



Oregon

Kate Brown, Governor

Department of Administrative Services

Chief Financial Office
155 Cottage Street NE
Salem, OR 97301
PHONE: 503-378-3106
FAX: 503-373-7643

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Senator Kathleen Taylor, Co-Chair
Representative Jeff Reardon, Co-Chair
Joint Committee on Ways and Means
Subcommittee on Natural Resources
900 Court Street NE
Room H-178
Salem, OR 97301

Dear Co-Chairs:

Thank you for giving me the opportunity to present an overview of the 2019-21 Governor's Recommended Budget (GRB) for the Oregon Department of Environmental Quality. Here is the response to Senator Girod's question regarding Klamath Basin initiatives in the Oregon Department of Environmental Quality (DEQ) and the Oregon Department of Agriculture (ODA) budgets.

Why did the Oregon Department of Environmental Quality receive more funding in the Governor's Recommended Budget than the Oregon Department of Agriculture for Klamath Basin water quality initiatives?

In addition to the \$100,000 General Fund for monitoring that is included in the GRB for ODA's Klamath Policy Option Package, ODA is working with local landowners, partner agencies, and stakeholders to pursue several other resources to accomplish agriculture water quality improvements in Klamath both within and outside the budgeting process. As a result, the resources that will support agriculture-related water quality work in Klamath are likely closer to or will exceed the amount that DEQ is requesting for work in Klamath. Most of these resources will go directly to landowners who are implementing improvements or to local partner agencies that are helping landowners implement these projects.

Here are some of the resources that ODA is pursuing both within and beyond the state budgeting process.

- ODA's GRB includes 2 new positions to implement Strategic Implementation Area (SIA) work to benefit water quality from agricultural lands. Based on feedback from local stakeholders, ODA will likely locate at least one of those positions in Klamath.
- ODA will likely have one SIA in Klamath in 2019 and another in 2020 - each SIA makes the local Soil and Water Conservation District (SWCD) or other local partner eligible to receive \$100,000 in technical assistance funds from the Oregon Watershed Enhancement Board (OWEB) to help design projects to implement improvements identified in the SIA process.

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- ODA is approaching local partners to encourage one of them to apply for a \$75,000 OWEB technical assistance grant to help several of the landowners around the lake design and implement projects.

- Senator Merkley's office has asked for an estimate of resources needed to comprehensively address agricultural water quality issues around the lake – for example, resources that could fund some of the landowners' costs to implement projects. ODA's estimate is that \$3 million is needed and the agency is working with the Governor's Office to request that funding through federal appropriations.

- ODA has worked with Trout Unlimited and other partners to pursue IM-11 funding to support some of the work needed around the lake.

- The United States Department of Agriculture-Natural Resources Conservation Service (USDA-NRCS), the United States Department of Agriculture-Farm Service Agency (USDA-FSA), and OWEB are all potential sources of funding to support part of the landowners' costs to implement projects around the lake. Typically the landowners would work with local organizations such as the SWCD, the federal USDA agencies, watershed council, Trout Unlimited, and others to apply for and implement the projects with those funds, but they also support the goals ODA is trying to achieve.

Please feel free to contact me if you have additional questions.

Sincerely,



Ali L. Webb

Policy and Budget Analyst

DAS, Chief Financial Office