

DATE: May 9, 2025

TO: Joint Committee on Ways and Means Subcommittee on Capital Construction  
Co-Chair Senator Girod  
Senator Frederick  
Senator Lieber  
Senator McLane  
Senator Wagner  
Co-Chair Representative Nosse  
Representative Drazan  
Representative Kropf  
Representative Nathanson  
Representative Smith

FROM: Oregon Water Partnership

RE: **SB 5531 (2025-27 Lottery Bonds)** – Investing in a sustainable water future

Co-Chair Nosse, Co-Chair Girod and Members of the Committee,

**Oregon Water Partnership supports state investments in the Oregon Water Resources Department's grant and loan programs that fund water supply development projects—projects that help Oregon meet its instream and out-of-stream water needs and produce environmental, economic, and social/cultural public benefits.**

We are a diverse partnership of statewide conservation groups with a common goal: to advocate for balanced water policies that ensure cold clean water to sustain healthy communities, livelihoods, and ecosystems. Our priorities for the 2025 legislative session are to build resilience for Oregon's water future, bring water data into the 21<sup>st</sup> century, support smart water management, and protect and restore our waters.

Our water supplies are dangerously overallocated. In almost every river system and groundwater basin across Oregon, legal rights to access our publicly owned water supplies far exceed water availability even during "normal" years. Climate change is worsening this legacy problem as summertime water demands increase, river flows decrease, and groundwater levels drop.

To continue to thrive in an uncertain water future, Oregon's fish, farms, and families are relying on our state-funded water supply projects to be well-vetted and deliver multiple benefits. Fortunately, Oregon Water Resources Department (OWRD) has two existing funds that help to meet these needs: (1) [Feasibility Study Grants](#), also known as the [SB 1069](#) (2008) Program, which provides funding to evaluate the feasibility of developing water conservation, reuse, and storage projects; and (2) [Water Project Grants & Loans](#), also known as the [SB 839](#) (2013) Program, which provides funding for projects that will help Oregon meet its instream and out-of-stream water supply needs and produce economic, environmental, and social/cultural benefits.

We have reviewed the Governor's Recommended Budget (GRB) and have offered coalition testimony on the budget bills for the Oregon Water Resources Department ([SB 5543](#)), and the Oregon Department of Fish and Wildlife ([HB 5009](#)). While each of our organizations has its own priorities and perspectives on other components of SB 5531, **Oregon Water Partnership is united in supporting the following investments in SB 5531 to benefit nature and people in Oregon:**

- **SECTION 9:** \$20 million bond proceeds to OWRD for providing grants or loans to evaluate, plan and develop in-stream and out-of-stream water development projects statewide (POP 104, included in GRB).



***Other capital bonding requests for specific water supply development projects: Oregon Water Partnership recommends that all water supply development funding be routed through the existing Water Supply Development Fund at OWRD.*** Increasingly we are seeing individual entities seek direct appropriations outside of the state’s existing competitive grant and loan programs; this subverts the state’s interest in ensuring that public benefits accrue from state funding of water projects.

We believe the investments identified in Section 9 of SB 5531 are consistent with the 2025-27 Co-Chair Budget Framework general principles of Protecting Core Services, Getting the Most for Every Dollar, and Prioritizing Investments in Key Areas. These funds will leverage and build upon prior investments, provide critical match for federal funding programs, and help the Oregon Water Resources Department achieve its goals to “directly address Oregon’s water supply needs” and “restore and protect streamflows and watersheds to ensure the long-term sustainability of Oregon’s ecosystems, economy, and quality of life.”

Thank you for carefully considering our testimony, and please contact us if you have any questions.

**Oregon Water Partnership**

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