2015-2017
Budget Presentation

Oregon Water Resources Department

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Chapter 1

Agency Overview

Clackamas River
Photo Credit: Oregon State Archives

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Chapter 1

Agency Overview

a look at the mission, goals, and programs of the Water Resources Department

OUR MISSION

"To serve the public by practicing and promoting responsible water management"

GOALS

- To directly address Oregon's water supply needs, and
- To restore and protect streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life.

KEY STRATEGIES

- **Understand Oregon's Water Resources by**:
  - Collecting and providing crucial data about the groundwater, streamflows, and water needs throughout Oregon.
  - Improving water resources data collection and monitoring.
  - Understanding changing conditions related to climate, land-use and population.
- **Meet Oregon's Water Needs, by:**
  - Implementing the Integrated Water Resources Strategy.
  - Providing technical assistance and funding for water resources development opportunities.
  - Ensuring that instream needs are met.
- **Manage Oregon's Water Resources, by:**
  - Upholding Oregon water law.
  - Processing water rights, permits, transfers.
    and certificates in a timely manner.
  - Adjudicating water right claims.
  - Ensuring safety in dam and well construction and operation.

KEY BUDGET INVESTMENTS

- Water Resources Development--Meeting Instream and Out-of-Stream Needs
- Strengthening Department Core Functions
- Helping Communities Solve Water Challenges

Water Rights Services Division 37.65 FTE

This division processes incoming applications for new water use permits and extensions; issues water right permits and certificates; processes applications for instream leases, reservations of water, and water right transfers; and coordinates hydroelectric relicensing. This Division serves as a record-keeping body for the existing water rights in Oregon and it reviews water management and conservation plans in addition to adjudicating pre-water law vested and federal reserved water rights.

Field Services Division 53.83 FTE

This division enforces Oregon's water law in the field, regulating water uses with a newer priority date for the protection of older rights. The division collects hydrographic data, and performs dam and well inspections.

Technical Services Division 43.32 FTE

The division performs surface water and groundwater hydrology analyses, dam safety evaluations, conducts enforcement actions, and oversees well construction. This division also provides information services support for the Department including mapping, database management, and website development.

Administrative Services Division 14.00 FTE

The division supports the day-to-day operations of the agency through human resources, payroll, accounting, budgeting, facilities management, and support services functions. This division also administers water resources grant and loan programs.

Director's Office 6.00 FTE

The Director's Office coordinates Water Resources Commission activities, tribal interactions, policy, legislation, public information, media, legal services provided by the Attorney General's office, and contested case hearings.

Total 154.80 FTE

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a look at the mission, goals, and programs of the Water Resources Department

Oregon Water Resources Commission

The Water Resources Commission, a seven-member citizen board, oversees the activities of the Water Resources Department. The Commission is responsible for setting statewide water policy, consistent with state law.

Commission members are appointed by the Governor for four-year terms, subject to confirmation by the Oregon Senate. The Commission includes a citizen appointed from each of five regions of the state (as shown in the map above), as well as the east-side and a west-side at large.

Members of the Commission from left to right:

- Dennis Doherty (North Central Region)
- Bob Baumgartner (Northwest Region)
- John Roberts (Chair, Southwest Region)
- Ray Williams (Vice-Chair, East-Side at Large)
- Bruce Corn (Eastern Region)
- Jeanne LeJeune (West-Side at Large)
- Carol Whipple (West Central Region)

Oregon's Water Code: A Historical Perspective

On February 24, 1909, the Oregon Legislature passed Senate Bill 77, commonly referred to as the 1909 Oregon Water Code. House Bill 192 passed in the same session, declaring that "all water within the State from all sources of water belong to the public." With some exceptions, water users must obtain a permit or water right to use water from any source. Like most states west of the Mississippi, Oregon uses the Doctrine of "Prior Appropriation," meaning the first person to obtain a water right on a stream is the last to be shut off in times of scarcity. This provides greater certainty to senior water users that there will be a source of water to support economic investments.

Oregon water law has continued to evolve. For example, in 1955, the Legislative Assembly adopted the Oregon Ground Water Act, placing management of groundwater resources under the purview of the state. The 1987 Instream Water Right Act recognized water instream as a beneficial use, allowing for the establishment of instream water rights and allowing Oregon to protect more water instream than any other western state. The innovative Allocation of Conserved Water Program allows water users to apply conserved water to new lands, new uses, and instream uses, based on statutory parameters. In 2012, the Water Resources Commission adopted the state's first Integrated Water Resources Strategy, providing a blueprint to understand and meet Oregon's instream and out-of-stream water needs.

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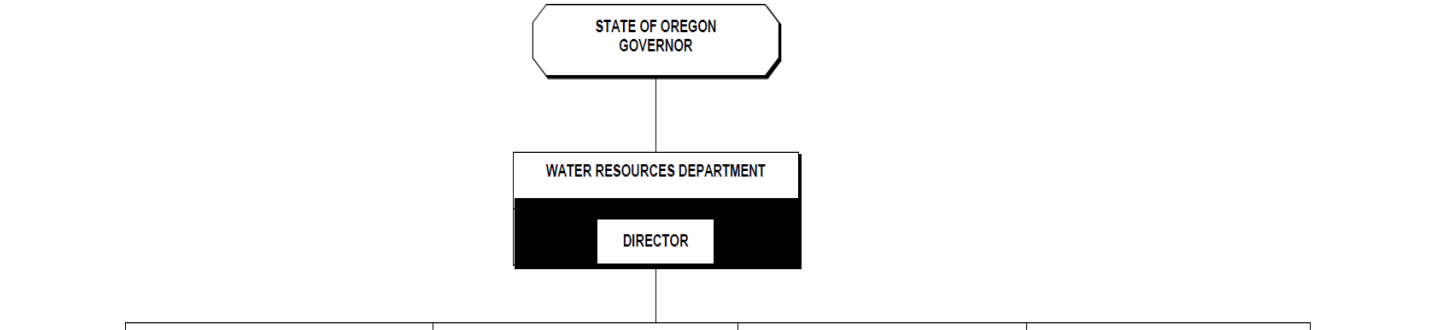

DIRECTOR'S OFFICE

- Governor's Letters/Requests
- Administrative Rules Coordination
- Legal Coordination
- Commission Liaison
- Klamath Compact
- Western States Water Council
- Internal Technical Assistance
- Special Projects
- Public Information
- Hearings
- Legislation
- Policy Development

6.00 FTE

ADMINISTRATIVE SERVICES

- Fiscal Services
- Budgeting
- Accounting
- Contract Services
- Office Services, Mail, Reception
- Facilities Management
- Telecommunications
- Water Development Loan Fund
- Human Resources
- Employee Development
- Risk Mgmt./Workers Comp
- Grant and Loan Administration

14.00 FTE

TECHNICAL SERVICES

- Hydrographics Analysis & Publication
- Dam Safety
- Groundwater Science
- Water Availability
- Pump Tests
- Water Use Reporting
- Geographic Information Systems Mapping
- Computer Services
- Drought/Flood Technical Support
- Hanford Studies
- Well Construction
- Well Driller's Licensing
- General Enforcement

43.32 FTE

WATER RIGHT SERVICES

- Water Right Applications
- Limited Licenses
- Permit Extensions of Time
- Water Right Information
- Water Rights Records & Research
- Adjudications
- Hydropower
- Certificate Issuance
- Pre-Application Conferences
- Transfers & Conservation
- Water Management & Conservation Plans
- Leasing
- Flow Restoration

37.65 FTE

FIELD SERVICES

- Surface and Groundwater Management
- Regional and Watermaster Offices
- Well Inspection
- Streamflow & Well Net Measurement
- Mitigation Programs
- Dam Inspections
- Field Evaluations

53.83 FTE

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Chapter 2

Divisions and Programs


Multnomah Falls

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WATER RIGHT SERVICES DIVISION

The Water Right Services Division supports the economy of Oregon by processing all of the water right applications for the state. This includes, but is not limited to, the following application types: new water right permits, water right transfers (changes to existing water rights), requests for extension of time to further develop existing water rights, limited licenses, determinations of pre-law water uses ("Adjudications") and hydroelectric licensing. A significant number of jobs are created and supported as a result of water right approvals. In addition, the Division processes water right transactions that protect instream flows for the benefit of all Oregonians.

During the 2013-15 biennium Water Right Services had 38 budgeted positions in seven programs: Water Rights, Certificates, Extensions, Transfer and Conservation, Protests, Adjudication, and the Hydroelectric Program.

Primary Outcome Area:	Jobs and Innovation
Secondary Outcome Area:	Healthy Environment
Program Contact:	Dwight French; 503-986-0819

PROGRAM DESCRIPTION

The Division supports the agency mission by evaluating and acting upon applications for new water rights. Under Oregon law, almost all water users must apply for and receive a water right before initiating their water use. The Water Right Services Division is responsible for the evaluation of both instream and out-of-stream water right applications and the issuance of new water right permits and certificates. In addition, the Division administers the following water right-related programs, including: water right program and policy development; limited water use licenses; drought related water use permits; customer service and record management; protests; adjudication of pre-1909 water right claims, federal reserved rights and tribal rights; hydroelectric permitting; extensions; transfers; permit amendments; instream leases; allocations of conserved water; and water management and conservation plans.

The Division is responsible for distributing the weekly public notice of applications and responding to public inquiries. The Division receives and evaluates citizen and interest group comments, as well as protests concerning water use applications.

The Division coordinates with local governments regarding land-use plans and other state and federal agencies concerning proposed water allocation. The Division's process for the evaluation and issuance the various water right related orders are prescribed by statute and rule. Because nearly all water rights confer use of water in perpetuity, and often have a dramatic effect on property values, there is a stringent evaluation conducted on all applications.

The Water Right Services Division includes seven major programs, which are described in detail below.

1. WATER RIGHTS PROGRAM

Water Right Application Review – This section reviews new water right applications and issues permits. The focus of the water right permitting program during the 2013-15 Biennium was to maintain the timely processing of water right applications and continue efforts to systematize and automate the process. In December 2009, using a facilitator, water rights staff streamlined the business process for reviewing applications using the Lean-Kaizen method. Staff re-designed the water right application forms that better communicate to the public what information is needed. These changes are resulting in a reduction in the time required to process water right applications. The Division continues to focus efforts on the resolution of protests of proposed water rights. While the number of water right applications is expected to remain stable overall, the complexity of application reviews is increasing as less water is available for appropriation. For this reason, the Department expects that the protest program will grow in the future.

Customer Service and Record Management – The Water Right Services Division is responsible for walk-in, telephone and e-mail customer service concerning all water right matters at the Salem office. Division staff help provide counter service to the public. Division staff receive approximately 2,500 calls per month concerning water right matters. In addition, Division staff maintain and manage all the Department's official water right records.

The Division continues to provide a high level of customer service including an increased amount of pre-application counseling, immediate review of applications for completeness, a maximum one day call-back policy, and other improvements to an already customer-friendly environment. A second computer has been added to the customer service area to provide walk-in customers additional opportunities to access Department information and databases. Additionally, the Department has improved its web page to allow the public quick access to Departmental records and other information including powerful and efficient research tools.

2. CERTIFICATES PROGRAM

After a permit is issued, the permittee has up to five years to develop the right unless an extension of time is applied for and approved. To perfect the right, the permittee must submit a final water-use report with a map of the use as developed. The Division receives these final reports and maps and prepares the certificate describing the use allowed.

During the 2007-09 Biennium, Division staff, with the help of the Department's Information Services Section, streamlined the certificate issuance process. We improved our review documentation while decreasing the time it takes to develop the certificate document. These approaches have led to a reduction in the backlog of work in this area; from a high of 6,000 in 2003-05 to approximately 2,100 today. In January 2010, Certificates staff used the Lean-Kaizen method to review their processes in an attempt to find additional areas to streamline the review process. No major program changes were identified besides the need to change the reporting forms. The forms were changed and yielded time savings.

3. EXTENSIONS PROGRAM

If a permittee is not able to complete water development within the allotted time as prescribed in the permit, the permittee may request an extension of time within which to complete the work. The Division reviews these extension requests and determines, within the requirements of the law, whether or not to allow the extension.

4. TRANSFER AND CONSERVATION PROGRAM

The Transfer and Conservation Section includes staff responsible for processing changes to existing water rights and permits, flow restoration applications, water management and conservation plans, and coordination with local government, conservation partners, soil and water conservation districts, watershed councils, and others. These programs are key to meeting Oregon's long-term water supply and restoration goals.

Transfers – The transfer of an existing water right to a new use or place of use is often the best alternative for establishing a "new" water supply for economic development or streamflow restoration. Under Oregon law, water rights are issued for a specific use, to receive water from specific points of diversion, and are appurtenant to specific locations. However, Oregon water law also provides a process to change the use, place of use, or point of diversion while still retaining other characteristics such as the water source and priority date, provided that the changes do not injure other water rights. The Transfer and Conservation Section is responsible for receiving and processing water right transfer, permit amendment, and groundwater registration modification applications. As of the end of 2014, there were 259 transfer applications waiting for final decisions. The Department has been receiving approximately 180 new transfer applications per year.

The Department has taken a number of steps to address this workload. In addition to obtaining additional staff resources in 2003, the Department continues to refine its water right transfer rules and processes and to use technology to automate and expedite transfer processing. In November 2009, using a facilitator, transfer staff streamlined the business process for reviewing transfer applications using the Lean-Kaizen method. Staff analyzed the types of additional information or clarification that processors had requested in order to complete the review of transfers from the preceding year. Staff re-designed the transfer application forms that better communicate to the public what is needed, in only half the number of pages of the previous forms. These changes result in a significant reduction in the time required to process transfer applications to Final Order, as well as being more user-friendly. The Department also used the Reimbursement Authority program to expedite 12 transfer applications during the last fiscal year.

The Department continues to look at ways of streamlining, combining functions, and leveraging its staff resources to best serve its customers.

Flow Restoration – In addition to processing instream transfers, this section is also responsible for processing instream lease and allocations of conserved water applications. The Transfer and Conservation Section works, in coordination with the Field Services Division, with conservation groups, water right holders, irrigation districts, watershed councils, and soil and water conservation districts to complete flow restoration projects.

Oregon is a leader in flow restoration, with more than 1,300 completed instream leases, instream transfers and allocations of conserved water. Approximately 1,700 cubic feet per second (cfs) has been restored to streams in Oregon. While no scientific study has been conducted that compares streamflow restoration by state, an informal survey shows that Oregon leads Washington, Idaho, and Montana in streamflow restoration by a large margin. The Water Resources Department processes approximately 120 lease applications annually, with a goal for average processing time being 45 days. Approximately ten instream transfers are received annually. The number of allocations of conserved water averages six to seven per year. In the past, some applications took more than two years to process, but, due to a thorough process and efficiency review in 2013, processing of these applications is now taking only six months.

Water Supply and Conservation Planning – Staff in this section work closely with community water suppliers (municipal and certain quasi-municipal water suppliers) and irrigation districts to assist in the development of water management and conservation plans. Many community water suppliers and districts have initiated planning efforts to identify new options and alternatives to meet future water needs. Community water supply entities are required by water right permit conditions or statutory provisions to prepare water management and conservation plans. Under the planning approach developed by the Department, a variety of water supply alternatives, including storage, conservation, and water right transfers, are considered for cost-effectiveness and feasibility. The approach is intended to help water suppliers identify least-cost options for meeting future water needs. In the most recent fiscal year, 100 percent of the plans received by the Department were reviewed within the 90 day review goal. This is the highest percent recorded since the Department started keeping records.

5. PROTEST PROGRAM

The percentage of protests received, which are formal challenges to our proposed final orders, has averaged only 1.3 percent over the last 10 years, even as the Division has reduced waiting times and backlogs consistently over the last decade. This means that nearly 99 percent of interested persons and entities, including applicants, do not protest the Department's proposed decisions.

However, when a protest is filed, the protest program is responsible for resolving protests filed against various Department orders, either by negotiated settlement or through a contested case hearing process. Based on past experience, the Department expects to receive approximately 100 protests during the 2015-17 biennium. About 75 percent of these are filed by applicants who disagree with the Department's determination; the other 25% come from a neighbor to the proposed project, conservation groups, or an interested local citizen. The staff successfully negotiates resolution of approximately 90 percent of the protests, thereby dramatically reducing the need for expensive contested case hearings, while meeting the essential water needs of the applicants and ensuring adequate resource protections.

6. ADJUDICATION PROGRAM

The Adjudication Program is responsible for the adjudication of pre-1909 water rights, tribal water rights and other federal reserved water rights. Most of Oregon's river basins east of the Cascade Mountains have been adjudicated. Only a few of the river basins west of the Cascades have been adjudicated.

The Department initiated the Klamath Basin Adjudication in 1975. This adjudication was delayed by two lengthy federal lawsuits. These suits have been concluded and the Klamath Adjudication is moving

forward. Final claims were filed prior to April 30, 1997. The Department received 5,660 legal contests to 730 claims. The Department completed the administrative phase of the Klamath Adjudication in March of 2013, when it transferred the case to the Klamath County Circuit Court. The Department is providing support to the Department of Justice as the Klamath Adjudication makes its way through the Circuit Court. Additionally, the Department is beginning to make plans to start new adjudications in previously unadjudicated areas of the state.

7. HYDROELECTRIC PROGRAM

The Hydroelectric Program has lead responsibility for Oregon's hydroelectric water right program. Program staff process all applications related to development, modification, assignment and decommissioning of hydroelectric projects. Staff are responsible for implementing a coordinated, interagency program for evaluating applications to reauthorize hydroelectric projects with state or federal licenses that are due to expire.

The program is also responsible for coordinating the decommissioning of existing facilities.

Division staff conduct annual fee billing and collection for the 154 existing hydroelectric projects in Oregon. These fees support hydroelectric programs in the Departments of Water Resources, Fish and Wildlife, and Environmental Quality.

PROGRAM JUSTIFICATION AND LINK TO 10-YEAR OUTCOME

The Water Rights Services Division supports the 10-Year goals for Jobs and Innovation and a Healthy Environment. The WRSD has frequent contact with many of Oregon's key industries to identify water supply solutions including: agriculture, food processing, nursery products, tourism and semiconductors. Water is a necessary ingredient for these business sectors to thrive.

The WRSD supports business development by only approving new water uses that are sustainable. In the approval of water right permits, water has to be available at least 4 out of every 5 years. Issuing water rights that meet this standard provides a greater level of reliability prior to investing in expensive infrastructure. Furthermore, it is critical to business and communities that the Department processes different types of water use requests in a timely and accurate manner. A delay due to lack of funding or lack of staff resources in the WRSD can cause a business to have to delay its plans and may even allow a competitor a start-up advantage.

The WRSD also supports the Healthy Environment goals, by processing transactions that protect instream flows. Streamflows are essential to the ecological health of fish and wildlife.

Finally, this Division plays an integral part in implementing several key priority actions of the state's 2012 Integrated Water Resource Strategy. These efforts include revising informational materials to provide clearer guidance on development of agricultural or municipal Water Management and Conservation Plans, and improving outreach and communication strategies for the Allocation of Conserved Water program.

ENABLING LEGISLATION/PROGRAM AUTHORIZATION

The Division prides itself in strictly adhering to the enabling statutes that authorize the water right processes that we administer. The following is a list of WRSD programs and their enabling ORS citations.

Water Right Transfers – Processing requests for changes (i.e., leases, allocations of conserved water or transfers). Transfers can include a change in place of use, type of use, or point of diversion. Both regular and expedited processes are available.	ORS 536.050; ORS 537.120 to 537.360; ORS 537.525; ORS 540.520 to 540.580; ORS 537.455 to 537.500; ORS 540.510.
Water Right Permitting – Water right records and research, processing of new water right applications, permit extensions, certificates, and limited licenses. Both regular and expedited processes are available. Staff include permit & certificate writers, and protest coordinators.	ORS 537.097; ORS 537.799; ORS 536.050; ORS 537.130; ORS 537.120 to 537.360; ORS 537.135; ORS 537.211 to 537.252; ORS 537.525; ORS 540.520 to 540.580; ORS 537.153; ORS 537.797; ORS 537.621 to 537.628
Adjudication – Confirming uses of water that pre-date Oregon's 1909 water code.	ORS Chapter 539; ORS 539.010; ORS 537.665 to 537.700;
Hydroelectric Program – Coordinating agency for project re-authorization and FERC licensing, and review of non-FERC applications.	Oregon Constitution Article XI-D ORS 543.015; ORS 543.017; ORS 537.283

FUNDING STREAMS

A funding for staff comes from the state General Fund and Other Fund fees. Fees are charged for various water right permitting activity as well as for the Hydroelectric Program.

	Water Right Services Division				
	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2013-15 Legislatively Approved Budget	3,241,026	3,946,265	-	-	7,187,291
2015-17 Base Budget	3,500,817	3,891,442	-	-	7,392,259
2015-17 Current Service Level	3,468,855	3,903,238	-	-	7,372,093

TECHNICAL SERVICES DIVISION

The Technical Services Division provides the data and information used to underpin policy and operational decisions throughout the Department and the state. These science-based decisions help the state meet its instream and out-of-stream water needs.

During the 2013-2015 biennium, Technical Services had 44 budgeted positions in five programs: Dam Safety, Well Construction and Compliance, Information Services, Surface Water Science, and Groundwater Science.

Primary Outcome Area: Healthy Environment
Secondary Outcome Area: Jobs and Innovation
Program Contact: Brenda Bateman; 503-986-0879

DAM SAFETY PROGRAM

The Dam Safety Program houses the State Engineer, who provides technical oversight of the Dam Safety Program and also provides technical support for the agency's water supply initiatives.

Dam Safety Program staff have the responsibility to review and approve the design/specifications of new water storage structures and existing structures undergoing major repair. Dams that are ten feet or greater in height and impound 9.2 acre-feet (3,000,000 gallons) or more are subject to the requirements of the Dam Safety Program.

The Department's Field Services Division conducts dam inspections in coordination with the State Engineer. The Department has lead inspection responsibility for more than 900 dams in Oregon, and strives to inspect more than 200 each year, including the more than 60 dams rated as "high hazard." Dams are rated into low, significant, and high hazard categories, based on the population and property located downstream from the dam. Inundation studies conducted by the Department help to determine these ratings.

The State Engineer initiates enforcement actions when necessary to protect public safety; the Dam Safety Engineer also provides engineering expertise and conducts staff training.

As structures age and additional seismic information becomes available, proper construction and maintenance becomes even more critical. The Department is available to help dam owners develop emergency action plans.

WELL CONSTRUCTION AND COMPLIANCE SECTION

The Well Construction and Compliance section includes a well constructor licensing specialist, a well construction specialist, an exempt use well program coordinator, a geotechnical hole specialist, a start card specialist, and the section manager.

Well Construction – The Well Construction Program protects Oregon groundwater resources from contamination, waste, or depletion of groundwater aquifers. The program administers well construction standards, well inspections, and well constructor licensing, including testing and continuing education requirements, to ensure that well constructors understand the importance of protecting aquifers using proper construction techniques. In coordination with the Field Services Division well inspectors, staff members consult with drillers to ensure compliance with well construction standards. Staff also assist the public in conducting well log research, interpreting well log data, and issuing Well ID Tags.

Compliance – The Compliance staff provides guidance to field personnel for regulatory matters that could involve formal enforcement action, and serves as the agency lead when formal enforcement action becomes necessary. Although voluntary compliance with Oregon water law is achieved more than 98 percent of the time, there are violations of water law requiring stronger action. Water use violations generally involve the diversion of water from other instream and out-of-stream water rights that are legally entitled to it. Well construction violations typically involve construction practices that could lead to contamination or depletion of groundwater aquifers. The Compliance staff prepares formal enforcement documents, represents the Department in formal hearings, administers non-voluntary water right cancellation activities, and assists in writing administrative rules.

INFORMATION SERVICES SECTION

The Information Services Section provides agency and public access to information necessary for sound water management decisions through application development, data management, and technical support. The section recently added the ability for the public to conduct business online during such transactions as well license renewals, start card purchases, and electronic well log submittals.

Application Development – Application development staff members streamline the processing of information for both internal (agency) and external customers. The information is displayed through web pages and maps. These applications are necessary to increase staff efficiency, understand complex data, and support water resource decisions. An upgrade of the interactive mapping application was completed in 2014. This application is available on the Department's web site and is used by a wide variety of organizations for making economic development and water resource management decisions.

Data Management – Data management staff build and maintain databases of key information including water rights, well construction records, and hydrologic data. Section staff add new information when it is received by the Department and research historical paper records to improve database accuracy. Quick and reliable public access to information is critical to the management of limited water supplies.

Technical Support – Technical support staff members ensure that hardware and communication infrastructure is operational and accessible. Reliable servers and computers are necessary for information sharing and improving staff efficiency. Recent communication capability improvements

have enabled the Department to develop greater efficiencies to transfer information between headquarters and field offices.

Information Technology Security – Information technology staff members take steps to avoid or mitigate risk to agency information assets. Securing information assets from unauthorized access protects the public and the Department.

SURFACE WATER SCIENCE SECTION

This section includes one section manager and nine hydrologists, hydrographers, and office support. This section provides expertise in hydrology and streamflow measurement, calculating surface water availability, assessing drought conditions, establishing scenic waterway flows, setting instream flow protections, coordinating water-use reporting, and ensuring coordination and collaboration with other work units, government entities.

Hydrographics – Hydrographics staff process streamflow, reservoir, and groundwater level data for management decisions, publication, and public distribution. Siting and operating a stream gage network requires trained hydrographic technicians to keep the equipment operating properly, to conduct regular measurements at various water elevations, and to input the collected information into a central database. Staff review the data, make corrections based on field conditions, such as debris or ice, and finalize the records to meet computation standards established by the USGS.

As of 2014, the Water Resources Department operated more than 200 stream and reservoir gages throughout the state, maintaining a 100-year record for many of them. This information is vital for water managers, scientists, planners, and policymakers to make sound water management or planning decisions. The work unit also provides technical support to field staff on the location, installation, and operation of surface water stream gaging stations. The Department has operated gages to serve two primary purposes: scientific evaluations and water management (including distribution and regulatory activities). About 150 of these gages are operated as near real-time, and transmit data once every hour. The Department also posts information from another 225 gages operated by the U.S. Geological Survey on the Department's website.

Surface Water Availability – The Surface Water Availability Program assesses surface water availability in rivers and streams throughout the state. This analytical tool is used to make decisions about issuing new surface water use permits and restoring streamflow. Basin runoff characteristics and streamflow measurements are analyzed in a manner that allows prediction of flow in streams where gages are not available. Streamflow statistics and water availability are used for water supply and stream restoration planning.

Major elements of the program include expanding and refining the streamflow records database, improving estimates of consumptive water use, improving the accuracy of predictive streamflow models, and analyzing surface water availability for water right applications. Other surface water tools have been developed that provide flood frequency predictions and water use impact analyses for consideration in mitigation proposals.

GROUNDWATER SCIENCE SECTION

The Groundwater Section includes 10 staff hydrogeologists and a supervising hydrogeologist. The section focuses on collecting and analyzing information on the groundwater resources of the state. That information is used to make decisions so that the state can manage groundwater in a sustainable manner. Section activities include providing technical expertise, particularly related to groundwater permitting, supporting Aquifer Storage and Recovery and Artificial Recharge, pursuing groundwater basin investigations, administering groundwater administrative areas, and collecting and processing groundwater data.

Technical Expertise – Significant staff time is devoted to intra-agency collaboration, including reviews of groundwater permit applications and transfers, participation in contested cases, counsel on matters relating to well construction, resolution of interference between water wells and surface water, complaints regarding well-to-well interference, assistance with enforcement matters, review of data collected by water users, and technical analysis of proposed groundwater policies.

Aquifer Storage & Recovery and Artificial Recharge – Aquifer Storage and Recovery (ASR) and Artificial Recharge (AR) are tools to store water in underground aquifers. The ASR and AR program staff review proposals, provide technical assistance, consider the potential for injury to other water users and aquifer water quality, evaluate project data and reports, and issue licenses and permits.

Groundwater Basin Investigations – Groundwater investigations characterize the water budgets of groundwater reservoirs, document the interaction between groundwater and surface water, determine annual recharge, calculate the current demands on the aquifer, and inform management plans that prevent over-drafting the resource. Investigations include assessments of critical groundwater areas, other locations where groundwater levels show decline, and areas where local geology or anticipated growth suggests the resource may soon begin to show signs of stress. These studies can also help identify management options. The U.S. Geological Survey provides a cost match for these investigations.

Groundwater Administrative Areas – There are 22 designated groundwater administrative areas around the state with differing levels of restrictions. These include critical groundwater areas, groundwater limited areas, and areas withdrawn from further appropriation. Staff monitor these areas to ensure that the restrictions adequately protect the groundwater and existing users without excessively curtailing water development and use.

The designated critical areas are Butter Creek, Stage Gulch and Ordinance in the Umatilla Basin; The Dalles in the Hood Basin; Cow Valley in the Malheur Basin; and Cooper Mountain-Bull Mountain in the Tualatin Basin. Within these areas, hydrogeologists monitor groundwater levels and water use and, where applicable, determine the annual allocation of groundwater available to senior water right holders.

Department hydrogeologists also provide technical input for mitigation opportunities in the Deschutes, Grande Ronde, and Klamath Basins to protect scenic waterways and instream flows. The mitigation program in the Deschutes Basin is designed to allow development of groundwater by using mitigation credits to maintain or improve streamflow.

Groundwater Data – In cooperation with the Field Services Division, section staff collect and input data from water level observation wells around the state to track the long-term response to development and climate change of key aquifers. There are currently more than 360 state observation wells and several hundred miscellaneous project wells active in Oregon. These data are quality-control checked and entered on the Department's website for access by the public and professionals who use the information to track and understand changing conditions.

PROGRAM JUSTIFICATION AND LINK TO 10-YEAR OUTCOME

The Technical Services Division supports both the Healthy Environment and Jobs and Innovation goals. Under the Healthy Environment goals, the Division supports strategies to improve water and wastewater systems, protect drinking water sources, balance ecological and economic interests to improve the health of watersheds, and address environmental toxins. In regards to the Jobs and Innovation goals, the Division supports efforts to improve access to water for agriculture, as well as other uses such as industry and municipalities.

Growing communities depend on reliable water supplies that will be available for consumption, agriculture, recreation, and other purposes. This program contributes to the coordination of resources for growing communities and agriculture by providing the science to manage surface water and groundwater conjunctively as a sustainable resource. Through the use of monitoring equipment, measurements, and inspections, the Division collects and shares groundwater and surface water information vital to the protection and development of Oregon's water resources. This information enables staff to protect instream flows, groundwater aquifers, and senior water rights. In addition, proper well construction protects groundwater aquifers from contamination and waste. Understanding groundwater is a key component to prevent migration of existing groundwater contamination, and determine the capacity of the resource to support new uses.

ENABLING LEGISLATION/PROGRAM AUTHORIZATION

Oregon water law is addressed in Oregon Revised Statutes (ORS), chapters 536 through 541. ORS 537.110 declares all waters in the state as a public resource.

Dam Safety: ORS 540.350 through 540.400 defines certain dams and other water structures as potential threats to life and property and requires review by the Water Resources Department.

Groundwater Science: ORS 537.505 through ORS 537.746 provides for the protection of groundwater to ensure a sustainable resource for the state.

Well Construction and Compliance: ORS 537.747 through ORS 537.796 and ORS 537.880 through ORS 537.895 provide the requirements for well construction.

Surface Water Science: ORS 536.440, ORS 537.099, ORS 542.060, ORS 542.750 and ORS 540.435: Water users must measure and report. The Department must establish and maintain gaging stations; publish gage records, and analyze streamflow.

Information Services: ORS 536.037 and ORS 536.040: The Department must keep records and the information must be made available to the public. ORS 291.037 through 291.038 finds information resources are a strategic asset and must be managed accordingly by agencies.

FUNDING STREAMS

Historically, the majority of funding for the Technical Services Division comes from the state General Fund. Other Funds include fees for the inspection of newly constructed wells and the mapping of those wells in the Department's online databases. The 2009 Legislature established a fee to help pay for the costs of the Dam Safety Program. The state's core responsibilities related to water, described in detail throughout this document, require significant investments in order to meet Oregon's water needs now and into the future.

	Techical Services Division				
	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2013-15 Legislatively Approved Budget	7,402,454	4,220,086	-	1,105,794	12,728,334
2015-17 Base Budget	7,890,731	4,319,409	-	1,105,794	13,315,934
2015-17 Current Service Level	7,976,587	4,386,780	-	1,140,784	13,504,151

FIELD SERVICES DIVISION

The Field Services Division is responsible for on-the-ground implementation of Oregon's water laws in the field, including the distribution and management of water to support jobs and economic development, as well as ecological health and recreation. In the system of prior appropriation, the first user to divert the water has the first priority to that water in times of shortage. The Field Services Division is responsible for the management of water rights based upon the system of prior appropriation, managing surface water and groundwater rights, including instream rights created to protect environmental values.

Primary Outcome Area: Jobs and Innovation
Secondary Outcome Area: Healthy Environment
Program Contact: Doug Woodcock; 503-986-0878

PROGRAM DESCRIPTION

The Field Services Division carries out the agency's mission by enforcing the state's water laws and implementing the Water Resources Commission's policies in the field. Field Services Division has sole responsibility for the regulation of water uses based upon the water rights of record. Additionally, the Division conducts the field work to implement programs overseen by Technical Services Division. These efforts include inspection of construction and the maintenance of wells for protection of the groundwater resource; inspection of construction and the maintenance of dams for the protection of the public safety and environment; and the collection of hydrologic data (streamflows and groundwater levels) that is made available for use by staff and the public for planning purposes.

The Field Services Division assists water users in developing long-term water supply and conservation plans. The Division also provides information to the public on water law, water rights, and well construction and provides technical information to numerous watershed planning groups and local land-use jurisdictions.

The Department has 21 watermaster districts grouped into five regions for more efficient use of field personnel. Region managers, watermasters, field technicians, and locally-funded assistants carry out the field activities of the Department.

Water Management and Distribution – The ability to partner with the community and work on the ground is one area that sets Oregon apart from other states who have written policies, but no capacity to implement or enforce them out in the field. The state's ability to identify and correct problems locally is dependent on the number of skilled personnel in the field, the technical training they receive, the equipment (measurement, communications, and transportation) available to them, and their ability to educate and inform customers.

There is a strong need to increase and maintain adequate field presence at Water Resources Department. These staff members include watermasters, inspectors, scientists and technicians. Field personnel manage and distribute water; ensure compliance with permit conditions; guard against waste, contamination, and loss of pressure; inspect for hazards; and collect critical data.

Field personnel collect data and protect public and environmental health through inspections and enforcement actions. They are well positioned to work with federal and local water managers, watershed councils, local planners, county commissions, and other entities in the community with responsibility for water. These individuals are also on the front lines of public education and they have a breadth and depth of policy, technical, and legal knowledge in their disciplines.

Over the years, the number of personnel in the field has dwindled. Strengthening Oregon's field-based work will require financial investments and a continued partnership with other agencies to carry out our shared responsibilities. Management of Oregon's water relies, in part, on local entities funding staff in addition to state staff. These locally funded staff are assigned to watermaster offices. Counties provide much of the budget for the locally-funded positions. The number of locally funded assistant watermasters and office assistants has declined from 37 to 15 statewide, representing a 60 percent reduction in water management staff. The number of locally-funded assistant watermasters continues to be a challenge as counties face reduced revenues. This reduction in Water Resources Department's field presence is significant, given the large responsibilities involved. In southeast Oregon, for example, the District 10 watermaster is responsible for regulating and distributing water across 11,700 square miles of land. In northwest Oregon, the District 16 watermaster is responsible for several hundred dams that need routine inspection and site visits.

The Field Services Division addresses a broad range of water supply protections. The watermaster corps is the sole provider of water regulation and distribution in Oregon. The table displays the number of regulatory actions taken by field staff over the years. Regulatory actions are either actions by the watermasters corps that cause a change in water use behavior, or field inspections that determine no change is necessary. This metric gauges the field workload and communication with water right holders, and is influenced by climate (wetter years generally require less regulation; see 2011); availability of staff to undertake the work; and external forces such as federal irrigation project management related to federal Endangered Species Act issues.

Year	Regulatory Actions
2007	11,636
2008	6,999
2009	11,493
2010	10,528
2011	8,182
2012	11,486
2013	17,932

Hydrologic Measurements and Dam Inspections – The Field Services Division works closely with the Technical Services Division to collect hydrologic data, inspect dams, and inspect wells. Additional information about these programs can also be found in the Technical Services Division section.

In terms of surface water management activities, Department field staff operates more than 200 streamflow recording stations, and in 2013, staff conducted 2,557 streamflow measurements. These data are an invaluable resource to Department staff working to protect existing water rights and are used by numerous entities involved in economic development and streamflow restoration activities.

