



# Oregon

Kate Brown, Governor

## Water Resources Department

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## MEMORANDUM

**TO:** Water Resources Commission

**FROM:** Racquel Rancier, Policy Manager  
Bryn Hudson, Water Policy Analyst

**SUBJECT:** Agenda Item F, November 19, 2020  
Water Resources Commission Meeting

### Legislative Update

#### I. Introduction

This report provides an overview of interim legislative work and efforts to prepare for the 2021 Legislative Session.

#### II. Interim Legislative Activities

In September, staff presented on the Dam Safety Program's challenges and priorities before the House Committee on Water. Presentation materials and video can be found here:

<https://olis.oregonlegislature.gov/liz/201911/Committees/HWTR/2020-09-23-13-00/Agenda>

The Department is attending meetings of a group convened by Representative Helm and Representative Owens that is exploring options for increasing water data, specifically focusing on water use measurement and reporting.

#### III. Preparing for the 2021 Legislative Session

##### *2021 Legislative Concepts*

During the summer, the Department met with and sought feedback from stakeholders about legislative concepts for the 2021 Legislative Session. Engagement with stakeholders on legislative concepts has been delayed, in part due to COVID-19, budget challenges, wildfire response, and the fact that several of the concepts are technically complex. As time allows, staff will hold additional meetings later this year to continue to improve proposals; however, the agency anticipates that some concepts will require further work during session or may need to be brought back in future years. Updated summaries of legislative concepts under consideration are included in Attachment 1. The Governor's office will review all concepts to determine which move forward for introduction for the 2021 session.

### *2021-2023 Agency Request Budget*

In August, the Department submitted its Agency Request Budget (ARB) to the Department of Administrative Services. The Department's ARB, and those of other state agencies, will be considered by the Governor's Office, as they develop the Governor's Recommended Budget (GRB) this fall. While the fall revenue forecast was more positive than expected, the State budgetary outlook is still uncertain; it is likely that many agency ARB proposals will not be included in the GRB. The GRB is released in December and becomes the starting point for budget discussions with the Legislature. Ultimately, the Legislature will make the final decisions on agency budgets for the 2021-2023 biennium in May or June.

Attachment 2 provides an overview of the 2021-2023 Agency Request Budget policy option packages. The full Agency Request Budget and policy option package narratives can be found on our website:

[www.oregon.gov/owrd/programs/policylawandrules/LegislativeAndBudget/Pages/default.aspx](http://www.oregon.gov/owrd/programs/policylawandrules/LegislativeAndBudget/Pages/default.aspx).

#### **IV. Conclusion**

The Department is continuing to refine legislative concepts for the 2021 Legislative Session, while also continuing to adjust and be mindful of the uncertainties and challenges created by COVID-19, wildfires, and budget reductions and shortfalls.

#### **Attachments:**

1. 2021 Legislative Concepts
2. 2021 Agency Request Budget Policy Option Packages Summary

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**Water Resources Department 2021 Legislative Concept Proposals as of 10/29/2020**

**Proposals are Subject to Change**

**OWRD Fees – Water Rights Transactions and Dam Safety**

*Problem:* The Department’s current fee schedule supports staff involved in the processing of water rights. It also supports staff and engineering contracts in the Dam Safety Section. In 2009, the legislature restructured many of the Department’s fees and since then the Department has brought forward modifications to the water right transactions fee schedule every four years, based on projected cost increases and with a 50/50 split between fees and General Fund. The fee schedule was last modified in 2017, and dam safety fees were added to the four-year schedule. Based on data from the Department of Administrative Services, the Department projects costs to increase by 17.39 percent for the 2021-2025 fee schedule.

Despite the fee increase in 2017, in recent years the Department has kept seven positions, three funded by general fund and four funded by water right fees, unfilled as natural vacancies have occurred in an effort to administratively manage the budget. The projected shortfalls are in part due to the number of water right applications and other transactions being less than anticipated, declining instead of increasing, and leading to reduced revenues to support positions. Without a fee increase in the 2021-23 biennium, the Department will eliminate 8.83 FTE funded by water rights fees (see policy option package 070).

With the reductions in staff, it will take longer to process water right transactions as backlogs build, causing farmers, water providers, and others to wait longer to receive decisions on water supply proposals. This will also reduce the Department’s performance on Key Performance Measures #9, 10, 11, and 14, which measure the quality of customer service and timeliness of processing.

