



2011 ANNUAL REPORT

Walla Walla Watershed Management Partnership





For Fish. For Farms. For Everyone.

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William A. Grant Water & Environmental Center

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For an electronic version of this report, visit www.wallawallawatershed.org

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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.

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Walla Walla Watershed Management Partnership Vision Statement

2009-2012 Strategic Plan, Adopted 09/07/2010



The Walla Walla Watershed Management Partnership

Board Members and Alternates

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

Mike Ingham
Gardena Farms Irrigation District #13, representing the enti-
ty using the greatest quantity of water in the planning area

Judith S. Johnson
Appointed to represent environmental interests

Perry Dozier
Walla Walla County Board of Commissioners

Mark Wagoner (*Alternate*)
Gardena Farms Irrigation District #13

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

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

Policy Advisory Group

Hedia Adelman (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 (Washington Water Trust)

Diane Driscoll (NOAA Fisheries)

Stuart Durfee (Gardena Farm Irrigation District #13 / Snake
River Salmon Recovery Board)

Stan Heller (US Army Corps of Engineers)

Paul Hartwig (City of College Place)

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)

Staff

Cathy Schaeffer, Executive Director

John Barkley, Board Vice Chairman
Confederated Tribes of the Umatilla Indian Reservation

Jim Barrow
City of Walla Walla, representing the largest city

Michael D. Buckley
Appointed as water rights holder representative

Richard W. Jones
Columbia County Board of Commissioners

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

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

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Columbia County

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City of Walla Walla

Kay Mead (Walla Walla County Conservation District)

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member / Native Creek Society)

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Indian Reservation)

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Gene Warren (Columbia County Citizen / Planning Unit
member)

Paul Wemhoener (Walla Walla County Citizen)

Brian Wolcott (Walla Walla Basin Watershed Council)

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)

Chris Hyland, Program Director

Introduction

The Walla Walla Watershed Management Partnership (Partnership) realized new achievements in 2011 through growing participation and expanded programs, building on the Partnership's authorities provided as a local water management board under RCW 90.92. The Partnership's ten-year pilot for local water management continued in modeling a new way of flexibly managing water, with local leadership and an integrated approach to addressing the Walla Walla Watershed's water resource challenges for fish, for farms and for people.

Key accomplishments in 2011 are described in this report, highlighting efforts to implement "Flow from Flexibility" activities through execution of three reach-scale local water plans and 66 voluntary non-use agreements within the Walla Walla Water Bank. The Partnership's program expansion into local administration of the Walla Walla exempt well mitigation exchange and instream flow acquisition program provided for new areas of cooperation and leveraging of grant funding with the Washington State Department of Ecology (Ecology) and the Columbia Basin Water Transactions Program. With momentum growing, stakeholder outreach and integration of efforts contributed to innovative problem-solving, completion of projects, and coordination to consider all basin needs as the Partnership advanced its local water management pilot effort.

Implementing Innovative Water Management: Flow from Flexibility

During 2011, the Partnership worked with water users to develop and implement "Flow from Flexibility" activities through execution of reach-scale local water plans and voluntary non-use agreements within the Walla Walla Water Bank. The Partnership was galvanized with expanded programs to efficiently and effectively manage water through local administration of the Walla Walla exempt well mitigation exchange and instream flow acquisition program. To participate in Partnership programs, visit www.wallawallawatershed.org/participate. An overview of 2011 activities and achievements in each water management program area are summarized below:

Local Water Plans

The fundamental basis for the "Flow from Flexibility" concept is embodied within the Partnership's authority to pilot Local Water Plans, which are designed to incentivize conservation among water users by allowing flexible water management resulting in instream flow enhancement. When these reach-scale, customized water management plans are executed with conditions for sustainable management of groundwater and limits on impacts to other water right holders, local conditions can improve through cooperation outside of the regulatory framework.

In 2011, the unique pilot effort to locally manage water in Washington achieved a substantial milestone with the approval of three local water plans by the water right holders, the Partnership, and Ecology. Each approved Local Water Plan (LWP) is a one-of-a-kind voluntary agreement between the three approving parties including an individualized water management approach to enhance stream flows for fish and improve flexibility in water use for the irrigators.

