



Oregon

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Water Resources Department

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MEMORANDUM

TO: Water Resources Commission

FROM: Tom Paul, Deputy Director

SUBJECT: Agenda Item C, August 8, 2013
Water Resources Commission

Update on the Willamette Reallocation Efforts (FY13 and Beyond)

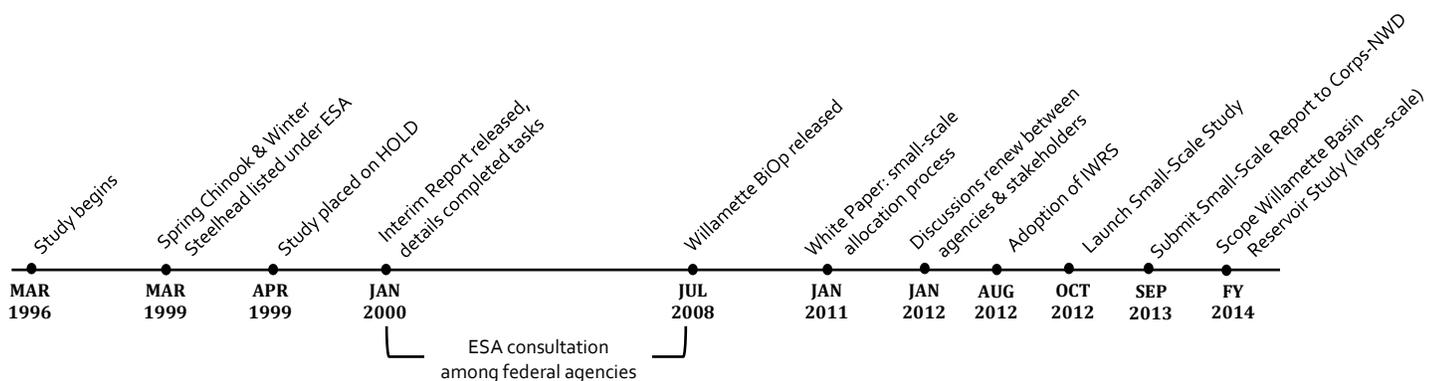
I. Background

The Willamette Project, a series of 13 flood-control dams and reservoirs, provides important benefits for the Willamette Valley. Flood control is the primary authorization for this project, but recreational use at many of the reservoirs is significant, and releases of water from the reservoirs provide hydroelectric power and support instream flows for fish, wildlife, and water quality. Water right certificates for the reservoirs authorize the storage of more than 1.6 million acre-feet for irrigation uses only, a small portion of which is actually used to satisfy existing contracts.

This is an informational item. No action is needed.

II. Discussion

The Oregon Water Resources Department (Department) and the U.S. Army Corps of Engineers (Corps) are in the process of re-launching the Willamette Basin Reservoir Study (Study). The main objective of the Study is to evaluate whether changes in the operation, storage, and allocation of water in the storage reservoirs would better serve a full range of current and anticipated water resources needs. The Study was placed on hold in 2000. Following is a timeline of completed and expected major milestones since the Study first began:



III. FY13 Efforts

Funding was included in the President's FY13 Budget to complete a Small-Scale Reallocation Study for 499 acre-feet of water in the Coast Fork Willamette River sub-basin. This Study will help inform the process for the larger-scale Willamette Basin Reservoir Study, planned to begin in 2014. The Corps and the Department are currently working on several tasks to complete the Small-Scale Reallocation Study by September 2013. The League of Oregon Cities has provided funding to support a number of data gathering tasks, including evaluating municipal and industrial demands and reviewing the modeling outputs of potential reservoir operations.

IV. Progress to Date

In May, the Corps completed a draft report, which represents a 60 percent completion mark for the Small-Scale Study. The Department reviewed and provided comments on the draft report.

