

OREGON WATER RESOURCES DEPARTMENT Annual Performance Progress Report (APPR) for Fiscal Year 2005-06

2007-09 Budget Form 107BF04c

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To obtain additional copies of this report, contact Debbie Colbert at the Oregon Water Resources Department, 503-986-0878, 725 Summer Street N.E., Suite A, Salem, Oregon 97301-1266, or visit:

http://www.oregon.gov/DAS/OPB/GOVresults.shtml#Annual_Performance_Reports.

Agency Mission

To serve the public by practicing and promoting responsible water management.

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ABOUT THIS REPORT

Purpose of Report

The purpose of this report is to summarize the agency's performance for the reporting period, how performance data are used and to analyze agency performance for each key performance measure legislatively approved for the 2005-07 biennium. The intended audience includes agency managers, legislators, fiscal and budget analysts and interested citizens.

1. PART I: EXECUTIVE SUMMARY defines the scope of work addressed by this report and summarizes agency progress, challenges and resources used.
2. PART II: USING PERFORMANCE DATA identifies who was included in the agency's performance measure development process and how the agency is managing for results, training staff and communicating performance data.
3. PART III: KEY MEASURE ANALYSIS analyzes agency progress in achieving each performance measure target and any corrective action that will be taken. This section, the bulk of the report, shows performance data in table and chart form.

KPM = Key Performance Measure

The acronym "KPM" is used throughout to indicate **Key Performance Measures. Key performance measures are those highest-level, most outcome-oriented performance measures that are used to report externally to the legislature and interested citizens. Key performance measures communicate in quantitative terms how well the agency is achieving its mission and goals. Agencies may have additional, more detailed measures for internal management.**

Consistency of Measures and Methods

Unless noted otherwise, performance measures and their method of measurement are consistent for all time periods reported.

| 2005-07 KPM# | 2005-07 Key Performance Measures (KPMs) | Page # |
|-----------------|--|--------|
| 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. | 7 |
| 2 | PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated. | 9 |
| 3 | MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations. | 11 |
| 4 | STREAMFLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gaging stations. | 13 |
| 5 | ASSESSING GROUND WATER RESOURCES - Percent change from 2001 in the number of wells routinely monitored to assess ground water resources. | 14 |
| 6 | EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet. | 16 |
| 7 | EQUIP CITIZENS WITH INFORMATION - Number of times water management related data was accessed through the WRD's Internet site. | 18 |
| 8 | PROMOTE WATER SUPPLY SOLUTIONS - Percent of protests on water right applications resolved informally on an annual basis. | 20 |
| 9 | PROMOTE EFFICIENCY IN WATER MANAGEMENT AND CONSERVATION PLAN REVIEWS - Average time from submittal of water management and conservation plans to issuance of preliminary review of plan. | 22 |
| 10 | PROMOTE EFFICIENCY IN WATER RIGHT APPLICATION PROCESSING - Average number of days from water right application filing to initial review. | 24 |
| 11 | PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING - Average number of days from transfer application filing to issuance of final order. | 26 |
| 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. | 28 |
| 13 | PROMOTE EFFICIENCY IN ADMINISTRATIVE TRANSACTIONS - Number of administrative transactions processed per FTE. | 30 |
| 14 | CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall service, timeliness, accuracy, helpfulness, expertise and availability of information. | 32 |

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1. SCOPE OF REPORT

- The Water Resources Department has 14 Key Performance Measures (KPMs). These performance measures cover agency programs related to streamflow restoration, water distribution, streamflow and ground water monitoring, processing of water right permits and transfers, review of municipal and agricultural water management and conservation plans, and resolution of protests on agency decisions. Our KPMs also track progress on making data available to our customers, providing quality customer service, and efficient administrative services.
- 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 and hydroelectric licensing and relicensing program. However, we do track these programs through internal measures.

2. THE OREGON CONTEXT

The Water Resources Commission and Water Resources Department (WRD) are responsible for managing the surface and ground water 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 water supplies, addressing new and changing supply needs, ensuring that supplies are responsibly managed, and continuing to improve our understanding of surface and ground water resources. Nine measures are linked to our Department mission to serve the public by practicing and promoting responsible water management.

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 streamflows. In water-short times, the water right holder with the oldest date of priority can demand the water 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 as much water as necessary to satisfy needs under their 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, or maintaining recreational uses. These water rights are called “instream water rights.” Instream water rights have a priority date and are regulated the same way as other water rights. Oregon law also 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. Two 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) and our water distribution activities on behalf of existing instream water rights (690-2).

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, and Oregon Association of Nurseries. Partners also include individual cities and irrigation districts, League of Oregon Cities, Oregon Water Resources Congress, Oregon Water Utilities Council, and Special Districts Association of Oregon. The Department works closely with its conservation partners such as the Oregon Water Trust, the Deschutes River Conservancy, Klamath Rangeland Basin Trust, WaterWatch of Oregon, and the Walla Walla Watershed

I. EXECUTIVE SUMMARY

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Alliance, and individual watershed councils and groups. The Department also partners with tribes, federal agencies such as the US Geological Survey and Bureau of Reclamation, and other state natural resource agencies such as the Oregon Department of Fish and Wildlife and the Department of Environmental Quality.

3. PERFORMANCE SUMMARY

| KPM Progress Summary | Key Performance Measures (KPMs) with Page References | # of KPMs |
|--|--|-----------|
| KPMs MAKING PROGRESS at or trending toward target achievement | KPM #1 - Flow Restoration (page 7) , KPM #2 - Protection of Instream Water Rights (page 9), KPM #4 - Streamflow gaging (page 13), KPM #6 - Equip Citizens with Information (page 16), KPM #7 - Equip Citizens with Information (page 18), KPM #8 - Promote Water Supply Solutions (page 20), KPM# 10 - Promote Efficiency in Water Right Application Processing (page 24), KPM #11 - Promote Efficiency in Transfer Application Processing (page 26), KPM #13 - Promote Efficiency in Administrative Transactions (page 30). | 9 |
| KPMs NOT MAKING PROGRESS not at or trending toward target achievement | KPM #3 - Monitor Compliance (page 11), KPM #5 - Assessing Ground Water Resources (page 14), KPM #9 - Promote Efficiency in Water Management and Conservation Plan Reviews (page 22), KPM #12 - Promote Efficiency in Field Staff Regulatory Activities (page 28). | 4 |
| KPMs - PROGRESS UNCLEAR target not yet set | KPM #14 Customer Service (page 32). | 1 |
| Total Number of Key Performance Measures (KPMs) | | 14 |

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 and 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. Ground water resources are showing signs of overuse and are becoming unstable in many areas. There is also an increasing awareness of the hydraulic connection between ground water and surface water in many locations. This means our Department must continue to collect data to better understand the impact of ground water use on surface water resources and consider those impacts when allocating ground water resources (690-4; 690-5). Conflicts between instream and out-of-stream needs and among water users have become increasingly divisive and expensive to resolve. This means that resolving conflicts is becoming more difficult and will be evidenced by trends in the percent of protested water use applications that we are able to resolve informally in the future (690-8). These trends in water supply needs and conflict underscore the need for a framework for meeting Oregon’s long-term water supply needs. To that end, our agency has pursued both federal and state funding for an Oregon Water Supply and Conservation Initiative. If

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funded, this initiative would provide for an assessment of long-term water supply needs, an inventory of potential above and below ground storage opportunities, an assessment of conservation opportunities, and incentive funding for communities working to meet their long-term water supply needs.

Achieving our performance targets is also becoming increasingly challenging given state budget limitations. 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 USED AND EFFICIENCY

The Department's 2005-2007 budget included \$21,282,467 in General Fund, \$6,361,118 in Other Funds, and \$1,146,313 in Federal Funds. There are five measures that track our Department's efficiency including measures to track the Department's processing time for water right applications (690-10) and for water right transfers (690-11) and the amount of time for Department review of water management and conservation plans (690-9). Other efficiency measures quantify the workload of staff over time. For instance, 690-12 tracks the number of places where water is legally taken out of stream and used per FTE of field staff. To achieve our targets for efficiency measures, we have utilized technology to streamline processes and improve staff efficiency. In fact, in the last decade, our Department has approved and manages 19,000 new water rights (30% increase statewide) with a 15% decrease in staffing. This and other efficiency measures (690-9 through 690-13) are inherently dependent on the sufficiency of our staff resources.

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The following questions indicate how performance measures and data are used for management and accountability purposes.

