

**Water Resources Commission
Work Session
Walnut Creek Center
Hillsboro, Oregon
November 16, 2006**

WRC Present

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

Staff Present

Phil Ward
Tom Paul
Debbie Colbert
Cindy Smith
Barry Norris
Dwight French
Mike Auman
Bill Ferber
Darrell Hedin
April Snell
Cole Beaman
Joseph Chung
Linda Yeoh Elder

Others

Hyoungsoo Kim
Anita Winkler
Jeff Barry
Tom VanderPlaat
Willie Tiffany
Lisa Brown
Dan Bradley
Greg Corbin
Jim Doan
Lorna Stickel
Bill Gaffi
John McDonald
Kevin Hanway
Dale Jutila

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.

Chair Thorndike called the meeting to order.

Jim Doan, President, Tualatin Valley Water District Board, welcomed everyone to Washington County.

Commissioner Jackson gave a brief explanation of the days activities.

Integrated Water Resources Management in the Tualatin – Roundtable Discussion

The Commission convened a roundtable discussion of the history, development, and implementation of integrated water resources management in the Tualatin Basin. Participants in the discussion included Bill Gaffi and Tom VanderPlaat, Clean Water Services; Lorna Stickel, Portland Water Bureau; John McDonald, Tualatin Soil and Water Conservation District; Kevin Hanway, City of Hillsboro; and Dale Jutila, CH2M Hill.

The Commission toured local sites in the afternoon. The tour included a stop at the River House at Rood Bridge Park and a visit to the Rock Creek Advanced Wastewater Treatment Facility.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Cindy Smith
Commission Assistant

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Kimberley Priestley
Anita Winkler
Helen Moore
Tom VanderPlaat
Willie Tiffany
Lisa Brown
Dan Bradley
Greg Corbin
Niki Iverson
Nathan Rietmann
Ed Henricks
Paul Siebert
Todd Heidgerken
Colm Moore

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Chair Thorndike called the meeting to order.

A. Minutes

The minutes of the November 16 and 17, 2006 meeting were offered to the Commission for their consideration.

Commissioner Rasmussen asked for follow-up from staff on Klamath water right permitting and completion of the USGS report.

Barry Norris, Technical Services Administrator, explained that the USGS Report has gone to the publisher. As soon as the report is released, staff will distribute it to the Commission. Norris said that a summary of Klamath Basin water right permitting activities was sent out in October 2006 to the Commission.

Commissioner Rasmussen moved to approve the November 16 and 17, 2006 minutes as submitted; seconded by Commissioner Smith. Voting for the motion: Commissioners Thorndike, Smith, Rasmussen, Barlow, Jackson, and Meloy. Voting against the motion: None.

B. Commission Comments

Commissioner Meloy commented that she appreciated the previous day's panel discussion. She felt it reflected a lot on the discussion of the Commission's Future's Committee meeting. It was a good validation of what the Commissioners are thinking in terms of their approach to the future.

Commissioner Jackson thanked the local representatives for the panel discussion, dinner and tour. He was glad to hear the validation of what the Future's Committee was thinking with regards to the previous day's discussion. Jackson said that he and Northwest Region Manager Bill Ferber, presented the Oregon Water Trust with the Commission's Stewardship and Conservation Award at their board meeting. It was very well received. Jackson also commented that he, Chair Thorndike, Vice-Chair Rasmussen, and Director Ward met with Mike Carrier, Governor's Office, and Lisa Pearson, DAS Budget Analyst, to discuss the agency's budget. Jackson said that the Tualatin River Flow Management Group has invited him to attend their meeting. These meetings are part of an ongoing process.

Commissioner Barlow said that he and Jerry Rodgers, Eastern Region Manager, presented the Stewardship and Conservation Award to the Baker Soil and Water Conservation District and Baker Valley Irrigation District at their joint board meeting. Barlow also said that there is some talk in Malheur County about the submission of a grant for preliminary research to update irrigation systems which would be a good thing.

Commissioner Smith echoed Commissioner Meloy's comments about the Future's Committee work and the panel discussion. She thanked staff and Clean Water Services for the tour. Commissioner Smith discussed including a one day retreat to the 2007 meeting schedule.

