



# **Willamette River Water Coalition Board Status Report Table of Contents August 7, 2018**

1. Draft Minutes – Board Meeting, May 8, 2018
2. Willamette Basin Review Feasibility Study Update
3. Unaudited Financial Report for the Fiscal Year Ending June 30, 2018
4. Update and Discussion of Second Restated WRWC Intergovernmental Agreement

## **Next Meeting**

November 13, 2018 - 5:15 PM  
Tigard Public Works Building  
8777 SW Burnham St.  
Tigard, OR 97223



**This page intentionally left blank**



## **Board Meeting Minutes Tuesday, May 8, 2018**

### **WRWC Board Members or Alternates present:**

John Goodhouse, WRWC Board Chair, Councilor – City of Tigard  
Richard Burke, Board President, Tualatin Valley Water District (TVWD)  
Tim Rosener, Councilor – City of Sherwood  
Frank Bubenik, Councilor – City of Tualatin

### **WRWC Member Staff present:**

John Goodrich – City of Tigard  
Mark Knudson – TVWD  
Clark Balfour – TVWD  
Jim Meierotto – TVWD  
Katherine Lipari DeSau – TVWD  
Jeff Fuchs – City of Tualatin  
Richard Sattler – City of Sherwood

---

### **Call to Order**

Chair John Goodhouse called the meeting to order at 5:18 pm.

#### **1. Review and Approval of Minutes of February 13, 2018 Board Meeting**

Motion by Burke, seconded by Rosener to approve the February 13, 2018 Willamette River Water Coalition (WRWC) Board meeting minutes. The motion passed unanimously.

#### **2. Willamette Basin Review Feasibility Study Update**

Meierotto reviewed the Willamette Basin Review Feasibility Study's history, scope and resulting water allocation. He also explained municipal and industrial's allocation concerns, the proposed reallocation alternative and the resulting budget for advocacy, federal consulting services and technical support services. (See attached presentation.) The goal is for municipal/industrial to obtain an additional water allocation from joint usage storage. Therefore, WRWC's share for federal lobbying efforts will be \$48,853, to be incurred during the fiscal year ending June 30, 2019. Appropriation for these efforts was previously included in WRWC's FY2019 budget.

In response to questions pertaining to fish and wildlife impacts, Balfour stated that water is released in accordance with required flows. Temperature control remains an ongoing study. He explained that the lobbying efforts will help all parties obtain the needed natural resources. Knudson added that he will obtain talking points for water providers about this matter.

It was moved by Rosener, seconded by Burke to authorize the WRWC to pursue federal and local consulting/lobbying services for Willamette Basin reallocation. The motion passed unanimously.

**3. Unaudited Financial Report for the Third Quarter of the Fiscal Year Ending June 30, 2018**

Knudson conveyed that WRWC expenditures remain under budget for the third quarter financial report of the fiscal year ending June 30, 2018. Knudson anticipates that expenditures will finish the year under budget.

**4. Restatement of WRWC Intergovernmental Agreement**

Knudson stated that since the Willamette Governance's Group work is now complete (culminating in the Willamette Intake Facilities Commission), the WRWC needs to focus on restating its Intergovernmental Agreement (IGA) to reflect the current mission.

Balfour stated that the Staff Report contains information about the WRWC's history and evolution. The WRWC continues to maintain and manage water rights to the Willamette River, but transmitting and treating the water system is no longer within the WRWC's scope. Balfour then proposed a draft IGA Restatement Schedule of which there was general consensus.

In response to a question, Knudson stated that each member will need to individually complete a Water Management Conservation Plan (WMCP) as opposed to conducting a joint/WRWC WMCP effort. Balfour also confirmed that WRWC IGA restatement expenses have been included in the WRWC budget.

**5. Member Updates/Announcements**

There were no member updates or announcements.

**6. Public Comment**

No public was present at today's meeting.

**7. Adjournment**

Motion by Burke, second by Rosener to adjourn the meeting at 5:58 pm. The motion passed unanimously.

