

## SENATE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

February 03, 1999 Hearing Room 50

4:30 P.M. Tapes 28 - 30

**MEMBERS PRESENT:** Sen. Gary George, Chair

Sen. Thomas Wilde, Vice-Chair

Sen. Tony Corcoran

Sen. Joan Dukes

Sen. Bill Fisher

Sen. John Lim

**MEMBER EXCUSED:** Sen. Ted Ferrioli

**STAFF PRESENT:** Brad Harper, Administrator

Kristal Hatton-Nease, Administrative Support

**ISSUES HEARD:** Oregon Association of Conservation Districts

Introduction of Committee Bill

Agency Overviews

Natural Resource Producers ñ Legislative Concepts

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 27, A		
004	Chair George	Convenes meeting at 4:39 p.m.
<u>Oregon Association of Conservation Districts</u>		

015	John McDonald	Tillamook County Resident. Submits <b>[EXHIBIT A]</b> . Gives information on what the Tillamook Soil and Water Conservation District has done to deal with animal waste and the quality of streams in Tillamook County.
063	McDonald	Discusses the Methane Energy & Agriculture Development (MEAD) project.
109	McDonald	Explains the Buckhollow Watershed Project. Says that by phase five in 1998, the project had compiled an impressive list of improvements in watershed function and health.
119	Chair George	Asks if the people came in voluntarily.
121	McDonald	Answers yes. Continues testimony on what environmental benefits have resulted from Tillamook County Soil and Water Conservation District projects.
178	McDonald	Says the Governor's Watershed Enhancement Board recognized the Buckhollow project for its outstanding achievement in restoring watershed function.
229	McDonald	Comments on why the Soil and Water Conservation District projects are successful. Outlines issues affecting Oregon's Soil and Water Conservation Districts.
283	McDonald	Continues testimony on the need for Soil and Water Conservation Districts to have adequate engineering assistance. Says distinctions and interfaces between SWCDs and watershed and watershed councils must be defined.
349	McDonald	Says a landowner needs one plan for natural resource practices that is designed to meet site-specific resource objectives consistent with the local watershed concerns. Adds standards need to be defined and/or more broadly accepted.
385	McDonald	Discusses landowner/decision maker concerns, such as confidentiality of conservation plans and says SWCDs encourage cost share incentives for management systems and practices.
427	McDonald	Comments on the balance and interdependence of natural resources. Says Oregon must re-examine some of its past assumptions and solutions.
<b>TAPE 29, A</b>		
002	Chair George	Comments on Tillamook County's clean water project. Says he was impressed with what was done with it.
007	McDonald	Replies one of the reasons the SWCDs were asking for the base administration was because where there is competent staff the leadership on projects like the Tillamook County clean water program is better.

010	Chair George	Says his understanding that hold harmless for cooperators provision was extended by the Salmon Plan. Asks if that applies to the work the SWCDs are doing.
011	McDonald	Responds he can not give a definitive answer.
022	Sen. Fisher	Says he appreciates the work SWCDs do.
037	Chair George	Comments there must be a trusting relationship and that is how cooperation is encouraged.
043	McDonald	Agrees.
<b><u>Introduction of Committee Bill</u></b>		
054	Brad Harper	Committee Administrator. Explains LC 2716.
057	Sen. Lim	<b>MOTION: Moves LC 2716 BE INTRODUCED as a committee bill. [EXHIBIT B].</b>
059		<b>VOTE: 6-0</b> <b>EXCUSED: Ferrioli</b>
064	Chair George	<b>Hearing no objection, declares the motion CARRIED.</b>
<b><u>Agency Overviews</u></b>		
069	Jim Brown	Director, Oregon Department of Forestry. Submits [EXHIBIT C] and gives a brief agency overview of the Oregon Department of Forestry.
129	Brown	Discusses ODF's mission statement, objectives, and locations of ODF offices. Explains programs ODF is involved with.
137	Sen. Fisher	Asks how much money goes to school endowment program after ODF fees are taken out
140	Brown	Says ODF keeps 36.25%, the counties keep 10%, and the rest is divided among the schools.
170	Chair George	Expresses concern about county funding.

