

Photo of Deschutes River. Credit Racquel Rancier (OWRD)

# Oregon Water Resources Department 2024 Government-to-Government Report



The Oregon Water Resources Department (OWRD) values its long-standing working relationship with Oregon's nine federally recognized Tribes. This report contains key contact information, a summary of interactions, and related training attended by OWRD staff.

### 2024 Government-to-Government Report Oregon Water Resources Department

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## OREGON WATER RESOURCES DEPARTMENT STATEMENT AND POLICY

On September 23, 1997, the Oregon Water Resources Department adopted the Government-to-Government Interest Statement, based on two key objectives: (1) honor and protect existing Tribal rights to use water, and (2) continue forging partnerships to share responsibility for water management. That interest statement forms the foundation for our current policy on tribal relations (see *Policy on Relationship with Tribes*, appended to this report).

#### **OVERVIEW**

OWRD works with Oregon's nine federally recognized Tribes on issues related to water supply, watershed management, and water distribution, including matters related to water rights held or claimed by Tribes. In addition, OWRD works with Tribes on a government-to-government basis to address water issues of mutual interest.

The following are agency actions undertaken to engage with multiple Tribes; Tribe-specific areas of engagement are outlined further below.

#### **General Coordination**

The Director's Office houses a water policy analyst that also serves as OWRD's Tribal Liaison to facilitate engagement between OWRD and the Tribes.

The Natural Resources Workgroup (NRWG), the Cultural Resources Cluster (CRC), and the Legislative Commission on Indian Services (LCIS) convene regularly throughout the year and offer valuable opportunities to share information on agency programs, efforts, rulemaking, and legislative concepts. During 2024, OWRD participated in these regular meetings. OWRD will continue to attend and seek to engage Tribes through the NRWG, CRC, and LCIS on OWRD projects and policies of potential interest to Tribes.

With respect to annual training, a member of OWRD's field staff attended the Oregon State Parks Archaeology Awareness Training held in The Dalles (April 2-5, 2024) and disseminated the information upon completion of the training. OWRD's Tribal Liaison as well as the Deputy Director (Water Management) attended the Tribal-State Government-to-Government Annual Summit held in Canyonville (July 24, 2024). The Deputy Director (Strategy and Administration) attended the Changing Currents: Tribal Water Summit held in North Bend (August 11-16, 2024). OWRD's Tribal Liaison has shared and encouraged staff to view The Heart and Spirit of Tribal Consultation and will continue to do so on a periodic basis. In January 2025, OWRD staff will receive an LCIS training on the recently updated Inadvertent Discovery Plan template. LCIS staff have indicated that training opportunities are forthcoming in 2025; OWRD will take advantage of those opportunities as they arise. The Director's office will continue to explore other training options with LCIS as well as share this report and state laws, policies, and educational resources with staff.

The Director's office also reviews fee-to-trust applications submitted by Tribes to the Bureau of Indian Affairs. During 2024, OWRD received eight requests for application review, one each for

the Confederated Tribes of Siletz Indians and the Confederated Tribes of the Grand Ronde, and two each for the Coquille Indian Tribe, the Cow Creek Band Creek of Umpqua Tribe of Indians and the Confederated Tribes of the Umatilla Indian Reservation.

#### **Joint Director Meetings with Individual Tribes**

On August 2, 2024, the newly appointed Directors for the OWRD, Oregon Department of Fish and Wildlife, and Oregon Watershed Enhancement Board mailed and emailed letters to Oregon's Nine Tribes expressing interest in meeting with each Tribe to foster a collaborative relationship and learn about Tribal priorities, goals, and vision around natural resource issues. During late 2024, the Directors met with three of Oregon's Tribes: Klamath Tribes (October 18), Confederated Tribes of Warm Springs (October 29), and Confederated Tribes of the Umatilla Indian Reservation (December 19).

Speaking on behalf of all three Directors, OWEB Director Sara O'Brien provided a brief update on the Tribal visits during the <u>Legislative Commission on Indian Services</u> (LCIS) quarterly meeting held October 15; she also re-extended the Directors' invitation to meet with Tribal leaders at the convenience of the Tribes. The three Directors will continue to engage with the remaining six Tribes to set up introductory listening sessions.

#### **Tribal/State Water Task Force**

In response to the Tribes' September 15, 2021, letter to Governor Kate Brown, staff from the Governor's Office, OWRD, and Oregon's nine federally recognized Tribes engaged with Oregon Consensus to facilitate a Tribal/State Water Task Force. The Water Task Force was initiated in June 2022, with state agencies sharing their responsibilities related to water. Tribes shared their histories, their perspectives on water, and opportunities and challenges interacting with state agencies. The final report containing Task Force recommendations was published in 2023 and is available online.

In June 2023, the Oregon Legislature authorized \$100,000 for Portland State University's Oregon Consensus to continue Water Task Force facilitation concerning recommendations outlined in the final report, including formation of a standing work group. That effort is on hold, pending further discussion with the Governor's Office.

#### **Items of Tribal Cultural Interest**

In November of 2019, OWRD submitted an Inventory of Items of Tribal Cultural Interest to the nine federally recognized Oregon Tribes, the Governor's Office, and the Legislative Commission on Indian Services (LCIS). OWRD periodically assesses whether there are needed updates to the 2019 Inventory and, if there are future changes, will include the update in the annual Government-to-Government Report. No additional items of cultural interest beyond those identified in the 2019 report have been identified.

To comply with HB 2112 (2023), the OWRD Records Officer will send a written notification to each Tribe of intent to destroy any records to give Tribes the opportunity to review and object to any destructions. If no objections or requests for additional information are filed, the OWRD Records Officer will proceed with destruction per the Secretary of State's guidance.

#### **Water Rights**

OWRD remains engaged in ongoing discussions with some of the Tribes on issues related to water rights and administration of water resources. Activities are generally conducted under Executive Order 96-30, or specific provisions of federal and state law.

