Oregon Water Coalition
Member Newsletter

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Oregon Board of Agriculture: State of the Industry Report

The State Board of Agriculture has completed one of its primary biennial tasks and is ready to share the results with Oregon's governor and legislature.

The 2013 Oregon State of the Agriculture Industry Report is now published, complete with a snapshot of Oregon agriculture's competitiveness, challenges, and opportunities. The 55-page document– also available online– provides lawmakers with priority policy recommendations as determined by the 10-member board.

"The reason we put this report together is to primarily educate our legislators on what is important to agriculture," says Board of Agriculture Chair Doug Krahmer. "In some cases, the report reviews good things that have been done and in other cases, we are bringing up some things that potentially might not be so good."

The 2005 Oregon Legislature passed HB 2196, requiring the State Board of Agriculture to prepare biennial reports to the governor and legislative assembly regarding the status of the agriculture industry.

The document gives an overview of many topics and issues related to, impacting, and affected by agriculture. The report features 10 key issues critical to the competitiveness of Oregon's agricultural producers and processors: water quantity, transportation, food processing, labor, energy, taxes, soil and water quality, land use, local foods and small farms, and food safety.

Each section draws comparisons between Oregon and its neighboring states of Washington, Idaho, and California.

Speaking in one voice, the board states, "this report should help the reader understand where Oregon is competitive, and where it is not; what things are going well, and where challenges exist; and what the legislature, governor, congressional representatives, and Oregon's citizens can do to help."

The board's report is an honest, unvarnished look that avoids sugar coating the outlook for Oregon agriculture. Nonetheless, there is a lot to feel good about after reading the report, according to Krahmer.

"This is one of the more important activities undertaken by the board. When it comes to the legislative arena and getting help to solve the industry's problems, this report is what we rely on to inform our legislators what is needed."

The report's executive summary succinctly boils it down to a good news, bad news declaration. "The bad news: Oregon agriculture lags behind our three neighboring states in many key areas. The good news: Oregon policymakers can take positive actions to help us catch up."

The report's executive summary outlines 10 priority policy recommendations:

- Ensure access to irrigation water (statewide).
- Expand markets and increase sales locally, regionally, and internationally.
- Support truck transportation, but begin to maximize rail, barging and other water modes to move product to market more efficiently.
- Provide relief from the high cost of inputs, including taxes, energy, and labor.
- Encourage management of natural resources in a way that enables farming while protecting water, soil, air, habitat, and endangered species.
- Support a land use system that protects farmland for farm use.
- Support a high quality research, experiment and extension service that enables growers to diversify cropping and capitalize on unique geographic microclimates and soils, and to remain competitive in a world market.
- Offer assistance for food processors—as key markets for growers—with technical and financial help to address wastewater permits that incorporate recycled, reclaimed, or reused water methods and technologies.

- Help growers meet new food safety standards that are becoming more stringent and costly.

Help young or new farmers and transitional family farmers successfully become the next generation of aspiring producers. The report from the Board of Agriculture is designed to not just sit on a shelf and gather dust. Board members are confident it can foster a better understanding and appreciation of Oregon agriculture, and a chance for all Oregonians to join together to address key issues.

Agriculture Quarterly, Spring 2013

With northwest coal export issue heating up, groups file suit notice

Five environmental groups headed by the Sierra Club on Tuesday fired off a "60-day notice of intent to sue" to Burlington Northern Santa Fe Railway and several coal companies for alleged pollution of Washington waterways, including the Columbia River and Puget Sound, via the transport of the fossil fuel.

The groups claim the railroad and coal companies are in violation of the federal Clean Water Act, primarily by allowing coal dust to drift from passing rail cars headed across the state inland toward Pacific ports.

The Sierra Club, Puget Soundkeeper, Columbia Riverkeeper, RE Sources for Sustainable Communities, and Friends of the Columbia Gorge say they have found evidence that the companies are responsible for emitting coal into waterways in many locations across Washington.

