

# Mid-Coast Place-Based Integrated Water Resources Planning Study Letter of Interest

**Submitted by:**

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## A. Executive Summary

The City of Newport, Oregon, on behalf of the Mid-Coast Basin Planning Group, is submitting this Letter of Interest to conduct a place-based integrated water resources planning study in the Mid-Coast Basin. Initially this study will examine the water supply and demand needs within the Lower Siletz, Lower Yaquina, and Devils Lake-Moolack Frontal watersheds. A map identifying the study area has been included in Attachment 1. The primary goals of this planning study are to:

- 1) Engage a diverse set of stakeholders within the Mid-Coast Basin in an effort to better understand and characterize water resources within the study area
- 2) Collaboratively identify the current and future in-stream and out-of-stream water supply needs and demands
- 3) Collaboratively develop and prioritize options to respond to any identified imbalances, and
- 4) Develop an integrated water resources plan that will inform long-term planning and support regional strategies for addressing watershed challenges in the Mid-Coast Basin.

Key partners in this planning effort will include the City of Newport and the Oregon Water Resources Department as co-conveners, and a variety of stakeholders within the watersheds including local municipalities, water districts, tribes, state and federal agencies, non-profit and other environmental organizations, industrial water purveyors, and private interest groups. A list that identifies current study partners, as well as potential partners that the Mid-Coast Basin Planning Group (Planning Group) will engage through this planning effort, has been attached to this Letter of Interest in Attachment 2.

## B. Description of the Convener

### How the City has been involved in water planning efforts

In a timely manner, the City of Newport (City) will co-convene the Mid-Coast Place-Based Integrated Water Resources Planning Study (Study) with the Oregon Water Resources Department (OWRD). For the past three decades, the City has participated in a variety of water planning activities that support this planning effort. A timeline of these activities is summarized in Attachment 3.

### How the City intends to be involved in future water planning efforts

The City is strategically positioned to lead a regional water resource planning initiative with the ORWD, and was motivated to do so as a result of increasing requests for collaborative solutions to address water supply needs in the area. The City is currently engaged in a variety of water planning efforts and plans to submit a Letter of Interest (LOI) for a Basin Study with the U.S. Bureau of Reclamation in February 2016. Submitting a LOI for a Basin Study will allow for the geographical expansion of this Study, the initiation of which will make the Basin Study application more competitive. The City's inter-governmental approach to water resource planning will foster trust between federal and state agencies and water suppliers, elevating regional capacity to solve complex water resource scenarios.

### Targeted population and geographic area (specific basins or watersheds the City plans to address)

The proposed project will initially examine in- and out-of-stream water supply and demand needs in the Lower Siletz, Lower Yaquina, and Devils Lake-Moolack Frontal watersheds located in Lincoln County, Oregon within the Mid-Coast Basin (Basin). The County's population is ~46,000, with cities and unincorporated communities clustered along U.S. Highway 101 near the Pacific Ocean. The largest cities in the County are located in the study area, including the cities of Newport (10,116) and Lincoln City (8,036). Other communities to be included within the study area are Toledo (3,459), Depoe Bay (1,400), Seal Rock (1,600), other unincorporated communities, and the Confederated Tribe of the Siletz Indians.<sup>1</sup>



While the Study will initially focus on the coast south of Devils Lake and north of Alsea Bay, the study area will expand as additional key stakeholders and coastal communities located in the basin are added. The decision to start at the local watershed level (10 digit HUC) and expand the study area to include the full basin provides time to engage diverse stakeholders and better understand the water supply needs in areas of the basin that extend beyond the initial Study area. A map of the Study area is included in Attachment 1.

### Why the City is an appropriate convener of a place-based planning effort

Small coastal communities characterize the Mid-Coast region, requiring an entity with capacity to initiate an integrated water resources plan. The City is a regional leader proactively sought by nearby water suppliers for collaborative water solutions, and has a unique capacity to engage other local leadership for regional water resource planning. Key factors that make the City an appropriate co-convener for this planning process include its central location on the coast, capacity to manage funds for the network of partners, capacity to pursue state and federal sources to support water resource planning, and established relationships with basin stakeholders and investment to initiate change.

