

Odessa Ground Water Replacement Program Frequently Asked Questions

- **✓** What are the basic parts of Odessa Ground Water Replacement Program?
- ✓ How did the Odessa Ground Water Replacement Program start?
- ✓ Why is the Odessa Ground Water Replacement Program only replacing ground water?
- ✓ What's taking so long?
- ✓ If this is a Federal project, why is the State of Washington involved?
- ✓ What is the State of Washington doing to help the Odessa Ground Water Replacement Program?
- ✓ Who are the partners in the Odessa Ground water Replacement Program?
- ✓ How will the costs of Odessa Ground Water Replacement Program be paid?
- ✓ Can ECBID issue bonds?
- ✓ How will ECBID facilitate bond sales?
- ✓ What will landowners pay?
- ✓ What are "normalized rates"?
- ✓ Is there a relationship between the amount of water OGWRP landowners get and the cost of it?
- ✓ What is the role of the Columbia Basin Development League in OGWRP?
- ✓ What did the League do to get the ball rolling?

What are the basic parts of the Odessa Ground Water Replacement Program?

The Odessa Ground Water Replacement Program (OGWRP) is a targeted plan to deliver water to <u>eligible and interested</u> deep well irrigated lands that <u>must be in the Columbia Basin Project and in the Odessa Ground Water Management Subarea (established by the State Department of Ecology), among other eligibility criteria. The purpose is to switch those landowners who are now using deep wells to pull ground water for irrigation from the Odessa aquifer (while they were waiting for Columbia Basin Project expansion) and transfer them to surface water supplies (from the CBP). The program has two major construction elements: 1) expand and improve the East Low Canal for added capacity, and 2) build pump stations and pipelines to deliver water to farms. OGWRP entails three different surface water supplies for irrigation water deliveries.</u>

How did the Odessa Ground Water Replacement Program start?

In 2001 Governor Locke launched the Columbia River Initiative looking for additional water to address a number of needs for Eastern Washington. Ultimately, the State turned to the Bureau of Reclamation and the three irrigation districts that operate the Columbia Basin Project to see if there might be water that could be shared to meet the State's needs. After 15 months of negotiating, they struck a deal in December of 2004 and the final document, a Memorandum of Understanding, outlined projects of mutual interest. The MOU included water for the Department of Ecology to use for municipal and industrial permits, instream flows, and drought relief. The declining Odessa aquifer was recognized as critical issue and an initial 30,000 acre-feet was directed to ground water replacement to meet the needs of the Odessa Subarea.

Why is the Odessa Ground Water Replacement Program only replacing ground water?

Reclamation, Ecology, and the Irrigation Districts agreed to support a program that addressed the economic and environmental catastrophe posed by depletion of the Odessa aquifer. In the context of their MOU discussions, adding service area in the Columbia Basin Project was a secondary benefit. While a project limited to replacing ground water wells (that were pulling from the Odessa aquifer) with water from the Columbia Basin Project is not the most efficient way to add service area in the Columbia Basin Project it was the only approach garnering support from the State and Federal government as well as interested non-governmental organizations for the multiple solutions it offered.

What's taking so long?

The United States owns the Columbia Basin Project--from Grand Coulee Dam to canal structures over a hundred miles away--and the Washington State-issued water right. Public ownership of the Columbia Basin Project brings extensive public review of all actions and the opportunity for opponents to challenge actions. Every step must be done in accordance with State and Federal statutes and regulations that add multiple layers of complexity. Because this program interfaces State water rights with Federal water allotments, the number of boxes that need to be checked off before being able to make water deliveries is substantial.

If this is a Federal project, why is the State of Washington involved?

Studies have shown that aquifer depletion will result in the loss of jobs and have a severe negative impact on economic activity and tax revenues. Plus, thousands of stakeholders who don't have Columbia Basin Project water for domestic and industrial uses will also be impacted. When the Legislature enacted the Columbia River Water Management Act in 2006 they recognized the extreme consequences of the problem and identified "finding solutions for the Odessa aquifer decline" as one of the priorities for the program.

What is the State of Washington doing to help the Odessa Ground Water Replacement Program?

The State has made significant investments through the Department of Ecology-Office of Columbia River (DOE-OCR) beginning in 2005. At that point the State stepped up to act as co-author and cost share partner with the Bureau of Reclamation to undertake the Odessa Subarea Special Study. The study resulted in the plan being implemented today. The State has invested over \$75,000,000 in projects* to date including:

- Lake Roosevelt Incremental Storage Releases for \$6,500,000
- Potholes Supplemental Feed Route for \$13,500,000
- Coordinated Conservation Program for \$15,000,000
- Odessa Special Study for \$14,000,000
- Odessa Special Study East Low Canal Improvements for \$26,000,000

Who are the partners in the Odessa Ground Water Replacement Program?

