

## FY 2017 Water Marketing Strategy Grants

### California

**El Dorado County Water Agency, American River Basin Water Marketing Strategy Project**  
**Reclamation Funding: \$400,000** **Total Project Cost: \$842,218**

The El Dorado County Water Agency (EDCWA) in central California will partner with several other municipal water suppliers within the American River Basin to develop a regional water marketing strategy addressing shortfalls in the American River Basin and within Reclamation's Central Valley Project. EDCWA and its partners can provide a source of transfer water to users south of the Delta, as contemplated in Reclamation's Long-Term Water Transfer Program approved in 2015. The water marketing strategy will focus on increasing coordination between regional conjunctive use, groundwater banking activities, and federal operation of Folsom Dam, to increase water supply reliability for municipal and industrial agencies in the region. With increased coordination, groundwater storage can be leveraged to augment the limited storage of surface water in Folsom lake, providing needed buffers to weather droughts.

**East Bay Municipal Utility District, Bay Area Regional Water Market Program**  
**Reclamation Funding: \$400,000** **Total Project Cost: \$1,062,127**

East Bay Municipal Water District and its partners in the Bay Area Regional Reliability (BARR) partnership will develop a water marketing strategy to support development of the Bay Area Regional Water Market Program. The strategy will define processes for identifying and resolving barriers to moving different types of water through the region and support the creation of a framework for moving water efficiently during droughts and other emergencies. The BARR partners serve more than 6 million customers and support the Bay Area's substantial economy. Their water supplies were significantly reduced during California's recent historic drought. The project's primary objective is to increase drought resiliency and reduce the risk of conflicts by making more efficient and coordinated use of existing water supplies and infrastructure.

### Colorado

**Lower South Platte Water Conservancy, Development of Water Marketing Strategies for the Northeast Colorado Water Cooperative**  
**Reclamation Funding: \$236,245** **Total Project Cost: \$708,961**

The Lower South Platte Water Conservancy District in northeastern Colorado will partner with the Northeast Colorado Water Cooperative (NECWC) to further develop a water marketing strategy along the South Platte River, between the city of Greeley and the Colorado-Nebraska state line. The NECWC was formed by municipal and agricultural users, with support from the Colorado Water Conservation Board, to facilitate water leases and the use of excess augmentation credits, available unappropriated supplies, and firming supplies through alternative transfer methods allowing temporary leases from senior water right holders. The water marketing strategy will build on efforts to expand participation with municipalities and

industrial water users who are not yet part of the partnership. A growing gap in supply and demand in the South Platte River Basin - which is expected to grow to 196,000 acre-feet by 2050 -- is creating a growing incentive to identify creative solutions, driving up interest in water marketing by multiple types of water users.

**The New Cache La Poudre Irrigating Company, Inc., New Cache La Poudre Water Marketing Strategy**

**Reclamation Funding: \$192,950**

**Total Project Cost: \$397,705**

The New Cache La Poudre Irrigating Company (New Cache), an agricultural water provider in north-central Colorado, will partner with Ducks Unlimited to develop a water marketing strategy that facilitates temporary transfers of agricultural water to meet the demand for water for municipalities, rural economic development, and wildlife habitat, while maintaining ownership of water rights in agriculture. New Cache's water marketing strategy will emphasize temporary water leases over permanent transfers to sustain Front Range agriculture while meeting other needs during shortages. The Colorado Water Conservation Board, various municipal water providers, and the Colorado Corn Growers Association support New Cache's strategy, and New Cache will use the South Platte Basin Roundtable, populated by 56 members from across the region, to conduct outreach and seek input to the strategy.

**Grand Valley Water Users Association, Grand Valley Water Users Association Water Marketing Beyond CCUPP**

**Reclamation Funding: \$128,000**

**Total Project Cost: \$265,900**

The Grand Valley Water Users Association in western Colorado, will partner with a broad range of stakeholders to develop potential water marketing strategies to improve drought resiliency in the Upper Colorado River Basin, while avoiding the permanent sale or transfer of existing agricultural water rights. The Association will build on the Conserved Consumptive Use Pilot Project, a water marketing effort to reduce irrigation demands within its service area, and will conduct extensive outreach and assessment of supply and demand across the Western Slope. The Association will facilitate collaboration with additional irrigation water providers, municipal and industrial water users, the State of Colorado, environmental and recreation groups, and water conservation districts, to develop a strategy for larger scale demand management through water marketing mechanisms.

