



**April 19, 2019**

**Joint Committee on Ways and Means  
Subcommittee on Capital Construction**

**Senator Fred Girod and Representative Paul Holvey, Co-Chairs**

**Testimony in Support of Section 4 of House Bill 5030**

**Presented by Tom Byler, Director**

Thank you for the opportunity to provide testimony in support of Lottery Revenue Bonding in Section 4 of House Bill 5030, which would provide \$15 million in funding for the Water Resources Department's Water Project Grants and Loans funding opportunity. This is a statewide competitive opportunity that provides funding to implement instream and out-of-stream water projects that provide economic, environmental, and social/cultural public benefits.

**Background**

With most surface waters fully allocated in the summer, and increased pressures on groundwater resources in some areas in the state, Oregon needs to invest in planning, assessing, and developing water resources projects to meet the needs of communities, agriculture, fish and wildlife, recreation, and our economy.

The Water Resources Development Program focuses on helping individuals and communities to address their instream and out-of-stream water resources needs now and into the future. The program includes three components to help address Oregonian's water resources needs:

- *Place-Based Planning* empowers communities to work collaboratively, in partnership with the state, to understand their instream and out-of-stream water resources needs and identify potential solutions to meet those needs;
- *Feasibility Study Grants* cover up to 50 percent of the costs of studies to evaluate the feasibility of developing water conservation, reuse, and storage projects; and
- *Water Project Grants and Loans* invest in projects that meet instream and out-of-stream needs, while providing economic, environmental, and social/cultural benefits.

**Water Projects Grants and Loans**

In 2013, the Oregon Legislature passed Senate Bill 839, establishing the Water Supply Development Account to provide grants and loans for water projects to evaluate, plan, and develop instream and out-of-stream water projects that have economic, environmental and social/cultural benefits. Projects must provide benefits in each of these three categories to be eligible for funding. After a conducting a series of workgroups, task forces, and rulemaking, the Department kicked off the first funding solicitation for this program in early August 2015. Projects are awarded funding through a statewide competitive application process.

Since 2013, the Oregon Legislature has allocated \$29 million in Lottery Revenue Bonds to the competitive Water Projects Grants and Loans program. The program has been oversubscribed every year:

- The Department received over \$50 million in requests for the first funding cycle. In May 2016, the Water Resources Commission awarded \$8.89 million in grants to projects.
- In the 2017 funding cycle, the Department received requests for nearly \$35 million and awarded four grants totaling approximately \$6.3 million.
- For the 2018 cycle, the Department received requests totaling nearly \$16 million for grants and loans. Eight grants were awarded funding for nearly \$6.3 million.

Funding for Water Project Grants and Loans was proposed in policy option package #107 of the Governor's Recommended Budget, which is included in Section 4 of House Bill 5030. Section 4 includes authorization of \$15 million in Lottery Revenue Bonds for the Water Projects Grants and Loans funding opportunity to develop water projects that have economic, environmental, and community benefits.

### **Conclusion**

Water is the foundation for our economies, communities, and ecosystems. In order to ensure that we can meet the needs of Oregonians today and into the future, Oregon must continue to partner in the implementation of water resources projects. We urge your support of funding for Section 4 of House Bill 5030.