



OREGON  
ASSOCIATION OF  
NURSERIES™



April 29, 2025

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

On March 24, 2025, we joined a letter with a group of agricultural organizations to (1) voice support for the changes set forth in House Bill 3342 that would improve the Oregon Water Resources Department's ("OWRD") administrative processes and (2) to discuss concerns with multiple provisions of the bill that would detrimentally alter the water rights landscape.

We are pleased that House Bill 3342-4 addresses many of the concerns set forth in the March 24, 2025 letter. However, we are still concerned that various provisions may have a detrimental impact to our members and interfere with the broader process improvements set forth in the bill. This letter identifies the sections we support and identifies the outstanding sections of concern.

#### Support for Targeted Improvements

Our members depend on OWRD's water right transaction processes to manage their rights effectively. As you are aware, these processes are plagued by persistent backlogs that render them inefficient and, in many cases, unworkable. House Bill 3342-1 includes some common-sense reforms, particularly those found in Sections 2, 3, 4, 6, 7, 8, 9, and 29, that lay groundwork for much-needed modernization, including the adoption of electronic application systems. We support these provisions and their goal of bringing OWRD into the 21st century for the benefit of both the agency and water right holders.

#### Concerns with Other Provisions

While we support efforts to improve OWRD's internal processes, we are concerned that some provisions of HB 3342 would detrimentally harm our members by introducing new steps into the transfer process and limiting the ability for a water right permit holder to develop a water right.

As a brief background, Oregon's water users are already navigating significant challenges. The new groundwater allocation rules took effect on September 17, 2024, which will likely prevent issuance of any new groundwater rights. Further, many of our members have been contending with legacy issues, including groundwater declines and water quality concerns that have led to Critical Groundwater Area ("CGA") or Groundwater Management Area designations. Meanwhile, nearly all of Oregon's surface water sources are either fully appropriated or over-appropriated, making new surface water rights extremely difficult to obtain. In this context, existing tools such as the transfer process and the permit amendment process are essential for water users to flexibly and efficiently manage existing water right interests.

#### Transfer Provision Concerns

Section 5 of House Bill 3342-4 proposes adding an "initial review" process to the already lengthy transfer process. While such reviews are already used in new water right applications, those applications still frequently remain pending for years. Introducing this process into the transfer system is unlikely to improve efficiency and could further delay decisions.

### Permit Extension Concerns

House Bill 3342-4 also targets another important water right process: the extension process. In the course of a developing water right permit for irrigation use, a water user can face unexpected challenges brought about by economic, environmental, or personal circumstances. Water right extensions are the only way for a water user to preserve its ability to fully develop a permit for which the applicant has invested time and money into. OWRD has the existing discretion to deny extension applications if an applicant cannot show good cause for an extension, and it regularly does so. While Section 25 and 26 of House Bill 3342-4 have been updated to exclude various types of water use, including quasi-municipal use, the updated language would still limit the ability of an irrigation water right permit holder to complete development of a right in the event an unexpected event occurs, and it unnecessarily eliminates an important pathway for that is necessary for some permit holders.

### Conclusion

We support Sections 2, 3, 4, 6, 7, 8, 9, and 29 of House Bill 3342-4, and we appreciate the Legislature's attention to modernizing OWRD's internal operations. However, the additional provisions outlined above present serious concerns for Oregon's water user community, and we request that these provisions be removed to improve agency efficiency while preserving core water right protections. In recognition of the importance of improving OWRD's administrative processes, we also request formation of a post-session workgroup that will identify and recommend additional changes for greater efficiency across OWRD's internal processes. We look forward to continued engagement with policymakers and stakeholders to develop solutions on this important issue.

Sincerely,  
Oregon Water Resources Congress  
Oregon Association of Nurseries  
Oregon Farm Bureau