



Via Electronic Submission to Joint Ways and Means, Natural Resources Subcommittee

April 8, 2023

Senator Michael Dembrow, Co-Chair
Representative Khanh Pham, Co-Chair
Joint Ways and Means Natural Resources Subcommittee
State Capital
Salem, OR 97301

RE: HB 5043 (Support for Various Packages, Request for Consideration and Coordinated Discussion with Drought Package)

Dear Co-Chair Dembrow, Co-Chair Pham, and Members of the Committee:

The Northeast Oregon Water Association (NOWA) would like to thank the Natural Resources Subcommittee of the Joint Ways and Means Committee for taking the time to vet distribution of scarce resources to our natural resource agencies. While funding may not be available for all the wants of each agency or stakeholders, the State of Oregon can make significant forward progress on long-term water sustainability and coordinated water management for both our growing population and environment if steps are taken to prioritize and consolidate efforts. NOWA is supportive of some POPs and sections within HB 5043, which we will touch on in this letter, but we also urge the Subcommittee to review this budget request and coordinate, where possible, the priorities of the drought resiliency (drought relief) package being developed.

About NOWA

The Northeast Oregon Water Association (NOWA) is a result based non-profit support organization to the natural resource-based economy of the Mid-Columbia region of Northeast Oregon. We represent solutions not special interests or industries for the benefit of all needs in our region. Our organization includes landowners of over 350,000 acres of the most highly productive, irrigated food producing farmland in the world, as well as the counties, cities, ports, special districts, and private businesses that generate and support our value-added agricultural output that now contributes over \$2 billion annually to the region and State of Oregon. A sustainable, drought and climate-change resilient, conjunctively managed water supply program is critical to sustainability of our region and the quality of life of all our current and future generations.

NOWA formed in 2013, shortly after memorialization of the Columbia River-Umatilla Solutions Task Force (CRUST) Declaration of Cooperation was signed by all 21 members representing diverse interests in the Mid-Columbia region. NOWA's primary goal was to establish and maintain the local financial and institutional capacity needed to ensure that



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the short and long-term recommendations of the CRUST were not forgotten and that the Umatilla Basin would finally begin to move forward on long-term water sustainability. NOWA is focused on 4 key milestones to achieve water sustainability and build environmental wealth within the Mid-Columbia region of Oregon:

- 1) Development of a mainstem Columbia River mitigation program above John Day Dam that does no harm to the Columbia River and promotes net gain, through mitigation projects, to meet 150,000 acre-feet of Columbia River demand.
- 2) Development of three Columbia River pipelines and optimization of existing and mitigated Columbia River water rights (including water recycling and recharge) to maintain the land base, incent multiple use of water molecules, relieve annual irrigation pumping pressure on the 4 Critical Groundwater Areas and native groundwater in general, and restore ecologic function in the Umatilla Basin where possible.
- 3) Continued testing and implementation of aquifer recharge where feasible to restore aquifers to ensure multi-generational drought and climate resiliency in our region as well as improvement to regional groundwater quality.
- 4) Development of a regional groundwater savings and banking program to ensure stable and recovering groundwater levels for current and future generations and optimized use of those recovering aquifers for specific consumptive and non-consumptive priorities of the region.

The CURRENT opportunity at hand:

The Mid-Columbia region of Oregon, including the Umatilla Basin, are in a position where, with help this year and over the next 2-3 biennium's, we can finally fix legacy water issues and achieve long-term water sustainability. We would not be in this position without decades of collaboration, data development, vision and patience. It is important to highlight that in water planning and management, the stars rarely align more than once over a generation. It is important when that happens that we capitalize on the opportunity as they don't tend to last very long before trust and other factors go away and a region has to take steps back to again build trust to get back to this point. In our region those stars are aligned including:

- 1) Over \$8 Billion in federal funding for water resiliency and storage in the west is authorized by the federal infrastructure package.
- 2) A Basin that has consolidated its operations and management structure to speak with one voice and commit to a final list of needs (NOWA and Mid-Columbia Water Commission)
- 3) A Basin willing to centralize private Columbia River diversions and water right owners into one plan and one entity to coordinate with the requested CTUIR Tribal Water Rights Settlement Liaison package and positions as well as optimize the water supplies we have available for multi-beneficial uses over multiple generations.
- 4) A Basin that monitors and has more data than the state knows what to do with regarding annual water use, water demands, aquifer recovery scenarios, municipal/ag water sharing scenarios and environmental restoration/groundwater quality remediation needs.
- 5) A Basin that has become so efficient that ag leaders from around the world visit to tour projects and understand how they can implement the same efficiency practices on over 200 different crop varieties around the world in different soil types and different climactic conditions.
- 6) A Region that shares water between municipalities, rural industry and agriculture rather than fights over it (a region that recycles most of the groundwater and surface water molecule used for consumptive use multiple times after initial diversion)
- 7) A region ready to recover groundwater aquifer quality and quantity and protect those benefits for future generations.
- 8) A region where funding requests are crisp and targeted to finalize a list of needs through a formal final vetting process (CRUST II funding authorized by the Oregon Legislature in 2021)
- 9) A region preparing to support a package within the 2023 GRB to establish a CTUIR Tribal Water Rights Settlement Liaison position/effort to coordinate tribal settlement negotiations with non-tribal water use interests in the region.
- 10) A targeted list of pilot projects for recharge and groundwater banking

- 11) A basin that essentially manages itself and requires little assistance annually from the enforcement side of OWRD or intervention of watermaster regulation on the water sources of the basin.

