

MARCH 2016 NEWSLETTER

Volume 6, Issue 2

Since 1964, we have supported the Columbia Basin Project and its future development. We protect its water rights and educate the public on the renewable resource and multiple-purpose benefits of the project.

CBDL Delegation Advocates in Olympia

Mike Schwisow, Government Relations Director

On February 23-24, a delegation of CBDL Trustees visited Olympia to advocate on behalf of the League during a series of meetings arranged by the League's Government Relations Director, Mike Schwisow. The group included Alice Parker, Royal City; Jeff Schibel, Odessa; Orman Johnson, Connell; Dale Pomeroy, Warden; Milt Johnston, Ellensburg; and Sara Cornell, CBDL Assistant Director. The delegation had three primary purposes to the trip: update policy makers on recent OGWRP develop-

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Orman Johnson, CBDL Chair; Milt Johnston, CBDL Trustee and Past Chair; Senator Mark Schoesler, WA Senate Majority Leader – 9th Legislative District; Dale Pomeroy, CBDL Trustee; and Alice Parker, CBDL Trustee.

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Cashmere, WA 98815 Cashmere, WA 98815 ments and keep the CBP in the top of their minds, educate and inform them about the Project, and plant the seeds for future budget requests.

The League provided comprehensive information packets at each meeting. The discussion focused on continued progress of Odessa Ground Water Replacement Program (OGWRP) implementation and a request for an additional \$20,000,000 in State funding needed to complete the East Low Canal portion of the OGWRP. The group recognized that this is a short session and the legislature was working on supplemental budgets with little room for new funding. The effort was focused on getting an early request on the table for the next biennium's Capital Budget.





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From the Chair
Orman Johnson

We are only in the beginning of 2016 but so much has already

happened! In February, CBDL continued their focus on advocacy. A delegation of League Trustees traveled to Olympia to advocate on your behalf to build relationships with key legislators and share facts. In March, outreach efforts continued as CBDL facilitated a tour of a Simplot plant in Moses Lake for Bureau of Reclamation employees. The League will also have representatives at the upcoming Sandhill Crane Festival in Othello to share the stories of Project stakeholders with Festival attendees. The following pages also include updates about Columbia Basin Project (CBP) issues including the Columbia Snake River Irrigators Association lawsuits and East Columbia Basin Irrigation District water contracts. Finally, we hear from our partners in Washington D.C. with an update on declining investments in water infrastructure at a national level.

The League is working hard on your behalf! Thank you for your continued support and remember that membership is essential to supporting the CBP and its future development. Become a 2016 member today, online at:

www.cbdl.org.

CBDL Delegation Advocates in Olympia Continued from page 1



Alice Parker, CBDL Trustee; Tom Tebb, Office of the Columbia River; Maia Bellon, Department of Ecology; Mike Schwisow, CBDL staff; and Orman Johnson, CBDL Chair.



CBDL delegation meets with Derek Sandison, Director of WSDA.

The meetings began at the Department of Ecology (Ecology) with Director, Maia Bellon, and Office of Columbia River Director, Tom Tebb. Aware that Ecology will begin the next biennium's budget development process

Michael Reilly to speak at April CBDL Board Meeting



Michael Reilly

The April CBDL Board Meeting, on April 19 at ATEC, Big Bend Community College, in Moses Lake, will feature guest speaker Michael Reilly, Director of Business Development for Intermodal Services for the Port of Tacoma. In 2006, Reilly joined the Port as the Director of Container Terminal Leases before becoming the Director of Business Development in 2008. Prior to joining the Port, Reilly held Senior Management and Executive Management roles in sales, marketing, and operations with various

third-party logistics companies.

In his current position at the Port, Reilly is responsible for commercial relations between the Port of Tacoma and Class I railroad companies as well as developing new business opportunities. He is a native New Yorker who earned a degree in Business Management from St. Francis College.

CBDL Delegation Advocates in Olympia Continued from page 2

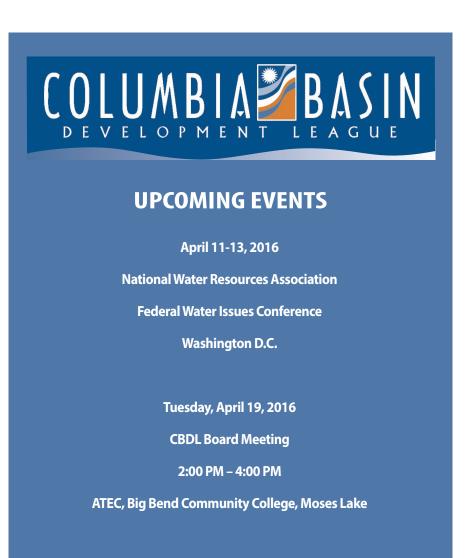
later this summer the delegation made the case that the OGWRP funding be included in the agency's budget request that goes to the Governor. Director Bellon expressed her partnership and commitment to seeing the program implemented. She confirmed that the agency would give the request serious consideration.

