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Environmental
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**Testimony before the Joint Ways and Means
Capital Construction Subcommittee on HB 5030
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Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative solutions to Oregon's environmental challenges for today and future generations.

OEC has comments to offer the subcommittee regarding two components of HB 5030:

1. **HB 5030 Sections 12 and 13:** We support investing \$13 Million in the Oregon Clean Water Fund established in the SB 204 -2 amendments to replace the Working Forest and Farm Conservation Fund, and
2. **HB 5030 Section 23 (2)(a):** We have concerns about investing \$11 Million in the Water Supply Fund without any sideboards on the projects that might be built using that fund.

Oregon Clean Water Fund - Support

Oregonians consistently identify clean water as their top environmental priority in poll after poll. Yet only 50% of Oregon's rivers and streams have good water quality, and the previous trend of improving water quality has stalled since 2005. We need to invest in reversing this trend, and show that it's possible to have clean rivers and streams throughout Oregon. Providing funding and tools to enable agricultural landowners to create shade and filter pollutants through streamside vegetation is our best opportunity for water quality improvement in the state, and is essential to meeting Oregon's clean water goals.

While there are currently other funding sources for streamside vegetation, they do not work for all landowners or cover all of the costs of streamside vegetation restoration and protection, and they are not focused on making progress in water quality improvement in the priority areas identified by Oregon Department of Agriculture (ODA) in its Agricultural Water Quality Management Program. The Oregon Clean Water Fund, established in the SB 204-2 amendments is intended to fill these important gaps. Amendments to SB 204 replaced the Working Forest and Farm Conservation Fund and Grant Program described in sections 12 through 13 of HB 5030 with the Oregon Clean Water Fund, so HB 5030 will need to be amended for consistency.

Investing in the Oregon Clean Water Fund, which will support landowner improvements to streamside vegetation in Oregon Department of Agriculture's chosen priority areas, is important to enable Oregon's Agricultural Water Quality Management

Program to be successful. Shared investments by the public and individual landowners are essential to demonstrate the kind of progress needed to achieve water quality goals in agricultural areas. Even 100% compliance with ODA's water quality rules will not be sufficient to meet water quality standards in most agricultural areas. Additional investment in voluntary landowner actions, such as restoration and protection of streamside vegetation, is necessary to meet Oregon's clean water goals. We ask you to invest \$13 million in the Oregon Clean Water Fund to enable Oregon to demonstrate that it can return to a positive water quality improvement trend. This will enable Oregon's Agricultural Water Quality Management Program to demonstrate success in its chosen priority areas, and provide a model for water quality protection in other areas of the state.

Water Supply Fund – Serious Concerns

OEC is concerned about Section 23 (2) (a), which proposes to put \$11 Million into the Water Supply Fund **“to develop and implement water storage systems and delivery infrastructure, implement conservation and reuse projects or provide access to new water supplies.”** The Water Resources Department has another, more well-defined fund, the similarly named “Water Supply Development Account,” which was established in SB 839 in 2013. A diverse group of stakeholders has been working for years to create that fund and its implementation rules, which are currently out for public comment. It is designed to ensure that the state invests in 21st Century water projects that provide environmental, social, and economic benefits. HB 5030 proposes to put only \$6.25 Million into that fund, in section 21. The 839 fund has guidelines requiring that storage projects protect so-called “Seasonally Varying Flows” in order to maintain natural variability in high-season flows for ecological function, and to avoid over-allocating winter stream flows as the state has already done in the summer on many streams.

We have been told that the intent is to use the \$11 Million for the Umatilla project, and we support implementing the CRUST agreement. We are not opposed to the Umatilla project. In fact, proponents of the Umatilla project have said that they would be able to use the 839 fund, and we believe that project would do well in the competitive project selection process. So, there is no reason to put \$11 Million into this other fund, rather than into the 839 fund, unless the intent is to make funding available for other projects that would not succeed in the 839 program. We are concerned that, as currently worded, the \$11 Million in section 23 (2) (a) could be used to invest state dollars in storage projects that do not protect Seasonally Varying Flows. Storage projects have a role to play in adapting to climate change and can be designed and operated in a way that provides environmental benefits, but only if they are done right. They can also cause significant harm if done wrong, which is why stakeholders spent so many hours working out the details of SB 839, and why bypassing those environmental sideboards by simply using a different fund for water supply projects raises serious concerns.

Let's ensure that this funding package does indeed fund the type of forward-thinking projects that are worthy of public dollars. As currently worded, section 23(2)(a) does not achieve that.