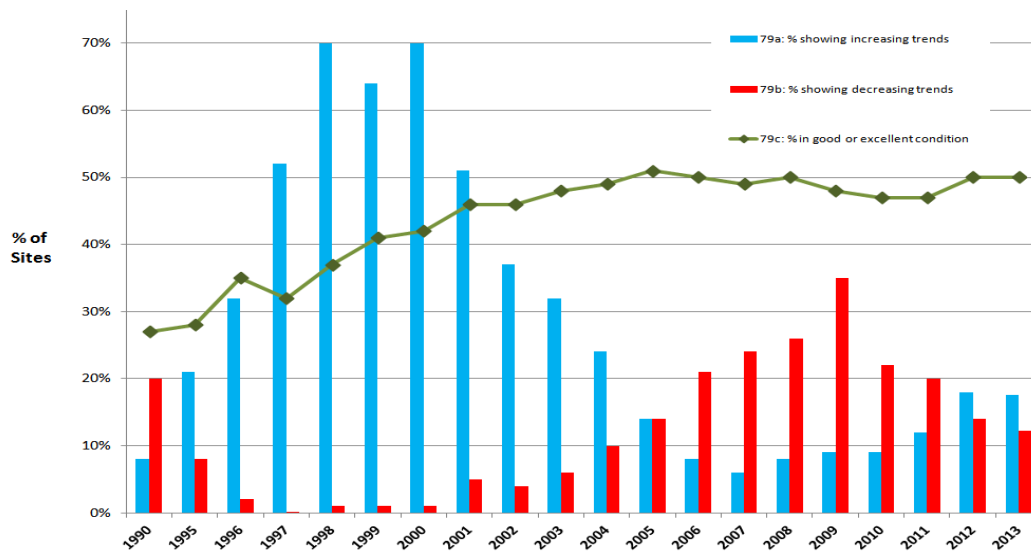


2015-2017 Governor's Budget for a Healthy Environment & Strong Rural Economy

Clean Water Partnership

Oregon Water Quality Status and Trends



Problem: Although Oregon's overall water quality improved steadily and significantly between 1990 and 2005 (the percentage of sites with good or excellent marks for clean water almost doubled from 27% to 50%), since that time trends have flattened out. Some areas of the state still are seeing declines in water quality, and others are experiencing problems with new pollutants such as pharmaceuticals and toxics. Population growth and a warming climate will make it harder to achieve continued improvements in water quality to reach the levels that Oregonians desire and that our fisheries need.

Solutions: Document water quality trends, identify areas for directed conservation investment, and coordinate and direct existing federal and state conservation funding to areas that provide the greatest water quality and watershed health improvements. Work with landowners and municipalities to grow Oregon's water quality trading program, which avoids costly investments in water and wastewater treatment systems by creating markets for watershed restoration. Provide a new Clean Water Fund to help target resources to maximize water quality and watershed health benefits. Update existing water quality programs administered by ODF and ODA on forest and farm lands, and work to provide regulatory certainty and stability for Oregon's agricultural and forest economies.

- ❖ **Directed Conservation – Information Management Tools.** New monitoring methods can tell us what practices provide the greatest clean water improvements and document watershed-scale trends. The 2013-15 budget began the investment in new information management sources and tools, but additional work remains. The 2015-17 Governor's Recommended Budget proposes to build on the Conservation Effectiveness Partnership between NRCS, OWEB, DEQ and ODA.
 - Provide clear guidance and expectations to state agencies for this effort, and engage landowners and conservation interests in a collaborative process regarding the collection and use of data.
 - Update and expand the Conservation Effectiveness Partnership Agreement.
 - Continue acquisition of LIDAR data to provide an accurate baseline for prioritizing investments.
 - Invest in IT infrastructure for sharing data among agencies, and with the public.
- ❖ **Directed Conservation – The Investments.** The federal Natural Resources Conservation Service (NRCS) invests about \$40 million per year in Oregon, largely to pay farmers and woodland owners for conservation practices. The Oregon Watershed Enhancement Board (OWEB) also invests in habitat restoration projects and the associated capacity and monitoring to implement and evaluate those investments. A significant proportion of these investments are directed at improving fisheries habitat, and they often have incidental benefits for water quality. However, more could be done to target these investments to maximize water quality benefits, particularly on farm and mixed farm and forest lands. In most areas this requires two things: (1) supplemental investments to strengthen incentives for key landowners to participate in individually-tailored farm and ranch management practices and improvements; and (2) building the capacity to work with and advise landowners. ODA and OWEB, along with local soil and water conservation districts and watershed councils (and NRCS and OSU Extension), are key partners in strategic matching of landowners and incentives.
 - Work with farm and mixed farm/forest landowners and locally-based groups to design and implement voluntary water quality and riparian projects, leading to measurable conservation improvements.

