



**Testimony before House Committee  
Agriculture, Land Use, Natural Resources, and Water  
House Bill 3163 - Relating to Water Place-Based Planning**  
By Jeff Stone, Executive Director, Oregon Association of Nurseries  
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Chair Helm, Vice-Chairs Hartman and Owens, members of the committee, my name is Jeff Stone and I serve as the Executive Director of the Oregon Association of Nurseries. It is my hope that my comments are construed as constructive related to the important work of place-based planning for water resources in the state.

**Background on the Nursery and Greenhouse Industry**

The nursery and greenhouse industry is the state's largest agricultural sector, with over \$1.2 billion in sales across the nation and the globe. Nationally, Oregon ranks third in nursery production. Nearly 80% of the nursery stock grown in our state leaves our borders – with over 50% reaching markets east of the Mississippi River. The nursery industry employs more than 22,000 full time workers with an annual payroll over \$327 million. We send ecologically friendly, carbon sequestering, green products out of the state, and we bring traded sector dollars back to Oregon. Nursery association members represent wholesale plant growers, Christmas tree growers, retailers, and greenhouse operators. Our members are located throughout the state, with our largest nursery growing operations found in Clackamas, Marion, Washington, Yamhill, and Multnomah Counties.

**Engagement is not always the easiest road**

During 2021 and 2022, the OAN has been involved in conversations related to place based planning (PBP). We supported the creation of the program in 2019 with the passage of House Bill 2084. Planning and the public engagement to craft a workable and sustainable effort is not easy – it is difficult in land use and the difficulty is compounded when adding water policy. I was personally involved in the 28-person workgroup established by House Bill 5006 in 2022, and during that time twelve meetings were conducted. The stated goal set out by the legislature was to develop a framework and path for state-supported water planning and management at the water region and/or basin level. It was a laudable goal, but I feel the group fell short of the mandate and consensus was difficult to achieve.

## **Four core elements to focus attention related to PBP**

It is the OAN's view that the state has a responsibility to be stewards of precious natural resources and to craft non-litigious paths for stakeholders to engage in the planning and execution of water policy. In my experience through the workgroup and as a leading industry on water policy – we would suggest the committee look at four core elements that would make a positive impact on water planning.

### **1. Local control**

A big debate in the work group was whether PBP should originate at the local level or in Salem. The nursery industry believes that planning at the local level gives the best chance for sustainable efforts to succeed. This was not a unified view of work group members. However Oregon's history is littered with too many failed planning efforts where non-local or statewide processes have imposed a set of standards that do not necessarily mesh with relationships established at the local level and with on-the-ground realities. It is akin to big statewide interests wishing to change farm practices when years of co-existence between neighbors and industry have been fruitful. The best water plan is one that is supported at the source.

### **2. The State must have a sensible funding continuum.**

The OAN has been vigilant in its support for a coordinated and public water planning continuum, and place-based planning is a critical component of executing quality water projects. Over the years the association has supported feasibility grants (SB 1069 in 2008), the project grants and loans fund (SB 839 in 2013) and the creation of planning tools (HB 2084 in 2019).

#### Feasibility grants

Passed in 2008, SB 1069 set up a Feasibility Study Grants fund qualifying costs of studies to evaluate the feasibility of developing water conservation, reuse, and storage projects. This competitive funding opportunity helps individuals and communities investigate whether a project is worth pursuing. It is important that a concept go through the proper vetting process to determine if the effort is cost effective to render the desired results.

#### Project grants and loans

SB 839 allows OWRD to provide loans and grants to “plan, evaluate and develop” water resources development projects. The legislation also lists examples of projects that could be funded under the program, all of which involve a water quantity component. Unfortunately, the OWRD rulemaking process for selecting projects to fund eroded many of the central elements of this landmark bill. How a project is scored is a black box process run by OWRD staff, collaborative efforts between Tribes, conservation, agriculture and municipalities were systematically devalued in the scoring process, and the much-needed gap funding for projects – and a fund that could receive significant federal dollars – has underperformed. The Legislature intended that OWRD would support the development of water resources projects that provide social, economic, and environmental benefits to meet instream and out-of-stream needs. We acknowledge that

a few small irrigation projects, efficiency, and environmental efforts have been funded since 2015, but all in all this program needs to be retooled to serve the legislative intent from in the 2013 session.

#### Planning integrated into the process

Part of the framework orchestrated by legislative leaders and a forward-looking water coalition recognized that it was important to have funding programs for planning, feasibility analysis, and project implementation. While we recognized the benefits of having separate funding programs for each, we also expressed a desire to allow OWRD to have flexibility to move money between funding programs. This would allow the state to seize opportunities if one program is undersubscribed, while the other is oversubscribed.

### **3. Adequate funding and oversight is critical with a constrained resource**

The Oregon Legislature has funded the initial work of four place-based pilot programs and the learning curve is just underway. Certainly the committee understands that no basin is identical to another and that water scarcity is becoming the norm. This is why adequate flexibility and funding for planning, feasibility and projects need to continue. It is equally critical that the legislature take its role of oversight seriously. No number of bills will solve the problem if those who pass the laws do not hold agencies to account.

### **4. In absence of planning consensus, extend the program and put stakeholders in a room**

Oregon Consensus did the best that they could in bringing long-standing stakeholders, many of them adversaries, into a room and made some progress. However, the 28-member workgroup was simply too large to manage an effective outcome. We would suggest passing a simple extension of the authority to conduct place-based planning, subject to funding. Whether or not there is a formal workgroup or task force (both come with fiscal implications) the OAN would offer to host a series of meetings in Wilsonville over the summer to hammer out a framework that blends planning with feasibility and projects.

Thank you for considering my comments and be assured that the OAN stands ready to work hard with the committee and stakeholders over the summer months.