177	Brown	Explains ODF is putting together a management plan.
193	Chair George	Asks if he knows where the seed zone trees are.
197	Brown	Says he doesn't have good data on that. Adds Oregon does have a Swiss disease in the coastal range.
216	Chair George	Asks about tree thinning.
224	Brown	Explains what ODF has done to trim trees. Comments on the advantage of thinning forests.
247	Brown	Continues testimony on forestry assistance and resource planning on the part of ODF. Comments on the Department of Forestry's funding.
300	Brown	Discusses ODF's budget as proposed in the Governor's recommended budget. Explains external issues ODF will face in the 1999-2001 biennium.
320	Paul Cleary	Director, Division of State Lands. Submits <b>[EXHIBIT D]</b> and gives a brief overview of DSL. Discusses the Common School Fund.
376	Chair George	Comments on the Dammasch Hospital site and says he heard it was going to be given to Metro for a park.
382	Cleary	Says any disposal of the Dammasch property has to be at fair market value.
412	Chair George	Comments Wilsonville does not have much room to grow and the only place for it grow is onto prime farmland. Asks what is the management plan for the Dammasch site.
429	Cleary	Discusses the management plan for the Dammasch site.
438	Chair George	Asks how many acres of land the Dammasch site encompasses.
443	Cleary	Responds 250 acres and says the Division of State Lands plans to sell 20 acres to the school district.
<b>TAPE 28, B</b>		
015	Cleary	Discusses DSL's program resources and work-plan. Says the agency mission is to generate revenue for the Common School Fund, while providing sound land management, effective resource conservation and efficient public service.

039	Chair George	Asks if the Division of State Lands authorizes ODOT to fill/remove water.
042	Cleary	Responds if it is a removal or fill in waters of the state.
044	Chair George	Asks if ODOT has an adequate system to provide ODOT with a reasonable place to deposit the materials.
047	Cleary	Says there have been no problems with it thus far. Comments on DSL's Mitigation Banking program where it allows a number of small fills in exchange for a wetland restoration creation in another area that is more appropriate.
074	Chair George	Asks if Oregon has pre-arranged sites approved for ODOT to use as fill sites.
084	Cleary	<p>Answers yes. Provides additional testimony on several ODF programs. Says he is interested in streamlining DSL's regulatory authority. Summarizes 1997 legislation and gives an overview of 1999 session bills that were pre-session filed:</p> <ol style="list-style-type: none"> <li>1. HB 2157 - Unclaimed property</li> <li>2. HB 2158 - Natural Heritage Advisory Council</li> <li>3. HB 2150 - Treasure Trove</li> <li>4. HB 2160 - Easements of rights-of-way across state-owned land</li> <li>5. HB 2161 - Removal-fill permit fee increases</li> </ol>
152	Cleary	Comments on estimated constitutional receipts and Common School Fund forest land. Says there is \$600 million in the Common School fund and explains where DSL has invested the money. Addresses the distribution of Common School Fund dollars to schools.
207	Cleary	Explains background of DSL budget. Says DSL is self funded completely with the exception of the money that goes to the Natural Heritage Advisory Council.
222	Chair George	Asks if there is a repository of state-owned lands.
224	Cleary	Says there is a Department of Administrative Services database of state-owned lands.
241	Sen. Wilde	Asks if engineers are consulted when riff raffs are put into place.
246	Cleary	Says some contractors (not engineers) know how to keep riff raff in. Says a signature of a professional engineer is not required on applications.
266	Sen. Wilde	Comments on impact to government properties.
295	Cleary	Says he will ask Pearl Johnson to meet with Sen. Wilde to discuss this issue.

