Changes to Water Use in the Dungeness Watershed

What homeowners, builders and real estate agents need to know about water for a new home or project

Effective January 2, 2013, the Dungeness watershed has a new water management rule (WAC 173-518). The rule will protect existing water rights, guide decisions on new water uses, and establish instream flows to help protect streams in eastern Water Resources Inventory Area (WRIA) 18. This area encompasses part of eastern Clallam County, specifically from the Morse-Bagley watershed divide in the western portion of the basin to the Bell-Johnson watershed divide in the east. (See the map on page six.)

It is important to know that the rule only affects those who start a new well use after the rule takes effect. It also applies to new withdrawals from wells already in use, but only the new uses are affected; uses predating the rule are not. If you already have a water right, are using a well, or are served by a public water supplier, the rule will not impact your existing use.

The rule does not preempt any applicable local ordinances.

Q: What are the options for getting water for new homes?

A: In brief: 1) New water rights/Mitigation: New year-round groundwater rights, including permit-exempt withdrawals, can be obtained if the impacts of the use on stream flows are offset or compensated for (mitigated). Mitigation is required for all new uses of water, including domestic uses (that is, household or indoor uses -- see definition in text box on next page) and watering a lawn or garden. You will be able to mitigate through the newly-created Dungeness Water Exchange, or through a plan developed on your own and approved by the Department of Ecology (Ecology).

2) Water reserves: Finite amounts of groundwater have been aside among eight subbasins for year-round use, to supplement available mitigation water. Water from the reserves is for domestic use only. Uses from the reserves must be mitigated.

The groundwater permit exemption allows for use of small amounts of groundwater for specific uses without going through the regular permitting process ("permit-exempt"). While exempt from the permitting process, these withdrawals are still subject to all other state water laws. (RCW 90.44.050)
3) **Water measuring**: For all new water uses, the user will be required to install and maintain a water meter.

4) **Rainwater**: Use of rainwater for water supply is allowed, if it is collected from roof run-off.

5) **Use public water systems**: If you can hook-up to a public water system in a reasonable and timely manner, you are required to do so. (See text box on page four for more information on types of water systems.) The County and Ecology will work with you to determine if this option is available. If you cannot use an existing system, then a new use from an existing or new private well is allowed. Home builders who are served by the City of Sequim, the Public Utility District, or other group systems with water rights do not have to mitigate their water use under the rule.

Q: **Why is mitigation required for new water uses?**

A: The Dungeness watershed has many demands on its water, including a growing population and habitat needs for endangered and threatened salmon and trout. Streams in the watershed have chronic low stream flows in late summer and early fall, when demands are highest. And much of the year-round water is already legally “spoken for” (in the form of existing, or senior, water rights). Water is not reliably available for new year-round uses from surface waters in the Dungeness watershed.

Ecology has a legal obligation to protect both reliable supplies of drinking water and stream flows for fish, wildlife and other “instream resources” that depend on adequate amounts of water in streams. That’s a delicate balance but one that can be achieved with smart, cooperative water management. Offsetting or compensating for the impacts of new uses on streams – mitigating -- is an effective water management tool that will allow for both new development and stream flow protection.

Q: **Why do I need to mitigate for a groundwater use when my neighbor does not?**

A: The rule does not apply to water uses that started before the rule took effect. Since state water laws are based on a priority system (“first in time, first in right”), the rule only applies to new water uses started after the effective date of the rule, January 2, 2013.

Q: **What is the Dungeness Water Exchange and how does it work?**

A: A water exchange, or bank, is created to ensure water will be available in the future. It enables users of small amounts of water to secure mitigation that would otherwise be difficult or very expensive to purchase. The Dungeness Exchange will provide a formal structure for transferring water rights from one user to another, so that water is available where it is needed most, and can be replenished.

Operating like a bank, with deposits and withdrawals, the Dungeness Water Exchange holds water rights acquired from willing sellers. These deposits (“mitigation credits”) are available for purchase by landowners applying for building permits. The water exchange is an “institutional” water bank,
meaning that it is a way of keeping track of the water mitigation credits and withdrawals on paper. It is not a physical reservoir for storing millions of gallons of water.

The Washington Water Trust has been selected by the County and Ecology as the “bank manager” for the day-to-day management of the Exchange, to buy and sell water rights and track the transfers. A local advisory board that includes members of Clallam County, Ecology, the Sequim-Dungeness Water Users Association (WUA) and the Jamestown S’Klallam Tribe, will oversee the Water Exchange program.

See the flow chart on page seven for more detail on obtaining a building permit after the Dungeness rule is effective.

Q: How much will it cost to buy into the Water Exchange?

A: Your “mitigation obligation” is the predicted annual consumptive impact to streams of a specific proposed use of groundwater. This takes into account a well’s location and depth. Mitigation obligations and credits will be calculated using the 2008 Dungeness Groundwater Flow Model.1 Associated transaction costs will be included.

One standard mitigation package will cover indoor water needs (based on an estimate for typical household use at 150 gallons per day). Applicants for building permits will also be able to purchase mitigation packages for outside watering and higher consumption, subject to water availability. In areas where getting mitigation water for outdoor use may be difficult, requests will be reviewed on a case-by-case basis.

Preliminary estimates for the cost of water mitigation as part of a building permit are $1,000 to $3,000. This is a one-time fee, like the County’s building permit fee. The fees go the Exchange and will be used to purchase additional water rights (“mitigation credits”).