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| <p>1. INCLUSIVITY Describe the involvement of the following groups in the development of the agency’s performance measures.</p> | <ul style="list-style-type: none"> • 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 its mission and priorities. • Elected Officials: In 2005, the Department presented its performance measures to the Natural Resources Subcommittee of the Ways and Means Committee. As a result, the Department worked with the Subcommittee to add several new efficiency measures and to modify a few measures for better tracking of activities. • Stakeholders and 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. |
| <p>2. MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?</p> | <p>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, 690-10 and 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. For example, in the last year, the Department has continued to develop new automated tools to tracking progress on individual water right and transfers applications and to aid staff in preparing agency decision documents.</p> |
| <p>3. STAFF TRAINING What training has staff had in the past year on the practical value and use of performance measures?</p> | <p>A few of our managers have participated in the performance measurement trainings hosted by the Oregon Progress Board and have shared that information internally. Thus far, we have not provided formal training to all staff on the use of performance measures. 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.</p> |

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| <p>4. COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?</p> | <ul style="list-style-type: none">• 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 give staff and managers an opportunity to reflect on the results of the prior year and identify ways to improve performance over the next year. Staff also present the results annually to the Water Resources Commission for their 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 2007 legislative session• Stakeholders and 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 Department is also working on a new link for this website that will provide the results of our customer service survey (690-14). |
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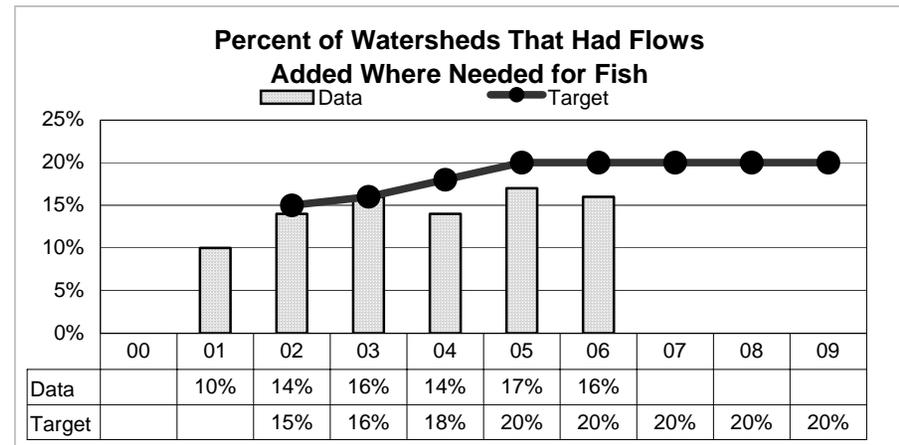
| | | |
|-----------------------|---|----------------------------|
| KPM #1 | FLOW RESTORATION Percent of watersheds that need flow restoration for fish that had a significant quantity of water put instream through WRD administered programs. | Measure since: 2002 |
| Goal | GOAL 1: Lead efforts to restore and safeguard long-term sustainability of streamflows and ground water. 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 | OMB 79: Percentage of key streams meeting minimum flow rights. | |
| Data source | Department Maintained Database and Monthly Statistical Reports | |
| Owner | Supply and Conservation Section, Debbie Colbert, 503-986-0878 | |

1. **OUR STRATEGY**

Implement voluntary streamflow restoration through instream leases, transfers, and allocations of conserved water in high priority areas for flow restoration. Key partners include: the Oregon Water Trust, Deschutes River Conservancy, Klamath Basin Rangeland Trust, National Fish and Wildlife Columbia Basin Water Transaction Program, irrigation districts and water right holders.

2. **ABOUT THE TARGETS**

Ideally, all watersheds would have adequate flows for 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. By restoring key watersheds, fish populations will be most beneficially impacted. Therefore, a higher number of priority watersheds that have streamflows restored is desired.



3. **HOW WE ARE DOING**

Our initial target was to achieve a 2% increase annually in the percent of high priority areas where voluntary efforts have resulted in increasing streamflows. This target was established in 2002 and met in 2003. There was a decrease in 2004 in the number of priority watershed that had flow restoration actions, due in part to a few leases that were not renewed and conservation partners focusing efforts in other key watersheds. Levels have increased from 2004, though there was a slight decrease in 2006 from 2005 levels. While we did not reach our target in 2006, we had the greatest quantity of statewide flow restoration activities to date.

4. **HOW WE COMPARE**

Over 600 cubic feet per second (cfs) has been 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. For example, Washington has restored approximately 30 cfs, Idaho has restored approximately 70 cfs, and Montana has restored approximately 14 cfs. The Washington Department of Ecology has a voluntary water acquisition program that as of March, 2004 had \$5.5 million in state and federal funding. As of July 1, 2003, they had spent

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less than \$2 million to acquire (purchase or lease) water rights. Oregon lacks any budget specifically earmarked for flow acquisition. However, the Oregon Watershed Enhancement Board (OWEB) has the authority to pursue water rights acquisition to benefit instream flows.

5. **FACTORS AFFECTING RESULTS**

Approximately 2/3 of Oregon's flow restoration work involves a third party such as the Oregon Water Trust, Deschutes River Conservancy, or Klamath Basin Rangeland Trust. The remaining 1/3 of flow restoration activities occurs directly between the water right holder and WRD. Oregon benefits from well established, active conservation partners. However, these partners focus their efforts in a limited number of key watersheds. This has resulted in the total quantity of streamflow restored to significantly increase annually, even though the number of key watersheds with streamflow restoration has remained relatively constant for the past four years. Additionally, there is no dedicated state staff to develop flow restoration actions or dedicated state funding for flow restoration.

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. Additionally, the Department needs to continue to streamline our application processing while ensuring protection of existing water rights.

7. **ABOUT THE DATA**

Most flow restoration activities involve restoring streamflow over a reach. These reaches may cross through several watersheds. Our present tracking system only picks up a single watershed and may underreport the amount of flow restoration activities. We plan to develop a tracking system that would use GIS and would be able to report all reaches. The reporting cycle is the Oregon fiscal year, even though most restoration actions occur for the irrigation season or calendar year.

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| KPM #2 | PROTECTION OF INSTREAM WATER RIGHTS Ratio of the streams regulated to protect instream water rights to all streams regulated. | Measure since: 2002 |
|-----------------------|--|------------------------|
| Goal | GOAL 1: Lead efforts to restore and safeguard long-term sustainability of streamflows and ground water. | |
| Oregon Context | OMB 79: Percentage of key streams meeting minimum flow rights. | |
| Data source | Annual Field Activities Report | |
| Owner | Field Services Division, Mike Ladd (Acting Administrator), 541-278-5456 | |

1. OUR STRATEGY

Monitor streamflows and distribute water to protect instream water rights (ISWRs) according to priority date; pursue funding and other opportunities to increase monitoring of instream rights in key streams.

The Department partners with OWEB, local governments, Watershed Councils, and other organizations.

2. ABOUT THE TARGETS

The target was set at a level that provides significant protection of instream water rights in comparison to 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

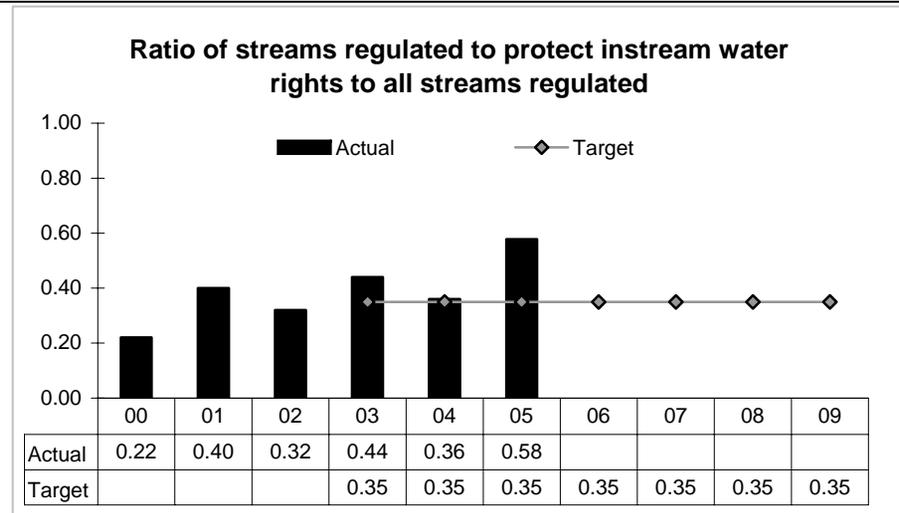
2003 was the first year a target was set and we have exceeded our target that year and all subsequent years. For 2000 through 2005, the general trend shows an improvement.