- The Stiller Pond Site LWP provides for conservation of summer irrigation water and recharge to the shallow aquifer. Implementation of winter recharge at the existing pond site is expected to improve base flows to lower Mill Creek and the Walla Walla River during summer months. Groundwater recharge in the off-season at the Stiller Pond Site is expected to enhance conditions for fish and wildlife habitat without compromising irrigation water availability and productivity of agricultural lands. The Stiller Pond Site is operated by Joel Huesby in cooperation with landowners Quentin and Joyce Schwenke.
- Within the Gardena Farms Irrigation District #13 (GFID) LWP, GFID can recharge the shallow aquifer and leave water instream over a 15-mile stretch of the Walla Walla River, diverting water at downstream points of diversion to enhance stream flows and water quality. GFID seeks to improve early summer stream flow conditions for Chinook Salmon and provide flexibility to irrigation district patrons in their use of existing water rights for shallow aquifer recharge. Implementation of this LWP reflects a strong interest by irrigators to help the Tribes restore salmon in the Walla Walla basin in teamwork with the Tribes partnering to keep farms viable.
- On Yellowhawk Creek, through efficient and flexible use of surface and groundwater rights, the Pepper Bridge LWP will enhance flows in a critical stream reach for Steelhead and Bull Trout, which are both listed as threatened fish species under the federal Endangered Species Act and will authorize water use for winery operations. Participants in this LWP include Bob Rugar and Norm McKibben as representatives of lands owned by Sequel LLC, Homeward Bound LP, and Pepper Bridge Land Company LLC.



Each of these voluntary LWPs include temporary, flexible changes in water management activities with elements to enhance stream flow conditions, with the potential for seeking permanent status of a successful LWP. Each of these three approved LWPs identified a five-year period for operation of their LWP, and water contributions for flow enhancement are banked with the Partnership with assurance for water right holders that LWP participation will not jeopardize their water right.

In 2011, the Water Resource Panel met regularly throughout the process to review and negotiate LWPs, offering significant contributions including technical review, recommendations for baseline determinations, and updates to the Partnership's guidelines and criteria for filing, review and approval of LWP proposals. Ecology engaged directly with the LWP water users and the Partnership to negotiate the final agreements, with all three agreement parties taking action in May 2011 to approve the final LWPs. Throughout the year, Partnership staff led the effort to facilitate the LWP development, negotiation, and implementation process, provide briefings and presentations directly to water users and partners working in related programs. A public comment period occurred for each LWP, with one LWP undergoing a State Environmental Policy Act (SEPA) review. The Partnership website provided public information on the status of the LWPs through their development and negotiation, with process steps and supporting documents available at www.wallawallawatershed.org/projects/local-water-plans. Processes and procedures for LWP administration and implementation including annual reporting were developed, with all three LWPs submitting annual reports on the first partial-year of implementation. Throughout 2011, there were no documented impacts to other water right holders addressed through the Partnership's dispute resolution process. The outreach effort to water users is building on 2011 efforts, with Partnership staff continuing its work to identify potential program participants, share the program message, and establish connections to communicate with water users and basin partners about conservation and water management opportunities within the Partnership's LWP program.

In 2011, the Walla Walla Watershed Management Partnership executed three Local Water Plans to implement "Flow from Flexibility" water management for the benefit of fish, farms and people.

Water Banking

The Partnership's Walla Walla Water Bank offers an opportunity for water users to conserve water and preserve their water rights through participation in the Partnership's water banking program. Water banking 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 Partnership, or under local water plans for stream flow enhancement under the terms of the local water plan as provided in RCW 90.92.

Participation in the Partnership's water bank is designed to be a simple process for water users, starting with a water right holder supplying to Partnership staff their water right information from which a voluntary non-use agreement is then crafted to place the water right in the Partnership's water bank. With approval of the water right holder and the Partnership, the water rights enter the bank but are still owned by the water right holder and not subject to relinquishment for non-use during the agreement term. When the water banking agreement term ends, water rights return to their same status as was held prior to participation; the agreement period is simply deemed as a "tolling of the clock" during the authorized non-use period and participation does not permanently change a water right. Be-

A total of 66 water banking agreements are now in place, banking over 8,014 acre-feet of water rights in the Partnership's one-of-a-kind water bank.

