

Water Resources Commission Meeting
Newport, Oregon
May 19, 2016

WRC Present

John Roberts, Chair
Ray Williams, Vice-Chair (Phone)
Bob Baumgartner
Bruce Corn
Jeanne LeJeune
Carol Whipple

Staff Present

Tom Byler
Doug Woodcock
Cindy Smith
Racquel Rancier
Kim Ogren
Harmony Burright
Steve Parrett
Dwight French
Ivan Gall
Brenda Bateman
Tracy Louden
Jon Unger
Becky Williams

Others

Kimberley Priestley
Gordon Lyford
Lauren Smith
Craig DeHart
Janet Neuman
Lauren Reese
Mark Landauer
Tia Cavender
Tim Gross
Amber McKinney
Caylin Barter
Davie Bielenberg
Wade Peerman
Anna Shevlin
Sue Baumgartner
Chris Augustin

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. Staff reports and PowerPoint presentations are available on the Department's website.

Chair Roberts called the meeting to order, and asked the Commission and audience to introduce themselves.

**A. Feasibility Study Grants (Water Conservation, Reuse and Storage Grant Program)
Funding Recommendations**

Tracy Louden, Administrative Services Division Administrator; Jon Unger, Grant Coordinator; and Kim Ogren, Water Resource Development Program Coordinator, briefed the Commission on grant funding recommendations for the second 2015-17 grant cycle of the Feasibility Study Grants.

Commissioner Corn asked if the Department was adequately staffed to oversee all of the recommendations if funded. Kim Ogren answered yes, the Department is prepared to give guidance and oversee that grantees are doing the work they committed to do.

Director Byler added that the Department will be paying close attention to how funded grants are being managed, and listen to stakeholders and the grantee communities to make sure we are providing the level of service necessary for success.

Commissioner Corn hopes that the Department ensures that monies are used in the manner proposed, and the Commissioner can state that funds are used appropriately.

Janet Neuman, Tonkin Torp, representing 12 clients who are dry land farmers near Silverton, explained her clients' opposition to the proposal for funding the Drift Creek Water Supply Development proposal requested by the East Valley Water District, because they plan to obtain land owned by others outside of that district by the process of condemnation.

Lauren Reese and Dave Bielenberg, East Valley Water District, expressed gratitude to the Department and Commission for support of their project in the past, and provided testimony about the project and its history.

The Commission discussed the Drift Creek Water Supply Development proposal further, with Neuman, Reese and Bielenberg responding to several Commission questions.

Commissioner LeJeune asked if the Department had a template to guide applicants on the order for conducting feasibility studies.

Kimberley Priestley, WaterWatch of Oregon, urged the Commission to not fund the grant request from East Valley Water District because WaterWatch does not believe that it meets the criteria of benefits for economic, social and environmental, and it has already received over \$1 million of State funds.

Lauren Smith, Oregon Water Resources Congress, expressed support for the East Valley Water District feasibility study.

Tim Gross, City of Newport, responded to funding questions from the Commission. He also stated that it would be helpful if the Grant Guidance more clearly defined the definition of “same project” so the City of Newport could structure their application accordingly.

Caylin Barter, Fresh Water Trust, spoke in support of the Water Resources Development Program, the Upper Catherine Creek Conservation Feasibility Study, and the Lostine River Conservation Project Implementation Funding request.

Commissioner Baumgartner asked to recuse himself from voting on the Sterling Park Stormwater Recharge project, as it is an application from his employer. He also agreed with the public comments and had concerns about the Drift Creek application.

Commissioner LeJeune appreciated the staff work, and stated that she filters all decisions on these funding projects through the lens of the IWRS. She expressed serious concerns about the Drift Creek proposal.

Commissioner Whipple stated that she supports the Department’s recommendations with the exception of the Drift Creek proposal.

Commissioner Corn expressed concerns about the Drift Creek project, and would need more information to support it.

Commissioner Williams also had concerns about the Drift Creek project. Williams would like to see analysis of peak and ecological flows a requirement of approving the County Line Recharge request. Chair Roberts had the same concerns as the rest of the Commissioners.

Commissioner LeJeune moved to adopt modified funding recommendations to fund all of the projects with the exception of County Line Recharge, Drift Creek Water Supply, and Sterling Parking Stormwater Recharge projects. Seconded by Commissioner Corn. Voting for the motion: Commissioners Baumgartner, LeJeune, Corn, Williams, Whipple, and Roberts. Voting against the motion: none.

