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**Testimony of Dan Keppen  
Executive Director Family Farm Alliance**

**Before the  
Energy and Natural Resources Committee  
Subcommittee on Water and Power  
United States Senate**

**Legislative Hearing  
Washington, D.C.  
July 22, 2020**

Good afternoon, Chairwoman McSally, Ranking Member Cortez Masto, and Members of the Subcommittee.

My name is Dan Keppen, and I am executive director of the Family Farm Alliance (Alliance). I thank you for this opportunity to present this testimony on the important bills that are before you today. The Alliance is a grassroots organization of family farmers, ranchers, irrigation districts, and allied industries in 16 Western states. The Alliance is focused on one mission: To ensure the availability of reliable, affordable irrigation water supplies to Western farmers and ranchers. We are also committed to the fundamental proposition that Western irrigated agriculture must be preserved and protected for a host of economic, sociological, environmental, and national security reasons – many of which are often overlooked in the context of other national policy decisions.

### **Family Farm Alliance: A Philosophy of Collaboration**

The Alliance has a long history of collaboration with partners at all levels of government, as well as conservation, and energy organizations, and Native American tribal interests who seek real solutions to water resource challenges in the West. One of those partners is The Freshwater Trust, and I am honored to be testifying today with my good friend Joe Whitworth, the president of that organization.

The Alliance seeks to advocate for a proper role for the federal government on water matters, a vision that focuses on research and development; full integration, coordination, and maximum sustainable use of resources; and water resource development planning that is driven from the

“ground up.” The Alliance also has a well-established relationship with Congress, with over 80 invitations to testify before congressional committees on Western agriculture, water, and environmental matters over the past fifteen years. The Alliance has a seat on the Steering Committee of the Western Agriculture and Conservation Coalition (WACC), a diverse group of organizations that first came together a decade ago around the Farm Bill conservation title with the goal of supporting the common interests of agriculture and conservation. Other founding steering committee members include Trout Unlimited, The Nature Conservancy, California Farm Bureau, Environmental Defense Fund, Public Lands Council, Arizona Cattle Growers Association, Wyoming Stock Growers Association, and the Irrigation Association. The group has expanded in recent years; for a complete list of members, go to: <http://www.waccoalition.org/>.

The WACC provides a core policy message that can help policy makers and our collective members understand that the foundation for most true, collaborative solutions are driven from the constructive “center”. The WACC’s shared perspective on species conservation is rooted in our experience with practical, on-the-ground solutions that work well for ranchers, farmers, and other landowners, as well as for fish, wildlife, and plants. Indeed, maintaining a mosaic of working farms and ranches along with lands managed for conservation purposes, represents the best opportunity for conserving, restoring, and improving the ecosystems upon which species depend.

## **An Overview of the Bills Before the Subcommittee Today**

Can ranchers and farmers come together with conservationists to have a future where we all can coexist? There are many pressures we all must face in this regard, but we must work to find a balance on these sometimes-contentious issues. Some of the bills before you today contain provisions that work well for both producers and the NGO community. Others, in our view, appear to put the needs of fish, wildlife and ecosystems above the interests of our farmer-rancher membership.

### **“Water for Tomorrow Act of 2020”**

We appreciate the effort behind the “Water for Tomorrow” Act. On the surface, this bill appears to be well-intended. The bill hits many of the right marks with respect to identifying the problems in the West. The *Findings* section identifies many of the pressing challenges we are currently facing and will continue to confront in the future, including aging water infrastructure, impacts from extreme hydrologic events like prolonged drought, major water shortages, and catastrophic wildfires. One issue not addressed in this section is “regulatory drought”, caused by agency implementation and associated litigation related to the federal Endangered Species Act (ESA). Using the ESA as a regulatory hammer continues to threaten the livelihoods of Western family farms and ranches by taking away irrigation water and other resources that those rural livelihoods rely upon for their very existence – livelihoods that provide local, regional and national commerce as well as a portion of our food supply.

We do support *Section 301, Determination of Water Supply Allocation*. We have members in California's Central Valley and elsewhere who are already employing synthetic aperture radar and other emerging technologies that can provide more accurate or timely snowpack measurement data. In our testimony before your committee last October, we asked for authorized resources that would allow the U.S. Department of Agriculture (USDA) - Agriculture Research Service (ARS) to continue to perform a critical role of translating Airborne Snow Observatory (ASO) data into estimates of water supply and runoff in the Western U.S. Current estimates for program funding needs at USDA-ARS are approximately \$2.2 million in additional funding annually for the next 10 years. Section 301 could provide federal funding, support, and cooperation for the Bureau of Reclamation (Reclamation) to oversee the continued operation in California and the expansion of ASO technology application throughout the West.

With that said, there are several other areas of the bill that cause concerns for our membership because of potential far-ranging and uncertain negative impacts to water management and irrigated agriculture in the West.

For example, the Reclamation Infrastructure Finance and Innovation Act (RIFIA) program proposed in this new legislation would require eligible projects to provide "net ecosystem benefits" in excess of required environmental mitigation measures or compliance obligations pursuant to state and federal law. This is a major concern for our membership. One would assume that the requirement for a "federal benefit" in the definition of eligible projects would include any ecosystem benefits. However, the additional requirement for a "net ecosystem benefit" actually appears to be at odds with the idea that storage projects shall have "multiple" benefits. And, requiring the U.S. Fish and Wildlife Service (USFWS) to define what a "net ecosystem benefit" is may well eliminate many viable water storage projects that could provide other multiple benefits to society. Yet another layer of uncertainty is added to this process by providing the opportunity for project opponents to file a petition for federal district court review, up to 180 days after the final report is "completed".