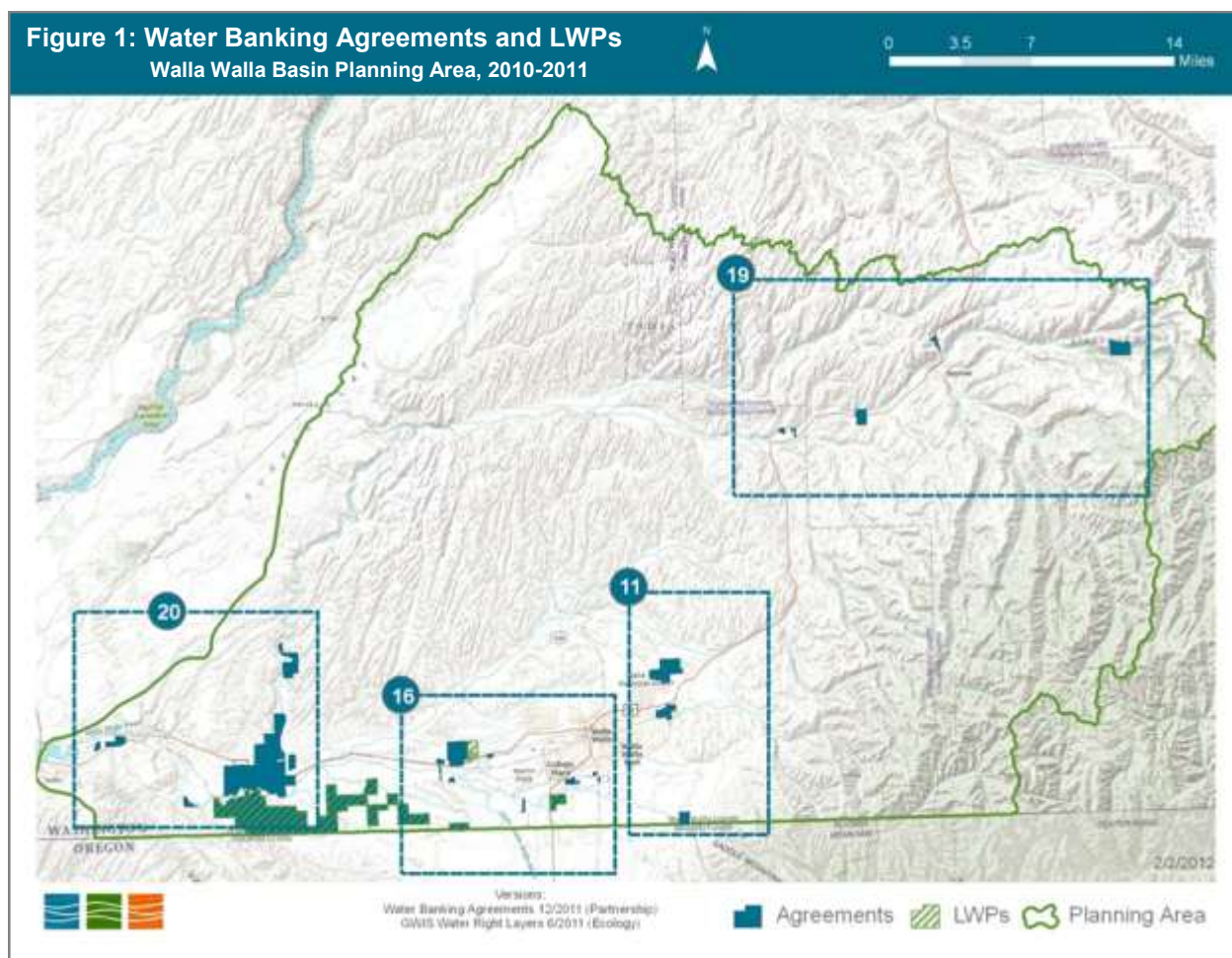
cause these water banking agreements do not include an "extent and validity" review, banked water rights are not available for reallocation out-of-stream but instead are held by the Partnership for stream enhancement. Enhanced flows from banked water rights provide benefits to endangered fish species that rely on local streams and rivers for passage and instream habitat.

