



Oregon

Kate Brown, Governor

Water Resources Department

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MEMORANDUM

TO: Water Resources Commission

FROM: Racquel Rancier, Senior Policy Coordinator *RR*
Lisa Snyder, Administrative Services Division Administrator *LS*

SUBJECT: Agenda Item C, June 14, 2018
Water Resources Commission Meeting

Legislative and Budget Update

I. Introduction

This report provides an overview of the efforts underway to prepare for the 2019 Legislative Session, including the status of budget proposals and legislative concepts.

II. 2019 Legislative Concepts

Proposals for legislative concepts were due to the Department of Administrative Services (DAS) on April 13 for the 2019 Legislative Session. Once approved by the Governor's Office, DAS submits the legislative concepts to Legislative Counsel for drafting. Placeholders were to be submitted to DAS by June 8, with DAS submitting approved requests to Legislative Counsel for drafting by July 9.

The Department submitted three legislative concepts for the 2019 Legislative Session, as outlined below.

Extending the Sunset on Place-Based Planning – The statutory authorization to provide grants for place-based integrated water resources planning sunsets in 2019. The Department anticipates that the four communities piloting place-based planning will need additional funding. This legislative concept proposes to extend the sunset to 2023. See draft language in Attachment 1.

Transfers of the Purpose/Character of Stored Water – During the 2018 Session, the Department determined that its authority may be unclear to transfer primary storage rights. The Department has allowed for changes to rights to store water in the past, with changes in the purpose/character of the stored water being common. The Department understands that changes in the purpose of the primary storage right are important and necessary; therefore, this legislative concept proposes to provide the Department with clear authority to allow for changes in the purpose for which the water is stored under a primary storage right. The Department submitted this legislative concept as a placeholder, while it further evaluates its authorities. If the Department determines that this legislation is not needed, it will not be filed in December. See draft language in Attachment 2.

Dam Safety – Oregon's Dam Safety Statutes have not been comprehensively updated since 1929. Since these statutes were written, there have been major advances in dam design, rehabilitation technology, and emergency planning standards to protect people living downstream from dams.

There has also been a major change in the understanding of risks to dams, especially from extreme floods, earthquakes, and internal erosion. The Federal Emergency Management Agency and Association of State Dam Safety Officials provide model dam safety authorities to establish best practices across the states and protect the public from dam failures. Federal funding for the dam safety program requires that states make progress on establishing statutes that provide sufficient authority and resources to prevent the loss of life, property and disruptions that can occur when a dam becomes unsafe. This legislation would propose a comprehensive modernization to improve dam safety in Oregon and better protect lives and property that could be affected if a dam were to fail. This concept was submitted as a placeholder. See draft language in Attachment 3.

III. 2019 Budget Development

The Department recently completed the Current Service Level budget for 2019-21 to determine the level of funding necessary to continue services as authorized by current law, building in items such as inflation and other cost increases.

Since the discussion with the Commission in March, Department staff have been working on refining budget packages, incorporating input from stakeholders, staff, and the Commission. The final numbers for budget packages must be submitted to the Department of Administrative Services no later than June 28. A draft list of the agency budget packages is provided in Attachment 4.

The Department also submits a ranking of program priorities with the Agency Request Budget. A draft of the Department's proposed program priorities is shown in Attachment 5.

IV. Conclusion

The Department is continuing work on budget and legislation proposals for the 2019 legislative session. Although the final budget numbers are to be submitted at the end of June, the Department has until August 1 to submit the Agency Request Budget document.

Attachments:

1. Place Based Planning Legislative Concept
2. Transfers of Stored Water Placeholder Legislative Concept
3. Dam Safety Legislative Concept
4. Draft Table of 2019 Agency Request Budget Proposals
5. Draft 2019 Program Prioritization

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WRD Legislative Concept Draft
2019 Regular Session
Agency #/Concept #: 69000-001
Agency: Oregon Water Resources Department
Concept Subject or Title: Extending Place-Based Planning
Concept Contact Person: Racquel Rancier

Relating to place-based integrated water resources strategies

FOR REFERENCE:

Section 2, chapter 780, Oregon Laws 2015, provides:

Sec. 2. (1) As used in this section, "place-based integrated water resources" means waters that are from sources within a single drainage basin or within an area that is a subset of a single drainage basin.

