

HOUSE COMMITTEE ON NATURAL RESOURCES

June 29, 1993 Hearing Room D 1:30 p.m. Tapes 74 - 79

MEMBERS PRESENT: Rep. Ray Baum, Chair Rep. Carl Hosticka, Vice-Chair
Rep. Marilyn Dell Rep. Sam Dominy Rep. Bill Fisher Rep. Tim Josi Rep.
Dennis Luke Rep. Bill Markham Rep. Chuck Norris Rep. Nancy Peterson Rep.
Bob Repine Rep. Liz VanLeeuwen

STAFF PRESENT: Kathryn Van Natta, Committee Administrator
Catherine Fitch, Committee Administrator Sue Nichol, Committee Clerk

MEASURES CONSIDERED: SB 392-A Engrossed - Public Hearing and
Work Session SB 675-A Engrossed - Public Hearing SB 1057-A Engrossed -
Public Hearing and Work Session SB 11 - Public Hearing and Work Session
SB 12 A-Engrossed - Public Hearing and Work Session SB 805 - Public
Hearing and Work Session SB 908 A-Engrossed - Public Hearing SB 1075
A-Engrossed - Public Hearing and Work Session SB 92 - Public Hearing and
Work Session SB 535 - Public Hearing SB 1016 - Work Session SB 1112 -
Public Hearing and Work Session HB 2214 - Work Session

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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. [--- Unable To Translate
Graphic ---]

WITNESSES: Sen. Joyce Cohen, District 13 Gail Achterman, Energy
Providers and Users Mike Graine, Oregon Department of Energy Fred
Hansen, Department of Environmental Quality Peggy Lynch Rep. Larry Sowa,
District 26 Martha Pagel, Department of Water Resources Rod Ingram,
Department of Fish and Wildlife Becky Kreag, Department of Water
Resources Kip Lombard, Oregon Water Resources Congress Sen. Dick
Springer, District 6 Richard Kosesan, Water for Life Sen. Bob Kintigh,
District 14 Dale Blanton, Department of Land Conservation and

Development Maureen Larsen, Citizen Julie Pittman, Northwest Alpacas
Ranch Carol Clark, Washington County Visitors Association Arthur
Schlack, Association of Oregon Counties Burton Weast, Special Districts
Association Brian Gregor, Department of Transportation Brent Curtis,
Association of Oregon County Planning

Directors George Richardson, Northwest Natural Gas Sean Brennan, Coastal
Caucus

TAPE 74, SIDE A

005 CHAIR BAUM: Calls the meeting to order at 1:39.

WORK SESSION ON SB 1016-A ENGROSSED

060 SEN. JOYCE COHEN, District 13: Summarizes written testimony in favor of SB 1016 which updates the Energy Facility Siting Council's jurisdiction (Exhibit A).

077 GAIL ACHTERMAN, Energy Providers and Users: Summarizes written testimony in favor of SB 1016 (Exhibit B).

176 SEN. COHEN: The bill has clarified the land use issues involved in siting energy facilities.

185 REP. NORRIS: Will a cogeneration plant be included in the provisions of the bill if it first generates steam and then sells it to an industrial user?

197 SEN. COHEN: Yes.

201 ACHTERMAN: That is one of the problems with the current statutory exemption that we needed to fix. We wanted to provide the exemption for high efficiency cogeneration. It wouldn't make any difference where the steam was first generated. Under the bill with the amendments, if the

high efficiency standards are met for the steam, the operation will qualify for the exemption.

220 SEN. COHEN: You can still go through the ordinary siting process if those high standards are not met.

224 REP. NORRIS: What would happen if the Energy Facility Siting Council was disbanded?

232 SEN. COHEN: Without the Council, energy facilities will not be able to be sited.

260 REP. MARKHAM: Are steam producers included who produce steam as a result of normal industrial processes?

263 ACHTERMAN: In order to qualify for the exemption, you must meet an efficiency standard. The qualification for the exemption is that you

have to use the steam for two purposes: electric generation and an industrial process.

276 REP. MARKHAM: Why are low efficiency uses excluded?

280 ACHTERMAN: There is a preference for high efficiency operations.

300 REP. MARKHAM: Can anyone come in and request a hearing?

306 ACHTERMAN: Any citizen can request a contested case hearing under SB 1016.

316 Current statute requires a contested case hearing if someone requests it or not.

327 REP. MARKHAM: How much of the process is involved in the global

warming strategy?

330 ACHTERMAN: The Council's existing rules do consider global warming. This bill gives them the statutory authorization to take that into

consideration in a clearer way.

351 REP. PETERSON: Why is there unlimited duration of the site certificate?

356 ACHTERMAN: The existing statute says that the site certificate is a binding agreement between the State of Oregon and the person who holds

the certificate and it has no reference to duration. We felt that since the legislature hadn't limited the duration, it meant that it was a binding agreement without a limit. The Attorney General's office took the position that the Council had the authority, under the existing statute, to limit the duration of the certificate. By administrative rule, the Council adopted a rule saying that the site certificate duration would be limited to 40 years. That was a problem for the utility industry group because it caused problems in project financing. We felt renewing the certificate was a useless waste of money as long as the certificate holder was in full compliance with the terms.

Certificates can be reopened to address public health and safety and environmental concerns if necessary in order to bring those into accord with newly adopted laws and regulations.

TAPE 75, SIDE A

007 REP. PETERSON: What if a utility company receives a certificate, but doesn't build the facility for ten years?

013 ACHTERMAN: There is a provision enabling the Council to set a specific time by which the facility must be built.

021 REP. FISHER: Are you doing anything to keep mills in business so they can be a part of this program? 023 ACHTERMAN: The ability for these plants to site an energy cogeneration facility improves the energy economics for their plant so that the plant can be kept open.

033 REP. DELL: EFSC can just find the facility in compliance if the local land use says it is, or they can find it in compliance if they find that it satisfies the substantive part of the local plan. Are we putting

EFSC in a position to interpret the land use plan? Is that regardless of local action having been taken?

048 ACHTERMAN: It is regardless of local action. It is allowing

the Council to interpret the plan.

087 MIKE GRAINEY, Oregon Department of Energy: Gives testimony in favor of SB 1016. Submits detailed discussion of the impacts of the bill and the amendments (Exhibit C). SB 1016 clarifies some uncertainties in current law; it codifies policy decisions made in rules; and it streamlines some processes.