OWRD received 269 instream water right applications in the Willamette Basin requesting to maintain water instream for the conservation, maintenance and enhancement of aquatic and fish life, wildlife, and fish and wildlife habitat. OWRD is releasing the first of several documents in the processing of these applications, and notification, as well as information for how to provide comments, concerns or other engagement related to these instream water right applications, has been sent to each Tribe.

As the lead agency for Oregon's hydroelectric laws (ORS 543 and 543A), OWRD administers the Hydroelectric Application Review Team (HART) for state projects. Besides OWRD, the core HART is made up of representatives from Oregon Department of Environmental Quality (ODEQ) and Oregon Department of Fish and Wildlife (ODFW). Where Tribes may be affected by a project or involved as a project applicant, the HART members work to ensure coordination. OWRD also notifies LCIS of any new applications filed for hydroelectric projects and this notice is forwarded to the appropriate tribal representatives.

OWRD received a total of 113 temporary instream lease applications and 2 permanent instream transfer applications during 2024 (as of November 18, 2024).

More updates concerning Tribal-specific engagement on water rights issues are outlined below.

#### Water Management and Water Use Regulation

OWRD works with Tribes to plan and implement strategies for streamflow restoration and riparian protection on both reservation lands and lands that are culturally significant to Tribal communities. These strategies may include streamflow measurement and monitoring, enforcement on illegal water uses, and the transfer or lease of out-of-stream water rights to instream water rights for the benefit of fish and wildlife, recreation, and water quality. Additionally, the OWRD Surface Water Section and Groundwater Sections coordinate and communicate any soil disturbance activities related to stream gaging activities or OWRD observation well drilling with Tribal cultural resource representatives across the state.

More updates regarding Tribal-specific engagement on issues concerning water management and water use regulation are included below.

#### **Drought**

In 2023, OWRD contracted with the National Drought Mitigation Center, the Oregon Climate Change Research Institute, and the University of Oregon to conduct a Drought Vulnerability Assessment. The Assessment focuses on (1) drinking water supplies, (2) agriculture, and (3) water-dependent recreation and fisheries. The Assessment seeks to implement Recommendation B from the 2016 Task Force on Drought Emergency Response (HB 4113): "Provide resources for assessments of drought impacts, risks, and vulnerabilities on instream and out-of-stream sectors in order to better prepare for, respond to, and recover from drought," and part of the 2017

Integrated Water Resources Strategy Recommended Action 5.5A: "Plan and Prepare for Drought Resiliency. In September 2023, OWRD sent letters to each of the nine federally recognized Tribes in Oregon inviting them to engage on the Assessment. No Tribes responded to the letter. The final report will be available in early 2025.

#### **Legislative Work**

OWRD staff provide regular updates on legislative and budget efforts during the quarterly CRC, NRWG, and LCIS meetings. A full breakdown of OWRD Agency Request Budget and 2025 Legislative Concepts can be found <a href="here">here</a>.

2025-27 Agency Request Budget: In 2024, OWRD developed eleven policy option packages to address a variety of the water challenges facing Oregon, including a policy option package in the Agency Request Budget to increase capacity to engage expand engagement and equity in complex issues. Package 105 – This package would broaden the scope of \$600k general funds appropriated via package 801 in the 23-25 biennium to allow them to be used for facilitation, outreach and engagement, communications, trainings, translations, and other consulting services, with an emphasis on centering equity. This expansion will help the agency accomplish the goal of addressing Oregonian's water needs and working to implement solutions to those water needs in a manner that engages with the people we serve. The package was not included in the Governor's Recommended Budget.

2025 Legislative Concepts: In 2024, OWRD has been working with interested entities to develop language for a legislative concept to address revenue shortfalls for staff in both the Dam Safety and Water Right Transactions Division that are partially supported by water right transaction fees and dam safety annual. These programs are core to the Department's mission of responsibly managing Oregon's water resources and maintaining public safety. This bill will seek to increase Water Right Transaction Fees, including transactions related to instream water rights and leases, by 135% and Dam Safety Annual Fees by 56% to maintain existing service levels.

OWRD also solicited input on ideas to improve processes related water right transactions, including ideas related to instream water rights and leases. Those concepts were passed along to the Governor's Office for consideration ahead of the 2025 legislative session. OWRD does not have any bills related to this.

#### **Rulemaking**

During 2024, OWRD was engaged in six different rulemaking efforts, each at different stages of development: well construction (OAR 690-205 and 690-240), groundwater allocation (OAR 690-008, 690-009, 690-300, and 690-410), Harney Basin program rules (OAR 690-512), guidance for voluntary agreements among groundwater users (ORS 537.745), place-based water planning funds (ORS 537.872-537.873), and best practices for funding community engagement around water projects (ORS 541.551). The Tribal Liaison provided rulemaking updates to Tribal leadership and staff at each quarterly Cultural Resources Cluster (CRC) and Natural Resources Work Group Meeting, emphasizing an open invitation to join the RAC as well as to coordinate and/or consult on the rulemaking.

*Final Rulemakings:* During 2024, OWRD completed rulemaking pertaining to well construction and groundwater allocation. In March 2024, the Commission adopted new rules concerning welding requirements for monitoring well drillers as authorized by HB 3343 (2023). To help draft the rules, OWRD convened a Rules Advisory Committee (RAC) in November 2023, which included Tribal representation from the Confederated Tribes of the Umatilla Indian Reservation.

In September 2024, the Commission adopted new rules concerning the allocation of new groundwater rights. This rulemaking effort dates back to 2022. In December 2022, the OWRD mailed and emailed formal letters inviting coordination and/or consultation on the groundwater allocation rulemaking and other policy issues. In January 2023, OWRD sent follow-up emails inviting coordination and/or consultation on the rulemaking and other policy issues. In March 2023, prior to finalizing the RAC membership, the Tribal Liaison sent additional emails and made phone calls to Tribal staff inviting RAC participation from members of all nine of Oregon's federally recognized Tribes. In response to these inquiries, one representatives of the Klamath Tribes and one representative of the Confederated Tribes of the Umatilla Indian Reservation agreed to serve on the RAC.

