



March 27, 2013

Senator Chris Edwards, Co-Chair and  
Representative Ben Unger, Co-Chair  
Joint Ways and Means Natural Resources Subcommittee  
900 Court Street NE  
Salem, OR 97301

Dear Senator Edwards and Representative Unger,

During the Water Resources Department's March 26, 2013 budget hearing, members of the Natural Resources Subcommittee of Ways and Means asked the Department to research two questions. Below are the Department's responses.

**Question 1. How much has the state of Oregon spent on the Klamath River Basin Adjudication?**

General Funds represent the vast majority of the state's expenses related to the Klamath Adjudication. Although the Klamath Adjudication began in 1975, detailed records prior to 1999 are in hardcopy only and would take additional staff time to research.

Table 1 chronicles the past seven biennia of history. The current biennium includes expenses through February 2013, so these data are just a few months shy of a 14-year look.

**Table 1. State of Oregon Expenses: Klamath Adjudication**

Biennium	Staff Related Expenses (\$)	Attorney General Expenses (\$)	Office of Administrative Hearings Expenses (\$)	Total (\$)
1999-2001	500,079	274,008	73,650	847,737
2001-2003	290,292	443,166	253,899	987,357
2003-2005	240,037	394,456	271,712	906,205
2005-2007	198,979	356,266	287,308	842,553
2007-2009	295,365	296,986	170,405	762,756
2009-2011	148,328	258,487	205,853	612,668
2011-2013 (to date)	184,724	311,332	128,348	624,404
TOTALS	1,857,804	2,334,701	1,391,175	5,583,680



**Question 2. Describe the Department's Reimbursement Authority Program, including when it was established, how it works, what it costs, who uses the program, and the ongoing need for the program.**

Reimbursement Authority, established in 2004, is a program that provides an option for applicants to enter into a voluntary agreement with the Water Resources Department for expedited agency action on a water right transaction. Under such an agreement, the applicant pays the full cost to process a water use permit extension, water right certificate, or water right transfer.

The Department's Reimbursement Authority program consists of both internal staff and pre-qualified contractors. Within the Water Right Certificate Program, for instance, internal staff members are paid through the reimbursement authority program; the Department has documented less expense, greater accuracy, and a faster turn-around time by using internal staff.

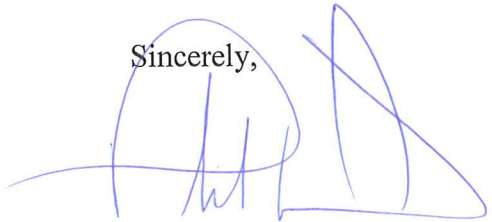
A little more than two-thirds of reimbursement authority customers are irrigation and agricultural operations. A little less than one-third are municipal and quasi-municipal customers.

This program is demand-driven, as evidenced in Table 2 by the continued number of customers who choose to use this program. Customers have used this program successfully to by-pass processing backlogs at the Department. Although backlogs have improved significantly, they have not yet disappeared. The need for the program continues.

<b>Table 2.</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b># of Applicants Who Chose Reimburse. Authority</b>	121	136	125	112	116	31	22	131	157	90
<b>Total Cost (\$)</b>	114,849	96,637	145,980	159,690	133,020	32,280	28,500	126,286	126,252	94,016
<b>Average Cost (\$)</b>	949	711	1,168	1,426	1,147	1,041	1,295	964	804	1,045

Please let me know if you have further questions about any of these responses.

Sincerely,



Phillip C. Ward  
Director