

Water Resources Commission
Work Session
Salem, Oregon
June 9, 2009

WRC Present

Jay Rasmussen
Mary Meloy
Ray Williams
Charlie Barlow
John Jackson
Jeanne LeJeune
John Roberts

Staff Present

Tom Paul
Cindy Smith
Doug Woodcock
Jerry Rodgers
Dwight French
Barry Norris

Debbie Colbert
Tim Wallin
Bill Ferber
Bill Fujii
Bob Rice

Others

Helen Moore Liz Frenkel
Gail McEwen Karen Long
Julie Wilson Michael Cobell
Niki Iverson Dennis Doherty
Peggy Lynch Mark Landauer
Brad Taylor Chris Vandenberg
Michelle Girts Patricia Farrell
Kimberley Priestley
Christine Valentine

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.

Vice-Chair Rasmussen welcomed everyone to the meeting. The Commission introduced themselves to the audience.

A. Integrated Water Resources Strategy Work Group Update

Commissioner Rasmussen noted that over the last three to four years the Commission has been more active in trying to move the state forward in developing an integrated water strategy. The Commission is looking at a vision and an approach for developing a more comprehensive, integrated water strategy planning for the state and recognizing that the Commission is committed to this effort.

Commissioner Meloy gave a powerpoint presentation that discussed the issue statement that was developed by the Commission's working group along with goals and a vision statement.

The issue statement discussed the need for an integrated water resources strategy; the limited supply of clean and abundant water; the value of a strategy; building on a foundation of strategy; and developing a strategy through collaboration.

Commissioner Meloy discussed the purpose of a strategic integrated plan:

- Encourage planning ahead
- Balance competing needs
- Promote wise use of water
- Promote participation
- Foster public health, safety & good will

The Commission invited others to author the remaining issue papers. Other issue papers would include: quantity; quality; ecology; climate change; and economics. They hope to have the authors selected by June 30th.

Commissioner Roberts discussed the goals that the Working Group developed to guide the Commission through the Integrated Water Resources Strategy development process. The goals are:

- 1) to be dynamic and adaptable;
- 2) to be efficient in light of the resource issue;
- 3) to establish milestones for progress, but with a necessary eye toward flexibility;
- 4) to be inclusive while bringing together divergent groups of people together in an informed consensus manner;
- 5) to include stakeholders at all levels of decision-making;
- 6) to use the best available scientific data;
- 7) to focus on long-lasting common agreements; and
- 8) to complete a draft of Oregon's first integrated water resources strategy during 2011 - 2012.

Commissioner LeJeune discussed a draft vision statement. The draft vision statement is: "A statewide integrated water resources strategic plan will bring various sectors and interests together to work toward the common purpose of maintaining healthy water resources to meet the needs of Oregonians and Oregon's environment for generations to come."

Commissioner LeJeune noted that through all the discussions the Working Group has had, there have been some common themes:

- 1) There is a commitment for the process to include stakeholder and public involvement
- 2) Recognition that this is an ambitious undertaking and that there is a need to keep the momentum going and to keep moving forward. They hope to have a draft plan that could be presented to the next session of the legislature.

Commissioner Meloy clarified that this is a vision statement for the process and not for the strategy itself. The mission statement for the planning process for planning for the future and for the strategic plan may be entirely different.

Commissioner LeJeune commented that the issue statement for the Integrated Water Resource Strategy is the umbrella for other issue papers.

Commissioner Roberts commented that the issue papers are part of the attempt to bring focus to the discussion; a starting point to bring people into the discussion.

Commissioner Meloy's paper can be found on-line at:
http://www1.wrd.state.or.us/pdfs/2009_06_09_Issue_Statement.pdf.

Lorna Stickel, Portland Water Bureau, commented that \$10,000 has been budgeted to follow this process and to participate. Stickel expressed five points that she feels will help in the process: 1. ownership – critical; 2. challenge your community; 3. expect imperfection; 4. building blocks; 5. institutional barriers.

Commissioner Dennis Doherty, Umatilla County, provided supportive comments and cautioned the Commission to maintain its patience and flexibility.

