

HOUSE COMMITTEE ON WATER

April 10, 2003 Hearing Room B
8:00 AM Tape 53 - 56

MEMBERS PRESENT: **Rep. Bob Jenson, Chair**
 Rep. Jackie Dingfelder, Vice-Chair
 Rep. Jeff Kropf, Vice-Chair
 Rep. Jeff Kruse
 Rep. Linda Flores
 Rep. Mike Schaufler
 Rep. Carolyn Tomei

STAFF PRESENT: **Pete Test, Committee Administrator**
 Ryan Sherlock, Committee Assistant

MEASURE/ISSUES HEARD: **HB 3519 – Public Hearing**
 HB 2688 – Public Hearing and Work Session
 HB 2659 – Public Hearing and Work Session
 HB 3297 – Public Hearing and Work Session
 HB 2887 – Work Session
 HB 2800 – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

| TAPE/# | Speaker | Comments |
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| TAPE 53, A | | |
| 003 | Chair Jenson | Calls meeting to order at 8:10 a.m., and opens a public hearing on HB 3519. |
| <u>HB 3519 – PUBLIC HEARING</u> | | |
| 010 | Pete Test | Committee Administrator. Offers a description of HB 3519. |
| 015 | Chair Jenson | Explains that there could be contention on HB 3519, and may require future hearings. |
| 030 | Test | Offers a description of the proposed -1 amendment (EXHIBIT A). |
| 050 | Jeannette Holman | Division of State Lands (DSL). Offers written testimony (EXHIBIT B) regarding HB 3519, and expresses DSL's concerns with the measure. |
| 085 | Chair Jenson | Clarifies the DSL's position on the bill. |
| 095 | Rep. Schaufler | Clarifies that while the DSL has concerns with the bill, it would effectively limit harassment lawsuits. |
| 100 | Holman | Addresses the harassment issue. |
| 115 | Rep. Dingfelder | Questions why the bill is before the committee. |
| 120 | Chair Jenson | Explains that the Chair likes the bill. |
| 125 | Rep. Dingfelder | Asks whether the DSL makes some record of complaints to help limit harassment. |
| 130 | Holman | Defers to Mr. Purchase. |
| 140 | Steve Purchase | Division of State Lands. Offers a description of the current complaint record process including what information is obtained. |

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| 155 | Rep. Dingfelder | Expresses concern for the discretionary aspect of the bill. |
| 160 | Rep. Schaufler | Clarifies that the discretionary option of the director must have some process. |
| 170 | Purchase | Explains that the DSL looks at all complaints, and that some complaints are made by the same party on numerous occasions. |
| 180 | Rep. Schaufler | Discusses the issue of frivolous complains, and the ability to assess a fee to help limit these complaints. |
| 190 | Purchase | Expresses concern that this fee could be seen as intimidation. |
| 195 | Rep. Kruse | Explains that these frivolous compliant could be seen as intimidation themselves. Further discusses the issue of complaints. |
| 220 | Holman | Discusses the need for some criteria of what harassment is. |
| 240 | Rep. Kruse | Comments on the reporting aspect, opinions that the agency would clarify the definition of “harassment” in rule. |
| 260 | Purchase | Explains that when the DSL comes to a litigious point with a compliant they rely on statute. |
| 265 | Rep. Kruse | Asks what that language should be in statute. |
| 270 | Purchase | Explains that he does not know what the language should be. |
| 275 | Rep. Kruse | Explains that he does not want to limit the discretionary ability to limit frivolous complaints. |
| 295 | Rep. Tomei | Asks how many complaints the DSL receives and how many are deemed frivolous. |
| 300 | Purchase | Explains that the division receives about two thousand complaints a year, but that he does not know how many could be considered harassment. |
| 310 | Rep. Tomei | Asks how that would break down per week, or per month. |
| 315 | Purchase | Explains that it would be around 175 – 200 per month. |
| 325 | Chair Jenson | Explains that this issue of DSL complaints is a big issue for rural communities and rural constituents. |
| 335 | Rep. Tomei | Expresses concern for reciprocity from large developers on those that raise complaints. |
| 355 | Holman | Discusses the concern of reciprocity and litigation. |
| 375 | Rep. Anderson | House District 3. Offers written testimony (EXHIBIT C) in support of HB 3519. |
| TAPE 54, A | | |
| 025 | Rep. Tomei | Asks whether Rep. Anderson has experience in frivolous complaints. |
| 030 | Rep. Anderson | Explains that he has constituents who have experienced such complaints, and offers an example. |
| 040 | Rep. Tomei | Asks whether Rep. Anderson’s intent is to punish the division as well as the frivolous complainers. |
| 045 | Rep. Anderson | Explains that the intent of the bill is to punish the complainer and the division if it furthers the process of frivolous complaints. |
| 060 | Rep. Tomei | Points out that the department has to follow each complaint. |
| 065 | Rep. Anderson | Explains that the division can follow up the complaint to deem it proper or frivolous. Explains how the bill would affect the process. |
| 085 | Rep. Tomei | Clarifies that the DSL has about 2000 complaints a year. |
| 090 | Rep. Anderson | Explains that about five of those would be frivolous. |
| 095 | Rep. Tomei | Expresses concern for increasing the work load on each complaint. |
| 100 | Rep. Anderson | Expresses his opinion that the number of complaints might be decreased with the bill. |
| 105 | Rep. Schaufler | Asks why there couldn’t be a limited fee of \$50 on complaints, |

