



Oregon

Tina Kotek, Governor

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: Ivan Gall, Director

SUBJECT: Agenda Item C, September 12, 2024
Water Resources Commission

Director's Report

I. Recent Actions and Updates

A. Commission Meeting Structure

During the last Commission meeting, there was discussion among Commissioners about the Commission meeting structure. Some of the topics included meeting frequency, meeting length, agenda item length, a desire for fewer informational materials, and the ability for Commissioners to request items for the agenda. Staff proposed to return to the Commission with some proposals considering staffing and budget resources.

Meeting frequency: There was a proposal for the Commission to have more frequent regular meetings. Some Commissioners thought this was a good idea, while others expressed that this would be difficult for their schedules. The Department does not believe at this time that it can adequately support a more frequent meeting schedule. Meeting preparations begin two months prior to each meeting, requiring significant staff time and resources. Meeting travel, lodging and meals, and Commissioner stipends would also increase with more frequent meetings. The Department values the contributions of the Commission to its work and believes that there are alternative ways to address the underlying need for Commissioner engagement without increasing the number of regularly scheduled meetings.

The Department instead proposes extending the length of existing regular meetings or scheduling a special meeting. The Department believes that meeting topics and associated goals should drive the length of the meetings or scheduling of a special meeting. Setting a standard expectation of full two-day meetings, for example, or having a meeting every two months, could result in less meaningful items being added to the agenda to fill the time. This would be contrary to other comments made by some Commissioners requesting fewer informational items and preferring longer agenda items with additional time for discussion.

Upon reflecting on the Commission's feedback, we have prepared a summary proposal that we believe addresses the desire to elevate the importance of water in Oregon and to fully engage the Commission in that effort. Our recommendations are as follows:

- The Commission will have four regularly scheduled meetings a year. Agenda items will drive the length of each meeting. Commissioners should anticipate being available to meet Wednesday through Friday of the Commission meeting week. In most cases meetings will be 1.5 days; however, it is possible that they will be shorter or longer based on agenda items.
- Commissioners may suggest meeting topics during the Commissioner comments portion of the meeting. The Department will include this as part of the description of this item as a reminder to Commissioners. Commissioners are encouraged to email their meeting topic suggestions to the chair, director, and commission assistant to ensure that the suggestion is fully considered.
- Commissioners may request certain amounts of time be dedicated to specific agenda topics.
- The Department will include most informational items in the Director's Report. This may mean that meetings are shortened when lacking items for discussion.
 - The Department recommends that the Commission still receive informational briefings on upcoming rulemakings that are anticipated to have high public interest, or where the Department believes the Commission benefits from being apprised of the work, and the public being able to comment directly to the Commission.
- The Department may schedule a special virtual meeting in instances where it is determined that an important topic requires more immediate attention or where the Commission believes that more time is needed than can be accommodated by an existing meeting.

The Department hopes to engage in a discussion with the Commission about these recommendations and welcomes Commissioners' feedback and ideas. Our goal is to meet the needs of the Commission and the public we serve, while also being cognizant of resources and capacity. We are dedicated to continuous improvement and seek to change processes that are no longer serving a purpose.

B. Commission Retreat and Strategic Planning

The Department is interested in hosting a Commission retreat sometime in the next year. The Department is seeking to align the retreat with work that needs to occur on the Strategic Plan and Integrated Water Resources Strategy. The Department will work to schedule a retreat once the work with the other agency Directors on the IWRS is complete and a workplan is in place for completion of the Strategy and the Strategic Plan. In October, a new staff person will be starting to focus on the Strategic Plan, and the work of the Directors on the IWRS is anticipated to wrap up in September. Coordination of the retreat with these key strategic efforts will ensure the Commission has time for discussion and to shape this work. The Department anticipates that a retreat would occur by extending the length of an existing meeting instead of scheduling a

separate meeting. Therefore, Commissioners are asked to hold open the weeks of existing scheduled meetings, if possible.

