



Oregon

Kate Brown, Governor

Water Resources Department

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July 21, 2022

Steve Johnson, District Manager
Arnold Irrigation District
19604 Buck Canyon Rd
Bend, OR 97702

Re: Request for an additional funding cycle for Water Project Grants and Loans

Dear Mr. Johnson,

Thank you for your letter regarding Arnold Irrigation District's 2022 Water Project Grants and Loan (WPGL) application. The Water Resources Department (Department) appreciates the importance of completing this project as severe drought conditions persist throughout the state and understands your need to begin construction in 2022.

As you know, there is a requirement under Oregon Administrative Rule 690-093-0040(2) which states if an applicant is required to have a water management and conservation plan (WMCP), as prescribed by a condition of a water use permit; a permit extension; or another order or rule of the Commission, the plan must be submitted to the Department and receive approval prior to acceptance of an application for a loan or grant. The plan was required by a condition set forth under the District's previously approved plan (Sp. Or. Vol. 93, Pgs. 844-845) issued on November 12, 2014. The District's WPGL application was deemed incomplete because the District's WMCP expired in 2019 and a new plan had not been submitted or approved prior to the WPGL application deadline of April 27, 2022.

A second WPGL application cycle for 2022 will not likely achieve your goal of starting the main canal project this winter. Due to several statutory requirements, including two public comment opportunities and the inter-agency review process, the review period for WPGL is lengthy. Out of equity and fairness, the Department would need to post a deadline with sufficient notice for others to apply. Following the application deadline, it would take approximately six months to review the grant applications and make a funding decision. The earliest possible deadline for a second funding cycle would be this fall with funding awarded by the Water Resources Commission in March or June 2023. Additionally, due to other priorities directed by the Oregon Legislature, the Department does not have the staff capacity to administer a second solicitation of WPGL grant funding this year.

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Please note the Department will accept qualifying match expenditures one year in advance of grant applications. The District could begin construction this winter with secured federal funding and consider re-submitting a grant application during the Department's spring 2023 cycle. If selected for this competitive funding cycle, state funds would be issued during fall 2023 to finish the project.

If you have any additional questions, please do not hesitate to contact me or program staff Adair Muth (adair.muth@water.oregon.gov or 971-301-0718).

Sincerely,



Thomas M. Byler
Director