Ecosystems are Infrastructure:

Watershed Investment from the Water Utilities

Carrie Sanneman
LAYING THE GROUNDWORK FOR MORE EFFECTIVE CONSERVATION.
Willamette Partnership

Nature is our original infrastructure

- Improved water quality
- Habitat for native species
- Resilient natural systems
- Resilient communities

Utility investments can be transformative
Water utilities

Organizations (governmental, private, or some combination) that maintain a water system, and provide some combination of services:

- drinking water supply
- sewage treatment and wastewater management
- stormwater management
Water Utility Services

- Store
- Transport
- Treat
Watershed Services

- Store
- Transport
- Treat
Stormwater

- Store
- Transport
- Treat
Water Services: Who Benefits, Who Pays
I need:
• predictable and affordable treatment costs,
• New ways to meet stringent nutrient requirements,
• Strategies to deal with aging infrastructure
Oh...and they need to fit in my permit, get board approval, and not raise rates.

No thank you. Our service is water storage, delivery, and treatment.

How about all the ecosystem services out there?
Decision Making Structure at Large Clean Water Utility

**DUTIES**
- Sets vision and philosophy for utility operations
- Recommends trading as preferred
- Oversees analysis
- Assesses cost & implementability
- Assesses regulatory compliance

**QUESTIONS**
- Is WQT good for the community in terms of rates, use of rate payer money, and other potential benefits?
- Is WQT a politically viable option? Does WQT fit into utility plans?
- Is WQT feasible and cost effective?
- Does WQT allow utility to meet water quality requirements outlined in permit?
NPDES PERMIT PROCESS

01
Utility submits application for NPDES permit/permit renewal to State or other permitting authority

02
State drafts permit

03
State issues public notice of draft permit

04
State responds to comments, revises permit if necessary

05
State issues permit

**LEGEND**
- Orange line: assumed barrier
- Green line: opportunity to insert trading into the conversation

Ensure state enabling policies are in place well before permit process begins; Ensure utility has economic justification, program design, and trading plan approved internally. Engage stakeholders early to identify concerns and potential challenges. (see utility capital improvement process).

Permit writers unfamiliar or uncomfortable with trading - turnover rates affect institutional knowledge of trading

Lack of stakeholder involvement causes unnecessary miscommunication

Stakeholder opposition prompts permittee or agency to remove or reduce trading options

Lawsuits in state or federal court to challenge administrative procedure or higher order laws

Utility focused on traditional engineered solutions

Ensure permit language is flexible and enforceable

Engage with positive stakeholders to rally support for trading

Provide state agency with feedback on how draft permit language supports or hinders trading
UTILITY CAPITAL IMPROVEMENT PROCESS

01 Long-range strategic planning
02 Facilities plan/utility visioning
03 Capital Improvement Plan budget
04 Permit negotiation
05 Updated Capital Improvement Plan
06 Annual budget

LEGEND
- assumed barrier
- opportunity to insert trading into the conversation

Focused on traditional engineered solutions
Trading has been fully considered, including cost and benefit analysis
Lack of partners with the capacity to vet WQT, or lack of clear permitting pathway/policy to estimate cost
Permit writers unfamiliar or uncomfortable with trading - turnover rates affect institutional knowledge of trading
Lack of political will
Concern with NGO support
Potential for litigation
Trading is viable. (See NPDES permit process)
Trading is preferred.
Hallmarks of One Water

- A mindset that all water has value
- Focus on achieving multiple benefits
- A systems approach
- Watershed-scale thinking and action
- Right-sized solutions
- Partnerships for progress
- Inclusion and engagement for all
In that case, maybe you need:
• Ag-municipal partnerships or watershed management can:
  • ↑ surface water quality = ↓ treatment costs
  • ↑ infiltration = ↑ long term reliability of groundwater supplies
• Water quality trading to ↓ costs of permit compliance
• Distributed treatment to ↓ infra costs or extend the lifespan of my current system
• An opportunity to be known as the utility of the future or a One Water champion?
• Asset management

No thank you. Our service is water storage, delivery, and treatment
McKenzie Watershed Conservation Fund

**Eugene Water and Electric Board**
Cascade Pacific Resource Conservation & Development
Lane Council of Governments
McKenzie River Trust
McKenzie Watershed Council
Oregon State University
The Freshwater Trust
University of Oregon
Upper Willamette Soil & Water Conservation District
Willamette National Forest, McKenzie Ranger District
Metropolitan Wastewater Management Commission
The Pure Water Partners are a collection of agencies, organizations and businesses that are working together to protect and restore water quality in the McKenzie River Watershed and maintain clean, healthy drinking water for the more than 200,000 people in our region.
McKenzie Watershed Conservation Fund

PWP Committee:
- Sets program eligibility & prioritization criteria
- Recommends projects for funding
- Compiles & releases annual report (CPRCD?)

Other Funders
- OWEB, NRCS, BPA, Donors, etc

Implementers
- UWSWCD
- MWC
- TFT
- MRT

Funders: make formal funding decisions:
- Programmatic or
- Project by Project

Outcomes:
1. High quality drinking water
2. Protected and enhanced cold water habitat
3. Improved ecosystem function in the McKenzie River Sub-basin
4. Enhanced public awareness

Products:
- Riparian assessments
- Management plans
- Enrolled landowners with signed agreements
- Shade credits

Implementers do funded actions:
- Community engagement
- Outreach, riparian assessments, management plans
- Project monitoring

Monitoring & reporting information
Willamette Water Temperature

A restoration alternative for point source compliance, an opportunity for collective investment and meaningful impact.
Thank you

Carrie Sanneman
Sanneman@willamettepartnership.org