C. Staffing Update

Since the June meeting, the Department has filled twelve positions as of August 15, 2024. Of the positions filled, there are six staff who are new to the agency, one staff member moving from a limited duration position to a permanent position, two promotional transfers in from another agency, and three internal promotions. Positions filled include the following:

- Administrative Specialist 2 (2)
- Assistant Watermaster Grants Pass
- Assistant Watermaster Medford
- Assistant Watermaster Vale
- Business Support Supervisor
- Grant and Loan Manager
- Grant Specialist
- Research Hydrologist
- Senior Scientist - Evapotranspiration and Water Use Coordinator
- Senior Water Resources Data Developer
- Water Supply Operations & Policy Analyst 2

As of August 15, 2024, the Department has twenty vacant positions to fill with eleven of those twenty recruitments in process. Four of those eleven recruitments in process are positions with accepted offers that have start dates after August 15, 2024. These will be detailed in the December 2024 Director's Report.

D. Budget & Legislative Update

2025 Legislative Concepts

The 2025 Legislative Session is slated to begin mid- January 2025, with a constitutional Sine Die date at the end of June 2025. During the summer, the Department met with and sought feedback from interested parties about legislative concepts and budget options for the 2025 Legislative Session. As time allows, staff will hold additional meetings throughout the year to continue to improve legislative proposals. However, the agency anticipates that some concepts will require further work during session. The Department will be pursuing four pieces for legislation; summaries of legislative concepts under consideration are included in Attachment 2.

2025-2027 Agency Request Budget

In August, the Department submitted its 2025-2027 Agency Request Budget (ARB) to the Department of Administrative Services. The Department's ARB, and those of other state agencies, will be considered by the Governor's Office, as they develop the Governor's Recommended Budget (GRB). The State budgetary outlook is still uncertain, and the Department

was directed to cap general fund requests at 1% of the general fund current service level budget; just over \$1 million for the Department. Governor Kotek will have until December 2024 to release her GRB, which becomes the starting point for budget discussions with the Legislature.

Ultimately, the Legislature will make the final decisions on agency budgets for the 2025-2027 biennium in May or June. Attachment 1 provides an overview of the 2023-2025 Agency Request Budget policy option packages. The full Agency Request Budget and policy option package narratives can be found on our website:

oregon.gov/owrd/programs/policylawandrules/LegislativeAndBudget/

E. Field Services Division Update

Field staff regulate and distribute water across Oregon, as well as provide customer service and perform many other duties. Regulatory actions are actions by field staff, typically watermasters and assistant watermasters, that cause a change in water use behavior. In 2023, staff reported a total of 8,726 regulatory actions. There were 5,785 regulatory actions to fulfill a senior water right or to address an illegal use. Additionally, 2,941 regulatory actions were conducted to regulate for, or monitor, instream water rights, which provide ecological benefits to fish, wildlife, and recreation. Staff regulated or monitored 428 instream water rights in 2023, a difference of one from 2022 and more than double of that in 2021.

As part of the regulatory action process, 162 notices of violation (NOVs) were issued in 2023, a slight increase from 2022 during which the Department issued 153 NOVs. The regulated and unregulated cannabis industry accounts for many sites where NOV's are issued. Added staff capacity also allows proactive site visits for water law compliance. Field staff received and responded to 377 complaints, continuing a trend of declining complaints. Meanwhile, the number of watermaster-initiated investigations continued to rise from 894 in 2022 to 1,142 in 2023. Staff also conducted 29,304 compliance checks to determine if water right holders followed the law or a regulatory action.

The Enforcement Section (ES) began streamlining the enforcement process in 2022 and continues to assist the division and department in enforcement efficiencies including better tracking of enforcement referrals leading to issuance of orders and regulatory notices. In addition to the above NOVs, the ES assisted field staff with the issuance of 108 measurement device notices and issued 16 notices of assessment of civil penalties totaling over \$52,000. The Department may not collect all these assessments as some are reduced as part of stipulated settlement agreements or are part of ongoing casework. However, the impact in assisting the FSD and Department with achieving compliance has been notable.

In 2023, Department assistant watermasters focused on cannabis site investigation and education. This group conducted 605 on-site investigations, resulting in 205 enforcement referrals, which accounted for 69% of all enforcement referrals for the Field Services Division.

The team collaborated closely with various state agencies, local law enforcement, and code enforcement to promote education and compliance. These agencies included the Oregon Liquor and Cannabis Commission (OLCC), the Oregon Department of Agriculture Hemp Program, the

Department of State Lands, and the Department of Environmental Quality. Beginning in April 2023, through a partnership with OLCC, individuals seeking OLCC marijuana growing licenses were required to obtain approval on a water use plan from OWRD. This process educates growers about relevant water laws and prevents compliance issues in the future. The group processed 167 of these Water Use Forms.

