



Oregon

John A. Kitzhaber, MD, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

MEMORANDUM

TO: Water Resources Commission

FROM: Tracy Louden, Administrative Services Administrator

SUBJECT: Agenda Item C, May 9, 2013
Water Resources Commission Meeting

Budget Update: 2013-15 Governor's Balanced Budget

I. Issue Statement

The Department presented an overview of the 2013-15 Governor's Balanced Budget to the Legislature March 25-28, 2013. Committee members asked thoughtful questions and several stakeholders appeared the last day of the hearing to speak in support of the Department and its services. (See Attachment 1 – Stakeholder Testimony). The Department presented its budget packages in more detail to the Ways and Means Subcommittee on April 23, 2013. The Department will provide additional updates on the budget during the Commission meeting.

II. Background and Discussion

The Ways and Means Subcommittee on Natural Resources scheduled the Department for a "Phase 2 of agency budget presentations" for April 23, 2013. The Department presented more details related to:

- Policy option packages; and
- The status of governor-introduced policy bills that are required to support the packages.

The Department has 13 program option packages in the Governor's Balanced Budget:

	IWRS Recommended Action		Governor's Budget		
			Total \$	FTE	Related Bills
101-Water-Use Reporting Program	2b	GF	174,363	1.00	
102-Instream Protections	3a, 11b	GF	366,856	2.00	
103-Re-Institute the Measurement Cost Share Fund	2b	GF	40,000	-	
108-Water Right Management Fee	13b	OF	1,996,342	7.00	SB 217
201-Implement IWRS	13a	GF	209,004	1.00	
202-Conduct Basin Groundwater Investigations	1a	GF	250,000	-	
203-Field Services (Wallowa & Klamath)	2c, 10	GF	342,333	1.83	
204-Water Supply Development Program	10e	Mix	11,605,532	2.00	SB 839
205-Water Development Loan Fund-Umatilla Project	10b	OF	11,061,191	-	SB 839
206-Feasibility Study Grants	13c	Mix	992,489	0.50	

	IWRs Recommended Action		Governor's Budget		
			Total \$	FTE	Related Bills
207-Update Water Right Certificates with contact info	2d	OF	369,117	2.00	HB 2257
208-Extend Water Transaction Fee Schedule	13b	OF	996,211	7.00	HB 2259
209-Limited Duration Asst. Watermaster		OF	167,080	1.00	
Total Policy Packages			28,570,518	25.33	

Further development of agency budgets will likely be put on hold until the May 16th revenue forecast becomes available. This forecast will determine the available statewide General Fund and Lottery Funds that will be allocated to program areas and then to state agencies for the 2013-15 biennium.

III. Conclusion

No formal Commission action is necessary. The Department will report on the scheduled Ways and Means Subcommittee hearing at the Commission meeting.

Tracy Loudon
(503) 986-0920

Attachment 1: Stakeholder Testimony

**People Testifying Before
Natural Resources Joint Subcommittee on Ways and Means**

Commissioner Craig Pope
Polk County
850 Main Street
Dallas, OR 97338

Commissioner Dennis Doherty
Umatilla County
216 SE Fourth Street
Pendleton, OR 97801

April Snell
OR Water Resources Congress
437 Union Street NE
Salem, OR 97301

Peggy Lynch
League of Women Voters
PMB 291
922 NW Circle Blvd., Suite 160
Corvallis, OR 97330

Phil Donovan
NW Public Affairs
11650 SW 67th Avenue, Suite 110
Portland, OR 97223

Jim Myron
PO Box 675
Canby, OR 97013

Tom Wolfe
Oregon Council Trout Unlimited
22875 NW Chestnut St.
Hillsboro, OR 97124

Bob Oleson
Association of NW Steelheaders
7465 SW Bunker Post Court
Wilsonville, OR 97070

Angela Crowley-Koch
Oregon Environmental Council
222 NW Davis Street, Suite 309
Portland, OR 97209

Ian Tolleson
Oregon Farm Bureau
3415 Commercial Street SE
Salem, OR 97302

Jerry Schmidt
31010 SW Laurel Road
Hillsboro, OR 97123

Mark Landauer
Special Districts of Oregon
3023 NE 13th Avenue
Portland, OR 97212

Christi Splitt
OR League of Conservation Voters
133 SW 2nd Avenue, Suite 200
Portland, OR 97204

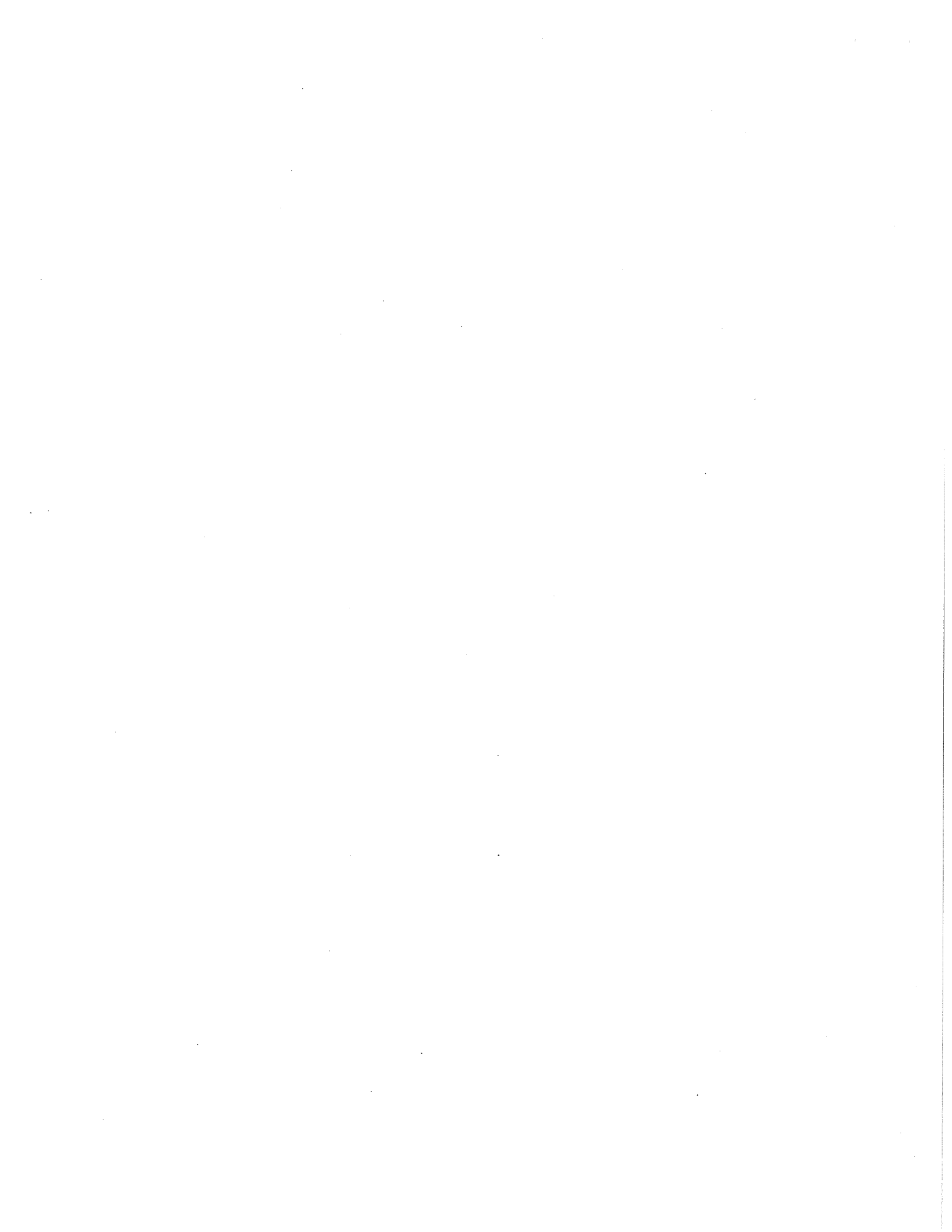
Doug Riggs
PO Box 230300
Portland, OR 97281

Jonathan Manton
Sawnee Services
476 SW Forest Grove Drive
Bend, OR 97702

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6. The Klamath Tribes
7. Klamath Water Users Association
8. Marten Law
9. Oregon Association of Water Utilities
10. Oregon Water Utilities Council
11. Stanfield Irrigation District
12. Stoel Rives, LLP
13. Umatilla Basin Water Commission
14. Walla Walla River Irrigation District



March 28, 2013

To: Co-chairs Edwards and Unger, and members of the Joint Ways and Means Natural Resources Subcommittee

RE: Support for Oregon Water Resources Department Budget, SB 5547



OREGON
ASSOCIATION OF
NURSERIES



The
Freshwater Trust



Oregon
Environmental
Council
It's Your Oregon



Oregon Water Resources Congress



Protecting nature. Preserving life.™

S | D | A | O

SPECIAL DISTRICTS
ASSOCIATION OF OREGON



Co-chairs Edwards and Unger, and members of the subcommittee:

We are writing to voice our support for the Oregon Water Resources Department (OWRD) budget, SB 5547. We are a diverse group of water users, conservation groups, municipalities and water stakeholders with a common goal: to advocate for common sense water policies that move Oregon's economy, communities, and environment toward a secure water future.

With the adoption of Oregon's Integrated Water Resources Strategy in 2012, now is the time to capitalize on momentum and enact water policy for Oregon that creates jobs to help grow our economy, keeps our cities healthy, strengthens vital agricultural production, and protects and enhances our environmental assets. We all agree that adequate funding for OWRD is essential to ensure the responsible management of our valuable water resources to meet a diverse array of needs.

Water is the lifeblood of Oregon's economy and environment, and OWRD is the state agency in charge of making sure it is properly allocated and managed. Unfortunately, OWRD's share of critically important General Fund dollars has been shrinking for several years. As a result, OWRD now receives 0.15% of the total General Fund to carry out its vitally important mission.

These funding declines have a direct impact on the ability of cities, farms and industries to access water, and on the availability of good scientific data to understand how and when water can be used without harming the fish and wildlife that also depend on Oregon's streams and rivers.

While we believe the vital services provided by OWRD should be funded through an equitable combination of fees, General Fund and other sources, the reality today is that OWRD is highly dependent on General Fund dollars to accomplish its mission. Accordingly we urge you to increase funding for the Department this biennium as a first step toward re-investing in our state's water future.

Sincerely,

The Freshwater Trust

League of Oregon Cities

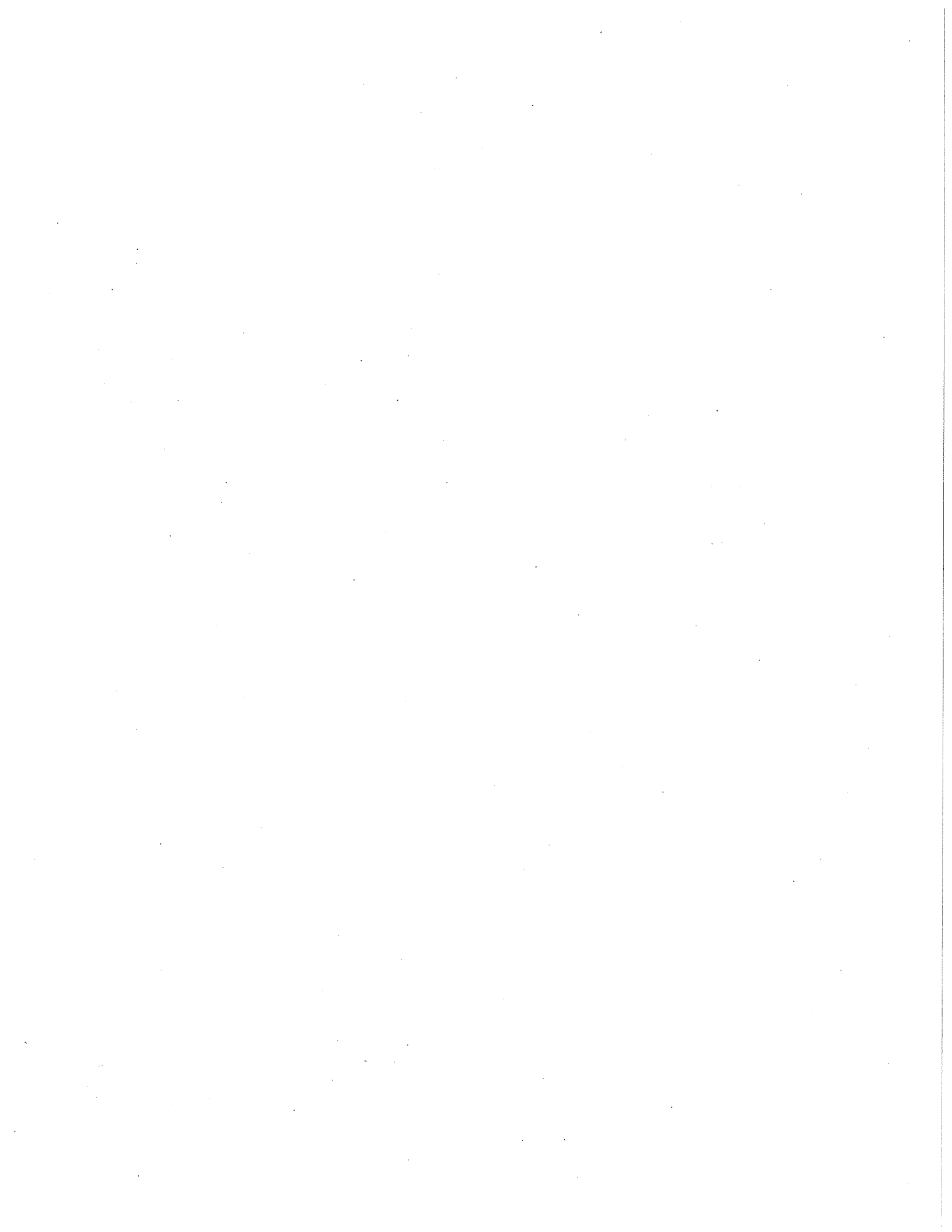
The Nature Conservancy

Oregon Association of Nurseries

Oregon Environmental Council

Oregon Water Resources Congress

Special Districts Association of Oregon



March 22, 2013

Kyle Gorman

Region Manager - Oregon Water Resources Department

kyle.g.gorman@state.or.us

Senate Co-Chair Chris Edwards, (D-Eugene) ; House Co-Chair Ben Unger, (D-Hillsboro)

Dear Kyle

I wanted to take the time and thank you and everyone in your department at the State Water Masters Office in Bend Oregon. I have been in real estate for 25 years selling farm ranch properties in Central and Eastern Oregon. I have listed many properties over the years that have severe water right issues and your group has gracefully given me their time and their knowledge in wading through all the paper work. They have mapped out the correct acres and given me a chain of command that is easy for the Sellers/Buyers on how we got to those figures and what their water rights are and where they are located. They have always taken the time to meet with the Sellers/ Buyers and explain the process of the water rights issues that we are dealing with in a manner that we can easily follow and understand. When I come to the office or bring my clients to their office they have their computers ready and supply us with the correct information and maps and answer everyone's concerns and questions, it is invaluable.

Throughout the years I have worked with the State Department in Salem and they are great but they are too far away to provide the service and the hands on knowledge that your office provides.

I deal in large farms and ranches and many of the owners don't know the land use and water rights laws and they are under the assumption that if they have this water right they can apply this water right anywhere. I have had districts and areas that have never been mapped out. I have had priority water rights over priority water rights that need to be re mapped. I have had many realtors that do not understand supplemental water rights and list those as active priority water rights.

David, Jeremy, Barb and you are always there to answer any questions or concerns that I or my clients and coworkers have and they have been an important tool in getting my job done correctly so there are not huge issues later. The tools they supply me with, in maps, certifications, permitted water rights, date of issue and knowledge on navigating your website is an invaluable tool that I use constantly.

Again thank you and your examiners for everything you do.

