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**[Veneta twists EWEB's tap](#) |****A fast-growing town looks to the east to bolster its water supply****BY [SUSAN PALMER](#)***The Register-Guard*Posted to Web: **Monday, May 10, 2010 12:06AM**Appeared in print: **Monday, May 10, 2010, page A5**

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VENETA — This town doesn't look like a water-starved community, so close to Fern Ridge Lake and with the Long Tom River and Coyote Creek flowing nearby. But others have sewn up the rights to those water sources, and the water from the city's five wells barely meets demand. That leaves the city looking to the Eugene Water & Electric Board to put water in residents' faucets and sprinklers.

A deal recently signed between the two could benefit both the city and the utility, but first it needs the blessing of a judge and an infusion of federal money.

The city of Eugene also may get to weigh in before any water flows.

Once all of the legal pieces are in place, a 10-mile pipeline will need to be built to bring water from the western limit of Eugene into Veneta.

Veneta gets its drinking water from five wells that tap into a shallow aquifer fed by rain. Veneta has a population of almost 5,000 and steady annual growth of about 3 percent, and it expects to continue to be attractive as a bedroom community to Eugene, city administrator Rick Ingham said.

In the next 20 years, the city expects its population to almost double.

Even now, Veneta can't meet demand on its maximum use days without drawing down its storage reservoirs. Because those reservoirs are meant to respond to emergencies such as fire the city figures it needs to add capacity.

Maximum daily use — during the hot summer months — is 2.2 million gallons a day, while the city's wells can produce just 1.69 million gallons a day. The city estimates that by 2030, it will need 4.3 million gallons a day.

EWEB has a different problem. It owns the right to more water than it can currently use. Because the state's water laws have a use-it-or-lose-it provision, adding customers will allow it to hang onto its water rights.

## **150 million gallons a year**

The two parties signed an agreement this month with Veneta promising to buy 8 million gallons a month, and a total of 150 million gallons a year. The contract doesn't spell out the rate, but the city's preliminary engineering report estimates the cost of buying water from EWEB at \$1.29 per 1,000 gallons with an additional charge of \$1,600 a month.

The city isn't fully obligated until it figures out how to pay to build a 10-mile pipeline from west Eugene to Veneta, at a cost of about \$17 million.

And EWEB isn't fully on the hook "until it obtains validation of this agreement," according to the contract.

Veneta has always struggled to meet its water needs since incorporating in 1963, Ingham said.

The problem with digging more wells is that the water has a high concentration of iron, which requires expensive water treatment facilities. The city estimates that it would need 12 to 18 new wells to meet 20-year needs. With the additional water treatment requirements, it could cost \$1 million or more per well, Ingham said.

The city isn't looking to shut down its wells and rely entirely on Eugene. It just wants to supplement its sources, he said.

But getting the water from EWEB would be contingent on Veneta receiving a grant from the U.S. Department of Agriculture to help pay for the project, Ingham said. The federal agency's rural development program provides money for such projects, but the application process is long and Veneta is only part way through it, he said.

"It's all preliminary," he said.

If the federal money comes through, there would be several public hearings and a Veneta City Council vote before the deal is finalized.

## **EWEB wants to keep water rights**

For EWEB, having another water customer spreads its infrastructure costs across a broader base, spokesman Joe Harwood said. It doesn't cost much more to clean 70 million gallons than it does 50 million gallons, he said. The utility's filtration plant can treat up to 68 million gallons a day.

"Because we have so much capital investment in the Hayden Bridge water filtration plant, it makes sense to provide more service. It lowers the cost per customer," he said.

But more important is maintaining the utility's rights to the water.

The state has granted EWEB the right to pull water from the McKenzie River in the form of three permits. The first one, granted in 1925, allows EWEB to take 17.5 million gallons a day. The second permit, dating to 1946, lets EWEB take 58.1 million more gallons per day. And a 1961 permit gives the utility a further 118.2 million gallons a day.

EWEB has “perfected” the first two water rights, Harwood said, meaning it uses all the water those permits grant. But if the utility doesn’t use all the water in the third permit, state regulations would allow other permit holders to have access to it, and EWEB could lose it, Harwood said.

No one is clamoring for more water from the McKenzie, which is one of the few rivers in the Willamette basin where water is still available, said Michael Mattick, regional watermaster for the state Water Resources Department.

But the state has stopped issuing routine permit extensions every five years for those who haven’t shown they’re using all the water they have rights to, Mattick said.

Also, concerns about endangered salmon could prompt the state to reduce the amount of McKenzie water available to people, and instead leave it in the river for the benefit of fish, he said.

### **Eugene to examine deal**

But the proposal can’t go forward until EWEB gets a judge to agree that it doesn’t first need permission from the Eugene City Council.

EWEB, created by the city charter 99 years ago, doesn’t think it needs council approval to sell the water to Veneta. But Eugene City Manager Jon Ruiz isn’t so sure.

In an April 15 memo to Mayor Kitty Piercy and the City Council, Ruiz said the deal would be the subject of a work session this spring.

“EWEB informed us that it believes it does not require approval from the council for the sale of water to Veneta, that it does not intend to pay a CILT (contribution in lieu of taxes) related to that water sale ... and that it will be seeking a court validation of its contract,” Ruiz said in the memo.

Ruiz wants to ensure that both the charter and city code are followed, city spokeswoman Jan Bohman said.

The charter, which sets out how city government is organized, and the code, which details the city’s laws, both contain language on the subject. The charter calls for the board to operate the water utility “subject to control by the council of extension of water service.”

The code says: “The city, including EWEB, shall not provide water, water service or sewer service outside the city limits except as authorized pursuant to the city charter, this code, and adopted resolutions. The city manager or the manager’s designee is hereby authorized to receive on behalf of the city requests for the extraterritorial extensions of water service or sewer service from inside the city limits to serve property located outside the city limits or for the provision of water or sewer service to special service districts.”

EWEB already sells water wholesale to water districts in Santa Clara, River Road and Goshen areas, spokesman Harwood said.

State law grants municipal utilities the right to sell water beyond urban growth boundaries, he said.

To get confirmation, EWEB last month petitioned a Lane County Circuit Court judge to validate its agreement with Veneta.

“The cool thing about this validation process is it’s not adversarial,” Harwood said. “It’s been developed as a way for municipal entities to resolve questions before there’s a conflict.”

Regarding the contributions in lieu of taxes, Harwood said EWEB pays 6 percent of its retail electricity sales in lieu of taxes, double the amount paid by every other public utility in Oregon, but has never paid the contributions on its water sales.

EWEB filed the petition on April 29, and those who want to comment can petition the court, Harwood said. State law requires EWEB to post public notices for three weeks about its petition. After that, people have 10 days to file a response in court, he said.

The first public notice will occur in the next week, Harwood said, which would give those who are interested about a month to respond.

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water rights

**Ownership:** The public owns the water — both the groundwater and the surface water — but anyone who wants to use it — cities, utilities, factories, farmers — must first get a state permit.

**Priority:** The state has a first-come-first-served rights principle, known as prior appropriation. The first person to get a permit to use water from a stream is the last person to lose water in times of low streamflows. The needs of the permit holder with the oldest permit supersedes the needs of those who haven’t had water rights for the same length of time. Permit holders are granted the right to a certain amount of water, and if they don’t use it, the entity with the next oldest permit has access to the unused water.

**Losing water rights:** A water right remains valid as long as it is not cancelled and the water is put to beneficial use that is continued without a lapse of five or more consecutive years.

Source: Oregon Water Resources Department

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