

# Water Service Agreement with Oroville-Tonasket Irrigation District

March 20, 2023



CHELAN COUNTY

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# Why we're here

- Reason for Project
- Benefits to Customer Owners
- Present Terms of Proposed Contract
- Request Approval of Resolution at afternoon Business Session



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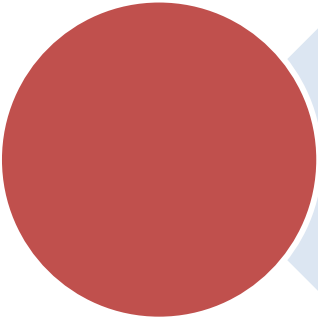
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# Reason for Project

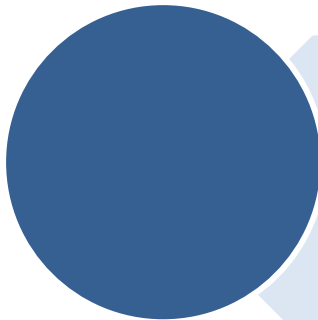
- Three long-term FERC licenses
  - Desire to be able to continue to meet current and future license obligations
- To fulfill District Mission and Vision
  - Adapt to climate change which may include more climate variability that affects our junior water rights
  - Retain flexibility for future opportunities



# Chelan PUD Project Objectives



**Protecting District assets to enhance the quality of life for Chelan County**



**Protect the District's municipal supplies, Parks, and our ability to meet FERC recreation obligations.**



**Protect the District's ability to operate reliably; and meet all FERC and NERC obligations.**



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# Oroville-Tonasket Irrigation District (OTID) Water Bank

- OTID created a water bank in 2019 through the State's Trust Water Right Program
- The source of the water is Lake Osoyoos, the Similkameen River and the Okanogan River
- Ecology approved the use of that water for multiple downstream purposes including instream flow
- Through a long-term partnership with OTID, Chelan PUD would like to acquire access to 4,000 acre-feet of water on an annual basis



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# Benefit to our Customer Owners

- District will gain a significant asset to meet future water supply needs for hatcheries, parks, water systems, and power generation
- District negotiated a lease based on fair market price
- In the near-term, water will be used to maintain instream flows until water is needed
  - Similkameen, Okanogan, Columbia Rivers
- In the long-term, staff are evaluating opportunities for partnerships



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# Water Supply Agreement Elements

- Quantity: 4,000 acre-feet
- Annual Payment: \$1.0M base, with increases tied to CPI beginning at Year 10
- Duration: Indefinite with termination rights as set forth in the agreement



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# Recommendation

- Approve the Resolution to enter into a Water Service Agreement with the Oroville-Tonasket Irrigation District





# Closing Remarks



**Questions?**

