



Oregon Water Resources Department Budget Testimony (HB 5043)

Joint Ways and Means Natural Resources Subcommittee

March 7, 2019

Co-Chairs Taylor and Reardon and Members of the Committee:

Thank you for the opportunity to comment on the Oregon Water Resources Department (OWRD) budget. The Oregon Farm Bureau (OFB) strongly supports general fund investment in the OWRD, particularly in several key program areas that are important to our membership. However, we also have concerns about the Department's ballooning legal costs and several novel policy interpretations advanced by the Department that we believe to be at least partially responsible for these growing costs. As such, we ask this Subcommittee to closely review the Department's legal costs and ensure that the Department is appropriately approaching complex issues before it.

By way of background, OFB is Oregon's largest grassroots agriculture association, representing nearly 7,000 farming and ranching families across the state. Our mission is to promote educational improvement, economic opportunity, and social advancement for our members and the farming, ranching, and natural resources industry as a whole.

Water is the lifeblood for Oregon's farmers and ranchers; it is essential for the Oregon's agricultural economy. Agriculture contributes an estimated \$50 billion dollars to the state's economy, making it Oregon's second largest economic driver. Given the importance of water to all of Oregon's 220+ commodities, we have a strong interest in ensuring that the OWRD is adequately funded and supervised.

OFB wishes to express our support for the following packages:

- **Package #101: Place Based Planning Community Support.** The place-based planning program was created to fill a critical need for communities to engage in in-depth, thoughtful planning for their water future, ensuring that a long-term plan is in place to meet community, economic and habitat needs. Since its inception, our members have engaged heavily in the pilot projects, with our local leaders participating heavily in all of the pilot projects currently underway. Our members have invested significant time and resources into this effort, and we strongly support providing these communities a path to complete their plans and share their lessons learned with the state. However, in observing how each of the pilot projects moved forward, we think they will have significant "lessons learned" and recommendations to share with the state after the conclusion of their processes. This feedback must be considered prior to moving forward with any additional projects and should be provided as part of a comprehensive program review. See [OFB's testimony on HB 2084](#).
- **Package #102: Groundwater Studies.** Investment in good data and information about groundwater resources is critical to effective management of

those resources. We support increased general fund investment for groundwater studies which benefit all Oregonians. Recently, OFB has been very active in the Harney County rulemaking and subsequent study to determine the state of the groundwater resources in the county. Groundwater studies will aid in management and help ensure that the Department is using the best information to make management decisions. Moving forward, we would like to see the Department adopt a collaborative approach to these studies, like has been undertaken in Harney County.

- **Package #106: Watermasters.** Having adequate water masters on the ground is essential to ensuring our water rights system is fairly administered. OFB supports this investment in water master positions.
- **Package #107: Grant and Loan Funds.** Increased investment in conservation and development of new water supply is critical to our long-term water future. OFB has long-championed state investment in studying and developing conservation and supply development projects that have benefits for water users, fisheries and wildlife and the state.

We also understand there is considerable support for **Package 103 (Complex Basin Positions)**, which was not recommended in the governor's budget. While we agree that there is a significant need for additional staff and resources for the state to tackle many of our outstanding complex water issues, we need to ensure that these positions are staffed by people with the appropriate experience and expertise to manage these issues, and who will be based in the communities they are supporting. Solving complex issues requires significant experience, conflict management skills, and knowledge of water systems that very few people in Oregon will have. If not staffed correctly, these positions could exacerbate the very problems they are seeking to solve, so we urge the Subcommittee to ensure they are staffed at the appropriate level.

Finally, OFB has concerns about **Package 105 (Increased Legal Expenses)**. While the Department has stated that these costs are largely outside its control, we are concerned that the costs may be driven by the Department advancing novel legal interpretations, new models, and other significant policy changes through specific cases, rather than through setting forth a specific policy directive or engaging in rulemaking. We believe that this is causing individual water users to have to litigate the Department's new policies on a case-by-case basis, resulting in multiple cases moving through the court system where there could have just been one case if the Department had formally changed its policy or completed a rulemaking. We request that the Ways and Means Committee more closely audit the Department's legal expenses to ensure that the Department is making its policy decisions at the appropriate level.

Thank you for the opportunity to comment on the proposed budget for the Oregon Water Resources Department. Please contact me if you have any questions.

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