## **Idaho**

**Shoshone-Bannock Tribes, Water Supply Bank Enhancement Project**

**Reclamation Funding: \$42,887**

**Total Project Cost: \$85,775**

The Shoshone-Bannock Tribes of the Fort Hall Reservation (Tribes) in Idaho will investigate voluntary, market-based lease agreements between the Tribes and the irrigation water users in the Michaud Unit of the Fort Hall Irrigation Project, in order to firm up supplies for the Tribal Water Bank. The Tribes have successfully operated the Tribal Water Bank since 1998 and, in most years, the Tribes lease up to 45,000 acre-feet of water to non-Tribal water users in the region. To make additional water supplies available for transfer through the bank during dry years, the Tribes will investigate methods to decrease water use within the Michaud Unit by exploring demand management strategies, such as rotational fallowing, dry-year fallowing, deficit irrigation, and crop switching, to determine the best approach to reduce demand while maintaining agricultural productivity. By enhancing the reliability of the Tribal Water Bank in dry years,

the Tribe seeks to provide an alternate income stream for Michaud Unit farmers, while meeting demands for leased water for other uses in eastern Idaho.

## **Oregon**

### **Central Oregon Irrigation District, Developing a Water Transactions Program in the Upper Deschutes Basin of Central Oregon**

**Reclamation Funding: \$400,000**

**Total Project Cost: \$800,000**

The Central Oregon Irrigation District in Redmond, Oregon, will develop a water transactions program to facilitate the trading of water between irrigation districts and for environmental flows on the Deschutes River. The Deschutes Basin has a projected supply-demand gap in 2050 of 230,000 acre-feet, including agricultural, environmental, and municipal needs. Also, the recent listing of the Oregon spotted frog has accelerated the need to restore flows in the Upper Deschutes River. The project builds on extensive collaborative work in the Upper Deschutes Basin, including an ongoing WaterSMART Basin Study, to restore flows and provide increased water security for basin stakeholders. The project will develop a water market strategy to move water between irrigation districts that can increase reliability for irrigators (especially junior users vulnerable to shortages); protect flows on the Upper Deschutes River; and meet and protect irrigated agricultural and municipal needs.

### **Warm Springs Water and Power Enterprises, Warm Springs Tribal Water Marketing Project**

**Reclamation Funding: \$172,062**

**Total Project Cost: \$344,124**

The Warm Springs Power and Water Enterprise in central Oregon will develop a water marketing strategy for leasing water rights held by the Confederated Tribes of the Warm Springs Reservation, to the North Unit Irrigation District, a Reclamation project in the Upper Deschutes River Basin. Water availability in the Upper Basin is limited due to flow release requirements to provide habitat for the Oregon spotted frog, recently listed as a threatened species under the Endangered Species Act. The Tribe's off-reservation water rights in Lake Billy Chinook can provide an alternative source of water supply to the North Unit, potentially decreasing deliveries from the Upper Deschutes and Crooked River by up to 72,000 AF per year. The water marketing strategy will explore the engineering, economic, legal and policy questions associated with the proposed lease. The reduction in deliveries that could result from the lease will make more water being available for environmental purposes to maintain habitat for threatened and endangered species, reduce the potential for water management conflicts in the Deschutes River Basin, and directly benefit the Tribes with increased revenues.

## **Washington**

### **Kittitas Reclamation District, Water Markets for the Yakima Basin: Researching and Developing Strategies for Multi-Benefit Markets**

**Reclamation Funding: \$198,990**

**Total Project Cost: \$433,154**

The Kittitas Reclamation District in central Washington will develop a "smart market" strategy for water marketing in Washington State's Yakima Basin, to improve market efficiency and participation through a comprehensive electronic clearinghouse. There is a need in the Yakima Basin to formally enhance the voluntary transfers of water rights to meet water management goals, including water for agriculture, drought response, enhanced stream flows and water for municipal uses. The strategy will include

development of an electronic clearinghouse to reduce transactional costs and uncertainties to increase market participation. The District, with technical assistance from Trout Unlimited, will analyze water rights and use, long term basin-wide water needs, and market strategy characteristics to develop and enhance Yakima Basin water marketing efforts. The District will complete the work by focusing on a multi-benefit, agriculture-to-agriculture market strategy that builds upon existing efforts and incorporates extensive stakeholder input.