# Willamette Basin Review Feasibility Study

Jim Meierotto

Outreach and Engagement Coordinator



*"Maintaining the public's rights on the Willamette River for local and regional needs."*

## Background

- 13 reservoirs  
(1.64 M acre-feet legally stored)
  - Congressional authorization -1938/1950 for numerous purposes, including:
    - Irrigation, flood control, navigation, hydropower, pollution abatement, municipal water supply
- 5 percent is contracted to irrigation
- Stored water released for fish & wildlife benefits



*"Maintaining the public's rights on the Willamette River for local and regional needs."*

## Willamette Basin Project: Water Rights

- 1954/1968 – USBOR filed water right applications
- 1996 – Storage certificates issued to USBOR
- Water Rights: stored water for irrigation only
- Reallocation will require transfer of water right
- Fish flows require water right authorization to meet Endangered Species Act conditions

*"Maintaining the public's rights on the Willamette River for local and regional needs."*

3

## Estimating Demands for Stored Water

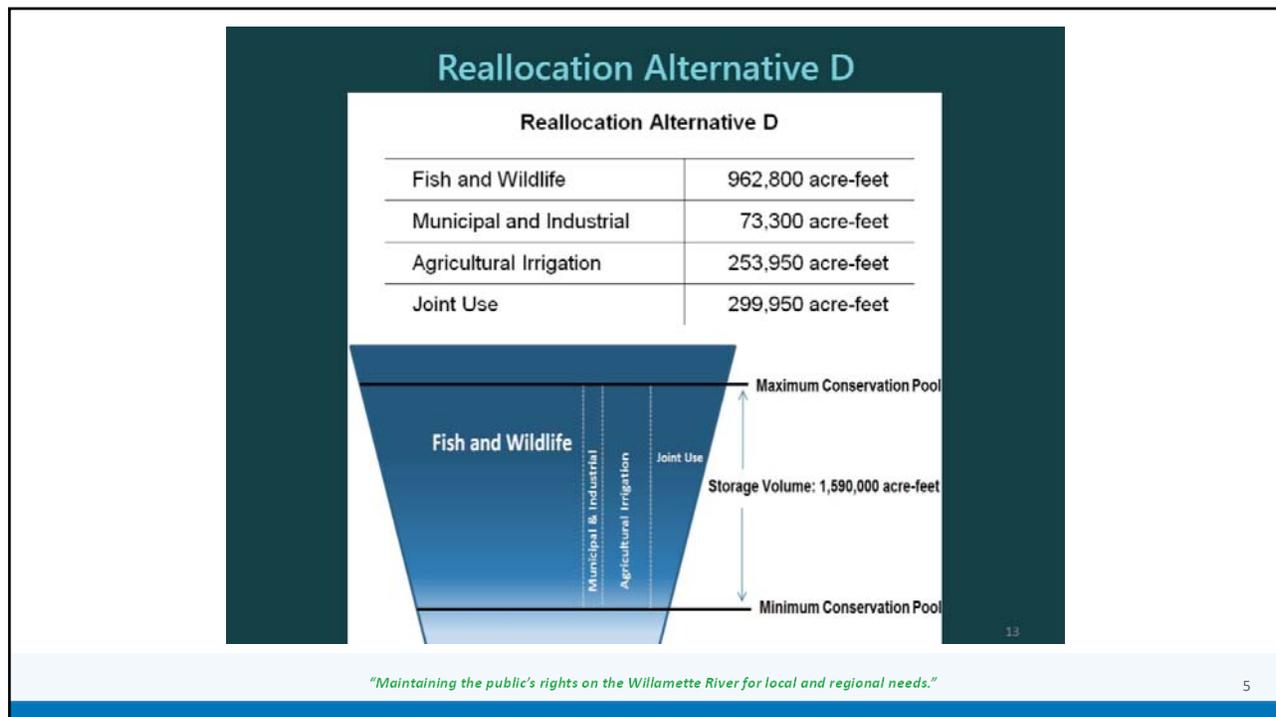
### Peak Season Demands for 2070

Allocation Use Category	Peak Demands (acre-feet)	Portion of Total (percent)
Fish & Wildlife	1,590,000	76.5
Municipal & Industrial	159,750	7.7
Agricultural Irrigation	327,650	15.8
<b>Total</b>	<b>2,077,400</b>	<b>100.0</b>

11

*"Maintaining the public's rights on the Willamette River for local and regional needs."*

4



## Federal Legislation Support

### Contract amendment between AWWA PNWS and Signal Group

- Monitor and track at the federal level:
  - Continue conversations with congressional offices of the municipal needs for stored water
  - Change or implement federal legislation (working closely with Senator Merkley and Representative DeFazio) to allocate more water from the joint use pool to municipal and industry users
  - Enhance the reliability and protection of existing M&I water rights
  - Track curtailment formulas and implementation proposals
  - Lower the cost per acre foot of water (proposed at \$2,500 per acre foot – repayment available over 30 year term)