BNSF's northern route for transportation of coal runs from Spokane through Odessa, Ephrata, Wenatchee, to Everett and down to Seattle. BNSF's southern route for transportation of coal runs from Spokane, through Pasco and then west to Vancouver, Wash. BSNF may also transport coal from the Seattle-Everett area north to Vancouver, British Columbia.

According to the environmental groups BNSF Railway is one of the largest coal transporters in the United States, and is responsible for hauling an average of 480 open-top rail cars carrying coal through Washington daily.

In addition to posting a report to its own website, BNSF also testified at hearings before the Surface Transportation Board that each rail car loses an average of 500 pounds of coal dust per trip. Current coal trains are composed of approximately 120 rail cars, resulting in an average of 30 tons of coal being lost per train trip, the groups say.

"BNSF and other railroads haul coal around the United States every day. Coal shippers and railroads know that coal pollution of our waterways is a serious problem and yet for years we've watched them point the finger about who pays to resolve the issue," said Cesia Kearns, Campaign Representative of The Sierra Club's Beyond Coal Exports campaign. "The blame game stops here."

By BNSF's own figures, the four daily coal trains travelling through Washington heading to Canada or to the state's last remaining coal plant combine to lose 120 tons of coal dust per day, the environmental groups say. Local residents and conservation groups are concerned that the problem will only worsen if coal companies receive approval to move forward with their hotly contested plan to develop five coal export sites in Washington and Oregon, which could send an estimated 60 additional trains through Washington daily.

Coal mined in the Powder River Basin located in Wyoming and Montana breaks apart easily and contains mercury, arsenic, uranium, and hundreds of other toxins harmful to fish and human health, the groups say. Under the Clean Water Act, anyone dumping pollutants or fill into U.S. waters must first obtain what is known as a National Pollutant Discharge Elimination System permit or a Section 404 dredge and fill permit.

"As Dischargers plan to continue loading and transporting coal and petcoke in the current methods and manners, the Dischargers are continuing, and will continue, to illegally discharge pollutants into waters of the United States without a NPDES permit or a dredge and fill permit," the 60-day notice says.

"Coal is a toxic pollutant and this action today seeks to stop illegal pollution and keep our river free of dirty coal," said Brett VandenHeuvel, executive director of the Columbia Riverkeeper. "The threat of coal export makes this lawsuit even timelier."

Chris Wilke, executive director of Puget Soundkeeper Alliance, is concerned about the amount of coal showing up in waterways and what threats the trend poses to aquatic life in the region.

"Salmon are hugely important to our region: ecologically, culturally and economically," Wilke said. "We

know salmon are acutely sensitive to the same toxic compounds found in coal and that many of these toxins can be transmitted up the food chain. It's a very serious issue."

The groups also say coal dust pollution threatens the Columbia River Gorge National Scenic Area, shared by Washington and Oregon.

"The Columbia River Gorge is a national scenic treasure, but the railroad is treating it like a dumping ground for coal," said Michael Lang, conservation director for Friends of the Columbia Gorge.

BNSF says that it is committed to preventing coal dust from escaping while in transit and is advancing that effort with the establishment of a dust control rule that would require coal shippers apply acceptable "topper" agents to loaded coal that would keep the coal dust in place during transit. Other means of reducing coal escapement are also included in the rules proposal.

A statement released this week by BNSF said that if the environmental groups are "truly interested in controlling coal dust, and not simply political grandstanding, there is a forum where they can help. We would encourage them to join BNSF in defending its rule, and can send letters supporting the necessity of controlling dust to the Surface Transportation Board and urging the Board to act quickly to confirm BNSF's rule."

"…we are disappointed in the actions taken today by groups who oppose coal exports," the BNSF statement says. "This is nothing more than the threat of a nuisance lawsuit without merit, that is part of an ongoing campaign designed to create headlines to influence the review process for proposed export terminals. BNSF has not been contacted about the samples nor are we aware of any third-party tests confirming that what was found is indeed coal."

