



# Water Resources Department Regional Solutions Participation Plan

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## Agency Background

The Water Resources Commission is a seven-member citizen body established by statute to set water policy for the state and oversee activities of the Water Resources Department in accordance with state law. Members are appointed by the Governor, subject to confirmation by the Oregon Senate, to serve a four-year term. One member is appointed from each of five regional river basin management areas, and two “at large” members are appointed, one each from east and west of the Cascades.

In 2012, the Oregon Water Resources Commission adopted the state's first Integrated Water Resources Strategy to help understand and meet the state's instream and out-of-stream water needs into the future. Developed with and endorsed by the state's other natural resources and economic development agencies, the IWRS serves as a roadmap for addressing water quantity, water quality and ecosystem issues.

By law, all surface water and groundwater in Oregon belongs to the public. The Water Resources Department is the state agency charged with administration of the laws governing surface water and groundwater resources. The mission of the Oregon Water Resources Department is to serve the public by practicing and promoting responsible water management through two key goals: (1) to directly address Oregon's water supply needs, and (2) to restore and protect streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life.

The Department's core functions are to protect existing water rights, facilitate voluntary streamflow restoration, increase the understanding of the demands on the state's water resources, provide accurate and accessible water resource data, and facilitate water supply solutions.

The Department is organized into five divisions - Field Services, Technical Services, Water Rights Services, Administrative Services, and the Director's Office - all operating under the immediate authority of the Director. The Director is appointed by the Governor to serve a four-year term, subject to confirmation by the Oregon Senate. The Director is charged with applying the Commission's adopted policies and rules through Department programs. In addition, the Director has independent responsibility for general stream adjudications.

# Regional Solutions Participation Plan

## BACKGROUND

Oregon’s Integrated Water Resources Strategy (IWRS) sets out a framework to help Oregon meet both instream and out-of-stream needs to support economies, communities and ecosystems. The State is moving ahead on implementation, pursuing actions to ensure Oregon has the resources it needs to thrive and grow.

Because every river basin in Oregon is unique with widely varying ecological issues, community values, and economic dynamics, the IWRS recommends developing tools and resources that will allow the Water Resources Department (WRD) to partner with local communities. Such tools include conducting place-based integrated, water resources planning to determine instream and out-of-stream needs, evaluate options, and identify water resources projects. Implementation of the IWRS will empower Oregonians to develop local solutions, while also protecting the state’s interest in water resources.

Similar to place-based planning, the Governor has outlined an approach to community and economic development through Regional Solutions that recognizes the unique needs of each region in the state, working at the local level to identify priorities, solve problems, and seize opportunities to get specific projects completed. Using regional and community based problem-solving, regional economic development priorities are addressed locally in collaboration with state agencies.

Already, regions have begun working together through Regional Solutions and Oregon Solutions efforts to address basin-specific instream and out-of-stream water challenges. These efforts include the “Water for Irrigation, Streams, and Economy” (WISE) project in southwest Oregon, the Columbia River Umatilla Solutions Task Force (CRUST) in northeast Oregon, and the Deschutes Water Planning Initiative (DWPI) in central Oregon.

Water is likely to be a continued Regional Solutions focus as five of the eleven regions have water quantity specific priorities (Southern, North Central, Central, South Central, and Greater Eastern), three regions have local government infrastructure needs (North Coast, Mid-Valley, South Valley), and five regions have agriculture as a priority (North Coast, Mid-Valley, North Central, Central, South Central, and Northeast). The Department is proposing to leverage its existing resources, as well as obtain new resources in order to facilitate solutions at the local level.

## REGIONAL PRIORITIES AND PROJECTS

*Review the regional priorities and identify programs/projects that the agency is already involved in related to the regional priorities (by region). Identify other state agencies involved in these programs/projects. If additional state, local or federal agencies are involved how is interagency coordination and integration currently achieved? Are additional resources (funding or staffing) needed in order to make these programs/projects successful? If so, what is the need?*

The Department is engaged in a number of projects as listed in the table on the next page.

