



# 2010 ANNUAL REPORT

Walla Walla Watershed Management Partnership



FOR FISH.

FOR FARMS.

FOR EVERYONE.



## The Walla Walla Watershed Management Partnership

### *Board Members and Alternates*

**Mark S. Wagoner**, Board Chairman  
Gardena Farms Irrigation District #13, representing the entity using the greatest quantity of water in the planning area

**John Barkley**  
Confederated Tribes of the Umatilla Indian Reservation

**N. Kathryn “Kat” Brigham** (*Alternate*)  
Confederated Tribes of the Umatilla Indian Reservation

**Perry Dozier**  
Walla Walla County Board of Commissioners

**James Hanger** (*Alternate*)  
Representing the Walla Walla County Conservation District and Columbia Conservation District

**Richard W. Jones**  
Columbia County Board of Commissioners

**Thomas Purcell** (*Alternate*)  
City of Walla Walla

**Edward “Ed” Chvatal, Jr.**, Board Vice Chairman  
Representing the Walla Walla County Conservation District and Columbia Conservation District

**Jim Barrow**  
City of Walla Walla, representing the largest city

**Michael D. Buckley**  
Appointed as water rights holder representative

**Greg P. Farrens**  
Appointed as the citizen at-large representative

**Judith S. Johnson**  
Kooskooskie Commons, appointed to represent environmental interests

**Steve Martin** (*Alternate*)  
Columbia County

**Gregory A. Tompkins** (*Alternate*)  
Walla Walla County Board of Commissioners

### *Policy Advisory Group*

**Hedia Adelsman** (WA Department of Ecology)  
**Rhonda Barker** (Columbia County Citizen)  
**Fred Bennett** (Planning Unit member)  
**Phil Brick** (Whitman College)  
**Ron Brown** (Walla Walla Watershed Alliance / Walla Walla River Irrigation District)

**Andrea Burkhardt** (Blue Mountain Land Trust)  
**Bob Carson** (Whitman College / Planning Unit member)  
**Amanda Cronin** (WA Water Trust)  
**William “Tad” Willis** (Green Tank Irrigation District #11)  
**Diane Driscoll** (NOAA Fisheries)  
**Stuart Durfee** (Gardena Farm Irrigation District #13 / Snake River Salmon Recovery Board)  
**Greg Graham** (US Army Corps of Engineers)  
**Paul Hartwig** (City of College Place)  
**Karen Lennon** (WWCC Water and Environmental Center)  
**Roger Lizut** (City of Walla Walla Citizen)

**Kay Mead** (Walla Walla County Conservation District)  
**Tom Page** (Walla Walla County Citizen / Planning Unit member / Native Creek Society)  
**Mike Rassbach** (US Forest Service)  
**Eric Quaempts** (Confederated Tribes of the Umatilla Indian Reservation)  
**Yancey Reser** (Walla Walla County Citizen / Planning Unit Member / Snake River Salmon Recovery Board)  
**Roland Schirman** (Columbia County Citizen / Planning Unit Member / Snake River Salmon Recovery Board)  
**Hal Thomas** (Walla Walla County Citizen / Planning Unit Member / Walla Walla Watershed Alliance)  
**Mark Wachtel** (WA Department of Fish and Wildlife)  
**Gene Warren** (Columbia County Citizen / Planning Unit Member)  
**Paul Wemhoener** (Walla Walla County Citizen)  
**Brian Wolcott** (Walla Walla Basin Watershed Council)

### *Water Resource Panel*

**Jerry Anhorn** (WWCC Water Management Program)  
**Rick Henry** (Walla Walla Basin Watershed Council [Oregon] Hydrologist)  
**Gary James** (Confederated Tribes of the Umatilla Indian Reservation Fisheries Program)  
**Greg Kinsinger** (Walla Walla County Conservation District)

**Paul LaRiviere** (WA Department of Fish and Wildlife Habitat Biologist)  
**Victoria Leuba** (WA Department of Ecology Water Resources Program)  
**Jack Myrick** (WA Conservation Commission Irrigation Efficiencies Program)