110 Chair Jenson which were refundable if the issue were decided in favor of the complainer.
Thanks Rep. Anderson for bringing the bill, and discusses his intent to work on the bill further and discusses his intention regarding the bill. Explains the intent and language of the proposed -1 amendment. Closes the public hearing on HB 3519 and opens a public hearing on HB 2688.

HB 2688 – PUBLIC HEARING

170 Pete Test Committee Administrator. Offers a description of HB 2688, and the proposed -1 amendment (**EXHIBIT D**).

185 Ken Armstrong Oregon Ports Group. Offers testimony in support of HB 2688 and the proposed -1 amendment.

220 Pete Williamson Port of St. Helens. Offers testimony in support of HB 2688.

255 Steve Purchase Division of State Lands (DSL). Offers written testimony (**EXHIBIT E**) in support of HB 2688, with reference to a received letter from the Oregon State Land Board (**EXHIBIT F**).

270 Rep. Dingfelder Expresses her concerns regarding the fiscal impact of the original bill, and asks how the proposed -1 amendments have fixed this concern.

280 Purchase Explains the intent of the -1 amendment.

315 Armstrong Discusses the issue of “public purposes” as worded in the statute and in the bill.

340 Rep. Dingfelder Restates her concerns that this bill could have a fiscal impact on the Common School Fund, and her hope that if the bill is passed out of committee that the DSL would ensure no impact.

350 Armstrong Discusses the possible impact on the common school fund.

375 Rep. Schaufler Asks whether the dredge material could be sold.

380 Purchase Discusses the market for dredge material.

390 Rep. Schaufler Asks whether there is a potential to make money for the common school fund.

400 Purchase Acknowledges that there could be a positive impact on the common school fund, and further discusses the issue of marketing.

410 Williamson Comments on the sales of the dredge material.

TAPE 53, B

015 Chair Jenson Closes the public hearing on HB 2688, and opens a work session on HB 2688.

HB 2688 – WORK SESSION

015 Rep. Kruse MOTION: Moves to ADOPT HB 2688-1 amendments dated 04/02/03.

VOTE: 7-0

Hearing no objection, declares the motion CARRIED.

025 Rep. Tomei Asks whether the bill has a subsequent referral.

030 Pete Test Committee Administrator. Explains that the bill will be run by the Legislative Fiscal Office before moving to the floor.

040 Chair Jenson Points out that there could be a net gain for the common school fund from the bill.

045 Rep. Dingfelder Expresses concern for the possible effects on the common school fund.

050 Test Explains that fiscal would flag the bill if there is an impact.

055 Rep. Kruse Points out that if the bill has an impact it will be sent to Ways and Means.

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| 060 | Rep. Jenson | Refers to the letter from the Land Board regarding the issue. |
| 064 | Rep. Tomei | Asks for a clarification. |
| 065 | Rep. Jenson | Discusses the membership of the State Land Board. |
| 070 | Rep. Flores | Discusses the intent of the mentioned letter. |
| 075 | Chair Jenson | Points out the focus and scope of the State Land Board. |
| 085 | | VOTE: 7-0 |
| | Chair Jenson | AYE: In a roll call vote, all members present vote Aye. The motion CARRIES. |
| | | SCHAUFLER will lead discussion on the floor. |
| 095 | Chair Jenson | Closes the work session on HB 2688, and opens a public hearing on HB 2659. |

HB 2659 – PUBLIC HEARING

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| 105 | Pete Test | Committee Administrator. Offers |
| 125 | Rep. Merkley | House District 47. Offers testimony in support of HB 2659 and the proposed -1 amendment (EXHIBIT G). |
| 150 | Rep. Dingfelder | Thanks Rep. Merkley for the work he has done on the issue and the measure. |
| 180 | Paul Donheffner | Oregon State Marine Board. Offers written testimony (EXHIBIT H) in support of HB 2659 and the proposed -1 amendment. |
| 245 | Rep. Flores | Asks if the measure would impact jet skis. |
| 255 | Donheffner | Explains the possible effect of the bill on jet skis. |
| 265 | Shane Jackson | Skippers for Clean Oregon Waters. Offers testimony in support of HB 2659 and the proposed -1 amendment. |
| 305 | Trey Carskadon | Tualatin, Oregon. Offers testimony in support of HB 2659 and the proposed -1 amendments. |
| 340 | Rep. Tomei | Asks what company Mr. Carskadon works for. |
| 345 | Carskadon | Indicates that he works for Advanced Marketing Solutions Inc., and describes the scope of the company. |
| 360 | Chair Jenson | Calls Rep. Dalto to testify. |
| 370 | Rep. Dalto | House District 21. Explains that while he does not feel the -1 amendment goes far enough in effecting the issue, he supports the -1 amendment. |
| 390 | Phil Donovan | Northwest Steelheaders. Offers testimony in support of HB 2659. |
| 415 | Donheffner | Clarifies language in the measure and expresses a possible need for conceptual amendments. |
| 430 | Chair Jenson | Clarifies the proposed conceptual amendments, but points out that this can be done on the Senate side. |
| 435 | Donheffner | Acknowledges. |
| 450 | Chair Jenson | Closes the public hearing on HB 2659, and opens a work session on HB 2659. |

