

Oregon Water Resources Commission Work Session  
June 27, 1996  
Ashland, Oregon

Members

Cliff Bentz  
Mike Jewett  
John Frewing  
Tyler Hansell  
Anita Johnson  
Nancy Leonard  
Ron Nelson

Others

Kathleen Moss  
Roger Bachman  
Kip Lombard  
Jeff Curtis

Staff

Martha Pagel  
Geoff Huntington  
Steve Sanders  
Cindy Smith  
Al Cook  
Steve Applegate  
Tom Kline  
Weston Becker  
Tom Byler  
Barry Norris  
Bruce Sund  
Larry Menteer  
Norm Daft  
Ben Bishop  
Larry Nunn  
Mike McCord

Agenda reports and other material submitted at this work session are part of the meeting record and are on file at the Oregon Water Resources Department, 158 12th St. NE, Salem, Oregon 97310. Audiotapes of the meeting are on file at the same address.

**1. Preparation of the 1997-99 Budget and 1997 Legislative Proposals.**

Martha Pagel led this discussion on budget and legislative proposals. The Department's base budget will be submitted reflecting our current services. Two stakeholders group meetings were held since the last Commission meeting to discuss budget option packages and possible proposed legislation. In May the Department held a one-day workshop to share ideas for improving instream flows in some critical streams.

The Department's Strategic Plan activities are directed around the two key goals of stewardship and supply.

Specific budget proposals relating to stewardship include: increased field staff to provide technical assistance; increased grant funding for GWEB; new grant funds for conservation and efficiency; funds for increased information-gathering and monitoring; and funds for acquisition of instream flow through transfers, leases and purchase of existing available storage. In general, new legislation is not required to address stewardship issues. Most of the ideas presented at the May workshop related to additional funding.

Specific budget proposals relating to supply include: funds to identify and site pilot storage projects; funds for additional ground water studies; grant funds to support local supply planning efforts; funds to conduct a long-term needs assessment; funds to identify potential artificial recharge opportunities; and continuation of the Willamette Feasibility Study.

The Strategic Plan also identifies citizen services and information management as major program areas to be emphasized. Under these areas, recommended budget priorities include: continuation/updating of the well log project, and improved computer access in field offices and for the public. The Department is recommending a legislative proposal relating to well construction to clarify supervision and bonding requirements.

The Department's budget proposal is due to the Department of Administrative Services in September. More information will become available during the next several weeks regarding the budget needs for implementing the Governor's Coastal Salmon Recovery Initiative and for a coordinated inter-agency water strategy.

Pagel distributed a list of option package recommendations broken into two main categories: "Satisfy Existing Expectations" and "Water Supply and Stewardship." The list was discussed and Pagel responded to Commissioners' questions and comments.

Cliff Bentz asked Pagel which option packages would be the greatest value to the agency for the money spent. Pagel said that considering the unique function of this agency to gather information about water availability, increased information such as ground water studies, data collection, and stream gaging telemetry would be a high priority. In addressing fishery problems, it might be targeting dollars to acquiring flow augmentation. Another priority would be to build our program and strengthen our capacity at a local level by increasing field staff and providing more information at the field level.

The summary of potential 1997 legislative concepts was reviewed and discussed. Relating to ground water and well construction, the staff recommendation was to limit the concept to technical issues addressing well construction, supervision, bonds, and the definition of "well."

Staff recommended an aggressive budget package for instream flows and amendment of the conserved water statutes to correct a technical problem with priority dates. Staff recommended requiring "x" percent (specific amount to be further evaluated) of the underlying right to be transferred for instream use to promote efficiency and increase instream flows; and allow exceptions under certain circumstances. Comments by Commission members indicated concerns about the feasibility of this concept and whether it would conflict with previous policy statements by the Commission to encourage a market-based approach to transfers. The Commission requested further discussion of the concept at the next meeting in August.

Housekeeping measures would include proceeding with corrective proposals regarding ponds, some timing adjustments of SB 674, allowing surface to ground water changes for permits as well as certificated rights, and other corrections which may be identified. Staff recommended proceeding with a concept to allow immediate issuance of a water use authorization during a flood. Staff recommended proceeding with proposed increases in existing fees to recover a greater portion of costs on existing services, add new a fee provision for ASR permits, and modify the fee provision for temporary transfer under SB 494.

Staff suggested not proceeding with a legislative proposal on time-limited permits but to use existing authority for limited licenses more aggressively and use time-limited permits when needed. Task forces are developing recommendations on water quality/water quantity, reservations, and hydroelectric project relicensing; reports will be presented to the Commission when available.

#### Public Comment

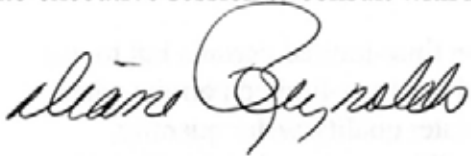
Roger Bachman, Oregon Trout, asked about the meaning of the asterisks after Permit Monitoring and Data Management on the draft option package recommendations document. Frewing said that the asterisks on the copy distributed in May indicated that funding for this package depends on statutory change to increase water user fee. Bachman referred to the same budget document and asked if the money for Data Collection - Monitoring, Stream Gaging under Water Supply and Stewardship calls for more gages or just the operation of existing ones. Pagel responded that this amount does call for more stream gaging. Bachman said he is not supportive of a transfer tax because he envisions an active cash market for water rights. If people are willing to give up some water, a tax or fee on a proposed transfer would discourage them. He suggested that the Legislature be asked to consider a test basin for a modest water right use fee. The fees would stay in the basin and be used there. He encouraged the issuance of partial season and late season water leases. Bachman would like the Commission to be brought back into the public interest determination on permit applications. (tape 2, mark 285)

Jeff Curtis, WaterWatch, spoke in support of a monetary or water tax on transfers to restore instream flows. WaterWatch supports acquisition of water rights but that would be very expensive. (tape 2, mark 385)

Kip Lombard, Oregon Water Resources Congress, spoke against the idea of a monetary or water tax on transfers. It would lead to a reduction in the irrigated agricultural base and be a big problem for districts. He encouraged the staff and Commission to instead continue to put an emphasis on conservation. (tape 2, mark 430)

Pagel explained that the state has a very serious problem now with a lack of sustainable instream flows. Staff are looking for constructive ways to solve this problem. If our idea on water right transfers is missing the mark, what we need are some incremental steps that will help us start restoring instream flows in important areas.

There being no further business, the Commission adjourned the public work session and went into executive session to consult with legal counsel concerning current litigation.

A handwritten signature in cursive script, appearing to read "Diane Reynolds".

Diane Reynolds  
Commission Assistant