



March 21, 2025

The House Committee on Agriculture, Land Use, Natural Resources, and Water

RE: Testimony in Opposition on HB 2803

Dear Co-Chair Senator Frederick, Co-Chair Representative Levy and Members of the Committee:

Established in 1918, Central Oregon Irrigation District (COID) is a pioneering organization dedicated to managing and distributing irrigation water in Central Oregon. Operating as a Municipal Corporation within the State of Oregon, COID is committed to providing a reliable supply of water to 3,500 patrons across approximately 46,222 acres of productive land in Bend, Redmond, Powell Butte and Alfalfa. COID actively engages in water conservation, drought resilience, and environmental enhancement by embracing a forward-thinking approach. Notably, COID has increased stream flows in the Deschutes Basin by 133.57 cubic feet per second (CFS) since 2000, achieved through innovative water conservation projects and permanent instream transfers.

We are writing to voice our strong opposition to House Bill 2803, which would increase the Oregon Water Resources Department's (OWRD) existing transaction fee by 135%. COID processes the largest number of temporary and permanent transfers in the State of Oregon, averaging an estimated \$16,492.00 in annual application fees. In support of our mission, COID partners with our patrons to accurately reflect and improve on-farm efficiencies with mostly minor modifications to district-held water rights through the State water right transfer process. COID encourages our patrons to protect the validity of district water rights through extensive education and patron outreach, resulting in a high volume of enrollment in the temporary instream lease program.

The proposed 135% increase to water transaction fees would increase COID's annual application fees from \$16,492.00 to approximately \$221,184.00. This is an unexpected \$204,184.00 annual increase that would fall on the backs of our patrons. This abrupt increase will disincentivize patrons from using voluntary tools to manage the water rights appurtenant to their lands. The flexibility to affordably update the place of use of water rights is a fundamental component to water stewardship. Allowing patrons to enroll in the instream lease program is a vital tool for improved stream flows and beneficial use protection for water rights not being used for irrigation during specified durations of time, whether due to crop rotation practices or otherwise.

COID submits 4-6 Pooled Permanent Irrigation District Transfers per year to OWRD. Transfers are an essential tool for our patron base to ensure the irrigation practice occurring on the ground is accurately reflected with the map of record at OWRD. District Water Right Transfers are routinely requested by COID patrons to "clean up" water right maps, often by moving valid water rights off of impermeable surfaces, such as new driveways and structures, to other irrigable lands. This tool is also used for patrons looking to move the location of their crops to best fit the distinctive soil features around nutrient availability, water holding capacity, drainage and pH levels.

The Leasing Program partnership between COID and the Deschutes River Conservancy (DRC) is a win-win for irrigators, the district, fish, wildlife and river restoration. Historically, the Middle Deschutes River, stretching from Bend to Lake Billy Chinook, suffered depleted flows, leading at times to habitat decline and or diminished water quality. COID's leasing program has enhanced river conditions marking notable progress in river restoration. Each Summer, Middle Deschutes flows of up to 150-160 CFS are protected, nearly 5 times the flow from 20 years ago. Beyond the annual 35 CFS of leased water, another 125 CFS are preserved in the Middle Deschutes through conservation during the April – October irrigation season.

Increasing water transaction fees by 135% will be harmful to the management of water within COID. The trickle-down effect will be felt by our patrons and notably reflected in reduced stream flows during the summer months. Due to COID's need to raise the cost of pooled application fees, patrons will no longer seek our involvement in filing Permanent Irrigation District Transfer applications. Patrons will use the water wherever they please because they will not be able to afford to pay the high application fee to map the water to its accurate place of use. It is critical to provide patrons with equitable tools that allow them to accurately map the water rights to the land that is being irrigated. System improvements which involve upgrades from flood to pivot require a District Water Right Transfer to be filed to ensure the irrigable land being sprinkled is within the mapped boundary. Our concern with the high application fees as proposed is that patrons will not willingly seek our assistance to map the water rights to the appropriate place of use. The amount of instream leases we can process under available grant funding will be limited, possibly resulting in diminished flows in the middle Deschutes River.

COID depends on the ability to offer readily available tools to our patrons that allow management of irrigation water to its best and highest use. The proposal to increase water right transaction fees by 135% would be detrimental to our District and the ripple effect would be felt by our entire Deschutes Basin.

We urge the Committee to evaluate water right transfer application processes that require OWRD's extensive review and substantial amounts of staff time. The irrigation districts have been managing water past their points of diversion for over 100 years. Our critical mission is to deliver water while maintaining full compliance with our regulator, OWRD. We are experts on the ground. The diversions at the headworks of the river are monitored by the State Watermaster at OWRD. Please consider the ability to streamline the Permanent Irrigation District (385) Transfer and Temporary Instream Lease application processes, like the Temporary Transfer Pilot Project SB 130, to lessen the amount of time OWRD staff spend on these applications and to avoid increasing application fees.

Sincerely,



Central Oregon Irrigation District