

Breakout 2D: Protecting Source Water with a PWS Approach: What's Working, Why It's Working, and How Can We Clone It?

Panelists:

- Steven Parrett, Sand County Foundation
- John Gunn, Manomet Center for Conservation Sciences
- Carrie Raber, Stearns County Soil and Water Conservation District
- Cary McElhinney, U.S. Environmental Protection Agency, Water Division
- Seth James, EcoAgro Partners
- Moderated by Tracy Stanton, Ecosystem Marketplace & Peter Stangel, US Endowment for Forestry and Communities

Abstract:

What makes a water market work? Many factors contribute, from technical to emotional. Threat always helps, whether it is the prospect of reduced water quantity or quality or the need for an expensive new treatment facility. Community interest in preserving rural lifestyles can motivate consumers to pay for watershed protection. Independent water boards that are buffered from the short-term whims of political opinion don't hurt, either. In this session, we'll examine some of the traits shared by water markets that are working and examine ways we can replicate these successes. We'll also seek to better understand the challenges that some communities face in creating effective markets to protect source water. We'll continue discussions from this panel on the 30th as part of the informal networking session.

1. Brief description about what each panelist covered in their respective discussions

- Steven Parrett: just do it as mutually consenting adults – markets and structures will follow; make contracts fair and equitable from start (not at end when contracted)
- John Gunn: it's about making relations, particular aggregator (supplier or buyer); Portland ME lead to Clean Water Carbon Fund, which equaled afforestation for SWP
- Carrie Raber: MN good protection plan, but weren't able to connect with agricultural producers; tapped into state conservation for SWP, required individual attention
- Cary McElhinney: EPA does not regulate source water – “we need your help”; built “Sourcewater Collaborative”; some success in using hydrologically defined recharge areas information is key, and challenging based on Homeland Security restrictions
- Seth James: Inventory of PWS programs, particularly innovations (32 examples); “Buyers are important” – get them engaged early and deeply; landowner driven schemes generally not successful

2. Overarching themes and key takeaways

- “Watershed are galvanizing and organizing concept to bring people together”.
- Watershed scale projects / programs rely on trust and individuals landowner attention and connections
- Monitoring based on practices, not on water quality outcomes – need science to make transition to water quality outcomes
- Water is undervalued. Although raising rates will always be controversial, full costing will need to be part of the solution, including SWP. People need to understand costs of investment in gray vs. green

3. Finding or discussion that had the most audience consensus

- Philosophical / worldview controversy – “right to pollute” vs. right to clean water

4. How this panel outlines (or contributes) to where we might go (as ecosystem services/markets professionals) from here

- Innovations in rate structures and related programs and informing the public on nuances of SWP and PWS will be critical