

Council Study Session

July 18, 2022

Agenda Item	Coordinated Water Rights Management and Water Sharing Plan Intergovernmental Agreement	
From	Scott Fleury PE	Public Works Director
Contact	Scott.fleury@ashland.or.us	541-552-2412
Item Type	Requested by Council <input checked="" type="checkbox"/> Update <input checked="" type="checkbox"/> Request for Direction <input type="checkbox"/> Presentation <input checked="" type="checkbox"/>	

SUMMARY

Before the Council is an Intergovernmental Agreement (IGA) for a Coordinated Water Rights Management and Water Sharing Plan between the Medford Water Commission (MWC) and the “Partner Cities” that utilize MWC for treated water delivery.

POLICIES, PLANS & GOALS SUPPORTED

City Council Goals:

- Essential Service-Drinking Water System
- Emergency Preparedness
- Address Climate Change

CEAP Goals:

Natural Systems: Air, water, and ecosystem health, including opportunities to reduce emissions and prepare for climate change through improved resource conservation and ecosystem management.

- Strategy NS-2: Manage and conserve community water resources
- Strategy NS-3: Conserve water use within City operations

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Deliver timely life cycle capital improvement projects
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

BACKGROUND AND ADDITIONAL INFORMATION

In early 2020, MWC and the Cities of Talent, Ashland, Phoenix, Eagle Point, Central Point and Jacksonville (Partner Cities) completed a joint water rights strategy related to the water rights authorizing diversion at Medford Water’s Duff Water Treatment Plant (WTP) on the Rogue River. The water rights strategy included a proposed approach to ensure orderly certification of the water rights at the Duff WTP; it also included a proposed plan for sharing water supply to meet combined short-term (Phase 1) and long-term (Phase 2) water supply needs for all partner entities.

The Medford Water Commission Board directed General Manager, Brad Taylor, to work with “other cities” partners to develop the proposed IGA under certain guiding principles. These principals included

the following:

1. Medford Water would be (and receive compensation for being) the Managing Agency for the Partners but will not have a fiduciary responsibility to the other Partners.
2. The agreement must be consistent with the City of Medford's January 1, 1999, City Charter.
3. The agreement must ensure that Medford Water retains control of its water rights, the Duff WTP, and related infrastructure.
4. The agreement should relate only to water rights associated with the Duff WTP (and not to the Big Butte Creek water rights).
5. The Phase 1 IGA would provide for water sharing among the Partner Cities and would seek commitments to develop a Phase 2 agreement. Medford Water would not, however, be bound to enter into a Phase 2 agreement.
6. Medford Water could withdraw from the sharing agreement.

Over the past two years, MWC has met monthly with representatives of the Partner Cities to develop an IGA to implement Phase 1 of a water-sharing agreement. The Partners have developed an IGA that provides for orderly certification of the water rights at the Duff WTP, and a mechanism by which the Partner Cities would share water supply under their water rights and MWC would function as the Managing Agency. The IGA provides that the Partner City water-sharing agreement would begin on October 1, 2022, but a "dry run" is planned for May through September 2022. The IGA would renew every five years, consistent with the term of existing water supply agreements. The IGA provides for an annual meeting to review the water sharing calculations and discuss other issues related to provisions in the IGA.

The proposed IGA meets the guiding principles provided by the MWC Board. MWC will be the Managing Agency, and costs associated with these functions will be passed to the cities through costs of service and associated water rates. Additionally, the IGA pertains to only the water rights associated with the Duff WTP and expressly states that MWC (and all other partners) retain ownership of their water rights, and Medford Water retains ownership of the Duff WTP and related infrastructure. The agreement provides for water sharing among the Partner Cities and includes a mechanism for Partners to withdraw from the sharing agreement. The IGA recognizes that the water rights strategy recommended a second phase but provides that entering into the Phase 1 agreement does not bind a party to enter into a Phase 2 agreement.

Finally, the proposed IGA has been reviewed by legal counsel of the MWC and Partner Cities. The IGA in its full form is referenced as attachment #1 below. The IGA is intended to be supplemental to the Treat and Transport and wholesale water agreements that already exist between MWC and the partner cities.

Approval Status:

Central Point on April 28th – Approved

Phoenix on May 2nd – Approved

Jacksonville on May 3rd – Approved

Eagle Point on May 10th – Approved

Scheduled:

Ashland – July 19th

Talent – 3rd week of May

Staff will be seeking approval by the City Council to authorize the City Manager to enter into the formal IGA. The Medford Water Commission Board will complete the adoption process after each individual City Council considers adoption. However, the document will be returned for additional approval if significant changes occur after Ashland City Council consideration/approval.

Talent-Ashland-Phoenix Intertie (TAP):

The City of Ashland has permit for 1000 acre-feet of stored water right in Lost Creek Reservoir that utilizes the Duff Treatment Plant as the point of diversion for delivery of treated water through the TAP system. As part of the certification strategy outlined in the IGA, this water permit is referenced *first for certification*. The certification date based on the acquisition of the original Lost Creek water right permit was September 7, 2021. This means the City must certify all or a portion of the use and/or request a time extension for the “development” of the remainder of the water right.

To certify the permit a “Claim of Beneficial Use” (COBU) must be developed that shows the water was put to use during a water year (October 1 – September 30). During the 2021 season the City pumped 550.6 acre feet of TAP water or 179 MG. Public Works worked with GSI Water Solutions to develop the COBU and “certify” the use of 550.6 acre-feet and obtain a partial perfection water right certificate from the Oregon Water Resources Department (OWRD) on April 12, 2022. Partial perfection references only a portion of the total water right was perfected or shown to be used during the time period. Public Works has requested a time extension to certify the remainder of the Lost Creek stored water right. OWRD has issued a proposed final order for the time extension that will extend the certification time to October 1, 2061 for final perfection of remaining permit volume (449.4 MG).

The City will not be able to obtain any more stored water rights from Lost Creek Reservoir until such time as it shows that its demand will exceed currently held water rights within the 20 year planning window.

FISCAL IMPACTS

City of Ashland’s financial obligations under the proposed IGA are described in section VII. Additionally, costs associated with MWC’s management of the program will be included in partner cities’ rates.

The only fiscal impact associated with approval of appointments is the associated with the staff time necessary to participate in partner cities meetings and bring this action forward to Council.

DISCUSSION QUESTIONS

Does the Council have any questions about the Coordinated Water Rights Management and Sharing Agreement?

Does the Council have any questions about water rights or the certification process?

SUGGESTED NEXT STEPS

Next steps include formal approval by Council to authorize the City Manager to sign the IGA.