The water banking non-use agreement program has enjoyed eager adoption by water right holders, with a total of 66 water banking agreements in place between local water users and the Partnership at the end of 2011. Within these 66 non-use agreements, groundwater and surface water rights totaling over 8,014 acre-feet annually have been deposited in the Partnership's one-of-a-kind water bank. In 2011, the Partnership doubled the number of water banking agreements (33 agreements in 2010, and 33 agreements in 2011); however, the acre-feet of banked water rights increased by



more than three-fold in 2011, jumping from 2,551.44 acre-feet in 2010 to a cumulative total of 8,014.63 acre-feet by the end of 2011. The Partnership planning area map in Figure 1 depicts the location of all water rights currently banked through non-use agreements and involved in local water plans. These water banking agreements and LWPs represent an instantaneous total of banked water rights adding up to 40 cubic feet per second (cfs) and up to 5,447 gallons per minute (gpm) basinwide depending on the time of year (see Table 1 for the annual quantity [Qa] and monthly instantaneous quantity [Qi] of banked water rights).

Water banking participants include individuals, multi-owner water right holders, municipalities, and state agencies. Outreach to water right holders and communication about Partnership program options to promote conservation has been well-received, with presentations made to engage participants and answer questions among water user groups, the environmental community, landowners, business owners, basin partners and Tribal representatives. Both surface water and groundwater rights have been banked, with the oldest banked water rights dating back to 1861. All participating water right holders have submitted their annual report for 2011, with 100% compliance reported by participants with requests to extend the agreement term for an additional four years by three of the banked water rights.



Annual Banked Water Rights Qa (Acre/Feet)	Table 1: 2010-2011 Water Rights Banked, Total (Qa) and Instantaneous (Qi)								
	Source	JAN - FEB	MAR	APR	MAY - JUN	JUL—AUG	SEPT	OCT	NOV - DEC
8,014.63	Surface water (cfs)	10.475	10.475-20.475	8.391-18.391	8.391	6.203	6.583-8.017	10.475	10.475-40.475
	Alluvial (gpm) groundwater	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661
	Basalt (gpm) groundwater	1,736	2,786	2,771	2,771	2,741	2,741	1,736	1,736



Expanded Water Management Program Implementation

Since the Partnership was established in August 2009, the Partnership's water management programs have been implemented in phases, with the initial focus on local water planning and enrolling water right holders to bank a portion or the entirety of their water right under water banking non-use agreements. Expansion of the Partnership's water management programs in 2011 launched the Partnership into new areas of water rights transactions. Working with key partners, the Partnership established itself as local administrator of the mitigation program for new domestic exempt wells and achieved Qualified Local Entity status for acquisition of water rights through leases and purchases for instream flow enhancement. These program areas are described below, serving as valuable additions to the Partnership's menu of water management tools and building toward a more comprehensive local water management approach.

Exempt Well Mitigation Exchange

With the framework established in late 2010, the Partnership embraced its new role as the local administrator of the Walla Walla Exempt Well Mitigation Exchange in 2011, adopting guidelines and criteria for implementing this new program in coordination with Ecology. Because the mitigation exchange for new exempt wells was established in Walla Walla four years ago by Ecology to provide a state-assisted mitigation option, the Partnership identified this as an important activity to secure water for rural development and offset impacts of new domestic wells in areas closed to new water appropriations. Once Ecology and the Partnership reached agreement on how the Partnership could fill the role of locally administering the mitigation exchange and sourcing mitigation water to seed the exchange, the Partnership activated this program by providing community education in coordination with Ecology and the Walla Walla Joint Community Development Agency. Outreach materials and educational programs were provided to builders, realtors, and landowners throughout the year. In February 2011 the Partnership and WWCC Water & Environmental Center hosted an "Exempt Wells Community Forum" for community members and stakeholders. In May 2011, Partnership staff presented on this collaborative, local approach to exempt well management at the "Exempt Wells Conference" hosted by Washington State University. In serving as the local lead in this unique mitigation exchange, the Partnership is setting a statewide example for partnering with governments and landowners to provide an innovative, local solution to a challenging water problem.