HB 2659 – WORK SESSION

TAPE 54, B

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| 030 | Rep. Dingfelder | MOTION: Moves to AMEND the HB 2659 -1 amendments on page 1, in line 20, after "engines," insert a semicolon and delete the rest of the line. |
| 035 | Chair Jenson | Clarifies the language and intent of the conceptual amendment. |
| 040 | | VOTE: 6-0 |
| | Chair Jenson | EXCUSED: 1 - Kruse |
| | | Hearing no objection, declares the motion CARRIED. |
| 045 | Rep. Dingfelder | MOTION: Moves to ADOPT HB 2659 amendments dated 04/10/03, as conceptually amended. |
| 050 | | VOTE: 5-0 |
| | | EXCUSED: 2 - Kruse, Kropf |

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| 055 | Chair Jenson Rep. Dingfelder | Hearing no objection, declares the motion CARRIED. MOTION: Moves HB 2659 to the floor with a DO PASS AS AMENDED recommendation. |
| 060 | Chair Jenson | Asks Rep. Dingfelder if she would rescind her motion. |
| 065 | Rep. Dingfelder | Rescinds her previous motion to send HB 2659 to the floor with a Do Pass As Amended recommendation. |
| 070 | Test | Explains reason for the removal of the motion is to allow the proponents of the bill to attempt to have the subsequent referral to Ways and Means removed by eliminating the fiscal impact of the measure. |
| 080 | Rep. Dingfelder | Points out that the revised amendment effectively eliminates the fiscal impact. |
| 085 | Chair Jenson | Indicates that the speaker is the only one who can withdraw a subsequent referral. |
| 090 | Rep. Kruse | Points out that the committee can recommend to the speaker that a subsequent referral be rescinded. |
| 100 | Chair Jenson | Closes the work session on HB 2659, and opens a public hearing on HB 3297. |

HB 3297 – PUBLIC HEARING

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| 105 | Pete Test | Committee Administrator. Offers a description of HB 3297. |
| 130 | John Lilly | Division of State Lands. Offers written testimony (EXHIBIT I) in opposition to HB 3297. |
| 225 | Scott Ashcom | Oregon Agricultural Alliance. Offers testimony in support of HB 3297. |
| 360 | Rep. Dingfelder | Expresses her concern regarding the impact on the common school fund, but asks about conflicts between private land owners. |
| 375 | Ashcom | Points out that currently there are no such conflicts, and he does not believe that conflicts would be created due to the measure. |
| 385 | Rep. Dingfelder | Clarifies her question; currently permits are required to build the relevant structures, and that passage of the bill would no longer require this. |
| 390 | Ashcom | Acknowledges. |
| 395 | Rep. Dingfelder | Clarifies her question. |

TAPE 55, A

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| 005 | Ashcom | Expresses doubt that there would be such conflicts. |
| 015 | Rep. Dingfelder | Reiterates her concerns regarding the potential for a negative affect on the common school fund. |
| 020 | Lilly | Addresses Rep. Dingfelder’s concerns regarding creating conflicts. |
| 035 | Ashcom | Expresses uncertainty as to whether the Division of state lands has the relevant authority currently. |
| 045 | Chair Jenson | Indicates that he would like clarification from Legislative Counsel regarding the conflict concerns. |
| 055 | Rep. Schaufler | Asks how the structures in question are classified, and asks about the different permitting process. |
| 065 | Ashcom | Discusses the permitting process. |
| 070 | Lilly | Further comments on the permitting process. |
| 080 | Rep. Schaufler | Reiterates his previous question about the permitting process. |
| 090 | Lilly | Acknowledges. |
| 100 | Rep. Kropf | Disagrees with Rep. Schaufler regarding the private property issues. Refers to a meeting in his district where property concerns were expressed. |

