

**JOINT COMMITTEE ON STREAM RESTORATION**  
**AND SPECIES RECOVERY**

**April 17, 1999 Hearing Room F**

**9:00 AM Tapes 87-91**

**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. Susan Morgan**

**Rep. Terry Thompson**

**MEMBER EXCUSED: Rep. Lynn Lundquist**

**Rep. Bruce Starr**

**STAFF PRESENT: Judith Callens, Administrator**

**Susan Pettey, Administrative Support**

**MEASURE HEARD: HB 3225 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
<b>TAPE 87, A</b>		
004	Chair Messerle	Calls the committee to order at 9:35 a.m. Opens the public hearing on HB 3225.
<b><u>HB 3225 n PUBLIC HEARING</u></b>		
011	Judith Callens	Committee Administrator. Summarizes provisions of HB 3225. Discusses the effects of HB 3225-2 amendments.
063	Callens	Discusses materials and procedure for the meeting.
098	Chair Messerle	Suggests work group participants update members on activities via testimony.
101	Roy Hemingway	Governor's Office. Submits and summarizes written testimony ( <b>EXHIBIT A</b> ). Comments on HB 3225-2, Sections 1, 7, 8, and 17. Offers specific suggestions on -2 amendments. Indicates that Sections 1 and 7 create the Oregon Natural Resources Office and define the duties.
143	Hemingway	Refers to page 5 (4). Wants to clarify the intent of this subsection.
172	Hemingway	Comments that Section 8 creates the Parks & Natural Resources Fund. Offers suggested edits. Supports Section 17.
189	Hemingway	Prefers that GWEB funds be administered through the Water Resources Department (WRD) rather than Department of General Services (DAS).
224	Sen. Dukes	States that her understanding of the ballot measure was that the first agency would receive this money as a pass-through. Believes that it makes sense for DAS to receive the funds initially.
236	Hemingway	Indicates that the agency would have no limitations with respect to the fund, other than the amount. Agrees it would be a pass-through.
247	Sen. Dukes	Comments on the advantages of a pass-through requirement.
257	Louise Soleday	Governor's Natural Resource Office. Refers to Section 8 (1), which identifies DAS as the agency to administer the entire Parks & Natural Resources Fund. Suggests it is more appropriate that WRD administer the subaccount, because it is directly related to restoration activities under Measure 66.
265	Sen. Tarno	Asks how to deal with the federal matching funds.

268	Soleday	Indicates that in a proposal to Congress, those funds would come into GWEB to serve as matching funds for state dollars. Adds that WRD would distribute those funds.
291	Rep. King	Refers to HB 3225-2, Section 8. Asks for clarification of Measure 66 funds.
295	Soleday	Indicates that DAS would administer the subaccount.
298	Rep. Thompson	Asks, if federal funds require a match, will it funnel through WRD because of proof requirement.
306	Soleday	Proposes that the four states use the mechanisms in place to deliver the federal funds. Explains that the match can be technical assistance as well as dollars. Adds that the moneys would go into GWEB, matched by state funds.
315	Rep. Thompson	Comments that federal funds must be used 100 percent, delivered "to the ground," and cannot be used for administrative costs. Asks how to handle the audit function.
325	Soleday	Indicates that there is no requirement that 100% of funds be delivered to the ground. Addresses federal discussions currently taking place.
342	Sen. Thompson	Asks what guidelines are in place to express a point of view since this is the budget process.
360	Hemingway	Answers that the details of the proposal are unknown at this time. Describes discussions with the CEG at the White House.
375	Sen. Thompson	Emphasizes the importance of the process. Wants guidelines in place so everything is correct.
382	Hemingway	Describes conversations with the federal administration.
393	Chair Messerle	Asks if the amount of the match required has been conveyed to the co-chairs of Ways & Means and leadership.
398	Hemingway	Describes the discussions as very general.
407	Chair Messerle	Asks if the budget process can provide the federal match requirements.
410	Soleday	Indicates that there is enough flexibility within the existing budget proposals and discussions to ensure an adequate match for federal funds. Believes the federal funds will allow for flexibility as long as there is accountability.