The Partnership administers the Walla Walla Exempt Well Mitigation Exchange, providing water for new rural development, offsetting impacts of new domestic wells.

The Partnership's administration of the Walla Walla Exempt Well Mitigation Exchange included receipt in early 2011 of a transfer of funding from prior mitigation credits sold, providing seed money for the local administration of the exempt well mitigation exchange. In addition, one exempt well mitigation exchange transaction was processed through the Partnership program in April 2011, with the Partnership approving the mitigation credit application and Ecology processing the mitigation certificate in May 2011. Partnership staff continues to work with potential sellers of water rights to identify additional water for the exchange, with the year-end 2011 mitigation exchange balance at 5.85 acre-feet (enough for ten new exempt well mitigation credits, with each new well debiting the balance by 0.55 acre-feet).

Water Right Transactions and Acquisition Program

Working in coordination with key basin partners including the Confederated Tribes of the Umatilla Indian Reservation, in 2011 the Partnership initiated an expansion of its water right transactions and acquisition program to address low stream flows. The Partnership worked with the Columbia Basin Water Transactions Program (CBWTP) to identify capacity whereby the Partnership would join the limited number of entities across the region designated as Qualified Local Entities (QLE) for the purposes of conducting water transactions for instream flow enhancement under the CBWTP. In the spring of 2011, the Partnership submitted an application for QLE status under the CBWTP and received notification of approval later in the year. The Partnership began working as a QLE in October 2011 with CBWTP funding through the National Fish and Wildlife Foundation (Bonneville Power Administration) and an Ecology state capital acquisition grant, providing support for program administration and transactions to leverage local efforts to enhance stream flows consistent with Partnership goals of managing water for fish, for farms and for people.

In 2011, the Partnership was awarded Qualified Local Entity (QLE) status and grant funding for innovative water transactions to enhance flows for fish.



The Partnership's work under this new transaction and acquisition program included adopting program guidelines and evaluating transaction tools. While focusing on developing and pursuing an acquisition strategy based on Partnership priorities, the Partnership sought to capitalize on Partnership resources including local expertise to guide decision-making. One area of early work initiated in 2011 was development of a critical low flow plan to address stream needs and drought conditions, integrating fisheries priorities with potential flow enhancement strategies and water user coordination efforts. Efforts commenced to identify and develop water transactions, provide outreach about the Washington State Trust Water Rights Program and encourage market-based approaches to instream flow improvement through work with basin partners on project opportunities to improve stream flows.

Future work in the transactions and acquisition program will include collaborating with basin entities to use the Partnership's water bank as a companion to the Trust Water Rights Program, enhancing creation of projects with secondary reach benefits and supporting implementation of projects that address critical low flows. The Partnership's leadership in local water transactions enjoys strong support by the CBWTP and Ecology, as well as entities represented on the Partnership, including the Confederated Tribes of the Umatilla Indian Reservation, Conservation Districts, local governments, environmental interests and irrigators.

Considering All Basin Needs: Implementing the 2009-2012 Strategic Plan

The Partnership's 2009-2012 Strategic Plan¹ was implemented throughout 2011 to manage water with consideration of all basin needs including environmental, agricultural, economic and cultural. The strategic plan's vision statement and well-defined goals guide implementation of actions during the initial three years of Partnership operations, with the Partnership's role in completion of WRIA 32 Walla Walla Watershed Plan (2005) actions identified as coordinating implementation and supporting implementers. The Partnership maintains a database with outreach to project sponsors to track and report completion status of actions. By the close of 2011, over 38% of all WRIA 32 Walla Walla Watershed Plan (2005) actions were identified as complete, with another 42% of actions characterized as active and ongoing. Funding delays and changing project prioritization were the most commonly cited reasons that 16% of the actions were considered active but pending, and approximately 4% of projects were identified as delayed. The trend toward project success continues, with a 5% increase over last year's project completion status.

Access to water right information was identified as a key objective in the strategic plan, and the Partnership coordinated with Ecology in the 2011 launch of Ecology's Water Resources Explorer database. The Partnership regularly uses and contributes updates to the local water right information maintained by Ecology, and it is estimated that approximately 80-85% of the WRIA 32 water right information is currently organized for public access through Water Resources Explorer. To access the Ecology Water Resources Explorer through the Partnership website, visit www.wallawallawatershed.org and click on the link under the heading "Water Rights" at the top of the main web page.

