

**DWA WATER BANK – OUTREACH AND MARKETING PROJECT  
OREGON WATER SUPPLY AND CONSERVATION INITIATIVE**

**Deschutes Water Alliance Water Bank  
Marketing and Outreach Project Proposal  
Central Oregon Cities Organization  
Deschutes Basin Board of Control  
Deschutes River Conservancy**

**Oregon Water Resources Department  
Water Supply and Conservation Initiative  
2008 Community Request for Match Funding**

March 13, 2008

Debbie Colbert  
Administrator  
Field Services Division  
Oregon Water Resources Department  
725 Summer St., NE, Suite A  
Salem, OR 97301-1271

Dear Ms Colbert:

Please accept our application for consideration within the 2008 Community Request for Match Funding, part of the Oregon Water Supply and Conservation Initiative.

**1. Applicant(s)**

Patrick Griffiths, City of Bend  
Authorized representative for:

Central Oregon Cities Organization – 9 Central Oregon Cities: Bend, Redmond, Sisters, Prineville, Maupin, Madras, Culver, LaPine, Metolius.

In cooperative partnership with the Deschutes Basin Board of Control (DBBC), the 7 irrigation districts of Central Oregon: Central Oregon ID, Swalley ID, Arnold ID, Three Sisters ID, Ochoco ID, North Unit ID, Lone Pine ID.

Contracted DWA Water Bank Service Provider:  
Deschutes River Conservancy (DRC)

**2. Contact information**

Patrick Griffiths  
City of Bend Public Works Department  
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Bend, OR 97701  
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### **3. Project overview**

The DWA Water Bank Outreach and Marketing Project creates and implements a well defined marketing and outreach plan for the DWA Water Bank, providing stakeholders and potential customers with accurate information outlining the Bank's various processes, products and policies. In addition, regulatory agencies such as the Oregon Water Resources Department will benefit from having consistent information made available on the web, in print, and offered in public forums. Providing such information will also encourage the ongoing and efficient implementation of the Deschutes Groundwater Mitigation Program.

### **4. Description of water supply limitations**

The use of available surface water resources for irrigated agriculture in Central Oregon began in the 1860s and accelerated at the turn of the century. Consequently, surface water rights in the Deschutes Basin have been fully appropriated since the early 1900's, leaving groundwater as the only available source for water. In 1995, the concern that further groundwater development could affect Scenic Waterway flows led OWRD to condition groundwater permit approvals with the possibility that mitigation would be required. From 1998 onwards, groundwater permit applications were put on hold pending the outcome of a collaborative examination of groundwater in the upper Deschutes Basin. The "study", carried out by USGS and OWRD and released in 2001, confirmed that snowmelt infiltrates into the ground and recharges the underlying aquifer. Corresponding aquifer discharge provides much of the surface water to streams in the lower Deschutes Basin (Gannett and others 2001).

The results suggested that groundwater withdrawals in the upper basin had the potential to impact surface water rights holders in the lower basin, including junior instream rights. A multi-year process led to a series of innovative ideas for a groundwater mitigation program but consensus on the program was never reached. In 2002, the Water Resources Department put forward a program intended to offset withdrawals on a long-term volumetric basis. The Water Resources Commission approved rules for the implementation of the Deschutes Groundwater Mitigation Program in September 2002 (OAR 690-505). The program allows for water development while mitigating for the effects of groundwater withdrawals on surface water flows in the Basin.

Groundwater permit applicants must acquire groundwater mitigation credits to be eligible to receive a groundwater permit. These credits mitigate for the applicants' annual consumptive water use, which varies with the type of use. The program suggests that credits may be established through instream transfers, aquifer recharge, storage releases and conserved water projects. State-chartered groundwater mitigation banks may use temporary transfers to establish temporary credits subject to holding an equal amount of credits in reserve (OAR 690-521). Applicants may acquire permanent

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credits from individuals or they may purchase temporary credits through a mitigation bank or complete an approved mitigation project.