Sincerely

Pamela Mayo Phillips

Cascade Sotheby's International Realty/ Farm Ranch Division

Desert Valley Group

541-480-1513

www.desertvalleygroup.com

Licensed Realtor in the State of Oregon



Central Oregon Cities Organization

Bend, Culver, La Pine, Madras, Maupin
Metolius, Prineville, Redmond, Sisters

March 22, 2013

Senator Chris Edwards, Co-Chair and
Representative Ben Unger, Co-Chair
Way and Means Natural Resources Subcommittee
900 Court Street NR, S-405
Salem, OR 97301

RE: COCO Support for OWRD Budget.

Dear Senator Edwards and Representative Unger:

The Central Oregon Cities Organization (COCO) includes the cities of Bend, Culver, Madras, Redmond, La Pine, Maupin, Metolius, Prineville and Sisters. COCO's purpose is to effectively and efficiently promote the common interests of the cities in Central Oregon, which include interests related to water, transportation, economic development, school funding and tax reform. The members of COCO recognize that water is a precious resource that is necessary for the health and well-being of its citizens, as well as a requisite for economic development. COCO members rely on the Oregon Water Resources Department (OWRD) to complete water rights transactions and, as necessary, protect the cities' water rights. For these reasons, COCO provides this letter in support of OWRD's budget. In particular, COCO would like to express its support for the following packages:

Package #101 (Re-instate Water-Use Reporting Program): In recent years, OWRD has not had staffing for its Water Use Reporting program. This lack of necessary staffing has created a hardship for water users seeking to obtain water use information from OWRD or to work cooperatively with the agency on issues related to water use reporting, which is required of all municipalities. Additionally, the ability to obtain reliable data regarding the use of water resources is necessary for water supply planning efforts.

Package #108 (Water Right Management Fee): COCO supports OWRD efforts to secure long-term reliable funding for the agency through a water right management fee, provided that municipal water right holders are subject to the same "cap" afforded to other water right holders. Secure funding for agency functions, such as distributing water according to priority date, will provide municipal water providers with certainty that OWRD will have sufficient staff to carry out these important activities on which COCO's members rely.

Betty Roppe, Chair
Central Oregon Cities Organization
(541) 447-5627
broppe@cityofprineville.com

Doug Riggs, Lobbyist
NW Grassroots & Communications
(503) 702-5120
doug@ngrc.com


Package #201 (Implementation of Integrated Water Resources Strategy): COCO also supports OWRD's ongoing efforts toward integrated water resources management. In particular, COCO encourages the subcommittee to support funding to promote integrated water resources management planning at the local level. Local water resources planning, such as the "Basin Study" currently being pursued in the Deschutes Basin, will be a key to effectively managing water resources in the future.

Package #204 (Water Supply Development Program): COCO would like to express its strong support for water supply development funding. Continued economic development in Central Oregon, and throughout the state, will depend on the availability of a reliable water supply. As we all know, the state no longer has readily available new sources of water supply. Development of new water supplies (both instream and out-of-stream) will require significant investments in project development and implementation. These costly projects will likely depend on partnerships with state and federal governments. COCO encourages this sub-committee to continue the state's support for these critical activities, which are vital to our state.

Package #208 (Extend Water Transaction Fee Schedule): COCO also supports OWRD's efforts to maintain (or in some cases increase) current transaction fees, with the understanding that OWRD will make it a priority to complete transactions currently pending with the agency. COCO members rely on OWRD to complete their water right transactions in a timely manner in order to allow the ongoing management of the water providers' water rights and water supply. For example, COCO members must often acquire mitigation credits before expanding the use of their groundwater permits, which would typically require OWRD to process and approve an instream transfer or lease. Consequently, the timely processing of these types of transactions are crucial to COCO members.

Thank you for the opportunity to express our support for OWRD's budget. Please contact me if you have any questions. My telephone number is 541-447-5627.

Sincerely,



Betty Roppe
Chair

Brenda Bateman

Subject: Letter of support -Central Oregon Water Resources Department
Attachments: CascadeSothebysDVG_Horz_WhtBkgrnd.pdf

From: Brook Havens [<mailto:brook@desertvalleyrealtors.com>]
Sent: Friday, March 22, 2013 12:59 PM
To: kyle.g.gorman@state.or.us
Subject: Letter of support -Central Oregon Water Resources Department

Chris Edwards & Ben Unger

Our Cascade Sotheby's office - Farm & Ranch division and our land owners utilize the Bend Water Master Office Services weekly to research our properties for listings. The Staff is amazing and very helpful. They help educate us in our profession and improve the quality of Service we can Provide for our clients. Having our facts correct and verification of irrigation water and wells is very important part of our job.

It is very hard to ask the questions that we have over the phone and the convenience and quality of being able to have a face to face meeting and point out our questions on a map. The local office has also provided us with tools (aps for our phones etc) that allow us to show properties better.

In my opinion we would be loosing a very good resource for our community if the Bend Water Resources office was no longer a service available to us. Please consider this as you are going over the budget.

thank you

Brook Havens

Desert Valley Group, Cascade Sotheby's International Realty
541-604-0788 cell
brook@desertvalleyrealtors.com
www.desertvalleygroup.com
www.cascadesotheysrealty.com

Principal Broker, Licensed in the State of Oregon





Water Solutions, Inc.

March 25, 2013

Senator Chris Edwards, Co-Chair and
Representative Ben Unger, Co-Chair
Way and Means Natural Resources Subcommittee
900 Court Street NR, S-405
Salem, OR 97301

RE: Support for OWRD Budget

Dear Senator Edwards and Representative Unger:

GSI Water Solutions, Inc. is a consulting firm that provides groundwater, environmental management and water rights consulting services to clients throughout the State of Oregon. Our clients include municipalities, irrigators, and entities seeking to protect water instream. I am, however, submitting this letter on behalf of GSI, and not on behalf of any of its clients.

I would like to take this opportunity to express GSI's support for the Oregon Water Resources Department's (OWRD) budget. Our company's water rights consulting clients depend on OWRD being able to complete water right transactions and provide information in a timely and efficient manner. As a result, it is important that the agency be well funded and have sufficient staffing levels. Insufficient funding for OWRD would have a detrimental impact on business, and would also impair our clients' ability to promote and generate economic development throughout this state.

Thank you for the opportunity to express our support for OWRD's budget. Please contact me if you have any questions. My telephone number is 541-753-0745, ext. 202.

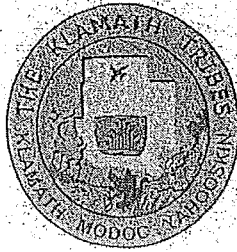
Sincerely,

A handwritten signature in dark ink, appearing to read "D. M. Livesay".

Dave Livesay, RG

President





The Klamath Tribes

Tribal Council

March 19, 2013

Senator Chris Edwards, Co-Chair
Representative Ben Unger, Co-Chair
Natural Resources Subcommittee
Joint Ways and Means Committee
Oregon State Legislature

Dear Senator Edwards and Representative Unger:

The Klamath Tribes have been participating in the Klamath Basin Water Adjudication for many decades. With the Final Order of Determination (FOD) issued earlier this month by the Adjudicator, water rights in the Klamath Basin are now enforceable for the first time. The FOD confirmed the instream water rights of the Klamath Tribes. We expect enforcement of water rights in the Klamath Basin to be a challenge for the Oregon Water Resources Department, especially in the first few years following the FOD, since there has been no prior enforcement.

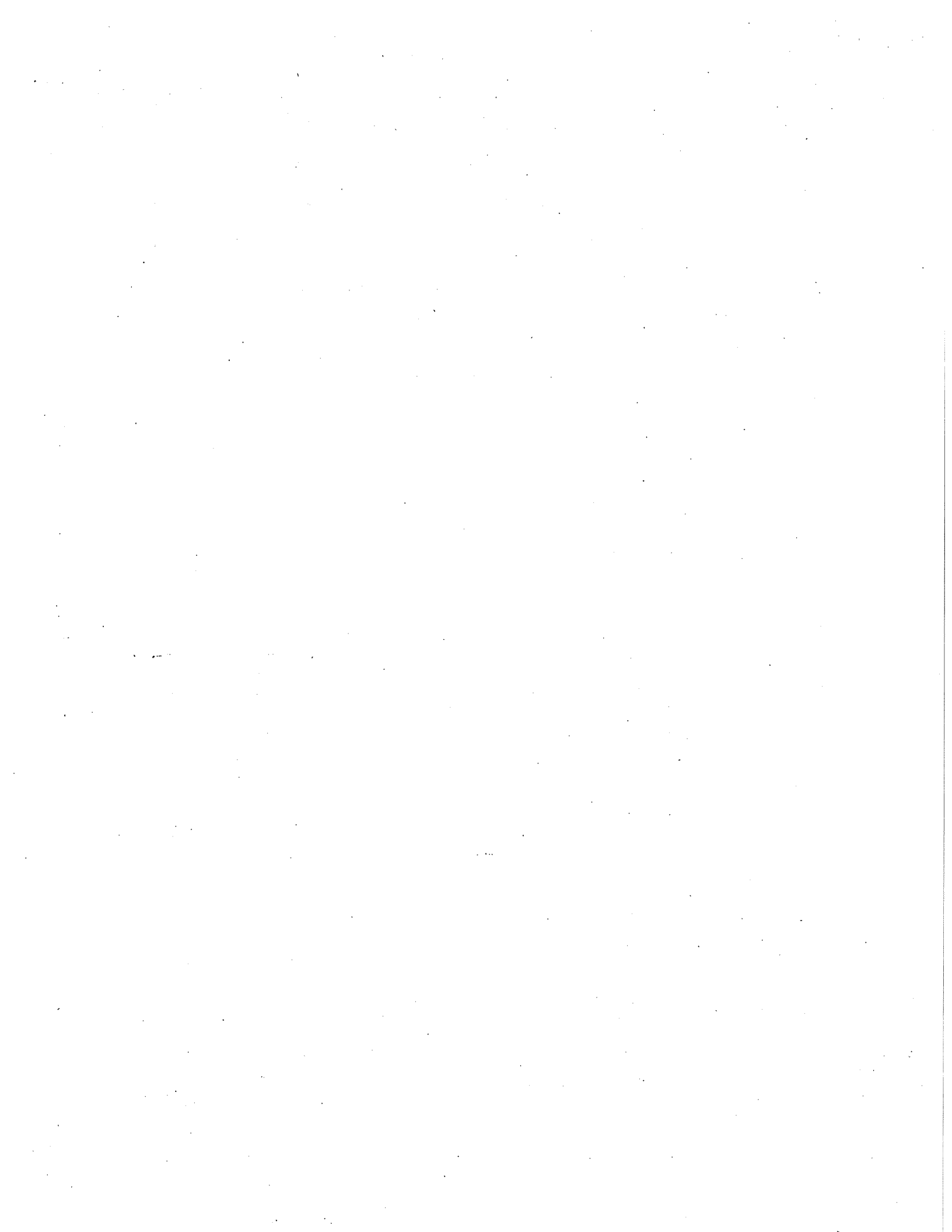
Therefore, the Klamath Tribes strongly support Package #203 in the Governor's Recommended Budget for 2013-2015, which would fund an Assistant Watermaster position in Klamath County. Please retain Package #203 in the Governor's budget.

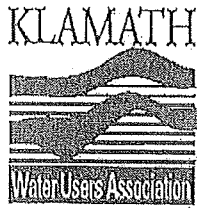
Sincerely,

A handwritten signature in black ink, appearing to read "Gary Frost", followed by the word "for" in a smaller font.

Gary Frost
Chairman







735 Commercial Street, Suite 3000
P.O. Box 1402
Klamath Falls, OR 97601
Phone: (541) 883-6100
Fax: (541) 883-8893

Sent to all Parties via Electronic Mail

March 21, 2013

Senator Richard Devlin
Co-Chair of the Joint Ways and Means Committee
Oregon State Legislature
900 Court Street NE, Rm. S-209
Salem, OR 97301
sen.richarddevlin@state.or.us

Rep. Peter Buckley
Co-Chair of the Joint Ways and Means Committee
Oregon State Legislature
900 Court Street NE, Rm. H-286
Salem, OR 97301
rep.peterbuckley@state.or.us

RE: Klamath Water Users Association General Support for OWRD Budget

Dear Ways and Means Committee Co-Chairs;

Senator Devlin and Representative Buckley, on behalf of the Klamath Water Users Association (KWUA), I want to thank you for the opportunity to provide our input regarding the Oregon Water Resource Department's (OWRD or Department) 2013-15 budget. We write this letter with a specific emphasis on those issues with which we are most familiar in the Klamath Basin. While we may have questions or lack direct experience with items addressed in other elements of the budget, in general, KWUA supports the Governor's proposed 2013-15 budget for OWRD.

KWUA is a non-profit corporation that has represented Klamath Reclamation Project farmers and ranchers since 1953. Our members are irrigators and irrigation districts who hold contracts with the Federal Bureau of Reclamation to operate and maintain the facilities that supply water for their family farm and ranch operations. KWUA members include rural and suburban irrigation districts and other public agencies (drainage districts, improvement districts, etc.) as well as private individuals who operate on both sides of the California-Oregon border. Our members serve over 1200 family farms and ranches that encompass over 170,000 acres of some of the very best farmland in the West. These are the individuals and lands that have been at the heart of some of the most contentious and difficult

conflicts that the modern west has seen including a water shut-off in 2001 and, including this season, curtailments of some degree in three of the last four years.

Once again the Klamath Basin appears headed for difficult times in the 2013 irrigation season. While precipitation for the water year (which started in October of 2012) is at 91% of average the overall snow water equivalent is at a precariously low 66% of average. This, coupled with below average inflow to Upper Klamath Lake and federal Endangered Species Act issues, means it is likely that there will be limited operational flexibility for the Bureau of Reclamation and its ability to provide water to the membership of KWUA. In the past, OWRD's quick response and upfront work in the basin has been a huge reason that total catastrophes have been avoided. The Department's efforts related to groundwater issues and its close coordination and input with the Governor and with water users is critical. Department staff is in regular contact with the water user community and the need for coordination and cooperation will be even more critical in the future. One key difference this year is that for the first time ever, the state has the ability, and the obligation to enforce water rights based on the first in time first in right prior appropriations doctrine. KWUA and its member districts have long advocated prompt completion of the Klamath Basin Adjudication, and all things considered, OWRD moved contested claims through the process at a good pace once the process began in earnest. The Department (and the legislature) should be commended for committing to get this phase of the adjudication finished in a timely fashion.

In addition to this example of the general importance of the Department's work, we have these additional reasons for supporting the proposed budget:

Enforcement of the Final Order of Determination in the Klamath River Basin Adjudication

Of all the contentious issues inside and outside of the agricultural community in the Klamath Basin, the one area of widespread agreement has been that the state must finish the Klamath Basin Adjudication (KBA) on schedule. In our view the Department did this. The other area where I believe there is agreement is that the state must equitably enforce the Final Order of Determination that was issued earlier this month. In a basin that has had virtually no state regulation of surface water, this is a significant step and will require meaningful attention from the state to make the transition as fair as possible to all basin water interests. In our view, having a determination is only as good as the state's ability to equitably enforce it.

Need for an Assistant Klamath County Water Master

The magnitude of work related to the Klamath County Watermaster's position has increased substantially with the release of the Order of Determination. Again, in an area of the state where water is arguably the most contentious, divisive and high profile of all issues, we think it is critical that the Department establish its presence and begin the long process of educating the landowners and the public about the Order and handling the challenges that will inevitably arise in a constructive way. As of March 7, 2013, the Department is responsible for regulating water in the Klamath Basin. In addition to the watermaster himself, we believe it is important that an additional qualified and competent person be in place as soon as possible. This person will need to get to know the area and understand many

different systems. He or she will need to develop relationships with landowners and other entities including the federal Bureau of Reclamation and the Klamath Tribes.

