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Oregon Water Resources Department

Summary of 2011-13 Legislative Concept #497

Electronic Transactions at the Water Resources Department

Goal

Increase electronic transactions, compared to hardcopy transactions.

Background

Currently, statute requires that a number of Department documents, including, initial reviews, proposed final orders, final orders, and other records, must be passed back and forth between the Department and customers in hardcopy. This involves extra time and materials, as these documents are created and used in an electronic format today, and then transferred to hardcopy for mailing to customers.

Proposal

The Water Resources Department proposes to send and receive documents electronically when mutually agreed to with the customer. The Department would still plan to keep permits, certificates, and other final decisions in a hardcopy file for long-term record keeping. Department documents, whether electronic or hardcopy, would still be available as part of the public record.

Supporters

The Department formed an Efficiency Review Group that met throughout 2009-2010 to explore ideas that could help the Department be more efficient. The Efficiency Review Group supports this concept. Other supporters include individual customers, water user groups, and environmental groups.

Savings

Savings will occur in a variety of ways. First, use of electronic mail decreases overall processing time by a couple of days, compared to traditional mail. Second, the Department estimates that the cost of postage and materials (paper, envelopes, toner, etc.) could decrease by thousands of dollars per year.

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LC 497 69000-001 6/29/10 (CDT/ps)

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SUMMARY

Allows Water Resources Department to adopt rules allowing receipt of documents by electronic means. Allows department to adopt rules allowing sending of documents by electronic means with consent of recipient. Allows department to reduce or waive fee for documents received or sent by electronic means.

A BILL FOR AN ACT

- 2 Relating to the electronic transmittal of documents pertaining to the Water
- 3 Resources Department.
- 4 Be It Enacted by the People of the State of Oregon:
- 5 SECTION 1. (1) Notwithstanding any provision of ORS chapters 536
- 6 to 540, 543 or 543A that requires the mailing of a document, the sub-
- 7 mission of a document in written form or the provision of a certified
- 8 copy of a document, the Water Resources Department may adopt
- 9 rules:

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- 10 (a) Allowing the submission of one or more types of document to
- 11 the department by electronic means in lieu of submission by mailing
- 12 or submission in written form;
- 13 (b) Allowing the department, with the consent of the recipient, to
- 14 send one or more types of document in electronic form in lieu of
- 15 mailing or other sending of the document in written form; or
- 16 (c) Identifying acceptable means for verifying the authenticity of a
- 17 document sent by electronic means in lieu of the provision of a certi-
- 18 fied copy of the document.
 - (2) The department may not adopt rules to require the submission

- of documents to the department by electronic means. The department
- 2 may not require a recipient to consent to the receipt of documents
- 3 from the department by electronic means. The department may not
- 4 use electronic means in lieu of service under ORCP 7 or notice under
- 5 ORS 183.413 or 183.415.
- 6 (3) For purposes of determining timeliness or calculating deadlines,
- 7 a document sent by electronic means in accordance with department
- 8 rules is considered to be delivered when sent.
- 9 (4) Notwithstanding any provision of ORS chapters 536 to 540, 543
- 10 or 543A that specifies a fee amount, the department may reduce or
- 11 waive the fee for a document that the department sends or receives
- 12 by electronic means.

WRD

Oregon Water Resources Department

Summary of 2011-13 Legislative Concept #499

Certified Water Right Examiner (CWRE) Training

Goal

Ensure that Certified Water Right Examiners (CWREs) receive continuing education in water right rules and requirements.

Background

CWREs are trained surveyors, engineers, and geologists who have passed exams allowing them to document and confirm the location and beneficial use of water. While the Department has historically prepared, proctored and scored the exam for CWREs, the Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS) issues the licenses to CWREs and manages the license renewal process.

Ongoing training would help CWREs keep current with rules and requirements of the Department. CWREs who attend the Department's annual, voluntary training require less follow-up correspondence and make fewer mistakes when submitting claims of beneficial use. Land surveyors and engineers, also licensed by OSBEELS, already have requirements to obtain 30 continuing educations credits (CEUs) every two years, 10 of which must be directly related to surveying or engineering.

In addition, OSBEELS needs clearer authority to revoke, suspend, or modify a CWRE license if there is an appropriate finding of wrongdoing. This authority exists for engineering and land surveying, but not for CWREs.

Finally, some portions of the original statute governing CWREs, passed in 1987, are outdated in terms of fee collection and deposits, related to CWRE exams and licenses.

Proposal

Clean up and modernize statutes related to Certified Water Right Examiner training (ORS 537.798). Specifically, require that 10 of the 30 engineering and land surveying credits earned by CWREs every two years be dedicated to CWRE training. The Department currently provides four trainings each fall, lasting 6.5 hours each, at different locations throughout the state. Each training costs approximately \$100. Should demand for training increase, the Department could offer additional classes, with similar fees to cover the cost of staff and materials.

Grant OSBEELS authority to address problems by revoking, suspending, or modifying a CWRE license. Update fee-related language.

Supporters

Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS), individual CWREs.

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SUMMARY

Clarifies assignment of duties regarding examination of water right examiners. Provides for State Board of Examiners for Engineering and Land Surveying to reimburse Water Resources Department for expenses related to examination.

Gives State Board of Examiners for Engineering and Land Surveying authority to investigate alleged or suspected violation by water right examiner and to suspend, revoke or modify certificate for cause. Allows board to adopt rules regulating water right examiners, including rules governing professional conduct and rules requiring professional development or continuing education.

Deletes appropriation language inapplicable to semi-independent state agency.

A BILL FOR AN ACT

- 2 Relating to water right examiners; creating new provisions; and amending
- 3 ORS 537.798.

- 4 Be It Enacted by the People of the State of Oregon:
- 5 SECTION 1. ORS 537.798 is amended to read:
- 6 537.798. [(1) In accordance with criteria established by the Water Resources
- 7 Commission, the State Board of Examiners for Engineering and Land Sur-
- 8 veying shall:]
- 9 [(a) Conduct examinations for certification of registered, professional land
- 10 surveyors, engineers and geologists to conduct surveys to determine whether
- 11 or not a permittee has completed all work necessary to perfect an appropriation
- 12 of water under ORS 537.230, 537.630 and 540.530.]
- [(b) Issue certificates to any land surveyor, engineer or geologist qualifying
- 14 for certification under paragraph (a) of this subsection.]

