Division 512 Rulemaking

Groundwater Regulation for the Malheur Lake Administrative Basin Rules Advisory Committee

Oregon Water Resources Department

May 14, 2025

Welcome, Introductions and Agenda Review

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Ground rules

- You are here to express your viewpoint.
- Treat others respectfully.
- If online, remain muted when not speaking.
- Use the “raise hand” feature to indicate that you would like to speak.
- If in person, raise your hand to indicate that you would like to speak.
- RAC only participates in RAC meetings, and the Public only participates in comment periods.

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RAC operating guidelines

RAC Role

- Attend and participate in meetings at the horseshoe or online.
- Provide input/advice and help the Department consider various perspectives.

Public Role

- Listen only during the presentations and RAC discussions from the audience or online.
- Provide input/advice during the designated comment time.

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RAC operating guidelines

Department Role

- Foster meaningful dialog and conversation
- Consider RAC and public feedback.
- Draft final rules

Facilitator Role

- Foster meaningful dialog and conversation by all RAC participants.
- Ensure all parties have a safe space to express their viewpoints in a respectful environment.

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IAP2 Spectrum of Public Participation

IAP2's Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public's role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.

INCREASING IMPACT ON THE DECISION

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Meeting Agenda

8:00 AM (15 min)	Welcome and introductions
8:15 AM (60 min)	Understanding Allocation and Scheduling Reductions
9:15 AM (60 min)	Draft CGWA Rule Language Review
11:10 AM (10 min)	Break
11:20 AM (50 min)	Draft CGWA Rule Language Review

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Meeting Agenda

12:10 PM (10 min)	Public Comment
12:20 PM (10 min)	Lunch
12:30 (80 min)	Fiscal Impact Statement Review (Critical Groundwater Area)
1:50 PM (10 min)	Public Comment
2:00 PM	Meeting Closing

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Goals for Today's Meeting

1. Gather input on the draft CGWA rule language
2. Review the draft CGWA fiscal Impact

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Understanding Allocation and Scheduling Reductions

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Critical Groundwater Area Rule Language

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Critical groundwater area rule language

Goals of Conversation

- Gather input around the draft critical groundwater area rule language

Level of Participation

Consult

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Providing effective comments

<u>What we are not looking for:</u>

- Comment: I don’t like the rule language

<u>What we are looking for:</u>

- I am concerned with rule {specify rule number} because {insert reason}, and I would change it to say {insert alternative language}.

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Transfers

- Basin program rules do not affect transfers and how they are processed or reviewed
- WRD intends to prevent transfers between subareas through internal management directives related to transfer evaluations

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Cancelling water rights

- WRD has committed to canceling unused water rights and has staff working on this process
- WRD does not intend to write any commitments related to cancellation into the rules

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690-512-0010 Definitions

Rule Language	Rule Language Explainer
1) "Adaptive Management Checkpoint" means the scheduled interval at which the Department adaptively manages the groundwater resource and adjusts the schedule for reductions in groundwater use. 3) "Groundwater Level Change Envelope"means the trajectory for groundwater levels within each subarea relative to the groundwater levels in 2028 that are modeled with the Harney Basin Groundwater Model.	1) Defines adaptive management checkpoint. 3) Defines groundwater level change envelope.

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690-512-0010 Definitions

Rule Language	Rule Language Explainer
4) “Initial Allocation” means the quantity of water authorized for use by each groundwater right upon completion of contested case.	4) Defines initial allocation.
5) “Permissible Total Withdrawal” means the total volume of groundwater allowed to be pumped annually within a subarea of the critical groundwater area. The unit of measurement for the permissible total withdrawal is acre-feet.	5) Defines permissible total withdrawal.

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690-512-0010 Definitions

Rule Language	Rule Language Explainer
7) “Subarea” means a portion of the critical groundwater area defined for administrative purposes. 8) “Target Groundwater Level Trend” means the goal for the rate of change in groundwater levels within a subarea of the critical groundwater area.	7) Defines subarea. 8) Defines target groundwater level trend.

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Input

Questions or feedback for the RAC

- Is this section clear and understandable?
- Is there anything we should change?
- Is there anything else we need to consider?

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690-512-0020 Administrative Boundaries

Rule Language	Rule Language Explainer
1) The Greater Harney Valley Groundwater Area of Concern (GHVGAC) is defined for administrative purposes and is described and shown in Exhibit 1. 5) The boundary of the Harney Basin Groundwater Reservoir is coincident with the Harney Basin boundary as shown in Exhibit 2. 6) The boundary of the Harney Basin Critical Groundwater Area is defined as the GHVGAC boundary shown in Exhibit 1 and contains, in part, the Harney Basin Groundwater Reservoir.	1) Defines the Greater Harney Valley Groundwater Area of Concern. 5) Defines the Harney Basin Groundwater Reservoir and Harney Basin boundary. 6) Defines the boundary of the Harney Basin Critical Groundwater Area.

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Exhibit 1

Greater Harney Valley Groundwater Area of Concern (GHVGAC)

