

Application
for
An Organizational Investment Grant

Economic Study to Quantify the Impacts of Reductions in Available Irrigation
Water on the Milton-Freewater, Oregon Area

Submitted by:

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Promote and Enhance Environmental and Economic Sustainability--Bill
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Situation: In the Milton-Freewater, Oregon area, approximately 10,000 acres of crops are irrigated from the Walla Walla River. Almost half of the acreage is high value tree fruits with apples grown on 3,400 acres. In recent years, apple growers have invested over \$30,000,000 to replace Red Delicious orchards with high-density orchards planted to new varieties. There is no water storage in the Walla Walla River basin and irrigators have historically used all of the available water from early-May to mid-October.

In 1998, steelhead and bull trout in the Walla Walla River were listed as threatened under the Federal Endangered Species Act (ESA). The Basin is in the ceded territory of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and they re-introduced spring Chinook salmon in the Walla Walla River in 2000. However, re-introduced species are not covered by the ESA. During negotiations with the CTUIR, U.S. Fish and Wildlife Service, National Marine Fisheries Service and a coalition of environmental groups the Walla Walla River Irrigation District (WWRID) agreed to leave 18 cfs of water in the Walla Walla River in 2000. Several water conservation and irrigation efficiency projects have allowed WWRID to relinquish this water without undue hardships to its members. Members of the WWRID have rights for approximately 60 percent of the available summer irrigation water and growers who do not belong to any organized District use the remaining 40 per cent.

In 2002, the WWRID, to avoid alleged take of bull trout and steelhead, will leave 25 cfs of water in the Walla Walla River. This represents 30 per cent of the entire flow of the Walla Walla River during the summer months. Irrigators are being pressured to leave at least 50 cfs of water in the

Walla Walla River, or a minimum of 60 per cent of summer flows. If 50 cfs of water is left in the Walla Walla River the WWRID estimates that 1,000 acres of irrigated cropland would be dried up or not receive enough water to maintain sufficient growth of perennial tree fruits. In Milton-Freewater, population 7,500, this would have an unknown negative economic impact.

The uncertainties associated with the reduction in irrigated agriculture and associated negative economic impacts makes it difficult for growers, bankers, businesses, school districts, city of Milton-Freewater and Umatilla County governments to make intelligent planning/management decisions impacting the area's sustainability.

Action: Analyze the economic impacts, to the Milton-Freewater area, of irrigators relinquishing 25 or 50 or 75 cfs of irrigation water to maintain summer flows in the Walla Walla River for bull trout and steelhead. The study will describe the entire local economy, and provide local farms, business and government leaders with an understanding of how various businesses are interrelated. Upon completion of the study local members of the community, that represent a cross-section of interests, will engage in developing strategies to help mitigate or offset negative economic impact(s) and look at alternative potential opportunities.

Evaluation of Impact: Following completion of the study results will be presented to the Milton-Freewater community by distribution of the study and at least one public presentation. A follow-up survey will determine how the analysis has been used in making economic decisions that affects the sustainability of the area.

Budget:	Economic study	\$5,500.00
	Travel	500.00
	Printing expenses	200.00
	Survey	<u>1,500.00</u>
		\$7,700.00

Project to be completed by:	Economic Analysis	08/01/02
	Community Engagement	12/15/02
	Survey	06/01/03

Application approved by:

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