Oregon
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MEMORANDUM

TO: Water Resources Commission

FROM: Brenda Bateman, Senior Policy Coordinator

SUBJECT: Agenda Item A, February 25, 2009
Water Resources Commission Meeting

Planning Working Group Update: January 2009 Stakeholder Meetings

I. Introduction

During January 2009, the Planning Working Group of the Oregon Water Resources Commission, comprised of Commissioners Mary Meloy, John Roberts, and Jeanne LeJeune, worked with staff of the Water Resources Department, partners at the Department of Environmental Quality, and stakeholders to begin to define a process that could be employed in the development of Oregon's integrated water resources strategy.

The goal of the three-member Planning Working Group is "to ensure the orderly development of Oregon's integrated water resources strategy, providing vision and oversight as well as policy guidance on both the strategic planning process and resulting product."

II. Background

During the past several years, the Water Resources Commission and Water Resources Department have been working with stakeholders to build some of the foundational blocks in preparation for long-term, integrated water resources strategy for the State of Oregon. A recently completed water demand forecast takes a look at Oregon's projected water demands out to 2050. The Department has also provided grant monies to Oregon communities, as they conduct water planning efforts on a regional basis. Appendix A describes in further detail some of the efforts the Water Resources Commission and Department have already undertaken in this area.

Oregon communities, along with Oregon's fish and wildlife, face water scarcity today. Most of the state's surface waters are fully allocated during the summer months, and there are several areas that have been designated as "critical ground water areas," or "ground water limited areas." These pressures could be intensified, given the increased projections in Oregon's population growth and decline in Oregon snow pack predicted by climate change researchers.

Oregon is currently one of two western states without a formal water supply strategy, and one is sorely needed. A strategy would provide a roadmap for the state to follow as it prepares to meet Oregon's water needs: instream and out-of-stream; above ground and below ground; now and in the future.

The state has a fair amount of data needs, research questions that must be answered, and technical support to offer to local communities. A strategy would help prioritize which work should be completed first, and what tools and local partnerships could play a role. A strategy would also provide a framework that local entities could use as they dedicate their own scarce resources to water resource efforts.

The Water Resources Commission has statutory authority to develop an integrated water resources strategy, with the Department as the implementing agency. However, in order to serve as a useful tool, such a strategy must incorporate not only water quantity aspects, but water quality and ecological considerations as well. A truly integrated document must consider land-use, energy, and other sectors that shape how Oregonians use their water resources.

Appendix B describes in further detail two kinds of "planning" and demonstrates the kind of hybrid model the state could use in order to accomplish its long-term and short-term goals.

III. Discussion

On January 8-9, 2009, three members of the Oregon Water Resources Commission, together with staff from the Water Resources Department and Department of Environmental Quality, met with stakeholders to brainstorm the "process" of developing a long-term, integrated water resources strategy for the State of Oregon.

During the two-day period, the Commission and Departments met with 32 people, some of them representing more than one organization, for a total of 41 organizations. The discussions were designed as informal, information-gathering sessions that lasted about one hour each. Below is a listing of Commissioners, staff, and stakeholders who participated in the process.

Participants in January 8-9, 2009
"Oregon's Integrated Water Resource Strategy: Initial Meetings with Stakeholders"

Internal Team

Water Resources Commissioner	Mary Meloy
Water Resources Commissioner	Jeanne LeJeune
Water Resources Commissioner	John Roberts
Water Resources Department Director	Phil Ward
Water Resources Department	Brenda Bateman
Water Resources Department	Ruben Ochoa
Water Resources Department Intern	Skye Root
Department of Environmental Quality	Jane Bacchieri, for Dick Pedersen
Department of Environmental Quality	Christine Svetkovich, for Dick Pedersen

Stakeholder Participants (by Organization)

