



OREGON WATER UTILITIES COUNCIL
Pacific Northwest Section, American Water Works Association
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To; Kyle Kihs, AWWA_PNWS Executive Director

From; Mel Damewood, OWUC Chair

RE: Committee Report – Spring 2010

OWUC is pleased to present the following report:

1. Membership – 28 Utility Members (20 paid dues in 2009/2010)
 - 2 State Agencies regularly attend meetings
 - 13 private consulting/legal firms
 - 4 Associations (LOC, SDA, etc)
2. Treasury Balance: \$86,224.24 (Apr. 20, 2010)
3. Legislative Update

Oregon suffered through another annual “short session” of the legislature in early 2010, as the passing of tax measures 66 and 67, our legislators did not have to focus on budget issues. Here is a summary of the Bills that came through that were on our watch list:

BETC - Daniel reviewed some of the details of the BETC reform including the projections, caps, etc. He reviewed the scrutiny that the BETC was under this year and that the cost of the program has been trending upward including \$230 million projected by the end of the biennium and \$400 million in the next biennium. The legislature passed a bridge package with the intention of additional reform discussions to occur in the interim. Caps were placed on the renewable generation and manufacturing facility credits. Conservation was not capped. The caps only leave approximately \$80 million available since state has already pre-certified the remaining amount. There was also no effect on the pass through mechanism or 3rd party partnership with public entities. Daniel reviewed some of the additions to the BETC program including general accountability measures, reviewing applications, and additional conditions. More scrutiny will be given to medium and larger projects, and less so on the small projects.

HB 3602 – Daniel Eisenbeis gave an update on the Umatilla Hydroelectric bill. The bill was brought for a specific project related to a dam facility that has foreclosed in Umatilla County. The dam is now the property of the county, and theoretically the water rights would be cancelled. The bill would allow the license and the water right to continue, so that the county could sell the project to a 3rd party. However, the instream water rights would become senior to the hydroelectric rights. If the project dissolves the rights would transfer to instream.



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HB 3617 – Mark reviewed this bill related to continuing a special district if a new city incorporates on top of that district. The dissolution of the district has to go to the voters and is not automatic. This bill does not affect existing cities or annexations.

Mark and Daniel reviewed the following Senate Bills and their status.

SB 1015 – Double majority requirement passed, modifies and do not need any double majority in May or November elections.

SB 1022 – Bill related to utility services to people along a right of way, but services outside UGB. Bill is dead.

SB 1045 – A bill passed that limited certain employer's ability to check credit histories in job hiring processes.

SB 1050 – This was the Buy American bill. The bill was pretty broad and confusing. It would have required public entities to Buy American products only. The bill did not pass, but a task force was formed in the interim to work on the issue with a goal of giving preference to those companies that include that provision in their bid.

SB 1060 – This bill was introduced related to navigability, but was more of a floatability issue. It would have codified the AG's opinion, public has the right to use waterways. There was concern by property owners of the liability associated with this bill and that floatability was an expansion of the common law related to that ruling. There was also a concern about the definition of waterways. The bill died on the senate floor, but an interim workgroup may be formed.

HB 3661 – This was a bill that would limit the usage on exempt wells from 15,000 gpd to 5,000 gpd, and would limit usage in critical groundwater areas. This bill did not make it out of committee.

HB 3621 – This was the backflow repair bill. There was a workgroup formed before the session, but the bill did not get a hearing.

SB 1020 – This bill would have removed the definition of applicant from a DSL application, now the applicant must be either a landowner or authorized by a landowner. This bill is related the LNG pipelines, but it did not move in the session.

SB 1012 – Some relative of the Oasis Bill. Senator Nelson introduced this bill that would allow 30 million acre feet of water for out of stream use in the Columbia River. This bill did not move.



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President Courtney also wants to refer the annual sessions to the voters, i.e. requires a constitutional change. There was a gridlock based on the number of days required for each session. House wants more days per session, and the Senate did not agree.

4. Technical Group and Advisory Group Watch

OWUC is tracking the Ecological Flow Technical Advisory Group meetings that was held in March and will be for the next few months. The importance of this is that it could come back to make a recommendation on the definition of “Instream flows”. Daniel mentioned that WRD has issued their draft Ecological Flow White Paper. He mentioned there were references to instream flows being maintained, and the group might want to take a close look at the draft White Paper. There were some definitions that also need further investigation. However, the deadline looks very aggressive for the amount of material and the task the committee is asked to complete.

There was a discussion amongst the members about the ecological flow definition being broadened into other water right processes and fish persistence reviews. There may be a good possibility that this guidance will apply to a broader authorities beyond the water development fund. Daniel mentioned that this kind of work tends to migrate over time even though it was not the initial intent.

Willie mentioned that Bruce Roll, Water Resources Director at Clean Water Services, has been assigned to the technical committee. He is very intimately involved in the Tualatin Basin Water Supply Project and understands the impacts to water supply. He will provide a good conduit for OWUC input and concerns.