A major task in 2013 was to develop a system-wide pricing method for the purchase of storage space. This methodology has been recently developed, although it deviates from current Corps guidance for calculating the price of storage for municipal and industrial uses. A contracting program for irrigation use, administered by the U.S. Bureau of Reclamation, has been in place for a number of years, meaning an established purchase price already exists for irrigators in the basin.

A white paper is being drafted for submission to the Corps' Assistant Secretary of the Army for Civil Works to obtain permission to use this new methodology. The paper will compare three methodologies and provide a recommendation. Methodologies discussed include: (1) a price developed on a reservoir-by-reservoir basis, per existing Corps guidance; (2) a price based on the number of reservoirs located upstream of the purchaser; and (3) as stated above, a single price for stored water regardless of location in the basin (the recommended option). The white paper is scheduled to be completed in 2013.

V. WaterSMART Basin Study Program

This past March, the Department submitted a proposal to participate in the U.S. Bureau of Reclamation's WaterSMART Basin Study Program. This program provides an opportunity to take a comprehensive look at all water demands and water-related risks in the Willamette Basin, information that is necessary to complete the larger Willamette Basin Reservoir Study.

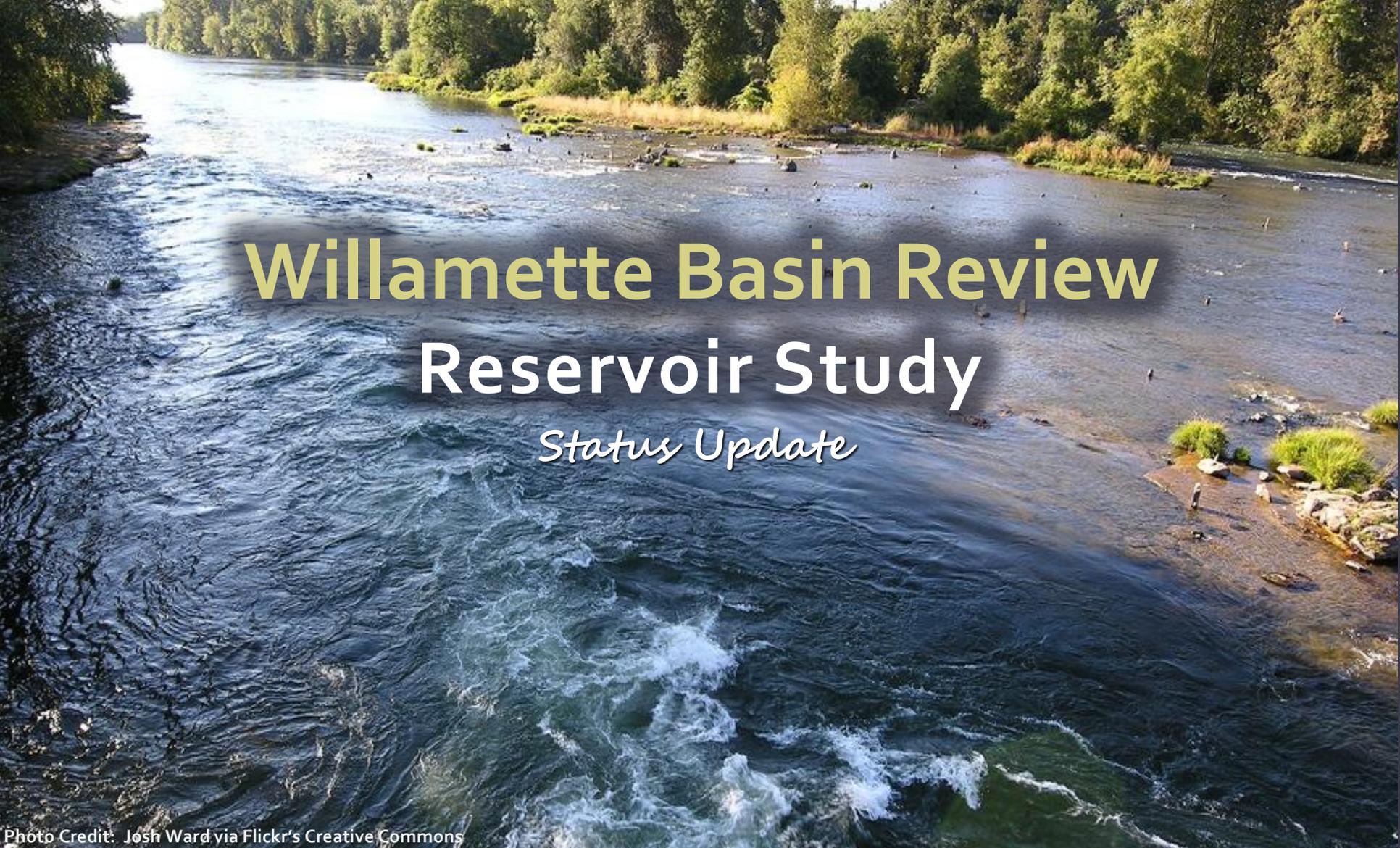
In late May, the Department was selected to complete a plan of study, with Reclamation or one of its contractors serving as a project partner. Reclamation has committed \$50,000 toward these efforts, with a required cost match (cash or in-kind) from the Department, for a total project cost of \$100,000. The plan of study (i.e., project management plan) must be completed within one year of a formalized agreement with Reclamation. It is anticipated that the plan of study would be completed in coordination with scoping for the larger Willamette Basin Reservoir Study.

