FINAL
(Approved 7/19/2011)

Policy Advisory Group Meeting 5

Integrated Water Resources Strategy
January 5, 2011 – Meeting Notes
Oregon Water Resources Department
725 Summer St. NE, Salem, OR 97301

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Audience
Anita Winkler, Oregon Water Resources Congress
Anthony Barber, U.S. Environ. Protection Agency
April Snell, Oregon Water Resources Congress
Bob & Vicki Hunt
Chris Fick, League of Oregon Cities
Dar Crammond, Oregon Water Science Center, USGS
Dena Marshall, Marshall Mediation
Gary Ball, U.S. Fish & Wildlife Service
Jeanne LeJeune, Water Resources Commission
John Jackson, Water Resources Commission
Julia Pierko, U.S. Bureau of Reclamation
Karla Kay Edwards, Cascade Policy Institute
Kim Swan, Clackamas River Water Providers
Kimberley Priestley, WaterWatch of Oregon
Leslie Bach, The Nature Conservancy
Lisa Stevens, Oregon Winegrowers Association
Mark Landauer, Special Districts Assoc. of Oregon
Martha Pagel, Schwabe, Williamson, and Wyatt
Steve Rosenlund, NW Mineral Prospectors
Trish Carroll, U.S. Forest Service
Willie Tiffany, City of Hillsboro

Agenda Item I, Welcome and Agenda Review

Director Phil Ward, Oregon Water Resources Department, welcomed everyone and led introductions. He mentioned that Water Resources Commissioners John Jackson and Jeanne LeJeune would be joining the meeting.

Director Dick Pedersen, Oregon Department of Environmental Quality, introduced Karen Tarnow, Senior Water Quality Policy Analyst for the Department. Karen will serve as DEQ's representative on the IWRS Project Team, replacing Christine Svetkovich who recently accepted a different position within the agency.

Ms. Cynthia Solie, facilitator, explained the purpose of the meeting as confirming the list of critical issues and secondly, identifying potential recommended actions for the Strategy.

Agenda Item II, Review of October 6, 2010 Meeting Notes

The Policy Advisory Group reviewed the meeting notes from the October 6, 2010 meeting. One member requested a review of the notes for two reasons:

1. On Item 2 (Page 4), the discussion of peak and ecological flows was not limited to water storage projects. The discussion was broader than that.

2. On Item 3 (Page 5), the discussion of exempt use wells was not captured.

The Project Team will review the notes for any omissions.
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A subsequent review of the October 6 Meeting Notes shows a reference to ecological flows as part of the discussion described on Page 9, Item 9 where the PAG discussed the issue of insufficient water in some reaches to serve instream needs. ("Need to identify ecologically important reaches around the state."). Another related comment was made earlier as part of the water availability discussion, Page 6, Item 4 ("It is necessary to acknowledge the value of higher flows.")

Exempt-use wells are mentioned on Page 5, Item 3 as part of the land-use discussion. ("Most rural development takes place with exempt-use wells, where no sign off by the local government is required. Without conducting additional groundwater studies, we do not know if there is a problem.")

Staff recommends adoption of the October 6, 2010 meeting notes as written.

Agenda Item III, Review Progress on Components of the IWRS

Dr. Brenda Bateman, IWRS Project Manager, noted that the next Policy Advisory Group meeting would be scheduled during the summer and asked PAG members to respond to a homework exercise regarding potential recommended actions in the next few weeks.

Dr. Bateman noted the PAG schedule and discussion topics had changed because of a need to develop an overall framework and identify a list of critical issues. During development of potential recommended actions, members would have an opportunity to discuss policy gaps and funding issues as previously planned.

During recent phone interviews, some PAG members shared concerns that a consensus process was not being used during meetings. The Project Team responded to this concern, explaining that much work remains in the project and there was no need to use a consensus approach at this point. The work of the Policy Advisory Group feeds into a larger process that also involves discussions with the Water Resources Commission and input from two other advisory groups. Most advisory groups meet on a quarterly basis. Bringing all of the input from these groups together is a lot of work and the Project Team shared their appreciation for the patience that many members have displayed. At this time, the Project Team is still receiving feedback from others. The PAG process and comments are being woven into a broader conversation. Staff will be working over the next few months to develop the draft strategy for release in 2011.

Ms. Solie asked members if there were any questions. No questions were raised.

(a) Feedback on the IWRS Framework

During the October 6, 2010 PAG meeting, members requested a framework to represent all of the various IWRS components. In response, the Project Team developed a visual framework in November 2010.

The components of the framework include the vision statements developed by the Policy Advisory Group and the Water Resources Commission. The framework contains the goals and objectives stemming from HB 3369 (2009). Because the Water Resources Commission has already expressed support for these goals and objectives, the focus of this PAG meeting is to gather feedback on the critical issues and to start sketching out recommended actions. The arrangement of the goals and objectives as displayed in the framework does not indicate any priority order. The framework components are a work in progress. Members were asked to make general comments on the draft framework.

The draft framework used during the discussion can be accessed at:
http://www1.wrd.state.or.us/pdfs/November_18_2010_IWRS_Framework.pdf [note: this version is outdated]

General Comments:

- Recommended actions may be one of the places where priorities will emerge.