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| 115 | Chair Jenson | Explains that these concerns can be addressed in work session. |
| 120 | Rep. Kropf | Asks about specific wording in the bill, clarifying that currently there are no permits required to install a water pump. |
| 125 | Lilly | Explains that currently there is no required easement needed unless you are installing a pump under a new water right. |
| 135 | Rep. Kropf | Clarifies that when pumping locations are transferred there is a requirement for a new pump. |
| 140 | Lilly | Further discusses the issue of easement. |
| 145 | Chair Jenson | Clarifies that those issues are decided in rule, and points out the flexibility with rule. |
| 150 | Lilly | Acknowledges. |
| 155 | Chair Jenson | Comments on the flexibility of rule. |
| 160 | Rep. Kropf | Asks whether, if a landowner currently has such a permit, they are paying money into the common school fund. |
| 165 | Lilly | Explains, discussing the issue in regards to easement. |
| 175 | Rep. Kropf | Restates his previous question. |
| 180 | Lilly | Explains that if an individual owns a dock currently they are paying into the common school fund. |
| 190 | Rep. Kropf | Clarifies that as the bill is currently written, would keep those who currently own a dock from paying into the common school fund. |
| 195 | Lilly | Explains that current docks would not be required to pay into the common school fund. |
| 200 | Rep. Kruse | Clarifies that there would be no loss to the common school fund, but a possible loss of future funds. |
| 215 | Rep. Kropf | Explains that this was his point. |
| 220 | Lilly | Acknowledges. |
| 225 | Ashcom | Discusses the issue. |
| 235 | Rep. Kropf | Clarifies the possible loss to the common school fund. |
| 245 | Lilly | Offers an example to emphasis the point. |
| 275 | Rep. Kropf | Asks whether this fee would also cover improvements. |
| 280 | Lilly | Explains that these structures are not registered with the county tax assessor. |
| 295 | Brendan McCarthy | Deputy Legislative Council. Offers his opinion regarding the issue. |
| 340 | Rep. Schaufler | Clarifies the issue, offering an example situation. |
| 380 | McCarthy | Discusses Rep. Schaufler's offered example. |
| 410 | Rep. Tomei | Points out that she own property on the river. Asks that the state owns not only the river but the bank. |
| TAPE 56, A | | |
| 005 | McCarthy | Acknowledges. |
| 010 | Rep. Tomei | Points out that she has neighbors who have property on a slew and are taxed on this ownership. |
| 015 | McCarthy | Expresses concern for offering an opinion on a specific situation which he does not have prior knowledge of. |
| 045 | Jean Wilkinson | Oregon Farm Bureau. Offers testimony in support of HB 3297. |
| 075 | Rep. Schaufler | Explains that he does not want to limit any ability to divert water for irrigation. Clarifies the intent of the bill. |
| 095 | Wilkinson | Discusses the possible outcomes of the bill. |
| 100 | Katie Fast | Oregon Cattlemen's Association. Offers testimony in favor of HB 3297. |
| 105 | Chair Jenson | Closest the public hearing on HB 3297, and opens a work session on HB 3297. |

HB 3297 – WORK SESSION

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| 110 | Rep. Kropf | MOTION: Moves HB 3297 to the floor with a DO PASS recommendation. |
| 115 | Rep. Tomei | Expresses her intent to vote NO on the measure. |
| 120 | Rep. Dingfelder | Expresses her intent to vote NO on the bill, due to the possible impact on the common school fund. |
| 130 | Rep. Kruse | Expresses his belief that there are no impacts on the common school fund. |
| 145 | Rep. Dingfelder | Expresses her concern for the children of Oregon |
| 150 | Rep. Schaufler | Explains that he will vote AYE on the bill, but expresses concern for the common school fund. |
| 175 | Rep. Kropf | Expresses his support for the measure with concern for the grandfather issue. Discusses potential losses to the common school fund. |
| 200 | Rep. Tomei | Announces a potential conflict of interest. |
| 210 | Rep. Kropf | Announces a potential conflict of interest. |
| 215 | | VOTE: 5-2 AYE: 5 - Flores, Kropf, Kruse, Schaufler, Jenson NAY: 2 - Dingfelder, Tomei |
| | Chair Jenson | The motion CARRIES. FLORES will lead discussion on the floor. |
| 220 | Chair Jenson | Closes the work session on HB 3297, and opens a work session on HB 2887. |
| <u>HB 2887 – WORK SESSION</u> | | |
| 230 | Pete Test | Committee Administrator. Offers a description of HB 2887, and the proposed -2 amendments (EXHIBIT J). |
| 240 | Rep. Kruse | MOTION: Moves to ADOPT HB 2887-2 amendments dated 04/03/03. |
| | Chair Jenson | VOTE: 7-0 Hearing no objection, declares the motion CARRIED. |
| 245 | Rep. Jenson | MOTION: Moves HB 2887 to the floor with a DO PASS AS AMENDED recommendation. |
| 250 | | VOTE: 7-0 |
| | Chair Jenson | Hearing no objection, declares the motion CARRIED. |
| 255 | Rep. Kruse | MOTION: Moves HB 2887 be placed on the CONSENT CALENDAR. |
| | Chair Jenson | VOTE: 7-0 Hearing no objection, declares the motion CARRIED. |
| 270 | Chair Jenson | Closes the work session on HB 2887, and opens a public hearing on HB 2800. |
| <u>HB 2800 – PUBLIC HEARING</u> | | |
| 280 | Rep. Kropf | Indicates his support for the bill. |
| 390 | Rep. Dingfelder | Declares a potential conflict of interest on the bill. |
| 305 | Rick Gustafson | Oregon Gardens, Executive Director. Offers written testimony (EXHIBIT K) in support of HB 2800. |
| 360 | Scott Ashcom | Oregon Agricultural Alliance. Offers testimony in support of HB 2800 and the proposed -1 amendments (EXHIBIT L). |
| 390 | Chair Jenson | Clarifies that the -1 amendment change the funding from the general fund to the Oregon Watershed Enhancement Board. |
| 400 | Ashcom | Acknowledges. |
| TAPE 55, B | | |
| 001 | Rep. Tomei | Asks about specific wording in Mr. Gustafson’s testimony. |
| 002 | Chair Jenson | Clarifies the wording. |
| 005 | Rep. Kruse | Asks how the Department of Agriculture (DOA) fits into the |

