

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass and Be Referred to the Committee on Ways and Means by prior reference
Vote:	4 - 0 - 1
Yeas:	Bates, Girod, Nelson, Avakian
Nays:	0
Exc.:	Prozanski
Prepared By:	Sue Marshall, Administrator
Meeting Dates:	2/7

WHAT THE MEASURE DOES: Directs the Water Resources Department to provide grants and direct services for feasibility studies related to water conservation, water reuse and water storage. Establishes a Water Conservation, Reuse and Storage Investment Fund. Continuously appropriates funds to the department for grants and direct services. Authorizes the State Treasury to issue lottery bonds with an aggregate principal amount limit of \$10 million to fund the provision of grants and services.

Directs the department to fund a regional aquifer recovery assessment for the Umatilla Basin. Appropriates \$750,000 from the General Fund for this purpose. Directs the department to establish a mitigation bank to facilitate the creation of mitigation bank credits that may be used to offset the use of surface water from the Columbia and Umatilla Rivers. Appropriates \$500,000 from the General Fund for this purpose. Requires the department to make certain requests of the U. S. Bureau of Reclamation related to the Umatilla Basin Project. A January 2, 2014, sunset applies to the aquifer recovery assessment and mitigation bank. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- 1:1 matching requirement for grants.
- High upfront cost of assessing water storage projects.
- Water shortages in the Umatilla basin.
- Surface water withdrawals subject to Division 33 rules of the Water Resources Department.
- Need to protect water quality and quantity of existing wells.

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Progress Board's *State of the Environment Report 2000*, identified a concern about the adequacy of Oregon's water supply. Surface waters in most of the state are fully appropriated by existing out-of-stream and in-stream uses, except during periods that fall outside of the irrigation season when stream flows are generally higher. Additionally, there are some areas of the state that experience an unstable supply of groundwater resources.

In response to water supply concerns, the 2007 Legislative Assembly approved funding to support the Oregon Water Supply and Conservation Initiative, a study currently underway by the Water Resource Department. The department will report their findings to the 2009 Legislative Assembly. Also considered but not passed in 2007, was House Bill 3203 that would have provided grants to cover the costs of planning studies performed in anticipation of developing a water conservation, reuse or storage project.

2/14/2008 9:50:00 AM

This summary has not been adopted or officially endorsed by action of the committee.