



Oregon

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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)

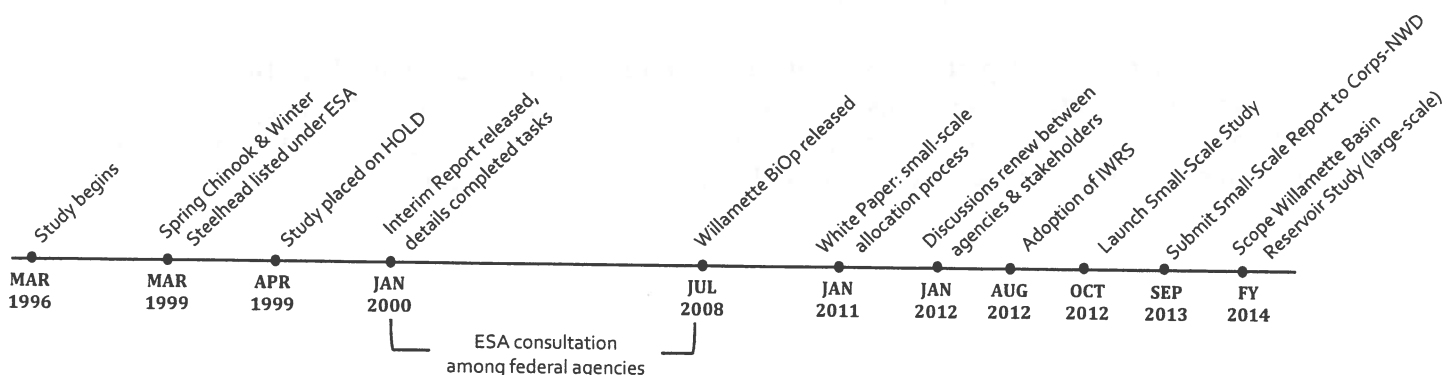
I. Background

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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