proposed project has a direct relationship with OWEB's basin priorities for the lower Powder and addresses riparian/floodplain, altered habitat structure, inputs of bacteria and altered thermal and sediment regimes. Practices complement the goals stated in the Powder/Brownlee Agricultural Water Quality Management Plan.

REGIONAL TEAM REVIEW:

The project was previously submitted twice and each time recommended, but fell below the funding line. This application was more complete and provided clarifying detail on previous issues raised by the review team. The map is very clear where pipelines, troughs and fencing are located and is significantly improved. Reviewers noted that the budget is reasonable and they have high confidence that the project will be successful.

The project addresses direct pollution to the Powder River, and has positive watershed benefits by improving water quality, streambank conditions, riparian and upland vegetation and wildlife habitat. Troughs will also be water sources for wildlife. The overall cost was modest. A previous concern related to there being sufficient water for all seven troughs. However, the applicant stated that the troughs have valves on them and water will not be flowing to all the troughs simultaneously because of the rotational grazing system. The landowners are making positive progress towards watershed improvement. Overall, the team felt that there are substantial watershed benefits to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By eliminating livestock access to the stream, erosion and sediment input to Dry Gulch and the nearby Powder River will be significantly reduced. Riparian and upland vegetative conditions will be improved. The project will improve water quality and wildlife habitat.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 1 of 19

CAPITAL AMOUNT: \$23,736 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

The project addresses preserving sage-grouse and wildlife habitat and the health and vigor of the native bunchgrass community. The project follows the Oregon Conservation Strategy by removing juniper in a sagebrush-steppe and shrubland ecosystem

REGIONAL TEAM RECOMMENDATION: Fund Conditions-- Provide a long-term juniper management plan and a grazing plan with the final report.

REGIONAL TEAM PRIORITY: 10 of 19

CAPITAL AMOUNT: \$60,900 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the final project completion report to include a grazing plan and long-term juniper management plan.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5009	PROJECT TYPE:	Restoration
PROJECT NAME:	Howarth Irrigation Efficiency		
APPLICANT:	Owyhee WSC		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$75,113	TOTAL COST:	\$230,929

APPLICATION DESCRIPTION:

Located northwest of Adrian, Owyhee WSC is proposing to convert 117 acres from furrow-flood irrigation to sprinkler-pivot. Currently, excess runoff flows into the Old Owyhee Canal as tailwater which flows into the Malheur River. Based on the 3-4% slopes of the fields, soil loss is estimated at approximately 15 tons per-acre per year or over 1,750 tons of sediment annually from this farm. Water quality standards for phosphorus in the Mid-Snake TMDL are set at 0.07mg/L.

The project proposes to install 3,680 feet of 10-inch pipe to replace an earthen drain ditch to provide pressurized gravity flow. Three pivots will be installed: an 880-foot pivot to irrigate 60 acres, a 702-foot pivot to irrigate 24 acres, and an 880-foot pivot to irrigate 33 acres. Flow meters will be installed at each pivot. The project will also install 720 feet of 10-inch mainline, 1,040-foot of 8-inch mainline, and 1,220-foot of 6-inch mainline for the three pivot sites. Pivots will use 25% less water than the current furrow irrigation.

OWEB funds are requested for project management (2%), contracted services (20%), materials- pipe, bubblers, pumps (69%) and administration (9%). The lessee is the cost-share partner. The landowner provided written permission for the lessee to install the pivots

Implementation addresses the Owyhee Subbasin Plan (2004) by reducing sediment and improving water quality; the Owyhee Agricultural Water Quality Management Plan (2003) which suggests practices that include irrigation water management and conversion from furrow irrigation to sprinklers; the Mid-Snake-Succor Creek TMDL that also addresses converting from furrow irrigation to sprinklers to reduce sediment, nutrient and phosphorous and it also addresses the Lower Owyhee Assessment (2007).

REGIONAL TEAM REVIEW:

The application was previously submitted but was not recommended for funding as there was some confusion regarding the proposed sediment ponds. The sediment ponds were taken out of this application and the project was clearer this submission. Converting from furrow irrigation to pivots will have positive water quality benefits. The project will address decreased tailwater issues, sediment, phosphorus, nutrients and bacteria. Growing corn on steeper slopes with flood irrigation is problematic, resulting in excess runoff. Funding this type of project addresses the largest source of water quality degradation in the Snake, Malheur or Owyhee basins which is irrigation-induced erosion.

In many previous projects in the Willow Creek area, the landowners contributed a significant amount towards the pipe installation. The team questioned if more contribution should be made for pipe installation in this project. Some of the pipeline and pivot installation projects may receive Environmental Quality Incentive Program (EQIP) funding from NRCS. The team felt that an EQIP award needs to be considered into the potential OWEB amount. However, it is difficult to know if that funding

is secured at the time of grant review. This project will not receive EQIP funds. The team agreed the landowner should pay for more of the pipe installation, based on prior project funding in other areas. The team also suggests that an irrigation management plan (IMP) be prepared to maximize the project's benefits. The IMP needs to be based upon crop requirements, rooting depth, soil depth numbers and designed for the highest demand crop at the hottest time of the year. In addition, the installed flow meters will also be beneficial in regulating and recording flow. Overall, the team felt that there are significant water quality benefits associated with this project. It is ready for funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: Fund reduce the amount of pipe installation.

REGIONAL TEAM PRIORITY: 16 of 19

CAPITAL AMOUNT: \$67,787 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$67,787. Reduce the amount of pipe installation.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5010	PROJECT TYPE:	Restoration
PROJECT NAME:	Cow Creek Water Management		
APPLICANT:	Owyhee WSC		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$17,637	TOTAL COST:	\$22,476

APPLICATION DESCRIPTION:

Located 20 miles north of Jordan Valley, this project addresses an historic irrigation diversion structure installed 30 or 40 years ago. Structures were installed in Cow Creek to capture spring runoff and stormwater, which was then used to irrigate hay meadows. This is the only available source of irrigation water. This particular structure was not designed properly. The throat is too narrow which constricts water flow during high water and floods, causing water to flow over the structure and cut into the banks on both sides of the diversion. Flow into the ditch is controlled by a drop structure with boards. There is no way to regulate flow into the ditch, resulting in further erosion scouring the structure and compromising streambanks immediately downstream.

Owyhee Watershed Council (OWC) is proposing to widen and stabilize the structure by anchoring it into the banks. In addition, project components include installing a headgate; 80 feet of 24-inch PVC pipe; flashboard; 40 yds³ of riprap above the diversion; 5 erosion-control structures and a measuring device.

OWEB funds are requested for contracted services (13%), material (79%), administration (5%) and monitoring (3%). The landowners will provide the installation and rock.

Implementation addresses the Owyhee Subbasin Plan (2004) by reducing sediment and improving water quality; the Owyhee Agricultural Water Quality Management Plan (2003) which suggests practices that include irrigation water management and addresses the Middle Owyhee Assessment (2009) which identifies streambank restoration and water management as high priorities for improving water quality.

REGIONAL TEAM REVIEW:

The project addresses an historic irrigation diversion structure that constricts water flow, creating streambank erosion and uncontrolled irrigation water. The team had concerns with the applicant's statement that there are no fish in the creek. Cow Creek has springtime flow from rain events and snowmelt runoff and is ephemeral. Streams in Malheur County should have fish; just because a stream goes dry does not mean fish cannot be present. Several diversions on Cow Creek may have more of an adverse impact on fisheries since passage is eliminated. Cow Creek feeds Cow Lake, though, which is fish-bearing. Reducing sediment transport to Cow Lake would have positive benefit to that habitat.

Reviewers found the application confusing with respect to water rights and how water is used. They thought that the proposal's watershed benefits were marginal. They noted that the creek looked heavily grazed and that more watershed benefits and riparian improvement may be obtained by focusing on grazing management than the proposed project.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.: 211-5011	PROJECT TYPE: Restoration
PROJECT NAME: Belnap Juniper Control Project	
APPLICANT: Malheur SWCD	
BASIN: OWYHEE-MALHEUR	COUNTY: Malheur
OWEB FUNDS REQUESTED: \$108,401	TOTAL COST: \$136,881

APPLICATION DESCRIPTION:

Cottonwood Creek runs through the Belnap Ranch in the northwestern corner of Malheur County. Juniper encroachment has led to a decrease in watershed health with the destruction of understory vegetation leading to overland flow, soil erosion, increased stream sedimentation and decreased stream flows. Juniper have invaded western sage-grouse habitat, forcing them to find other areas for survival. Sage-grouse leks were identified in this watershed. The Irish Spring fire affected the area in 2007. By siting this project adjacent to the burned area, a large mosaic area can be achieved for improved upland habitat.

Project components include juniper cutting using a chainsaw on 1,000 acres and seeding on 200 acres. Juniper expressing old-growth characteristics will not be cut. Native grasses and forbs should naturally reseed. NRCS will assist with a grazing plan and selecting the certified native plant and vegetation mix for areas where reseeding is slow. Fledging sage-grouse survive on a diet of grass and forb seeds. The landowner will implement a prescribed burn in the next six to seven years to control juniper regeneration. Prior to the prescribed burn boles will be removed for firewood or fence posts as much as possible to reduce fire intensity and soil damage. A grazing plan, including temporary rest and deferment, will be implemented

ODFW supports removing juniper for enhancing wildlife habitat, especially western sage-grouse. Eliminating flood irrigation will significantly reduce soil erosion runoff that annually contributes tons of sediment and other pollutants to the Owyhee and Snake Rivers. This project addresses altered watershed functions affecting water quality.

OWEB funds are requested for project management (1%), in-house personnel (2%), travel (1%), contracted services - juniper removal (73%), materials- seed (14%) and administration (9%). Cost-share partners are the landowner, ODFW, NRCS and Malheur SWCD. Malheur SWCD will write two articles on the benefits of juniper control to riparian and wildlife values in their "Natural Exchange" periodical.

Implementation follows the Malheur Basin Agricultural Water Quality Management Plan which encourages practices that help to achieve water quality standards. The Malheur Basin Watershed Assessment has a goal to achieve proper functioning conditions in streams and waterways. Reducing sediment will help to achieve water quality improvement stated in these plans.

REGIONAL TEAM REVIEW:

The application was previously submitted and recommended for funding, but fell below the funding line. This project is very similar to the previous juniper removal projects that are in the northwestern Malheur County. Implementation complements several other OWEB juniper projects near Ironside which in total have treated juniper over a large geographic area. Project benefits include decreased wildfire potential,

increased wildlife habitat especially for sage-grouse, increased water storage, decreased erosion and increased upland vegetation.

The project area has some aspen stands. The team previously recommended piling felled juniper around aspen groves to protect them from elk and livestock predation. Travel for the Malheur SWCD is higher due to the project's remoteness. Located near Ironside, the project area is at the edge of the conifer forest and sagebrush-steppe plant community. Overall, the team felt that this project has significant ecological merits to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Removing juniper will lead to decreased erosion and overland flow by increasing infiltration and water storage. Upland and riparian vegetation and water quality will improve the Cottonwood Creek drainage. This project addresses altered watershed function affecting water quality and wildlife habitat. The aspen component is critical to many wildlife species.

REGIONAL TEAM RECOMMENDATION: Fund with conditions: provide a long-term juniper management plan with the final project completion report.

REGIONAL TEAM PRIORITY: 9 of 19

CAPITAL AMOUNT: \$108,401 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the project to pile felled juniper around aspen groves to protect them from elk and livestock predation, and provide a long-term juniper management plan with the final project completion report.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5012	PROJECT TYPE:	Restoration
PROJECT NAME:	Blackburn Pumpback		
APPLICANT:	Malheur SWCD		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$24,835	TOTAL COST:	\$31,835

APPLICATION DESCRIPTION:

Located in the Willow Creek area west of Vale in Malheur County, this project addresses irrigation-induced erosion from furrow irrigation and excess sediment and nutrient transport to Willow Creek. Water quality is the primary limiting factor for the Malheur Basin with the Malheur River having the second worst water quality in the State. The current furrow-irrigation system produces runoff contaminated with sediment, nutrients and E. coli. Tailwater flows into Willow Creek and then into the Malheur River. The Malheur SWCD is proposing to develop a pumpback system to improve water quality.

Runoff water from 40 acres will be collected in a pond and then “pumped back” to the top of the field to be used again, eliminating tailwater entering Willow Creek. Project components include constructing a 9-foot deep, 60-foot wide by 90-foot long holding pond; installing 1,200 feet of 10-inch mainline to the existing mainline in the field; and installing a 10-HP pump with screen and electrical controls. Watershed benefits include improved water quality and conservation of topsoil.

OWEB funds are requested for project management (6%), contracted services –pipe installation and pond construction (49%), materials (34%), administration (9%) and monitoring (2%). The landowner, NRCS and Malheur SWCD are cost-share partners.

Implementation addresses the Malheur Subbasin Plan (2004) by reducing sediment and improving water quality; the Malheur Basin Agricultural Water Quality Management Plan (2001), which suggests practices that include irrigation water management and conversion from furrow irrigation to sprinklers; and the Mid-Snake-Succor Creek TMDL, which also addresses converting from furrow irrigation to sprinklers to reduce sediment, nutrient and phosphorous.

REGIONAL TEAM REVIEW:

This project is very similar to many other projects recently implemented in the Willow Creek drainage as it will improve water quality and eliminate excess runoff. It continues the positive effort in the Malheur basin, especially in the Willow Creek drainage. The application, however, lacked essential detail.

It was not clear why there would be runoff since a pivot installation is planned. The application stated that the landowner is applying for Environmental Quality Incentive Program (EQIP) funding through NRCS. It was not clear if the pivot would also be used in addition to the pumpback or what specific area it will sprinkle. The team questioned if the pumpback was for the corners of the field or if water would be pumped back to the pivot. Also, a previous pumpback was installed on this property several years ago. Identifying the location of the first pumpback would be helpful. It would be beneficial to have a schematic of the irrigation system for the entire property so that the team can clearly understand how various parcels are being irrigated. While the overall concept of the project is positive, the application

does not provide sufficient information to recommend its funding. A future application needs a better map that clearly identifies where current and proposed pumpback and pivots are located and more detail on the overall irrigation system. The project is not ready for funding this grant cycle

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

**Oregon Watershed Enhancement Board
Region 5 (Eastern Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-5013 **PROJECT TYPE:** Restoration
PROJECT NAME: Hubbell Off-Stream Watering System
APPLICANT: Union SWCD
BASIN: GRANDE RONDE **COUNTY:** Union
OWEB FUNDS REQUESTED: \$17,405 **TOTAL COST:** \$23,225

APPLICATION DESCRIPTION:

The project is located near Summerville and proposes to provide off-stream livestock water in the Willow Creek drainage, which has some of the highest water quality in the Grande Ronde basin. The applicant is proposing to construct a pond in the Dry Creek and Little Dry Creek drainage, a seasonal stream with no summer flow. Dry Creek has ESA-listed spring Chinook salmon and summer steelhead. The pond will eliminate livestock access to the creek, which will improve water quality and riparian vegetation. After the construction of the pond, the landowner will enroll that portion of the stream into CREP. The lower portion of Dry Creek is currently enrolled. Eliminating livestock access will provide watershed benefits by improving riparian vegetation, streambank stability and reduce animal waste inputs into the Willow Creek drainage.

Project components include constructing a berm or dam using 2,100 yds³ of earthfill; installing 400 feet of pipe to a 500-gallon trough and 900 feet of 4-strand, barbed-wire fencing to protect the riparian areas. Spring runoff and water from seasonal springs will collect in the pond in the early part of the year.

OWEB funds are requested for project management (5%), engineering (12%), contracted services (58%), materials – fencing, pipe and troughs (15%), administration (9%) and administration (2%).

Implementation follows the Upper Grande Ronde Basin Agriculture Water Quality Management Plan, which recognizes that livestock contributes non-point pollution and adversely affects the amount of sediment and nutrient loads into the river system. The plan encourages best management practices (BMP’s). The plan also follows the Upper Grande Ronde Subbasin Plan.

REGIONAL TEAM REVIEW:

The project was previously submitted but was not recommended for funding. Several springs are situated on the toe of Mount Emily which would potentially supply water for the pond proposed for offstream watering. Steelhead spawn in these tributaries and the streams rely on water and runoff for hatching during May, June and July. Restricting livestock access to Dry Creek, which has high water quality, will improve riparian vegetation, streambank stability and reduce nutrient transport. However, if water is held back for the ponds then it would not be available for the fish, especially in the smaller streams. There was concern that the pond would hold water when the steelhead need it in the stream to spawn. The size of the pond, 2,100 cubic yards, was also of concern.

The pond will also require a permit, which would allow the landowner to store water from December through mid-April. There were questions whether the landowner would need to fill the pond again in summer and if not allowed to do so, what would the alternatives be. Some team members would prefer filling the trough from the stream to protect aquatic resources, rather than construct a pond. The pond may not have a valve to restrict water flow, potentially wasting water critical for aquatic purposes.

However, the application stated that there is insufficient reliable flow to fill the troughs throughout the summer as the creek runs dry. Another suggestion would be to drill a well and put in a solar pump. Since it would be for livestock, the well would be exempt, but there would be oversight on how it is constructed. The team also suggested a cistern or holding tank as a possible alternative. The number of head needing offstream water was not clearly stated.

The team agrees that the project has potential watershed benefits but they did not think that a pond was the best option. They recommended that other options be explored. A future application would need to discuss how they are providing summer water now; the capacity of any proposed watering system; the number of livestock to be served by a watering system; and discuss if CREP would pay for wells or cisterns. It was stated that CREP does pay for pipe, troughs and other elements stockwater systems. It is not recommended for funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

**Oregon Watershed Enhancement Board
Region 5 (Eastern Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-5014	PROJECT TYPE:	Restoration
PROJECT NAME:	Catherine Creek Water Quality and Fish Habitat Improvement		
APPLICANT:	Union SWCD		
BASIN:	GRANDE RONDE	COUNTY:	Union
OWEB FUNDS REQUESTED:	\$93,255	TOTAL COST:	\$125,730

APPLICATION DESCRIPTION:

The project is located west of Union on Catherine Creek which is ESA-listed spring Chinook salmon, steelhead and bull trout habitat. Salmonids are holding and rearing in this portion of Catherine Creek, previously thought to be only a migration corridor. Currently, 430 feet of streambank is eroding at an increasing rate, releasing sediment into the system and inhibiting riparian vegetation establishment and providing less-than-optimal fish habitat. Proposed project components include sloping the banks to a 2:1 ratio; installing 6 log structures, each with 25 logs/structure, on both sides of the banks; placing up to 5 rootwad deflectors at log revetment junction location; installing ballast rock on the rootwads; installing 1,000 yds² of coconut-mesh (coir) groundcover; and planting 400 red-osier dogwood (*Cornus serica*) whips, 400 coyote willow (*Salix* spp.) and 400 cottonwood posts (*Populus tricarpa*). Watershed benefits include decreased sediment input, improved bank stabilization and water quality, riparian vegetation and fisheries habitat.

OWEB funds are requested for project management (3%), in-house personnel (3%), contracted services – earthwork, log placement and mobilization (28%), materials (48%), plant material (10%) and administration (8%). Cost-share partners include landowners on both sides of Catherine Creek.

Implementation follows the Upper Grande Ronde Basin Agriculture Water Quality Management Plan as it addresses water quality and improved riparian vegetation and conditions.

REGIONAL TEAM REVIEW:

The current lack of riparian vegetation adversely affects fisheries habitat. Improving streambank conditions at this site is important since the upstream section of Catherine Creek is very channelized with little sinuosity. Also, more recent data from the on-going Bureau of Reclamation's (BOR) project for the Grande Ronde indicates that a significant number of smolts and juveniles are present in this stretch of Catherine Creek, previously believed to be only a migration corridor.

The project was previously submitted but lacked essential detail to warrant funding. The revised application provided good detail, answered the riparian planting questions and coordinated design efforts with ODFW, USFWS and NOAA. This site may be problematic to stabilize due to an unnatural bend in Catherine Creek and significant flow being directed at the streambanks. However, the project site is adjacent to a successfully implemented Watershed Health project with 15 years of established vegetation and functioned well during two very high-flow events. There is also work going on with property owners downstream to open an oxbow, and this project may help increase landowner participation on the creek. Overall, the team was impressed with the project and felt it has significant ecological merit to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This project addresses altered watershed function affecting water quality and fisheries habitat. Project implementation will improve water quality, riparian and aquatic habitat in Catherine Creek for ESA-listed spring Chinook, bull trout and steelhead.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 2 of 19

CAPITAL AMOUNT: \$105,255 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at the increased amount of \$105,255. \$12,000 added to cover costs of design. SWCD engineer who was to design the project has left the district and the district will have to hire an engineer.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5015	PROJECT TYPE:	Restoration
PROJECT NAME:	Fletcher Gulch Pipeline		
APPLICANT:	Malheur SWCD		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$527,272	TOTAL COST:	\$687,716

APPLICATION DESCRIPTION:

Malheur SWCD and the landowners on Fletcher Gulch are proposing to replace a 9,800-foot earthen lateral located five miles northwest of Adrian. The current lateral is an earthen ditch approximately four-feet to five-feet wide and is widening from higher flows. Fletcher Gulch serves 1,000 acres agricultural producers raising mostly corn but also grains, beans potatoes and sugar beets on fairly steep slopes, which results in very significant erosion. Tailwater flows into the Old Owyhee drain and then into the Malheur River and onto the Snake. The soils have high concentrations of natural alkalinity. Alkali soils reduce water infiltration capacity thereby increasing runoff.

Agricultural laterals and drains in Malheur Country contribute to impaired water quality through increased erosion, sediment and bacterial inputs. Earthen ditches also contribute to water loss through evaporation and seepage. Malheur SWCD has been sampling 35 agricultural drains and irrigation laterals that flow into the Snake River. Information collected from these sites indicates that because of the irrigation and farming practices, significant amounts of sediment and agricultural contaminates flow from these laterals and drains. Replacing the earthen lateral will have watershed benefits including reduced sediment, phosphorous, nutrients, bacteria and turbidity inputs and decreased water usage.

Malheur SWCD proposes to pipe 9,800 feet pipe (various sizes) of lateral and provide a gravity-flow system to enable landowners to install wheel lines, sprinklers or pivots. Other project components include various valves, flanges and reducers; 8 flow meters; 4 turnouts, 1 self-cleaning screen, an automated headgate, 2 pivots, 1 linear pivot and 1 gravity sprinkler. Pivots use at least 25% less water annually, saving 64 acre-feet.

OWEB funds are requested for project management/engineering (1%), contracted services – installation (17%), materials- pipe and fittings (79%) and administration (2%). Partners include the landowners, Malheur SWCD, Bureau of Reclamation (BOR), NRCS and the Owyhee Irrigation District (OID). Future on-farm projects could be cost-shared by EQIP.

The project implements the Owyhee River Basin Agricultural Water Quality Management Plan (AQMP), the Northwest Power Conservation Council's Owyhee Subbasin Plan, the Snake River-Hells Canyon TMDL and the Lower Owyhee Assessment by addressing irrigation-induced erosion.

REGIONAL TEAM REVIEW:

The Malheur SWCD received a technical assistance grant two years ago to complete the engineering for this pipeline. Some of the landowners are ready to convert to pivots. The soils are highly erodible and very alkaline. Installing flow meters at each pivot is positive as it will accurately measure water quantity consumed for irrigation purposes. By converting to pivots and piping the laterals, sediment transport will

almost be eliminated. Evaporative ditch loss will be eliminated and irrigation delivery and efficiency improved. The project has very positive water quality benefits.

The application was previously submitted but not recommended for funding. The team wanted to see cost-share for installation from OID. With this submission, OID agreed to provide a portion of the installation. Also, a grant proposal submitted to the BOR received a positive review. Reviewers also appreciated that the budget contained minimal costs for administration and project management.

However, the reviewers were concerned that a project of this size and cost was poorly supported by the application, which lacked accuracy and detail that would have supported the request. The application was confusing and contained a number of errors. For example, in several places there was conflicting information about the number of acres being addressed by the project. It was not clear that the project was designed by a licensed professional engineer, which would have made reviewers more comfortable because they would know to what standards the system is being put in. The budget had several errors. A revised budget was presented to the team prior to the meeting in Jordan Valley with corrections. However, there were other application inconsistencies. The applicant did not clearly describe the contributions from the Barlow farm, which reduced the length of the lateral from the previous application. This was confusing. Also, the cost of the screen seemed to be high. The acreage was inconsistent between the text and the abstract. The map needed more detail including a better legend; location of where the various-sized pipe will be installed; where the Barlow farms pipe will be installed and a better overview of actual watershed conditions depicting water-quality limitations.

The team agrees that this is potentially an excellent project. The applicant needs to clearly articulate why this pipeline is a priority. For example, it is because of landowner participation, collected data from monitoring or what specifically? A better map and schematic of the pipeline is essential. The team also would like information on what firm is providing the engineering assistance and their expertise. More overall detail needs to be provided. The team felt that the project is not ready for funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

**Oregon Watershed Enhancement Board
Region 5 (Eastern Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-5016	PROJECT TYPE:	Restoration
PROJECT NAME:	North Fork Burnt River Watershed Restoration - Phase I		
APPLICANT:	Powder Basin WSC		
BASIN:	POWDER	COUNTY:	Baker
OWEB FUNDS REQUESTED:	\$46,848	TOTAL COST:	\$153,153

APPLICATION DESCRIPTION:

The Powder Watershed Council (WSC) is partnering with the USFS to restore headwater streams in the upper Burnt River basin in the Whitney Valley. Watershed issues addressed are limited groundwater and surface-water storage, limited riparian vegetation, impaired water quality, excessive bank erosion and limited fish and wildlife habitats. This project focuses on remnant aspen stands on valley floors. The USFS is proposing to establish a core zone of abundant riparian, woody vegetation capable of sustaining beavers and their dams. Beaver dams are the only way to hydrologically reconnect the streams to their valley floors and restore ecologically and hydrologic function. The applicant proposes to fence three separate aspen stands; planting willows and removing conifers to reduce competition for aspen.

Project components include conifer removal on 23 total acres in two locations; installing buck-and-pole fencing on 3 separate areas which totals 13 acres; plant 5,000 willows on active floodplains; use ranch panels to create 20 small (16-feet x 8-feet) willow enclosures.

OWEB funds are requested for fencing materials (91%) and administration (9%). Cost-share partners include USFS (project oversight), Whitman College, Rocky Mountain Elk Foundation (RMEF) and ODFW. Whitman College students will plant willows, participate in channel surveys and collect data. ODFW will supervise volunteer fencing. RMEF will help to install fencing.

Project implementation follows OWEB's regional priorities as it addresses symptoms of disturbance that impact fish and wildlife; the Northwest Power Conservation Council's (NPPC) Powder River Subbasin Plan (2004) and the Oregon Conservation Strategy that identifies aspen woodlands importance to various wildlife populations.

REGIONAL TEAM REVIEW:

The application was well-written, reflected appropriate techniques and provided significant detail. The relationship to regional priorities and watershed processes was thoroughly described. Enhancing aspen stands is critical to improving habitat for various avian and terrestrial wildlife. The techniques proposed for aspen protection are positive.

There are many beaver in the area. They will not be moved to these locations, but rather will eventually migrate. The neighboring landowners, who have successfully implemented a large OWEB project, do feel that the beavers conflict with their restoration goals. The beaver caused degradation in their meadows and ate many of their plants. It is important to know how beaver interact within the system. There is little information known about how beavers survive in areas surrounded by human activity. Concerns on similar fencing projects in Wallowa County stated that elk calves and deer fawns get trapped on the wrong side of the protective aspen fence. This leads to animal stress and possible mortality as well as excess herbivory on the aspen. Panels need to be placed to the bottom of the fencing so that young elk

and deer are not trapped. The applicant may want to consider that option. The team mentioned that grazing rates and stubble height may also be a concern and should be monitored in the allotment. However, since this is a USFS allotment, the range conservationist along with the permittees will be monitoring conditions periodically and no additional monitoring of those parameters is needed. Overall, the team felt that this project provides substantial ecological merit and an opportunity to restore floodplain connectivity. It should be funded this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This project addresses altered watershed function affecting wildlife, water storage capacity and water quality and fisheries habitat. Project implementation will improve aspen stands key for wildlife, improved restoration and restore ecological and hydrological functions.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 15 of 19

CAPITAL AMOUNT: \$46,668 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$46,668, with conditions. Remove \$180 in non-capital costs. The grant agreement will require the grantee to place panels on the bottom of the fencing so that young deer and elk are not trapped.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5017	PROJECT TYPE:	Restoration
PROJECT NAME:	Greenfield Elimination of Irrigation Runoff		
APPLICANT:	Malheur WSC		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$26,623	TOTAL COST:	\$95,423

APPLICATION DESCRIPTION:

Malheur Watershed Council is proposing to convert an 80-acre flood-irrigated alfalfa field to sprinklers. Located near Vale, the field is rotated with corn or grains periodically. The field is pastured in the off-season, adding E. coli input to the runoff after snowmelt. Irrigation runoff flows into a canal which dumps into Willow Creek four miles east of the property. Willow Creek has the third worst water quality in the State with excessive amounts of sediment, algae, nutrients and E. coli. The current conveyance method is open earthen ditches that result in 40% water loss and exacerbates weed infestations. Soil loss is estimated at 15 to 20 tons per acre or 1,200 to 1,600 tons annually.

Project components include installing a 1,296-foot, eight-tower pivot to replace flood irrigation; bury 1,720 feet of 10-inch mainline to replace open earthen ditch and install 1,900 feet of wire. The project will eliminate livestock waste, fertilizer and silt-laden irrigation runoff from entering Willow Creek.

OWEB funds are requested for project management (6%), contracted services – installation (38%), materials - pipe, wire and fittings (47%) and administration (9%). The landowner is providing significant cost-share.

Implementation follows the Malheur River Agricultural Water Quality Management Plan (2005) to increase the adoption of effective management practices to improve water quality. The NWPCC's Malheur River Subbasin Plan recommends reducing soil loss and associated pollutants from irrigated croplands and to improve irrigation efficiency.

REGIONAL TEAM REVIEW:

This project continues the on-going effort in the Willow Creek area to convert flood irrigation to pivots or sprinklers. In addition, this project will tie into the recently funded lateral 227, which will be installed next year. The pressurized lateral will encourage landowners to convert to sprinklers, resulting in improved water quality in this portion of the Willow Creek basin. The project has significant water quality benefits. The landowner has an additional 90 acres that will continue to be flood irrigated. However, he is planning to improve those irrigation practices in the future as funding and opportunities prevail.

The team questioned if the engineer designing the project was a licensed professional engineer (P.E.). They were unsure what "C.I.D." referred to in the application. It was thought it meant "certified irrigation designer", but not clear. The applicant should have defined that acronym. It was also stated that he has substantial experience designing irrigation systems and was the engineer for some recently funded laterals. The trench location for the wire should have been on the map. The team felt that the landowner should contribute of the pipe installation and requested a reduction. Overall, the team thought that this project has significant watershed benefits, especially since it will tie into the new lateral.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Eliminating flood irrigation will significantly reduce soil erosion runoff that annually contributes tons of sediment and other pollutants to the Malheur and Snake Rivers. This project addresses altered watershed functions affecting water quality.

REGIONAL TEAM RECOMMENDATION: Fund reduced: reduce pipe installation cost.

REGIONAL TEAM PRIORITY: 8 of 19

CAPITAL AMOUNT: \$24,123 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$24,123. Reduce the pipe installation by \$2,500.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5018	PROJECT TYPE:	Restoration
PROJECT NAME:	Heritage Irrigation Improvement		
APPLICANT:	Owyhee WSC		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$22,939	TOTAL COST:	\$29,784

APPLICATION DESCRIPTION:

Owyhee Watershed Council proposes to improve the irrigation delivery system on a farm five miles northwest of Adrian. The new landowner wants to reduce the amount of erosion and runoff from his field. The property is at the end of an irrigation delivery system that lacks a headgate to regulate the inflow, especially during heavy flows and major storm events. During these events, the ditch has a tendency to blow out, with water spilling over the field, creating a major source of erosion into the adjacent drain ditch. Malheur SWCD has been sampling this drain for various water quality parameters for several years. The landowner plans to install sprinklers in the future as resources permit.

To alleviate the excess water, the applicant proposes to install a headgate to regulate the water inflow and a weed rack; install a headwall to regulate runoff and install 1,780 feet of 15-inch pipe to replace an earthen ditch between the headgate and the existing corrugated metal pipe (CMP) stand. The project will improve irrigation efficiency, water quality and water management.

OWEB funds are requested for project management (4%), contracted services – connect the pipe (8%), materials – pipe, headgate and weed rack (81%), administration (5%) and monitoring (2%). The landowner will do the earthwork and backfill the trench. Owyhee Irrigation District (OID) will install the orifice box and headwall.

Implementation addresses the Owyhee Subbasin Plan (2004) by reducing sediment and improving water quality; the Owyhee Agricultural Water Quality Management Plan (2003) which suggests practices that include irrigation water management and addresses the Lower Owyhee Assessment (2007) which identifies improving irrigation systems as a high priority for improving local water quality. The project follows the Snake River-Hells Canyon TMDL that discusses problems associated with nutrient loading and potential impact of irrigation management.

REGIONAL TEAM REVIEW:

The project continues the on-going effort of the Owyhee Watershed Council to improve water quality to the Owyhee River. Antiquated irrigation delivery systems and a series of drains contribute to excess runoff and high levels of sediment in the Owyhee and Snake Rivers. The overall budget request is modest.

While the team agrees with reducing the amount of flow into the drain ditch, they were confused by the project and the design. It was difficult to understand the concept being presented. Installing one pipe into the earthen ditch where the siphon tube is adjacent to an overflow ditch was confusing. It was unclear why there would be that much water coming down the ditch. The size of the watershed drained was not stated. It was also questioned if you place a headgate on the system, what happens to the excess flow. The situation was not well described. The team also questioned how much of this problem is the

responsibility of the irrigation district. Their role and responsibility needs to be clearly defined. A better design and schematic how the system operates are needed to more thoroughly evaluate the project. The team felt that there is potentially a water quality benefit once the questions are answered. However, they did not have sufficient information to recommend the project for funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5019	PROJECT TYPE:	Restoration
PROJECT NAME:	Alkali Irrigation Efficiency		
APPLICANT:	Owyhee WSC		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$69,707	TOTAL COST:	\$127,247

APPLICATION DESCRIPTION:

Owyhee Watershed Council (OWC) proposes converting 40 acres with 8% to 12% slopes from furrow irrigation to sprinklers. The field is in a corn and wheat rotation. Sediment, nutrients and other water quality impairments in the tailwater flow directly to the Snake River. The farm is located in the Upstream Snake River Segment of the Snake River-Hells Canyon TMDL where the majority of agricultural land-use occurs. This segment is listed for bacteria, dissolved oxygen, mercury, nutrients, pH sediment and temperature. Converting from flood to sprinkler irrigation will reduce the amount of pollutants flowing into the Snake River.

Project components include installing 740 feet of 8-inch pipe to replace an earthen ditch; 1,000 feet of 6-inch mainline; 1,400-feet of 27-inch pipe to replace an earthen canal; one headwall and one pivot. Watershed benefits include improved water quality by reducing sediment, nutrients, bacteria and turbidity. Water consumption will be reduced by 25% using the pivot.

OWEB funds are requested for project management (2%); contracted services – install mainline, headwall and wire (9%); materials – mainline, headwall, pipe, pump and panel (79%); administration (9%) and monitoring (1%). The landowner applied for Environmental Quality Incentive Program (EQIP) funds for the pivot and is providing some cash. South Board Irrigation District (SBID) will install the 27-inch pipe in the canal, the orifice box and headwall.

Implementation addresses the Owyhee Subbasin Plan (2004) by reducing sediment and improving water quality; the Owyhee Agricultural Water Quality Management Plan (2003) which suggests practices that include irrigation water management and addresses the Lower Owyhee Assessment (2007) which identifies improving irrigation systems as a high priority for improving local water quality. The project follows the Snake River-Hells Canyon TMDL that discusses problems associated with nutrient loading and potential impact of irrigation management.

REGIONAL TEAM REVIEW:

The team agreed that this project would provide significant water quality benefits as it continues the effort in the Owyhee basin to address irrigation-induced erosion and sediment loss. The tailwater flows directly to the Snake River. Growing corn on steeper slopes creates significant excess runoff. Converting from flood to sprinkler will significantly help to ameliorate the runoff. The team was impressed with the project as they felt it had excellent water quality benefits. As more of these projects are implemented, other landowners will become aware of their benefits and hopefully participate. This project complements several other recently implemented projects in the Alkali drainage.

The project follows and implements several plans including two TMDLs. The sediment transport savings are very significant. The application provided good information with detailed unit costs and

component estimates. The application clearly stated the project was designed by a field representative for Valley Irrigation and meets NRCS' design criteria. However, the applicant should have stated that EQIP funds were sought, even though they are not yet secured. Also, SBID is installing 1,400 feet of 27-inch pipe, which is a significant contribution and also enhances the water quality aspects of the project. The SBID should check with OWRD to see if a water transfer permit is needed.

Implementation continues the water quality improvement work in the Malheur and Owyhee basins. This type of project is a high priority in the lower Owyhee basin. There is significant ecological merit to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Eliminating flood irrigation will significantly reduce soil erosion runoff that annually contributes tons of sediment and other pollutants to the Owyhee and Snake Rivers. This project addresses altered watershed functions affecting water quality.

REGIONAL TEAM RECOMMENDATION: Fund - reduce the pipe installation cost.

REGIONAL TEAM PRIORITY: 6 of 19

CAPITAL AMOUNT: \$66,857 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at reduced level of \$66,857; reduce pipe installation.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5021	PROJECT TYPE:	Restoration
PROJECT NAME:	Morgan Avenue Pipeline		
APPLICANT:	Malheur SWCD		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$37,829	TOTAL COST:	\$83,089

APPLICATION DESCRIPTION:

Located near Ontario, the Malheur SWCD proposes to improve irrigation efficiency and water quality by converting 40 acres from gated pipe to sprinkler-pivot irrigation. This parcel has the potential to lose 15 tons of soil per-acre per year or 600 tons annually. In addition, the open delivery ditch is adjacent to a feedlot which has the potential to transport excess nutrients during high-flow periods. The project addresses irrigation-induced erosion caused by furrow irrigation and complements several other projects recently implemented in Malheur County.

