

April Snell, Executive Director, Oregon Water Resources Congress
United States Senate Appropriations Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
April 26, 2013

**RE: U.S. Department of Agriculture's FY 2014 Budget for the Natural Resources
Conservation Service**

The Oregon Water Resources Congress (OWRC) strongly supports the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) and is deeply concerned about reductions to programs important to our members for FY 2014. OWRC is requesting that funding for NRCS' Environmental Quality Incentives Program (EQIP) be increased for FY 2014 and that additional funding be dedicated to drought planning and assistance. Specifically, OWRC is requesting that funding for the Agricultural Watershed Enhancement Program (AWEP) portion of EQIP funded at a minimum of \$70 million annually. Also, we request that the "Bridging the Headgates" MOU between NRCS and the Bureau of Reclamation be reactivated and expanded to include other federal agencies to maximize federal resources.

OWRC is a nonprofit trade association that represents irrigation districts, water control districts, drainage districts, water improvement districts, and other local government entities that provide water for agricultural use. These water stewards operate complex water management systems, including water supply reservoirs, canals, pipelines, and hydropower production, and deliver water to roughly 1/3 of all irrigated land in Oregon. OWRC has been promoting the protection and use of water rights and the wise stewardship of water resources on behalf of agricultural water suppliers for over 100 years.

Need for Increased FY 2014 Appropriations

OWRC strongly supports USDA's strategic goal of ensuring "our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources." Federal support of water conservation activities funded through NRCS programs like EQIP, which includes the Agricultural Watershed Enhancement Program (AWEP), Conservation Innovation Grant (CIG), and several other important programs are essential to the conservation of our natural resources and critical to protecting our food, energy and water supply. Financial assistance for AWEP and other EQIP programs has been declining over the past several years while the need for financial assistance to carry out conservation activities has only increased, particularly in regards to addressing endangered and threatened species, drought and potential impacts from climate change. We worry that a further decline of funding for FY 2014 will severely impact districts and other agricultural water suppliers.

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.

Increased FY 2014 appropriations for NRCS programs will yield benefits nationally and in Oregon. Conversely reduced funding will have hamper existing conservation efforts and potentially have dire consequences for water and land conservation efforts. The need and demand for EQIP funded programs far outstrips the availability of funds in previous years and we are deeply concerned about the impacts of further reductions.

For example, in 2012, Oregon NRCS requested approximately \$3.1 million for project funding, but only received \$2.4 for existing AWEP approved projects and also requested approximately \$3.2 million of CCPI funds, but received \$3.0 million. In FY 2013 Oregon requested \$2.7 million for AWEP funding, but received \$1.78 million and requested \$1.3 million for CCPI, but received \$1.03 million. Funding requests for NRCS overall are not being met. For FY 2013 Oregon requested \$24.7 million in financial assistance for NRCS funding, but received approximately \$20 million. We are concerned that this declining trend will hamper not only existing conservation efforts but the ability of new projects to be implemented.

Benefits of AWEP and other EQIP programs

OWRC strongly supports AWEP and other EQIP programs that are critical tools for districts and other agricultural water suppliers in developing and implementing water and energy conservation projects in Oregon. AWEP 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 Cooperative Conservation Partnership Initiative (CCPI) is a valuable program that allows eligible owners and operators of agricultural and nonindustrial private forest lands agricultural users to enter into multi-year agreements with NRCS to implement conservation measures using EQIP programs and other NRCS conservation programs authorized under the 2008 Farm Bill. CCPI is not a grant program, and therefore does not have a budget allocation, but we strongly support the continuance of this valuable program. 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 AWEP and CCPI.

AWEP 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. AWEP 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. Due to the large number of successful project applications for AWEP, USDA will have to obligate a large amount of the proposed 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 AWEP and CCPI projects that simultaneously benefit the environment and economy.

Additionally, CIG is another important component of EQIP and NRCS' conservation efforts. CIG helps support the development of innovative methods to address natural resources challenges that are critical to having success on the ground. Additional assistance is also needed to help farmers and other agricultural users plan for and adapt to potential impacts from climate change and ongoing drought and CIG is a viable method to spur creative solutions.

Examples of Successful AWEP Projects in Oregon

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

- The **Whychus Creek/Three Sisters Irrigation District Collaborative Restoration Project** focuses on irrigation water efficiency with irrigation improvements in the Upper 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 2013 Funding: \$180,000; FY 2012 \$251,300**
- 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 2013 Funding: \$0; FY 2012 Funding: \$4,470**
- 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 2013 Funding: \$180,000; FY 2012 \$251,300**

Additionally, 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. Additional innovative projects like the ones above could be developed and implemented in Oregon if more funding is made available.

Bridging the Headgates MOU and Planning Needs

There is also a need for continued coordination among federal agencies like 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), and planning assistance to address and plan for various water challenges. Reactivating and expanding the "Bridging the Headgates" MOU presents an opportunity to leverage shared federal resources. With the loss of watershed planning funding, reactivating and expanding this program to other federal agencies would be a very cost-effective alternative. 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 and 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.

Following in the vein of the Rapid Watershed Assessments, Oregon has adopted a Strategic Approach to Conservation. The goal is to invest technical and financial resources to strategically solve natural resource problems and be more effective, efficient, and accountable for staffing, funding and partnerships. This strategy is intended to accelerate the conservation implementation and leverage technical and financial resources required to solve the problem. These types of program activities are effective tools that need a consistent funding source.

Furthermore, reactivating and expanding the “Bridging the Headgates” program is a viable option to leverage scarce federal resources to help plan for and address drought, other natural disasters, and potential impacts from climate change. There is no USDA budget item or program to address drought yet it is imperative that farmers and other agricultural users have federal assistance to help not only deal with the current drought conditions but be able to plan for and address future shortages. A coordinated effort between federal agencies will not only be fiscally prudent, but also an effective use of time, institutional knowledge, and respective authorities.

Conclusion

Ensuring adequate water supplies for agriculture is of paramount importance to the continued economic, environmental, and cultural wellbeing of not only Oregon but all of America. Oregon’s agricultural community is actively committed to developing and implementing innovative water conservation projects, but the continued success of these efforts requires Federal participation and meaningful investment in valuable programs like EQIP. Our member districts, the farms and other water users they serve, and the communities in which they are located benefit greatly from the NRCS programs described in our testimony. Increasing the budget for NRCS programs is a strategic investment that will pay both environmental and economic dividends to Oregonians and America as a whole. We urge you to increase funding for AWEP and related EQIP programs for FY 2014. Thank you for the opportunity to provide testimony for the record on the proposed FY 2014 budget for the U.S. Department of Agriculture.

Sincerely,
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