

JOINT COMMITTEE ON STREAM RESTORATION
AND SPECIES RECOVERY

March 29, 1999 Hearing Room 50

7:00 AM Tapes 68 - 69

MEMBERS PRESENT: Sen. Ted Ferrioli, Co-Chair

Rep. Ken Messerle, Co-Chair

Sen. Joan Dukes, Vice-Chair

Rep. Bob Jenson, Vice-Chair

Sen. David Nelson

Sen. Frank Shields

Sen. Veral Tarno

Rep. Al King

Rep. Jeff Kruse

Rep. Randy Leonard

Rep. Lynn Lundquist

Rep. Susan Morgan

Rep. Bruce Starr

Rep. Terry Thompson

STAFF PRESENT: Judith Callens, Administrator

Stephen Kosiewicz, Administrative Support

MEASURE/ISSUES HEARD: SB 132 Public Hearing and Possible Work Session

HB 2101 Public Hearing and Possible Work Session

SB 834 Public Hearing and Possible Work Session

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
TAPE 68, A		
004	Chair Ferrioli	Calls the committee to order at 7:14 a.m. Announces change in today's agenda. Opens the public hearing on HB 2101.
<u>HB 2101 - PUBLIC HEARING</u>		
007	Judith Callens	Notes that HB 2101 has been borrowed from the House Water and Environment Committee. Explains the provisions of HB 2101.
030	Rep. Leonard	Asks if there is an estimate of what the cost associated with this bill will be.
032	Callens	Responds that HB 2101 increases the tax credit from \$25,000 to \$125,000.
038	Joe Rohleder	Assistant to the Director, Department of Fish and Wildlife. Notes that in previous testimony ODFW suggested amending the bill back to the \$100,000 level of the existing program because the increase was not approved in the Governor's budget. Responds that under the existing program the revenue cost to the state was \$25,000 per year.
053	Chair Ferrioli	Asks whether the amount is per project or per year.
054	Rohleder	Responds that it is per year.
055	Chair Ferrioli	Asks for clarification that ODFW could only approve \$25,000 because of limitations in the General Fund.
056	Rohleder	Responds that ODFW could only approve \$100,000 worth of projects for a property owner to receive \$25,000 in tax credit per year.
062	Rep. Messerle	Referencing a letter he received from ODFW, asks whether the \$100,000 project limit per year was correct.
068	Rohleder	Responds that ODFW wants HB 2101 amended back down to the \$100,000 in projects per year.
071	Chair Ferrioli	Asks how much this program costs ODFW per biennium right now.
073	Rohleder	Responds that the cost to ODFW is relatively low.

080	Rep. Kruse	Asks for clarification that the reason ODFW asked for the lower level is because it was not included in the Governor's recommended budget.
085	Rohleder	Responds that technically this program is not in existence now and ODFW is asking to have the program reauthorized at its previous level.
092	Rep. Kruse	Asks for clarification that one could assume that when ODFW came forward with this reauthorization, they were doing so for justifiable reasons and it just did not make the cut.
096	Rohleder	Responds that ODFW feels it is a good program and they would like to continue it. Notes that the Governor's budget did not allow them to increase the project amount.
102	Rep. King	Comments on the success of this program and states that it should be expanded.
114	Chair Ferrioli	Notes that there are two elements in HB 2101 to consider.
120	Sen. Shields	Asks how many different people would do projects to get a part of the \$25,000 tax credit.
124	Rohleder	Responds that the maximum number of participants in the program was 12. Notes they were mostly industrial forest land owners.
128	Sen. Shields	Asks if there was a waiting list for the program.
131	Rohleder	Responds that the program was fully subscribed the last biennium it was in existence.
133	Chair Ferrioli	Asks for clarification that it was fully subscribed for the \$25,000.
134	Rohleder	Responds that this is correct.
138	Sen. Shields	Asks how long the waiting list was.
139	Rohleder	Responds that he does not know, but can find out.
142	Sen. Shields	Comments on the leveraging rate of dollar versus dollar in this program as compared to programs in the human services area.
150	Sen. Tarno	Agrees with the concept behind HB 2101. States that he would like the committee to send the bill back to the House Water and Environment Committee without recommendation.