We are concerned that the proposed RIFIA program would also emphasize the use of "natural infrastructure" and "nature-based" solutions where practicable over traditional "bricks and mortar" projects that have a proven track record of success. We are amenable to having "nature-based solutions" in the mix (particularly in forestry operations), but natural infrastructure should not be a replacement for traditional water infrastructure projects. Both can and must play a role in solving Western water supply problems. We also do not believe natural projects should be eligible for significantly more cost share (federal and non-federal) than traditional, proven infrastructure projects.

Also, project costs that are eligible for federal financial assistance under this new "RIFIA" program would be limited to the nonreimbursable cost, capped at 25% of total project cost, for elements of a project that would achieve public benefits, such as flood control, recreation, and fish and wildlife benefits, much less than the Water Infrastructure Finance and Innovation Act (WIFIA) 49% of total project cost limitation. It is unclear whether the costs associated with water supplies to urban

and agricultural interests would be covered under this new program, limiting the usefulness of the loan program to provide financial assistance to much needed water storage and management infrastructure.

Another provision of concern in the bill is the *Study Examining Climate Vulnerabilities at Dams*, which does not include considerations of how climate vulnerabilities affect future water supply needs. We believe the question that really needs to be answered is this: How do we develop more new water storage or other water projects in order to adequately prepare for future water needs and shortages, given the many climate vulnerabilities we face now and in the future?

Unfortunately, these are just two examples in the bill that potentially could impose negative impacts – intended or not – on the Western water interests we represent. This in turn could exacerbate the need for our members to spend time and effort diverted from their primary job of sustaining irrigated agriculture. As the federal presence grows in water resource development and management in general (and would potentially continue to grow under this bill) so does the diligence of our agricultural producers who must closely monitor agency actions directed from afar, and spend valuable time and resources in doing so. Some Western producers have learned the hard way – “If you’re not at the table, you’ll end up on the menu.”

Instead of creating new bureaucratic processes, taxpayer dollars and our collective efforts should be focused on modifying existing and proven programs and activities that have already been authorized and shown to be successful. The Alliance, as well as the farmers and water management organizations we work with, has shown we are willing to implement pragmatic actions. We seek to find a sustainable balance of environmental protection and economic prosperity. That is why farmers, ranchers, and constructive environmental groups work so well together; we are results-oriented and can productively work with organizations with the same mindset.

We do not believe we need to create new processes and planning groups to tackle pressing environmental and water challenges. Instead, existing collaborative funding programs that have proven successful should be given emphasis and perhaps be used as templates to duplicate that success elsewhere. This bill broadens access to existing Reclamation grant programs that have traditionally been the sole source of cost-shared funding for water conservation and management improvement projects. We fear this will dilute Reclamation’s limited funding for WaterSMART, for example. The Alliance believes there are many other existing programs focused on federally funding of environmental and fish habitat enhancements This would prevent thinning the already limited funding for Reclamation’s relatively small WaterSMART water infrastructure grant program, one of the only grant programs for Western water improvements.

### **Water for Conservation and Farming Act**

Oregon Senators Ron Wyden and Jeff Merkley have introduced S. 4189, legislation aimed at helping communities in Oregon and across the West experiencing high levels of drought. The bill

touches on some important aspects of addressing the key water challenges occurring across the West that are of interest to our members.

First, and importantly, it reauthorizes the Fisheries Restoration and Irrigation Mitigation Act (FRIMA) which supports voluntary fish screen and passage projects. It also authorizes funds for important Reclamation water reuse, recycling, and conservation programs. Other issues addressed in the bill include promoting waterfowl habitat creation, sustaining biodiversity during droughts, cooperative watershed management extension and expansion, watershed health, drought planning and preparedness for fisheries, and aquatic ecosystem restoration. This bill provides important tools to address water and natural resources challenges across the West that are important to our members. However, certain provisions in the legislation do raise some concerns.

For example, *Section 102 - Bureau of Reclamation Infrastructure Fund* - provides mandatory funding after ten-years for a number of important water reuse, recycling, WaterSMART, and dam safety programs, which we support. We are generally supportive of desalination, reuse, and recycling programs, because such projects provide additional new water supplies to areas in need without looking to existing water supplies for irrigated agriculture as a source of new supply. However, our aging federally owned water infrastructure poses a significant risk to irrigated agriculture in the future. We believe a substantial portion of this funding should be directed to long term low interest loans to assist non-federal transferred works operators and project beneficiaries. These parties are responsible for paying for extraordinary maintenance projects that will prolong the useful life of these important facilities.

Certainty in Western Water policy is essential to the farmers and ranchers I represent. That is why a suite of conservation, water transfers and other demand reduction mechanisms must be balanced with proactive and responsible development of new water infrastructure, as well as major repairs on existing aging facilities. We will continue to advocate for programs like these, with the understanding that will also be paired with water supply enhancement programs, as described later in this testimony.

Regarding *Section 103 - WaterSMART Extension and Expansion* - we appreciate the attention that this bill draws to the WaterSMART program. This is a program that many of our members utilize and appreciate. Probably the only consistent complaint we have heard about WaterSMART is that it is underfunded and oversubscribed. So, we greatly appreciate the proposal in this bill to provide more funding for this program. However, we also feel that the current program works well, and we should try to stick with the original intent of the program, wherever possible.

