

Oregon Water Resources Department Budget Testimony (HB 5545)

Joint Ways and Means Natural Resources Subcommittee

March 21, 2021

Co-Chairs Taylor and Reardon and Members of the Committee:

Thank you for the opportunity to comment on the Oregon Water Resources Department (Department) budget. The Oregon Farm Bureau (OFB) strongly supports general fund investment in the OWRD, particularly in several key program areas that are important to our membership. In reviewing the Governor's Recommended Budget proposed for the biennia, we have concerns about the long-term consequences to the Department of proposing a number of new programs while proposing significant reductions across core budget areas and programs. We also have concerns that there are a few packages that are key to beginning to solve our state's most pressing water issues that are not recommended to funding. Additionally, we have concerns that novel policy interpretations advanced by the Department are at least partially responsible for the Department's ballooning legal costs. We would like the Subcommittee to ensure this is addressed prior to funding the legal budget package.

By way of background, is Oregon's largest grassroots agriculture association, representing nearly 7,000 farming and ranching families across the state. Our mission is to promote educational improvement, economic opportunity, and social advancement for our members and the farming, ranching, and natural resources industry as a whole.

Water is the lifeblood for Oregon's farmers and ranchers; it is essential for the Oregon's agricultural economy. Agriculture contributes an estimated \$50 billion dollars to the state's economy, making it Oregon's second largest economic driver. Given the importance of water to all of Oregon's 220+ commodities, we have a strong interest in ensuring that the OWRD is adequately funded and supervised.

We oppose **Package #104 (Maintain Water Rights and Dam Safety Services)**, at least in part. Maintaining the general fund investment in water rights administration and dam safety is critical, particularly given that much of the work in this arena is done for the benefit of the public. However, we are concerned by the rate of cost increase in this program, the magnitude of the reductions proposed for this program area in **Package 070 (Water Right Revenue Shortfall)** despite the proposed fee increase, and the fact

that costs and fees are skyrocketing while applications go down. We articulated these concerns in [the letter](#) our coalition submitted on HB 2142. OFB continues to oppose the fee increase in this program area and urges continued conversation and a deeper audit of this portion of the Department to determine how costs continue to rise as workload decreases.

Similarly, we are concerned about the magnitude of the reductions proposed in **Package 90 (Technical and Field Services Reductions)** on core program functions, particularly the cuts to gauging stations, observation wells, groundwater studies, and three of the position reductions (water data technician, assistant watermaster, and hydrogeologist). Across all of our state's complex water issues, the constant is that more data is needed, and more resources are needed to process that data and manage water in our state's basins. All of these cuts strike to the very core of those needs, and seem short-sited, particularly while suggesting new programs that could be funded by other resources or through other agencies.

OFB also has concerns about **Package 103 (Fund Legal Expenses to Prevent Service Impacts)**. While the Department has stated that these costs are largely outside its control, we are concerned that the costs may be driven by the Department advancing novel legal interpretations, new models, and other significant policy changes through specific cases, rather than through setting forth a specific policy directive or engaging in rulemaking. We believe that this is causing individual water users to have to litigate the Department's new policies on a case-by-case basis, resulting in multiple cases moving through the court system where there could have just been one case if the Department had formally changed its policy or completed a rulemaking. While the Department provided a detailed analysis of its legal cases as part of a 2019 budget note, it did not flag the myriad of cases that we understand to be the result of new policy interpretations, and therefore was not useful to the ultimate resolution of this issue.

OFB supports **Package 108 (Fund Feasibility Studies and Projects)**. This work is critical for many basins to begin to solve their most complex water issues.

We also strongly support reauthorization of several important dam safety projects previously authorized by the legislature.

We also want to express our support for several important packages that were not recommended for funding in the Governor's Recommended Budget, but which are essential to solving our state's long-term water issues:

- **Package 107 (Protect Groundwater Supplies and Public Health):** Package 107 would fund important work to ensure our groundwater supplies are protected and that wells are meeting well construction standards. This work is critical to protecting our groundwater resources for communities, irrigators, and our environment, but years of declining investment have left the state unable to review most of the wells in the state. This investment is critical toward ensuring inspections occur and our resources are protected.

- **Package 110 (Foundational Data for Groundwater Studies):** OFB has long-supported investment in groundwater studies around the state. We have several basins around the state where the Department believes we may be near or over available water. This investment is critical in helping basins better understand and prepare for their water future. As [several water groups testified in support](#) of HB 2018, this information is critical to our water future.
- **Package 112 (Harney County Reserve Enhancement Program):** Harney County water stakeholders have been leading the charge in proactively addressing their groundwater issues and planning for their future. This investment is critical in helping them achieve balanced water use without causing economic collapse in the basin.
- **Package 113 (Willamette Basin Reallocation Pre-Implementation):** The Willamette Reallocation has been approved by Congress, and is able to move forward at the state level pending resolution of OWRD's opinion around transfer of stored water. However, the state is ill-equipped, ill-prepared, and ill-funded to undertake its portion of the work. Without a proactive, adequately resourced approach by the state, this basin has the potential to become even more fraught and complex than the Klamath. This investment is critical in moving the reallocation forward in a positive manner.

Finally, we also want to register concerns with the resources that are being expended to ODFW as part of HB 3315 (2015). OWRD paid nearly \$95,000 in the last year out of their budget as part of the billing that occurred from ODFW to OWRD as a result of that bill. We do not view the consultation between OWRD and ODFW as a budget obligation of OWRD, and the agency can ill-afford to have their resources further constrained as they are already extremely budget limited.

Thank you for the opportunity to comment on the proposed budget for the Oregon Water Resources Department. Please contact me if you have any questions.

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