



May 7, 2021

To: Co-Chair Senator Fred Girod, Co-Chair Representative Paul Holvey and Members of the Joint Ways and Means Subcommittee on Capital Construction

RE: Testimony in Support of Lottery Funds for Water Projects and Components of SB 5543

Co-Chair Girod, Co-Chair Holvey, and Members of the Subcommittee:

The Oregon Water Resources Congress (OWRC) is writing to voice our strong support for the State's continued investment in water resources and specific lottery backed bond allocations for water infrastructure projects as well as grants and loans administered by the Oregon Water Resources Department (WRD). Providing funding for feasibility and implementation of water projects is wise investment of our state's limited funding and crucial to ensuring the diverse suite of current and future water needs are met.

OWRC is a nonprofit association of irrigation districts, water control districts, improvement districts, drainage districts and other government entities delivering agricultural water supplies. The water stewards we represent operate complex water management systems, including water supply reservoirs, canals, pipelines, hydropower facilities, and deliver water to roughly 1/3 of all irrigated land in Oregon. Our members, and the thousands of water users they serve, are a vital component of Oregon's economic engine, delivering water supplies to grow food and fiber sold and consumed locally, nationally, and globally.

In order to continue providing water to meet current as well as future needs, communities around the state need assistance to plan, develop, and implement water supply, conservation, and efficiency projects. The costs of repairing and modernizing our water infrastructure to meet current and future needs is high and often involves complex planning. Fortunately, there are some limited federal funding programs that can help support irrigation districts and their local communities—but match funding is needed. Projects may still be able to move forward without state funding, however; they are likely to be scaled back and not provide as many benefits. We commend your continued hard work in designing a balanced budget that meets the needs of all Oregonians and ask that you include investments for water projects in your final budget package.

There are several key funding packages that we request be included in SB 5534:

- ◆ **Feasibility Grants** – Created by the legislature in 2008 (SB 1069), the Water Conservation, Reuse and Storage Investment Fund provides grants for entities and communities to explore the viability of various water projects. Feasibility studies are necessary to determine what innovative ideas are realistically viable and help communities move toward implementation with fewer unforeseen barriers. *\$500,000 for the 2021-23 biennium*
- ◆ **Water Supply Development Loans and Grants** – The Water Supply Development Account (created by SB 839 in 2013) provides grants and loans to help implement water supply and conservation projects that provide economic, environmental and socio-cultural benefits. As with SB 1069, OWRC helped pass the originating legislation and looks forward to further discussions about how to enhance the program's usability. Several OWRC members have successfully applied to this program and application demand far outweighs current and past allocated funding. *\$20 million for the 2021-23 biennium*

- ◆ **Re-Fund Water Projects Authorized in 2019** – Restore funding to the projects previously authorized in 2019 that lost funding due to cancellation of the lottery bond sale, specifically \$10 million for the Deschutes Basin Board of Control’s irrigation modernization project. This funding will match \$42 million in already allocated federal funding from the Natural Resources Conservation Service’s PL-566 program and will be provide a myriad of economic and environmental benefits to the region and state. There are many other district projects around the state who are or will be using the same federal program and sustained state investment in water projects is essential to moving forward.

As our state faces increased occurrences of extreme weather events and impacts from climate change it is essential that we invest in planning, feasibility and implementation of innovative projects. In the last several biennia, WRD awarded millions of dollars in feasibility and implementation grants throughout the state. These grant funds have gone to a variety of projects that include conservation, efficiency and increased water supply—including many OWRC districts. Without state funding to match local and federal investment, many beneficial water projects may have been stalled or forgone. It is imperative Oregon continues to make prudent and targeted investments in water supply today to help ensure we have adequate water supplies in the future for our growing communities, innovative industries, and dynamic environment.

We recognize the difficult choices you are faced with and commend you for your efforts in funding Oregon’s natural resources agencies. The costs associated with planning for and meeting our water needs greatly exceed the current available resources but continuing to make small investments at the state level can catalyze and leverage local and federal funding. A mix of General Fund dollars to support WRD’s core functions combined with a modest bonding package for planning, feasibility, and implementation of water projects is prudent investment that will pay dividends to current and future generations of Oregonians. Furthermore, investing in these types of water infrastructure projects helps leverage millions in federal funding (and technical resources) leading to a multitude of innovative projects that would otherwise be limited or not happen at all.

We appreciate your consideration of these modest water investments and for your ongoing efforts to develop a balanced budget for the 2021-23 biennium.

Sincerely,
April Snell
Executive Director