



# Scott River Water Trust

## 2009 Annual Report



June 2010

**SCOTT RIVER WATER TRUST**  
**ANNUAL REPORT - 2009**

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# SCOTT RIVER WATER TRUST

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### **Letter from the President**

Welcome to the Scott River Water Trust's inaugural annual report. 2009 marks the formal establishment and incorporation of the Scott River Water Trust as a 501(c)3 organization, which is now California's first water trust.

The need for the Water Trust was clearly evident in this critically dry water year helping support the coho and Chinook salmon fisheries by leasing 759 acre-feet to enhance instream flows. This represents a 26% increase in leased water from the previous year. Other milestones this year included:

- Accomplishing a third consecutive year of operations
- Submitting an application on French Creek to establish instream flow benefits under the little-used 1707 section of the California Water Code.
- Establishing a board of directors actively engaged in the success of the Water Trust's mission of helping family farms and supporting fish restoration.

The Water Trust is only possible because of the active support of the local ranching and water user community that sees the success of the fisheries as integral to the support of the agricultural economy and lifestyle in the Scott Valley. We thank the many people here in the Scott Valley who supported the creation of the Water Trust and provide ongoing support as staff members, advisors, board members, participants, and public officials. We can't do this without you!

Best regards,

Peter Yolles  
President, Board of Directors

# SCOTT RIVER WATER TRUST

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### Water Year Type: Critically Dry

Drought conditions continued in 2009 as precipitation levels remained far below normal. For the 2009 Water Year, precipitation at Fort Jones was 14.4 inches, or 66% of the average at this mid-Scott Valley location. The Siskiyou RCD is using Oct. 1 to April 1 precipitation at Fort Jones as its indicator of water year type. At 9.77 inches for this period, 2009 qualified as a “critically dry” water year type. Runoff for the Summer and Fall reflected the poor rainfall and snowpack conditions, as seen in the graphs below.

Figure 1. Water Year 2009: Oct. 1, 2008 through Sept. 30, 2009

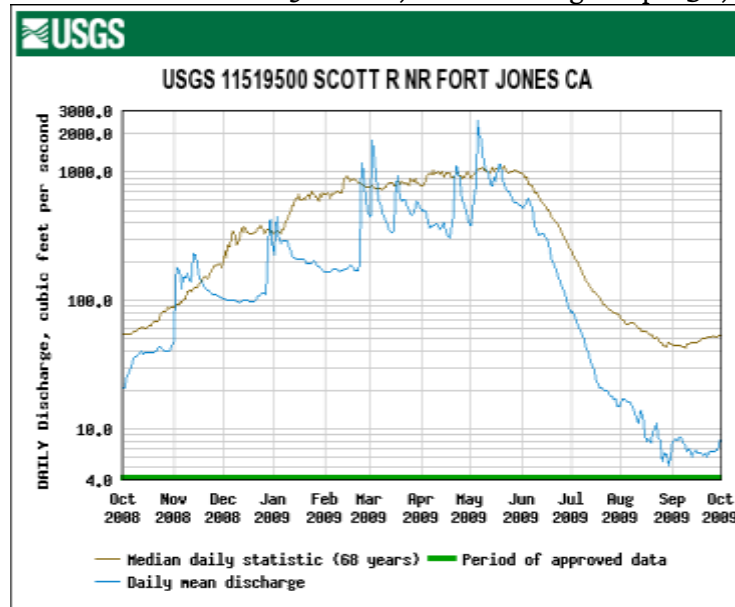
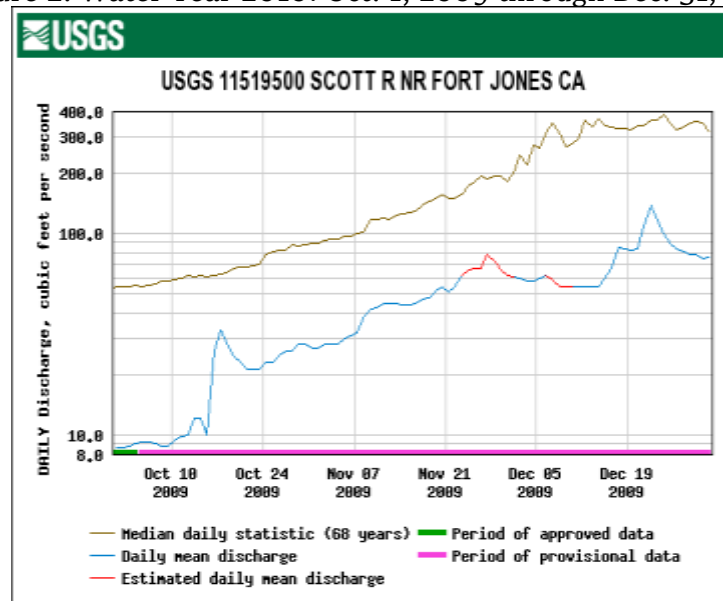


