

541.655 [1967 c.567 §11; 1971 c.754 §11; 1973 c.330 §7; 1973 c.674 §10; 1985 c.414 §2; renumbered 196.730 and then 196.865 in 1989]

541.656 Water Supply Development Account. (1) The Water Supply Development Account is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Water Supply Development Account shall be credited to the account. Moneys in the account are continuously appropriated to the Water Resources Department for use in carrying out ORS 541.651 to 541.696.

(2) The department may expend moneys from the account for:

(a) Subject to subsection (4) of this section, making loans and grants to evaluate, plan and develop in-stream and out-of-stream water development projects approved by the Water Resources Commission, including but not limited to projects that:

(A) Repair or replace infrastructure to increase the efficiency of water use;

(B) Provide new or expanded water storage;

(C) Improve or alter operations of existing water storage facilities in connection with newly developed water;

(D) Create new, expanded, improved or altered water distribution, conveyance or delivery systems in connection with newly developed water;

(E) Allocate federally stored water;

(F) Promote water reuse;

(G) Promote water conservation;

(H) Provide streamflow protection or restoration;

(I) Provide for water management or measurement in connection with newly developed water; and

(J) Determine seasonally varying flows in connection with newly developed water.

(b) Paying the necessary administrative and technical costs of the department in carrying out ORS 541.651 to 541.696.

(3)(a) In addition to any other permissible uses of moneys in the account, the department may expend moneys from the account to support:

(A) Ongoing studies conducted by the United States Army Corps of Engineers to allocate stored water; and

(B) Comprehensive basin studies conducted by the United States Bureau of Reclamation.

(b) Expenditures described in this subsection are not subject to any grant or loan procedures, public benefit scoring or ranking or other requirements or restrictions for

grants or loans established under ORS 541.651 to 541.696.

(4) The department may expend account moneys under subsection (2) of this section for loans and grants to develop in-stream and out-of-stream water development projects only if the department determines under ORS 540.530 that any transfer of water rights for the project will not injure existing water rights. [2013 c.784 §3]

Note: See note under 541.651.

Note: Sections 20 and 21, chapter 725, Oregon Laws 2017, provide:

Sec. 20. An expenditure of moneys from the Water Supply Development Account is not subject to any application process or public benefit scoring or ranking under ORS 541.663, 541.666, 541.669, 541.673 or 541.677 if the expenditure is for a purpose:

(1) Specifically identified in an appropriation to the account from the General Fund for the biennium beginning July 1, 2017, for carrying out the purpose; or

(2) Specifically identified in legislation enacted by the Seventy-ninth Legislative Assembly that authorizes a transfer of lottery bond proceeds to the account for carrying out the purpose. [2017 c.725 §20]

Sec. 21. Section 20 of this 2017 Act is repealed July 1, 2021. [2017 c.725 §21]

Note: Section 5, chapter 748, Oregon Laws 2017, provides:

Sec. 5. (1) For the biennium beginning July 1, 2017, at the request of the Oregon Department of Administrative Services, after the department consults with the Water Resources Department, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$20,700,000 in net proceeds and interest earnings for the purposes described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section must be transferred to the Water Resources Department for deposit in the Water Supply Development Account established in ORS 541.656, in an amount sufficient to provide:

(a) \$15 million in net proceeds and interest earnings to provide grants or loans to evaluate, plan and develop in-stream and out-of-stream statewide water development projects.

(b) \$2.5 million in net proceeds and interest earnings to the City of Carlton to reduce sedimentation and increase water storage capacity at the Panther Creek Reservoir.

(c) \$2 million in net proceeds and interest earnings to the City of Carlton to replace the city's finished water supply line and reduce water loss.

(d) \$1.2 million in net proceeds and interest earnings to the Santiam Water Control District to complete the Mill Creek Corporate Center irrigation conversion and efficiency project.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the following findings:

(a) Having adequate drinking water systems, irrigation, drainage and healthy ecosystems enhances community development and supports Oregon's economic growth.