- There are so few words on the framework that words matter. Everyone should feel comfortable commenting on the verbiage, because this framework will be representative of the PAG.
- The list of issues is good overall at providing the right baskets. However, it is missing a strong connection to the concept of "integration." It is not mentioned very many times.
- The framework should include the relationship between surface water and groundwater and the interaction between the two. This issue will become more important as we rely more heavily on groundwater in the future.
- Many loaded terms are used to describe the critical issues. Suggest removing any value judgments. For example, the statement "barriers to water supply and development" implicates environmental issues. Suggest stating, "water supply and economic development," not limiting it to barriers. Same with instream flows for Goal 1: "out-of-stream demands to increase," vs. "instream needs not well defined." Rewrite both titles.
- Suggest removing the arrows from the framework document. Doing so will remove any implication that each issue is has its own individual/unique action.
- These issues represent "baskets of things" and should be treated as concepts in development.

Question: Is the intent to implement these recommended actions in a multiphase approach? Will certain items be addressed first? *Defining first steps and next steps is part of the work ahead. Discussion of a timeline for each individual action will not likely occur during this meeting.*

Question: Will we see the next iteration of this framework before the July meeting? *Yes, through electronic communication. This draft framework will be included as part of the February interim report to the Legislature and will reflect the input gathered from today's conversation.*

(b) Feedback on the Critical Issues

During the October 6 PAG meeting, members discussed nearly 40 issues as critical to address in the Strategy. Staff further consolidated these issues into categories that eventually made their way into the Nov. 18, 2010 IWRS framework under discussion today. These revisions maintained broader categories that provide more flexibility and reflect a multi-agency effort.

Ms. Solie asked members to review the framework and note if there were any issues missing.

Responding to a member's question, the Project Team explained how the Issue Papers relate to these critical issues. The plan for the Issue Papers, once public comments are in and the recommended actions have been developed, is to use the papers for the background and statistics needed to support each recommended action. The newest version of the Issue Papers, released in November 2010, contain many new sections based on public comments. Public comments on the issue papers are due March 1, 2011.

During pre-meeting phone calls, some PAG members suggested removing text from the descriptions. For example, the framework currently says "deteriorating infrastructure," however, Oregon has other infrastructure needs as well. The suggestion was to reword it as "infrastructure challenges."

Members discussed the critical issues contained in the draft framework. PAG comments, as well as staff comments and responses to questions, are as follows:

Objectives 1 & 2: Understand both Instream and Out-of-Stream Needs

Critical issues: "out-of-stream demands for water projected to increase" & "instream needs not well defined (e.g., water quality, ecosystem, flow needs)"

- Neither out-of-stream needs nor instream needs and demands are well defined. Demands for both are projected to increase. Revise the language.

- Keep descriptions parallel, where possible. There are questions about calculating both out-of-stream demands and instream needs.
- Use the phrase "needs and demands" because they are not necessarily the same thing. This is true for both instream and out of stream uses.
- At beginning of the project, those phrases were referred to as environmental needs and consumptive needs. However, the terms were changed to reflect the language in HB3369.
- Question: If understanding current and future needs and meeting those needs is important, where is the conversation about technology to create more water? *Under Objectives 6 and 7 (Meet Oregon's Instream and Out-of-Stream Needs).*

Objective 3: Understand Water Resources Today

Critical issue: Groundwater *(currently missing from framework)*

- Groundwater is not explicitly referenced as a critical issue. This probably fits under the objective entitled "understand water resources today."
- The phrases "out-of-stream" and "instream" are typically used to refer to surface water. Groundwater and surface water should be better linked.
- Regarding groundwater, there may be some specific needs, such as stopping saltwater intrusion on the coast.
- Groundwater does not fit with Objectives 1 and 2, "understanding our instream and out-of-stream needs."
- Ensure groundwater needs are addressed (groundwater dependent ecosystems, for example).
- Ensure the word "groundwater" is included as part of the framework.
- Say "instream & out-of-stream demands and needs, including groundwater and surface water."
- Under Objectives 1 and 2, add a broader definition to the legislative definition, expanding the objectives to include groundwater.
- Understanding what supplies are available includes a discussion of groundwater. It is a part of the <u>supply</u> conversation, not <u>demand</u> conversation.
- Question: Will staff or the PAG choose one of these options? *Staff will integrate these comments into the framework.*

Critical Issue: "Limited Supply of Clean and Abundant Water"

- The supply of water is already listed under Objectives 6 and 7. Maybe it is not needed here.
- Appreciate the redundancy. Suggest keeping it.
- Rephrase it as "understand water supply" because our understanding today may differ in the future.
- Do not like the word "limited" because there is not a quantified amount of water.
- Maybe it is a data need.
- Tease out the difference between "understanding the limited supply of clean and abundant water," and "understanding water quality and quantity data."
- The first issue listed should reflect the limited supply of water.
- Broaden the issue a little further, speaking to the status of the water supply, both water quality and quantity.

Critical Issue: "Limitations/Inefficiencies in Water Quality & Quantity Management"

- There was discussion about including an issue reflecting integration. Maybe this issue is the place to do it, broadening it beyond water quality or quantity management.
- No, use the term "water management." Integration is evident throughout the document and should not be highlighted here.
- Concerned about making "integration" a separate issue category. Integration is already implied. It is part of the vision. It should not just be a critical issue under one goal. Doing so waters down the purpose of the entire strategy.