132 ACHTERMAN: Submits list of groups in favor of SB 1016 (Exhibit D).

Also submitted for the record: - Staff Measure Summary, Senate Vote Sheet, Fiscal and Revenue

Impact Statements (Exhibit E). - SB 1016-A7 Amendments (LC 3415) submitted by Staff (Exhibit F). - Letter from Eric Todderud with questions concerning SB 1016

(Exhibit G).

WORK SESSION ON SB 1016-A ENGROSSED

134 MOTION: REP. HOSTICKA: Moves the -A7 amendments to SB 1016-A Engrossed.

135 CHAIR BAUM: Restates motion.

140 REP. NORRIS: In two places the bill mentions gasses that contribute to global warming. Wouldn't we be better off saying "gasses that are

believed to contribute to global warming," since this is a controversial issue?

150 GRAINEY: This is to clarify a policy statement that is already in ORS 469.060. This clarifies that the Siting Council should consider global

warming as a possible environmental impact. If it's appropriate, evaluate energy facilities on that criteria.

167 REP. NORRIS: I withdraw my objection, but still believe what I said.

169 REP. LUKE: Which gases are you looking at?

170 GRAINEY: The primary one is CO2. Methane and ozone could also be a consideration.

176 REP. LUKE: Are you talking about restricting facilities who burn natural gas for power?

180 GRAINEY: No, not necessarily. The purpose of the amendment is to clarify that you do not have to have a zero new emissions policy.

185 REP. FISHER: Does this take out all reference to ORS 469.060?

190 GRAINEY: No, but it clarifies the intent.

195 VOTE: CHAIR BAUM: Hearing no objections, the AMENDMENTS are ADOPTED.

197 MOTION: REP. HOSTICKA: Moves SB 1016, as amended, to the floor with a DO PASS recommendation.

200 CHAIR BAUM: Restates motion.

202 REP. PETERSON: Regarding Section 18, I am concerned that property owners within the area will not be notified. Why was this provision

eliminated?

213 GRAINEY: SB 1016 does lay out that appropriate notification is done, it doesn't specify who would be notified.

224 REP. PETERSON: So the Council could choose to notify landowners?

230 GRAINEY: Yes.

230 REP. PETERSON: This is on my mind because a large transmission line in California went in and nobody knew about it until it was well on its

way. I want to make sure that kind of thing doesn't happen under this legislation.

233 ACHTERMAN: It was not the intent to avoid notifying the public. This was an attempt to simplify the process.

240 REP. PETERSON: Have you had problems with Section 18 concerning notification, that it was very cumbersome?

247 GRAINEY: I think the only instance where this section has been used was in the Southern Oregon transmission line proposal. I don't recall that

in that case it was particularly cumbersome.

250 ACHTERMAN: I don't think we had problems with it in the Southern Oregon transmission line proposal. Providing written notice to property owners can be very expensive and not very useful in terms of a public

information strategy.

264 REP. PETERSON: I want to be sure that this won't happen without public notice.

269 ACHTERMAN: That is clearly understood, and there is no intention to avoid the public information process. It just didn't make sense to give written notice to individual landowners if that wasn't the best way to

get the word out.

271 REP. MARKHAM: You have condemnation powers, if necessary?

278 ACHTERMAN: If they obtain a certificate of convenience and necessity from the Public Utility Commission.

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

300 CHAIR BAUM: The motion CARRIES.

302 REP. PETERSON will carry the bill.

306 CHAIR BAUM: Closes work session on SB 1016,-A.

WORK SESSION ON HB 2214

328 KATHRYN VAN NATTA, Committee Administrator: Fiscal and Revenue Impact Statements and -6 amendments are submitted for the record (Exhibit H).

The -6 amendments incorporate the language brought forth dealing with limiting the expanded test areas to the "contiguous urbanized areas of Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties."

374 FRED HANSEN, Department of Environmental Quality: The areas affected by the Federal Clean Air Act are called Air Quality Maintenance Areas

(AQMA). The AQMA for Portland area is about the metro boundary. We intended to have Columbia and Yamhill counties included only in the area regulating vehicles which could go across boundaries and create pollution problems in the metro area. We did not intend to have restrictions on lawn and garden equipment in Columbia and Yamhill counties.

TAPE 74, SIDE B

014 HANSEN: Explains proposed amendments which would delineate the necessary counties for required restrictions.

089 REP. NORRIS: It seems that the "contiguous urbanized area" language was important. Why are we taking this out now?

090 HANSEN: The issue was that this was essential language for the boundary which is covered to determine who has to have their vehicle inspected.

The amendments on page 3 of the amendments accomplish that. The other part went broader and picked up activities that were meant to be regulated only in the Portland area.

103 REP. NORRIS: Are Beaverton and Gresham included within the Portland area?

104 HANSEN: Yes.

107 REP. LUKE: How big does the boundary go out?

109 HANSEN: Estacada is outside of the boundaries. Forest Grove is inside the boundary.

112 MOTION: REP. HOSTICKA: Moves the -6 amendments to HB 2214.

119 VOTE: CHAIR BAUM: Hearing no objections, the AMENDMENTS are ADOPTED. 122 REP. NORRIS: What about all the previous amendments?

124 CHAIR BAUM: Then we're going to amend the -6 amendments, accordingly.

125 MOTION: REP. HOSTICKA: Moves that on the -6 amendments, strike lines 1 through 6, and lines 9 through 10.

130 VOTE: CHAIR BAUM: Hearing no objections, the AMENDMENTS are ADOPTED.

135 MOTION: REP. HOSTICKA: Moves that "Portland area" be substituted for "contiguous urbanized areas of Clackamas, Columbia, Multnomah, Washington and Yamhill Counties" on lines 20 and 21 of page 1;

lines 1 and 2 of page 2; lines 8 and 9 of page 2 and lines 11

through 13 of page 2.