Continued Need for Permit Review

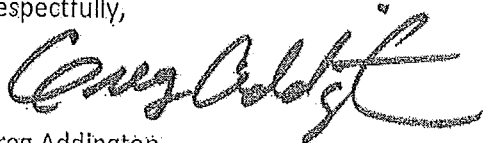
Because of the complex nature of the water issues in the Basin, there is a tremendous need for as much operational flexibility as is possible. One component of this flexibility is the capability to sustainably use the groundwater resource in times of shortage. There are different types of permits for groundwater use that have been issued by OWRD and some applications are pending. We support adequate departmental staffing to work through issues related to permit review and ultimately issuance of certificates in order to provide maximum flexibility (consistent with state law). Related, OWRD staff resources are needed to work through any and all issues related to a landowner's or an Irrigation district's ability to conduct water transfers in times of shortage. In recent past years, OWRD's assistance with this type of activity has been invaluable.

Water Supply Development Program

While perhaps not specific at this time to the Klamath Basin, KWUA fully supports increased investigation and development of the State's water supplies as provided in the Governor's proposed budget.

We appreciate the difficult task ahead of you as appropriators and we recognize the magnitude of the decisions that you and your committee face related to the state budget. We thank you for the opportunity to offer our input into this specific department's budget for the upcoming biennium.

Respectfully,



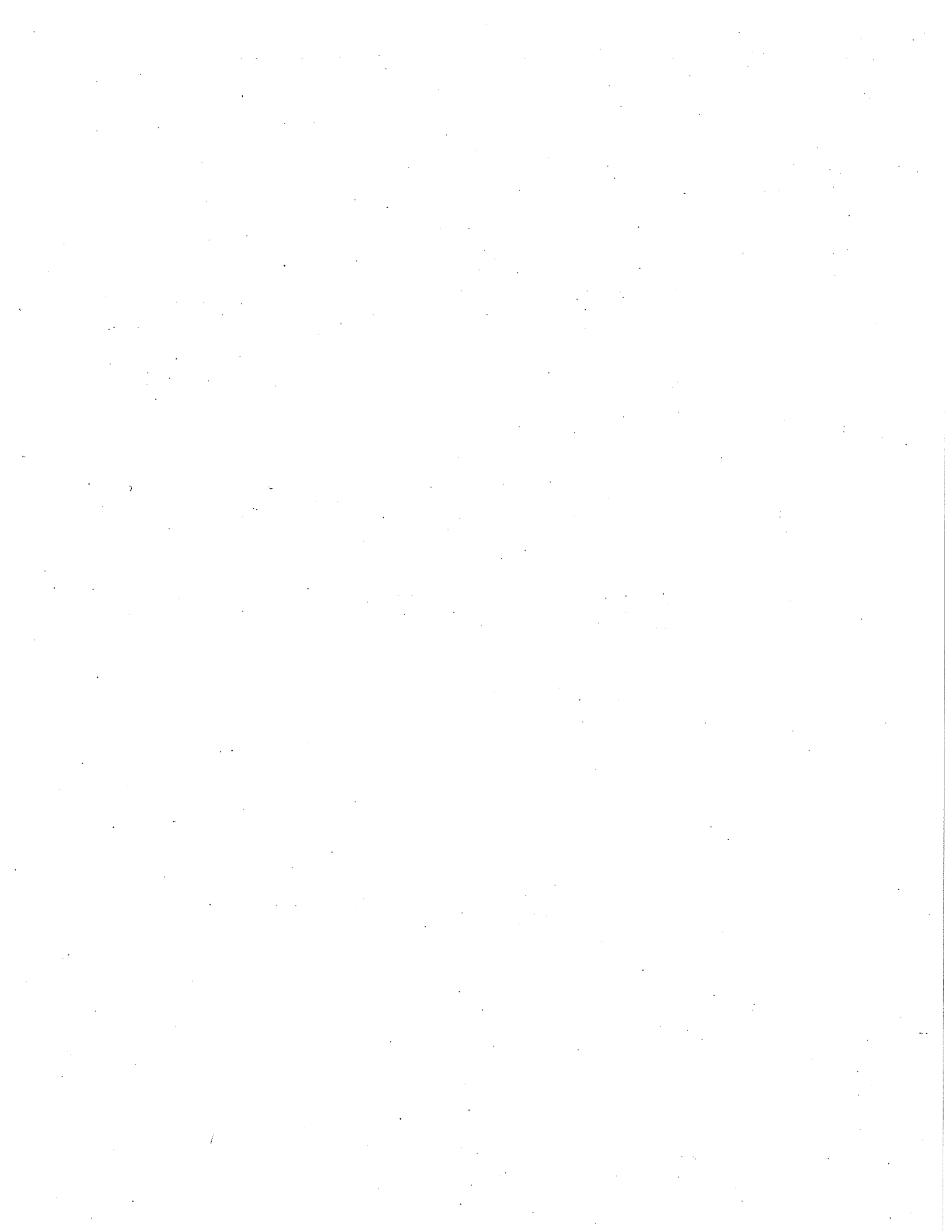
Greg Addington
Executive Director

cc:

Ways and Means Subcommittee on Natural Resources:

Co-Chair Representative Ben Unger
Co-Chair Senator Chris Edwards
Senator Chuck Thomsen
Senator Jackie Dingfelder
Representative Jules Bailey
Representative Bruce Hanna

OWRD Director, Phil Ward





March 22, 2013

Douglas W. MacDougal
503.241.2656
dmacdougal@martenlaw.com

Phil Ward, Director
Oregon Water Resources Department
725 Summer St. NE
Salem, OR 97301

RE: *OWRD's Budget*

Dear Phil:

I write to ask you to communicate my support for the Governor's proposed budget for the Oregon Water Resources Department in the upcoming hearings in the Oregon Legislative Assembly.

As a lawyer engaged full-time in the water and natural resources arena, my clients are all water users. I have for years represented irrigation districts, ports, ranches and municipalities. They and their patrons and customers depend *vitaly* upon water to provide the products that support Oregon's economy. These water users need an efficient, well-funded, and responsive water resources agency with whom they deal. Because water is critical for all business activity, a financially hamstrung agency will inevitably hamper economic prosperity and growth in Oregon.

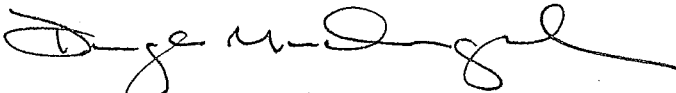
We all realize that all state agencies have had to bear reductions in recent years. But we also know that OWRD is more dependent than many upon the general fund. As that fund has shrunk in recent years to pay for other priorities in the State, such as education and prisons, the department's funds have been disproportionately reduced relative to other agencies. And these reductions have disconcertingly occurred at a time of an increasing need to boost core programs to deal with ever more complex water resource issues intertwined with water quality, listed fish species, climate change, adjudications, Tribal water needs, groundwater declines, inadequate water supplies, technical challenges in data collection, and more. Without strong financial support from the legislature, backlogs will grow, monitoring and inspections will decline, routine water right permitting and transfers will be delayed, and Oregon's economy will pay the price

The public may not realize just how strapped the department is. A few specifics help to illustrate the case. Some may be aware that since the 1990s, State-funded staff at OWRD has declined by something like 16 individuals – a huge hit for an agency of its size. But how many people know that one District 9 watermaster is responsible for regulating and distributing water across *11,000 square miles* of land? This is an astonishing statistic. Or

that in northwest Oregon, the District 16 watermaster is responsible for several *hundred* dams that need routine inspection and site visits?

One can describe many more needs that have been shorted in these lean times. The point is, if OWRD is pared to the bone it will not be able to manage its existing legal responsibilities, much less implement the newly adopted Integrated Water Resource Strategy that is important to the future of our State. All of us in this field believe that it is critical that OWRD be allocated the necessary resources to do its job.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas MacDougal". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Douglas MacDougal



Oregon Association of Water Utilities

935 N. Main St., Independence, OR 97351 • 503-837-1212 • Fax 503-837-1213

Serving Oregon's Water & Wastewater Utilities since 1977

March 21, 2013

TO: Co-Chairs Edwards and Unger, and members of the Joint Ways and Means Natural Resources Subcommittee

RE: Support for the Oregon Water Resources Department Budget, SB 5547

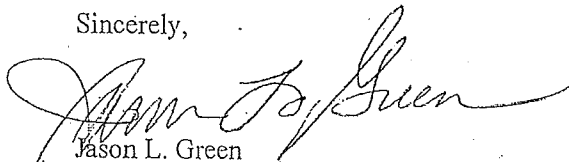
Dear Co-Chairs Edwards and Unger, and member of the subcommittee:

The Oregon Association of Water Utilities (OAWU) is writing to voice our support for the Oregon Water Resources budget, SB 5547. OAWU is a nonprofit, independent association of water and wastewater utilities. Formed in 1977, we represent water utilities' interest and provide onsite technical assistance to our 455 regular members, 97 associate members, and 153 individual members. The membership consists of public and private water and wastewater systems such as municipalities, associations, special districts, mobile home parks, schools, campgrounds and industry. OAWU is a state affiliate of the National Rural Water Association (NRWA). NRWA is one of America's largest and strongest voices for rural and small systems, representing over 26,000 water and wastewater members.

OAWU was an early and proactive supporter of Oregon's Integrated Water Resources Strategy (IWRS). With the adoption of the IRWS in 2012, it is imperative to continue moving forward on implementing the reasonable and well-founded water policy that keeps our communities healthy, protects and enhances our environmental resources, and helps create jobs. To do this, the Oregon Water Resources Department must have adequate funding to manage Oregon's diverse water demands.

Oregon and OAWU water and wastewater utilities require the services and support of Oregon Water Resources Department. We believe the Oregon Water Resources Department should be funded through an equitable combination of fee, general funds and other sources. We urge you increase funding for this valuable Department.

Sincerely,

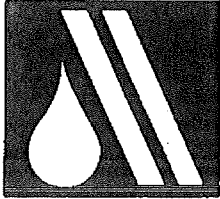


Jason L. Green
Executive Director



Dedicated to Safe Water, for All Oregonians





OREGON WATER UTILITIES COUNCIL
Pacific Northwest Section, American Water Works Association
P.O. Box 10148, Eugene, OR 97440-2148
Office/Fax: 541-685-7385
E-mail: brad.taylor@eweb.org

March 26, 2013

Senator Chris Edwards, Co-Chair and
Representative Ben Unger, Co-Chair
Ways and Means Natural Resources Subcommittee
900 Court Street NE, S-405
Salem, OR 97301

RE: Oregon Water Resource Department FY 2013-15 Budget

The Oregon Water Utility Council (OWUC) is a subcommittee of the America Water Works Association and represents over 40 Oregon municipal water suppliers representing over 80% of the municipal water supplied in Oregon. The Council very much appreciates the work of your Department in managing Oregon's water resources needs. OWUC would like to express its support for the Oregon Water Resource Department budget for FY 2013- 2015.

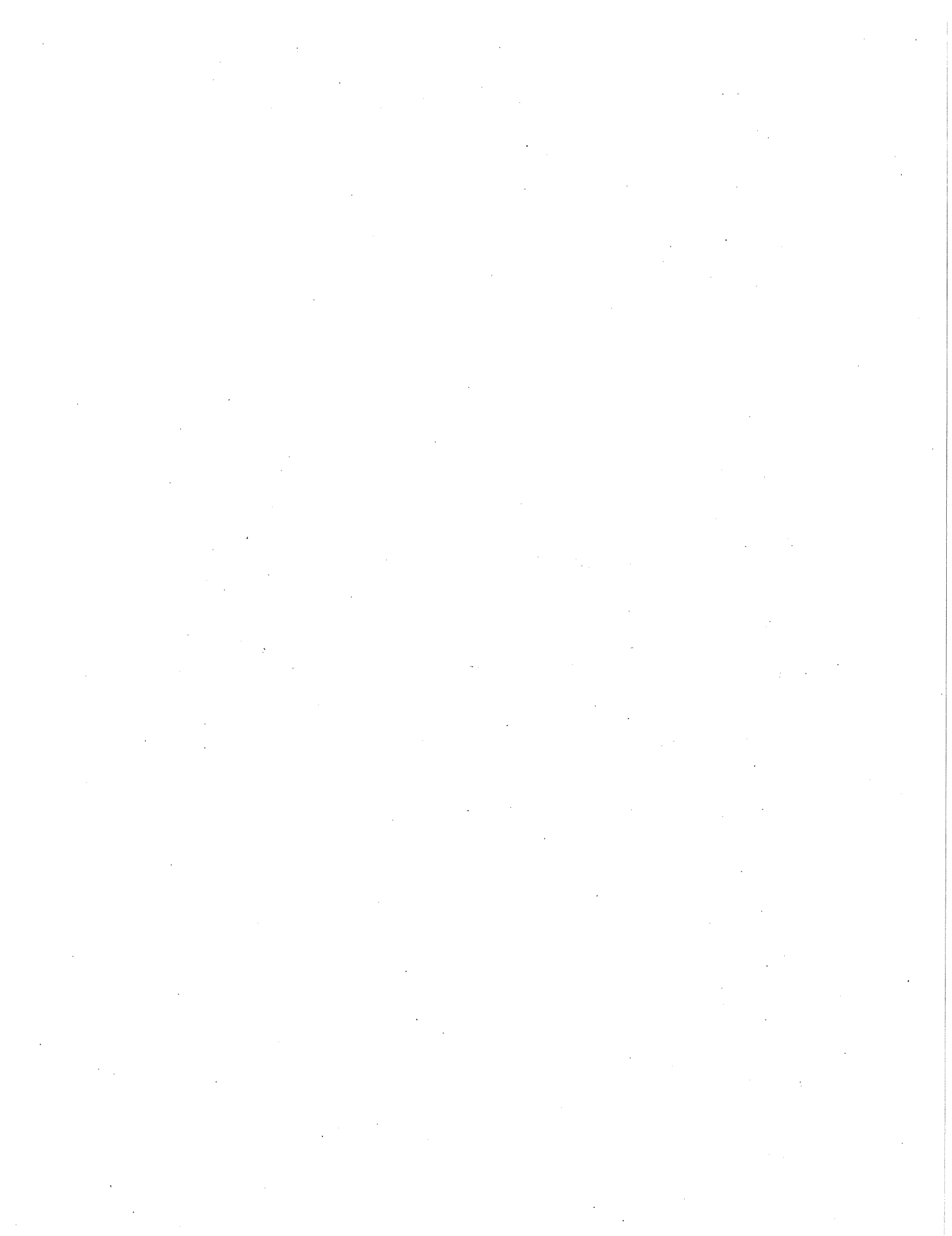
OWUC has and will continue to support the Department's core function and the budget needed to complete this work. In regards to the water right management fee, OWUC believes that this will continue to be met with significant opposition and that individual municipalities will most likely be split on this issue. Therefore, the Council's position regarding the Water Right Management fee remains neutral.

In addition, OWUC strongly supports statewide efforts to reallocate federal storage projects. This water is critical to the economic and ecological health of Oregon's future. It is critical that the Department have an adequately funded staff position, and matching funds, to ensure Oregon's full participation in this project.

If you have any questions please do not hesitate to call the OWUC Chair, Brad Taylor of the Eugene Water and Electric Board at (541) 685-7385.

Sincerely,

Brad Taylor
Chair, Oregon Water Utility Council
Phone: (541) 685-7385
Email: brad.taylor@eweb.org



To Whom It May Concern:

Ref: OWRD Budget Concerns

Water – One of Oregon's most important natural resources. If there is no water, there will be no food for everyone to enjoy. We, as humans will be going on the endangered species lists.

This department, OWRD is important. Therefore, all people in the State should contribute to the funding to keep OWRD going and not cut funds to this department and their management of water throughout the State.

I support the funding to maintain the Watermaster's office within Umatilla Basin. They help keep the calculation, correspondents, and future needs between all the water users in the Basin.

The Umatilla Basin is one part of the State that needs more scientific monitoring on wells and surface water for future supplies that are being requested.

Here in the Umatilla Basin the OWRD works hard on maintaining the rights and rule of Water Laws. Therefore, OWRD is very beneficial to everyone in this State.