To ease with the transition to a new water management framework, the County will cover the new cost to mitigate domestic (household) water use until June 30, 2013, using funds through Ecology. Ecology is requesting funds for the 2013-15 biennium for water supply projects that support mitigation, flow restoration, and to offset the cost of mitigating new domestic water uses.

These decisions do not alter the rule’s requirements, nor would they alter the responsibility of new water users in the future to bear the cost of mitigation for new domestic water use if the Legislature decides not to fund it.

**Q:** Do I have to use the Dungeness Water Exchange to mitigate for new water uses?  
**A:** No. You have the option of developing your own mitigation plan. Ecology must approve the mitigation plan prior to it being put into operation. The rule explains in more detail what is required in a mitigation plan (WAC 173-518-075).

**Q:** What are water reserves? How can I get water from a reserve?  
**A:** A reserve, or reservation, of water is a one-time finite amount of water set aside for specific future uses. It is a mechanism to provide legal and secure water for new homes in water-short basins. Reserves usually have conditions of use required to access them. In this watershed, you will have to agree upfront to mitigate before acquiring water from the reserve.

The Dungeness reserve is distributed among eight subbasins: Bagley, Bell, Cassalery, Dungeness River/Matriotti, Gierin, McDonald, Meadowbrook, and Siebert creeks. Each subbasin has a specific amount of water available for new year-round domestic (indoor, household) use only. You can mitigate your new use through the Dungeness Water Exchange, or through your own mitigation plan that Ecology approves.

The reserves can be thought of as a “minimum checking account balance.” Water from the reserves can be used by new home builders right after the rule takes effect. Mitigation for reserve uses is required to offset impacts to stream flows, and will have the additional benefit of replenishing the reserves – similar to making a deposit into a checking account. If a specific reserve gets used up and no new mitigation credits are available, new building permits that affect the depleted subbasin will be held for approval until water for the Exchange is secured. Another way of saying this is that you aren’t able to write any more checks when you are at your minimum checking account balance.

**Q:** I have already drilled a well but not started using it. Will my water use be subject to the rule?  
**A:** Yes. If you have not started using the well for your intended purpose before the rule takes effect, your water use is subject to the rule. You do not have an existing right unless you used water from the well for “regular beneficial use” prior to January 2, 2013.

**Q:** I am building a new home in an existing subdivision with a Group B system. Does the rule apply to me?  
**A:** Water uses that begin after the rule is adopted but are using a well in an existing subdivision are not subject to the rule, under certain circumstances. If you are hooking up within five years of when a

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**Beneficial use** refers to the regular application of a reasonable quantity of water to a non-wasteful use, such as irrigation, domestic water supply, or stockwatering. (WAC 173-500-050)

**Public water systems:** Any system that provides water for human uses or municipal purposes through pipes or other constructed means of delivery.

This includes systems classified by the state Dept. of Health to be either Group A (serving 15 or more connections) or Group B (serving less than 15 connections), and excludes a system serving one single-family residence or a system with four or fewer connections serving residences on the same farm. (WAC 173-518-030)
residence in the subdivision first began using water you are not required to supply mitigation. However, if you are coming in more than five years after water use started in the subdivision, you will need to mitigate for your use and install a meter.

Remember that state law (RCW 90.44.050) says that the total water use for an existing subdivision cannot exceed 5,000 gallons per day for domestic use for all homes combined.

Q: What if I live next to an existing Group B water system operating under the groundwater permit exemption? Am I subject to the rule if I hook up to their water?

A: Yes. If you hook up to a Group B system operating under the groundwater permit exemption you will be subject to the rule. Your use of their water will be counted as an additional new use. You will need to mitigate the use and install a meter.

Q: How will I know how much water I use?

A: All new water uses throughout the watershed have to be measured under the proposed rule. You have to install and maintain a water meter. The approximate cost of a meter is between $250 and $350.


Q: I want to start a hobby farm. How can I get water under the rule?

A: Your first step is to contact the Sequim-Dungeness Water Users Association, and find out whether you are located in an area served by an irrigation district or company. If so, that district or company may be able to directly provide you with water.

If you cannot use an existing irrigation district or company, you will need to mitigate your new water use through the Dungeness Water Exchange, or by a mitigation plan of your own approved by Ecology.

Q: Can I use rainwater for some of my water needs?

A: Yes. A state water policy allows for the use of rooftop rainwater, with certain conditions of use.

The rainwater must be collected from the roof of a building constructed for another primary purpose (such as a house or barn). If it is going to be used for potable water, you must also comply with health and building department requirements. Provided these conditions are met, you do not need a water right to use rainwater.
Use of groundwater by new home builders

START HERE:
Is water available from a public water system? The County and Ecology will work with you to determine if this option is available.

Yes

Obtain verification of hook-up from utility or public water system and proceed with other development permits.

No

Mitigation is required.

Dungeness Water Exchange
- Contact the Exchange and apply for Exchange Mitigation Credits. You will need to provide information on the parcel location, well location and depth, and your proposed use of water. You may need to show you are applying for a County permit.
- Choose a mitigation package and either make payment to the Exchange or place funds in escrow as necessary.
- Deliver the Mitigation Certificate to the County, and satisfy all other requirements for the building permit.
- Meter installation required.

Mitigate on your own
- Develop a mitigation plan to offset your proposed use. (See WAC 173-518-075 for details.)
- Submit to Ecology for approval.
- The plan must be approved and implemented before the proposed water use begins.
- Meter installation required.