Walla Walla Basin Water Exchange

October 6, 2008
Water Banking/Exchange Workshop
Edmonds Convention Center

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Washington Water Trust

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Presentation Summary

- Introduction
- Walla Walla Water Exchange
- Lessons learned and discussion

Washington Water Trust

- Statewide nonprofit- mission to restore instream flows
- Voluntary, cooperative, market-based
- Water acquisition, creative solutions
- 10 years in business (founded 1998), 30 years collective experience
- Partnerships with local stewards, community groups and landowners

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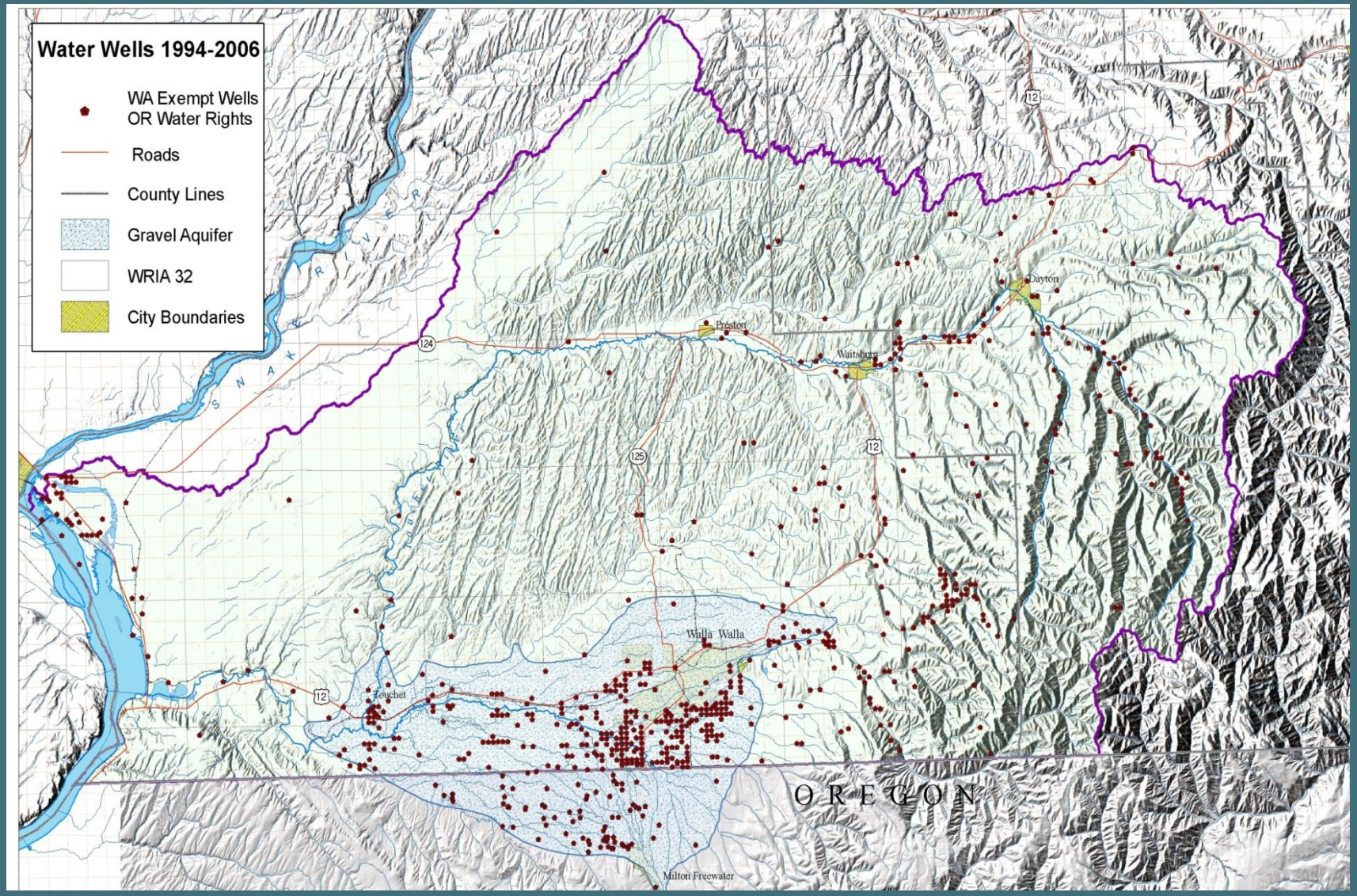
Walla Walla Basin