VI. Next Steps/Conclusion

The Department and the Corps convened stakeholders in late July to provide an informational briefing on progress made to date, and to discuss plans for scoping the larger, basin-wide Willamette Basin Reservoir Study. Scoping activities will begin in late summer and carry into 2014. This involves reviewing and updating the project study plan originally developed in 1996.

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An aerial photograph of a river system. The foreground shows turbulent rapids with white water. The middle ground features a calmer reservoir area with some rocks and vegetation. The background is a dense forest of green trees. The text is overlaid on the center of the image.

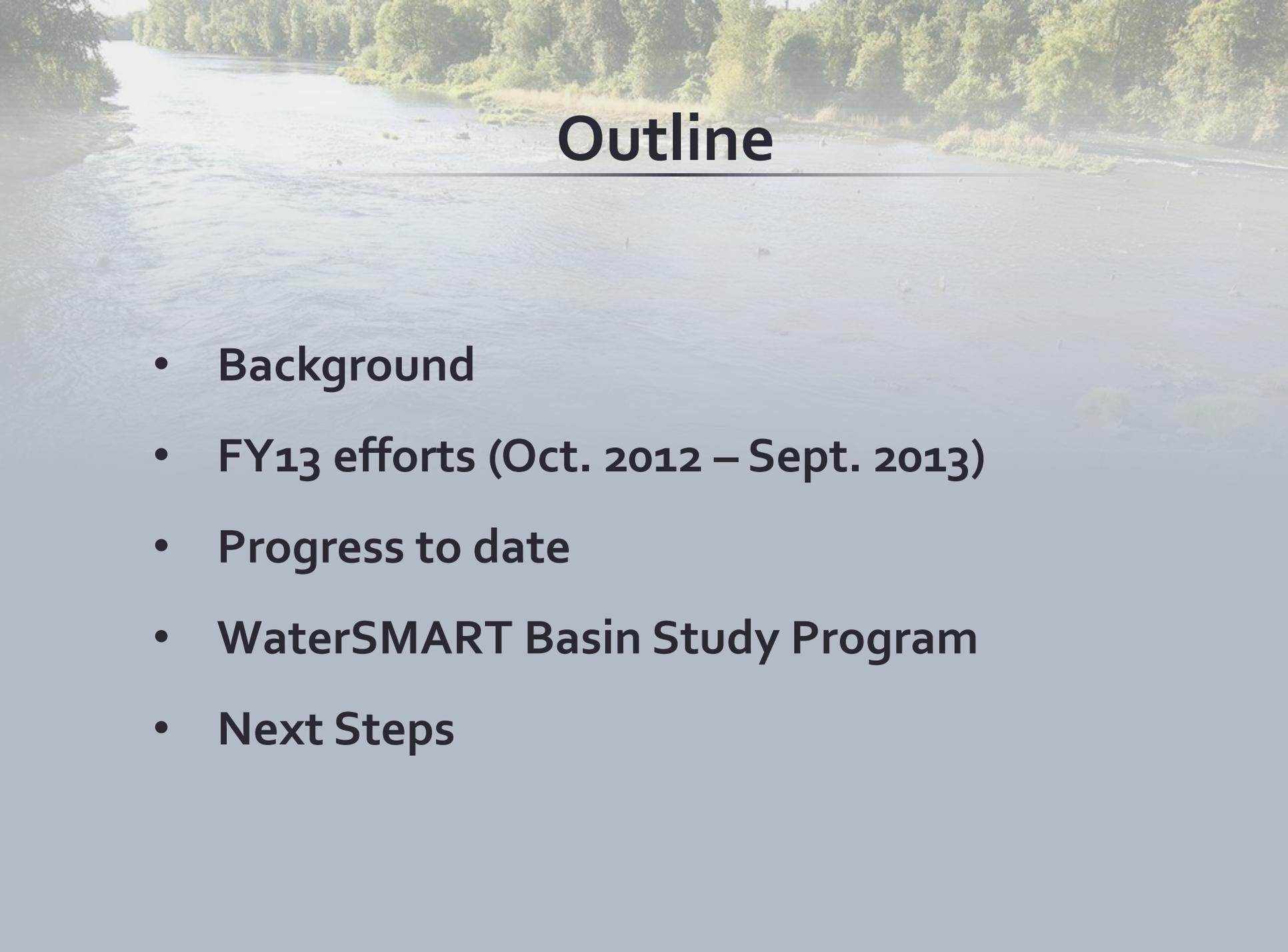
Willamette Basin Review

Reservoir Study

Status Update

Photo Credit: Josh Ward via Flickr's Creative Commons

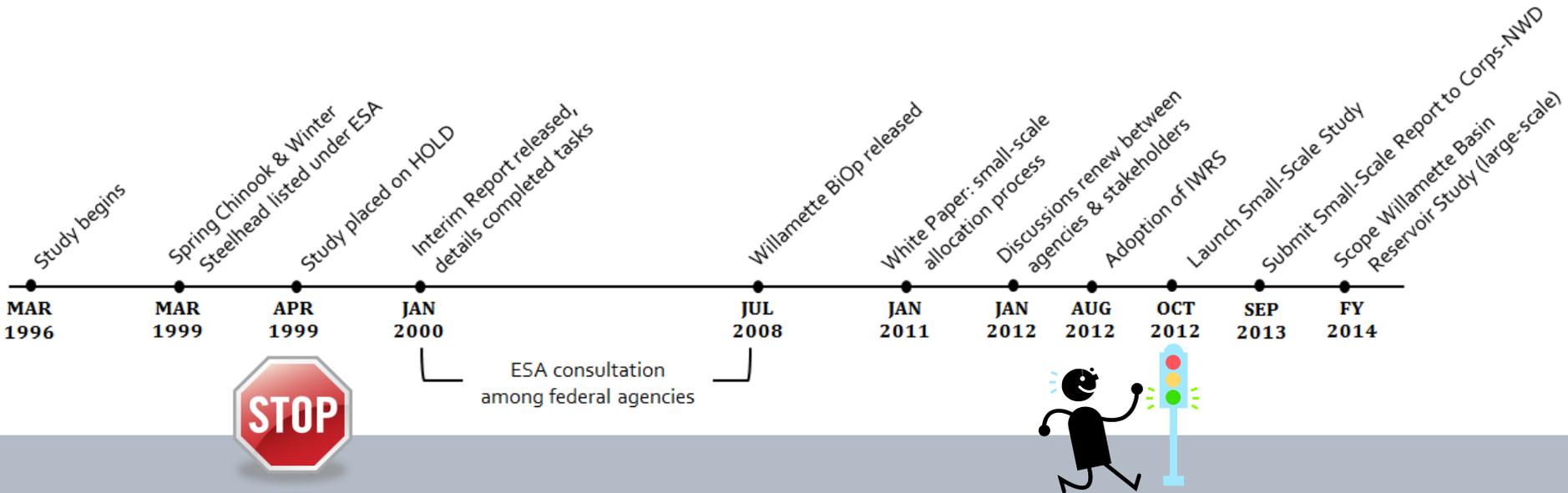
Dr. Brenda Bateman
Technical Services Division Administrator
Water Resources Commission Meeting
August 8, 2013



