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Western water management faces increasingly difficult challenges from changing demands for water resources, including rapid urban growth, quantification of American Indian water rights, concern for instream and other environmental values, and protection of endangered species. Related challenges spring from the lack of support for new water projects, scarce public funds, conflicting and overlapping laws and programs, and polarized positions among competing parties. Water management systems are evolving rapidly, however, and the West is still trying to solve many new problems with established mechanisms that do some things very well, but are often unable to meet all current needs.

Under the leadership of Former North Dakota Governor George Sinner and Arizona Governor Fife Symington, the Western Governors' Association (WGA) recently joined with the Western States Water Council (WSWC) to sponsor three workshops on western water management, held in Park City, Utah. The Ford Foundation provided funding support. The goal was to enhance the West's capacity to deal with the increasingly complex world of water. The workshops attempted to rethink the roles and relationships of different levels of government and their institutional missions and decision-making processes. A fourth program in California in 1993 addressed the states' capacity to carry out their projected roles, and a fifth program in Idaho in 1994 explored watershed management practices.

Each program brought together a diverse group of experts. Western and federal policy makers from the public and private sectors, representatives of state and federal agencies with water development and environmental protection responsibilities, tribes, local water utilities, environmental advocacy groups, water user groups, and academia brought their perspectives to bear on the issues. A common denominator for the group was the dual awareness that in many western river basins the players are sophisticated enough to obstruct the plans of other users and that adversarial proceedings will not solve the present problems.

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1. This article appears in full in WATER LAW: TRENDS, POLICIES AND PRACTICE 347-55 (Kathleen M. Carr & James D. Crammond, eds. 1995).

Workshop participants sought to improve water management systems' responses to complex and competing demands and consideration of the public interest. The group authored a set of guiding principles, an outline of effective water policies and institutions for implementing the principles, and criteria that should guide inquiries into the public interest. The aggregate product is called the "Park City Paradigm," a broadly supported vision of what western water management should look like and how it should function . . . .[T]he paradigm is embodied in a set of guiding principles known as "The Park City Principles."

THE PROCESS LEADING TO THE PARK CITY PRINCIPLES

The first of the Park City workshops was an experiment. The plan was to bring together diverse water experts to chart the nature of the challenges in western water management and to transfer lessons from some recent experiences in resolving complex water conflicts in the West.

The group analyzed five case studies involving multiple interests for the lessons they might offer. Each case study highlighted a different conflict resolution approach. They were:

- the Northwest Power Planning Council's approach to multiple water-related issues, including hydropower production and salmon recovery on a basin-wide scale;
- the Truckee-Carson-Pyramid Lake water rights settlement, which apportioned the Truckee River between California and Nevada, settled the water right claims of the Pyramid Lake Tribe, and resolved other issues;
- Colorado's Two Forks dam controversy demonstrating the lack of capacity at both the state and federal level to craft a comprehensive solution to the water problems and associated challenges in the Denver metropolitan area;
- the Upper Colorado River Basin's plan for the recovery of endangered species; and
- California's emergency water bank as a response to its multiyear drought.

The group reviewed written summaries of the case studies before the workshop, and at the workshop it listened to presentations of the case studies from differing points of view. The group identified the components of these efforts that seemed critical to their success or failure. The

common themes and lessons that emerged from consideration of the case studies led to the Park City Principles.

THE PARK CITY PRINCIPLES

The group reached consensus on more than fifty recommendations that all included four core concepts:

- conflict resolution at the "problemshed" level rather than along artificial government or private boundaries;
- the pivotal role of states in resolving water problems;
- the need to include all stakeholders and to reflect public values in all water decisions; and
- the importance of a holistic approach to resolving water problems.

The Park City Principles embody a distillation of these recommendations for guiding water management. These are the principles, along with a brief discussion of their context.