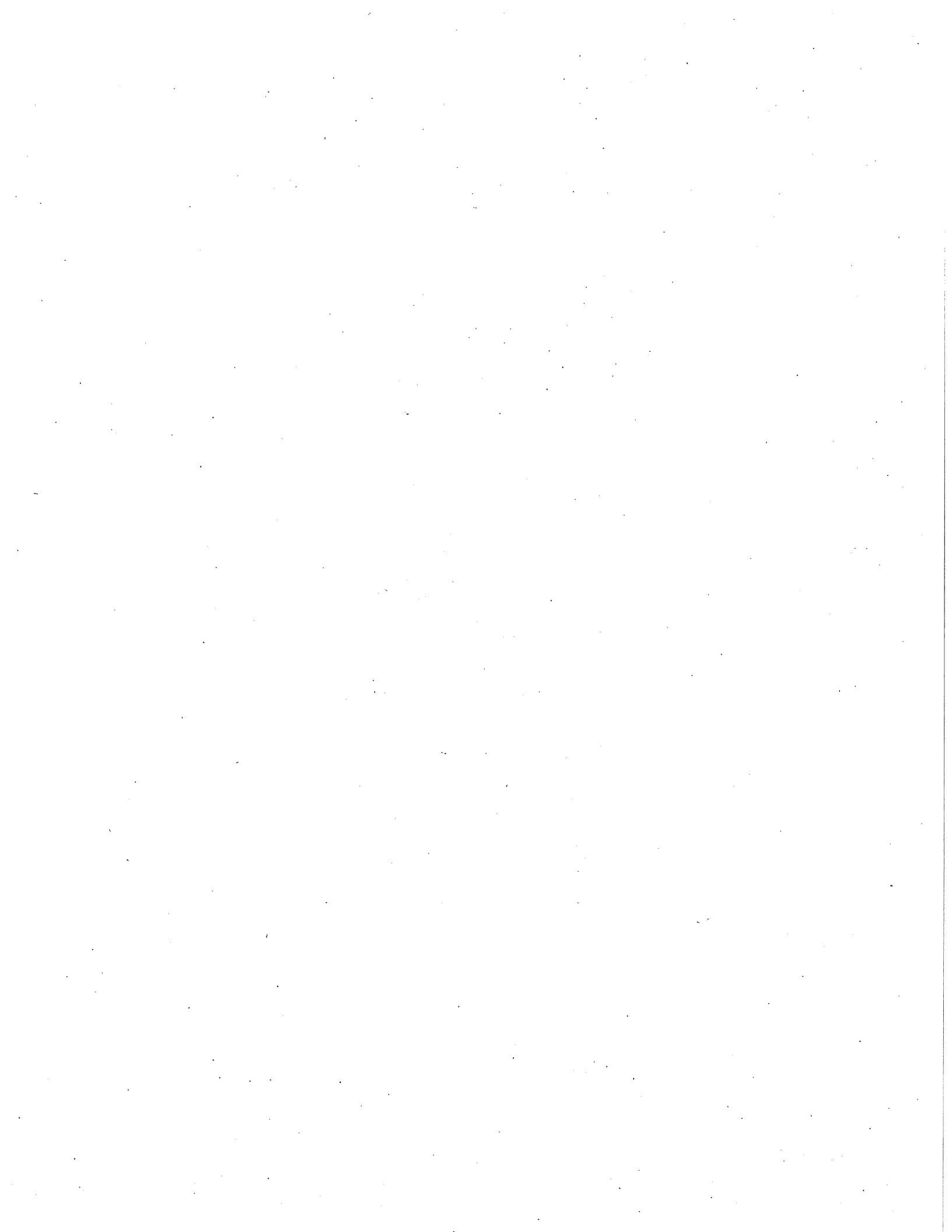
Thank You

Ray Kopacz

Manager of Stanfield Irrigation District

Farm Land Owner

Small Business owner in Hermiston OR.





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main 503.224.3380
fax 503.220.2480
www.stoel.com

March 25, 2013

DAVID E. FILIPPI
Direct (503) 294-9529
defilippi@stoel.com

VIA HAND-DELIVERY AT HEARING

Senator Chris Edwards, Co-Chair
Representative Ben Unger, Co-Chair
Joint Ways and Means Subcommittee on Natural Resources
900 Court Street NE
Salem, OR 97301

Dear Senator Edwards and Representative Unger:

I am a partner with the law firm of Stoel Rives LLP. Since 1996, my practice has centered on water rights and project permitting in Oregon, and I currently represent agricultural, industrial, and municipal water users in nearly every basin within our state. I also represent a number of irrigation districts and water delivery organizations throughout the state. That said, the views expressed in this letter are solely my own. I am not writing on behalf of any particular client, nor do I seek to express the views of my clients.

I am writing in support of Senate Bill 5547 to underscore the vital economic functions performed by the Oregon Water Resources Department (the "Department"). At a time when the state is looking to both local governments and the private sector to engage in projects to rebuild and stimulate our economy, failing to adequately fund the Department could slow or even eliminate the ability of the state to timely and efficiently approve and permit projects. Such a choice is counterproductive.

Whether the Department is being asked to process applications for new water rights, water right transfers (that propose to change the authorized type or place of use of water), allocations of conserved water (that propose to return water instream and potentially free up water for new projects), new storage projects, or municipal water management and conservation plans, the Department's review and public approval process is necessary and essential to public and private sector investment in our state. Proposed projects typically reviewed by the Department range the full spectrum of projects, from the licensing of new hydroelectric operations, to the construction of new industrial facilities, to the development of new municipal supplies, to the piping and lining of irrigation ditches, to simple changes in the irrigation of one field to another. But the common thread for all of these projects is that they involve the use or delivery of water, and they

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Alaska California Idaho
Minnesota Oregon Utah Washington
and Washington, D.C.



Senator Chris Edwards, Co-Chair
Representative Ben Unger, Co-Chair
March 25, 2013
Page 2

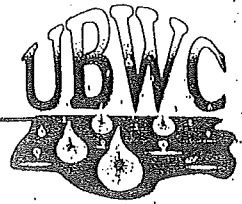
all require careful and review by the Department. Simply put, sufficient staffing and timely processing are vital to Oregon businesses, farms, and industries.

If there were ever a direct link between the funding of a key state agency like the Department and the potential for new investments of capital and the creation of new jobs (for both construction and the continued operation and maintenance of existing projects), this is it. As I am personally involved in many such projects, I urge the Subcommittee to consider the Department's vital role in stimulating the state's economy and support Senate Bill 5547.

Very truly yours,

David E. Filippi

Umatilla Basin Water Commission



March 22, 2013

**Commission
Members**

Senator Chris Edwards, Co-Chair
Ways & Means Natural Resources Subcommittee
900 Court Street NE, S-405
Salem, OR 97301

Representative Ben Unger, Co-Chair
Ways & Means Natural Resources Subcommittee
900 Court Street NE, H-377
Salem, OR 97301

Confederated
Tribes of the
Umatilla Indian
Reservation

Re: Support for Oregon Water Resources Department recommended budget

Westland
Irrigation District

Dear Senator Edwards and Representative Unger:

Morrow County

The Umatilla Basin Water Commission supports the Governor's recommended 2013-15 budget for the Oregon Water Resources Department.

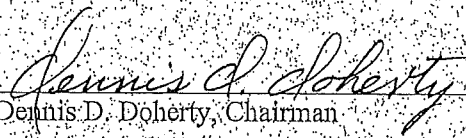
Umatilla County

We are very sensitive to the many responsibilities of the Department, and especially to the importance of the additional commitments arising from the newly adopted Integrated Water Resources Strategy.

Our Board also supports the process that is inherent in the 2013-15 significant changes packages. We have not taken a position on any of the proposed bills outlined in the significant changes packages but we are supportive of the transparent process at which they have and will be vetted.

Thank you for your consideration and for the state's best efforts to protect, manage and optimize the benefits of Oregon's water resources.

By:

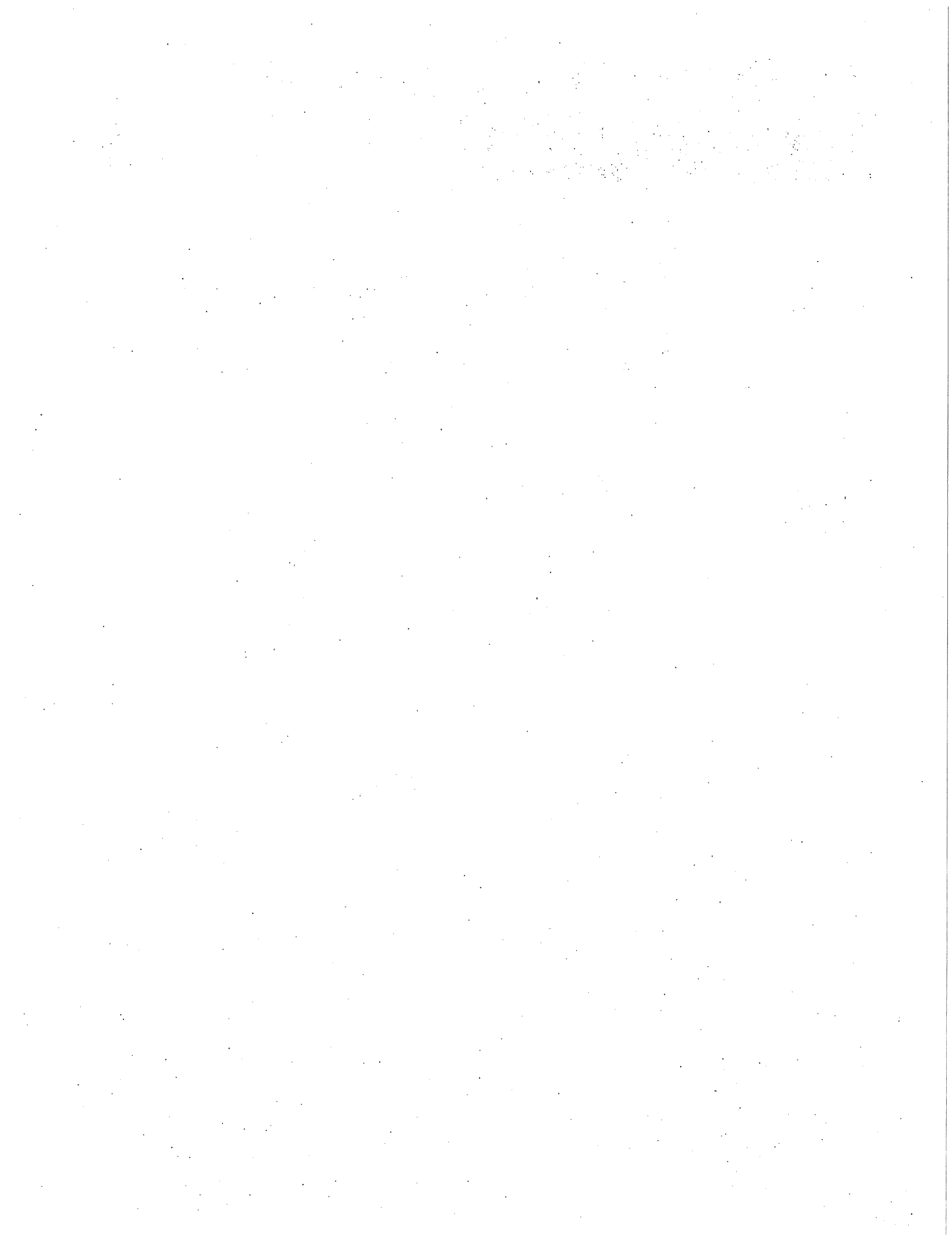

Dennis D. Doherty, Chairman

By:


JR Cook, Executive Director

Office of the Executive Director
216 SE 4th Street - Suite 33
Pendleton, OR 97801
Ph: 541-278-6310
Fax: 541-278-5463

Administrative Office
C/O Westland Irrigation District
PO Box 944
Hermiston, OR 97838
Ph: 541-667-2030



Walla Walla River Irrigation District
323 Evans Street, P.O. Box 248
Milton-Freewater, OR 97862
541-938-0144
wwrid@gwestoffice.net

Senator Chris Edwards, Co-Chair
Ways and Means Natural Resources Subcommittee
900 Court Street NE, S-405
Salem, OR 97301

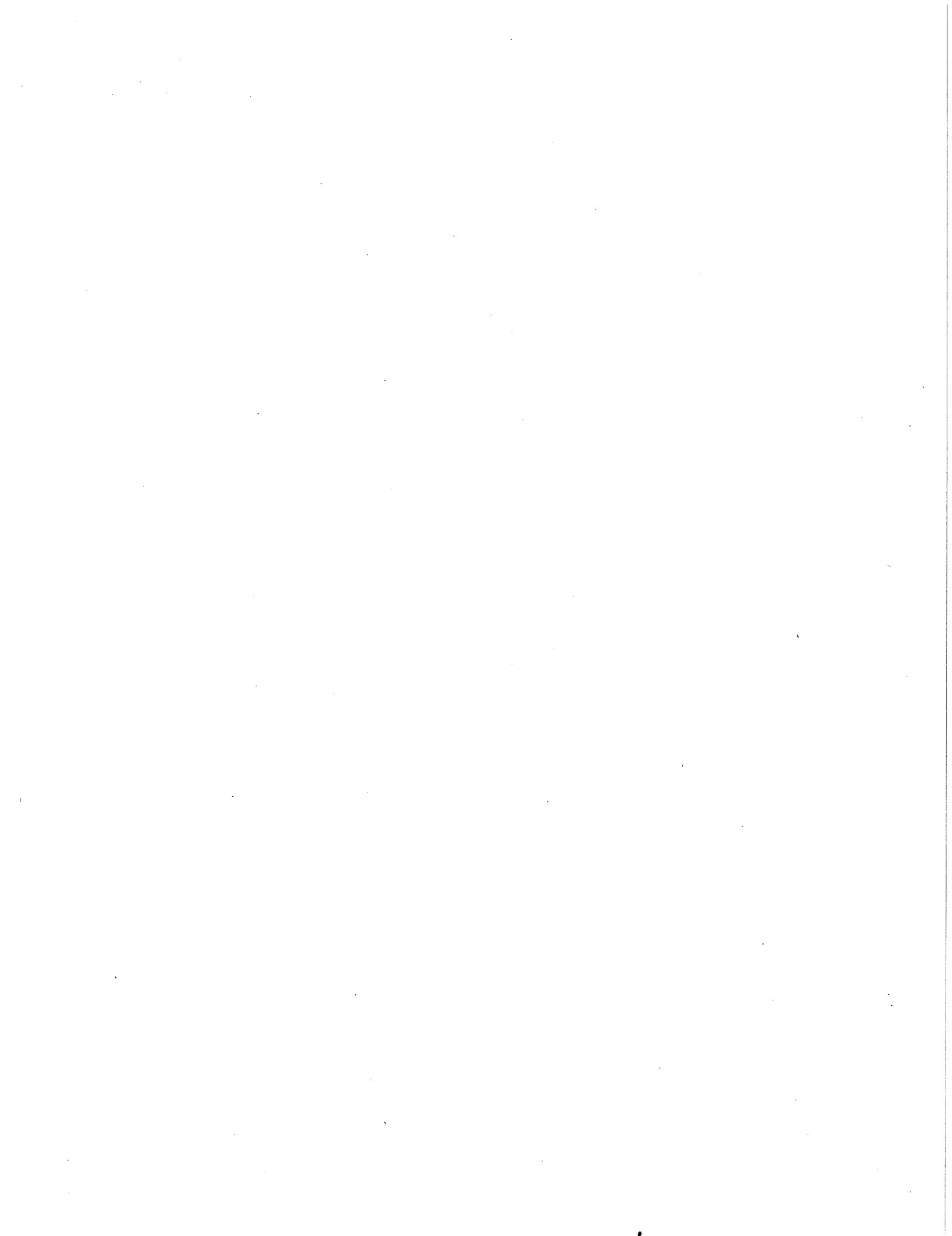
Dear Honorable Senator,

March 22, 2013

The Walla Walla River Irrigation District would like to take the opportunity to express our support for the Oregon Water Resources Department budget, with the exception of Package #108. Package #108 relies on the passage of SB 217 which would implement a water right certificate fee for every water holder in the state of Oregon. While the Walla Walla River Irrigation District does not categorically oppose a water right fee, we do oppose the fee as proposed in SB 217.

