

SELAH MOXEE IRRIGATION DISTRICT  
EAST MOXEE DECLINING GROUNDWATER AREA  
WATER MARKETING STRATEGY

Selah-Moxee Irrigation District

113 East Moxee Ave

Moxee, WA 98936

Project Manager: Nathan Draper

[smidistrict@qwestoffice.net](mailto:smidistrict@qwestoffice.net) -- (509) 469-0449

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# 1 Technical Proposal and Evaluation Criteria

## 1.1 Executive summary

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Date: April 7, 2021

Applicant: Selah Moxee Irrigation District<sup>1</sup>

City, County, State: Moxee, Yakima County, Washington

This proposal seeks to continue work towards ensuring a reliable water supply for users and stakeholders in the Yakima Basin relying on declining groundwater. The Selah Moxee Irrigation District (SMID) has emerged as a champion to this effort and previous funding from the US Bureau of Reclamation (Reclamation) has led to a better understanding of a water market to address areas of declining groundwater.

SMID is partially served by Reclamation's Yakima Basin Project, where water is stored by Reclamation in five headwater reservoirs and managed to meet demand of Project water rights. SMID received Reclamation funding in 2018 for the current water marketing strategy.

The East Moxee (also known as 'Black Rock') area located west of SMID's current service area does not have a perennial surface water source. Water users in this area rely on groundwater, which comes at substantial pumping costs and is currently declining by as much as 13 feet per year for the last several decades (USGS, 2010). Time is running out to develop a water supply solution for thousands of acres of prime farmland, and a local, state, and federal coalition is forming around market-based solutions that can help bring needed water to this subbasin.

In 2019-2020, SMID led numerous public outreach sessions to determine water marketing options in the region. The top 5 irrigators – who account for 80 percent (6,000 acres) of the irrigated acreage – responded in favor of establishing a water bank in the East Moxee Area. The irrigators in the region were in favor of a willingness-to-pay plan that could generate \$9 million over the next 20 years.

SMID is seeking funding to continue developing a water supply and market strategy to solve declining groundwater in the East Moxee Area. This study, taking action items from the draft East Moxee (Black Rock) Marketing Strategy due to Reclamation in June 2021, would specifically target continued local outreach; an economic study; out-of-basin supply coordination; and a water banking interlocal agreement.

Because of the presence of domestic and group domestic users in the area, there is the potential for a public health crisis if a solution is not developed for existing groundwater users. Domestic water users are among the most junior water right

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<sup>1</sup> Per application requirements, SMID will secure/maintain a Unique Entity Identifier and System for Award Management registration through the BOR within 30 days of application submittal.

holders in the study area and will likely be the first curtailed in favor of senior irrigation rights, and were the hardest to coordinate with given their number and lack of understanding of the issues.

**Estimated Time to Complete:** 2 years

**Estimated Completion Date:** September 2023

**Proposed Reclamation funding:** \$150,000; Proposed SMID matching funds: \$150,000 (for qualifying grant items)

**Federal Funding Group:** Funding Group I

(For other program elements) Proposed SMID matching funds: \$180,000 additional

## 1.2 Background data

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SMID serves 2,142 customers and 7,740 acres of agricultural lands in south-central Washington, immediately adjacent to the East Moxee declining groundwater area. SMID and adjacent groundwater-dependent farmland includes vital hop, orchard, and hay farming critical to the Yakima Valley economy.

SMID has experienced urbanization within its district area, which has created some water surpluses that may be able to serve new lands east of their current service area in the East Moxee area (Figure 1). The East Moxee area has no perennial surface water. Water users in this area rely on groundwater, which is currently declining by as much as 13 feet per year for the last several decades (USGS, 2010).

The East Moxee area is home to over 7,400 acres of prime irrigated farmland, commercial business, and hundreds of people. The ongoing water supply challenge in the East Moxee area creates significant economic and public health risks. Having already conserved water, implemented crop change, fallowed lands, and investigated large storage from the Columbia River, the East Moxee area's most viable remaining option is to import water from the nearby Yakima River basin through SMID infrastructure and an SMID-facilitated water bank.

The Yakima River serves as SMID's water source. SMID has water right authority under six separate water right certificates totaling over 44,000 acre-feet, most of which are senior and not subject to curtailment. This makes them ideally suited to help solve water supply interruptability in the East Moxee area.

SMID received funding from the USBR WaterSMART grant in 2018 to undergo an investigation into the East Moxee area water market feasibility. SMID successfully developed a water supply and market strategy, and investigated the following factors:

- Demand for surface water services in the East Moxee area
- Potential market barriers
- Willingness-to-pay and costs of implementing a water market program
- Regulatory framework for water markets in the region, including institutional requirements and potential water market strategies
- Water right permitting requirements and mechanisms

- Engineering requirements to leverage existing infrastructure to serve new areas currently irrigated with groundwater
- Surface and groundwater flow from potential new service area to Yakima River to ensure water budget neutrality
- Opportunities to coordinate the work with overall Yakima Basin Integrated Plan water supply development goals

This first grant effort was very successful. Local farmers rallied to SMID’s leadership. State funding was budgeted by local legislators for additional work. Yakima County is engaged and supporting the project. Ecology supports the project and is evaluating future funding support. Critical next steps were identified to create the market. Eligible items from that list form the basis for this (new) grant request, with matching funds pledged from both local farmer and Washington State Legislative sources. Additional items not eligible under this grant request would be pursued concurrently with surplus state funding.

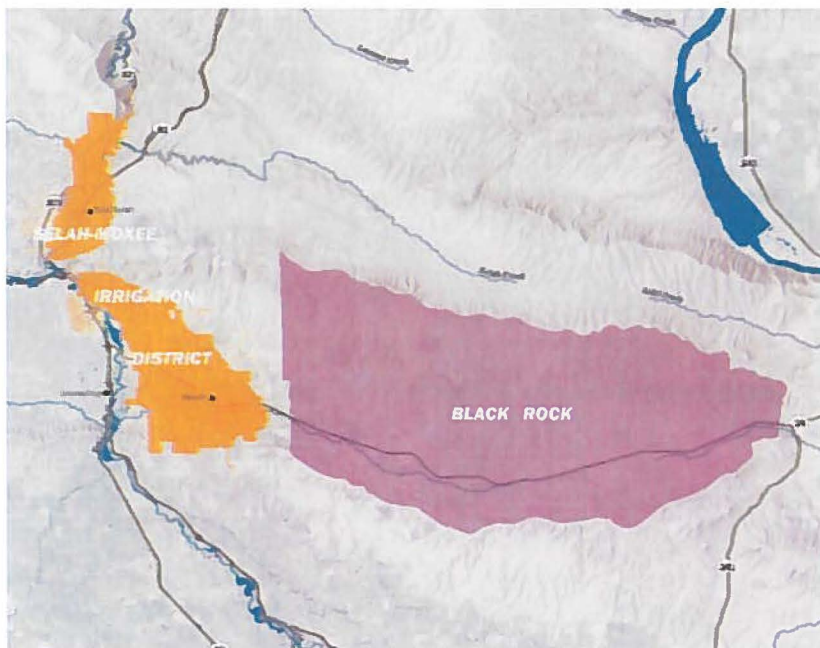
All told, \$1.75 million is needed to implement the Marketing Strategy. State and local funding totaling \$330,000 have been secured and this funding request, for an additional \$150,000, will make additional progress. The balance of the funding is expected to be developed in 2022 through additional local and state funding sources.