Figure 2. Water Year 2010: Oct. 1, 2009 through Dec. 31, 2009



# SCOTT RIVER WATER TRUST

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### Activities

#### Water Leasing

Water Volume: The Water Trust leased a record total of 759.2 acre-feet of water during 2009, representing an increase of 24% over the previous year. While the need for summer water was high, the Trust leased 16% less water during the summer because of reduced availability of water for lease and the additional pressure on users to sustain their production. During the fall, leased volumes increased substantially by 78% from the previous year to support upstream fall migration of Chinook in this critically dry year.

Water Pricing: The Trust established the following cost basis for leased water. Lease costs are based on the Income Capitalization Approach, with incentive pricing added for the Critically Dry Water Year and for Extended Habitat:

- SUMMER = \$55.00 per acre-foot base price. A \$5 per acre-foot premium was available for each adjacent property that participated in the lease program, up to a maximum of \$75 per acre-foot for five adjacent lease sites. This enabled water to remain instream for increasingly long stretches, maximizing biological values.
- FALL = \$21.00 per acre-foot

Total Lease Cost: Summer = \$15,975 Fall = \$ 10,093 TOTAL = \$26,068

#### Summary of Transactions:

- # Streams Leased (Summer): 2 (French & Shackelford creeks)
- # leases: Summer = 7; Fall = 3 ( 2 sites)
- # acre-feet: Summer = 278.6 ac-ft; Fall = 480.6 ac-ft
- # cfs (range): Summer = 0.25 to 0.76 cfs; Fall = 1 to 10 cfs
- # stream miles benefited: Summer = 32,150 ft. or 6.1 miles; Fall = 50 miles
- # days leased: Summer = 15 to 72 days; Fall = 16 to 31 days

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## 2009 SUMMER Water Lease Amounts (see Map also)

Stream / Tributary / Diversion Number	Date Began	Date Ended	Flow leased (cfs)	Total acre-feet leased	Distance of benefit (feet)
French Creek / Miner's Ck					
#33 *	8-3-09	9-30-09	0.48 to 0.30	44.0	7,000
#36 *	8-6-09	9-30-09	0.25	27.5	2,500 (+3,500 FC)
French Creek					
#20 **	9-9-09	9-30-09	0.58	25.5	2,600
#23 **	9-10-09	9-30-09	0.38	15.2	2,500 (+3,500 FC)
#44 ***	9-15-09	9-30-09	0.30	9.0	5,000
#48 ***	7-20-09	9-30-09	0.76 to 0.30	58.0	5,050 <sup>1</sup>
Total for French Ck				<b>179.2 acre-feet</b>	<b>28,150 ft. / 5.3 miles</b>
Shackleford Creek / Mill Ck					
#14	8-21-09	10-31-09	0.7	99.4	4,000
<b>TOTAL for all streams</b>			0.25 to 0.76 cfs	<b>278.6 acre-feet</b>	<b>32,150 ft. / 6.1 miles</b>

*1/ Revised distance (from original 1,300 ft. estimate) based on actual survey by Erick Yokel; includes some Scott River. \* / \*\* / \*\*\* = adjacent diversions*





# SCOTT RIVER WATER TRUST ANNUAL REPORT - 2009

## 2009 FALL Water Lease Amounts (see Map also)

River Mile / Diversion Number	Date Began	Date Ended	Amount available (cfs)	Total acre-feet leased	Distance of benefit (miles)
Scott River					
RM 50.5 - #196	10-1-09	10-31-09	1.3	80.6	50
RM 46 - #223	10-1-09	10-16-09	1 to 10	400	46
<b>TOTAL</b>				<b>480.6 ac-ft</b>	<b>50 miles<sup>1</sup></b>