**Natural Resource Producers ñ Legislative Concepts**

307	Dave Nelson	Oregon Seed Council. Submits [EXHIBIT E] and gives an overview of the Oregon Seed Council and grass seed industry in Oregon. Says grass seed industry has grown in the past several years.
370	Nelson	Continues on the international trade of grass seed. Says Oregon exports grass seed to over sixty countries.
434	Nelson	Comments on trade with China and Japan. Says he expects a boost in seed sales to China. Discusses water quality of grass seed farms.
<b>TAPE 29, B</b>		
025	Chair George	Asks if there are drainage problems on grass seed farms.
029	Nelson	Says there is a controversy over the definition and application of farmed wetlands and the effect, timing, and replacement of tile. Says the issue needs to be discussed. Adds he does not know the status of it.
055	Chair George	Asks if there is a clear definition.
058	Nelson	Replies there are precise definitions of farmed and prior converted wetlands.
064	Jim Krahn	Oregon Dairy Farmers Association. Says Oregon's dairy industry has moved from the Midwest to the western part of the United States. Says his organization looked at the pounds of production in eight surrounding western states. Says Oregon saw a 6% decrease.
109	Krahn	Says that for the past fourteen months Oregon has been in a milk deficient state. Says more milk is being used than is sold in Oregon. Says it is coming in from other states.
123	Sen. Corcoran	Asks if the other states had a milk deficit.
127	Krahn	Answers no.
137	Sen. Corcoran	Asks if there other considerations.
139	Krahn	Replies climate, temperature, and other aspects affect the milk products industry.
152	Sen. Corcoran	Asks if shipping is an issue in milk production.

154	Krahn	Says it is cheaper to ship milk from Oregon than it is for the feed it takes to produce the milk.
159	Chair George	Says if it is cheaper to haul hay than it is to haul milk you'd think people would want to come to Oregon and put a dairy in.
164	Krahn	Agrees. Says people are more concerned about sales to Japan that no longer exist.
194	Sen. Fisher	Says he was on the East Coast this past summer. Describes what he saw.
221	Krahn	Comments Tillamook cheese is the second most recognized brand in the U.S.
228	Sen. Corcoran	Questions if property value figures into the location of dairy farms in Oregon.
234	Krahn	Answers yes but says Oregon property value might not be one of the major issues. Explains major issues are water and the availability of cost-efficient labor.
275	Sen. Corcoran	Says he is curious about the implications of land use policies and how they factor into dairy locations.
280	Krahn	Responds the basic investment cost in creating an area makes it very difficult to sell and get any value out of the property. Comments on the dairy business in neighboring states.
312	Chair George	Comments the state dairy was shut down because of pollution problems.
315	Sen. Corcoran	Comments prison population might go down if the prisoners worked hard labor.
334	Sen. Fisher	Says there is a potential decrease in the market access for high desert/hay fields. Wonders what farmers will do when they are unable to raise even hay for money.
369	Richard Kosten	Oregon Sheepgrowers Association. Submits <b>[EXHIBIT F]</b> and gives a brief overview of the Oregon Sheepgrowers Association. Discusses the comparison of growth in General Fund, Department of Agriculture and wildlife services expenditures.
420	Kosten	Discusses a bill Sen. Bryant proposed in the 1997 session.
<b>TAPE 30, A</b>		
004	Kosten	Discusses a 1997 Oregon wildlife damage survey from the Oregon Agricultural

		Statistics Service. Says wildlife damage losses total \$158 million, damage to crops amounted to \$145.6 million, and damage to livestock totaled \$1.5 million. Adds damage prevention cost \$6.0 million.
032	Chair George	Adjourns meeting at 6:32 p.m.

Submitted By, Reviewed By,

Kristal Hatton-Nease, Brad Harper,  
Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A ñ Written testimony, John McDonald, 8 pp.**

**B ñ LC 2716, Staff, 2 pp.**

**C ñ Written testimony and supporting documents, 44 pp.**

**D ñ Written testimony and supporting documents, Paul Cleary, 24 pp.**

**E ñ Brochure, Dave Nelson, 21 pp.**

**F ñ Written testimony and supporting documents, Richard Kosten, 10 pp.**