413	Chair Messerle	Asks that documentation be provided to the committee and co-chairs.
415	Hemingway	Replies that all documentation will be provided as requested.
433	Sen. Dukes	Comments that it was her impression the President's budget had gone to Congress.
438	Hemingway	Responds that the budget has gone to Congress, but the appropriations language has not.
450	Sen. Dukes	Asks who is taking the lead in the Oregon Congressional delegation on this matter.
456	Hemingway	Mentions there have been discussions with the Congressional delegation. Adds that Oregon has no one on Appropriations. Reiterates that discussions have been very general. Describes continual contacts with Sen. Gordon Smith. Indicates that Congress has completed budget resolutions this week, and will begin the appropriations process soon.
479	Sen. Dukes	Comments on discussions with her Congressman. Expresses concern that ultimately Congress will make decisions Oregon should make. Encourages Hemingway to speak to whomever necessary so as to move forward.
<b>TAPE 88, A</b>		
045	Sen. Dukes	Asks if the Governor anticipates spending any of this federal money on the Willamette River.
048	Hemingway	Expresses that the intent is to spend the funds wherever needed in the State of Oregon, including the Willamette River.
061	Rep. Kruse	Wants the funds to flow through DAS. Favors the funds being distributed by a non-natural resource agency.
092	Hemingway	Indicates a willingness to abide by legislative instruction. Comments that congress is debating the FY2K budget, beginning October 1, 1999. Indicates that funds should be available in the first half of the biennium.
117	Soleday	Explains the excellent services provided by WRD to GWEB. Opines that WRD can deliver more efficient service than DAS.
125	Sen. Dukes	Clarifies that the proposed language is acceptable.
132	Callens	Explains effects of HB 3225 amendments, Sections 18, 19, 21-23, and 26.

162	Chair Messerle	Asks if there may be other proposals.
165	Callens	Refers to information relative to the proposal in Section 17.
178	Rep. Leonard	Asks who was involved in the work group that developed the Oregon Watershed Conservation Commission.
182	Chair Messerle	Responds that there were several individuals involved.
219	Rep. King	Asks if members will have the authority this session to put together a plan and funding. Expresses feeling overwhelmed.
233	Chair Messerle	Explains the task before members today is to understand the proposals, and to listen to what is presented by witnesses.
242	Rep. Thompson	Indicates that groups have worked behind the scenes. Comments that the public needs to understand what members are working on.
259	Rep. Leonard	Asks how the work group was selected.
265	Chair Messerle	Explains that the work group was not selected, but that all groups were requested to work together to bring proposals before the committee.
286	Rep. Leonard	Comments on the bureaucracy that created this proposal. Speculates that huge amounts of money are being expended to create a new layer of government rather than using what is in place.
314	Chair Messerle	Indicates there has been a request made of the Governor's office to run costs, but the information is not yet available.
321	Rep. Morgan	Explains that the work group that developed this proposal is one of many who brought themselves together.
357	Rep. Jenson	Assumes other groups had the opportunity to do as this group has done. Encourages others to take an active role, rather than the committee mandating activities.
363	Rep. Thompson	Expresses approval of GWEB. Indicates he has no problem with work groups, but wants to focus on the proposal.
386	Rep. King	Comments on a report from the Natural Resources Work Group (NRWG).
410	Chair Messerle	Indicates the necessity of listening to those who are here to testify today.