Commissioner Rasmussen discussed the possibility of having a joint meeting with other Commissions. He also mentioned that he served as the hearings officer for the Division 518 rulemaking in Lincoln City.

Commissioner Thorndike said that he attended the meeting with the Governor's Office. He thanked Clean Water Services and Darrell Hedin and his staff for their efforts. He also noted that he attended the Oregon Water Law Conference in November 2006.

C. Director's Report

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

Ward also shared some good news items with the Commission. As of October 22, 2006, the Department had resolved 92% of the nearly 5700 contests in the Klamath Adjudication. Ward noted that so far this year, the Department has issued 800 water right certificates compared to 200 issued the previous year. The transfer backlog in the North Central and Eastern regions have been virtually eliminated. The agency website has received 1.9 million hits this year. The agency has been able to resolve 100% of the protests without litigation over this past year.

D. Legislative and Stakeholder Update

Debbie Colbert, Senior Policy Coordinator, provided an overview of the Department's Legislative Concepts for the 2007 Session. A panel of stakeholders presented brief overviews of water related bills they might pursue in 2007. Panelists included: Anita Winkler, Oregon Water Resources Congress; Kimberley Priestley, WaterWatch of Oregon; Willie Tiffany, League of Oregon Cities; Jeff Stone, Oregon Association of Nurseries; and Helen Moore, Water for Life.

E. Budget Update

Mike Auman, Administrator of the Administrative Services Division, and Paul Siebert, Legislative Fiscal Office, briefed the Commission on the 2007-2009 budget process.

Siebert said that the Department should expect to present their budget request to Ways and Means in March or April.

Commissioner Smith thanked the Funding Subcommittee for helping the Department with the budget.

Commissioner Thorndike thanked the stakeholder groups for their input in the budget process.

F. Commission Subcommittee Updates

Commissioner Barlow gave an update on the Funding Subcommittee. Barlow said that subcommittee last met via conference call on October 30, 2006. He commented that, at the August Commission meeting in Bandon, the subcommittee discussed forming a stakeholder group so that their ideas can be incorporated. The subcommittee put together a list of stakeholders which will be sent out to the Commissioners for their review. He also discussed a report from the Water Resources Administration Funding Task Force in the State of Washington. It was interesting to compare their department levels to ours and their budgets. He said that the committee will continue to meet.

Commissioner Smith gave an update on the Future's Subcommittee. The subcommittee last met on November 16, 2006. Commissioner Smith said that the subcommittee came up with early phases which puts the vision, the problem statement, goals, guiding principals in to an action plan. The subcommittee is continuing to draft these items in terms that will be understandable. The Commission and the Future's Subcommittee are heading in the same direction. The subcommittee will continue to meet.

Commissioners Thorndike and Rasmussen complimented the subcommittees and staff on their efforts.

G. GWAC Appointments

Barry Norris, Technical Services Division, Administrator, offered a list of candidates to serve on the Ground Water Advisory Committee (GWAC). Bob Jones was recommended for appointment to serve until November 30, 2008, in the hydrogeologist category. Lynne

Parechan was recommended for appointment to serve until November 30, 2008, in the local government category. Recommended for reappointment to serve until November 30, 2008, was John Stadel in the well industry category.

Commissioner Jackson moved approval of the GWAC appointments as recommended in Alternative 1 of the staff report; seconded by Commissioner Barlow. Voting for the motion: Commissioners Smith, Thorndike, Jackson, Barlow, Meloy, and Rasmussen. Voting against the motion: None.

H. Final Proposed Rules Related to Certain Water Use Permits – OAR Chapter 690, Divisions 310 and 340

Dwight French, Water Rights and Adjudication Division, Administrator, and Tim Wallin, Water Rights Manager, briefed the Commission on final proposed rules OAR Chapter 690, Division 310 relating to Water Right Application Processing and OAR Chapter 690, Division 340 relating to Water Use Authorization. The proposed rules implement House Bills 2083 and 2178 (Chapters 14 and 37, 2005 Oregon Laws) which eliminated an obsolete process for registering certain water uses and provided a new expedited process for applications for permits to use stored water exclusively. These bills were introduced last session on behalf of the Department as part of its regulatory streamlining efforts.