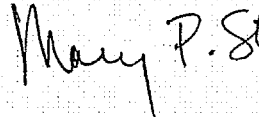
The Walla Walla River Irrigation District has enjoyed a long, cooperative relationship with the Oregon Water Resource Department staff in Umatilla County. The Umatilla Basin and Walla Walla Basin are quite unique in that we have faced our water challenges head on, addressing the needs of farmers and fish. We have been the leaders in cooperative conservation in Oregon and have been successful in large part to our close working relationship with the Oregon Water Resources Department staff.

Sincerely,
Teresa Kilmer
District Manager
Walla Walla River Irrigation District



Date: March 28, 2013

To: Members of the Natural Resources Subcommittee of the Joint Committee on Ways & Means.

From: Commissioner Mary Stern, Yamhill County
President, Association of Oregon Counties 

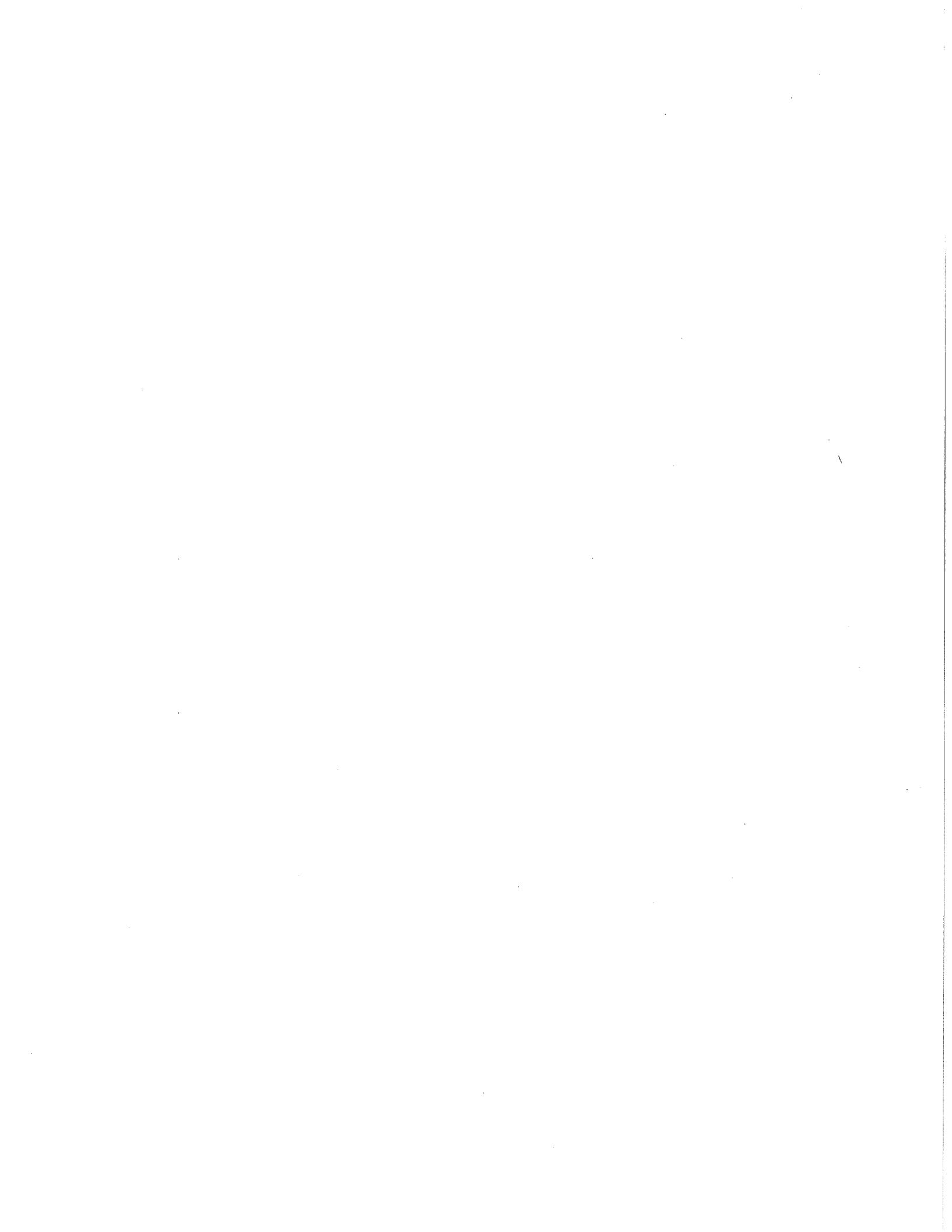
Subject: House Bill 5547; Water Resources Department budget.

The 36 counties that make up the Association of Oregon Counties have different landscapes, population sizes, economic bases, policy interests, and outlooks on life. Nevertheless, all counties agree that there may not be anything more critical to quality of life in Oregon than securing the future of the State's water resources.

We need sufficient clean water to support a strong economy, healthy ecosystems, and thriving communities. Since water resources are finite, land use planning decisions must be informed by reliable information on water availability. We need adequate management tools that are supported by good, verifiable science, factual data, and clear policy decisions informed by all views around the State. Water management will only become more difficult as our population and needs grow. That is why AOC has supported development and implementation of the Integrated Water Resources Strategy, the blueprint to address state and local needs. Counties have pitched in as advisory group members, facilitators, event conveners, and commenters. But the IWRS must also have sufficient state resources to work.

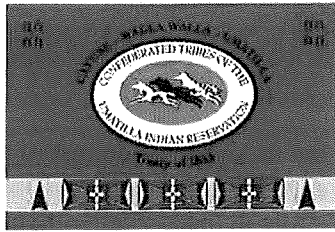
It is more important than ever, therefore, to have a fully functioning Water Resources Department. The Governor's proposed budget for the agency is a good start, and AOC supports it. We would prefer a budget that not only keeps a stressed WRD whole, but also returns its operations to a more reasonable capacity.

Counties know full well the fiscal stresses on public services. We have long experience grappling with revenue shortfalls. In our view, WRD and its critical functions have been cut enough. Now is the time to rebuild WRD so that it can contribute more fully to Oregon's economic recovery.



**Confederated Tribes of the
Umatilla Indian Reservation**

Board of Trustees & General Council



46411 Timine Way • Pendleton, OR 97801
(541) 429-7030 • fax (541) 276-3095
info@ctuir.org • www.umatilla.nsn.us

**Testimony of the Confederated Tribes of the Umatilla Indian Reservation
on SB 5547, Oregon Water Resources Department
before the Joint Ways & Means Subcommittee on Natural Resources**

March 28, 2013

Good afternoon Senator Edwards, Representative Unger and Members of the Committee:

My name is Eric Quaempts and I am the Director of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Natural Resources Department. In coordination with and approval of the CTUIR Tribal Water Commission and the Board of Trustees, I am submitting this testimony in support of the Governor's budget for the Oregon Water Resources Department (OWRD) for the 2013-15 biennium.

The CTUIR enjoys a constructive working relationship with many of Oregon's departments, but our work with OWRD is especially important. Our work with OWRD in this biennium has produced real benefits to each of our governments and the communities we serve. In the past year we have seen:

- 1) the appointment of Federal Indian Water Rights Negotiation Team and the formal initiation of negotiations in June 2012 to settle the Treaty reserved water rights of the CTUIR in the Umatilla River Basin;
- 2) the execution of a Declaration of Cooperation on February 15, 2013 by and among the State, the CTUIR and various Umatilla Basin stakeholders to responsibly address water supply needs in the Umatilla Basin; and
- 3) the completion of Oregon's Integrated Water Resources Strategy in August 2012.

While the achievement of these important milestones is noteworthy, they will demand continued OWRD participation and implementation in the next biennium. I can speak to the importance of the OWRD role in the achievement of these milestones because of my direct involvement in each. I serve as a member of the CTUIR Water Rights Negotiation Team, I was the CTUIR representative on the Columbia River Umatilla Solutions Task Force and I served on the Oregon Integrated Water Resources Strategy Policy Advisory Group. OWRD staff have been critically important and creative participants in each of these endeavors and the success of these initiatives will require continued OWRD active involvement and leadership.

Water is a vital resource statewide, but its significance east of the Cascades cannot be understated. The CTUIR strongly urges the Committee to approve of the Governor's budget for OWRD because of the Department's role in these vitally important initiatives:

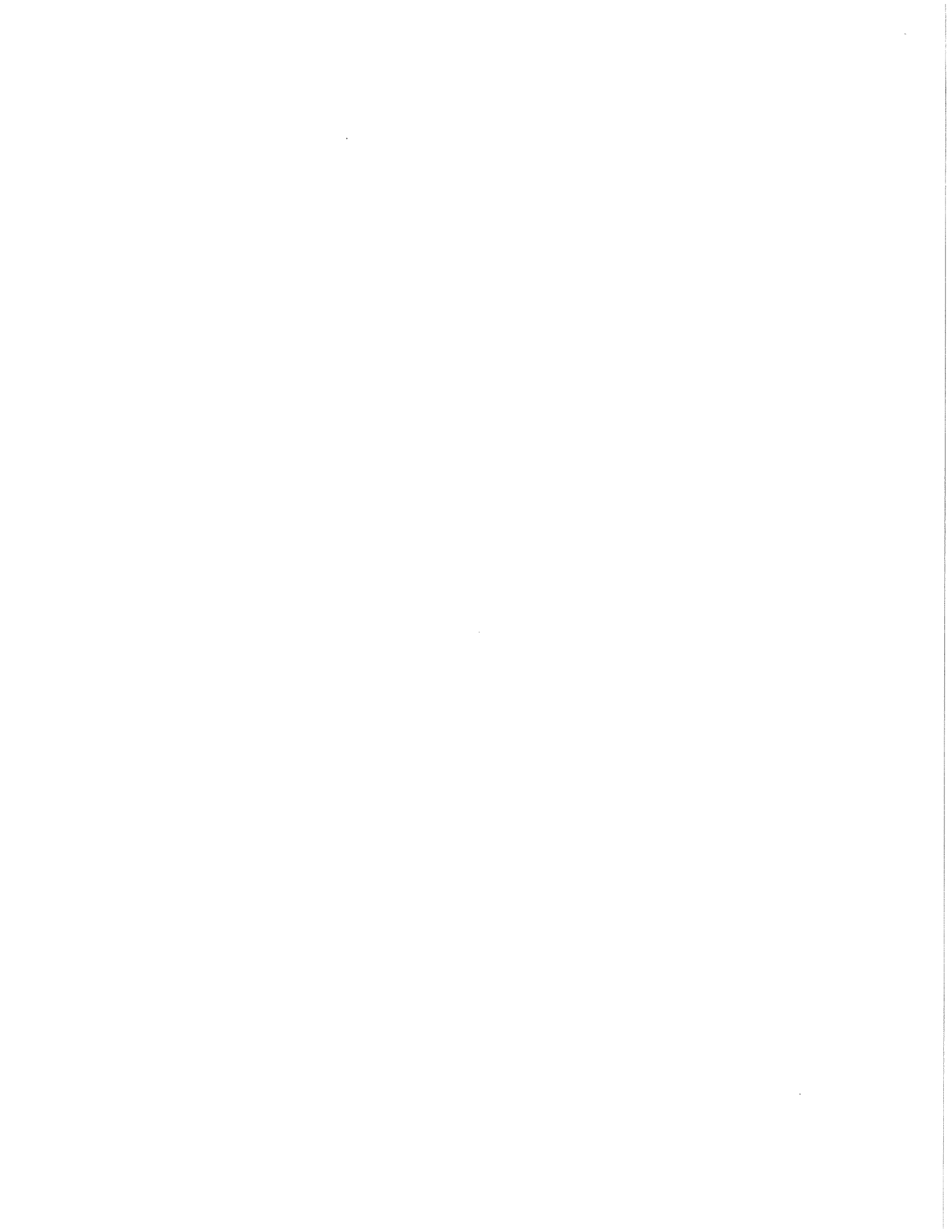
- a) Let me begin by expressing the CTUIR's gratitude to OWRD for its leadership role in implementing the Umatilla Basin Project. OWRD's ongoing participation is absolutely essential to the successful management of water supplies and exchanges under the Basin Project. OWRD's experience and leadership has ensured the restoration of stream flow and the salmon fishery to the Umatilla River, while maintaining water supplies for the irrigation districts in the basin. The Project must be managed every year, and it's critically important that OWRD continue its leadership role in working with all of the stakeholders to ensure water for fish and farmers in the Umatilla Basin. In addition, I can inform the Committee that as the CTUIR developed our water rights settlement proposal prior to initiating settlement negotiations in the Umatilla Basin, we worked closely with, and relied upon, OWRD staff in the Watermaster's office in Pendleton, for the water rights and Umatilla Basin Project operations information that our settlement proposal is based upon.
- b) The CTUIR has initiated negotiations for a settlement of its water rights in the Umatilla River Basin. These negotiations are vital to the CTUIR as well as to the agricultural economy in the Umatilla Basin. The CTUIR has committed to achieving a settlement of its water rights without harm to existing water rights holders. Our negotiations involve a Federal Indian Water Rights Negotiation Team, OWRD representatives, and representatives of each of the Umatilla Basin irrigation districts and ditch companies. We appreciate the commitment of OWRD, as well as their knowledge and creativity, to making these negotiations a success. The CTUIR strongly encourages the Committee to approve the Governor's budget for OWRD to permit their continued participation in our negotiations.
- c) The CTUIR is also strongly supportive of OWRD's work on the Integrated Water Resources Strategy which is critical to Oregon's future, and to the future of the CTUIR. My work on the IWRS Policy Advisory Group was focused on ensuring that the Strategy addressed both instream and out-of-stream water needs in Oregon and that water quality and ecosystem needs were incorporated into the Strategy. I believe these issues have been fairly addressed in the Strategy. However, the Strategy is only valuable if it is implemented. The CTUIR strongly encourages the Committee to approve of the Governor's budget for OWRD and the General Fund resources required for implementation of the Strategy.
- d) The Declaration of Cooperation executed by the State, the CTUIR and Umatilla Basin stakeholders outlined water projects and management regimes to address water supply needs in the Umatilla Basin. Obviously, OWRD must play a critical role in the evaluation and pursuit of any of these initiatives. While the CTUIR will insist that any new water supply projects or management regimes not adversely impact the water

resources or infrastructure needed to settle our water rights, we look forward to working with OWRD and Basin stakeholders in addressing these water supply needs in a responsible way.

- e) The CTUIR is concerned that today's push for new water supplies for additional consumptive purposes does not repeat the mistakes of the past. We will work with OWRD to ensure that further depletion of in-stream flows and loss of flood plain habitat does not occur in the evaluation, construction or operation of new water supply projects. We have particular concerns regarding the "straw dog" being developed to create and establish criteria for use of State funds from a Water Supply Development Account for new water projects. To date, our comments on the straw dog have not been given adequate consideration as they relate to the CTUIR's co-management role of water and fishery resources throughout our traditional use areas in the State. We continue to assert that that the Integrated Water Resources Strategy could be utilized more fully to inform this legislative concept. Finally, we offer our commitment and professional capacity to assist Oregon in collaboratively determining seasonally varying flows that need to be established and protected by OWRD to support ESA-listed fish and other native aquatic species before new water projects are authorized. We will look to OWRD for their leadership and assistance to ensure the protection of CTUIR's treaty-reserved resources as the straw dog is revised into proposed legislation.

For each of these reasons, the CTUIR supports the Governor's budget for OWRD during the 2013-15 biennium. This budget will permit OWRD to continue to effectively participate in these initiatives that are so important to the CTUIR and the State.