**5. Project description**

***(a) Scope of Work***

**Create and implement a marketing and outreach plan for the DWA Water Bank:**

**Marketing & Outreach Goals**

- Build awareness of the DWA Water Bank policies & procedures among stakeholder groups and the public through print, web and public presentation forums
- Provide accurate and concise background information defining how the program fits within a basin water management context.
- Clearly describe the necessary steps to obtain mitigation credits.
- Provide breakdown of the cost structure and options for obtaining credits (permanent vs temporary)
- Create greater public interest and trust in the DWA Bank – socially, politically & financially
- Enhance Bank's overall reputation
- Increase potential for securing future funding opportunities

**Demographics/Targeted Audiences**

- Municipalities
- Counties
- Agencies, and related staff (local, state, federal)
- Landowners
- State, County and Local Elected Officials
- Attorneys
- Environmental/NGO community
- Other stakeholders as necessary

***(b) Methods***

**Create the Following:**

**DWA Bank Collateral Materials** – Presentation folder & trifold explaining the structure, policies and procedures of the DWA Water Bank and presentation folder for potential Bank customers. Create PDF documents of print materials for ease of email as well as cost savings.

**Website** – Create a website explaining the basic facets of the DWA Water Bank and how to participate, as a buyer or seller. The site will have

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updated information and will be the main source of information for the mitigation banking program. All forms and documents will be available in multiple formats and have appropriate links to both local governments and the Oregon Water Resources Department. The site will be constructed with the capacity for expansion to archive additional information. It will also include a relevant list of frequently asked questions to help users drill into the information they need most quickly and efficiently. Links to related programs and other basin related activities will also be included.

**Audience Targeted Events** – Create a user-friendly PowerPoint presentation template that can be targeted for specific water bank stakeholders including potential program participants, City Councils, County Commissions, Irrigation District boards and patrons and other boards and stakeholders as listed above. The presentation will include enough detail to engage the stakeholder appropriately, with the added goal of driving them to the website to seek additional information as needed.

**Performed Work** – Work is to be performed by DRC staff, contracted web and graphic designers as required. Additional staff assistance will be provided by partner groups to ensure consistency of messaging in all print collateral, website and public presentations. Partner groups will also provide assistance with various stakeholder groups for critical question and answer sessions.

***(c) Background***

One of the key opportunities within the implementation phase of the Deschutes Groundwater mitigation program is to define how a mitigation buyer or other interested party can obtain information regarding the availability of mitigation in the Deschutes Basin. There is an additional need among local governments (cities and counties) and the staff within related divisions and departments to fully understand the Bank's policies and procedures. For the bank to be fully effective, local programmatic and policy related processes (such as land use annexation agreements) must align with Water Bank goals and facilitate participation in a willing seller, willing buyer framework in which the benefits of participation are fully transparent.

A strategic marketing and outreach program for the DWA Water Bank would provide the platform needed to distill and convey the necessary information. Having information available on the web, in print, and offered in a presentation template for use within public forums will go a long way to providing the necessary information about the program in a consistent and transparent way.

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**(d) Schedule**

<b>Mitigation Bank Marketing and Outreach Implementation Schedule</b>							
<b>Task</b>	<b>May-08</b>	<b>Jun-08</b>	<b>Jul-08</b>	<b>Aug-08</b>	<b>Sep-08</b>	<b>Oct-08</b>	<b>Nov-08</b>
Organize background materials and enroll review committee							
Determine and refine specific stakeholder audience groups, refine messages							
Web page Design - completion							
Schedule Targeted Outreach Events							
Design print collateral material - (pdf output) required for use on web page and for ease of email							
Review Committee Meeting / Progress Feedback-Check in, includes OWRD staff as appropriate							
Final Review and Approval							
Implement scheduled events							
Website Live and ongoing update of website and materials as needed							
Project Update to OWRD							
Final Report to OWRD							

**(e) Estimated Outcomes and Benefits**

Currently the mitigation program has a 200 cfs cap. This could impact up to 12,000 acres of irrigated land within the basin. Current estimates of financial cost to buyers for credits include an average cost for permanent credits at \$2250/credit (one acre foot) and \$105 per credit for temporary mitigation. The economic benefit of a functional mitigation program cannot be accurately estimated, but the cost of crisis and related moratorium would have significant impacts to the regional economy, destabilize the water markets in Bend and cause great confusion for all stakeholders. Measurable environmental benefits are inherent in the program and the benefits to junior water users are estimated to be approximately \$118,000,000 as there are approximately 50,000 acre feet of water being made available to those junior users under the current cap amount.

Public and stakeholder acceptance and utilization of the program directly correlate to how well the program is understood. Explanation of the program's limitations and benefits within the marketing and outreach program will be instrumental in defining how the DWA Water Bank fits in an overall adaptive management approach by basin stakeholders.

