

ARNOLD



IRRIGATION DISTRICT

19604 Buck Canyon Rd., Bend, OR 97702
Phone: 541-382-7664 Fax: 541-382-0833

July 1, 2022

Tom Byler
Director
Water Resources Department
725 Summer Street NE, Suite A
Salem Oregon 97301

Director Byler,

As you are likely aware, Arnold ID (Arnold) is coordinating in sponsorship with USDA's Natural Resources Conservation Service (NRCS) and the Deschutes Basin Board of Control (DBBC) on modernizing the District's infrastructure, which includes piping of the Arnold Main Canal. This project will pipe approximately 11.9 miles of the Main Canal in four phases and conserve 32.5 cfs (11,098 AF) of Deschutes River water per year and represents over 30% of water savings from the District's average diversion levels. As with similar NRCS sponsored projects with the DBBC in Central Oregon, the benefits of the conserved water savings will benefit North Unit ID in the irrigation season and Deschutes winter flows below Wickiup Reservoir.

Total estimated project costs are \$31,000,000 of which NRCS PL-566 funds will pay \$23,091,000 and \$7,909,000 would be paid by the sponsors and other non-federal funding sources. The Watershed Plan-Environmental Assessment (EA) will soon be sent to Washington, DC for expected approval no later than the end of September 2022 and planned construction for Phase 1 is for the winter of 2022-2023.

In April 2022, Arnold applied to OWRD's Water Supply and Development grant program for a share of the non-federal funding match dollars for Phase 1, approximately \$2 million. I was informed that the application could not even be accepted as Arnold did not have a current Agricultural Water Management and Conservation Plan (AgWMCP). Unfortunately, after joining Arnold just last fall, I was unaware of our WMCP status, or this specific requirement, which is otherwise a voluntary plan for districts. The plan was in process of being updated at the time of application and is currently awaiting approval. Naturally I am disappointed that our application was rejected as the OWRD Water Project Grant program represented a primary source of the non-federal match funding needed to begin construction of the project this coming winter.

Based on conversations I had with OWRD staff Becky Williams, it is my understanding that there is no prohibition in ORS or OAR that prevents OWRD from considering additional water project grant applications this year. I see that there were only four projects with accepted applications and that there will still be available funds if all four projects were funded. In addition, Arnold has submitted an updated WMCP to OWRD and is in the final stages to present for approval and order.

I am formally requesting OWRD open a “second window” for Water Project Grant applications this year. This will be the third year in a row that Arnold will have to turn off water to its patrons in the middle of the summer with our expected shut down on July 21, 2022, marking the earliest turn off in the 117 year history of the District. It is critical for the main canal project to begin this winter to prepare for next irrigation season as there is no end in sight from the continued drought.

Thank you for considering my request and welcome continued communication in this matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to be 'Steve Johnson', with a large, stylized initial 'S'.

Steve Johnson
District Manager