



Oregon Water Resources Department 2017-19 Budget Presentation

Before the Joint Ways & Means Natural Resources Subcommittee



Presented by: Tom Byler, Director
April 2017

Chapter 1: Mission

- **To serve the public by practicing and promoting responsible water management**



Chapter 1: Co-Equal Goals

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



Chapter 1: Historical Perspective

Shirt Tail Gulch

Notice

Is hereby given that I the undersigned have this day taken up and claim five hundred acres of the ^{water of the} Gulch known as Shirt Tail Gulch and all its tributaries for Mining Mechanical and Agricultural purposes

Dated May 30th 1878

Baker County

Oregon

Wm Blain

Image Courtesy of Baker Heritage Museum. William Blain, Shirttail Gulch, May 30, 1878. G. W. Parker, clerk, by I. D. Parker, deputy. www.bakerheritagemuseum.com



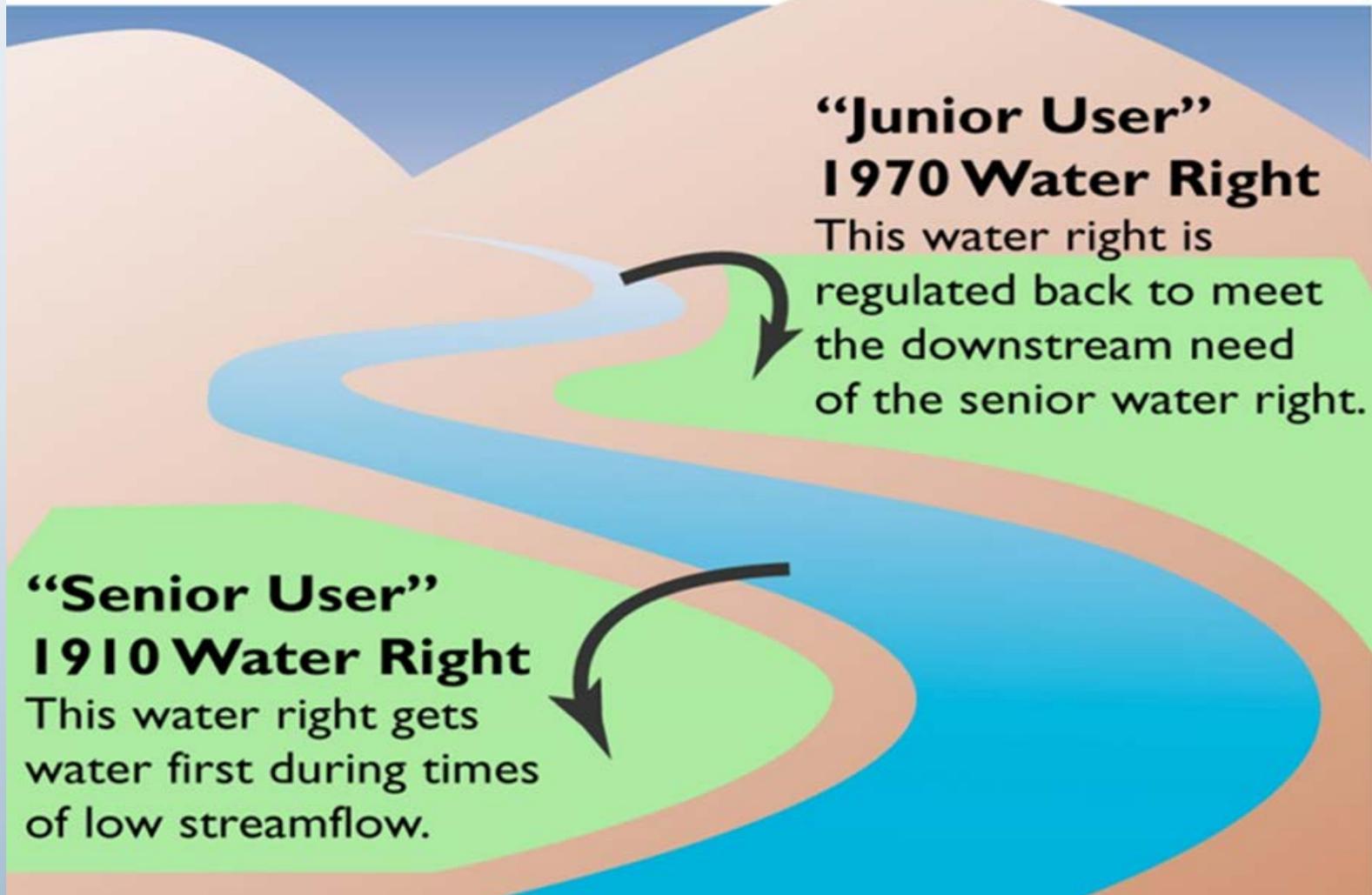
Image courtesy of the Oregon State Library

Image Courtesy of Oregon Institute of Technology Library



Chapter 1: 1909 Water Code & Prior Appropriation

First in time, first in right.



Chapter 1: Advancements in Oregon Water Law

1909: Oregon Water Code

1955: Oregon Ground Water Act

1987: Oregon Instream Water Rights Act

1989: Water Allocation Policy

2012: Integrated Water Resources Strategy

**2015: Water Resources Development
Program**



Chapter 1: Water Resources Commission

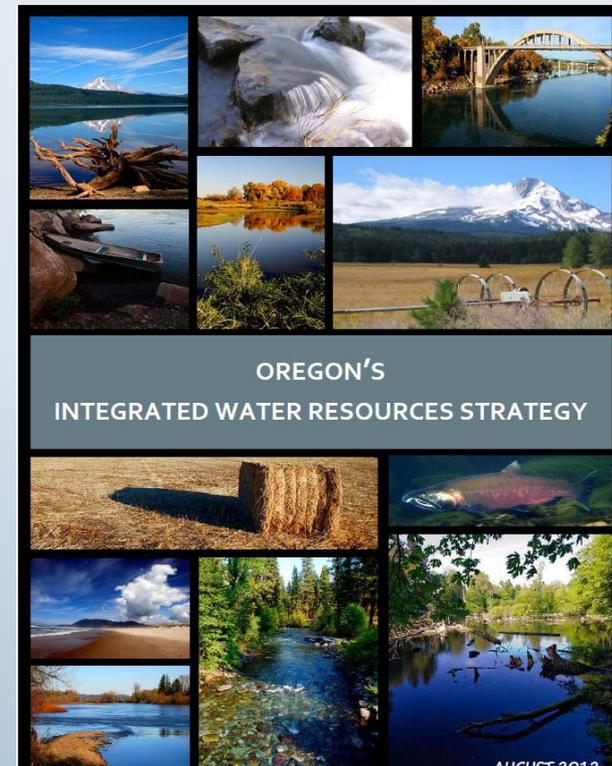


- **Eric Quaempts - North Central** (*not pictured*)
- **Meg Reeves - West-Side at Large**
- **Bob Baumgartner - Northwest**
- **Ray Williams - Vice-Chair, East-Side at Large**
- **Carol Whipple - West Central**
- **Bruce Corn - Eastern**
- **John Roberts - Chair, Southwest**

Chapter 1: Key Strategies & Investments

Understand Oregon's Water Resources, Needs, and Coming Pressures and Meet Instream and Out-of-Stream Needs by:

- **Collecting and providing data**
- **Understanding changing conditions**
- **Protecting public safety**
- **Distributing water**
- **Providing technical assistance and funding**
- **Processing and adjudicating water rights**



