

February 21, 2025

Chair Golden, Vice-Chair Nash, Senator Girod, Senator Prozanski, Senator Taylor:

We are writing to voice our strong opposition to Senate Bill 427. We are a diverse group of water users from Oregon's agricultural and public water supplier communities with a common goal: to advocate for common sense water policies that move Oregon's economy, communities, and environment toward a secure water future. As we head into a future where new water rights are no longer available, the water right transfer process will provide crucial flexibility for water right holders to manage existing water rights more efficiently. Senate Bill 427 will establish a sweeping new transfer standard that will significantly slow the transfer review process and stymie water management flexibility and water use efficiency for farms, ranches, irrigation districts, special districts, and cities across the state.

Our members recognize that a majority of Oregon's surface water sources are fully appropriated or overappropriated, meaning new surface water rights are nearly impossible to secure. Additionally, the Oregon Water Resources Department's ("OWRD") new groundwater allocation rules, which went into effect on September 17, 2024, will significantly limit, or, in many cases, completely eliminate a prospective user's ability to obtain a new groundwater right. Against this backdrop, Oregon is entering a new era of water management that must include administrative processes that facilitate responsible, flexible water management and use. Chief among such water management processes is the transfer process, which is critical for municipal and agricultural water users.

Our members rely on the water right transfer process to efficiently manage water use in their respective operations and to secure additional water supplies when new water rights are not available. In Oregon, a transfer is the only mechanism to change an existing water right. 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 likely require intensive analysis by OWRD staff if implemented. Moreover, this will introduce a new avenue for instream stakeholders to protest transfer applications and tie them up for years. 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.

At this juncture, Oregon's legislature should seek ways to *enhance* water right flexibility to ensure agricultural and municipal water users can improve operational efficiencies 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 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 Oregon's economy, communities, and environment.

Sincerely,

League of Oregon Cities  
Oregon Association of Nurseries  
Oregon Farm Bureau  
Oregon Water Resources Congress  
Special Districts Association of Oregon