

ANALYSIS

Item 55: Water Resources Department Dam Rehabilitation

Analyst: April McDonald

Request: Increase Federal Funds expenditure limitation by \$1,279,408 to implement the Federal Emergency Management Agency Rehabilitation of High Hazard Potential Dams grant and rehabilitate two state regulated dams in poor or unsatisfactory condition.

Analysis: The Federal Emergency Management Agency (FEMA) offers an annual Rehabilitation of High Hazard Potential Dams (HHPD) grant to fund planning, design, and construction assistance for rehabilitation of eligible high hazard potential dams. FEMA’s classification of “high hazard potential” is given to any dam whose failure or mis-operation will cause loss of human life and significant property destruction. The Water Resources Department (WRD) has applied for and received this grant in 2019, 2020 and 2021. WRD followed the interim legislative process for requesting approval to apply for the fiscal year 2022 HHPD grant and received retroactive approval to apply from the September 2022 meeting of the Emergency Board. On September 27, 2022, the Department was awarded \$1,279,408 for rehabilitation of the Big Creek Dam #2, owned by the City of Newport, and Wallowa Lake Dam, owned by the Wallowa Lake Irrigation District. These projects were selected based on the level of risk each dam poses to public safety and the owner’s readiness to complete the work.

The Department intends to pass through the funding for these projects via a subrecipient agreement with the dam owners. The grant includes a 35% match requirement which will be met by the City of Newport and the Wallowa Lake Irrigation District. No additional state funds, or position authority are requested or necessary for the Department to implement this grant.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$1,279,408 in the Federal Funds expenditure limitation for the Water Resources Department in a budget reconciliation bill during the 2024 legislative session for implementing the Federal Emergency Management Agency Rehabilitation of High Hazard Potential Dams grant.

55
Oregon Water Resources Department
Crawford

Request: Increase Federal Funds expenditure limitation by \$1,279,408 for the Federal Emergency Management Agency (FEMA) High Hazard Potential Dam grant program.

Recommendation: Approve the request during the 2024 Legislative Session.

Discussion: The Oregon Water Resources Department (WRD) is responsible for maintaining a list of dams regulated by the state. Included in this inventory of over 950 dams is the dam's location, name, permit number, height, storage capacity, and hazard classification. Dam safety is not determined on the condition of the dam itself, but what would occur if the dam were to fail.

Federal grant funding is used to help address high hazard dams in Oregon, specifically FEMA High Hazard Potential Dam (HHPD) grant program.

At the September 2022 meeting of the Emergency Board, WRD was approved to submit a HHPD grant after successfully applying for and receiving it in 2019, 2020, and 2021. However, WRD was awarded more funds than was approved in the legislatively approved budget, necessitating this request. FEMA required additional documentation before releasing the funds, which WRD has now provided. Grant funding is projected to be available beginning in early Spring 2024.

Legislation Affected: Increase the Federal Funds expenditure limitation established by chapter 460, section 4(4), Oregon Laws 2023, for the Oregon Water Resources Department, Technical services, by \$1,279,408 for the 2023-25 biennium.



Oregon

Tina Kotek, Governor

Water Resources Department
725 Summer St NE, Suite A
Salem, OR 97301
(503) 986-0900
Fax (503) 986-0904
www.Oregon.gov/OWRD

December 4, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of the Request

The Oregon Water Resources Department (Department) respectfully submits this letter requesting a Federal Fund expenditure limitation increase in the amount of \$1,279,408 for the fiscal year 2022 Federal Emergency Management Agency (FEMA) High Hazard Potential Dam (HHPD) grant opportunity. The agency submitted a 10-day request on June 13, 2022, applied for the funding on July 13, and submitted a retroactive approval to apply on August 10, which was approved by the September 2022 Emergency Board. The Department has applied for and received this federal grant in 2019, 2020, and 2021 and it is a vital financial resource for our continued work. As a result of the infusion of Infrastructure Investment and Jobs Act (IIJA) funds, in fiscal year 2022 the Department was eligible to receive more funds than what was approved in the legislatively approved budget, thus triggering the need for the letter process. We were notified of the award on September 27, 2022. FEMA placed a funding hold on the award pending submission of all required construction-ready documents and project approval. Documentation was submitted in December 2022, and the Department received a request for additional information from FEMA in June 2023 which the Department has provided. The Department anticipates the award funding being available for expenditure reimbursement beginning in early Spring 2024.

Agency Action

The HHPD grant program funds planning, design, and construction for rehabilitation of state regulated dams in poor or unsatisfactory condition. The grant requires administration by the Department's Dam Safety Program. The grant requirements are consistent with and would support the Department's dam safety activities authorized by ORS 540.443 to 540.491. The grant requires a 35 percent cost match which will be provided by the dam owners of the projects selected for funding. No additional state funds are requested or necessary for the Department to implement this grant. The projects include contract services funding for Big Creek Dam #2 owned by the City of Newport and Wallowa Lake Dam owned by the Wallowa Lake Irrigation District. These projects were selected based on the risk each dam

poses to public safety and the owner's readiness to complete the work. The Department intends to pass through the funding for these projects via a subrecipient agreement with the dam owners. Eligible expenses for this funding opportunity are reimbursable for the period of performance which began in September of 2022.

Action Requested

The Oregon Water Resources Department requests an increase in Federal Fund limitation in the amount of \$1,279,408 to support the activities of this grant award. No additional state funds or position authority are requested.

Legislation Affected

Amend Oregon Laws 2023, Chapter 460 (House Bill 5043), Section 4, Subsection 4, "Technical Services," increasing the federal fund limitation by \$1,279,408 for the 2023-25 biennium.

Thank you for your consideration of this request. For additional information, please contact Lisa Snyder, Administrative Services Division Administrator, at (503) 983-5801.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Woodcock". The signature is stylized and written in a cursive-like font.

Douglas E. Woodcock
Acting Director