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**Anchor Environmental:
Attitudes and Perceptions Among
Water Right Holders in the Yakima Tributary**

November 28, 2007

*“Key Findings” Summary of Focus Group
Convened on November 13, 2007*

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Focus Group Setup and Background

Project:	In November of 2007 Strategic Research Associates, working on behalf of Anchor Environmental and the Department of Ecology, was commissioned to convene two focus group sessions with land owners who possessed water rights within the boundaries of Kittitas County. Demographic information of these land owners is detailed below in the section <i>Demographic Information of Respondents</i> .
Sponsoring organizations:	Anchor Environmental and Department of Ecology
Group:	Two groups were convened on November 13 th , 2007 at 7:30-9:30am and 10:30am at Hal Holmes Community Center, Ellensburg, WA
Moderator:	Dean Moorehouse and Liza Nirelli of Strategic Research Associates
Screening criteria:	The participants were screened based on the following criteria: (1) he/she possessed ten or more acres of irrigated land, (2) he/she owned the water rights to that land, and (3) the property was engaged in some sort of agricultural activity. These screening criteria were intended to parallel the conditions of eligibility of previous auctions.
Recruiting methods:	SRA sent out a letter that explained the topic, goals, times, and honorarium. Those individuals who responded to the letter were screened for eligibility. The totals for the groups were as follow: 13 participants for the 7:30am session and 10 for the 10:30am session. The success of the recruit should be attributed, in part, to assistance that the Kittitas County Conservation District provided.
Composition of the groups:	Group 1: All 13 of the individuals recruited participated in the session. There were three females and seven males. Group 2: Of the 11 recruited individuals, 10 participated in the session. All of the participants were male.
Honorarium:	Each participant was paid \$200 at the end of the session.
Procedure:	A moderator's guide was used to explore each of the major topics. Included in an appendix to this report are the following items: <ul style="list-style-type: none"> • The moderator's guide • The participant questionnaire
Limitations:	The summations in the following are based upon discussions with 13 and 10 individuals. Results should be interpreted cautiously. In particular, quantitative projections require research with much larger sample sizes.

Demographic Information of Respondents

Upon arrival at Hal Holmes Community Center, all 23 participants were asked to fill out a questionnaire; detailed responses are located in the *Cross Tabulated Results* section provided with this report.

Following is a brief summary of the key survey findings, which is intended to provide an introductory portrait of the composition of the groups:

- Out of the 23 respondents, 87% were older than 50 years of age
- 87% of respondents were male
- 74% of participant's families have owned their land for 20 years or more, with a subset of 48% having owned the land for over 30 years
- The majority (57%) of participants owned more than 200 acres, while less, 44%, referring to 200+ acres farmed and irrigated this* entire plot of land
- The most frequent type of farm was cattle (70%) followed by hay (26%).
- When asked if the participants had ever considered leasing, selling or buying water rights, respectively, 44%, 35%, 39% responded 'yes'
- 52% of individuals reported that their farm has been successful during the past two years

Executive Summary

The focus group sessions centered around two key questions: (1) why did the 2007 reverse water right auction fail, and (2) what could be done to improve to participation in future projects. Some of the issues that SRA explored were more questions of the design of the project, i.e. are people choosing not to participate because of price, confusion, the host of the auction, timeline, etc, while other issues were based more on cultural factors such as, trust issues with the host, fear of undermining the farming community, or the uncertainty regarding supply of water.

All but one individual, from group one, remembered receiving the 2007 invitation to submit proposals for the reverse water rights auction. However, of these 22 respondents who remembered the letter, only person responded, but ultimately decided not complete the reverse water right auction process. When asked if this decision to not participate in the auction was intentional, all of those who remembered the letter indicated that it was.

When asked to provide a list of the reasons that they consciously chose not to participate, in both groups the answers were the same: they didn't feel that they were given the tools to establish a fair price for their water rights, and moreover, they also felt that this was a not only a conceptual flaw in the design of a reverse auction, it was perceived as a symptom of a hidden agenda. Ultimately, as previous trust issues are apparent, the reverse auction model is undermining the trust that the Department of Ecology is trying to cultivate.

