

Proposed OHA Amendments to SB 27 - EWEB Response

To: Oregon State Senate Committee On Health Care
Chair Laurie Monnes-Anderson
Vice Chair Dennis Linthicum
Senator Lee Beyer

RE: EWEB Response to Proposed OHA Amendments to SB 27

EWEB received the proposed amendments to SB 27 the morning of February 8, 2019. It is my understanding that the Committee on Health Care wanted a response from a utility on the proposed amendments on that Friday afternoon. Given such short notice, I respectfully will give this guarded response to the proposed amendments.

Given my testimony on January 23rd, 2019 to the Senate Committee on SB 27, where I stated several issues/concerns that EWEB had with the draft SB 27, the proposed amendments provide a limited but positive step in the right direction. First was to place a cap on future increases of the fee at 3% or less. Second, it is a positive move to tighten up the fee purpose to include more defined activities limited to the core purposes that the State Drinking Water Section (DWS) provides. I think these two steps alleviate some concerns utilities have over the proposed fee.

There are still some concerns that remain. We have not heard of any results from Senator Tim Knopp's request to check with legal counsel if this fee is a tax or not. I think that by more clearly defining the activities the fee would support and limiting fee increases with a cap, my concern around this is more alleviated, but other utilities may not have the same opinion.

I also understand that OHA does not recommend a proportional sharing percentage cap between the proposed fees and State general funding support. Having this proportional cap would help alleviate concerns from most medium and small sized utilities whose burden is the greatest in this proposed fee. Having this proportional promise would send a signal that the State as a whole has a stake in the drinking water that is served to all people who live in and visit Oregon, and that water utility customers would be eventually saddled with the cost of a State wide program disproportionately. I still recommend that this be added as an amendment to this proposed Senate Bill.

I also believe, as given in my testimony, that there needs to be more transparency and accountability from the DWS to demonstrate to the utilities that the program serves where this fee money is being spent and be accountable for it. Currently the proposed future fee increases would be vetted through the State's Drinking Water Advisory Committee (DWAC) (DWS's rulemaking advisory committee) prior to being submitted to the legislature for final ratification.

Given the DWAC's role is more inclined to Drinking Water Quality Regulations and Certification, and is not fiscally oriented, EWEB would propose an amendment to SB27 further to create a fiscal advisory committee within the Oregon Health Authority Drinking Water Services program:

Fiscal advisory Committee shall work with OHA DWS to provide recommendations on:

- Prioritization of programs and services to be funded through fees
- Long-term funding strategies for the program and how best to ensure that federal, state and fee funds are sought after to sustain the program.

The committee shall report to the legislature on recommendations for long-term funding by September 15, 2020.

Suggested membership composition:

- One member from League of Oregon Cities
- One member from Special Districts Association of Oregon
- One member from Oregon Association of Water Utilities
- One member from Oregon Water Utilities Council
- One member representing a municipal drinking water provider with population less than 4,000
- One member representing a municipal drinking water provider with population between 4,001 to 40,000
- One member representing a municipal drinking water provider with population over 40,000

With the amendment currently proposed by OHA, EWEB remains neutral to SB27.

Thank you for your time and consideration.

Regards,

Mel Damewood III, PE
Chief Water Engineering & Operations Officer
Eugene Water & Electric Board
4200 Roosevelt Ave.
Eugene, OR 97402
541-685-7145 (office)
Mel.damewood@eweb.org