- The first word in the guiding principles is integration.
- The data needed to integrate is not always there.
- Deleting the qualifying statements is a good idea.
- Remove the phrase "limitations/inefficiencies," because the issue of water management is not limited to that only.
- Our approach to issues should be in steps. The framework does not read that way. It does not show the relationship between certain issues.
- The past is not necessarily a key to the future. Figure out how to manage uncertainty. Uncertainty seems relevant to the data issue. Do not get stuck in data as just some prescriptive report of what has been done.
- Projections/modeling is needed, not just the usual data.
- The usual data is <u>not</u> backward looking. Real time, for example.
- Objectives 4 and 5 may address the need for data projections.

Objectives 4 & 5: Understand the Coming Pressures that Affect our Needs and Supplies

Critical Issues: "Water and Energy Nexus Not Adequately Addressed" & "Land Use and Water not Well Aligned"

- Remove "not adequately addressed" and "not well aligned."
- Include the word "nexus" with the phrase "land use and water."
- If the critical issues are negatively worded, the focus of future discussion will also be negative.

Critical Issues: "Climate Change Represents Departure from Historic Conditions" & "Population Growth Predicted"

- State these two issues as "climate change" and "population growth."

Critical Issue: "Economic Development Necessary"

- Suggest including the word "pressures" to reflect economic uncertainties and changing pressures.
- Remove "necessary."
- Economic development and pressures, or uncertainty.
- "Coming pressures" is already stated in the Objectives 4 and 5.

Critical Issue: "Damaged Aquatic Ecosystems (Including Invasive Species)"

- Replace with "ecosystem health."

Critical Issue: "Deteriorating Infrastructure"

- Rephrase as "infrastructure challenges."

Critical Issue: "Pollutants that affect Water Quality"

- Rephrase as "pollutants."
- Question: Are we differentiating between today's pollutants and those that are emerging? *No*

Critical Issue: "Population Growth Predicted"

- Human consumption needs are mentioned in HB 3369. Cultural change drives uses of water for different purposes. Maybe water is being used for unneeded purposes. Lawn watering comes up often in discussion.
- Maybe putting some text under population growth would address that.
- Maybe that is a land-use issue.
- It fits under the land-use and water nexus. The land use is the control on how water is used.

Additional Discussion Regarding Groundwater

- A bubble called "water sources" makes some sense. Competition for water resources is a coming pressure.

- Maybe an issue titled "surface water and groundwater nexus." Maybe it needs to be listed as an issue under Objectives 6 & 7.
- Disagree with "water sources." The source of water is part of every issue. Adding "water sources" serves no purpose.
- Say "surface water or groundwater nexus" instead of "water sources."
- Mention groundwater explicitly under Objective 3.
- The addition of the groundwater-surface water nexus is consistent with the legislation.
- Do not limit the issue of groundwater to only its interaction with streamflow.
- The groundwater surface water nexus should be mentioned in Objectives 3, 4, & 5.

Objectives 6 & 7: Meet Oregon's Instream and Out-of-Stream Needs

Critical Issue: "Inadequate Institutional Capacity (Agencies, Tribes, Partners)"

- This critical issue should include something that is not so cryptic. Something about creating a framework that supports a bottom-up approach.
- This type of approach is already captured in our guiding principles.
- If everyone feels that is adequate, that is fine. The situation is a lack of resources. Some of these issues could bottleneck or stymie our ability to get to solutions.
- These institutions cannot solve all the problems.
- Suggest phrasing as "institutional capacity at all levels."
- As long as that does not mean some wholesale delegation of authority.
- There should be individual action, not just institutional action. It is broader than just formal institutions. There is personal responsibility to this.
- An institutional framework is needed to build the capacity. The State should act as the adult supervision. Every basin in the State is on the water-use continuum, trying one water supply, and if it does not work, exploring another. Going down this path requires a new framework to catch that evolving nature. Today, there is not a great way to distribute funds fairly.

Critical Issue: "Barriers to Water Quality Protection" & "Barriers to Instream Flow Protections"

- Remove the word "protection." This word is too limiting; increasing protection may not be possible.
- Just phrasing as "instream flows" or "water quality" supports the purpose of Goal 2 (meeting needs). However, in order to meet the needs, some sort of protection is necessary. Maybe a different word.
- Use "elements."
- "Water quality protection" is a subset of water quality. It is okay to state as "water quality" knowing that water quality protection would be addressed. Protection is only one piece and it is a big issue.
- "Instream flows and aquatic ecosystems" would work.
- Maybe say "healthy aquatic ecosystems."
- Since "ecosystem health" was suggested earlier, make it consistent under both objectives.
- Make it two categories: "instream flows" and another titled "aquatic ecosystem health."
- Bring instream flow and water quality issues together.
- Title the issue as "ecological health" (with quality and quantity in parenthesis), replacing "barriers to instream flow protections" and "barriers to water quality protection."
- The statute says to quantify instream needs. Call the issues out separately to be true to the spirit of the law. Not comfortable blending them.
- Ecosystem health is more than just quality and quantity. Suggest keeping instream flow and water quality as separate issues.

