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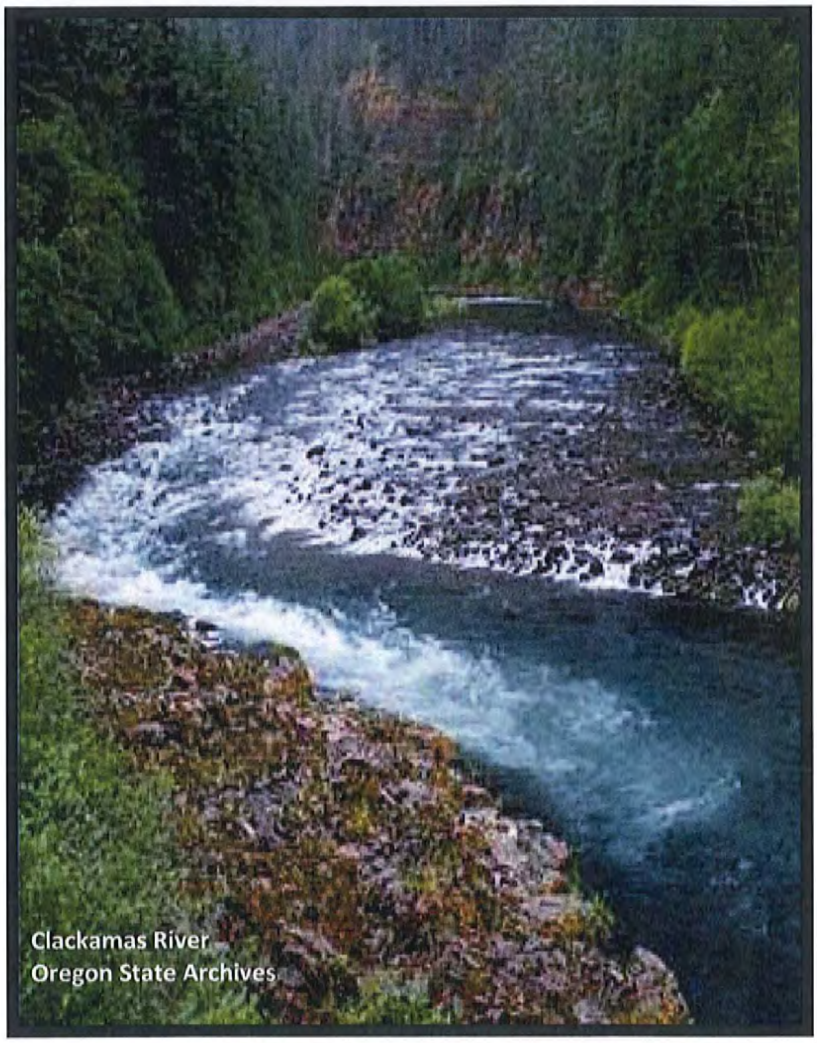
Chapter 1

Agency Overview



Clackamas River
Oregon State Archives

Inside this chapter:

Oregon Water Resources Department

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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 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.

KEY STRATEGIES

- Understand Oregon's Water Resources by:
  - Collecting and providing crucial data about the status of groundwater levels, streamflow, and water needs throughout Oregon.
  - Continuing our Commission's strategy of measuring significant diversions.
  - Forecasting and measuring changing conditions related to climate, land-use and population.
- Meet Oregon's Water Needs, by:
  - Developing an integrated water resource strategy.
  - Assisting with water supply development opportunities.
  - Ensuring that instream needs are met. Providing grants to communities.
- Manage Oregon's Water Resources, by:
  - Upholding Oregon water law.
  - Adjudicating water right claims
  - Ensuring safety in dam and well construction and operation. Processing water rights, permits, transfers and certificates in a timely manner.

KEY BUDGET INVESTMENTS

- Oregon's Integrated Water Resources Strategy
- Stable Department Funding
- Water Supply Development
- Instream Protections

Water Rights Services Division 36.67 FTE

This division processes incoming applications for new water use and permit 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 51.00 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 36.92 FTE

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

Administrative Services Division 12.00 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 manages the Water Development Loan Fund.

Director's Office 8.00 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 144.59 FTE

Chapter 1

Agency Overview

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:

- Phil Ward (Director),
- Jeanne LeJeune (West Side at Large),
- Ray Williams (East Side at Large),
- John Jackson (Chair, Northwest Region),
- Mary Meloy (North Central Region),
- Carol Whipple (West Central Region),
- Charlie Barlow (Vice-Chair, Eastern Region),
- John Roberts (Southwest Region)

Oregon's Water Code

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 certainty to water users, by ensuring a source of water that will support economic investments.

Oregon water law has continued to evolve. For example, in 1955, the Legislative Assembly adopted the state Ground Water Act, placing management of groundwater resources under the purview of the state. Also in 1955, the authorization of basin planning shifted Oregon's focus to planning and management of water resources at the Administrative Basin level. The 1987 Instream Water Right Act has allowed Oregon to protect more water instream than any other western state. Finally, the Allocation of Conserved Water Program—revamped in 1993—allows water users to apply conserved water to new lands, new uses, and instream uses, based on statutory parameters.

Chapter 2

Agency Performance Summary

Multnomah Falls
Multnomah County

Inside this chapter:

Oregon Water Resources Department

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Chapter 2

Agency Performance Summary

overview

The Water Resources Department's most recent Annual Performance Progress Report is provided in Chapter 6, Appendix A. A summary of the Department's overall performance is highlighted here. Strategies, trends, and accomplishments for each of the Department's performance measures are also provided.

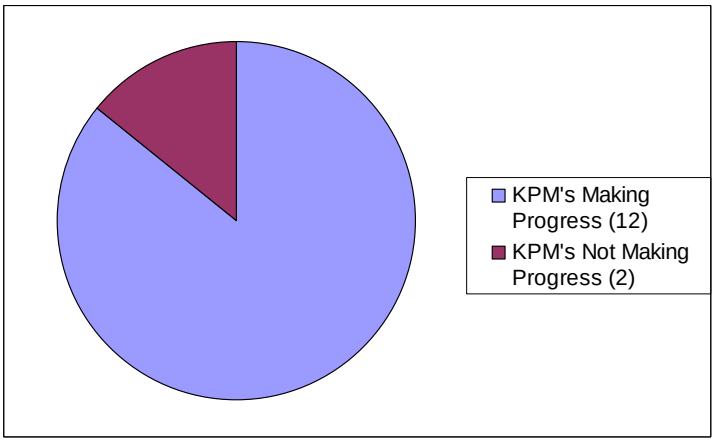
Performance Measure Summary

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 12 out of 14 KPM targets

√ Success in the areas of "process improvement" related to water right applications, transfers, and water management and conservation plans



KPM Progress

KPMs MAKING PROGRESS at, exceeding, or trending toward target achievement	• KPM 1 Flow Restoration • KPM 2 Protection of Instream Rights • KPM 3 Monitor Compliance • 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 10 Promote Efficiency in Water Right Application Processing • KPM 11 Promote Efficiency in Transfer Application Processing • KPM 14 Customer Service
KPMs NOT MAKING PROGRESS not at or trending toward target achievement	• KPM 12 Promote Efficiency in Field Staff Regulatory Activities • KPM 13 Increase Water Use Reporting

Chapter 2

Agency Performance Summary

overview

Discussion of Agency Performance

Process Efficiencies. Generally, the Department continues to make progress, performing at, exceeding, or trending towards its targets. The Water Resources Department has successfully gained process efficiencies in several key areas.

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. Over the years, an extensive backlog had developed in this program of more than 6,000 certificates awaiting processing, with an annual processing rate of less than 400. To address this issue, Department 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. Our current backlog in this area is about 2,500. See page 32 for bar charts, displaying this information.

Additional Process Efficiencies. Similarly, the Department has made significant steps in other processes, using our information technology group to make more information available to water industry professionals and members of the public (See KPM #6 and 7), and reducing the backlog for water right transfers by more than 50 percent (See KPM 11).

Measures of Concern. There are two measures, KPM #12, and 13, that are of significant concern to the Department. They broadly encompass the areas of "Efficiency in Field Staff Regulatory Activities," and "Water Use Reporting." In these cases, performance is affected by decreased funding for staff and increased complexity of the issues.

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.
- Farmers and ranchers Management tool for 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.

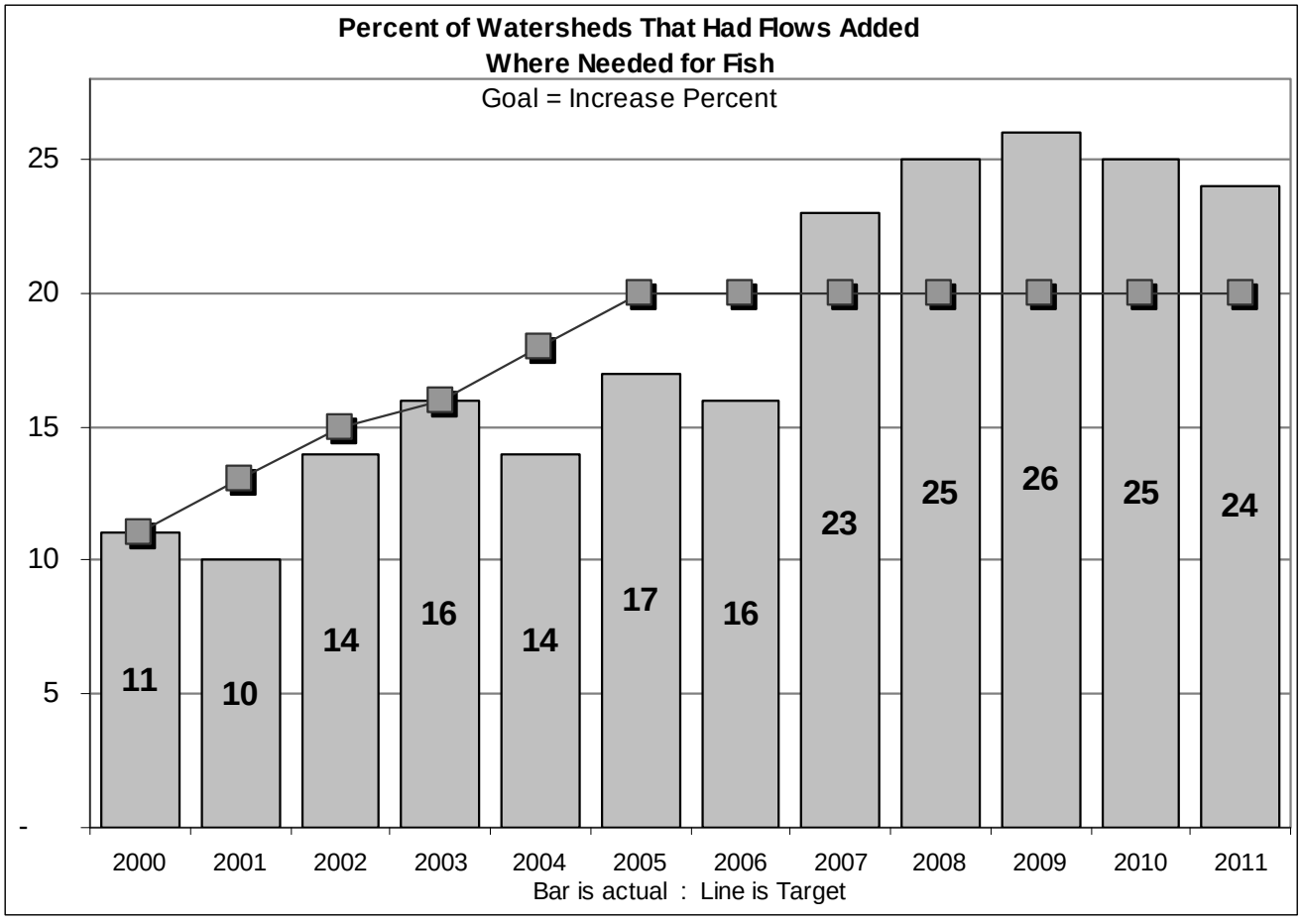
Trends and Accomplishments:

√ 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 330 instream leases, instream transfers, and allocations of conserved water.

√ Half of Oregon's flow restoration work involves a third party such as the Oregon Water 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**

Strategy:

- 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.

Note: The ratio of instream regulatory actions to all regulatory actions is 0.04

Trends and Accomplishments:

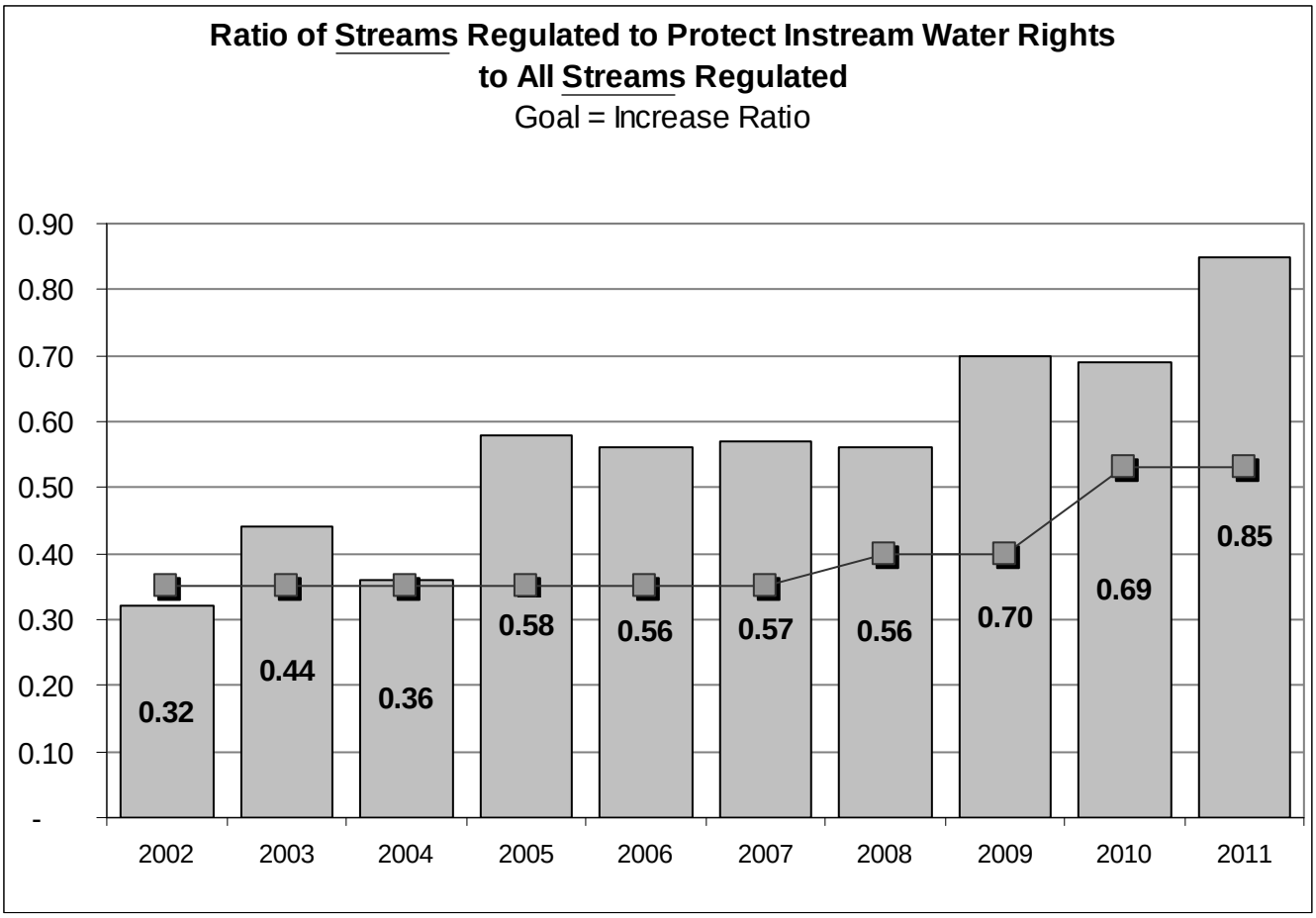
√ Exceeding the target.

√ Adequate field presence is key to instream protection.

√ Ratio varies based on water supply conditions and economic factors.

√ More than 50 percent of water put instream on a permanent basis in Oregon is senior water, with certificates pre-dating Oregon's 1909 water law.

√ More than 50 percent of streams regulated in Oregon are regulated to protect 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:

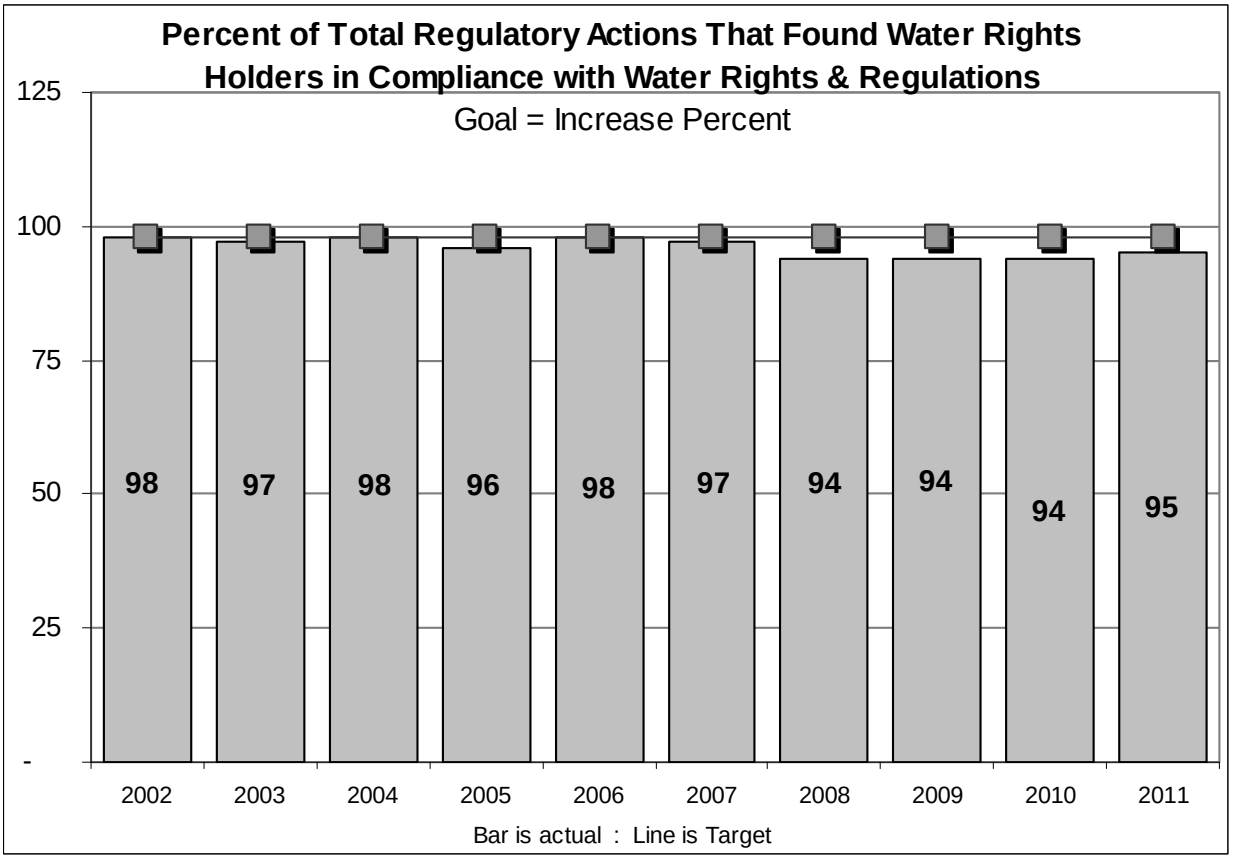
- Utilize watermaster regulatory actions to ensure the distribution of water according to the Doctrine of Prior Appropriation.
- Educate water users about water regulations to achieve voluntary compliance.
- Continue to develop distribution maps and water rights databases.
- Ensure an adequate field presence to maintain a high level of compliance.

Trends and Accomplishments:

√ Making progress towards target. During 2011, more than 8,137 regulatory actions were taken by field staff; 95 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.



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 from this network.
- Pursue funding and partnerships to increase monitoring.
- Provide data online.

In 2012, Oregon had 213 active streamflow gages, compared to 215 in 2001.

Trends and Accomplishments:

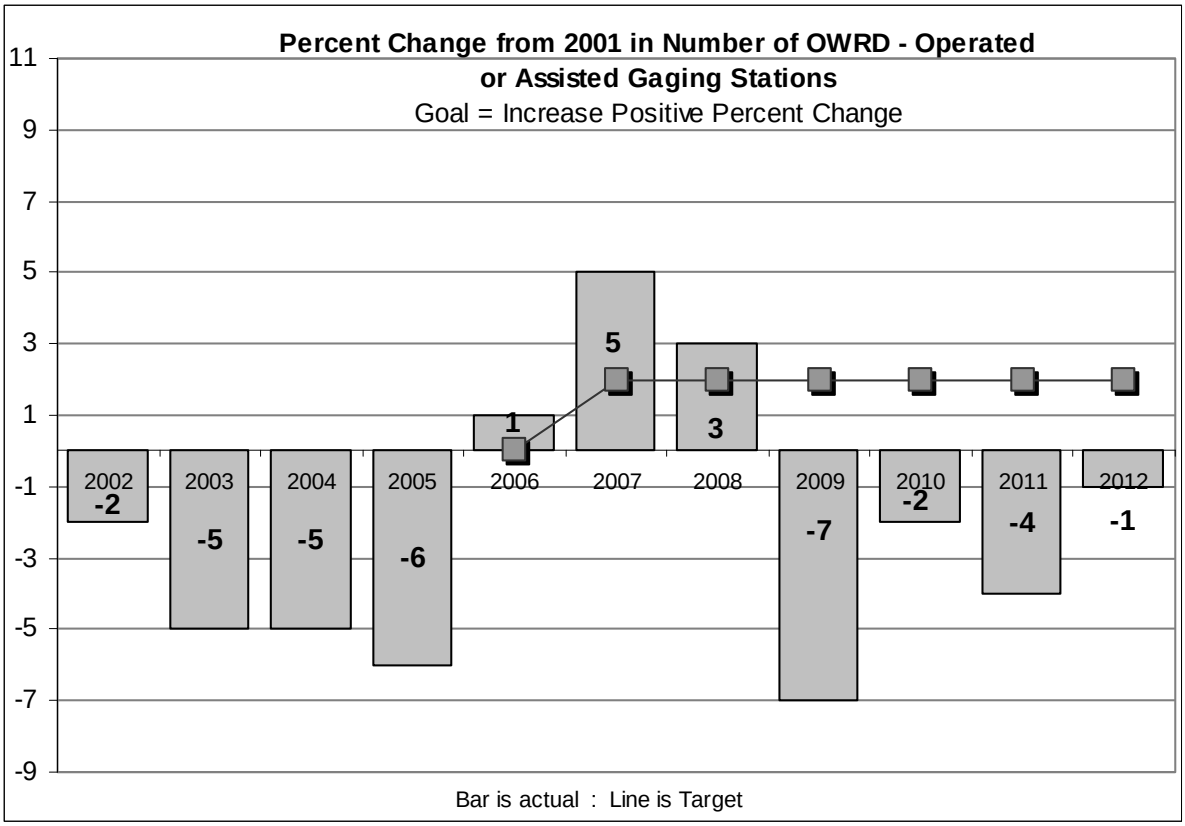
√ Trending toward the target.

√ Number of gages increase with watermaster management needs and local partnership agreements.

√ Continued need for maintenance and periodic replacement, because of aging equipment, harsh environmental conditions, and vandalism.

√ The Department has completed a study identifying gaging needs at key sites needed 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:

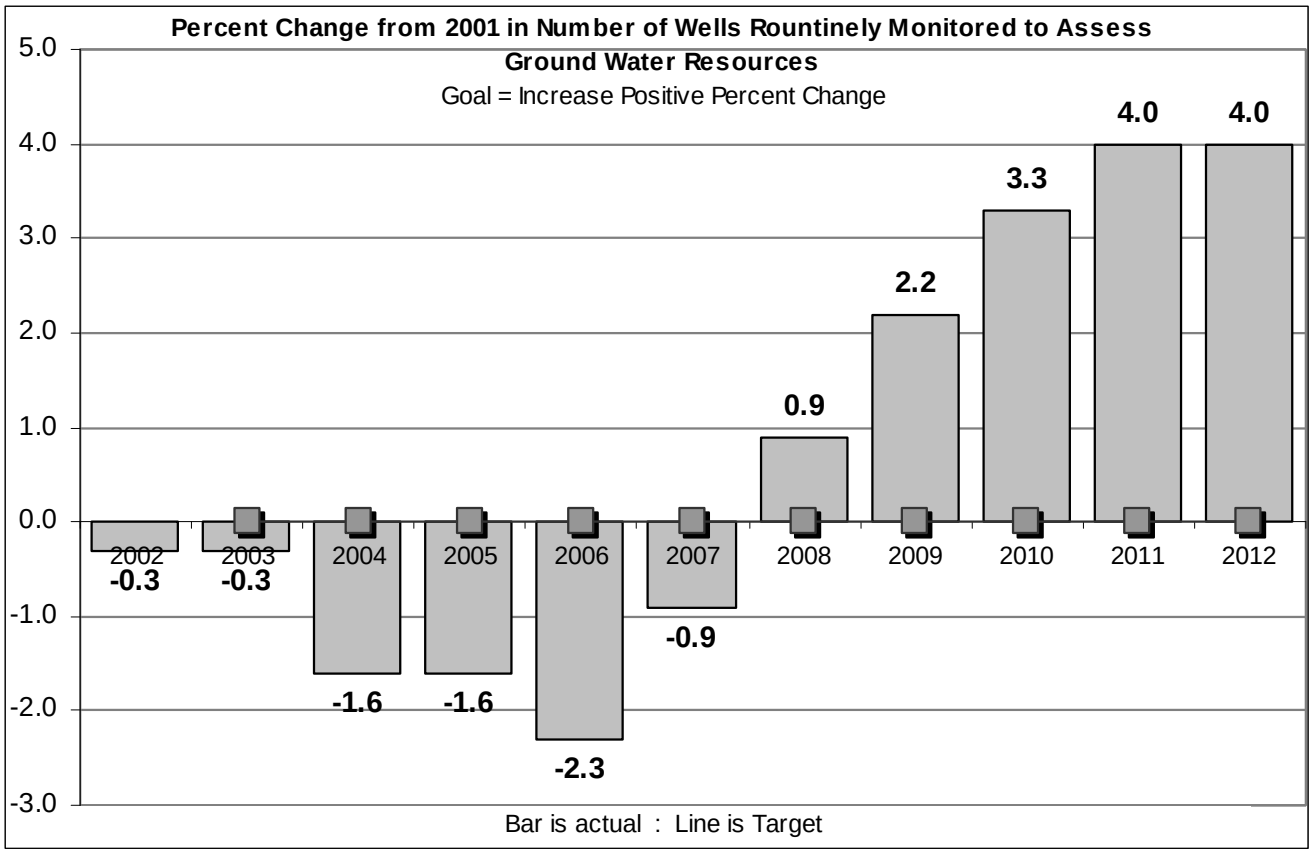
- Use watermasters and other field staff to take measurements and maintain well network.
- Work with the U.S. Geological Survey, U.S. Bureau of Reclamation, and other entities to collect and share data from these monitoring networks.
- Request permission from landowners to gain access to wells and well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

Trends and Accomplishments - Notes

√ The number of wells fluctuates each year, with the Department continuing to request and sign new agreements with landowners.

√ As aging wells are abandoned access to the well is lost and new measuring sites must be secured.

In 2012, Oregon had 363 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.

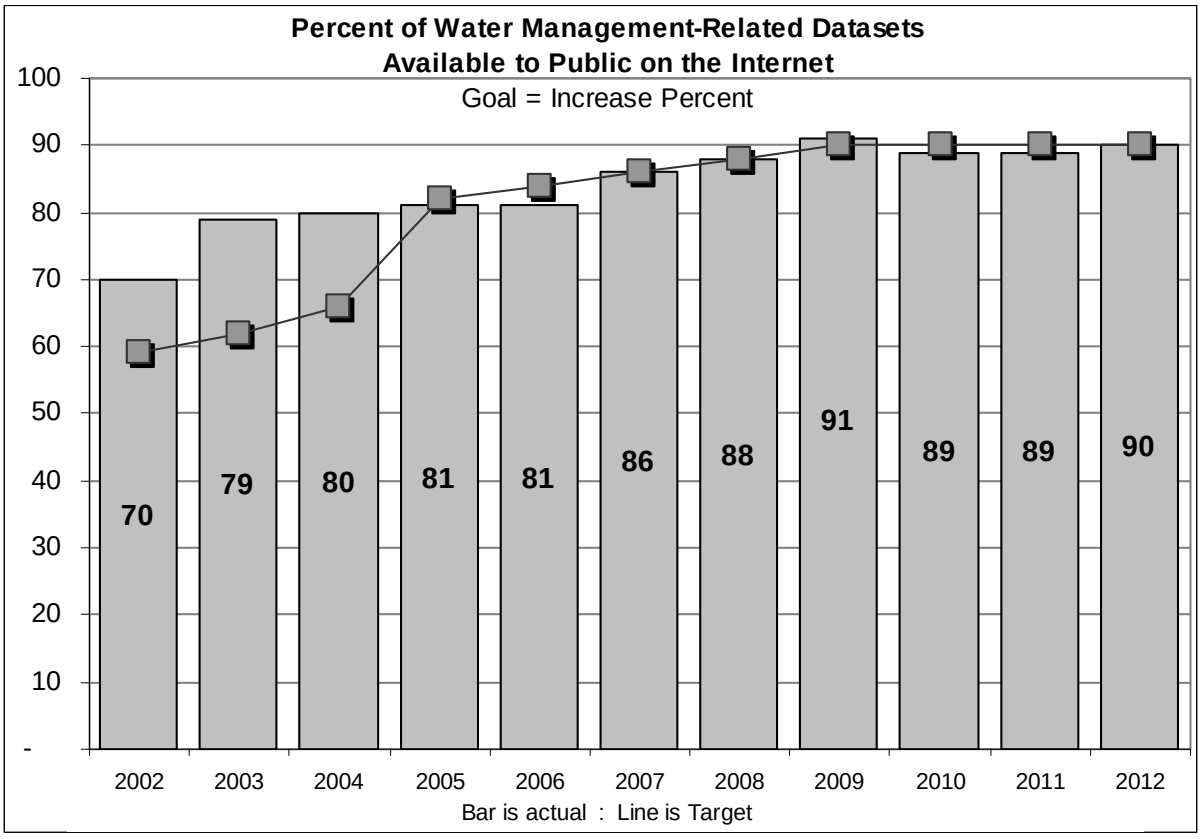
Trends and Accomplishments:

√ Meeting targets.

