



MEMORANDUM

TO: Water Resources Commission
FROM: Racquel Rancier, Senior Policy Coordinator *RR*
SUBJECT: Agenda Item D, May 19, 2016
Water Resources Commission Meeting

Legislative Update: 2017 Legislative Concept Development

I. Introduction

The Department has been working with stakeholders to develop its legislative concepts for the 2017 Legislative Session. During this agenda item, staff will provide the Commission with information on the legislative concepts.

II. Background

Legislative concept development for the 2017 Legislative Session began in January, with the Department holding several meetings with stakeholders to seek input on the proposals.

As reported at the February Commission meeting, the Department was required to submit concept requests to the Department of Administrative Services (DAS) by April 15, with the opportunity to submit information on placeholders through June 24.

DAS and the Governor's office review the requests and determine whether or not to approve the concepts for drafting. If approved for drafting, the Department will work with Legislative Counsel to develop the bill language. The concepts must be finalized and filed with DAS in November. DAS will pre-session file all concepts by December 9.

III. Legislative Concepts

Currently, the Department has four legislative concepts. A summary and status of each concept is included below:

Drought – This legislative concept is being put forward so that a bill will be available in the event that the Task Force on Drought Emergency Response identifies recommendations that require legislation. The Task Force was established by the Legislature through HB 4113 during the 2016 Session.

Water Right Transactions Fee Schedule – Supports IWRS Recommended Action 13.B

In 2017, the Department's fee schedule for water right transactions is scheduled to sunset and revert back to 2009 levels, while costs are expected to increase over the next two biennium. This will result in reductions to the Water Rights Section's current service level, impacting the Department's ability to process water right transactions. This legislative concept proposes to increase water right transactions fees to maintain the Department's current service level.

Well Construction – Supports IWRS Recommended Action 7A

Improperly constructed wells pose a serious threat to Oregon's groundwater resource. A miss-constructed, poorly maintained, or improperly abandoned well can result in water-level declines, contamination of drinking water, and public safety hazards. Well inspection and enforcement is critical to ensure that wells are constructed, maintained, and abandoned in an appropriate manner.

As of the writing of this report, the proposals in this concept are still under discussion. The proposals under consideration include:

- (1) The current bond of \$5,000 for a landowner and \$10,000 per well constructor is inadequate to bring wells into compliance with construction standards. This proposal would raise the bond level for landowners to \$10,000 and well constructors to \$20,000. Well Construction Bonds provide funds for the correction and/or abandonment of miss-constructed wells where voluntary compliance with the landowner or well constructor cannot be achieved.
- (2) Increase the cost of a permit for a landowner to drill their own well from \$25 to \$225 to better reflect the time and cost to the Department of reviewing and approving the permit and well construction design, supervising the seal placement, inspecting the well, assisting with the well log report.
- (3) Establish a fee for the special standards. Reviewing, researching and processing special standards is time-consuming and technical in nature, sometimes requiring multiple consultations and site visits. These reviews are currently subsidized by start card fees and can take days or weeks to process depending on the number of wells, type of request, and history of the site.

Klamath – Supports IWRS Recommended Action 9.C

Given the dynamic nature of Klamath water issues, the Department has a placeholder that could be used to address matters that arise. This concept will be pulled if the Department does not identify any issues that require legislation.

IV. Conclusion

State agencies have begun developing legislative concepts and will need to work towards finalizing concepts in the coming months. The Department will continue to work with stakeholders to attempt to address concerns prior to the start of the 2017 session.