



Oregon
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House Committee on Energy and Environment
Representative Ken Helm, Chair

Testimony on House Bill 2295
Presented by Tom Byler, Director and Racquel Rancier, Senior Policy Coordinator

Thank you for the opportunity to provide testimony on House Bill 2295, a bill that would allow the Water Resources Department to maintain services to process water right transactions and inspect dams to protect public safety. The bill achieves these purposes by removing the sunset on the water right transactions and dam safety fee schedules and increasing the fees by 15.88 percent on average to account for projected increased costs through 2021.

Introduction

Water is an essential foundation for our industry, communities, agricultural producers, and fisheries. Generally, in order to use water in Oregon, one must obtain a water right from the Department. Changes in how a water right is used must also receive approval from the Department in order to ensure those changes will not injure other existing users. Since 2009, the Legislature has supported these services by having applicants for water right transactions pay for about 50 percent of the cost of staff to process these transactions, while the other 50 percent is paid for by General Fund.

The Department is also responsible for ensuring the safety of dams in Oregon, by evaluating new storage projects for dam safety standards, as well as evaluating the condition of existing dams in Oregon. Annual dam safety fees cover about 35 percent of the dam safety program budget, supporting both staff and engineering contracts.

The Department's current fee schedule supports approximately 18.5 FTE involved in the processing of water rights. It also supports staff and engineering contracts in the Dam Safety Section. Last modified in 2013, the current fee schedule is due to sunset on June 30, 2017. If this occurs, fees will revert back to 2009 levels, while costs are projected to increase by 15.88 percent over the next four years.

As a result of the fee schedule sunset and the expected cost increases, the Department anticipates that it will have to decrease water right processing staff by 2.5 FTE in the 2017-19 biennium and an additional 3.0 FTE in the 2019-21 biennium. With the reductions in staff, it will take longer to process water right transactions as backlogs build, causing farmers, water providers, and others to wait longer to receive decisions on water supply proposals. This will also reduce the Department's performance on Key Performance Measures #9, 10, 11, and 14, which measure the quality of customer service and timeliness of processing.

What the Bill Does

House Bill 2295 would retain current staffing levels through 2021¹ for water right processing and dam safety by removing the sunset on the current fee schedules and increasing fees by approximately 15.88 percent over the four-year period.² The legislation would be effective July 1, 2017 – the start of the fiscal year and the date on which the current fee schedule sunsets. This bill was developed in consultation with stakeholders, including groups representing water users.

Conclusion

Processing water right transactions in a timely manner is essential for farmers, cities, and other water users. Ensuring dams meet safety standards is critical to protect public safety as well as the reliability of water supplies. House Bill 2295 proposes to increase the Department's fees by 15.88 percent on average to maintain the level of services in these areas over the next four years.

¹ Projected costs do not include cost increases that will be incurred in 2019 upon implementation of HB 3315 (2015), which directs Oregon Department of Fish and Wildlife to bill other agencies for costs of providing services on fee-related programs, such as water right transactions. The Department currently has no basis for estimating those costs; therefore, they have not been incorporated into the proposed 2017-2021 fee schedule.

² The Department has rounded the numbers for ease of calculations and billing - \$100 or more to the nearest \$10; \$50-99.99 to the nearest \$5; \$10-50 to the nearest \$1; and less than \$10 to the nearest 10 cents.