Through WaterSMART, Reclamation works cooperatively with states, tribes, and local entities to plan for and implement actions to increase water supply through investments to modernize existing infrastructure and attention to local water conflicts. Some of the provisions in Section 103 are of concern and may veer the program away from the original intent and current effectiveness of the WaterSMART program by sacrificing dollars that could be used on the ground to support more process. These new provisions appear to be intended to address perceived problems with use of consumptively saved water, and place weighted emphasis on improved streamflow and habitat,

interstate compacts, and basin-wide imbalances. We have heard anecdotal concerns raised by some in the conservation community that WaterSMART grants are somehow being used to create efficiency improvements, with the resulting water savings then being used to expand acreage. While we certainly support a farmer's prerogative to do that, we have not seen reports of this actually happening. Further, state water laws typically prohibit expanding acreage under the same water right. So, it is difficult to understand what problems or issues some of the proposed language is trying to address.

In the meantime, Reclamation reports that recent WaterSMART projects have conserved about 100,000 acre-feet of water. Clearly, the WaterSMART program is accomplishing what it was intended to do: modernizing infrastructure and helping local water users better respond to future water conflicts. The program is working and will continue to work on an even bigger scale with more federal dollars behind it. We question the proposed new monitoring requirements and other conditions that may prove to be high hurdles to clear for some of our rural local water districts. Many WaterSMART projects entail simply lining canals and ditches to minimize seepage losses. Requiring pre-project and post-project monitoring on these simple projects makes no sense and will disincentivize potential WaterSMART applicants from participating. Adding more conditions could actually harm the existing successful program and limit the number of future applicants and diminish the benefits that we currently see.

Several provisions of Section 103 appear to emphasize using conserved water for additional instream flows, which does not necessarily comport with the intent of the WaterSMART program. This new emphasis could also dampen the enthusiasm of potential WaterSMART applicants who might understandably fear they may lose the water supply they conserve if they participate in this program. Importantly, some state water laws do not allow conserved water to be automatically converted to instream water purposes.

We generally concur with increasing the federal grant to 75% for non-consumptive benefits that are greater than 30% of total project cost. However, we are concerned that a larger federal share of these grants for such restoration projects already enjoy funding sources from multiple federal funding programs. This could diminish the limited funding for water infrastructure management improvement grants used to accomplish meaningful water conservation benefits that have no other federal program designed to provide the same financial assistance.

Finally, we worry that adding non-profit conservation organizations (NGOs) as eligible recipients in WaterSMART, also proposed in other bills, would provide added competition for program grants and also direct funds away from water infrastructure improvements towards environmental restoration projects that already have many other federal funding sources. Reclamation's budget is not getting any larger, and in recent years has been pulled in many different directions -- thus taking the agency away from its essential mission of delivering water and power.

We were pleased to see Senators Wyden and Merkley include a requirement in S.4189 that NGOs partner with a traditional eligible entity for projects involving land or infrastructure owned by them, rather than an NGO being able to submit an application for that kind of project on its own.

We would suggest that this section also include land or infrastructure owned *or operated* by the partner agency, as many non-federal water management entities operate transferred works owned by Reclamation. Additionally, we appreciate that this section limits funding for NGOs at 30% of the overall funding, thereby ensuring a majority of the funding would be directed toward projects involving traditionally eligible entities.

We strongly support *Section 309 - FRIMA*. Our members in California, Idaho, Oregon, Montana, and Washington are strong supporters and benefactors of FRIMA, which supports voluntary fish screen and passage projects. When funded, this has been a successful program to protect native and endangered fish and other aquatic species. These fish protection components are critical to many water delivery systems in the West, and they can be very expensive. The program was originally inspired to provide federal cost-share funding to improve fish passage by screening water withdrawals and building upstream fish passage devices, while maintaining a steady, reliable water supply for human uses.

We also support *Section 201 - the Waterfowl and Shorebird Habitat Creation Program*. However, we believe it should be made clear that the program should be overseen by the Secretaries of Agriculture and the Interior. We look forward to working with this Subcommittee and Senators Wyden and Merkley to find ways to make this new program compatible with existing programs at the agencies, particularly Farm Bill conservation programs and the Partners for Fish and Wildlife Program USFWS within the Interior Department.

*Section 204 - Multi-Benefit Projects to Improve Watershed Health* - would appear to have promise. Again, we would suggest investigating opportunities to coordinate with programs like the Partners for Fish and Wildlife Program. This existing program and others like it could be used as the basis to develop criteria for the program proposed in Section 204. We would also recommend providing opportunities for public comment – particularly from organizations like ours, Partners for Fish and Wildlife, Intermountain West Joint Venture, and waterfowl conservation groups - as this program is developed.

*Section 205 - Drought Planning and Preparedness for Critically Important Fisheries* - raises concerns and questions. In times of drought, all beneficiaries of water resources should “share the pain” of drought. Does this section authorize agencies to mandate changes in water management in times of drought or shortages? How would a drought plan impact or coordinate with a biological opinion for an Endangered Species Act (ESA)-listed species?