- [(c) Collect fees for the examination and certification of water right examiners under this subsection.]
- 3 [(2) In accordance with the provisions of ORS chapter 183 relating to con-
- 4 tested cases, the State Board of Examiners for Engineering and Land Survey-
- 5 ing may revoke, suspend or modify certificates issued under subsection (1) of
- 6 this section.]
- 7 (1) The State Board of Examiners for Engineering and Land Sur-
- 8 veying may issue a water right examiner certificate to a registered
- 9 professional land surveyor, registered professional engineer or regis-
- 10 tered geologist who meets the criteria established by the Water Re-
- 11 sources Commission under ORS 537.797. The board shall require an
- 12 applicant for the certificate to pass an examination establishing the
- 13 qualification of the applicant to be a water right examiner. The Water
- 14 Resources Department shall prepare, administer and score the exam-
- 15 ination.
- [(3)] (2) The [State Board of Examiners for Engineering and Land Sur-
- 17 veying] board shall establish fees for the examination, certification and re-
- 18 newal of certification of water right examiners. The fees shall be based upon
- 19 the expenses of the board and the department in conducting [a] the cer-
- 20 tification program [to certify water right examiners and the expenses of the
- 21 Water Resources Department in providing for examination of water right ap-
- 22 propriations by water right examiners]. The board shall reimburse the de-
- 23 partment for department expenses related to the preparation,
- 24 administration and scoring of the examination.
- 25 [(4) The board shall pay into the State Treasury all moneys received as fees
- 26 under subsection (1) of this section. The State Treasurer shall credit such
- 27 money to the State Board of Examiners for Engineering and Land Surveying.
- 28 The moneys are continuously appropriated to the board to be used by the board
- 29 in conjunction with the Water Resources Department for any expenses incurred
- 30 by the board and, if approved by the Governor, any expenses incurred by the
- 31 Water Resources Department in the certification, examination and review of

1 activities of water right examiners.]

- 2 (3) The board may adopt rules to regulate persons certified as water right examiners. The rules may include, but need not be limited to, rules establishing standards of professional conduct and rules establishing professional development or continuing education requirements.
- (4) Upon receipt of a complaint, or upon its own initiative, the 7 board may investigate any alleged or suspected violation by a water 8 right examiner of ORS 672.002 to 672.325, the criteria established under 9 ORS 537.797 or a board rule adopted under this section or ORS 672.255. 10 11 If the board finds that a violation has occurred, in addition to any other disciplinary or regulatory authority of the board, the board may 12 13 suspend, revoke or modify a certificate issued under this section. 14 Board action to suspend, revoke or modify the certificate is subject to the provisions of ORS chapter 183 relating to contested cases. 15
- SECTION 2. The amendments to ORS 537.798 by section 1 of this 2011 Act apply to violations of ORS 672.002 to 672.325, criteria established under ORS 537.797 or State Board of Examiners for Engineering and Land Surveying rules committed on or after the effective date of this 2011 Act.

Oregon Water Resources Department



Summary of 2011-13 Legislative Concept #502

Broadens the Category of Permits Involved in an Exchange

Goal: Use a commonsense approach to develop the Umatilla Basin Aquifer Recovery Project.

Background: Morrow County's County Line Water Improvement District (CLWID) uses water from the Umatilla River, authorized under a water right certificate. Water has been used since the 1970s to operate a groundwater recharge project. This water is delivered to CLWID from the point of diversion via the Westland Canal system (see accompanying map). Umatilla County's Echo Meadows plans to establish a groundwater recharge site as well, and plans to apply for a water right permit using "winter water" from the Columbia River. However, the CLWID is physically located closer to the Columbia River than Echo Meadows, and Echo Meadows is closer to the Umatilla River than is CLWID. If the two entities "exchanged" the water involved in these rights, the region would save millions of dollars in new infrastructure and operation costs.

Problem Statement: Existing statute allows the "exchange" or water authorized under certificated water rights. ORS 540.533 does <u>not</u> allow an exchange ("substituting one source of water for another") with a permit, unless it is a permit filed under ORS 537.211 for an instream purpose or a permit for which the proof of beneficial use has been approved by the Director or the Water Resources Commission. There are two potential groundwater recharge projects in the Umatilla Basin that could benefit greatly if ORS 540.533 were amended to allow groundwater recharge permits to be involved in an exchange.

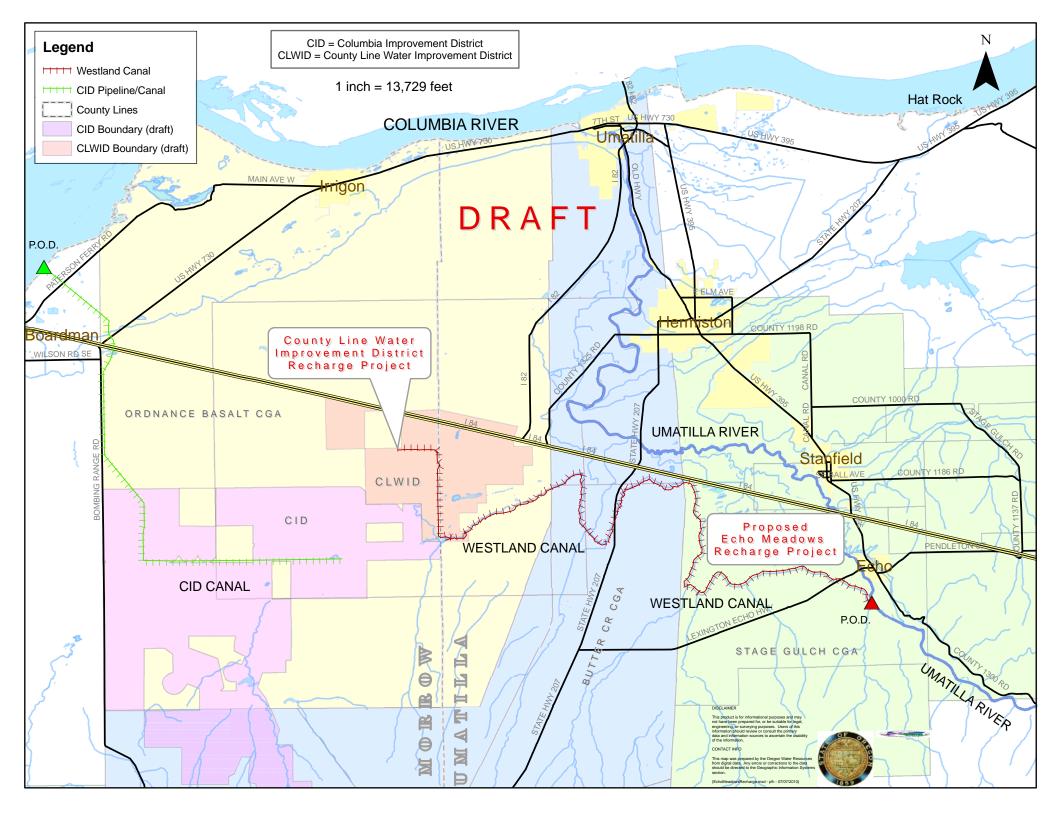
Proposal: Modify ORS 540.533, including additional types of permits eligible for an exchange:

Any person holding a water right established by court decree, a water right certificate or a water right for which proof of beneficial use has been approved by the Water Resources Director or Water Resources Commission or any person applying for or holding a permit issued under ORS 537. 211 for use of water for an instream purpose **or issued for ground water recharge under ORS 537.135** may apply to the Water Resources Commission for permission to use stored, surface or groundwater from another source in exchange for supplying replacement water in an equal amount to satisfy prior appropriations from another source...

