

**Testimony to the Joint Committee on Ways & Means Subcommittee on
Natural Resources
on SB 5545**

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Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative and equitable solutions to Oregon's environmental challenges for today and future generations.

Oregon Environmental Council is supportive of SB 5545, the Governor's recommended budget for the Oregon Water Resources Department (OWRD). There is no doubt, however, that additional funds are required in order for the Department to address the myriad of water management issues facing the state. Our state natural resource agencies have been chronically underfunded -- without adequate funding for water management, our public health, our economy, and our environment suffers-- as infrastructure fails, permits are delayed, important technical services go undelivered, and essential data remains uncollected, undocumented or is not processed.

Many biennium's worth of budget cuts and staff reductions have taken their toll on the agency's ability to deliver on its core services much less deal with the new challenges posed by climate change, new industries, and new community needs and expectations.

In the 2017 revision of the state's Integrated Water Resources Strategy, numerous initiatives and needs were identified as essential to moving Oregon into a solid and more stable water future. Some investments have been made towards achieving those goals, and we strongly believe those investments need to continue and increase. This present GRB reduces agency staff and technical resources -- this is not the way to reduce the permit backlog, nor is it the way to ensure a robust and sustainable water future for Oregon.

Further, due to unsupported staffing levels the state is leaving federal funds on the table, since OWRD is unable to provide the necessary staffing to provide in-kind match at levels that would allow the department to apply for the full funding amount available.

We are supportive of the following POPs, some of which were included in the Governor's recommended budget (GRB) and some of which were in the agency recommended budget (ARB) but were not included in the GRB:

- **POP 087:** \$340,000 GF included in ARB (reduced to \$215,000 in GRB). Covers cost to migrate OWRD to State Data Center Services, includes new data storage and server capacity.
- **POP 090** (the additive portion): \$1.5M GF included in GRB. Increases equitable water access and indigenous energy resiliency (builds on recommendations from the Racial Justice Council's Environmental Equity Committee)
- **POP 101:** \$1.9M GF included in GRB. Provides for dam safety, including emergency preparedness, natural hazards and climate change

- **POP 102:** \$818,781 GF included in ARB. Funds initial steps in IT infrastructure modernization, improving functionality and accessibility for agency staff, water users and the public.
- **POP 103:** \$800,000 GF legal expenses included in GRB. Provides ase funding for OWRD litigation costs, which are primarily defensive. Approximately half of the Department’s litigation costs are related to the Klamath Basin Adjudication.
- **POP 104 (HB 2142):** \$564,594 OF/new revenue included in GRB. Increases water rights fees to “buy back” 2.5 FTE of staff reductions in the Water Rights Services Division otherwise lost under the GRB. Requires passage of HB 2142.
- **POP 105 (HB 2143):** \$1287,004 OF/new revenue included in GRB. Updates and simplifies annual fees paid by hydroelectric projects, maintaining current service levels and ensuring legally required protections for fish and wildlife.
- **POP 108:** \$20.9M Lottery Bonds + \$289,683 GF included in ARB. Continues work on four place-based pilots currently underway in the Harney-Lower Malheur, the Upper Grande Ronde, the Lower John Day and the Mid-Coast basins. GRB did NOT include the necessary staff position, which should be added back in. (HB 3105 adds \$100,000 GF to complete and implement plans).
- **POP 109:** \$1,375,458 GF included in ARB. Adds 5 assistant watermasters to OWRD staff, one for each region, to ensure adequate and timely on-the-ground water management and enforcement.
- **POP 110:** \$2,001,470 GF included in ARB. Adds additional staff for continued groundwater-related work (including gathering foundational groundwater data, creating water budgets and partnering with the USGS) necessary for implementing sustainable groundwater management.
- **POP 111:** \$422,190 GF included in ARB. Provides limited duration funding for staffing to address complex water issues in the Deschutes Basin and other basins of concern.
- **POP 113:** \$221,40 GF included in ARB. Provides staffing to implement efforts currently underway in the Willamette Basin Reallocation, which will reallocate the 1.6-million-acre feet of water stored in the 13-reservoir Willamette Project.

Important bills that require funding to implement their policy goals:

- **HB 2145:** Modernizes well-construction regulations and programs, helping to protect drinking water supplies and public health. Amendments put forward will help support low-income well-owners and others to rebuild or replace defective wells.
- **HB 2257:** (\$500,000 GF, 75/25 federal split): Provides match for federal Conservation Reserve Enhancement Program (CREP) funding to enable Harney basin to withdraw selected agricultural lands from production, reducing ag contribution to regional groundwater decline.
- **HB 3093-8:** Addresses the need for agency coordination and communication in addressing harmful algae blooms and public health.
- **HB 2018:** Directs OWRD to collect and analyze groundwater data, including monitoring groundwater levels and measuring consumptive use, to create water budgets for the states’ hydrologic basins. with our woeful lack of data,

We do not support:

- **POP 090:** (reductions) Removes three positions (water data technician, assistant watermaster, groundwater hydrogeologist). Also removes funding for gaging stations (\$165,000), groundwater studies (\$301,000) and observation wells (\$778,000). These positions and the capability to collect and process data are crucial given our woeful lack of current data necessary to inform water policy and programmatic decision-making.
- **POP 092:** \$909,000 reduction in GF: Reduces agency budget through vacancy savings but negatively impacts the ability of OWRD to manage the state’s water resources. We are particularly concerned that the groundwater program and related positions will be

lost as part of the reduction package. Most new permits are for groundwater, and expertise is needed to accurately process these new permits.

It should be noted that for many of these POPs, funding has been reduced from the agency's original budget, once again making it hard for the agency to meet expectations and key performance measures (KPMs).

OWRD needs significantly improved investment to allow the Department to address previous work and truly prepare for near term and long-term water management and infrastructure needs. With increasing variability in precipitation, shifting population centers, changing community needs and expectations for water resources, and an evolving economic base, we need a department who can work accurately and respond timely to our water needs.