(2) The Water Resources Department may issue grants from available moneys to facilitate the preparation of place-based integrated water resources strategies that are consistent with state laws concerning the water resources of this state, state water resources policy and department requirements. The department may issue grants under this subsection to:

- (a) A person;
- (b) A public body as defined in ORS 174.109; or
- (c) An Indian tribe.

(3) The department may enter into contracts or agreements with, and provide technical assistance and information to, a person, a public body as defined in ORS 174.109 or an Indian tribe for the development of place-based integrated water resources strategies.

(4) Place-based integrated water resources strategies described in subsections (2) and (3) of this section must:

- (a) Be developed in collaboration with a balanced representation of interests;
- (b) Balance current and future in-stream and out-of-stream needs;
- (c) Include the development of actions that are consistent with the existing state laws concerning the water resources of this state and state water resources policy;
- (d) Facilitate implementation of local solutions;
- (e) Be developed utilizing an open and transparent process that fosters public participation; and
- (f) Be developed in consultation with the department.

(5) The Water Resources Commission may adopt rules for the administration of this section.

LC LANGUAGE:

SECTION X: Section 3, Chapter 780, Oregon Laws 2015, is amended to read:

Sec. 3. (1) Section 2 of **Chapter 780, Oregon Laws 2015**, ~~this 2015 Act is repealed July 1, 2019~~July 1, 2023.

(2) The repeal of section 2 of **Chapter 780, Oregon Laws 2015**, ~~this 2015 Act~~ does not affect any rights or responsibilities established in a grant, contract or agreement made under section 2 of **Chapter 780, Oregon Laws 2015**, ~~this 2015 Act~~ prior to July 1, 2019~~July 1, 2023.~~

SECTION . This 2019 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect on its passage.

**WRD Legislative Concept Draft
2019 Regular Session**

Agency #/Concept #: 69000-003

Agency: Oregon Water Resources Department

Concept Subject or Title: Transfers of Character of Stored Water

Concept Contact Person: Racquel Rancier

Relating to the change in the type of use of a right to store water.

Section 1. Definitions

As used in Sections 2 to 5 "storage right subject to transfer" means a right to store water that is evidenced by:

- (a) A water right certificate
- (b) An adjudication under ORS chapter 539 as evidenced by a court decree;
- (c) A storage permit for which a request for issuance of a water right certificate under ORS 537.250 has been received and approved by the Water Resources Commission under ORS 537.250; or
- (d) A transfer application for which an order approving the change has been issued under ORS 540.530 and for which proper proof of completion of the change has been filed with the Water Resources Commission.

Section 2. Transfers of Storage: Character of Stored Water

(1) If the holder of a storage right subject to transfer desires to change the purpose for which water is stored the holder shall file an application with the Water Resources Department to make such change. The application shall contain the information in subsection 2. The Department and applicants shall comply with the requirements for transfer under ORS 540.520 (4) to (7), ORS 540.525, and ORS 540.530.

(2) The application required under subsection (1) of this section shall include:

- (a) The name of the holder of the storage right;
- (b) For a change in the purpose of storage, the previous purpose and the proposed purpose for which the water is stored;
- (c) A description of the location of the reservoir and current storage capacity;
- (d) The reasons for making the proposed change;
- (e) Evidence as the Commission may describe in rule that the water subject to the right has been appropriated and stored at least once in the past five years according to the terms and conditions of the owner's storage right;
- (g) The fee as required in ORS 536.050; and
- (g) Any other information as required by the Water Resources Department

(3) When an application for a change of the purpose for which water is stored of a right to store water is submitted in accordance with this section, the applicant shall indicate whether the right to store water is a supply of water for a secondary water right to use stored water. If the proposed change in the purpose of a right to store water is inconsistent with existing uses of secondary rights to use the stored water, the department shall return the application or deny the application unless the applicant modifies the application to be consistent with existing and proposed secondary uses. If the holder also intends to apply to transfer the secondary right, the holder shall include a separate application as required under ORS 540.520 for the secondary water right.