American Planning Association – Oregon Chapter	Jeannine Rustad and Carla McClane
Association of Oregon Counties	Gil Riddell
Beef Northwest	Jim Welsh
Brooks Tree Farm	Kathy LaCompte
Cattlemen's Association	Jim Welsh
Central Oregon Cities Organization (COCO)	Patrick Griffiths
City of Bend	Patrick Griffiths
City of Corvallis	Tom Penpraze
City of Portland	Lorna Stickel
Confederated Tribes of the Umatilla	Phil Donovan
Department of Land Conservation and Development	Rob Hallyburton
Deschutes Water Alliance	Patrick Griffiths
Lane County Realtors	Jim Welsh
League of Oregon Cities	Daniel Eisenbeis
Legislative Commission on Indian Services	Karen Quigley
Madison Farms	Kent Madison
Morrow County	Carla McClane
Network of Oregon Watershed Councils	John Moriarty
North Santiam Watershed Council	Liz Redon
Oak Lodge Water District	Dan Bradley
Oregon Association of Clean Water Agencies	Tom Penpraze
Oregon Association of Conservation Districts	Gary Whitney
Oregon Association of Nurseries	Jeff Stone
Oregon Business Council	Michelle Girts
Oregon Department of Energy	Mike Grainey
Oregon Environmental Council	Steve Greenwood
Oregon Farm Bureau	Katie Fast
Oregon Solutions	Steve Greenwood
Oregon State Univ. – Institute for Water & Watersheds	Michael Campana
Oregon Trout	Joe Whitworth
Oregon Univ. System – Institute for Natural Resources	Gail Achterman
Oregon Water Resources Congress	Anita Winkler
Oregon Water Trust	David Pilz
Oregon Water Utility Council	Dan Bradley and Tom Penpraze
Regional Water Providers Consortium	Lorna Stickel
Santiam Water Control District	Larry Trosi
Special Districts Association of Oregon	Mark Landauer
State Grange	Jim Welsh
The Nature Conservancy	Leslie Bach
Water for Life	Helen Moore
WaterWatch of Oregon	John DeVoe

The Commissioners and staff asked a series of question of each stakeholder, designed to elicit ideas and suggestions about the most effective ways to conduct informational outreach, design a process, gather input, and create feedback mechanisms. The participants discussed how electronic communications, membership networks, meetings, newsletters and other venues could be used as part of the process. Participants offered suggestions for additional stakeholders to include, and potential meeting locations, facilitators, and other resources. Below are the questions asked of each stakeholder, followed by highlights of the responses offered during the two-day activity.

Participant Responses

1. Describe the organization you represent and its interest in an Integrated Water Resources Plan for Oregon. And, would the organization you represent be willing to participate in the planning and development of Oregon's Integrated Water Resources Strategy? In what way?

Participant answers were wide-ranging, but very positive. Participants really like the idea of taking an integrated approach.

Most of the interest expressed was of a participatory nature, not merely observatory. Participants offered help arranging meeting facilities, teleconferencing capabilities, providing trained facilitators, participating in policy or technical advisory committees, and providing access to attorneys, consultants, engineers, and other members through regularly scheduled meetings, ad hoc workshops, monthly newsletters, electronic mailings, and links to additional stakeholders.

Stakeholders want to be involved in all aspects of planning, including advising on goals, the participation process, the methodologies used to collect and develop data, the content of any reports/recommendations, and the resulting implementation.

2. We are seeking the widest possible input on this plan from all interested parties throughout the State. How do you think we can best do this?

Participants strongly recommended using a variety of methods to reach interested parties, so that no one feels left out and so that people could provide input, even with their busy schedules. Recommendations included reserving a place on the Department website for two-way communication, use of electronic communication (e.g., emails, instant messaging, tweets, and blogs), print and radio media, staff travel to association meetings, and issuing public invitations for informational meetings (face-to-face and teleconferencing). Creating a video might also be appropriate for one-way, informational outreach efforts.

