

## SB 455 A STAFF MEASURE SUMMARY

### Senate Committee On Natural Resources

---

**Action Date:** 03/01/23

**Action:** Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

**Vote:** 5-0-0-0

**Yeas:** 5 - Girod, Golden, Prozanski, Smith DB, Taylor

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Laura Kentnesse, LPRO Analyst

**Meeting Dates:** 2/1, 3/1

---

#### WHAT THE MEASURE DOES:

Directs the Oregon Business Development Department (OBDD) to establish and administer the Aquifer Recharge Due Diligence Grant Program and Aquifer Recharge Testing Forgivable Loan Program to offer due diligence grants and forgivable loans to public bodies for specified activities or costs related to aquifer recharge, storage, and recovery. Specifies eligible public bodies, activities, and costs. Requires applicants to submit an application along with specified documentation. Requires that OBDD approve or reject each application and determine grant and loan awards. Directs OBDD and recipients to submit a report to water-related interim legislative committees by September 15 of each year. Declares emergency, effective on passage.

#### ISSUES DISCUSSED:

- Importance of groundwater modeling, monitoring wells, and groundwater and soil sampling
- Challenges of upfront capital costs for cities, districts, and other public bodies
- Impact of recharge on farmland value and crop diversification
- Funding parameters associated with the measure, including total amount envisioned, limits per grant or loan, and allocation mechanisms
- Basin and aquifer eligibility restricted to those most in need of assistance

#### EFFECT OF AMENDMENT:

Expands uses of aquifer modeling under due diligence grants and forgivable loans to include testing aquifer storage and recovery. Changes requirement that a basin or aquifer specified in the grant or loan application be "classified" to a requirement that it be "restrictively classified." Replaces specific statutory reference for designation of critical groundwater areas with reference for designation by statute, rule, or order. Includes, for purposes of forgivable loans, costs associated with limited licenses issued by the Oregon Water Resources Department for aquifer storage and recovery.

#### BACKGROUND:

Aquifer recharge (AR) and aquifer storage and recovery (ASR) are either natural processes enhanced by humans or human-made processes that convey water underground. Projects for AR and ASR are increasing in the West, particularly in areas that face limited water availability or many competing uses. The projects aim to replenish groundwater stored in underground aquifers, which may be ultimately used for drinking water, irrigation, industrial use, ecosystem restoration projects, and other uses. Common methods to convey water underground include injection, infiltration pits and basins, and surface spreading.

The Oregon Water Resources Department (OWRD) authorizes AR and ASR projects by permit; AR projects must meet anti-degradation standards and ASR projects must meet drinking water standards. OWRD assesses and monitors areas facing limited water availability statewide through 22 designated groundwater administrative areas. The department has established seven critical groundwater areas, classified additional areas as having

**SB 455 A STAFF MEASURE SUMMARY**

restricted uses, and has withdrawn basins or aquifers from further groundwater appropriation in Oregon. As part of the department's efforts to evaluate water storage options in the state, OWRD has conducted an assessment to identify areas geologically suitable to support underground water storage.

Senate Bill 455 A would direct the Oregon Business Development Department to establish and administer the Aquifer Recharge Due Diligence Grant Program and Aquifer Recharge Testing Forgivable Loan Program for grants and forgivable loans to public bodies.