Following development of the 2009-2012 Strategic Plan, the Partnership's three-year and nine-year work plan and budget were created in 2011 to advance the Partnership's efforts in implementing the legislatively-identified operational authorities, duties and responsibilities. With broad representation of stakeholders, the Policy Advisory Group took an active role in evaluating progress and bringing recommendations to the Partnership. The annual review of the strategic plan occurred at the February 2011 Policy Advisory Group meeting, considering the effectiveness, appropriateness and completeness of the strategic plan's goals and objectives. In addition, the Policy Advisory Group convened in open "Discussion Forums" in 2011, focusing on two key topics to develop an issue statement and recommendations for Partnership action related to Water Quality/Total Maximum Daily Loads and Shallow Aquifer Recharge. The Partnership implemented the Policy Advisory Group's recommended actions in both of these resource management areas, calling for tracking of water quality improvements and development of an integrated aquifer recharge plan basinwide. It is through these focused efforts to implement the Partnership's near-term strategic actions with consideration of all basin needs that the Partnership is finding success in its pilot local water management approach.

Partnering to Provide Innovative Water Management Solutions

For successful local water management, an important Partnership goal 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. It is widely recognized among basin partners and out-of-basin interests that the working relationships built over many years in the Walla Walla Watershed are valuable assets in implementing the pilot

¹ The 2009-2012 Strategic Plan is available online at www.wallawallawatershed.org/partnership/strategic-plan.



local water management program. In 2011, the Partnership worked to build capacity for innovation and collaboration through maintaining working relationships, leveraging funding resources for implementation of strategic actions, and demonstrating pilot program success.

The Partnership capitalized on opportunities to encourage relationship building in 2011 and increased understanding among the constituents of the stakeholder groups represented by Partnership members. The monthly public Partnership Board meetings were well attended throughout the year, with Partnership Board members and alternates maintaining a 91% attendance rate in 2011. At committee meetings, Water Resource Panel members reached an 82% attendance level and attendance by Policy Advisory Group members was 36%, attributable in part to some members leaving positions or moving out of the area. These levels of participation reflect consistent attendance by Board members, increased attendance at the Water Resource Panel meetings, and a slight decline in the participation rate of Policy Advisory Group members.

Building and sustaining collaborative partnerships is the key to success in piloting local water management in the

Throughout the year, Partnership staff provided regular in-person updates on pilot programs to local governments, civic groups, and in community forums. One-on-one meetings provided opportunities to support partners and facilitate stakeholders in problem-solving and outside agency coordination. Partnership staff engaged often with visitors to the WWCC Water & Environmental Center, providing updates on Partnership progress to elected officials, business leaders, and agency interests. Basin partners engaged in the Partnership-hosted Roundtable Discussion with Ecology Director Ted Sturdevant in November 2011, where more than 60 stakeholders and local officials joined with Ecology staff to review progress and identify next steps toward meeting the basin vision.

In 2011, Partnership efforts to secure funding focused on supporting existing programs and moving into expanded areas of new work. The Partnership's initial Washington state budget proviso for 2009-2011 ended in mid-2011, with continued base funding uncertain for part of the year. During that three-month period at the beginning of the state fiscal biennium, resources dedicated to some tasks were limited due to decreased staff and consultant levels afforded under the initial budget allocation. In September 2011, the Ecology grant funding was fulfilled at \$370,000 for the 24-month biennium; but this figure represented an 18% decrease from the prior biennial funding of \$450,000, so other funding sources were sought to cover Partnership activities and programs. New grants were pursued from the National Fish and Wildlife Foundation Community Salmon Fund and Columbia Basin Water Transactions Program (CBWTP), as well as Ecology capital acquisition funding. By October 2011, the Partnership was awarded Qualified Local Entity status by the CBWTP with grant funding for water right acquisition activities and transactions from both CBWTP and Ecology. This more diverse funding approach brings new opportunities for the Partnership to leverage resources for flow enhancement projects and bolster local capacity for watershed improvement projects by basin implementers.

