

WALLA WALLA BASIN WATER EXCHANGE

November 21, 2008

Water Banking/Exchange Workshop
Washington Dept of Ecology Lacey, WA

Amanda Cronin
Washington Water Trust



WASHINGTON WATER TRUST

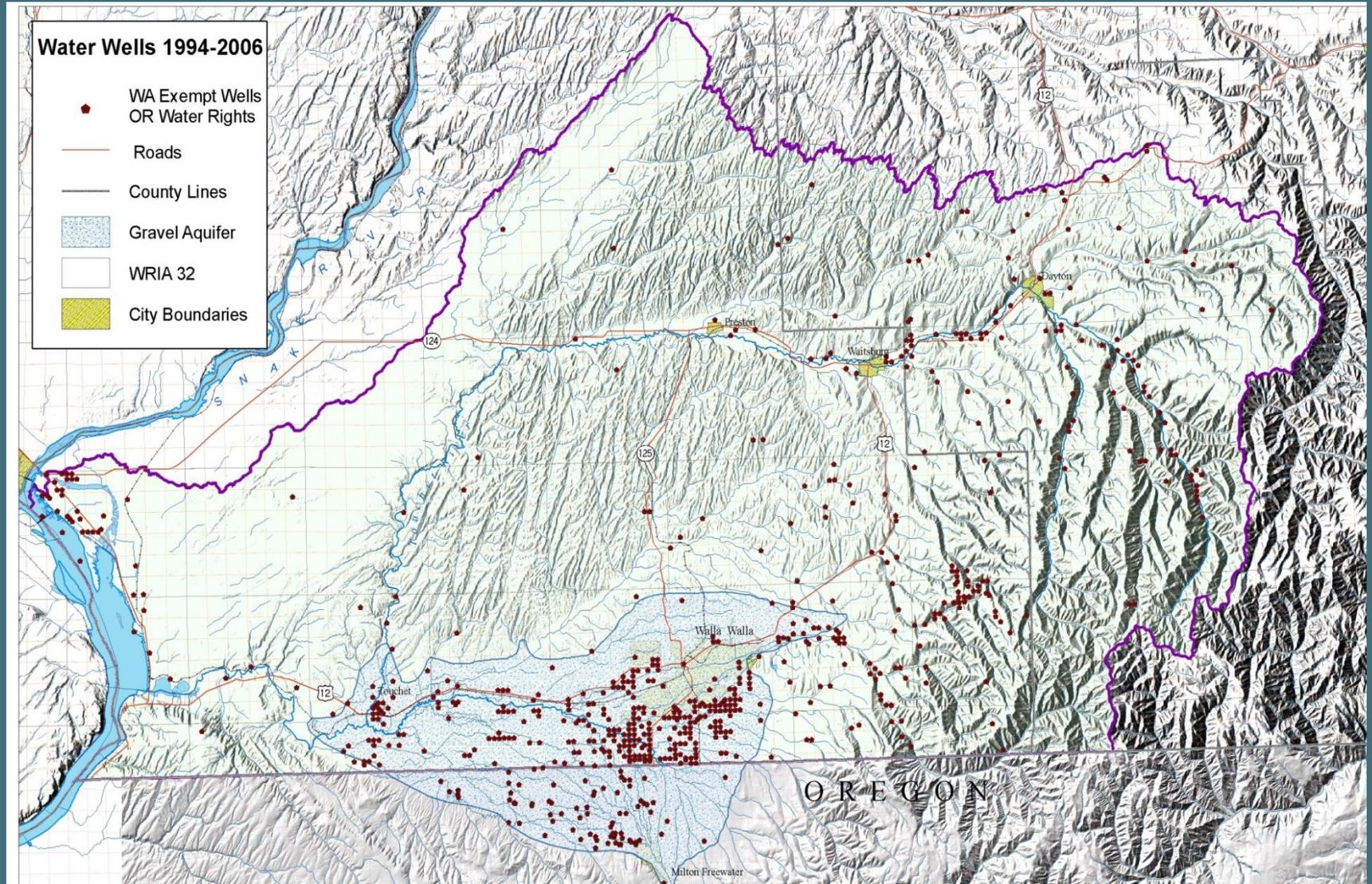
Working to restore rivers and streams in Washington state