### *Staff*

**Cathy Schaeffer**, Executive Director

**Matthew Rajnus**, Program Director

## Foundations: Establishing the Walla Walla Watershed Management Partnership

The Walla Walla Watershed's innovative water management concept developed over years of planning and coordination, beginning with a collectively supported concept that began to take hold in 2005 identified as the Walla Walla Water Management Initiative (WMI). The WMI sought to collaboratively address the Walla Walla basin's water management challenges, bringing together water users, the Confederated Tribes of the Umatilla Indian Reservation, state agencies led by the Washington State Department of Ecology, environmental interests and local leadership to effectively and efficiently achieve goals for establishing flexible local water management while supporting improved flow conditions for fish recovery. The concept of local water management gained momentum in support of a proposal to the Washington State Governor and Legislature in 2008 to pilot local water management as the Walla Walla Watershed Management Partnership. The proposal focused on solving the significant water challenges in the Walla Walla basin, including the needs to coordinate efforts, increase stream flows in an over-appropriated basin with limited water resources, identify pathways to resolve interstate water issues with Oregon, and enact new legislation to authorize this work within a ten-year pilot program.



The proposal for local water management was drafted into legislation and introduced to the 2009 legislature as House Bill 1580. There was strong in-basin and statewide support for the pilot local water management program, leading to unanimous legislative approval and the Governor's signature in the spring of 2009 (see photo at left). The final legislation (2SHB1580) was codified in Chapter 90.92 RCW.

The Walla Walla Watershed Management Partnership was established in August 2009, with Ecology's support and approval of the local initiating entities' petition to establish a local water management board. The Partnership's nine-member Board provides a unique local governance structure, with appointed representatives of Walla Walla County, Columbia County, the City of Walla Walla, Gardena Farms Irrigation District #13, the Confederated Tribes of the Umatilla Indian Reservation, and a representative jointly appointed by the Walla Walla County and Columbia Conservation Districts. Three at large members include a water rights holder, a citizen and an environmental interests representative.

The Partnership is advised by two committees, the Water Resource Panel and the Policy Advisory Group, which include local technical expertise, state agency and tribal representatives, stakeholders and basin partners. The Partnership office is co-located at the William A. Grant Water and Environmental Center on the campus of Walla Walla Community College, where the Partnership Board holds monthly public meetings.

The multiple-year process to advance local water management from a concept to reality has brought together Walla Walla basin stakeholders with a common vision. This vision statement at right reflects the Walla Walla Watershed community's passion for self-governance and confidence in their ability to sustain healthy streams for fish and a robust economy for the people and farms in this region. Support from the Confederated Tribes of the Umatilla Indian Reservation, Ecology and state-level elected leaders joined with the basin community of water users and local leaders to pilot the local governance structure (the Partnership), "Flow from Flexibility" local water plan implementation, and water banking authorities.

*The Partnership envisions the Walla Walla river basin as a place where water is managed locally as a means to achieve and sustain a healthy river system where human and natural communities can thrive and flourish.*

This pilot effort is modeling a new way of managing water, elevating watershed management to a higher level with local leadership. Building on the foundations laid over years of cooperation, the Partnership as established in 2009 is well-positioned to address the Walla Walla Watershed's water management challenges for fish, for farms and for everyone.



## Implementing Innovative Water Management: Local Water Plans and Water Banking

During its first full year in operation, the Partnership focused on establishing and implementing innovative water management programs. The primary focus of Partnership efforts was to work with water users to develop and implement reach-scale “Flow from Flexibility” local water plans and launch the Walla Walla Water Bank to more efficiently and effectively manage water through banking of voluntary water contributions and conserved water, agreements not to divert, and mitigation or reallocation transactions. While future efforts look toward expanding programs for water right acquisition and mitigation, major activities and accomplishments in 2010 for each area of program development and water management implementation are summarized below:

### *Local Water Plans*

The pilot water management program is fundamentally built on the implementation of “Flow from Flexibility” Local Water Plans (LWP), which are intended to encourage innovative water management so that flows are augmented to benefit fish while ensuring that groundwater is sustainably managed and other water right holders are not impacted. Within a voluntary LWP, a water user may change water management activities such as a point of diversion, place of use, time of use, or source of water. Through these locally-approved and Ecology-endorsed temporary changes to water use practices, this program enables stream flows to be augmented while still providing sufficient water for LWP participants. LWP participants may operate their flexible water management within the Partnership’s ten-year pilot period, with the potential for seeking permanent status of a successful LWP. Through legislative authority under RCW 90.92, water contributions for flow enhancement are banked with the Partnership and LWP participants are assured that participation will not jeopardize their water right.

In its first year of operation, the Partnership created the LWP program with assistance from the Water Resource Panel. The process to build the program included developing a proposal and review process for local water plans, public notice and approvals timeline, dispute resolution approach, monitoring and reporting procedures, and template agreements. In addition, the Partnership drafted guidelines and criteria for filing, review and approval of local water plan proposals; established a definition of baseline water use with consultation from the Water Resource Panel; created criteria for commitment to a local water plan; and identified water user organization guidelines. Efforts were initiated to identify water users as potential program participants, develop the program message and communication materials and provide briefings and presentations directly to water users and partners working in related programs. Strategic program integration occurred with other related flow enhancement and water user coordination efforts. Draft processes and procedures for local water plan administration and implementation including annual reporting were developed.

*In 2010, the Walla Walla Watershed Management Partnership executed thirty-three water banking agreements and filed two Local Water Plans to implement “Flow from Flexibility” water management.*

With this extensive guidance framework drafted, the Partnership’s program was launched in January 2010 with adoption of the LWP guidelines and criteria. Implementation of the LWP program was phased, beginning with one initial LWP proposal progressing through the process to pilot the program and identify areas for process improvement. Over the course of 2010, two (2) LWP proposals were filed: the Gardena Farms Irrigation District #13 LWP and the Stiller Pond LWP. Both LWPs remain in-progress as negotiations continue among the applicants, the Partnership and the Department of Ecology. The Partnership website provides public information on the status of the two proposed LWPs, with process steps and supporting documents available at <http://www.wallawallawatershed.org/projects/local-water-plans>.

### *Water Banking*

The Partnership is uniquely authorized to administer a local water bank that will accept water, hold it in stream for environmental benefit, and return it to the water right holder with its original priority date and other conditions intact when the agreement ends. The Partnership’s water banking program is available for surface water rights and groundwater rights within the planning area, with voluntarily participation on a temporary or permanent basis, under terms and conditions agreed upon by the water rights holder and the board, or under local water plans for stream flow enhancement under the terms of the local water plan as provided in RCW 90.92.



## Implementing Innovative Water Management (continued)

Program development activities were coordinated with the Water Resource Panel and included preparation of draft procedures for reviewing, approving and monitoring water banking non-use agreements. Draft agreement templates were developed, and coordination with Ecology water resources occurred to identify procedures for documentation of participation. Draft guidance documents, including criteria and processes, were developed and finalized, with adoption in January 2010 to launch the program.

The Partnership's water banking program was established for implementation in phases, with the initial focus on enrolling water right holders to bank a portion or the entirety of their water right in exchange for relief from relinquishment of that water during the banked term. Coordinated outreach and communications about the program are ongoing, with presentations made to engage participants and answer questions among water user groups, the environmental community, landowners, business owners, basin partners and Tribal representatives. The participation process is designed to be simple to encourage participation: with approval and signature by the water right holder and the Partnership, banked water is managed by the Partnership for instream flow enhancement and to build water management capacity. The water right holder is not be subject to relinquishment for non-use of the banked water during the agreement term; and when the water banking agreement ends, water right holders return to their same status as was held prior to participation so that the agreement period is simply deemed as a "tolling of the clock" for relinquishment purposes.