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**6. Description of stakeholder, agency, and citizen involvement**

During the design phase, prototype materials will be test marketed on participating project staff and member agency staff, including the COCO members, DBBC, DRC and OWRD staff. Once the marketing materials are completed, key implementation steps will include reaching out to councils and commissions, local service groups, landowners, attorneys and the environmental community. Special attention will be given to outreach events targeted to regional and “headquartered” staff of the relevant natural resource agencies in the basin such as US Fish and Wildlife, BLM, USFS, ODFW, OWRD, ODEQ and ODOT including both management level and field staff.

The focus of the presentations will be:

- Build awareness of the DWA Water Bank Policies & Procedures and how fits within the regulatory framework and adaptive management plans operating within the basin
- Clearly define the necessary steps to obtain mitigation credits and methods of participation in the program
- Provide a breakdown of cost structures of various mitigation options
- Create greater public interest and trust in the DWA Bank – socially, politically & financially
- Enhance Bank’s overall reputation, clearly stating the benefits
- Increase potential for more funding and continued support by all stakeholder groups

**7. Description of local government representative involvement**

Local governments are actively involved by providing project sponsorship of the Central Oregon Cities Organization and their nine member cities include Bend, Culver, Metolius, Maupin, Redmond, Prineville, LaPine, Sisters and Madras. The DBBC members currently involved in the DWA Water Bank include Central Oregon ID and Swalley ID. The unique nature of the grant program will include using the outreach materials created within the participating organizations. This is also true for the region’s county governments and their commissioners as well as planning commissions.

Typical municipal and county governments have large and diffuse organizational structures with cross cutting regulatory, land use and other programmatic responsibilities. This grant proposal anticipates providing multiple opportunities for various interested staff to participate. Others are expected to join the DWA Water Bank as participants and outreach efforts will target all listed organizations (and their boards).

The contracted service provider for the DWA Water Bank and this grant’s implementation is the Deschutes River Conservancy. It is anticipated that relationships with their board members, project partners and others will attract interest from additional stakeholders such as recreation, timber and other groups due to the strong representation on the DRC’s Board of Directors from these and many other industries.

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**8. Description of how the project will address or provide benefits to region-wide water supply issues.**

This marketing project will enhance the creation and successful operation of the state chartered Deschutes Water Exchange water bank (now doing business as the DWA Water Bank), which has already facilitated instream transfers and leases. The current program and bank has limited ability for basin wide outreach about the mitigation program to current and prospective water users. Evidence shows that mitigation projects and mitigation credits are ecologically and financially effective, reflecting the success of the mitigation program for the first five years and support its continuation. Instream flows in the middle reach are improving and bringing additional interest and momentum for related investment in restoration and management actions.

Successfully communicating not only how the bank works, but how it benefits the basin is an important outcome this project will address. Already, new groundwater needs have been met as sixty-six (66) new ground water permits have been issued allowing up to 52 cubic feet per second (cfs) in ground water withdrawals since the inception of the mitigation program. In addition, the outreach plan will include references to other related efforts ongoing in the basin and how all stakeholders can access related programs, processes and gather more information as needed.

**9. Description of how these efforts may also address or benefit other watershed issues facing your community.**

Discussion of how the water bank works, explanation of the genesis for the program, including the USGS reports, the Scenic Waterway Act and related information about the hydraulic connection between surface and groundwater essentially touches on just about every related topic such as urbanization, land use change, water demands by various sectors and related policies and programs to name just a few. Awareness of how all these issues connect to each other and how other benefits will accrue when stakeholders begin to fully realize their roles within the program.

We believe the outreach and marketing efforts will move people to gain a more complete understanding of the water related issues within the basin. Awareness is the first step in the awareness-to-action continuum. Knowledge of the water bank and the Deschutes Groundwater Mitigation program that comes as a result of this project will become a key part in building the ongoing understanding that will be required for this program to succeed and the realization that this is one part of a basin wide water management strategy from which all stakeholders will benefit.

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**10. Project budget**

	<b>Collateral Print Materials</b>	<b>Website</b>	<b>Outreach Presentations</b>
<b>Design</b>	1,500	3,000	500
<b>Production</b>	3,500	5,500	1,000
<b>Staff Time</b>	2,000	3,500	4,500
	<b>\$7,000</b>	<b>\$12,000</b>	<b>\$6,000</b>
<b>Total Proposed Budget</b>	<b>\$25,000</b>		
<b>Match Component</b>	<b>\$5000</b>	Secured from existing funding within DRC Bank Budget. Approved at last Bank Meeting in February – cash contribution.	
<b>Grant Funding</b>	<b>\$20,000</b>	OWSCI source	
<b>Total Project Cost</b>	<b>\$25,000</b>		