Map: Department of Ecology

What is the Walla Walla Instream Flow Rule?

- Amends existing WAC 173-532
- Prohibits new summer surface water diversions
- Limits new water use to flow improvement and environmental enhancement projects
- Restricts withdrawals from the gravel aquifer
- New limits on stock watering
- Conditions use of Exempt Wells
  - Exempt from permitting not regulation
  - RCW 90.44.050

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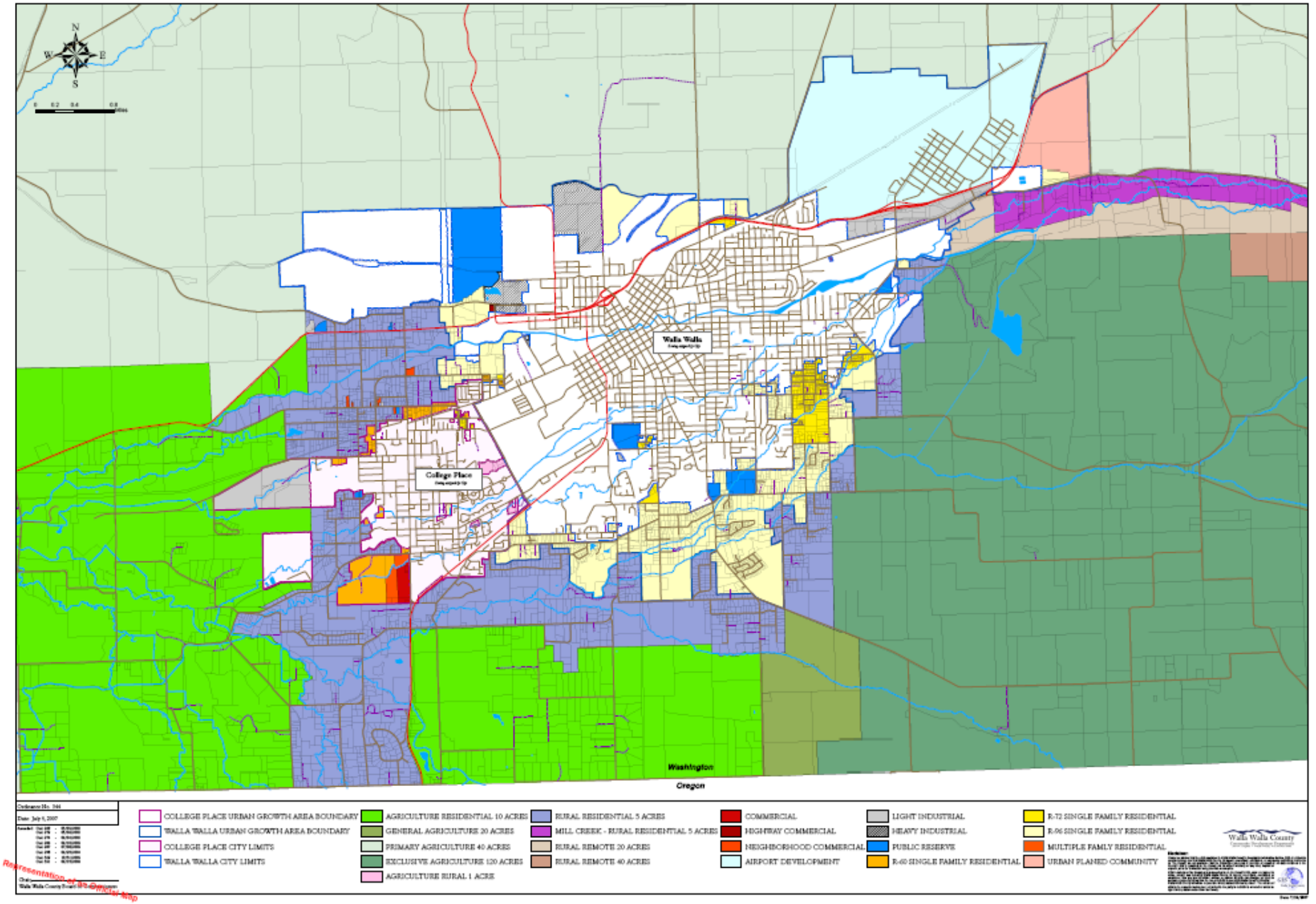
Walla Walla County Zoning Map - Walla Walla / College Place and Surrounding Area