Supporters: Westland Irrigation District, County Line Water Improvement District, and the Umatilla Basin Water Commission.

Special Notes: The Oregon Legislature has supported the development of the Umatilla Basin Aquifer Recovery Project in recent years, with funds for feasibility study in 2008 (SB 1069) and funds for implementation grants and loans in 2009 (HB 3369). With a better idea of the lands and water rights now involved in the project, an exchange, or substitution, of water makes logistical, financial, and environmental sense, as it uses already existing infrastructure to transmit water to the project.

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SUMMARY

Allows person applying for or holding ground water recharge permit to apply for permission to exchange water for equal amount of water from another source.

A BILL FOR AN ACT

- 2 Relating to the exchange of water; amending ORS 540.533.
- 3 Be It Enacted by the People of the State of Oregon:
- 4 **SECTION 1.** ORS 540.533 is amended to read:
- 5 540.533. (1) Any person holding a water right established by court decree,
- 6 a water right certificate or a water right for which proof of beneficial use
- 7 has been approved by the Water Resources Director or Water Resources
- 8 Commission, or any person applying for or holding a permit issued under
- 9 ORS 537.211 for use of water for an in-stream purpose or ORS 537.135 for
- 10 ground water recharge, may apply to the Water Resources Commission for
- 11 permission to use stored, surface or ground water from another source in
- 12 exchange for supplying replacement water in an equal amount to satisfy
- 13 prior appropriations from the other source, if:
- 14 (a) The source of the person's appropriation is at times insufficient to
- 15 fully satisfy the appropriation;
- 16 (b) Better conservation and use of the waters of the state can be accom-
- 17 plished; or

- (c) The person can develop water for appropriation under the permit for
- 19 use of water for an in-stream purpose or ground water recharge, but can-
- 20 not economically convey the water to its point of use.

LC 502 6/30/10

- 1 (2) A person may apply for an exchange under this section among any
- 2 combination of surface, storage or ground water rights.
- 3 (3) An application for exchange shall be accompanied by:
- 4 (a) Any map, plan or other information required by the commission; and
- 5 (b) The fee required under ORS 536.050.



Oregon Water Resources Department

Summary of 2011-13 Legislative Concept #503

Reducing the Requirement for Multiple Newspaper Notices

Goal

Modernize "notice" requirements for Department transactions.

Background

In many cases, the Department's pending transactions must be noticed in local newspapers, some requiring multiple-week notices. This increases the time and materials involved and does not take into account the fact that most members of the public now have access to information in electronic form. This modification would affect 12 of the Water Resources Department's statutes.

A typical newspaper notice costs each customer several hundred dollars in fees, plus time to fill out each request.

Proposal

Decrease statutory requirements from multiple weeks in a row to one.

Supporters

Customers and stakeholder groups.

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LC 503 69000-007 7/12/10 (CDT/ps)

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SUMMARY

Reduces required number of newspaper publications for certain notices pertaining to water.

A BILL FOR AN ACT

- 2 Relating to reductions in newspaper notice requirements; creating new pro-
- 3 visions; and amending ORS 536.340, 536.380, 536.410, 537.130, 537.145,
- 4 537.252, 537.670, 537.805, 540.520, 540.535, 541.329, 541.331 and 543.220.
- 5 Be It Enacted by the People of the State of Oregon:
- 6 **SECTION 1.** ORS 536.340 is amended to read:

- 536.340. (1) Subject at all times to existing rights and priorities to use
- 8 waters of this state, the Water Resources Commission:
- 9 (a) May, by a water resources statement referred to in ORS 536.300 (2),
- 10 classify and reclassify the lakes, streams, underground reservoirs or other
- 11 sources of water supply in this state as to the highest and best use and
- 12 quantities of use thereof for the future in aid of an integrated and balanced
- 13 program for the benefit of the state as a whole. The commission may so
- 14 classify and reclassify portions of any such sources of water supply sepa-
- 15 rately. Classification or reclassification of sources of water supply as pro-
- vided in this subsection has the effect of restricting the use and quantities
- of use thereof to the uses and quantities of uses specified in the classification
- or reclassification, and no other uses or quantities of uses except as approved
- 19 by the commission under ORS 536.370 to 536.390 or as accepted by the com-
- 20 mission under ORS 536.295. Restrictions on use and quantities of use of a
- 21 source of water supply resulting from a classification or reclassification un-

- 1 der this subsection shall apply to the use of all waters of this state affected
- 2 by the classification or reclassification, and shall apply to uses listed in ORS
- 3 537.545 that are initiated after the classification or reclassification that im-
- 4 poses the restriction.
- 5 (b) Shall diligently enforce laws concerning cancellation, release and
- 6 discharge of excessive unused claims to waters of this state to the end that
- 7 such excessive and unused amounts may be made available for appropriation
- 8 and beneficial use by the public.
- 9 (c) May, by a water resources statement referred to in ORS 536.300 (2)
- and subject to the preferential uses named in ORS 536.310 (12), prescribe
- 11 preferences for the future for particular uses and quantities of uses of the
- 12 waters of any lake, stream or other source of water supply in this state in
- 13 aid of the highest and best beneficial use and quantities of use thereof. In
- 14 prescribing such preferences the commission shall give effect and due regard
- 15 to the natural characteristics of such sources of water supply, the adjacent
- topography, the economy of such sources of water supply, the economy of the
- 17 affected area, seasonal requirements of various users of such waters, the type
- 18 of proposed use as between consumptive and nonconsumptive uses and other
- 19 pertinent data.
- 20 (2) In classifying or reclassifying a source of water supply or prescribing
- 21 preferences for the future uses of a source of water supply under subsection
- 22 (1) of this section, the commission shall:
- 23 (a) Comply with the requirements set forth in the Water Resources De-
- 24 partment coordination program developed pursuant to ORS 197.180; and
- 25 (b) Cause notice of the hearing held under ORS 536.300 (3) to be published
- 26 in a newspaper of general circulation [once each week for four successive
- 27 weeks] in each county:
- 28 (A) In which waters affected by the action of the commission under sub-
- 29 section (1) of this section are located; or
- 30 (B) That is located within the basin under consideration.
- 31 (3) Before beginning any action under subsection (2) of this section that

