

1 **Achieving Economic and Environmental Certainty in Water Availability for the Lower** 2 **Nooksack River Sub-basin: Work Plan, Budget and Financing Strategy**

3 **Short Title**

4 Lower Nooksack Strategy

5 **Introduction/Background**

6 On July 7, 2010 the WRIA 1 Joint Board directed its Management Team to propose a work plan, budget
7 and financing strategy to advance a negotiated settlement of Tribal and state in-stream flow water
8 rights on the mainstem of the Nooksack River, while maximizing the economic and environmental
9 benefits of out-of-stream water use in the Lower Nooksack sub-basin. The Joint Board directed staff to
10 (1) apply approximately \$600,000 in Joint Board budget capacity to the work, and (2) prepare a
11 leveraged five-year financing strategy to achieve this shared goal.¹ This direction is consistent with
12 WRIA 1 Watershed Management Plan priorities.²

13 The purpose of this document is to outline work that must be performed to achieve the shared goal and
14 desired outcomes as they are described below.

15 **Shared Goal**

16 Economic and environmental certainty for stakeholders and communities that share the Lower
17 Nooksack River Sub-basin

18 **Desired Outcomes**

- 19 (1) A court approved settlement of Tribal and state in-stream flow water rights, prior existing water
20 rights, and future out of stream reserves for the Mainstem Nooksack River.
- 21 (2) Clarity and predictability in land and water use opportunities for domestic, commercial, municipal,
22 and industrial uses; irrigation/agricultural uses; a sustainable harvestable surplus of salmon and
23 shellfish, and other purposes.
- 24 (3) A sustainable and effective stream flow and related environmental monitoring program.
- 25 (4) A transparent, accountable, and scalable market process for furthering resource-based economic
26 activity and growth.

27 **Management**

28 The WRIA 1 Joint Board intends to implement the work plan and financial strategy as it is adopted by the
29 Members, and will support efforts to obtain funding through the sources identified in the strategy.
30 Pursuant to existing operational protocols, the Joint Board will authorize expenditures from the Joint

¹ These funds are recently available through termination of the Utah State University contract for Decision Support System development.

² See WRIA 1 Detailed Implementation Plan, July, 2007.

31 Board fund. The WRIA 1 Management Team will administer the work on behalf of the Joint Board.
 32 Tribal, federal, and state agencies are the principle entities responsible for managing water rights
 33 settlement negotiations.

34 **Summary of Objectives and Cost Estimates**

Objective	Years 1-2	Years 3-5 ³	Total for 5-Year Strategy
Objective 1: Water Right Settlement Negotiations	\$400,000	\$600,000	\$1,000,000
Objective 2: Water Budget and Technical Support	\$235,000	\$180,000	\$415,000
Objective 3: Water Supply Planning	\$210,000	\$200,000	\$410,000
Objective 4: Flow and Water Quality Monitoring	\$175,000	\$360,000	\$535,000
Objective 5: Implementation Tools	\$60,000	\$180,000	\$240,000
Total Estimated Costs	\$1,080,000	\$1,520,000	\$2,600,000

35

36

³ Year 3- 5 budget estimates are rough estimates of funding needs, and are for planning purposes. As tasks in Years 1 and 2 are implemented the budget estimates for Years 3, 4, and 5 will be refined.

37 **Objectives, Tasks⁴, and 2011-2012 Budget Estimates (Years 1-2)**

38 **Objective 1: Develop and implement a process for negotiating settlement of water rights on the**
39 **Mainstem Nooksack River.**

40 Justification: A court approved settlement of instream flow water rights, existing water rights, and
41 future out-of-stream reserves for the Nooksack River is necessary to assure improvements in salmon
42 and shellfish habitat, protect owners of existing water rights, and leverage water availability for
43 other out-of-stream uses. Certainty in water availability is also necessary to achieve targeted
44 investment in economic growth and fish habitat restoration.