154	Rep. Kruse	Supports the concept behind HB 2101. Notes that the bill will be going to the House Revenue Committee.
164	Chair Ferrioli	States that the expenditure limitations on ODFW's budget is going to play into this issue.
178	Rep. Lundquist	Asks how ODFW ranks this program in terms of priorities.
184	Rohleder	Responds that his understanding is that this is a revenue reduction, rather than something that comes out of ODFW's budget.
189	Rep. Lundquist	Notes that this program would not effect ODFW's budget at all.
192	Rep. Messerle	States that the message they should send to the House Water and Environment Committee is that this is a strong program.
202	Chair Ferrioli	Closes the public hearing and opens the work session on HB 2101.
<u>HB 2101 ñ WORK SESSION</u>		
204	Rep. Messerle	MOTION: Moves that the House committee members send HB 2101 back to the House Water and Environment Committee with a DO PASS recommendation.
		VOTE: 9-0 AYE: In a roll call vote, all House members present vote Aye.
216	Chair Ferrioli	The motion CARRIES.
220	Chair Ferrioli	Closes the work session on HB 2101 and opens the public hearing on SB 834.
<u>SB 834 ñ PUBLIC HEARING</u>		
222	Callens	Explains the provisions of SB 834 and the proposed ñ1 amendments.
252	Rep. Messerle	Referencing line 4(c) of the hand-engrossed version of the bill, asks if 10% is a minimum amount.
256	Callens	Responds that this is a minimum expenditure.
262	Rep. Tom Butler	House District 60. Testifies in support of SB 834 and the proposed ñ1

		amendments. Suggests changes to the bill.
323	Butler	Continues testimony in support of SB 834.
354	Rep. King	Asks for clarification on what portion of the bill Rep. Butler is referring to for his suggested changes.
362	Butler	Clarifies that it would be line 4(d) in the hand-engrossed version.
389	Rep. Morgan	Asks how much money this would save the state.
394	Butler	Responds that the dollar amounts he has vary widely.
TAPE 69, A		
017	Butler	Notes that private enterprise could be able to introduce more fish for less money into the hatchery system, and that they would be potentially larger fish.
024	Russ Spencer	Representing Desert Springs. Testifies in support of SB 834. Notes that SB 834 is endorsed by all of the private aquaculture facilities in the state.
036	Sen. Tarno	Asks if there is any opposition to SB 834.
037	Spencer	Responds that, to his knowledge, there is not. Notes that they worked with ODFW on SB 834 and the result of these negotiations are the proposed ñ1 amendments.
042	Sen. Dukes	Asks how many private aquaculture facilities are there in the state.
046	Lyle Negus	Desert Springs Trout Farm. Responds that there are 16 aquaculture facilities in the state.
052	Rep. Thompson	Clarifies that there are 16 facilities that deal with trout, but this is not the number of all aquaculture facilities in the state.
055	Rep. Lundquist	Asks if SB 834 would allow the state to close any of its hatcheries.
057	Butler	Responds that one of the state hatcheries is scheduled to be phased out, and eventually others could as well.
067	Spencer	Notes that it is not the intent of SB 834 to supplant the state hatchery system.

071	Sen. Tarno	Comments on the Towhee Chub issue in Diamond Lake.
077	Rep. Messerle	Asks what the temperature of the water is that they raise their trout in.
079	Negus	Responds that it is 61 year round.
082	Rep. Messerle	Asks what the temperature of the state hatcheries is.
083	Negus	Responds that temperatures vary from hatchery to hatchery.
095	Phil Donovan	Representing Northwest Sportfishing Industry. Submits written testimony (EXHIBIT A) and testifies in support of SB 834.
115	Doug DeHart	Fish Division Director, Department of Fish and Wildlife. Comments on ODFW's hatchery production costs. States that it is not clear to him that SB 834 would result in any savings for the state.
134	Rep. Lundquist	Asks if the cost that Mr. DeHart referred to is a variable cost.
139	DeHart	Responds that this is all of the cost averaged together for the operation of one of ODFW's hatchery facilities.
149	Rep. King	Asks for clarification that their costs are operating costs and do not include capital costs.
155	DeHart	Responds that this is correct.
158	Rep. Thompson	Asks for clarification that the cost Mr. DeHart is referring to is for little trout.
159	DeHart	Responds that this is correct. Notes that they have some present programs stocking fish at a larger size.
164	Rep. Thompson	Asks if the cost of stocking a two-pound fish is still \$3.
165	DeHart	Responds that it is approximately \$3 and it can be expanded.
169	Rep. Thompson	States that his experience is different when raising larger fish. Comments that one of the purposes of this pilot project is to find out what the true cost is.
181	DeHart	Notes that any money needed to pay for this program would have to come from an existing project's budget.