Also, while we have members that could likely benefit from *Section 206 - Aquatic Ecosystem Restoration* - we have some concerns. For example, provisions affecting the use of water such as those in Section 206 should be consistent with state law regarding water rights. This section does provide a good list of the many kinds of stressors that impact fish, above and beyond the oft-heard, but not always accurate mantra, “more water equals more fish”. Providing a public comment period of 90 days before finalizing a plan is a good idea, as well.

As an alternative to authorizing yet another federal environmental program as Section 206 calls for, we believe a simple commitment by federal agencies – with support, direction and oversight from Congress – to work in a coordinated manner with the states and stakeholders within the framework of existing data collection programs would be the wisest and simplest approach to address the issues raised by these two sections. Some common guidance principles to move towards improved data continuity between states could be derived by reviewing existing programs and finding templates for success that already exist, instead of attempting to fashion new solutions.

While we appreciate the language that calls for “voluntary and compensated” actions in Section 204 (b)(1) and clarifies no impacts on water rights in Section 206(c)(1), both programs raise the same concerns noted near the end of the above discussion under the “*Water for Tomorrow Act*”. As the federal presence grows, so must the diligence of producers who must closely monitor agency actions directed from afar and spend valuable time and resources in doing so.

We appreciate the Senators’ leadership and look forward to working with them to improve specific provisions to ensure the bill’s effectiveness and purpose is achieved in a way that works for all water users.

### **Water-Energy Technology Demonstration and Deployment Act**

It is our understanding there are two primary purposes of this bill. The first is to drive coordination between Department of Interior (DOI) and Department of Energy (DOE) in their various water research/implementation functions, including injecting more DOE funds into DOI projects. The second purpose is to facilitate federal support for a Western Water Resilience Center similar to state level efforts by Arizona universities.

We support this legislation, which could improve the efficiency of projects like the Yuma Desalting Plant, constructed under authority of the Colorado River Basin Salinity Control Act of 1974. The plant was built to treat saline agricultural return flows from the Welton-Mohawk Irrigation and Drainage District, a Family Farm Alliance member. The treated water is intended for inclusion in water deliveries to Mexico, thereby preserving a like amount of water in Lake Mead.

### **S. 2718 - Western Water Security Act**

This bill authorizes a New Mexico river basins-centric water acquisition program at Reclamation to acquire water through lease or purchase from willing lessors or sellers to enhance instream flow for fish and wildlife benefits, water quality, and river ecosystem restoration; enhance water stewardship and conservation; and address water supply-demand imbalances in the named New Mexico river basins. It authorizes cost shared grants, consistent with the Rio Grande Compact and state laws, to water districts in New Mexico to reduce water depletions through efficiency improvements, as well as to establish and implement a water leasing program for irrigators for pre-



1907 water rights to provide benefits to ESA listed species and other river ecosystem benefits. It authorizes funding and technical assistance to Middle Rio Grande water districts to install metering and measuring devices along with check structures on irrigation diversions and appurtenant facilities to ensure conservation and efficient water use through reduced consumptive water uses, as well as infrastructure in the Middle Rio Grande to improve habitat for ESA listed species. It reauthorizes the Cooperative Watershed Management Program to 2031.

Our New Mexico members are strongly supportive of this bill. However, we also have members in other states who are concerned about using federal grants to fund demand management projects and reduce consumptive use of water, including water acquisitions. Our organization has consistently taken a position, for example, that Farm Bill conservation title programs should not be used to pay farmers not to farm. We also have long advocated that the best solutions to Western water challenges are developed at the local level. In this case, our New Mexico members need the seed money from the federal government to provide its fair share of the cost of helping our members develop a groundwater management scheme that could result in a voluntary fallowing program, the Depletion Reduction Offset Program, or DROP. This is something that could benefit the farmer and urban water users in this drought-riddled region of the southwest.

The proposed WaterSMART provisions in this bill raise the most concerns for the Alliance, and the concerns we raised above apply even more so here. For example, the definition of “qualified partners” includes non-profit organizations operating in a Reclamation state. This provision may allow canal companies or other private water delivery entities to take advantage of these infrastructure funding opportunities. However, it would also open these opportunities up to other non-governmental organizations with different goals and objectives. We are concerned with how this provision would affect the ability of water managers to compete for these funds, and we understand our New Mexico members share those concerns. As noted above, we support how Senator Wyden’s bill addresses this matter.

We appreciate this bill’s intent to provide more funding for the WaterSMART program. However, we also feel the current program is working fine, and we should try to stick with the original intent of the program and minimize adding new conditions and processes, wherever possible. Also, as stated above, broadening the WaterSMART program to include ecosystem restoration projects would further dilute available funding for grants supporting water conservation and management improvement projects on irrigation canals and ditches – the original purpose of one of the only the grant programs available to support such projects.

### **Restoration of Essential Conveyance Act**

The introduction of the S.3811, the *Restoration of Essential Conveyance Act* by Senator Feinstein is a welcome step toward restoring critically important water supplies to 27 million Californians, 3 million acres of the nation’s most productive farmland, hundreds of thousands of acres of wildlife habitat and restoration of the San Joaquin River. This legislation will help to address the impacts of groundwater subsidence on major portions of California’s water delivery system – infrastructure millions of people depend on for water supply, flood control, and environmental protection.