- 1 would limit new ground water uses that are exempt under ORS 537.545 from
- 2 the requirement to obtain a water right, the commission shall:
- 3 (a) Review the proposed action to determine whether the proposal is
- 4 consistent with ORS 537.780;
- 5 (b) Provide an opportunity for review by:
- 6 (A) Any member of the Legislative Assembly who represents a district
- 7 where the proposed action would apply; and
- 8 (B) Any interim committee of the Legislative Assembly responsible for
- 9 water-related issues; and
- 10 (c) Receive and consider a recommendation on the proposal from the
- 11 ground water advisory committee appointed under ORS 536.090.
- SECTION 2. ORS 536.380 is amended to read:
- 536.380. (1) Except as otherwise provided in ORS 536.390, [whenever] if any
- 14 state agency or public corporation of this state [which] that has received a
- 15 copy of a state water resources statement as provided in ORS 536.350, pro-
- poses to exercise any power, duty or privilege referred to in ORS 536.370 (1),
- 17 it shall first file with the Water Resources Commission a notification of the
- 18 proposed exercise. The notification shall be in such form and shall contain
- 19 a description of the proposed exercise and such other information as the
- 20 commission may require. The notification shall be a public record in the of-
- 21 fice of the commission.
- 22 (2) Within 30 days after the filing of the notification as provided in sub-
- 23 section (1) of this section, the commission shall notify the state agency or
- 24 public corporation of the intention of the commission to review the proposed
- 25 exercise of the power, duty or privilege, if:
- (a) The commission, in its discretion, determines that a review should be
- 27 undertaken; or
- 28 (b) A protest against the proposed exercise is filed with the commission
- 29 within 25 days after the filing of the notification as provided in subsection
- 30 (1) of this section by any person, state agency or public corporation of this
- 31 state or agency of the federal government.

- 1 (3) The commission, in its discretion, may hold a public hearing on the proposed exercise of the power, duty or privilege. The commission shall de-2 termine the time and place of the public hearing, and shall give written no-3 tice thereof to the state agency or public corporation whose proposed 4 exercise of a power, duty or privilege is being reviewed and to each 5 protestant under subsection (2)(b) of this section, if any, at least 10 days 6 prior to the hearing. Notice of the hearing shall also be published [in at least 7 one issue each week for] at least two [consecutive] weeks prior to the hearing 8 in a newspaper of general circulation published in each county in which the 9 proposed exercise of the power, duty or privilege is to take place or be ef-10 fective. 11
- 12 (4) After the commission has notified the state agency or public corporation of the intention of the commission to review the proposed exercise of 13 the power, duty or privilege as provided in subsection (2) of this section, the 14 15 commission shall undertake the review and proceed therewith with reasonable diligence. At the conclusion of the review the commission shall make 16 a determination approving the proposed exercise, approving the proposed 17 exercise subject to conditions specified in the determination or disapproving 18 the proposed exercise. A copy of the determination by the commission shall 19 be delivered to the state agency or public corporation whose proposed exer-20 cise of a power, duty or privilege was reviewed and to each protestant under 21 subsection (2)(b) of this section, if any. 22

SECTION 3. ORS 536.410 is amended to read:

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536.410. (1) When the Water Resources Commission determines that it is 24 necessary to [insure] ensure compliance with the state water resources pol-25 icy or that it is otherwise necessary in the public interest to conserve the 26 water resources of this state for the maximum beneficial use and control 27 thereof that any unappropriated waters of this state, including unappropri-28 ated waters released from storage or impoundment into the natural flow of 29 a stream for specified purposes, be withdrawn from appropriation for all or 30 any uses including exempt uses under ORS 537.545, the commission, on behalf 31

- 1 of the state, may issue an order of withdrawal.
- 2 (2) Prior to the issuance of the order of withdrawal the commission shall
- 3 hold a public hearing on the necessity for the withdrawal. Notice of the
- 4 hearing shall be published [in at least one issue each week for] at least two
- 5 [consecutive] weeks prior to the hearing in a newspaper of general circulation
- 6 published in each county in which are located the waters proposed to be
- 7 withdrawn.
- 8 (3) The order of withdrawal shall specify with particularity the waters
- 9 withdrawn from appropriation, the uses for which the waters are withdrawn,
- the reason for the withdrawal and the duration of the withdrawal. The
- 11 commission may modify or revoke the order at any time.
- 12 (4) Copies of the order of withdrawal and notices of any modification or
- 13 revocation of the order of withdrawal shall be filed in the Water Resources
- 14 Department.
- 15 (5) While the order of withdrawal is in effect, no application for a permit
- 16 to appropriate the waters withdrawn for the uses specified in the order and
- 17 no application for a preliminary permit or license involving appropriations
- 18 of such waters shall be received for filing by the Water Resources Commis-
- 19 sion.

- SECTION 4. ORS 537.130 is amended to read:
- 537.130. (1) Except for a use exempted under ORS 537.040, 537.141, 537.142,
- 22 537.143 or 537.800 or under the registration system set forth in ORS 537.132,
- 23 any person intending to acquire the right to the beneficial use of any of the
- 24 surface waters of this state shall, before beginning construction, enlargement
- or extension of any ditch, canal or other distributing or controlling works,
- or performing any work in connection with the construction, or proposed
- 27 appropriation, make an application to the Water Resources Department for
- 28 a permit to make the appropriation.
- 29 (2) Except for a use exempted under ORS 537.040, 537.141, 537.142, 537.143
- or 537.800 or under the registration system set forth in ORS 537.132, a person
- 31 may not use, store or divert any waters until after the department issues a

- 1 permit to appropriate the waters.
- 2 (3) The department may not issue a permit without notifying the owner,
- 3 as identified in the application, of any land to be crossed by the proposed
- 4 ditch, canal or other work as set forth in the application filed pursuant to
- 5 ORS 537.140. The department shall provide the notice even if the applicant
- 6 has obtained written authorization or an easement from the owner.
- 7 (4) If more than 25 persons are identified in the application as required
- 8 under subsection (3) of this section, the department may provide the notice
- 9 required under subsection (3) of this section by publishing notice of the ap-
- 10 plication in a newspaper having general circulation in the area in which the
- 11 proposed ditch, canal or other work is located [at least once each week for
- 12 at least three successive weeks]. The cost of the publication shall be paid by
- 13 the applicant in advance to the department.
- SECTION 5. ORS 537.145 is amended to read:
- 537.145. (1) [Whenever] If an application is made for a permit to appro-
- 16 priate water for hydroelectric purposes, the Water Resources Department
- 17 shall give written notice of the filing of the application to the owner of any
- 18 land that is:
- 19 (a) Adjacent to any portion of the stream in which the quantity of water
- 20 will be decreased by the project; or
- 21 (b) Adjacent to the site of the proposed hydroelectric project.
- 22 (2) The department shall also publish notice of the application [once each
- 23 week for at least four successive weeks and for such further time, if any, as
- 24 the department shall determine,] in a newspaper of general circulation in each
- 25 county in which the project covered by the application is located.
- SECTION 6. ORS 537.252 is amended to read:
- 537.252. (1) When issuing a water right certificate under ORS 537.250 to
- 28 a district, or to a government agency for a district, the Water Resources
- 29 Department may issue the water right certificate for land not described in
- 30 the permit if:
 - 1 (a) Water furnished by the district under the permit has been applied