Niki Iverson, City of Hillsboro, commended the Working Group and the Commission for the work they have done. She commented that she was impressed with the information that was put together. She recommended an interim step of developing an outline for review to determine if visions are headed in the same direction. Also, expect that the process will probably provide additional tasks and actions for the Department and Commission to complete.

Commissioner Meloy expressed her frustration regarding designing a step by step process to get to a strategic plan. She expressed the need to revisit this.

B. Update on Willamette Bi-Op

Bill Fujii, Senior Water Right Coordinator, introduced Mindy Simmons, US Army Corps of Engineers and Mike Cobell, Bureau of Reclamation.

Mindy Simmons, US Army Corps of Engineers, gave an update on the Willamette Basin Biological Opinion. In summary,

- Short-term:
 - Improve habitat downstream of dams, including: water quality (temp/TDG), flows, operations, hatchery practices, physical habitat
 - Upgrade fish collection facilities
 - Research, Monitoring, and Evaluation
 - Investigate feasibility of downstream passage options.
- Long-term:
 - Construct downstream fish passage, temperature control.
- Use the US Army Corps of Engineer’s feasibility and design process to evaluate options for downstream passage, and other major actions.
- Collaborate with others, including State agencies, Tribes and other groups.

Mike Cobell, Bureau of Reclamation (BOR), explained how the BOR planned to implement the actions that were recommended by the National Marine Fisheries Service and the Biological Opinion issued in 2008. In his presentation, he discussed the project and Water Marketing Program; Measures relevant to Reclamation activities; coordination; Flow Management; and Water Contract Program.

C. Oregon Climate Change Research Agenda

Dr. Philip Mote, Director of the Oregon Climate Change Research Institute, gave an update on the Institute’s research agenda and planned activities in 2009-11.

In summary, Dr. Mote said that regional-scale warming can be attributed to rising greenhouse gases; many observed hydrologic changes are consistent with warming; and the future of water resources looks very different. The Oregon Climate Change Research Institute can help.

There being no further business, the meeting was adjourned.

Respectfully,

Cindy Smith
Commission Assistant

Water Resources Commission
Meeting
Salem, Oregon
June 10, 2009

WRC Present

Jay Rasmussen
Mary Meloy
Ray Williams
Charlie Barlow
John Jackson
Jeanne LeJeune
John Roberts

Staff Present

Phil Ward
Brenda Bateman
Cindy Smith
Renee Moulun
Dwight French
Barry Norris
Doug Woodcock
Laura Wilke
Juno Pandian
Lloyd VanGordon
Tom Paul
Ruben Ochoa
Bill Ferber
Debbie Colbert
Jerry Rodgers
Bob Rice
Tracy Louden
Bill Fujii
Bob Wood

Others

Lisa Brown Liz Redon
Karen Long Lisa Seales
Peggy Lynch Anita Winkler
Mark Landauer
Peter Fernandez
Shonee Langford
Patricia Farrell
Gail McQuen

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.

Vice-Chair Rasmussen welcomed everyone to the meeting and noted that Representative Bob Jenson would be addressing the Commission during the morning.

Representative Bob Jenson thanked the Commission for the opportunity to speak and expressed his appreciation for the hard work that the Commission does.

Representative Jenson commented that he was pleased with the possibility of funding for the Integrated Water Resources Strategy. He said that it was an agenda that he had in mind for this session and prior ones. He said that without some sort of vision, you won't go anywhere.

He said that the Department has been understaffed ever since he has been in Salem. It is a very small agency and it is one that relies almost exclusively on general fund. One of the Representative's commitments with the budget this year was to try to hold the Department harmless. That was a difficult chore to undertake. The only way to make this happen was through fee increases.

He said that while the legislature can't hold the Department harmless, they will be able to hold them to the status quo as far as funding is concerned. The status quo is the last session's legislative approved budget minus less 6 positions that were removed from the 07-09 budget during the rebalance at the beginning of this session.

He said that his is deeply indebted to Democrats and Republicans, rural, urban and metro, for taking the issue much more seriously than perhaps it had been taken.

He again thanked the Commission for their hard work and said that it was truly a privilege to work for them in this area.

Commissioner Rasmussen thanked Representative Jenson for addressing the Commission and for his words of encouragement and commitment, it is always inspiring.

