DRAFT

Policy Advisory Group Meeting 3
Integrated Water Resources Strategy
July 13, 2010 – Meeting Notes
Oregon Water Resources Department
Salem, Oregon

Staff and Speakers
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Katy Coba, Director, ODA
Roy Elicker, Director, ODFW
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Christine Svetkovich, DEQ
Bruce McIntosh, ODFW
Rick Kepler, ODFW
Ken Stahr, WRD
Alyssa Mucken, WRD
Dave Morman, ODF
Karen Homolac, OBDD
Rob Hallyburton, DLCD
Greg Verret, Benton County
Lisa Milliman, Marion County
Brent Searle, ODA
Melissa Leoni, OWEB
Tom Pattee, DHS-DWP
Kip Pheil, ODE
Cynthia Solie, Facilitator

Members
Patrick Griffiths
Eric Quaempts
Tod Heisler
Dennis Doherty
Todd Heidgerken
Teresa Huntsinger
Rick Wells
Jay Chamberlin
Kimberly Priestly (alternate)
Tracy Liskey
Mike Seppa
David Pilz (alternate)
Janet Neuman
Michael Campbell
Lorna Stickel

Members Absent
Bill Gaffi
Glenn Barrett
Peggy Lynch

Audience
Anita Winkler, Oregon Water Resources Congress
Christine Valentine, Governor's Office
Cyndi Lewis Wolfram, Clackamas River Water
Daniel Eisenbeis, League of Oregon Cities
Dick Springer, West Multnomah SWCD
Helen Moore, Water for Life
Jeanne LeJeune, Water Resources Commission
John Rehm, Rehm Geological
Karla Kay Edwards, Cascade Policy Institute
Karyn Hanson, City of Portland – BES
Leslie Clark, Central Oregon Irrigation District
Michelle Girts, CH2MHILL
Milt Larson
Natasha Bellis, The Freshwater Trust
Nitin Joshi, City of Salem
Patricia Holloway, Clackamas River Water
Phil Donovan, CTUIR
Yarrow Murphy

Agenda Item I, Welcome and Agenda Review
Following introductions, the meeting objectives and discussion topics were outlined by the meeting facilitator, Cynthia Solie.

Agenda Item II, Review of April 14, 2010 Meeting Notes
Meeting notes were reviewed and approved. PAG members offered the following suggestions for future meetings:

- Compile recommendations from each meeting into a separate document.
- Provide a synopsis of the presentations.
- Include a working table of acronyms that carries forward into each meeting.

Agenda Item III, Follow-up and Updates
(a) Revised "Decision-Making Process and Meeting Protocols"
The Project Team made changes to item C in the decision-making process document based upon member suggestions from the previous meeting. Some members expressed concern during the previous meeting regarding how recommendations would be shared with agency staff and the public. Section F of the PAG decision making process was revised to describe where the meeting notes will be posted and with whom they will be shared. PAG members were given an opportunity to comment on the changes. No concerns or issues were raised.

(b) Revised "Draft Policy Advisory Group Vision Statement"

Based on suggestions made during the last meeting, the Project Team revised the vision. Two options for the economy section were provided to PAG members for consideration.

> ***"Everywhere in Oregon, we see healthy waters, able to sustain a healthy economy and healthy lifestyles."***
>
> *Healthy waters*…are abundant and clean. They include fully functioning ecosystems, including headwaters, river systems, wetlands, forests, flood plains, estuaries, and aquifers.
>
> *A Healthy economy*… includes production of food, fiber, timber, and other essential materials, as well as healthy fisheries, industries, and urban economies.
>
> [Option #2]
> *A healthy economy*…is a diverse economy, nurturing and employing the State's natural resources and human capital to meet evolving local and global needs, and ensuring a desirable quality of life in rural as well as urban areas.
>
> *Healthy lifestyles*…depend on adequate and reliable water supplies for public health and safety, recreation, and sport.

PAG members provided the following individual comments on the draft vision:

- In the quotations, it is important to include a word like "environment" or "ecosystem."
- Change "Everywhere in Oregon," to "Everywhere in our State…"
- Use "cultures and communities" instead of "lifestyles." "Lifestyles" is a difficult word.
- In option #2, replace "ensuring" with "including" and "as well as" with "and."
- Favor option 2. Revise to read "a diverse <u>and balanced</u> economy."
- For the "healthy cultures and communities" definition, add <u>to sustain</u> public health, safety, <u>sustenance</u>, recreation, sport, <u>and other quality of life needs</u>.

Cynthia read the new version of the vision back to members: "Everywhere in our State, we see healthy waters, able to sustain a healthy economy, environment, cultures and communities." The Project Team will incorporate the other suggestions into the definition phrases and will bring a new version to the October meeting.

(c) Observations and Next Steps from the "12 Open Houses"

Brenda Bateman, Oregon Water Resources Department, provided a quick overview of the open house events. The public comments from each event are listed online. There were 11 face-to-face events and an online version titled "the 12th Open House," which includes the open house survey and presentation materials. Each meeting consisted of two sessions, both of which offered a brainstorming exercise in the classic sense. Comments were not prioritized during the events. There was no debate between participants and staff regarding comments made either. Some recurring themes arose as participants identified the water resource challenges facing their communities and the solutions the state should pursue. The Project Team, joined by regional staff, attended all of the open house events.

There was tremendous support from each community. Most of the PAG members were somehow involved as an event sponsor, participant, or providing a project display. Each community provided a professional pro bono facilitator, which was very helpful. Next steps for the Project Team include taking a statistical, quantitative look at the comments to identify recurring themes.

Christine Svetkovich, Oregon Department of Environmental Quality, was impressed by the diversity of the participants in nearly every forum. There were quite a few members of the public in attendance, many of whom mentioned seeing the event advertised in the newspaper. Many participants stayed afterward, asking staff questions about the maps. Many regional staff members experienced positive conversations with attendees. Christine felt that the open house events were an excellent display of how the natural resource agencies are working well with one another.