REFERENCES & ATTACHMENTS

Attachment #1: Coordinated Water Rights Management and Sharing Intergovernmental Agreement
Attachment #2: Fact Sheet

**INTERGOVERNMENTAL AGREEMENT FOR
A COORDINATED WATER RIGHTS MANAGEMENT AND WATER SHARING PLAN**

I. Parties

This Intergovernmental Agreement (IGA) is between the Medford Water Commission (MEDFORD WATER) and the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent, hereinafter PARTNERS when referred to collectively, and MEDFORD WATER, ASHLAND, CENTRAL POINT, EAGLE POINT, JACKSONVILLE, PHOENIX, and TALENT when referred to individually, and PARTNER CITIES when referring to ASHLAND, CENTRAL POINT, EAGLE POINT, JACKSONVILLE, PHOENIX, and TALENT.

II. Recitals

- A. The PARTNERS all own and operate water systems that supply water to their respective customers;
- B. The PARTNERS recognize the vital importance of providing a reliable source of water to all their respective customers for public health, safety, and welfare and for sustaining economic development;
- C. The PARTNERS recognize the importance of water conservation, and each take actions to conserve their water supply.
- D. The PARTNERS have invested in and each hold water right(s) that are diverted and treated at the Duff Water Treatment Plant (WTP) located on the Rogue River, and understand the importance of strategically managing those water rights;
- E. The Duff WTP, owned by MEDFORD WATER, provides treated water to the PARTNERS and is a critical regional water supply facility.
- F. The PARTNER CITIES receive water treated at the Duff WTP under Treat and Transport contracts with MEDFORD WATER. These contracts include rates of water that the PARTNER CITIES can receive from the MEDFORD WATER's water supply system during identified time periods.
- G. The PARTNERS value the important role each utility plays in meeting the water supply needs of the Rogue Valley Region;
- H. The PARTNERS entered into a cooperative agreement for developing a water rights strategy in 2019, which resulted in development of a Final Report entitled WATER RIGHTS STRATEGY FOR PARTNER WATER PROVIDERS (February 2020). The cooperative agreement and report executive summary are included in **Attachment 1**;
- I. The WATER RIGHTS STRATEGY FOR PARTNER WATER PROVIDERS recommends Phase I of the Coordinated Water Rights Management and Sharing Plan, which includes a coordinated water rights certification strategy for water rights diverted at the Duff WTP and a PARTNER CITIES water sharing framework;
- J. The WATER RIGHTS STRATEGY FOR PARTNER WATER PROVIDERS recommends a Phase II of the Coordinated Water Rights Management and Sharing Plan to continue the water rights certification strategy for water rights diverted at the Duff

WTP and a PARTNER CITIES and MEDFORD WATER water sharing framework. A separate IGA will need to be developed and approved for Phase II;

- K. The PARTNERS recognize that this IGA is related to Phase I of the Coordinated Water Rights Management and Sharing Plan; and
- L. The PARTNERS enter this agreement in a spirit of good will and mutual cooperation, understanding that entering this IGA for Phase I of a Cooperative Water Rights Management and Water Sharing Plan is intended to improve the current and long-term reliability of individual and collective water supplies and is in the highest public interest.

III. Scope and Purpose

To develop, refine and implement Phase I of a Coordinated Water Rights Management and Water Sharing Plan that includes a coordinated water rights certification strategy for water rights diverted at the Duff WTP and a PARTNER CITIES water sharing framework. This IGA does not address Phase II of a Coordinated Water Rights Management and Water Sharing Plan, which would be established in a separate IGA. Being a signatory to this IGA does not require a PARTNER to become a signatory to an IGA developed for Phase II.

IV. Retention of Asset Ownership

- A. Each Partner will retain ownership of its water right(s). Nothing in this IGA will have the effect of conveying a water right to any other entity.
- B. MEDFORD WATER will retain ownership of the Duff WTP, the associated intake on the Rogue River, and all related infrastructure. Nothing in this IGA will have the effect of conveying any of MEDFORD WATER's water system to any other entity.

V. Water Right Certification Coordination

- A. The PARTNERS developed a strategy for managing the timing of certification of their existing water use permits and transfers, which is described in the Water Rights Certification Strategy Table provided in **Attachment 2**. The table identifies the water rights that have been or can be certificated at the current Duff WTP capacity (70 cfs), and the permits and transfers to be certificated at each subsequent WTP capacity (100 cfs, 131 cfs, 162 cfs and 193 cfs). Except as provided in subsection D of this section, only the portion of the Water Rights Certification Strategy Table for the Duff WTP's existing capacity of 70 cfs is applicable to this IGA for Phase I of the Water Rights Management and Water Sharing Plan.
- B. The PARTNERS agree to submit claims of beneficial use (COBUs) and requests for water right certificates to the Oregon Water Resources Department (OWRD) only at times consistent with the portion of the Water Rights Certification Strategy Table for the Duff WTP's existing capacity of 70 cfs, except as provided in subsection D of this section.
- C. At least 14 days prior to submitting a COBU and request for water right certificate to OWRD, PARTNERS agree to provide the Managing Agency with written notice of their intention to file a COBU.

- D. The Water Rights Certification Strategy Table will be reviewed by the PARTNERS annually as described in Section VIII, and will be updated to reflect the issuance of water right certificates consistent with Water Rights Certification Strategy.
- E. Each PARTNER will continue to be responsible for maintaining its own water rights, which will include but is not limited to filing water use reports with OWRD, developing claims of beneficial use and requesting water right certificates, and developing water management and conservation plans.