5. Municipal Access to Federal Storage (Brad Taylor)

OWUC is sponsoring the Municipal Access to Federal Storage project in the Willamette basin. Brad Taylor reviewed the goals and objectives since the last OWUC meeting update. Brad reviewed the meetings that OWUC member staff held with DeFazio and Schrader’s staff. DeFazio requested additional information from OWUC such as specific requests, define the specific ask. Brad distributed a draft template for the specific request from OWUC and asked for comments. (See Fly-in comments below on further updates)

OWUC has spent \$15,000 to date, and Brad reviewed the accomplishments for the initial contract including the following:

- Developed and gave presentation to Water Resources Commission
- Completed work to initiate small scale allocation study, moving forward to develop municipal and industrial contracting program within the Willamette Projects and program
- Held and facilitated several meetings with WRD staff to develop a strategy
- Held and facilitated several meetings with WRD, BOR, and USACE



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- Additional work on League of Oregon Cities (LOC) Willamette reservation request in coordination with Rick Glick (DWT)
- Coordination with OWUC member staff for congressional meetings
- Developed one page memo and letter for congressional meetings and WUC fly-in

Brad handed out an additional scope of work that GSI prepared extending the existing work with a not to exceed amount of \$10,000.

There was discussion on some of the member agencies concerns and that it should also be opened up for wastewater issues for flow and water quality augmentation. It is not only a drinking water issue, and some agencies do not have a stake in both arenas.

There was also discussion that the specific request for congressional purposes relate directly to the reservation request until there was updated demands developed. The letter to congressional delegation should state “municipal purposes” and not just for “potable” needs. There was discussion on outreach to the wastewater community to get potential issues and contributions as the process moves forward. Todd said he would work with WRWC and Wilsonville and discuss the issue and potential impacts to those organizations. Willie reviewed some the initial contributors and that there were several interests in the pollution abatement realm. Willie reviewed his previous conversation with the agricultural interests and said we should extend that to additional associations. Dan said that we should also engage the large industrial interests.

Dan Bradley moved to approve a contract with GSI with OWUC for a not to exceed amount of \$20,000. Willie seconded the motion. Motion approved.

6. State Agency Updates

WRD – Brenda

Brenda gave an update on the IWRS including the open house schedule, plans to continue the SWOT analysis with OWUC, and the Policy Advisory Committee update and schedule. She reviewed their plans for the spring and specific milestones that they hoped to achieve. She reminded members to attend the open houses in their communities and thanked OWUC for their general contribution. She mentioned that the map gallery will be posted on the WRD website and some really amazing and information materials were developed from this effort.

7. Committee Updates

a. DWAC

Mel and Jason met with DHS regarding the DRC issue. They are working on another designation for management and will bring the proposal back to OWUC for discussion. It would be a new category that doesn't mess with the existing



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definition for operations, and will likely relate to larger systems. There was a discussion of the pros and cons of such an initiative.

b. WUC – Fly-In (Mel)

The Fly-In to Washington DC in March was a success. The two big issues that was discussed at the national level was the national infrastructure bank and the chemical security act. OWUC also plugged the one-pager developed for the municipal access to federal storage when they meet with the congressional staff.

The OWUC delegation of Jason Pulley, Todd Heidergken and Mel Damewood were able to meet with all 5 of Oregon's Congressional District and 2 Senators.

Mel said he would put the specific municipal access request on letterhead and Willie would send out to the field and DC staff to distribute prior to the fly-in. Lorna suggested that it be sent to all of the congressional offices and not just the ones that members have met with previously.

The issue of Access to Federal Storage was of particular interest to Sen. Wyden's and Rep. DeFazio's offices. Rep. DeFazio's office is interested in helping facilitate a process to get stakeholder involvement in the allocation process.

c. Various updates on Work and Advisory Groups

There has been a drought declaration in the Klamath basin and they are without a water master, who passed away this past year. A good part of the rest of the state is also trending towards a dry season. Todd mentioned the BOR grant initiative and that WRD would likely be proposing for grant for the IWRS effort. WRD will also be coming to the OWUC meeting in Coos Bay to finish up the SWOT analysis.

8. Other Business

a. 2010 Legislative Symposium

Mel said it's that time to discuss the preparations and assignments for the legislative symposium in December 2010. Niki said she would work with Kyle to check on the availability of the Salem Convention Center, preferably a Monday in early December. She would also work with Kyle to set up and arrange the symposium logistics. Dan Bradley said he could take the lead on getting legislators signed up for speaking. Willie said he would work on the keynote speaker suggestions and assignments. Mel said he would take the lead on the state agencies. Kim would take the lead on the environmental panel, and Jason would take the industries.

b. Nominations for Officers (May 2010-April 2011)



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The following officers were nominated and approved for 2010. Dan moved to approve. Willie seconded the motion. Motion approved unanimously.

Jason Pulley (Salem) – Chair

Niki Iverson (Hillsboro) – Vice Chair

Patrick Griffiths (Bend) – Secretary/Treasurer