



Oregon

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Water Resources Department

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MEMORANDUM

TO: The Water Resources Commission

FROM: Brenda Bateman, Senior Policy Coordinator

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

Legislative Update – 2013 Session

I. Introduction

During January 2013, Oregon's 77th Legislative Assembly convened in Salem. This session has been a busy one for water. The Department has a number of policy bills moving through the process, and legislative members and committees have submitted water-related bills as well.

From February through April, policy bills made their way through their first committee. Bills that were heard, worked, and approved are still considered to be viable bills. This update includes details about the status of water-related bills.

II. Governor's Water-Related Bills

Water-related bills that are still considered viable include three bills that originated with the Department:

Senate Bill 199A (Split Season Leasing)

- The adopted amendment delays the program sunset to January 2, 2024, and clarifies statutory language describing the program.
- Passed through Senate unanimously.
- Assigned to House Agriculture & Natural Resources Committee for public hearing and worksession.

Senate Bill 200A (Split a Permit into Multiple Ownerships)

- The adopted amendment clarifies that this bill is for agricultural types of water use and requires the applicant to produce specific documentation.
- Passed Senate Floor 28-1-1 (excused).
- Assigned to House Agriculture & Natural Resources Committee for public hearing and worksession.

House Bill 2259 (Transaction Fees)

- The adopted amendment removes the sunset and authorizes the commission to increase fees each year by 2 percent or the Consumer Price Index, whichever is lower.
- WRD requires this bill to maintain adequate customer service levels.
- Passed House Agriculture and Natural Resources Committee 8-0-1 (excused).
- Subsequent referral to Ways and Means' Natural Resources Subcommittee.

A fourth bill—Senate Bill 217, proposing an annual water right management fee—has been sent to an interim workgroup, with direction to bring back in 2014 a consensus-based bill that would help stabilize the Department's funding.

For each of these bills, the Department has provided bill language and a bill summary on-line. Go to: http://www.oregon.gov/owrd/pages/law/legislative_updates.aspx.

III. Other Water-Related Bills Still Considered Viable Include Four from the Senate:

Senate Bill 401 (Sen. Bates—Designation of Scenic Waterways)

- The adopted amendment converts this to a study bill only, with Oregon Parks as the lead, analyzing 27 stream reaches for potential scenic waterways designations; Water Resources Department will play a supporting role.
- The Department's fiscal requests one NRS4 staff for 8 months.
- Passed Senate Environment and Natural Resources, 3-2.
- Subsequent referral to Ways and Means' Natural Resources Subcommittee.

Senate Bill 837 (Sen. Johnson—In-Conduit Hydro Bill)

- The adopted amendment addresses a current obstacle to in-conduit hydro development, by allowing projects a choice: install fish passage when required by the Oregon Department of Fish and Wildlife, OR pay into a statewide fish passage account that will fund fish passage at ODFW-identified priority locations.
- The in-conduit hydropower program resides with the Water Resources Dept. No fiscal impact.
- Passed Senate Environment and Natural Resources, 5-0.
- Subsequent referral to Ways and Means' Natural Resources Subcommittee.

Senate Bill 839 (SEN—Establishes Water Supply Development Fund)

- The adopted amendment lays out criteria for public funding of water development projects. Defines eligible projects, public benefit requirements, application and evaluation process, and funding/process for determining "seasonally varying flow" requirements for a water storage project.
- Tied to the Department's Package #204, \$10 million⁺ for grants, loans, debt service, and fund administration.
- Passed Senate Environment and Natural Resources, 4-1.
- Subsequent referral to Ways and Means' Natural Resources Subcommittee.

Senate Bill 846 (Sen. Hansell—Development of a Umatilla Basin Water Storage Program)

- Referred to Senate Committee on Rules for further work.

The Senate bills noted above have passed through the Senate Environment and Natural Resources Committee, which is chaired again this session by Senator Jackie Dingfelder (D-Portland). Her committee is comprised of:

- Jackie Dingfelder (D-Portland), Chair
- Alan Olsen (R-Canby), Vice Chair
- Alan Bates (D-Medford)
- Bill Hansell (R-Pendleton)
- Mark Hass (D-Beaverton)

IV. Other Water-Related Bills Still Considered Viable Include Four from the House:

House Bill 2620 (Reps. Clem and Gilliam and Sen. Edwards—Natural Resource Agency Coordination)

- The adopted amendment directs the Governor to develop a plan to align state economic and community development programs with regional and community based development programs; provides that Governor must ensure that representatives of natural resource agencies participate in regional solution teams.
- Passed House Consumer Protection Committee, 9-0.
- Subsequent referral to Ways and Means.

House Bill 3358 (Rep. McLane, Funding for the Deschutes Basin)

- The adopted amendment requests funding for the Bureau of Reclamation's WaterSmart Basin Study cost match.
- This bill is intended as a back-up to language in Senate Bill 839.
- Approved without recommendation by House Agriculture and Natural Resources Committee, 8-1
- Referred to Ways and Means' Natural Resources Subcommittee

House Bill 3491 (Rep. Bentz—Governor's Office Report to Legislature on Columbia River Treaty)

- The adopted amendment passed House Energy and Environment Committee, 9-0.
- Governor's office will report on inputs/perspectives on irrigation, water supply, and fish resources.
- Reports due Sept. 15, 2013, then quarterly through 2014, then annually through 2024.

House Joint Memorial 7

- Urges Congress to increase investment in Drinking Water State Revolving Fund and Clean Water State Revolving Fund.

- Assigned to the Senate Environment and Natural Resources Committee for public hearing and work session.

The House bills noted above have passed through the House Agriculture and Natural Resources Committee, which is chaired by Representative Brad Witt (D-Clatskanie). His committee is comprised of:

- Brad Witt (D-Clatskanie), Chair
- Sal Esquivel (R-Medford), Vice Chair
- Caddy McKeown (D-Coos Bay), Vice Chair
- Brian Clem (D-Salem)
- Wayne Krieger (R-Gold Beach)
- Jeff Reardon (D-Happy Valley)
- Jim Thompson (R-Dallas)
- Ben Unger (D-Hillsboro)
- Gail Whitsett (R-Klamath Falls)

Bills that are still considered viable have until May 20 to be scheduled for a worksession in the second chamber, and they have until May 31 to have those worksessions held.

IV. Water-Related Budget Bills in the Joint Committee on Ways and Means

In addition, there are a number of bills with fiscal impacts. These are subject to a different schedule, as they reside with the Joint Ways and Means Committee. In the case of water, these discussions take place in the Ways and Means' Natural Resources Committee.

Natural Resources Subcommittee of the Ways and Means Committee handles budget and fiscal matters for the natural resources arena. It is comprised of members of both the Senate and House. The subcommittee roster follows:

- Sen. Chris Edwards (D-Eugene), Co-Chair
- Sen. Jackie Dingfelder (D-Portland)
- Sen. Chuck Thomsen (R-Welches)
- Rep. Ben Unger (D-Hillsboro), Co-Chair
- Rep. Jules Bailey (D-Portland)
- Rep. Bruce Hanna (R-Roseburg)

This committee held public hearings March 15-18, and again on April 23 to consider the Department's budget. The Department's budget bills are:

- Senate Bill 5547 Appropriates money from General Fund to Department. Bonding money for water supply development is also in this bill.
- Senate Bill 5506 General obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium. Bonding money for loans to the Umatilla Basin is also in this bill.

Although Legislative leadership has indicated they would like to have the session completed by the end of June, the Constitutionally mandated *Sine Die* for this session is July 13, 2013.