143 VOTE: CHAIR BAUM: Hearing no objections, the AMENDMENTS are ADOPTED.

149 CHAIR BAUM: Asks Mr. Hansen if this gives him the authority to do anything he wants.

152 HANSEN: No, it does not.

155 VAN NATTA: The -5 amendments and the -6 amendments are separate amendments that amend the bill.

162 REP. LUKE: We amended the -5 amendments.

166 VAN NATTA: Then we need to reconsider the -5 amendments and get rid of those.

170 HANSEN: There are pieces of the -5 amendments that are needed.

182 CHAIR BAUM: The -6 amendments amended the bill as amended with the -5 amendments.

185 HANSEN: As long as the -5 amendments were adopted and you've just amended them, that's great.

192 REP. HOSTICKA: Are these provisions in the budget as passed by the House and the Senate, or is it in any way in contention between the two chambers?

198 HANSEN: The issues involved here are not in contention. They are identical between the House and the Senate.

200 REP. HOSTICKA: If we pass this to the floor, it will not require modification of any portion of DEQ's budget that has already passed to

the House or the Senate?

205 HANSEN: There are two limited duration positions for the parking structure. That is an issue that will need to be resolved in

conference. I do not believe it would be a contentious issue.

215 REP. HOSTICKA: I think this should go to the Floor because the DEQ budget is no longer in Appropriations. 221 CHAIR BAUM: There's a couple of positions that weren't funded in the budget but they are funded in this bill?

223 HANSEN: The Governor's budget did not address specific areas within the parking ratios.

241 REP. DELL: The only difference in the -5 and -6 amendments are the changes we made regarding the area and there is a slight difference in

the language, and when we talk about the emission standards for lawn and garden equipment we referenced the California or United States

Environmental Protection Agency Emissions Standards. If you get rid of -5 amendments, you haven't lost anything.

265 MOTION: REP. HOSTICKA: Moves to reconsider the vote by which the -6 amendments were adopted.

270 CHAIR BAUM: Restates motion.

271 VOTE: CHAIR BAUM: Hearing no objections, the motion CARRIES.

275 MOTION: REP. HOSTICKA: Moves to reconsider the vote by which the -5 amendments were adopted.

280 CHAIR BAUM: Restates motion.

282 VOTE: CHAIR BAUM: Hearing no objections, the motion CARRIES.

283 MOTION: CHAIR BAUM: Moves to adopt the -6 amendments, as previously amended.

284 VOTE: CHAIR BAUM: Hearing no objections, the AMENDMENTS are ADOPTED.

285 REP. HOSTICKA: Moves HB 2214, AS AMENDED, to the floor with a DO PASS recommendation.

286 CHAIR BAUM: Restates motion.

287 REP. LUKE: Are you thinking about putting restrictions on lawn mowers in Portland on non-attainment days?

290 HANSEN: Technically, activities such as regulating use in that fashion are prohibited by the EPA. Wood stoves are the only exemption to that.

300 REP. DELL: I would hope there is an emphasis on education of the public on the federal standards.

314 HANSEN: In a poll, 44% of Portlanders were aware of the clean air alert last summer, and 25% of Portlanders took action in regards to that

alert.

338 REP. NORRIS: Which amendments are we considering? 340 VAN NATTA: The bill is amended by the -6 amendments, plus the amendments to the -6.

357 REP. REPINE: I have some concerns because it leaves our control and goes into the control of others.

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

390 CHAIR BAUM: The motion CARRIES.

391 REP. BRIAN will carry the bill.

392 CHAIR BAUM: Closes the work session on HB 2214.

PUBLIC HEARING ON SB 908-A ENGROSSED

TAPE 75, SIDE B

006 PEGGY LYNCH: Testifies in favor of SB 908 as schools need to be included in land use planning.

029 REP. LUKE: How do you know, in a ten or twenty year plan, where people with children are going to live?

036 LYNCH: It is like any land use planning. It would have five year updates. You would not site specific.

045 REP. LUKE: You wouldn't set aside certain land to be zoned for schools?

046 LYNCH: No, that can't be done unless you have the money to do it with.

Submitted for the record: Staff Measure Summary, Senate Vote Sheet, Fiscal and Revenue Impact Statements (Exhibit I).

065 CHAIR BAUM: Closes public hearing on SB 908-A.

PUBLIC HEARING ON SB 1112

070 CATHERINE FITCH: Amendments have been submitted with address concerns of Water Resources Department, Guides and Packers and Rep. Sowa

(Exhibit J). SB 1112 declares that it is state policy to protect and restore the viability of watershed ecosystems to provide for salmonid fish species

that are dependant on these ecosystems. It is the pre-emption of a federal listing action. It requires the State Water Resources Department to work with other natural resource agencies to administer and coordinate a program to provide grants and contracts with local governments to take on activities to improve watershed ecosystems.

100 REP. VanLEEUWEN: Does this bill have a subsequent referral?

101 FITCH: Yes, and it did originally. 111 REP. LARRY SOWA, District 26: Submits additional amendments to SB 111 2 to address concerns about Water Resources Department and their ability

to contract (Exhibit K). I want to make sure they have the authority to contract with different groups, especially private entities.

134 REP. HOSTICKA: The main difference in your amendments is to say "other agencies and persons," which then allows for private entities.

148 REP. SOWA: Yes.

154 REP. FISHER: Why would you give preference to state and local government agencies?

161 REP. SOWA: That's the chain of people who are most important. They know the area best.

170 REP. FISHER: That looks like you've added the consideration of persons but then turn around and exclude them.

172 REP. SOWA: That's not the intent.

174 MARTHA PAGEL, Department of Water Resources: We don't have any objection to the change and we would read it to say that it broadens our abilities so we are able to enter into agreements with persons.

183 MOTION: REP. NORRIS: Moves the -B5 amendments to SB 1112.

185 REP. HOSTICKA: Restates motion.

189 VOTE: REP. HOSTICKA: Hearing no objections, the AMENDMENTS are ADOPTED.

200 PAGEL: Explains Water Resources Department's recommended amendments contained in the -B4 amendments.

240 MOTION: REP. DOMINY: Moves the -B4 amendments dated 6/29/93 to SB 1112.

243 REP. HOSTICKA: Restates motion. If we adopt the -B4 amendments, our working document would be this hand-engrossed version.

245 VOTE: REP. HOSTICKA: Hearing no objections, the AMENDMENTS

are ADOPTED.

247 PAGEL: Submits additional amendment which clarifies that these activities are in addition to other efforts that are already underway by State and Federal agencies regarding predation and other ocean-related

influences on salmon survival (Exhibit L).