*1/ Distance based on most upstream site since all active diversions were leased.*



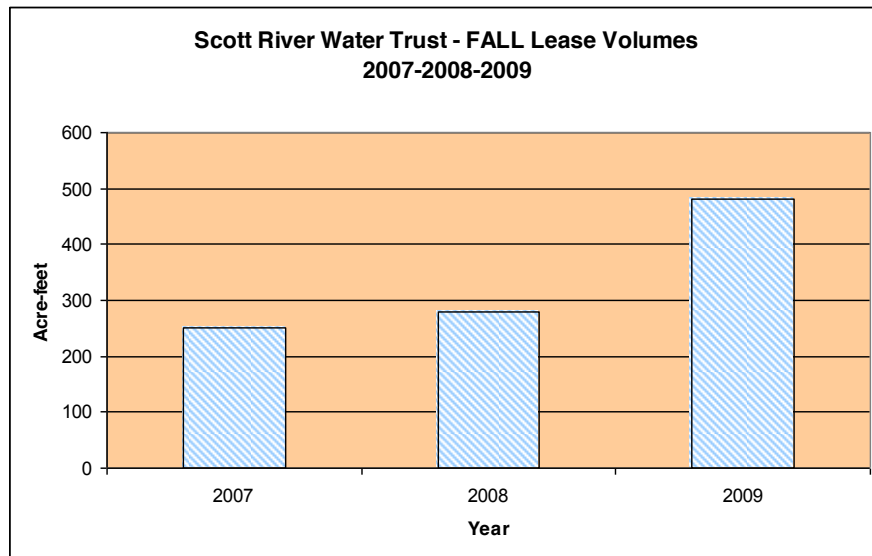
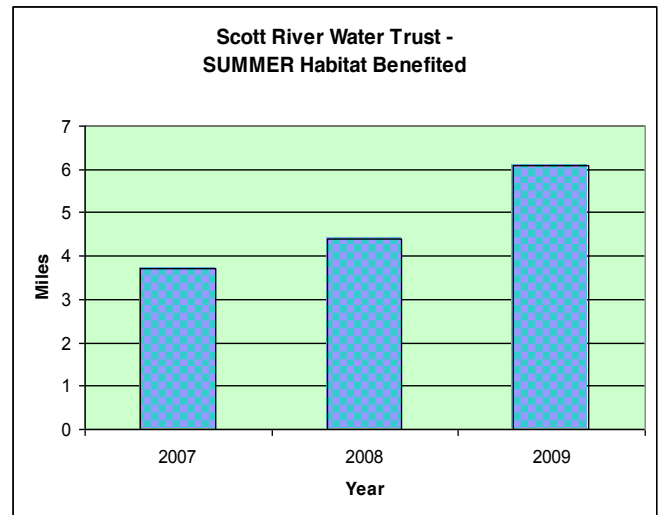
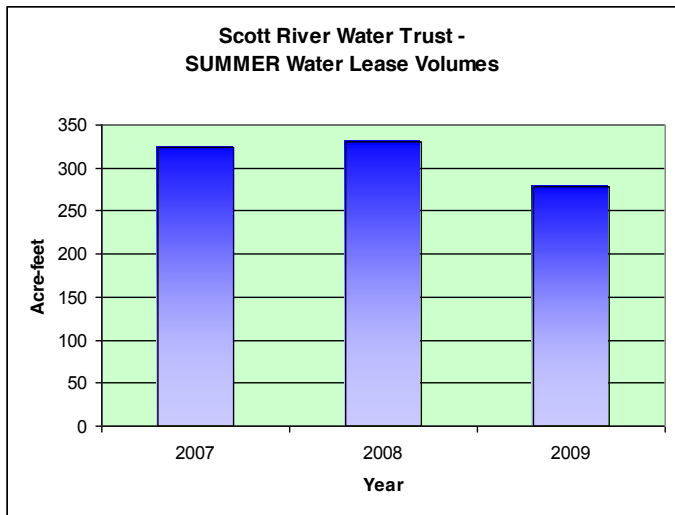
*Young's Dam, Scott River Irrigation District diversion*

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Comparative and Cumulative Tally to Date:

## LEASE SUMMARY: 2007 through 2009

	2007	2008	2009	TOTAL
Summer Volume	324 ac-ft	330.3 ac-ft	278.6 ac-ft	932.90 acre-feet
Summer Lease Cost	\$16,105	\$16,525	\$15,975	\$48,605
Fall Volume	250 ac-ft	279.6 ac-ft	480.6 ac-ft	1,010.20 acre-feet
Fall Lease Cost	\$3,900	\$5,071	\$10,093	\$19,064
Winter Volume	50 ac-ft	0	0	50 ac-ft
Winter Cost	\$903	0	0	\$903
<b>Total Lease Cost</b>	<b>\$20,908</b>	<b>\$21,596</b>	<b>\$26,068</b>	<b>\$68,572</b>





## SCOTT RIVER WATER TRUST ANNUAL REPORT - 2009

### **Monitoring Results: Summary** [see Website for full report]

#### Summer Monitoring conclusions:

- Juvenile coho, Chinook and steelhead were documented to be rearing in the zone benefited by the leases in French Creek; no Chinook in Mill Ck.
- Leases of 0.3 to 0.7 cfs in flow size are difficult to monitor accurately with available flow measurement equipment and techniques.
- Complex nature of certain channel reaches can confound the ability to predict and monitor the effectiveness of Water Trust transactions.

#### Fall Monitoring conclusions:

- Flow measurements below Young's Dam (RM 46) indicated 795.6 acre-feet of volume was needed to reconnect the dry sections (RM 24 to RM 44) of the Scott River between Oct. 2 and Oct. 16.
- Fall Chinook and coho salmon adults were able to access critical spawning grounds near Shackleford Creek (RM 24) and above Etna Creek (RM 42).

### **Instream Permitting: 1707 Case Study**

California water law provides for adding instream use as a benefit to an existing water right under State Water Code section 1707. However, the process of applying for this change in purpose is greatly underused. The Water Trust, with the help of a grant from the Bella Vista Foundation, is demonstrating the use of this process to see if it can effectively and affordably be applied in Scott Valley. The water right for a diversion on lower French Creek was volunteered by the landowner to be our local case study for adding instream use for fish and wildlife as benefit. Assisted by the Trust's water rights attorneys, an engineer, Cal Fish and Game biologists, and the Department of Water Resources Watermaster, a 1707 Petition was prepared and filed on Feb. 4, 2009 with the State Water Resources Control Board's Division of Water Rights in Sacramento. No decision had been issued as of the end of 2009.

