

# Forty Years of California Water Policy: What Worked, What Didn't, and Lessons for the Future

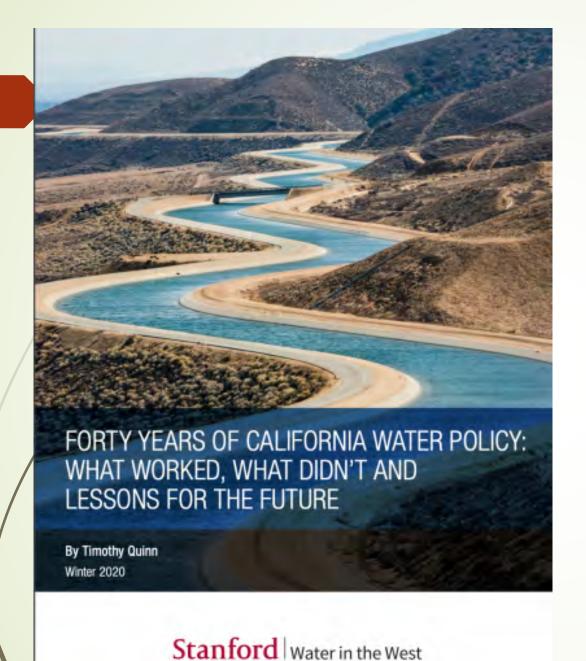
Tim Quinn June 11, 2020



# SPOILER ALERT: THIS PRESENTATION IS SOMEWHAT AUTOBIOGRAPHICAL

- 1975-1985: RAND Corporation
  & UCLA
- 1985-2007: Deputy General Manager, MWD
- 2007-2018: Executive Director, ACWA
- 2019: Landreth Visiting Fellow, Stanford





So, What Have I Learned at Stanford?

Governance is the Most Important Decision We Make in Advancing New Policies or Projects.

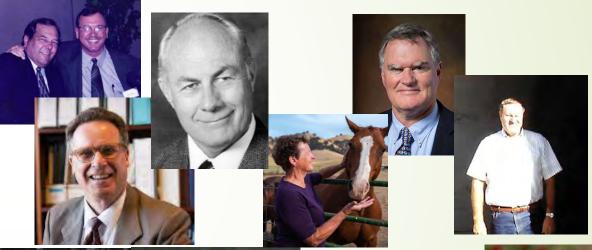
But We Don't Really Think Much About It.

#### **Another Valuable Career Lesson...**

Collaboration Works, Conflict Doesn't.

I learned this reaching out across silo boundaries hundreds of times during my career.









#### THE BASICS: WHAT IS GOVERNANCE?

### **Any Public Policy Must Answer Three Questions**

- 1. Who Gets What and When?
- 2. Who Decides?
- 3. How Are These Decisions Made?

In California water policy, these questions have been answered in very different ways over time.

Source: Schlager and Blomquist (2008)

#### NATURAL POLICY DECISION-MAKING ERAS

Schlager and Blomquist (2008)

Development Era 1900-1980s

Regulatory Era 1970s-2010s

Collaborative Era 1980s-Still Trying



#### **ALTERNATIVE DECISION-MAKING PROCESSES**

Ansell and Gash (2007)

#### Managerialism

"Public agencies make decisions unilaterally or through closed decision processes, typically relying on agency experts"



#### **Adversarialism**

Adversaries resort to "winner-take-all" decision processes



#### Collaboration

Public agencies and stakeholders shape policy through open, transparent process



#### NATURAL RESOURCE POLICY ERAS DECISION-MAKING

Era	Primary Goal	Decision-Making Process
Development Era	Water Supply, Flood Control & Hydropower	Centralized, Managerial and Adversarial; Driven by Water Agencies
Regulatory Era	Environmental Protection	Centralized, Managerial and Adversarial; Driven by Regulatory Agencies
Collaborative Era	"Coequal Goals"	Collaborative, Decentralized, Democratic and Inclusive

# To Understand Policy Formation You Have to Think About the "Black Box" of Politics





## In Our Democracy, Policy Making is VERY PARTICIPATIVE



# In Managing Natural Resources, You Can't Escape Politics

- In a democracy, public policy is forged through a political process.
- "For people to govern watersheds well requires that they make collective choices...Collective choices are ultimately political choices. Thus, governing watersheds well requires embracing politics."