*Status of Proposal:* This LC proposes to increase water right and dam safety fees by approximately 17.39 percent averaged over the four-year period for the 2021-2025 fee schedule. This proposed fee increase does not attempt to make up for lost revenue due to the downward trend in filing rates across most types of water right fee-related transactions. A fee increase will allow the Department to retain 2.50 FTE of the 8.83 FTE reduced due to revenue shortfalls.

The legislation would be effective July 1, 2021 – the start of the fiscal year. The Department is also proposing to add a fee for transfer applications that want to make a change for more than one well for parity with how fees are calculated for new water right applications. This proposal is consistent with IWRS recommended action 13.B to fund water resources management activities at state agencies.

Stakeholders have raised initial concerns about fee increases in light of economic uncertainty brought on by COVID-19. The Department anticipates ongoing conversations with stakeholders during the 2021 legislative session.

**Changes to Rights to Store Water – “Transfers of Stored Water”**

*Background:* A water right is necessary to use or store water in Oregon. Rights to use water specify the place where the water is used, the type of use of the water, and the point that the water is diverted from a water source, such as a stream, reservoir, or well. If there is a desire to change one of these three components of a water use right, one must apply for a “transfer.” Similarly, rights to store water specify the location of the reservoir, the location of the dam (if applicable), the point where water is diverted (if applicable), and the purpose/use for which the water is stored. The Water Resources Department has long debated about its authority to make changes to storage rights. In light of a lack of clarity in its existing laws, prior to 2018, the Department had occasionally allowed changes in the location of reservoirs and, more commonly, processed changes in the purpose of use. Recent proposals to change the location of stored water resulted in the Department taking a closer look at its authorities. In 2018, the Department of Justice issued a memo determining that, with some exceptions, the statutes do not provide the Water Resources Department with the authority to allow changes to storage rights. Without the ability to change the type of use of stored water, water right holders will not be able to manage water as necessary to meet emerging needs, opportunities, or challenges.

*Status of Proposal:* This is a placeholder for further work with stakeholders. The Department has held individual meetings with stakeholders and is preparing technical materials to assist with further conversations. Currently there is no consensus on a solution. Work on this concept has been delayed due to demands on staff time related to COVID, budget challenges, and wildfires. As staff time allows, the Department will seek to work with stakeholders on this concept further and recognizes that some or all of this work may need to carry forward to a future legislative session. A solution would provide the Department with clear authority to allow for changes in a primary storage right.

**Water Resources Department 2021 Legislative Concept Proposals as of 10/29/2020**

**Proposals are Subject to Change**

**Update Hydroelectric Fee Structure**

*Background:* Annual fees for hydroelectric projects were first established in 1911 and last updated in statute in 1999. The annual fees are necessary to ensure that current staffing levels, activities and funding are appropriate to fulfill the objectives of the hydroelectric programs of the Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, and the Oregon Water Resources Department. Agencies are expecting shortfalls that will result in them not being able to maintain current service levels.

Currently, the hydroelectric fee structure is complicated and creates disparities between projects, and significant fee increases once a project is relicensed. For example, large projects that have not been relicensed generally pay \$0.28 per theoretical horsepower (THP), whereas relicensed projects paid \$0.605 per THP in 2020. Projects paying \$0.605 are subject to annual fee increases, whereas those paying \$0.28 per THP have not had a fee increase in 21 years. In addition, a panel reviews the fees for relicensed projects once every 8 years and may recommend the Director alter the fee schedule. The panel has no oversight on fees for projects that have not been relicensed, which can only be changed through legislation.

*Status of Proposal:* The Department is proposing to simplify and equalize the fees paid by hydroelectric projects, while maintaining current service levels at OWRD, ODFW and DEQ. The current proposal under consideration includes:

1. Making the fee for new and relicensed projects that are greater than 123.5 THP the same. The fee would initially be set at \$0.687/THP. An inflation factor would ensure fees keep up with fluctuating costs. The fee would also be subject to review by the Hydroelectric Fee review Panel.
2. Restructuring the minimum fee to \$50 for projects less than 123.5 THP but more than 15 THP, and \$15 for projects less than 15 THP, regardless of relicensing status.