In 2013, staff also made over 200 dam safety inspections, checking dams for indications of instability and water movement in order to protect against loss of life and property of downstream landowners.

In 2013, groundwater management activities of Department staff included more than 2,550 groundwater measurements in wells. Water level data collected by the Department is an integral part of its management and permit decision-making and is used extensively by consultants, developers, realtors, and the general public.

Well inspections ensure the protection of the groundwater resource from waste and contamination. Proper well construction maintains groundwater quality and quantity, and prevents the loss of artesian pressure. The number of newly constructed wells that are inspected each year is influenced by weather (because drier years result in more wells being drilled) and the economy, which drives new construction. No other entity inspects wells in Oregon.

The table displays the number of well inspections conducted by field staff over the years. The goal is to increase the number of inspections. Declines in the number of wells constructed during the recession have allowed an increase in inspections. In 2012, the Department inspected 34 percent of new wells, and in 2013, it inspected 39 percent.

Year	# of Well Inspections
2007	1,169
2008	1,651
2009	1,245
2010	715
2011	743
2012	725
2013	950

PROGRAM JUSTIFICATION AND LINK TO 10-YEAR OUTCOME

Water equates to jobs, and water-dependent industries must have reliable water to maintain employment rolls and meet baseline business needs. This Division most closely aligns with the 10-Year Jobs and Innovation goal for Oregon of having a diverse and dynamic economy that provides jobs and prosperity for all Oregonians. The Field Services Division is tied to the Jobs and Innovation *strategies* of: 1) growing Oregon's traded sector and industry clusters; 2) supporting Regional Solutions and aligning local, regional, and state economic development priorities; and 3) improving access to water for agriculture.

The Field Services Division implements the Jobs and Innovation strategies by providing the regulatory framework for dependable and sustainable water supplies that promote agriculture and trade and industry clusters. Field staff also provide support for Regional Solutions efforts.

Irrigated agriculture contributes more than 75 percent of the total value of Oregon's harvested crops, generating nearly $3.5 billion in farm gate value. These farms, vineyards, orchards, nurseries, and ranches contribute significantly to county economies as well, providing jobs, related goods and services, and a tax base critical to the survival of county budgets. Agriculture depends upon a certainty

of water supply to meet planting and harvesting goals. Water supply certainty and predictability is also critical for industry and municipalities in meeting their need for a reliable water supply.

In addition, the Field Services Division aligns with the Healthy Environment goals by balancing "ecological and economic interests to improve the health of watersheds, and fish and wildlife habitat." This Division monitors and protects streamflows for instream water rights.

ENABLING LEGISLATION/PROGRAM AUTHORIZATION

Oregon water law is laid out in Oregon Revised Statutes (ORS), chapters 536 through 541. ORS 537.110 declares all waters in the state as a public resource.

ORS 536.220, the legislature recognizes and declares that future growth and development of this state for the increased economic and general welfare of the people are in large part dependent upon a proper utilization and control of the water resources of this state, and such use and control is therefore a matter of greatest concern and highest priority.

ORS 537.110 declares all waters in the state as a public resource. ORS 537.535 – 537.635 authorizes the water-use permitting process to develop those waters. ORS 537.747 – 537.772 authorizes well construction standards and regulation. ORS 540.020 – 540.045 authorizes the appointment of watermasters and regulatory duties to distribute water based upon water rights of record. Most recently, ORS 536.220(3) (a) requires that the Oregon Water Resources Department develop an Integrated Water Resources Strategy to meet Oregon's instream and out-of-stream water needs.

FUNDING STREAMS

The Field Services Division is primarily funded using General Fund dollars, a reflection of the long-term history of the program and the many diverse interest groups benefitting from water management and water right services. Start Card fees, authorized under ORS 537.762, are received when new wells are constructed, and support Oregon's well inspection program. Federal funds support approximately 1-2 percent of the Field Services Division operations.

Field Services Division

	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2013-15 Legislatively Approved Budget	9,667,801	1,894,554	-	169,470	11,731,825
2015-17 Base Budget	9,867,878	1,904,737	-	161,406	11,934,021
2015-17 Current Service Level	9,911,660	1,924,059	-	161,619	11,997,338

Chapter 2

Divisions and Programs

2015-2017

DIRECTOR'S OFFICE

The Water Resources Department is Oregon's water quantity agency, managing the system of water allocation and distribution throughout the state. The Director's Office is responsible for developing and supervising the policies and programs that ensure water is managed according to Oregon Water Law and to meet current and future instream and out-of stream water needs.

Primary Outcome Area:	Healthy Environment
Secondary Outcome Area:	Jobs and Innovation
Program Contact:	Racquel Rancier; 503-986-0828

PROGRAM DESCRIPTION

The Oregon Water Resources Department and its policy-making body, the Oregon Water Resources Commission, have a dual mission: to address Oregon's water supply needs and to restore and protect streamflows. This diverse and occasionally divergent portfolio serves to provide an appropriate balance to agency activity. The Director's Office is responsible for setting policy and the overall direction of the agency, as well as a number of functions outlined below.

Intergovernmental Coordination – The Director's Office leads the agency's formal and informal intergovernmental coordination activities as the lead contact with Oregon's tribal governments, other state-level agencies, local governments, neighboring states and federal agencies on matters of common authority, responsibility, or interest. The Legislative Assembly has authorized the Director to initiate negotiations with tribes in Oregon to define the nature and scope of tribal reserved water right claims. The need to resolve tribal claims in Oregon are real and significant.

Communication – The Director's Office is responsible for the Department's communication with stakeholders, partners, members of the Legislature, the public, and the media. The Department's stakeholder groups are quite diverse, from out-of-stream water users such as industries, municipalities, agriculture, and domestic water users, to instream users, such as hydropower, fish and wildlife, water quality, scenic waterways, recreation, and transportation interests. The Director's Office communicates through a variety of means: face-to-face meetings, conference calls, web-based platforms, letters, informational Listservs, fact sheets, and public meetings. These actions represent a high volume of interaction, year-round. The Director's Office supports the Water Resources Commission by coordinating meetings, developing issue reports and briefing papers, staffing Commission work groups, and answering Commission information requests.

Statewide Integrated Water Resources Strategy (IWRS) – The Director's Office is responsible for implementing Oregon's Integrated Water Resources Strategy (IWRS), an inter-agency blueprint for understanding and meeting the state's water needs. The IWRS was developed with input and participation from other agencies, advisory groups, the public, local communities, scientists, and other stakeholders; it was adopted by the Water Resources Commission in 2012 and endorsed by 11 other state boards and commissions. The IWRS identifies critical water-related issues in 13 different areas, and identifies recommended actions to address them. While the Director's Office oversees the implementation of the IWRS, staff in the Technical Services Division coordinate and support the IWRS efforts. Implementation of the IWRS will require continued funding in the future, along with coordination

among state, local, federal, and private partners. The Water Resources Department is required to update the Strategy every five years.

Integrated Water Resources Development – Identifying water supply options to meet both instream and out-of-stream needs is essential for healthy economies, communities and ecosystems. The Director's Office oversees activities to further water resources development efforts, such as directing Department activities on specific projects, setting policy direction, and working with interested parties and stakeholders to come to consensus on project details. Support for the Director's Office's efforts is provided by water supply staff in the Technical Services Division.

Evaluation of Major Cost Drivers – Most of the Department's General Fund budget is dedicated to personnel. Effective distribution and management of Oregon's water requires trained experts in the fields of law/public policy, engineering, and science. The Director's Office responsibilities require in-house institutional knowledge in order to make policy-decisions and develop strategies to communicate and implement Oregon Water Law, as well as meet instream and out-of-stream needs. The Department has analyzed whether external contractors or temporary employees could do these jobs; it has concluded that these jobs are better met in-house because of the need for long-term institutional knowledge, and a robust understanding of water law and science.

Performance Improvement – The Director's Office has responsibility for continuous improvement in all program areas, but particularly in customer service, regulation, and data and information. A variety of techniques help us identify how we fare in these areas, including key performance measures (KPMs), internal process evaluation, internal performance indicators, meetings with peer agencies, external stakeholder workgroups, and the biennial budget process.

PROGRAM JUSTIFICATION AND LINK TO 10-YEAR OUTCOME

The dual goals of the Department to address water supply needs, as well as restore and protect streamflows are consistent with the Healthy Environment and Jobs and Innovation goals of the 10-year Plan. Similarly, the 2012 Integrated Water Resources Strategy, which also serves as a blueprint for Department activities, identifies actions necessary to understand our instream and out-of-stream water resources needs and take steps to meet those needs. The Director's Office oversees the Department's implementation of this Strategy. Most of the actions in the Strategy support the goals of the 10-year plan.

The Water Resources Department is responsible for permitting new water rights, managing and distributing water, providing technical information, and identifying opportunities to support individuals and communities in water resources development projects to meet instream or out-of-stream needs. The Director's Office provides essential support, policy direction, and oversight of the Department's functions.

Healthy Environment - Oregon's environment is healthy and sustains our communities and economy
The Department's activities help carry out some of the strategies in the 10-Year Plan in this outcome area, including:

- Help local governments invest in improved water and wastewater systems.
- Improve the population status of commercial and recreational fish species.

- Balance ecological and economic interests to improve the health of watersheds, and fish and wildlife habitat.

Jobs and Innovation - Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians. The Department's activities help carry out some of the strategies in the 10-Year Plan in this outcome area, including:

- Improve access to water, land and lower energy costs for agriculture.
- Improve the regulatory environment for large and small businesses.
- Grow Oregon's traded sector and industry clusters.

The Director's Office oversees the implementation of actions that implement the 10-year plan. These actions include:

- The Director's Office has been highly engaged in discussions with stakeholders in regards to meeting agricultural, municipal, industrial, and instream water needs. The Department's integrated water resources development efforts have focused on providing communities with assistance in evaluating project proposals to increase water for agriculture, as well as other needs including instream. Furthermore, the Department is encouraging communities to develop place-based, integrated water resources strategies to help them identify solutions to these water needs. The Department's permitting and grant programs support these efforts to identify solutions that are legally feasible and in the public interest.
- Technical data generated by the Department is essential to protect existing economic investments and instream flows from actions that could injure those water rights, and can assist in identifying potential solutions to water supply challenges.
- Finally, improvements in the Department's water rights' processing activities helps to reduce backlogs and processing timeframes, which can decrease the regulatory burden of these activities on businesses and protect the ecological health of habitats and watersheds by moving pending water rights for both instream and out-of-stream needs through the water right process.

ENABLING LEGISLATION/PROGRAM AUTHORIZATION

Water allocation and management is the responsibility of the state. There is no federal back-up for this work.

Director's Office – Policy and legal oversight, public records requests, public information / media, tribal and intergovernmental relations, staffing the Water Resources Commission, coordinating with the Oregon Legislature, rule-making, public hearings, special projects, integrated water resources strategy, integrated water resources development.	ORS 536.340; ORS 536.025; ORS 536.037; ORS 536.420; ORS 542.630; ORS 536.220; ORS 183.330; ORS 182.535; ORS 184.423/Executive Order 03-03; ORS 536.040; ORS 182.164; ORS 539.310; ORS 541.653; ORS 536.220

FUNDING STREAMS

Activities within the Director's Office are funded primarily by the General Fund.

	Director's Office				
	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2013-15 Legislatively Approved Budget	2,423,723	5,161	-	-	2,428,884
2015-17 Base Budget	2,439,467	5,161	-	-	2,444,628
2015-17 Current Service Level	2,505,898	5,812	-	-	2,511,710

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division provides business and administrative services to the Department in support of the agency's mission. Division responsibilities include budget preparation and execution, human resource services, accounting and internal control, payroll and benefits, contracting, facilities management, risk management, training, receptionist and mail-room support services, transportation coordination and telecommunication administration. The Division is divided into four sections (Fiscal Services, Human Resources, Business Services, and Grant and Loan Administration).

The Administrative Services Division has 14 staff providing a variety of administrative functions.

Primary Outcome Area:	Jobs and Innovation
Secondary Outcome Area:	Healthy Environment
Program Contact:	Tracy Louden: 503-986-0920

PROGRAM DESCRIPTION

Grant and Loan Administration –
Feasibility Study Grants – Local communities often find it difficult to secure feasibility study funding as part of their project development. Such studies help determine the environmental, engineering, economic, and social implications of proposed water supply projects. In 2008, the Oregon Legislature established the Water Conservation, Reuse and Storage Grant Program (SB 1069) to be administered by the Oregon Water Resources Department. The Department has awarded approximately $3.2 million in feasibility study grants since 2008.

Water Supply Development Fund – SB 839 (2013) established a Water Supply Development Fund for the purpose of implementing projects to meet current and future instream and out-of-stream water supply needs.

Water Development Loan Fund – The Water Development Loan Program was enacted by the 1977 Legislature to finance irrigation and drainage projects. The legislation was referred to the voters and received approval in 1977. Over the years, the Water Development Loan Program has reviewed 320 loan applications and funded 181 loans, in which 176 of these loans were for irrigation and drainage projects and five were for development of community water supply systems. There are currently no loans outstanding. Authority to issue bonds in the amounts of $10 million in 2009-11, $15 million in 2011-13, and $10 million in 2013-15 for a project in the Umatilla Basin have not been used at this time. There are no pending applications for loans.

Fiscal Services Section – The Fiscal Services Section's primary responsibility is accounting, including accounts payable, accounts receivable, and general ledger. This section establishes and monitors internal controls to safeguard state and Department assets. In addition, the Fiscal Services Section is responsible for the development and preparation of the Department's Statewide Financial Report (SFR), which is combined with other agencies' SFRs to complete the Comprehensive Annual Financial Report for the state. This section has been continuously recognized as a "Gold Star" contributor to the SFR, since the inception of the program.

Other responsibilities of the Fiscal Service Section include payroll and benefits coordination, contract administration, and budget tracking. The section's contract administration functions ensure that the Department complies with statewide contracting rules and policy, while budget tracking responsibilities include filing allotment reports with DAS. Other responsibilities include travel coordination, key card access, telecommunication management, and facilities administration for the agency.

Fiscal Services Section also provides many of the above-mentioned services for the Oregon Watershed Enhancement Board (OWEB), including providing general fiscal counsel, and guidance on accounting and fiscal policy matters. The section maintains accounts payable, accounts receivable, general accounting, and SFR and SWARM reporting for OWEB. Additionally, this section processes OWEB's payroll, maintains benefits coordination, and enters the allotment.

Biennially, this section creates, inputs, and reconciles in excess of 100,000 accounting entries, including over 30,000 accounts payable entries, 65,000 payroll entries, and 8,000 accounts receivable or receipt entries. The section maintains files and controls for 300 contracts and agreements, including reimbursement authority contracts and agreements.

Human Resources Section – A professional, empowered workforce is vital for the Department to achieve its goals and provide quality services. The Human Resources staff provides hiring, training, safety, and other human resources services to promote integrity, diversity, and respect. The section's customers include the general public, as well as managers and front-line employees in field offices located throughout Oregon. The section strives to ensure that all aspects of human resources services are handled timely, accurately, and courteously.

Responsibilities include the maintenance of the official personnel files, including inserting and removing documents as necessary under law. The section generates reports on affirmative action, risk management and workers compensation, and also maintains and posts the required legal notices in all Water Resources Department offices located throughout Oregon.

The Human Resources staff are responsible for updating the Department's affirmative action plan, which values and embraces diversity. The affirmative action goals set by the Department are monitored by this section as recruitments and training are considered.

The section is also responsible for providing Department managers with human resource advice. In addition to providing guidance to management, the section counsels staff regarding career opportunities for improvement. The section also carries out Department-wide progressive discipline as necessary.

Risk Management activities are also coordinated in this section. The section works with SAIF Corporation on workers' compensation claims, provides ergonomic assessments, and coordinates telecommuting and return-to-work programs.

The Human Resources Section provides many of the above-referenced services to the Oregon Watershed Enhancement Board (OWEB) under a contractual agreement.

Business Services Section – The Business Services Section is responsible for the preparation and execution of the Department's biennial budget and the coordination of general agency support services. Duties include the preparation and execution of the Biennial Budget, including monthly revenue and expenditure monitoring, contract monitoring, and management of the allotment.

Duties of the Support Services staff include mail processing, production copying, reception service, and inventory control. Support Services provide an important part of the Department's internal control system to safeguard the assets received through the mail. During a typical year, the Support Services staff process approximately 50,000 pieces of mail and over 9,000 receipts.

The Support Services staff also provides reception services, assisting walk-in customers and directing callers through the central phone system to the appropriate technical staff.

PROGRAM JUSTIFICATION AND LINK TO 10-YEAR OUTCOME

The Water Development Loan Fund and Water Conservation, Reuse and Storage Grant Program support water projects that will benefit the economic vitality of existing and new businesses in Oregon. These projects are typically characterized by a strong local economic need to stabilize a source of water for agricultural development, municipal use, or emerging business that relies on water as a reusable natural resource (food processing, semiconductors, and cooling for large technology applications that require cooling of servers such as those that serve the internet). These link to both the Healthy Environment and the Jobs and Innovation goals of the 10-Year Plan.

ENABLING LEGISLATION/PROGRAM AUTHORIZATION

The Water Conservation, Reuse and Storage Grant Program is governed by ORS 541.561. The Water Supply Development Account is governed by ORS 541.651. Administration is carried out under the administrative rules and guidelines of state government.

The Water Development Loan Fund is operated under authorization provided in Article XI-I(1) of the Oregon Constitution and in ORS 541.700-541.855.

FUNDING STREAMS

Administrative Services Division – The primary funding source is General Fund that is used to provide administrative services to the Department. In the past, funding for the Water Conservation, Reuse and Storage Grant Program has come from General Fund and Lottery Bonds. For the 2015-17 biennium, a combination of General Fund and Lottery Bonds are proposed. The Water Development Loan Fund is shown separately below.

Administrative Services Division

	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2013-15 Legislatively Approved Budget	4,549,610	10,972,649	574,025	-	16,096,284
2015-17 Base Budget	4,222,934	10,972,779	3,404,416	-	18,600,129
2015-17 Current Service Level	4,449,723	10,220,152	3,404,416	-	18,074,290

Water Development Loan Fund – The primary funding source is Other Funds from Bonds issued for the purpose of making loans. Those loans are repaid over the course of 20-30 years by loan recipients. There are no current loans outstanding.

Water Development Loan Fund

	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2013-15 Legislatively Approved Budget	-	13,698,022	-	-	13,698,022
2015-17 Base Budget	-	10,579,561	-	-	10,579,561
2015-17 Current Service Level	-	244,451	-	-	244,451

Chapter 3

Performance Summary

Inside this Chapter:

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Chapter 3

Performance Summary

strategies and accomplishments

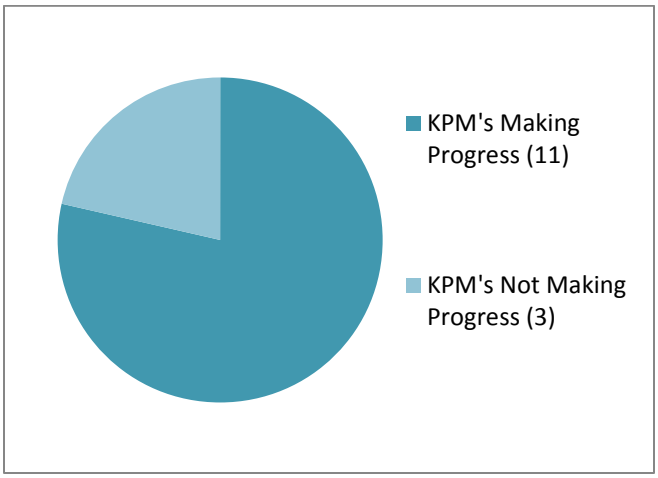
The Water Resources Department's most recent Annual Performance Progress Report is provided in, Appendix A. A summary of the Department's efforts to drive process efficiencies as well as overall performance is highlighted here. Strategies, trends, and accomplishments for each of the Department's performance measures are also provided.

PERFORMANCE MEASURE SUMMARY

The Water Resources Department has 14 active Key Performance Measures (KPMs). These performance measures cover agency programs related to: surface water restoration, protection, and measurement; groundwater monitoring; and regulatory and outreach actions.

TRENDS

Meeting or making progress towards 11 out of 14 KPM targets.



KPM PROGRESS

KPMs MAKING PROGRESS at, exceeding, or trending toward target achievement	• KPM 1 Flow Restoration • KPM 4 Streamflow Gaging • KPM 5 Assessing Ground Water Resources • KPM 6 Equip Citizens with Information • KPM 7 Equip Citizens with Information • KPM 8 Water Measurement – Significant Points of Diversion • KPM 9 Promote Efficiency in Water Management & Conservation Plan Reviews • KPM 11 Promote Efficiency in Transfer Application Processing • KPM 12 Promote Efficiency in Field Staff Regulatory Activities • KPM 13 Increase Water Use Reporting • KPM 14 Customer Service
KPMs NOT MAKING PROGRESS not at or trending toward target achievement	• KPM 2 Protection of Instream Rights • KPM 3 Monitor Compliance • KPM 10 Promote Efficiency in Water Right Application Processing

Chapter 3

Performance Summary

strategies and accomplishments

DISCUSSION OF AGENCY PROCESS PERFORMANCE IMPROVEMENTS

Measuring Performance to Drive Process Efficiencies

Measuring performance is an important tool for managing both daily and long-term performance and identifying areas in need of process improvements. Performance measures and indicators, as well as recommended actions in the Integrated Water Resources Strategy (IWRS) are also important in strategic planning and developing policy option packages. As we track progress in indicators and advancing items in the IWRS, we continue to look for ways to expedite and streamline our activities.

At the program level, both key performance measures and other internal performance indicators help managers adjust processes and priorities to prevent bottlenecks and to strategically focus resources. Performance measures and indicators are used at the individual staff level to focus workloads. For example, watermaster staff concentrate on increasing measurement at significant points of diversion during the fall and winter in order to advance the Department's goal to better understand our Water Resources, as measured by the associated KPM. Similarly, the Water Right Services Division runs monthly reports to track water rights processing activities, so that accomplishments as well as potential problem areas can be highlighted early and workload priorities shifted as necessary.

During the past few years, the Department has continued to develop new automated tools to aid staff in a manner that increases efficiency. In addition, senior staff members have visited with their counterparts in other agencies to share information about successful operational streamlining techniques. Since 2013, the Department has also conducted a number of process improvements in several key areas as outlined below.

Improving the Production and Use of the Department's Weekly Public Notice – Every Tuesday, the Water Right Services Division (WRSD) publishes a public notice that lists Department water transactions as required by law. The document can include up to 30 different types of transactions and takes several hours each week to prepare. In 2013-14, at the request of WRSD, the Information Technology Section of the Technical Services Division wrote web-based programs to simplify the creation of public notices, reducing the time it takes to produce the notice to about two hours per week. In addition, staff made the web-based document more user friendly by adding filters that allow readers the opportunity to search notices by types of transactions, by county, or by basin.

Improving Key Performance Measure (KPM) #10 – KPM #10 directs the Department to report the "percent of water right applications that receive an initial review within 45 days of application filing." The current target set by the Legislature is 55 percent. Two years ago the Department reported its best year at 35 percent. In late 2013, staff from the Water Rights Services Division and Technical Services Division met to conduct a process improvement exercise, identifying opportunities to save time, reduce inefficiencies, and eliminate redundancy when conducting initial reviews on groundwater applications. Results implemented in 2014 included: modifying forms to be more clear and informative, changing how applications are routed within the Department, and identifying key steps that needed targeted staff resources.

Front Counter/Customer Service Operations – During the past two years, staff assisting customers at the Department's "front counter" have been logging their interactions in enterprise software (SharePoint). This data allows us to review what questions are being asked, as well as how they are being answered or resolved. Such information facilitates the development of data-driven lists of Frequently Asked Questions, which allows a degree of self-service by customers, while freeing staff time for higher-level work.

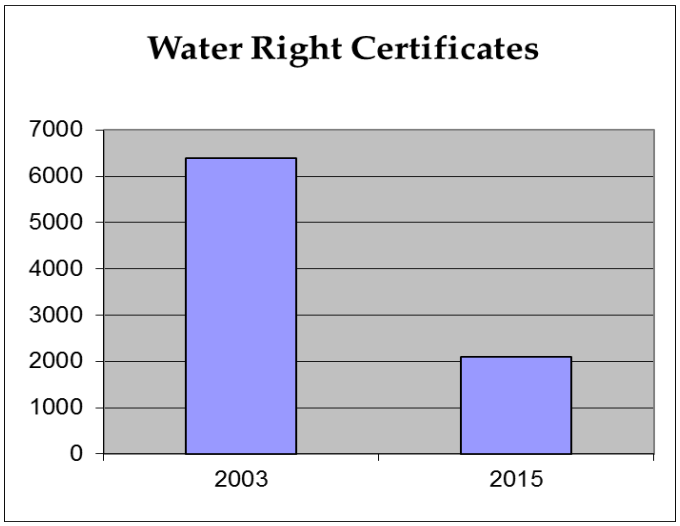
SharePoint is also being used to develop a divisional knowledge-base to: 1) accelerate water-law-related research, 2) facilitate self-training of new staff, and 3) improve retention of institutional memory.

The efforts described above demonstrate the Department's commitment to continuous process improvements, driven by performance indicators that assist the Department in identifying areas in need of targeted resources. Department staff will continue to identify opportunities to improve performance, increase efficiencies, and better serve customers through continued tracking of performance indicators, tracking of progress in implementing recommended actions in the Integrated Water Resources Strategy, meeting with other agencies to identify best practices, and feedback provided by staff, customers, and stakeholders. The Annual Performance Progress Report outlines current and future actions that will be undertaken to continue to improve performance in areas measured by the Key Performance Measures.

History of Success in Using Lean-Kaizen for Process Improvements – The Department is consistently looking for ways to improve processes and create efficiencies, and has historically used a "Lean-Kaizen" process to evaluate the processing of water rights transactions. As discussed in more detail below, in 2009-2011, the Department's water rights, certificates, and transfer sections launched a Lean-Kaizen process, designed to reduce the number of steps required to process these transactions, and reduce the number of person hours spent on each application. The Lean-Kaizen process focuses on changes that can be made immediately and for low or no cost (e.g., redesigning forms that are easier to understand and use). The outcomes include better customer service, with paperwork and processes that are less complicated for the public and staff alike.

The Department has continued to use this process improvement technique on other processes within the Water Right Services Division. For example, the Department conducted a Lean-Kaizen process for the Allocation of Conserved Water program in 2013 and the Instream Lease Processing program in 2014.

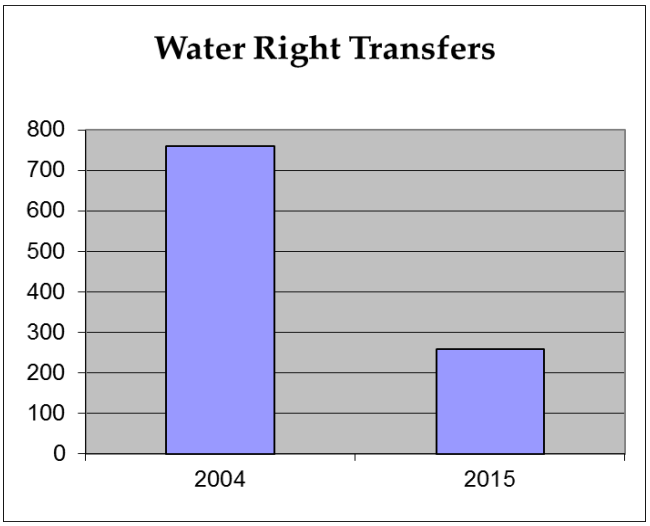
Certificate Backlog Reduction – Securing a water right certificate is the final step in "perfecting" a water right. It involves review and approval of the final proof survey map and water-use report, and when issued represents a fully developed water right which provides greater management flexibility for the water user. By 2003, an extensive backlog had developed of more than 6,400 claims for certificates awaiting processing, with an annual processing rate of less than 400.



To address this issue, the Department initiated several process improvement and backlog reduction strategies, including a Lean-Kaizen effort in late 2009. Staff evaluated the processes involved in certificate issuance and determined that senior staff members were spending too much time on simple administrative drafting tasks when they could be resolving more complicated mapping and survey issues. In response, several entry-level temporary employees were hired to perform the less complex program functions.

This small adjustment, combined with limited use of the department's reimbursement authority program reduced the backlog by more than 50 percent. In 2013 and 2014, the Department received 580 new requests for certificate issuance. Our backlog in this area was 2,100 by the end of 2014, down from about 2,500 in 2012.

Transfer Backlog Reduction – After receiving a water right certificate, water rights holders can then use "water right transfers" to change the point of diversion, place of use, or type of use. This allows water users to move water where it is needed, when it is needed. The backlog in processing water right transfers in 2004 was about 760 applications, rendering transfers a somewhat inefficient management option.



To address this backlog, the Department instituted a "completeness check" when transfer requests first arrived, to catch and correct incomplete files as soon as possible. The Department also grouped transfers by type to speed up processing. In late 2009, the Department completed a Lean-Kaizen effort to ensure that transfer applications were being processed as efficiently as possible. This led to additional efficiency measures. IT staff automated much of the work. The backlog as of the end of 2014 was 259.

KPM 1 - Flow Restoration

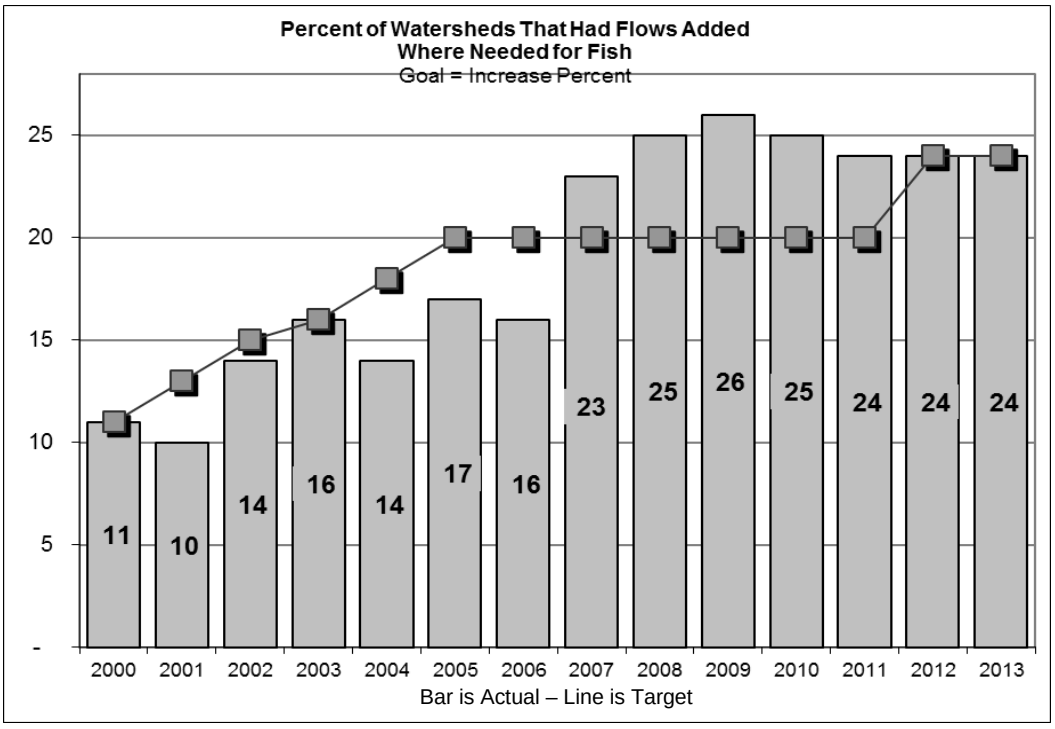
- **Measured by the percent of watersheds that had flows added where needed for fish**

Strategy:

- Voluntary streamflow restoration through instream leases, transfers, and allocations of conserved water programs.
- Capitalize on opportunities to benefit farmers and ranchers as well as watersheds.
- Focus restoration efforts on high priority watersheds.
- Work with conservation partners and willing water right holders.
- Continue to streamline application processing while ensuring protection of existing water rights.

Trends and Accomplishments:

- Since 2007-2008, the Department has exceeded the target because of focused efforts in priority watersheds.
- Oregon leads Washington, Idaho, and Montana in streamflow restoration activities, with more than 320 instream leases, instream transfers, and allocations of conserved water.
- Half of Oregon's flow restoration work involves a third party such as The Freshwater Trust, Deschutes River Conservancy, and Klamath Basin Rangeland Trust.
- Half of flow restoration activities are directly between water right holders and WRD.



KPM 2 - Protection of Instream Water Rights

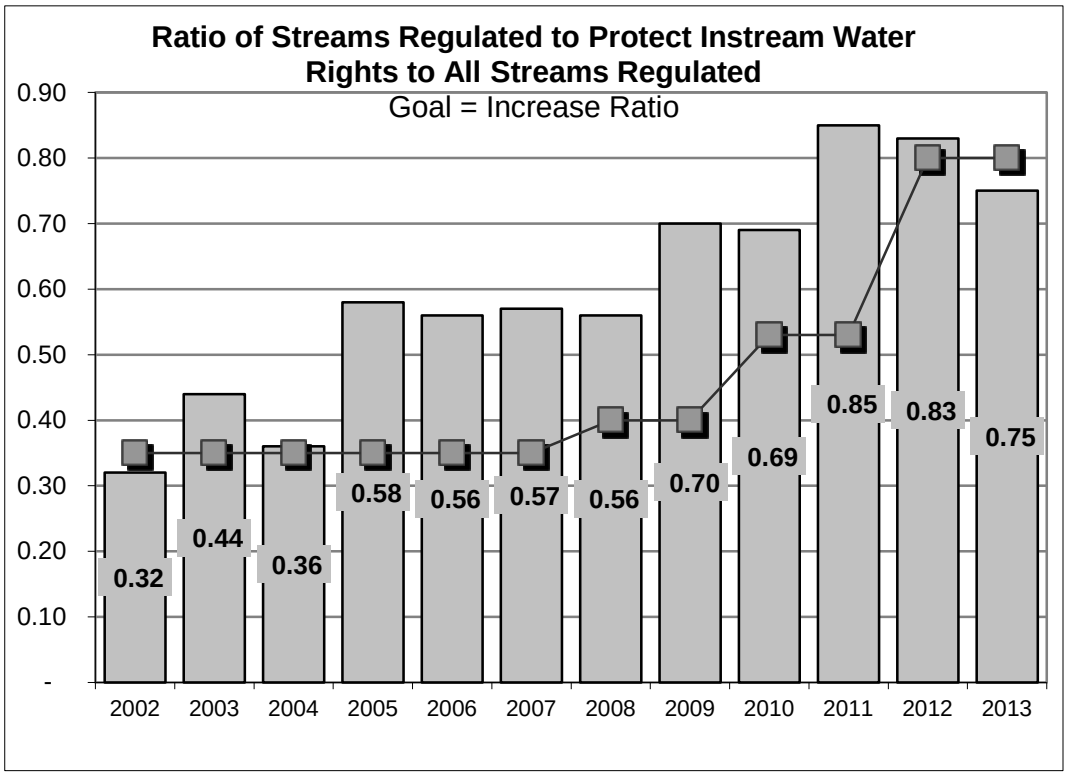
- **Measured by the ratio of the streams regulated to protect instream water rights to all streams regulated**

Strategies:

- Monitor streamflows.
- Distribute water to protect instream water rights according to priority date.
- Pursue funding and partnerships to increase monitoring in key streams.
- Partner with the Oregon Watershed Enhancement Board (OWEB), local governments, watershed councils, and other organizations.

Trends and Accomplishments:

- Adequate field presence is key to instream protection.
- Ratio varies based on water supply conditions. In 2013, the total number of regulatory actions increased for out-of-stream uses, resulting in a decline in the ratio, even as the total number of regulatory actions for instream rights increased.
- Adding near real-time access to gaging stations improves monitoring for instream water rights.