Washington Water Trust

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



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
- New limits on stock watering
- Restricts withdrawals from the gravel aquifer
- Conditions use of Exempt Wells
 - Exempt from permitting not regulation
 - RCW 90.44.050



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

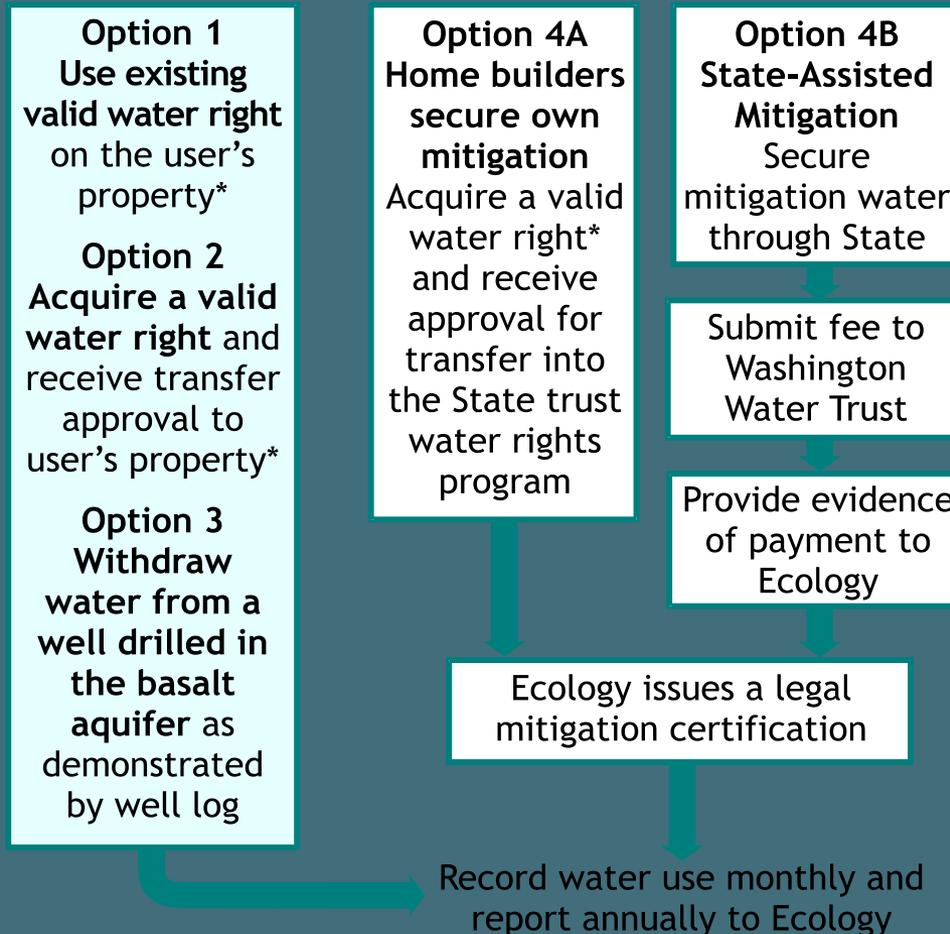