<sup>1</sup> Population numbers were obtained from [quickfacts.census.gov](http://quickfacts.census.gov).

### **What resources and skills the City will bring to the place-based planning effort**

The City and its current partners will contribute \$177,700 to this planning effort through in-kind staff support (salary & fringe), in-kind contributions for indirect expenses (estimated at 10% of project costs), and investments made to consultants for strategic planning and grant-seeking activities. In addition to committing staff time and support to advance this effort, the City has convened a team of technical advisors including GSI Water Solutions, Chase Park Grants, and Nyquist & Associates. Additional information about the expertise and skills of this team and various partner entities are outlined in Attachment 10.

## **C. Integration, Partnerships & Stakeholder Engagement**

### **The partners the City will work with and what resources/skills they will bring to the effort**

The City is currently engaging a diverse group of stakeholders in the study area to build support for integrated, place-based water planning. Partners and stakeholders the City will engage include local water providers (municipalities and water districts), a tribal government, county agencies, state and federal funding agencies, and local environmental organizations. Partners will contribute data, plans, reports, technical skills in water management, and other knowledge of water management in the Mid-Coast Basin, by contributing in-kind staff time, consultant investments and other assets as needed. A list of current and future partners the City plans to engage is included in Attachment 2. Letters of support / commitments secured to date are included in Attachment 11.

### **How this effort will integrate with and build on other plans, projects and processes**

This planning effort will build upon the expertise, projects, and plans that individual partners and stakeholders have already conducted. The Planning Group has identified a number of existing resources that address water challenges in the Mid-Coast Basin (Attachment 6), and will continue to compile and analyze existing information and partner plans (e.g., municipal water management plans, fish conservation and recovery plans, basin plans for water allocation, Total Maximum Daily Load plans for improving water quality, land use plans, etc.) through Step 2 of the planning process. Integration of local planning efforts will remove inconsistencies, result in better service to the public, promote cost efficiencies, and provide better baseline information to inform decision-making for water access in the Mid-Coast region.

### **How the City plans to meaningfully engage a balanced representation of water interests**

Stakeholder engagement is currently underway and the outreach process will continue through the first half of 2016 in preparation for the first step of the planning process. The City will also rely on several of its current partners to assist with engagement process to help ensure that a balanced set of water interests are included in the planning effort. For example, the City will request assistance from the OWRD, Oregon Cascades West Council of Governments, the Governor's Regional Solutions Team, the Midcoast Watershed Council (MCWC), and the Newport Chapter of the Surfrider Foundation to engage local water suppliers and stakeholders through their respective networks. An inclusive and transparent process will be delivered with the help of a third-party consultant to engage water stakeholders in a balanced planning process that delivers a comprehensive and integrated water resources plan.

The Mid-Coast Basin Planning Group will conduct partner meetings every other month beginning in July 2016, rotating locations within the Mid-Coast Basin. During the first step of the planning effort, the Planning Group will develop and implement a communication and outreach plan to effectively maintain communication with interested stakeholders and the public throughout the planning process. In addition to the partner meetings, the City and its team of consultants will meet monthly to discuss agenda items for the upcoming partner meetings, provide updates about specific activities, and evaluate stakeholder participation, meeting management, and progress towards key milestones to ensure the project stays on schedule.

**How the City will ensure a transparent and open process**

The City plans to create a project-specific website to help communicate with partners and to efficiently distribute project materials (i.e., agendas, meeting minutes, key reports, data, and press releases) relevant to the integrated water resources plan and process. Agendas will be shared with partners prior to each meeting, outlining discussion topics and tasks. Partners will also be able to share working materials, drafts, comments, and questions through the website to help streamline the information-sharing process.

