WATER TRANSACTIONS IN A BROADER CONTEXT

Tod Heisler, Executive Director
Deschutes River Conservancy
Passage barriers
Unmet water needs
Disconnected floodplain
Poor channel structure
Disengaged neighbor
Transaction
Transactions: Drawbacks

- Small in scale
- Isolated transactions ineffective
Be Relevant

- Biological context
- Social/Political context
Be Relevant: Biological Context

Fish
Water
Floodplain
Channel morphology
Vegetation
Passage
Entrainment

Water transactions
Riparian revegetation
Channel reconstruction
Berm removal
Screened diversions
Focus on Outcomes First

- How important is water compared to other limiting factors?
- How would the needs for instream flow be affected by addressing other limiting factors?
- How important is an integrated approach?
Be Relevant: Social/Political Context

- Instream
- Meeting competing demands
- Agriculture
- Municipal & Industrial
“Think Globally; Act Locally”

- **Basin-Scale Planning Processes**
  - Current and future demand – in stream and out
    - Economic drivers
    - Climate change
  - Innovate new water supply options
    - Address all needs – not simply instream
    - Integrated approach
      - Biologically
      - Politically
Goal: To engage partners in a process to develop a voluntary water management agreement that can be implemented to improve streamflows in the mainstem Deschutes River from the headwaters to Lake Billy Chinook, Little Deschutes River, Crescent Creek and Tumalo Creek, while meeting the needs of irrigators, municipal water providers, and other interests.
Joint Working Group

- Deschutes River Conservancy
- Central Oregon Irrigation District
- North Unit Irrigation District
- GSI for Central Oregon Cities Organization
- Trout Unlimited
- USDA Forest Service
- Oregon Department of Fish and Wildlife
- Oregon Water Resources Department
- Department of Environmental Quality
Key Irrigator Goals

- **Financial security**
  - New revenue sources
    - Hydro
    - New patrons
  - Reduced costs
    - O&M costs
    - Reduced pumping costs

- **Reduced legal liabilities**
  - ESA
  - CWA
Managing Water Quantity

- Water Supply Options
- Water Movement Options
Water Supply Options

- **Irrigation Efficiency**
  - Conversion to sprinkler, canal piping

- **Demand Management**
  - Pricing policies

- **District System Management**
  - Telemetry, automated head gates

- **Reservoir Management**
  - Operating 3 reservoirs as one pool

- **Urbanization – “surplus” water rights**
  - Urban Growth Boundary expansion
Water Movement Options

- **State-Certified Water Transfers**
  - district-district; instream; mitigation
  - permanent transfer of urbanizing water rights
  - permanent transfer of conserved water

- **State-Certified Water Leases**
  - district-district; instream; mitigation

- **Contractual Agreements**
  - Senior District – Junior District Water Mgt Agreements
    - Diversion reduction agreement, insurance, drought mgt
  - Minimum Stream Flow Agreements
Bundling Approaches:
NUID-COID Mitigation Transfer

COID urban Lands ➔ Deschutes water right ➔ NUID ag Lands ➔ mitigation buyer ➔ mitigation credits ➔ Crooked water right
Be Strategic – Focus on Outcomes

- What are the alternative flow restoration approaches?
- Which have greatest acceptance?
- Which have potential to achieve scale?
- Which are cost effective?
- Which present lowest legal/policy hurdles?
Water Management Scenario

- **Multiple approaches employed:**
  - Demand management
  - Diversion reduction agreement with COID
  - COID – NUID urban water rights transfers
  - Optimized reservoir management
  - Minimum streamflow agreement at Wickiup dam
  - Conserved water from piping in Tumalo and Deschutes
  - Additional off-channel storage
Scenario Outcomes

- **Instream**
  - Meet or exceed 300 cfs below Wickiup
  - 104 cfs permanent flow in Middle Deschutes
  - 29 cfs permanent flow in Tumalo Creek
  - Year-round natural flows in Crescent Creek (Oregon Spotted Frog)

- **Municipal**
  - Fulfill 20-year municipal groundwater mitigation needs

- **Agriculture**
  - Increased water reliability for junior districts
  - New patrons (revenue) for senior districts.
  - Increased hydro generation
  - Reduced operations and maintenance costs
  - Reduced potential ESA liability
Bureau of Reclamation Basin Study
Risk of Large Scale Planning

• Over-reliance on infrastructure

• High Cost
  § Yakima: $5 billion
  § Walla Walla: $500 million
  § Rogue: $300 million
  § Klamath: $1.5 billion
Promise for Transactional Approach

- Cost Effective
- Incremental Implementation
Questions?