



March 22, 2021

Joint Committee on Ways and Means Subcommittee on Natural Resources
Co-Chairs Senator Taylor and Representative Reardon
Senator Anderson
Senator Frederick
Representative Breese-Iverson
Representative Holvey
Representative Pham
Representative Brock Smith

Re: Trout Unlimited Comments on SB 5545 (Department of Water Resources Budget)

Dear Co-Chairs Senator Taylor and Representative Reardon and Members of the Committee,

Thank you for the opportunity to present testimony on Senate Bill (SB) 5545, the proposed budget for the Oregon Water Resources Department (OWRD) for the 2021-2023 fiscal years. My name is Chandra Ferrari and I represent Trout Unlimited, a non-profit organization dedicated to the conservation of cold-water fishes, such as trout and salmon, and their habitats. Trout Unlimited has more than 300,000 members and supporters nationwide including over 3,000 in Oregon.

Oregon's cold-water fish populations are of significant cultural and economic value, yet their persistence is threatened by several stressors including climate change, drought conditions (which are expected to occur with increasing frequency) and population growth. These factors and others will continue to place increasing pressure on the water resources of the State and Oregon's ecosystems and communities. To ensure that Oregon is prepared to meaningfully address these challenges it must take action to acquire basic information about the condition of its water resources, implement and incentivize sustainable water management practices and take action to ensure sufficient water remains instream for sensitive fish species. Accordingly, TU supports Senate Bill 5545, which will help ensure that OWRD has sufficient resources to meaningfully implement its mandates.

TU supports many of the recommendations in the Governor's Recommended Budget (GRB) however we are concerned that some critical OWRD programs did not receive any funding in the GRB and some were underfunded. TU's specific recommendations are below.

Programs that received funding in GRB

TU strongly supports the inclusion of POPs 103, 104 and 105 in SB 5545 as all are necessary to ensure that the State has sufficient resources to implement critical water management and hydroelectric licensing and implementation activities.

- (1) POP 103, Fund Legal Expenses to prevent service impacts (\$800,000 GF):** This funding addresses sustained increased cost for Department of Justice services that OWRD has

consistently incurred due to litigation activities and would help prevent impacts to Department services as has occurred in prior biennia.

- (2) **POP 104 (HB 2142)**, HB 2142 authorizes the Oregon Water Resources Department (OWRD) to modify its fee schedule to help ensure that critical water management services can be provided. OWRD provides many important services including processing, approving and enforcing water right applications/authorizations (including those for instream use) and ensuring the proper and equitable administration of existing water rights through water master services. These services are not only critical for water users, but also for salmon, trout and other fish species that rely on adequate quantity and quality of water within streams at key times to provide sufficient habitat. Unfortunately, OWRD's current fee schedule, if not modified, would result in the loss of a significant number of OWRD staff positions leading to a considerable decrease in the scope, scale and timeline of services. The revenue generated by HB 2142 will not restore all of these positions (it buys back 2.5 FTE out of 8.83 FTE staff reductions in GRB) but it will ensure that the most critical functions are able to be carried out within reasonable timeframes. The bill does result in a fee increase to water users, but the increase maintains a 50/50 split between General Fund and fees consistent with past practice. HB 2142 constitutes a reasonable and fair approach to help ensure that OWRD maintains critical capacity during a particularly tumultuous time.
- (3) **POP 105 (HB 2143)**: HB 2143 simplifies and increases the annual fees paid by hydroelectric projects to maintain current agency service levels and further a more equitable fee structure. These fees support Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Environmental Quality (ODEQ) and Oregon Water Resources Department (OWRD) engagement in state hydropower matters to ensure compliance with water quality standards and water rights conditions and adequate mitigation for impacts to fish and wildlife, recreation, aesthetics, public access, and other beneficial uses. There is a critical need for dedicated hydropower fees to continue at a sufficient level so that agency staff can retain participation and resource protections in the face of a sizable hydropower workload in Oregon. Agency costs have increased due to several factors including personnel costs and legal expenses. Yet, the hydropower fee structure has not been updated since 1999 and is currently structured in a manner that disproportionately affects certain large hydropower operators (mainly those that have undergone relicensing through the Federal Energy Regulatory Commission (FERC)). HB 2143 raises the annual hydropower fee levels to ensure that critical agency services can be maintained going forward and that fees are distributed more equitably amongst hydropower producers.