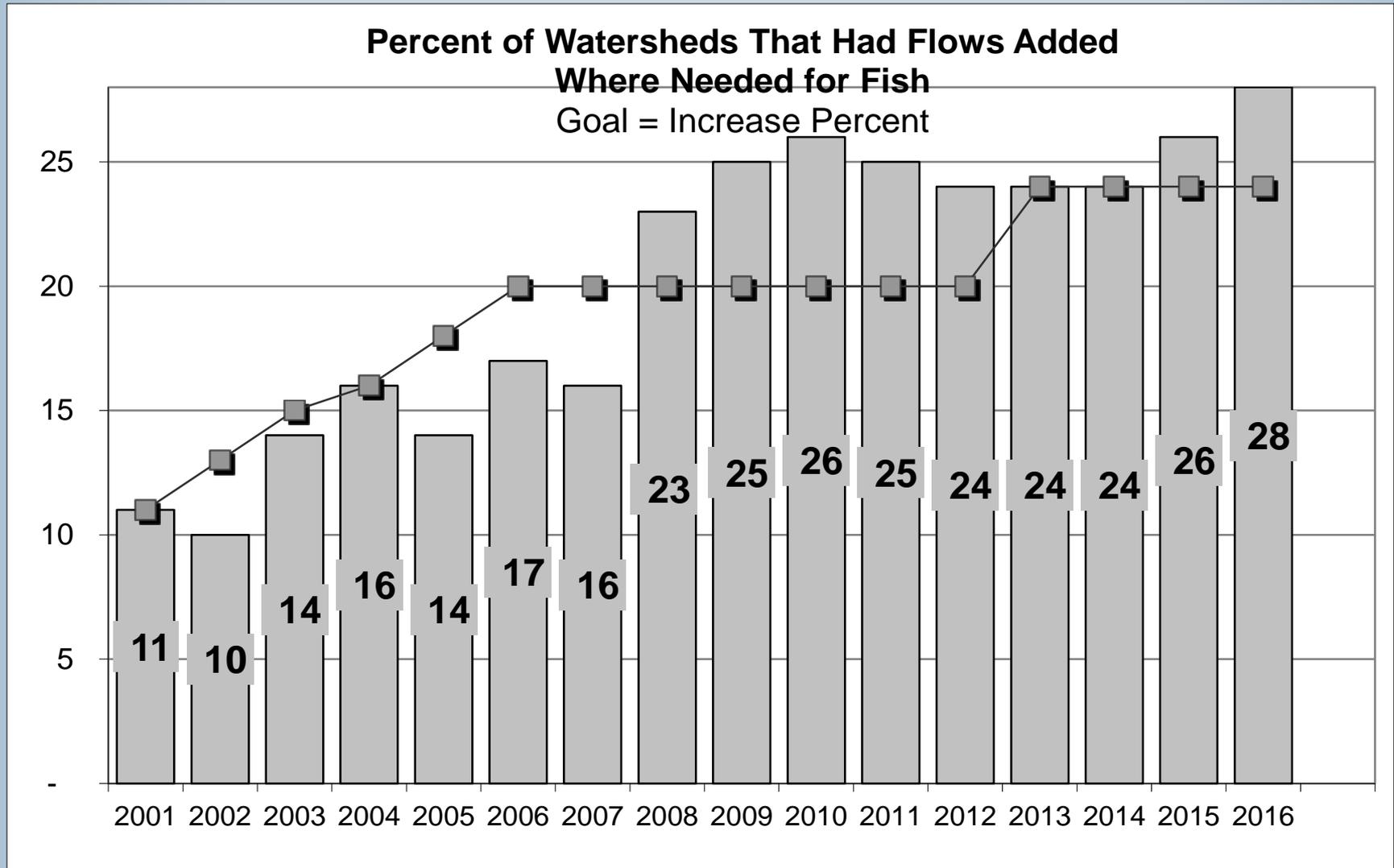
Chapter 2: Performance Summary



- 14 KPMs
- 2017-18 evaluation of KPMs

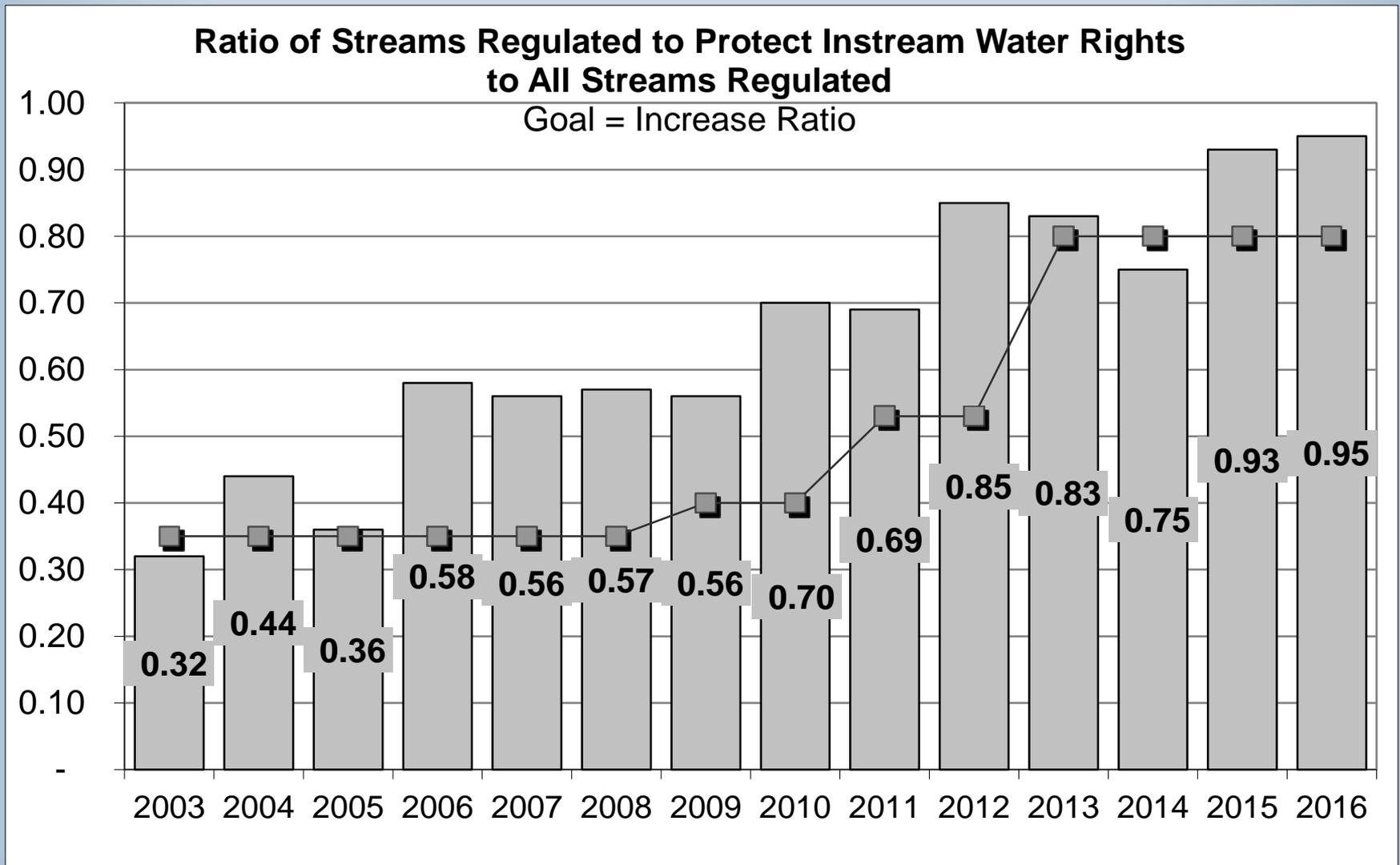
Chapter 2: KPM 1

FLOW RESTORATION



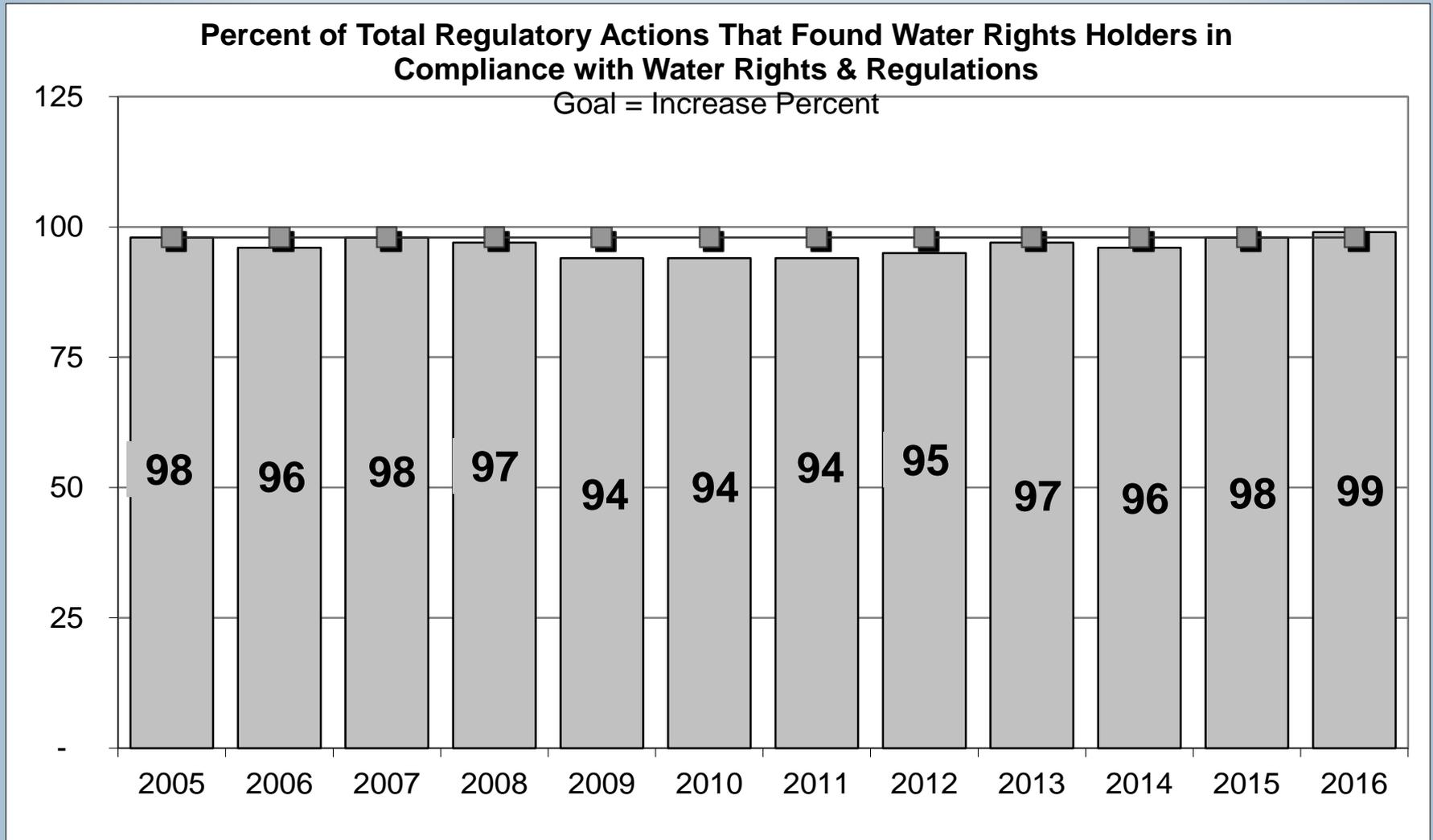
Chapter 2: KPM 2

PROTECTION OF INSTREAM WATER RIGHTS



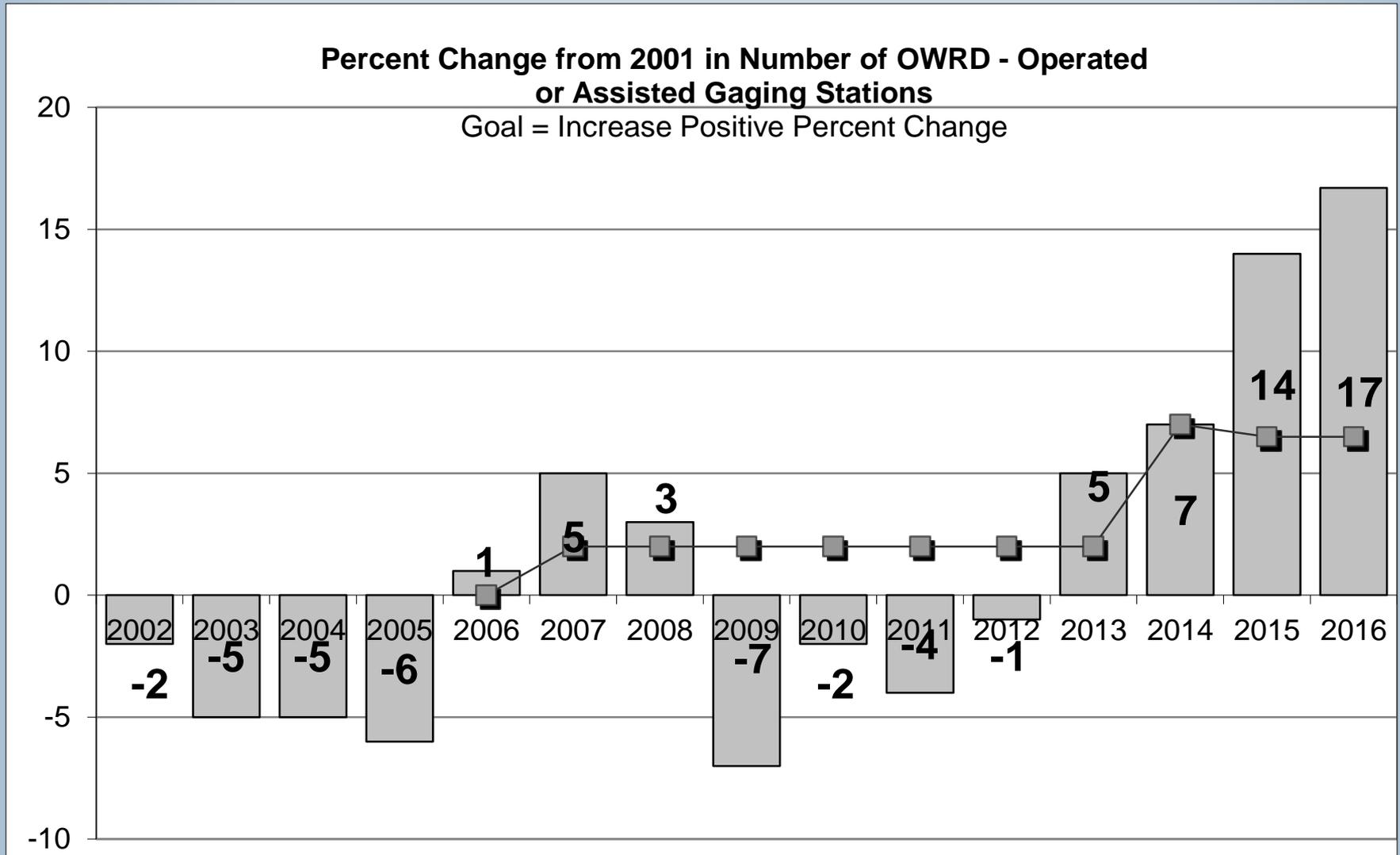
Chapter 2: KPM 3

MONITOR COMPLIANCE



Chapter 2: KPM 4

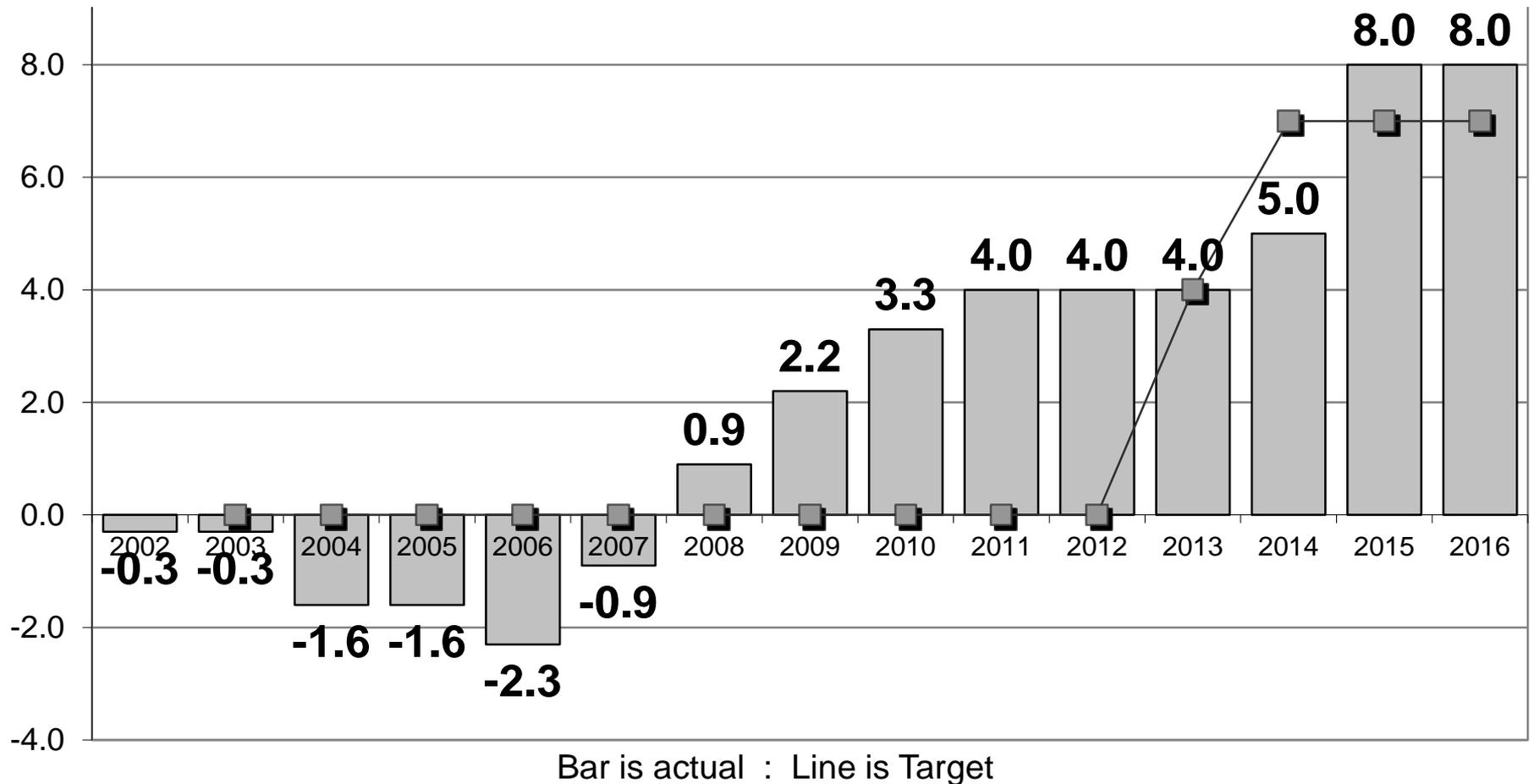
STREAMFLOW GAGING



Chapter 2: KPM 5

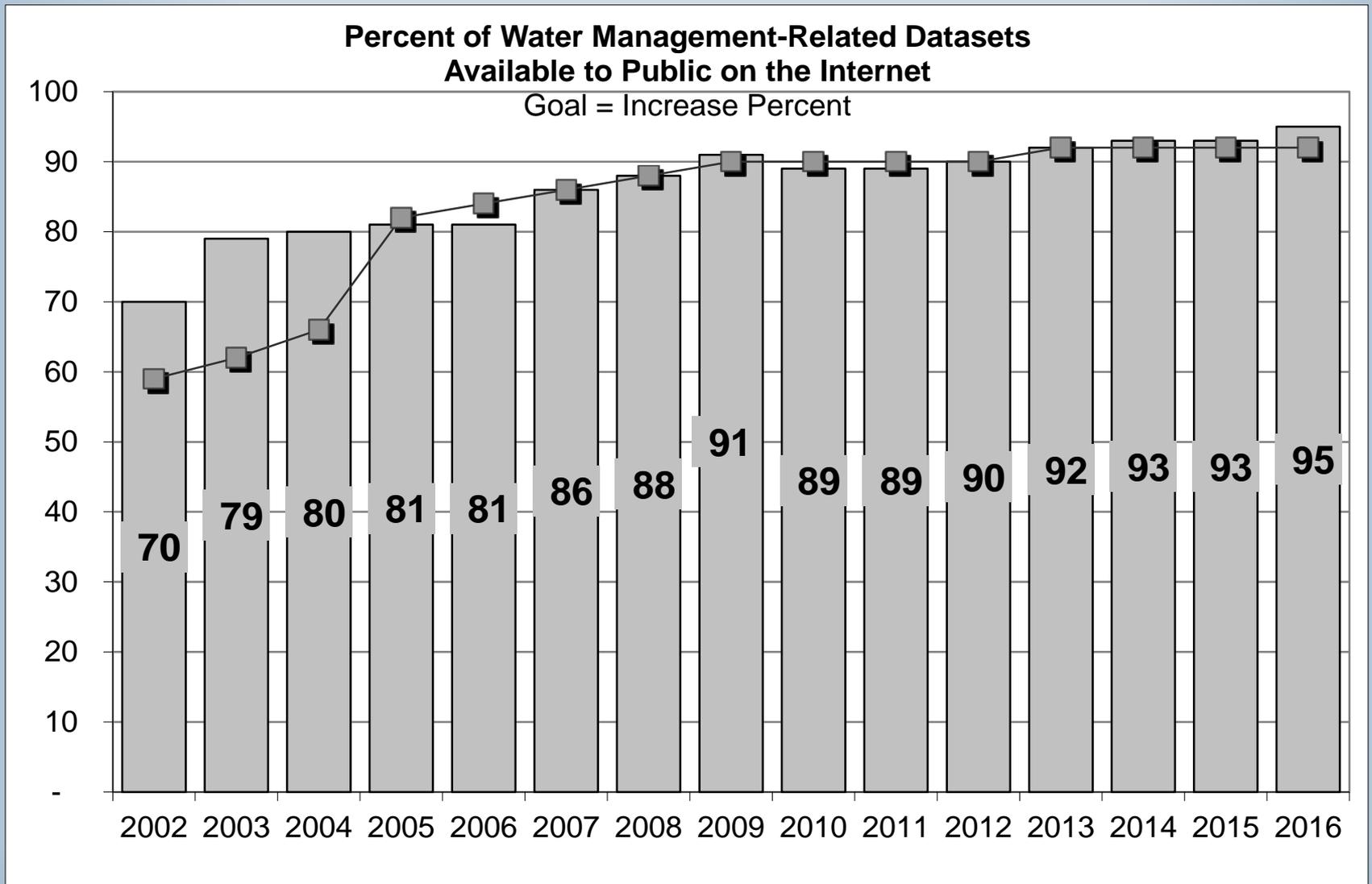
GROUNDWATER MONITORING WELLS

Percent Changes from 2001 in Number of Wells Routinely Monitored to Assess Groundwater
Goal = Increase Positive Percent Change