OVERVIEW OF 2019 DAM SAFETY LEGISLATIVE CONCEPT
DRAFT FOR DISCUSSION PURPOSES

The Department has been working on developing a comprehensive modernization of the dam safety statutes to better protect lives and property that could be affected if a dam were to fail. This document provides an overview of the issues that this legislative concept proposes to address. *The Department is continuing to seek feedback on this proposal and all items are subject to change.*

Policy Statement: Adds statement that it is the policy of the State to protect the public through a program to review and evaluate the safety of dams that may pose a risk to people and property if the dam were to fail.

Oversight of dikes, ditches, and other hydraulic structures or works / Federal Dams: The Department's focus has been on the regulation of dams that are not already regulated by a Federal dam safety program, and not on dikes, ditches or other hydraulic structures. The LC would clarify that the regulatory focus is on dams not under the purview of a Federal dam safety program. For other hydraulic structures, it would allow the Department to provide technical assistance to owners, as well as assist after an emergency, but remove regulatory provisions.

Water and wastewater: The Department routinely reviews and approves engineers' designs for water and wastewater storage dams, as well as oversees inspections of such dams. The LC provides clarity in statute on this role.

Statutory Cleanup and Organization: The legislative concept will reorganize the statutes to make them more understandable, as well as address inconsistencies that have developed over time. In addition, the LC proposes to differentiate between the work of the Department and the work of the Commission.

Dam Safety Review: The process for approval of a dam includes first submitting information to approve beginning construction, and then final documentation showing that the dam was actually constructed according to those plans. The LC requires modifications of dams to also go through this process, and establishes a fee for all reviews. It clarifies that water or wastewater cannot be impounded until the final documentation has been approved, with exceptions for modifications to be adopted in rule.

Inspections Orders to Repair, Compliance with Orders: In order to require repairs at a dam, the current statute requires the Department to issue a notice to the owner and automatically set a hearing. This is a time consuming process that may unnecessarily add the costs of a hearing for the Department and the dam owner. The Department also lacks tools to obtain compliance on maintenance issues that need to be addressed to keep the dam in good condition to prevent it from becoming unsafe. In addition, there is no separate process to work voluntarily with dam owners to address issues such as seismic safety, without going through the enforcement process. To address these issues, the Department is proposing to modify the statutes to create the following processes:

1. Inspections: Owners to provide access for inspection. WRD follows up with notice of findings after inspection.
2. Maintenance Issues: If maintenance issues identified in previous inspection notices continue to be neglected (such as removing trees and burrows), the Department may issue a final order setting a timeframe to address the maintenance issues. If the owner fails to address the issue, the Department may then issue a notice of violation concurrently with a civil penalty. If the owner addresses the issue within the timeframe in the notice of violation, the civil penalty will not be assessed. The owner may also request a contested case hearing to dispute the notice of violation and civil penalty.
3. Potentially Unsafe Dams: These are structures that are safe in terms of regular operations, but are potentially unsafe because they may not be able to withstand internal erosion, or an event, such as a

flood or earthquake. The LC proposes to allow these structures to go through a cooperative process, setting reasonable timeframes for making progress. If progress is not made, the regular enforcement process could be undertaken.

4. **Unsafe Dams:** These are dams that are likely unsafe in their day-to-day operations. These dams would go through the enforcement process outlined below.
5. **Formal Enforcement Process to Require Repair:** Under this process, the Department would issue an order requiring the owner to take certain actions. These actions could include items such as obtaining an engineering analysis and working with an engineer to fix the dam, a requirement to not store water, or other actions. After the order is issued, the owner could (1) undertake the actions ordered, (2) request a contested case hearing, or (3) enter into an agreement with the department to undertake mutually agreed upon actions. If repairs of the dam are urgent, the Department could request a more timely hearing. If the owner fails to implement the actions, the Department would be able to obtain a court order to make the needed repairs or abate the works. The Department could also issue a second order with other actions such as requiring that the gates be kept open and water not stored until the repairs made. The automatic stay in ORS 536.075(5) would not apply to such an order; however, the owner could request the court stay the order.
6. **Injunction for Immediate Actions:** In addition to the formal enforcement process above, if at any time the Department believes immediate action is necessary to protect people and property, the Department may seek a court injunction.

