

A-Engrossed
House Bill 2813

Ordered by the House March 6
Including House Amendments dated March 6

Sponsored by Representative HELM; Representatives GAMBBA, GOMBERG, HARTMAN, OWENS, PHAM K, WRIGHT (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Requires Oregon Health Authority to ensure that communities in this state have access to safe drinking water.]

Directs *[authority]* **Oregon Watershed Enhancement Board** to establish grant program to provide grants to water suppliers to protect, restore or enhance sources of drinking water. **Requires board to submit report on performance of grant program to interim committees of Legislative Assembly related to water no later than April 1 of each even-numbered year.**

Establishes Community Drinking Water Enhancement and Protection Fund.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to sources of drinking water; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section, "water supplier" and "water system" have the**
5 **meanings given those terms in ORS 448.115.**

6 **(2) The Oregon Watershed Enhancement Board shall establish a program to provide**
7 **grants to water suppliers to protect, restore or enhance sources of drinking water.**

8 **(3) Grants awarded under this section shall be used by a grant recipient for:**

9 **(a) Acquiring lands from willing sellers where the protection, restoration or enhancement**
10 **of those lands will benefit a source of drinking water used by the water supplier;**

11 **(b) Entering into covenants, easements or similar agreements to protect, restore or en-**
12 **hance lands described in paragraph (a) of this subsection; or**

13 **(c) Repaying a loan used to finance a project to protect, restore or enhance lands con-**
14 **sistent with paragraph (a) or (b) of this subsection.**

15 **(4)(a) Grants awarded under this section may not exceed \$3,000,000.**

16 **(b) The board shall award grants under this section on a rolling basis.**

17 **(5) For purposes of obtaining a grant under this section, a water supplier may form a**
18 **partnership with a holder, as defined in ORS 271.715, other than a state agency. The board**
19 **may establish by rule requirements for partnerships formed pursuant to this subsection.**

20 **(6) Applications for a grant under this section shall be made in the form and manner**
21 **prescribed by the board. An application must demonstrate that the project will protect, re-**
22 **store or enhance a source of drinking water, and must be supported by evidence. The board**
23 **shall review completed grant applications, rank grant applications based on criteria estab-**
24 **lished by the board by rule under subsection (7) of this section and approve or deny the ap-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 plications. If the board denies a grant application, the board shall notify the applicant in
2 writing of the reason or reasons that the grant application was denied.

3 (7) The board shall adopt rules for the administration of the grant program established
4 under this section. Rules adopted under this subsection may include, but need not be limited
5 to:

6 (a) Eligibility criteria for water suppliers, including but not limited to:

7 (A) Eligible water system types; and

8 (B) Requirements that eligible water suppliers serve rural communities, communities
9 experiencing lower incomes or communities that are at or below a specified population level;

10 (b) Requirements for grant applications and the grant application process;

11 (c) Criteria for ranking grant applications;

12 (d) Requirements setting forth the amount of matching funds a grant applicant must
13 provide to be eligible to receive a grant;

14 (e) A schedule for when grant applications are due and grants will be awarded; or

15 (f) Provisions setting forth how the board will verify that grant funds have been used for
16 the purposes for which the grant was awarded, including but not limited to:

17 (A) Provisions requiring status reports or other verification measures that ensure that
18 the terms and conditions of any agreement between the board and the grant recipient are
19 being performed;

20 (B) Provisions describing methods of protecting, enhancing or restoring sources of
21 drinking water; and

22 (C) Provisions requiring the development of a long-term management plan for acquired
23 lands.

24 (8)(a) A grant recipient is responsible for fulfilling the terms and conditions of any
25 agreement:

26 (A) Between the grant recipient and the board; and

27 (B) Between the grant recipient and a landowner, or other person, necessary for the
28 grant recipient to carry out the project for which a grant has been awarded.

29 (b) The board is not liable to any person for the failure of a grant recipient to fulfill the
30 terms or conditions of any agreement between the person and the grant recipient.

31 **SECTION 2.** No later than April 1 of each even-numbered year, the Oregon Watershed
32 Enhancement Board shall submit a report, in the manner provided by ORS 192.254, to the
33 interim committees of the Legislative Assembly related to water. The report shall describe
34 the performance of the grant program established under section 1 of this 2023 Act. The re-
35 port must include, but need not be limited to:

36 (1) Each grant awarded under the program since the last report;

37 (2) The types and amounts of resources leveraged by grant moneys;

38 (3) A description of projects currently in development;

39 (4) An estimate of future project demand; and

40 (5) Recommendations, if any, for changes to the design, scope or administration of the
41 program to better fulfill the purposes of section 1 of this 2023 Act.

42 **SECTION 3.** Notwithstanding section 2 of this 2023 Act, the Oregon Watershed En-
43 hancement Board shall first submit a report under section 2 of this 2023 Act no later than
44 April 1, 2025.

45 **SECTION 4.** The Community Drinking Water Enhancement and Protection Fund is es-

1 **tablished in the State Treasury, separate and distinct from the General Fund. Interest**
2 **earned by the Community Drinking Water Enhancement and Protection Fund shall be cred-**
3 **ited to the fund. Moneys in the fund are continuously appropriated to the Oregon Watershed**
4 **Enhancement Board for the purpose of carrying out section 1 of this 2023 Act.**

5 **SECTION 5. In addition to and not in lieu of any other appropriation, there is appropri-**
6 **ated to the Oregon Watershed Enhancement Board, for the biennium beginning July 1, 2023,**
7 **out of the General Fund, the amount of \$5,000,000, for deposit in the Community Drinking**
8 **Water Enhancement and Protection Fund established under section 4 of this 2023 Act.**

9 **SECTION 6. This 2023 Act takes effect on the 91st day after the date on which the 2023**
10 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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