### 1.3 Project Location

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The East Moxee Area Water Marketing Strategy is focused on lands located in southcentral Washington, immediately east of the City of Yakima and the City of Union Gap (Figure 1). The project latitude is 46° 30’ 55” North and longitude is 120° 11’ 17” West.

**Figure 1. Project Area Map**



## 1.4 Project Description

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The proposed project focuses on implementing specific action items from the draft East Moxee (Black Rock) Marketing Strategy. This application seeks funds under Funding Group I to complete the following:

- A more robust landowner outreach strategy, particularly to the most vulnerable users of the declining groundwater body (small domestic users)
- Integration strategy for out-of-basin physical-supply (to supply the water market)
- An economic impact assessment (to bring light to economic impact of letting this basins jobs, farmland, dairies, and houses be eliminated)
- Coordination of a water banking interlocal agreement (to develop the water market infrastructure)

This work will culminate in a water market strategy document that will detail SMID's water market structure including implementation and operation. SMID will also include an update of non-eligible activities (e.g. environmental review, technical studies) being pursued in parallel with additional local matching funds.

### **Element 1. Implement improved landowner outreach strategy**

The outreach efforts to-date were very successful. SMID conducted outreach meetings, did news interviews and radio spots, prepared outreach materials, and held numerous meetings with stakeholders in the basin. The farming community outreach was very successful, including 80 percent interest (of the project area's irrigated land) to move forward. Key regulatory agencies and tribal representative meetings were conducted, including with the Yakama Nation, Department of Ecology, Department of Fish and Wildlife, and Reclamation.

For 2021, the critical need is smaller water users, particularly domestic users. Despite direct mailings to each user and blanket coverage in news outlets of opportunities to engage in the process, only a handful of the hundreds of water users engaged in the survey or attended meetings. This is a critical concern because, under the prior appropriation system, these will be the first users to be curtailed when groundwater declines become more acute.

This means that actual houses will be without drinking water, which was last seen in the Yakima Basin in 2005.<sup>2</sup> Ecology successfully used a water market called the Cabin Owners Program to solve that shortage, which is similar to the effort we envision here.

For 2021, SMID will use numerous outreach tools to help improve likely participation in a future water market. This includes continued contact efforts to

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<sup>2</sup> The Acquavella Adjudication Court issued curtailment orders to about 1,000 junior cabin owners relying on springs for their domestic supply.

groundwater users in the Black Rock area to determine their interest in being served in the future under a new water market strategy. Specifically, SMID’s outreach will complete the following:

- Additional direct mailings to all affected users
- Telephonic outreach to users whose phone numbers are publicly available in County property data
- Print and radio meeting spots
- An open house to explain the declining groundwater problem and proposed solution (COVID compliant)
- An analysis of updated survey data with new users assessing willingness-to-pay and participate in a water market

Additionally, in order to address the funding gaps remaining in the draft East Moxee (Black Rock) Marketing Strategy, SMID will hold meetings with local legislators, Ecology, and Yakima County to develop an integrated funding strategy to meet all program elements.

**Element 2. Integration strategy for out-of-basin physical supply**

To develop the water market strategy, SMID will work closely with stakeholders to develop water to seed the market. The most likely solution for a substantial amount of water for declining groundwater users comes from Yakima River supplies—either existing uses that are retired or surplus water from existing water rights and fisheries.

Neither of these options will be easy. Retiring existing uses is expensive, but still may be cost-effective if low value crops/cropland is retired in favor of higher value lands in East Moxee. A water market cannot succeed without supply. To further work towards market implementation, SMID will:

- Use WSDA crop statistics overlain with water right priority dates to assess the “pool” of available supply of lower value crops that could be targeted for acquisition in favor of higher value crops in East Moxee.
- Compare that pool of water to the need in the East Moxee area.
  - Develop an opinion of the likely cost to acquire and transfer that water to the water market.
- Meet with Yakima Basin Irrigation Plan (YBIP) stakeholders to determine current priorities for “surplus” water and how the declining groundwater water market could be integrated with and not directly compete with those objectives.
  - Develop an opinion of the likely cost to acquire and transfer that water to the water market.
- Assess what role SMID surplus water can have in helping solve this issue.
- Develop a Preferred Alternative consisting of one or a blend of strategies for market supply seeding.

- Seek local (county, farmer), state (Ecology), federal (Reclamation, Yakima Area Office), and tribal (Yakama Nation) concurrence for the Preferred Alternative.

### **Element 3. Evaluate Potential Economic Impacts**

If groundwater declines result in farms or homes in the East Moxee Area being unable to withdraw water, there could be significant economic impacts in the area. In the draft East Moxee (Black Rock) Marketing Strategy, we estimated some order of magnitude boundaries on this issue.

USDA maintains statistics on farm values for Washington and Yakima County, which are regional values across a wide range of circumstances. For 2019, average irrigated farmland values in Yakima County are on the order of \$7,700 per acre. For the 4,390 acres that expressed interest in the survey, that equates to a value on the order of \$34 million dollars. If all those farmers were unable to irrigate, all of them choose to dryland farm instead, then that \$34 million dollar “loss” would be offset by dryland gains on the order of \$6 million (based on \$1,250/dryland acre). However, farmland value is only part of that story. Farms buy fuel, seed, tractors, and fertilizer that have indirect benefits on the economy. People working at the farms receive salaries, pay their mortgages, and spend their money in the economy, which powers economic benefits. Finally, the risk to homes and businesses in the area has a significant economic value. A holistic evaluation of jobs, tax base, and economic impact will help local water users understand and compare the costs of a project solution.

Under this scope of work, SMID will contract for an Economic Study to evaluate the economic value of the basin, including the following elements.

- Develop estimates of existing values of key demographic groups using water in the East Moxee area including agriculture, domestic, commercial, and institutional uses
- Assess the direct and indirect effects of these users on the Washington economy
- Consider the tax generation implications (e.g. sales, property) of a groundwater shortage
- Consider property value comparison with and without a reliable source of irrigation and drinking water
- Develop two estimates of implications of a groundwater shortage
  - One where complete disruption of the groundwater source occurs (all users displaced)
  - One where safe sustaining yield of the aquifer displaces approximately one half of the most junior water right holders
  - Compare the economic implications of these two scenarios to estimates of market implementation



This economic study will serve two primary purposes:

1. It will help to educate local stakeholders on the implications of the impending groundwater challenges and how a water market solution can help avert them.
2. It will help make the case for additional local and state funding to move this project to implementation.

