



TESTIMONY ON HB 4043 HOUSE COMMITTEE ON WATER

February 11, 2020

Chair Helm and Members of the House Committee on Water:

Oregon Business & Industry (OBI) is the largest statewide business organization representing approximately 1,600 businesses that employ nearly 300,000 Oregonians. We represent members in virtually every business sector in Oregon.

OBI supports HB 4043.

HB 4043 seeks to improve public procurement processes by allowing alternate construction materials for water infrastructure projects that receive dollars from the State of Oregon. This bill would allow a switch from a "closed competition" to "open competition" bidding process which is estimated to yield between 43% and 78% in pipe capital costs for the most common diameters.

As water rate increases are driven in part by the need to maintain, replace and expand water infrastructure, this is a critical bill for all water users especially since drinking and wastewater charges have continued to outpace the rise in the U.S. Consumer Price Index over the last several years.

In addition to rate concerns, disruption in water services often results in temporary loss in productivity by water dependent businesses. The American Society of Civil Engineers has estimated that while the cumulative cost to households from degrading water and wastewater infrastructure will add up to \$59 billion between 2013 and 2020, the cost to the business community will be more than double that, at \$147 billion.

Water infrastructure is failing in many municipalities yet there are inadequate funds to address this pervasive challenge. In its 2019 Oregon infrastructure grades, the American Society of Civil Engineers (ASCE) gave our state's water infrastructure a C- and our wastewater infrastructure a D. Population growth and climate change make investment in updating water infrastructure even more pressing.

HB 4043 seeks to increase flexibility for municipalities to select from more cost effective, proven materials and stretch limited water infrastructure dollars. The bill would not preclude the use of traditional pipe materials but would provide lower cost options of qualified piping materials.

OBI encourages a "YES" vote on HB 4043.