4. HOW WE COMPARE

Direct comparison with others is not possible since regulation for water rights is a unique function of our Department. Though a direct comparison is not possible an indirect comparison can be made between the efforts of WRD and those of Oregon Water Trust (OWT). OWT is a conservation organization whose primary effort is to enhance streamflow in streams through voluntary transactions with water right holders. OWT had a significant jump in the quantity of water leased instream between 2000 and 2001 and since then the quantity has remained relatively constant. This is very similar to the data shown above where OWRD almost doubled the ratio of streams regulated on behalf of instream water rights from 2000 to 2001 and from 2001 thru 2004 the ratio has been fairly constant.

5. FACTORS AFFECTING RESULTS

Weather can have a significant affect on the ratio since it can affect the intensity of water distribution efforts on a stream. Instream water rights are often junior to other surface water rights and are regularly monitored by OWRD. In years with high streamflows, the total number of streams regulated is very likely to go down. The total number of stream regulated is likely to go up in years of low streamflow. This KPM is specific to regulation for instream water



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rights. Since these rights are often junior to other surface water rights and are regularly monitored by WRD, the ratio stays relatively the same from year to year.

6. WHAT NEEDS TO BE DONE

- Continue to promote the monitoring of and regulation for instream water rights.
- Look for opportunities to recruit volunteers to monitor streamflows at gaging stations and make calls to Watermaster on behalf of fish when instream water rights are not met.
- Hire additional staff during the regulation season to respond to the additional requests for instream water right regulation.

7. ABOUT THE DATA

The reporting cycle is the water year (October to September). These data are compiled annually at the end of the water year (October 1 through September 30). Data for 2006 has not yet been compiled. The greatest uncertainty in the data is the interannual variability in weather and its impact on overall streamflows as described above. 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. The 2005 report was presented to the Commission on August 10, 2006. A copy of the report is available on the agency website under Commission staff reports.

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| KPM #3 | MONITOR COMPLIANCE | Measure since: 2002 |
|-----------------------|---|---------------------|
| | Percent of total regulatory actions that found water right holders in compliance with water rights and regulations. | |
| Goal | Actively enforce the state’s water law and uphold its policies. | |
| Oregon Context | Agency Mission. | |
| Data source | Annual Field Activities Report | |
| Owner | Field Services Division, Mike Ladd (Acting Administrator), 541-278-5456 | |

1. OUR STRATEGY

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. Having an adequate field presence is critical to maintaining a high level of compliance. There are 20 state funded watermasters and about 9 assistant watermasters funded by counties and local districts. 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

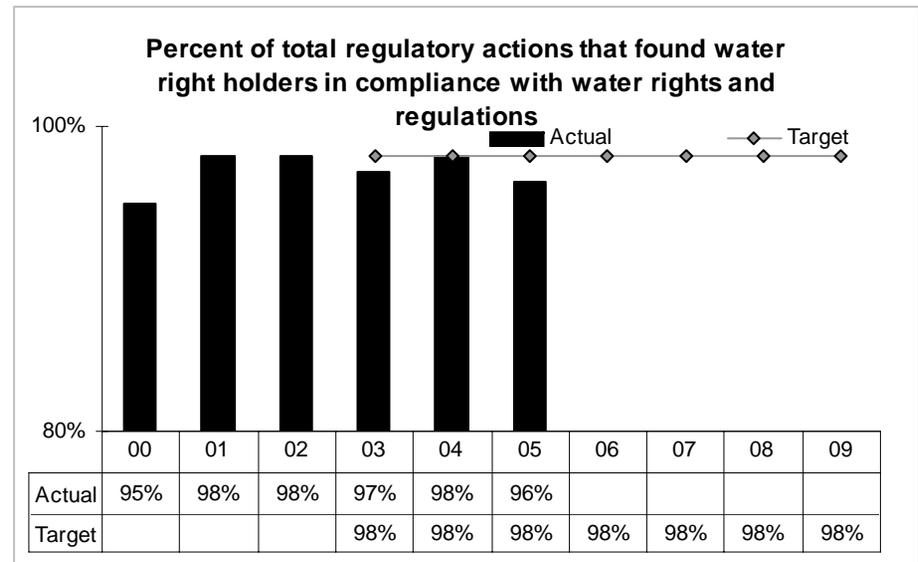
The targets show an expectation of a high level of voluntary compliance from water users. A high level indicates water users understand and support the distribution of limited water supplies under Oregon’s water code. It indicates that water users trust the watermaster’s knowledge, consistency, and integrity. When a high level of trust is attained, voluntary compliance is more likely as observed in this measure.

3. HOW WE ARE DOING

In 2005, over 11,400 regulatory actions were taken by field staff. 96.4% of these actions found water right holders to be in compliance. There was an increase of over 16% in the number of regulatory actions taken by watermasters and their assistants during 2005 as compared with 2004. The compliance rate of 96.4% was a slight drop in percentage from the previous year. The percentage can vary by a few points from year to year based on water supply conditions or economic factors. Compliance has ranged from 95% to 98% during the 6 years this measure has been monitored.

4. HOW WE COMPARE

This KPM is unique to our Department and does not readily compare to other state agency or private sector activities.



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5. FACTORS AFFECTING RESULTS

Weather can have a significant affect on the ratio since it can affect the intensity of water distribution efforts on a stream. Watermasters are likely to have more regulatory actions on use during times of water shortage. In years with high streamflows, the total number of streams regulated is very likely to go down. The agency believes a strong field presence tends to discourage violations and help maintain a high percentage of 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. As the field assessments are complete, 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.

7. ABOUT THE DATA

The reporting cycle is the water year (October to September). These data are compiled annually at the end of the water year (October 1 through September 30). Data for 2006 has not yet been compiled. 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. Over time the data could be analyzed to show changing trends of regulatory actions caused by development or changing priorities. There is currently no auditing system to verify the quality of the data submitted by watermasters. Annual informational reports are presented to the Water Resource Commission with detailed information by watermaster district and stream. The 2005 report was presented to the Commission on August 10, 2006. A copy of the report is 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 Department operated or assisted gaging stations. | Measure since: 2002 |
|-----------------------|---|------------------------|
| Goal | Increase our understanding of surface water and ground water resources and the demands on them. | |
| Oregon Context | Agency Mission. | |
| Data source | Monthly Statistical Report | |
| Owner | Technical Services Divisions, Barry Norris, 503-986-0828 | |

1. OUR STRATEGY

To effectively manage surface water resources, the Department must have a sufficient network of gaging stations statewide. However, increasing and, in some cases, maintaining these data efforts is challenging given state budget limitations and continuing reductions in other funding commitments. The Department continues to look for opportunities to partner with others to maintain or increase our gaging stations statewide.

2. ABOUT THE TARGETS

While it is always desirable to have additional gaging stations, they require additional staff time for servicing, maintenance, and records work. With state and local staff levels steady or on the slight decline, it is unrealistic to set targets to increase the number of gages. For this reason, the Departments current targets for 2007 through 2009 are to hold steady the number of stations relative to 2001 levels.

3. HOW WE ARE DOING

Recently, field staff have found opportunities to partner with others to add 15 gaging stations to our statewide network during the last year. While this is a positive development, maintenance of the existing network is also an issue, and other gaging stations have been dropped for maintenance and safety issues.

4. HOW WE COMPARE

The US Geological Survey, which maintains a similar network of gaging stations in Oregon, has increased its number of stream gages in Oregon by 16 percent since 2001, but did lose five of 207 stream gages last year. Except for gaging stations of national significance, the USGS depends on local funding for the operation of these gages.

5. FACTORS AFFECTING RESULTS

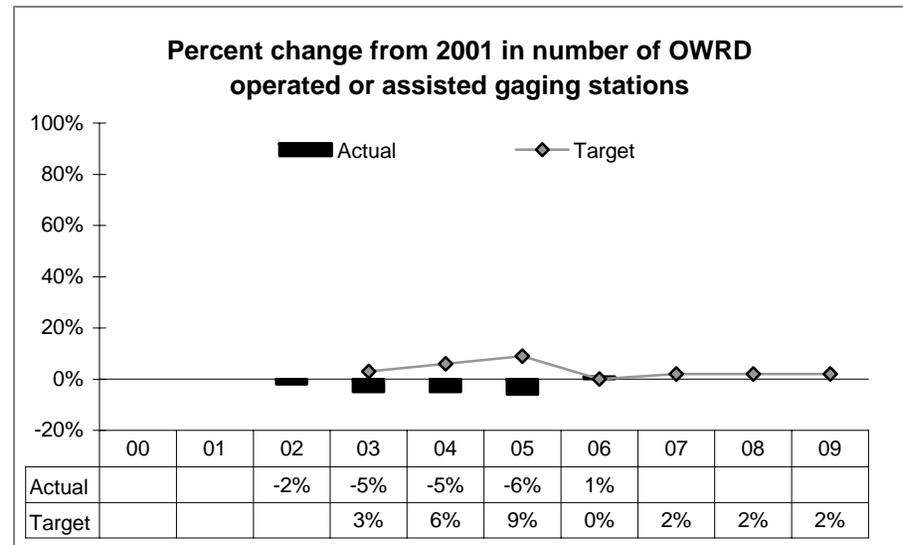
More than any other factor, local interest and financial participation in the stream gaging program affect the number of gages operated by WRD.