Actions Required in Potential Failure / Owner Responsibilities

The LC includes provisions requiring the owner of the dam to notify the Department of ownership changes and to maintain updated contact information. In addition, it requires the owner to maintain the dam and to take actions necessary to reduce the risk of failure and protect lives and property. It allows the agency to require the installation of monitoring devices on unsafe and potentially unsafe dams, which can provide an early indicator of worsening conditions and potential dam failure. It also adds additional steps for owners to take during an emergency, such as implementing an emergency action plan. It also requires owners to provide access to any high or significant hazard dams in potential or actual failure conditions, and allows the Department to take actions to reduce water levels if there is rapidly increasing leakage or overtopping, such as bringing in pumps or siphons, using emergency rock fill, or opening valves.

Precautions to Protect People Downstream if Dam Removed: Currently there is no requirement to obtain approval or notify the Department to remove a high or significant hazard dam. As a result, removals could happen without proper consideration of life or property downstream. The LC proposes to require individuals to submit a plan for removal to the Department to verify that it includes safety precautions to protect people and property downstream.

Agency Authority: Provides the Department with clear authority to undertake actions to implement the dam safety program, such as entering into agreements or coordinating with other entities to assist with inspections, studies, or responses to emergency situations. Provides clear authority for the Commission to develop rules. In addition, the LC proposes to limit the state's liability in the implementation of the act, consistent with ORS 30.265.

Civil Penalties: Currently, there is no civil penalty authority for the dam safety program. Proposes to add civil penalties for: (1) failing to address maintenance issues (trees, burrows, etc.); and (2) failing to submit or update an emergency action plan.

The budgeting fiscal year is based on 2 years; positions are priced at 21 months (0.88 FTE) unless noted otherwise.
All packages assume General Fund unless otherwise specified.

Issue Area / Problem	Summary	Positions and Costs	Total Costs
<p>A. Water Use Measurement and Reporting</p> <ul style="list-style-type: none"> Water use measurement and reporting helps watermasters manage water rights and helps scientists better understand water availability to protect existing users. The Strategic Water Measurement Plan does not account for watermaster measurement needs or groundwater. Groundwater use measurement is an essential input into basin studies. Work is needed to integrate datasets and improve database functionality. Given the Department’s limited resources, progress has been slow to increase water use measurement. 	<p><i>Goal: Increase water use measurement and reporting, particularly in areas where it is needed for water distribution and management, protecting existing users, preventing illegal use, and for groundwater basin studies. IWRS Action 2B</i></p> <ul style="list-style-type: none"> Increase water use measurement in the state Assist with outreach to water users on reporting and measurement requirements Continue to improve the software and tools used for water-use measurement and reporting Coordinate the Water-Use Reporting Program and water use measurement efforts Update strategy for improving and increasing water use measurement 	<p>5 NRS 2 regional measurement coordinators (1 per region) \$221k each</p> <p>1 IS 6 database developer \$215k</p> <p>1 NRS 2 Water Use Reporting program staff \$221k</p> <p>Additional cost-share measurement program dollars = \$150,000</p>	<p>\$1.69 M</p>
<p>B. Data Tools for Communities</p> <ul style="list-style-type: none"> The Department currently houses a lot of data; however, it often requires technical expertise to correctly utilize that data and to make it meaningful for members of the public, local governments, and others that seek to use that information to make decisions. 	<p><i>Goal: Develop statewide data products and tools for communities to use in planning; increase data accessibility. IWRS Action 1C, 5.5A & 13C</i></p> <ul style="list-style-type: none"> Develop tools in order to make data accessible to communities for use in understanding water supplies and future needs, including vulnerability to drought Development of easy to use public interface to help individuals, local governments, collaborative planning groups and others access data on: the status of water resources (groundwater and surface water) water supply, communities and ecosystems vulnerable to drought, etc., 	<p>1 NRS 4 – Hydrologist \$256k</p> <p>1 NRS 3 Hydrographer \$238k</p> <p>1 NRS 3 – Hydrogeologist \$244k</p> <p>1 IS 4 – Information Specialist \$193k</p> <p>1 OPA 3 – Publication/ Outreach Specialist \$245k</p> <p>\$600K for statewide supply studies and tool development</p>	<p>\$1.78 M</p>