424	Rep. Kruse	Clarifies that the NRWG has been working a short period of time, but participants have been involved in the issue long-term.
449	Rep. King	Expresses gratitude to Co-Chair Messerle for going through this process to enhance members' understanding, as well as the public.
<b>Tape 87, B</b>		
037	Greg Miller	Weyerhaeuser. Describes participants in the Natural Resources Ad-Hoc Work Group.
071	Miller	Explains the materials provided to members.
107	Miller	Refers members to the "Summary" tab in the workbooks for a section-by-section analysis.
116	Pat Amedeo	Addresses issues of concern to the committee and public. Discusses the definition of "acquisition".
150	Sen. Dukes	Recalls that the ballot measure made a reference to state police.
153	Amedeo	Agrees. Assumes that the State Police function is administrative, which comes out of the 35%.
156	Chair Messerle	Asks for clarification regarding projects without a good scientific basis.
161	Amedeo	Refers to page 2 (D). Indicates that the research must be one research component directly related to a specific on-the-ground function.
173	Miller	Refers members to a map behind the "Commission" tab. Points out how basins have been aggregated. Points out changes between the northeast and southeast. Explains how this change aids the commission structure given the land mass that must be dealt with.
199	Rep. King	Asks, why not look at the boundaries on GWEB. Indicates that the map from Division of State Lands (DSL) shows impact on salmon habitat. Indicates there is no significant habitat in central and southeastern Oregon. Expresses concern that the largest part of the work is in the coastal area.
221	Jan Lee	Oregon Water Resources Congress. Refers members to Section 4, Region 4, Columbia River Drainage. Discusses methods of bringing together particular parts of the state. Refers to species, areas, and geographic positions. Indicates that resources in various parts of the state still need to be determined.

245	Rep. King	Asks if representation on the commission is equal among all regions.
251	Lee	Indicates that representation will be broken down according to the list in the workbook. Adds that there will always be five of the eleven members from east of the Cascades. Mentions that water quality is another major issue statewide. Emphasizes that just as many resources are required in the southeast as any other region.
262	Sen. Ferrioli	Mentions that projects will be driven by listings.
284	Amedeo	Comments that the designation does not necessarily assure dollars. Emphasizes the importance of water quality issues statewide.
290	Rep. King	Indicates that 80% of the problem, and 90% of the population is in one area. Wants to assure that southeastern Oregon is represented.
316	Chair Messerle	Refers to the GWEB map and the proposed map. Asks if coastal region lines are the same.
321	Amedeo	Replies yes.
323	Sen. Dukes	Comments on reasons for establishing districts.
326	Amedeo	Assumes that funds will be in the form of a general grant, with a subaccount for entities that have participated in a watershed action plan.
338	Sen. Dukes	Asks if watershed councils exist in all five regions.
341	Amedeo	Answers yes.
344	Rep. Jenson	Explains his understanding of the distribution of funds.
367	Lee	Describes discussions about seed money for various watershed councils and soil and water conservation districts (SWCDs). Explains that the plan is to put regional coordinators in the field, and to retain the basins and local entities working together.
382	Miller	Refers to Section 4, Framework for the Oregon Plan. Refers members to the "Commission" tab in the workbook. Discusses the schematic for a regional model. Explains that this model relies on those voluntary actions at the local level.
453	Miller	Refers to Section 6. Describes feedback from counties and local governments.

**TAPE 88, B**

022	Amedeo	Explains that watershed councils are so well represented, the Governor can find the kind of appointment he wants.
033	Miller	Indicates that a tribal representative is on this commission.
042	Chair Messerle	Asks how widespread is this document.
054	Miller	Indicates that copies are available. Refers members to Section 10. Explains committee functions.
064	Miller	Refers members to Section 12. Explains that Section 14 demonstrates how state agencies with Oregon Plan responsibilities are to work within the framework.
072	Lee	Refers members to the "Staffing" tab. Explains what exists presently versus the proposal under this structure.
098	Sen. Ferrioli	Comments on the necessity for the public to have all exhibits that are available to members.
119	Lee	Discusses the duties of the executive director. Addresses the commission organizational chart. Describes staffing changes as minimal.
152	Lee	Refers to Sections 21 and 22. Discusses cost variations. Refers to funding authorities. Comments on the Oregon Potato Commission as a model.
175	Amedeo	Clarifies what the Legislature will actually review. Explains that the commission would submit a budget to the legislature, delineating the 35% allocation. Indicates that information would be available in one document relative to Measure 66 functions.
198	Lee	Describes this as a meshing of budget items.
211	Amedeo	Discusses funding certainty, based on action plans, involving capitol expenditures and administrative costs.
243	Lee	Refers members to Section 22 (7), watershed investment program and statewide grant program. Indicates that state and federal agencies cannot apply for these funds without a co-applicant as a partner. Explains audit requirements.
260	Lee	Refers to Section 36, the legal fund. Notes Sections 37 and 38, the application process. References the watershed council in Section 39. Indicates that Section 42 is rulemaking, limited to fiscal responsibilities.