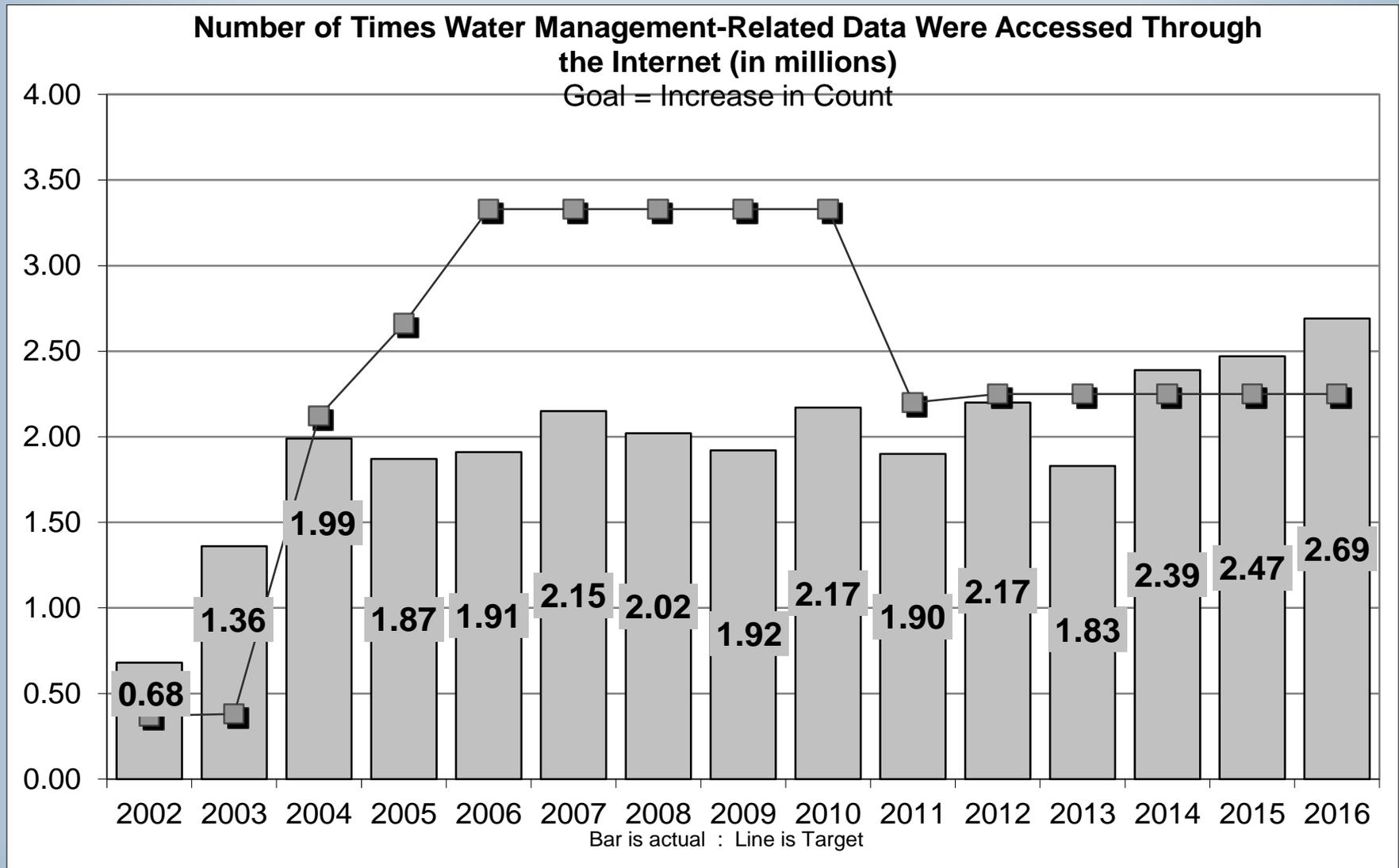
Chapter 2: KPM 6

EQUIP CITIZENS WITH INFORMATION



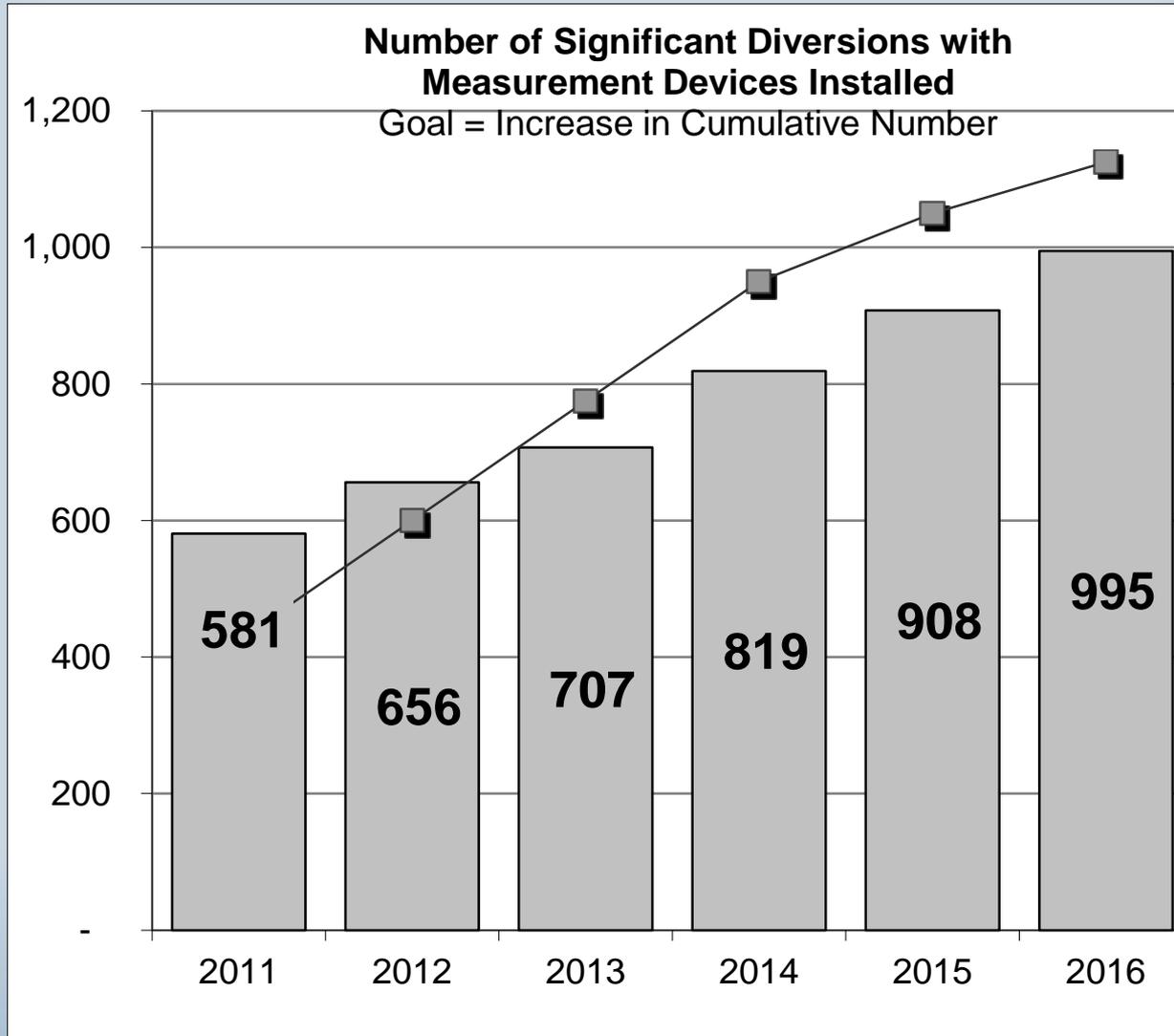
Chapter 2: KPM 7

EQUIP CITIZENS WITH INFORMATION



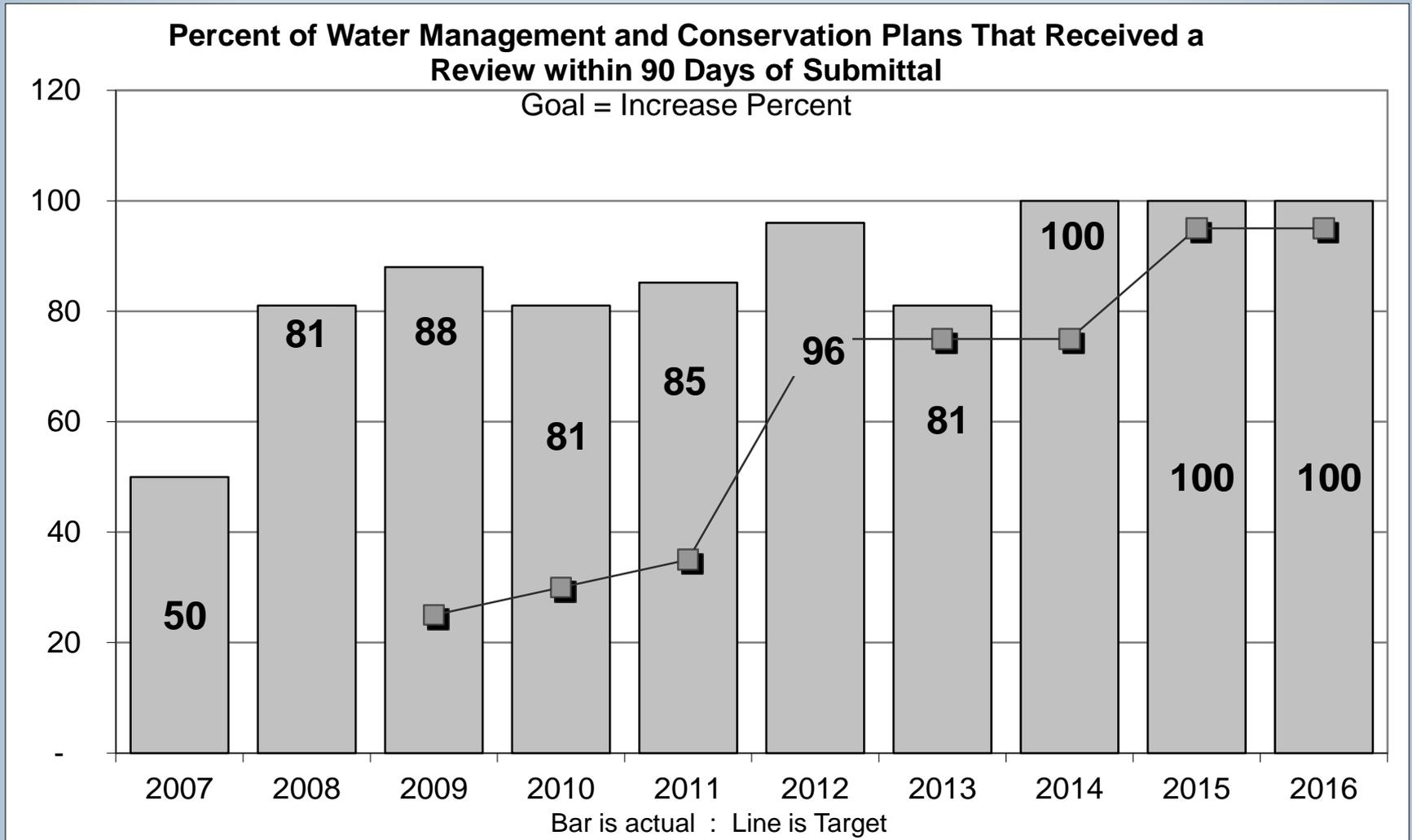
Chapter 2: KPM 8

IMPLEMENT 2000 WATER MEASUREMENT STRATEGY



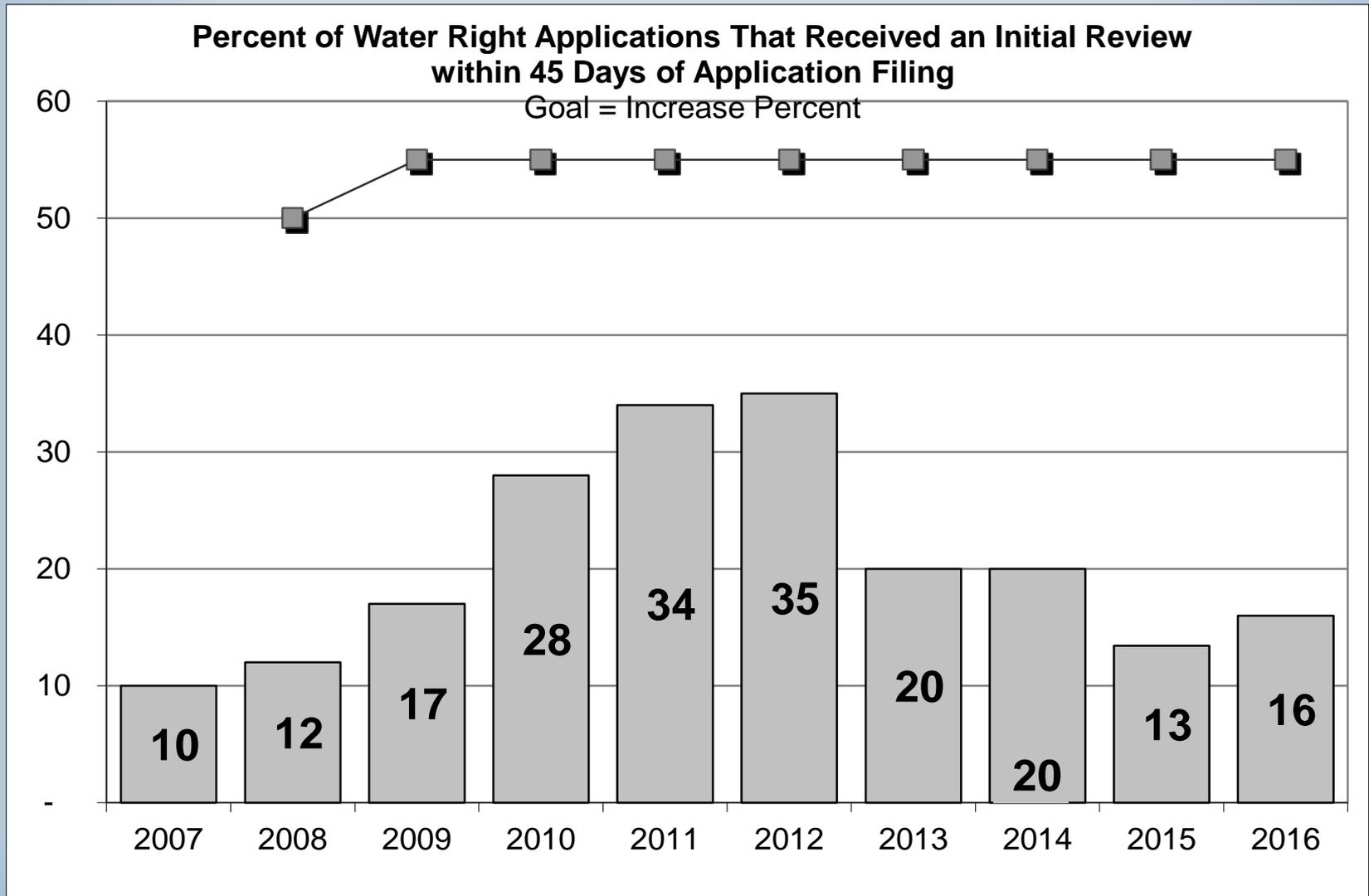
Chapter 2: KPM 9

EFFICIENCY IN WMCP REVIEWS



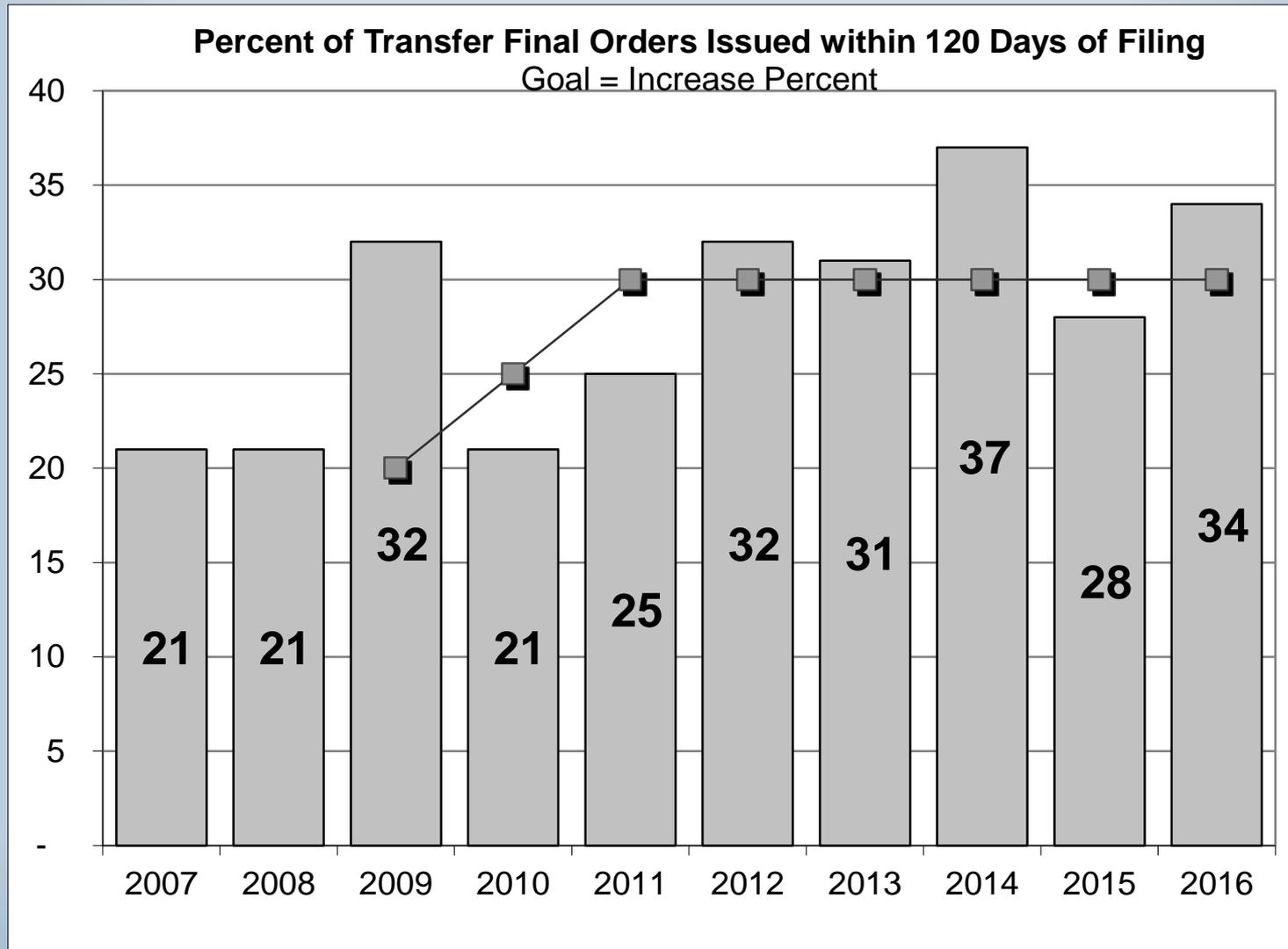
Chapter 2: KPM 10

EFFICIENCY IN WATER RIGHT APPLICATION PROCESSING



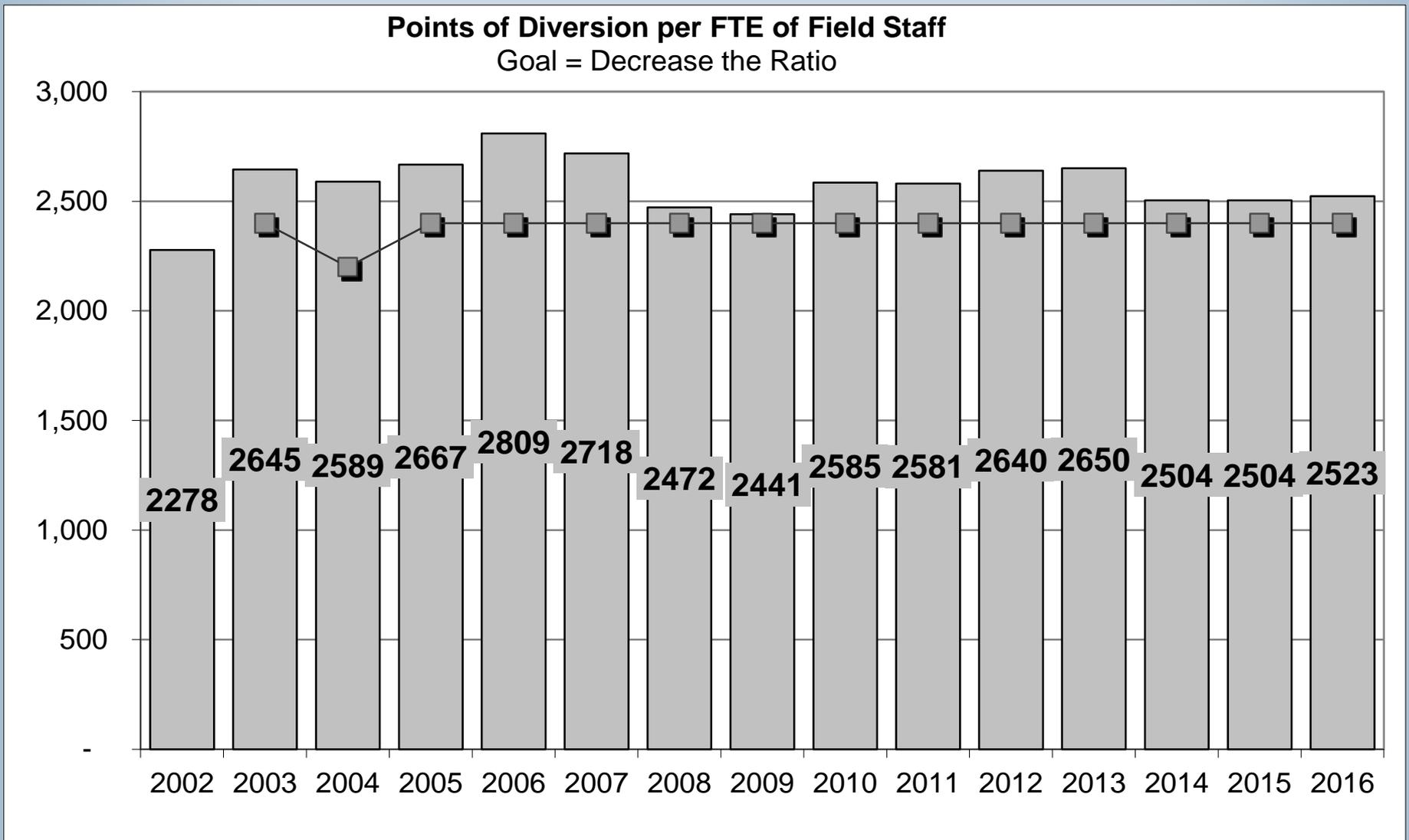
Chapter 2: KPM 11

