



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



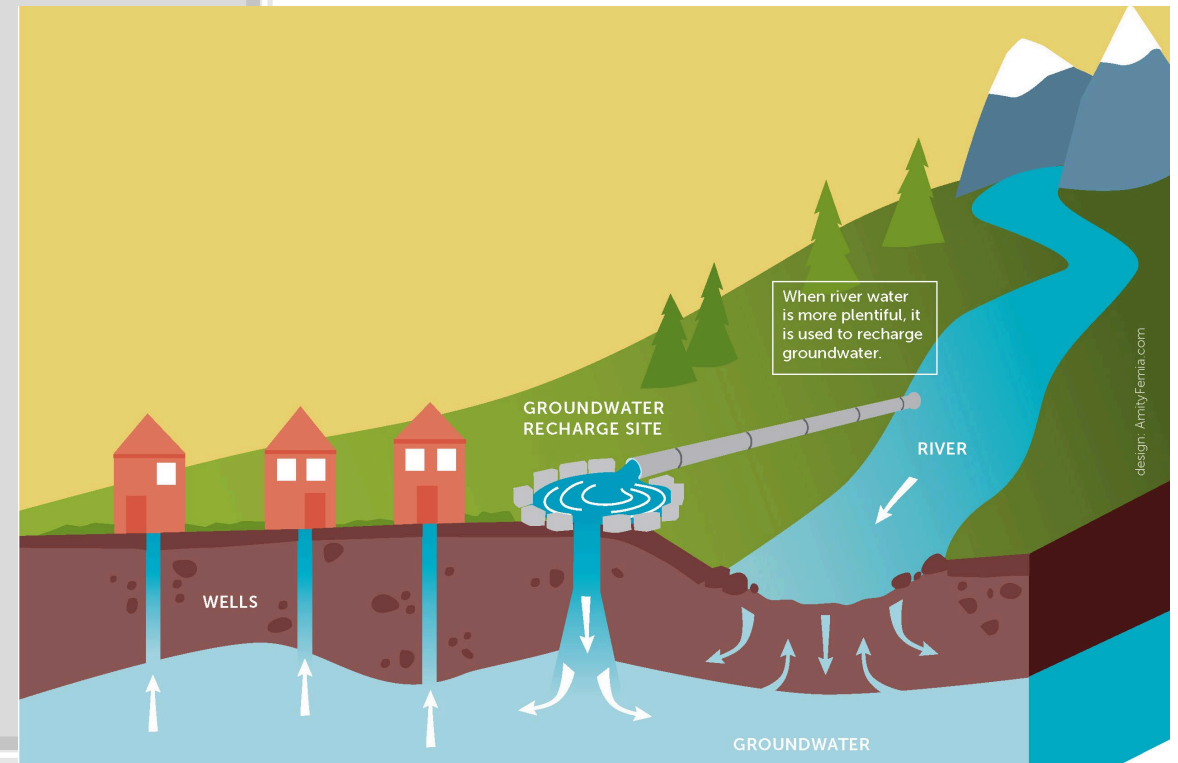
Mitigation Certificate Issued



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



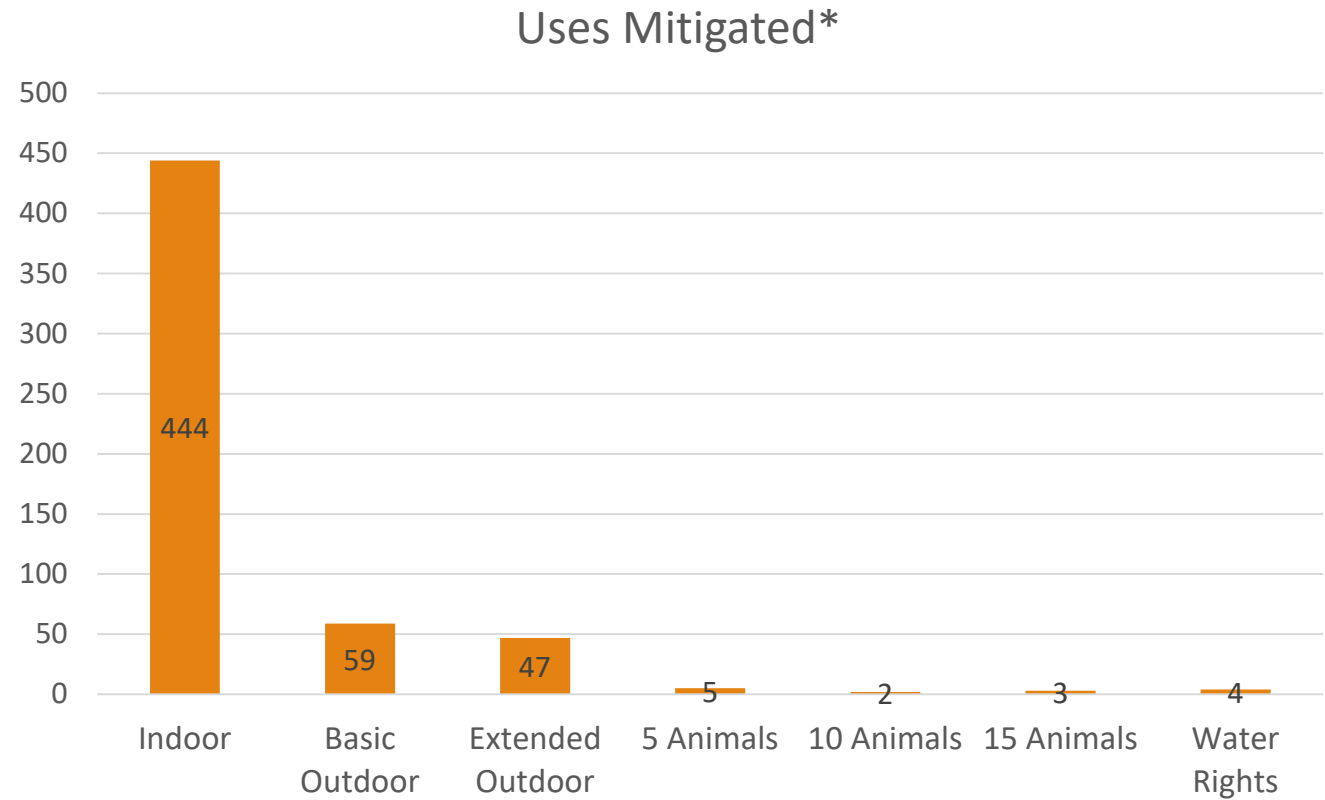
Mitigation Issued*

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

YEAR-ROUND

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

APRIL 15TH - SEPTEMBER 15TH