Again, it was not a question of a rigid timeline, or confusion that arose from the language of the letter; it was essentially a rejection of the reverse auction model. As a possible improvement to the system, participants suggested restructuring the program to mirror free market transactions. To illustrate this point, one of the participants in the second group used a real-estate analogy: "If you want to buy a house, you can go to a realtor, you can compare prices with other homes in the area, you can consider its location, or the value of the land on which it was built. In the same way, if you are a seller, you offer a price that you think is competitive, or better, the highest prices that someone will pay for the home; the buyer either rejects or accepts this price. Basically, the market place reconciles the parsimonious buyer and the greedy seller. However, with a reverse auction these conditions don't exist, which makes the task of establishing a fair price nearly impossible."

In light of these comments, it is not difficult to imagine that the subsequent improvements were to create a disinterested organization that could regulate these transactions and to provide tools to these buyers and sellers in order to ensure that they are adequately compensated for the water rights that they would be leasing or selling.

Another factor mentioned in both groups was the "use it or lose it" policy currently in place. For these individuals, the sentiment that they are not able to establish a competitive price means that they would still need to supplement their income with

farming in order to make a water transfer economically practical, however, given that once these rights have been transferred, through a sale or lease, the fact they are not permitted to irrigate their land with the excess water, or using a different water right, is interpreted either as anti-agriculture or a poorly designed program.

In this regard, one farmer asserted that while technological innovations such as more efficient irrigation systems and the ability to accurately assess water consumption offer the possibility of improved conservation efforts, these strategies have yet to be fully engaged, as these farmers have indicated that they still use all of their water to ensure that the right will not be relinquished. Therefore, changing consumption/relinquishment laws would in essence reduce the burden of organizations such as Department of Ecology to fund these programs with economic/market incentives, and in their place, make an effort to cultivate a culture of long term of agriculture friendly conservation.

Along the margins of the discussions, primarily in the first group, there were fears about the goal of the programs. These sorts of comments were often paired with a long diatribe about real estate developers in the region and/or standing agreements with the Native American tribes. To allay these fears, participants offered three suggestions: (1) holding more community meetings where the host of these potential programs could field questions and explain the process in further detail, (2) implement a reporting process that is easily accessible to potential sellers/landowners, and (3) including more detailed information about the goals of the projects, as well as the mechanical aspects of the leasing or selling process in the correspondence that these water rights holders receive.

Though a turbulent history between regulatory organizations and landowners has shaped the dynamic between these two parties, the landowners who participated in these focus group sessions clearly are looking to redefine this relationship and expressed gratitude at having been given the opportunity to share their opinions and concerns regarding current water rights issues. In this respect, the exercise was an unqualified success; throughout both discussions, a point was made by participants that convening groups of stakeholders so that regulatory organizations could improve their understanding of some of the factors that are contributing to the failure of these water rights auctions, was in fact a novel, if not revolutionary approach. It was also mentioned that recent presence of the current Department of Ecology director, Jay Manning, has shown these individuals, that perhaps this relationship can move forward in order to promote programs that are both mutually beneficial to conservation efforts and agriculture. However, in the later group, which was characterized by larger farms, higher annual incomes and an overall entrepreneurial spirit this noteworthy comment was followed by a warning that these suggestions have to be implemented soon. The reason: as Kittitas County is experiencing tremendous growth and an influx in the conversion of agricultural land to residential and commercial property, the opportunities to sell land are abundant. This makes establishing a competitive prices that much more important, because even though many of these landowners are anti-development in the area, they are not willing to sell their water rights and essentially their farming capabilities for less than their market value.

Introduction

The group sessions lasted two hours during which participants were asked to share their opinions on water rights issues and how these attitudes influenced their decision to participate in Department of Ecology past, present or future initiatives such as reverse water right auctions. The discussion consisted of three sections: General Perceptions, Reactions to Water Rights Issues and The Past Reserve Auction, and How to Improve the Process and Generate More Participation. This report will be organized in the same manner and will explore the responses that fall within each question, in order. Also, for convenience, except when specified, groups will be treated as a single entity.

