

HOUSE COMMITTEE ON WATER POLICY

March 18, 1997 Hearing Room D

3:00 P.M. Tapes 50 - 51

MEMBERS PRESENT: Rep. Ken Messerle, Chair

Rep. Tim Josi, Vice-Chair

Rep. Jo Ann Bowman

Rep. Tony Corcoran

Rep. Steve Harper

Rep. Jeff Kruse

Rep. Jim Welsh

MEMBER EXCUSED:

VISITING MEMBER: Rep. Bob Jenson

STAFF PRESENT: Pat Zwick, Policy Analyst

Rebecca M. Nickel, Administrative Support

MEASURE/ISSUES HEARD: HB 2178 - Public Hearing and Work Session HB 2094 - Public Hearing

HB 2135 - 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
TAPE 50, A		
000	Chair Messerle	Calls the meeting to order at 3:10 p.m.
<u>HB 2178</u> <u>PUBLIC</u> <u>HEARING</u>		
005	Chair Messerle	Opens public hearing on HB 2178.

010	Chair Messerle	Submits testimony received from Gayle Killam regarding HB 2178. (EXHIBIT A)
019	Pat Zwick	Policy Analyst, summarizes HB 2178.
028	Doug Myers	Representing Oregon Environmental Council, reviews Exhibit A.
039	Chair Messerle	Closes public hearing on HB 2178.
HB 2178 WORK SESSION		
040	Chair Messerle	Opens work session on HB 2178.
042	Rep. JOSI:	MOTION: Moves HB 2178 be sent to the floor with a DO PASS recommendation.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Welsh
	Chair	The motion CARRIES. REP. BOWMAN will lead discussion on the floor.
057	Chair Messerle	Closes work session on HB 2178.
HB 2094 PUBLIC HEARING		
059	Chair Messerle	Opens public hearing on HB 2094.
063	Zwick	Summarizes HB 2094.
076	Tom Byler	Legislative Coordinator, Water Resources Department (WRD), submits and reviews proposed amendments to HB 2094. (EXHIBIT B)
091	Rob Carter	Water Resources Department, continues review of proposed amendments to HB 2094.
141	Carter	Continues review.
169	Rep. Kruse	Asks for clarification on the fee structure.
		The bond proposals made in the original HB 2094 as well as the fee proposal

174	Carter	have not been altered by the -1 amendments.
177	Rep. Kruse	Comments that there seems to be more body than in the original.
183	Byler	The addition of "conversion," had to be made in several different areas of the statute. Therefore, even if there is a small change, the entire text has to be printed out.
200	Jerry Schmidt	Representing the Oregon Ground Water Association. Testifies in regards to the proposed amendments. The amendments meet the intent that was previously discussed, and they have clarified a number of technical points.
207	Chair Messerle	Comments on concerns regarding the lack of input from private property owners who may drill their own wells. Asks if there is a need to have additional public hearings.
212	Schmidt	There were approximately 30 permits given last year for private wells. Through the licensed and bonded constructors, there were about 6,500 permits given last year. Has no strong feelings regarding this issue. Discusses start card fees.
239	Chair Messerle	Asks if the fee increase will result in private property owners bypassing the permit process.
242	Schmidt	That was discussed, and WRD feels that some people may not go through the correct process. If the fee was raised to adequately recover costs, then there would be a significant impact. However, the figure decided on is in the middle.
264	Rep. Bowman	Asks what financial impact the fee and bond increase would have on constructors and private property owners.
271	Schmidt	This was thoroughly investigated by WRD to ensure that there would be minimal financial impact on the private property owners. The impact would also be minimal on professional constructors.
284	Rep. Harper	Comments on his concerns with the size of the increase.
287	Chair Messerle	Comments on his concerns about the increase.
290	Martha Pagel	Director, Water Resource Department. The primary concern is the bonding issue. If there is misconstruction, it could impact not only the landowner, but also everyone who uses the aquifer. There are so few applications that the amount of revenue will not make much difference. If the Committee is very concerned about the cumulative impact of increasing the bond and the permit fee, the department would recommend increasing the bond and not increasing the permit fee. Discusses the possibility of requiring private property owners to pay a start card fee. The department is more concerned about increasing the bond amount, than with the permit fee increase.
335	Rep. Harper	Comments that this would be reasonable.
348	Rep. Bowman	Comments on cost recovery and the need for discussion.

