

**Western Governors' Association
Plenary II – Managing Water in the West
Monday, June 30, 2008**

Transcript of Duane Smith, Executive Director, Oklahoma Water Resources Board

First of all, how honored I am to be here on behalf of the Western States Water Council and certainly from Oklahoma. Coming to talk to Governors like this is certainly intimidating and will always be, I believe, one of the most memorable events in my career as Director of the Oklahoma Water Resources Board.

Governor Napolitano, two years ago you made it a priority for water and the Western States Water Council was so excited because of that initiative by the Governors. We knew that you knew it was important but, you challenged us to come back to you with the report that outlined some strategies that we think are important for us to move forward. So, we appreciate that. We know that that's going to continue and we look forward to implementation of the report.

There're a number of things in the report that are very good, meaty recommendations on, as Brad talked about, the conversation and re-use and water infrastructure and climate change and settling Indian water rights claims so that we have, we remove the cloud off of water rights claims throughout the West. But I'm going to base my discussion primarily on three centerpiece recommendations that we think are imperative that we adopt and embrace and discuss to make it easier to implement all of the other recommendations.

A little bit of background. Water quantity laws in the West were primarily developed to provide for an organized way to have economic development. It was a way in which we were going to place water to beneficial use. We wanted people to come to the West. We wanted to develop our resources, and we wanted economic development to happen. And they were not there to provide for sustainability or environmental protection. When all of our laws were formed on the water quantity allocations, we didn't have a Clean Water Act or and Endangered Species Act. Now, we understand that as water managers that was a very difficult paradigm to change. People had placed that water to beneficial use. People had invested in infrastructure. We had built reservoirs, farmers had put irrigation systems in place and it was very difficult, we didn't understand exactly how to change from a paradigm of purely "economic development and place" water to "beneficial use" to a balance.

But we now understand that a reliable water supply for the future not only is development of those supplies but it is also a balance of environmental protection. The private property rights aspect that we're so proud of, I know in Oklahoma, Texas, we're so proud of that private property right that if you own land you can use water underneath that land. That private property right comes with a lot of accountability. Private property right doesn't mean that you can up your neighbor or dry up your spring or dry up the springs that flow downstream from that.

So let's talk about then the three center piece recommendations that the Western States Water Council would like to highlight in this particular report. We would like to *establish a Western States Federal Advisory Support Team* and we call this West Fast. The number of organizations across the United States -- the Chesapeake Bay has a federal advisory commission that is a group of states and governors -- that come together to address issues there. There's the Gulf of Mexico, there's several of these. We believe this is critically important for the Western States because what it does is it is going to focus the federal government in a different way. We have to change the way the federal government interacts with the state.

Each federal agency will have a representative that will meet and coordinate with a person who will be hired, paid for by the federal government. In our particular case it will be the Corps of Engineers. And that person will have an office in our Western States Water Council office in Salt Lake City. The purpose of that is to coordinate activities and policy discussions that the federal agencies are having on water policy with the state. We believe that that gives the Western States a focal point in which we can interact on entry level policy discussions with the federal government. This liaison person we think will facilitate collaboration.

The second centerpiece recommendation is we believe that *WGA should urge congress to require federal water resource agencies to include integrated water resources planning and assistance as one their primary missions*. The reason that this is so important and I want to give you an example of the Corps of Engineers. As we look at the Oklahoma Comprehensive water plan in Oklahoma -- and we are going through our congressional delegation through the water bill to authorize funding for comprehensive water planning when it gets to OMB -- the administration does not fund that particular activity because it is not in the Corps mission statement. So consequently what happens then is the federal agencies go to project specific implementation. This leads to inefficiency. Sometimes we believe it's the federal government's a nickel to trying to control our dollar. We want the states to be the lead.

Now we also understand in this process that the federal government has a point. When I talk to EPA, they believe that if we would have left it to the states, we would have never had a Clean Water Act. We would never have been able to clean up the pollution and had the success in pollution cleanup and control that we would had, had there not been federal oversight. Certainly I believe that there is a role and there has been a role for unique federal policy to address those issues. But now the paradigm has to change. To change from federal oversight to a partnership. That partnership with the states and federal government.