Watershed issues addressed are irrigation-induced erosion that creates excess runoff, sediment, nutrients and phosphorous. Project components include converting 2,460 feet of earthen ditch to pipe to provide a pressurized gravity flow; installing cement structures for a headgate shared by two landowners and installing a 688-foot 4-span pivot to irrigate 40 acres. The pivot will use 25% less water than the current irrigation method. Watershed benefits include improved water quality by reducing sediment and nutrient transport; improving irrigation efficiency by installing pivots and improving water quantity; decreased sediment, phosphorus, nutrients inputs and improved water efficiency.

OWEB funds are requested for project management (5%), travel (1%), contracted services – installation of delivery pipe (25%), materials –pipe and fittings (59%), administration (9%) and monitoring. The landowner, NRCS and the Owyhee Irrigation District (OID) are cost-share partners. OID will install the headgate. NRCS will review the designs and provide cost-share.

Implementation follows the Malheur River Agricultural Water Quality Management Plan (2005) to increase the adoption of effective management practices to improve water quality. The Northwest Power and Conservation Council's (NWPC) Malheur River Subbasin Plan recommends reducing soil loss and associated pollutants from irrigated croplands and to improve irrigation efficiency.

REGIONAL TEAM REVIEW:

The project continues the effort in Malheur County to convert from flood to sprinkler irrigation. The benefits for water quality are good but not as high as other projects since the slopes are not as steep. However, there appeared to be significant erosion sediment in the ditches. The property is being pastured and was previously cropped by a former landowner. The current landowner has owned the property for the last few years and wants to utilize more conservation measures. The budget is very reasonable.

The team felt that the detail on the headgate and map could have been better. It is also possible that a water right transfer may be needed for the headgate. OID should contact OWRD to verify. Pipe installation costs were somewhat high on a per-foot basis. The team suggested a higher in-kind contribution from the landowner for pipe installation. The team felt that the project has ecological merit to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Eliminating flood irrigation will significantly reduce soil erosion runoff that annually contributes tons of sediment and other pollutants to the Malheur and Snake Rivers. This project addresses altered watershed functions affecting water quality.

REGIONAL TEAM RECOMMENDATION: Fund- reduce the pipe installation.

REGIONAL TEAM PRIORITY: 18 of 19

CAPITAL AMOUNT: \$35,529 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$35,529. Reduce pipe installation by \$2,300.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5022	PROJECT TYPE:	Restoration
PROJECT NAME:	Barton Irrigation Efficiency		
APPLICANT:	Owyhee WSC		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$61,119	TOTAL COST:	\$140,539

APPLICATION DESCRIPTION:

The Barton Irrigation Efficiency project continues Owyhee Watershed Council's (OWC) effort to convert from flood to sprinkler irrigation. The project is located south of Nyssa and will convert 72 acres from furrow-flood to sprinkler irrigation. Tailwater from this farm flows directly into the Snake. OWC estimates that erosion rate at 10 tons/acre annually because of the 5% to 8% slopes. The farm is located within the upstream Snake River segment of the Snake River-Hells Canyon TMDL where the majority of the agricultural land use occurs. Flow within this segment is a result of seasonal precipitation events, upstream and tributary catchments and irrigation diversion and return.

Proposed components include installing 1,300 feet of 10-inch mainline to replace the earthen ditch; 2,680 feet of 8-inch pipe; 1,560 feet of 6-inch pipe; 14 risers to irrigate the corners; and a 1,227-foot pivot to irrigate 72 acres. In addition, two sediment ponds will be installed to collect tailwater from the corners of the field irrigated with landlines and gated-pipe. Water will flow from the sediment ponds to the drain. Watershed benefits include improved water quality by reducing sediment, nutrients, bacteria and turbidity. Water consumption will be reduced by 25% less than furrow irrigation.

OWEB funds are requested for project management (2%), materials (54%), contracted services- install pipe and construct sediment ponds (34%) administration (9%) and monitoring (1%). The landowner will provide cash for the pivot and other in-kind cost-share. NRCS reviewed the project for Environmental Quality Incentive Program (EQIP), developed a farm plan for the property and approved a portion of the project for EQIP funds. Agri-Lines Irrigation of Parma developed the design for this project.

Implementation addresses the Owyhee Subbasin Plan (2004) by reducing sediment and improving water quality; the Owyhee Agricultural Water Quality Management Plan (2003), which suggests practices that include irrigation water management and conversion from furrow irrigation to sprinklers; the Mid-Snake-Succor Creek TMDL, which also addresses converting from furrow irrigation to sprinklers to reduce sediment, nutrient and phosphorous inputs; and the Lower Owyhee Assessment (2007), which identifies improving irrigation systems as a high priority for improving local water quality.

REGIONAL TEAM REVIEW:

The team agreed that this project could provide significant water quality benefits as it continues the effort in the Owyhee basin to address irrigation-induced erosion and sediment loss. There was confusion regarding the proposal and some of the cost-share. The text stated that the NRCS approved the project for EQIP funds, but it was unclear if this was for the pivot or for what component of the project. That should have been clearly articulated.

The application needed better maps that clearly showed all the project components. Also, the applicant requested handlines and gated-pipe from OWEB. Since these are appurtenances and movable, they

cannot be funded by OWEB. The team was confused by the sediment ponds and their function. If the landowner is using a handline, then there should not be any runoff, negating the need for the sediment ponds. The team suggested considering installing a small pumpback, unless the area is too small to warrant the electrical costs. The team felt that the project has potential, but lacks sufficient detail and explanation to warrant funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

Oregon Watershed Enhancement Board Region 5 (Eastern Oregon) Review Team Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5024	PROJECT TYPE:	Restoration
PROJECT NAME:	Silvies River Riparian and Grazing Management		
APPLICANT:	Harney SWCD		
BASIN:	LAKES	COUNTY:	Harney
OWEB FUNDS REQUESTED:	\$149,855	TOTAL COST:	\$206,781

APPLICATION DESCRIPTION:

The 33,000-acre Island Ranch is located on the East Fork, West Fork and the mainstem Silvies River near Burns and contains 150 miles of stream and sloughs. Most of the riparian area lacks the appropriate woody vegetation because the previous owners actively removed willows. Current grazing practices are hindering the establishment of riparian vegetation and causing increased erosion, nutrient and bacteria transport to the Silvies. The current pastures are too large. Cattle congregate near the streams, which are the only water source, and underutilize other areas of the pastures. DEQ lists the Silvies for temperature and dissolved oxygen.

Harney SWCD and Full Stream Consulting (FSC) propose to establish three riparian pastures and five off-channel watering facilities. Project components include installing five livestock watering wells, four with solar panels and pumps and one connected to local power. Three riparian pastures are proposed by installing 40,315 feet of 4-strand barbed-wire fencing; three 10,000-gallon storage tanks will be installed to supply individual troughs. Seven individual pastures will each have a 550-gallon trough. Watershed benefits include improved riparian area vegetation, upland vegetation, fisheries and wildlife habitat and improved water quality in the Silvies River.

OWEB funds are requested for pre-implementation (7%), project management (2%), installation (26%), materials (55%), administration (8%) and monitoring (2%). The landowner will provide in-kind contribution, installation and cash. ODA will provide technical assistance and monitoring.

Implementation follows the Greater Harney Basin Agricultural Water Quality Management Plan (March 2003) which encourages practices that help to achieve water quality standards and enhance streamside vegetation.

REGIONAL TEAM REVIEW:

This project essentially completes a series of restoration projects on the Silvies from the headwaters to where it flows into Malheur Lake. The first major project funded by GWEB is nearby in the Silvies. This is a very positive accomplishment for the Harney SWCD. The application had very good detail with good maps, concise units and unit costs. They are working closely with Full Stream Consulting (FSC), who will have excellent input on the project's design. The team is confident that FSC will provide well-defined goals for riparian enhancement and a grazing plan with watershed enhancing objectives. ODA is also providing essential technical advice on riparian issues.

The project treats a very large area and overall is cost-effective. Some of the cost-share from the ranch is undervalued. The fencing was \$1.62/foot installed on some pastures, which seemed low. The new landowners are actively trying to improve the vegetative health of this ranch. They are treating pepperweed, improving riparian conditions which were adversely impacted when the previous landowner

removed the willows and taking a more holistic approach to the ranch management. Project implementation will help this property achieve an upward trend. The project has significant ecological merit to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Grazing management will significantly improve riparian vegetation and wildlife habitat in Stinkingwater Creek by decreasing erosion and sedimentation, improving water temperature and channel complexity. This project addresses altered watershed functions affecting water quality and riparian vegetation.

REGIONAL TEAM RECOMMENDATION: Fund with condition: Provide a grazing plan with the final report.

REGIONAL TEAM PRIORITY: 13 of 19

CAPITAL AMOUNT: \$146,855 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$146,855, with conditions. Provide a grazing plan with the final report and reduce the amount of administration by \$3,000.00

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5025	PROJECT TYPE:	Restoration
PROJECT NAME:	Dawson Irrigation Mainline		
APPLICANT:	Wallowa SWCD		
BASIN:	GRANDE RONDE	COUNTY:	Wallowa
OWEB FUNDS REQUESTED:	\$97,041	TOTAL COST:	\$193,553

APPLICATION DESCRIPTION:

The Prairie Creek drainage is approximately 15,000 acres of irrigated cropland and pasture with irrigation water stored in Wallowa Lake. Located southeast of Enterprise, an earthen spur ditch diverts water from the Farmers' Ditch to supply water to five separate pumps that sprinkler irrigate 450 acres of hay and pasture. The spur ditch flows north from the diversion, flows to the west and then to north before reaching Prairie Creek. The ditch flows by the five irrigation pumps which total 225 HP (horsepower). Excess water needs to be diverted into the ditch in order to provide a constant water supply for the pumps. Water not used by the pumps flows into Prairie Creek, unnaturally increasing that flow. Tailwater passes through fields used for winter-feeding operations, collecting animal waste inputs, E. coli and sediment and flows into Prairie Creek. The Wallowa SWCD is proposing to replace 7,000 feet of open earthen ditch with 7,940 feet of pipeline and install one 150-HP, variable-speed pump which will eliminate the five pumps on the open ditch. This will reduce the amount of water needed for irrigation by eliminating the need for water to always be flowing by the pumps. Watershed benefits include improved water quality by eliminating sediment and nutrient-laden tailwater; decreasing the amount of water diverted for irrigation and eliminating evaporative and seepage loss and reducing energy consumption.

The applicant is proposing to install one diversion box for the pipeline and 3,660 feet of 15-inch, 2,660 of 10-inch and 2,760 of 6-inch mainline and a flow meter. In addition, a 150-HP turbine pump which operates at 3,200 gallons per minute (gpm) and a self-cleaning intake will be installed. A variable-speed drive electrical component will also be installed to moderate the power-consumption needs for the pump.

OWEB funds are requested for project management (2%), contracted services – pipe and pump and electrical (17%), materials – pipe, pump and diversion box (79%) and administration (2%). Cost-share partners are the landowner, Wallowa SWCD, Environmental Quality Incentive Program (EQIP) and Energy Trust for both cash and installation.

Implementation follows the Wallowa Agriculture Water Quality Management Plan, the Wallowa County/Nez Perce Tribe Salmon Recovery Plan and the Wallowa River TMDL as it addresses water quality and improved riparian vegetation and conditions.

REGIONAL TEAM REVIEW:

Prairie Creek was a high priority focus area for many restoration and water quality improvement efforts in the mid-1990's, due to concerns about water quality. There are significant amounts of tailwater that return to Prairie Creek. Converting from an open ditch to a pipe is an excellent opportunity to reduce sediment and significantly reduce E. coli transport.

The application was well-written and the map easy to understand. This is a good project and pipe is being installed in an area that is still mostly earthen ditches. There is significant amount of sediment and

bacterial contaminations in Prairie Creek. While sprinkler irrigation is fairly common in this area, the conveyance is still primarily earthen ditch which increases evaporative and seepage loss. The pipeline will divert significantly less water than the current earthen ditch. The applicant should consult with ODFW to determine if a screen is necessary on the pump. Installing a flow meter will assist with better water management. The team questioned the pipeline installation as the unit cost per-foot installation was higher than other projects. They recommend a reduction in the amount of those installation costs. The administration requested seemed low and the team noted that the SWCD should value their time more. There is high likelihood that these types of project will continue in the Prairie Creek area.

There are significant water quality benefits. The project is very similar to other ditch-to-pipe projects installed in other basins that have very positive impacts on water quality. There are significant ecological merits to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Eliminating earthen conveyance ditches will significantly reduce soil erosion runoff that annually contributes significant sediment and other pollutants to Prairie Creek and the Wallowa River. This project addresses altered watershed functions affecting water quality.

REGIONAL TEAM RECOMMENDATION: Fund Reduce pipe installation.

REGIONAL TEAM PRIORITY: 12 of 19

CAPITAL AMOUNT: \$92,541 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$92,541- reduce pipe installation by \$4500. Condition- the grant agreement will require the pump to be screened.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Removing juniper will lead to decreased erosion and overland flow by increasing infiltration. Upland and riparian vegetation and water quality will improve in the Stinkingwater and upper Malheur River drainages. This project addresses altered watershed function affecting water quality and wildlife habitat especially for the sage-grouse.

REGIONAL TEAM RECOMMENDATION: Fund with conditions to provide a grazing plan for each landowner and a long- term juniper management plan for each landowner with the final report.

REGIONAL TEAM PRIORITY: 11 of 19

CAPITAL AMOUNT: \$112,484 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund reduced with conditions. Fund at a reduced level of \$112,484; reduce fiscal administration by \$1,900. The grant agreement will require the final project completion report to include a grazing plan and long-term juniper management plan for each landowner.

Oregon Watershed Enhancement Board

Region 5 (Eastern Oregon) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-5027	PROJECT TYPE:	Restoration
PROJECT NAME:	Stinkingwater Habitat Enhancement and Grazing Management		
APPLICANT:	Harney SWCD		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Harney
OWEB FUNDS REQUESTED:	\$16,611	TOTAL COST:	\$36,891

APPLICATION DESCRIPTION:

Located in the upper Malheur River basin east of Burns in the Drewsey Valley, this project proposes to treat two channels of Stinkingwater Creek to improve riparian vegetation and streambank stability. These channels are subject to severe channel downcutting, bank instability, loss of floodplain connectivity and decreased riparian vegetation. Historical events and uses caused incision of many creeks in this region, reducing the floodplain connectivity and associated riparian vegetation. Extirpation of beaver altered hydrologic, nutrient and vegetation processes. Inappropriate grazing methods have caused further degradation. Phase I included temporary fencing, off-stream water development and fencing a spring as part of a grazing system design to assist in riparian area recovery.

This phase's project components include installing three hardened crossings and an 18-inch CMP (corrugated metal pipe) siphon. The streambank at the siphon will be reshaped from a vertical cut to a 2:1 slope. The siphon will be used to provide additional water in the adjacent pasture for livestock and wildlife. In addition, three Rosgen-style "J"-hooks will be installed instream to divert flow away from the streambank and reduce sediment input. A seasonal livestock rotational grazing strategy with timing, intensity and duration will be developed. This complements other projects implemented on this ranch and also Upton Mountain by Harney SWCD. Watershed benefits include improved riparian vegetation and streambank stability and wildlife habitat, especially for the sage-grouse.

OWEB funds are requested for engineering (26%), project management (11%), installation (44%), monitoring (10%) and administration (9%). The landowner will provide in-kind contribution. Harney SWCD will provide some technical assistance and monitoring. USFWS will provide significant cash contribution.

Implementation follows the Greater Harney Basin Agricultural Water Quality Management Plan (March 2003) encourages practices that help to achieve water quality standards and enhance streamside vegetation. The Malheur Basin Watershed Assessment has a goal to achieve proper functioning conditions in streams and waterways.

REGIONAL TEAM REVIEW:

The project was recommended the last two cycles, but fell below the funding level. It continues a previously funded project the review team visited prior to the June 2008 meeting. Modifications were needed because the engineer determined that the severity of sediment inputs from early flows were greater than originally estimated and the watering system was modified. The SWCD and landowners are working with Full Stream Consulting who is providing expertise on habitat improvement for greater sage-grouse, which use riparian areas for extensive brood-rearing.

The ranch is being proactive in improving watershed conditions and implemented other OWEB projects. There are many complementary efforts in the Drewsey Valley and Upton Mountain area.

The project will improve wildlife habitat as well as water quality. The siphon will provide water to a pasture used heavily by sage-grouse. Livestock will be pulled away from the riparian area allowing for quicker vegetative recovery. The proposed grazing system will be a spring or fall-winter system and offsite watering will be more effective. Reducing sediment inputs in the upper Malheur basin will improve downstream water quality in the intensive agriculture area. The project has many ecological benefits and will significantly improve water quality and fisheries and wildlife habitat, especially for sage-grouse habitat. The team felt there is significant ecological merit to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Instream modifications and grazing management will significantly improve riparian vegetation and wildlife habitat in Stinkingwater Creek. This project addresses altered watershed functions affecting water quality and riparian vegetation.

REGIONAL TEAM RECOMMENDATION: Fund with conditions; provide a grazing plan with the final report.

REGIONAL TEAM PRIORITY: 3 of 19

CAPITAL AMOUNT: \$16,611 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the final project completion report to include a grazing plan.

addition to the proposal. While the applicant added that component, they have since decided not to do this monitoring. Instead, they are considering a larger mountain-mahogany monitoring project encompassing a larger geographic area and plan to submit an application this fall. The team thought that the application was well-written and provided good background detail and relevant information. Removing the overstocked trees will have a positive effect on the upland stand conditions and reduce the threat of a wildfire possibly destroying the sage-grouse habitat on the project site. It will also help to protect the mountain-mahogany. Mountain-mahogany is a very important species for elk and deer winter habitat. However, it has been anecdotally noted that it is not reproducing as vigorously as it should. Populations of mountain-mahogany seem to be declining.

The application did not mention the start time for the pine thinning. In order to reduce the threat of the pine engraver, pine cutting should not begin until August. Pine should not be thinned between January and July to avoid increasing the Ips population. The applicant may want to consider removing more of the pine and at a wider spacing. The project is a good upland forestry project. The overall treatment rates were low. The team felt that the project has ecological merit to warrant funding this grant cycle.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Improving upland vegetative conditions will help reduce the threat of wildfire while enhancing wildlife habitat. Improving the vegetation conditions will protect habitat for deer, elk and sage-grouse, a species of concern. This project addresses altered watershed functions affecting water quality and will improve upland wildlife habitat and species diversity.

REGIONAL TEAM RECOMMENDATION: Fund reduced with conditions. Reduce award to \$22,080. Provide a grazing plan, stewardship plan and long-term juniper management plan with the final report; avoid thinning until August to avoid Ips.

REGIONAL TEAM PRIORITY: 17 of 19

CAPITAL AMOUNT: \$22,080 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Do not fund. After the RRT review, the application was withdrawn by the applicant due to a potential sale of the property.

**Oregon Watershed Enhancement Board
Region 5 (Eastern Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-5029	PROJECT TYPE:	Restoration
PROJECT NAME:	Dry Mountain Ranch Riparian Crossing		
APPLICANT:	Harney SWCD		
BASIN:	LAKES	COUNTY:	Harney
OWEB FUNDS REQUESTED:	\$37,669	TOTAL COST:	\$47,169

APPLICATION DESCRIPTION:

The project is located eight miles northwest of Riley in the Silver Creek drainage. Upstream water control and natural flows have been altered increasing the water flows through this stream segment. A riparian crossing with an undersized culvert washes out during high-flow events. Water quality has declined from increased erosion. Stream channel morphology is threatened, as well as fish passage and streambank stability. This segment is enrolled in Conservation Reserve Enhancement Program (CREP) and is potentially being compromised. The surrounding landscape is native meadowlands which provide food, cover and shelter to many forms of wildlife. Sage-grouse have started to use this corridor for their feeding and shelter area.

Currently, up to 60 cfs (cubic feet per second) flows through an undersized culvert that blocks redband trout migration and has blown out. Fish can get caught in the shallow-water areas and cannot get back to the mainstem. Excess material is deposited on the CREP area downstream.

Project components include installing 12-foot wide by 5-foot high by 30-foot long multi-plate pipe arch; installin a 24-inch pipe in the small branch of Silver Creek; elevating the roadway to a height to accommodate high flows; and removing two 36-inch undersized culverts.

OWEB funds are requested for project oversight and pre-implementation (7%), contracted services – culvert installation (50%), materials- pipe- CMP and multi-plate arch (34%), administration (8%) and monitoring (1%). Dry Mountain Ranch is the cost-share partner who will provide pit-run rock. Watershed benefits are improved water quality, fish passage and streambank stability in the Silver Creek drainage.

Implementation follows the Greater Harney Agricultural Water Quality Management Plan by helping to achieve water quality standards. An effective strategy should be based on the site capability and result in the improvement of riparian vegetation along streams, stream channel morphology and upland condition.

REGIONAL TEAM REVIEW:

The application was well-written and had good maps, budget and project detail. The undersized culvert and road constriction is causing excessive erosion into a fork of Silver Creek. However, since the system is flashy, it may be difficult to properly size the culvert. The team questioned if raising the roadbed would force the water into culverts, creating more problems with erosion; raising the roadbed also could interfere with and adversely affect floodplain connectivity. It was suggested to install a long hardened crossing and create a low-flow channel across the road. A low-flow channel would act as an overflow channel. It was commented that if the rest of the road is intact, the proposed arch is a good alternative.

Another alternative would be to install the arch with the culverts and design escape pathways for high-flow events. ODFW needs fish-passage assurance for redband trout. The team generally had a favorable opinion of the project, but believes that the design needs to be reconsidered, including possibly a low-flow channel. Also, the team felt that there should be a larger match from the landowners. The project has water quality benefits, but it is not ready for funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

diversions and landowner recruitment. Obtaining landowner support is extremely important and can be very difficult for federal agency staff to accomplish. Future irrigation water delivery through consolidated ditches would have very positive environmental benefits. A future restoration application would need to address fish passage and include a measuring device and headgate. A point-of-diversion transfer may also be needed. Instream water rights below may also be affected and should be considered as well. Getting all the landowners to participate is essential to be able to completely consolidate the ditch; otherwise the ditch would remain open for non-participants. It was stated that the motivation for this project could be linked to recent flooding as a result of heaving rains. There is emphasis on flood prevention in Halfway, which has had extensive damage in the past. Overall, the team felt that there was significant potential for a positive restoration effort to result from this project. They recommended it for funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 2 of 3

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$7,700

STAFF RECOMMENDATION TO BOARD: Fund with conditions. OWEB staff needs to confirm that the applicant is a legal entity and if not, another organization or person may need to be the grantee. The final project completion report must address the following issues for any future restoration project: fish screens; diversion consolidation; measuring device and headgate; water rights transfer; how many landowners are part of the Ditch Association, how many have agreed to the change, and whether any landowners have not agreed to the change.

This could be a valuable tool for evaluating how much groundwater is present in the area. It was questioned if a significant number of test wells is needed to obtain accurate data. However, the wells are fairly evenly distributed across the study area. Also, the accuracy of the well log data is a concern. As new wells are drilled, these should have better, more complete data gathered than from data collected from older wells. Seismic testing would also be very beneficial, but it is quite expensive and beyond the amount available for this project. There are insufficient funds to cover seismic testing.

It was questioned who would use this groundwater model. OWRD could use this model to show where water is flowing, in what direction and the original source of the water. The model should be able to ascertain the amount of water that could be expected in future well-drilling efforts. If the amount of water is estimated to be insufficient, an alternative source could then be sought. It was also questioned how this project would lead to future restoration efforts. The information would be very valuable when planning for off-stream livestock water. Also, if there is a concern about the resource, this information would provide data needed to ascertain if a water right should be granted in a water-limited area as the data would show where the confining layers are and how water is stored. A determination could be made if the water resource has been maximized. The groundwater model would be very useful in planning future water –related projects. The team also felt that the appropriate disciplines are involved including a hydrogeologist, GIS analyst and former watermaster. Overall, the team felt that continuing the groundwater model is important to assist Harney WSC’s future efforts.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 3 of 3

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$46,200

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line.

**Oregon Watershed Enhancement Board
Region 5 (Eastern Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.: 211-5020	PROJECT TYPE: Technical Assistance
PROJECT NAME: Kathy Johnson Wetland	
APPLICANT: Malheur SWCD	
BASIN: OWYHEE-MALHEUR	COUNTY: Malheur
OWEB FUNDS REQUESTED: \$17,426	TOTAL COST: \$21,866

APPLICATION DESCRIPTION:

Malheur SWCD is seeking funds for the design of a two-cell constructed wetland located near Ontario. The landowner currently flood irrigates 25 acres of row crops, under a rotation scheme of corn, beans and onions, on approximately 40 acres along the Malheur River. Runoff from the row crop flows directly into the Malheur River. The two-cell, 10-acre wetland would capture all the runoff water from the property and develop wildlife habitat opportunities along the Malheur River. Agricultural drains in Malheur County contribute to impaired water quality, which has the second worst water quality in the State. The continued use and reuse of irrigation water upstream enriches the water before it enters the Malheur River.

Technical assistance is needed from an engineer with constructed wetland experience to develop a design for this project. The design needs to include a survey of the proposed site and provide elevations, slopes, soil data, amount of total drained area and the elevation of the floodplain relative to the river. The Malheur SWCD has technical expertise, from previous constructed wetland projects, to advise on the appropriate planting mix.

OWEB funds are sought for project management (5%), engineering (86%) and administration (9%). The landowner is providing cost-share. Cost-share partners include the landowner, NRCS and the Malheur SWCD.

REGIONAL TEAM REVIEW:

Malheur SWCD has successfully implemented several large constructed wetland projects over the last 10 years. This project would complement that on-going effort. The location of this project is directly on the Malheur River, which would have very positive water quality improvement benefits. In addition, there would be significant wildlife and avian habitat benefits. There is good cash match from the landowner.

While the team had very positive comments regarding the potential for this project, they had concerns with the size of the area being drained. It was not clear if the proposed constructed wetland would be treating just the runoff from this landowner's property or if it was treating additional acreage from a nearby drain. The exact drainage area was not depicted on the submitted map. If the wetland was treating more than just the 25 acres in row crops, the proposed project would have substantially more watershed benefits. Also, the applicant needs to determine which permits are needed and should verify that with OWRD. Overall, the team felt that there was significant potential for water quality improvement in a future project. However, the application was not clear as to exact amount of area that would potentially be draining into the constructed wetland. A future application needs to clearly state the size of the drainage, include a map of that area and clarify which potential permits may be needed. An ACOE permit may be needed due to the proximity to the river. The project is not ready for funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

**Oregon Watershed Enhancement Board
Region 5 (Eastern Oregon) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-5023	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Miracle Wetland		
APPLICANT:	Malheur SWCD		
BASIN:	OWYHEE-MALHEUR	COUNTY:	Malheur
OWEB FUNDS REQUESTED:	\$18,639	TOTAL COST:	\$21,905

APPLICATION DESCRIPTION:

Technical assistance is requested for designing a multi-pond wetland to be constructed on the Snake River near Farewell Bend. The wetland will be installed at the end of the Slides Drain where several drains converge before flowing into the Snake. The Malheur SWCD is proposing to install a multi-pond wetland that would create approximately 15 acres of wetland habitat plus adjoining acreage not being farmed would be used as wildlife habitat. Slides Drain has a drainage area of 1,500 acres and a flow rate of 4 to 6 cubic feet per second (cfs),

An engineer with constructed wetland experience is needed to provide a design that includes a site survey, elevations, soil data, water flow, size of area drained and other pertinent information. A licensed professional engineer (P.E.) would be contracted to prepare the engineered drawings. Proposed concepts include a five-cell constructed wetland to capture drain water. Cells 1 and 2 would be primary sediment ponds requiring annual cleanout. Cell 3 would be a shallow vegetated wetland that would reduce nutrient composition by plant uptake. Cell 4 would be 7-feet to 12-feet deep to provide slow water movement to drop out small sediment and provide possible fish habitat. Cell 5 would be the final polish shallow wetland to remove remaining nutrients. These ponds would treat and reduce non-point drain water to enhance water quality.

OWEB funds are requested for contracted engineering (86%), project management (4%), travel (1%) and administration. Cost-share partners include the landowner, NRCS and Malheur SWCD.

REGIONAL TEAM REVIEW:

Malheur SWCD has successfully implemented several large constructed wetland projects over the last 10 years. This project would complement that on-going effort. The project is located directly on the Snake River, which would have very positive water quality improvement benefits. In addition, there would be significant wildlife habitat benefits. There is good cash match from the landowner.

The on-going monitoring effort by the Malheur SWCD and WSC focused attention on water quality issues and also agricultural drains. Results of the monitoring indicated that the Slides Drain has some serious water quality impairment. The drain water collects from many acres. This landowner is already under sprinkler irrigation and there is minimal runoff from his property. It was questioned if there would be a sufficient amount of water available to be used in the ponds and subsequently stated that there is water in the drain continually; the drain runs very dirty and full. The costs associated with the project are very reasonable. Overall, the team felt that a resulting restoration project would have significant water quality benefits. The project is ready for funding this grant cycle.

REGIONAL TEAM RECOMMENDATION: Fund with conditions – Include a list of all required permits for the implemented project.

REGIONAL TEAM PRIORITY: 1 of 3

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$18,639

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the final project completion report to include a list of all required permits for the project to be implemented



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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August 19, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Sue Greer, Mid-Columbia Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 6, Mid-Columbia
September 14-15, 2010 OWEB Board Meeting**

I. Introduction

This staff report describes the Mid-Columbia Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 24 applications for a total request of about \$2.1 million. No Acquisition applications were submitted. The Mid-Columbia Regional Review Team (RRT) recommended 19 applications for funding. Staff recommend 19 applications for a total award of \$1,266,518: \$1,205,023 for Restoration and \$61,495 for Technical Assistance.

III. Regional Review Team

The Mid-Columbia RRT met in Condon on July 7 and 8, 2010, to review applications. The RRT reviewed all Restoration and Technical Assistance applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT recommended budget reductions and funding conditions for some of the applications, as described in the Region 6 Review Team Evaluations for April 19, 2010, Applications. The RRT then prioritized the applications recommended for funding.

IV. Staff Recommendations for Project Funding

A. Capital Applications

- *Restoration.* Staff recommend funding for all 17 of the applications recommended by the RRT. The RRT ranked applications 211-6011, Hermiston Irrigation District B4 Ditch Conversion, and 211-6005, Stanfield Irrigation District C-line, as priorities 16 and 17 out of 17. The RRT ranking was based on the quality of the information in the applications and the competitive nature of the other applications, which the RRT saw as providing more direct watershed benefits. However, staff believe it is important to

fund these applications, since they complete irrigation efficiency projects identified as priority work in local plans, and OWEB has previously funded prior phases of these projects.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding both of the applications 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. The conditions shown in the table also may reflect staff or RRT funding conditions; staff conditions may differ from RRT-recommended conditions. Staff funding recommendations and funding conditions are contained in the Region 6 Review Team Evaluations for the April 19, 2010, Applications.

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 6 - Mid Columbia
Technical Assistance Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
211-6008	Fish Passage & Stream Connectivity Restoration Project	50,000	1
211-6022	Butte Creek Landowner Recruitment [^]	11,495	2
Total Technical Assistance Applications Recommended for Funding to Staff by RRT		\$61,495	
Total Technical Assistance Applications Recommended for Funding by Staff to Board		\$61,495	

[^]Fund with Conditions

Region 6 - Mid Columbia
Restoration Applications Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
211-6016	Ramsey/Rock Creek Riparian	94,950		94,950	1
211-6015	Lower Kayser Fish Passage Improvements*	58,090		58,090	2
211-6013	Eight-Mile Creek Culvert Replacement	104,040		104,040	3
211-6012	Rudio Creek Ranch Habitat Restoration Project* [^] PE	300,000		300,000	4
211-6018	Twickenham Declining Habitat Restoration* [^]	24,970		24,970	5
211-6014	Rudio Creek Upland Watershed Restoration* [^]	40,584		40,584	6
211-6020	Richmond Upland Improvement Project [^]	29,700		29,700	7
211-6000	North Fork Ranch Irrigation Efficiency* [^]	60,000		60,000	8
211-6001	Sherman County Area Watersheds Upland Erosion Control	88,887		88,887	9
211-6003	Broken Spur Ranch Watershed Enhancement* [^]	30,603		30,603	10
211-6017	Bates Riparian Rehabilitation Project* [^] PE	119,108		119,108	11
211-6006	Hasenbank Ranch Watershed Improvements* PE	41,771		41,771	12
211-6002	Weinke Ranch Off-stream Water Developments*	17,026		17,026	13
211-6010	Upper Walla Walla River Irrigation Efficiency Project* [^]	73,038		73,038	14
211-6007	Francis Water Quality Enhancement Project** [^]	42,565		42,565	15
211-6011	Hermiston Irrigation District B4 Ditch Conversion Project [^]	33,602		33,602	16
211-6005	Stanfield Irrigation District C-line Project [^]	46,089		46,089	17
Total Restoration Applications Recommended for Funding to Staff by RRT		\$1,205,023	\$0	\$1,205,023	
Total Restoration Applications Recommended for Funding by Staff to Board		\$992,703	\$0	\$1,205,023	

* Listed Amount Reflects Recommended Reduction **Listed Amount Reflects Recommended Increase [^]Fund with Conditions PE=Plant Establishment Award

Region 6 - Mid Columbia
Restoration Applications NOT Recommended for Funding by the RRT
April 19, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-6004	Hermiston Irrigation District LA Conversion Project	143,106
211-6009	Westland Irrigation District Conversion Project	261,254
211-6019	Mulvaney Upland Improvement Project	29,160
211-6021	Fruitvale Water Management Phase 2	75,372
211-6023	Lampson Levee Setback and Habitat Restoration	102,212

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6000	PROJECT TYPE:	Restoration
PROJECT NAME:	North Fork Ranch Irrigation Efficiency		
APPLICANT:	Monument SWCD		
BASIN:	JOHN DAY	COUNTY:	Grant
OWEB FUNDS REQUESTED:	\$60,125	TOTAL COST:	\$91,315

APPLICATION DESCRIPTION:

This project is located approximately six miles west of Monument, along the North Fork John Day River in Grant County. The North Fork Ranch is an organic farm growing row crops and that currently uses an irrigation system that is inefficient and contributing to overland sediment deposits to the river. After much research, the landowner proposes to install an innovative, yet tested, method of sub-surface drip irrigation system on 19 acres. This system has shown to use 50% less than traditional irrigation methods by delivering water to each and every plant, rather than watering the entire area. Part of the proposal included monitoring the base line water useage and then when system is up and working monitor that usage to gauge the actual water savings. Partners include the landowner and NRCS. OWEB dollars would pay for project management, travel, supplies/materials, education/outreach, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

It was clarified that this watering system is a permanent installation 15 inches below the ground and is cleaned by opening the ends, taking off the end cap and flushing it. Lots of water is used in the North Fork later in summer, and if this works, more acreage could potentially convert to this system and a lot less water could be used late in the season, which would be very important for steelhead and Chinook. The team was impressed with the research and information the landowner had relating to the benefits and possibilities of this system. If this system proves successful in this area, it could be duplicated in other areas of the region with resulting water savings. Several members of the team had seen similar systems that were successful in the Ontario, Oregon area. The team appreciated that the application included both baseline and water use monitoring for two years after installation to quantify the amount of water saved. There was quite a bit of discussion about this project having results that could enable the acres to be enrolled in the conserved water allocation program.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Potential future conservation of instream water and reducing sediment loads to the North Fork John Day River, an important steelhead and chinook run.

REGIONAL TEAM RECOMMENDATION: Fund with condition that 1) grantee work with the landowner and OWRD to check the feasibility of enrolling in the conserved water allocation program or some other water leasing program for the water saved with this system installation; and 2) final report and two years post-project reporting must include information on how much water was saved, what crops were grown and their respective yields.

REGIONAL TEAM PRIORITY: 8 of 17

CAPITAL AMOUNT: \$60,000 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$60,000 with conditions. Staff eliminated non-capital education and outreach costs due to very limited non-capital funds. The grant agreement will 1) require the grantee to work with the landowner and OWRD to check the feasibility of enrolling in the conserved water allocation program or some other water leasing program for the water saved with this system installation; and 2) require the final project completion report to explain whether the property will be enrolled in the conserved water allocation program or a water leasing program, and if not, explain the reasons; and 3) the final project completion report, and annual post-implementation status reports for two years after the final report, must include information on how much water was saved, what crops were grown and their respective yields.

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6001	PROJECT TYPE:	Restoration
PROJECT NAME:	Sherman County Area Watersheds Upland Erosion Control		
APPLICANT:	Sherman SWCD		
BASIN:	JOHN DAY	COUNTY:	Sherman
OWEB FUNDS REQUESTED:	\$88,887	TOTAL COST:	\$119,549

APPLICATION DESCRIPTION:

The project sites are all located in Sherman County within Oregon's major wheat producing area, which includes the highest percentage of tillable acres in any county in the state. Such cropland can be vulnerable to sheet and rill erosion, beginning in the headlands, gaining momentum and topsoil, draining lower elevations into natural draws or swales and creating concentrated flow erosion and sedimentation. This project works to reduce this major limiting condition of ecological function by installing 54 cropland water and sediment control basins (WASCB), 4 rangeland WASCBs, 99,336 feet of terraces, one acre grassed waterway, and implementing 519 acres of direct-seed practices. Partners include the Sherman County SWCD, NRCS and 12 participating landowners. OWEB funds will be used for project management, in-house personnel, contracted services, travel, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

The review team held a discussion on direct seed/no-till practices and the differences between terraces built now and in the past. The terrace and WASCB construction standards have improved so more ecological benefits are now realized ~ less erosion, more water infiltration. Landowners cannot afford to treat entire property at once, so fields and slopes are analyzed and sites are then prioritized for improvements. So what looks shotgun is, in fact, systematic. It was confirmed that the landowners maintain the terraces and WASCBs for their design life and that many of these had exceeded their design life of 10 years. This project is not for maintenance costs.