### **Outreach**

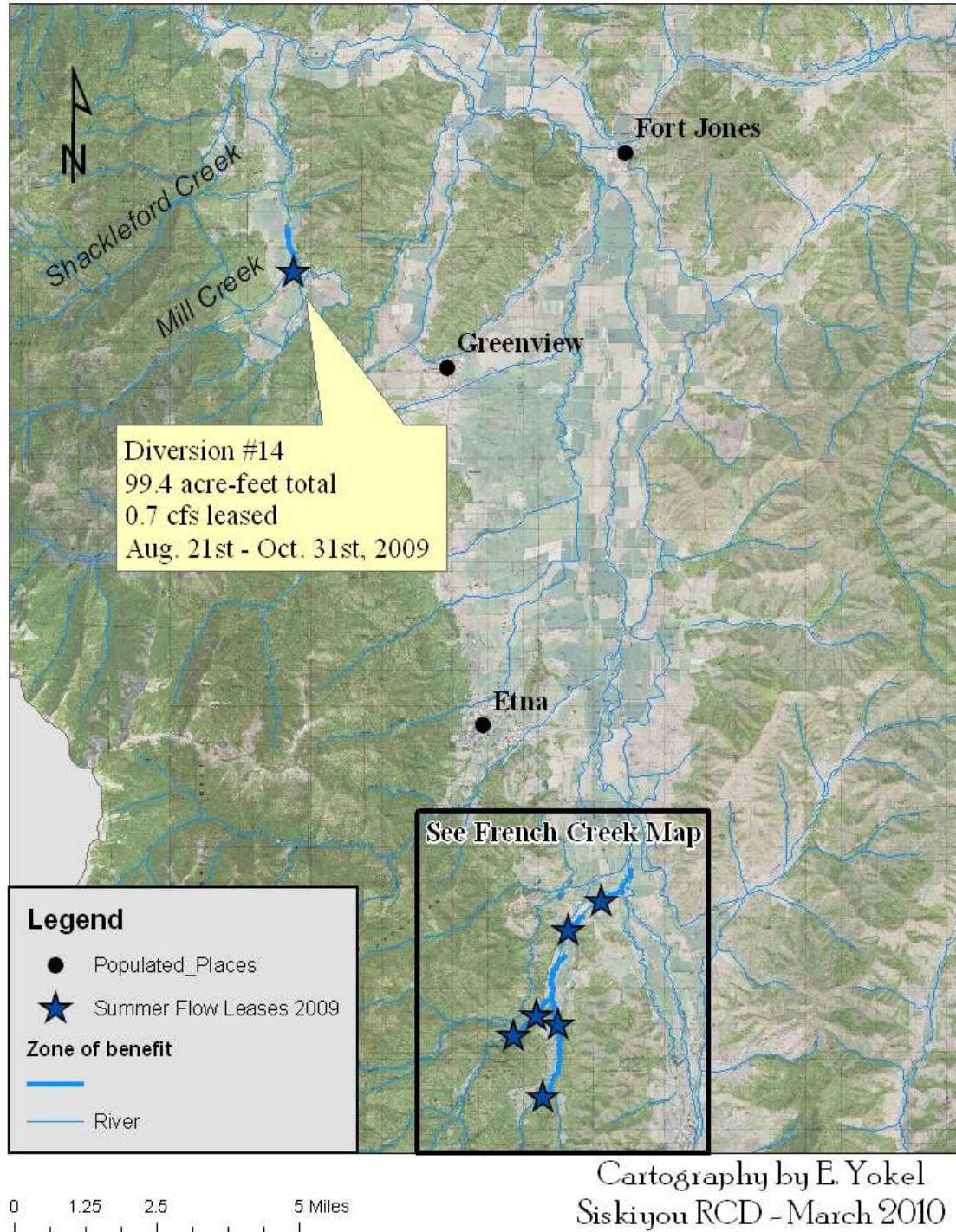
During 2009, Water Trust staff conducted the following outreach activities at the direction of the Board and at the request of its funders and local partners.

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- Presentations:
  - American Fisheries Society Annual Symposium, Nashville, TN: Sept. 2<sup>nd</sup>
  - U.S. Fish and Wildlife Service Meeting, Yreka, CA: Nov. 5<sup>th</sup>
- Publicity:
  - A Media Strategy was begun, with assistance from USFWS-Yreka.
  - Press releases were sent to a broad media list, resulting in several newspaper and web blog articles with photos about our summer and fall leasing efforts.
- Website: [www.scottwatertrust.org](http://www.scottwatertrust.org)
  - News Blog was placed on the main webpage to allow quick updates when leases are occurring.
  - Frequently Asked Questions (FAQ) page was added to the website.