MITIGATION OPTIONS

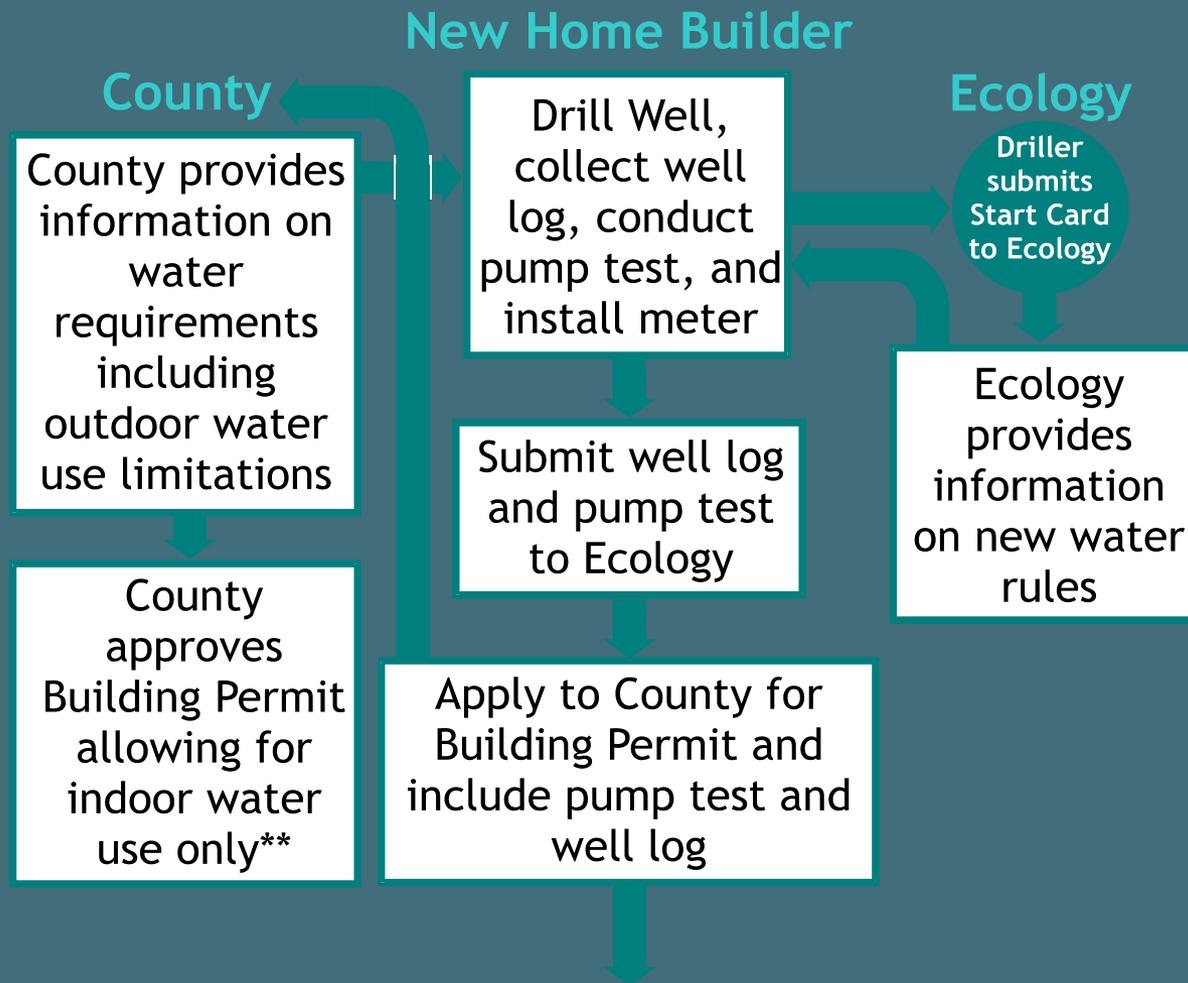
If the Home Builder Wants to Use Water Outdoors,
Choose One Option for Outdoor Irrigation

*Individual Options
for securing water*

Mitigation Options for securing water



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; a third pending
- One mitigation certificate issued
- 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