VI. Water Sharing

- A. Consistent with the PARTNER CITIES' contracts with MEDFORD WATER, each PARTNER CITY will use water under its individual water rights beginning May 1 of each year and ending September 30 of each year.
- B. By November 15 of each year, MEDFORD WATER will calculate the total volume of water used by each PARTNER CITY during the period of May 1 through September 30 based on meter readings for each city, referred to as each city's "Annual Metered Volume." The meters used to determine each PARTNER CITY'S "Annual Metered Volume" are listed in **Attachment 3**.
 - 1. The owner of each meter will ensure its meter(s) are calibrated to manufacturer standards.
 - 2. If a meter breaks or malfunctions the PARTNERS will use the best practicable information available to estimate water use.
- C. MEDFORD WATER will compare each PARTNER CITY'S Annual Metered Volume to the total volume of water authorized by each PARTNER CITY'S water rights (referred to as each PARTNER CITY'S "Total Authorized Water Volume") as shown in **Attachment 4**.
- D. The PARTNER CITIES will notify MEDFORD WATER of any changes to their Total Authorized Water Volume that occur during the May 1 through September 30 period.
- E. If a PARTNER CITY'S Annual Metered Volume exceeds its Authorized Water Volume, as provided in VI. C., MEDFORD WATER will subtract the Authorized Water Volume from the Annual Metered Volume to obtain that PARTNER CITY'S "Volume of Excess Use" for the year.
- F. If a PARTNER CITY'S Annual Metered Volume is less than that city's Authorized Water Volume, as provided in VI. C., MEDFORD WATER will subtract the Annual Metered Volume from the Authorized Water Volume to obtain that PARTNER CITY'S "Excess Water Right Volume" for the year.
- G. For each PARTNER CITY with a Volume of Excess Use, MEDFORD WATER will allocate the Volume of Excess Use equally among all PARTNER CITIES with an Excess Water Right Volume for that year. MEDFORD WATER will allocate the Volume of

Excess Use equally up to, but not in excess of, the PARTNER CITIES' Authorized Water Volumes. If equal allocation of a PARTNER CITY'S Volume of Excess Use would exceed one or more PARTNER CITY'S Authorized Water Volume, the Volume of Excess Use will be allocated equally among the PARTNER CITIES in the amount of the smallest Excess Water Right Volume. The remaining Volume of Excess Use will then be allocated equally among the remaining PARTNER CITIES with Excess Water Right Volume. This process will be repeated until the PARTNER CITY'S entire Volume of Excess Use has been allocated to other PARTNER CITIES. **Attachment 5** provides an example of the intended process.

- H. Any PARTNER CITY with a Volume of Excess Use will provide compensation to PARTNER CITIES with Excess Water Right Volume according to the volume of water allocated to that PARTNER CITY, and the Method of Cost Allocation provided in Section VII.

VII. Method of Cost Allocation

- A. By March 1 of each year, each PARTNER CITY will provide to MEDFORD WATER a copy of any Statement of Account or other invoices from the U.S. Army Corps of Engineers, or annual assessment from the Medford Irrigation District and/or Rogue River Irrigation District the PARTNER CITY received in the previous year related to their water rights associated with the Duff Water Treatment Plant as described in Attachment 2.
- B. Based on the information provided in subsection A., MEDFORD WATER will calculate the following total annual costs. An example of the calculations is provided in **Attachment 6**.
1. The Total Annual Operation and Maintenance (O&M) Costs for storage space for Lost Creek Reservoir will be calculated by adding together the annual O&M costs for Ashland, Jacksonville, Phoenix, and Talent. This cost is associated with 3,892 AF of storage space in the reservoir, as shown in Table 1 of Attachment 6;
 2. The Total Annual Repair Replacement and Rehabilitation (RR&R) Costs for storage space for Lost Creek Reservoir will be calculated by adding together any annual RR&R costs for Ashland, Jacksonville, Phoenix, and Talent. This cost is associated with the 3,892 AF of storage space, as shown in Table 2 of Attachment 6.
 3. The 5-year Rolling Average RR&R Cost for storage space for Lost Creek Reservoir will be calculated by adding together the Total Annual RR&R Costs for the preceding five years and dividing by 5. This calculation is shown in Table 3 in Attachment 6.
 4. The Total Annual Assessment Costs will be calculated by adding together the annual costs charged to Central Point and Eagle Point by Medford Irrigation District and Rogue River Irrigation District. This cost is associated with the

3,123.7 AF for which the irrigation districts charge assessments, as shown in Table 4 of Attachment 6.

5. The Total Water Volume Associated with the Costs is 7,015.7 AF, which is calculated by adding 3,892 AF associated with storage space plus 3,123.7 AF associated with the irrigation districts, as shown in Table 5 of Attachment 6.

C. The Average Annual Cost Per Acre Foot will be calculated as follows.

1. Calculate the Total Annual Cost by adding together the Total Annual O&M Cost for storage space, the Five-Year Rolling Average RR&R Cost, and the Total Annual Assessment Cost.
2. Calculate the Annual Average Cost Per Acre Foot by dividing the Total Annual Cost by the Total Water Volume Associated with the Costs (7,015.7 AF), as shown in Table 5 of Attachment 6.

D. MEDFORD WATER will provide the PARTNER CITIES with the Average Annual Cost Per Acre Foot by March 30 of each year.

E. Each year after completing the calculations described in Section VI., for each PARTNER CITY with a Volume of Excess Use, MEDFORD WATER will multiply the Volume of Excess Use allocated to each PARTNER CITY (determined according to Section VI. D.) by the Average Annual Cost Per Acre Foot to obtain the “Annual Cost for Excess Use” owed to each PARTNER CITY.

F. By December 15 of each year, MEDFORD WATER will provide the PARTNER CITIES an Annual Summary Report of Water Sharing that includes the following information for the previous May through September:

1. Each PARTNER CITY’S Annual Metered Volume;
2. Each PARTNER CITY’S Authorized Water Volume;
3. Each PARTNER CITY’S Excess Water Right Volume, or Volume of Excess Use for the year; and
4. For each PARTNER CITY with a Volume of Excess Use, the volume of water allocated to each PARTNER CITY with an Excess Water Right Volume, and the associated Annual Cost for Excess Use. An example Annual Summary Report of Water Sharing is provided in **Attachment 7**.

G. By January 15 of each year, the PARTNERS will meet to review the Annual Summary Report of Water Sharing, and will work in good faith to resolve any discrepancies raised by a PARTNER CITY.

H. By February 15 of each year, each PARTNER CITY with a Volume of Excess Use shall pay the Annual Cost for Excess Use to other PARTNER CITIES as provided in the Annual Summary Report of Water Sharing.

VIII. Annual Meeting

A. Medford Water will schedule an annual meeting with the PARTNERS during the month of April each year at a time and location agreeable to the PARTNERS.

- B. Each PARTNER will, to the extent possible, have at least one representative at the annual meeting.
- C. Agenda items will include, but are not limited to, the following:
 - 1. An explanation of the processes established by this IGA, as necessary.
 - 2. Estimations provided by each PARTNER CITY of the amount of water it expects to use during the upcoming period of May 1 through September 30.
 - 3. Any available estimations of water supply expected to be available during the upcoming period of May 1 through September 30
 - 4. A review of the Water Rights Certification Strategy Table (the current version is provided in Attachment 2), and a discussion of any updates to the table that are needed or any plans to certificate a water right included in the table.
 - 5. Coordination of any other activities regarding the Water Rights so that all Partners are apprised of actions by a Partner that may affect them.
 - 6. Any amendments needed to this IGA. The process for adoption of amendments is provided in Section XIV.