- Through the proposed Clean Water Fund, provide \$15 million to supplement existing watershed improvement programs through enhanced incentives targeted to key farm and mixed farm/forest lands -- maximizing improvements in water quality.
- Finalize the design and operations of the Clean Water Fund through a collaborative process, involving landowners, conservation interests and local communities.
- Align OWEB, NRCS, Farm Service Agency and other funding, focusing initially on two to three basins.

❖ **Water Quality Trading.** In the Tualatin, McKenzie and Bear Creek watersheds, municipalities avoid costly wastewater and drinking water treatment facilities by instead investing in programs that pay landowners to manage their lands in ways documented to achieve equivalent or better water quality improvements. Build on those successes in areas where municipalities and landowners are ready to work together, and clarify regulatory assurances for participating landowners.

- Complete water quality trading rulemaking by the Environmental Quality Commission.
- Identify a next candidate basin for a trading program, working with landowners and municipalities.
- Develop on-the-ground capacity to work with landowners.

❖ **Updating Water Quality Programs.** Oregon has a strong Forest Practices Act and Agricultural Water Quality Management Program. However, it has been some time since these programs have seen significant updates.

- ODF and the Board of Forestry are completing important updates to forest practice measures to assure that forest practices do not contribute significantly to water quality problems.
- ODA is updating its program to clarify prohibited conditions, and better integrate its program with incentive-based tools to address legacy conditions.

Governor's Balanced Budget: 2015-17 Investments in Clean Water Partnerships					
Agency Package	Package Description	Funding	Positions	Funding Source	Related Bill #
DEQ – 121	Water Quality Assessment – Develop a water quality data management system; analyze and interpret data to develop and report water quality assessments. This information is necessary to produce the data needed by other agencies and partners to support their decision-making.	491,435	3	GF	204
DEQ – 126	Reducing Nonpoint Source Pollution - Restores two positions, creates two new positions to help public agencies, local organizations and individuals reduce nonpoint source pollution through planning and implementing clean water projects.	684,429	4	GF	204
DEQ – 128	Quantifying Conservation Outcomes - Supports DEQ's participation in cross-agency development of new tools to quantify trends in watershed health and water quality. Information will be available to watershed partners and the public and used to identify priorities for federal and state conservation funding. Includes \$250,000 for the Institute for Natural Resources to develop a data management portal and \$300,000 for contracts to develop a credit registry and quantification tools.	1,863,021	6	GF	204
OWRD – 110	Monitoring Coordinator for Efficient Data Sharing and Management – Assist in collecting water quantity and quality monitoring data, fill data gaps, and improve how information is gathered, processed and shared.	211,067	1	GF	204
DOGAMI - 101	LIDAR Data Acquisition – LIDAR data is used to identify priority water quality and watershed restoration areas.	500,000	0	GF	204
ODF - 153	Water Quality, Forest Roads, Forest Practices Act Effectiveness – Provide Forest Practices Act support and monitoring to ensure rules and best practices are implemented to protect water quality and natural resources.	933,894	3	GF	204
ODA - 310	Agricultural Water Quality – Expand and accelerate ODA's strategic implementation areas effort. Obtain, review, analyze and summarize data to prioritize agency resources for working with landowners to improve water quality and restore watersheds.	1,583,528	3	GF	204
OWEB – 110	Program Enhancement – Measure and report on ecological, economic and social outcomes at the landscape level in coordination with other state and federal agencies, and other granting organizations	386,980	2	LF	204
OWEB – 502	Clean Water Fund: \$15 million lottery-backed bond fund for long-term contracts with willing farm and mixed farm/forest owners for riparian management and improvements.	15,000,000		Lottery-backed bonds	204

Total Investment for Clean Water Partnership:

\$21,654,354