





















May 7, 2015

To: Co-Chair Girod, Co-Chair Read, and Members of the Joint Ways and Means Subcommittee on Capital Construction

RE: Water Investments in the 2015-2017 Budget

Co-Chair Girod, Co-Chair Read, and Members of the Subcommittee:

We are writing to voice our strong support for the State's investment in water resources as outlined in the Governor's proposed 2015-2017 Budget. We are a diverse group of water stakeholders with a common goal: to advocate for common sense water policies that move Oregon's economy, communities, and environment toward a secure water future. We commend your continued hard work in crafting a balanced budget that meets the needs of all Oregonians and ask that you include investments in water supply management and development in your final budget package.

There are several key funding areas for the Oregon Water Resources Department (WRD) that we request be included in the 2015-2017 Budget:

- Funding Feasibility Studies Additional grant funding for the Water Conservation, Reuse and Storage grant program, created by SB 1069 in 2008; *package #106, \$2 million lottery bonds*
- Funding Water Supply Projects Additional grant and loan funds for the Water Supply Development Account, created by SB 839 in 2013; package #113, \$17.25 million lottery bonds
- Support Community Water Planning New financial and technical assistance program to support local planning efforts, as proposed in SB 266; *package #115,* \$750,000 lottery bonds
- Reinstate and Recapitalize Water Development Loan Fund Revitalizes former loan program to provide additional financing options for water projects; *package* #120, \$30 million general obligation bonds.

In light of climate change and recurring drought in the west, it is imperative that Oregon make a concerted investment in water resources now. Our neighbors in Washington, and more recently California, have invested extraordinary sums of public funding toward water supply planning and development to address water challenges that are facing all Western states. Investing in Oregon's water supply today through these important programs will ensure that future generations have adequate water supplies that support thriving communities, flourishing industries, and healthy ecosystems.

The Oregon Legislature has already taken a step in the right direction with the passage of both SB 1069 and SB 839; which fund water project feasibility studies and water supply development respectively. However, the costs associated with planning for and meeting our water needs greatly exceed available resources. The next step is to fund locally-driven planning processes and increased data collection and coordination by WRD that will enable areas across the state to address water-related challenges and opportunities. While the rulemaking process is still underway on implementing parts of SB 839, it is important that the 2015-2017 Budget contains critically needed resources for these three programs (planning, feasibility and implementation) so that we can begin to address some of the more vexing water-related challenges across our state.

Finally, recapitalization and revitalization of the Water Development Loan program is a huge step forward in both recognizing and supporting our state's needs for water supply projects. Providing bond financing for water supply projects is a critical component to the overall water supply puzzle that is also a wise investment as the funds are repaid. As a whole, providing funding for the aforementioned components in the 2015-2017 Budget will not only help Oregon make progress in its diverse water supply needs, it will also strengthen our state's economy, empower local communities, and assist in restoring the environment we all share.

Thank you for considering Oregon's water supply needs in your ongoing efforts to provide a balanced budget for the 2015-2017 biennium.

Sincerely,

Association of Oregon Counties The Freshwater Trust Northeast Oregon Water Association Oregon Association of Nurseries Oregon Business Council Oregon Water Resources Congress Association of Oregon Industries The League of Oregon Cities Oregon Business Association Oregon Farm Bureau Oregon Business Plan Special Districts Association of Oregon