

# MINUTES

McKenzie Watershed Council  
Eugene Water & Electric Board Training Room—500 East 4<sup>th</sup> Avenue  
Eugene, Oregon

December 8, 2005  
5:30 p.m.

**PRESENT:** Diane Albino (Mohawk Watershed Partnership), Kat Beal (for Erik Petersen, Army Corps of Engineers), Bob Bumstead (McKenzie Flyfishers), Kurt Cox (McKenzie School District), Pat Gripp (McKenzie Residents Association), Gene Highfill (McKenzie Guides), Michael Kerrick (At-Large stakeholder), Michael Morales (for John Lilly, Department of State Lands), Karl Morgenstern (for Ralph Perkins, East Lane Soil & Water Conservation District), Douglas Moser (At-Large stakeholder), Alan Olander (Hynix Semiconductor), Charlene Phipps (McKenzie Residents Association), Chris Pryor (City of Eugene), John Simpson (Eugene Water & Electric Board), Faye Stewart (Lane Board of County Commissioners), Jeff Ziller (Oregon Department of Fish and Wildlife), Council Partners; Megan Finnessy, Juan Welsh, Kate Ferschweiler, John Runyon, McKenzie Watershed Council staff; Jared Weybright, Mohawk Watershed Partnership Coordinator; Chuck Davis, Springfield Utility Board; George Grier, Galen Phipps, guests.

**ABSENT:** Mary Allison (United States Forest Service), Mike McDowell (Weyerhaeuser), Joe Pishioneri (City of Springfield), Council Partners.

## 1. REVIEW AGENDA AND INTRODUCTIONS

In the absence of Mr. Perkins, Ms. Rice facilitated the meeting. She called the meeting of the McKenzie Watershed Council (MWC) to order. She noted that she had to leave at the break and Ms. Finnessy would facilitate the remainder of the meeting. She noted her support for the Council's decisions related to the Business Plan, item 5.

Ms. Rice reviewed the agenda. She noted that Mr. Ziller would update the Council about a recent Confluence Committee meeting during his presentation of item 4.

Those present introduced themselves.

## 2. DISCUSSION AND APPROVAL OF OCTOBER AND NOVEMBER 2005 MINUTES

Ms. Rice referred to paragraph 2 on page 3 of the October 22 meeting minutes, and asked that the reference to the confluence of the Mohawk River be changed to the confluence of McGowan Creek and the Mohawk River.

Ms. Ferschweiler noted that she attended the October 22 meeting.

Ms. Rice determined that Council Partners approved the minutes of October 22, 2005, as amended, showing Consensus Level 3.

Mr. Kerrick noted he was erroneously listed as being absent at the November meeting.

Ms. Rice determined that Council Partners approved the minutes of the November 8 meeting as amended, showing Consensus Level 3.

### **3. SHORT ANNOUNCEMENTS/PUBLIC COMMENT**

Ms. Finnessy said she recently attended a meeting sponsored by the Eugene Water & Electric Board (EWEB) that included participation by the representatives of the Friends of the Leaburg Lake Association and Lane County Sheriff's Office. She noted that EWEB had agreed to sponsor the meeting at the request of the Friends of Leaburg Lake Association, who had expressed concern about boats traveling at excessive speeds on the lake. As a result of the meeting, the Sheriff's Office would put some larger signs up and potentially some buoys.

Ms. Finnessy provided an update on the Coburg wastewater treatment proposal, noting that since the Council heard about the proposal, the Lane Board of County Commissioners agreed to support the proposal. Springfield staff made a presentation to the Springfield City Council indicating that the total cost for Coburg to hook up the MWMC would be about \$23 million to \$29 million. A self-contained system would cost about \$19 million, so the Lane Council of Governments (LCOG) staff recommended Coburg move forward with a self-contained system. LCOG staff also recommended the community keep the MWMC option open. Responding to a question from Mr. Bumstead, Ms. Finnessy said the environmental analysis was being redone as a result of the Council's concerns, and the Council would hear more about that in February.