*"Maintaining the public's rights on the Willamette River for local and regional needs."*

## Local Technical Support

### Contract amendment between OWUC and GSI

- Track the reallocation efforts and other rulemaking or legislative processes regarding reallocation including Biological Opinions and that existing water rights are not impaired
- On-going meetings with The Army Corps of Engineers and the Oregon Water Resources Department

*"Maintaining the public's rights on the Willamette River for local and regional needs."*

7

## Next Steps

- Total proposed budget for technical support and federal advocacy is \$160,000
  - Costs allocated to all OWUC Subcommittee members based on capacity of existing water rights
  - WRWC's share is \$48,853
- Recommend authorization to pay the WRWC share out of the fiscal year 2019 budget

*"Maintaining the public's rights on the Willamette River for local and regional needs."*

8

**WILLAMETTE RIVER WATER COALITION  
STATUS REPORT**

**DATE:** August 7, 2018

**TITLE:** Willamette Basin Review Feasibility Study Update

**ITEM:**

For the past two years, TVWD staff has provided periodic updates on the status of the Willamette Basin Review Feasibility Study being developed by the Army Corps of Engineers and under sponsorship by the Oregon Water Resources Department. The regular WRWC meeting for August 14, 2018 was cancelled, and the following information is provided as an interim status report. Acknowledgment is provided to the Oregon Water Utility Council, (OWUC) its members, Groundwater Solutions, Inc. (GSI) and the Signal Group for providing these details as the project continues to move forward.

Recent progress includes the following:

- Contracts were established by the Pacific Northwest Section of AWWA (i.e., OWUC) with GSI and the Signal Group for ongoing strategic, communication and outreach work related to the Corps study and subsequent congressional approvals. This project is being funded by potentially impacted agencies, including WRWC members.
- This is part of the WRWC approved Work Plan, and the Board authorized this work at the May 8, 2018 meeting. We are currently working with OWUC to establish a process to invoice the WRWC for the proposed cost allocation of \$48,853 or approximately 30 percent of the total project.
- In May and July, Signal Group was able to attend the federal consultation meeting in Washington D.C. on behalf of OWUC members. During this time, agricultural interest groups expressed their desire for additional allocation beyond the current recommendation within Option C (327,650 ac-ft). The Option C proposed allocations are summarized in the following table:

<b>Allocations Recommended by State of Oregon Alternative C</b>		
<b>Use</b>	<b>Volume (AF)</b>	<b>Percent</b>
F&W	1,102,600	69%
M&I	159,750	10%
AI	327,650	21%
Joint Use	0	0%

- Agricultural interests also contacted and met with the National Marine Fisheries Service (NMFS) to advocate for increasing their proposed allocation. There is currently no change in NMFS position. The endangered species act consultation and development of the biological opinion are still scheduled to begin this fall.
- All state-based natural resources agencies, along with the Governor's office, have reiterated their positions and are recommending Option C, denying state support for any further allocation changes, including agricultural requests.
- Next steps include further engagement with Senator Merkley and Representative DeFazio's offices on the current cost of stored water within the study. Both officials are on key strategic congressional committees and part of the 2018 Water Resources Development Act authorized by congress.

**STAFF RECOMMENDATION:** This is an information item only.

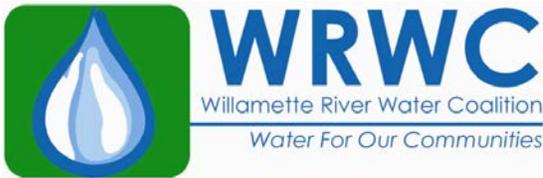
**BUDGET IMPACT:** As authorized at the May 8, 2018, WRWC Board meeting, WRWC's share of federal lobbying efforts is \$48,853. Appropriation of \$50,000 for these efforts were included in the WRWC's FY2019 budget.

