

Water Resources Department

725 Summer St NE, Suite A Salem, OR 97301 (503) 986-0900 Fax (503) 986-0904 www.Oregon.gov/OWRD

MEMORANDUM

TO: Water Resources Commission

FROM: Douglas E. Woodcock, Acting Director

SUBJECT: Agenda Item D, March 21, 2024

Water Resources Commission

Director's Report

I. Recent Actions and Updates

A. Staffing Update

Since the November meeting, the Department has filled eleven positions as of the end of February. Of the positions filled, there are five staff who are new to the agency, one staff member moving from a limited duration position to a permanent position, two staff transferring laterally within the agency, one lateral transfer in from another agency, one internal promotion, and one promotional transfer in from another agency. Positions filled include the following:

- Compliance Specialist 2
- Dam Safety Engineer
- Groundwater Data Developer
- Hydrographer (2)
- Hydrologist Water Availability Analyst
- Hydrologist Water Use and Evapotranspiration Analyst
- Planning Coordinator
- Region Manager
- Senior Hydrologist Field Hydrology
- Senior Water Advisor

There are three additional positions with accepted offers that have a start date after February 20, 2024. These will be detailed in the June 2024 Director's Report.

B. Reservations Update

From 2015 to 2016, the Department worked with the Commission to extend several reservations of water in a number of basin programs. Reservations are held by the Oregon Department of Agriculture in the Malheur Lake, Burnt, Owyhee, Powder, Hood, and Grande Ronde River basins. A reservation of water for future economic development sets aside a quantity of water for

WRC Agenda Item D March 2024 Page 2

multi-purpose storage to meet future needs in a defined sub-basin. To use reserved water, one needs to apply for a storage water right under the Department's regular permitting process. If successful, the new storage right retains the priority date of the reservation. A secondary permit is required to put the stored water to beneficial use.

The Commission requested annual updates on interest in and progress on accessing water from reservations. There has been intermittent interest in the feasibility of storage and the use of specific reservations. However, there are currently no storage water right applications pending that propose to make use of reserved water.

C. Groundwater Allocation Rulemaking Update

The Department completed two additional Rules Advisory Committee (RAC) meetings to discuss and incorporate feedback on supporting technical analyses following the September Commission meeting. During the December 14, 2023, RAC meeting, the Department reviewed the proposed draft rule language and the Department's scientific assessment of the definition for "reasonably stable groundwater levels." This technical information was summarized in a draft memorandum that was presented to the RAC for their comment and was submitted to the U.S. Geological Survey for technical peer review. To help RAC members in their review of the technical material, the Department conducted two informational sessions in early January 2024. Those sessions provided members of the RAC and the public opportunities to ask questions and make comments on the technical methodology. Both sessions were well attended. Following RAC input and USGS peer review, the Department updated the memorandum and presented the updated material during the January 23, 2024, RAC meeting. During the January RAC meeting, the Department also shared its evaluation of wells at risk of becoming dry under different groundwater decline levels. The RAC also reviewed the draft Statements of Need, Racial Equity Impact, and Economic and Fiscal Impact.

The Department published the Notice of Proposed Rulemaking on March 1, 2024, in the Oregon Bulletin. The Department has scheduled four public informational sessions and rule hearings in Bend (April 4), La Grande (April 18), Central Point (May 16), and Salem (May 21); the comment period will end on May 31, 2024.

 Integrated Water Resources Strategy Recommended Actions: 10.G – Strengthen water quantity and water quality permitting programs and 11.E – Develop additional groundwater protections

D. Tribal Update

Tribal Water Task Force: As reported at the September 2023 WRC meeting, the Tribal Task Force completed a Task Force Report, released to the public on August 3, 2023. The report summarizes the key themes that arose from the Task Force meetings and provides a set of recommendations on substantive themes and implementation of Task Force goals. The Department is now coordinating with Oregon Consensus and the Institute for Tribal Government on next steps, which will propose formation of a workgroup to guide implementation of the recommendations. The Report is available here: 2023 Tribal Water Task Force Report.

Other Activities and Coordination Efforts: The Department's Tribal Liaison and other staff continue to attend and provide policy updates during quarterly meetings held by the Legislative Commission on Indian Services' Cultural Resources Cluster and Natural Resource Working Group. Recent topics have included rulemaking efforts, legislative highlights, the IWRS update, funding opportunities, basin work plans, and water rights. During each update, Tribal staff are invited to offer input and encouraged to request either coordination or formal consultation on any issue of interest or concern. The 2023 Annual Government-to-Government Report was submitted in mid-December, summarizing the Department's 2023 engagement and consultation efforts.