√ Improvements come in part from scanning files and migrating the Department's instream database to an online platform.

√ One improved web application includes the Department's well-log database, which local governments, real estate agents, and landowners access frequently. Another example is a stream flow data page that water users and watermasters use to get near real-time information about streamflow.

√ We have now incorporated all of the "easy" datasets within the Department online; future progress will be slow as we address more complex datasets.



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:

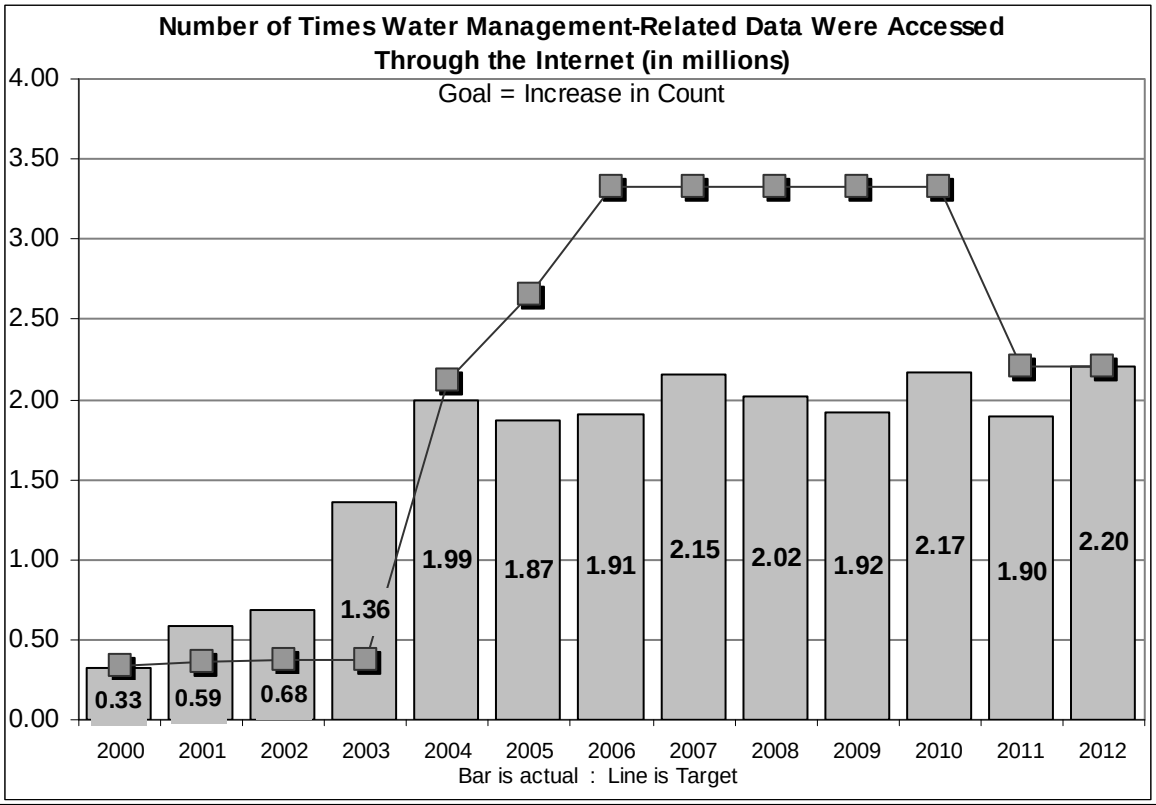
√ Meeting Targets

√ 1,194 scanned documents are retrieved every day of the year.

√ 1,421 times per day someone is looking up a water right in the water rights database.

√ 3,110 per day someone is conducting a ground water well log query.

- **WRD website receives an average of 2 million website "hits" a year.**
- **Many of these accesses are related to people making choices about where to live, how to use their land, and what kind of businesses they can operate.**



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

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

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 and to "major on the majors" by prioritizing the installation of measuring devices.
- 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. The Department is working 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.
- The Legislative goal was to have the first 250 measuring devices installed by 2009. Then, "increase the number of significant diversions statewide." The Department is tracking the cumulative total and annual number of devices installed each calendar year.

Trends & Accomplishments:

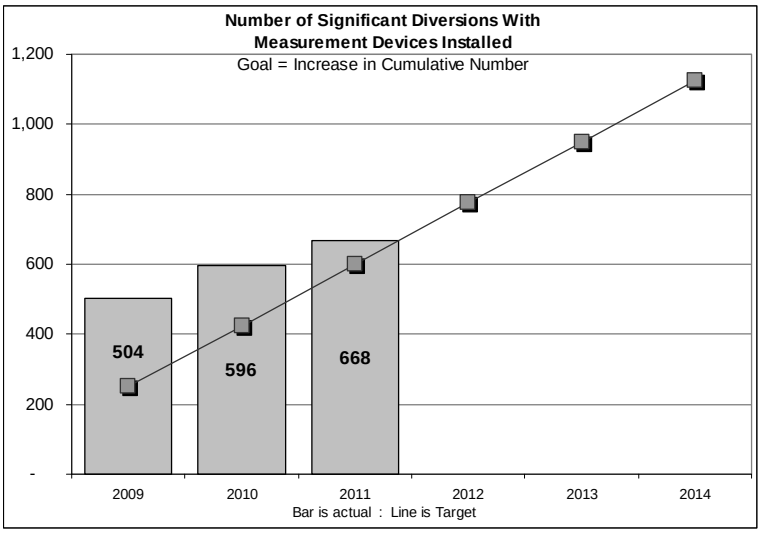
√ This KPM was created in 2009. Staff efforts, underway since 2000, have resulted in 668 measuring devices installed by end of calendar year 2011. 74 were installed during 2011.

√ A good number of the existing measuring device installations 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.

√ The Department has not been able to offer significant cost-share funds as an incentive.

√ Subsequent results of this Key Performance Measure may be frustratingly small, without the dedicated measurement staff and cost-share funding that the Department has.



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.
- Support Water Resources Commission policies on conservation and efficient water use.

Trends and Accomplishments:

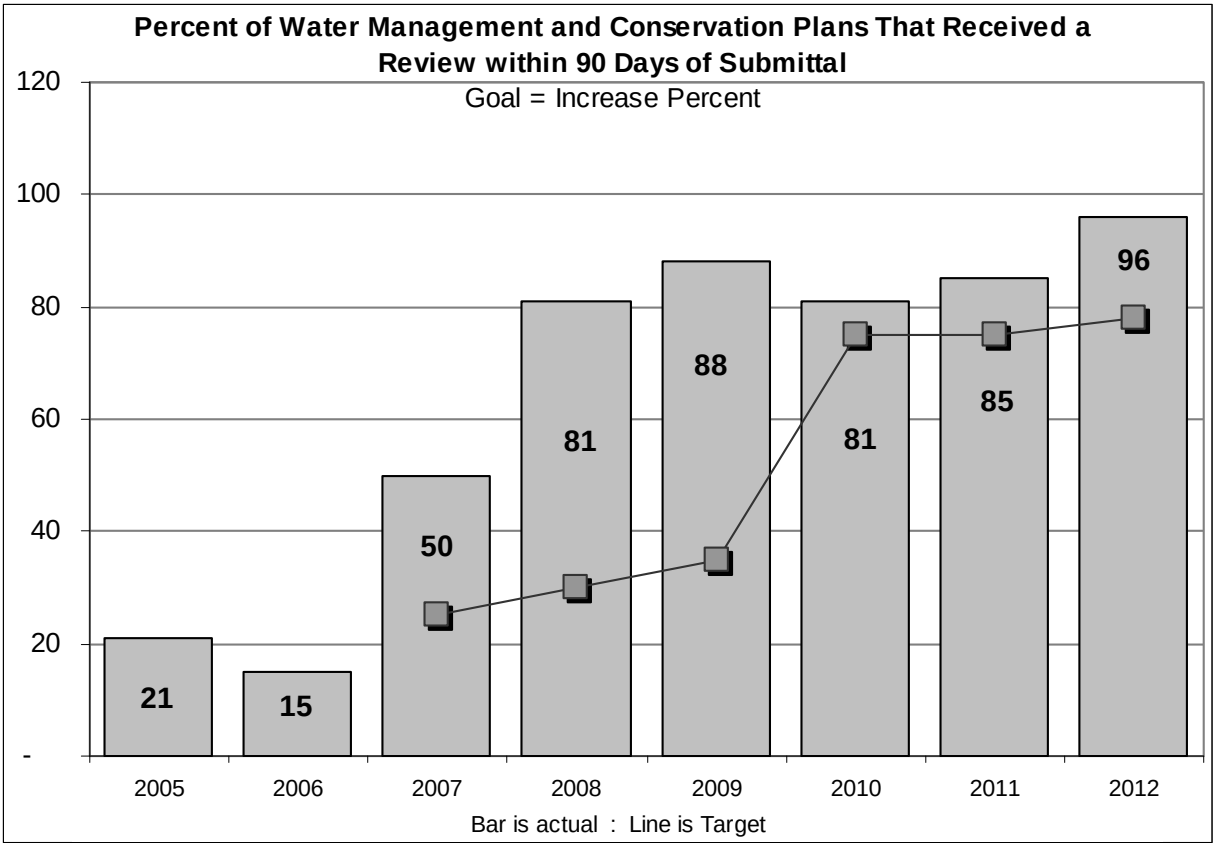
√ Exceeding targets.

√ Increasing outreach to municipal and agricultural water suppliers.

√ Number of plan submissions/updates expected to increase.

√ Staffing resources key to meeting target.

√ Water Management and Conservation Plans from the municipalities continue to improve in quality. The new plans and updated plans are demonstrating increased efficiencies in managing water, preparing for emergencies (curtailment plans), and long-term water supply planning consistent with their comprehensive plans.



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 needs additional senior hydrogeologists to conduct groundwater application and transfer reviews. The Department has stop-gap measures in place to address the application backlog, including a reduction in fieldwork and special project activities. Reassigning staff to process applications instead of conducting basin groundwater investigations results in delays to understanding basin hydrogeology and implementation of basin recharge projects.

The Department has decreased its groundwater application backlog from 130 in 2008 to less than 20 today.

Trends and Accomplishments:

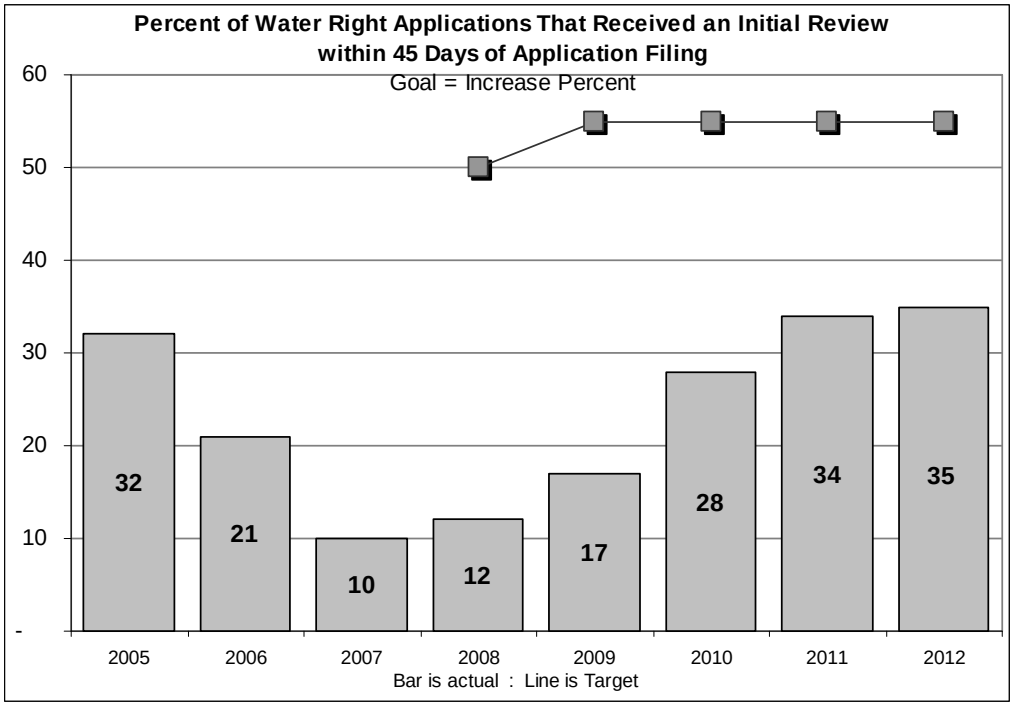
√ Slowly making progress towards target.

√ The primary factor comes from the complexity of the review of groundwater applications, which represent two-thirds of all incoming applications requiring an initial review.

√ In 2012, the Department processed 35 percent of water right applications within 45 days of filing, up from 34 percent the previous year.

√ More specifically, 82 percent of storage applications received initial review within 45 days; 59 percent of surface water applications received a 45 day review; 23 percent of groundwater applications received a 45-day review.

√ Although review times for groundwater applications have decreased considerably, from 240 days in 2006-07, to 162 days in 2011-2012, the complexity of reviews continued to increase.



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 in each region of the state.
- Educate consultants and certified water right examiners about transfer map and application requirements, identify and remedy application deficiencies at the time of filing.

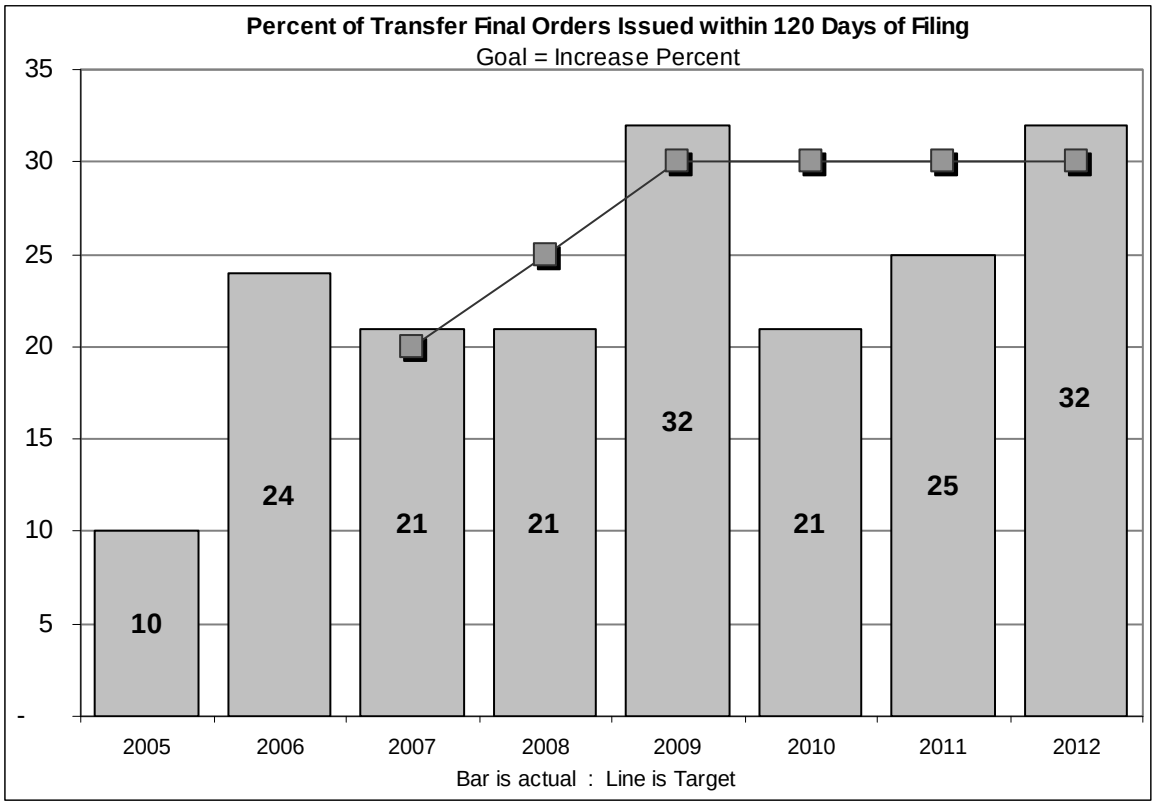
Trends and Accomplishments:

√ In 2012, 35 percent of new transfer applications met the 120 day deadline, up from 25 percent the previous year.

√ 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 230 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.
- Reduce the number of points of diversion (POD's) that the Department must monitor for each FTE of field staff so we can effectively manage our state's water resources. 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 more than 130 diversions <u>each day</u>.

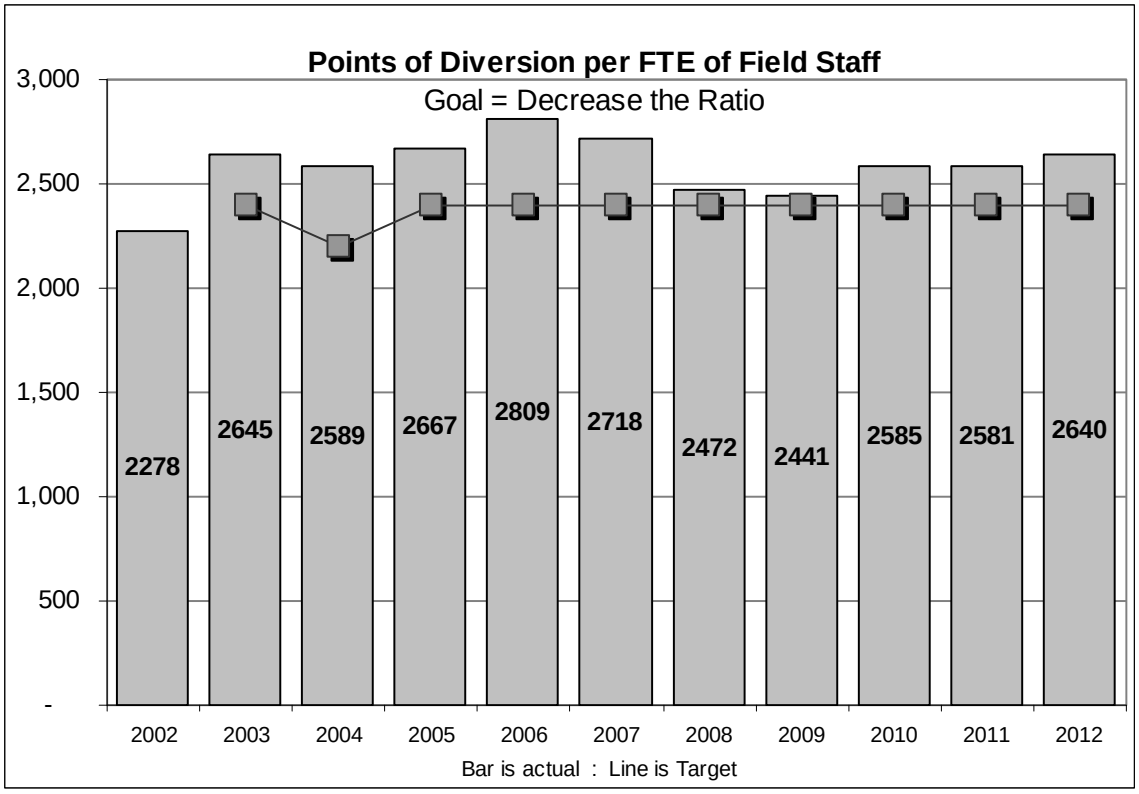
Trends and Accomplishments:

√ Goal is to <u>reduce</u> the number of points of diversion per field staff; not meeting the goal.

√ The number of field FTE reported in 2011-2012 includes a loss of field staff due to budgetary reductions.

√ 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. With these increases, we anticipate an increasing number of POD's associated with each field FTE.

√ Staffing resources are key to making continued progress towards target.



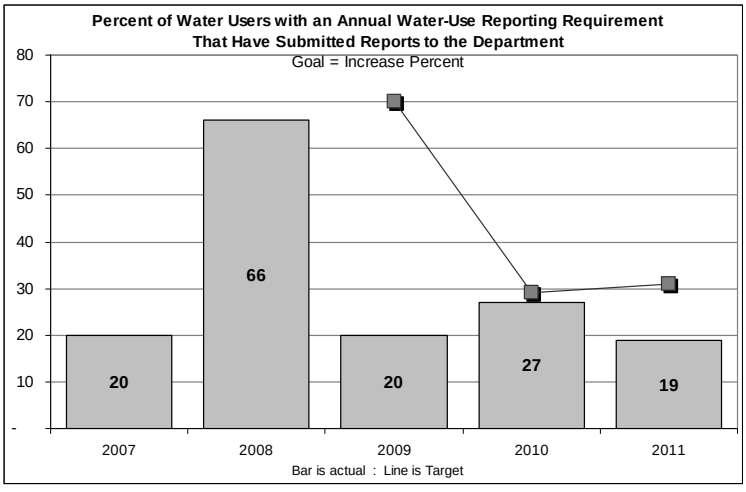
KPM 13 – Increase Water Use Reporting

- **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.
- In the past, when 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 personal phone call when necessary.



Trends and Accomplishments:

√ During 2007, the Department had no Water-Use Reporting Coordinator because of budget constraints, and so received 20 percent of required reports. In 2008, a Water-Use Reporting Coordinator was re-authorized and raised reporting results to 66 percent, through reminder mailings, phone calls, and technical support to reporting entities. In the 2009-2011 budget the Water-Use Reporting Coordinator position was Legislatively eliminated. The percent of reports received subsequently returned to about 20 percent in subsequent years.

√ Legislative targets are to "increase the percent reporting by 5 percent each year." When this measure was established and targets set, the Department still had funding authority for this position, and the target for the 2009 would have been 70 percent. However, the 2009 Legislature removed funding for this position, dropping the reporting results back to 20 percent, commensurate with results before the position was filled. Subsequently, the target for 2010 is 25 percent, and target for 2011 was 28.35 percent.

√ Budget reductions in the 09-11 biennial budget eliminated the Water Use Reporting Coordinator position, which is critical to the success of this program. Although the Department has implemented an online reporting system, there is no technical assistance available for new customers or those with questions. Loss of this position has also reduced the Department's ability to process reports that are submitted.

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:

√ 76% of customers rate WRD's overall services as good or excellent in 2011-12.

√ Categories continue to improve with:
"Availability of information" increasing from 76 percent to 78 percent,
"Expertise" moving from 79 percent to 81 percent and
"Timeliness" increasing from 58 percent to 62 percent.

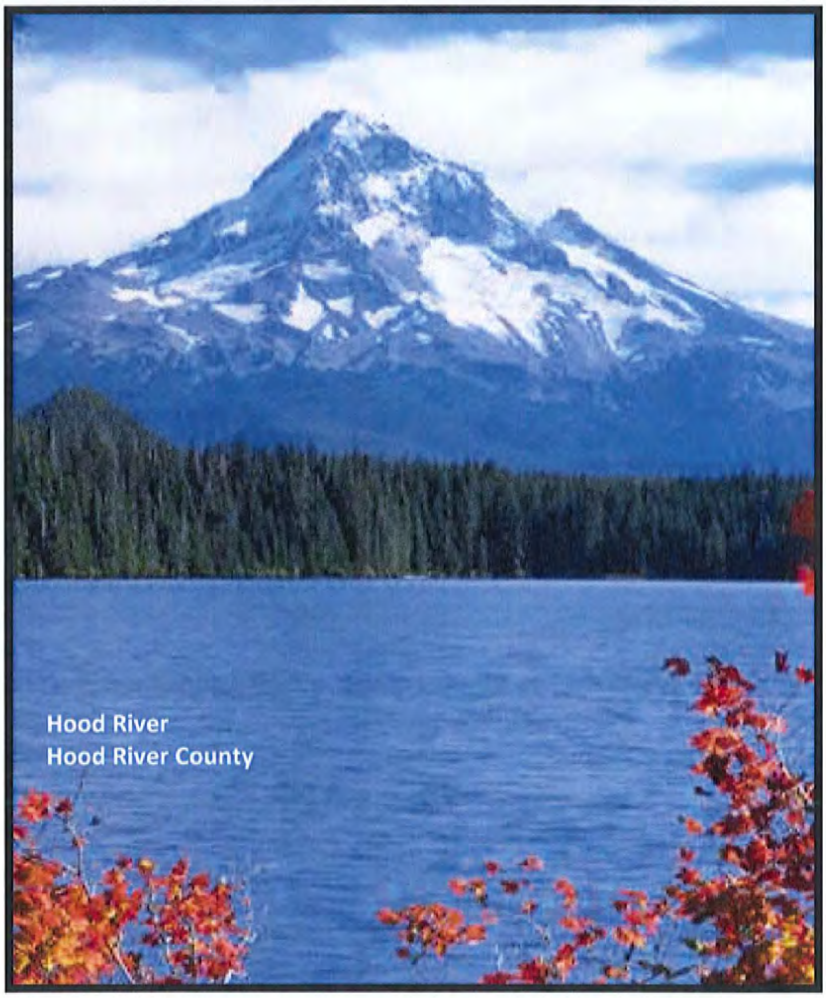
√ Although improving, "Timeliness" rated lowest. This is directly affected by staff resources.

√ Timeliness is also addressed in recent improvements to other performance measures (see KPMs #10 and 11).

√ Our ability to provide quality and timely service is dependent on having sufficient review staff and budget resources, which have been decreasing for WRD over the past few years.

Chapter 3

Budget Drivers & Issues



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Chapter 3

Budget Drivers & Issues

2013-2015

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 directly addressing Oregon's water supply needs and restoring and protecting streamflows.

The following pages identify a number of budget drivers for the Department, including department role, long-term planning, satisfying demands in a largely appropriated system, climate change, data needs, the Klamath adjudication, feasibility studies, and workload and resources.

The Commission and Department recognize the need to address very pressing and critical water needs in Oregon's communities, while simultaneously engaging in long-term planning and continued process improvements.

Department Role:

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. The purpose of this body of law was to create a rational system of water allocation and distribution throughout the state. Prior to this, water was distributed in Oregon through the "rule of capture"—if you could divert it and maintain that diversion, you could use it.

This led to many unseemly conflicts between users and may be why it is rumored that Oregon's first two watermasters were named "Smith and Wesson." Today, however, water is allocated and managed rationally through a system of state permitted water rights 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.*

Long-Term Planning

Oregon's Integrated Water Resources Strategy- Understanding and Meeting Oregon's Instream and Out-of-Stream Needs:

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. 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 It Contains:
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 defines a number of critical issues that need to be addressed; and it offers recommended actions in 13 different issue areas.

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. The Department will bring budget and policy requests to the 77th Legislative Assembly in three key areas: water supply development, data, and long-term funding.

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.

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

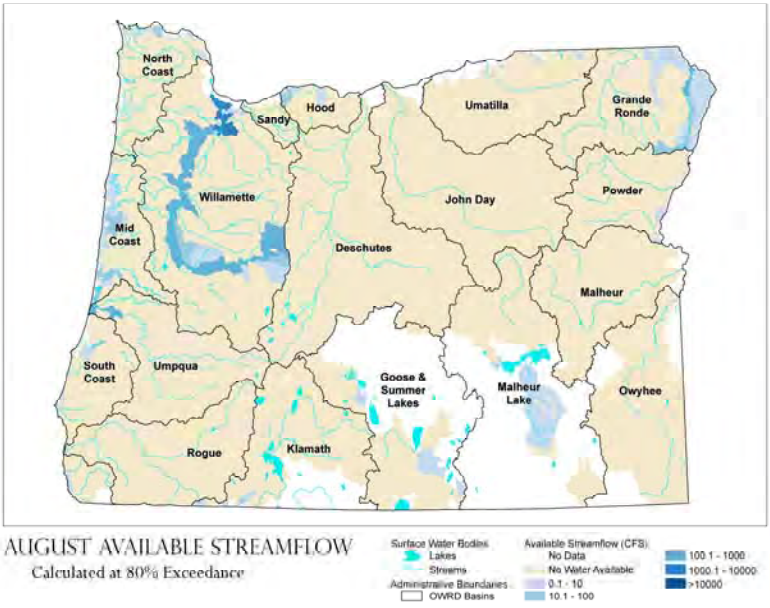
Satisfying Demands in a Largely Appropriated System

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.