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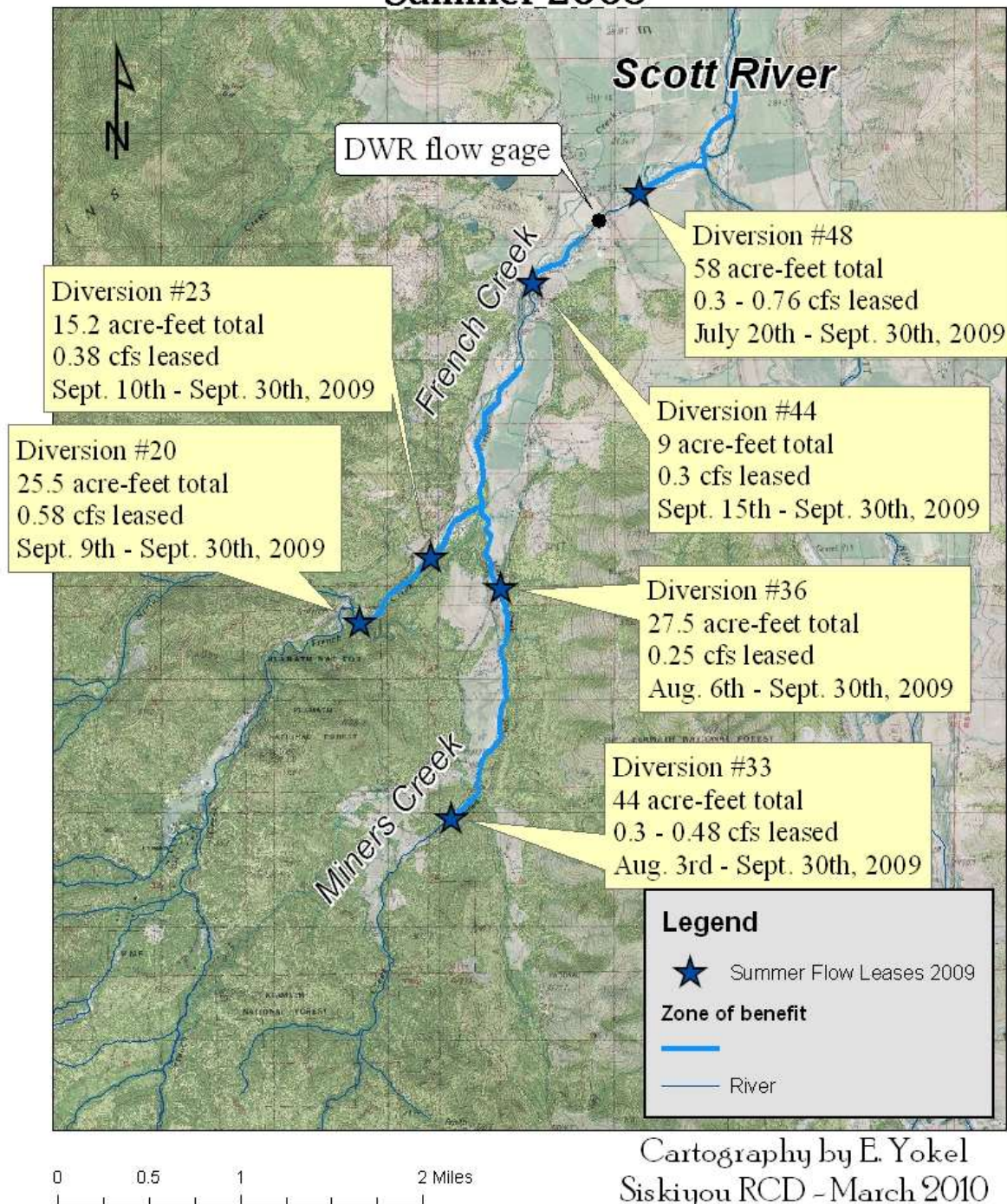
## Scott River Water Trust Summer Leases 2009