Change the way water planning is conducted by encouraging more comprehensive plan development under state leadership with federal assistance. We believe this will reduce inefficiencies caused by the present mode of project specific responses to competing demands -- contradictory actions by multiple, state, local and federal water agencies and hastily conceived reactions to the latest real or perceived crisis. We believe these types

of fundamental changes in the way federal government acts will go a long way toward clearing the path toward implementing the recommendations that are in our report.

Let me give you an example about climate change. We have the Corps of Engineers, the Bureau of Reclamation, EPA, NRCS, NOAA, USGS, US Fish and Wildlife all with priorities about addressing climate change. It's very difficult for a water manager to understand how these federal agencies are going to study, analyze and prepare implementation that we can use as a water manager on the ground to address climate change. We think that that needs to be a coordinated federal effort. If it's not, it will lead to inefficiencies.

Each one of these agencies, I would say have their hearts in the right place. They want to address climate change; they understand the need to do that. They want to put things in place but when you have different federal agencies with different laws, different people, different priorities, different ways in which we do business, different strategic plans, it makes it very difficult then for a coordinated effort to come down to a water manager on how they are going to protect and create a reliable water supply for their particular states.

The third centerpiece recommendation if you will, is for the states, and I think that this one may be one of the more difficult. I believe that successful implementation of this report will depend in large part on *state initiative and innovation*. Since states have the pivotal role in water planning as well as allocating and protecting the environment. I just gave you an example of how the fractured approach by the federal government can be an issue for local water managers. I want to give you an example of how the state is also a problem. In Oklahoma we have eleven agencies that deal with environment from water allocation, we have oil and gas, we have our agricultural department, we have our water resources board, we have our environmental quality, and we have our department of mines. We have a number of agencies that deal with water and its protection, allocation and implementation of various projects. Again, all of these agencies have their hearts in the place. The members that serve on these boards and commission serve without pay, they serve because they are interested in the proper management of our water resources but at the same time its hard then to coordinate the strategic plans and the priorities amongst all of those agencies.

If I put on my federal hat and I look at Oklahoma and say 'what are the priorities of Oklahoma', if Oklahoma does not have a robust comprehensive water plan then I as a federal agency are guessing on what my priorities are in Oklahoma. A local water manager then sees the fractured approach by state government, the fractured approach by federal government, and becomes, I think, less interested then, less engaged, less involved in the issues like climate change and our response to that then is delay and we become inefficient. So the states must step up and have robust comprehensive water plans. We believe that that's at least a two part piece that the states have to do. A very involved public participation piece of their water plan so that the states have to be able to bring to the table local stake holders. Watershed managers to the table. We have to have a review of our policy. We have to understand that reliable water supply not only means that you have a private property right and the law allows you to take certain amount, it

means there's a balance. There's a balance between environmental protection and allocation.

And the second piece of that state plan has to be a sound, the sound technical underpinning so that we have the ability to evaluate our resources, evaluate our demand, evaluate our supply, demand, the gap analysis, and future population projections. We have to be able then to understand what instream flows are going to be necessary, what the recreation potentials are, all of these things that we know are so important and we try and protect, we have to have a way in which we can collect data, we can do the sound science and then we can interpret that data and show people the data so that it makes a difference to them.

Governor Otter, our conversation right before this meeting about putting \$20 million into assessments in Idaho, that's the type of forward thinking that it takes to understand our resources, our supply, how we match those, otherwise, all we do is do water allocation by crisis, we do water management by crisis and by emotions.

A number of things have to happen. I want to leave you; you know it is a little different perspective. I think than maybe what you would expect me to say when I talk about the report to WGA. I want to say to you that a lot of thought, a lot of discussion, we've had a lot of public meetings, we've had meetings all over the West about what types of data need to be collected about what types of studies need to be done. All of those things that are included in our report and what I wanted to highlight to you today were really the three what, what we call center piece recommendations that we think help clear the way for that implementation.

As I close I would like to mention Craig Bell, our Executive Director of the Western States Water Council. Craig's in the middle there with his hand up. It's him and his staff that have put this report together. All of you had members on the Western States Water Council. We have participated, we have been in phone calls and meetings but the staff of the Council is the one that put this together and all of the credit for the report here which I think is outstanding goes to the staff.

So with that, Governor, thank you.

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