Integration of Local Efforts

A core principle in the Partnership's work to pilot local water management is supporting integration of water management programs, watershed planning, and salmon recovery efforts. In 2011, the Partnership's strategic program integration efforts focused investments in priorities identified in the Snake River Salmon Recovery Plan and Walla Walla Watershed Plan, and pursued activities in coordination with other flow enhancement and fish recovery efforts. Partnership staff represented the Walla Walla basin in local and statewide meetings on integration of watershed and salmon recovery, including the Columbia Basin Water Management Program advisory groups and statewide Exempt Wells taskforce. Partnership accomplishments included contributing to updates of Ecology's water rights database and the Snake River Salmon Recovery Region projects database with three-year work plan.

Many of the basin partners engaged with the Partnership are working on large-scale projects such as Mill Creek Channel Fish Passage, the Walla Walla River Flow Enhancement Feasibility Study, shallow aquifer recharge, and irrigation district piping projects. The Partnership's advocacy of partner efforts in support of funding requests gained recognition as an important tool for improving integration of project implementation. Partnership letters of support provided acknowledgement that basin implementers working in the Walla Walla Watershed are independently funded and focused, and that Partnership objectives are aligning (and not competing) with other basin efforts. These efforts are serving to better integrate flow enhancement and fish recovery projects, contributing to the development and implementation of more effective local programs for piloting water management.



Informing and Involving Stakeholders in Water Management

Efforts to inform and involve stakeholders in water management progressed in 2011 with a focus on improving access and expanding understanding of Partnership programs. Partnership staff worked with basin partners, consultants, and Partnership members to identify potential program participants, educate water users about water management, and improve public information through community education. The program message and outreach materials were shared in presentations to partners working in related programs, and effective communications were maintained with Ecology, the Washington state legislature, Partnership entities, and all affected local, state and federal jurisdictions. Monthly meetings of the Partnership Board were publicized and well attended, with information presented on Partnership programs and general water management issues. Press releases on Partnership activities were regularly published in three local newspapers, with special emphasis placed on highlighting Partnership program opportunities and accomplishments.

The Partnership's quarterly newsletter provided multiple opportunities to build understanding of natural resource activities in the basin, with the Partnership dedicated to collecting stories and issuing the newsletter to more than 160 stakeholders. In addition, the Partnership's website at www.wallawallawatershed.org was updated weekly to include meeting and participation information, with links to stream flow data, partner websites, and water rights information. Collaborative outreach activities included regular meetings to coordinate among basin partners and develop a joint outreach publication entitled "Conservation in the Walla Walla River Basin." The Partnership was a featured symposium speaker at the October 2011 Return to the River Salmon Festival in Walla Walla, hosted by the Walla Walla Community College Water & Environmental Center and Confederated Tribes of the Umatilla Indian Reservation. Throughout the year, Partnership members and staff presented information on water management in community forums, panels and meetings with target audiences. These informational efforts were a key factor in the consistent involvement of community members and stakeholders in Partnership Board meetings and community forums.

Outlook for 2012 and Beyond

In the third year of piloting local water management, the Partnership's implementation priorities for 2012 will be built on the 2009-2012 Strategic Plan actions and captured in a focused work plan with defined activities and tasks. Program implementation will be prioritized in the areas of local water plan development, water banking, exempt well mitigation exchange, and water right transactions and acquisitions. Considering the dynamic nature of piloting local water management, new areas of expansion may be considered within the 2012 strategic plan update to consider goals and objectives for the remaining pilot program timeframe through 2019. In 2012, the Partnership will evaluate the success to-date of efforts to pilot local water management; this will include developing the first of three reports to the Washington State legislature in collaboration with Ecology, describing Partnership efforts, achievements and suggestions for improvements as required in RCW 90.92.

The Partnership was successful in 2011 at identifying additional funding for program implementation, and continues to explore new resources and funding opportunities. Funding challenges are expected to continue in 2012 and beyond as the Partnership relies primarily on continued grant support from Ecology. As Washington State continues to experience severe budget constraints, potential funding cuts in Partnership grants are possible. Coupled with the fact that many of the Partnership's core functions are tied directly to the legislative authority provided by Washington state, the Partnership is challenged in finding other funding to replace the state support provided by Ecology as a partner in this pilot program. In preparation, the Partnership has positioned itself financially and organizationally to perform its core functions under all but the most limited of funding scenarios, with adaptive management capacity to advance the Partnership's mission through the pilot period. Investigation into more diverse funding sources will continue, with a budget approach that considers innovative options for partnering to fund local water management.