F. Drought Status Update

Since Oregon's drought-free period this spring, conditions have deteriorated with over 56% of the state experiencing moderate drought conditions including most of central Oregon as well as northeastern and southwestern portions of the state. This development has largely been driven by recent abnormally high temperatures despite near to above normal precipitation for most of the state over the water year. A long and historic heatwave in July brought record-setting temperatures to the region resulting in historic levels of evaporation which decreased soil moisture statewide.

In addition to above normal temperatures, precipitation deficits in central and eastern Oregon since April have contributed to the reemergence of drought in these regions by early July. As a result, streamflow conditions in these regions have recently been below normal with conditions elsewhere in the state generally ranging from below to near normal. In drought affected areas, streamflow quickly receded to below normal conditions following the influx of snowmelt demonstrating the impact of below normal soil moisture conditions on streamflow. Below normal streamflow conditions have directly impacted storage projects in the Klamath, Deschutes, and Rogue basins where storage projects are currently below normal. Additionally, these conditions have directly impacted some irrigation operations by prompting further reliance on stored water which further depletes below normal storage in some basins. This is particularly evident in the North Unit Irrigation District in Jefferson County and Wickiup Reservoir where water management is constrained by seasonal fluctuations and specific Habitat Conservation Plan requirements.

Currently, Jefferson County is the only Oregon county with an Executive Order issuing a state drought declaration under ORS 536. For a more comprehensive overview of drought, sign up for the [bi-weekly Water Conditions Report](#) or view the Water Conditions Report [online](#).

G. IWRS Update

In March 2024, the Department released the first draft of the 2024 IWRS update for public review and comment. In April 2024, the Governor's Office asked the Department to pause on the development of a second draft of the IWRS to allow for input from several new natural resource directors. The Governor appointed new directors to the Water Resources Department, Department of Fish and Wildlife, and the Oregon Watershed Enhancement Board at the end of May. The Governor's Office is meeting with these directors and several others in August and September to obtain their input on the IWRS and water priorities. The Department anticipates conducting additional engagement activities and publishing a second draft in 2025.

H. Voluntary Agreements

The Department has developed a three-prong approach for supporting the development of statewide voluntary agreements among groundwater users from the same groundwater reservoir, as authorized under ORS 537.545:

- (1) **Guidance Document:** Initially drafted for the Harney Basin Division 512 Rules Advisory Committee and other Harney Basin groundwater users, the document clarifies statutory and administrative rule criteria as well as best practices that would support a Department recommendation to the Commission for approval. Intended as a “bridge” for the Harney Basin prior to development and adoption of statewide rules (described in (3) below), the revised Division 512 rules will include language honoring voluntary agreements approved prior to statewide rule adoption. This document is in the initial draft and review phase with a focus group.
- (2) **Facilitation of Community-based Discussions:** The Department has an intergovernmental agreement with PSU/Oregon Consensus for the facilitation and support to community-based, Harney Basin specific, voluntary agreements and discussions. The agreement and work began August 1.
- (3) **State-wide rules:** The Department will initiate a future rulemaking process to propose rules that align with the final guidance document. Any voluntary agreements approved prior to the rulemaking process would remain in effect.

I. Lower Umatilla Basin Groundwater Management Area

OWRD, ODA, and ODEQ, in collaboration with OHA and the Governor’s Office, have drafted the Oregon Nitrate Reduction Plan for the LUBGWMA. This is the state’s plan to reduce nitrate contamination in the LUBGWMA and includes a number of strategies from the three natural resource agencies. Included in the plan are ongoing programmatic responsibilities, research, and data collection efforts. OHA’s work to provide safe, clean drinking water is also included in the plan. The agencies and the Governor’s Office met with the EPA to review the plan on August 22nd and are currently editing the plan to incorporate their feedback. The Governor’s commitment is to have this plan finalized and publicly available by the end of September.

OWRD is also participating in several other efforts in the LUBGWMA, including the Morrow/Umatilla County Drinking Water Investigation (DWI) grant project. The DWI is a feasibility assessment to determine if municipal water from existing systems can be extended to serve existing domestic well owners.