EFFICIENCY IN TRANSFER APPLICATION PROCESSING



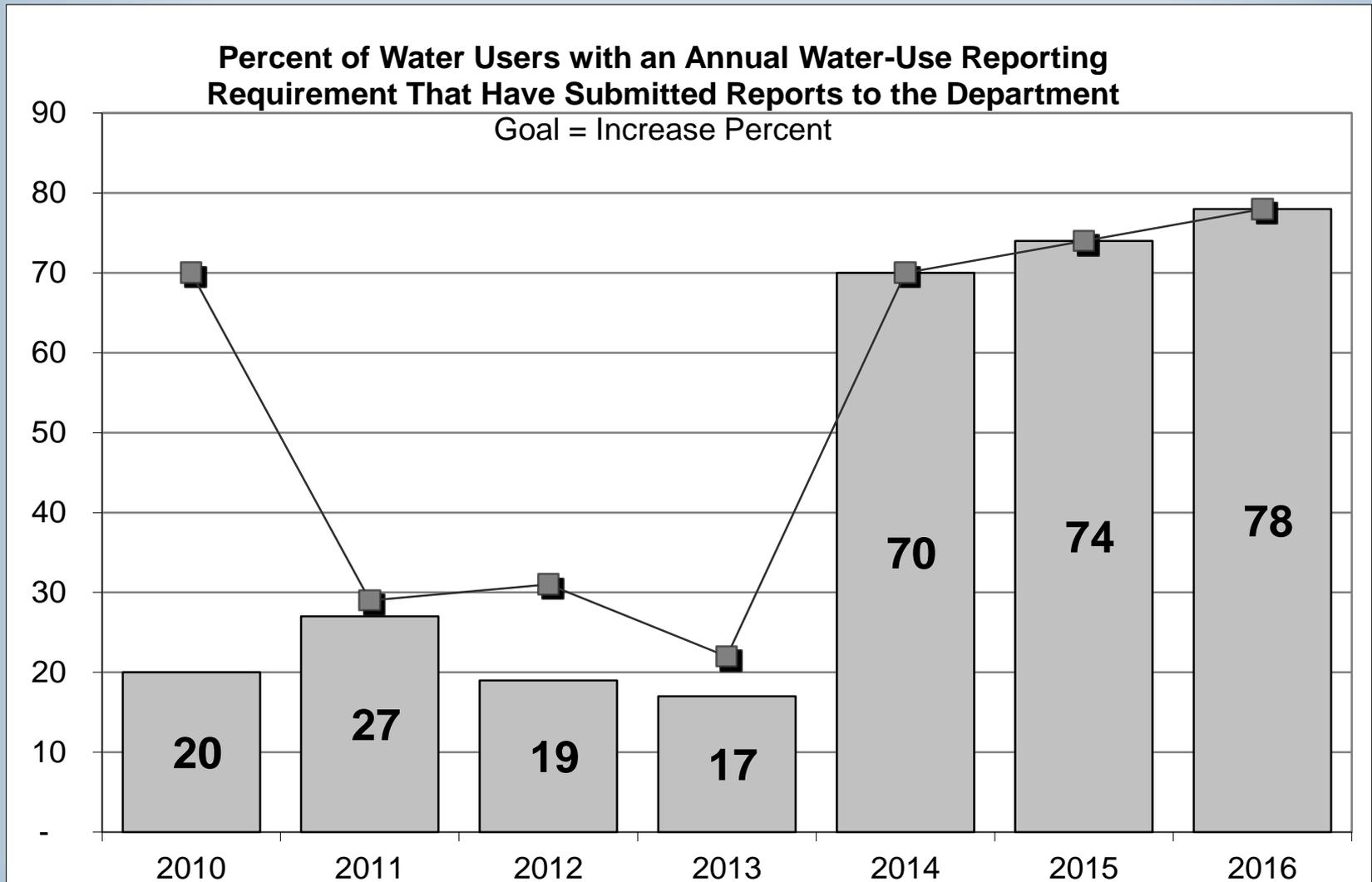
Chapter 2: KPM 12

EFFICIENCY IN FIELD REGULATORY ACTIVITIES



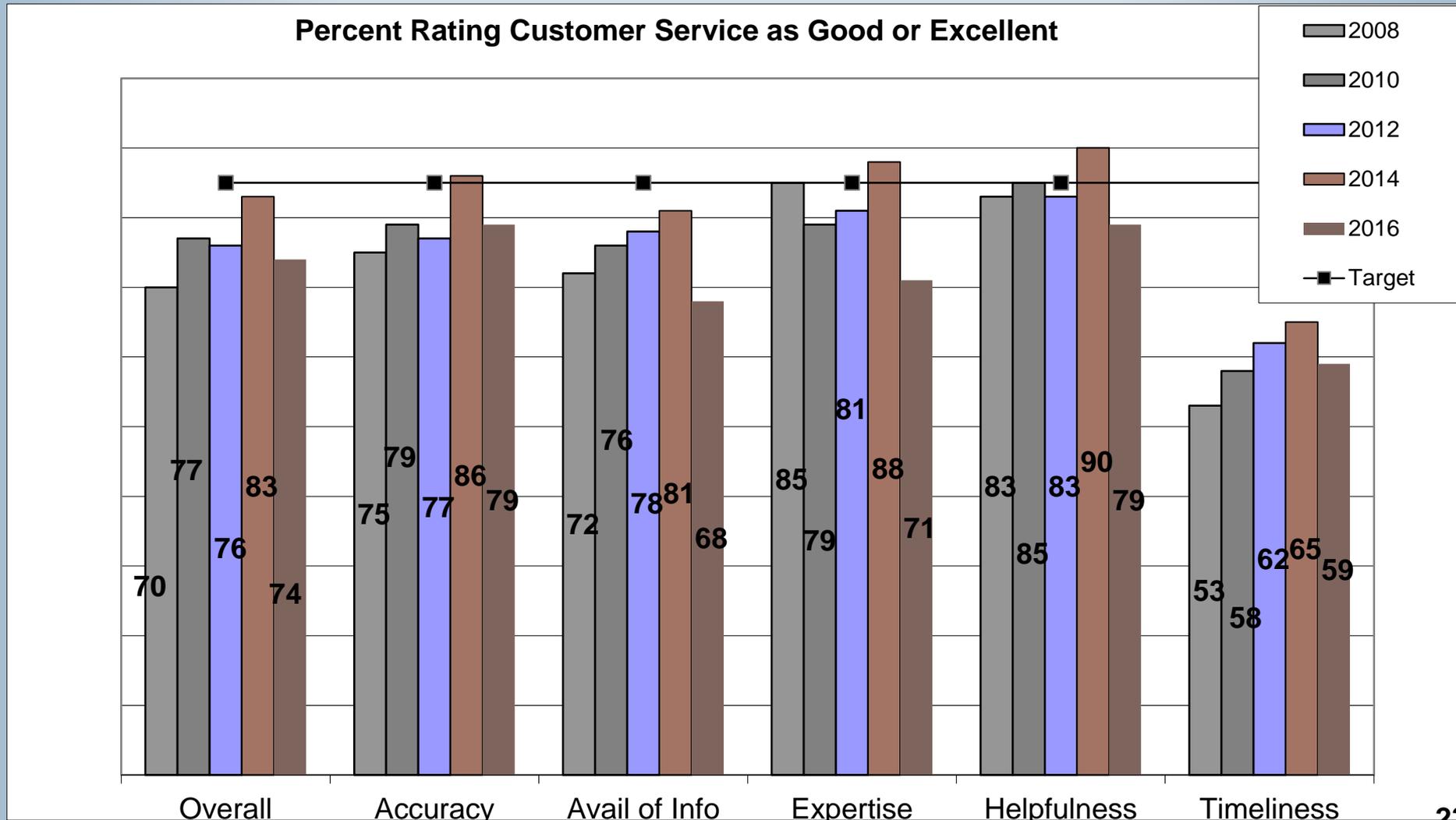
Chapter 2: KPM 13

WATER USE REPORTING

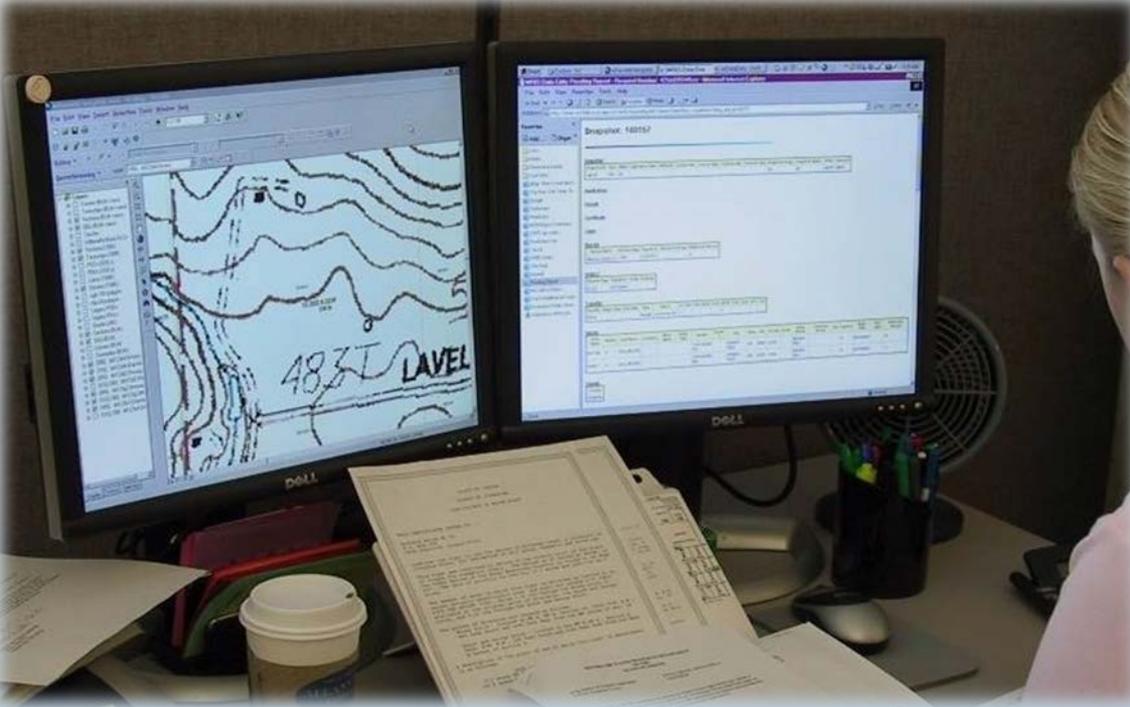


Chapter 2: KPM 14

CUSTOMER SERVICE SATISFACTION



Chapter 3: Divisions and Programs

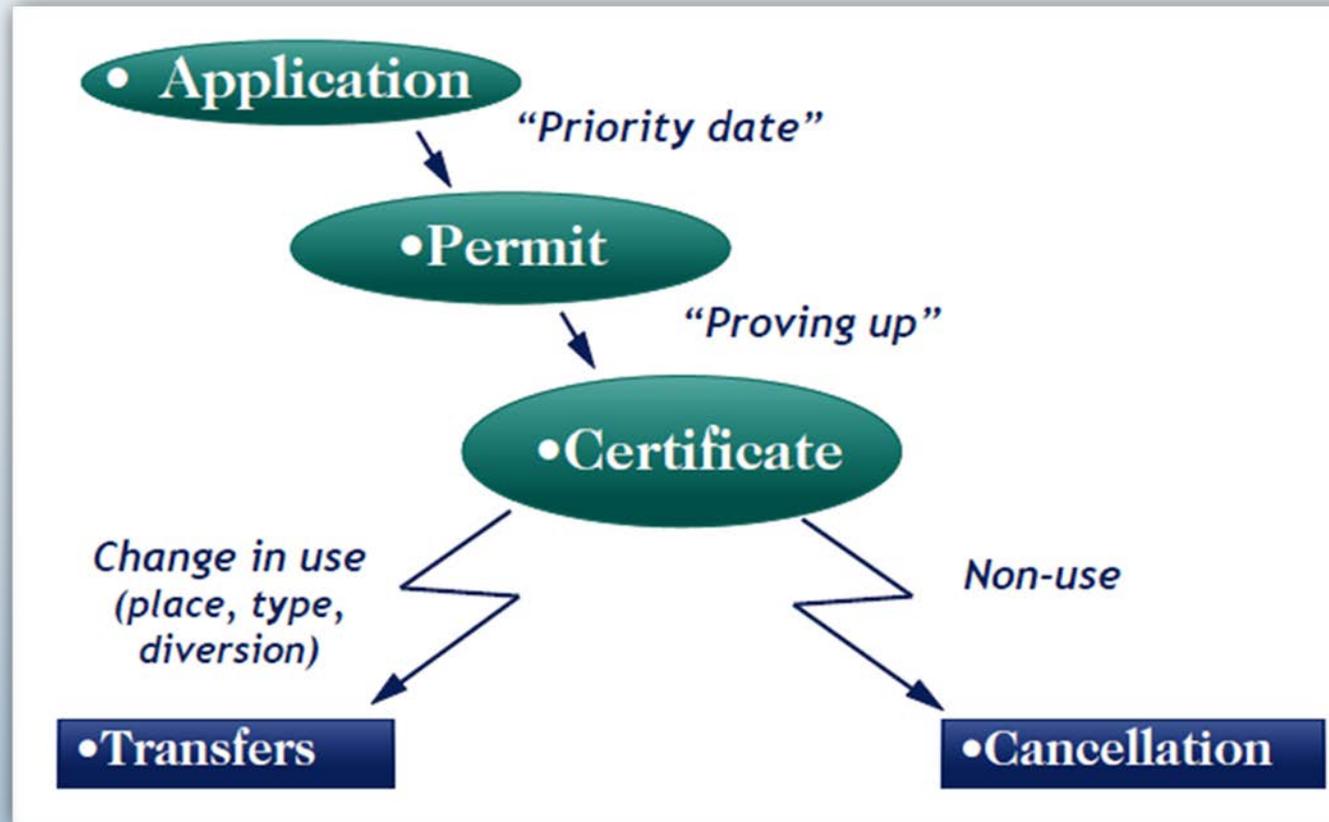


Chapter 3: Agency Organizational Chart



Chapter 3: Water Right Services

- Water right applications
- Extensions
- Protests
- Certificates
