

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

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Water Resources Department
Agency and Division

690
Administrative Rules Chapter Number

Procedures for Extending Reservations of Water for Economic Development

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

In the Matter of:

Amending OAR 690, Division 079 to Establish Procedures for Extending Reservations of Water for Economic Development

Statutory Authority:

ORS 536 and 537

Other Authority:

Statutes Implemented:

ORS 536.220; 536.310; 537.249; 537.356; 537.358

Need for the Rule(s):

A reservation of water for future economic development sets aside a quantity of water for storage to meet future needs. The existing OAR 690, Division 079 rules, which outline procedures to establish and extend reservations were last amended in 1992 and 1993. However, the statutes governing reservations were amended in 1995 and 1997. As a result, the Division 079 rules are inconsistent with changes in statute that led to the establishment of reservations through a process different than the process outlined in the rules. A number of reservations are set to expire over the next few years; therefore, these Division 079 rules are intended to clarify the process the Department will follow in considering requests to extend reservations.

Documents Relied Upon, and where they are available:

Status of Reservations and Adoption of Temporary Rules,
Report to the Nov. 19, 2015 Water Resources Commission meeting
http://apps.wrd.state.or.us/apps/misc/vault/vault.aspx?Type=WrdNotice¬ice_item_id=6542

Fiscal and Economic Impact:

A reservation of water for future economic development sets aside a quantity of water for storage for future use. A reservation of water does not in itself provide economic benefits to a community; however, it does provide the opportunity to develop water for economic development in the future. If reservations were to expire, future opportunity to develop water under the reservation would be foreclosed. These rules provide the procedures for considering extensions; therefore, there are no direct economic or fiscal impacts, aside from the costs incurred by an applicant and parties interested in developing the reservation to prepare an application to extend the reservation.

Statement of Cost of Compliance:

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

Amendments to the rules establish requirements to extend reservations. As a result, state agencies, units of local government, and members of the public that are interested in seeking extension of a reservation may incur costs to prepare the extension application. Costs will also vary based on whether the applicant needs to consult with other entities. Costs cannot be quantified because they will depend on the applicant's ability to use existing information, and whether the applicant has tracked the requested information.

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:

Reservations of water for multipurpose storage could benefit industries related to agriculture, water recreation, fisheries, industry, power generation, and potentially others. Small businesses are not subject to the rule, as applications to extend a reservation must be submitted by the original applicant, which has historically been state agencies, or entities representing local government. If small businesses seek to participate in the extension process by providing information to the applicant, they may incur costs associated with providing information about the need to extend the reservations and efforts undertaken to develop them. The Department cannot estimate the number of small businesses, because it cannot determine if any would participate.

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

The rules require an applicant to provide information on the need for the reservation and efforts to undertake development of the reservation. To the extent the applicant consults with small businesses that may seek to utilize a reservation, these small businesses could incur costs to provide information. However, this participation is not required by the rule. Potential costs cannot be estimated because the Department cannot predict the extent that small businesses will undertake and have information on water development efforts under a reservation, and whether such businesses that provide information will require additional time to prepare such information.

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

The Department does not anticipate increased costs for small businesses.

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

The Department sought input from its rules advisory committee, which included representatives from Oregon Cattleman's Association, Oregon Water Resources Congress, and Oregon Farm Bureau as well as the Burnt River Irrigation District. These organizations represent agricultural businesses. Individual members of these organizations include small businesses.

Administrative Rule Advisory Committee consulted?: Yes

If not, why?:

<u>03-04-2016 5:00 p.m.</u>	<u>Diana Enright</u>	<u>diana.m.enright@wrд.state.or.us</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address