Some themes clearly stood out from each event. Many participants felt there was a need for homeowner education materials for water conservation, offering ideas as to where information could be shared with the public. Water quality was not consistently heard at each event, although conservation, storage, reuse, and the need for regional partnerships were themes commonly heard. Terms, such as conservation and reuse, were very generalized or mixed. A few interns are in the process of looking at conservation and reuse in more specific terms, to see how others have tackled some of these broad issues.

During the events, participants were provided with highlights from the 2008 OSU Roundtables. Participants were asked whether the same issues still resonated within their communities. In some locations, similar themes were heard along with some new ideas.

(d) Review of the Policy Advisory Group's two-year calendar

PAG members reviewed the two year calendar. The Project Team revised the calendar to combine discussion topics. The discussion for the fourth meeting will focus on policy, statute, and rule. The January 2011 meeting will focus on funding, education, and outreach. Combining these topics will allow more time to come to consensus and get comfortable with the draft recommendations in subsequent meetings.

Under old business, member Rick Wells noted that several conversations occurred during the January meeting regarding Section 44 of HB 3369 and whether or not this section mandated additional storage or resources of water. Rick believes that the bill requires an expansion of the resource and there was some debate over this issue on three different occasions during the first meeting; however, the comments were not captured in the meeting notes. Rick asked the Project Team to document this issue as part of the July meeting notes.

David Pilz expressed concern that the meetings tend to be backward looking or static. He asked the Project Team, wherever possible, to talk about opportunities and to start looking forward to develop new and innovative ideas.

Dennis Doherty asked if there is a statutory law regarding how agencies coordinate. He felt that it would be helpful to understand the common 'water' interest shared by natural resource agencies. Cynthia mentioned that this topic would be discussed during the meeting and may be expanded on in future meetings.

Agenda Item IV, A Look at Existing Plans and Strategies that Interact with Water
(a) Land-Use Planning and Economic Development (Presentation and Discussion)

Land Use Planning[1]
Rob Hallyburton, Planning Services Division Manager, Oregon Department of Land Conservation and Department (DLCD), discussed the structure of the statewide land use planning program. Water, both surface and subsurface, is a consideration for cities and counties as they work to implement their comprehensive plans. The Land Conservation and Development Commission (LCDC) sets the statewide land use policy, however, both DLCD and LCDC are not permitting agencies. Cities and counties complete the permitting process while the Commission acknowledges whether or not plans comply with the 19 statewide planning goals. Rob briefly outlined the various goals that mention the management or protection of water resources.

Rob provided a brief overview of "long range planning" and "current planning." Long range planning involves making policy based amendments to local plans. Water is a consideration, for example, local entities need to consider whether there is enough groundwater to support rural residential uses to avoid conflicts. Urban long-range planning is usually based on employment and population projections. It typically involves developing public facilities plans where water systems are addressed. Current planning is the permitting stage and is often driven by insufficient data, where little is known about water. Lack of data often leads to homeowners concerned and worried about their own water supply. Water quality is considered in both long range and current planning. For example, there is a heightened recognition of non-point sources of pollution in both long range and current planning stages.

Having sufficient data and information for local planners to base their decisions on is a key issue. County planners in rural areas need to consider whether there is enough water for both current and future users, however, it is difficult to do long range water supply planning.

Responding to Member Questions.
When urban growth boundary expansions are considered, the ability to serve expanded areas with water supply does influence the decision. Cities are required to accommodate their projected growth inside the urban growth boundary by providing an adequate amount of land. However, the goals do not require securing an adequate supply of water to provide for the ultimate buildout at the time the UGB is amended.

Rob also explained why few local governments have adopted land use restrictions in critical groundwater areas or groundwater limited areas as a way to curtail demand on the resource. Counties are longer required to do a periodic review, and as such, have not updated their plans to address critical groundwater areas. Other counties have little or no reason to consider protecting these areas because there is not much land left available for rural residential use.

Economic Development[2]
Karen Homolac, Brownfields Program Specialist with Business Oregon, briefly described the Comprehensive Economic Development Strategy and the role of Oregon Business Development Department (OBDD). These strategies are developed at the local level by Economic Development

[1] For reference, see pages 11-13 of the Planning Overview document.
[2] For reference, see pages 5-10 of the Planning Overview document.

Districts as a response to federal financing requirements. It is an important example of public and private coordination that also includes regional level work.

Karen described the history of the business planning process (economic recovery plans, Oregon Shines I-III, the Oregon Business Plan, and the Oregon Business Development Commission Strategy). These plans emphasize the importance of building a superior work force, attractive quality of life, and working toward an international frame of mind. In 2002, the Oregon Business Council developed the Oregon Business Plan where similar themes are mentioned (jobs, economic development, community development, sustainability, and the environment).

The Oregon Business Development Department is not a regulatory agency. Instead, OBDD assists communities with their economic and community development needs. OBDD does not address water directly from the point of view of quality and quantity; however, water is directly tied to the infrastructure needs of a community, where OBDD does play a role.

OBDD went through a realignment a year ago to better interact with businesses and communities. As a result, Business Oregon and the Infrastructure Finance Authority (IFA) were formed. IFA funds water and wastewater projects.

OBDD has identified water supply requirements for some industries. The food processing industry, which ranks fourth in water use, is looking for new ways to reduce water use and the disposal of wastewater through lean manufacturing processes. The campus-industrial-electronic and computer assembly industry has the highest water use, followed by high-tech manufacturing and heavy industrial manufacturing.

Karen responded to a PAG member comment by stating that Director Tim McCabe, Business Oregon, serves on a steering committee for the Oregon Business Plan.

Local Planning[3]

Lorna Stickel, Water Resources Planning Manager with the Portland Water Bureau, gave insight from her own planning experiences and provided three basic tenets.