- 1 beneficially to the land;
- 2 (b) The land not described in the permit that is proposed to be included
- 3 in the certificate is included within the legally established boundaries of the
- 4 district and is subject to the charges, assessments and liens of the district;
- 5 (c) The certificate does not authorize a greater rate, duty or acreage than
- 6 is authorized by the terms of the permit, and all other conditions of the
- 7 permit are satisfied;
- 8 (d) The inclusion of land not described in the permit will not result in
- 9 injury to other existing water rights or in enlargement of the right author-
- 10 ized under the permit; and
- (e) The impact to the water source of including land not described in the
- 12 permit will not differ significantly from the impact expected at the time the
- 13 permit was issued for the lands described in the permit.
- 14 (2) If a district proposes to use water on lands not described in the permit,
- 15 the Water Resources Department may issue a certificate that includes such
- 16 additional lands if all of the conditions of subsection (1) of this section are
- 17 satisfied and if, no later than 60 days before the district actually applies the
- 18 water to the lands not described in the permit, the district provides written
- 19 notice to the department. The notice shall include a copy of the original
- 20 permit map modified to show the lands to be added and lands to be removed
- 21 from the description of the place of use of the water. Upon receipt of the
- 22 notice from the district, the department shall provide public notice of the
- 23 proposed change by means of publication in the department's weekly notice
- 24 and by publication [once each week for three successive weeks] in a newspaper
- 25 having general circulation in the county or counties in which the affected
- 26 lands are located. The cost of publication shall be paid by the district.
- 27 (3) If a district has issued an order of inclusion or exclusion, the bound-
- 28 aries of the irrigation district shall be deemed to have been legally changed
- 29 in the absence of approval of the Secretary of the Interior.
- 30 (4) As used in this section:
- 31 (a) "District" has the meaning given in ORS 540.505.

- (b) "Legally established boundaries" means the boundaries of a district as established at the time of creation of the district and as the boundaries may have changed after creation of the district by an inclusion, exclusion or merger proceeding according to state law.
- 5 SECTION 7. ORS 537.670 is amended to read:

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- 537.670. (1) The Water Resources Director upon the motion of the director or, in the discretion of the director, upon receipt of a petition therefor by any one or more appropriators of ground water from such ground water reservoir, may proceed to make a final determination of the rights to appropriate the ground water of any ground water reservoir in this state.
- (2) The director shall prepare a notice of intent to begin a determination 11 referred to in subsection (1) of this section. The notice shall set forth a place 12 and time when the director or the authorized assistant of the director shall 13 begin the taking of testimony as to the rights of the various claimants to 14 15 appropriate the ground water of the ground water reservoir and as to the boundaries and depth thereof. A copy of the notice shall be delivered to each 16 17 person or public agency known to the director from an examination of the records in the Water Resources Department to be a claimant to a right to 18 appropriate ground water of the ground water reservoir or any surface water 19 20 within the area in which the ground water reservoir is located. The notice shall also be published [in at least one issue each week for at least two con-21 secutive weeks] in a newspaper of general circulation published in each 22 county in which the ground water reservoir or any part thereof is located. 23 If the ground water reservoir is located in whole or in part within the limits 24 of any city, the notice shall be published [in at least one issue each week for 25 at least two consecutive weeks] in a newspaper of general circulation pub-26 lished in the city, if any, and copies of the notice shall be delivered to the 27 mayor or chairperson of the governing body of the city. Copies of the notice 28 shall be delivered and the [last] publication date of published notices shall 29 be at least 30 days prior to the taking of any testimony. 30
 - (3) The director shall enclose with each copy of the notice referred to in

- 1 subsection (2) of this section delivered to each person or public agency
- 2 known to be a claimant to a right to appropriate ground water of the ground
- 3 water reservoir a blank form on which such claimant shall present in writing
- 4 all the particulars necessary for determination of the right of the claimant
- 5 as may be prescribed by the director. The director may require each claimant
- 6 to certify to the statements of the claimant under oath, and the director or
- 7 the authorized assistant of the director may administer such oaths.
- 8 SECTION 8. ORS 537.805 is amended to read:
- 9 537.805. Notwithstanding any other provision of ORS 537.801 to 537.809,
- an application governed by ORS 537.803 shall be processed as follows:
- 11 (1) Upon determination that the application is acceptable, the Water Re-
- 12 sources Commission shall conduct a comprehensive review of the application,
- 13 at the applicant's expense.
- 14 (2) When the comprehensive review is complete, the commission shall is-
- sue a preliminary analysis of the application that addresses the factors under
- 16 ORS 537.803 and any other information the commission considers relevant.
- 17 The preliminary analysis, or a reasonable summary, shall be published at the
- 18 applicant's expense [for three consecutive weeks] in a newspaper of general
- 19 circulation in the basin of origin of the proposed appropriation, diversion
- 20 or impoundment.
- 21 (3) Following publication, the commission shall conduct a public hearing
- 22 at the applicant's expense, in the basin of origin. The hearing shall be for
- 23 comment on the factors analyzed under ORS 537.803 and standards that oth-
- 24 erwise apply to the proposed appropriation or transfer.
- 25 (4) After considering the application, the information generated during
- 26 the comprehensive review of the application, all comments received at the
- 27 hearing and written comments received within 20 days after the date of the
- 28 public hearing, the commission shall:
- 29 (a) If the application requires legislative approval under ORS 537.810,
- 30 submit a report to the Legislative Assembly that addresses all factors ana-
- 31 lyzed under ORS 537.803 and recommends whether to approve or deny the

- 1 application for use of water outside the basin of origin; or
- 2 (b) If the application does not require legislative approval under ORS
- 3 537.810, approve or deny the application in accordance with the procedures
- 4 and standards that otherwise govern the application, giving due consider-
- 5 ation to factors set forth in ORS 537.803.
- 6 **SECTION 9.** ORS 540.520 is amended to read:
- 540.520. (1) Except when the application is made under ORS 541.327 or
- 8 when an application for a temporary transfer is made under ORS 540.523,
- 9 [whenever] if the holder of a water use subject to transfer for irrigation,
- 10 domestic use, manufacturing purposes, or other use, for any reason desires
- 11 to change the place of use, the point of diversion, or the use made of the
- 12 water, an application to make such change, as the case may be, shall be filed
- 13 with the Water Resources Department.
- (2) The application required under subsection (1) of this section shall in-
- 15 clude:
- 16 (a) The name of the owner;
- 17 (b) The previous use of the water;
- 18 (c) A description of the premises upon which the water is used;
- 19 (d) A description of the premises upon which it is proposed to use the 20 water;
- 21 (e) The use [which] that is proposed to be made of the water;
- 22 (f) The reasons for making the proposed change; and
- 23 (g) Evidence that the water has been used over the past five years ac-
- 24 cording to the terms and conditions of the owner's water right certificate
- or that the water right is not subject to forfeiture under ORS 540.610.
- 26 (3) If the application required under subsection (1) of this section is nec-
- 27 essary to allow a change in a water right pursuant to ORS 537.348, is nec-
- 28 essary to complete a project funded under ORS 541.375, or is approved by the
- 29 State Department of Fish and Wildlife as a change that will result in a net
- 30 benefit to fish and wildlife habitat, the department, at the discretion of the
- 31 Water Resources Director, may waive or assist the applicant in satisfying the