J. Tribal Update

Harney Basin Critical Groundwater Area Designation Rulemaking and Draft Groundwater Report: On July 1, the Department mailed and emailed letters to Oregon’s Nine Tribes inviting coordination and/or consultation on the [Draft Groundwater Report for the Harney Basin Critical](#)

[Groundwater Area Rulemaking](#). The Department received a request from the Burns Paiute Tribe to engage further on the report and is coordinating with the Tribe to determine meeting date and venue.

Rulemakings: On July 16, the Director mailed and emailed letters to Oregon’s Nine Tribes inviting coordination and/or consultation on current and future rulemaking efforts, relating to Place-Based Water Planning Fund (ORS 537.872-537.873), Best Practices for Community Engagement Around water Projects (ORS 541.551), and Voluntary Agreements (ORS 537.745). The Department has not received any responses to date.

Joint Tribal Visits with New Department Heads: On August 2, the newly appointed Directors for the Oregon Water Resources Department, Oregon Department of Fish and Wildlife, and Oregon Watershed Enhancement Board mailed and emailed letters to Oregon’s Nine Tribes expressing interest in meeting with each Tribe to foster a collaborative relationship and learn about Tribal priorities, goals, and vision around natural resource issues. The three Departments are coordinating with Tribal leadership and staff to determine meeting dates and venues.

Annual Government-to-Government Summit: On July 24, the Deputy Director and the Tribal Liaison attended the annual Tribal-State Government-to-Government Summit hosted by the Cow Creek Band of Umpqua Tribe of Indians. The Summit featured several panels, including one entitled “Navigating Water Futures: Indigenous Ecological Knowledge and Collaborative Governance for Climate Resilience.” Speakers on the panel included experts in water law, natural resources staff from the Klamath Tribes and the Cow Creek Band of Umpqua Tribe of Indians, and the Governor’s Natural Resources Advisor. The panel discussed challenges in water co-management, echoing the primary theme of the Summit, namely the need for early, frequent, and meaningful engagement with the Tribes.

Task Force on Tribal Consultation and Department Policy on Tribal Engagement: The Department is monitoring the progress of this newly formed Task Force closely; the Task Force is charged with identifying and clarifying the requirements of state agencies to engage in tribal consultation (House Bill 3173 (2023)). The Department will rely on Task Force recommendations to update the Department’s 2007 policy on tribal engagement.

Ongoing 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 ongoing rulemaking efforts, the IWRS update, funding opportunities, and Willamette Basin Instream Water Right Applications. 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 Tribal Liaison continues to work with sister agencies and tribal staff to update and standardize communications, consultation, and engagement efforts between the Department and the Tribes concerning policy issues of potential interest or concern.

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

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K. Harney Domestic Well Fund

The Department's Harney Domestic Well Remediation Fund (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. If approved for funding, a homeowner may 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.

With \$500,000 available to award, the Department posted application materials online and accepted applications from February 21 through May 31, 2024. After substantial outreach, the Department received seven applications requesting a total of \$71,584 in funding with an estimated total cost of \$128,847 to repair or replace and abandon the wells. Staff reviewed the applications for completeness and eligibility then conducted pre-award inspections. All seven applications met the funding requirements and were approved for funding. The Department has begun entering into grant agreements with each applicant.

As funding remains available, the Department anticipates a future solicitation for applications in 2025.

L. Best Practices for Community Engagement for Water Projects

Oregon Revised Statutes (ORS) 541.551 (House Bill 3293, 2021) emphasizes the need to involve communities, especially those disproportionately impacted, in decisions about water projects. ORS 541.551 provides several agencies the authority to provide support to help develop and implement community engagements plans for water projects. It also 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 in the creation of best practices in community engagement for water projects. Although ORS 541.551 does not mandate agencies to provide support for water projects or mandate community engagement plans, it does require those who receive funding for community engagement plans to follow the agency's best practices. Agencies held an open house and two community roundtables in 2024, followed by a 30-day public comment period to receive board community feedback on draft best practices.

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. The Department is preparing rules which will be in Division 601. The Department will be the first agency in the workgroup to hold a rules advisory committee (RAC) on September 16th, 2024. This RAC will focus on implementation of best practices in two agency funding opportunities, Water Project Grants and Loans (OAR 690-093 Water Supply Development Account) and Feasibility Study Grants (OAR 690-600 Water Conservation, Reuse, and Storage Grant Program). The Department anticipates bringing rules to the Commission for adoption in December 2024 or March 2025.