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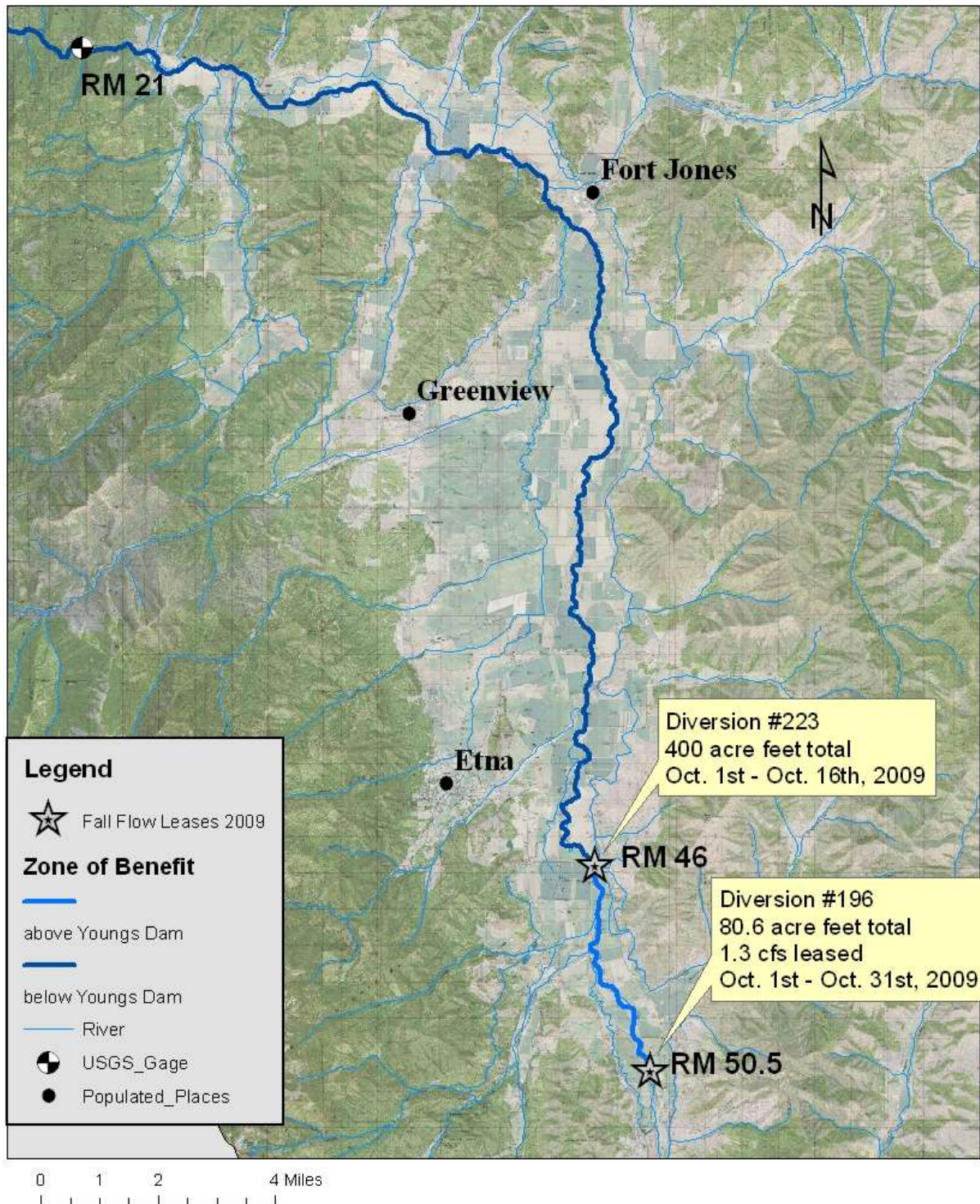
French Creek Water Leases  
Scott River Water Trust  
Summer 2009





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Scott River Water Trust - Fall Transactions - 2009



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## Finances

### Revenues for Year: 2009

(via our fiscal agents)

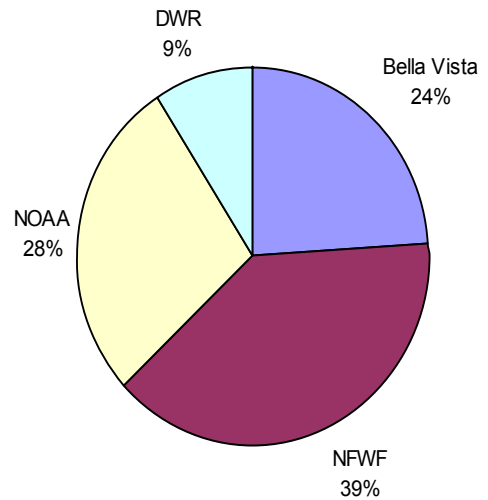
Government grants: \$ 23,926

Foundation grants: \$ 40,186

**Total revenue: \$ 64,112**

### Scott River Water Trust - 2009 Revenue by Source

Total = \$64,111.73



### Expenses for Year: 2009

Administration: \$ 16,064

Water Leases: \$

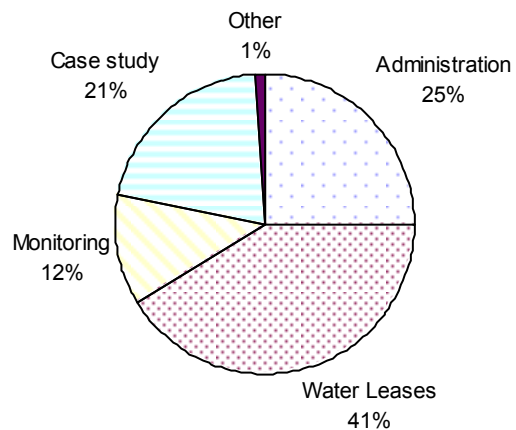
26,118

Monitoring: \$

7,890

1707 Case Study: \$ 13,540

### Scott River Water Trust - 2009 Expenses by %





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**SCOTT RIVER WATER TRUST, a nonprofit corporation, EIN # 01-0924657**