6. WHAT NEEDS TO BE DONE

The data represents the status of the program.

7. ABOUT THE DATA

Readers may access both WRD and USGS data from gaging stations from the Department’s website. The reporting cycle is the Oregon fiscal year.



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| KPM #5 | ASSESSING GROUND WATER RESOURCES | Measure since: 2002 |
|-----------------------|---|---------------------|
| | Percent change from 2001 in the number of wells routinely monitored to assess ground water resources. | |
| Goal | Increase our understanding of surface water and ground 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 well networks throughout the state that track water-level trends as a measure of ground water in storage. These networks range from wells instrumented with continuous recorders to wells at which periodic measurements are made. Our strategy is to ensure adequate budget and staff to collect and analyze ground-water data collected at these monitoring stations and continue efforts 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 monitoring networks.

2. **ABOUT THE TARGETS**

KPM #5 is a measure of how well the Department is maintaining the State Observation Well Net across Oregon. Positive numbers would show that the number of wells being monitored is greater than the 2001 standard. Increasing values would indicate an expansion of the State Observation Well Net.

3. **HOW WE ARE DOING**

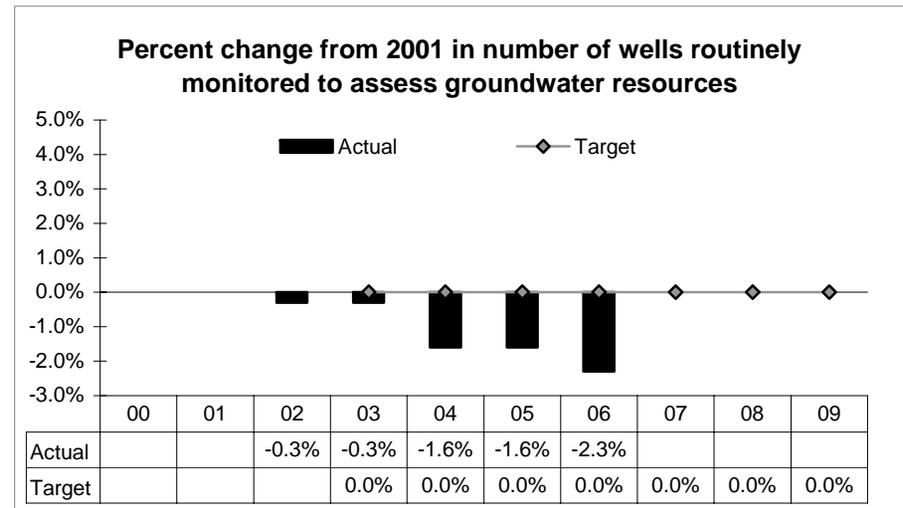
The 2001 benchmark is 350 wells identified as current in the State Observation Well Net. The year 2006 reflects a loss of 2 wells, relative to last year, taking the total State Observation Well Net to 342 wells. This is 2.3 percent lower than 2001.

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 measures eight wells in Oregon as part of its Oregon Climate Response Network. The Department shares data with this federal agency.

5. **FACTORS AFFECTING RESULTS**

As wells are dropped from the well network, they should be replaced with other monitoring locations; however, increasing demands for technical staff to evaluate new water use proposals across Oregon are creating challenges to meet other obligations, such as replacing monitoring sites and the collection and analysis of ground water data.



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6. WHAT NEEDS TO BE DONE

Ensure adequate budget and staff to maintain, collect and analyze data from these important monitoring stations, and continue providing data for the public's use.

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 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 under 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. Like the State Observation Well Net data these are provided on the Department's webpage for public access. Currently there are over 2,700 wells with associated ground-water data available online. The Department is reviewing the extent of ground-water data collected by staff and evaluating the most effective means of presenting the data to gauge the Department's performance in maintaining effective well monitoring.

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| KPM #6 | EQUIP CITIZENS WITH INFORMATION Percent of water management related datasets collected by the agency that are available to the public on the internet. | Measure since: 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

Continue current efforts to gather data into an electronic format that can be made available through a web-based interface.

2. ABOUT THE TARGETS

We would like to achieve 100% of our datasets being available to our customers and partners. In order to manage a resource effectively you need to know as much about the resource as possible. Providing information online also reduces the need for customers to contact the Department to answer questions. This reduces workload for the Department.

3. HOW WE ARE DOING

In 2005 and 2006, 81% of our water related datasets were available to the public through the internet. This is slightly below our target of 84%.

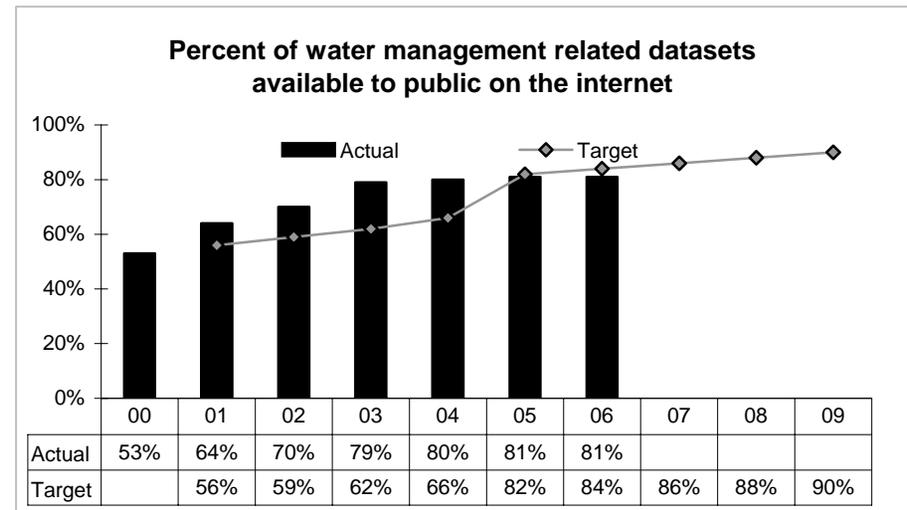
4. HOW WE COMPARE

It is difficult to find direct comparison as our business is fairly unique.

Even amongst 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 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

We have incorporated all of the “easy” datasets within the Department online, so continued progress is slow and steady as we address more complex datasets. We have fallen behind our targets of the last two years, and we have shifted our strategy slightly. We are actively reengineering our business processes to improve them as well as move data collection closer to the source of the data. This improves both the efficiency of collecting the data as well as the accuracy. This also has the added benefit of providing programs areas with improved tools to use in their processes. During the past two years much of our focus has been on the water right certificate program and trying to improve efficiencies and production in certificate issuance.



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6. WHAT NEEDS TO BE DONE

While the data show we have slipped a little below our targets, we believe that in the long term our current strategy will be successful. By creating processes that capture data at the points of origin we provide increased efficiencies as well as more opportunity to use the data in reshaping our processes.

7. ABOUT THE DATA

Because the Department is constantly collecting and creating new data it is a little difficult to quantify the total amount of possible data and then determine a percentage of the total that we have available online. We have viewed this measure as a measure of not only making legacy data available online but also a measurement of how many of our current information collection or creation processes automatically make the data available online. The reporting cycle is the calendar year.

