



Overview of Path Forward on Updates to Water Distribution, Enforcement, and Exempt Use Rules

The Oregon Water Resources Department (OWRD) needs to update the rules for water distribution, enforcement, and exempt uses. After 10 public open houses across the state, OWRD determined that pursuing two separate rulemakings is preferred. The rulemakings would impact Oregon Administrative Rules (OAR) Chapter 690, Divisions 250, 260, 300 and 340. The first rulemaking will amend the exempt use rules in OAR 690-340-010 and corresponding definitions in OAR 690-300-0010 and begin in the fall of 2026. The second rulemaking will require some additional work to update water distribution and enforcement rules in OAR 690-250 and OAR 690-260. That rulemaking is expected to begin in the fall of 2027.

Why is rulemaking needed

Rule updates are needed due to changes in statute (see list below). Overall, four divisions of OAR Chapter 690 rules need updates: Divisions [250](#), [260](#), [300](#), and [340](#). Divisions 250, 260, and 340 were last amended in 1988, 1990, and 1996 respectively. OWRD is also interested in making other improvements while the rules are open to modification. The new or amended rules would seek to better:

- Align rules with current statutory authority
- Ensure fair distribution of water according to water rights
- Build regulatory consistency
- Add and clarify definitions

Summary of legislative changes to statute

A statute is a law enacted by the Oregon Legislature that provides, directs, or authorizes OWRD activity. Since 2022, several legislative bills have changed statute, requiring OWRD to amend its rules.

- **[House Bill \(HB\) 4061 \(2022\)](#)**: Requires those selling water for hauling and those purchasing hauled water for irrigation or nursery purposes to retain records of purchases and deliveries. Prohibits hauling water to an unregistered cannabis site. Increases criminal penalties for using water without a water right and adds penalties for hauling water to an unregistered cannabis site. Increases the time allowed for the issuing of a Notice of Violation from 5 days to 10 days.
- **[HB 2010 \(2023\)](#)**: Allows OWRD to require water right holders to report water use if water right holders are required to measure water use. Note, this bill does not apply to exempt uses.
- **[Senate Bill \(SB\) 85 \(2023\)](#)**: Requires OWRD to review confined animal operations (CAFO) water supply plans. Caps the stockwater exemption at 12,000 gallons/day for new or expanding CAFOs.
- **[SB 326 \(2023\)](#)**: Prohibits use of water to grow cannabis at a location not licensed or registered. Grants OWRD authority to impose civil penalties and increases criminal penalties for this violation.
- **[HB 3372 \(2025\)](#)**: Allows groundwater use up to 3,000 gallons per day to irrigate a half-acre of lawn, personal garden, or commercial garden. Caps the total use when combined with commercial or industrial exempt uses at 5,000 gallons per day. This exemption does not apply to cannabis.

Divisions of rules needing updates

What is a rule? Any agency directive, standard, regulation, or statement of general applicability that implements, interprets, or prescribes law or policy, or describes agency procedure or practice requirements.

- **OAR Chapter 690 [Division 250](#)**: guides Watermaster field regulation, including how to respond to unlawful use, waste, and measurement problems.
- **OAR Chapter 690 [Division 260](#)**: explains enforcement, including the types of violations, how penalties are assessed, and notice requirements.
- **OAR Chapter 690 [Division 300](#)**: contains definitions for water permits, certificates, transfers, and limited licenses.
- **OAR Chapter 690 [Division 340](#)**: explains exempt uses of water, which do not require a water right.

What OWRD heard and how we incorporated feedback

To determine how to proceed and identify additional opportunities for potential rule improvements the Department hosted nine in-person public open houses across the state and one virtual open house in May and June 2026 to explain the required changes from recent legislation. In addition, OWRD gathered input on other potential topics to address as we update the rules. A summary of feedback received during the open houses is available on the [rulemaking website](#).

Informed by the public input received, our analysis of potential rule changes, and after discussions with the Water Resources Commission, OWRD will split the topics into two separate rulemakings to allow for an extended engagement and drafting timeline. In particular, OWRD heard that additional engagement was needed on topics included in Divisions 250 and 260 prior to the beginning of the legal rulemaking process. Therefore, the agency will initiate a rulemaking on exempt uses to update Division 340 and any corresponding definitions in Division 300 first beginning in the fall of 2026. OWRD will initiate a separate rulemaking to update Divisions 250 and 260 which would be expected to begin in late summer or fall 2027 after additional research and engagement. See Table 1 for a high-level and tentative timeline for the two rulemakings.

Table 1. Tentative Rulemaking Schedule

Rulemaking	Pre-rulemaking Engagement and Drafting	Rules Advisory Committee	Public Comment	Present for Adoption
Exempt Use Rulemaking (Division 340 and Division 300)	August to mid-September 2026	Mid-September to November 2026	January to February 2027	June 2027
Water Distribution and Enforcement Rulemaking (Division 250 and Division 260)	Fall 2026 to summer 2027	Summer/fall 2027 to spring 2028	Spring 2028	Fall 2028

Anticipated updates in the exempt use rulemaking (Divisions 340 and 300) are:

- Updating rules to align with statute changes from HB 3372 and SB 85;
- Clarifying the groundwater exemption for domestic purposes;
- Clarifying the groundwater exemption for stockwater;
- Clarifying that the standard of beneficial use without waste applies to exempt uses; and
- Completing administrative clean up.

The additional time for the water distribution and enforcement rulemaking (Divisions 250 and 260) will allow for pre-rulemaking engagement and research that will inform what topics are addressed in the rulemaking. Topics currently under consideration are based on legislative changes, open house feedback, and other scoping research include but not limited to: definition of waste of water, bulges in the system, rotation agreement process/requirements, and re-affirming current policy in rule that a water storage right allows the water right holder to fill up a reservoir to the permitted amount once each fill season.

Next steps

The agency is forming a Rules Advisory Committee (RAC) for the exempt use rulemaking. We anticipate posting draft rules and other materials and hosting the first RAC meeting in September 2026. To keep up to date on the rulemaking, sign up for GovDelivery using the link below.

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