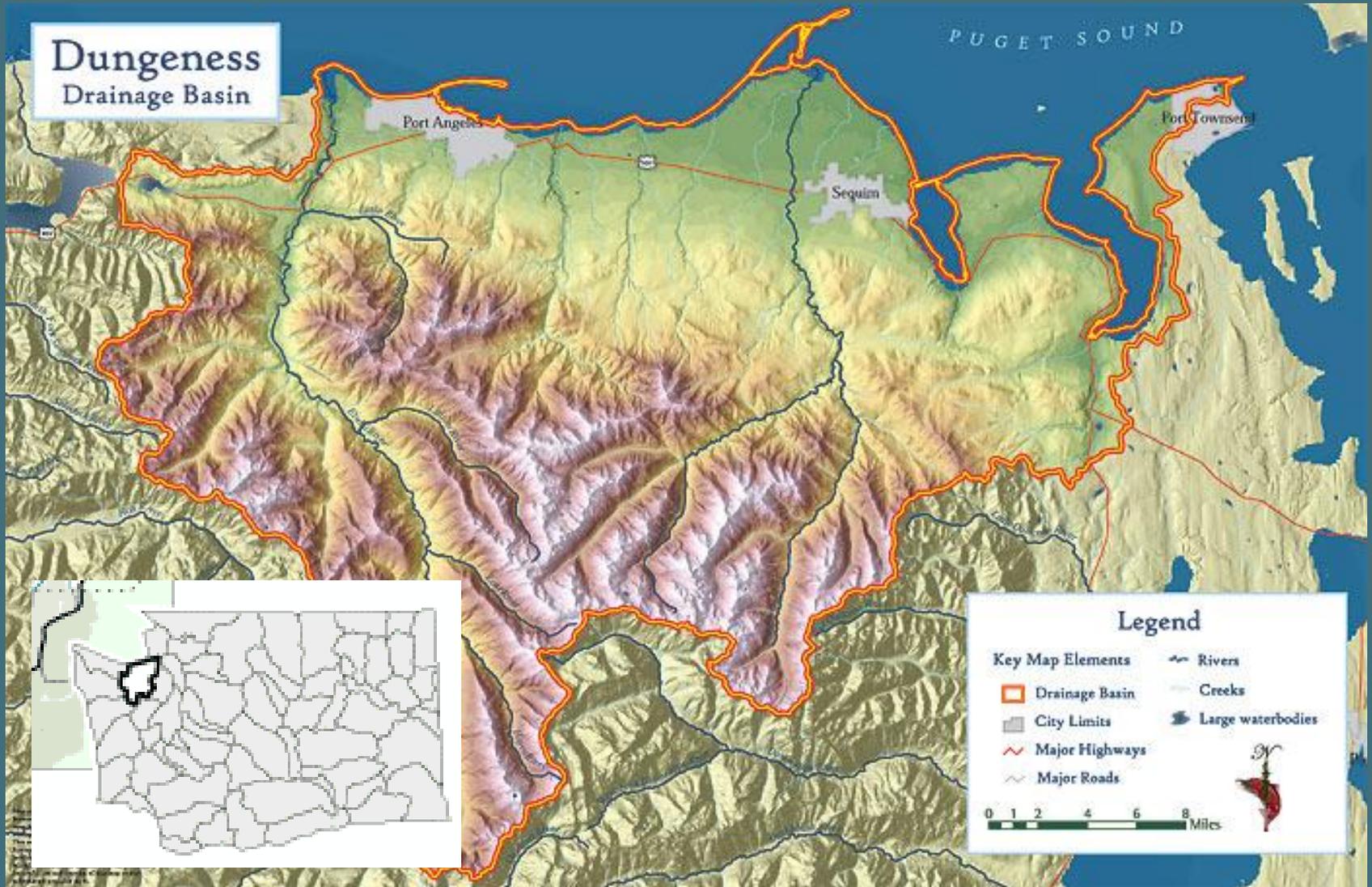


LESSONS LEARNED

- 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