#### **Element 4. Develop water banking inter-local agreement**

An entity is needed to operate the water market. SMID has emerged as the only champion to-date, but others exist who could also do this work. Yakima County recently established a water bank for domestic uses outside the East Moxee area. Water marketing is a component of YBIP that is being studied. Ecology runs several water banks. Private and non-profit groups also operate water markets in Washington. The pros and cons of each of these management types is evaluated in the draft East Moxee (Black Rock) Marketing Strategy.

SMID is in discussions with each of these entities on the best way that the East Moxee users can be served, both physically and transactionally. SMID, as one of only two water purveyors with canal infrastructure in the vicinity (the other being Roza Irrigation District), likely is a good fit for all or a portion of the physical supply. SMID has a large portion of their rights as senior, and SMID has some surplus water that could assist in a water supply solution.

Transactionally, there is not yet concurrence on the water banker. In particular, the synergy with existing parallel regional banks (County, YBIP) should be explored further for efficiency in the transactions, outreach, and permitting. Under this scope, SMID will:

- Meet with key water banking entities identified in the draft East Moxee (Black Rock) Marketing Strategy to gauge interest in operating the bank.
- Seek local water user input via an expanded survey on who they would like to operate a future water bank.
- Attempt to secure an interlocal agreement, letter of interest, or other document that identifies the future water bank operator.
- Define SMID's role moving forward:
  - Legal and physical supply
  - Physical supply only
  - Legal supply only
- Vet the proposed role of a future water banking entity with key local stakeholders and tribes for input.
- Develop a modified Action Plan for next steps on water bank institutional development.

## 1.5 Evaluation Criteria

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### ***Criterion A – Water Marketing Benefits (up to 40 points)***

*Will the water marketing strategy address a specific water supply shortfall? What is the nature and severity of this shortfall?*

Physical water supply is limited in this area because of a combination of high demand, low recharge, aquifer isolation by faults and folds, and no perennial surface water sources. Essentially, all of the water supply in the Black Rock area is pumped from groundwater which has resulted in significant and long-term declines. Increasing drought frequency also cause concerns for exponential overdraft. This issue has been studied, documented, and monitored for years, but a solution to the farmers, dairies, businesses, and homes that rely on it has not yet been found.

Groundwater is derived from a structurally isolated groundwater basin that lies within the Yakima Fold Belt. Local aquifers are part of the Columbia Plateau Regional Aquifer System, with groundwater declines observed in the Saddle Mountain, Wanapum, and Grande Ronde Basalt aquifer zones. Groundwater declines are greatest in the eastern portion of the Black Rock/Moxee Area, which is isolated from the western portion of the area by the northeast-southwest trending Bird Canyon Fault. As reported in an Ecology groundwater study of the area, groundwater has been declining up to 6 ft/year in the Saddle Mountain unit, 12 ft/year in the Wanapum unit, and 13 ft/year in the Grande Ronde unit through the 1980's (Kirk and Mackie, 1993). More recent study has indicated that these declines have continued to the present (Snyder et al., 2010).

Water use in the Black Rock/Moxee area is primarily agricultural and small, rural domestic uses. Currently, there are approximately 160 water rights and claims within this region, 57 domestic group systems that do not require a water right. Additionally, numerous small permit-exempt users not tracked in Ecology's database also rely on declining groundwater. All of these water users depend on declining groundwater and are at risk because of the insecurity of their supply. Without a source replacement strategy, a future public health crisis could occur, as well as significant economic hardship for existing irrigation, dairy, and other water users.

The marketing strategy is designed to address this issue in two important ways:

1. Develop the institutional framework to give declining groundwater users a way to participate in a water market that substitutes their source of water for a more reliable source.
2. Develop the physical infrastructure to replace their current uses with a more reliable use.

*How and to what extent will the water market/water marketing strategy activities, once implemented, address the shortfall?*

Water markets work best when a supply source is being transacted to multiple water users. Hundreds of farmers, domestic users, and businesses need a market-based solution to solve declining groundwater. By importing surface water from the mainstem Yakima basin when it is legally and physically available to the East Moxee area users, there will be less reliance on declining groundwater.

- A farmer could receive canal water instead of declining groundwater.
- Irrigation practices from agricultural lands utilizing the newly provided surface water could potentially be a limited source of aquifer recharge.
- A small homeowner could receive canal water for outdoor irrigation and still drink clean water from the well.
- Local dairies could convert stockwater to surface supplies.
- Water could be stored in the winter and spring in on-farm ponds to reduce summer demands on the aquifer.

All of these options (and more) require separate transactional arrangements that the water market will need to assign, record, track, and monitor. Additionally, the supply side options may also come from a blend of sources that require the same rigor. Water bank seeding could come from:

1. Surplus water issued under a permit from Ecology.
2. Shares purchased in new storage under YBIP.
3. Water rights purchased and retired into trust.
4. Direct transfers from retired low value cropland to be pumped via SMID canals.

This project goes beyond a physical water supply solution. Water marketing is needed to manage/ align the supply and demand elements of this complicated project.

*Will the water market/water marketing strategy activities benefit multiple sectors and/or types of water users? If so, to what extent, and which sectors and water users will benefit?*

Developing the East Moxee area water market will benefit multiple water sectors by increasing the overall water supply and improving water reliability to a myriad of existing users. The demographics of water users in the area are complex and diverse, including the following:

- Large and small agriculture
- Dairies
- The US Agricultural Research Station
- Commercial businesses
- Group domestic users
- Single domestic users

Each of these users are relying on and contributing to the declining groundwater issues. The list above is generally ordered from greatest to smallest impacts on the aquifer. The one commonality is single domestic users are likely the most junior and the most at risk to a future curtailment.

All of these users will benefit either directly or indirectly from this proposed project. Initially, the marketing strategy will benefit the agricultural community by replacing non-potable irrigation groundwater with surface water. Removing the significant demand on groundwater sources from irrigation users naturally benefits domestic and municipal users. Any demand removed from the aquifer will result in longevity for those that remain.

*Explain how and to what extent the proposed water market or water marketing activities will improve water supply reliability in general in the area upon implementation of the strategy (address all that apply):*

- *Reducing the likelihood of conflicts over water;*
- *Increasing resiliency to drought;*
- *Sustaining agricultural communities;*
- *Demonstrating a water marketing approach that is innovative and which may be applied by others; or*
- *Providing instream flows for species, recreation or water quality objectives.*

*Reducing the likelihood of conflicts of water.* A water conflict is waiting to happen in East Moxee. Groundwater has been declining for decades. At some point, a senior water right holder will determine they cannot further lower pumps or rehabilitate wells and still receive all of their water rights. Their remedy is to file a complaint with Ecology or Superior Court to turn off junior users. This will almost surely result in litigation amongst all the parties. A successfully implemented market will allow demand to be removed from the aquifer and give it a chance to stabilize, and create a way for water users to move to more reliable supplies.