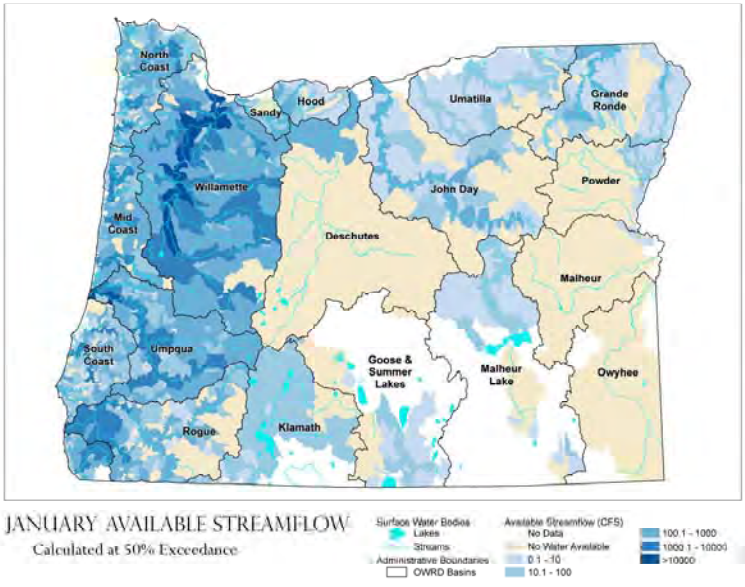
Without solutions in place, water supply shortages will multiply in future years because of a population projected to grow by another 1 million people by 2030, and the changed timing and form of precipitation resulting from climate change.

Surface Water: Most of the state's surface waters are fully allocated during the summer months. The August 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 second 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 allocation during winter months (shown in blue).



AUGUST AVAILABLE STREAMFLOW
Calculated at 80% Exceedance



JANUARY AVAILABLE STREAMFLOW
Calculated at 50% Exceedance

Restoration and Protection of Streamflows:

Oregon is a national leader in flow restoration, with more than 330 current instream leases, instream transfers, and allocations of conserved water, restoring more than 2,300 cubic feet per second (cfs) of streamflow for fish and wildlife, recreation, and pollution abatement.

During 2012, 46 percent of instream leases came 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, and Klamath Basin Rangeland Trust.

The Department has completed 98 permanent long-term instream transfers, representing just over 320 cfs.

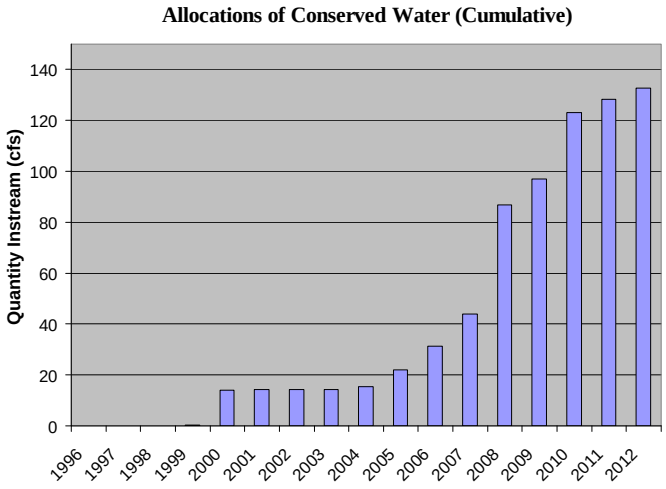
The Department has approved 50 applications for allocations of conserved water, resulting in over 130 cfs permanently protected and reserved temporarily instream.

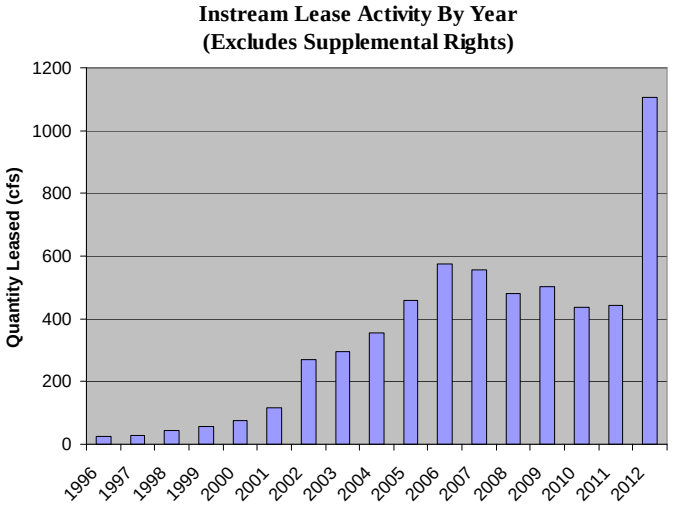
As part of the 2009 removal of Savage Rapids Dam on the Rogue River, 800 cfs was placed instream through the conservation of hydroelectric rights to instream rights. (not reflected in the graphs).

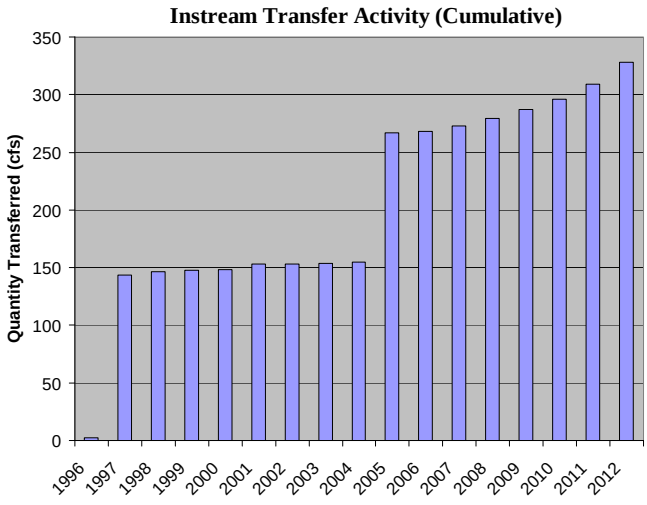
The majority of water put instream on a permanent basis through allocations of conserved water and instream transfers in Oregon is senior water, with certificates pre-dating Oregon's 1909 water law.

In 2011, 85 percent of streams regulated in Oregon were regulated to protect instream water rights.

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.





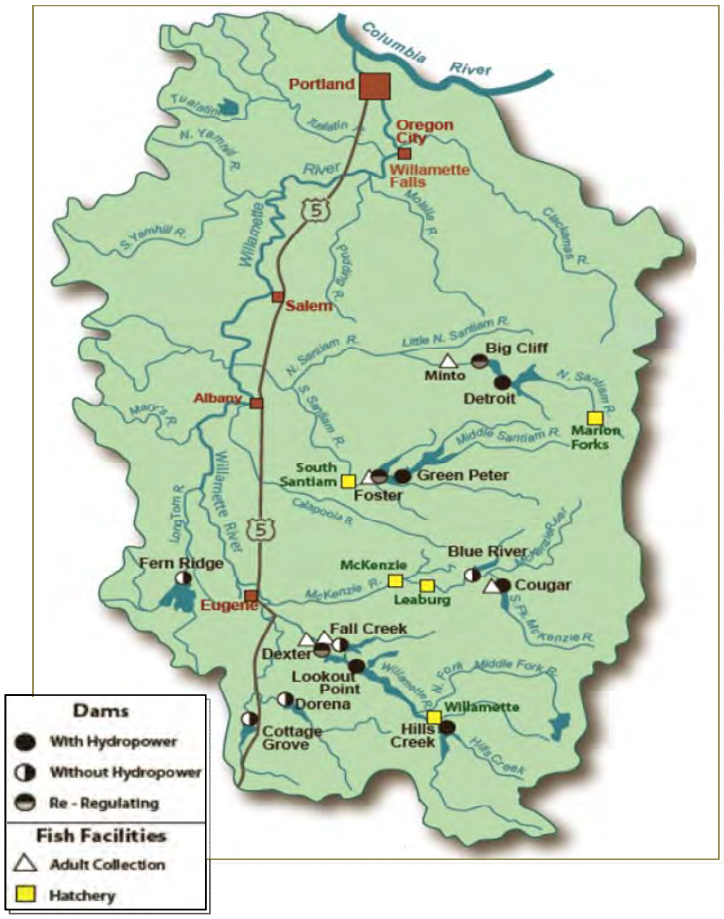


The Willamette Basin Reservoir System:

The U.S. Army Corps of Engineers operates 13 dams in the reservoirs located on the Willamette River and its tributaries (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 1.6 million acre-feet of stored water available for contracts from the Willamette Basin 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 has filed water right applications (and later received water right certificates) for the entire 1.6 million acre-feet of storage, for irrigation uses only. The Corps has not allocated any of the remaining storage in the Willamette Basin Project reservoirs to 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 has been on hold since 2000 to allow for a federal consultation process related to listed fish species under the Endangered Species Act. Despite funding limitations, the Department and the Corps are currently working with stakeholders to re-establish Reservoir Study discussions.



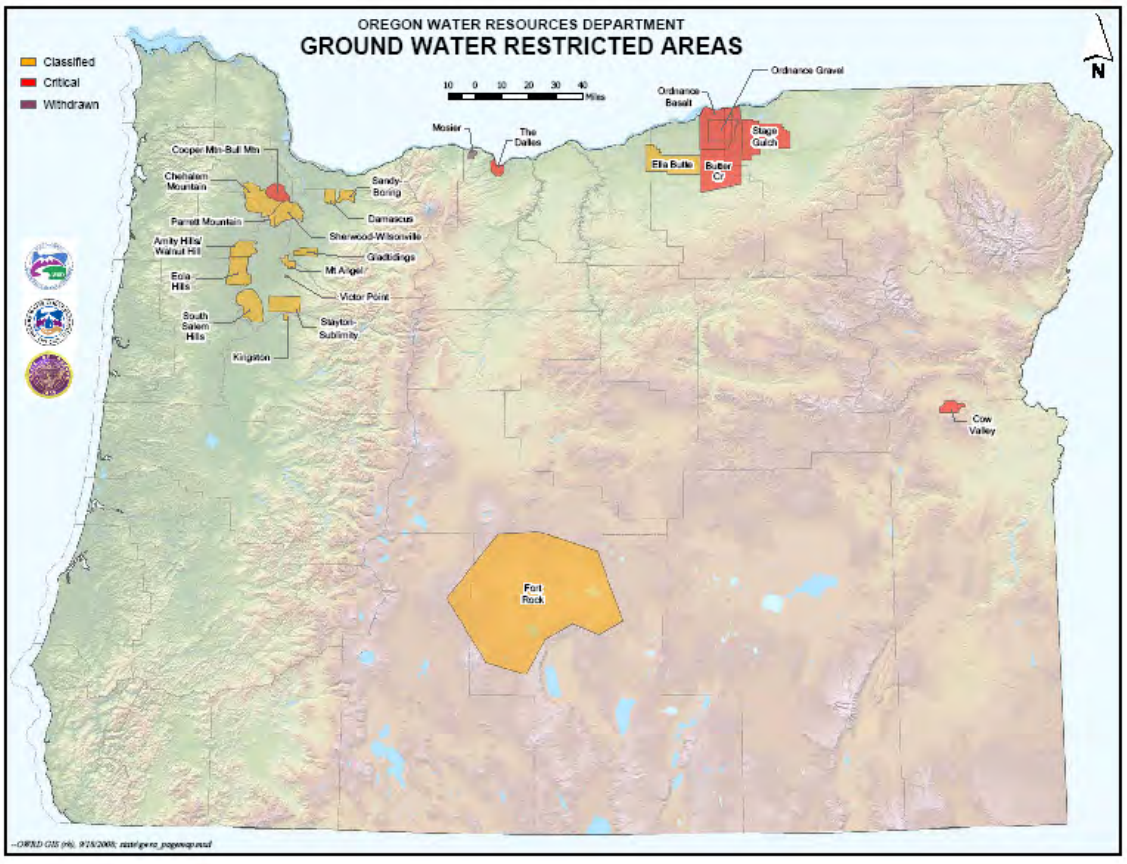
Groundwater: Oregon has become increasingly reliant on groundwater resources. This has resulted in the depletion of groundwater levels in several areas of the state. The Columbia River Basalt is the Department's foremost "aquifer of concern" for long-term supplies, extending from Eastern Oregon, through the Dalles and south into the Willamette Valley.

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 accompanying map)

In some instances, for example, applicants for new groundwater applications are proposing use from groundwater aquifers that are hydraulically connected to surface water. Because of limited surface water availability, this decreases the possibility of a successful application for a permit.



Aquifer Storage: Statutes allowing Artificial Recharge (AR) were enacted in 1960 and Aquifer Storage and Recovery (ASR) in 1995 and allow water users to store available water in a groundwater reservoir (an aquifer) for later use. AR traditionally has been used by the agriculture community and involves infiltration of water into a shallow gravel aquifer through a leaky canal as the mechanism of storage. ASR has traditionally been used by municipalities to inject available surface water into a deeper aquifer for later use. In recent years, the agriculture community has begun to pursue ASR as a tool to expand water supply during the year.

Oregon is seen as a national leader in implementing ASR & AR technology. Its promise rests in the ability to store "excess" winter flows underground for use in the dry summer months. Water quality issues are involved in both storage types: the AR process must not degrade the aquifer, while ASR requires that injected water meet Oregon Drinking Water Standards. There are six AR authorizations (including limited licenses and one permit) in Oregon and sixteen ASR authorizations (including limited licenses and one permit). This technology should be further pursued in the years ahead.

Umatilla Basin Aquifer Recovery Project:
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 allocated 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 Umatilla Basin Aquifer Recovery Project has successfully provided "water on the ground" and proven the viability of the aquifer storage and recovery, by storing winter water from the Columbia River in an underground aquifer for agricultural use in the following growing season. This project, first launched by the state in 2008, has moved through feasibility study and into the implementation phase. The Department plans to issue one or more loans to approved water development projects in the Columbia River Basin during the 2013-15 biennium in consultation with the State Treasurer and the Department of Administrative Services.

Deschutes River Basin Groundwater Mitigation Program:
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. During June 2010, the Water Resources Commission approved rules that provide more flexibility and clarity for program participants.

Through discussions with stakeholders and partners, the Water Resources Department has become aware of potential opportunities to invest in, purchase, broker, fund, and develop new water supplies that benefit both economic development and the environment in Oregon. The Department seeks from the 77th Oregon Assembly the specific authority and funding to enter into such arrangements, taking a more active role in the development of water supply in Oregon.

Climate Change Projections – Declining Springtime Snowpack

Climate models project an average rate of warming of approximately 0.1 – 0.6° Celsius per decade through the 2050s. The rate of change after the 2050s depends increasingly on the choice of greenhouse gas emissions scenarios.

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.

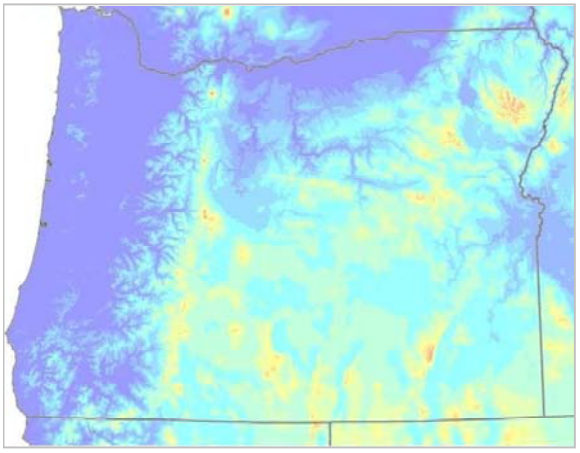
Significant declines in snow-water equivalent in the Pacific Northwest and a shift in precipitation from snow to rain coinciding with increases in air temperature since the 1950s are well documented. Precipitation arriving as rain instead of snow could pose several challenges to water systems, such as 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 natural storage, with water becoming available during heavy use periods as a result of snow melt. Loss of natural storage 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.

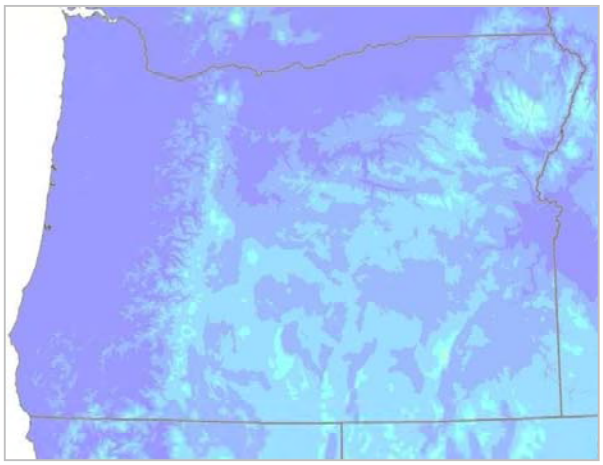
Storing water, via built and natural systems, is important for meeting Oregon's water needs. More work is needed to understand how the loss of natural storage can be mitigated through structural and non-structural approaches.

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.

Data Needs

Decline in Data Development Related to Groundwater:
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 dependant upon an available groundwater science budget to match dollars with the federal government through the USGS Cooperative 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.

The Department returns in 2013 with a budget request of $250,000.

Decline in Data Development Related to Surface Water:
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.

Need for Additional I.T.:
The Department's information technology staff has made great strides towards automating mapping, transactional, and informational processes for staff, external partners, and the public at large. Stakeholders are reporting better and more timely access to web-based information, and the Department's website is experiencing more than two million hits per year. One improved application is an online "Web Mapping Tool," which allows customers to create their own maps using data from the Department and other sources. Another example is a new web page with real-time and historic streamflow and lake level data for Oregon. A third example is streamlined agency coordination, improved by creating an on-line workspace, where the agencies can share documents, upload their formal correspondence, and check-off the pieces they have completed. This system tracks the inter-agency process in a comprehensive way, and also reduces the amount of paper copies and hand deliveries required to get the job done.
Recent reductions in I.T. staff mean that online resources are not as complete or as timely as they should be.

Klamath Adjudication – Completing the Klamath Basin Adjudication

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. The administrative phase of the Klamath Basin Adjudication, begun in 1975, is wrapping up this spring. In the Klamath Basin Adjudication, the Department received 730 claims and 5,660 contests to those claims. All of the contests have been resolved through settlement or a proposed order. The Department has issued a Final Order of Determination and referred the case to the Klamath County Circuit Court . Completion of the Adjudication is a key to long-term water solutions in the basin. Now that the Adjudication is complete, the Department can effectively manage the Basin according to Oregon water law, and water right holders have more tools to address changing water needs.

Feasibility Studies

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.

The Water Resources Department is requesting continued funding for its Feasibility Study Grant Program. 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.

2008-2009 Grantees:
During 2008 and 2009, the Program awarded 21 grants statewide for a total of close to $1.4 million. The grant awards covered a broad geographic area and ranged from approximately $10,000 to $260,000 each. Grant funds supported six surface water storage studies, three groundwater storage studies, six water reuse studies and nine water conservation studies.

2012 Grantees:
In 2012, the Water Resources Commission awarded another 14 grants, totaling approximately $1.15 million. Grant agreements have been developed and work is now underway.

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.

Collectively, Department staff members have substantial expertise in their fields; nearly 20 percent have advanced degrees. Twenty percent of our staff members have more than 20 years of state service and 53 percent have more than 10 years. Our scientists publish results of their work in industry publications and peer-reviewed journals.

Our policy staff has won national recognition from the American Water Resources Association. For each of the past 18 years, our Administrative Services Division has won a Gold Star Award for meeting high quality statewide accounting goals and achieving excellence in financial reporting.

Currently, the Department is losing qualified staff to higher paying private sector jobs and is having difficulty hiring engineers and other positions requiring high levels of training and expertise.

As demonstrated in the "Historic FTE" graph below, the Water Resources Department has fewer staff members today with144 full-time equivalents (FTE) than it did a decade ago with 161. With more than 60 percent of the Department's budget dependent on General Funds, the Department and staff are particularly vulnerable to reductions in this fund source.

Conclusion

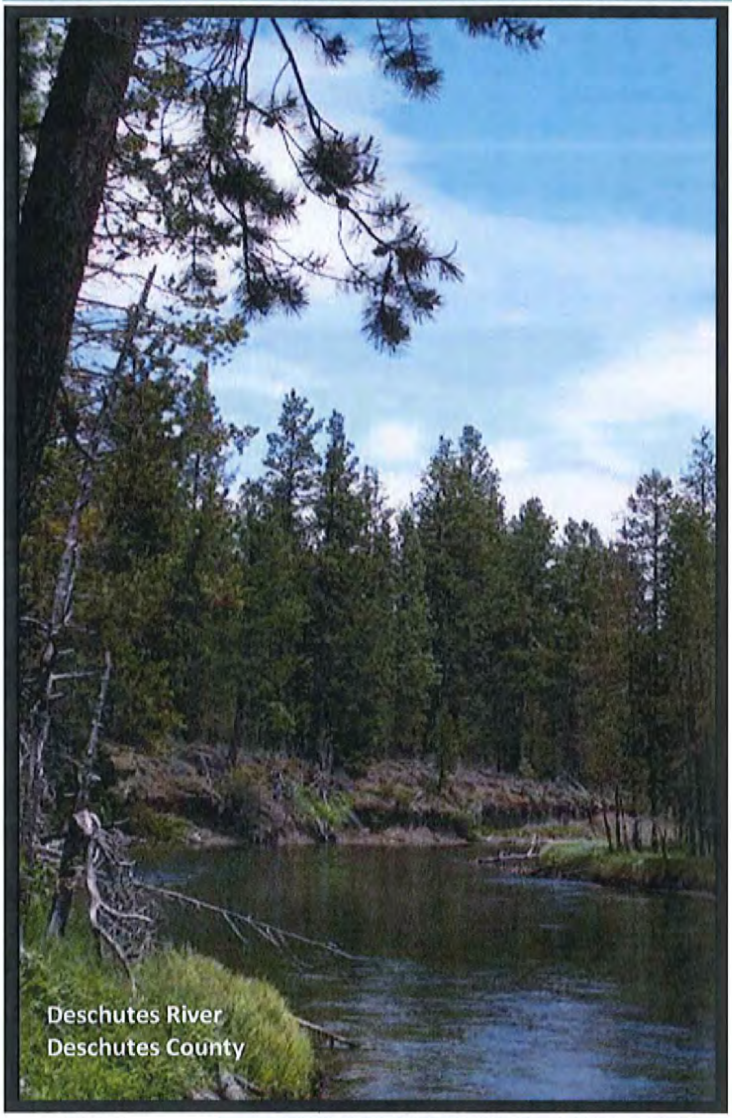
The work of the Department, which is not mirrored by a federal agency counterpart, is critical to the long-term economic and environmental stability of the state. Despite shrinking resources, the Department has experienced significant success in recent years in developing and implementing new programs to effectively manage Oregon's water resources and meet the state's future water needs. The stage is set (contingent on the availability of budget resources) for much progress to be made in the years ahead.

The Department continues its efforts to maintain exemplary customer service in the face of decreasing resources and an increasing workload. 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 climate change, land-use change and population change. Continued resources are sorely needed in the areas of data collection, long-term planning, Adjudication, and community grants and resources.

Options for meeting future water needs of the state, both instream and out of stream, include limited new development of groundwater, water conservation and efficiency, reallocation (transfers), and winter time storage, described further in the next section.

Chapter 4

Budget Note: Stewardship


Deschutes River
Deschutes County

Inside this chapter:

Oregon Water Resources Department

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Chapter 4

Budget Note: Stewardship

2013-2015

"The 2009-11 budget for the Water Resources Department is dependent on a significant number of new or increased fees which will sunset in 2013. The department shall work with stakeholders and other interested parties to evaluate the adequacy and equity of the new fees, and shall report its findings to the appropriate interim legislative committees and as part of its 2011 and 2013 budget requests. Further, the budget sustains relatively stable funding, and it is an expectation that the department will make significant progress in addressing backlogs in water rights and services."

~From SB 5551-A (2009), "Budget Report and Measure Summary," Page 3.

Part 1. Evaluating the Adequacy and Equity of the New Fees

The Department's fees for all water right transactions are set in statute. Last modified in 2009, the current fees are scheduled to sunset in 2013. If this occurs, fees will revert back to 2003 levels. The current fee schedule supports approximately $2.1 million worth of work, or 16 permit and transfer staff in the Water Rights Division. A roll-back to 2003 levels would decrease authorized funding levels and staff by 8 FTE.

The Department has proposed a bill (HB 2259) that would ensure adequate cost recovery for the services OWRD provides to its customers.

Specifically, the bill would:

(1) Remove the sunset on the Department's fee schedule,
(2) Adjust additional fees, to bring consistency to the overall fee schedule, and
(3) Also adjust the current schedule of fees to account for the increased cost of doing business; these increased costs, set each biennium by the Oregon Department of Administrative Services, will be approximately 13 percent higher during 2013-15.

a. Stakeholder Feedback

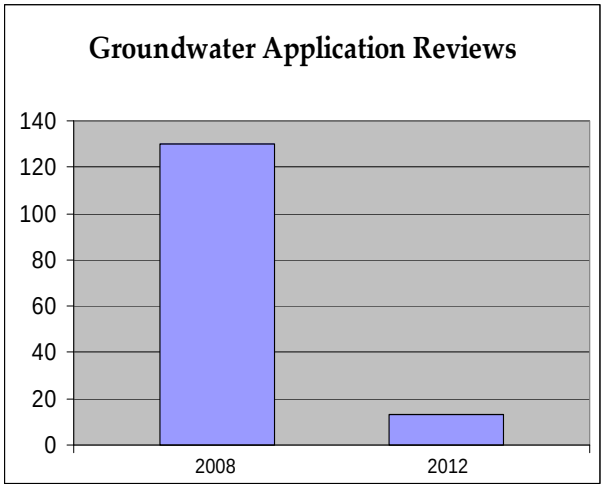
The Department convened a stakeholder discussion during June 2012 to assess whether the fee levels in this legislative concept were "equitable." Generally, stakeholders believed that they were, but noted a few fee levels that seemed high. The Department subsequently adjusted these downward.

Support for partial cost recovery through fees comes from water users across a wide spectrum, including irrigated agriculture, municipalities, counties, and instream interests, who rely on the Water Resources Department to process water right permits, transfers, certificates, and other documents in a timely and accurate fashion.

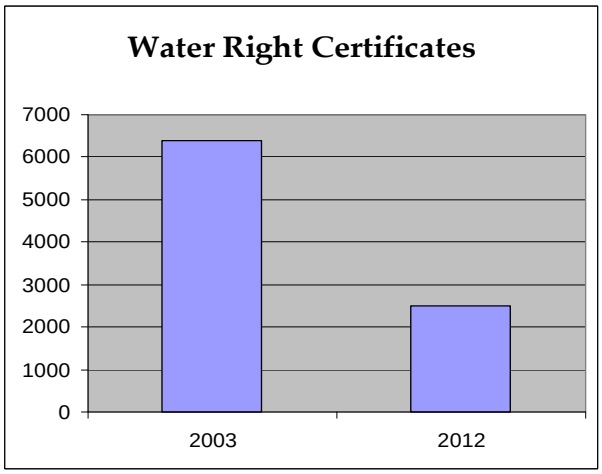
Stakeholders were divided as to whether an estimated 13 percent increase in costs for the 2013-15 biennium was correct and whether it should be reflected in the Department's legislative concept.

This bill comports with the State's Integrated Water Resources Strategy Recommended Action 13B: "Fund Water Resources Management Activities at the State Level." This bill also relates to WRD budget package #208, which would authorize the receipt of water right transaction fees.

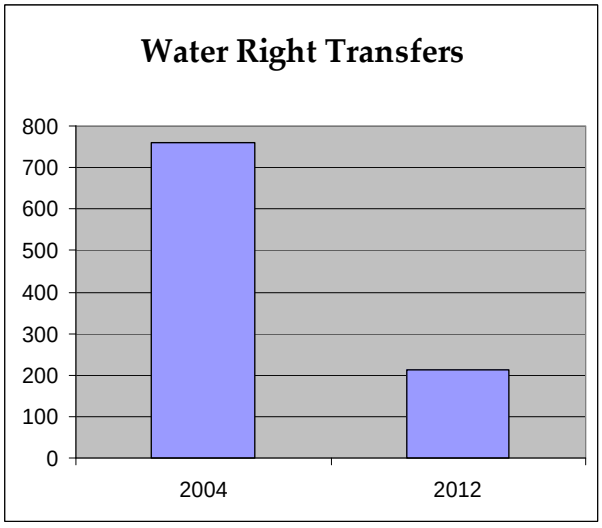
Part 2. Making Significant Progress Reducing Backlogs



With surface water almost fully allocated across Oregon during much of the year, new water right applicants are increasingly turning to groundwater sources. The Department reviews applications for groundwater availability, injury to existing water rights, and interference with surface water resources. This work is complex and time-consuming and led to a backlog of more than 130 files by early 2008. The Department undertook steps to decrease this backlog, including hiring temporary employees to help with less complicated reviews, and postponing some groundwater research. By year-end 2010, the Department had reduced the backlog to less than 20 groundwater applications. The Department maintained this workload in 2011 and 2012.