<u>U.S. Bureau of Reclamation</u> owns all facilities and operates major works like Grand Coulee Dam, Banks Lake and Potholes Reservoir. They are responsible for contracting with the three Irrigation Districts (East, Quincy and South) for water delivery and repayment of the Federal construction investment. Any expansion must conform to the original authorization for the Columbia Basin Project.

Washington State Department of Ecology-Office of Columbia River administers surface and ground water law and issues water rights--that Reclamation uses for the Odessa Ground Water Replacement Program and co-leads (with Reclamation) all environmental review. DOE-OCR evaluates ground water rights in the Odessa subarea and identifies eligible acres. They also oversee grant contracts for the Coordinated Conservation Program and construction to implement the OGWRP plan.

^{*}For detailed list see end of document.

<u>East Columbia Basin Irrigation District (ECBID)</u> is the CBP Irrigation District that has primary responsibility to serve lands in the Odessa Subarea. Columbia Basin Project irrigation districts are governed by an elected Board of Directors and operate under Washington State irrigation district law and Federal Reclamation law. ECBID uses statutory authority to implement the OGWRP plan. ECBID acts as the contracting agent, on behalf of landowners, with Reclamation.

<u>South Columbia Basin Irrigation District and Quincy Columbia Basin Irrigation District</u> are the other two irrigation districts in the Columbia Basin project. They have made water available to OGWRP through their participation in CBP-wide Coordinated Conservation projects.

How will the costs of OGWRP be paid?

The costs of the Odessa Ground Water Replacement Program will come from the Federal Government, State of Washington and landowners. Eligible landowners will participate by entering into contracts with East Columbia Basin Irrigation District to receive Columbia Basin Project water supplies. Their contract payments will repay tax-exempt municipal revenue bonds the District will sell to capitalize the construction of the pump and pipeline distribution systems. The goal of removing deep well pumping from the aquifer can only be met if sufficient Federal and State contributions are made to reduce the landowners share to an amount that will allow economically viable farming operations. Farmers and their lenders simply won't sign contracts that won't pencil out.

Can ECBID issue bonds?

Yes, the authority to issue bonds is found in the irrigation district statute, RCW 87.03.

How does ECBID facilitate bond sales?

ECBID has long standing relationships with one of the State's most respected bond counsels and financial advisor with long term experience in municipal markets. Barclay's, an international firm, has been engaged to market the bond. Most recently, ECBID funded major district-wide pump rehabilitations with bonds.

What will landowners pay?

OGWRP landowners will pay an Operation & Maintenance (O&M) fee and the cost of development:

- O&M fee is an annual cost for operation and maintenance of Columbia Basin Project facilities with all landowners currently served by the Project paying the fee. O&M includes cost of pumping water from Lake Roosevelt to Banks Lake, repairs to structures that wear out or break and district employees and equipment necessary to operate the infrastructure that delivers 3,400,000 acre-feet of water to over 1,500 square miles of farmland. All ECBID serviced lands pay an O&M fee.
- Through a water service contract with ECBID, and using normalized rates, landowners will pay fees that allow ECBID to repay the cost of constructing the delivery systems and remaining ELC improvements.
- Repayment of the federal investment in Project facilities will be required

What are "normalized rates"?

A normalized or standardized rate is a system where all users pay the same rate regardless of the costs required to serve a user. This approach is common for publicly-owned service infrastructures. While costs are more per acre to reach the southern end of the CBP or lands on hilltops that need pumping plants, lands in each of the three Irrigation Districts pays a uniform or "normalized rate". Whether lands are low cost or high cost, all share the cost of service equally as will landowners in OGWRP. Serving only deep well irrigated lands isn't the most efficient way to expand irrigation service, but in this case, there is a public policy purpose associated with the effort; the reason both State and Federal Government supports

the OGWRP. The effort is to preserve the irrigated acreage base, take as many acres as possible off the Odessa aquifer and preserve the remaining water for those without access to the CBP. Landowner equity is important and to the extent they can afford the cost, all eligible and interested landowners should have an opportunity to access the public water supply.

Is there a relationship between the amount of water OGWRP landowners get and the cost of it? Decades ago CBP water duty was established based on a system of land classification: sandy soils receive more water than heavier soils, for example. ECBID Directors have set the water duty for the OGWRP at three feet/acre which corresponds with the rest of the CBP. This helps ensure OGWRP landowners have flexibility in the crops they grow. Plus, with a flat rate system there is no incentive to over or under utilize water. However, water availability is also a factor in the receipt of the three feet/acre. As an analogy, if everyone in a city turned on the kitchen and bath faucet at the exact same time, not everyone would see water come out because the system is not built to supply that much water all at once. Large irrigation systems are the same; not everyone can take water at the same time. At the time a system is designed, an "availability standard" is set, and it determines how much water can be drawn simultaneously. Then, landowners in a shared system like the CBP work with district ditchriders to coordinate scheduling of service. As a result of landowner input, ECBID Directors recently reduced the availability standard Reclamation used in the original plan for OGWRP delivery systems. The result was a significant cost savings as pump and pipe sizes could be reduced accordingly.

