

ACHIEVING MORE BENEFIT FROM OREGON'S WATER RESOURCES

The Objective

Achieve the full environmental and economic potential of Oregon's water resources in order to enhance prosperity and quality of life for Oregonians.

What We Are Trying to Accomplish

Develop strategies that promote wise long-term water management, provide for streamflow restoration, and address Oregon's water supply needs.

Specifically, we need strategies to assure sufficient and sustainable water supplies are available to meet current and future beneficial uses of water.

Oregon Water Resources Department (OWRD) Strategic Outlook – Key Objectives

- 1) *Protect existing water rights;*
- 2) *Increase our understanding of the resource and the demands on it;*
- 3) *Facilitate voluntary streamflow restoration;*
- 4) *Provide timely and readily accessible water resource data;*
- 5) *Facilitate water supply solutions.*

These strategies include:

- Streamline processes, strengthen partnerships, and secure new funding sources to assist water supply planning and conservation efforts.
- Replace disincentives to environmentally desirable actions on the part of water right holders with positive incentives through public-private partnerships such as the Oregon Plan for Salmon and Watersheds (Oregon Plan).
- Provide voluntary incentive-based tools for moving and distributing water among competing demands, particularly in times of shortage.
- Build solutions through public-private collaboration that resolves conflicts between out-of-stream and instream needs in order to support economic growth and environmental sustainability.
- Increase our understanding of surface and ground water resources so that we have adequate information to manage the state's water resources.
- Identify surface water and ground water storage potential, inventory surface water storage sites, and encourage ground water aquifer recharge and aquifer storage and recovery.
- Develop better communication and coordination between state and federal agencies to help meet water supply and conservation needs.
- Use technology to streamline processes, improve staff efficiency, reduce application processing time, aid in water supply planning, and benefit customers.
- Develop either a coordinated, statewide long-term water supply management plan, or a statewide framework strategy to ensure coordination and consistency between local and regional water supply planning efforts.

Why It's Important

Of all the earth's natural resources, few people would disagree that water is of critical importance. Water is essential to life. The use of water is key to many economic development and environmental quality activities in Oregon. The use of water allows for irrigated agriculture. Growing communities depend on reliable water supplies to meet their future needs. Water contributes to economic growth when used for hydroelectric power generation and industrial and commercial purposes. Water also provides the streamflows necessary to support fish and wildlife and related recreation and tourism industries.

Our challenge is to ensure sufficient water supplies to meet existing and future beneficial uses of water, recognizing that water supply in Oregon is limited naturally by the climate. Although Oregon has a reputation as a rainy state, precipitation occurs primarily in the winter and spring months with most of it falling in the northwest corner of the state. Most of the state, especially in the eastern and southern regions, receives less than 20 inches of precipitation annually. Across the state, Oregon's summer and fall months are relatively dry. These are the periods when water is typically most needed to support economic and environmental needs.

Water supply for new demands is also limited by existing uses and allocations occurring through development of the resource beginning as early as the mid 1800's and continuing today. The management and use of Oregon's water resources is governed by the doctrine of prior appropriation – the water law used in most western states that establishes the system of allocation of water among many demands. Under the “first in time – first in right” doctrine, the first person to obtain a water right on a stream is the last person to be denied water in times of low streamflows. During the early settlement of the west and still today, this system emphasizes the protection of senior water rights with junior rights being “regulated off” during times of shortage.

Development of Oregon's water resources has helped achieve flood control, irrigation, navigation, hydropower, recreation, fish and wildlife, and water supply benefits. These actions have allowed for increases in population and economic development. Since 1990, Oregon has averaged more than 50,000 new residents per year, and a 34% increase in population is projected over the next 25 years. Today, there are 84,000 water rights involving some 120,000 points of diversion; 14,000 reservoirs; and 1,500 instream water rights. In addition, there are approximately 200,000 wells serving a broad range of beneficial uses throughout the state.

Initiatives to address our limited water supplies are important for environmental as well as economic reasons:

- The Oregon Progress Board's State of the Environment Report (2000) noted that one of the state's major environmental challenges was inadequate water supply.
- Surface waters in most of Oregon during non-winter months are fully appropriated or otherwise limited to existing out-of-stream and instream uses.
- Ground water resources are becoming fully tapped in many areas, and there is an increasing awareness and understanding of the hydraulic connection between ground water and surface water in many locations.

- Conflicts between instream and out-of-stream needs, exacerbated by listings of aquatic species under the Endangered Species Act, have become increasingly divisive and expensive to resolve.
- Trends in temperature and snow pack data indicate regional warming. These trends have significant implications for water supply and use in the Northwest, where snowmelt provides much of the water used during summer months.

Why It Matters in Meeting Oregon's Economic Goals

As we seek lasting solutions to the growing and competing demands for water, our overarching goal must be to create balance and sustainability. Our natural resource related industries, communities, and cultures must be sustainable and profitable in both the short and long run. Likewise, our resource management programs must contribute positively to watershed health, species recovery, and tribal trust obligations. Key to achieving these outcomes is finding practical, common sense ways to balance the economic and cultural needs of our communities with the biological needs of our natural resource endowment.