Tebb echoed Director Bellon, "We are excited about getting OGWRP done, it is a priority. This is why the Columbia River Program was created." He continued, "We want to see affordable OGWRP costs to landowners. We've got a significant public investment and the worst thing that could happen would be if no one signed up. We are at a key point and a little more investment is just what may make this work."

Throughout their meetings with legislators, each of the Trustees took the opportunity to express their views and provide a rationale for supporting additional funding. The delegation met with Senator Judy Warnick, Chair of the Senate Ag, Water and Rural Economic Development Committee from Moses Lake; Senator Jim Honeyford, Vice-Chair of Senate Ways & Means for Capital Budget from Sunnyside; and Senator Mark Schoesler, Senate Majority Leader from Ritzville. House of Representatives meetings included Representative Tom Dent, Moses Lake; Representative Matt Manweller, Ellensburg; Representatives Maureen Walsh, Walla Walla; Representative Terry Nealey, Dayton; Representative Mary Dye, Pomeroy; Representative Joe Schmick, Colfax; Representative Richard DeBolt, Ranking Minority Member on House Capital Budget from Centralia; and Representative Steve Tharinger, Chair of the House Capital Budget Committee

from Port Angeles.

The group also had a great discussion with Derek Sandison, the Director of the Department of Agriculture and former Director of the Office of Columbia River. Sandison cautioned against letting the momentum slow and encouraged the League to be persistent and keep the OGWRP issues before the legislature.



QUOTE OF THE MONTH

"We all have dreams. But in order to make dreams come into reality, it takes an awful lot of determination, dedication, self-discipline, and effort."

Jesse Owens

CSRIA V. USBR & ECBID Decision

Mike Schwisow, Government Relations Director

CSRIA v. USBR

Columbia-Snake River Irrigators Association (CSRIA), on behalf its members who are landowners in the Odessa Ground Water Replacement Program (OGWRP) service area, filed a lawsuit in U.S. District Court for Eastern Washington against the U.S. Bureau of Reclamation in April 2015. The lawsuit alleged that Reclamation had acted in an arbitrary and capricious manner in addressing their demand for a water service contract for Columbia Basin Project water and that they had violated the Federal Administrative Procedures Act.

Reclamation subsequently moved to Dismiss for Lack of Subject Matter Jurisdiction. Parties to the case provided extensive briefing and oral arguments on October 28th at the Richland Federal Courthouse. The Judge took the case under advisement and on February 2, 2016 issued a ruling dismissing the suit. The Judge agreed with Reclamation's argument that Reclamation, through the Secretary of Interior has statutory discretion on whether to enter into contracts and that no violations of the Federal Administrative Procedures Act had occurred.

CSRIA v. ECBID

CSRIA, again on behalf of their members who are landowners in the OGWRP service area, filed a lawsuit in Adams County Superior Court against East Columbia Basin Irrigation District (ECBID) in September 2015. This lawsuit alleges that the development fee that the ECBID Board of Director has established as part of the OGWRP is in violation of provisions of Washington State irrigation district statute. The suit seeks to have the Judge find the fee in violation of the statute and direct ECBID to correct the problem.

Plaintiff CSRIA subsequently filed a summary judgment motion with the Court. The parties provided the Court with briefing on the issues and oral argument, with each side limited to 10 minutes, was held on January 25, 2016. The Judge notified the parties on March 4th that he had decided to deny the motion for summary judgment and directed the defendant to prepare an order to that effect. This case is not dismissed and may be scheduled for trial.

ECBID Water Service Contracts Update

Levi Johnson, ECBID Development Coordinator

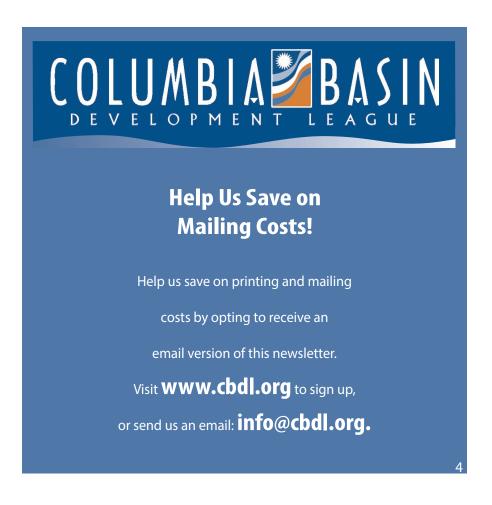
During their January Board Meeting, East Columbia Basin Irrigation District (ECBID) Board of Directors established an Odessa Ground Water Replacement Program (OGWRP) Water Service Contract (WSC) committee as a mechanism to gather input from a broad range of landowners and others involved in the implementation of the OGWRP. This committee is comprised of landowners within ECBID operated and maintained delivery systems (including the EL47.5) as well as individuals from Washington

State Department of Ecology, the US Bureau of Reclamation (USBR), and ECBID directors and staff. The committee will discuss contracts, eligibility, flexibility, timing, costs, and other items.