• Integrated Water Resources Strategy Recommended Action: 9.C – Partner with federal agencies, tribes, and neighboring states in long-term water resources management

E. Division 512 Annual Report on Greater Harney Valley Groundwater Area of Concern

The Malheur Lake Basin Program (Division 512) was amended by the Commission in April of 2016. This created the Greater Harney Valley Groundwater Area of Concern (GHVGAC). The rules require an annual report to the Commission on new groundwater permits issued within the GHVGAC, information on groundwater level data, and an update on the groundwater study, as well as staff recommendations, if any, on amending or repealing the rules.

Groundwater Permits Issued within the GHVGAC:

Since April 15, 2016, six permits have been issued within the GHVGAC (Table 1). No new permits have been issued since the Department's 2019 annual report to the Commission.

T 11 1 C	C ,		• • • • •	1.1 1.1	
Table 1: Summary	of recent	Water right 1	nermite ieelled	Within th	10 (iH V (i A ('
radic 1. Dullilliary	OI ICCCIII	water right	perimis issued	. * * 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	

	App#	Priority Date	Permit#	Issue Date	Name	Acres
G	17575	8/22/2012	18086	9/12/2018	JAMES AND SUE GILMOUR	40.7
G	17799	3/19/2014	17765	6/8/2017	BO THORENFELDT	693.0
G	17916	9/2/2014	17918	12/7/2017	PHILLIP W. SINGHOSE	900.0
G	17940	9/23/2014	17745	8/30/2017	PATRICIA M. JAGER	101.95
G	18000	2/17/2015	17667	10/13/2016	RIDDLE RANCH INC.	125.6
G	18129	8/11/2015	17647	8/30/2016	OTLEY BROTHERS INC.	426.0

Groundwater Level Data Collection Update:

Groundwater level data continues to be collected quarterly in the GHVGAC and surrounding areas. The observation well network was assessed in 2021 to identify wells monitored during the study that provided redundant information. The well network was paired down in 2022 to focus on continued long-term data collection from high-quality, representative wells. The current monitoring well network includes 92 observations wells, 25 of which are outfitted with high frequency automated water level data recorders.

Groundwater Study Update:

WRC Agenda Item D March 2024 Page 4

The results of the cooperative USGS/OWRD groundwater study have been published in two major reports released in April 2022. Both reports underwent a USGS scientific peer review process, which included review by technical experts independent of the study. The study reports are:

- Hydrology Report: <u>SIR 2021-5103 Groundwater Resources of the Harney Basin</u>, Southeastern Oregon (usgs.gov)
- Water Budget Report: <u>SIR 2021-5128</u>: <u>Hydrologic Budget of the Harney Basin</u> Groundwater System, Southeastern Oregon (usgs.gov)

The Department published several supporting open file reports and data releases, which are available from the <u>Harney Basin Groundwater Study website</u>. The USGS is continuing work (Phase 2 of the study) to complete a numerical groundwater flow model for the Harney Basin, which is scheduled to be completed and documented in a USGS report and a supporting OWRD open file report later in 2024.

Recommendations Regarding Division 512 Rule Updates:

The Division 512 rules call for the Department to convene a Rules Advisory Committee (RAC) within one year after the groundwater study has been published to explore whether there is a need for updates or changes to the basin program rules. Members of the Groundwater Study Advisory Committee were invited to participate on the RAC, as well as additional members representing interests identified during the place-based planning work in the basin.

The results of the groundwater basin study support a recommendation to amend the Division 512 rules to further address groundwater over-appropriation in the GHVGAC. The Department is currently in the Rules Advisory Committee process that began in April 2023 and will go through May 2024. The Department will implement the Division 10 rules that apply statewide to designate the GHVGAC as the Harney Basin Critical Groundwater Area (HBCGWA) within the Division 512 basin program rules. Currently the Department is proposing to divide the HBCGWA into 15 different subareas or management units. This approach will allow for a more targeted management approach in areas with significant groundwater decline.

