

Testimony of April Snell, Interim Executive Director
Oregon Water Resources Congress
Submitted to the United States House of Representatives Committee on Appropriations
Subcommittee on Interior and Related Agencies
March 28, 2012

RE: FY 2013 Budget for the U.S. Environmental Protection Agency's Clean Water State Revolving Fund Loan Program

The Oregon Water Resources Congress (OWRC) was established in 1912 as a trade association to support 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 water control districts, and 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.

OWRC is concerned about continued reductions to the U.S. Environmental Protection Agency's (EPA) Clean Water State Revolving Fund Loan Program (CWSRF) and is requesting that appropriations for this program be increased to at least \$2 billion in FY 2013. The CWSRF is an efficient loan program that addresses critical water infrastructure needs while benefitting the environment, local communities, and the economy.

We are disappointed that the Administration's request of \$1.175 billion for the CWSRF program is a sharp reduction from enacted 2011 funding, and is still far short of what is needed to address critical water infrastructure needs in Oregon and across the nation. As acknowledged in EPA's budget materials, this will lead to "fewer water infrastructure projects," and therefore a reduction in improvements to water quality. The Oregon Department of Environmental Quality's (DEQ) most recent "Proposed Intended Use Plan Update #2 - State Fiscal Year 2012," lists 115 projects in need of a total of \$273,263,717 in Oregon alone.

Additionally, EPA budget materials indicate that "a number of systems could have access to capital through the Administration's proposed Infrastructure Bank," but this has not happened yet and there are numerous dire water infrastructure needs now. OWRC supports the creation of an infrastructure bank, but the needs facing communities now cannot wait for a new funding mechanism, particularly when the CWSRF has worked very efficiently in Oregon. The CWSRF has been an extremely valuable tool in Oregon for improving water quality and efficiently addressing infrastructure challenges that are otherwise cost-prohibitive.

Six OWRC member districts have successfully received loans from the CSWRF over the last several years and many more will apply if funds are available. Numerous irrigation districts and other water suppliers need to pipe currently open canals, thereby

improving water quality by eliminating run-off into the canals and increasing water availability for fish and irrigators by eliminating water loss from the canal system. These projects not only benefit the environment and the patrons served by the water delivery system, but also benefit the economy.

Four irrigation districts received over \$11 million funding in Oregon from the 2009 ARRA funding through the CWSRF for projects which created valuable jobs while improving water quality. These four projects were essential to DEQ not only meeting but exceeding the minimum requirement that 20% of the total ARRA funding for the CWSRF be used for "green" projects. Those districts' applications had been on DEQ's list of eligible projects for many years and would probably still be on that list had the ARRA funding not been made available. We provide that comment not to complain, but to emphasize the need for additional funding for this program.

We acknowledge and support the Administration's desire to "expand "green infrastructure" options and their multiple benefits" as part of EPA's In fact, as mentioned above, irrigation districts and other water suppliers in Oregon are on the forefront of "green infrastructure" through innovative piping projects that provide multiple environmental benefits. However, continually reducing the amount of funds available for these worthwhile projects is counterproductive and has created increased uncertainty for potential borrowers about whether adequate funding will be available in future years. CWSRF is often an integral part of an overall package of state, federal and local funding that necessitates a stronger level of assurance that loan funds will be available for planned water infrastructure projects. Reductions in the CWSRF could lead to loss of grant funding and delay or derail beneficial projects that irrigation districts have been developing for years.

We recognize that our country is facing difficult economic times and that we must make strategic investments with scarce resources. However, the CWSRF is a perfect example of the type of program that should have funding increased because it creates jobs while benefitting the environment, and is an efficient return on taxpayer investment. Oregon is facing record levels of unemployment and the CWSRF funded projects provide much needed construction and professional services jobs. Moreover, as a loan program, it is not a hand-out but a wise investment that allows local communities to leverage their limited resources and address critical infrastructure needs that would otherwise be unmet.

We respectfully request the appropriation of at least \$2 billion for the U.S. Environmental Protection Agency's Clean Water State Revolving Loan Fund for FY 2013.

Sincerely,
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