



# Oregon

John A. Kitzhaber, MD, Governor

## Water Resources Department

North Mall Office Building  
725 Summer St. NE, Suite A  
Salem, OR 97301  
Phone 503-986-0900  
FAX 503-986-0904  
[www.wrd.state.or.us](http://www.wrd.state.or.us)

March 28, 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 27, 2013 budget hearing, members of the Natural Resources Subcommittee of Ways and Means asked the Department to research four questions. Below are the Department's responses.

**Question 1. What revenue was expected from fees in 2011-13? What was the actual revenue? What were the resulting actions taken?**

During the 2009 Legislative Session, a policy shift in the Ways and Means process resulted in increased fee levels that were designed to recover 50 percent of the Department's actual costs, when processing a water right transaction. This is the 50-50 split that we often refer to.

Over the course of the 2011-13 biennium, this split has moved closer to 40 percent fees and 60 percent General Fund, due in large part to the slow economy.

The Department's actual revenue for the current biennium is now projected to be \$1,864,652, a deficit of \$635,192. It was due to this deficit that the Department laid off five water right processing staff to stay within available resources.

**Question 2. Could you provide an example of the Department's fees?**

The following two pages contain the Department's transaction fee schedule, as it currently stands.



# Oregon Water Resources Department

Fee Description	ORS Reference	2009 (Current)
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## Water Rights

1	Surface [and Ground] Water Application - Base Fee	536.050(1)(a)(A)(i)	\$700
2	Ground Water Application - Base Fee	new at 536.050(1)(vi)	\$1,000
3	1st CFS or fraction thereof	536.050(1)(a)(A)(ii)	\$250
4	...each add'l CFS or fraction thereof	536.050(1)(a)(A)(iii)	\$250
5	... each add'l Point of Diversion /Point of Appropriation or use	536.050(1)(a)(A)(iv)	\$250
6	To appropriate stored water	536.050(1)(a)(A)(v)	\$25 for 20AF
7	... after 20 acre-feet	536.050(1)(a)(A)(v)	\$1
8	To store water (regular R) - Base Fee	536.050(1)(a)(B)(i)	\$700
9	... and (for the acre-feet[AF])	536.050(1)(a)(B)(ii)	\$25 for 20AF
10	... after 20 acre-feet	536.050(1)(a)(B)(ii)	\$1
11	... each add'l reservoir after 1	536.050(1)(a)(B)(iii)	\$100
12	To exclusively appropriate stored water – Base Fee	536.050(1)(a)(C)(i)	\$400
13	To appropriate stored water only	536.050(1)(a)(C)(ii)	\$25 for 20
14	... after 20 acre-feet	536.050(1)(a)(C)(ii)	\$1
15	Permit Recording Fee including 537.409	536.050(1)(b)(A)	\$400
16	Alternative Reservoir base fee	536.050(1)(q)(A)	\$300
17	... each add'l Acre Foot or fraction up to X	536.050(1)(q)(B)	\$25
18	For filing, recording an assignment (name change)	536.050(1)(c)	\$75
19	For copying records of the Department, for the first page	536.050(1)(d)	\$2
20	... for each additional page	536.050(1)(d)	\$0.50
21	For certifying copies, documents, records or maps, per each	536.050(1)(e)	\$10.00
22	For filing a protest - other than applicant	536.050(1)(j)	\$600
23	For filing a protest - applicant	536.050(1)(j)	\$300
24	For filing an extension	536.050(1)(k)	\$500
25	To receive a copy of a PFO and FO in the application & extension process	536.050(1)(p)	\$20
26	Refund of all monies except \$150 if application withdrawn with 14 days after initial review	ORS 537.150(5) and 537.620(5)	\$200
27	To reinstate a permit or certificate that has been cancelled	add at 536.050 (1)(y)	\$400
28	To request a basin program exception under ORS 536.295	add 536.050(1)(z)	\$500
29	To allow for a new permit to be issued by providing mitigation for impacts to surface water	add to 536.050(1)(b)(B)	\$500
30	Claim of Beneficial Use submittal fee	add 536.050(1)(x)	\$150
31	After an "S" or "R" IR, all fees returned except...	537.150(5)	\$200
32	After a "G" IR, all fees returned except...	537.610(5)	\$200

## Transfers

33	To change an existing water right or permit – Base Fee	536.050(1)(h)(A)	\$900
34	... additional base fee for transfers involving wells (e.g., changing a well location, adding a well, changing from surface water diversion to a well, substitution)	536.050(1)(h)(E)	\$300
35	... each additional type of change requested	536.050(1)(h)(B)	\$700
36	... each cfs or fraction beyond 1 cfs for a change in place of use or type of use or water exchange	536.050(1)(h)(C)	\$250
37	... each additional water right or permit	536.050(1)(h)(D)	\$400
38	To temporarily transfer a water right or permit – Base Fee	536.050(1)(i)	\$600
39	... each additional water right or permit	536.050(1)(i)	\$200
40	... each cfs or fraction beyond 1 cfs for non-irrigation uses	536.050(1)(i)(A)	\$150
41	... each acre for irrigation uses	536.050(1)(i)(B)	\$2
42	... each acre for irrigation uses (digitally submitted)		\$0.50
43	For filing, examining a certifying a petition under ORS 541.329,	536.050(1)(m)	\$300
44	... plus X cents per acre of water involved in the application	536.050(1)(m)	\$0.10