KPM 3 - Monitor Compliance

- **Measured by the percent of total regulatory actions that found water right holders to be in compliance with water rights and regulations**

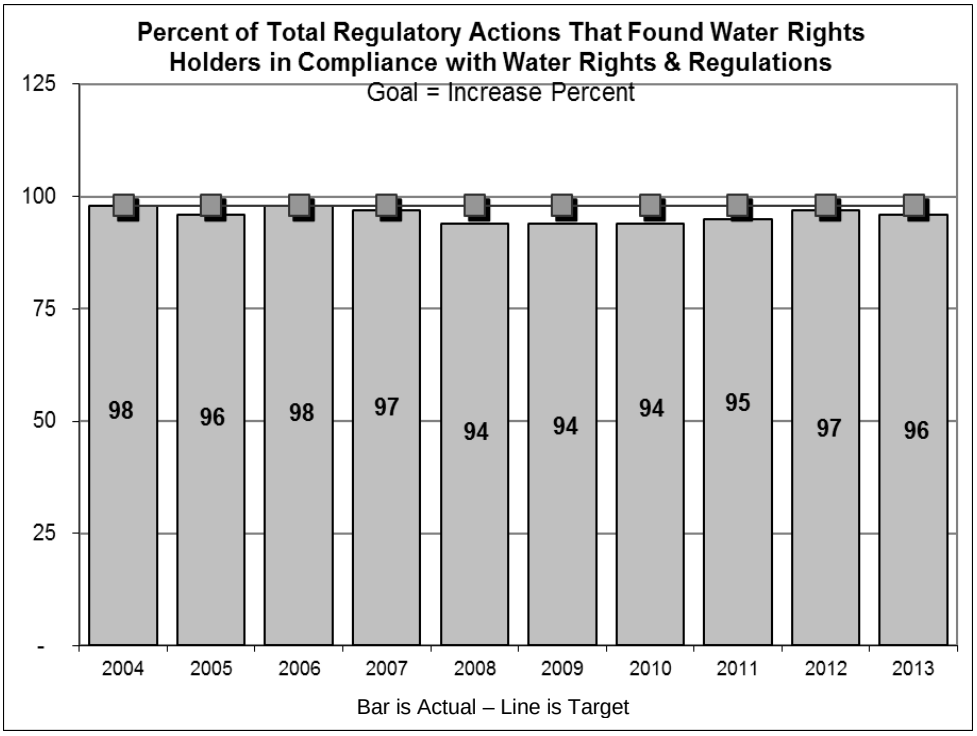
Regulatory activities include any action that causes a change in use, or maintenance, or a field inspection that confirms that no change is needed to comply with water right permit conditions, statutes, or orders of the Department.

Strategy:

- Distribute water according to the Doctrine of Prior Appropriation and enforce against illegal use of water.
- Educate water users about water regulations to achieve voluntary compliance.
- Continue to develop distribution maps and water rights databases.
- Ensure an adequate field presence to maintain a high level of compliance.

Trends and Accomplishments:

- During 2013, more than 17,000 regulatory actions were taken by field staff; 96 percent of these actions found water right holders to be in compliance.
- Compliance rate varies based on water supply conditions; watermasters are likely to have more regulatory actions regarding water use during times of shortage.
- A high percentage indicates that water users understand and support the distribution of limited water supplies under Oregon's water code. It indicates that water users trust the watermasters' knowledge, consistency, and integrity.



Chapter 3

Agency Performance Summary

strategies and accomplishments

KPM 4 - Increase Understanding of Water Resources, Streamflow Gaging

- **Measured by the percent change from 2001 in the number of WRD operated or assisted gaging stations**

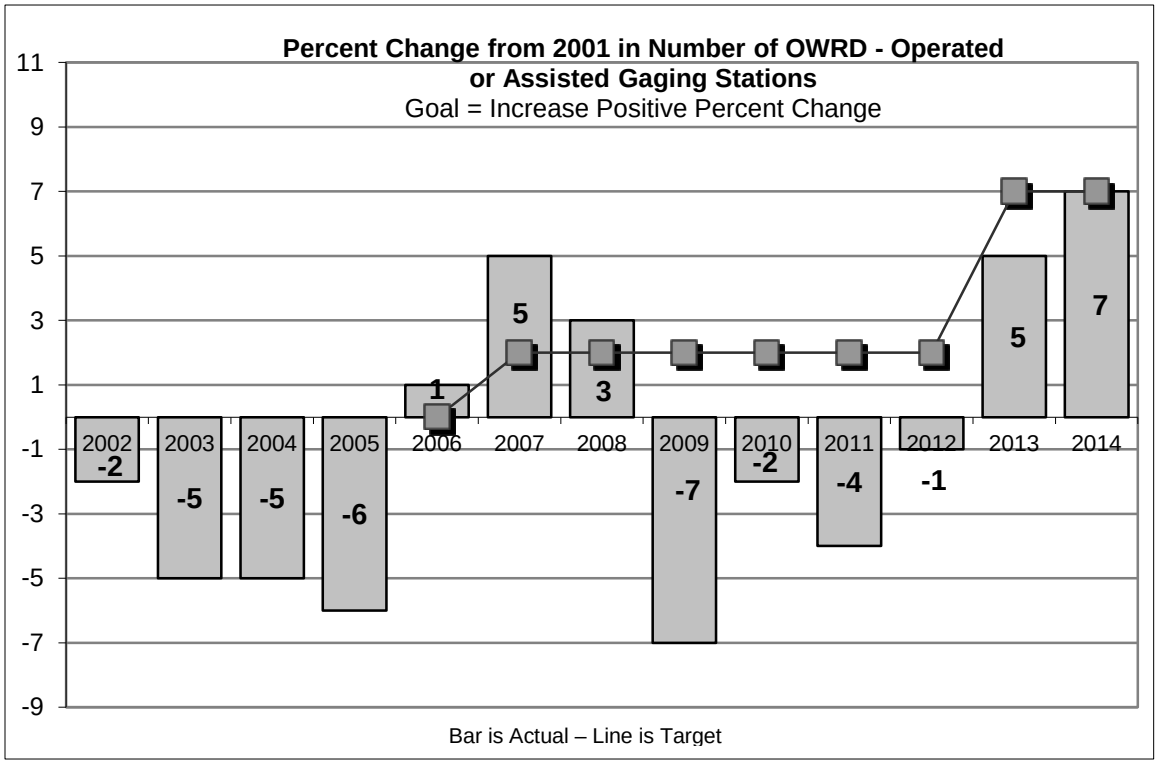
Strategy:

- Use watermasters and other field staff to collect data and maintain gaging stations.
- Cooperate with the U.S. Geological Survey, U.S. Bureau of Reclamation and others in collecting and sharing data.
- Pursue funding and partnerships to increase monitoring.
- Provide data online.
- Ensure adequate staff to maintain the stations and provide quality assurance of the data.

In 2014, Oregon had 231 active streamflow gages, compared to 215 in 2001.

Trends and Accomplishments:

- Meeting target.
- Number of gages increased with resources provided by the 2013 Legislature.
- Continued need for maintenance and periodic replacement, because of aging equipment, harsh environmental conditions, and vandalism.
- The Department has identified and continues to evaluate gaging needs at key sites for management or understanding of streamflow.
- The Department is replacing and upgrading its existing network by adding satellite telemetry to gages.



KPM 5 - Increase Understanding of Water Resources; Assessing Groundwater

- **Measured by the percent change from 2001 in the number of wells routinely monitored to assess ground water resources**

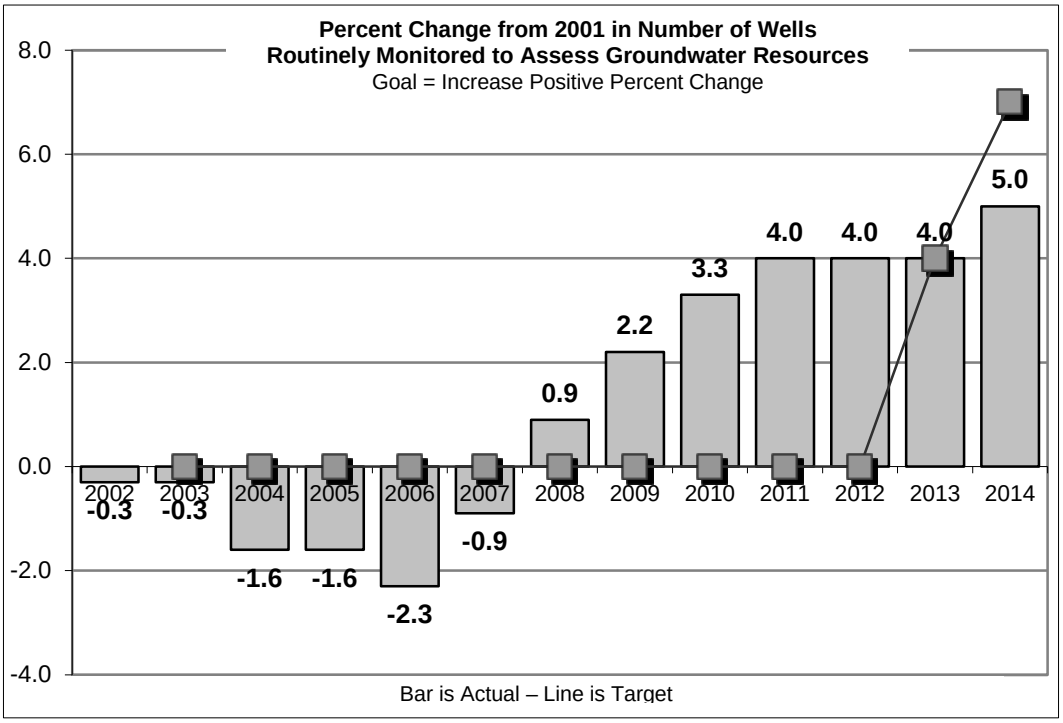
Strategy:

- Use watermasters and other field staff to take measurements and maintain well network.
- Work with the U.S. Geological Survey, U.S. Bureau of Reclamation, and other entities to collect and share data from these monitoring networks.
- Request permission from landowners to gain access to wells and well data.
- Pursue funding and partnerships to increase monitoring.
- Provide data online through the State Observation Well Net.
- Maintain adequate staff to establish, maintain, collect, archive and analyze data.

Trends and Accomplishments:

- Making progress toward target. The 2013 legislature provided resources to drill 13 new state observation wells. Department staff have been locating well sites, developing landowner agreements, and selecting well drillers.
- Increasing demands on groundwater is making this data more essential in the Department's ability to manage and allocate the resource.
- Many wells are privately owned; therefore, the number of wells fluctuates each year, based on landowner participation.
- As aging wells are abandoned, access to the well is lost and new measuring sites must be secured.

In 2014, Oregon had 368 wells in the State Well Net, compared to 350 in 2001.



KPM 6 - Equip Citizens with Information

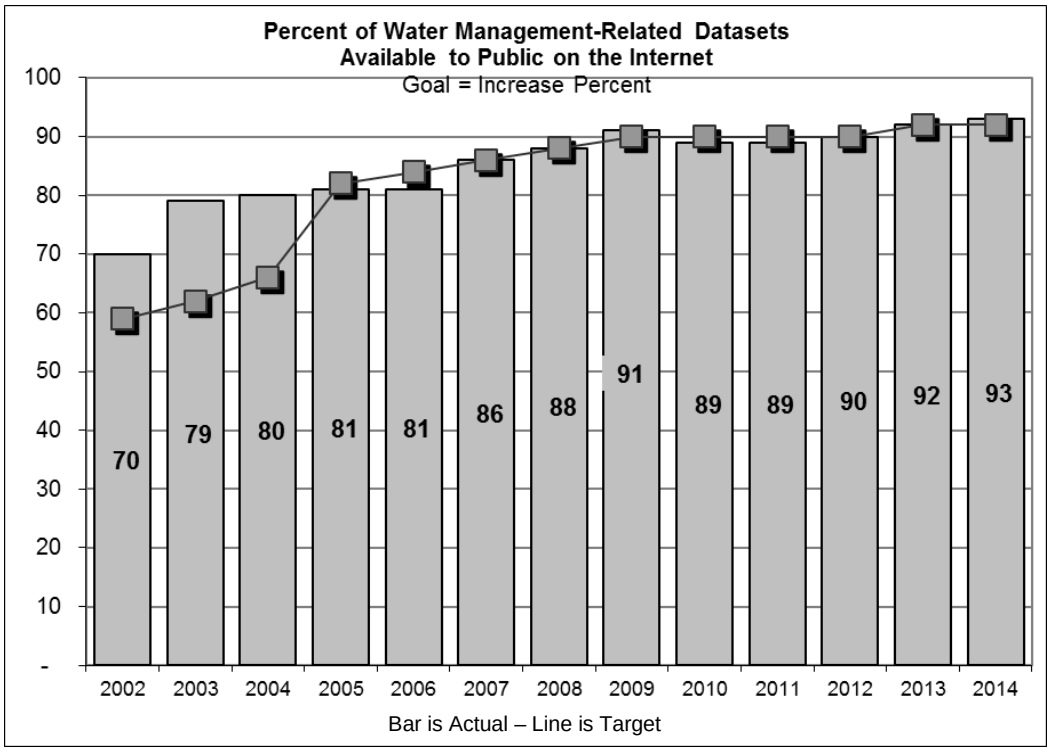
- **Percent of water management related datasets collected by WRD that are available to the public on the internet**

Strategy:

- Develop water management databases and provide to the public.
- Utilize internet technology.
- Provide data in accessible and user friendly format.
- Streamline data collection and management
- Make water management datasets readily available for use by water users, water managers, and consultants.
- The Department's ability to maintain and update databases continues to be dependent on resources.

Trends and Accomplishments:

- Meeting target.
- Streamlined the Department's Water Use Reporting tools for online reporting.
- Developed Water Use Report Query and Analysis tools to provide all data to the public instead of just municipal reports.
- Updated Web-based mapping tool.
- Developed a Watermaster District dashboard showing recent regulation, gaging and other measurements in the Klamath Basin.



KPM 7 - Equip Citizens with Information

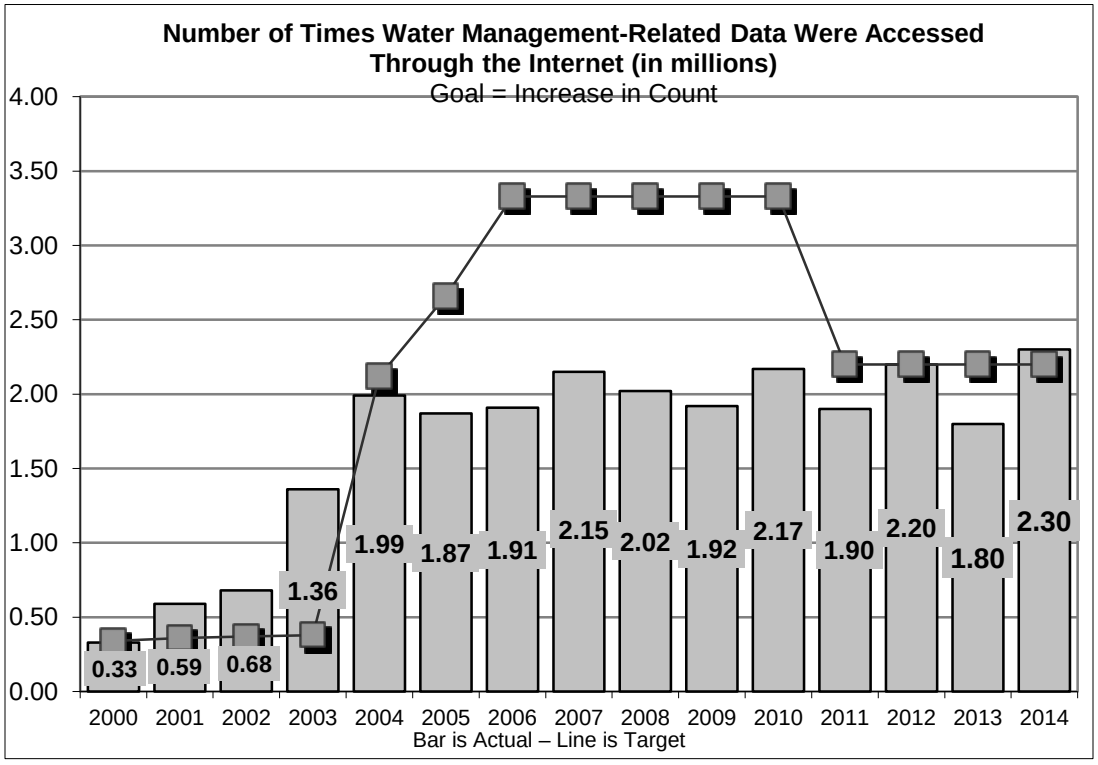
- **The number of times water management related data is accessed through WRD's website**

Strategy:

- Utilize internet technology.
- Provide data in accessible and user friendly format.
- Make water management datasets readily available for use by water users, water managers, and consultants.
- Oregon is frequently held up as a positive example of web access among all the Western states water resource management agencies.

Trends and Accomplishments:

- Exceeding target.
- In 2014, the Department experienced more than 2.39 million hits on its website.
- 1,668 scanned documents are retrieved every day of the year.
- 1,520 times per day someone is looking up a water right in the water rights database.
- 2,060 per day someone is conducting a groundwater well log query.



KPM 8 - Fully Implement the Water Resources Commission's 2000 Water Measurement Strategy

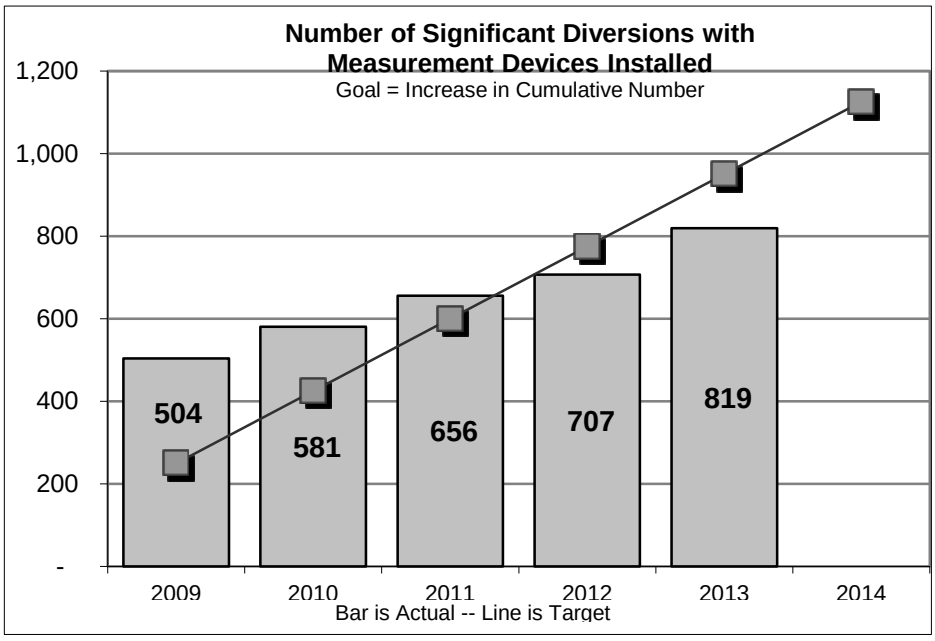
- **Measured by the number of significant diversions with measurement devices installed**

Strategy:

- Pursuant to current law, require measuring devices, where needed, as part of Department permitting process and water management responsibilities.
- Implement the Water Resources Commission's 2000 Strategic Measurement Plan to improve water measurement statewide and to "major on the majors" by prioritizing the installation of measuring devices on 2,300 significant diversions that represent about 10 percent of the overall number of diversions in high priority watersheds, and account for about 50 percent of the volume of water diverted.
- Work with landowners to install water measuring devices (e.g. weirs, flumes, and meters) on significant points of diversion (SPODs) in high priority watersheds around Oregon.
- Provide cost-share funding. In 2013, the Legislature recapitalized a cost-share fund to facilitate the installation of devices through a dollar match program. Without this incentive, many water users hesitate to pay the average of $1,000 per device.

Trends & Accomplishments:

- This KPM was created in 2009. Staff efforts, underway since 2000, have resulted in 819 measuring devices installed by end of calendar year 2013. 112 were installed during 2013.
- Many of the existing measuring device installations were facilitated because the water right contained a condition requiring measuring device installation.
- The Water Resources Commission and Department have spent considerable time and effort developing an inventory of significant points of diversion and an outreach plan.
- Success with measuring device installation is directly related to time spent by Department field staff working with the landowner.



KPM 9 - Promote Efficiency in Water Management and Conservation Plan Reviews

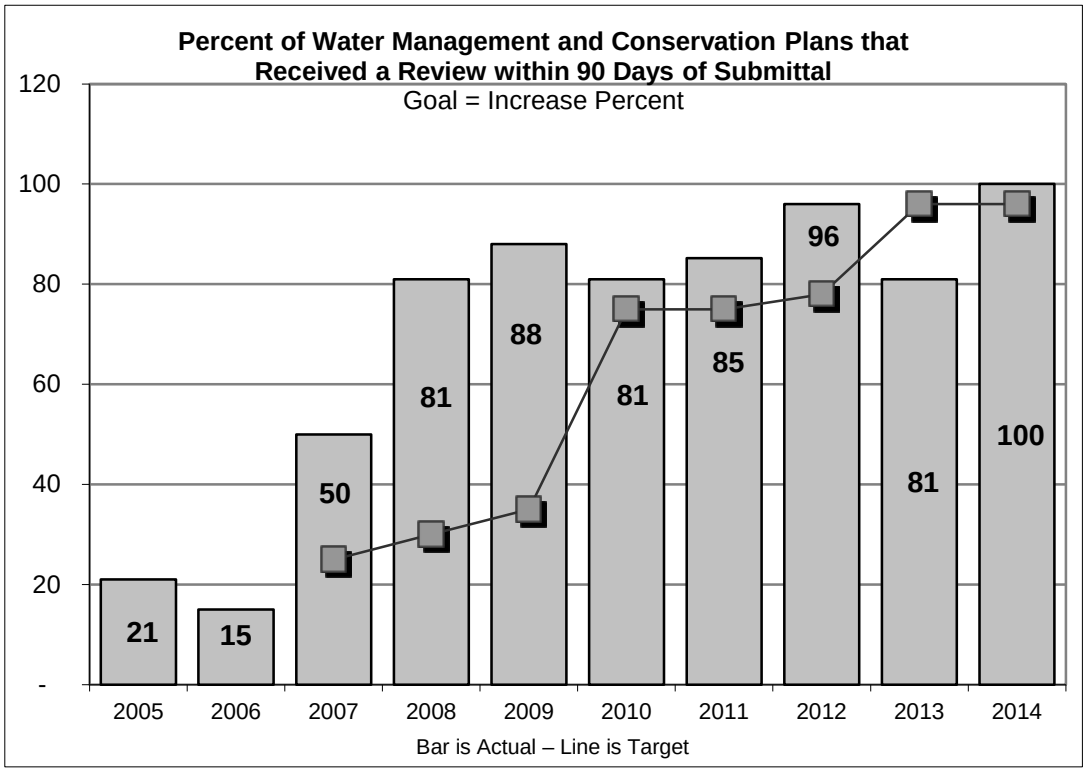
- **Percent of Water Management and Conservation Plans that received review within 90 days of submittal**

Strategy:

- Encourage voluntary plan submission.
- Plans linked to ability of certain municipalities to grow into existing water rights and other conditions.
- Review plans in timely fashion.
- Conduct outreach and education to improve submission quality and reduce time it takes to review plans.
- Work with key partners to develop tools and educational materials, and conduct workshops.
- Support Water Resources Commission policies on conservation and efficient water use.

Trends and Accomplishments:

- Exceeding targets. 100 percent of plans were reviewed within 90 days of submittal.
- Staffing resources and outreach are key to meeting target. The 19 percent increase between 2013 and 2014 was due to an additional FTE assigned to review the plans.
- Municipal Water Management and Conservation Plans continue to improve in quality, showing increased efficiencies in managing water, preparing for emergencies (curtailment plans), and long-term water supply planning.
- Number of plan submissions/updates expected to increase.



KPM 10 - Promote Efficiency in Water Right Application Processing

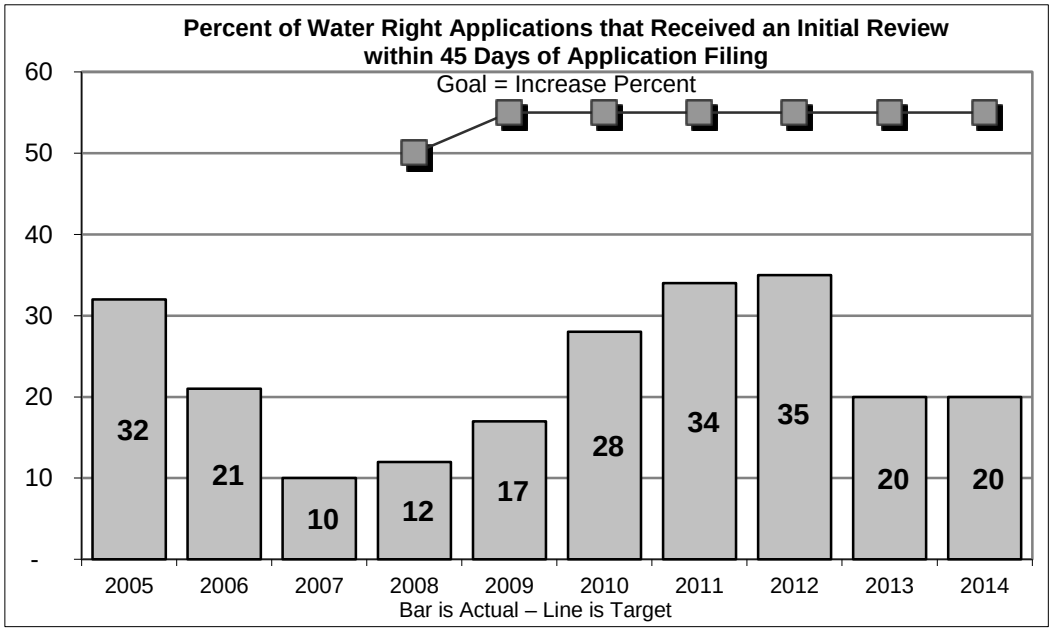
- **Percent of Water Right applications that receive an initial review within 45 days of application filing**

Strategy:

- Utilize technology and streamlining processes to reduce application processing times.
- Reduce backlog of water right applications.
- The Department has stop-gap measures in place to address the application backlog for groundwater application and transfer reviews, including a reduction in fieldwork and special project activities; however, reassigning staff to process applications instead of conducting groundwater investigations results in delays to understanding basin hydrogeology and implementation of basin recharge projects. Adequate staffing for groundwater remains a challenge.

Trends and Accomplishments:

- Increasing complexity of groundwater application reviews, which represent three-quarters of all incoming applications requiring an initial review.
- In 2012-2013, only three percent of groundwater applications were processed within 45 days, whereas in 2013-2014, 18 percent were completed in the desired timeframe after conducting a process improvement exercise. Review times for groundwater applications have decreased considerably, from 240 days in 2006-07, to 140 days in 2013-2014.
- In 2013-2014, the percent of storage and surface water applications meeting the target dropped considerably because of staff turnover in a small program, showing the importance of a stable budget and retaining experienced caseworkers. Once a new caseworker had been fully trained, the overall percent increased to 34 percent for the second half of the year.



KPM 11 - Promote Efficiency in Transfer Application Processing

- **Percent of transfer final orders issued within 120 days of application filing**

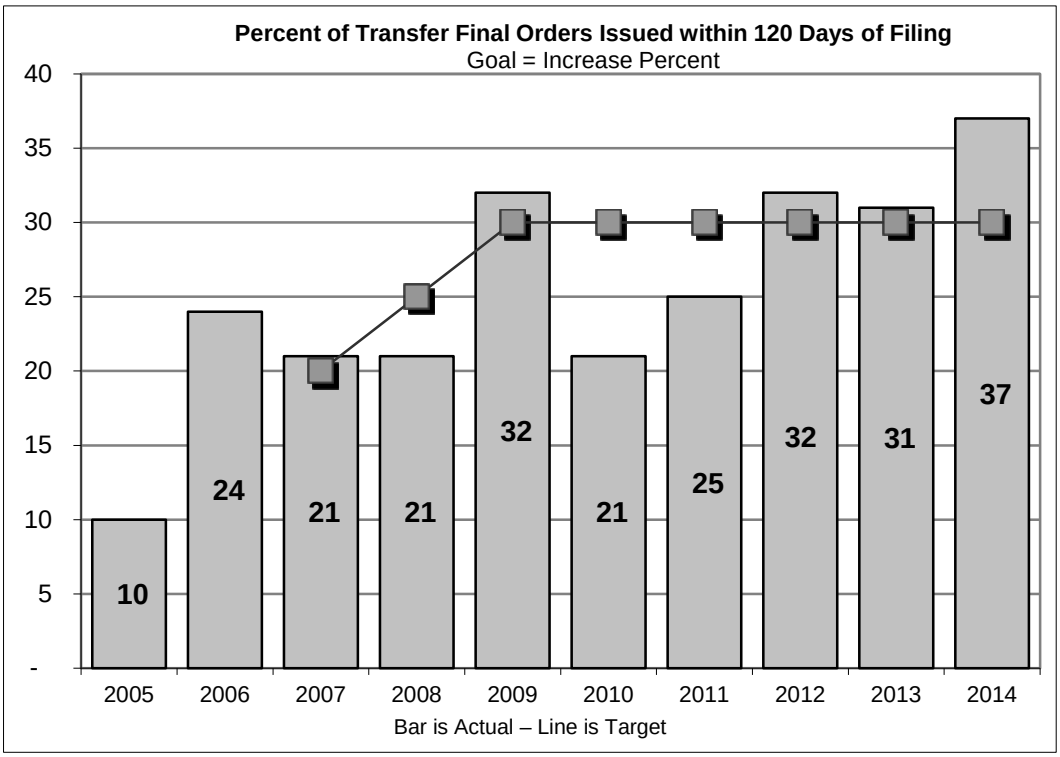
Strategy:

- Streamline transfer application process.
- Utilize technology to provide more timely and accurate processing.
- Provide assistance to applicants in completing and submitting applications.
- Expedite processing under Reimbursement Authority Program.
- Eliminate backlog.
- Educate consultants and certified water right examiners about transfer map and application requirements; identify and remedy application deficiencies at the time of filing.

Trends and Accomplishments:

- Exceeding target.
- 37 percent of pending transfers receiving final orders were finished within 120 days of the application filing date, exceeding the KPM target despite losing one full-time employee for six months.
- New transfer applications now undergo a "completeness check" upon arrival at the Department.
- Other process improvements include rule-making that allows WRD to seek input sooner in the process; grouping applications by "type," and automating much of the work required for staff to fill out forms.

The Department has decreased its transfer backlog by almost 70 percent since 2004, from 760 to less than 270 applications.



KPM 12 - Promote Efficiency in Field Staff Regulatory Activities

- **Measured by the number of places where water is legally taken out of stream and used (points of diversion) per FTE of field staff**

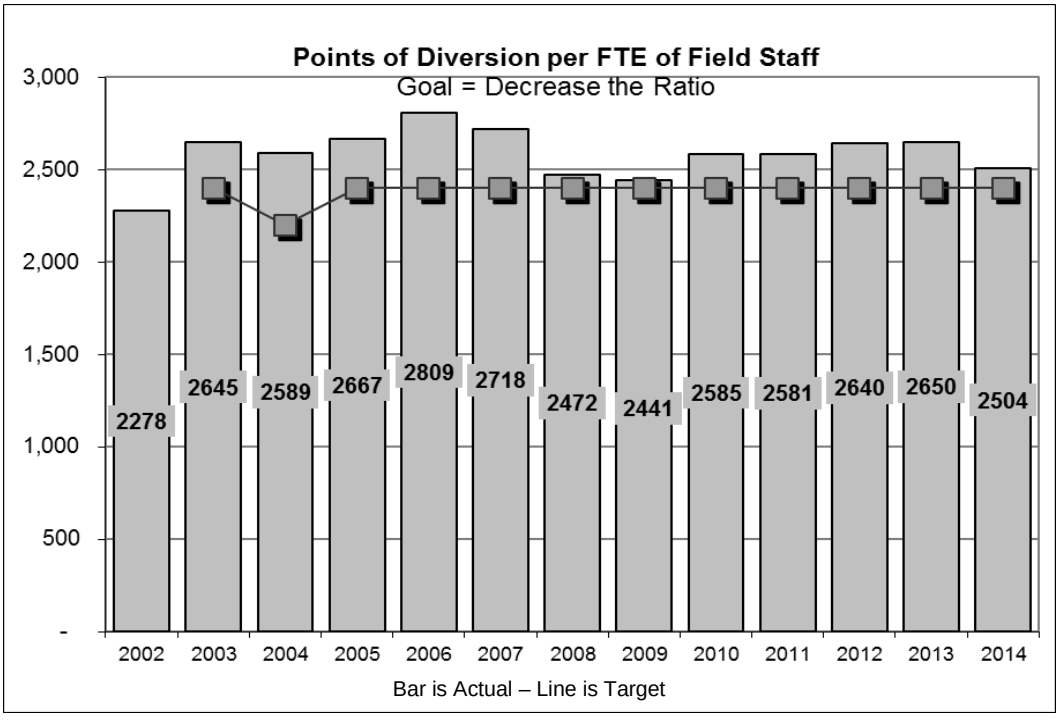
Strategy:

- Maintain adequate field presence.
- Promote voluntary compliance.
- Work with local governments and other partners to secure funding for additional field staff. A lower number indicates a higher probability of being able to manage the state's water resources effectively.

If each surface water point of diversion were to be checked monthly, it would require that field staff visit 120 diversions <u>each day</u>.

Trends and Accomplishments:

- Goal is to reduce the number of points of diversion per field staff; making progress toward the goal.
- Positions authorized by 2013 Legislature resulted in a decrease in the ratio for 2014, edging the Department toward the goal of 2,400 POD's per field staff.
- The number of water rights administered per FTE continues to increase as new water rights are issued. Transfers are also approved that add additional POD's.
- Staffing resources are key to making continued progress towards target.



KPM 13 – Increase Water Use Reporting

- **Measured by the percent of water users with an annual water-use reporting requirement that have submitted their reports to the Department**

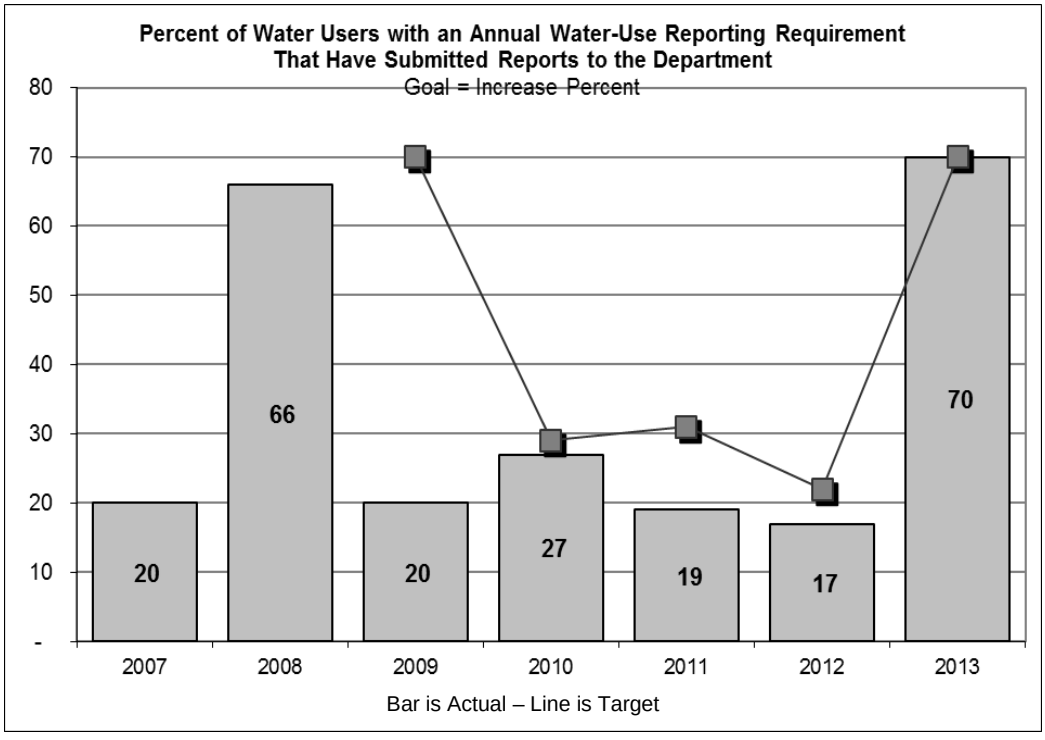
Water-use reporting by public entities is required by statute and as a condition on newer water right permits. Water-use results are publicly available and are used by the Department staff, water users themselves, and public, private and non-governmental organizations for future water planning and protection of streamflow.

Strategy:

- Maintain an online reporting form and encourage water-use reporters to enter their data on-line.
- Since the Department's water-use reporting position was funded and filled in September 2013, staff mail an annual reminder with the appropriate forms and instructions for recording and entering water use information, and then follow up with a personal phone call when necessary.

Trends and Accomplishments:

- Meeting target.
- Reporting compliance is dependent on having a staff position to conduct outreach and follow up. During 2007, the Department had no Water-Use Reporting Coordinator because of budget constraints, and received 20 percent of required reports. In 2008, a Water-Use Reporting Coordinator was re-authorized and raised reporting results to 66 percent. In the 2009-2011 budget cuts resulted in elimination of the position, dropping the reporting rate to 20 percent. With re-establishment of the position in 2013, 70 percent compliance was achieved.