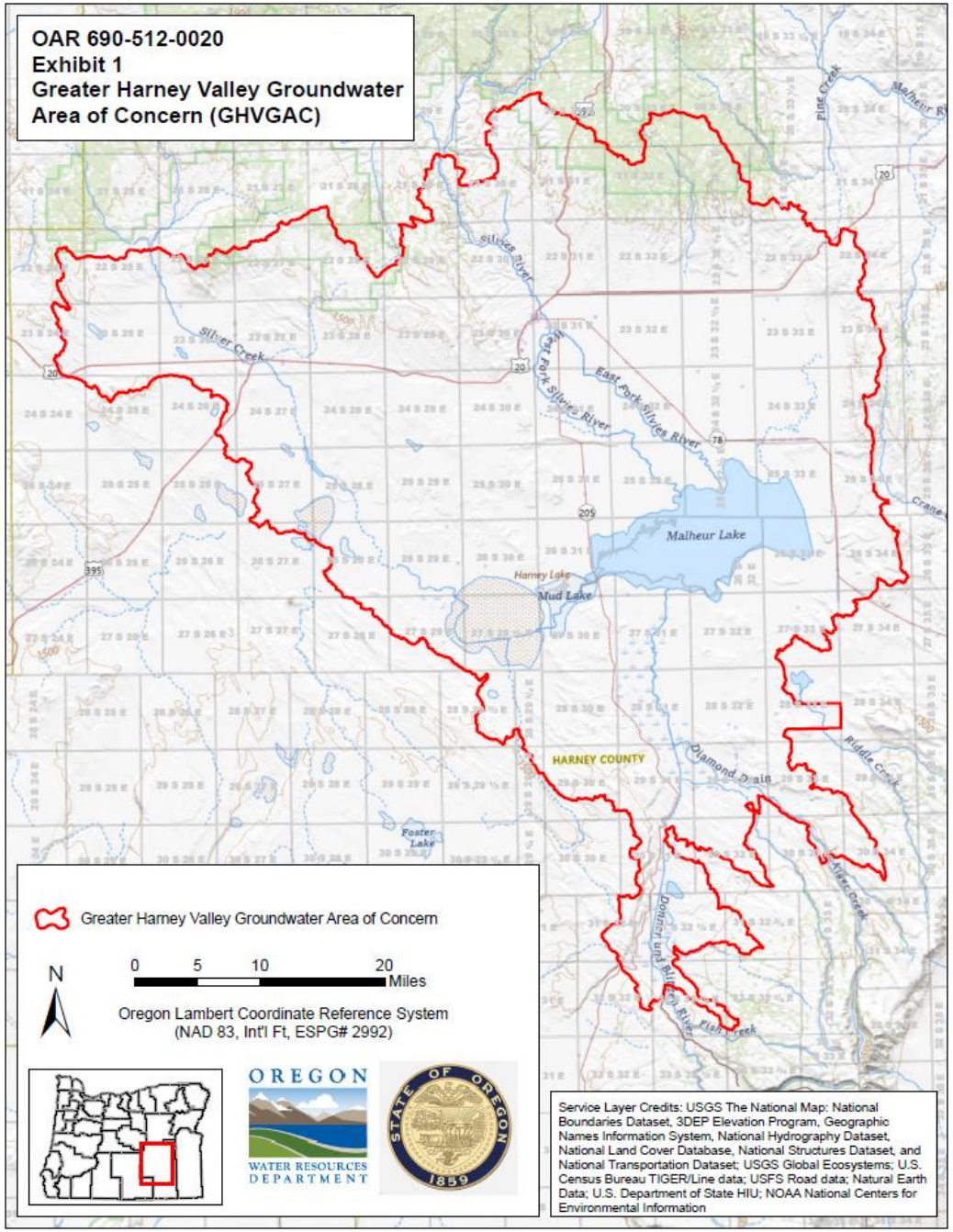

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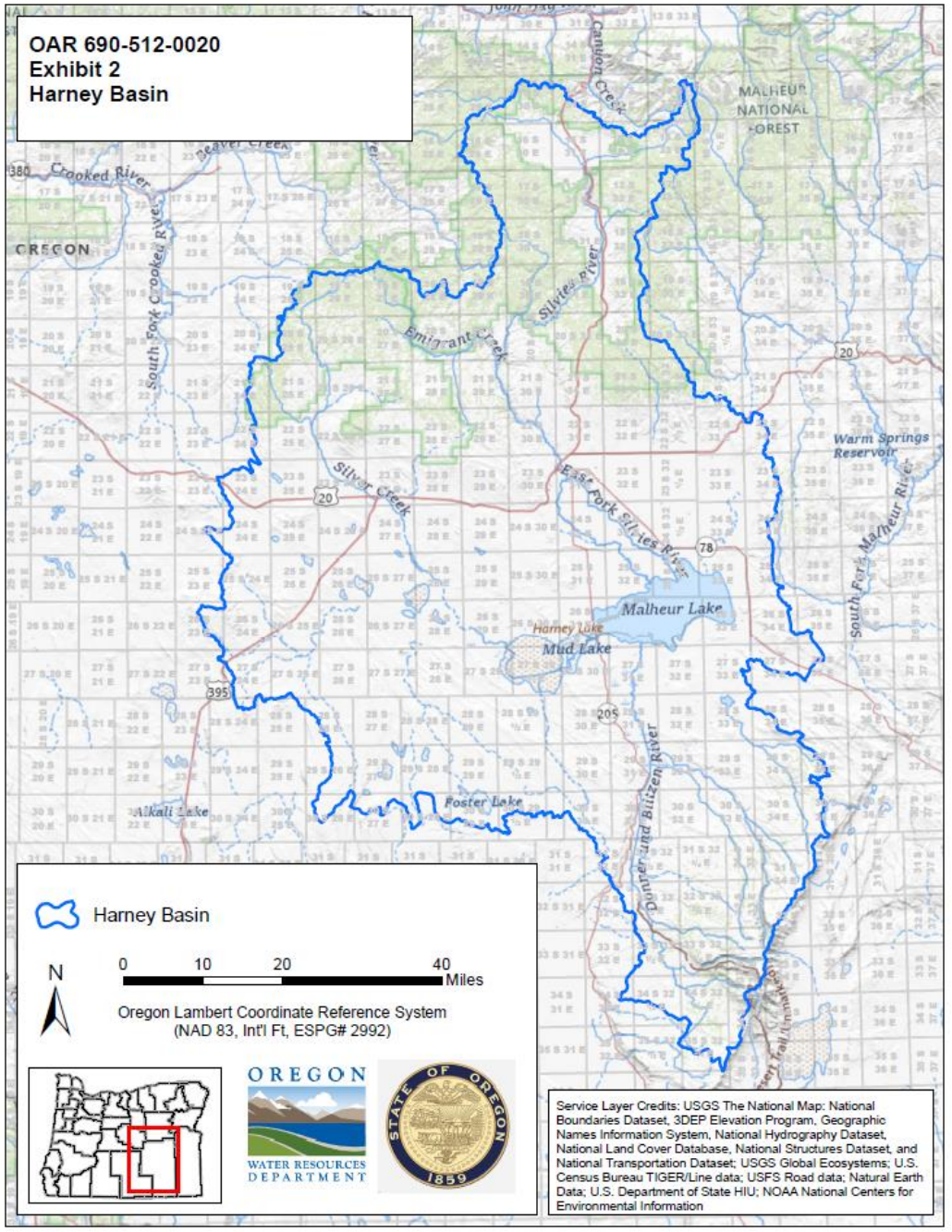
Exhibit 2

Harney Basin



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Input

Questions or feedback for the RAC

- Is this section clear and understandable?
- Is there anything we should change?
- Is there anything else we need to consider?

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690-512-0040 Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
1) The target groundwater level trend within the Harney Basin Critical Groundwater Area is a median groundwater level decline rate of no more than 0 feet per year in each subarea. The median will be calculated for each subarea using representative wells with sufficient data as determined by the Department.	1) Defines the goal for the Harney Basin Critical Groundwater Area.

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690-512-0040 Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
2. A review of the Harney Basin Critical Groundwater Area rules shall be completed once every 3 years. The review shall be presented at a Commission meeting which has been publicly noticed and provides opportunity for public comment. 3. A review of the conditions in the Harney Basin Critical Groundwater area shall be completed no less frequently than once every 10 years and the findings reported at a Commission meeting which has been publicly noticed and provides opportunity for public comment.	2. Requires three-year review of the effectiveness of the rules. 3. Requires ten-year review of the conditions in the basin.

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690-512-0040 Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
4) Except as defined in rule 690-512-0030(#) Classifications, the Department will not accept new applications for groundwater permits within the Harney Basin Critical Groundwater Area.	4. Closes the critical groundwater area to any further appropriation of groundwater, except as defined in the classification.

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690-512-0040 Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
5) The Harney Basin Critical Groundwater area defined in section 690-512-0020(5) shall be divided into seven subareas for the purpose of management as shown in Exhibit 3. a. The Dog Mountain subarea is shown in Exhibit 4. b. The Lower Blitzen-Voltage subarea is shown in Exhibit 5. c. The Northeast-Crane subarea is shown in Exhibit 6. d. The Silver Creek subarea is shown in Exhibit 7. e. The Silvies subarea is shown in Exhibit 8. f. The Upper Blitzen subarea is shown in Exhibit 9. g. The Weaver Springs subarea is shown in Exhibit 10.	5) Defines the boundaries of the 7 subareas.