Securing a water right certificate is the final step in "perfecting" a water right. When issued, it 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. This, combined with the Department's reimbursement authority program, reduced the backlog to about 2,500 by the end of 2012.



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 processing. In late 2009, the Department completed a Lean-Kaizen effort to ensure that transfer applications were being processed efficiently as possible. This led to additional efficiency measures. IT staff automated much of the work. As a result, the backlog in 2012 dropped to 212.

Chapter 4

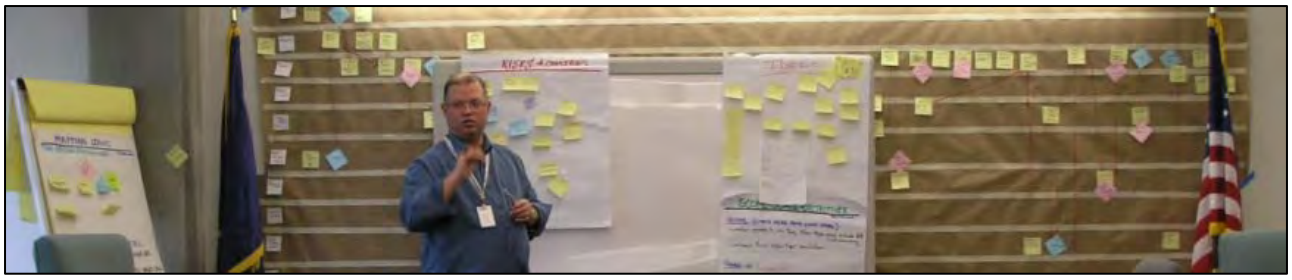
Budget Note: Stewardship

2013-2015

The Water Resources Department embarked on two efforts during 2009-11 to improve process efficiencies still more.

Lean Kaizen:

In 2009, 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.



Efficiency Review Group:

In addition, the Department has convened a group of outside experts, who are very familiar with Department processes and transaction programs. This diverse group represents a wide range of water use and environmental perspectives. Outcomes from this group involve recommendations for statutory, rule, or administrative changes. This group of colleagues has committed to help the Department build support for statutory or rule-making efforts that may result from their work.

Budget Note: Stewardship

2013-2015

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Chapter 5

Governor's Recommended Budget


Irrigation Photo
Willamette Valley

Inside this chapter:

Oregon Water Resources Department

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Chapter 5

2013-15 Governor's Recommended Budget

2013-15 Governor's Recommended Budget

	2011-13 Legislatively Adopted Budget	2013-15 Governor's Balanced Budget
General Fund	$ 20,614,684	$ 25,109,984
Other Funds, including fees	10,403,841	13,146,316
Other Funds (grants and loans)	18,758,324	24,816,940
Lottery Fund (Debt Service)	706,751	1,623,026
Federal Funds	1,195,479	1,275,645
Total Funds	$ 51,679, 079	$ 65,971,911
Full-Time Equivalent (FTE)	144.59	159.42

2013-15 Significant Changes

Pkg #101 – Reinstate Water-Use Reporting Program (1 FTE; $175K in General Fund)
Related to Integrated Water Resources Strategy Recommended Action #2b

A significant input in the understanding of Oregon's water resources is measuring and reporting the amount of surface water and groundwater diverted for beneficial use. This re-instates the Department's water-use reporting position, necessary to fulfill statutory responsibilities and provide technical assistance to water users.

Pkg #102 – Instream Protections (2 FTE; $367K in General Fund)
Related to Integrated Water Resources Strategy Recommended Action #3a, #11b

These positions will partner with the Oregon Department of Fish and Wildlife to determine and secure additional instream flows to support instream needs.

Pkg #103 – Re-Capitalize the Measurement Cost Share Fund ($40K in General Fund)
Related to Integrated Water Resources Strategy Recommended Action #2b

Staff continues to implement the Water Resources Commission's "2000 Measurement Strategy," requiring measurement devices on significant points of diversion in high priority watersheds. The cost to install appropriate measurement devices can be significant; cost share dollars are critical to this program's success.

Pkg #108 – Water Right Management Fee (7 FTE for implementation; $1,996K in Fees)
Related to Integrated Water Resources Strategy Recommended Action #13b

The state's Integrated Water Resources Strategy identifies core field and scientific functions that need improvement and investment. These functions include work by the Department's watermaster corps and scientific corps, measuring, protecting, and allocating water for Oregon's water right holders. With Senate Bill 217, the Water Resources Commission and Department propose an annual fee on each water right of record to help invest in these areas.

2013-15 Significant Changes for WRD, continued

Pkg #201 – Implement Oregon's Integrated Water Resources Strategy (1 FTE; $209K in GF)
Related to Integrated Water Resources Strategy Recommended Action #13a

This effort requires one senior staff to implement and coordinate Oregon's 2012-2017 Integrated Water Resources Strategy. Responsibilities include negotiation with federal partners for stored water and creation of a template for use in integrated water resources management planning at the local level.

Pkg #202 – Conduct Basin Groundwater Investigations ($250K in General Fund)
Related to Integrated Water Resources Strategy Recommended Action #1a

These investigations are critical for understanding the relationship between surface water and groundwater, and determining the location and characteristics of groundwater. This information is an important input for economic development and streamflow protection in each basin. Cost-share with the US Geological Survey.

Pkg #203 – Build Field Services Capacity (1.83 FTE; $342K in General Fund)
Related to Integrated Water Resources Strategy Recommended Action #2c,10

Provides a watermaster for Wallowa County where there currently is none and an assistant watermaster in Klamath County to help with the increased workload in the wake of the Klamath Adjudication.

Pkg #204 – Water Supply Development Program (2 FTE in GF; $10 Million in Bonds)
Related to Integrated Water Resources Strategy Recommended Action #10e

This package makes funding available for the State to pursue water supply development opportunities, potentially partnering with the state of Washington, the Federal Government, and others. Staff roles in the development of this program include engineering, water right / legal, and fiscal responsibilities. Calculate additional debt service at approximately $900K.

Pkg #205 – Water Development Loan Fund – Umatilla Project ($10 Million in Bonds)
Related to Integrated Water Resources Strategy Recommended Action #10b

Umatilla Water Commission may request that the Department provide a loan of up to $10 million from the Water Development Loan Fund. Funding would come from bond issuance with repayment occurring over 30 years by the Umatilla Water Commission. Calculate additional debt service at approximately $700K.

Pkg #206 – Feasibility Study Grants (0.5 FTE in Other Funds; $750K in Bonds)
Related to Integrated Water Resources Strategy Recommended Action #13c

It can be difficult to find funding for the feasibility study stage of project development. In previous sessions (2008 and 2011), the Oregon Legislature granted $2 million to Oregon communities to study the feasibility of water conservation, reuse, and storage projects. Debt service is approximately $140K. Requires cost match.

Pkg #207 – Update Water Right Certificates with Contact Information (2 FTE; $369K in Fees)
Related to Integrated Water Resources Strategy Recommended Action #2d

With House Bill 2257, the Department is seeking authority to change the name on a water right certificate, for water right holders who request such a service. Such a change would involve a fee to pay for the required staff time.

Pkg #208 – Extend Water Transaction Fee Schedule ($996K in Fees)
Related to Integrated Water Resources Strategy Recommended Action #13b

The Department's fee schedule for water right transactions is scheduled to sunset in 2013. With House Bill 2259, the Department seeks to remove the sunset and to adjust a number of fees to reflect the increased cost of doing business. These actions would retain seven permitting positions.

2013 Legislative Concepts

HB 2257- Authority to Change a Name on a Water Right Certificate

Today, there are no statutory provisions that allow the name and contact information on a water right certificate to be changed, even if the holder of the certificate has passed away or sold off interests. There are about 85,000 water rights in Oregon today; about 71,000 of them are currently certificated. The state needs the ability to respond to holders of water rights who are asking to modify the names on these certificates, especially in light of recent court cases, favoring the name written on a water right certificate over other factors. Such a change would facilitate other process efficiencies, such as communicating with water right holders, mapping water rights, updating the water right database, and improving compliance with measurement and reporting conditions. Such a change would be voluntary and would necessitate a fee, to fully pay for the required staff time.

HB 2258 - Establish a Water Supply Development Program

Other western states have long had authorities in place, allowing the state to take an active role in the development of water supply. Through discussions with stakeholders and partners, the Water Resources Department has become aware of potential opportunities to invest in, purchase, broker, fund, and develop new water supplies. Today, the state of Oregon has neither the authority nor the funding to enter into such arrangements. This concept requests authority for the Water Resources Department to provide these services. A fee charged for the state's purchase and sale of water could partially offset the Department's expenses for these services.

HB 2259 - Extend Water Right Transactions Fee Schedule – Remove Sunset

The Department's fees for all water right transactions are set in statute. Last modified in 2009, the current fees are due to sunset in 2013. If this occurs, fees will revert back to levels that were set in 2003 and remained in place until 2009. The current fee schedule funds about $2.1 million worth of work, or 16 permit writers in the Water Rights Division. A roll-back to 2003 levels would decrease authorized funding levels and would decrease staff by 7 FTE, resulting in drastically reduced service to customers.

This legislative concept: (1) removes the sunset, (2) creates a couple of additional fees, to bring consistency to the overall fee schedule, and (3) adjusts the current schedule of fees to account for the increased cost of doing business; these increased costs are set each biennium by the Oregon Department of Administrative Services and are estimated at 13 percent for the 2013-15 biennium. This would maintain the 50-50 split between General Fund and Fees negotiated in 2009.

SB 199 - Split Season Leasing – Remove Program Sunset

Split Season Leasing allows water right holders to use water beneficially for a portion of the year, and lease (up to) the unused portion of the right for the remainder of the year, providing that the uses do not occur at the same time.

This program, authorized under ORS 537.348, Section 3, is part of the Water Resources Department's broader portfolio of instream leasing programs. The program has been in place since 2001, passing with strong support of the Oregon Legislature. In 2007, its sunset was extended to January 2, 2014, again with strong Legislative support. It has enjoyed participation from about a dozen water right holders from across the state; the largest concentration has come from the Deschutes, Rogue, and Willamette Basins.

This concept removes the program sunset. Responding to concerns voiced during the 2012 legislative session, this concept also clarifies that the Department will (and already does) provide notice, guard against injury during the course of program implementation, and revoke or modify an order if it finds that the lease results in injury to an existing water right. The concept clarifies that leases are valid for five years and are renewable. Note: WRD has undertaken a review of this program with stakeholders in accordance with Oregon Administrative Rules 690-077-0079.

SB 200 - Split a Permit into Multiple Ownerships

As properties are split up and sold, the water right appurtenant to the land is also affected. It is not unusual to have one or more permit holders ready to certificate or "prove up" on their portion of a water right, while the others are not yet ready or willing. Increasingly, banks favor loaning money for property with certificated water rights, instead of permitted water rights.

This concept would amend the permit amendment process, allowing water right holders to certificate their portion of the original water right permit as they become eligible. This concept would carry forward all conditions from the original permit and would not release any permit holders from obligations that existed under the original permit. This concept would apply to domestic and agricultural permits only.

SB 217 - Establish a Water Right Management Fee

The Water Resources Department, which is heavily dependent on the General Fund for its operating budget, has experienced a declining share of the General Fund, as well as declining dollars overall for the past two decades. Unlike most agencies, the Water Resources Department is smaller today than it was 20 years ago. This is compounded by a corresponding decrease in water management funds from county and federal partners. These declines come at the same time that water resource workload is increasing in complexity, particularly as it relates to groundwater science. The Water Resources Commission, the overarching policy body, has been increasingly concerned about these trends and has formed a revenue enhancement subcommittee, which has met with more than 40 stakeholder groups during the past two years.

One revenue solution developed by the Water Resources Commission and its subcommittee is an annual fee, charged to all those holding a water right (e.g., a permit, certificate, or decree). These water rights are used beneficially for industrial, agricultural, municipal, and instream purposes. This concept assumes that all water right holders would be subject to an annual fee of $100 per water right. However, the Department has also assumed in its calculations a cap of $1,000 for all but municipal customers who have a rate-paying base to assist with the costs.

There are currently 85,000 water rights in Oregon. Assuming water right holders would cancel a number of these rights, rather than pay a fee, and assuming significant implementation costs during the first biennium, the Water Resources Department has estimated revenues of $12 million, beginning in the second biennium after the program is established. Revenues would pay for implementation costs of the program, as well as the cost of the critical field and science work that help ensure water availability for beneficial uses.

Appendix-A

Annual Performance Progress Report


Catherine Creek—State Archives

Inside this chapter:

Oregon Water Resources Department

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WATER RESOURCES DEPARTMENT

Annual Performance Progress Report (APPR) for Fiscal Year (2011-2012)

Original Submission Date: 2012

Finalize Date: 8/22/2012

Oregon Water Resource Department
725 Summer Street NE, Suite A
Salem, Oregon 97301
www.wrd.state.or.us

Key Performance Management & Annual Performance Progress Reports

2013-2015

2011-2012 KPM #	2011-2012 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 GROUNDWATER 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 pubic 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

2011-2012 KPM #	2011-2012 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.

Proposed Key Performance Measures (KPM's) for Biennium 2013-2015	
New Delete	Title: Rationale:

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

Contact:	Brenda Bateman	**Contact Phone:**	503-986-0879
Alternate:	Phillip Ward	**Alternate Phone:**	503-986-0910

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, or development of an Integrated Water Resources Strategy. The Department tracks these programs through internal measures.

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2. THE OREGON CONTEXT

The Water Resources Commission and Water Resources Department (WRD or "the Department") are responsible for managing the surface 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 beneficially 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 maintaining 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 79 tracks the percentage of key streams meeting minimum flow rights. Three 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).

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 Rangeland Basin Trust, 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 also partners with tribes, federal agencies and state natural resource and economic development agencies.

3. PERFORMANCE SUMMARY

8/22/2012

2. THE OREGON CONTEXT

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3. PERFORMANCE SUMMARY

8/22/2012

KPMs MAKING PROGRESS at or trending toward target achievement

KPM #690-1 - Flow Restoration
KPM #690-2 - Protection of Instream Water Rights
KPM #690-3 - Monitor Compliance
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# 690-10 - Promote Efficiency in Water Right Application Processing
KPM #690-11 - Promote Efficiency in Transfer Application Processing
KPM #690-14 - Customer Service (biennial survey)

KPMs NOT MAKING PROGRESS not at or trending toward target achievement

KPM #690-12 - Promote Efficiency in Field Staff Regulatory Activities
KPM #690-13 - Increase Water Use Reporting

4. CHALLENGES

One of the state's major economic and environmental challenges is providing adequate water supply to meet existing out-of-stream and instream needs as well as the needs of growing communities and industries. 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 becoming unstable in many areas. There is also an increasing awareness of the hydraulic connection between groundwater and surface water in many locations. This means our Department must continue to collect data to better understand the impact of groundwater use on surface water resources and consider those impacts when allocating groundwater resources (reflected in 690-4 and 690-5). Increasing competition for water resources underscores the importance of meeting 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 state budget limitations that affect the recruitment of technical staff. All of these challenges will influence our ability to meet performance targets for our measures in the future. To meet 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 2011-13 legislatively approved budget includes $20,359,297 in General Fund, $1,195,479 in Federal Funds, and

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Oregon Water Resource Department
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$29,162,165 (mostly pass-through dollars) in Other Funds. The 2011-13 budget for the Water Resources Department authorized no new or increased fees to support Department operations, although fee revenues had not met projections for the 2009- 11 biennium, causing the Department to leave vacant a number of fee-supported positions. Many of the remaining "Other Funds" are "pass through" funds, destined for local communities, as they develop water resource solutions. The Department provided funds to communities for the water supply, re-use, and conservation feasibility studies during 2008-09, resulting from SB 1069 (2008); this fund was re-capitalized for the 2011-13 biennium with $1.2 million. Similarly, the Department will continue to fund the implementation of water development projects through grant and loan funding authorized by House Bill 3369 (2009). The 2011 Legislature authorized an additional $15 million in bonding authority for loans under the HB 3369 program. There are four measures that track our Department's efficiency, including measures to track the Department's processing time for review of water management and conservation plans (690-9), water right applications (690-10), and for water right transfers (690-11). Another efficiency measure quantifies the workload of staff over time; Measure 690-12 tracks the number of places where water is legally taken out of stream and used per FTE of field staff. The Department has made significant progress addressing backlogs in water rights and services. To achieve our targets for efficiency measures, we have utilized technology to streamline processes and improve staff efficiency.

8/22/2012

WATER RESOURCES DEPARTMENT		IL KEY MEASURE ANALYSIS
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	Lead efforts to restore and safeguard long-term sustainability of streamflows and groundwater. This performance measure is directly linked to our 2003-05 Sustainability Plan goal of implementing voluntary streamflow restoration to meet instream flow needs.	
Oregon Context	Agency Mission and OMB 79: 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

Implement voluntary streamflow restoration through instream leases, transfers, and allocations of conserved water in high priority areas for

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

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. 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 its 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 graphs accordingly. In 2011, 24 percent of watershed had flows added, where needed, for fish. This exceeded the 20 percent target.

The data provided with this KPM have been updated accordingly. 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 generally increased comfort level with these programs among water users. Water is protected instream on an annual basis during a calendar year. Cumulatively, by the end of 2011, the Department had protected a total of 1,681 cubic feet per second (cfs). This total is comprised of the following: 1) leases…444 cfs; 2) transfers…309 cfs; (3) allocation of conserved water program…128 cfs; 4) converted hydroelectric rights…800 cfs.

4. HOW WE COMPARE

As of December 31, 2011, approximately 1,681 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 shows that Oregon leads Washington, Idaho, and Montana in streamflow restoration by large margin. Some of these states have made significant progress since our 2006 survey. In a July 2009 comparison, Washington had restored approximately 400 cfs, Idaho had restored approximately 100 cfs. Montana reported that they had made substantial gains over the 14 cfs recorded in our 2006 survey.

8/22/2012

WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

5. FACTORS AFFECTING RESULTS

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 remain easy to use.

7. ABOUT THE DATA

The reporting cycle is the calendar year and this report, published in August 2012, contains data through the end of calendar year 2011. Most of the instream data has been migrated to the Water Rights Information System (WRIS) and has helped water users and conservation partners track the status of their application and to research the location of instream transaction.

8/22/2012

WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
KPM #2	PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated.	2002
Goal	Lead efforts to restore and safeguard long-term sustainability of streamflows and groundwater.	
Oregon Context	Agency Mission and OMB 79: 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

8/22/2012

WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

(OWEB), local governments, watershed councils, and other organizations.

2. ABOUT THE TARGETS

The goal is to increase the ratio. 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 increase in the ratio of streams regulated with instream water rights. This is due to better management and tracking tools for monitoring instream water. For example, statewide 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). Some streams with instream water rights are met throughout the season and do not require significant regulation on their behalf.

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. 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.

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

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 additional requests for instream water right regulation.

7. ABOUT THE DATA

(Note: The Department updated all numbers in 2010, to address a calculation error.)The reporting cycle is the water year (October 1 to September 30), and these data are compiled at the end of the calendar year. This report, published in August 2012, contains data through the end of calendar year 2011. 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. Annual informational reports are presented to the Water Resource Commission with detailed information by watermaster district and stream. Copies of these annual reports are made available on the agency website under "Commission Staff Reports."

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WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
KPM #3	MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations.	2002
Goal	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.) Goal: Actively enforce the states water law and uphold its policies.	
Oregon Context	Agency Mission.	
Data Source	Annual Field Activities Report	
Owner	Field Services Division, Doug Woodcock 503-986-0878	

1. OUR STRATEGY

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

Watermasters are involved in regulating water use on streams according to the priority dates of the water rights of record and in 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, 10 locally funded (full-time or part-time) assistant watermasters, and five state funced 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. 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 2011, 8,137 regulatory actions were taken by field staff, and in 95 percent of these cases water right holders were in compliance. The percentage can vary by a few points from year to year, based on water supply conditions, staffing resources, or economic factors. This measure has held steady at 94-95 percent compliance for the past several years, although it traditionally had enjoyed numbers in the 97 to 98 percent range. The lower compliance may be attributable to the addition of five new 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. The agency believes a strong field presence discourages violations and helps maintain a high percentage of compliance. This may explain the higher identification and reporting of water users out of compliance with their rights or using water illegally. With these additional staff, however, 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.

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

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number of streams regulated is very likely to go down. A field presence (adequate staffing) affects this measure through greater opportunity to monitor compliance.

6. WHAT NEEDS TO BE DONE

* Continue to distribute water according to the water rights of record and enforce against illegal use of water.
* Continue to assess "significant diversions" statewide. Watermasters will work with water users to ensure compliance with permit conditions through outreach and education.
* Continue to develop distribution maps and water right databases to have better information available during the summer primary distribution season.
* Ensure staffing levels to continue to protect Oregon's water resources.

7. ABOUT THE DATA

The reporting cycle is the water year (October 1 through September 30). These data are compiled annually at the end of the water year. The Department has not yet compiled data for 2012 since that water year is still underway. Regulatory activities by our watermasters include any action that causes a change in use 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. Annual 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."

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KPM #4	STREAMFLOW 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.	
Oregon Context	Agency Mission	
Data Source	Monthly Statistical Report	
Owner	Technical Services Division, Barry Norris, 503-986-0828	

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

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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 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 water availability.

3. HOW WE ARE DOING

The 2001 benchmark is 215 gaging stations. In 2011-2012, the Department added 8 gages and dropped 4, for a net gain of 4 gages. Currently, the Department is operating a total of 213 gages, about 1 percent lower than the 2001 benchmark.

4. HOW WE COMPARE

The U.S. Geological Survey (USGS), which maintains a similar network of gaging stations in Oregon, currently operates 235 stream gages. Except for gaging stations of national significance, the USGS depends on local funding for the operation of these gages.

5. FACTORS AFFECTING RESULTS

Seven of the eight gages that the Department added were for special projects in the Eastern and North-Central regions. The eighth gage was added for management in the Southwest Region. Two of the gages that were discontinued were for a special project on the Umatilla River. One of the other dropped gages was on a canal that the district watermaster no longer needs to monitor. A fourth gage was dropped because it did not adequately characterize the flow from the watershed; a new location is being considered.

The Measurement and Reporting Section has two vacancies, one for the section manager and the other for an assistant hydrographer. Because of these vacancies, the section has seen a reduction its ability to process, publish, and archive surface water records.

6. WHAT NEEDS TO BE DONE

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Gaging priorities for water management and distribution needs have been 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 surface water to water right holders; 30 of these gages are a high priority for regulatory, environmental, and logistical reasons. The State needs to conduct further evaluation of the hydrologic data network, including regular coordination among natural resource agencies to identify locations and conditions that require additional monitoring.

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).

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WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
KPM #5	ASSESSING GROUNDWATER 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, Barry Norris, 503-986-0828	

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 continuous recorders to wells with periodic measurements. The Department's strategy is to ensure adequate budget and staff

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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 numerous citizens of Oregon in collecting and sharing data from these wells.

2. ABOUT THE TARGETS

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

3. HOW WE ARE DOING

The 2001 benchmark is 350 wells. The year 2012 reflects a net loss of one well since last year, taking the total State Observation Well Net to 363 wells. This is 4 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 State Observation Well Net, relative to its 2001 benchmark.

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 as part of its Oregon Climate Response Network, and a few other wells as part of their project work. The Department shares data with this federal agency.

5. FACTORS AFFECTING RESULTS

The wells monitored by the Department are privately owned and long-term access is commonly an issue. The Department is dependent on well owners for access to these wells. As property changes hands or other conditions change, some well owners have discontinued their participation in the State Observation Well Net, while other well owners have joined. As such, the number and location of monitoring wells can fluctuate from year to year, affecting the Department's ability to keep consistent, historic records in each area of the state. As wells are dropped from the well network, they should be replaced with other monitoring wells. However, increasing demands for technical staff to evaluate new and more complex water use proposals across Oregon create other obligations, which compete with replacing monitoring sites and collecting, archiving, and analyzing groundwater data.

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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 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 Net data, these are provided on the Department's webpage for public access.

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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 and technical assistance 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, Barry Norris, 503-986-0828	

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

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resources to try and stay current with new information being created.

2. ABOUT THE TARGETS

The goal is to increase percent. In order to manage a resource effectively, it is helpful to know as much about the resource as possible. The Department would like to have 100 percent of its datasets electronically available to customers and partners. 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 2011-12, 90 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.

4. HOW WE COMPARE

It is difficult to find direct comparison as our business is fairly unique. Even among government agencies, we are unique in that our historical data is still very relevant to our business and our decisions today. 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

Most of our efforts this year 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 was on making current datasets more accessible and easier to use, and moving off of deprecated systems.

The Department is still experiencing back logs, particularly in processing water right transfers. This is primarily due to having two vacant positions in the Data Tech group, which have not been filled, for budget reasons.

Due to the increased ease of accessing data plus the incremental increase in data available, this KPM has experienced a 1 percent growth.

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6. WHAT NEEDS TO BE DONE

By creating processes that capture data at the points of origin we could continue 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.

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WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
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 and technical assistance 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, Barry Norris, 503-986-0828	

1. OUR STRATEGY

The Department has a two-pronged approach to providing citizens with information and technical assistance. The previous KPM

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measures the amount of data available and 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 against 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. While we realize that the growth curve over time will tend to flatten, there should always be growth as the population continues to grow and the demands on the water resource continue to increase. The target from 2007-110 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 2012, the Department experienced almost 2.2 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 in the large part, reflect that trend. Most telling is the feedback received during the Department's 2012 Customer Satisfaction Survey (see KPM #14), noting recent improvements in the Department's website and increasing the Department's scores in "availability of information" from 76 percent in 2010 to 78 percent in 2012.

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.

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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.

6. WHAT NEEDS TO BE DONE

Seek out additional resources to replace the 2009 - 11 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 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.

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WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
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.	
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

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measurement statewide. With resources scarce, the Commission wanted to "major on the majors" by prioritizing the installation of measuring devices. 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; or 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, database development, and new landowner outreach tools. The Department also works with local watershed councils, soil and water conservations 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 Department is tracking the cumulative total and annual number of devices installed each calendar year.

3. HOW WE ARE DOING

This KPM was created in 2009. This is the second reporting period and updates progress through calendar year 2011. 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 668 measuring devices installed by end of calendar year 2011, which includes 74 devices installed in 2011. Each new measurement device installed represents a significant investment in staff time working with the water user and watershed groups. Many water users recently contacted have balked at the direction to install measurement devices, citing an average $1,000 per device. The Department used to have a

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capitalized cost-share fund to facilitate installation of devices through a dollar match program. Without recapitalization of the fund, the Department has an inability to offer a cost incentive, slowing progress on this KPM.

4. HOW WE COMPARE

The State of Washington requires the metering of surface water diversions in which there is any salmonid stock that is 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 were 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 the measuring device installation. Many water users recently contacted have balked at the direction to install measurement devices, citing the average $1000 per device. The Department used to have a capitalized cost-share fund to facilitate installation of devices through a dollar match program. The Department's inability to offer a cost incentive today, and maintaining staff positions as vacant to balance budget shortfalls, slowed this program in 2011.

6. WHAT NEEDS TO BE DONE

The Department needs to continue working with landowners and funding partners to meet the goal of 175 new measuring devices installed each year. The state needs to seek out opportunities to secure additional cost-share funding, which aids in the success of the program goals.

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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 irrigation season.

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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	
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, especially given the large number of plans expected to be submitted for review over the next few years. Conduct outreach and

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

education activities to improve quality of plans submitted to the Department and encourage more electronic submittals of materials; 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.

2. ABOUT THE TARGETS

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.

3. HOW WE ARE DOING

For water management and conservation plans received from July 2011 through June 2012, 96 percent of the plans were reviewed within the 90-day goal. This is an increase of 11 percent compared to FY 2011. The number of plans received during the year has increased from 14 in FY 2011 to 24 in FY 2012.

4. HOW WE COMPARE

The state of Washington adopted rules in 2006 for water management and conservation statutes for municipalities, 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 Master Plans that are required every 6 years. The program is administered by the Drinking Water Program, which employs six planners to review the documents, at an average rate of 20 per person per year. Similar to Oregon's annual water use reporting, the state of Washington requires submittal of an annual water use efficiency (WUE) report, under which water suppliers may report on measures being implemented to achieve their WUE goal; Oregon's standard requires a 5-year progress report on the implementation of conservation measures. Washington also requires that water suppliers meet a standard of 10 percent or less unaccounted-for water; while Oregon requires water suppliers to meet a minimum standard of 15 percent unaccounted-for water, and in certain circumstances, to implement additional conservation measures to work toward 10 percent or less unaccounted-for water. The state of Idaho has a similar process for municipalities and agricultural users for one administrative ground water area. To date, Idaho has only received a couple of plans. In 2010, Idaho took initial steps to develop guidelines, with the aid of an Advisory Group, for the information

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that should be incorporated into those plans.

5. FACTORS AFFECTING RESULTS

The increase in KPM performance from FY 2011 to FY 2012 can mainly be attributed to seven factors: 1) the Department continuing to provide technical assistance and outreach with water suppliers and contractors prior to plan submission; 2) several of the plans submitted in FY 2012 being plan updates and therefore better quality; 3) a continued improvement in the quality of new, first-time plans being submitted; 4) the availability of the Department's Conservation Share-House webpage featuring useful guidance, resources, and tools designed to assist water suppliers in preparing their plan and implementing conservation actions; 6) the availability of the Department-created Water Right Inventory table to assist water suppliers in assessing their available water supply; and 7) efforts by several irrigation districts in the Klamath Basin to provide plans that are somewhat connected on a regional level. Water Management and Conservation Plans continue to improve in quality. The new plans and updated plans are demonstrating increased efficiencies in managing water, preparing for emergencies (curtailment plans) and long-term water supply planning consistent with their comprehensive plans.