"Millions of tons of coal have been transported through Washington state for more than a century by barge, ship and rail as it has been a major source of fuel beginning with the steam age. There is no indication how long these few samples have been there."

"BNSF has also safely hauled coal in Washington for decades. Yet despite the movement of so much coal over such a long period of time, we were not aware of a single coal dust complaint lodged with a state agency in the Northwest or with the railroad until the recent interest in coal export terminals," the rail company says. "Even if coal dust had been a concern in the past, BNSF's new coal loading rules eliminate any concern for the future.

"BNSF has recently established coal loading rules that require shippers to take measures to address coal dust when they load the coal cars, including the application of topper agents to the loaded coal. The topper agents are very effective at preventing coal dust losses from trains in transit," the company says.

The environmental groups say that unless the coal companies and BNSF stop the coal pollution, Riverkeeper and allies will on June 2 in federal court "file a citizen lawsuit under Section 505 of the Clean Water Act against Dischargers, both individually and collectively, seeking injunctive relief, remedial relief, declaratory relief, and civil penalties for each day of each violation for each U.S. water body over the past five (5) years and sixty (60) days from the date of this notice relating to the illegal discharge…."

Columbia Basin Bulletin, 4/5/2013

Retired ag economists find holes in Odessa plan

Two retired Washington State University agricultural economists say the plan to bring Columbia River water to Odessa area farms doesn't make financial sense.

Norm Whittlesey and Walt Butcher recently sent letters to state legislators criticizing the Odessa Subarea Special Study, completed in September 2012 by the U.S. Bureau of Reclamation and the Washington State Department of Ecology Office of the Columbia River.

At that time, the bureau and Ecology identified a preferred option to get river water to roughly 100 farmers affected by declining aquifer levels. The option is estimated to cost $730 million. Whittlesey and Butcher estimate the capital cost of the project at $12,000 per acre. That doesn't include operations or maintenance costs, energy or interest costs, which would bring it closer to $17,000 per acre by the time the project is completed in 2025, they say.

If the area receives surface water, it would be worth $4,000 per acre, Whittlesey said. "You don't have to be an economist to know it's not an economically viable enterprise," he said. Bureau public affairs officer Venetia Gempler said the agency followed the prescribed process

for determining the benefit-cost analysis for federal water projects. "There are always those who believe the benefits are overstated and the cost understated, as well as those who believe the benefits are understated and the costs overstated," Gempler said.

"Reclamation believes its analysis is an accurate and impartial representation of the benefits and costs for the Odessa Subarea Special Study project." A record of decision by the bureau's regional director is still pending, Gempler said.

If anything, the bureau tends to have rather high cost estimates, said Derek Sandison, director of Ecology's Office of the Columbia River. He expects a better benefit-cost ratio than shown on paper in the special study. Sandison expects the record of decision "any day."

Whittlesey and Butcher believe the bulk of the cost will fall to the state. They believe the project doesn't qualify for federal funding.

Former Washington Gov. Chris Gregoire included $31.7 million in her budget to initiate the expansion. Butcher said the state would have to provide at least another $500 million to bring project costs down to the point where irrigators could pay for the rest of the project.

"I think they ought to defer or delay funding until they look at it and say, 'Does the state really have any business sinking that much money into something that will benefit 50 farmers?'" he said. "If the state has $500 million to invest in something, I think we can find other things to invest it in."

Butcher said the state estimates the operations and maintenance costs would be about $150 per acre per year, close to what farmers pay now for pumping their own water.

"They will no longer have the expense of pumping, but they will have the operation and maintenance costs on the surface system, which will be about the same," Butcher said. "It's not going to save the farmer any operating money."

Even if developed, Whittlesey said, the expansion would cover about half of the 140,000 acres in need of water in the Odessa area.

