

TASK FORCE ON DROUGHT EMERGENCY RESPONSE



HB 4113(2016)

August 15, 2016 – MEETING NOTES - Final

Location: Capitol Building | Room 350

MEMBERS PRESENT:

Senator Arnie Roblan, Co-chair (phone)	Jason Green (phone)	Eric Quaempts (phone)
Representative Ken Helm, Co-chair	Richard Kosesan	Robert Rees (phone)
JR Cook	Mary Anne Nash	Julie Smitherman
Suzanne DeLorenzo	Rod Park	April Snell
Brett Golden	Kimberley Priestley	

AGENCY STAFF:

Racquel Rancier, OWRD	Phil Ward, FSA	Anna Pakenham Stevenson, ODFW
Lanaya Blakely, OWRD	Terry Fasel, ODA	Elizabeth Moats, ODFW
Alyssa Mucken, OWRD	Ed Bowles, ODFW	Erik Rau, OEM

AUDIENCE:

Lauri Aunan, Chrysten Lambert, Clair Klock, Tom Wolf, Bob Olsen, Mike Faught, Gil Riddell, Mark Landauer, Lauren Smith, Jeff Stone, Greg Mintz, Jim Myron, Ed Hendricks

I. Welcome and Introductions

Co-chairs Senator Arnie Roblan and Representative Ken Helm welcomed everyone. Task Force members and the audience introduced themselves.

II. Agenda Review

Co-chair Representative Ken Helm reviewed the agenda; no changes were made.

III. Perspective on Drought from the Governor's Office

Lauri Aunan from the Governor's Natural Resources Office informed task force members of Governor Kate Brown's perspective on drought.

IV. Factors Considered by Agriculture During Drought

Farm Services Agency (FSA) Programs by Phil Ward, State Executive Director USDA-FSA

Executive Director Ward described the Farm Services Agency as a robust "safety net" for American agriculture. Programs include: price support programs, disaster-related programs, and a loan portfolio to support new farmers, minority farmers, and farmers experiencing economic hardship. Funding programs and quantities available are dependent on what's approved by the Farm Bill, every five years or so. The most recent Farm Bill (2014) was applied retroactively to 2012 and 2013.

The most widely used program related to drought has been the Livestock Forage Program (includes some paid for wildfire losses), which allows for up to \$125,000 direct payment per producer. There was approximately \$110 million expended, with most payments being around \$20,000-30,000. Other drought related programs include: Emergency Conservation Program, primarily to drill new wells for livestock; Emergency Forest Restoration Program to purchase seedlings to replace trees lost to wildfire; and Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), which provides compensation for lost productivity of lands when irrigators are shut off earlier than in non-drought years.

ELAP has allocated approximately \$1 million/year in the Klamath basin.

Challenges include finding well drillers and/or seedlings when funding is available. If some of this funding was not available, it could result in the liquidation of large herds of cattle. FSA's programs are reactive but there are also crop insurance programs available. Drought can magnify already existing issues, such as softening beef prices. See Memo and Fact Sheet.

Marketing and Promoting Crops During Drought- Terry Fasel, ODA

Fasel described the diversity of crops grown in Oregon, their value, and the challenges when drought disrupts their quality, timing, and delivery. Oregon is one of the most diverse producers in the country with 225 different crops. Approximately, 125 are specialty crops, which results in small units and high production cost. Oregon can demand higher prices because it produces exceptional quality crops and is perceived/valued as a pristine state, due to its soil and water quality, and food safety standards.

All of the crops grown in Oregon can be grown elsewhere, many at lower production costs. When drought-related water shortages diminish yields or disrupt the timing of a crop, buyers will look elsewhere and may not return. Fasel gave the example of buyers looking to Washington when Oregon blueberries are delayed or come on too early. Since markets are temporal, delays in crop production, processing, and transportation can be devastating. Fasel gave an example of the Moon Festival in China, where hazelnuts must be on the boat by a set date or the buyer will not purchase them.

Producer Perspective - April Snell, Oregon Water Resource Congress, and Mary Anne Nash, Farm Bureau

Snell and Nash described the various factors that influence producer's actions during a drought. There is only so much planning that can be done before a drought occurs, and the effects of drought are dependent on the source of water (snowpack, rain events, and storage) and the flexibility to respond. The advance timing of critical crop decisions, limited ability to predict drought conditions, and water policy inflexibility can limit a producer's ability to rapidly adapt to drought conditions. Farm size and financial health determine whether a farm can afford to fallow lands and/or switch crops mid-season. Small farms often don't qualify for Federal assistance or are intimidated by application requirements. Utilizing the existing drought tools has been limited since many of them have never been used and a clear process has not been established. Participating in instream leases and more permanent conservation projects have been limited by a lack of available water, program inflexibility, slow processing times, legal actions, and distrust among collaborating entities. Snell proposed an after drought funding package to assist irrigation districts, individuals, and non-irrigated farmers in installing more efficient water systems in the off-season.