The team felt these projects produce good examples, enough to compel neighbors to initiate similar practices on their fields. Direct-seed practices are slowly being accepted in this area mostly in the north end of the county. This application will assist one traditional farm and one new producer to give direct seed a try. Keeping soil where it lies and allowing water to infiltrate where it falls are the key components of this application.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By installing WASCBs, terraces, grassed waterways and using direct-seed practices, this project will reduce erosion, trap sediment and increase infiltration, slow sediment transport to streams and improve water quality.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 9 of 17

CAPITAL AMOUNT: \$88,887 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6002	PROJECT TYPE:	Restoration
PROJECT NAME:	Weinke Ranch Off-stream Water Developments		
APPLICANT:	Umatilla SWCD		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$18,346	TOTAL COST:	\$23,496

APPLICATION DESCRIPTION:

This project proposes to develop three upland springs located on 1,500 acres of steep terrain in the East Birch Creek Watershed of Umatilla County. Currently the landowner's livestock waters out of E. Birch Creek on the extreme west end of the pasture, or out of undeveloped seeps in two other pasture units. This causes increased sedimentation, degraded riparian vegetation and potential nitrate inputs into the stream. Also, forage is under-utilized in parts of the three pastures because the livestock tend to congregate close to any water sources they find. The three springs proposed for development are strategically located to reduce pressure on the East Birch Creek water gap. The ranch follows a grazing management plan and with these improved water sources, upland forage can be better managed. Cross fencing is already in place to aid in controlling cattle movement. Birch Creek is a focal area of restoration in Umatilla County with many partners working on various projects, both in-stream and uplands. Project partners include the landowner and NRCS. OWEB funds were requested for project management, contracted services, travel, supplies/materials, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

The review team noted that much of East Birch Creek was fenced off 20 years ago and because of the geography of the landscape and lack of other available water in the uplands, the water gap and corresponding riparian area is getting overused. There was some concern about the springs really not being effective in keeping cattle away from the water gap. But those review team members on the site visit clarified that the landscape would aid in that; steep slopes with bluffs that would act somewhat as a deterrent to livestock readily traveling back and forth, especially if they didn't have to go for water. Conversation was also held on the amount of money being asked for project management ~ seemed like 80 hours was high. Same with the amount of time required for an NRCS engineer to design the spring developments, although it was noted the NRCS contribution served as a match. From the site visit, the locations of the springs did not appear to be difficult to access so the estimate for developing the springs also seemed high. Some of the review team felt the application could have been stronger with a more direct link to the watershed benefits.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Developing upland water sources will help reduce livestock impacts on riparian areas, reducing sedimentation and potential nitrate/bacteria contamination to East Birch Creek. It will also aid grazing management practices to improve ecological function of upland grasslands.

REGIONAL TEAM RECOMMENDATION: Fund reducing project management to 40 hours.

REGIONAL TEAM PRIORITY: 13 of 17

CAPITAL AMOUNT: \$17,026 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at the reduced level of \$17,026, reducing project management to 40 hours.

Oregon Watershed Enhancement Board

Region 6 (Mid Columbia) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-6003	PROJECT TYPE:	Restoration
PROJECT NAME:	Broken Spur Ranch Watershed Enhancement		
APPLICANT:	Umatilla SWCD		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$31,923	TOTAL COST:	\$43,423

APPLICATION DESCRIPTION:

This project, encompassing over 5,000 acres in Umatilla County, is located in the headwaters of two watersheds: Stewart Creek, a tributary of Birch Creek; and North Fork McKay Creek. Stewart Creek is listed as critical habitat for summer steelhead spawning, rearing and migration and the North Fork McKay Creek watershed supports rainbow and redband trout populations. Due to the lack of developed water sources in the uplands, livestock and large elk herds water in these creeks, causing sedimentation and potential bacteria inputs. The solutions proposed include developing five springs in the uplands of four separate pasture units. This would facilitate improved pasture management and the reduction of livestock in the riparian areas. The ranch pastures 200 pairs and currently, because water in several of the upland pastures dries up in late summer/ early fall, the landowner has to relocate his herd off the ranch to a pasture along Birch Creek where they water out of the creek. Development of these springs would eliminate the need to move the herd. The project would be designed by an NRCS engineer. Project partners include the landowner and NRCS. OWEB funds were requested for project management, contracted services, travel, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

This ranch was, up to three years ago, a historic family ranch with an excellent reputation for land management. The new owners are interested in continuing that legacy of a healthy natural environment. There was discussion about the change in management and whether shifting from spring/summer rotation to year-round grazing could be an improvement or a detriment. The new owners did reduce their herd size by half and while on the site visit indicated that their goal was to be able to better manage the uplands and riparian areas on the ranch. The application didn't make it clear if there is an existing grazing plan and if so, will rotation on upland pastures be the same every year or if it is possible to rotate first pastures to allow for maximum recovery. Discussion also was held on the location of two of the springs. The map made it look like they were located right in the stream channel and the question was asked if the riparian area would need to be fenced to assure cattle would stay out of the creek. This was clarified by those who were either familiar with the property or who were on the site visit that the location of the trough was up on the side of the hill and access to the riparian area was difficult. Cattle would be more likely to use the easily accessible trough rather than fight the brush and steep banks of the riparian area. There was also an indication that the grantee had discussed the potential of riparian fencing with the landowner but it hadn't advanced far enough to include in this application. The team noted that the higher costs of two of the spring developments were justified by the steepness and difficulty of the terrain. The review team did feel that 80 hours of project management was excessive and requested it be dropped to 40 hours.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This project would reduce livestock impact on riparian areas and improve riparian vegetation, reducing sedimentation and potential bacteria contamination to the streams.

REGIONAL TEAM RECOMMENDATION: Fund reduced with conditions: a grazing management plan be submitted with final report.

REGIONAL TEAM PRIORITY: 10 of 17

CAPITAL AMOUNT: \$30,603 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$30,603 with conditions. Reduce project management to 40 hours. The grant agreement will require the final project completion report to include a grazing plan.

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6004	PROJECT TYPE:	Restoration
PROJECT NAME:	Hermiston Irrigation District LA Conversion Project		
APPLICANT:	Umatilla SWCD		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$143,106	TOTAL COST:	\$219,906

APPLICATION DESCRIPTION:

Located four miles east of Hermiston and one mile NW of the Cold Spring Reservoir, this project is within the Lower Umatilla Basin Groundwater Management Area and the Stage Gulch Critical Groundwater Area (LUGMA). The LA-line is an open earthen ditch in poor condition. This project would convert 7,600 feet of open ditch to pipe and install trash screens. By piping the LA-line, 335 acres of flood irrigation will be converted from flood to sprinkler systems. One benefit would be the reduction of groundwater contamination in an area where shallow wells for residential use are threatened. Improving the efficiency of individual irrigators will reduce the amount of water diverted annually from the Umatilla River by the Hermiston Irrigation District. Partners on this project include the Bureau of Reclamation and NRCS. OWEB funds were requested for pre-implementation, project management, in-house personnel, contracted services, travel, supplies/materials, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

The review team discussed that this is a 100-year-old delivery ditch through which it is estimated 35-40% of the irrigation water is lost. However, it appeared that any water savings would be utilized by the users, which meant that watershed benefits would need to be improvements in surface water or groundwater quality. It was pointed out that the Groundwater Management Area Action Plan has a goal of conversion from flood irrigation to sprinkler for groundwater quality protection. Reviewers thought that by improving the delivery system, some groundwater quality benefits would be realized, even though they seemed small for the amount of dollars requested. The application could have been stronger if water savings from the Umatilla River could be quantified or better explained, and if it had contained more information about expected pollution reduction benefits rather than talking about “potential” reduction in pollution. In similar applications from this same area, OWEB funds were requested for supplies/materials and the match was the irrigation district’s project management and labor. This application could have fared better if the applicant had found or listed more partners and if they hadn’t asked for funds to pay irrigation district staff in addition to paying for supplies and equipment. In the end, some reviewers wanted to fund at a reduced level, but on a 6-4 vote, reviewers recommended that the project not be funded.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

Oregon Watershed Enhancement Board

Region 6 (Mid Columbia) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-6005	PROJECT TYPE:	Restoration
PROJECT NAME:	Stanfield Irrigation District C-line Project		
APPLICANT:	Umatilla SWCD		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$46,089	TOTAL COST:	\$88,739

APPLICATION DESCRIPTION:

The Umatilla Soil & Water Conservation District partnered with the Stanfield Irrigation District and NRCS to propose piping the last mile of the C-line irrigation ditch that serves eight landowners. The project site is located four miles east of Stanfield, in an area of mostly rural residential and agriculture. In order to become as efficient as possible with their use of irrigation water, the Stanfield Irrigation District has converted 97% of their patrons from flood to metered piped and sprinkler systems; this project would bring them to 100%.

The existing system, built in the early 50s, has degraded to the point of minimal functionality, requiring more water to be put through the system to cover water rights on this stretch. Flood irrigation potentially can increase ground water contamination, especially in the soils identified in this area. And, because the old line leaks so much and creates pools of water, mosquitoes and related control has become an issue. The project would pipe 5,200 feet of the C-line, install a rotating trash screen and three irrigation pumps. By piping the C-line and converting to efficient irrigation systems, water loss, potential groundwater contamination and health risk will all be reduced. Project partners are the Stanfield Irrigation District and NRCS. OWEB dollars will be used to pay for in-house personnel, contracted services, supplies/materials, travel, and fiscal administration.

REGIONAL TEAM REVIEW:

This is the second time this project has been submitted and the review team did feel the application had improved. However, there was still discussion on exactly what the ecological benefits were resulting from this project. The application explained this water comes from the Furnish Ditch, but it would have been helpful to know where that water comes from. It would help to have a quantifiable explanation of how much less is pulled from the river or from the reservoir. The application could also have been improved by noting the landowner contribution to their irrigation upgrades. The review team acknowledged that flood irrigation is a pollution issue in an area identified as having high nitrate levels in their groundwater. The application notes that three sites will switch from flood irrigation to sprinkler, which is positive. It was noted that the open water currently goes into the Stainfield Drain, which is high in bacteria and drains directly into the Umatilla River.

Some reviewers noted that the irrigation district must know the old pipes are failing and wondered if the district has tried to save money to cost share and address this issue. It was noted that the Bureau of Reclamation used to help fund maintenance and repair but no longer does so.

Overall, the review team struggled with this application and the other irrigation efficiency projects submitted by this applicant. They felt that the application needed to do a better job articulating the watershed problems and how those problems are addressed by the project. For example, the application notes that the project will reduce “potential” pollution. What can the irrigation district or the applicant tell

reviewers and OWEB about documented pollution problems and how the piping projects have or will reduced those pollution problems? Reviewers noted that with many applications they see a more direct watershed benefit, making it difficult to rank highly those with more indirect or vague watershed benefits. They also found the application unclear and thought it could be improved to be easier to read and provide better information.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

This project would potentially reduce the contamination of groundwater and surface water.

REGIONAL TEAM RECOMMENDATION: Fund with condition that final report include a description of the opportunities and barriers to permanent conservation of water instream or in-reservoir as a result of the irrigation efficiencies gained by the irrigation district's conversion of irrigation system to piping or sprinkler.

REGIONAL TEAM PRIORITY: 17 of 17

CAPITAL AMOUNT: \$46,089 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the final project completion report to include a description of the opportunities and barriers to permanent conservation of water instream or in-reservoir as a result of the irrigation efficiencies gained by the irrigation district's conversion of irrigation system to piping and sprinkler.

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6006	PROJECT TYPE:	Restoration
PROJECT NAME:	Hasenbank Ranch Watershed Improvements		
APPLICANT:	Umatilla SWCD		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$44,946	TOTAL COST:	\$56,657

APPLICATION DESCRIPTION:

Located in the Umatilla County foothills of the Blue Mountains on East Fork Spring Hollow Creek, a tributary of Wildhorse Creek, this project would develop four upland water sources, install 5,000 feet of riparian fence, build one water gap to facilitate moving livestock, thin Hawthorne monoculture and plant more diverse riparian vegetation. Spring Hollow Creek is 303(d) listed for nitrate and temperature and Wildhorse Creek is considered spawning and rearing habitat for summer steelhead. The landowner has a history of restoration activities on this ranch. They have installed cross fencing, enrolled 50 acres into CRP and 1.5 acres into CREP just below the project site. They did attempt to enroll the project site into CREP but that section of the site didn't qualify because the CREP technician determined there was adequate existing vegetation. The livestock currently water on portions of the creek, from a pond, from undeveloped seeps and two upland water troughs. Most of these sites contribute to decreased water quality through degraded riparian areas, sedimentation, bacteria, fecal and nitrate inputs, which affects downstream anadromous fish habitat. This project would eliminate livestock access to the riparian area, develop additional upland watering sites and increase riparian vegetation diversity. Springs, fencing and water gap would be installed following NRCS specifications. Partners include the landowner and the NRCS. OWEB funds were requested for project management, contracted services, travel, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

The review team liked the landowner's commitment to fencing off the riparian areas and implementing management practices to alleviate contamination of East Fork Spring Hollow Creek. The project site is located in a higher rainfall, shallow soil and high gradient zone so vegetation cover, both in the riparian areas and in the uplands, is crucial to reducing erosion. The team was concerned about the thinning component of the Hawthorne and wondered at what level it would be thinned. They noted that Hawthorne currently provides streamside woody vegetation and shading and wondered if it was thinned, if whether the Hawthorne would just take over again since the site potential may be Hawthorne. Reviewers would have liked to have seen a more detailed planting and site preparation plan with more justification for the thinning and/or research on appropriate densities of native Hawthorne on these sites. In the Blue Mountain ecosystem, Hawthorne is a dominant component in high-gradient systems and the team wondered if Hawthorne was in fact, the appropriate species for the site. The lower end of the project site, below the Hawthorne, has high potential for recovery once fencing is installed. The review team recommended for funding but eliminated funding for the Hawthorne thinning component.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By fencing off the creek and developing upland water sources, this project will decrease sedimentation, nutrient run-off, fecal and bacteria contamination. It will also improve the condition of the riparian area, improving water quality.

REGIONAL TEAM RECOMMENDATION: Fund at \$41,771 reducing the amount of site preparation to eliminate thinning component of the Hawthorne site.

REGIONAL TEAM PRIORITY: 12 of 17

CAPITAL AMOUNT: \$41,771 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$41,771 reducing the amount of site preparation to eliminate thinning component of the Hawthorne site.

also clarified that each of the three separate pens along this ditch will only contain one bull and only for 8 months. Staff provided this information to the reviewers, and they agreed it should be funded even if livestock are not permanently excluded.

REGIONAL TEAM RECOMMENDATION: Fund at \$42,565 increased with conditions. The grant agreement will require the piping to be overlaid with soil and seeded, and fenced to keep livestock away from it. Increase budget by \$1,000 to pay for additional required fencing.

REGIONAL TEAM PRIORITY: 15 of 17

CAPITAL AMOUNT: \$42,565 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at the increased level of \$42,565 with conditions. The grant agreement will require the piping to be overlaid with approximately five feet of soil and seeded, and temporarily fenced until sod is well established. If at two years after project implementation, the area over the swale is without the grass filtering layer, additional measures to protect that area will be implemented. Increase budget by \$1,000 to pay for additional required fencing.

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6009	PROJECT TYPE:	Restoration
PROJECT NAME:	Westland Irrigation District Conversion Project		
APPLICANT:	Umatilla SWCD		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$261,254	TOTAL COST:	\$329,529

APPLICATION DESCRIPTION:

Located six miles SW of Hermiston, bordered by Butter Creek and the Umatilla River, this project would pipe 10,500 feet of existing open, unlined ditch; build and install a new pumping station; and install 300 feet of pipe under Interstate I-84. The old ditch services 12 patrons and provides water for 451 acres. Due to seepage, evaporation and flowing through a pasture, keeping the flow to the end of the line has proved problematic. There is also danger of potential contamination of bacteria and nitrates to both Butter Creek and the Umatilla River from irrigation tailwater. All 12 patrons serviced by this line would be required to convert from flood to an efficient sprinkler irrigation system. There are many planning and guidance documents (Umatilla Subbasin 2050 Management Plan, Lower Umatilla Basin Groundwater Management Area Action Plan, Umatilla Agricultural Water Quality Management Plan, Umatilla Willow Subbasin Plan, the Critical Groundwater Areas, Umatilla Basin Irrigation Program and others) that focus on this area's water quality and quantity issues and they all identify irrigation efficiency as a priority action. The Umatilla SWCD is partnering with the Westland Irrigation District on this project. OWEB funds were asked for pre-implementation, project management, contracted services, in-house personnel, travel, supplies/materials, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

This application could have been improved by focusing more on the ecological benefits realized by this project. For instance, there is mention of "possible" contamination from tailwater entering Butter Creek and the Umatilla River or reports of wells in the area showing a rise in nitrates or e. coli. More detail about the pollution problems and how this project would solve them, photos showing polluted tailwater entering those systems, or data reflecting water quality issues in wells in this area would have been more compelling. It appeared that the main goal of the project is to get water to the smaller irrigation district users. Some reviewers didn't see how individual water users would be monitored and wanted to see that measuring devices would be part of the project. The application talked about the computer system but it could have better explained how that translates to each place of use (POU.) There was concern there weren't more partners in the project and that the budget requested significant funding for irrigation district salaries and for the use of the irrigation district equipment, and the fiscal administration request of \$23,000 was too high.

This was one of ten similar projects submitted by the same applicant. The reviewers discussed again the difficulties these projects present when they don't make a strong case for ecological benefits; the benefits seem weak; and the application's budget and narrative are poor quality.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
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APPLICATION NO.:	211-6010	PROJECT TYPE:	Restoration
PROJECT NAME:	Upper Walla Walla River Irrigation Efficiency Project		
APPLICANT:	Umatilla SWCD		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$81,487	TOTAL COST:	\$108,857

APPLICATION DESCRIPTION:

The project area is located on the South Fork of the Upper Walla Walla River near the convergence of the North Fork Walla Walla, southeast of Milton Freewater in Umatilla County. The project would pipe 3,000 feet of an unlined and leaking ditch, install flow meters and two culverts. The Dorothy Ditch was built in 1942 to serve 6 irrigators. This unlined ditch leaks, flooding a nearby neighbor's basement; creating sinkholes in the county road; and swamping portions of the local orchards. However, if the system was piped, less water would be required to serve the six water rights, and it was stated that approximately 1.5 cfs would remain instream. Better water management would be facilitated by the installation of both individual flow meters and by the size of delivery pipe. Partners include landowners, the NRCS and the Umatilla County Road Department. OWEB funds would pay for project management, contracted services, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

The reviewers noted that this irrigation efficiency proposal provided an estimate of how many cfs would be saved, although the application used different numbers (1 cfs and 1.5 cfs) in different places. But there were unanswered questions on whether downstream users would take the saved water or if it would be left instream to provide benefits to water quality and fish. The stream supports bull trout, summer steelhead and spring Chinook, so if the 1 cfs stays instream, reviewers saw it as a benefit. However, this application should have provided information on how far downstream the water would stay instream. For example, if the water stays instream for 200 yards, probably not a good project; on the other hand if it stayed in to the state line, it would be positive. The application also would have been improved by giving more detail on the limiting factors on this reach of the Upper Walla Walla, like flow regime, temperature or any other concerns. The review team also felt because the county road department would benefit from having to do fewer road repairs because of the sink, the county should pay for the work done relating to the road. The review team wanted staff to find out where the next withdrawal point was on the system and they wanted to condition funding on having the grantee work with OWRD on the possibility of permanent water savings as a result of this project and submit an interim progress report on such feasibility by December 2011.

Staff follow up: Staff researched the OWRD website map to locate the points of diversion on this stream system and found the first one 800 feet below project site with .38 cfs right; next diversion is 1.3 miles downstream with a water right of .39; and two miles from project site is a point of diversion with over 5 cfs. Regarding ESA-listed species benefit, conversations with ODFW staff noted that North Fork Walla Walla River is both flow and temperature challenged; the South Fork Walla Walla somewhat less. After hearing this information, reviewers still supported their funding recommendation.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By piping an unlined and leaking irrigation ditch, this project could increase instream flows and improve fish habitat.

REGIONAL TEAM RECOMMENDATION: Fund reduced with conditions at \$73,038. The county should cover installation of the county road improvements and have grantee and landowner consult with OWRD on the feasibility of permanent instream protection of the water saved as a result of this project.

REGIONAL TEAM PRIORITY: 14 of 17

CAPITAL AMOUNT: \$73,038 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$73,038 with conditions. No OWEB funds will be used for work on the county roads and infrastructures or landowner culvert improvements. The grant agreement will require the grantee to consult with OWRD on the feasibility of permanent instream protection of the water saved as a result of this project and submit an interim progress report to OWEB's Project Manager by December 2011. The final project completion report must include data showing the amount of water savings resulting from the project.

Oregon Watershed Enhancement Board

Region 6 (Mid Columbia) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-6011	PROJECT TYPE:	Restoration
PROJECT NAME:	Hermiston Irrigation District B4 Ditch Conversion Project		
APPLICANT:	Umatilla SWCD		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$33,602	TOTAL COST:	\$85,552

APPLICATION DESCRIPTION:

This project is located in the Lower Umatilla Basin Groundwater Management Area (LUBGMA), eight miles northeast of Hermiston in Umatilla County. The project would convert 4,000 feet of open ditch to pipe, reconnecting the B-line with the B4 line. Currently the unlined ditch follows a 1907 easement adjacent to a permitted feedlot. The feedlot owner is concerned about potential overland flows entering the irrigation ditch and neighbor's fields from his feedlot. And, at the end of the ditch, the excess irrigation water inundates a low-lying, high basalt pasture, creating a breeding ground for mosquitoes and unproductive pastureland. By piping this last section, the watershed benefits realized include reducing sediment and potential nutrient runoff, improving ground water quality and increasing conveyance efficiency. Partners on the project are the Hermiston Irrigation District. OWEB funds will be used for materials/supplies, project management, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

This is the third submission of this project. The last cycle, this project was recommended but fell below the funding line. The review team recognizes there is some benefit to water quality and groundwater. Reviewers did not think the application explained measurable water savings other than more was available to irrigators. It was discussed that the cumulative effects of irrigation efficiencies can result in less water needing to be drawn from the river. However, the water is diverted from the Umatilla River during high flows in winter, so the limiting factor of summer/fall low flows isn't improved. It was mentioned that water from the McKay Reservoir has, in the past, been released to supplement low flows in the river. This application could have been stronger by explaining these factors, if they are relevant to this irrigation district. Several on the review team questioned why upgrades are not funded by irrigation district water users. It was noted that the mosquito population in this area has been identified as a subspecies that transmits both West Nile and malaria.

Overall, the review team struggled with this application and the other irrigation efficiency projects submitted by this applicant. They felt that the application needed to do a better job articulating the watershed problems and how those problems are addressed by the project. For example, the application notes that the project will reduce "potential" groundwater pollution. What can the irrigation district or the applicant tell reviewers and OWEB about how the piping projects have or will reduce those pollution problems? Is there a way to quantify those results? Reviewers noted that with many applications they see a more direct watershed benefit, making it difficult to rank highly those with more indirect or vague watershed benefits.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By piping 4,000 feet of an unlined irrigation ditch, this project will reduce the risk of groundwater contamination from the feedlot.

REGIONAL TEAM RECOMMENDATION: Fund with condition that final report include a description of the opportunities and barriers to permanent conservation of water instream or in-reservoir as a result of the irrigation efficiencies gained by the irrigation district's conversion of irrigation system to piping or sprinkler.

REGIONAL TEAM PRIORITY: 16 of 17

CAPITAL AMOUNT: \$33,602 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with condition. The grant agreement will require the final project completion report to include a description of the opportunities and barriers to permanent conservation of water instream or in-reservoir as a result of the irrigation efficiencies gained by the irrigation district's conversion of irrigation system to piping and sprinkler.

Oregon Watershed Enhancement Board

Region 6 (Mid Columbia) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-6012	PROJECT TYPE:	Restoration
PROJECT NAME:	Rudio Creek Ranch Habitat Restoration Project		
APPLICANT:	The Freshwater Trust		
BASIN:	JOHN DAY	COUNTY:	Grant
OWEB FUNDS REQUESTED:	\$383,854	TOTAL COST:	\$1,073,278

APPLICATION DESCRIPTION:

This project is located on the Rudio Creek, an ecologically significant tributary of the North Fork John Day River in Grant County. During the early and mid-1900s, Rudio Creek was straightened and channelized in order to drain wet meadow floodplain habitat for livestock pasture and hay fields. Beaver dam complexes and riparian hardwoods were lost as a result. This has resulted in higher stream energy and corresponding erosive tendencies, reduced habitat diversity and cold-water storage. This project will increase stream length and complexity, restore floodplain function and riparian habitat by reconnecting two miles of stream channel to historic location; creating riffles and 58 pools by installing large wood structures; plant 4,300 cuttings and 330 hardwood clumps in the restored riparian zone. Plant establishment activities include watering and weed suppression. Partners include the landowner, Ecotrust Whole Watershed Restoration Initiative, Bella Vista Foundation, NOAA-NACO, CTWS, and USFS Title II. OWEB funds were requested for portions of pre-implementation, project management, in-house personnel, contracted services, travel, supplies/materials, riparian plant establishment, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

This application was a resubmit and the applicant met all requests from the previous evaluation. The main issue was the inclusion of a comprehensive set of designs along with the application. This is a good project that has a strong match from an array of partnerships. The consulting engineers are well respected and have done similar and successful projects in the Middle Fork John Day River. There was some discussion involving the permitting and consultation on the project. But with NOAA being one of the secured funders, it was felt that any potential issues relating to compliance could be resolved. The review team appreciated the landowner's commitment to improving the ecological function on his ranch by giving up productive acres as an exclusion and leaving water in-stream. This section of Rudio Creek has high potential for being cold, clear and productive ~ the hyporrheic storage capacity would be huge.

The team discussed the riparian planting information in the application and noted that it will be vegetated using onsite materials of large salvaged clumps, which reviewers believed would be successful. Because there are beaver in the area, reviewers thought that Question R17 should have included discussion of beaver protection considerations; however, reviewers noted that there is a lot of vegetation in the area for beavers and they are not a high risk to the plantings, though some protection will be needed.

There was a lot of scrutiny of the budget and it was felt some of the estimates of project management hours required were higher than warranted for a project of this scope. They did not think that staff costs for water rights work were justified by the application. The team also questioned why a fish biologist was needed for 80 hours of planting project management. The extremely high fiscal administration cost was not justified in the application. The review team liked the project and recommended it for funding but at a reduced level and a revised budget.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By reconnecting to historic floodplain, lengthening and increasing stream channel complexity and increasing riparian vegetation, this project will serve to improve spawning and rearing habitat for steelhead and Chinook by increasing stream gravel, slowing stream velocity, improving cold water refugia and floodplain storage; and it also increases habitat for beaver and other wildlife and avian populations

REGIONAL TEAM RECOMMENDATION: Fund reduced at \$300,000

REGIONAL TEAM PRIORITY: 4 of 17

CAPITAL AMOUNT: \$300,000 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$300,000, with conditions. OWEB's project manager will work with the applicant to determine the appropriate amount of the fiscal administration costs to be paid by OWEB (4%-10%) based on the complexity and number of fiscal administration tasks and hours needed for this project.

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
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APPLICATION NO.:	211-6013	PROJECT TYPE:	Restoration
PROJECT NAME:	Eight-Mile Creek Culvert Replacement		
APPLICANT:	North Fork John Day WSC		
BASIN:	JOHN DAY	COUNTY:	Grant
OWEB FUNDS REQUESTED:	\$104,040	TOTAL COST:	\$135,764

APPLICATION DESCRIPTION:

This project is located on Eight-mile Creek, a tributary of the Middle Fork John Day River in Grant County. The current culvert structures are undersized and perched, impeding juvenile passage and sometimes adult salmonid passage. By replacing with two properly sized pipe arch culverts, 2½ miles of quality habitat will be made accessible to all life-stages of steelhead and Chinook, as well as improving overall water quality by removing the potential for culvert failure and resultant massive sediment loading to the stream. Partners on the project include the landowner and the US Fish and Wildlife Service. OWEB funds were requested for pre-implementation, project management, in-house personnel, contracted services, travel, supplies/materials, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

The team felt this was a very good project. The plunge culvert becomes an isolated pool, which strands and kills fish. The log crib culvert is failing and as a result significant sediment is entering the system, where steelhead have been seen. The landowner has fenced much of the riparian area already, which is positive. There was discussion on the cost of site #1, but those on the site visit shared that it will be a more complex fix because of the steep gradient. The existing failing culvert at this site almost serves as a grade control. The culvert costs were deemed within reason. The work isolation plan was discussed and it was felt that these plans have to be adaptable because flows will impact which action is taken. Low flows tend to cost less than high flows, but it all depends on storms or melt-off occurring during the instream work window. The detail in the budget, the photos and the preliminary engineer's design report made for a good application.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By installing culverts that allow all-life stages of fish passage, over 2½ miles of spawning and rearing habitat will be opened up. Also, because existing culverts are undersized and often are overtopped, by installing new structures, water quality improved and sediment loads to the stream will be significantly reduced at these sites.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 3 of 17

CAPITAL AMOUNT: \$104,040 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
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APPLICATION NO.:	211-6014	PROJECT TYPE:	Restoration
PROJECT NAME:	Rudio Creek Upland Watershed Restoration		
APPLICANT:	North Fork John Day WSC		
BASIN:	JOHN DAY	COUNTY:	Grant
OWEB FUNDS REQUESTED:	\$41,084	TOTAL COST:	\$170,152

APPLICATION DESCRIPTION:

This project is located in Grant County, on lands draining into Rudio Creek, an important steelhead habitat tributary of the North Fork John Day River. The eastern side of this ranch is an arid landscape with little or no water available in the uplands. This is contributed to both the natural geology of the area and the encroachment of Western juniper. Pre-treatment inventories were conducted on the two selected sites for juniper removal and all sites were found to be phase two moving into phase three, showing skeletonized shrub components and loss of vegetation between trees. The landowners have fenced livestock off of Rudio Creek and are involved in extensive riparian restoration. Because this is a working ranch, the upland water sources on the east side are critical to implementing best managed grazing practices. A grazing plan was created that reverses the historic pasture rotation, effectively benefiting the grassland resources, improving overall plant health and reducing noxious weed impacts. But without eastside water availability, the improved grazing rotation doesn't work. The OWEB portion of the project would remove 240 acres of phase two/three juniper, reseed the 240 acres disturbed by juniper eradication, and develop an upland spring and purchase troughs and seed. Partners and landowner will be paying for installing a well, improving and adding solar well systems and infrastructure, and paying for and installing two wildlife guzzlers. OWEB funds were requested for project management, contracted services, travel, supplies/materials, status reporting and fiscal administration. This project has a high landowner match and a host of partners, including the USDA Rural Development Fund, the Confederated Tribes of Umatilla and the Freshwater Trust.

REGIONAL TEAM REVIEW:

This is the third submission for this project and the review team felt this application had better detail and explanation of ecological benefits. They also liked the increased partnership match and the explanation of the ranch's grazing strategy to improve upland forage and health. The review team noted that the landowners are involved in many environmental improvements on their ranch. They have participated and have hosted several meetings of the Rudio Basin Collaborative group that is exploring a basin-wide approach to restoration. It was also discussed that OWEB has funded several projects for neighboring ranches, previous landowners and the current landowner in this basin already, and this project builds on those previous investments. Because the juniper removal is more than 120 acres, before treatment is initiated a notice of operation will need to be submitted to the local Oregon Department of Forestry. The review team questioned the seed mix and suggested that the grantee work with NRCS range tech or some other range technician to improve the selection.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Removing juniper and developing upland water sources will increase plant community diversity, resilience and abundance, increase avian and wildlife habitat, increase infiltration of precipitation, potential increase of groundwater, and reduce potential of catastrophic stand-replacing wildfire.

REGIONAL TEAM RECOMMENDATION: Fund with conditions: 1) to consult with NRCS, BLM, USFS or state related agency on a better seed mix; and 2) provide a grazing management and long-term juniper management plan with completion report.

REGIONAL TEAM PRIORITY: 6 of 17

CAPITAL AMOUNT: \$40,584 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$40,584 with conditions. Staff eliminated non-capital education and outreach costs due to very limited non-capital funds. The grant agreement will require the final project completion report to include a grazing plan and long-term juniper management plan, and documentation that the seed mix was determined appropriate by BLM, NRCS or other appropriate agency.

**Oregon Watershed Enhancement Board
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APPLICATION NO.: 211-6015 **PROJECT TYPE:** Restoration
PROJECT NAME: Lower Kayser Fish Passage Improvements
APPLICANT: Gilliam-East John Day WSC
BASIN: JOHN DAY **COUNTY:** Gilliam
OWEB FUNDS REQUESTED: \$60,540 **TOTAL COST:** \$83,945

APPLICATION DESCRIPTION:

This project site is located on Rock Creek, an important steelhead spawning and rearing tributary to the lower John Day River in Gilliam County. This irrigation diversion, a two-tiered 6' high concrete structure, impedes adult passage during low flows and prohibits vital juvenile passage to upstream habitat at all flows. The steelhead population on Rock Creek is considered "very large" with a mean minimum abundance threshold of 2,250 spawners (ODFW 2008). ODFW annually conducts spawning surveys on the upper reaches and in 2001 found over 50 redds in a two mile stretch. Connectivity to these upper reaches is important to juvenile survival because lower reaches dry up in late summer/fall periods of the year. This project proposes to build a concrete step-pool fishway on the west side of the channel in the natural thalweg of the stream, incorporating it into the existing structure and extending it 30' downstream. ODFW & NOAA have been on site and have provided suggestions and input to the engineer firm responsible for the design. ODFW and the CTWS are the partners on this project.

REGIONAL TEAM REVIEW:

This project was a resubmit from the last application cycle. This version is somewhat better than the previous application but was still lacking. There were many mistakes and the budget was still described in lump sums without adequate cost breakouts. The tour with the engineer answered enough of the review team's questions to recommend it for funding, but it was made clear that future applications need to include better designs, fewer mistakes and more detail. In spite of the poor quality of the application, because this is the last identified juvenile fish passage barrier on Rock Creek and the team had a high degree of confidence in the engineering firm, the team strongly felt it was important for the project to be implemented. A lot of juvenile steelhead are in the system and want to get above this site. If 211-6016 and this application are funded, all juvenile barriers on this creek will be fixed.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By improving fish passage on this barrier, all life stages of salmonids and other native fish species will have access to over 140 miles of the mainstem and tributaries of Rock Creek.

REGIONAL TEAM RECOMMENDATION: Fund at a reduced level of \$58,090 (reduced budget submitted by applicant)

REGIONAL TEAM PRIORITY: 2 of 17

CAPITAL AMOUNT: \$58,090 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$58,090 (reduced budget submitted by applicant)

**Oregon Watershed Enhancement Board
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APPLICATION NO.:	211-6016	PROJECT TYPE:	Restoration
PROJECT NAME:	Ramsey/Rock Creek Riparian		
APPLICANT:	Gilliam SWCD		
BASIN:	JOHN DAY	COUNTY:	Gilliam
OWEB FUNDS REQUESTED:	\$94,950	TOTAL COST:	\$146,290

APPLICATION DESCRIPTION:

This project does work on two sites located on Rock Creek, at river mile (RM) 5 and river mile 7.5, in northwest Gilliam County. Rock Creek is an important tributary of the John Day River for summer steelhead spawning and rearing, providing over 140 miles of streams that drain a 314,551 acre basin. Two irrigation diversions are currently blocking adult and juvenile passage very low in the stream system, prohibiting migration to headwater areas where cool water is essential to their survival. After initial consultation and site visits with the engineering firm hired to do this project, NOAA and ODFW, it was decided the best solution was to build a ramp/pool project at the RM five diversion; and add an additional compartment to the existing but degraded and out of compliance fish ladder at RM seven. The partner on the project is the Confederated Tribes of Warm Springs. OWEB funds were requested for project management, contracted services, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

There have been numerous other uplands and fish passage projects in Rock Creek, and this project ties in well, builds on the results of previous work. The team expects good results. The quantifiable immediate improvements are huge, opening up 140 miles of habitat. All other dams on Rock Creek pass adult steelhead; this is the last adult barrier on the creek., Correcting these two low-in-the-system barriers will have a huge effect on salmonid survival and abundance. The review team appreciated the information regarding negotiations with the landowner about alternatives to correcting these barriers and also the information on all the other riparian and upland projects being implemented on the Rock Creek watershed. The cumulative effect on habitat and native fish species is expected to have good, quantifiable results. The application would have been easier to review if it had included better designs and initial survey information; however the site visit with the engineer clarified many questions and left the team with a high level of confidence on this project. Some of the budget amounts seemed a bit high but in discussion on the site visit with the engineer, it was deemed appropriate due to the need for some possible adaptive design. There was some confusion about why the upper degraded fish ladder was just not being replaced, but it was clarified that this design was the most cost effective and will achieve the same passage results as a complete rebuild. The team appreciated that NOAA, ODFW Fish Passage team, BPA and the tribes had been on site and provided input. Final designs will still have to pass compliance review by these same agencies but those agencies having on-the-ground knowledge of the project could help it through the process. The team felt this was a very good project.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By fixing both of these diversions, connectivity to approximately 140 miles of upstream habitat will be restored to all life-stages of salmonid and native fish species.

REGIONAL TEAM RECOMMENDATION Fund

REGIONAL TEAM PRIORITY: 1 of 17

CAPITAL AMOUNT: \$94,950 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
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APPLICATION NO.:	211-6017	PROJECT TYPE:	Restoration
PROJECT NAME:	Bates Riparian Rehabilitation Project		
APPLICANT:	North Fork John Day WSC		
BASIN:	JOHN DAY	COUNTY:	Grant
OWEB FUNDS REQUESTED:	\$127,308	TOTAL COST:	\$183,358

APPLICATION DESCRIPTION:

This project is located on the Middle Fork John Day River and Bridge Creek, on lands being developed as the Bates State Park in Grant County. The area proposed for treatment is where the old Bates Mill and town once stood. During that time, both Bridge Creek and a section of the Middle Fork John Day River were straightened and soil was brought in to build up the area for development. This action effectively disconnected the active floodplain, buried native soils, eliminated most of the riparian vegetation, and increased stream temperatures and velocity. The proposed solution is to excavate fill material outside of the ordinary high water line, down to native alluvium soils, and re-vegetate the entire reestablished floodplain with locally adapted native riparian trees, shrubs, sedges and rushes. Plant establishment of caging, irrigation and weed control were included in the request. Partnering with the North Fork John Day Watershed Council is the landowner, the Oregon Parks and Recreation Department. OWEB funds were requested for project management, contracted services, travel, riparian plant establishment, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

There was a lot of discussion on the benefits of this project. Restoring riparian vegetation and reconnecting to the historic floodplain would increase habitat for steelhead, Chinook and bull trout along this reach. A lot of restoration work has been done on the Middle Fork and this would add to those cumulative effects.

The application noted that no permits are needed, but the team wondered whether a permit would be needed because the project site is located on an Oregon Wild and Scenic River. Reviewers also encouraged the applicant to find out whether an ACOE permit will be needed. Finally, reviewers also wondered whether OPRD has the necessary water rights for irrigation of the newly planted vegetation to ensure it survives and thrives. It wasn't clear from the application if there were any irrigation rights, and if they did have them, if they required any OWRD process to become viable. Staff was asked to get more information from applicant and OWRD regarding these issues.