KPM 14 - Customer Service Satisfaction

- **Measured by the percent of customers rating their satisfaction with the Department's customer service as "good" or "excellent" in overall service, timeliness, accuracy, helpfulness, expertise, and availability of information**

Strategy:

- Establish a culture of customer service throughout the agency.
- Survey random selection of water users who received final decisions from WRD during the previous year (including transfer, permit amendment, instream lease, water right permit, permit extension, and water right certificates).

Trends and Accomplishments:

- 83% of customers rate WRD's overall services as good or excellent in 2013-14.
- Department continues to conduct performance improvement processes to improve the quality of service.
- "Helpfulness" is most highly rated individual service provided. Ninety percent of respondents rated "helpfulness" as good or excellent, followed by expertise (88%), accuracy (86%), and availability of information (81%). Although improving, "Timeliness" rated lowest. This is directly affected by staff resources.

Chapter 4

Budget Drivers


Deschutes River

Inside this Chapter:

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Chapter

4

Budget Drivers

2015-2017

OVERVIEW

The mission of the Water Resources Commission and Department is to serve the public by practicing and promoting responsible long-term water management. The Commission has co-equal goals of addressing Oregon's water supply needs and restoring and protecting streamflows.

The following pages identify a number of budget drivers for the Department, which are all influenced by the limited nature of the resource, and its importance to everything we do and care about.

The Commission and Department recognize the need to address very pressing and critical water needs in Oregon's communities, while simultaneously engaging in longer-term strategic initiatives to better understand factors affecting the resource and proactively address challenges.

The Oregon Water Resources Department (OWRD) is Oregon's ***water quantity*** agency. It is one of the oldest state agencies, founded in 1905, prior to the adoption of the Oregon Water Code in 1909.

Before the adoption of the Water Code in 1909, water was distributed in Oregon through the doctrine of prior appropriation—if you could divert it and maintain that diversion, you could use it. In this system, the first user to divert the water had the first priority to that water in times of shortage.

Although the doctrine of prior appropriation is still the foundation for water law, today water is allocated and managed through a system of water rights issued by OWRD for surface and groundwater, including instream rights created to protect environmental values. Unlike most state natural resource agencies, *there is no federal counterpart to the OWRD.*

Chapter 4

Budget Drivers
2015-2017

OREGON'S INTEGRATED WATER RESOURCES STRATEGY

Background – The 75th Legislative Assembly passed House Bill 3369 (2009), directing the Oregon Water Resources Department to develop a state-wide, Integrated Water Resources Strategy (IWRS) to help Oregon understand and meet its water quantity, water quality, and ecosystem needs, while taking into account coming pressures, such as population growth, changes in land use, and future climate conditions.

The IWRS has been endorsed by the boards and commissions overseeing Oregon's natural resource agencies, and the Water Resources Commission adopted the IWRS on August 2, 2012.

What It Contains – Oregon's Integrated Water Resources Strategy provides a blueprint for improving our understanding of the status of Oregon's water resources and meeting our instream and out-of stream needs, now and into the future. The state's first IWRS outlines a vision, goals, objectives, and guiding principles; it defines a number of critical issues that need to be addressed; and it offers recommended actions in 13 different issue areas. The key objectives of the IWRS focus on four categories: understanding water resources today, understanding instream and out-of-stream needs, understanding the coming pressures that affect our needs and supplies, and meeting Oregon's instream and out-of-stream needs. The recommended actions are highlighted below and guide the Department and its partner agencies in efforts to help the state better understand and meet its water needs – instream and out-of-stream, above ground and below ground, now and into the future.

Recommended Actions of the IWRS –

<u>Objective 1: Understand Water Resources Today</u>

Understand Water Resources, Supplies, Institutions
1a. Conduct additional groundwater investigations
1b. Improve water resource data collection and monitoring
1c. Coordinate inter-agency data collection, processing, and use in decision-making

<u>Objective 2: Understand Instream and Out-of-Stream Needs</u>

Understand Out-of-stream Needs/Demands
2a. Update long-term water demand forecasts
2b. Improve water-use measurement & reporting
2c. Determine pre-1909 water right claims
2d. Update water right records with contact information
2e. Update Oregon's water-related permitting guide

Understand Instream Needs/Demands
3a. Determine flows needed (quality & quantity) to support instream needs
3b. Determine needs of groundwater dependent ecosystems

<u>Objective 3: Understand the Coming Pressures that Affect Our Needs and Supplies</u>

Water-Energy Nexus
4a. Analyze the effects on water from energy development projects & policies
4b. Take advantage of existing infrastructure to develop hydroelectric power
4c. Promote strategies that increase/integrate energy & water savings

Climate Change
5a. Support continued basin-scale climate change research efforts
5b. Assist with climate change adaptation and resiliency strategies

Water-Land Use Nexus
6a. Improve integration of water Information into land-use planning (& vice versa)
6b. Update state agency coordination plans
6c. Encourage low-impact development practices

Infrastructure
7a. Develop and upgrade water & wastewater infrastructure
7b. Encourage regional (sub-basin) approaches to water and wastewater systems

Education & Outreach
8a. Support Oregon's K-12 environmental literacy plan
8b. Provide education and training for Oregon's next generation of water experts
8c. Promote community education & training opportunities
8d. Identify ongoing water-related research needs

Objective 4: Meet Oregon's Instream and Out-of-Stream Needs

Place-Based Efforts
9a. Undertake place-based integrated, water resources planning
9b. Coordinate implementation of existing natural resource plans
9c. Partner with federal agencies, tribes, and neighboring states in long-term water resources management

Water Management & Development
10a. Improve water-use efficiency & water conservation
10b. Improve access to built storage
10c. Encourage additional water reuse projects
10d. Reach environmental outcomes with non-regulatory alternatives
10e. Authorize and fund a water supply development program

Healthy Ecosystems
11a. Improve watershed health, resiliency, and capacity for natural storage
11b. Develop additional instream protections
11c. Prevent and eradicate invasive species
11d. Protect and restore instream habitat and habitat access for fish & wildlife

Public Health
12a. Ensure the safety of Oregon's drinking water
12b. Reduce the use of and exposure to toxics and other pollutants
12c. Implement water quality pollution control plans

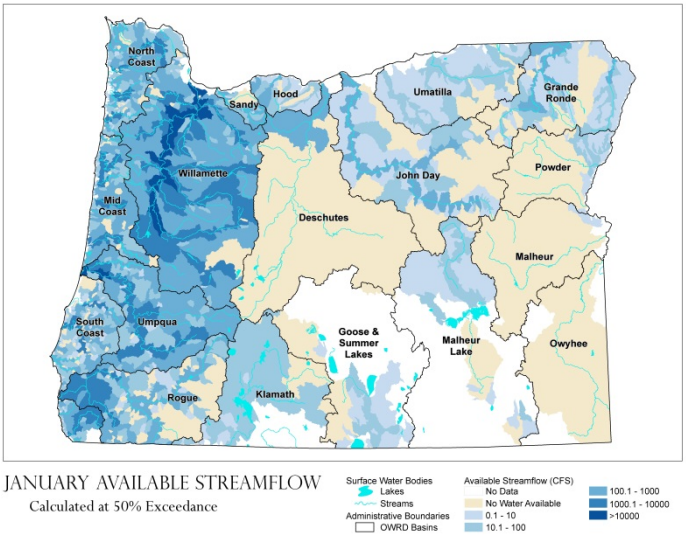
Funding
13a. Fund development & implementation of Oregon's IWRS
13b. Fund water resources management at the state level
13c. Fund communities needing feasibility studies for water conservation, storage, and reuse projects

SURFACE WATER

Most of the state's surface waters are fully allocated during the summer months. The top map shows where water is available for live flow allocation during the month of August (representing low summer flows). With some exceptions in the Willamette Valley, the map indicates that throughout the state very little water is available for new live flow allocations (most of the map is color coded brown, meaning no water is available).

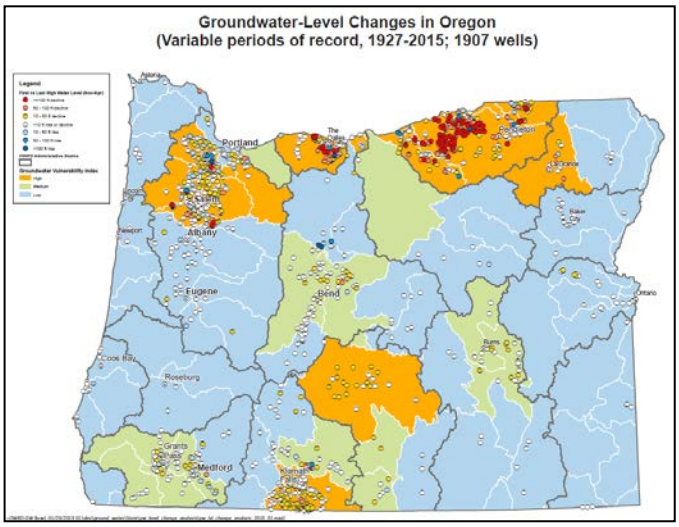
By contrast, the bottom map shows where water is available for allocation during the month of January (representing higher winter flows) and could be used for storage. Comparing the color coding in the legend with the shaded areas of the January map, there are some areas where no water is available, mostly east of the Cascades, but there is a large part of the state where water is available for allocation during winter months (shown in blue).

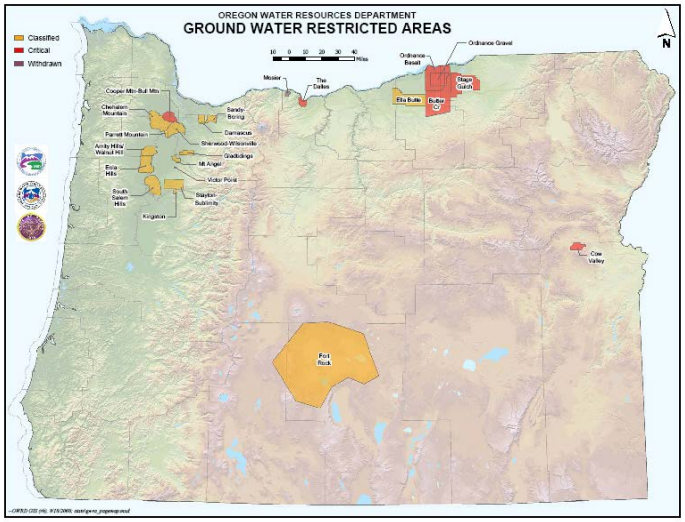
Surface Water and Groundwater Connection – In some instances, applicants for new groundwater applications are proposing use from groundwater aquifers that are hydraulically connected to surface water. The risk of injuring senior surface water rights decreases the possibility of a successful application for a permit for groundwater.



GROUNDWATER

As surface water supplies have become fully allocated, Oregon has increasingly relied on groundwater resources. This has resulted in groundwater level declines in several areas of the state (see first map below), meaning that the amount of groundwater stored in aquifers is decreasing. In some locations throughout the state, groundwater aquifers are no longer capable of sustaining additional development.





Declines are generally associated with large-scale development of groundwater, especially if the aquifer systems are confined. Decreasing recharge from precipitation also contributes to declines, especially during multi-year cycles of lower than average precipitation (see drought on next page). Many areas of the state show little evidence of declines. This is partly due to the lack of observation well data. However, most areas that are classified as having a low Groundwater Vulnerability Index (shown in blue) have undergone very little groundwater development or appear to have sufficient recharge from precipitation to balance current withdrawals. Areas that are classified as having a medium or high Groundwater Vulnerability Index are shown in green and orange, respectively.

Aquifers within the Columbia River Basalt Group are the Department's foremost "aquifers of concern" for long-term supplies, extending from Eastern Oregon, along the Columbia River through The Dalles and south into the Willamette Valley. The groundwater level declines have required the Department to curtail groundwater use from some of these aquifers. Within the Buttercreek, Stage Gulch, and Ordnance Critical Groundwater Areas in the Umatilla Basin, as much as 67 percent of the irrigable land has been regulated off to protect the senior groundwater users.

Decreased groundwater levels have resulted in the need for the Department to designate groundwater management areas into three categories across the state:

- Groundwater classified (or limited) areas (of 14 in the state, 12 are in the Willamette Valley)
- Critical areas (7)
- Withdrawn areas (2)

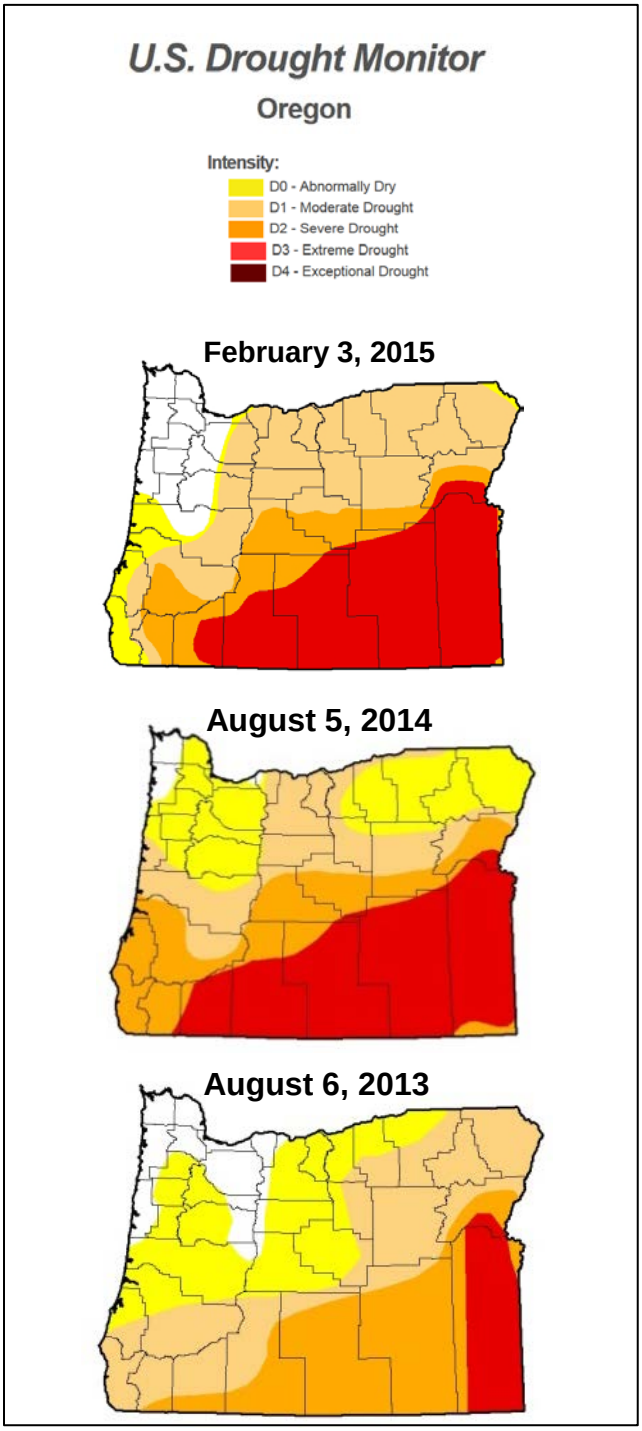
These areas are noted in the second map to the left.

DROUGHT

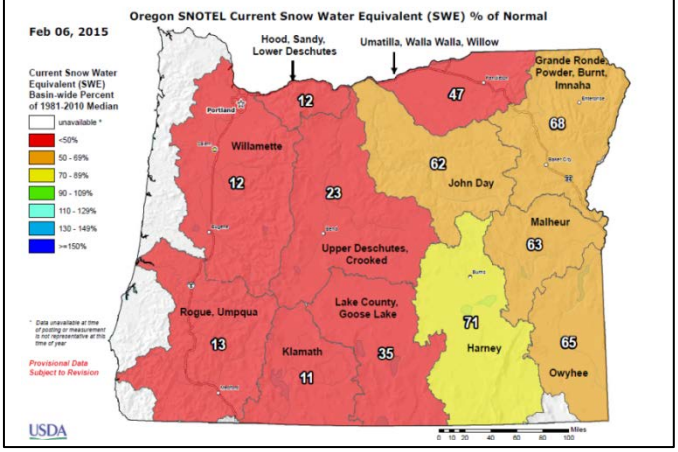
One or more counties in Oregon have declared drought in nine of the past 15 years. In 2014, the Governor declared a drought emergency in ten counties: Baker, Grant, Josephine, Wheeler, Jackson, Crook, Harney, Klamath, Lake, and Malheur counties.

The maps to the right show the U.S. Drought Monitor for Oregon in February 2015, August 2014, and August 2013. White areas of the map indicate no drought, with the intensity of drought indicated by increasingly darker colors. During periods of drought, Department workloads increase for field staff as more calls for water are made by senior water right holders, and water rights processing staff receive requests to process water transactions and drought-related permits. With conditions almost as dry as this time last year, many water right holders may face a third consecutive dry water year.

The map below shows snow water equivalent, or snowpack, for the 2015 water year thus far in Oregon. Red indicates that snowpack is less than 50 percent of normal, orange indicates that it is 50 to 69 percent of normal, and yellow indicates snowpack is between 70 to 89 percent of normal. Farms and communities relying on snowpack for their water supplies will likely face water shortages again in 2015.



February 6, 2015
Snowpack as a percent of Normal



THE IMPACTS OF CLIMATE – DECLINING SPRINGTIME SNOWPACK

As discussed in the 2014 National Climate Assessment Report, climate models project a mean annual warming of 1.1 °C to 4.7 °C (2 °F to 8.5 °F) for the Pacific Northwest during this century. If Oregon's mean annual temperature increases, the percentage of precipitation that falls as snow will be significantly less. The accompanying figures show the percentage of precipitation that falls as rain in two scenarios: current precipitation conditions and conditions with a rise in temperature of 3.0° Celsius.

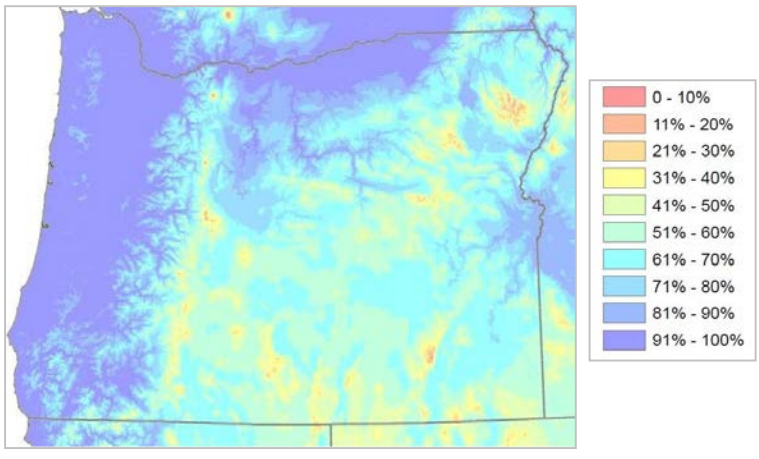
Significant declines in snow-water equivalent in the Pacific Northwest and a shift in precipitation from snow to rain coinciding with increases in air temperature since the 1950s are well documented. Precipitation arriving as rain instead of snow could pose several challenges to water systems, such as flashier flood-prone systems, decreased summertime run-off to surface water, and reduced recharge to groundwater aquifers. Water users who are dependent on snowpack for summertime water could see significant decreases in water when they need it most.

Oregon, like much of the Northwest, is highly dependent on temperature-sensitive springtime snowpack to meet growing and often competing water demands. A study completed by the Climate Impacts Group at the University of Washington indicates that approximately 50 percent of Oregon water users are located in areas of the state that are dependent on snowpack to meet their water needs.

This means that water availability significantly depends on the presence of snowpack, with water becoming available during heavy use periods as a result of snow melt. Loss of snowpack means less water will be available to meet instream and out-of-stream needs during summer and fall months. This issue will be compounded by the potential for warmer summer months and a longer growing season.

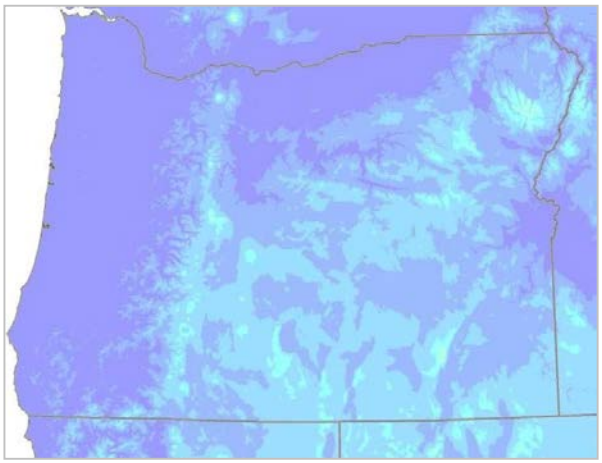
Storing water, via built and natural systems, is important for meeting Oregon's water needs. More work is needed to understand how the loss of natural storage can be mitigated through structural and non-structural approaches.

Current Precipitation Conditions



Red, yellow, and orange hues represent areas where a large percentage of precipitation falls as snow.

Future Scenario (3.0°C Temp Increase)



Snow-dominant areas largely disappear with a rise in air temperature.

RESTORATION AND PROTECTION OF STREAMFLOWS

Oregon is a leader in flow restoration, with more than 320 current instream leases, instream transfers, and allocations of conserved water, restoring approximately 2400 cubic feet per second (cfs) of streamflow for fish and wildlife, recreation, and pollution abatement.

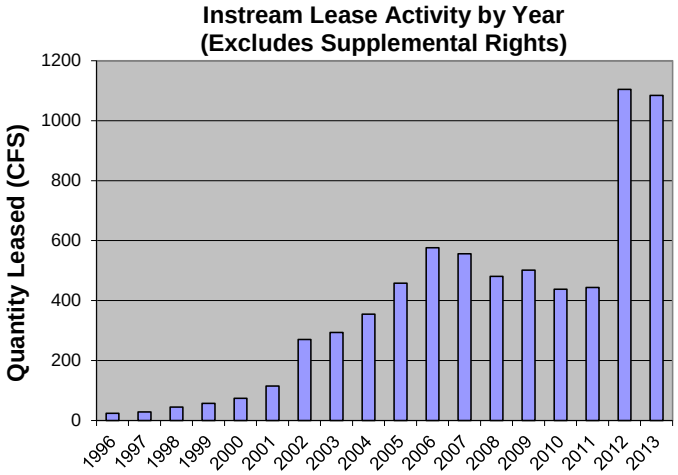
During 2013, 46 percent of instream leases came directly from customer transactions with the Water Resources Department. The instream leasing program also benefits greatly from active partnerships with The Freshwater Trust, Deschutes River Conservancy, Klamath Basin Rangeland Trust, and funders like the Oregon Watershed Enhancement Board, and National Fish and Wildlife Foundation.

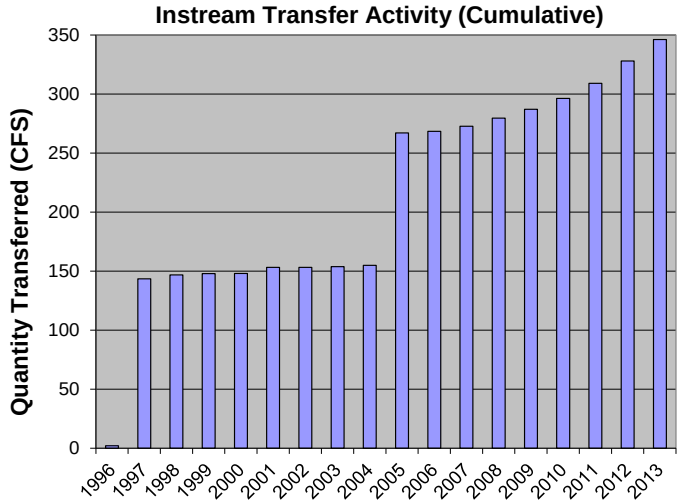
The Department has completed 116 permanent and long-term instream transfers, representing almost 350 cfs. The Department has approved 56 applications for allocations of conserved water, resulting in almost 175 cfs permanently protected and reserved temporarily instream.

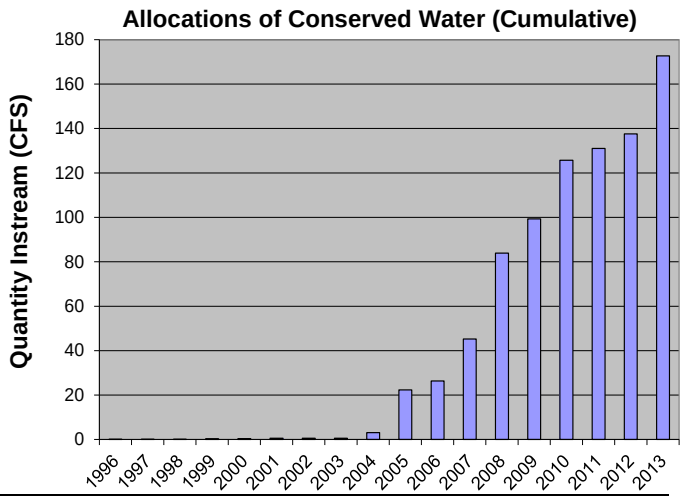
As part of the 2009 removal of Savage Rapids Dam on the Rogue River, 800 cfs was placed instream through the conversion of hydroelectric rights to instream rights (not reflected in the graphs to right).

The majority of water put instream on a permanent basis through allocations of conserved water and instream transfers in Oregon is senior water, with certificates pre-dating Oregon's 1909 water law.

Since the adoption of Oregon's 1987 Instream Water Right Act, the Water Resources Department has converted to instream rights more than 500 of the state's minimum perennial stream flows and has issued more than 900 state agency-applied instream water rights.







Chapter 4

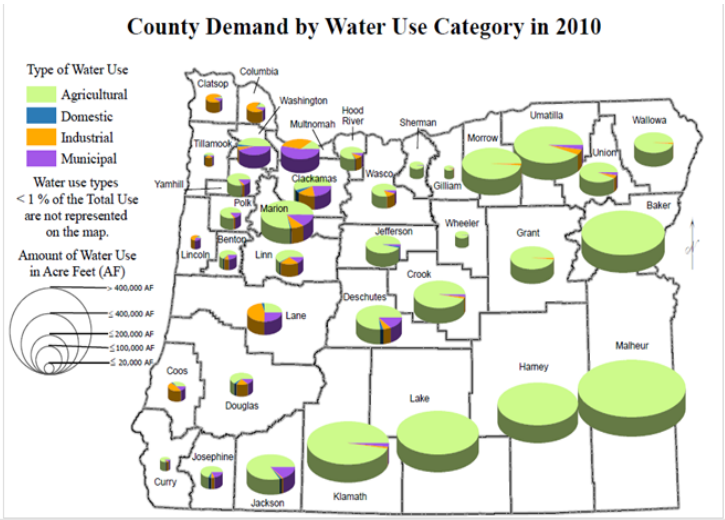
Budget Drivers

2015-2017

SATISFYING DEMANDS IN A LARGELY APPROPRIATED SYSTEM

Oregon communities, along with Oregon's fish and wildlife, are already facing limited water supplies today. Surface water is almost completely allocated, and as we rely increasingly on our groundwater resources, water levels have dropped precipitously in some areas of the state. Water scarcity jeopardizes health, welfare, and quality of life.

Without long-term solutions in place, water supply shortages will multiply in future years because of a population projected to grow by another 1 million people by 2030, and the changed timing and form of precipitation resulting from less precipitation falling as snow. As shown in an estimate of water demand in 2010 by county, water is essential to many communities across Oregon.



Data Source: *2008 Statewide Water Needs Assessment*, WRD

ADDRESSING COMMUNITIES' WATER CHALLENGES

The Umatilla Basin – During the 1970s and the early 1990s the Department designated four critical groundwater areas and one limited use area in the Umatilla River Basin, one of the State's top food producing regions. These limitations became necessary because rapid development of groundwater resulted in deep declines in groundwater levels – up to 500 feet in some locations. More than 600 square miles has been designated in the Umatilla Basin where current demand for water exceeds natural availability. As a result, only about 30 percent of permitted water has actually been authorized for use in recent years. Many water right holders receive none of their permitted water each year. Additionally, surface water sources in the Umatilla Basin are fully allocated or not available because of the needs of listed fish species during summer months.

The state has been working with this region to identify potential solutions to their water challenges.

The Deschutes River Basin – In the 1990s, a multi-year study between the Oregon Water Resources Department and US Geological Survey determined that there is a hydraulic connection between groundwater and surface water in the Deschutes Basin. Because of this hydraulic connection and because surface water is fully allocated in the Basin, these findings meant that new withdrawal of groundwater would negatively affect surface water flows.

As a result, the Department now requires mitigation before issuing new groundwater right permits. Most of this mitigation is achieved through the purchase of mitigation by credits from a "bank" administered by the Deschutes Resource Conservancy (DRC). The program has successfully allowed for continued economic development while protecting the resource.

Bureau of Reclamation Deschutes Basin WaterSMART Study - The Deschutes Basin continues to face challenges meeting its water needs and, with funding provided by the 2013

Legislature, has begun a multi-year study to focus on resolving imbalances in water supply and demand for both instream and out-of-stream needs in the upper Deschutes Basin. Ultimately, the Study will utilize the latest science, engineering and climate change information to identify consensus-based water supply projects.

The Klamath Basin – In 1909, the Legislature adopted the Oregon Water Code, which is a process for regulation of water use based upon the doctrine of prior appropriation. Adjudication is an administrative and judicial proceeding to identify, quantify and document water rights pre-dating the water code and federal reserved rights. Until the Department conducts an adjudication, it cannot enforce the water rights of these pre-1909 and federal/tribal reserved claims.

The Klamath Basin Adjudication began in 1975, in which the Department received 730 claims and 5,660 contests to those claims. In 2013, the Department issued a Final Order of Determination and referred the case to the Klamath County Circuit Court. Now that the administrative phase of the adjudication is complete, the Department can manage the Basin according to Oregon water law.

However, unmet water needs of many of the Klamath River Basin's water interests—from farmers and ranchers to Indian tribes, commercial salmon fishermen and wildlife refuges—have resulted in intense conflicts, particularly in dry water years.

For example, in 2001, a dry water year, Klamath Reclamation Project farmers saw their irrigation water drastically reduced. According to a 2003 Oregon State University Extension report, just under half of the Klamath Reclamation Project acreage received enough water to irrigate a crop, and state and federal emergency payments to the region totaled at least $35 million.

In 2002, federal agencies reduced the environmental flows required in the Klamath River and allowed the Klamath Reclamation Project to divert close to 400,000 acre-feet for irrigation purposes. A severe disease outbreak in the Lower Klamath River contributed to the death of tens of thousands of migrating salmon. The Pacific Coast Federation of Fishermen's Association sued the U.S. Bureau of Reclamation, alleging that irrigation deliveries to the Klamath Reclamation Project had violated the Endangered Species Act.

These events highlighted the need for a negotiated settlement. After several years of negotiations, in early 2010, the Klamath Basin Restoration Agreement (KBRA) and the associated Klamath Hydroelectric Settlement Agreement were signed. Broadly speaking, the KBRA provides the means to settle key disputes about water allocation in the Klamath River Basin, provide enough water to sustain the Upper Klamath Basin's agricultural economy, and help fish populations to recover by restoring habitat.

Parties in the off-project area of the basin were not able to come to agreement in the KBRA. However, subsequent negotiations resulted in an agreement in early 2014. The 2014 Upper Klamath Basin Comprehensive Agreement (Agreement) seeks to: (i) support the economic development interests of the Klamath Tribes; (ii) provide a stable, sustainable basis for the continuation of agriculture in the Upper Klamath Basin; (iii) manage and restore riparian corridors along streams that flow into Upper Klamath Lake in order to achieve proper functioning conditions permanently; and (iv) resolve controversies regarding certain water right claims and contests in the Oregon Klamath Basin Adjudication.

The Willamette Basin – The U.S. Army Corps of Engineers operates 13 dams and reservoirs located on the Willamette River Basin (see accompanying map). The Corps and the U.S. Bureau of Reclamation, which manages the stored water contracts in these reservoirs, have long indicated that there is approximately 1.64 million acre-feet of stored water available for contracts from the Willamette Valley Project.

Although Congress has authorized the construction of these reservoirs for multiple purposes, including flood control, navigation, generation of hydroelectric power, irrigation, potable water supply, "and reduction of stream pollution in the interests of public health, fish conservation and public recreation," the U.S. Bureau of Reclamation filed water right applications for the entire 1.64 million acre-feet of storage, for irrigation purposes only. The Corps has not allocated any of the remaining storage in the Willamette Basin Project reservoirs to other uses, such as municipal, industrial, or instream purposes.

Stakeholders have been actively engaged with the Department and the U.S. Army Corps of Engineers (Corps) in the Willamette Basin Reservoir Study, which first began in 1996, to analyze a full range of beneficial uses in the Willamette Basin and identify ways to re-allocate existing stored water in the 13 reservoirs operated by the Corps. The Study was put on hold in 2000 to allow for a federal consultation process related to listed fish species under the Endangered Species Act. Now that the Biological Opinion is complete, the Department and the Corps are currently working with stakeholders to begin conducting the Reservoir Study. The Oregon Legislature in 2013 provided funding for this purpose.

DATA – THE FOUNDATION FOR WATER MANAGEMENT, ALLOCATION, AND SUPPLY

Groundwater Data Development – As the last significant source of water still available for summertime appropriation, Oregon's groundwater resources are in great demand in many parts of the state.

The Water Resources Department is pursuing a strategy of evaluating groundwater supplies at the basin scale through a cooperative science program with the U.S. Geological Survey (USGS). This allows OWRD to develop a broad understanding of groundwater budgets and be able to quantify important relationships, such as the groundwater contribution to surface water. This work is necessary for the protection of senior water rights.

OWRD and the USGS have undertaken three basin-wide investigations in Oregon: Deschutes Basin, Willamette Basin, and the Upper Klamath Basin. Future basin work will focus on: the Umatilla Basin, Walla Walla Sub-Basin, Hood Basin, Eastern Deschutes, Harney Basin, Willamette Basin, Sandy Basin, Grande Ronde Basin, Powder Basin, and Goose and Summer Lakes Basin. These investigations are dependent upon a groundwater science budget that matches federal dollars through the USGS Cooperative Study Program. In the 1995-1997 biennium, the Department's budget for this activity was $1.2 million; in the 2009-11 biennium it was $75,000.

Since the 2013 Legislature added additional resources, the Department's base budget now includes $375,000 per biennium for groundwater studies.

Surface Water Data Development – Stream gages provide the backbone of the Oregon Water Resources Department hydrologic investigations and water management efforts. The Department shares data with federal agencies and other partners, and provides a centralized, on-line resource for this data. With improvements in stream gaging technology in recent years, the Department has been able to add satellite telemetry to three-fourths of the gages we operate, allowing water managers and the public to see data in near real-time. However, funding for maintenance, equipment updating and data processing has not kept pace with the need.

This network of stream gages is important in the management of Oregon's surface water and groundwater resources. It is used by a variety of agencies and other entities for making daily decisions, protecting and monitoring instream flows, forecasting floods, designing infrastructure such as bridges and culverts, planning for recreational activities, better understanding how much water is available for new uses, and tracking long-term trends such as climate and drought.

Chapter 4

Budget Drivers
2015-2017

WORKLOAD AND RESOURCES

County planners, local governments, private industry, the agricultural community, and individuals are seeking detailed and timely information from the Department about the status of the state's water resources, particularly the long-term condition of the resource, and opportunities for water storage. With surface water almost completely allocated in Oregon, water users increasingly are turning to groundwater as their source. Groundwater applications now represent two-thirds of all incoming applications requiring an initial review. But unlike surface water right applications, groundwater applications require a detailed technical analysis by a qualified hydrogeologist. The Department is currently unable to meet statutory time-line requirements for reviewing groundwater applications in a timely manner.

The Department requires staff to produce data, to consult with local governments, to respond to supply conflicts, and to conduct timely application reviews. The Department prides itself in the high quality of science and technology work performed here. Our scientific staff members—engineers, hydrographic technicians, hydrologists, and hydrogeologists—gather and develop the data by which our watermasters manage the state's water resources, and our case workers evaluate water rights applications. This information is made useful and available with assistance from our information technology staff.

The Department has challenges competing with higher paying private sector jobs and is having difficulty hiring engineers and other positions requiring high levels of training and expertise.

CONCLUSION

The work of the Department, which is not mirrored by a federal agency counterpart, is critical to the long-term economic and environmental stability of the state. The Department has been successful in recent years in improving existing processes and functions, while also developing and implementing new programs to effectively manage Oregon's water resources and meet the state's future water needs. With development of the IWRS as a guiding strategy for the Department and significant investments by the 2013 Legislature in the Department's core functions, the stage is set for much progress to be made in the years ahead.

