Enrolled
Senate Bill 1069

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CHAPTER .....00013.....

AN ACT

Relating to water supply; appropriating money; and declaring an emergency.

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

WATER CONSERVATION, REUSE AND STORAGE GRANTS

SECTION 1. Grant program. (1) The Water Resources Department shall establish a grant program to pay the qualifying costs of planning studies performed to evaluate the feasibility of developing a water conservation, reuse or storage project, as described in section 2 of this 2008 Act. A grant under this section may be made to a local government as defined in ORS 174.116, to an Indian tribe as defined in ORS 391.802 or to a person.

(2) In lieu of grants, the department may pay the cost of providing direct services, including but not limited to technical planning services, for a planning study that is eligible for a grant under this section.

(3) A grant or the cost of direct services provided under this section may not exceed $500,000 per project. A grant or payment for direct services may be provided only if the amount of the grant or the cost of the direct services is matched by funding from another source that is not less than a dollar-for-dollar match of the amount or cost.

(4) Grants and the cost of direct services provided under this section must be paid for from moneys available in the Water Conservation, Reuse and Storage Investment Fund.

(5)(a) In evaluating above ground storage projects for awards of grants or payments for direct services under this section, the department shall give priority to projects that include provisions for using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life or other ecological values.

(b) In evaluating all other eligible projects, the department shall give priority to projects identified by the department in a statewide water assessment and inventory for the award of grants or provision of payment for direct services under this section.

SECTION 2. Eligible studies. (1) A planning study receiving a grant or payment for direct services under section 1 of this 2008 Act may include, but is not limited to:

(a) Analyses of hydrological refill capacity;

(b) Water needs analyses;

(c) Refined hydrological analyses;

(d) Engineering and financial feasibility studies;

(e) Geologic analyses;

(f) Water exchange studies;

(g) Analyses of by-pass, optimum peak, flushing and other ecological flows of the affected stream and the impact of a proposed water conservation, reuse or storage project on those flows;

(h) Comparative analyses of alternative means of supplying water, including but not limited to the costs and benefits of conservation and efficiency alternatives and the extent to which long-term water supply needs may be met using those alternatives;

(i) Analyses of environmental harm or impacts from a proposed water conservation, reuse or storage project;

(j) Analyses of public benefits accruing from a proposed water conservation, reuse or storage project;

(k) Fiscal analyses of a proposed water conservation, reuse or storage project, including estimated project costs, financing for the project and projected financial returns from the project;

(L) Hydrological analyses of a proposed water conservation, reuse or storage project, including the anticipated effects of climate change on hydrological refill capacity; and

(m) Analyses of potential water quality impacts of the project.

(2) If a planning study concerns a proposed storage project that would impound surface water on a perennial stream, divert water from a stream that supports sensitive, threatened or endangered fish or divert more than 500 acre-feet of surface water annually, a grant or direct services payment may be provided only if the study contains:

(a) Analyses of by-pass, optimum peak, flushing and other ecological flows of the affected stream and the impact of the storage project on those flows;

(b) Comparative analyses of alternative means of supplying water, including but not limited to the costs and benefits of conservation and efficiency alternatives and the extent to which long-term water supply needs may be met using those alternatives;

(c) Analyses of environmental harm or impacts from the proposed storage project;

(d) Evaluation of the need for and feasibility of using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life and any other ecological values; and

(e) For a proposed storage project that is for municipal use, analysis of local and regional water demand and the proposed storage project's relationship to existing and planned water supply projects.

SECTION 3. Water Conservation, Reuse and Storage Investment Fund. (1) The Water Conservation, Reuse and Storage Investment Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Water Conservation, Reuse and Storage Investment Fund shall be credited to the General Fund. Moneys in the Water Conservation, Reuse and Storage Investment Fund are continuously appropriated to the Water Resources Department to award grants and to pay the cost of direct services provided under section 1 of this 2008 Act.

(2) The Water Conservation, Reuse and Storage Investment Fund shall consist of:

(a) Moneys appropriated to the fund by the Legislative Assembly;

(b) Any moneys that may be transferred to the fund by the federal government, a state agency or a local government; and

(c) Grant repayments, if any.

SECTION 4. Rules. The Water Resources Commission shall adopt rules necessary to administer sections 1 to 4 of this 2008 Act, including rules that:

(1) Establish reporting requirements for grants awarded under section 1 of this 2008 Act;

(2) Provide for public comment before the award of grants and payment for direct services under section 1 of this 2008 Act; and

(3) Implement the priorities required by section 1 of this 2008 Act.

UMATILLA BASIN REGIONAL AQUIFER RECOVERY ASSESSMENT

SECTION 5. (1) The Water Resources Department shall conduct a regional aquifer recovery assessment for the Umatilla Basin. The assessment conducted under this section must:

(a) Include an engineering and hydrogeologic study that evaluates the cost and feasibility of designing, constructing and expanding facilities to extract surface water during times that would avoid impacts on state or federally listed endangered or threatened fish species and on existing water rights.

(b) Evaluate the feasibility of:

(A) Recharging ground water pursuant to ORS 537.135 in the Ordnance and Echo Meadows aquifers; and

(B) Injecting water into the Ordnance, Butter Creek and Stage Gulch basalt aquifers pursuant to ORS 537.531, 537.532 and 537.534.

(2) The feasibility study required under this section must identify:

(a) Monitoring requirements to aid in the evaluation of potential impacts to stream flows, ground water quality and surface water quality.

(b) Options for the treatment of ground water and surface water that meet requirements under ORS 537.135, 537.531, 537.532 and 537.534.

(c) Potential permitting and other jurisdictional issues under ORS 537.135, 537.531, 537.532 and 537.534.

(d) Opportunities to protect fish and fish habitat, and to improve streamflows, in the Lower Umatilla River based on existing information.

SECTION 6. In completing the Umatilla Basin regional aquifer recovery assessment required by section 5 of this 2008 Act, the Water Resources Department shall request that the Bureau of Reclamation of the United States Department of the Interior:

(1) Consider the feasibility of using infrastructure from the bureau's Umatilla Basin Project Phase II to deliver surface water from the Columbia River to the Stage Gulch critical ground water area; and

(2) Coordinate the Bureau of Reclamation study of the water supply in the Umatilla Basin with the department's Umatilla Basin regional aquifer recovery assessment and determine whether the bureau may assist with the temporary or permanent replacement of water for designated critical ground water areas in the Umatilla Basin.

MISCELLANEOUS

SECTION 7. Sections 5 and 6 of this 2008 Act are repealed on January 2, 2014.

SECTION 8. The unit and section captions used in this 2008 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2008 Act.

SECTION 9. This 2008 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2008 Act takes effect on its passage.

Passed by Senate February 22, 2008

Secretary of Senate

President of Senate

Passed by House February 22, 2008

Speaker of House

Received by Governor:

9:00 A.M., March 3, 2008

Approved:

11:05 A.M., March 5, 2008

Theodore R. Kulongoski

Governor

Filed in Office of Secretary of State:

3:48 P.M., March 5, 2008

Secretary of State