I. General Perceptions

Questions A, B and C: After introductions, a brief overview of SRA, and synopsis of the goals of the discussion, respondents were asked to describe what came to mind upon hearing the phrase *water rights*. While the responses varied considerably, not only within the groups, but also from the sessions, common themes were easy to identify. For some, the question provoked utilitarian responses such as *a water right is simply the right to use water, or access to free flowing water, or even a right to ownership that is not limited only to irrigation*, while for others, typically for those with smaller farms, this top mind exercise showed that water rights were synonymous with the ability to farm or raise a crop. Additionally, individuals in both groups cited some of the difficulties that have been associated with water rights during the past thirty years; these responses ranged from policy driven attributes such *first in time, first with right, or adjudication*, to a hardened frustration rising from the difficulty in reallocating a scarce resource.

As a follow up to the top of mind exercise, respondents then were asked to define the term *Water Rights*. Given the sensitivity of the issue and the long history of adjudication, the responses tended to absorb some of the more negative attributes associated with the Aquavela lawsuit and should also be noted that arriving a clear and concise definition was not achieved. However, one respondent called attention to this confusion, saying “We spent thirty years trying to define what a water right was and exactly what this entailed.” He later added that he still, despite the completion of the process, was unable to articulate a definition due to the fact that this term is constantly changing.

While these initial exercises were intended to foment discussion and orient the direction of the group, they were very useful in establishing the overall paradigm which has been shaped considerably by their hostile sentiment towards regulatory organizations like the Department of Ecology.

II. Reactions to Water Rights Issues and the Past Reverse Auction

Questions A and B: This section was prefaced with a brief explanation of the 2007 Yakima Water Rights Reverse Auction and followed with a question which gauged how many of the participants remembered receiving this letter. The response to this question

was uniform: 12/13 respondents in the first group recalled the letter and 10/10 respondents in the second group. Although almost everyone who participated in this exercise recalled the letter, not one person in either group responded; both groups, of those who remembered, also indicated that this non-response was intentional.

To supplement this question, participants were asked describe why they were unreceptive to this letter. In this respect, despite some common themes, there was a fair amount of difference between the two groups. Following is a catalog of the most common responses, separated by group:

Group 1:

<input type="radio"/> Without water, the property is worthless
<input type="radio"/> This is a quality of life issue, what happens in low water years?
<input type="radio"/> Farmers are caretakers of the land; water rights are inseparable from the land
<input type="radio"/> I want to be able to lease or sell it to someone who will use it to farm
<input type="radio"/> It seemed like a scam
<input type="radio"/> I felt there were ulterior motives
<input type="radio"/> This water might end up in the hands of developers

Group 2:

<input type="radio"/> Land has no value without the water
<input type="radio"/> People are reluctant
<input type="radio"/> It's an affront to property owners; the mechanism is flawed
<input type="radio"/> The Department of Ecology wanted to do it on the cheap

Question C: Reasons for Non Participation

Next, participants were asked to provide a more detailed list of some of the specific reasons that had prevented them from participating in the auction itself. The reasons were listed on the easel and then the moderators asked the group to vote on the importance of the item in deterring their participation. The lists and voting totals for both groups are as follows:

Group 1 (n=13):

<input type="radio"/> Trust issues with Department of Ecology (12/13)
<input type="radio"/> The goal of the project was not clear (9/13)
<input type="radio"/> The intended use of the water, for fish and stream flow, or for development, for other farmers? (9/13)
<input type="radio"/> No basis for establishing price (8/13)

○ Open ended: no earnest money (7/13)
○ Drying up of the land (6/13)
○ Fear of additional adjudication : This item was not voted upon, as it was decided that it was not pertinent to the letter
○ No flexibility in leasing options

Group 2 (n=10):

○ Distrust of the Department of Ecology (10/10)
○ Complexity of determining a dollar value of the water being leased (10/10)
○ Uncertainty about the quantity of water available due to agreements with the tribes (10/10)
○ Lack of flexibility of leasing options (9/10)
○ The value of water will increase as it becomes an increasingly scarce resource (8/10)
○ The goal of the auction not clear (3/10)
○ Aquavela has not been finalized
○ Use it, or lose it type of regulation
○ Other personal reasons

As one will note from the lists above, these reasons not only reveal common themes in both groups, they also encompass issues ranging from problems with the mechanics of a reverse auction, to more abstract issues that might be considered “cultural concerns” of these landowners and/or farmers.