257 REP. FISHER: What attention is being paid to these other influences right now?

263 REP. HOSTICKA: This committee adopted a memorial to Congress to deal with the Marine Mammal Protection Act. Are there other activities that

the departments are undertaking at this point?

267 ROD INGRAM, Department of Fish and Wildlife: The State of Oregon will be working with the western and coastal states on trying to influence

the appropriations on the Western Association.

281 REP. HOSTICKA: The federal government is reappropriating the Marine Mammal Protection Act.

289 REP. NORRIS: The Pacific Fisheries entities are trying to coordinate some of the harvest levels, keeping in mind the survival of the species.

306 MOTION: REP. DOMINY: Moves the proposed amendments submitted by the Water Resources Department dated 6/29/93.

313 REP. HOSTICKA: Restates motion.

315 VOTE: REP. HOSTICKA: Hearing no objections, the AMENDMENTS are ADOPTED.

319 MOTION: REP. NORRIS: Moves SB 1112, as amended, to the Appropriations Committee with a DO PASS recommendation.

322 REP. HOSTICKA: Restates motion.

327 PAGEL: There was concern that we'd lose 6 months of on the ground activity, but we recognize that we would not be able to hire people

immediately.

358 REP. SOWA: I'm not convinced that we need all this staff.

385 REP. LUKE: What happened to the other 15%?

390 REP. SOWA: It's optional on how they want to spend that money.

393 BECKY KREAG, Department of Water Resources: Explains need for additional staff.

TAPE 76, SIDE A

015 REP. LUKE: Is 15% overhead in the study?

017 KREAG: No, it would go to contracts to local people who would be doing on the ground work.

021 PAGEL: The bill is clear that there is a ceiling on the amount that can come to state agencies for staffing and their expenses.

030 MOTION: REP. DOMINY: Moves the previous question.

052 REP. HOSTICKA: Restates motion. Hearing no objections, the previous question carries. 054 REP. HOSTICKA: We will take a vote on the motion to send SB 1112, as amended, to Appropriations.

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

056 REP. HOSTICKA: The motion CARRIES.

058 REP. HOSTICKA: Closes work session on SB 1112-A.

PUBLIC HEARING ON SB 92-A ENGROSSED

069 FITCH: Staff Measure Summary, Senate Vote Sheet, Senate Amendments, Fiscal Impact Statement and Revenue Impact Statement are submitted for

the record (Exhibit M). Current law allows the Water Resources Commission, a local government or a public corporation to purchase an option or enter into an agreement to use an existing permit or water right during a declared drought. SB 92 addresses some vague points in that law regarding what these government entities can do and how they can go ahead and purchase water or have a lease agreement.

103 PAGEL: Summarizes testimony in support of SB 92 (Exhibit N). SB 92-A clarifies that Commission approval is necessary before public entities

can enter into agreements for the use of water during drought. The bill also clarifies that users must have water rights for land receiving this replacement water.

137 KIP LOMBARD, Oregon Water Resources Congress: This bill represents a consensus.

154 REP. MARKHAM: Are private corporations allowed to do the same thing?

159 LOMBARD: No, SB 92 doesn't change the restrictions on private corporations.

165 REP. MARKHAM: Why not?

167 LOMBARD: There was concern about being able to administer

different option agreements.

183 PAGEL: Under existing law, the current structure does provide some emergency provisions for individual users. They can apply for emergency drought permits to take water from a different source of water than

their original source. It also allows an expedited transfer process.

190 REP. VanLEEUEWEN: On line 5, why would the Water Resources Commission be able to purchase the option or agreement to use an existing permit or

water right?

196 PAGEL: In their role as holder of an instream water right, this may be necessary if the instream water right is not being served.

212 REP. LUKE: How does the bill affect the Klamath Basin Compact?

216 LOMBARD: SB 92 just addresses the ability of these entities to enter into these types of option agreements in advance of a drought.

244 REP. LUKE: They were against the bill on April 6. Since then you've changed the bill significantly?

246 LOMBARD: Yes, there have been deletions to the bill.

253 REP. FISHER: Why is it necessary to charge a fee for this?

256 PAGEL: This does create an additional workload; but it is an appropriate workload.

266 REP. FISHER: Did this program in actual practice have some problems?

268 PAGEL: At the beginning of the drought last year, there were problems that came up. Many were resolved as time went on. This bill addresses

a problem that couldn't be resolved without a statute change.

280 CHAIR BAUM: Closes public hearing on SB 92-A.

WORK SESSION ON SB 92-A ENGROSSED

282 MOTION: REP. DOMINY: Moves SB 92 - A Engrossed to the floor with a DO PASS recommendation.

291 CHAIR BAUM: Restates motion.

292 VOTE: On a roll call vote, REPS. DELL, DOMINY, HOSTICKA, LUKE, NORRIS, PETERSON, REPINE, VanLEEUEWEN and CHAIR BAUM vote AYE.

REP. FISHER votes NAY. REPS. JOSI and MARKHAM are EXCUSED.

308 CHAIR BAUM: The motion CARRIES.

309 Closes work session on SB 92-A.

PUBLIC HEARING ON SB 675-A ENGROSED

320 CHAIR BAUM: Recesses public hearing on SB 675-A.

PUBLIC HEARING ON SB 535

337 FITCH: Staff Measure Summary, -B5 Amendments, Senate Vote Sheet, Fiscal Impact Statement and Revenue Impact Statement are submitted for the

record (Exhibit O). SB 535 authorizes the State Fish and Wildlife Commission to impose a civil penalty on a person, partnership, corporation, association, municipal corporation, political subdivision or governmental agency who intentionally interferes with, tampers with, damages, destroys, or removes a fish screening or by-pass device.

350 SEN. DICK SPRINGER, District 6: SB 535 was introduced to remedy the deficiency in the existing laws as it relates to the ability of the Fish and Wildlife Commission to impose a civil penalty if a person has

intentionally interfered with, tampered with, destroyed or removed a fish screening device. The -5 amendments insure that we provide proper notice to individuals when their action relating to operation or maintenance of a fish screening device may be contrary to law (Exhibit P).

TAPE 77, SIDE A

034 REP. PETERSON: Why would an individual remove a fish screen?

042 SEN. SPRINGER: Sometimes the screen doesn't work as it should and people take the screen off to get the water they need.

