



June 30, 2016

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Re: Comments on Division 504 Rulemaking – Hood Basin Program

Chair Roberts, Director Byler, and Members of the Commission,

Thank you for the opportunity to comment on the changes to the Division 504 rules to extend the water reservations in the Hood Basin. This letter is submitted jointly on behalf of the Oregon Farm Bureau (OFB), the Hood River County Farm Bureau, the Wasco County Farm Bureau, and the Oregon Water Resources Congress (OWRC) to express strong support the extensions of the water reservations in the Hood Basin, and to urge the Water Resources Commission (Commission) to adopt the Division 504 rules with the minor changes outlined below.

Introduction to Agricultural Organizations

By way of background, OFB is a voluntary, grassroots, nonprofit organization representing Oregon's farmers and ranchers in the public and policymaking arenas. As Oregon's largest general farm organization, its primary goal is to promote educational improvement, economic opportunity, and social advancement for its members and the farming, ranching, and natural resources industry as a whole. Today, OFB represents over 7,000 member families professionally engaged in the industry and has a total membership of over 60,000 Oregon families. Hood River and Wasco County Farm Bureau are the voice of farmers and ranchers in Hood River and Wasco County.

OWRC is a nonprofit association representing irrigation districts and other agricultural water suppliers across Oregon, delivering water to 1/3 of all irrigated land in the state.

The availability of water for future economic needs, including agriculture, has long been at the forefront of our members' thoughts. With long-term projections of drought, the need to ensure a reliable water supply to help feed our growing nation and growing world has never been more critical. With a total value of over \$4.5 billion in annual farm gate sales, Oregon agriculture is the state's second largest industry sector. Oregon agriculture is also among the nation's most diverse sectors, with over 220 different commercial commodities grown in the state. About 80% of Oregon's agricultural production leaves the state, and about 40% is exported internationally. Roughly 12% of all jobs in Oregon are directly or indirectly connected to farming and ranching. Agriculture represents a vital part of Oregon's economy, and it is critically important that we

ensure long-term availability of water so Oregon's second largest industry sector can continue producing food and fiber.

Background on Hood Basin Water Reservations

In 1987, the Oregon legislature authorized the Commission to reserve water for future economic development. The creation of water reservations was part of the same legislation allowing for the establishment of instream water rights. *See* ORS 537.356-537.358. Reservations of water for economic development were intended to be a corollary to instream water rights, and were designed to ensure that water was reserved for future growth when permanent instream water rights were created. The statute allows for any local government, local watershed council, or state agency to request that the Commission reserve unappropriated water for multipurpose storage for future economic development. In this case, the reservations for the Hood Basin were created by the Oregon Department of Agriculture to support future economic development in the region.

In recent years, the availability of water for future economic development has been a great concern to the agricultural community, and one which has occupied the thoughts of many, particularly in North Central Oregon. For the last several years, the local community has been working diligently to identify and develop additional opportunities for storage and water supply development. The applications provide great detail on the efforts undertaken by the community to identify opportunities for water supply development and the longstanding need for the development of additional water supply in the area. The accounts from our members in the Hood Basin echo the need outlined in the application, and evidence the continuing need for this reserved water in the basin. We are hopeful that Oregon's recent investment water supply development projects will help make development of new water supply a possibility in this state. However, there are still significant economic and environmental hurdles to water supply development that necessitate planning for water supply projects on a multi-year timeframe.

The Commission Should Adopt the Division 504 Rules to Extend the Hood Basin Reservation with the Minor Changes Outlined Below

We urge the Commission to adopt the Division 504 rules and extend the Hood Basin Reservation with the minor changes outlined below. The applications submitted by the Oregon Department of Agriculture provide great detail on the extensive efforts undertaken to develop additional water supply in the basin, the continued need for the reservation, and the importance of the reservation to the local community. Since the reservation was created, several local entities have undertaken studies. In developing the reservation, the community will ensure that the reserved water will be developed and available for future use, benefiting the local economic base and providing benefits to the local community, fish and wildlife, and other local values. The local community needs this water for future economic development. In the last twenty years, local farmers and ranchers have seen reductions in the amount of water available for irrigation, while their need for reliable irrigation sources has only increased. With projected increases in temperatures in the next several years, combined with increased demand on water resources, the need for additional water for farming and ranching will only continue to grow.

Prior to adopting the reservations, we have a few small changes we would like to see the Department make to the rule language.

Since the first draft of the rules, the department added a provision specifying that an application for the reserved water must include consultation “with any affected” Indian Tribes, including the Confederated Tribes of Warm Springs Reservation. OAR 690-504-0100(5)(c). We have two language suggestions regarding this provision: 1) the Department should specify the Tribes that a permittee must consult with in each basin. Otherwise, it would be impossible for a permittee to reasonably know what Tribes would consider themselves “affected” by the decision to develop the reservation; 2) the Department should specify that the applicant need only provide a summary or statement of their efforts to consult with the specified Tribes. We recommend the following language to capture these changes:

OAR 690-504-0100(5)(c). **A written statement of the applicant’s** consultation with ~~any affected Indian Tribe(s), including~~ the Confederated Tribes of Warm Springs Reservation.

Next, the Department should specify that the Department need only impose conditions to ensure not injury to senior water rights when necessary to protect those rights. OAR 690-504-0100(8). In other words, the Department does not need to impose conditions to protect against injury when injury will not occur. We recommend the following language to capture these changes.

OAR 690-504-0100(8). The Department shall determine, and impose as a condition, an appropriate storage season, and shall include other conditions **where necessary** to ensure no injury to senior water rights and to protect instream values.

We urge you to to adopted the Division 504 rules with the changes outlined above and extend the water reservations. Thank you again for the opportunity to comment on the Division 504 rules.

Sincerely,



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