



**Via Electronic Submission to House Committee On Water**

Representative Ken Helm, Chair  
Representative Mark Owens, Vice-Chair  
House Committee on Water  
State Capital  
Salem, OR 97301

RE: Support of Regionalization of Water Planning and Implementation (Written Testimony on HB 3228)

Dear Chair Helm, Vice-Chair Owens and Members of the Committee:

NOWA would like to thank the House Committee on Water leadership and members for hearing HB 3228 and discussing the need to regionalize water planning and management in all or portions of the State of Oregon. While we recognize that HB 3228 requires significant work prior to consideration for passage, our region has long advocated for the need to regionalize water planning, policy development and water development/optimization to enable regions to meet their water supply goals for consumptive use needs and environmental & public benefit. NOWA is very appreciative that the House Committee on Water is willing to start this conversation in the State of Oregon.

The Northeast Oregon Water Association (NOWA) is a non-profit support organization to the value-added agricultural economy of the Mid-Columbia region of Northeast Oregon. We represent landowners of over 350,000 acres of the most highly productive, irrigated food producing farmland in the world, as well as the counties, cities, ports, special districts and private businesses that generate and support our value-added agricultural output that now contributes over \$2 billion annually to the region and State of Oregon. A sustainable, drought and climate change resilient, conjunctively managed water supply program is critical to sustainability of our region and the quality of life of all our residents.

All regions in Oregon are unique, and our region is truly unique not only in its history of water development and problems but in how we have worked together, locally, to attempt to solve them. Our region of interest is also unique due to the inter-state and international interest in our watershed (Columbia River).

During the early development period of our region up to the mid-1970's, when science caught up, water resources were over-exploited. Our region is home to 4 of 7 Critical Groundwater Areas designated in the State as well as a large Groundwater Management Area designated due to nitrate levels exceeding safe drinking water standards. The State and Federal government over-appropriated and over-developed our primary Columbia River tributary (Umatilla River) to the point where most anadromous fish species went extinct and the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) were left with no wet water to settle a long-standing and necessary tribal water right. Lastly, in



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1992 a de-facto moratorium was put in place on the Columbia River mainstem due to ESA listing of Columbia Basin salmon.

While our Basin has experienced some litigation, Basin leaders including the CTUIR, senior water rights holders, state & local government & business leaders have chosen to plan and collaborate rather than litigate to attempt to solve regional water problems and develop a sustainable pathway forward for future generations.

Planning in our region began when Governor Victor Atiyeh formed the Umatilla Basin Groundwater Task Force in 1986 to address groundwater declines. Around that same time Senator Mark Hatfield brought CTUIR leadership together with basin irrigation interests and passed the Umatilla Basin Project Act during the 100<sup>th</sup> congress in 1988. Umatilla County adopted a 2050 plan in 2008 identifying plans and actions needed to be taken over the next 50 years to ensure water supplies indefinitely for both consumptive use needs and environmental improvement and Governor Kitzhaber, in late 2011, formed the Columbia River-Umatilla Solutions Task Force (CRUST) to build off all the previous plans and devise a pathway forward on mitigated Columbia River supplies as an initial step to fixing regional problems. As these plans were developed, the Mid-Columbia region invested heavily in water supply and energy efficiency becoming a global leader in efficient irrigation practices and technology.

All these plans have one thing in common, they were never memorialized, and state agencies were never formally directed to work with the region to implement, monitor and report on plan implementation progress, changes or needs. While the 1988 Umatilla Basin Project Act did see 2 of 3 phases completed, phase III was never completed which would have included a potential pathway to settlement of a CTUIR water right.

NOWA formed in 2013, shortly after memorialization of the Columbia River-Umatilla Solutions Task Force (CRUST) Declaration of Cooperation was signed by all 21 members representing diverse interests in the Mid-Columbia region. NOWA's primary goal was to establish and maintain the local institutional capacity needed to ensure that the short and long-term recommendation of the CRUST were not forgotten and that the Umatilla Basin would finally begin to move forward on long-term water sustainability. NOWA committed to three key deliverables:

- 1) Development of a short and long-term mitigation program on the Columbia River that does no harm to Columbia River and promotes net gain, through mitigation projects, where feasible.
- 2) Development of three Columbia River pipelines sized to both maintain irrigation in the high-value irrigated region and relieve irrigation pumping pressure on the 4 Critical Groundwater Areas.
- 3) Development of a groundwater savings and banking program

During the 2015 session of the Oregon Legislature NOWA supported both a funding package (\$11 million appropriation for project infrastructure) and a policy package (SB 846 to memorialize implementation and oversight of CRUST recommendations). The funding package passed but SB 846 failed leaving the Mid-Columbia region with only one piece of the puzzle.

Since 2015 NOWA membership has matched the \$11 million in state funding with \$105 million in local debt service and equity investment to build 2 of the 3 regional water supply projects. NOWA membership have also secured a temporary mitigation package and developed a local administrative arm that will contribute >\$45 million over the next 30 years to Columbia River mitigation. We have also secured \$1 million to test basalt groundwater savings.