**Irrigation District Pilot Project**

*Background:* In 2003, the Legislative Assembly authorized a pilot project allowing three irrigation districts to make annual place of use changes to water rights within their legal boundaries without making application to the Water Resources Department for a temporary transfer.

Between the 2003 and 2007 legislative sessions, only a small number of transfers were completed and there was insufficient data to assess the pilot. The program was extended in 2007, providing an additional two years for the three districts to test the approach. After showing some success, in 2009, the program was extended to June 30, 2016 and expanded to include 15 districts. In 2015, Senate Bill 267 made some adjustments to the program, extended the sunset to January 2, 2022, and required a report to the Legislature by January 31, 2021.

The pilot project is intended to provide increased flexibility for irrigation districts to temporarily change the place of use of water rights without reducing protections for existing water users. To temporarily change the place of use of water rights under the pilot program, districts are required to satisfy standard water right transfer criteria and maintain records. This includes ensuring that there is no injury to other water rights or an expansion of the authorized irrigated acres.

*Status of Proposal:* Current information shows the pilot program is providing the districts with more management flexibility, while also ensuring that other water users are protected. The Department is recommending continuation of the pilot program to further assess its implementation. The Department proposes to extend the program to January 2, 2030.

**Protecting Groundwater Resources by Improving the Well Construction Program**

*Problem:* The 2016 Secretary of State Audit identified a need for the Department to “enhance its well regulation efforts, including driller licensing and education, and inspections of new, abandoned, and known wells,” stating that “Limited well inspections and drilling requirements jeopardize groundwater quality.” Oregon’s 2017 Integrated Water Resources Strategy (actions 7.A, 11.E, and 12.A) also calls for protections of groundwater through the well construction program and identifies the need for updates. In 2018, the Department and Oregon Ground Water Association began initial discussions on changes to the program.

**Water Resources Department 2021 Legislative Concept Proposals as of 10/29/2020**

**Proposals are Subject to Change**

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**Continued ...Protecting Groundwater Resources by Improving the Well Construction Program**

There are more than 250,000 wells in Oregon, with more than 3,000 new wells drilled each year on average. For new wells, the Department typically only has resources to inspect around 30%, which means that deficiencies on uninspected wells are left unaddressed. Last year, of the 932 wells inspected, approximately 10% had construction or paperwork deficiencies. Improper well construction or abandonment can lead to groundwater contamination and waste.

Because OWRD is unable to inspect all new wells across the state, it is critical that the Department maximize the limited resources by improving the Department's ability to plan its inspection workloads, efficiently conduct inspections, and ensure that licensed well drillers have the necessary equipment, knowledge, experience, and understanding of best practices to prevent well construction deficiencies.

*Status of Proposal:* The Department began a workgroup in mid-2020 to provide input on a proposal. One meeting has been held, due to the need for staff to focus on budget issues and wildfire recovery. The Department has also met separately with the Oregon Ground Water Association, and further discussions are needed. The Department intends to convene the workgroup again later this year and anticipates that modernization of this program may be a multi-year phased effort.

The current LC, which is likely to change with further stakeholder feedback and engagement, proposes the following updates to modernize and increase efficiency within the well construction program:

**Well constructor skills:** Requires evidence of welding skill to obtain new license. Allows Department to require an existing driller to provide proof of welding ability or undertake training if a deficiency is found. Requires licensee to place seals on at least two wells in the presence of the department for license renewal, allows the Department to waive requirement based on resources or licensee's ability.

**Accuracy of documentation and notification to allow for timely inspections:** Modifies required documentation to better track well construction work across the state. Requires start cards to be submitted between 60 days to no later than 72 hours before work on wells. Establishes a start card expiration period. Requires drillers to provide the GPS location of the well, owner information, proposed construction timelines on start cards. Requires electronic submission of start cards and well logs by 2024, unless waived. Requires drillers to provide notification to the Department the day that work begins and to provide estimate of day on which annular seal placement will occur.

**Injunction for Timely Enforcement:** Allows Department to apply to a court for an injunction if a person has engaged or is engaging in an activity that violates well construction laws.

**Continuing education:** Modifies representation on the Continuing Education Committee to include one person with expertise in groundwater quality, public health or employee safety. Provides that the fee for one continuing education credit for Department sponsored courses shall "not exceed" \$40 and extends the continuing education program sunset date from 2022 to 2030.

