

A-Engrossed
House Bill 3203

Ordered by the House May 8
Including House Amendments dated May 8

Sponsored by Representative MORGAN; Representatives CLEM, ROBLAN, Senator NELSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs Water Resources [*Department*] **Commission**, in conjunction with Economic and Community Development Department, to provide grants for specified studies related to water **conservation**, reuse and storage.

Creates Water **Conservation**, Reuse and Storage Investment Fund. Continuously appropriates moneys in fund to Economic and Community Development Department to fund grants. **Appropriates moneys out of General Fund to department for purposes of carrying out provisions of Act.** [*Authorizes issuance of lottery bonds and directs that net proceeds of bonds are to be deposited in fund.*]

A BILL FOR AN ACT

1
2 Relating to water storage; and appropriating money.

3 Whereas it is the purpose of this 2007 Act to give the Economic and Community Development
4 Department and the Water Resources Commission authority to provide grants to public bodies,
5 tribes and private entities for the purpose of enabling studies related to water conservation, reuse
6 and storage in order to ensure that a sufficient and sustainable water supply is available to meet
7 the current and future needs of Oregon's citizens and economy; and

8 Whereas to attain the purpose of this 2007 Act, the Water Conservation, Reuse and Storage
9 Investment Fund created by this 2007 Act must be administered in a prudent and fiscally sound
10 manner; and

11 Whereas it is also the intent of this 2007 Act that, upon the effective date of this 2007 Act, grant
12 moneys be available for the purposes of the Water Conservation, Reuse and Storage Investment
13 Fund immediately after moneys are deposited into the fund; now, therefore,

14 **Be It Enacted by the People of the State of Oregon:**

15 **SECTION 1.** (1) **There is established in the State Treasury, separate and distinct from the**
16 **General Fund, the Water Conservation, Reuse and Storage Investment Fund. Interest earned**
17 **by the Water Conservation, Reuse and Storage Investment Fund shall be credited to the**
18 **fund. All moneys in the Water Conservation, Reuse and Storage Investment Fund are con-**
19 **tinuously appropriated to the Economic and Community Development Department to carry**
20 **out the provisions of this section.**

21 (2) **The Economic and Community Development Department shall administer the Water**
22 **Conservation, Reuse and Storage Investment Fund in accordance with a memorandum of**
23 **understanding between the department and the Water Resources Commission.**

24 (3) **The Water Conservation, Reuse and Storage Investment Fund shall consist of:**

25 (a) **Moneys appropriated to the fund by the Legislative Assembly.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) Moneys transferred to the fund by the federal government, other state agencies or
2 local governments.

3 (c) Interest earnings of the fund and grant repayments, if any.

4 (4) Moneys in the Water Conservation, Reuse and Storage Investment Fund shall be used
5 to:

6 (a) Provide grants for project costs to public bodies, as defined in ORS 174.109, Indian
7 tribes, as defined in ORS 391.802, and private entities;

8 (b) Pay the cost of providing direct services, including but not limited to technical plan-
9 ning services, to eligible entities in lieu of grant funds; and

10 (c) Pay direct and indirect costs of the department and the commission in administering
11 the fund.

12 (5)(a) Grants awarded under this section:

13 (A) May not exceed \$250,000 per project; and

14 (B) Must be matched by funding from another source that is no less than a dollar-for-
15 dollar match of the grant amount.

16 (b) The department shall make grants under this section to qualified recipients when
17 moneys in the Water Conservation, Reuse and Storage Investment Fund are available for
18 distribution.

19 (6) As used in this section, "project costs" means the qualifying expenses of a planning
20 study performed in anticipation of developing a water conservation, reuse or storage site.
21 The planning study may include, but is not limited to:

22 (a) Analyses of hydrological refill capacity;

23 (b) Water needs analyses;

24 (c) Refined hydrological analyses;

25 (d) Engineering and financial feasibility studies;

26 (e) Geologic analyses;

27 (f) Water exchange studies;

28 (g) Analyses of optimum peak, flushing and other ecological flows of the affected stream
29 and the impact of the water reuse or storage proposal on such flows;

30 (h) Comparative analyses of water conservation alternatives such as a new source of
31 supply in lieu of a water reuse or storage project;

32 (i) Cost benefit analyses comparing costs and benefits of water conservation alternatives
33 and reuse or storage alternatives;

34 (j) Analyses of environmental harm or impacts from the project;

35 (k) Analyses of public benefits accruing from the project; and

36 (L) Fiscal analyses of the project, including estimated project costs, financing for the
37 project and estimated financial returns from the project.

38 (7) The Water Resources Commission shall adopt rules necessary to carry out the pro-
39 visions of this section, shall prioritize project funding under this section and shall adopt de-
40 finitions for the terms listed in subsection (6) of this section.

41 **SECTION 2.** There is appropriated to the Economic and Community Development De-
42 partment, for the biennium beginning July 1, 2007, out of the General Fund, the amount of
43 \$1 for the purpose of carrying out the provisions of section 1 of this 2007 Act.