F. Harney Domestic Well Remediation Fund

The Harney Domestic Well Remediation Fund (HDWF) was established by HB 3092, and codified as ORS 537.743 by the Oregon Legislature in 2021. Program development was put on hold while OWRD stood up the statewide Water Well Abandonment, Repair, and Replacement Fund. The HDWF may reimburse qualifying homeowners in the Greater Harney Valley Groundwater Area of Concern (GHVGAC) for a portion of the cost to repair or replace and abandon a household water well. The well must provide or have provided household water for homes constructed prior to April 15, 2016. If approved for funding, a homeowner could receive 75% of the cost (up to \$10,000) to repair or replace their well. If the well is replaced, the old well must be abandoned, and an additional \$3,500 may be awarded to cover those costs.

OWRD posted application materials online and began accepting applications on February 21, 2024. Advertisement of the funding opportunity includes but is not limited to: emails to local

WRC Agenda Item D March 2024 Page 5

partners and local drillers, an article in Well Said (the Department's well construction newsletter), presentations to the Harney County Court and other local partners, a press release, appearance on local radio, flyers posted in local businesses, and letters to domestic well owners with recently drilled wells, (see Attachment 1). Applications for funding are due May 31, 2024. Funding will be prioritized based on: whether the well is able to sustain the household or is at risk of going dry, if the landowner's household is low to moderate income, whether the property is owner-occupied, and if the household is within a prioritized area based on groundwater-level declines.

G. HB 3293 (2021) - Developing Best Practices in Community Engagement – Project Update

Oregon Revised Statutes (ORS) 541.551 (House Bill 3293, 2021) emphasizes the importance of engaging communities, especially those disproportionately impacted or underrepresented, in decisions related to the identification, scoping, design and implementation of water projects. Water projects are broadly identified in statute as, including but not limited to, watershed enhancement, instream flow protection, water conservation and development, water supply, infrastructure development, and wastewater treatment and disposal initiatives.

The statute directs the Department to lead a multi-agency workgroup consisting of staff from the Oregon Department of Fish and Wildlife, Oregon Health Authority, Oregon Water Enhancement Board, Department of Environmental Quality, and Business Oregon. The workgroup is responsible for creating best practices in community engagement for water projects. The statute does not mandate that agencies provide support for community engagement plans for water projects; however, it defines essential elements for community engagement plans when agencies do provide support and outlines how these plans should integrate best practices for community engagement, recognizing each project requires a personalized approach for engaging communities. Following the development of best practices, each agency will develop its own set of administrative rules to ensure community engagement activities are carried out as described by the statute. ORS 541.551 also identifies the need for continued coordination among agencies to ensure consistent and updated implementation of these best practices in community engagement for water projects every five years.

The multi-agency workgroup's goal is to promote meaningful engagement in water projects through the creation of best practices among agencies, tribes, local organizations, local governments, disproportionately impacted communities, as well as interested members of the wider public. To ensure diverse perspectives, the workgroup is actively holding spaces for extensive feedback from numerous voices using an open house and a couple of roundtables in the spring and summer 2024.

H. Drought Status Update

Staff will provide a brief update of the latest conditions at the meeting, as they are continuously evolving. For a more comprehensive overview of drought, sign up for the <u>bi-weekly Water</u> <u>Conditions Report</u> or view the Water Conditions Report <u>online</u>.

II. Upcoming Board and Commission Meetings

Commission / Board

Land Conservation and Development Commission

Parks and Recreation Commission

Fish and Wildlife Commission

State Land Board

Environmental Quality Commission

Watershed Enhancement Board Board of Agriculture

Attachments:

- 1. Harney Domestic Well Remediation Program Flyer
- 2. 2023 Statistical Highlights
- 3. Rulemaking Calendar
- 4. Litigation Update

Date

April 25 – 26, 2024 June 27 – 28, 2024 April 23 – 24, 2024 June 11 – 12, 2024 April 18 – 19, 2024 June 13 – 14, 2024 April 9, 2024 June 11, 2024 March 21 – 22, 2024 May 23 – 24, 2024 April 22 – 24, 2024 April 29, 2024 June 4 – 6, 2024

Harney Domestic Well Remediation Fund

What Does the Program Fund?

OWRD has \$500,000 available to reimburse qualifying homeowners in the Greater Harney Valley Groundwater Area of Concern (GHVGAC) for a portion of the cost to repair or replace and abandon a household water well. The well must provide or have provided household water for homes constructed prior to April 15, 2016.

OREGON WATER RESOURCES DEPARTMENT

What Area Is Eligible for Funding?

The area within the pink boundary of the map shown on the right is the GHVGAC and wells within that boundary are eligible for funding. Visit the website below for more information on eligibility.

How Will Applications Be Prioritized?