Outline

- **Background**
- **FY13 efforts (Oct. 2012 – Sept. 2013)**
- **Progress to date**
- **WaterSMART Basin Study Program**
- **Next Steps**

Background



FY 13 Efforts

- 499 acre-feet in Coast Fork Willamette sub-basin
- Would support municipal and industrial needs downstream
- Partners contributed funds and in-kind services
- Major task: develop a system-wide price for purchasing storage



A wide river flows through a lush green forest. The water is calm and reflects the surrounding trees. The banks are covered in dense vegetation, including tall grasses and various trees. The overall scene is peaceful and natural.

Progress to Date

- In May, 60% draft report provided to OWRD for review
- Corps has developed a draft price, using a system-wide method
- Drafting a white paper, seeking approval from the Asst. Secretary of the Army of Civil Works, to use this methodology
- 90% draft report available for public review in August

Progress to Date (cont.)

Stakeholder Meeting (July 22, 2013)

- Well attended, with diverse interests represented

Corps of Engineers
Water Resource Department
Bureau of Reclamation
National Marine Fisheries Service
Oregon Dept. of Fish and Wildlife
City of Hillsboro
Eugene Water and Electric Board
Geosyntec Consultants
GSI Water Solutions
HDR Engineering

League of Oregon Cities
McMinnville Water & Light
North Santiam Watershed Council
Oregon Association of Nurseries
Oregon Farm Bureau
Oregon Water Resources Congress
Oregon Water Utilities Council
Santiam Water Control District
The Nature Conservancy
U.S. Senator Merkley's Office