Sandison called the project a "rescue mission," directed by the state legislature to replace the declining ground water with river water. Sandison said the project should not be compared with developing new irrigation for agricultural lands.

"We're having to build a system that gets to lands that are already being irrigated rather than design a system and let lands develop around it," he said. "You end up with long laterals that have to go out to reach existing farms."

Whittlesey and Butcher would like to see the groundwater managed by the original plan, with wells shut down once they reach a certain point.

Another option might be to buy the farmers out and revert the land to dryland agriculture, they said.

Butcher believes opening the East Low Canal to farmers with water service contracts who live within several miles would be a cheap source of water.

Whittlesey and Butcher hope legislators are sufficiently interested to investigate as they discuss funding for the project.

Whittlesey and Butcher have a history of speaking out against the project.

Whittlesey said he and Butcher would prefer to see state funding spent for education and health purposes or irrigation, other things that are more beneficial.

"This is not the place to do it, this is a money sink," Butcher said, noting private development has resulted in more productive irrigation efforts along the Columbia and Snake rivers.

Matthew Weaver, Capital Press, 3/9/2013

Open houses cover next leg of Columbia River treaty deliberations

U.S. officials will have a series of public meetings before they draft a recommendation on whether to continue the Columbia River Treaty with Canada. The treaty is designed to manage flood control and power generation on the river. A provision states that after 60 years either Canada or the U.S. can decide to terminate the treaty on Sept. 16, 2024, with a minimum of 10 years of written notice. The U.S. Army Corps of Engineers and the Bonneville Power Administration will kick off a new series of 14 open houses throughout the Northwest beginning

at 6 p.m. April 10 at the Northern Quest Casino, 100 N. Hayford Road, in Airway Heights, Wash., near Spokane. Other open houses will be held across the Northwest.

BPA spokesman Mike Hansen said the open house includes a presentation about the treaty process, now in the third and final phase of analysis. The meeting will touch on irrigation, navigation and recreation, Hansen said.

The U.S. and Canada are each considering whether to continue the treaty, eliminate it or make changes.

By next fall, the BPA will have a draft recommendation available for comment and hold more public meetings throughout the region. A final recommendation will be made to the State Department by the end of 2013.

The department when then take the recommendation and negotiate with Canada. Hansen said the U.S. agencies have been analyzing various alternatives, and will narrow them to what should be included in the draft recommendation.

Under the treaty, Canada is entitled to half of the downstream benefits associated to water storage. Hansen said the U.S. is currently paying a value of $250 million-$300 million per year by returning half of the power generated to Canada. The BPA believes the U.S. should be paying much less.

"Our opinion, based on some of the early analysis, is that the value of the Canadian entitlement is significantly less than what we're paying for it now," Hansen said. "In fact, it is worth significantly less than half of what we're paying now."

Canada is wrestling with a lot of the same issues of power generation, flood control and environmental impact, Hansen said. There is no indication which direction either country may be leaning.

"It's way too early in the process," Hansen said. "Based on the history of the existing treaty ... there is real value in the coordination of one of the world's most powerful hydro systems. We need to figure out what that coordination is going to be moving forward and what the value of that coordination is."