This next phase of the work also seeks to harmonize this effort with what could be viewed as a competing effort for the same limited resource in the YBIP.<sup>3</sup> Addressing this declining groundwater issue was not included. SMID seeks to provide a bridge to YBIP in this effort to avoid a conflict between users in the same basin, a goal supported by Ecology, one of the leaders of YBIP.

*Increasing resiliency to drought.* Currently, existing water users have no practical ability to augment their supplies during droughts. There isn't enough water during normal years to meet existing water rights. A new water supply and market solution will allow water to more freely move where it is needed most.

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<sup>3</sup> The whole goal of YBIP was to set aside past conflicts and work in a collaborative solution towards positive outcomes. YBIP aims to increase farmer reliability, extend municipal growth certainty, and provide fish passage.

- A farmer in a replanting schedule can move water in a drought year to others.
- Surplus water can be held in the bank to specifically meet drought objectives.
- SMID holds senior water rights that could be obligated for drought supply in a way that other junior water right holders cannot.

*Sustaining Agricultural Communities.* Without this project, thousands of prime hops and orchards acres, and dairies and other agricultural users are at risk of sudden and catastrophic loss of supply. The USGS Study for the basin was unable to predict when groundwater will no longer be sustainable for existing users. It could happen in 2030 or 2050. If a supply solution is developed, these acres will be moved to a sustainable water source that has the physical and legal longevity necessary for permanent crop certainty.

*Demonstrating a water marketing approach that is innovative and which may be applied by others.* Using water markets to address declining groundwater in Washington is not commonplace, despite the fact that there are numerous declining groundwater bodies. The lessons learned in leveraging irrigation infrastructure, surplus winter/spring water, and water right transfers in a market-based solution can be a recipe for solutions in other areas. Irrigation districts are prevalent in Washington and are in the unique position as an physical and legal asset holder to solve problems like this. SMID was willing to take this step to explore a water market to solve this problem and their success will likely pave the way for others to also consider it.

*Providing instream flows for species, recreation or water quality objectives.* When water moves from one location to another in a water market, it almost always moves downstream creating associated instream flow benefits. This water market can create trust water reaches to dedicate those downstream transfers to benefit instream flows and improve water quality. Improved instream flows in the Yakima River means more water and lower temperature and improved water quality for fish, as well as for recreation. The Yakima River has minimum federal instream flow targets and state-assessed water quality standards that will be considered in bank operation.

*Explain the extent to which the water market/activity will be ready to proceed upon completion of the strategy, addressing each of the following:*

- *Describe your plans and timeline for implementing the strategy upon its completions,*
- *Are there complex issues, including law or policy, that would need to be resolved before the strategy could be implemented?*
- *Explain whether previous planning, outreach and/or water marketing activities have been completed, including work on any of the three required project components.*

The draft East Moxee (Black Rock) Marketing Strategy confirmed many important elements of a water market, including:

1. Water right holders are interested in participating a market.
2. They are willing to pay fair market rate to participate in market rate.
3. Several potential water market managers existing, including SMID.
4. Physical and legal water supply solutions exist that can make a water market function well.

A specific Action Plan was developed on the next phases including the four specific elements requested for funding in this grant, and parallel technical and environmental review work done with other elements of the local match. These elements are planned for resolution over the next 2 years. At the same time, additional funding will be sought to cover the remaining funding needs up to the \$1.75M total target during that 2 year cycle.

By the end of this grant cycle in 2023, the expectation is that we could proceed to physical design and construction of the Preferred Alternative, coupled with a water bank champion (SMID or another) that would lead the marketplace.

Based on our prior work, we do not anticipate complex issues related to law, policy, or water right authority that could not be overcome during the 2023 timeline.

In addition to the previous planning in the draft East Moxee (Black Rock) Marketing Strategy, the project area has been the source of numerous planning efforts by Ecology and the USGS. Where this effort fills an important gap is it is solution-based.

### ***Criterion B – Level of Stakeholder Support and Involvement (up to 30 points)***

Stakeholder support for this project is very high. We note the following key letters of support (see Attachment A) for the project from numerous sources:

- Ron Anderson, Chairman of Yakima County Commissions Board.
- Tom Tebb, Director of Washington State Department of Ecology’s Office of Columbia River
- Byron Adams, City of Moxee Supervisor
- Benjamin Serr, Eastern Regional Manager, Washington State Dept. of Commerce
- Washington State Senator Jim Honeyford (15<sup>th</sup> Legislative District, includes the Project Area)
- Alexandra Richey, Washington State University Professor
- Michael Roy, President of Roy Farms (one of Project Area’s biggest irrigators)

Building on the success of the draft East Moxee (Black Rock) Marketing Strategy, we anticipate a more robust outreach strategy to strengthen the existing alliances and expand them to include those that were not captured in the first effort.

Stakeholders relationships to maintain and augment:

- Local farmers and businesses
- Ecology
- Reclamation
- Yakima County

Stakeholder relationships to improve:

- Small domestic users
- Group domestic users
- US Agricultural Research Station
- Yakama Nation
- Yakima Integrated Plan Executive Committee

We note that our previous effort was a success because we were able to obtain the written and financial support from the largest water users. However, if the measure of success is the number of participants/supporters, then our previous diligent effort was low—we simply were not able to effectively engage with the small user community that are at the highest risk. This will be a key focus in this next 2 years.

Importantly, we note that there is no known opposition to this project at this point. While there are diverse perspectives on water management in the Yakima Basin, we see this project as a proactive solution to an impending water management difficulty. Continuing to work with a diverse set of stakeholders should ensure a water banking strategy that is broadly supported. Element 1 (Page 5) outlines our specific stakeholder engagement efforts in the next 2 years to build the large coalition necessary to implement a project on this scale.