Participants recommended involving additional stakeholders, including: (local) elected officials, American Society of Civil Engineers (Oregon Chapter), Association of Oregon Industries, Chambers of Commerce, Ecumenical Ministries of Oregon, Federal agencies, all of Oregon's Natural Resource Agencies, the Oregon Association of Realtors, Oregon Association of Water Utilities, Oregon Business Association, the Oregon Conservation Network, Oregon Homebuilders Association, Oregon Planning Institute hosted by Lane Council of Governments, Rotary Clubs, and the general public, particularly "non-water people." Engage regional groups that are already conducting planning and policy work.

Some suggested using interest groups and private consultants for help, including facilitation, research, logistics, and communications.
Additional suggestions included:

- Begin with a round of public education and outreach, outlining the water issues that exist today, and the growing pressures projected for the future. Use easily understood language, tailored for specific audiences.
- Develop the state's water resource goals. Pick a point far into the future and describe what Oregon's water resources should ideally look like then. Some of Oregon's Tribes consider the effects that actions taken today will have an impact "seven generations into the future."
- The state must be prepared to make the final decisions as part of this process, including defining the purpose, goals, and outcomes; the state must take a leadership role in planning.
- Get stakeholder input about what it will take to attain this vision, and sketch out a range of scenarios that may result if different policy actions are taken or not taken in the meantime. Plan on a robust outreach process in each region.
- Be very clear about timelines, expectations for stakeholders, how information will be used, and how decisions will be reached.
- Make serious investments in the collection of data the state will need in order to set priorities and make responsible decisions. Strike the right level of detail; it is not appropriate for the state to delve into the level of detail that cities and counties need for their planning purposes.
- Develop a framework that local communities can use in their own efforts.
- Provide constant updates and request constant feedback. Reach out again and again. This is an ongoing process.
- Involve local watermasters in the public participation process.
- Establish a process that allows input from everyone, and does not requiring "filtering" through an association or other spokesperson.
- Identify where there is and is not "common ground."

3. Are there particular approaches that you have used or seen in planning processes that we should use as well? (e.g., use of a SWOT strength-weakness-opportunities-threats assessment, or other specific process). Which, in your view, are processes that work well and which are not?

There are a wide variety of models that can inform Oregon's planning process. A few include:

- Illustrate what an "integrated water resources strategy" will look like; do that first.
- The Big Look Task Force on state-wide land-use planning provides lessons about the need for early public involvement.
- Hold regular town-hall meetings.
- Look at regional groups that are already in place in areas such as the Deschutes, Umatilla, and Rogue Basins, to get ideas about how and why diverse stakeholders get engaged and stay engaged.
- The State's 14 land-use planning goals are an example of laying out the state's priorities, while allowing the flexibility to meet these goals.
- In the Central Oregon Area Commission on Transportation **(**COACT) model, regional entities weigh in on state rule-making on a frequent basis.
- Use outside, third-party facilitators, who can be objective in their facilitation duties.
- Participants gave conflicting advice about whether the "content and process" of the integrated water resources strategy should be laid out in statute.
- Commission scientific studies from external, independent research groups.
- Strength-weakness-opportunities-threat (SWOT) assessments can provide a powerful baseline, when used at the start of a process.
- A data gap analysis is useful to developing a research agenda.
- Use the Department of Environmental Quality's recent Fish Consumption Rate discussion as a model for working with Tribes.
- Oregon Department of Transportation has a public participation model that it uses to develop its 25-year plans. This may be one of the best examples of integrated planning, because the policy-making agencies are also the implementing agencies.
- Oregon Department of Energy has a planning model that it used to develop its Renewable Energy Action Plan, first released in 2005.
- Oregon's Public Utilities Commission facilitates an integrated resources planning process for member utilities to use.
- Oregon Department of Agriculture and Department of Environmental Quality use a "water quality plans" that might make a useful planning platform.
- Develop a "shared understanding" of the facts. Use a "Joint Fact Finding" technique like the one used by Massachusetts Institute of Technology and the U.S. Geological Survey, gathering scientists and policy-makers together to hear the latest scientific data and discuss its implications for public policy decisions.
- Oregon Solutions uses a technique called "Science Policy Workshop," to develop natural resources policy. All of the recognized studies in a topic are brought to participants, who then reach consensus on where there is general agreement and where work remains. On Day #2, policymakers join the discussion to brainstorm regulatory streamlining or other policy changes.

