



Oregon

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MEMORANDUM

TO: Water Resources Commission

FROM: Jake Johnstone, Southwest Region Manager
Scott Prose, Assistant Watermaster

SUBJECT: Agenda Item E, February 18, 2021
Water Resources Commission Meeting

Results of Audit of Hemp Operations in the Southwest Region During the 2020 Irrigation Season

I. Introduction

During this informational agenda item, staff will provide an overview of an audit of water uses for hemp production sites in the Southwest Region conducted in partnership with the Oregon Department of Agriculture. Sunny Summers, Cannabis Policy Coordinator, and Lauren Henderson, Assistant Director of the Oregon Department of Agriculture, will also provide a brief update on the hemp program.

II. Background

A. Oregon Department of Agriculture – Water Resources Collaboration

The 2018 U.S. Farm Bill paved the way for legal hemp agriculture in the United States. The Oregon Department of Agriculture (ODA) was tasked with managing this new industry, creating guidance to be reviewed by the United States Department of Agriculture, registering sites, and ensuring THC testing is done prior to harvest.

In the fall of 2019, with increased complaints as hemp production in Oregon increased, the ODA and Oregon Water Resources Department (Department) staff discussed water usage, compliance, and staff capacity. ODA offered to pay for a limited duration Assistant Watermaster to investigate hemp production sites for water law compliance with a focus in the Southwest Region.

The position was hired to assist Field Services Division staff in collecting data to answer questions arising from stakeholder concerns about unauthorized water uses and the hemp industry. The position would also educate new farmers on Department rules and regulations, seek compliance when possible, and refer to enforcement when necessary.

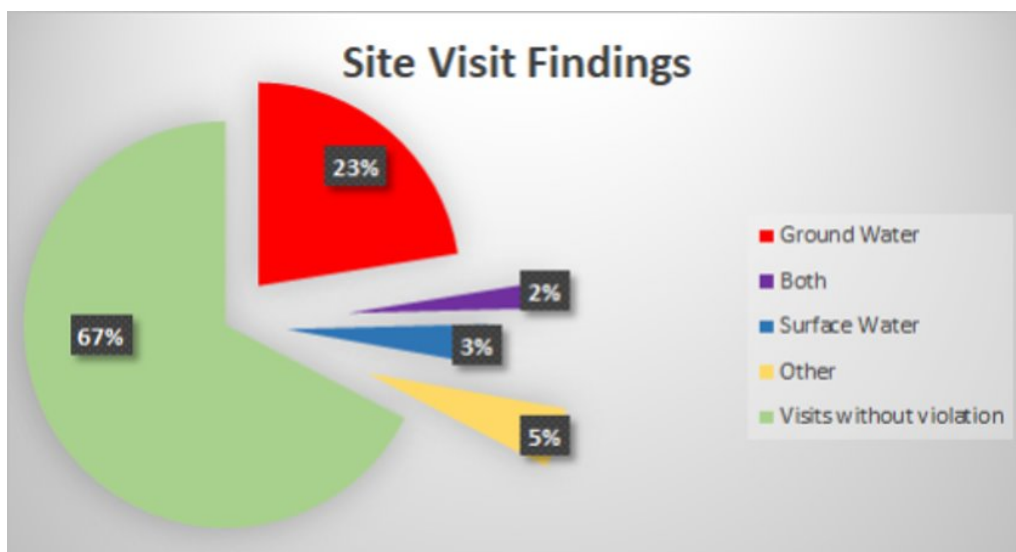
In December 2019, Scott Prose was hired for the position and stationed out of the Medford OWRD office. Along with other Assistant Watermasters and Watermasters, he began to assess hemp production sites and their compliance with Oregon’s water laws. In addition, Prose was able to visit many sites prior to initial outdoor planting to proactively discuss water usage and compliance with hemp producers before the operation began using water.

III. 2020 Audit of Southwest Region Hemp Production Sites

With nearly 1,000 ODA licensed hemp sites in the Southwest Region (see Attachment 1), the Department needed to develop a methodology for determining which sites to audit. During the spring, before planting began outdoors, sites that used greenhouses for production were selected for visits. In addition, registered sites in irrigation districts were checked for customer status and visited if they were not customers. Later in the season, other sites were chosen from areas of concern by Watermasters. One such area of concern was the Williams Watershed, where there had been a number of concerns raised about unauthorized water uses. All ODA registered production sites in Williams were visited to assess compliance. The Department also visited sites for which the Department had received complaints. To audit as many sites as possible during the season, adjacent sites were also visited in the same day, as time allowed. Throughout the 2020 season Prose made 138 hemp site visits and other staff in the region made 49 hemp site visits.

A. Regulatory Actions

In total, 187 hemp sites were visited, equal to more than 19 percent of the registered ODA sites in the Southwest Region. Water law violations were found at roughly 32 percent of the sites visited (see Attachment 2). Eleven percent of sites visited required regulatory action. The types of violations are illustrated in the chart below.



