Oregon Water Resources Congress

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April 18, 2023

House Committee on Agriculture, Land Use, Natural Resources, and Water
Chair Ken Helm,
Vice-Chair Mark Owens,
Vice-Chair Annessa Hartman,
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

RE: Testimony in Support of HB 3124

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

The Oregon Water Resources Congress (OWRC) is testifying in support of HB 3124 and components of the Bipartisan Drought Relief and Water Security (BiDRAWS) Package proposed by Representative Helm and Representative Owens. We are particularly supportive of components in "Water Project Investments," "Water for Farms – Agricultural Resilience and Food Security" and "Water for Fish – Instream Priorities and Watershed Health." Irrigation districts and similar entities need at least $70 million in state funding to help match federal investments, implement an array of irrigation modernization projects, and be more resilient to drought and water scarcity.

OWRC is a nonprofit trade association representing irrigation districts, water control districts, drainage districts, water improvement districts, and other local government entities delivering agricultural water supplies throughout Oregon. These water stewards operate complex water management systems, including water supply reservoirs, canals, pipelines, and hydropower facilities. OWRC members deliver water to approximately 600,000 acres of farmland in Oregon, which is over one-third of all the irrigated land in our state. In the past several years, regions around Oregon faced severe drought conditions, with limited or no water supplies negatively impacting agriculture, communities, and the environment. The impacts of drought are widespread, long-lasting, exacerbate existing water challenges, and highlight the need for innovative water projects that will help Oregon be better prepared for water scarcity.

The BiDRAWS March 2023 Package has several elements beneficial to irrigated agriculture and Oregon's water needs generally. We are particularly supportive of Sections "6-1 Irrigation Modernization Match", "6-2 Klamath Targeted Agricultural Water Security Projects", "6-6 Artificial Recharge and Aquifer Storage and Recovery Projects and Coordination," "6-7 Morrow and Umatilla Drought Relief Aquifer Storage and Recovery Project," and "6-8 Western Juniper Removal and Watershed Restoration in Eastern Oregon." Our number one priority is securing funding to match federally funded irrigation modernization and other water infrastructure projects. The funding proposed in Section 6 "Water Projects Investments" supports the match needs of current and pending district projects using federal funding during the next biennium.

State Match for Federally Funded Projects – Background and Benefits

Much of Oregon's irrigation water infrastructure is outdated and needs to be modernized to meet the water needs of today and the future. Irrigation districts and similar water suppliers are actively pursuing funding through various federal programs to upgrade and modernize aging water infrastructure that provide benefits to agriculture, communities, and the environment. Congress has recently invested a historic amount of money for water infrastructure and related projects through the Bipartisan Infrastructure Law and other related federal appropriations. However, targeted state funding is needed to match and leverage these federal investments.

Irrigation districts are primarily responsible for delivering water to their patrons (farmers, ranchers, nurseries, and other agricultural water users) and serve areas ranging from a few hundred acres to more than 67,000 irrigated acres. While piping or lining of open canals is one of the most common modernization activities, districts are exploring several types of infrastructure improvements, which includes updated technology as well as physical construction. Projects are generally broken into phases for cost management as well as scheduling construction work outside of irrigation season. Modernizing the district's system provides a variety of benefits, including:

- Enhanced resilience to drought and increased water reliability for farmers and ranchers
- Greater efficiency of district delivery, drainage, and other conveyance systems
- Increased water conservation and in-stream flows for fish and aquatic habitat
- Improved water quality and reduced sediment in systems with return flows
- Reduced public safety risks and property liability by modernizing aging infrastructure
- Lower operation and maintenance costs for districts and their patrons
- Additional renewable energy generation from in-conduit hydropower and small-scale solar photovoltaic systems

Irrigation districts and similar entities are successfully accessing funding through USDA Natural Resources Conservation Services (NRCS) programs (Watershed Protection and Flood Prevention program[1] known as WFPO, authorized under PL-566); US Bureau of Reclamation WaterSMART[2], and U.S Environmental Protection Agency's State and Tribal Assistance Grants (STAG). The match requirements for these programs range from 20-50%. Each federal program's requirements are slightly different, but all have robust and transparent processes and review. For example, NRCS has a multi-step process including preliminary feasibility study; public scoping on proposed projects; development of a detailed Watershed Plan and Environmental Assessment; public comment on the draft Watershed Plan/EA; and additional review and final authorization by NRCS before the district is eligible to receive funding to construct infrastructure improvements and implement the watershed plan.