*Incorporated 6-4-09, IRS 501(c)(3) Tax Exemption 8-6-09, Bank Account opened 11-10-09*  
Before November 2009, all income and expenses were handled by our fiscal agents,  
Siskiyou Institute and Siskiyou Resource Conservation District

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### **PROFIT & LOSS STATEMENT – 2009**

**11/10/09 to 12/31/09 (partial year)**

**INCOME:**

Siskiyou Institute – grant \$7,333.00

Total Income: \$7,333.00

**EXPENSES:**

Total Expenses: 0  
0

**Net Balance: \$7,333.00**

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### **BALANCE SHEET – 2009**

**11/10/09 to 12/31/09 (partial year)**

**ASSETS:**

Current Assets:

Checking Account: \$7,333.00

Total Assets: \$7,333.00

**LIABILITY AND EQUITY:**

0

Total Liabilities: 0

**Net assets: \$7,333.00**

# SCOTT RIVER WATER TRUST

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### Getting Things Done

#### Board of Directors & Officers

- ✚ Peter Yolles, President, *Water Insight*
- ✚ Marilyn Seward, Secretary and Chief Financial Officer, *Etna City Council*
- ✚ Brad Erickson, *Scott Valley farmer*
- ✚ Jim De Pree, *retired Siskiyou County Natural Resource Policy Advisor*
- ✚ Dave Krell, *Etna Brewery owner*

#### Advisory Committee

- ✚ Rick Barnes, *Rancher, Siskiyou RCD board*
- ✚ Gary Black, *Siskiyou RCD, Organic Farmer*
- ✚ Mike Bryan, *Rancher, Scott River Watershed Council*
- ✚ Greg Farnam, *Rancher, Siskiyou RCD board*
- ✚ Steve Orloff, *U.C. Cooperative Extension*
- ✚ Mark Pisano, *California Dept. of Fish and Game*
- ✚ John Spencer, *Rancher, Siskiyou RCD board*

#### Staff

- ✚ Sari Sommarstrom, *Water Trust Executive Director*
- ✚ Gary Black, *Siskiyou RCD Senior Project Coordinator*
- ✚ Erich Yokel, *Siskiyou RCD Monitoring Coordinator*

#### Partners

- ✚ California Department of Fish and Game
- ✚ National Marine Fisheries Service (NOAA-NMFS)
- ✚ Natural Resource Conservation Service
- ✚ Scott River Watershed Council
- ✚ Siskiyou Resource Conservation District
- ✚ University of California Cooperative Service
- ✚ U.S. Fish and Wildlife Service

# SCOTT RIVER WATER TRUST

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### Funders

The Scott River Water Trust received its 501(c)(3) tax exempt status from the IRS on August 6, 2009 (EIN # 01-0924657) and an exempt acknowledgement letter from the California Franchise Tax Board on October 15, 2009. A bank account at the Scott Valley Bank was established on November 10, 2009. Until this time, the Water Trust had need for fiscal agents to administer its grants.

Grants supporting the Water Trust's activities in 2009 were gratefully received from the following sources:

#### Siskiyou Institute (as fiscal agent)

- ✚ Bella Vista Foundation<sup>1</sup>
- ✚ National Fish and Wildlife Foundation (NFWF)

#### Siskiyou Resource Conservation District (as fiscal agent)

- ✚ California Department of Water Resources (DWR)
- ✚ NOAA – National Marine Fisheries Service Restoration Center

#### In-Kind Donations

- ✚ Scott River Water Trust Board of Directors
- ✚ Scott River Water Trust Advisory Committee
- ✚ Scott River Water Trust Executive Director

### Special Thanks

- ✚ Marcia Armstrong, Siskiyou County Supervisor
- ✚ Ellison, Schneider & Harris
- ✚ Matts Jopson, Webmaster
- ✚ Morrison & Foerster
- ✚ Siskiyou Institute Board of Directors
- ✚ WestWater Research LLC

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1/ Grant transferred to the Water Trust in Oct. 2009

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**Contact Information**

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Website: [www.scottwatertrust.org](http://www.scottwatertrust.org)



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