Beginning in late 2022 through rule adoption, the Tribal Liaison provided updates on the rulemaking at each quarterly Cultural Resources Cluster (CRC) and Natural Resources Work Group Meeting, emphasizing an open invitation to join the RAC as well as to coordinate and/or consult on the rulemaking. During the October 2023 CRC meeting, Department staff provided a presentation on the groundwater allocation rulemaking, again emphasizing an open invitation to coordinate and/or consult on the rulemaking.

The March 2024, Notice of Proposed Rulemaking was emailed directly to Tribal staff, inviting comments as well as offering to coordinate and/or consult on the rulemaking. In April 2024, upon request, Department staff met separately with staff and leadership of the Confederated Tribes of the Umatilla Indian Reservation and the Confederated Tribes of Warm Springs to provide briefings, answer questions, and again extend an invitation to engage further and/or consult on the rulemaking.

During the public comment period, the Department received comments from three of Oregon's nine federally recognized Tribes: Confederated Tribes of the Umatilla Indian Reservation, Confederated Tribes of the Warm Springs Reservation of Oregon, and Cow Creek Band of Umpqua Tribe of Indians. The Confederated Tribes of the Umatilla Indian Reservation were supportive of the proposed rulemaking; however, the Confederated Tribes of the Warm Springs Reservation of Oregon and the Cow Creek Band of Umpqua Tribe of Indians both commented on the lack of detail in the March 2024 Notice of Proposed Rulemaking with respect to OWRD efforts to coordinate and consult with Tribes. In response to these concerns, for future rulemakings, OWRD will ensure that the Racial Equity Impacts section within each Notice of Proposed Rulemaking includes a description of Department efforts to coordinate and consult with the Tribes on each proposed rulemaking. The Department also pledged to enhance Tribal communication and outreach efforts, striving to engage with Tribal leadership and staff early and often on matters that may be of interest or concern to the Tribes. The Department will formalize this commitment pending guidance from Oregon's recently appointed Task Force on Tribal

<u>Consultation</u>. Once that guidance is available, OWRD will update its 2007 Policy on Relationships with Tribes (See Appendix).

Active Rulemakings: During 2024, OWRD was engaged in four rulemaking efforts, three of which were new. Since April 2023, the Division 512 RAC has met to discuss water management options for the Harney Basin. The RAC met nine times in 2024 and will continue meeting in 2025, with a target for rule adoption anticipated fall/winter 2024. A Burns Paiute Tribe representative has served on the RAC since its inception. More information is on the Department's Division 512 rulemaking webpage.

In February 2024, the Director sent formal letters inviting Tribal coordination and consultation on the development of best practices for community engagement around water projects. In June 2024, the Director sent formal letters inviting Tribal coordination and consultation on the Harney Basin Critical Groundwater Area rulemaking, including the draft Groundwater Report. In July 2024, the Director sent formal letters inviting Tribal coordination and consultation on rulemaking pertaining to the place-based water planning fund, best practices for community engagement around water projects, and voluntary agreement guidance.

The OWRD Tribal Liaison and other staff provide regular updates on rulemaking efforts during the quarterly CRC, NRWG, and LCIS meetings. At each of these meetings, Tribal representatives are invited to join a RAC, attend a RAC meeting, provide comments, and/or request formal consultation with OWRD.

#### **Strategic Plan Update**

In September 2024, a new water policy analyst was hired to oversee the updates and revisions to OWRD's Strategic Plan, project portfolio, and the agency workplan for diversity, equity, and inclusion. In developing the next Strategic Plan, OWRD is required to develop an action plan for implementing agency strategies by identifying projects, strategic plan goals, priorities, project sponsors, project managers, and project status. As OWRD works through the strategic planning timeline, the Department will reach out to the Tribes early in the process to engage through coordination and/or consultation on the plan update.

#### **Integrated Water Resources Strategy (IWRS)**

The IWRS provides an inter-agency framework for better understanding and meeting Oregon's instream and out-of-stream water needs. The first IWRS was adopted in 2012, and the second in 2017 by the Oregon Water Resources Commission. As indicated in ORS 536.220, OWRD must update the IWRS every five years. In 2023 statute was modified to require updates every eight years, after the 2024 IWRS is adopted. OWRD completed a 2017-2022 Progress Report, summarizing Oregon agency accomplishments since the last plan update. The Department collected data from 15 water-related state agencies, documenting IWRS implementation efforts, and presented the findings to the Oregon Legislature in early December 2022. The 2017-2022 IWRS Progress Report is available online.

OWRD is leading the 2024 IWRS update in conjunction with the Department of Land Conservation and Development, Oregon Department of Agriculture, ODEQ, ODFW, and Oregon

Watershed Enhancement Board. The update will address climate more holistically, apply an equity lens to the framework, and incorporate findings from the earlier work of the 100-Year Water Vision.

In 2023, OWRD contracted with Oregon's Kitchen Table to develop and implement an inclusive outreach and engagement process. Feedback during that process indicated a need for the IWRS to be more accessible to wider audiences. Oregon's Kitchen Table Engagement Summary Report is available online.

January 2024, OWRD sent letters to Oregon's Tribes seeking input on the Draft 1 of the 2024 IWRS, focusing on the "Action" summaries, many of which list Tribes as partners. Draft 1 was available for public review and comment from March 5 to April 5, 2024. In April 2024, the Governor's Office requested a delay in releasing Draft 2 to allow the confirmation of several new natural resource directors and to articulate more definitive outcomes to serve the water needs and interests of all Oregonians.

In December 2024, OWRD sent letters to Oregon's Tribes announcing the anticipated release of Draft 2 in January 2025. OWRD requests feedback on this draft.

OWRD continues to share regular IWRS updates with the Tribes during the quarterly CRC and NRWG meetings, including presentations given at the January and October 2024 CRC meetings.