While the region is proud of accomplishments to date, lack of memorialization, at the State level, of our efforts have led to significant problems and concern. Simply stated, state policy does not currently match local goals.

There is no memorialized framework or plan forward should our local efforts and capacity change or dissolve nor is their formalized commitment from the State of Oregon to make the policy changes necessary to ensure that our available



Columbia River water supplies are utilized for maximum optimization of the resource to sustain economic goals and promote the environmental improvement our local leaders committed too. Most importantly, there is no regional memorialization that the sequential steps to the effort will be completed, that the state will work with local leaders to ensure groundwater savings will happen or that local resources will be utilized for mitigation that improves the environment. Most importantly, a lack of memorialization has led to the waste of over \$116 million in non-federal in-kind match that could have been used for other Columbia River mainstem projects and could lead to the potential of wasting another \$45 million in mitigation commitment. Without regional memorialization of this commitment, these projects and our promises are in jeopardy. Something needs to change.

The State of Washington has found a way to memorialize regional planning and implementation at the state level. They passed state legislation in 2006 to form the Office of Columbia River with crisp goals and long-term direction on the mainstem. They passed legislation to implement the Yakima Integrated Plan in 2013 which includes crisp deliverables and direction for the next 30 years in that Basin. Regionalization and targeted regional legislation is working for our neighbors and we need it in our region of Oregon.

NOWA is not advocating for the divestment of OWRD in regulatory matters or seeking to get around the environmental sideboards and regulations in place. We are asking for structure and memorialization of the environmental commitments we made to ensure our investments in our water sustainability efforts are secure and are targeted at actual gain and actual sustainability. We believe it is time to discuss regionalization where appropriate and our region now has two great models to reference and potentially mimic from our neighbors to the north.

NOWA urges the House Water Committee to continue this discussion through the development of work group that can work with regions like ours over the next two years to formalize a regionalization strategy going forward.

Thank you for the opportunity to submit testimony in support of regionalization of water planning and plan implementation in Oregon.

Sincerely,



J.R. Cook  
Director

Attachments: CRUST Overview Slide  
Regional Commitment Slide  
Compressed Umatilla Basin Timeline Slide  
NOWA Columbia River Project Cost Detail

# THE CRUST\*

## PROCESS:

### Another great plan with no capacity for success



- The CRUST Basically consolidated recommendations from 4 previous plans/efforts
  - 1986 Groundwater Task Force Report
  - 1988 Umatilla Basin Plan
  - Various plans and commitments stemming from the 1988 Umatilla Basin Exchange Act (Hatfield)
  - Umatilla Sub-Basin 2050 Plan (Adopted in 2008)
- The Basin has confirmed goals:
  - We developed a list of projects and policy needs for both the short and long term
  - We developed a list of goals and a crisp list for SUCCESS
  - We developed recommendations for structure to ensure "skin in the game to see it through"
- CRUST memorialized the above:
  - Recognized the need
  - Identified what can and can't be supported by full consensus of state interest groups
  - Addressed a need for clarity on how we move forward
  - Recommended a pathway for long-term accountability and maintenance of interest
- In February, 2013 the CRUST was signed
  - **Implementing Legislation in 2013 (SB 846) to place same level of measurables as WA Columbia River Water Management Program (Chapter 90.90 RCW) and YBIP leg (2013) FAILS**
  - In 2015 the Umatilla Basin received \$11 million to construct projects but has since struggled to implement remaining concepts of the CRUST DOC
  - As of 2020 only 3 of 21 members who signed CRUST still in the positions that committed to the effort (institutional capacity is gone and no legislative benchmarks established to ensure that concepts are implemented)

\*CRUST: Columbia River-Umatilla Solutions Task Force (<https://orsolutions.org/osproject/crustaskforce>)



# Promises NOWA Made and Remains Committed too:

- Private Business will Pay its fair share
  - The first two projects (not counting time value of money) breakdown to the following
    - East and West costs = \$94 Million (\$11 million public/\$83 million private)
    - 9% public/91% private investment
    - **Over \$116 million in non-federal in-kind match WASTED**
- Projects will facilitate measurable economic return
  - The new Port of Morrow Economic Impact Analysis is out (Now over \$2 Billion annually and growing)!
  - Over \$600 million in new plant investments in the last year alone
- Projects will facilitate tangible environmental and public benefit (note for discussion here)
  - Basalt Savings, groundwater recovery and Banking
  - Fish Screens
  - C. Basin Mitigation/fishery enhancement
  - Support CTUIR tribal water rights settlement

**All of this is coordinated at the local level  
There is NO structural foundation if  
NOWA dissolves. LET THIS SINK IN!**