Mr. Ziller asked about the difference between the annualized cost of a connection to the MWMC and a self-contained system. Ms. Finnessy indicated MWMC staff had not provided that information.

Mr. Stewart said the base \$7 to \$12 million cost was based on what Springfield and Eugene believed that Coburg should connect to the system as a share of buying into the system. He had worked to convince the elected officials of those cities that Coburg should be treated as a user like any other large user, but there was great resistance to doing so. He believed that the connection was the most expedient and least expensive option. He thought it possible that 20 years could go by without Coburg producing its own facility. Mr. Stewart thought the connection was important to citizens of the region for health and safety and for the sake of the environment.

Mr. Pryor characterized the estimated cost figures as "loose" and said that many Councilors had speculated that the costs would be very large and the money had to come from somewhere. Depending on who estimated the costs, the numbers changed and he anticipated they would continue to change. He thought the community should be looking at the best long-term solution for the problem as opposed to the cost.

Mr. Bumstead feared that if Coburg began to invest in its own system, the opportunity to connect to the MWMC, which he considered the best solution, would be lost.

Mr. Stewart said elected officials should recognize there was a need and do what should be done to fix the problem. In response to a question from Mr. Bumstead about what the Council could do, Mr. Stewart noted that the Board of County Commissioners was unanimously in support of the proposal, but letters to the Councils of Springfield and Eugene might help.

Mr. Stewart said he attended the Metropolitan Policy Committee (MPC) meeting earlier in the day at which the Mayor Kitty Piercy's proposal for a collaborative process to find alternatives to the West Eugene Parkway (WEP) was discussed.

Mr. Olander reported that Hynix recently planted 100 rare Willamette daisies on its wetlands.

Mr. Ziller said he attended a meeting of the Oregon Chub Working Group, which included discussion for down-listing the chub from “endangered” to “threatened” due to population stability and population growth in certain areas. He said that it was premature to discuss down-listing as there were problems with the existing habitat, but the fact the concept was even discussed was good news.

Mr. Morgenstern said that the EWEB submitted a grant proposal to the Governor’s Fund to support a pick-up to remove unwanted agricultural chemicals from the watershed. A second grant proposal was submitted to the United States Department of Agriculture and if approved would help establish a website based tool to encourage local food protection to serve local markets while also protecting the environment.

Mr. Cox said the McKenzie High School received a \$1,500 grant from the organization Forests Forever to fund a forest field day for students at H.J. Andrews Experimental Forest.

Mr. Moll said that the McKenzie River Trust was currently fully staffed and now had a full-time stewardship coordinator, Jessica Neff. She was helping the Trust to establish a stewardship system. He said it was great to be fully staffed and the Trust was still looking to move its office.

Mr. Moll said that a planting would occur on Green Island on January 21. There were 4,000 one-gallon trees to be planted. Many people have already committed to volunteer to participate in the planting.

Mr. Pryor said that Eugene was finalizing its Goal 5 inventory process after a very long, drawn-out and controversial process.

Mr. Pryor said the discussions about the West Eugene Parkway had the inadvertent effect of holding up several other projects, including the Millrace habitat improvement project.

Mr. Pryor reported that the Willamalane Parks and Recreation District was in the process of finalizing its Rough Park Master Plan, which affected Cedar Creek, which ran through the park. The District met with neighbors to discuss the plan, and he characterized the meeting as quite contentious as people had different visions of the park’s future. He suggested the Council might be helpful in the development of the master plan and invited comments on the plan. Ms. Finnessy noted that she had commented on some potential riparian improvements in the park and would contact Mr. Pryor to discuss the issue.

Mr. Stewart recalled that the Metropolitan Policy Committee had agreed earlier that day to consider the projects being held hostage to Eugene’s desire to eliminate the West Eugene Parkway at the January 2006 meeting. He hoped the funding for the Springfield Millrace project would be available soon.

Ms. Gripp asked if the tree sitters that had been in the McKenzie unit were still there. Ms. Phipps said she understood that they were gone due to a lack of support.

