

HOUSE COMMITTEE ON LEGISLATIVE RULES AND REAPPORTIONMENT

June 21, 1991 Room 350 3:30 p.m. Tapes 59 - 61

MEMBERS PRESENT: Rep. Greg Walden, Chair Rep. Peter Courtney,
Vice-Chair Rep. Ray Baum Rep. Margaret Carter Rep. Ron Cease Rep.
Beverly Clarno Rep. Carl Hosticka Rep. Fred Parkinson Rep. Bill Markham
Rep. Tom Mason Rep. Randy Miller

STAFF PRESENT: Greg Leo, Committee Administrator Carol Wilder,
Committee Assistant

MEASURES
968 PH SB 1163 PH

SCR 12 PH & WS CONSIDERED:

SB

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 59, SIDE A

007 CHAIR WALDEN: Calls the meeting to order at 3:50 p.m. and opens a
public hearing and work session on SCR 12.

(Tape 59, Side A) SCR 12 - COMMENDING MEMBERS OF OREGON NATIONAL GUARD
AND OTHER OREGONIANS IN MILITARY FORCES FOR THEIR DEDICATED AND
PROFESSIONAL SERVICE DURING OPERATIONS DESERT SHIELD AND DESERT STORM. -
PUBLIC HEARING AND WORK SESSION.

The Preliminary Staff Measure Summary is hereby made a part of these
minutes (EXHIBIT A).

007 CHAIR WALDEN: SCR 12 commends and thanks the men and women of the
Oregon National Guard and those Oregonians in every branch of the armed
forces who dedicated service to community and country. Specifically,
the bill honors those called to active duty during Operation Desert
Shield and Operation Desert Storm.

012 MOTION: REP. COURTNEY moves that SCR 12 be sent to the Floor with
the recommendation that it BE ADOPTED.

014 VOTE: In a roll call vote, all members present vote AYE. REPS.
CARTER,

CEASE, MASON and MILLER are EXCUSED.

017 CHAIR WALDEN declares the motion ADOPTED. REP. COURTNEY will lead
discussion on the Floor.

025 CHAIR WALDEN opens a public hearing on SB 968.

(Tape 59, Side A) SB 968 - ESTABLISHES FORMULA FOR STATE COMPENSATION TO
ELIGIBLE CITIES OR DISTRICTS FOR POLICE AND FIRE PROTECTION OF STATE
PROPERTY. - PUBLIC HEARING

Witnesses: Floyd Pittard, Oregon Fire District Directors Association,
Oregon Fire Chiefs Association and Tualatin Valley Fire and Rescue David
M. Anderson, Polk County Fire District No. 1 Senator Tricia Smith Jim
Herzog, Monmouth City Council B. J. Smith, League of Oregon Cities Jack
Kennedy, City of Corvallis Tim Markwell, Senator Trow

The Senate Staff Measure Summary and Legislative Fiscal Analysis are hereby made a part of these minutes (EXHIBIT B).

033 CHAIR WALDEN: SB 968 establishes a process by which the state would compensate certain cities or districts that provide police and or fire protection for state property.

036 FLOYD PITTARD, Oregon Fire District Directors Association, the Oregon Fire Chiefs Association and Tualatin Valley Fire and Rescue: I would like to bring to your attention three of the many state properties that are at risk in Oregon and are protected by local fire departments: the penitentiary in Pendleton, Dammasch State Hospital in Wilsonville, and the Callahan Center which is empty. Idle and empty buildings are the most at risk for fire. We will respond, but we do not receive compensation. We believe taxpayers who are supporting our fire districts are subsidizing the protection of state facilities, not only in our fire district, but around the state as well.

Over 50 percent of the property in Oregon is not taxed. I think that would be a good starting place to cure taxation problems. This bill is proposed to be funded with \$1 in General Fund moneys. That is not to say when the time is right and funds are available we would come back and ask for compensation for this protection. The Fire Districts Directors and the Fire Chiefs and my department have faith in the democratic process and we expect some common sense to prevail in the future. We hope you will pass this bill and give us the opportunity in the future to better protect the state by being compensation for that protection.