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Exhibit 3

Harney Basin Critical Groundwater Area Subareas

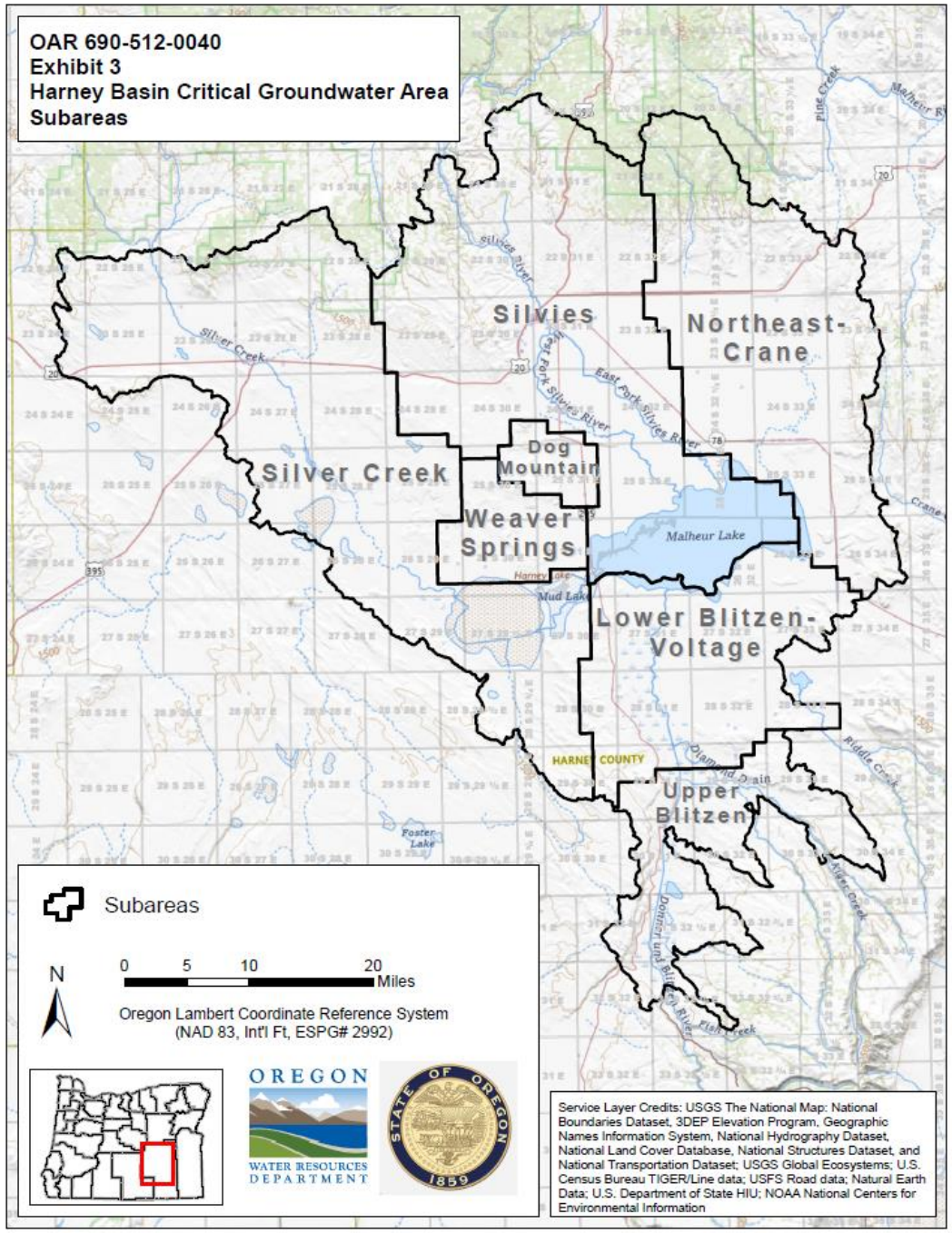

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Exhibit 4

Dog Mountain Subarea

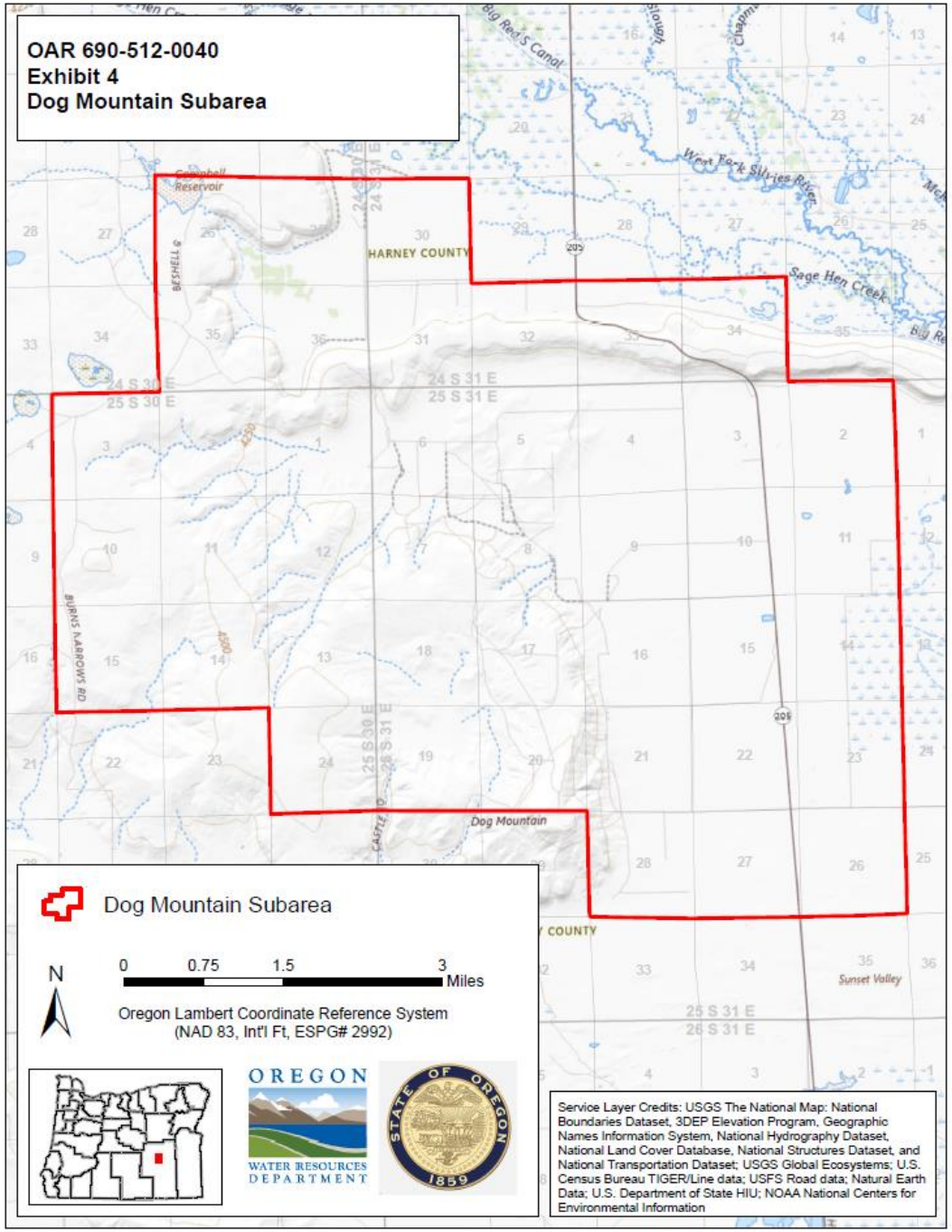

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Exhibit 5

Lower Blitzen-Voltage Subarea

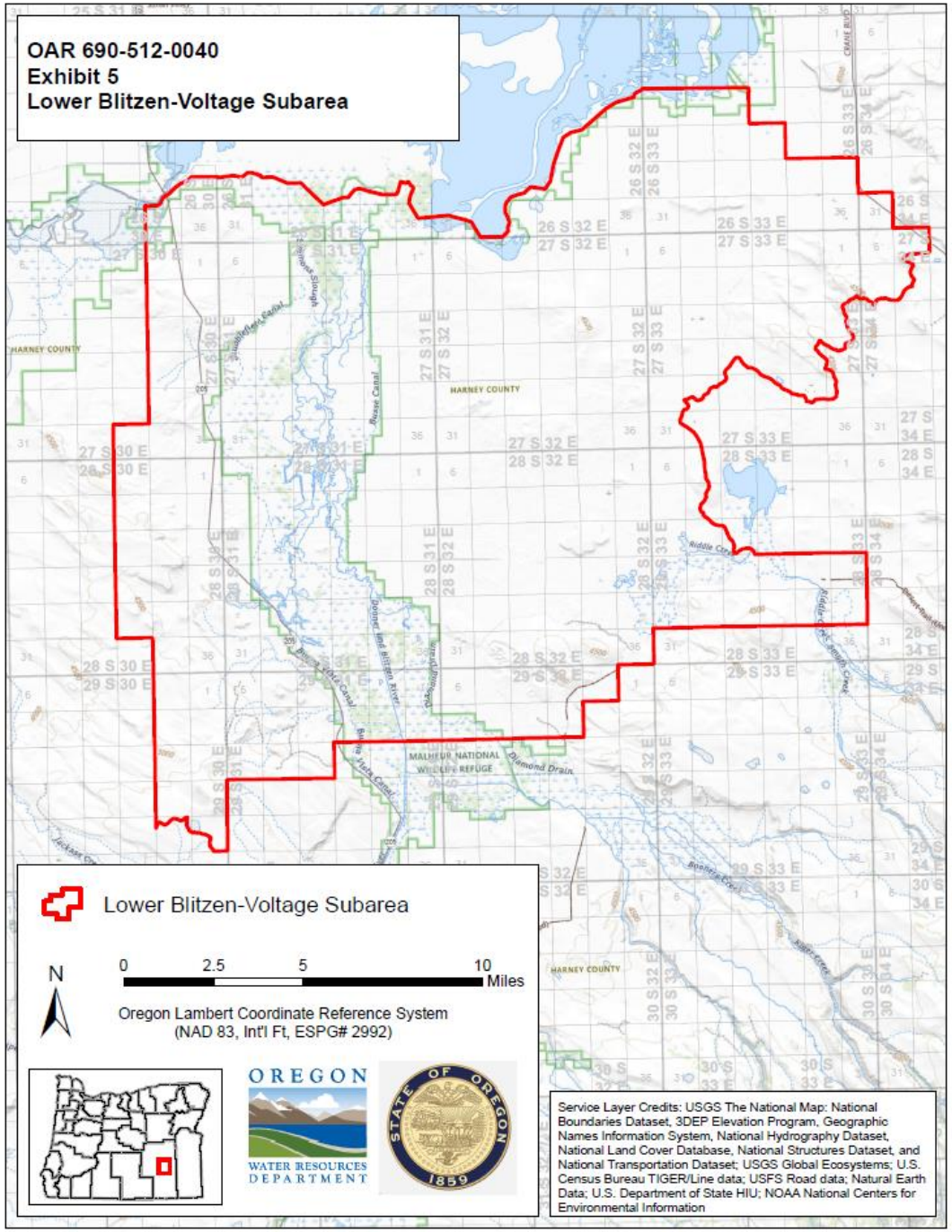

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Exhibit 6

Northeast-Crane Subarea

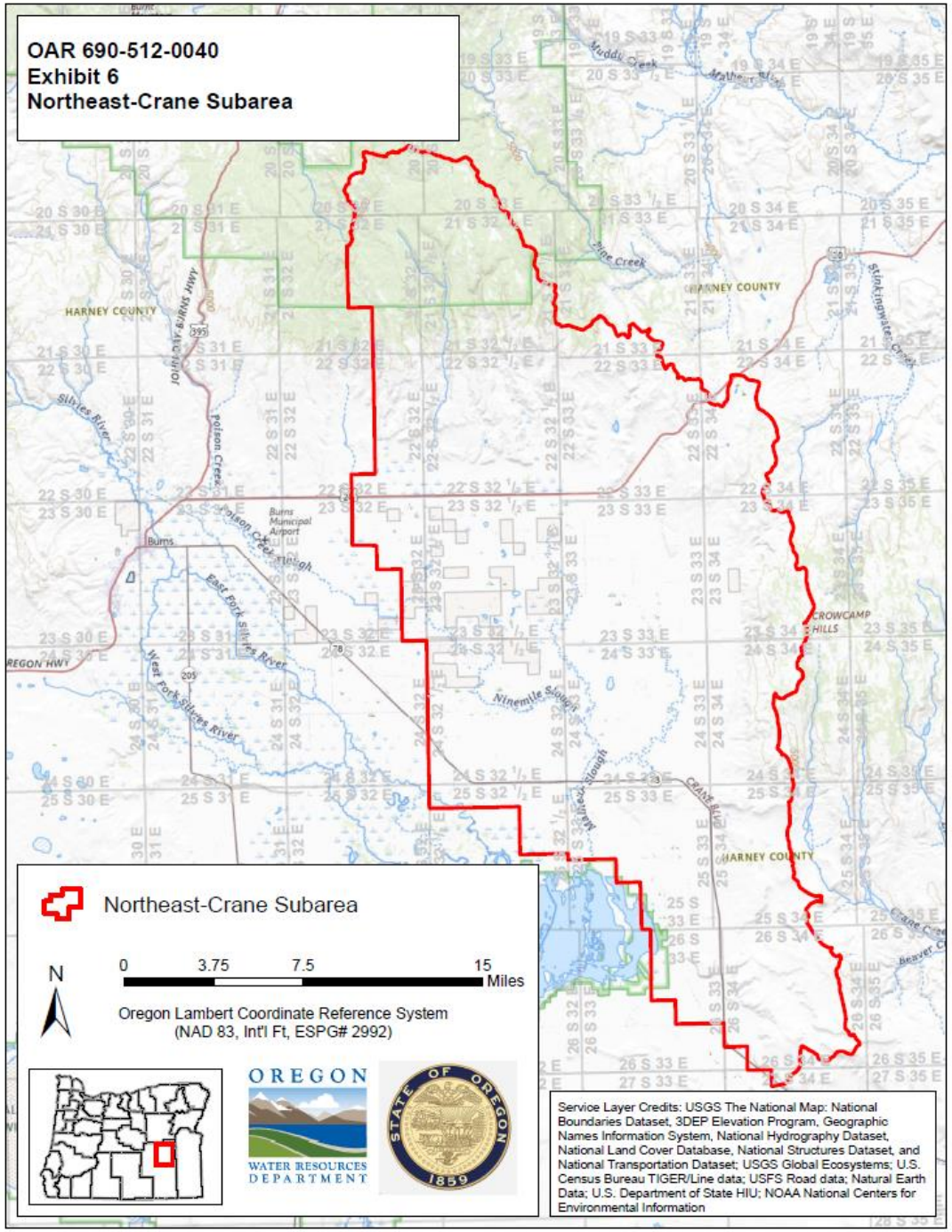

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Exhibit 7

Silver Creek Subarea

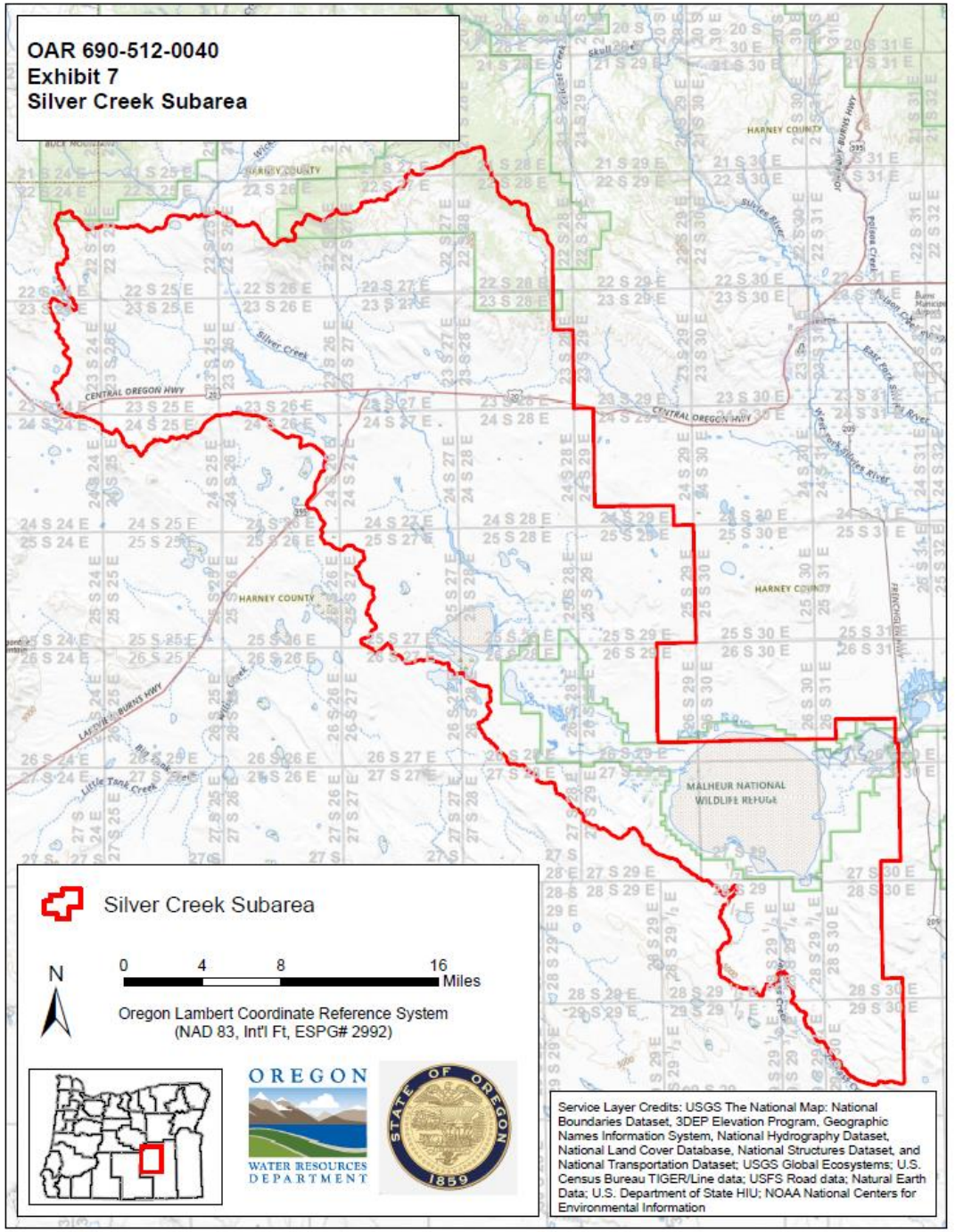

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Exhibit 8

Silvies Subarea

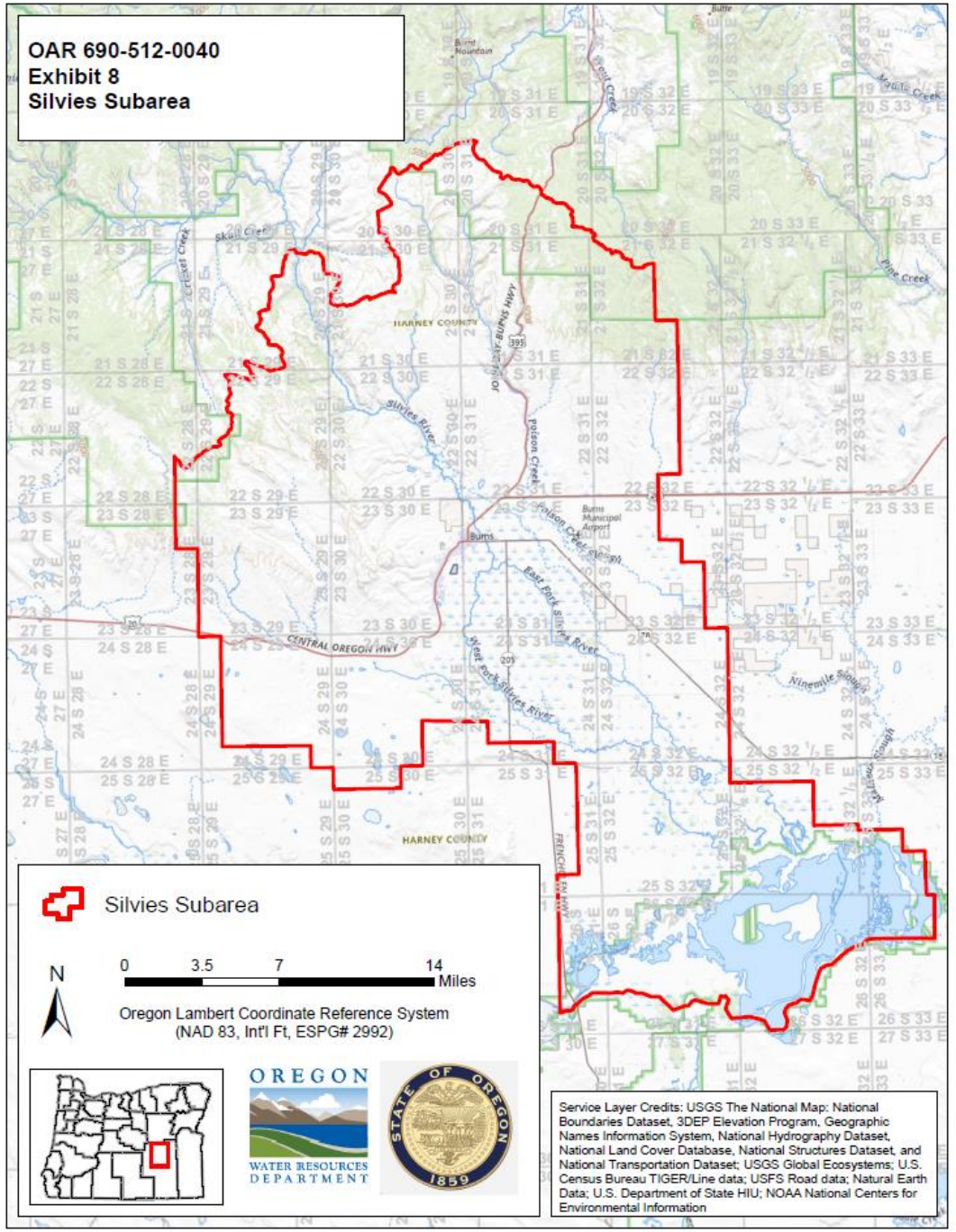

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Exhibit 9

Upper Blitzen Subarea

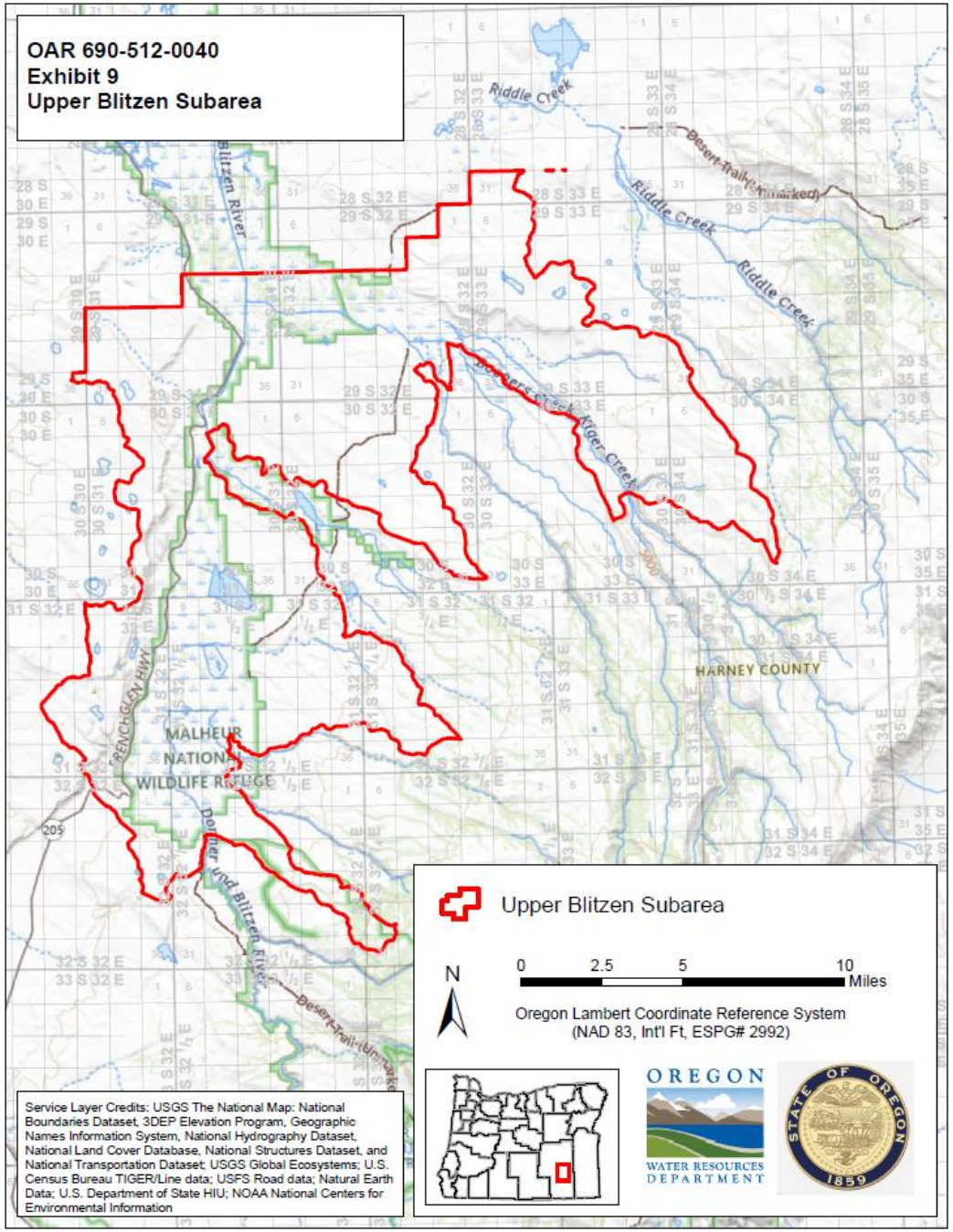

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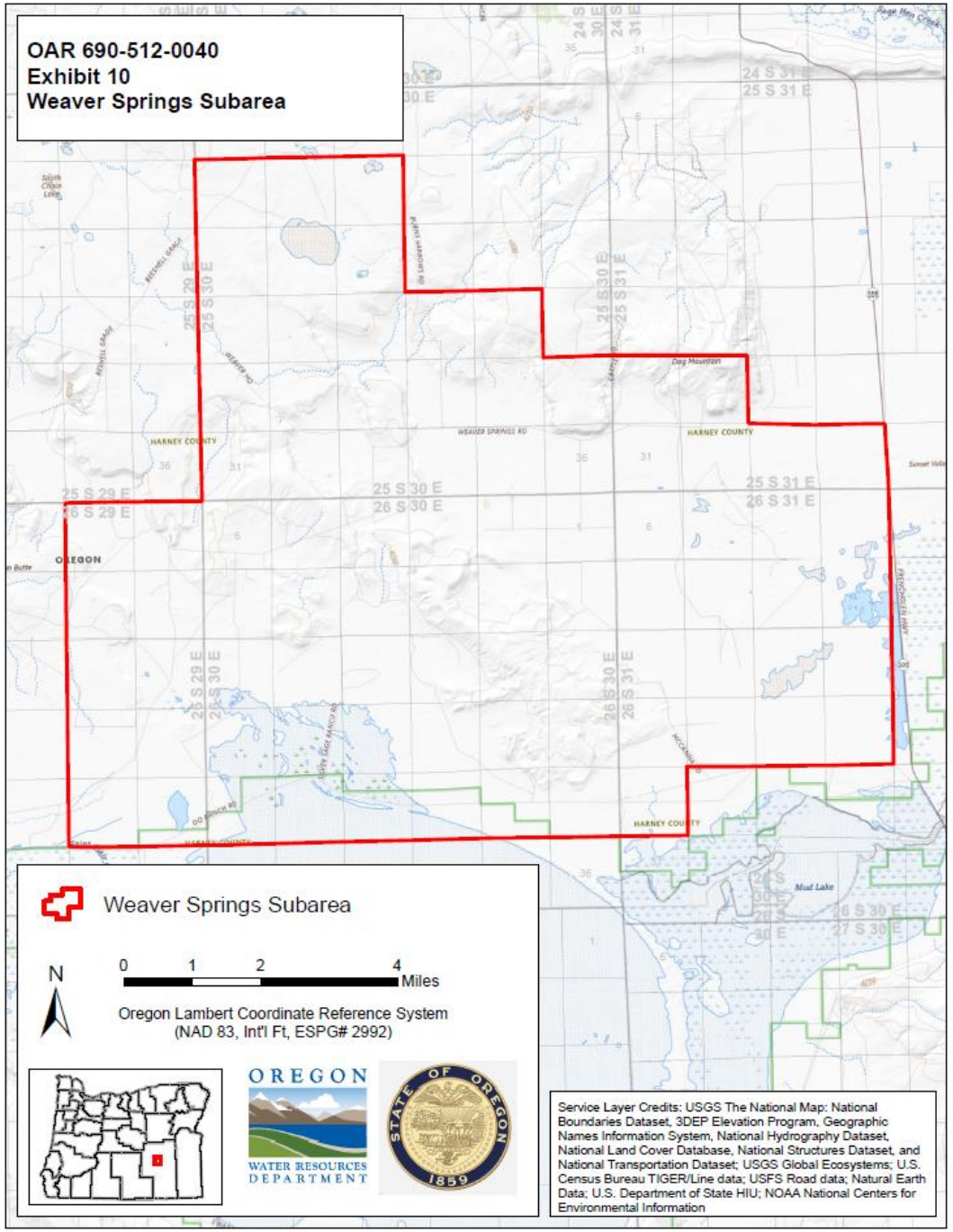
Exhibit 10

Weaver Springs Subarea



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Input

Questions or feedback for the RAC

- Is this section clear and understandable?
- Is there anything we should change?
- Is there anything else we need to consider?

