

MEMORANDUM

TO: Water Resources Commission

FROM: Paul R. Cleary, Director

SUBJECT: Water Resources Commission Work Session
Item 3, August 8, 2002

Coastal Water Issues

I. Issue Statement

Water users in coastal areas face a challenge similar to other areas of the state -- decreasing availability of surface water supplies due to prior appropriations and increasing demands. Meeting water demands in coastal river basins is further complicated due to a lack of ground water availability and dependence on high quality fish bearing streams. This staff report describes a few of the coastal issues currently before the Department, several of which will be discussed further at the Commission work session. Coastal areas highlighted in this report are shown in the Attachment.

II. Coastal Issues

A. Municipal Water Management in Oregon Coastal Communities

In September 2000, the Coastal Oregon Marine Experiment Station (COMES) and Oregon Sea Grant published the report, Municipal Water Management in Oregon Coastal Communities: Surmounting the "Conservation Paradox," describing the range of water issues faced by coastal municipalities. These issues include decreasing options for additional water supplies, difficulty covering operational costs, increasing peak demands, and increasing importance of domestic consumers. These issues are illustrated with case studies on the cities of Newport, Garibaldi, and Port Orford. The report emphasizes the importance of conservation as a strategy to increase supplies in coastal areas and identifies conservation measures that can resolve the "conservation paradox," the notion that conservation decreases revenues for municipalities. Dr. Gil Sylvia, COMES superintendent, will provide an overview of the findings of the report at the Commission work session.

B. Proposed Storage Project on Rocky Creek

In 1998 the cities of Newport and Lincoln City applied for permits to store 9,000 acre-feet and use up to 6 cubic feet per second (cfs) from Rocky Creek, a tributary to the Pacific Ocean (applications S-83809 and R-83810). The applicants envision that the waters of Rocky Creek could provide for a regional water supply to serve many, if not all, of the municipal water needs in the area. Most community water suppliers in the region have expressed an interest in participating in the project. Currently, the application is on administrative hold at the applicant's request until December 27, 2002. The Department expects to issue a Proposed Final Order for the applications in early 2003.

One issue regarding the proposed project is its potential impact on fish recovery efforts. The mouth of Rocky Creek is located one and one-half miles south of Depoe Bay. During Highway 101 construction in the 1950s, the mouth of Rocky Creek was blocked, and water was piped and delivered to the ocean. The Oregon Department of Transportation (ODOT) and Oregon Department of Fish and Wildlife (ODFW) have expressed an interest in restoring fish passage in Rocky Creek and are concerned about the potential impacts of the storage project upstream if passage at its mouth is restored. ODOT and ODFW are currently evaluating ways that the applicants could mitigate for such impacts if fish passage at the mouth is restored in the future. At the work session, the Commission will hear from staff; Rick Glick, attorney for the applicant; and Glen Kirkpatrick, representative of the Stewards of Rocky Creek.

C. Contests on Certificates Issued for Siltcoos and Tahkenitch Lake Reservoirs

On February 15, 2002, the Department issued three certificates to the International Paper Company (certificates 79195, 79196 and 79197). These certificates allow for the storage and use of water from Tahkenitch Lake Reservoir and Siltcoos Lake Reservoir for manufacturing. The company's Gardiner facility discontinued paper and pulp production in early 1998. A small staff remains to maintain equipment and to ensure compliance with Department of Environmental Quality regulations. While it is possible that the mill could be restarted, it seems likely that the assets of the mill will be sold or transferred to other entities. The water rights may have potential future use either in the paper mill, or for sale or donation to the state, nearby cities or another industrial user.

Contests were received on two of the certificates issued by the Department from two lakeside property owners and the city of Dunes City. One lakeside property owner filed his contest in conjunction with WaterWatch of Oregon. Contestants allege that water was not used in accordance with all permit conditions and that use was not consistent enough during permit development to justify certification. They also assert that the certificates were issued prematurely and authorize an illegal "take" of listed species. The Department is currently scheduling a meeting to discuss these issues with the contestants. If necessary, a contested case hearing will be held to determine the extent to which the appropriator has made proof to the satisfaction of the Director. Staff will discuss the certificates at the Commission work session.

D. Water Diversions from Woahink Lake

Staff are working with Dunes City, state agencies, local realtors, and landowners to find possible solutions to the water supply needs of the residents of Dunes City in Lane County. Dunes City encompasses most of Woahink Lake and some of Siltcoos Lake. Dunes City does not have a municipal water supply system; all residents of the city either satisfy their water need from wells or by diversion from Woahink Lake. Many of the residents using water from the lake do not hold water rights for their use.

In June 2002 representatives of Dunes City (City), Division of State Lands (DSL), Oregon Department of Fish and Wildlife (ODFW), and Water Resources Department (WRD) met to determine the extent of the problem and to start identifying possible solutions. The City is reviewing land use and aerial photographic records to determine the number of lots within the City with houses and the remaining number to be developed. Woahink Lake is a public water body with the beds and banks owned by the state. The Division of State Lands has provided the high water level elevation from their records, which is the boundary between state and private ownership. Water Resources Department agreed to install staff gages on the lake and on Woahink Creek down stream of the lake to determine lake elevations and stream flows leaving the lake.

Representatives of the City, DSL, ODFW and WRD are scheduled to meet again to share the information collected. Following this meeting, the City will be assisting in scheduling and providing notice of a community meeting for the City and state agencies to discuss the issues with local residents and present possible solutions to the water use issues. The public meeting will likely be scheduled for September. At the Commission work session, staff will describe the current water diversions from the lake and the Department's efforts to address the water supply needs of the community.

E. Fourth Creek and Tarheel Reservoirs

The Coquille Tribe, with assistance from the U.S. Bureau of Indian Affairs, U.S. Corps of Engineers, and U.S. Bureau of Reclamation, has developed a plan to increase the storage capacity of the Fourth Creek and Tarheel Reservoirs. The current water rights allow storage of 21 acre-feet in the Fourth Creek Reservoir and 75 acre-feet in Tarheel Reservoir. The proposal is to store 48 acre-feet in Fourth Creek and 137 acre-feet in Tarheel. A final environmental assessment for the proposed project was received by the Department in October 2001. The Department believes the proposal to enlarge the capacity of these reservoirs must meet a number of state requirements, including securing water rights to impound additional water in the reservoirs, secondary use rights to use the water from the reservoirs, and fish passage requirements. Discussions have been ongoing for years with the Tribe and federal agencies as to how to meet state requirements. Recently, the Tribe and U.S. Department of the Interior have

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indicated a willingness to discuss solutions with state agencies, including solutions to the water right issues.

III. Conclusion

This staff report highlights just a few of the coastal issues before the Department. The Department continues to work with these and other coastal communities to address existing and future water demands.

Attachment 1:
Coastal Areas Highlighted in Staff Report

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