1. There should be meaningful legal and administrative recognition of diverse interests in water resource values. This principle recognizes that the context for water management decisions is changing faster than the traditional system can accommodate. In particular, water has growing values for new uses such as ecosystem integrity, for new economic uses such as recreation and tourism, and for aesthetic purposes as well as traditional uses. This principle calls for the system to formally acknowledge these values.

2. Problems should be approached in a holistic or systemic way that recognizes cross-cutting issues, cross-border impacts and concerns, and the multiple needs within the broader "problemshed"—the area that encompasses the problem and all the affected interests. The capacity to exercise governmental authority at problemshed, especially basin-wide, levels must be provided to enable and facilitate direct interactions and accommodate interests among affected parties. This principle recognizes that problems or issues rarely limit themselves to the tidy institutional boundaries that have evolved. Too often an agency perceives and reacts to a situation only through the lens of its mission and scope of authority. The same can be said for many professionals who define issues within the narrow context of their own disciplines, for example, water quality, engineering, law, or biology.

If a problem is fully defined with the full range of relevant aspects identified, the jurisdictional and interest group implications are likely to be very complex, crossing levels of government, agencies, disciplines, and interests. Parties will need forums to share ideas and, ultimately, ways to cooperatively exercise jurisdiction, pool information, and share resources.

3. **The policy framework should be responsive to economic, social, and environmental considerations. Policies must be flexible and yet provide some level of predictability. In addition, they must be able to adapt to changing conditions, needs, and values; accommodate complexity; and allow managers to act in the face of uncertainty**. This principle recognizes the complex implications of the holistic approach to water management. Policies, and the managers who implement them, must provide flexibility to adjust as needed while ensuring predictability for those involved in and affected by water decisions. As decisions become more complicated, managers may want better and more certain information and guidelines. That will not always be possible, and the system must recognize and allow managers to act in the face of uncertainty.

4. **Authority and accountability should be decentralized within policy parameters. This includes a general federal policy of recognizing and supporting the pivotal role of states in water management as well as delegation to states and tribes of specific water-related federal programs patterned after the model of water quality enforcement**. This principle recognizes that decentralized, close-to-the ground approaches work best because they accommodate site-specific variations and local needs and values. However, the principle also acknowledges that there are overriding national interests and goals that states and local decisions should recognize. Thus, states are the bridge between necessary grassroots activities and federal interests and goals. Authority and accountability should go together and are key aspects of program delegation.

5. **Negotiation and market-like approaches, as well as performance standards, are preferred over command and control patterns**. This principle does not reject all command and control approaches, but it recognizes that such approaches have been overused, are often ineffective because of lack of funding or enforcement, and can cause unintended adverse consequences. Negotiation, market-like approaches, and performance standards are appropriate and often preferable alternatives that empower decision makers and complement delegation of authority.

6. **Broad-based state and basin participation in federal program policy development and administration is encouraged, as is comparable federal participation in state forums and processes**. This principle

recognizes that improved awareness of and participation in each other's efforts can improve coordination and reduce duplication and friction. With approaches as complex as watershed, ecosystem, and integrated resource management, the system must recognize that each of the players holds part of the solution, and all need to be involved.

ADDITIONAL FINDINGS

Participants in the first Park City workshop called for two subsequent workshops: one to examine how to represent and incorporate "the public interest" in western water management decisions, and another to "test" the principles using hypothetical, though lifelike, situations. Participants identified optimal roles for federal, state, tribal, and local water managers in problem solving and public interest determinations.

Federal

The federal government should exercise trust responsibilities; provide technical assistance, information and expertise to states; give states adequate financial resources to meet federal mandates; establish broad goals and standards under federal environmental laws; manage international water issues; and operate federal projects and systems. The federal government should act as manager of last resort for interstate differences and to protect the public interest.

Further, the federal government should address and represent broad national concerns and interests. Therefore, federal agencies should continue to set national goals and guidelines, and to represent national interests if states and tribes fail to integrate federally protected public values into their own systems. The federal government should delegate power to state and tribal programs that adequately consider the public interests embodied in current federal laws and programs.

