



April 20, 2023

Senator Michael Dembrow, Co-Chair
Representative Khanh Pham, Co-Chair
Joint Committee on Ways and Means
Subcommittee on Natural Resources

Re: Support for OWEB Budget

Dear Co-Chairs Dembrow and Pham, and Members of the Subcommittee,

Trout Unlimited (TU) is a non-profit organization dedicated to the conservation of cold-water fish (such as trout, salmon, and steelhead) and their habitats. TU has more than 350,000 members and supporters nationwide, including many members in Oregon.

SB 5539 appropriates money from the General Fund to the Oregon Watershed Enhancement Board (OWEB) for certain biennial expenses. SB 5540 limits expenditures of lottery funds from the Watershed Conservation Grant Fund for local grant expenditures by OWEB for a 6-year period beginning July 1, 2023.

Trout Unlimited is a member of the Oregon Water Partnership, which submitted a group letter regarding OWEB's budget.¹ TU is providing separate testimony regarding our individual priorities:

Trout Unlimited supports providing funding for certain items already in the Governor's Recommended Budget (GRB), but TU recommends adding funds and authority for a few key initiatives that are not in the GRB.

Items in GRB that TU Supports

The GRB includes a number of policy option packages (POPs) from OWEB's agency request budget (ARB)² that TU supported during the OWEB budget-building process. We particularly support the following POPs in the GRB:

- 145: Water Acquisition Continuity – Operations (\$382,146 OF) (though the GRB does not include conversion of its limited duration FTE to permanent, as noted below)
- 160: NRCS TideGate Continuity (\$327,864 FF)

¹ Available at: <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/PublicTestimonyDocument/92127> .

² See OWEB, 2023-2025 Agency Request Budget, available at <https://www.oregon.gov/oweb/Documents/ARB-2023-25.pdf> .

- ** 245: Water Acquisition Grant Funds Continuity (authority to continue spending \$9,214,020 OF in Flexible Incentive Account)

Items Not in GRB that TU Recommends Funding

Trout Unlimited recommends that the Subcommittee support funding for the following items, which are not in the GRB:

- 102: Agency Reorganization – Stewardship

This POP would establish a permanent Asset, Acquisition and Stewardship Manager position (1.0 FTE for \$367,477 GF and LF). Currently, OWEB's grants program manager oversees land and water acquisitions, and the Oregon Agricultural Heritage Program. Each of these programs has grown in recent years, which has increased the need for community outreach and stakeholder engagement, and therefore warrants separating out the managerial workload into its own position. (See related POP 155 below.)

- ** 145: Water Acquisition Continuity – Operations (per note above)

POP 145 is *funded* in the GRB (\$382,146 OF), which TU supports. However, the position is *not converted to permanent* as requested in OWEB's ARB. OWEB received \$10 million in the 2022 session for voluntary water acquisition grant funds (e.g., instream leases), which is intended as a years-long grant source for instream flow restoration efforts in Oregon. The GRB includes POP 145 to provide program continuity into next biennium by funding 1 FTE as a Water Acquisitions Coordinator, but only on a limited duration basis. TU recommends making that position permanent to ensure OWEB's water acquisition program is long-lasting and becomes a durable funding source for collaborative instream flow restoration projects.

- 155: Asset & Acquisition Stewardship

OWEB has funded a significant portfolio of land acquisitions and conservation easements, including a growing list of water acquisitions. Accordingly, the agency also needs increased capacity to conduct compliance monitoring of those acquisitions to ensure the conservation value is realized (e.g., making sure an acquisition purchased or leased with public funds is being conserved or restored as proposed). The two NRS3 positions in this POP (\$603,724 GF) would conduct on-the-ground monitoring as authorized in the grant documents, to evaluate whether conditions on-the-ground are consistent with the environmental outcomes identified by the project applicants.

- ** 201: Carryforward for General Fund Emergency Response/Recovery Grants

In fiscal year 2021-2023, OWEB received \$36 million for post-fire recovery and drought relief emergency funds. That funding has been allocated to projects undertaking important watershed restoration efforts. Many of these projects are underway, but a significant portion will not be *completed* by the end of the current biennium due to: (1) scheduling backlogs for well drillers on

the off-channel livestock watering funds, and (2) the limited in-water work periods that existed in the current biennium after funding was granted (each detailed below):

Off-Channel Livestock Watering: TU requests that “off-channel livestock watering” funds (*see* Section 21, SB 5561 (2021 Second Special Session)) be made available into the coming biennium. That funding is intended to assist landowners in moving livestock out of sensitive riparian areas (which can then be restored) by providing alternative “off-channel” watering infrastructure (typically, a new well). This program addresses a critical funding gap that is not easily covered by other funding sources because many funding sources will not cover the cost of drilling wells. While NRCS funding can be expended on well drilling costs, those NRCS funds cover only a portion of the drilling expenses.

Further, the high demand for well driller—especially in places like the Klamath Basin—means contractors are scheduling 6-18 months in advance. At the time this funding was allocated (summer 2022), it was not possible to contract all of the planned livestock wells for completion before the end of the current biennium (i.e., June 2023). Practitioners including TU have projects *ready to go* that would move livestock out of riparian areas and provide new alternative watering sources for landowners. However, if this funding is not extended into next biennium, some of those projects will not be completed and miles of stream habitat will not be improved by this program.

Limited Opportunity for In-Stream Work: In-stream restoration activities are only permitted during certain in-water work periods to protect fish (e.g., July 1 through August 31). TU requests that any funds remaining for OWEB’s post-fire recovery and drought relief from the current fiscal year budget be made available into the coming biennium so grant recipients can complete watershed restoration in the next available in-water work periods.

Thank you for this opportunity to provide comments, and please let me know if you have questions.

Sincerely,

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