- Oregon Solutions could also be a good model, wherever one needs to build consensus. The approach there is to frame a question, get a solution/direction, and then commit to implementation.
- Conduct a literature search to find innovative planning models used by cities, provinces, and countries in other parts of the world. The energy sector, in particular, has good examples.
- As the work becomes more technical in nature, there will be a variety of experts that can point to successful methods for scenario building, demand forecasting, analysis of ecological flows, down-scaled (localized) climate change modeling, and more.
- Approach this work from a "hydrologic perspective," instead of using county or other political boundaries.
- Encourage strong local elected leadership in both planning and implementation, resulting in a "bottom up" process.
- A good process should state clearly that it will use "adaptive management," evolving as more information becomes available. The resulting product should describe the work or data still outstanding, next steps, and then constant refinement.
- A good process is as important as the product.
- The key to success will include careful process design and a grounding in the facts.
- Use the format used by OSU's 2008 Water Roundtables to reach community members.

4. Creation of Formal Stakeholder Groups. How formal should this process be, in terms of advisory or technical groups?

Most participants note that the input of formal advisory groups is the "Oregon Way," and made suggestions about the structure and role that such groups might take. There were a range of opinions on the numbers and size of such advisory groups. They included:

- Have one large group that can provide advice on all topics that arise.
- Create an inter-agency advisory group, a steering group of elected officials, a policy advisory group of stakeholders, and a technical advisory group.
- Invite a small group of close advisors and then encourage additional input at public meetings.
- Consider using a combination of standing committees, as well as limited duration, project-specific work groups.
- Agree on ground rules at the formation of any formal groups.
- Figure out the technical/research questions that need to asked early on, and have technical teams start their work right away.
- Have WRC and EQC co-chair a policy advisory committee.

5. Strategies/Opportunities. What do you think about piggybacking this process onto already existing events, activities, or opportunities? For instance, when is your annual organization or association meeting and could a water resources discussion with interested members be held in conjunction with the event?

Participants were very generous about offering their annual conferences, quarterly board meetings, monthly committee meetings, or opportunities for ad hoc workshops as a forum to connect with interested stakeholders. During the course of these discussions, a general calendar began to take shape that will help the project team plan some of its outreach efforts. In addition to monthly and quarterly board and committee meetings, there are numerous annual conferences or training sessions to note:

February .....Special Districts Association of Oregon Annual Conference
February .....Legislative Commission on Indian Services
March ..... Oregon Association of Water Utilities Annual Conference
April .....Soil & Water Conservation Districts Directors Training
May ..... American Water Works Association Annual Conference
June .....State Grange Annual Conference
June .....Oregon Chapter of the American Planning Association Annual Conference
July ..... Oregon Association of Clean Water Agencies Annual Conference
September.....Oregon Association of Nurseries Annual Conference
September.....League of Oregon Cities Annual Conference
September..... Oregon Planning Institute at the University. of Oregon
October.....Network of Oregon Watershed Councils Annual Conference
November.....Soil & Water Conservation Annual Conference
November..... Oregon Farm Bureau Annual Conference
November.....Association of Oregon Counties Annual Conference
November/December ..... Oregon Water Resources Congress Annual Conference
December .....Water for Life Annual Board Meeting
December .....Cattlemen Annual Conference

6. Concerns/Obstacles. What are your main concerns about the process of water resource planning, or are there potential obstacles/deal breakers we should keep in mind?

