



MEMORANDUM

TO: Water Resources Commission

FROM: Douglas E. Woodcock, Deputy Director *DW*

SUBJECT: Agenda Item G, September 7, 2018
Water Resources Commission Meeting

Willamette Basin Review Feasibility Study Update

I. Introduction

During this agenda item, Commission members will receive an update on the Willamette Basin Review Feasibility Study. This is an informational item.

II. Background

The Department signed a cost-share agreement with the U.S. Army Corps of Engineers (Corps) in August 2015, initiating a three-year study to examine the feasibility of allocating storage space to meet current and future water needs in the Willamette River Basin. The Corps owns and operates 13 dams in the basin, which can legally store 1.64 million acre-feet of water. As a result, the reservoirs are capable of providing multiple benefits: flood damage reduction, navigation, hydropower, irrigation, municipal and industrial water supply, recreation, flow augmentation for pollution abatement, and improved conditions for fish and wildlife.

The Department is the non-federal sponsor of the feasibility study. The intent of the study is to determine the feasibility of reallocating reservoir water to municipal and industrial, agricultural irrigation, and fish and wildlife purposes. The study also supports implementation of the Integrated Water Resources Strategy by improving access to built storage for meeting future instream and out-of-stream needs (Recommended Action 10.B).

III. Feasibility Study Report

In early November 2017, the Corps released a draft Tentatively Selected Plan describing how to allocate 1.59 million acre-feet of conservation storage held in the Willamette Valley Project Reservoirs. A wide range of public comment was received by the Corps on the report.

The draft report illustrated that the cumulative peak demand estimates for agriculture, municipal and industrial, and fish and wildlife uses exceeded the 1.59 million acre feet of conservation storage. The Corps explored four alternatives to reduce the allocations to fit within the available

supply, trying a proportional reduction approach, as well as prioritizing one use type over another. Alternative D was selected, which reduces allocation volumes across all sectors and reserves some of the storage space in joint use to retain operational flexibility in lean water years. Reserving a portion of the storage in joint use would also accommodate unforeseeable changes to demand trends, as well as changing climate conditions.

Reallocation Alternative D

Fish and Wildlife	962,800 acre-feet
Municipal and Industrial	73,300 acre-feet
Agricultural Irrigation	253,950 acre-feet
Joint Use	299,950 acre-feet

The Corps and the Department, as described in the draft integrated report, explored three water management strategies to account for how storage will be used when the reservoirs do not fill to capacity. Three different management plan scenarios were proposed:

1. Proportionally reduce water use across all sectors;
2. Prioritize storage supply for fish & wildlife first, providing any remaining storage supply to other uses in dry years; or,
3. Prioritize the storage supply for consumptive uses first, providing any remaining storage supply to fish and wildlife purposes.

Management Option 1 (proportional reduction during dry years) was selected as the preferred option. Together, the allocation volumes in Alternative D and Management Option 1 shown above make up the “Tentatively Selected Plan” that is described throughout the draft integrated report.

IV. The State’s Position

Prior to engaging in consultation with the National Marine Fisheries Service (NMFS), the Corps formally requested a letter from the Department regarding support for the allocation volumes and the proposed water management plan. A letter was sent to the Corps on May 14, 2018. (Attachment 1)

The Department met with agency partners, the Governor’s Office, and stakeholders from January to July to discuss concerns and answer questions regarding the allocations proposed in the November 2017 draft integrated report. The Department, in its letter, asked the Corps to replace Reallocation Alternative D with Alternative C, which re-distributes the joint-use storage space of 300,000 acre-feet to the three sectors – agricultural irrigation, municipal and industrial, and fish and wildlife. This alternative brings each sector closer to its peak demand estimate calculated in the draft report and it further addresses concerns raised during public comment and discussions

among agencies and stakeholders. Additionally, the letter stated Department support for Management Option 1 (proportional reduction during dry years) as the preferred management plan.

Reallocation Alternative C

Fish and Wildlife	1,102,600 acre-feet
Municipal and Industrial	159,750 acre-feet
Agricultural Irrigation	327,650 acre-feet
Joint Use	0 acre-feet

V. Next Steps

The Corps is moving forward with Alternative C as the recommended allocations for the three water-use sectors.

Several key questions remain around how implementation will work in a dry water year, when storage is insufficient to meet all contractual obligations. The Department will be forming a working group made up of various interests to further discuss matters related to implementation of the Willamette Basin Review.