Qualitatively, the latter category appears to have been shaped by a number of factors; it seemed as if these people were engaging the topic and appropriating it for the sake of defending the farming community. Their responses were based primarily on the fear that their water rights were tantamount to the livelihood of the farmer, thus making this an issue about farming, legislature and governmental organizations, and not about the 2007 Reverse Water Rights Auction. Participants expressed that while they felt they understood the goals of these projects, that is, conservation aimed to replenish streams and fish habitats, the fact that the Department of Ecology didn’t address these items in the letter engendered the belief that something was being hidden from them. For these individuals, transparency is paramount as lacunae in official correspondence are interpreted as intentional misrepresentations with detrimental financial consequences.

In the former category, the problems with the mechanics of the reverse auction, there was significant overlap in both groups. The most common theme, or obstacle, that prevented these individuals from participating in the auction was the rejection of the reverse model itself. One participant in the second group described the concept of a reverse auction as “an affront to the property owner” saying that it is conceptually flawed as it is designed to prevent the seller from using a free market to establish a competitive price. As the respondents indicated that, intrinsically, the water right was the value of the land,

determining a fair price was an essential component in improving participation.

Another issue that respondents highlighted as an important factor in their non-response was the uncertainty of the amount of water that had been allocated to certain water trust initiatives, "Treaty Right" agreements with the Native American tribes. They indicated that this uncertainty revolving around these agreements has undermined their confidence in the ability to accurately assess how much water is truly available within the tributary.

III. How to Improve the Process and Generate More Participation

The goal of this section was to identify ways in which the Department of Ecology could improve relations with land owners as well as the design of future programs. As the previous section revealed, in both groups, an unqualified rejection of the reverse auction model, it was necessary to revise terminology and to speak generally about selling or leasing water rights.

Question A: Organizations

Given the distrust of the Department of Ecology, respondents were asked to identify organizations with which they would be comfortable working on future auction/selling projects. In the first group the following organizations were mentioned and voted on:

<input type="radio"/> Kittitas County Conservation District (8/13)
<input type="radio"/> Washington Reclamation District (0/13)
<input type="radio"/> Department of Ecology (0/13)
<input type="radio"/> Washington Water Trust (0/13)
<input type="radio"/> Department of Fish and Wildlife (0/13)

For the first group, KCCD was overwhelmingly the most supported option.

For the second group, organizations with which they would be comfortable working on future auction/selling projects, were voted on as follows:

<input type="radio"/> Water Conservancy Board (3/10)
<input type="radio"/> Washington Water Trust (1/10)
<input type="radio"/> Washington River Conservancy (0/10)
<input type="radio"/> Department of Ecology (0/10)
<input type="radio"/> West Water Research (0/10)

Surprisingly, this list differs from group one not only for the organizations that were mentioned, but also in that none of these groups garnered a high level of endorsement.

With regard to trust and the organizations involved in water regulation, one of the factors that participants suggested has compromised their trust was a question of the personnel of

these government agencies. Participants indicated that, as this is a both a sensitive and complex issue, there is a steep learning curve for those individuals who are assigned to design and manage these water rights initiatives and often these individuals move on to other positions before they fully understand the problems surrounding this issue.

However, looking beyond this question of personnel, the discussion gravitated toward the sentiment that the mission of these organizations, with the exception of KCCD, is not to promote agriculture, rather conservation based ecological initiatives. It's not surprising then that, as these landowners do not feel adequately represented on issues that could have a direct impact on the farming industry, they have elected to reject these conservation-based efforts.

