

**Water Resources Commission
Work Session
Hermiston Conference Center
Hermiston, Oregon
May 4, 2006**

WRC Present

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

Staff Present

Phil Ward
Tom Paul
Debbie Colbert
Cindy Smith
Barry Norris
Dwight French
Mike Auman
Kim Grigsby
Mike Ladd
Tony Justus
Jerry Rodgers
Dave Jarrett
Doug Woodcock
Mike Reynolds

Others

Chuck Miller
Lyle Smith
Dr. Betty Klepper
Dennis Doherty
Sam Nobles
Carla McLane
Kim Puzey
J.R. Cook
Bev Bridgewater
Larry Givens
Kevin Blakely
Tim Bailey
Bob Levy
David Hadley
Kent Madison
Jaime Clark
Ray Kopacz
Harmon Springer
Betty Klepper
Tyler Hansell
Bill Quaempts
Rick Colgan
Tamra Mabbott
Sen. David Nelson
Rep. Bob Jenson
Bill Burke
Chuck Wilcox

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 Thorndike opened the meeting.

Senator David Nelson welcomed the Department and Commission to the Hermiston area. He stated that the Water Resources Commission has the future of water in its hands.

Representative Bob Jenson welcomed the Department and Commission to Umatilla County. He thanked everyone who serves on the Water Resources Commission. He emphasized the key role the Water Resources Commission will play in Oregon's future.

Bill Burke, Walla Walla Chief of the Umatilla Indian Reservation; Bob Levy, Westland Irrigation District; Dennis Doherty, Umatilla County Commissioner; Doug Woodcock, Water Resources Department; and Kent Madison, Madison Farms, gave an overview of the historical aspects of fish recovery in the Umatilla River Basin, the Umatilla Basin Projects, the status of ground water supplies, and the Umatilla County Critical Groundwater Task Force.

Commissioner Rasmussen facilitated a designed dialogue with invited state elected officials and representatives from the Umatilla County Critical Groundwater Task Force on key water supply issues in the Umatilla River Basin.

The panelists included: Chuck Miller, President, Hermiston Irrigation District; Rick Colgan, Chair, Umatilla County Planning Commission; Bill Quaempts, Confederated Tribes of the Umatilla Indian Reservation (CTUIR); Tyler Hansell, former Water Resources Commissioner; Dr. Betty Klepper, retired USDA Agricultural Research Service Administrator; Kim Puzey, Manager, Port of Umatilla; Harmon Springer, Hermiston City Council, Vice Chair Task Force; David Hadley, Attorney; Ray Kopacz, Manager, Stanfield Irrigation District; Kent Madison, Chair, Task Force; Lyle Smith, Task Force; Jaime Clark, Umatilla Soil and Water Conservation District (SWCD); Representative Bob Jenson; and Senator David Nelson.

The Commission toured the Umatilla River in the afternoon. The tour stops included Three Mile Dam on the Umatilla River; the Birch Creek Overlook on the Umatilla River; and the City of Pendleton's aquifer storage and recovery well and water treatment plant.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Cindy Smith
Commission Assistant

**Water Resources Commission
Meeting
Hermiston Conference Center
Hermiston, Oregon
May 5, 2006**

WRC Present

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

Staff Present

Phil Ward
Tom Paul
Debbie Colbert
Cindy Smith
Barry Norris
Dwight French
Mike Auman
Dave Jarrett
Mike Reynolds
Kyle Gorman
Jerry Rodgers
Doug Woodcock
Kim Grigsby

Others

Greg Corbin
Allan Foutch
J.W. Ring
John McKeivitt
Kimberley Priestley
DeeAnn Amstad
W. Bryan Wolfe
Tamra Mabbott
Bob Hunter – by phone
Julie Webster – by phone
Tyler Hansell

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Chair Thorndike called the meeting to order.

A. Minutes

The minutes of the March 7 and 31, 2006, and the January 12 and 13, 2006, meetings were offered to the Commission for their consideration.

Commissioner Smith moved to approve the minutes as submitted; seconded by Commissioner Jackson. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

B. Commission Comments

Commissioner Barlow had no comments.

Commissioner Smith had no comments.

Commissioner Reed had no comments.