Among the issues to be addressed include: conversion of the Willamette minimum perennial stream flows to instream water rights (both storage and live flow); management of reservoir releases (i.e., who determines the releases); management of reservoir water contracts, including a contract with the federal government for protection of instream flows.

The Corps are required to enter into consultation under the Endangered Species Act in order to reallocate storage. The Corps has entered into the consultation phase with National Marine Fisheries Service.

The Study's completion date has been extended by the Corps from August 2018 to early 2019. The extension will allow more time for a federal review process that must occur prior to completion of a Chief's Report. Following the Chief's Report, several levels of federal report review will be undertaken to determine whether the report should be released to the United States Congress to pursue legislation.

Attachment:

1. Letter to USACE dated May 14, 2018

Douglas Woodcock
(503) 986-0878



Oregon
Kate Brown, Governor

Water Resources Department
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Salem, OR 97301
(503) 986-0900
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May 14, 2018

Kevin Brice
Chief, Programs, Planning and Project Management Division
U.S. Army Corps of Engineers, Portland District
P.O. Box 2946
Portland, OR 97208

Re: Willamette Basin Review Feasibility Study

Dear Kevin,

We are writing this letter to inform you that the Oregon Water Resources Department, as the non-federal sponsor of the Willamette Basin Review Feasibility Study, formally recommends that the Army Corps move forward with Alternative C as the Agency Recommended Plan. Although this alternative was not the selected alternative put forth in the November 2017 Draft Integrated Report, it provides a greater volume of storage space to consumptive and instream purposes. This alternative further addresses some of the concerns raised during public comment and discussions among agencies and stakeholders.

The Department also supports the proposed water management plan described in the Draft Integrated Report that proportionally reduces all uses during years when there is insufficient stored water to meet the allocations. The Department fully understands that water will not be available to satisfy all authorized project purposes during times of drought. Further, we recognize the Corps is obligated to meet the 2008 Biological Opinion flow objectives. It will be vitally important that we maintain flexibility, spreading the risk of insufficient water among all project purposes as feasible.

The State, along with the Army Corps, must also acknowledge key uncertainties regarding the future use and management of stored water. The physical, economic, and environmental conditions of the Willamette River Basin will likely change significantly in the next fifty years. Should conditions change, we understand that the Corps has authority to conduct limited reevaluation studies.

In the near term, the Department strongly encourages the Army Corps to support a process that involves input from state agencies, stakeholders, and others when defining the finer points of implementation. To that end, the Department will be forming a working group made up of various interests to further the conversation surrounding implementation of the Willamette Basin Review. We would request that our federal partners be at the table for relevant portions of these discussions.

Kevin Brice
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The Department fully understands the importance of this study to the Willamette River Basin. The Willamette Valley Project is an existing source of water that is capable of meeting a wide range of water needs in Oregon's most populated, ecologically diverse, and agriculturally productive basin. Our recommendation to move forward is based on this understanding as well as ongoing discussions with stakeholders and our sister agencies, namely the Oregon Department of Fish and Wildlife and the Oregon Department of Agriculture.

The Department continues to support this study, and respectfully requests the Corps move forward with completion of the next phase. We understand next steps include consultation with the National Marine Fisheries Services on the proposed action. The outcomes of that process will likely inform key management decisions surrounding implementation of the Willamette Basin Review.

We look forward to engaging with you in the final review and associated steps. Please keep us informed as the study progresses into these final stages. Feel free to contact me should you have any questions regarding this letter.

Respectfully,



Douglas Woodcock
Deputy Director

Electronic Copy:

April Snell, Oregon Water Resources Congress
Jeff Stone, Oregon Association of Nurseries
Mary Anne Cooper, Oregon Farm Bureau
Brian Posewitz, WaterWatch of Oregon
Chandra Ferrari, Trout Unlimited
Mark Landauer, Special Districts Association of Oregon
Niki Iverson, Oregon Water Utility Council
Tracy Rutten, League of Oregon Cities
Lisa Hanson, Oregon Dept. of Agriculture
Stephanie Page, Oregon Dept. of Agriculture
Bruce McIntosh, Oregon Dept. of Fish & Wildlife
Anna Stevenson, Oregon Dept. of Fish & Wildlife
Zach Loboy, Oregon Dept. of Environmental Quality
Janine Belleque, Oregon State Marine Board
Ryan Sparks, Oregon Parks and Recreation Dept.
Mike McCord, Oregon Water Resources Dept. NW Region