Mr. Simpson said the EWEB commissioners recently approved more than \$330,000 for operation and maintenance of six river gauges on the McKenzie River from Vida upstream. The gauges would feed data to EWEB and to the US Geographic Survey. EWEB was required by the Federal Energy Regulatory Commission (FERC) to install the gauges. He noted that each gauge cost about \$13,000 annually to operate.

Ms. Ferschweiler called attention to a brochure included in the Council packet entitled *Stop Invasive Weeds!* She said that Mr. Welsh would use the brochure as a tool when he worked with landowners. She invited Council Partners to take additional copies. The brochure was printed by Shelton-Turnbull.

Responding to a question from Ms. Phipps, Ms. Ferschweiler said there was currently no plans to distribute the brochures, and suggested the Education Committee consider the issue.

Ms. Ferschweiler said the natural resource scholarship application was out and had been distributed to the four high schools in the watershed.

Ms. Ferschweiler said that she was busy making Salmon Picnic presentations in local school districts. She anticipated the next Education Committee meeting would occur in early January 2006.

Mr. Davis said that the City of Springfield had also completed its Goal 5 inventory, including wetlands not connected to the stormwater system or open waterways. The inventory resulted in the establishment of riparian setbacks.

Mr. Morales announced that the Department of State Lands (DSL) was going through its rule-making process to streamline the removal/fill process, and the comment period ended the next day. There had been three public meetings held throughout the state to provide opportunity for comment. He said the changes were not too significant, with the exception that no motorized prospecting would be allowed.

Mr. Morales said the Department of State Lands would be implementing the State Programmatic General Permit Program on January 3, 2006.

#### **CONFLUENCE COMMITTEE UPDATE – REVISED WILDISH PROPOSAL**

Ms. Finnessy reported on a recent meeting involving herself, members of the Confluence Committee, and representatives of Wildish during which a new Wildish Sand and Gravel proposal for its property at the confluence of the McKenzie and Willamette rivers was discussed. The revised proposal responded to well water protection, downstream flood impacts and habitat impacts concerns. She noted that the permit applications for the proposal had been submitted to Lane County and the Department of Geology and Mineral Industries (DOGAMI). The public review process for the Lane County permit is likely to begin in January 2006. She said that Wildish was requesting the Council submit a letter of support to the County.

Mr. Ziller provided a PowerPoint presentation highlighting the details of the Wildish proposal, which included a shortened and relocated flood berm that could eventually result in a more natural habitat area in the confluence area.

Mr. Runyon said that Wildish was open to habitat enhancement in the area where the fish channel was previously proposed and would be willing to work with another party to make that happen. Mr. Bumstead said the reclamation plans associated with newer DOGAMI permit and County permits were more stringent than the permits Wildish was operating under from 1975 and the company indicated willingness to abide by the more recent standards.

Mr. Ziller said that height and velocity during minor flood events would have increased under the previous proposal, which was a concern to many people. The current proposal reduced that potential.

The Council discussed its position on the proposal. Ms. Rice suggested the matter be deferred to the Confluence Committee, and asked members about their positions. Mr. Bumstead expressed support for the proposal. Mr. Moll thought a broader discussion was in order. He asked if the proposal fit the mission of the Council or furthered its goals. He was not in a position now to express support for the proposal.

Ms. Finnessy asked about the timing of the Lane County public process. Mr. Runyon noted that the decision was a Planning Director' decision and there was an appeal process to the Hearings Official, which

included public hearings. It was possible the issue could eventually reach the Board of County Commissioners.

Mr. Olander thought the proposal represented the essence of collaboration.

Ms. Finnessy thought Mr. Moll's comments were well-taken and suggested the discussion could start from there.

Mr. Morgenstern questioned why the Council would withhold its support for the proposal.

Mr. Moll questioned why the Council's letter would say. He cast the issue as expressing support for an operator's attempt to protect its investment. He questioned whether that fit the Council's goals.

Mr. Olander said that business was represented on the Confluence Committee as well as other interests, and support for the proposal was a way to acknowledge that.

Mr. Ziller said that many elements of the proposal were better than the original. He thought the Council could support that. However, parts in the original proposal that were of concern remained, such as the potential narrowing of the floodplain, which was at odds with the committee's goals. He said there was a difference of opinion and interpretation about what that meant, however, which led to misunderstandings in the previous process. He said the goal of the Confluence Committee was something that was compatible with the river.