- 1 requirements of subsection (2)(c) and (d) of this section. The assistance pro-
- 2 vided by the department may include, but need not be limited to, development
- 3 of an application map.
- 4 (4) If the application is to change the point of diversion, the transfer shall
- 5 include a condition that the holder of the water right provide a proper fish
- 6 screen at the new point of diversion, if requested by the State Department
- 7 of Fish and Wildlife.
- 8 (5) Upon the filing of the application the department shall give notice by
- 9 publication in a newspaper having general circulation in the area in which
- 10 the water rights are located[, for a period of at least three weeks and not less
- 11 than one publication each week. The notice shall include the date on which the
- 12 last notice by publication will occur]. The cost of the publication shall be paid
- 13 by the applicant in advance to the department. In applications for only a
- 14 change in place of use or for a change in the point of diversion of less than
- one-fourth mile, and where there are no intervening diversions between the
- old diversion of the applicant and the proposed new diversion, no newspaper
- 17 notice need be published. The department shall include notice of such appli-
- 18 cations in the weekly notice published by the department.
- (6) Within 30 days after the [last] publication of [a] the newspaper notice
- 20 of the proposed transfer or the mailing of the department's weekly notice,
- 21 whichever is later, any person may file, jointly or severally, with the de-
- 22 partment, a protest against approval of the application.
- 23 (7) [Whenever] If a timely protest is filed, or in the opinion of the Water
- 24 Resources Director a hearing is necessary to determine whether the proposed
- 25 changes as described by the application would result in injury to existing
- 26 water rights, the department shall hold a hearing on the matter. Notice and
- 27 conduct of the hearing shall be under the provisions of ORS chapter 183,
- 28 pertaining to contested cases, and shall be held in the area where the rights
- 29 are located unless all parties and persons who filed a protest under this
- 30 subsection stipulate otherwise.

31

(8) An application for a change of use under this section is not required

- if the beneficial use authorized by the water use subject to transfer is irri-
- 2 gation and the owner of the water right uses the water for incidental agri-
- 3 cultural, stock watering and other uses related to irrigation use, so long as
- 4 there is no increase in the rate, duty, total acreage benefited or season of
- 5 use.
- 6 (9) A water right transfer under subsection (1) of this section is not re-
- 7 quired for a general industrial use that was not included in a water right
- 8 certificate issued for a specific industrial use if:
- 9 (a) The quantity of water used for the general industrial use is not
- 10 greater than the rate allowed in the original water right and not greater
- 11 than the quantity of water diverted to satisfy the authorized specific use
- 12 under the original water right;
- 13 (b) The location where the water is to be used for general industrial use
- 14 was owned by the holder of the original water right at the time the water
- 15 right permit was issued; and
- 16 (c) The person who makes the change in water use provides the following
- 17 information to the Water Resources Department:
- 18 (A) The name and mailing address of the person using water under the
- 19 water right;
- 20 (B) The water right certificate number;
- 21 (C) A description of the location of the industrial facility owned by the
- 22 holder of the original water right at the time the water right permit was
- 23 issued; and
- (D) A description of the general industrial use to be made of the water
- 25 after the change.
- SECTION 10. ORS 540.535 is amended to read:
- 540.535. After receipt of an exchange application, the Water Resources
- 28 Commission shall give notice of the application by publishing notice of the
- 29 application in a newspaper having general circulation in the area in which
- 30 the water uses are located [at least once each week for at least three successive
- 31 weeks]. The cost of providing the notice by publication shall be paid in ad-

- 1 vance by the applicant to the commission.
- 2 SECTION 11. ORS 541.329 is amended to read:
- 3 541.329. (1) Pursuant to the requirements of subsection (2) of this section,
- 4 a district may petition the Water Resources Commission for approval and
- 5 acceptance of a district map indicating the location and use of the water
- 6 rights within the district or any part thereof. The petition and map shall be
- 7 in a form satisfactory to the commission and shall be certified by the district
- 8 rather than a certified water right examiner. For a district that notifies the
- 9 Water Resources Department under ORS 541.327 (4), the map must be sub-
- 10 mitted in an electronic format meeting the standards set by the department.
- 11 The petition and map may not expand a water right of the district or its
- 12 users beyond the total right of record of the district. If the district has met
- 13 the requirements of ORS 541.325 to 541.331 and after the opportunity for
- 14 hearing under ORS 541.331, the commission shall instruct the director to is-
- sue a new certificate to the district listing the requested locations and uses
- 16 and retaining the original priority date. If the commission denies the peti-
- 17 tion, the commission shall hold a hearing on the denial. Notice and conduct
- 18 of the hearing shall be under the provisions of ORS chapter 183 pertaining
- 19 to contested cases. The hearing shall be conducted in the area where the
- 20 right is located unless the parties and the persons who file the protest under
- 21 this section stipulate otherwise.
- 22 (2) The petition required under subsection (1) of this section shall be
- 23 submitted on or before July 1, 1994, or before June 30, 2010, for a district
- 24 notifying the department under ORS 541.327 (4), and shall include:
- 25 (a) The name of the district and the certificate number of each water
- 26 right contained in the petition.
- 27 (b) The names of all users within the district whose lands are included
- 28 in the petition.
- 29 (c) A general description of the district boundaries.
- 30 (d) A general description of the users' land and all water rights per each
- 31 parcel affected by the petition and the map. If the water right is on a tract

- 1 of land of five acres or less, a notation of the acres of water right on the
- 2 assessor's tax map shall be sufficient for identification of the place of use
- 3 and the extent of use.
- 4 (e) A description of the use [which] that is proposed to be made of the 5 water on each parcel.
- 6 (f) An affirmation by the petitioner that the map and petition are accurate to the best of the petitioner's knowledge.
- 8 (3) A petition submitted under this section shall contain no more acres 9 of land than the least of the following:
- 10 (a) The number of acres assessed by the district as of July 1, 1989;
- 11 (b) The number of acres assessed by the district as of July 1, 1993; or
- 12 (c) If a district notifies the department under ORS 541.327 (4), the number 13 of acres assessed by the district as of December 31, 2003.
- (4) Before submitting a petition under subsection (2) of this section, the 14 district shall send a notice to the user of every parcel whose right of record 15 is to be altered, as evidenced by the district's records. This notice shall be 16 sent to the last-known address for the user with a return receipt requested. 17 The notice shall include the number of acre-feet of water or its equivalent, 18 for which the user is being assessed, a general description or tax lot of the 19 land to which the water is assigned, a description of the use and a request 20 for confirmation that the information in the notice is correct. Thirty days 21 after the notice is mailed, the district shall prepare a petition and map as 22 described in subsections (1) and (2) of this section. Payment for water by the 23 user or the user's predecessor for a period of five years before the petition 24 shall create a rebuttable presumption that the number of acres billed and 25 paid by the user or the user's predecessor is equal to the user's water right. 26
- (5) Within 30 days after the commission issues a proposed order regarding the petition, the district shall send notice to the users of the district whose right of record is to be altered by the proposed order. This notice shall be sent to the last-known address of the user with a return receipt requested. The notice shall include the number of acres of land, or its equivalent, for

