

**Water Resources Commission
Teleconference Meeting
Salem, Oregon
June 28, 2006**

WRC Present

Dan Thorndike
Jay Rasmussen
Mary Meloy
Charlie Barlow
John Jackson
Gary Reed

Staff Present

Phil Ward
Tom Paul
Debbie Colbert
Cindy Smith
Barry Norris
Dwight French
Mike Auman

Written material submitted at this meeting is part of the official record and on file at the Oregon Water Resources Department, 725 Summer St. NE, Salem, Oregon 97301-1271. Audiotapes of the meeting are on file at the same address.

Commissioner Rasmussen opened the meeting.

A. Settlement Agreement with Coos Bay North Bend Water Board Water Right Application S-70256

Tom Paul, Deputy Director, presented a request for the Commission to approve the Settlement Agreement with Coos Bay North Bend Water Right Application S-70256 and issue a revised final order.

The Coos Bay North Bend Water Board filed water right application S-70256 for municipal use in March 1990. After considerable review and modification, the Department issued a proposed final order approving the application, as modified, in December 1997.

A petition for Judicial Review was filed with the Oregon Court of Appeals by WaterWatch of Oregon in March 2001. The Court of Appeals reversed and remanded the matter to the Commission in April 2004. In July 2004, Coos Bay North Bend and the Department and Commission filed petitions for review with the Oregon Supreme Court.

The ruling of the Oregon Court of Appeals resulted in the introduction and passage of House Bill (HB) 3038 by the 2005 Legislative Assembly. However, it was determined that HB 3038 did not address all of the issues involved in the case. The parties worked together to seek agreement to resolve the matter still remaining before the Court.

Commissioner Thorndike moved to adopt Alternative 1, approval of the settlement agreement and issuance of a revised final order which is consistent with the settlement agreement, directing the Chair to sign for the Commission; seconded by Commissioner Jackson. Voting for the motion: Commissioners Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None. Commissioner Smith was not present.

B. Department's 2007-2009 Agency Requested Budget

Director Ward, and Mike Auman, Administrator of the Administrative Services Division, presented items related to the development of the Department's 2007-2009 Budget.

Director Ward, explained the mandated HB 3182 Reductions. HB 3182 was passed in 1999 and requires all agencies to identify a 10 percent reduction in service levels by fund type. It was noted that each reduction identified by the Department would greatly impact the Department's ability to effectively and efficiently manage the water resources of the state.

Director Ward, briefed the Commission on the Department's 2007-2009 Policy Option Packages (POPs) for the Agency Requested Budget. The Department ranked the POPs in order according to their priority.

Commissioner Meloy expressed her support for the Department's efforts on the POPs. She noted that the ranking was appropriate.

Ward explained that the submittal of the Agency Requested Budget is due to the Department of Administrative Services by July 31.

The Commission suggested that the Director work with Chair Thorndike on a cover letter, to be included with the Agency Requested Budget, showing their support of the agency's 2007-2009 POPs.

Commissioner Meloy moved support of the Water Resources Department's POPs for 2007-2009; seconded by Commissioner Reed. Voting for the motion: Commissioners Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None. Commissioners Smith and Thorndike were not present.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Cindy Smith
Commission Assistant