Funding will be prioritized to wells that do not supply enough water to meet household needs, wells in the areas of highest groundwater declines (brown areas on the map), and applicants of low to moderate income.

How Much Money Could I Qualify for?

Funding Levels

Repair:

75% of cost up to \$10,000

Replacement:

75% of cost up to \$10,000

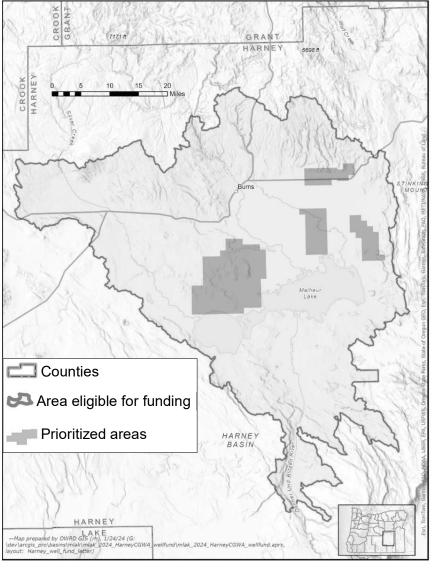
Abandonment:

100% of cost up to \$3,500

How Do I Apply?

- Applications and additional materials available online. Call the number below if you do not have access to the internet.
- Complete application packages due May 31, 2024.

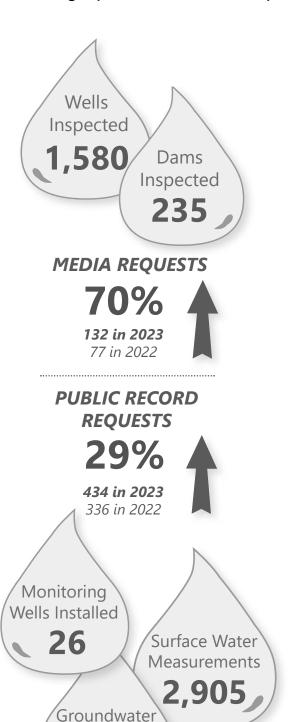
Contact: OWRD Well Funding | OWRD.well.funding@water.oregon.gov | 503-779-5763 Funding Website: https://www.oregon.gov/owrd/programs/FundingOpportunities/HDWF



2023 Highlights

Oregon's Water Resources Department (OWRD) continues to achieve our mission to serve the public by practicing and promoting responsible water management through quantifiable metrics, emphasizing work across all departments.





Measurements

3,022

Grants Awarded 156

\$ Funding Awarded \$28,749,729

WATER RIGHTS ACTIONS

Protests Resolved 35

Enforcement Actions 295

220 New Right Applications

156 Transfer Applications

32 Limited Licenses

5,009 CFS Water Leased Instream

Rules Advisory Committees

Rule Making



19Meetings

Building Department Capacity



67

Staff Promotions and New Hires

1 NEW Management Region

South Central



Last Revision: 02/20/2024 Attachment 3

Oregon Water Resources Department Current Rulemaking

Rule Division	Topic	Lead Staff	GWAC Input Expected?	Target WRC Date	Status
Groundwater Allocation	Updates Process and Definitions in Rule for Sustainable Evaluation of New Water Rights, Protective of Senior Right Holders	Annette Liebe, Justin Iverson, Laura Hartt	Yes	Sept. 2024	Public Comment Period Begins March 1
Division 512 – Malheur Lake Basin Program	Update to Basin Rules Following Publication of Groundwater Study	Ivan Gall, Tim Seymour, Kelly Meinz	Yes	Dec. 2024	RAC Meeting
HB 3293 (2021) Water Project Community Engagement Plans	Rules regarding best practices for equitable community engagement plans for funding programs	Dr. Kim Fritz- Ogren, Charlotte Regula- Whitefield, Laura Hartt	No	2024	Research and planning underway
HB 2020 (2023) Voluntary Agreements	Establish statewide criteria for voluntary water agreement ORS 537.525 within a shared reservoir	Ivan Gall, Tim Seymour, Laura Hartt	Yes	2024/ 2025	Initial draft language underway
Divisions 205, 240 Welder Requirements for Well Construction	HB 3343 (2023)	Annette Liebe, Kris Byrd, Kelly Meinz	Yes	March 2024	Ready for adoption