1. Set up the framework for what the state wants to see in order to obtain credibility and clarity.
2. Consider, study, and implement innovative ways that resolve complex water issues that move beyond prior appropriation, but stay within the framework.
3. Facilitate local and regional efforts.
    a. Articulate the statewide interest.
    b. Set parameters for the local basin prerogatives, which is a currently a blurred area.
    c. Provide as much data observation and analysis as possible and rely on partnerships.
    d. If certain types of data are vital, at all levels, fill this need by setting limits on certain types of decisions. There are many instances where setting those limits was the catalyst for solving complex problems.
    e. Provide links to other agencies and programs.

[3] For reference, see Attachment 1.

f. Support funding for programs that involve the stakeholders. Provide more than just financial incentives. Relying on the local efforts builds trust, which is sometimes just as good as a loan or grant.
g. Support formation of partnerships.

Lorna also mentioned that there many lessons that can be learned from Metro and their urban growth boundary process for major cities. ORS 190 provides intergovernmental coordination, allowing various entities to share organizational structures and duties and work cooperatively on water issues. Lorna also posed a variety of questions for work on the strategy.

Benton County[4]

Greg Verret, Planning Director for Benton County, provided a county perspective on the relationship between water and the land use planning program. Most of Benton County's current planning is focused on development of rural residential land. There is not much land available for future commercial or industrial development.

Typically, water issues arise when a neighboring property owner is concerned about how a proposed use will affect their water supply. Benton County adopted a revised set of rules that addresses water in land development. There is a requirement to complete a pump test and a quality test when obtaining a permit to build a house. If a small-scale land division is proposed, there is a requirement to complete a 12-hour pump test while monitoring off-site wells. On large-scaled land divisions, it is necessary to conduct a full hydrogeologic study by qualified staff with an independent peer-review process. Benton County does not have the expertise to review these studies.

For long range planning, Benton County has a variety of programs related to water quality and quantity. Benton County is in process of completing a program to address riparian wetlands and streams. They are also focusing on temperature, bacteria, and mercury issues to meet TMDL requirements. The County is implementing a plan to decrease stormwater runoff. Benton County is also participating in the Benton-Lane-Linn Water Resources Study Group, a regional effort focused on issues and strategies affecting the area.

Recommendations for the IWRS:

- Build local capacity. The County lacks the capacity to deal with hydrogeologic studies or other complex issues.
- Improve coordination and collaboration. Water can be a highly controversial issue among neighbors. Look for ways to collaborate on all levels, including state and federal.
- Better data is needed. Groundwater data is often too regional or site-specific to be used broadly.

Marion County[5]

Following the morning break, members were provided an opportunity to ask Lisa Milliman from the Marion County Planning Division questions regarding their comprehensive plan. Lisa clarified that the County's groundwater level measurement requirement only pertains to limited areas and one area in Silverton; it is not a county-wide requirement.

[4] For reference, see Attachment 2.
[5] For reference, see Attachment 3.

Observations and Recommendations

Following the local planning presentations, members and staff provided the following individual observations and recommendations for the Integrated Water Resources Strategy:

- Recognize that urban water supplies protect public health. There is a rush to look at new and innovative strategies, although some of these strategies are not largely understood. How can public utilities remain whole and continue to protect public health as systems become more fractionated with individual, onsite systems? Secondly, when these individual systems fail, or deteriorate, who will provide the back up supply or fix the existing system? It is not the responsibility of public agencies. When bold new strategies are developed, keep in mind that the systems today work because of the economies of scale and the ability to protect public health.
- Currently, there is not a good way to assist individual, private well owners when issues arise. This issue should be addressed.
- Ensure that when new developments are considered, there is an understanding of where the water supply is coming from. This is a gap in the current system.
- The focus is on "where" development occurs, not "how" development occurs, which can lead to stormwater runoff issues. This issue is tied to the fact that Land Use Goal 6 has no rules for implementing it – this is a big gap. Many small cities in the state do not have requirements for stormwater management because they fall outside the stormwater permitting program.
- Local and state agencies should be able look at applications simultaneously to promote coordination, timing, and encourage feedback on processes. The IWRS could revisit the coordination process to identify opportunities for improvement.
- The strategy needs to address how the state is going to help provide the necessary data to make decisions. It is also important to determine ways for leveraging federal participation in data development.
- Water Management and Conservation Plans are limited to a certain set of large, urban users. Take a broader approach, stretching the planning process beyond WMCP's, possibly through basin planning.
- The strategy could direct DLCD to develop rules for Goal 6, for example, or develop rules that pull together land use and water supply issues, using the existing framework. This would create or allow for water planning at the local level, with assistance from the state, federal government, and other entities.
- Make sure the state utilizes data it requires from users. Water measurement has associated cost factors for users, from installation to replacement of worn-out devices.
- Urban growth with use of exempt wells is impeding on agriculture. Counties need to look at water in these areas, beyond just a glance. A 12-hr pump test is not sufficient to determine water levels, considering it can often take up to two months of pumping to determine impacts.
- Allowing or promoting individual, private water systems can result in catastrophic issues, such as groundwater contamination, that private owners cannot pay for. Counties and other local governments cannot pay for some of the new innovative ideas or strategies, either. As part of the strategy, ensure funding exists to implement strategies.