Source: Schlager and Blomquist (2008, x)





### On Private and Political Markets

Source: Quinn (1983)

#### In Private Markets:

- Decisions are made by decentralized entities guided by Adam Smith's "invisible hand"
- Determine the Price, Output and Consumption of Goods and Services
- Collaboration is undesirable because it results in inefficiency

#### In Political Markets:

- Decisions are made by centralized public entities with considerable "stakeholder" participation
- Determine "The Rules of the Game"
- To influence decisions, stakeholders compete by building coalitions
- Collaboration is essential to secure sound policy outcomes





# Coalition Building is The Essence of Political Competition

In the Political Marketplace, You Build Coalitions to Influence Public Decisions



Shifts in Demand and Supply Drive Private Market Outcomes



Shifts in Coalitions Drive Political Market Outcomes

# Coalition Building is Universal in the Political Marketplace

# BUT THERE ARE DIFFERENT KINDS OF COALITIONS

- "WARRIOR" COALITIONS
  - > GROW YOUR SILO TO DEFEAT THE OTHER SILO(S)
  - > ADVERSARIAL/WINNER-TAKES-ALL PROCESS
- "COLLABORATIVE" COALITIONS
  - > WORK OUTSIDE YOUR SILO
  - COLLABORATIVE/SHARED BENEFITS PROCESS



#### Collaboration Is Really Hard.

Stakeholders Have to Leave the "Safety" of Their Silos.

Decentralized, Inclusive, Open & Transparent Process Usually in "Big Tents"

"Coequal Goals": Both the Environment and Economy Count, Simultaneously

Building Collaborative Coalitions Requires Complex Policy Solutions



#### WHAT MAKES A NEW POLICY DURABLE?

#### A Stable Policy Equilibrium

#### **Private Market Equilibrium**

- > Demand = Supply
- > "Normal" Profits

#### Political Market Equilibrium

- Coalition Dynamics
- A Broad Support Coalition Stabilizes a New Policy
- Significant Opposition Undermines a New Policy



A Durable Policy is All About Building a Broad-Based Support Coalition

### Collaborative success stories at the state level



1991 BMP AGREEMENT



1990s DROUGHT WATER BANKS



1994 BAY-DELTA ACCORD

## Collaborative success stories at the state level



**1994 MONTEREY AMENDMENTS** 





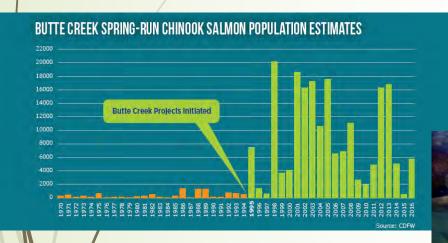


2009 DELTA REFORM ACT



2014 PROPOSITION 1

#### Collaborative success stories at the local level -- Restoration



**BUTTE CREEK SALMON RESTORATION PROJECT** 



YUBA RIVER ACCORD



LOWER COLORADO RIVER MULTISPECIES
CONSERVATION PLAN



BATTLE CREEK RESTORATION PROJECT

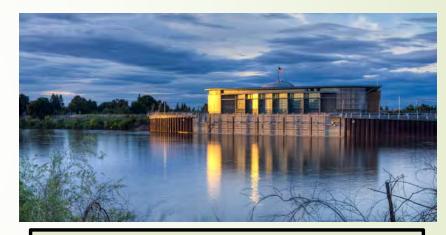
### Collaborative success stories at the local level –Water Management



Agricultural IRWMPs Statewide



Urban IRPs



**EBMUD-Sacramento County Freeport Project** 

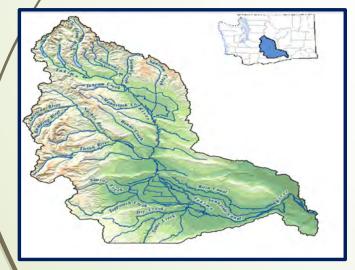
### Collaborative success stories at watershed scale



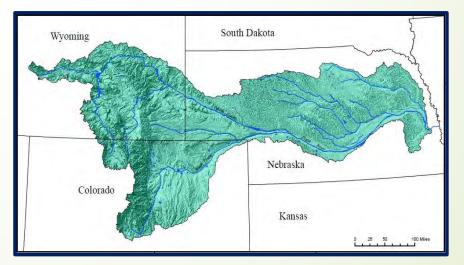
San Gabriel River Basin



Santa Ana River Basin



Yakima River Basin



Platte River Basin

What has made these collaborative initiatives success stories to one degree or another?