D. Minutes

The minutes of the February 25 and 26, 2009, meeting were offered to the Commission for consideration.

Commissioner Williams moved to approve the February 25 and 26, 2009 minutes as submitted; seconded by Commissioner Jackson. Voting for the motion: Commissioners Rasmussen, Barlow, Jackson, Williams, Meloy, LeJeune and Roberts. Voting against the motion: None.

E. Commission Comments

At the request of Chair Rasmussen, the Working Group was asked to bring forward what the next steps are for the Integrated Water Resource Strategy.

Commissioner Roberts discussed the next steps of the Integrated Water Resource Strategy. The next steps are:

1. Have the Commission and Department review and comment on the planning process goals, vision and issue statement by June 30, 2009. He hopes to open these documents to stakeholder review after the September meeting.
2. The Commission and Department should review the issue paper topics (quantity; quality; ecology; climate change; and economics) and confirm that they are suitable, or if necessary, add more.
3. By June 30, select the authors for the cornerstone issue papers.
4. Review the draft issue papers at the September Commission Meeting. Subcommittee will work with designated authors to develop information in the interim. Request Stakeholder review and comment after the September meeting.
5. Commissioner Meloy is seeking a process designer to help develop the process.

Commissioner Rasmussen expressed great appreciation to the Working Group for their efforts.

Commissioner Williams commented that a lot has been happening in his area with regards to water. He said that there is a lot going on with regard to recharge in Morrow County and appropriation of the Columbia River waters to deal with critical groundwater areas and also make for more permanent sustainable water.

He commented that in the Walla Walla River Basin, there are ongoing discussions among the Tribes, irrigators and Federal Government regarding stored and recharge water.

Commissioner LeJeune commented that she has been working with Commissioners Meloy and Roberts on the Integrated Water Resources Strategy (IWRS). She noted that she attended the American Water Works Association (AWWA) Conference to discuss the IWRS.

They discussed the planning process and in addition asked the attendees of the conference the same questions that were asked of the stakeholders back in January. She was also invited to attend the AWWA's Water Resources Committee the following week to continue the discussion. Commissioner LeJeune said she would put together a list of comments that came from the conference for the Commission's review.

Commissioner LeJeune also noted that this year is the 100th Anniversary of the Tillamook Creamery.

Commissioner Jackson commented that he has spent most of his time working with the Oregon Watershed Enhancement Board (OWEB) as the Commission representative. He recently attended an OWEB meeting in Eugene. He noted that OWEB is starting a strategic planning process. They are having a three day retreat the end of June. He noted that Central Oregon Irrigation District was awarded \$1 million to begin a piping project which will put a little over 19 cubic feet of water back into the mainstem of the Deschutes River. He also noted that watershed councils are being cut back on the amount of money that will be available due to the lack of lottery funding available.

He said that the group looking at Scoggins Dam is stepping back and looking at the seismic standards. They are looking at whether the existing dam can handle what was originally planned.

Commissioner Barlow commented that on April 23 he traveled to Burns to be the hearings officer for the Malheur Lake Basin Program Rulemaking. He noted that two of the parties involved in the settlement were in attendance at the hearing.

Commissioner Meloy commented that she is involved in the revitalization of the Deschutes Water Alliance (DWA). This is a group of key decision makers in the Deschutes Basin. What they are trying to do is work together to look at the larger issues that face the Basin. They have a memorandum of understanding that has been distributed. They have 25 perspective members for DWA which consists of county commissioners, mayors, irrigation district board members, Tribes, two private water companies, the Oregon Water Resources Department, and the Oregon Department of Fish and Wildlife. She commented that between the DWA and Integrated Water Resources Strategy, she has been busy.

Commissioner Roberts commented that he continues to hear anxiety about the Klamath Settlement from the Klamath Basin and the Rogue Basin. He noted that he attended a stormwater runoff mitigation workshop at Rogue Community College, and found the workshop very interesting.

He noted that Savage Rapids Dam is actively being removed. It should be out within a month or so. The electric pumps that were installed are supplying the irrigators and progress seems to be good. Everyone seems to be happy.

He also noted he has been working with Commissioners Meloy and LeJeune on the Integrated Water Resources Strategy.