What We've Done So Far

Oregon has been a leader among western states in providing greater flexibility for water right holders and developing new tools to address environmental concerns. Limitations on new appropriations of water have fostered innovative approaches to balancing the demands for water supplies and the needs of endangered and threatened species. These approaches have relied on numerous legislative initiatives as well as existing state authorities including:

- The Instream Water Rights Act of 1987 made it possible for water right holders to voluntarily reallocate some water resources to instream uses to meet environmental needs through instream leases and transfers.
- The Oregon Plan for Salmon and Watersheds was created as a state-led strategy for addressing environmental needs through voluntary actions and incentives.
- Legislative initiatives have provided water users with a greater range of water management options such as water right substitutions, exchanges, and conserved water allocations.
- The Joint Task Force on Water Supply and Conservation, created by Senate Bill 93 during the 1999 legislative session, has acted as a vehicle of change to improve Oregon's water management programs including recommendations to create split season use instream leasing, a revolving fund for water measurement devices, a surface water storage site inventory as a first step in a more comprehensive statewide inventory of storage potential, and improvements to the allocations of conserved water statutes.
- The Deschutes Basin Ground Water Mitigation Program made it possible to accommodate the ground water demand associated with growth in the Deschutes Basin through water banking and mitigation credits while restoring streamflows in the Middle Deschutes and protecting scenic waterway flows and senior water rights, including instream water rights.

Some results of these efforts include:

- A 250% increase in streamflow restoration actions since the Oregon Plan was adopted in 1997 with 390 cfs of water protected instream in 2002.
- Completion of major regional ground water study in Deschutes Basin, with similar studies underway in Klamath and Willamette Basins.
- Technology to better manage water rights information and make it accessible over the Department's website.
- Successful resolution of some 75% of the contests to water use claims in the Klamath Basin adjudication, and over 95% of protests on water right applications.
- Approval and management of 19,000 new water rights (30% increase statewide) in the last decade with a 10% decrease in staffing.
- Resolution of hydroelectric project relicensing issues for North Umpqua and Pelton/Round Butte projects; coordinated settlement of Marmot Dam decommissioning; and reauthorization of 20 state licensed hydroelectric projects.
- Completion of two major multi-year rulemaking efforts to (1) guide the Deschutes Basin ground water mitigation program; and (2) process extensions of municipal water use permits.
- Promotion of artificial recharge and aquifer storage and recovery opportunities.

Breakthrough Opportunities

There are several opportunities to create momentum for positive change in Oregon's water-related natural resource economy. Ongoing OWRD efforts to advance these opportunities include:

1. Promote comprehensive, multi-source water supply strategies combining surface storage, ground water storage, water conservation and efficiency, and water transfers – a diversified package of tools to meet the diversified challenges we face.
2. Continue working with stakeholder groups to identify changes in the Department's organizational structure, processes, and review standards that will result in regulatory streamlining opportunities.
3. Streamline processes through rulemaking, increase technology utilization, and strengthen partnerships with water uses/providers.
4. Continue efforts to work with community water suppliers to develop long-term water management and conservation plans and pursue regional water supply solutions.
5. Encourage solution-oriented parties, both private and public, to work in collaborative partnerships to achieve the full environmental and economic potential of Oregon's water resources.
6. Continue to support the state's unified approach to hydroelectric project reauthorization to balance the region's power generation needs and resource stewardship goals (e.g., Pelton-Round Butte, Klamath, Hells Canyon, and Willamette Falls Projects).

Key Projects

OWRD has identified the following six key projects over the next two years for achieving more benefit from Oregon's water resources. These projects are of statewide or regional importance, involve multiple state agencies, and will likely be of interest to the Governor's Office.

1. Phase III of the Umatilla Basin Project

The 1988 Umatilla Basin Act authorized a "bucket for bucket" exchange of Columbia River water for Umatilla River water for three Umatilla Project irrigation districts. This locally brokered initiative is recognized as a shining example of salmon restoration in the Columbia Basin and demonstrates the ability of local stakeholders to cooperatively resolve differences related to water use and management.

The third and final phase of the Umatilla Basin Project, known as "Phase III," would complete the bucket for bucket exchange for the last and largest irrigation district, Westland Irrigation District. Phase III also has the potential to address tribal treaty-reserved water right claims and various municipal and other regional long-term water needs.

Outcomes and Key Activities

- Continue to support federal funding of Phase III of the Umatilla Basin Project and assist the Phase III Steering Committee in developing Phase III legislation.
- Support appointment of a Federal Indian Water Right Negotiating Team to resolve Confederated Tribes of the Umatilla Indian Reservation tribal-treaty reserved water right claims in conjunction with Phase III legislation introduction and enactment, and consistent with the terms and conditions of the Phase III legislation.