#### **Place-Based Integrated Water Resources Planning**

Place-Based Integrated Water Resources Planning (PBP) helps Oregonians develop a holistic understanding of their water resources, address complex water issues, and create a secure water future by identifying actions that promote and sustain a healthy economy, environment, and society. PBP is a voluntary program that is locally initiated and led by place-based collaboratives in collaboration with state agencies. Through PBP the Oregon Water Resources Department and other state agencies provide guidance, funding, and technical assistance to place-based initiatives to bring interested parties together, assess and build collaborative capacity, develop and update plans, and coordinate plan implementation. Upon completion, State-Recognized Place-Based Water Plans guide place-based actions to meet current and future instream and out-of-stream water needs, help OWRD identify and consider regional priorities, and provide a platform for continued collaboration to solve complex regional water issues.

In 2015, OWRD selected four places to pilot the **2015 Draft Planning Guidelines**: the Harney Basin, Mid-Coast Region, Lower John Day Sub-Basin, and Upper Grande Ronde Sub-Basin. Since then, OWRD has awarded \$2.4 million to planning collaboratives to develop and implement plans. Additionally, OWRD and other state agencies provided programmatic, planning, and technical support to groups as they developed place-based water plans. Three collaboratives have achieved state-recognition of their plans, with the fourth expected to do the same in 2025. Several Tribes are vital partners in these planning efforts. Specific Tribal involvement in these planning efforts is discussed further below.

There were two extensive engagement processes that evaluated lessons learned during the place-based planning pilot and made recommendations for the future: the 2022 Independent

Evaluation and the 2022 State-Supported Regional Water Planning and Management

Workgroup. Tribes participated in both processes. Each of the nine federally-recognized Tribes in Oregon was invited to participate 2022 State-Supported Regional Water Planning and Management Workgroup and members of the workgroup included representatives from the Burns-Paiute Tribe, the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of the Warm Springs, the Confederated Tribes of the Grand Ronde, the Cow Creek Band of Umpqua Indians, and the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians.

The 2023 Legislature made the Place-Based Water Planning Fund permanent (ORS 537.872 and 537.873) and allocated \$2 million to the fund for grants and other work to support place-based integrated water resources planning. OWRD is currently working to stand up the new fund to reflect the Fund's new statutory language, lessons learned during the PBP Pilot, and recommendations from the State Supported Regional Water Planning and Management Workgroup. Standing up the new fund includes developing new rules for the fund. OWRD invited all nine federally recognized Tribes in Oregon to coordinate, consult and/or join the Rules Advisory Committee for this rulemaking. Representatives of the Burns Paiute Tribe and the Confederated Tribes of the Umatilla Indian Reservation served on the Rules Advisory Committee in Fall 2024. OWRD is also working on updating the place-based water planning guidelines and improving technical assistance and interagency coordination around place-based planning. All of these efforts will help provide direction and sideboards for the equitable distribution of fund resources across the state and clarity around planning processes and outcomes.

Tribes will be eligible to receive grants through the fund and will be notified before any funds are issued if they are within the proposed planning boundary of an application.

#### **Chewaucan Basin Planning**

In 2022, in response to a request from both local and statewide interests, OWRD contracted with Portland State University's Oregon Consensus to conduct a neutral situation assessment to determine whether and how a collaborative agreement-seeking process might help address ongoing concerns around water quality, quantity, and habitat in the Chewaucan Basin and Lake Abert. The assessment asked the following questions:

- Are the conditions ripe for collaboration between Tribes, ranchers, conservation groups, agencies, and others to protect the ecosystem and sustain livelihoods?
- If yes, what topics are important to discuss? and
- If yes, what kind of processes, information, and actions are needed to support collaboration.

OWRD sent a letter to Oregon Tribes to seek their interest in participating and, if so, how they would like to participate in this assessment. Representatives from the Burns Paiute Tribe, Confederated Tribes of the Umatilla Indian Reservation, and the Confederated Tribes of the

Warm Springs were interviewed. The assessment was completed in early 2023 and is available online.

The 2023 Legislature appropriated \$420k to Portland State University to facilitate a collaborative process to identify broadly supported actions to meet water needs in the Chewaucan River watershed. The **Partnership for Lake Abert and the Chewaucan** met in 2023 and 2024. Representatives for OWRD and several other agencies as well as representatives for the Burns Paiute Tribe, Confederated Tribes of the Warm Springs, Confederated Tribes of the Umatilla Indian Reservation, Klamath Tribes, are participating in this process.

#### **Funding Programs**

OWRD engages with Tribes on several funding programs.

*Feasibility Study Grants*: <u>Feasibility Study Grants</u> provide funds to assess water conservation, reuse, and storage projects. These grants are designed to fund 50 percent of the qualifying costs of feasibility studies and Tribes are eligible to apply.

During each application period, OWRD staff contact Tribal staff to solicit input as well as offer to consult through the Director's office on the applications and funding recommendations for its Feasibility Study Grant funding opportunities. In July 2023, OWRD staff invited Tribes to apply for the 2023-2024 offering of Feasibility Study Grants. In November 2023, OWRD reached out to all nine Tribes requesting comments and inviting coordination and consultation on the four study applications received. OWRD received no comments from Tribes on the study applications. In February 2024, OWRD reached out to all nine Tribes requesting comments and inviting coordination and consultation on the Application Review Team's funding recommendations. OWRD received no comments from Tribes on the funding recommendations. In March 2024, OWRD followed up with all nine Tribes to inform them of the funding awards made by the Water Resources Commission.

Water Project Grants and Loans and Irrigation Modernization Funding: Water Project Grants and Loans (WPGL) provide funds through a competitive process for a variety of instream and out-of-stream water projects with economic, environmental, and community benefits. These grants require a 25 percent cost match and Tribes are eligible to apply.

In 2023, House Bill 5030 authorized \$50 million in funding for irrigation modernization projects that leverage federal funding associated with Natural Resources Conservation Service authorized watershed plans, U.S. Bureau of Reclamation WaterSMART grants, or U.S. Environmental Protection Agency grants that are eligible to be on the Department of Environmental Quality's Intended Use Plan. Per the authorizing bill, the projects must also produce the economic, environmental, and community benefits described in the authorizing statute for OWRD's WPGL funding opportunity (ORS 541.673). The Irrigation Modernization Funding is run through the existing WPGL program and funding cycles for WPGL and Irrigation Modernization Funding are run concurrently.