- Transfers



Chapter 3: Water Right Services

- Adjudications
- Streamflow restoration and conservation
- Water management and conservation plans
- Hydroelectric



WATER MANAGEMENT AND CONSERVATION PLANS

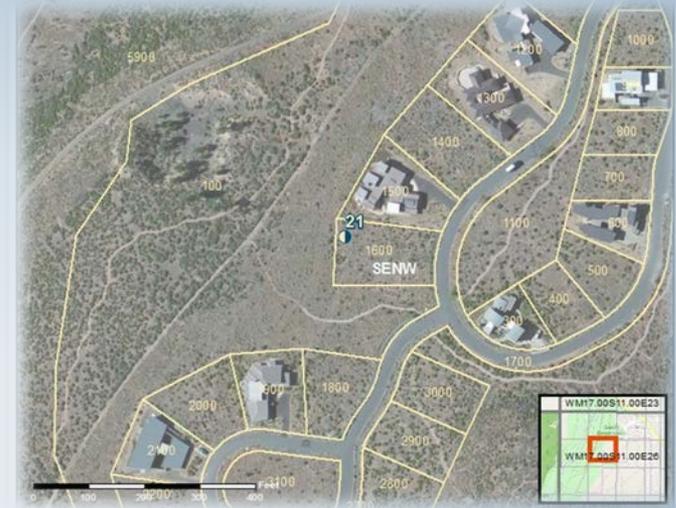
OAR DIVISION 690, CHAPTER 86

A Guidebook for Oregon Municipal Water Suppliers
March 2015 (2nd Edition)



Chapter 3: Technical Services Division

- Information Services
- Surface Water Science
- Groundwater Science



Measuring streamflow in the Williamson River, Klamath Basin (K. Morris)



