

Oregon Water Resources Department

2015-17 Governor's Recommended Budget and Legislation



The Governor's Recommended Budget (GRB) includes investments in water that will grow our economy and lift up rural Oregon to create healthy ecosystems and communities, while furthering implementation of the state's 2012 Integrated Water Resources Strategy (IWRS). The largest investments are to aid in the development of water resources statewide to meet instream and out-of-stream needs as part of an Integrated Water Resources Program. Other investments focus on strengthening the Department's core functions such as data collection and water right processing, while also supporting communities, such as the Klamath Basin, in solving and managing water-related challenges.

	2011-13 Legislatively Adopted Budget	2013-15 Legislatively Adopted Budget	2015-17 Governor's Recommended Budget
General Fund	\$ 20,614,684	\$ 26,504,946	\$ 30,908,571
Other Funds, including fees	10,403,841	10,626,121	\$ 11,300,665
Other Funds (grants and loans)	18,758,324	23,920,890	\$ 59,383,827
Lottery Fund (Debt Service)	706,751	574,025	\$ 6,620,003
Federal Funds	1,195,479	1,272,735	\$ 1,302,403
Total Funds	\$ 51,679, 079	\$ 62,898,717	\$ 109,515,469
Full-Time Equivalent (FTE)	144.59	154.80	167.58

(Preliminary Analysis Dated 12-10-14)

Integrated Water Resources Program – Meeting Oregon's Water Needs

Pkg #106 – Funding Feasibility Studies (.75 FTE; \$140K General Fund & \$2M Lottery Bonds)
IWRS Recommended Actions # 10A, 10B, 10C, 13C

Communities often find it difficult to secure funding to study the feasibility of developing water conservation, reuse, or storage projects. The Department currently has \$750,000 in its base budget to provide grant funding for such studies. This package would add an additional \$2 million for SB 1069 (2008) feasibility study grants, and add staffing capacity (currently at .25 FTE) to administer and oversee the grant program. Add \$150,000 for cost of issuance and debt service.

Pkg #113 – Funding Water Supply Projects (1 FTE; \$187K General Fund & \$17.25M Lottery Bonds)
IWRS Recommended Actions # 3A, 5B, 10A, 10B, 10C, 10E, and 11B

Water is essential for economic growth, environmental health, and the welfare of all Oregonians. The state needs to continue to provide support for water resources supply projects in order to meet Oregon's current and future instream and out-of-stream water needs. Recapitalizes the Water Supply Development Account (established by SB 839 in 2013) and the Water Supply Fund. This includes \$17.25 million for grants and loans for water projects, as well as a position to administer and oversee grants and loans. Add \$1.3 million for cost of issuance and debt service.

Pkg #115 – Supporting Project Development & Place-Based Planning (6 FTE; \$1.2M General Fund & \$750K Lottery Bonds)
IWRS Recommended Actions # 3A, 5B, 9A, 9B, 9C, 10A, 10B, 10C, 10E, and 11B

This package would allow the state to proactively work with communities to identify, evaluate and develop water resources solutions to meet instream and out-of-stream needs. This request would expand the water supply team, adding a water supply project manager, water supply engineer, finance analyst, water supply technical coordinator, and two place-based planning coordinators. This package also includes \$750,000 for grants to help communities voluntarily develop place-based integrated water resources plans to identify how they will meet their current and future instream and out-of-stream water needs. Add \$56,000 for cost of issuance and debt service.

Pkg #120 – Facilitating Water Development Loans (\$30M General Obligation Bonds)
IWRS Recommended Actions #3A, 5B, 10A, 10B, 10C, 10E, and 11B

Recapitalizes the Water Development Loan Fund using dedicated General Obligation Bonds for the purposes of financing water development projects. Funds are only issued after project(s) are identified and an agreement is signed for repayment by the borrower(s). Add \$1.7 million for cost of issuance and debt service.

Strengthening Our Core Functions and Supporting Communities in Addressing Water Challenges

Pkg #101 – Klamath Coordination and Water Right Special Projects (2 FTE; 427k General Fund) IWRs Recommended Actions # 9C, 10 and 13B

A Klamath coordinator will focus on the day-to-day needs to implement the Klamath settlements. One water right specialist will focus on processing Klamath leases and transfers due to implementation of settlement agreements, as well as working on other key water right transactions needs, including addressing backlogs related to extensions, claims of beneficial use, and certificate issuance.