The legislative branch may have to modify federal, state, and tribal regulations and statutes to facilitate delegation of federal powers. The federal government as well as each state and tribe should assess the adequacy of its existing legal framework and institutions in this regard.

State

State government is the pivotal level for leadership, authority, and accountability in water resource management. The state role includes allocation of water supplies, administration of water rights, implementation of water quality protection programs, and protection of public water resource values. States are in the best position to integrate related aspects

of water management, such as surface water and groundwater, water quantity and quality, and economic development and environmental protection, and to balance water uses. Further, states should assist and enable watershed groups to solve complex problems at the watershed, or problemshed, level.

Tribal

Indian tribes share with states, as an incident of their sovereignty, significant authority over the administration of their water rights. Assertion of this authority varies from reservation to reservation, but tribes are expanding their capacity and management activities. Tribes asserting more authority over management of their water resources need to work with state and federal management agencies to coordinate allocation of supply, protect water quality, and enhance their stewardship over water.

To fulfill their role, states and tribes must fashion water laws and institutions responsive to the entire range of water values and interests, including those not traditionally recognized in water law and administration. States and, to a lesser extent, tribes must improve their integration of the broad spectrum of public values now protected primarily under federal laws. Currently there is a diverse array of public interest considerations addressed by federal laws and programs, and most state and tribal water codes require consideration of the public interest. However, many public interest advocates have turned to the federal government as the most receptive forum for their appeals. In spite of significant advances in public interest protection, states and tribes must do a better job of incorporating public interest values into water management decision making—or risk more federal preemption of their decisions.

Local and Watershed

Local and regional governments and private entities represent the greatest variety of institutions providing water resource services. Their roles include urban and industrial water supply, wastewater collection and treatment, irrigation, drainage, recreation, fish and wildlife enhancement, and environmental amenities. Traditionally, local entities have single-purpose functions. In the future, they must increasingly work with state and local interests, operate in the context of comprehensive regional development and resource protection, and facilitate watershed management efforts.

POTENTIAL USES: IMPLICATIONS FOR CHANGE

The most important use of the Park City Principles is to capture the *vision* of a better way to do business. It is significant that the principles arose from a consensus of participants who represented many different perspectives. Second, the Park City Principles set *goals* for agencies to achieve, both individually and in concert with other parties. Third, they provide *guidelines* for how to structure agencies, processes, and solutions. Finally, they are valuable as a *reminder* of things to consider and a *test* to evaluate what is being done. The principles provide *vision, goals, guidelines, reminders,* and *tests* that are appropriate throughout the range of functions involved with water management.

POLICY, PLANNING, AND DECISION MAKING

Starting with the basics of making laws, setting policies, and organizing institutions, the Park City Principles speak to priorities, ways of doing business, and ways to adapt as circumstances change. They are relevant when beginning something new or when revising something already in place. The principles are also relevant in all scoping and information gathering activities associated with environmental and other assessments. Similarly, they apply to policy and planning studies, whether limited in scope or comprehensive. They can also guide education about water resource management in academic settings, on the job, and in outreach to the public.

Perhaps the areas where the Park City Principles will be most useful are the daunting tasks of comprehensive watershed management, ecosystem management, and determining sustainability. By definition, these tasks are tackling natural and human factors on a variety of scales, and integrating disciplines, issues, interests, values, and levels of jurisdiction. The principles were developed in the context of these broad challenges, and are ideally suited to meet them.

User-Driven Activities

Western water management evolved from the requirements of state and territorial governments to meet user needs, starting with the first miners and irrigators who diverted water from western streams. Administering water rights is still a primary function for state water agencies. The Park City Principles can guide the thinking and actions of state agencies, whether for new appropriations or reallocation of water supplies. The principles will also aid the development, financing, operation, and regulation of water storage and delivery systems.

Current water resource decision making requires agencies to consider more factors than in the past. The Park City Principles are heavily oriented toward considering the public interest as a way of encompassing all relevant factors.

