

**REVENUE:** May have revenue impact, statement not yet issued

**FISCAL:** May have fiscal impact, statement not yet issued

---

<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	4 - 2 - 1
<b>Yeas:</b>	Beyer, Cannon, Macpherson, Dingfelder
<b>Nays:</b>	Burley, Jenson
<b>Exc.:</b>	Smith G.
<b>Prepared By:</b>	Cat McGinnis, Administrator
<b>Meeting Dates:</b>	4/4, 4/30

---

**WHAT THE MEASURE DOES:** Creates the Water Conservation, Reuse and Storage Investment Fund. Continuously appropriates moneys in the fund to the Economic and Community Development Department (OECD) to fund grants to public bodies and Indian Tribes for project costs of planning studies performed in anticipation of developing a water conservation, reuse or storage site. Directs the OECD to administer the fund in accordance with a memorandum of understanding with the Water Resources Commission (WRC). Authorizes deposit of Legislative appropriations, federal, state and local dollars and interest. Caps grants at \$250,000 per project and requires dollar-for-dollar match from other funding sources. Beginning July 1, 2007, appropriates one dollar of General Fund to the OECD for administering the program.

**ISSUES DISCUSSED:**

- Clarification of dual-agency rule making authority

**EFFECT OF COMMITTEE AMENDMENT:**

- Revises name of fund to "Water Conservation, Reuse and Storage Investment Fund"
- Caps grants at \$250,000 per project and requires dollar-for-dollar match from other funding sources
- Makes Indian Tribes eligible for grants
- Expands project costs that grants may cover
- Directs Water Resources Commission to adopt rules to administer program and to prioritize grant funding
- Eliminates lottery bonds as funding source and appropriates one dollar of General Fund to the OECD for administering the program.

**BACKGROUND:** The 2007-2009 Governor's recommended budget includes funding for the Oregon Water Supply and Conservation Initiative, to quantify Oregon's existing and future water supply needs and opportunities to meet those needs through water reuse, conservation and above and below ground storage. The Water Resources Department (WRD) reports that HB 3203-A creates opportunities to complement this statewide effort.