092 DAVID M. ANDERSON, Assistant Fire Chief, Polk County Fire District No. 1, submits and reads a prepared statement in support of SB 968 (EXHIBIT C).

114 SENATOR TRICIA SMITH, District 17, Salem-Keizer: I am here in support of SB 968. My district is severely, in a positive and negative way, affected by the presence of the State of Oregon. Twenty-six percent of the property in Salem is owned by the state. Much of our fire protection and our other emergency services is funded at a level adequate to protect the state property and is at a much higher level than would be necessary if the State were not here. Many aspects of our emergency services are at risk as a result of Measure 5. In my opinion the State investment in its buildings and property is also at risk, not only in Salem but in other communities as well.

This bill doesn't fund the services in the next biennium. We all recognize there isn't enough money for new programs or ideas. But it puts us down the road a little ways so when we do have a stable funding source for the state, then we can look seriously at assisting local governments in protecting the property that all the residents of Oregon own.

160 REP. CARTER: I think it is important we try to do the partnership arrangement, but I also believe the basic services should be provided by those who use them.

190 JIM HERZOG, President, Monmouth City Council: I think the issues are clear. We have heard the impact of state government on several cities. I think there is probably no bigger impact than that which exists in Monmouth where 45 percent of our valuation is associated with Western Oregon State College.

In the past, the citizens of Monmouth have paid for the services which are enjoyed by Western Oregon State College. The high tax rates have affected our citizens. The impact of Measure 5 is making it increasingly more difficult for us to provide those services. In the future, it will be impossible to provide those levels of services. We believe this legislation addresses a very important problem. It would provide some equity and fairness to a system in which the smaller cities are asked to provide a disproportionate amount of their taxing ability for services

to the state.

220 CHAIR WALDEN: If Western Oregon College were closed, what kind of impact would that have on your community?

222 MR. HERZOG: If Western Oregon closes, there will be no community in Monmouth.

A prepared statement submitted by Stan Kenyon, City Manager, City of Monmouth is hereby made a part of these minutes (EXHIBIT D).

224 B. J. SMITH, League of Oregon Cities: We think this is a fair matter. The bill deals with the policy and we are suggesting the state has some responsibility in taking of a proportionate share of police and fire in those communities that have state institutions. This policy would only come into play if there was over \$10 million of assessed value in a community. It doesn't come into play unless there are significant state properties. The policy is a framework which we think is uniform and fair to take care of police and fire. There is no mandate. It speaks to the fact that on the facts and circumstances in a given year for those districts and cities that provide services that they should have the ability to come to the Legislature and suggest there be a budget level appropriated. It doesn't mandate that the budget level is at 100 percent of the compensable amount or that it be at 10 percent of the compensable amount.

258 CHAIR WALDEN: Do you have a list of the cities or communities that would qualify?

259 MS. SMITH: There are probably about 12 cities or districts.

Issues discussed: >Impact on smaller communities. >Future financing and funding. >University of Oregon does pay City of Eugene some amount of money and would not be affected by this bill.

361 JACK KENNEDY, Fire Chief, City of Corvallis: A lot of what I wanted to say about the impact on the city has already been said. The OSU campus is valued in excess of \$450 million-- close to \$500 million in property value. That is about 40 percent of the total assessed value in the city. The OSU campus is the greatest fire protection risk we have. It requires not only expensive equipment, but also requires a great deal of our personnel to provide that protection. We urge you to favorably consider SB 968. We feel it is time to look at it and consider what the real costs of providing services are.

403 REP. CARTER: Has there been a study of the costs?

403 CHAIR WALDEN: The Legislative Fiscal office suggests that if service contracts were fully funded, the cost is estimated at \$12.7 million for Portland, Salem, and Eugene only. That is based on the 1991 fiscal year budget for these three cities, the latest property tax values in the cities as reported by General Services, Risk Management Division. Nine additional cities could request contracts for police and fire services for state property.