**Driller liability:** Reduces the length of time for driller's liability for well deficiencies and instead limits liability based upon the level of review a well receives: 3 years if observation of seal placement and review of well log and 10 years if well log reviewed. Provides that liability shall not extend beyond 15 years, and limitation shall not apply in instances of fraud or negligence, misrepresentation, or misstatements of fact. Applies to well logs submitted on or after July 1, 2024.

**Well Repair, Replacement, and Abandonment Fund:** Establishes a program to provide funding assistance for abandonment of deficient wells; repair or replace wells used for household purposes by persons of lower or moderate income, or in areas of groundwater levels; or to abandon, repair, or replace wells as specified in rule to address water management purposes.

*Not currently in Legislative Concept but under discussion:* The Department is exploring delayed implementation on other sections of the bill to allow time for data systems to be developed or updated to accommodate changes. In addition, the Department is currently exploring different options for either a demerit system for licensee non-compliance with the well construction laws, or other systems to provide increased communication between licensees and the Department, more timely correction of issues, and where warranted, more timely enforcement.

**Summary of Agency Request Budget Policy Option Packages:** Packages were informed by the Integrated Water Resources Strategy and the Department’s Strategic Plan. Positions are priced at 21 months (0.88 FTE) unless stated otherwise. All costs are General Fund unless stated otherwise. Detailed narratives can be found on the Department’s website at: [https://www.oregon.gov/owrd/WRDReports/2021-23\\_Agency\\_Request\\_Budget\\_Policy\\_Option\\_Packages\\_Only.pdf](https://www.oregon.gov/owrd/WRDReports/2021-23_Agency_Request_Budget_Policy_Option_Packages_Only.pdf)

Title/IWRS	Issue Description	Estimated Costs
<p><b>POP 070 Revenue Shortfall Package: Water Rights Transactions Fee Schedule and Dam Safety Fee</b></p>	<p>Without a fee increase in the 2021-23 biennium, this package will eliminate 8.83 FTE funded by water rights fees. The fee increase package and associated legislation (POP 104), if approved, would allow the Department to retain 2.50 FTE of the 8.83 FTE eliminated in the Water Rights Services Division. In addition, for the Dam Safety program, this package would eliminate \$40,667 in Services &amp; Supplies, which would be restored by the fee increase, if approved, in package #104.</p>	<p><b>REDUCES \$1.7m Other Fund</b>                  2 NRS2 Water Right Transfer Specialists \$404k                  3 NRS2 Water Right Application Caseworker \$544k                  2 NRS2 Certificate Specialist \$362k                  1 NRS3 Transfer and Conservation Specialist \$187k                  1 NRS3 Reimbursement Authority \$187k</p>
<p><b>POP 101 Protecting Public Safety and Water Supplies:</b>                  Resiliency to Dam Failure, Droughts, Floods, Climate Change, and Other Hazards</p> <p><i>IWRS Actions 5.A, 5.B, 5.5A, 5.5B, 5.5C, 7C, 8C, 13.B</i></p>	<p>This package proposes to increase public and staff safety, improve agency preparedness for emergencies, improve statewide resiliency to natural hazards and climate change, and address employee health and safety. This package would improve our understanding of dams in the state and their vulnerabilities by</p> <p>(1) Conducting assessments on dams to determine seismic, flood, internal erosion, and other safety risks, developing an Oregon specific flood methodology for evaluating risks to dams, and by contracting out for engineering analyses on dams that have been identified to be at risk of failure.</p> <p>(2) Providing coordination, planning and outreach on earthquakes, drought, floods, climate change, and dam failures to better prepare for these risks, protect public safety, and improve the resiliency of our water resources, including updating and training staff on the Continuity of Operations Plan, planning for and responding potential dam failure, media outreach; and other work related to drought, Natural Hazards Mitigation, Climate Adaptation and the Governor’s Climate Executive Order.</p> <p>(3) Assist with developing, implementing and maintaining a comprehensive training and development program for managers and staff and support statewide initiatives. Implement an agency safety program in order to comply with ORS 654.010, the Governor’s EO on Employee Wellness, and Oregon OSHA regulations.</p>	<p><b>Total Costs – \$1.9m GF</b></p> <p>Flood methodology \$400k                  2 PE1 Engineers \$600k                  Dam Analyses \$521k                  1 NRS4 Resiliency and Public Information Coordinator \$210k                  1 Training and Safety Coordinator \$170k</p>
<p><b>POP 102 Strategic Modernization of IT Systems and Tools:</b>                  Improving Productivity and Decision-Making</p> <p><i>IWRS Actions 1.B, 1.C, 2.B, 13.B</i></p>	<p>WRD’s 2019-24 Strategic Plan and additional conversations with the Commission and staff, identified data and public records modernization as a key agency priority. Data is foundational for decisions made by the agency as well as water users and the public on everything including allocation, distribution, planning, and water-use measurement and reporting. Functional and accessible data systems are essential to improving our efficiency and serving the public. This package requests resources necessary to:</p> <p>(1) Support the State and Oregonians in their efforts to plan for and manage water in support of Oregon’s communities, ecosystems, and economy;</p> <p>(2) Support a migration from our agency data center to the combined state data center where we can leverage improved system performance, monitoring, and security on a larger scale than we could otherwise achieve on our own;</p> <p>(3) Develop, implement, and maintain an agency wide records program and ensure compliance with public records retention law.</p>	<p><b>Total Costs - \$819k GF</b></p> <p>State Data Center Charge \$225k                  1 ISS6 Systems Analyst \$207k                  1 ISS7 Database Administrator \$222k                  1 OPA1 Records Retention Coordinator \$165k</p>