Commissioner Rasmussen commented that he attended a luncheon with some of the community development people for Benton County. It was a follow-up to the grants that the Commission helped with, along with wells, well monitoring and wells and wellness.

Commissioner Rasmussen read his letter of resignation to Commission. His resignation took effect on June 30, 2009.

F. Director's Report

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

Commissioner Rasmussen asked for more frequent updates from staff on pending issues. He also hoped that the Department will be as enthusiastic as Representative Jenson expressed earlier in supporting a continuative involvement in leadership of the Commission. He expressed the need to keep water on everyone's radar.

Commissioner Williams thanked Director Ward and key staff on how hard they have been working on everything during these trying times.

Commissioner LeJeune thanked Director Ward as well and offered help where needed.

Commissioner Roberts echoed Commissioner LeJeune comments.

G. Budget Update – 2009-11 Biennium

Tracy Loudon, Administrative Services Administrator, gave an update to the Commission on the 2009-11 Budget.

The Office of Economic Analysis released on May 15, 2009 an updated Economic and Revenue Forecast which forecasts additional reductions in revenue for the 2009-11 biennium of \$532.5 million, relative to the March 2009 forecast. That brought the total projected revenue shortfall for 2009-11 to \$3.8 Billion.

On May 18, 2009, Senator Carter and Representative Buckley, the Co-Chairs of the Joint Committee on Ways and Means, released their recommended 2009-11 budget. The co-chairs' recommended budget proposes significant reductions statewide, as well as a requirement to raise new revenue. In their press release, the Co-Chairs stated they are attempting to "address long-standing water issues and provide sustainable funding for the Oregon Water Resources Department through proposals still in development." Their recommendations for the Water Resources Department propose the elimination of six full-time equivalent (FTE) positions as well as new fees and fee increases to backfill General Fund in the amount of \$2.8 million. The Ways & Means Subcommittee on Natural Resources, co-chaired by Senator Vicki Walker and Representative Bob Jenson, have access to several fee-related bills, as they craft the Department's final budget and fee levels.

The important role that the Water Resources Department plays in Oregon has been acknowledged during public testimony and noted during meetings of the Ways and Means Subcommittee on Natural Resources. The Department will continue to keep the Commission updated as the Co-Chairs budget proposal is likely to see some modifications before the 2009-11 Budget is finalized.

H. Legislative update

Brenda Bateman, Senior Policy Coordinator, gave an update to the Commission on the bills that the Department is currently tracking during the Legislative Session. She pointed Commissioners to the Department's website for ongoing updates on the following bills.

Bills Originating with the Water Resources Department:

SB 193A "Integrated Water Resources Strategy"

SB 194 "Water-Use Measurement"

SB 195 "Allowing Wave Energy Pilot Projects to Connect to the Grid"

HB 2231A "Start Card Fee Increases"

HB 2232A "Geo Tech Hole Report Fees"

Other Bills:

SB 740 "Relating to Water Rights"

SB 788A "Relating to Water"

SB 5535 "Lottery-Backed Bonds"

HB 3369A "The 2009 Water Investment Act"

HB 3454A "Integrated Water Resources Strategy"

I. Request to Adopt Rules for the Malheur Lakes Basin Program (OAR Chapter 690, Division 512)

Debbie Colbert, Field Services Administrator, and Bill Fujii, Natural Resources Specialist, briefed the Commission on the request to adopt the Division 512 rules for the Malheur Lakes Basin Program, establishing reservations for multipurpose storage for future economic development in Home Creek, tributary of the Catlow Valley of the Malheur Lakes Basin.

On October 6, 2008, the Department received a request from Harney County for a reservation of 4,550 acre feet of unappropriated water for multipurpose storage for future economic development on Home Creek, tributary to the Catlow Valley in the Malheur Lakes Basin. Harney County's reservation request stems from a Settlement Agreement resolving a number of water right protests concerning instream water right applications and storage and use of stored water. A reservation does not establish a water right, take any lands, or change regulations for environmental protection or public health and safety. Approval of a reservation does not mean that any subsequent water right applications will be received or approved. It does establish a February 25, 2009 priority date of reservation related applications. The Department has determined that quantities of unappropriated water are available for the reservations, provided that Roaring Springs Ranch withdraws its pending water right applications on Home Creek upon approval of the reservations.