426 TIM MARKWELL, Legislative Assistant to Senator Trow: Senator Trow was hoping he could come up, but he is carrying a bill on the Senate Floor. Senator Trow has sponsored this type of legislation since 1975. He feels now, as he felt then, that it is very fair and equitable to give some of the money back to the counties and cities. In light of Ballot Measure 5, he feels that counties and cities as well as the state are getting less and less money and this is a mechanism which will give some of that money back.

TAPE 60, SIDE A

Senator Trow wanted me to add that this bill passed the Senate unanimously, 29-0. He asks that you have a work session on the bill and pass it to the House Floor.

008 REP. CARTER: Did you anticipate the total cost of this?

012 MR. MARKWELL: I have heard estimates of \$20 million.

012 REP. CARTER: Have there been conversations in terms of an approach on how it is going to be done or how the cities would apply for the funds that we don't have.

016 MR. MARKWELL: I am not sure, but I can get someone to answer the question.

023 B. J. SMITH: Several studies have been done. One was done in the late 1970's in the City of Salem. I think there are problems with estimates because state properties don't have assessed values as other properties do because they don't pay property taxes. I think the frustrations of the fire districts and police chiefs are that we have not been able at this time to get a policy in place that even says there is a partnership. I expect there will be much that will be needed to be done to look at the value of those properties before legitimate applications are put on the table by cities in two or four years.

059 CHAIR WALDEN closes the public hearing on SB 968 and opens a public hearing on SB 1163.

(Tape 60, Side A) SB 1163 - DECLARES EXISTENCE OF EMERGENCY FOR PURPOSE OF RESTORING OREGON'S FISHERY RESOURCES. PUBLIC HEARING

Witnesses: Rep. Chuck Norris Tom Simmons, Water Watch Bob Hunter, Attorney and member of Board of Directors of Water Watch Kip Lombard, Oregon Water Resources Congress Tim O'Connor, League of Oregon Cities Burton Weast, Special Districts Association of Oregon Beverly Hayes, Water Resources Department Becky Kreag, Water Resources Department Ted Hughes, Oregon Association of Nurserymen Jerry Schmidt, Oregon Association of Realtors Bob Hall, Portland General Electric

The Senate Staff Measure Summary and Legislative Fiscal Analysis are hereby made a part of these minutes (EXHIBIT E).

067 REP. CHUCK NORRIS: SB 1163 goes back to the last interim during which Water Watch developed LC 1351. It was viewed then and is still viewed by some to be a problem for some of the irrigation community and others who appropriate water. The attitudes on this bill have ranged from support to neutrality to strong opposition. Any water bill we have dealt with this session usually runs that spectrum and that merely reflects how emotional the water issue is. I think the people who have worked so long and hard deserve a hearing on the bill.

The amendments that evolved since the bill went through the Senate (EXHIBIT F) include the incorporation of seven House bills that have never seen the light of day in the other end of the shop. They represent a cooperative effort from most of the players in this game, principally Water Watch and Oregon Water Resources Congress.

117 REP. HOSTICKA: This is a comprehensive bill. In your judgement, does it all hold together in one piece, or is it a collection of pieces?

120 REP. NORRIS: I think everything in it relates to water.

133 TOM SIMMONS, Water Watch, introduces Bob Hunter, Attorney for Water Watch. This bill has had a tremendous amount of negotiations over amendments. Before it went to the Senate, the bill was worked on for several months by the parties that engaged in the negotiations and the drafting. After it passed the Senate there have been extensive amendments to it, particularly for some of the bills that originated in the House and did not get past the Senate. The bill has a subsequent referral to Ways and Means. It originated last Legislative session as HB 3203. That bill did not get acted on because of the fiscal impact; it died in Ways and Means.

It is a comprehensive bill and it holds together. It is all interrelated. Bob Hunter who did most of the drafting on the bill will

give the details.

160 CHAIR WALDEN: Have you had a chance to review the SB 1163-A8 amendments that are being presented today for the committee's consideration?