The water banking program has enjoyed eager adoption, with thirty-three (33) water banking non-use applications submitted and approved in 2010, resulting in executed agreements and coordination with Ecology to document water rights in the Partnership bank (see table at right). Compiling these 33 agreements, banked water rights total over 2,551 acre feet annually and up to 8.2 cubic feet per second basinwide depending on the time of year. Water banking participants include individuals, multi-owner water right holders, municipalities, and state agencies. Both surface water and groundwater rights have been banked, with the oldest banked water rights dating back to 1861.

All participants were contacted for preparation of an annual report in late 2010; compliance reporting by participants is expected to reach 100%, based on the high response rate so far. Among participant responses received to-date, there has been one request for an agreement amendment and notification of a second potential agreement adjustment that may be requested later in 2011.

The Partnership's water banking program is achieving success in reducing water withdrawals, encouraging water conservation, and protecting participants from future relinquishment. Expansion of the water banking program is underway as well, with the Partnership positioned to facilitate lease and purchase transactions, provide mitigation, and enable reallocation of water.

**Walla Walla Water Bank: 2010 Participating Water Rights**

Non-Use Agreement #	Water Right	Quantity of Water Rights Banked (AcFt)	Agreement Start Date	Agreement End Date
N-10-001	SWC 6972	140.00	04/06/10	05/30/19
N-10-002	SWC 7392	76.00	04/06/10	05/30/19
N-10-003	S3-22791C	10.20	05/04/10	05/30/19
N-10-004	G3-24282C	14.52	05/04/10	05/30/19
N-10-005	S3-22751C	2.00	05/04/10	05/30/19
N-10-006	S3-22789C	1.00	05/04/10	05/30/19
N-10-007	S3-22790C	1.00	05/04/10	05/30/19
N-10-008	WWAC 7	20.50	05/04/10	05/04/11
N-10-009	WWAC 8(A)	45.00	05/04/10	05/04/11
N-10-010	WWAC 9	30.00	05/04/10	05/04/11
N-10-011	WWAC 7	66.00	05/04/10	05/04/11
N-10-012	WWAC 6(A)	17.00	05/04/10	05/04/11
N-10-013	GWC 3983-A	600.00	05/04/10	05/30/19
N-10-014	GWC 759-A(A)	48.62	05/04/10	05/30/19
N-10-015	TRAC 259	228.60	05/04/10	05/30/19
N-10-016	GWC 943-D	40.00	06/01/10	06/01/12
N-10-017	SWC 950B	325.00	05/01/10	05/30/19
N-10-018	G3-28030(B)	29.00	05/29/10	05/01/12
N-10-019	G3-28735(B)	6.00	07/01/10	05/01/12
N-10-020	G3-23614(B)	15.00	05/29/10	05/01/12
N-10-021	TRAC 21	312.00	05/29/10	05/30/19
N-10-022	TRAC 56	60.00	05/29/10	05/30/19
N-10-023	TRAC 57	54.00	05/29/10	05/30/19
N-10-024	TRAC 59	52.50	05/29/10	05/30/19
N-10-025	TRAC 67	90.00	05/29/10	05/30/19
N-10-026	SWC 9515	25.00	05/29/10	05/30/19
N-10-027	TRAC 173(A)	22.40	05/03/10	05/30/19
N-10-028	TRAC 173(A)	73.50	05/07/10	10/31/12
N-10-029	GWC 275-A	45.00	05/03/10	05/30/19
N-10-030	CV2P707(SWC 115B)	-	05/07/10	04/01/18
N-10-031	G3-28725C	30.00	05/07/10	09/01/11
N-10-032	GWC 4232-A(B)	18.30	05/07/10	05/30/19
N-10-033	GWC 5285	168.50	12/07/10	05/30/19
		<b>2,551.44</b>	<b>Total AcFt of Banked Water</b>	

Information on local water planning and water banking program participation is available on the Partnership's website, located at <http://www.wallawallawatershed.org/participate>.