Exempt Wells Under the Rule-
Conditions on New Gravel Aquifer Wells

- As of September 5th, 2007
  - New Commercial and industrial uses not permitted
  - New restrictions on livestock watering

    This provision applies to the entire WA portion of the watershed
- Wells must be metered
- **Outdoor use must be mitigated** May – Nov
  Beginning May 1, 2008

Mitigation for New Exempt Wells

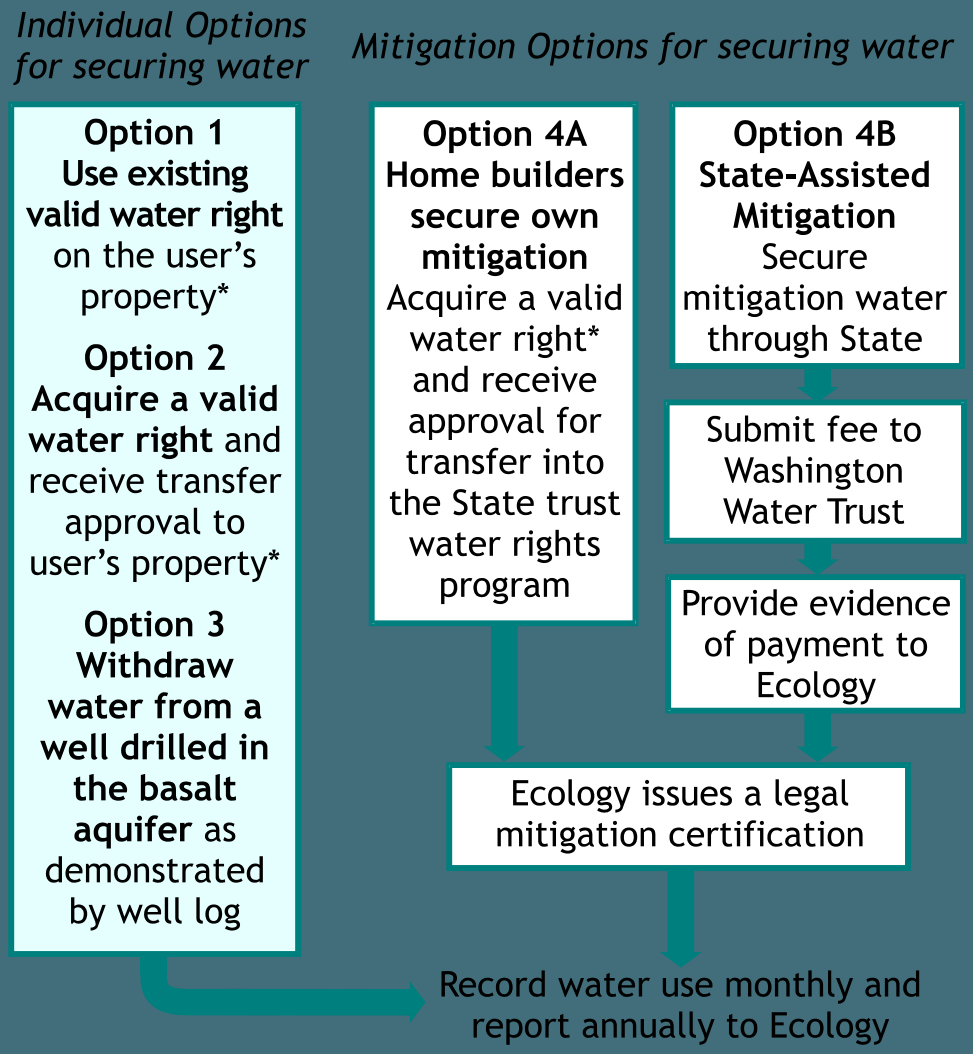
Two mechanisms for obtaining mitigation: on your own or state assisted