054 REP. PETERSON: Can that problem be solved?

059 SEN. SPRINGER: It's being worked on.

070 ROD INGRAM, Department of Fish and Wildlife: Submits testimony in support of SB 535 - B Engrossed (Exhibit Q). We do have people who work on screening crews.

083 CHAIR BAUM: Are most of these screens landowner maintained, or who takes care of them?

085 INGRAM: There are a cooperative agreements between the regions and the landowners. The larger screens are generally maintained by the

irrigation districts.

094 REP. LUKE: Do you know anything about the 3,000 pounds of fish lost during the Oregon Fish and Wildlife Department monitoring?

100 INGRAM: I'm not aware of that.

108 REP. LUKE: Does the ODFW monitor screens?

113 INGRAM: Fish screens have been around since I've been with this agency. The bill allows for normal maintenance and research activities.

Although if we were in error in what we were doing, we could certainly be held accountable.

127 REP. FISHER: You and I were on a tour last summer with AGRIPAC. They indicated these screens made it difficult for the water to keep going

through. Given the choice of letting your crops dry up or letting fish die, it would be hard to choose in favor of the fish. What assurances do we have that these things will be handled properly?

144 SEN. SPRINGER: I wouldn't try to tell you that this bill will guarantee anything. We need a commitment from the agency as well as the

irrigation district and individual user. It must be a cooperative effort for this to work. I don't think this bill will penalize those people who are making a good faith effort.

166 REP. FISHER: Will the farmer be responsible for vandalism?

167 SEN. SPRINGER: No. The burden of proof on intent is always going to be on the agency seeking the penalty or sanction. My statement of intent

is that a penalty won't be imposed unless it is proven that the person acted intentionally.

200 RICHARD KOESAN, Water for Life: SB 535 has been amended substantially. Language in the amendments dated June 24 are now contained in HB 3295,

which is a bill dealing with the screening of water diversions within the state, which will be dealt with in a conference committee meeting on Thursday. ODFW currently maintains penalty authority, both in terms of the criminal sanctions and civil sanctions for wildlife damage. The criminal sanctions are contained in 496.992. The civil sanctions are contained in 496.705.

239 CHAIR BAUM: Are you in support of the -5 amendments?

244 KOESAN: Spelling out the definition of "intentional" would be helpful. HB 3295 contains these same amendments and would contain duplication if both bills move forward.

260 REP. NORRIS: HB 3295 contains some provisions for financing. I would prefer we back off on this until after the conference committee meeting on Thursday. I think the idea of making room for a civil penalty is a

sound idea.

269 CHAIR BAUM: Why don't we hold over SB 535 until Thursday afternoon?

277 REP. HOSTICKA: If it would be appropriate to have a civil penalty, could that be added by the conference committee to HB 3295?

279 REP. NORRIS: I would rather stick with the original intent of HB 3295.

286 CHAIR BAUM: We can see how that other bill comes out first.

289 Closes public hearing on SB 535-A

PUBLIC HEARING ON SB 675-A ENGROSSED

300 VAN NATTA: Preliminary Staff Measure Summary, Senate Staff Measure Summary, Senate Vote Sheet, Fiscal Impact Statement and Revenue Impact

Statement are submitted for the record (Exhibit R). SB 675 allows farm stands to sell agricultural products from the local area. Restrictions are placed on the stands, and additional dwellings or structures for public activities would not be allowed. Both marginal and non-marginal land counties are covered.

345 REP. MARKHAM: Why does it exclude non-EFU farmland?

353 VAN NATTA: SB 675 says nothing about any forest zones, rural residential areas or any other types of areas.

365 REP. MARKHAM: Why shouldn't we also allow the person to sell Christmas trees off of his forest land?

368 REP. NORRIS: I believe this would be all inclusive because uses allowed in EFU zones are allowed in less restricted areas according to land use laws.

379 SEN. BOB KINTIGH, District 14: Reads testimony in favor of SB 675 (Exhibit S). Submits for the record testimony from Leo Garre (Exhibit

T) and Denny Grande (Exhibit U) in favor of SB 675.

Submits statement of legislative intent agreed to by both LCDC and Sen. Kintigh for the record (Exhibit V).

TAPE 76, SIDE B

036 REP. REPINE: Reads letter from 1000 Friends of Oregon stating they do not oppose SB 675 (Exhibit W).

040 REP. HOSTICKA: How will people know whether or not more than 25% of the gross is an incidental item?

046 SEN. KINTIGH: Sales records could be audited.

051 REP. HOSTICKA: The intent is to sell items grown in the local area, not items of the type grown in the local area so that somebody could import boxes of produce that would compete with local produce?

055 SEN. KINTIGH: That is the intent.

059 REP. DELL: If someone files a complaint, who has the burden of proving the percentage of sales from incidental items do not exceed 25%?

067 DALE BLANTON, Department of Land Conservation and Development: Any complaint about a land use covered by a zoning ordinance would be

investigated by the county. Sales records could be investigated. If the 25% figure was exceeded, it would push the use into the commercial activity in conjunction with farm use category. It would then be a conditional use, requiring a permit process.

088 REP. REPINE: Is it correct that counties could amend their zoning ordinances to allow any of these uses as a commercial activity in

conjunction with farm use?

092 BLANTON: That is correct. Those are conditional uses, rather than outright uses. They are more heavily regulated.

099 REP. FISHER: What is defined as "local area?"

102 BLANTON: That is to be determined by the counties.

119 REP. FISHER: I have some concerns about the bill. A stand is going to have to be able to sell imported products in order to make money.

131 BLANTON: The purpose of the legislation was to free up people in counties that did not allow any sales of farm grown produce. This gives more options to counties. This bill creates a system for three possible types of farm stands. 158 REP. MARKHAM: Will this bill stop stands from importing produce up until the time local produce comes in?

165 BLANTON: No.

186 MAUREEN LARSEN: Reads testimony in favor of SB 675 (Exhibit X).

240 JULIE PITTMAN, Northwest Alpacas Ranch: Gives testimony in favor of SB 675 so that she can sell products made from her alpaca wool.