The Department is leading efforts to meet Oregon's current and future need for water, both instream and out of stream, in a largely appropriated system under pressure from changing snowpack and climate conditions. Additional resources are needed in the areas of data collection, long-term planning, and community grants and resources for the implementation of water resources solutions.

Options for meeting future water needs of the state, both instream and out-of-stream, include but are not limited to new development of groundwater, water conservation and efficiency, reallocation (transfers), and winter-time storage.

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Chapter 5

Governor's Budget & Legislation


Willamette Valley

Inside this Chapter:

Oregon Water Resources Department

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2015-17 GOVERNOR'S RECOMMENDED BUDGET

The Governor's Recommended Budget (GRB) includes investments in water that will grow our economy and lift up rural Oregon to create healthy ecosystems and communities, while furthering implementation of the state's 2012 Integrated Water Resources Strategy (IWRS). The largest investments are to aid in the development of water resources statewide to meet instream and out-of-stream needs as part of an Integrated Water Resources Program. Other investments focus on strengthening the Department's core functions such as data collection and water right processing, while also supporting communities, such as the Klamath Basin, in solving and managing water-related challenges.

	2011-13 Legislatively Adopted Budget	2013-15 Legislatively Adopted Budget	2015-17 Governor's Recommended Budget
General Fund	$ 20,614,684	$ 26,504,946	$ 30,908,571
Other Funds, including fees	10,403,841	10,626,121	$ 11,300,665
Other Funds (grants and loans)	18,758,324	23,920,890	$ 59,383,827
Lottery Fund (Debt Service)	706,751	574,025	$ 6,620,003
Federal Funds	1,195,479	1,272,735	$ 1,302,403
Total Funds	$ 51,679, 079	$ 62,898,717	$ 109,515,469
Full-Time Equivalent (FTE)	144.59	154.80	167.58

(Preliminary Analysis Dated 12-10-14)

2015 POLICY OPTION PACKAGES

Integrated Water Resources Program – Meeting Oregon's Water Needs
Pkg #106 – Funding Feasibility Studies (.75 FTE; $140K General Fund & $2M Lottery Bonds) **IWRS Recommended Actions # 10A, 10B, 10C, 13C** Communities often find it difficult to secure funding to study the feasibility of developing water conservation, reuse, or storage projects. The Department currently has $750,000 in its base budget to provide grant funding for such studies. This package would add an additional $2 million for SB 1069 (2008) feasibility study grants, and add staffing capacity (currently at .25 FTE) to administer and oversee the grant program. Add $150,000 for cost of issuance and debt service.
Pkg #113 – Funding Water Supply Projects (1 FTE; $187K General Fund & $17.25M Lottery Bonds) **IWRS Recommended Actions # 3A, 5B, 10A, 10B, 10C, 10E, and 11B** Water is essential for economic growth, environmental health, and the welfare of all Oregonians. The state needs to continue to provide support for water resources supply projects in order to meet Oregon's current and future instream and out-of-stream water needs. Recapitalizes the Water Supply Development Account (established by SB 839 in 2013) and the Water Supply Fund. This includes $17.25 million for grants and loans for water projects, as well as a position to administer and oversee grants and loans. Add $1.3 million for cost of issuance and debt service.
Pkg #115 – Supporting Project Development & Place-Based Planning (6 FTE; $1.2M General Fund & $750K Lottery Bonds) **IWRS Recommended Actions # 3A, 5B, 9A, 9B, 9C, 10A, 10B, 10C, 10E, and 11B** This package would allow the state to proactively work with communities to identify, evaluate and develop water resources solutions to meet instream and out-of-stream needs. This request would expand the water supply team, adding a water supply project manager, water supply engineer, finance analyst, water supply technical coordinator, and two place-based planning coordinators. This package also includes $750,000 for grants to help communities voluntarily develop place-based integrated water resources plans to identify how they will meet their current and future instream and out-of-stream water needs. Add $56,000 for cost of issuance and debt service.
Pkg #120 – Facilitating Water Development Loans ($30M General Obligation Bonds) **IWRS Recommended Actions #3A, 5B, 10A, 10B, 10C, 10E, and 11B** Recapitalizes the Water Development Loan Fund using dedicated General Obligation Bonds for the purposes of financing water development projects. Funds are only issued after project(s) are identified and an agreement is signed for repayment by the borrower(s). Add $1.7 million for cost of issuance and debt service.

2015 POLICY OPTION PACKAGES, *CONTINUED*

Strengthening Our Core Functions and Supporting Communities in Addressing Water Challenges

Pkg #101 – Klamath Coordination and Water Right Special Projects (2 FTE; 427k General Fund)
IWRS Recommended Actions # 9C, 10 and 13B

A Klamath coordinator will focus on the day-to-day needs to implement the Klamath settlements. One water right specialist will focus on processing Klamath leases and transfers due to implementation of settlement agreements, as well as working on other key water right transactions needs, including addressing backlogs related to extensions, claims of beneficial use, and certificate issuance.

Pkg #104 – Data and Water Management in the Klamath Basin (1 FTE; 192k General Fund)
IWRS Recommended Actions # 1B, 13B

As a result of the completion of the administrative phase of the Klamath adjudication, as well as the water settlements, a significant increase in data collection and processing has been necessary to provide timely information to manage water in the basin. One hydrotech will monitor water conditions in the basin.

Pkg #105 – Establishing a Regional Solutions Community Liaison (1 FTE; 207k General Fund)
IWRS Recommended Actions # 1C, 9B, and 9C

Adds one position to increase Department capacity to participate in Regional Solutions activities and support communities in resolving water-related issues. This position will serve as a liaison to Regional Solutions teams, providing technical guidance, data, and permitting assistance.

Pkg #110 – Monitoring Coordinator for Efficient Data Sharing and Management (1 FTE; 211k General Fund)
IWRS Recommended Actions # 1B and 1C

Adding a monitoring coordinator will allow the Department to coordinate inter-agency collaborative water quantity and quality monitoring efforts, fill data gaps, and make improvements to how we gather, process and share data and information. This position would assess water resource data needs and provide data quality assurance in working with local, state, federal, and tribal governments, as well as non-governmental entities and other partners.

2015 DEPARTMENT LEGISLATION

Supporting Communities in Addressing Water Challenges (Klamath)

Similar to the Department's Budget Requests, the Legislative Concepts: 1) authorize the state to support communities in identifying water resources needs as part of an Integrated Water Resources Program; 2) strengthen the Department's core functions and existing programs; and 3) support communities, specifically the Klamath Basin, in addressing water challenges.

Integrated Water Resources Program

SB 266 – Place-Based Integrated Water Resources Planning
IWRS Recommended Actions # 9A, 9B, 9C

- Voluntary place-based integrated water resources planning will allow communities and stakeholders, in partnership with the state, to understand their instream and out-of-stream water resources needs, and then identify solutions and potential projects in order to meet those needs now and into the future.
- This bill authorizes the Department to provide grants to groups seeking to undertake a place-based approach to water resources planning. The grants would provide communities with the initial financial capacity to cover facilitation, logistical, and technical costs associated with undertaking a place-based process.

Strengthening Our Core Functions

SB 267 – Extending Irrigation District Pilot Project Allowing Temporary Transfers within Boundaries

- The intent of the pilot project is to look for ways to provide increased flexibility for irrigation districts to temporarily change the place of use of water rights without reducing protections for existing water users.
- This bill extends the sunset on the pilot program to January 2, 2022, which will allow the program to continue in order to further assess its implementation.

SB 268 – Water Resources Department Funding Task Force
IWRS Recommended Actions # 13B

- The Department is heavily reliant on general fund for its operations. In the past, the variability of, and competition over, the General Fund has eroded the capacity of the Water Resources Department to manage, distribute, and protect Oregon's water resources, particularly since workload and complexity of issues has increased.
- This bill builds on prior efforts of the Water Resources Commission to stabilize or increase Department funding by establishing a task force to identify and recommend solutions.

SB 264 – Implementation of the Upper Klamath Basin Comprehensive Agreement
IWRS Recommended Actions # 2C, 9C

- The 2014 Upper Klamath Basin Comprehensive Agreement requires the state to seek legislation that would authorize the Klamath County Circuit Court to undertake procedures in the Klamath Basin Adjudication that would allow non-tribal claims to move forward, while tribal water right claims are adjudicated in a timeline and manner to facilitate implementation of the agreement.
- This bill also authorizes the Department to participate as a voting member of the Joint Management Entity, which is responsible for administration of certain provisions of the Comprehensive Agreement.

SB 265 – Fulfilling State Commitments in the Klamath Basin Restoration Agreement
IWRS Recommended Actions # 2C, 9C

- As signatory to the 2010 Klamath Basin Restoration Agreement, which settles key disputes over water in the Klamath Basin, the State of Oregon has committed to support legislative authorization to compensate Klamath County for potential economic losses, and to provide grants for agricultural energy and water conservation projects.

2015 DEPARTMENT LEGISLATION, CONTINUED

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Chapter 6

Long-Term Vacancies & Reduction Options

Oregon State Capitol

Inside this Chapter:

Oregon Water Resources Department

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Chapter 6

Long-Term Vacancies & Reduction Options

2015-2017

LONG-TERM VACANCY REPORT

The Department had seven long-term vacancies as of 12-31-14. These vacancies are for greater than twelve months. Two positions have since been filled or the job duties are being performed by a staff person through a job rotation. Three positions were vacant due to a lack of fee revenue to support the position. One position has had recruitment difficulties and a final position is part time and the funding is being used to pay for temporary staff.

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)

Activity Or Program	Describe Reduction	Amount / Fund Type	Rank And Justification
1. Cost Share	0 FTE	$ 50,000 GF	• Water-use measurement is critical to successful management of the resource. The cost to install weirs, flumes, meters, or other appropriate measurement devices can be significant, up to several thousand dollars for water users with multiple diversions. Many of the water users have refused to comply citing the expense of installation. This fund provides for a cost share on the expense of purchasing and installing measurement devices. • This reduction would decrease the funds available from $100,000 to $50,000 and result in fewer measurement devices being installed.
2. Monitoring Wells	0 FTE	$300,000 GF	• Competition for groundwater increases every year. Accurate well location, impacts from climatic, seasonal, and groundwater development, and water level data are measured at state observation wells throughout the state and are critical to help assess Oregon's groundwater resources. These wells contribute to Oregon's long-term record of groundwater data. • This action would reduce the funding available for the maintenance and establishment of monitoring wells from $455,750 to $155,750.
3. Groundwater Studies	0 FTE	$ 187,500 GF	• This would reduce funding from $375,000 each biennium to $187,500 for continued scientific study of Oregon's groundwater resources, including the quantity and location of groundwater, its relationship to surface water, and how much is available for use. • At one time the Department's budget for this activity was $1.2 million, and the state used these funds to leverage Federal dollars in a one-to-one cost share.

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)

Activity Or Program	Describe Reduction	Amount / Fund Type	Rank And Justification
4. Gaging Stations	0 FTE	$120,000 GF	• The Water Resources Department operates more than 200 stream and reservoir gages throughout the state, maintaining a 100-year record for many of them. This network of stream gages is important in both the management of Oregon's surface water and groundwater resources. It is used by a variety of organizations for making daily decisions, protecting and monitoring instream flows, forecasting floods, designing infrastructure such as bridges and culverts, planning for recreational activities, understanding how much water is available for new uses, and tracking long-term trends such as climate change and drought. • This action reduces funding for the installation of new gaging stations and maintenance of existing stations from $240,000 to $120,000.
5. Feasibility Study Grants	0 FTE	$ 250,000 GF	• This would result in a reduction in feasibility study grants from $750,000 a biennium to $500,000. Local communities often find it difficult to secure feasibility study funding as part of their project development. Such studies help determine the environmental, engineering, economic, and social implications of proposed water supply projects. • The Department received $1.5 million in requests during the 2013-15 biennium, reducing the funding to $500,000 would severely impact the ability of the grant program to meet the need for these studies
6. Water Development Grants	0 FTE	$ 970,000 OF	• This would result in a reduction in the amount of funds available to provide loans and grants for water supply projects. The Department expects this grant and loan program to be oversubscribed; thus, a reduction in funds will lead to projects not receiving funding, or receiving reduced funding.
7. Regional Customer Service and Office Support	1 FTE	$128,113 GF	• This would eliminate a regional support staff resulting in a dramatic slowing of the Department's ability to provide timely customer service. Potential land sales could also be hampered by the lack of response from the Department, related to water rights issues and water well information. • This position assists the public on the phone and with office walk-ins, and many times is the only staff in the office during the summer months when other staff are in the field responding to water use regulation. This will lead to reduced hours that the office will be open to the public during the busy summer regulation season, when people need a lot of assistance. The Department's ability to respond to requests in a timely manner will be severely curtailed.

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)			
Activity Or Program	**Describe Reduction**	**Amount / Fund Type**	**Rank And Justification**
8. Regional Customer Service and Office Support	.30 FTE	$ 37,540 GF	• This would eliminate a regional support staff resulting in a dramatic slowing of the Department's ability to provide timely customer service • This position assists the public on the phone and as office walk-ins, and many times is the only staff in the office during the summer months when other staff are in the field responding to water use regulation. The Department's ability to respond to requests in a timely manner will be severely curtailed.
9. Oregon Plan for Salmon & Watersheds Activities	1 FTE	$ 142,659 GF	• This would eliminate the agency's participation in Oregon Plan activities including being a member of the OWEB application review team. • These activities include processing fish friendly water right transfers, mapping water rights, and collecting streamflow data in support of Oregon Plan efforts. This position is responsible for data base management of the Significant Diversion Inventory which tracks progress on installation of measuring devices, and coordinates progress and prepares reports on Pacific Coast Salmon Restoration Fund activities • Two similar positions removed in 2009. These are the last two positions for this activity
10. Oregon Plan for Salmon and Watersheds Activities	1 FTE	$ 179,082 GF	• This would eliminate the agency's participation in Oregon Plan activities. • These activities include collecting streamflow data, tracking instream leases, transfers and conserved water in the Deschutes Basin while providing the data to the watermaster to allow timely water management decisions in support of Oregon Plan efforts. • Two similar positions removed in 2009. These are the last two positions for this activity.
11. Water Right Extension Processor – Adjudication	1 FTE	$137,505 GF	• Elimination of this position jeopardizes the Department's ability to begin new adjudication proceedings in unadjudicated basins. Once begun, proceedings will be significantly delayed by having fewer staff to support the adjudication activity. • This position also provides support to the Department of Justice who will be working on the Klamath Adjudication as it makes its way through the Klamath County Circuit Court over the next several years. Not being able to support the DOJ activity will result in the DOJ having to do their own research and drafting which is less efficient and more expensive.

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)			
Activity Or Program	**Describe Reduction**	**Amount / Fund Type**	**Rank And Justification**
12. Instream Protections	1 FTE	$ 194,439 GF	• Without funding for an ISWR processor, these applications would be processed by the existing staff, resulting in a slow-down, and resulting negative economic impact, to those applicants who are waiting for their applications to be processed. Currently, applicants submit about 200 water right applications in a given year. The number of ISWR applications that might be filed in the 2013-15 biennium are unknown. The position also assists with the processing of pending instream water right protests and the processing of other, non-instream, and water right applications. The elimination of this position would have a negative impact on the processing of water right applications.
13. Well Inspector	1 FTE	$123,634 OF	• Elimination of this position jeopardizes the Department's ability to protect Oregon's groundwater resources. • This position provides onsite inspection of well construction for the prevention of well contamination, waste of groundwater and loss of artesian pressure. This position works closely with the well drilling community and the public in providing the technical information necessary to meet Oregon Well Construction Standards. • Eliminating this position would significantly reduce the Department's ability to protect Oregon's groundwater resources in the south central region of the state; which includes Deschutes, Klamath and Lake counties.
14. Well Inspector	1 FTE	$128,113 OF	• Elimination of this position jeopardizes the Department's ability to protect Oregon's groundwater resources. • This position provides onsite inspection of well construction for the prevention of well contamination, waste of groundwater and loss of artesian pressure. This position works closely with the well drilling community and the public in providing the technical information necessary to meet Oregon Well Construction Standards. • Eliminating this position would significantly reduce the Department's ability to protect Oregon's groundwater resources in the northwest region of the state; which includes Lane, Linn, Benton, Marion, Clackamas, Multnomah, Lincoln, Polk, Yamhill, Tillamook, Clatsop, Washington and Columbia counties.

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)			
Activity Or Program	**Describe Reduction**	**Amount / Fund Type**	**Rank And Justification**
15. Water Right Certificate Processing Support	1 FTE	$ 97,831 OF	• This would eliminate the position that supports water right processing activities in the Water Right Services Division. These duties include preparing files for new water right and transfer applications, scanning submitted materials into the Department's public access database, obtaining files for senior staff work and the general support of division activities • The Department would spread these duties amongst other support and technical staff in the work unit, causing inefficiencies in the certificate section and other water right related work areas. If and when the current slowdown of new water right applications and transfer filings ends, this position will be needed to keep up with higher activity levels.
16. Tribal Water Rights / Rules / Environmental Justice / Sustainability Manager	1 FTE	$ 248,188 GF	• This is the Department's only staff person working directly with Indian Tribes on water right issues. This position receives inquiries from Tribes, related to water use, obtaining water rights, and protection of senior water rights. The coordinator provides timely responses to the Tribal representatives. Eliminating this position will greatly reduce the Department's ability to interact with Tribes on water right issues. Government-to-Government discussions between Tribes and the Department will not occur on a regular basis. • This position also responds to "public records requests" from water right holders, realtors, attorneys, well constructors, and other members of the public, ensuring timely, complete, and accurate responses. The resulting information is used in court actions, property sales, and other proceedings. With the elimination of this position, public information requests will take longer to process. • This position also manages rule-making for the Department, ensuring that administrative rules are adopted and maintained consistent with state law. Without this position, rulemaking duties will be distributed to other staff, reducing capacity to perform other functions and to conduct rulemaking in a consistent and timely manner. • Finally, this position serves as the Department's primary point of contact for environmental justice issues, sustainability, and regulatory streamlining. The Department would no longer be able to assure participation in these activities.

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)			
Activity Or Program	**Describe Reduction**	**Amount / Fund Type**	**Rank And Justification**
17. Groundwater Data Collection	1 FTE	$ 148,376	• Competition for groundwater increases every year, in every part of the state. This position is one of two recently approved by the Oregon Legislature to analyze groundwater systems, respond to reports of interference among users, provide for the long-term sustainable use of groundwater, assess the opportunity for new uses, and collect and enter information into a central data base that can be accessed through the Department web site. Elimination of this position would increase the Department's backlog in terms of data collection and sharing, and permit review and processing.
18. Groundwater Data Collection	1 FTE	$ 148,376	• Competition for groundwater increases every year, in every part of the state. This position is one of two recently approved by the Oregon Legislature to analyze groundwater systems, respond to reports of interference among users, provide for the long-term sustainable use of groundwater, assess the opportunity for new uses, and collect and enter information into a central data base that can be accessed through the Department web site. Elimination of this position would increase the Department's backlog in terms of data collection and sharing, and permit review and processing.
19. Regional Transfer Application Processor	1 FTE	$ 137,505 OF	• This eliminates a Salem-based transfer application processor. This would result in increased processing times, workload, and backlog. Currently the backlog for completing a transfer application is approximately one year on average.
20. Regional Transfer Application Processor	1 FTE	$ 179,596 GF	• This eliminates one of two field-based transfer application processors. These positions provide field assistance to water right holders looking to make changes to their water rights including a change of place of use or point of diversion. Work transferred to the Salem staff would eliminate this field assistance and result in increased processing times, workload, and backlog. Currently the backlog for completing a transfer application is approximately one year on average.

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)			
Activity Or Program	**Describe Reduction**	**Amount / Fund Type**	**Rank And Justification**
21. Regional Transfer Application Processor	1 FTE	$ 179,596 OF	• This eliminates one of two field-based transfer application processors. These positions provide field assistance to water right holders looking to make changes to their water rights including a change of place of use or point of diversion. Work transferred to the Salem staff would eliminate this field assistance and result in increased processing times, workload, and backlog. Currently the backlog for completing a transfer application is approximately one year on average.
22. Water Right Application Processor	1 FTE	$ 137,505 OF	• This would eliminate one water right application processor, significantly slowing review times, which impairs the Department's ability to meet statutory timeframes, slowing economic activity associated with new water withdrawals. • The process is designed by law to take eight months for each application, and we are not meeting this timeframe in most instances. Such a staffing reduction could literally add months to the process.
23. Water Right Extension Processor	1 FTE	$ 179,596 OF	• This staff position is the sole person responsible for processing requests for extensions of time to develop water right permits, including those from municipal water suppliers. The timely processing of extensions allows permit holders to make safe economic development decisions regarding investments needed to develop the permit. Work would be transferred to the water right application review staff members, which would greatly increase the time they take to process water right applications (by statute, this work is supposed to take only eight months).

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)			
Activity Or Program	**Describe Reduction**	**Amount / Fund Type**	**Rank And Justification**
24. Water Right Certificate Processing Support	1 FTE	$ 115,757 OF	• This would eliminate the position that supports the certificate issuance activity. Water Rights Certificates are the final step in the process of obtaining a water right. A certificate is necessary before a water right holder can transfer a water right on a temporary or permanent basis. The Department has approximately 2,100 claims of beneficial use pending; these claims are awaiting final certification. The Department receives approximately 200 claims each year and can process about 600 per year with existing staff. As a result, the Department has a backlog of approximately 5 years in its certificate program. • A certificate generally increases the property value because it confirms that a water right exists. • The Department would spread these duties amongst other support and technical staff in the work unit, causing inefficiencies in the certificate section and other water right related work areas.
25. Microcomputer and Network Support (Eastern Oregon)	1 FTE	$ 184,610 GF	• This position is responsible for computer support for the east side of the state and management of satellite-based safety equipment for field staff (personnel tracking devices). • This would eliminate the only computer and technology support for the Department's North Central, South Central and Eastern Oregon field offices, technical support for more than 40 staff members. • Elimination of this position would significantly reduce the staff's ability to use computers, conduct regular computer training, and keep software systems operational for internal and public use. This will have a resulting negative effect on the staff members' ability to complete their work. • Elimination of this position would impair the Department's field safety program developed to protect staff working with hostile people or in remote locations outside of cell phone communication.

2015-17 WATER RESOURCES DEPARTMENT 10% REDUCTION OPTIONS (ORS 291.216)			
Activity Or Program	**Describe Reduction**	**Amount / Fund Type**	**Rank And Justification**
26. Water Supply Development	1 FTE	$203,122 GF	• This position will focus on helping individuals and communities identify, support, and evaluate water supply development projects for instream and out-of-stream needs. • Elimination of this position would reduce progress on water supply development efforts, as the Department would lack a senior staff position to identify and work through policy issues, engage in conversations with project proponents and stakeholders to work through project challenges, and ultimately, identify the strategic direction and needed actions to ensure the success of the water resources development initiative.
Totals		$2,839,620 GF $2,069,537 OF	

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Appendix A

Annual Performance Progress Report

Catherine Creek
Photo Credit: Oregon State Archives

Inside this Chapter:

2014 Annual Performance Progress Report

Oregon Water Resources Department

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WATER RESOURCES DEPARTMENT

Annual Performance Progress Report (APPR) for Fiscal Year (2013-2014)

Original Submission Date: 2014

Finalize Date: 11/25/2014

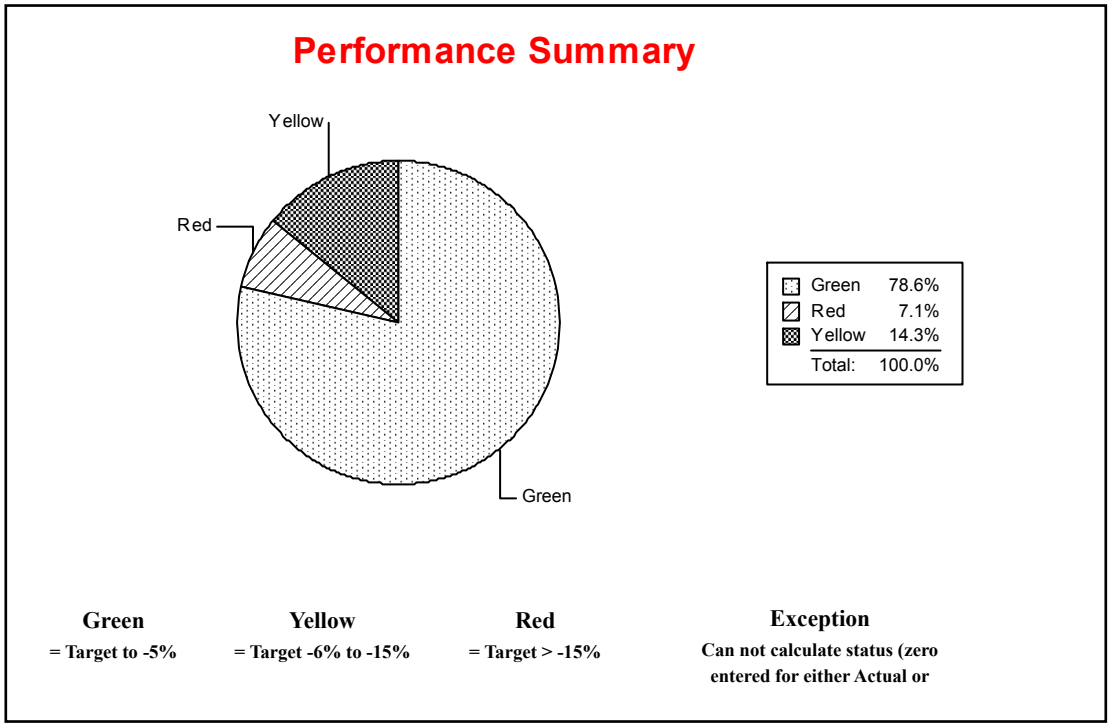
2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	FLOW RESTORATION - Percent of watersheds that need flow restoration for fish that had a significant quantity of water put instream through WRD administered programs.
2	PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated.
3	MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations.
4	STREAM FLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gauging stations.
5	ASSESSING GROUND WATER RESOURCES - Percent change from 2001 in the number of wells routinely monitored to assess ground water resources.
6	EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet.
7	EQUIP CITIZENS WITH INFORMATION - Number of times water management related data was accessed through the WRD's Internet site.
8	Fully implement the Water Resources Commissions 2000 Water Measurement Strategy
9	PROMOTE EFFICIENCY IN WATER MANAGEMENT AND CONSERVATION PLAN REVIEWS - Percent of water management and conservation plans that received a preliminary review within 90 days of plan submittal.
10	PROMOTE EFFICIENCY IN WATER RIGHT APPLICATION PROCESSING - Percent of water right applications that receive an initial review within 45 days of application filing.
11	PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING - Percent of transfer final orders issued within 120 days of application filing.
12	PROMOTE EFFICIENCY IN FIELD STAFF REGULATORY ACTIVITIES - Number of places where water is legally taken out of stream and used (points of diversion) per FTE of field staff.
13	INCREASE WATER USE REPORTING

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
14	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

New Delete	Proposed Key Performance Measures (KPM's) for Biennium 2015-2017
	Title: **Rationale:**

WATER RESOURCES DEPARTMENT	I. EXECUTIVE SUMMARY
Agency Mission: To serve the public by practicing and promoting responsible water management.	

Contact:	Racquel Rancier, Senior Policy Coordinator	**Contact Phone:**	503-986-0828
Alternate:	Thomas J. Paul, Acting Director	**Alternate Phone:**	503-986-0882



1. SCOPE OF REPORT

The Water Resources Department has 14 Key Performance Measures (KPMs). These performance measures cover agency programs related to: surface water restoration, protection, and measurement; groundwater monitoring; and regulatory and outreach actions. As a whole, our KPMs describe and track progress in the Department's key program areas. However, our KPMs do not track the Department's water right adjudication efforts, hydroelectric licensing and relicensing programs, implementation of the Integrated Water Resources Strategy, or water supply development efforts. The Department tracks these programs through internal measures.

2. THE OREGON CONTEXT

The Water Resources Commission and Water Resources Department (WRD or the Department) are responsible for managing the surface water and groundwater resources of the State. Managing the State's water resources includes protecting existing rights for both instream and out-of-stream uses of water, responsibly allocating and managing water supplies, addressing new and changing supply needs, and continuing to improve our understanding of surface and groundwater resources. Nine measures (690-1 through 690-5, 690-8 through 9, and 690-12 through 690-13) relate to the practice and promotion of responsible water management, while the remaining measures relate to customer service.

Allocation and management of Oregon's water resources is based on the principle of prior appropriation. This means the first person to obtain a water right on a stream is the last to be shut off in times of low stream flow. In times of water scarcity, the water right holder with the oldest date of priority can demand the water to satisfy the use specified in their water right, regardless of the needs of junior users. If there is a surplus beyond the needs of the senior right holder, the water right holder with the next oldest priority date can take the amount of water to satisfy the use specified in the water right, and so on down the line until there is no surplus, or until all rights are satisfied. This system of appropriation was fundamental to Oregon's early settlement and economic development.

The Department also issues water rights for protecting fish, minimizing the effects of pollution, and providing for recreational uses. These water rights are called instream water rights. Instream water rights also have a priority date and are regulated the same way as other water rights. Oregon law allows water right holders to sell, lease, or donate their water rights to be converted to instream water rights. This is done through a short-term lease or by a transfer of the existing right from the current use to a new type of use. Oregon Benchmark 80 tracks the percentage of key streams meeting instream flow rights. Four of our KPMs track our contribution to achieving this benchmark by measuring our efforts to restore flows where they are most needed by fish (690-1), to protect instream water rights (690-2), and to promote efficiency in the transfer application process (690-11), and to achieve compliance with water rights regulations (690-3).

The Department's activities also support the 10-year Plan outcomes in the policy areas of Jobs and Innovation, as well as Healthy Environment. In addition, many of the KPMs track or relate to recommended actions called for by Oregon's Integrated Water Resources Strategy (IWRS). Given the state's current and future challenges in meeting instream and out-of-stream water needs, implementation of the IWRS is essential to understand our water resources and take necessary steps to help meet needs now and into the future.

The importance of our agency’s mission and responsibilities is reflected in the diversity and number of individuals, agencies, and stakeholders that work closely with us. In addition to individual water users, the Department works closely with agricultural interests such as the Oregon Farm Bureau, Water for Life, the Oregon Association of Nurseries, and Oregon Cattlemen. Partners also include individual cities, counties, and irrigation districts; the Association of Oregon Counties, League of Oregon Cities, Central Oregon Cities Association, Oregon Water Resources Congress, Oregon Water Utilities Council, Oregon Association of Water Utilities, and Special Districts Association of Oregon. The Department works closely with its conservation partners such as The Freshwater Trust, the Deschutes River Conservancy, Klamath Basin Rangeland Trust, The Nature Conservancy, WaterWatch of Oregon, the Walla Walla Watershed Alliance, Oregon Environmental Council, Oregon Council Trout Unlimited, the Oregon League of Conservation Voters, and individual watershed councils, soil and water conservation districts, and other groups. The Department works with Oregon’s federally recognized Indian Tribes on issues related to water supply, watershed

management, and water distribution, as well as water issues of mutual concern. Finally, the Department also partners with federal agencies and state natural resource and economic development agencies.

3. PERFORMANCE SUMMARY

The Department's performance has improved for a number of KPMs since the 2013 report. In the 2013 report, 64.3% were within 5% of the target (green), 21.4% were within 6-15% of the target (yellow), while 14% were greater than 15% away from the target (red). In this 2014 report, the percent in green has increased to 78.6%, while both yellow (14.3%) and red (7.1%) have decreased.

Similarly, all but one of the five KPMs that were not trending at or towards the target in the 2013 report, are now at or trending towards the target. Two of the KPMs that were trending at or towards the target in the 2013 report are no longer (#690-2 and #690-3); however, one of these changed by only one percent from last year, and therefore, is likely normal variation and not indicative of a trend away from the target. The Department is proud to report that customer service measures positively increased; although timeliness continues to be a challenge.

KPMs MAKING PROGRESS at or trending toward target achievement

KPM #690-1 - Flow Restoration
KPM #690-4 - Streamflow Gaging
KPM #690-5 - Assessing Groundwater Resources
KPM #690-6 - Equip Citizens with Information
KPM #690-7 - Equip Citizens with Information
KPM #690-8 - Water Measurement
KPM #690-9 - Promote Efficiency in WMCP Reviews
KPM #690-11 - Promote Efficiency in Transfer Application Processing
KPM #690-12 - Promote Efficiency in Field Staff Regulatory Activities
KPM #690-13 - Increase Water Use Reporting
KPM #690-14 - Customer Service (biennial survey)

KPMs NOT MAKING PROGRESS not at or trending toward target achievement

KPM #690-2 - Protection of Instream Water Rights
KPM #690-3 - Monitor Compliance
KPM# 690-10 - Promote Efficiency in Water Right Application Processing

4. CHALLENGES

A major economic and environmental challenge for the state is providing adequate water supply to meet existing and future out-of-stream and instream needs. Surface waters in most of Oregon during non-winter months are fully appropriated by existing out-of-stream and instream uses. Groundwater resources are showing signs of overuse and are declining in many areas. There is also an increasing awareness of the hydraulic connection between groundwater and surface water in many locations. As a result, our Department must continue to collect data to better understand groundwater and surface water and take into account their interconnection in managing the state's water resources. Increasing competition for water coupled with predicted changes in precipitation and snowpack, as well as aging infrastructure, underscores the importance of taking steps to meet Oregon's long-term water supply needs. Oregon's first Integrated Water Resources Strategy was adopted and published in 2012, providing a blueprint for the state and its partners to better understand and meet Oregon's water resource needs. Achieving our performance targets remains challenging, given budget limitations that affect staffing resources. To overcome these challenges, we continue to streamline processes, increase technology utilization, and strengthen partnerships with water users and other stakeholders.

5. RESOURCES AND EFFICIENCY

The Department's 2013-2015 legislatively approved budget includes $27,284,614 in General Fund, $1,275,264 in Federal Funds, and $34,736,737 (mostly pass-through dollars) in Other Funds. The 2013-15 budget for the Water Resources Department increased the Department's transaction fees and dam safety fees for a four-year period beginning July 1, 2013. Most of the remaining "Other Funds" are pass-through funds, destined for local communities, as they develop water resource solutions. The Department provides funds to communities for water supply, re-use, and conservation feasibility studies, resulting from Senate Bill 1069 (2008); this fund was capitalized for the 2013-15 biennium with $750,000. The 2013 Legislature also passed Senate Bill 839 and authorized $10.2 million in lottery bonds to provide grants and loans to support water supply projects to meet instream and out-of-stream needs. The Legislature also increased the Department's staffing resources for 2013-15, and adjusted KPM targets for future years, anticipating performance improvements. As shown in this KPM report, these investments in Department activities have already begun to translate into improved KPM performance. In addition, the Department has continued to evaluate and identify workflow improvements, while also utilizing technology to streamline processes and improve staff efficiency. In 2013-14, the Department's process improvement efforts included:

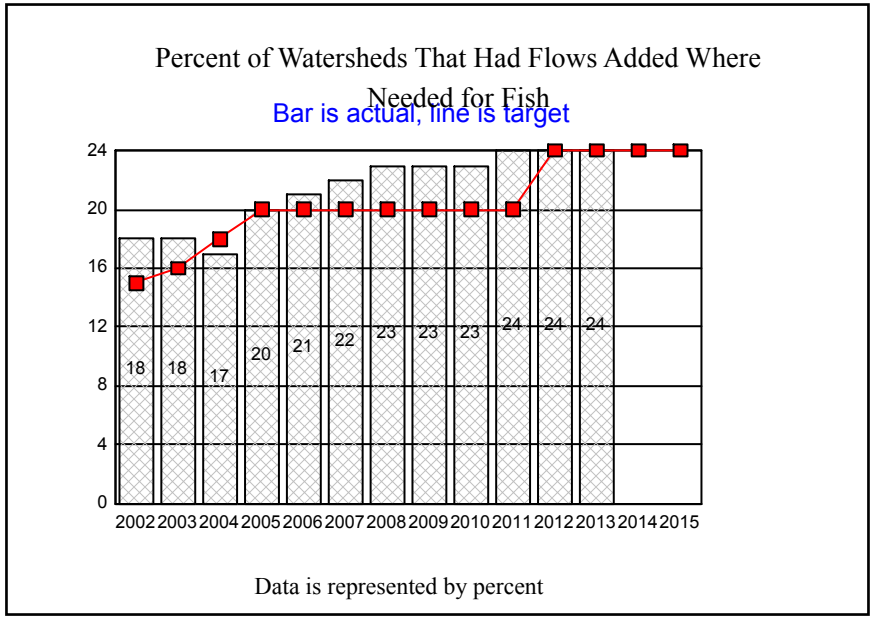
(1) utilizing web-based programs to reduce the time it takes to create public notices;

(2) conducting a mapping exercise with staff to identify opportunities to save time and reduce inefficiencies in the initial review process (see KPM #10);

(3) evaluating the processing of instream leasing applications and identifying steps to make processing more efficient; and

(4) utilizing SharePoint software to improve customer service, while also freeing up staff time.