Commissioner Jackson commented that he enjoyed the previous day's festivities and all the effort that was put into it. He stated that ground water static levels are up 15 feet from the previous three years in his well.

Commissioner Meloy commented that tours are a wonderful thing and being able to see the area in that manner was greatly appreciated. She also stated that she was named Chair of the National Water Resources Committee of the American Water Works Association.

Commissioner Rasmussen thanked Commissioner Reed for his work on the meeting and tour.

Commissioner Thorndike thanked Commissioner Reed for his work on the meeting and tour. He stated that getting out and seeing what is happening on-the-ground helps when the discussions are brought back before the Commission. He also noted that he would be attending an Oregon Watershed Enhancement Board meeting later in the month.

C. Director's Report

Director Ward reviewed his written report to the Commissioners and responded to their comments and questions.

Ward reported that Kathy Smith was hired to fill the District 14 Watermaster position in Grants Pass and Joel Clark was hired to fill the District 21 Watermaster position in Condon. Mike McCord, Watermaster District 20 in Oregon City, has moved to the District 16 Watermaster position in Salem. The Department will be filling the District 20 Watermaster position in the near future. Bill Ferber was hired to fill the Northwest Region Manager position in Salem. Dave Jarrett, former Northwest Region Manager, was hired as Field Services Administrator.

D. Budget Update

Mike Auman, Administrator, of the Administrative Services Division, briefed the Commission on the Department's proposed Policy Option Packages for the 2007-2009 Agency Recommended Budget.

Kimberley Priestley, WaterWatch of Oregon, commented on the Water Supply and Conservation Initiative Policy Option Package, expressing an interest quantifying instream needs as part of the initiative.

E. Commission Discussion

At its March 31, 2006 Work Session, the Commission asked staff to develop a proposal for a Commission-led Funding Task Force. The purpose of this task force would be to identify and develop potential funding sources to support core Department programs, as well as proactive water resource infrastructure development.

Commissioner Reed commented that the Commission should be working out some kind of joint governmental effort to plan for the future. He stated that infrastructure, concepts, and cooperation take a long time to develop.

Commissioner Thorndike suggested that a task force of the Commission be developed to work with the Director to come up with a proposal to discuss "Big Picture" issues.

Commissioner Reed moved to develop a “Futures” Task Force to help the Department and Commission lead discussions about water resources, water supply, and allocation; seconded by Commissioner Jackson. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

The Futures Task Force consists of Commissioners Smith, Reed and Meloy. Lead Department staff would be Debbie Colbert and Phil Ward.

Commissioner Rasmussen moved to create a Funding Task Force to identify and develop potential funding sources to support core Department programs, as well as proactive water resource infrastructure development; seconded by Commissioner Smith. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

The Funding Task Force consists of Commissioner Reed, Commissioner Jackson and Commissioner Barlow with Commissioner Thorndike as an alternate. Lead Department staff would be Mike Auman and Phil Ward.

Commissioner Meloy moved to have Commissioner Rasmussen as the alternate for the Futures Task Force; seconded by Commissioner Smith. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

Tamra Mabbott, Umatilla County Planning Director, commented on the Commission’s role in future water supplies.

F. Reservation Request – OAR Chapter 690, Division 518

Dwight French, Water Rights and Adjudication Administrator, and Mike Reynolds, Protest Program Coordinator, presented a request for authorization to initiate a formal rulemaking process to modify the Mid Coast Basin Program, OAR Chapter 690, Division 518 by consideration of the three reservations as requested by the City of Lincoln City. The reservation requests are for multipurpose storage for future economic development in three waterways in the Mid Coast Basin.

John McKevitt, City of Lincoln City and Jeff Ring, Attorney for the City of Lincoln City, spoke in favor of the reservation request.

Greg Corbin, Miami Corporation and Allan Foutch, Miami Corporation, spoke in opposition of the reservation request.

Commissioner Meloy moved that the Commission authorize initiation of a formal rulemaking process to modify the Mid Coast Basin Program, OAR 690, Division 518 by consideration of the three reservations as requested by Lincoln City; seconded by Commissioner Jackson. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

G. Request for Adoption of Administrative Rules Relating to Requirement for Pump Testing of Nonexempt Wells, OAR Chapter 690, Division 217

Doug Woodcock, Manager, Ground Water Section, requested the Commission amend rules relating to the requirement for pump testing of nonexempt wells, OAR Chapter 690, Division 217.