What is the role of the Columbia Basin Development League in OGWRP?

CBDL is a non-profit advocate organization organized in 1964 to promote continued development of the Columbia Basin Project. The League has a broad-based Board of Trustees that provide direction. The League's Trustees and hired staff lobby Congress, the Washington Legislature, and State and Federal Executive branch officials. The League maintains a strong working relationship with Reclamation and the three Project Irrigation Districts and communicates regularly. Securing ongoing support and funding for OGWRP is a top priority. The League disseminates information about the OGWRP and the Columbia Basin Project activities.

What did the League do to get the ball rolling?

The League recognized the decline in the Odessa Subarea aquifer as a looming economic and environmental catastrophe and the relationship to the halted development of the Columbia Basin Project. Beginning in the fall of 2003, public meetings were held to gather information and focus attention on the problem. The League was successful in creating public awareness that the aquifer decline was directly related to decisions by the State of Washington in the late 1960's and early 1970's. The decision was made at a time when Project development was anticipated to continue and that wells could be turned off. But in the meantime the State issued ground water permits for agricultural irrigation even though the aquifer was being mined.

The State of Washington's \$75,000,000 investment in OGWRP includes these projects:

• Lake Roosevelt Incremental Storage Releases - \$6,500,000

- Completed State Environmental Policy Act Supplemental Environmental Impact Statement
- Technical support to Bureau of Reclamation for National Environmental Policy Act Environmental Assessment and Finding of No Significant Impact
- Joined Bureau of Reclamation defending lawsuits in federal court on adequacy of SEPA and NEPA
- Issued two secondary use water rights to Bureau of Reclamation
 - 25,000 acre feet of municipal and industrial water and 12,500 acre-feet of instream flow water for state use
 - 30,000 acre-feet of Odessa Ground Water Replacement water and 15,000 acre-feet of instream flow water by Bureau of Reclamation
- Negotiated municipal and industrial water service contracts with Bureau of Reclamation, issued state water rights to individual users/municipal suppliers
- Contracted construction of East Low Canal Weber Branch Siphon and Weber Coulee Siphon/I-90 crossing
- Mitigation at Lake Roosevelt in conjunction with National Parks Service
- Conducted East Low Canal LRIRP widening from I-90 to Lind Coulee Wasteway

• Potholes Supplemental Feed Route - \$13,500,000

- With Bureau of Reclamation prepared National Environmental Policy Act Environmental Assessment and Finding of No Significant Impact on use of Crab Creek to convey feed water
- Expanded crossing of Frenchman Hills Wasteway for passage of additional 25,000 acre-feet
- Prepared Mitigated Determination of Non-Significance and environmental checklist addressing Road 16
 Bridge (Grant Co.), Pinto Dam outlet reconstruction, and Crab Creek impacts
- Funded acquisitions for Crab Creek Conveyance Route (facilitated transfer of 126,000 acre-feet of feed water from East Low Canal to Crab Creek)
- Mitigation with Washington Department of Fish and Wildlife and U.S. Fish and Wildlife Service for northern leopard frogs, carp and bullfrog control

• Coordinated Conservation Program - \$15,000,000

 From 2009 to 2014 completed conservation projects creating 33,426 acre-feet of water for Odessa Ground Water Replacement

• Odessa Special Study - \$14,000,000

- Prepared Initial Alternative Development and Evaluation, Odessa Subarea Special Study with Bureau of Reclamation
- Habitat evaluations, fish entrainment studies, cultural resource assessments, and other studies to support EIS process
- Water right mitigation with Confederated Tribes of the Colville Reservation and Spokane Tribe of Indians
- Mitigation with NOAA Fisheries in support of BiOp for Odessa Special Study water rights
- Contracted designs for East Low Canal Siphons (Lind 1 & 2, Warden, Kansas Prairie 1 & 2)
- Issued secondary use water right to Bureau of Reclamation for 164,000 acre-feet for Odessa Ground Water Replacement Program

• Odessa Special Study - East Low Canal Improvements - \$26,000,000

- Widen and improve East Low Canal--Weber Coulee to Lind Coulee Wasteway and Lind Coulee Wasteway to Scootney Wasteway
- Design and build Leisle and Calloway road bridges modification and reconstruction
- Install Lind Coulee Wasteway and Lind Coulee Siphon 1 radial gates
- Design and construct Lind Coulee 1 and 2 Siphons

As of January, 2017