**An example of how the City has worked with varied partners and conducted public outreach successfully in the past**

Most recently, the City assembled a local stakeholder group (Sam Moore Creek Water Quality Planning Group) to help identify and address water quality issues at Sam Moore Creek and Nye Creek. The group meets several times per year to discuss localized issues, share local resources and data sources, and explore and build local strategies to address nonpoint source and point source contaminants at Nye Beach. The Water Quality Planning Group originally convened in 2013, with partners including: Surfrider Foundation, Lincoln Water & Soil Conservation District, MCWC, and the Oregon Department of Environmental Quality (ODEQ). Several outcomes have evolved as a result of the Sam Creek Water Quality Planning Group's work, including the expansion of water monitoring at specific locations (Sam Moore and Nye Creek) through the Blue Water Task Force at the Surfrider Foundation. The site-specific data collected has helped identify and correct cross-connection deficiencies at 12 different locations in the Nye Beach District, which helped decrease contamination from 17 incidents in 2013 to two incidents in 2014.

Other collaborative projects the City has led include: conducting a local feasibility study specific to remediation of the Big Creek Dam and advancing a permit to store water at Rocky Creek Reservoir as a redundant water supply. In addition, the City regularly conducts outreach and engagement through public meetings and public notices to citizens, businesses and stakeholders.

**D. Statement of Need****The current and anticipated water issues or challenges in the basin, touching specifically on water quantity, water quality and ecological health**

There are a number of competing interests for water supplies in the Mid-Coast Basin including:

- out-of-stream needs for municipal drinking water, agriculture, and industrial use
- in-stream needs to sustain the Basin's diverse aquatic species, water related tourism, and commercial, recreational, and tribal fisheries

A few specific water needs within the Basin are listed below, although this is not an exhaustive list of all of the water needs in the Study area. Current and future water supply needs will continue to be assessed through Steps 1 and 2 of the planning effort:

**Need for Regional Water Planning:** Until recently, there has not been a comprehensive and coordinated effort to understand water supply issues at the basin level, nor is there a coordinating body to lead regional planning efforts. This Study will bring together regional stakeholders from various water sectors (e.g., municipal, agricultural, environmental, etc.) to develop an integrated water resources strategy that can be used to proactively address water challenges in the Mid-Coast Basin.

**Supply Reliability/Quantity:** The need for additional water supplies in the Basin is a very real and urgent matter. A 2008 study titled, *Lincoln County Water Needs Analysis* completed by WHPacific and GSI projected that Lincoln County, as a whole, could experience a water deficit of 10.04 MGD by 2020 if additional water supplies are not secured. Some districts in the Basin are already unable to meet current demands, let alone future demands. In fact, Otter Rock Water District recently approached the City in an attempt to purchase raw water to transport by truck back to their district to meet their current needs, the City of Yachats had severe water restrictions in 2015 due to water shortages, and Georgia-Pacific was recently in danger of shutting down operations at its Toledo plant (which employs nearly 400 workers) because it could not draw down enough water from the Siletz River to meet current demand. Note that all three of these entities will be engaged as partners in this planning effort.

**Timing and Storage:** Another challenge to meeting water supply needs within the Basin is a mismatch in timing between water supply and demand. In general, low stream flow during the summer presents a challenge when it comes to meeting the water supply needs of communities for drinking water, while maintaining instream flow for fish and recreation. This challenge is exacerbated by the fact that there are not enough places to store water during the high season to support regional demand through the summer months. This Study will evaluate development of regional storage facilities, as described in Section E.

**Water Quality:** There is a need in the Study area to expand systematic water quality monitoring that is designed to answer specific questions and develop baseline information. Expanded water quality monitoring and testing could help develop targeted water quality improvement projects.

**Ecological:** Increased monitoring of salmonid populations, with a focus on water quantity and water quality issues (particularly regarding streamflow, turbidity, and temperature) is needed to identify and complete restoration projects that are developed at the watershed level (*See* Attachment 7).