Critical Issue: "Deteriorating Natural Storage Systems"

- Delete the word "system." Just call it "natural storage."
- Question: What are we talking about here? *Wetlands, riparian areas, forestlands, floodplains, upland meadows, estuaries, etc.*

- Question: Would that include groundwater? *It could.*
- Question: Where do we spell out man-made storage systems? *As part of water supply.*
- Say something about other types of storage. Maybe another issue category.
- Just say "water storage systems."
- The storage conversation may fit under infrastructure.
- Not necessary to differentiate between natural storage vs. constructed storage.
- It is worthwhile to call out natural and man-made storage separately as most people do not even acknowledge natural storage.
- It is important to include the words groundwater and natural storage, because this framework may be the only document the public refers to from this project.
- I have a concern that we are boxing ourselves in. Man-made storage is only one possible solution.
- Suggestion: title it as "natural and man-made storage."

Critical Issue: "Inadequate Education and Outreach"

- Remove "inadequate."

Critical Issue: "Barriers to Water Use Efficiency"

- Water management is the larger umbrella issue. Water-use efficiency and measurement both fit within this issue.
- Phrasing as "water management" helps illustrate where land-use regulations could fit into the framework.

Critical Issue: "Funding Necessary for Recommended Actions"

- Funding is both a critical issue and a recommended action.
- Phrase as just "funding."
- Multiplicity of funding sources is a problem.

At this point in the meeting, members, staff, and guests took a break for lunch (Agenda Item IV).

Agenda Item III *(continued)*

(c) Feedback on the "Guiding Principles"

Following the lunch break, members discussed the IWRS guiding principles. Ms. Solie reminded everyone that the guiding principles had been pulled together from previous conversations with the Water Resources Commission and the Policy Advisory Group. The purpose of the guiding principles is to act as a filter for developing the recommended actions. Ms. Solie also mentioned that the one-word titles on the draft framework show the relationship between critical issues to actions. One suggestion was to pull the titles out of the framework graphic, listing in a separate document only. A companion sheet, attached to the October 6 meeting notes, defines the one-word titles. Member comments on the list of guiding principles are as follows:

Guiding Principle: Public Participation

- Public input and public participation should be in the guiding principles.
- Is that different from collaboration?
- Is it already captured in "transparency?"
- It is part of both of those, but more than that.
- The guiding principles include "employ a publicly accessible process."
- A separate bullet is needed. Public participation is critical to solving the funding problem.
- Put "public process" as the title, and transparency as part of the description. Others agreed with this suggestion.

Guiding Principle: Flexibility

- Earlier, a member mentioned it was important to have institutions that can adapt to changing circumstances. Does flexibility cover that?

- The plan and strategy are something that can adapt, not just limited to institutions. For example, if growing conditions change, the ability to adapt and evolve over time is needed.

Guiding Principle: Statewide Facilitation

- Statewide facilitation, or some form of it, is mentioned in a number of places in the companion sheet. It may be overemphasized.
- Another member felt it was underemphasized. Under "statewide facilitation," it is unclear what is meant by "delegate to the local level."

Guiding Principle: Accountability & Results *(currently missing)*

- Accountability and compliance with the law should be mentioned as a guiding principle. This could show up in many situations: compliance with permit conditions, land-use plans, etc. Multiple scenarios exist where legal compliance should be considered. Are we measuring? Is measurement in compliance with permit conditions? Are we meeting water quality standards? The strategy should consider addressing this.
- I understand what compliance means, but why are we talking about this?
- If local entities want financing for projects, they must comply with a legal framework.
- Looking at the level of generality of the other guiding principles, maybe just go with "accountability and results." Since "flexibility" and "incentives" are mentioned, it seems like accountability fits better with those.
- Missing the concept of measuring effectiveness in the principles. It could go under an accountability principle.
- I do not object to accountability and results, but if not putting compliance in results in the assumption of breaking the law and not following rules, I disagree. There are broad sections where achieving compliance with water law is not happening. That is why it should be a guiding principle.
- This seems to be too top down. The statutes are in place and the Department oversees enforcement.
- Accountability and results is not restrictive. It does not get in the way of others' responsibilities.
- This is an interesting discussion; it could lead to some serious impasse issues. Some people believe that the only way to see results or goals is through enforcement or regulation. Of course, you have to follow the law.
- Ask the Water Resources Department if water users with measurement requirements are actually measuring. They are not.
- They should.
- Find balance and meet in the middle. Some of the actions should enable the Department, whereas others should help with developing local solutions.
- I agree; we need to say both. The guiding principles do not say anything about regulation.
- Regarding measurement, it is not measuring that is the problem. It is the use of the data, which is a completely different issue than being in accordance with the law.
- Accountability and results could be directed to local plans, just as much as a statewide plan. The verbiage addresses both regulation and local solutions.
- I like accountability; it applies to both the government and the water user.
- Nobody objects to this as a principle.

Guiding Principle: Innovation *(currently missing)*

- "Informed decision-making" and "science-based" could be combined. Add "innovation" as a guiding principle. Innovation in the broadest sense - in policy and water management, but also in irrigation equipment and scheduling.

Guiding Principle: Balance

- Suggest adding groundwater to this principle.

Guiding Principle: Partnerships

- Is industry missing?
- Call it "private sector," because it is more than just industry.
- Combine partnerships and collaboration.

Guiding Principle: Practicality

- What is practical to one person may not be practical to another. Is there a better word? On its own, it does not mean much.

Agenda Item V, Workshop: Identifying and Scoping "Potential Actions"

Following the discussion on guiding principles, members were asked to identify and describe potential recommended actions. In previous meetings, the PAG discussed recommendations related to data & information gaps and integrating existing planning efforts. These recommendations were displayed around the room and served as a starting point for discussion. The Project Team also asked members to participate in a more detailed homework exercise on recommended actions. For the remainder of the meeting, members were asked to focus on potential actions aimed at meeting instream and out-of-stream needs (Goal 2).