V. 2015 Drought Impacts on Fisheries, Angling Restriction, and Policy Development

Ed Bowles, ODFW Fish Division Administrator, described the factors related to drought that impact Oregon's native fish, regulatory measures to minimize stress, and a strategy to respond in the future. He described Oregon's native fish as preferring cold abundant water from snowpack sources or rain events. Low flow conditions combined with high temperatures cause stress to fish, which compromises their immune systems, making them more susceptible to pathogens, increasing mortality. In 2015, 98% of the ESA listed Snake River Sockeye salmon died before reaching Idaho and half of the Columbia river Sockeye salmon did not make it through the lower Columbia. Species across the state responded differently to drought, some were stressed to their breaking point, while others were more resilient. Without cool water assets few native fish will survive conditions like 2015 if they become more frequent.

Although the fishery dynamic is somewhat self-regulating during extreme heat, as fewer anglers participate and fewer fish bite, ODFW did enforce emergency fishing regulations to protect fish. Fishing was restricted during the heat of the day to reduce fish stress. Vulnerability to angling efforts was reduced in coastal systems by restricting fishing in tidewater areas where fish tend to bottleneck while waiting for rains to move up stream.

ODFW is developing an internal framework for future drought and high temperature conditions. The framework is not overly prescriptive to allow biologists to apply tailored responses depending on the needs of the particular fish population. ODFW is also working on responses to climate change, through science and management activities: they need to conduct a cold water asset audit and determine ways/options to protect those assets into the future to provide ecosystem services, ensure fish are considered in decision making, and refresh statewide monitoring programs to ensure meaningful metrics related to climate change, temperature, and drought are being tracked.

VI. Reducing the Impacts of Drought on Fisheries

Biological Impacts of Drought on Northeast Oregon Native Fish - Eric Quaempts, Confederated Tribes of Umatilla Indian Reservation (CTUIR)

Quaempts described CTUIR's natural resources management approach, the effects of drought on native fish in the Umatilla basin, and observed impacts in 2015. CTUIR manages its natural resources according to its first foods-based river vision serving order. The serving order lists water as number one, followed by fish, big game, roots and berries. Protecting and increasing first foods is dependent on restoring five river-vision touchstones: hydrology, geomorphology, connectivity, riparian vegetation, and aquatic biota.

Drought impacts to fish and aquatic biota include: reduced flows, DO, rearing areas, prey items, smolt survival and production, and fish harvest opportunities; and increased water temperature, pre-spawning mortality, and riparian community stress. Drought affects multiple life-history stages and effects persist for multiple years. During the 2015 drought, spawning habitat was diminished by increased water temperatures and reduced stream flows. For example, the number of miles of suitable habitat for spring Chinook on the Umatilla River was reduced from 25 miles (during wet years) to 13 miles. See PowerPoint.

Reducing the Impacts of Drought on Fisheries: Water Transactions - Brett Golden, Deschutes River Conservancy

Water transactions to reduce impacts of drought on fisheries are dependent on five things: people, supply, protection, incentivizing, and funding availability. Building relationships between water conservation entities and water right users can be a long process, but is essential to project success. Since each system is unique and quantity of water needed to reduce stream impacts varies, projects can be as simple as a water user agreeing not irrigate or as complex as completing a large on-farm infrastructure improvement project (piping or lining canals). Water can be protected in stream by the Water Resources Department (WRD) through a water right transaction (allocation of conserved water, permanent transfer, full-season lease, or split-season lease) or by legally binding contract (forbearance agreement or minimum flow agreement). Water user participation is incentivized through compensation, either financially or as a beneficiary of an infrastructure improvement. Funding comes from private donors, conservation partnerships, and federal funding sources. Limitations to water transactions include: requiring a pre-existing agreement, social/cultural constraints, measurement, monitoring, and regulation.

Golden identified ways to improve the use of water transactions for emergency drought response: include instream leasing as a "farm use" for tax deferral, allow pre-approval of leases, waive WRD lease fees during drought, provide stable short-turnaround funding, and first-tier hydrologic drought declaration. See

PowerPoint.

New Water Transaction Tools: Opportunities for Innovation - Chrysten Lambert, Trout Unlimited

Lambert proposed new tools to protect fish during drought that focus on water user flexibility, prioritizing investments, coordinating communication, prioritizing thermal refugia, implementing best management practices, and adopting adaptive management.

Proposals included: 1) Allow split-season leases to have multiple swaps over an irrigation season, 2) Allow instream use as one of several multiple designated water uses on a single water right, 3) Conduct a statewide audit of existing water systems and prioritize inefficient systems for funding, 4) Coordinate statewide outreach and education regarding what tools are available, hyperlocal planning efforts, and create a culture of conservation among water use sectors, 5) Increase prioritization of management areas based on thermal refugia, 6) Reduce risk by implementing best management practices, 7) Employ strategic coordination of place-based programs that include monitoring and adaptive management that considers administrative processes, tools, and biology. See PowerPoint.