**STAFF CONTACT:** Joel Cary, [joel.cary@tvwd.org](mailto:joel.cary@tvwd.org), 503-848-3019.

**ATTACHMENTS:** None.

**MANAGER APPROVAL:**

Chief Executive Officer	<i>me</i>	General Counsel	<i>CB</i>
Chief Financial Officer	N/A	Director, Water Supply Program	N/A



**WILLAMETTE RIVER WATER COALITION  
STATUS REPORT**

**DATE:** August 7, 2018

**TITLE:** Unaudited Financial Report for the Fiscal Year Ending June 30, 2018

**ITEM:** As the WRWC completes Fiscal Year (FY) 2018, its financial performance remains sound and within the planning expectations.

Important highlights for FY2018 include:

1. The WRWC’s fund balance has been reduced to just under \$3,000. This reduction in fund balances was a long-standing goal of the WRWC. For FY2019, TVWD has mailed invoices totaling \$21,000 in July. Once the dues are received, the WRWC fund balances will be restored. TVWD anticipates sending invoices for dues twice in a fiscal year as spending requirements materialize.
2. For FY2018, the WRWC spent approximately \$14,000 less than the budget appropriated by the WRWC Board. Of those savings, \$2,000 has been carried over by the Board in the WRWC’s FY2019 budget to pay for legal services for the restatement of the WRWC’s intergovernmental agreement (IGA).
3. Expenditures for FY2018 were below budget, and there was no need for a supplemental budget.

Exhibit 1 presents unaudited third-quarter budget comparisons for the separately maintained WRWC Fund.

**STAFF RECOMMENDATION:** No recommendation. This is an information item only.

**BUDGET IMPACT:** There is no specific budget impact from this information item.

**STAFF CONTACT:** Paul Matthews, [paul.matthews@tvwd.org](mailto:paul.matthews@tvwd.org), 503-848-3017.

**ATTACHMENTS:** Exhibit 1: Unaudited Budget Report for WRWC Fund through June 30, 2018.

**MANAGER APPROVAL:**

Chief Executive Officer		General Counsel	N/A
Chief Financial Officer		Director, Water Supply Program	N/A

# Exhibit 1



**Willamette River Water Coalition**  
**For the annual budget period ending June 30, 2018**  
**For the quarter ending June 30, 2018**

<i>Activity for the Quarter</i>			<i>Unaudited</i>	<i>Annual</i>				
<i>Budget</i>	<i>Actual</i>	<i>Variance</i>	<i>Resources</i>	<i>Annual Budget</i>	<i>Budget To date</i>	<i>Actual</i>	<i>Variance</i>	<i>Remaining Budget</i>
\$ 4,415	\$ -	\$ (4,415)	Revenues					
69	26	(43)	Dues by TVWD & other members	\$ 44,000	\$ 44,000	\$ 8,000	(36,000)	\$ 36,000
4,484	26	(4,458)	Interest on Investments	278	278	112	(166)	166
31,149	8,710	(22,439)	Total Revenues	44,278	44,278	8,112	(36,166)	36,166
<b>35,633</b>	<b>8,736</b>	<b>(26,897)</b>	Beginning Fund Balance	21,243	21,243	24,074	2,831	(2,831)
			<b>Total Resources</b>	<b>65,521</b>	<b>65,521</b>	<b>32,186</b>	<b>(33,335)</b>	<b>33,335</b>
			<b>Requirements</b>					
			<b>Materials and Services:</b>					
6,498	6,000	498	7000 - Operating Expenses	26,000	26,000	24,000	2,000	2,000
5,605	-	5,605	7310 - Professional Services	8,500	8,500	3,448	5,052	5,052
733	151	582	7330 - Business Expense	2,500	2,500	1,018	1,482	1,482
-	-	-	7360 - Other Sundry	2,000	2,000	1,135	865	865
-	-	-	7440 - Water Quality	2,000	2,000	-	2,000	2,000
1,276	-	1,276	7450 - Public information	3,000	3,000	-	3,000	3,000
14,112	6,151	7,961	Total Expenditures	44,000	44,000	29,601	14,399	14,399
6,600	-	(6,600)	Contingency	6,600	6,600	-	6,600	6,600
20,712	6,151	14,561	Total Expenditures & Contingency	50,600	50,600	29,601	20,999	20,999
14,921	2,585	12,336	Ending Fund Balance	14,921	14,921	2,585	12,336	12,336
<b>35,633</b>	<b>8,736</b>	<b>26,897</b>	<b>Total Requirements</b>	<b>65,521</b>	<b>65,521</b>	<b>32,186</b>	<b>33,335</b>	<b>33,335</b>

These statements unaudited and are preliminary for fiscal year ending June 30, 2018.