Ms. Solie mentioned that the items listed around the room do not represent the final list. The items are meant to be illustrative and to spark discussion. PAG members were given an opportunity to discuss any particular action or suggest new actions. Actions from the Climate Change Adaptation Framework and the 2011 draft Forestry Program for Oregon were also posted.

At this point, members had a few questions for the Project Team.

Question: How does the February 2011 Legislative report fit into this discussion?
The Legislative Report will not contain any recommended actions; however, the Project Team plans to include a revised framework, based on your suggestions to the critical issues and guiding principles.

Question: Where does the Agency Advisory Group and the Technical Advisory Group fit into this?
These groups are waiting to see what the Policy Advisory Group suggests, and will help fill in some of the technical details for your review this summer.

Question: Is this the only opportunity to suggest potential actions?
There will be continued opportunities throughout the rest of the year. However, in today's meeting, please focus on the actions that are the most important to you.

Director Katy Coba, Oregon Department of Agriculture, emphasized bringing up those actions members feel are <u>most</u> important because there are too many issues on the list to tackle. When members meet again during the summer, the Project Team will ask members to react to the first draft of recommended actions.

Members discussed potential actions for the Strategy. PAG comments, as well as staff comments and responses to questions, are as follows:

Potential Action: Water Rights Management Fee

- The recommended actions do not mention the creation of a water rights management fee, but should.

Potential Action: Pilot Project – Water Management at a sub-basin level

- Add the idea of piloting or implementing new water rights at a sub-basin level, allowing us to test or pilot with a cooperative local group. The pilot project would include water conservation, water banking, and water re-use.
- Do not give up any authorities at the state level.

- Question: Would a pilot project include water banking? *It does not preclude anything.*
- Would water banking be similar to developing new environmental markets? I do not see the concept of water banking explicitly mentioned anywhere. If it fits into environmental markets, that is fine.
- Somehow, provide financial support to specific watersheds that want to take on a collaborative planning process. Some basins are having difficulty with funding.

Potential Action: Climate Change

- The first risk listed in the "Climate Change Adaptation Framework" relates to the extinction of core salmonid populations, however, this Framework has no specific recommendations to address this. Coming up with something to deal with that outcome is necessary. Start including climate change predictions in water availability and permitting decisions. The State is still allocating water based on current and historic data.
- Use recommendations coming out of U.S. EPA's Climate Ready Utilities, looking specifically at climate ready regulation. While I do not agree with <u>all</u> of the recommendations on those two efforts, Oregon will likely need to go along with more of those approaches.
- Include the ongoing efforts of the U.S. EPA and OCCRI, specifically on the Willamette Basin, as part of the actions.
- Encourage risk management as part of decision making for landowners, etc. This also relates to environmental markets. "Pilot projects for resiliency in climate change risk management" or some type of insurance for this.
- Many of these potential actions give me heartburn. Mention the need for education and research, especially if referencing efficiencies or climate change.

Potential Action: Invasive Species

- Missing invasive species prevention and eradication as a recommended action.

Potential Action: Sustainable Development Practices (rainwater harvesting, stormwater harvesting, water re-use, conservation, building codes, etc).

- There is only a limited market for some of these technologies. Refer to them as "sustainable development practices," or "lean infrastructure" instead of calling out something like "rainwater harvesting" by itself. We have only begun to scratch the surface on some of these approaches or technologies.

Potential Action: Protecting Groundwater

- When discussing the protection of groundwater, it could fit under multiple objectives; there are a number of issues related to groundwater.

Potential Action: Integrated Decision-Making

- Integrated decision-making should be based on mission, not by agency. It is important to phrase our goals very clearly. Focus on agency integration, rather than worrying about the construct of our current state, or even local government. For example, there are multiple missions related to water. The integration of those missions will help to achieve our vision.
- Do not focus on the word "agency." Focus on what is wanted from them.
- There may be instances where the various missions are not well aligned. As an entity dealing with these agencies, the challenge is recognizing the instances where the missions conflict.
- Many recommendations could fit under this category: merging agencies together, or forming a team of staff from different agencies. Are we going to get that specific?
- Instead of saying integrated decision-making, focus on making an integrated plan. Figure out how to make this integration happen.
- Ensure that planning and decision-making on matters affecting water quality and quantity are coordinated among federal, state, and local agencies.

- There are so many issues and areas to address. Maybe start with existing plans, such as LCDC's State Agency Coordination Agreements. Currently, we have planning where one agency makes a decision while another is waiting. Maybe the place to start is at a narrower purpose. Agencies submit a plan to WRD on how they are going to coordinate on these issues. For a time, this approach worked for land-use planning. It likely needs revision.
- Director Ward told members that part of the genesis of the IWRS is to determine how to better integrate management of water resources.
- Tom Byler, Executive Director of the Oregon Watershed Enhancement Board, mentioned that OWEB has been involved with developing an ecosystem services market. The overriding charge was integration. One recommendation focused on priorities and strategies the agencies have, not to rewrite all plans or strategies, but to build a crosswalk between them. This is not an easy task, but might be easier than reinventing the wheel.
- In Washington State, integration was a large part of the planning process for developing Water Resource Inventory Areas (WRIA). An interagency MOU was created to allow agencies to speak with one voice. This is a key foundational piece to addressing overlapping processes.
- There has to be some review of mission overlap. In a time when budgets are so challenged, data should to be shared more, resulting in new potential benefits.
- Extracting information from multiple agencies to implement any one action is difficult. Is there any hope for this? I do not want to be tasked with funding something that is so complicated.
- Streamline the permitting process between agencies.
- Fiscal issues drive the coordination.
- If someone asks the Water Resources Department for water, there may be an effect on fish or water quality. If someone is asking for more water from the Columbia, are the agencies talking to one another? The PAG knows the agencies are working together, but would like to find ways to make that mesh more clearly.

