



**Hood River**  
WATERSHED GROUP

# Hood River Watershed Group

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*"...to sustain & improve the  
Hood River Watershed through  
education, cooperation, & stewardship"*

## FEBRUARY 22, 2022 MEETING MINUTES

### Watershed Group Members Present

Chuck Gehling	Cindy Thieman	Alix Danielsen	Ryan Gerstenberger	Patrick Hayden
Richard Ragan	Chuti Fiedler	Regan Steller	Kate Conley	Emery Cowan
Megan Saunders	Brian Nakamura	Sam Doak	Greg Short	Steve Pappas
Donna Silverberg	Dick Iverson	Kevin Liburdy		

\*\* This meeting was conducted virtually via Zoom.

### Welcome and Introductions

At 6:02pm, Chuck Gehling welcomed everyone to the February meeting. There were 26 people in attendance. There was no presentation during the February meeting.

### Review and Approval of Last Meeting Minutes

Chuck asked if there were any corrections to the January meeting minutes. The group approved the minutes.

### Old Business

#### **Officer & Operations Committee Elections**

Chuck walked the group through the officer and committee candidates (listed below).

Chuck put forward Chuck Gehling and Sam Doak as Chair and Vice-Chair. Members present approved the officer candidates.

Chuck put forward the slate of Operations Committee candidates.

Officer candidates: Chuck Gehling, Chair; Sam Doak, Vice Chair

Operations Committee candidates: Les Perkins (irrigation), Kate Conley (at-large), Chuti Fiedler (natural resources)

The members present approved the candidates.

### **501(c)3 non-profit organization development**

#### **Review 501c3 organizational options & recommendation from the HRWG Operations Committee**

Chuck introduced Donna Silverberg, the facilitator, to lead the group through the 501(c)(3) discussion. Donna asked everyone present to "speak as if you are right and listen as though you may be wrong".

Cindy noted that the Operations Committee discussed these topics at the February Operations Committee meeting. The minutes from this meeting are forthcoming and the discussion is reflected in her presentation. Cindy walked the group through this prepared presentation regarding the HRWG's proposed transition to a 501(c)(3) non-profit organization.

### **Background**

- In its 2018 and 2020 self-evaluations, HRWG identified community presence and standing as an area for improvement (as well as more community outreach, an independent website, and strategic plan development)
- In 2020, a fundraising consultant hired as part of the Strategic Action Plan development recommended that one of the partners become a non-profit, 501(c)(3) to maximize the types of funding sources available for watershed work

- HRWG staff and Operations Committee are interested in the HRWG becoming a 501(c)(3) organization to pursue foundation funding, have direct control of and responsibility for the funds it raises, help solidify HRWG’s identity, and expand HRWG’s engagement with the larger watershed community

**Process & Information Gathering Timeline**

- Sept. 2020: 501c3 Prospectus presented to HRWG & SWCD
- Oct. 2020: Questions from SWCD board & staff
- Jan. 2021: Answers from HRWG to SWCD including detailed funding projections and budget scenarios; Presentation to HRWG on 501(c)(3) pros/cons; Discussion by HRWG members
- May/June 2021: Hired DS Consulting to help HRWG & SWCD work through conversations and agreements re. 501(c)(3) development
- July-Nov. 2021: SWCD & HRWG staff & ‘small groups’ met with Donna to share objectives & concerns, identify guiding principles for moving forward, & clarify steps moving forward.

\*Donna has been developing a progress memo, which includes a background situation assessment, primary issues needing resolution, guiding principles, and organizational strengths

**Guiding Principles**

- Keep the SWCD and HRWG financially stable during the transition period (and beyond, where appropriate to support the longer-term transition).
- Benefit the entire Basin by providing more resources on the ground and reaching a variety of backgrounds and approaches to watershed health.
- Create a sense of long-term fairness and equity for both entities and their constituents by focusing on collaboration and not competition.
- Be clear about who we are and what we do, individually and together.
- Create a plan that is fiscally and legally responsible.
- Create ‘off-ramps’ that support easy adjustments should difficulties occur.
- Create and follow a clear timeline.
- “After initial discussions with small delegations from the SWCD and the HRWG, staff and I continued to tease out the nuances of the prospectus and the communications to date. The staff agreed to focus first on the suggested separate entity proposal. Once this has been completed, then a comparison to what a shared non-profit or other option (e.g., staged or step-wise approach to staffing and fiscal, etc.) might look like will be considered.” From DS Consulting Progress Memo, October 2021