Reviewers discussed the importance of cooling the rivers and questioned that unless Bates Pond is addressed, whether temperatures will be reduced. It was noted that this riparian improvement project would help address some of the temperature issue by providing increased shading and floodplain storage, but will not fully address temperature and fish needs. Reviewers acknowledged that the Bates Pond issue is being discussed, but felt that the issue was far from reaching resolution, and felt that improving riparian vegetation for this area would provide important benefits even if it would not fix all of the issues. The project also has the potential to activate the floodplain, providing fish habitat and beneficial hyporrhic flow. The riparian area now is all sawdust and junk, and full of weeds.

There was some discussion whether the project could be adversely affected if future park management decisions result in removing Bates Pond. Reviewers wondered whether sediment backed up from the pond might destroy the work done from this application. After discussions, reviewers concluded that the impact would depend on how any sediment load removal was dealt with and if it is done the right way, a damaging sediment dump would be prevented.

Staff follow up: Under the Oregon Wild and Scenic Rivers requirements, OPRD will have to file a notice of intent for the project and request comment from other agencies and tribal governments (ODFW, CTWS, etc). Most of those agencies have already written letters of support for the restoration project, so it wasn't thought to be a problem. Irrigation rights were also researched and the Bates property was found to have multiple water rights including rights for irrigation. However, the process to assure availability for this project's riparian planting has not been finalized.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

By re-establishing connection with the natural floodplain and re-vegetating stream banks of both Bridge Creek and a stretch of the Middle Fork John Day River, floodwaters will be absorbed, sediment can be dropped out and habitat for both aquatic and terrestrial species will improve. Riparian vegetation will increase shading of both streams; rushes and sedges will serve to catch sediment transport; and with banks pulled back, stream will have the ability to naturally introduce meander and begin to form instream complexity of pools and riffles.

REGIONAL TEAM RECOMMENDATION: Fund at \$119,108 with conditions. Reduce fiscal administration to \$1,800 and eliminate portable irrigation equipment costs. Consult with OWRD about water rights needed for irrigation and follow up with OPRD on whether there are scenic waterway issues.

REGIONAL TEAM PRIORITY: 11 of 17

CAPITAL AMOUNT: \$119,108 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$119,108 with conditions. Reduce fiscal administration to \$1,800 and eliminate portable irrigation equipment costs. The grant agreement will require OWEB project manager approval of the following information before any funds are released to the grantee: 1) copies of the Wild and Scenic River notice of intent from OPRD and comment letters from agencies consulted; 2) confirmation that water rights are available to be used on the project's riparian planting and, if not, an explanation of how OPRD will water the plantings to ensure they survive and thrive.

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6018	PROJECT TYPE:	Restoration
PROJECT NAME:	Twickenham Declining Habitat Restoration		
APPLICANT:	Wheeler SWCD		
BASIN:	JOHN DAY	COUNTY:	Wheeler
OWEB FUNDS REQUESTED:	\$30,770	TOTAL COST:	\$41,270

APPLICATION DESCRIPTION:

This project is located in the north uplands along the John Day River in the Twickenham Valley of Wheeler County. Medusahead rye is an invasive annual grass that has exploded in eastern Oregon and surrounding states. Thirty years ago, this landowner planted a 13 acre seed plot using a type of bunch grass collected from the breaks of the Snake River, also known commercially as Secar. In thirty years this variety of bunchgrass has adapted and shown an exceptional ability to out-compete the invasive annuals like Medusahead and cheatgrass. This proposal seeks to restore rangeland health, but the innovative component of the project involves collecting this locally adapted seed and propagating 100 additional acres to be used as a seed source for future restoration projects. The rangeland improvement component of the project includes reducing fuel load on 20 acres by removing thick juniper along a property line. This would allow for the 300 acre prescribed burn component to be implemented with a higher degree of safety and success. The prescribed burn is necessary to create enough disturbances for grasslands to thrive and to keep the encroaching juniper in check. The partner on this project is the landowner. OWEB funds were requested for project management, contracted services, education/outreach, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

Some reviewers were familiar with this effort and noted that the originally collected seed is an outstanding performer. Those on the site visit were very impressed with the robust stands of this adapted Secar. The stand is clean and if it can be replicated, it is an excellent tool to fight medusahead rye from taking over lands. They felt it was a good, innovative project, especially since the goal of the grantee was to increase the seed source enough so it can be made available at cost for future restoration projects. There was discussion on how this Secar will compete alongside native Thurbers, a grass species that is getting lost by encroaching Medusahead. Even though this species is not native to this area, in the thirty years of growth it appears to be non-invasive. There was discussion about the term brush management and it was determined this was NRCS terminology and in fact referred to the juniper removal on the 20 acres. From the photos and site visit, there is an existing grass/shrub component that will only improve with a good prescription of fire. The team felt the budget needed adjustment, shifting seed collection costs to in-kind and range seeding as an OWEB request. Also, the team recommended that the educational kiosk not be funded because it would not be visible to the general public.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Propagating this adapted bunchgrass as a local seed source will provide another restoration tool available to fight annual grass invasives such as Medusahead rye and by incorporating fire back into the system, rangeland health will be improved by more supporting species diversity and promoting perennial grasses, as well as reduced erosion from overland flows in dense juniper plots.

REGIONAL TEAM RECOMMENDATION: Fund reduced with conditions. Do not fund the kiosk; shift seed collection costs to in-kind and provide OWEB funds for range seeding. Provide a grazing management plan with the final project completion report.

REGIONAL TEAM PRIORITY: 5 of 17

CAPITAL AMOUNT: \$24,970 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund at a reduced level of \$24,970 with conditions. Do not fund the kiosk. Reduce fiscal administration costs. Shift seed collection costs to in-kind and provide OWEB funds for range seeding. The grant agreement will require the final project completion report to include a grazing plan and long-term juniper management plan. If OWEB funds go for seed collection to be used off-site, the final project completion report must include documentation showing how the seeds were used for restoration projects, including a list of landowner names, amount seed was sold for and maps of sites.

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6019	PROJECT TYPE:	Restoration
PROJECT NAME:	Mulvaney Upland Improvement Project		
APPLICANT:	Mid John Day WSC		
BASIN:	JOHN DAY	COUNTY:	Wheeler
OWEB FUNDS REQUESTED:	\$29,160	TOTAL COST:	\$38,900

APPLICATION DESCRIPTION:

This project is located in Wheeler County in the Lower John Day/Kahler Creek basin. Many south flowing tributaries drain this area into the John Day River. This historic ranch site was recently sold to a new, absentee owner who is interested in making improvements to the overall health of the land. Western juniper has expanded from historic communities and encroached into Ponderosa pine and sagebrush steppe systems. This was caused by both fire suppression and historic grazing practices. Components of this project include cutting and piling 180 acres of juniper, developing one upland spring site, treating and reseeding 64 acres of Medusahead and reseeding an additional 16 acres of ground disturbed by juniper treatments. A grazing plan and long-term juniper maintenance plan will also be completed. The landowner partnered on this project. OWEB funds were requested for project management, some contracted services, supplies/materials, and fiscal administration.

REGIONAL TEAM REVIEW:

The review team felt this application would have been stronger if it had included more research, planning and detail. From the site visit, there seemed to be good potential for restoration on the land but it wasn't made clear why the sites were selected over others. The application would have been stronger with a more comprehensive plan that included rehabilitation of old fields to eradicate extensive annual grass communities in combination with a more thorough analysis of juniper site restoration potential. The review team would like to see a ranch plan, showing all projects completed and future potential identified, perhaps done with assistance from NRCS. The team didn't want to discourage this new landowner from doing restoration but would encourage a more comprehensive and detailed approach to treatments. It didn't appear the landowner owned cattle himself, but did lease the grazing. The review team would like to see a grazing plan that includes how upland water developments would keep cattle out of riparian areas, where are cross fences located, where are the old fields located. The team wondered if there is potential interest in fencing out riparian zone or if that practice is even necessary basis the topography of the land. The team also would like to know more detail on the seeding – what is the mix, how and when the sites would be seeded. Overall, the review team thought that the application seemed to be “rushed together” and wanted any future application to include a comprehensive plan showing strategic treatments, more detail on seeding component, and a ranch and grazing management plan.

REGIONAL TEAM RECOMMENDATION: Do not fund

STAFF RECOMMENDATION TO BOARD: Do not fund

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6020	PROJECT TYPE:	Restoration
PROJECT NAME:	Richmond Upland Improvement Project		
APPLICANT:	Bridge Creek WSC		
BASIN:	JOHN DAY	COUNTY:	Wheeler
OWEB FUNDS REQUESTED:	\$29,700	TOTAL COST:	\$39,324

APPLICATION DESCRIPTION:

The Richmond Upland Improvement project is located in the headwater area of Girds Creek, in the Lower John Day/Service Creek watershed of central Wheeler County. Western juniper has encroached into Ponderosa pine and sage steppe ecosystems affecting watershed hydrology and overall ecosystem health. Juniper encroachment is associated with soil loss, impaired water quality, reduced infiltration rates, the loss of native plant communities and the avian and wildlife species that rely on them. This project proposes to pull and pile 180 acres of phase one and two juniper; develop two springs to provide upland water for both wildlife and livestock; and apply herbicide and reseed 32 acres of Medusahead. A grazing plan and juniper maintenance plan will also be completed. The landowner is partnering with the Mid John Day Watershed Council on this project. OWEB funds would be used for project management, a portion of the cost of removing the juniper and spring developments, status reporting and fiscal administration.

REGIONAL TEAM REVIEW:

The review team first questioned why this site was selected for treatment. Those who were on the site visit or who knew this area explained it was a highly productive site where the juniper encroachment hadn't progressed so far as to have destroyed the potential for re-establishment of existing perennial native grass and shrub component. Also, the landowner, who is recognized as a good steward of the land, wants to remove the intense juniper fuel load bordering their pine forest acreage so burning can safely be used as a future juniper maintenance tool. Conversation was held about fire not being a good tool in areas where Medusahead monocultures existed, but it was then determined that the 32 acres of Medusahead treatment was to shrink satellite communities of this invasive weed and also serve as an educational tool for landowners to see the potential of herbicide and reseeding treatments. The team wanted to make sure the resultant slash is piled and burned, as noted in the application. And, that those burned pile areas would be monitored for two years and would be sprayed and reseeded if weeds become an issue. Those experienced with the project site noted that the juniper treatment piles from the EQIP project were burned in winter on frozen ground helping reduce sterilization of the soil and encroachment of opportunistic weeds. Some team members wished that the grazing management and long term juniper management plan would have been included in the application. There was also a question about no funds being requested for fencing for the spring developments. The team asked to condition funds making sure the spring developments would be installed according to NRCS specifications, including fencing the spring box.

HOW THE APPLICATION ADDRESSES WATERSHED AND ECOSYSTEM FUNCTIONS AND PROCESSES:

Removing juniper on this site will increase plant community diversity, resilience and abundance, increase avian and wildlife habitat, increase infiltration of precipitation and potential increase of groundwater, and reduces potential of catastrophic stand-replacing wildfire.

REGIONAL TEAM RECOMMENDATION: Fund with the conditions that 1) grazing management and long-term juniper maintenance plans are submitted with final report; 2) that spring developments are installed according to NRCS specifications, including fencing the spring box; 3) consult with the BLM, NRCS or other appropriate agency regarding the appropriate seed mix; and 3) reseed and treat slash piles for one to 2 years after burning if weeds are present.

REGIONAL TEAM PRIORITY: 7 of 17

CAPITAL AMOUNT: \$29,700 **NON-CAPITAL AMOUNT:** \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the final project completion report to include 1) a grazing management plan and long-term juniper management plan; 2) documentation that spring developments were installed according to NRCS specifications, including fencing the spring box; and 3) documentation that the seed mix was determined appropriate by NRCS or other appropriate agency. The grant agreement will also require the grantee's post-implementation status reports to include a description and photographs showing that slash piles were treated and reseeded for one to two years after burning, or that no weeds were present.

**Oregon Watershed Enhancement Board
Region 6 (Mid Columbia) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-6021	PROJECT TYPE:	Restoration
PROJECT NAME:	Fruitvale Water Management Phase 2		
APPLICANT:	Walla Walla Basin WSC		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$75,372	TOTAL COST:	\$126,700

APPLICATION DESCRIPTION:

This project is located along Middle Mud Creek, a spring branch of the Walla Walla River. The Fruitvale Water Users Association (FWUA) serves water rights to over 1,300 acres of farmland in 45 ownerships northeast of Milton Freewater in Umatilla County. The water source is both the Walla Walla River via the West Little Walla Walla and the Middle Mud Creek headwater springs. This project is a continuation of an aggressive irrigation efficiency and water management program that began in 1999 to restore flows to the Walla Walla River for ESA listed bull trout and steelhead, reintroduced spring Chinook and to equitably manage water rights in the basin. Farms in this area used to be mostly orchards but now have converted to hay and pasture because of the reduction of available irrigation water. In this 2nd phase, the project proposed to upgrade four diversion weirs, install a grade control structure, armor a section of eroding bank, and enlarge two ponds. Partners on the project include the Fruitvale Water Users Association, the Walla Walla Basin Watershed Council, BPA and landowners. OWEB funds were requested for contracted services and fiscal administration.

REGIONAL TEAM REVIEW:

The review team understood the goals of the applicant in working with the farming community affected by protecting instream flows. It is understood that if water is left instream and people's operations are damaged, people will oppose leaving water instream unless they get help to meet their needs. In this case, 25% of the flow in the Walla Walla has been protected instream and they need help to operate at 75%. While reviewers understood the goals and importance, they did not think the application made a clear or strong case for what they are doing and how all the pieces fit together. The application talks about lining the ditch with rock and expanding the ponds to store more water. Discussion followed on whether this was considered maintenance (dealing with sediment) or construction of ponds (potentially ineligible according to OWEB's rules). The other component that triggered some concern was the armoring of the ditch. The team wasn't clear on how armoring with rock increased irrigation efficiency, or how reducing sediment from those eroding banks impacted the ecological function of this particular system. If the application were to be resubmitted, reviewers wanted the application to explain all of the phases of this project and related projects, and what is proposed for future phases and how they all make up the big picture. The application would need to discuss how many phases there are, and provide better justification for proposed project work, including how the work protects and restores watershed process and function.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

Oregon Watershed Enhancement Board

Region 6 (Mid Columbia) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-6023	PROJECT TYPE:	Restoration
PROJECT NAME:	Lampson Levee Setback and Habitat Restoration		
APPLICANT:	Walla Walla Basin WSC		
BASIN:	UMATILLA	COUNTY:	Umatilla
OWEB FUNDS REQUESTED:	\$102,212	TOTAL COST:	\$933,221

APPLICATION DESCRIPTION:

This project is located on 22 acres of a 15 year conservation easement along the upper mainstem Walla Walla River at river mile 49, approximately 2½ miles southeast of Milton Freewater. The levee, built by a previous landowner for flood protection, is one of many in this area that constrict the Walla Walla River's ability to meander and dissipate energy. This project is being noticed by many neighbors who would like to potentially do something similar. Project components include implementing a levee setback design to provide meander and fish habitat complexity along a 3/8th mile stretch of river, revegetating the riparian area and floodplain, and connecting a channelized spring creek to the river. The results will provide ESA listed steelhead and Chinook spawning habitat and Bull trout rearing habitat. The river bank, where the levee will be removed, will be redesigned utilizing j-hooks, root wads and rock weirs to create pools and spawning gravels. Partners include the landowners and the Confederated Tribes of the Umatilla Indian Reservation. OWEB funds were requested for contracted services and fiscal administration.

REGIONAL TEAM REVIEW:

The application requests OWEB funding for riparian planting, and for excavation of the levee setback. The team thought the goals of the project are important: improved spawning and rearing habitat and floodplain connection. However, the team felt that the application provided insufficient justification and detail for them to support nearly \$80,000 in planting costs. The budget was a lump sum with no details for what was included and not included. Many reviewers thought that the planting costs seemed excessive, but without any budget breakdown, it was impossible to determine how the applicant had calculated the costs. The team felt without a more detailed application they couldn't recommend it for funding this cycle. They encouraged the applicant to resubmit the application with a detailed budget breakout and more detailed planting information.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

Oregon Watershed Enhancement Board

Region 6 (Mid Columbia) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.: 211-6008 **PROJECT TYPE:** Technical Assistance
PROJECT NAME: Fish Passage & Stream Connectivity Restoration Project
APPLICANT: Umatilla SWCD
BASIN: UMATILLA **COUNTY:** Umatilla
OWEB FUNDS REQUESTED: \$50,000 **TOTAL COST:** \$214,910

APPLICATION DESCRIPTION:

The Umatilla Soil & Water Conservation District, partnering with the Oregon Department of Fish and Wildlife, requested funds to provide engineering and design for removing two abandon concrete irrigation diversions, one of which also supports a bridge and a deteriorated and unusable fish ladder on Birch Creek, a significant steelhead spawning and rearing tributary of the Umatilla River. The project is located just upstream of the confluence of Birch Creek and the Umatilla River in Umatilla County. These man-made structures are fish passage barriers, limiting the upstream and downstream movement of native fish species including summer steelhead, redband trout, lamprey and suckers, all of which need upstream accessibility to high quality habitat in the headwaters of Birch Creek and its tributaries. Birch Creek is noted as one of the nine major steelhead spawning areas in the Recovery Plan for Oregon's Middle Columbia River Steelhead. BPA and ODFW funds will contribute match to the OWEB funds to contract engineering, surveying and design. OWEB funds will be used for contract services and fiscal administration.

REGIONAL TEAM REVIEW:

This application was originally submitted as a phase one restoration project at the direction of OWEB field staff. But upon submission, it was found to be ineligible as a restoration project as the components involved only design, surveying and engineering and did not have secured match for implementing the resulting restoration project. Thus, the application could only be funded with non-capital dollars. Since this mistake was done at the direction of OWEB staff, it was determined the application would still be accepted, but reviewed as a technical assistance application for engineering and design. The request for OWEB funds was reduced because of the \$50,000 cap on technical assistance applications.

The reviewers recognized that Birch Creek is one of the biggest steelhead producers in the basin, and realized the importance of removing these passage barriers so low in the Birch Creek system. This project is important to the comprehensive restoration work being done on Birch Creek. However, there was concern the original engineering estimates were high for the work considered (\$180,000.) The review team wondered whether, with the reduced amount the engineering could still be accomplished. After much discussion and review of the detail provided in the application the reviewers were satisfied that engineering and design could be completed for a lot less. The review team would have liked to have seen some engineering bids and estimates so they could evaluate what they were getting for the dollars requested. The team would have also liked the budget broken out by tasks/deliverables, rather than noted as a lump sum. The amount requested for fiscal also seemed high for the tasks and the number of entities involved.

Staff follow-up: OWEB field staff met with ODFW contact to discuss feasibility of obtaining estimate(s) before funding recommendation and to discuss review team's concerns. Engineering estimates were also provided and OWEB staff was satisfied that the recommended funding level was justified.

REGIONAL TEAM RECOMMENDATION: Fund up to \$50,000 with condition the applicants submit an engineering estimate(s) as a justification for funding at that level.

REGIONAL TEAM PRIORITY: 1 of 2

CAPITAL AMOUNT: \$ 0 **NON-CAPITAL AMOUNT:** \$50,000

STAFF RECOMMENDATION TO BOARD: Fund without conditions. Applicant has provided engineering estimates.

Oregon Watershed Enhancement Board

Region 6 (Mid Columbia) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-6022	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Butte Creek Landowner Recruitment		
APPLICANT:	Mid John Day WSC		
BASIN:	JOHN DAY	COUNTY:	Wheeler
OWEB FUNDS REQUESTED:	\$11,495	TOTAL COST:	\$16,595

APPLICATION DESCRIPTION:

A watershed assessment completed in 2007 is currently being used to direct a comprehensive approach to restoration projects in the Butte Creek basin, working to improve watershed function and condition on over 116,000 acres. The Butte Creek watershed is located in the northwest corner of Wheeler County and has been identified as important steelhead spawning and rearing habitat. Much of the restoration focus so far has been in removing fish passage barriers. Treating the uplands by reducing juniper communities to historic levels will improve the hydrologic function of the basin by increasing perennial grass and shrub communities; thus increasing infiltration of precipitation and reducing erosive overland flows. This technical assistance application, partnering with NRCS, will help recruit and coordinate 6-10 landowners for landscape-scale juniper removal projects and ultimately enroll them in either a NRCS Cooperative Conservation Partnership Initiative (CCPI) or Environment Quality Incentives Program (EQIP). Landowner contacts and site visits along with GIS analysis will be used to identify and focus suitable treatment areas. Partners include NRCS and landowners. OWEB funding was requested for personnel costs, travel, production and fiscal administration.

REGIONAL TEAM REVIEW:

The review team liked the concept of developing landscape scale projects that address hydrological function. The team discussed wanting to include riparian areas in the conversation. It was noted that even though this recruitment project is specific to the uplands; it still gives field staff an opportunity to discuss and educate landowners on conservation and restoration opportunities on their entire property. The review team wanted to make sure that post treatment follow-up was included in the conversations with landowners. They acknowledged that the more junipers removed, the more feasible it is to use fire as a maintenance tool. The review team liked that with the field and GIS analysis, future juniper removal projects will see a larger cumulative impact because of the increased size of projects. The team wanted certain deliverables in the final report generated at the completion of the project: 1) the number of priority acres identified of juniper to treat, 2) the number of acres enrolled in a NRCS program for juniper removal/treatment, 3) a list of landowners signed up for treatments, the growth phases of juniper growth and the degree and aspect of slopes identified in those priority acres.

Staff follow-up: After reviewing existing watershed assessment and factoring in amount of the OWEB fund request, staff opted to not include as a condition the inclusion of information on riparian treatment areas as a part of the resulting action plan. However, staff would encourage the grantee to include, in any of the resultant landowner conversations, the riparian restoration opportunities available on their property.

REGIONAL TEAM RECOMMENDATION: Fund with condition that the completion report include an action plan showing 1) potential areas for treatment both in uplands and riparian zones; 2) the number of priority acres identified; 3) number of acres enrolled in a NRCS program for juniper removal/treatment resulting from this project; 4) a list of landowners signed up for treatments; 5) the growth phases of targeted juniper (phase 1, 2 or 3), and 5) the degree and aspect of slopes identified in those priority acres.

REGIONAL TEAM PRIORITY: 2 of 2

CAPITAL AMOUNT: \$ 0 **NON-CAPITAL AMOUNT:** \$11,495

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the final project completion report include 1) the number and location (map) of priority acres identified, 2) number and location (map) of acres enrolled in an NRCS program for juniper removal/treatment resulting from this project, 3) a list of landowners signed up for treatments, 4) the growth phases of targeted juniper (phase 1, 2 or 3), and 5) the degree and aspect of slopes identified in those priority acres.

Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-102	PROJECT TYPE:	Acquisition
PROJECT NAME:	Waite Ranch Land Acquisition		
APPLICANT:	McKenzie River Trust		
BASIN:	NORTH COAST	COUNTY:	Lane
OWEB FUNDS REQUESTED:	\$595,000	TOTAL COST:	\$793,520

APPLICATION DESCRIPTION:

McKenzie River Trust (MRT) requests \$595,000 to purchase a 217-acre agricultural property in the Siuslaw River estuary in Lane County. MRT wishes to purchase the property, which is diked, to restore historic tidal wetlands. MRT anticipates that the restoration will entail removing the property's tide gate, breaching or removing a portion of the dike which separates the property from the Siuslaw River, or a combination of removing the tide gate and altering the dike.

The restoration will be implemented by the Siuslaw Basin Partnership, which consists of the Siuslaw Watershed Council; McKenzie River Trust; Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians; Siuslaw Soil and Water Conservation District (SWCD); Siuslaw National Forest; Oregon Department of Fish and Wildlife; Oregon State University; Ecotrust; and the U.S. Fish and Wildlife Service. MRT is considering adding capacity to its coastal program, including staff based in Florence or another nearby coastal community.

MRT has begun project discussions with the Oregon Department of Transportation, whose support is critical because Highway 126 is adjacent to the property and must be protected from flooding.

The application describes the property as "a working wetland – a grazed, diked, former tidal wetland that is currently a freshwater marsh" vegetated by a mixture of non-native pasture grasses and native freshwater wetland grasses, sedges, and rushes. Although freshwater marsh is an OWEB priority ecological system, the application acknowledges that freshwater marsh is not the type of wetland the property contained before it was diked for agriculture, nor is the property functioning at full ecological potential in its current wetland state.

The application states that when restoration is complete, the property is expected to contain the following ecological systems, with approximately the following acreages: intertidal mudflats (132 acres), intertidal salt marsh (60 acres), lowland nonlinear forested wetlands/Sitka spruce forest/tidally influenced freshwater wetlands (15 acres), and Sitka spruce forest/lowland riparian woodland (nine acres). Furthermore, the application states that after restoration, the property is expected to contain approximately 21 miles of Essential Fish Habitat.

The application states that the property currently contains no rare or at-risk plant communities, but that the site was historically a crabapple and Sitka spruce tidal swamp, an especially rare wetland type. The application states that there is limited use of the property by OWEB priority species.

The application states that after the property is restored, it's likely to benefit a myriad of OWEB priority species, including: coho salmon, steelhead, Chinook salmon, marbled murrelet, dunlin, band-tailed

pigeon, willow flycatcher, Pacific-slope flycatcher, rufous hummingbird, white-footed vole, northern red-legged frog, greenish blue butterfly, spotted tailedropper, and Henderson's checkermallow.

The application states that the project is consistent with all of OWEB's conservation principles, and therefore it will: protect a large, intact area; stabilize an area on the brink of ecological collapse; secure a transition area; restore watershed function; protect a site with exceptional biodiversity; improve connectivity of habitat; and complement an existing network of conserved sites.

The application contains extensive information about the water quality benefits the project might have when restoration is completed. Among the information is the statement that data collected in the Yaquina River estuary show an average temperature difference of five degrees between diked and natural tidal marshes during the critical spring rearing period for juvenile salmon.

The project partners have begun education and outreach efforts, which the application states include well-received project presentations at SWCD and watershed council meetings. The application also states that the project partners have met individually with neighbors, who have expressed support for the project. The partners will expand their outreach to include tours, and presentations at local civic organizations and schools. Periodic articles will be published in partner newsletters and on web sites. Similar articles will be submitted to newspapers and radio stations serving western Lane County. The property will be a point of interest on the Siuslaw Water Trail. The application states that the project partners will explore the possibility of public involvement in the development of educational opportunities at the property, including an interpretive pull-off from Highway 126.

The application states that the project will create significant research opportunities, which will enhance understanding of tidal wetland restoration outcomes.

REGIONAL TEAM REVIEW:

The RRT was very supportive of the project, stating that it is an outstanding opportunity to restore tidal wetlands at the freshwater-to-saltwater transition zone of the Siuslaw River, an especially important area for migrating salmon. The RRT noted that the project would add to a network of conserved properties, which includes Cox Island Preserve, owned by The Nature Conservancy, and a Duncan Island property encumbered by an OWEB-funded conservation easement. The RRT also noted that the property's elevation gradient will result in diverse restored conditions, ranging from tidal mudflats to forested wetlands. The RRT agreed that although it will take time for certain wetland types to reestablish, returning tidal flows to the property will nonetheless have immediate benefits for fish.

The RRT felt that although the project partners do not seem to have adequately explored how the adjacent landowner might be impacted by dike removal, the partners have the necessary momentum, commitment, expertise, and capacity to design and implement a project that will return the property to full ecological function while protecting neighboring properties and infrastructure. The RRT similarly felt that the project partners have not developed as robust an education strategy as the project deserves, but felt confident that the partners will subsequently do so, and agreed that the watershed council has a track record of high-quality educational programs. The RRT also agreed that the restoration will present very good research opportunities.

REGIONAL TEAM RECOMMENDATION: High ecological value and medium educational value, with SEM contributing more strongly to the high ecological value than DAG Trust.

HIGH ECOLOGICAL VALUE

MEDIUM EDUCATIONAL VALUE

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-104	PROJECT TYPE:	Acquisition
PROJECT NAME:	Dooher Wetlands Acquisition on lower Kilchis River		
APPLICANT:	The Nature Conservancy		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$405,000	TOTAL COST:	\$589,035

APPLICATION DESCRIPTION:

The Nature Conservancy (TNC) requests \$405,000 to purchase a 67-acre diked agricultural property in Tillamook County. The property is bordered by 0.8 miles of the Kilchis River and 1.4 miles of Stasek Slough. The property is located immediately across the Kilchis River from Squeedunk Slough, the site of one of the largest, most intact Sitka spruce swamps in the Tillamook basin. Snorkel surveys have shown that Squeedunk Slough contains high salmon biodiversity.

TNC intends to restore the property to intertidal wetland by breaching or removing the dike, which separates the property from the Kilchis River. TNC might also fill the property's ditches to speed tidal wetland recovery. TNC would subsequently manage the property as a nature preserve, allowing light day-use recreation.

The application states that TNC will partner with Tillamook Estuaries Partnership (TEP) to develop a restoration and management plan for the property within one year of ownership. TNC intends to restore the property to tidal influence within five years of ownership.

The application states that the project will conserve intertidal salt marsh and forested wetlands, both OWEB priority ecological systems. The application states that once restored, the property will benefit the following OWEB priority species: chum salmon, coho salmon, Chinook salmon, steelhead, sea-run cutthroat trout, Pacific lamprey, bald eagle, great blue heron, and band-tailed pigeon.

The application states that the project is consistent with OWEB conservation principles because it will restore watershed function, improve connectivity of habitat, and complement a regional network of conserved sites.

The application states that TNC uses a variety of approaches to educate, inform, and build support for habitat protection and watershed restoration, including research and management partnerships (which it will form with TEP for this project), internships, volunteer work experiences, teacher assistance, classroom and general public field trips, open houses, newspaper articles, radio and television broadcasts, and brochures. The application states that TEP has great interest and experience in providing educational opportunities and outings to the local community.

The application states that TNC owns and manages nine preserves on the Oregon coast, and has three staff dedicated to coastal and marine work. The application also states that TNC is currently hiring for a fourth position, to provide additional capacity for on-the-ground coastal preserve management.

REGIONAL TEAM REVIEW:

The RRT was supportive of the project. The team felt that the Kilchis River is especially important for chum salmon, and noted that the property is located in a vital saltwater-to-freshwater transition zone, and adjacent to Squeedunk Slough. The RRT also felt that the presence of upstream ODF-designated Salmon Anchor Habitat will complement project outcomes.

The RRT concluded that the project could give the TNC-TEP partnership a conservation “toe-hold” in the area because the sellers are well-respected farmers. If the project is successful, it could demonstrate that restoration is a legitimate and positive option for marginal-quality farmlands.

The RRT felt that although the application should have discussed restoration in greater detail, the restoration is likely to be technically simple. The RRT decided that TNC should plan not only to remove or breach the dike on the Kilchis River, but reconnect Stasek Slough to the Kilchis River at the downstream end of the property. The RRT felt that including slough restoration would significantly increase the project’s water quality benefits and other ecological values. The RRT acknowledged that this will require TNC to work with the neighbor to ensure that the slough is restored in a manner the does not adversely impact the neighbor’s property.

The RRT felt that TNC and TEP have the capacity to accomplish the restoration, but expressed concerns about the expense. The RRT concluded that TNC and TEP should not rely solely on OWEB for restoration funding.

The RRT determined that the project has modest educational values, noting that there is no formal program proposed, but agreeing that TEP undertakes good educational efforts. The RRT also felt that informal discussions in the agricultural community could be very effective at raising public awareness of the project. Lastly, the RRT thought that with interpretive signage, the property could be a meaningful addition to the Kilchis River water trail.

REGIONAL TEAM RECOMMENDATION:

HIGH ECOLOGICAL VALUE, WITH RESTORATION OF STASEK SLOUGH RECOMMENDED.

MEDIUM EDUCATIONAL VALUE.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-107	PROJECT TYPE:	Acquisition
PROJECT NAME:	Beaver Creek Acquisition		
APPLICANT:	The Wetlands Conservancy		
BASIN:	NORTH COAST	COUNTY:	Lincoln
OWEB FUNDS REQUESTED:	\$1,700,000	TOTAL COST:	\$3,336,000

APPLICATION DESCRIPTION:

The Wetlands Conservancy (TWC) requests \$1.7 million to purchase three properties totaling 417 acres in the Beaver Creek watershed, seven miles south of Newport in Lincoln County. The properties are located between Beaver Creek Natural Area and Ona Beach State Park, both owned and managed by the Oregon Parks and Recreation Department (OPRD).

Upon purchase, two of the properties will be transferred to OPRD ownership. TWC will retain ownership of the third property. The application states that the properties planned for OPRD ownership are likely to be incorporated into the Beaver Creek Natural Area, making them low-development sites managed primarily for natural resources protection. The application also states that TWC and OPRD will work collaboratively to develop a management framework for the properties.

The application states that the following OWEB priority ecological systems are present on properties: floodplain/outwash lowland riparian linear wetlands, Sitka spruce forest, lowland riparian woodland and shrubland, and 1.1 miles of perennial streams.

The application states that two of the properties contain 60 percent OWEB priority habitats, and one contains 29 percent OWEB priority habitats. The average of these percentages is 50 percent. Most of the remaining acreage is an industrial Douglas fir forest. The application states that it is necessary to acquire all of the acreage because doing so will ensure watershed connections and an “opportunity to manage forestlands toward the goal of mature late-successional forest.”

The application does not state that rare or at-risk plant communities will benefit from the project. The application does not indicate that OWEB priority species have been observed on the properties proposed for acquisition. However, the application states that the following OWEB priority species have been observed on land near the properties proposed for acquisition: coho salmon, steelhead, bald eagle, northern red-legged frog, band-tailed pigeon, olive-sided flycatcher, ruffed grouse, rufous hummingbird, marbled murrelet, red tree vole, and white-footed vole.

The application states that the project is consistent with OWEB conservation principles because it will secure a transition area, restore watershed function, protect a site with exceptional biodiversity, improve connectivity of habitat, and complement an existing network of conserved sites.

The application states that community members and local and university students will be encouraged to participate in future research, restoration, and stewardship activities. The application also states that TWC has begun conversations with the Audubon Society and the Native Fish Society about holding joint citizen workshops and trainings on the ecological importance of Beaver Creek. The workshops will be used to solicit volunteers for biological surveys and wetland restoration projects. The application also

states that if the properties are acquired, a trail system and “interpretive opportunities” will be built in the uplands, and eventually the properties are likely to be connected to a larger Western Oregon hiking trail system.

No financial information was provided for an analysis of TWC’s capacity to successfully acquire and steward the lands proposed for OWEB funding. There is no indication that TWC will fund a designated stewardship account for the property that it will retain. The application does state that TWC will support OPRD in the management of the properties that OPRD will own, and that other organizations such as the Forest Service and the U.S. Fish and Wildlife Service have expressed interest in helping fund and implement restoration and management.

REGIONAL TEAM REVIEW:

The RRT was generally supportive of the project, stating that Beaver Creek is an important watershed for coho salmon, marbled murrelet, and other fish and wildlife. The team also felt that the properties will augment a significant network of properties already protected by TWC and OPRD, and ensure conservation of upland-wetland connections.

The RRT did, however, note that the properties proposed for acquisition contain a relatively low percentage of OWEB priority habitats. Specifically, the RRT questioned that ecological value of the industrial Douglas fir, noting that it is diseased by Swiss needle cast, and that it might need to be entirely cut down. The team also questioned the ecological value of several of the upland areas on the other properties, although members did acknowledge that some of the Sitka spruce trees are of sufficient age and structure to possibly benefit marbled murrelets. Other RRT members pointed out that by dint of their age and structure, and the documented presence of marbled murrelets nearby, these trees might already be protected by habitat provisions of the Endangered Species Act.

The RRT also expressed concern about what it felt were weak restoration plans presented in the application. The RRT questioned the capacity of OPRD and TWC to undertake what the team thinks will be expensive thinning or removal of the industrial Douglas fir, and other ongoing forest management activities. The RRT acknowledged that OPRD recently hired a Natural Resources Specialist, whose job is more conservation oriented than typical OPRD positions, and that the new staff person might be able to influence the agency’s priorities and management activities in the watershed. The RRT also thought that an OPRD or U.S. Forest Service silviculturist could provide technical assistance with forestry issues.

The RRT liked the fact that OPRD is already conducting education in the watershed, and thought that there’s a good chance that the educational efforts can be successfully expanded to the properties proposed for acquisition. However, the RRT did point out that if the properties are not purchased, Beaver Creek watershed education will continue nonetheless.

REGIONAL TEAM RECOMMENDATION:

HIGH ECOLOGICAL VALUE.

HIGH EDUCATIONAL VALUE.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-108	PROJECT TYPE:	Acquisition
PROJECT NAME:	Tillamook Bay Wetlands Protection and Restoration		
APPLICANT:	Tillamook County		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$1,342,500	TOTAL COST:	\$1,790,000

APPLICATION DESCRIPTION:

Tillamook County submitted an application requesting \$1,342,500 to purchase a total of 184 acres from five landowners. The properties are adjacent to a previous OWEB-funded acquisition, on the edge of Tillamook Bay, at the mouth of the Wilson, Tillamook, and Trask Rivers. Acquiring diked agricultural properties in order to restore them to natural estuarine function, as well as restoring the property previously purchased with OWEB funds, is part of an Oregon Solutions effort, a community-based collaboration to reduce flooding that frequently affects Highway 101, businesses, farms, and residences north of Hoquarten Slough in Tillamook.

Several days before the Regional Review Team's June 30, 2010 meeting, the county notified OWEB that it has changed the project by reducing the acreage to be acquired from 184 acres to approximately 89 acres. The 89-acre area, and the property previously purchased with OWEB funds, will be restored to full estuarine function. The remainder of the 184 acres originally proposed for acquisition will not be acquired in fee simple, but instead will be encumbered by flood easements. The flood easement properties will be surrounded by relatively low dikes, which will be occasionally overtopped by winter flows. The dikes will keep the properties suitable for agricultural use. Because these properties are not being restored to full tidal flooding, the county will not use funding from OWEB to purchase the flood easements.

REGIONAL TEAM REVIEW:

The RRT decided that it could not evaluate the project because the application no longer describes the project the county intends. The RRT requested that the county submit an updated application, fully describing the project, its outcomes, and its benefits, for consideration by the team in the October grant cycle.