Of the properties visited, 42 percent stated that they currently trucked in water or would do so to be in compliance. Ten percent of those claiming to truck in water received enforcement actions. Sites that utilize water trucking remain difficult to monitor for compliance.

Surprisingly, of the sites that were in violation of Oregon Water Law, 44 percent had water rights. The common violation found in these cases was that a well was being used to irrigate a commercial crop on the property without a valid groundwater right, while the surface water rights for the property were not being used.

B. Looking Ahead

In November 2020, staff presented findings to ODA from the 2020 irrigation season. ODA has expressed a strong desire to continue funding this position for the coming biennium. The continuation of the audit for additional growing seasons will provide increasingly useful information, such as helping us understand the effectiveness of past actions and educational outreach.

IV. Conclusion

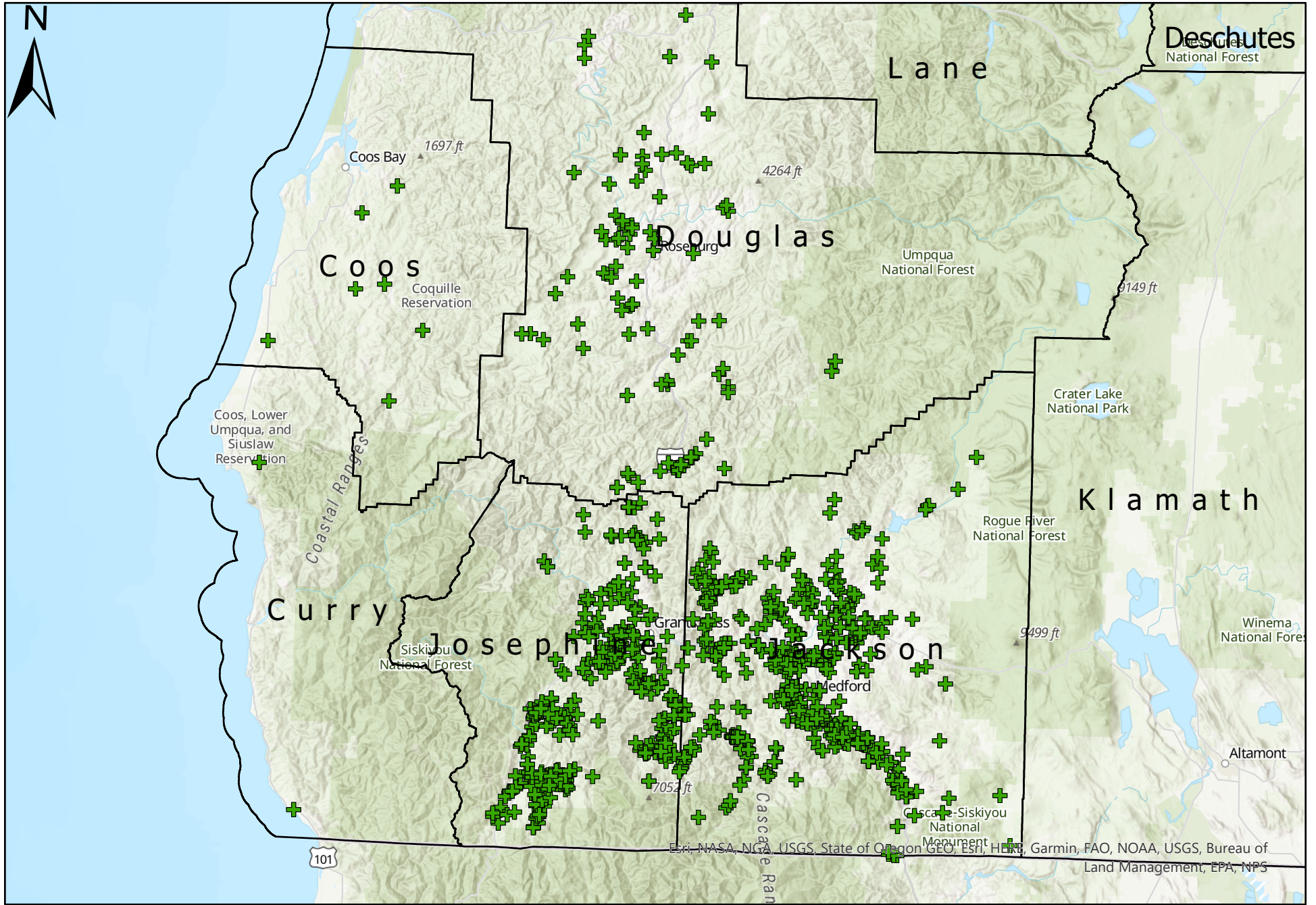
With a little over a third of the sites visited having compliance issues, there is concern for ongoing violations of Oregon's water laws at hemp production sites. The hemp industry is highly lucrative and continues to attract new farmers unfamiliar with Oregon's water laws. The Department appreciates ODA's ongoing support of this work to address compliance with Oregon's water laws at hemp production sites. Through this collaboration, the Department and ODA have been able to begin quantifying the scope of possible water use violations, conduct proactive education and outreach, and cooperatively approach changes to current ODA processes regarding hemp agriculture.