The bill authorizes \$600 million in federal cost-shared funding for three major projects to repair California's water delivery system, which has reduced conveyance capacity as a result of subsidence along the canals. The bill provides \$200 million for the Friant-Kern Canal, \$200 million for the Delta-Mendota Canal, and \$200 million for the California Aqueduct. Additionally, the bill provides an additional \$200 million in funding for restoration of the San Joaquin River, including environmentally protective infrastructure such as fish screens, fish bypass projects, and control structures necessary to successfully implement the San Joaquin River Restoration Settlement.

Land subsidence has been a persistent problem in the San Joaquin Valley and is exacerbated during drought periods, including during the 2012-2016 drought<sup>1</sup>. As a result, at times regional groundwater pumping has increased significantly, particularly during 2014 and 2015 when Central Valley Project (CVP) South-of-Delta and Friant Division deliveries were consistently at zero. The increased reliance on groundwater induced rapid land subsidence in several areas of the San Joaquin Valley. Some areas experienced measured reductions in land elevation of one to two inches per month between May 2015 and September 2016.

Recent land subsidence in the San Joaquin Valley lowered the elevation of regional water conveyance facilities, including the CVP Friant-Kern Canal and Delta-Mendota Canal, and the State Water Project (SWP) California Aqueduct, resulting in reduced conveyance capacity. In the case of the Friant-Kern Canal, capacity of the canal through the most subsided area is estimated to be only about 40 percent of its design capacity. In the case of the Delta-Mendota Canal, capacity has been reduced by an estimated 10-15 percent of design capacity.

While the most recent drought may have abated somewhat for now, land subsidence has not ceased as ongoing over-reliance on groundwater continues. In addition, residual subsidence will continue for some time even after groundwater pressure has stabilized. Implementation of California's Sustainable Groundwater Management Act (SGMA) requirements will be strongly guided by concerns over the control and avoidance of future subsidence.

The Restoration of Essential Conveyance Act complements legislation by Rep. Jim Costa (CA-16), the author of H.R. 5752, the *Conveyance Capacity Correction Act*, and H.R. 5316 by Rep. T.J. Cox (CA-21), the *Move Water Now Act*. Together, the Senate and House bills, if enacted, will provide the significant funding necessary to repair these essential conveyance projects.

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<sup>1</sup> Land subsidence is the surface manifestation of the soil compaction in clay layers within groundwater aquifers. Groundwater overpumping reduces pressure, resulting in the compaction of clay as water is squeezed from pore spaces. Compaction of clay layers is typically inelastic and results in permanent land subsidence and the loss of groundwater storage capacity.

## **Congress Must Support a Suite of Demand Management and Supply Enhancement Projects**

In addition to bills discussed today, legislation that addresses aging water infrastructure and insufficient water storage projects should also be advanced this Congress. In April, over 160 Western water and agriculture organizations from every Reclamation state wrote to Senate leaders collectively urging that water conservation, water reuse and recycling, watershed management, conveyance, desalination, water transfers, groundwater storage, and surface storage are all needed for a diversified water management portfolio (*the letter is attached as Appendix A to this testimony*). The large number of groups signing in support of that effort speaks to the critical demand that we all feel in the West for addressing these issues, in whole or in part, in legislation this Congress.

The reasons are clear. Western water managers today continually face significant regulatory and policy-related challenges. Water infrastructure that was built early in the last century is aging. Meanwhile, less progress has been made at the federal level toward developing new and improved water infrastructure to keep up with the growing water demands of agriculture, expanding cities, energy production, the environment, and other needs.

While the water conservation, water efficiency, and water reuse provisions can be important tools for addressing certain water supply challenges, they are limited and do not yield the quantities of water that storage facilities do. Adequate water supplies for the future require supply enhancement measures – new and expanded water storage projects that can provide long-term solutions across the West.

### **Aging Water Infrastructure Must Be Addressed**

Critical water infrastructure in the West must be maintained and modernized to ensure the delivery and safety of water today and for future generations. This economically crucial infrastructure is aging and needs improvement. Many Reclamation facilities are between 50 and 100 years old. Reclamation has reported an infrastructure and maintenance backlog of approximately \$3 billion. Such aging infrastructure presents a further challenge because it requires ever increasing maintenance and replacement investments.

The replacement value of Reclamation's infrastructure assets is approaching a staggering \$100 billion and growing by the year (Reclamation's total operating budget is approximately \$1.5 billion annually).

If our aging Western water infrastructure that supports the economic force and the national food security benefits of Western irrigated agriculture crumbles, thousands of farms and ranches across the West, along with the rural American communities dependent on them will also crumble. Given the magnitude of the food security issue to the nation's economic and social wellbeing, policy makers must prioritize protection of our aging water infrastructure. Investing in our aging

irrigation water infrastructure before it fails will save taxpayers' money in the long run and allow us to preserve it and the many other benefits it provides, including the paramount need for national food production security.

The Alliance strongly supports S. 2044, the *Water Supply Infrastructure Rehabilitation and Utilization Act*. This important legislation would establish a revolving loan account to address extraordinary maintenance backlogs within Reclamation, which is our nation's largest wholesale water provider. As stated above, Reclamation is facing significant maintenance backlog issues. The Alliance recently worked with our member districts to compile a list of such projects West-wide. It is staggering in its breadth and amounts to billions of dollars. Most of the districts are struggling to find affordable financing to get these projects done. Failing to address the backlog in the short term could well lead to dealing with it in the long term in a much more expensive and costly manner. The revolving loan fund that Senator McSally's bill – S. 2044-- would establish, known as the "Aging Infrastructure Account," would allow water managers to access funds for outstanding extraordinary maintenance needs and thus help improve the efficiency and effectiveness of federally owned water delivery facilities. Federal funding provided to the account would be repaid, with interest by water users through the loan process authorized in P.L. 111-11, and those payments would be made available to address future needs. Establishing a loan program to invest in aging water infrastructure would have significant safety, conservation, and economic benefits. Western irrigators would greatly benefit from this funding for affordable loans to address their most pressing aging infrastructure projects on federally owned irrigation facilities.