During each application period, OWRD staff contact Tribal staff to solicit input as well as offer to consult through the Director's office. OWRD offers several ways that Tribes may

participate and review applications for Water Project Grants and Loans and Irrigation Modernization Funding. Based on input from Tribes and the LCIS, OWRD's current process for each funding cycle includes contacting LCIS and asking them to identify which applications may be of interest to each Tribe, based on a project's location. OWRD then contacts each Tribe identified by LCIS and provides relevant information regarding the project proposal(s) and access to the application(s). This includes project type, project summary, the county, the nearest city, and a link to the application where applicants list all ground-disturbing activity by tax lot.

Opportunities offered to Tribes to engage in the review process include:

- Providing comment during the initial 60-day public comment period on applications;
- Serving as a member of the Technical Review Team (TRT) to review, score, and rank applications;
- Providing government-to-government comments on the application(s) for consideration by the TRT during scoring;
- Providing government-to-government comments for consideration by OWRD and the Water Resources Commission on funding recommendations; and
- Providing comment during the public comment period on the TRT ranking and funding recommendations.

OWRD offered two WPGL and Irrigation Modernization Funding cycles in 2024. During the first 2024 funding cycle, OWRD received no complete WPGL applications and ten Irrigation Modernization Funding applications. LCIS determined that eight of the nine Tribes may have an interest in one or more Irrigation Modernization Funding project application. In February 2024, an invitation was sent to the identified Tribes detailing the opportunities listed above as ways they could choose to participate in the review process. The same information was provided to the ninth Tribe with a note that LCIS did not identify any specific project in which their Tribe may have a potential interest but still extending the invitation for participation. OWRD received one comment from the Confederated Tribes of Siletz Indians on two Irrigation Modernization Funding project applications.

A multi-agency TRT scored and ranked the project proposals based on potential public benefits in three categories: economic, environmental, and social/cultural. OWRD practice is to share all comments with the TRT to be considered as they score and rank projects and develop a funding recommendation list. In May 2024, OWRD reached out to all nine Tribes requesting comments and inviting coordination and consultation on the TRT's funding recommendations. OWRD did not receive any comments from Tribes on the projects recommended for funding. In June 2024, OWRD followed up with all nine Tribes to inform them of the funding awards made by the Water Resources Commission.

During the second 2024 funding cycle, OWRD received seven WPGL applications and one Irrigation Modernization Funding application. LCIS determined that all nine Tribes may have an interest in one or more WPGL or Irrigation Modernization Funding project application. In

August 2024, an invitation was sent to the identified Tribes detailing the opportunities listed above as ways they could choose to participate in the review process. OWRD received no comments from Tribes on the project applications.

A multi-agency TRT scored and ranked the project proposals based on potential public benefits in three categories: economic, environmental, and social/cultural. In October 2024, OWRD reached out to all nine tribes requesting comments and inviting coordination and consultation on the TRT's funding recommendations. OWRD did not receive any comments from Tribes on the projects recommended for funding. Later in December, OWRD will follow up with all nine Tribes to inform them of the funding awards approved by the Water Resources Commission during the December 12-13, 2024, Commission meeting.

**Domestic Water Well Funds:** Water Well Abandonment, Repair and Replacement Fund (WARRF): In June 2022, OWRD launched the WARRF. WARRF funding may reimburse qualifying individual homeowners or members of a federally recognized Tribe for the cost to abandon and replace or repair a well that is unable to supply water for household purposes because it is dry or was damaged by a wildfire. Applications for funding are accepted on an ongoing basis.

OWRD prioritized funding assistance for low-to-moderate income households during the first phase of the program. These impacted households were prioritized to meet urgent public health needs and based on the direction from the Oregon Legislature during the December 2021 special session. OWRD anticipates additional wells will be eligible for funding in the future.

Harney Domestic Well Remediation Fund: In February 2024, OWRD launched the Harney Domestic Well Remediation Fund. This fund helps qualifying individual homeowners or members of a federally recognized Tribe in the Greater Harney Valley Groundwater Area of Concern with a portion of the cost to repair or replace and permanently abandon household wells that were impacted by declining groundwater levels.

OWRD prioritized funding based on whether the well is able to sustain the household or at risk of going dry, whether the property is owner-occupied, and if the landowner's household is low-to-moderate income. Applications were accepted through May 31, 2024 and OWRD anticipates accepting another round of applications in the future.

#### OTHER WORK WITH INDIVIDUAL TRIBES

In addition to efforts outlined above, OWRD has engaged with individual Oregon Tribes on specific issues involving water rights, water management and use, planning, and funding. These efforts are outlined below.

#### **Burns Paiute Tribe**

As summarized below, OWRD has engaged with the Burns Paiute Tribe on water rights, watershed enhancement, the Harney Basin Groundwater Study and Rulemaking, and the Harney's Water Future place-based planning effort.

*Water Rights*: OWRD has worked with the Burns Paiute Tribe on general water rights issues, including transfer applications and groundwater planning. In 2023, OWRD issued a final order

for an instream lease renewal between the Tribe and the Freshwater Trust (IL-1693). The instream lease is in effect through September 30, 2027, and provides for the conservation, maintenance, and enhancement of fish and wildlife habitat. Trout Unlimited is now working with the Tribe instead of the Freshwater Trust.

**Watershed Enhancements:** OWRD staff in the Eastern Region continued their work with the Burns Paiute Tribe to review proposed watershed enhancement projects in the area and secure funding for implementation.

*Harney Basin Critical Groundwater Area Report:* In June 2024, the Director sent formal letters inviting Tribal coordination and consultation on the Harney Basin Critical Groundwater Area rulemaking, including the draft Groundwater Report. Late August, the Burns Paiute Tribe requested staff-level engagement on the Report, to occur during a future Tribal work session. OWRD and Tribal staff are working to identify a future work session appropriate for that engagement.

