

To: Co-Chair Dembrow; Co-Chair Pham; Members of the Joint Committee on Ways and Means Subcommittee on Natural Resources

From: Tracy Rainey, Clean Water Services

Date: March 30, 2023

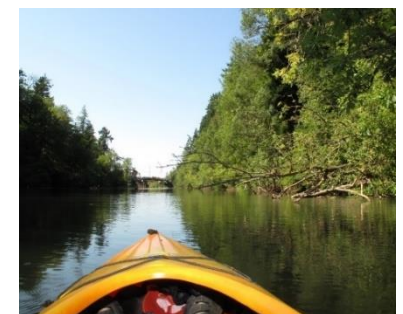
Re: Testimony on DEQ Proposed Budget – Water Quality Investments (HB 5018)

Clean Water Services is a water resource management utility that provides wastewater, stormwater and water resource recovery services to more than 600,000 residents and businesses in urban Washington County including the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, North Plains, Sherwood, Tigard and Tualatin.

We appreciate the opportunity to submit testimony on the Department of Environmental Quality’s proposed budget for the 23-25 biennium, and to advocate for key, prioritized investments that have been identified by the Oregon Association of Clean Water Agencies (ACWA). It should be noted that our testimony is specific to the water-quality permitting program. Strategic investments in the water quality permitting program are key to our efforts to protect and enhance watershed health, as well as public health. We encourage the committee to work with Oregon ACWA to ensure that current service levels that support core functions within the water quality permitting program are preserved. This program was once plagued by one of the nation’s worst backlogs of water quality permits. Our industry has worked diligently to identify and support key investments to get this program back on track. The investments made over the past several biennia were the result of careful consideration and an immense amount of effort and discussion between the agency, legislators, municipal permit holder interests and other key stakeholders.

In addition to the protection of the environment and public health, the provision of wastewater collection and treatment, as well as stormwater management, are an absolutely necessary component for supporting additional housing development as well as for promoting economic development. Our utility was created as a result a 1969 building moratorium for Washington County that was due to a lack of adequate sanitary sewer infrastructure. As a result of that moratorium, our agency, Clean Water Services, was created in 1970 by a vote of the people and was made possible through a massive local, state and federal investment in regional water infrastructure. The photos (right) capture the same stretch of the Tualatin River prior to our utility’s formation compared with the river we now know today.

We share this history to remind the committee that a strategically-funded water quality permitting program should be viewed as a housing investment, an economic development



investment, a public health investment as well as an environmental protection investment. Local governments' success in implementing these important outcomes depends, in part, on an effective permitting program at DEQ.

We believe that the programmatic and strategic investments indicated below are critical to ensure that water quality permits are implementable and cost-effective while achieving the environmental benefits that Oregonians (and our ratepayers) expect. For additional detail on the below-listed, recommended investments please refer to the written testimony that was submitted by the Oregon Association of Clean Water Agencies, Special Districts Association of Oregon and League of Oregon Cities.

(Note that below budget estimates are preliminary and based on published information).

- DEQ Base Budget: Restoration of cuts to water quality program (restoration of ~10 FTE)
- POP 124: Watershed Restoration (TMDLs) – this investment will maintain an existing position in the Total Maximum Daily Load program (1 of 5 positions; \$265,847 GF)
- POP 121 and 123: (3 of 6 positions for POP 121; 1 of 5 positions for POP 124 - \$971,536 GF/\$817,664 Fee Funded)
 - POP 121 – Water Quality Permitting. Five positions are needed to continue DEQ's Water Quality Permitting performance improvement efforts – focused on WPCF permits, biosolids and the existing water reuse program.
 - POP 123 Onsite septic program permit issuance and regional oversight (3 positions needed for regional response for septic system replacements and permitting associated with septic system impacts driven by 2020 wildfire.
- POP 125: Integrated Water Resources Planning (3 of 3 positions - \$515,000 general funds)
- POP 170: Lab Infrastructure – this investment in capital/equipment is much-needed to replace aging lab analytical equipment (\$750,000 GF)
- POP 164: Position Reclassification (\$43,000 GF) – retains the Deputy Administrator Position.
- POP 126 – Drinking Water Source Protection – three positions and modeling support for groundwater studies including for harmful algal blooms (included in GRB)
- POP 129 – Infrastructure Grants Administration – two positions for DEQ WQ program to develop and administer new and expanded federal funding opportunities for water infrastructure (included in GRB)

In addition, we will note our support for HB 3231 which makes critical investment in Oregon's water reuse program. Reuse provides a pathway for utilities to better manage and utilize recycled water. This investment (\$340,000 GF) will ensure that Oregon is incorporating recycled water opportunities as part of an overall strategy to better manage limited water supplies. Water reuse can serve as an important drought resilience tool, compliance strategy and provides enhanced benefits, including ecological uplift.

Thank you for the opportunity to submit testimony and for your consideration. Please contact Tracy Rainey at raineyt@cleanwaterservices.org if you have any questions or would like additional information.