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

YEAR-ROUND

Up to 5 animals (60 gpd) – \$1,300

Up to 10 animals (120 gpd) – \$1,800

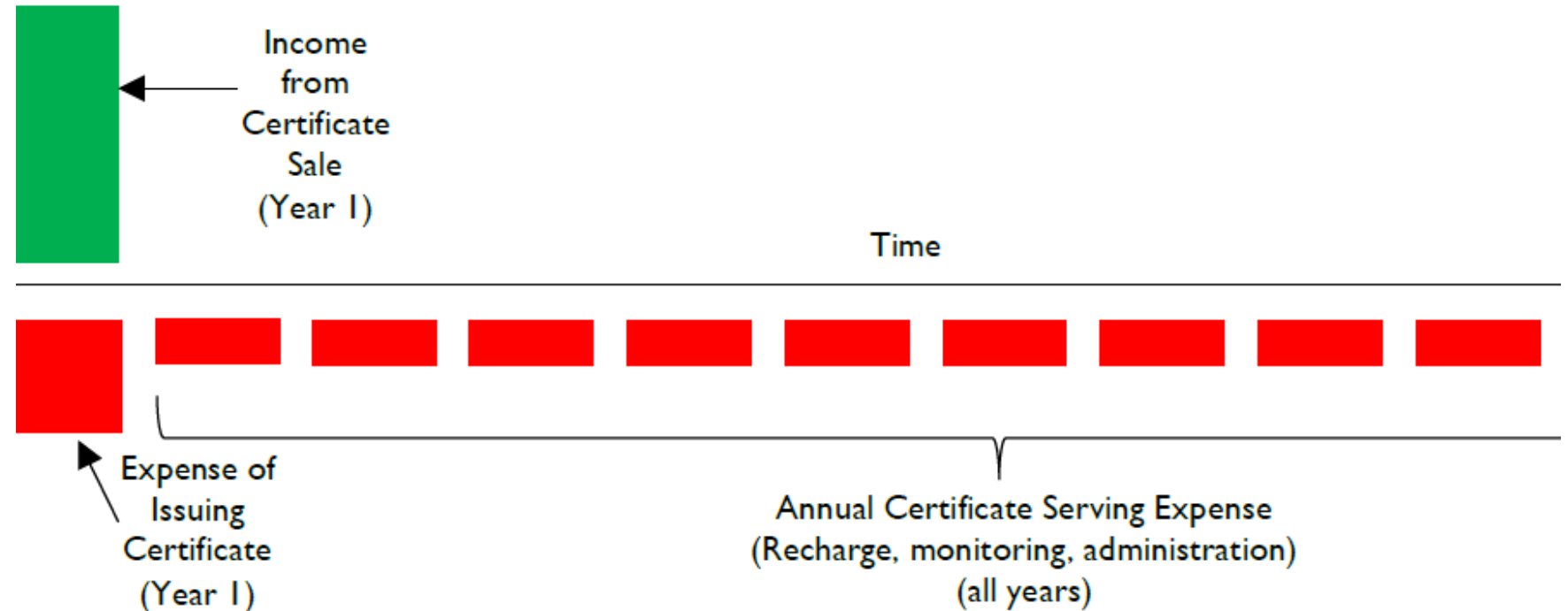
Up to 15 animals (180gpd) – \$2,200

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.

DWE: Self Sustaining

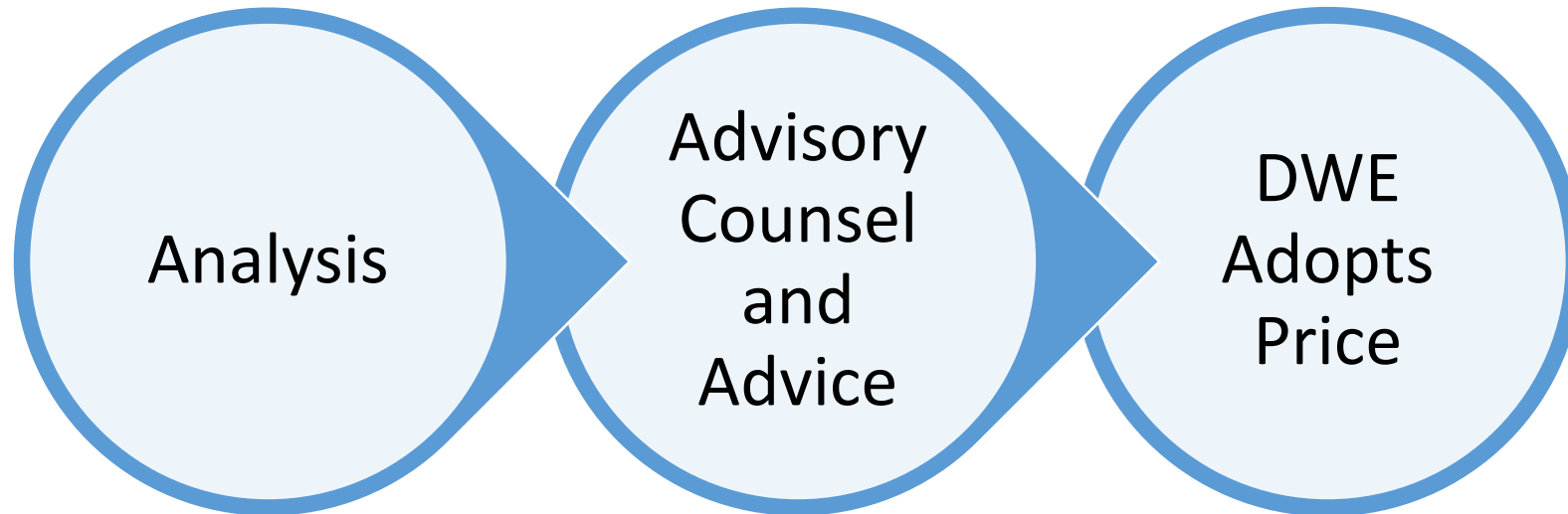
*“Once started, **the Exchange should be self sustaining** by relying entirely on the proceeds from the sale of mitigation certificates.”*

2012 Mitigation Plan



Process

How does DWE Change Prices?



Analysis of DWE Operational Costs (2017)

2018

2020

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

Pricing Analyses Overview

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

Effective Date	Pricing/Package
July 1, 2021	\$4,000
January 1, 2023	\$5,250

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