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| | | issue. |
| 010 | Gustafson | Discusses the role of the DOA. |
| 020 | Allison Henley | Oregon Watershed Enhancement Board. Offers written testimony (EXHIBIT M) regarding HB 2800. |
| 055 | Rep. Kruse | Explains that he agrees with OWEB on their concerns for the measure, and the evasion of the current OWEB funding application process. |
| 075 | Rep. Dingfelder | Explains that she agrees with Rep. Kruse. |
| 080 | Rep. Tomei | Indicates her agreement with Rep. Kruse. |
| 090 | Chair Jenson | Expresses his concerns with micromanaging any state agency. |
| 125 | Henley | Explains that the OWEB is in talks with Oregon State University on the issue. |
| 135 | Rep. Kruse | Points out his support for the research involved. |
| 145 | Chair Jenson | Concurs, indicating his support for the Oregon Gardens. Discusses the upcoming schedule for the committee. Recesses the meeting at 11:08 a.m. |
| RECESS | | |
| 215 | Chair Jenson | Calls meeting back to order at 5:00 p.m. |
| 220 | Pete Test | Offers an explanation of what still needs to happen in committee on HB 2688, HB 2659. |
| 295 | Chair Jenson | Discusses the issues regarding those bills, adjourns the meeting at 5:05 p.m. |

EXHIBIT SUMMARY

- A – HB 3519, -1 amendments, Staff, 1 p.**
- B – HB 3519, written testimony, Jeannette Holman, 2 pp.**
- C – HB 3519, written testimony, Rep. Anderson, 2 pp.**
- D – HB 2688, -1 amendments, Staff, 2 pp.**
- E – HB 2688, written testimony, Steve Purchase, 2 p.**
- F – HB 2688, Oregon State Land Board letter, Steve Purchase, 1 p.**
- G – HB 2659, -1 amendments, Staff, 2 pp.**
- H – HB 2659, written testimony, Paul Donheffner, 2 pp.**
- I – HB 3297, written testimony, John Lilly, 2 pp.**
- J – HB 2887, -2 amendments, Staff, 1 p.**
- K – HB 2800, written testimony, Rick Gustafson, 4 pp.**
- L – HB 2800, -1 amendments, Staff, 1 p.**
- M – HB 2800, written testimony, Allison Hensey, 5 pp.**

HOUSE COMMITTEE ON WATER

April 10, 2003 Hearing Room B
5:00 PM Tape 57 - 59

MEMBERS PRESENT: Rep. Bob Jenson, Chair
 Rep. Jackie Dingfelder, Vice-Chair
 Rep. Jeff Kropf, Vice-Chair
 Rep. Jeff Kruse
 Rep. Linda Flores
 Rep. Mike Schaufler
 Rep. Carolyn Tomei

STAFF PRESENT: Pete Test, Committee Administrator
 Ryan Sherlock, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2473 – Work Session**
 HB 3108 – Work Session
 HB 2255 – Work Session
 HB 2515 – Work Session
 HB 2991 – Public Hearing
 HB 3309 – Public Hearing and Work Session
 HB 2360 – Public Hearing
 HB 3616 – Public Hearing
 HB 2812 – Public Hearing

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| <u>TAPE/#</u> | <u>Speaker</u> | <u>Comments</u> |
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| TAPE 57, A | | |
| 003 | Chair Jenson | Calls meeting to order at 5:10 p.m., and opens a work session on HB 2473. |
| <u>HB 2473 – WORK SESSION</u> | | |
| 010 | Rep. Butler | House District 60. Offers testimony in support of HB 2473 |
| 065 | Roy Elicker | Oregon Department of Fish and Wildlife, Deputy Director. Offers testimony regarding HB 2473. |
| 075 | Chair Jenson | Expresses concern regarding the fiscal impact and asks whether Mr. Elicker is aware of the fiscal impact statement (EXHIBIT A). |
| 080 | Elicker | Acknowledges that he is aware of the fiscal impact statement. |
| 085 | Chair Jenson | Asks for Mr. Elicker to address the fiscal impact of the bill. |
| 090 | Elicker | Discusses the fiscal impact statement. |
| 105 | Chair Jenson | Acknowledges that it would cost the department more money, but questions where those costs come from. Asks Mr. Elicker for information regarding the additional costs. |
| 150 | Elicker | Indicates that he will get that information for the committee. |
| 165 | Chair Jenson | Closes the work session on HB 2473, and opens a work session on HB 3108. |
| <u>HB 3108 – WORK SESSION</u> | | |