Open house schedule

- Spokane, Wash. — April 10
  Northern Quest Casino — 3-6 pm
  100 N. Hayford Road (Airway Heights)
- Portland, Ore. — April 16
  DoubleTree Lloyd Center — 3-6 pm
  1000 NE Multnomah Street
- Wenatchee, Wash. — April 23
  Community Center/Vets Hall — 4-7 pm
  504 S Chelan Ave.
- Clarkston, Wash. — April 24
  Quality Inn — 4-7 pm
  700 Port Drive
- Coulee Dam, Wash. — April 25
  Coulee Dam City Hall — 4-7 pm
  300 Lincoln Avenue
- Boardman, Ore. — April 29
  Port of Morrow — 4-7 pm
  2 Marine Drive
- Seattle, Wash. — May 2
  Seattle Town Hall — 3-6 pm
  1119 Eighth Avenue
- Yakima, Wash. — May 3
  Arboretum-Garden View — 4-7 pm
  1401 Arboretum Drive
- Pasco, Wash. — May 7
  Holiday Inn Express — 4-7 pm
  4525 Convention Place
- Boise, Idaho — May 8
  Hampton Inn — 3-6 pm
  495 S. Capitol Boulevard
- Libby, Mont. — May 13
  Libby City Hall — 4-7 pm
  952 E. Spruce Street
- Sandpoint, Idaho — May 14
  Community Center (Panhandle Bank) — 4-7 pm
  414 Church Street
- Eureka, Mont. — May 15
  RiverStone Lodge — 4-7 pm
  6370 Highway 93 North
- Kalispell, Mont. — May 16
  Kalispell Red Lion — 4-7 pm
  20 N. Main Street

Matthew Weaver, Capital Press, 4/5/2013

Lower Columbia Basin starting off year as one of the driest

According to the NOAA's National Weather Service, 2013 has started off as one of the driest years on record for the inland valleys of southwest Washington and northwest Oregon, which straddle the Columbia River in what is generally considered the wet side of the basin.

This year has started off unusually dry for southwest Washington and northwest Oregon after a wet start to the rainy season in fall 2012, according to a statement posted online Sunday by the NWS.

"The proverbial spigot shut off at the turn of the new year," the statement says. "There has been rain at times, but the rain has generally been light and sporadic for the inland valleys. Ironically, Cascade snowpack is near normal for the west slopes of Washington and northern Oregon."

According to the National Resources Conservation Service, the snowpack in Oregon's Cascades that feeds the Willamette River is at 105 percent of average through March 25 in terms of snow-water equivalent. The Lewis River snowpack in southwest Washington is at 126 percent of average. The Willamette feeds into the Columbia at Portland.

Inland farther, in the middle and upper portions of the Columbia and in the Snake River basin, precipitation has also tailed off for the most part in winter and spring after a wet start to the "water year," which begins Oct. 1.

The Northwest River Forecast Center predicts that runoff from snowpacks in Idaho, Montana, Oregon and Washington and British Columbia will produce 83.4 million acre feet of water past The Dalles Dam on the lower Columbia River from April through September. That would be 90 percent of the recent 30-year average.

With below normal precipitation across much of the Columbia-Snake river basin in the New Year that forecast has steadily slipped. The estimate as of Jan. 1 was that flows past The Dalles would be 101 percent of normal.

The Weather Service lists rankings for the southwest Washington and northwest Oregon area for the driest January-March periods on record if March were to end March 24.

A "very large storm" pushed into the Northwest in early April and brought rain and snow in high places, through at least the weekend, particularly on the west side of the Cascade Mountains but to the east side of the Cascades and Columbia River basin as well.

But that is too little and too late to push up water volume forecasts anywhere near annual averages. The runoff from the Columbia-Snake river system during the spring and summer serves a variety of needs, from irrigation to power generation to municipal water supplies. The rivers also float boats, commercial and otherwise, and serve as the migration corridor for salmon and other fish species.

The latest forecast from NOAA's Northwest River Forecast Center is for flows past The Dalles Dam on the lower Columbia, in the most likely scenario, to be 90.35 million acre feet from January through July. That would be 89 percent of the 30-year average, and 1 percentage higher than a forecast produced one month earlier. It would rank as the 39th highest volume for that period in the past 53 years.

Columbia Basin Bulletin, 3/29/2013

Bill would add to point of diversion requirements

Farmers, ranchers and farm lobbyists have come out against a bill requiring the Oregon Water Resources Department to consider effects on wildlife and provide an opportunity for public comment when approving changes in water rights points of diversion.

Senate Bill 425 will slow the approval process, and could undermine a farmer's or rancher's ability to maximize a water right, farmers and ranchers said in a March 4 hearing before the Senate Environment and Natural Resources Committee.