# Compressed Basin Timeline

- 1855 Treaty with the Walla Walla, Cayuse and Umatilla Tribes (Note: CTUIR Water Rights Claim is still NOT SETTLED)
- 1916 Adjudicated decree of water rights to use waters of Umatilla River and its tributaries
- 1958 First reports of water table decline in Butter Creek area
- 1976 OWRD designates Butter Creek a Critical Groundwater Area (remanded until 1986)
- 1976 Critical Groundwater Area designated by OWRD for Ordinance Basalt and Gravel
- 1977 Lost Lake/Depot well owners initiated project to artificially recharge shallow gravel aquifer using existing canal system
- 1986 Critical Groundwater Area designated by OWRD for Buttercreek Basalt (Governor Atiyeh forms first Groundwater Task Force in Region, great plan but no memorialized implementation)
- 1988 Umatilla Basin Project authorized and funded by Congress -- allows irrigators to exchange Umatilla River water for Columbia River water
- 1990 DEQ declares 352,000 acres in Umatilla and Morrow counties as a groundwater management area (GWMA) due to nitrate contamination (Note: groundwater quality designation uses different data set than OWRD data set regarding who is connected to who. Those data sets continue to be segregated today)
- 1991 Critical Groundwater Area designated by OWRD for Stage Gulch Basalt
- 2004-2008 Development of the Umatilla Sub-Basin 2050 Water Management Plan
- 2008 Oregon Legislature passes SB 1069 authorizing \$750 K to complete a feasibility study of the Umatilla Basin Aquifer Restoration Project (A milestone in OR water planning efforts – OR and AK w/o plan but still no clarity on how to memorialize implementation)
- 2009 Oregon legislature passes HB 3369 authorizing \$2.5 million in grants and loan funding (a milestone in state water development efforts but still no emphasis on implementing regional water sustainability efforts and implementation. Just a band aid)
- 2010 - Umatilla Basin Water Commission (UBWC) forms to coordinate the implementation of the Umatilla Basin Aquifer Restoration Project and address basin wide needs
- March 2011 – Stage I of Umatilla Basin Aquifer Restoration Project Completed
- August 2013 – UBWC completes work authorized by IGA and dissolves due to finding that recharge can't fix everything, CRUST Declaration of Cooperation Signed
- August 2013 - Northeast Oregon Water Association (NOWA) forms to continue water development projects under a coordinated, comprehensive effort
- 2013 – NOWA unveils “new” water supply plan that takes pressures off of fish rearing tributaries of the Columbia River, improves aquifer conditions and builds the local economy (legislation to memorialize implementation and accountability from the state fails)
- 2015 – Oregon legislature approves \$11 million in funding for regional Columbia River water supply projects
- 2015 – NOWA begins to do their best to implement the 2013 plan without structural foundation (including local funding and structure)



# Project Cost Detail

| Project Component   | State Funding            | Local Funding                               | Total        |
|---|--------------------------|---|--------------|
| <b>Components Deemed "Qualifiable Expenses" under OWRD Grant (Project Mainlines and Pumpstations)</b>     |                          |   |              |
| Pump station and mainline Construction (West)   | 4,000,000                | 27,348,662                                  | 31,348,662   |
| Pump station and mainline construction (East)   | 7,000,000                | 37,877,802                                  | 44,877,802   |
| <b>Components that are tied to project but not qualifiable expenses under the budget approved by OWRD</b> |                          |   |              |
| Additional legal and technical costs (East)   |                          | \$1,861,402                                 | \$1,861,402  |
| Mitigation water rights negotiation and management  |                          | \$150,000 annually (\$750,000 over 5 years) | \$750,000    |
| Private cost of getting water to cut-off lands (Laterals and distribution lines)                          |                          | \$38,150,000                                | \$38,150,000 |
| Annual Administrative Costs and 30 year straight cost (not counting project O&M)                          |                          |   |              |
| Water rights mapping, administrative costs and reporting (mitigation water rights only) <sup>1</sup>      |                          | \$600,000*30 years = \$18,000,000           | \$18,000,000 |
| Mitigation Cost (First 180 CFS) <sup>2</sup>  |                          | +/- \$900,000 Annually                      | \$27,000,000 |
| <b>Totals</b>   |                          |   |              |
|   | <b>State</b>             | <b>Local</b>                                |              |
| <b>Grand Total: \$161,987,886</b>   | <b>\$11,000,000 (7%)</b> | <b>\$150,987,866 (93%)</b>                  |              |
| <b>Capital Costs: \$116,237,886<sup>3</sup></b>   | <b>\$11,000,000 (9%)</b> | <b>\$105,237,886 (91%)</b>                  |              |
| <b>Mitigation and Mitigation Water Rights Management</b>  | <b>0 (0%)</b>            | <b>\$45,750,000 (100%)</b>                  |              |

<sup>1</sup> This cost excludes annual transfer costs and reporting costs associated with existing water rights in the Basin (Critical Groundwater reporting, POD reporting, temporary and permanent transfers, future water bank reporting, etc.)

<sup>2</sup> Note: The Umatilla Basin needs 500 cfs (168,000 acre-feet) to fulfill its goals of basalt stabilization and sustained land base/environmental improvement

<sup>3</sup> **NOTE: This total does not include the third and still outstanding project (The Central Project/Ordinance Project) which totals \$16 million**