The RRT has the following concerns about the county's revised project concept, which it encourages the county to consider and address in an updated application:

- The flood easements could possibly further degrade water quality in Hoquarten Slough because there are trees on the levees that currently border the properties proposed for flood easements. The trees will have to be removed in order to lower the levees, whereas the originally planned restoration could be accomplished with strategic levee breaches that leave the majority of the trees undisturbed. Dissolved oxygen levels and other water quality parameters could worsen from increased solar inputs when the trees are removed. Although the RRT recognized that the county is not asking OWEB to fund the flood easements, the team felt that the overall project is now less ecologically valuable than previously anticipated. The RRT needs complete project information to assess its values.

- The RRT felt that levee removal on the Sadri property might be inappropriate because the majority of the property's levees appear to be naturally formed, and thus should be left in place. Without an updated application, the team couldn't come to shared understanding of what's really intended for that property now that the county has modified the project.
- The RRT pointed out that historic vegetation maps show that some of the areas proposed for restoration to low marsh were historically forested wetland. The team requests a full explanation of expected restoration outcomes, how the outcomes were developed, and in any cases of expected outcomes differing from historical wetlands, an explanation of why.
- The RRT questioned whether the county is still willing to allow a two-acre fill on the Sadri property in exchange for acquisition of the remainder of the property, and expressed concern that this could lessen the value of the restoration efforts.

REGIONAL TEAM RECOMMENDATION: The county should submit an updated application in the October grant cycle. The application should clearly and fully describe the project and its outcomes and benefits. It should also address the concerns of the RRT.

STAFF RECOMMENDATION TO BOARD: OWEB will receive notification of a Coastal Wetlands grant from the U.S. Fish and Wildlife Service (USFWS) in December 2010 or January 2011. If Coastal Wetlands funds are awarded, the grant will result in a reduction of the county's OWEB request from \$1,342,500 to approximately \$650,000. The timeframe in which OWEB will receive news from USFWS regarding a Coastal Wetlands award allows the county to submit an updated application in the October cycle without delaying the project.

If the owner of the Sadri property wishes to pursue the right to place fill on two acres of the property, those acres need to be retained by the landowner via a partition process in advance of the sale of the remaining land to the county for restoration. OWEB will not grant funds for, or otherwise be involved in, a transaction that subsequently allows a portion of a conservation property to be degraded. The updated application should reflect this. It should also demonstrate that if the Sadri property is partitioned and the landowner retains two acres that are subsequently filled, the restoration potential of the county-held portion of the property will not be lessened as a result.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-109	PROJECT TYPE:	Acquisition
PROJECT NAME:	Sandlake Estuary Wetlands Acquisition		
APPLICANT:	North Coast Land Conservancy		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$443,500	TOTAL COST:	\$665,000

APPLICATION DESCRIPTION:

North Coast Land Conservancy (NCLC) requests \$443,500 to purchase a 167-acre property in the Sandlake estuary in southern Tillamook County. The property is located near Clay Meyers State Natural Area (Whalen Island), which is owned by Oregon Parks and Recreation Department (OPRD), and property owned and managed by The Nature Conservancy (TNC). OWEB previously granted funds to assist with the purchase of property that is now part of Clay Meyers State Natural Area.

The application states that the following OWEB priority ecological systems are present on the property: eelgrass beds, mudflats, low and high intertidal salt marsh with tidal channels, tidally influenced freshwater emergent wetlands, and tidally influenced lowland nonlinear forested wetlands (Sitka spruce and western red cedar swamp). The application states that three streams, totaling 1.5 miles, flow through the property to the estuary. The northwest portion of the property was logged nine years ago, resulting in the removal of much of the Sitka spruce from that area. Western red cedar is now establishing there.

The application states that the property contains western Labrador tea/salal/slough sedge, an at-risk plant community. The application also states that the following OWEB priority species use the property: coho salmon, steelhead, cutthroat trout, chum salmon, Chinook salmon, bald eagle, dunlin, rufous hummingbird, and willow flycatcher.

The application states that the project is consistent with OWEB conservation principles because it will protect a large intact area, protect a site with exceptional biodiversity, and complement an existing network of conserved sites.

A management plan outline attached to the application indicates that NCLC is prepared to remove invasive species and undertake "active habitat development" as needed to achieve full ecosystem values. The application states that NCLC will partner with the Oregon Department of Fish and Wildlife to develop a management plan, and with TNC to implement stream management.

The application states that although NCLC is not currently considering an educational program for the property, the land fits into "the larger picture of coastal ecology with its connection to Oregon State Park land" (Clay Meyers State Natural Area).

The application states that NCLC has a full-time stewardship director who is supported by a volunteer-based oversight committee. Other NCLC staff include a full-time executive director, a development director, and a conservation director. The application states that NCLC is engaged in implementing a major capacity-building plan to ensure the long-term stability of the organization, and now has committees that involve more than 40 volunteers. NCLC also has a framework by which it calculates

stewardship funds needed for each property it purchases. For the proposed acquisition, NCLC's goal is to raise 10% of the purchase price, or approximately \$66,000.

REGIONAL TEAM REVIEW:

The RRT agreed that the level of immediate threat posed to the property is low, because only a small portion of the property is imminently developable, and much of the merchantable timber was removed nine years ago. The RRT also felt that the Sand Lake estuary contains relatively few stream miles, and therefore it is not as important for salmon as estuaries elsewhere. Nonetheless, the RRT felt that the project is a good opportunity to protect a property that contains a valuable gradient of wetland types and high biodiversity.

The property is somewhat unusual because it includes a significant amount of estuarine marsh and mudflats, land that is most often owned by the state. Privately owned mudflats elsewhere on the coast are being developed with piling-based condominiums. The RRT felt that a large golf course, planned for an area west of Whalen Island, has a high likelihood of being built when the economy recovers. The team felt that protecting the property will help buffer the estuary's ecological function from the impacts of eventual development.

The team pointed out that western red cedar is regenerating very well in the logged portion of the property, and that many snags and some live trees remain. The RRT concluded that the area must have been logged in a minimally invasive way, because the property contains only low levels of invasive species that often colonize disturbed areas after logging.

The RRT agreed that the road on which the property is located gets a lot of traffic, and therefore the property would be a good drive-by educational opportunity for users of the estuary's recreational areas. The team also noted that NCLC conducts high-quality educational programs in Clatsop County, and that if NCLC were to expand the geographical scope of its educational efforts, it would likely do a good job of regularly showcasing the property's ecological values.

REGIONAL TEAM RECOMMENDATION:

HIGH ECOLOGICAL VALUE.

HIGH EDUCATIONAL VALUE.

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
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APPLICATION NO.:	211-1003	PROJECT TYPE:	Restoration
PROJECT NAME:	Otter Point Restoration Project		
APPLICANT:	Youngs Bay WSC		
BASIN:	LOWER COLUMBIA	COUNTY:	Clatsop
OWEB FUNDS REQUESTED:	\$85,577	TOTAL COST:	\$1,241,271

APPLICATION DESCRIPTION:

The Otter Point restoration site is located within the Lewis & Clark National Historic Park on the western side of the Lewis & Clark River. The Lewis & Clark River is a tributary of Young's Bay, located near the mouth of the Columbia River in the northwest corner of Clatsop County. The Young's Bay watershed is the largest watershed in the Columbia River estuary. Research indicates that the Young's Bay estuary is one of the lower Columbia's most bio-diverse areas.

However, the Young's Bay watershed, including the Lewis & Clark River, has undergone considerable modification to its former forested, wetland and estuarine habitats. It is estimated that 95% of all bottomlands within the watershed have been lost to diking and most of the former tidal, estuarine wetlands are now privately owned and managed for agriculture. The lower Lewis & Clark river basin once contained significant Sitka Spruce swamp habitat as well as extensive estuarine marshes, freshwater tidal wetlands and bottomland riparian vegetation. A combination of land management activities including: logging; grazing; manipulation of the river channel through dredging and levee construction; and recent rural development, has degraded the habitat and prevented the natural tidal interactions between the river and all but 5% of its adjacent lands.

In this restoration application, the Young's Bay Watershed Council, in partnership with the Columbia River Estuary Study Taskforce (CREST), the Lower Columbia River Estuary Partnership, the National Park Service and Bonneville Power Administration, requests OWEB funds for Phase II of a two-part project to re-establish tidal connection between the Lewis & Clark River and 33.5 acres of diked pastureland at the Lewis & Clark National Historic Park. In Phase I, scheduled for implementation during the summer of 2010 using funds from the other project partners, tidal channels will be restored; large wood will be placed in the restored tidal channels and in the wetlands areas; invasive plants will be removed and native vegetation replanted; and a cross dike will be constructed to protect a downstream neighboring property. Phase II, using OWEB funds and scheduled for implementation in 2011, will strategically breach the existing dike along the river bank to restore tidal connection to the wetlands behind. 77% of the OWEB funds will be used for contracted services for the activities necessary to breach the dike and remove the material. The balance is budgeted for project management, travel and administration.

REGIONAL TEAM REVIEW:

Back on May 11th, six members of the review team visited the site along with Madeline Dalton, the coordinator of the watershed council, and Micah Russell, the director of CREST. The visit was valuable for the reviewers to better understand the current situation and see how the site is situated in relation to neighboring properties and they shared their observations at the review meeting.

The reviewers understood that other restoration projects had previously occurred upstream in the Lewis & Clark basin and they appreciated that this project would supplement the work accomplished in those projects. They all agreed that this estuarine area was a critical place in which to work, noting that juveniles of all the species of anadromous salmonids in the Columbia basin would use the area on their way to sea and they noted that the essential habitat type to be restored in this project has been decimated by years of diking and draining. The reviewers appreciated that 5,000 lineal feet of tidal channel habitat would be recreated in Phase I and that the dike breaching in Phase II would allow 33.5 acres of floodplain habitat to be restored to tidal influence. They expected that the salmonid downstream migrants would soon discover and utilize that habitat for rearing and acclimation to salt water.

The reviewers brought up a few concerns with the application, including the expense of the whole project (\$1.3 million) and the continuing issue of hatchery influence in the Young's Bay watershed. They also noted that the whole dike was not being removed, which they would have preferred, figuring that full tidal access was better than limited tidal access. They also noted that the Phase I project included the construction of a cross dike.

The project expense concern was discussed and it was first noted that the OWEB component of the project was limited to the dike breach in Phase II and the costs for that activity (\$85,577) were modest and in line with expectations. The reviewers discussed the fact that moving fill (the spoils of the dike breach) by barge was expensive and that the relative high costs of that action was the driving force for the decision to not remove the entire dike structure. That discussion eliminated the angst of the project costs. The issue of the cross dike construction was quickly resolved by noting that the cross dike was necessary to protect the private property downstream from the effects of opening the Park property to tidal inundation, and the reviewers further noted that OWEB funds were not involved in that component of the project. The hatchery issue was acknowledged as a continuing concern with the health of the system, but the reviewers noted that the policy of using Young's Bay as a net pen rearing and release site was a state policy decision. The reviewers also noted that the native salmonid stocks in the Young's Bay watershed were improving as a result of improving habitat conditions and revisions to previous hatchery practices.

With those few concerns quickly addressed, and with the realization that 33.5 acres of floodplain and wetland would, within a year's time, once again be open to tidal influence and use by juvenile salmonids, the reviewers enthusiastically recommended the project for funding.

How the application addresses watershed and ecosystem functions and processes:
Breaching the dike will reestablish tidal connection to historic tidal wetlands and restore the ability of the Lewis & Clark River to reconnect to its floodplain at this site, thereby restoring filtration capacity and nutrient deposition. Fish access to tidal channels will also be restored, providing downstream migrant juvenile salmonids additional habitat for rearing and acclimatization to salt water.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 2 of 9

CAPITAL AMOUNT: \$85,577 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will provide that OWEB funds cannot be used for construction of the crossdike. Before funds are released, grantee will provide the OWEB Project Manager with written confirmation from the diking district that it is aware of this project and does not oppose it.

REGIONAL TEAM REVIEW:

Eight of the review team members toured the sites in this application, along with staff from the SWCD and LCREP. On the tour, they were able to see the problem issues in the reach and they shared their on-the-ground observations at the review meeting.

The reviewers found the application pretty straightforward, with considerable detail included of the work that would actually occur, and they noted that much of the work was following standard NRCS practices. They also recognized that this project provided an opportunity to begin work in the basin, and the project offered a chance to gain support from the landowners for additional future work on their properties.

The site visit provided the reviewers with an appreciation of the difficulties with some of the sites and the need for a technical approach for some of the solutions. The site visit also provided information on the results of the surveys done by USFWS staff during the previous summer and the reviewers were both surprised and pleased to hear of the numbers of juvenile coho, cutthroat, lamprey and freshwater mussels encountered. They agreed there was good reason to implement restoration projects in the basin.

However, a number of the reviewers saw this application as little more than a site specific bank stabilization project with little restoration value. They didn't find much detail on the basin's resources in the application, nor did they think the application provided a clear picture of the underlying physical causes of the problems at the specific sites. Some of the reviewers thought the application addressed symptoms without showing an understanding of the causes. They noted the misaligned and undersized culverts which were part of the problem causing the erosion. They noted the fact that some of the structures should never have been built in the locations, since they were on the very edge of the floodplain and would be threatened by any extreme event that caused the stream channel to move. The reviewers understood that the basin had been highly manipulated in its lower reaches and logged several times in the upper basin, and they thought that this application presented very little work to address the sub-basin's long-term problems. A significant number of the reviewers also expressed concern with the application's seeming reliance on herbicide treatments to get the plantings to a free-to-grow state and they wanted other tree establishment options tried instead.

The differences of opinion on the review team caused the discussion to continue for quite awhile as more information was shared and options considered. The reviewers agreed that the bank stabilization work was technical in nature, site specific, limited in life and other than adding some channel roughness and complexity to the stream, provided little benefit to watershed function. But, they also understood that at one site a house was only a few feet away from being undermined by bank erosion, and in another, the only pastureland of the landowner was also threatened to be claimed by the river. The reviewers recognized those threats to be real and also recognized that something was going to be done to protect the private property, and this technical stabilization offered the most river and fish friendly option. The reviewers also understood that by helping address these problems, the SWCD expected to be able to work with additional landowners in the basin on projects designed for restoration of watershed function and fish populations. The reviewers noted that the number of residents in the basin was less than 30 and that news would travel through the community swiftly. They also heard from the SWCD staff that everyone contacted had been open and supportive of future restoration work. The reviewers would have preferred an application that included replacement and realignment of the problem culverts in the reach, since the problems they presented would continue to plague the reach until corrected. But, the reviewers understood that the culverts would have to wait, since their replacement fix would require additional technical and engineering assistance, as well as the time necessary to accomplish the actual physical tasks, and in the meantime, the banks were eroding and the house and pasture were threatened. The reviewers understood that in an emergency situation, the sites would most likely be rip rapped and any restoration value and outreach opportunity would be lost. They thought this proposed approach was a softer fix than rip rap and would provide more benefit to the resources.

The reviewers also acknowledged that while they would prefer that the application provided a broader look at the basin and a better understanding of the forces in play, they understood the application was in part a response to a request for help from the landowners and that the SWCD had been able to include almost a mile of riparian planting activities in the project as a result of the time spent in the basin working on the stabilization problems.

The reviewers tackled the herbicide concern next and it quickly became evident there were clear divisions in opinion and those divisions would not be resolved in the course of the day. While the other concerns had been resolved to a degree where a positive recommendation for the project was possible, the herbicide issue promised to derail that recommendation. The reviewers agreed that in order to proceed with a “do fund” recommendation, they’d condition the award by disallowing the use of any OWEB funds on herbicide purchase or application in this project.

How the application addresses watershed and ecosystem functions and processes:
Planting native trees and shrubs along the riparian area will increase the shading of Merrill Creek thereby helping to decrease summertime water temperatures. The planted trees will also provide a future source of in-stream large wood as they mature and fall, which will increase stream complexity and provide additional habitat for fish and other aquatic species. The streambank stabilization structures will stop the streambank erosion at those sites, decreasing the input of sediment to the stream and providing additional stream channel roughness and complexity. Water quality and fish habitat will be improved.

REGIONAL TEAM RECOMMENDATION: Fund with the condition that no OWEB funds be used for herbicide purchase or treatments of the project’s plantings.

REGIONAL TEAM PRIORITY: 9 of 9

CAPITAL AMOUNT: \$67,669 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will provide that no OWEB funds can be used for herbicide purchase or treatments of the project’s plantings.

**Oregon Watershed Enhancement Board
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APPLICATION NO.:	211-1006	PROJECT TYPE:	Restoration
PROJECT NAME:	Hawley Creek Restoration Project		
APPLICANT:	Siuslaw WSC		
BASIN:	NORTH COAST	COUNTY:	Lane
OWEB FUNDS REQUESTED:	\$121,748	TOTAL COST:	\$152,193

APPLICATION DESCRIPTION:

Hawley Creek is a 7th-field sub-basin in the uppermost reaches of the Siuslaw River, on the western slope of the ridgeline defining the Siuslaw and Willamette basins. Hawley Creek drains roughly 4,700 acres and enters the mainstem of the Upper North Fork Siuslaw in the community of Lorane, roughly 112 river miles from the ocean and roughly 10 miles away from the outskirts of Eugene. In both geography and vegetation, the Lorane area shares more similarities with western Willamette Valley habitat than it does with the rest of the Siuslaw River basin. The valley bottoms are wide, the creeks and streams slow and the hill slopes gentle. Hawley Creek is very low gradient for much of its length and supports populations of coho, steelhead, cutthroat trout and western pond turtles. Land use in the sub-basin is dominated by private timber production and agricultural activities, with some BLM ownership in the headwaters. The current stream corridor conditions indicate low in-stream wood volume, limited native riparian vegetation and infestations of invasive plants.

The reach of Hawley Creek where this project is proposed begins at RM 0 and extends upstream 2.3 miles. The stream through this reach has an active channel width between 16 and 25 ft, a gradient of 0.6% and is constrained by terraces. At roughly the 2 mile mark, an old mill pond site was breached a number of years ago, allowing unimpeded fish passage. While the dam existed some off-channel backwater habitats developed both up and downstream of the dam site. That backwater habitat is now being utilized by western pond turtles, for feeding and basking. Western pond turtles must bask out of water for considerable periods of time in order to properly digest food and rid themselves of parasites. As many as eight adult turtles have been seen at the site, all basking on the one piece of in-stream wood in the reach.

For the last few years the Siuslaw Watershed Council (Council) has increased their outreach to the Lorane community. The Council has conducted general meetings in the community and followed up with site visits with local landowners and those efforts have been successful in a number of ways. With ODFW partnership, this project is one of the results of those efforts. In this application, 2.3 miles of the lowest reach of Hawley Creek will receive a variety of restoration treatments designed to add stream complexity; eliminate livestock access to the riparian area; remove invasive plants; provide increased shade and a source of future in-stream large wood; and provide habitat for the population of western pond turtles to nest and bask. 80 logs would be distributed among 16 sites; approximately 2.8 miles of streambank would be fenced (1.3 miles on one side, 0.75 miles of both sides); the full 2.3 mile project reach would be treated for invasive plant removal; and over 3,000 native trees and shrubs would be planted. The requested OWEB funds would be used for in-stream large wood activities (19%), fencing (47%), planting (21%, including site prep and invasive removal) and project management and administration.

REGIONAL TEAM REVIEW:

Five of the reviewers visited the site a week before the review team meeting, and shared their observations during the review team meeting discussions.

Reviewers noted that Hawley Creek is typical of many of the creeks in the upper Siuslaw, in the cloudiness of the water caused by colloidal suspension of fine silts and sands in the soils of the area. They noted that this phenomena was consistent year-round and the reason why there were no counts available of juvenile salmonids in much of the upper Siuslaw system. They also remarked on the different geology and biology of the region, noting that it included oak savannah habitat and was much more similar to the Willamette Valley than it was to the normal coastal river basin environment.

The reviewers were pleased to have a project that worked on a large reach of stream and appreciated the single landowner's willingness to alter their land management practices to allow for restoration work to occur, noting that the valley bottom portion of the property had previously been used to raise 3,000 head of cattle. But, more than anything else, the inclusion of the western pond turtle element in the project brought out the reviewer's enthusiasm. The reviewers who'd attended the site tour relayed that they'd seen 7 turtles in their brief visit. The entire review team welcomed the opportunity to work with a different species and they enjoyed the opportunity provided by the application to learn more about the animals. They remarked that the application did a very good job providing the information necessary to understand the restoration work proposed for the turtles.

The reviewers agreed that all the restoration work proposed, for salmonids and turtles both, was appropriate, addressed indentified limiting factors and appeared well designed. On the site tour, the reviewers noted that some of the existing fencing appeared to be in decent shape, and provided a good setback from the creek. They asked the project manager to return and walk the entire existing fence line to determine how much of the fence could be retained, and to provide them with that information. The reviewers also remarked on the tour that the amount of time budgeted for tree and plant release (80 hrs) seemed too low and they wanted the applicant to re-evaluate that portion of the project.

The applicant did so and provided information a day or two before the review meeting that a significant portion of existing fence could be retained and that the amount of tree release time had been doubled to 160 hours. The applicant noted they'd subsequently reconsidered the entire project budget, including other funding sources, and indicated that they could reduce the OWEB request by roughly \$4,500. The reviewers appreciated that information and were pleased to provide a positive funding recommendation for the project.

How the application addresses watershed and ecosystem functions and processes:

Addition of large wood instream structures will add stream complexity, encourage natural stream meander, slow stream flows, sort migrating substrate and provide resting and rearing habitat for fish and other aquatic species. Planting native trees and shrubs along the riparian area will increase the shading of Hawley Creek thereby helping decrease summertime water temperatures. The planted trees will also provide a future source of in-stream large wood as they mature and fall. Fencing the Hawley Creek riparian area will eliminate livestock grazing of riparian vegetation, decrease bacteria loading and stop erosion caused by livestock trampling of the streambank. Water quality will be improved by increased shading, increased filtration of overland flows and decreased sediment input.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 5 of 9

CAPITAL AMOUNT: \$116,705 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

In this application, the Council, in partnership with the Port, identified the Schrum Creek culvert as a priority for replacement and is seeking OWEB funds to design a RR bridge crossing, remove the existing wooden box culvert and install the new bridge, thereby opening 2 miles of creek to unimpeded fish passage and improved wetland function. The OWEB funds would be used for engineering (36%, including survey & design), culvert removal and bridge installation (41%) and the bridge itself (19%).

REGIONAL TEAM REVIEW:

Reviewers appreciated that the Siltcoos watershed is a high producer of coho. They noted that at the confluence of Schrum and Maple Creeks there is a railroad across the wetland with a single small culvert, which is now submerged as shown in the photograph in the application. They understood the culvert is not a passage issue at this time, since a survey of the stream showed many juveniles upstream of the culvert. The reviewers noted that replacing the culvert with a bridge would improve wetland connectivity.

Five of the reviewers visited the site on a squally day in early June. They shared their observation, gained from a mile-long walk down the railroad track, that the lower reach of Maple Creek was indeed a wetland, that it had been manipulated for agriculture and that the railroad needed extensive, and undoubtedly expensive repairs before it could be operated again. They also remarked that if one were to desire to collect garter snakes, this stretch of railroad track offered a prime opportunity to do so. They stood atop the culvert site and couldn't see the actual culvert, since both sides were under water, and confirmed to the other reviewers that the pictures of the site in the application were accurate. They told the rest of the review team that they had walked further up the track and doing so had provided the perspective that Schrum Creek appeared to provide high quality fish and wildlife habitat, even in its manipulated state. They noted that one of the reasons for walking further up the tracks was to look at the other side of the Schrum valley to see what opportunities that might offer for a different bridge location, since it appeared that side of the valley might have been the location of the original stream channel. At the review meeting, they discussed their belief that this northern location appeared to be a far better choice for a bridge site and they agreed that reconstruction of a stream channel to bring the creek back to this side of the valley would provide opportunity for additional meander and rearing habitat for salmonids.

The reviewers on the tour noted that the walk also provided the opportunity to discuss the project in greater detail with the applicant and they shared those discussions with the rest of the review team at the meeting. In response to the question of why Schrum had been identified as a priority, since fish passage did not appear to be a significant issue, the applicant indicated that the Port had the Schrum culvert as their highest priority for replacement and, while fish passage wasn't an immediate concern, the combination of the opportunity to work with the Port, thereby hopefully beginning a good relationship for other projects, and the need to replace the culvert for improved wetland function led the Council to agree to start on the RR culverts with this site.

The reviewers who had been on the tour also shared the discussion with the applicant about the overall costs of the project and, in particular, the high cost of the engineering component. They noted that the applicant agreed that a Technical Assistance (TA) application for the initial survey, study and design, should have been submitted first, with a subsequent Restoration project application following upon completion of the TA project. The applicant further explained that the timeline of the desired RR return to operation conflicted with the timeline of the OWEB application cycle and funding schedule, making the current approach of an all inclusive application the only option available to them. The applicant further explained that part of the reason for the application's high cost was that because of uncertainties and the lack of solid information available, they'd built the project budget using their highest estimates for the activities, and they actually expected the project to come in a couple of hundred thousand dollars less than the current request.

The site visit also provided the chance to discuss the note in the application that a "...larger, multi-phase restoration project...its tributaries, and associated wetlands..." was in the making. The reviewers learned that discussions were taking place for an acquisition of the entire Schrum Creek sub-basin and that once the land changed ownerships, a whole-watershed restoration project would be designed and implemented, similar to the one done over the ridge in Karnowsky Creek in the Siuslaw.

Once all that information had been shared, the review team quickly came to the conclusion that too many details were missing in the application and that it was not mature enough to consider. They understood the timing issues that led the Council to try this approach and regretted the unfortunate combination of events. They agreed that the opportunity to visit the site and discuss the project had been valuable and they hoped that the applicant would keep those discussions in mind as the hoped-for larger project develops. The reviewers agreed that there was great potential in restoring the sub-basin and hoped that they'd see an application to do so once the acquisition occurred.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.

Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1010	PROJECT TYPE:	Restoration
PROJECT NAME:	Cook Creek Riparian Enhancement Project		
APPLICANT:	Lower Nehalem WSC		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$90,630	TOTAL COST:	\$124,080

APPLICATION DESCRIPTION:

Cook Creek, a major tributary of the lower Nehalem River in Tillamook County, is one of the largest producers of salmon in the lower Nehalem basin. Cook Creek joins the Nehalem from the southeast at RM 13. Mainstem Cook Creek is approximately 11 miles long, with roughly 8 miles of low-gradient coho habitat. The sub-basin has numerous tributaries, many of which supply additional miles of coho habitat. Besides coho, the sub-basin supports populations of chinook, steelhead and cutthroat trout and provides cold water refuge for salmonids escaping the high temperatures in the mainstem Nehalem during the low-flow summer months. The sub-basin lies entirely within the Tillamook State Forest and was almost entirely involved in the Tillamook fires of the 1930s and 40s. The sub-basin is slowly reforesting and the riparian zones are dominated by alder. Legacy snags and downed logs from the fires continue to supply some large wood to the system but the mainstem and tribs are deficient in large wood according to current standards. Besides the natural resources of the sub-basin, the Cook Creek valley is used regularly by both the local and Portland communities for a variety of recreational uses including hunting, camping, hiking and biking. Oregon Department of Forestry (ODF) has 12 designated campsites along the valley bottom.

The Lower Nehalem Watershed Council (Council) has a completed assessment and action plan and has updated those documents with the addition of an estuary assessment, numerous aquatic habitat surveys and snorkel surveys to determine juvenile salmonid abundance and distribution. Priority actions identified in the assessment and action plan include improving stream complexity and addressing stream temperature issues. The Cook Creek sub-basin has been identified in a number of documents as a priority sub-basin and as requiring future riparian planting.

In this application, the Council is partnering with ODF, BLM, the Fire Mountain School and ODFW to conduct an invasive species removal and conifer planting project along roughly six miles of mainstem Cook Creek. The 12 designated camping sites would be treated for invasive species removal (Scotch Broom and Blackberry) and selectively replanted with conifers. Selected half-acre areas within 5.2 miles of mainstem riparian area would be planted with 12,000 native conifers (Sitka Spruce, Western Red cedar, Western hemlock and Douglas fir) and 1,000,000 hemlock seeds would be manually dispersed. Some felling and girdling of alders would also occur to increase the amount of light to the understory. OWEB funds are budgeted for planting and invasive species removal labor (47%), project management (27%) and tree protection supplies (16%).

REGIONAL TEAM REVIEW:

The reviewers were familiar with this application from an earlier iteration which had not been recommended for funding. They found this application somewhat improved but they continued to have concerns with details of some of the activities proposed. Ten of the reviewers attended the site visit in early June, where they had an opportunity to discuss the project further with the project manager and the ODF staff involved, and they found the visit useful to help clarify some of the issues. They all agreed that

the numbers of conifer in the riparian area were very low and the watershed would benefit from an increase. The site visit provided information on the conifer stock used in the replantings of the area after the fires of the 1940s, including the fact that the stock used for the replanting was not native to the area and that problems were expected with success of the future seed from those plantings. The reviewers found that information fairly compelling as a reason for not waiting for the conifers upslope to provide the seed stock necessary for natural conifer succession in the valley bottom riparian zone. The reviewers agreed that the current alder forest along the stream was all roughly the same age and that once it matured and began to die; large areas of the riparian area would be open to sun and brush domination. They also recognized the problem of invasive plants in portions of the valley and they agreed that addressing those sites now would be smart, since they believe the areas are currently small enough for eradication efforts to succeed. The reviewers were also pleased to hear from ODF that the agency was fully committed to seeing the project succeed and they found the staff capable and responsible.

However, the reviewers continued to have concerns with the project, in part because the application was not clear on details and in part because the numbers and actions in the application changed somewhat during the site visit discussions. Some of the reviewers were not convinced that forest succession was as large a problem in the area as the application made it appear, noting the fact that fires were natural events and that the current succession process looked natural. They were also concerned about the girdling and cutting of alders proposed in the application, and due to comments made during the visit, the reviewers were concerned that existing Big-leaf Maple would be treated similarly to alders and they strongly objected to that possibility. On the site visit, the reviewers asked the project manager to provide them with information on exactly which half-acre sites would be selected and to provide an explanation of why those sites were chosen out of all the possible options along the 5.2 mile reach. The project manager agreed to do so and two days before the review meeting subsequently provided a map showing the sites, with 16 small circles marked along the valley bottom. The reviewers found the map of little use and the detailed answers they'd hoped for not available. They noted that the site visit discussions indicated 12,000 conifers total would be planted in the 16 sites, and that each of the sites would be roughly 0.5 acre in size. The reviewers did the math and came up with a planting density of 1,500 trees/acre and were further confused as a result, since the application had indicated a planting density of 200-250 trees/acre. The reviewers were also concerned that the amount of time budgeted for follow-up tree release appeared insufficient and on the site visit they'd asked for additional assurance that the tree release would actually occur over a long enough time period to ensure success. ODF subsequently provide a letter committing to two tree release visits per year done by the South Fork prison crew, over a three year period.

The reviewers continued their debate, with a strong argument that while die-off of the alders would be natural; since the alders were all currently of similar age class, the concern that large areas would experience die-off over a short period of time was valid. The reviewers agreed that if we were to wait for that die-off to occur before replanting with conifers, we'd lose 30 or 40 years before regaining stream shading as well as increase the amount of time before large conifer logs/trees were available naturally to fall into the creek to provide woody debris and complexity. That point pushed the group to agreement that the project had value but they remained uncertain about planting densities and girdling/cutting activities. They noted again that in order to get conifers to grow quickly, sunlight was needed and the only way to get that was to open the alder canopy to allow light in, meaning that some girdling and cutting would be required. They reminded themselves that ODF was strongly involved in the project and wanted it to succeed, so some of their worries lessened.

The reviewers finally decided that the way to make a positive recommendation for the project was to condition it so the numbers and activities allowed were clear. To that end, they decided to condition the planting densities to not exceed 200 trees/acre. To achieve the planned 12,000 trees, the number of sites would have to be expanded, or the project budget would have to be adjusted to account for the smaller number of trees planted, protected and released. They also conditioned the project so that no girdling or cutting of Big-leaf Maple occurred, and more specifically, only alders would be girdled or cut.

How the application addresses watershed and ecosystem functions and processes:
Planting native conifers and shrubs along the riparian area will increase the shading of Cook Creek thereby helping to decrease summertime water temperatures. The planted trees will also provide a future source of in-stream large wood as they mature and fall, which will help restore stream complexity and provide additional habitat for fish and other aquatic species.

REGIONAL TEAM RECOMMENDATION: Fund with the conditions that the planting density not exceed 200 trees per acre, that if 12,000 trees were not planted that the budget be adjusted accordingly, and that only alders would be cut or girdled; no Big-leaf Maples.

REGIONAL TEAM PRIORITY: 8 of 9

CAPITAL AMOUNT: \$90,630 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will provide that the planting density not exceed 200 trees per acre, that if 12,000 trees were not planted that the budget be adjusted accordingly , and that only alders would be cut or girdled; no Big-leaf Maples.

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1012	PROJECT TYPE:	Restoration
PROJECT NAME:	Miami Wetlands Revegetation & Effectiveness Monitoring		
APPLICANT:	Tillamook Estuaries Partnership		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$223,419	TOTAL COST:	\$282,586

APPLICATION DESCRIPTION:

The Miami River is the northernmost of the five 5th-field watersheds entering Tillamook Bay. The upper reaches of the Miami are part of the Tillamook State Forest. As the river flows out of the forest, the gradient lessens, the valley floor begins to widen and rural residences and dairy farms take over the land use of the bottomlands all the way to the estuary. Down at the confluence of the river and the Bay, the Miami's inter-tidal wetland and marsh habitats have been severely altered by historic land use practices. The historic spruce swamp was cleared for agriculture and the river diked, its wetlands drained and tributaries channelized. Highway 101 and a railroad were built across the river mouth and utility power poles were placed across the valley bottom. Even with the litany of development activities, the Miami continues to support populations of chum, coho, chinook, steelhead and cutthroat trout although many of those populations continue to decline.

A number of assessments, surveys and inventories have been accomplished for the Miami basin, including the Tillamook Estuaries Partnership's (TEP) Coordinated Conservation Management Plan and their Rapid Bioassessment project. All of those documents clearly indicate the need for restoration of intertidal marsh habitats. In addition, the state's Oregon Coast Coho Assessment identifies reduced habitat complexity and limited water quality as the primary and secondary limiting factors, respectively, to coho populations in the basin. ODFW believes these factors have limited the production of other salmonids in the Miami as well, including perhaps most importantly the population of chum salmon.

The work to be accomplished if this application is funded is part of a much larger restoration project, funded in part by OWEB (210-1039). The larger project, currently in the process of implementation, includes channel re-meandering, ditch filling, tidal channel excavation, large wood placement and the relocation of utilities. This application would fund the follow-up revegetation necessary to restore the site to its historic Sitka spruce swamp habitat type and to conduct five years of effectiveness monitoring activities for the overall project. The requested OWEB funds will be used for native plants and planting labor (21%), plant establishment labor (46%) and effectiveness monitoring (32%).

REGIONAL TEAM REVIEW:

The reviewers were very familiar with this project, having reviewed and recommended funding for its initial technical assistance grant (208-1008) and its sibling, the larger wetland restoration grant (210-1039). The reviewers had toured the site before and did so again for this application, taking a closer look out in the canary grass dominated wetlands to gain a better sense of the challenges involved in restoring this site to its historic spruce swamp habitat. This June's site tour, with nine of the reviewers participating, showed the beginnings of the larger restoration project and the accomplishment of the pre-implementation baseline monitoring, as grids were being established and surveys conducted as the tour occurred.

The reviewers all agreed that this project was a necessary component of the larger restoration work occurring on the site. They thought the application was well done and the planting plans well designed. They recognized that the planting was going to be difficult due to the current domination of the site by the invasive Reed Canary Grass and Blackberries, and that subsequent plant establishment work would be absolutely crucial for the new planting's success. They recognized that the planting and plant establishment costs were high, but they realized that the site would not recover without it and the challenges presented by the current conditions were severe. The reviewers found the monitoring questions appropriate for the site and they thought it important to conduct the effectiveness monitoring component so future projects in similar locations and facing similar challenges could benefit from lessons learned at this site. They recognized that spruce swamp habitat, once common in the coastal estuaries, is now extremely rare due to historic development actions and they thought it very important to monitor this project to learn how to restore this important habitat type.

The reviewers raised only two issues: 1) they didn't think the fish monitoring component would be accomplished due to the state's current budget difficulties, noting the application's plan for fish monitoring had ODFW staff from the Corvallis Research office conducting the monitoring and; 2) the reviewers wanted to know where all the data to be collected by the monitoring component would be stored and how it would be distributed. The fish monitoring issue was resolved by a follow-up letter from the applicant stating that local ODFW staff had guaranteed to conduct one year of fish monitoring on the site and would train TEP staff so they could accomplish the next four years of monitoring. The TEP letter also guaranteed that their staff would accomplish the necessary monitoring using the funds in the application line item for that activity and supplementing it with their own funds if necessary. The second issue of where the data would be housed and how it would be distributed was resolved by noting that the application stated that the data would be available on the TEP website. The reviewers agreed that approach would work and that the information would be readily available to any who wanted to access it.

How the application addresses watershed and ecosystem functions and processes:
Planting native trees and shrubs across the wetlands and the riparian areas of the newly restored tributaries and the mainstem Miami River will help restore the site's historic spruce swamp habitat, benefiting the native species of fish, birds, amphibians, mammals and invertebrates that evolved in that habitat type. The planted trees will also provide a future source of in-stream large wood when they mature and fall, which will help restore stream complexity and provide additional habitat for fish and other aquatic species.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 3 of 9

CAPITAL AMOUNT: \$223,419 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$72,624

STAFF RECOMMENDATION TO BOARD: Fund

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1013	PROJECT TYPE:	Restoration
PROJECT NAME:	Dichter Road Passage and Stream Enhancement Project		
APPLICANT:	Necanicum WSC		
BASIN:	NORTH COAST	COUNTY:	Clatsop
OWEB FUNDS REQUESTED:	\$76,357	TOTAL COST:	\$147,118

APPLICATION DESCRIPTION:

This project is located on an unnamed tributary (hereon referred to as Dichter Trib due to Dichter Road, a forest road that travels through much of the sub-basin) that enters the mainstem Necanicum River very close to RM 18, near the Hwy 26/Hwy 53 junction. Dichter Road, managed by The Campbell Group, intersects Dichter Trib approximately 0.17 miles upstream of its confluence with the Necanicum. The project begins at the Dichter Road crossing and extends upstream for approximately 0.9 miles. The project area is characterized by an average 3.0% stream gradient, with a predominately mixed gravel/sand substrate. Dichter Trib supports populations of coho, steelhead and cutthroat trout and virtually all of the sub-basin is managed as industrial timber.