Several members shared concerns about not being able to discuss certain actions due to time constraints. Another member felt that certain solutions could be combined under a broader umbrella. One PAG member suggested that each member pick three of the most important actions to discuss for the remainder of the meeting. At this point in the meeting, members took a short, afternoon break.

Following the break, members discussed several solutions/potential actions based on their top selections. PAG comments, as well as staff comments and responses to questions, are as follows:

Potential Action: Water Conservation and Efficiency

Dr. Bateman mentioned that water conservation and efficiency have come up in every open house and stakeholder meeting as a suggested solution, but with very little detail. She asked members to describe the role the state should take on water conservation. Should it be voluntary or mandatory? Should it focus on a particular sector, such as agriculture use or municipal use? Should the state set numerical targets for water conservation, similar to what other states have done?

- Difficult to make targets work on statewide basis without considering the local issues.
- Arizona, for instance, set targets for improved efficiency and have not met them.
- Consider looking at potential models.
- Numeric targets penalize early adopters.
- Start with a voluntary approach.
- This issue is too far into the specifics (customer classification, metrics, etc.).
- Gallons (per capita per day) are meaningless when you just set a percentage.
- Develop Oregon's best management practices.
- Develop a task force to address conservation.
- Have not yet discussed water re-use or water trading as a way to avoid developing new water.

- Water conservation and efficiency programs should focus on (a) Water Management & Conservation Plans and their implementation, (b) climate strategies allowed, encouraged, and piloted in permit structures, (c) incentives provided, (d) regulatory structures.
- Change "building codes" to "more sustainable building practices."
- Implement existing statutes, before moving onto changing building codes.
- Establish a clearinghouse of information, using national standards (U.S. EPA for fixtures, toilets, etc.).
- Focus on the areas of the state that need water conservation/efficiency, rather than the areas that are doing a good job. A statewide program that attempts to fit all is not needed.
- Incentivize, subsidize, and assist agricultural conservation and efficiency.
- Water conservation measures can cause negative effects to groundwater recharge.
- Consider the costs of projects. Determine the negative and positive impacts.
- Consider all costs, including the true costs. Determining the carbon footprint of water, for example, is not accounted for very often.
- Include water measurement.
- Create a network of partnerships. If others can help repair an outdated system (plugging leaks, etc.), there will be integrated benefits.
- At a recent water conservation workshop, held by Marion County SWCD, several vendors and suppliers had never heard of WRD's Conserved Water Program. The technical experts should have this knowledge and know about these types of programs.
- The Oregon Environmental Council (OEC) is doing some work on agricultural water conservation & water efficiency, hoping it can help inform the Strategy. OEC has conducted several interviews with irrigation districts and growers to determine the barriers to greater conservation or efficiency. Increasing capacity for on-the-ground technical assistance is needed. Many people are also concerned with unintentionally forfeiting their water rights. Many people are not aware that being ready, willing, and able to use the water. *(editor's note: For reference, 540.610(3) reads, "Notwithstanding subsection (1) of this section, if the owner of a perfected and developed water right uses less water to accomplish the beneficial use allowed by the right, the right is not subject to forfeiture so long as:(a) The user has a facility capable of handling the entire rate and duty authorized under the right; and (b) The user is otherwise ready, willing and able to make full use of the right).*
- Support organizations, such as OEC, that are already doing great at education and outreach and sharing information.
- Need outreach, research, and development.
- Funding sources typically do not cover the extra costs of water efficiency projects (e.g., moving power lines). Some of those extra costs need to be built into funding programs.
- Address water rate structures, in general.
- People are receiving public funding to complete water conservation projects without providing the legal instream protections.

Potential Action: Improving Water Management Approaches

- Subsidize to help complete projects.
- Develop a price signal for water.
- Fund field staff and watermasters to get the work done. Get back to staffing levels from the early 2000's.
- Make it clear that techniques like graywater and re-use are still being worked on.
- Regarding conserved water projects, are options available to encourage more crop production they way we encourage environmental protection?
- Combine a whole bunch of incentives into a single plan, to get one approval from the state, instead of every little thing approved. Think differently about how changes in water management are approved. Designating a pilot project may work to foster innovation.
- The practical reality of some of these solutions is not there. Water is heavy and it takes a lot of infrastructure to move it, often at a very high cost. Need to provide some education that some solutions may not work well here.

- This is where DEQ and WRD need to do a lot of coordination. Promoting a water source for non-potable use requires some analysis of whether it will work and any public health implications.
- Are there regulatory authorities or fees that hinder water conservation efforts, ability to transfer rights, or water management, in general?
- Do a public interest review on transfers.

