

Water for 2060 Advisory Council

Minutes of First Meeting, 1:30 P.M., August 20, 2013

OWRB Board Room, 3800 N. Classen Blvd., Oklahoma City, Oklahoma

ATTENDEES:

Advisory Council Members:

Lauren Brookey, Tulsa Metropolitan Utility Authority
Tom Buchanan, Lugert-Altus Irrigation District (Altus)
Bob Drake, Agriculture (Davis)
Danny Galloway, City of Stillwater
Roger Griffin, Weyerhaeuser, (Broken Bow)
Charlette Hearne, Oklahomans for Responsible Water Policy (Broken Bow)
Mark Helm, Dolese (Oklahoma City)

Nathan Kuhnert, Devon (Oklahoma City)
Phil Richardson, Agriculture (Minco)
Trent Smith, Small Business (Choctaw)
Kevin Smith, Ward Petroleum (Enid)
J. D. Strong, Chair, Oklahoma Water Resources Board (Oklahoma City)
Joe Taron, Pottawatomie County Development Authority (Shawnee)
Jerry Wiebe, Oklahoma Panhandle Agriculture & Irrigation (Hooker)

OWRB Staff and Consultants:

Joe Freeman, OWRB
Jennifer Wasinger, OWRB
Mary Schooley, OWRB
Owen Mills, OWRB
Amanda Storck, OWRB
Brian Vance, OWRB
Kent Wilkins, OWRB
Jerry Barnett, OWRB

Sara Gibson, OWRB
Julie Cunningham, OWRB
Ed Fite, OWRB Board Member
Terri Sparks, OWRB
John Rehring, Carollo Engineers
Anna Childers, CH2M Hill
Bryan Mitchell, CH2M Hill

Others:

Ana Stagg, Meshek & Associates
Arnella Karges, State Chamber of Oklahoma

Josh McClintock, Creative Capitol Strategies
Mike Mathis, Chesapeake Energy

Introduction of Council Member and Meeting Participants, Overview of Responsibilities, and Potential Strategies

Mr. J.D. Strong, OWRB Executive Director and Advisory Council Chairman, opened the meeting by noting that it is meant to be an orientation to provide members with an opportunity to meet each other and to start laying the foundation for future activities as envisioned under the Council's enacting legislation, HB 3055. Advisory Council members introduced themselves and gave a brief description of their interest/representation in the water community as well as any goals/initiatives perceived for the Council's future work. Other meeting participants were also given the opportunity to introduce themselves.

Mr. Strong briefly went over the Council's responsibilities, incentive targets, and potential efficiency goals as specifically mentioned in HB 3055. He also stressed that the specific goals and objectives as stated in the legislation should not limit the Council from consideration of other worthwhile initiatives.

Mr. Strong then introduced a potential roadmap for consideration by the Advisory Council, including examples of what might be beneficial activities in the years to come. Mr. Strong noted that the OWRB secured funding through the Corps of Engineers Planning Assistance to States Program, which allowed the Corps to contract with consultants to help provide support to the OWRB and Council. He reminded Council members that CH2M Hill and Carollo Engineers have already put together a "Background Report" to help facilitate discussion with the group. This report was e-mailed to Council members and is provided along with other relevant information on the [Water for 2060 Website](#).

Review of OCWP Conservation Findings

Mr. John Rehring, Carollo Engineers, indicated that we wanted to provide the Council with a little more than an orientation, but also wanted to help get thoughts and ideas flowing by providing examples of what is being done in Oklahoma and other states. He noted that the group is challenged to come up with a broad range of ideas because Oklahoma is a state with a wide diversity in rainfall and water availability issues, which in turn geographically influences the type of uses to which water is applied.

Mr. Rehring provided an overview of the water conservation scenarios that were investigated in the *2012 OCWP Update*, which primarily targeted water used in the state's largest water use sectors: Municipal and Industrial (M&I) and Crop Irrigation. He noted that two suites of conservation measures were investigated for both water use sectors: Scenario I encompassed moderate increases in conservation measures, while Scenario II included more substantial increases in conservation. Mr. Rehring showed a graph indicating that the goal of the Water for 2060 Act could be achievable in the combined M&I and Crop irrigation sectors under the substantial (Scenario II) conservation measures. Mr. Strong noted that he was particularly impressed with the slides showing the potential impacts that the conservation scenarios could have on Oklahoma's identified "hotspots", or most water-short areas of the state.

Examples of Water Efficiency and Incentive Programs in Oklahoma and Other States

Mr. Bryan Mitchell, CH2M Hill, then explained that the consulting team had interviewed representatives from the following:

- Lugert-Altus Irrigation District (Oklahoma)
- Oklahoma Panhandle Agriculture and Irrigation
- City of Norman, Oklahoma
- City of Shawnee, Oklahoma
- State of Colorado
- State of California

The basic goals of the interviews were to provide the Advisory Council members with some ideas of ongoing conservation practices in Oklahoma, as well as conservation incentive programs currently in place in other states. The Lugert-Altus Irrigation District represents surface water users, while the Panhandle Agriculture and Irrigation primarily represents groundwater users. The City of Norman provides water to a large service area population, while the City of Shawnee provides water to a smaller population. The State of Colorado focused on incentives to promote water efficiency, while California focused on regulation and mandates to accomplish conservation goals. The results of the interviews

provide Council members with a foundation from which to work as they consider and build upon programs that would provide Oklahomans with the most appropriate incentives to conserve water.

