

May 11, 2011

Senator Herb Kohl, Chairman
Senator Roy Blunt, Ranking Member
United States Senate Committee on Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

RE: US Department of Agriculture's FY 2012 Budget for the Natural Resources Conservation Service

The Oregon Water Resources Congress (OWRC) strongly supports the US Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) and is deeply concerned about reductions to programs important to our members for FY 2012. OWRC is requesting that funding for several key NRCS programs be increased for FY 2012 and that the "Bridging the Headgates" MOU between NRCS and the Bureau of Reclamation be reactivated and expanded to include other federal agencies.

OWRC was established in 1912 as a trade association to support district member needs to protect water rights and encourage conservation and water management statewide. OWRC represents non-potable agricultural water suppliers in Oregon, primarily irrigation districts, as well as other special districts and local governments that deliver irrigation water. The association represents the entities that operate water management systems, including water supply reservoirs, canals, pipelines, and hydropower production.

Need

OWRC and its members believe conservation of natural resources through collaborative partnerships is crucial to ensuring the viability of irrigation districts and similar organizations that deliver irrigation water for the nation's agriculture. Federal support of water conservation activities funded through NRCS programs including the Environmental Quality Incentives Program (EQIP), Agricultural Watershed Enhancement Program (AWEP), and the Cooperative Conservation Partnership Initiative (CCPI), are essential to the conservation of our natural resources and critical to protecting our food, energy and water supply. Irrigation districts and other agricultural water users in Oregon have used these programs to develop collaborative projects with Federal, State, and other local entities—proving that on-the ground conservation can be best achieved by leveraging partnerships, pooling available resources, and focusing on each partner's strengths.

We are disappointed that the NRCS budget for FY 2012 is an 11% decrease from FY 2010 levels. While we recognize that the Administration has increased funding for some of the NRCS programs, the need for additional financial assistance with conservation projects still far outweighs the budget. NRCS programs are essential to irrigation districts in developing and implementing conservation projects that benefit not only the individual farmers they serve but also the entire watershed and community as a

whole. Furthermore, conservation projects also benefit the economy through job creation and ensuring the future viability of American agriculture.

We acknowledge that the Administration's budget includes the highest funding levels ever for EQIP; however, this is actually a \$340 million reduction from the amount the program was authorized to receive under the 2008 Farm Bill. Additionally, OWRC is requesting that funding for AWEF be increased to at least \$75 million, which is comparable to the estimated FY 2011 levels but is still far less than what could be used in Oregon and nationally.

AWEF and CCPI Needs

AWEF and CCPI help fill a funding void for multi-partner conservation projects. Often large conservation projects do not include individual on-farm projects which limits the effectiveness of the project. AWEF and CCPI allow farmers to pool together and leverage the dollars invested in the off-farm project with the addition of EQIP on-farm projects. Because of the large number of successful project applications for AWEF, USDA will have to obligate a large amount of the annual \$60 million appropriation to existing multiyear projects. It is important that the funding for these projects not be interrupted so that they may be completed. However, it is equally important to have funding available for new eligible AWEF and CCPI projects.

Bridging the Headgates MOU

The need for continued coordination among federal agencies, including NRCS, the Bureau of Reclamation (BOR), Bureau of Land Management (BLM), Environmental Protection Agency (EPA), NOAA Fisheries, US Fish and Wildlife Service, and Army Corps of Engineers (ACOE), is a significant issue. In Oregon, the Bridging the Headgates MOU between NRCS and BOR emphasizes technical support from the federal agencies in a comprehensive manner. A recent discussion among OWRC staff, OWRC members, and staff from these two agencies about coordinating grant requirements and timing highlighted the benefit of having a functional Bridging the Headgates program. Our first request is to reactivate this program between NRCS and BOR. Our second request is to expand the MOU to provide similar coordination with the other above listed federal agencies.

Program Benefits

AWEF and CCPI are critical tools for districts and other agricultural water suppliers in developing and implementing water and energy conservation projects in Oregon. OWRC strongly supports AWEF and CCPI. AWEF has been highly successful in developing cooperative approaches on a basin-wide scale. This program allows districts and other agricultural water suppliers to partner with farmers to address regional water quantity and quality issues in local watersheds.