- Option One: acquire or use an existing water right for mitigation or…
- Option Two: participate in state assisted mitigation

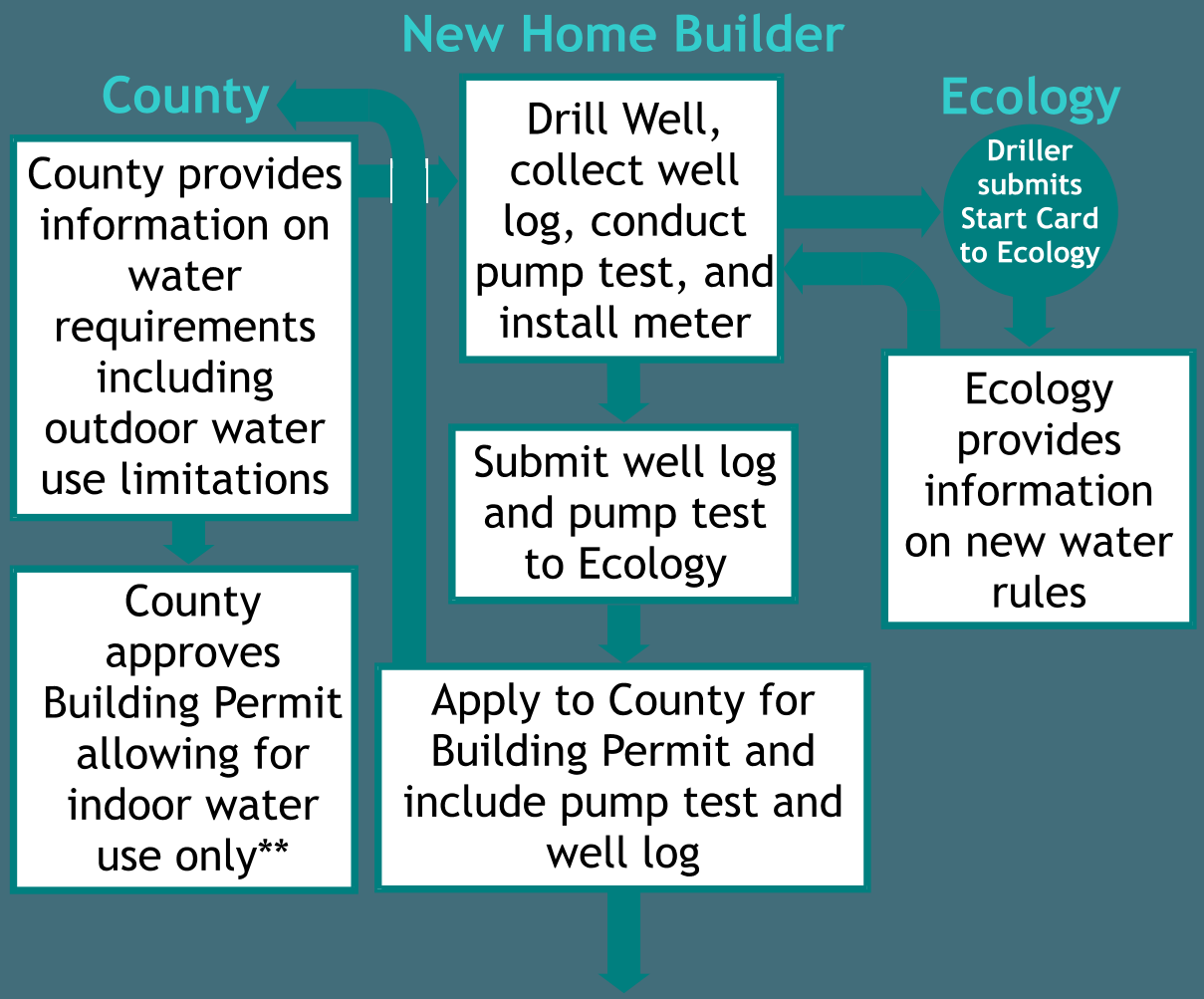
- WWT worked cooperatively with Ecology and Walla Walla County to draft a mitigation guide that answers all mitigation related questions
- WWT also under contract to acquire water to seed the exchange and administer the program initially

