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February 24, 2025

Eugene Water & Electric Board Opposes SB 427

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

I am writing to share concerns with SB 427 and **urge you to oppose** the bill as written. The Eugene Water & Electric Board (EWEB) supplies clean safe drinking water to around 200,000 people in the Eugene and surrounding communities. EWEB currently relies solely on water supply from the McKenzie River and is the largest water provider in Oregon to be dependent on a single source of water supply. Reliance on a single supply source makes EWEB and its customers uniquely vulnerable to impacts to the McKenzie River. For example, a spill affecting water quality in the river could leave EWEB without a source of water supply.

To address this issue, EWEB has been working for years to obtain access to water from the Willamette River to provide water supply redundancy. This effort has included investments in planning and engineering work, as well as acquiring a water use permit authorizing water use from the Willamette River, and securing the land required for a new intake and water treatment plant.

The provisions of SB 427 as introduced would, however, jeopardize EWEB's efforts to begin obtaining water from the Willamette River under its existing permit. EWEB's permit currently authorizes diversion of water from the Willamette River at a location downstream from the location that EWEB's engineers determined it should construct the new intake. Accordingly, EWEB will need to have the Oregon Water Resources Department (OWRD) approve a permit amendment that moves the authorized point of diversion upstream to the planned intake location. Under current OWRD requirements, EWEB should be able to amend its permit to move the authorized point of diversion upstream because OWRD would be expected to find that the change would not cause injury to existing water rights. The State of Oregon does hold an instream water right in this reach of the river, but EWEB's permit is junior in priority to the instream right. So, the change could not injure the instream right because EWEB's water use permit would be subject to regulation (water use reduced or terminated by OWRD) if the flows required by the instream right were not met.

SB 427 would be expected to preclude OWRD from approving EWEB's needed permit amendment application based on a finding that the requested change would "diminish streamflows" between the authorized point of diversion on the permit and the proposed new point of diversion to be constructed. This would result in EWEB being unable to appropriate water under its permit.

Although EWEB also holds a surface water registration for the use of water from the Willamette River (a claim of a water right that was established prior to the 1909 Water Code), EWEB needs a redundant water right given the uncertain status of the claim. The surface water registration

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must be "adjudicated" before the right is confirmed and OWRD can issue a water right certificate for the right. The Klamath Adjudication has been ongoing for approximately 50 years and it is not clear that OWRD will adjudicate the Willamette Basin within the next century. On this basis, it is critical that EWEB have the surface water registration AND the water use permit to provide needed certainty to continue to pursue development of the planned Willamette River intake and water treatment plant.

As currently drafted, SB 427 is expected to cause EWEB to be unable to modify its Willamette River water use permit leaving EWEB without the needed redundant water supply source. Governance of water rights and protecting Oregon's limited water supply for all beneficial uses is both critical and extremely complicated and requires careful consideration of impacts of proposed changes. As such, we urge you to vote against SB 427 and would welcome a chance to participate in future conversations on this important topic.

Sincerely,

Kr. Jelly

Karen Kelley Chief Operations Officer Eugene Water & Electric Board

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