Thank you for this opportunity to present the CTUIR testimony.





LEAGUE OF WOMEN VOTERS®
OF OREGON

March 28, 2013

To: Ways and Means Subcommittee on Natural Resources
Senator Chris Edwards and Representative Ben Unger, Co-Chairs
Members of the Committee

Re: SB 5547 – Water Resources Department Budget: SUPPORT

The League of Women Voters is a grassroots nonpartisan, political organization that encourages informed and active participation in government. The League has strong positions on both water quality and quantity. We published two reports on water issues, one in 2009 and another in 2010. We were privileged to have had a seat on the Integrated Water Resources Strategy Policy Advisory Group. And members often attend Water Resources Commission meetings and work group meetings on a variety of issues. As a result of that engagement, we provide testimony today in support of the Water Resources Department's proposed budget.

A reminder:

“All water within the State from all sources of water belongs to the public.”

With that in mind, we support General Funding for the base budget/activities of the department.

Our next priority is funding for data collection and analysis so that transaction requests can be fairly processed and any requests for storage can be processed in a manner to assure the public's rights are protected. We include the entire ecosystem in that expected protection. In priority order, we support:

POP 202: Groundwater Investigations: This data is critical to processing groundwater requests. It is also important so that counties can fairly process land use applications where groundwater is required.

POP 102: Instream Protections: 2 FTE Hydrologists to work in conjunction with ODFW.

POP 101: Water-Use Reporting Program: Measuring and reporting the amount of surface water and groundwater diverted for beneficial use helps the state understand & characterize Oregon's water resources.

POP 103: Measurement Cost Share Fund: Having some money available as a carrot to obtain new measurement devices in areas of importance will again provide data needed for future decision making.

POP 203: Additional Field Services: Field staff are necessary to manage Oregon's waters fairly and according to law.

We support POP 108 (SB 217) because we believe the 85,000 water rights in Oregon need better management and the revenue from this fee will provide additional scientific and field staff needed for future projects. We believe ALL Oregonians should share in this cost, so we believe municipal users should pay their fair share.

There is a link between this scientific work and the need for future water storage in Oregon. The League believes that our weather is changing and that our wonderful natural storage—our beautiful Cascade Mountains—will not provide the summer water we will need in the future. BUT storage projects need to be vetted. Where to get the water—even winter water—must be a science-based decision. We have not mentioned the proposed storage POPs in this letter because we cannot support them without the entire package with the exception of POP 205, the Umatilla Loan Fund. We have supported this project because the scientific work has been done, we have invested General Funds in this project in past years and we believe the local community has come together with a governance structure and a plan to pay for the loan.

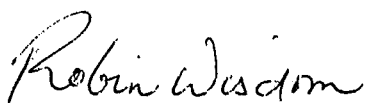
We believe that POP 207 (HB 2257) and POP (HB 2259) are important to both the management of our water rights and assuring timely processing of transactions, critical to our economy. We also believe that the 50/50 split between applicants and the General Fund is an appropriate division. There is an assumption that applicants will receive a financial gain from the use of Oregon's waters (or why would they apply?) AND the general public needs to be assured that these transactions are processed with the public's interest in mind as well.

The League commends the department for its incredible work on the Integrated Water Resources Strategy. We were most pleased by the outreach efforts and the website that allowed all Oregonians to participate, comment and shape the final document.

We laud the work of the Water Resources Commission as they struggled to address the funding needs of the department. They considered a wide range of proposals and tried to address fairness, equity AND recommend a proposal that would provide enough money to fund the important work of the department.

We ask that you consider our testimony and provide adequate funding for the Water Resources Department for the good of Oregon.

Sincerely,



Robin Wisdom
President



Peggy Lynch
Natural Resources Coordinator

March 27, 2013

Testimony to the Joint Ways and Means Natural Resources Subcommittee
From members of the Integrated Water Resources Strategy Policy Advisory Group

Supporting Oregon Water Resources Department Budget, SB 5547

Co-chairs Edwards and Unger, and members of the Joint Ways and Means Natural Resources Subcommittee:

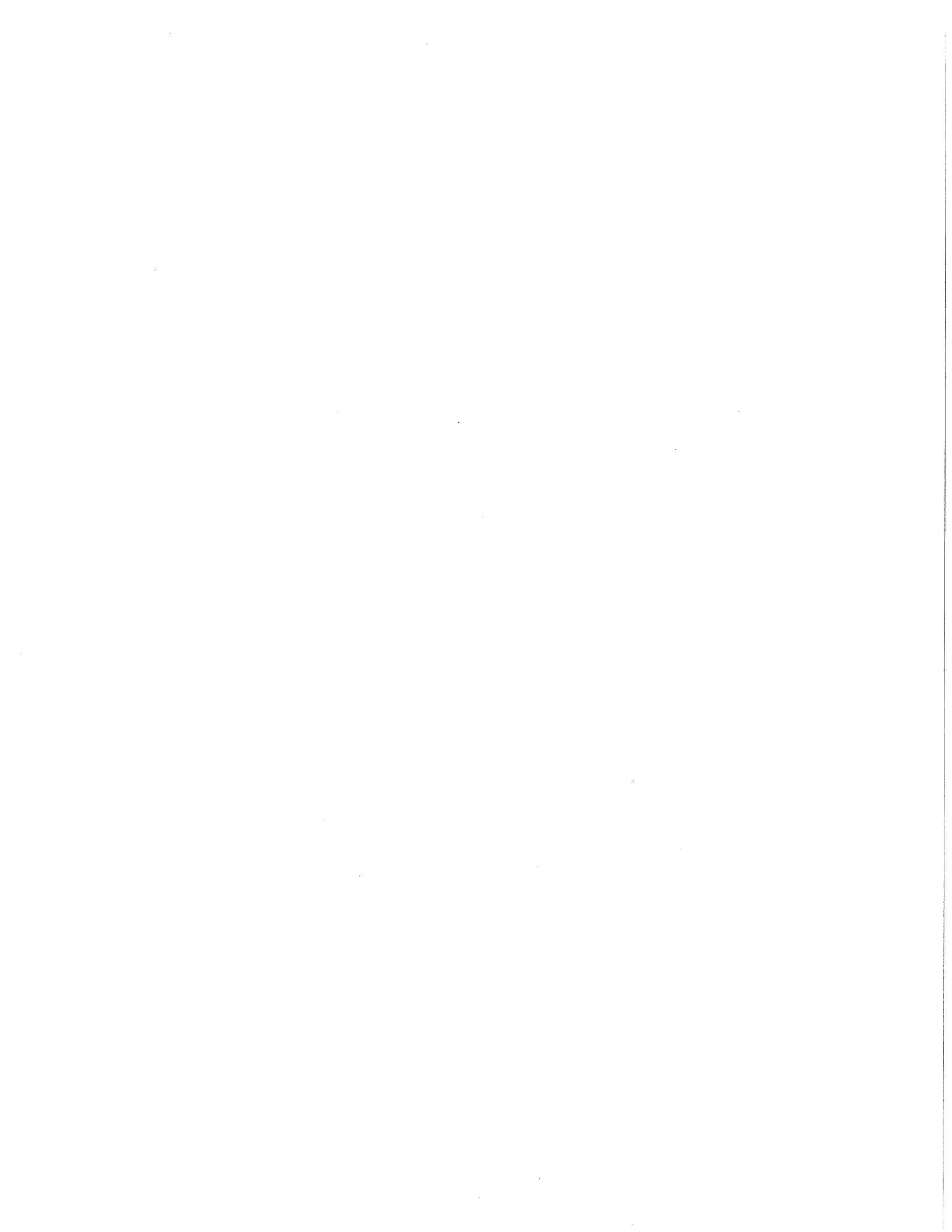
We, the undersigned, worked closely with the Oregon Water Resources Department (OWRD) and other natural resource agencies over the course of two years to develop the state's first ever long-term water management plan, the Integrated Water Resources Strategy (IWRS). As members of the IWRS policy advisory group, we brought together our different perspectives to ensure that our state has a strategy for managing our precious water resources to meet in-stream and out of stream needs well into the future.

As part of the IWRS development process, we identified substantial gaps and needs that threaten our economy and our environment if they are not addressed. These include gaps in knowledge about the status of our water resources, especially groundwater; the need to improve coordination of monitoring and data analysis among Oregon's natural resource agencies; improving water use measurement and updating water records; better understanding in-stream and out of stream water needs; assessing the likely impacts of climate change on our water resources; meeting water needs through water development projects as well as conservation and efficiency; and conducting long-term water planning at the local level.

Now that we have a long-term water strategy to address these needs, we need to implement it, which will require funding. The Governor's Balanced Budget includes several Policy Option Packages for OWRD that were created expressly to implement the IWRS, such as:

- 101 and 103: Water use reporting and measurement device cost-share
- 102: Hydrologist
- 201: IWRS Implementation
- 202: Groundwater basin investigations
- 203: Restore field staff (watermasters)
- 204: Establish a statewide water supply development program
- 205: Continue water supply development in the Columbia-Umatilla Basin
- 206: Feasibility grants for water conservation, storage and reuse projects
- 207: Update water right certificates

We believe that water is such a vital resource to this state that we cannot afford not to make wise investments in water resources management and development. We respectfully request that you prioritize these water funding packages as you make budgeting decisions.





Oregon
Environmental
Council
It's Your Oregon

222 NW Davis Street
Suite 309
Portland, OR 97209-3900
503-222-1963
www.oconline.org

**Testimony before the Joint Ways and Means Natural Resources Subcommittee on
Oregon Water Resources Department Budget, SB 5547
March 28, 2013**

**Angela Crowley-Koch, Legislative Director
Oregon Environmental Council**

Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative solutions to Oregon's environmental challenges for today and future generations.

Co-chairs Edwards and Unger, and members of the Joint Ways and Means Natural Resources Subcommittee:

Oregon Environmental Council supports the Oregon Water Resources Department's (OWRD) budget request. OWRD is responsible for managing Oregon's precious water resources for multiple purposes, including but not limited to environmental protection and economic development. It is critical that the agency receive adequate funding to ensure that all water rights are fairly enforced, and to gather and analyze scientific data and water use information to understand the status of our water: how much we have and where.

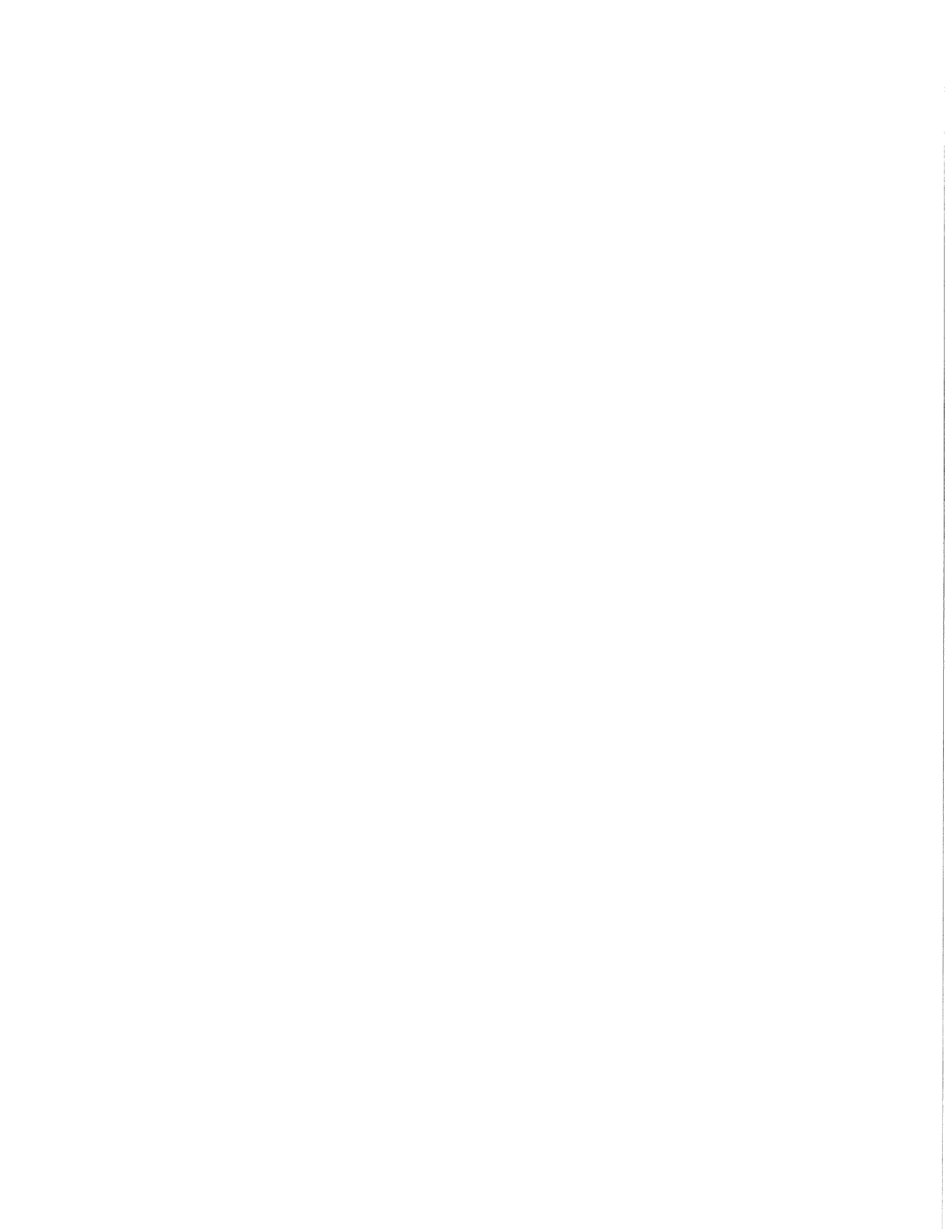
The Department's work becomes increasingly complex as water demands increase due to population growth, and climate change places new stresses on our rivers and other water resources. Inadequately funding the Department places our state at risk of being unable to address water availability challenges and conflicts before they reach crisis stage.

I would like to note a few packages that we believe are particularly important in the Department's budget.

- Packages 101 and 103 re-institute the state's water-use reporting program and provide cost-share funding to help water users install measurement devices.
- Package 102 supports a hydrologist to understand instream flow needs.
- Package 108 establishes a water right management fee, so that water users help pay the costs of managing the water resources that they directly benefit from. The Department currently relies heavily on General Fund.
- Package 202 is cost-share funding that will be matched by USGS to conduct groundwater investigations.
- Package 201 provides staffing to implement the state's Integrated Water Resources Strategy.

OEC participated in the policy advisory group that worked with multiple natural resource agencies to develop the Integrated Water Resources Strategy (IWRS). This plan provides a blueprint for managing the state's waters into the future, and the Department's budget packages respond directly to recommendations that are identified in the IWRS.

I would like to call your attention to written testimony submitted by members of the IWRS policy advisory group, including OEC, expressing those participants' support for OWRD's budget. We all agree that adequately funding OWRD should be a high priority for our state.



Testimony of Jerry Schmidt
HB 5547
Oregon Ground Water Association
Before
Joint Ways and Means Subcommittee
On Natural Resources

Oregon Water Resources Department
State Observation Well Network

History

The current Water Resources Department's State Observation well network began in the late 50's or early 60's. At this point it was a series of wells scattered around Oregon that were being studied by the United States Geological Survey (USGS). Sometime in the 60's the network was taken over by the Oregon Water Resources Department (OWRD) and by 1973 there were over 800 wells in the system. By the late 70's the State Observation Well Network was overhauled and the number was reduced to the neighborhood of 350 active sites.¹ The reasons given for the reduction were; (1) wells on the network were giving duplicate data, (2) some wells did not have good documentation and (3) because of budgetary problems resulting in maintaining the larger database. Most of the wells that were originally put on the system were there because of a perceived problem or because the OWRD had received a request from another agency or from citizens in the area. After the reduction of the program in the late 70's the number appears to remain fairly stable through the 1980's. The 1987-88 Biennial report² of the Water Resources Department showed the program with approximately 350 wells in the network. Wording in the 1987 report (and later reports) indicate in the narrative that the OWRD possibly had further data on a larger number. By the early 90's³ the Department had begun a statewide assessment of groundwater conditions. They said that central to the effort was an overhaul of the statewide observation well network and that the Department intended to screen the existing State

¹ Deposition of Fred Lissner 10/30/97, Head of the Ground Water Section WRD, Jackson Co Circuit Court case No. 95-5149-E-2

² Biennial Report Water Resources Dept. January 87 to December 88, Figure 9, page 40.