<p><b>POP 103 Fund Legal Expenses to Prevent Service Impacts</b></p> <p><i>IWRS Action 13.B</i></p>	<p>In recent years, the Water Resources Department has experienced a rise in Department of Justice (DOJ) costs. It can take several years for litigation to be resolved, meaning that increases in new filings can have longer-term effects on the Department’s budget. The projected shortfall for the 2019- 21 biennium was \$801,980 as of March 2020 projections. This package proposes to address the increased Department of Justice costs through an additional allocation of \$800k in General Fund to prevent impacts to agency services.</p>	<p><b>Total Costs - \$800k</b> \$800k legal expenses</p>
<p><b>POP 104 Maintain Water Right &amp; Dam Safety Services</b></p> <p><i>IWRS Action 13.B</i></p>	<p>For the 2021-2025 fee schedule, based on estimates from the Department of Administrative Services, the Department anticipates that costs will increase by 17.39 percent over the next four years. Consistent with its past approach, the Department is proposing to increase fees by the anticipated increased cost – 17.39 percent. This proposed fee increase does not attempt to make up for lost revenue due to the downward trend in filing rates across most types of water right fee-related transactions. The fee increase will allow the Department to retain 2.50 FTE of the 8.83 FTE that was included in the Department’s package 070 revenue shortfall package for water right fees. The fee increase package and associated legislation would provide funding for the dam safety program services and supplies costs through the 2021-25 biennium. This package will contain fee revenues if a legislative concept moves forward on water right transactions and dam safety fees. Refer to legislative concepts.</p>	<p>\$564,594 Increase in revenue</p>
<p><b>POP 105 Maintain Hydroelectric Services at Agencies</b></p> <p><i>IWRS Action 13.B</i></p>	<p>This package will contain fee revenues if a legislative concept moves forward on hydroelectric fees. Refer to legislative concepts. The Department is proposing to simplify and equalize the fees paid by hydroelectric projects, while maintaining current service levels at OWRD, ODFW and DEQ – which project shortfalls for their hydroelectric programs. This package and associated legislation will equalize the fee rates for both relicensed projects and projects that have not been relicensed. Fees will be standardized for projects based on theoretical horsepower (THP). This will link all fees for projects greater than 123.5 THP to an inflation factor, with the fee starting at \$0.687/THP in 2020 dollars. The bill will also standardize fees for small projects less than 15 THP at \$15/year and for projects greater than 15 THP and less than 123.5 THP at \$50/year.</p>	<p>\$1,287,004 Increase in revenue</p>
<p><b>POP 106 Essential Agency Fiscal and Contracting Support</b></p> <p><i>IWRS Action 13.B</i></p>	<p>The Department’s budget has almost quadrupled since the 2009-11 biennium without an increase to the fiscal staff who handle the daily financial work. This package proposes to address critical administrative foundational needs of the agency by adding a position to assist with budget development and execution, as well as funding an existing but unfunded contracting, and procurement position. This is necessary to address tracking and monitoring of increased investments in our programs as well as increased statewide reporting and tracking required by the Department of Administrative Services.</p>	<p><b>Total Costs - \$409k GF</b> 1 Fiscal Analyst 3 \$215k 1 Procurement and Contract Specialist 3 \$194k</p>
<p><b>POP 107 Protect Groundwater Supplies and Public Health: Ensuring Proper Well Construction</b></p> <p><i>IWRS Actions 7.A, 11.E, 12.A</i></p>	<p>The Department proposes to hire two Well Construction Compliance Reviewers to evaluate water well and monitoring well reports for compliance with minimum construction requirements and one Well Construction Specialist to assist well constructors with statute and rule interpretation, to follow-up on required repairs, and to assist in the formal enforcement process when voluntary compliance cannot be achieved. The timely review of well reports and early identification of problems will provide training opportunities for well constructors who may have a misunderstanding of the well construction rules, as well as offer more protection to the groundwater resource by resolving construction problems before permanent harm is done or neighboring wells are negatively impacted. The Water Well Abandonment, Repair, and Replacement Fund is also proposed to be established to fund well abandonments, repairs, and replacements.</p>	<p><b>Total Costs – \$675k GF</b> Well Abandonment, Replacement Funds - \$100k 2 NRS2 GF Well Log Reviewers \$366k 1 NRS3 Well Specialist \$209k</p>