IX. Designation, Tasks and Powers of Managing Agency

- A. Medford Water shall perform the duties of the Managing Agency hereunder including but not limited to:
 - 1. Coordinating use of the Partners' Rogue River water rights at the Duff Water Treatment Plant in accordance with the terms and conditions of this Agreement.
 - 2. Schedule and convene meetings with the Partners in accordance with the terms of this Agreement and as necessary to meet the requirements of this Agreement, maintain public records in accordance with the Oregon Public Records Law and rules, policies and procedures of Medford Water, and provide administrative support.
 - 3. Provide public communications and outreach, including response to public information, media or records requests in coordination with the Partner Cities.
 - 4. Retain consultants, attorneys, auditors, accountants and other professional services to assist the Managing Agency in accordance with Managing Agency contracting rules.
 - 5. Provide the Partners and their agents with reasonable access to books and records maintained by the Managing Agency specifically related to administration of this Agreement.
 - 6. Perform ministerial and administrative tasks to implement this Agreement.
- B. The General Manager of Medford Water shall be the person authorized to act for the Managing Agency, unless the Medford Water Commission specifies otherwise.

X. Governance

- A. Each Partner shall appoint a representative, elected or staff member, to receive notices, attend meetings as called and act as a liaison to the Partner's governing body. A

Partner's representative shall serve at the discretion of the Partner's governing body, or the City Manager or City Administrator.

- B. The Representatives shall meet in accordance with the terms of this Agreement and as deemed necessary by the Managing Agency upon reasonable notice to carry out the terms and conditions of this Agreement.

XI. Failure to Perform/Breach/Remedies

- A. If a Partner fails to perform any obligation or term of this Agreement, (Defaulting Partner) the Managing Agency will notify the Defaulting Partner in writing and request performance and cure. If the Defaulting Partner cures the default within 30 days of notice or commences to diligently cure a default within 30 days and completes cure within a mutually agreed time, then the matter will be deemed resolved.
- B. If the default continues after notice and opportunity to cure, the Managing Agency and the Representative of the Defaulting Partner shall meet within 45 days to discuss and resolve. Other Partners (Remaining Partners) shall be apprised and may attend.
- C. If no satisfactory resolution is reached, the parties agree to mediate any disputes under ORS Chapter 36.

XII. Termination and Withdrawal

- A. A Partner may elect to withdraw from this Agreement (Withdrawing Partner) by providing written notice to the Managing Agency no later than October 1 of each year. If timely notice is given, the withdrawal shall be effective on the following May 1.
- B. The Managing Agency will provide the Remaining Partners with timely notice of the withdrawal notice.
- C. Withdrawal from this Agreement will terminate the obligation to participate in water sharing under this agreement but will not affect any pre-existing agreements that may be operative. Withdrawal shall not relieve the Withdrawing Partner of any outstanding obligations remaining unpaid.
- D. Upon withdrawal, the Managing Agency will cause the Attachments to this Agreement affected by such Partner's withdrawal to be revised and adjusted as necessary to remove the Withdrawing Partner and its water rights, Authorized Water Volumes, and associated costs identified in the Attachments. The Managing Agency may create a new Attachment for addition to this Agreement to account for change in membership to identify the Partners, and their water rights, Authorized Water Volumes, and associated costs.
- E. The Managing Agency shall provide the Partner Cities with timely copies of the new or revised Attachment(s).
- F. This Agreement shall continue after withdrawal of a Partner unless dissolved as provided in Section XV, below.

XIII. Representations

By execution of this Agreement, each Partner represents to the others that the Agreement has been approved by the governing body and that the person executing the Agreement has full authority to do so and the Agreement is binding on the Partner. Further the

If to Central Point:

City of Central Point
Attn: City Manager
140 S. 3rd Street
Central Point, OR 97502

If to Eagle Point:

If to Jacksonville:

If to Phoenix:

City of Phoenix
Attn: City Manager
112 W. 2nd St.
Phoenix, OR 97535

If to Talent:

Jordan Rooklyn
PO Box 445
110 E Main St
Talent, OR 97540

Attachment 1

Cooperative Agreement and Report Executive Summary

Intergovernmental Agreement for a Coordinated Water Rights Management and Water Sharing Plan

COOPERATIVE AGREEMENT FOR DEVELOPING A WATER RIGHT STRATEGY FOR ACCESS TO WATER AMONG MEDFORD WATER COMMISSION, CITY OF ASHLAND, CITY OF CENTRAL POINT, CITY OF EAGLE POINT, CITY OF JACKSONVILLE, CITY OF PHOENIX, AND CITY OF TALENT

This cooperative agreement (hereinafter "Agreement") is by and among Medford Water Commission and the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent, hereinafter PARTNERS when referred to collectively and MWC, ASHLAND, CENTRAL POINT, EAGLE POINT, JACKSONVILLE, PHOENIX, and TALENT when referred to individually.

RECITALS

- A. The PARTNERS all own and operate water systems that supply water to their respective customers;
- B. The PARTNERS recognize the vital importance of providing a reliable source of water to all their respective customers for public health, safety, and welfare and for sustaining economic development;
- C. The PARTNERS value the important role each utility plays in meeting the water supply needs of the Rogue Valley Region (RVR);
- D. The PARTNERS enter this agreement in a spirit of good will and mutual cooperation, with the understanding that coordinating a Water Right Strategy (WRS) will improve the current and long-term reliability of individual and collective water supplies and is in the highest public interest;
- E. The PARTNERS understand that the WRS will document the current understanding of the water rights held by the jurisdictions in the RVR, and provide options to the PARTNERS on how to move forward with securing and allocating water supplies for the RVR that may be in the best interests of the Region as a whole, but it will not bind PARTNERS to any particular direction or action; and
- F. The PARTNERS recognize that developing a WRS is the first step and that a second step of adopting a WRS would require a second IGA that would then guide the adoption, implementation, and management of the WRS moving forward. It is understood that a second step may not be possible if there is not agreement on how to move forward with the WRS.
- G. The PARTNERS are willing to fund development of a WRS.

AGREEMENT

The PARTNERS agree to the following:

I. RECITALS/PURPOSE

The above recitals are true and correct and are specifically adopted and incorporated herein as the purpose of this Agreement.

II. DEFINITIONS

- A. ASHLAND means City of Ashland.
- B. CENTRAL POINT means City of Central Point.
- C. EAGLE POINT means City of Eagle Point.
- D. JACKSONVILLE means City of Jacksonville.
- E. MWC means Medford Water Commission.