³ Biennial Report Water Resources Dept. January 89 to December 90, page 15.

Observation Well inventory and then enter new wells into the program where coverage was inadequate. Despite the call for increasing the inventory as of the date of the last Biennial Report⁴ in 1995 the Department still was quoted as maintaining a network of 350 observation wells. Budget documents from that period indicate that the Department was shifting its focus from using long term hydrographs (compiled through the State Observation Well Network) to computer modeling. The Department had repeated requests to the legislature throughout the 90's and into the next century for funding of these studies.

In the 2007-09 Governor's recommended budget the Department identified the bench mark for maintaining the State Observation Well Network at 350 wells. The budget document goes on to state that "as wells are dropped from the well network, they should be replaced with other monitoring locations..."

Current Activities

When looking at the Department's current website (under the ground water section) a down load could be made of all the existing water level data to find over 3,000 listed observations wells. Within this inventory are the current observation wells in the active State Well Net program which the Water Resources Department has identified in the Key Performance Measure #5 as 363. While this number is listed as the active wells in the program not all of these wells are current and some lack data entry for a variety of reasons. The wells in the State Well net program are monitored by Oregon Water Resource Department personnel and their staff has indicated that they also take water level measurements on additional wells that are not in the State Observation Well Network.

The Department also indicated about 1/3 of the wells listed on their web page have a condition on the water right that require water level measurement (usually by persons other than OWRD staff) and that the information is required to be submitted to the Department .

⁴ Biennial Report Water Resources Dept. January 93 to December 95, page 40.



Oregon Water Resources Department



Oregon Water Resources Department hydrograph for UMAT 1574 (4.00N / 27.00E - 27DAD)

Oregon Water Resources Department (OWRD) Well Location	4.00N/27.00E-27DAD
OWRD Logid	UMAT 1574
OWRD Well Tag (Well ID)	---
OWRD State Observation Well Number	832
Total well depth (feet below land surface)	844
Land surface elevation (feet above mean sea level)	603
Primary use of well	IRRIGATION
Primary aquifer system	Late Tertiary Basalt Aquifers

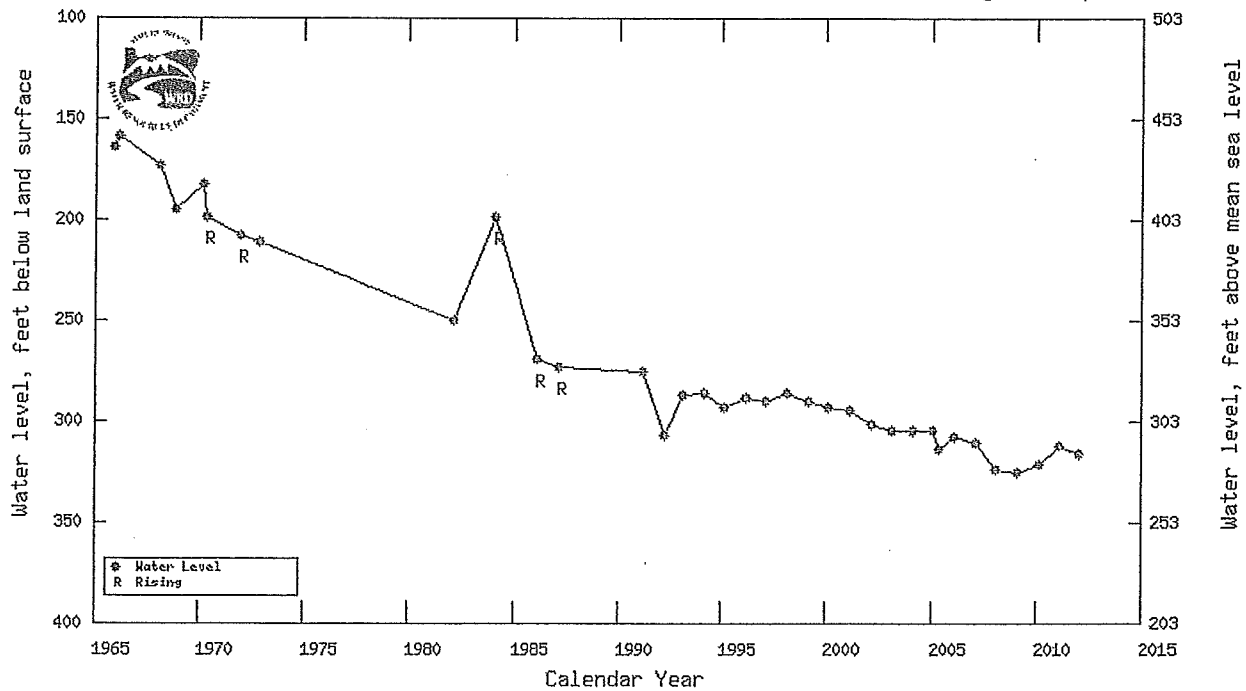


Table showing water-level data for UMAT 1574



Oregon Water Resources Department

Ground Water



Oregon Water Resources Department hydrograph for LANE 20028 (19.00S / 2.00W - 7DDA)

Oregon Water Resources Department (OWRD) Well Location	19.00S/2.00W-7DDA
OWRD Logid	LANE 20028
OWRD Well Tag (Well ID)	---
OWRD State Observation Well Number	475
Total well depth (feet below land surface)	148
Land surface elevation (feet above mean sea level)	555
Primary use of well	IRRIGATION
Primary aquifer system	---

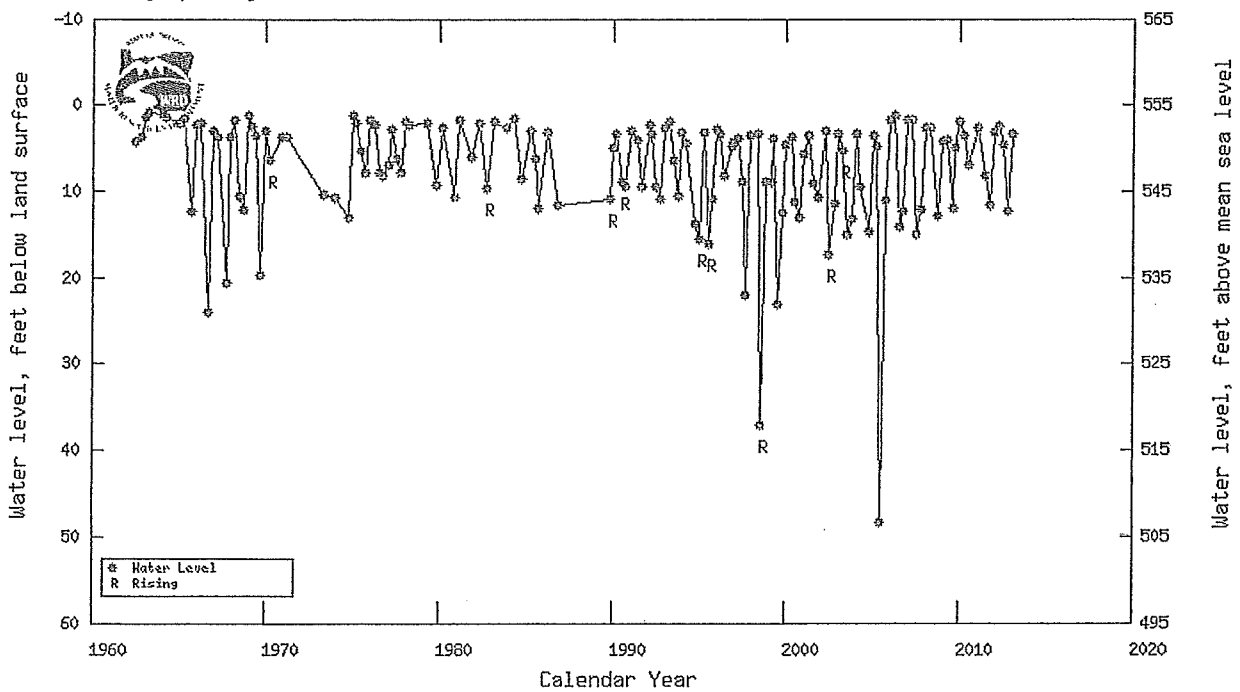


Table showing water-level data for LANE 20028



Oregon Water Resources Department



Oregon Water Resources Department hydrograph for DOUG 9303 (30.00S / 5.00W - 21ACX)

Oregon Water Resources Department (OWRD) Well Location	30.00S/5.00W-21ACX
OWRD Logid	DOUG 9303
OWRD Well Tag (Well ID)	---
OWRD State Observation Well Number	130
Total well depth (feet below land surface)	90
Land surface elevation (feet above mean sea level)	750
Primary use of well	UNUSED
Primary aquifer system	---

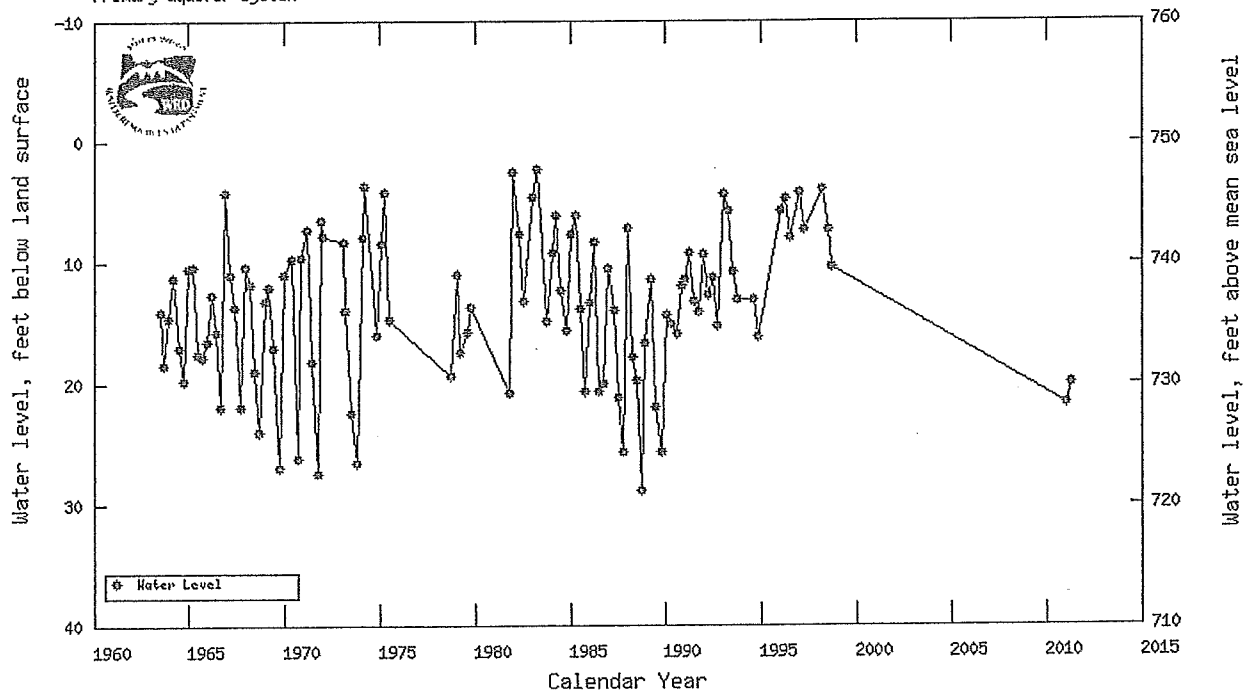


Table showing water-level data for DOUG 9303



Oregon Water Resources Department

Ground Water



Oregon Water Resources Department hydrograph for HOOD 372 (2.00N / 10.00E - 4DBB)

Oregon Water Resources Department (OWRD) Well Location	2.00N/10.00E-4DBB
OWRD Logid	HOOD 372
OWRD Well Tag (Well ID)	---
OWRD State Observation Well Number	225
Total well depth (feet below land surface)	111
Land surface elevation (feet above mean sea level)	---
Primary use of well	---
Primary aquifer system	---

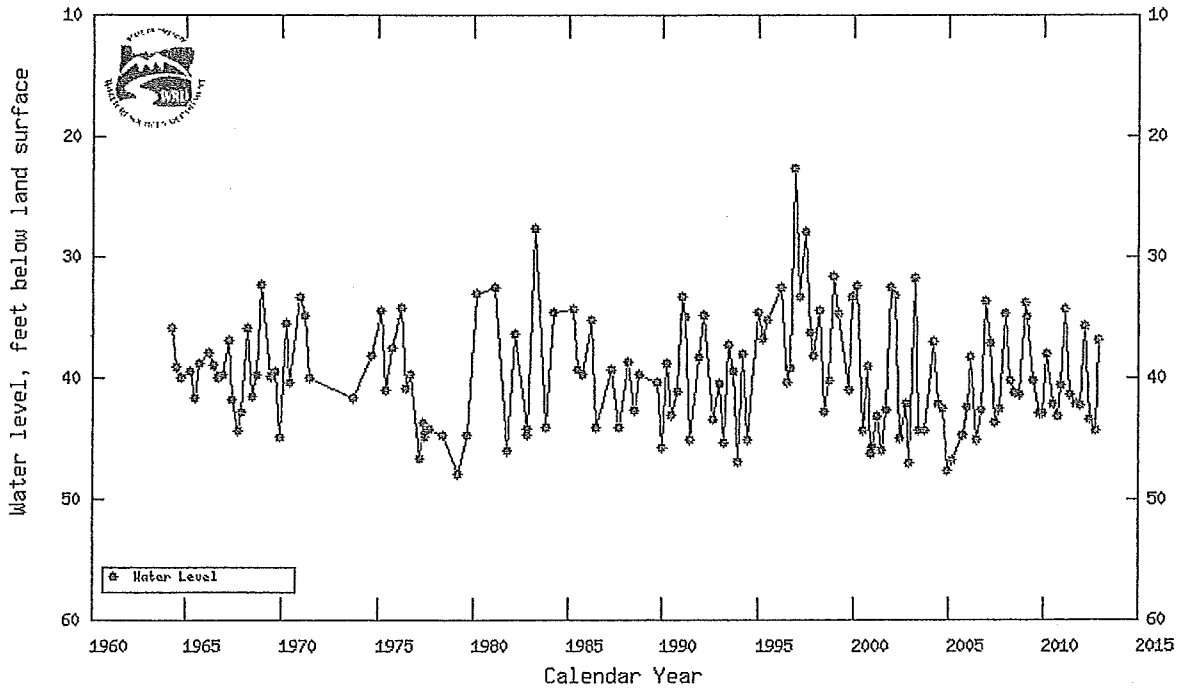


Table showing water-level data for HOOD 372



Oregon Water Resources Department

Ground Water



Oregon Water Resources Department hydrograph for WASH 10309 (1.00S / 3.00W - 27CBB)

Oregon Water Resources Department (OWRD) Well Location	1.00S/3.00W-27CBB
OWRD Logid	WASH 10309
OWRD Well Tag (Well ID)	-----
OWRD State Observation Well Number	1232
Total well depth (feet below land surface)	335
Land surface elevation (feet above mean sea level)	600
Primary use of well	DOMESTIC
Primary aquifer system	Late Tertiary Basalt Aquifers