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| KPM #7 | EQUIP CITIZENS WITH INFORMATION Number of times water management related data was accessed through the internet. | Measure since: 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

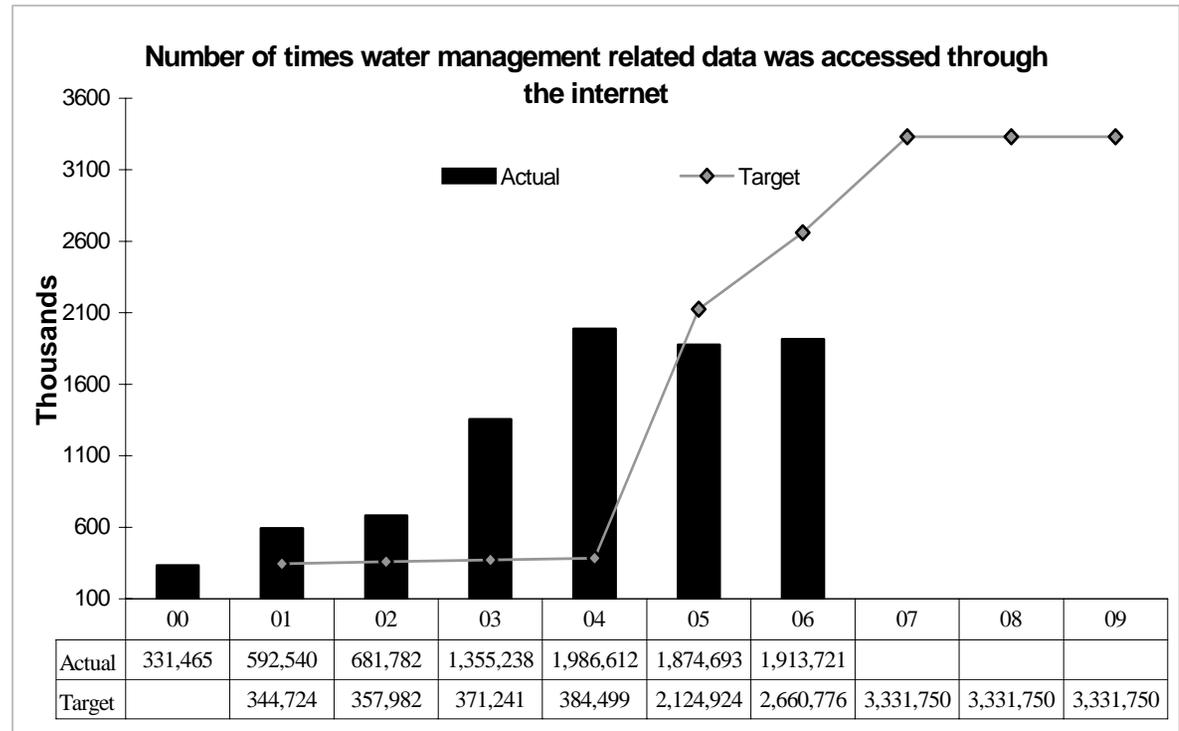
We have a two pronged approach to providing citizens with information and technical assistance. KPM #6 measures the amount of data available and KPM #7 measures our ability to provide the information through useful interfaces in usable formats. Our focus on utilizing web interface technologies has helped us be very successful in providing services and information for our customers.

2. ABOUT THE TARGETS

We desire to have an ever increasing number of hits against our website. 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.

3. HOW WE ARE DOING

We feel we have been very successful in our efforts to provide information and services to customers – so successful that in the 2005-2007 budget process we revised our targets up significantly. We will continue to revisit the targets we set under this performance measure to ensure that we strike the appropriate balance of enhancing the use of our web resources while also setting goals that can be achieved



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4. **HOW WE COMPARE**

As indicated in KPM #6 we have found it difficult to find other organizations to compare against. Our most telling indicator is that Oregon is frequently held up as a positive example of web access to information amongst all the Western states water resource management agencies.

5. **FACTORS AFFECTING RESULTS**

As we have shifted much of our development efforts to improve our data capture strategy, we have not made many improvements to our web interfaces. We put an emphasis on creating tools for our certificate issuance efforts (which also support permit and transfer processing). We have major upgrades planned for our web page during the next biennium. We think some of these upgrades will result in increased traffic as well as significantly improved services to our customers.

6. **WHAT NEEDS TO BE DONE**

We need to complete several of our current projects so we can redirect some of our resources to upgrading our web pages.

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. We have not yet tried to measure our traffic against these web pages. We currently do not have any staff devoted to developing and improving this content. When resources become available to devote to development of the static part of our web site, we will start including measurements of that traffic as well. The reporting cycle is the calendar year.

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|-----------------------|--|----------------------------|
| KPM #8 | PROMOTE WATER SUPPLY SOLUTIONS Percent of protests on water right applications resolved informally on an annual basis. | Measure since: 2002 |
| Goal | Promote water supply solutions to problems stemming from current and future demands. | |
| Oregon Context | Agency Mission. | |
| Data source | Monthly Statistical Report | |
| Owner | Water Rights & Adjudications Division, Dwight French, 503-986-0819 | |

1. **OUR STRATEGY**

Continue to work with applicants and protestants to facilitate solutions that are acceptable to all parties involved in protests on water use applications and water right transfers.

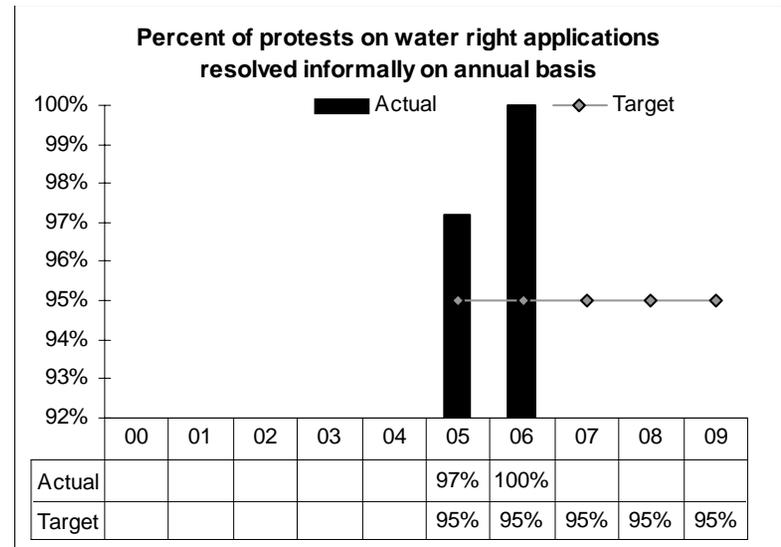
2. **ABOUT THE TARGETS**

Our performance target is to resolve 95% of protests on water right applications informally (as opposed to formally) on an annual basis. This performance measure focuses on the type of outcomes, not on the total number of protests resolved. The 2005 reporting period was the calendar year. However, the 2006 reporting period is based on the fiscal year (July 1, 2005 to June 30, 2006). This measure demonstrates the effectiveness of our Department’s alternative dispute resolution process. For new water use applications and water right transfers, our Department issues a proposed final order (or similar document) proposing to approve, deny, or approve the application with conditions. There is an opportunity to protest the proposed final order and seek review in a contested case hearing. The contested case approach to resolving conflicts is often costly and time consuming for all parties. Whenever possible, our staff work with applicants and protestants in a collaborative process to facilitate solutions that are acceptable to all parties.

3. **HOW WE ARE DOING**

Our performance target is to resolve 95% of protests on water right applications informally (as opposed to formally) on an annual basis. In fiscal year 2006, WRD resolved 44 protests informally and resolved no protests through the formal process. Therefore, during that period, OWRD achieved a 100% success rate in resolving water right protests informally. There has been a generally positive upward trend since approximately 2003. In calendar year 2005, OWRD resolved 97.2% of water right protests on an informal basis.

Our high rate of resolving water right protests through alternative dispute resolution demonstrates our commitment to finding mutually acceptable water supply solutions. While we have been relatively successful to date at resolving these protests, we anticipate decreases over time in the number of protests we are able to resolve without a contested case or court process. This prediction is based on the increasing number of water use and transfer applications submitted to the Department relative to fixed or declining staff levels. Moreover, because of increasing demands on a relatively fixed amount of water



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available, we anticipate that contested applications will become more difficult to resolve in a mutually agreeable fashion because the options are generally more limited.

4. **HOW WE COMPARE**

No external comparative analysis was available.

5. **FACTORS AFFECTING RESULTS**

Several factors affect WRD's ability to meet this performance measure. Each protest is unique. Some protests are relatively simple and quick to resolve, while others are highly complex and require a great deal of time to resolve. The number of WRD protest staff is another significant factor. Currently, WRD has one full-time protest staff person. WRD has been able to meet or exceed its protest performance goal due in large part to a strong emphasis on the use of collaborative dispute resolution processes and techniques.

6. **WHAT NEEDS TO BE DONE**

WRD is currently exceeding its protest performance measure.

7. **ABOUT THE DATA**

The reporting cycle is the fiscal year. This data comes from a report generated by the WRD Protest Database, which lists the protests resolved in a particular fiscal year and describes the general manner of resolution (formal, informal, etc.).