| <b>Table 1. Projects Related to Regional Priorities</b>   |  |   |  |
|---|--|---|--|
| <b>Project</b>  | <b>Region</b>  | <b>Agencies Involved</b>  | <b>How coordination achieved?</b>  |
| Groundwater study   | Northeast Oregon – Value-added agriculture   | WRD, Harney County Watershed Council, OWEB  | This project is funded by an OWEB grant. WRD, ODA, USFW, ODFW, ODEQ, BLM, USFS, local watershed councils and SWCDs take part in the OWEB grant reviews. Much of the interagency coordination is a result of relationships developed at these meetings. |
| SORPP - Southern Oregon Regional Pilot Program  | South Coast/Southern Oregon – Regulatory streamlining, regulatory technical assistance | DLCD, ODA, ODF, ODFW, WRD, ODOT, and affected Indian Tribes. Counties, cities, special districts, and other stakeholder groups  | Technical Advisory Committee that meets monthly  |
| Wamic Water System  | North Central – Infrastructure focus on wastewater and water.                          | WRD, Pine Hollow Irrigation District, Infrastructure Finance Authority, and the community of Wamic  | Regional Solutions   |
| WISE - WISE Project (Water for Irrigation, Stream and Economy)  | Southern Oregon – Water conservation and stream restoration                            | City of Medford, Medford Water Commission, Medford Irrigation District, Rogue River Valley Irrigation District, Talent Irrigation District, Jackson County, watershed councils, soil and water conservation district, OWRD, OWEB, Rogue Basin Coordinating Council, Rogue Valley Council of Governments, USBR, and other entities | Monthly meetings with local irrigation districts, stakeholders, multiple state and federal agencies and community members. Formerly a 2012 Oregon Solutions Project.   |
| Nestle  | North Central – Infrastructure focus on wastewater and water                           | WRD, ODFW, OBDD, ODOT, DEQ  | Regional Solutions   |
| Geothermal Project Regulatory Technical Assistance – Entiv Energy, North Lakeview, Olene Gap, Surprise Valley Electric Geothermal plant | South Central – Renewable Energy   | DEQ, WRD, DLCD  | Regional Solutions   |

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|--|---|---|---|
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| Grass Valley Raceway   | North Central – Infrastructure focus on wastewater and water  | WRD, DEQ, and IFA   | Regional Solutions  |
| Water availability in the Deschutes Basin for municipal, industrial and instream needs (multiple projects including Deschutes Water Planning Initiative, Prineville Water Reuse and Federal Legislation) | Central – Water availability, Infrastructure, Local economic and community development needs  | WRD, OBDD, DEQ, ODFW, OWEB, GO, Ochoco Irrigation District, USBR, Oregon’s Congressional Delegation   | Regional Solutions  |
| Willamette Basin Reservoir Study – reallocating stored water to meet multiple needs.   | South Valley – Local government infrastructure assessments<br>Mid-Valley – Agribusiness and Local government infrastructure assessments | WRD, USACE, USBR, BPA, ODFW, ODA, cities, counties, and stakeholder groups  | Cost-shared study between WRD, and USACE. Coordination meetings that include agencies & stakeholders                |
| Deschutes WaterSMART Basin Study   | Central – Water availability  | USBR, several irrigation districts, Crook County, DEQ, 2 watershed councils, cities of Prineville and Bend, ODFW, USFS, WRD, USFWS, and other stakeholder groups  | Deschutes Basin Study Work Group. Professional Facilitator. Coordinated by GSI and the Deschutes River Conservancy. |
| Water for the Umatilla Basin   | Greater Eastern Region – Water management and development   | WRD, ODFW, GNRO   | Regional Solutions / Oregon Consensus   |
| Water in the Klamath Basin   | South Central – Water systems and water storage infrastructure  | USBR, USFW, USFS, USDOJ, OWRD, ODFW, GNRO, Klamath Tribes, NOAA, OWEB, NRCS, and Klamath Project. Various other Federal, State and local entities.                | Governor’s Natural Resources Office   |
| Confederated Tribes of the Umatilla Indian Reservation Water Rights Settlement   | Greater Eastern Region – Water management and development   | USFWS, NOAA Fisheries, USDOJ, USBOR, USFS, OWRD, and irrigation districts   | Meetings with various entities involved depending on the topic.   |
| Walla Walla Basin Flow Restoration   | Greater Eastern Region – Water management and development   | State of Washington, DOE, WRD, CTUIR, Walla Walla Watershed Management Partnership, Walla Walla Basin Watershed Council, irrigation districts, and other entities | Walla Walla Watershed Management Partnership and Walla Walla Basin Watershed Council                                |

## *Analysis of Resources*

The Water Resources Department will need to obtain additional resources to have an active role in Regional Solutions and proactively solve problems. Today, the Department is not equipped to consistently participate in local water resources planning or Regional Solutions activities.

During development of Oregon's Integrated Water Resources Strategy, communities specifically asked for help in the following areas: gathering and paying for critical surface water and groundwater data; developing future water resources scenarios; developing water resources projects that provide multiple benefits and meet various state and federal requirements; partnering with the state to develop new water resource management techniques; leveraging additional funding sources; and streamlining regulations for complicated projects. The Department, through implementation of the IWRS, is working towards addressing these needs so that it can actively facilitate solutions at the local level.