As we are not a statewide interest group our comments relating to HB 5043 focus on specific packages that our region needs as well as general observations about various packages within the bill.

General Comments and Support for Specific Funding Packages of HB 5043

POP 108 (Funding for a Key Responsibility of OWRD): While all water stakeholders appreciate the attention and investment made in water efforts during the 2021-2023 biennium, turn-around times for key responsibilities of the agency including timely processing of applications (including transfers that are critical to our region), timely processing of protests and timely responses to general permitting and permit amendment issues appear to inversely proportionate to the amount of money invested in the agency for water. Basically, we have seen the level of service diminish and turnaround times of core agency functions increase as more funding has been provided. While we support POP 108, the funding package can only work if direction is provided to the agency to prioritize filling these positions and directing resources to level of service in addition to granting the funding.

Additionally, while these funds are to be used for the current backlog we want to highlight that additional, unnecessary protests and disputes between water rights holders, stakeholders and the agency will continue to rise if the agency is continually allowed to change interpretations of rules or status quo positions on water transfers and transactions without due process and/or proper vetting with impacted regions of the decision.

POP 105 (Carry-Over Committed Funding): While NOWA may or may not agree with all of the projects funded in 2021 under this package, we believe that a commitment was made and many of the projects under this package moved forward as quickly as possible. The length of time it has taken to get these dollars out the door, RFP's developed and/or agreements made between the agency and the recipients prevented many from moving forward as quickly as they could have. We support carrying over these packages and moving these efforts, many of which are already underway, to completion.

Specific Support for Two Key Mid-Columbia/Umatilla Basin Needs this Biennium

POP 115 (CTUIR Tribal Water Rights Settlement): A key finding in the 1986 Umatilla Basin Task Force Report to the Governor, the Umatilla Sub-Basin 2050 Water Management Plan (2050 Plan), and the Columbia River-Umatilla Solutions Task Force Declaration of Cooperation was that the region needs to continue to work together to engage and complete the settlement efforts of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR). Many members of NOWA have coordinated and collaborated with the CTUIR over decades in an effort to move the settlement forward. NOWA, in conjunction with the Mid-Columbia Water Commission, are now managing systems and mitigation rights to bring water into the basin that can lesson the burden on settlement negotiations and potentially relieve pressures on some of the native supplies being considered in the settlement effort. We believe the region, as a whole, needs this program funding to help coordinate the state permitted uses and water rights holders with the CTUIR in the government to government effort. This funding could be one of the most pivotal funding packages the region has seen in some time to begin an effort to memorialize a final fix that will minimize conflict and uncertainty in the region for many generations. NOWA is supportive of this package and looks forward to working with the sovereign interests of this effort over the coming years.

Section 5 (Ordinance Funding): In 2015, NOWA and the Mid-Columbia region identified three critical regional water supply projects to facilitate the first step of the long-term groundwater and surface water sustainability effort in the region. In 2015 the region received \$11 million from the Oregon Legislature to begin building the regional projects. That eleven-million investment in 2015 lead to over \$75 million of private investment to build two (East Project and

West Project) of the three regional water systems. These projects were completed and are now beginning to deliver water into areas once cut off from water supplies due to groundwater restrictions. Additionally, these projects are beginning to enable landowners to relieve annual pumping pressures on native groundwater aquifers, facilitating the possibility to sustain and recover these aquifers for future generations of use and drought resiliency.

The third and final project (Central Project now renamed the Ordnance Regional Water Supply and Aquifer Restoration Project) received \$6 million during the 2021 legislative session. That \$6 million state investment has now lead to a project that is over \$40 million and will not only serve ag and municipal needs but will also include aquifer recharge to begin recovering the Ordnance Critical Groundwater Areas. This project is out to bid with a contractual completion date of March, 2024. Umatilla County has a grant agreement with the Oregon Water Resources Department to receive this funding as part of the \$40 million package. Unfortunately, due to grant conditions, all or some of the \$6 million will not be released to Umatilla County until the next biennium. NOWA supports Umatilla County and OWRD in seeking to carry over this funding into the next biennium as the funding is already committed and the project is under construction. Loss of this funding would jeopardize the contractual funding arrangement of the project which would, in-turn, jeopardize the regions' ability to take the next step in our water sustainability and drought resiliency effort (i.e. all three projects need to be built and operational in order to bring the entire region along on the next steps which include a permanent Columbia river mitigation effort, groundwater recharge and groundwater savings/banking).

Priorities of POPS and Packages in Relation to Drought Package Priorities

NOWA looks forward to the effort from this point on in the session to better understand and engage, where possible, in linking or separating the priorities of this package with many included within drought package requests. There are significant opportunities this year to utilize the scare resources of this state in a manner that most effectively meets regional priorities, prioritizes staffing positions and locations, and meets planning deliverables. NOWA is supportive of the efforts this year to begin targeting budget allocations not to programs but to key deliverables of each region. Some regions need additional water masters, some need to finish groundwater studies and some need to focus on efficiency and the ability to optimize available water through savings and transfers. Planning and engagement throughout the state are beginning to yield results and defensible, results based recommendations to the legislature. We encourage the Natural Resources Sub-Committee of Ways and Means to weigh these regional priorities heavily and engage where possible with regional planning leaders to ensure that these important resources target long-term water sustainability strategies our regional leaders have worked hard to develop.

Thank you for the opportunity to submit these comments on HB 5043 and for your continued work to support water sustainability for current and future generations of Oregonians.

Sincerely,

ELECTRONIC SIGNATURE: J.R. COOK

J.R. Cook
Director