



PAYING THE WATER BILL: COMMUNITY SUPPORT FOR AGRICULTURE AND RIVER RESTORATION IN CENTRAL OREGON

FACT SHEET THREE • SPRING 2013

This fact sheet series highlights innovative ways that family forest and ranch owners are prospering from protecting and enhancing ecosystem services on their land. Ecosystem services are the benefits people receive from nature such as water quality, wildlife habitat, and carbon sequestration.

Fish recovery in rivers depends on sufficient instream flows to maintain water quality and habitat. In many areas, water rights for agriculture present direct competition for these flows, and “use it or lose it” water rights provide little flexibility to landowners who may be able to contribute unneeded rights.

An innovative partnership between a nonprofit and a private water company in Bend, OR is tackling these challenges with a new twist on traditional water banking. The Blue Water program offers a novel way to pay for water banking, giving municipal water users a way to pitch in for their local river while enhancing instream flows and financially benefiting agricultural landowners.

PARTNERS

The Deschutes River Conservancy (DRC) is a nonprofit organization founded in 1996 to restore stream flows and water quality in the Deschutes Basin. DRC leases water primarily through irrigation districts and also directly from landowners. Avion Water Company is a private water utility that supplies water to residential customers in Bend and is a local philanthropic leader. The other essential partners are landowners and irrigation districts willing to lease their water rights to keep the water in the river for fish and utility customers willing to help foot the bill.

THE PROGRAM

The Blue Water Program, created by Avion and DRC in 2007, allows Avion’s residential water customers to donate to the DRC on their water bills. Customers choose one of four donation levels, from \$1.60 to \$6.40 per month, in \$1.60 increments. All Blue Water funds are used for leases and instream transfers in the Upper Deschutes watershed.

The leases pay agricultural landowners for water from unneeded water rights when they increase water use efficiency, fallow land, or shift land uses. These rights can be used temporarily or permanently to restore instream flows in the Deschutes River and its tributaries. This is particularly critical in the summer, when irrigated agriculture



diverts most of the water from the middle Deschutes into irrigation canals, degrading water quality and fish habitat. Leased water mitigates the impact of these diversions and provides income to landowners not currently using their water—without running afoul of Oregon’s “use it or lose it” water rights law. Although leases are often preferred across much of the West, permanent sales or donations of water for stream restoration are an option too, especially when land uses change.

OUTCOMES

About 3% of Avion’s customers participate in the Blue Water Program. In 2011, the program contributed to the nearly \$3.5 million spent on water conservation, leasing, and acquisitions in the Upper Deschutes. While the Blue Water Program comprises only a small portion of the DRC’s total budget, it is a stable, local funding source for ongoing conservation and restoration that can focus on leasing. Despite the importance of leased water to the river, it can be challenging to raise money for it, as most state and federal funds focus on investing in permanent water transfers. The Blue Water program addresses this challenge while also offering local urban residents a direct way to help restore their river and financially rewarding agricultural landowners for conserving water.

The restoration of nearby Whychus Creek, which runs through Sisters, Oregon, illustrates the ecological value of instream leasing. For over 100 years the creek ran dry during irrigation season, but it now maintains over 20 cfs of water throughout the season through leases, transfers, and water conservation.

CHALLENGES

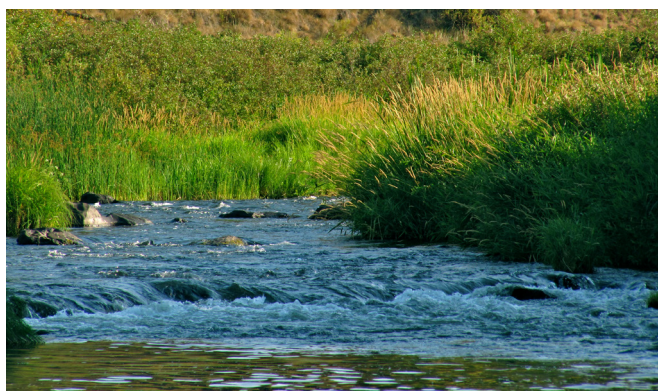
DRC would like to extend the model to irrigation districts, asking agricultural water users to donate money with their annual assessment. Funds raised would pay for leases from that district. However, those irrigation customers are billed annually, not monthly. In a recent trial run, a larger once-annual donation was a harder sell than a smaller monthly donation.

FUTURE PROSPECTS

DRC aims to extend the Blue Water model to other municipal water providers, public and private. The appeal of the program to potential partners and their water customers is that money raised locally is used locally, allowing communities to support local rivers and watersheds directly.

The Blue Water program itself is not very costly to maintain once launched and makes participation very easy for customers. Although cities get many requests to include various causes as check-boxes on water bills, DRC believes the water bank is a better sell on a water bill: people can offset their own use of water by paying for stream flow restoration in their local river.

Finally, the Blue Water model is spreading. Based on the Deschutes success, the Washington Water Trust is negotiating a similar, countywide partnership with a local utility company, and other public and private utilities are considering similar types of programs, all oriented towards protecting water quantity and quality while supporting the private landowners whose properties provide these benefits.



LEARN MORE

Deschutes River Conservancy, Blue Water Program:
<http://www.deschutesriver.org/what-we-do/blue-water/>
DRC 2012 annual report: http://www.deschutesriver.org/2012_Annual_Report_To_Print.pdf
Avion website: <http://methowrestorationcouncil.org>
For more information about the project and to read the full fact sheet series, go to:
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This fact sheet series is part of a multi-state research collaboration involving Oregon State University, University of Oregon, and Sustainable Northwest, with funding from the USDA National Institute for Food and Agriculture, Grant #2009-85211-06102-C0405A. Photo credits: header, p.1, 2—Emily Jane Davis.



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