### ***Criterion C – Ability to Meet Program Requirements (up to 20 points)***

The four elements of the water marketing strategy will be addressed within the allotted two years by implementing the following schedules, which includes tasks, milestones, and dates. Elements are coordinated to try and have as much outreach and work done for a mid-year 2022 Open House with affected stakeholders:

Element	Description	Start Date - End Date
<b>Master Tasks (Applying to all 4 elements)</b>		
0.1	<b>Develop project workplan</b> , including tasks and subtasks, work schedule, and roles/responsibilities	September 2021 - 2022
0.2	<b>Quarterly Progress Updates</b> , including outreach to internal contractors and Reclamation funders	Quarterly 2021-2023
0.3	<b>Prepare draft technical report</b> summarizing the East Moxee Water Marketing Strategy based on the work completed under the 4 elements	March 2023
0.4	<b>Prepare final technical report</b> following online review period and comment solicitation, summarizing the East Moxee Water Marketing Strategy based on the work completed under the 4 elements	July 2023
<b>Element 1: Outreach</b>		
1.1	<b>Update outreach materials</b> , including improved flyers, mailers, survey, and messaging to small users	October 2021
1.2	<b>Develop improved mailing list and telephonic contacts</b> , as well as radio spots, news ads, etc.	December 2021
1.3	<b>Perform outreach efforts leading to Open House</b>	Jan to April 2022
1.4	<b>Open House</b>	May 2022
1.5	<b>Analyze survey info and document participation</b>	June to Oct 2022
<b>Element 2: Market Supply Evaluation</b>		
2.1	<b>WSDA Crop Evaluation</b> , to determine pool of rights that could help seed the market	October to December 2021
2.2	<b>YBIP Coordination</b> , to determine how surplus water can be accessed without conflicting with YBIP goals	November 2021 to May 2022
2.3	<b>Communication of Options</b> , to East Moxee users	May 2022
2.4	<b>Documentation of Preferred Alternative</b>	June to Oct 2022
<b>Element 3: Economic Evaluation</b>		
3.1	<b>Select qualified Economist</b>	November 2021



3.2	<b>Develop economic data required for study</b>	January 2022
3.3	<b>Draft economics report,</b>	May 2022
3.4	<b>Integrate into marketing report</b>	March 2023
<b>Element 4: Water Bank Interlocal Agreement</b>		
4.1	<b>Key entity meetings, County, Ecology, non-profits</b>	Spring 2022
4.2	<b>Input from water user</b>	May 2022
4.3	<b>Negotiate Letter of intent or interlocal agreement</b>	Fall 2022
4.4	<b>Integrate into marketing report</b>	March 2023

**Staff**

Nathan Draper, SMID, District Manager. Nathan has 20+ year of experience in irrigation district operation, planning and management. His long-tenure with the SMID and local stakeholder relationships will be key to the outreach strategy, market development, and procurement of necessary consultants that include:

An Engineering and Technical Services consultant (TBD). SMID will contract with a qualified engineering and technical services consultant to assist in completing all elements identified in this application.

Larry Martin, Attorney, Halverson NW. Larry is a water rights attorney for the District and has worked in the Yakima Basin for 30 years. Larry has strong stakeholder relationships necessary for outreach for this project, and is fluent in SMID’s water rights, and potential water bank permitting needs to serve this project.

Economics Contractor (TBD). SMID will contract with a qualified economist to assist in Element 3 using normal SMID procurement requirements.

**Describe any plans to request additional technical assistance from Reclamation, or by contract.**

Reclamation plays an important role in the Yakima Basin and will be a key stakeholder moving forward in developing this water market. To-date, we’ve been in close communication with the Yakima Area Office for the current phase of the project. In the next phase of outreach work, we will coordinate again to ensure that we are accurately assessing how water supply for the water market will be managed without disrupting existing obligations from Reclamation, or planned improvements under YBIP.

**1.6 Project Budget**

The total cost of this proposal is approximately \$480,000.

Of this total cost, \$300,000 is for eligible work covered under Elements 1 through 4 which are proposed to be funded \$150,000 from WaterSMART and \$150,000 from local farmer and State funding match (See funding letters). The balance of \$180,000

in funding available will support non-eligible project elements including further technical studies and environmental review.

**Summary of Non-Federal and federal Funding Sources**

FUNDING SOURCES	AMOUNT
<b>Non-Federal Entities</b>	
1. Selah Moxee Irrigation District	\$5,000
2. Local Farmers	\$25,000
3. State Legislative funding	\$300,000
<i>Non-Federal Subtotal</i>	\$330,000
<b>Other Federal Entities</b>	
1. n/a	
<i>Other Federal Subtotal</i>	
<b>Requested Reclamation Funding</b>	\$150,000

**1.6.1 Budget Proposal**

The Budget Proposal table below details the budget of this proposal, including inhouse work and work provided by contractors. Based on understanding of the grant, we broke these out for the \$300,000 associated with qualifying tasks. Half of the \$300,000 shown in the budget below would originate from WaterSMART and the rest of it from local match. The additional \$180,000 in local math available will be spent proportionately to that shown below on non-eligible tasks (technical studies and environmental review).

**Budget Proposal**

Budget Item Description	\$/Unit	Quantity	Quantity Type	Total Cost
<b>Salaries and Wages (SMID)</b>				
Nathan Draper, Project Manager/District Manager	\$51.16	65	hours	\$3,330
<b>Fringe Benefits</b>				
Nathan Draper	\$9.09	65	hours	\$590
<b>Travel</b>				
Mileage	\$0.55	90	Miles	\$500
<b>Supplies and Materials</b>				
Outreach Materials Printing	\$0.05	2000	copy	\$100
Postage	\$0.49	2000	stamps	\$980
<b>Equipment</b>				
None	-	-	-	-
<b>Contractual</b>				
HalversonNW	\$250	8	Hours	\$2,000
Consulting Principle Engineer	\$272	160	Hours	\$43,520

Consulting Senior Associate Hydrogeologist	\$238	320	Hours	\$76,160
Economist	\$200	480	Hours	\$96,000
Consulting Project Scientist	\$155	307	Hours	\$47,570
Other				
None	-	-	-	-
<b>Total Direct Costs</b>				\$263,250
Indirect Costs				
Indirect Costs	10%	Percentage	\$base	\$29,250
<b>Total Estimated Project Costs</b>				<b>\$300,000</b>

## **1.6.2 Budget Narrative**

### **1.6.2.1 Salaries and Wages**

The salaries and wages provided in the Budget Proposal an in-kind contribution of SMID staff time and direct funding from local match from State and farmer funds.

Additional project management work is covered under indirect costs.

### **1.6.2.2 Fringe Benefits**

Nathan's fringe benefits provided by SMID is approximately \$9.09/hr. This is a fixed rate for billing purposes.

### **1.6.2.3 Travel**

Given COVID issues, we anticipate our outreach coordination will largely be done virtually. We budgeted for approximately \$500 in milage reimbursements for miscellaneous meeting travel. We do not anticipate any costs will be incurred for airfare, rental car, meals, lodging, or per diem.

### **1.6.2.4 Equipment**

We do not anticipate any equipment needs.

### **1.6.2.5 Materials and Supplies**

We anticipate spending approximately \$1,080 on printing and mailing outreach materials. This would include approximately 2000 mailings that will include a brief summary of the proposal and information about workshops.

### **1.6.2.6 Contractual**

SMID would utilize the District's legal counsel, Larry Martin with Halverson Northwest Law Group (HalversonNW), for legal services related to water rights review and provided legal advice regarding SMID actions and the development of the Black Rock Area Water Market Strategy. Larry's billing rate is \$250.00/hour and he will work approximately 10 hours.

SMID would also hire a consulting firm to assist with outreach, scope, development of the water market strategy, and preparing the technical report. These would be staffed as shown in the attached table.