STATE COURT CASES (TRIAL LEVEL)			
Case	Court	Description	Rulings & Dates/Litigation Deadlines/Next Steps
Fort Klamath	Marion Co. 21CV37688 Judge Broyles	Klamath - PJR of Order approving temp transfer of Crooked Creek water, KA 67, T13673	Appeal filed. See Appellate notes below.
Golden Rule	Harney Co. 19CV53051 Judge Raschlo	Harney - PJR of order related to Court of Appeals matter	COA ruled on A172879-172880; stayed pending a decision 8/9/21. Appellate judgment issued 09/12/22 and lifted the stay but petitioners have not taken any action to persue the case further in trial court.
Gould	Marion Co 21CV48665 Judge Wren	Deschutes - PJR of order granting temporary change in place of use and points of diversion. Pinnacle Utilities has moved to intervene.	Briefing cross-motions for summary judgment; MSJ Oral argument Feb 16; Trial postponed to Apr 29.
Pinnacle II	Marion Co 21CV48665 Judge Wren	Deschutes - PJR of order denying request to lift automatic stay	Consolidated with Gould; stayed pending result in Gould
KBA	Klamath Case 00001 Judge Bushong	Adjudication of water rights in the Klamath Basin	The court held a status conference on 01.10.2024 to discuss next steps (following last year's order remanding the tribal claims back to the agency). The court has scheduled another status conference for 02.07.2024
KID 3	Marion 21CV39570 Judge Partridge	Klamath - PJR of April 6, 2021 Order to BOR; challenges OWRD's method of calculating whether stored water is being released	Court granted motion to stay 04.15.2022; KID filed new PJR against withdrawal
Pinnacle Utils v. OWRD	Deschutes Co 22CV08683 Judge Sykora	Deschutes - Challenge to OWRD order denying limited license application	Document production finished; depositions expected; summary judgment motions likely; Trial reset to April 9, 2024; Waterwatch intervened
Sprague River Cattle	Marion County 22CV27077 Judge Bennett	Klamath - Takings and declaratory judgment claim.	All case deadlines vacated during October 16, 2023 hearing, to give parties time for discovery. Document collection and production ongoing. Status hearing set for April 2024.
Rogue River v. OWRD	Marion County 23CV19220	Klamath/Rogue - A junior water-rights holder filed this petition challenging Oregon Water Resources Department's enforcement of the Klamath Tribes' call on claim No. KA 622.	Case consolidated with MID. Deadline for petitioner to file amended petition extended pending settlement negotations. Status hearing set for April 12, 2024.
MID v. OWRD	Marion County 23CV19218	Klamath/Rogue - A junior water-rights holder filed this petition challenging Oregon Water Resources Department's enforcement of the Klamath Tribes' call on claim No. KA 622.	Case consolidated with MID. Deadline for petitioner to file amended petition extended pending settlement negotations. Status hearing set for April 12, 2024.
Bridgeview Vineyards, Inc. v. OWRD, et al.	Josephine County 23CV28757	Josephine - Petition challenging OWRD's cancellation of water-rights permit # T-9175.	Motion to dismiss for lack of jurisdiction granted. Judgment entered. Petitioner filed notice of appeal on February 12, 2024.
Brown Saylor Ranch, LLC, et al v. OWRD, et al	Umatilla County 23CV26568	Umatilla - Petition challenging a Notice of Violation that OWRD issued after determining that Petitioner's were irrigating land outside of their permitted place of use.	Settlement conference scheduled for April
Lloyd Piercy v. OWRD, et al.	Umatilla County 23CV27740	Umatilla - A junior water-rights holder filed this petition challenging OWRD's enforcement of the Westland Irrigation Districts' call per the Water Managment Plan for the Umatilla Basement Project.	Answer to amended PJR filed; to be consolidated with New Foothills.
New Foothills Properties LLC, et al. v. OWRD, et al	Umatilla County 23CV27892	Umatilla - A junior water-rights holder filed this petition challenging OWRD's enforcement of the Westland Irrigation Districts' call per the Water Managment Plan for the Umatilla Basement Project.	Briefing MTD/MTS; oral argument Mar 12.
NBCC, LLC, et al v. OWRD, et al	Marion County 23CV32928	Klamath - PJR Case Regarding Water Rights.	Amended motion to dismiss filed on 2/12/24.
Winchester Water Control Dist. v. OWRD, et al	Marion County 23CV33445	Umpqua - Petitioner district contends OWRD wrongfully denied amendment to their water right registration statement that claims less water than is actually held in reservoir.	Motion to dismiss filed. Hearing held Feb 16.
Upper Crooked River Conservationists v. OWRD	Crook County, 23CV46779	Deschutes - Petitioners challenge permit issued to Bureau of Reclamation for fish life	An amended PJR may be in the works. Developing a motion to dismiss.