**Climate Change:** There is a need to assess vulnerabilities to climate change, including drought, flooding, increased water quality and quantity concerns, impacts to wetland ecosystems/estuaries, and examining how existing infrastructure will perform in the face of changing water realities. Note that in 2015, the State of Oregon, including the Mid-Coast Basin, experienced unprecedented drought. By the October 2015, 25 of Oregon's 36 counties had a Governor-declared drought, while even more had a federally declared drought (including Lincoln County, *See* Attachment 8). It is important to note that Lincoln County and the other 10 Counties without a drought declaration did not *request* a declaration from the Governor, which is a requirement before a declaration can be made. There is a need to educate local public officials on the extent of water supply shortages in the area during periods of drought and the value of a Governor drought declaration so the County can get the resources and assistance needed to address current drought and to build resilience to future drought.

**Building Earthquake and Tsunami Resilience:** The coastal communities in Lincoln County are extremely vulnerable to natural disasters – especially earthquakes and tsunamis, which could result in interruption in water delivery to local customers. Especially for coastal communities such as Waldport, Yachats and Newport (*See* Attachment 9), there is a need for redundant systems to address this vulnerability.

**How these challenges are currently being addressed**

Currently, the majority of these challenges are left to be addressed at the local level and remain the responsibility of individual water suppliers. This planning process and development of an integrated watershed management plan is a historic opportunity to build collaboration and innovation for a more resilient Mid-Coast region.

**E. Proposed Approach**

The City plans to co-convene the study in partnership with the OWRD. To help ensure this planning effort is implemented in a thorough, inclusive and participatory manner, the City has built a technical consulting team that includes GSI Water Solutions, Inc. (GSI), Chase Park Grants, LLC (Chase Park), and Nyquist & Associates. Additionally, the City will undertake the responsibilities defined for the convener, including managing the logistics of the planning process, generating support for the planning effort, engaging additional stakeholders to ensure broad representation across various water sectors, facilitating bi-monthly stakeholder meetings, participating in the development of the integrated water resources plan, evaluating the planning process for feedback and continued improvement, and ensuring a sustainability plan for regional implementation of the integrated watershed management plan. Additional information about the responsibilities of GSI, Chase Park, and Nyquist & Associates are included in Attachment 10.

In the first step of this planning effort we will develop a detailed work plan that builds upon information included in this Letter of Interest. The work plan will describe the specific planning tasks required to implement the integrated water resources plan and how each task will be completed, including the responsible party and the methodology. The work plan will define individual partner roles in the planning effort as determined by expertise and capacity. Task groups (e.g., water supply, quality and environmental task forces) may be created to examine specific water related issues in depth. A task to evaluate the roles and responsibilities of the co-conveners has been built into Step 1 of the planning effort to ensure stakeholders have input throughout the planning process in a culture of continuous improvement.

**How the City's planned approach will be consistent with the principles described in the Integrated Water Resources Strategy and the Place-Based Planning Guidelines**

The primary goal of this planning effort is to develop a comprehensive, voluntary planning document (integrated water resources plan) that identifies broadly supported strategies to address priority water supply and demand needs throughout the Mid-Coast Basin. In order to develop an integrated water resources plan that informs the region-wide strategy, planning steps were developed to align with the State's Integrated Water Resources Strategy and the Department's Place-Based Planning Guidelines. This includes steps to:

- 1) Engage stakeholders
- 2) Build and formalize a collaborative planning process
- 3) Compile existing partner data to characterize current water resources
- 4) Quantify current and projected demands for instream & out-of-stream needs
- 5) Identify information gaps
- 6) Identify and prioritize collaborative solutions to address a broad spectrum of water resources issues and needs that cross jurisdictional boundaries
- 7) Develop an integrated water resources strategy that will inform long term planning and sustain collaboration in the Mid-Coast Basin.

During the first step of the planning process, the Planning Group will establish short- and long-term goals and metrics to guide achievement and evaluation of the planning process and implementation of the integrated water resources plan. At each of the major milestones the City will evaluate where the group is at in the planning process in order to ensure these goals are effectively being achieved and that a balanced

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representation of stakeholders are at the planning table. In addition, the City will share feedback with the OWRD about the strengths, weaknesses, and opportunities that are identified throughout this pilot effort.