The final proposed rules streamline the requirements and reduce the cost and administrative burden associated with conducting pump tests and follow-up testing. Pump-test data are still required prior to issuance of a certificate of water right for permits with priority dates of December 20, 1988 or later.

Commissioner Reed moved that the Commission adopt the final proposed rules in Attachment 1; seconded by Commissioner Barlow. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

H. Request for Amendment of OAR Chapter 690, Divisions 200, 205, 220, 225 and 240

Barry Norris, Administrator, Technical Services Division, requested the Commission amend OAR Chapter 690, Divisions 200, 205, 220, 225 and 240 related to water supply well constructor and monitoring well constructor licensing and bonding.

Commissioner Rasmussen moved that the Commission adopt the final proposed rules in Attachment 1; seconded by Commissioner Smith. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

I. Public Interest Review of Application G-16510, Charles and William Kirk

Dwight French, Administrator, Water Rights and Adjudication Division, requested the Commission review and consider the public interest review for Application G-16510 in the name of Charles and William Kirk pursuant to OAR 690-507-0070(3)(d)(D).

Commissioner Smith moved that the Commission determine the application is consistent with the public interest and allow the Department to continue processing the application with an affirmative finding regarding the basin program element of the public interest presumption; seconded by Commissioner Jackson. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

J. Grants Pass Irrigation District (GPID) Consent Decree

Dave Jarrett, Administrator, of the Field Services Division, asked the Commission to join in a stipulated agreement to amend the federal court consent decree allowing Grants Pass Irrigation District (GPID) to continue diverting water at Savage Rapids Dam through November 1, 2008.

Bob Hunter, WaterWatch of Oregon and Julie Webster, Grants Pass Irrigation District, spoke in favor of the stipulated agreement.

Commissioner Jackson moved that the Commission join in a stipulated order substantially in the form of the draft in Attachment 1 to extend the deadline in the consent decree for two years to allow GPID to divert water at Savage Rapids Dam until November 1, 2008; seconded by Commissioner Rasmussen. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

K. Mitigation Bank Charter for Deschutes Irrigation LLC

Commissioner Meloy noted that she had been contacted by both the Central Oregon Irrigation District and the Deschutes Water Exchange prior to the meeting.

Kyle Gorman, South Central Region Manager, requested the Commission approve a mitigation bank charter for the Deschutes Irrigation LLC and delegate responsibility for drafting the final language of the charter and final signature authority to the Director.

The purpose of mitigation banks in the Deschutes Basin is to facilitate transactions among holders of mitigation credits and persons interested in acquiring mitigation credits. Without mitigation, the Department is required by law to deny ground water permit applications in the Deschutes Ground Water Study Area. Under the Commission's rules, anyone may apply for a mitigation bank charter.

On December 8, 2005, John Short, Deschutes Irrigation, LLC, submitted an application for a mitigation bank charter; an amended application was submitted on March 14, 2006. The Department assigned the mitigation bank charter application MB-3.

The draft mitigation bank charter was developed and meets the requirements of ORS 537.746 and the Commission's rules under OAR Chapter 690, Division 521.

John Short, Deschutes Irrigation, LLC, spoke in favor of the Mitigation Bank Charter.

Commissioner Rasmussen moved that the Commission approve the mitigation bank charter for the Deschutes Irrigation, LLC, substantially in the form of the draft charter in Attachment 1 and delegate responsibility for finalizing the language of the charter to the Director, as well as final signature authority; seconded by Commissioner Barlow. Voting for the motion: Commissioners Smith, Thorndike, Rasmussen, Barlow, Jackson, Meloy and Reed. Voting against the motion: None.

L. Public Comment

There was no public comment.

Director Ward discussed the Commissioners input in the budget process.

Commissioner Smith suggested a teleconference call of the Commission after the agency's internal preliminary review.

Ward commented that the Department would schedule a teleconference meeting with the Commission as the Department starts setting its final prioritization list for the budget.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Cindy Smith
Commission Assistant