

**Water Resources Commission
Meeting
Salem, Oregon
February 7, 2013**

WRC Present

Charlie Barlow, Vice Chair
John Roberts
Jeanne LeJeune
Carol Whipple
Ray Williams

Staff Present

Tom Paul
Doug Woodcock
Dwight French
Barry Norris
Tracy Louden
Ivan Gall
Juno Pandian
Tim Wallin
Cindy Smith

Others

Kimberley Priestly
Rob Turkisher

Written material submitted at this meeting is part of the official record and on file at the Oregon Water Resources Department, 725 Summer St. NE, Salem, Oregon 97301-1271. Audiotapes of the meeting are on file at the same address.

Chair Barlow welcomed everyone to the meeting. Commissioners and staff introduced themselves to the audience.

A. Approval of Minutes

The minutes of the November 15 and 16, 2012 meeting were offered to the Commission for consideration.

Commissioner Roberts moved to approve the November 15 and 16, 2012 minutes as submitted; seconded by Commissioner LeJeune. Voting for the motion: Commissioners Roberts, Barlow, Williams, LeJeune and Whipple. Excused: Jackson and Meloy. Voting against the motion, none.

B. Commission Comments

Commissioner Roberts noted that he had given four presentations in Southern Oregon to various groups on the Integrated Water Resources Strategy. He talked about that information being very well received.

He shared a Powerpoint presentation with the Commission regarding a farmer in Stockton with a facility that takes care of approximately 50 food trucks that service the Stockton area. It is set up to handle the daily washing of the trucks inside and out as well as the gray water and grease disposal. He explained that it is a mini sewer treatment facility and that the water gets recycled and reused for the next vehicle.

Commissioner Whipple discussed concern in her area over the steelhead population not being what it should be. She also discussed an NPR Report currently in the news about the water wars between Nebraska and Kansas.

She discussed the recent release of a high-resolution map highlighting the stress-waters across the globe. She had a copy to share and was asking if it was a credible source of information.

She also mentioned her interest in being re-appointed to the Water Resources Commission noting that it is a privilege to be able to serve on the Commission.

Commissioner LeJeune noted her participation in discussions related to the potential Water Management Fee. She discussed the work being done with the stakeholder groups to review the bill and potential amendments. She said the bill is moving forward but has not been scheduled for hearing yet.

She discussed attending the meeting of the IWRS – Policy Advisory Group that met late in January. She complimented Brenda Bateman and Alyssa Mucken for the update they provided the group at the meeting. She said that she was impressed that Dick Pedersen, Katy Coba and Roy Elicker were at the meeting and was grateful that they were committed to attending these meetings and staying involved.

Commissioner Williams has been working on an effort with the Tribes and the Corps of Engineers to get Columbia River water into the Walla Walla sub-basin. The idea is to bring cool, pristine, clean waters in the Walla Walla.

Commissioner Barlow thanked Director Ward and Barry Norris, State Engineer, for attending a Malheur County Farm Bureau Annual Meeting and discussing the Integrated Water Resources Strategy.

He also observed that his second term with the Water Resources Commission is coming to an end; he has had some discussions with others about possibly taking his place. He also commented that he has enjoyed his time serving on the Commission and working with the staff of the Department.

C. Director's Report

Deputy Director, Tom Paul, reviewed the Director's Report with the Commission and responded to comments and questions.

D. Umatilla Basin Water Supply Update

Barry Norris, State Engineer, provided an update on the Governor's Columbia River-Umatilla Solutions Task Force (CRUST).

He reviewed the goal of the task force as: finding new water supplies that support salmon recovery in the Columbia Basin and fuel economic growth in the Umatilla Basin.

He discussed the options that were identified and discussed. The CRUST considered nearly 30 separate options, screening these options against four criteria: a) economic development impacts, b) ecological impacts, c) technical, legal, and political feasibility, and d) economic feasibility. The options fell under three basic strategies: 1) Developing additional water storage capacity; 2) Improving water management; and 3) Developing a stronger interstate approach to Columbia River Water. The CRUST was able to develop consensus for some of the options, following is a list of options where: 1) consensus was reached, 2) they were identified as high potential, and 3) they were recommended for implementation.