"As our streams have become fully appropriated, transfers are the only way that we can move water from field to field, from area to area in a way that is not impacting our neighbors and the resource," said Katie Fast, vice president of public policy for the Oregon Farm Bureau.

"The ability to use transfers is critical to our ability to manage water and keep agriculture viable," Fast said.

Bill Hoyt, a rancher and legislative chair of the Oregon Cattlemen's Association, said the bill could significantly

affect his ability to operate. "As a small producer, if I have a really hard winter, a lot of snowpack, and we get tremendous amount of runoff and my diversion point is severely eroded, I've got to make a change," Hoyt said.

"(Under this bill) if I am going to make a change, now I have to go through this entire process to get that done," Hoyt said.

Kimberley Priestley, senior policy analyst for WaterWatch of Oregon, said the bill is aimed at "a very narrow loophole" in Oregon water law. Under current law, she said, the department is not required to consider the effect a diversion point change could have on wildlife and native fish habitat.

"All we're trying to do is protect the status quo," Priestley said. "The intent of this bill is very, very narrow."

Tom Wolf of Trout Unlimited, also spoke in support of the bill. "I understand the needs of farms and ranches for water ... but I also realize the need of fish for water," Wolf said.

"Senate Bill 425 adds a new analysis to the injury test, and that is the public interest analysis," Wolf said.

"I believe that it is a very specific loophole that WaterWatch wants to close," Wolf said.

Others, however, said the bill has far-reaching effects and could substantially change Western water law.

"There are 11 separate statutory changes listed in this bill. That is not a simple bill," said April Snell, executive director of the Oregon Water Resources Congress. "That is not closing a loophole, or maintaining a status quo. That is setting up an entire new regime."

Snell also said the bill will be costly for the Oregon Water Resources Department to regulate.

"We are concerned that in addition to impacting water users, that this would impact the department's duty to carry out their other statutory functions," Snell said.

The committee took no action on the bill.

Current law requires the department to consider injury to another water user before allowing a point of diversion change.

Mitch Lies, Capital Press, 3/15/2013

Corps begins 2013 Fish Ops Plan; includes spill, performance survival tests

The U.S. Army Corps of Engineers has begun implementing its 2013 Fish Operations Plan to provide spill at the four lower Snake River and four lower Columbia River dams to facilitate the passage of juvenile salmon and steelhead to the ocean.

As specified in NOAA Fisheries' 2010 Supplemental Biological Opinion, the FOP calls for spill to begin at the lower Snake River dams April 3 and lower Columbia River dams April 10, with spill continuing at all eight dams until August 31. The annual plan, prepared by the Corps, is coordinated with states, tribes and other federal agencies in the region.

Like 2012 operations, the 2013 FOP includes operations for spring and summer fish passage seasons, includes providing spill for timely and safe passage of fish at dams, adjustments to river operations, and transportation operations of juvenile fish from Lower Granite, Little Goose and Lower Monumental dams.

The Corps is planning to conduct performance standard fish survival tests this summer at Little Goose and Lower Monumental dams.

Last year, the Corps conducted similar testing at six of the eight dams, with results from those tests indicating the survival of juvenile fish passing the dams was high.

"We are pleased with the continued high survival for juvenile fish at the dams," said Rock Peters, senior program manager for the Corps' Northwestern Division.

But, he added, "While we've experienced many successes, we remain committed to continuing to meet the performance standards in the BiOp and to continue working with the region to do what's best for the fish."

The most recent water supply forecast issued by the Northwest River Forecast Center for the Columbia River Basin (April through August) is 89 percent of normal as measured at the lower Columbia's The Dalles Dam and 74 percent of normal for the Snake River basin, (April through July), as measured at Lower Granite Dam.

For more information on the federal salmon and steelhead recovery efforts, visit **www.salmonrecovery.gov**.

Columbia Basin Bulletin, 4/5/2013

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