279 CAROL CLARK, Washington County Visitors Association: Submits resolutions from the Washington County Visitors Association, Oregon

Association of Convention and Visitors Bureaus and the Hillsboro Area Chamber of Commerce supporting the language of SB 675 (Exhibit Y).

301 REP. DELL: Do farm crops include nursery stock?

305 LARSEN: Yes.

330 ARTHUR SCHLACK, Association of Oregon Counties: If this bill passes, there will be three different levels of farm sales available for those

who want to market their produce directly. Supports SB 675.

378 REP. DOMINY: Will this change plans that counties have already developed?

TAPE 77, SIDE B

008 SCHLACK: If a person had received a conditional use permit for commercial activity in conjunction with farming, this legislation would not affect that.

029 CHAIR BAUM: We had a similar provision in HB 3661. Maybe we should look at how that compares to SB 675 before we move the bill.

030 SCHLACK: We were not able to support SB 675 in its original form.

038 REP. DOMINY: I want to make sure that no one who holds a conditional permit today will not be affected by the 25% standard. Is that correct?

040 SCHLACK: I do not see anyone who holds a conditional use permit today being affected by SB 675.

053 REP. FISHER: What is wrong with letting people sell things from their own farm?

061 SCHLACK: That's what this legislation is trying to do; get more activity out in the EFU land. This loosens things up.

089 REP. FISHER: It's a long frustrating process to obtain a conditional use permit.

110 CHAIR BAUM: Closes public hearing on SB 675-A. 113 CHAIR BAUM: At 5:00 recesses meeting until 6:00.

115 Meeting is reconvened at 6:07.

PUBLIC HEARING ON HB 392-A ENGROSSED

117 VAN NATTA: Staff Measure Summary, Senate Vote Sheet, Fiscal

Impact Statement and Revenue Impact Statement are submitted for the record

(Exhibit Z). SB 392 allows the Metropolitan Service District to develop goals and objectives and a regional framework plan for land use planning, subject to compliance with statewide goals.

140 REP. DOMINY: Is there only a metropolitan services district in the Portland area?

145 BURTON WEAST, Special Districts Association: The statute does provide for metropolitan service districts in other areas of the state. A metro service district can only be created by a vote of the people. There is

only one metropolitan service district at the current time.

157 REP. LUKE: It bothers me that we're adding another layer of government.

164 WEAST: Explains background of the bill. Without this bill, Metro can adopt a functional plan but LCDC must agree or there would be conflict. Under the bill, Metro must get agreement with LCDC. This does not

extend any authority to Metro.

216 REP. LUKE: Why are there 300 special districts?

222 WEAST: There are several types of districts to serve special needs.

235 REP. DELL: Can Metro extend its authority by a vote of the people?

242 WEAST: Yes.

261 REP. DELL: What kind of priorities and processes will be used if a city within Metro doesn't agree with what Metro is doing?

273 WEAST: The charter has a series of checks and balances.

305 CHAIR BAUM: Asks Rep. Dell is she is comfortable with the system of checks and balances.

306 REP. DELL: It does bother me.

310 Could you do something through Metro's goals that would be different than what you could already do within Metro based on what's in the

statutes now? If so, how do you deal with that?

316 WEAST: Metro cannot violate state law.

366 The Land Conservation and Development Commission will act upon request of a local government.

392 CHAIR BAUM: Closes public hearing on SB 392-A.

WORK SESSION ON SB 392-A ENGROSSED

400 MOTION: REP. LUKE: Moves SB 392-A Engrossed to the floor with a DO PASS recommendation.

402 CHAIR BAUM: Restates motion.

403 VOTE: On a roll call vote, all members present vote AYE. REPS. MARKHAM, PETERSON and REPINE are EXCUSED.

420 CHAIR BAUM: The motion CARRIES.

402 REP. DELL will carry the bill.

405 CHAIR BAUM: Closes work session on SB 392-A.

TAPE 78, SIDE A

PUBLIC HEARING ON SB 1057-A ENGROSSED

010 VAN NATTA: Staff Measure Summary, Preliminary Staff Measure Summary, Senate Vote Sheet, Fiscal Impact Statement and Revenue Impact Statement are submitted for the record (Exhibit AA). SB 1057-A alters the land

use laws regarding transportation related activities in farming areas.

065 BRIAN GREGOR, Department of Transportation: Explains written testimony in support of SB 1057 (Exhibit BB).

172 These would be additional minor improvements that would be in character with those things already allowed under the farm zone, and those would

be conditional uses.

168 REP. VanLEEuwEN: What if ODOT wants to build a new road through a farm use zone? This bill would give you authority to do it without a land

use change.

176 GREGOR: We could not build a project without getting the approval of the County.

190 CHAIR BAUM: Why the change of language from "roads" to "road?"

193 GREGOR: The reason is because "road" was intended to modify facilities. This language change clarifies that meaning.

215 REP. VanLEEuwEN: Apparently, high speed rail is covered under here?

217 GREGOR: Yes, high speed rail could be covered. This would require that an exception to goal three before any high speed rails could be located.

234 BRENT CURTIS, Association of Oregon County Planning Directors: Summarizes testimony in support of SB 1057 (Exhibit CC).

260 The types of improvements we're talking about are road improvements that require a new alignment.

310 REP. DOMINY: My concern is that the you want to take land for turnouts without going through the LCDC process. Is that correct?

333 GREGOR: A turnout is already allowed in the existing farm zone.

366 REP. DOMINY: Would you be talking about taking a corner off a road to straighten out a road?

371 GREGOR: It could be rounding off a square corner.

380 CURTIS: Now the law doesn't allow that use.

388 CHAIR BAUM: Is this outside the highway right-of-way?

390 GREGOR: Yes.

397 REP. DOMINY: Are you saying you want to use land for roads without going through the hearings process?

TAPE 79, SIDE A

008 GREGOR: The hearings process would remain the same. The standards by which the use was decided upon would change. The basic purpose of the

bill is to just allow it to happen.

022 REP. HOSTICKA: Under the old conditional use you couldn't do things that would result in parcels. This bill says you could do that?

