HB's 2705, 2706, & 2707 Steps to Solve Water Resource Issues
Testimony for House Energy and Environment Committee – Gerritt Rosenthal – 3.22.2017

We support each of the bills before you today. Together these bills address critical needs in water management statewide, with particular application to groundwater.

Recent articles in the Oregonian and other papers identified the fact the Oregon Water Resources Department lacks sufficient resources to address some long outstanding needs for data acquisition and resource management. These bills will help us respond to several key concerns including unpredictable water supply condition (climate), increasing demand, budget constraints, and equity and fairness.

Regarding supply, although this year does not present limitations, we have recently experienced extreme droughts in the face of increasing water use demands in agricultural areas. We cannot plan for these changes without adequate data on both existing resources and existing uses. This takes consistent monitoring of water use permits and should be the responsibility of the end users.

Regarding fairness, we note that where water districts serve primarily urban areas, the local users are expected to pay the cost of developing their water supplyHow is it fair that the Oregon's urban users pay for this development when rural users do little to fund the studies that can ensure reliable long-term supply for those benefiting from this water?

Regarding budgets, Oregon is facing an extreme deficit and our schools and social services have been cut to the bone. Is it too much to ask that agricultural and rural water users to fund a portion of the cost of managing the resource from which they benefit? Availability of water in Washington County, for example, can increase the property value by approximately $3,800 per acre. For a 10,000-acre farm, that can increase the land value up to $38 million dollars.

HB 2705 would require a permit holder to install measuring devices. Grants and loans have been available for many years, but voluntary efforts have not been sufficient to allow good management. In most cases the initial cost of these installations will be less than the value of the water used and loans will be available to amortize the costs. Similar requirements already apply to urban users.

HB 2706 would require the Water Resources Department to establish a $100 per year management fee to be used to accumulate and analyze usage data and provide for more effective management. This will provide the basis for stronger economic development in rural areas. As documented in recent articles, basin planning is currently more than 20 years behind schedule and only three critical basins have received full analysis. A fee of $100 per year per permit is insignificant compared to the value received and would go part way to addressing both the budget needs and the fairness issues.

HB 2707, the final piece of the puzzle, would authorize appropriation of monies from the General Fund to complete these investigations. Of course, in this year of budget shortfall, this number will certainly be less than needed, but this bill will ensure that at least some supplemental funding can be made available to address crises not covered by the $100 fee.

I have worked in the hydrological consulting industry for over 40 years and have managed numerous groundwater basin studies, including the first completed study and management agreement in Washington. I understand both the concerns rural water users have as well as the benefits they receive from access to reliable water. I also understand that failure to manage proactively can result in water supply disruptions that are far more expensive than either diversion measurement or the small annual fee.

Tax Fairness Oregon realizes that the costs of management of state resources should be, wherever possible, paid for, not out of General Fund sources, but by the economic entities that benefit from those resources. Tax Fairness Oregon supports all three of these well thought out measures.