Question B. Terms and Conditions of the Letter

This question examined whether the language of the letter had been a significant factor in their non-response. The moderator posed the question "If the letter had simply said: *Are you interested in selling or leasing your water right? We have funding and want to buy or lease water rights.* Would that have made you more likely to submit a bid?" Across both groups the answer was the same: *no*. While the goal of the question was to determine whether the formal/complex language included in the letter had compromised willing sellers by confusing them, it appeared that this was really a non-issue; all of the individuals, in both groups, stated that they understood the letter but had elected to not participate for other reasons.

Question C. Options for bidding: Leasing vs. Selling and Flexibility

This question aimed to assess the preference between leasing and selling. Thinking back to some of the earlier exercises where respondents were asked to make a list of the various reasons they chose not to participate, this again proved to be an opportunity to identify a recurring theme: the uncertain future of the availability of water. For this reason, it was unanimous that these individuals preferred leasing water rights. Another factor mentioned in both groups was the "use it or lose it" policy currently in place. For these individuals, the sentiment that they are not able to establish a competitive price means that they would still need to supplement their income with farming in order to make a water transfer economically practical, however, given that once these rights have been transferred, through a sale or lease, the fact they are not permitted to irrigate their land with the excess water, or using a different water right, is interpreted either as anti-agriculture or a poorly designed program.

In this regard, one farmer asserted that while technological innovations such as more efficient irrigation systems and the ability to accurately assess water consumption offer the possibility of improved conservation efforts, these strategies have yet to be fully engaged, as these farmers have indicated that they still use all of their water to ensure that the right will not be relinquished.

Question D. Time-line

This section consisted of two questions: (1) how long of a time-line should be available to submit a bid? And (2) how does a longer time-line make it more likely for you to participate? Interestingly, in both groups this question appeared to be a non-issue in these individual's decision to not participate in previous reverse auctions. They did, however, state that they needed to know the length of time for a bid proposal to be accepted or rejected.

Question E. How to Increase Participation through Implementing Changes to the Program

The importance of this exercise cannot be underestimated as it encouraged respondents to generate solutions that would make these auctions, or water right transferal programs, more viable and successful. It was framed as a hypothetical type scenario: "Now that the problems have been identified, what changes could be implemented so that you would participate?" This was a valuable exercise in that it allowed SRA to assess the importance of each of these factors in deterring or encouraging participation, while also generating solutions.

Respondents were also asked to vote on each item.

Group 1 (n=13):