Increasingly, water marketing has emerged as a way to meet new water needs. The advantages of these transactions are that they occur between willing buyers and sellers, reduce administrative and regulatory burdens, and reflect the true value of water. At the same time, they raise questions of equity and assurance of environmental safeguards and protection of affected third-party interests. The Park City Principles are designed to encourage market incentives while protecting legitimate interests that could be harmed.

Regulation

Regulation is a necessary and valuable government function, but it can cause adversarial relations and lead to unanticipated consequences. The Park City Principles acknowledge that top-down federal regulations often fail to solve every environmental problem. Market incentives and nonregulatory tools are preferable because they provide flexibility and opportunity for innovation in many instances. The Park City Principles recognize that a coordinated national policy framework is important to effective performance at state, tribal, and local levels. Further, the principles provide guidance on how to engage in regulatory processes in less onerous ways, suggesting alternatives to top-down mandates.

Problem Solving

Historically, litigation is the most common method of solving western water problems. General adjudications, interstate and congressional apportionment, and interstate compacts are other methods. Although these approaches resolve disputes, and are at times necessary, the results can be inflexible and narrow in scope. The Park City Principles suggest alternatives that build on the tremendous increase in knowledge in the past few years about negotiation, consensus building, alternative dispute resolution, and facilitated collaborative problem solving. The principles recognize the daunting challenges for resource managers who must act on the basis of incomplete information, subject to public scrutiny, while faced with conflicting demands for limited water supplies.

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CONCLUSION

Lorna Stickel, chair of Oregon Water Resources Commission, a municipal water planner from Portland, Oregon, and a Park City workshop participant, said: "The beauty of the idea in the Park City Paradigm lies in the ability of anyone being able to use it in effectuating water management decision-making and leadership."[12] It also appears that the Park City Principles apply beyond the challenges of western water management. They validate some fundamental truths about management and decision making more generally.

First, there is often a need to look at things in a new way. Putting more chairs at the table will give all interested parties an opportunity to participate and be heard. Defining the issues and problems as inclusively as possible from the start, particularly noting cross-cutting issues, may seem like a formula for wasting time and money while nothing gets done. But there are many examples of how failure to do this has resulted in protracted litigation and other expensive, inconclusive outcomes. Some of the best examples of successes today have come from inclusive processes.

Second, it is important to anticipate the future as much as possible. Leadership that includes both vision and responsibility will influence people to look to that leadership for guidance and trust in reaching solutions.

Third, an integrated approach to analysis and decision making is desirable because it compares the risks, impacts, trade-offs, costs, and benefits of various options.

Fourth, holistically considering resources will lead to solutions that measurably improve the operation of current systems.

Fifth, cooperation among those with influence on the outcome is vital. This requires a change in the traditional top-down paradigm, with a concomitant increase in responsibility for those most affected by the problems.

Thus, although the Park City Paradigm emerged from efforts to improve the West's capacity to deal with the increasingly complex challenges of western water management, it contains tenets with broader application. With a few minor wording changes, the Park City Principles are applicable to the management of many natural resources. As applied to water resource management, the principles are especially well suited to

12. Lorna Stickel, Address at the Oregon Water Utilities Conference, *Controlling Our Destiny: Lead, Follow, or Get Out of the Way?* (Dec. 7, 1992).

problem areas that involve ecosystem and watershed management, particularly the protection of endangered and threatened species, and the reallocation of water from traditional uses to meet other needs. As demand for the use of water in the arid West continues to increase, the applicability of the Park City Paradigm will grow. However, the West is not homogeneous. Local wisdom will tailor application of the Park City Principles to what works in a given watershed, basin, state, or region.

Perhaps the most profound result of the Park City workshops is the recognition that no one interest acting alone can solve the problems and that participation by all interested and affected stakeholders is necessary. In shaping the destiny of western water management, each interest will act in its own realm, but it must also work in concert with others to make the system work better.