45 Lead: Washington Department of Ecology

46 Total Budget through 2012: \$400,000

47 Task 1: **Identify participants/stakeholders** for each level of the WRIA 1 Selection and Adoption
48 Action Plan concentric circle decision-making model and draft negotiation protocols and
49 agreements.

50 Timeline: Jan 2011-Dec 2011

51 Budget: \$50,000

52 Work product(s): 1) Affirmed/revised Action Plan model; 2) Participant agreements

53 Task 2: **Develop negotiations work plan** that identifies negotiation extent, process milestones,
54 technical needs, and timelines.

55 Timeline: Jan 2011-Dec 2011

56 Budget: \$100,000

57 Work product(s): 1) Work plan for negotiation process including list of technical needs.

58 2) Project Management Timeline and Milestones.

59 Task 3: **Develop involvement and outreach plan** for each level of participation prior to initiating
60 process.

61 Timeline: Jan 2011-Apr 2011

62 Budget: \$20,000

63 Work product(s): 1) Outreach and Involvement Plan for Concentric Circle Decision-Making
64 Model.

65 Task 4: **Implement Task 2** negotiation process work plan.

66 Timeline: Jan 2012-Dec 2012

67 Budget: \$230,000

68 Work Product(s): Draft settlement agreements for subbasin and/or drainages.

⁴ Budget estimates and timelines in this narrative do not extend beyond December 2012. However, not all tasks will be completed by 2012. Those tasks that extend beyond 2012 are considered in the rough budget estimates for subsequent years. A number of the other tasks that will be completed in the first two years will influence the tasks and budget estimates for the subsequent years of this five year strategy.

69 Objective 2: Update and verify the Lower Nooksack River sub-basin water budget and provide technical
70 support for decision-making.

71 Justification: Technical support including, but not limited to, updating and maintaining databases,
72 verifying water budgets, updating USU models, mapping, and GIS analysis are critical to all of the
73 work identified in the Lower Nooksack Strategy. This technical support provides a common body of
74 factual information on which to (1) base deliberations among stakeholders and communities and (2)
75 verify progress toward desired streamflows and/or water quality conditions.

76 Lead: Whatcom County

77 Total Budget through 2012: \$235,000

78 Task 1: **Coordinate with Watershed and Salmon Recovery Staff Teams** or their technical designees
79 on Tasks 2 – 5.

80 Timeline: Jan 2011-Dec 2012

81 Budget: \$16,000

82 Work product(s): Fourteen (14) meetings, Meeting summaries, presentations, handouts

83 Task 2: **Review and update datasets** relevant to preparing a water budget, and update the USU
84 models as needed to complete and refine the water budget.

85 Timeline: Jan 2011- May 2011

86 Budget: \$129,000

87 Work product(s): (1) List of data available through previous efforts that will inform a water
88 budget. (2) Compile and update data needed to inform a predevelopment water budget,
89 including: precipitation, stream flow, evapotranspiration, and groundwater contribution.

90 Task 3: **Prepare a water budget report** in the near term so that it can inform the tasks listed for
91 Objectives 1, 3-5.

92 Timeline: Jun 2011- Sep 2011

93 Budget: \$50,000

94 Work product(s): Report that estimates components of a water budget in a user friendly
95 way.

96 Task 4: **Identify and update key datasets** needed to inform policies and programs working toward
97 achieving Watershed Management Programs goals. Work with entities to refine systems for
98 tracking data relevant to evaluate program performance and management of water.

99 Timeline: Jan 2011- Dec 2012

100 Budget: \$30,000

101 Work product(s): (1) Update performance measures memo. (2) Updated datasets,
102 including: land cover, water rights, water use, wells, changes in land management, fish
103 habitat, and water quality and streamflow. (3) Identify limitations in record management
104 and work with responsible party to refine future data collection.