## Strategic Planning for Water Management: Considering All Basin Needs

In 2010, the Partnership focused significant effort on developing strategic actions for implementing the local water management pilot, with consideration of all basin needs including environmental, agricultural, economic and cultural. The Partnership initiated its strategic planning effort in December 2009 drawing upon the Policy Advisory Group (PAG) to engage the collective wisdom of the 26-member PAG in strategic thinking. Exercises were completed to develop a vision statement, review the Partnership's mission and purpose, identify the focus for Partnership efforts and take into account complementary basin initiatives and priorities, with consideration of the CTUIR First Foods mission. The Partnership's vision, goals, strategic actions and metrics of success were developed to build on the Walla Walla Watershed Plan actions adopted in 2005 for the planning area.

With multiple meetings held and input collected from basin stakeholders and community members, comments were incorporated from various resource perspectives. The Water Resource Panel members offered technical feedback on the strategic actions, and the draft strategic plan was distributed for community input during a two-week public comment period in August 2010. The final 2009-2012 Strategic Plan was approved by the Partnership in September 2010.

The strategic planning process enabled the Partnership to develop a clear vision with well-defined goals to guide implementation of strategic actions during the initial three years of Partnership operations. By focusing Partnership efforts to implement near-term strategic actions with an eye toward long-term results, the Partnership is well-equipped to successfully pilot local water management and achieve the vision for a healthy river system in the Walla Walla Watershed.

*The 2009-2012 Strategic Plan was approved by the Partnership in 2010.*

## Partnering to Provide Innovative Water Management Solutions

The basin partnerships and working relationships built over many years in the Walla Walla Watershed have proven to be the most valuable asset in implementing the local pilot water management program. One of the Partnership's goals is to sustain collaborative partnerships and seek opportunities to develop new cooperative efforts to provide innovative, adaptive solutions to Walla Walla's complex water allocation challenges. As the Partnership worked throughout 2010 to establish its substantial primary program areas, there were both anticipated and emergent opportunities to improve basin capacity through innovative and collaborative problem-solving. With early implementation of the water banking program completed in June 2010, the Partnership prepared to identify areas for integration and expansion of the program through focusing on identifying water transaction and acquisition opportunities, pursuing Qualified Local Entity status to build capacity for instream transactions, and transferring the exempt well mitigation exchange local administration role to the Partnership. Where the Partnership took early action in its first year to develop the next phase of a program or expand into additional areas of program integration, the key element in each initiative's success was building and maintaining partnerships. In the following subsections, a summary of 2010 activities is provided in each of four areas of advanced program implementation and integration.

### *Expanding Water Transaction and Acquisition Opportunities*

With support from key partners, the Partnership initiated an expansion of its water transaction and acquisition program in 2010, capitalizing on the unique authority provided under RCW 90.92 to bank water beyond the non-use agreements program which was widely embraced. With input from the Water Resource Panel and the Policy Advisory Group, the Partnership approved five strategies to address low stream flows and identified preferred methods for the Partnership to implement the strategies. The Partnership will serve as the local lead for water right acquisition projects, implementing the agreed-upon approach as characterized within the document entitled "Addressing Stream Flows: Strategies and Preferred Methods" approved in November 2010. Within this expanded program area, the Partnership is collaborating with basin entities to prepare for local drought response, using the water bank as a companion to the Washington state Trust Water Right Program, enhancing creation of projects with secondary reach benefits, identifying opportunities to reduce uncertainty in other projects, and supporting implementation of projects that restore low flows. The Partnership's leadership in local water transactions enjoys strong support by the Department of Ecology and entities represented on the Partnership board, including the Confederated Tribes of the Umatilla Indian Reservation, Conservation Districts and governments, environmental interests and irrigators. To expand transaction and acquisition opportunities,



## *Partnering to Provide Innovative Water Management Solutions (continued)*

the Partnership seeks to channel Ecology capital acquisitions grant funding into the Walla Walla basin for the lease and purchase of water rights. A capital grant funding application was submitted to the Washington State Department of Ecology in December 2010 to implement water transactions in partnership with Walla Walla basin entities, and other sources of funding will be sought to implement this advanced phase of the water banking program.