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Fee Description	ORS Reference	2009 (Current)
45 For examining an application for a substitution	536.050(1)(s)(A)	\$630
46 ... each additional well	536.050(1)(s)(B)	\$300
47 For examining an application for conserved water	536.050(1)(t)(A)	\$850
48 ... each add'l water right	536.050(1)(t)(B)	\$300
49 For submitting a Water Management and Conservation Plan (Ag)	536.050(1)(u)(A)(B)(C)	\$400
50 For submitting a Water Management and Conservation Plan (Small Muni)	536.050(1)(u)(A)(B)(C)	\$800
51 For submitting a Water Management and Conservation Plan (Large Muni)	536.050(1)(u)(A)(B)(C)	\$1,600
52 For examing an application for an instream lease with four or more landowners or four or more water rights	536.050(1)(v)(A)	\$400
53 Other instream lease application	536.050(1)(v)(B)	\$250
54 For examining an instream water right renewal	536.050(1)(w)	\$100
55 Modifications to ground water registrations - *2009 fees effective upon subsequent rule adoption	537.610(4)	\$1,125

### Dam Safety

56 Annual Fee for dam owners dependent on hazard rating for the dam (low)	536.050(2)(a)(A)	\$75
Annual Fee for dam owners dependent on hazard rating for the dam (significant)	536.050(2)(a)(B)	\$150
57		
58 Annual Fee for dam owners dependent on hazard rating for the dam (high)	536.050(2)(a)(C)	\$500
59 If the dam owner fails to pay the fee, a late fee	536.050(2)(a)(D)	\$100

### Adjudication

60 Other than Power claims, minimum fee	539.081(1)(a)	\$30
61 Other than Power claims, per irrigated acre up to 100	539.081(1)(a)	\$2
62 Other than Power claims, per acre in excess of 100	539.081(1)(a)	\$1
63 For Power Claims, amount for each horsepower up to 100	539.081(1)(b)	\$2
64 For Power Claims, amount for each horsepower from 101-500	539.081(1)(b)	\$0.50
65 For Power Claims, amount for each horsepower over 500	539.081(1)(b)	\$0.35
66 Minimum Fee for Power	539.081(1)(b)	\$200

### Water Right Process Fee for Standing and participation in Contested Case Hearings

67 To request standing	536.050(1)(n)	\$150
68 To participate in a Contested Case Hearing	536.050(1)(o)	\$350

**Question 3. What percent of the Department's budget is comprised of fees ONLY?**

Fees make up 16.7 percent of the Department's 2011-13 budget. Note: these fees include the water right processing fees described above, as well as Start Card fees, fees on GeoTech Holes, Exempt Use Well fees, Well Construction, and Hydroelectric fees.

If the budget were approved as proposed, fees would make up 17.0 percent of the total 2013-15 budget.

**Question 4. With regard to proposed fees, which ones represent new programs and which ones pertain to continuing programs? What would happen if any of the proposed packages and related policy bills did not pass?**

There are three fee bills in the Water Resources Department's 2013-15 Governor's Balanced Budget.

Package 108 proposes a new fee, called the Water Right Management Fee. The related policy bill is Senate Bill 217. The fee would pay for enhanced services and surface water and groundwater data collection from the Department's watermaster corps and scientific corps. The bill as proposed would involve a \$100 annual fee for each water right of record. Proposed amendments would clarify that these rights are water use permits, water right certificates, decrees, and groundwater registrations. Proposed amendments would also specify a cap of \$2,500 for municipalities and a cap of \$1,000 for non-municipalities.

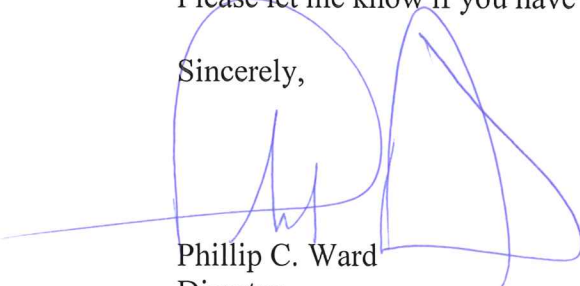
The Department projects that revenues during the first biennium would support seven new FTE for water right mapping, billing, information technology, customer service and other program development related to fee implementation. In subsequent biennia, the Department projects revenues between \$10 million and \$12 million per biennia, which would pay for both the administration of the fee program, as well as enhanced field and scientific work, related to the management of Oregon's more than 80,000 water rights. Without the proposed fee and policy bill, the Department's field and scientific efforts would ultimately remain dependent on a declining General Fund.

Package 207 also proposes a new fee, for a voluntary service. The related policy bill is House Bill 2257, which would authorize the Department to update the name and contact information on a water right certificate. Today, the Department does not have this authority. The budget request is for authority to hire up to two FTE to conduct the work, if incoming fees and workload warrant hiring new staff. Without the proposed fee and policy bill, the Department would not update names and contact information on water right certificates.

Package 208 continues a fee schedule for water right transactions that is in place today. The related policy bill is House Bill 2259. The Department's transaction fee schedule is set in statute and is due to revert back to previous levels on July 1, 2013. The bill as proposed would: 1) remove the sunset, 2) adjust a few fees that have not had adjustments commensurate with the other fees, and 3) add approximately 13 percent to adjust for the increased cost of doing business during 2013-15. The bill as proposed would keep staffing levels and customer service at its present day levels. Without the proposed fee and policy bill, the Department would need to reduce its water right processing staff by eight FTE.

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

Sincerely,



Phillip C. Ward  
Director