Water infrastructure investments not only provide immediate short-term economic benefits and create jobs, they are the foundation our soon-to-be-growing-again economy will need for the foreseeable future. Continued investment in our water infrastructure will also be important to the continued stability of our Nation's food supply, which has never been more important to American families than right now as we deal with the fallout from the coronavirus shutdown.

### **The Need for Legislation to Address Water Storage and Conveyance Infrastructure**

It is also critical that water infrastructure for agricultural water providers is recognized as nationally important and qualified as such in potential infrastructure legislation. Qualifying projects should include water conveyance, surface water storage, aquifer recharge, and other water supply enhancement opportunities.

In particular, we support efforts to extend water infrastructure funding provisions in the *Water Infrastructure Improvements for the Nation* (or WIIN) Act, which are set to expire in 2021. As you know, the WIIN Act provides a much-needed streamlined process for the review, approval, and funding of water infrastructure projects – both federal and non-federal. Our members in several Western states have benefited from this program, and more are sure to see value from this funding in the future.

The Alliance in June 2019 supported a bipartisan Western drought and water supply bill introduced by Senators Feinstein, Gardner, McSally and Sinema. The *Drought Resiliency and Water Supply*

*Infrastructure Act* (S. 1932) which builds on Senator Feinstein's 2016 California drought legislation that was included in the WIIN Act. S. 1932 extends funding under the WIIN Act for an additional five years, including \$670 million for surface and groundwater storage projects, and supporting conveyance; \$100 million for water recycling projects; and \$60 million for desalination projects. It creates a new loan program, similar to the WIFIA program at EPA, for non-federal water agencies to borrow up to 49% of project costs at 30-year Treasury rates (currently about 2.6 percent) to spur investment in new water supply projects. Repayment can be deferred until five years after completion of the project. This bill also authorizes \$140 million for habitat restoration and environmental compliance projects, including forest, meadow and watershed restoration and projects that benefit threatened and endangered species.

## **Conclusion**

Extreme hydrologic events – marked by drought on one end, and floods on the other – will require everyone in the West to adopt a new paradigm, one that truly promotes wise management of our limited and valuable water resources. This new paradigm will also mean additional investment in technology, conservation and new/improved water storage and management infrastructure in order to deal with the uncertainties that lay before us. We are confident that your Committee will once again show a strong commitment to existing and future water infrastructure, recognize the unique challenges faced by our Western rural communities, and take strong strides to address those challenges.

The public infrastructure challenges our Nation is currently facing are daunting, and they will require innovative solutions. The infrastructure investments made by prior generations have benefited this country for over a hundred of years. Now it is this generation's responsibility to invest in our water infrastructure for future generations.

Thank you again for the opportunity to testify .

The Family Farm Alliance and our members stand ready to assist you in your efforts to advance legislation that addresses the many water conservation, supply, and delivery challenges facing the West. To that end, in addition to the bills discussed today, we also strongly urge that you consider including pertinent provisions of S. 1932 and S. 2044 as part of any bipartisan Bureau of Reclamation legislative package that may be considered in the future.

Again, we stand ready to assist you in your efforts. I will answer any questions you may have.

April 20, 2020

**APPENDIX "A"**

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
S-230, The Capitol  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader  
U.S. Senate  
S-221, The Capitol  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Room H-204, The Capitol  
Washington, D.C. 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi and Minority Leader McCarthy:

On behalf of the undersigned parties, we thank you for your bipartisan leadership to address the massive consequences caused by the recent COVID-19 outbreak by passing legislation to address and mitigate for this emergency. We represent thousands of Western farmers, ranchers and businesses on millions of acres of productive land who provide the food our nation relies upon, as well as many of the public agencies who supply water to Western urban, suburban and rural residents. As you consider further measures to help our country recover economically - including boosting federal funding for infrastructure -we urge that you consider critically needed investments that address the shortcomings of our aging Western water infrastructure.

The COVID-19 pandemic underscores the importance of safety and stability provided by domestic food production. As this crisis has pointed out, a stable domestic food supply is essential and of national security interest. For farmers and ranchers to survive, and for food to continue to be produced here in the American West, a stable water supply is a necessary part of any conversation about our national food security.

As a result, we believe it is critical that our country continually invest in the Western water infrastructure necessary to meet current and future demands. Our existing water infrastructure in the West is aging and in need of rehabilitation and improvement. Most of the federally funded water infrastructure projects that benefit the large cities, rural communities and small farms in the West were built over 50 years ago. As hydrological conditions in the West change and populations continue to expand, failure to address water security has become increasingly critical. Failing to improve water infrastructure and develop supplies will inevitably result in additional conflict as pressure grows to 'solve' urban and environmental water shortages. Moving water away from Western irrigated agriculture will surely contribute to the decline of our national food security.

Our organizations collectively believe that water conservation, water recycling, watershed management, conveyance, desalination, water transfers, groundwater storage, and surface storage are all needed for a diversified water management portfolio and such efforts MUST be included in the next stimulus package.

