

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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<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 - 1 - 0
<b>Yeas:</b>	Bates, Hansell, Hass, Dingfelder
<b>Nays:</b>	Olsen
<b>Exc.:</b>	0
<b>Prepared By:</b>	Beth Reiley, Administrator
<b>Meeting Dates:</b>	4/10, 4/17

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**WHAT THE MEASURE DOES:** Establishes Water Supply Development Account (Account) and continuously appropriates funds to Water Resources Department (WRD). Authorizes WRD to expend money from Account for making loans and grants for qualifying projects and for cost of administering loan and grant program. Establishes application requirements. Requires WRD to develop system for scoring and ranking projects, including preliminary review by public and technical review team, to determine which projects will be awarded loans and grants. Stipulates Water Resource Commission determines final scoring and ranking of projects and which projects receive loans or grants. Requires projects applying to be evaluated based on public benefits of project. Stipulates public benefits are economic, environmental, and social or cultural benefits and should be given equal importance. Requires recipient of grant for development of new or expanded above-ground storage facility, meeting certain standards, to dedicate 25 percent of conserved or newly developed water to in-stream use. Stipulates any other project can demonstrate sufficient environmental benefit by dedicating 25 percent of conserved or newly developed water to in-stream use or by demonstrating other sufficient environmental benefit. Requires WRD to make determination of seasonally varying flow requirements if application is for project that requires issuance of new water storage or aquifer recharge permit or limited license outside official irrigation season with certain parameters. Allows recipient of grant for critical ground water storage project in Umatilla Basin to apply for change in grant terms and conditions. Requires Governor to convene work group to review structure of water development project loans and grants and recommend proposals for changing structure to Governor and Legislature no later than October 1, 2013. Sunsets work group on convening date of 2014 regular session. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Balancing economic, environmental, and social or cultural benefits
- Criteria for ranking projects
- Examples of types of projects that could be considered

**EFFECT OF COMMITTEE AMENDMENT:** Replaces measures.

**BACKGROUND:** Most of the surface water resources in Oregon are fully allocated during the summer months. Increasingly, water users are relying on tools such as water conservation, re-use, transferring existing water rights, and water storage to meet their needs during the summer months. Many water users store available winter water (surface water) to supply late season or year-round uses. The history of storing water in Oregon dates back to the 1800s when projects consisted mostly of ponds or small dams across streambeds. As the state's population grew, so did the scale and purpose of these projects. Before long, developers and governments were building major dams and reservoirs to meet the increasing water demands for power production, flood protection, and out-of-stream needs during the dry summer months. In Oregon today, there are more than 15,000 water rights authorizing the storage of surface water. Most of these water rights are for small ponds or reservoirs storing less than 9.2 acre-feet, although there are more than 60 reservoirs with capacities exceeding 5,000 acre-feet each.

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