

OREGON



WATER RESOURCES
DEPARTMENT

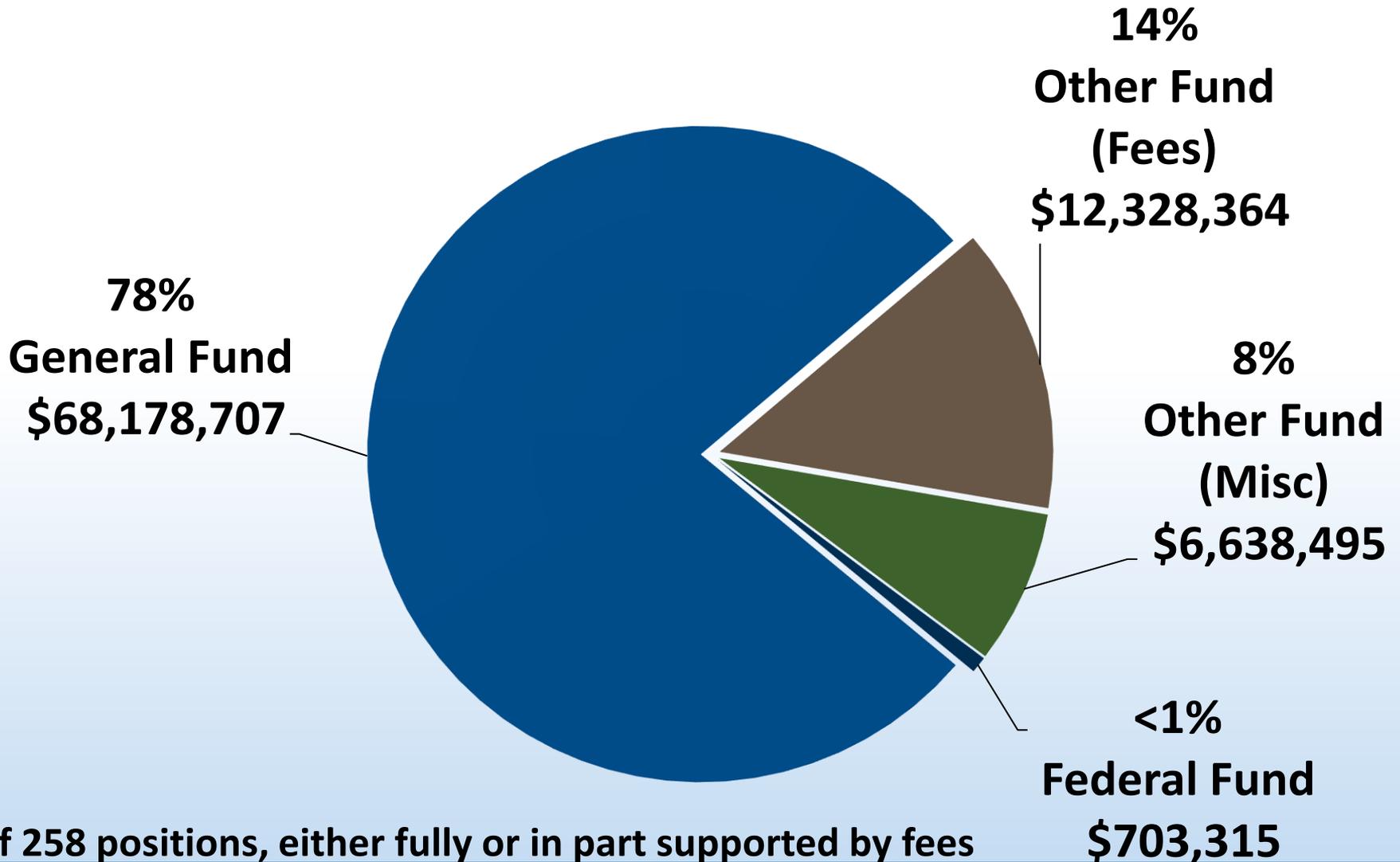
OWRD Fee Workgroup

Background Information

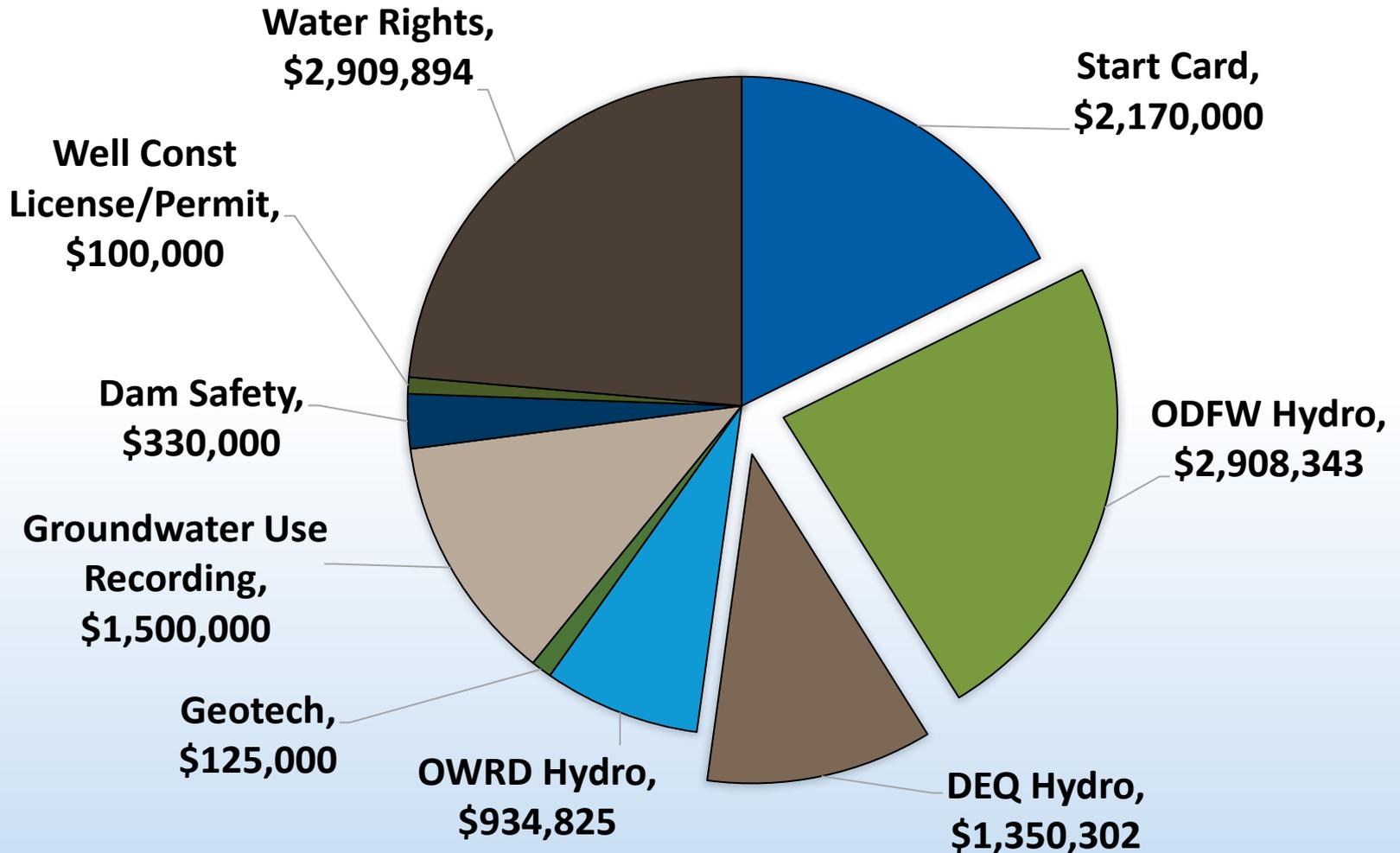
March 13, 2024

- Agency Budget
- Cost Drivers
- Introduction to Fees: Uses, history and projected shortfalls
- Dam Safety Annual Fees
- April 3 meeting

2023-2025 Operating Budget



2023-2025 Projected Fee Revenue



46 of 258 positions, either fully or in part supported by fees

Fee-Supported Programs

Well Construction

Start Card fee

Licensing and
landowner
permit fees

Geotechnical
Hole Fee

Groundwater Section

Groundwater
Recording
Fee
(Exempt Use)