**The major activities the City plans to undertake to meet the goals in the Guidelines**

A summary of the planning steps and corresponding tasks is listed in Table 1. A detailed listing of tasks, deliverables, and milestones to be accomplished during each step of the planning effort for developing the integrated water resources plan is included in Attachment 4.

**F. Anticipated Results**

**How place-based planning will help address water challenges in the area**

Conducting a place-based planning project will help start the dialogue with local stakeholders to address common watershed supply and demand needs, generate buy-in and consensus to identify and prioritize strategies to address water supply needs in the basin, prepare a region-wide planning document that will help individual basin stakeholders to plan and proactively budget for future water management projects and programs to address their water supply needs, demonstrate political will and the critical solutions that can be developed through integrated water resource planning to state legislators, educate local elected officials in Lincoln County about the importance of proactively addressing future water needs, rather than waiting until there is a water supply emergency (e.g., need for a drought declaration).

**The anticipated short-term and long-term outcomes or benefits expected to result from the proposed process**

As a result of this planning effort the Planning Group will characterize the water resources within the basin, quantify the existing and future needs/water demands (including an examination of supply availability during low flow periods), evaluate and consider strategies to address water quality concerns and ecological health in the study area, and assess the vulnerability of current water supplies in the face of climate change and natural disasters (e.g., earthquakes). The final product of this planning effort, data collection and analysis, and collaboration with Basin stakeholders will be to implement an integrated water management plan that identifies a suite of collaboratively developed strategies that can be used to address in-stream and out-of-stream water supply and demand needs throughout the basin. Better coordination between water users and development of the plan will also strengthen the partners’ positions when they seek financial and technical assistance for priority projects to address water challenges throughout the Basin.

Planning Step	Table 1. Planning Tasks (Adapted from OWRD Place-based Planning Guidelines)
Pre-Award	PA 1. Conduct initial stakeholder outreach to develop planning concept and identify potential partners
	PA 2. Prepare the Place-Based Integrated Water Resources Planning Grant LOI
	PA 3. Secure Matching Funds
	PA 4. Pursue funding for Basin Study
Planning Step 1	1A. Convene partners & initiate the planning process
	1B. Engage stakeholders & define roles and responsibilities
	1C. Create work plan & schedule
	1D. Create protocol for the public engagement process
	1E. Evaluate the roles of partners, conveners, and stakeholders
Planning Step 2	2A. Characterize water resources, ecological & water quality issues and future water supply needs
	2B. Inventory existing data and identify data gaps
	2C. Devise plan to address data gaps
Planning Step 3	3A. Quantify existing needs & future demands
	3B. Assess vulnerabilities
	3C. Identify modeling variables for Basin Study
Planning Step 4	4A. Identify options and strategies to resolve supply and demand imbalances
	4B. Prioritize and select appropriate adaptation and mitigation strategies to meet current and future water demands.
	4C. Develop a strategy for implementing strategies to address water issues and needs
Planning Step 5	5A. Develop Integrated Water Resources Plan (IWRP)
	5B. Submit the Integrated Water Resources Plan to OWRD
	5C. Pursue funding to implement activities defined in the IWRP

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The Study will collaboratively identify the specific strategies to be included in the plan during the course of this planning effort, however based on a preliminary assessment of water supply needs we anticipate exploring strategies that will:

- **Increase water supply reliability.** Strategies to develop new water storage projects will be explored through this study, specifically, exploring options to develop the Rocky Creek Reservoir as a new regional water supply. Planning efforts to develop the Rocky Creek Reservoir began in 1999 and have not been realized to date. The City recently renewed interest in this project by submitting an application to OWRD for a permit to store water in the Rocky Creek Reservoir with the goal of expanding water storage capacity at Rocky Creek by the year 2026. Developing a new water storage project at Rocky Creek would positively impact water availability for communities that are currently experiencing water shortages in the area and it will make additional water supply available to meet projected growth in the long-term. It would also provide system redundancy in the case of a natural disaster or system failure. Furthermore, the study will examine other potential sources throughout the basin including the potential for water reuse.
- **Conserve and better manage existing water resources.** Strategies may include installing water measurement equipment and monitoring devices (e.g., water meters and SCADA), constructing conveyance improvements, water recycling and reuse, landscape irrigation measures, regional community education and behavior change, etc.
- **Improve water quality.** The Planning Group will examine strategies to reduce non-point source pollution and to continue a regional planning effort led by ODEQ to develop and implement actionable strategies to improve and protect water quality in the Basin's rivers, tributaries, and lakes.
- **Provide benefits for fish and wildlife and the environment.** The integrated plan will include strategies that strive to maintain biologically compatible parameters through the control of temperature and instream flow, restore stream banks, and manage and enhance native vegetation. The Planning Group will also examine opportunities to integrate new technologies in reconnecting habitat that was previously isolated due to man-made structures (e.g., fish passage, WHOOSH technology).
- **Build resilience to drought, climate change, and natural hazards.** The Planning Group will examine strategies that will mitigate the impacts of climate change in Oregon's coastal communities, and help ensure sustainable water supplies in the face of drought or natural hazards.



*Rocky Creek Outfall Area*

## G. Request for Department Resources

The City of Newport is requesting \$330,300 on behalf of the Planning Group to conduct the Mid-Coast Place-Based Integrated Water Resources Planning Study. The Planning Group will provide a 35% cost-shared match (\$177,700) towards this project, bringing the total cost of this planning effort to \$508,000.

A detailed budget estimate is included in Attachment 5. Cost estimates summarized by each step of the planning process is as follows: Pre-award: \$49,000; Step 1: \$70,000; Step 2: \$92,000; Step 3: \$112,000; Step 4: \$100,000; Step 5: \$85,000.



In addition to the funding requested above, the Planning Group would like to invite OWRD to serve as a co-convenor in this planning effort. As the co-convenor, the Planning Group will look to the OWRD to be involved throughout the planning effort but some specific areas where assistance from OWRD is anticipated include:

- **Planning assistance to engage stakeholders** that may be affected by or interested in participating in this planning effort that have not been identified during the Pre-Award process. We would also like to request OWRD's assistance during Step 2 of the planning effort with identifying and collecting

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federal, state, and local monitoring and data efforts that support the Mid-Coast Basin Place-Based Planning Study. Assistance from OWRD to collect this information will help the Planning Group better characterize the water supplies and understand the in-stream and out-of-stream water supply needs and demands in the study area. It will also help inform development of regional strategies to address those needs and it will help the State achieve its goals under Objective 1.B. *to improve water resource data collection and monitoring* and Objective 1.C. *to coordinate inter-agency data collection, processing, and use in decision making* of the 2012 Integrated Water Resources Strategy.

- **Technical assistance**, especially during Step 3 of the planning effort to analyze current and projected demands in the Basin, specifically seeking assistance with coordinating the effort to examine water quality and ecological needs. OWRD's assistance and expertise would also be helpful when it comes to analyzing how water infrastructure will perform in the face of changing water realities (if action is not taken), identifying models and data that are currently available that could be used to inform the study, and potentially conducting surface and groundwater investigations. Little is known about the relationship between surface water and groundwater in the Mid-Coast Basin and this effort will help fill in knowledge gaps on in-stream and out-of-stream needs. This effort would also help the State in achieving its goals under Objective 3.A. *Determine Flows Needed (Quality and Quantity) to Support Instream Needs* and Objective 3.B. *Determine Needs of Groundwater-Dependent Ecosystems*, of the 2012 Integrated Water Resources Strategy.

### **List of Attachments**

- Attachment 1: Map of Study Area
- Attachment 2: Study Partners – Committed & Potential
- Attachment 3: Timeline of Newport Water Planning Activities
- Attachment 4: Study Tasks and Timeline
- Attachment 5: Planning Budget
- Attachment 6: Plans, Projects and Resources in Study Area
- Attachment 7: Map of Coastal Watersheds Managed for Wild Salmon and Steelhead
- Attachment 8: Drought Monitor - State of Oregon
- Attachment 9: Tsunami Inundation Map
- Attachment 10: Consultant Team
- Attachment 11: Letters of Support