



April 10, 2013

Chair Dingfelder, Vice-Chair Olsen, and Members of the Senate Committee on Environment and Natural Resources:

Re: Support for SB 839, Water Supply Development Fund

Dear Chair Dingfelder, Vice-Chair Olsen, and Members of the Committee:

The Oregon Water Resources Congress (OWRC) urges you to support SB 839 and establish a statewide water supply development fund. **SB 839 will provide crucial funding for water supply projects that will help Oregon meet its agricultural, municipal, and environmental water needs.**

OWRC is a nonprofit association representing irrigation districts, water control districts, improvement districts, drainage districts and other agricultural water suppliers. These local government entities operate complex water management systems, including water supply reservoirs, canals, pipelines, 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.

Oregon's economic and environmental well-being is dependent on the reliability, safety, and security of its physical infrastructure—especially our water delivery systems. As stewards of the water resource, our district members are continually making infrastructure improvements such as piping and lining, dam maintenance and repair, and installing fish screens and ladders. But we cannot do it alone—our members need help with funding to ensure we have adequate infrastructure to meet Oregon's water needs now and in the future. That is why we are in full support SB 839 and the establishment of a statewide water supply development fund. These funds can address aging infrastructure needs, enable innovative methods and technologies for water conservation and efficiency, and develop or expand storage. The Water Supply Development Fund can also leverage other funding sources to provide a crucial missing piece in either initiating or completing a project that will result multiple public benefits—social/cultural, environmental, and economic.

OWRC has been actively engaged in a workgroup, convened by the governor's office in December of 2012, helping develop a framework for a well functioning funding mechanism for water supply development. The workgroup process was intense and utilized a consensus based approach to reach agreement. As with other collaborative workgroup efforts, not all of individual needs were addressed but the package as a whole will provide numerous benefits to not only irrigated agriculture but all other water interests. SB 839 is an important step forward in helping Oregon meet its diverse water needs.

Need for a State Water Supply Development Fund

There is a great need for a statewide funding source for water supply development projects. Many of the irrigation projects in Oregon were constructed 75-100 years ago and are in dire need of repair or replacement. The type and complexity of the water infrastructure system varies by the geographic location of the district, type of water source and storage, and whether its facilities provide hydroelectric power. Water delivery infrastructure encompasses all the components necessary to get the water from its source to the farm or other district water user and includes:

- Diversion and delivery systems such as canals (lined and unlined) and pipelines, pumps and pumping stations, headgates, headworks, and valves, spillways, siphons, drains, penstocks (for power) and transmission lines, and telemetry systems;
- Environmental enhancements such as fish passage, fish ladders, and fish screens;
- Storage facilities such as dams, the reservoir behind the dam (and any recreation facilities associated with it), regulating reservoirs, and wells; and
- Measurement devices such as weirs, flumes, meters, gauging stations, and data loggers.

These facilities and structures took years to acquire, fund, and build and have been in use for many decades. The various components require regular maintenance, repairs, upgrades, replacements, and/or new construction, the costs of which often exceed an individual district's ability to pay. The infrastructure needs of irrigation districts range from replacing open canals with pipe to rehabilitation of large dams that provide water storage not only for irrigation but recreation, aquatic habitat, and other important water uses. Irrigation districts need to not only improve the physical condition of the various water delivery and storage components but also install more durable and efficient types of technology and materials. These types of water supply projects and infrastructure improvements are costly and districts often need multiple funding sources to fund the project.

Districts also face external social, economic, and environmental challenges that impact infrastructure needs, which include:

- Meeting future water needs for population growth and agriculture;
- Potential impacts from climate change to existing facilities' ability to capture and storing water and adapt to changes in the quantity and timing of water supplies in the Pacific Northwest; and
- Economic and environmental pressures have resulted in greater demand for secure reliable water supplies to local growers.

As federal and state funding for water infrastructure is scarce and the costs are great, the opportunities to address current needs, as well as new challenges posed by impacts from climate change, are limited. But that has not meant that some work has not gone forward. Districts are investing their own money in water conservation projects because they understand the benefits of the projects they pursue on instream health and rural economic health. However, in order to fully be able to complete projects with public benefit, some funding assistance is needed.

Benefits of SB 839

SB 839 will provide essential funding to enable districts to meet the challenges they face in managing scarce water resources and implement water supply projects that will provide multiple public benefits. This funding source will help OWRC members continue to pursue and expand innovative methods and technologies to conserve water, improve water quality, benefit fish habitat, and ensure that the needs of irrigated agriculture is still met.

SB 839 will also allow districts to better leverage funding from various federal, state, and local sources for these beneficial types of projects. Many districts have successfully applied for funding from federal and other state sources for water supply projects but often lack the required state or local match funding to implement the project. Funding from a state water development fund can close the funding gap.

SB 839 does not meet all of OWRC member's needs but it will help fill a vital funding gap in implementing beneficial multi-purpose water supply and conservation projects that are currently unable to move forward. We are very supportive of SB 839, because we believe that the new funding program as a whole will provide great benefit not only to our members but all of the citizens of Oregon who depend on reliable water supplies. Also, through the collaborative workgroup process we have been able to craft a workable grant and loan framework that will enable many of our districts to apply for funding to complete a water supply development project that would otherwise be unavailable.

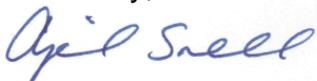
Additionally, the inclusion of Seasonally Varying Flows (SVF) in SB 839 will create a more transparent process for determining various ecological flow needs and provide our members more certainty about what those needs are, and what water is available for water supply projects. Also, the bill creates a mechanism that allows the applicant or a third party to challenge the SVF determination, which is not currently available. This removes a great barrier to districts pursuing grant funded projects. Previous funding models put the burden on the applicant to produce these reports, thus making a project infeasible to pursue, and the funding framework unusable. We see the SVF model proposed in SB 839 as a positive improvement to help water supply projects move forward while ensuring that environmental needs are met.

Conclusion

State grant and loan funding for water supply projects is desperately needed and will yield multiple public benefits. The water supply challenges are only increasing, and with the recent adoption of the Integrated Water Resources Strategy to help guide how the state meets its water needs, now is the time for the State to invest in a future that will provide abundant economic, environmental, and social public benefit to all Oregonians.

We urge you to support SB 839 and provide essential funding for water supply and conservation projects to meet Oregon's diverse water needs.

Sincerely,



April Snell
Executive Director