



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

From: Caylin Barter, Oregon Water Program Manager

Date: March 22, 2021

RE: Support for SB 5545 (OWRD Budget) -- with Additions

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

Thank you for the opportunity to provide testimony on SB 5545, which we support with add-backs of several Policy Option Packages (POPs) that were either not included in the Governor's Recommended Budget (GRB) or were underfunded.

Wild Salmon Center (WSC) works with partners to conserve healthy wild salmon fisheries across the North Pacific. In Oregon, WSC has worked for nearly three decades to protect and restore stronghold salmon habitats, using the best science to drive policy changes, lead planning processes, and support implementation. Our water program advocates for state policies and programs that improve flow in streams where salmon have the best chance of recovery. Adequate streamflow is key to habitat function, allowing salmon to access varied habitats and keeping streams clear and cold. Yet many salmon runs in Oregon are endangered, and low flows and high stream temperatures are limiting their recovery. These problems are worsening due to climate change and increased human demand for water.

WSC works closely with the Oregon Water Resources Department (OWRD) on a broad range of water issues related to streamflow, and we believe that Oregon's future vitality depends on a robust Department with capacity to engage in data-driven water management and planning for the greatest public benefit. However, the GRB represents a nearly 4% decrease in positions from the 2019-21 Legislatively Approved Budget, from 177 positions down to 170, and further positions will be lost if the fee bills (HB 2142 & 2143) do not pass. In addition to the investments identified in the GRB, **WSC supports the POPs below to help preserve Department functions that are critical to the protection of water flowing in Oregon's streams and rivers.**

- **POP 087: Migration to State Data Center Services** (\$340K GF; \$215K GF in GRB)
 - Costs of migrating the Department's IT services to the State's central data center are estimated at \$340K over the next biennium, but the GRB allocates only \$215K GF. Enhanced server capacity is needed to accommodate additional water data and new data types that will be available to OWRD in the coming years.

INTERNATIONAL HEADQUARTERS

721 NW Ninth Avenue, Suite 300 • Portland, Oregon 97209 USA • tel: 503.222.1804 • fax: 503.222.1805

info@wildsalmoncenter.org • www.wildsalmoncenter.org

- **POP 102: Strategic Modernization of IT Systems and Tools** (\$818,781 GF; not in GRB)
 - The Department’s antiquated IT infrastructure impedes data entry, quality control, database queries, and data analysis. Modernization will improve data system functionality and enhance accessibility for OWRD staff, water right holders, and the public. A more user-friendly web interface will reduce barriers to timely and accurate reporting of water use data, which is critical for basin-level planning efforts.
- **POP 103: Fund Legal Expenses to Prevent Service Impacts** (\$800,000 GF)
 - The Department’s legal costs are steadily rising, due primarily to increased competition for dwindling water supplies and litigation related to the Klamath Basin Adjudication. Because OWRD is rarely the party that initiates litigation, it is very difficult to manage litigation costs. This base budget funding, included in the GRB, is necessary to protect other agency programs and services that are more proactive, and to prevent a downward spiral where impacts to core Department services spawn more litigation.
- **POP 104 (HB 2142): Maintain Water Right & Dam Safety Services** (\$564,594 OF new revenue)
 - Revenue from water right fees is not keeping pace with cost increases, leading to unfilled vacancies and long processing times. Since 2009, application costs have been split 50/50 between fee revenues and General Funds, with inflation-based increases to occur every four years. This POP, which depends on passage of HB 2142, will generate revenue that enables OWRD to buy back 2.5 FTE of the 8.83 FTE slated for reduction in POP 070 (Revenue Shortfall Package). WSC’s [testimony](#) on HB 2142 gives more detail.
- **POP 105 (HB 2143): Maintain Hydroelectric Services at Agencies** (\$1,287,004 OF new revenue)
 - OWRD collects annual hydroelectric project fees, most of which are disbursed to ODEQ for water quality certifications and ODFW for species protection and mitigation, but current revenue is insufficient to cover the costs of these services. This POP, which depends on passage of HB 2143, will generate an additional \$1,287,004 in revenue, avoiding projected fiscal shortfalls at all three agencies by making hydroelectric fees more equitable across project types and more adaptable over time. WSC’s [testimony](#) on HB 2143 gives more detail.
- **POP 108: Fund Planning, Feasibility Studies & Projects** (\$20.9M LB; \$289,683 GF not in GRB)
 - Oregon’s overallocated water supplies are leading to economic and environmental uncertainty that will only worsen with climate change. Place-based integrated water resources planning (“place-based planning,” or PBP) creates actionable plans to address local water challenges and secure Oregon’s instream and out-of-stream water future. However, the GRB did not include funding for PBP staff, risking the success of the four PBP pilots and threatening the Department’s ability to learn from the pilots and expand the PBP program to other basins.
 - **WSC also supports HB 3105, which would appropriate \$100,000 in General Funds** to assist with completion of the four PBP pilots and to facilitate implementation of actions identified in each plan. This bill is needed because there are no OWRD grant funds identified for the 2021-2023 biennium. See WSC’s [testimony](#) on HB 3105 for more information.
- **POP 109: Timely Water Management and Distribution** (\$1,375,458 GF; not in GRB)
 - Watermasters collect data on water resources and use, review applications for new water permits and changes to existing water rights, investigate complaints about illegal use, and monitor instream water rights. Climate change and higher water demand require more intensive water management. This POP adds five assistant watermasters, enabling more proactive regulation and more timely and thorough responses to conflicts and complaints.