- F. OWRD means the Oregon Water Resources Department.
- G. PARTNERS means collectively the Medford Water Commission and the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent.
- H. PHOENIX means City of Phoenix.
- I. RVR is an abbreviation for Rogue Valley Region.
- J. STEERING COMMITTEE means a group comprised of at least a single voting representative from each of the PARTNERS. The Steering Committee function will be to oversee the implementation of this Agreement, to facilitate changes to it necessary to ensure its continued effectiveness in meeting the needs of the PARTNERS and to settle differences in interpretation of its provisions and execution.
- K. TALENT means City of Talent.
- L. WRS is an abbreviation for Water Right Strategy.

III. RESPONSIBILITIES

A. The PARTNERS:

1. Agree to form a STEERING COMMITTEE.
2. Agree not to move forward with any actions to certificate water rights at the MWC Duff Water Treatment Plant intake, except as provided in III.C, until a WRS is completed, or the term of this Agreement ends.
3. Agree to pay the identified, pro-rata costs of the development of a WRS as provided in Section IV (B) of this Agreement.

B. MWC:

1. Agrees to award and administer a contract with GSI Water Solutions to develop a WRS as described in Section IV (A) of this Agreement.
2. Agrees to pay monthly invoices to GSI Water Solutions on behalf of the PARTNERS.

C. PHOENIX:

1. Agrees not to request expedited processing of its claim of beneficial use under OWRD's Reimbursement Authority Program for Permit S-47672 until a WRS is completed, or the term of this agreement ends, whichever occurs first.
2. Agrees to notify the PARTNERS within a reasonable period of time in the event that OWRD begins review of its pending claim of beneficial use for Permit S-47672.

IV. WATER RIGHT STUDY SCOPE AND COST

- A. The draft outline of the scope of work to develop a WRS is included as Exhibit A. The PARTNERS intend to collaboratively develop and establish a final scope of work after this agreement is executed.

- B. The PARTNERS agree to share the cost of the WRS on a pro rata basis in proportion to their populations based on Portland State University's 2015 population data, as shown in Exhibit B. Exhibit B indicates preliminary costs. The total cost of the WRS is expected to be less than \$80,000. Final pro-rata cost share will be determined at the time the contract with the consultant is signed. Payments by PARTNERS will be due quarterly and must be remitted to MWC within 30 days of invoice.

V. DECISION MAKING PROCESS

- A. All decisions made under this Agreement, and during the course of the development of the WRS, shall be made through negotiations among the PARTNERS.
- B. The WRS does not bind any PARTNER(S) to any future action or direction proposed by the WRS.

VI. LIABILITY, INDEMNITY AND HOLD HARMLESS

- A. INDEMNIFICATION. To the extent allowed by the Oregon Constitution and the Oregon Revised Statutes, and not to exceed monetary limits of the Oregon Tort Claim Act, the PARTNERS agree to defend, indemnify, and hold harmless each other from claims, liability or damages, including attorney fees, arising out of error, omission or act of negligence on the part of the indemnifying party, its officers, agents, or employees in the performance of this Agreement.
- B. STATUS. In providing the services specified in this Agreement (and any associated services) the PARTNERS are public bodies and maintain their public body status as specified in ORS 30.260. The PARTNERS understand and acknowledge that each retains all immunities and privileges granted them by the Oregon Tort Claims Act and any and all other statutory rights granted as a result of their status as local public bodies.

VII. TERM AND TERMINATION

The term of the Agreement is twelve months from the last date of execution, unless the STEERING COMMITTEE members unanimously agree in writing to extend that date. Any PARTNER may agree to terminate its participation in the Agreement at any time with 15-day written notice to the other PARTNERS, provided, however, that once a contract with the selected consultant has been signed, the terminating PARTNER agrees to pay its full pro-rata share of the cost of the consultant contract to MWC.

In WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their proper officers on the dates noted below.

Brad Taylor

Brad Taylor (Jan 25, 2019) Jan 25, 2019

Brad Taylor
General Manager
Medford Water Commission

christopher clayton

christopher clayton (Jan 25, 2019) Jan 25, 2019

Chris Clayton
City Manager
City of Central Point

Kelly Madding

Kelly Madding (Feb 22, 2019) Feb 22, 2019

Kelly Madding
City Administrator
City of Ashland

Henry Lawrence

Henry Lawrence (Feb 22, 2019) Feb 22, 2019

Henry Lawrence
City Administrator
City of Eagle Point

Jeff Alvis

Jeff Alvis (Feb 25, 2019) Feb 25, 2019

Jeff Alvis
City Administrator
City of Jacksonville

Aaron Prunty

Aaron Prunty (Mar 18, 2019) Mar 18, 2019

Aaron Prunty
City Manager
City of Phoenix

Sandra Spelliscy

Sandra Spelliscy (Mar 18, 2019) Mar 18, 2019

Sandra Spelliscy
City Manager
City of Talent



February 7, 2020

Executive Summary

Water Rights Strategy for Partner Water Providers

I. Introduction

GSI Water Solutions, Inc. (GSI) is assisting the Partner Water Providers (Partners) to develop a water rights strategy. The Partners include the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent (jointly the Partner Cities) and Medford Water Commission (MWC).¹ In early 2019, the Partners signed a Cooperative Agreement to develop the strategy recognizing the benefits of mutual cooperation and the vital importance of providing source water to their respective customers for public health, safety and welfare, and for sustaining economic development.

The water rights strategy focuses on the Partners' water rights and water supply associated with the MWC Duff Water Treatment Plant (Duff WTP) on the Rogue River. During the months of May through September (peak season), much of the MWC's water supply and all of the Partner Cities' water supply is treated at the Duff WTP. During this peak season period, the Partner Cities currently rely on water rights they have obtained and hold Treat and Transport agreements with the MWC.

As the Partners plan for their long-term water supply needs, it is important that they have a full understanding of the status of their water rights and develop a common strategy to protect and secure them. The water rights strategy is intended to meet those needs.

II. Process

To develop the water rights strategy, GSI initially prepared a comprehensive water rights summary, which enabled the Partners to develop a shared understanding of the water rights at the Duff WTP. Next, GSI developed a consolidated water demand projection for each of the Partners, which included the maximum anticipated demands for the years 2030, 2040 and 2070. GSI then compared the Partners' individual and collective demands with their water rights. This evaluation showed that some of the Partners' water rights will likely provide them with sufficient supply past the year 2070, while other Partners' water rights do not provide sufficient water supply to meet current demands. The evaluation also showed that if the Partners shared their water supplies, they would have sufficient supply to meet all of their demands through 2070.

