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January 25, 2012

The Honorable Jackie Dingfelder Oregon State Senate 900 Court St NE S-407 Salem OR 97301

The Honorable Alan Olsen Oregon State Senate 900 Court St. NE, S-425 Salem, OR 97301

Re: SB 1511 and HB 4126/Ecosystem Services Markets

Dear Senators Dingfelder, Olsen, and the Oregon Legislature:

Please accept the following in support of the passage of SB 1511 and HB 4126. Clean Water Services is a county service district providing a variety of water resource related services to 527,000 residents and a significant portion of Oregon's business sector located within Washington County's Tualatin Basin. I have served on numerous task forces and policy advisory committees focused on the restoration of Oregon's water bodies. I have also been engaged in environmental engineering and management in Oregon for the past 40 years and have witnessed great progress in the protection and restoration of Oregon's watersheds. I also serve as Chair of the Board of Directors of the Willamette Partnership, whose mission is to advance the pace, scope and effectiveness of watershed restoration. SB 1511 and HB 4126 present an important opportunity for Oregon.

Population growth and increased scarcity of financial resources within all sectors loom as challenges to the sustainable management of Oregon's watersheds. Combined utility rates confronting Oregon's households and businesses are increasing at a rate that dramatically exceeds growth in income. This, coupled with increased global competition, demands we maximize the effectiveness of our investments in preserving and restoring Oregon's environment. SB 1511 and HB 4126 will promote implementation of ecosystem services trading which has been demonstrated to be a powerful vehicle to expand the impact of environmental investment.

In the Tualatin Basin, Clean Water Services was facing an enormous investment to chill its treated wastewater discharges. This \$150,000,000 undertaking promised only localized benefit to a small reach of the Tualatin River and would have consumed vast amounts of energy producing a giant carbon footprint. With the cooperation of the State Department of Environmental Quality and the Environmental Protection Agency, we were able to address this

need in a far more affordable and dramatically more beneficial way. For a fraction of the cost of chilling effluent, we were able to restore shade and flow within upstream areas of the Tualatin which greatly increased and broadened ecological benefits. This effort has served as an illustration of and building block for the development of ecosystem services trading infrastructure that can offer similar environmental and economic benefits throughout Oregon and the nation. Though not a panacea to the challenges ahead, such tools do help insure Oregon's environment and communities have a more prosperous and sustainable future.

It is with pleasure I add my voice to those supporting this important legislation.

Sincerely,

Bill Gaffi General Manager, Clean Water Services

Cc: Representative Garret Representative Gilliam Representative Bailey Representative Read