

Staff Report

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SUBJECT: Agenda Item D
Water Resources Commission

CENTRAL REGION UPDATE

I. Introduction

During this informational report, staff will provide an update on water management priorities and challenges in the Central Region. Current issues in the basin include conservation projects using an alternative pathway to meet irrigation district and instream water needs, collaborative water planning, the Deschutes Groundwater Mitigation program, groundwater level trends, and a new Deschutes Water Bank authorized by the Oregon Legislature.

II. Background

The Central Region includes portions of Jefferson, Crook, Deschutes, Klamath, and Lake Counties and consists of two watermaster districts – District 11 and District 24. The major rivers are the Deschutes River and its tributary the Crooked River. Recent updates to the Commission on activities in these basins include:

- [Agenda Item C – February 2023 Commission Meeting](#)
- [Agenda Item F – June 2024 Commission Meeting](#)

III. Discussion

Streamflow Measurement, Accounting and Water Management

Measuring, tracking, and accounting of streamflows is critical to surface water management in the Deschutes and Crooked Basins. With surface water fully allocated during the irrigation season and the need to monitor diversions and instream flows year-round, water users rely heavily on timely and accurate accounting of flows by OWRD staff. In both the Crooked and Deschutes Basins, watermasters use dynamic tools to track and balance water accounts for water users to project water budgets and guide real-time operations. At the Commission meeting, staff will provide an overview of how these tools are used and their importance to the region's water conservation efforts.

Conservation Efforts, Successes, and Challenges

Water users, conservation interests and other partners have worked for decades to dedicate water instream, including pioneering programs like instream leasing and the Allocation of Conserved Water (ACW). Recently water scarcity, drought and the

implementation of the Deschutes Basin Habitat Conservation Plan (DBHCP) have driven an evolution in water conservation tools and priorities. The DBHCP's required releases from Wickiup Reservoir accelerated the need for flexibility in how conserved water is delivered, leading to the development of the Deschutes Basin Alternative Pathway. This pathway created a process under existing water law that allows water conserved through piping projects to be passed directly to the most junior irrigation district, North Unit Irrigation District (NUID). In exchange, NUID will release an equal volume of water instream outside the irrigation season to meet DBHCP flows. With the passage of [HB 3806](#) in 2025, the Deschutes Water Bank will further expand the region's capacity for flexible, cooperative water management. The Deschutes River Conservancy hopes to submit a charter for the Commission's approval in December 2025.

Irrigation districts in the Deschutes Basin have secured more state and federal conservation funding than any other region in Oregon. In the past five years alone, nearly \$40 million in state grants have supported infrastructure modernization, primarily canal piping projects. OWRD is actively engaged in these conservation efforts, funding some projects, collaborating with interested parties in developing the Alternative Pathway, processing water right transactions, and performing more frequent streamflow measurements and updates to tracking tools to ensure flows are accurately tracked and water accounts accurately credited.

Conservation efforts made possible through state and federal funding have reduced conveyance losses and created measurable, transferable water savings throughout the Deschutes Basin. To date, nearly 200 cubic feet per second (cfs) of conserved water has gone instream through the ACW. An additional 75 cfs is expected to be directed instream through the Alternative Pathway to contribute toward HCP milestones. Continued funding remains a cornerstone of the region's ability to implement and scale these programs. Additional funding will also be needed to implement the Deschutes Water Bank, including a new OWRD Water Accounting Specialist position.

Deschutes Basin Water Collaborative and Place-Based Planning

The Deschutes Basin Water Collaborative (DBWC) is a regional, multi-partner water management planning body comprising over 50 water partners, including representatives from agricultural, municipal and natural resource sectors. The water management plan under development by DBWC will help set the course for prioritized action to meet present and future water needs in the Deschutes Basin, including the Crooked sub-basin. Plan development began in 2021, with finalization and adoption targeted for 2026.

While the Deschutes Basin is not a formal Place Based Planning (PBP) location, DBWC has worked with OWRD throughout the planning process and aligned the plan with PBP process steps and recommended content. OWRD continues to support DBWC by providing strategic and technical input to planning efforts. This support includes participation in DBWC Staff Team, Planning Team and Working Group meetings; participation in technical working groups; and responses to requests for information. DBWC intends to pursue state recognition of the water management plan through the PBP evaluation and approval processes.

Groundwater and the Deschutes Groundwater Mitigation Program

As identified in the 2022-23 Deschutes Basin Assessment, OWRD recognizes the need to update the [Deschutes Groundwater Mitigation program](#), which was developed to provide for new groundwater uses while maintaining scenic waterway and instream water right flows in the Deschutes Basin. Currently the Department is working on the 2023 and 2024 annual Deschutes Groundwater Mitigation Program Reports. Both will be included in the Directors Report for the December 2025 Commission Meeting. The Department is also starting to develop the five-year report, that will include an in-depth analysis of the years 2020-2024. This report will include both the legislative and administrative reporting requirements and will include input from our sister state agencies, Tribes and stakeholders. Additional conversations will be needed about the future of the program, including the January 2029 sunset date, the 200 cfs cap status, and the implications of groundwater level declines.

Groundwater level declines of approximately 2 feet per year continue in the center of the Upper Deschutes basin, where the major population centers are located. The short- and long-term drying climate trend appears to be the main cause of the declines, but pumping and the loss of recharge due to canal piping are also significant contributors. The number of dry well reports and deepened water wells have increased. Many parts of the basin are not considered “reasonably stable” under the newly adopted rule definitions. At least one well has declined more than 50 feet and several more are expected to pass the 50-foot threshold in the next 3-5 years. These declines meet the definition of “declined excessively” per OAR 690-008-0001(5).

Department staff are working to produce an Open-File Report to quantitatively estimate the amount that canal leakage artificially increased groundwater levels and how much groundwater levels have dropped due to reductions in canal leakage and farmland coverage. Current efforts are focused on updating groundwater pumpage estimates (last done in 2013), comparing canal leakage reductions to observed water level changes, and modeling different canal piping scenarios using published groundwater flow models. This work will help department staff in considering how human activity has affected groundwater levels when setting reference levels under the new rules. Reference levels serve as the baseline for evaluating reasonably stable water levels.

IV. Conclusion

Continued progress in the region depends on a strong alignment between field data collection, resilient and flexible programs and policies paired with accountability, and consistent funding streams. As water supply challenges grow and groundwater declines persist, adaptive management and close coordination with regional partners and legislators will be essential to sustaining these efforts.

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