These responses varied widely, touching on all aspects of planning, outreach, and implementation. Some concerns included:

- It will be difficult to prove "relevance" or "urgent need for" a water resource strategy to the general public.
- Without some kind of "urgency" (i.e. a drought, a flood, pending litigation, or water grab by other states, etc.), it may be difficult to get people to focus time and attention on this, even if they are interested parties.
- Avoid asking for participation during the growing and shipping season for the agricultural industry.
- Participants must be able to bring problems or concerns to the Department without fear of retaliation. Create a safe place for honest discussions.
- Several were worried that differing perspectives would not be regarded as equal or valid.
- Some were concerned that "wastewater" would be left out of the process.
- This project could be enormous and will need to evolve in states.
- Some worried that special interests would act selfishly, not looking out for the good of the whole.
- Without adequate funding and staffing, this effort is unlikely to succeed. Doing long-term strategic planning the right way is very time intensive.
- Will Oregon's urban centers have all the "say" in this plan?
- Participants/Association Members may be afraid of the final outcomes; what will the costs be, in terms of economic, regulatory, and way-of-life?
- Water users do not want <u>this</u> effort to result in new/additional regulations.
- "Fish and wildlife" also need to have a voice at the table.
- Oregon already has Basin Plans that regulate water allocation and use. Clearly articulate how an integrated water resources strategy would differ and describe how the two processes would co-exist.
- Will there be any discussion about developing the right kind of incentives in place—for conservation, re-use, community partnerships, etc.?

7. What does your organization consider to be the top two water issues in Oregon?

Again, these responses varied greatly in the level of detail they addressed, and many of the responses overlapped. Generally, responses touched on these topics:

- Water quantity and supply (most frequently mentioned)
- Water quality (a close second)
- Need to determine and meet instream/ecological needs
- Protection of Oregon's water rights law
- Importance of coordination across all water issues (wetlands, flood plains, salt & freshwater, storm water, grey water, waste water, drinking water, etc.)
- Better define water "need" versus water "demand"
- Put more focus on the nexus between water and energy.
- Climate change
- Regional partnerships
- Onerous or contradictory regulations
- Need to build local institutional capacity
- Maintain and build necessary infrastructure
- Develop better data
- Water management issues (conservation, efficiency, measurement, Department budget)

Next Steps

Several stakeholders thought that they might be interested in adding more to their initial responses at some point, and also noted that additional stakeholders might like to participate at this stage. In response, the Department has created a space on its website, where stakeholders can view background materials, find updates on the work conducted thus far, and provide additional feedback or ask questions. To find this page, please visit:

http://www.wrd.state.or.us

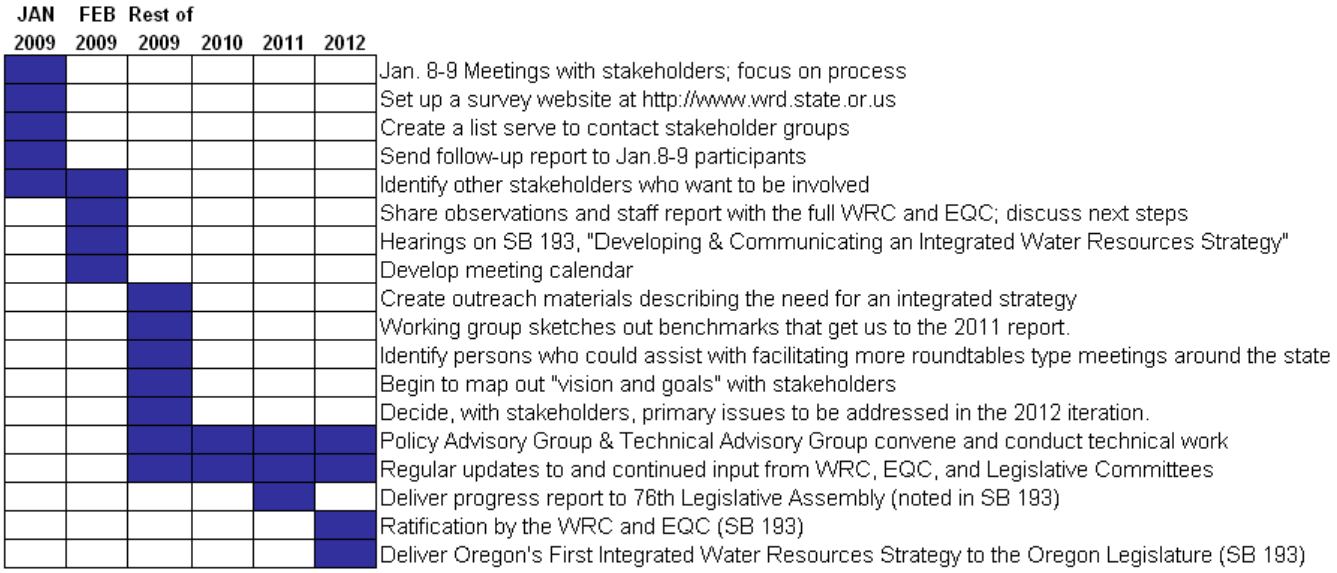
and click on "Integrated Water Resources Planning."