¹ MWC's customers include customers within the City of Medford, White City, Elk City and Charlotte Ann Water Districts, as well as other customers served by MWC outside of its service area (Outside Customers).

III. Goals, Interests and Priorities for Water Rights Strategy

The above-described differences between the Partners' water rights and projected water demands demonstrate the value of a strategy related to the Partner water rights at the Duff WTP. The strategy is intended to meet the following goals, interests, and priorities:

- Ensure that the water rights at the Duff WTP are strategically managed.
- Secure a long-term water supply for all Partners.
- Eliminate the need for Partners to unnecessarily purchase additional water rights.
- Retain each Partners' ownership of its existing water rights and create opportunities to obtain value for the water rights.
- Treat White City, Elk City and Charlotte Ann Water Districts, and other customers served by MWC outside of its service area (Outside Customers) equitably.

IV. Strategic Management of Partners' Existing Water Rights

A. Reasons for Developing Coordinated Approach to Water Rights and Water Use

GSI recommends that the Partners consider developing a coordinated approach to managing their water rights and water supply. This coordination could include not only coordinated management of the water rights at the Duff WTP, but also creation of an opportunity for the Partners to share their combined water supplies. Coordination will also be necessary to strategically secure the 20 existing water rights at the Duff WTP. Additionally, if the Partners established a combined water supply, it could address the imbalances between water rights and projected water demands that have been previously described, and eliminate the need for the purchase of additional water rights to meet their individual needs. Further, establishing a combined water supply could provide the Partners with some level of supply redundancy; that is, the arrangement could enable each Partner to obtain water from more than one source of supply.

B. Conceptual Framework for Water Supply Sharing

GSI and the Partners considered multiple approaches to sharing water supply. Based on GSI's understanding of the Partners' goals, interests, and priorities, as well as the Partners' water supplies and demands, GSI recommended an approach that provides an opportunity to meet the Partners' near-term and long-term goals without jeopardizing any of the Partners' water rights. In addition, the Partners would pool their water rights to establish a diverse water rights portfolio.

Under the recommended option, the Partner Cities and MWC would enter into an intergovernmental agreement (IGA) to work together on regional water supply. The IGA would describe how the water rights and water supply would be shared, which would occur in two phases. Until the Duff WTP capacity was expanded to 100 cfs in approximately 2028, the Partner Cities and the Outside Customers would share their water supplies. MWC could track

each entity's water use and compare that with the entity's individual water rights to determine whether any compensation was required for use of another entity's water rights. Additionally, the Partners would follow an agreed-upon strategy to request water right certificates for their water rights.

In the second phase of this option, the MWC would modify its agreements with the Partner Cities and Outside Customers and would begin to provide them with surplus water. The water rights held by the MWC and the Partner Cities would be placed into a regional water supply pool, which would be managed by the MWC. This would result in the Partners having a diverse water supply portfolio. The Partner Cities would retain ownership of their water rights, and the IGA would include a mechanism by which any of the Partner Cities could withdraw from the group.

The MWC would compensate the Partner Cities for any Operation and Management (O&M) costs it incurred associated with contracts for stored water that was being used by the Partners. The MWC would also provide Partner Cities with compensation (based on negotiations between each Partner City and the MWC) for water rights used by the Partners. The rate the Partner Cities pay to the MWC would reflect these expenses.

V. Summary of Recommended Option

The option recommended by GSI provides an approach to meeting the Partners' near-term and long-term water supply goals without jeopardizing any of the Partners' collective water rights. In the near term, the recommended option provides a method for the Partner Cities and MWC on behalf of the Outside Customers to initiate a shared water supply strategy. It then changes relatively quickly to reset the relationship with the MWC, which would then provide surplus water supply to the Partner Cities and Outside Customers. In addition, the Partners would pool their water rights to establish a diverse water rights portfolio. Finally, this option minimizes water rights transactions, such as extensions of time for permits and transfers, and decreases the risks associated with these transactions.

VI. Next Steps

Establishing a water sharing agreement will require completing a series of steps or actions. The following is a brief summary of some of the actions that will be required:

- The Partners' staff communicate with their councils/boards, and seek approval to develop a scope of work to develop an IGA.
- Staff develop the scope of work for drafting the IGA, and take the scope of work to city councils/ board for approval.
- Staff develop a draft IGA.
- Staff take the draft IGA to their city councils/board for review and approval.

Attachment 2

Water Rights Certification Strategy Table

**Intergovernmental Agreement for a Coordinated
Water Rights Management and Water Sharing Plan**

Water Rights Certification Strategy Table

Action	Rate (cfs)	Development Deadline	Total Rate in Water Right Certificate Status (cfs)
Duff WTP - Existing Capacity – 70 cfs			
Current Status - Existing Certificates and Pending COBUs			
Central Point's Certificate 93754	1.13	N/A	65.26
Central Point's Certificate 93755	1.13	N/A	
Eagle Point's Certificate 88552	0.90	N/A	
Eagle Point's Certificate 89864	1.25	N/A	
Jacksonville's Certificate 87360	No rate (400 AF)	N/A	
MWC's Certificate 86832	60.85	N/A	
Talent's Certificate 91134	No rate (533 AF)	N/A	
Central Point's Transfer T-10465	1.20	10/1/2014	66.46
Eagle Point's Transfer T-10527	0.50	10/1/2013	66.96
Phoenix's Permit S-47672 (COBU on hold)*	5.0	10/1/2001	(71.96)
Transactions			
Certificate Central Point's Transfer T-9900	1.846	10/1/2030	68.806
Certificate Eagle Point's Transfer T-10614	1.15	10/1/2030	69.956
Certificate Ashland's Permit S-54337*	No rate (1,000 AF)	9/7/2021	69.956
Total at this capacity			69.956 cfs
Duff WTP Capacity – 100 cfs in approximately 2028			
Certificate Jacksonville's Permit S-54974*	No rate (200 AF)	11/19/2035	69.956 cfs
Certificate Talent's Permit S-53898*	No rate (759 AF)	10/1/2065	69.956 cfs
Certificate Phoenix's Permit S-47672	5.0	10/1/2001	74.956
Certificate Eagle Point's Transfer T-10960	1.77	10/1/2030	76.726
Certificate Eagle Point's Transfer T-12221	0.7	10/1/2030	77.426
Certificate Phoenix's Permit S-52650	3.1	10/1/2030	80.526
Partially certificate MWC's Permit S-54935 (estimated rate)	19.474	10/1/2056	100
Total at this capacity			100 cfs
Duff WTP Capacity – 131 cfs in approximately 2036			
Partially certificate MWC's Permit S-23210	31	10/1/2050	131
Total at this capacity			131 cfs
Duff WTP Capacity – 162 cfs (TBD)			
Partially certificate remainder of MWC's Permit S-23210	8.15	10/1/2050	139.15
Partially certificate MWC's Permit S-54935 (estimated rate)	22.85	10/1/2056	162.0
Extend MWC's Permit S-54935 as needed		10/1/2056	
Total at this capacity			162.0 cfs
Duff WTP Capacity – 193 cfs (TBD)			
Certificate remainder of MWC's Permit S-54935 (estimated rate)	7.676	10/1/2056	169.676
Total at this capacity			169.676 cfs