### *Exempt Well Mitigation Exchange*

In 2010, the Partnership worked closely with the State Department of Ecology, Walla Walla County and the Washington Water Trust to assume local administration of the Walla Walla exempt well mitigation exchange. While the mitigation exchange for new exempt wells was established in Walla Walla three years ago by Ecology for administration by the Washington Water Trust, by 2010 the Partnership was uniquely equipped to fill the role of providing mitigation water to offset impacts from future rural development. Within its water banking authority, the Partnership coordinated throughout the year to lay the groundwork for taking on the role of local administrator for the mitigation exchange. The Partnership took action in December 2010 to approve a package of elements for the Partnership to administrator the mitigation exchange, including: an agreement with Ecology on roles, responsibilities and funding; final Partnership guidance for program implementation; and a fee structure with budget to accommodate the new program.

Implementation of this program is now underway, including providing community education on the new Partnership program and seeking acquisition of water rights to expand available mitigation. In serving as the local lead in this unique mitigation exchange, the Partnership is setting a statewide example for partnering with governments and non-profits in an innovative, local solution to a challenging water problem.

### *Qualified Local Entity Status*

Under the Columbia Basin Water Transactions Program, a limited number of entities across the region have been designated as Qualified Local Entities (QLE) for the purposes of conducting water transactions for instream flow enhancement. Locally, the Walla Walla Watershed Alliance was a QLE member until late 2009, when it recommended that the Partnership be designated as the local QLE to build on the Partnership's unique authority for water banking and transactions. Discussions with basin partners and the Water Transactions Program commenced in 2010 to ensure coordination with the Confederated Tribes of the Umatilla Indian Reservation and existing statewide QLEs working in Walla Walla, such as the Washington Water Trust and Freshwater Trust. With support from the Walla Walla Basin Watershed Council and Walla Walla County Conservation District, the Partnership developed a transition approach and timeline that targeted application for QLE status in early 2011, for potential funding by October 2011 from the Water Transactions Program.

In seeking QLE status, the Partnership is seeking a direct relationship with the Water Transactions Program and greater coordination with basin partners to leverage local efforts in water transactions. The Partnership's strong commitment to enhancing stream flows and coordinating with basin partners will be reinforced with designation as a QLE, and this status will build capacity and open access to needed funds for transactions to complement existing program goals of managing water for fish, for farms and for people.

*Building and sustaining collaborative partnerships is the key to success in piloting local water management in the Walla Walla Watershed.*

### *Integration of Local Efforts*

In partnering with local entities in 2010, the Partnership played a key role in supporting local integration of watershed planning, water management programs and salmon recovery efforts. Strategic program integration occurred with other related flow enhancement and fish recovery efforts, focusing investments in priorities identified in the Snake River Salmon Recovery Plan and Walla Walla Watershed Plan, and representing the Walla Walla basin in local and statewide meetings on integration of watershed and salmon recovery. Partnership accomplishments include organizing Walla Walla basin water right information in collaboration with the Department of Ecology, and supporting partners and stakeholders in problem-solving and outside agency coordination. With many of the basin entities represented within the Partnership, large-scale basin projects such as the Walla Walla River Flow Enhancement Feasibility Study, Aquifer Recharge, and the Mill Creek Channel Fish Passage Study are better integrated for more successful local efforts.



## Informing and Involving Stakeholders in Water Management

Outreach and communications among basin partners in 2010 served to inform and involve stakeholders in water management, improving access and expanding understanding of Partnership programs. Efforts included maintaining effective communications with the Department of Ecology, the Washington State legislature, Partnership entities, and all affected local, state and federal jurisdictions. Press releases on Partnership activities were regularly published in three local newspapers, with special emphasis to highlight Partnership program opportunities and accomplishments. Monthly meetings of the Partnership Board were publicized and well attended, with information presented on Partnership programs and general water management issues. Each issue of the Partnership's quarterly newsletter was distributed electronically to more than 150 recipients, with a dedicated section in each newsletter for stories and information from partnering organizations on basin water management efforts. Weekly updates of the Partnership website at [www.wallawallawatershed.org](http://www.wallawallawatershed.org) provided current information on meetings, participation and comment opportunities.