161 MR. SIMMONS: I have not seen those but I am aware of what is in it. We are supportive of the amendments.

167 BOB HUNTER, Attorney, and member of the Board of Directors of Water Watch: I have participated in drafting this bill and in the discussion and drafting of the amendments. I think the bill is about water management. I think the bill acknowledges that water is a finite and valuable resource and there are a lot of competing interest and users of that resources and that all users of that resource would benefit from good water management and conservation practices. I think it also sets forth a good foundation for streamflow restoration and conservation while still respecting the integrity of the existing water rights system. I think it also gives incentives for farmers and fishermen to work together and cooperate to manage and conserve the resource. I think because the way existing laws are, there is very little incentive for that cooperation. I think this bill goes a long way in setting forth a sound foundation for doing that. I think it is good policy, has a good process and it is fair.

194 >Section 4 (in the hand-engrossed bill (EXHIBIT G) sets forth findings. Section 4 2(a) and (b) requires the Strategic Water Management Group to develop and adopt a statewide streamflow, restoration and water conservation plan and also to develop a coordinated response and proposal to listing of any aquatic species that are threatened or endangered. We have also integrated into the findings HB 3373 which acknowledges and sets forth the importance to do future planning.

>Section 5 allows the Strategic Water Management Group to create river basin authorities in each river basin of the state. >Section 7 puts some requirements on the Water Resources Commission. It requires the commission to promote the development of the basin and subbasin implementation plans and to carry out the statewide Streamflow Restoration and Water Conservation Plan. It also requires all water right holders to reduce waste to a minimum. >Section 8 is being amended to say any group of ten persons or more, association, corporation or organization having not less than 10 members may maintain an action to enforce and prohibit violation of this act and the water laws. As an attorney, I would say there are other disincentives to filing a frivolous lawsuit. Lawsuits are expensive and people don't want to get into the process unless there is a good reason to and there are some other statutory provisions that have some penalties and can assess attorney fees if people are bringing frivolous lawsuits. The remedies for enforcing the law would be to obtain conjunctive relief and there is the ability to recover the fines. There is also a notice process before you can get into court. There is an attorney fee provision which has been amended to clarify that there would only be recovery against the state of Oregon if an action is successfully brought against it, but there would be a recovery against individuals. Section 8a sets forth civil penalties for violating conditions of permits and certificates and for false reporting under the law. Section 9 incorporates HB 2677 into this bill. Section 10, 10a, 10b and 10c deal with the instream water right process. It addresses some concerns with that process that farmers and fisheries people have had. Section 12 is a catchall section that deals with priority dates of instream water rights that are obtained through conversion of water recovered from waste and conserved water. Section 13 amends ORS 537.160 that deals with the granting of a permit to acquire a new water right.

TAPE 59, SIDE B

039 Section 13a incorporates HB 2191. HB 2191 was a bill that was put forth by the Water Resources Department to clarify and establish the process for reservation of water for economic interests. It allows for the reservation of water for storage and by having it tied up, it will put people in a better position to go forth and look for federal funding

for storage projects. Section 13h deletes the definition of conservation and conserved water in our conservation statute. There are new definitions in the definition section of this bill. Sections 14, 15, 16, and 16b deal with the conservation policy statute we now have. The statute now allows somebody to make a proposal for a conservation plan and then get some benefits from that conserved water for him/herself and instream. The problem with the existing law is it is all based on a concept of only being able to recover water which is irretrievably lost, which is almost impossible to measure. The new definitions for conservation and conserved water makes it easy to calculate the amount of water. This process lays the foundation where there isn't now a lot of incentive for an individual to use due conservation. 092 Section 18 gets into the transfer statute. We have incorporated HB 3390 into it. In HB 3390 we are doing it for the private individual. In another section, we are doing it for irrigation districts. There is a need in agricultural practices and management to rotate crops from one parcel to another parcel from time to time. Water rights, however, are given for a specific use in a specific place. This section, and the section for irrigation districts will make it much easier for individuals and irrigation districts to move the water around to different land for rotation purposes while having a process to make sure others aren't injured. 111 Section 19 creates a process in 19b which says in certain situations, outside of the exceptions, if these transfers are going to occur, this is a good time to rectify some of the instream flow problems. At the same time it facilitates transfers. We now guarantee that 25 percent of the water will be allowed to be transferred as requested by the applicant, 25 percent will go back instream with the priority date of the water right and there is 50 percent available to mitigate for adverse impacts on other water users if it is necessary. If the water isn't necessary to mitigate, it gets split 50-50, too.