Harney's Water Future Place-Based Planning: In 2016, OWRD awarded a grant to the Harney County Watershed Council to undertake and develop a collaborative water planning group in the Malheur Lake Basin. Through this planning process, partners are developing strategies to meet current and future instream and out-of-stream water needs. The planning group has completed the groundwater portion of the plan and is now working on the surface water portion. A representative from the Burns Paiute Tribe is participating in this process as a member of the broader planning group and various working groups.

#### **Confederated Tribes of Siletz Indians**

Since 2016, OWRD has awarded grants and participated in collaborative integrated water resources planning and implementation in the Mid-Coast region. During the planning phase (2016-2022), a representative from the Confederated Tribes of Siletz Indians participated as a member of the coordinating committee and the Mid-Coast Water Planning Partnership. Recognized by the Water Resources Commission as an integrated water resources plan, the Mid-Coast Water Action Plan is a framework and pathway for addressing water supply and use challenges in the region, and sustainably balancing water needs for people and native fish and wildlife. Partners continue to work together to prioritize the suite of actions to pursue with the goal of developing workplans to guide implementation priorities. The Confederated Tribes of Siletz Indians has continued to participate in monthly workgroup meetings held during 2023-2024.

#### **Confederated Tribes of the Umatilla Indian Reservation**

The State of Oregon, the Confederated Tribes of the Umatilla Indian Reservation, federal agencies, and irrigation districts have worked for over 30 years to improve the Umatilla River Basin's water supply for farmers and ranchers, fish and wildlife, and the community. As part of the water supply efforts underway in the Umatilla Basin, OWRD is working with representatives of several federal agencies, the Oregon Department of Justice (ODOJ), and the Confederated Tribes of the Umatilla Indian Reservation to achieve a shared goal of satisfying the region's long-term water needs. OWRD continues to provide water rights information to the

Confederated Tribes of the Umatilla Indian Reservation and have offered to meet as needed.

Meet and Greet and Listening Session with New Director: On October 16, OWRD and OWEB staff met jointly with Tribal natural resources staff to review past successes including OWRD support during Umatilla Basin water rights negotiations and during implementation of Washington's Walla Walla Water 2050 Strategic Plan and the Six Sovereign Resilient Columbia Basin Agreement (RCBA). Agency and Tribal staff also discussed some outstanding issues requiring further coordination, including those surrounding Catherine Creek Water Rights and the Integrated Water Resources Strategy and its possible nexus with the earlier work under Oregon's 100-Year Water Vision and the RCBA. This meeting was to prepare for the meeting between the three new Directors and Tribal leadership on December 19.

*Water Rights:* In the Wallowa River Basin, staff have worked with the Confederated Tribes of the Umatilla Indian Reservation and The Freshwater Trust on a series of complex transactions, which included instream leases and Allocation of Conserved Water (ACW) projects. The ACW projects have been completed and instream water right certificates were issued.

In 2024, OWRD issued six final orders approving instream lease applications involving private landowners and Trout Unlimited, while also working with the Confederated Tribes of the Umatilla Indian Reservation. Instream Lease IL-2010, IL-2012, SL-65, and SL-64 are in effect March 1, 2024 through October 31, 2028. Instream Lease IL-2059 and IL-1864 were both in effect during the 2024 irrigation season only. All instream leases provide for the conservation, maintenance, and enhancement of fish and wildlife habitat.

OWRD holds voluntary monthly meetings with the Restoration Partners (Trout Unlimited, The Freshwater Trust and many others) to discuss ongoing projects, proposed projects, and other issues as they arise. A representative from the Confederated Tribes of the Umatilla Indian Reservation regularly attends these meetings.

OWRD has also been working with Wallowa Lake Irrigation District, the Nez Perce Tribe, the Confederated Tribes of the Umatilla Indian Reservation, and ODFW regarding instream releases from Wallowa Lake Reservoir after rehabilitation of the existing dam. Wallowa Lake Irrigation District filed Transfer Application T-13931 on February 25, 2022, proposing to change the character of use for which water is stored under Storage Certificate 2949 in Wallowa Lake to Multipurpose Use. On November 21, 2022, OWRD issued a Preliminary Determination (PD) proposing to approve Transfer Application T-13931. A timely protest of the PD was filed on December 29, 2022. The protest is currently in the queue of protests awaiting referral to the Office of Administrative Hearings for a contested case hearing.

*Umatilla Basin Water Rights Settlement:* OWRD, the Confederated Tribes of the Umatilla Indian Reservation, ODOJ, a federal negotiation team, and the Westland Irrigation District initiated formal water rights settlement negotiations in June 2012. Discussions include protecting instream flows for fisheries and cultural traditions, while maintaining stability for agriculture and municipal needs. Negotiations also include other irrigation interests, including Stanfield Irrigation District, Hermiston Irrigation District, West Extension Irrigation District and a number of smaller irrigators along the Umatilla River.

OWRD engaged with Tribal staff and lobbyist on needs for the 2023 session, particularly to support the Tribal water settlement work. OWRD included resources to support the ongoing water right negotiations in its 2023-2025 Agency Request Budget and was successful in obtaining funds for this purpose. OWRD received \$1.2 million for facilitation relating to the Confederated Tribes Umatilla Indian Reservation water rights settlement as well as for other complex issues, in addition to a position to lead the CTUIR settlement work. Negotiations are ongoing and formal outreach is expected to beginning in mid-2025.