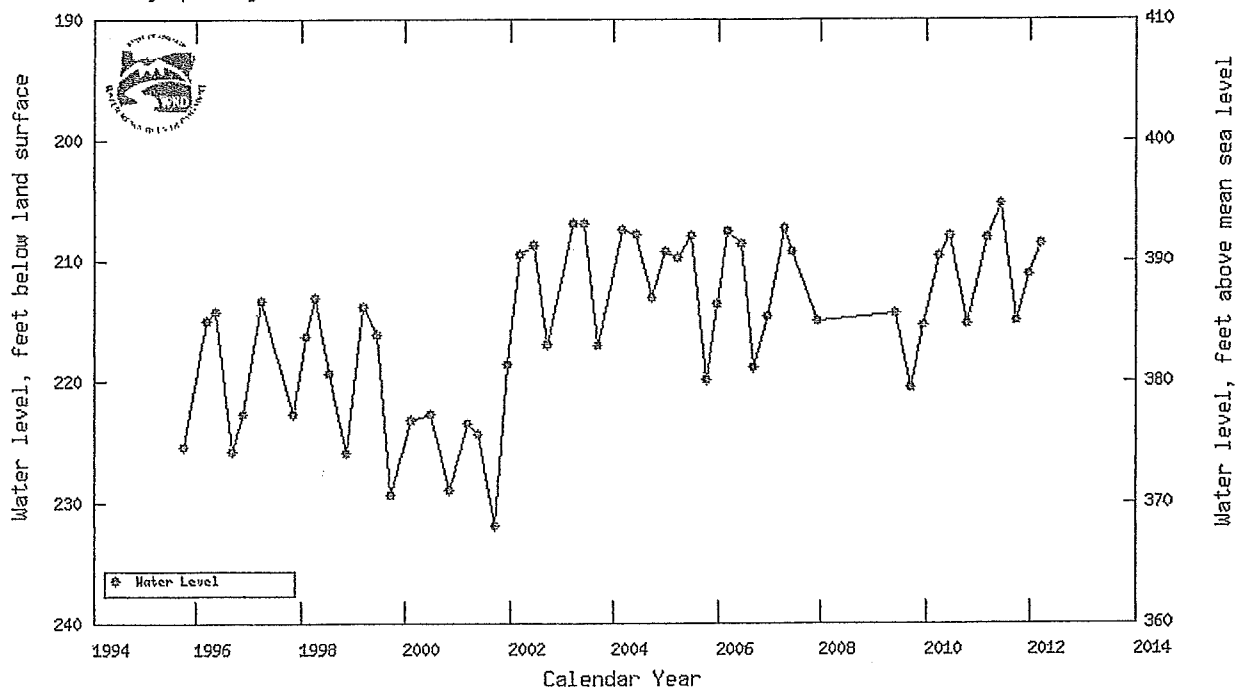


Table showing water-level data for WASH 10309



Oregon


John A. Kitzhaber, MD, Governor

Water Resources Department

North Mall Office Building
725 Summer St. NE, Suite A
Salem, OR 97301
Phone 503-986-0900
FAX 503-986-0904
www.wrd.state.or.us

MEMORANDUM

TO: Senator Chris Edwards, Co-Chair and
Representative Ben Unger, Co-Chair
Joint Ways and Means Natural Resources Subcommittee

FROM: Phillip C. Ward, Director 

SUBJECT: Response to March 28, 2013 Testimony of Jerry Schmidt
Before the Ways and Means' Natural Resources Subcommittee

Date: April 8, 2013

During the Department's budget hearings last week, Mr. Schmidt's written and verbal testimony suggested that Department budget documents from the 1990s indicate that the Department shifted priorities from water-level data collection to "computer modeling." The Department disagrees with this assertion.

Groundwater Basin Studies. The Department, working closely with the U.S. Geological Survey (USGS), has completed groundwater studies in the Deschutes, Klamath, and Willamette Basins, to identify and characterize future groundwater supplies, and determine the impact of groundwater use on surface water supplies. Basin-wide studies typically take four to five years to complete and involve multiple groundwater staff and hundreds of thousands of dollars in cost-share with the USGS.

The Value of Groundwater Flow Models. A major component of any groundwater study is the construction and calibration of a groundwater flow model. This involves the collection and analysis of groundwater-level data, to ensure that the model adequately simulates seasonal and annual water-level changes. These data include well locations, groundwater-level measurements, groundwater pumpage volumes, and measurements of the interaction of surface water and groundwater. The groundwater-level data collected during these investigations has augmented and enlarged, rather than diminished, as Mr. Schmidt implies, the groundwater-level monitoring in the state.

The Source of Groundwater Data. In addition to groundwater-level data from customers, the USGS, and other partners, the Department depends on a series of observation wells for groundwater data. During the 2012 calendar year, OWRD staff manually took 2,656 water levels in 1,018 observation wells in Oregon. Thousands of additional measurements came from 71 observation wells with automatic recorders installed.

There are two types of observation wells: State Observation Wells (363 of them in 2012) and project observation wells (685 in 2012). Project wells are used to investigate local or regional



groundwater conditions on a term of months to several years. By contrast, State Observation wells are intended to provide a long-term record of groundwater-level trends in representative aquifers throughout the state. Measurement frequency in State Observation Wells is generally quarterly or biannual.

The Department had 363 “current” State Observation Wells in 2012. These are wells reported as part of the Department’s Key Performance Measure #5; the benchmark year is 2001 when the state had 350 State Observation Wells.

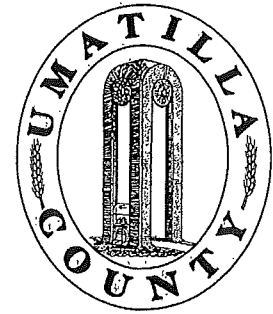
Challenges Facing State Observation Wells. The State Observation Wells monitored by the Department are privately owned and long-term access is commonly an issue, as the Department is dependent on well owners for access to the wells. As property changes hands, some owners discontinue their participation in the network or decrease the Department’s access. In these cases, the Department tries to find a suitable replacement well in the same general area, where possible. Therefore, the number and location of state observation wells varies somewhat from year to year.

Also, over time, mechanical obstructions may prevent measurements in a well for a period of time until a pump is pulled or a well head is reconfigured. These wells are still considered to be “current” but may not be actively measured until physical access for measurements is re-established. As such, the number of actively measured “current” state observation wells fluctuates from year to year. In general, these are only a small fraction of the total number of wells on our current State Observation Well Network in any given year. The Department tries to resolve these problems as soon as possible; however, without dedicated funds to pull pumps and reestablish access, we are dependent upon the schedule and the resources of the landowner. Expanding this network with dedicated monitoring wells, to which staff have year-round access, would help immensely in basins where the State plans to work with the USGS on cooperative groundwater studies.

A summarizing point is that the State Observation Well Network is a valuable network of data points, but only represents about a third of the wells measured by the Department each year. Testimony provided by Mr. Schmidt implies the Department performs less groundwater data collection today than it did in the 1970s or 80s, and that pursuing today’s advanced technologies, such as groundwater modeling, is at the expense of data collection. The Department strongly disagrees with this characterization.

Umatilla County

Board of County Commissioners



Commissioners

Dennis D. Doherty
541-278-6202

W. Lawrence Givens
541-278-6203

William J. Elfering
541-278-6201

March 26, 2013

Senator Chris Edwards, Co-Chair
Ways & Means Natural Resources Subcommittee
900 Court Street NE, S-405
Salem, OR 97301

Representative Ben Unger, Co-Chair
Ways & Means Natl. Res. Subcommittee
900 Court Street NE, H-377
Salem, OR 97301

Re: Support for Oregon Water Resources Department recommended budget

Executive Assistant
Connie Caplinger
541-278-6293

Executive Secretary
Laura Headley
541-278-6204

County Counsel
Douglas Olsen
541-278-6208

Budget Officer
Bob Heffner
541-278-6209

Dear Senator Edwards and Representative Unger:

Umatilla County constituents have a wide variety of water-related interests and needs. There is not always agreement. The Board of Commissioners works to stay focused on policy, to remain consistent with state law, and to attain consensus as much as possible.

We have found that the scope of water law is huge, that the appetites for water are huge, and that the complexities of managing the waters of the state are huge – meaning, that the job of the Water Resources Department is also huge.

Clearly, the Department's budget is instrumental to its capacity to address these challenges. We fully support the Governor's recommended 2013-15 budget for the Department.


We also generally favor additional budget help, such as that which can be developed through supplemental legislation (e.g., policy option packages and stand-alone bills). Those, of course, must be evaluated one-by-one.

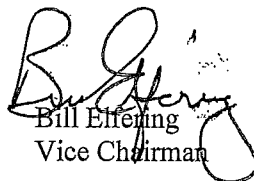
The point is that we want the Department to have the budget it needs to do the jobs that the legislature and our constituents require of the Department.

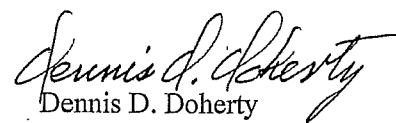
Umatilla County contributes general fund support to the local arm of the Water Resources Department. And we have become more pro-active in terms of water-related policy. We believe that the welfare and future of our county is closely linked to the state's policy and the Water Resources Department budget.

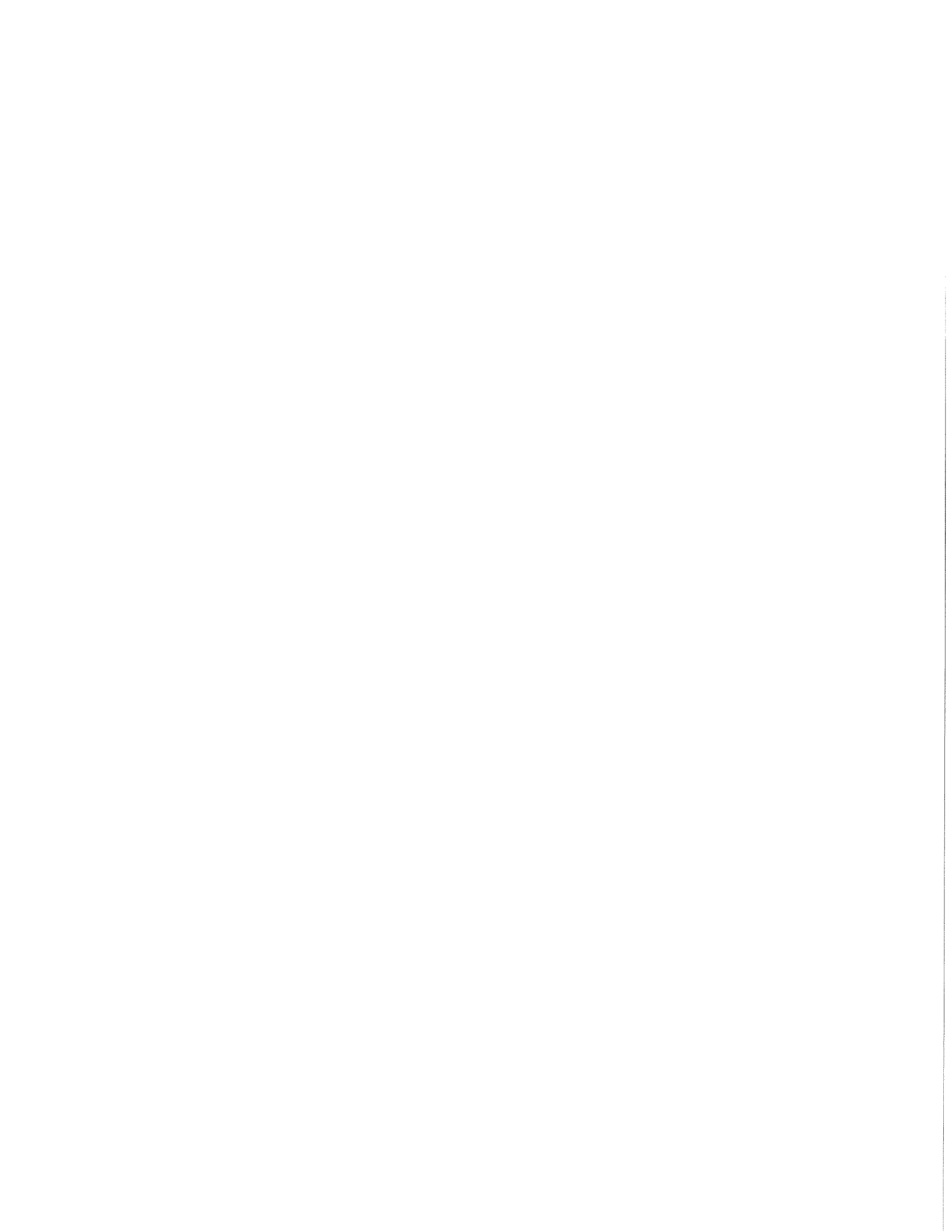
Thank you for doing all that you can to provide the Department with adequate funding.

Sincerely,


Larry Givens
Chairman


Bill Elfering
Vice Chairman


Dennis D. Doherty
Commissioner





**Testimony of WaterWatch of Oregon
Before the Joint Ways and Means Natural Resources Subcommittee
SB 5547 -- Water Resources Department Budget
March 28, 2013**

Founded in 1985, WaterWatch is a non-profit river conservation group dedicated to the protection and restoration of natural flows in Oregon's rivers. WaterWatch works to ensure that enough water is protected in Oregon's rivers to sustain fish, wildlife, recreation and other public uses of Oregon's waterways. We also work for balanced water laws and policies. WaterWatch has hundreds of members across Oregon who care deeply about our waterways, fish and wildlife and the effects of water laws and policies on these resources.

WaterWatch urges the Joint Ways and Means Natural Resources Subcommittee to fund the Water Resources Department (WRD) to the fullest extent possible.

Basic management of Oregon's water resources is one of the states most critical environmental and economic challenges. Eighteen out of nineteen of Oregon's major river basins are already over appropriated from the late spring to the early fall. At the same time, population growth and climate change are increasing the pressure on Oregon's waterways and aquifers.

While we understand the gravity of the state's budget crisis, we urge the Ways and Means subcommittee to retain the WRD's base budget to the maximum extent possible. The WRD is already understaffed for the essential jobs it must perform. The WRD continues to operate with reduced capacity in key areas and under the damaging effects of multiple staff cuts during the 1990s and earlier in this decade.

Oregon has already granted over 85,000 water rights for the use of the public's water. Most rivers and streams are already over appropriated during most of the year. Users are turning to groundwater, but Oregon lacks scientific knowledge in many areas of the state sufficient to understand the effects of new groundwater use on existing surface water resources. Accordingly, the WRDs top priorities should be focused on water management, developing the scientific information necessary to inform sound surface and groundwater management, and water allocation and reallocation decisions.

To that end, we not only urge the subcommittee to support the Governor's Balanced Budget, but we also urge the subcommittee to consider the addition to two packages that were not included in this budget.

- Package 105: Groundwater data collection and integration
- Package 106: Surface water data collection and integration.

These two packages fund the basic information gathering that serves as the underpinning of much of the Water Resources Departments work to responsibly manage Oregon's water resources. The information gathered under these packages is used for making critical decisions in water management, protecting and monitoring instream flows and groundwater levels, and other key department functions.

Conclusion: WaterWatch recognizes the severity of the current budget situation. However, we also recognize the value and importance of a fully functioning Water Resources Department. Assuming some cuts may be required, we respectfully request that the subcommittee prioritize retaining key water management, science, field service, regulatory and streamflow restoration positions over the more traditional transactional functions when analyzing any proposed cuts. These identified functions are key to proper management of what is arguably the state's most valuable resource – water.

WaterWatch recognizes the importance of the more traditional transactional functions of the WRD, such as water right permitting, consumptive use transfers, extensions and certificate work. However, unlike the management and scientific work, the state has options to generate fees to pay for these transactional positions, including increased reliance on reimbursement authority or increased fees to support the necessary positions. On that subject, we strongly urge the passage of HB 2259 as a critical component of adequately funding this agency.

WaterWatch thanks the subcommittee for this opportunity to provide our perspective on this very important agency budget.