Issue discussed: >Transfers of ownerships of lands with water rights.

173 MR. HUNTER: Section 21 contains an amendment to the forfeiture statute. The notice procedure has not been changed. The user would still have some opportunity for a hearing to show that the water was not abandoned and should not be canceled.

191 Issues discussed: >Assurance that water right holder is notified prior to cancellation.

214 MR. HUNTER: I will defer explanation of other sections to Mr. Lombard because they deal with many of the irrigation district issues which they wanted to have addressed.

219 KIP LOMBARD, Oregon Water Resources Congress: Mr. Hunter has given a fair walk through of specific provisions of the bill as we have agreed we would like to have it amended. We have reached this point in negotiations. My recommendation to my clients is going to be that if the amendments are accepted and adopted, that they support the measure. However, I need to communicate that to my clients.

253 I can only speak to hand-engrossed SB 1163 (EXHIBIT G) which embodies the amendments we have agreed on. There are some substantive changes to the bill that passed the Senate and the bill embodies the seven House bills that we agreed to plug in.

Section 7 requires the commission to require that water users minimize waste and there is a provision for conversion of waste. I think the commission today could legally regulate waste. I don't think this adds a great deal of new to the law.

TAPE 60, SIDE B

046 SB 1163, with the amendments in the hand-engrossed bill represents the concurrence of Water Watch and the Oregon Water Resources Congress. It does not represent, to my knowledge, the concurrence of anybody else unless they express that to you. There is not unanimity in the agriculture community about this measure.

066 One of the more controversial aspects of the bill is the citizens'

private right of action. In the federal laws today, there are many provisions for citizens action, for private rights of action. In our negotiation on this issue, we have tried to put in provisions to discourage frivolous actions against individuals, so we can allow them administrative process to run its course and so only as a resort should citizens have to resort to private rights of action under the bill. I feel we have accomplished that with the amendments in the hand-engrossed bill.

086 We have incorporated HB 2677 into the bill in Section 9. Under the current instream water rights law, state agencies applying for water rights make their application, the commission examines the issue, people can file protests and request a public hearing, the commission may or may not grant the public hearing. Under its administrative rules, the commission grants public hearings in very few instances.

Agriculture's biggest complaint in the current instream water rights law is that it does not have time or an opportunity to question the flows and methodology that are submitted by the resource agencies. I feel the new procedure in this bill is a substantial improvement and has something for both agriculture and the instream water rights folks because it takes the procedure back to what is akin to the existing consumptive water user procedures and it would give the agencies a permit up front and give the agencies an initial five-year time period to confirm their requests, methodology and allow people to object or raise questions or request a public hearing on those issues.

113 Section 13 would direct the commission to deny applications for permits where a stream is already over appropriated. That is in the administrative rules today. Objections have been raised about the provision in Section 13 that would say if an individual applies and it would result in a violation of the water quality standard, it could be used and abused. Possibly, it could. But the water quality issues are probably beyond our control anyway.

Mr. Hunter mentioned in Section 13a through 13g the incorporation of HB 219 1 which clarifies the reservation process that was originally made available under the instream water rights law which allows a state agency to make application to reserve water for future economic development. We feel this is a necessary piece of legislation; it has already passed the House.

140 Mr. Hunter mentioned Sections 14 and 15 on conservation. This is another area where we feel there is a great improvement from current law. The present law doesn't work. In 1987 when the law was enacted, there was unanimous support for it from the agriculture community and the environmental community. The reason it didn't work was because we defined that water which would be available too narrowly as being that water which is irretrievably lost.