The CCPI allows partnerships to be formed with Federal, State and Local interests to address Endangered Species Act (ESA) and Clean Water Act (CWA) issues in watershed basins and sub basins. We believe that water supply issues in Oregon and elsewhere in the nation can be resolved best locally in cooperative partnership efforts

that promote conservation with a more aggressive federal funding partnership as defined in AWEF and CCPI.

OWRC strongly supports the continuation and increased funding of the AWEF and CCPI programs for FY 2012.

Examples of Successful Projects in Oregon

The following projects are a few examples of how NRCS programs have benefitted Oregon. Many more benefits can be realized if adequate funding is available.

AWEF and CCPI Projects

Oregon has had several successful AWEF applicants over the past several years, four from our member districts (described below). The full list of Oregon projects can be found on the Oregon NRCS website, <http://www.or.nrcs.usda.gov/programs/awef/index.html>.

- ◆ **The Dalles Irrigation District Project** offers financial and technical assistance to adopt intensive scientific irrigation scheduling practices to conserve water, save energy and improve water quality on orchards irrigated through the project partner, The Dalles Irrigation District. This project also received CCPI funding. **FY 2011 Funding: \$38,321 (AWEF), \$38,004 (CCPI)**

- ◆ The **McKenzie Canyon Irrigation Project** focuses on irrigation water efficiency with irrigation improvements in the Lower Division of the Three Sisters Irrigation District, which is the project partner. The effort will improve stream flows and water quality for native fish while providing farmers a reliable supply of water. **FY 2011 Funding: \$198,995 (AWEF)**

- ◆ The **Talent Irrigation District Project** works with agricultural producers to install conservation practices that will properly utilize limited surface water resources, improve water quality on flood irrigated land by converting to more efficient irrigation systems, and apply irrigation water management to eliminate irrigation runoff. **FY 2011 Funding \$28,175 (AWEF)**

- ◆ The **Willow Creek Project** helps landowners in the Lower Willow Creek Watershed portion of Malheur County convert to water-saving irrigation systems, reduce irrigation runoff, and improve water quality in Willow Creek and Malheur River. The project partner is the Vale Oregon Irrigation District. **FY 2011 Funding: \$169,052 (AWEF)**

In Oregon, a total of \$2,807,342 was requested for project funding in FY 2011 but only \$1,581,953, a mere 56%, was allocated for existing AWEF approved projects. Additional innovative projects like the ones above could be developed and implemented in Oregon if funding is made available.

Watershed Planning and Environmental Assessments

- ◆ In the past, Oregon NRCS used a watershed resources planning team to conduct Rapid Watershed Assessments throughout Oregon. This planning program helped prioritize projects to bring about the most benefit in critical watersheds. The use of the Rapid Watershed Assessment has been instrumental in getting on-the-ground conservation projects completed in a timely manner. A number of NRCS funded district projects have been implemented using the data from this program.


The projects above are just a few examples of how NRCS programs have been successfully used in Oregon to develop and implement collaborative multi-benefit conservation projects. In the future, OWRC would also like to see additional funding targeted for projects that conserve both water and energy—which are two key and complimentary resource areas for the agricultural community. In Oregon, NRCS is helping develop the Save Water, Save Energy Initiative, a multi-agency cooperative effort to develop a clearinghouse of information on financial incentives and technical expertise to assist districts and their water users in implementing conservation measures. Supporting projects like the pilot project being implemented in the Deschutes Basin will provide the groundwork for future Save Water, Save Energy projects and help maximize federal investment in conservation efforts.

Conclusion

Our member districts, the irrigators they serve, and the communities in which they are located benefit greatly from the NRCS programs described in our testimony. Oregon's agricultural community is actively committed to water conservation programs, but those programs require Federal participation if the agricultural community is to be able to continue its efforts to address Oregon's water supply needs through water conservation. These valuable programs are essential tools in not only conserving natural resources but also in leveraging federal, state, local partnerships and resources to implement important projects that would otherwise be unrealized. Increasing the budget for NRCS programs is a strategic investment that will pay both environmental and economic dividends to Oregonians and the America as a whole.

Thank you for the opportunity to provide testimony for the record on the proposed FY 2012 budget for the US Department of Agriculture.

Sincerely,



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