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690-512-0050 Permissible Total Withdrawal for Each Subarea Within the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
1) The permissible total withdrawal for the Dog Mountain subarea shall be 4,200 acre-feet per year. 2) The permissible total withdrawal for the Lower Blitzen-Voltage subarea shall be 8,300 acre-feet per year. 3) The permissible total withdrawal for the Northeast-Crane subarea shall be 35,000 acre-feet per year. 4) The permissible total withdrawal for the Silver Creek subarea shall be 15,200 acre-feet. 5) The permissible total withdrawal for the Silvies subarea shall be 21,200 acre-feet per year. 6) The permissible total withdrawal for the Upper Blitzen subarea shall be 76 acre-feet per year. 7) The permissible total withdrawal for the Weaver Springs subarea shall be 4,800 acre-feet per year.	(1-7) Defines the volume of groundwater that can be pumped annually in each subarea (PTW).

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Input

Questions or feedback for the RAC

- Is this section clear and understandable?
- Is there anything we should change?
- Is there anything else we need to consider?

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690-512-0060 Determination of Initial Allocation for All Groundwater Rights

Rule Language	Rule Language Explainer
1) To establish a schedule for reductions in groundwater use, the Department will determine an initial allocation for each groundwater right within the critical groundwater area which will be implemented through an order after completion of the contested case process as required in OAR 690-010. The initial allocation shall not exceed the total quantity of water authorized on the water right.	1) Describes the concept of initial allocation and the process of implementation.

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690-512-0060 Determination of Initial Allocation for All Groundwater Rights

Rule Language	Rule Language Explainer
2) In determining the initial allocation for each groundwater right with an irrigation use, the Department will: a. Use a duty of 2.7 acre-feet per acre for groundwater rights for primary and supplemental irrigation and b. Consider the historical, beneficial use when identifying the number of acres that will be allocated water.	2) Describes the process for determining initial allocation for irrigation rights. a. Defines the duty used for initial allocation for irrigation rights. b. States that historical beneficial use will be considered for initial allocation of irrigation rights.

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690-512-0060 Determination of Initial Allocation for All Groundwater Rights

Rule Language	Rule Language Explainer
3) The initial allocation for municipal and quasi-municipal rights shall be a quantity of water equal to 110% of the greatest single-year quantity reported to the Department in the six years preceding the adoption of these rules.	3) Describes the process for determining initial allocation for municipal and quasi-municipal groundwater rights.

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690-512-0060 Determination of Initial Allocation for All Groundwater Rights

Rule Language	Rule Language Explainer
4) In determining the initial allocation for each groundwater right with use types other than irrigation, municipal, and quasi-municipal. The department will consider: a. The limits of the groundwater rights; b. Historical beneficial use; c. Whether or not a water user is physically capable of pumping and putting the allocated water to a beneficial use; and d. Any other factors deemed appropriate by the Department	4) Describes the process for determining initial allocation for groundwater rights other than irrigation, municipal and quasi-municipal.