Anybody can do a conservation measure today. The water you save is going to stay in the stream and you can't use it anywhere else. This is a permissive process that would allow an individual who does a conservation project and can identify a volume of conserved water to go in and request allocation of that and actually take some of the water and move it elsewhere, sell it, lease it or apply it to other lands. The allocation under this law is different than the 1987 law. We are talking of a 50-50 allocation but of a greater amount of water.

164 Under Sections 19 and 20, the transfer provisions would say that for certain types of transfers part of the water would go back instream. The theory behind this is the types of transfers that get into the arena of water marketing where water is not going to be moved by farmer Jones from field A to field B, but is going to be bought and sold on the market to others. Under the bill, you will have to share some of that with the state.

178 Mr. Hunter deferred explanation of the remainder of the bill beginning at Section 23 to me. The Oregon Water Resources Congress originally introduced SB 1129 which provides for some district management options we felt would improve the ability of irrigation

districts to manage and deliver their water. One of the problems districts have is most water permits and certificates are in the name of the districts, but the land is not owned by the districts. So a water user can at her/his option or will apply water to their land or not. They can not apply water for five years and the district loses the water right. Sections 23 - 27 and 31 in the bill allow districts, when they see a user about to lose a water right on the user's land, to transfer the water elsewhere and not lose the water right.

196 Section 29 of the bill deals with the rotation process. Today, to transfer the water legally from the front 20 acres to the back 20 acres, they have to go through a time-consuming, expensive transfer process. It only makes sense in today's agriculture to allow the rotation in a simplified process. That is what the amendment to Section 29 would do.

204 In 1989, the Legislature passed HB 3111 which would give irrigation districts the opportunity to remap their districts and file the maps with the department to show where water is actually being applied. The deadline is July 1, 1992 under that law. Most districts are finding that will be squeezing time to be able to accomplish that. The amendments in Sections 32 and 33 would allow an extension of that due date to July 1, 1993.

216 We have added to the end of the bill HB 2926 which changes the voting requirements in irrigation districts and changes the authorization of irrigation districts and drainage districts as to what purposes they can provide water and makes provisions for irrigation districts to go in and repair and maintain private ditches where the private ditch owner has refused to do so.

Also incorporated is HB 2335 which expands the authority of a drainage district in a 5-5-4 water corporation to deliver water from municipal and industrial purposes.

HB 3389 relating to storage ponds is incorporated into the bill.

230 Issues discussed: >Grandfathering of small storage ponds is deleted. >Seasonal water source is changed to July 1 through September 30. >Fees were changed. >Permit and certificate process allows the resource agencies to file requests on preliminary information and get in line earlier and go through the process better than they do today. >Review provisions are changed in Section 10(c). >The 1987 legislation opened the door for water marketing; it is not addressed in SB 1163.

TAPE 61, SIDE A

013 TOM O'CONNOR, League of Oregon Cities: The League of Oregon Cities endorses SB 1163 as amended. We have been working with Water Watch on some additional amendments dealing with Section 8, the private right of action and have reached an agreement. Based on that discussion, the League would support SB 1163.

036 BURTON WEAST, Special Districts Association of Oregon: We are also municipal water suppliers. We were involved with this bill many months before the session and during the session. This morning a committee of municipal water suppliers met. We reviewed the bill in detail and it was their decision that with the amendments that Tom mentioned they no longer have objections to this bill. We had offered amendments which were accepted by Water Watch and have no objection to the bill. The reason I don't say we support it is because this has taken place in the last six hours and I have had no opportunity to take that to our Legislative Committee or board, but all their objections were met and we believe the bill now will be in the interest of municipal water suppliers in Oregon.

054 REP. HOSTICKA: Are the amendments mentioned by Mr. O'Connor available.

MR. O'CONNOR: We do not have them in writing from Legislative Counsel.