Potential Action: Conjunctive Management of Groundwater & Surface Water

- Surface and groundwater linkages need to be acknowledged. This is a near-term issue affecting Oregon and all its citizens. The legislation in HB 3369 relates to both surface water and groundwater.
- Is this an example where there is no money for this? Maybe the State should create a management framework instead, a stepwise program to move that concept ahead.
- Relates to data gaps. There is not sufficient data today, meaning it cannot be managed well.
- Conjunctive management is a broad concept. It also includes Aquifer Storage and Recovery. Pursue ASR projects where it makes sense. Do not issue new permits that have a negative impact on the existing resource.
- Develop below-ground storage, coordinating with above-ground storage, increasing flows to deal with climate change and instream & out-of-stream needs.
- Catalogue groundwater dependent systems.
- Define sustainable use of groundwater statewide and ensure a lack of interference.
- Continue to improve our understanding of exempt groundwater uses (exempt wells, residential use).
- Septic issues. Must account for water quality, too.
- Look at the regulatory process for trading from surface water to groundwater. Likely regulatory issues there. Maybe look at the system in terms of overall management, environmental or ecosystem benefits.
- Question: Do private engineering firms share their information with the Water Resources Department? *The short answer is yes, because many times they are doing that work to support an application with the Department.*
- There is a lot of pressure not to use groundwater; however, it should remain an option.
- Look at stormwater management as a strategy to enhance groundwater recharge.
- Work with neighboring states on regulations. Look at both states' water laws when water crosses boundaries.
- Exempt well and septic fees could fund groundwater investigations, including water quality.
- Question: How are we going to fund everything we need to do with groundwater? There has to be some mechanism by which the legislature tells us what priorities they have. It takes staffing resources to implement actions. *Groundwater investigations are a constant funding need. In addition, during many of the open house events, participants said there were not resources for private well owners on technical issues or water quality information.*

Potential Action: Storage

- Develop more above-ground storage.
- Examine how storage provides environmental benefits too.
- Identify areas in the state where it makes sense to build storage.
- Look at raising dam levels to increase storage at existing sites.
- Connect storage to climate change issues. Climate change will affect existing storage, evaporation rates, etc.
- Access to federal water. Do not forget that in the Willamette, 1.6 million acre-feet of stored water exists. This provides an opportunity to meet future water needs, including instream flow and water quality needs.
- Rules are needed for how to use Artificial Groundwater Recharge and Aquifer Storage & Recovery to benefit streamflows (suggestion also relates to conjunctive management).
- Preserve river health before storage projects. Define and protect peak and ecological flows. Get real about the financing of those projects. Start counting all of the costs that go into the projects.

- As a dam operator, there is a lot of measurement but many unaccounted benefits, such as protecting downstream fisheries and providing water for power generation, in some cases. There should be a dollar value associated with providing these benefits. Instead, the focus is on all of the negatives.
- The U.S. & Canada negotiations are related to above-ground storage. Identify Oregon's water needs.
- Look at reauthorization on existing storage. In the Deschutes Basin, some of the water could be turned over to municipal uses or result in other changes.
- Look at what changes are needed to manage flows in relation to climate change.
- Should infrastructure issues be addressed here, to increase capacity?
- Natural storage also belongs here as a solution.
- The goal is to increase water supply.

Potential Action: Natural Storage/Restoration

- There does not seem to be water quality standards for restoration.
- On the restoration side, there should be more tools or solutions listed for restoration. For example, include acquiring water from willing sellers, removal of passage barriers, riparian restoration, addressing invasive species, and protecting peak, ecological, base, and other flows.
- Running into conflicts with wetland protection and industrial development sites. How can we ensure that we keep our natural storage and still create jobs?
- Some agricultural operators want to complete restoration projects; however, federal agencies also want access to the property. Some funding opportunities and incentives come with obligations landowners do not want.
- The Forestry Plans should identify the source watersheds that are providing drinking water.
- Acknowledge the contribution to local economies from restoration projects.
- Some programs today promote building wetlands in areas where they provide no benefit. The Oregon Dept. of Transportation develops wetlands as mitigation during construction of highways; however, these wetlands use more water than before. I do not oppose the no net-loss policy, but want to note that some of the programs have not been a benefit.
- Connect the purpose with its value. For example, constructing or maintaining wetlands to improve temperature.
- Look at the benefit of micro-managed wetlands. There is a recent study out of Humboldt State.
- Monitor for effectiveness.
- Wetlands have the capacity to absorb floods.
- Address the barriers to instream leases and transfers, including the acquisition of water for restoration purposes.
- Oregon lacks a policy on water marketing.
- Water marketing might be placed incorrectly in the framework. It may fit under a variety of other solutions.

Potential Action: Funding

- Dedicated funding to the IWRS.
- Because many of these issues serve a public benefit, look beyond more user-type fees.
- Add environmental markets here, too.
- Ensure that any fee proposals do not hamper incentives to be innovative.
- Use funding as an incentive to accomplish our multiple goals.
- Money should be spent in a way that furthers our goals, not just to support a general funding need.
- If regionalization makes sense, those projects should rise to a higher level for funding, based on a set of criteria.
- Be careful to create a strong connection between any fees and the benefit.
- Leverage federal funding and state-tribal-federal partnerships, putting all of the funding together.