At the December 2021 HRWG meeting, the Group reviewed and discussed an organizational narrative, which was developed to provide a starting point for discussion about the possible structure, governance, and membership of a non-profit HRWG. A bylaws sub-committee was formed to provide feedback on draft bylaws and policies. At the January 2022 HRWG meeting, the Group reviewed draft bylaws and discussed concerns about membership vs. non membership organization status. At the February 2022 SWCD board meeting, an SWCD board member expressed concern that we were pursuing the HRWG as the 501(c)(3) option before considering/vetting other organizational options. Instead of proceeding with the original idea of fleshing out the HRWG as 501(c)(3) option first, HRWG staff and Chair decided to take a step back and lay out organizational options.

Cindy paused to provide some historical and current background on the HRWG and the SWCD and their 25-year partnership. HRWG is not currently a separate entity and the SWCD is the HRWG’s employment and fiscal sponsor. Brian Nakamura added that the SWCD is the legal entity to sign contracts and employ the HRWG staff, and this is where some of the identity and visibility issues arise from. Brian is supportive of the HRWG forming a 501(c)(3), and his main concern is making sure both organizations remain whole in the transition process.

Dick Iverson asked whether the SWCD appears anywhere as a line item on the state budget or if they are fully grant funded. Brian noted that yes, the SWCD receives state funds from ODA. Cindy added that HRWG gets \$62,000 annually from OWEB (state lottery dollars). The SWCD receives \$62,000 from state lottery dollars and \$26,000 annually from ODA. There is currently no separation of funds between the HRWG and SWCD.

Cindy walked the group through the four organizational options and whether the option would meet 501(c)(3) objectives (see organizational options document for full detail). Cindy explained the objectives. Decision-making is currently made

by the SWCD board and HRWG members that attend monthly meetings. Cindy feels that a non-profit board structure would provide an opportunity to expand this network and engage a more diverse subset of the watershed community. Other objectives include creating long-term fairness and equity, financial discretion, diversify and increase funding opportunities, strengthen partnerships, and benefit the entire basin.

**Option 1:** HRWG as 501(c)(3) with target dates for transition of fiscal & employment administration

**Option 2:** HRWG as 501(c)(3) with completion of milestones & other criteria before transition of fiscal & employment administration

**Option 3:** HRWG as 501(c)(3) with SWCD providing fiscal and employment administration

**Option 4:** Shared 501(c)(3)/HRWG is not an independent 501(c)(3) & SWCD remains employer & fiscal manager

Cindy shared that Farmers Conservation Alliance used to be fiscally sponsored by Farmers Irrigation District, but they eventually formed as a separate organization because they were learning that potential funders preferred to support a standalone organization. Rick Ragan does not feel like the FCA comparison is very accurate for this situation. FCA has a different mission than FID and may have had issues of conflict, but Rick feels that the SWCD and HRWG are far more similar. Cindy noted that yes, the SWCD and HRWG have compatible missions, but the Oregon Plan for Salmon and Watersheds outlines different interest representations for SWCDs (agriculture) and watershed councils (instream habitat restoration).

Rick Ragan also shared his concern that the options presented were developed and evaluated in-house and other people didn't have the chance to explore other alternatives. Cindy noted that options 3 and 4 were developed to reflect options introduced or favored by SWCD staff and board. The criteria/objectives were developed by the HRWG from the prospectus created with the Operations Committee and members. Donna noted that yes, objectives are subjective, but the ranking did incorporate Heather's input as well.

Kate Conley asked in option 3, why wouldn't the 501(c)(3) be the applicant for and recipient of public grants? Cindy explained that this was a suggestion from Heather, and that it was likely a way to ease the financial transition and risk. It could, however, be more difficult and cumbersome.