Mitigation Options

If the Home Builder Wants to Use Water Outdoors, Choose One Option for Outdoor Irrigation



County and Ecology Process



**Home builder will have to follow one of the four options on next page to secure water for outdoor use.

State Assisted Mitigation Plan: How it Works

- WWT seeds the exchange for 2 years by acquiring existing water rights and placing into trust program
- Homebuilders pay WWT $2000/exempt well
- Homebuilders receive mitigation certificate from Ecology
- WWT and Ecology debit the exchange .5 af for each mitigation certificate
- Homebuilders must meter use, record monthly and report annually to Ecology
- Monitoring & enforcement by WDOE & WDFW

Progress to Date

- Two contracts signed with willing sellers
- One mitigation certificates in process
- Slow down in homebuilding, means less initial demand

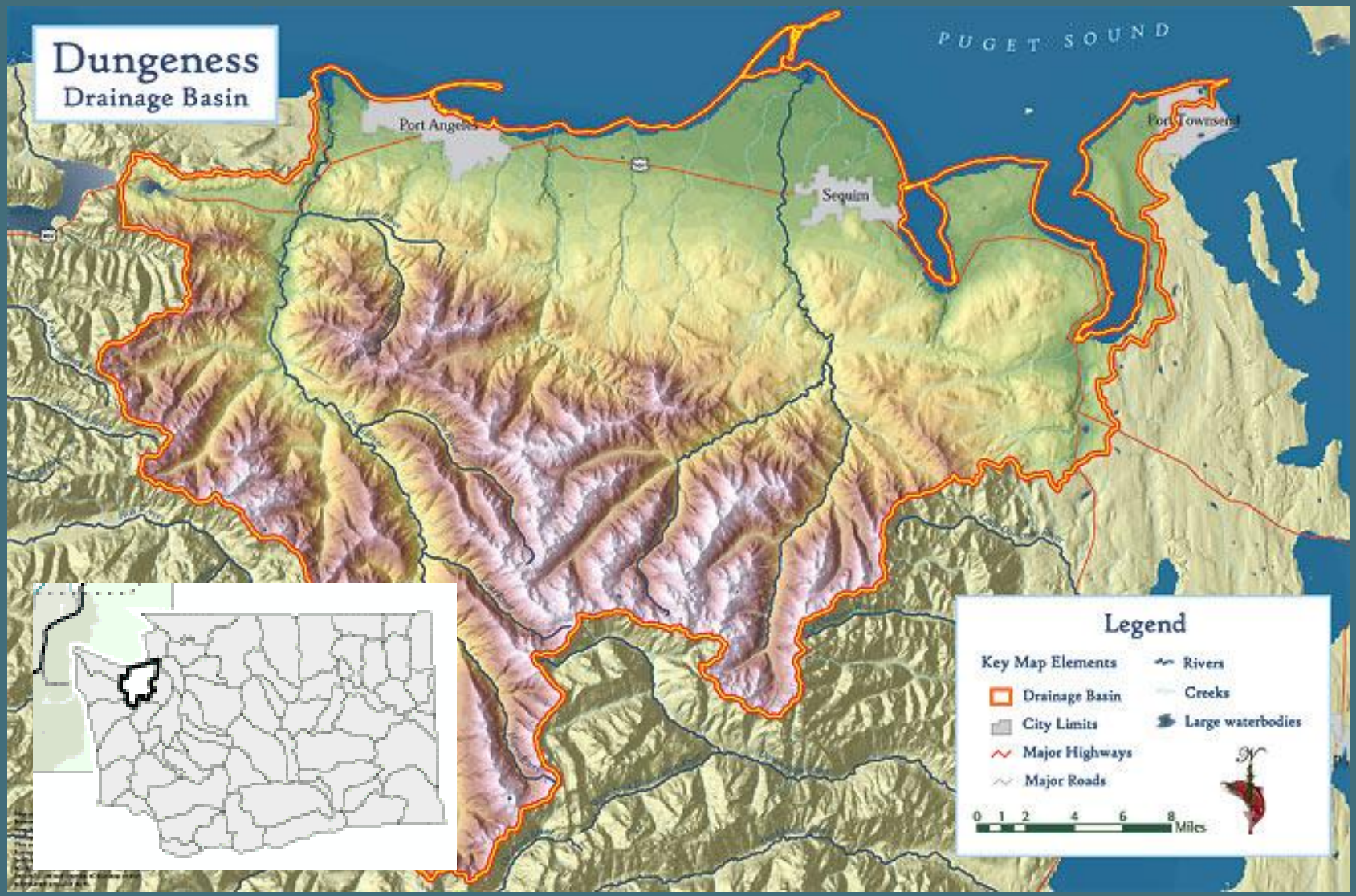
Why Did WWT want to Get involved in Mitigation?