Notes

* These steps assume that certifying the "volume-only" water rights would not negatively impact the ability to certify the other Partner water rights, and all elements of seeking a certificate can be met.

AF: acre-feet cfs: cubic feet per second
COBU: claim of beneficial use MWC: Medford Water Commission

Attachment 3

Water Meters

**Intergovernmental Agreement for a Coordinated
Water Rights Management and Water Sharing Plan**

Meters and Information Source Documentation

Water User	Meter Description	Source of Information	Notes:
Central Point	BEALL MASTER	MWC Data Export	
Central Point	HOPKINS	MWC Data Export	
Central Point	VILAS MASTER 10"	MWC Data Export	
Eagle Point	AVENUE G NORTH 8"	MWC Data Export	
Eagle Point	AVENUE G SOUTH 6"	MWC Data Export	
Eagle Point	STEVENS & RILEY 4"	MWC Data Export	
Eagle Point	VISTA POINTE #1	MWC Data Export	
Eagle Point	VISTA POINTE #2	MWC Data Export	
Jacksonville	MADRONE/OAKGROVE 6"	MWC Data Export	
Phoenix MWC	Garfield St and Kings Avenue Meter	MWC Data Export	Phoenix has two connections to the MWC system, one direct connection at Garfield and Kings and the connection via TAP. This is the direct connection.
Phoenix TAP	TAP Master Meter on Samike Drive <i>less</i> Talent Meter	RVCOG Monthly Utility Billing Data	Phoenix TAP usage is the equal to the total from the TAP master meter at Samike, <i>less</i> what is measured at the Talent Meter on the TAP line.
Talent	Talent Meter at intersection Bear Creek Drive and Main Street in Phoenix <i>less</i> Ashland usage	RVCOG Monthly Utility Billing Data	Talent usage is the total of the Talent meter, <i>less</i> measured Ashland usage.
Ashland	Creel Road and Highway 97	RVCOG Monthly Utility Billing Data	

Attachment 4

Participating Partner Cities' Authorized Water Volumes

**Intergovernmental Agreement for a Coordinated
Water Rights Management and Water Sharing Plan**

Partner Cities' Authorized Water Volumes

Water Right	Authorized Water Volume		
	From Water Right (acre-feet)	Calculated from Rate (acre-feet)	Total Authorized Water Volume (acre-feet)
Ashland			
Permit S-54337	1,000		
Total	1,000		1,000
Central Point			
Transfer T-9900	666.0		
Certificate 93754		412.4	
Certificate 93755		412.4	
Transfer T-10465	438.0		
Total	1,104.0	824.8	1,928.8
Eagle Point			
Certificate 88552	321.3		
Transfer T-10527	181.5		
Transfer T-10614	273.7		
Transfer T-10960	520.3		
Certificate 89864	356.94		
Transfer T-12221	207.2		
Total	1,860.94		1,860.94
Jacksonville			
Certificate 87360	400.0		
Permit S-54974	200.0		
Total	600		600
Phoenix			
Permit S-47673	400		
Permit S-52650	600		
Total	1,000		1,000
Talent			
Permit S-53898	759.0		
Certificate 91134	533.0		
Total	1,292		1,292
Partner Cities' Authorized Water Volumes	6,856.94	824.8	7,681.74

Attachment 5

Example Allocation of Excess Water Use

Intergovernmental Agreement for a Coordinated Water Rights Management and Water Sharing Plan

Example Allocation of Excess Water Use:

- Four cities hold water rights and use water as follows. Medford Water would calculate excess water use and unused water rights as shown in the column labeled “difference”

City	Water Rights (AF)	Water Use (AF)	Difference (AF)
City A	500	1,490	-990 (excess water use)
City B	1,000	750	250 (unused water rights)
City C	1,500	1,000	500 (unused water rights)
City D	2,000	1,000	1,000 (unused water rights)

- Medford Water would calculate the compensation that City A (the only City with excess water use) would need to provide to Cities B, C and D (who had unused water rights) as follows:
 - Total excess use - 990 AF
 - Cities B, C, D – each compensated for 250 AF (up to maximum of City B’s water rights), which accounts for 750 AF
 - Remaining excess use - 240 AF
 - Cities C and D – each compensated for 120 AF (for a total of 370 AF each)

Attachment 6

Example Calculation of Average Annual Cost per Acre-Foot

Intergovernmental Agreement for a Coordinated Water Rights Management and Water Sharing Plan

Table 1: Example Calculation of Total Annual O&M Costs for Storage Space (See VII.B.1. in IGA)

Name	Application	Permit	Contracted Storage Space (AF)	Total O&M Cost (2020)
Ashland	S-85733	S-54377	1000	\$9,653.00
Jacksonville	S-80641	S-53445	400	\$14,479.50
Jacksonville	S-88088	S-54974	200	\$9,653.00
Phoenix	S-60890	S-47672	400	\$24,132.50
Phoenix	S-71996	S-52650	600	\$31,179.19
Talent	S-84029	S-53898	759	\$4,826.50
Totals			3,892	\$93,923.69

Table 2: Example Calculation of Total RR&R Costs for Storage Space (See VII.B.2. in IGA)

Name	Application	Permit	Contracted Storage Space (AF)	Total RR&R Cost (2020)
Ashland	S-85733	S-54377	1000	\$0
Jacksonville	S-80641	S-53445	400	\$0
Jacksonville	S-88088	S-54974	200	\$0
Phoenix	S-60890	S-47672	400	\$0
Phoenix	S-71996	S-52650	600	\$0
Talent	S-84029	S-53898	759	\$0
Totals			3,892	\$0

Table 3: Example Calculation of 5-year Rolling Average RR&R Cost (See VII.B.3. in IGA)