<p><b>POP 108 Fund Planning, Feasibility Studies &amp; Projects</b></p> <p><i>IWRS Actions 9.A, 10.E, 13.C, 13.D, 13.E</i></p>	<p>Makes permanent a full-time planning coordinator position that has been critical to supporting the planning groups and will continue to be needed as they develop a plan and shift to implementation. The position will also implement any recommendations of the water resources planning assessment underway. This package also proposes \$500k in Lottery Revenue Bond proceeds for Feasibility Study Grants and \$20m in Lottery Revenue Bond proceeds to recapitalize the Water Project Grants and Loans funding opportunity to help investigate and implement instream and out-of-stream water supply solutions.</p>	<p><b>Total Costs - \$21.18m LRB/GF</b>  Lottery Revenue Bond Proceeds - \$20.9m  1 NRS 4 Planning Coordinator \$289k GF</p>
<p><b>POP 109 Timely Water Management and Distribution</b></p> <p><i>IWRS Actions 1.B, 2.B, 10.F, 13.B</i></p>	<p>The Field Services Division (FSD), composed primarily of watermasters, assistant watermasters, hydrotechs, and well inspectors, is unable to provide timely complaint response, find and address illegal uses, and collect the necessary surface water and groundwater data to allow for science-based water management and regulation. Field positions also provide technical assistance and outreach to water users on permit reporting and measurement requirements, as well as increasing water measurement in the state. It is difficult to attract qualified candidates for vacant positions in some geographic areas of the state or in basins with significant complexity. This package requests resources to continue the modernization of the FSD, furthering implementation of actions recommended in the 2016 Secretary of State Audit. This package proposes to add five new assistant watermasters, one for each region, to support water regulation and distribution, complaint response, and surface water and groundwater data collection. Additionally, this package re-classifies eight watermasters from NRS-3 to NRS-4 to align position descriptions with job responsibility and basin complexity, and aid in future recruitments. Lastly, the addition of one Deputy Division Administrator will help the Field Services Division continue to provide critical services to the public.</p>	<p><b>Total Costs - \$1.38m GF</b>  Reclassifies 8 Watermasters to NRS 4  Adds 5 NRS 2 assistant watermasters  1 PEME Deputy Division Administrator</p>
<p><b>POP 110 Foundational Data for Groundwater Studies</b></p> <p><i>IWRS Actions 1.A, 1.B, 2.A, 2.B</i></p>	<p>This package develops a groundwater budget for each basin in Oregon and expands baseline water level and water use data collection. This will shorten the timeframe for completion of future basin studies by two or more years, allow for further prioritization of the basins, and prevent additional overallocation. Specifically, the Department will: 1. Enter into a cooperative, cost-match agreement with the U.S. Geological Survey to produce and publish a groundwater budget for all major hydrologic basins in Oregon. 2. Contract for a peer-reviewed statewide consumptive water use (Statewide Evapotranspiration project) report. This information will be used to update the statewide crop evapotranspiration and net irrigation water requirement estimates for the climate period 1979 – present, which are a key part of each basin’s water budget. 3. Add staff that will prepare basins in Oregon for basin studies by establishing a comprehensive groundwater level monitoring network, and improving groundwater use estimates.</p>	<p><b>Total Costs - \$2m GF</b>  Statewide ET project: \$300k for one biennium  Basin recharge study: \$300k per biennium for three biennia (assuming USGS cost share)  1 PEM D Asst. GW Section Manager \$228k  1 NRS 4 baseflow hydrologist \$215k  3 NRS 3 hydrogeologists \$580k  2 NRS 2 field hydrogeologists \$378k  \$300k General Fund to backfill exempt use funds for Walla Walla Study</p>
<p><b>POP 111 Complex Water Issues: Deschutes &amp; other basins</b></p> <p><i>IWRS Action 9.B, 9.C, 13.C</i></p>	<p>As Oregon’s groundwater and surface water resources become fully appropriated, the State is seeing an increased need to help communities resolve complex water management issues in basins across the state, including the Deschutes, Harney, and Walla Walla basins. In resolving these issues, the Department frequently needs to coordinate data requests from individuals working to identify water management solutions; ensure all interested parties, elected officials and the public are continuously updated on meetings and efforts; and respond to requests to clarify the Department’s statutes, rules, and policies. The Department proposes to add one position that would serve as a point of coordination for the Department as it works with parties involved in complex water management issues to assist in developing solutions, with work in the</p>	<p><b>Total Costs - \$422k GF</b>  Facilitation Funds \$200k  1 NRS5 Basin Coordinator \$222k</p>