- Water conservation, one of the most cost-effective actions that can positively affect water supply stability, needs to continue to be aggressively pursued in conjunction with new water storage and other actions.
- Additional funding will be needed to kick-start new water recycling, reuse and desalination projects currently being studied or that are ready for construction, either through the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016 and other funding authorities.
- Programs that fund water conservation and management improvements, fish passage, and habitat restoration - all in support of water project operations in the Reclamation states of the West - need additional funding to accelerate construction of this ready-to-go infrastructure.
- We need new water storage – both surface water and groundwater – in order to adapt to a changing hydrology and develop usable and sustainable supplies to meet growing demands for water. Water storage projects should be tailored to local circumstances and need. This means in some cases projects will be constructed above ground and others below ground. Some projects will be traditional construction and others green infrastructure, dependent on the wide variety of local needs.
- The federal government must remain an active partner and expand its involvement in finding 21<sup>st</sup> century solutions to water problems in the West either through direct funding to help meet these needs or by developing and expanding federal financing mechanisms that have a very low cost to the Treasury and to taxpayers. There is a need for additional federal funding for loans from the Bureau of Reclamation (Reclamation) to non-federal irrigation districts responsible for operating, maintaining and rehabilitating federally owned infrastructure (under P.L. 111-11 authorities). These local operating entities need immediate funding and financing for extraordinary repairs and rehabilitation on their federally owned canals and water delivery structures. Most, if not all of these major construction projects are ready to proceed if direct financing was made available. Unfortunately, these operating entities have very few, if any, affordable financing options available. In short, water resource infrastructure investments in rehabilitating these aging federal projects should be made more attractive and affordable for these non-federal districts who operate and maintain this critical federally owned water delivery infrastructure.
- Similar funding and financing tools should be made available to commence construction on permitted and approved water storage and supply infrastructure. The WIIN Act made funding available to help non-federal entities plan, design and construct new water supply infrastructure at both federal and non-federally owned facilities. New financing tools like the Water Infrastructure Finance and Innovation Act (WIFIA) can also work to finance some non-federally led construction on new and existing water supply and delivery projects. Any existing and additional funding could be made available immediately to kick-start these worthy projects that have already been approved by Reclamation and the Congress.
- Beyond monetary assistance, the federal government should also bring forward policy changes that help ensure that water projects are built in a timely fashion. Making funding available for projects is useless if projects take decades to be approved. In the past, Congress has, on a bipartisan basis, put forward significant efforts to streamline and improve environmental regulation and permitting

processes. Any infrastructure package should contain similar provisions to streamline the development of water projects.

Congress must use any infrastructure stimulus package to not only address our nation's chronic needs surrounding roads, bridges and airports, but to also include water infrastructure needs for storage and conveyance. If and when additional infrastructure funding is discussed as part of a larger economic stimulus package, we need your help to ensure that federal dollars flow to the water infrastructure needs mentioned above. We look forward to working with you to address this critical need and national security interest.

If you have any questions regarding this letter, please do not hesitate to contact Erin Huston (California Farm Bureau Federation - [ehuston@cfbf.com](mailto:ehuston@cfbf.com)), Dan Keppen (Family Farm Alliance - [dan@familyfarmalliance.org](mailto:dan@familyfarmalliance.org)) or Dennis Nuxoll (Western Growers Association - [dnuxoll@wga.com](mailto:dnuxoll@wga.com)).

Sincerely,

African American Farmers of California	Agribusiness & Water Council of Arizona
American Pistachio Growers	Arizona Cotton Growers
Arizona Farm Bureau Federation	Arnold Irrigation District (OR)
Association of California Egg Farmers	Association of California Water Agencies
Association of Oregon Counties	Associated Oregon Hazelnut Industries
Bitter Root Irrigation District (MT)	Byron-Bethany Irrigation District (CA)
California Agricultural Irrigation Association	California Alfalfa and Forage Association
California Apple Commission	California Association of Wheat Growers
California Bean Shippers Association	California Blueberry Association
California Blueberry Commission	California Cattlemen's Association
California Cherry Growers and Industry Association	California Citrus Mutual
California Cotton Alliance	California Cotton Ginners and Growers
Association	
California Farm Bureau Federation	California Fresh Fruit Association
California Grain and Feed Association	California Pear Growers Association
California Pork Producers Association	California Seed Association
California State Beekeepers Association	California Sweetpotato Council
California Warehouse Association	California Water Alliance
California Wool Growers Association	California Wild Rice Advisory Board
California Women for Agriculture	Carlsbad Irrigation District (NM)
Central Arizona Irrigation and Drainage District	Central Oregon Irrigation District
Central California Irrigation District	Central Valley Project Water Association (CA)
Charleston Drainage District (CA)	Colorado Farm Bureau
Colorado Fruit and Vegetable Growers Association	Colorado River District (CO)
Colorado Wool Growers Association	Columbia Basin Development League (WA)
Del Puerto Water District (CA)	Deschutes Basin Board of Control (OR)
Dolores Water Conservancy District (CO)	Eagle Field Water District (CA)