KPM #1	FLOW RESTORATION - Percent of watersheds that need flow restoration for fish that had a significant quantity of water put instream through WRD administered programs.	2002
Goal	Increase voluntary streamflow restoration to meet instream flow needs.	
Oregon Context	Agency Mission and OMB 80: Percentage of key streams meeting minimum flow rights.	
Data Source	Department Maintained Database and Monthly Statistical Reports.	
Owner	Water Rights Services Division, Dwight French, 503-986-0819	



1. OUR STRATEGY

In accordance with the Department's mission and recommended actions in the IWRS, the Department facilitates voluntary streamflow restoration through instream leases, transfers, and allocations of conserved water for flow restoration. Key partners include: the Oregon Watershed Enhancement Board, the

Freshwater Trust, the Deschutes River Conservancy, the Klamath Basin Rangeland Trust, National Fish and Wildlife Foundation, Columbia Basin Water Transaction Program, The Nature Conservancy, irrigation districts, and water users.

2. ABOUT THE TARGETS

The goal is to increase the percent of targeted watersheds that have had flows restored. Ideally, all watersheds would have adequate flows to meet all needs, including those of fish. However, increasing water demands, a limited water supply, and limited resources require the state to be strategic in restoration efforts. Working with the Oregon Department of Fish and Wildlife, WRD has prioritized the restoration of key watersheds to benefit fish populations.

3. HOW WE ARE DOING

This KPM was created in 2002. The Department had previously reported that this KPM was not met until 2007. However, upon re-examination, it appears that we have consistently met or exceeded the target levels since adoption of this KPM. Instead of looking only at the first six months of the year, staff began to look at all 12 months of data for each year, and updated the graph accordingly. In 2013, 24 percent of watershed had flows added, where needed, for fish, meeting the 24 percent target. Cumulatively, by the end of 2013, the Department had protected a total of 2,402 cubic feet per second (cfs). This total is comprised of the following:

1) leases - 1084 cfs;

2) transfers - 345 cfs;

3) allocations of conserved water - 173 cfs;

4) converted hydroelectric rights - 800 cfs.

In the first six months of 2014, the number had already reached 25 percent.

4. HOW WE COMPARE

As of December 31, 2013, approximately 2,402 cubic feet per second (cfs) has been voluntarily restored to streams in Oregon. While no scientific study has been conducted that compares streamflow restoration by state, an informal survey has shown that Oregon leads Washington, Idaho, and Montana in

streamflow restoration by a large margin. In a July 2009 comparison, Washington had restored approximately 400 cfs, and Idaho had restored approximately 100 cfs. Montana did not have current information available at that time but reported that they had made substantial gains over the 14 cfs recorded in our 2006 survey.

5. FACTORS AFFECTING RESULTS

Streamflow restoration efforts rely on the voluntary actions of water right holders to place water instream. We attribute our success to the hard work of our conservation partners, efforts of both our programmatic staff and our on-the-ground field staff, and a general increased comfort level with these programs among water users. Oregon benefits immensely from well-established, active conservation partners. Approximately 50 percent of Oregon's flow restoration transactions involve a third party such as the Oregon Fresh Water Trust, Deschutes River Conservancy, or Klamath Basin Rangeland Trust. The remaining 50 percent of flow restoration activities occur directly between the water right holder and WRD.

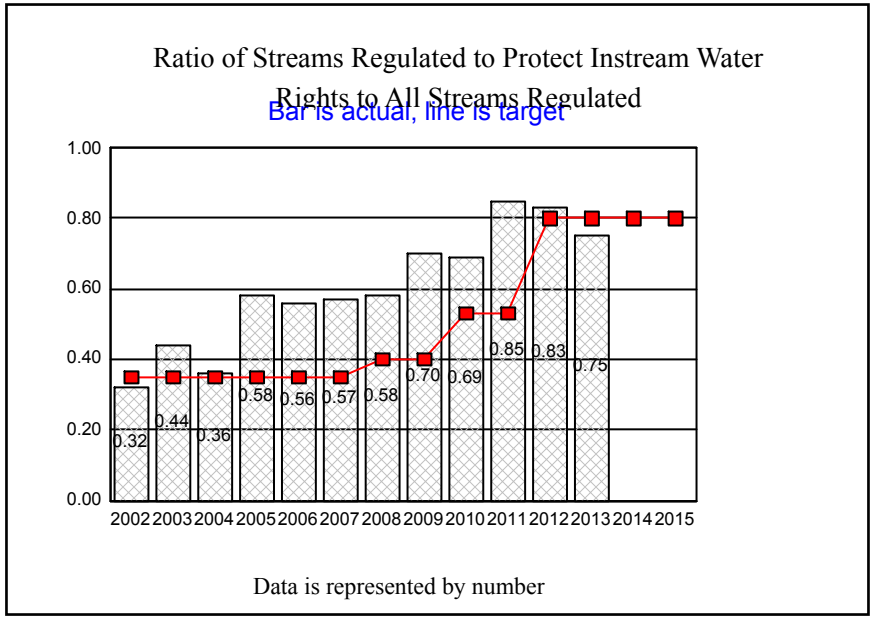
6. WHAT NEEDS TO BE DONE

The Department needs to continue to work with our conservation partners and willing water right holders to ensure that the streamflow restoration programs continue to be easy to use.

7. ABOUT THE DATA

The reporting cycle is the calendar year; therefore this report, published in August 2014, contains data through the end of calendar year 2013. Most of the instream data has been migrated to the Water Rights Information System (WRIS), which has helped water users and conservation partners track the status of their application and research the locations of instream transactions.

KPM #2	PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated.	2002
Goal	Regulate to protect instream water rights.	
Oregon Context	Agency Mission and OMB 80: Percentage of key streams meeting minimum flow rights.	
Data Source	Annual Field Activities Report.	
Owner	Field Services Division, Doug Woodcock 503-986-0878	



1. OUR STRATEGY

Monitor streamflows and distribute water to protect instream water rights according to priority date; pursue funding and other opportunities to increase monitoring of instream rights in key streams. The Department partners with the Oregon Watershed Enhancement Board (OWEB), local governments,

watershed councils, and other organizations.

2. ABOUT THE TARGETS

The goal is to increase the ratio; to increase the number of streams regulated to protect instream water rights as compared to the total number of streams regulated. The target was set at a level that provides significant protection of instream water rights, compared to the overall ratio of instream water rights to out-of-stream water rights. The target was set at a level that could realistically be attained, while encouraging the Department to promote the treatment of instream water rights on equal footing with other water rights.

3. HOW WE ARE DOING

From 2005 through 2008, performance stabilized and exceeded targets. Since 2009, the Department has seen an elevated level in the ratio of streams regulated with instream water rights. This is due to better management and tracking tools for monitoring instream water rights. For example, the Department has been able to add near real-time access (telemetry) to existing gaging stations in key instream water right reaches to better monitor whether instream rights are being met, and to more efficiently make adjustments in the stream system to improve flows (e.g., regulating junior water rights off). In 2013, many new streams were regulated (537 regulated compared to 437 in 2012) due to drought and implementation of regulation in the Klamath Basin. Many of the regulations were for other than instream water rights. This resulted in a reduction in the reported ratio for 2013. As a result, the total number of regulatory actions increased for out-of-stream uses, resulting in a decline in the ratio, despite the fact that the total number of regulatory actions for instream rights also increased.

4. HOW WE COMPARE

Direct comparison with other state agencies in Oregon is not possible since regulation for water rights is a unique function of our Department. Comparison with other western states is also difficult because of differences in management approaches and instream water right laws. For instance, a large portion of the surface water in Washington has not been adjudicated, so there is not the same level of active management and distribution of water that occurs in Oregon.

5. FACTORS AFFECTING RESULTS

Instream water rights are often junior to other surface water rights, but are regularly monitored by the Water Resources Department. Flows for some streams with instream water rights are met throughout the season and do not require significant regulation on their behalf. In years with high streamflows, the total number of streams regulated is very likely to go down, while in years with lower streamflows the total number of streams regulated is likely to go up because of

greater need. The ratio of streams regulated to protect instream water rights to all streams regulated varies with the amount and timing of rainfall in any given year, as well as staff resources. This KPM is specific to regulation for instream water rights.

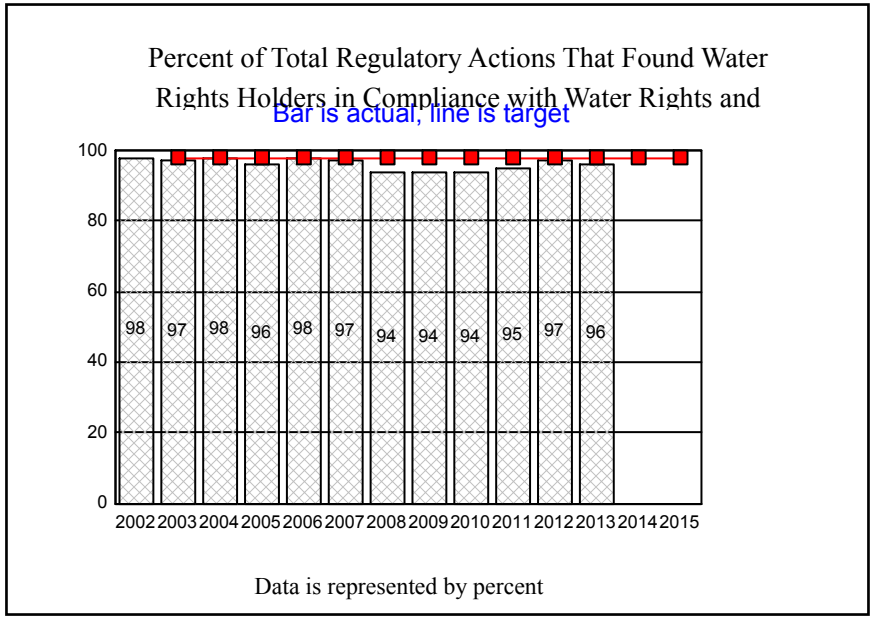
6. WHAT NEEDS TO BE DONE

Continue to promote the monitoring and regulation of instream water rights and hire additional staff during the regulation season to respond to the increased workloads for instream water right regulation.

7. ABOUT THE DATA

The reporting cycle is the water year (October 1 to September 30). This report, published in August 2014, contains data through September 2013. Watermasters submit an annual Surface Water Summary Report that includes each stream regulated, the number of regulatory actions taken, starting and ending dates of regulation, earliest priority date regulated, and the primary reason for regulation. Informational reports are presented to the Water Resource Commission with detailed information by watermaster district and stream. Copies of these reports are made available on the agency website under Commission Staff Reports. (Note: The Department updated all numbers in 2010, to address a calculation error.)

KPM #3	MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations.	2002
Goal	Actively enforce the state's water law and uphold its policies. Increase the percent of total regulatory actions that found water right holders in compliance with water rights and regulations. (A regulatory action is any action that causes a change in use or maintenance or a field inspection that confirms that no change is needed to comply with the water right, statute, or order of the Department.)	
Oregon Context	Agency Mission.	
Data Source	Annual Field Activities Report.	
Owner	Field Services Division, Doug Woodcock, 503-986-0878	



1. OUR STRATEGY

Watermasters are involved in regulating water use on streams according to the priority dates of the water rights of record, as well as preventing illegal uses of water. The Department relies heavily on voluntary compliance by water users; however, having an adequate field presence is critical to maintaining a high level of compliance. There are 20 state funded watermasters, 15 locally funded (full-time or part-time) assistant watermasters, and five state funded regional assistant watermasters. We continue to look for funding to support additional field staff to ensure adequate protection of existing water rights and effective on-the-ground management.

2. ABOUT THE TARGETS

The goal is to increase the percent. A regulatory action is a) any action that requires a change in how the water is used, b) any action that requires maintenance, or c) a field inspection that confirms that no change is needed to comply with the water right, statute, or order of the Department. The targets show an expectation of a high level of voluntary compliance from water users. A high level indicates water users understand and support the distribution of limited water supplies under Oregon's water code. It indicates that water users trust the watermaster's knowledge, consistency, and integrity. When a high level of trust is attained, voluntary compliance is more likely, as observed in this measure.

3. HOW WE ARE DOING

In 2013, 17,000 regulatory actions were taken by field staff, and water right holders were in compliance in 96 percent of these cases. The percentage can vary by a few points from year-to-year, based on water supply conditions, staffing resources, or economic factors. Prior to 2012, this measure held steady at 94-95 percent compliance, which was attributable to the addition of five regional assistant watermasters. These five positions were added in the 2007-09 legislatively adopted budget and were in the field beginning with the 2008 irrigation season, resulting in increased identification and reporting of water users out of compliance with their rights or using water illegally. In 2013, the Department received funding from the Legislature and hired one new assistant watermaster. With additional staff, the Department has been able to work in new areas (for example: working with water users to get measuring devices installed on significant points of diversions) and work more intensively in existing areas. The end result has been to discourage violations and regain a high percentage of compliance.

4. HOW WE COMPARE

This KPM is unique to our Department and does not readily compare to other state agency or private sector activities.

5. FACTORS AFFECTING RESULTS

Seasonal climate can have a significant effect on the compliance ratio, since it can affect the intensity of water distribution efforts on a stream. Watermasters are likely to have more regulatory actions during times of water shortage. In years with high streamflows, the total number of streams regulated is very likely to go down. A field presence (adequate staffing) affects this measure through greater opportunity to monitor compliance, conduct outreach, and ultimately educate individuals about water laws.

6. WHAT NEEDS TO BE DONE

The Department needs to:

(1) Continue to distribute water according to the water rights of record and enforce against illegal use of water.

(2) Continue to assess significant diversions statewide. Watermasters will work with water users to ensure compliance with permit conditions through outreach and education.

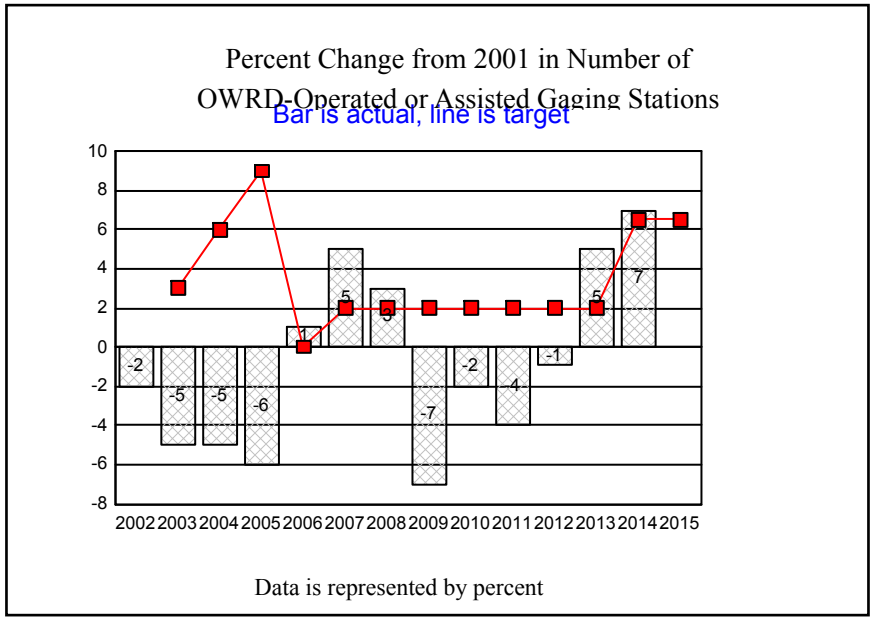
(3) Continue to develop distribution maps and water right databases to have better information available during the summer primary distribution season.

(4) Ensure staffing levels are sufficient to continue to protect Oregon's water resources.

7. ABOUT THE DATA

The reporting cycle is the water year (October 1 through September 30.) This report, published in August 2014, contains data through September 2013. Regulatory activities by our watermasters include any action that causes a change in use, a change in maintenance, or a field inspection that confirms no change is needed to comply with the water right, statute, or order of the Department. Watermasters submit an annual Surface Water Summary report that includes each stream regulated, the number of regulatory actions taken, starting and ending dates of regulation, earliest priority date regulated, and the primary reason for regulation. Informational reports are presented to the Water Resource Commission with detailed information by watermaster district and stream. Copies of these reports are made available on the agency website under Commission Staff Reports.

KPM #4	STREAM FLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gauging stations.	2002
Goal	Increase our understanding of surface water resources and the demands on them by increasing the number of gaging stations.	
Oregon Context	Agency Mission.	
Data Source	Monthly Statistical Report.	
Owner	Technical Services Division, Brenda Bateman, 503-986-0879	



1. OUR STRATEGY

The Department maintains a statewide network of gaging stations to manage surface water resources. In addition, the Department cooperates with the U.S. Geological Survey, U.S. Bureau of Reclamation, and others in collecting and sharing streamflow data. The Department continues to look for opportunities to

collaborate with others to increase and upgrade this network to improve water management in Oregon.

2. ABOUT THE TARGETS

The goal is to increase the number of stream gages in Oregon. The target establishes a base level to meet the Department's statutory responsibility to manage the surface waters of the state. While it is desirable to have additional gaging stations, they need to be strategically located to collect information that can be used to more efficiently manage and understand Oregon's surface water resources. In addition, the Department has to have adequate staff to maintain the stations and provide quality assurance of the data.

3. HOW WE ARE DOING

The 2001 benchmark was 215 gaging stations. In 2013-2014, the Department added 8 gages and dropped 2, for a net gain of 6 gages. Currently, the Department is operating a total of 231 gages, 7 percent higher than the 2001 benchmark.

4. HOW WE COMPARE

The U.S. Geological Survey (USGS), which maintains a similar network of gaging stations in Oregon, operates 259 stream gages currently. The USGS depends on local funding for the operation of many of these gages.

5. FACTORS AFFECTING RESULTS

The 2013 Legislature provided resources for the installation of gages. Five of the eight gages were added for a special project in the North Central Region. One was added in the Southwest Region for water management. The other two new gages were added in South Central Region and Eastern Region for special projects. One gage that was discontinued was for a special project in the Grande Ronde area, while the other was for occasional water management in the North Central Region. The Department continues to face challenges in ensuring that it has sufficient hydrographic technician ("hydrotech") staff to maintain the gaging equipment and provide quality assurance.

6. WHAT NEEDS TO BE DONE

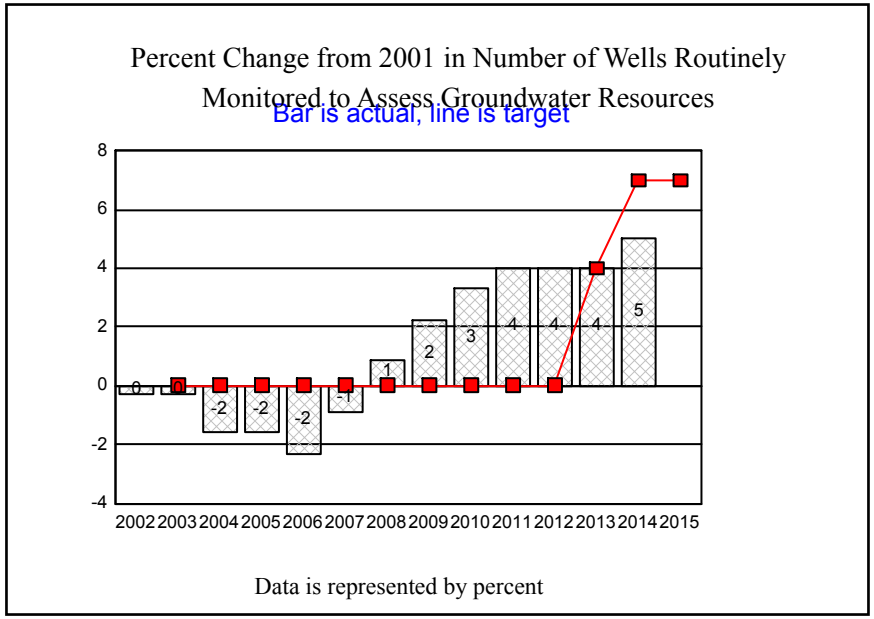
Gaging priorities for water management and distribution needs were identified in a recent "stream gage needs assessment" conducted by the Water Resources Department. This evaluation identified the need for more real-time monitoring in most regions to effectively manage water in the face of growing demand and a

limited supply. The evaluation identified locations where another 70 stream gages would help watermasters distribute water; 30 of these gages are a high priority for regulatory, environmental, and logistical reasons. The State needs to further evaluate the hydrologic data network and continue to coordinate among natural resource agencies to identify locations and conditions that may require additional monitoring. Continued investment in staff resources is necessary to install and maintain gages, as well as process the data. In addition, the Department is currently working on the installation of stream gauges needed for water management in the Klamath Basin.

7. ABOUT THE DATA

Readers may access Department, U.S. Geological Survey, and other gaging data from the Department's near real-time website http://apps.wrd.state.or.us/apps/sw/hydro_near_real_time/Default.aspx).

KPM #5	ASSESSING GROUND WATER RESOURCES - Percent change from 2001 in the number of wells routinely monitored to assess ground water resources.	2002
Goal	Increase our understanding of groundwater resources and the demands on them.	
Oregon Context	Agency Mission.	
Data Source	Monthly Statistical Report.	
Owner	Technical Services Division, Brenda Bateman, 503-986-0879	



1. OUR STRATEGY

The Department maintains an observation well network throughout the state to track water-level trends as a measure of groundwater in storage. This network ranges from wells equipped with dataloggers to wells with periodic manual measurements. The Department's strategy is to ensure adequate budget and staff to

collect and analyze groundwater data collected at these monitoring stations, to archive the data in a database, and to provide data for the public's use on the Department's web page. The Department works with the U.S. Geological Survey, U.S. Bureau of Reclamation, and other partners in collecting and sharing data from these wells.

2. ABOUT THE TARGETS

The goal is to maintain or increase the positive percent change from 2001 in the number of wells monitored. Positive numbers show that the number of monitored wells is greater than the 2001 baseline. Negative numbers indicate fewer state observation wells were monitored than in 2001. This KPM is a measure of how well the Department is maintaining the State Observation Well Net across Oregon.

3. HOW WE ARE DOING

The 2001 benchmark is 350 wells. The year 2014 reflects an increase of three wells since last year, taking the total State Observation Well Net to 368 wells. This is five percent higher than the 2001 benchmark. The Department's trend over the last five years is a small increase in the number of wells in the State Observation Well Net, relative to the 2001 benchmark. The 2013 Legislature increased targets for this KPM to seven percent above the baseline. For the 2013-15 biennium, the Legislature provided the Department with funds to drill 13 new state observation wells. Department hydrogeologists are working on locating the well sites, developing landowner access arrangements, and selecting well drillers

4. HOW WE COMPARE

This KPM is unique to the Department and does not readily compare to other state agency or private sector activities. The U.S. Geological Survey also measures wells in Oregon. The Department shares data with this federal agency.

5. FACTORS AFFECTING RESULTS

The state observation wells monitored by the Department are privately owned; therefore long-term access to the wells is commonly an issue as the Department relies on well owners for access to the wells. As property changes hands, some owners discontinue their participation in the network. In these cases, the Department tries to find a suitable replacement well in the same general area. However, increasing demands for groundwater technical staff to evaluate new and more complex water use proposals across Oregon competes for the resources needed to find suitable substitutes for discontinued state observation wells. Therefore, the number and location of state observation wells varies somewhat from year-to-year. Also, over time, mechanical obstructions can prevent measurements in a well for a period of months to years, until a pump is pulled or a well head is reconfigured. These wells are still considered to be "current";

but may not be actively measured until access is re-established. As such, the number of actively measured "current" state observation wells fluctuates from year to year. The Department tries to resolve these problems as soon as possible so that such wells represent only a small fraction of the total number of state observation wells. However, without dedicated funds to pull pumps and re-establish access, we are dependent upon the schedule and the resources of the landowner. An expanded network of dedicated observation wells drilled and owned by the State of Oregon would eliminate many of these problems.

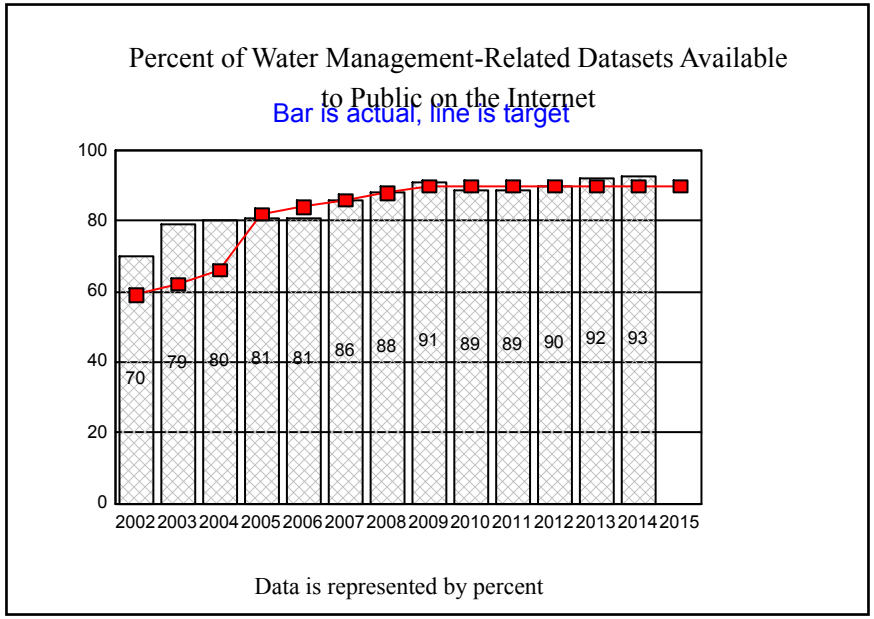
6. WHAT NEEDS TO BE DONE

The Department needs to ensure that adequate budget and staff exist to establish, maintain, collect, archive, and analyze data from these important monitoring stations, and to continue providing data for the public's use. An expanded network that includes dedicated, long-term benchmark wells (wells drilled for the State of Oregon as monitoring sites) would ensure enduring access for tracking groundwater supplies in critical areas of the state.

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year. Monitoring and analyzing water level data are important functions to assess the health of Oregon's aquifers. The State Observation Well Net is only one element in the Department’s effort to address this task. Many other wells are monitored for water-level trends that are not associated with the State Observation Well Net. These other wells are monitored for basin investigations, watershed projects, and small-area water supply studies. Many of these wells also represent a commitment to gather long-term data to evaluate areas of aquifer stress in the state. Currently, there are about 4,000 wells with associated groundwater level data available online. Like the State Observation Well Network data, these are provided on the Department’s webpage for public access.

KPM #6	EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet.	2002
Goal	Equip citizens with information to make and carry out local, basin, and regional development, management, and conservation water plans.	
Oregon Context	Agency Mission.	
Data Source	Monthly Statistical Report.	
Owner	Technical Services Division, Brenda Bateman, 503-986-0879	



1. OUR STRATEGY

Continue efforts to gather data into an electronic format that can be made available through a web-based interface. Look for additional resources to try and stay current with new information being created.

2. ABOUT THE TARGETS

The goal is to increase the percent. In order to identify and plan for water needs, it is helpful to know as much about the resource as possible. Providing information online also reduces the need for customers to contact the Department to answer questions, reducing workload for the Department.

3. HOW WE ARE DOING

In 2013-14, 93 percent of our water-related datasets were available to the public through the internet, meeting the target for this KPM. During the past several years, the Department has made more information and tools available on-line, including scanned documents, an on-line mapping feature, real-time and historic streamflow and lake-level statistics, and a virtual workspace for inter-agency workgroups and review groups. For example, during 2013-14, the Department:

(a) streamlined Water Use Reporting tools for online reporting;

(b) developed Water Use Report Query and Analysis tools to provide all data to the public instead of just municipal reports;

(c) updated the Web Based mapping tool to work with Windows, Mac, and mobile devices; and

(d) developed a Watermaster District dashboard showing recent regulation, gaging measurements, and miscellaneous measurements for the Klamath Basin.

4. HOW WE COMPARE

It is difficult to find a direct comparison as our business is fairly unique. Even among government agencies, we are unique. The most telling sign of our performance is the high praise we receive from customers who deal with states other than Oregon. They are always very appreciative of the wealth of information we have made available compared with our neighboring states.

5. FACTORS AFFECTING RESULTS

Recent efforts have centered around bringing web-based applications up-to-date with current technology and making it easier for the public to access

information. In doing so we have slightly increased the data available to the public, but the primary focus has been on making current datasets more accessible and easier to use, and moving off of outdated systems. Due to the increased ease of accessing data, plus the incremental increase in data available, this KPM has experienced significant growth. However, the Department is still experiencing back logs in posting information. This is primarily due to having two vacant positions in the Data Tech group, which have not been filled for budget reasons.

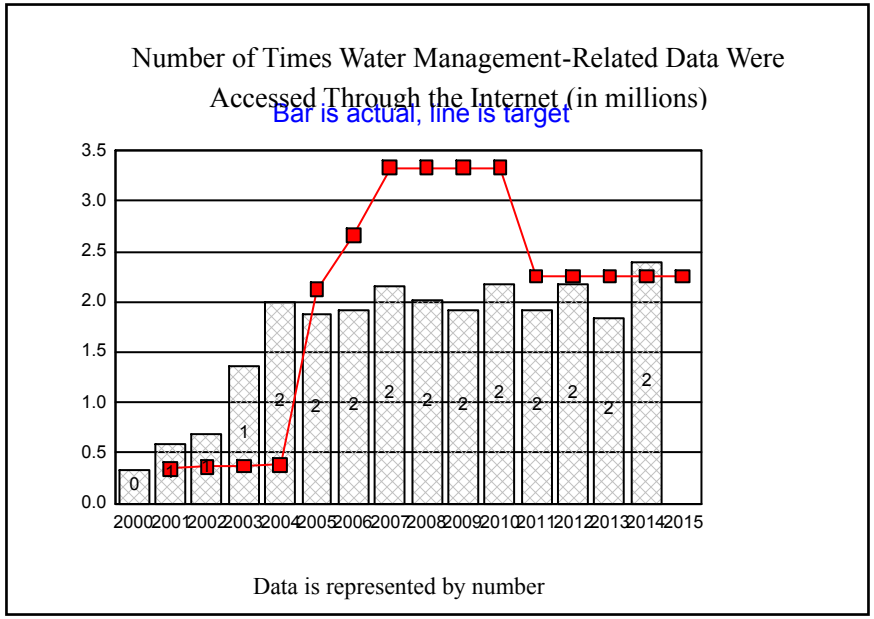
6. WHAT NEEDS TO BE DONE

By creating processes that capture data at the points of origin, we expect to see increased efficiencies as well as more opportunities to use data. The Department needs additional resources in order to maintain its data sets and make them available to the public.

7. ABOUT THE DATA

The number of data sets is ever-increasing, because the Department maintains historic data and then constantly adds new datasets as well. The reporting cycle is the calendar year.

KPM #7	EQUIP CITIZENS WITH INFORMATION - Number of times water management related data was accessed through the WRD's Internet site.	2000
Goal	Equip citizens with information to make and carry out local, basin, and regional development, management, and conservation water plans.	
Oregon Context	Agency Mission.	
Data Source	Monthly Statistical Report.	
Owner	Technical Services Division, Brenda Bateman, 503-986-0879	



1. OUR STRATEGY

The Department has a two-pronged approach to providing citizens with information. The previous KPM measures the amount of data available, while this KPM measures our ability to provide the information through useful interfaces in usable formats. Our focus on utilizing web interface technologies has helped us

successfully provide services and information for our customers.

2. ABOUT THE TARGETS

The goal is to have an ever-increasing number of hits on the Department's website, which includes information such as well log transactions, hydrographic records, water availability, water rights, and the document vault. More hits are indicative of our ability to meet the needs of the customer. There should always be growth as the population continues to grow and the demands on water resources continues to increase. The target from 2007-10 was 3.3 million hits per year. The 2011 Oregon Legislature adjusted this downward to be more realistic. Beginning in 2011, a new target of 2.25 million took effect.

3. HOW WE ARE DOING

In 2014, the Department experienced more than 2.39 million hits on its website. We continue to be successful in our efforts to provide information and services to our customers online and the metrics we have chosen to measure this goal reflect that trend.

4. HOW WE COMPARE

It is difficult to find other organizations against which to compare. The most telling indicator is that Oregon is frequently held up as a positive example of web access amongst all the Western states water resource management agencies.

5. FACTORS AFFECTING RESULTS

In 2008-09, the "hits" reported were artificially inflated because of a couple of factors that have since been addressed. First, the Department's on-line mapping function yielded very high numbers. Each time a customer called up a map, zoomed, re-positioned, or turned on/off a mapping layer, the screen refreshed and this counted as a "hit". The mapping function causing these inflated numbers has been removed for this report, and the 2009 numbers have been adjusted downward as well. Second, the Department has found that "webcrawlers" or "googlebots" were doubling the actual number of "hits". These crawlers continuously search every page on the web and follow every hyperlink included in that page. This is so that search engines will be ready to respond with information whenever a user requests it. Webcrawlers do not represent an active search currently underway by a Department customer; they only provide the information if asked. Although time consuming to identify and subtract these hits from the total number, the Department has decided not to count hits by webcrawlers. With these adjustments in mind, this KPM has continued to improve, making gains towards the target.

In June 2012, the Department's website experienced a large jump in Well Log queries (going from a monthly average of 56,000 to 556,655 for one month). This

was the result of an outside project where massive numbers of well log queries were being performed. In FY 2013, the monthly average declined to a more normal monthly average, with increases experienced in FY 2014. This increase may, in part, be due to improvements in data accessibility and the additional data made available as discussed in KPM #6.

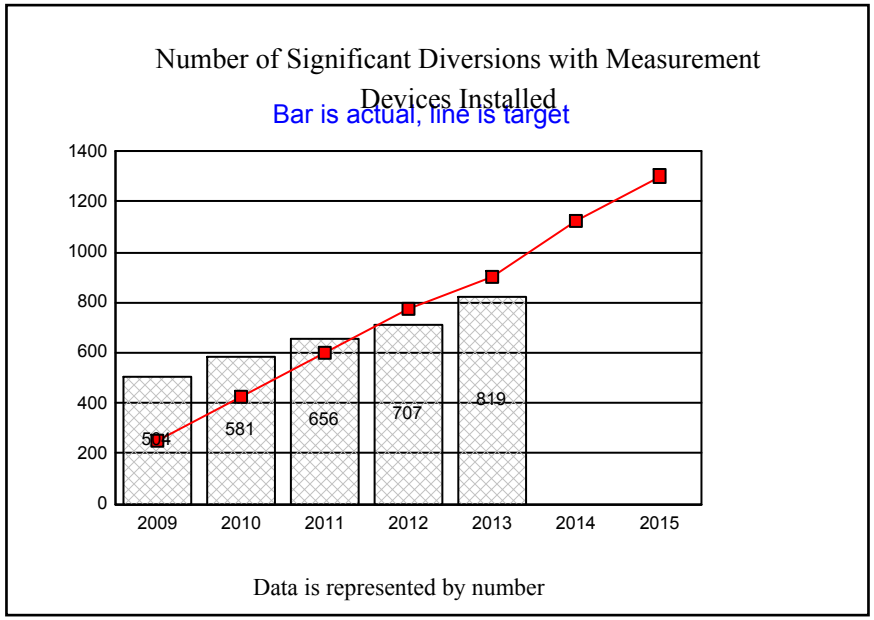
6. WHAT NEEDS TO BE DONE

The Department needs to continue to improve the quality and accessibility of some existing datasets, while also making new data available. Additional resources will also be necessary to replace the 2009 reductions in the Department's information technology staff.

7. ABOUT THE DATA

The Department collects information from computer system logs to determine the number of "hits" received on our web page. We do not count all traffic but focus our efforts on our dynamic content pages that serve up real-time information from our database and geospatial mapping information. We also have major parts of our web page devoted to static information resources for the public (e.g., "about us," "contact us," etc.). We have not yet tried to measure our traffic against these static web pages. We currently do not have any staff devoted to developing, maintaining or improving this content. When resources become available to devote to development of the static part of our web site, we will begin to include measurements of that traffic as well. The reporting cycle is the fiscal year.