M. Columbia River Treaty

The Columbia River Treaty (CRT) is a bi-lateral treaty between the US and Canada that governs the flows of the Columbia River across the two countries' border. It is most well-known for leading to the construction of four large dams and for its provisions that secure flood control in the US in exchange for sharing hydropower production with Canada. The two countries completed separate reviews of the treaty from 2009 to 2013 in anticipation of negotiations and the expiration of certain provisions of the treaty related to assured flood control in September 2024. Negotiations started in May 2018 and since then the two countries completed 19 formal negotiating sessions. The US Department of State is the lead agency negotiating on behalf of the US, periodically consulting with the State of Oregon's Governor's Office. In July 2024, the US and Canada announced they reached an agreement in principle (AIP). The AIP maintains the ethos of sharing benefits between countries but includes the following changes to be incorporated into a modernized treaty:

- A reduction in the amount of hydropower returned to Canada (immediate 37% drop and then a 50% drop in 2033);
- Increased Canadian access to US transmission infrastructure;
- Continued US access to storage space behind Canadian Treaty dams for flood risk management in exchange for annual indexed compensation to Canada;
- Formation of a new a Tribal and Indigenous-led body that will provide recommendations on how CRT operations can better support ecosystem needs and tribal and indigenous cultural values;
- Increased flexibility in how Canada operates its three treaty dams;
- New collaborative engagement on Libby Dam operations, which impacts the Kootenai Reservoir that spans the US-Canada border;
- A long-term agreement to continue flow augmentation from Canadian reservoirs to support salmon migration, including an approach to increase flows during dry years; and
- A commitment from the US and Canada to coordinate on salmon reintroduction studies, which are led by U.S. Tribes and Canadian Indigenous Nations.

The two countries agreed to work as quickly as possible to finalize the new treaty text and implement the modernized agreement. Finalizing the treaty text and other domestic implementation processes (e.g., ratification by US Congress) will take some time. Therefore, the two countries are also preparing interim measures as the countries transition implementation of CRT operations.

II. Upcoming Board and Commission Meetings

Commission / Board

Land Conservation and Development Commission

Date

September 26 – 27, 2024

October 25, 2024

December 5 – 6, 2024

Parks and Recreation Commission

September 17-18, 2024

November 19 – 20, 2024

Fish and Wildlife Commission

September 12 – 13, 2024

October 11, 2024

State Land Board

October 8, 2024

December 10, 2024

Environmental Quality Commission

September 26 – 27, 2024

October 25, 2024

November 21 – 22, 2024

Watershed Enhancement Board

October 22 – 24, 2024

Board of Agriculture

December 17 – 19 2024

Attachments:

1. Rulemaking Calendar
2. Legislative Concepts and Agency Request Budget Summary
 - Note: The Litigation Update will resume next meeting.

Oregon Water Resources Department Current Rulemaking

Rule Name	Topic	Lead Staff	GWAC Input Expected?	Target WRC Date	Status
Groundwater Allocation	Update Process and Definitions for Sustainable Evaluation of New Water Rights, Protective of Senior Right Holders	Annette Liebe, Justin Iverson, Laura Hartt	Yes	Sept. 2024	Ready for Adoption
Division 512- Malheur Lake Basin Program	Update to Basin Rules Following the Publication of Groundwater Study	Jason Spriet, Tim Seymour, Kelly Mainz	Yes	2025	RAC Meetings 9-12 Ongoing through Spring 2025
Place-Based Water Planning Fund- Division 602	Rules Regarding Development of a Place-Based Planning Fund	Kim Fritz-Ogren Lili Prahl Margo Mashkovskaya	No	2025	RAC Meetings Scheduled Aug. 19, Sept. 16, Oct. 17
HB 3293 (2021) Water Project Community Engagement Plans- Division 601	Rules Regarding Best Practices for Equitable Community Engagement Plan for Funding Programs	Kim Fritz-Ogren Charlotte Regula-Whitefield Margo Mashkovskaya	No	2024 / 2025	RAC Meeting Scheduled Sept. 16
HB 2020 (2023) Voluntary Agreements	Establish statewide criteria for voluntary water agreement ORS 537.525 within a shared reservoir	Jason Spriet, Tim Seymour, Laura Hartt	Yes	TBD	Initial Policy Guidance Document Under Review