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 for the preparation of Water Management and Conservation Plans. These are available electronically from the Department. Since 2007, there has continued to be an increase in the number of plans submitted electronically to the Department, which helps the Department meet deadlines. 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 so that water suppliers can "share" their conservation and outreach materials with municipal counterparts around the state of Oregon. The hope is that this conservation "share-house" will become a useful resource full of good ideas and examples that cities can readily access, customize to fit their own needs, and implement to achieve real water savings. The Department also offers educational workshops that provide guidance for developing water management and conservation plans. In June 2011, the Department completed a second model agricultural plan with one of the irrigation districts, which is now available on the Department's web site. The guides, model plans and outreach materials, as well as the Conservation Share-House webpage, are available on the Department website:http://cms.oregon.egov.com/OWRD/Pages/Conservation_Sharehouse.aspx. Additional agricultural guidance can be accessed at: http://cms.oregon.egov.com/OWRD/Pages/mgmt_ag_wmcp.aspx.

6. WHAT NEEDS TO BE DONE

The Department has surpassed its target for the past six years and looks forward to maintaining this pattern by continuing our educational

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outreach efforts. Because of these efforts, we believe the Department is receiving plans that are of improved quality and easier to review.

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 2012 percentages are based upon the number of water management and conservation plans (properly noticed with all affected local governments) 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.

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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.	
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 minimum possible given available resources, time, and the delays intrinsic to required public notices. We continue to identify ways to streamline processes by concurrently performing different steps of processing , removing

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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. 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 minimum amount possible.

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. Application processing times for storage, surface water, and groundwater applications have improved significantly. Eighty-two percent of storage applications received initial review within 45 days, compared to 27 percent in the 2009 report. Similarly, 59 percent of surface water applications received a 45-day review. And, 23 percent of groundwater applications received a 45-day review. Groundwater applications require a technical review from the Groundwater Hydrology Section and represent the most complex applications that arrive at the Department.

4. HOW WE COMPARE

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

5. FACTORS AFFECTING RESULTS

Groundwater Applications. The primary factor in processing times comes from the review of groundwater applications, which represent two-thirds of all incoming applications requiring an initial review. Twenty-three percent of groundwater applications were processed within 45 days during 2011-12, compared to 82 percent of storage applications and 59 percent of surface water applications. The average time to review groundwater applications in 2011-12 was 162 days, down from 196 a year ago and 240 days in 2006-07. In the meantime, the complexity of reviews continued to increase. Unlike surface water applications, groundwater applications require a technical analysis by a qualified hydrogeologist to determine whether groundwater is available for the proposed use, whether the use would have the potential for substantial interference with nearby surface water sources, and whether the use would injure existing groundwater users. This hydrogeological review must be completed before the Department can make meaningful initial determinations, therefore increasing the

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

amount of time necessary to complete the initial review relative to that of surface water

6. WHAT NEEDS TO BE DONE

Groundwater Reviews. Groundwater reviews continue to represent the "bottleneck" in the water rights application process. The purpose of a groundwater review is to protect senior water rights holders—both surface water and groundwater. The hydrogeological review that must occur before groundwater applications can be processed makes the statutory 45-day requirement for issuance of an Initial Review very difficult to meet. Additional gains could be made through the provision of additional staff resources. Surface Water Reviews. Already, WRD has improved review time for surface water applications by using technology to gather much of the necessary background information. Any further reductions in time will likely come from ongoing improvements in the use of information technology. WRD will continue to automate portions of the initial review process, as well as processes for proposed final orders (PFOs) and final orders (FOs), in order to free up staff time to make additional progress on this performance measure.

7. ABOUT THE DATA

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

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WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
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.	
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

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

submitting complete and accurate transfer applications.

2. ABOUT THE TARGETS

The intent with this KPM is to increase the percent. 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. The Department made progress toward this goal by reducing the number of pending transfer applications to 226 as of June 30, 2012. 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 172 transfer applications during the reporting period and processed 200 pending applications, including several of the oldest applications. During the entire reporting period, 32 percent of pending transfers receiving final orders were finished within 120 days of the date the application was filed, up from 25 percent the previous year.

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 right to grow to 1,200. However, with promise of additional funding in the 2013 Washington budget and use of the Lean process to improve efficiency, 297 "change" applications were processed in FY 2012, and 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.

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

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 with stakeholder input, 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 nears the 150-200 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 continues 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 have been 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.

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WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
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 is operating efficiently and 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 staff, since maintaining a high level of compliance relies on having an adequate 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

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

management. We also work with local governments and other funding sources to secure funding for assistant watermasters.

2. ABOUT THE TARGETS

The goal is to decrease the ratio. This target is a workload indicator for how we are managing the state's water resources. Our desire is to reduce the number of points of diversion (PODs) that we must monitor for each FTE of field staff so we can effectively manage our 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 2012 we again lost ground compared to gains observed in previous years, as several field staff were eliminated in the 2009-2011 legislatively adopted budget.

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 sometimes when water right transfers are completed. With these increases, we anticipate an increasing number of PODs associated with each field staff FTE.

6. WHAT NEEDS TO BE DONE

While we moved closer to meeting our goal for this measure in 2008 and 2009, our trend reversed in 2010 as three field positions were eliminated in the 2009-11 legislatively adopted budget. The number of diversions per position edged higher in 2012 with the loss of another position and an increase in diversions. The Department must continue to seek funding to support additional field staff to ensure adequate protection of existing water rights and effective on-the-ground water management.

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

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.

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WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
KPM #13	INCREASE WATER USE REPORTING	2009
Goal	Description: Measured by the percent of water users with an annual water-use reporting requirement that has submitted their reports to the Department. Goal: To ensure that all required water-use reports are submitted.	
Oregon Context	Agency Mission	
Data Source	Water-use reporting database	
Owner	Technical Services Division, Barry Norris, 503-986-828	

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

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

Department maintains an online reporting system and encourages water use reporters to enter their data via this interface. Water use results are publicly available and are used by Department staff, individual water users, and public, private and non-governmental organizations for future water planning and protection of streamflow. In the past, when 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 personal phone call when necessary.

2. ABOUT THE TARGETS

Legislative targets are to "increase the percent reporting by 5 percent each year." When this measure was established and targets set, the Department still had funding authority for this position, and the target for 2009 would have been 70 percent. However, the 2009 Legislature removed funding for this position, dropping the reporting results back to 20 percent, commensurate with results before the position was filled. Subsequently, the target for 2010 is 25 percent, the target for 2011 is 32 percent, and the target for 2012 calculates to 24 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 due to 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, and 19 percent for the 2011 water year.

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 has also reduced the Department's ability to send reminder letters , as well as process reports that are submitted. The Department's online reporting system has helped, but there is only limited technical assistance available for new customers or those with questions. The seven percent reporting increase during the 2010 water year may be attributed to several factors. During 2010-11, the Department updated the web page with additional answers to frequently asked questions (FAQs), which helped customers

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

who were trying to submit data. In addition, we set up several on-line accounts for new users and tried to respond to questions asked by phone or email. However, reporting compliance levels fell back to 2009 levels in the 2011 water year, suggesting that the impact of these measures has been relatively short-lived.

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 will provide necessary staffing for outreach to water users required to report, perform quality checks of submitted data, provide technical assistance, and analysis of water use.

7. ABOUT THE DATA

The reporting cycle is the water year (October - September) with reports due by the end of the calendar year. Data for government entities are available from the Department's web site.

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WATER RESOURCES DEPARTMENT		II. KEY MEASURE ANALYSIS
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 random sample of WRD customers who had received final decisions within the past fiscal year.	
Owner	Agency-wide; Brenda Bateman (503) 986-0879.	

1. OUR STRATEGY

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

2. ABOUT THE TARGETS

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

The goal is to increase the percentages. This is a biennial survey, and this is the fourth 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 62 percent of respondents rating service as good or excellent. This is a four percent improvement since the last survey, perhaps as a result of the backlogs the Department has systematically addressed during the past several years. Open-ended questions, designed to gather more detail about the above categories, yielded comments that support this theory, with repeat customers making comments such as "I have seen steady improvement within the last couple of years," and "timeliness has changed; when there was a backlog problem, it was a big mess."

The vast majority of comments focused on the continued need for timely processing. Some respondents do understand that timeliness is directly related to funding for staff positions, with one participant noting: "I know that WRD is swamped and there really isn't anything they can do to make things go faster."

Several respondents noted dissatisfaction with cumbersome rules, poor communication, and fees. Many of the positive comments focused on a professional staff, helpfulness, good communication, and greatly improved information on-line.

Seventy-six percent of customers surveyed rated WRD's overall services as good or excellent in Fiscal Year 2011-12. "Helpfulness" is the most highly rated individual service provided. Eighty-three percent of respondents rated "helpfulness" as good or excellent, followed by expertise (81%), availability of information (78%), and accuracy (77%).

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 receives lower scores than other agencies. For "timeliness," 62 percent of the Department's customers reported a "good" or "excellent" rating, compared to 66 percent for customers of the Department of Environmental Quality's (DEQ).

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

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WATER RESOURCES DEPARTMENT	II. KEY MEASURE ANALYSIS

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 eliminate backlogs in pending permit, certificate, and transfer applications, and some of the customers receiving final decisions during 2012 were part of a backlog that stretched back for several years. 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. However, our ability to provide quality and timely service is dependent on having sufficient review staff and budget resources, which have been decreasing for WRD over the past few years. 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. Also, only customers who provide telephone numbers were included in the sampling frame. As we reduce the backlog of applications to focus on much newer files, year-end surveys will feature a broader and more inclusive sample of water users.

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. In the face of decreasing staff and budget resources, we continue to look for additional ways to utilize technology to provide more timely results. WRD will continue 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..... May 29 - June 15, 2012; the next survey is scheduled for 2014.
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 2011-12 fiscal year.
e) Sampling Frame..... Customers who received a final decision during 2011-12, who also provided phone numbers.
f) Sample Characteristics..... Sampled Population = 575; Responses = 218; Response Rate = 38 percent
g) Weighting..... Single survey, no weighting required.

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

Contact: Brenda Bateman	**Contact Phone:** 503-986-0879
Alternate: Phillip Ward	**Alternate Phone:** 503-986-0910

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 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. During the past two years, the Department has continued to develop new automated tools to tracking progress on water right and transfers applications and to aid staff in preparing agency decision documents.
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

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	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.
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 2013 Legislative Session. * **Stakeholders:** [See below.] * **Citizens:** The Department has created a web page entitled "Priorities & Performance." 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 past performance measurement reports.

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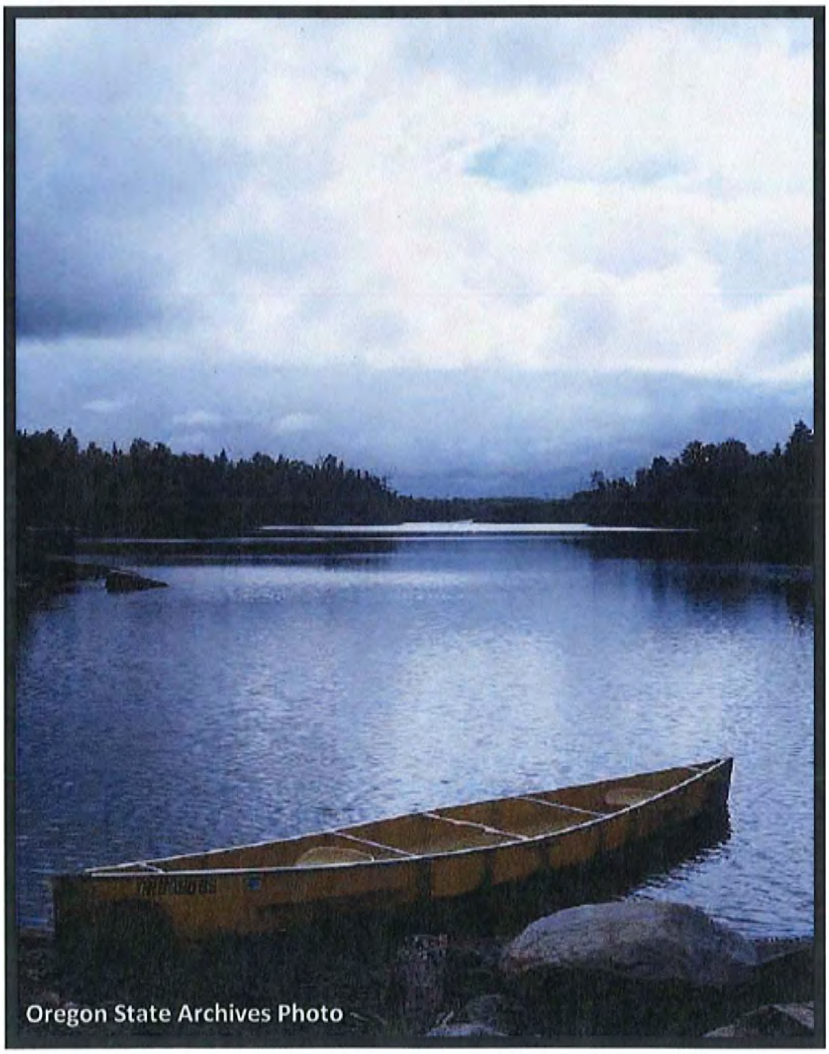
Appendix-B

Requests to Program Funding Teams



Inside this chapter:

Oregon Water Resources Department

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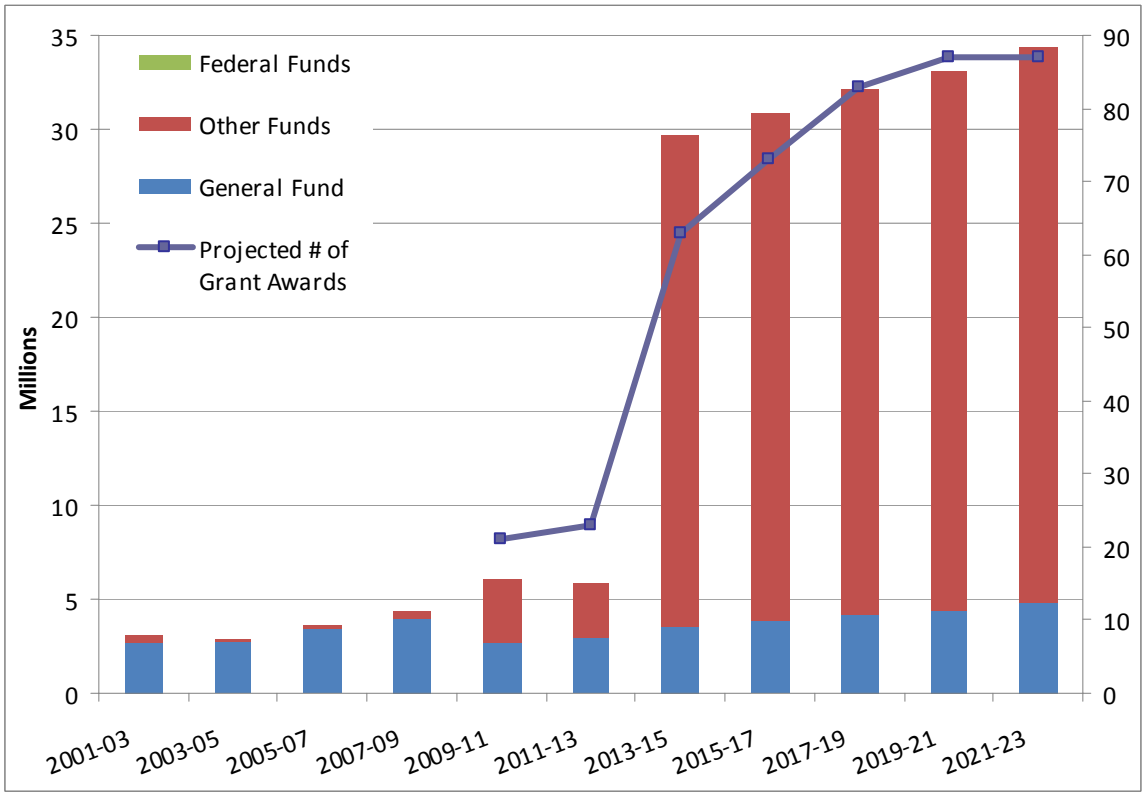
Water Resources Department: Administrative Services Division

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



Executive Summary

The Water Resources Department is Oregon's water quantity agency, managing the system of water allocation and distribution throughout the state. The Administrative Services Division is responsible for a number of funding programs that are critical for water development in Oregon. These include (1) the Water Conservation, Reuse and Storage Grant Program, which provides grant funds for feasibility studies that enable local entities to evaluate alternative methods of supplying water for future economic and community use. They also include (2) the Umatilla Basin Aquifer Recovery Project, recipient of $3.2 million in grants in recent years. Finally, (3) this Division could serve as the home for Oregon's Water Supply Development Program, proposed for the 2013-15 biennium.

The Division is also responsible for providing the Department's business and administrative services, including accounting, payroll, contracting, facilities management and mail room support services.

Program Funding Request

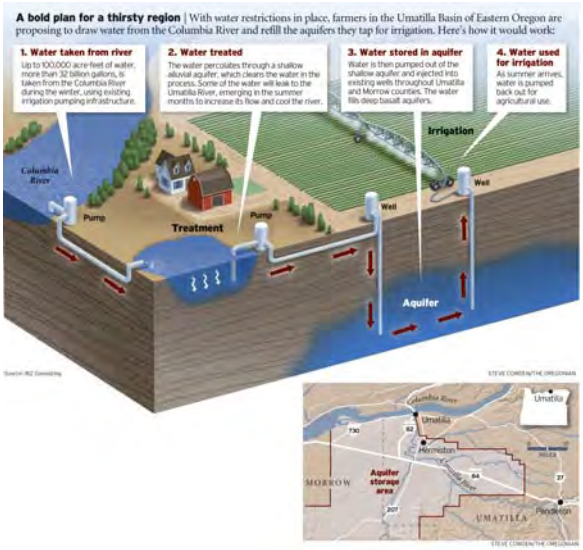
Water Resources proposes $24.9 million of Lottery Bonding funds for Water Bank and Water Supply Development programs to implement the Integrated Water Resources Strategy. The establishment of a water supply development program would improve the state's ability to assess, plan, invest in, and develop new multi-

purpose storage, including above and below-ground storage, to improve or expand operations of existing storage facilities, to implement conservation projects, or to facilitate other actions designed to provide access to new water supplies for instream and out-of-stream uses in Oregon.

Program Description

The Administrative Services Division primary benefit to Economy and Jobs comes from grants that help local communities determine and implement future water supply options through conservation, reuse, or storage.

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. One way Oregon can help with costs is to bridge the existing funding gap for feasibility studies. In 2008, the Oregon Legislature established the Water Conservation, Reuse and Storage Grant Program to be administered by the Oregon Water Resources Department. The Department awarded approximately $1.3 million in feasibility study grants to 21 Oregon communities.



Umatilla Basin Aquifer Recovery Project. The Umatilla Basin Aquifer Recovery Project uses artificial recharge techniques to clean the water to state water quality standards, and then injects the water into deep storage using aquifer storage and recovery techniques. Communities nationwide are following this project with interest, noting benefits to both irrigators and instream interests. In 2008, the Oregon Legislature provided $750,000 in planning funds, following up in 2011 with a $2.5 million grant for program implementation. ➔

The Division is also responsible for providing human resource management and fiscal services such as payroll, accounts payable, accounts receivable, contract management and general ledger. The department has been continuously recognized as a "Gold Star" contributor to the SFR since the inception of the program.

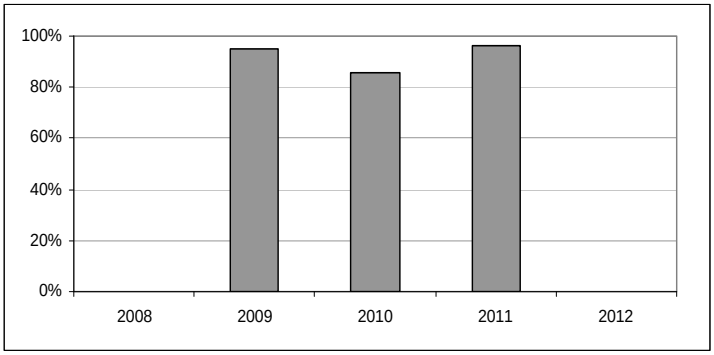
Program Justification and Link to 10-Year Outcome

The grant program focuses on development of future options for water supply through conservation, reuse, or new supply projects achieved through a process of local development and integrated community planning. A priority of the state's Integrated Water Resource Strategy, this grant program partners at the local level to identify viable solutions to future water supply needs. The administrative functions of this program area support economy and jobs through timely and efficient payment for services and supplies and accurate payroll processing.

Program Performance

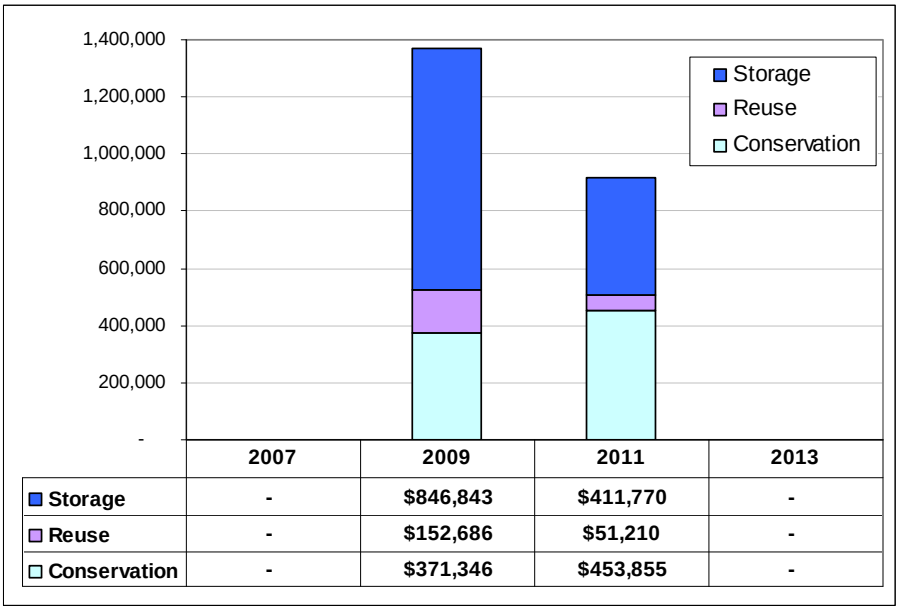
Grant reports received timely

The Department receives quarterly reports from grant recipients providing information on expenditures and tasks that have been completed. This measure shows the percentage of reports that are received within 0-10 days of their due date. Consistency above 80% is the goal. ➔



Type of Feasibility Study Grants

This graph indicates the types of grants funded. The first biennium the grants were available was in 2009-11. The second round of grants in 2011-13 saw an increase in applications related to water conservation. The amount avail-able for grants is renewed each biennium through the budget request and legislative approval process. For 2013-15, the requested amount is $1.1 million.



	2007	2009	2011	2013
Storage	-	$846,843	$411,770	-
Reuse	-	$152,686	$51,210	-
Conservation	-	$371,346	$453,855	-

Enabling Legislation/Program Authorization

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

Funding Streams

The primary funding source is General Fund that is used to provide administrative services to the Department. Funding for the Water Conservation, Reuse and Storage Grant Program has come from General Fund and Lottery Bonds in the past. For the 2013-15 biennium, Lottery Bonds are proposed.

Significant Proposed Program Changes from 2011-13

The funding proposal increases this program area's resources by $2.3 million in Lottery Funds for Debt Service and $22.6 million in Lottery Bonds for water supply development initiatives. These changes are proposed in two budget packages listed below:

WRD Pkg #204 Create a Water Supply Development Program $23.6 Million

The establishment of a water supply development program would improve the state's ability to assess, plan, and develop new multi-purpose storage, including above and below-ground storage, to improve or expand operations of existing storage facilities, to implement conservation projects, or to facilitate other actions designed to provide access to new water supplies for instream and out-of-stream uses in Oregon.

This package includes two initiatives to 1) facilitate access to existing supply in the near term; and 2) development of new supply over a multi-year period.

A *Water Bank* that provides access to existing supply through the State's acquisition of water, on either a temporary or permanent basis, for future use. This *Water Bank* envisions rapid response to immediate water needs and would provide sources of water for economic expansion, municipal growth, and environmental protection.

A *Water Development* program would provide longer term solutions, allowing the state to function as a water investor, broker and funder of large projects that would deliver sustainable sources of new water supply.

Success is defined by the establishment of water supply development tools, such as: the authority and funding for state-level investment in water projects; authority and funding for the direct purchase of water from partners; funding for the state's purchase or lease of water rights; and making water resource development grants and loans available for communities. This corresponds with Legislative Concept #659.
(IWRS Recommended Action 10e)
Funding: Lottery Backed Bonds - $23,597,488 *Staff: 4 FTE*

WRD Pkg #206 – Feasibility Study Grants **$1.3 million**

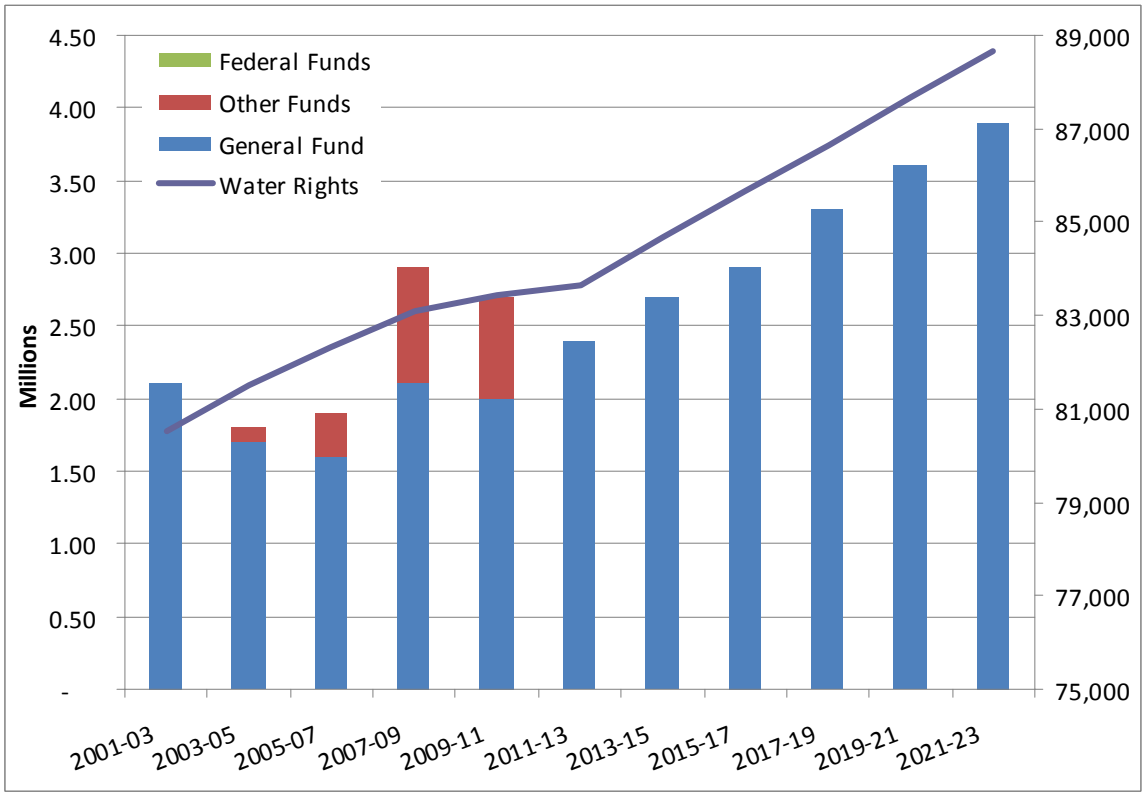
Oregon is facing increasing water demand and increasingly scarce water supplies. To adequately meet Oregon's diverse water demands now and into the future, Oregonians must use their water wisely and efficiently; that means looking more closely at innovative water conservation and reuse programs and environmentally sound storage projects that capture available water so it can be put to beneficial use when needed. Across the state, there are numerous potential water supply projects that are not pursued because a lack of funds necessary to cover the up-front costs related to feasibility study. This presents a considerable and often insurmountable barrier. "Up-front costs" may include hundreds of thousands of dollars to conduct the numerous feasibility studies and environmental analyses required before a project can begin.
The Water Conservation, Storage and Reuse grant program provides cost share to individuals and communities who are seeking local solutions to their water shortage problems.

	Requests		Awards	
Biennium	# of Applications	$ Dollars	# of Applications	$ Awarded
2009-11	35	$ 5,040,943	21	$1,370,875
2011-13	23	$ 2,295,774	19	$1,123,835
2013-15 Proposed	30	$2,500,000	18	$1,075,000

Funding: Lottery Backed Bonds - $1,301,385 *Staff: .5 FTE*

Oregon Water Resources Department: Director's Office

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



Executive Summary

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.

