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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Ways and Means Full Committee
From: Natural Resources Subcommittee
Re: SB 5542 Water Resources Department

Senator Girod: "SB 5542 is the budget bill for the Water Resources Department. The all-funds budget of \$79,508,274 represents a 2.4% reduction from the current service level. The reduction is primarily accounted for by the elimination of \$2.48 million in Other Funds expenditure limitation for debt service that was erroneously included in the current service level for bonds that were not issued during the 2015-17 biennium, and General Fund reductions to conform to the Co-Chair budget framework.

Anticipated fee revenues, resulting from fee changes included in HB 2295, are recognized in the budget. Additionally, a revenue transfer from the Department of State Lands providing funding for a shared-services position at Water Resources is included. Lottery Funds in the budget are exclusively for debt service.

The budget carries forward \$26 million in Other Funds expenditure limitation for Lottery Bond funded programs including: basin studies for the Willamette and Deschutes river basins; water Supply Development Grants and Loans; feasibility study grants and loans; place-based integrated water resource strategies grants and technical assistance; Umatilla Basin water supply projects; and Mosier Creek area water-well remediation.

The budget authorizes the establishment of a permanent Dam Safety Engineer position that was limited duration in the 2015-17 biennium and authorizes the establishment of five positions in Umatilla County funded from county and federal revenues via contract.

The Natural Resources Subcommittee recommends SB 5542 be amended by the –1 amendment and be reported out do pass, as amended."