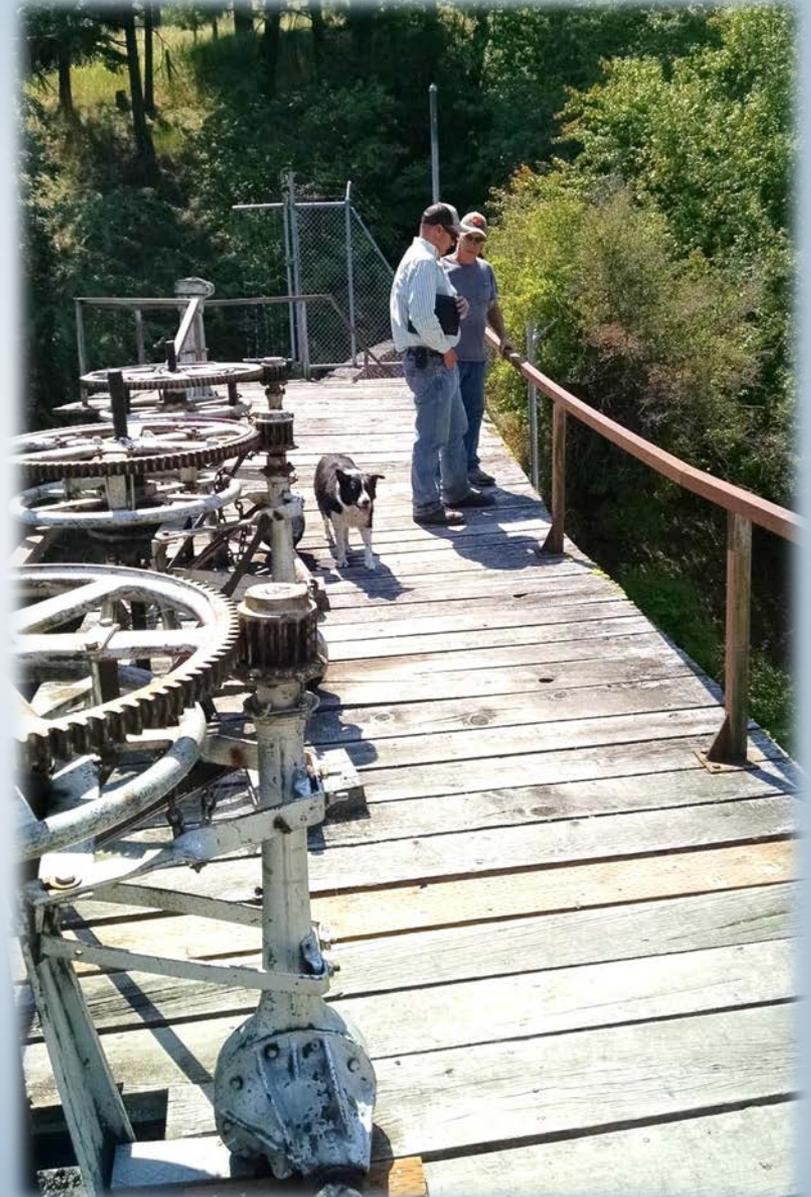
Chapter 3: Technical Services Division

- Dam Safety
- Well Construction & Compliance



Chapter 3: Field Services Division

- **Water management and distribution**
- **Hydrologic measurements and dam inspections**
- **Community outreach and education**



Chapter 3: Field Services Division



Chapter 3: Director's Office

- Agency Policy Direction & Strategy
- Intergovernmental Relations
- Communications
- Performance Improvement
- Water Resources Development Program



Chapter 3: Administrative Services Division

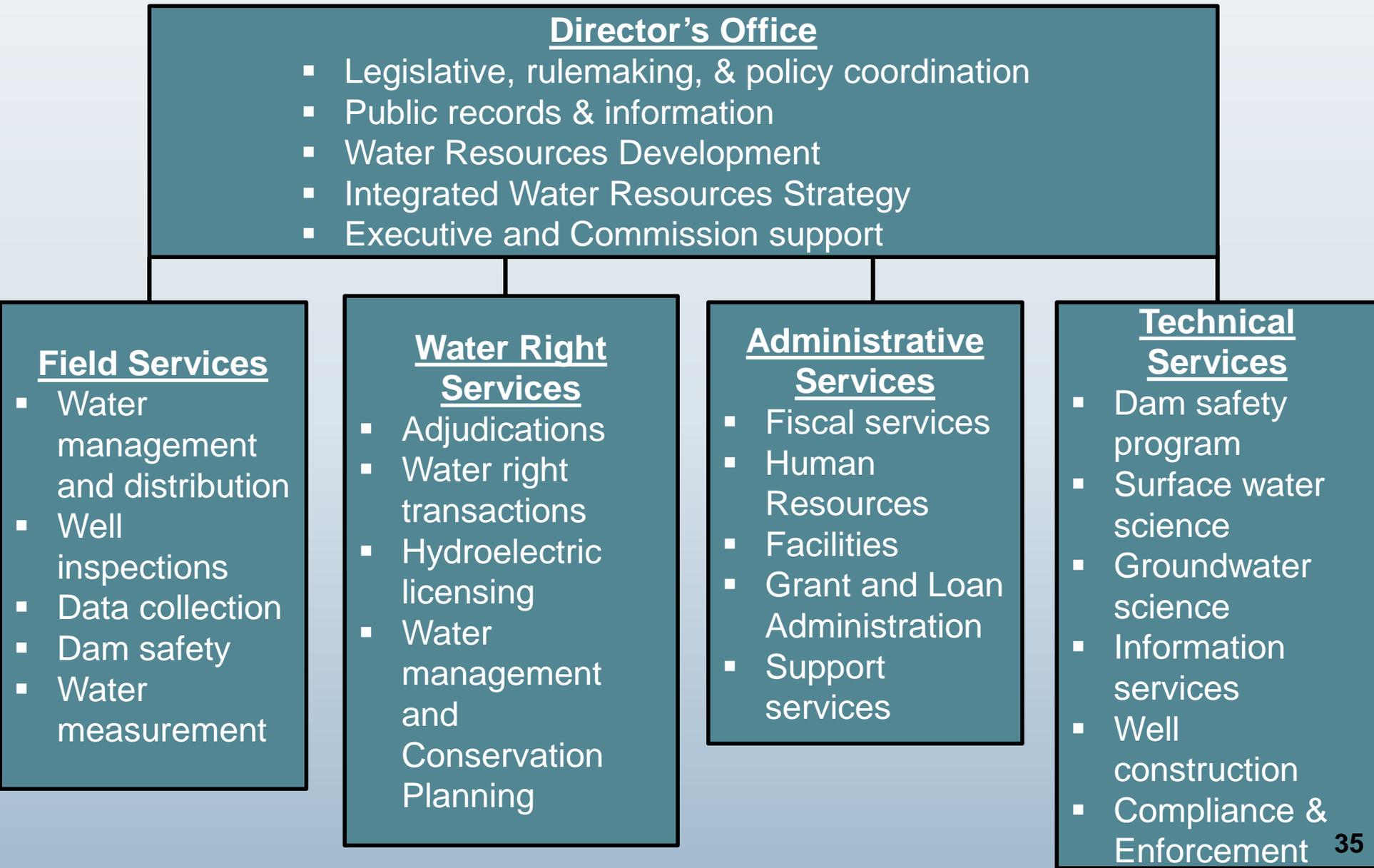
- Grant and Loan Administration
- Fiscal Services
- Human Resources
- Business Services



Chapter 4: Budget Drivers



Chapter 4: Integration in the Delivery of Services



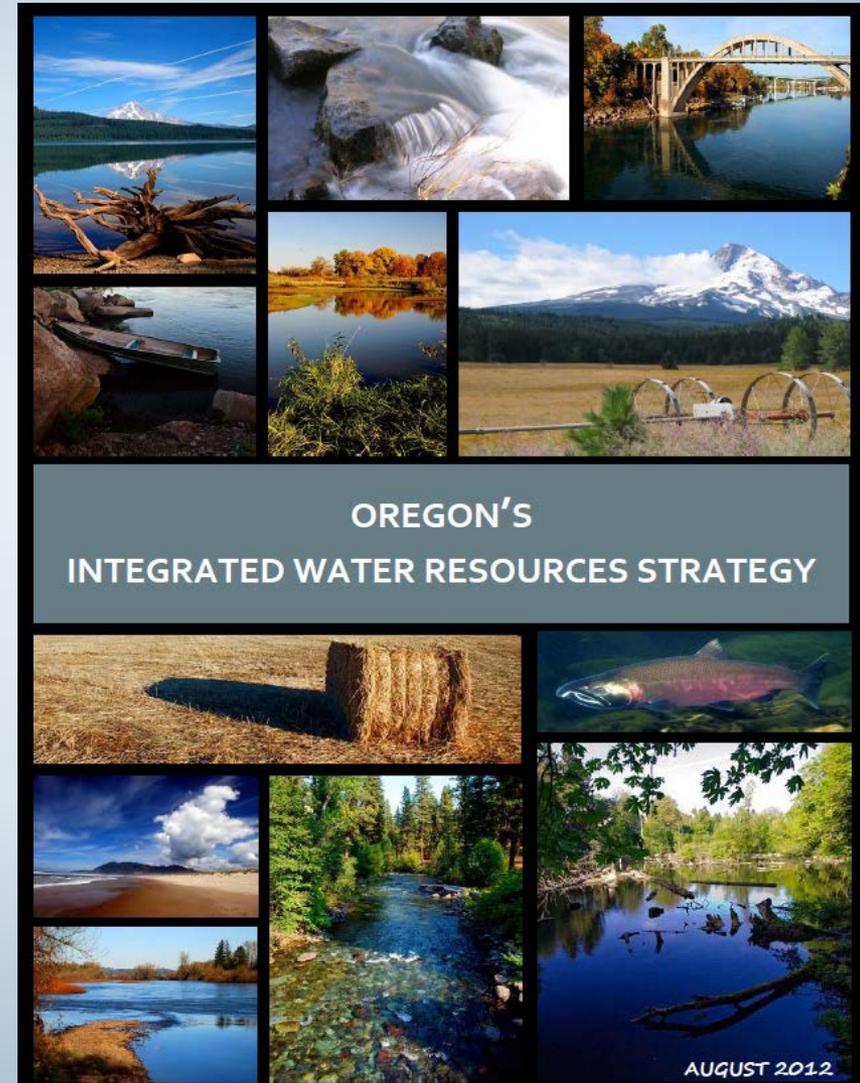
Chapter 4: Strategy

Integrated Water Resources Strategy

- **HB 3369 (2009)**
- **Adopted in 2012**
- **Actively working on implementation**
- **Next update due in late 2017**

Strategic Plan

- **Prioritize IWRS actions and agency work**
- **Organizational improvements**



Chapter 4: Complex History

- Oregon's water quantity agency
- Founded in 1905
- 1909 Water Code
- No Federal counterpart

Shiort Tail Gulch

Notice

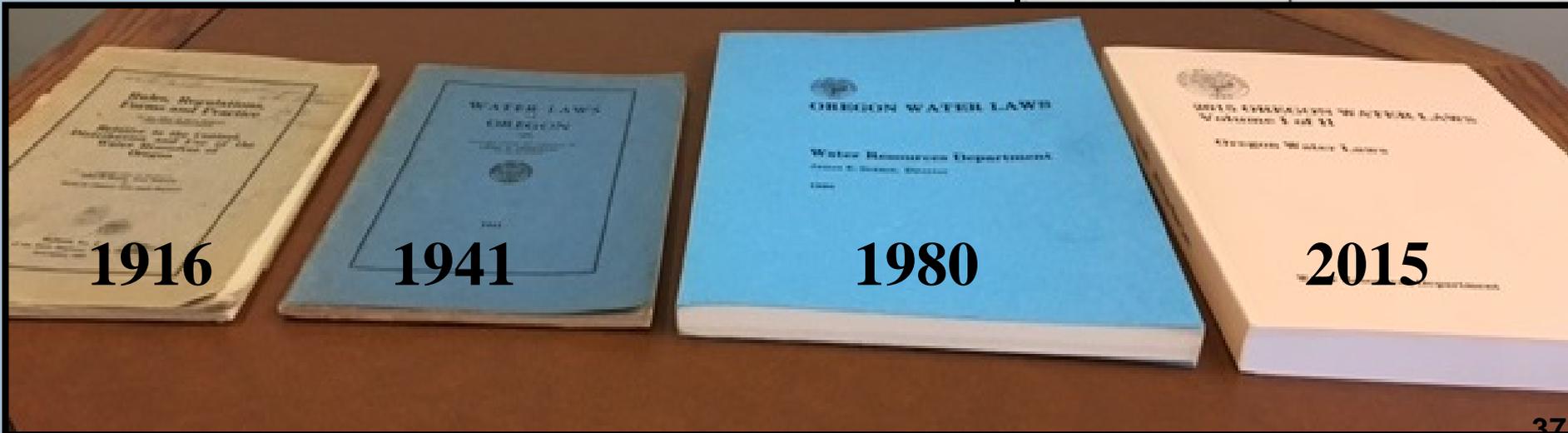
Is hereby given that I the undersigned have this day taken up and claim five hundred acres of the ^{waters of the} Gulch known as Shiort Tail Gulch and all its tributaries for Mining Mechanical and Agricultural purposes

Dated May 30th 1878

Baker County

Oregon

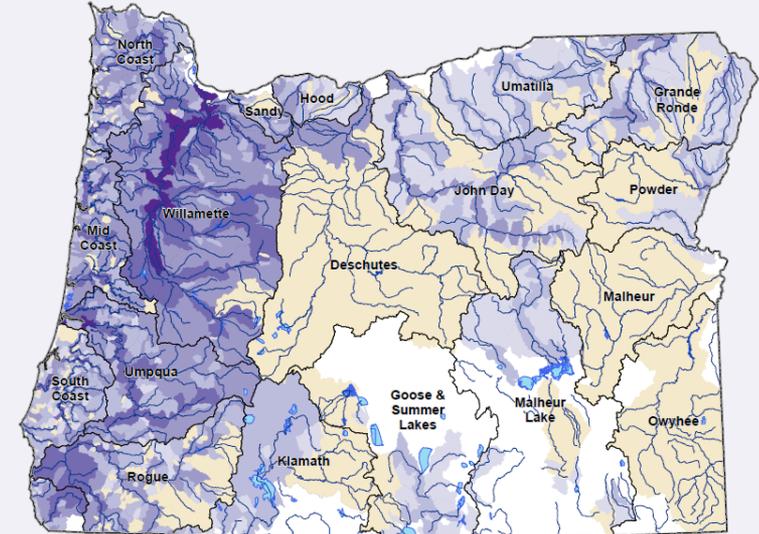
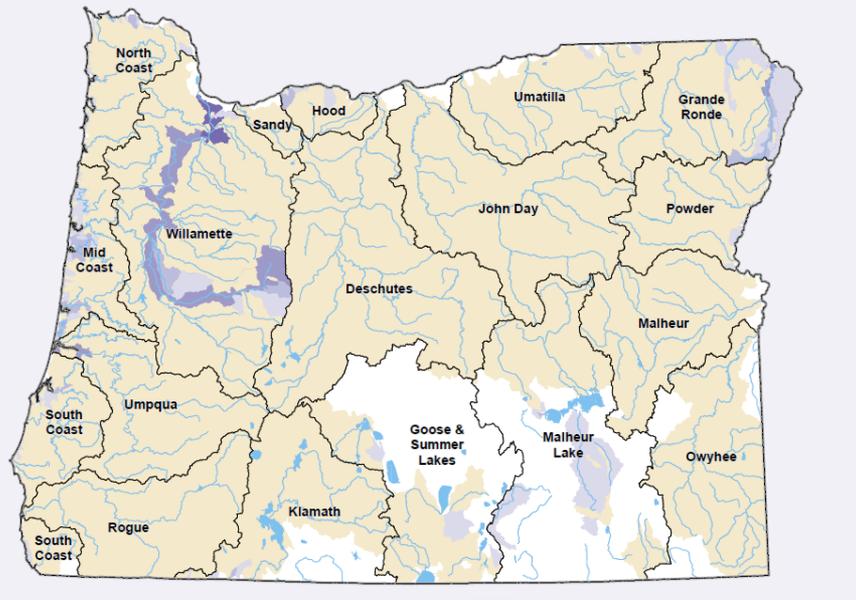
Wm Blair