Commissioner Williams moved to approve the funding recommendation for the County Line Recharge Project with the condition outlined on page 29, item number 4 of the staff report, that it must include a study of peak and ecological flows. Seconded by Commissioner Baumgartner. Voting for the motion: Commissioners Baumgartner, LeJeune, Corn, Williams, Whipple, and Roberts. Voting against the motion: none.

Commissioner Corn moved to approve the funding recommendation for the Sterling Park Stormwater Recharge Project. Seconded by Commissioner Whipple. Voting for the motion: Commissioners LeJeune, Corn, Williams, Whipple, and Roberts. Voting against the motion: none. Commissioner Baumgartner recused himself.

B. Water Project Grants and Loans – Funding Recommendations

Tracy Loudon, Administrative Services Division Administrator; Jon Unger, Grant Coordinator; and Kim Ogren, Water Resource Development Program Coordinator, presented the Commission with funding recommendations for the 2016 funding cycle of Water Project Grants and Loans.

Commissioner LeJeune expressed concerns about the ranking process and the role of the Commission, and the best way to get all necessary information to the Commission before a decision has to be made.

Director Byler agreed that a process discussion should happen. During the first round, the Department was concerned about providing too much and overwhelming the Commissioners.

Chair Roberts said that Commissioners will have a higher comfort level with decisions as they gain a better understanding of the criteria and the process.

Craig DeHart, from Middle Fork Irrigation District, representing the project ranked #10, described the letters of support for the project and the matching funds available. He felt this project is just as strong as the projects recommended for funding and asked for consideration to include the top 10.

Commissioners discussed and asked questions about the cut off of projects recommended for funding. The Commission stated they would like to have more conversation about the process and see more detail in the reports.

Lauren Smith, Oregon Water Resources Congress, noted OWRC's history of support for this program, but wanted to see a more transparent process, and would have liked the Department to spend more funds during the first round. She also spoke of the project that ranked #10 and asked it be approved for funding.

Commissioner Whipple moved to approve funding the nine recommendations as presented in the staff report. Seconded by Commissioner Baumgartner. Voting for the motion: Commissioners Baumgartner, LeJeune, Corn, Whipple and Roberts. Excused: Commissioner Williams. Voting against the motion: none.

D. Legislative Update: 2017 Legislative Concept Development

Racquel Rancier, Senior Policy Coordinator, briefed the Commission on potential legislation for the 2017 Legislative Session, provided updates on changes and actions since the last Commission meeting, and responded to questions.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Lorri Cooper
Executive Administrative Support to the Director's Office

Water Resources Commission Meeting
Newport, Oregon
May 20, 2016

WRC Present

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Bruce Corn
Carol Whipple
Bob Baumgartner
Jeanne LeJeune

Staff Present

Tom Byler
Cindy Smith
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Brenda Bateman
Ivan Gall
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Chair Roberts called the meeting to order and asked the Commission members and audience to introduce themselves.

C. Budget Update – 2017 Budget Development

Tracy Louden, Administrative Services Division Administrator, and Racquel Rancier, Senior Policy Coordinator, briefed the Commission on budget development, and proposed packages. Commissioners asked questions, and provided comments in support of the packages.

Commissioner LeJeune and Chair Roberts urged the Department to pursue a Water Management Fee if it finds itself in a position of deep budget cuts.

E. Approval of Minutes

The minutes of the February 25 and 26, 2016 meeting, and the April 13, 2016 teleconference, were offered to the Commission for consideration.

Commissioner Corn moved to approve the February 25 and 26, 2016 minutes as presented. Seconded by Commissioner Whipple. Voting for the motion: Commissioners Roberts, LeJeune, Whipple, Corn, and Baumgartner. Excused: Commissioner Williams. Voting against the motion, none.

Commissioner Whipple moved to approve the April 13, 2016 minutes as presented. Seconded by Commissioner LeJeune. Voting for the motion: Commissioners Roberts, LeJeune, Whipple, Corn, and Baumgartner. Excused: Commissioner Williams. Voting against the motion, none.

F. Commission Comments

Commissioner Whipple saw a fire in an active logging unit, prior to the official beginning of fire season, and commented on the warmer weather, increased danger, and cost. She noted that it is important for the Commission to see different areas of the state to help make better decisions on water policy.

Commissioner Corn commented on the good snowpack in the east and that the Owyhee Reservoir didn't fill fully but was higher than the recent past. There were also good rain events in the area recently, and all acres were in production. Projects are still moving forward thanks to grants from OWEB and WRD. Corn has been Hearings Officer on two different occasions recently. He has heard great feedback at these events about staff being out in the field, working with the public, and that local people are being heard and taken seriously.