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| KPM #9 | PROMOTE EFFICIENCY IN WATER MANAGEMENT AND CONSERVATION PLAN REVIEWS Average time from submittal of water management and conservation plans to issuance of preliminary review of plans. | Measure since: 2002 |
|-----------------------|--|------------------------|
| Goal | Assure Department is operating efficiently and effectively | |
| Oregon Context | Agency Mission. | |
| Data source | Department Maintained Database and Query | |
| Owner | Supply and Conservation Section, Debbie Colbert, 503-986-0878 | |

1. **OUR STRATEGY**

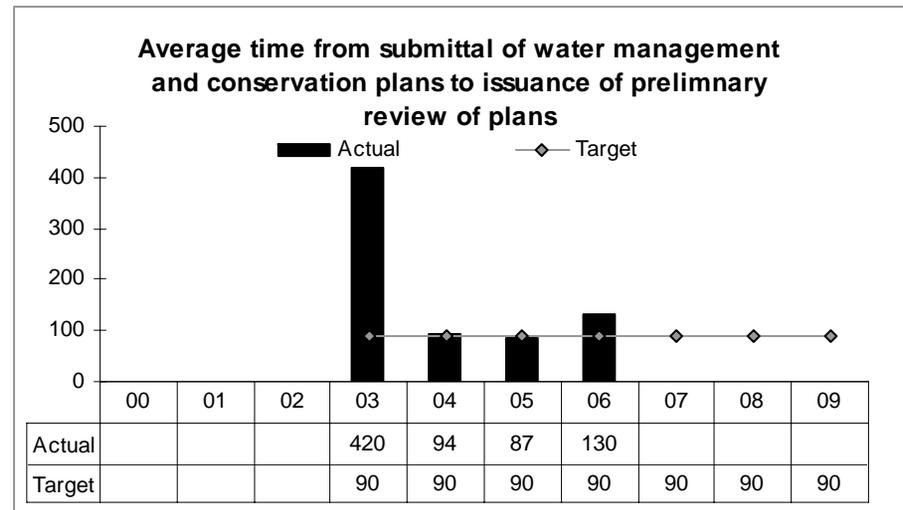
Ensure adequate staff resources so that water management and conservation plans submitted to the Department are reviewed in a timely manner, especially given the large number of plans expected to be submitted for review over the next few years. Conduct outreach and education activities to improve quality of plans submitted to Department, thereby reducing the amount of time it takes for the Department to review each plan. The League of Oregon Cities, Oregon Water Utilities Council and the Department have published a guide for the preparation of Water Management and Conservation Plans. The Bureau of Reclamation, the Oregon Water Resources Congress, and the Department are currently cooperatively developing a similar guide for Agricultural Water Management 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. The plans 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 increase their existing water diversion. For the water management and conservation plan program to be effective, the Department must review and approve plans in a timely fashion.

3. **HOW WE ARE DOING**

Water management and conservation plans from the municipalities have improved. The plans are demonstrating increased efficiencies in managing water, preparation for emergencies (curtailment plans) and long term water supply planning consistent with their comprehensive plans. While we are receiving improved municipal plans are a result of our outreach efforts, we were not able to our review timeline goal in 2006. We currently have one FTE responsible for reviewing these plans. That staff person was on injury leave for several months early in the year. Since his return, we have been able to catch up on pending reviews and only 3 applications exceeded our 90 day review goal.



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4. **HOW WE COMPARE**

The State of Washington has recently adopted similar water management and conservation statutes. They are currently revising their statutes to incorporate new water use efficiency regulations. There have been no plans developed or reviewed under the Washington program at this time, but in the future this program may be relevant for comparing the length of time from submittal to initial review of Water Management and Conservation Plans.

5. **FACTORS AFFECTING RESULTS**

The average time to review plans have increased. As mentioned above, the sole staff person assigned to this project was on injury leave for several months early in the year.

6. **WHAT NEEDS TO BE DONE**

The Department is monitoring the progress of this program. In 2003, the fee associated with the review of these plans was increased. These other funds will support part of an additional FTE to review these plans. The Department has just recently accrued sufficient resources in this other fund account to fill this FTE. Starting in 2007, we anticipate having these additional resources will ensure that review timeline goals are met.

7. **ABOUT THE DATA**

The Department maintains a database on the status of water management and conservation plan processing. The reporting cycle is the calendar year.

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|-----------------------|--|----------------------------|
| KPM #10 | PROMOTE EFFICIENCY IN WATER RIGHT APPLICATION PROCESSING Average number of days from water right application filing to initial review. | Measure since: 2005 |
| Goal | Assure Department is operating efficiently and effectively. | |
| Oregon Context | Agency Mission. | |
| Data source | Monthly Statistical Report | |
| Owner | Water Rights and Adjudications 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 where possible, by removing unnecessary steps, revising certain processes, and by implementing technological improvements.

2. **ABOUT THE TARGETS**

This measure is a proxy for the magnitude of the application backlog, and 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**

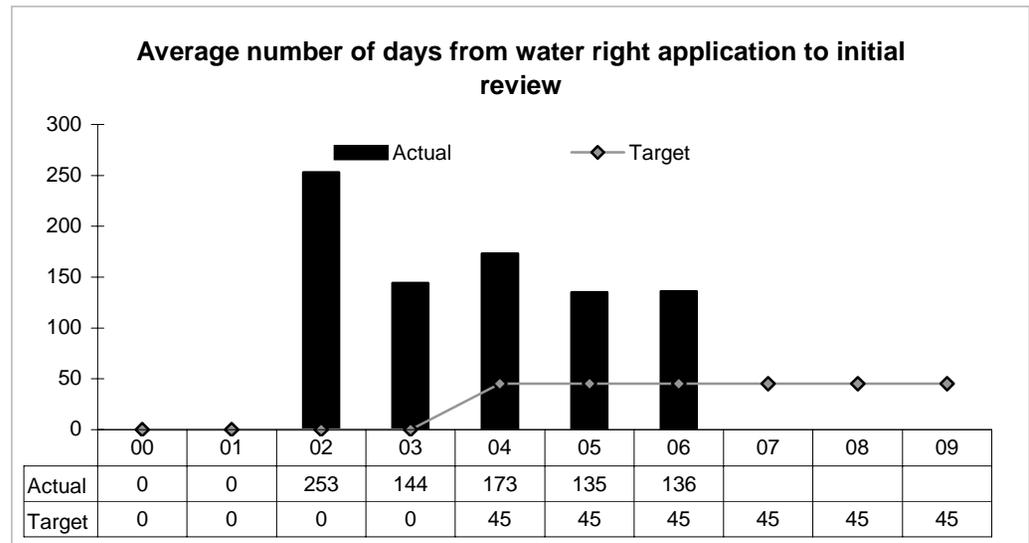
WRD has been making excellent progress in this performance measure since 2002. In FY 2005-06, the average number of days from water rights application filing to initial review was 136. Broken down by water right application type, the average number of days from filing to initial review for groundwater applications is 182, compared to only 93 days for surface water applications.

4. **HOW WE COMPARE**

Our agency’s type, structure and process of application review is fairly unique in relation to other state agencies. At this time, our agency does not compare our application processing to other states. In the future, WRD may look into how other states compare in processing time. In comparison to WRD’s past performance on this measure, we are improving and reducing the average days between water-right application filing and initial review.

5. **FACTORS AFFECTING RESULTS**

The principal factor in the ongoing reduction in this metric has been the implementation of information technology to automate and systematize processes. While we did not meet our target, we are making progress in reducing the number of days between application filing and initial review. Most of the variance



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in the number of days between filing and initial review is the result of required processing steps that are unique to water right applications to use ground water. Groundwater applications are primarily responsible for the magnitude of the overall number days for processing. Unlike surface water right applications, groundwater applications require a technical analysis by a qualified hydrogeologist to determine whether ground water 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 ground water users. This hydrogeological review must be completed before we can make meaningful initial determinations, and therefore increases the amount of time necessary to complete the initial review

6. WHAT NEEDS TO BE DONE

The time span required for issuance of an initial review for surface water applications is rapidly approaching that specified by statute. Any remaining progress needed in reducing that metric further will be achieved over the next year as a result of ongoing implementations of information technology. The hydrogeological review that must occur before groundwater applications can be processed makes the statutory 45-day requirement for issuance of an Initial Review difficult to meet.

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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|-----------------------|---|----------------------------|
| KPM #11 | PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING Average number of days from transfer application filing to issuance of final order. | Measure since: 2005 |
| Goal | Assure that the Department is operating efficiently and effectively. | |
| Oregon Context | Agency Mission. | |
| Data source | Department Maintained Database and Query | |
| Owner | Supply and Conservation Section, Debbie Colbert, 503-986-0878 | |

1. **OUR STRATEGY**

Continue efforts 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 submitting complete and accurate transfer applications.