	Deschutes Basin being a priority. This In addition to staff, package includes \$200k in contract dollars for consultants and facilitators.	
<b>POP 112 Harney Conservation Reserve Enhancement Program:</b> Reducing Groundwater Use  <i>IWRS Actions 2.B, 10.A, 10.D, 11.E, 13.B</i>	One position to support implementation of various groundwater management projects in the Harney Basin, specifically to support implementation of a Conservation Reserve Enhancement Program (CREP) for groundwater irrigated lands in the area. This position will monitor and estimate groundwater use using various remote sensing and field methods and collect groundwater levels in order to assess the effectiveness of a CREP program and future groundwater management activities in the region. This position will support the watermaster to monitor compliance with groundwater reduction programs. This package also contains \$500k in state cost-match for the program.	<b>Total Costs - \$706k GF</b> Cost Match \$500k 1 NRS3 Field Hydrologist \$206k
<b>POP 113 Willamette Basin Reallocation Pre-Implementation</b>  <i>IWRS Action 9.B, 10.B</i>	This package involves work to prepare for implementation of the reallocation of reservoir water for municipal/industrial, agricultural irrigation, and fish and wildlife purposes. The Army Corps of Engineers continues to proceed with the Willamette Reallocation work. The Oregon Water Resources Department and Oregon Department of Fish will need to engage in a multi-year effort that will require several staff positions to coordinate basin activities, facilitate meetings, provide technical analyses, develop instream flow targets, manage contested case processes for minimum perennial flow conversions, and shepherd any necessary law changes. The agencies will also need to undertake a significant stakeholder engagement and outreach program, so that the public is kept apprised and has input on changes in reservoir and streamflow management in the basin. Includes \$100k for consultants and facilitators.	<b>Total Costs - \$321k GF</b> Facilitation Funds \$100k 1 NRS5 Basin Coordinator \$221k
<b>POP 114 Complying with Internal Audit Requirement</b>	The Department met the criteria in 1(c) of Oregon Administrative Rule 125-700-0125 as of Fiscal Year 2016, requiring an internal auditing function (ORS 184.360). The Department received a waiver for fiscal years 2015 through 2021, while exploring options for meeting this requirement. This is proposed as a shared position with another state agency.	<b>Total Costs – \$224k GF/OF</b> Internal Auditor 3 \$112k GF / \$112k OF