Commissioner Baumgartner commented on the warmer weather and increased irrigation needs occurring earlier than in past years, making it increasingly harder to predict water demands. He also was very interested in the infrastructure discussion on the tour, and that communities not only have issues with water supplies, but also moving water around.

Commissioner LeJeune stated that she sees an increasing demand for more grant funding programs for infrastructure and capital improvements. She noted that communities should be encouraged to plan and save to have funds to help qualify for grants. She encouraged the Department to really get to know its applicants and their needs and abilities when evaluating funding requests.

As the Environmental Quality Commission (EQC) liaison, LeJeune reported that Department of Environmental Quality (DEQ) Director Dick Peterson retired, and Pete Shephard will serve as the Interim Director, while a nationwide search is conducted. There are two significant air quality problems in the Portland area, and they are trying to understand where the toxins are coming from. A task force has been appointed to look at the backlog of water quality permits.

EQC has been petitioned to designate the North Fork of the Smith River and its tributaries and associated wetlands as an Outstanding Resource Water. DEQ is currently in rulemaking. LeJeune asked for more information and if the Department had any role in that issue.

Commissioner Baumgartner talked about policies pertaining to permitting processes and reducing backlogs.

Director Byler said that Agenda Item G will address some of the issues with the Smith River. It is the Department's desire to communicate in such a way to avoid confusion with the different rulemakings.

Chair Roberts reported that Medford Irrigation District is looking at 60-70 percent of normal releases, and that it will be an early irrigation season. The WISE project has formed a governance structure and the Cost-Benefit Analysis is due in 2016. He noted that he participates on the Southern Oregon Regional Solutions Team and the variety of issues is very interesting. Oregon Watershed Enhancement Board met in LaGrande in April, and funded \$10.86 million in Restoration, Monitoring and Acquisition Grants, in addition to \$13.7 million in Focused Investments, \$13 million in Operating Capacity Grants, and \$4 million for Sage Grouse Restoration.

G. Director's Report

Director Byler briefed the Commission on Department business. He also noted that the Department continues to work on the NOWA project.

H. Reservations: Preview of Basin Program Rulemakings

Brenda Bateman, Technical Services Division Administrator, briefed the Commission on reservation extensions, and the upcoming Basin Program Rulemakings.

Chair Roberts asked if the basins discussed in the staff report are the extent of the reservations, or if there will be more. Bateman said several are further out that will need to be addressed in the coming years.

I. Willamette Basin Review Feasibility Study

Alyssa Mucken, IWRS Coordinator, briefed the Commission on the Willamette Basin Review Feasibility Study and the current status of the reallocation project.

Commissioner Whipple encouraged the Department to keep a close pulse on public comment and ensure all areas of the basin are encouraged to comment.

Commissioner LeJeune asked if the Federal delegation is aware of the changes that will require Congressional approval. Mucken described different ways Federal legislators were being informed. LeJeune encouraged the Department to keep politicians aware of the Study and the future decisions they will need to make.

J. 2017 Update to Oregon’s Integrated Water Resources Strategy

Alyssa Mucken, IWRS Coordinator, briefed the Commission on efforts to develop the 2017 Update to the Integrated Water Resources Strategy, including an overview of the Policy Advisory Group meeting, and the upcoming Open Houses.

K. Update on Water Supply Conditions & Implementation of Drought Executive Order 15-09

Alyssa Mucken, IWRS Coordinator, briefed the Commission on water supply conditions and implementation of the Governor’s Drought Executive Order.

L. Public Comment

Gordon Lyford, Wild Rivers Water Rights in Josephine County, stated that he is the petitioner on the Outstanding Resource Waters designation in front of the EQC for the Smith River. He explained that it is a water quality issue under the Clean Water Act, and discussed why he was petitioning for this designation. He thinks this designation is complimentary to the designation that the Department is involved with.

Lyford also expressed concerns about recreational marijuana grow operations, the damage to his area by growers, and illegal uses of water.

Commissioner LeJeune asked how one would monitor or enforce excess use of exempt use wells. Deputy Director Doug Woodcock explained that most situations are complaint driven through the local watermaster with the assistance of the State Police when necessary.

LeJeune said the voters in the area will need to vote for more financial support to the local government if they want to have more support.

M. Other Business

None.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Lorri Cooper
Executive Administrative Support to the Director’s Office