1. Consensus Options for Developing Additional Storage Capacity
 - a. Testing and Completion of the Stage I Umatilla Basin Aquifer Recovery Project
 - b. Wallowa Lake Dam Repair
 - c. Construction of Juniper Canyon Storage Reservoir
2. Consensus Options for Improving Water Management

- a. Leasing unused developed Washington water rights
 - b. Pilot Transaction for a Proposed Umatilla Basin Water Bank and Brokerage
 - c. Water conservation investments in Wallowa Basin
3. Consensus Options for Developing a Stronger Interstate Approach to Columbia River Water
- a. Agreements with State of Washington (and/or Idaho) to protect water conserved or stored in Oregon
 - b. Interstate discussions on potential joint investments in large storage sites
 - c. Develop Oregon institutional capacity and staffing to pursue regional agreements and potential interstate investments in water development projects.

The CRUST discussed how to move ahead with the projects that were identified as high potential and recommended that Oregon establish a senior-level position in the Oregon Water Resources Department budget for overall Columbia River planning, instream and out-of-stream water development, and interstate agreements to focus on the Umatilla Basin. The position would work closely with the Governor's Natural Resources office and Regional Solutions office, and would be a focal point for implementing the recommendations of the Columbia River-Umatilla Solutions Taskforce.

Finally, CRUST may be convened as needed during the 2013 Legislative Session. It will also meet subsequent to the 2013 Legislative Session in the early fall of 2013 to review progress on the workplan and consensus options, and revise any agreements as necessary. Once Executive or Legislative action is taken on the recommendations for long-term institutional capacity, it is envisioned that the CRUST will be replaced by an advisory group.

E. Process Improvement Update

Dwight French, Water Right Services Administrator, provided an update on the Department's process improvement efforts within the Water Right Services Division.

April Snell, Executive Director, Oregon Water Resources Congress, complimented Dwight on his work within the Water Right Layering process and said she looks forward to working cooperatively with the Department in the future.

F. Meet the Groundwater Advisory Committee Chair, Rob Turkisher

Ivan Gall, Groundwater Manager introduced the Chair of the Groundwater Advisory Committee.

Ivan used a Powerpoint presentation to demonstrate the roles and responsibilities of the Groundwater Advisory Committee. He introduced Rob Turkisher as the Committee Chair.

Rob Turkisher spoke to the Commission about his qualifications and experience.

Ivan closed with a few of the items that the Groundwater Advisory Committee has worked on recently, which included a review of the Deschutes Basin proposed water management rules and the Closed Loop Rules. He keeps the Committee informed of local groundwater issues, budget, and legislative issues.

G. Budget Update – 2013-15 Governor's Balanced Budget

Tracy Loudon, Administrative Services Administrator, provided an update on the development of the 2013-15 Governor's Budget, and he reviewed the Department's proposal to the Governor:

	IWRS		<i>Agency Request</i>	<i>Governor's Budget</i>	
			Total	Total	FTE
101-Water-Use Reporting Program	2b	GF	175,000	174,363	1.00
102-Instream Protections	3a, 11b	GF	368,129	366,856	2.00
103-Re-Institute the Measurement Cost Share Fund	2b	GF	50,000	40,000	-
104-Placed Based Planning - Template Development	9a	GF	250,000	-	-
105-Groundwater Data Collection and Integration	1b, 1c	GF	1,415,646	-	-
106-Surface Water Data Collection and Integration		GF	1,116,225	-	-
107-Metolius Modeling		GF	100,000	-	-
108-Water Right Management Fee	13b	OF	2,000,000	1,996,342	7.00
201-Implement IWRS	13a	GF	209,773	209,004	1.00
202-Conduct Basin Groundwater Investigations	1a	GF	250,000	250,000	-
203-Field Services (Wallowa & Klamath)	2c, 10	GF	343,430	342,333	1.83
204-Water Supply Development Program	10e	Mix	23,597,488	11,605,532	2.00
205-Water Development Loan Fund-Umatilla Project	10b	OF	11,061,191	11,061,191	-
206-Feasibility Study Grants	13c	Mix	1,301,385	992,489	0.50
207-Update Water Right Certificates with contact info	2d	OF	370,402	369,117	2.00
208-Extend Water Transaction Fee Schedule	13b	OF	1,000,000	996,211	7.00
209-Limited Duration Asst. Watermaster		OF	167,632	167,080	1.00
Total Policy Packages			43,776,301	28,570,518	25.33
091-Statewide Administrative Savings		Mix		(192,773)	
092-PERS Taxation Policy		Mix		(72,980)	
093-Other PERS Adjustments		Mix		(58,314)	
Total Statewide Packages				(324,067)	
Total Governor's Budget				65,971,911	159.42