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| 180 | Pete Test | Committee Administrator. Offers a description of HB 3108, and introduces the proposed -3 amendments (EXHIBIT B). |
| 200 | Rep. Krieger | House District 1. Offers a history of the measure and the issue. Offers an explanation for the proposed -3 amendments. |
| 305 | Sen. Dukes | State Senator 16. Offers testimony in support of HB 3108, but only with the -3 amendment. Thanks Rep. Krieger for working with her on the issue. |
| 355 | Chair Jenson | Thanks Sen. Dukes for working with Rep. Krieger on the bill, and points out the difficulty of the issue. |
| 390 | Joe Rohleder | Waldport, Oregon. Explains his involvement with the bill. |
| 400 | Rep. Kruse | MOTION: Moves to ADOPT HB 3108-3 amendments dated 04/10/03. |
| | | VOTE: 6-0 |
| | | EXCUSED: 1 - Kropf |
| | | Hearing no objection, declares the motion CARRIED. |
| 405 | Chair Jenson Rep. Kruse | MOTION: Moves HB 3108 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference. |
| 410 | Rep. Kruse | Thanks those who worked on the bill for their ability to compromise on the issue. |
| 415 | | VOTE: 6-0 |
| | | AYE: In a roll call vote, all members present vote Aye. |
| | | EXCUSED: 1 - Kropf |
| | Chair Jenson | The motion CARRIES. |
| 420 | Chair Jenson | Closes the work session on HB 3108, and opens a work session on HB 2255. |

HB 2255 – WORK SESSION
TAPE 58, A

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| 020 | Chair Jenson | Offers a brief description of the bill and the issue. Discusses the conflicting concerns regarding the issue. |
| 030 | Gail Shibley | Oregon Department of Human Services. Offers testimony in support of the -1 amendments (EXHIBIT C), but proposes a conceptual amendment. |
| 055 | Chair Jenson | Asks that the conceptual amendments be added on the Senate side. |
| 060 | Shibley | Indicates her support for saving the amendments for the Senate side. |
| 065 | Rep. Kruse | Concurs with the Chair's dislike for conceptual amendments, but expresses his support for the intent behind the conceptual amendment. |
| 075 | Rep. Dingfelder | Points out that the bill has a prior reference to Ways and Means. |
| 085 | Chair Jenson | Comments on the fiscal affects of the conceptual amendments. |
| 095 | Willie Tiffany | League of Oregon Cities. Offers testimony regarding the bill, -1 amendment, and the proposed conceptual amendments. |
| 110 | Shibley | Discusses the costs of working in Task Forces, and discusses the importance of the Task Force. |
| 120 | Chair Jenson | Asks who would provide the clerical staff. |
| 125 | Shibley | Explains that it is in the bill that the department would staff the Task Force. |
| 130 | Rep. Kruse | Points out that it is already in the scope of work for the department. |
| 140 | Shibley | Acknowledges. |

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| 150 | Chair Jenson | Discusses the committees intent with the bill, expresses his wish to delay action on the bill until the amendments are in line. Asks whether the committee is in support of the bill. |
| 160 | Rep. Kruse | Comments on his support for the intent of the bill. |
| 165 | Chair Jenson | Expresses his concerns for conceptual amendments, and expresses his intent to hold onto the bill until the conceptual amendments can be drafted by Legislative Counsel. |
| 170 | Rep. Kruse | Concurs with the Chair, and points out the simplicity of drafting - 2 amendments to the bill. |
| 180 | Chair Jenson | Closes the work session on HB 2255, and opens a work session on HB 2515. |

HB 2515 – WORK SESSION

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| 185 | Rep. Kruse | Expresses his interest in the bill. |
| 195 | Pete Test | Committee Administrator. Introduces the fiscal statement for the measure (EXHIBIT D) . |
| 205 | Rep. Kruse | Comments on the issues regarding the bill. |
| 235 | Bob Graham | United States Department of Agriculture, National Resource Conservation Service. Offers testimony regarding HB 2515 with reference to Overview of the Sprague River Subbasin (EXHIBIT E) . |
| 335 | John McDonald | Oregon Association of Conservation Districts, Executive Director. Offers written testimony (EXHIBIT F) in support of HB 2515. |