061 BEVERLY HAYES, Water Resources Department: We will be offering testimony on the bill that passed the Senate. We did receive a marked up, amended copy from the Water Resources Congress yesterday. Our commission has not had an opportunity to review it. Our cursory review suggests that the amendments improve the bill. We do see some areas that may concern us, however and feel it is hard to judge the impact until we do have a final LC draft for review. We would like to do that later.

070 The amended draft includes language from several bills that passed the House but remain in Senate Water. We do have concerns about language from HB 3389 which would exempt pond owners from the need to apply for water rights. Some of our concerns have been taken care of in the new draft. We would like the opportunity to review the new draft. We feel both versions that we have reviewed show a great deal of work by those interested. The bill embodies many concepts supported by our commission. In discussions with the Natural Resources Subcommittee in Ways and Means on budget add-backs, (we asked that) our decision package on streamflow restoration be given top consideration if they are thinking about adding anything to our budget.

092 MS. HAYES introduces Becky Kreag, Deputy Director, Resource Management.

095 BECKY KREAG, Deputy Director, Resources Management, Water Resources Department reviews SB 1163 as it passed the Senate: >Stream flow restoration and water conservation are relatively new activities for the department and commission and have been high priorities, but they have limited resources dedicated to them.

>Department worked with the Interim Water Policy Committee on stream restoration for funding proposals and legislation and received E-Board funds for stream restoration project on the Middle Fork of the John Day basin. >Submits copies of "Stream Restoration Program for the Middle Fork Subbasin of the John Day River," Oregon Water Resources Department, Canyon City, Oregon, May 1991 (EXHIBIT H). >SB 1163 A-Engrossed will provide stronger policy direction from the Legislature and add important tools to the department and state in achieving adequate streamflow, instream uses and prompting greater efficiency in water use. >Costs of proposal are deferred to future biennia. The department and Strategic Water Management Group are directed by the last page of the law to develop a funding proposal to address the needs and arrive at the funding of stream restoration and water conservation activities.

137 Issues discussed: >Department has identified immediate costs of about four FTE to carry out the immediate work. The total minimum cost to carry out this bill is \$4.5 million. >Fiscal impact of bills added to SB 1163 would have to be added in.

157 MS. KRAEG: The Water Resources Commission, by and large, supported SB 116 3 A- Engrossed. There were, however, three areas of concern: >The definition of "conserved water." >The citizen's suit provisions. >The water bank.

276 TED HUGHES, Oregon Association of Nurserymen: >Fifty nurserymen have reviewed the bill. Too many questions are unanswered. Does this apply only to surface water and not well water? >The nurserymen industry will not be able to reach consensus on this bill and will oppose it totally.

353 JERRY SCHMIDT, Oregon Association of Realtors: This is being sent to the OAR Legislative Committee. They have not had a chance to digest the bill with the amendments. One of the main hangups that our group had was Section 8 which dealt with the suit section. I know that section would still be a big concern to our membership.

394 BOB HALL, Portland General Electric: We have been following this bill since its inception. We were opposed to the bill as it came from the Senate for its impact on hydros. It has been drastically amended. I think we are in a position where we no longer oppose the bill. There are still some questions. Generally speaking, we withdraw our opposition.

421 CHAIR WALDEN closes the public hearing on SB 1163 and declares the meeting adjourned at 6:10 p.m.

Transcribed and submitted by,

Annetta Mullins Assistant

EXHIBIT SUMMARY

A -SCR 12, Preliminary Staff Measure Summary, staff B -SB 968, Senate Staff Measure Summary, staff C -SB 968, prepared statement, David Anderson D -SB 968, prepared statement, Stan Kenyon E -SB 1163, Senate Staff Measure Summary and Legislative Fiscal Analysis, staff F -SB 1163, SB 1163-A8 amendments, Hunter G -SB 1163, hand-engrossed SB 1163 including SB 1163-A8 amendments, Kip Lombard H -SB 1163, report "Stream Restoration Program for the Middle Fork Subbasin of the John Day River," Oregon Water Resources Department, Canyon City, Oregon, May 1991, Bev Hayes