2. **ABOUT THE TARGETS**

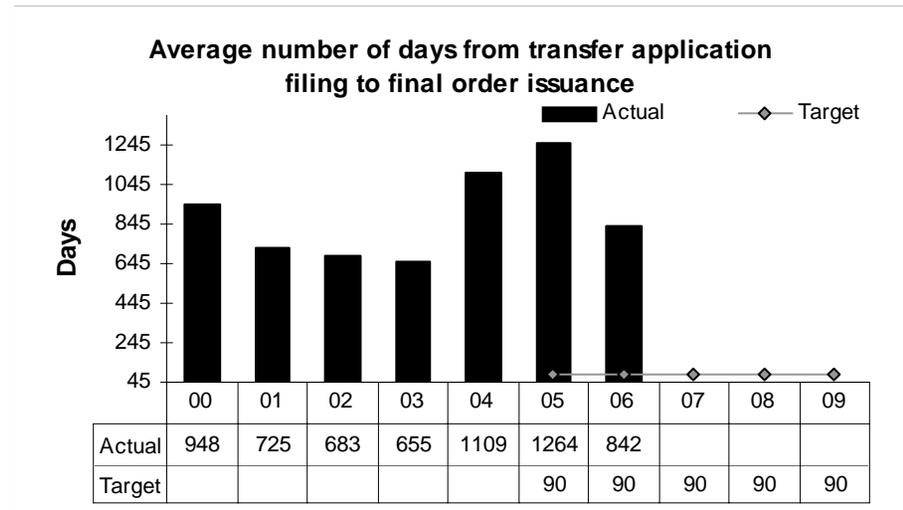
The goal is to be able to begin work on processing a transfer application as soon as it is submitted, and to be able to move it through the steps of the process required by administrative rule without delay, except during periods when the Department is waiting for submission of documentation by the applicant. The 90-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**

We have a significant backlog of 479 transfer applications that we are processing. Pending applications date back to 1991. Our goal is to eliminate this backlog in each region of the state, recognizing that we continue to receive an increasing number of applications each year. While we were not able to achieve our overall goal yet, our average processing time decreased significantly in FY 05-06, 21% of the transfers receiving final orders during that period were processed in 90 days or less. The transfer application backlog in the North Central and Eastern regions of the state has been virtually eliminated, so that processing of new applications from those regions can be initiated within a few weeks of the application being received. However a significant backlog remains, particularly for applications in the Northwest and Southwest regions of the state. We anticipate that we will continue to improve our overall processing time as we eliminate the backlog in these areas of the state.

4. **HOW WE COMPARE**

In comparison to other states, Oregon is doing well in reducing the average number of days from transfer application to issuance of a final order. Washington has an average processing time for 969 days for water right change/transfer applications, with a backlog of 1,114, and an average of 366



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applications received over the past 3 years. Idaho does not process applications by “first-in-first-out.” Idaho receives fewer applications to process a year than Oregon and has an average processing time of a few months, similar to what Oregon is striving to achieve.

5. FACTORS AFFECTING RESULTS

During the last several years, the Department developed a significant backlog of pending transfer applications. A contributing factor has been the number of incomplete and incorrect applications that have been filed. Historically, the Department has focused efforts on reviewing the more straightforward applications, with the more complex transfers falling farther behind. This caused the average time between receipt of an application and issuance of a final order to increase. With the addition of two limited-duration positions, the transfer program since 2004 has shifted to re-establish a practice of processing applications in order of filing date. As the emphasis has shifted to finalizing the applications that have been pending for the longest time, a number of transfers that have been pending for an extended period of time have been approved during the last few years, creating a short-term change away from the target. However, stress has also been placed on turning around temporary and district transfers more efficiently. In addition, the Reimbursement Authority program has given applicants an opportunity to expedite transfers when needed, while allowing Department staff to concentrate on reducing the backlog in a “first in-first out” order.

6. WHAT NEEDS TO BE DONE

The Department needs to continue efforts to streamline the processing of transfer applications. This includes making technological improvements to more quickly and accurately prepare order documents, refining the application review processes to eliminate duplication of effort, focusing additional staff resources on reducing the backlog of applications in the Southwest and Northwest regions of the state, and providing assistance to transfer applicants to enable them to submit complete and accurate transfer applications. We are also analyzing regional trends in the number of transfer applications submitted to determine how to best allocate staff resources on an ongoing basis to balance the transfer workload across the state.

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year. Data is based on inputs to the Department’s Water Rights Information System that have been accessed through existing report programs. Over the next year, we are adjusting 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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| 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. | Measure since: 2002 |
| Goal | Assure that the Department is operating efficiently and effectively. | |
| Oregon Context | Agency Mission. | |
| Data source | Monthly Statistical Report | |
| Owner | Field Services Division, Mike Ladd (Acting Administrator) 541-278-5456 | |

1. **OUR STRATEGY**

Ensure adequate field staff since maintaining a high level of compliance relies on having an adequate field presence (see related KPM #3). 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 management. We also work with local governments to maintain secure funding for assistant watermaster.

2. **ABOUT THE TARGETS**

This target is a workload indicate for how we are doing at managing the state’s water resources. Our desire is to reduce the number of points of diversion (PODs) per FTE that field staff need to monitor 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**

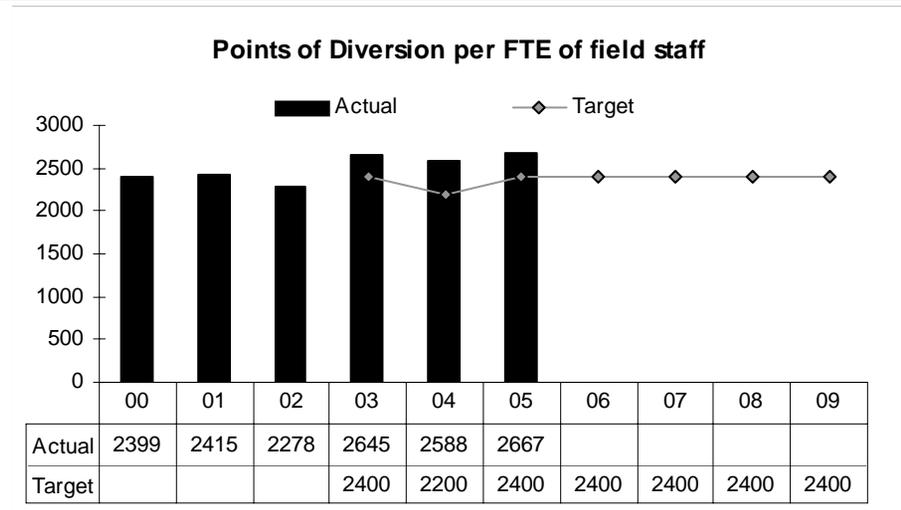
The performance target is to reduce the number of PODs administered by our field staff in order to effectively manage the state’s water resources. The number of water rights administered per field staff continues to increase as new water rights are issued and staff resources decline due to budget limitations. We are not meeting our target of PODs per FTE of field staff. In fact, the 2005 data indicates the most points of diversion per FTE since we started collecting the data. Since 2002, the trend line is increasing. This indicates that we are not meeting our goal since the number of PODs per field staff is increasing or getting larger.

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 continues to increase as new water rights are issued, and transfers are approved that add additional PODs. . With this trend on the increase and the number of field staff staying stagnant or being reduced, we anticipate an ever-increasing number of PODs associated with each field staff FTE.



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6. WHAT NEEDS TO BE DONE

We are not meeting our performance measure and need to continue to look for funding to support additional field staff to ensure adequate protection of existing water rights and effective on- the-ground water management.

7. ABOUT THE DATA

The reporting cycle is the water year (October to September). These data are compiled annually at the end of the water year (October 1 through September 30). Data for 2006 has not yet been compiled. Also note that the value reported for 2004 in last year's annual report (2858) was typographical error which has been corrected in this year's report.

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| KPM #13 | PROMOTE EFFICIENCY IN ADMINISTRATIVE TRANSACTIONS Number of administrative transactions processed per FTE. | Measure since: 2000 |
| Goal | Assure that the Department is operating efficiently and effectively. | |
| Oregon Context | Agency Mission. | |
| Data source | Monthly Statistical Report | |
| Owner | Administrative Services Division, Mike Auman, 503-986-0920 | |

1. **OUR STRATEGY**

Ensure sufficient staff resources and implement streamlining and efficiency measures to effectively administer accounting, personnel and agency support functions. Government partners include the Department of Administrative Services (DAS).