- **Protect Funding for Stream Gaging Stations** (\$164,694 GF; not in GRB)
 - Effective surface water management depends on the maintenance of OWRD’s stream gages and the installation of new ones in high-priority areas. Data from these gages form the basis for daily decisions about water allocation and recreational activities; forecasts about floods and drought; and long-term planning for water supply and demand trends in the face of climate change. There is widespread agreement that Oregon needs *more* stream gages, not less, but at a minimum we need to operate and maintain the gages we have now.

- **Maximize Funding for Water Measurement Cost Share Program** (\$101,914 GF; more needed)
 - Water use data is crucial to resource management now and in the future, and is required for innovative programs like split-season instream leasing. However, costs for the purchase and installation of measurement devices can range from several hundred dollars to tens of thousands, presenting a barrier to widespread implementation. Cost-share funding eases the financial burden on water users and facilitates enhanced measurement.

- **Protect Positions from Vacancy Savings in Package 092** (\$908,702 GF)
 - Package 092 increases the vacancy savings targets for the Department to 5%, meaning any positions open at the start of biennium will have to be held open to generate adequate savings. OWRD is a small agency with a giant mandate, and its staff are highly trained for technical roles. Unfortunately, many of the Department’s 11 current vacancies are positions that were created recently to address emerging priorities but have not yet been filled due to budget constraints. These vacancies hinder OWRD’s abilities to respond to current challenges and to ensure long-term sustainability of Oregon’s water resources.

- **Allocate Funding to Cover Costs Incurred Under HB 3315** (\$190,000 GF)
 - HB 3315 (2015) requires the Oregon Department of Fish and Wildlife (ODFW) to recoup costs incurred in providing services to other state agencies for advancing administration of those agencies’ fee-funded programs. For OWRD, these costs are expected to come in around \$190,000 in the 2021-2023 biennium based on prior years’ invoices, yet the GRB does not allocate any funding to cover this expense.

Wild Salmon Center recognizes the challenges facing the Committee, the legislature, and the State during these uncertain times. We urge your support of these investments, which are critical to Oregon’s streams and the salmon they sustain.

Thank you for the opportunity to testify.



Caylin Barter
 Oregon Water Program Manager
cbarter@wildsalmoncenter.org