#### Leadership: Top of the List

- Facilitative, NOT Managerial
- No Preconceived Solutions
- Trust the Process and Protect it



**Betsy Rieke** 



Western Canal Water District Board of Directors



Ted Trimble & Gary Nelson

John Krautkraemer, EDF

Dave Schuster, SWC Inc

Bonny Herman, VICA

Woody Wodraska, MWD

#### **Stakeholder Commitment**

- Key stakeholders were committed to the success of the collaborative
- Compromise wins over the Pull of winner-Take-all
- Broad base of support to protect the new policy equilibrium



### **Institutional Design**

- Most had Big Tents
- Open Transparent, Inclusive Processes
- OyercomingDisagreements
- Entrepreneurship







- Many successes triggered by crisis
  - Drought
  - Threatened Regulation
  - Lawsuit
- Fear of an adversarial process can lead to collaboration
- Do we have to wait for crisis to collaborate?









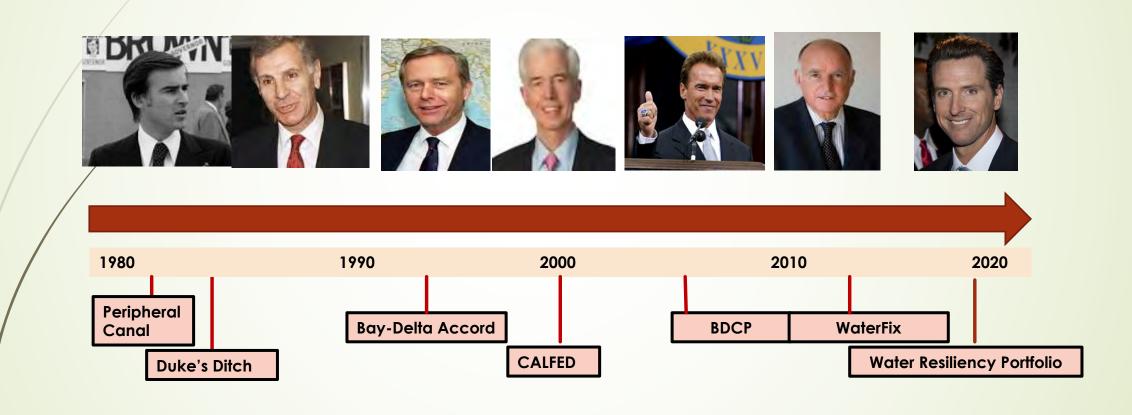
#### The Delta Conundrum

#### Why is the Delta so important?

- The Delta is the "hub" of our water supply system
- Conveys Drinking water to 25 million Californians
- Irrigates more than 3 million acres
- Vital for numerous resident and migratory fisheries



# Because it's so important, many governors have tried to "fix" the Delta



# Question: If all these bipartisan governors supported action in the Delta, why is it still such a mess?

#### Answer: Because we got the governance wrong.

- Clash of Warrior Coalitions
- Managerial/Adversarial Decision-Making
- Minimal Investment in Collaborative Coalition Building







We are using decision-making processes from earlier eras when only collaboration will work!

#### The Current State of Collaboration in California Water Policy

Leadership Vacuum on Governance

Water Warriors on the March

Lawsuits Circular Firing
Squad

Fueled by Combat Science













Read Mount & Gartrell in CalMatters

#### What Can We Do About it?

Support collaboration where it has a foothold

Urge the Newsom Administration to enter a truly Collaborative Era in water policy

Use the November election as an opportunity to reset governance in CA water policy

Spotlight combat science to promote collaboration









You must have some good ideas, too!



So, Let's Talk