

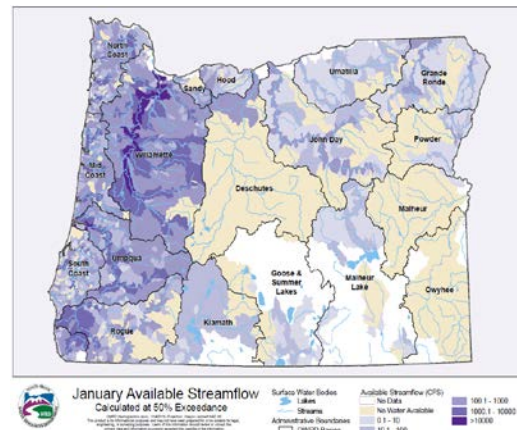
2015-2017 Governor's Budget for a Healthy Environment & Strong Rural Economy

Initiative #3: Integrated Water Resources Program

Figure 1. Areas where water is available for new surface water rights in August.



Figure 2: Areas where water is available for storage in January.



Problem: Water is essential for our environment economic growth and development, job creation, and the livelihoods of farmers, ranchers and communities across the state. Clean and plentiful water supports fish and wildlife, recreation, and other instream uses that are important to communities and all Oregonians. Every region across the Oregon has its own water challenges that if left unaddressed, will worsen in the future. For example, in most areas of the state, new surface water rights are not available during the summer. In contrast, water is still available in the wet winter months for storage.

Solution: Implement the Integrated Water Resources Strategy for instream and out-of-stream needs, through place-based planning, project feasibility assessments and project finance tools.

- ❖ **Place-Based Water Resources Planning.** Planning at regional and local scales through collaborative processes is key to identifying water resource issues, needs and solutions particular to each part of the state.
 - Complete work to establish a water resources program for the Umatilla area including a significant expansion in irrigated agriculture as well as gains for conservation.
 - Continue regional planning for the Deschutes basin, and long-term planning for the Willamette basin, focusing on the reallocation of storage in existing U.S. Army Corps of Engineers reservoirs.
 - Continue water development planning work in the Rogue basin (WISE).
 - Explore new multiple use storage opportunities in the upper Klamath basin.
 - Develop a more formal relationship with Washington's water resources program, and explore opportunities with Idaho.

- ❖ **Project Feasibility Resources.** Once an area has identified its highest priorities and project concepts for water resources efforts, the next stage is more detailed work to assess the feasibility of individual projects. The Governor's budget provides additional funding for this purpose, based on a competitive process administered by the Water Resources Department.

- ❖ **Project Implementation Funding.** Traditionally, Oregon has left the development of water supply infrastructure to local entities and the federal government. With declining federal support, however, along with a rapidly increasing need for development of water for instream and out-of-stream purposes, there is a clear need to build a state program. SB 839 (2013) established the foundation for a state grant and loan program for water resources development in Oregon. The details of SB 839 are being worked out in two on-going task forces, which are expected to result in legislative, budget and rulemaking efforts over the next year.
 - Complete work of the two task forces and conduct rulemaking to implement the program.
 - Authorize funding for project implementation arising out of individual, as well as place-based, planning efforts.

- ❖ **West Coast Infrastructure Exchange.** This partnership among California, Oregon, Washington, and British Columbia works across state lines to bring additional private capital to finance water resources projects.

Governor's Balanced Budget: 2015-17 Investments in Integrated Water Resources					
Agency and Budget Package #	Package Description	Funding	Positions	Funding Source	Related Bill #
Integrated Water Resources Program Staff					
OWRD - 113	Funding Water Supply Projects - Recapitalizes the Water Supply Development Account and Water Supply Fund. Includes loans and grants to finance water resources development projects that have economic, environmental and community benefits; grant officer to manage funding.	\$186,962	1 FTE	GF	
OWRD - 115	Supporting Project Development and Place-Based Planning –Adds positions to provide financial, permitting, planning, engineering and project management for new water supplies across Oregon.	\$1,232,882	6 FTE	GF	SB 266
OWRD - 106	SB 1069 Feasibility Grants – Funding to help communities and individuals evaluate the feasibility of developing a water conservation, reuse or storage project; staff to manage funding; and debt service.	\$139,318	0.75 FTE	GF	
Integrated Water Resources Bond Packages and Costs					
OWRD - 106, 113, 115, 120	Water Resources Feasibility Grants (106) Water Resources Planning and Project Grants and Loans (113, 115) Water Resources Project Loans (120) Cost of Issuance/Debt Service	\$2 million \$18 million \$30 million \$3,215,587		LF/OF/GO	HB 5030 HB 5005

Total Investment for Integrated Water Resources Program in staff, supplies and services, and debt service	\$ 4,774,749
Total Investment for Integrated Water Resources Program Bond Package proceeds	\$50,000,000
Total Investment for Integrated Water Resources Program	\$54,774,749
<ul style="list-style-type: none"> • \$750,000 for place-based planning grants • \$2 million for project feasibility grants • \$17.25 million for project finance (lottery bonds, loans and grants) • \$30 million for project finance (G.O. bonds, loans) 	