271	Chair Messerle	Asks if the intent is to move the process from administrative rule to statute.
273	Lee	Indicates that the intent is to shift to an independent mechanism.
278	Chair Messerle	Asks about discussions regarding whether this should be in statute or administrative rule.
285	Amedeo	Indicates there has been insufficient time to determine whether this rulemaking authority is sufficient. Adds that there is no new regulatory authority.
303	Sen. Ferrioli	Comments that one continuing theme that members hear from the public is that the intention was not to build a new bureaucracy. Asks why this commission format is better.
328	Amedeo	Explains that, in terms of structure, this codifies what is happening currently.
342	Lee	Expresses a major concern in not "getting enough from the bottom up." Claims that the idea is to use the regional model. States that currently GWEB is a commission of agency commissioners. Favors adding six local people. Describes this as a major change.
353	Miller	Refers to Section 6. Explains that this is the first time a collective sense of the principals of what the legislature declares the Oregon Plan is designed to do, has been put together. Discusses monitoring, and assuring implementation of the action plans and changes as needed.
381	Sen. Ferrioli	Asks, under the GWEB model, how many members are on the GWEB board, and how many under the proposed structure.
420	Miller	Comments on GWEB commission responsibilities and involvement.
447	Amedeo	Discusses the accountability for the dollars available under Measure 66. Addresses funding of watershed action plans.
463	Lee	Indicates that additional federal dollars are expected.
<b>TAPE 89, A</b>		
034	Rep. Thompson	Asks if fish screen dollars have a match.
043	Lee	Explains the Army Corps funding is 65% grant, 35% match.
059	Rep. Thompson	Comments on match money necessary to receive federal dollars.

062	Lee	Addresses cost share.
065	Rep. King	Suggests clarification of deletions.
073	Amedeo	Assumes this is not the final document. Explains the evolution of the natural resource group.
088	Rep. King	Asks for explanation of deletions. Refers to Section 8, page 5, the "Legislation" tab. Requests clarification.
098	Sen. Ferrioli	Explains that the broadest possible support is required.
107	Rep. King	Refers to page 6, subsection 8, regarding commission members. Asks for clarification.
137	Miller	Discusses the requirement that the commissioner receive an additional senate confirmation.
142	Amedeo	Explains the appointment process for the Environmental Commission.
156	Rep. King	Comments on the senate confirmation process.
159	Lee	Refers to page 6 (9). Addresses commission vacancies.
175	Rep. Leonard	Expresses concern about language on page 11, Section 17. Indicates this is a large responsibility for a commission not appointed by the Governor.
219	Amedeo	Explains this is agency boilerplate language in terms of delegation of authority to executive directors.
239	Sen. Ferrioli	Asks if the present commissioner serves at the pleasure of the governor.
254	Lee	Answers no. Indicates that the director works for the commission.
261	Sen. Dukes	Refers to language in Section 17 that allows the director to delegate to any commission member. Asks if this is typical.
275	Lee	Answers yes.
281	Sen. Ferrioli	Addresses the removal of executive authority from a governor. Discusses the creation of an entity for the administration of a program that exists outside the executive branch.

330	Sen. Ferrioli	Opines that it is impossible to insulate any entity from some influence and control of the executive branch.
341	Rep. Leonard	Understands the theory of wanting to insulate the administration from politics. Opines that Oregon is different than other states. Believes a person cannot be elected without concern for water quality and salmon preservation. Wants the most direct connection possible to the Governor's office.
		Lunch recess at 11:30 a.m.
386	Chair Messerle	Reconvenes meeting at 1:35 p.m.
389	Kevin Campbell	Executive Director, Oregon Association of Conservation Districts. Describes work group participation. Recommends a citizen commission that has connection "with the ground."
433	Campbell	Addresses Clean Water Act restrictions and Endangered Species Act listings.
<b><u>TAPE 90, A</u></b>		
016	Campbell	Addresses the formation of the commission. Discusses the county's role between local, state, and federal governments.
035	Campbell	Addresses grant writing. Discusses the unemployment rate in rural counties.
058	Chair Messerle	Asks how many SWCDs have tax bases.
062	Campbell	Answers one.
065	Chair Messerle	Asks how many SWCDs are partially funded by counties.
066	Campbell	Indicates that all districts receive a small amount of money from counties. Adds that the small contribution leverages a larger amount of state dollars.
070	Chair Messerle	Asks if SWCDs also have office space.
072	Campbell	Answers no.
075	Rep. King	Explains that members want money to be used for the highest and best need. Speculates on methods that obtain the most competitive projects if there are no grant projects.

