



Susan McLain

Mayor Bill King - City of Sandy

Testimony on HB 2099

HB 2099 would provide the city of Sandy with the certainty we need to ensure that we have an adequate supply of drinking water for existing and future needs.

This issue has been incredibly frustrating as it has left certain municipalities, including Sandy, in a disadvantaged position. The City made investments with the understanding that the City's permit would not include fish persistence conditions but the law change in 2005 means that, contrary to the Oregon Water Resources Department's interpretations of its rules, a portion of the City's permit will now be impacted.

I want to make it clear to the committee, that the city followed the rules and guidance of the Oregon Water Resources Department. It is critical that we be able to rely on rules and guidance provided to us from the state of Oregon through its state agencies as we are in the position of needing to plan for the future, ensure that we can provide for critical services including drinking water, and feel confident in the investments that we make in our infrastructure.

The impacted permit is S-36601. It has a priority date, or date of application of 1971. As a city we have relied on that permit to ensure we have drinking water that can be developed as we grow our city population. The last approved extension of time from the water resources department expired in 1996. There has been a lot of uncertainty coming from the state in terms of how municipal permit extensions are to be processed, but despite the uncertainty, our community has continued to grow and we have to be able to accommodate that growth. As a result of that growth, we invested over \$1 million in 2002 to expand our water treatment plant capacity and in June of 2004, we were able to develop and use all of the water provided for under our permit (4 cfs). We had used 75% of this water prior to 1996 but developed the remainder of the permit in 2004.

This development all occurred prior to the law changing in 2005. We find it highly concerning that a law adopted in 2005 could have a claw-back effect on our water supply that was developed in 2004. It is not right and it puts our investments at risk.

If HB 2099 does not pass, the city would likely need to buy water from the city of Portland which would be very expensive for us in terms of the purchase of water. Retroactively reducing our water supply does not mean that we won't need to find the water elsewhere. We have demonstrated that we need this water for our community and that need is not going to change. If this bill doesn't pass we would also be sitting on a \$1 million stranded asset that was paid for with public money. We have a fiduciary responsibility to make sound investments and we ask for your support in protecting the integrity of those investments.

We encourage the committee to pass HB 2099.