Maintaining local, regional and statewide partnerships will continue to be a focus in 2012 and beyond. Communication of accomplishments and responding to requests for information will carryover as an important element of this pilot program, as the Partnership continues to track the regional and statewide topics of relevance that have the potential to impact local water resource management. 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. The Partnership will expand its consultations with water right holders and messaging to community members in 2012, and will coordinate with basin partners in implementing Partnership programs. Throughout the pilot period, the Partnership welcomes constructive feedback and suggestions, maintaining a forward-looking posture as the Partnership pursues its mission into 2012 and beyond.



Financial Summary (January 1, 2011 to December 31, 2011)

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. During 2011, the Washington State Department of Ecology provided a substantial part of the Partnership's base funding through operations grants, with additional funds provided by the Snake River Salmon Recovery Board and local carryover funding from Walla Walla County. Fees were collected under the Partnership's role as local administrator of the exempt well mitigation exchange. Grants from the National Fish and Wildlife Foundation's Columbia Basin Water Transactions Program and Washington State Department of Ecology capital funding supported the Partnership's instream flow acquisition program, providing funds for administrative and transaction costs. Provided below is a cash-basis financial summary that reflects the total resources administered through the Partnership in 2011.

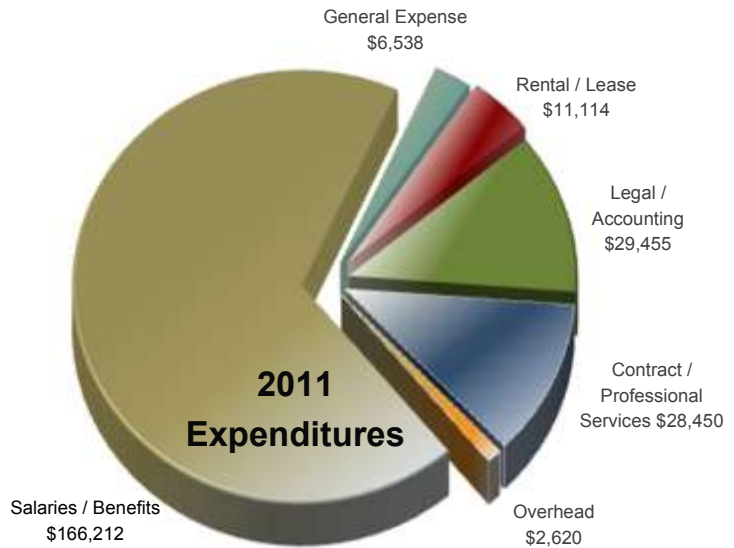
2011 Statement of Receipts and

	Total
RECEIPTS	
WA State Dept. of Ecology Operations	208,373
Snake River Salmon Recovery Board	28,432
WA State Dept. of Ecology Capital	1,653
National Fish & Wildlife Foundation	2,215
Exempt Well Mitigation Exchange	6,028
Walla Walla County carryover funds	5,985
Total Receipts	252,686
EXPENDITURES	
Salaries/Benefits	166,212
General Operations Expense	6,538
Rental/Lease	11,114
Legal/Accounting	29,455
Contract/Professional Services	28,450
Overhead	2,620
Total Expenditures	244,389



2011 Statement of Assets, Liabilities and Fund Balance - Cash Basis

	Total
CURRENT ASSETS	
Cash in Checking	25,313
Total Assets	25,313
CURRENT LIABILITIES	
Payroll taxes payable	3,751
Total Liabilities	3,751
FUND BALANCE	
Retained Earnings	13,265
Excess Receipts (Expenditures) over Expenditures (Receipts)	8,297
Total Fund Balance	21,562
Total Liabilities and Fund Balance	25,313



Note: This financial summary was prepared by Partnership staff using information compiled in the 12/31/2011 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.





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Management Partnership

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