080	Campbell	Addresses the need for a statewide competitive grant process to leverage at the state level. Wants certainty at the local level that staff will be there longer than six months.
089	Sen. Dukes	Asks if the SWCDs provide technical support.
099	Campbell	Answers, that is correct. Remarks that technical assistance is no longer available nor funded. Discusses local difficulties. Explains necessity of technical assistance.
115	Sen. Dukes	Asks if this is another funding source for SWCDs.
117	Campbell	Answers yes.
119	Sen. Dukes	Asks for clarification of the difficulties between watershed council and SWCDs.
123	Campbell	Comments on communication difficulties in areas of traditional conflict.
149	Campbell	Describes incentives that reinforce positive actions, rather than a competitive grant process with someone "from above" deciding who is right and who is wrong.
164	Chair Messerle	Asks about discussions regarding watershed district authority to review grant applications.
189	Campbell	Indicates there have been no discussions.
206	Rep. Thompson	Asks about SWCD board membership requirements.
217	Campbell	Describes board membership requirements
229	Rep. Kruse	Expounds on board membership requirements.
243	Rep. Thompson	Describes difficulties qualifying members within his districts for board membership.
253	Rep. Kruse	Clarifies the qualifications for board membership.
268	Rep. King	Asks when SWCDs were created.
271	Campbell	Answers, following the depression. Adds that the first district in Oregon was formed in the early '40s.

289	Rep. Kruse	Asks for a description of the cost-share program committee.
295	Campbell	Describes cost-share as targeted at production agriculture. Says the real issue is access. Stresses the importance of technical assistance.
330	Lucie LaBonte	Chair, South Coast Coordinating Watershed Council, Curry County, Lower Rogue Watershed Council, and Curry County Soil & Water Conservation District. Speaks in support of HB 3225-2 amendments, with some changes. Submits and summarizes written testimony ( <b>EXHIBIT B</b> ).
360	Rep. Kruse	Asks if she is speaking for the U. S. Forest Service, Bureau of Land Management (BLM), and Curry County.
367	LaBonte	Answers, only those on the watershed council. Agrees with the expansion of the GWEB board, and the consensus process.
432	LaBonte	Believes the system under GWEB is fair. Discusses funding sources. Describes regional technical committees that review grants.
464	LaBonte	Discusses funding amounts for each watershed council. Addresses the grant review process.
<b><u>TAPE 89, B</u></b>		
047	LaBonte	Wants long-term monitoring programs in place when delisting species.
063	LaBonte	Expresses concerns about the regional concept and boards. Describes available technical support. Comments on funding access.
085	LaBonte	Comments on regional strategy boards.
104	LaBonte	Discusses concerns with regional funding and the point-rating system. Points out the lack of funding available to Curry County in the previous five years.
117	Rep. Kruse	Asks how many watershed councils in the group LaBonte represents.
120	LaBonte	Answers that Curry County has nine, and one coordinator.
128	Rep. Kruse	Asks if all councils have watershed coordinators
130	LaBonte	Indicates that Curry County has two coordinators for nine councils.