- One of the biggest trends affecting water is increased urbanization and turnover of farm lands. Consider the impacts of this trend and view it as a key intersection between county and urban land-use planning and water planning.
- A key piece and high priority of any planning effort should be to identify how we can invest in and work cooperatively with the agricultural sector to provide opportunities for all of us, including the new, emerging uses. The opportunities for creative water management lie within this sector. The state can have a role by creating the incentives (instead of more unfunded mandates and regulations) that help both the local and basin efforts. This can be done by providing the data and information needed to understand what practices to put in place in the agricultural sector that benefit multiple uses and that outline the associated costs and water available.
- There is a gap for determining what agency to talk to when dealing with contaminated private wells (nitrates) in rural residential areas. The Public Health Division will not provide recommendations on specific systems, only ideas. Some of the problems could be solved if the public knew where to turn for assistance.
- It may be appropriate to address land use practices that affect rural residential water quality during the long-range planning phase. This ultimately depends on whether water quality falls on the responsibility of the well owner or not.
- This strategy has to look at all of the scales for dealing with a particular problem, from managing water on an individual level all the way up to a large municipal provider. Better defining the multitude of special districts that manage water, in terms of their functions (how they are regulated and by whom), will help resolve some of the uncertainties discussed.
- Contaminated groundwater is largely left unaddressed due to an inadequate funding stream. It is necessary to find a way to finance these clean up efforts.
- Agencies need to be clear on what decisions can be made by data gathering efforts. Clearly communicate on what can be accomplished with the data. When agencies are not clear on the use of data (for example, water use data), agricultural users may view the data as a threat, such as a potential tax on the use. It is just as important to help the public understand what you are <u>not</u> going to do with the data.
- There is no process protecting existing underground injection control devices from new rural residential development. As exempt wells are drilled near these devices, cities are forced to spend thousand of dollars to decommission the device.
- We need to incorporate a strategy to secure adequate funding for the state as part of this planning process.
- It is important that WRD develops guidance and rules on winter flows and that the Policy Advisory Group reviews the products of the Ecological Flow Technical Advisory Group. (Note: The Project Team will arrange a briefing on this topic at the conclusion of the peer review process).
- Clarify whether the state or county wants the authority to regulate certain practices, such as exempt-use wells. This would help set some boundaries and possibly allow local governments the ability to regulate issues the state cannot address.
- The IWRS process should be the instrument that provides a means to bring all of the information together. There are integrated studies conducted at the local level with years of data that show improving trends. Bring this information together for all to benefit.

- Project-oriented data collection is a problem. Small groups are trying to meet data gaps without an overall focus on where to spend time and investments.
- Lack of funding available for monitoring a project after completion.
- Best management practices, such as micro-irrigation and other conservation measures, have changed the structure and function of riparian areas and aquifers. Define conservation in a way that assesses past practices, the current situation, and what direction conservation is headed.
- Quantity groundwater, especially considering the heavy reliance on this resource.

Agenda Item V, BBQ lunch provided for PAG members, staff, and presenters
Lunch was generously provided by The Freshwater Trust. Members of the audience were invited to join members and staff for lunch.

Agenda Item VI, A Look at Existing Plans and Strategies, continued
(b) Basin Planning in Practice (Presentation & Discussion)
Director Ward began the afternoon session by introducing Water Resources Department Commissioner Jeanne LeJeune. Jeanne attended to listen to the discussion on behalf of the Water Resources Commission.

Statewide Basin Planning[6]
Tom Paul, Deputy Director with the Oregon Water Resources Department, provided a brief overview of the Department's Basin Planning Program. With the exception of the Klamath Basin, all of administrative basins are included in the basin program. The 19 basin programs identify the uses that are allowed within a particular basin, stream, reach, etc. Adopted in rule, any changes made to a basin program must include a local hearing within that basin. For those applications requesting a use not allowed in the basin program, an application must go before the Water Resources Commission to request an exception to the program, thus allowing continued processing of the application. The Commission reviews an exception to the basin program on a frequent basis, with the Willamette Basin Program seeing the most activity. All of the basin programs were adopted prior to the water availability model, which has been in place for a number of years and is continually being refined.

The Department obtained input from a variety of users when developing the plans. The program itself serves as a good model. Minimum streamflow requirements were established in the basin programs, many of which have been converted to instream water rights. The minimum perennial streamflows that have been converted to instream water rights have a date of priority. The instream water right legislation required that minimum flow designations retain all characteristics when converted to an instream water right. Therefore, a number of the instream rights exist with priority dates from the late 1950's to 1960's. Today, there is a better understanding of the flows that need to be protected. The last major revision to a basin program occurred in mid-1990.

The group briefly discussed potential options, including repealing the basin programs, considering their outdated nature and use of the water availability model, or revising the programs to give more direction to local communities by identifying elements that need to be addressed to obtain funding. If the Department chose to rewrite or modify the basin programs, it would not result in a rewrite of water law. Rather than listing the uses that are allowed, the basin programs could identify prohibitive uses.

[6] For reference, see pages 14-17 of the Planning Overview document.

Deschutes Basin Planning[7]

Tod Heisler, Executive Director for the Deschutes River Conservancy, discussed how the Deschutes Water Alliance (DWA) could serve as a model for basin-scale planning.

Tod highlighted the key management realities facing the Deschutes Basin: fully appropriated surface waters, groundwater restrictions and the need for mitigation, municipal dependant groundwater systems, 303(d) listings, large irrigation diversions, scenic waterway flow requirements, Endangered Species Act issues, current and future growth, urbanization, and land use changes.

The Deschutes Water Alliance was formed to find opportunities where all of the uses, such as environmental flows, agriculture, and municipal uses, could be reconciled for mutual benefit. The DWA completed a handful of studies in 2006 that looked at the potential for irrigation conservation and efficiency, land use change, reservoir management, future groundwater demands, and the status of instream flows and water rights. A key conclusion from all of these studies showed that all needs up to 2025 could be met with existing water sources and water rights though water management and efficiency improvements. The DWA found that the Basin's water issues were not a situation of scarcity. The issues could be resolved by working together and focusing on the management of water.

For the IWRS process, Tod called for shared authority and responsibility at both the local and the state level to complete basin scale planning, noting that the IWRS planning should be done at a local scale, but it should be done with facilitation by the state. The strategy could help develop the right local capacity to organize, to continue meeting, and to work with the information to implement the solutions. To be a successful process, it has to originate at the local level, using a collaborative approach with all of the stakeholders involved.

The DWA quantified the needs in specific terms for each use and determined the unmet needs. It is important to be specific about water needs and work toward solutions that meet those needs. Tod called for proper incentives from the state and partnerships at the local and state level.

Patrick Griffiths, Natural Resources Coordinator with the City of Bend, provided members with ruminations from the Deschutes Basin.[8] Patrick thanked Tod for his leadership on various projects and for putting the "stream" in "instream," and for furthering the basin's lead on completed instream projects.