- which the user is being assessed, a general description or tax lot number of
- 2 the land to which the water is assigned and a description of the use. In ad-
- 3 dition to the notice of the proposed order that the district sends to the users,
- 4 the district shall publish at the same time notice in a newspaper having
- 5 general circulation in the area in which the water rights are located [for a
- 6 period of at least three weeks. Not less than one publication in each week shall
- 7 be made]. The notice shall state:
- 8 (a) The number of acres of water right that each parcel shall receive and 9 the associated priority dates;
- 10 (b) That the proposed map and order are available for inspection at the
 11 office of the district during normal business hours for a period of 60 days
 12 from the date of [first] the publication;
- (c) That not less than 60 days after the date of [first] the publication, the commission shall approve the petition and map and issue a final order unless a protest is filed or the petition does not meet the requirements of subsections (1) and (2) of this section; and
- 17 (d) That the user has the right to protest the proposed order and map as described in ORS 541.331.
- 19 (6) If the commission returns a petition or map to a district for correction, 20 the commission may prescribe a deadline for the petitioner to provide addi-21 tional information or correct the petition or map. If the petitioner fails to 22 meet the deadline prescribed by the commission, the commission may deny 23 the petition.

SECTION 12. ORS 541.331 is amended to read:

24

541.331. (1) Any user may file with the Water Resources Department, within 60 days after the date of [first] publication, under ORS 541.329, a protest against a proposed order approving the petition. [Whenever] If a timely protest is filed or in the opinion of the Water Resources Director a hearing is necessary to determine whether the district has met the requirements of ORS 541.325 to 541.333 or the proposed changes described in the proposed order would result in injury to existing water rights, the depart-

- 1 ment shall hold a hearing on the matter. The hearing shall be conducted
- 2 according to the provisions of ORS chapter 183 applicable to contested cases.
- 3 The hearing shall be held in the area where the rights are located unless the
- 4 parties and the persons who filed the protest under this section stipulate
- 5 otherwise.
- 6 (2) If after examination or hearing, the department finds that the district
- 7 has met the requirements of ORS 541.325 to 541.331 and that the changes
- 8 described in the proposed order would not result in injury to existing water
- 9 rights, the department shall issue a final order approving the petition and
- 10 map as described in the proposed order. If a water right certificate for the
- 11 water right has been issued previously, the department shall cancel the pre-
- 12 vious certificate and issue a new certificate that conforms to the final order
- 13 and map and retains the original priority date.
- 14 (3) A certificate issued under this section shall have the evidentiary effect
- 15 provided for in ORS 537.270 except when the right to appropriate water de-
- 16 scribed in the certificate is abandoned after the certificate is amended or
- 17 issued.
- 18 (4) The department may approve for inclusion in a new certificate under
- 19 ORS 541.329 and this section only land [which] that, on July 1, 1993, or, if
- 20 a district notifies the department under ORS 541.327 (4), on December 31,
- 21 2003, is:
- 22 (a) Land within the legal boundaries of the district as those boundaries
- 23 were originally described or as they may have been changed by legally pre-
- 24 scribed inclusion or exclusion proceedings.
- 25 (b) Land for which inclusion in the district has been requested previously
- 26 as prescribed by law.
- 27 (c) Land on which a previously perfected water right has been applied
- 28 beneficially and for which the user has been charged or assessed by the dis-
- 29 trict in at least one of the last five years and for which the user is currently
- 30 being charged or assessed.
- SECTION 13. ORS 543.220 is amended to read:

- 543.220. (1) [Whenever] If an application is made for a preliminary
- 2 permit, [and] after said application has been referred to hearing[,] the Water
- 3 Resources Commission shall give written notice of the filing of the applica-
- 4 tion to:
- 5 (a) Any municipality or other person or corporation [which] that, in the
- 6 judgment of the commission, is likely to be interested in or affected by the
- 7 proposed project; and
- 8 (b) The owner of any land that is:
- 9 (A) Adjacent to any portion of the stream in which the quantity of water 10 will be decreased by the project; or
- 11 (B) Adjacent to the site of the proposed project.
- 12 (2) The commission shall also publish notice of the application [once each week for at least four successive weeks and for such further time, if any, as 14 the commission shall determine,] in a newspaper of general circulation in 15 each county in which the project covered by the application is located.
- 16 (3) No application for the appropriation or use of water for the develop-17 ment of 1,000 theoretical horsepower or more shall be granted until at least 18 six months after the application for a preliminary permit has been filed.
- SECTION 14. (1) The amendments to ORS 536.340 and 536.410 by sections 1 and 3 of this 2011 Act apply to hearings that the Water Resources Commission holds 30 or more days after the effective date of this 2011 Act.
- 23 (2) The amendments to ORS 536.380 by section 2 of this 2011 Act 24 apply to proposed exercises of powers, duties or privileges for which a 25 state agency or public corporation files notification with the Water 26 Resources Commission on or after the effective date of this 2011 Act.
- 27 (3) The amendments to ORS 537.130, 537.145, 537.805, 540.520, 540.535 28 and 543.220 by sections 4, 5, 8, 9, 10 and 13 of this 2011 Act apply to 29 applications filed on or after the effective date of this 2011 Act.
- 30 (4) The amendments to ORS 537.252 by section 6 of this 2011 Act 31 apply to proposed changes for which a district gives the Water Re-

- 1 sources Department notice on or after the effective date of this 2011
- 2 Act.
- 3 (5) The amendments to ORS 537.670 by section 7 of this 2011 Act
- 4 apply to notices of intent for determinations that the Water Resources
- 5 Director makes 30 or more days after the effective date of this 2011
- 6 Act.
- 7 (6) The amendments to ORS 541.329 and 541.331 by sections 11 and
- 8 12 of this 2011 Act apply to proposed orders that the Water Resources
- 9 Commission issues 30 or more days after the effective date of this 2011
- 10 Act.

Oregon Water Resources Department



Summary of 2011-13 Legislative Concept #504

Water Resources Department Ability to Enter into MOUs

Goal: Clarify the Department's ability to enter into agreements.