Issue Area / Problem	Summary	Positions and Costs	Total Costs
<p>C. GW Management/ Studies /Permitting</p> <ul style="list-style-type: none"> The Department needs additional data to inform groundwater management and permitting to protect existing and future uses. As challenges arise, the Department needs to be able to facilitate solutions and engage communities. The Department has seen an increase in groundwater reviews and demands on the groundwater section, leading to application backlogs for businesses awaiting decisions from the Department. 	<p><i>Goal: Understand and manage groundwater resources sustainably to protect existing users, while providing timely groundwater permitting reviews. IWRS Action 1A</i></p> <ul style="list-style-type: none"> Facilitate groundwater management solutions, public involvement, and work with communities to address groundwater challenges Partner with state and federal agencies to conduct and cost-share additional groundwater recharge studies, geological studies, and groundwater basin investigations; install and maintain dedicated observation wells [Next priority basin is the Walla Walla subbasin] Address groundwater application review backlogs for transfers and new water rights 	<p>NRS 2 Project Hydrogeologist \$221k NRS 2 Hydrographer \$221k NRS 3 Hydrographer \$238k NRS 3 Project Hydrogeologist \$244k NRS 4 Hydrologist \$256k NRS 4 Senior Hydrogeologist \$263k OPA 3 Public Engagement Coordinator \$205k IS 6 database/application developer \$215k \$100k for DOGAMI \$400k for Obs Wells \$300k for USGS</p> <p>NRS 3 Hydrogeologist GW Reviewer \$244k NRS 2 WR Caseworker \$221k</p>	<p>\$3.13 M</p>
<p>D. Groundwater Protection</p> <ul style="list-style-type: none"> Proper well construction is essential to protecting groundwater supplies and preventing groundwater level declines. The Department's well construction program continues to experience funding challenges. Well construction in the Columbia River Basalts require special attention due to the complex geology, which makes well construction difficult, leading to commingling and aquifer declines. 	<p><i>Goal: Protect groundwater levels, prevent loss of pressure, and contamination through proper well construction. IWRS Action 7A</i></p> <ul style="list-style-type: none"> Provide timely inspection of well construction, review of well logs, and educate drillers and pump installers to ensure construction standards are met Address start card fund shortfalls Ensure proper well construction, alteration, and abandonment of water wells within sensitive Columbia River Basalt (CRB) aquifer systems 	<p>Move one NRS 3 hydrogeologist from Start Card to General Fund \$212k Add 1 NRS 2 GF Well Inspector \$221k</p> <p>1 NRS 2 Well Inspector CRB \$221k 1 NRS 3 CRB well construction specialist \$237k</p>	<p>\$892k</p>

Issue Area / Problem	Summary	Positions and Costs	Total Costs
<p>E. Dam Safety</p> <ul style="list-style-type: none"> The state does not currently have resources to conduct more in-depth assessments of the dams for safety deficiencies. Assessments are necessary as dams age, understanding of seismic risks improves, and populations grow below dams. 	<p><i>Goal: Protect public safety by conducting in-depth assessments of dams for safety deficiencies and seismic assessments. IWRS Action 5.5C & 7C.</i></p> <ul style="list-style-type: none"> Authorize resources to determine if dams have safety deficiencies, including assessing dams for seismic standards, and ability to pass flood flows. <p><i>Seismic assessments can cost between \$100-200k.</i></p>	<p>\$1M Funding to contract for assessments of dams for safety and seismic risk</p> <p>PE 1 Dam Safety Engineer \$275k</p>	<p>\$1.3</p>
<p>F. Place-Based Planning</p> <ul style="list-style-type: none"> Pilots need additional funding to complete their work. There is a need to assess the place-based planning approach, whether it or other types of planning are needed, and how to proceed with helping communities plan for their water future. 	<p><i>Goal: Support the existing place-based planning pilots and evaluate the place-based planning approach to water planning. IWRS Action 9A</i></p> <ul style="list-style-type: none"> Continue to fund existing place-based planning pilots Fund evaluation of the program and assess type of planning needed in Oregon 	<p>- Harney (\$200K) and Mid-Coast (\$100K) to complete a plan -XXXk to facilitate meeting for implementation as part of step 5 -\$200K for independent program evaluation and assessment of water planning - 1 NRS 4 – Planning Coordinator \$265k</p>	<p>\$TBD</p>
<p>G. Complex Water Issues</p> <ul style="list-style-type: none"> Water issues can be complex and challenging to solve, often requiring sustained high-level policy, technical, and facilitation expertise to work with communities. The Department does not have sufficient capacity to address key policy issues that arise in basins across the state, which slows down the process for developing solutions to water issues needed for economic development and community and ecosystem health. Each basin of focus has a host of matters that need to be resolved: Willamette, NE Oregon, Klamath, and Deschutes. 	<p><i>Goal: Provide high-level engagement from the Department on resolving and developing solutions on complex water issues. IWRS Action 9C</i></p> <ul style="list-style-type: none"> Address complex water issues in basins around the state, primarily focusing on the Willamette, NE Oregon, Klamath, and Deschutes basins 	<p>3 NRS 5- Regional Basin Coordinators \$244k each</p> <p>\$750,000 for facilitation and contracting [possibly cost-share]</p>	<p>\$1.48 M</p>