Program Funding Request

Water Resources proposes to add $250,000 in General Fund to existing budget authority to support the development of local place-based integrated water resources planning. This will complement other initiatives of the Department to implement the 2012 Integrated Water Resources Strategy.

Program Description

Mission. 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.

Stakeholders. Because of this, 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 fisheries, water quality needs, scenic waterways, recreation, and transportation interests.

Government to Government Relations. Oregon is home to nine federally recognized tribes, all of which have responsibilities for protecting and managing water resources. Tribes are important partners in the resolution of water rights claims in basins throughout the West. The need to resolve tribal claims in Oregon are real and significant, and the Director's Office is responsible for these negotiations.

Communication. The Director's Office is responsible for the Department's communication with stakeholders and partners. This communication also extends to members of the Legislature, the public, and the media. The Director's Office communicates through a variety of means: face-to-face meetings, conference calls, web-based platforms, informational listserves, fact sheets, and public meetings that often coincide with the Water Resource Commission's quarterly meetings. These represent a high volume of interaction, year-round.

Long-Term, Integrated Water Resources Strategy (IWRS). The Director's Office is also responsible for developing and implementing Oregon's IWRS, an inter-agency blueprint for understanding and meeting the state's water needs. Limited funding was available to develop the state's Integrated Water Resources Strategy in 2009-11 and again in 2011-13. Resources were used to convene and manage the public process, oversee the scientific and technical work products, and develop and produce the content of the Strategy. The Water Resources Commission adopted the Strategy in August 2012.

A strong set of recommended actions has emerged from discussions with advisory groups, stakeholders, partners, and the public. However, implementation will be questionable without dedicated funding. Implementation begins in Fall 2012 and will need coordination among state, local, federal, and private partners. The Water Resources Department is required to update the Strategy every five years.

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. In-house institutional knowledge, including local hydrology and hydrogeology is critical to the successful implementation of Oregon water law. The Department has analyzed whether external contractors or temporary employees could do these jobs for less cost. It has concluded that because of the need for long-term institutional knowledge and robust technical supervision; these needs are better met in-house, resulting in more accurate work at less cost.

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 (LEAN-Kaizen), external stakeholder workgroups, and the biannual budget process.

Program Justification and Link to 10-Year Outcome

With well-informed input from water professionals and the public, the *Integrated Water Resources Strategy* offers a series of recommended actions that speak directly to all five strategies identified in the *Healthy Environment Policy Vision.* This bid form calls out two of the Healthy Environment strategies in particular: "Strategy #2: Invest in Programs that Conserve, Protect, and Restore Watersheds" and "Strategy #5: Improve Natural Resources Management and Address Resource Challenges."

Healthy Environments Strategy #2. Identifies one of its 10-Year Outcomes as the development of a statewide monitoring plan allowing cross-jurisdictional sharing of habitat and watershed improvement data. The

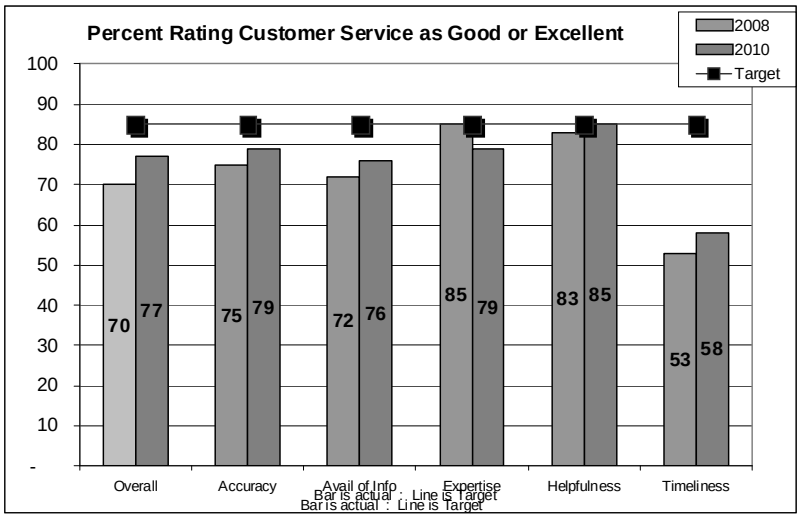
Integrated Water Resources Strategy calls for the Water Resources Department and its sister agencies to do this very thing, and the resulting budget request thus includes investments in monitoring equipment and personnel for data collection, processing, and data sharing. It also calls for improved training and technical resources for partners who help monitor and collect data. And, it calls for a deliberate and thoughtful process that allows state agencies to compare data needs and improve data coordination and collaboration in the future. Already, the Oregon Water Resources Department leads the western states in measurement and protection of groundwater and surface water resources. However, the Department requires additional and continuous information about these resources in order to make scientifically based decisions about water allocation and distribution.

Also among its 10-Year Outcomes, Strategy 2 calls for an increase in the percent of time instream flows are met. In recent years, this has stayed constant at 25 percent. The Water Resources Department uses a variety of tools to protect water instream on both a temporary and permanent basis. In 2010, more than 50 percent of streams regulated in Oregon were regulated to protect instream water rights. The Integrated Water Resources Strategy lays out a number of areas that will ensure greater strides in this area. Having up-to-date information and enough trained personnel to process and protect instream water rights is important to the success of this program.

Healthy Environments Strategy #5. Among the 10-Year Outcomes, Strategy 5.1 aims to coordinate natural resources management plans. One of the major challenges of taking on an integrated approach to water planning is that in any given basin, there are multiple water-related plans, such as municipal or agricultural water management and conservation plans. There are fish recovery plans; habitat conservation plans; basin plans for water allocation; plans for improving water quality; local land-use plans, and more. The place-based approach envisioned in the Integrated Water Resources Strategy could help to reconcile and implement these plans more effectively.

Also among 10-Year Outcomes, Strategy 5.3 aims to empower communities. Every river basin in Oregon is unique with widely varying ecological, community, and economic dynamics. Because of this, place-based integrated water resource planning is vital to meet Oregon's water management challenges, enabling communities to engage in a collaborative process on a local scale. These plans can then "roll up" to the statewide IWRS. The state, led by WRD, will develop a template for place-based planning, and will seek further grant funding and other incentives to assist with local planning efforts. This approach is meant to empower communities to conduct voluntary, place-based planning in consultation with the state.

Strategy 5.4 seeks to develop sustainable funding for environmental and natural resources efforts. The state's responsibilities related to water allocation and distribution are underfunded and have been for years. The declining trend of investment must be reversed, in order to protect and develop Oregon's water resources for future generations. The Oregon Water Resources Commission, the Department's oversight body, has directed staff to develop more information related to potential additional revenues, such as annual water management fees, annual exempt use well fees, and 100 percent cost recovery programs. One important concern with any new funding source will be to ensure equity among all types of water users.

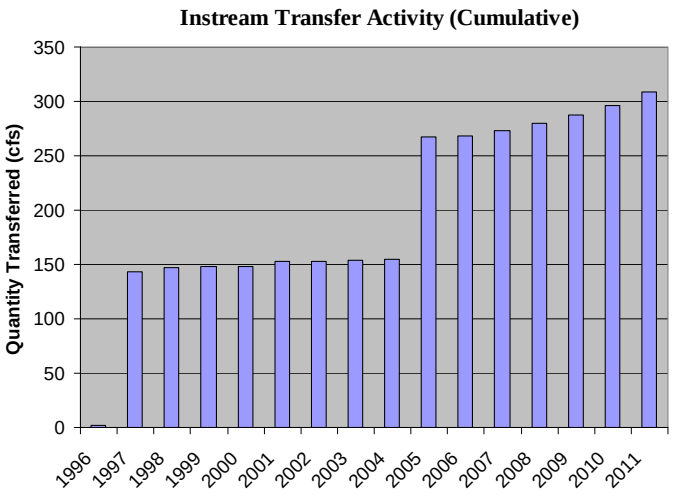


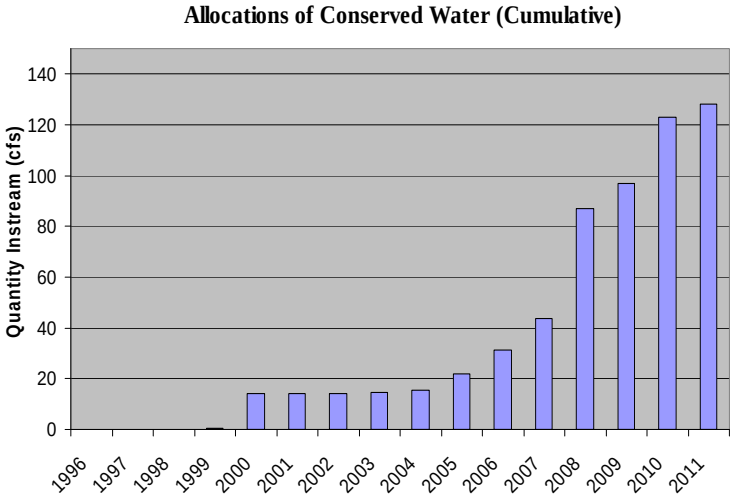
Program Performance

The Director's office oversees the performance of the entire agency. Every two years the agency conducts a customer satisfaction survey to

determine how its performance is perceived by the public. The most recent survey, completed during July 2010, yielded strong and improved results. The goal is to have at least 85 percent of respondents rank the Department's customer service as "good" or "excellent" in a number of categories. The Agency's streamlining efforts and internal process improvement efforts over the past few years have paid off, with customers increasing WRD's ratings in the areas of "timeliness," "accuracy," "availability of information," and "helpfulness." More than 1,700 customers qualified for this survey. The Department contacted 445 by phone. Two hundred and sixty, or 58 percent, responded.

Instream Successes. Oregon is a national leader in flow restoration, with more than 300 current instream leases, instream transfers, and allocations of conserved water that restore about 1,700 cubic feet per second (cfs) of streamflow for fish and wildlife, recreation, and pollution abatement.





The Department has approved 49 applications for allocations of conserved water, resulting in almost 130 cfs permanently protected and reserved temporarily instream. 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.

Enabling Legislation/Program Authorization

Water allocation 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.	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
Develop Oregon's Integrated Water Resources Strategy.	ORS 536.220

Funding Streams

Director's Office activities are funded by the General Fund.

Significant Proposed Program Changes from 2011-13

The funding proposal increases this program area's resources by $250,000 in General Fund to implement a portion of the Integrated Water Resources Strategy. Other complementary packages will be presented in the Technical Services Division's Bid Form.

WRD Pkg #104 Placed Based Planning – Template Development and Pilot Test $250,000

Because every river basin in Oregon is unique with widely varying ecological issues, community values, and economic dynamics, place-based integrated water resources planning is vital to meeting Oregon's water management challenges. Such planning enables communities to engage in a collaborative process to determine how best to meet their unique instream and out-of-stream water needs.

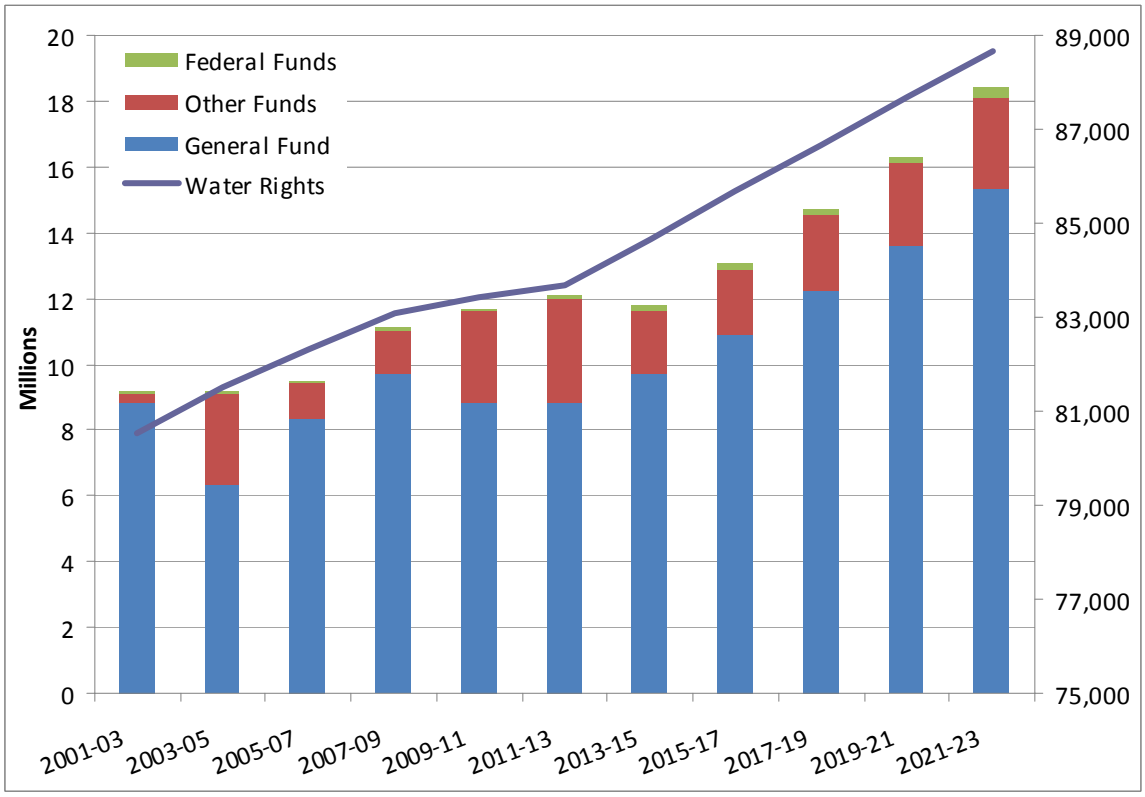
Place-based planning allows conversations to take place at a scale that a statewide water strategy may not be able to achieve. Voluntary place-based plans can "roll up" and inform the statewide Strategy. Place-based plans can leverage technical and funding resources available through the Strategy to make more meaningful local impacts. This approach is meant to empower communities to conduct voluntary, place-based integrated water resources planning in consultation with the State.

In order to successfully take a place-based approach to water resources management, the State must develop a template of guidelines to ensure that plans are integrated, addressing instream and out-of-stream needs—including water quantity, water quality, and ecosystem needs. Plans should account for the interaction between groundwater and surface water. Plans should also delineate and describe local population centers, key industries, and listed fish species, among the many factors that influence the use and management of water. Plans should conclude by identifying water development projects that merit further effort.

The Department proposes a $250K grant to one Oregon community, to build local capacity and ensure its ability to participate in this process as a full partner. This pilot will be used as a guide for future integrated water resource planning at the local level and provide feedback as to the utility of the template as a local planning tool.
(IWRS Recommended Action 9a)
Funding: General Fund - $250,000 *Staff: -0- FTE*

Water Resources Department: Field Services Division

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



Executive Summary

The Water Resources Department is Oregon's water quantity agency, managing the system of water allocation and distribution throughout the state. The Field Services Division is responsible for the on-the-ground management of Oregon's water law. The purpose of this body of law (enacted 1909) was to create a rational system of water allocation and distribution throughout the state. Prior to this, water was distributed in Oregon through the "rule of capture"—if you could divert it and maintain that diversion, you could use it. Without oversight, this led to conflicts and even violence between users. Today, however, water is allocated and managed rationally through a system of state permitted water rights that provides certainty and predictability of water supply for Oregon jobs and economic development. The Field Services Division provides the regulatory oversight for that water rights system, managing all surface water and groundwater supplies for users ranging from large agricultural, municipal, and industrial to individual domestic users.

Program Funding Request

Water Resources proposes to utilize $803,203 in additional General Fund to implement the Integrated Water Resources Strategy, conduct basin groundwater investigations and provide water distribution and management staff within the Wallowa and Klamath basins. The Department also is requesting authority to receive $167,632 in Other Funds from Deschutes, Jefferson, Crook, and Klamath counties to provide water distribution and management with an assistant watermaster position.

Program Description

The primary purpose of the Field Services Division is protection and management of water rights to meet Oregon's direct economic water needs, as well as the management and protection of instream water rights to provide fish and recreational flows and improve water quality.

The Field Services Division achieves its purpose through a presence in the field, working closely with water users and providing regulatory enforcement of Oregon water law. Long-term one-on-one relationships between field staff and water users in basins around Oregon allow for effective and timely water management solutions. Close collaboration between Field Services staff and the Regional Solutions Centers ensure that promising economic development opportunities are not held up by water supply issues.

Historically, workload and customer contact increased seasonally during the spring and summer months. Today's workload is distributed year-round as staff deal with more complex water management issues.

The Field Services Division is comprised of 51 current employees in five regions across the state. The core of the Division is 20 watermasters and five assistant watermasters who manage water supplies and water rights over Oregon's 98,000 square miles. In addition to the watermaster corps, hydrologic technicians measure the surface waters of the state to assure water availability, collecting data for long-term trend analyses and water availability investigations. Well inspectors ensure that wells are constructed to be protective of Oregon's aquifers and people's drinking water supplies. Division staff interact daily with the public, providing onsite information regarding water supply management and well construction, resolving disputes between users, collecting data about stream flow and groundwater levels. Customers include Oregon farmers, ranchers, business owners, municipal water suppliers, other state and local government agencies, homeowners, and environmental interests.

The two primary cost drivers for the division are personnel costs and services and supplies, primarily vehicles for in-state travel. The 20 watermasters, on average, cover 4,800 square miles each, with larger watermaster districts closer to 10,000 or more square miles, requiring extensive travel to meet the watermaster district's water management needs. Personnel require specialized training in water measurement, Oregon water law, administrative and enforcement procedures, and most importantly, water right knowledge specific to their watermaster district. Each watermaster and assistant needs to know the location of pumps, ditches, headgates, measuring devices, wells, and places of water use, and contact and ownership information for the water users. It is this timely and effective regulation and distribution of water that protects and preserves the investment of the many diverse water users in Oregon.

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.

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.

If water is the fuel of Oregon's economic engine, then it is Field Services Division's responsibility to ensure that agriculture and other water-dependent industries have reliable water to maintain employment and meet their business needs. The Field Services Division best aligns with *Strategy 1* of the *Economy and Jobs Outcome*, providing the regulatory framework for dependable and sustainable water supplies that promote trade and sustainable business development.

In addition, Field Services Division staff will be directly responsible for field implementation of any Integrated Water Resources Strategy key priority actions, particularly in the areas of place-based planning and adequate field presence.

Place-Based Planning. Because every river basin in Oregon is unique with widely varying ecological, community, and economic dynamics, place-based integrated water resource planning is vital to meeting Oregon's water management challenges. Place-based planning enables communities to engage in a collaborative process to determine how best to meet their unique instream and out-of-stream water needs. Place-based planning processes provide a venue for water managers to interact with people who live, work, and play in a watershed and care deeply about it.

Adequate Field Presence. 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.

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.

In recent years, the number of personnel in the field has dwindled. For example, Water Resources staff peaked in the 1990s when the agency had more than 160 staff members. This was supplemented by 37 county-funded assistant watermasters. In recent years, state-funded staff has declined to 144 and counties now support only 15 field-related positions. This reduction in Water Resources Department's field presence is significant, given the large responsibilities involved. In southeast Oregon, for example, the District 9 watermaster is responsible for regulating and distributing water across 11,000 square miles of land. In northwest Oregon, the District 16 watermaster is responsible for several hundred dams that need routine inspection and site visits.

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. Strengthening Oregon's field-based work will require financial investments and a continued partnership with other agencies to carry out our shared responsibilities.

The Field Services Division is tied to the *10-year Outcomes for Jobs and Economy Strategy 1* by: 1) providing local field management expertise in the development of place-based regional water resource plans, and 2) managing existing water supplies and the protection of senior water rights as the *Outcome Goal* of 20,000 additional acres of irrigated agriculture are developed and added to the economy.

Program Performance

The Field Services Division addresses a broad range of water supply protections. The table displays two of Field Services Division's responsibilities: Regulatory Actions and Well Inspections.

Year	Regulatory Actions	Well Inspections
2007	11,636	1,169
2008	6,999	1,651
2009	11,493	1,245
2010	10,528	715
2011	8,182	743
2013-15	10,000/yr est	800/yr est

Regulatory Actions. The watermaster corps is the sole provider of water regulation and distribution in Oregon. 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); by availability of staff to undertake the work; and by external forces such as federal irrigation project management related to Endangered Species Act issues. The goal in the above table is to increase the number.

Well Inspections. Well inspections maintain the integrity and quality of Oregon's groundwater resources. 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 goal in the above table is to increase the number.

Enabling Legislation/Program Authorization

Oregon water law is laid out in Oregon Revised Statutes (ORS), chapters 536 through 541. With 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; 537.535 – 537.635 authorizes the water-use permitting process to develop those waters; 537.747 – 537.772 authorizes well construction standards and regulation; 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 2-3 percent of the Field Services Division operations.

Significant Proposed Program Changes from 2011-13

The funding proposal increases this program area's resources by $803,203 General Fund and $167,632 in Other

Funds to support continuation of the Integrated Water Resources Strategy, define the relationships between groundwater and surface water to provide the basis for water availability decisions, provide for effective water management and distribution services in Wallowa and Klamath counties, and accept county funding for assistant watermaster services.

WRD Pkg #201 Implement the Integrated Water Resources Strategy **$209,773**

Implementation of the Integrated Water Resources Strategy, published in 2012, includes development of further project details for legislative action, fulfillment of scientific, outreach, and policy obligations, and documentation of lessons learned. In the coming years, an effective state-wide Strategy will require efforts at the local level as well, to develop place-based strategies that can guide not just one, but a series of water development projects over time. Funding should be available for the State to facilitate place-based planning and sustain the type of effort and expertise required to implement the water development strategies that emerge. The four primary agencies responsible for development of Oregon's Integrated Water Resources Strategy—Water Resources Department, Department of Environmental Quality, Department of Fish and Wildlife, and Department of Agriculture—are all proposing packages to fund coordination of IWRS implementation.
(IWRS Recommended Action 13a)
Funding: $209,773 General Fund *Staff: 1.0 FTE*

WRD Pkg #202 Conduct Basin Groundwater Investigations **$250,000**

Understanding Oregon's groundwater resource is clearly articulated in Oregon's Integrated Water Resource Strategy in Recommended Action 1a. In developing the Strategy staff found the number one request WRD receives from county and other local planners is for more information about groundwater resources: "Where is the groundwater?" "How much groundwater is available?" and "What rate of pumping is sustainable?" This information is an important input for economic development throughout Oregon. Funds will be used to partner with the U.S. Geological Survey (USGS). OWRD and USGS scientists will jointly conduct comprehensive basin-by-basin groundwater investigations that include data surveys, define relationships between groundwater and surface water, and provide science-based tools for managing groundwater on a sustainable basis.
(IWRS Recommended Action 1a)
Funding: $250,000 General Fund *Staff: -0- FTE*

WRD Pkg #203 Field Services **$343,430**

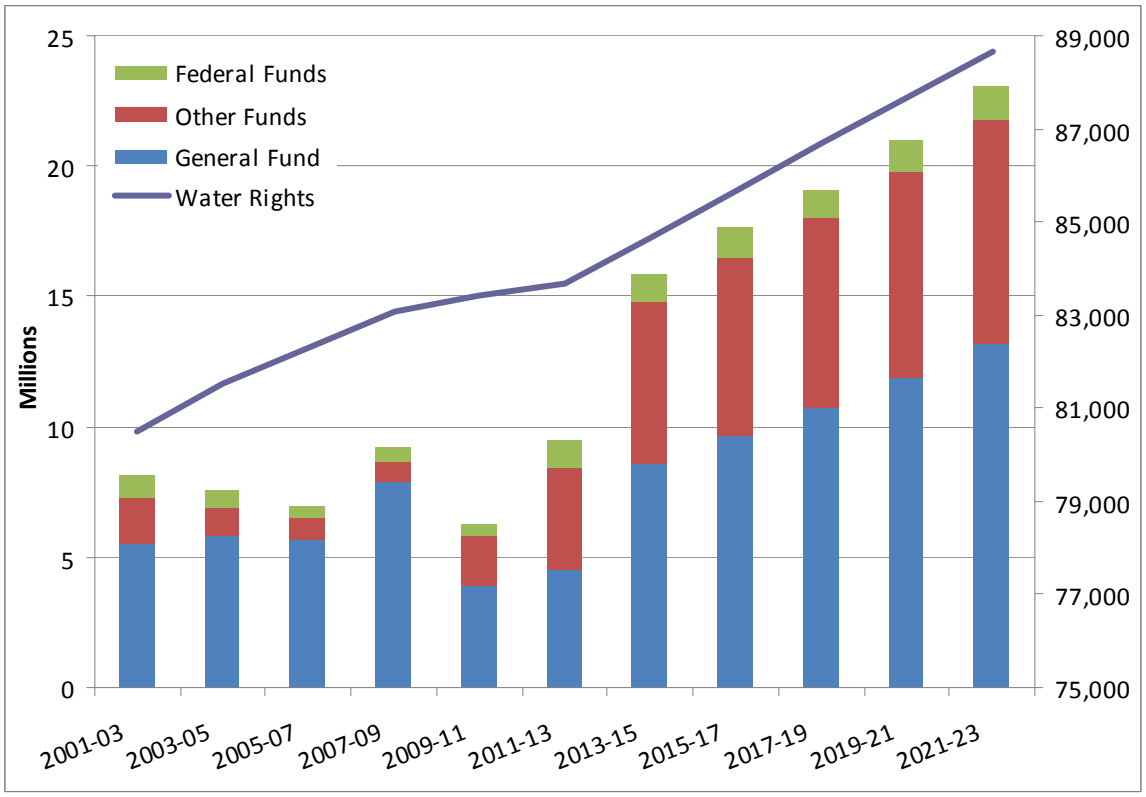
These positions are partial fulfillment of the Integrated Water Resources Strategy (IWRS), a three-year planning process that culminated in adoption by the Water Resources Commission in August 2012. The Strategy and associated work plan present a need for rebuilding field capacity to meet the water distribution and water supply demands, including: flow restoration, protection of instream water rights, monitoring compliance, and stream flow gaging. The two positions include a watermaster in Wallowa County and an assistant watermaster in Klamath County.
(IWRS Recommended Action 1c, 10)
Funding: $343,430 General Fund *Staff: 2.0 FTE*

WRD Pkg #209 Make Permanent an Existing Assistant Watermaster **$167,632**

Currently, the Department has a limited duration assistant watermaster in the Deschutes Basin. This package requests making this limited duration position permanent, to help the Department conduct its core responsibilities, including: settling water right disputes; protecting existing instream and out-of-stream water rights; collecting hydrologic data for planning and regulation; inspecting dams and wells for structural integrity and public safety. This position is funded from other funds, including monies from Deschutes, Jefferson, Crook, and Klamath counties.
Funding: $167,632 Other Funds (Counties) *Staff: 1.0 FTE*

Water Resources Department: Technical Services Division

Primary Outcome Area: Healthy Environment
Secondary Outcome Area: Economy and Jobs
Program Contact: Barry Norris: 503-986-0828



Executive Summary The Water Resources Department is Oregon's water quantity agency, managing the system of water allocation and distribution throughout the state. The Technical Services Division provides the best available science for water management decisions related to supporting a healthy environment. Without the opportunity for science-based decision-making, water management in Oregon would lack certainty, equity and sustainability.

Program Funding Request
Water Resources proposes to use $3.1 million in additional General Fund to implement portions of the Integrated Water Resources Strategy including water-use measurement and reporting, instream protections, surface and groundwater data collection. $100,000 of General Fund is requested to provide modeling of the Metolious groundwater system. A water right management fee would provide $2 million in the first biennium to implement a stable funding source for core responsibilities related to water right management.

Program Description There are five primary sub-programs within the Technical Services Division.
(1) Groundwater Basin Investigations. Oregon has a need for additional groundwater investigations to further understand the relationship between groundwater and surface water, and the availability of both. Conducting groundwater investigations is a priority for the state, which typically conducts this work at the basin scale through a cooperative, cost-share science program with the U.S. Geological Survey (USGS). The Department has completed its initial look in three basins in Oregon: the Deschutes Basin, the sedimentary aquifers of the Willamette Basin, and the Upper Klamath Basin. The state has prioritized additional basins for subsequent groundwater studies, including the Umatilla and its Walla Walla sub-basin (a high priority due to the desire to

appropriate additional winter water from the Columbia), and the Hood, Sandy, Grande Ronde and Powder Basins. Basin studies can take approximately 5-6 years to complete. The major cost driver to this program is the need for highly skilled hydrogeologists.

Accurate well location and water-level data measured at state observation wells and miscellaneous project wells are critical to help assess the groundwater resource. Prior to conducting groundwater studies in a basin, it is necessary to establish long-term water level data sets to accurately evaluate climatic, seasonal, and groundwater development impacts on the aquifers. There are currently 372 state observation wells and 686 miscellaneous project wells active in Oregon. Expanding this network with dedicated monitoring wells, to which staff have year-round access, would help immensely in basins where the state plans to work with the U.S. Geological Survey on cooperative groundwater studies.

(2) Surface Water Hydrology. As of 2012, the Water Resources Department operates more than 200 stream and reservoir gages throughout the state, maintaining a 100-year record for many of them. The Department has operated gages to serve two primary purposes: scientific evaluations, and water management (for distribution and regulatory purposes). About 150 of these gages are operated as near real-time, and transmit data once every hour. The Department also posts on its website information from another 225 gages operated by the U.S. Geological Survey.