SMID would hire a qualifying Economist to do the economic study using its normal procurement process.

### **Proposed Tasks**

**Element 1. Outreach (\$50,000 estimate):** SMID will use numerous outreach tools to help improve likely participation in a future water market. This includes continued contact efforts to groundwater users in the Black Rock area to determine their interest in being served in the future under a new water market strategy.

**Key Staff w/hours:** Engineer – 250 hours

**Element 2. Integration strategy for out-of-basin physical supply (\$100,000 estimate):** Evaluate “pool” of available supply of lower value crops that could be targeted for acquisition in favor of higher value crops in East Moxee; assess what role SMID surplus water can have in helping solve this issue; develop a Preferred Alternative consisting of one or a blend of strategies for market supply seeding.

**Key Staff w/hours:** Engineer – 250 hours; Hydrogeologist – 250 hours

**Element 3. Evaluate Potential economic impacts (\$100,000 estimate)**

Conduct Economic Study to evaluate the economic value of the basin.

**Key Staff w/hours:** Economist – 500 hours

**Element 4. Develop water banking inter-local agreement (\$50,000 estimate)**

Meet with key water banking entities identified in the draft East Moxee (Black Rock) Marketing Strategy to gauge interest in operating a water bank and seek local water user input on who would like to operate a future water bank. Negotiate Interlocal Agreement or Letter of Intent.

**Key Staff w/hours:** Engineer – 250 hours; Attorney – 8 hours

#### **1.6.2.7 Other Expenses**

We do not anticipate other expenses for the development of the Black Rock Area Water Market Strategy.

#### **1.6.2.8 Indirect Costs**

SMID does not have a federally approved indirect cost rate agreement and is proposing a de minimis rate of 10 percent of total direct costs.

#### **1.6.2.9 Total Costs**

The total estimated costs for this project are \$300,000.

## 2 Existing Analysis Contributing to the Water Marketing Strategy (if applicable)

We will be using several sources –including 2018-2020 water marketing studies (funded by prior Reclamation WaterSMART grant) -- that have analyzed water markets in Washington State, and specifically the Yakima River Basin.

1. Hall, S.A., J.C. Adam, M. Barik, J. Yoder, M.P. Brady, D. Haller, M.E. Barber, C.E. Kruger, G.G. Yorgey, M. Downes, C.O. Stockle, B. Aryal, T. Carlson, G. Damiano, S. Dhungel, C. Einberger, K. Hamel-Reiken, M. Liu, K. Malek, S. McClure, R. Nelson, M. O'Brien, J. Padowski, K. Rajagopalan, Z. Rakib, B. Rushi, W. Valdez. 2016. 2016 Washington State Legislative Report. Columbia River Basin Long-Term Water Supply and Demand Forecast. Publication No. 16-12-001. Washington Department of Ecology, Olympia, WA. 216 pp. Available online at: <https://fortress.wa.gov/ecy/publications/SummaryPages/1612001.html>.
2. HDR Engineering, Anchor QEA, Yakima River Basin Study: Water Needs for Out-of-Stream Uses – Technical Memorandum, U.S. Bureau of Reclamation, June 2011, Contract No. 08CA10677A ID/IQ, Task 2.1. Available at: <https://www.usbr.gov/pn/programs/yrbwep/reports/tm/2-1waterneeds.pdf>
3. U.S. Bureau of Reclamation, WA Dept. of Ecology, Yakima River Basin Integrated Water Resource Management Plan: Final Programmatic Environmental Impact Statement, March 2012. Available at: <https://www.usbr.gov/pn/programs/yrbwep/reports/FPEIS/fpeis.pdf>
4. ECO Northwest, Yakima River Basin Study: Market-Based Reallocation of Water Resources – Technical Memorandum, U.S. Bureau of Reclamation and Ecology, March 2011, Contract No. 08CA10677A ID/IQ, Task 4.12. Available at: <https://www.usbr.gov/pn/programs/yrbwep/reports/tm/4-12marketreallocation.pdf>
5. ESA Adolfson, Yakima River Basin Study: Environmental, Policy and Legal Barriers – Technical Memorandum, U.S. Bureau of Reclamation, June 2011, Contract No. 08CA10677A ID/IQ, Task 5.2. Available at: <https://www.usbr.gov/pn/programs/yrbwep/reports/tm/5-2ep-legbarriers.pdf>
6. U.S. Bureau of Reclamation, HDR Engineering, Anchor QEA, Yakima River Basin Study: Fish Benefits Analysis – Technical Memorandum, U.S. Bureau of Reclamation, May 2011, Contract No. 08CA10677A ID/IQ, Task 7. Available at: <https://www.usbr.gov/pn/programs/yrbwep/reports/tm/7-fishbene.pdf>
7. WA Dept. of Ecology, 2008 Report to the Legislature: Water Banking in Washington State, November 2009. Available at: <https://fortress.wa.gov/ecy/publications/documents/0911024.pdf>

8. Yakima River Basin Water Enhancement Program, Final Environmental Impact Statement, U.S. Bureau of Reclamation, January 1999. Available at:  
<https://www.usbr.gov/pn/programs/yrbwep/reports/1999peis.pdf>
9. Final Planning Report/Environmental Impact Statement, Vol 1&2: Yakima River Basin Water Storage Feasibility Study, U.S. Bureau of Reclamation, December 2008. Available at:  
<https://www.usbr.gov/pn/studies/yakimastoragestudy/reports/eis/final/index.html>
10. Yakima River Basin Integrated Water Resource Management Alternative, Final Environmental Impact Statement, WA Dept. of Ecology, June 2009. Available at:  
<https://fortress.wa.gov/ecy/publications/documents/0912009.pdf>
11. U.S. Bureau of Reclamation, Water Marketing Activities within the Bureau of Reclamation, December 2016. Available at:  
<https://www.usbr.gov/watersmart/docs/2016/2016watermarketingreport.pdf>
12. Cascadia Law Group, ECO Northwest, Technical Report on Market-Based Reallocation of Water Resources: A component of the Yakima River Basin Storage Feasibility Study, WA Dept. of Ecology, December 2007. Available at:  
[https://www.usbr.gov/pn/studies/yakimastoragestudy/reports/07-11-044/Market\\_Based\\_Reallocation.pdf](https://www.usbr.gov/pn/studies/yakimastoragestudy/reports/07-11-044/Market_Based_Reallocation.pdf)
13. WA Dept. of Fish and Wildlife, Columbia River Instream Atlas—Final Report, Ecology Pub. No. 11-12-015, November 2011. Available at:  
<https://fortress.wa.gov/ecy/publications/documents/1112015.pdf>

### **3 Letters of Support**

Letters of Support for this project are included as Attachment A.