While the Necanicum watershed has a completed watershed assessment, very little data is available for Dichter Trib. Local ODFW staff identified the tributary as a potential project area based on apparent fish passage issues at the Dichter Road crossing, coupled with the potential coho spawning and rearing habitat upstream of the crossing. The Campbell Group (TCG) acquired the property in 2009 and their road management and engineering staff identified the Dichter Road culvert as a replacement need, as well as recognizing the fish habitat value of the stream. The current culvert is a corrugated metal pipe, six feet in diameter and 36 feet long. It is undersized for the creek's flow, bare of substrate within and has a greater than 6 inch drop at the outlet. At high flows it would present a velocity barrier to fish passage and at low flows the outlet drop would present a barrier to upstream movement of juvenile salmonids.

In this project, the Necanicum Watershed Council, in partnership with The Campbell Group (TCG) and ODFW, will replace the Dichter Road culvert with a 16-ft wide steel bridge, place 80 pieces of large wood within a 0.9 mile reach upstream of the road crossing and plant a variety of native conifers (Sitka spruce, western hemlock and western red cedar) throughout the project area, including riparian management areas, adjacent tributaries and access corridors created by machinery used for wood placement. OWEB funds will be used for bridge purchase (7%), bridge installation (82%) and administration (9%).

REGIONAL TEAM REVIEW:

This project proposed to open up 1.3 miles of habitat and add large wood to almost a mile of stream. Reviewers had high confidence that this project would be successful. Ten of the reviewers attended a site visit back on June 3rd and they shared their observations at the review meeting. Everyone agreed that the application was thorough and presented the project well. The reviewers appreciated the amount of match involved and that TCG was an enthusiastic cooperator. On the site visit, several of the reviewers noted it appeared sites for additional large wood placement existed downstream of the road crossing and when they mentioned the benefit of increasing the project so those sites could be treated, TCG agreed to do so. The reviewers on the tour found TCG staff to be very professional and knowledgeable and they appreciated the staff's willingness to do whatever it took to make the project succeed. On the site visit, the

reviewers got a chance to see a significant portion of the 0.9 miles of stream above the crossing and they all shared their observations that the stream needed wood and once treated should provide excellent fish habitat.

The reviewers noted only two concerns: 1) the habitat survey work planned for post implementation was to have been accomplished by ODFW staff. The reviewers recognized that with the cutbacks to the ODFW budget, those surveys would, in all probability, not occur as planned. 2) The planting component of the project, while to be funded and accomplished by TCG, provided no information on the post planting establishment plan.

The issues were quickly resolved by agreeing that the ODFW budget problems would probably preclude the habitat surveys from occurring but that while unfortunate, that failure was no reason to not implement the restoration project. The reviewers also agreed that since timber management was TCG's business, the reviewers could expect TCG knew what it was doing with the plantings and that the plantings would succeed.

How the application addresses watershed and ecosystem functions and processes:
Replacing an undersized culvert with a properly designed and sized bridge on Dichter Trib will restore natural flow patterns to the site, allowing unrestricted passage for fish, substrate and other materials. Addition of large wood instream structures will help restore stream complexity, encourage natural stream meander, slow stream flows, sort migrating substrate and provide resting and rearing habitat for fish and other aquatic species.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 1 of 9

CAPITAL AMOUNT: \$76,357 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1014	PROJECT TYPE:	Restoration
PROJECT NAME:	Tillamook Estuaries Partnership Co-Op Log Salvage Fund 2011-2012		
APPLICANT:	Tillamook Estuaries Partnership		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$33,920	TOTAL COST:	\$50,320

APPLICATION DESCRIPTION:

The project area includes eight significant salmon bearing watersheds: the Nestucca, Tillamook, Trask, Wilson, Kilchis, Miami, Nehalem and Necanicum Rivers as well as numerous direct-to-ocean tributaries. Large wood is a fundamental component of Oregon coast stream systems, integral for a variety of stream ecosystem functions. The amount of large wood in the region's streams is far below the desired standard as a result of the cumulative effects of a litany of past land use practices including development, channelization, stream clearing and dredging. This deficiency is well recognized in a variety of documents including the respective watershed assessments and the state's recent Oregon Coast Coho Assessment, and is listed as the cause of the primary limiting factor for salmonids (lack of over-wintering habitat) in the region.

All of the assessments of the region's watersheds clearly portray the lack of in-stream large wood as a primary factor limiting production of salmonids. A significant cost for any in-stream large wood restoration project is the cost of the woody material. When purchased, trees with rootwads, or logs large enough to meet the Restoration Guidelines, are expensive. However, opportunities to acquire these materials often arise through extreme weather events or through land clearing activities. While the materials can sometimes be acquired for free after those events, the materials most often need to be moved from the location quickly and either taken to a restoration project site or to a storage area where they can be kept until a restoration site is available. Those relocation actions involve equipment and labor costs.

Tillamook Estuaries Partnership (TEP) has implemented two similar log salvage projects (208-1009 and 209-1012). To date, the two projects have combined to acquire, transport and distribute to restoration sites 488 logs, 52 stumps w/rootwads, and numerous secondary pieces. The most recent grant (209-1012) has some funds remaining, however those funds are allocated to on-going salvage projects and are expected to be exhausted by the end of the 2010 in-water work window.

In this application, using the lessons learned from the earlier efforts, TEP is requesting funds to continue the log salvage effort. The requested OWEB funds would pay log and dump-truck drivers, equipment operators, and other laborers to acquire and transport large wood and boulders donated for use in habitat restoration projects in the region (88%), project management (5%) and administration.

REGIONAL TEAM REVIEW:

The reviewers were very familiar with this project type, having recommended similar projects throughout the region over the last decade. They were familiar with TEP's previous log salvage program efforts and appreciated the program's ability to quickly learn and adjust from the lessons and experiences of previous projects. They thought that TEP had developed an excellent process that promised fair distribution of acquired materials and good communication between all the project partners. The reviewers understood

that all the partners were already in place and were now familiar with the program's processes, so the reviewers expected the program would function smoothly in the future. They understood that as time passed the project was getting better known within the region, and they expected the program would continue to improve, in process and volume of material, as a result.

The reviewers thought the application was well written and they appreciated the table showing the results of the previous projects. They thought the program provided good ecological value for a low price and they had no concerns recommending the application for funding.

How the application addresses watershed and ecosystem functions and processes:

Addition of large wood instream structures will help restore stream complexity, encourages natural stream meander, slows stream flows, sorts migrating substrate and provides resting and rearing habitat for fish and other aquatic species. This project will provide the large wood materials necessary for restoration of natural stream functions and processes.

REGIONAL TEAM RECOMMENDATION: Fund.

REGIONAL TEAM PRIORITY: 4 of 9

CAPITAL AMOUNT: \$33,920 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require grantee to submit information in the Project Completion Report on the number, size, condition and species of the logs/trees collected; as well as the restoration project sites where the logs were utilized, including the number used at each site; or the number of logs stored for future use. If the logs are stored, the report has to include the number, size, condition and species of the logs at each storage site and the location of each such storage site.

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1015	PROJECT TYPE:	Restoration
PROJECT NAME:	Lower Beneke Creek LWD and Riparian Restoration		
APPLICANT:	Upper Nehalem WSC		
BASIN:	NORTH COAST	COUNTY:	Clatsop
OWEB FUNDS REQUESTED:	\$114,379	TOTAL COST:	\$186,488

APPLICATION DESCRIPTION:

Beneke Creek flows into the Nehalem River at RM 47, in the community of Jewell in southeastern Clatsop County. Over 90% of the Beneke Creek sub-basin is owned by either industrial timber companies, the Clatsop State Forest or ODFW. ODFW manages the lower reach of Beneke Creek as one of the three tracts composing the Jewell Wildlife Meadows Area, a property managed primarily for the area's large herds of Roosevelt Elk. The Beneke tract is located one-half mile north of Jewell, along the Beneke Creek Road and the tract occupies most of the lower 2.5 miles of Beneke Creek's wide valley bottom.

The Beneke Creek sub-basin supports populations of chinook, coho, steelhead and cutthroat trout and has a significant amount of low gradient, high intrinsic potential habitat, particularly in the lower reaches. Due to historic land management actions, the stream is 303(d) listed for high summer water temperatures, has excessive fine sediment problems and a serious lack of large wood instream with the associated lack of complexity and off-channel habitat, all of which are identified factors limiting the production of salmonids in the sub-basin. The Upper Nehalem Watershed Council (Council) is currently implementing a large wood and riparian planting project in Walker Creek, a tributary to Beneke Creek that joins upstream of the ODFW property.

The Jewell Wildlife Meadows Area (JWMA) has been managed for elk since its purchase by the state in the 1970s. In recent years, management of the property has expanded to include aquatic species and habitat. The current manager of the JWMA has partnered with the Council in a number of riparian planting and in-stream wood placement projects in the Fishhawk Tract of the property, where the office headquarters is sited and where most of the public elk viewing activities take place. In this application, the Upper Nehalem Watershed Council is partnering with ODFW and Weyerhaeuser Company in a restoration project that would place 75 logs into in-stream structures in reaches of Beneke Creek and 42 logs in structures in Gilmore Creek, a tributary to Beneke that enters roughly 1.5 miles upstream of Beneke's confluence with the Nehalem. In addition to the in-stream log structures, 2.6 miles of the riparian area of Beneke Creek would be planted with a mix of native conifers and a half mile reach of Gilmore Creek riparian area would be similarly planted with native conifers. A culvert on an abandoned forest road crossing of Gilmore Creek will also be removed. The requested OWEB funds are budgeted for the in-stream wood structure work (57%), planting and tree protection devices (37%), tree release work (5%) and administration.

REGIONAL TEAM REVIEW:

Six of the review team members toured the project site with the JWMA manager, two Council staff and the area's ODFW watershed liaison staff back on May 11th. Many of the other reviewers were familiar with the area from the earlier projects accomplished in the Fishhawk Tract, so most of the reviewers understood the challenges of planting projects in an area with so many elk. They also recognized that

Beneke Creek, in its lower reaches, was relatively big water and large wood placements in the lower reaches would present challenges. All the reviewers were appreciative of the JWMA manager's enthusiasm and willingness to find methods to accomplish projects on the property aimed to restore habitats benefiting species other than elk. They understood that one of the challenges for a large wood placement in the area was the lack of trees in the area large enough to use in the lower reach of Beneke Creek, where the active channel width reaches 50 feet. On the site tour, the reviewers learned that early in the project development the use of a helicopter was considered, but the numbers of trees both close enough to the project and large enough to justify the use of a helicopter was so small as to be uneconomical. They heard that due to the inability to acquire really large diameter whole trees, the large wood placement component of the project was subsequently designed for the use of an excavator and smaller logs and the structure sites limited to Gilmore Creek and the upper reaches of the property where Beneke Creek reduced in size.

The reviewers were familiar with the unusual tree protection measures employed in the previous riparian planting projects accomplished in the Fishhawk Tract of the JWMA, where large wooden fence enclosures, protecting small clusters of trees, had been used to protect the young trees from grazing and horning damage caused by the resident elk herds, so they weren't surprised by the need for those same protection measures for some of the plantings planned in this project. They were also familiar with the applicant's track record of successful riparian planting projects throughout the Nehalem basin.

However, the reviewers raised a couple of concerns with this project, which led to considerable discussion both on site and during the review meeting. The easiest of the issues surrounded the Gilmore Creek culvert crossing under Beneke Road. The site visit showed that culvert to be undersized and perched and the reviewers were concerned that the current application included no plan to address the problem. The reviewers appreciated that another culvert further upstream in Gilmore Creek was going to be removed but they saw the culvert under the county road as a serious fish passage issue and wondered about the relative value of doing the planting and in-stream structures work planned for Gilmore Creek upstream of the county road culvert. They recognized that the culvert outlet perch was high enough to stop any upstream juvenile salmonid passage and while adults could still negotiate passage, the situation would continue to deteriorate over time as the perch becomes ever more extreme. They also noted that Beneke Creek was temperature limited and juvenile salmonids in both Beneke and the mainstem Nehalem would be seeking the cold water refuge in the summer that Gilmore Creek could provide, if it were accessible to them.

The second issue, and more contentious than the county road culvert, was the application's plan for protection of the trees that were not within the wooden fence enclosures. The application and the site tour both indicated that a significant number of trees would be protected only with mesh tubes and occasionally released with weed eaters and that other trees would simply be hidden in patches of brush and not released at all, with the strategy evidently being to hope that some would survive on their own to eventually overtop the brush. The reviewers had difficulty understanding why all the trees weren't being aggressively protected, since the elk herd had free range throughout the project area.

The reviewers discussed the two issues thoroughly. They learned that the county road culvert replacement wasn't included in the project because of timing issues. They learned that the current culvert had been replaced by the county after the floods of 1996 and 1997 and that since the culvert was relatively new, the county had no intention of, or funding for, replacing the culvert in the near future. The reviewers understood that the project partners were in discussion with the county about a replacement project for the culvert. They recognized the proper fix for the site would be to replace the culvert with a bridge but understood that the current county road engineering staff did not favor a bridge because of the maintenance and regular survey costs involved in bridges. The reviewers understood the discussions with the county were on-going and the project partners were hopeful of resolving the issues and partnering

with the county soon in a project to fix the road crossing problems. They also understood that large wood placed below the culvert site would help backwater the outlet pool and help reduce the culvert outlet drop.

The outcome of the discussion on planting protection and release plans was helped by understanding that the cost of the larger wooden fence structures prohibited their use throughout the project reach and that the elk did not use the upper area of the project to the same extent as they did the lower pastures, thereby lessening the need for extreme protection measures. The reviewers discussed the use of individual metal cages around the trees outside the wooden fences but found that option impossible, since experience has shown the JWMA manager that elk will get injured by metal tree cages, either by getting the cages wrapped up in their horns or around their hooves and lower legs. The reviewers also heard from the manager that some plantings done in the Fishhawk Tract back in the early 1990s had not been released and subsequently were buried by brush. But, the manager noted that the cover by brush had allowed those trees to not be browsed as other, accessible, trees had been and although the survival rate was low and the trees took a long time to overtop the brush, once tall enough, the trees were strong, healthy and also above the elk browse line. The reviewers understood the wildlife manager was in favor of repeating that strategy. They also understood that the applicant had some similar experience, where some species of trees were deliberately planted alongside or within patches of shrub species not favored for browse by the local herbivores, and that the survivability rate of those trees exceeded trees protected by cages but planted out in the open where they were accessible for browse.

The final outcome of the discussions was the agreement to recommend the in-stream large wood structure and planting work on Gilmore Creek be implemented, and hope for a culvert replacement solution to be found quickly by the project partners and the county. The reviewers noted two items with the planting project that allowed them to provide a positive recommendation: 1) the area offered a set of unique challenges, with its priority focus on providing elk habitat; and 2) the applicant had a good track record of successful riparian planting projects in the basin and would do whatever was necessary at this site to make the plantings succeed. The combination of those two considerations offset their worries that the unprotected plantings would fail and they recommended the full project for funding.

How the application addresses watershed and ecosystem functions and processes:

Planting native trees and shrubs along the riparian area of Beneke and Gilmore Creeks will increase shading of the streams, thereby helping to decrease summertime water temperatures. The planted trees will also provide a future source of in-stream large wood as they mature and fall, which will help restore stream complexity and provide additional habitat for fish and other aquatic species. Addition of large wood instream structures will provide increased stream complexity, encourage natural stream meander, slow stream flows, sort migrating substrate and provide resting and rearing habitat for fish and other aquatic species.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 7 of 9

CAPITAL AMOUNT: \$114,379 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1017	PROJECT TYPE:	Restoration
PROJECT NAME:	Upper Fawcett Creek Fish Passage Project		
APPLICANT:	Tillamook Bay WSC		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$390,204	TOTAL COST:	\$573,464

APPLICATION DESCRIPTION:

Fawcett Creek is a cold-water tributary entering the Tillamook River from the east at approximately RM 9. Land use in the lower reaches of the Fawcett Creek sub-basin is a mix of rural residences, hobby farms and commercial dairies. At roughly RM 2.4 of Fawcett Creek, where land use transitions to timber production and the hillslopes steepen, in 1905 the city of Tillamook built a water diversion to supply water to the city. When construction of the diversion began, the stream was forced out of its historic channel and pushed against the southern hillslope. The new northern streambank became a concrete wall, keeping the stream in a narrow channel to the diversion. The actual diversion structure is a concrete and adjustable wooden board construction set across the full width of the stream. The diversion has a three-foot drop onto a concrete apron before spilling to the streambed below, a drop that provides a total barrier to upstream movement of juvenile salmonids and a barrier to adult passage at low flows. The City's concrete settling pond is immediately alongside to the north and occupies much of the stream's historic floodplain.

Fawcett Creek still supports populations of coho, steelhead and cutthroat trout above the diversion. Chinook have not been seen above the diversion and appear to be unable to leap the diversion and thus are limited to the habitat downstream. The stream, though deficient in large wood, still has 3 miles of coho habitat upstream of the diversion dam. The Tillamook Bay Watershed Council (Council) has prioritized the Tillamook River system for restoration efforts due to its potential for increased coho production. Low gradient sandstone geology is prevalent on the western side of the Tillamook River basin, while the eastern tributaries, like Fawcett Creek, flow from steep forested basalt hillslopes, and provide year-round sources of cold water. The Tillamook River is temperature impaired, making the cold-water east side tribs extremely important both for their provision of cold water to the Tillamook as well as for temperature refuge for juvenile salmonids migrating through the Tillamook system.

The Council recognizes the potential benefit of restoring Fawcett Creek and has planned a future multiple activity project including large wood placement and riparian fencing and planting activities. However, the first step in the larger vision is to correct the passage barrier issue at the City diversion. The Council, using an OWEB grant (209-1037), worked with Water District employees and engineers to design a diversion to replace the one currently in place. The new diversion will pass fish at all life stages and flows, yet be designed to function and withstand any movement of the future large wood placements planned for upstream.

In this application, the Council requests funding to implement a restoration project that would demolish the existing antiquated diversion structure and in its place install a new diversion structure, fish ladder and settling pond. The OWEB funds will be used for demolition of the old diversion structure (5%), construction of the new diversion structure, ladder and settling pond (82%) and project management and engineering consultation during implementation (10%).

REGIONAL TEAM REVIEW:

The reviewers were all very familiar with the project, due to the previous Technical Assistance project and multiple site visits over the last year and a half. They were all pleased to see the actual implementation application come to fruition and they agreed that the engineering consultant had done a good job working with all the concerns raised by the project partners as the design work developed. The reviewers appreciated the enthusiastic cooperation of the City’s Water District staff and they agreed that once the project was built, fish passage will be improved and the large wood project planned for the future should be facilitated as a result.

The reviewers easily worked through the unexpected changes to the settling pond in the designs, noting that the volume of the pond stayed the same and that the reason for it not being moved as far north as expected was the result of newly surveyed property lines, the simple limitations of the narrow valley floor and the need for the City staff to have easy machinery access to all parts of the facility. They recognized the settling pond had been moved enough to allow the stream channel itself to be restored to a natural width and they thought that would help during high flow events and allow for easy passage of materials.

The only issue raised during the discussion dealt with the new fish screens and the need to operate them correctly if they were to function as designed. They noted that no OWEB funds were requested for the fish screens but they wanted to recommend that the City staff be trained in how to operate the screens correctly so juvenile salmonids were not harmed. The last site visit provided the reviewers the opportunity to note that the existing emergency standpipe was not screened properly and they wanted to condition their funding recommendation so that ODFW fish screening requirements would be followed when the project was implemented.

How the application addresses watershed and ecosystem functions and processes:

The existing water diversion structure on Fawcett Creek decreased the size of the stream channel, decreased or eliminated fish passage for different species and life stages of salmonids, trapped fish in the settlement pond and altered the natural downstream passage of substrates and other materials. Replacing the diversion with one designed to restore the stream channel to its natural size, allow for much improved fish passage, eliminate trapping of fish in the settlement pond and allow for free passage of substrate and woody materials will improve watershed processes and increase the fish populations of the stream.

REGIONAL TEAM RECOMMENDATION: Fund with the condition that during project implementation the emergency standpipe is screened to the ODFW requirements.

REGIONAL TEAM PRIORITY: 6 of 9

CAPITAL AMOUNT: \$390,204 NON-CAPITAL AMOUNT: \$ 0

EFFECTIVENESS MONITORING AMOUNT: \$ 0

STAFF RECOMMENDATION TO BOARD: Fund with conditions. The grant agreement will require the grantee to provide documentation from local ODFW staff that the emergency standpipe was appropriately screened when project construction began.

That one concern was alleviated by noting that not all of the property was as steep or thick as that seen on the site visit and that Westwind was very good at acquiring and utilizing volunteers. The reviewers recognized that Westwind was committed to accomplishing this task and that doing so would help protect the State's considerable investment in the property. The reviewers reiterated their belief that the approach proposed in this application was well conceived and the protocols well proven. They also noted that because Westwind was visited by a few thousand people every year, this project could provide an excellent educational opportunity on a serious issue concerning all Oregonians.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 5 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$9,559

STAFF RECOMMENDATION TO BOARD:

The reviewers understood the current situation at both sites was obviously inadequate for fish passage or proper watershed function, while the habitat upstream at both sites appeared good. On a site tour, the county road staff provided assurances that the county was eager to participate and willing to accommodate solutions that helped fish and improved road safety. The reviewers noted that the county was under no obligation to replace the culverts and that the existing culverts would probably last another 20 or more years. The reviewers acknowledged that under current budgets, the County would not replace the culverts without financial help. The reviewers also were pleased to understand that a sub-basin wide restoration project was in the planning stages and would build upon the replacement of the culverts at these two sites.

The reviewers discussed a couple of budget concerns with the application, including the expense of the Geotech work and the overall project expense as well. They also were confused by the application's mention of conducting topographic surveys for 200 ft along the road on either side of the culverts and upstream and downstream 20 ft from the pavement edge. They couldn't understand the value of those surveys. The reviewers also wondered why other locations for the culverts weren't considered, since it appeared to them that the streams had been forced into their current placement. The reviewers noted that while on the site visit it appeared that fiber-optic cable had been buried across the culverts and they were concerned this potential difficulty had been missed during the project budgeting, since no mention was made of it in the application.

The discussions on the budget issues concentrated on the need for \$9,450 for Geotech work, specifically drilling to find bedrock level. The site visit provided clarity on the need to know the depth till bedrock at the Little Creek site but the reviewers thought that an excavator could provide the same information at a considerably lower price than a drilling rig. That possibility was discussed on the site visit with the applicant, the project manager and the county road staff, and all agreed that they'd investigate it further if the grant was awarded. While the reviewers agreed that finding bedrock was an issue with the Little Creek site due to the shallow layer of fill over the culvert, they noted that the Leaf Creek site would allow for the fill amount atop the culvert to be adjusted, making a precise location of the bedrock level not so necessary, in turn making the use of an excavator for the task more practical and cost effective.

Next the reviewers discussed the overall project budget and noted that concrete box arches would be the correct culvert design at both sites, so engineering costs should be reduced from the amount currently proposed. Should the application be funded, they wanted the applicant to investigate those costs to see if they could be lowered.

The confusion about the topographic surveys and the fiber-optic cable was clarified by the project manager subsequent to the site visit with an email in which he noted the text in the application was wrong and should have read "Topographic survey limits will extend along the roadway approximately 30 ft either side of the existing culverts and upstream and downstream approximately 200 ft from the existing edge of the pavement." In the same email the project manager indicated Pioneer Telephone Company had assured him that the only cable buried on the sites was a standard cable easily moved during construction, so additional costs weren't expected.

The final issue of why other locations for the culverts hadn't been considered was resolved by noting that each location had private property and infrastructure concerns making channel relocation impossible.

With the recommendation that the applicant keep costs under control by using an excavator for bedrock location determination where possible and making sure culvert engineering costs weren't duplicated, the reviewers decided their concerns with the application were resolved. They noted again the high potential for improved watershed function and increased production of salmonids after opening 1.7 miles of habitat with properly sized and designed culverts. They also wanted to see the future sub-basin wide restoration project get implemented once these two culverts were replaced.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 3 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$50,000

STAFF RECOMMENDATION TO BOARD:

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1002	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Lobster & Preacher Creek Technical Design Assistance		
APPLICANT:	Alsea WS Council		
BASIN:	NORTH COAST	COUNTY:	Benton
OWEB FUNDS REQUESTED:	\$48,890	TOTAL COST:	\$68,620

APPLICATION DESCRIPTION:

Five Rivers is a large tributary of the Alsea River, entering from the south at RM 20. Lobster Creek, the largest tributary of Five Rivers, enters at RM 3.5. The Lobster Creek sub-basin is the largest producer of chinook salmon in the Alsea basin. It also supports good populations of coho, steelhead, cutthroat trout and brook and Pacific lamprey. Lobster Creek flows through Benton, Lane and Lincoln counties. From RM 0 to approximately RM 15, Lobster Creek is very low gradient and flows through a wide valley floor. The valley is very rural and has a scattering of private residences, hobby farms and agricultural operations. The hillslopes are a mixture of private and federal forestlands. Preacher Creek joins Lobster Creek near RM 10, flowing in from the south. Preacher Creek is also low gradient and provides good habitat for all the Lobster sub-basin salmonids. A number of restoration projects have been completed in the middle reaches of Preacher Creek in the last few years.

A Benton County road crosses Lobster Creek, via a bridge, only a hundred yards upstream of Lobster's confluence with Preacher Creek. The bridge has been in place for many years and over the course of time Lobster Creek has adjusted its upstream bed location, in part due to the constriction and armament of the bridge. The extreme high flow events over the last 15 years have exacerbated that adjustment and the stream has moved south on the valley floor a considerable distance and cut into a soft hillslope, taking riparian trees, eroding the banks and threatening pastureland and livestock fencing.

The lower reach of Preacher Creek has also suffered from manipulation and land management actions. After the Preacher Creek valley was settled, the stream in the lower reaches was moved to flow alongside the western hillslope so the valley could be converted to pasture. In the extreme weather event in the mid-1990s, a portion of that western hillslope near the confluence with Lobster Creek slid and caused Preacher Creek to move back into the soft soils of its valley bottom, where it has subsequently meandered through pastureland, downcut and continued to erode its banks as it adjusts.

Problems from the adjustments in both Lobster and Preacher Creeks have resulted in reduced riparian vegetation, increased channel instability, increased sediment, reduced retention of gravel substrate, reduced pool frequency and depth, increased channel incision, and increased stream temperature. In this application, the Alsea Watershed Council is partnering with several landowners, Benton County and the USFS to request technical assistance to survey the hydrology and morphology of 2,500 feet of Lobster Creek and 3,000 feet of Preacher Creek and to design wood placement projects that would improve salmon habitat (spawning and rearing), channel stability, bank stability, riparian vegetation and minimize risk to the county road and bridge. OWEB funds would be used to fund a civil engineer, project management and travel.

REGIONAL TEAM REVIEW:

Reviewers found great potential in this proposal, recognizing that the Lobster Creek sub-basin is an extremely important contributor of coho, chinook and steelhead to the Alsea watershed. They noted the project site is a low gradient confluence area, and has high potential for successful restoration. Previous restoration investments have been made in Preacher Creek and this proposed project works with a key landowner. The area can benefit from restoration and needs a design given the infrastructure issues and stream size.

All reviewers agreed that the issues they saw at the site visit were as described in the application. The reviewers valued the willingness of the landowners to find solutions that benefited the fish, stream processes and their land management needs. The reviewers were aware that these landowners were descendents of the original families that homesteaded the valley, people who had previously been reluctant to engage with agencies in salmon restoration actions, and they recognized the opportunity provided in this application. The reviewers agreed that the issues involved in these sites would require technical assistance to resolve. They also were pleased to work downstream of restoration projects previously accomplished, believing that this new project would complement the work done before.

The reviewers did have some concern with the perceived emphasis on streambank stability in the application, worrying that the project could turn into a rock riprap approach, thereby exacerbating the real causes of the problems, but that concern was resolved by further discussion of the conversations on site with the landowners and agency staff that had helped develop the project.

The reviewers found the application well presented, the proposed approach well conceived, the need real, the potential benefit to the resources significant, and the opportunity to work with these landowners important. They enthusiastically recommended the project for funding.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 2 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$48,890

STAFF RECOMMENDATION TO BOARD: Fund

the previous proposal wanted to look at the lower seven miles of river, this proposal wanted to study only the middle eight miles of the mainstem. Given that the idea was to develop a strategic restoration plan for the river and the project would do so by analyzing data on flow, hydraulics, streambank stability, riparian condition, floodplain connectivity, off-channel habitat and stream complexity, the reviewers were confused about how a comprehensive picture could be developed for the river if only eight miles of mainstem, in the middle of the system, was studied. The reviewers understood that the applicants had another proposal in to a different funding entity (LCREP) to look at the lower seven miles, but they understood that not only hadn't that proposal yet been processed or awarded, it too looked only at a limited amount of mainstem habitat. The reviewers found this approach confusing and considered it technically flawed and incapable of achieving the project goals as they understood those goals.

The reviewers discussed their observations from the site visit and their read of the application. They recognized that the CRMP group was made of local landowners and agency field staff familiar with the basin and that the group had requested this type of study almost from its inception, believing it to be highly important. During the site visit, it became very apparent that the real value of the study was its use as an outreach tool to landowners in the basin, and the reviewers understood the potential value the tool might have for some landowners as they considered restoration activities on their property. They discussed this on the tour and again at the review meeting, but during both occasions the reviewers noted that since the value of the study/plan was in its acceptance by the landowners and that acceptance would require extensive outreach; they wanted to know more about the outreach plan. The discussions on the issue during the site tour provided limited assurance and no detail on how the outreach would actually occur. The reviewers noted the application had no funding included for outreach, nor any match indicated for the action, nor discussion on how it might be designed. Subsequent to the site visit, the SWCD staff sent their general outreach plan, which noted that one day per quarter, and one workshop per quarter were scheduled, but the document was not specific to location or subject. The reviewers did not find this effort satisfying.

The reviewers noted that finding specific sites where specific restoration activities would be beneficial shouldn't be difficult in the basin, remarking that the site visits had provided glimpses of several obvious sites. During the site visits, local staff indicated the landowners were not willing to begin any restoration work until assurances were provided that the proposed activities were sound, based on science and that no adverse consequences might result from the work. The reviewers wondered whether having a study/document in hand would actually be the straw that tipped that load. They came to the conclusion that while the study might provide the impetus for some of the heretofore reluctant landowners to conduct restoration activities, it probably wouldn't convince other landowners. The reviewers came back to their belief that the study was technically flawed, that it studied only a portion of the basin and that any comprehensive study of the basin had to start at the top and work down...and include the whole basin, not just the mainstem. They believed that many of the landowners would also recognize that issue and doubt the results of a study developed according to the approach proposed in this application.

The reviewers returned again to the application's lack of planning, detail or funding for outreach, even while the project's success depended on outreach, and they decided that even though the Clatskanie was a high priority basin, this application was not the vehicle to use to advance its restoration. They acknowledged that there could be some benefit to doing the project but they didn't believe the project's goals could be achieved as designed in this application and considering the limited funding available for technical assistance, they believed those funds would be better spent on other projects.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund.

expand the rate of restoration projects being developed currently. They also appreciated that the outreach efforts were planned for sub-basins selected by the councils as high priority sub-basins in which to work.

The reviewers noted that for the project to succeed, the person hired had to possess the necessary skills, both in outreach to landowners and detailed knowledge of restoration work types possible in these properties. They also discussed their concern that the councils were clear on the employment and tax issues involved with using a contractor in this role, rather than using an employee.

Further discussion noted the councils were already using an attorney to help develop their Request for Qualifications and their MOU, so they thought the employee/contractor issue was under control. They also recognized that the councils would understand the need to be certain to hire only someone with the necessary skills to make the project succeed; they just hoped that enough people would find the contract interesting enough to provide the councils with a sufficient pool of applicants from which to select. They thought the project was clearly needed and they thought the cooperative approach was a good way to start.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 6 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$48,514

STAFF RECOMMENDATION TO BOARD: Do not fund; falls below staff-recommended funding line

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1009	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Roy Creek Fish Passage		
APPLICANT:	Lower Nehalem WSC		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$50,000	TOTAL COST:	\$115,344

APPLICATION DESCRIPTION:

Roy Creek enters the mainstem Nehalem River at RM 8, very near the head of tidal influence. Historically, Roy Creek supported populations of chinook, coho, chum, steelhead and cutthroat trout. The stream has roughly 2.5 miles of low-gradient habitat for spawning and rearing of the various species of salmonids. Except for one summer cabin located 300 feet upstream of the confluence with the Nehalem, land use in the sub-basin is entirely industrial timber. When Foss Road was constructed along the northern shore of the mainstem Nehalem, Roy Creek was passed under the road through a culvert roughly 150 feet upstream of the creek's confluence with the Nehalem. A railroad track connecting Tillamook and the Willamette Valley was also built immediately alongside the section of road passing over Roy Creek.

Over time the initial culvert collapsed and two side-by-side culverts were stacked on top of the failed pipe when the crossing was repaired. As more years passed, those shot-gun culverts also collapsed and new culverts were again installed on top of the failed pipes. The current crossing consists of two 6-foot diameter culverts, stacked on top of multiple smashed and derelict culverts. The current pipes are undersized for the stream flow, impede sediment transport, present a velocity barrier and they're perched at low flows. The legacy of a century or more of undersized pipes has created a sediment plain upstream of the crossing for hundreds of feet up the valley bottom.

Besides the heritage of culverts in various stages of failure, the County roadway and the Port of Tillamook Bay's railroad track, there are a multitude of other issues involved in the crossing. A waterline for the nearby communities of Wheeler and Manzanita is buried in the fill, as is a Nehalem Telephone Company communication line and a WCI Cable fiber-optic line. Above ground are power poles and electrical lines.

ODFW rates the replacement of the Roy Creek/Foss Road crossing as one of the highest priority restoration projects in Tillamook County. The Lower Nehalem Watershed Council (Council) has been working on finding a solution to the problems for a number of years. In 2001 the Council was awarded a Technical Assistance grant from OWEB (201-101) to design a new crossing. The Council brought all the different interests to the table and worked to find a way through the tangle of issues, but was ultimately challenged by the construction timeline requirement that the Port of Tillamook Bay's railroad not be closed down for more than 24 hours at any time. Because of the construction timeline considerations and implementation costs, the project stalled.

However, as a result of the winter storm of 2007, a window of opportunity opened. The storm caused extensive damage to the railroad, including washing out the bridge over the Salmonberry River and several significant sections of track throughout the Salmonberry basin. Plans to repair the railroad have been put on hold and ODFW and the Council opened discussions with all the interests once again to see if the opportunity to fix the Roy Creek crossing, now that the railroad was not in operation, could be seized.

All the players are now in agreement to proceed and the Council is seeking funding for a Technical Assistance project to develop engineered plans and construction cost estimates for a crossing sized correctly for the stream and which would allow unimpeded fish passage. Partners in the project include the Council, ODFW, Tillamook County Public Works, US Fish & Wildlife Service, Tillamook Estuaries Partnership and the Port of Tillamook Bay. The OWEB funds would be used for contracted engineering services, project management, and travel to the project site.

REGIONAL TEAM REVIEW:

The reviewers recognized that the Roy Creek/Foss Road crossing is the highest priority fish passage barrier for the ODFW district office and that fixing the crossing will open access to 2.5 miles of excellent habitat. They understood that the timing is good for this project and there is good cooperation and involvement from key stakeholders.

The reviewers were pleased to see the participation on the site tour of many of the key players in the project and appreciated the opportunity to have their questions with the application quickly addressed and resolved as a result. The reviewers appreciated the County's willingness to contribute cash and project management to the effort. They found the Port representative open and enthusiastic about replacing the culvert and appreciated his assurance that the railroad would remain down for a long enough time to implement the actual future culvert replacement. They were also pleased to hear from the fiber optic cable company representative that when the '07 storm damaged the railroad, it also damaged the cable, and that until the railroad made its repairs, this particular cable would not be in use.

The reviewers found that the only remaining issue involved the owner of the cabin upstream of the site. They understood ownership of that property had just changed hands and the new owner had not yet been contacted. However, reviewers noted that the new landowner should be easily agreeable to the project, since the current situation caused the property to be flooded when the culverts backed up winter high flows. They also noted that they believed it would be a safe assumption that anyone purchasing that particular property would have an interest in fish and should welcome an opportunity to see the resource improved. The reviewers made this project their number one priority for funding and looked forward eagerly to seeing the problem crossing finally fixed.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 1 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$50,000

STAFF RECOMMENDATION TO BOARD: Fund

Oregon Watershed Enhancement Board

Region 1 (North Coast) Review Team

Evaluation for April 19, 2010 Applications

APPLICATION NO.:	211-1011	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	Tillamook-Nestucca Estuaries Tidal Wetland Strategic Planning		
APPLICANT:	Tillamook Estuaries Partnership		
BASIN:	NORTH COAST	COUNTY:	Tillamook
OWEB FUNDS REQUESTED:	\$50,000	TOTAL COST:	\$112,510

APPLICATION DESCRIPTION:

The Tillamook Estuaries Partnership (TEP) is a non-profit organization with its office located in Garibaldi. Originally established in 1994 as one of 28 National Estuary Projects throughout the country, the Tillamook Bay National Estuary Program evolved over the years, first becoming a department of Tillamook County in 2000 and changing its name to the Tillamook County Performance Partnership and then organizing as a non-profit in 2002, at which time it changed its name again to become the current Tillamook Estuaries Partnership. As the organization has matured, its interests have broadened from the original focus on the Tillamook Bay estuary to the conservation and restoration of the five Tillamook County estuaries and the watersheds that sustain them. The organization has a staff of nine and is a major partner in watershed restoration work in Tillamook County. It has conducted numerous surveys and analyses of water quality, habitat and fish populations in the region, and has successfully implemented over 20 high quality on-the-ground restoration projects over the recent years.

In the development of TEP's 2010 Work Plan, the TEP staff and Board determined that there was a great need for a project that would identify, evaluate and prioritize the tidal wetlands of the Tillamook and Nestucca estuaries in order to better understand the threats to those wetlands as well as any opportunities for their protection and/or restoration. The quantity and quality of the region's tidal wetlands have diminished dramatically over the course of the last 150 years, with reliable estimates of 86% of tidal wetlands in Tillamook Bay and 94% in the Nestucca estuary having been lost or seriously altered. While restoration and protection projects have occurred recently in both estuaries, those projects were opportunistic in their delivery. The staff and Board of TEP want to have the scientific grounding to not only identify priority locations for restoration and protection in the estuaries but to develop a strategic approach to wetland conservation and restoration for the future.