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Input

Questions or feedback for the RAC

- Is this section clear and understandable?
- Is there anything we should change?
- Is there anything else we need to consider?

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690-512-0070 Scheduling Water Use Reductions to Meet the Permissible Total Withdrawal

Rule Language	Rule Language Explainer
1) Notwithstanding adjustments made by the adaptive management methodology defined in OAR 690-512-0080, upon consideration of all water rights and determining the initial allocation for each: a. Water use within the Weaver Springs subarea will be scheduled to be reduced to the permissible total withdrawal with 75% of the total reduction being scheduled for 2028 and the remaining 25% of the reduction scheduled for 2034.	1) Defines the schedule for water use reductions in the 7 subareas. a) Defines schedule of water use reductions for the Weaver Springs subarea.

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690-512-0070 Scheduling Water Use Reductions to Meet the Permissible Total Withdrawal

Rule Language	Rule Language Explainer
b. Water use within all remaining subareas of the Critical Groundwater Area will be scheduled for reduction to the permissible total withdrawal with 40% of the total reduction scheduled in 2028, 30% of the total reduction scheduled for 2034, 15% of the total reduction scheduled for 2040, 10% of the total reduction scheduled for 2046, and 5% of the total reduction scheduled for 2052.	b. Defines schedule of water use reductions for the other 6 subareas.

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690-512-0070 Scheduling Water Use Reductions to Meet the Permissible Total Withdrawal

Rule Language	Rule Language Explainer
c. The schedule for reductions will be based on the relative priority dates of the water rights within each subarea, with the most junior water rights being curtailed first.	c. Describes how prior appropriation will be implemented by subarea.

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690-512-0070 Scheduling Water Use Reductions to Meet the Permissible Total Withdrawal

Rule Language	Rule Language Explainer
d. Municipal and quasi-municipal water use will be evaluated at each adaptive management checkpoint and the schedule of reductions may be adjusted so that the allocation for each municipal or quasi-municipal right is increased or decreased to 110% of the greatest single year quantity reported to the Department in the preceding 6 years. The allocation shall not exceed the total quantity of water authorized on the water right.	d. Describes the process of allocation for municipal and quasi-municipal rights at each checkpoint.

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690-512-0070 Scheduling Water Use Reductions to Meet the Permissible Total Withdrawal

Rule Language	Rule Language Explainer
e. Uses exempt under ORS 537.545 are not subject to reduction. f. Corrective control orders reducing use will not be enforced until the completion of the contested case process specified in OAR 690-010-0170 through 230.	e. States that exempt uses are not subject to curtailment. f. States that curtailment cannot occur until after contested case.

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690-512-0070 Scheduling Water Use Reductions to Meet the Permissible Total Withdrawal

Rule Language	Rule Language Explainer
g. If reductions in use are unable to be implemented as scheduled in 2028, then at the time when reductions in use are implemented through regulatory orders, all reductions scheduled to be implemented by that point in time will be enforced including any adjustments that should have occurred at the adaptive management checkpoints defined in 690-512-0080.	g. Provides for immediate implementation of reductions if contested case is delayed past 2028.

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Input

Questions or feedback for the RAC

- Is this section clear and understandable?
- Is there anything we should change?
- Is there anything else we need to consider?

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
1) Weaver Spring subarea is exempt from the adaptive management process as defined in this rule.	1) Excludes the Weaver Springs subarea from adaptive management.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
2) Groundwater level changes will be evaluated using representative wells with sufficient data as determined by the Department.	2) Describes how groundwater level changes will be evaluated.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
a. For each representative well the groundwater level change will be evaluated based on a reference groundwater level determined by the Department. The reference groundwater level for a well shall be the spring high static water level measurement in calendar year 2028 , if one exists. Otherwise, the Director may establish the reference groundwater level based on an analysis of other water-level data.	a. Describes how reference groundwater levels will be determined.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
b. For each representative well, the groundwater level change will be calculated as the difference between the current spring high static water level at the adaptive management checkpoint and the reference groundwater level.	b. Describes how groundwater level changes will be determined.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
3) The median groundwater level change for each subarea will be evaluated at each adaptive management checkpoint using representative wells with sufficient data as determined by the Department. 4) The groundwater level change envelope for each subarea is defined in Exhibit 11.	3) States that the median groundwater level change will be determined for each subarea. 4) Defines the groundwater level change envelope for each subarea.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
5) At each adaptive management checkpoint, the Department will compare the median groundwater level change for each subarea defined in OAR 690-512-0040 with the groundwater level change envelope. If the median groundwater level change for a subarea is:	5) Describes the evaluation at each checkpoint and the adjustments to curtailment based on changes in groundwater levels.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
a. Below the 10th percentile, the scheduled quantity of reduction will be doubled. b. Between the 10th and 25th percentiles, the scheduled quantity of reduction will be increased by one and a half times. c. Between the 25th and 75th percentiles, no adjustment will be made. d. Between the 75th and 90th percentiles, the scheduled quantity of reduction will be halved. e. Above the 90th percentile, the scheduled quantity of reduction will be reduced to zero.	5) Describes the evaluation at each checkpoint and the adjustments to curtailment based on changes in groundwater levels.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
6) At the end of each adaptive management checkpoint and after the Department has completed sections 1 through 4 of this rule, the Department will hold at least one public meeting at a location within the critical groundwater area boundary at which the Department will present: a. The findings of the evaluation of groundwater level changes. b. The comparison to the groundwater level change envelope. c. Any adjustments to the scheduled reductions.	6) Describes the requirements for a public hearing after each checkpoint.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
7) No sooner than 2058, the Department will evaluate the groundwater level decline rate to identify if the target groundwater level trend has been achieved. The groundwater level decline rate will be calculated using the Sen's slope method using annual high measurements for representative wells with sufficient data as determined by the Department from the 6 years preceding the evaluation.	7) Describes the timing and process for evaluating for the target groundwater level trend.

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690-512-0080 Adaptive Management of the Harney Basin Critical Groundwater Area

Rule Language	Rule Language Explainer
8) After the evaluation in section 7 of this rule, if the target water level trend has not been achieved and all scheduled reductions have not been implemented, the Department will evaluate groundwater conditions and implement additional reductions as needed to achieve the target water level trend. Pumping in each subarea shall not be reduced below the permissible total withdrawal as defined in OAR 690-512-0050.	8) Allows for implementation of any remaining reductions to PTW if the target groundwater level trend is not achieved.

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Input

Questions or feedback for the RAC

- Is this section clear and understandable?
- Is there anything we should change?
- Is there anything else we need to consider?

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Public Comment

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CGWA Fiscal Impact Statement

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Fiscal Impact Statement (FIS)

- FIS Purpose: provide a clear, evidence-based summary of the anticipated economic effects of the rules

- We want to make sure that information in the fiscal impact statement covers the elements we have discussed during the RAC process

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CGWA Fiscal Impact Statement

Goals of Conversation

- Review the draft CGWA fiscal impact statement

Level of Participation

Consult

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CGWA Fiscal Impact Statement

Structure of the Fiscal Impact Statement

- Characterizing Harney Economy
- Assessing impacts of continued pumping
- Assessing impacts of CGWA
- Cost of compliance: OWRD, Local government, small business, members of public

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Characterizing Harney Economy

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Characterizing Harney Economy

- Agriculture accounts for 24% of Harney's economy
- Total Sales:
  - Livestock accounts for 63%
  - Alfalfa accounts for 37%

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Characterizing Harney Economy

<u>The 187,000-acre refuge:</u>

- Generates $3.4M to the local economy yearly – Bird watching and fishing
- Significant recreational economic output

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Characterizing Harney Economy

Input Requested

- Are we missing any information?

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Assessing impacts of continued pumping

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Assessing impacts of continued pumping

Elements of assessment:

- Impacts on irrigation profits
- Impacts on Domestic well users
- Impacts on irrigation wells
- Impacts on ecosystem services

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Assessing impacts of continued pumping

Impacts on irrigation profits:

- Harney Economic Model (HEM)
  - Results show that profit will decrease by 10 percent but remain profitable
  - Magnitude of those profits is likely to decrease as groundwater levels continue to decline.