The Department already manages an electronic list-serve to communicate with stakeholders who participated in the 2008 Oregon Water Supply and Conservation Initiative. The Department has transitioned that list of recipients, along with the participants of the January 8-9 discussions, to a new list-serve dedicated to the development of Oregon's Integrated Water Resource Strategy. Department staff will ask colleagues who manage other natural resource list-serves in Oregon if they could invite their members to subscribe to the new list-serve as well. Examples of other list-serves include the Governor's H2O Initiative, the Oregon Water List at Oregon State University, and the Global Warming Commission's Natural Resources Committee.

In addition to this report to the full Water Resources Commission, the Department will make this summary available to Oregon's 75th Legislative Assembly as part of its testimony on SB 193,

"Developing and Communicating an Integrated Water Resources Strategy." Department staff will e-mail and post the summary for participants of the January 8 and 9 meetings and other interested parties.

Based on the recommendations heard during the January 8-9 meetings, the Department will begin crafting outreach materials that describe for policymakers, technical experts, and general public why Oregon needs a long-term, integrated water resources strategy. These materials will include more detail about the process the Department will use to write a long-term vision, identify the steps required to attain that vision, and outline the first iterations of Oregon's integrated water resources strategy. The timeline below includes additional next steps.



Summary
This work builds upon the results of this Oregon Water Supply and Conservation Initiative, together with the Department's already existing authorities, to move the state towards its first integrated water resources strategy.

The Water Resources Department and Department of Environmental Quality, in partnership with the Governor's office, have submitted a Legislative Proposal (SB 193) to the 75th Legislative Assembly, entitled "Developing and Communicating and Integrated Water Resources Strategy." The Department's 2009-11 Governor's Recommended Budget request also includes Policy Option Package #102, "Developing and Communicating an Integrated Water Resources Strategy," which requests two Department staff – a scientific coordinator and water policy coordinator – to conduct such work.

Appendix A
Chronology in the Development of Oregon's Integrated Water Resources Strategy

2007

- Legislature approves $750,000 in the Water Resources Department budget for the "Oregon Water Supply and Conservation Initiative"

2008

- "Oregon Water Supply and Conservation Initiative," included:
  - State-wide Water Demand Forecast
  - Inventory of Conservation Opportunities
  - Inventory of Above and Below-Ground Storage Opportunities
  - Community Planning Grants for Water Supply and Conservation

- SB 1069 Feasibility Study Grants awarded a total of $1.5 million to 22 Oregon communities, for Water Re-Use, Water Storage, and Water Conservation Projects

- <u>Water Resources Commission Efforts</u>
  February 2008 Commission Meeting
  - Brainstormed the potential content and approach

  May 2008 Commission Meeting
  - Reviewed statutory authorities and models that other states have used.