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. Currently, the state lacks sufficient capacity to maintain and quickly process data from its network of stream gages. This has resulted in a backlog of unprocessed records, and has hindered the Department's ability to share valuable water resources information.

The Department recently identified gaging priorities for water management and distribution. The evaluation identified locations where another 70 stream gages would help watermasters distribute surface water to water right holders; 30 of these gages are high priority for regulatory, environmental and logistical reasons.

(3) Well Construction and Enforcement. Well Inspectors make sure that wells are constructed in a manner that protects groundwater from toxins, other contaminants, waste, and loss of artesian pressure. The Department has the ability to develop special standards to handle unique local circumstances as they arise. The Department reviews well construction reports and provides a continuing education program and construction guidance for approximately 650 licensed well drillers in Oregon. The major cost drivers are salaries and benefits for program personnel.

(4) The Dam Safety Program. Dam Safety Engineers protect public safety, with an inspection portfolio of more than 1,300 dams statewide. Engineers supervise all inspections to ensure consistency and technical competency; approximately 30 percent of inspections result in a recommended action to the owners. Engineers approve all design and construction activities, incorporating earthquake and extreme flood event information as it becomes available. Success for this program is measured by the lack of catastrophic failures, the solid relationships established with owners and their consultants, and the ability of Department engineers to work with owners to complete upgrades when they are needed. The major cost driver to this program is the need for highly skilled engineers.

(5) Information Technology. I.T. provides the technology needed for critical data management. Department databases receive an average of 1.9 million hits per year over the internet. Accessible information includes water rights, streamflow, groundwater, well construction and water use, the Water Resources Commission meeting materials, and scientific investigations such as a comprehensive flood frequency interactive model, a

statewide interactive analysis of water availability, and an interactive mapping portal that includes a generous array of map overlays exhibiting various data sets. The major cost driver for this program is the investment needed to maintain current technology including equipment, training and labor costs.

Program Justification and Link to 10-Year Outcome

Healthy Environments Strategy 1: Water Quality and Air Quality. Analysis of surface water and groundwater are essential components in analytical programs that contribute to protecting and restoring threatened and endangered species. Proper well construction protects groundwater aquifers from contamination, loss of artesian pressure, and waste. It preserves the quantity and quality of groundwater that continually contributes to surface water bodies.

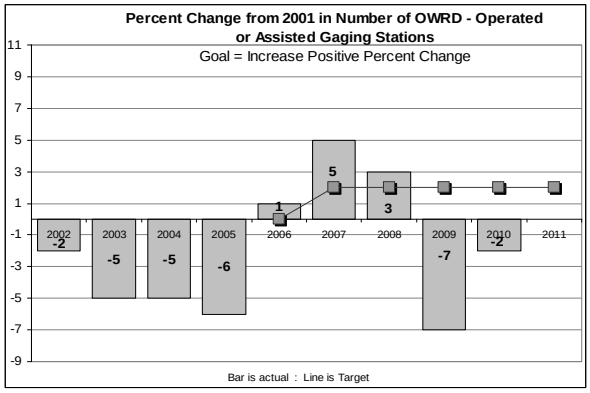
H.E. Strategy 2: Conserve and Protect Watersheds. Through the use of monitoring equipment, measurements, and inspections, the Division collects and shares groundwater and surface water information vital to the protection of Oregon's water resources. This information enables staff to protect instream flows, groundwater aquifers, and senior water rights.

H.E. Strategy 3: Toxics. Understanding groundwater is a key component to prevent migration of existing groundwater contamination. Scientists work closely with the Department of Environmental Quality to manage groundwater use accordingly. Proper well construction prevents cross flow between aquifers and contamination from surface water.

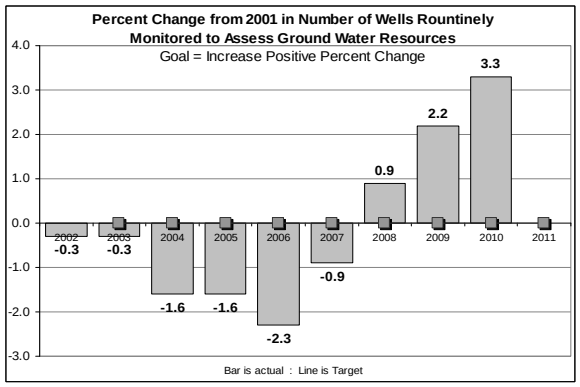
H.E. Strategy 4: Build Great Communities. Growing communities depend on the certainty that water will be available for consumption, recreation, agriculture and other purposes. This program contributes to the coordination of resources for growing communities by providing the science to manage surface water and groundwater conjunctively as a sustainable resource.

H.E. Strategy 5: Natural Resource Management. Tasks are coordinated to provide best science, treat businesses fairly, and achieve environmental outcomes through appropriate, science-based compliance strategies. This helps avoid a command and control approach in favor of consistent and fair decisions with competent analysis, and open and easily accessible information in a user friendly environment.

Program Performance



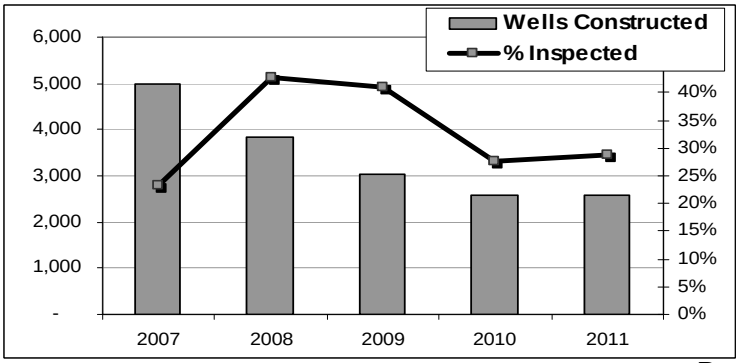
In 2010, Oregon had 211 active streamflow gages, compared to 215 in 2001.



In 2010, Oregon had 362 wells in the State Well Net, compared to 350 in 2001.

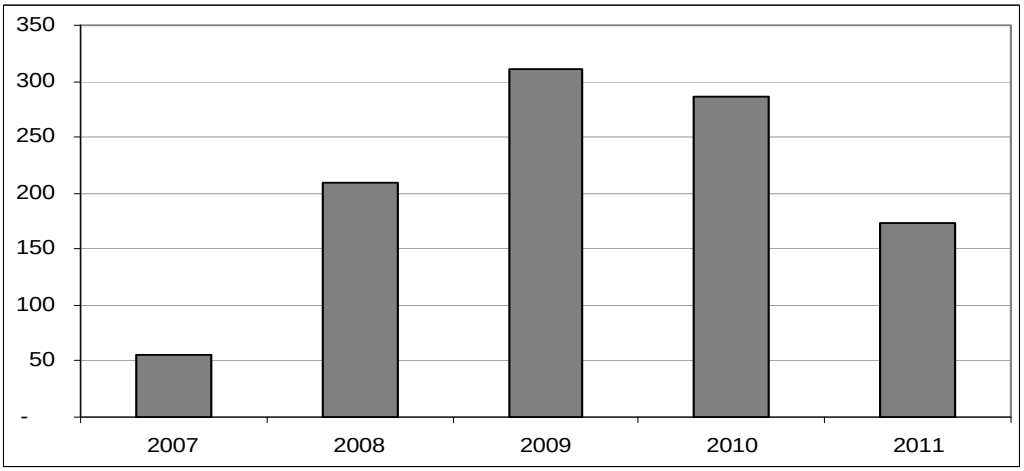
Wells Constructed and Percentage Inspected

The Department has a goal of inspecting at least 25% of constructed wells. Declines in the number of wells constructed during the recession have allowed an increase in inspections.



Dam Safety Inspections

The Department inspects dams on an ongoing basis. Oregon currently has more than 1,300 dams statewide. Those dams that have a potentially higher risk of life endangerment or property damage are inspected more frequently.



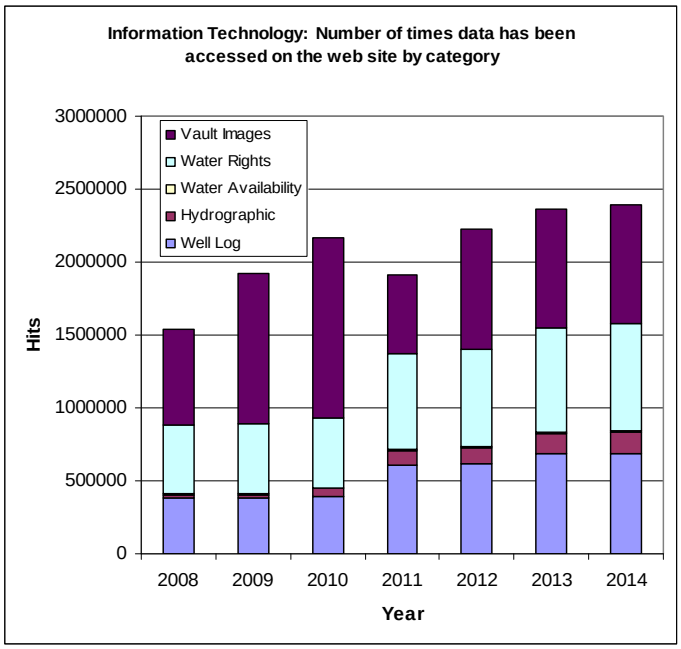
Enabling Legislation/Program Authorization

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 thru 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 Hydrology: ORS 537.505 thru ORS 537.746 provides for the protection of groundwater to insure a sustainable resource for the state.

Well Construction and Enforcement: ORS 537.747 thru ORS 537.796 & ORS 537.880 thru ORS 537.895 provides requirements for well construction.



Surface Water Hydrology and Measurement: ORS 536.440, ORS 537.099, ORS 542.060, ORS 542.750 & ORS 540.435: Water users must measure and report. The Department must establish and maintain gaging stations; publish gage records, and analyze surface water.

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

Funding Streams

Historically, the majority of funding comes from the state General Fund. Other Funds include fees for the inspection of wells placed by licensed drillers and the mapping of those wells in the Department's online databases. The state's core responsibilities related to water, described in detail throughout this document, are underfunded and have been for years. The declining trend of investment of General Fund must be addressed, in order to ensure Oregon's natural resource legacy for future generations and to implement our shared vision into the future. Natural Resource agencies in Oregon are developing a number of ideas to stabilize their budgets from the steep decline in General Fund, and are watching other western states with interest, as they do the same.

Significant Proposed Program Changes from 2011-13

The funding proposal increases this program area's resources by $3.2 million General Fund and $2.0 million in Other Funds to both protect and provide for beneficial uses of Oregon's surface and groundwater resources.

WRD Pkg # 101 Water-Use Reporting Program $175,000

This re-instates the Department's water-use reporting position, necessary to fulfill statutory responsibilities and provide technical assistance to water users. Restoration of this staff position will enable the Department to work with water users to fulfill the requirements of their water use for measurement and reporting, essential tools for the Department in managing water resources on a sustainable basis for the economy and for future generations.

(IWRS Recommended Action 2b)

Funding: $175,000 General Fund *Staff: 1.0 FTE*

WRD Pkg # 102 Instream Protections $368,129

This package is designed to help the state meet its instream needs, by first collecting necessary data and then implementing greater instream protections. Oregon's ability to meet instream needs is limited by our understanding of these needs. While scientists know that ecosystems and species depend upon both surface water and groundwater, they have not yet identified or quantified all of the ecological functions that rely on groundwater and surface water. Nor have they fully quantified the ecological degradation that occurs with differing qualities and quantities of water. On implementation of this proposal, staff will develop criteria for basins throughout the state, and a schedule for completion of each basin. This package compliments a request at Oregon Department of Fish and Wildlife for biologists to determine the flow needs of native fish species. An OWRD hydrologist and permit writer will help develop and process resulting requests for instream water rights.

(IWRS Recommended Action 3a, 11b)

Funding: $368,129 General Fund *Staff: 2.0 FTE*

WRD Pkg # 103 Re-institute the Measurement Cost Share Fund $50,000

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. This concept re-capitalizes an already existing fund to assist water users with this partnership in water management. Installation costs are shared; users then provide water-use measurements.

(IWRS Recommended Action 2b)

Funding: $50,000 General Fund *Staff: -0- FTE*

WRD Pkg # 105 Groundwater Data Collection and Integration $1,415,646

Provides resources necessary to manage Oregon groundwater in a manner that maximizes the opportunity for use while ensuring sustainability for existing users and future generations. Expands the current well net by 30 percent, reduces the number of wells without confirmed identification information by 50 percent, and eliminates all backlog related to groundwater applications. Incorporates the existing well information data base with the surface water data base and hosts the information on the Department's web page.

(IWRS Recommended Action 1b, 1c)

Funding: $1,415,646 General Fund *Staff: 3.0 FTE*

WRD Pkg # 106 Surface Water Data Collection and Integration $1,116,225

The issues addressed here are two-fold: 1) a need to upgrade surface water data collection in Oregon; and 2) agency coordination of collecting and sharing of data across local, state, federal, and tribal agencies. The Department's 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 change and drought.

OWRD completed an evaluation of the stream gage network in Oregon and published the analysis in 2012. The report focused on the gage network as used for water distribution among water right holders, including instream water rights. The report identified a need for 70 new stream gages with 30 of those as high priority installations.

(IWRS Recommended Action 1b, 1c)

Funding: $1,116,225 General Fund *Staff: 5.0 FTE*

WRD Pkg # 107 Metolius Modeling **$100,000**

In 2011 the Legislature passed HB 3623, which requires the Department report every five years to the Legislature on the status of the Deschutes Basin study area, including "…a review of groundwater uses on the headwaters of the Metolius River and other key reaches of the Metolius River System." No funding was provided for this new groundwater investigative work. This funding provides the Department with the ability to model specific impacts on the Metolius River that result from water use. This information will be reported to the Legislature as required by HB 3623.

Funding: $100,000 General Fund *Staff: .5 FTE*

WRD Pkg # 108 Water Right Management Fee **$2,000,000**

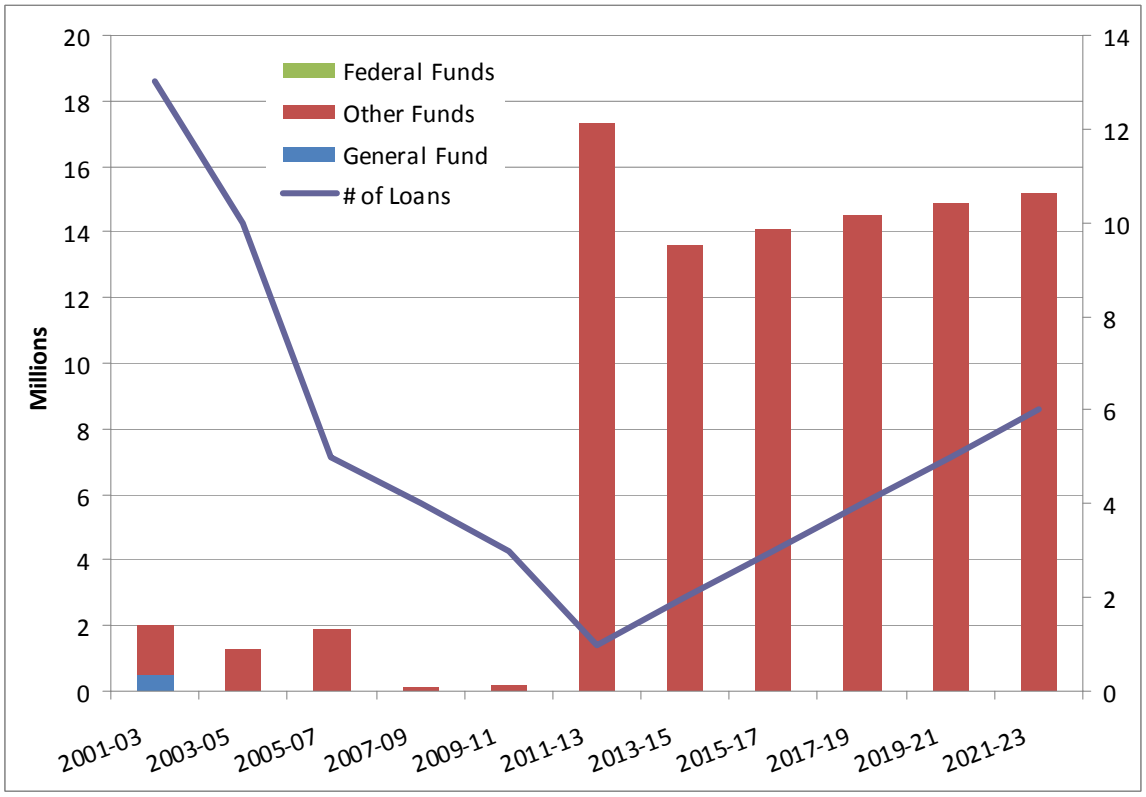
The proposed water right management fee provides a stable funding source for core responsibilities related to water right management. Funds will be obtained through an annual flat fee for each water right held by an entity, with a maximum amount that can be charged any one entity no matter how many rights are held. Monies collected are to be deposited in the Water Rights Operating Fund and used to fund field, technical and administrative activities involving water rights management such as the administration, maintenance and protection of the water right permit and certificate system. These funds represent the implementation costs to establish the system and infrastructure for collection resulting in up to $2 million in the first biennium and $10 million in additional Other Funds in future biennia.

(IWRS Recommended Action 13b)

Funding: $2,000,000 Other Fund fees *Staff: 7.0 FTE*

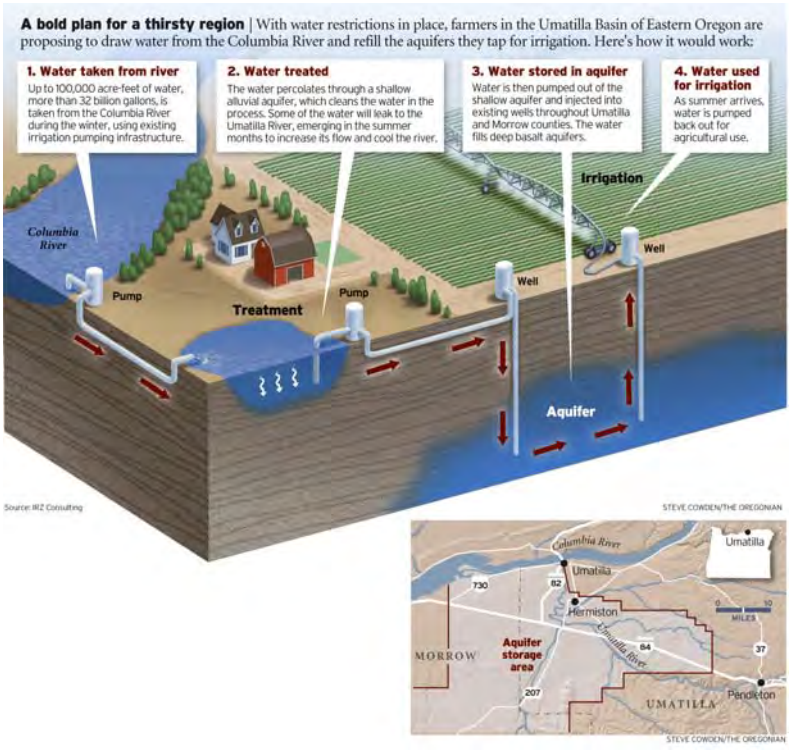
Water Resources Department: Water Development Loan Fund

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



Executive Summary

The Water Resources Department is Oregon's water quantity agency, managing the system of water allocation and distribution throughout the state. The Water Development Loan Program was enacted by the 1977 Legislature to finance irrigation and drainage projects. The recent increase in expenditure authority comes from the Umatilla Basin project where the Department is authorized to loan up to $15 million to fund an aquifer recovery project in the Columbia River Basin that will substantially increase the agricultural production of the region.



Program Funding Request

Water Resources proposes to continue to support the availability of up to $10 million in funding

from bonding to provide loan funds to the Umatilla Aquifer Recovery Project. The proceeds of the bond would be repaid by the Umatilla project operational revenue.

Program Description

Current projects
The Umatilla Basin Regional Aquifer Recovery Project, described more fully under other Department programs has tentative plans to borrow $10 million during the 2013-15 biennium for project build-out. Initial estimates of the full build-out place the regional economic benefit at $100-$300 million and an increase of 700-2,000 jobs. The Basin's gross farm sales in 2006 accounted for 12 percent of the State's total gross farm sales, second after Marion County.

History
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 for inclusion into Oregon's Constitution. The 1981 Legislature amended ORS 541.700 - 541.855 to expand the use of the program to include community water supply projects as a third primary use. The addition required a constitutional amendment, which was approved by Oregon voters in 1982. The 1987 Legislature amended ORS 541.700 - 541.855 to expand the authority of the program to make loans for fish protection and watershed enhancement. In May, 1988 the constitution of the State of Oregon was amended by a vote of the people, in order to make the changes effective.

Over its life, the Water Development Loan Program has reviewed 320 applications and funded 181 loans, worth about $32 million. 176 of these loans were for irrigation and drainage projects and five were for development of community water supply systems. No bonded debt was issued nor loans made during the last biennium. The program has no state-owned property or inventory. There is currently only one loan outstanding for under $100,000; this loan comes due in 2017.

SB 5505 (2009) established authority to issue bonds in the amount of $10 million in 2009-11 and $15 million in 2011-13 to fund water development projects in the Columbia River Basin. Thus far, projects have not utilized this bonding authority.

HB 3369 (2009) made changes to update the loan program:

- Water Development Projects, by definition, will include projects that maintain and enhance water quality and streamflow.
- Expands definition of security for loan to include "or by other good and sufficient collateral."
- Expands the potential for fees, and reimbursed costs from applicants.
- Provisions for projects in the Columbia River Basin.

Program Justification and Link to 10-Year Outcome

The Water Development Loan Fund program provides an opportunity for loans to develop 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).

Enabling Legislation/Program Authorization

This program is operated under authorization provided in Article XI-I(1) of the Oregon Constitution and in ORS 541.700-541.855.

Funding Streams

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.

Significant Proposed Program Changes from 2011-13

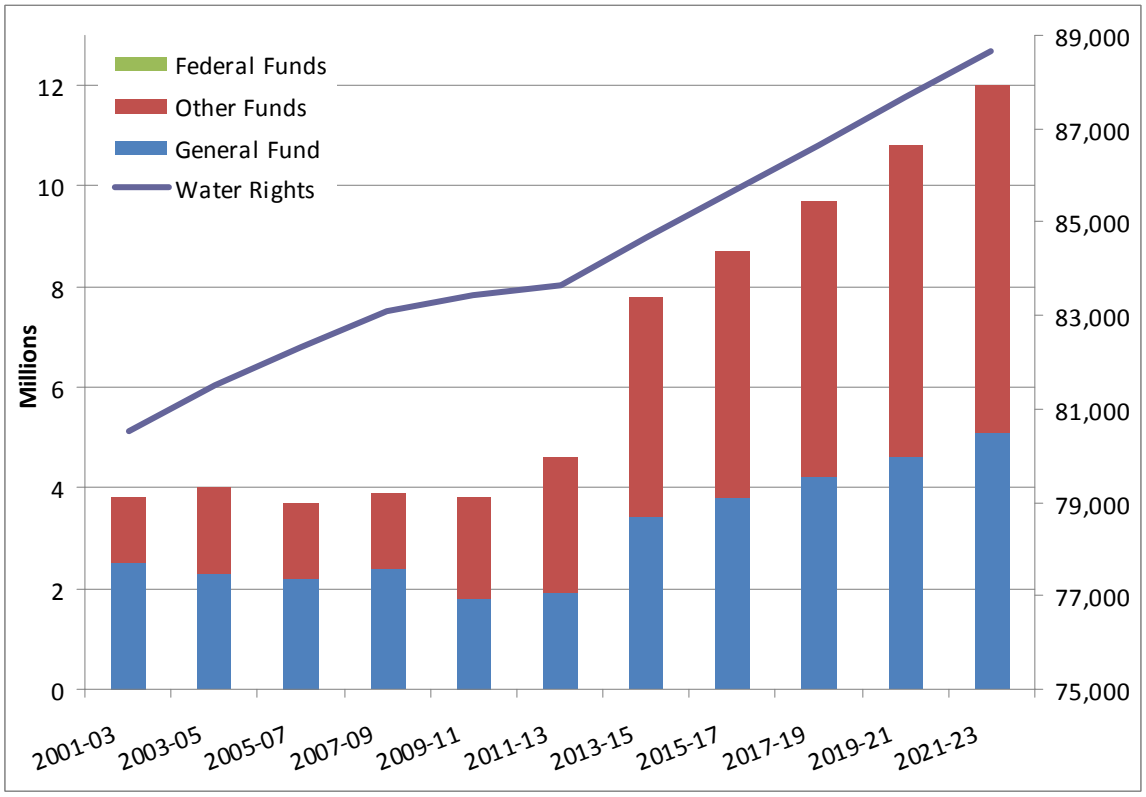
WRD Pkg #205 Water Development Loan Fund – Umatilla Project $11 million

The 2009 Legislature authorized General Obligation bonds in the amount of $10 million during the 2009-11 biennium and $15 million during the 2011-13 biennium for the implementation of water development projects in the Columbia River Basin. The Umatilla Basin Aquifer Recovery Project has successfully provided "water on the ground" and proven the viability of the aquifer recharge project. The Umatilla Basin Water Commission has requested that the bonding authority be deferred until 2013-15 in the event that they find it beneficial to use the Water Development Loan Fund to finance the next phase of the project.
(IWRS Recommended Action 10b)

Funding: $11,061,191 Bonds (Article XI-I(1)) *Staff: -0- FTE*

Water Resources Department: Water Right Services Division (WRSD)

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



Executive Summary

The Water Resources Department is Oregon's water quantity agency, managing the system of water allocation and distribution throughout the state. The Water Rights Services Division supports the economy of Oregon by processing all of the water rights 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.

Program Funding Request

Water Resources proposes to continue the staff that support the Water Right transactions and services through extension of a fee schedule that was implemented in 2009. Another 2013-15 proposal also provides for customers to voluntarily update the contact information on water right certificates for a fee. These initiatives do not have a General Fund impact.

Program Description

The WRSD supports Oregon's economy by evaluating and acting upon applications for new water rights. Under Oregon law, almost all water users, including agricultural enterprises, cities, and state and federal agencies, must apply for and receive a water right before initiating water use. Approvals of these types of applications often result in wells drilled, pipes and pumps bought and installed, and other types of construction related activities. The Division is responsible for the evaluation of both instream and out-of-stream water right applications and the issuance of new water right permits. In addition, the Division administers the following water right-related programs:

- Extensions of time;
- Water right certificates;
- Protests;
- Customer service and record management;
- Hydroelectric permitting;
- Limited license applications;
- Drought related water use permits;
- Adjudication of pre-1909 water right claims;
- Water right transfers;
- Permit amendments;
- Water Management and Conservation Plans;
- Allocations of Conserved Water; and
- Instream Leasing.

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 and protests concerning water use applications and transfers.

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 of a water right permit and certificate is prescribed by statute and rules.

Program Justification and Link to 10-Year Outcome

(Jobs and Economy Strategy 1) The WRSD supports sustainable 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, known as the 80 percent exceedance standard, provides new water right holders a level of reliability prior to investing in expensive infrastructure.

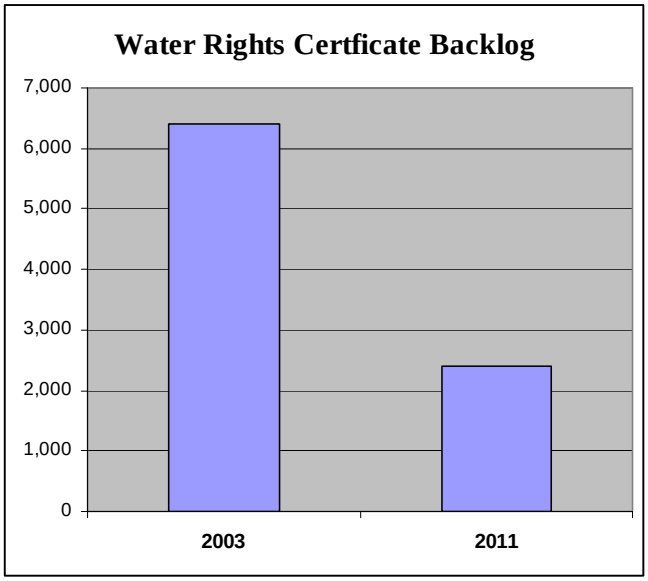
The WRSD has frequent contact with many of Oregon's key industries including: agriculture, food processing, nursery products, tourism, semiconductors, solar, wave energy and even wind energy. Water is a necessary ingredient for these business sectors to thrive.

This Division plays an integral part in implementing several key priority actions of the state's Integrated Water Resource Strategy. These efforts include revising informational materials to provide clearer guidance about how to use the agricultural and municipal Water Management and Conservation Plans and the Allocation of Conserved Water program. The results of local water resource planning would be handled administratively and then implemented by the WRSD.

