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May 9, 2025

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

RE: Testimony in Support of Water Investments in SB 5531

Co-Chair Girod, Co-Chair Nosse, 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 lottery bond authorizations in SB 5531. We are specifically supportive of the proposed \$20 million in Section 9 for the Oregon Water Resources Department's (WRD) grants and loans programs and any additional funding that can be used to help support irrigation modernization efforts around the state. This funding is critical to supporting the development and implementation of multi-benefit projects that will help Oregon be more resilient to drought and water scarcity.

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, fish screens and fish passage, and hydropower facilities. Our members, and the thousands of water users they serve, are a vital component of Oregon's economic engine, delivering water supplies used to grow 240+ different commodities sold and consumed locally, nationally, and globally.

We are strongly supportive of continued funding for WRD's existing grants and loans programs, including Water Conservation, Reuse and Storage Feasibility Grants, Water Project Grants and Loans, Irrigation Modernization Fund, and the newly created Place-Based Water Planning Fund. A minimum of \$20 million is needed to support planning, feasibility, and implementation of a multi-benefit water projects around the state. Bluntly, this is only a drop in the bucket compared to what is needed, and our members are well positioned to use this entire amount in 2025-2027. For many, this state funding will be used to match federally funded projects, while for others this funding will help move the district from planning to implementation.

In the 2023-2025 biennium, our members were awarded over \$35 million from WRD, primarily to match and implement a variety of innovative water projects with federal funding. There are also district projects with funding awards pending totaling \$16 million. There is currently ~\$5 million total in the Water Project Grants and Loans program and Irrigation Modernization Fund, which we anticipate will be fully appropriated by the end of 2025. These appropriations were made possible by the 2023 Bipartisan Drought Resilience and Water Security Package and has helped match and leverage federal funding ranging from a 1:1 to 3:1 ratio. While there is uncertainty with new federal funding, there are still district modernization projects with federal funding pending, and virtually every area of the state has projects in the planning, feasibility or implementation stage.

We must continue to invest in modernizing Oregon's outdated water infrastructure 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, providing a multitude of benefits to agriculture, communities, and the environment. While piping or lining of open canals is one of the most common modernization activities, districts are exploring several types of infrastructure improvements, including updated technology as well as delivery system upgrades. Projects are generally broken into phases for cost management, as well as scheduling construction work outside of irrigation season, and are planned several years out.

Modernizing irrigation district infrastructure provides a variety of benefits, including:

- Enhanced drought resilience 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

While match funding to support irrigation modernization projects is our highest funding priority, we also recognize the importance of investing in a continuum of water projects and to have a variety of funding programs to meet the varied needs and project readiness of communities around Oregon. Funding for planning, feasibility, and implementation of a variety of water projects by communities and other water entities is a critical part of meeting Oregon's current and future water needs.

We recognize the difficult choices you are faced with this session and commend you for your efforts in funding WRD and Oregon's other natural resources agencies. 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 appreciate your continued hard work in designing a balanced budget that meets the needs of all Oregonians and ask that you include critical investments for water infrastructure projects in the final budget package for the 2025-2027 biennium.

Sincerely,

April Snell

OWRC Executive Director