Limited Capacity for Coordination. It is difficult to create a "comprehensive water plan." The state does not have the resources to conduct basin level planning, and this should not be expected considering the financial situation. The local entities need to meet half way with the state to share the money and share the authority. Retaining the adult supervision from the state and the ability to incorporate local knowledge at the same time is important. Base funding is needed to get the work done and to keep people engaged and informed. Patrick's other comments included:

> *Lack of State Funding.* There is a leveraging shortage, not a funding shortage. Bring federal, state, and other funds together into one pool for projects. The goal is to make funding requirements less complicated and easier to manage while being able to meet everyone's objectives and needs.

[7] For the Deschutes Water Alliance summary document, see Attachment 4.

[8] For reference, see Attachment 5.

Speaking with One Voice. Agencies tend to operate in silos. Create a list of prioritized agency goals to streamline the regulatory processes and to keep projects moving forward with some certainty.

Utilize Existing Tools. There are some existing tools worth exploring that are not fully used or understood, such as Reclamation funding and the Conserved Water Statute.

Learn from Other Planning Activities. Patrick recommended reading the Ruckelshaus Center Report from 2007, titled Managing Many Waters - An Assessment of Capacities for Implementing Water for Fish Improvements in the Walla Walla Basin[9]. The Washington Planning Act (see their website) includes a framework that allows well organized projects to move forward quickly and there may be some things to learn from their process.

Both Tod and Patrick responded to the following questions:

Define "Shared Authority." Tod clarified that it would be the state's authority to create the framework, defining the direction, and then delegate authority to the local level for planning and implementation.

How do Watershed Councils differ from Basin Planning Groups? A "basin planning group" should build upon the structure and function of watershed councils and/or soil and water conservation districts. However, these entities often struggle with funding, function at a small scale, and their capacity varies across the state. It will be important for the IWRS to go beyond the capacity of a watershed council and may be able to do so with a basin group.

Will you Revisit Plans? The Deschutes Basin has done a lot of planning, and will need to revisit the plan occasionally. The first effort was driven by professional staff with very little interaction with decision makers, planners, or elected officials. More people are coming together at a higher level, expanding the Deschutes Water Alliance members by including county government and elected officials. DWA wants to prove that the water issues facing the basin are due to allocation issues, not scarcity.

It is unlikely that many of Oregon's comprehensive land use plans have changed much related to water in the last 20 years. Every land use decision will create or use a water supply and affect water quality is some way. Counties are struggling with insufficient data and resources, making it important to develop a framework that allows local planning groups to send studies, reports, and data to the land use decision-makers.

Director Coba, Oregon Department of Agriculture, reminded everyone that the relationship between the county and the state has not always been a positive one, especially when the state dictates mandates for the county with little or no resources available. She encouraged the IWRS efforts to move beyond some of the pitfalls of land use planning and to focus its energy on areas that are beyond planning.

How the Deschutes Differs. A few pieces in the Deschutes model make it unique and not necessarily transferable to every basin. Smaller farm sizes resulting from urbanization, combined with less valuable agricultural lands, present opportunities within this basin that may not exist elsewhere. The Deschutes

[9] Available at http://ruckelshauscenter.wsu.edu/about/documents/ManagingManyWatersFinal91007.pdf

also has irrigation district water rights with 35-45 percent losses assumed in the decree; this poses opportunities for voluntary re-allocation.

Umatilla Basin Planning[10]

Eric Quaempts, Natural Resources Director for the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and a voting member/tribal representative for the Oregon Watershed Enhancement Board (OWEB), briefly described the tribe's water rights settlement work and the development of the Umatilla River vision.

Eric agreed with earlier comments that basin-by-basin planning is a good scale. However, some of the basin plans are outdated and WRD is faced with funding challenges. This makes it even more important to pool resources, which should be the nature of any integrated plan.

Water Rights Settlement Work. Water rights settlement work is important and includes identifying opportunities, leveraging funds, and understanding the intersection between agriculture and other uses. The Tribes are working to settle water rights in the Umatilla basin by engaging with the agricultural stakeholders, finding opportunities to leverage federal funds, all with an eye on keeping the water rights whole in the basin.

There is a similar process in the Walla Walla Basin to restore streamflows in the basin while taking care of agricultural producers through the Columbia River Exchange Project (similar to the Umatilla Project). This is a process where all of the stakeholders are at the table working together.

The Need for a Vision. The "Managing Many Waters" document mentioned earlier clearly identifies the need for a vision. CTUIR developed a Umatilla River Vision, a potential model for the IWRS, that includes the associated benefits, the implications of the vision that highlight decision tradeoffs, and information needs to achieve the vision that inform the work of responsible institutions. Using this model, an IWRS vision could help allocate the workload.

Include the Oregon Watershed Enhancement Board. OWEB could be an important part of the strategy, as it provides funds to restore habitat, benefiting water quality and quantity, and fund to acquire land and water rights. OWEB should be included in the IWRS discussions.

Walla Walla Watershed Management Partnership (W3MP.) Eric responded to a question regarding the W3MP by explaining that the Washington Department of Ecology delegated a limited set of authorities for water banking in the basin for a trial period of 10 years. It allows users to manage water differently by leasing water instream and changing points of diversion without fear of losing water rights. The program poses a creative and low cost alternative to creating instream flows. David Pilz felt the W3MP process presents an interesting model as the IWRS considers basin planning, possibly using a basin as a laboratory to try new ways of managing water.

Observations and Recommendations

Following the basin planning presentations, members and staff provided the following observations and recommendations:

[10] For reference, see Attachment 6.