2025 Legislative Concepts and 2025-27 Agency Request Budget Summary



For additional information ,please contact:
Bryn.Hudson@oregon.gov; 503-302-7584/ Lisa.J.Snyder@oregon.gov; 503-983-5801

Water Resources Department Legislation

LC 393 – Klamath Leases and Temporary Transfers Sunset Date

The Department’s authority to approve temporary transfers and leases for determined claims in the Upper Klamath Basin, which is undergoing an active adjudication, sunsets in January 2026. If this authority sunsets, the Department will not be able to approve leases or temporary transfers until the adjudication is completed, which limits water users’ ability to use their water rights. Because it is unclear when the adjudication will be completed, the Department proposes to extend the current sunset date and insert language to repeal the program upon completion of the adjudication.

LC 397 – Water Right Transaction and Dam Safety Fees

This bill accompanies package 102. Staff in both the Dam Safety and Water Right Transactions Division are partially supported by fees. These programs are core to the Department's mission of responsibly managing Oregon's water resources and maintaining public safety. The Department is facing shortfalls to support staff funded by dam safety annual fees and water right transaction fees. This bill increases Water Right Transaction Fees by 135% and Dam Safety Annual Fees by 56% to maintain existing service levels.

LC 402 – Well Construction Program Fees

This bill accompanies package 101. The Department’s well construction program is almost entirely funded by fees. The ability for the agency to inspect wells to protect public health and safety and to prevent groundwater contamination and waste of groundwater resources requires (1) inspections of wells; (2) well log technical reviews; (3) licensing of well drillers. The Department is facing shortfalls to support staff funded by Start Card fees and Well Driller Licensing and Landowner Permit fees. The bill increases the Start Card fee by 40% and Well Driller Licensing and Landowner Permit fees by 10%.

LC 408 – Harney Conservation Reserve Enhancement Program Other Funds Transfer

This bill accompanies package 103. The Harney Valley CREP is a voluntary program operated through the USDA Farm Service Agency (FSA) in partnership with OWRD that seeks to improve groundwater conditions in the Harney basin by incentivizing landowners to voluntarily cancel groundwater rights within the Greater Harney Valley Groundwater Area of Concern. The bill proposes a technical change that would allow the unspent general fund allocation to roll into an “other funds” account each biennium, which would allow for the Department to commit to longer term or lump sum contracts to meet the needs of the participants enrolling in the program. Longer-term contracts (up to 15 years) would allow OWRD to enroll more participants and to better meet the needs of individual participants as the funding would be available beyond the current biennium.

Water Resources Department Agency Request Policy Option Packages

Package 101 - Maintain Well Construction Program Services - \$920k OF Revenue - IWRS recommended actions 7.A, 7.C, and 13.B.

This package accompanies LC 402. The current fee schedule for start cards provides \$2.17 million to support 9.87 FTE that support well construction programs: 3.19 FTE in the Well Construction Section, 5 FTE well inspectors in the Field Services Division, 1 FTE Data Tech, and 0.68 FTE in the Administrative Services Division. The current fee schedule for well construction licensing and permits provides \$110k to support 0.57 FTE that support the well construction licensing and permitting functions in the Well Construction Section. This package proposes to increase start card fees by approximately 40% and well program fees by 10% percent for the 2025-2029 biennia. The fee increase will allow the Department to maintain its well program fee supported staff and will help the Department to provide timely service to the public.

Package 102 - Maintain Water Right & Dam Safety Services - \$3.5m OF Revenue - \$1.7m OF – 7.00 FTE / 7 Positions - IWRS recommended actions 7.C, 10.G, and 13.B.

This package accompanies LC 397. The current fee schedule provides \$330k to support 0.95 FTE in the Dam Safety program and \$2.35 million to fund 14.93 FTE: 12.43 FTE in the Water Right Services Division, 0.5 FTE in the Groundwater Section, and 2.0 FTE Water Right Data Techs. To maintain current service levels, increases to water right transaction fees by approximately 135% percent and annual dam safety fees by 56% are needed for the 2025-2029 biennia. The fee increase will allow the Department to continue to serve farmers, water supply providers, entities seeking to restore streamflows, and others on their water rights proposals and to support the dam safety program. This package retains 7 of the 7 FTE reduced in POP 070.