105 Task 5: **Make data and information collected in Tasks 2 – 4 available** to citizens, stakeholders, and
106 decision makers via website.
107 Timeline: Jan 2011- Dec 2012
108 Budget: \$10,000
109 Work product(s): Work with existing website administrators to make reports and data
110 usable and accessible via the WRIA 1 web site.

111 Objective 3: Update the Whatcom County Coordinated Water System Plan

112 Justification: Accurate and reliable quantification of current and future out-of-stream water needs is
113 necessary to understand when and where future water demand is greater than available supplies
114 and what type of solutions should be targeted. Incorporating this information into relevant land and
115 water use planning documents will inform future development opportunities in the lower Nooksack
116 River sub-basin.

117 Lead: Public Utility District No. 1

118 Total Budget through 2012: \$210,000

119 Task 1: **Coordinate the Water Users Group** to serve as technical work group to inform work
120 products in Tasks 2 – 4.

121 Timeline: Jan 2011- Dec 2012

122 Budget: \$25,000

123 Work product(s): 1) Meeting Materials including summaries, Agendas, Supporting
124 Documents

125 Task 2: **Quantify current and projected water use** for the lower Mainstem Nooksack sub-basin.

126 Timeline: Jan 2011- Jun 2011

127 Budget: \$50,000

128 Work product(s): 1) Database quantifying current water use and projected water use

129 Task 3: **Update the Whatcom County Coordinated Water System Plan (WCCWSP)** in accordance
130 with Washington Department of Health requirements, to be used as the basis for furthering
131 the completion of a comprehensive water supply plan that is consistent with the geographic
132 extent of instream flow processes to settle water rights.

133 Timeline: Feb 2011- Jul 2012

134 Budget: \$100,000

135 Work Product(s): 1) Whatcom County Coordinated Water System Plan Update Submitted for
136 Approval.

137 Task 4: **Develop work plan, process timeline, and milestones** for integrating the Coordinated
138 Water Systems Plan with other out of stream water need in a manner that supports,
139 informs, and links to other tasks in this Lower Nooksack Strategy. The work plan will be
140 developed concurrently with initiating the process to update the WCCWSP.

- 141 Timeline: Jan 2011- Jun 2011
- 142 Budget: \$2,500
- 143 Work Product(s): 1) Work plan for preparing Nooksack Basin water supply plan; 2) Project
- 144 Management Timeline and Milestones.
- 145 Task 5: **Identify resources and plan to support outreach** and participation in water supply planning
- 146 and related implementation actions.
- 147 Timeline: Jan 2011-Mar 2011
- 148 Budget: \$2,500
- 149 Work Product(s): 1) Outreach plan for government and non-government water purveyors.
- 150 Task 6: **Implement elements of the Task 4 work plan** that will establish the local framework needed
- 151 to address water supply needs extending beyond the WADOH regulatory framework.
- 152 Timeline: Oct 2011- Dec 2012
- 153 Budget: \$30,000
- 154 Work Product: 1) Strategy and recommendations for actions that integrate out of stream
- 155 water needs, land use, and economic needs in context with instream flows for a sustainable
- 156 harvestable surplus of salmon and shellfish.
- 157 Objective 4: Continue and, if appropriate, enhance targeted streamflow and water quality sampling at
- 158 locations identified in the WRIA 1 Long Term Monitoring Program.
- 159 Justification: Continuous records of streamflow and water quality are necessary for (1) informing
- 160 settlement negotiations, (2) developing solutions for out-of-stream water supply needs, (3)
- 161 demonstrating ability to comply with future binding settlement agreements, and (4) measuring
- 162 progress toward broad WRIA 1 Watershed Management Plan goals.
- 163 Lead: Lummi Natural Resources Department/Nooksack Tribe Natural Resources Department
- 164 Total Budget through 2012: \$175,000
- 165 Task 1: **Develop funding and maintenance agreements** for key stream gages, water quality stations
- 166 and temperature probes as identified in the WRIA 1 Long Term Monitoring Plan. Develop
- 167 agreements for funding of key gages and stations.
- 168 Timeline: Jan 2011-Dec 2012
- 169 Budget: \$5,000
- 170 Work product(s): 1) Monitoring schedule for Stream Network and Water Quality Stations. 2)
- 171 Agency agreements for gage operation and water quality sampling.
- 172 Task 2: **Fund key stream gages, temperature probes and water quality stations** identified in Task 1
- 173 schedules.
- 174 Timeline: Jan 2011-Dec 2012
- 175 Budget: \$145,000