Water Management and Water Use Regulation: OWRD's Salem office provided the Confederated Tribes of the Umatilla Indian Reservation with periodic updates on the Umatilla Water Supply Project and associated applications for new water rights out of the Columbia River. Through the North Central Region and East Region offices, OWRD and the Confederated Tribes of the Umatilla Indian Reservation together are

- continuing to discuss water management and monitoring in the Walla Walla Basin, including discussions related to instream flow in the Walla Walla River;
- attending Umatilla River Operations Group meetings to share information regarding the protection of instream water right flows and irrigation demands;
- coordinating on McKay Reservoir storage allotments, including the amount of water released and remaining in McKay Reservoir;
- working on water management issues related to the operation of the Umatilla Basin Project Exchange, including coordinating canal startups and shutdowns to reduce the potential for fish take;
- conducting a gaging program in the Grande Ronde Basin that is largely beneficial to the Confederated Tribes of the Umatilla Indian Reservation and results in periodic consultation and/or collaboration associated with Confederated Tribes of the Umatilla Indian Reservation's stream habitat projects;
- coordinating with Tribal Cultural Resources staff on the installation of a "near real-time" gaging station on McKay Creek in Crook County; and
- monitoring and protecting instream leases negotiated by the Confederated Tribes of the Umatilla Indian Reservation.

*Walla Walla Basin Initiatives:* During 2023, OWRD collaborated with the Confederated Tribes of the Umatilla Indian Reservation on several initiatives benefitting the Walla Walla Basin. As a member of the Walla Walla Basin Advisory Committee, OWRD is working in cooperation with the Confederated Tribes of the Umatilla Indian Reservation, Washington Department of Ecology, and other Committee members to evaluate strategies for restoring instream flows for fish in the Walla Walla River.

OWRD is working with the Confederated Tribes of the Umatilla Indian Reservation and Washington's Department of Ecology to explore opportunities to work together as co-managers of water in the Walla Walla Basin. The three sovereigns met several times throughout 2023 and 2024 to discuss both groundwater and surface water management goals.

OWRD, the Confederated Tribes of the Umatilla Indian Reservation, USGS, and Washington Department of Ecology are engaged in a cooperative study of the groundwater systems of the

Walla Walla Basin. Ongoing data collection efforts include monitoring quarterly bi-state groundwater levels and surface water flows, conducting seepage runs along major stream systems, and sampling surface and groundwater for naturally occurring tracer chemicals.

OWRD will continue to engage with the State of Washington and the Confederated Tribes of Umatilla Indian Reservation in high-level discussions on the mutual interests of water management across the Oregon-Washington state line.

Upper Grande Ronde River Watershed Partnership Place-Based Planning: In 2016, OWRD awarded a grant to Union County to support collaborative place-based integrated water resources planning and in the Upper Grande Ronde in partnership with OWRD. During this planning process, the <a href="Upper Grande Ronde River Watershed Partnership">Upper Grande Ronde River Watershed Partnership</a> developed strategies to meet their instream and out-of-stream water needs. In early 2022, the Partnership completed an <a href="integrated water resources plan">integrated water resources plan</a> and received state-recognition from the OWRC. The Confederated Tribes of the Umatilla Indian Reservation continues to participate actively in the Upper Grande Ronde planning meetings to ensure that strategies from the plan that address instream and other water needs are a part of the implementation strategy.

#### **Confederated Tribes of the Warm Springs Reservation of Oregon**

As summarized below, OWRD has engaged with the Confederated Tribes of Warm Springs on water rights, the Deschutes Basin Water Collaborative, and the Lower John Day Place Based Planning efforts.

Meet and Greet and Listening Session with New Director: On October 29, 2024, the Directors of OWRD, ODFW, and OWEB met with Tribal Council members at the Tribal offices in Warm Springs. The Directors welcomed time with the Tribal Council to hear their concerns, areas of focus and interest, and how state agencies can better work with Tribal governments and partners. Council members shared many issues and concerns, including water quantity and quality issues, species habitat issues, and opportunities for funding projects on Tribal lands. Council members also expressed interest in improving their ability to review and comment on the possible injury to Tribal water rights resulting from water right transfers in the Deschutes Basin. A number of other topics and concerns were shared with agency directors.

*Water Rights:* In 2020, OWRD issued two additional final orders for instream lease submitted by the Tribe (IL-1430 and IL-1808). The instream leases are both in effect through September 30, 2024, and provide for the conservation, maintenance, and enhancement of fish and wildlife habitat.

Transfer Application T-13699 was submitted to OWRD on May 3, 2021, by applicant MGN, LLC. This transfer proposes to change the point(s) of diversion and place(s) of use associated with water right Certificates 25324 and 25608 and is being done in conjunction with a habitat restoration project funded by the Confederated Tribes of Warm Springs. This transfer is currently pending and under review. On October 4, 2024, the Department issued a Preliminary Determination proposing to approve Application T-13699 and published notice of the proposed action in the Department's weekly public notice on October 8, 2024, initiating the protest period. The proposed action must also be published in the Eastern Oregonian newspaper once per week

for two consecutive weeks. The deadline for receipt of protests is thirty (30) days from the date of publication in the Department's weekly public notice or the last date of publication in the newspaper, whichever is later.

OWRD communicated with the Tribes in September 2024 about instream water right applications under review and to discuss the Tribes' preferences for receiving notifications.

During 2024, OWRD continued to work with the Tribes to facilitate improved mutual understanding, coordination, and implementation of the Confederated Tribes of the Warm Springs Reservation Water Right Settlement Agreement (November 17, 1997). Discussions have largely focused on process improvement for noticing the Tribes of proposed water right transactions and on examination of OWRD's injury evaluation process to ensure alignment with the Settlement Agreement stipulation that tribal reserved water rights shall not be injured as a result of transfer applications in the Deschutes Basin.

**Deschutes Basin Issues:** OWRD has piloted several water management projects in the Deschutes Basin and coordinated with the Tribal Treasurer/CEO of the Confederated Tribes of the Warm Springs Reservation of Oregon (CTWS) on near term work. Additional consultation on basin-specific project priorities is expected to occur in 2024 and beyond.

OWRD continues to participate in the <u>Deschutes Basin Water Collaborative (DBWC)</u>, a joint effort facilitated by the Central Oregon Intergovernmental Council and the Deschutes River Conservancy and co-led by CTWS. The DBWC focuses on critical water allocation and management issues in the Deschutes Basin and develops strategies to meet stream flow, ecological, agricultural, and community needs for water.