- Conduct pilot projects that test the boundaries of existing state statutes.
- Conduct a periodic review of basin plans.
- Engage the elected officials to ensure that studies and analyses are incorporated into planning processes.
- Consider land use protection for storage sites to ensure existing reservations of water can be utilized.
- The Basin Program is integrated in many ways, considering both fish needs and water quality needs.
- Promote cooperative efforts between agriculture and the environment. There is no need to take a regulatory approach or require the agriculture community to pay the full expense of water conservation.
- Inform and report to elected officials in a formal way, early on. This makes a huge difference that results in a willingness to take action, make decisions, and secure funding.
- Projects have typically followed the dollars and not priority lists, leading to fragmented efforts.
- Integrate the concept of basin planning with TMDL implementation.
- To focus on basin planning, the state will still need to set the framework and limitations with all relevant stakeholders at the table. An assessment of each basin could determine how much state oversight is needed, as it will vary among basins. Authorities vary among basins, and some may need additional authorities.
- The Klamath Basin Restoration Project is a multi-state effort that shows how cooperation can work. If it can be done in the Klamath, it can be done under the IWRS.
- There is an opportunity in every basin (not just in the Deschutes) to find incentives to work collaboratively and innovatively.
- Every basin is unique. Providing additional authority, additional flexibility, and additional opportunities to allow basins to solve their unique issues in unique ways will lead to innovation, something one hopes to see when looking back 50 years from now.
- The state's role is to facilitate, to be the convener that brings everyone together. This approach will ultimately lead to putting together a plan that fits the local context.
- Capture already existing work, such as The Oregon Plan, 1997 Task Force recommendations, etc., in any statewide framework.
- The "common sense approach" is being lost at the local level (planners, fish biologists, CAFO inspector, etc) because nobody wants to make hard choices, which leads to no progress at the local level. Bureaucracy at the local level is part of the problem that exists today.
- It would be useful to have a summary comparison of the basin programs (note: this doesn't exist today).
- Tom Paul explained that the work in the Walla Walla Basin is a good example of the states of Washington and Oregon, CTUIR and the federal government working together to look at the basin from both sides. The work Oregon has been doing with tribes and irrigation districts has resulted in increased streamflows at the state line, however, Washington does not have statutory ability to protect that flow for environmental needs. Everyone continues to work closely to resolve this issue. Eric added that there is value to integrating the tribes as a way to protect these instream flows.

- Christine Svetkovich took the opportunity to inform members that DEQ is close to meeting a 10-year completion schedule for the TMDL Consent Decree, becoming the first state in this part of the country to meet the Consent Decree deadline. In doing so, DEQ will have completed 1,136 TMDL's by the end of 2010. In anticipation of meeting that goal, DEQ is beginning to shift their focus to basin planning, by taking a more holistic approach. DEQ will work to align water quality assessments, monitoring, permitting, and TMDL programs into a basin context.

Agenda Item VII, A Look at Existing Plans and Strategies continued
(c) Statewide Planning Efforts, Presentation & Discussion

Water Quality Plans and Strategies[11]
Christine Svetkovich, Water Quality Policy Analyst with the Department of Environmental Quality (DEQ) spoke briefly about the Department's water quality work. DEQ does not have an official water quality plan for Oregon. However, the implementation of the Clean Water Act and Safe Drinking Water Act through monitoring and assessment, coordination with other state agencies (ODA, ODF) and municipalities does demonstrate a plan to protect water quality. DEQ addresses water quality for both surface water and groundwater with standards to protect all beneficial uses, such as the protection of drinking water and protecting water for fish and aquatic life.

Monitoring and Coordination with the Water Resources Department. DEQ regional offices monitor for water quality, working closely with the Water Resources Department in both field work and permit review.

Instream Water Rights Plan. DEQ does not have a current plan for applying for additional instream water rights. DEQ submitted permit applications for a few in the 1990's, all of which were approved. DEQ has not applied for any water rights in recent years. Recently, DEQ has re-opened discussions with ODFW and OWRD to determine whether it makes sense to apply for new water rights to protect water quality.

Total Maximum Daily Load (TMDL) Coordination. Director Coba (ODA) directed members to page 21 of the planning overview document regarding TMDL implementation. The Department of Agriculture and the Department of Forestry help DEQ implement these plans and there is a close working relationship among these agencies on water quality issues.

Drinking Water Coordination. DEQ also coordinates with the Department of Human Services to implement the Safe Drinking Water Act. Tom Pattee, Groundwater Protection Coordinator, explained that DHS's Drinking Water Program functions to help public water systems protect drinking water supplies for the future. Responding to a question, Tom noted that the municipal drinking watershed maps and source water assessment reports for all of public water systems in the state can be found online at DEQ's website.

Onsite Septic Systems (Discussion with PAG members and staff). DEQ sets the standards for these systems; however, there is a shared responsibility for managing them. When DEQ approves an individual septic system that uses an alternative treatment technology, an agreement is made with the landowner to ensure those systems are maintained. Onsite systems are comprehensively regulated by DEQ. In some

[11] For reference, see pages 20-22 of the Planning Overview document.

cases, DEQ enters into contracts with county staff for installations or inspections. In other cases, DEQ directly regulates the installation.

Graywater Coordination. DEQ is currently working with a Graywater Advisory Committee to develop rules for graywater use. In situations such as this, state agencies often act as an arbiter between those that promote the use of emerging ideas, such as graywater systems, and those that need to ensure state and federal laws are complied with and public health and the environment are protected.

Oregon Board of Forestry Strategic Planning[12]
David Morman, Director of the Forest Resources Planning Program with the Oregon Department of Forestry (ODF), briefly described the Board of Forestry and its strategic planning process.

Board's Mission. The Board of Forestry's mission is to implement policies and programs that promote environmentally, economically, and socially integrated and sustainable management of Oregon's public and private forests. Every eight years, a strategic planning document known as the "Forestry Program for Oregon" is prepared and addresses the Board's vision, goals, and objectives. This planning document is the foundation for decision-making, serves as a good blueprint for others to understand the Board's focus, and helps to keep forest management on course.

Achieving Goals and Objectives. The Board has no direct authority over the federal government, which manages sixty-percent of Oregon's forestland. However, the Board, federal government, and DEQ all interact to protect water quality. The Board has articulated seven goals to achieving sustainable forest management; one goal is to directly protect, maintain, and enhance the physical and biological quality of soil and water resources. The Forestry Program is being updated and now is a good time to get engaged.