Initial Concepts for Incentives and Education Programs/Brainstorming/Research for Next Meeting

Mr. Rehring then facilitated a brainstorming session to solicit potential concepts for conservation incentives and to identify questions/topics that the group might have that could be researched and discussed at subsequent meetings. Some of the concepts and ideas identified include:

- Reducing leaks should be a major goal; maybe promote education as 1st stage; water audits might be helpful.
- Lost water is lost revenue; this should be a substantial incentive for municipalities to save.
- Smaller Systems—if have large leakage, what is best option to find leaks; identify technology (leak detection/audits); funding to repair leaks is important.
- Need different options/motivation that appeal to large and small systems.
- What is the status of financial programs authorized by past legislation? Where is implementation? [Joe Freeman, Chief of Financial Assistance Division, noted they have been working with bond rating agencies since passage of 764 to leverage additional funds and are in the process of trying to upgrade to a AAA rating; what can we do to help with small systems is key.]
- Are there existing programs that we are not aware of? [Mr. Rehring mentioned that consultants could look at existing state programs, and federal programs too; for example, Bureau of Reclamation's WaterSmart grants.]
- Need to have people representing other agencies (e.g., Bureau of Reclamation) participate in future meetings and talk about different programs.
- If city water revenues are used to run city, how can we ask them to use less water, i.e., lose needed revenues?
- Water providers have a moral obligation to find and fix leaks—it is the right thing to do; need to find balance between saving water and lost revenues.
- When looking at conservation pricing, need to look at ways to use less water while investigating other options to maintain revenues.
- The costs associated with fixing leaks are also a consideration; there is a diminishing return as the percentage of leakage goes down; costs of fixing smaller leaks may outweigh the advantages.
- Costs of construction to bring new water can deter adversary to conservation water pricing.
- Would education help communities know when to replace vs. repair?
- Water short areas will look at saving water.
- Water efficiency can be accomplished through regional systems; can be more cost effective, but there is reluctance for RWD and cities to work together; no incentives other than actual water shortage.
- Even if everyone had a water conservation plan, it will not accomplish anything without user buy-in; emphasis should be on education—through education, the City of Shawnee has incentivized (motivated???) industry, i.e., Mobil Chemical and Hospital are rewarding employees who come up with conservation ideas; local incentives and local education is key; voc-tec came up with 55 suggestions on how to educate people on water issues.
- Are there financial incentives for regionalization? Need resource guide to get the word out on available programs.

- Crop irrigation water saved by conservation will be used to irrigate additional lands; i.e., the incentive to save 20% of the amount of water normally used is the ability to use it to irrigate additional lands.
- There has to be a balance between saving water and economic incentive to use.
- You can normally expect to lose efficiency when you change crops; for example, some crops suppress weeds; if change crops, lose this control.
- Panhandle is using less water while producing more crops; need to look at how that works.
- Garber-Wellington is becoming less feasible to use because of arsenic; need to learn to treat water instead of building pipelines to bring more water in; need to figure out how to use what we have; why not incentivize to clean up Red River?
- More and more land is going out of production; inherited by others who let it grow up with cedar trees, etc.
- Are there any available surveys looking at public perception in reuse? Or conservation? Better to save rather than use new sources.
- What about uses other than Crop irrigation and M&I, i.e. power and self-supplied industry? Any incentives there? Or is it fair to focus on M&I and crop irrigation since they are the highest users of water?
- Have 3 or 4 cities that use conservation pricing to come in and tell how they are set up [including revenue flows?] and how they determined charges.
- What encourages other cities to look at different conservation plans?
- Review presentations at Governor's Water Conference; i.e. San Antonio and author of *Thirst*.

Overall, the group concurred with the Legislature's expressed intent to encourage efficiency through incentives, rather than through mandates.

Content, Timing and Location of Future Advisory Council Meetings

The topic then turned to a discussion of future meetings and processes. The consensus was that quarterly meetings would be appropriate. Mr. Strong mentioned that staff thought it might be helpful to have an Irrigation/Agriculture Workshop and an M&I/Other Uses Workshop to narrow down on some informed ideas for incentives and obtain feedback and validation from additional water providers/users regarding the effectiveness of proposed incentives. It was decided that an M&I/Other Workshop would be held in Oklahoma City, and the Irrigation/Agriculture Workshop location will be determined.

It was questioned whether agriculture was an appropriate place to focus, with one member opining that that sector is already doing all it can economically do to conserve water. This remark was countered by stressing that irrigation remains one of Oklahoma's largest water users, and that it probably was not prudent to ignore opportunities in this sector or to wait until we have no option but to conserve before we started evaluating options. Moreover, if agriculture is already fully maximizing its reuse potential, that needs to be documented and demonstrated to the Legislature through this process.

Another question was whether we had an obligation to look at using marginal quality water, such as produced/flowback water from oil and gas operations. It was noted that additional legislation/statute changes would be needed to use many sources of marginal quality water, but that consideration of marginal waters was certainly within the goals set out in H.B. 3055.

The next question for consideration was, after the workshops, should follow-up meetings be in Oklahoma City or should we hold Regional Meetings outside the metro area? It was suggested that if we

were going to come up with incentives as a group, we need to listen to other use sectors to understand and empathize with their needs, which might be a good reason to have Regional Meetings. However, budget limitations would need to be considered as H.B. 3055 did not provide any funding for per diem or lodging. For now, we could consider holding the first follow-up meeting in Oklahoma City to review/synthesize the results of the two workshops, and then discuss the need for Regional Meetings. It was noted that Regional Meetings could also be held as late as 2015.

Next Steps and Group Resources

In closing, OWRB staff and consultants' follow-up actions include getting information to help Advisory Council members consider logistics for future meetings. Homework for the Advisory Council is to review materials sent to them and provide feedback as needed.

Pertinent information will be e-mailed to the Advisory Council members and/or placed on the [Water for 2060 Website](#).