



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

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MEMORANDUM

TO: Water Resources Commission

FROM: Phillip C. Ward, Director

SUBJECT: Agenda Item F, June 10, 2009
Water Resources Commission Meeting

Director's Report

I. Current Events:

Current Water Conditions: The U.S. Drought Monitor indicates abnormally dry conditions throughout Western Oregon and parts of Central Oregon. Moderate drought conditions are designated for all of Malheur County, most of Lake County, the southern half of Baker and Harney Counties and the southeast corner of Klamath County.

In most Oregon basins, maximum snowpack was reached shortly after April 1 of this year. May 1 snowpack in Oregon ranged from 64 percent of average for the Owyhee and Malheur basin to 163 percent of average for the Hood and Lower Deschutes basin. Since the beginning of the water year, total precipitation for most basins in the state has been below average. Total precipitation for the water year ranges from 76 percent of average in Lake County to 103 percent of average in the Umatilla, Walla Walla, and Lower John Day.

On May 1, storage in 26 major Oregon reservoirs was 78 percent of average, which represents 63 percent of useable capacity. Reservoirs in southeastern Oregon are well below average, while reservoirs in the rest of the state were near to slightly below normal.

May through September stream flow forecasts range from 55 percent of average for Deep Creek above Adel to 117 percent of average for the Oak Grove Fork (Clackamas) River above the power intake. Low summer stream flow in southeast Oregon is expected early this season, resulting in well below normal water supplies for users.

II. Commission Follow Up

Budget Update: Senator Carter and Representative Buckley, the Co-Chairs of the Joint Committee on Ways and Means, released their recommended 2009-11 budget on May 18th, 2009. Their proposal incorporates the state's May 15 economic forecast, which estimates a revenue shortfall of \$3.8 billion during 2009-11. The co-chairs' recommended budget proposes significant reductions statewide, as well as requirements to raise new revenue. In their press release, the Co-Chairs state that they are attempting to "address long-standing water issues and provide sustainable funding for the Oregon Water Resources Department through proposals still in development." Their recommendations for the Water Resources Department propose the

elimination of 6 FTE as well as fee increases to backfill General Fund in the amount of \$2.8 million. The Ways & Means Subcommittee on Natural Resources, co-chaired by Senator Vicki Walker and Representative Bob Jenson, have several bills available for their use, as they decide which fees to implement. Additional information regarding this subject and the potential sources of fee increases will be shared at the Commission meeting.

SB 1069 Grant Update: Grant agreements have been signed with all 20 grantees. Two of the original grantees, Deschutes River Conservancy/North Unit Irrigation District and Medford Water Commission, declined to accept the grant awards. These grantees declined to accept the awards in part due to the decreased size of the award, but predominantly due to changes in their circumstances which were not related to the grant program. Their grant awards were proportionally distributed to the 20 other grantees.

As of May 22, 2009, the Department had received three requests from grantees for release of funds. The Department has disbursed more than \$130,000 to the City of Ashland, City of Dallas, and the Klamath Basin Rangeland Trust.

Federal Stimulus Update: The American Recovery and Reinvestment Act (ARRA) has the potential to provide more than \$3.9 billion in formula funding economic assistance to Oregon over the next three years. Health, Human Service, and Education programs will receive the majority of this funding. Formula funding is directed through existing programs and will be used as partial offset to the current and next budget shortfalls as well as addressing some new needs. WRD does not administer programs scheduled to receive formula funding.



In addition to formula funds, federal agencies are receiving ARRA funding for an array of projects identified as critical. For example, the Bureau of Reclamation is scheduled to receive \$1 billion in stimulus funding, but identified \$2 billion in potential projects. Their approved project list totaling \$950 million was released in April. It includes two projects in Oregon. \$4 million for a sedimentation study on the Klamath River related to the removal of 4 dams in Oregon and California and \$3.8 million for ecosystem restoration in the Deschutes Basin.

The Reclamation project list also included one competitive challenge grant opportunity under the Water Conservation Initiative. The awards will range from \$1 million to \$5 million; however, they require a minimum 50 percent match. A number of Oregon irrigation districts are reported to have submitted applications for funding under this initiative. Awards are scheduled to be announced in July.

The Department has not submitted any applications for ARRA funding, as the available opportunities have not fit with Department responsibilities.

Information on opportunities and how ARRA funds are being spent is available at:

- <http://www.oregon.gov/recovery/>
- <http://www.recovery.gov/>

Although not part of ARRA funding, the Department recently submitted an application to the US Department of Agriculture for up to a \$500,000 federal grant to test the concept that repair of commingling irrigation wells in the Mosier Groundwater Withdrawal Area. This work could ultimately result in substantial, measurable increase in water available for agriculture, rural domestic, and enhanced stream flows. If successful, the Department will cooperate with the US Geological Survey to leverage additional resources for the project.

Governor's Global Warming Commission: The Global Warming Commission devoted a considerable amount of time discussing its future role and responsibilities at the May 1, 2009 meeting. The Commission noted that abolishment of the Global Warming Commission and creation of a new Climate Policy Advisory Council to oversee core state agency efforts to meet the state's emissions reduction goal (via SB 80) have been topics of discussion during the current legislative session. In light of these and other considerations, the Commission sought comment regarding their future role and responsibilities. A draft work plan for 2009-2010 was prepared to facilitate that discussion.

This draft contained a number of issue subject areas, such as Water Availability/Allocation, Ecosystems at Risk, Infrastructure at Risk, etc. The Global Warming Commission plans to seek recommendations from the Water Resources Commission and Department on how the Global Warming Commission can assist in addressing the issue.

Bob Doppelt, Director of the Climate Leadership Initiative at the University of Oregon, made a presentation entitled: "Preparing for Climate Change in Oregon." In his presentation, Doppelt noted that the International Scientific Congress on Climate Change has recently concluded that the worst case scenario for near-term global warming conditions/impacts described by the Intergovernmental Panel on Climate Change (IPCC) is occurring. Doppelt emphasized the need for an integrated Oregon response (adaptation and mitigation) to climate change. He announced the recent completion of studies regarding anticipated climate change impacts on specific river basins in Oregon and noted that similar studies for the Lower Willamette River, Klamath River and Umatilla River are in the works.

III. Commission/Board Schedules	Location	Date
State Land Board	Salem	June 16, 2009
Environmental Quality Commission	Portland	June 18-19, 2009
Dept. of Geology and Mineral Industries	Portland	June 19, 2009
Parks and Recreation Commission	Madras	July 16, 2009
Fish and Wildlife Commission	Baker City	July 17, 2009
Board of Forestry	TBD	July 24, 2009
Land Conservation and Development Commission	Brookings	July 29-31, 2009
Board of Agriculture	Baker	Sept. 10-11, 2009
Oregon Watershed Enhancement Board	Wallowa Co.	Sept. 15-16, 2009