*Efforts to involve and inform stakeholders in 2010 expanded understanding of water management and improved access to Partnership programs.*

With contracted design assistance, the Partnership created a series of three informational brochures and public display boards on creative water management opportunities. In November 2010, the Partnership hosted the Department of Ecology Water Smart Washington Forum, with over 70 stakeholders attending and participating in the discussion on Ecology's proposed changes to statewide water management. Throughout the year, Partnership members and staff presented information on water management in community forums, panels and meetings with target audiences. The outcome of these informational efforts is a more involved stakeholder group, building upon the diverse perspectives represented among Partnership entities, for a more effective local water management program.

## Outlook for 2011 and Beyond

The Partnership has identified a solid work plan for 2011, with implementation priorities for the coming years built on the 2009-2012 Strategic Plan actions while allowing for the dynamic nature of piloting local water management. Implementation of the innovative water management programs, expanded for new phases of work and opportunities to enhance performance, will be the primary focus in the coming year. The strategic plan will be updated in 2012 to consider the remaining pilot program timeframe through 2019, and to ensure that the plan remains current and representative of Partnership activities. Also in 2012, the Partnership will coordinate with the Department of Ecology to submit the first of three reports to the legislature describing our local pilot water management efforts, achievements and results to-date.

The Partnership's 2011 funding scheme remains heavily reliant on continued grant support from the Department of Ecology through mid-2013. There will undoubtedly be resource challenges as Washington state continues to reduce staff and cut budgets in natural resource programs; however, the Partnership is prepared to tackle the challenges ahead and is proactively exploring new resources and funding opportunities. The Partnership is capable of performing its current core functions under all but the most limited of funding scenarios. However, if the Partnership is successful in its grant applications to Ecology and the Columbia Basin Water Transactions Program for operational and acquisition funding in 2011, priority activities can be fully staffed and program expansion can occur with potential to address emergent opportunities. With the prospect of funding uncertainty common among Partnership entities, an adaptive management approach and maintaining communications will be critical to sustaining the Partnership's mission through this important stage in pilot program implementation.

The Partnership will be tracking out-of-basin progress toward resolving broad water management problems, as there are some critical statewide topics causing localized conflict which have the potential of impacting water resource policies. With the early success of pilot local water management in the Walla Walla basin, communication of accomplishments and responding to requests for information will continue to be an important aspect of this pilot program.

Regular updates to the Partnership Board, Policy Advisory Group, and Water Resource Panel will occur in public meetings, as well as information disseminated through established outreach and communication channels. In 2011 and beyond, the Policy Advisory Group will be convened annually to review and report on the Partnership's effectiveness and progress in meeting strategic plan benchmarks. The Partnership welcomes constructive feedback and suggestions, and looks forward to working with our stakeholders and partners to further advance our mission at every level.