Pkg #104 – Data and Water Management in the Klamath Basin (1 FTE; 192k General Fund) IWRs Recommended Actions # 1B, 13B

As a result of the completion of the administrative phase of the Klamath adjudication, as well as the water settlements, a significant increase in data collection and processing has been necessary to provide timely information to manage water in the basin. One hydrotech will monitor water conditions in the basin.

Pkg #105 – Establishing a Regional Solutions Community Liaison (1 FTE; 207k General Fund) IWRs Recommended Actions # 1C, 9B, and 9C

Adds one position to increase Department capacity to participate in Regional Solutions activities and support communities in resolving water-related issues. This position will serve as a liaison to Regional Solutions teams, providing technical guidance, data, and permitting assistance.

Pkg #110 – Monitoring Coordinator for Efficient Data Sharing and Management (1 FTE; 211k General Fund) IWRs Recommended Actions # 1B and 1C

Adding a monitoring coordinator will allow the Department to coordinate inter-agency collaborative water quantity and quality monitoring efforts, fill data gaps, and make improvements to how we gather, process and share data and information. This position would assess water resource data needs and provide data quality assurance in working with local, state, federal, and tribal governments, as well as non-governmental entities and other partners.

Water Resources Department Budget Legislation

HB 5042 – Water Resources Department Budget Bill

Appropriates monies from the General Fund for the Department. Includes funds from fees, lottery bonds, lottery funds, federal funds, and contracts for services.

HB 5005 – General Obligation Bonds

Establishes amounts authorized for issuance of General Obligation Bonds, including \$30 million for the Water Development Loan Program.

HB 5030 – Lottery Bonds

Authorizes issuance of Lottery Bonds, including \$20 million for water resources planning, feasibility studies, and projects.

For additional information contact: Racquel.R.Rancier@wr.d.state.or.us; 503-986-0828.



2015 Legislation

Similar to the Department's Budget Requests, the Legislative Concepts: 1) authorize the state to support communities in identifying water resources needs as part of an Integrated Water Resources Program; 2) strengthen the Department's core functions and existing programs; and 3) support communities, specifically the Klamath Basin, in addressing water challenges.

Integrated Water Resources Program

SB 266 – Place-Based Integrated Water Resources Planning **IWRS Recommended Actions # 9A, 9B, 9C**

- Place-based integrated water resources planning will allow communities and stakeholders, in partnership with the state, to understand their instream and out-of-stream water resources needs, and then identify solutions and potential projects in order to meet those needs now and into the future.
- This bill authorizes the Department to provide grants to groups seeking to undertake a place-based approach to water resources planning. The grants would provide communities with the initial financial capacity to cover facilitation, logistical, and technical costs associated with undertaking a place-based process.

Strengthening Our Core Functions

SB 267 – Extending Irrigation District Pilot Project Allowing Temporary Transfers within Boundaries

- The intent of the pilot project is to look for ways to provide increased flexibility for irrigation districts to temporarily change the place of use of water rights without reducing protections for existing water users.
- This bill extends the sunset on the pilot program to January 2, 2022, which will allow the program to continue in order to further assess its implementation.

SB 268 – Water Resources Department Funding Task Force **IWRS Recommended Actions # 13B**

- The Department is heavily reliant on general fund for its operations. In the past, the variability of, and competition over, the General Fund has eroded the capacity of the Water Resources Department to manage, distribute, and protect Oregon's water resources, particularly since workload and complexity of issues has increased.
- This bill builds on prior efforts of the Water Resources Commission to stabilize or increase Department funding by establishing a task force to identify and recommend solutions.

Supporting Communities in Addressing Water Challenges (Klamath)

SB 264 – Implementation of the Upper Klamath Basin Comprehensive Agreement **IWRS Recommended Actions # 2C, 9C**

- The 2014 Upper Klamath Basin Comprehensive Agreement requires the state to seek legislation that would authorize the Klamath County Circuit Court to undertake procedures in the Klamath Basin Adjudication that would allow non-tribal claims to move forward, while tribal water right claims are adjudicated in a timeline and manner to facilitate implementation of the agreement.
- This bill also authorizes the Department to participate as a voting member of the Joint Management Entity, which is responsible for administration of certain provisions of the Comprehensive Agreement.

SB 265 – Fulfilling State Commitments in the Klamath Basin Restoration Agreement **IWRS Recommended Actions # 2C, 9C**

- As signatory to the 2010 Klamath Basin Restoration Agreement, which settles key disputes over water in the Klamath Basin, the State of Oregon has committed to support legislative authorization to compensate Klamath County for potential economic losses, and to provide grants for agricultural energy and water conservation projects.

For additional information contact: Racquel.R.Rancier@wrд.state.or.us; 503-986-0828.