These letters of Support include:

- Yakima County
- Washington State Department of Ecology/Office of Columbia River
- Washington State University Professor Alexandra Richey
- City of Moxee
- Washington State Dept. of Commerce
- Washington State Senator Jim Honeyford (15<sup>th</sup> Legislative District, includes the Project Area)
- Roy Farms (one of Project Area's biggest irrigators)

### **4 Official Resolution**

See Attachment B for SMID's DRAFT official resolution. Per WaterSMART application guidelines, SMID will finalize the official resolution within 30 days of this application.

# **ATTACHMENT A**

## **Letters of Support**





# BOARD OF YAKIMA COUNTY COMMISSIONERS

Ron Anderson  
District 2

March 23, 2021

Bureau of Reclamation  
Financial Assistance Support Section  
Attn: Applied Science NOFO  
P.O. Box 25007, MS 84-27133  
Denver, CO 80225

**Re: Support Selah-Moxee Irrigation District Water Bank: Continue funding for Yakima Basin-area Irrigators and water supply**

To Whom It May Concern:

I am writing you today to ask for your support to continue funding for the Selah-Moxee Irrigation District's (SMID) water marketing and supply project to help their goal to deliver critical water supplies to irrigators in the Yakima Basin.

Groundwater in the East Moxee (also known as the Black Rock area) area east of Yakima has been declining by as much as 13 feet per year for the last several decades. Home to over 7,400 acres of prime irrigated farmland, commercial businesses, and hundreds of people, this water supply challenge creates significant economic and public health risks.

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Implementation of a solution to declining groundwater in the East Moxee area will require additional funding for future studies, environmental review, capital projects, project operation and maintenance, and water bank implementation. The likely funding is estimated at \$1.75 Million, based on the 2020 Water Marketing Study.

SMID successfully was awarded a Water Marketing grant from the Bureau of Reclamation (BOR) in 2018. This year, BOR is making available more funds through their Water Marketing grant in and, with its past success, SMID looks to pursue additional funding to make sure East Moxee water goals are met in the future.



# BOARD OF YAKIMA COUNTY COMMISSIONERS

Ron Anderson  
District 2

In the face of drought and growing water demand, we need your support to keep innovative and cost-effective water solutions a reality in the Yakima Basin. A reinvestment in SMID's project will build on the foundation of collaboration, environmental benefits, and economic prosperity associated with water supply certainty.

Sincerely,

A handwritten signature in black ink, appearing to be "Ron Anderson", written over a horizontal line.

Ron Anderson  
Chairman of the Board  
Commissioner, District 2



STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY

1250 W Alder St • Union Gap, Washington 98903-0009 • (509) 575-2490  
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

March 23, 2021

Bureau of Reclamation  
Financial Assistance Support Section  
ATTN: Water Marketing Strategy NOFO  
PO Box 25007, MS 84-27133  
Denver, CO 80225

**RE: Support Selah-Moxee Irrigation District Water Bank: Continue Funding for Yakima Basin-Area Irrigators and Water Supply**

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Bureau of Reclamation  
March 23, 2021  
Page 2 of 2

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In the face of drought and growing water demand, we need your support to keep innovative and cost-effective water solutions a reality in the Yakima Basin. A reinvestment in SMID's project will build on the foundation of collaboration, environmental benefits, and economic prosperity associated with water supply certainty.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Thomas Tebb". The signature is fluid and cursive, with a large initial "G" and a long, sweeping tail.

G. Thomas Tebb, L.Hg., L.E.G.  
Director  
Office of Columbia River

GTT:cms (210337)

ecc: Nathan Draper, Selah-Moxee Irrigation District  
Talmadge Oxford, Bureau of Reclamation  
Melissa Downes, Ecology-CRO



# City of Moxee

March 24, 2021

Bureau of Reclamation  
Financial Assistance Support Section  
Attn: Water Marketing Strategy NOFO  
P.O. Box 25007, MS 84-27133  
Denver, CO 80225

**Re: Support Selah-Moxee Irrigation District Water Bank: Continue funding for Yakima Basin-area Irrigators and water supply**

To Whom It May Concern:

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Having already conserved water, implemented crop change, fallowed lands, and investigated large storage from the Columbia River, the East Moxee area's most likely remaining option is to import water from the nearby Yakima River basin.

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Implementation of a solution to declining groundwater in the East Moxee area will require additional funding for future studies, environmental review, capital projects, project operation and maintenance, and water bank implementation. The likely funding is estimated at \$1.75 Million, based on the 2020 Water Marketing Study.

SMID successfully was awarded a Water Marketing grant from the Bureau of Reclamation (BOR) in 2018. This year, BOR is making available more funds through their Water Marketing

grant in and, with its past success, SMID looks to pursue additional funding to make sure East Moxee water goals are met in the future.

In the face of drought and growing water demand, we need your support to keep innovative and cost-effective water solutions a reality in the Yakima Basin. A reinvestment in SMID's project will build on the foundation of collaboration, environmental benefits, and economic prosperity associated with water supply certainty.

Sincerely,



**Byron Adams**  
City of Moxee Supervisor



STATE OF WASHINGTON  
DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • 360-725-4000  
[www.commerce.wa.gov](http://www.commerce.wa.gov)

April 2, 2021

Avra Morgan  
Water Resources and Planning Office  
Bureau of Reclamation  
PO Box 25007, 86-69200  
Denver, CO 80225

**Re: Support Selah-Moxee Irrigation District Water Bank: Continue funding for Yakima Basin-area Irrigators and water supply**

Dear Selection Committee:

I am writing you today to ask for your continued support for the Selah-Moxee Irrigation District's (SMID) water marketing and supply project to help their goal to deliver critical water supplies to irrigators in the Yakima Basin. SMID is looking to secure a U.S. Bureau of Reclamation (USBR) WaterSMART grant for water marketing.

Groundwater in the East Moxee (also known as the Black Rock area) area east of Yakima has been declining by as much as 13 feet per year for the last several decades. Home to over 7,400 acres of prime irrigated farmland, commercial businesses, and hundreds of people, this water supply challenge creates significant economic and public health risks.

Water users in the area have already adopted water conservation methods, implemented crop change, fallowed lands, and investigated the potential for large storage from the Columbia River. The East Moxee area's most viable option now is to import water from the nearby Yakima River basin.

SMID has emerged as a potential partner and champion to this effort. SMID has a 7,740 acre service area immediately to the west of the East Moxee area. SMID has experienced urbanization and conservation over the last 20 years by its members, and recently created a 9,000-acre-foot water bank. SMID has studied the demand in the area and determined that a market for this water bank exists.

Implementation of a solution to declining groundwater in the East Moxee area will require additional funding for future studies, environmental review, capital projects, project operation and maintenance, and water bank implementation. The likely funding is estimated at \$1.75 Million, based on the 2020 Water Marketing Study.

SMID was awarded a Water Marketing grant from USBR in 2018. SMID hopes to build on the knowledge gained and is pursuing additional funding through the USBR Water Marketing grant to ensure East Moxee water needs are met in the future.