Maintaining Forests and Forest Ecological Processes. Maintaining forest land and forest use is one of the important ways to protect water quality. However, conversion to other uses and disparity in land values present challenges to achieving this. Often, the amount of money one can earn from forest management is outweighed by profits from development. ODF continues to learn more about the ecological processes that keep forests healthy and looks for ways to incorporate a more dynamic view that accounts for natural disturbance events.

Water Quality Indicators. After working with the public, the Board has endorsed 19 indicators for sustainable forests management, three of which address water quality protection. Data from DEQ is used to inform two of those indicators (water quality in forest streams and biological integrity of forest streams) and the Board is trying to secure funding for the third indicator (forest road risks to soil and water). The Board of Forestry continues to place an emphasis on improving water quality.

Recommendations from David Morman:

- Recognize and use the Board of Forestry's strategic policy and technical framework for promoting environmentally, economically, and socially sustainable management of all Oregon public and private forest resources, including water;
- Promote research, assessments, inventories, and monitoring work that informs the Oregon indicators of sustainable forest management;

[12] For reference, see pages 30-32 of the Planning Overview document.

- Support adequate funding for administration of the Oregon Forest Practices Act (including compliance and effectiveness monitoring), the Oregon Watershed Research Cooperative, and implementation of the recommendations of the Board of Forestry's Federal Forestlands Advisory Committee;
- Support adequate Department of Forestry funding for participation in land use planning policy development and statewide forest resources assessments;
- Encourage ongoing public agency, private organization, and individual citizen participation in the Oregon Roundtable on Sustainable Forests; and
- Continue to support the Oregon Plan for Salmon and Watersheds.

Oregon Department of Fish and Wildlife Plans and Strategies[13]
Bruce McIntosh, Fish Division Deputy Administrator for the Oregon Department of Fish and Wildlife provided an overview of the Oregon Conservation Strategy, conservation and recovery plans, and the role of the agency.

The Oregon Conservation Strategy. Adopted in 2005, the Strategy is a broad, conceptual framework that includes tool kits and decision processes for determining where to invest time and resources. It addresses issues that affect a multitude of species, such as land use change, invasive species, disruption of disturbance regimes, barriers to movement, water quality and water quantity. Much like the Oregon Plan for Salmon and Watersheds, the Strategy has cooperative conservation at its roots, with both public and private industries involved. The Oregon Conservation Strategy is being revised to incorporate habitat conservation, ESA recovery plans, and climate change. There are many institutional barriers to voluntary conservation (permitting, funding, and cooperation) needing to be addressed.

Conservation and Recovery Plans. In the next three years, ODFW will complete recovery plans for all anadromous fish, focusing strongly on priorities to maintain or restore a population. Water is an integral part of the planning process, playing an essential role in the Mid-Columbia Steelhead Plan, for example. Current lack of data forces ODFW to take a precautionary approach to resource management.

Implementing Plans. ODFW manages fish and fish hatcheries; however, ODFW only plays an advisory role on water issues. The IWRS could help integrate the needs of fish and wildlife, looking at how water is allocated and used, and develop better tools for management.

Group Discussion. Even with a decade of planning, it still difficult to get the hard numbers on the fish needs. It is much easier for the farmer or the municipality to quantity its needs. In order to engage in productive negotiations and cooperative conservation, we need better information.

Most of ODFW's funding and efforts focus on anadromous fish. However, the state needs to address resident fish needs as well, such as Rainbow Trout in the Deschutes Basin. It is a daunting challenge to figure out fish needs everywhere.

Cynthia offered members the opportunity to ask questions of staff from any of the state agencies present.

[13] For reference, see pages 23-25 of the Planning Overview document.

Kip Pheil, Senior Policy Analyst with the Department of Energy, provided some insight on the agency's role. The Department of Energy is primarily not regulatory as most of the programs are designed to provide technical assistance and incentives for projects. The Department staffs the Energy Facility Siting Council (EFSC), which oversees potential impacts for new projects. The Department does not have any programs directly related to water issues or water use.

(d) Discussion of other plans and planning efforts

PAG members and staff took the opportunity to discuss other plans at the local, state, and federal level.

Water Management and Conservation Plans (Pro's and Con's)

- Stakeholder participation in the program is good.
- Guidebooks have been developed for both municipal and agricultural plan development.
- This is a planning tool that allows users to access water rights.
- The efficacy of these plans is mixed, depending on whom you talk to. It can serve as a valuable planning tool.
- The WMCP process requires participants to address certain elements, but it is not prescriptive.
- There are opportunities for the public to comment on and protest the plans.
- One of the few statutes on record that takes the planning perspective.
- Mechanisms to revisit and evaluate the plans include 5-year benchmarks and 10-year updates.
- These plans help entities look forward, unlike the basin plans.
- WMCP's help to inform the water master plans developed by municipalities and agricultural water providers.

Jay Chamberlin, Owyhee Irrigation District, described the District's work on its Agricultural Water Management and Conservation Plan, which has been in place for 6-7 years. Entities that offer grants often ask whether the District has completed or implemented a plan. As a Bureau of Reclamation project, the District is required to keep its plan up to date. The plan has been instrumental for setting and implementing District goals. The District is currently updating its Water Management and Conservation Plan.

Integrate Local Efforts. Watershed councils throughout the state are completing watershed assessments and there is a large amount of information contained in these. Does the information gathered from these assessments inform state level plans? This information could be used to make plans more complimentary.

Integrating Existing Management Directives. There are many management directives that can be enhanced through the IWRS process (protection of peak flows, basin wide efficiency standards, instream water rights, designations of serious water management areas, measurement, etc).

Mitigating for Habitat Conservation Plans. The Deschutes Basin must address federal Habitat Conservation Plans and its mitigation process, another example of meeting multiple data requirements. Before adding another data layer, regulators should consider a consolidated approach that achieves multiple goals. The IWRS could establish a structure that addresses multiple needs and requirements.

Examining the Plans of Other States. The Water Resources Department has already started the process of learning from other state planning efforts, by bringing colleagues in from other states and asking them to

comment on process and content. Through the IWRS, the Project Team is now revisiting those plans to look at certain issues, such as water conservation, water reuse, incentives offered, grants and loans programs. Staff members are also working to identify how well these plans are being implemented.