Attachments:

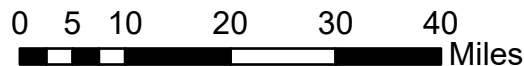
1. Map of Registered Hemp Sites in the Southwest Region
2. Map of Sites Visited and Violations in the Southwest Region

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Registered Hemp locations in Southwest Oregon



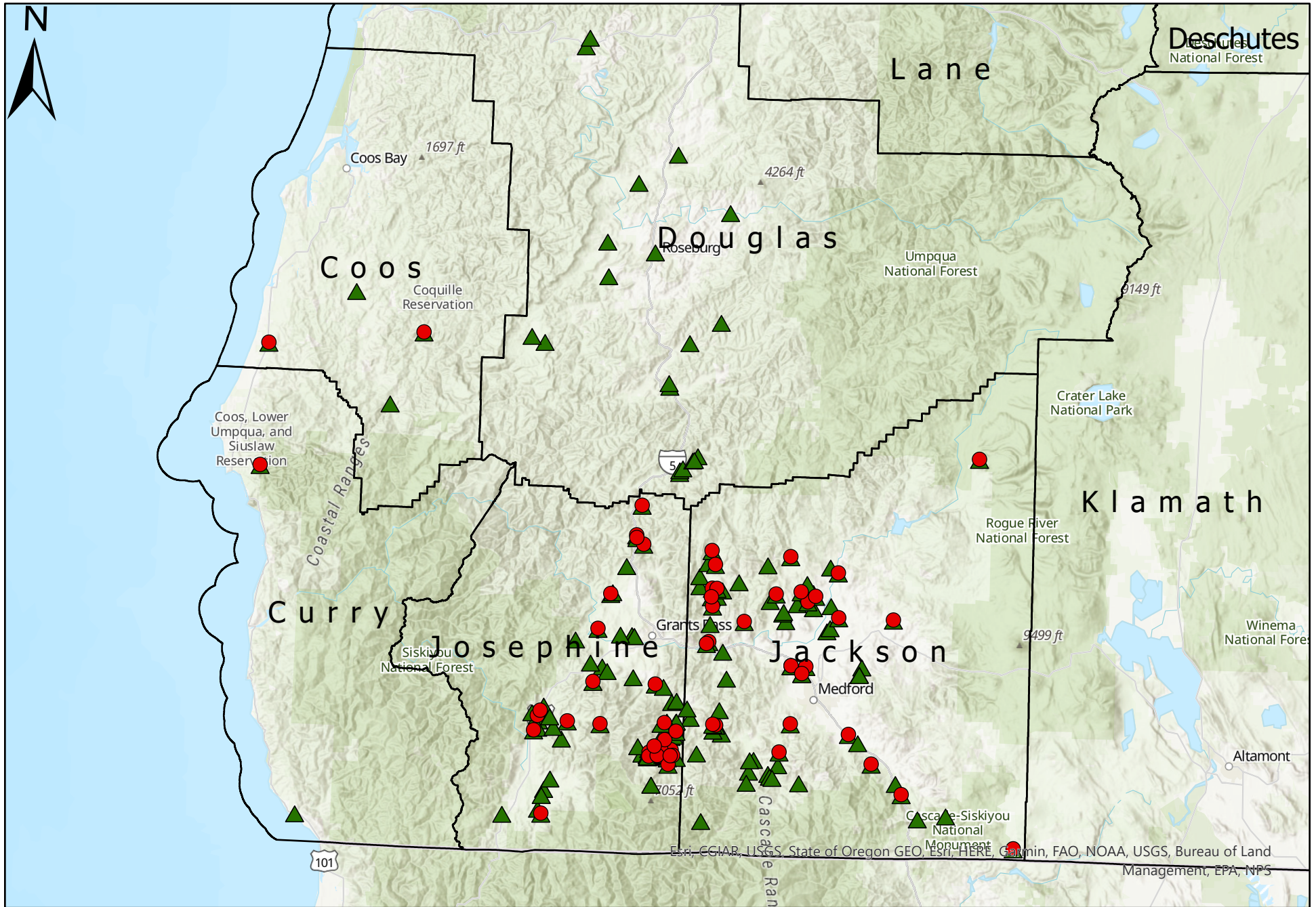
+ 978 Hemp Sites
 County Boundary



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Inspections and Violations of Hemp Sites



- 61 Violations*
- ▲ 187 Site Visits
- County Boundary

0 5 10 20 30 40 Miles

*Of the 61 violations, 42 were ground water, 6 were surface water, 4 had both, and 9 other violations.

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