On February 25, 2009, the Commission authorized the initiation of the rulemaking process. Under ORS 536.300, changes to basin programs have special notice and hearing requirements. Pursuant to these requirements, the Department published notice in the Burns Times-Herald, the rulemaking was noticed in the April 1, 2009 Secretary of State's bulletin, a rulemaking hearing was held in Burns on April 23, 2009, and the public comment period closed on April 30, 2009. Commissioner Barlow served as the hearings officer.

Colbert presented to the Commission an addendum to the rules. The addendum refers to additional housekeeping changes to the rules.

Martha Pagel, representing Roaring Springs Ranch, commented on the changes in the addendum. She said that in general, she had no objections to the changes that occurred between the hearing draft and the final draft and addendum, but did express concern regarding the addition of the words “and enhance” in 690-512-0100(6)(b) and 690-512-0100(7)(c).

Colbert agreed with the concern expressed by Pagel.

Commissioner Jackson noted for the record that he prefers the use of the words “and enhance”, but will be voting in favor of the recommendation, recognizing that there is a settlement agreement that drives the decision not to use those words.

Commissioner Barlow moved approval of adoption of the final proposed rules as submitted in the addendum with the deletion of the words “and enhance” from 690-512-0100(6)(b) and 690-512-0100(7)(c); seconded by Commissioner Meloy. Voting for the motion: Commissioners Rasmussen, Barlow, Jackson, Williams, Meloy, LeJeune and Roberts. Voting against the motion: None.

J. Request to Adopt Amendments to Water Right Transfer Rules (OAR Chapter 690, Division 380), and Ground Water Registration Modification Rules (OAR Chapter 690, Division 382)

Debbie Colbert, Field Services Administrator, and Laura Wilke, Flow Restoration Program Coordinator, briefed the Commission on the request to adopt amendments to Water Right Transfer rules, Division 380 relating to water right transfers, and Ground Water Registration Modification Rules Division 382 relating to modifications of ground water registrations.

Water users are required by law to obtain approval by the Department prior to making changes in water use under existing water rights or ground water registrations. When the Department issues a draft preliminary decision on an application, the applicant currently is required to submit a copy of the written notifications they submit to all lien holders associated with the land on which the existing water right or ground water registration is appurtenant. Applicants must also submit an ownership and lien holder report prepared by a title company. The Department uses the information in these reports to ensure that the applicant has sufficient interest in the water right to pursue the change. Title companies prepare the information for applicants, and the cost for these reports is borne by the applicant.

Amending these rules would remove the requirement that applicants submit lien holder notice letters along with the application and that the lien holder information be included in the report of ownership. It does clarify when the ownership report needs to be prepared and submitted to the Department.

The final proposed rules are consistent with the State’s goal of regulatory streamlining and reducing the fiscal impact of regulations.

The final proposed rules fit within staff capabilities, especially since they may reduce the amount of time needed to review transfer and ground water registration modification applications.

Commissioner Jackson moved approval of adoption of the final proposed rules as submitted; seconded by Commissioner Roberts. Voting for the motion: Commissioners Rasmussen, Barlow, Jackson, Williams, Meloy, LeJeune and Roberts. Voting against the motion: None.

K. Informational Report on 2008 Field Regulation and Enforcement Activities

Debbie Colbert, Field Services Administrator, and Juno Pandian, Enforcement Manager, gave a report to the Commission on field regulations and enforcement activities for 2008. Bob Wood, Watermaster District 13, briefed the Commission on field activities in his districts.

L. Public Comment

Peter Fernandez, Public Work Director, City of Salem; Gail McQuen, Oregon Consensus; and Liz Redon, North Santiam Watershed Council, spoke to the Commission regarding an initiative they had been undertaking with regards to a pipeline expansion from the North Santiam River east of Stayton to Turner Road.

M. Other Issues

No other issues were discussed.

N. Field Trip to Mill Creek

Jerry Rodgers, Technical Services Administrator, and Lloyd VanGordon, Hydrographics Manager, took the Commission to a stream gaging station on Mill Creek in Salem.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Cindy Smith
Commission Assistant