Water Rights Services Division

Water Right
Transactions

Dam Safety Section

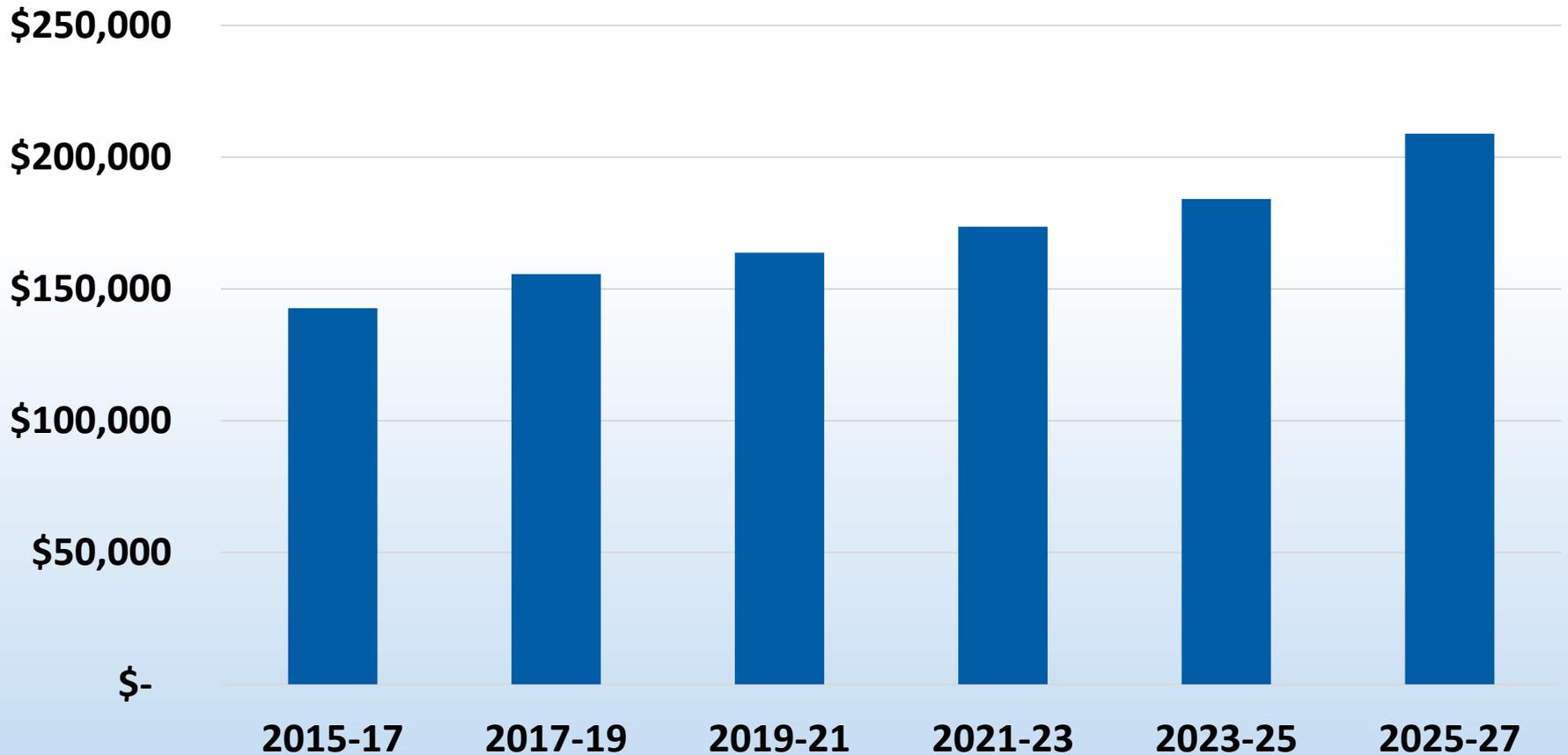
Annual Fee

Hydroelectric Section

Annual Fee

- Increased Costs of Services 2023 Projections
 - Personal Services: 11.6% increase assumption
 - Cost of living, healthcare, step increases, etc.
 - Supplies: 6.4% increase assumption
 - Fuel, rent, utilities, equipment etc.
 - Reduction of purchasing power for agency
 - HB 3315: ODFW water right reviews

Salary and Benefits for NRS2, Step 3 Salary/OPE



Fee challenges

- Revenue Fluctuations
 - Ending fund balance needs
- Increased Complexity of Work
 - Scarcer resource = increased time evaluating applications
 - Special standards for wells

Long-term Challenges

- Compounding issue: years of insufficient increases to cover work
- Lack of capacity and inconsistent
 - Service reductions
 - Inability to meet statutory targets
 - Backlogs and inefficiencies
- Need to invest time in increasing efficiency with statutory, rule and workflow changes

