



February 9, 2017

**House Committee on Agriculture and Natural Resources
Representative Brian Clem, Chair**

**Testimony on House Bill 2297 and House Bill 2241
Presented by Racquel Rancier, Senior Policy Coordinator**

Thank you for the opportunity to provide testimony on proposed amendments to House Bill 2297 and House Bill 2241.

Introduction

In 2015, Oregon experienced significant drought conditions statewide. Drought emergencies were declared in 25 of the state's 36 counties, including parts of the Oregon Coast and Willamette Valley. Some water users were not prepared to deal with the severe conditions, raising questions on how Oregonians could better prepare for and respond to drought in the future.

In response to these concerns, the Legislature passed House Bill 4113 in 2016, which established the Task Force on Drought Emergency Response. The task force was charged to research and evaluate tools to prepare for or respond to drought. The task force worked on an accelerated schedule, meeting seven times between July and October of 2016, and submitting its report to the Legislature on November 1, 2016. Timelines for drafting executive branch legislative concepts preceded this timeline, so the Department and Governor's Office filed placeholder legislation to preserve options to move forward the work of the task force.

Given the short-turnaround time for the task force to complete its work, there was insufficient time for members to prioritize recommendations, or to develop draft legislation. The Department hopes to work with stakeholders in future years on legislation that will move the recommendations of the task force forward. In the meantime, the Department is introducing proposals for consideration today that should not be construed as proposals by the task force. Since many of the proposals had a fiscal impact, this narrowed the potential policy proposals that could be introduced. As a result, the concepts discussed today are limited to proposals that are within the Department's current base budget, as well as in the Governor's Recommended Budget.

What the Bills Do

HB 2297 and HB 2241, in their current form, propose to extend the Task Force on Drought Emergency Response. That is not the intended purpose of the bills. Instead, this language was put forward as a placeholder to be replaced by amendments, as the Task Force has already completed its work and submitted its report to the Legislature. A copy of the report is available online at:

www.oregon.gov/owrd/docs/HB4113/Draft_Final_Task_Force_Report_11_1_2016_Final.pdf.

The Department is bringing forward two amendment proposals for discussion today. One is related to a recommendation of the task force, while the other is not.

-1 (HB 2297) Amendment for Discussion – Funding for Water Conservation and Drought Planning

As discussed on page 20 of the task force report, planning is essential to preparing for and mitigating drought. Taking steps ahead of time is often more effective than waiting until a drought occurs to respond.

Unfortunately, community drought planning efforts are limited by a lack of funding.

Hazard mitigation plans frequently do not adequately assess risks, impacts, and vulnerabilities related to drought, while small water systems have challenges planning for drought and water conservation with their limited staff and financial resources. Drought planning at a regional scale, such as through Bureau of Reclamation's (BOR) WaterSMART Drought Contingency Planning, can help to consider actions to reduce or mitigate the impacts of drought before it occurs, as well as address conflicts that may arise from drought. The BOR program requires a 50 percent cost-share.

Recommendation F in the Report of the Task Force on Drought Emergency Response called for the Legislature to "look at establishing a fund for drought planning to help communities be better prepared and more resilient to drought." Actions to implement the recommendation included: approving match funding for local and state hazard mitigation plans to address drought, as well as establishing a fund to assist with leveraging federal WaterSMART Drought Contingency Planning Grants; assisting small water systems in developing a water management and conservation plan, curtailment plan, or emergency response plan; and funding to incentivize irrigation districts and others to develop water management and conservation plans.

The -1 Amendment would allow the Department's existing Water Conservation, Reuse, and Storage Grant Program to fund water conservation and drought-related planning. The existing program requires a fifty-fifty cost-share to fund planning studies related to determining the feasibility of developing a water conservation, reuse, or storage project. This amendment would allow the Department to also fund (1) water management and conservation plans for public water systems serving a population under 10,000 that are not required by law to develop such plans; (2) a water management and conservation plan for an irrigation or water control district that is not already required by law to complete a plan; (3) development of a regional plan to increase drought resiliency; or (4) a hazard mitigation plan to address drought.

The Department believes that further discussion is needed on the -1 amendment related to the funding of water management and conservation plans, the cap on the funding amount, and the appropriate level of cost-share for small water systems.

-2 Amendment – Expanding Cost-Share Measurement Program to Assist Groundwater Right Holders

In 2001, House Bill 2713 established a fund to assist water users with installing or replacing water measurement devices to protect in-stream flow or to monitor water rights and streamflow. In 2013, this fund was recapitalized as part of the Department's base budget, allowing the Department to work with landowners to voluntarily install measuring devices on significant points of diversion on high priority streams. The fund can pay up to 75 percent of the cost of installing a measuring device, which typically ranges from a few hundred dollars to several thousand dollars.

While the focus of the fund was originally on surface water diversions, the Department believes that it would be valuable to assist water users to install measuring devices on wells. Groundwater use data are used for a variety of purposes, such as: conducting a basin study to better understand the groundwater resource and how much is available for withdrawal; determining interference between junior and senior groundwater users; and assessing whether a water user is exceeding the amount authorized on the water right. This data helps the Department manage the resource for water users over the long-term. Since this amendment is outside of the relating to clause of HB 2297 (relating to drought), it may be more suitable for HB 2241 (relating to water conservation).

Conclusion

Drought and water scarcity can have significant impacts on water users and communities. The Department is bringing forward two amendments for discussion that seek to partner with individuals and communities in responsible water management. The first proposal would utilize an existing program to provide cost-share funding to assist with the development of water management and conservation plans or other drought planning efforts, while the second proposal seeks to utilize an existing program to provide state funding assistance to partner with well owners to install measuring devices. The Department looks forward to continued discussions with the Legislature and stakeholders on these proposals.