KPM #8	Fully implement the Water Resources Commissions 2000 Water Measurement Strategy	2009
Goal	Fully implement the Water Resources Commission's 2000 Water Measurement Strategy by increasing the number of significant diversions with measurement devices installed.	
Oregon Context	Agency Mission.	
Data Source	Department Maintained Database.	
Owner	Field Services Division, Doug Woodcock, 503-986-0878	



1. OUR STRATEGY

Current law allows the Department to require measuring devices, where needed, as part of its permitting process and water management responsibilities. The

Water Resources Commission embarked on a Measurement Plan in 2000 to strategically improve water measurement statewide. With scarce resources, the Commission wanted to prioritize the installation of measuring devices "major on the majors". The Water Resources Commission directed the Department to focus its limited resources on significant diversions within high priority watersheds. Significant diversions are those that have a permit condition that require a measuring device, divert more than five cubic feet per second, or divert a high percentage of streamflow. The Department identified high priority watersheds, with the help of Oregon Department of Fish and Wildlife, as those with the greatest biological need and the greatest restoration opportunities. There are nearly 300 high priority watersheds.

As a result, the Department has identified more than 2,300 significant diversions that represent about 10 percent of the overall number of diversions in high priority watersheds, and account for about 50 percent of the volume of water diverted. These diversions were inventoried by staff between 2001 and 2008. About 250 significant diversions in high priority watersheds have permits requiring them to have a measuring device installed. The remaining significant diversions in high priority watersheds do not have permit conditions that require measuring devices. The Department is working with landowners to install water measuring devices (e.g., weirs, flumes, and meters) on significant points of diversion in high priority watersheds around Oregon. Significant staff and management time was spent establishing protocols for field staff, developing a database, and creating landowner outreach tools. The Department also works with local watershed councils, soil and water conservation districts, and tribal and federal partners to help find cost-share funds to install measuring devices.

2. ABOUT THE TARGETS

The Legislative goal was to have the first 250 measuring devices installed by 2009, and then, increase the number of significant diversions with measurement devices by 175 each year, starting first with significant diversions in high priority watersheds and then moving to significant diversions statewide. The Legislature increased the target rate of installation in 2013. The Department is tracking the cumulative total and annual number of devices installed or confirmed installed each calendar year. These targets will be a challenge to meet in the future as progress on this KPM takes significant field staff time and requires actions to be undertaken by the water right holder.

3. HOW WE ARE DOING

This KPM was created in 2009. This is the fourth reporting period and updates progress through calendar year 2013. The first KPM target goal was to have a cumulative total of 250 measuring devices installed by end of calendar year 2009 and add 175 each year after. Staff efforts, underway since 2000, have resulted in 819 measuring devices installed by end of calendar year 2013, which includes 112 devices installed or confirmed installed in 2013. This represents a significant improvement over 2012 (51 devices).

4. HOW WE COMPARE

The State of Washington requires the metering of surface water diversions where there are salmonid stock, that are depressed or critical, or where water is being diverted at a rate exceeding one cubic foot per second (cfs). This applies to new and existing water rights or claims. Although Washington's statewide goal is to meter 80 percent of the permitted/certificated water rights in the 16 identified Fish Critical Watersheds, actual numbers are not available. The State of Idaho can require measuring devices and does so on a case-by-case basis to settle disputes, or to gather data in areas with water conflicts. In areas with water conflicts, shortages, or declining groundwater, Idaho will set up districts and require more measuring and water use reporting. Idaho does not currently have a statewide plan in place to increase surface water measurement. Actual statewide data is not readily available from Idaho.

5. FACTORS AFFECTING RESULTS

The Water Resources Commission and Department are committed to this Water Management Strategy, and have spent considerable time and effort developing an inventory of significant points of diversion and an outreach plan. Success with measuring device installation is directly related to time spent by Department field staff, primarily watermasters and assistant watermasters, working with landowners. A number of the existing measuring device installations in the high priority basins were facilitated because the water right contained a condition requiring measuring device installation. As the Department contacts landowners holding older water rights, significant outreach and education is needed to help bring the landowner into compliance with measuring device installation. Many water users recently contacted have balked at the direction to install measurement devices, citing an average of $1,000 per device. In 2013, the legislature recapitalized a cost-share fund to facilitate installation of devices through a dollar match program. This recapitalization of the fund facilitates progress on this KPM.

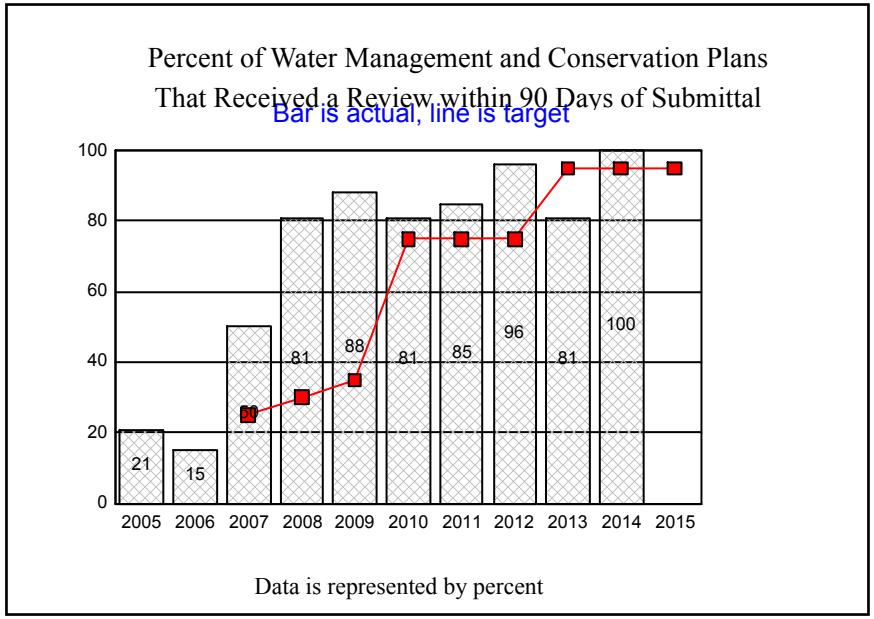
6. WHAT NEEDS TO BE DONE

The Department needs to continue working with landowners and funding partners to meet the KPM targets. The re-capitalized cost share fund will aid in the success of the program goals.

7. ABOUT THE DATA

The reporting cycle is the calendar year. Field staff submit data quarterly or more frequently to the database coordinator for entry into the database. Installation of measuring devices typically occurs before or after the irrigation season.

KPM #9	PROMOTE EFFICIENCY IN WATER MANAGEMENT AND CONSERVATION PLAN REVIEWS - Percent of water management and conservation plans that received a preliminary review within 90 days of plan submittal.	2002
Goal	Ensure Department is operating efficiently and effectively and that Water Management and Conservation Plans are of high quality.	
Oregon Context	Agency Mission.	
Data Source	Department Maintained Database and Query.	
Owner	Water Rights Services Division, Dwight French, 503-986-0819	



1. OUR STRATEGY

Ensure adequate staff resources so that water management and conservation plans submitted to the Department are reviewed in a timely manner. Conduct outreach and educational activities to improve the quality of plans submitted to the Department; thereby reducing the amount of time it takes for the Department

to review each plan. Continue to provide online resources and guidance materials to assist water suppliers in preparation of their plans. Update and improve existing guidance materials, as needed.

2. ABOUT THE TARGETS

The goal is to increase the percent of water conservation and management plans receiving a preliminary review in 90 days. The Water Resources Commission has a statewide policy on conservation and efficient water use. Municipal water providers and irrigation districts submit water management and conservation plans to the Department, either voluntarily or due to a water right permit condition or other requirement. These facilitate water supply planning and encourage water conservation and efficient use of the state's water resources. For municipalities, the plans can also be linked to their ability to initiate or increase existing diversions of water. For the water management and conservation plan program to be effective, the Department must review and issue final orders on plans in a timely fashion. The Legislature raised targets from 75 percent in 2010-12 to 95 percent for 2013-15.

3. HOW WE ARE DOING

For water management and conservation plans received by the Department with target dates for preliminary review between July 2013 and June 2014, 100 percent of the plans were reviewed within the 90-day goal. This is an increase of 19 percent compared to the prior year. The improved performance is a result of having 2.0 FTE assigned to review the plans (In FY 2013, only 1.0 FTE was assigned to review plans). Water Management and Conservation Plan updates from the municipalities continue to improve in quality, and are demonstrating increased efficiencies in managing water, preparing for emergencies (curtailment plans), and long-term water supply planning consistent with their comprehensive plans.

4. HOW WE COMPARE

The state of Washington has water management and conservation statutes for municipalities (passed in 2003), and in 2010, a court settlement stipulated these statutes also apply to quasi-municipalities. Washington is now receiving and reviewing plans, which is a more informal and abbreviated process than Oregon's. A municipal water use efficiency element is incorporated into Washington's Water System Plans that are required every six years. The program is administered by the Department of Health, Office of Drinking Water, which employs six planners to review the documents. With a total of 84 plans received last year, each of Washington's planners reviewed an average of 14 plans. The state of Idaho has a similar process for municipalities and agricultural users for one administrative groundwater area. In 2010, Idaho took initial steps to develop guidelines, with the aid of an Advisory Group, for the information that should be incorporated into those plans.

5. FACTORS AFFECTING RESULTS

Outreach to municipalities and others has significantly helped the Department meet its performance goals for this program. In the past decade, the state has worked with key partners to publish guides, provide tools, and offer educational presentations to aid in the preparation of water management and conservation plans. In 2008, the Department began collaborating with the League of Oregon Cities on a recurring feature called "The Conservation Corner" for the League's newsletter. These articles highlight outstanding conservation and management activities by Oregon cities. In December 2009, the Department unveiled a new webpage called the Conservation Share-House, designed for water suppliers to "share" their conservation and outreach materials with municipal counterparts around the state. In June 2011, the Department completed a second model agricultural plan with one of the irrigation districts, which is available on the Department's web site. The Department also offers educational workshops that provide guidance for developing water management and conservation plans. In early 2014, the Department initiated an update to the municipal water management and conservation plan guidebook (May 2003) to provide better direction and guidance on elements that are consistently problematic or deficient in submitted plans. A draft of the guidebook update is currently out for comment by a review team consisting of staff from League of Oregon Cities, Oregon Association of Water Utilities, and Special Districts Association of Oregon, as well as representatives from the municipal water supplier community, water right consulting firms, and engineers working in the water industry. The guides, model plans and outreach materials, as well as the Conservation Share-House webpage, are available on the Department website.

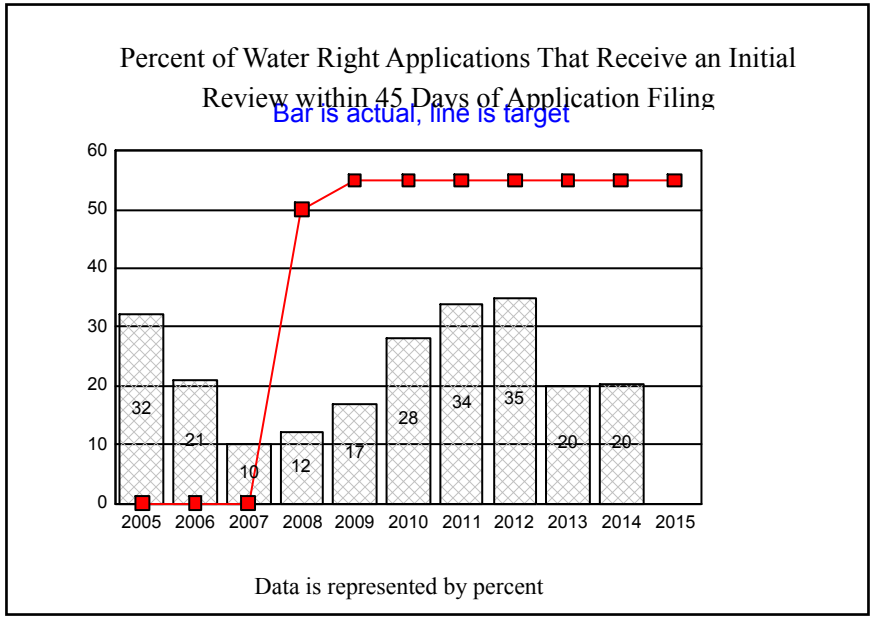
6. WHAT NEEDS TO BE DONE

The Department surpassed its target seven out of the last eight years and looks forward to doing so again in the future by continuing our education and outreach efforts. The Department is striving to complete its update of the municipal water management and conservation plan guidebook by the end of 2014. Looking forward, the Department wishes to better engage the agricultural community and provide additional outreach to agricultural water suppliers to aid in preparation of their water management and conservation plans. A similar guidebook update for agricultural water management and conservation plans may be warranted.

7. ABOUT THE DATA

The Department maintains a database on the status of water management and conservation plan processing. The reporting cycle is the fiscal year. FY 2014 percentages are based upon the number of water management and conservation plans that received a preliminary review of the plan within 90 days of plan submittal. Plans are not included in the percentage calculation unless, at least 30 days prior to plan submittal, the water supplier made the plan available to each affected local government, as required by rule. Over the last five fiscal years, the number of plans with KPM target dates for preliminary review averaged 17 plans per fiscal year. Given this number of plans in a single fiscal year, if the Department fails to meet the KPM target date for just one plan, the KPM target of 95 percent will not be achieved.

KPM #10	PROMOTE EFFICIENCY IN WATER RIGHT APPLICATION PROCESSING - Percent of water right applications that receive an initial review within 45 days of application filing.	2005
Goal	Ensure Department is operating efficiently and effectively and providing timely service to customers.	
Oregon Context	Agency Mission.	
Data Source	Monthly Statistical Report.	
Owner	Water Rights Services Division, Dwight French, 503-986-0819	



1. OUR STRATEGY

Reduce application processing times to the maximum extent possible, given available resources, time, and the delays intrinsic to required public notices. Staff continue to identify ways to streamline processes by concurrently performing different processing steps, removing unnecessary steps, revising certain

processes, and implementing technological improvements.

2. ABOUT THE TARGETS

The goal is to increase the percentage. This measure is a proxy for the magnitude of the application backlog by measuring time to the first principal processing document (i.e., the initial review). Because applications are processed as consecutively as possible, it reflects the agency's ability to begin processing new applications in a timely fashion. The goal is to reduce the processing time to the amount required by law, 45 days.

3. HOW WE ARE DOING

Since 2007, the Department has implemented a number of streamlining procedures that have improved our record in this area. The percentage overall has increased from a low of 10 percent in 2007 to a high of 35 percent in 2012, with a dip to 20 percent in 2013 and 2014. As reported in 2012-2013, application processing times for storage and surface water applications had improved significantly; however, these gains were not sustainable during 2013-2014 due to staff turnover in a relatively small program. Initial reviews of groundwater applications have significantly improved from 3 percent completed within 45 days in 2012-2013 to 18 percent for 2013-2014. While only 20 percent of initial reviews were completed within 45 days during 2013-14 overall, during the second half of the year - after a single new caseworker had been fully trained and a groundwater process improvement exercise had been conducted - the value was 34 percent. This improvement occurred despite a two-month period dominated by an emphasis on the issuance of emergency drought permits, which are not included in this KPM.

4. HOW WE COMPARE

Our agency's type, structure, and process of application reviews are fairly unique in relation to those of other state agencies. For example, many other western states do not even process applications for groundwater rights.

5. FACTORS AFFECTING RESULTS

Surface Water Applications As noted above, the processing times for surface water and storage applications were greatly affected by high turnover in a relatively small group. It takes approximately six months to adequately train a new caseworker. In 2012-13, 82 percent of storage applications and 59 percent of surface water applications had an initial review completed in 45 days, whereas in 2013-2014 only 14 percent of storage applications and 39 percent of surface water applications met the target. The results thus reflect the importance of having a stable budget for processing applications and retaining experienced caseworkers.

Groundwater Applications Groundwater applications represent more than three quarters of all incoming applications requiring an initial review. Only three percent of groundwater applications were processed within 45 days during 2012-13, whereas overall for 2013-2014, 18 percent were completed in the desired timeframe. For the second half of 2013-2014, the percent of groundwater initial reviews completed within 45 days was 34 percent, despite staff also processing more than 80 drought applications (not counted in this KPM). Part of this increase may be attributed to staffing discussed above; however, part of the gains may also be due to Departmental process improvement efforts that were undertaken in late 2013. Staff met and identified immediate and future steps that could be taken to streamline the groundwater review process and reduce processing times.

Despite this, there are a number of challenges in meeting the 45-day initial review target for groundwater applications. The primary factor in processing times comes from the time necessary to obtain a technical review of groundwater applications. In 2013, the Legislature approved two new NRS 2 hydrogeologists; however, the Department had two NRS 4 hydrogeologists retire. Due to the technical nature of the evaluations, it takes approximately three years to train junior staff on application reviews.

The average time to complete the initial review for groundwater applications remained stable since the prior year, retaining the reductions in average processing time from 240 days in 2006-07 down to 140 days in 2013-14. In the meantime, the complexity of reviews continues to increase. Groundwater applications require a technical analysis by a qualified hydrogeologist, which must be completed before the Department can make initial determinations. This requires more time to complete the initial review for groundwater applications. Some applications also require complex mitigation offsets that require extensive review and multiple meetings with stakeholders. Groundwater staff also spent substantial time during 2013 and 2014 responding to requests for groundwater limited licenses, drought permits, and requests for information in the Klamath Basin. (These activities lay outside of the work measured by this KPM.)

6. WHAT NEEDS TO BE DONE

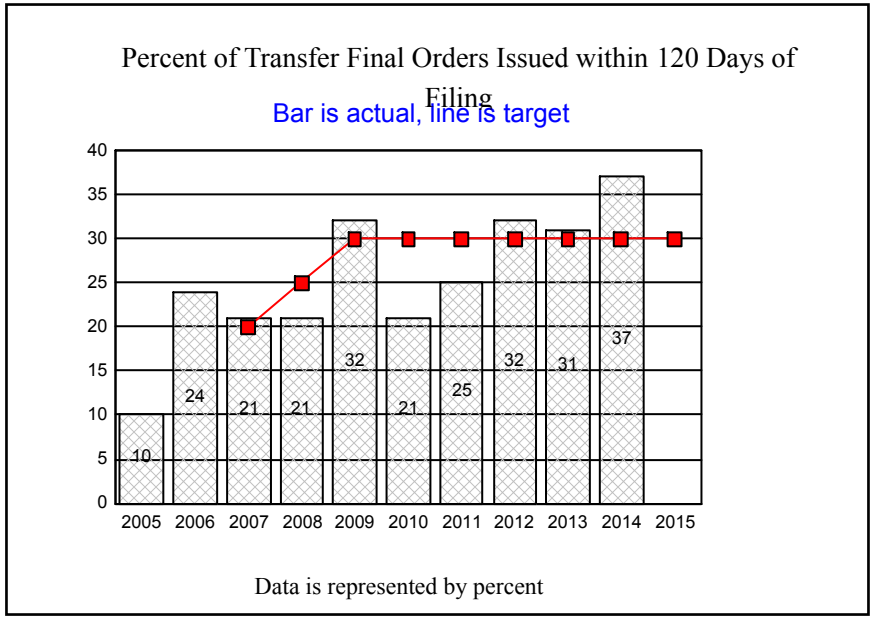
Surface Water Applications WRD had previously improved review time for surface-water applications by using technology to gather much of the necessary background information. Assuming the group of caseworkers remains relatively stable (i.e., average turnover rate), any further reductions in the time required will likely come from ongoing improvements in the use of information technology. WRD will continue to automate and systemize document generation and improve mapping software tools to contribute to improvement in the metric. In addition, we are currently filling two caseworker positions previously held vacant for budgetary reasons, which will likely provide substantial improvement for this KPM. Groundwater Applications Although the turnaround time for hydrogeological reviews (that serve as inputs to Initial Reviews) improved noticeably this year, the ability to get timely reviews continues to be a challenge in meeting this performance metric overall. The purpose of a groundwater review is to protect senior surface water and groundwater right holders. Those reviews are increasing in complexity, particularly when mitigation is involved, and any delay in obtaining the hydrogeological review that occurs before groundwater

applications can be processed makes the statutory 45-day requirement for issuance of an Initial Review very difficult to meet. Significant additional gains will likely come from increases in staff numbers or staff experience in the Groundwater Section. In late 2013, however, staff undertook an evaluation of the groundwater application review process and began implementing changes that will yield some efficiencies in initial reviews. Staff will continue to implement steps that were identified through this process. Additional groundwater staff authorized by the 2013 Legislature can help the Department make improvements in this area over the long-term as junior staff become trained in application reviews.

7. ABOUT THE DATA

The data are collected through application-specific workflow-tracking databases. The reporting cycle is the fiscal year.

KPM #11	PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING - Percent of transfer final orders issued within 120 days of application filing.	2005
Goal	Ensure that the Department is operating efficiently and effectively and providing timely service to customers.	
Oregon Context	Agency Mission.	
Data Source	Department Maintained Database and Query.	
Owner	Transfer and Conservation Section, Water Rights Services Division, Dwight French, 503-986-0819	



1. OUR STRATEGY

Continue to streamline the processing of transfer applications, use technological improvements to more quickly and accurately prepare approval orders, refine application review processes to eliminate duplication of effort, and provide assistance to transfer applicants in submitting complete and accurate transfer

applications.

2. ABOUT THE TARGETS

The intent with this KPM is to increase the percentage. The goal is to be able to begin work on processing a transfer application as soon as it is submitted, and to be able to move it through the steps of the process required by administrative rule without delay, except during periods when the Department is waiting for submission of documentation by the applicant. The 120-day target represents the average minimum time necessary to review an application for a water right transfer, given the public notice requirements for a mix of types of transfers, and the necessity of a thorough review to ensure that other water users are not injured by the proposed change.

3. HOW WE ARE DOING

The Department has had a large, but shrinking backlog of transfer applications, dating as far back as 1993. A focus on reducing the number of pending transfer applications (268 as of June 30, 2014) has helped to make progress on this KPM. Our goal is to reduce the number of pending applications to less than 200, at which point staff will be able to take on processing of new applications as soon as they are filed. The Department received 216 transfer applications during the reporting period and processed 178 pending applications. During the entire reporting period, 37 percent of pending transfers receiving final orders were finished within 120 days of the application filing date, exceeding the KPM target despite the loss of one full-time person for six months.

4. HOW WE COMPARE

All states in our region are striving to reduce backlogs and improve processing times in spite of tight budgets and staff reductions. Oregon appears to compare favorably with neighboring states in addressing and resolving these issues. Washington budget cuts in recent years had reduced processing staff by 25 percent, causing the backlog of applications for changes to water rights to grow to 1,200. However, with use of the Lean process to improve efficiency, 297 "change" applications were processed in FY 2012, while 243 new applications were filed, reversing the trend. Idaho received 209 transfer applications and resolved 290 during FY 2012, leaving a backlog of 120 (down from 524 in September 2007). However, Idaho's progress has come at a cost, because prioritizing the work of a small staff in favor of transfers has resulted in increased backlogs in other program areas. Montana's new process for reviewing water right and permit changes instituted in 2009 is quite similar to Oregon's. It requires the identification of any deficiencies within 180 days of receipt of an application, and then issuance of a Preliminary Determination within 120 days of determining the application is correct and complete. Montana also experienced a decrease in applications for changes to water rights in the last few years and had a backlog of 65 applications as of August 2011.

5. FACTORS AFFECTING RESULTS

During the 1990s, the Department developed a significant backlog of pending transfer applications (reaching a high of 760), partly due to the number of incomplete and incorrect applications that were filed. During that time period, the Department focused efforts on reviewing the more straightforward applications, with the more complex transfers falling further behind. This caused the average time from receipt of an application to issuance of the final order to increase. As the backlog is further reduced, the percentage of final orders that can be issued within 120 days of filing will increase. In 2009-2010, the Department analyzed the causes of delay in processing, and as a result, streamlined the work process and re-designed the application forms to make the forms more user-friendly. This has resulted in fewer application deficiencies, which increases the chances that a new application can be processed within 120 days once a staff person begins the review. As the backlog drops near the 200 level, staff are processing as many new applications as possible within 120 days, while at the same time continuing to finish processing the older applications.

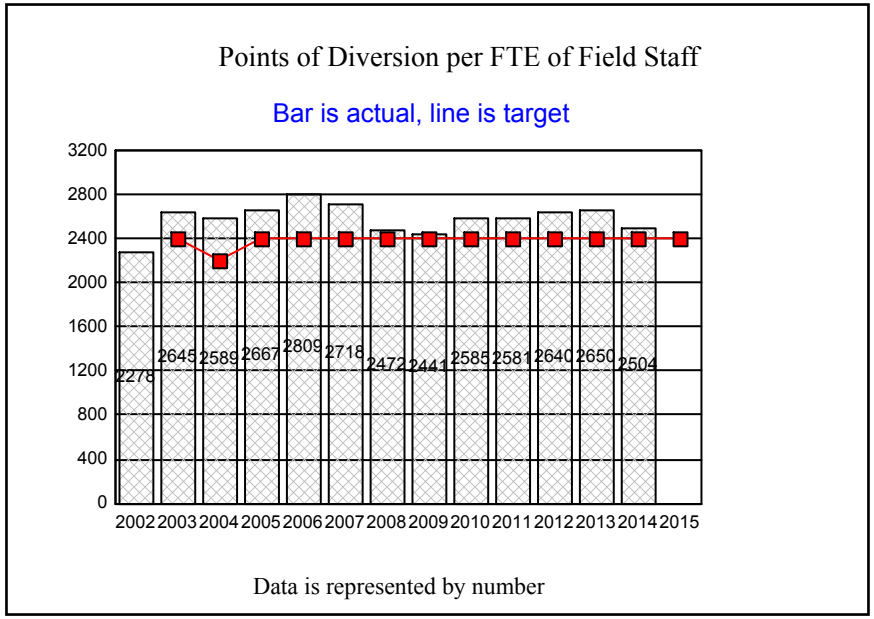
6. WHAT NEEDS TO BE DONE

In addition to striving to get the backlog down below 200, the Department will continue efforts to educate consultants and certified water right examiners about transfer map and application requirements. We strive to identify and remedy application deficiencies at the time of filing and streamline the processing of transfer applications. Technical staff continue to develop and test technological improvements that will allow us to more quickly and efficiently track changes to irrigation district rights, produce final order documents, and update the water rights database and electronic maps.

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year. Data are based on inputs to the Department's Water Rights Information System that are accessed through existing report programs. We continue to modify our data systems to provide better tools for accessing and analyzing data and allowing increased public access to information about water right transfer applications.

KPM #12	PROMOTE EFFICIENCY IN FIELD STAFF REGULATORY ACTIVITIES - Number of places where water is legally taken out of stream and used (points of diversion) per FTE of field staff.	2002
Goal	Ensure that the Department can manage the state's water resources effectively.	
Oregon Context	Agency Mission.	
Data Source	Monthly Statistical Report.	
Owner	Field Services Division, Doug Woodcock 503-986-0878	



1. OUR STRATEGY

Ensure adequate field staffing, since maintaining a high level of compliance relies on having a field presence. We will continue to look for funding to support additional field staff to ensure adequate protection of existing water rights and effective on-the-ground water management. We also work with local

governments and other partners to secure funding for assistant watermasters.

2. ABOUT THE TARGETS

The goal is to decrease the ratio. This target is a workload indicator for managing the state's water resources. Our desire is to reduce the number of points of diversion (PODs) that must be monitored for each FTE of field staff, so we can effectively manage the state's water resources. A lower number indicates a higher probability of being able to manage the state's water resources effectively.

3. HOW WE ARE DOING

The performance target is to reduce the number of PODs administered by each field staff in order to effectively manage the state's water resources. Data reported from 2003 to 2007 indicated that we were not meeting our goal, as new water rights were issued and staff resources declined. In 2008 and 2009, the Department moved closer to achieving its goal for this performance measure. However, for 2010 through 2013 we again lost ground compared to gains observed in previous years, as several field staff were eliminated in the 2009-2011 legislatively adopted budget. Positions gained in the 2013-2015 legislative session provided a decrease in the ratio for 2014, edging the Department toward the goal of 2,400 PODs per field staff.

4. HOW WE COMPARE

This KPM is unique to our agency and is not readily compared to other state agencies or the private sector.

5. FACTORS AFFECTING RESULTS

The number of water rights administered per FTE increases when new water rights are issued or in some instances, when water right transfers are completed. These increases drive up the number of PODs associated with each field staff FTE. Conversely, the additional staffing capacity provided by the 2013 Legislature provided much needed resources and helped lower this ratio.

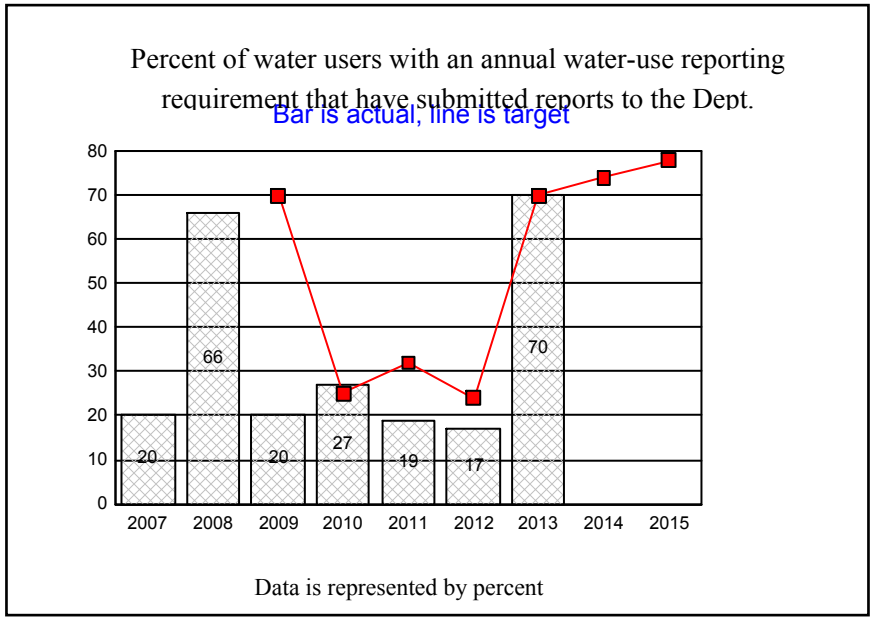
6. WHAT NEEDS TO BE DONE

Hiring additional staff is necessary to decrease the ratio and meet this KPM.

7. ABOUT THE DATA

The reporting cycle is the water year (October 1 to September 30). These data are compiled annually at the beginning of the water year.

KPM #13	INCREASE WATER USE REPORTING	2009
Goal	To ensure that all required water-use reports are submitted as measured by the percent of water users with an annual water-use reporting requirement that have submitted their reports to the Department.	
Oregon Context	Agency Mission.	
Data Source	Water-use reporting database.	
Owner	Technical Services Division, Brenda Bateman, 503-986-0879	



1. OUR STRATEGY

Water-use reporting is required by statute for public entities, and may also be issued as a condition of newer water right permits. The Department maintains an online reporting system and encourages water use reporters to enter their data via this interface. Water use data are publicly available and are used for future

water planning and protection of streamflow by Department staff, individual water users, and public, private and non-governmental organizations. In September 2013, after the Department's water use reporting position was funded and filled, staff mailed an annual reminder with the appropriate forms and instructions for recording and entering water use information online or in hardcopy, and then followed up with a reminder letter or personal phone call as necessary.

2. ABOUT THE TARGETS

Legislative targets are to "increase the percent reporting by 5 percent each year." OWRD interprets this as an increase of 5 percent of the previous year's achievement. The budget reinstates funding for this position; therefore the target for 2013 was reset by the Legislative Fiscal Office to 69 percent. This is commensurate with results when the position was filled in 2008. Subsequently, the target for 2014 is 74 percent.

3. HOW WE ARE DOING

The 2007 water year is used as the beginning year for comparison. During 2007, the Department had no Water Use Reporting Coordinator because of budget constraints, and received 20 percent of required reports. In 2008, a Water Use Reporting Coordinator was re-authorized and raised reporting results to 65.5 percent. This was accomplished through reminder mailings, phone calls, and technical support to reporting entities. In the 2009-11 budget, the Water Use Reporting Coordinator position was legislatively eliminated. The percent of reports received subsequently returned to 20 percent for the 2009 water year, 27 percent for the 2010 water year, 19 percent for the 2011 water year, and 17 percent for the 2012 water year. With funding and the re-establishment of the water use reporting position in 2013, 70 percent compliance was achieved.

4. HOW WE COMPARE

This KPM is unique to the Department and does not readily compare to other state agency or private sector activities.

5. FACTORS AFFECTING RESULTS

Budget reductions in the 09-11 biennial budget eliminated the Water Use Reporting Coordinator position, which is critical to the success of this program. Loss of this position had also reduced the Department's ability to send reminder letters, as well as process reports that are submitted. The Department's online reporting system helped, but there was only limited technical assistance available for new customers or those with questions. Re-establishing the position has allowed customers to receive reminders, technical assistance, and prompt customer service responses. Upgrades were also made to the online reporting program, which has helped customers who were trying to submit and/or use the data.

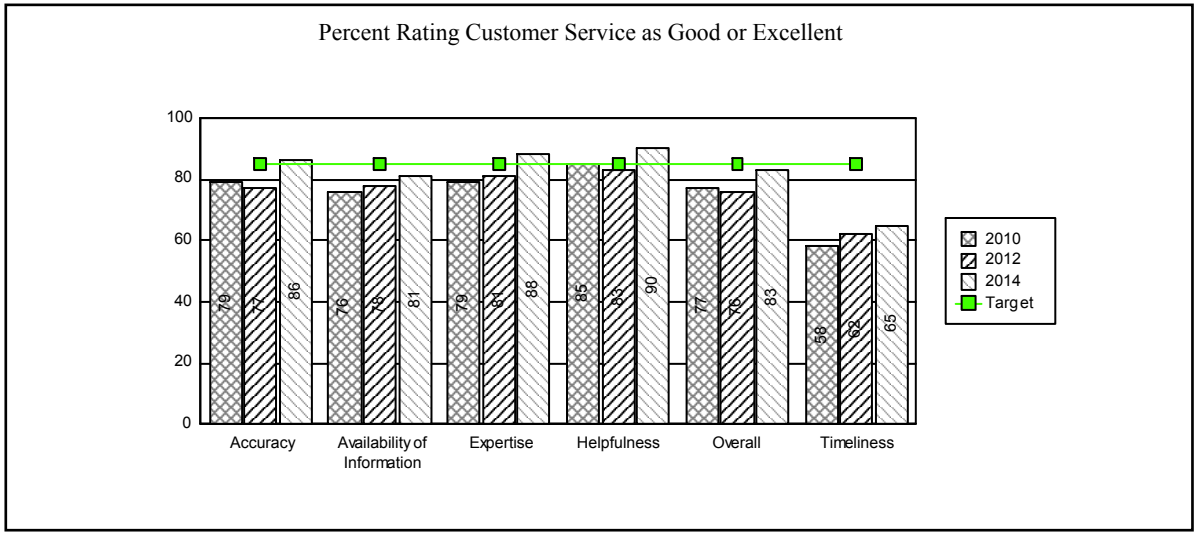
6. WHAT NEEDS TO BE DONE

Historically, the compliance rate with reporting requirements has declined during periods without staff to send reminder letters and provide customer assistance. Reinstating this position has provided necessary staffing to conduct outreach to water users required to report, perform quality checks of submitted data, provide technical assistance, and analyze water use. Maintaining funding for this position is vital in supporting this function

7. ABOUT THE DATA

The reporting cycle is the water year (October 1 - September 30) with reports due by the end of the calendar year. Reports are available from the Department's website.

KPM #14	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	2005
Goal	Ensure that the Department is providing excellent customer service.	
Oregon Context	Agency Mission.	
Data Source	Data collected from sample of WRD customers who had received final decisions within the past fiscal year.	
Owner	Agency-wide: Racquel Rancier, Senior Policy Coordinator, 503-986-0828	



1. OUR STRATEGY

Conduct biennial customer service surveys, review results, determine actions to make improvements where needed.

2. ABOUT THE TARGETS

The goal is to increase the percentages. This is a biennial survey, and this is the fifth time the Department has used the same questions and format. The targets for future years are based on the 2006 ratings, with the goal of improving the percentage of customers rating WRD services as "good" or "excellent" for each category of service.

3. HOW WE ARE DOING

Timeliness was again rated the lowest in comparison to the other categories, with 65 percent of respondents rating service as good or excellent. This is a three percent improvement since the last survey. Eighty-three percent of customers surveyed rated WRD's overall services as good or excellent in Fiscal Year 2013-14. "Helpfulness" is the most highly rated individual service provided. Ninety percent of respondents rated "helpfulness" as good or excellent, followed by expertise (88%), accuracy (86%), and availability of information (81%). Open-ended questions, designed to gather more detail about the above categories, yielded comments that support the quantitative findings. As described by one respondent, "Other than slow, it was a great experience." This reflects the general sentiment of many of the responses, with the vast majority of comments focused on the continued need for timely processing. Several respondents noted dissatisfaction with fees and finding information on the website. Many of the positive comments focused on a professional staff and good service.