Ms. Rice recognized George Grier for comment. Mr. Grier said a down-cut in the river in this area would most likely occur during a flood event, meaning the entire stretch of river would be down-cut, and the groundwater level lowered in the area, having a substantial impact on the habitat. He envisioned that the proposal would go through an extensive appeal process, and suggested that a letter of support now from the Council would be premature.

Mr. Bumstead was committed to the Confluence Committee concept and said that all had gained from it. He did not think the proposal would have been made six years ago. He wanted to ensure that when the industrial representatives make a good faith proposal they would get support. He thought the Council's letter should recognize Wildish's good faith effort.

Mr. Stewart said it appeared that Wildish was trying to benefit both itself and the river. He asked if the Council preferred the company go forward with its past plans and if that was good for the river. It was unclear to him what the company had the right to do. Mr. Ziller responded that the company's entire operation, other than the EFU lands not developed, was permitted. The company would have to get a floodway permit modification because of the proposed dike. There was little in the County's standards that would prevent that.

Mr. Ziller agreed the Council needed to show good faith but should not compromise on something that was not good for the river.

Mr. Runyon and Mr. Bumstead agreed to draft a letter of support with the input of other committee members.

Mr. Bumstead did not think the proposal would be denied. It was possible the Council's letter acknowledging the company's good faith effort would further its relationship with the company without having much of an effect.

Ms. Phipps suggested that, given the development was likely to occur, the letter could be focused on the proposal's environmental benefits to the river.

Mr. Moll said that the company's decisions were based on an interest in protecting its interest and avoiding federal regulation.

Ms. Rice determined that there was consensus for Mr. Bumstead to draft a letter, with Mr. Stewart and Mr. Morales showing Consensus Level 7 abstaining from the decision, and Mr. Ziller, Mr. Moll, and Mr. Bumstead showing Consensus Level 1. Other Partners indicated Consensus Level 3.

Ms. Rice called for a brief meeting break. She left during the break.

#### **4. ODFW RIPARIAN TAX INCENTIVE PROGRAM**

Mr. Ziller provided a PowerPoint presentation on the Oregon Department of Fish and Wildlife's (ODFW) Riparian Tax Incentive Program. He noted its origin in legislation initially passed in 1981 and applied to land outside of urban growth boundaries. The program IS administered by the ODFW and provided property owners with incentives to preserve land for riparian use. A management plan IS required for the land involved, which included land up to 100 feet from a stream. County concurrence for the exemption was not required. Mr. Ziller noted the program was little used in the past because of the relatively low taxes assessed on such property. In 2001 the legislature expanded the program to include lands inside urban growth boundaries. Now cities and counties must concur with the exemption. However, not a single city has yet taken advantage of the expanded program.

Mr. Ziller reviewed the process of applying for the incentive. He shared an example of a management plan map.

Responding to a question from Mr. Welsh, Mr. Ziller said that rural residents could apply for the exemption if engaged in some type of agriculture or forestry activity.

Responding to a question from Mr. Morgenstern, Mr. Ziller indicated that already well-maintained riparian areas would qualify for the exemption.

Responding to a question from Ms. Albino, Mr. Ziller said the program was no longer solely focused on agriculture producers alone. Significant wildlife areas were also considered in the legislation passed in 2001. However, later in the meeting Mr. Ziller noted the a different program focused on the significant wildlife areas.

Responding to a question from Mr. Morales, Mr. Ziller clarified that the old rules related to agriculture and forestry in areas outside the UGB were still in effect until the County adopted the new rules.

Mr. Davis asked if the program worked in concert with other programs providing similar incentives, such as programs offered by the Natural Resources Conservation Service. Mr. Ziller said the program in question took the land out of the tax base as opposed to taxing it at a lower rate. He did not know of any prohibitions to a property owner seeking multiple incentives.