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Assessing impacts of continued pumping

Domestic wells

- Model gave number of projected wells that will go dry
- Determined cost using WARRF and HDWF
- Discussed collaborative alternatives

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Assessing impacts of continued pumping

Impacts on irrigation wells

- Deepening wells: $600 to $750 per foot
- Total cost for a well drilled 250 feet: $150,000
- deepening a well to those depths may not provide the water necessary for some parts of the region to sustain a crop, livestock, or other domestic use.
- Power Costs will go up

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Assessing impacts of continued pumping

Impacts on ecosystem services

- At current pumping rates - reduced discharge to springs and streams
- Potentially impacting:
  - Pacific flyway
  - Fisheries/ wildlife
  - Domestic livestock grazing

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Assessing impacts of continued pumping

Input Requested

- Are we missing any information?

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Assessing impacts of CGWA Rules

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Assessing impacts of CGWA

Elements of assessment:

- Limiting economic impacts
- Impacts domestic wells
- Impacts on springs and streams
- Impacts on Ag economy (ECO analysis)
- Impacts on Harney utilities

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Assessing impacts of CGWA

Limiting economic impacts

- Setting goal of stability rather than recovery of groundwater levels
- Optimized the model to identify the smallest reductions in pumping required to achieve durable stability
- Not optimizing the model to limit impacts to streams, springs, natural ET, or dry wells
- Setting timeline to achieve the goal at 30 years rather than ASAP
- Phased reductions over 24 years in 6 yr increments, rather than ASAP
- Implementing adaptive management to prevent over-curtailment
- Allocation based historic use, not paper water rights

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Assessing impacts of continued pumping

Domestic wells

- Model gave number of projected wells that will go dry
- Determined cost using WARRF and HDWF
- Cost saving evaluated

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Assessing impacts of CGWA

Impacts on ecosystem services

- Proposed rule expects to stabilize groundwater levels after 30 years – allows for continued declines
- Will reduce long-term impacts on the ecosystem services

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Assessing impacts of CGWA

Impacts on Ag economy

- RAC requested OWRD to hire an independent economist
- ECOnorthwest hired to assess the economic impacts on the AG economy for reducing groundwater only

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Assessing impacts of CGWA rules

Impacts on Ag economy

	2023 Baseline (annual revenue)	After 33.6% pumpage reduction (annual Ag revenue)	Difference
Alfalfa	$58M	$40M	-$18M
Livestock	$65M	$43M	-$22M
Total	$123M	$83M	-$40M

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Assessing impacts of CGWA rules

Impacts on Ag economy

	2023 baseline (Economic Output)	After 33.6% pumpage reduction (Economic Output)	Difference
Direct	$123M	$82M	-$41M
Indirect	$47M	$33M	-$14M
Induced	$16M	$10M	-$6M
Total	$186M	$125M	-$61M

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Assessing impacts of CGWA rules

Impacts on Ag economy – Sensitivity Analysis

	2023 Baseline (annual Ag revenue)	After 33.6% pumpage reduction (annual Ag revenue)	Difference
Alfalfa	$58M	$40M	-$18M
Livestock	$65M	$65M	N/A
Total	$123M	$105M	-$18M

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Assessing impacts of CGWA rules

Impacts on Ag economy – Sensitivity Analysis

	2023 baseline (Economic Output)	After 33.6% pumpage reduction (Economic Output)	Difference
Direct	$123M	$105M	-$18M
Indirect	$47M	$46M	-$1M
Induced	$16M	$13M	-$3M
Total	$186M	$164M	-$22M

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Assessing impacts of CGWA rules

Impacts on Ag economy - Direct

- Supporting activities for agriculture and forestry
- Beef cattle ranching and farming
- Other real estate
- Pharmaceutical preparation manufacturing
- All other crop farming
- Grain farming
- fuel industries for operating equipment and vehicles
- Monetary authorities and depository credit intermediation
- Wholesale of other nondurable goods, merchant wholesalers
- insurance agencies, brokerages, and related activities

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Assessing Impacts of CGWA Rules

Impacts on Ag economy – supply chain

- Limited-service restaurants
- Full-service restaurants
- Individual and family services
- Retail – food and beverage stores
- Retail – general merchandise store
- Retail - miscellaneous
- Retail – motor vehicle and part dealers
- Other real estate-related
- Automotive repair and maintenance, except car washes

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Assessing Impacts of CGWA Rules

Impacts Harney Utilities

- Harney Cooperative – relies on profits generated from power used by irrigation pumps
- May through Sept: $8.50 per kWh
- October through April: $9.50 kWh
- Fewer pivots operating could mean reduced profits > potential for raising rates

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Assessing Impacts of CGWA Rules

Input Requested

- Are we missing any information?

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Cost of Compliance

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Cost of Compliance

Elements of Cost of Compliance

- Oregon Water Resources Department
- Local Government
- Members of public
- Small businesses

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Cost of Compliance

Oregon Water Resources Department

Contested Case:

- 670 water rights holders - may impact backlog
- $1.6M shortfall in legal budget (2023 – 2025)
- Case expected to cost between $750K - $1M – may increase shortfall

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Cost of Compliance

Oregon Water Resources Department

Staff time required for adaptive management:

- Quarterly measurements
- Groundwater trends analysis
- Identify groundwater users
- Public meeting

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Cost of Compliance

Oregon Water Resources Department

Well Abandonment Repair and Replacement (WARRF):

- All grant funds have been awarded
- This biennium OWRD seeking $6M total
- 98 project domestic wells not guaranteed to have funding

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Cost of Compliance

Oregon Water Resources Department

Harney Domestic Well Fund (HDWF):

- One-time fund of $500,000 (2021)
- Seven grants awarded - $73,149
- Enough funds for 33 well owners

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Cost of Compliance

Local Government

- Harney County assesses property taxes based on land value, using three irrigation-based land classes
- Land Class 2 (fully irrigated) generates $1,185/acre; Land Class 5 (non-irrigated) generates only $93/acre
- Loss of irrigated land is expected to reduce property tax revenue

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Cost of Compliance

Local Government

	2023 baseline (taxable assessed value)	After 33.6% pumpage reduction (taxable assessed value)	Difference
Land Class 2	$57M	$44M	
Land Class 5	$0	$1M	
Total	$57M	$45M	-$12M

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Cost of Compliance

Local Government

	2023 baseline (property tax revenue)	After 33.6% pumpage reduction (property tax revenue)	Difference
Land Class 2	$674K	$516K	
Land Class 5	$0	$12K	
Total	$674K	$528K	-$146K

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Cost of Compliance

Local Government

- 146K of reductions equates to:
  - $55K reduction in general fund
  - $24K reduction in hospital fund
  - $66K reduction in local schools
- 1.3 percent reduction in annual property tax revenue

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Cost of Compliance

Members of public

- Groundwater users may be subject to regulatory
- 98 Domestic wells may go dry – may not have access to the WARFF and HDWF funds
- Harney county is a remote area with limited well drillers

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Cost of Compliance

Small Businesses

- Natural resources and mining: 40
- Construction: 23
- Manufacturing: 4
- Wholesale trade: 7
- Retail trade: 19
- Transportation, warehouse, and utilities: 7
- Information: 4
- Financial activities: 16
- Professional and business services: 21
- Private education and health services: 20
- Leisure and hospitality: 31
- Other services: 18

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Cost of Compliance

Small Businesses

- 230 small businesses
- 477 farms in Harney County, 22% of the farms are under 50 acres

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Cost of Compliance

Small Businesses

- Legal costs to participate in a contested case
- Curtailment of water right could mean a loss of a small farm – depends on size and seniority

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Cost of Compliance

Input Requested

- Are we missing any information?

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Public Comment

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Next Steps

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Next Steps

OWRD

- OWRD will consider the feedback and adjust the rule language

Next Meeting

- May 15, 8 am to 3 pm at the Harney County Community Center

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Thank you!

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