The committee met on February 29, 2016 to generate dialogue and feedback for the ECBID Board who recognizes the many viewpoints regarding this irrigation development project.

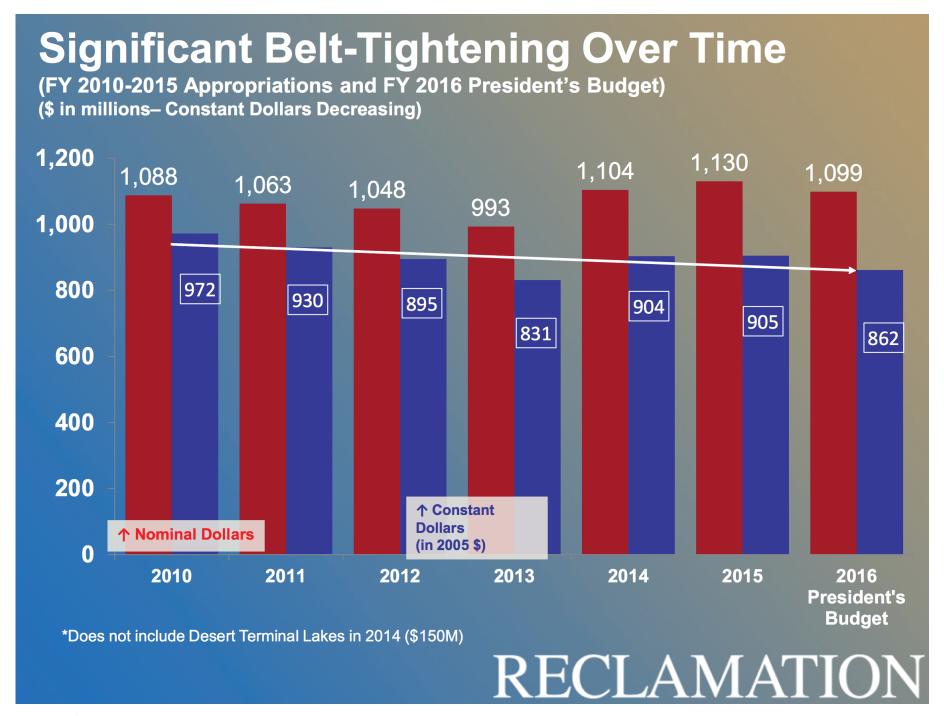
The Board set a March 30, 2016 deadline for landowners within the EL47.5 delivery system area—the first OGWRP delivery system scheduled for design and construction – to sign EL47.5 delivery system to WSC. The Board has been weighing the total normalized cost of the project against the total acres that can be served. This has resulted in a maximum potential ECBID debt service fee to pay for full project development to be set at \$190/acre. This translates, roughly, to \$263/acre total water cost, including USBR repayment charges, ECBID operation and maintenance (O&M) charges and other fees. The estimated ECBID debt-service charge for the EL47.5 delivery system, serving roughly 11,000 acres, is currently \$137/acre. This translates to \$210/acre (including USBR repayment charges, ECBID O&M charges and other fees).

As OGWRP development continues, ECBID and its partners continue to look for additional funding and savings that will keep capital and financing charges as low as possible. These savings will be reflected in ECBID's debt-service charge to participating landowners. Beyond the EL47.5 system, the Board will continue to develop available Columbia Basin Project water supplies under OGWRP in a manner that maximizes the full 87,700 acres worth of groundwater replacement water.



CBDL Addresses Declining Federal Water Infrastructure Investment

Ian Lyle, Water Strategies LLC



Bureau of Reclamation Funding 2010-2016 Budget Request in Normal and Constant Dollars.

Chart courtesy of Bureau of Reclamation and is available at: http://www.usbr.gov/budget/2016/FY_2016_Budget_Request_Stakeholders_Briefing.pdf

As winter transitions into spring, college basketball fans prepare for the excitement of tournament basketball and March Madness. In our nation's capital a different kind of madness descends, one focused on budgets. Budget madness generally kicks off with the submittal of the President's budget request for the next fiscal year. Members of Congress and staff pour over these requests to see how various programs faired. Over the next few months, House and Senate Committees hold oversight hearings to review requests for individual federal agencies. These oversight hearings provide a foundation for Congress to build appropriations bills.

