



Oregon  
Environmental  
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**Testimony before the Joint Ways and Means Capital Construction Subcommittee  
on HB 5005  
May 8, 2015**

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Oregon Environmental Council**

Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative solutions to Oregon's environmental challenges for today and future generations.

OEC is concerned about the approximately \$30 Million GO Bond package proposed for the Oregon Water Resources Department. This would recapitalize the Water Development Loan Fund. This is a defunct fund, with no environmental sideboards on it, which resulted in loan defaults and has not been used for decades. A diverse group of stakeholders has been working to develop a collaborative approach to funding 21<sup>st</sup> Century water projects that provide environmental, social, and economic benefits via the Water Supply Development Fund, which was established in SB 839 in 2013 and will include grants and loans. Just last month an advisory committee completed the work of drafting rules to administer that fund, and they are currently out for public comment.

Recapitalizing this old loan fund would create a system wherein the state has at least two different funding vehicles for similar types of water supply projects: one that has environmental protections such as ensuring that when the state invests in storage projects, they are only projects that maintain some natural variability in stream flows to provide critical ecological and hydrologic functions, and this old fund that does not. The SB 839 work group has agreed to the mantra of "no crappy projects." Simply put, we need to ensure that this loan fund does not become the "crappy projects fund."

Public dollars are limited, and they should be used wisely. We urge you to give careful consideration to the approach Oregon takes to funding water development projects, ensuring that it reflects modern policy and science regarding balanced water management.