Dungeness Water Exchange
Mitigation Pricing Update

September 13, 2021
Water Resources Advisory Committee
Dungeness Water Exchange
Managed by Washington Water Trust
Dungeness Water Exchange

2013- Dungeness Water Rule established

“The Exchange was created to serve the public interest to realize flow restoration in the Dungeness as well as provide new water for economic development through mitigation.”
Advisory Council
Sustainable Community Growth

New Homebuilders or Land Divisions Apply for Mitigation

Mitigation Certificate Issued

DWE Manages Aquifer Recharge Sites to Provide Security to Rivers and Residents

A DWE certificate means that your home has a net zero impact on the local water supply of your neighbors, streams and salmon*

*When certificate requirements are met
Mitigation Issued*

568 Total Uses Mitigated

25.77 acre feet issued

20% of 130 acre feet/year supply is allocated

WWT recommends pursuing an additional water purchase

* Through 2nd quarter of 2021
Initial DWE Pricing & Packages

Indoor Mitigation

<table>
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<tr>
<th>YEAR-ROUND</th>
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**Indoor use (150 gpd) – $1,000**

Note: The Exchange accounts for domestic mitigation using an average daily amount of 150 gallons (WAC 173-518-080 (b)). Minimal incidental outdoor use such as washing windows, and watering potted plants in the footprint of the home is included.

Outdoor Mitigation

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<tr>
<th>APRIL 15TH - SEPTEMBER 15TH</th>
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**Basic Outdoor (50 ft² - 210 gpd) – $1,000**

**Extended Outdoor (75 ft² - 474 gpd) – $2,000**

Note: The amount of outdoor use is based on the amount of irrigation required for turf grass according to the Washington Irrigation Guide (20.80 inches/yr). A larger amount of landscaping or garden area may be possible with the same number of gpd.

Stockwater Mitigation

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**Up to 5 animals (80 gpd) – $1,300**

**Up to 10 animals (120 gpd) – $1,800**

**Up to 15 animals (180gpd) – $2,200**

Note: Department of Ecology has concluded that stockwater mitigation is needed for ungulates only (cows, sheep, pigs, horses, llamas, donkeys etc). This does not apply to poultry such as chicken and ducks, or pets such as dogs and cats.
“Once started, **the Exchange should be self sustaining** by relying entirely on the proceeds from the sale of mitigation certificates.”

*2012 Mitigation Plan*
Process

How does DWE Change Prices?

1. Analysis
2. Advisory Counsel and Advice
3. DWE Adopts Price
Pricing Analyses Overview

Analysis of DWE Operational Costs (2017)

2018

Analysis of DWE Operational Costs (2017-2019). Identified different approaches to financial stability/reserves

2020
Principles and Assumptions Informing Pricing
Based on Counsel from Advisory Members

ASSUMPTIONS

- Include Capital Expenditures
- 64 Certificates Sold Annually
- Continued Cost Reductions in Certificate Issuance and Operations
- Starting Bank Balance of $275,000*

PRINCIPLES

- Build Reserve Sufficient to Cover 10 Years of Operation and Capital Costs by 2030
- Revisit Progress Towards This Goal and Adjust Accordingly by 2025
- Adopt Policies to Separately Account for and Manage Reserve Funds

*In 2018, DWE Managers began utilizing DOE funds to support exchange operations, directing all certificate sales revenue to a build a reserve in order to achieve financial stability
## New Mitigation Pricing and Packages

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Pricing/Package</th>
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<tbody>
<tr>
<td>July 1, 2021</td>
<td>$4,000</td>
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<tr>
<td>January 1, 2023</td>
<td>$5,250</td>
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### Mitigation Packages
- Indoor (150 gpd)
- Basic Outdoor (210 gpd, April 15- Sept 15)
- Up to 15 Stock (180 gpd)

Anything that falls outside of the above packages is "Custom". Custom (on septic) is priced $/consumptive afy as above. Custom (on sewer) is case by case.
Thank you!
Further Questions: dwe@washingtonwatertrust.org