In the project of which this application is a part, TEP will contract with Laura Brophy of GreenPoint Consulting to identify and characterize tidal wetlands in Tillamook and Nestucca bays and prioritize them for conservation and restoration through the protocols of the Estuary Assessment component (chapter 10) of the Oregon Watershed Assessment Manual. All of the requested OWEB technical assistance funds would be used to develop the strategic plan on how to approach restoration and conservation for the tidal wetlands; the end product of the larger effort.

REGIONAL TEAM REVIEW:

Reviewers appreciated the goal of identifying and strategically targeting areas for restoration. They found the proposal well explained and well planned and were pleased that Laura Brophy would be the contractor; recognizing her expertise in the subject. They remarked that there wouldn't be anyone more capable of making this project successful. The reviewers also agreed that the end product, the strategic plan, would be useful for planning and responding to opportunities that offered themselves unexpectedly.

During the site visit, reviewers gained a better definition of the strengths and weaknesses of the application. Reviewers had questions about how useful the identification and characterization of the tidal wetlands, as well as the strategic plan, would be as an outreach tool out on the ground. The reviewers recognized that the need to get landowners involved was the key element to restoring and protecting the tidal wetlands and they weren't sure how useful the documents generated by this whole project would be in that outreach activity. They did not want to fund a project that developed a document that simply sat on the shelf and didn't provide on-the-ground projects. The reviewers did not find sufficient information in the application to satisfy their worries of how the document would be put to use.

A discussion on the June 15th site tour helped the reviewers understand how the product would be utilized, but it wasn't until TEP followed up that meeting with the assurance that TEP staff would be put to work conducting outreach to landowners identified in priority areas of the estuaries, with the products of this project in hand, that the reviewers dropped their concern on the product's usefulness. Besides its value as an outreach tool, the reviewers brought up the fact that the information developed from this project would also be valuable documentation for use with other grantors and in presentations on the state of the estuaries. Coupled with TEP's assurance of staff committed to use the products for outreach to landowners, the numerous benefits led the reviewers to a unanimous recommendation to fund the application.

REGIONAL TEAM RECOMMENDATION: Fund

REGIONAL TEAM PRIORITY: 4 of 6

CAPITAL AMOUNT: \$ 0 NON-CAPITAL AMOUNT: \$50,000

STAFF RECOMMENDATION TO BOARD:

**Oregon Watershed Enhancement Board
Region 1 (North Coast) Review Team
Evaluation for April 19, 2010 Applications**

APPLICATION NO.:	211-1016	PROJECT TYPE:	Technical Assistance
PROJECT NAME:	5N2W		
APPLICANT:	Columbia SWCD		
BASIN:	LOWER COLUMBIA	COUNTY:	Columbia
OWEB FUNDS REQUESTED:	\$48,400	TOTAL COST:	\$64,775

APPLICATION DESCRIPTION:

Merrill Creek is currently a tributary of Tide Creek in Columbia County. Tide Creek flows into Deer Island Slough before joining the Columbia River at RM 81. A study of the USGS topographic map of the area indicates that Merrill Creek historically would have flowed to Deer Island Slough directly, upstream of Tide Creek's confluence with the Slough. It appears development activities channelized the lower reach of Merrill Creek, forcing it to flow parallel to Hwy 30 and the Slough before joining with Tide Creek, after which the combined flow continued on into the Slough and then into the Columbia. Upstream of its apparent forced confluence with Tide Creek, Merrill Creek has roughly 7 miles of stream miles suitable for salmonids, approximately 5 miles of which is low gradient coho habitat. A road runs alongside a portion of Merrill Creek, beginning roughly at RM 1 and terminating at roughly RM 2.2. A number of rural residences and small hobby farms are scattered along the valley floor in this reach. The upper reaches of Merrill Creek are in industrial timber company ownerships. Due to land management practices, fishing and Columbia River hatchery management over the last 150 years, the habitat and fish populations of Merrill Creek have degraded and declined significantly.

In 2008, the Columbia SWCD began working with the community in Deer Island and the Tide and Merrill Creek drainages to identify and implement habitat restoration projects within the area. With funding from the Lower Columbia River Estuary Partnership (LCREP), the SWCD began collecting hydrologic and fisheries data for the restoration of the Deer Island complex. Information from the data indicated strong opportunities existed to restore salmonid habitat in Merrill Creek and South Deer Island Slough. Surveys of Merrill Creek conducted in 2009 by staff from USFWS showed surprising numbers of coho and lamprey juveniles. The surveyors were pleased to also find large numbers of freshwater mussels. The stream historically should have supported chum populations but recent surveys provided no sightings of that species.

In this TA proposal, the Columbia SWCD requests funds to hire a contractor to collect additional data on 6,000 feet of mid Merrill Creek (topographic surveying, streambank stability analysis, stream sediment monitoring, channel characterization and flow), after which the data would be analyzed, restoration project types and sites identified and prioritized and a plan developed to strategically approach restoration in the basin. The contracting firm would then select three high priority projects for design based on the amount of reach restored, benefit to fisheries, and degree of ecological function restored. Designs for restoration work to occur at three sites would be produced to 65% completion and would be expected to restore a minimum of 2,500 linear feet of stream. OWEB funds will be used to pay the consulting contractor for the survey, analysis and design work; project management and; administration.

REGIONAL TEAM REVIEW:

The reviewers agreed that Merrill Creek would be a good place in which to work, considering the amount of low gradient stream mileage in Merrill Creek and the number of coho juveniles and fresh water

mussels encountered during the recent USFWS survey. They agreed that the problems identified in the application were real; that development in the floodplain both created the difficulties and that the difficulties required a technical solution to resolve. They were also pleased to hear that the landowners in the reach were anxious to have restoration work occur in the valley floor. The reviewers appreciated that the end product of this Technical Assistance project would include three restoration designs, completed to a 65% level.

During the site visit, which covered only the roughly 6,000 feet of stream bordered by the road, the reviewers saw a number of poorly designed and undersized culverts in the reach, as well as evidence of the threat to structures caused by erosion of the streambanks. The reviewers on the tour also noted that the sediment budget in the stream appeared to be way out of balance, as seen both in the depositions above the undersized culverts and the amount of fresh erosion along the streambank.

The reviewers found the application not clearly written, causing confusion between what was a technical assistance project and what was a restoration project, and what the products of the application would be. They also noted the application did not explain why the applicant picked this reach to focus on, and reviewers thought it would be more successful to start at the top of the watershed and work down, since some of the problems seemed to have their roots in activities occurring upstream.

After discussion at the review team meeting, the reviewers found the project very expensive for a 6,000 foot stream reach and they noted that other than the poorly designed culverts, many of the other problems had roots in actions that occurred further upstream. The reviewers thought that to be successful, a watershed analysis needed to start at the top of the basin and work down, particularly if erosion and sediment were key issues, and not be conducted in one small reach in mid-basin. The reviewers noted that priority restoration work was obvious in the reach, at least for the first bunch of sites, and an expensive analysis and planning process wasn't necessary to begin developing restoration projects. They remarked this observation was born out by the fact that the SWCD had submitted a restoration project, this same round of applications, for three properties in the same reach. The reviewers also noted that the application itself seemed to provide the information necessary to identify restoration actions and sites and they were confused about the apparent contradiction. They also remarked that they would have appreciated knowing why this specific reach was selected for this type of technical study. The reviewers agreed that restoration solutions for many of the potential sites could require technical help, and remarked that they'd welcome applications for that help, but they didn't believe this application made a good case for this proposed expensive analysis and planning process.

REGIONAL TEAM RECOMMENDATION: No Fund

STAFF RECOMMENDATION TO BOARD: Do not fund

Upper Klamath Basin Business Plan

Executive Summary

Conservation need: Two culturally significant fish that are endemic to the Upper Klamath Basin and that are now listed as federally endangered, the shortnose sucker and Lost River sucker, and a functional redband rainbow trout population, now recognized as “vulnerable” by the Oregon Department of Fish and Wildlife, are the focus of this Keystone Initiative.

All three species are adfluvial, meaning that they migrate from Upper Klamath Lake to spawn in its tributaries including the Wood, Williamson, and Sprague Rivers. This complex life history presents major challenges to recovery efforts. Therefore, this Initiative takes a watershed-scale, multi-dimensional approach on improving habitat conditions for the fish. It also explicitly addresses local socio-economic factors related to water use and riparian corridors management — vital considerations because success largely depends upon effective conservation actions accomplished on private lands.

Extensive modification to the landscape for agricultural purposes has occurred throughout the Upper Klamath Lake watershed over the last century. These activities have reduced habitat available to fish and increased nutrient loading to tributaries and Upper Klamath Lake resulting in degraded water quality throughout the basin. Some portions of the Upper Klamath Lake basin do not currently support healthy populations of endangered suckers and redband trout, and monitoring data indicate that these species are at dangerously low numbers and not increasing.

Performance targets: The overall goal of this Initiative is to restore the watershed to conditions that support increased geographic and seasonal distribution and abundance of juvenile and adult Lost River sucker, shortnose sucker, and redband rainbow trout. Ultimately, the goal is to increase sucker populations to the extent that these fish can be removed from the Endangered Species List. Further, activities described in this plan aim to improve the distribution, abundance, and productivity of certain redband trout populations from the current “fail” status to a “pass” status following Oregon Department of Fish and Wildlife (ODFW) guidelines.

Accurate fish population size estimates are difficult to ascertain and compute for long-lived species with delayed breeding, particularly when those species dwell in a water body the size of Upper Klamath Lake. Individual fish of both sucker species can live for 30 to 40 years and reach sexual maturity when they are five to seven years of age. Therefore, it is important to track several population metrics, including the rate of population change, annual survival and average life span of adults, and recruitment.

For the two suckers, the goal of this Initiative is to provide conditions that facilitate consistent population growth, annual survival rates consistently above 0.8, and recruitment increased from current levels in both species for a ten-year period beginning in 2015. During the next ten years, we expect to see increased distribution and abundance of juvenile suckers in the Sprague River, and increased year-round use of the Sprague River by adult suckers over the next ten years.

The goal for the redband rainbow trout is to change the Oregon Department of Fish and Wildlife’s assessment from “fail” to “pass” in: *productivity* for four of the five failing communities; *abundance* in two of the three failing communities; and *distribution* in one of the two failing communities by the year 2018. Measurable indications of success include expanding summertime distribution and abundance of juvenile and adult redband trout using enhanced and expanded refugial areas.

It is important to note the time delay between restoration activities and measurable changes in watershed-scale population size. Therefore, this effort will also track changes in Ecological Stressors (see Logic Model, Figure 5) which can serve as surrogate indicators known to impact the species, such as, miles of stream with stable riparian areas, changes in water temperature, increased flows, and others.

Key partners: The Klamath Basin Rangeland Trust, Klamath Tribes, Klamath Watershed Partnership, The Nature Conservancy, Sustainable Northwest, US Fish & Wildlife Service, US Bureau of Reclamation, USDA Natural Resource Conservation Service, Oregon Department of Fish & Wildlife, Klamath Soil & Water Conservation District, and Ducks Unlimited, U.S. Geological Service.

Major threats include: Land use alterations, socioeconomic concerns, and altered hydrologic regimes are the key threats. Tens of thousands of acres of emergent wetlands adjacent to Upper Klamath Lake have been diked and drained and extensive reaches of tributaries were straightened and riparian vegetation removed or severely degraded due to grazing. Destabilized stream banks eroded and transformed narrow, deep channels to wide, shallow waterways choked with fine sediment, in which summertime temperatures soar. Historic and current irrigation practices divert water from streams reducing availability for fish at various times throughout the year. Irrigation diversion structures impede or prevent fish passage and access to quality habitats and entrain fish in irrigation systems. Springs that once provided spawning habitat and contributed cold, clean water to the rivers are degraded and separated from the stream channels. Diking and channelization to prevent flooding and increase irrigation efficiency contributes to erosion and altered the historic structure, function, and hydrology of the river.

It is critical to note that nearly all of the restoration that needs to be done is on private land. Land and water use choices must be aligned with conservation strategies and conservation actions must dovetail with what is primarily an agricultural economy on target lands. It is imperative that those landowners become willing partners in restoration. Significant work since 2001, much of it supported by the Foundation, has built a strong foundation but more work needs to occur in the following priority areas.

Implementation plan, key strategies, and annual budget: The two primary strategies of this Initiative, 1) habitat restoration and conservation, and 2) water use management, will directly address three major threats: 1) land use alterations; 2) socioeconomic concerns, and 3) altered hydrologic regimes. These two primary strategies are complemented by two support strategies, which include 1) strategic planning and 2) coordination and the use of targeted research and experimentation.

There has been significant effort and progress toward restoring and conserving habitat in the last decade. Federal and state natural resource agencies will continue to contribute to restoration project implementation. The strategies in this initiative will make restoration more effective and speed recovery of the fish, not only by contributing toward restoration projects, but in two other very significant ways: 1) enhancing coordination among conservation and restoration partners in planning, research, monitoring, funding and implementation, and 2) incorporating the local economic and land use needs so that landowners become willing partners in restoration. In this way the Foundation plays a critical role in this process. Ultimately, this will lead to a smart and coordinated approach to recovery of the shortnose and Lost River sucker and redband trout.

Primary Strategy 1. Habitat Restoration and Conservation

Many key habitats historically present are either not available or degraded, and restoring, and conserving these habitats is essential

Private landowners, with the support of non-governmental organizations, the Klamath Tribes, and state and federal agencies have made substantial, successful efforts to restore lost or degraded habitats. These partnerships have more recently coalesced around the potential to contribute to a basin-wide Klamath Basin Restoration Agreement (or "Klamath Settlement"), and there is now a credible opportunity to extend these habitat restoration efforts through these systems.

Primary habitat restoration activities include:

- Restore and improve ecological condition of riparian habitats, floodplain wetlands and geomorphic stream processes through fencing stream-side corridors, levee removal, channel reconstruction and changes in land management practices on 80 miles of Sprague River and 25 miles of Wood River and key tributaries.
- Restore natural hydrologic function at 20+ cold-water springs and seeps throughout system by fencing and elimination of hydrologic alternations
- Restore spawning and rearing habitat and re-establish connectivity of migratory corridors for redband trout and bull trout in 50 miles of tributary streams in Wood River system, including Fourmile and Sevenmile streams.
- Remove barriers to fish passage, and screen all unscreened diversions > than 30 cfs in Sprague River and Wood River valley systems.
- Designate approximately 80 stream miles and 20,000 acres of riparian and floodplain wetlands in conservation status through agreements with private landowners

Primary strategy 2. Water Use Management

Lost River suckers, shortnose suckers, and redband trout are all impacted by limited water availability and degraded water quality. Revising water resources management in the upper Klamath Basin is imperative to provide the water needed for agricultural, Tribal, and fisheries interests.

There are two priority activities in the Water Use Management strategy: 1) Initiative partners will begin developing the water transaction program (with actual transactions occurring after the program is in place), and 2) begin working with landowners and stakeholders to develop management agreements related to water balance and restoration. Alternate irrigation strategies and the development of large-scale restoration projects will be ongoing efforts.

Opportunities for new management strategies include developing & implementing a water allocation plan that settles outstanding resource conflicts above Upper Klamath Lake; establishing a water transaction program to allow for water right leasing and transfers; creating a hydrologic model that guides how and from where water is moved from agriculture to fishery needs; working with private landowners to modify water management and improve irrigation efficiency in ways that consider long-term maintenance and economic impacts; and determining larger scale strategies, including lake-level management and increased storage, that would result in a water balance between agriculture and fisheries.

All water management activities will be undertaken in the context of the "Klamath Settlement" talks that resulted in a Basin-scale hydrologic model.

Investment in the following two Support Strategies is in a sense an even more critical role for the Foundation. First, federal and state natural resource agencies have contributed and will continue to contribute a large portion of the funding for on-the-ground projects. To be most effective, however, agency' efforts must fit into a more comprehensive, coordinated strategy, and targeted research and monitoring is required to ensure that restoration investments actually yield the desired biological outcomes. We must also more finely tune conservation strategies to local socio-economic circumstances. We therefore propose the following two Support Strategies:

- Integrated Strategic Planning & Coordination: the Foundation will work with Basin partners to prioritize the biophysical recovery needs of the fishes, integrate socio-economic impacts on landowners, clarify roles and coordinate resources for implementation.

- **Research, Experiments and Knowledge Gaps:** The above planning process will help identify knowledge gaps critical to recovering the species. The Foundation will work with partners to design and conduct research and experiments as needed.

Significant ancillary benefits: Measurable benefits to a suite of native fish with distributions that overlap with the target species are expected, including Klamath largescale sucker, lamprey, bull trout, tui chub, blue chub, and eventually anadromous fish species when they are re-introduced as planned. Species dependent on wetlands and riparian ecosystems, including but not limited to Oregon spotted frog and migratory birds for which the Klamath Basin is renowned, will benefit. Beyond species-specific benefits, results of this initiative will restore conditions that improve ecosystem services and watershed processes that will improve water quality and ecosystem function throughout the Upper Klamath Lake drainage.

NFWF financial leadership: The Foundation is being asked to provide approximately \$9.7 million over the 10-year life of this Initiative.

August 24, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item I: Partnership Investments
September 14-15, 2010 OWEB Board Meeting**

I. Introduction

This report provides an update on the status of OWEB Partnership Investment Subcommittee discussions, describes the status of partnership activities, and identifies issues to be considered in the coming year. This report is for informational purposes only.

II. Background

Development of the Partnership Program within OWEB has been both cumulative through time by incremental decisions and through specific, guided Board discussions about investments. The primary characteristics of partnership investments are that they include specific ecological objectives, specific partner roles and responsibilities, significant matching of OWEB funds, and alternative solicitation and review processes. All partnership investments maintain OWEB fiscal controls, strong technical review criteria, and enforceable agreements. Examples of existing partnerships include the Conservation Reserve Enhancement Program, Whole Watersheds Restoration Initiative, and Special Investment Partnerships.

Because partnership investments undergo different evaluation and funding processes, the Board formed the Partnership Investment Subcommittee to provide greater focus on these investment areas. The Subcommittee meets periodically to review the status of existing partnership investments and to review potential new ideas and proposals before they are introduced to the full Board. Subcommittee members include Diane Snyder, Dan Heagerty, Ken Williamson, Jennifer Phillippi, Meta Loftsgaarden, and Alan Henning.

III. Existing Partnerships

This section describes OWEB's current partnerships and their status.

A. Special Investment Partnerships

Special Investment Partnerships (SIP) are targeted long-term, large-scale restoration commitments to address explicit ecological outcomes in specific locations. OWEB created the SIP in 2007 and the Board reserved \$12 million for SIP in the 2007-09 biennium.

Partnerships were established in the Upper Deschutes and Willamette basins. Additional SIPs were considered, but not funded. An additional \$4 million was allocated to the Deschutes Partnership for the 2009-11 biennium.

Staff reported on the Deschutes SIP at the March 2010 Board meeting. The partnership is very active and is implementing funded projects this summer. The partners met July 23 to prepare for the future and discuss progress, goals, and the expected completion of the targeted effort.

The Willamette Partnership has focused on three areas; land acquisition for restoration, joint efforts with Bonneville Power Administration (BPA) funding under the Willamette Flood Control Biological Opinion, and support for the Meyer Memorial Trust/Bonneville Environmental Foundation model watershed program. Two major land purchases have been reviewed and will be developed for completion. Three of the model watersheds have completed grant applications for implementation that will be reviewed in August. Staff are awaiting a response from the Independent Science Review Panel on the review of the OWEB grant application to BPA.

SIP efforts are designed to meet the following criteria:

- a. Significant ecological benefits - of regional significance and locally supported - can be reasonably achieved from the investment.
- b. Funding from OWEB is crucial for the effort to succeed by bringing in other funders and maintaining momentum for implementation.
- c. Strong partnerships are committed to the outcomes and have the relationships necessary to obtain the long-term ecological outcomes.
- d. The effort is embedded in the economy and is part of the local custom and culture.
- e. The outcome is significant enough to capture the imagination and raise awareness outside the local community.
- f. The background work, including planning, partnership building, and funding exploration, has been completed and the partners are capable of raising the level of implementation.

B. Oregon Conservation Reserve Enhancement Program

The longest existing partnership developed by OWEB has been with the U.S. Department of Agriculture. The Oregon Conservation Reserve Enhancement Program (CREP) was developed in 1998 through extensive discussions with stakeholders, the Farm Services Agency, and the Oregon Governor's office. The Oregon CREP program was structured to address two significant watershed issues, the loss of riparian forested vegetation and loss of stream flow from irrigation of farm land. The CREP program is funded by the Conservation Commodity Commission on an 80 percent federal and 20 percent state match basis. The program provides long term (15 year) contracts for "conservation rentals" to establish forested riparian buffers.

The Oregon CREP effort:

- a. Provides significant match to state funds;
- b. Is eligible to use state lottery "capital" funds;
- c. Addresses statewide issues affecting stream habitats and water quality;
- d. Provides an efficient delivery system for state funds; and
- e. Has allowed the state to develop incentives that fit Oregon.

C. Whole Watersheds Restoration Initiative

The Whole Watersheds Restoration Initiative came about through discussions between OWEB staff and regional staff of the U.S. Forest Service (USFS) about basin scale priorities for aquatic restoration. OWEB and USFS recognized that we had shared priorities. This led to the identification that using a common watershed assessment approach to develop priority projects within specific basins could be a tool to focus restoration efforts. This led to further conversations about funding across land ownerships and for common outcomes. The partnership was enhanced by NOAA Fisheries funding and administrative handling by Ecotrust, Inc. To date, OWEB has been a relatively minor funding partner.

The Whole Watersheds Restoration Initiative:

- a. Uses “capital” funds for projects ready for implementation;
- b. Focuses restoration efforts in a manner supported by common analysis and shared priorities;
- c. Provides a significant leverage for state funds (\$2 in federal funds for every \$1 from OWEB);
- d. Recognizes that watersheds are comprised of both public and private ownerships and implements restoration on both; and
- e. Uses a third party to facilitate administrative transactions.

D. National Coastal Wetlands Grants

Prior to the Legislative creation of OWEB, the Governor’s Watershed Enhancement Board first applied for and was granted funds from the U.S. Fish and Wildlife Service (USFWS) for the protection and restoration of coastal wetlands and associated lands. Since 1999, OWEB has been granted approximately \$8 million of federal funds that have required a 25 percent match. This federal grant program is offered annually and OWEB has been successful in working with local partners to address important coastal wetland conservation issues associated with the protection and restoration of habitats that are important to salmon, shorebirds, and a wide variety of other animals.

The National Coastal Wetlands Grant Program:

- a. Provides significant leverage to state funds;
- b. Targets important sites that are often unavailable for restoration unless purchased through a conservation acquisition; and
- c. Addresses ecological resources (estuarine wetlands) that are critical for functioning coastal watersheds.

IV. Ongoing Partnership Interest

The Subcommittee has been evaluating the opportunities and issues facing the agency in the forthcoming biennium. The concept of SIPs has caught the imagination of a number of parties who have expressed an interest in OWEB participation. This interest, along with OWEB’s budget limitations has led the Partnership Subcommittee to proceed cautiously when considering future potentials for SIPs.

Staff have been involved in conversations about four partnership opportunities around the state. One is well developed and is actively implementing projects (Sandy Partners), one is being professionally developed by a conservation funder (Wild Rivers Initiative), one is evaluating action plans for future implementation (Lower John Day), and the fourth is an exploration by

staff of the possibilities in the Klamath Basin. These partnership opportunities are significant and could provide a future opportunity for OWEB participation. A brief description of these partnership opportunities is set out below.

A. Sandy River Basin Partnership

The removal of Marmot Dam on the Sandy River literally opened up a significant opportunity for the reestablishment of salmon and steelhead to sustainable population levels. The recently completed Lower Columbia River salmon and steelhead recovery plan identifies the Sandy River Basin as a critical basin for the recovery of coho, chum and Chinook salmon and winter steelhead. This basin is key for salmon recovery in the Lower Columbia River Evolutionarily Significant Unit (ESU). With the settlement agreement for the removal of Marmot Dam and the Habitat Conservation Plan with the City of Portland, major players have made significant commitments to watershed health in the basin. The City of Portland has committed \$9 million to a habitat fund between 2010 and 2060.

A broad group of partners has been working since 1999 to identify the specific actions required for salmon and steelhead recovery. They have used modeling tools to identify limitations to production and have gone so far as to develop design concepts for nearly all the treatments necessary. They have developed the Sandy River Basin Aquatic Habitat Restoration Strategy (2007), Salmon River Restoration Plan (2009), and Salmon and Steelhead Conservation: An Assessment of Anchor Habitat on the Sandy River, Oregon (2005). This guidance has clear and specific outcomes, specific projects, and cost estimates. The local partnership has implemented significant projects to further their plans. They are poised to move forward with more than 15 partners to complete critical actions over the next decade.

B. Wild Rivers Initiative

With the completion of four successful golf courses in the Bandon area, the developer, Mike Keiser, intends to build a course from which the income will fund local conservation. He is committed to holistic conservation actions and has hired Arabella Philanthropic Investment Advisors to develop a conservation investment plan for him. Arabella has pulled together a number of local conservation partners to identify how the commitment of funds from private philanthropy can be leveraged. They have involved the South Coast Watershed Council, The Freshwater Trust, The Nature Conservancy, Port Orford Ocean Resources Team, USFWS, and local individuals to provide input to their planning. The “planning team” is meeting September 14-15, 2010, to begin to develop a concrete plan. This private-public partnership opportunity will take some time to mature, but has exciting conservation potential for the South Coast area.

C. Lower John Day Partnership

A group of partners has been meeting to identify how private landowners can help in salmon recovery in the three counties that make up the Lower John Day basin. The parties are interested in exploring and understanding what the voluntary actions are that could reduce the likelihood of regulatory action under the Endangered Species Act. The group has recently hired a coordinator (Erin Stone) and is working on a cooperative effort to identify priorities that address community needs and salmon needs. OWEB has funded planning for each of the soil and water conservation districts to develop restoration action plans that will

advance salmon recovery. The Lower John Day partners do not have access to significant matching funds at this time.

D. Klamath Basin Partnership

OWEB staff, at the direction of the Board, have begun exploring the possibility of a partnership in the Klamath Basin. Staff have held three discussions in the basin with local restoration partners, state and federal agencies, and funding entities to explore the possibilities and to define opportunities. Staff have discussed the possibility of partnering with the National Fish and Wildlife Foundation’s (NFWF) Upper Klamath Basin Keystone Initiative, which funds the recovery of suckers and red band trout. The NFWF has developed a Business Plan (Attachment A) that identifies the linkages between ecosystem processes and restoration actions. The Business Plan identifies two main strategies; habitat restoration and conservation and water use management. The plan identifies key partners, major threats, key strategies, and an annual budget. Staff have discussed the pros and cons of connecting to the NFWF Keystone Initiative with the Klamath Basin partners; they generally support the idea.

The NFWF initiative and OWEB partnership are being evaluated in context of the larger Klamath Basin Restoration Agreement (KBRA) and Klamath Hydroelectric Settlement Agreement. While the KBRA is only partially formed, there is sufficient detail developing about possible restoration priorities and projects to see areas of significant overlap between the NFWF initiative, OWEB’s interests, and the KBRA. The Klamath partners are interested in ways to maximize non-federal match with potential federal funding of the KBRA. They are also interested in an OWEB partnership as a show of commitment to the KBRA. The Oregon Governor’s office has also expressed interest in the commitment of OWEB funds to assist in the implementation of the KBRA.

At this time staff and the local partners have had constructive discussions about the basin’s possibilities and opportunities, but details around how, when, how much and what to include in a potential partnership need to be worked out. Staff will continue to work with the Klamath Basin partners on these details through the fall and will update the Board on progress at future meetings.

V. Fiscal Implications

OWEB funding for partnership efforts has occurred since the agency was created. However, specific recognition of partnerships as a budgeting category has only recently been considered by the Board. Table 1 identifies the amount and percentage of capital funds that has been applied to partnership efforts over the last decade. While specific partnerships have changed over the years, there has been a continuing effort to develop partnerships to accomplish the outcomes expected for healthy watersheds and vibrant communities.

Table 1: Partnership Investments by OWEB

Biennium	Total Capital	Partnership Funds	% of Capital
1999-2001	\$22,600,000	\$1,095,824	5%
2001-2003	\$26,200,000	\$1,320,000	5%
2003-2005	\$24,200,000	\$1,117,243	5%
2005-2007	\$42,000,000	\$3,950,457	9%
2007-2009	\$59,500,000	\$16,805,917	28%
2009-2011	\$46,000,000	\$6,462,216	14%

Only in the 2007-09 biennium was there a specific Board discussion about the balance of funding for partnerships in relation to other types of grants. With the potential change in the nature of the lottery funding dedicated to these purposes as a result of the pending ballot initiative, there will need to be a very specific budgeting discussion about the allocation of funds to different program opportunities.

Staff seek Board feedback on the implications of the interest in partnership investments and initial thoughts on how partnership investments fit into the Board's long-term investment strategy.

VI. Recommendation

This is an information item. No Board action is requested.

Attachment

A. NFWF Business Plan

August 25, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item J: Land Acquisition Administrative Rules
September 14-15, 2010 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of proposed administrative rule amendments related to the administration of OWEB's land acquisition grant program.

II. Background

The current administrative rules for land acquisition grants were adopted by the Board in September 2004 following an extensive rules development and public review process. Since that time, OWEB staff and grantees have identified a limited number of specific due diligence requirements or grant conditions that need to be revised in order to improve the acquisitions program. At the June 2010 Board meeting in Baker City, staff described the specific rules proposed for updating and requested Board authorization to begin rulemaking. The Board approved staff's request to begin rulemaking on the following Oregon Administrative Rules (OARs):

- Donation Disclosure – OAR 695-045-0120(2)(b) and (c).
- Appraisals and Environmental Site Assessments – OAR 695-045-0120(2)(d) and (f).
- Title Reports – OAR 695-045-0120(2)(e)
- Funds Recoverable for Property Misuse or Unapproved Conveyance – OAR 695-045-0140(4)(b) and 695-045-0150(4)

In preparation for the rulemaking process, staff discussed the rules proposed to be updated with OWEB's attorney at the Department of Justice, our review appraiser at the Department of State Lands (DSL), and environmental site assessment reviewers at the Department of Environmental Quality (DEQ). Staff also discussed these issues and possible solutions with a few land trust organizations that are active in our program.

III. Rulemaking Process

After the June Board meeting, staff developed a draft set of rule revisions and convened a Rules Advisory Committee (RAC) to review and provide feedback on the proposed rule language. The RAC included the following representatives of OWEB's land acquisition grantees and due diligence reviewers:

Chuck Harman, DEQ
Joe Moll, McKenzie River Trust
Brad Nye, Deschutes Land Trust
Frank O'Leary, Oregon Rangeland Trust
Michael Pope, Greenbelt Land Trust
Clara Taylor, DSL

The RAC met on June 21, 2010. Staff then edited the proposed rules based on the RAC's discussion and presented the revised rules to the Board Acquisition Subcommittee on July 1, 2010. Additional changes resulted from the Subcommittee discussion, which were presented to the RAC on July 14, 2010. Staff then made the rules available for public comment, which ran from August 1 to August 23, 2010. A public hearing was held on August 23, 2010 at the State Lands Building in Salem. OWEB received no public comment on the proposed rules.

IV. Proposed Administrative Rules

The proposed amendments are limited to the rules described in the following sections and are designed to update requirements, provide clarity, reduce redundancies, and increase certainty for OWEB and its grantees.

Attachment A shows the public comment version of the proposed rules with the proposed amendments shown in tracked changes. No additional changes are recommended as a result of the public comment period.

A. Donation Disclosure – OAR 695-045-0120(2)(b) and (c)

This rule has been revised to specify that the seller or lessor must make the required donation disclosure statements. The rule currently requires a written statement as to whether or not the seller or lessor of the land interest is contractually required by the written option, purchase or lease agreement, or other related documents, to donate or transfer funds to the buyer, applicant, or a third party who has assisted with or facilitated the proposed acquisition. The rule also requires written disclosure of the amount of a donation if the amount exceeds 15 percent of the purchase or lease price. The rule currently does not state who must make the written disclosures.

B. Appraisals and Environmental Site Assessments – OAR 695-045-0120(2)(d) and (f)

This rule has been revised to give the OWEB Director the ability to request updated appraisal and environmental site assessment materials if, in consultation with OWEB's independent and third-party reviewers, the materials submitted by applicants are determined to be significantly out of date. These materials are submitted after the Board Acquisition Subcommittee recommends a due diligence review of the proposed project. The current rules allow OWEB to make investments using out of date appraisal and environmental due diligence materials, and do not give the Board authority to ask for updates.

C. Title Reports – OAR 695-045-0120(2)(e)

This rule has been revised to clarify when applicants must submit preliminary title reports. This rule currently results in unnecessary work and expense for grantees and OWEB. This revision enables staff and grantees to close transactions without unnecessary paperwork while providing staff with the information it needs to evaluate the proposed acquisition.

D. Funds Recoverable for Property Misuse or Unapproved Conveyance – OAR 695-045-0140(4)(b) and 695-045-0150(4)

These rules have been revised to cap the funds recoverable by OWEB at an amount equal to five times the grant or OWEB's percentage of the current value of the property interest. If a property interest acquired with Board funding is used in a manner that is not consistent with the purposes specified in the Constitution or is transferred without prior Board approval, the rules currently require OWEB funds to be repaid with interest due and payable from the effective date of the grant agreement. A number of grantees are concerned that a future repayment amount could far exceed the value of the property and put the grantee and its other conservation assets at risk. The proposed amendments reduce the financial uncertainty for grantees while retaining OWEB's ability for full repayment of public funds.

V. Recommendation

Staff recommend the Board approve the proposed administrative rules contained in Attachment A of this staff report.

Attachment

- A. Proposed OWEB Land Acquisition Grant Rules

Proposed OWEB Land Acquisition Grant Rules

New language is underlined.

Deleted language is in ~~strike~~through.

695-045-0120(2)

(b) A written statement, signed by the seller or lessor of the land interest, as to whether or not the seller or lessor of the land interest is contractually required by the written option, purchase or lease agreement, or other related documents, to donate or transfer funds to the buyer, applicant, or a third party who has assisted with or facilitated the proposed acquisition.

(c) Disclosure of the amount of a contractually required donation or payment is required after an initial staff recommendation has been made on the grant application. Disclosure of the amount is required only if the donation or payment will exceed 15 percent of the purchase or lease price for the land interest. Disclosure of the amount of a contractually required donation or payment exceeding 15 percent of the purchase or lease price must be made to the Board in writing, by the seller or lessor of the land interest, prior to the Board's consideration of the proposed funding request, or the grant application will not be considered for funding by the Board.

(d) A fair market value appraisal of the property interest to be acquired, completed within ~~18~~12 months prior to submittal of the application to OWEB, in a Self-Contained Appraisal Report form. Self-Contained Appraisal Report form is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) 2010-2011 Edition as amended on January 1, 2010, and approved and adopted by the Appraisal Standards Board of the Appraisal Foundation, or the current approved and adopted USPAP edition if the standards have been updated. Summary ~~and~~ Restricted Use appraisal reports will not be accepted. Summary and Restricted Use appraisal reports are defined in the USPAP 2010-2011 Edition, or the current approved and adopted USPAP edition if the standards have been updated. The appraisal must be prepared by an independent State Certified General Appraiser ~~certified, as defined by the State of Oregon~~ OAR 161-002-0000, who is experienced in appraisals of such properties.

(A) If the Board approves funding for the grant application, the Director may require the appraisal to be updated before the transaction closing if:

(1) The independent third-party State Certified General Appraiser contracted by OWEB to review the appraisal determines that changes in market conditions, as evidenced by market sales and real market value information, require an update of the appraisal; or

(2) The valuation date of the appraisal is more than 18 months prior to the transaction closing date or the date the buyer and seller commit to transfer the property at a certain price.

(B) OWEB will inform the applicant in writing that an update is required and the reasons for the update, and if applicable, include a written determination from the independent third-party State Certified General Appraiser.

(e) A preliminary title report for the property. If exceptions are listed on the title report, documentation explaining the exceptions, and a map locating the exceptions on the property. ~~A final title report must be submitted to OWEB within 60 days of closing.~~

(f) A phase one environmental site assessment (ESA) conducted by a qualified third party and complying, at a minimum, with American Society for Testing and Materials (ASTM) standard E1527-00 ~~published in July 2000~~ published in November 2006, or the current equivalent ASTM standard if the standard has been updated. If a phase one environmental site assessment indicates that further investigation is

necessary, OWEB staff may require later submission of a phase two environmental site assessment. If a phase two environmental site assessment indicates that further investigation is necessary, OWEB staff may require submission of additional assessment information. The Board may require remediation prior to the release of grant funds. The if the Board requires remediation, the remediation must be done under Department of Environmental Quality (DEQ) oversight and to DEQ standards. If the Board approves funding for the grant application, the Director may require the final environmental site assessment report shall name OWEB as to be updated before the transaction closing if the date of the environmental site assessment is more than 18 months prior to the date of the transaction closing. The environmental site assessment update will include components determined by OWEB's independent third party beneficiary- reviewer to be necessary to ensure the soundness of OWEB's investment.

695-045-0140

(4)(b) ~~In the event that~~ If a property interest acquired with Board funding is used in a manner that is not consistent with the purposes specified in section 4(b), Article XV of the Oregon Constitution, Board funds will be repaid with and the Board will release its interest due and payable from the effective date in the property. The repayment amount will be the greater of the grant agreement at the rate provided for in ORS 82.010. following:

(A) Board funds with interest due and payable from the effective date of the conservation easement, lease, or other form of covenant or deed restriction at the rate provided for in ORS 82.010. The required repayment will not exceed five times the Board funds; or

(B) The liquidation value, which takes into account both increases and decreases in the fair market value of the property over time. The liquidation value is calculated as the fair market value of the property at the time the liquidation value is to be determined, as if unencumbered by the OWEB conservation easement, lease, or other form of deed restriction, and unencumbered by any other lien or mortgage on the property; less the value (if any) of any capital improvements made to the property after the effective date of the conservation easement, lease, or other form of deed restriction, if the improvements are otherwise permitted pursuant to the conservation easement, lease, or other form of deed restriction; multiplied by the percentage that the consideration paid by OWEB for the conservation easement, lease, or other form of deed restriction bears to the fair market value of the property on the effective date of the conservation easement, lease, or other form of deed restriction.