TAPE 57, B

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| 020 | Rep. Kruse | Comments on the importance of the issue, and comments on the federal mandates, and the need to fund those mandates. |
| 040 | Rep. Schaufler | Asks whether if the bill passes, and the state receives the federal matching funds, whether the state then can put the money back into the Oregon Watershed Enhancement Board. |
| 045 | Rep. Kruse | Comments on the use of the matching funds. |
| 050 | Rep. Dingfelder | Agrees that there needs to be more technical assistance, but expresses concern for where the state will find the source of funding which this bill requires. Asks what the opportunity costs are for OWEB regarding this bill. |
| 070 | McDonald | Explains that the funding priority decision rests with the legislature, and expresses the need for the bill. |
| 080 | Chair Jenson | Comments on the discussion presented so far. |
| 095 | Ken Bierly | Oregon Watershed Enhancement Board. Offers testimony regarding HB 2515. Discusses where the funding of the proposed Full Time Employment (FTE) would come from. |
| 135 | Chair Jenson | Discusses the general effort being made regarding the issue of environmental issues and concerns, and expresses concern for not funding these positions. |
| 160 | Bierly | Discusses the federal matching funds already received. |
| 175 | Rep. Kruse | Clarifies that OWEB has fifteen watersheds identified in the State. |
| 180 | Bierly | Explains that this might come from the Board's reporting actions. |
| 185 | Rep. Kruse | Clarifies the reason for the fifteen watersheds. |
| 195 | Bierly | Further comments on the policy decisions regarding the fifteen watersheds. |
| 200 | Rep. Kruse | Points out the need for the matching funds. |
| 205 | Bierly | Points out the current use of those matching fund programs. |
| 210 | Chair Jenson | Closes the work session on HB 2515, and opens a public hearing on HB 2991. |

HB 2991 – PUBLIC HEARING

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| 215 | Pete Test | Committee Administrator. Offers a description of HB 2991. |
| 240 | Rep. March | House District 46. Offers testimony in support of HB 2991. |
| 285 | Rep. Tomei | Asks how those whom have to sell their water rights or property for living expenses are able to reinvest the money. |
| 290 | Rep. March | Explains that usually the money is not needed for living expenses, but used for debt payback. |
| 315 | Rep. Tomei | Clarifies that this would be similar to the capital gains received from selling a house. |
| 320 | Rep. March | Discusses the similarity and differences between the two situations. |
| 335 | Rep. Dingfelder | Asks whether Rep. March knows how the issue is handled in California. |
| 340 | Rep. March | Indicates that he does not know, but will get that information for the committee. |
| 345 | Rep. Schaufler | Thanks Rep. March for his interest in the topic. |
| 350 | Rep. March | Comments on his interest. |
| 355 | Rep. Flores | Clarifies which IRS provisions would still apply. |
| 360 | Rep. March | Discusses the relevant provisions, indicating that it only applies to the Oregon taxes. |
| 375 | Glen Stonebrink | Oregon Cattlemen Association. Explains his group's opposition to selling water rights to non-farmers (irrigators), but concern for the problem. Asks about specific wording in the measure. |
| 410 | Rep. Schaufler | Clarifies that Mr. Stonebrink believes that the water right should just stay with the land. |

TAPE 58, B

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| 010 | Stonebrink | Discusses the issues surrounding water rights and transference. |
| 035 | Rep. Schaufler | Opinions that, in the case of lands which are unproductive, there should be the ability to transfer water rights to more productive lands. |
| 045 | Stonebrink | Acknowledges, pointing out that his group would be in support of the bill if it only allowed transference between farmers. |
| 055 | Chair Jenson | Asks Mr. Sussman to address the legality of water rights transfer. |
| 065 | Adam Sussman | Oregon Water Resources Department. Discusses the legal issues of water right transfer. |
| 080 | Rep. Schaufler | Asks Rep. March why there is not a provision for selling these water rights to farmers. |
| 085 | Rep. March | Recalls the discussions during the formulation of the bill, providing that the committee could amend the bill to allow this provision. |
| 100 | Chair Jenson | Closes the public hearing on HB 2991, and opens a public hearing on HB 3309. |

HB 3309 – PUBLIC HEARING

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| 105 | Chair Jenson | Points out to the committee that the bill has an issued fiscal impact statement (EXHIBIT G). |
| 110 | Willie Tiffany | League of Oregon Cities. Offers written testimony (EXHIBIT H) in support of HB 3309. |
| 150 | Chair Jenson | Asks whether those rules which were adopted were suggested by a workgroup. |
| 155 | Tiffany | Discusses the efforts of the involved workgroups. |
| 200 | Chair Jenson | Points out that with the planning process, cities made money. |
| 205 | Tiffany | Concludes his testimony in support of HB 3309, indicating his group would be in support of the -1 amendments (EXHIBIT I) which will be presented by Mr. Sussman of the WRD. |

240 Adam Sussman Oregon Water Resources Department. Offers written testimony **(EXHIBIT J)** regarding HB 3309, expressing concern for the fiscal impact imposed by the bill, but fixed by the proposed -1 amendments.