Examples of current irrigation modernization and other federally funded water infrastructure projects with state match needs are provided below. This is only a snapshot of statewide projects and is not exhaustive; virtually every area of the state has districts that are securing federal funding to upgrade and modernize their irrigation systems. Federal funding is being actively applied for and additional funding awards are expected this year—all of which will require a percentage of non-federal match funding. Districts are actively seeking a variety of state and local funding sources, however, without targeted state assistance, these projects may not meet the required timeframes for securing match funding.

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[1] https://www.nrcs.usda.gov/programs-initiatives/watershed-and-flood-prevention-operations-wfpo-program

[2] https://www.usbr.gov/watersmart/index.html

Arnold Irrigation District, **Deschutes County**
The district is implementing an NRCS approved irrigation modernization project in multiple phases over six years, at a total cost of $34,899,000. The overall project will convert 11.9 miles of open canals into pipe and install two SCADA systems to improve operational efficiency over the course of 6 years. The district has an approved NRCS Watershed Plan and is authorized to receive 75% of the project costs from NRCS but must secure the other 25% in non-federal match. Phase 1 is already under contract for construction Oct 2023-Apr 2024 and 100% funded for $10,683,000. The district is in process of seeking the 25% match for Phase 2, $3,177,000, with a portion of the project scheduled for construction Oct 2023-Apr 2024, and the remainder Oct 2024-April 2025. For Phase 3, the 25% match is $1,100,000 and scheduled for construction for Oct 2025-April 2026. It is necessary to have match funding approval no later than June of 2025 in order to proceed to bids and construction. The completed project will save *32.5 cfs of water annually, conserve 80.8K kWh/year in energy, improve water quality, and enhance 52 miles of the Deschutes River*.

East Fork Irrigation District, Hood River County
The district is in the process of implementing the first project group of their NRCS Watershed Plan, which will conserve water, reduce energy use, improve reliability, increase public safety, and enhance fish and wildlife habitat in the Hood River watershed. The first project groups will realize *6.1 cfs of water savings, with 75% back instream, 15.5 miles of pipe installed, and 614 kWh/year of energy conserved*.

Hermiston Irrigation District, Umatilla County
The district has completed the public scoping phase and is in process of developing their NRCS Watershed Plan to modernize their aging infrastructure to conserve water, improve operational efficiencies, improve water quality, enhance fish and wildlife habitat in the Umatilla River, reduce public safety risks, and increase recreation opportunities. The project would install approximately 8.5 miles of high-density polyethylene pipe (HDPE), update 23 turnouts to deliver pressurized water to users in Hermiston Irrigation District (HID), and construct a pump station to provide pressurization. The project will pipe 100 year-old laterals that lose up to 14% of water to seepage and evaporation and will allow users to convert from flood irrigation to more efficient sprinkler irrigation methods.

Klamath Irrigation District, Klamath County
The district is developing several modernization projects to reduce water loss, improve public safety, improve water levels in Upper Klamath Lake, and deliver more reliable water to farms impacted by drought. Modernizing district infrastructure will improve water conveyance efficiency, reduce operations and maintenance costs, and improve drought resilience for the local agricultural community. One of several project phases includes installing Supervisory Control and Data Acquisition (SCADA) measuring and automation devices at 21 locations to optimize water control and provide near real time flow data. The Urban Drought Resiliency Project would pipe up to 9 miles of the A-3 Canal system that runs through neighborhoods and by schools and reduce water losses of 50%. The D-System Modernization Project will pipe or line the canals in the southern end of the system, eliminating the need to push additional water through the system and improving overall efficiency.

North Unit Irrigation District, Jefferson County
The district, which at over 58,000 acres is Oregon's second largest irrigation district, is working to modernize its delivery system and implement its approved NRCS Watershed Plan-Environmental Assessment in several phases. The project will install 27.5 miles of gravity-pressurized, buried

pipe; upgrade 153 turnouts; and construct four 1,000 cubic-yard retention ponds. The project will improve water conservation; improve water delivery reliability and drought resilience for irrigators; reduce operation and maintenance costs; reduce operational spills into natural waterbodies; and improve streamflow, water quality, and habitat in the Deschutes River. The project will improve water conservation on District-operated laterals; improve water delivery reliability and drought resilience to NUID irrigators; reduce NUID's operation and maintenance costs; reduce operational spills into natural waterbodies; and improve streamflow, water quality, and habitat in the Deschutes River.

Ochoco Irrigation District, Crook County
The district is developing a large-scale modernization project to improve the efficiency of its system, provide more reliable water to patrons along McKay Creek and protect 11.2 cfs of water for steelhead habitat. The project includes improvements to the Crooked River Diversion Canal; realigning and piping a section of the Ochoco Main Canal that runs through Prineville; three new pump stations; and a new 6-mile pipeline to serve lands along McKay Creek. The project is a partnership between OID, the Deschutes River Conservancy, NRCS, the City of Prineville and others to improve streamflow and steelhead habitat in the Deschutes Basin.