695-045-0150

(4) Board funds will be repaid with interest due and payable from the effective date of the grant agreement conservation easement, lease, or other form of covenant or deed restriction at the rate provided for in ORS 82.010 in the event that a property interest acquired with Board funding is transferred or assigned without the Board's prior consent. The required repayment will not exceed the greater of five times the Board funds or the liquidation value. The liquidation value is calculated as the fair market value of the property at the time the liquidation value is to be determined, as if unencumbered by the OWEB conservation easement, lease, or other form of deed restriction, and unencumbered by any other lien or mortgage on the property; less the value (if any) of any capital improvements made to the property after the effective date of the conservation easement, lease, or other form of deed restriction, if the improvements are otherwise permitted pursuant to the conservation easement, lease, or other form of deed restriction; multiplied by the percentage that the consideration paid by OWEB for the conservation easement, lease, or other form of deed restriction bears to the fair market value of the property on the effective date of the conservation easement, lease, or other form of deed restriction.

DRAFT
MEMORANDUM OF UNDERSTANDING

AMONG

**U.S. DEPARTMENT OF AGRICULTURE- NATURAL RESOURCE CONSERVATION
SERVICE AND
OREGON WATERSHED ENHANCEMENT BOARD AND
OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY**

PARTIES:

The MEMORANDUM OF UNDERSTANDING (MOU) is hereby entered into by and between the USDA-Natural Resources Conservation Service (USDA-NRCS), Oregon Watershed Enhancement Board (OWEB) and Oregon Department of Environmental Quality (DEQ).

RELATIVE TO:

The effectiveness of cumulative conservation and restoration actions in achieving natural resource outcomes through collaborative monitoring, evaluation and reporting.

AUTHORITY:

USDA-NRCS Conservation Technical Assistance Program (CTA), 16 U.S.C. 590a-590f, 590q, 7 CFR Part 610 (CFDA 10.902).

PURPOSE:

USDA-NRCS, OWEB and DEQ have the following missions that provide a basis for this partnership. The missions for each agency are:

- USDA-NRCS' mission is to help people conserve, maintain, and improve our natural resources and environment.
- OWEB's mission is to help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.
- DEQ's mission is to be a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.

As part of these missions, USDA-NRCS, OWEB and DEQ have a need for monitoring and evaluating the effectiveness of conservation and restoration activities from their collective technical and financial assistance programs. This type of cumulative effectiveness monitoring can play a key role in demonstrating the accountability, success, and value restoration investments by our agencies. This information will also allow the agencies to more strategic in with implementation programs and resources.

However, each agency alone does not have the resources to effectively achieve the goal of monitoring, evaluating and reporting their cumulative conservation effectiveness. It is therefore necessary to work together to further each agency's missions through partnership and coordination of resources. This partnership will facilitate sharing information, data and data analysis of natural resource actions and monitoring data in Oregon.

Therefore, the USDA-NRCS, OWEB, and DEQ deem it mutually advantageous to cooperate in this undertaking.

IT IS MUTUALLY AGREED AND UNDERSTOOD BY ALL PARTIES THAT:

1. USDA-NRCS, OWEB and DEQ will work together to share information and technical expertise to monitor, evaluate and report the effectiveness of cumulative conservation and restoration actions in achieving natural resource outcomes.
2. Nothing herein shall be construed as obligating the parties to expend or as involving the parties in any contract or other obligation for future payment of money in excess of funds authorized by law and administratively made available.
3. The parties will develop appropriate agreements under this MOU to further define this partnership by identifying specific geographic areas within Oregon to focus our collaborative monitoring and evaluation efforts.
4. Privacy of personal information relating to USDA-NRCS Programs will be in accordance with Section 1619 of Title II of the Food, Conservation, and Energy Act of 2008, PL 110-246; 122 Stat. 1751. The "Acknowledgement of Section 1619 Compliance" document will be signed by each agency and attached to this MOU. Any staff using NRCS data must be made aware of the protection of private personal information.
5. This memorandum can be modified or terminated at any time by mutual consent of the parties, thereto or can be terminated in whole, or in part by either party alone by giving 30 days notice in writing to the other.

PRINCIPAL CONTACTS FOR EACH AGENCY:

USDA-NRCS, Oregon
Tom Makowski
Leader for Oregon Water
Resources Planning Team

OWEB
Greg Sieglitz
Manager, Monitoring and
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Eugene Foster
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APPROVED BY:

USDA - NRCS

Name: Ron Alvarado

Signature: _____

Title: Oregon, State Conservationist

Date: _____

OWEB

By: _____

Title: _____

Date: _____

DEQ

By: _____

Title: _____

Date: _____

ATTACHMENTS:

- A. OWEB - Acknowledgement of Section 1619 Compliance
- B. DEQ - Acknowledgement of Section 1619 Compliance



Section 319

NONPOINT SOURCE PROGRAM SUCCESS STORY

Oregon

Stakeholders Collaborate to Reduce Bacteria Levels

Waterbody Improved

Bacteria from livestock and human sources caused Oregon's Wilson River to exceed water quality standards, prompting Oregon's Department of Environmental Quality (ODEQ) to add an 8.5-mile segment of the lower Wilson River to the state's 1998 Clean Water Act (CWA) section 303(d) list of impaired waters. With support from multiple organizations, landowners installed best management practices (BMPs) throughout the Wilson River watershed and beyond. Data show a statistically significant decreasing trend in bacteria levels. In fact, the river has met water quality standards since 2005. However, ODEQ still lists the river as impaired while ODEQ performs a final data review and upload to the assessment database.

Problem

The 194-square-mile Wilson River watershed is the largest of five main drainage basins feeding Tillamook Bay on Oregon's northern coast. The dominant land use in the watershed is state and federal forestlands (81 percent of the watershed's total area). Dairy pastures dominate the lowland areas of the watershed. Development pressures from the city of Tillamook are also affecting the lower portions of the watershed.

The Wilson River (Figure 1) is protected for recreational contact use (swimming and wading). Oregon's recreational use water quality standard requires that (1) the 30-day log mean not exceed 126 *Escherichia Coli* counts per 100 milliliters (mL) from a minimum of five samples, and (2) no single sample exceed 406 *E. Coli* counts per 100 mL.

In the mid-1990s, data showed that bacteria concentrations were relatively low in the upper, forested part of the watershed. However, data indicated that bacteria concentrations exceeded water quality standards throughout the year near the river's mouth. Therefore, ODEQ added an 8.5-mile segment of the river (mouth to Little North Fork Wilson River) to Oregon's 1998 CWA section 303(d) list of impaired waters.

Project Highlights

The Tillamook Bay National Estuary Program, now known as the Tillamook Estuaries Partnership (TEP), worked closely with community, state and federal entities to develop and implement the Tillamook Bay Comprehensive Conservation and Management Plan beginning in 1999. The plan recommended 63 actions that could help improve water quality, enhance aquatic habitat and mitigate flooding.



Figure 1. Oregon's Wilson River is popular site for kayakers and canoeists.

ODEQ completed a Tillamook Bay watershed total maximum daily load (TMDL) for temperature and bacteria in 2001. Also in 2001, the U.S. Department of Agriculture's Natural Resources Conservation Service and the Tillamook Soil and Water Conservation District (SWCD) published a Watershed Plan/Environmental Assessment for the Lower Tillamook Bay watershed. That document outlines agricultural facilities, practices and restoration activities needed to address TMDL-related water quality issues in the Tillamook Bay watershed.

On a smaller scale, the Tillamook County Performance Partnership and a local citizens' group called the Tillamook Bay Watershed Council (TBWC) developed a watershed assessment report specifically for the Wilson River in 2001. The report describes watershed conditions and recommends actions that address issues of water quality, fisheries and fish habitat, and watershed hydrology.

In 2001 TEP began working with Oregon State University on a three-year genetic marker study on bacteria in the watershed. The study indicates that livestock and other ruminants contributed most of the bacteria in the lower Wilson River. Using the data, watershed managers began targeting practices to reduce bacteria. In 2003 TEP began offering its Backyard Planting Program (BYPP), a cost-free, voluntary assistance program to help

private landowners remove invasive species and improve habitats for fish and wildlife. The program's coordinator works with landowners to develop site-specific riparian restoration plans. Between 2003 and 2007, the program helped plant almost 10,000 trees along more than 17 miles of streams in the Tillamook Bay watershed.

Between 2002 and 2007 stakeholders implemented numerous BMPs in the lower Wilson River watershed (Figure 2). The TBWC, TEP and Tillamook SWCD worked with landowners to complete 20 riparian enhancement projects (12 of which were BYPP projects) that included planting, fencing and invasive species removal. The projects stabilized streambanks and removed livestock from the river's riparian area. In addition, TEP acquired three sensitive wetland parcels, which will be restored in the coming years and maintained by Tillamook County as permanent wetland areas.



Figure 2. Stakeholders completed numerous restoration projects in the lower Wilson River watershed.

Two wastewater treatment systems discharge to the Wilson River, including a campground and the Tillamook County Creamery Association (TCCA). Improvements to the TCCA system helped to reduce bacteria levels released to the river.

TBWC is also partnering with the Oregon Department of Forestry, Bonneville Power Administration, and Oregon Department of Fish and Wildlife to remove vehicle access roads and primitive camping areas from more than four acres of upper Wilson River riparian areas.

Results

Stakeholders' efforts to target and reduce bacteria pollution throughout the Tillamook Bay watershed appear to be working. Data show that bacteria levels in the Wilson River have met water quality standards since 2005 (Figure 3). The lower sections of

the other four main tributaries in the Tillamook Bay watershed—Miami, Kilchis, Trask, and Tillamook rivers—still violate Oregon's water quality standards for recreational use; however, data indicate that bacteria levels in those rivers are declining steadily. Although the Wilson River now meets standards for bacteria, it remains on the impaired waters list until ODEQ does a final review of recent data and uploads it to ODEQ's assessment database.

Partners and Funding

Numerous partners have worked to restore Tillamook Bay and its watershed, including the Oregon Watershed Enhancement Board, Oregon Department of Agriculture, ODEQ, Oregon Department of Fish and Wildlife, TEP, Tillamook County, TBWC, U.S. Fish and Wildlife Service (USFWS), TCCA, Tillamook SWCD, Tillamook Native Plant Cooperative and private landowners.

Partners spent more than \$1.4 million restoring and protecting the lower Wilson River watershed. TEP spent the majority of the funds (\$1.3 million, mostly through USFWS grant programs) to purchase three sensitive wetland tracts. Partners also completed 20 riparian restoration projects at a cost of \$68,000, which included \$26,000 in CWA section 319 funds; \$13,000 in matching funds from Oregon Watershed Enhancement Board; and a variety of other federal, state, private and in-kind funds.

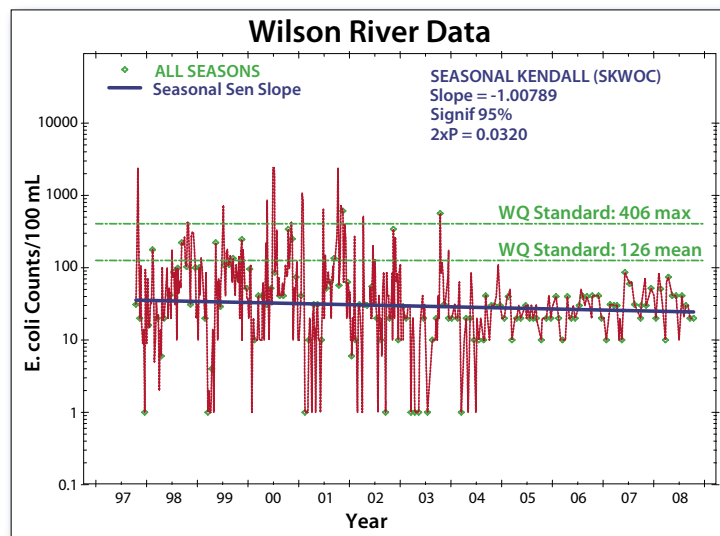


Figure 3. Bacteria levels in the Wilson River have steadily declined since 1997 and now consistently meet the two-part recreational use water quality standard, which requires (1) that the 30-day log mean not exceed 126 *E. Coli* counts per 100 mL from a minimum of five samples and (2) that no single sample exceed 406 *E. Coli* counts per 100 mL.



U.S. Environmental Protection Agency
Office of Water
Washington, DC

EPA 841-F-09-001TT
December 2009

For additional information contact:

York Johnson
Oregon Department of Environmental Quality
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August 30, 2010

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: **Greg Sieglitz**, Monitoring and Reporting Program Manager
Kyle Abraham, Effectiveness Monitoring Coordinator

SUBJECT: **Agenda Item K: Effectiveness Monitoring Program Update
September 14-15, 2010 OWEB Board Meeting**

I. Introduction

This report provides an update on a three-way partnership developing between OWEB, the Natural Resources Conservation Service (NRCS) and the Oregon Department of Environmental Quality (DEQ) that is designed to conduct programmatic effectiveness evaluation in support of Goals 1 and 3 in the OWEB Strategic Plan. The report also includes a brief update on additional major components of the effectiveness monitoring program.

II. Effectiveness Monitoring Partnership

A. Background

In 2009, staff from the Oregon Office of the NRCS and OWEB began meeting to explore whether shared goals associated with the evaluation of the grant programs designed to improve water quality and watershed functions and process could be established. It was quickly determined that a number of commonalities existed between the two agencies related to grant funding opportunities and purposes, needs to conduct programmatic evaluations, and responsibilities to report to the public, grantors, and policy makers about accomplishments and challenges. Early in the discussion, the agencies determined that it was important to incorporate DEQ into the partnership to capture the Total Maximum Daily Load and Section 319 programs in our efforts. DEQ staff also provide significant modeling and evaluation capability along with data and water quality expertise. Staff from all three agencies have been meeting regularly to develop the program scope, objectives, methods, site selection, and reporting methods.

B. Project Development

To date, the partnership has developed the project to include the general goals of:

- Building an understanding of the extent of the investment in watershed improvement actions through the agencies' collective grant programs;
- Developing a better understanding of how local organizations are utilizing the agencies respective grant programs, in concert;

- Conducting an evaluation of the impacts of grant investments on water quality and watershed health;
- Producing a description of gaps in the treatment of priority limiting factors and watersheds; and
- Designing tools and methods of reporting accomplishments to the public.

Through the use of GIS analyses and data mining, the team developed a long list of sites that included watershed basins where: OWEB grants, the NRCS investments [Agriculture Water Enhancement Program (AWEP), Cooperative Conservation Partnership Initiative (CCPI) and Conservation Technical Assistance (CTA) projects], and DEQ funding through the 319 program and a Total Maximum Daily Load (TMDL) all occur.

After this initial analysis and further refinement of the site selection criteria, two watersheds emerged as “pilot watersheds” which will serve to develop the framework for this partnership evaluation. The plan includes extending this collaborative effort into new watersheds in the future. The Tillamook Bay and Upper Deschutes watersheds have been selected due in large part to the term and extent of past investment of grant program dollars, the magnitude of projects undertaken, the availability of current data sets and models for these watersheds, and the potential to detect trends of change. The Tillamook Bay evaluation is likely to focus mainly on reductions of in-stream bacteria, and the Upper Deschutes will focus on a combination of increasing streamflow and decreasing stream temperatures.

C. Next Steps and Preliminary Results

The partnership is in the final stages of developing a Memorandum of Understanding (Attachment A) which will establish the formal relationship between the parties, outline the project goals and timeline, and allow for data sharing between the project partners.

The early analyses have already proven significant with a demonstrable reduction in bacteria in the Wilson River since 2002 (Attachment B) and an increase in water quality conditions as demonstrated by macro-invertebrates populations in the Upper Deschutes basin.

The team will continue to work through the calendar year to building a more complete understanding of the significance of funding watershed restoration actions in the pilot basins and the respective impacts. Staff will also outline the future areas of interest around the state for future analysis and reporting. OWEB staff will provide project updates to the Board at future meetings.

III. Other Effectiveness Monitoring Initiatives

The Board’s Strategic Plan established some priorities that included actions associated with effectiveness monitoring. While a significant portion of the funding to launch these initiatives is being held in reserve in preparation for a potential budgetary shortfall during the final quarter of this biennium, staff continue to focus on time-sensitive priorities associated with gleaning and reporting data, information, and lessons learned from effectiveness monitoring. The following contains a very brief summary of those initiatives:

A. Coordination with the Network of Oregon Watershed Councils

Staff continue to work with the Network on capturing and developing a framework for restoration projects and programs with the goal of reporting near-term outcomes. Funding

has been secured from the Spirit Mountain Community Fund and information about accomplishments from watershed councils is rolling in through a recent survey.

B. Enhancement of the OWEB web sites to deliver outcomes-based information

Staff and contractors have drafted and launched several new web formats and tools including the Oregon Watershed Restoration Inventory mapping tool enhancements through OSU's Oregon Explorer program, the Fish Passage Map Tool with the University of Oregon's Infographics Lab, information pertaining to economic and job stimulus resulting from OWEB grants with the University of Oregon's Ecosystem Workforce Program, and At-A-Glance web pages featuring results of recent effectiveness monitoring studies.

C. Improvements to OWEB databases and other information management systems

Staff, temporary employees, and interns have made significant progress in improving the databases and data quality, Geographic Information Systems (GIS), and information infrastructure that OWEB manages.

D. Other ongoing programmatic and project type effectiveness monitoring that OWEB supports includes:

1. Livestock exclusion riparian work (fourth season of monitoring underway);
2. Small dam removal (third year of monitoring underway-recently including Gold Ray Dam on the Rogue River);
3. Irrigation efficiency improvements (four seasons of monitoring Malheur basin/three seasons Deschutes);
4. Intensively Monitored Watersheds (mid-way through third year of monitoring John Day); and
5. Wetland restoration (concluding the second year of monitoring).

IV. Recommendation

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

Attachments

- A. Draft Memorandum of Agreement: OWEB, NRCS, DEQ
- B. EPA's Non Point Source Success Story-Wilson River

APPROVED BY THE BOARD JANUARY 19, 2011
Oregon Watershed Enhancement Board
September 14, 2010
OWEB Board Meeting
Garibaldi, Oregon

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Alan Henning
Debbie Hollen
John Jackson
Jim Johnson
Kim Kratz
Meta Loftsgaarden
Patricia Smith
Diane Snyder
Dan Thorndike
Karl Wenner
Ken Williamson

OWEB Staff Present

Kyle Abraham
Bonnie Ashford
Lauri Anan
Ken Bierly
Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Sue Greer
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz

Others Present

Wayne Hoffman
Jerry Nicolescu
Steve Wise
Tom O'Brien
Todd Miller
Liz Vollmer-Buhl
Jamison Cavallaro
Chip O'Brien
Paul Ketcham
Deborah Lev
Shannah Anderson
Don Golberg
Pam Reber
Lisa Seales
Joe Rohleder

Members Not Present

Skip Klarquist
Jennifer Phillippi
Eric Quaempts

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 June 2-3, 2010, Board meeting in Baker City were unanimously approved.

C. Executive Director Update

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

1. Biennial Conference (Carolyn Devine)

OWEB's 11th Biennial Conference will be held November 15-17, 2010, at the Pendleton Convention Center. A visit and reception at the Tamástslíkt Cultural Institute, the interpretive center for the Cayuse, Umatilla, and Walla Walla Tribes, will be followed by a traditional Longhouse dinner for conference participants. Board member Eric Quaempts will share with attendees how the First Foods approach directs the natural resources restoration and monitoring program of the Confederated Tribes of the Umatilla Indian Reservation. Steve Amen, OPB Oregon Field Guide, will be the keynote speaker. Conference tracks have

been selected and speakers and presentations are being finalized. Board members were encouraged to attend the conference and will be contacted soon regarding how they can assist in the conference.

2. Oregon Plan Biennial Report

Due to the state budget situation and likely shortfall of dedicated Lottery funds to OWEB, staff have decided to produce only a four-page Oregon Plan Biennial Report Executive Summary. The Executive Summary will still contain the Board's observations and recommendations. A discussion draft will be distributed to Board members by October 29; Board review and input is due by November 12; a final draft will be available for Board co-chair review before early December.

The online version will include the Executive Summary, agency actions, voluntary restoration projects, and several links to more detailed, technical information.

3. Fiscal and Performance Audits

This year, the Secretary of State's Audits Division has conducted three separate audits on OWEB activities (Lottery Funds Fiscal Audit, Performance Audit, and Environmental Management Fund Audit). The Lottery Funds Fiscal Audit, required by the Oregon Constitution, is performed on all the agencies receiving and expending dedicated Parks and Natural Resources Lottery Funds. In July 2010, the Secretary of State released its final audit report and found that OWEB expended its Lottery Funds for the 2007-2009 biennium in compliance with laws and regulations. The full audit report can be found on the Secretary of State's web site. The Performance Audit is expected to be completed by the end of the calendar year, and the expected date of completion of the Environmental Management Fund Audit is October 31, 2010.

4. October 2010 Grant Cycle Update

The September state revenue forecast showed Lottery earnings down slightly, and unless there is a significant increase in Lottery revenues, capital and non-capital funds will fall short of the projected revenues reflected in OWEB's current biennial budget.

There is also uncertainty about the amount of federal funds OWEB will have to fund non-capital grants for the October cycle. NOAA awarded OWEB \$15 million in PCSRF funds for FFY 2010. However, the legislature needs to approve additional spending authority in order for OWEB to award grants using the \$15 million. Legislative approval could be sought from the legislative Emergency Board in December 2010, or the legislative Ways and Means Committee early next year. Director Byler is discussing the issue with legislative staff and legislators.

Staff and Board members discussed capital and non-capital funding available for the current April grant cycle as well as the October cycle. Staff have communicated with applicants our desire to fund the October 2010 grant cycle as fully as possible at the March 2011 Board meeting, however they were also informed of the uncertainties around available funding. If additional expenditure authority is not obtained, or if other remaining unallocated non-capital funds are "swept" away to build other agency budgets for the 2011-2013 biennium, it is possible that the March 2011 Board awards may be delayed until funding is available. Staff

will keep the Board and OWEB's grantees and applicants informed of any changes or new information that may affect the Board's ability to make future awards.

5. Watershed Council Support Principles

Staff are working with the Board Council Support Subcommittee to discuss potential changes to the council support funding process for the 2013 grant cycle. Discussions include potential ways to streamline the process, performance expectations of funding, adequacy of funding, and measuring and reporting on outcomes of funding. Staff are also planning a "Super Subcommittee" meeting to further discuss funding alternatives and policy issues. Staff will provide follow-up to the Listening Sessions at the Biennial Conference with a 90-minute session which will be available by videoconference for those who are unable to attend the Conference sessions.

6. Oregon "No Child Left Inside" Update

Carolyn Devine, Communications Coordinator, briefed Board members on the federal "No Child Left Inside Act" of 2009. If passed by the federal government, this bill would allow states to receive grants to implement environmental education programs. In June 2009, the legislature passed HB 2544, the "No Oregon Child Left Inside Act" which created a task force to develop an Oregon Environmental Literacy Plan. This relates to Goal 3, Strategy 2, Action 3 in OWEB's 2010 Strategic Plan.

D. OWEB Budget

Tom Byler, Executive Director, provided an update on OWEB's 2009-2011 budget, the status of 2011-2013 budget preparations, and other related considerations for the 2011-2013 biennium.

Lottery Funds

Due to the economic downturn and decreased Lottery Fund revenues, OWEB's management team has been working on a rebalance of the 2009-2011 agency budget. The revenue shortfall will be reflected in the last distribution of funding for the biennium which occurs in May 2011. All agencies that receive Parks and Natural Resources Lottery Funds will receive a proportionate reduction reflected in their final distribution. To manage resources to meet this event, OWEB management has withheld the expenditure of Board authorized expenditures in order to have sufficient resources to balance the agency budget if a shortfall occurs at the end of the biennium. The rebalance plan has set aside \$800,000 in non-capital funds and \$4.5 million in capital funds.

Under the September revenue forecast, the current Lottery Fund shortfall for OWEB is slightly less than predicted in March. If revenues stabilize or improve, the management team will adjust the rebalance reserve to ensure the projected shortfall is met. OWEB will continue to keep the Budget Subcommittee and the Board informed as options are considered.

Federal Funds

OWEB was awarded \$15 million in PCSRF for Federal Fiscal Year 2010. In order to spend the funds, OWEB needs to receive expenditure limitation from the legislature. OWEB is working with legislative leadership and hopes to receive legislative approval for additional federal funds limitation at the December 2010 meeting of the Emergency Board. If additional expenditure authority is not obtained, or if other remaining unallocated non-capital

funds are “swept” away to build other agency budgets for the 2011-2013 biennium, it is possible that the March 2011 Board awards may be delayed until funding is available.

Budget Development Process

OWEB’s Agency Request Budget was submitted the end of August for consideration and possible inclusion in the Governor’s Recommended Budget for the 2011-2013 biennium. The Governor’s Recommended Budget is released in late 2010. Following the election, a new Governor’s Recommended Budget will likely be released in early 2011. The Legislatively Adopted Budget is finalized in June 2011.

Future Scenarios

There is considerable uncertainty facing OWEB as we approach the next biennium.

- The overall state budget is facing a deficit of over \$2.5 billion;
- Ballot Measure 76 goes to the voters in November;
- Oregonians will elect Oregon’s new Governor in November; he takes office in January 2011.

E. Public Comment – Pending Grant Applications

- Todd Miller, City of Springfield, supported Technical Assistance Application 211-3022 which fell one below the funding line.
- Jamison Cavallaro and Chip O’Brien, Pudding River WSC, supported Technical Assistance Application 211-3029 which fell below the funding line.
- Paul Ketcham, Shannah Anderson, and Deb Lev, City of Portland, and Don Goldberg, TPL, supported Acquisition Application 211-103 which was not recommended for funding; however OWEB staff have offered to assist the applicant to leverage other funding by setting up a meeting with State Parks.

F. Board Consideration of Pending Grant Applications

Lauri Aunan, Grant Program Manager, provided Board members an overview of the April 19, 2010, grant cycle. One hundred and fifty-six grant applications requesting more than \$25 million were received.

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

Technical Assistance	36	\$ 1,338,846
Acquisition	10	\$10,307,252
Restoration	<u>110</u>	<u>\$13,826,445</u>
TOTAL	156	\$25,472,543

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

Acquisition Applications

Nine new land acquisition applications were received during the April 19, 2010, grant cycle. One of the nine is not recommended for funding. Five applications were withdrawn by the applicants. One application is recommended for deferral, one is recommended for further consideration in the Willamette SIP, and one required submission of an updated application in order to be considered further.

Ken Bierly, Deputy Director, discussed the growth of the acquisition program. Between 2000 and 2008 an average of three acquisition applications were received per cycle. Between April 2008 and April 2010, 28 acquisition applications were received, with ten of those received in the April 2010 cycle requesting over \$10 million. In addition, there are four previously deferred applications in the queue totaling \$4 million.

The growth of the acquisitions program has resulted in workload beyond current staff resources. In addition, acquisition projects are complex and time-consuming, taking approximately 150-200 staff hours from receipt of a new application to transaction closing. It is essential that each project be thoroughly vetted and the transaction is structure appropriately to protect conservation values in perpetuity.

Due to the combination of increased demand, limited staff capacity, and funding shortfall, staff and the Acquisitions Subcommittee focused the program on only the most competitive grant applications, resulting in proceeding with due diligence review for a limited number of applications. OWEB has asked for additional positions for the acquisitions program in its 2011-2013 Agency Request Budget.

Regional Program Representatives highlighted several projects that were received in the current grant cycle and are recommended for funding.

REGION 1, NORTH COAST

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

Miriam Hulst provided the status of the five acquisition applications received from Region 1 this grant cycle, and two previously deferred applications.

Recommended for Deferral to Proceed with Due Diligence

Application 211-102, Waite Ranch Land Acquisition

Updated Application Required

Application 211-108, Tillamook Bay Wetlands Protection and Restoration

Withdrawn by Applicant

Application 211-104, Doohar Wetlands Acquisition on Lower Kilchis River
Application 211-107, Beaver Creek Acquisition
Application 211-109, Sandlake Estuary Wetlands Acquisition

Recommended for Funding

Application 209-101, Necanicum Forest, \$145,000

Application 210-106, Nehalem Bay Wetlands Conservation Project Phase II, \$275,000

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

REGION 2, SOUTHWEST OREGON

Lauri Aunan, Grant Program Manager

Mark Grenbemer, Regional Program Representative

There were no acquisition applications submitted for Region 2.

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

REGION 3, WILLAMETTE BASIN

Lauri Aunan, Grant Program Manager

Wendy Hudson Regional Program Representative

Miriam Hulst, Acquisitions Specialist

Miriam Hulst provided the status of the three acquisition applications received from Region 3 this grant cycle.

Not Recommended for Funding

Application 211-103, River View Cemetery

Withdrawn by Applicant

Application 211-101, South Eugene Hills Acquisition Project

Transferred to Willamette SIP

Application 208-3090-8358, Willamette Confluence Acquisition Project

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

Ken Bierly discussed the Wildish Property which is proposed to be funded with Willamette SIP funds from OWEB and significant funding from BPA wildlife mitigation funds.

Tom Byler discussed the River View Cemetery project, which is not recommended for funding; however staff are working with the applicant on other funding alternatives.

REGION 4, CENTRAL OREGON

Lauri Aunan, Grant Program Manager

Rick Craiger, Regional Program Representative

Lauri Aunan provided an overview of the Region 4 funding recommendations as presented in the staff report.

REGION 5, EASTERN OREGON

Lauri Aunan, Grant Program Manager
Karen Leiendecker, Regional Program Representative
Miriam Hulst, Acquisitions Specialist

Miriam Hulst noted that Application 211-106, Lostine-Wallowa Rivers Confluence Protection Project, was withdrawn by the applicant.

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

REGION 6, MID COLUMBIA

Lauri Aunan, Grant Program Manager
Sue Greer, Regional Program Representative

There were no acquisition applications submitted from Region 6.

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

At the conclusion of the regional presentations, Board members discussed the staff funding recommendations and whether or not to fund applications that were discussed during the Public Comment period.

Board members unanimously approved funding for staff recommendations shown in the shaded area of the revised Attachment A.

G. Ecosystem Services Update

Renee Davis-Born, Ecosystems Services Coordinator, provided an update on the SB 513 Working Group and the status of the Willamette Pilot Project proposal. She noted that information about other ecosystem services related items was included in the staff report.

SB 513 Ecosystem Services Working Group

The Working Group has met eight times since December 2009, and is in the process of refining its draft report and recommendations. Although not yet finalized, the high-priority policy options and action items included in the current draft of the report include:

1. Facilitate coordinated, proactive investment to achieve shared conservation goals.
2. Identify statutory impediments to state agencies' ability to employ ecosystem market approaches and tools and propose solutions to these limitations.
3. Encourage partnerships to develop standardized tools and processes for approving ecosystem credits and payments.
4. Provide authority and direction to state agencies to purchase credits and invest in ecological outcomes.
5. Allow state agencies to sell credits under limited circumstances.

6. Encourage state and local governments to cost and compare natural infrastructure as a preferred alternative to hard engineering for new development projects.
7. Encourage state and local governments to consider and, if possible, quantify impacts to ecosystem services at the watershed scale when making land use and management decisions.
8. Provide a testing ground and stimulate demand for payments for ecosystem services through pilot projects, proofs of concept, and scoping efforts.
9. Further facilitate development of ecosystem services market approaches by 1) guiding implementation of the recommendations of this report and subsequent legislative action; 2) deliberating and providing guidance on unresolved and emerging policy issues for ecosystem services markets; and 3) ensuring connection with processes related to the development of standards, protocols, and accounting systems for the marketplace.

The Working Group will finalize the SB 513 report and recommendations at its October meeting and then forward to the Oregon Sustainability Board for review and approval in November 2010. The final report is due to the legislature by January 1, 2011.

Willamette Pilot Project

OWEB had an opportunity to partner with the Willamette Partnership and The Freshwater Trust on a proposal to the 2010 USDA Conservation Innovation Grant program of the NRCS. The proposed project requested funding to implement a pilot market for ecosystem services in the Willamette Basin by encouraging private investors to fund restoration work that results in ecosystem services credits that could be sold in marketplace. NRCS declined the proposal. Staff are working with the Willamette Partnership and The Freshwater Trust to evaluate alternatives for pursuing the project.

H. Local Partner Presentations

Tom Shafer, North Coast Program Representative, introduced the following representatives of local watershed and conservation organizations who provided presentations to the Board.

- Melyssa Graeper, Necanicum Watershed Council
- Jennifer Holderman, Lower Nehalem Watershed Council
- Denise Lofman, Tillamook Watershed Council
- Olivia Mercado, Lower Nehalem Community Trust
- Liz Vollmer-Buhl, Siuslaw Watershed Council

At the conclusion of the day's meeting, OWEB Board members and staff attended an informal reception honoring area councils, districts, and local officials.

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Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Sue Greer
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz

Others Present

Andy Heider
Scott Peets
Kip Wood
Mark Stone
Bruce Taylor
Mike Merrill
Tom Makowski
Steve Wise
Lisa Seales
Jerry Nicolescu
Nan Evans
Russ Hoeflich
Brenda Bateman

Members Not Present

Miles Brown
Skip Klarquist
Jennifer Phillippi
Eric Quaempts

I. OWEB Partnerships

Ken Bierly, Deputy Director, updated Board members on the status of OWEB Partnership Investment Subcommittee discussions including the status of partnership activities and issues to be considered in the coming year. He also reported that the Subcommittee (Diane Snyder, Dan Heagerty, Ken Williamson, Jennifer Phillippi, Meta Loftsgaarden, and Alan Henning) has been evaluating the opportunities and issues facing the agency in the forthcoming biennium. Due to the state's budget limitations, the Subcommittee is proceeding cautiously when considering future potentials for SIPs.

He briefed Board members on the following existing partnerships:

- Special Investment Partnerships (Deschutes SIP and Willamette SIP)
- Oregon Conservation Reserve Enhancement Program
- Whole Watersheds Restoration Initiative
- National Coastal Wetlands Grants

Staff have been involved in conversations about four opportunities for future partnerships around the state:

- Sandy River Basin Partnership is well-developed and is actively implementing projects.
- Wild Rivers Initiative is being professionally developed by a conservation funder.
- Lower John Day Partnership is developing action plans for future implementation.
- Klamath Basin Partnership is an exploration by staff of the possibilities in the Klamath Basin to coordinate with the Klamath Basin Restoration Agreement.

Board member Karl Wenner reported that Governor Kulongoski supports Oregon's contribution to the Klamath Basin. Board members also requested an accounting of OWEB's SIPs including a list of projects, cost-share, and funding to date.

J. Land Acquisitions Administrative Rules

Melissa Leoni, OWEB Senior Policy Coordinator, briefly described the proposed administrative rule amendments related to the administration of OWEB's land acquisition grant program.

The rules proposed for adoption are:

- Donation Disclosure – OAR 695-045-0120(2)(b) and (c).
- Appraisals and Environmental Site Assessments – OAR 695-045-0120(2)(d) and (f).
- Title Reports – OAR 695-045-0120(2)(e)
- Funds Recoverable for Property Misuse or Unapproved Conveyance – OAR 695-045-0140(4)(b) and 695-045-0150(4)

Staff convened a rules advisory committee of land acquisition grantees and due diligence reviewers, who worked with staff the Board Acquisition Subcommittee on the proposed rule changes. The proposed rules were out for public comment from August 1 to 23, 2010, and a public hearing was held on August 23. No public comments were received.

Board members unanimously approved the proposed administrative rules contained in Attachment A of the staff report.

K. OWEB Effectiveness Monitoring Program

Greg Sieglitz, Monitoring and Reporting Program Manager, and Kyle Abraham, Effectiveness Monitoring Coordinator, reported on accomplishments to date including a three-way partnership between OWEB, NRCS, and DEQ that is designed to conduct programmatic effectiveness evaluation in support of Goals 1 and 3 in the OWEB Strategic Plan. Tom Makowski and Mike Merrill, NRCS, and York Johnson, DEQ/Tillamook Estuaries Partnership, briefed Board members on the partnership, which is in the final stages of developing a MOU which will establish the formal relationship between the parties, outline the project goals and timeline, and allow for data sharing between the project partners.

Greg Sieglitz and Kyle Abraham also briefed Board members on other effectiveness monitoring initiatives:

- Coordination with the Network of Oregon Watershed Councils;
- Enhancement of the OWEB web sites to deliver outcomes-based information;
- Improvements to OWEB databases and other information management systems;

- Other ongoing programmatic and project type effectiveness monitoring that OWEB supports including livestock exclusion riparian work, small dam removal, irrigation efficiency improvements, intensively monitored watersheds, and wetland restoration.

L. Salmon and Steelhead Recovery Plans

Sue Knapp, Policy Advisor, with the Governor’s Natural Resources Office provided Board members with an informational briefing on the Mid-Columbia Steelhead Conservation and Recovery Plan, and the Willamette and Lower Columbia recovery plans.

M. Integrated Water Resources Strategy

Brenda Bateman, Senior Policy Coordinator, from the Oregon Water Resources Department, updated Board members on the Integrated Water Resources Strategy and led a discussion with the Board about how the strategy will be a roadmap for the state to follow as it prepares to meet Oregon’s water needs now and in the future. Board members and Ms. Bateman discussed the relationship between the strategy and existing natural resource programs and policies, and the opportunity for flexibility to achieve common objectives.

N. South Fork Yachats Large Wood Presentation

Kip Woods and Mark Stone, from the Lincoln SWCD, and Wayne Hoffman, from the MidCoast Watersheds Council, gave a presentation about watershed process and function as viewed through a large wood placement project implemented in 2004 on the Yachats River.

O. Public Comment – General

- Bruce Taylor, Defenders of Wildlife, commented on proposed implementation of Ballot Measure 76.
- Jerry Nicolescu, new Executive Director of the Oregon Association of Conservation Districts introduced himself to Board members.
- Tom O’Brien, Network of Oregon Watershed Councils, and Nan Evans, The Nature Conservancy, provided an update on Ballot Measure 76 efforts.
- Russ Hoeflich, The Nature Conservancy, provided comments on OWEB’s acquisition program, the federal Land and Water Conservation Fund, Ballot Measure 76, etc. Mr. Hoeflich expressed an interest in increased level of funding for land acquisition projects.
- Steve Wise, Sandy River Basin Watershed Council, briefed Board members on partnerships in the basin.

P. Other Business

Board Co-Chair Election

Board Co-Chair Diane Snyder is leaving the Board before her term as co-chair ends in January 2012. Board members continue to support having Co-Chairs of the Board. Co-Chair Dan Heagerty accepted nominations and Dan Thorndike was unanimously elected to serve the remainder of Diane Snyder’s term.

Having no further business, the meeting was adjourned.