



Oregon

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February 24, 2016

**To: Representative Greg Smith, Co-Chair
Senator Elizabeth Steiner Hayward, Co-Chair
Joint Committee on Ways and Means Subcommittee on General Government**

HB 4012A

Meta Loftsgaarden, Executive Director

The Oregon Watershed Enhancement Board (OWEB) appreciates the opportunity to comment on HB 4012A which would establish a lottery bond financed Water Quality Monitoring Fund at OWEB to conduct or fund water quality monitoring related to the removal of dams and to reimburse local governments for expenses incurred through water quality monitoring related to the removal of dams.

The mission of OWEB is to help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies. The primary mechanism to meet this mission is through OWEB's grant program which supports local community organizations to implement, track and monitor science-based projects to restore land, water and fish and wildlife habitat, while providing jobs in Oregon.

HB 4012A would provide proceeds from lottery bonds to develop a Water Quality Monitoring Fund that would be used for water quality monitoring related to the removal of dams. OWEB's existing grant program already allows for these types of grants. Water quality monitoring can be proposed by a grant applicant, either associated with a restoration project or as an independent monitoring effort.

OWEB anticipates that HB 4012A would have a fiscal impact to the agency as the development of the grant program rulemaking would be required, as while OWEB can already fund these project types, 1) this is a new program with a new funding source, outside of OWEB's Ballot Measure 76 statutes; and 2) special provisions and criteria would need to be established to reimburse local governments for expenses already incurred through water quality monitoring or analysis. Of particular concern is how to conduct a robust review of grant proposals requesting funding for a water quality study that has already begun. Effective water quality studies require the development of a study design that is well-vetted and ensures high quality data collection and analysis.

OWEB understands that the underlying issue with HB 4012A is related to reimbursing expenditures made by Josephine County last year to initiate water quality monitoring related to a dam removal that occurred upstream in Jackson County. OWEB has investigated if there is a mechanism in place that would allow for reimbursement to Josephine County for these expenses. While OWEB runs a grant program that could potentially cover associated costs, OWEB grants cannot retroactively reimburse entities for costs that were not part of a grant proposal or that are incurred prior to the grant award date. OWEB has looked into other potential sources of funding that would retroactively pay for water quality monitoring done at the local level and are unable to find an available funding source. Retroactive reimbursement in this case presents an additional challenge in that there was no opportunity for technical review to ensure costs were appropriate for the funding source. As previously noted, this would be a challenge for any program that provides for retroactive reimbursement.

We look forward to working with the bill proponents and members of the legislature on the issue of water quality and dam removal. Thank you for your consideration.

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