



Oregon Water Resources Congress

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Joint Committee on Ways and Means Subcommittee on Natural Resources

Testimony on HB 3369-A

May 21, 2009

By Anita Winkler, Executive Director

Thank you for the opportunity to testify on HB 3369-A today. The Oregon Water Resources Congress (OWRC) is a statewide association of irrigation districts, water control districts and other local governments formed to deliver irrigation water. Our members serve irrigators throughout Oregon.

First, I want to express OWRC's appreciation for the efforts of Representative Bob Jenson and Representative Jefferson Smith to develop a legislative concept providing a means for the state to assist in funding water development projects in Oregon. This is a significant effort that can have long-lasting impacts on Oregon's economic future. I also want to thank them for inviting OWRC to participate in the work group they convened to provide input to them in this effort.

My comments today are based on HB 3369-A and the working outlines I received of the -2 and -3 amendments. It was prepared before I had the chance to read the amendments drafted by Legislative Counsel. To the extent that there is a difference between the outlines of the amendments and the LC drafts or to the extent that I did not correctly understand the outlines of the amendments, these comments may not reflect the content of the LC drafts.

OWRC has been working with a coalition of water user groups that includes the Oregon Farm Bureau Federation, Oregon Association of Nurseries, League of Oregon Cities, and Special Districts' Association of Oregon to initially identify policy-related concerns raised by the bill and then to help resolve those concerns. These organizations have equal concerns about policy items in this bill. We have shared those concerns with Representative Bob Jenson and Representative Jefferson Smith. I am here today representing OWRC, not the coalition.

While the concept has been modified over time in an effort to address some of our concerns, the coalition's major concerns have not been resolved to the point OWRC can support the proposed amendments. HB 3369-A and the amendments create a funding program that OWRC members, some of the largest irrigation water suppliers in the state, cannot use because of the expense to even apply for funding, let alone the costs added to the project by the requirements.

There are several major components of the bill and the amendments that OWRC and the rest of the water user coalition support include:

1. \$2.5 million funding for the next phase of the Umatilla aquifer recharge project.
2. Statewide integrated water strategy as outlined in SB 193 as introduced.
3. Funding for SB 1069 feasibility study program
4. Ensuring that the Water Resources Department has the resources and legislative direction to convene a work group to develop water development funding legislation for the next session.

The mission of the Oregon Water Resources Congress is to promote the protection and use of water rights and the wise stewardship of water resources.

OWRC continues to struggle with provisions that impose broad requirements for project sponsors to be able to apply for assistance under the programs contained in the bill and requirements imposed on projects funded under these programs. As an example, one of our district members told me that if his district could afford to conduct all the studies required as part of the application for funding, his district could afford to complete the project without any state funding.

The -3 amendments outline a scaled down program. Part of that scaling down is to reduce the funding opportunities to provide loan funding only for critical groundwater storage projects, adjust the application and project requirements for this type of project and not fund the Water Investment Grant program at all. I would have not issue with that approach if that was all the -3 amendments do. But those amendments retain all the requirements that were in the original bill even though there is no funding for anything other than the critical groundwater storage projects. The end result is that major water policies are implemented through a funding package that has only limited and very restricted funding.

The -3 amendments establish a Task Force charged with developing a water supply development funding program to help meet the state's long-term water needs. I have supported that type of interim effort for a long time. I am concerned that the detailed programs outlined in HB 3369-A and subsequent amendments may well hamper the ability of this task force to look for creative funding mechanisms and apply create solutions to develop a program that will contribute to the sustainable future of Oregon's water supply. I think that the detailed program in HB 3369-A and the amendments will predetermine the outcomes of the task force's work. I also have some concerns about the make-up of the Task Force as described in the outline of the -3 amendments but will provide comments separately for that.

With that in mind, I suggest the state would be better served by a bill that

- (1) provides funding for the critical groundwater storage as described in the -3 amendments;
- (2) directly funds the Umatilla Aquifer Storage and Recovery program;
- (3) does not set up the Water Investment Grant and Loan Funds since those are not funded for anything other than the Umatilla ASR and that can be funded directly;
- (4) provides funds for the Water Conservation, Reuse and Storage Investment Fund as established in SB 1069 (2008);
- (5) establishes the statewide integrated water strategy development program as outlined in SB 193-A with an amendment related to the structure of that strategy; and
- (6) creates a task force to develop a program for statewide water development project funding with a clear charge for the task force but without provisions in this bill that will predetermine the outcomes of the task force's work.

This bill as amended is the product of a process that began about a year ago as the Governor's Headwaters to Ocean Advisory Group. I participated in that effort and have been a participant in the work group that Representative Jenson and Representative Jefferson Smith convened to work on this concept this legislative session. This funding program is a major step for the State of Oregon that, by its very nature, requires and deserves a full and robust effort to ensure that the program can and will be used to meet the state's water needs. OWRC has committed to continue to participate in the work to develop a program that provides statewide funding for water development projects, whether during this legislative session or during the interim.

Again, thank you for the opportunity to testify today.