*Water Management and Water Use Regulation:* OWRD's 2023 engagement with the Tribes on issues relating to water management and water use included the following:

- Signing of a Memorandum of Agreement between OWRD and the Confederated Tribes of Warm Springs, which led to the purchase of equipment to install a new stream gaging station on Lower Fifteenmile Creek. The operation of the gaging station is ongoing.
- Continued monitoring of the flow at the Pine Creek Gage near Clarno by the District 21 Watermaster's Office. This monitoring is related to the transfer of irrigation certificates C-25617, 25332, 25333, 25334, 25335, 25365, 25462, and 25523 from Pine Creek with priority dates ranging from 1870–1880 to instream rights resulting in Certificate C-85824.
- Continued cooperation between the District 3 Watermaster's Office in The Dalles and the Confederated Tribes of Warm Springs. Flow meters have been installed and data are being collected on significant diversions on Fifteenmile Creek. Seasonal use and streamflow data are available to the Confederated Tribes of Warm Springs and others.
- Technical support and input provided by OWRD staff to Wheeler County Soil and Water Conservation District and Confederated Tribes of Warm Springs on a Bureau of Reclamation Tribal Assistance grant application to get new AgriMet stations in the John Day Basin. OWRD staff continue to look for ways to partner with Tribes on the AgriMet station expansion effort supported by OWRD and OSU funds.

Lower John Day Basin Place Based Planning: In 2016, OWRD awarded a grant to the Gilliam Soil and Water Conservation District to undertake collaborative water planning in the Lower John Day Basin. Through this planning process, conducted in partnership with OWRD, the Lower John Day Place-Based Water Planning Collaborative developed an integrated plan that was recognized by the Oregon Water Resources Commission in early 2022. The planning collaborative continues to meet to coordinate implementation of the plan. The Confederated Tribes of the Warm Springs Reservation of Oregon participated in the planning partnership since its inception and continue to provide guidance as needed in the implementation process.

#### **Klamath Tribes**

OWRD continues to work closely with the Klamath Tribes, Klamath Basin water users, the Bureau of Reclamation, and the U.S. Department of the Interior to address regulatory questions and concerns and to develop coordination protocols for calls on water as a group. Given the importance and complexity of water issues in the Klamath Basin, the Department established a new region structure for Klamath and Lake Counties, which will help provide some additional staff capacity for water issues in the basin.

During the past year, OWRD has continued to engage in discussions on water-related issues in the Klamath Basin. These talks have included the Klamath Tribes of Oregon along with three Tribes in California. The issues continue to focus on water rights, streamflow, water quality, and fish. These efforts are focused on identifying projects that will increase stream flows and Upper Klamath Lake elevation, improve water quality, and restore riparian corridors. Recognizing the cultural significance of the endangered sucker to the Klamath Tribes and the Tribes' desire to address water quality, OWRD has participated in many of the proposed restoration conversations. Additionally, OWRD has invested many hours working with out-of-stream water users to increase instream flows through temporary and permanent instream transfers.

In 2024, the District 17 Watermaster's office regulated junior water users to protect Tribal determined claims for instream flows. Also in 2024, the Watermaster's office regulated junior users to the Tribe's Upper Klamath Lake in-lake determined claim. The Watermaster's office investigated, validated, and regulated water use resulting from calls for water made by the Klamath Tribes and Bureau of Indian Affairs to satisfy the Tribes' determined claims contained in the Amended and Corrected Finding of Fact and Order of Determination (ACFFOD) in the Klamath Adjudication. During 2024, the District 17 Watermaster communicated regularly with the Tribal liaison. These conversations provided for a timelier response to Tribal questions and concerns.

Additionally, OWRD staff continued to respond to questions from Tribal members regarding regulation activities relating to water rights priority dates, instream flow needs, irrigation needs, and other general topics related to the ACFFOD.

*Meet and Greet and Listening Session with New Director:* On Friday, October 18, 2024, the Directors for OWRD, ODFW and OWEB met with Tribal Council members to listen to concerns and issues around natural resources, water and funding opportunities. Council members shared concerns around water management operations in the basin that impacted Upper Klamath Lake

elevations, and habitat for the C'waam and Koptu species in the lake and associated tributaries. The Directors' meeting coincided with a sharing of Klamath River chinook salmon with the Klamath Tribes. Council members shared concern around two remaining dams, Keno and Link River, and the need for adequate fish passage to allow anadromous fish up to Upper Klamath Lake. A number of other topics and concerns were shared with agency directors.

### OREGON WATER RESOURCES DEPARTMENT POLICY ON RELATIONSHIPS WITH TRIBES

The Water Resources Commission and Department will communicate and collaboratively problem-solve with the nine Oregon Tribes. The Water Resources Department has established the following guidelines to foster and maintain its relationship with each of the nine Tribes:

- 1. Maintain parallel contact directories: (1) Agency personnel available to the Tribe(s) for immediate contact, and (2) A list of tribal leaders or staff who can be contacted to initiate discussion quickly. (In the Department's case, the initial contact is at our Regional office, with a Salem office follow-up.)
- 2. Spot issues quickly, and get accurate details as soon as possible. That is, be aware of water use issues that may create conflict between the state government and a Tribe or the federal government as the Tribe's trustee. Once the issue is identified, research the details both factual and legal so that the issue can be scoped and accurate, and appropriate contact can be initiated.
- 3. When an issue arises, Department staff will offer to meet face-to-face with Tribal leadership as soon as possible to ensure that clear, constructive communication is initiated promptly.
- 4. During initial contact on an issue, be positive and stress common interests and goals indicating that a cooperative solution is most likely possible.
- 5. Keep the agencies' other (non-Indian) constituents advised, and where appropriate involve the non-Indian community in discussions with the Tribal leadership.
- 6. As issues arise and are addressed, establish a system or protocol for future issues—building on successes.

The Department believes that its relationship with Oregon's nine Tribes must be based on two essential attributes. First, we must honor and protect existing Tribal water rights to the use of water, and second, we must continue to forge partnerships with Tribes to support our mutual interest in water issues.