Issue Area / Problem	Summary	Positions and Costs	Total Costs
<p>H. Water Resources Development</p> <ul style="list-style-type: none"> Investment in water projects is needed across the state to address water challenges. The state does not have a baseline assessment of water infrastructure. 	<p><i>Goal: Provide funding to meet instream and out-of-stream needs. IWRS Action 13D & 13E</i></p> <ul style="list-style-type: none"> Funding is needed to evaluate and implement projects that address instream and out-of-stream water supply needs Fund statewide assessment to understand the status of water supply infrastructure 	<p>\$30M LB – Water Project Grants and Loans (SB 839) \$1M General Fund – Feasibility Study Grants (SB 1069) \$250k General Fund for infrastructure assessment 1 FA 3 – Grant Fiscal Analyst \$209k</p>	<p>\$31.5 million (LB and GF) + assessment</p>
<p>I. Mitigation</p> <ul style="list-style-type: none"> In many parts of the state, new water rights cannot be issued without mitigation. The state does not have a comprehensive approach to addressing needs for mitigation, resulting in ad-hoc proposals. In some areas, there is a need at the regional level for mitigation. Further refinements are also needed to the Deschutes Mitigation Program. 	<p><i>Goal: Address water needs in areas of limited supply through mitigation. IWRS Action 10G</i></p> <ul style="list-style-type: none"> Specialist to work on programmatic and project specific water mitigation Help individual water right applicants explore and pursue potential mitigation options. Work with staff and stakeholders to develop draft rules, where needed, to allow mitigation proposals to be reviewed in a consistent manner. Help potential applicants find other opportunities (i.e. transfers or ACW) to satisfy their water needs. Help with problem solving within the Division Assist with potential proposals in the Klamath 	<p>1 NRS 4 - \$256k Mitigation specialist</p>	<p>\$256k</p>
<p>J. Marijuana Field Support</p> <ul style="list-style-type: none"> There are approximately 2,000 active, or pending OLCC producers' licenses There are more than 20,000 medical marijuana registered grow sites; more than 6,000 of these grow sites are registered for more than one patient and more than 4,600 growers are growing for more than one patient. WRD does not have sufficient staff resources to verify water right information and follow up on complaints 	<p><i>Goal: Address cannabis complaints, educate producers, increase enforcement and ensure legal water use. IWRS Action 10F and 10G</i></p> <ul style="list-style-type: none"> Address significant workload and complaint increases Coordinate with county government and state agencies on cannabis issues Review all applications and renewals to OLCC for legality of source of water Follow up on complaints and address illegal uses 	<p>4 NRS 2 Regional Assistant Watermasters (located in Medford, Grants Pass, Eugene and Salem offices) \$221k each</p>	<p>\$885k</p>