Brian Nakamura noted that he originally suggested a foundation 501(c)(3) for the HRWG, but he has since realized that option 1 and 2 seem to be the way to go. The transition of multi-year grants may be where the hassle arises, and Heather may be trying to find a seamless transition that isn't a burden to either organization. Cindy agreed that a very detailed transition plan is essential and should be broken out by each project to reflect the interests of each organization.

Kate asked Brian whether the SWCD has given up on the possibility of option 3 or 4 and is now trying to figure out how to make option 1 or 2 work? Brian noted that the SWCD has the impression that option 1 or 2 is the direction the Watershed Group wants to go, and the main objective of the SWCD board is to make sure the SWCD is being managed fiscally responsibly, and right now that includes the HRWG. So, their interest is to make sure the transition is sound and successful.

Kate is trying to get a sense for where the process is now and is wondering if the SWCD feels like options 3 and 4 were never really considered. Brian noted that the board has always supported forming a 501(c)(3), but the idea of forming a separate foundation does not meet the HRWG's objective of a unique identity. HRWG has pushed in the direction of a separate entity, and it has been hard to slow that train down. Donna clarified that in the Operations Committee meeting, forming a non-profit is a shared idea and is not solely from HRWG staff. Donna feels there is strong support for a separate entity that still includes shared projects and shared comradery. Rick said he agrees with everything Brian said. He has been an advocate for the 501(c)(3) from the beginning, but how it is executed is the question and he wants to make sure everything goes well.

Kate noted that she had questions about 3 and 4 but it seems like if the group is ready to move on, she is comfortable moving on as well.

Chuti Fiedler asked whether there is a specific vehicle or tool that would ensure that both the HRWG and the SWCD would be fiscally whole. Cindy noted that neither SWCDs nor watershed councils are fully funded. Some SWCDs have tax bases and they are secure, but watershed councils do not have that opportunity. HRWG and the SWCD have a strong

financial track record and a solid history of bringing in funding for the unique sets of projects for each organization. The joint bank account has a surplus reflected in the reserves, adding additional stability.

Chuti has noticed a hesitancy around the transition because change is hard, but she feels like this is a win/win opportunity and the financial background supports this.

Sam Doak commented that there is no reason that the HRWG and the SWCD can't continue to support each other.

Donna wanted to stress that it was the Operations Committee that provided consensus to pursue option 1 or 2.

### **Feb. 7th Operations Committee Meeting Take-Aways**

- Reviewed 4 organizational structure options
- 6 of 8 Operations Committee members recommended options 1 or 2 be pursued. Heather abstained. One Operations Committee member was not present
- All agreed that keeping both organizations whole/financially solvent was crucial and feasible
- Most felt that separate organizations could accomplish more due to increased funding (bigger pie) and ability to focus on missions
- Need to have a good roadmap and timeline for transition

Donna asked Chuck, as the Chair of the HRWG, what was hoped to be achieved with this meeting. Chuck explained that it was important for the group to review the options together and understand the details of each, and if there was interest, the group could proceed with the double consensus process. Chuck asked if there were any other comments or questions.

Dick Iverson asked whether there were examples elsewhere in Oregon or beyond of an SWCD and watershed council that have gone through the same transition. Cindy noted that there are quite a few watershed councils that began with SWCD sponsorship, but now most of the watershed councils in the state are 501(c)(3)s. To Cindy's knowledge, they are all doing fine (with a few hiccups here and there). Cindy thinks that despite being separate entities after this new transition, she would expect that the HRWG and SWCD relationship would still be collaborative and distinct.

Dick also asked if there would be a comprehensive MOU that would be developed as part of this process. Cindy noted that there is one now, and there will be one for the transition period and one for the future arrangement.

Megan Saunders noted that it has taken her some time to get a handle on what the ask is and what this could look like but does see the value of this transition. She understands the confusion around the two organizations as a former employee. To Megan, the most important thing is to maintain a strong membership engagement and the partnership between the SWCD and HRWG.

Patrick Hayden agreed with Megan's comments and feels like it makes a lot of sense to have two independent groups that can address more issues within the basin. He appreciates what Cindy noted about appealing to and engaging a broader group in the basin.

Kevin Liburdy noted that he hasn't been tracking the conversation long enough to have much input but did ask about any lessons learned from the disbanding of the Sandy River Watershed Council. Cindy explained that yes, lessons can be applied for both watershed councils and SWCDs, especially around board director and financial oversight. A watershed council listserv has been active with information sharing around these issues.