Potential Action: Planning

- Develop a framework for planning, and identify the role of local, state, and federal programs.
- Use a systematic process, allowing for evaluation.
- Do not let planning override the prior appropriations doctrine.
- LCDC is conducting rule-making for Goals 6 and 11.
- Must plan for climate change.
- Take advantage of existing plans and organizations (Oregon Climate Change Research Institute, Forestry Plan, Parks Plan, the Climate Change Adaptation Framework, Oregon Conservation Strategy, and the Oregon Plan for Salmon & Watersheds).
- The basin plans – can those be changed? Are we going to?
- A basin planning framework could be localized.
- Washington's WRIA planning process and interagency agreements are good examples.
- Allow sub-basin water management planning (pilot project) as an actual tool.

Potential Action: Flow Protection

- Protect peak, ecological, base, and other flows. This is consistent with the legislation and represents a real, near-term need with multiple impacts.
- The statute directs us to address instream and out-of-stream needs. Both must be addressed whether or not it rises to the top through a voting process. The Oregon Parks and Recreation Department should be making a list of Scenic Waterway candidates and moving forward with those.
- Develop a scientific foundation of what is truly needed in the stream.
- Incorporate existing efforts. The point is to make informed decisions.
- Implement flow restoration plans for each basin, as identified under the Oregon Plan. DEQ should be applying for instream water rights, after completing an inventory to determine what is needed. The burden should be shifted; the state should identify where the needs are.
- There is a belief that the Oregon Plan target flows are higher than necessary. We need to discuss instream flows during planning. A TMDL can cause a shortage of water for the existing beneficial uses and water rights.
- Need to recognize how streamflows relate to pollutants. There are other pollutants coming online.
- Recognize the human benefits of flow protection. Many Oregonians enjoy water recreation and other tangible benefits that flow protection provides.

Some PAG members had selected to discuss "climate change" in more detail and "education and outreach" as actions during the meeting, however, there was not sufficient time on the agenda. Members will be given an opportunity to offer potential actions related to these topics and others through the homework exercise.

Agenda Item VI, Other Business

A PAG member mentioned that the Oregon Climate Change Report, the Climate Change Adaptation Framework, and a presentation at the January LCDC meeting are all available online.

Commissioner John Jackson, chair of the Water Resources Commission, mentioned he enjoyed watching the interaction between members. He commended the cordial professional nature of the members that occurred throughout the meeting, including during moments of disagreement. Chair Jackson also mentioned that the Commission's quarterly meetings typically open with a discussion on the Strategy. Commissioners continue to be to be very interested and engaged. Those outside of Oregon are watching to see what kind of strategy comes out of this process. Chair Jackson thanked the Policy Advisory Group members for their work.

Agenda Item VII, Public Comment

There were no public comments.

Agenda Item VIII, Meeting Recap and Feedback

The Policy Advisory Group will receive a homework assignment in the next few weeks. Feedback received from this exercise along with input from today's meeting and the other advisory groups will be built into the first draft of the recommended actions. This first draft will be brought to the PAG during its summer meeting.

A PAG member was concerned that water quality issues were not adequately raised during the discussion. Since water quality needs are part of the legislation, it was suggested that staff look at this when developing the draft Strategy.

Director Pedersen asked staff to revisit the theme of developing an Integrated Strategy. Director Pedersen's hope is the *integrated part* of the Strategy is a focus on those actions that are truly inter-agency and cross disciplines.

Agency Directors were thanked for their attendance and ongoing leadership at the PAG meetings.

Attachment 1: Working Acronym List

Acronym/Term	Description
AR	Artificial Recharge
ASR	Aquifer Storage and Recovery
BiOp	Biological Opinion
BMPs	Best Management Practices
BUREAU	U.S. Bureau of Reclamation
CORPS	U.S. Army Corps of Engineers
CTUIR	Confederated Tribes of the Umatilla Indian Reservation
DEQ	Oregon Department of Environmental Quality
DEQ	Department of Environmental Quality
DHS – DWP	Oregon Department of Human Services – Drinking Water Program
DLCD	Oregon Department of Land Conservation and Development
DOE	Oregon Department of Energy
DOGAMI	Oregon Department of Geology and Mineral Industries
DRC	Deschutes River Conservancy
DSL	Oregon Department of State Lands
DWA	Deschutes Water Alliance
EPA	U.S. Environmental Protection Agency
EQC	Environmental Quality Commission
ESA	Endangered Species Act
GWMA	Groundwater Management Area (DEQ designation)
IFA	Infrastructure Finance Authority
MGD	Million Gallons per Day
NOAA	National Oceanic Atmospheric Administration, U.S. Dept. of Commerce
NPDES	National Pollutant Discharge Elimination System
OAR	Oregon Administrative Rule
OBDD	Oregon Business Development Department
ODA	Oregon Department of Agriculture
ODF	Oregon Department of Forestry
ODFW	Oregon Department of Fish and Wildlife
ODOT	Oregon Department of Transportation
OHA	Oregon Health Authority
OPRD	Oregon Parks and Recreation Department
ORS	Oregon Revised Statute
OWEB	Oregon Watershed Enhancement Board
OWRD, WRD	Oregon Water Resources Department
PAG	Policy Advisory Group
PUD	Public Utility District
SWCD	Soil and Water Conservation District
TMDL	Total Maximum Daily Load
USGS	United States Geological Survey
WRC	Water Resources Commission
WRIA	Water Resource Inventory Areas (State of Washington)