



Oregon

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MEMORANDUM

TO: Water Resources Commission

FROM: Tracy Louden, Administrator for Administrative Services Division
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SUBJECT: Agenda Item E, November 19, 2015
Water Resources Commission Meeting

Water Resources Development Program Update

I. Introduction

Oregon's Water Resources Development Program provides funding and technical assistance to help address water resources challenges. During this agenda item, staff will provide updates on progress being made in key areas of the program: Place-Based Integrated Water Resources Planning, Feasibility Study Grants, Water Supply Development Grants & Loans, and the Water Development Loan Fund. An overview of efforts in the Umatilla Basin will also be provided.

II. Background

As called for by Oregon's 2012 Integrated Water Resources Strategy, the Department's Water Resources Development Program seeks to help individuals and communities address instream and out-of-stream water resources needs now and into the future. At the September Commission meeting, the Department reported that a number of initiatives were moving forward based on funding and new staff resources provided for the 2015-17 Biennium. This report specifically addresses four key areas which have grant and/or loan funds as follows:

Description	Amount
Place-Based Planning Grants	\$0.75 million
Feasibility Study Grants	\$2.77 million
Water Supply Development Grants and Loans	*\$14.00 million
Water Development Loan Fund	\$30.00 million
Umatilla Basin Project	\$11.00 million

**Uncommitted funds including carry-forward from 2013-15.*

Although not addressed in this report, the Department also received \$1 million for Mosier Creek area well remediation. Staff will report on the status of the work in Mosier at a future meeting.

III. Place-Based Planning Grants

Recommended Action 9A of the 2012 Integrated Water Resources Strategy (IWRS) calls for undertaking a place-based approach to integrated water resources planning. In 2015, the Department received \$750,000 in grant funds from the Legislature to pilot this approach. The Department began soliciting letters of interest on October 8th. The Department distributed the announcement via multiple mailing lists and to interested partners and stakeholders.

Staff have been promoting the Water Resources Development Program funding opportunities, including place-based planning grants, at appropriate events. Since the grant solicitation was announced, staff have responded to over 35 inquiries from individuals or organizations in 13 different administrative basins representing cities, counties, watershed councils, irrigation districts, non-governmental organizations, water districts, and community-based organizations. Letters of interest are due to the Department by December 7, 2015. Letters of interest will be reviewed internally as well as by an inter-agency review team that is currently being assembled. The Department intends to make funding recommendations for consideration by the Commission at the February 2016 meeting.

Feasibility Study Grants

During Agenda Item F, the Department will make funding recommendations for feasibility study project applications submitted in July. Feasibility Study Grants continue to generate interest by parties seeking to conduct studies to assess the viability of water conservation, storage, or reuse projects. The Department is currently accepting applications until February 1, 2016, with plans to bring funding recommendations to the Commission in May 2016. Staff have responded to nearly two dozen inquiries: five regarding above-ground storage, four for below-ground storage, eight for conservation, and three regarding reuse.

Water Supply Development Grants and Loans

The Department is accepting applications through January 18, 2016, for its first cycle of Water Supply Development Grants and Loans (SB 839). Public comments will be solicited February-March, followed by scoring and recommendations by a Technical Review Team in April. The Commission will consider the recommendations and public comments, making funding decisions at the May 2016 meeting.

Department staff have received over 30 inquiries for municipal, agricultural, and instream projects since the open solicitation period was announced in August of this year. In order to encourage an exchange of information that may help interested parties determine whether to submit an application, staff continue to respond to inquiries and contact those who have expressed interest in the past. The Department will report on applications received at the February 2016 Commission meeting.

Water Development Loan Fund

The Umatilla Basin has expressed interest in applying for financing from the Water Development Loan Fund in the amount of \$22 million later in the biennium. Staff are preparing information for the February meeting of the Commission to map the processes for providing water project financing with this program.

Umatilla Basin Project

The 2015 Legislature authorized the issuance of \$200 million of lottery revenue bonds in HB 5005, of which \$11 million was authorized for the Umatilla Project. In order to maximize lottery funds for the 2015-17 biennium, the bonds are scheduled to be issued in the spring of 2017. A number of projects, including the Umatilla Project, have expressed a desire to begin sooner than 2017. Legislators may be asked during the 2016 Legislative Session to make funds available sooner to allow certain project to move forward at an earlier date. Staff will keep the Commission updated on these developments as they occur.

IV. Conclusion

With resources provided by the Oregon Legislature, the Department now has funding opportunities to help communities with integrated water resources planning, feasibility studies, and the implementation of water resources projects. In addition, the Water Resources Development Program staff also provide technical assistance to Oregon communities and will increase those efforts as new positions are filled.

The Water Resources Commission will play an active role in the distribution of all of these funds, and can expect to see a series of staff funding recommendations and reports brought before the Commission during the 2015-2017 Biennium.

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