132	Rep. Kruse	Asks if those are GWEB positions.
134	LaBonte	Explains that currently, they are GWEB-funded.
138	Rep. Kruse	Asks about vested interest in the system in place.
142	LaBonte	Replies, the largest vested interest is in the development of the Oregon Plan.
156	Rep. Messerle	Remarks that all watershed councils have a vested interest in this decision.
159	Rep. Kruse	Asks if a system were established to fund a watershed coordinator for each county, would that have a negative impact.
172	LaBonte	Describes difficulties encountered by previous council coordinator. Suggests members must look at the size of the county.
189	LaBonte	Points out the coordinators are not just grant writers, but highly technical and educated people.
192	Eric Carlson	Coordinator, Clackamas River Basin Council. Describes duties for the Council. Speaks in support of the expansion of the Watershed Enhancement Board, with the addition of public members. Comments that the Council is not convinced the provision requiring a consensus approach is workable. Comments that GWEB is effective and responsive.
237	Carlson	Speaks now as a private citizen. Comments on Sections 1 and 7 of -2 amendments that create an Oregon office of natural resources. Suggests language that requires the Governor's natural resource advisor be a statutory position.
258	Carlson	Comments on Section 8 of -2 amendments. Discusses the flow of Measure 66 funds through Department of Administrative Services (DAS).
293	Carlson	Indicates that members will have difficulty finalizing this bill. Adds that a good deal of restructuring can be addressed interim to ensure public involvement and technical accuracy.
337	Rep. Morgan	Asks if it beneficial for watershed councils to be represented on a statewide commission that deals with the Oregon Plan.
358	Carlson	Answers yes.
361	Rep. Morgan	Asks if this would strengthen the watershed council statewide system.

363	Carlson	Replies, by itself, no, but it would assist in coordination and funding.
365	Chair Messerle	Mentions that SWCDs receive no state funds. Asks if there is a statewide organization of watershed councils.
383	Carlson	Answers no.
392	Chair Messerle	Points out that members have encouraged all groups to participate.
414	Carlson	Discusses the relationship between SWCDs and watershed councils.
438	Chair Messerle	Asks what groups are represented on Carlson's watershed council.
444	Carlson	Replies that the council has 21 members, stakeholder groups. Adds that a representative from each group is selected by the stakeholder with no input from the council. Gives examples.
468	Chair Messerle	Asks if all are voting members.
472	Carlson	Answers yes. Adds that it is equal participation.
<b>TAPE 90, B</b>		
041	Chair Messerle	Indicates to members that this is not uniform throughout all districts.
051	Carlson	Expresses gratitude to members for meeting on Saturday.
059	Sen. Ferrioli	Asks how watershed councils communicate with each other.
061	Carlson	Describes the communication process.
078	Sen. Ferrioli	Suggests a mechanism be included for watershed councils to communicate.
082	Mike Propes	Commissioner, Polk County. Speaks in support of HB 3225. Gives background experience on watershed committees. Discusses the operation and funding of the Yamhill Watershed.
128	Propes	Comments on the work product of the resource group.
151	Propes	Discusses the at-large position recommended by the work group. Feels it could be a county position. Addresses -2 amendments.

161	Rep. Kruse	Refers to circumstances where coordinated effort is working, and county government is involved.
180	Propes	Notes that working together is key.
187	Rep. Kruse	Indicates county support is essential to success of this concept.
193	Ken Bierly	Program Manager, Governor's Watershed Enhancement Board (GWEB). Addresses assistance to watershed councils and SWCDs. Submits and summarizes written testimony ( <b>EXHIBIT C</b> ). Addresses considerations necessary to continue watershed restoration and enhancement efforts.
241	Bierly	Clarifies the organizational structure of GWEB. Addresses current budget requests.
260	Bierly	Addresses grant decisions being made before new board members are appointed and confirmed.
312	Sen. Ferrioli	Thanks the group that has come together to accomplish this work. Discusses efforts involved for the committee to accomplish this task in the current session. Wants a mechanism that coordinates across state agencies.
379	Rep. Messerle	Commends efforts of work group participants.
406	Rep. Messerle	Closes public hearing on HB 3225. Adjourns meeting at 3:46 p.m.

Submitted By, Reviewed By,

Susan M. Pettey, Judith Callens,  
Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ HB 3225, written testimony, Roy Hemmingway, 2 pp.**

**B ñ HB 3225, written testimony, Lucie LaBonte, 2 pp.**



**C ă HB 3225, written testimony, Ken Bierly, 1 p.**