Equitable Distribution of Water Phase One Report

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Our Charge

- Work with affected communities to assess and rank apportionment methodologies
  - Phase 1: Conduct stakeholder interviews to learn issues & draft recommended approach
  - Phase 2: Conduct fact gathering & analysis with outreach and stakeholder input
  - Phase 3: Prepare recommendations for Board
Our Goals for Today

- Provide Update on Phase One Approach
- Share With You Our Key Findings
- Propose Recommendations for Moving Forward With Phase Two
- Engage Your Comments and Questions

A Brief Reminder of Our Team

- Michael Hanemann
  - UCB Professor, Ag and Resource Economics
  - Has taught, researched and consulted on economics of water for 35 years
  - Lead: Technical Analysis

- Bennett Brooks
  - Senior Associate, CONCUR, Inc.
  - Oversees processes to integrate public input into complex resource-related decisions
  - Lead: Public Involvement Process
Our Overarching Approach

- Provide independent, neutral perspective
  - Use economic insights and approaches to resolve conflict
  - Engage affected public in effective and credible discussions
  - Drawing on our past experiences and unique local perspectives, devise creative options capable of supporting the equitable and sustainable distribution of water

Our Approach to Phase One

- Approach
  - Conduct confidential background interviews with diverse set of stakeholders

- Intent
  - Gather background information to inform recommended approach to fact gathering, analysis and public involvement (Phase Two)
More Specifics on the Interviews

- Interviewed 30 individuals
  - Farmers, businesses, local government, others
    - Range of perspectives sought
    - Didn't strive for precise numeric parity
    - Unable to interview some farmers - legal constraints
  - Range of topics covered
    - Issues related to equitable distribution of water
    - Strategies to support effective public involvement

More Specifics on the Interviews

- Highly productive
  - Interviewees forthcoming with their time and perspectives
  - Interviewees appreciative of this effort
  - Generated important guidance
    - Four primary findings
So What Did We Learn?

- Finding One: Widely Shared View of Current Needs and Constraints
  - Commitment to keeping Valley economy vibrant; farming sector must stay strong
  - Reliable water supply seen as critical; District needs to preserve its senior water rights
  - Interest in moving past old divisions
  - Desire for greater input into District decision-making

So What Did We Learn?

- Finding Two: Complex Picture Around Apportionment Methodologies
  - No effective method in place now to handle situations where water demand outstrips supply
  - Four primary options for apportioning water
    - Straight-line, historic use, crop-based, assessed valuation
    - None seen as able to treat all users fairly in all instances
    - Likely common facets to all (i.e., intra-district water bank)
  - Preferred approach will best maximize certainty of supply, provide flexibility, minimize gaming
So What Did We Learn?

■ Finding Three: Key Areas of Disagreement
  ■ Consideration to be given to landowners versus tenant farmers?
  ■ If an intra-district water bank is used, how do you ensure it is fair?
  ■ Litigation creates uncertainty on timing: introduce apportionment now or wait until lawsuits resolved?

So What Did We Learn?

■ Finding Four: Generally Consistent Views on Public Outreach Needs
  ■ Mix of outreach approaches needed
    ■ Workshops to seek broader input
      ■ Vary locations and times, consider Spanish-language translation
    ■ Standing work group to integrate ideas
      ■ Consistent participation across diverse groups
      ■ Primarily, but not exclusively, ag participation
      ■ Participants able to engage in constructive dialogues
      ■ Meetings strongly facilitated; open to public
    ■ One-on-one outreach, as needed
Phase Two Recommendations

- General Considerations in Moving Forward
  - Undertake analysis that identifies strengths and weaknesses of each possible approach and examines potential mitigation strategies
  - Launch public involvement effort capable of soliciting input and fostering focused discussion
    - Ensure all voices heard, inform analysis with best information, narrow areas of disagreement
  - Foster link between stakeholder discussions, our analysis and any future Board deliberations

Our Recommendations

- Proposed Analytic Approach
  - Intent
    - Tease out pros and cons of each possible apportionment methodology and identify mitigation potential
Our Recommendations

- Proposed Analytic Approach
  - Focus on four basic apportionment methods
    - Straight-line, historic use, crop-based, assessed valuation
    - Explore variants and combinations of these methods
  - Examine impact on various water user types
    - Make likely consequences to different water user types and the District itself as tangible as possible
  - Identify strategies to mitigate negative aspects
    - Unique to each approach
    - Cross-cutting features (e.g., intra-district water bank)

Our Recommendations

- Steps in Analysis
  - Identify different types of farms to be considered
  - Identify alternative District water supply scenarios
  - Develop spreadsheet model of water use, crops and farm economics for each farm type
  - For each candidate apportionment method, identify:
    - Impact on costs and profit to each farm type
    - Impact on M & I users
    - Impact on costs, revenues and overall water use of IID
    - Ease, practicality and affordability of implementation
    - Flexibility afforded to both farmer and to IID
  - Identify and test variants to mitigate adverse aspects
Our Recommendations

- Proposed Public Involvement Approach
  - Intent
    - Ensure each step in analysis is informed by thoughtful consideration of stakeholders' perspectives and relevant information
    - Rely on mix of outreach strategies
    - Narrow areas of disagreement

Our Recommendations

- Proposed Public Involvement Approach
  - Public workshops
    - Three sets of workshops
      - One to introduce project, one after initial review of each methodology and one to discuss draft recommendations
    - Each workshop to be offered in two locations
      - Times of day and days of week varied
    - Spanish-language translation provided at first set of workshops; additional needs to be determined
Our Recommendations

- Proposed Public Involvement Approach
  - One-on-one outreach
    - As necessary, arrange one-on-one conversations and briefings with various interest groups in the District (e.g., Farm Bureau, municipalities)
Our Recommendations

Overall Workshop and Work Group Schedule

Sept  Oct  Nov  Dec  Jan  Feb  March

△ = Public Workshops
○ = Work Groups
○ = One-on-one briefings, as needed
○ = Final Recommendations

Our Final Thoughts

- Committed to managing process that:
  - Ensures farming interests have strong input
  - Ensures community at-large is aware and participating
  - Provides us with informed sounding board
  - Creates atmosphere that builds understanding and promotes identification of sound solution
  - Facilitates development of strategy based on the best available information and analysis, and capable of being broadly supported