2. Klamath Adjudication

As farmers, fishermen, tribes, and others seek lasting solutions to the growing and competing demands for water in the Klamath Basin, the overarching goal must be to create balance and sustainability. Natural resource-related industries, communities, and cultures must be sustainable and profitable. Likewise, natural resource management programs must contribute positively to watershed health, species recovery, and tribal trust obligations.

To help achieve that balance, the Department is devoting substantial financial and staff resources to completing the Klamath Basin Adjudication. Completing the adjudication is key to unleashing a full cadre of voluntary, incentive-based tools for moving and distributing water among competing demands. In the meantime, the Department continues to use every tool at its disposal to help meet the water needs of the Basin's farmers, fish and wildlife, tribes and refuges.

Outcomes and Key Activities

- Maintain current state investment and seek federal funding to complete the Klamath Basin adjudication and facilitate related negotiated settlements.
- Participate in local, interstate, and state-federal cooperative efforts to enhance water supply, restore habitat, and address fish passage and screening concerns.
- Continue to work on PacifiCorp's hydroelectric project relicensing and encourage mitigation that supports overall Basin restoration objectives.

3. Deschutes Ground Water Mitigation Program

In September 2002, the Water Resources Commission established by rule the Deschutes Ground Water Mitigation Program, a mitigation credit and banking system that can be used to offset impacts from pumping ground water that is hydraulically connected to surface water. The Mitigation Program is making it possible to accommodate new ground water demand associated with growth in the Deschutes Basin through water banking and mitigation credits while restoring streamflows in the Middle Deschutes and protecting scenic waterway flows and senior water rights. Successful implementation of the program involves Oregon Parks and Recreation Department, as the agency that manages scenic waterways for the state, and Oregon Department of Fish and Wildlife, as the agency responsible for fish management.

Outcomes and Key Activities

- Support interagency coordination of the Deschutes Mitigation Program implementation and monitoring program.
- Enhance communication and coordination with the Basin's local governments, irrigation districts, and conservation interests to advance the Mitigation Program.
- Complete the Pelton-Round Butte hydroelectric project reauthorization and encourage mitigation consistent with the overall Basin restoration objectives.

4. Columbia River Mainstem Withdrawals

There is substantial interest in northeast Oregon in increased withdrawals from the Columbia River mainstem to support economic development objectives, to replace declining ground water supplies, and to keep up with real and perceived development trends in southeast Washington. The state's current process for evaluating Columbia mainstem water right applications is viewed as overly complex and onerous, with uncertain time frames and overlapping state-federal consultation requirements.

Outcomes and Key Activities

- Initiate and lead a dialog with local water users and other stakeholders about current and future water needs in Eastern Oregon and the best opportunities to address those needs.
- Work with other state agencies to develop guidance and more flexibility for mitigation of impacts associated with new water withdrawals and improve coordination with federal agencies.

- Track other regional efforts (e.g. Northwest Power and Conservation Council, Washington Columbia River Initiative) and ensure that Oregon’s water needs and interests are recognized and reflected in those efforts.

5. Willamette Reservoir Operations

The U.S. Army Corps of Engineers (Corps) operates 13 dams and stores 2.3 million acre-feet of water in the reservoirs on the Willamette River and its tributaries (known as the Willamette Basin Project). The Bureau of Reclamation (BOR) contracts for deliveries and uses of stored water from these reservoirs. Following the listing of Upper Willamette salmon and steelhead in 1999, the Corps and BOR placed a moratorium on new irrigation contracts for water from the Willamette Basin Project. This moratorium has remained in place as the Corps’ completes an Endangered Species Act (ESA) Section 7 consultation on the operation of the Project. Completion of the Section 7 consultation is of vital importance to the Basin’s agricultural community since water for new irrigation is only available through new storage contracts from the BOR.

Outcomes and Key Activities

- Support completion of ESA consultations for Willamette Basin Project reauthorization to allow new water supply contracts to be issued.
- Work with the Corps to update water right information for the Willamette Basin to aid water distribution and supply planning efforts.

6. Oregon Plan Assessment

The Water Resources Department is committed to continuing to improve streamflow and fish passage through its Oregon Plan measures. The Department is also eager to participate in the assessment of the effectiveness of the Oregon Plan lead by the Governor’s Office. The Oregon Plan represents the best opportunity for achieving outcomes that meet and surpass the requirements of federal law (e.g., Endangered Species Act, Clean Water Act) while providing certainty to Oregon’s natural resource industries, private landowners, and local economies. Being able to identify Oregon Plan successes and areas for improvement will help the State work toward federal recognition of these efforts.

Outcomes and Key Activities

- Support and improve the Oregon Plan at the state and local level and work toward federal recognition of and reliance on the Oregon Plan.
- Continue to secure federal and state agency coordination on Oregon Plan implementation.
- Continue to assist local watershed council efforts to improve fish passage, enhance streamflows, and restore riparian habitats.