Background: Although it has broad authority, the Water Resources Department does not have the specific authority to enter into agreements with other entities. Other states agencies in Oregon have already sought and received specific authority to do so. The Department seeks specific authority under "Powers of the Director/Department" (ORS 536) to enter into Memoranda of Understanding (MOUs), Memoranda of Agreements (MOAs), and other contractual agreements.

Proposal: Add to "Powers of the Director/Department" in ORS 536:

- (1) The Oregon Water Resources Department may:
- (a) Enter into contracts and other agreements with, and receive funds from, any department or agency of the United States.
- (b) Enter into contracts and other agreements with authorized departments and agencies of this state and other states, units of local government, Indian tribes, public and private corporations and other persons of this state, in connection with the administration of laws of this state.
- (c) Enter into contracts with foreign governments or foreign government agencies, and contracts and other agreements with entities located outside of the United States, for the department or the foreign government, agency or person to provide services pertaining to water resources.
- (d) Receive grants from any source and may issue grants to a department or agency of this state or other states, any department or agency of the United States, a unit of local government, an Indian tribe, a public or private corporation or another person for any purpose related to the laws administered or enforced by the department.
- (e) Exchange information and services with any public or private body or person described in this subsection, in order to minimize duplication of public services, investigations, inspections and enforcement activities.
- (f) Receive compensation, and make payment, for services rendered in performance of contracts and other agreements authorized by this subsection.
- (2) Money's received by the department as described in subsection (1) of this section shall be deposited in the State Treasury and, unless otherwise prescribed by the source from which the moneys were received, shall be kept in separate accounts in the Water Resources Department Water Right Operating Fund designated according to the purposes for which the moneys were made available...

Supporters: Water users, environmental groups, and local government partners.

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LC 504 69000-008 7/21/10 (CDT/ps)

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SUMMARY

Authorizes Water Resources Department to enter into certain contracts and other agreements with governmental entities, corporations and other persons. Allows department to receive and issue grants related to laws administered and enforced by department. Allows department to exchange information and services with public or private body or person for specific purposes.

Allows department to receive compensation, and make payment, for services rendered under authorized contracts and other agreements.

Limits purposes for which department may expend grants, payments and other moneys made available to department for prescribed purposes.

A BILL FOR AN ACT

2 Relating to Water Resources Department powers.

- 3 Be It Enacted by the People of the State of Oregon:
- SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 536.
- 6 SECTION 2. (1) The Water Resources Department may:
- (a) Enter into contracts and other agreements with, and receive funds from, any department or agency of the United States.
- 9 (b) Enter into contracts and other agreements with authorized de10 partments and agencies of this state and other states, units of local
 11 government, Indian tribes, public and private corporations and other
 12 persons of this state, in connection with the administration of laws
 13 of this state.
- (c) Enter into contracts with foreign governments or foreign govties ernment agencies, and contracts and other agreements with entities

- 1 located outside of the United States, for the department or the foreign
- 2 government, agency or entity to perform commercial services per-
- 3 taining to water resources.
- 4 (d) Receive grants from any source and may issue grants from
- 5 available moneys to a department or agency of this state or another
- 6 state, any department or agency of the United States, a unit of local
- 7 government, an Indian tribe, a public or private corporation or an-
- 8 other person for any purpose related to the laws administered or en-
- 9 forced by the department.
- 10 (e) Exchange information and services with any public or private
- 11 body or person described in this subsection, in order to minimize du-
- 12 plication of public services, investigations, inspections and enforce-
- 13 ment activities.
- 14 (f) Receive compensation, and make payment, for services rendered
- in performance of contracts and other agreements authorized by this
- 16 subsection.
- 17 (2) Moneys received by the department as described in subsection
- 18 (1) of this section shall be deposited in the State Treasury and, unless
- 19 otherwise prescribed by the source from which the moneys were re-
- 20 ceived, shall be kept in separate accounts in the Water Resources De-
- 21 partment Water Right Operating Fund designated according to the
- 22 purposes for which the moneys were made available. Notwithstanding
- 23 the provisions of ORS 291.238 and 536.009, the department shall expend
- 24 the moneys described in this subsection for the purposes for which the
- 25 moneys were made available and in accordance with the terms and
- 26 conditions upon which the moneys were made available.





Summary of 2011-13 Legislative Concept #505

Klamath Basin Restoration Agreement Fund

Goal: This concept requests \$3.4 million in lottery revenue bonds to offset economic losses resulting from the KBRA, including: lost property tax payments upon retirement of four hydroelectric dams, and reductions in property values, business opportunities, and agricultural water rights and water deliveries. The Governor's office has requested that this Department carry this legislation.

Background: Removal of the four dams on the Klamath River under the Klamath Hydroelectric Agreement will be an unprecedented effort that may have impacts to Klamath County and its residents. Economic impacts may include reduction of property tax payments upon retirement of the Hydroelectric Project from utility service, other changes in property taxes and values, and changes in business activities and opportunities as a result of the cessation of hydropower flow regulation. In addition, it is anticipated that agricultural land values and agricultural base in the Klamath Reclamation Project and in areas above Upper Klamath Lake will be reduced due to a reduction in water deliveries and surrender of significant water rights as called for in the Klamath Basin Restoration Agreement

Proposal: This legislation proposes to establish an Oregon Klamath River Basin Restoration Agreement Fund, relating to the Klamath River Basin Restoration Agreement of 2010, to provide for the provision of funds to execute Oregon's commitments to the Agreement and further economic development in Oregon's portion of the Klamath River Basin. The Oregon Klamath Basin Restoration Agreement Fund is intended to be established to compensate Klamath County for the loss of property tax revenues and will further economic development by mitigating the negative impact on the region's economy of anticipated water right retirements and reduced water delivery.

Specifically, this legislation would: 1) authorize and direct the State to issue lottery bonds up to a principal amount of \$3.4 million, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs, and 2) establish in the State Treasury, separate and distinct from the General Fund, an Oregon Klamath River Basin Restoration Agreement Fund. The Fund will include interest earnings and any other funds that may be paid into the Fund under the Klamath River Basin Restoration Agreement. Moneys in the Fund would be continuously appropriated to the Department of Administration for the purposes of: 1) providing grants for projects to foster and incentivize development of renewable energy, energy efficiency, and conservation projects targeted at serving agricultural users in Klamath County to support agricultural development and economic vitality; 2) providing funds to Klamath County to compensate for loss of tax revenue as a result of the Klamath Basin Restoration Agreement and Klamath Hydroelectric Agreement, and 3) paying direct and indirect costs of the Department of Administration Services in administering the fund.

Supporters: Klamath County, Klamath Reclamation Project Irrigators, Klamath Tribes, Trout Unlimited, American Rivers, Pacific Coast Federation of Fishermen's Associations, DEQ, OWRD, ODFW. The parties are signatories to the Klamath Basin Restoration Agreement, and support all provisions and proposed legislation in the Agreement.

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