Fee-Supported Programs

Well Construction

Start Card
fee

Licensing and
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Annual Fee

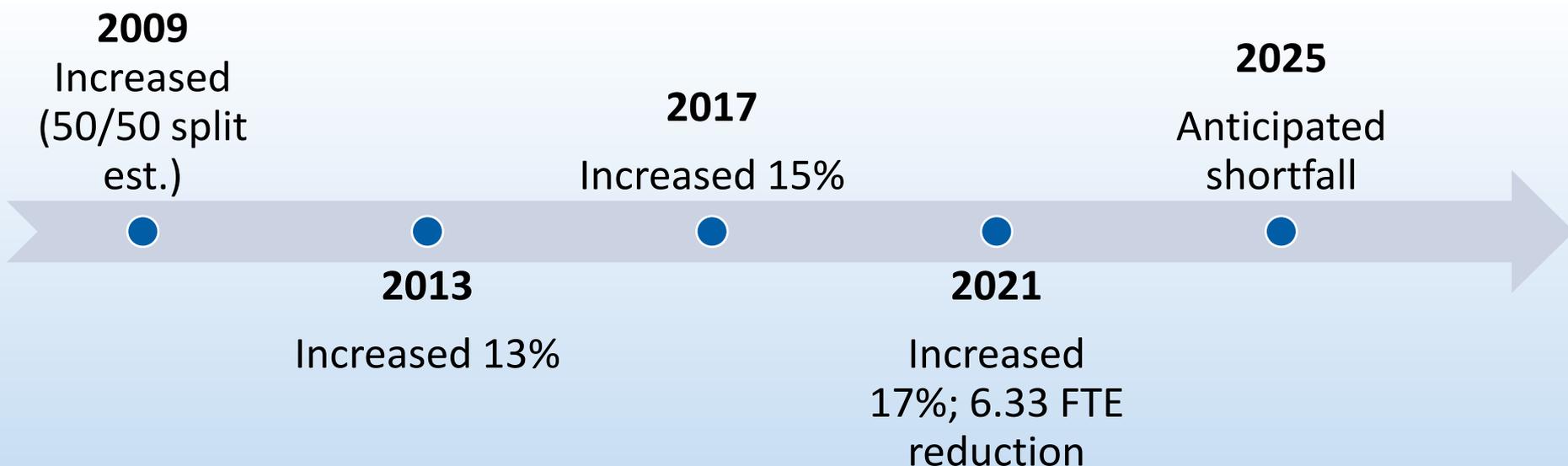
Water Right Transaction Fees

- Supports staff who process water rights transactions from application to certification and providing customer service
 - Front desk customer service
 - Permit and Certificate processing
 - Extension processing
 - Protests and contested case participation
 - Data processing and mapping
- Supports 14.93 FTE / 18 positions



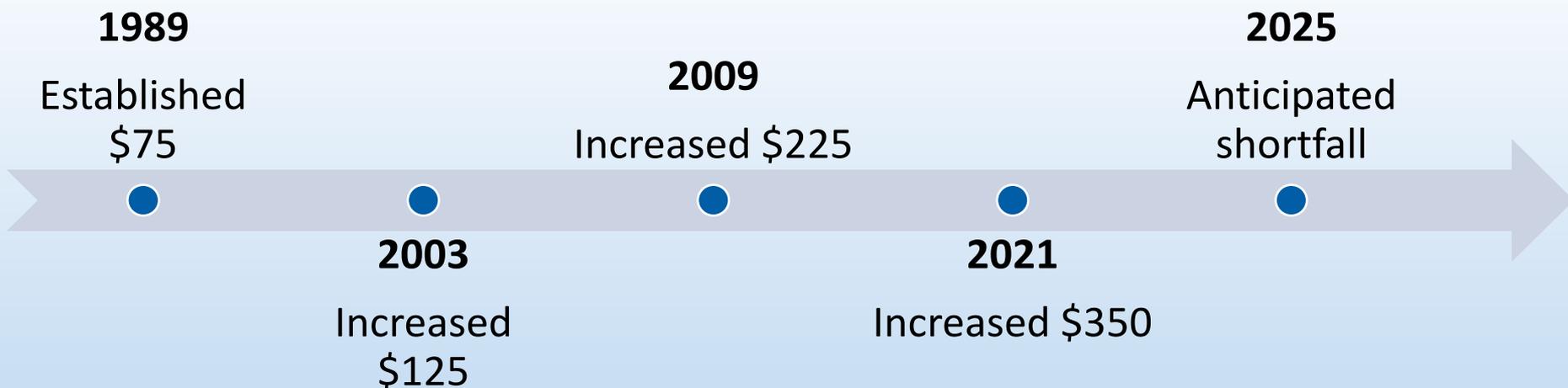
Water Right Transaction Fee History

- Fees increased every 4 years
- 2009: 50/50 General Fund – Fee Funded split
- 2021: Fees were increased, but positions were still cut
- History of inadequate increases to cover work



Start Card Fee Background

- Costs of staff to inspect wells and well construction and ensure compliance with standards
- Current Fee: \$350
- Supports: 9.87 FTE / 15 positions





