



OREGON
ASSOCIATION OF
NURSERIES

Testimony before House Committee
Agriculture, Land Use, Natural Resources, and Water
House Bill 3124 - Relating Drought Relief and Water Security
By Jeff Stone, Executive Director, Oregon Association of Nurseries
April 3, 2023

Chair Helm, Vice-Chairs Hartman and Owens, members of the committee, my name is Jeff Stone and I serve as the Executive Director of the Oregon Association of Nurseries. It is my hope that my comments are construed as constructive related to the important work of developing a sustainable and economically viable drought relief program and water security package.

Background on the Nursery and Greenhouse Industry

The nursery and greenhouse industry is the state’s largest agricultural sector, with over \$1.3 billion in sales across the nation and the globe. Nationally, Oregon ranks third in nursery production. Nearly 80% of the nursery stock grown in our state leaves our borders – with over 50% reaching markets east of the Mississippi River. The nursery industry employs more than 10,000 full time workers with an annual payroll over \$402 million. We send ecologically friendly, carbon sequestering, green products out of the state, and we bring traded sector dollars back to Oregon. Nursery association members represent wholesale plant growers, Christmas tree growers, retailers, and greenhouse operators. Our members are located throughout the state, with our largest nursery growing operations found in Clackamas, Marion, Washington, Yamhill, and Multnomah Counties.

The OAN is Invested in the Water Security of our State

Water is the lifeblood of the nursery and greenhouse industry. OAN members are good stewards of the state’s natural resources, which includes a commitment to water conservation and water quality improvement in the watersheds where we operate and further, we adhere to the philosophy of reasonable engagement when working with other stakeholders and political leaders—almost all issues are on the table for discussion, provided that the discussion shows promise of leading to constructive/collaborative outcomes for the parties. The climate debate and the recognition of our natural advantages of a robust snowpack has changed the paradigm and it is more important now than ever to “level set” the debate because occasional droughts are a thing of the past and “water scarcity” is the new norm. With that acknowledged, the OAN believes that good

water resources management depends on a complete understanding of the entire water picture—both supply and demand. Only with a keen eye on both can a joint water future be possible.

The Continued Need to Build a Blueprint for Water Security

The OAN compliments the committee on building off the touchstones of the work done in prior years. Certainly, the Integrated Water Resources Strategy (IWRS) was a significant effort that defined the plethora of challenges that the water resource presents. The cursory advisory report by the Secretary of State about the need to protect all Oregonians and their access to clean water highlighted the connection between various uses of water. Most closely relevant to House Bill 3124 is the Oregon Legislature's 2016 Report of the Task Force on Drought Emergency Response. It is critically important to grade out the recommendations from 2016 as a critical tool of setting realistic expectations. Last but not least, we must consider the Governor's Recommended Budget and agency policy option packages. I have not seen what is on or off the table in Governor Kotek's budget and this will be a critical factor going forward. The cacophony of Policy Option Packages (POPs) is a little challenging to manage a coherent policy directive.

Overall Comments on Each Section of the Drought Relief and Water Security Package

In an effort to provide feedback in an organized way, our comments will align with the package components organized across the categories below. It is important that the committee note that some of these comments may seem out of context and we are prepared to submit a pdf of our collected comments in the broader document if that is helpful.

Planning, Coordination, and Capacity

1-5: Building Community Capacity for Environmental Justice Communities to Engage on Water. We fully understand engaging EJCs on potable water supply issues. But we have yet to see a good explanation for why that stakeholder group needs to be participating in water rights discussions.

1-6: Targeted Investment: Confederated Tribes of the Umatilla Indian Reservation Water Rights Settlement. It is my sense that this is a critical point and the investment necessary.

1-7 et al: Targeted Investments: The POPs on the individual projects and areas need to be prioritized, completed and not a continual appropriation of limited fiscal resources. The closest example I can point to is the investment pattern adopted by the state when looking at community colleges. All have needs and support, but the timing was scheduled and spread out over a series of fiscal years. If the legislature decides to go the route of earmarks, it is our suggestion that the projects compete for the dollars based on merits of the proposed planning efforts.

1-13: Emergency Response / Recovery Program Continuity: The OWEB model is one that has been proven (largely) to work and this and other focused funding and assistance is something to build on.

1-14: Core Agency Responsibilities: Increasing OWRD Field Staff Capacity: This is very important. Significant underfunding over the long-term have led to fewer Watermasters in charge of regulating more water rights (and illegal uses) across more geography.

Data and Analysis

2-1: State of Water Resources Report and Basin Assessments: The OAN's comments on the record on House Bill 3368 demonstrates the need and a number of cautions related to basin assessments. There is no doubt in our minds that water data is a critical component of managing the resource. We are fully engaged and intend to be a resource to shape this part of water policy.

2-2: Oregon Water Data Portal Development: When looking at critical investments in the Oregon Water Resources Department, the glaring lack of IT capabilities have resulted in web-based tools which are perceived as increasingly outdated and clunky. I am also concerned about the sheer number of staffing allocated. The OAN remains apprehensive that the Department of Environmental Quality house the technical data when the agency has an uneven historical relationship with agriculture.