Owyhee Irrigation District, Malheur County
Oregon's largest irrigation district is working on a series of irrigation modernization and related infrastructure projects. One project, Kingman Lateral 1, will consist of enclosing ~5,900 feet of an open channel irrigation canal (that is prone to seepage and slope instability), into a large diameter pipe conduit. The project will rebuild the existing headgate structure to measure water into the pipeline. Then the channel will be over-excavated slightly to ensure good bedding materials under the pipe and then backfill placed over the pipe. The pipeline will approximately follow the existing channel and terminate just inside the Kingman Lateral tunnel located approximately 5,900 feet from the headgate structure. The project is estimated to save some 475 acre-feet of water. The district is working on its NRCS Watershed Plan and seeking EPA STAG funding for water quality related projects to be completed in phases over several years.

Santiam Water Control District, Marion County
The district is also developing a NRCS Watershed Plan to modernize its system in several phases. One project proposes to install approximately 2 miles of high-density polyethylene pipe (HDPE) to modernize the Upper portion of SWCD's Main Canal, which is an integral part of the district's distribution system. Located at the very top of the system, the Upper Main Canal is used to convey water from SWCD diversions to the majority of the laterals and ditches throughout the district. Potential benefits of the project include improved management of stormwater and drainage water and decreased operations and maintenance costs. The project will also help meet current regulatory requirements related to water quality and have ecological benefits by separating stormwater inflows from irrigation water. The project will support the long-term sustainability of the agricultural industry and ensure the availability of clean water for irrigation.

Talent Irrigation District, Jackson County,
The district is working on modernizing its aging system through multiple projects, some of which are in coordination with other local districts. One project seeks to pipe the district's 23.2-mile Eastside Canal and replace the 1.2-mile Billings Siphon. This critical and aging infrastructure serves over 10,400 irrigated acres. The Eastside Canal loses up to 28 percent of its water to seepage and evaporation, exacerbating the impact of drought, an ongoing challenge in the basin. TID has had insufficient water in the last decade to make deliveries for the full irrigation season, impacting agricultural production and contributing to lower streamflows, affecting fish and aquatic

habitat. A siphon failure would result in 15 percent of patrons losing access to water. This project will mitigate drought impacts by improving water delivery reliability, saving over 8,800 acre-feet of water annually. It will also enhance streamflow and water quality in Emigrant Creek by legally protecting 25% or an estimated 2,600 acre-feet of conserved water instream.

Without state level investments to help districts meet the required match for these and other similar projects, Oregon may miss out on what is likely a once in lifetime opportunity to improve and modernize our irrigation infrastructure. Districts are actively seeking match funding (and contributing in-kind) but without targeted state funding, projects may be delayed, scaled back, or shelved. These projects will provide a plethora of immediate and long-term benefits to agriculture, communities, and the environment. State match funding for federally funded water infrastructure projects needs will also help irrigation districts and agricultural water users be more resilient to drought conditions.

Other Water Security Package Components

We are also supportive of other proposed targeted investments that would help improve drought resiliency and water security in basins around the state. While we are supportive of some agency specific Policy Option Packages (POPs), we also have questions on several POPs and need more information about costs and how these fit into existing agency budgets and authorities. We are supportive of components in Section 4, Water for Farms: Agricultural Resilience and Food Security, particularly "4-1 Protecting Producers Against Losses Due to Drought," "4-2 Safety Net Resources for Disaster Relief of Producers and Irrigation Districts," and "4-4 Increasing Capacity to Process Water Rights for Districts." These and other components in Section 4 build off the successful implementation of drought funding and programs from the 2021 2nd Special Session and are critical to ensuring the continued viability of agriculture in Oregon.

We are also supportive of components in Section 5, "Water for Fish: Instream Priorities and Watershed Health," particularly "5-1 Fish Passage Barrier Removal," "5-2 Watershed Drought Resiliency," "5-7 Drought Resiliency Projects in Crook, Jefferson, Deschutes, and Grant Counties," and "5-9 Deschutes Drought Resiliency and Watershed Restoration." These proposed components are also related to water infrastructure and work well with other proposed funding programs to help meet Oregon's instream and out of stream needs in a coordinated and strategic manner.

No area of the state is immune to water scarcity and now is the time to make targeted investments to leverage federal funding for irrigation modernization and other water infrastructure projects. Please pass HB 3124 and support funding for drought resiliency and enhanced water security.

Thank you for your consideration of our testimony.

Sincerely,

April Snell
Executive Director