



Oregon Water Utility Council
American Water Works Association
Pacific Northwest Section
P.O. Box 872467
Vancouver, WA 98687

February 24, 2025

Chair Golden and members of the Senate Committee on Natural Resources and Wildfire:

I am writing on behalf of the Oregon Water Utility Council (OWUC) to share our concerns with Senate Bill 427 and urge you **to oppose** the bill as written. OWUC is a committee of the Pacific Northwest Section of the American Water Works Association and is made up of cities, special districts, public utility districts and private companies that supply drinking water to more than 75% of the population of Oregon. OWUC is committed to supplying safe, reliable and cost-effective drinking water supplies to the communities we serve.

OWUC supports basin-wide efforts to prevent the overallocation of Oregon's limited water supply and protect fish flows in Oregon's rivers. As we head into a future where new water supplies are limited and water rights are increasingly more difficult to acquire, the water right transfer process serves as a critical administrative tool for municipal water right holders to manage their existing water rights more efficiently and allow for some flexibility. For example, a municipality may need to move a point of diversion (via the transfer process) due to a catastrophic event or to maintain infrastructure. Senate Bill 427 establishes a sweeping new transfer standard that will impair the transfer review process for municipal water providers.

In Oregon, a transfer is the only mechanism to change an existing water right. The Oregon Water Resources Department (OWRD) may not approve a transfer if the transfer would (i) enlarge or expand an existing water right in any way, or (ii) cause injury to *any* other existing water right on the water system. As applied, the injury standard ensures that existing water rights, including instream water rights, are protected.

Senate Bill 427 introduces a third standard that would require OWRD to determine whether a proposed transfer will result in "diminishment of streamflow." This standard is incredibly broad and would require intensive analysis by already strapped OWRD staff, if implemented. Current streamflow data to support the standard is also lacking and will be another point of contention. Moreover, this will introduce a new opportunity to protest transfer applications which can further delay the process. OWRD's transfer review process already has significant delays stretching into years, and implementation of Senate Bill 427 would likely make the transfer process nearly impossible to use in the future.

The legislature should instead seek ways to *enhance* water right flexibility to ensure municipal water users can manage their existing water rights to improve operational efficiencies and resiliency while protecting existing water rights, including instream water rights. The new standard under Senate Bill 427 does the opposite; it is not conducive to the wise and efficient use of Oregon's water resources, and, if implemented, it will have broad-reaching effects on Oregon's economy and the livability of communities across Oregon.

We strongly urge you to vote against Senate Bill 427 and we look forward to participating in future conversations about how to improve the efficiency of Oregon's transfer process for the benefit of Oregon's communities, economy, and environment.

Sincerely,

Rebecca Geisen
Chair, Oregon Water Utility Council

cc: OWUC Membership