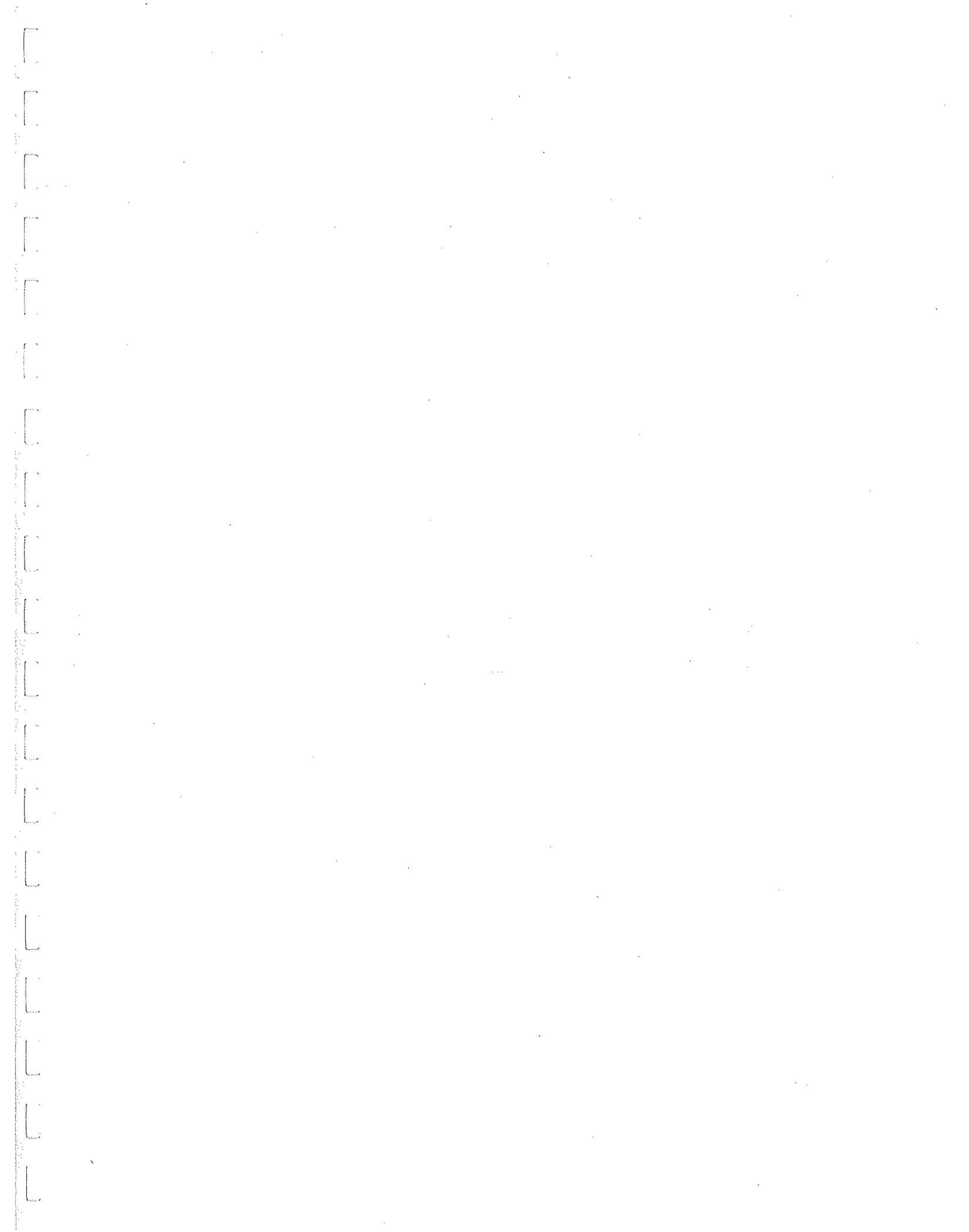
<input type="radio"/> A disinterested organization that would allow sellers and buyers to establish a fair price (13/13)
<input type="radio"/> Trust: hold community meetings (10/13)
<input type="radio"/> One year lease or a transferal program with flexible options (9/13)
<input type="radio"/> document process with detailed reports of transactions which could be viewed by the potential sellers (5/13)
<input type="radio"/> Design the program like a real-estate market (4/13)
<input type="radio"/> Emphasis on conservation strategies eliminating the need to sell
<input type="radio"/> Changing consumption/relinquishment laws
<input type="radio"/> Purchase the land

Group 2 (n=10):

<input type="radio"/> Complexity: open market (8/10)
<input type="radio"/> Leasing excess water: change in the relinquishment laws (8/10)
<input type="radio"/> Flexibility of leasing options (7/10)
<input type="radio"/> Goal of the design: Community meetings, specific lease for intended water use (1/10)

It should also be noted that some of the options listed were not voted on as the conversation revealed that they were unrealistic, or because they fell outside of a scope of selling or leasing water type transaction.

Consistent with previous exercises, the conversation gravitated towards three common themes or common improvements: (1) redesigning the program so that it would function like any other market driven transaction, that is, with components such as competitive price, and a transparent relationship between the buyer and seller (2) creating a disinterested organization to regulate these transactions and (3) changing consumption/relinquishment laws which would in essence reduce the burden of organizations/agencies such as Department of Ecology to fund these programs with economic/market incentives, and in their place, make an effort to cultivate a culture long term of agriculture friendly conservation.