Ryan Gerstenberger reinforced that the options were well reviewed in the Operations Committee meeting and noted that he came down hard on option 1 because he liked the deadlines. He feels like it's time to rip the band aid off.

Sam Doak noted that at this point his interest is to focus on the transition and develop a transitional MOU.

Steve Pappas noted that he supports option 1 and agrees that is time to rip the band aid off. He has faith in both organizations and thinks this transition will be better for the basin.

Donna shared comments that Les Perkins shared in an email: I would like to see either option 1 or 2 move forward as soon as practical. I don't see much difference between the two, but the bottom line is I would like to see a standalone 501(c)(3)

organization formed as the legal entity representing the HRWG. I don't think having a shared organization would serve either organization moving forward. This idea has been slowly developed with loads of input from stakeholders and I don't want to see any more time spent on this topic as I believe it was crystal clear how members want to proceed. The only question remaining in my mind is around the governance of the organization. I would like to see a governing board with a specific make-up – meaning some defined seats and specific groups, and I would like to have a transparent process with input from members when picking board members. Maintaining a balanced representation within the board will be important to maintaining the integrity and nature of the organization.

The group had some discussion about which option should be proposed for consensus – option 1 or 2. It was decided that because they are both similar, the details can be fleshed out in the coming month and that the vote would be for option 1-2.

Chuck asked the group for first consensus for the HRWG to form an independent 501(c)(3) nonprofit organization. All members present voted in favor, except for Kevin Liburdy, who abstained. Rick Ragan expressed hesitancy but provided a thumbs up.

Chuck noted that he had a conversation with Heather after the Operations Committee and that she was comfortable with the decision and moving forward with a transitional MOU. Chuck has offered to help with this process so that it isn't all on staff to do.

Continue review of potential draft bylaws and policies:

**Note:** a recording of the 501(c)(3) discussion is available upon request.

### **New Business**

#### **Jubitz Family Fund**

Cindy explained that the HRWG has been approached by an advisor for the Jubitz Family Fund to apply for \$20-50,000 of unrestricted foundation funds. The proposal is due on March 15<sup>th</sup>. Because the HRWG is not currently a 501(c)(3), the Network of Oregon Watershed Council could serve as the sponsor for the proposal. Chuck noted that there would need to be an agreement with the NOWC that included some financial support, and this would be part of the consensus vote.

The funding would support engagement, project management, and monitoring efforts.

Ryan asked about the grant timeline. Cindy shared that the grant would be for a year, and there may be opportunity for additional funds in the future. The trustees are interested in investing in the Mt. Hood area, and they are trying out a new focused approach.

Kate asked whether the HRWG would have the capacity to do the work that would be proposed. Cindy noted that the proposal will include projects and efforts that are already included in the work plan but that aren't fully funded.

Megan asked whether these funds were more general operations funds or specific to education or other work areas or projects. Cindy noted that the request is open. They have general interest areas and the fund advisor has picked organizations that aligns well with these areas. The proposal will outline projects that the HRWG will work on over the next year, and a budget will reflect the staff time and project costs included in the ask.

The Group provided first consensus to submit a proposal to the Jubitz Family Fund. Chuck asked that the draft proposal be shared before submission.

### **Reports**

Staff reports skipped for time.

### **Announcements**

Kate shared that Columbia Land Trust is hiring a Hood River-based property manager. There are other positions open in other regions. Visit the Land Trust website for more information.

Ryan shared that a monitoring biologist job will be listed within the next few weeks.

Greg Short shared that he has a new job with Hood River Cherry Company.

**Summary of Consensus Items and Establishment of Next Meeting**

*Items that Received First Consensus:*

Approval for the HRWG to form an independent 501(c)(3) nonprofit organization  
Approval to submit a proposal to the Jubitz Family Fund

*Items that Received Second Consensus:*

Approval to adopt the Operations Committee and officer candidates as proposed

The next meeting will be on March 29th from 6-8pm.

**Adjournment**

Chuck thanked the group for attending and adjourned the meeting at 8:12 pm.

Reported by Alix Danielsen.