Commissioners Smith, Rasmussen, and Jackson raised concerns regarding the Department's ability to raise public interest on its own issues.

Commissioner Rasmussen moved approval of the final proposed rules as provided in Attachments 1 and 2 of the staff report; and that staff report back at a subsequent meeting to discuss the issue of the Department's ability to raise its own issues; seconded by Commissioner Smith. Voting for the motion: Commissioners Smith, Thorndike, Jackson, Barlow, Meloy, and Rasmussen. Voting against the motion: None.

I. Request for Adoption of Amendments to the Mid Coast Basin Rules, OAR Chapter 690, Division 518

Dwight French, Water Rights and Adjudication Division, Administrator, and Bill Fujii, Natural Resources Specialist, briefed the Commission on final proposed rules OAR Chapter 690, Division 518 relating to the Mid Coast Basin Program. The final proposed rules establish reservations for multipurpose storage for future economic development in three waterways of the Mid Coast Basin.

On September 20, 2005, the Department received a request by Lincoln City for reservations on two waterways tributary to Devils Lake adjacent to Lincoln City and a tributary of the Salmon River north of Lincoln City.

The final proposed rules would reserve waters of the following streams for multipurpose storage for future economic development as allowed under ORS 537.356 with a priority date of May 5, 2006:

- 374 acre-feet of unappropriated water in Rock Creek, tributary to Devil's Lake;
- 1,250 acre-feet of unappropriated water from Treat River, tributary to Salmon River; and

- 1,350 acre-feet of unappropriated water from an unnamed stream (locally referred to as “Side Creek”), tributary to Devil’s Lake, for future application exclusively by the City of Lincoln City.

Commissioner Smith moved approval of the final proposed rules as provided in Attachment 1 of the staff report to allow the three reservations requested by the City of Lincoln City; seconded by Commissioner Jackson. Voting for the motion: Commissioners Smith, Thorndike, Jackson, Barlow, Meloy, and Rasmussen. Voting against the motion: None.

Greg Corbin, Miami Corporation, following the motion, expressed his client’s concern with the settlement process.

J. OAR Chapter 690, Division 315 Rule Review

Debbie Colbert, Senior Policy Coordinator, and Dwight French, Water Rights and Adjudication Administrator, gave a review of the implementation activities under OAR Chapter 690, Division 315 relating to certain municipal water right permit extensions.

The Commission adopted rules under OAR Chapter 690, Division 315 related to water right permit extensions at its October 2005 meeting. The rules implemented House Bill 3038 (Chapter 410, 2005 Oregon Water Laws) which adjusted the standards the Department uses to review certain applications for extensions of time filed by holders of municipal use permits. The Division 315 rules require that the Commission evaluate the implementation of these rules by November 30, 2006. OAR 690-315-0010(7).

Commissioner Smith expressed to staff to keep up the good work.

Commissioner Rasmussen agreed with Commissioner Smith’s comment.

Commissioner Meloy expressed her concern that the process may not be broken now, but maybe close to it.

Commissioner Jackson commented that he would like continue to see updates on this issue.

Commissioner Thorndike commented that he would rely on the Division 315 Subcommittee to keep the Commission advised of necessary actions needed in the future.

Dan Bradley, General Manager, North Clackamas County Water Commission expressed his disappointment in the process.

Lisa Brown, WaterWatch of Oregon, commented that the debate around the municipal extensions is primarily a debate about future water supplies. She also commented that HB 3038 provides a good process but don’t sacrifice the fish.

Willie Tiffany, League of Oregon Cities, commented that the process has been going on for 9 years. He would like to see it move forward. He commended the Department and Commission for their efforts. He expressed his concerns about the Department of Fish and Wildlife’s interpretation of the process. He feels that a legislative fix would be a benefit or another option would be to handle it legally.

K. Public Comment

Tom VanderPlaat, Clean Water Services, spoke regarding implications of increased rural development on ground water supplies and streamflows.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Cindy Smith
Commission Assistant