



Marion County
OREGON

Board of Commissioners

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May 6, 2015

**BOARD OF
COMMISSIONERS**

Senator Fred Girod, Co-Chair
Senator Peter Courtney
Ways and Means Subcommittee on Capital Construction
900 Court Street NE, Room H-178
Salem, OR 97301

Sam Brentano
Janet Carlson
Kevin Cameron

RE: Support HB 5005 and HB 5030 - Water Resources Department Bonding Requests

**CHIEF
ADMINISTRATIVE
OFFICER**

Dear Senators Girod and Courtney:

John Lattimer

On Friday, May 8, your Capital Construction Subcommittee will hear testimony on House Bill 5005, the Water Resources Department (WRD) General Obligation Bonding request: Package #120 recapitalizes the Water Development Loan Fund using \$30 million of dedicated General Obligation Bonds for the purposes of financing water development projects. Funds are only issued after a project is identified and an agreement is signed for repayment by the borrower. Cost of issuance and debt service is \$1.7 million. This fund is used for a wide range of projects and provides a different tool from the Water Supply Development Program adopted in 2013. The ground-breaking Umatilla Basin project will need a mix of grants and loans, so this loan program is immediately useful and important.

On Friday, May 15, your subcommittee will receive testimony on HB 5030, three Lottery Bond requests, critically important for progress at the local level for water planning, support, and project funding under the locally-driven processes of the State Integrated Water Resources Strategy (August 2012).

- Package #106 provides grant funds for feasibility studies for counties and communities to develop water storage, reuse, and conservation projects. WRD currently has \$750,000 in its base budget for such studies. This package would add an additional \$2 million for SB 1069 (2008) feasibility study grants, and add staffing capacity (.75 FTE; currently at .25 FTE) to administer and oversee the grant program. Cost of issuance and debt service is \$150,000.

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- Package #113 funds projects that grow the water supply of the state which is the objective of these WRD requests. Water is essential for economic growth, environmental health, and the welfare of all Oregonians. This package recapitalizes the Water Supply Development Account (established by SB 839 in 2013) and the Water Supply Fund. This includes \$17.25 million for grants and loans for water projects, as well as a position to administer and oversee grants and loans (\$187K GF). Cost of issuance and debt service is \$1.3 million.
- Package #115 supports Place-Based Planning and project development. Counties need this technical assistance to convene communities of interest and successfully develop place-based integrated water resources plans that will identify how we will meet our current and future out-of-stream and instream water needs. This package includes \$750,000 for *grants* to help communities who wish to proceed. It would allow the state to proactively work with communities to identify, evaluate, and develop water resources solutions. This request would expand the WRD water supply team by 6 FTE (\$1.2 million GF), adding a water supply project manager, water supply engineer, finance analyst, water supply technical coordinator, and two place-based planning coordinators. Cost of issuance and debt service is \$56,000.

As climate temperatures increase, power for cooling and water will become critical. This is an opportunity to make more water available when we truly need it. Please support these bonding requests to ensure resources are wisely invested for Oregon's future. Thank you for your consideration.

Sincerely,



Samuel A. Brentano
Marion County Commissioner