Year	RR&R Cost
2016	\$0.00
2017	\$0.00
2018	\$0.00
2019	\$0.00
2020	\$0.00
Total	\$0.00
5-year Rolling Average (Divide Total by 5)	\$0.00

Table 4: Example Calculation of Total Annual Assessment Costs (See VII.B.4. in IGA)

Holder	Type of Right	Certificate /Transfer	Maximum Rate (cfs)	Maximum Volume (AF)	Period of Use		Volume Associated with Irrigation Districts (AF)	Annual Assessment Costs (2020)
Central Point	Non-District	T-9900	1.846	666	1-Apr	1-Nov	N/A - Non-District Water Right	N/A - Non-District Water Right
Central Point	Non-District							
Central Point	Non-District							
Central Point	Non-District							
Central Point	District	93754	1.13		1-Apr	1-Oct	412.4	\$30,677.22
Central Point	District	93755	1.13		1-Apr	1-Oct	412.4	
Central Point	District	T-10465	1.2	447.6	1-Apr	1-Oct	438.0	
Central Point	District							
Central Point	District							
Central Point	District							
Eagle Point	District	88552	0.9	321.3	1-Apr	31-Oct	321.3	
Eagle Point	District	T-10527	0.5	181.5	1-Apr	31-Oct	181.5	
Eagle Point	District	T-10614	1.15	273.7	1-Apr	31-Oct	273.7	
Eagle Point	District	T-10960	1.77	520.3	1-Apr	1-Oct	520.3	
Eagle Point	District				1-Apr	31-Oct		
Eagle Point	District	89864	1.25	356.94	1-Apr	31-Oct	356.94	
Eagle Point	District	T-12221	0.7	207.2	1-Apr	1-Oct	207.2	
Eagle Point	District				1-Apr	31-Oct		
Totals							3,123.7	\$71,477.22

Table 5: Example Calculation of Average Annual Cost Per Acre Foot (See VII.B.5. and VII.C. in IGA)

	Annual Costs (2020)	Water Volumes Associated with the Costs (AF)
Total Annual O&M Cost For Storage Space	\$93,923.69	3,892
5-Year Rolling Average RR&R Cost for Storage Space	\$0.00	
Total Annual Assessment Cost from Irrigation Districts	\$71,477.22	3,123.7
Totals	\$165,400.91	7,015.70
Annual Average Cost Per Acre Foot: (Divide Total Annual Cost by the Total Water Volume Associated with the Costs)		\$23.58

Attachment 7

**Example Annual Summary Report of Water Sharing
Agreement**

**Intergovernmental Agreement for a Coordinated
Water Rights Management and Water Sharing Plan**

Table 1: Example - Volume of Water Use, Water Purchased, and Water Sold

Partner City	Authorized Water Volume (AF/season)	Annual Metered Volume (AF)	Volume of Excess Use/ Excess Water Right Volume (AF)	Water Volume Purchased (AF)	Water Volume Sold (AF)	Authorized Water Volume Remaining After Purchase/Sale (AF)
Central Point	1928.8	2023.1	-94.4	94.4	0.0	0.0
Eagle Point	1860.9	1050.5	810.5	0.0	18.9	791.6
Ashland	1000.0	0.0	1000.0	0.0	18.9	981.1
Jacksonville	600.0	529.4	70.6	0.0	18.9	51.7
Phoenix	1000.0	540.5	459.5	0.0	18.9	440.7
Talent	1292.0	559.3	732.7	0.0	18.9	713.9

Table 2: Example - Total Cost Paid and Received by each Partner City

	Average Annual Cost (\$/AF)	Water Volume Purchased (AF)	Total Paid (\$)	Water Volume Sold (AF)	Total Received (\$)
Central Point	\$23.58	94.4	\$2,225.13	0.0	\$0.00
Eagle Point	\$23.58	0.0	\$0.00	18.9	\$445.03
Ashland	\$23.58	0.0	\$0.00	18.9	\$445.03
Jacksonville	\$23.58	0.0	\$0.00	18.9	\$445.03
Phoenix	\$23.58	0.0	\$0.00	18.9	\$445.03
Talent	\$23.58	0.0	\$0.00	18.9	\$445.03
Total		94.4	\$2,225.13	94.4	\$2,225.13

Table 3: Example - Matrix of Costs Paid by and to Each Partner City

		Receives						Total Paid
		Central Point	Eagle Point	Ashland	Jacksonville	Phoenix	Talent	
Pays	Central Point		\$445.03	\$445.03	\$445.03	\$445.03	\$445.03	\$2,225.13
	Eagle Point	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Ashland	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
	Jacksonville	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
	Phoenix	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00
	Talent	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
	Total Received	\$0.00	\$445.03	\$445.03	\$445.03	\$445.03	\$445.03	

Coordinated Water Rights Management and Water Sharing Plan

A strategic approach to water management

September 30, 2021

Water is a precious but limited resource in Southern Oregon. Because of this, the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent—collectively referred to as the Partner Cities—and the Medford Water Commission have come together to protect and ensure access to this vital resource.

Why is this partnership needed?

The Partner Cities hold numerous water rights that authorize the diversion of water at the Medford Water Commission's Duff Water Treatment Plant (WTP). Because of the complications associated with managing multiple water rights at a single point of diversion, the Partner Cities and Medford Water must work together to manage these water rights to ensure they are protected.

This alliance also allows for the sharing of water supplies. Water sharing eliminates the need for some Partner Cities to obtain new water rights, which would only further complicate water rights management. Ultimately, the partnership's efforts will help diversify the region's water supply portfolio, increase the long-term reliability of the water supplies, and provide additional tools for managing through water shortages and drought.

What is the background of the partnership?

The Partner Cities and Medford Water entered into a cooperative agreement for developing a water rights strategy in 2019, and in February 2020, identified a recommended approach. The recommended approach includes two elements (1) water rights certification coordination, and (2) a water-sharing plan.

How does water sharing work?

Under the water-sharing plan framework, the Partner Cities would retain ownership and control of their water rights, and continue to use water under their own water rights from May 1 through September 30 each year. At the end of each year, Medford Water would compare each city's water use to the volume of water authorized by its water rights. Any Partner Cities that used more water than authorized by their water rights would provide compensation to the other Partner Cities for use of water under their rights.

What are the next steps?

Staff from Medford Water and the Partner Cities have been meeting to develop an Intergovernmental Agreement (IGA) for establishing the Coordinated Water Rights Management and Water Sharing Plan. Staff will continue to keep their Boards and Councils updated and in the near future will bring the IGA to decision makers for their review.

