

I want to thank the Governor for his leadership on this most important issue for the State of Oregon. As a planner for municipal water supplies for the last 18 years and as a past member of the Water Resources Commission for 11 years, I am well aware of the importance of managing our water resources to meet multiple needs. As I indicated at the Salem meeting at Oregon Department of Fish and Wildlife, the primary observation I had was that the local funds set aside for water storage, needs to be expanded to include planning, development, and implementation of water conservation programs, reuse/recycling, and the development of non-potable supplies to meet municipal water demands. It can be difficult for municipalities to aggressively pursue water conservation because these programs have to be expensed on a year to year basis which is a direct hit on annual rates, while at the same time potentially reducing the amount of water sold over the short/near term. Having a commitment from the State to accept grant or loan applications for these types of projects would be a kick start for many jurisdictions that can't see their way towards developing or applying more aggressive conservation programs. Some of the reuse/non-potable supply development would, on the other hand, be eligible for capitalization over longer time frames because these activities involve capital construction.

Hard infrastructure programs to maintain and replace old facilities is difficult enough, however, and often this takes up any capabilities to program newer ideas for meeting future needs, particularly programmatic conservation activities. It is interesting to note that some of the municipalities in the State of Washington allow conservation programs to be capitalized, but this method has not been used to any extent in Oregon which may be related to interpretations of the Government Accounting Standards. I would recommend that the Water Resources Department and DEQ consider workshops or seminars for local governments about financial options to fund programmatic conservation activities, particularly in conjunction with information about how the State of Washington programs work.

Thanks again for the opportunity to comment on the H2O proposal.

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