DATE: March 25, 2025

TO: Senate Committee on Natural Resources and Wildfire Chair Golden Vice-Chair Nash Senator Girod Senator Prozanski Senator Taylor



RE: SB 1153: Safeguarding Instream Habitat and Water Quality

Chair Golden, Vice-Chair Nash, and Members of the Committee,

Oregon Water Partnership is a diverse partnership of statewide conservation groups with a common goal: to advocate for balanced water policies that ensure cold clean water to sustain healthy communities, livelihoods, and ecosystems. Our priorities are to build resilience for Oregon's water future, bring water data into the 21st century, support smart water management, and protect and restore our waters. We collectively have tens of thousands of members in communities across the state, and our organizations work collaboratively with cities, counties, Tribes, farmers, ranchers, and forest owners to restore natural habitat and improve watershed function.

Oregon Water Partnership supports SB 1153, a bill that safeguards existing instream habitat and water quality in the water right transfer process.

<u>Background on water right transfers</u>: Most of Oregon's streams are over-appropriated in summer, and groundwater aquifers are showing signs of overuse across the state. Increasingly, new water demands are being met by modifying existing water rights, many of which pre-date Oregon's first water right permitting system enacted in 1909.

Existing water rights can be changed (a voluntary process called a "transfer") by applying for permission from the Oregon Water Resources Department to use water for a new purpose, extract from a new point, or move the water right to a new place of use. But while applications for *new* water rights must demonstrate they will not harm the public's interest in our water, **applications for changes to existing water rights can be approved without any consideration of environmental harm.**

Currently, if the Oregon Water Resources Department determines that a proposed transfer won't cause legal injury to other water rights and won't enlarge water use by the transferred right, it must approve the application. Under existing law, transfers can legally dry up sections of fish-bearing streams so long as no other water *rights* are impacted. For the approximately 97% of Oregon stream miles that lack instream water rights, this means there is currently no mechanism to safeguard instream values from the harmful impacts of certain transfers. **Oregon is an outlier**, having fallen behind as our neighbors took action to shrink the transfer loophole.¹



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¹ Recognizing the risks that transfers can pose to the public's water, states across the Western US have adopted more holistic standards of application review. These include Idaho, Washington, California, Nevada, Montana, Utah, New Mexico, and Texas.

WHY OREGON WATER PARTNERSHIP SUPPORTS SB 1153

SB 1153 protects Oregon's streams and the public benefits they provide by adding reasonable environmental standards into Oregon's transfer application review process. Going forward, transfer applications would be disapproved if they would 1) **result in loss of instream habitat** for imperiled aquatic species in stream reaches not protected by an instream water right, or 2) **contribute to water quality impairment** in water quality limited streams. The bill also creates new avenues for increased involvement of Tribes in Oregon in the transfer application review process, and clarifies that the Oregon Water Resources Department can condition transfers to require the measurement and reporting of water use and the installation of fish screens or bypass devices.

Across multiple legislative sessions, Oregon Water Partnership has pushed for water law reforms that help balance Oregon's instream and out-of-stream needs. SB 1153 screens out transfer applications that would harm instream habitat and water quality—core public values that have suffered compounding harm under the current system. Our sister states have all managed to bring new water values into the process for changing old water rights; **it's time for the Oregon Legislature to do right by the resource** and the ecosystems, economies, and cultural connections it sustains.

<u>A note on SB 1153 and SB 427**</u>: This Committee has now heard two Senate bills seeking to fix Oregon's transfer loophole, each by way of a different approach:

- SB 427 (brought by Oregon Water Partnership, heard 2/25) stops transfer applications that would diminish streamflow, thereby keeping the process within the current reviewing agency (Oregon Water Resources Department) while indirectly safeguarding instream habitat and water quality.
- SB 1153 (brought by the Governor's Office, heard 3/25) stops transfer applications that would harm instream habitat not protected by an instream water right (bringing in Oregon Department of Fish & Wildlife) or would contribute to water quality impairment in water quality limited streams (bringing in Oregon Department of Environmental Quality), while also Tribal improving coordination.

Oregon Water Partnership believes **both bills offer valid approaches to solving the same problem**, which is why we are testifying today in support of SB 1153.

SB 1153 is a commonsense approach to safeguarding habitat and water quality in the face of new water demands and pressures. **Oregon Water Partnership urges the Committee's support of these long-overdue reforms** and looks forward to continued conversations in the 2025 Legislative Session.

Thank you for considering our testimony on SB 1153, and please contact us with questions.

Oregon Water Partnership

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<u>** More on water right transfers</u> (also available at <u>oregonwaterpartnership.org/resources</u>):

- <u>SB 427: Safeguarding Streamflows in Water Right Changes</u> (fact sheet)
- <u>Fast Water Facts: Transfers</u> (fact sheet)
- Fast Water Facts: Over-Allocation (fact sheet)

See also: Oregon Water Partnership's <u>SB 427 testimony</u>; <u>2/25 presentation materials</u>