Well Construction Licensing and Landowner Permit Fees

- Cost of staff to operate licensing and renewal program, administer continuing education requirements and process landowner permit applications
- Supports: 0.57 FTE / 1 position
- Four fees are combined
 - Licensing Exam
 - License Fee / Renewal
 - Continuing Education
 - Landowner permit



Well Construction Licensing and Landowner Permit Fee History

Fee Name	Current Fee	Year Established	Last Increase
License Exam Fee	\$20	1981	N/A
Driller License Fee / Renewal	\$150	1981	2001
Continuing Education Fee	\$40/credit hour	2007	N/A
Landowner Permit	\$500	1981	2017

Dam Safety Annual Fees

- Supports staff that evaluate statutory dams across the state to protect public safety

- Current Fees based on hazard rating

Low: \$120 Significant: \$230 High: \$790

Late Fee: \$140 (same for all dams)

- Supports 0.95 FTE / 2 positions



2025-2029 Projected Fee Revenue Shortfalls

Dam Safety

- Shortfall (\$78k-\$250k)
- Resources for 0.25-0.50 FTE

Water Right Transactions

- Shortfall (\$3.6m-\$4.8m)
- Resources for 8-10 FTE

Start Cards

- Shortfall (\$210k-\$975k)
- Resources for 0.50-2.25 FTE

Well Construction Licensing and Landowner Permit

- Shortfall (\$26k-\$51k)
- Resources <0.50 FTE

2025-2029 Increase to Fill Shortfalls with Fees Only

Dam Safety

- 11% - 36%

Water Right Transactions

- 64% - 86%

Start Cards

- 5% - 22%

Well Construction Licensing and Landowner Permit

- 12% - 23%



Focused Topics for Workgroup

- Discuss options for filling fee revenue shortfalls
- Explore more sustainable funding models for programs
- Generate and evaluate policy solutions to increase efficiency and modernize portions of the water rights transaction processes



Dam Safety

Work with dam owners to protect people, property, and infrastructure below dams

- Dam safety inspections and engineering analyses
- Federal Funds administration
- Emergency planning and response
- Design evaluation for modification and removal of existing dams
- Design evaluation for new dams



Dam Safety Program Workloads

- **Dam inspections**
 - 76 High hazard
 - 55 Significant hazard
 - Training field staff
- **Engineering analyses**
 - \$4M ARPA, \$1M GF
 - Hydraulic/Hydrologic & Seismic Analyses
- **FEMA Grants**
 - High Hazard Potential Dam (HHPD): \$260-\$1.3M per year
 - National Dam Safety Program (NDSP): ~ \$90k per year
- **Emergency Action Plans Updates/Exercises**
 - ~ 10 exercises updates per year
- **Design reviews for modifications and new dams**
 - 3-4 reviews per year
 - 1 week to 2 months per review (depends on hazard rating)

Dam Safety Federal Funding

FEMA National Dam Safety Program Grant

- Support state dam safety programs and ensure implementation of Dam Safety best practices
- Average grant award: ~\$180k/biennium
- 2021 Infrastructure Investments and Jobs Act
 - 2024/25 Grant award: anticipate \$365k/year

Dam Safety Annual Fees

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2009

2017

2025

Anticipated
shortfalls

Established

Increased

2013

2021

Increased

Increased

Shortfalls: Projected \$78k-\$250k- shortfall by 2027-2029

- Equivalent to resources for 0.25-0.50 FTE
- 11-36% increase to fill shortfall with fees alone

2025 Options:

- 1) Use all federal funds to fill shortfall and delay fee increases to the 2029-2031 biennium
- 2) Partially supplement shortfall with federal funds and implement moderate fee increase
- 3) Increase fees to fill shortfall and use federal funds for dam safety and engineering analyses

Projected Dam Safety Shortfalls and Options

Hazard Rating	Option 1: No Increase	Option 2: Moderate Fee increase and partial FF	Option 3: Increase Fee 11%-36%
Low	\$120	\$121 - \$134	\$135-\$165
Medium	\$230	\$231-\$259	\$260-\$315
High	\$790	\$791-\$879	\$880-\$1,075

Considerations:

Option 1: delays inevitable fee increase that may be larger in future

Options 1 and 2: Viability is dependent on general fund investment from Legislature

Next Steps and Meetings

April 3



May 24



April 30



June 7



April 3 Meeting Topics

- Water Rights Services Division
 - Program Overview
 - Efficiency improvements
 - **Question:** what are some efficiency improvement you would like to see?
- **Question:** how can we make funding for the fee supported positions more sustainable?

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