- Net Instream benefit
- Full amount won't be used all the time
- Access to potential sellers
- Retiring groundwater rights to help with surface flows
- Unique partnership between WW County, WWT and Ecology

LESSONS LEARNED

- Consideration of mitigation zones
- Net benefit to the streams and aquifers
- Successful exchange depends on willing sellers and willing buyers
- Outreach and communication are vital
- Partnership between WW County, WWT and Ecology yielded success on a very tight timeline

Dungeness Basin



Origins of Need- Dungeness Basin

- Surface water (SW) rights allocated
- Ground water (GW) rights allocated
- SW flows insufficient for fish, etc.
- Additional allocations of GW increase SW flow problem
- New and additional demands on GW
- Restoration demand for SW

Future Dungeness Instream Flow Rule

- Formally close surface water allocations
- Set flow targets
- Require new GW allocations to offset impact on surface water flows
- In sum, create a cap and trade system
  - Place a consumptive use cap on water
  - Links GW to SW
  - Allocates rights (and costs)
  - Enables trading

Scope of Trading ("Water Exchange")

Potential Buyers

- Restoration
- City
- PUDs
- Small GW uses
- Exempt Wells

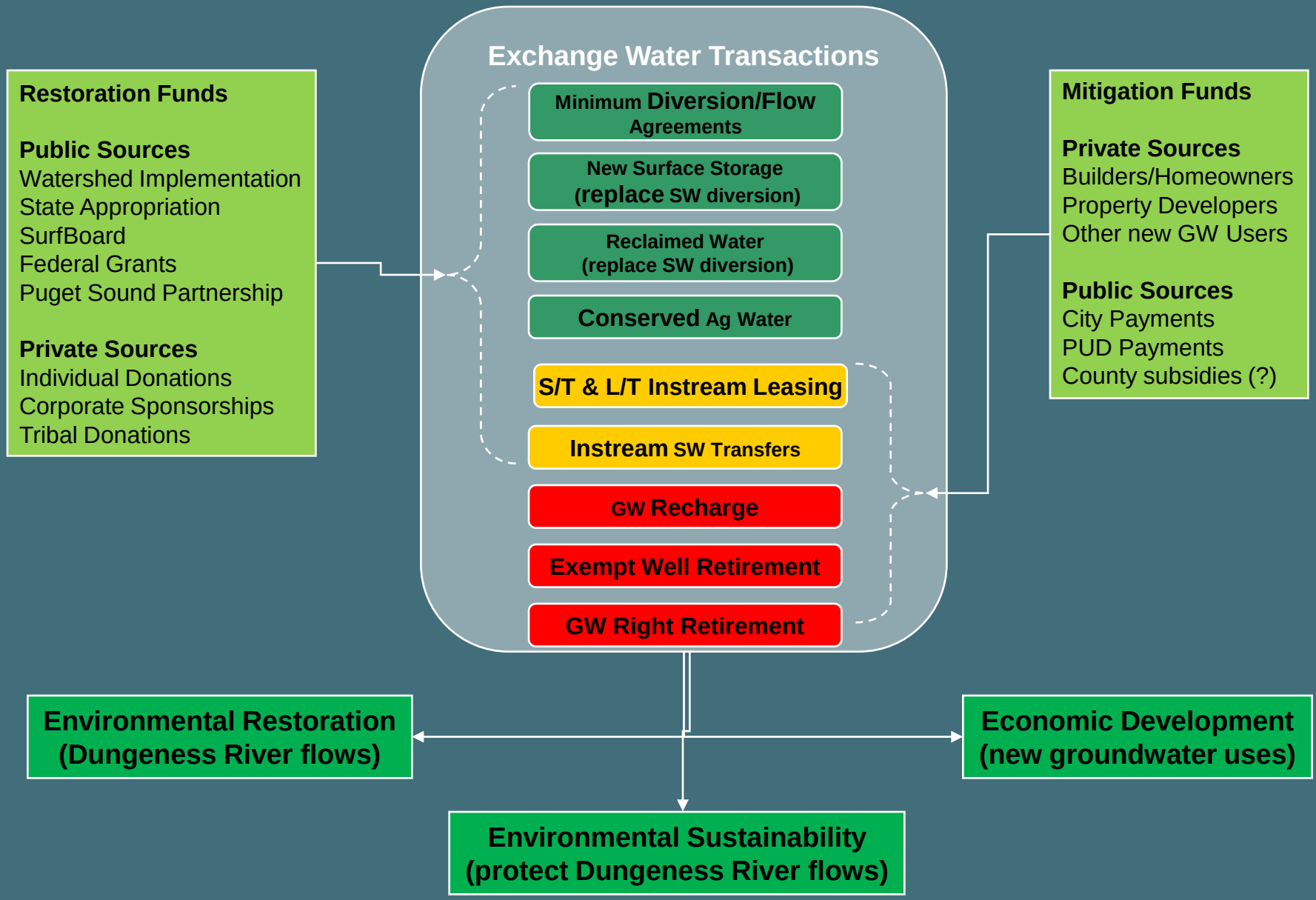
Potential Sellers

- Right holders
  - Irrigators
  - GW users
- Offsets
  - Exempt users (?)
  - Reclaimed water
  - Recharge
  - Storage