Department of Ecology:
Attitudes and Perceptions Among Kittitas Water Right Holders
Focus Group Questionnaire
Crosstabulated Results

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Table 1 Page 1

Department of Ecology:
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 Focus Group Questionnaire
 Crosstabulated Results

Q1. What is your age? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?		SELL WATER RIGHTS?		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
(1) UNDER 20 YEARS OLD	-	-	-	-	-	-	-	-	-
(2) 20 TO 34 YEARS OLD	-	-	-	-	-	-	-	-	-
(3) 35 TO 49 YEARS OLD	3 13.0%	3 23.1%	-	2 10.0%	1 33.3%	1 10.0%	2 16.7%	1 12.5%	2 14.3%
(4) 50 TO 64 YEARS OLD	10 43.5%	4 30.8%	6 60.0%	9 45.0%	1 33.3%	4 40.0%	6 50.0%	4 50.0%	6 42.9%
(5) 65 TO 79 YEARS OLD	7 30.4%	5 38.5%	2 20.0%	7 35.0%	-	4 40.0%	2 16.7%	2 25.0%	4 28.6%
(6) 80 TO 95 YEARS OLD	3 13.0%	1 7.7%	2 20.0%	2 10.0%	1 33.3%	1 10.0%	2 16.7%	1 12.5%	2 14.3%
MEAN	4.43	4.31	4.60	4.45	4.33	4.50	4.33	4.38	4.43



Table 2 Page 2

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Q2. What is your gender? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?		SELL WATER RIGHTS?		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
MALE	20 87.0%	10 76.9%	10 100.0%	20 100.0%	-	10 100.0%	9 75.0%	8 100.0%	11 78.6%
FEMALE	3 13.0%	3 23.1%	-	-	3 100.0%	-	3 25.0%	-	3 21.4%



Table 3 Page 3

Department of Ecology:
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 Crosstabulated Results

Q3. How long has your family owned your property? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?		SELL WATER RIGHTS?		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
(1) LESS THAN 5 YEARS	-	-	-	-	-	-	-	-	-
(2) 5 TO UNDER 10 YEARS	-	-	-	-	-	-	-	-	-
(3) 10 TO UNDER 15 YEARS	2 8.7%	1 7.7%	1 10.0%	2 10.0%	-	1 10.0%	1 8.3%	-	2 14.3%
(4) 15 TO UNDER 20 YEARS	4 17.4%	2 15.4%	2 20.0%	4 20.0%	-	3 30.0%	1 8.3%	3 37.5%	1 7.1%
(5) 20 TO UNDER 25 YEARS	5 21.7%	4 30.8%	1 10.0%	4 20.0%	1 33.3%	2 20.0%	3 25.0%	2 25.0%	3 21.4%
(6) 25 TO UNDER 30 YEARS	1 4.3%	-	1 10.0%	1 5.0%	-	1 10.0%	-	-	1 7.1%
(7) 30 OR MORE THAN YEARS	11 47.8%	6 46.2%	5 50.0%	9 45.0%	2 66.7%	3 30.0%	7 58.3%	3 37.5%	7 50.0%
MEAN	5.65	5.62	5.70	5.55	6.33	5.20	5.92	5.38	5.71

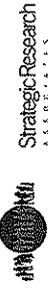


Table 4 Page 4.

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Q4. How many acres does your family own? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?		SELL WATER RIGHTS?		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
(1) LESS THAN 10 ACRES	-	-	-	-	-	-	-	-	-
(2) 10 TO UNDER 40 ACRES	3 13.0%	2 15.4%	1 10.0%	2 10.0%	1 33.3%	1 10.0%	2 16.7%	-	3 21.4%
(3) 40 TO UNDER 80 ACRES	2 8.7%	2 15.4%	-	2 10.0%	-	1 10.0%	1 8.3%	1 12.5%	1 7.1%
(4) 80 TO UNDER 120 ACRES	1 4.3%	-	1 10.0%	1 5.0%	-	-	1 8.3%	-	1 7.1%
(5) 120 TO UNDER 160 ACRES	3 13.0%	2 15.4%	1 10.0%	2 10.0%	1 33.3%	2 20.0%	1 8.3%	2 25.0%	1 7.1%
(6) 160 TO UNDER 200 ACRES	1 4.3%	1 7.7%	-	-	1 33.3%	-	1 8.3%	-	1 7.1%
(7) 200 OR MORE ACRES	13 56.5%	6 46.2%	7 70.0%	13 65.0%	-	6 60.0%	6 50.0%	5 62.5%	7 50.0%
MEAN	5.57	5.23	6.00	5.75	4.33	5.70	5.33	6.00	5.21