Chapter 4: Available Surface Water

Water availability for live flow allocation in August

Water availability for storage in January



**August Available Streamflow
Calculated at 80% Exceedance**

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Surface Water Bodies
Lakes
Streams
Administrative Boundaries
OWRD Basins

Available Streamflow (CFS)
No Data
No Water Available
0.1 - 10
10.1 - 100

100.1 - 1000
1000.1 - 10000
>10000



**January Available Streamflow
Calculated at 50% Exceedance**

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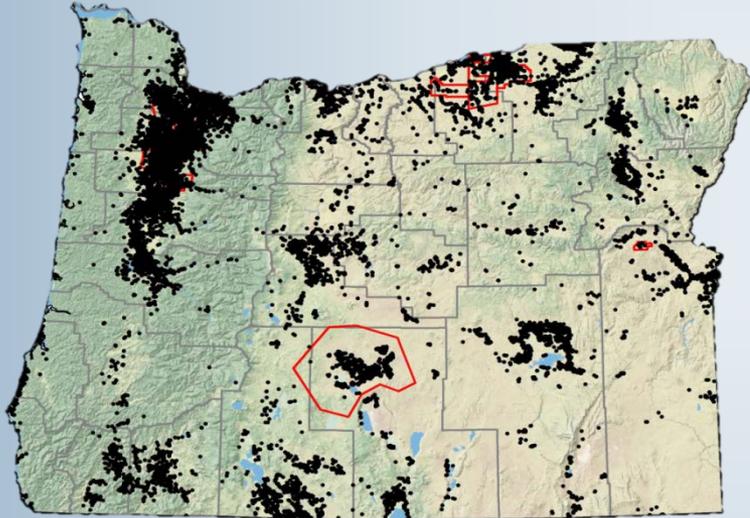
Surface Water Bodies
Lakes
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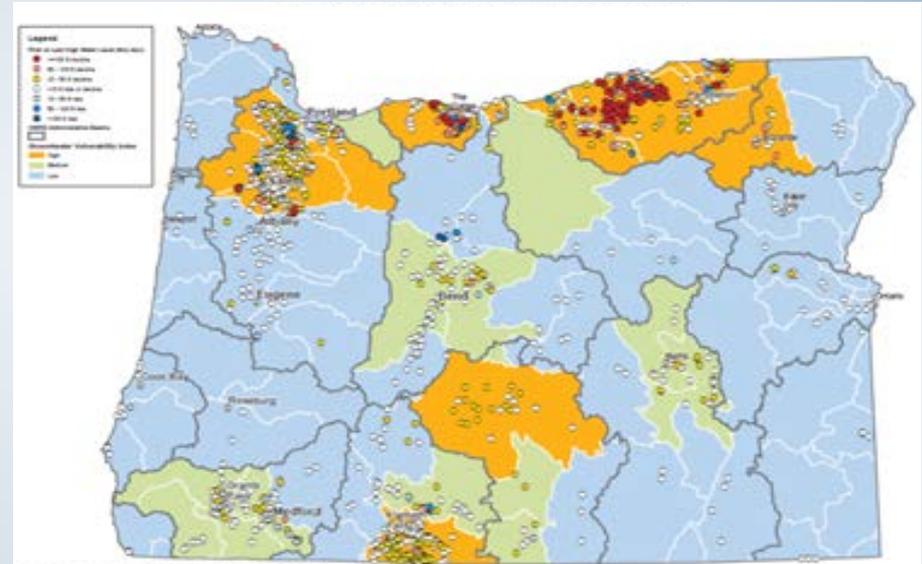
100.1 - 1000
1000.1 - 10000
>10000

Chapter 4: Status of Groundwater

Groundwater Permitted Water Right Wells

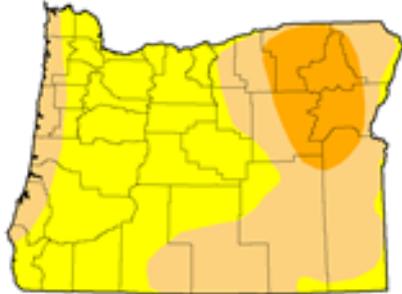


Groundwater Areas of Concern



Chapter 4: Drought

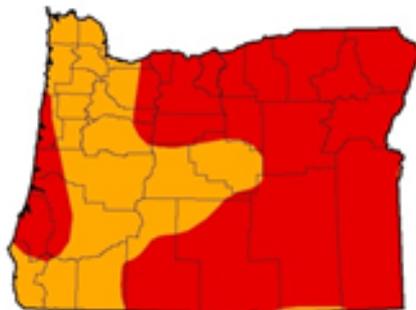
August 9, 2016



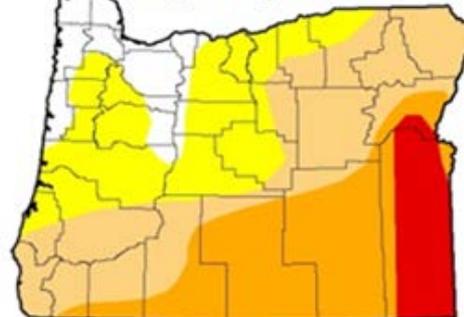
August 5, 2014



August 25, 2015



August 6, 2013



Drought is not an abnormal occurrence

2016 Drought Task Force

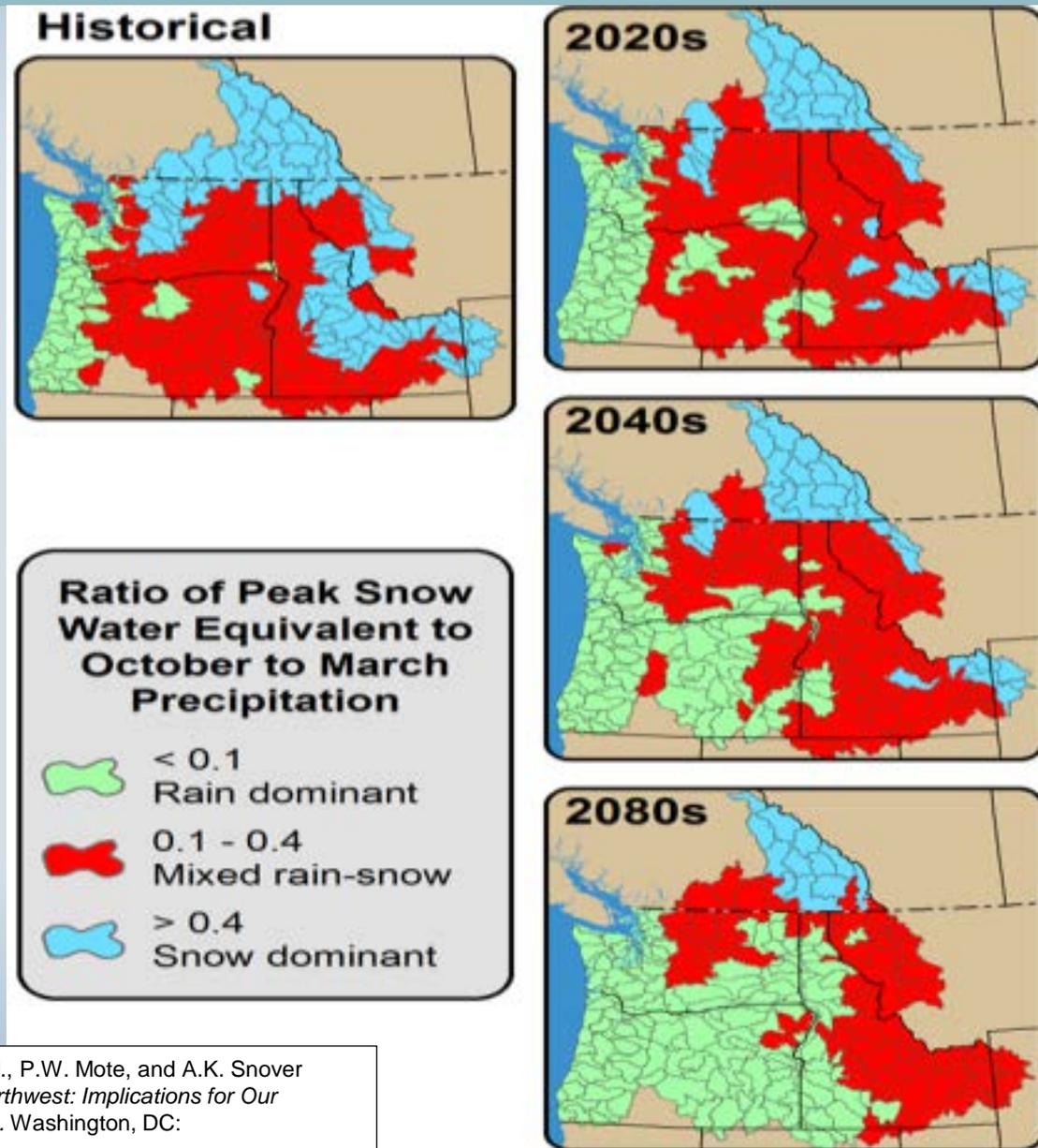
- **13 Recommendations**

Intensity:

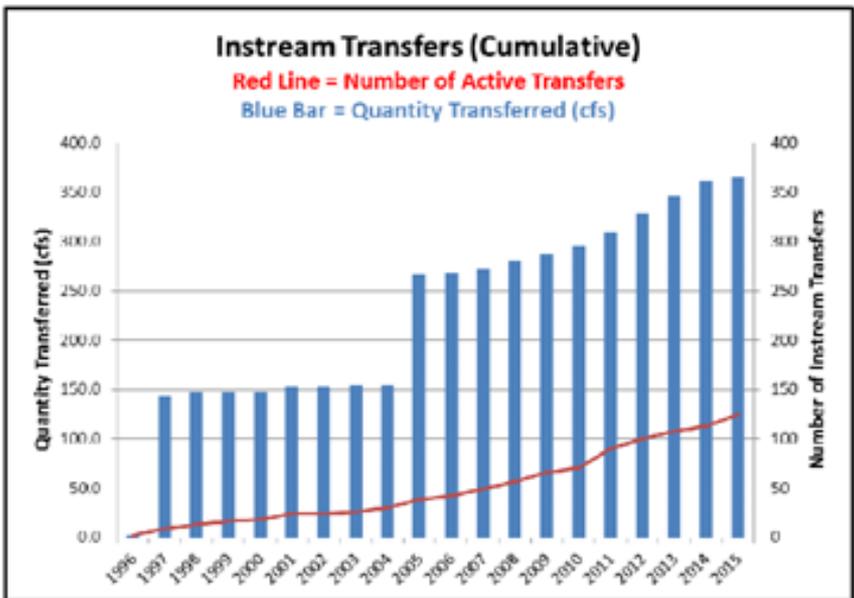
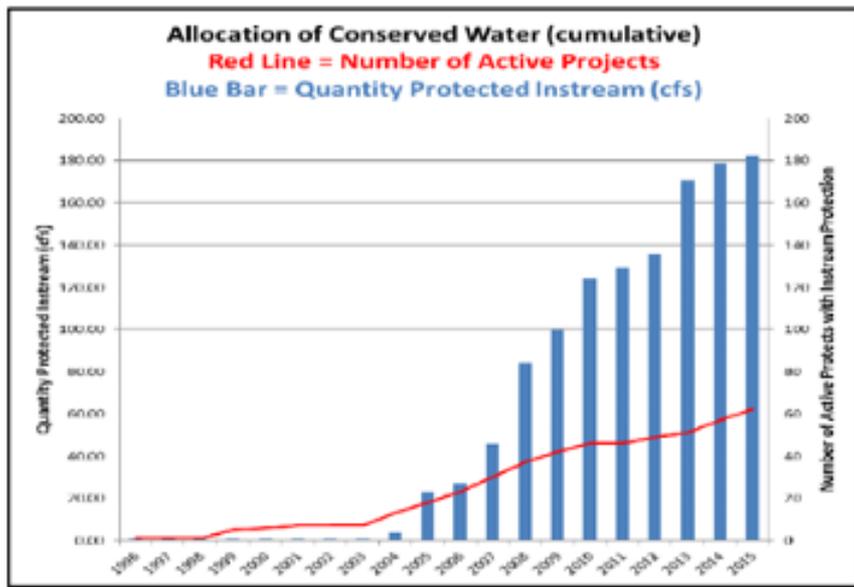
■ D0 - Abnormally Dry
■ D1 - Moderate Drought
■ D2 - Severe Drought

■ D3 - Extreme Drought
■ D4 - Exceptional Drought

Chapter 4: Impacts of Climate – Changing Snowpack



Chapter 4: Restoration and Protection of Streamflows



- Processing New Instream Water Right Applications
- Processing allocations of conserved water, leases, and instream transfers
 - Working with OPRD on new State Scenic Waterways
 - 2016 Chetco and Mollala

Chapter 4: Other Budget Drivers

- **Marijuana Inquiries and Complaints**

- **Increases in water rights, customer service, field, and technical staff workloads**