Issue Area / Problem	Summary	Positions and Costs	Total Costs
<p>K. Field</p> <ul style="list-style-type: none"> Given the size of their districts, watermasters have challenges providing timely responses to calls for water and complaints, ensuring legal use, and other duties needed to manage water in the state. The Department continues to hear from determined claim holders in the Klamath Basin that there is a need for more timely responses to regulation (both for water use to cease and for water use to recommence), and enhanced field presence to prevent water use during a call. 	<p><i>Goal: Protect existing water users, prevent illegal uses, and provide timely customer service in the distribution and management of water.</i> <i>IWRS Action 10F</i></p> <ul style="list-style-type: none"> Support water management and distribution in the field, discourage illegal use, and provide timely responses to requests Address water management and distribution needs in the Klamath Basin by adding two assistant watermasters and a region assistant manager 	<p>4 NRS 2 Regional assistant watermasters – Lake County, Klamath (2), and Malheur \$221k each 2 NRS 3 Watermasters – Willamette and Crooked River Basins \$238k each 1 PEM C region assistant manager for Klamath Basin \$248k 1 NRS 2 NW region hydrotech \$221k</p>	<p>\$1.83 M</p>
<p>L. IWRS Updates</p> <ul style="list-style-type: none"> The Department currently only has one staff person assigned to partially work on the IWRS, including coordinating implementation as well as writing and coordinating 5 year updates. During the 2017 update, some stakeholders requested a more comprehensive public and stakeholder engagement process for future updates. 	<p><i>Goal: Conduct a comprehensive update to the IWRS, ensuring sufficient agency, public, and stakeholder engagement.</i> <i>IWRS Action 13A.</i></p> <ul style="list-style-type: none"> Oregon’s next IWRS will be due in 2022. The state anticipates taking a comprehensive approach to this update, incorporating new analysis and addressing issues not tackled in previous iterations. 	<p>\$50K for facilitation, public involvement, and printing/distribution costs</p>	<p>\$50k</p>
<p>M. Outreach</p> <ul style="list-style-type: none"> WRD does not have an individual that works on developing informational materials (one-pagers, reports, etc.) for the public. This leaves all communications to occur ad-hoc and as staff time allows. This hampers the public and water users in understanding the laws, water conservation tools, and water management options, while pulling policy staff off projects. 	<p><i>Goal: Improve awareness across Oregon of water laws and water resource tools</i> <i>IWRS Action 8C; See also recommendation E of the Drought Task Force.</i></p> <ul style="list-style-type: none"> Increase awareness of water issues, laws, and water management tools and programs across the state. Develop one-pagers and other informational resources for public use. Assist with outreach and promoting water conservation as needed during drought 	<p>Outreach Coordinator Public Affairs Specialist 3 \$245k</p>	<p>\$245k</p>

Issue Area / Problem	Summary	Positions and Costs	Total Costs
<p>N. Public Records</p> <ul style="list-style-type: none"> Public record requests are now taking a considerable amount of staff time. The agency received approximately 89 public records requests in 2015, 133 in 2016, and 143 in 2017, 40 in 2018 (thru 4/4) 	<p><i>Goal: Process public records requests timely.</i></p> <ul style="list-style-type: none"> Address public records coordination and response needs within the Director’s office to ensure timely responses to requests 	<p>.75 FTE NRS 4 238k - Public Records Coordinator</p>	<p>\$238k</p>
<p>O. Litigation</p> <ul style="list-style-type: none"> WRD litigation expenses have increased significantly in recent years 	<p><i>Goal: Address Litigation Expenses</i></p> <ul style="list-style-type: none"> Provide funding for increased litigation expenses. 	<p>\$1 M for DOJ;</p>	<p>\$1 M</p>
<p>P. Payroll Shared Services</p> <ul style="list-style-type: none"> Payroll shared services pilot project has been working; position is limited duration. 	<p><i>Goal: Efficient Payroll Administration</i></p> <ul style="list-style-type: none"> Make pilot program with 6 agencies permanent, creating efficiency in payroll functions 	<p>Make permanent one full time Payroll Specialist \$168k (OF)</p>	<p>\$169k OF</p>
<p>Q. Internal Auditor</p> <ul style="list-style-type: none"> The Department has met the criteria in 1(c) of 125-700-0125 as of FY 2016, requiring an internal auditing function (ORS 184.360). The Department has received a waiver for fiscal years 2015 through 2017, while exploring options for meeting this requirement. 	<p><i>Goal: Comply with requirements for internal auditing function.</i></p> <ul style="list-style-type: none"> Provide shared services capacity (or contract service funding) to assist WRD to meet the Internal Auditing Requirement of a risk assessment of the entire agency that will be used as the basis for the selection and performance of at least one internal audit per calendar year. 	<p>1 IA 3 Internal Auditor \$260k (130k GF & 130k OF)</p>	<p>\$260k (130k GF & 130k OF)</p>