Regulatory Tools to Help Alleviate Impacts of Drought on Rivers and Fish - Kimberley Priestley, WaterWatch

Priestley described how implementation of existing regulatory tools could be improved and new tools to consider. Proposals are outlined below: Enforce beneficial use without waste consistent with Oregon statute, rule, and water right permit conditions. Short-term responses to eliminate wasteful water use include active enforcement, including waste reduction in the drought declaration, allocating drought funds for additional field staff, and utilizing the Governor's authority to require drought conservation and/or curtailments plans from state and political subdivisions (ORS 536.720 and 780). Long-term response to eliminate waste could be achieved by implementing Conservation and Efficiency (1990) rules (OAR 690-410). Fully implementing OWRC's 2000 Measurement Strategy could aid in reducing waste and better management of the resource. Additional actions could include: adding a measurement and recording directive in the drought declaration; utilizing existing measurement and reporting authorities (OAR 540.435); utilizing existing funds to purchase more measurement/recording devices (ORS 536.021, SB 839 grants); educating the public about the importance of measurement and recording of water use. New regulatory tools could include: updating WMCP curtailment plans to have a water use curtailment trigger tied to flows needed for fish, increase consistency in conservation and curtailment triggers, expand the number of agricultural WMCPs. Adopting tools similar to California could also be considered including: statewide mandatory 25% reduction in potable urban usage, prohibited uses for all citizens, increased enforcement against water waste, and setting emergency minimum flows for fish. Emergency minimum flows can be achieved by voluntary cooperative agreements or mandatory curtailment of stream flow diversions. As a safe guard, curtailment orders could be suspended if the identified listed fish are not present and hydrologic conditions change. See PowerPoint.

Bob Rees commented after the presentations about the impacts of drought on the Sportfish recreation industry. In 2008, ODFW's study estimated that Oregon's Sportfish industry was worth \$800 Million to local economies: \$265 million of that comes from anglers traveling more than 50 miles from the fishing destination, representing a transfer of wealth from urban to rural areas. The sport fishing industry was affected by recreation fishing closures due to the 2015 drought, and will also suffer from the loss of salmon and sturgeon brood stock in future years.

VII. Adding Drought to Local Pre-Disaster Mitigation Plan

JR Cook of the Northeast Oregon Water Association described why they included drought in their local pre-disaster mitigation plan. The Umatilla county is a relatively small, high-value agriculture region that overdeveloped its groundwater supply in the 1970s. The critical groundwater area resulted in groundwater diversions being reduced. The reduction in pumping resulted in several years of hardship on the local community. Since the 1970s, the community has invested in technology to monitor water use and soil moisture to ensure water use is maximized. The next step in restoring the region's agriculture production levels is to secure Columbia river water as mitigation in the Umatilla river so that the most senior water users can be moved off of groundwater and onto surface water. Drought was added to the pre-disaster mitigation plan to qualify for federal funding. Weather emergencies, including drought, are the highest hazard analysis score in Umatilla County. Cook recommended that the state develop a program similar to that allows groundwater to be left in the aquifer without counting toward years of non-use. See PowerPoint.

VIII. Discussion

Meeting Minutes

- Meeting One Minutes, July 19, 2016: Co-chair Representative Helm asked if there were any requested revisions to the July 19, 2016 minutes; no changes were requested. Member Snell moved to accept the minutes. Motion passed 13-0-2.
- Meeting Two Minutes, August 1, 2016: Co-chair Representative Helm asked if there were any requested revisions to the August 1, 2016 minutes; no changes were requested. Member Golden motioned to accept the minutes. Motion passed 13-0-2.

Brainstorming Discussion Outline

Co-chair Representative Helm began by describing the function of the discussion outline as a framework to help organize the report. Ideas would be discussed at a future date. The headings of the outline should match the language in the bill. Racquel reviewed the brainstorming discussion outline.

Next Steps

- Operating principles and rules will be discussed at the September 15 meeting.
- Task force members agreed that they would assist in developing more of the details for each of the ideas, due to WRD staff by August 31. Task force members were asked to do the following:
 - Provide information on items of interest:
 - At a minimum, provide further information and write up a summary on each idea/concept that you have proposed to date.
 - Propose any new ideas you have not raised that you would like the task force to consider.
 - Provide further information on ideas that you are interested in, but another member might have proposed.
 - Flag concepts that you may have concerns about.
 - Review the Discussion Draft and provide any feedback to staff on structure of the report.
 - Identify any items that you think task force need's a presentation on.

IX. Public Comment

Clair Klock provided written public comment. Mr. Klock provided his concerns about water management during drought, from his perspective as a conservation specialist and retired farmer. With the help of a 50% cost share grant from East Multnomah Soil and Water Conservation District, he installed a rain water catchment system and discontinued use of municipal water to irrigate his container yard. He stated that rainwater catchment is a real solution that can be done on a large scale. He proposed four questions:

- 1) How can we manage a resource that we don't measure?
- 2) How can we know that users are not exceeding their water right without metering it?
- 3) Why do I see dry lawns in the Willamette Valley non drought areas, when municipal and residential areas in Eastern Oregon and Washington have green lawns with water rolling into the streets?
- 4) Why are we still giving out water rights when the legislature has set up a task force to solve the water quantity problem? See handout.

X. The Task Force adjourned at 3:04 pm.

Next Meeting scheduled for:

Date: September 15, 2016

Location: North Mall Office Building (NMOB), Room 124,
725 Summer St., NE, Salem, OR 97301