In the face of drought and growing water demand, we need your support to keep innovative and cost-effective water solutions a reality in the Yakima Basin. A reinvestment in SMID's project will expand on the foundation of collaboration, environmental benefits, and economic prosperity associated with water supply certainty.

Sincerely,

A handwritten signature in blue ink that reads "Benjamin A. Serr". The signature is written in a cursive style and is positioned above a faint, light-colored rectangular stamp or watermark.

Benjamin A. Serr  
Eastern Regional Manager  
Growth Management Services





**Olympia Office:**  
112 Irv Newhouse Building  
PO Box 40415  
Olympia, WA 98504-0415  
Phone: (360) 786-7684  
E-mail: [Jim.Honeyford@leg.wa.gov](mailto:Jim.Honeyford@leg.wa.gov)  
Web: [jimhoneyford.src.wastateleg.org](http://jimhoneyford.src.wastateleg.org)

## Washington State Senate

**Senator Jim Honeyford**  
15th Legislative District

**Eastern Yakima County**  
Including the towns of:  
Buena Glead Grandview  
Granger Mabton Moxee  
Selah Sunnyside Toppenish  
Union Gap Wapato  
Yakima and Zillah

March 24, 2021

Bureau of Reclamation  
Financial Assistance Support Section  
Attn: Water Marketing Strategy NOFO  
P.O. Box 25007, MS 84-27133  
Denver, CO 80225

**Re: Support Selah-Moxee Irrigation District Water Bank: Continue funding for Yakima Basin-area Irrigators and water supply**

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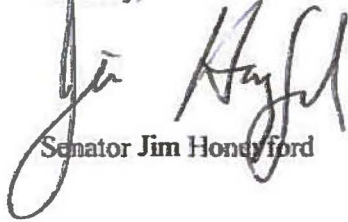
Implementation of a solution to declining groundwater in the East Moxee area will require additional funding for future studies, environmental review, capital projects, project operation and maintenance, and water bank implementation. The likely funding is estimated at \$1.75 Million, based on the 2020 Water Marketing Study. As Ranking member on the Capital Budget I've included \$300,000.00 for the Selah-Moxee irrigation district for their water market strategy study

SMID successfully was awarded a Water Marketing grant from the Bureau of Reclamation (BOR) in 2018. This year, BOR is making available more funds through their Water Marketing grant in and, with

its past success, SMID looks to pursue additional funding to make sure East Moxee water goals are met in the future.

In the face of drought and growing water demand, we need your support to keep innovative and cost-effective water solutions a reality in the Yakima Basin. A reinvestment in SMID's project will build on the foundation of collaboration, environmental benefits, and economic prosperity associated with water supply certainty.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Honeyford". The signature is written in a cursive style with a large initial "J" and "H".

Senator Jim Honeyford



March 23, 2021

Bureau of Reclamation  
Financial Assistance Support Section  
Attn: Water Marketing Strategy NOFO  
P.O. Box 25007, MS 84-27133  
Denver, CO 80225

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401 WALTERS ROAD | MOXEE WA 98936 | 509.452.3494

GROWN BY  
**ROY**  
FARMS

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Sincerely,



Michael Roy  
President of Roy Farms



401 WALTERS ROAD | MDXEE WA 98936 | 509.452.3494

April 6, 2021

Avra Morgan  
Water Resources and Planning Office  
Bureau of Reclamation  
PO Box 25007, 86-69200  
Denver, CO 80225

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Department of  
Civil and Environmental Engineering  
VOILAND COLLEGE OF ENGINEERING AND ARCHITECTURE

SMID successfully was awarded a Water Marketing grant from USBR in 2018. This year, SUBR is making available more funds through their Water Marketing grant in and, with its past success, SMID looks to pursue additional funding to make sure East Moxee water goals are met in the future.

In the face of drought and growing water demand, we need your support to keep innovative and cost-effective water solutions a reality in the Yakima Basin. A reinvestment in SMID's project will build on the foundation of collaboration, environmental benefits, and economic prosperity associated with water supply certainty.

Sincerely,

A handwritten signature in black ink, appearing to read "Alexandra Richey", with a long horizontal flourish extending to the right.

Alexandra Richey  
Assistant Professor  
Civil and Environmental Engineering, WSU Pullman

**ATTACHMENT B**

**Official Resolution**

**(DRAFT)**

**DRAFT**

**Selah-Moxee Irrigation District**  
**113 East Moxee Avenue**  
**P.O. Box 166**  
**Moxee, WA 98936**  
**(509) 469-0449 FAX (509) 469-0489**

**Resolution 2021-11**

A RESOLUTION AUTHORIZING AND APPROVING A COOPERATIVE AGREEMENT WITH THE BUREAU OF RECLAMATION WATERSMART GRANT PROVIDING SUPPLEMENTAL FINANCING FOR INVESTIGATING WATER MARKET PROGRAMS

**Whereas**, the project will investigate options and opportunities for implementing a water marketing program; and

**Whereas**, The Selah-Moxee Irrigation District Board of Directors will realize options for transferring water rights to other entities and/or individuals.

**Now Therefore, Be It Resolved** that the Selah-Moxee Irrigation District agrees and authorizes that:

1. Nathan Draper, District Manager of Selah-Moxee Irrigation District is given authority to submit the application to the Bureau of Reclamation for the WaterSmart Grant Program;
2. Nathan Draper, District Manager of Selah-Moxee Irrigation District is given authority to enter into an agreement with the Bureau of Reclamation for the WaterSmart Grant Program;
3. The District is capable of providing the amount of funding and in-kind contributions specified in the funding plan along with third party contributions; and
4. If selected to receive funds from this grant the District will work with Reclamation to meet established deadlines for entering into a cooperative agreement.

**Passed and Adopted** by the Selah-Moxee Irrigation District on this 14<sup>th</sup> Day of April, 2021

\_\_\_\_\_ Date: \_\_\_\_\_

Mike McGree, President

\_\_\_\_\_ Date: \_\_\_\_\_

Ben St. Mary

\_\_\_\_\_ Date: \_\_\_\_\_

Michael Roy

\_\_\_\_\_ Date: \_\_\_\_\_

Nathan Draper, Manager



**Selah-Moxee Irrigation District**

**113 East Moxee Avenue**

**P.O. Box 166**

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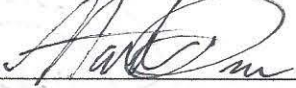
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**Passed and Adopted** by the Selah-Moxee Irrigation District on this 14<sup>th</sup> Day of April, 2021

  
 \_\_\_\_\_ Date: 4/14/21  
 Mike McGree, President

  
 \_\_\_\_\_ Date: 4/14/21  
 Ben St. Mary

  
 \_\_\_\_\_ Date: 4/14/21  
 Michael Roy

  
 \_\_\_\_\_ Date: 4-14-21  
 Nathan Draper, Manager