Over the last year, stories about various water problems have often been in the headlines. These stories usually focused on drought impact as well as major water quality and safety of drinking water concerns. Given this significant interest, and the even greater need for water investment, one might

CBDL Works to Reverse Trend of Declining Federal Water Infrastructure Investment Continued from page 5

expect to see significant increases in water related budget requests. Unfortunately, the President's budget requests for several key water resource agencies is woefully short when compared to the funding levels appropriated by Congress last year.

In the fiscal year 2017 budget request for the Bureau of Reclamation (Reclamation) the President requests \$1.05 billion in net discretionary authority. This is down from Reclamation's FY 2016 budget request, and is significantly less than the FY 2016 budget eventually approved by Congress. Reclamation's FY 2017 request is \$164 million less than the FY 2016 budget enacted by Congress, a reduction of approximately 14 percent.

This reduction is even more concerning when reviewing the overall trend of funding allocated to Reclamation when accounting for the consistent value of this funding (accounting for things like inflation). As indicated in the chart produced by the Reclamation last year, funding over the last few years is trending downwards since 2010.

The Columbia Basin Development League (CBDL) recognizes that federal funding is tight. It also recognizes that funding for water infrastructure is a sound use of federal dollars. This is especially true in areas like Washington State that have a robust agricultural industry that depends on reliable water supplies. On March 11th CBDL submitted testimony on the FY2017 Reclamation budget request. In the testimony the league stated: "We encourage our federal partners to consider additional funding of approximately \$25 million for final completion of East Low Canal in the East Columbia Basin Irrigation District. The East Low Canal is a key piece of infrastructure necessary to provide surface water to the Odessa region. "The testimony went on to state: "We understand that federal funding is limited but we also believe that an investment in our nation's water infrastructure is a responsible investment in the nation's economy. Allocating \$25 million to help complete the East Low Canal will protect annual economic activity of \$840 million." The testimony also encouraged Congress to increase overall funding for Reclamation to a level closer to what was appropriated by Congress for 2016.

CBDL will continue working to increase the amount of funding that is available for critical water infrastructure projects like the East Low Canal and the ultimate completion of the Columbia Basin Project.

CBDL Arranges Simplot Tour for Reclamation

Earlier this month, CBDL arranged a tour of the Simplot facility in Moses Lake. The nine tour participants included veterans and new employees of the US Bureau of Reclamation Ephrata Field Office including Bruce Loranger, Ephrata Field Office's Environmental Compliance Coordinator. Andy Erickson of Simplot lead the tour.

Reclamation staff got a firsthand look at the grand scale of what it takes to make something as simple as a French fry as well as how many potatoes are required and the subsequent dependence on reliable irrigation water. Loranger stated, "We gained a greater appreciation of our part in the bigger economic picture of the Columbia Basin."

Bureau staff also provided information about Reclamation's mission to the employees at the plant and discussed the overall size of the Columbia Basin Project, facilities, reasons for designs, and continued development.

As a result of this new relationship, Reclamation is planning a tour of Grand Coulee Dam for Simplot employees.

CBDL Contributes to Wheat Life Magazine

The Columbia Basin Development League's Government Relations Director Mike Schwisow recently spoke with Trista Crossley, editor of Wheat Life magazine for an upcoming article on the Odessa Ground Water Replacement Program (OGWRP) and landowner costs. The article summarizes how OGWRP began along with its purpose, stakeholders, and the current issue of water contracts and fees.

In the article, Schwisow highlights that OGWRP is a collaborative effort between the Bureau of Reclamation, East Columbia Basin Irrigation District, the Washington State Department of Ecology, and landowners. He states, "The public policy was to preserve irrigated agriculture that is responsible for jobs and millions in farm-gate crops. They also needed to preserve the aquifer for those that don't have (irrigated) options. They needed to reach as many acres as possible and still come up with a project that has at least a 1-to-1 benefit cost ratio. This is not a program designed to expand irrigated acres. You have to have existing groundwater rights to exchange for a Columbia Basin Project water supply."

Check out upcoming issues of Wheat Life, www.wheatlife.org, for more.

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South Columbia Basin Irrigation District

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Templin Farm Service

Terra Gold Farms Inc

The Back Forty

Thomas Guderian

Tippett Company of Washington LLC

Tom Downs Farms

Town of Washtucna

Treat Farms

Triple C Land Company

Underhill Farms Inc

Voss Farms of Pasco LLC

Wacker Farm

Wajer Farms Inc

Washington Association of Wheat Growers

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Washington State Water Resources Association

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Greater Othello Chamber of Commerce

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