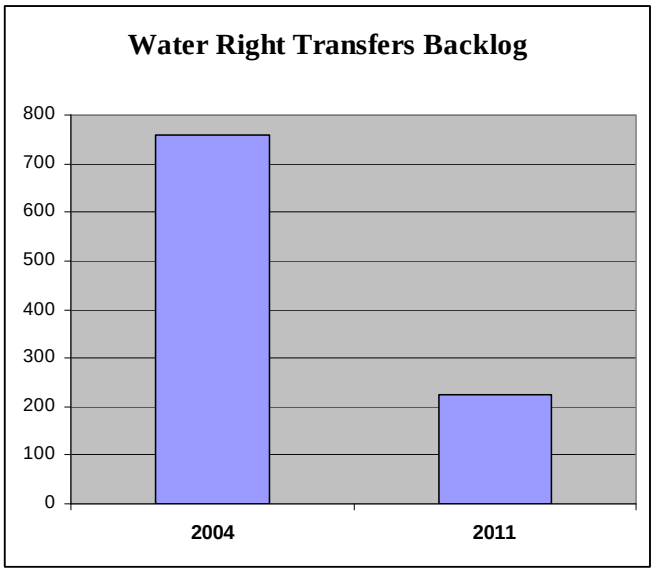
A 10-year Outcome for Jobs and Economy Strategy 1 is to increase water supply projects that lead to at least 20,000 additional acres of irrigated agriculture. The WRSD processes the water right applications that will allow Oregon to meet this goal.

(Jobs and Economy Strategy 2) It is critical to business and communities that we are able to process different types of water use requests in a timely and accurate manner. This is consistent with item 2.2 "Create a fertile economic environment in Oregon for all businesses." 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.

Program Performance



Securing a water right certificate is the final step in "perfecting" a water right. When issued, it 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. This, combined with the Department's reimbursement authority program, reduced the backlog to about 2,400 by the end of 2011.



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 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. As a result, the backlog in 2011 dropped to 224.

The Water Resources Department embarked on two efforts to improve process efficiencies still more.

Lean Kaizen. In 2009, 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.

Efficiency Review Group. In addition, the Department has convened a group of outside experts, who are very familiar with Department processes and transaction programs. This diverse group represents a wide range of water use and environmental perspectives. Outcomes from this group involved recommendations for statutory, rule, and administrative changes; three such recommendations were enacted during the 2011 Legislative Session. This group of colleagues helped the Department build support for statutory efforts that resulted from their work.

This division has reduced waiting times and backlogs consistently over the last decade. 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. This means that nearly 99 percent of interested persons and entities, including applicants, do not protest the Department's proposed decisions.

Enabling Legislation/Program Authorization

The division prides itself in strictly adhering to the enabling statutes that authorize the water right processes that we administer. We continue to seek amendments to statutes to allow for regulatory streamlining whenever possible. 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. Staff = transfer staff, field water right techs	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 = 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. Staff = adjudications staff	ORS Chapter 539; ORS 539.010; ORS 537.665 to 537.700;
Hydroelectric Program – Coordinating agency for project re-authorization and FERC licensing, review of non-FERC applications. Staff = Hydroelectric staff	Oregon Constitution Article XI-D ORS 543.015; ORS 543.017; ORS 537.283

Funding Streams

Most WRSD programs are funded with applicants paying for half of the program costs with application fees and the remaining from General Fund. Until 2009, applicants paid approximately 30 percent of the costs, with 70 percent of the programs funded by the General Fund. One exception to this is the hydroelectric program, which is fully funded by an application fee and annual fees.

The fees related to each of the Department's water right transactions are set in statute. This section of statute is scheduled to sunset in 2013. If this were to occur, fee levels would roll back to levels established in 2003,

resulting in the lay-off of half of the Department's staff of 13 permit writers. Part of the Department's budget proposal will be to re-authorize fee levels adopted in 2009, plus adjustments for inflation.

Significant Proposed Program Changes from 2011-13

The funding proposal requests 1) continuance of fee schedules that support 7 existing staff members who process water right transactions from across the state and 2) adds the ability for customers to pay for a change in water right certificate contact information.

WRD Pkg #207 Update Water Right Certificates with Contact Information $370,402

Today, there are no statutory provisions that allow the name on a water right certificate to be changed, even if the holder of the certificate has passed away or sold off interests. There are about 85,000 water rights in Oregon today. The state needs the ability to respond to holders of water rights who are asking to modify the names on these certificates, especially in light of recent court cases, favoring the name written on a water right certificate over other factors. Such a change would facilitate other process efficiencies, such as communicating with water right holders, mapping water rights, updating the water right database, and improving compliance with measurement and reporting conditions. Such a change would involve a fee to pay for the required staff time. This request corresponds with Legislative Concept 658.
(IWRS Recommended Action 2d)
Funding: $370,402 Other Fund fees *Staff: 2.0 FTE*

WRD Pkg #208 Extend Water Right Transactions Fee $1,000,000

The Department's fee schedule for water right transactions is scheduled to sunset in 2013. If it does so, fee levels will revert back to levels established in 2003. The current fee schedule funds about $2.1M worth of work and 16 FTE in the Water Rights Division. A roll-back to 2003 levels would decrease both the funding and staffing levels by 7 FTE. The Department has worked with stakeholders to develop a Legislative Concept (LC 661) that would eliminate the 2013 sunset. Any reduction in fees levels from those described in Legislative Concept 661 will result in fewer staff available to process the applications received by the agency. This will cause wait times for processing to increase.
(IWRS Recommended Action 13b)
Funding: $1,000,000 Other Fund fees *Staff: 7.0 FTE*

Appendix-C

Program Updates

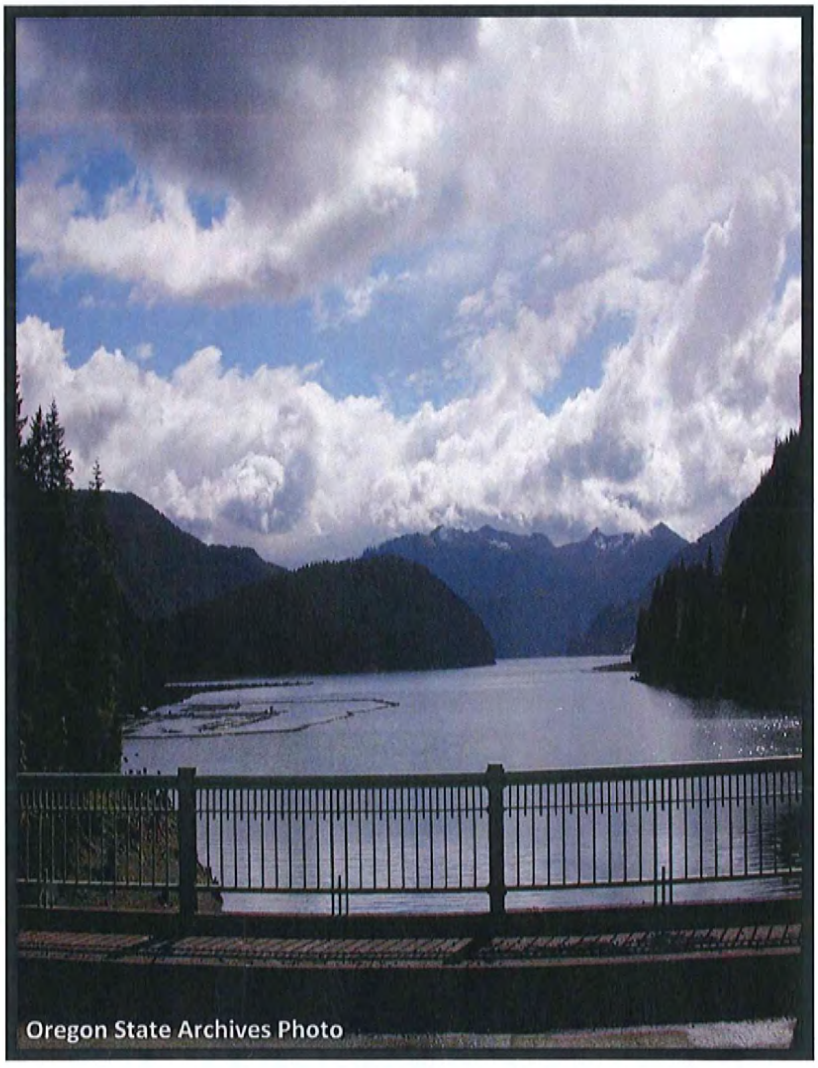


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Photo: Jeff Sorn, ODOT

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 preparations for the 2013 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

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

Development of water projects can be time-consuming, complicated, and expensive. The early planning stages often qualify for grant funding, while construction and implementation phases often have access to bonds or other capital. Often missing, however, is the ability to fund feasibility studies, allowing communities to determine the environmental, engineering, economic, and social implications of proposed water supply projects.

The Water Resources Department is requesting continued funding for its Feasibility Study Grant Program. 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.

2008-2009 Grantees

During 2008 and 2009, the Program awarded 21 grants statewide for a total of close to $1.4 million. The grant awards covered a broad geographic area and ranged from approximately $10,000 to $260,000 each. Grant funds supported six surface water storage studies, three groundwater storage studies, six water reuse studies and nine water conservation studies.

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.

2012 Grantees

In 2012, the Water Resources Commission awarded 14 grants totaling approximately $1.15 million. Grant agreements have been developed and work is now underway.

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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2012 Grant Awards

Conservation

$11,485	Central Oregon Irrigation District
$50,000	Deschutes River Conservancy
$15,350	Jefferson County SWCD
$49,830	Lane Council of Governments
$100,000	Medford Water Commission
$34,020	Umatilla Watershed Council
$243,000	Talent Irrigation District

Storage

$71,665	East Valley Water District
$11,405	Fessler Nursery
$56,000	Grande Ronde Model Watershed
$250,000	Hood River County
$6,200	La Creole Orchards
$50,000	Polk County
$16,500	Tri Cities Water & Sanitary Authority

Reuse

$40,000	City of Corvallis
$30,000	City of Dundee
$21,210	City of Sisters
$25,000	Clean Water Services
$49,500	Eugene/Springfield Metropolitan-Wastewater Management Commission

Project Highlight: From Studies to Implementation

Central Oregon Irrigation District used a 2008 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.

OUR MISSION

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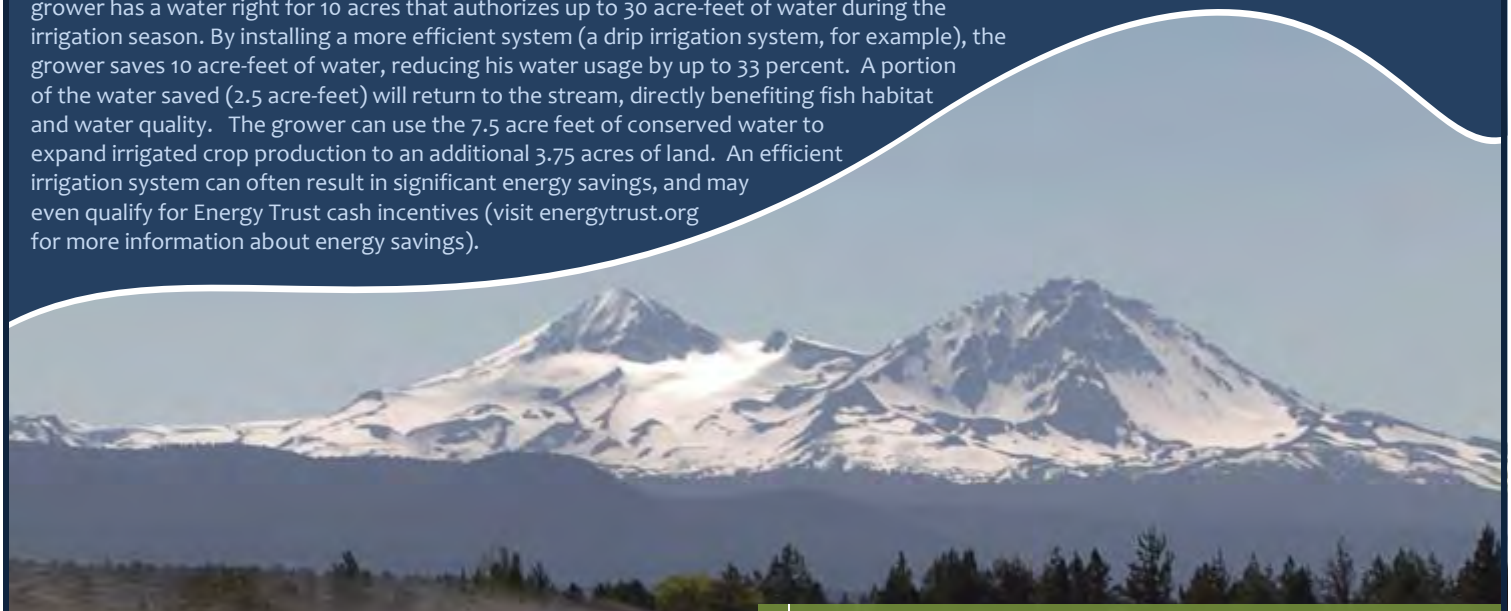
(2) to restore and protect streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life.

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. Other certificates are issued for the applicant's portion of the conserved water and 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 new lands 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
- Scientific irrigation scheduling (soil sensors, weather data, ET rates, etc.)

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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Oct. 2012

Appendix-D

Additional Materials

Oregon State Capitol
WRD Photo

Inside this chapter

Supplemental Materials - requested by L.F.O.

HB 4131: update

Position Reclassifications/New Hires/Long Term Vacancy Report

Other Fund Balances

15% Reduction Options

Oregon Water Resources Department

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John A. Kitzhaber, MD, Governor

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Supplemental Materials at the request of L.F.O.

The Water Resources Department is making progress toward the objectives established in HB 4131 through a phased process of permanent finance packages that will be submitted to the Department of Administrative Services for approval and execution. The Department's supervisory ratio as of July 1, 2011 was 6:1 which incorporates all approved positions in the Department's budget. When 22 additional positions representing county staff that assist the Department's Watermasters in the distribution of water across the state are included in the count, the ratio improves to 7:1. These county staff are included in the calculation as an acknowledgement by the Department that their activities are directed by WRD staff.

The Department has removed supervisory responsibilities from three positions in 2012, which resulted in an improvement in the ratio to 8:1 and an estimated savings of $35,000 in salary costs for future biennia. The next phase of implementation will bring the ratio to 9:1 by October 2013. The Department will continue to implement phases of the ratio improvement plan until HB 4131 objectives are achieved.

Budget packages in the Governor's Budget include requests for 19 positions, none of which are supervisory.

Position Reclassifications and New Hires

The Department reclassified six positions during the 2011-13 biennium.

Three positions were changed to meet requirements of HB 4131 to reduce the management ratio:

Position Classification		Biennial Salary		Salary
From	To	From	To	Change
X7006-Princ Mgr D	X8504-Natural Resource Spec 4	167,808	159,912	- 7,896
X7006-Princ Mgr D	X1322-Human Res Analyst 3	167,808	152,232	- 15,576
X0113 Support Svcs Supv	C0118-Exec Supp Spec 1	93,912	82,416	- 11,496

Three positions were changed to provide a better organizational structure to assign work and maximize the work of higher level scientists.

Position Classification		Biennial Salary		Salary Change
From	To	From	To	
C8502-Natural Resource Spec 2	C8503-Natural Resource Spec 3	114,888	138,936	+ 24,048
C8504-Natural Resource Spec 4	C8503-Natural Resource Spec 3	152,904	138,936	- 13,968
C0107-Admin Spec .67 FTE	C0107-Admin Spec 54 FTE	54,944	44,642	- 10,302

The Department has recruited and filled 26 positions during the biennium, six of whom were new hires. New hires come to the Department without immediately prior State of Oregon employment and typically are hired at or below step 2 in the salary range. Below is a listing of the six positions and justification for those hired above step 2 in the salary range.

Classification	Step hired	Justification if above step 2
C0107-Admin Spec 1	4	Applicant had superior experience/schooling related to program. Individual later promoted to a scientist position.
C1485-Info Serv Spec 5	2	
C8502-Natural Res Spec 2	2	
C0103-Office Spec 1	1	
C8501-Natural Res Spec 1	1	
C8503-Natural Res Spec 3	6	Applicant had been Assistant Watermaster working for the county. That work experience transfers directly to Watermaster classification. Step 6 is necessary for recruitment as applicant would not take a pay cut.

Long-term Vacancy Report

The Department had a number of long term vacancies. These vacancies are for greater than twelve months. Three positions were planned vacancies that contributed to the General Fund savings that offset across-the-board reductions that state agencies experienced during 2011-13. Fourteen additional vacancies were the result of insufficient Other Funds being available for a portion of the 2011-13 biennium; these positions are anticipated to be filled during 2013-15 as the economic recovery gains momentum.

UPDATED **OTHER FUNDS ENDING BALANCES FOR THE 2011-13 & 2013-15 BIENNIA**

Agency: **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**	**2011-13 Ending Balance In LAB**	**Revised**	**2013-15 Ending Balance In GRB**	**Revised**	**Comments**
Nonlimited	020-00-00-00000: Water Dev Loan Fund	690000463: Water Dev Admin & Bond Sinking Fund	Loan Program	Article XI-I(1) ORS 541.750	184,025	175,000	112,457		
Limited	010-04-01-00000: Tech Serv Div	690000536: Water Resources Department Operating Fund (Start Card Fund)	Operations	ORS 537.763	101,528	251,165	200,207		Improved economic forecast and controlled costs projected to increase ending balance in 2011-13. 2013-15 decreases due to 24 month well inspector that was 11 months in 2011-13. 3 month operating reserve would be $217,308.
Limited	010-06-00-00000: Water Rights Serivces Div	690000607: Water Resources Dept Hydroelectric Fund	Operations	ORS 536.015	129,493	150,000	184,654		Hydro fee revenue experienced an increase in 2012 that will remain "flat" for three years. 2013-15 ending balance represents 2 months operating reserve
Limited	010-03-00-00000: Field Serv Div	690000975: Water Measurement Cost Share Pro Rev Fund	Operations	ORS 536.021	0	0	0		
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		
Limited	010-06-00-00000: Water Rights Serivces Div	6900001083: Water Right Operating Fund	Operations	ORS 536.009 ORS 536.050 ORS 537.747	1,154,876	1,234,165	1,006,478		Forecast for 2011-13 ending balance is up due to upturn in revenue and controlled costs. 2013-15 ending balance represents a 2 month operating reserve.
Limited	010-01-00-00000: Admin Serv Div	690000401: General Fund	Other - property liquidation	ORS 555.380	0	0	0		
Limited	010-04-00-00000: Tech Serv Division	6900001318: Geotechnical Fund	Operations	HB 2232	29,870	131,034	185,617		Change in ending balance is the result of a planned accumulation of reserves for expenditures related to geotechnical holes. This exceeds a 3 month operating reserve of $14,553.
Limited	010-01-00-00000: Admin Serv Div	690001325: Water Supply Fund	Grant Fund	SB 5535	0	0	0		
Limited	010-01-00-00000: Admin Serv Div	690001351: Water Supply Fund-Taxable	Grant Fund	SB 5535, Sec 10	0	0	0		
					1,599,792	1,941,364	1,689,413	0	

15% REDUCTION OPTIONS FOR LFO

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
1. Statewide Administrative Savings	0 FTE	$ 124,978 GF	The Governor's budget requires increased efficiency in the operation of state government, calls for additional savings in administrative expenditures, and allows for the reinvestment of some of the savings realized through efficiencies into agency programs or to other initiatives that will further improve the administrative operations of state government. Package 091 was included in all agency budgets as a placeholder for administrative efficiencies to be found in Finance, IT, HR, Accounting, Payroll, and Procurement activities. The Improving Government subcommittee of the Enterprise Leadership Team will be identifying proposed efficiencies or changes in the delivery of service to meet the funding level in the Governor's budget, and will work with individual agencies on the impact to their budget, along with reinvestment opportunities.
2. Groundwater Studies	0 FTE	$ 125,000 GF	• This would eliminate funding for continued scientific study of Oregon's ground water resources, including the quantity and location of ground water that can be used for economic development. • 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.
3. Oregon Plan for Salmon and Watersheds Activities	1 FTE	$ 179,082 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.
4. 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.

15% REDUCTION OPTIONS FOR LFO

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
5. Intergovernmental Liaison/Water Management and Conservation Plan Coordinator	.88 FTE	$ 177,712 GF	• The intergovernmental liaison interacts with local, state, and federal agencies on a variety of topics. In addition to providing technical assistance on the writing of water management and conservation plans, this position serves as a regional economic revitalization team coordinator, assisting with the certification of industrial lands and review of economic development opportunities for the state. The position is also a member of the OWEB review team, which reviews grant applications and provides input to OWEB. • This position works with agencies to develop drought, flood, and other contingency plans, and helps with the review and selection of communities for various grant and assistance programs. • Eliminating this position would drastically slow the rate at which the Department can review WMCPs and could therefore significantly delay permit holders, like cities, from accessing additional water under these permits. Additionally, eliminating this position would reduce the Department's ability to provide support to local, state, and federal agencies of a variety of water related topics and reduce our ability to assist OWEB in the review of grant applications.
6. Hydrographic Data Entry	1 FTE	$ 127,754 GF	• Elimination of this position diminishes the Department's ability to compile groundwater and surface water information into a format that makes it usable for analysis, and available to the public. Instead of processing the information as it is compiled, technical staff will be required to research all of the data, sort out what is needed for their specific investigations, compile it into a usable format, and load it into the central data base. These processes would be delayed significantly, it will be an inefficient use of resources, and it will be especially difficult to share data with other users.

15% REDUCTION OPTIONS FOR LFO

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
7. Tribal Water Rights / Rules / Environmental Justice / Sustainability Manager	1 FTE	$ 227,351 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. • Finally, this position serves as the Department's primary point of contact for environmental justice issues, sustainability, and regulatory streamlining.
8. Regional Customer Service and Office Support	1 FTE	$127,754 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 groundwater wells or water rights issues. • 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. This will lead to reduced hours that the office will be open to the public during the 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.
9. Geographic Information Systems Position	1 FTE	$ 205,799 GF	• This position is responsible for assisting other staff and the public with projects that include data acquisition and presentation using charts, graphs, and maps. This position is also responsible for updating data in our Geographic Information databases, correcting errors and assisting in acquiring new data sets to be utilized in business processes throughout the Department. • The loss of this position will significantly reduce the Department's ability to communicate with the public and eliminate the ability to update and correct geographic information data sets. Not keeping current with additional and updated data sets will reduce information available for timely decision making and it will be difficult to share data with other data users.

15% REDUCTION OPTIONS FOR LFO

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
10. Regional Transfer Application Processor	1 FTE	$ 179,082 GF	• This eliminates one of two field-based transfer application processors. Work transferred to the Salem staff would result in increased processing times, workload, and backlog. Currently the backlog for completing a transfer application is more than one year on average.
11. Microcomputer and Network Support (Eastern Oregon)	1 FTE	$ 170,576 GF	• 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 timely.
12. Water Availability Modeler	1 FTE	$ 228,201 GF	• This would eliminate the Department's only water availability modeler, who provides the scientific data needed to make decisions that protect instream flows and existing water users when water right applications, permits, and transfers are evaluated.
13. Water Right Extension Processor – Adjudication	1 FTE	$137,139 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.
14. Groundwater Hydrogeologist (South West)	1 FTE	$ 179,082 GF	• In the past, this position has provided technical assistance to communities trying to resolve ground water issues such as Indian Point, City of Brookings, Shady Cove, Curry County and numerous others. These communities would be left with no local assistance to aid them in resolving their ground water issues.
15. Eastern Regional Hydrographic Water Measurement Technician	1 FTE	$ 159,330 GF	• This position is responsible for the operation and maintenance of 17 stream gaging stations, and providing assistance for 15 others, processing and archiving data, and producing provisional water-year records for each site. Eliminating this position would result in the abandonment and decommissioning of these gaging stations, and would severely limit historical and real-time data availability to water users, recreationists, and water scientists. • This position works with other local, state, federal agencies, and non-profit groups, to assist in surface water discharge measurement data and training needs. Surface water discharge measurements are integral for managing the water needs of irrigators, power generation facilities, municipalities, and instream users to ensure the greatest beneficial use for each stream.

15% REDUCTION OPTIONS FOR LFO

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
16. Southwest Regional Hydrographic Water Measurement Technician	1 FTE	$ 123,320	• This would eliminate the only hydrotech in the Southwest Region, limiting the Department's ability to collect data in a timely manner and possibly leading to a loss of information necessary to make decisions about future uses and climate change adaptation. This position assists with surface water measurements in the Northwest Region, covering measurements for a position lost in previous budget reductions • This has been a key position helping with measurements and processing the data on instream water rights, which can lead to regulation for the benefit of fisheries. • This position assists the Department of Environmental Quality with streamflow measurements related to Total Maximum Daily Load (TMDLs) in the Southwest Coastal streams; this position also helps local Watershed Councils collecting data for streamflow enhancement projects.
17. South Central Regional Hydrographic Water Measurement Technician	1 FTE	$ 127,754	• This would eliminate the only hydrotech in the Southwest Region, limiting the Department's ability to collect data in a timely manner and possibly leading to a loss of information necessary to make decisions about future uses and climate change adaptation. This position assists with surface water measurements in the Northwest Region, covering measurements for a position lost in previous budget reductions • This has been a key position helping with measurements and processing the data on instream water rights, which can lead to regulation for the benefit of fisheries. • This position assists the Department of Environmental Quality with streamflow measurements related to Total Maximum Daily Load (TMDLs) in the Southwest Coastal streams; this position also helps local Watershed Councils collecting data for streamflow enhancement projects.
18. North Central Regional Hydrographic Water Measurement Technician	1 FTE	$ 159,330	• This would eliminate the field processing of data for nearly 50 gaging stations in the North Central Region. Abandonment and decommissioning of some of these gaging stations would be necessary. WRD operates three of these stations under contract with other agencies/organizations. • Eliminating this position would seriously jeopardize, if not eliminate, the Department's ability to process gaging station data from 23 key stations in the Umatilla Basin. These data are necessary to distribute McKay Reservoir releases for downstream water users and fisheries. It would seriously impact the Department's ability to accurately manage and regulate the Umatilla Basin Exchange Project. Poorly substantiated water management decisions increase the probability of tension among water users, as well as increased litigation and liability for the Department. This position also maintains and measures observation wells in the Region.
19. Well Construction and Compliance Manager	1 FTE	$ 198,988	This will eliminate the Department's manager who provides oversight for well construction, contested cases, and enforcement. This position serves as the technical advisor and recommends final action to the Director on water right cancellations, formal enforcements against water law and well construction violations.

15% REDUCTION OPTIONS FOR LFO

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
			• Elimination of this position will result in an inability to timely process formal enforcement actions related to unauthorized water use and mis-constructed wells. Timely enforcement is critical to protect senior water rights, including instream flow rights, and protection against groundwater contamination. • This position plans, leads and implements well construction activities to ensure consistency statewide with state laws, regulations and procedures. This position oversees the Well Construction Program which licenses well constructors, enforces well construction statutes and standards and maintains the repository of well logs reports for the State of Oregon. Wells must be constructed in such a manner as to project the health and safety of the public. • This position acts as Agency Representative in contested case hearings that result from formal enforcement or cancellation activities and serves as the technical expert or witness for the agency on cancellation issues before the courts or legislature.
20. Well Construction and Compliance Administrative Support	1 FTE	$ 102,854	This will eliminate an Administrative Support position within the Well Construction and Compliance Section. The person in this position is responsible for reviewing, filing, and invoicing of fees for Geotechnical Hole reports, reviewing water well and monitoring well reports for accuracy and completeness, and providing support support for water right cancellation and formal enforcement activities. • Without this position reports will not be routinely reviewed. Review of these reports is important to protect the ground water resources so construction of these wells and holes is completed to state standards and they are not a threat to the resource or public health and safety. Problems will not be identified and mis-constructed wells will not be repaired, resulting in a threat to public health. • This position prepares invoices and receipts for fees submitted with geotechnical hole reports, and keeps records of reports to make sure fees are submitted in a timely manner. Without this review some fees that are due the Department may not be collected.
21. Watermaster District 14 - Grants Pass	1 FTE	$ 172,106	• Duties of this position will be shifted to the Southwest Sub-Region Deputy Manager. To partially address the significant workload increase on the Southwest Sub-Region Deputy Manager, a Region Assistant Watermaster will remain in the Southwest Sub-Region office. • The shift in duties will impact our customer service capabilities by increasing response time to inquiries and complaints within District 14 and will limit the availability of the Deputy Manager to Southwest sub-region staff and issues. • The shift in duties will also limit the availability of the Deputy Manager to the Region Manager in responding to regional issues. • Elimination of this position would reduce ability to regulate and distribute water for senior water rights in a timely manner that does not jeopardize agricultural crop and industry.
22. Water Rights Transfer Processor	1 FTE	$ 210,174	• This is the Department's only staff person handling transfer protests, voluntary cancellations and working with irrigation districts on district remapping. This senior position requires in-depth knowledge and a good understanding of Oregon Water Law and rules. These attributes come into play when resolving irrigation

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			district issues and are essential for resolving transfer protest issues which can be controversial and time consuming. • Eliminating this position will result in increased response time and decreased customer service which can negatively affect economic recovery efforts. • Elimination of this position will require shifting a portion of these duties to other staff resulting in inefficiencies for remaining staff. • This position works on resolving protests on transfer applications. Loosing this position would cause a delay in both transfer protests and water right protests where the work would be shifted. • This position works on the most complicated water right transfers including those of large irrigation districts. Legislation will likely be required to allow an expensive “catch-up” provision once funding again becomes available.