4. HOW WE COMPARE

The Department's customer service scores are competitive, with other natural resources agencies, with the exception of timeliness, where the Water Resources Department generally received lower scores than many of the other agencies.

5. FACTORS AFFECTING RESULTS

As discussed in other performance measures, WRD has been upgrading and improving the various services our agency provides. As these improvements expand across program areas, we anticipate overall ratings and timeliness ratings to continue to improve. We recognize that timeliness is the biggest area of concern among customers and that a low rating in providing this service decreases the overall rating. In particular, we have been working diligently to improve efficiency as well as eliminate backlogs in pending permit, certificate, and transfer applications. Timeliness is also addressed in recent improvements to other performance measures (see KPMs #10 and 11), and we anticipate speedier processing of applications in the future. The Department has also been developing a database of questions asked by customers and the associated responses to allow staff to more efficiently and accurately identify the correct responses in the future. The Department continues to undertake process improvement efforts; however, our ability to provide quality and timely service is dependent on having sufficient review staff and budget resources. Another factor to note is that only customers who had received a final decision from the Department were surveyed, leaving the opinion of other stakeholders unaccounted for in this survey. There are water users who interact with and receive services from the agency who were not part of this survey.

6. WHAT NEEDS TO BE DONE

WRD is committed to increasing the percentage of customers rating our services as good or excellent in all areas, but particularly in the areas of concern. As mentioned in previous performance measures, we have been working for the past several years on improving various program areas that have had service delays, and will continue to do so. With limited staffing and budget resources, we continue to look for additional ways to utilize technology and improve processes to provide more timely results. WRD continues to strive for greater customer satisfaction among our water users.

7. ABOUT THE DATA

a) Survey Name..... OWRD Biennial Customer Service Survey
b) Surveyor…… Water Resources Department Director's Office
c) Date Last Conducted..... June 26, 2014 - July 22, 2014; the next survey is scheduled for 2016.
d) Population..... Customers who had received a final decision from WRD (including transfers, permit amendments, instream leases, water right permits, permit extensions, and water right certificates) during the 2013-14 fiscal year.
e) Sampling Frame..... Customers who received a final decision during 2013-14, who also provided phone numbers or email addresses.
f) Sample Characteristics..... Sample Size = 478; Responses = 174; Response Rate = 36 percent
g) Weighting:..... Single survey, no weighting required.

WATER RESOURCES DEPARTMENT	III. USING PERFORMANCE DATA
Agency Mission: To serve the public by practicing and promoting responsible water management.	

Contact: Racquel Rancier, Senior Policy Coordinator	**Contact Phone:** 503-986-0828
Alternate: Thomas J. Paul, Acting Director	**Alternate Phone:** 503-986-0882

The following questions indicate how performance measures and data are used for management and accountability purposes.

1. INCLUSIVITY	*** Staff :** Starting in 2002, the Department worked with its Division Administrators and key managers and staff to develop new performance measures and modify existing measures to better reflect it mission and priorities. *** Elected Officials:** In 2005, the Department first presented its performance measures to the Natural Resources Subcommittee of the Ways and Means Committee. Since then, the Department has continued to work with the Subcommittee to add new measures and modify measures. *** Stakeholders:** [See below.] *** Citizens:** The Department did not work directly with stakeholders and citizens in developing its performance measures, but is interested in looking for opportunities as additional measures are created and existing measures are modified.
2 MANAGING FOR RESULTS	Measuring performance is an important tool for managing our Department. At the program level, performance measures help us adjust processes and priorities to prevent bottlenecks and to strategically focus our resources. Our measures have also been useful at the individual staff level. For instance, in response to 690-1, our watermasters annually identify and report key activities in watersheds where flow restoration is a priority. Our performance measures are also important in strategic planning and developing legislative concepts and policy option packages. For example, 690-9 through 690-11 provide valuable information on workload trends in key program areas. As we track progress for these and other KPMs, we continue to look for ways to expedite and streamline our activities. Over the years, the Department has continued to develop new automated tools for tracking progress on water right and transfers applications and to aid staff in preparing agency decision documents. The Department also continues to undertake process improvement efforts, in part, based on KPM performance.
3 STAFF TRAINING	Informally, managers and administrators have worked with staff in developing work plans and have used various workload metrics and our performance measures to identify priorities. During the past few years, senior staff members have visited with their counterparts in other agencies to share more about successful operational streamlining

	techniques. During 2009, two Divisions, the Water Rights Administrative Division and the Field Services Division worked with outside consultants using the "Lean Kaizen" process to identify and implement more efficient processes. In addition, a Process Efficiency Review Group, comprised of Department customers, compiled a set of recommendations to improve customer service and transactions. In the same vein, other agency programs plan to conduct similar, but more abbreviated exercises to achieve efficiency results. For example, in late 2013, Technical Services Division staff conducted an evaluation of the groundwater application review process. The Department regularly seeks out training opportunities through iLearn and professional associations in order to improve staff skills and expertise.
4 COMMUNICATING RESULTS	*** Staff :** As the Department completes its annual performance measures report, managers provide the information to staff internally and also schedule time to summarize the information at regularly scheduled staff meetings. Presentation of these results gives staff and managers an opportunity to reflect on the results of the prior year and identify ways to improve performance over the next year. The Department also presents the results annually to the Water Resources Commission for input. *** Elected Officials:** The Department anticipates that it will present the results of its performance measures as part of its budget presentation to the Ways and Means Committee during the 2015 Legislative Session. *** Stakeholders:** [See below.] *** Citizens:** The Department has created a web page entitled "Agency Performance Measures." This web page houses our performance measures summary and annual report, our Sustainability Plan developed in response to Executive Order 03-03, and our Customer Service Plan and Regulatory Streamlining Plan and Report developed in response to Executive Order 03-01. The website can be accessed at the following: http://www.wrd.state.or.us/OWRD/law/performance.shtml. The purpose of this website is to increase awareness of these initiatives and allow stakeholders and the public to track what the Department is accomplishing with its resources. The website contains links to the Department's current and previous performance measurement reports. In addition, the Department provides progress updates to the Water Resources Commission on KPM and other internal performance metrics. This information is available to the public and stakeholders on our website.

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Appendix B

Additional Requested Materials

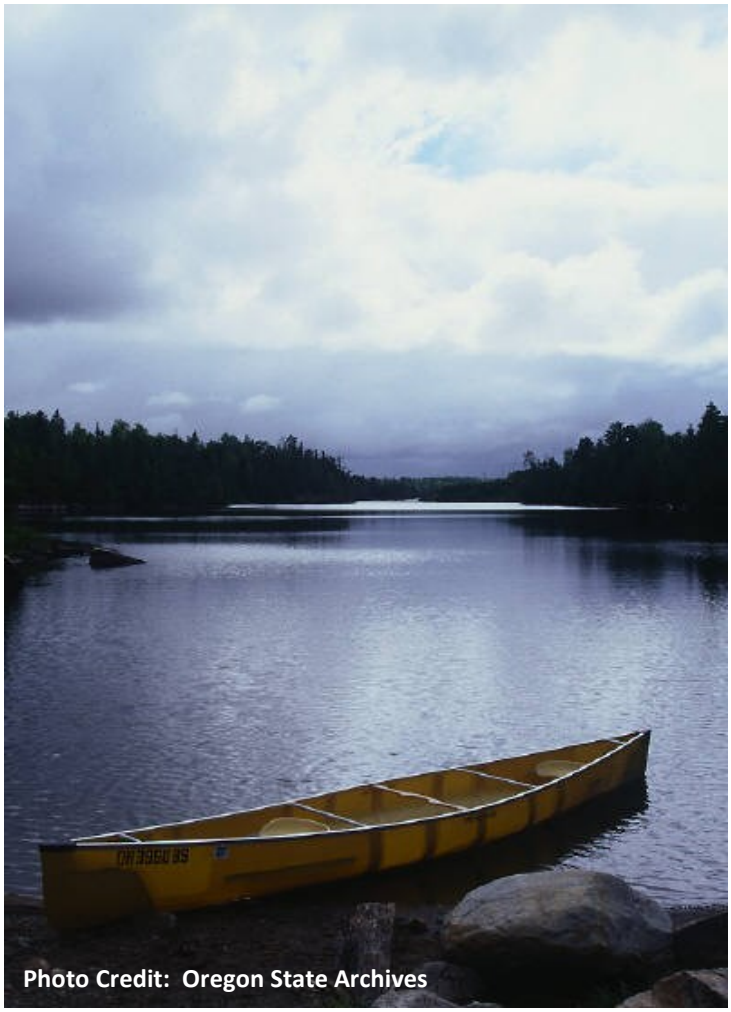

Photo Credit: Oregon State Archives

Inside this Chapter:

Oregon Water Resources Department

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Oregon
John A. Kitzhaber, MD, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1266
503-986-0900
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SUPPLEMENTAL MATERIALS AT THE REQUEST OF L.F.O.

HB 4131 (2012) - Ratio of Employees to Supervisory Employees – The Department continues to make progress toward a ratio goal of at least 11 to 1 of employees of the agency who are not supervisory employees to supervisory employees. The Department's current ratio is 9 to 1 with a requirement to reach a ratio of 10 to 1 by October 31, 2015. The Department will continue to implement phases of the ratio improvement plan until HB 4131 objectives are achieved. Budget packages in the Governor's Recommended Budget do not include requests for additional supervisory employees.

Results of Audits – ORS 297.070 provides for performance and program audits on the basis of risk assessment and on standards established by nationally recognized entities. The Water Resources Department has not had an audit performed or report generated during the past 2 years. ORS 207.050 requires that audit reports be supplied to the Joint Legislative Audit Committee, the Committee on Performance Excellence, and the Legislative Fiscal Officer.

Impact of Changes to Budget or Management Flexibility – The resource changes and restrictions on management flexibility have caused us to focus on core program areas. Some program areas have received resource investments, while others have been reduced. We have implemented mitigation strategies to reduce noticeable negative impacts on programs and customers in the short-term. Longer-term negative consequences are being addressed as resources become available. Staff have generally accepted these changes with a good perspective of continued service within state service.

Summary of Proposed Technology and Capital Construction Projects – The Department does not have any proposed technology project that exceeds the $150,000 threshold for reporting. The Department has made significant improvements to the accessibility and usability of its data by customers but at a minimal cost. The Department does not have any proposed capital construction projects.

Position Reclassifications – The Department reclassified 3 positions during the 2013-15 biennium. The first two were to allow work to be assigned that would provide efficiencies in staff supervision and program delivery. The third was to meet requirements of HB 4131 to reduce the management ratio of the Department.

Position Classification		Biennial Salary		Salary
From	To	From	To	Change
1) X7006 - Princ Exec/Mgr D	X7008 - Princ Exec/Mgr E	172,776	190,272	17,496
2) C8503 - NRS 3	C3138 - Civil Eng Spec 3	136,512	160,560	24,048
3) Z7008 Prin Exec/Mgr E	Z0873 - Operations & Policy Analyst 4	187,464	178,512	(8,952)

New Hires – There were a number of retirements, promotions, and transfers within the agency. The Department has recruited and filled **85** positions during the biennium, 41 of whom were new hires. New hires come to the Department without immediate prior State of Oregon employment and typically are hired at or below step 2 in the salary range. Below is a listing of the 41 positions and justification for those hired above step 2 in the salary range.

Item	Classification	Hire Date	Step	Comments
1	C8501 - NRS 1	7/1/2013	9	Match current salary
2	C1218 - Accountant 4	10/1/2013	8	Match current salary
3	C0323 - Public Serv Rep 3	9/1/2013	4	Match current salary
4	C8503 - NRS 3	10/22/2013	6	Match current salary
5	C8501 - NRS 1	12/16/2013	2	
6	C8501 - NRS 1	10/7/2013	3	Match current salary
7	C8501 - NRS 1	1/15/2014	4	Match current salary
8	C0103 - OS 1	10/1/2013	4	Relevant experience / Recruitment difficulties
9	C8503 - NRS 3	11/1/2013	1	
10	Z7008 - PEM/E	10/1/2013	2	
11	C8502 - NRS 2	12/2/2013	3	Match current salary
12	C8502 - NRS 2	1/2/2014	3	Exceptional qualifications
13	C0118 - Exec Support Spec 1	10/1/2013	2	
14	C8502 - NRS 2	12/1/2013	2	
15	C8501 - NRS 1	3/5/2014	2	
16	C1485 - ISS 5	11/20/2013	1	
17	C8503 - NRS 3	1/6/2014	1	
18	C0103 - OS 1	10/22/2013	2	
19	C0104 - OS 2	12/18/2013	2	
20	C8502 - NRS 2	3/1/2014	2	
21	C8501 - NRS 1	5/19/2014	2	
22	C8503 - NRS 3	4/7/2014	2	
23	C0103 - OS 1	4/9/2014	2	
24	C0103 - OS 1	5/21/2014	4	Match current salary
25	C8503 - NRS 3	6/2/2014	7	Match current salary/Recruitment difficulties
26	C8502 - NRS 2	8/4/2014	3	Relevant experience
27	C8502 - NRS 2	8/29/2014	3	Relevant experience/Master's Degree
28	C8502 - NRS 2	8/29/2014	2	
29	C8502 - NRS 2	9/2/2014	1	
30	C8501 - NRS 1	8/11/2014	4	Match current salary
31	C8501 - NRS 1	8/11/2014	2	
32	C8501 - NRS 1	9/4/2014	2	
33	C8501 - NRS 1	10/6/2014	5	Match current salary
34	C8502 - NRS 2	9/15/2014	2	
35	C8502 - NRS 2	10/1/2014	3	Match current salary
36	C8502 - NRS 2	10/13/2014	6	Qualifications/Recruitment difficulties
37	C8501 - NRS 1	11/3/2014	3	Qualifications/Match current salary
38	C8504 - NRS 4	1/2/2015	9	Match current salary
39	C8502 - NRS 2	1/2/2015	2	
40	C8501 - NRS 1	12/16/2014	3	Match current salary
41	C0103 - OS 1	1/26/2015	7	Match current salary

Ending Balance Form

Water Resources Department
Contact Person: Tracy Louden 503-986-0920

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Other Fund Type	**Program Area (SCR)**	**Treasury Fund #/Name**	**Category/Description**	**Constitutional and/or Statutory reference**	**2013-15 Ending Balance In LAB**	**2013-15 Ending Balance Revised**	**2015-17 Ending Balance In CSL**	**2015-17 Ending Balance Revised**	**Comments**
Nonlimited	020-00-00-00000: Water Dev Loan Fund	6900000463: Water Dev Admin & Bond Sinking Fund	Loan Program	Article XI-I(1) ORS 541.750	112,457	213,417	31,234	31,234	The change in ending balance was due to prepayment of a loan in 2013-2015.
Limited	010-04-01-00000: Tech Serv Div	6900000536: Water Resources Department Operating Fund (Start Card Fund)	Operations	ORS 537.763	200,207	269,731	217,003	217,003	Ending Balance across the two biennia continues to be a 3-4 month operating reserve.
Limited	010-06-00-00000: Water Rights Serivces Div	6900000607: Water Resources Dept Hydroelectric Fund	Operations	ORS 536.015	184,654	417,657	240,030	240,030	Hydro fee revenue experienced an increase in 2012 that will remain "flat" for three years.
Limited	010-03-00-00000: Field Serv Div	6900000975: Water Measurement Cost Share Pro Rev Fund	Operations	ORS 536.021	0	73,610	0	0	Change in ending balance due to delay in program implementation.
Limited	010-01-00-00000: Admin Serv Div	6900001277: Water Conservation Reuse Storage Invest (SB 1069)	Grant Fund	SB 1069, 2008 Session	0	0	0	0	
Limited	010-06-00-00000: Water Rights Serivces Div	6900001083: Water Right Operating Fund	Operations	ORS 536.009 ORS 536.050 ORS 537.747	1,135,597	2,158,232	1,632,543	1,632,543	The change in ending balance is the result of a fee increase authorized in 2013; and necessary to fund operations without additional fee increases through 2017. The ending balance is composed of an operating reserve and prepaid revenues for services not yet delivered and therefore subject to refund.
Limited	010-01-00-00000: Admin Serv Div	6900000401: General Fund	Other - property liquidation	ORS 555.380	0	0			
Limited	010-04-00-00000: Tech Serv Division	6900001318: Geotechnical Fund	Operations	HB 2232	185,617	129,775	168,221	168,221	Change in ending balance from 2013-15 to 2015-17 is due to planned expenditures.
Limited	010-01-00-00000: Admin Serv Div	6900001325: Water Supply Fund	Grant Fund	SB 5535	(912)	147,943	147,943	147,943	Grant funds not entirely expended during 2013-15 as originally anticipated.
Limited	010-01-00-00000: Admin Serv Div	6900001351: Water Supply Fund-Taxable	Grant Fund	SB 5535, Sec 10		0	0	0	
Limited	010-01-00-00000: Admin Serv Div	6900001445: Water Supply Fund-(Taxable) 2012C	Grant Fund	SB 5036, Sec 5		0	0	0	
Limited	010-01-00-00000: Admin Serv Div	6900001508: Water Supply Developemnt Account	Grant Fund	SB 839, Sec 3		9,200,500	0	0	Lottery Bond Issued for Grant Funds scheduled for January 2015 and planned to be expended primarily in 2015-17.
					1,817,620	12,610,865	2,436,974	2,436,974	

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Appendix C

Program Overviews

Photo Credit: Oregon State Archives

Inside this Chapter:

Oregon Water Resources Department

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Photo: Jeff Sorn, ODOT

Oregon's Integrated Water Resources Strategy

UNDERSTANDING AND MEETING OREGON'S INSTREAM AND OUT-OF-STREAM NEEDS

OUR MISSION

To serve the public by practicing and promoting responsible water management through two key goals:

(1) to directly address Oregon's water supply needs, and

(2) to restore and protect streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life.

Background

During 2009, the 75th Legislative Assembly passed House Bill 3369, directing the Oregon Water Resources Department to develop a state-wide, Integrated Water Resources Strategy (IWRS) to help Oregon understand and meet its water quantity, water quality, and ecosystem needs, while taking into account coming pressures such as population growth, changes in land use, and future climate conditions.

Development of the Strategy

Although the Oregon Water Resources Department was responsible for development of the Strategy, the Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, and the Oregon Department of Agriculture were key partners during the process and continue to be during implementation. Oregon's tribes, along with public and private sector stakeholders, also have an important voice in this process, as do other natural resource agencies at the state and federal level. Early on, the Directors of the four agencies convened a Project Team of senior staff members and formed three advisory groups to help with various technical and policy components: an 18-member citizen Policy Advisory Group, an 18-member Agency Advisory Group comprised of state agency staff, and a Federal Liaison Group consisting of ten federal natural resource agencies.

The public will continue to play a prominent role during implementation of the Strategy, having previously participated in 11 open house events throughout the state, and having also provided public comment through letters, electronic means, and face-to-face meetings during various stages of the project.

What does it contain?

Oregon's Integrated Water Resources Strategy provides a blueprint to help the state better understand and meet its water needs – instream and out-of-stream, above ground and below ground, now and into the future. The state's first Strategy outlines a vision, goals, objectives, and guiding principles; it identifies a number of critical issues that need to be addressed; and it offers recommended actions in 13 different issue areas.

UNDERSTAND WATER RESOURCES, SUPPLIES, INSTITUTIONS

- 1a. Conduct additional groundwater investigations
- 1b. Improve water resource data collection and monitoring
- 1c. Coordinate inter-agency data collection, processing, and use in decision-making

UNDERSTAND OUT-OF-STREAM NEEDS/DEMANDS

- 2a. Update long-term water demand forecasts
- 2b. Improve water-use measurement & reporting
- 2c. Determine pre-1909 water right claims
- 2d. Update water right records with contact information
- 2e. Update Oregon's water-related permitting guide

UNDERSTAND INSTREAM NEEDS/DEMANDS

- 3a. Determine flows needed (quality & quantity) to support instream needs
- 3b. Determine needs of groundwater dependent ecosystems

WATER-ENERGY NEXUS

- 4a. Analyze the effects on water from energy development projects & policies
- 4b. Take advantage of existing infrastructure to develop hydroelectric power
- 4c. Promote strategies that increase/integrate energy & water savings

CLIMATE CHANGE

- 5a. Support continued basin-scale climate change research efforts
- 5b. Assist with climate change adaptation and resiliency strategies

WATER-LAND USE NEXUS

- 6a. Improve integration of water Information into land use planning (& vice versa)
- 6b. Update state agency coordination plans
- 6c. Encourage low-impact development practices

INFRASTRUCTURE

- 7a. Develop and upgrade water & wastewater infrastructure
- 7b. Encourage regional (sub-basin) approaches to water and wastewater systems

EDUCATION & OUTREACH

- 8a. Support Oregon's K-12 environmental literacy plan
- 8b. Provide education and training for Oregon's next generation of water experts
- 8c. Promote community education and training opportunities
- 8d. Identify ongoing water-related research needs

PLACE-BASED EFFORTS

- 9a. Undertake place-based integrated, water resources planning
- 9b. Coordinate implementation of existing natural resource plans
- 9c. Partner with federal agencies, tribes, and neighboring states in long-term water resources management

WATER MANAGEMENT & DEVELOPMENT

- 10a. Improve water-use efficiency and water conservation
- 10b. Improve access to built storage
- 10c. Encourage additional water reuse projects
- 10d. Reach environmental outcomes with non- regulatory alternatives
- 10e. Authorize and fund a water supply development program

HEALTHY ECOSYSTEMS

- 11a. Improve watershed health, resiliency, and capacity for natural storage
- 11b. Develop additional instream protections
- 11c. Prevent and eradicate invasive species
- 11d. Protect and restore instream habitat and habitat access for fish & wildlife

PUBLIC HEALTH

- 12a. Ensure the safety of Oregon's drinking water
- 12b. Reduce the use of and exposure to toxics and other pollutants
- 12c. Implement water quality pollution control plans

FUNDING

- 13a. Fund development & implementation of Oregon's IWRS
- 13b. Fund water resources management at the state level
- 13c. Fund communities needing feasibility studies for water conservation, storage, and reuse projects

Implementation

The Strategy has been endorsed by the boards and commissions overseeing Oregon's natural resource agencies, and the Water Resources Commission adopted the Strategy on August 2, 2012. Many of the operational details related to the Strategy, including setting timelines, identifying costs, and determining staffing needs, will occur during the course of budget preparations for each Legislative Session.

Producing Oregon's Integrated Water Resources Strategy is an iterative process and successfully meeting Oregon's water needs will mean constantly asking "what if" questions and adapting to changing circumstances and environments. The implementation process will include monitoring progress toward recommended actions, a commitment to resolving conflicts that arise, providing feedback on any successes or shortcomings, and evolving or adapting to new information or resources. All Oregonians have a role to play in the implementation of the Strategy. As the State learns lessons from the first round of implementation, the Strategy can be adjusted as needed through formal adoption every five years.

For More Information

The IWRS website is a place where you can find the Strategy, its Executive Summary, and other project information, including a draft 2013-15 workplan, and visual/audio presentations. The online materials will allow you to gain a better understanding of why the state is preparing for its water future. The project page can be accessed through the Department's website. Joining the electronic mailing list is another easy way to stay informed of upcoming meetings, recent activity, and developments via notices to your email. You can also contact the Project Team directly to share your ideas, concerns, or suggestions.

Website: www.wrd.state.or.us
Listserv: listsmart.osl.state.or.us/mailman/listinfo/iwrs
Email: waterstrategy@wrd.state.or.us

Contact

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Photo: Susan Douthit, OWRD

Feasibility Study Grant Program

HELPING OREGON COMMUNITIES EVALUATE WATER RESOURCES PROJECTS

OUR MISSION

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(1) to directly address Oregon's water supply needs, and

(2) to restore and protect streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life.

Background

Oregon is facing increasing water demand and increasingly scarce water supplies. To adequately meet Oregon's diverse water demands now and into the future, Oregonians must use their water wisely and efficiently. That means looking more closely at innovative water conservation and reuse programs and environmentally sound storage projects.

The Water Conservation, Reuse and Storage Grant Program, established by Senate Bill 1069 (2008), is designed to fund the qualifying costs of planning studies that evaluate the feasibility of developing water conservation, reuse, or storage projects. Results of the Program range from direct implementation of projects to phased programs carried out over a period of years. Some projects are self-funded and others have been awarded additional implementation grants or loans by state, federal, or other partners.

Grant Awards to Date

Since 2008, the Program has awarded 54 grants statewide for a total of over $3.16 million. The grant awards cover a broad geographic area and range from under $5,000 to just over $250,000 each. During the 2013-2015 biennium, the Water Resources Commission awarded 15 grants totaling approximately $750,000.

Examples of Recent Feasibility Studies

Grande Ronde Model Watershed
The feasibility study considered whether artificial recharge and aquifer storage options are available in the upper Grande Ronde Valley. The goals were to determine feasible ways to augment late season streamflows and to help mitigate declining groundwater tables in the upper Grande Ronde Valley. The study recommended that a recharge and recovery project would have a high likelihood of success with significant benefits to streamflow during critical times of the year. Implementation discussions are underway with financing from the U.S. Bonneville Power Administration.

City of Hillsboro/City of Beaverton
The study provided an estimate of potential water savings that could be achieved through the implementation of six variations of a WaterSense® Rebate Program. This study assisted in program and policy revisions aimed at reducing the overall per capita demand on the water system. The study helped facilitate greater water conservation efforts. The City of Beaverton now has a rebate program in place for customers to purchase water-efficient clothes washers.

Oregon's Long Term Strategy

Feasibility studies are important for determining various aspects of water supply projects. As recommended in Oregon's Integrated Water Resources Strategy (Recommended Action 13.C.), Oregon should commit to helping local communities bridge the funding gap by continuing to provide modest grants for evaluating the feasibility of water conservation, storage, and reuse projects.

Contact

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2013-2105 Grant Awards

Conservation

$6,818	Arnold Irrigation District
$17,401	Central Oregon Irrigation District
$35,000	Hood River SWCD & EFID
$30,000	Irrigation Canal Co. & Union SWCD

Storage

$32,000	City of Astoria
$31,500	East Valley Water District
$86,200	Fifteen Mile Watershed Council
$32,000	Hood River SWCD & FID
$250,000	City of Newport
$33,000	SPF Water Engineering & Crater Lake
$90,103	Walla Walla Watershed Council (2)

Reuse

$40,000	City of Halfway
$48,456	OSU/Benton County/Corvallis

Project Highlight: From Studies to Implementation

Central Oregon Irrigation District used a 2009 Grant Award to assess the feasibility of lining or piping a section of its I-Lateral canal, which serves approximately 1,700 acres in Alfalfa, Oregon. This water conservation study determined it was cost effective to pipe or line a 1.5 mile section of the I-Lateral. It is estimated that up to 4.5 cubic feet per second (cfs) of water could be conserved, of which at least 2.25 cfs could be permanently converted to instream water rights in the Deschutes River through use of the Allocation of Conserved Water Program. Construction recently began on this water conservation project. The District hired a local pipe supply company and brought on temporary staff, as well as contracted services with a neighboring irrigation district, bringing economic benefits to Central Oregon.

"We really see this program as a great asset to Oregon."

~ Laura Wollam, Water Use Specialist, Central Oregon Irrigation District

Photo: L. Wollam, COID

Allocation of Conserved Water Program

Benefits for Oregon Agriculture and Instream Flows

What is it?

The Allocation of Conserved Water Program (ACW) is a voluntary program that provides benefits to both water right holders and instream flows. ACW allows a water user who conserves water to use a portion of that water on additional lands, lease or sell the water, or dedicate the water to instream use.

Why should I take advantage of the Conserved Water Program?

Without this law, the water user would not be entitled to use conserved water to meet new needs; instead, the water would return to the stream where it would be available for the next downstream appropriator. This program provides economic return on conservation investments by allowing water for use on additional lands and allowing for new uses of water. In exchange for granting the user the right to allocate a portion of the conserved water, the law dedicates a portion to instream use.

How much water will I be able to use?

Unless water is needed to mitigate against injury, the standard allocation for the remainder of the conserved water is 75% to the applicant and 25% to the state (typically in the form of an instream water right). These percentages will change if public funding was used to complete the project. The 25% allocated to the state may go as high as 75% depending on the amount of non-repayable public funds used. The applicant may also choose to dedicate all of the conserved water, minus any water needed for mitigation, to an instream right.

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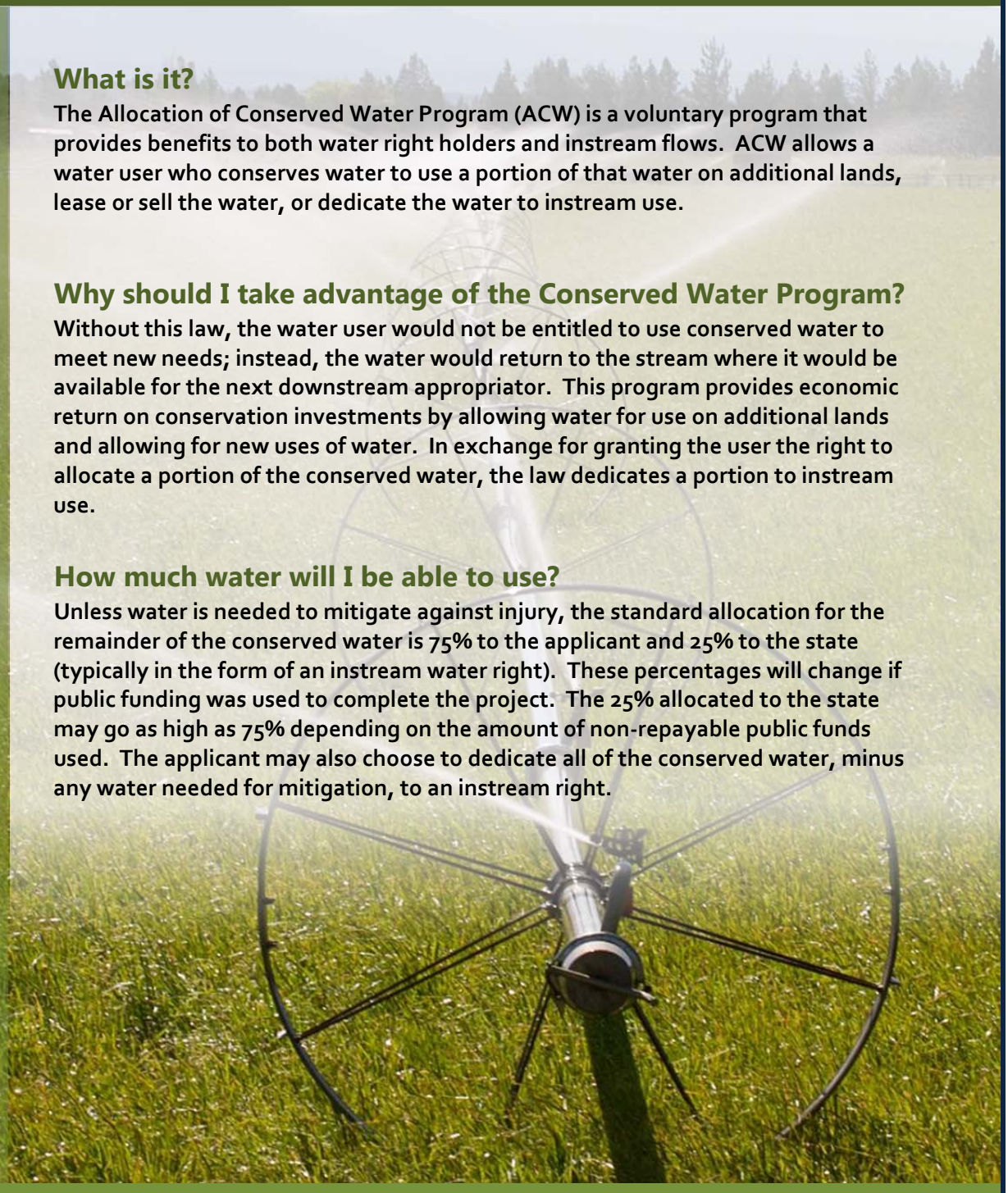
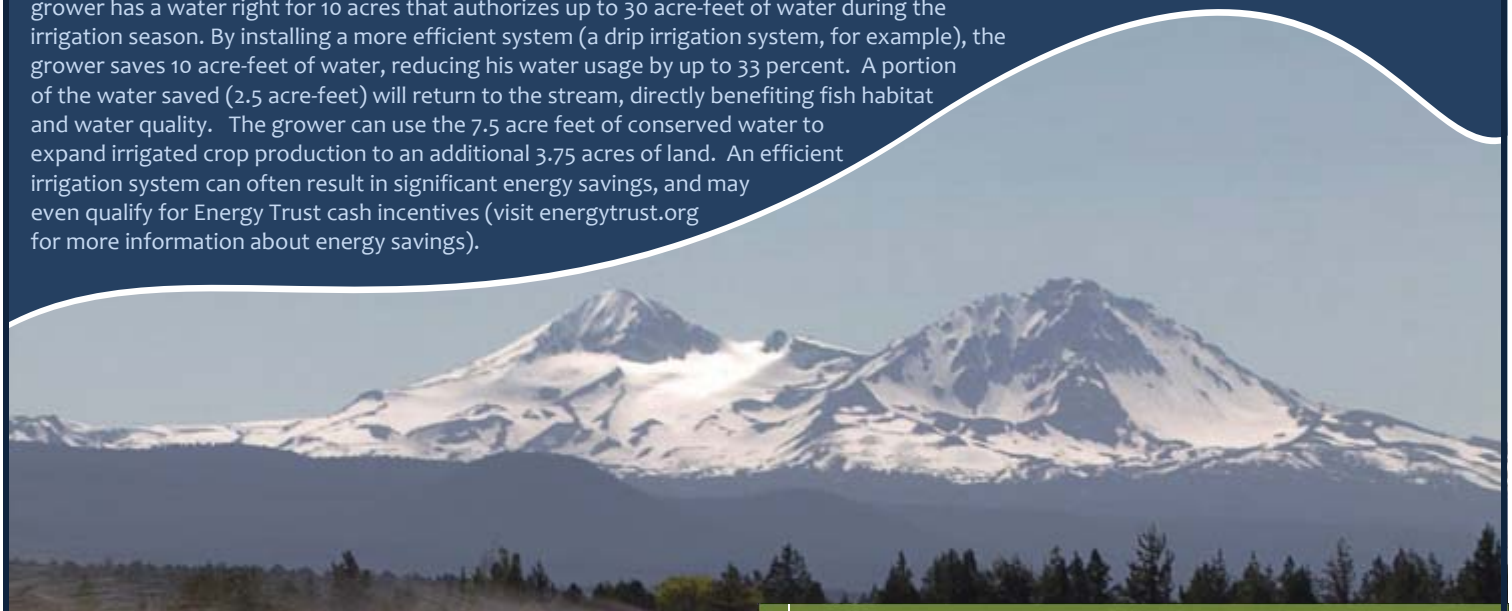


Photo: Kyle Gorman, OWRD

BASIC CONSERVED WATER SCENARIO In this example, a Central Oregon grower has a water right for 10 acres that authorizes up to 30 acre-feet of water during the irrigation season. By installing a more efficient system (a drip irrigation system, for example), the grower saves 10 acre-feet of water, reducing his water usage by up to 33 percent. A portion of the water saved (2.5 acre-feet) will return to the stream, directly benefiting fish habitat and water quality. The grower can use the 7.5 acre feet of conserved water to expand irrigated crop production to an additional 3.75 acres of land. An efficient irrigation system can often result in significant energy savings, and may even qualify for Energy Trust cash incentives (visit energytrust.org for more information about energy savings).



Does the priority date change?

A new water right certificate is issued with the original priority date reflecting the reduced quantity of water being used with the improved technology. A certificate is issued for the state's instream water right. The priority dates for these certificates are either the same as the original right, or one minute junior. It is up to the applicant to decide which priority date they want to establish for the conserved water. The instream right and the right for the applicant's portion of conserved water must have the same priority date.

Who can apply?

The holder of a water right subject to transfer as defined in ORS 540.505 may submit an application.

If the proposed conservation measures are within the boundaries of an Irrigation District, the person must also submit evidence that the District has approved the application. It is best to submit an application before the start of a conservation project, but the application may be submitted up to five years after the implementation of conservation measures.

Examples of Efficiency Improvements

- Piping or lining earthen canals and ditches
- Converting to a pressurized system
- Metering water deliveries
- Variable frequency drive pump systems
- Low pressure low flow spray nozzles

Potential Agricultural Benefits

- Provides water for previously dry lands
- Improves crop yields and quality by giving plants the correct amount of water
- Reduces field erosion
- Cuts down on energy, labor, and other costs

Potential Community Benefits

- Local economic opportunities and creation of jobs
- Conservation of a scarce resource for future generations
- Improvement in water quality by reducing runoff
- Wildlife: more water = more fish
- Recreational benefits

References in Statute & Rule

ORS 537.455 and OAR 690-18

Contact

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