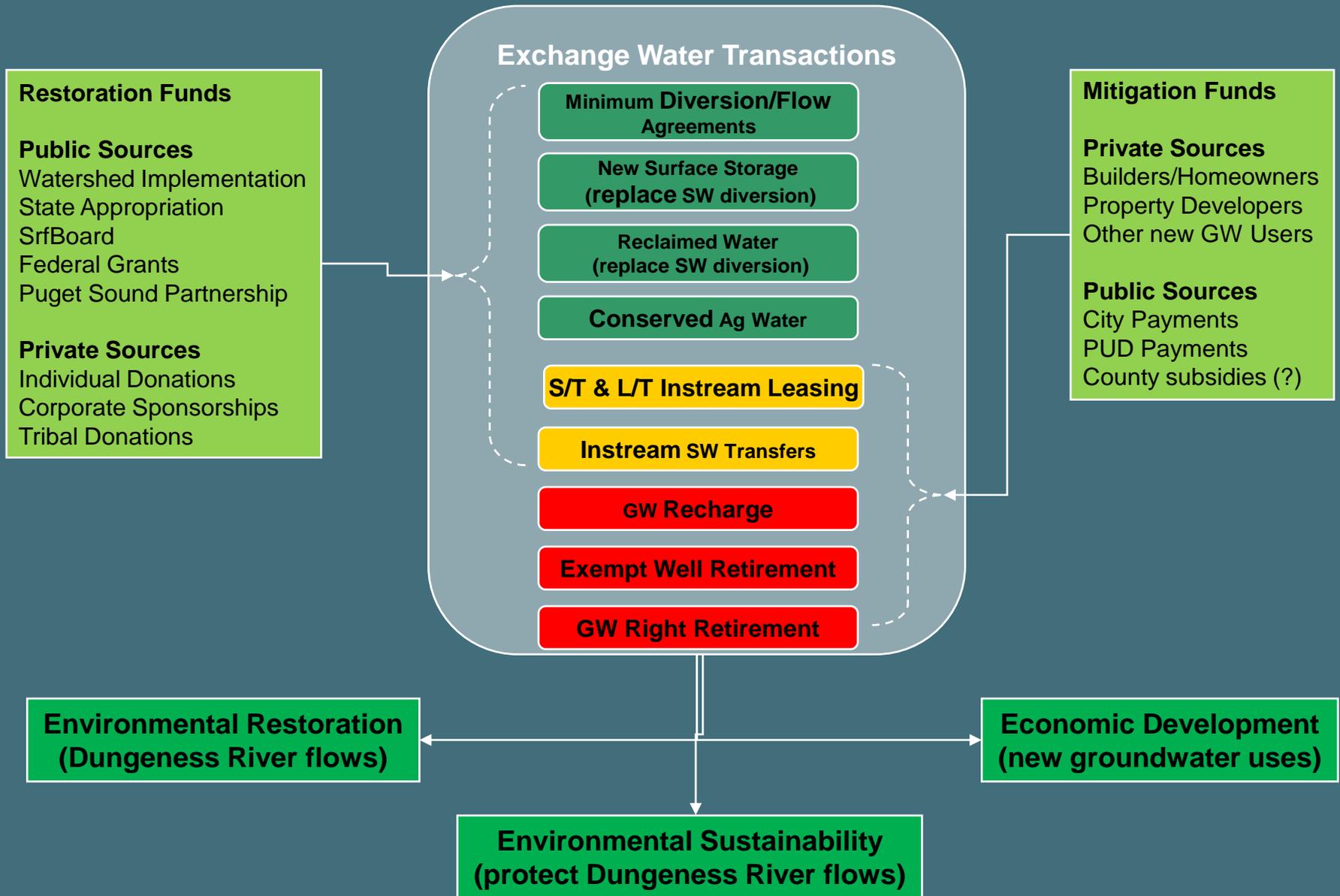
Potential Sellers

- Right holders
 - Irrigators
 - GW users
- Offsets
 - Reclaimed water
 - Recharge
 - Storage