Mr. Simpson asked if a property owner could choose to preserve less than 100 feet of land. Mr. Ziller said yes. That was a maximum amount that could be preserved. He confirmed, in response to a follow-up question from Mr. Simpson, that the riparian area did not have to be contiguous. The landowner could continue to access the property. He said the department had a list of compatible and incompatible uses.

Mr. Ziller discussed how to get metropolitan areas involved in the program, which included education, development of draft ordinances or resolutions, adoption by local jurisdictions, and notification of potential applicants. He said that the City of Portland had developed a draft resolution that could be used as a model for other communities. He added that cities and counties could also determine what areas they wished to make eligible.

Mr. Ziller shared a map showing potentially affected lands in the city of Springfield and Eugene using Goal 5 inventory maps provided by staff of those cities. Mr. Davis suggested the incentive could be partial compensation for those affected by the inventories.

Mr. Stewart suggested that the incentive had been little used due to opposition from taxing units of government. Mr. Ziller said that was possible, but noted Portland's support for the incentive and suggested that community needed tax dollars as much as other communities.

Responding to a question from Ms. Finnessy, Mr. Ziller indicated the significant wildlife program was a different program administered by the ODFW. Those lands outside UGBs would fall under that program.

Mr. Bumstead determined from Mr. Ziller that if a city wanted to use the exemption but the county in which the city was contained did not support it, the county could veto its use in the city.

Mr. Ziller distributed information about the program and copies of the application form.

Mr. Stewart determined from Mr. Ziller that activities such as removal of asphalt parking lots in riparian areas could qualify as improvements to the riparian area under the program. He noted the cities would have a role in allowing that to occur.

## **5. MWC BUSINESS PLAN**

Ms. Finnessy thanked the Committee who helped her develop the plan, including Ms. Phipps and former Partners Mike Running and John Woodrow and University of Oregon intern Tina Nunez. She reminded the Council that it reviewed the Business Plan at the retreat and its changes were reflected in the document. Ms. Finnessy reminded Council Partners that the Plan was a tool she used in fund-raising.

Ms. Finnessy requested Council adoption of the Business Plan.

Council Partners indicated Consensus Level 3 to adopt the Business Plan.

## **6. COMMITTEE UPDATE**

### *Executive Committee*

In the absence of Ms. Rice, Ms. Finnessy provided the update, reporting that the Executive Committee met November 22 and discussed and approved the Annual Report; reviewed a year-end report for fiscal year 2005 and began to discuss how quarterly reporting would occur in the future given previously unreconciled differences in the fiscal years for the McKenzie River Alliance and the Council; discussed the At-Large positions and the selection process for those positions; and discussed the fiscal year 2006 Confluence Committee Coordinator contract. She noted that Mr. Runyon agreed to continue in that position.

Ms. Finnessy said the Executive Committee had also discussed the possibility of the Council's participation in the statewide Network of Oregon Watershed Councils and agreed that now was not the time to join.

She anticipated the Committee or Council would hear a presentation about the group at a future meeting from its leader, John Moriarity. Responding to a question from Ms. Gripp, Ms. Finnessy said the group was newly formed and the biggest current benefit she perceived was that Mr. Moriarity of the network was in Salem to serve as a voice for the watershed councils and help to coordinate legislative lobbying activities and preserve State funding. Potential benefits included training and funding opportunities. Responding to a request for direction from Ms. Finnessy, Partners expressed interest in hearing Mr. Moriarity's presentation on the network.

#### *Projects Committee*

Mr. Welch provided the update, reporting that the Committee was meeting quarterly now but would likely meet monthly for the near-term to establish a formal process for the allocation of the money provided by EWEB for restoration as a result of the FERC relicensing requirements. The Committee hoped to use the funding as leverage for other dollars for projects in the watershed. The next meeting was January 12, 2006, before the regularly scheduled Council meeting.

### **7. ADMINISTRATIVE UPDATE**

Ms. Finnessy referred members to the McKenzie Watershed Council Water Quality Discussion Article included in the meeting packet. She anticipated the Council would hear a presentation about changes to the program at a future meeting.

The meeting adjourned at 7:55 p.m.

(Recorded by Kimberly Young)