  August 2008 Commission Meeting
  - Reviewed Oregon's "Basins Plans" and how these differ from the integrated water resources strategy envisioned by Commission and Department staff.
  - Hosted guests from the States of Washington and California. "Lessons Learned"

  September and October 2008 – Commissioners and staff participated in OSU's water roundtables held throughout the state.

  November 2008 Commission Meeting
  - WRD Director Ward/DEQ Director Pedersen co-hosted planning discussion

- December 2088: Legislative Preparation
  - Governor Kulongoski filed pre-session SB 193, authorizing WRD to develop an integrated water resources strategy.
  - The Governor's Recommended Budget for 2009-11 contains 2 full-time equivalents (FTE) for WRD and 1 for DEQ to develop an integrated water resources strategy.

2009

- <u>Water Resources Commission Efforts</u>
  January 2009 - WRC Planning Working Group, together with WRD and DEQ, hosted a series of stakeholder discussions to further define a planning process.

  February 2009 Commission Meeting
  - WRC Planning Working Group shares observations with the full Water Resources Commission.

Appendix B
An Illustrative Diagram, "What Do We Mean by *Strategy*?"

Traditional, Long-Term Planning Process	Strategic Planning Process	Potential Approach: A Hybrid Approach
• Problem Identification, including the desired outcomes for a plan • Develop goals and policy objectives • Conduct a water demand analysis & forecast • Identify existing and committed water supplies, and programs that meet current demands…establish the base case • Analyze water supply options, including transmission to areas of demand • Analyze conservation options for the future • Model demands, supplies, programs with consideration of environmental and economic impacts • Develop resource strategies to meet future needs • Monitor & evaluate benchmarks and protocols • Map out the revision process **A typical scenario:** • 3-5 years in development • cost of $4-10 million • focuses first on data gathering and gap analysis, which is costly, time-consuming, and controversial • provides a baseline scenario • relies on historic data • implementation is often top-down • resulting length? 200-300 pages	• Develop a Values, Vision, and Mission Statement (in this order). • Develop a stakeholder involvement strategy • Conduct a SWOT Analysis of Oregon's approach to Water Resources today (Strengths, Weaknesses, Opportunities and Threats) • Identify strategic challenges, including: - The context - Affected stakeholders - Consequences if not addressed - The challenges • Identify strategic goals, including: -Criteria an effective strategy must meet -Required resources -Roles -Regional strategic approaches -Funding needs/opportunities • Implementation Strategies at the regional level • Monitoring and Review – Including Legislative Updates **A typical scenario:** • Updated every 2-4 years • Cost of $300,000- $400,000 • high-level planning • focuses first on developing a vision, followed by strategic challenges and strategic goals • implementation is often bottom up • resulting length? 50-100 pages	• **Develop a Vision.** Describe how the landscape should look like in 20 or 50 years, putting recommendations up front and identifying benchmarks that help get there. • **Employ an Open, Transparent Process.** Give stakeholders plenty of opportunities to suggest goals, methodologies, data sources, and content. • **Describe Where We Are Today**: Note Oregon's approach to water resources, the status of our water supplies, the work to required to update & maintain Oregon's water demand forecast for all beneficial uses of water. • **Identify a Range of Scenarios.** Given a likely range of scenarios in future years, what data, policies, and programs do we need to put in place now? • **Develop the Framework, Data, Tools, and Resources** necessary to address short- and long-term needs. The stakeholder process will help determine which pieces to include (e.g., conduct a supply analysis? recommend conservation incentives? continue climate change modeling? develop community grant programs?) • **Encourage Regional Partnerships that Implement Local Solutions.** In states with limited financial resources, supporting a series of disconnected local projects is no longer practical. Region-wide or basin-wide partnerships must account not just for water quantity, but also water quality, ecological needs, land-use planning, and other factors.