290 Chair Jenson Asks about the time element on the perfection process.

300 Sussman Discusses the time issues in regards to the bill.

315 Chair Jenson Clarifies that there is no time frame after which the city loses its water rights.

320 Sussman Concurs that there is no time frame after which the cities might lose their water rights.

325 Chair Jenson Further clarifies the issue, and asks about the number of extensions.

330 Sussman Explains that there are no limits on the number of extensions.

335 Tiffany Comments on the extension issue.

350 Doug Myers Waterwatch. Offers written testimony **(EXHIBIT K)** in opposition to HB 3309.

385 Rep. Tomei Asks what harm there is in granting this privilege.

390 Myers Discusses the history of the workgroup which formulated the bill, and discusses the fairness of allowing municipalities to tie up water rights indefinitely.

TAPE 59, A

005 Chair Jenson Discusses the fairness issue in regards to the need for municipal water rights and their longevity.

035 Myers Expresses his perception that all western water laws need to be addressed for its complexity.

040 Chair Jenson Discusses the issue of western water law rewrites.

050 Rep. Tomei Asks Mr. Myers to clarify specific language in his written testimony which indicates the bill could mean less water in the States rivers and streams.

055 Myers Responds, clarifying his statement regarding the water loss in rivers and streams.

070 Rep. Tomei Clarifies that the city would already have the water right, but just not be using the water.

080 Myers Points out an Attorney General's decision that municipalities can lose water rights if those rights are not being utilized.

095 Chair Jenson Closes the public hearing on HB 3309, and opens a work session on HB 3309.

HB 3309 – WORK SESSION

100 Rep. Dingfelder Expresses her continued concerns for the measure, and intention to vote NO on the bill.

105 Rep. Tomei Clarifies that the amendment would eliminate the fiscal impact of the bill.

110 Chair Jenson Points out that there is a subsequent referral to Ways and Means.

120 **Rep. Tomei**
MOTION: Moves to ADOPT HB 3309-1 amendments dated 04/09/03.
VOTE: 6-0
EXCUSED: 1 - Kropf
Hearing no objection, declares the motion CARRIED.

125 **Chair Jenson**
Rep. Tomei
MOTION: Moves HB 3309 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.

130 Rep. Kruse Clarifies Rep. Dingfelder's intent to vote No.

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| 135 | Rep. Dingfelder | Expresses her current concern, but possible ability to vote for the bill on the floor. |
| 140 | | VOTE: 5-1 AYE: 5 - Flores, Kruse, Schaufler, Tomei, Jenson NAY: 1 - Dingfelder EXCUSED: 1 - Kropf The motion CARRIES. |
| | Chair Jenson | |
| 150 | Chair Jenson | Closes the work session on HB 3309, and opens a public hearing on HB 2360. |
| <u>HB 2360 – PUBLIC HEARING</u> | | |
| 155 | Pete Test | Committee Administrator. Offers a description of HB 2360. |
| 165 | Kay Brown | Oregon Department of Fish and Wildlife. Offers testimony regarding HB 2360. |
| 190 | Rep. Flores | Clarifies the intent of the bill. |
| 195 | Brown | Explains that the purpose is to restrict transferring permits from smaller boats to bigger boats, which often increases the fishing haul unintentionally. |
| 200 | Rep. Tomei | Clarifies the restriction would only limit within five feet. |
| 205 | Brown | Further discusses the length restriction currently and how the bill would change the length restriction. |
| 215 | Rep. Kruse | Attempts to better understand the intent of the bill. |
| 220 | Rep. Tomei | Clarifies that then the bill would make the transferring more restrictive, which may not be the intent of the bills sponsor. |
| 225 | Chair Jenson | Points out that the sponsor of the bill is not in attendance. |
| 230 | Rep. Tomei | Relates an earlier conversation she has had with the sponsor (Rep. G. Smith) which would indicate his intention differs from the effect of the bill. |
| 250 | Chair Jenson | Closes the public hearing on HB 2360, and opens a public hearing on 3616. |
| <u>HB 3616 – PUBLIC HEARING</u> | | |
| 255 | Chair Jenson | Closes the public hearing on HB 3616, and opens a public hearing on HB 2812. |
| <u>HB 2812 – PUBLIC HEARING</u> | | |
| 260 | Chair Jenson | Closes the public hearing on HB 2812, and adjourns the meeting. |

EXHIBIT SUMMARY

- A – HB 2473, fiscal impact statement, Staff, 1 p.**
- B – HB 3108, -3 amendments, Staff, 3 pp.**
- C – HB 2255, -1 amendments, Staff, 2 pp.**
- D – HB 2515, fiscal impact statement, Staff, 1 p.**
- E – HB 2515, Overview of the Sprague River Subbasin, Bob Graham, 2 pp.**
- F – HB 2515, written testimony, John McDonald, 2 pp.**
- G – HB 3309, fiscal impact statement, Staff, 1 p.**
- H – HB 3309, written testimony, Willie Tiffany, 2 pp.**
- I – HB 3309, -1 amendments, Staff, 4 pp.**
- J – HB 3309, written testimony, Adam Sussman, 2 pp.**
- K – HB 3309, written testimony, Doug Myers, 2 pp.**