195	Rep. Thompson	Expresses concern about Mr. DeHart's last comment.
205	Rohleder	States that this discussion will continue before the Ways and Means Committee. Notes that under the Governor's recommended budget, ODFW proposes that the piece of money they could allocate for this project is the tradeoff in trout production that would have been done at the Fall Creek hatchery.
215	Chair Ferrioli	Notes that 11 amendments will change the cost configurations and LFO has not finished a fiscal impact on SB 834.
230	Rep. Kruse	Asks for clarification that the committee is going to consider the changes to the 11 amendments proposed by Rep. Butler.
235	Chair Ferrioli	Responds that they are.
244	Rep. Lundquist	Asks how many trout hatcheries ODFW has.
245	DeHart	Responds that 10 of their facilities primarily produce trout.
246	Rep. Lundquist	Asks if the facilities are relatively equal in size.
247	DeHart	Responds that there is significant variation in the size of individual facilities.
250	Rep. Lundquist	Notes that whether this project leads to the closure of one or part of one facility depends on the size of the ones closed.
254	DeHart	Responds that this is correct.
258	Rep. King	Asks whether the 10 facilities are all active.
261	DeHart	Responds that there are 10 facilities that produce trout as a major part of their assignments and none of these are presently deactivated.
270	Rep. King	Asks for clarification that there are no trout hatcheries that are mothballed.
271	DeHart	Responds that this is correct.
276	Chair Ferrioli	Closes the public hearing on SB 834 and opens the public hearing on SB 132.
<u>SB 132 - PUBLIC HEARING</u>		

284	Callens	Explains the provisions of SB 132 and the proposed ñ1 amendments submitted by Rep. King.
339	Callens	Explains the provisions of the proposed ñ2 amendments. Notes that she has heard concern expressed about the use of the term "regional watershed groups" in line 14(a) of the hand-engrossed bill.
386	Rep. Al King	House District 44. Explains why he introduced the ñ1 amendments.
TAPE 68, B		
016	King	Continues explaining why he introduced the ñ1 amendments.
042	Rep. Messerle	Referencing lines 7 and 8 in the ñ1 amendments, asks why the Klamath Basin tribes were not included.
047	King	Responds that this is an oversight that can be corrected.
059	Pete Test	Associate Director, Oregon Farm Bureau, and member of the Healthy Streams Partnership. Clarifies what the HSP's job is.
078	John Ledger	Associated Oregon Industries, and member of the Healthy Streams Partnership. Explains why they introduced the proposed ñ2 amendments. Suggests change to the amendments.
116	Rep. Leonard	Asks Mr. Ledger what his position is on the ñ1 amendments.
118	Ledger	Responds that the HSP has not discussed the ñ1 amendments. Notes that some of the water user groups would be concerned with the drop in their representation to 33%.
128	Rep. King	Asks where a group such as Guides and Packers would be categorized under the proposed ñ2 amendments.
132	Ledger	Responds that he could see them as a recreational representative.
135	Test	Responds that he could also see them as an industry representative.
137	Rep. Jenson	Asks for clarification on the proposed term limit. Notes that a member could be off the HSP for a year and then reappointed as a representative of a different group.
143	Ledger	Responds that the intent is that they would be off the HSP for four years before