Dungeness: Key Questions for Designing a Water Exchange

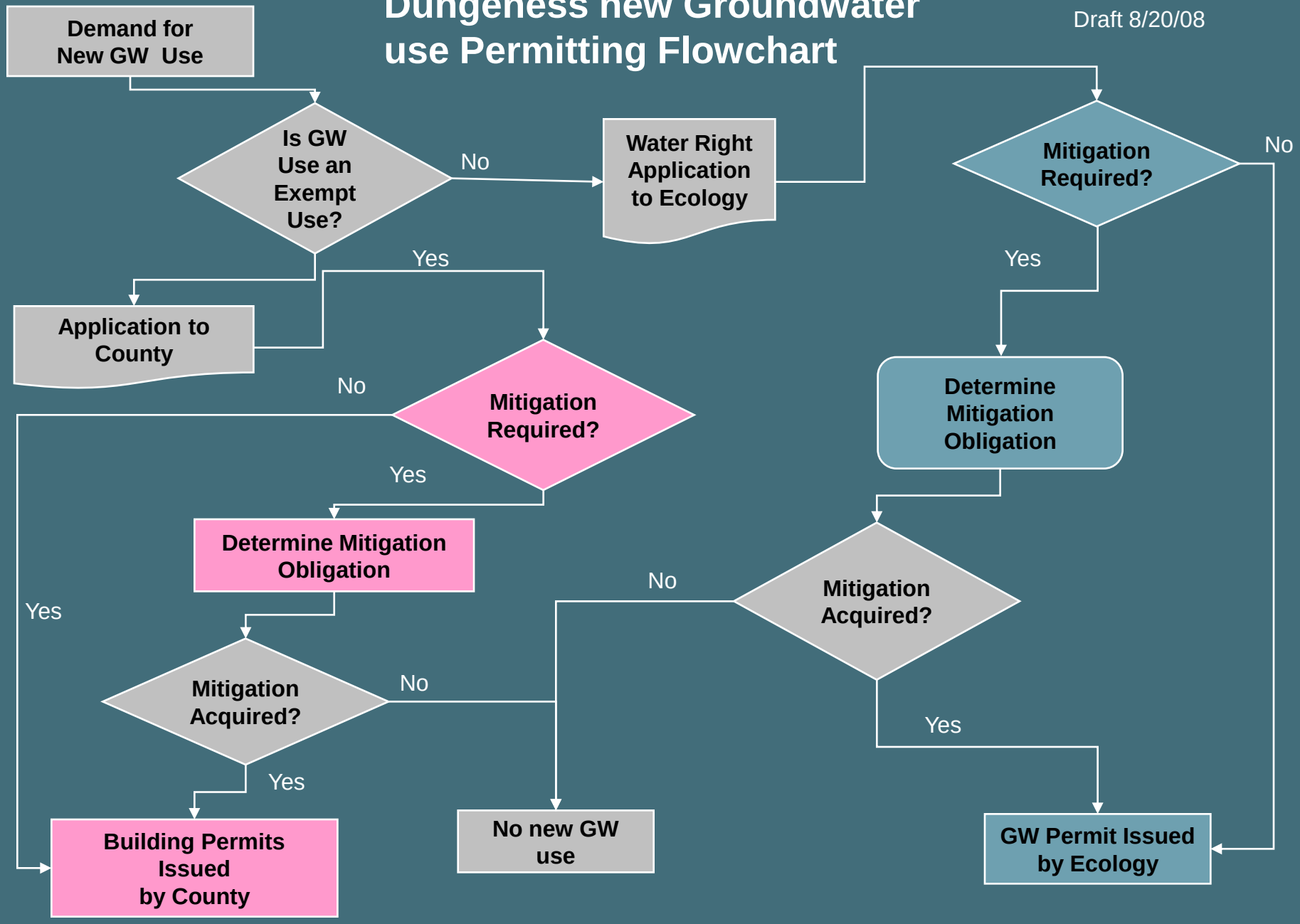
- How do we design a system that provides for some new uses and flow restoration?
- Who can participate?
- Who has the authority to create and accept mitigation credits?
- How are offsets considered? Credits vs. Payments?
  - Option A: Buy an existing right
  - Option B: Create a new right (but offset impact)
    - Offset 1: Develop own offset project
    - Offset 2: Buy offset credits (provided by other)
    - Offset 3: Payment in lieu (of providing offset)

Draft Dungeness Flow Restoration and Groundwater Mitigation



Dungeness new Groundwater use Permitting Flowchart

Draft 8/20/08



Legend: Fill colors reflect who does what with grey being GW user, light blue is Ecology, Pink is County and Yellow is the Exchange

Discussion /Questions?

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