Tualatin Basin Integrated Water Resources Plan. Although it may not be transferable to every basin, this effort serves as a good example of how various entities came together to address agricultural needs, municipal flow needs, and instream flow needs. This planning process was lucky enough to benefit from readily available funding.

Federal Efforts

- The U.S. Bureau of Land Management and U.S. Forest Service own and manage many lands in Oregon with their own mandates and goals that do not always mesh with the state.
- Many entities are working on climate change, It is important to be aware of these efforts (e.g. EPA's climate change modeling in the Willamette Basin, Regional Climate Center - NOAA, Oregon Climate Change Research Institute, University of Oregon work, EPA's Climate Ready Utilities, etc.). The state's planning efforts will be deemed irrelevant if they do not consider climate change efforts.
- The IWRS process needs to dovetail with federal efforts and leverage funds.
- People are preparing for Columbia River Treaty negotiations, which currently focuses on flood control and power production. How will Oregon seek or identify water for consumptive and instream purposes?
- The U.S. Environmental Protection Agency has a fully staffed office working on ecosystem service market issues.
- Take an inventory of all of the funding programs going on, even the federal efforts, that could be used, and talk about this at our funding meeting. Congress Earl Blumenauer had introduced federal legislation to revitalize water infrastructure. Look broadly when talking about funding.

Toxics Reduction and Pollution Prevention Plans. DEQ is developing an agency wide plan to address toxics reduction, looking at all sources from land, air, and water. The U.S. Environmental Protection Agency also has a Columbia Basin Toxics Reduction Strategy, which DEQ is involved in. Through the IWRS, there may be opportunities to coordinate on funding for such an effort. The IWRS should keep an eye on the pollution prevention plans required through SB 737 (2009), which requires the 52 largest municipal waste water treatment plants to develop plans to address 117 priority persistent pollutants by July 1, 2011.

Agenda Item VIII, Public Comment

Cindy Lewis Wolfram, Board Member with Clackamas River Water (CRW), felt the meeting had been very informative and appreciated having the chance to listen. The board members of Clackamas River Water want to be engaged throughout the process, and feel that a cooperative approach statewide, both regionally and local, is needed in order to take an actionable agenda. CRW expressed interest in participating in review of rules and statutes. Cindy encouraged the IWRS to include a wider outreach effort by including the local water providers. The outreach conducted over the past five months has been very important to making sure the plan goes forward. Cindy provided a letter from the CRW Board to the IWRS Project Team.

Brenda mentioned ways to stay engaged in the process, such as visiting the website, joining the listserv, or attending Water Resources Commission meetings. The Project Team recognizes that not everyone can make every meeting. IWRS staff meets regularly with the Oregon Water Utilities Council, providing updates on the IWRS process. Lorna Stickel noted that the IWRS Project Team will also brief the Regional Water Providers Consortium members in October.

Patricia Holloway, Board Member with Clackamas River Water, asked whether the strategy was accumulating information on the various studies conducted throughout the state. Clackamas River Water is funding a carbon study on the Clackamas basin and she wondered whether this scientific information would come together in one place through the IWRS. Brenda shared that the natural resource agencies have been working to bring various information and data together and that any help or resources to obtain local planning efforts or studies would be appreciated.

Karla Kay Edwards of the Cascade Policy Institute commended the IWRS efforts. Karla stated that human capacity is a constraint in rural communities. There are a lot of processes that are causing fatigue among the locals and volunteers. She encouraged IWRS staff not to reinvent the wheel and to avoid creating another drain on human capacity. Karla suggested providing incentives, for example, if a community does partake in the statewide strategy, the state could grant some local authority or local power to that community. This would provide certainty for residents and the ability to implement a plan they helped put together for their community. Karla mentioned that the funding reauthorization for OWEB is quickly approaching and encouraged the Project Team to explore how it fits with the Integrated Water Resources Strategy.

Jeanne LeJeune, Water Resources Department Commission member, thanked members of the group for their time and recognized their efforts to participate in the IWRS. She noted that the Commission is looking for the Group's policy ideas and suggestions.

Agenda Item IX, Other Business
Lorna Stickel drew the Group's attention to the recently released League of Women Voters' Part II Water Study, noting it was a nice piece and commending the League for its work. There were some ideas in the report that could be useful to the IWRS.

David Pilz said that The Freshwater Trust was happy to contribute to the BBQ and hoped that everyone enjoyed it. The Freshwater Trust would like to host another BBQ in a more social setting. The Project Team should consider a meeting in the Trusts' Portland office to facilitate a social event.

Tracy Liskey suggested expanding future PAG meetings to a two-day period, allowing members to get further into discussions without feeling pushed or rushed. Tracy expressed his interest into looking at opportunities rather than spending more time focused on what has already been completed.

Agenda Item X, Meeting Recap and Feedback
Edits to the PAG meeting protocols are complete. A revised vision will be brought to the next meeting as well as more detailed information about open houses results. The next meeting will be held October 6, 2010 with a focus on policy, programs, statute, and rule.

Agenda Item XI, Adjourn
The meeting adjourned shortly after 4:30 p.m.

Working Acronym List

Acronym	Description
CTUIR	Confederated Tribes of the Umatilla Indian Reservation
DEQ	Oregon Department of Environmental Quality
DHS – DWP	Oregon Department of Human Services – Drinking Water Program
DLCD	Oregon Department of Land Conservation and Development
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
IFA	Infrastructure Finance Authority
Members	Policy Advisory Group Member
OBDD	Oregon Business Development Department
ODA	Oregon Department of Agriculture
ODE	Oregon Department of Energy
ODF	Oregon Department of Forestry
ODFW	Oregon Department of Fish and Wildlife
ODOT	Oregon Department of Transportation
OPRD	Oregon Parks and Recreation Department
OWEB	Oregon Watershed Enhancement Board
TMDL	Total Maximum Daily Load
WRD, OWRD	Oregon Water Resources Department