DUNGENESS: KEY QUESTIONS FOR DESIGNING A WATER EXCHANGE

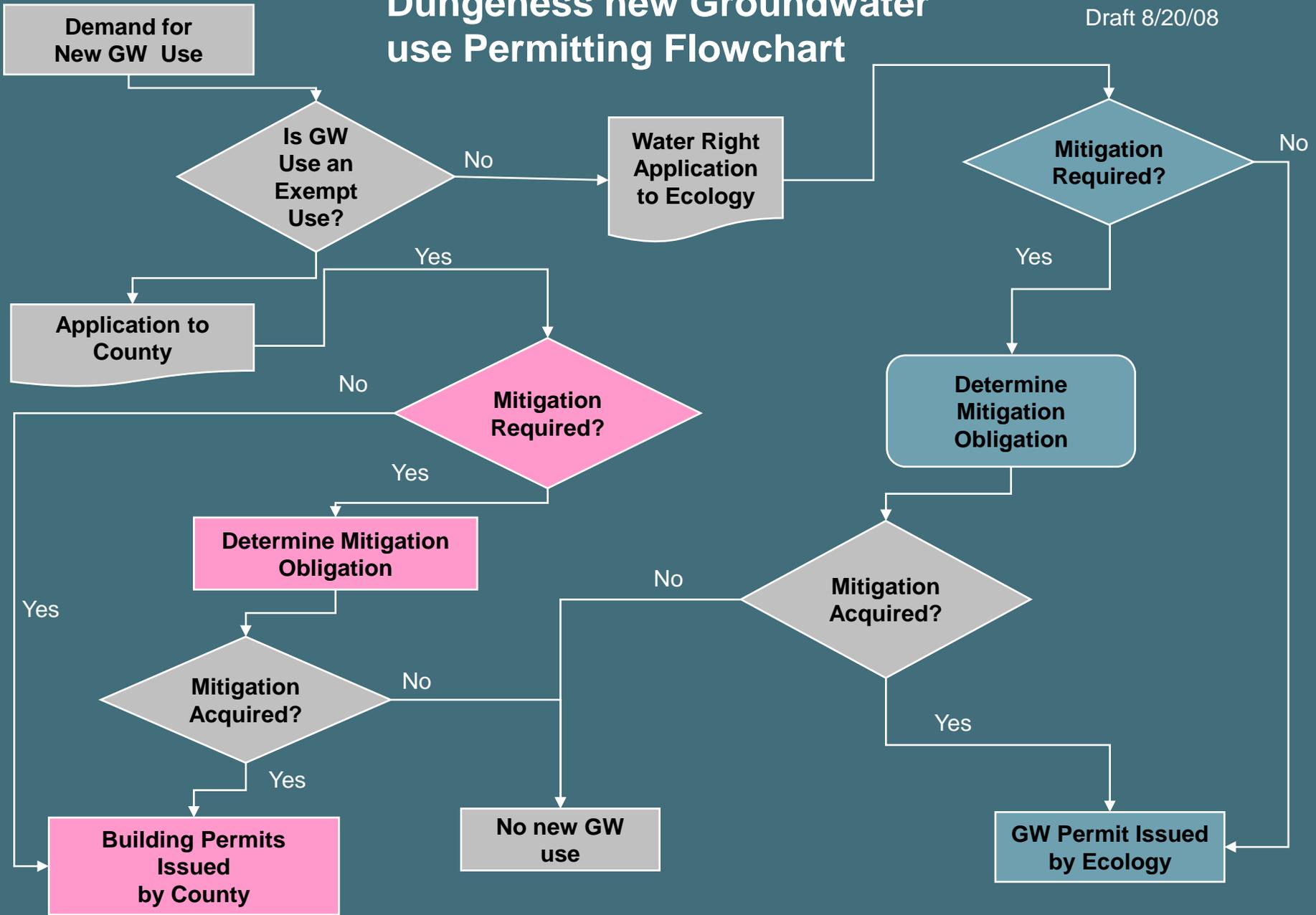
- How do we design a system that provides for some new uses and flow restoration?
- Who can participate?
- Who has the authority to create and accept mitigation credits?
- How are offsets considered? Credits vs. Payments?
 - Option A: Buy an existing right
 - Option B: Create a new right (but offset 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?

Contact information:

Amanda Cronin

amanda@thewatertrust.org

(206) 675-1585 x100

www.washingtonwatertrust.org



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