176 Work Product(s): 1) Monitoring Schedule through Water Year 2016. 2) Agency agreements
177 for sample collection through Oct. 2012.

178 Task 3: **Prepare a work plan and budget for** extending stream flow gages and water quality
179 sampling (Tasks 1 and 2) beyond current funding period, updating stream flow and water
180 quality databases, introducing additional gaging stations (if needed), and conducting annual
181 or biannual data evaluations.

182 Timeline: Jan 2011- Aug 2011

183 Budget: \$5,000

184 Work Product(s): Work Plan and budget

185 Task 4: **Implement the work plan from Task 3** including updating stream flow and water quality
186 databases, and evaluating data on an annual or biannual basis.

187 Timeline: Sep 2011- Dec 2012

188 Budget: \$20,000

189 Work Product: 1) Annually provide DVD or CD of stream flow and water quality databases.

190 2) Annual or biannual report summarizing and evaluating stream flow and water quality
191 data.

192 Objective 5: Advance work on tools that foster water resource allocations consistent with long-term
193 economic and environmental land-use goals for implementation in five years.

194 Justification: Positioning stakeholders and communities to **act** on water allocation solutions
195 established by Objectives (1), (2), and (3) requires substantial advanced preparation. Continuing
196 work to determine how transactions in water, development rights, or other resource values will be
197 conducted is necessary to demonstrate that an agreed suite of water allocation solutions can be
198 accomplished.

199 Lead: Farm Friends

200 Total Budget through 2012: \$60,000

201 Task 1: **Continue developing implementation tools** with a near-term focus on identifying water
202 allocation and distribution mechanisms. The intent is to have a transaction mechanism that
203 can be operational as water right issues are settled.

204 Timeline: Jan 2011- Dec 2012

205 Budget: \$60,000

206 Work product(s): 1) Meeting summaries, presentations. 2) Interim milestones. 3) Final
207 report describing operational mechanisms for natural resource exchange.

208

Lower Nooksack Strategy: FINANCING PLAN

>>this is a working document<<

Year 1 and 2 needs are FY 2011/12 budget estimates from the proposed framework document.
 Year 3 needs are extrapolated from the framework document.
 Year 4 and 5 needs are strictly planning level estimates.