2. **ABOUT THE TARGETS**

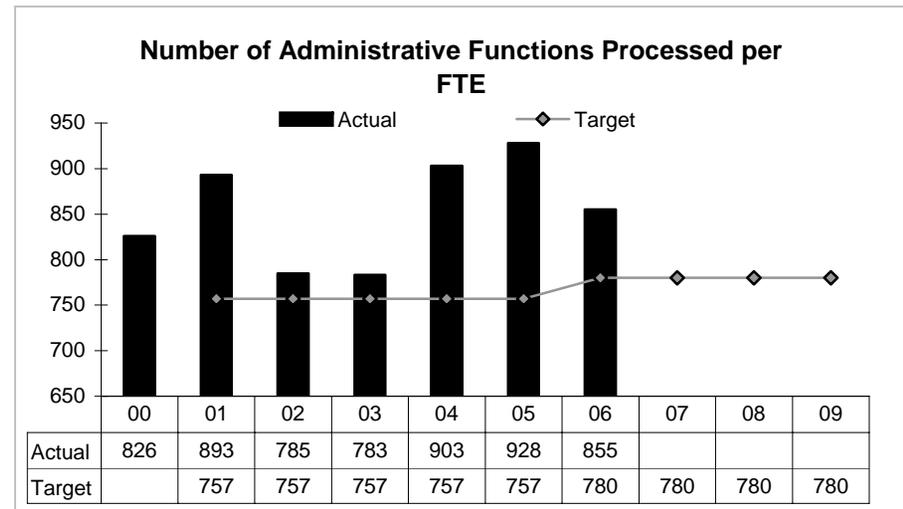
The targets indicate a minimum number of transactions per FTE. This minimum target allows for the Department to meet Internal Control standards while assuring efficiencies. While the Department has exceeded the target consistently, the targets are set to allow the Department flexibility in carrying out required administrative functions on a varying degree of complex issues from year to year. These activities include accounting, personnel, and administrative support functions as well as implementing relevant agency streamlining and efficiency measures.

3. **HOW WE ARE DOING**

The Department’s water management responsibilities continue to grow. These activities are necessarily supported by administrative staff that often are limited in number due to budget constraints. The Department continues to meet target values as a measure of efficiency in relation to our staff levels. While meeting target values is important, the Department must also maintain minimum internal control standards and a high quality of service delivery. We continue to provide crucial administrative support to the diverse programs and activities of our agency with fewer resources.

4. **HOW WE COMPARE**

The Department has no information on how our actual data compares with other agencies or what the industry standard is. Researching other comparables would be useful but is not possible within our current staffing levels. However, in comparison to the Department’s previous performance on this measure, we are consistently meeting or exceeding the target values for administrative transactions. We are already minimally staffed for necessary internal controls and have faced reductions in administrative resources over the past few years.. Further staffing reductions would negatively impact the Department’s ability to continue to provide quality administrative support.



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5. FACTORS AFFECTING RESULTS

The administrative function of any organization can face varying degrees of complex issues. Our data represents this diverse work flow from year to year. As a measure of efficiency, the Department consistently is meeting or exceeding the target value for administrative transactions. However, the face value of these results indicate an increase in efficiency, when in reality, there are simply fewer staff allocated to administrative functions. This raises the possibility of unknown costs to this efficiency, such as lower priority activities falling behind or potential declines in service quality.

6. WHAT NEEDS TO BE DONE

The data shows that we are meeting efficiency measures with regard to meeting or exceeding the target values for administrative transactions. Differences in in values from year to year represent variation in the number of or complexity of transactions. Again, the Department is already minimally staffed to maintain adequate internal controls and provide basic administrative support to the diverse programs of our agency.

7. ABOUT THE DATA

The reporting cycle is the Oregon fiscal year.

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| | | |
|--------------------------|---|----------------------------|
| KPM's #14 and #15 | CUSTOMER SERVICE: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information. | Measure since: 2005 |
| Goal | Assure 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 decision within the past fiscal year. | |
| Owner | Agency-wide; Debbie Colbert, (503) 986-0878 | |

1. OUR STRATEGY

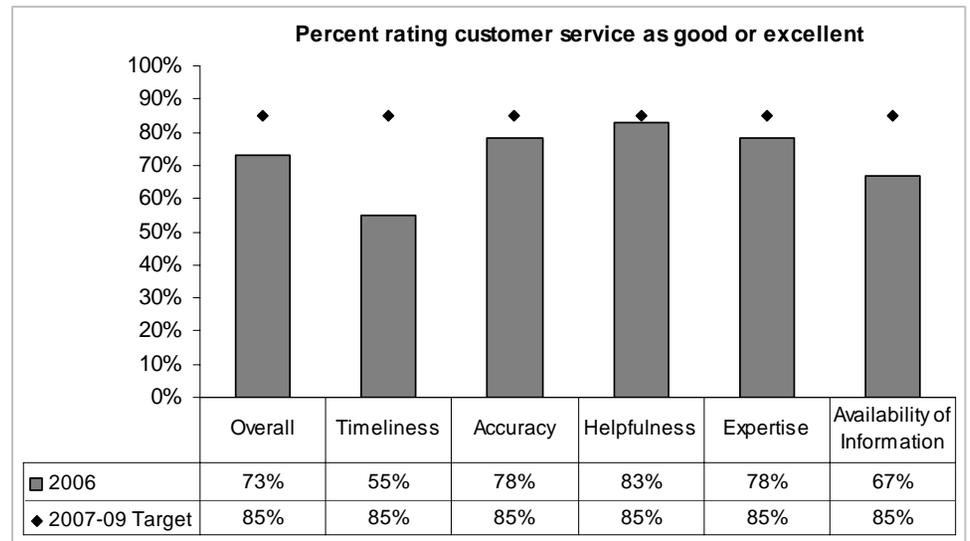
Conduct annual customer service surveys, review results, determine actions to improve where needed.

2. ABOUT THE TARGETS

This is the first year customer service has been measured using recently established DAS guidelines. The targets for future years are based on this year's ratings with the goal of improving the percentage of customers rating WRD services as "good" or "excellent" to 85% for each category of service.

3. HOW WE ARE DOING

73% of customers surveyed rate WRD's overall services as good or excellent in Fiscal Year 2006. Helpfulness is the most highly rated individual service provided, with 83% of respondents rating this service as good or excellent. Timeliness was rated the lowest in comparison to other features, with 55% of respondents rating service as good or excellent.



4. HOW WE COMPARE

As this is the first year that customer service is being measured by state agencies, we do not yet know how we compare to other agencies. Trial surveys completed in 2004, prior to DAS guidance issued in August 2005, yielded a response rate of only 17%. While the overall response rate of 42% in this survey is too low to provide a statistically valid representation of the broader population, it shows a significant improvement in the response rate. We anticipate increasing the response rate as our agency becomes more accustomed to and sophisticated in survey methodologies. Additionally, several of the non-responses are attributable to incorrect addresses, an issue that newer database technology can address, but is largely out of our control.

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 ratings of timeliness to be significantly improved. We 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. Timeliness is also addressed in recent improvements to other performance

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measures (see KPMs 10, 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 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 that have not received a final decision from WRD within the past year. In the future, we plan to collect additional feedback from other stakeholders about WRD's customer service as well, which will yield even more information about the needs of WRD's customer base. Also, only data readily queried by our existing water data system was used to create the population that the random sample was drawn from. As we migrate to more integrated data and technology systems we will expand the population that the sample is drawn from, which will provide a broader and more inclusive sample of water users.

6. WHAT NEEDS TO BE DONE

While this is the first year that WRD has formally measured customer service satisfaction as part of its annual progress report, we feel that this is a performance measure that can always be improved upon. 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. Our agency has worked to establish a culture of service and has articulated this through the guiding principles of our Strategic Outlook. As another example of our agency's commitment to customer service satisfaction, in April 2006, 47 out of 140 FTE staff, including 11 managers, attended an interagency customer service training held by the Office of Regulatory Streamlining. Additionally, 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 will continue to look for additional ways to utilize technology to provide more timely results. We also intend to improve upon the survey process so we can increase the response rate and confidence level in generalizing these results to the entire population of water users. Using these and other methods, WRD will continue to strive for greater customer satisfaction among our water users.

7. ABOUT OUR CUSTOMER SERVICE SURVEY

a) Survey Name: OWRD Annual Customer Service Survey, **b) Surveyor:** Director's Office, **c) Date Conducted:** August to September 2006, **d) Population:** Consumers who had received final decision from WRD (including transfer, permit amendment, instream lease, water right permit, permit extension, and water right certificates), **e) Sampling Frame:** Water users who have received final decision from WRD within the past fiscal year **f) Sampling Procedure:** random sample, **g) Sample Characteristics:** Population = 725; Sample = 300; Responses = 125; Response Rate = 42%, **h) Weighting:** Single survey, no weighting required.