



# Oregon

John A. Kitzhaber, MD, Governor

## Water Resources Department

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### MEMORANDUM

TO: Water Resources Commission

FROM: Brenda Bateman, Senior Policy Coordinator

SUBJECT: Agenda Item H, January 27, 2012  
Water Resources Commission Meeting

### Legislative Preview – February 2012 Session

#### I. Introduction

During February 2012, Oregon's 76<sup>th</sup> Legislative Assembly will convene in Salem, in the first of its "annual sessions," as directed by the voters in November 2010. This Legislative preview includes information about session basics (length, logistics, etc.), changes in legislative leadership, water-related bills in the queue, and budget-related activity.

#### II. Session Basics

With budget as the primary but not the only topic under consideration, the 2012 Legislative Sessions is limited by the Oregon Constitution to 35 days in length. However, legislative leadership has announced their intention to limit the session to the 29 days of February.

In December 2011, legislators were permitted to submit two bills each for consideration, and committees were permitted to submit five each. The Judicial Branch has a limit of five bills submitted at the request of the Chief Justice. The Executive Branch has a limit of five bills submitted at the request of the Governor, and so the Water Resources Department did not develop any legislative concepts for the short session.

#### III. Changes in Legislative Leadership for 2012

The composition of the Oregon Senate remains at 14 Republicans and 16 Democrats.

The Senate Environment and Natural Resources Committee handles environmental policy for the Oregon State Senate and will again be chaired by Senator Jackie Dingfelder (D-Portland). Her committee is comprised of:

- Jackie Dingfelder (D-Portland), Chair
- Alan Olsen (R-Canby), Vice Chair
- Mark Hass (D-Beaverton)
- Floyd Prozanski (D-Eugene)
- Chuck Thomsen (R-Welches)

Numbers in the House total 30 Republicans and 30 Democrats. House committees are evenly split between the parties, with two co-chairs and two vice co-chairs in each committee. Since the 2011 Legislative Session, several changes in the House have occurred, particularly as they relate to the world of water and natural resources.

House Water and Environment Committee. This committee handles environmental policy for the Oregon House of Representatives. With his resignation and subsequent move to the Governor's Office, Representative Ben Cannon (D-Portland) left a vacancy in the House and an open co-chair position in the House Environment and Water Committee. The co-chair position has been re-assigned to Representative Jules Bailey (D-Portland). Appointed to fill Rep. Cannon's House District 46 seat is Representative Alissa Keny-Guyer. She will also serve on the House Environment and Natural Resources Committee. The new committee roster follows:

- Jules Bailey (D-Portland), Co-Chair
- Vic Gilliam (R-Molalla, Silverton), Co-Chair
- Debbie Boone (D-Cannon Beach), Co-Vice Chair
- Wayne Krieger (R-Gold Beach), Co-Vice Chair
- Cliff Bentz (R-Ontario)
- Brad Witt (D-Clatskanie)
- Jim Thompson (R-Dallas)
- Alissa Keny-Guyer (D-Portland)

Natural Resources Subcommittee of the Ways and Means Committee: This is the subcommittee that handles budget and fiscal matters for the natural resources arena. With the re-assignment of Representative Jean Cowan (D-Newport) to another Subcommittee, the co-chair position of the Natural Resources Subcommittee has been re-assigned to Representative Terry Beyer (D-Springfield). The new subcommittee roster follows:

- Sen. Chris Edwards (D-Eugene), Co-Chair
- Sen. Jackie Dingfelder (D-Portland)
- Sen. Chuck Thomsen (R-Welches)
- Rep. Terry Beyer (D-Springfield), Co-Chair
- Rep. Bob Jenson (R-Pendleton), Co-Chair
- Rep. Jules Bailey (D-Portland), Co-Vice Chair
- Rep. Mike McLane (R-Medford), Co-Vice Chair

#### **IV. Water-Related Bills in the Queue**

As a preview of the bills planned for February, many of the committees held related information sessions in January, when the Legislature convened in Salem to conduct interim legislative work.

The Senate Environment and Natural Resources Committee has announced its intent to propose a bill removing the 2014 sunset from the Department's split-season leasing program. This program allows a water right holder to use one right to irrigate during the part of the year, and then place water instream for the remainder of the year. Appropriate measurement and monitoring conditions apply, in order to prevent enlargement or injury.

The SENR committee also plans to bring back a bill from the 2011 session, focused on ecosystem services. This bill would expand state land-use policy to include ecosystem services, creating a path for mitigation credits. Although previous language focused on water quality credits, the concept was broad enough to possibly encompass water quantity-related credits as well.

Details about member bills have not yet been released to the public and more information will become available at the start of the February 2012 session.

**V. Budget-Related Activity in February 2012**

The recent revenue forecast indicated that General Fund revenue is once again projected to be below the amount that the Legislature was planning of having available for the current 2011-13 biennium. In anticipation of this news, the Legislative Fiscal Office requested that all agencies submit reduction options in increments of 3.5 percent of their General Fund and Lottery Fund budget. It is likely that during the February 2012 Legislative Session, agencies will be directed to do without some or all of the first 3.5 percent increment of the reduction option list. As the Legislature “held back” this 3.5 percent increment (never having released it to agencies as part of their budgets) no action is required in order to achieve these savings.

Should the Legislature decide to dip into the second 3.5 percent increment, the Ways and Means Committee would need to take action during February 2012.

Finally, the Water Resources Department is applying for a WaterSMART grant from the Bureau of Reclamation. The grant funds would be used to partner with the U.S. Geological Survey in the development of a groundwater optimization model. One outcome will enable the Department to measure and evaluate return flows coming from the Umatilla Basin Aquifer Recovery Project. The Department will submit a request to the Ways and Means Committee for permission to accept and expend these monies.

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