- **Increased Litigation**

- **Litigation takes time: results in long-term impacts on agency costs and staff workloads**
- **4 new cases filed July 2011 - June 2013**
- **13 new cases filed July 2013 - June 2015**
- **13 new cases filed July 2015 - June 2016**

Chapter 4: Meeting Future Needs

- **Water Resources Development Program**
 - **Place-Based Planning**
 - **Feasibility Study Grants**
 - **Water Project Grants and Loans**
- **Other Grant and Loan Funding**
 - **Water Supply Fund**
 - **Water Development Loan Fund**



Place-Based Planning



Feasibility Studies



Water Projects

Authorization

2015 – Place-Based Planning
(SB 266)

2008 – Water Conservation,
Reuse and Storage Grant
Program (SB 1069)

2013 – Water Supply
Development Account
(SB 839)

Chapter 4: Place Based Planning

- **2015-2017 biennium**
 - **\$750,000 in Lottery Bonds**
 - **Awarded grants to four pilots – evaluate progress by 2019**



Key Planning Principles

- Locally-initiated and led collaborative process
- Voluntary, non-regulatory approach
- Balanced representation of water interests
- Conducted in partnership with the state
- Addresses instream and out-of-stream needs
- Open and transparent process that fosters public participation
- Builds on and integrates existing studies and plans
- Does not infringe on water rights
- Adheres to IWRS principles and state laws



Chapter 4: Feasibility Study Grants

2015-2017 biennium

- **\$2.7 million available**
- **Awarded \$1.7 million to 23 studies**
- **May 2017 Award**
 - **~\$500,000 Requests**

Eligible Studies

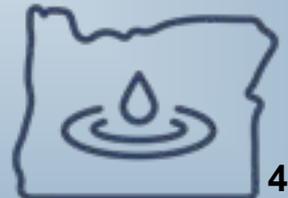
Eligible studies examine the feasibility of water conservation, reuse, and storage projects. Studies may include, but are not limited to:

- Analyses of hydrological refill capacity, water needs, geology, or hydrology
- Engineering and water exchange studies
- Evaluation of financial feasibility;
- Fiscal analysis
- Study of instream ecological flows
- Comparative analyses of alternative means of supplying water, including costs and benefits
- Analyses of environmental impacts or public benefits
- Hydrological analyses
- Evaluation of water quality impacts



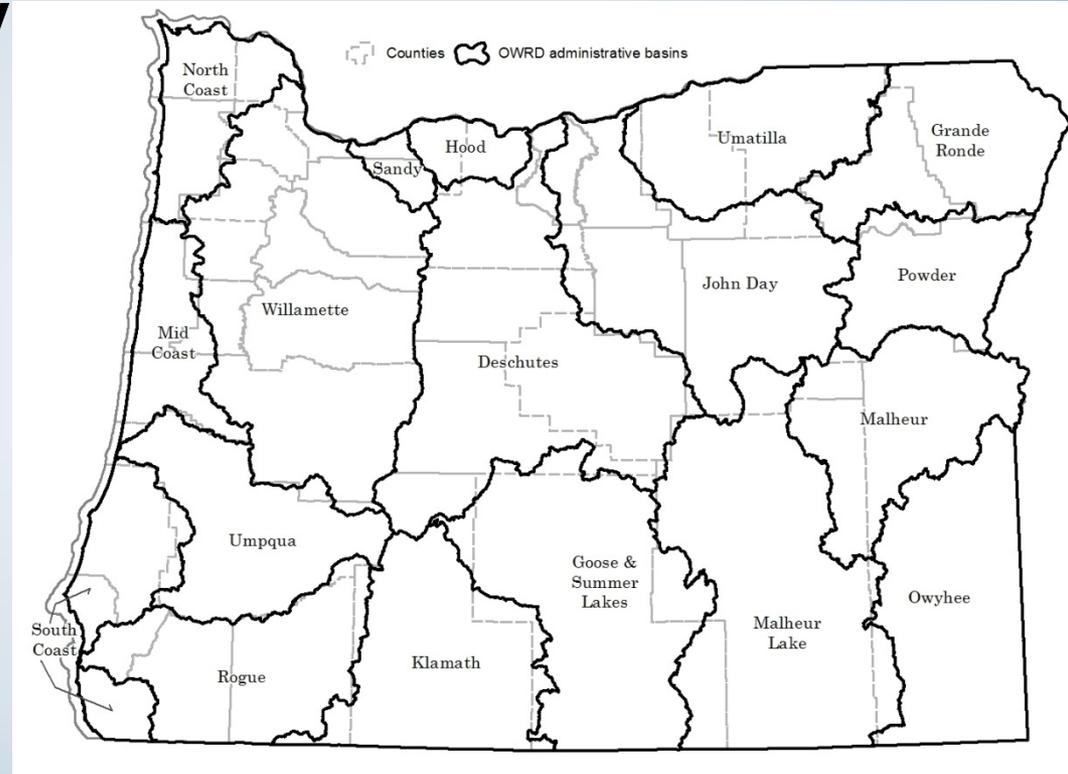
Chapter 4: Water Projects Grants and Loans

- **Senate Bill 839 (2013) - Water Supply Development Account**
 - **Water Projects Grants and Loans – Social, Cultural and Economic Benefits**
 - **Required a series of workgroups, task forces, and rulemaking**
 - **\$14 million Lottery Bonds 2013 and 2015**
- **2016 Offering**
 - **\$50 million in requests**
 - **May 2016 awarded \$8.89 million in grants**
- **2017 Offering**
 - **\$5 million remaining**
 - **Award in the fall 2017**



Chapter 4: Other Efforts to Address Communities' Water Challenges

- **The Umatilla Basin**
 - **\$11 million in Lottery Bonds (2015)**
- **The Deschutes River Basin**
 - **\$750,000 Lottery Bonds (2013)**
- **The Klamath Basin**
- **The Willamette Basin**
 - **\$1.5 million Lottery Bonds (2013)**



Chapter 4: Other Efforts to Address Communities' Water Challenges

- **Walla Walla Subbasin Groundwater**
- **Greater Harney Valley Basin Groundwater Study**
- **Mosier Well Repairs**
 - **\$1 million in Lottery Bonds (2015)**



Chapter 4: Process Improvements

- **Summary of process improvements this biennium**
 - **Groundwater database**
 - **Online credit card payments**
 - **Updated water rights document generator**
 - **Human resources and payroll shared services**
- **Looking to the Future**
 - **Launching a strategic planning effort**
 - **Developing a long-term groundwater work plan**
 - **Conducting a review of KPMs**
 - **Assessing field staff workloads**
 - **Evaluating water use measurement programs**

Chapter 5: Governor's Budget and Legislation



Chapter 5: Governor's Recommended Budget

	2013-15 Legislatively Adopted Budget	2015-17 Legislatively Adopted Budget	2015-17 Legislatively Approved Budget (Feb Session)	2017-19 Governor's Budget
General Fund	\$ 26,504,946	\$ 29,622,753	\$ 31,185,564	\$33,492,069
Other Funds (Including Fees)	10,626,121	13,469,293	13,777,317	16,221,553
Other Funds (Grants and Loans)	23,920,890	60,476,515	60,476,515	58,050,000*
Lottery Funds	574,025	2,511,482	2,511,482	8,941,302
Federal Funds	1,272,735	1,302,403	1,312,338	1,871,695
Total Funds	\$ 62,898,717	\$ 107,382,446	\$ 109,263,216	\$118,576,619
Full-Time Equivalent (FTE)	154.80	162.58	163.25	171.72

Chapter 5: Protecting Public Safety and Water Supplies

Package #102

Protecting the Public and Water Supplies through Dam Safety Inspection

1 FTE - \$123k OF & 123k FF

- **Protects public safety and water storage capacity of dams through the addition of 1 dam safety engineer funded by federal (FF) and other funds (OF) to conduct dam inspections, assess dams' ability to pass flood flows, and review hazard ratings.**
- **IWRS Recommended Action #7a**

Chapter 5: Protecting Public Safety and Water Supplies

Package #103

Protecting Groundwater Resources through Well Construction

\$40k OF expenditure limitation; Fee revenue \$88k OF

- **Reclassifies six well inspectors (\$40k total) to recruit and retain individuals with skills necessary to perform the duties of the position and protect water users and groundwater**
- **Increases Other Funds limitation related to proposed fees**
- **IWRS Recommended Action #12a**

Chapter 5: Helping Meet Current and Future Water Needs

Package #104

Helping Communities Plan for Water Needs through Place-Based Planning and Feasibility Studies

1 FTE - \$204k GF

- **Adds one place-based planning and grants coordinator to allow the state to continue to work with communities piloting place-based planning, as well as administer and evaluate feasibility study grants**
- **Department had .75 FTE grants coordinator and 1 FTE place-based planning coordinator limited duration positions in 2015-17 biennium**
- **IWRS Recommended Actions #9a, 13a**

Chapter 5: Helping Meet Current and Future Water Needs

Package #109

Grants to Evaluate the Feasibility of Potential Water Projects

\$2.0m LB - \$52k for cost of issuance

- **Helps meet Oregon's water needs by providing \$2 million in Lottery Bonds for grants to assess the feasibility of developing water conservation, reuse or storage projects (SB 1069)**
- **IWRS Recommended Action #13c**

Chapter 5: Helping Meet Current and Future Water Needs

Package #110

Grants and Loans to Implement Water Projects

\$30m LB; \$2.95m cost of issuance and debt service

- **Helps meet Oregon's current and future water needs by recapitalizing the Water Supply Development Account (SB 839 - 2013) to provide grants and loans to develop water resources projects that have economic, environmental and community benefits**
- **To date, demand has exceeded available funding**
- **IWRS Recommended Actions #10a, 10b, 10c, 10e, 11b**

Chapter 5: Supporting Water Resources Management and Permitting Decisions

Package #100

Sustaining Current Service Levels: Water Rights Transactions and Dam Safety Fee Schedule Increase and Add-Back Package

2.5 FTE (add back); Fee revenue \$838k

- **Last modified in 2013, the Department's existing water right transactions and dam safety fee schedule sunsets June 30, 2017 and reverts to 2009 levels**
- **Increases the current fee schedule by 15.88% to maintain the current level of services through 2021, based on projected costs supplied by the Department of Administrative Services**
- **IWRS Recommended Action #13b**

Chapter 5: Supporting Water Resources Management and Permitting Decisions

Package #101

Understanding our Water Resources: Basin Study Team

4.40 FTE; \$1.8m GF

- **Data is essential for long-term management of groundwater**
- **Provides resources (\$300k groundwater studies, \$100k geologic mapping, \$500k observation wells, and 5 staff) to conduct basin studies**
- **Helps address data backlogs in the groundwater and surface water sections, allowing applications to be processed more timely**
- **IWRS Recommended Actions #1a, 1b**

Chapter 5: Supporting Water Resources Management and Permitting Decisions

Package #105

Enhanced Water Management in the Field

4.40 FTE; \$1m GF

- Adds three assistant regional watermasters and one Northwest Region hydrotech to help manage and distribute water, and improve data collection
- Reclasses five hydrotechs; the alternative is to remove duties and responsibilities
- Adds one field conservation coordinator to conduct public outreach, promote water conservation, and increase understanding of Oregon water laws
- Adds \$125k for costs of litigation
- IWRS Recommended Actions #1b, 13b

Chapter 5: Supporting Water Resources Management and Permitting Decisions

Package #106 Payroll Shared Services

\$67k OF

- **Authorizes Department to accept funding from Department of State Lands for payroll shared services, allowing the agencies to efficiently share payroll staff, broaden the knowledge base, establish best practices, and provide backup for staff on leave**

Chapter 5: Supporting Water Resources Management and Permitting Decisions

Package #107

Umatilla Field Presence

5.0 FTE; \$434k OF & \$434k FF

- **Adds three positions funded by Umatilla County and two positions funded by the US Bureau of Reclamation**
 - **5 positions are currently county personnel; under the direct supervision of OWRD**
 - **Umatilla County may be willing to continue with financial support**
 - **Department agreed to seek five state positions, based on the understanding that county and federal funds would support the positions**

Chapter 5: Summary of Legislation

HB 2295: Water Right Transactions and Dam Safety Fee Schedule

- Maintains current staffing to process water right transactions and inspect dams to protect public safety
- Increases the fees by an average of 15.88 percent to account for projected increased costs through 2021

HB 2296 A: Protecting Groundwater through Proper Well Construction

- Helps protect groundwater resources from contamination and waste through proper well construction by increasing the Landowner Permit Application Fee, and increasing the bonding requirements

Chapter 6: Long-Term Vacancies and Reductions



Cultus Creek, LaPine
January 2017

Chapter 6: Budget Reductions

Package #070

Water Rights Transaction Fee Schedule Sunset – Reduction Package

2.50 FTE; \$375k OF

- **Reduces budget to account for rollback of water right transactions fee schedule to 2009 levels**
- **Reduces staff by 2.5 FTE over the biennium**
- **See package 100 containing add-back to maintain current-service level**

Chapter 6: Budget Reductions

Package #090 Budget Reductions

\$2.3m GF

Proposes to reduce current service level by 7 percent, as follows:

- **Eliminates \$805k in general funds for Feasibility Study Grants.**
- **Reduces Cost-Share Measurement Funds from \$107k to \$57k**
- **Reduces general fund budget for new observation wells by \$200k and groundwater study funds by \$188k**
- **Reduces general fund budget for gaging stations by \$120k, leaving \$136k remaining in the fund**
- **Eliminates four general fund administrative positions (\$373k) and one adjudications/water right extension processor (\$150k)**
- **Shifts \$392k for 2 Oregon Plan positions from General Fund to M76 Operating Lottery Funds**
- **Reduces General Fund for services and supplies by \$27k**

Chapter 5: Budget Reductions

Package #091 Service Charge Reductions

\$168k GF, \$44k OF, \$8k FF

- **Reduces budget for State Government Service Charges to account for reductions made to the Department of Administrative Services (DAS) in the Governor's Budget**

Package #092 AG Reductions

\$57k GF, \$2k OF

- **Reduces budget for Attorney General service charges to account for reductions made to the Department of Justice (DOJ) in the Governor's Budget**

Questions?