		they could appointed again.
147	Rep. Kruse	Notes that Mr. Ledger had a suggested change to the term "regional". Asks if there is a definition of regional that could be included, or is this just a matter of semantics.
152	Ledger	Responds that there is some discussion over what constitutes a regional watershed council.
157	Test	Responds that it is more an issue of semantics.
162	Rep. Kruse	Comments that he would be in favor of eliminating the definer in any terms.
173	Chair Ferrioli	Closes the public hearing and opens the work session on SB 132.
<u>SB 132 n WORK SESSION</u>		
176	Rep. Kruse	MOTION: Moves to ADOPT SB 132-2 amendments dated 3/25/99 and that the measure be FURTHER AMENDED on page 1, line 5, by deleting the word "regional".
		VOTE: 10-2 AYE: 10 - Dukes, Jenson, Kruse, Lundquist, Morgan, Shields, Starr, Thompson, Ferrioli, Messerle NAY: 2 - King, Tarno EXCUSED: 2 - Leonard, Nelson
194	Chair Ferrioli	The motion CARRIES.
202	Rep. Kruse	MOTION: Moves SB 132 to the floor with a DO PASS AS AMENDED recommendation.
207	Rep. Lundquist	Notes that Mr. Ledger and Mr. Test testified that they wanted two consecutive terms and then a four-year layoff. States that there is nothing in the bill that addresses this.
213	Rep. Messerle	States that the way SB 132 is presently written could mean that someone could never serve again.
217	Rep. King	Suggests the committee consider the aspect of the division of the tribes.

223	Sen. Tarno	States that it would be appropriate to have an Eastern, coastal, and even Klamath Basin tribal representative.
233	Rep. Leonard	Asks what happened with the ñ1 amendments.
234	Chair Ferrioli	Responds that the ñ1 amendments were not moved.
239	Rep. Leonard	Asks whether the ñ1 amendments were not moved, or moved and defeated.
240	Chair Ferrioli	Responds that the ñ2 amendments were moved and passed. Notes that the current discussion is whether to conceptually amend into the bill a four-year layoff provision for appointments.
250	Rep. Lundquist	MOTION: Moves to AMEND SB 132 further with a provision for reappointment after a four-year layoff.
258	Rep. Kruse	Withdraws his previous motion.
Discussion among the committee members regarding Rep. Lundquist's conceptual amendment.		
281	Sen. Tarno	States that he would like to make an additional amendment to SB 132.
283	Rep. Leonard	Clarifies that the committee needs to vote on each amendment before moving on to another.
		VOTE: 11-1 AYE: 11 - Dukes, Jenson, King, Kruse, Lundquist, Morgan, Starr, Tarno, Thompson, Ferrioli, Messerle NAY: 1 - Leonard EXCUSED: 2 - Nelson, Shields
297	Chair Ferrioli	The motion CARRIES.
299	Sen. Tarno	MOTION: Moves to AMEND SB 132 on page 1, in line 7, after "governments" insert "with one being from the coast".
307	Rep. Kruse	Comments that the broader language in SB 132 allows the tribes more input as to who should represent them. States he will vote against this conceptual amendment.

319	Sen. Dukes	Notes that tribal representation does not come until the appointing authority requests someone from the tribe. States that one of the representatives should be from a coastal tribe.
331	Rep. Messerle	Questions whether it would be clearer to indicate one representative from the east side of the state and one from the west side.
335	Sen. Tarno	MOTION: Amends his previous motion and moves to AMEND SB 132 on page 1, in line 7, after "governments;" insert "one from Eastern Oregon and one from Western Oregon."
		VOTE: 12-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Nelson, Shields
348	Chair Ferrioli	The motion CARRIES.
350	Rep. Kruse	MOTION: Moves SB 132 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 11-1 AYE: 11 - Dukes, Jenson, King, Kruse, Lundquist, Morgan, Starr, Tarno, Thompson, Ferrioli, Messerle NAY: 1 - Leonard EXCUSED: 2 - Nelson, Shields
364	Chair Ferrioli	The motion CARRIES. SEN. DUKES will lead discussion on the floor.
366	Rep. Kruse	Asks for clarification that the bill will come back to this committee when it comes over to the House side.
369	Chair Ferrioli	Responds that this is correct. Closes the work session on SB 132. Adjourns the committee at 8:34 a.m.

Submitted By, Reviewed By,

Stephen Kosiewicz, Judith Callens,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 834, written testimony, Phil Donovan, 1 p