2-4: Increasing Water Use Measurement and Reporting: There is a difference between measurement and reporting as it pertains to a permit condition and the water allocation in any stream. We would want to clarify the intent.

2-6: Statewide Streamflow and Stream Temperature Monitoring: We are intrigued with this section and perhaps it is time for the state to start talking about solar powered streamside chilling plants to drop stream temperatures.

2-7: Statewide Stream and Groundwater Monitoring: We need massive investment in gauges. According to CoDWR, Colorado has more than 2,400 stream gauges in place. By comparison, OWRD reports Oregon has "more than 200 stream and reservoir gauges in place." How do you manage the resource if you have no idea what is in it? All the focus on this question seems to be turning to groundwater, without considering surface water. As transfers become the only way of getting water rights for what you want to do, and as OWRD administers all groundwater to benefit senior surface rights, we'll have to be able to understand what is happening in the streams. But this cannot be tied only to GH2O investigations. Needs to be done regardless.

2-8: Statewide Mapping of Water Resources and Mineral Resource Potential: Huge price tag for something that I don't see providing economic or ecological benefit.

Water for Families: Drinking Water Security

This section is not in an area of my expertise and will leave comments to others. However, there are enormous amounts of money in this section, with the PFAS budget allocations being TBD – this alone potentially being an order of magnitude larger than all others combined. This issue is a rapidly approaching train, and the people of Oregon are in the tunnel.

Water for Farms: Agricultural Resilience and Food Security

4-1: Protecting Producers Against Losses Due to Drought: Definitions matter and eligibility has not always been friendly to specialty crop operations. The USDA NRCS still has a hard time being equitable to all sectors of ag.

4-2: Safety Net Resources for Disaster Relief of Producers and Irrigation District: This is a priority, and my only concern is if \$10 million is enough.

4-3: Safety Net Resources for Disaster Relief of Agricultural Workers: This is not germane to the issue at hand. We urge removal of this POP.

4-4: Increasing Capacity to Process Water Rights for Districts: House Bill 3187 is a good bill and is good policy.

4-5: Drought Resilience and Adaptation Grants: We agree, and this should be part of the plan and seek federal funding as part of the climate packages.

4-6: Agricultural Water Technical Assistance: We feel this is a good policy and voluntary, non-regulatory and incentive-based management and technical assistance will move the needle.

4-9: Drought Resistant Crop Research and Development: On its face this seems like a solid policy but would caution that it is a slippery slope between breeding efforts and requirements. The nursery industry is way ahead of this curve due to market forces, and this needs to stay voluntary in order to succeed.

Water for Fish: Instream Priorities and Watershed Health

5-1: Fish Passage Barrier Removal: We would encourage ODF&W to mimic private enterprise and if this is a priority, dollar allocations from the department should see it through completion. If we agree that winter flows are going to increase, then addressing the fish impacts makes sense.

5-3: Water Acquisitions Grant Funds and Position Continuity (OWEB): The OAN supports the preservation of the prior appropriation doctrine and caution against the creation of an unstable water market.

5-7 et al: Targeted Investments: As we stated in 1-7 - the POPs on the individual projects and areas need to be prioritized, completed and not a continual appropriation of limited fiscal resources. The closest example I can point to is the investment pattern adopted by the state when looking at community colleges. All have needs and support, but the timing was scheduled and spread out over a series of fiscal years.

Water Project Investments

6-1: Irrigation Modernization Match for Federal Funds. Irrigation Modernization Pre-Development Funding: The irrigation modernization is grossly underfunded here. This portion of the package could easily be half of the total funds expended since the irrigation needs are closer to \$3 billion.

6-3: Water Reuse Coordination: There seems to be an opportunity here for remediation of existing reuse efforts without a transfer requirement, but this seems to be focused on recycled municipal water.

6-5: Assessing Feasibility and Implementing Multi-Benefit Water Projects: This would be solid if SB 839 actually worked as intended. 1069 funding is good for feasibility but need to watch to make sure it is not shifted outside of its purpose. The OAN is committed to taking SB 839 and taking the policy back to the studs and rebuilding it.

6-6: Artificial Recharge and Aquifer Storage and Recovery Projects and Coordination: When the OAN discussed the grand big board for water, aquifer recharge was on the list. I think the recharge should be enabled to a greater degree and then use testing to verify its effectiveness.

Outreach and Engagement

7-1: Statewide Water Conference and Research and Learning Agenda: The OAN hosts an annual nursery and greenhouse trade show and would be a willing host for this event. A trial run can be organized as soon as this August.

The Need is Clear, and the Timing is Now

It is in the best interest of the nursery and greenhouse industry to support a bipartisan Drought Relief and Water Security package. An effort of this magnitude cannot be solved in a single legislative session and must endure if we are to be successful in shaping near-term relief and mid- to long-term actions. We must do this and not decimate the many natural resource industries that are needed to battle the challenges of carbon. We must preserve the prior appropriation doctrine. Yes, we need flexibility to

reimagine a shared resource but this foundational element of water law is not something that should be separated from irrigated agriculture in Oregon.

We stand ready, willing and able to collaborate and lead a discussion that shapes water policy in Oregon. Thank you for your attention to our comments. We will continue to participate as a good faith stakeholder to achieve a landmark achievement of securing our water future.