369	Rep. Kruse	Asks how long the \$25 fee has been in place.
374	Carter	At least 1983, perhaps earlier.
379	Rep. Kruse	Asks how the department would feel about increasing the fee to \$75.
382	Pagel	That would at least move it toward the true cost. There would be some parity with the start card fee. This increase would be acceptable.
394	Chair Messerle	Closes public hearing on HB 2094.
HB 2135 PUBLIC HEARING		
TAPE 51, A		
007	Chair Messerle	Opens public hearing on HB 2135.
027	Pete Test	Representing Oregon Farm Bureau Federation, submits and reviews testimony in regards to HB 2135. (EXHIBIT C)
052	Rep. Josi	Asks if there was an opportunity offered for people to register their ponds free of charge.
055	Test	Yes. When the department had to go through the water right process, the cost increased.
061	Rep. Josi	Asks for definition of "exemption."
061	Test	Defines "exemption" as the exemption from any need of a water right for the use of a pond. Continues testimony.
111	Test	Continues testimony.
139	Rep. Josi	Asks if the proposed amendments would waive protest fees for public agencies.
143	Test	If the application was made without making a fee, then protesters would not be required to pay a fee.
154	Chair Messerle	Asks what the fiscal impact might be.
157	Test	There would be some impact.
158	Rep. Josi	Asks if there would be an effect on backlog in WRD.
164	Test	The department estimates that 17% of next year's protests will be of this type. It may add to the backlog, however, the new process is supposedly set up to equitably handle the protests.
179	Jeff Curtis	Director, Water Watch. Testifies regarding the proposed amendment discussed by Mr. Test. Not all of the coastal Coho streams have in-stream water rights, and there could be conflict with the Oregon Coastal Salmon Recovery Initiative. Strongly opposes the proposed amendments

228	Chair Messerle	Asks for location of the coastal streams that do not have in-stream water rights.
231	Curtis	Not sure, but there are some in the cranberry area that do not have in-stream water rights. Offers to find information to support this.
245	Joni T. Low	Representing the League of Oregon Cities, submits and reviews testimony in support of HB 2135. (EXHIBIT D)
285	Richard Angstrom	Director, of Oregon Concrete Aggregate Producers Association, states for the record that the aggregate industry is not covered by HB 2135 regarding ponds left from aggregate removal.
302	Jan Lee	Representing Oregon Water Resource Congress, testifies regarding of HB 2135. The partial transfer fee would be more equitable. Supports storage fees for larger reservoirs.
321	Chair Messerle	Asks for clarification on storage fees.
323	Lee	There are storage fees for stock ponds, and then there are storage fees for large projects or reservoirs. The new fee would start at a flat fee, then increase \$1.00 per cfs, then decrease to \$0.25 per cfs. Originally it was \$1.00 per cfs, which would have been a 400% increase for the larger reservoirs.
352	Pagel	Responds to amendment proposed by Mr. Test. The department would view this as a very hostile amendment. It was decided in the 1995 session that there would be one set fee for both in and out of stream protests. It was decided that any protest for any application would be subject to the \$200 fee.
TAPE 50, B		
005	Pagel	If the protest fee is eliminated, there would very likely be protests, even multiple protests, made on every in-stream water right. Concerned that there would be an unmanageable workload. Comments on past "postcard protests" which were engineered by interest groups. In-stream water rights do not have an application fee. WRD receives general funds to process those applications and to conduct a public interest review of out of stream water right processing. Therefore, out of stream applicants do not subsidize costs of processing in-stream applications, the General Fund helps to pay those costs.
034	Chair Messerle	Asks if the cost of applications was pro-rated, would General Fund receipts maintain the balance.
042	Pagel	The General Fund support is for approximately 1/4th of the program.
045	Chair Messerle	Closes public hearing on HB 2135.
047	Chair Messerle	Adjourns meeting at 4:08 p.m.

Submitted By, Reviewed By,

Rebecca M. Nickel, Pat Zwick,

Administrative Support Policy Analyst

EXHIBIT SUMMARY

A - HB 2178, Written Testimony, Gayle Killam, 2 pp.

B - HB 2094, Written Testimony, Tom Byler, 8 pp.

C - HB 2135, Written Testimony, Pete Test, 4 pp.

D - HB 2135, Written Testimony, Joni Low, 1 p.