He also reviewed the reductions that were taken in three statewide packages:

091- Statewide Administrative Savings: This package was included in all agency budgets as a placeholder for administrative efficiencies to be found in Finance, IT, HR, Accounting, Payroll, and Procurement activities. The Improving Government subcommittee of the Enterprise Leadership Team will be identifying proposed efficiencies or changes in the delivery of service to meet the funding level in the Governor's budget, and will work with individual agencies on the impact to their budget, along with reinvestment opportunities.

092-PERS Taxation Policy & 093-Other PERS Adjustments: These packages support policy changes that reduce the cost of the retirement program for state agencies. The changes include 1) a provision that non resident retirees will no longer receive the tax relief benefit; and 2) a proposal to reduce annual cost of living adjustments.

There being no further business, the meeting was adjourned.

Respectfully,

Brandi Elmer
Executive Assistant

Editors Note: The Powerpoint Presentations from both meeting days are now available online at:
http://apps.wrd.state.or.us/apps/misc/wrd_notice_view/Default.aspx?notice_id=23

**Water Resources Commission
Meeting
Salem, Oregon
February 8, 2013**

WRC Present

Charlie Barlow, Vice Chair
Carol Whipple
Jeanne LeJeune
John Roberts
Ray Williams

Staff Present

Phil Ward
Tom Paul
Brenda Bateman
Dwight French
Tracy Loudon
Doug Woodcock
Ruben Ochoa
Alyssa Mucken
Lauren Dennis
Cindy Smith

Others

Peggy Lynch
Patricia Farrell
Liz Redon
Kevin Brice
Eric Strickland
April Snell
Kristel Fesler
Monique Lopez
Lisa Brown
Brent Stevenson
Laurie Nicholas
Karan Reed

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Chair Barlow welcomed everyone to the meeting.

H. Integrated Water Resources Strategy (IWRS) Implementation

Brenda Bateman, Senior Policy Coordinator, Alyssa Mucken, IWRS Policy Coordinator, and Lauren Dennis, Intern shared IWRS work products so far, as well as next steps. An analysis of the Department's basin programs and lessons learned for place-based planning will also be discussed.

Lauren provided some information regarding IWRS Implementation Action Item 1.C, regarding inter-agency data collection, process and use in decision making. She discussed the need for collaboration and the importance of discussing the successes and areas that may need to be examined further.

Alyssa Mucken provided details regarding several IWRS Recommended Actions including moving into step 2 of the Bureau of Reclamation's basin study program and putting together a study proposal, due March 13, as part of the Willamette Basin Reservoir Study.

Brenda Bateman presented a report, regarding basin planning. She explained how basin programs began with HB 25 passing in 1955, establishing the authority for the Department to develop basin programs. She noted how authorizing statutes require the Department to take an integrated approach to basin planning. She discussed the need to update the basin plans, but also noted the need for staff time, public involvement and data for the basin plans to begin to be updated.

Alyssa Mucken said that there is funding in the Governor's Budget for an Integrated Water Resources Strategy Coordinator and within that position, place-based planning will be a function. She said that the Department is committed to working with other state agencies and partners to develop a template for place-based planning as

a first step. Priorities and commitments of the Department include: recognizing public interest in water, including a meaningful process for public involvement and a balanced representation of all interests, including complying with existing state laws and requirements. Full participation of state and federal agencies to guide stakeholders through the planning process is also an important step. She also discussed using some of the planning information from other states.