029 GREGOR: Yes.

040 REP. HOSTICKA: Would the process for putting in a four-lane freeway be the same under this bill?

043 GREGOR: The final result would be based on what LCDC rules are.

047 REP. VanLEEUEWEN: Asks for further clarification of the bill.

075 VAN NATTA: Explains the bill and what the different sections apply to.

154 GREGOR: Explains the new language in response to Rep. VanLeeuwen's question.

171 REP. NORRIS: Explains the bill for Rep. VanLeeuwen.

200 CHAIR BAUM: Closes public hearing on SB 1057-A.

WORK SESSION ON SB 1057-A ENGROSSED

237 MOTION: REP. HOSTICKA: Moves SB 1057 - A Engrossed to the floor with a DO PASS recommendation.

240 CHAIR BAUM: Restates motion.

242 VOTE: On a roll call vote, REPS. DELL, FISHER, HOSTICKA, JOSI, LUKE, NORRIS, VanLEEUEWEN and CHAIR BAUM vote AYE. REP. DOMINY votes NAY. REPS. MARKHAM, PETERSON and REPINE are EXCUSED.

253 CHAIR BAUM: The motion CARRIES.

263 REP. HOSTICKA will carry the bill.

265 CHAIR BAUM: Closes work session on SB 1057-A.

PUBLIC HEARING ON SB 11

263 VAN NATTA: Staff Measure Summary, Preliminary Staff Measure Summary, Senate Vote Sheet, Fiscal Impact Statement and Revenue Impact Statement are submitted for the record (Exhibit DD). SB 11 modifies the

Department of Energy's State Home Oil Weatherization program (SHOW). It would allow the Energy Department greater flexibility in allocating money from the Oil-Heated Dwelling Audit Account.

300 MIKE GRAINEY, Department of Energy: Emily Cedarleaf with Multi-family Housing Council also supports the bill. Submits testimony in favor of

SB 11 (Exhibit EE).

318 CHAIR BAUM: Closes public hearing on SB 11.

WORK SESSION ON SB 11

330 REP. LUKE: Where does the money come from?

336 GRAINEY: The funding comes from the petroleum wholesalers. It's an energy supplier assessment that is dedicated to this program.

349 REP. LUKE: The oil heat distributors were in favor of this?

350 GRAINEY: Yes.

352 REP. LUKE: What is the assessment?

353 GRAINEY: About 1/2 cent per gallon of home heating oil.

355 REP. LUKE: Where is the greatest predominance of oil heat in the state? 354 GRAINEY: It is distributed throughout the state; about half in the Portland area and half elsewhere in the state.

360 MOTION: REP. NORRIS: Moves SB 11 to the floor with a DO PASS recommendation.

362 CHAIR BAUM: Restates motion.

365 REP. FISHER: I question whether this is going to save \$2 million worth of fuel each year.

377 REP. LUKE: The greatest waste of energy is in the older homes. Retrofitting homes is the best thing you can do for conservation.

This

is money well spent.

380 VOTE: On a roll call vote, all members present vote AYE.
REPS. MARKHAM, PETERSON and REPINE are EXCUSED.

385 CHAIR BAUM: The motion CARRIES.

386 REP. LUKE will carry the bill.

388 CHAIR BAUM: Closes work session on SB 11.

PUBLIC HEARING ON SB 12-A ENGROSSED

394 VAN NATTA: Staff Measure Summary, Preliminary Staff Measure
Summary, Senate Vote Sheets, Fiscal Impact Statement and Revenue Impact
Statement are submitted for the record (Exhibit FF). SB 12-A
clarifies the

Department of Energy's responsibilities under the Small Scale Energy
Loan Program (SELP). It clarifies SELP's ability to provide financial
assistance in two areas of energy policy, recycling and saving energy in
transportation. It also makes administrative changes meant to improve
program efficiency and effectiveness.

TAPE 78, SIDE B

023 GRAINEY: SB 12 would clarify that recycling projects are
eligible for financing through the loan program. Submits testimony in
support of SB

12, -2 amendments submitted by Northwest Natural Gas which would clarify
that alternative fuel projects would be eligible for financing through
the loan program, and -3 amendments which would include an emergency
clause (Exhibit GG).

042 REP. LUKE: Why is the emergency clause necessary?

043 GRAINEY: Without the emergency clause, the act would not be
effective until this October or November. With the interest of some of
the state

and local motor pools in moving ahead with alternative fuels, we could
have a project ready to go right away.

057 REP. LUKE: Is running on natural gas any more dangerous than
running on gasoline?

058 GEORGE RICHARDSON, Northwest Natural Gas: It functions the same
way as propane in operating a vehicle.

060 REP. LUKE: Is the grant for the conversion of the cars to the
natural gas process?

066 GRAINEY: We're talking about a loan, not a grant. The loan could be for the fueling stations for the alternative fuels, or for the vehicles themselves that are converted to natural gas.

074 RICHARDSON: Northwest Natural Gas is supportive of SB 12 and the proposed amendments.

079 CHAIR BAUM: Closes public hearing on SB 12-A.

WORK SESSION ON SB 12-A ENGROSSED

080 REP. FISHER: Can you convert a fuel injected vehicle to compressed gas fuel?

083 RICHARDSON: Any conventional gasoline engine can be converted to a natural gas vehicle.

096 REP. NORRIS: My owner's manual says methanol shouldn't be used.

100 RICHARDSON: The engine must be modified first.

105 MOTION: REP. HOSTICKA: Moves the -A2 amendments to SB 12.

112 CHAIR BAUM: Restates motion.

113 VOTE: CHAIR BAUM: Hearing no objections, the AMENDMENTS are ADOPTED.

114 MOTION: REP. LUKE: Moves the -A3 amendments to SB 12.

115 CHAIR BAUM: Restates motion.

115 VOTE: CHAIR BAUM: Hearing no objections, the AMENDMENTS are ADOPTED.

116 MOTION: REP. LUKE: Moves SB 12 - A Engrossed, as amended, to the floor with a DO PASS recommendation.

118 CHAIR BAUM: Restates motion.

119 VOTE: On a roll call vote, all members present vote AYE. REPS. MARKHAM, PETERSON and REPINE are EXCUSED.

120 CHAIR BAUM: The motion CARRIES.

121 REP. LUKE will carry the bill.

121 CHAIR BAUM: Closes work session on SB 12.

PUBLIC HEARING ON SB 805 122 FITCH: Staff Measure Summary, Senate Vote Sheet, Fiscal Impact Statement and Revenue Impact Statement are submitted for the record

(Exhibit HH). SB 805 achieves consistency between current statutes and statutes which were amended in 1991 in the omnibus HB 2550. SB 805 further amends irrigation district board of Directors' authority to

exclude lands from the boundaries of an irrigation district approve a petition for exclusion while allowing a district to place conditions on the approval.