While staff currently provide guidance and support to Regional Solutions on an as-needed basis, agency staff have limited time to devote to Regional Solutions projects and activities. Managers note that coordination is best when they are able to attend Regional Solutions meetings; however, their capacity to attend meetings or coordinate between meetings is limited. Generally, Regional Solutions Coordinators contact WRD Regional Managers when it is determined that their assistance will be needed. To grow Oregon's economy and create jobs, staff need to be able to fully understand regional priorities in order to evaluate opportunities, identify barriers, and develop solutions to complete on-the-ground projects. Having staff that are focused on Regional Solutions activities and collaborating with other state agencies, local and federal governments, as well as the private and civic sectors, will ensure that WRD has the information to actively communicate and coordinate actions that affect these projects.

Given the similarities in responsibilities and skill sets, the Department is requesting two FTE – one for the eastern side of the state and one for the western side – to serve as community liaisons on place-based planning and activities. These positions would attend Regional Solutions and place-based planning meetings, acting as the key agency contact for problem-solving, funding information, technical assistance, interagency coordination, and permitting.

## **GRANT AND LOAN PROGRAMS**

*Identify grant and loan programs administered by your agency and their purpose. Describe if/how current decision making processes/scoring criteria support consideration of regional priorities. Identify needed changes to scoring criteria in order to support regional priority projects (are these changes in statute or rule?)*

### *SB 839 Water Supply Development Grants and Loans*

The IWRS recommends that the state authorize and fund an Integrated Water Resources Development Initiative. To implement this recommendation, the Oregon Legislature enacted Senate Bill 839 (2013). The Governor's Office, along with WRD and other state agencies, are working to implement SB 839. The purpose of this initiative is to establish a means for state government to support the development of water resource projects having economic, environmental, and community benefits. Grants and loans can be used to evaluate, plan and develop instream and out-of-stream water development projects. Examples of the types of projects that could receive funding include projects that: increase water use efficiency; develop

new or expanded storage; allocate federally stored water; promote water reuse or conservation; and protect or restore streamflows.

Current ideas for implementing SB 839 include developing an interagency water supply team consisting of representatives of the departments of Water Resources, Agriculture, Fish and Wildlife, Environmental Quality, Business Oregon/Infrastructure Finance Authority, and the Regional Solutions Program to develop and implement Oregon's Integrated Water Resources Development Initiative. The diverse missions of the above named agencies would promote a balanced approach and help ensure that water is developed for both instream and out-of-stream uses. Additionally, the expertise represented by these agencies would be key to ensuring that environmental values are protected as new supply is being developed, and to drawing in additional financial and community resources. Regional Solutions Teams and Coordinators can be a resource for identifying opportunities to address both instream and out-of-stream needs, as well as engaging and leveraging local resources.

The Water Resources Department will be conducting rulemaking in 2014/2015 for the SB 839 grant program. As outlined in the bill, one of the categories for scoring and ranking of projects will be based on how well the project promotes state or local priorities. Projects supporting a Regional Solutions priority could obtain points in this category. In addition, preference will be given to partnerships and collaborative projects, a common characteristic of Oregon Solutions Projects. Finally, due to the multipurpose nature of the grant program, the scoring and ranking criteria include categories related to a number of Regional Solutions priorities, such as job creation, recreation, and increases in irrigated land for agriculture.

#### *SB 1069 Water Conservation, Reuse and Storage Feasibility Grants*

The Water Conservation, Reuse and Storage Grant Program, established by Senate Bill 1069 (2008), is designed to fund the qualifying costs of planning studies that evaluate the feasibility of developing a water conservation, reuse, or storage project. This allows project proponents to determine the viability of a project before proceeding with construction.

The Department has reviewed past studies funded by SB 1069 Feasibility Grants and the program's existing grant criteria. A cursory analysis of previously funded SB 1069 grants reveals that about half of the funding went to projects that were supportive of a Regional Solutions priority. Despite the fact that the program does not specifically allocate points based on projects meeting regional priorities, the program has resulted in a significant portion of funding being directed to regional priorities. This is likely due in part to the scoring category that provides points to projects that have an appropriate level of interest, involvement, and/or commitment from local, regional or state entities.

#### *Actions to support Regional Solutions projects and priorities:*

Given the percent of funding already supporting regional priorities and actions underway to develop rules for SB 839, the Department is recommending actions to increase awareness of the grant programs and strengthen the communication with Regional Solutions coordinators and teams. Specifically, the WRD will:

- Establish a statewide email notification list for grant programs.

- Provide notice to Regional Solutions coordinators and teams when a grant program is recapitalized, when the agency begins accepting grant applications, and when a grant program deadline is approaching.
- Implement a place-based approach to integrated water resources planning, as called for in the statewide Integrated Water Resources Strategy. Incorporate Regional Solutions teams into place-based planning efforts to the maximum extent practicable.