OWRD ACTIVE LITIGATION CHART

STATE COURT CASES (APPELLATE			
I FVFI)			
Case	Court	Description	Rulings & Dates/Litigation Deadlines/Next Steps
Braymen	Harney Appeal A170316	Harney - Motion to show cause and for order of remedial contempt concerning alleged violation of settlement agreement and 2006 judgment of dismissal based on withdrawal of Motion to Enforce Decree in In re Silvies River Decree Case No. 1408	Appellate judgment issued on 4/25/22. This returns jurisdiction to Harney County Circuit Court. Have settled with Brayman; working to settle with remaining water users.
Waterwatch/East Valley v. OWRD	A173292	Willamette - Challenge to OWRC order denying reservoir application	NOA filed 1/23/20. Oral argument held on 11/03/22. Decided in WRD's favor 11/1/23; Petition for review filed and still pending.
Bridge Creek Ranch v. OWRD	A180610	John Day - Mandamus proceeding to require OWRD to process application to change POD for water-storage permit	Court of Appeals affirm lower court's decision. Awaiting Appellatte judgement.
Fort Klamath	A181385	Klamath - Appeal from PJR approving temporary transfer of Crooked Creek water, KA 67, T13673	OWRD and Intervenors have filed the answering briefs, and petitioner's reply brief is due March 7.
FEDERAL COURT CASES (TRIAL LEVEL)			
Case	Court	Description	Rulings & Dates/Litigation Deadlines/Next Steps
KID v. BOR	USDC Or 21CV0504 Judge Aiken	Klamath - KID filed Motion for Preliminary Injunction in KBA and BOR removed it to federal court; seeks injunction against release of stored water.	Appellate Division is handling the mandamus petition. Mandamus was denied by the Ninth Circuit and a petition for certiorari filed with the US Supreme Court. This was denied January 11. 2024.
US v. OWRD (fka BOR v. OWRD)	USDC OR 21-cv-1442 Judge Clarke	Klamath - BOR asserts same claims as in Yurok case and also a PJR under the Oregon APA against the April 6 No Release Order	N/A [Stayed]
Yurok v BOR & NMFS Intervenors: KWUA and Klamath Tribes	ND CA3:19-cv-04405 Judge Orrick	Tribes and others challenge the final BiOp (2019), BOR's environmental assessment and finding of no significant impact from BOR operations; primarily that set amount of irrigation water is unlawful and harmful to listed species	Limited judgment entered on US's First Claim for Relief; Appellate is handling appeal; opening and response briefs filed in 9th Circuit
Grant Knoll v. OWRD/WRC	USDC Oregon 1:23-cv-00928-CL Judge Mark D. Clarke	Klamath - A junior water-rights holder filed this petition challenging Oregon Water Resources Department's enforcement of the Klamath Tribes' call on claim No. KA 622.	Amended petition filed; Answer filed; Close of discovery Feb 12, 2024; OWRD's MSJ due Mar 11, 2024.
Grant Knoll v. OWRD/WRC	USDC Oregon 1:23-cv-00929-CL Judge Mark D. Clarke	Klamath - A junior water-rights holder filed this petition challenging Oregon Water Resources Department's enforcement of the Klamath Tribes' call on claim No. KA 622.	Amended petition filed; Answer filed; Close of discovery Feb 12, 2024; OWRD's MSJ due Mar 11, 2024.
Glenda Stilwell v. OWRD/WRC	USDC Oregon 1:23-cv-00930-CL Judge Mark D. Clarke	Klamath - A junior water-rights holder filed this petition challenging Oregon Water Resources Department's enforcement of the Klamath Tribes' call on claim No. KA 622.	Amended petition filed; Answer filed; Close of discovery Feb 12, 2024; OWRD's MSJ due Mar 11, 2024.
Ryan Hartman, et al v. OWRD/WRC	USDC Oregon 1:23-cv-00927-CL Judge Mark D. Clarke	Klamath - A junior water-rights holder filed this petition challenging Oregon Water Resources Department's enforcement of the Klamath Tribes' call on claim No. KA 622.	Amended petition filed; Answer filed; Close of discovery Feb 12, 2024; OWRD's MSJ due Mar 11, 2024.

OWRD ACTIVE LITIGATION CHART