

# Testimony in Support of Deschutes River Conservancy

Reauthorization Act of 2005, S. 166

Presented to the Subcommittee on Water and Power,

Committee on Resources,

U.S. House of Representatives

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## Summary

Reauthorization of the Deschutes River Conservancy (DRC) is critical to the development of fair and rational water allocation to tribes, cities, farmers, and the streams in the Deschutes River Basin. The DRC's proactive, collaborative approach to water management will assure that the pervasive conflicts experienced in the Klamath Basin are avoided in the Deschutes Basin. This year, all federal agencies will spend nearly \$100 million in an effort to resolve conflicts over water in the Klamath Basin. The DRC requests reauthorization for \$2 million per year on a matching basis through 2016.

The DRC accepts that investment in the Klamath is a high priority, but knows that if conflict can be avoided in the Deschutes, the solutions will be achieved much more cost effectively. Furthermore, the DRC is an excellent investment as it has an excellent cost sharing record (30-70 split). Over the past eight years 30% of all project funding has been federal and 70% has come from non-federal sources. This sort of local-federal partnership will assure that cooperative, market-based approaches can guide sustainable water management in the Deschutes Basin for years to come.

## DRC Authorization History

The Deschutes River Conservancy (DRC), is a non-profit, private corporation established in Oregon in 1996. In September 1996, Congress enacted and the President signed Public Law 104-208, which included S.1662, the Oregon Resources Conservation Act establishing the DRC (then known as the Deschutes Basin Working Group under Section 301 (h) (Division B, Title III)). In 2000 Congress reauthorized the DRC through P.L. 106-270, the Deschutes Resources Conservancy Reauthorization Act of 2000 which authorized \$2.0 million per year on a matching basis through FY06. In November, 2005 the U.S. Senate passed the Deschutes River Conservancy Act Of 2005 (S.166) and referred the bill to the House of Representatives.

## The DRC Success Story

The DRC was created to bring together all of the key stakeholders -- farmers, tribes, irrigation districts, cities, private business, public agencies and environmental organizations -- to proactively devise solutions that work for the river and for all parties. The DRC's mission is to restore streamflow and improve water quality in the Deschutes River Basin.

Rather than relying on regulation, the DRC has successfully employed voluntary, market-based programs to restore over 135 cubic feet per second (cfs) of streamflow in the Deschutes Basin. Furthermore, by planting ----more than 150,000 trees, installing 40 miles of riparian fencing, removing berms and reconstructing stream beds, and many other restoration activities, the DRC has improved the habitat and water quality along 100 miles of the Deschutes River and its tributaries. In eight short years an enormous amount has been accomplished, but there is much more to do.

## The Challenge – Reintroduction of Listed Species

Long stretches of the Deschutes River and its tributaries suffer from poor streamflow and water quality. Much of the river fails to meet water quality standards set by the Clean Water Act and Oregon's Department of Environmental Quality. These conditions present significant threats to the fish and wildlife and are the potential basis for legal challenges under the Clean Water Act and Endangered Species Act. These types of legal challenges to Bureau of Reclamation projects at Prineville and Wickiup Reservoirs will soon be possible because of the 2005 relicensing of the Pelton Round Butte Hydroelectric Project. The new FERC license provides for fish passage and reintroduction of listed species (steelhead and Chinook salmon) to the Upper Deschutes Basin. Working to improve fish habitat before the reintroduction of these listed fish, the DRC is developing win-win solutions among irrigators, cities, and tribes that restore the streams and reconcile the competing demands for water while it is still possible to do so.

## The DRC's Pivotal Role

The DRC has played a critical catalytic role in galvanizing the many and diverse constituencies in the basin around the view that restoration of the Deschutes River Basin serves everyone's interests. The current political, social and economic conditions create superb opportunities to achieve lasting results for the Deschutes Basin.

In August 2004, Secretary of Interior, Gail Norton, visited Bend to tout Interior's new program, Water 2025 – Preventing Crisis and Conflict in the West, and to highlight the innovative nature of a recent grant to the Deschutes Water Alliance (DWA). This alliance between the DRC, Central Oregon cities and irrigation districts, and the Confederated Tribes of Warm Springs is implementing a water bank and conducting conservation projects that can more efficiently allocate water to all competing uses -- the streams, the cities, recreation, and irrigated agriculture.

Reauthorization for the DRC is critical. The DRC has built the staff expertise and experience in water conservation and marketing that is essential for the success of the water bank and the Deschutes Water Alliance. Without the DRC's leadership and technical expertise the DWA would be significantly handicapped. Beyond its technical expertise in water rights and water conservation, the DRC has the knowledge and experience to raise significant capital from non-federal sources to finance water initiatives that otherwise would never be capitalized.

*Over eight years the DRC obtained \$2.20 of matching support for every \$1.00 of BOR federal funds invested. This represents a 70-30 non-federal / federal cost share.*



## Water Conservation and Water Banking Initiatives

The importance of the DRC reauthorization lies in the huge ground breaking opportunities for major water conservation and water banking initiatives in the Deschutes Basin. These are the precise opportunities that the DRC was created to develop. The current funding to the Deschutes Water Alliance from Interior's Water 2025 program finances data gathering, analysis, and the development of a pilot water bank. The studies are evaluating the impacts of water management alternatives drawing upon water conservation, water banking and water storage. Reauthorization will allow the DRC and its partners to capitalize on the current set of opportunities to achieve large scale conservation in irrigation districts and to restore more than 250 cubic feet per second of streamflow while improving agricultural water rights and serving the water needs of Central Oregon's rapidly growing cities (some of the fastest growing cities in the nation).

## Deschutes River Conservancy Reauthorization Act of 2005 (S. 166)

The Senate passed S. 166 in November 2005 and referred the bill to the House. The bill is very similar to the 2000 legislation.

- Term: 10 years
- Amount: \$2 million
- Modify quorum to be eight directors for conducting all business

Only two changes are requested from the 2000 authorization of the DRC: 1) term increases from five to ten years and 2) quorum is fixed at eight directors for all kinds of business. The DRC is deeply involved and has played an important catalytic role in a long term effort that is likely to fail without the DRC. The problems are resolvable in ten to fifteen years and another ten years of federal authorization is critical to success.

## Schedule

The DRC needs to be reauthorized no later than September 30, 2006