Eldorado County Water Agency (CA)  
 Elephant Butte Irrigation District (NM)  
 Farmers Conservation Alliance (CA/MT/NV/OR)  
 Far West Equipment Dealers Association (CA)  
 Garrison Diversion Conservancy District (ND)  
 (NE/WY)Glenn-Colusa Irrigation District (CA)  
 Grassland Basin Authority (CA)  
 California Grower-Shipper Association of  
     Santa Barbara and San Luis Obispo Counties (CA)  
 (CA)Idaho Farm Bureau Federation  
 Imperial Irrigation District (CA)  
 Kansas Bostwick Irrigation District (KS)  
 Kern County Water Agency (CA)  
 Kittitas County Timothy Hay Growers & Suppliers  
 Kittitas Reclamation District (WA)  
 Little Snake River Conservation District (WY)  
 Lower Yellowstone Irrigation Project (MT)  
 Milk Producers Council (CA)  
 Dist.(AZ) Modesto Irrigation District (CA)  
 Association  
 Monterey Peninsula Water Management District (CA)  
 Nebraska State Irrigation Association  
 New Magma Irrigation and Drainage District (AZ)  
 Nevada Farm Bureau Federation  
 North Dakota Irrigation Association  
 Northeast Oregon Water Association  
 North Platte Valley Irrigators Association (NE)  
 Ochoco Irrigation District (OR)  
 Olive Oil Commission of California  
 Oregon Association of Nurseries  
 Oregon Dairy Farmers Association  
 Oregon Forest Industries Council  
 Oregon Women for Agriculture  
 Pacific Seed Association  
 Panoche Water District (CA)  
 Pershing County Water Conservation District (NV)  
 Pothook Water Conservancy District (CO)  
 Reclamation District 108 (CA)  
 Roza Irrigation District (WA)  
 Salt River Project (AZ)  
 Electrical District No. 3 of Pinal County (AZ)  
 Family Farm Alliance (WEST-WIDE)  
 Farwell Irrigation District (NE)  
 Friant Water Authority (CA)  
 Gering-Ft. Laramie Irrigation District  
 Goshen Irrigation District (WY)  
 Grower-Shipper Association of Central  
 Hawaii Farm Bill Federation  
 Henry Miller Reclamation District #2131  
 Idaho Water Users Association  
 Imperial Valley  
     Vegetable Growers Association (CA)  
 Kings River Conservation District (CA)  
 Kittitas County Farm Bureau (WA)  
 Klamath Water Users Association (CA /OR)  
 Lone Pine Irrigation District (OR)  
 Mercy Springs Water District (CA)  
 Maricopa-Stanfield Irrigation & Drainage  
     Montana Water Resources  
 Nampa & Meridian Irrigation District (ID)  
 Nebraska Water Users Association  
 New Mexico Farm and Livestock Bureau  
 Nisei Farmers League (CA)  
 North Dakota Water Users Association  
 Northern California Water Association  
 North Unit Irrigation District (OR)  
 Olive Growers Council of California  
 Oregon Association of Conservation Districts  
 Oregon Cattlemen's Association  
 Oregon Farm Bureau  
 Oregon Water Resources Congress  
 Pacheco Water District (CA)  
 Panoche Drainage District (CA)  
 Pathfinder Irrigation District (NE / WY)  
 Plant California Alliance  
 Queen Creek Irrigation District (AZ)  
 River Garden Farms (CA)  
 Roza Sunnyside Board of Joint Control (WA)  
 San Carlos Irrigation & Drainage District (AZ)

San Luis Water District (CA)  
(CA) Sargent Irrigation District (NE)  
Savery – Little Snake River  
Water Conservancy District (WY)  
South Columbia Basin Irrigation District (WA)  
  
South Valley Water Association (CA)  
Sunnyside Valley Irrigation District (WA)  
Tehama-Colusa Canal Authority (CA)  
Truckee-Carson Irrigation District (NV)  
Tumalo Irrigation District (OR)  
Utah Farm Bureau Federation  
Ventura County Agricultural Association (CA)  
Washington State Potato Commission  
Western Growers Association (AZ/CA/CO/NM)  
  
Western Plant Health Association (CA)  
Whitehead H2O (CO)  
Yuma County Water Users Association (AZ)

San Luis & Delta-Mendota Water Authority  
San Joaquin River Exchange Contractors  
Water Authority (CA)  
Sites Project Authority (CA)  
Southeastern Colorado Water Conservancy  
District  
Southwestern Water Conservation District (CO)  
Swalley Irrigation District (OR)  
Three Sisters Irrigation District (OR)  
Tulare Lake Basin Water Storage District (CA)  
United Water Conservation District (CA)  
Utah Water Users Association  
Washington State Farm Bureau  
Washington State Water Resources Association  
Western Agricultural Processors Association  
(CA)  
West Stanislaus Irrigation District (CA)  
Yuba Water Agency (CA)

cc: The Hon. Lisa Murkowski, Chair, Senate Committee on Energy and Natural Resources  
The Hon. Joe Manchin, Ranking Member, Senate Committee on Energy and Natural Resources  
The Hon. John Barrasso, Chairman, Senate Committee on Environment and Public Works  
The Hon. Thomas Carper, Ranking Member, Senate Committee on Environment and Public  
Works  
The Hon. Jared Huffman, Chair, House Committee on Natural Resources  
The Hon. Rob Bishop, Ranking Member, House Committee on Natural Resources  
The Hon. Peter DeFazio, Chair, House Committee on Transportation and Infrastructure  
The Hon. Sam Graves, Ranking Member, House Committee on Transportation and Infrastructure