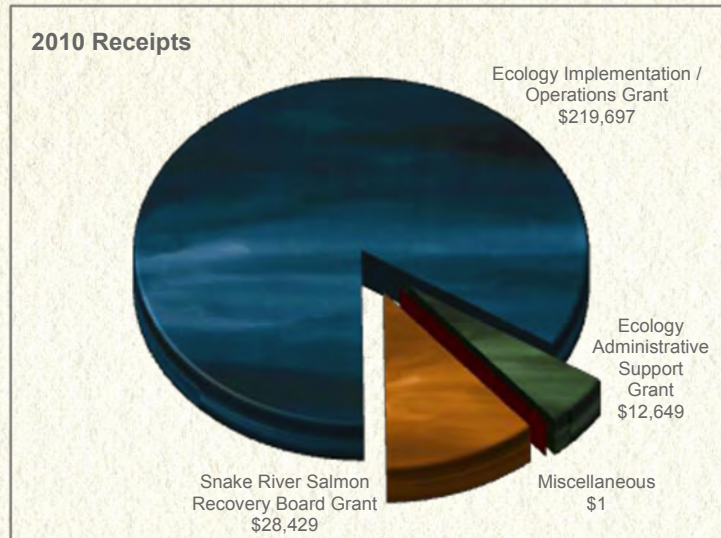


## Financial Summary (January 1, 2010 to December 31, 2010)

The Walla Walla Watershed Management Partnership is a local public agency formed under RCW 90.92, which enables the Partnership to operate as an independently-funded entity and provide for its own funding. The Washington state Legislature provided reimbursable grant funding of \$450,000 for the first two years of Partnership operations through June 30, 2011 to be administered by the Department of Ecology as an Implementation/Operations grant. Other sources of operational funding include the Snake River Salmon Recovery Board coordination grants and Department of Ecology Administrative Support grant. In 2009, start-up funding was provided by a Walla Walla County / Port of Walla Walla Economic Development grant. Although no fees were collected in 2010, the Partnership also has an established fee structure for participation in the exempt well mitigation exchange. Provided below is a cash-basis financial summary that reflects the total resources administered through the Partnership in 2010.

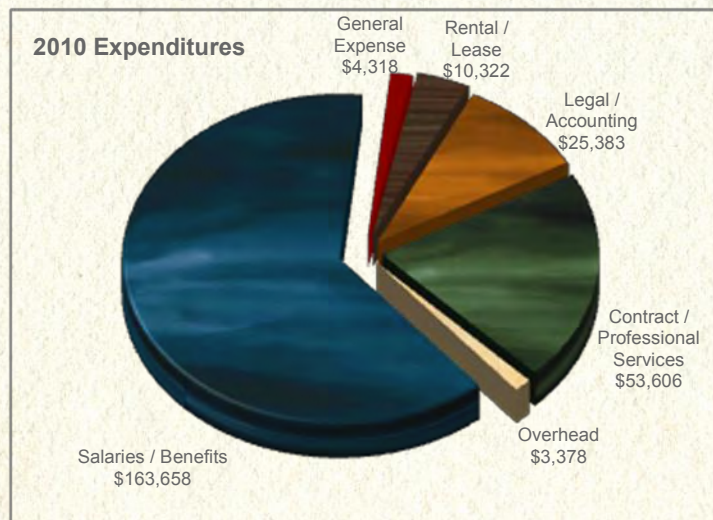
### 2010 Statement of Receipts and Expenditures - Cash Basis

	Total
<b>RECEIPTS</b>	
Snake River Salmon Recovery Board	28,429
Ecology Implementation/Operations	219,697
Ecology Administrative Support	12,649
Miscellaneous Revenue	1
<b>Total Receipts</b>	<b>260,776</b>
<b>EXPENDITURES</b>	
Salaries/Benefits	163,658
General Operations Expense	4,318
Rental/Lease	10,322
Legal/Accounting	25,383
Contract/Professional Services	53,606
Overhead	3,378
<b>Total Expenditures</b>	<b>260,665</b>



### 2010 Statement of Assets, Liabilities and Fund Balance - Cash Basis

	Total
<b>CURRENT ASSETS</b>	
Cash in Checking	16,231
<b>Total Assets</b>	<b>16,231</b>
<b>CURRENT LIABILITIES</b>	
Payroll taxes payable	2,966
<b>Total Liabilities</b>	<b>2,966</b>
<b>FUND BALANCE</b>	
Retained Earnings	13,153
Excess Receipts (Expenditures) over Expenditures (Receipts)	112
<b>Total Fund Balance</b>	<b>13,265</b>
<b>Total Liabilities and Fund Balance</b>	<b>16,231</b>



Note: This financial summary was prepared by Partnership staff using information compiled in the 12/31/2010 Accountant's Compilation Report prepared by the Partnership's fiscal coordinator, Tompkins & Associates PS, CPA, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. This is not an audited or reviewed financial statement.





## Walla Walla Watershed Management Partnership

*For Fish. For Farms. For Everyone.*



Walla Walla Watershed Management Partnership

Water & Environmental Center

p. 509.524.5216 . f. 509.524.5209

500 Tausick Way . Walla Walla, WA99362

[wallawallawatershed.org](http://wallawallawatershed.org)

Funding support provided by:  
Washington State Department of Ecology