**WILLAMETTE RIVER WATER COALITION  
STATUS REPORT**

**DATE:** August 7, 2018

**TITLE:** Update and Discussion of Second Restated WRWC Intergovernmental Agreement

**ITEM:**

At the May 8, 2018 meeting, TVWD staff presented a plan to restate the 2008 WRWC IGA. The regular WRWC meeting for August 14, 2018 was cancelled, and the following information is provided as an interim status report.

TVWD staff has prepared a preliminary draft of a restated IGA to reflect the mission change of the WRWC to manage the jointly held water right for the benefit of its members. Staff does not believe the draft restated IGA can be completed and circulated for review until additional questions regarding how those rights are to be managed are answered.

The issues to be addressed are set forth on the attached document entitled Key Questions for Development of the Second Restated WRWC IGA. TVWD Staff requests that each Party review these questions and provide comment to TVWD by September 15, 2018. TVWD will circulate a poll of staff from each Party to meet to discuss the answers to the questions. Following the proposed staff meeting, a draft restated IGA will be circulated for discussion with the Board at the next WRWC meeting on November 13, 2018. If there is no clear consensus on how to resolve a question, then it will be flagged for discussion.

**STAFF RECOMMENDATION:** Each Party should review the attached Key Questions with its team in regards to the staff meeting request and provide comments to TVWD by September 15, 2018 to enable Board discussion in November.

**BUDGET IMPACT:** There is no specific budget impact for this item.

**STAFF CONTACT:** Clark Balfour, [clark.balfour@tvwd.org](mailto:clark.balfour@tvwd.org), 503-848-3061

**ATTACHMENTS:** Key Questions for Development of Second Restated IGA for Willamette River Water Coalition

**MANAGER APPROVAL:**

Chief Executive Officer	<i>me</i>	General Counsel	<i>CB</i>
Chief Financial Officer	N/A	Director, Water Supply Program	N/A

**Key Questions for Development of Second Restated IGA for  
Willamette River Water Coalition**

1. Should we establish a managing agency?
  - a. Is there a need when we have a WIF Commission Managing Agency, WRWTP Managing Agency and WWSS Managing Agency to track and report utilization of water for external and internal reporting?
  - b. If so, should TVWD be named as managing agency?
  - c. Term – indefinite; until such time agreed to by all members?
  - d. Powers of the managing agency
  
2. Perfection and Certification
  - a. Goal of partial certification based on 25% usage
  - b. Certificated for the good of the whole?
  - c. Certificated for the good of the whole but “protected” in the name of the using Party under the IGA?
  - d. Water Management and Conservation Plan coordination with ability to exchange demands to achieve perfection
  
3. Allocation of water rights to the City of Tualatin
  - a. Interest limited to available capacity in the WIF (3.1 MGD)
  - b. Other?
  
4. Treatment of unallocated water rights (24 MGD) – who gets what’s left?
  - a. Terminology: Unallocated? Future? Available Pool?
  - b. How to decide allocation of unallocated right?
  - c. Clarify that this WRWC water is outside of WIF amounts, and ownership in WIF is not a precondition to use?
  - d. First right by TVWD
  - e. Other members
  - f. Must the proposed use and location of diversion be approved by WRWC?
  
5. How to treat curtailment – in the event access to water right is curtailed for any reason (supply, OWRD, drought, water quality, etc.)
  - a. Must tie in with perfection strategy
  - b. Must account for conditions that may come in future extension processes. 2047 and after
  - c. Share the pain based on allocation?
  - d. Share the pain based on utilization?

6. Future Extensions - who is responsible for effort and cost of extensions?
  - a. Proportionate cost shares based on capacity of unused portion of right
  - b. But as some Parties become “perfected” at least under the WRWC IGA, does their participation and cost share reduce?
  
7. Should we continue to include authority to build infrastructure?
  - a. Why and why not to include this authority?
  - b. Have the authority in the IGA but leave any project to negotiation of an agreement at the time?
  
8. Should we continue to include authority to issue debt?
  - a. Why and why not to include this authority?
  - b. Have the authority vested in the IGA now as a placeholder?
  
9. Should we include ability to sell (or lease) water rights to non-members?
  
10. Reduce the frequency of the meetings to annually or twice per year rather than current requirement for quarterly meetings?