## STAFFING CAPACITY

*Identify staff that will participate in Regional Solutions Teams to coordinate outreach, permitting, approval, grant, loan and planning functions within your agency.*

The Oregon Water Resources Department currently has five region managers that attend Regional Solutions meetings and participate in Regional Solutions projects as needed. These managers are also essential in daily operations of the Department, and their regional boundaries are based on watersheds in order to ensure the effective management and distribution of water resources. Region manager contact information and district boundaries are included at the end of this section. A survey of WRD managers found that when a project has a water-related component, managers are effective at working with the Regional Solutions teams to identify options and shepherd projects through the water rights process. However, managers also noted that coordination was generally better when staff were able to attend Regional Solutions meetings. Given that managers have other responsibilities; their ability to attend these meetings is often limited. Generally, most managers find out about Regional Solutions projects when a Regional Solutions Coordinator contacts them. The Department will also leverage its Water Resources Development Team to provide much needed resources to focus on water supply solutions. This new team consists of two staff employees that will be focused on identifying, developing, and evaluating water supply projects. The team will be able to assist with water supply solutions, but will not have the capacity to attend and engage in Regional Solutions programs across the state.

As discussed in the first section above, adding WRD Community Liaisons would allow for attendance of meetings to understand regional priorities and forge a stronger relationship between WRD and Regional Solutions teams. Identifying water issues early in the process through regular participation in Regional Solutions can help to avoid problems later in the process, and allow the Department to provide better service. The Community Liaisons would participate in Regional Solutions activities and serve as a link between Regional Solutions teams, WRD region managers, and programs administered at the central Salem office. In this regard, liaisons could coordinate department permitting, technical assistance, grants, and planning functions to support Regional Solutions projects.

Some members of the Water Resources Commission have expressed an interest in undertaking actions to network with Regional Solutions, or serve on Regional Solutions Advisory Committees. The Department is supportive of such outreach efforts by members of the Commission.

*WRD Regions and Manager Contact Information*

North Coast, Mid-Valley, South Valley, & Metro Regional Solutions

- Mike McCord, WRD Northwest Region Manager 503-986-0889

North Central & Greater Eastern (Gilliam, Grant, Morrow, Umatilla, & Wheeler Counties) Regional Solutions

- Mike Ladd, WRD North Central Region Manager 541-278-5456

South Coast & Southern Regional Solutions

- Larry Menteer, WRD Southwest Region Manager 541-774-6880

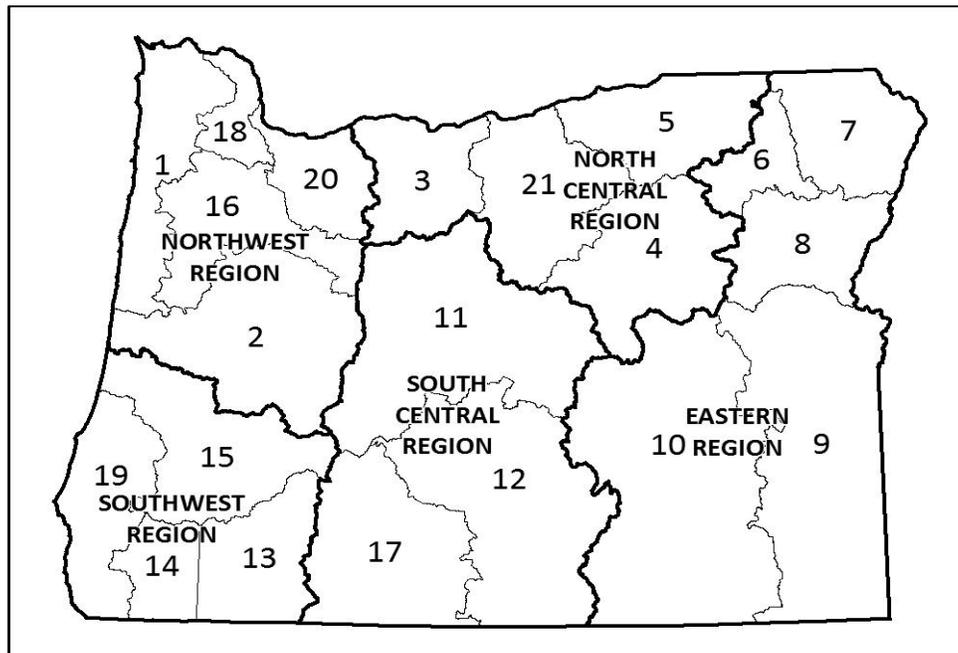
South Central & Central Regional Solutions

- Kyle Gorman, WRD South Central Region Manager 541-306-6885

Greater Eastern (Malheur & Harney Counties) & Northeast Regional Solutions

- Jason Spriet, Eastern Region Manager 541-523-8224

Figure 1. Map of WRD Regions



*\*\*Numbers Denote Watermaster Districts*