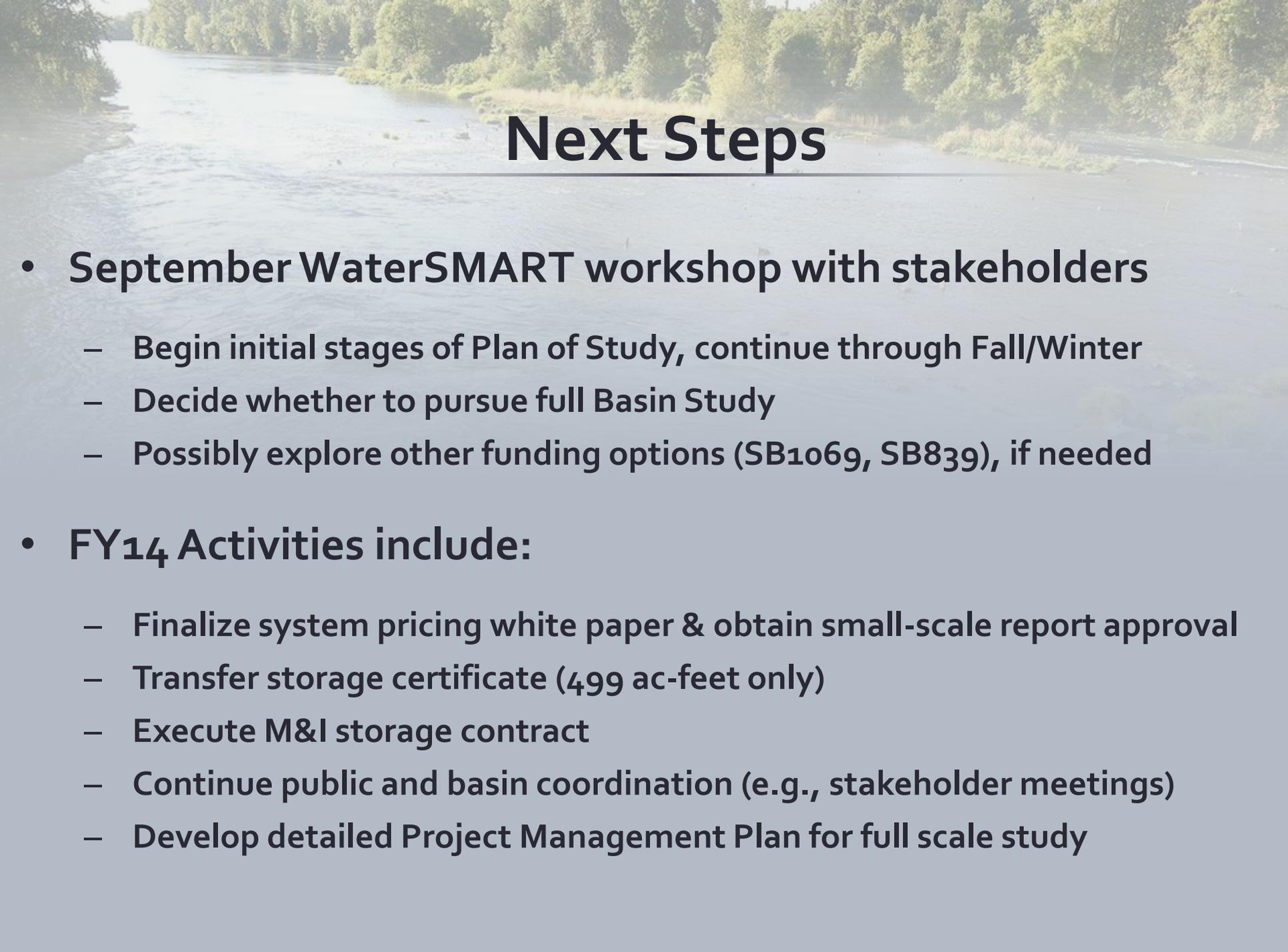
- Shared modeling and system pricing results with stakeholders
- Discussed potential for WaterSMART Program

WaterSMART Basin Study Program

- *Fall 2012*
Interest in WaterSMART
- *January 2013*
OWRD submits letter of interest
- *March 2013*
Proposal submitted, with letters of support from agencies and stakeholders
- *May 2013*
Willamette selected for "Plan of Study"

Letters of Support

Association of Oregon Counties
League of Oregon Cities
Oregon Assoc. of Nurseries
The Freshwater Trust
Oregon Environmental Council
Oregon Water Resources Congress
Oregon Dept. of Fish & Wildlife
Oregon Farm Bureau
Oregon Water Utility Council
Santiam Water Control District
Special Districts Assoc. of Oregon
Tualatin Valley Water District
U.S. Army Corps of Engineers
WaterWatch of Oregon
Willamette Water 2100



Next Steps

- **September WaterSMART workshop with stakeholders**
 - Begin initial stages of Plan of Study, continue through Fall/Winter
 - Decide whether to pursue full Basin Study
 - Possibly explore other funding options (SB1069, SB839), if needed
- **FY14 Activities include:**
 - Finalize system pricing white paper & obtain small-scale report approval
 - Transfer storage certificate (499 ac-feet only)
 - Execute M&I storage contract
 - Continue public and basin coordination (e.g., stakeholder meetings)
 - Develop detailed Project Management Plan for full scale study



Thank You