

September 21, 2022

Honorable Representative Ken Helm, Chairman
House Committee on Agriculture, Land Use and Water
900 Court Street NE, H-490
Salem, OR 97301

Re: Drought Resiliency in Jefferson County and North Unit Irrigation District

Dear Chairman Helm and Committee Members:

North Unit Irrigation District (NUID) and Jefferson County Farm Bureau are writing to provide an update on severe drought conditions in Central Oregon and request financial assistance to help ease the economic burden on family farms and our agriculture communities as we struggle to adapt and remain viable during unprecedented water shortages. Thank you for your attention to the ongoing drought throughout Oregon and for the opportunity during today's meeting of the House Committee on Agriculture, Land Use and Water to highlight the success of drought resiliency programs funded and implement during the 2021-2022 farming season.

NUID provides water to nearly 60,000 acres of some of Oregon's most productive farmland in Jefferson County. Due to lack of water right seniority and voluntary Habitat Conservation Plan obligations intended to help rehabilitate endangered species and river ecosystems, NUID and its patrons are faced with restricted water supplies for irrigation, even in good years. Unfortunately, the current multi-year drought has compounded those perennial shortages, so that in 2021 NUID farmers struggled with less than 50% of a normal water allocation, as well as mid-season reductions and a premature shut-off when crops were most vulnerable. Many of us hoped it couldn't get worse than 2021, but we were wrong.

As you know, the drought declaration remains in effect in Jefferson County and 2022 has proven to be substantially worse for the farmers in NUID who rely on irrigation water supplies to care for soil and raise crops. Water allocations for 2022 are just 25% of normal, irrigation reservoirs remain at historic lows, and inflows are insufficient to provide much hope for winter recharge and drought recovery in the near-term. We believe total economic loss due to drought will be near \$50 million for NUID farmers in 2022. Farmers are resilient, but the incessant drought increasingly threatens family farm bankruptcy; widespread economic hardship in our diverse, agriculture-dependent communities; and the sustainability of stewardship practices on irrigated farmland necessary to ensure the long-term health of local ecosystems.

We are grateful for the attention and the support farmers throughout Oregon received from the Governor's office, administrative agencies, and legislative leaders at the end of 2021. The comprehensive drought and disaster relief authorized through SB5561 provided essential aid to help farmers cope with uninsured economic losses and, in the case of NUID, helped maintain ongoing water conservation efforts and improve drought resiliency by investing in good stewardship on fallowed farm ground taken out of production due to the drought.

With little hope for improved climate and drought conditions in sight, we are requesting funds to continue drought relief programs authorized through SB5561. Those programs now have a record of efficiently providing farmers with direct aid while also achieving significant public benefits to our regional economies and ecosystem. Specifically, we are requesting:

1. **Irrigation district solvency funds.** Typically, irrigation districts rely solely on allotment fees to pay for operations and maintenance of infrastructure and water deliveries. Unfortunately, O&M costs can often increase during water shortages and allotment fees remain the same regardless of the amount of water available for delivery. During persistent drought there is a real and substantial risk that as farmers become financially unable to pay user fees it would jeopardize the financial solvency of the irrigation district, triggering a combination of escalating costs to remaining farmers, neglected services and maintenance, and financial failure of the district. Drought solvency funds can be used to reduce fees to farmers during water shortages due to extreme drought. This prevents water user accounts in arrears and ensures irrigation districts remain financially solvent and can continue to deliver water and implement conservation efforts, such as the Habitat Conservation Plan, during drought conditions. The \$5.5 million appropriated in 2021 to NUID via the Department of Administrative Services were credited to individual farmers who otherwise would have been forced to pay full water allotment fees while only receiving a small fraction of their normal allotment. This program has minimal administrative cost while creating substantial public benefits by maintaining the financial health of irrigation districts as an essential utility for agriculture-dependent communities.
2. **Emergency soil conservation funds.** During water shortages, farmers that rely on irrigation are forced to leave otherwise productive farmland fallowed and out of production so that they can use available water on other fields and crops. There is a substantial financial burden on farmers to be able to maintain the soil health of those acres, especially during a drought as long and severe as this one. Farmland that is neglected for one or more years risks creating a micro-environmental disaster as weeds proliferate and soil becomes exposed to erosion and degradation. Even after a drought abates, those neglected acres may take multiple years to recover their productive capacity. The emergency soil conservation funds for 2021-2022 were administered by Oregon Watershed Enhancement Board in cooperation with local Soil and Water Conservation Districts to support good stewardship on unproductive farmland that has been forced to be fallowed due to restricted irrigation water supplies. This program was successfully launched and rapidly implemented to provide nearly \$3 million of cost-share for good soil conservation practices on nearly 24,000 vulnerable acres in NUID for 2021-2022. The program provided financial assistance to farmers to pay for costs on non-income producing farmland and creates significant additional environmental and economic benefits by preserving the health of those otherwise highly productive soils.

We hope you agree that funding these programs will ease the impact of the drought and help to stabilize our agriculture economy by: (1) providing farmers with some financial relief during unprecedented hardship; (2) ensuring our irrigation district remains financially solvent and can continue to serve farmers and implement planned water conservation improvements during the drought; (3)

achieving environmental goals by encouraging good stewardship on unprotected fallowed farmland; and (4) ensure ongoing water conservation and environmental enhancement efforts continue as we work toward permanent drought resiliency.

In addition, state and local agencies now have a year of experience working with farmers and NUID to efficiently disburse funds through these programs with effective oversight and minimal administrative cost. This proven track record could help allow the programs to be implemented in other irrigation districts in the state and could become a model for state responses to drought in the western United States.

Thank you for your consideration of the financial hardship and needs of North Unit Irrigation District, the farmers and ranchers, and our unique communities in Jefferson County. We are extending an invitation to you and your colleagues for a tour of NUID to see the real-time disaster that is impacting the families and businesses that sustain Jefferson County.

Sincerely,



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CC: US Sen. Ron Wyden
US Sen. Jeff Merkley
US Congressman Cliff Bentz
Oregon House Committee on Agriculture, Land Use and Water
Oregon Joint Emergency Board
Sen. Lynn Findley
Rep. Daniel Bonham
Director Alexis Taylor, Oregon Dept. of Agriculture
Director Tom Byler, Oregon Water Resources Department
Director Lisa Hanson, Oregon Water Enhancement Board
Jefferson County Commissioners