HOUSE COMMITTEE ON WATER POLICY Hearing Room Tapes 59 - 60 MEMBERS PRESENT: Rep. Chuck Norris, Chair Rep. Tim Josi, Vice-Chair Rep. Avel Gordly Rep. Veral Tarno Rep. Jim Welsh STAFF PRESENT: Pat Zwick, Committee Administrator Gail E. Boesch, Committee Assistant MEASURES HEARD: HB 3087 - Public Hearing and Work Session SB 501 - Public Hearing and Work Session SB 509 - Public Hearing and Work Session These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. TAPE , A 003 CHAIR NORRIS: Calls the meeting to order at 2:23 PM. The meeting start was delayed due to an extended Floor Session. 033 Opens the Public Hearing on HB 3087 Witnesses: Bob Hall, Portland General Electric Mike Rainey, Department of Energy Paul Graham, Department of Justice Thomas Nelson, Stoel Rives John Brenneman, Idaho Power Tom Cropper 036 BOB HALL, PORTLAND GENERAL ELECTRIC: Discusses -2 amendments, think they've captured everything, should be added to the bill. Submits Exhibit A, a brochure about PGE, and proceeds to discuss the amendments. General discussion follows regarding the insertion of the -2 amendments into HB 3087. 165 CHAIR NORRIS: Recesses the meeting due to the temporary absence of two members.

Reconvenes the meeting at 2:48 PM.
REP. GORDLY: Questions the policy decision made by this legislation; questions the intent of the law.

199 - Questions fiscal impact noted by Mr. Meek at last meeting (2 billion dollars over 30 years), when Legislative Fiscal noted no impact.

212 MIKE RAINEY, DEPARTMENT OF ENERGY: Remains neutral on ownership of

projects.

239 PAUL GRAHAM, DEPT. OF JUSTICE: Represents the Public Utilities Commission, not taking a stand on this bill.

- Notes that some of the dams included in Mr. Meek's estimate belong in part to Idaho. States that the vast majority of dams in Oregon are subject

to Federal regulation and therefore not affected by this bill.

289 REP. JOSI: Questions the difference between FERC dams and others.

296 GRAHAM: Answers, if the dam is on a navigable stream, then it is licensed by the Federal Energy Regulatory Commission (FERC).

300 THOMAS NELSON: Dams built on navigable streams, or power entering interstate commerce, are dams regulated by FERC.

324 REP. JOSI: Clarifies preemption, take over provisions.

338 JOHN BRENNEMAN, IDAHO POWER: Our three dams are FERC dams.

350 TOM CROPPER: Testifies about HB 3087, submits Exhibit C.

TAPE 60, A

010 THOMAS NELSON, STOEL RIVES: Comments about HB 3087,

040 REP. JOSI: What happens when you don't want to relicense facility; are you going to have to tear the facility down?

050 NELSON: Hard issue. Either someone could take it over and try to run it; or FERC will drop out of picture since no energy is being produced, and

facility might revert to state as an impoundment, not a hydroelectric facility. Dams are not unmitigated blessings.

061 REP. JOSI: Clarify for me, how the take over provisions would keep utility's rates in line.

070 NELSON: Cost based rate making was not in place when facilities were first built, and when utilities were established. Elaborates.

081 CHAIR NORRIS: Closes the Public Hearing on HB 3087 Opens the Work Session

MOTION: REP. JOSI: Moves the -2 amendments to HB 3087, BE ADOPTED.

VOTE: Hearing no objections, the motion CARRIES.

MOTION: REP. JOSI: Moves that HB 3087, AS AMENDED, be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, all members are present and vote AYE.

CHAIR NORRIS: The motion CARRIES.

REP. JOSI will lead the discussion on the Floor.

116 Closes the Work Session on HB 3087 120 Opens the Public Hearing on SB 501 Witnesses: Beth Patrino, Water Resources Department Ted Pulliam, Oregon Groundwater Association Sherry Patterson, Rivergrove Water District

133 BETH PATRINO, WATER RESOURCES DEPARTMENT: Submits Exhibit D and

introduces the bill. Notes that an amendment will be introduced and supports that amendment.

147 TED PULLIAM, OREGON GROUNDWATER ASSOCIATION: Introduces the -2 amendments, putting the words " back where they're supposed to be". Exhibit E.

225 SHERRY PATTERSON, COMMISSIONER, RIVERGROVE WATER DISTRICT: Testifies about a seismic risk analysis, supports SB 501 as amended. (Exhibit F)

230 CHAIR NORRIS: Closes the Public Hearing on SB 501 Opens the Work Session on SB 501.

REP. WELSH: Moves that the -2 amendments to SB 501A, BE ADOPTED.

VOTE: Hearing no objections, the amendments are ADOPTED.

MOTION: REP WELSH: Moves that SB 501A AS AMENDED, be sent to the Floor with a DO PASS recommendation.

CHAIR NORRIS: The motion CARRIES.

REP. WELSH will lead the discussion on the Floor.

300 CHAIR NORRIS: Opens the Public Hearing on SB 509 Witnesses: Kip Lombard, Oregon Water Resources Congress

310 KIP LOMBARD, OREGON WATER RESOURCES CONGRESS: Introduces SB 509 and the conflict amendments, -1, Exhibit G.

TAPE 59, B

015 LOMBARD: Continues testifying about SB 509.

020 REP. GORDLY: Isn't the federal government's role to monitor contracts? If role changed, who monitors?

060 General discussion of contracts and the Federal Government's involvement.

130 CHAIR NORRIS: We won't change Federal law if we pass this?

135 LOMBARD: No, not at all. This will not change contractual responsibilities under federal law.

142 CHAIR NORRIS: Closes the Public Hearing on SB 509 Opens the Work Session on SB 509

150 MOTION: REP. JOSI: Moves that the -1 amendments BE ADOPTED.

VOTE: Hearing no objections, the amendments are ADOPTED.

MOTION: REP. JOSI: Moves that SB 509A, AS AMENDED, be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, all members are present and vote AYE.

CHAIR NORRIS: The motion CARRIES.

REP. TARNO will lead the discussion on the Floor.

200 CHAIR NORRIS: Closes the Work Session on SB 509A.

210  $\,$  - Discusses a priority bill in the works, will introduce at an upcoming meeting.

General discussion ensues.

306 CHAIR NORRIS: ADJOURNS the meeting at 3:54 PM

Submitted by, Reviewed by,

Gail E. Boesch Pat Zwick Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A -"Recreation Areas At PGE Power Projects", a brochure (HB 3087) -- Bob Hall, Portland General Electric -- 6 pages HB 3087, Proposed Amendments -- Staff -- 2 pages в – с – Testimony on HB 3087 -- Tom Cropper -- 1 page Testimony on SB 501-A -- Martha Pagel, Water Resources Department -- 1 D page Е – SB 501 A, Proposed Amendments -- Staff -- 4 pages F -Testimony on SB 501 a -- Sherry Patterson, Rivergrove Water District Commissioner -- 1 page G -Testimony on SB 509 -- Kip Lombard, Oregon Water Resources Congress --10 pages н – SB 509, Proposed Amendments to Resolve Conflicts -- Staff -- 2 pages.