WC/Joint Board commitment¹
 PUD No. 1 commitment

State request
 EDI request

Port of Bellingham request
 Cities request

OBJECTIVES	LEAD	Year 1				Year 2				Year 3				Year 4		Year 5		Total Need
		Source(s)				Source(s)				Source(s)				Source(s)		Source(s)		
		\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source			
1) Water Right Settlement Negotiations	DOE	\$150,000	STATE	\$150,000	STATE	\$150,000	STATE	\$20,000	WC/JB	\$80,000	WC/JB	\$50,000	WC/JB	\$200,000	STATE	\$200,000	STATE	\$1,000,000
Timeline		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov					
Task 1: Identify participants/stakeholders																		
Task 2: Develop negotiations work plan																		
Task 3: Develop involvement/outreach plan																		
Task 4: Implement Task 2																		
2) Water Budget and Technical Support	COUNTY	\$185,000	WC/JB	\$0	WC/JB	\$0	WC/JB	\$25,000	PORT	\$25,000	PORT	\$25,000	PORT	\$35,000	WC/EDI	\$60,000	WC/JB	\$415,000
Timeline		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov					
Task 1: Coordinate with WRIA 1 Staff Teams																		
Task 2: Review and update datasets																		
Task 3: Prepare a water budget report																		
Task 4: Identify/update key datasets for policies/programs																		
Task 5: Make data and information collected accessible																		
3) Coordinated Water Supply Plan	PUD/COUNTY	\$85,000	WC/EDI	\$85,000	WC/EDI	\$85,000	WC/EDI	\$15,000	Cities	\$10,000	Cities	\$10,000	Cities	\$10,000	Cities	\$50,000	WC/EDI	\$410,000
Timeline		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov					
Task 1: Coordinate the Water Users Group																		
Task 2: Quantify current and projected water use																		
Task 3: Update WC Coordinated Water System Plan																		
Task 4: Develop work plan, process timeline, milestones																		
Task 5: Identify resources and plan to support outreach																		
Task 6: Implement elements of the Task 4 work plan																		
4) Flow and Water Quality Monitoring	TRIBES	\$90,000	WC/JB	\$85,000	WC/JB	\$30,000	WC/JB	\$90,000		\$85,000		\$80,000	STATE	\$125,000	STATE	\$125,000	STATE	\$535,000
Timeline		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov					
Task 1: Develop funding and maintenance agreements																		
Task 2: Fund key gages, temp probes and water quality																		
Task 3: Prepare a work plan and budget																		
Task 4: Implement the work plan from Task 3																		
5) Implementation Tools	WFF COUNTY	\$30,000	STATE	\$30,000	STATE	\$30,000	STATE	\$30,000		\$30,000		\$30,000	WC/EDI	\$60,000	STATE	\$60,000	STATE	\$240,000
Timeline		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Nov					
Task 1: Continue developing implementation tools																		
TOTAL BY YEAR/SOURCE		Source(s)				Source(s)				Source(s)				Source(s)		Source(s)		Total Need
		\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	\$ Amount	Source	
		\$295,000	WC/JB	\$165,000	WC/JB	\$80,000	WC/JB	\$10,000	PUD	\$5,000	PUD	\$260,000	STATE	\$180,000	STATE	\$150,000	WC/EDI	\$540,000
		\$10,000	PUD	\$5,000	PUD	\$5,000	PUD	\$180,000	STATE	\$180,000	STATE	\$150,000	WC/EDI	\$180,000	STATE	\$150,000	WC/EDI	\$620,000
		\$180,000	STATE	\$180,000	STATE	\$260,000	STATE	\$85,000	WC/EDI	\$85,000	WC/EDI	\$150,000	WC/EDI	\$150,000	WC/EDI	\$150,000	WC/EDI	\$320,000
		\$85,000	WC/EDI	\$85,000	WC/EDI	\$150,000	WC/EDI	\$15,000	Cities	\$10,000	Cities	\$10,000	Cities	\$15,000	Cities	\$10,000	Cities	\$35,000
		\$15,000	Cities	\$10,000	Cities	\$10,000	Cities	\$25,000	PORT	\$25,000	PORT	\$25,000	PORT	\$25,000	PORT	\$25,000	PORT	\$75,000
		\$25,000	PORT	\$25,000	PORT	\$25,000	PORT	\$610,000		\$470,000		\$530,000		\$610,000		\$610,000		\$2,600,000

JB - WRIA 1 Joint Board
 STATE/DOE - Washington Dept. of Ecology

CF - Conservation Futures
 EDI - Economic Development Investments

PORT - Port of Bellingham
 PUD - Public Utility District No. 1

WC - Whatcom County
 WFF- Whatcom Farm Friends

¹ Whatcom County administers the WRIA 1 Joint Board Fund. The JB funds referenced in this document are recently available through termination of the Utah State University contract. The original source of these funds is largely Flood Control Zone District revenues deposited for the purpose of Watershed Planning pursuant to RCW 90.82. Allocations from the fund are authorized by the WRIA 1 Joint Board pursuant to existing WRIA 1 Project interlocal agreements among the Initiating Governments.