Programs that received partial-funding in the GRB

(1) **POP 108, Fund Planning, Feasibility Studies & Projects (\$289,683 GF; \$20.8M LB):**

TU supports funding support to facilitate the completion of the current place-based planning processes including the Harney-Malheur Lake, Lower John Day, Mid-Coast, and Upper Grande Ronde, as well as an evaluation of the place-based approach to water planning. Accordingly, TU supports the inclusion of funding to extend the current limited duration

place-based planning coordinator position as this position provides critical support to these planning efforts. This position was not funded in the GRB.

Programs that received no funding in the GRB

TU supports inclusion in SB 5525 of the POPs below because they will further key actions necessary to achieve sustainable water management including acquisition of information about water resources, additional staff devoted to “on the ground” water management activities and identifying and implementing solutions to water management challenges in particularly challenging basins in Oregon such as the Willamette.

(1) POP 109 Supporting Water Management in the Field (\$1,378,576 GF):

This package, if fully funded, will increase the number of assistant watermasters in the field by five, one for each region, to support water regulation and distribution, complaint response, and surface water and groundwater data collection. Watermaster workloads continue to increase statewide due to a number of factors including an increasing number of water rights/water conflicts in all basins, yet assistant watermaster positions have significantly declined from a high of 37 in 1981. These positions are critical to ensuring effective water management throughout the state and their importance will deepen as drought and climate change continue to increase competition for water resources.

(2) POP 110 Foundational Data for Groundwater Studies (\$2,001,470 GF):

This POP facilitates the acquisition of critical information necessary for effective management of Oregon’s water resources. Specifically, this POP adds additional staff to gather critical groundwater data, create water budgets, enter into USGS/OWRD Groundwater Studies and other work needed to sustainably manage groundwater across the state. This information will allow the state to manage its increasingly limited groundwater resources and maximize the consumptive and non-consumptive uses of water in the basin. Many rivers in Oregon are over-appropriated (particularly during the irrigation season) resulting in a significant number of water rights applications for groundwater use. Several of our groundwater basins are currently in extreme risk and immediate study and action is necessary to provide for appropriate long-term management of our community’s water resources. It is critical that OWRD make decisions based on sound science as impacts to aquifers are far-reaching and, in some cases, irreversible.

(3) POP 113 Willamette Basin Reallocation (\$221,040 GF):

This POP would grant OWRD additional staff to implement the Willamette Basin Reallocation (1.6 million acre feet in the 13 reservoir Willamette Project). This capacity is necessary to work through numerous water rights and contracting issues, to quantify and track both live flow and stored water for instream, municipal and agricultural uses, and manage who gets water in times of shortage. Many stakeholders engaged in the Willamette Basin Reallocation process also support increased funding for a professional facilitator to convene a workgroup to ensure this complex issue can be addressed with numerous diverse stakeholders at the table. TU supports this request. Oregon Solutions/Oregon Consensus may be an appropriate convener, but we are open to other options that will help agencies and stakeholders implement necessary components of the Willamette Basin Reallocation.

GRB Reductions

The GRB proposes significant reduction packages to OWRD's budget. TU respectfully requests that the Committee reconsider the proposed cuts to the OWRD budget that relate to science, data and water management. Specifically, we request that the Committee protect against the following reduction packages.

(1) **Package 090 Reductions** (in part):

This would permanently remove three positions: a water data technician, an assistant watermaster, and a NRS 2 groundwater hydrogeologist. It would also remove funding for gauging stations (\$165k), groundwater studies (\$301k) and observation wells (\$778k). These cuts will set water management backwards. In the face of increasingly complex and contentious water management issues, cutting existing management/science staff will serve to make existing problems worse.

(2) **Package 092—Reductions through vacancy savings, \$909k GF reduction.**

Positions have not been identified yet, however, we have concerns that this will continue forward the vacancy savings in the groundwater program at OWRD that were gained in 2019. The gains to groundwater staff (6 positions) and groundwater studies that were included in the 2019-2021 budget were the result of more than a decade of work. Oregon is not currently sustainably managing groundwater, in part because they do not have adequate data.

Thank you for the opportunity to testify on SB 5545.



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