

Testimony of April Snell, Executive Director
Oregon Water Resources Congress
Submitted to the United States Senate Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies
April 27, 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.

OWRC is also concerned about various efforts by EPA to increase regulatory authority over water resources planning and urges the Senate to take action and prevent further jurisdictional overreach. EPA's actions to increase its jurisdiction are counterproductive to collaborative planning and detract from the positive solutions achieved through the CWSRF program.

FY 2013 Appropriations

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 CWSRF 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.

EPA Regulatory Overreach

OWRC is very concerned about EPA's recent efforts to revise Clean Water Act Guidance without appropriate public process or legislative oversight. The proposed changes would greatly broaden EPA authority and illustrates an apparent desire to dictate watershed planning methods for the nation using a top-down regulatory approach from a desk in Washington DC. This regulatory overreach will lead to uncertainty for landowners and water users, increased litigation and destroy collaborative efforts (including CWSRF projects) already underway in Oregon and

across the nation. OWRC concerns are now being reflected in new bi-partisan legislation, HR 4965, introduced by several distinguished members of Congress. EPA recently also has been pushing Oregon's Department of State Lands (DSL) to assume the Army Corps of Engineers 404 program. Based on the controversy and EPA's incorrect interpretation of the Clean Water Act, OWRC opposes these efforts.

Oregon is the model for watershed planning and does not need a new federal agency or Executive Branch office to continue watershed planning. Watershed planning in Oregon formally began in 1995 with the development of the Oregon Plan for Salmon Recovery and Watershed Enhancement, a statewide strategy developed in response to the federal listing of several fish species. This strategy led to the creation of the Oregon Watershed Enhancement Board (OWEB), a state agency and policy oversight board that funds and promotes voluntary and collaborative efforts that "help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies" in 1999.

Oregon's success in watershed planning illustrates that planning efforts work best when diverse interests develop and implement plans at the local watershed level with support from state government. Planning activities are conducted through local watershed councils, volunteer-driven organizations that work with local, state and federal agencies, economic and environmental interests, agricultural, industrial and municipal water users, local landowners, tribes, and other members of the community. There are over 60 individual watershed councils in Oregon that are already deeply engaged in watershed planning and restoration activities.

OWRC has written and commented on many of the EPA activities. These documents can be found on our web page. Below are links to these documents.

- http://www.owrc.org/useruploads/files/federal/CWAJurWhitePaper_owrc.pdf
- http://www.owrc.org/useruploads/files/federal/SustainableWatershedPlanningAct_OWR_C%20Letter%20to%20OR%20Delegation.pdf
- http://www.owrc.org/useruploads/files/federal/OWRC_comments_EPA_DraftStrategic%20Plan_July2010.pdf

In conclusion, we applaud the CWSRF program for allowing Oregon's DEQ agency to make targeted loans that address CWA issues but also help water quantity and quality while addressing ESA in some instances. This voluntary approach creates and promotes cooperation and collaborative solutions to water resources challenges.

Conversely, regulatory overreach destroys cooperation, creates mistrust and has a very negative affect on jobs and local economies. OWRC applauds Congress' bi-partisan effort in the House to reel in EPA overreach. We encourage the Senate to pass HR 872, support HR 4965, and increase oversight of EPA.

Sincerely,
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