

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form.

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ARCHIVES DIVISION
SECRETARY OF STATE

Water Resources Department
Agency and Division

690
Administrative Rules Chapter Number

Rules Governing Grants and Loans for Water Supply Development.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Establishing Division 93 in OAR Chapter 690.

Statutory Authority:

ORS 541.651 - 541.696

Other Authority:

Senate Bill 839 (2013)

Statutes Implemented:

ORS 541.651 - 541.696

Need for the Rule(s):

The 2013 Legislative Assembly passed Senate Bill 839 which charged the Oregon Water Resources Department (OWRD) with developing rules to establish procedures and requirements for the funding of water resources projects having economic, environmental, and community benefits from the Water Supply Development Account. These rules are needed in order for OWRD to award loans and grants to qualifying water resources projects. Given the water challenges that Oregon faces, it is important for the state to have an active role in supporting water resources projects that will provide water for instream and out-of-stream purposes. These rules provide the process through which OWRD can support the development of water resources projects that provide social, economic, and environmental benefits to meet instream and out-of-stream needs.

Documents Relied Upon, and where they are available:

Senate Bill 839 (2013), available at: http://www.oregon.gov/owrd/docs/SB839/SB839_Enrolled.pdf

Senate Bill 839 (2013) Seasonally Varying Flows Task Force Report, available at: http://www.oregon.gov/owrd/docs/SB839/SVF_TF_Report_to_Gov_Leg_WRC.pdf

Senate Bill 839 (2013) Governance Task Force Report, available at: http://www.oregon.gov/owrd/pages/SB_839_Governance_Task_Force.aspx

Senate Bill 839 (2013) Science Sub-Task Force Report, available at: http://www.oregon.gov/owrd/docs/SB839/Science_Subgroup_2014_02_Report_Final.pdf

Senate Bill 839 (2013) Economic Sub-Task Force Report, available at: http://www.oregon.gov/owrd/docs/SB839/Economic_Subgroup_2014_02_Report_Final.pdf

Fiscal and Economic Impact:

The Department anticipates a positive fiscal and economic impact resulting from these rules. The program established by these rules is a voluntary program from which applicants can receive loans or grants for projects that have economic, environmental, and community benefits. The Department anticipates there will be a positive fiscal and economic impact to the communities in which these projects are located. These benefits could include job creation, increased economic activity due to enhanced infrastructure, farmland, public resource lands, industrial lands, commercial lands or lands having other key uses, enhanced economic value associated with tourism or recreational or commercial fishing, and increases in irrigated land for agriculture.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The proposed rules may impose moderate additional costs on state agencies relating to implementation of the program. The Oregon Water Resources Department anticipates that applicants will call on the services of state and local entities for regulatory and permitting processes. Additionally, the proposed rules include a number of different state agency representatives in the initial scoring and ranking of projects as members of the Technical Review Team. The state agencies affected will be the Water Resources Department, the Department of Environmental Quality, the Oregon Department of Fish and Wildlife, the Oregon Department of Agriculture, and the Oregon Business Development Department. The number of hours spent by members of the Technical Review Team will depend on the number of project

applications that go through the initial scoring and ranking process.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

The Department does not anticipate that any small businesses or types of business and industries with small businesses will be subject to these rules. These rules establish a voluntary process within which small business may apply for grants or loans out of the Water Supply Development Account. These rules do not impose any mandatory regulations upon small businesses or types of business and industries with small businesses.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

Since the proposed rules establish a voluntary process, they do not impose additional reporting, recordkeeping, or other administrative activities for compliance. If a small business were to voluntarily enter into this program in order to secure a loan or grant from the Water Supply Development Account, there would be reporting and recordkeeping requirements imposed. This program is completely voluntary, and no mandatory regulations are imposed as a result of this program.

c. Equipment, supplies, labor and increased administration required for compliance:

Again, since the proposed rules establish a voluntary process, they do not impose any requirement of additional equipment, supplies, labor, or increased administration for compliance. This program is completely voluntary, and no mandatory regulations are imposed as a result of this program.

How were small businesses involved in the development of this rule?

The Rules Advisory Committee convened to help formulate these rules included many stakeholders that represent small businesses. RAC members included representatives of the Oregon Farm Bureau, Special Districts Association of Oregon, Oregon Water Resources Congress, Oregon Association of Nurseries, Northeast Oregon Water Association, Oregon Cattlemen Association, Water for Life, Association of Oregon Counties, League of Oregon Cities, Confederated Tribes of the Umatilla Indian Reservation, City of Bend, The Freshwater Trust, WaterWatch of Oregon, Oregon Environmental Council, and The Nature Conservancy.

Administrative Rule Advisory Committee consulted?: Yes

If not, why?:

05-22-2015 5:00 p.m.	Joshua Spansail	joshua.a.spansail@wrdd.state.or.us
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address