Brenda Bateman discussed opportunities for authorizing/funding a Water Supply Development Program, (Action 10. E of the IWRS). She discussed the lack of a formal water supply development program for the state of Oregon and said other neighboring states have long had those types of authorities in place, allowing the state to take an active role in the potential opportunities to purchase and re-sell stored water, as well as to invest in and develop new water resource projects. These opportunities are already apparent in the Columbia, Umatilla, Willamette, Rogue, Deschutes and other basins. Such water supplies could come from new multi-purpose storage projects (above and below ground), improved or expanded access to storage, water efficiency and water conservation, water re-use, water right transfers, or other actions that make more efficient use of partnerships, technology, data and funding resources.

She discussed some statutory authorizations in House Bill 2258 are proposed to allow the state to serve as an investor, broker, banker, and funder of water supply projects, benefiting both instream and out-of-stream needs. The Governor's Balanced Budget proposes \$10 million in bonds to finance such investment. Recommendations from the Columbia River-Umatilla Solutions Taskforce would serve as early action items for the program. The program would work in tandem with state, local, tribal, federal and private partners to determine needs, feasibility, funding and implementation of water supply development projects.

Brenda Bateman also discussed the Funding Water Resources Management at the State Level: Action 13.B. She discussed the efforts brought forward by the Water Resources Commission and the Governor's Office to develop a fee that would help to stabilize the Department's funding source. It was brought forward in the Department's Budget Package #108, which would authorize the receipt and expenditure of a water right management fee.

Patricia Farrell, City of Salem, and Liz Redon, North Santiam Watershed Council commented positively on place-based planning, and gave some feedback on a project they had been working on since 2009. They provided a handout to the Commission called "North Santiam Basin Collaborative Planning."

I. Update on the Willamette Basin Reservoir Study

Director Ward introduced Kevin Brice and Eric Strickland, from the U.S. Army Corps of Engineers as well as Tom Paul, Deputy Director, Oregon Water Resources Department. Kevin Brice introduced Laurie Nicholas, as part of his staff, U.S. Army Corps of Engineers. Kevin thanked the Department for inviting him and his team to join the Commission for the afternoon and thanked the Department for its cooperation and working relationship with the Corps.

Tom Paul, Deputy Director started off by talking about the fit between the reauthorization that is being looked at with the Corps and the Integrated Water Resources Strategy. Tom Paul updated the group on the Willamette Basin Reservoir Study and its operations.

Eric Strickland, U.S. Army Corps of Engineers, updated the Commission on the budget for the small scale study and said that for fiscal year 2013 the money is in place. He said that the budget for 2014 has not yet been released by the President.

Commissioner LeJeune asked for an update at the November Meeting, and Director Ward suggested that the U.S. Army Corps come back and present the results of the small scale study at that time.

J. Legislative Preview

Brenda Bateman gave the Commission an overview of the legislative process and calendar deadlines. She also let the Commission know that the Department's Budget will be in front of the Joint Ways and Means Natural Resources Subcommittee the week of March 25th. She updated the Commission on changes in legislative leadership for 2013.

The Department's water related bills are:

House Bill 2257 (Formerly LC 657) Authority to Change a Name on a Water Right Certificate

House Bill 2258 (Formerly LC 658) Establish a Water Supply Development Program

House Bill 2259 (Formerly LC 661) Water Right Transactions Fee Schedule – Remove Sunset

Senate Bill 217 (Formerly LC 659) Establish a Water Right Management Fee

Senate Bill 199 (Formerly LC 660) Split Season Leasing – Remove Program Sunset

Senate Bill 200 (Formerly LC 662) Split a Permit into Multiple Ownerships

The Department's budget bills are found in:

Senate Bill 5547, which appropriates money from General Fund to Department. Bonding money for water supply development is also in this bill.

Senate Bill 5506, which includes 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.

Commissioner Roberts asked for email updates throughout the session so that the Commissioners can stay informed.

Peggy Lynch, League of Women Voters of Oregon, commented on the new additions to the State of Oregon's Legislative Website and the OLIS system that is now in place, allowing citizens to stay up to date on legislative business.

K. Public Comment

There was no public comment.

L. Other Issues

There were no other issues to discuss.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Brandi Elmer
Executive Support