141 KIP LOMBARD, Oregon Water Resources Congress: Explains SB 805 . Testifies in favor of SB 805.

221 REP. LUKE: There are a lot of irrigation districts that provide irrigation water in subdivisions.

224 LOMBARD: Yes.

230 CHAIR BAUM: Closes public hearing on SB 805.

WORK SESSION ON SB 805

233 MOTION: REP. NORRIS: Moves SB 805 to the floor with a DO PASS recommendation.

235 CHAIR BAUM: Restates motion.

237 VOTE: On a roll call vote, all members present vote AYE. REPS. MARKHAM, PETERSON and REPINE are EXCUSED.

240 CHAIR BAUM: The motion CARRIES.

243 REP. DOMINY will carry the bill.

245 CHAIR BAUM: Closes work session on SB 805.

PUBLIC HEARING ON SB 1075-A ENGROSSED

250 FITCH: Staff Measure Summary, Senate Vote Sheet, Fiscal Impact Statement and Revenue Impact Statement are submitted for the record

(Exhibit II). SB 1075-A would authorize the state to enter into an interstate compact with the States of California, Idaho and Washington to protect and restore coastal ecosystems of these states to levels that prevent the need for listing native salmonid fish species under federal or state endangered species laws and sustain natural production of these species.

270 SEAN BRENNAN, Coastal Caucus: The Coastal Caucus unanimously supports SB 1075.

280 REP. LUKE: How will these cooperative programs be run?

290 BRENNAN: The interstate agreements will happen first. The compacts can be set up later.

303 REP. LUKE: California has a lot more representatives than Oregon. That should be kept in mind when these agreements are made.

304 BRENNAN: Once the authority is given, there will be some provision for negotiation among the states.

308 CHAIR BAUM: Closes public hearing on SB 1075-A.

WORK SESSION ON SB 1075-A ENGROSSED

312 MOTION: REP. NORRIS: Moves SB 1075-A Engrossed to the floor with a DO PASS recommendation.

315 CHAIR BAUM: Restates motion.

317 VOTE: On a roll call vote, all members present vote AYE. REPS. MARKHAM and PETERSON are EXCUSED.

320 CHAIR BAUM: The motion CARRIES.

325 REP. JOSI will carry the bill.

327 CHAIR BAUM: Closes work session on SB 1075-A.

342 Meeting adjourned at 7:45.

Submitted by:

Reviewed by:

Sue Nichol
Administrator

Kathryn Van Natta Clerk

EXHIBIT LOG:

A - SB 1016 - Testimony - Sen. Joyce Cohen - 6 pages B -
SB 1016 - Testimony - Gail Achterman - 15 pages C - SB 1016 -
Testimony - Mike Grainey - 21 pages D - SB 1016 - Testimony -
Gail Achterman - 2 pages E - SB 1016 - Staff Measure Summary,
Senate Vote Sheet, Fiscal and Revenue Impact Statements - Staff - 4
pages total F - SB 1016 - -A7 Amendments - Staff - 1 page G -
SB 1016 - Testimony - Eric Todderud - 1 page H - HB 2214 - -6
Amendments, Fiscal and Revenue Impact Statements - Staff - 12 pages
total I - SB 908 - Staff Measure Summary, Senate Vote Sheet,
Fiscal and Revenue Impact Statements - Staff - 4 pages total J -
SB 1112-B - -B4 Amendments - Staff - 7 pages total K - SB 1112-B
- -B5 Amendments - Rep. Sowa - 1 page L - SB 1112-B - Amendments
by Water Resources Department - Martha Pagel - 1 page M - SB
92-A - Staff Measure Summary, Senate Vote Sheet, Senate
Amendments, Fiscal and Revenue Impact Statements - Staff - 5 pages total
N - SB 92-A - Testimony - Martha Pagel - 1 page O - SB 535 -
Staff Measure Summary, Senate Vote Sheet, -B5 Amendments, Fiscal and
Revenue Impact Statements - Staff - 6 pages total P - SB 535-B -
Testimony - Sen. Springer - 1 page Q - SB 535-B - Testimony - Rod
Ingram - 1 page R - SB 675-A - Staff Measure Summary,
Preliminary Staff Measure Summary, Senate Vote Sheet, Fiscal and
Revenue Impact Statements - Staff - 4 pages total S - SB 675-A -
Testimony - Sen. Kintigh - 1 page T - SB 675-A - Testimony - Leo
Garre - 2 pages U - SB 675-A - Testimony - Denny Grande - 1 page
V - SB 675 - Legislative Intent Statement - Sen. Kintigh - 1 page
W - SB 675 - Testimony - Blair Batson - 1 page X - SB 675
- Testimony - Maureen Larsen - 10 pages Y - SB 675 - Testimony -
Carol Clark - 4 pages Z - SB 392-A - Staff Measure Summary, Senate
Vote Sheet, Fiscal and Revenue Impact Statements - Staff - 4 pages
total AA - SB 1057 - Staff Measure Summary, Preliminary

Staff Measure Summary, Senate Vote Sheet, Fiscal and Revenue Impact Statements - Staff - 4 pages total BB - SB 1057 - Testimony Brian Gregor - 2 pages CC - SB 1057 - Testimony - Brent Curtis - 1 page DD - SB 11 - Staff Measure Summary, Preliminary Staff Measure Summary, Senate Vote Sheet, Fiscal and Revenue Impact Statements - Staff - 4 pages total EE - SB 11 - Testimony - Mike Grainey FF - SB 12-A - Staff Measure Summary, Preliminary Staff Measure Summary, Senate Vote Sheet, Fiscal and Revenue Impact Statements - Staff - 4 pages total GG - SB 12-A - Testimony - Mike Grainey - 6 pages HH - SB 805 - Staff Measure Summary, Senate Vote Sheet, Fiscal and Revenue Impact Statements - Staff - 3 pages total II - SB 1075-A - Staff Measure Summary, Senate Vote Sheet, Fiscal and Revenue Impact Statements - Staff - 3 pages total