Package 103 - Harney Conservation Resource Enhancement Fund - \$544k OF Expenditure Limitation

This package accompanies LC 408 and contains a technical change that would allow the unspent general fund allocation to roll into an “other funds” account each biennium. This would allow for the Department to commit to longer term contracts and increase enrollment, while structuring payments to meet the needs of the participants enrolling in the program.

Package 104 - Feasibility Studies, Water Projects, & Wells - \$23.3 million Total Funds (\$22.3m LRB; \$1m LF) - IWRS recommended actions 5.B, 10.E, 12.A, 13.D, and 13.E.

This proposal includes investment in several of the Department’s funding programs, including, 1) Feasibility Study Grants; 2) Water Projects Grants and Loans; and 3) Well Abandonment, Repair, and Replacement Fund.

Package 105 – Expanding Engagement & Equity in Complex Issues

This package would broaden the scope of \$600k general funds appropriated via package 801 in the 23-25 biennium to allow them to be used for facilitation, outreach and engagement, communications, trainings, translations, and other consulting services, with an emphasis on centering equity. This expansion will help the agency accomplish the goal of addressing Oregonian’s water needs and working to implement solutions to those water needs in a manner that engages with the people we serve.

Package 106 - American Rescue Plan Act Carryover - \$3.35 million OF

This package proposes to carry forward American Rescue Plan Act funding authorized in the 2021-2023 budget for those efforts to be completed and to have desired outcomes be achieved. The federal requirements state that these dollars must be obligated by December 31, 2024, and expended by 2026 for the following: 1) place-based planning; 2) ordnance project in Umatilla County; 3) engineering services for flood methodology & inundation assessments; 4) surface water and groundwater data collection field equipment; and 5) funding for the water measurement cost share program.

Water Resources Department Agency Request Policy Option Packages

Package 107 - Strategic Modernization of IT Systems & Tools - \$251k GF; 0.88 FTE / 1 Position

This package adds a business analyst to the IT section. The Department needs to modernize its IT functions and the first start is to invest in business analysis and project management to ensure that the agency can successfully scope and execute much needed modernization projects.

Package 108 – Human Resources & Workplace Safety Needs - \$214k GF; 0.75 FTE / 1 Position

This package creates a 0.75 FTE Safety Specialist position dedicated to developing and administering the agency's safety, worker's compensation and wellness program. This will address employee safety concerns, help meet regulatory requirements, and reduce the workload of HR staff, which have seen a significant increase in work and requirements related to Paid Leave Oregon and Workday. The package also reclasses one AS2 to an HRA1 per recommendation from the Chief Human Resources Office.

Package 109 – Complying with Internal Audit Requirement - \$311k Total Funds (\$156k GF; \$156k OF); 0.88 FTE / 1 Position

The Department is required to have an internal audit function. This package proposes to add an internal auditor position that would be shared with the Oregon Watershed Enhancement Board to provide critical information for senior management to understand risks, deficiencies, and needed improvements.

Package 110 - State Scenic Waterway Revenue Gap – \$0 Total Funds (\$290k GF; (\$290k OF)) - *IWRS recommended actions 10.G and 13.B.*

This proposal will backfill funding gaps for six existing positions with general fund in the amount above the existing contracted amount with the Oregon Parks and Recreation Department for Scenic Waterway work. These positions are currently funded with a blend of Scenic Waterway funds and general fund.

Package 111 – Improving Accessibility of Agency Website - \$128k GF – 0.5 FTE / 1 Position

This package would add a 0.5 FTE part-time web coordinator responsible for ensuring the Department's website is up to date with information desired by the public, while also considering ease of use, transparency, and website accessibility. Content updates would be conducted by the position to ensure consistency of design, content, methods, and accessibility.

REDUCTIONS

Package 070 – Water Rights Transactions Fee Schedule Revenue Shortfalls Package – (\$1.7m) OF – (7.00) FTE / (7) Positions

This package eliminates seven fee-funded positions necessary to adjust Current Service Level to available revenues, if additional funding is not approved.