Issue Area / Problem	Summary	Positions and Costs	Total Costs
<p>R. Supporting Agency Functions</p> <ul style="list-style-type: none"> • Loans/Procurement: WRD has had a loan specialist associated with the Water Development Loan Fund; although the Department has over the years received authority for loans, none have been issued. As a result, this position is budgeted to be funded by the WDLF, but has been paid for by General Fund administrative savings to help with contracting and procurement. The Dept. does not currently have funding authority for the WDLF; therefore, WRD needs to move the budgeted position off the WDLF. • Accounting: Complexity and volume of transactions has increased, particularly with tracking lottery bond dollars and payments • Human Resources: Increased workloads due to recent requirements for HR to implement wellness, diversity and inclusion, and emergency preparedness actions. Utilize HR as an asset to improve performance and efficiency across the agency through increase training and development opportunities • IT Life Cycle Replacement: The Department's computer servers are nearing or have passed their end-of-life. This includes file servers, database servers, domain controllers, and other specialized servers. Laptop and desktop computers also require replacement. 	<p><i>Goal: Address needed resources for administrative functions to help accomplish the agencies mission</i></p> <ul style="list-style-type: none"> • Shift the Water Development Loan Specialist to general fund to allow the Department to continue to comply with procurement requirements and contracting needs, as well as conduct work associated with the Water Project Grants and Loans Program • Add an Accountant 1 to shift some of the duties off the Accountant 4 to address more complex research and tracking needs • Add a HR Analyst and shift responsibilities from other human resources staff to allow them to work on higher-level strategic work to support the agency • The Department has reached out to the State Data Center (SDC) to migrate servers and firewalls over to the SDC in a phased approach over the course of the 19-21 biennium. Additional funding is included to replace computers. 	<ul style="list-style-type: none"> • Loan Specialist/Procurement/Contracts fund shift from OF (Water Development Loan Fund) to General Fund (\$263k) • Accountant 1 (\$154k) • Human Resource Analyst 1 (\$171k) • PC Life Cycle Replacement \$75k • Server Life Cycle Replacement \$425k 	<p>\$1.09 M</p>

OWRD Program Prioritization 2019-2021 Biennium

Priority	Program Unit/Activity Description
1	Water Distribution – Field investigations, outreach to water right holders, distribution of water according to rights of record, and protection of senior water rights, both instream and out-of-stream. Includes watermasters, assistant watermasters, region managers, and other field staff.
2	Water Right Transactions – Processing of new water right applications, permit extensions, certificates, limited licenses and water right records and research. Also includes protest coordinator, Water Management and Conservation Plans, and processing requests for changes (i.e., leases, allocations of conserved water, or transfers). Transfers can include a change in place of use, type of use, or point of diversion.
3	Hydrologic Data Development, Analysis, and Publication – Measuring the physical water resources of the state, including streamflow (surface water), water levels in wells (groundwater), and reservoir elevations (storage). Analysis includes reporting of water diverted and used, development of groundwater studies, groundwater-surface water interaction, surface water analysis, and water availability models. Publication includes electronic platforms and portals for surface water and groundwater data, water right information management, and Geographic Information Systems (GIS) mapping. Includes water measurement analyst, hydrographers, hydrotechs, hydrologists, and hydrogeologists.
4	Water Resource Conservation, Development, and Solutions – Programs to assist individuals and communities address instream and out-of-stream needs now and into the future through place-based planning, conservation and efficiency, built storage, water re-use. Includes Water Resources Development Program staff.
5	Public Safety in Water-Related Infrastructure – Dam safety and well construction programs, development of well construction standards, well driller licensing, and general enforcement. Well protections include prevention of waste, contamination, and loss of artesian pressure. Includes dam safety inspectors, well construction specialists, well inspectors, and enforcement staff.
6	Director's Office – Policy and legal oversight, public records requests, public information / media, tribal and intergovernmental relations, staffing the Water Resources Commission, coordinating with the Oregon Legislature, rulemaking, public hearings, special projects, and the Integrated Water Resources Strategy implementation and updates.
7	Hydroelectric Program – Coordinating on hydroelectric project re-authorization and FERC licensing, reviews non-FERC applications.
8	Adjudication – Confirming water right claims, with the goal of legally protecting these rights in the field.
NR	Central Administrative Costs – Accounting, Budgeting, Human Resources, Support Services, Contracts, Facilities, front counter assistance, system administration (information technology, application developers, webmaster, risk management and firewalls, and business continuity). Includes fixed S&S costs.
NR	Debt Service