



OREGON
ASSOCIATION OF
NURSERIES

**Testimony before House Agriculture and Natural Resources Committee
House Bill 2297 – Drought mitigation efforts through planning and cost-shares**

By Jeff Stone, Executive Director
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Chair Clem, Vice-Chairs McLain and Sprenger, members of the committee, my name is Jeff Stone and I serve as the Executive Director of the Oregon Association of Nurseries. Thank you for the opportunity to provide comments on the issue of creating tools to mitigate drought through an expanded grants for planning and community resiliency.

The Economic Footprint of the Nursery and Greenhouse Industry

The nursery and greenhouse industry is the state's second largest agricultural sector, and the industry ranks third in the nation for nursery production, with over \$894 million in sales annually to customers in Oregon, the rest of the United States, and abroad. In fact, nearly 75% of the nursery stock grown in our state leaves our borders – with over half reaching markets east of the Mississippi River. We send ecologically friendly green products out of the state, and bring traded sector dollars back to Oregon.

Nursery association members represent wholesale plant growers, Christmas tree growers, retailers, and greenhouse operators. Our members are located throughout the state, with our largest nursery growing operations found in Clackamas, Marion, Washington, Yamhill and Multnomah Counties.

Water is the lifeblood of our industry

Our members depend on reliable access to clean, plentiful water to irrigate their plants. Our members have spent generations as stewards of the state's natural resources. We believe that economic vitality can go hand in hand with sustainability and long-term environmental health. We are deeply committed to a forward-looking state water policy that recognizes the importance of investing in our state's water future for the benefit of all our citizens.

2015 was a wakeup call on the drought issue

The effects of the 2015 drought were far-reaching and brought much needed attention to the critical issue of water supply in Oregon. The OAN participated in Governor Brown's

drought meetings during that critical time. Those meetings, candidly, were about how to cope with the emerging drought and coming to grips with the severity of water supply in all parts of our state. Twenty-five of the 36 counties in Oregon received a State drought emergency declaration and state agencies scrambled to respond. Many water users, especially those in the nursery industry, are dependent on abundant water resources to grow their product. While Oregon has seen significant rain over the past few months, the issue facing the state in the coming years should not be ignored.

Oregon Legislature action is critical

The OAN has been a strong proponent of integrating the development of new water storage with conservation incentives. Our industry has been using both tools to meet both short-term and long-term water supply demands, and we believe that they are critical to drought adaptation in the future.

This body took an important step toward that future in 2013, when it passed SB 839, creating the Water Supply Development Fund. Oregon's nurseries were one of the primary supporters of Senate Bill 839, and we remain convinced that it is a good initial step. In 2015 the legislature demonstrated its commitment to the future by funding \$50 million in water infrastructure. In 2017 – despite a tough budget year, Governor Brown has proposed an additional \$32 million for water supply and drought resilience. Our neighboring states are well ahead of us; Washington invested \$250 million in water development in the Columbia Basin, while California – perhaps the poster child for drought and a cautionary tale for waiting too long – has committed to invested well in excess of \$7 billion in water infrastructure.

Drought Task Force recommended action includes planning for drought

The Oregon Legislature established the Task Force on Drought Emergency Response, through House Bill 4113 in 2016, and directed research and creation of additional tools to prepare for future droughts. The OAN was appointed to the Task Force, which met between July and October, and made a set of five recommendations to be forwarded to the governor and legislative body. One of those recommendations is at the heart of HB 2297.

House Bill 2297's original bill structure has been replaced to establish a grant funding mechanism to help communities better prepare for drought. The State has an existing program - the Water Conservation, Reuse and Storage grant program, created by SB 1069 in 2008. This program is a critical function to understand feasibility of projects and conservation endeavors to stretch water resources among a myriad of stakeholders.

The Dash-1 amendment addresses the feasibility element of the Water Conservation, Reuse and Storage grant program that has been a success in assisting water users to develop projects that make a difference to our water resources. Authorizing the program to extend the feasibility grant to develop a drought or water conservation plan is an appropriate use of the dollars and the intent of the program. The OAN along with the Oregon Farm Bureau Federation helped pass SB 1069 in 2008.

While the Drought Task Force did not make a formal recommendation on cost-share programs for landowners, it was certainly an issue that was discussed as a barrier to voluntary efforts to enhance measurement. The Dash-2 amendment relating to cost-share dollars for measurement is an issue that deserves additional policy development and evaluation. The OAN has supported provisions of targeted measurement as a larger effort by the department to provide data for the Water Resource Department's measurement strategies. Certainly an approach to assist stakeholders leverage limited financial resources for the greatest improvement in watersheds, utilizing voluntary and collaborate implementation methods, will garner greater results. We do urge caution on this amendment to not open a door to the creation of new measurement and reporting obligations on existing water right holders throughout the state without the benefit of a larger, more comprehensive discussion on the issue.

Water is not simple and it will take many steps to create solutions

Oregon must wisely invest dollars while ensuring that state funded projects provide economic, environmental, and social benefits without making funding decisions overly burdensome. 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.

There remains work to do and issues to resolve relating to drought management and effective ways to marshal resources in a manner that does not create winners and losers. The state needs to get to solutions. It needs to discuss and recommend tools, data needs, quantification of the impact of drought on industries, and how best to craft an emergency response capacity (both in policy and financially) to foreseeable and unexpected water problems. We are a water dependent industry and it is in the nursery and greenhouse industry's best interest to be part of a solution instead of bracing for a problem.

Thank you for your time and consideration