Table 5 Page 5

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Q5. How many acres do you farm? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?*		SELL WATER RIGHTS?*		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
(1) 10 TO UNDER 40 ACRES	4 17.4%	3 23.1%	1 10.0%	3 15.0%	1 33.3%	2 20.0%	2 16.7%	1 12.5%	3 21.4%
(2) 40 TO UNDER 80 ACRES	2 8.7%	2 15.4%	-	1 5.0%	1 33.3%	-	2 16.7%	-	2 14.3%
(3) 80 TO UNDER 120 ACRES	2 8.7%	1 7.7%	1 10.0%	1 5.0%	1 33.3%	-	2 16.7%	-	2 14.3%
(4) 120 TO UNDER 160 ACRES	3 13.0%	1 7.7%	2 20.0%	3 15.0%	-	2 20.0%	1 8.3%	2 25.0%	1 7.1%
(5) 160 TO UNDER 200 ACRES	1 4.3%	-	1 10.0%	1 5.0%	-	1 10.0%	-	-	1 7.1%
(6) 200 OR MORE ACRES	10 43.5%	5 38.5%	5 50.0%	10 50.0%	-	4 40.0%	5 41.7%	4 50.0%	5 35.7%
* NO RESPONSE	1 4.3%	1 7.7%	-	1 5.0%	-	1 10.0%	-	1 12.5%	-
MEAN	3.96	3.38	4.70	4.25	2.00	3.90	3.83	4.13	3.71

Table 6 Page 6

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Q6. How many acres do you irrigate (water)? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?		SELL WATER RIGHTS?		
	Total	Group 1	Group 2	Males	Females	Yes	No	Yes	No
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
(1) 10 TO UNDER 40 ACRES	5 21.7%	4 30.8%	1 10.0%	3 15.0%	2 66.7%	2 20.0%	3 25.0%	1 12.5%	4 28.6%
(2) 40 TO UNDER 80 ACRES	1 4.3%	1 7.7%	-	1 5.0%	-	-	1 8.3%	-	1 7.1%
(3) 80 TO UNDER 120 ACRES	2 8.7%	1 7.7%	1 10.0%	1 5.0%	1 33.3%	-	2 16.7%	-	2 14.3%
(4) 120 TO UNDER 160 ACRES	3 13.0%	1 7.7%	2 20.0%	3 15.0%	-	2 20.0%	1 8.3%	2 25.0%	1 7.1%
(5) 160 TO UNDER 200 ACRES	2 8.7%	-	2 20.0%	2 10.0%	-	2 20.0%	-	1 12.5%	1 7.1%
(6) 200 OR MORE ACRES	10 43.5%	6 46.2%	4 40.0%	10 50.0%	-	4 40.0%	5 41.7%	4 50.0%	5 35.7%
MEAN	4.13	3.77	4.60	4.50	1.67	4.40	3.75	4.75	3.64



Table 7 Page 7

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Q7. Have you ever considered leasing your water rights? (Please only mark one box.)

	=====GROUP=====		=====GENDER=====		=LEASE WATER RIGHTS?= Yes No		==SELL WATER RIGHTS?= Yes No		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
YES	10 43.5%	6 46.2%	4 40.0%	10 50.0%	-	10 100.0%	-	8 100.0%	2 14.3%
NO	12 52.2%	6 46.2%	6 60.0%	9 45.0%	3 100.0%	-	12 100.0%	-	12 85.7%
* NO RESPONSE	1 4.3%	1 7.7%	-	1 5.0%	-	-	-	-	-

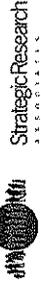


Table 8 Page 8

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Q8. Have you ever considered selling your water rights? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?=-		SELL WATER RIGHTS?=-		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
YES	8 34.8%	5 38.5%	3 30.0%	8 40.0%	-	8 80.0%	-	8 100.0%	-
NO	14 60.9%	7 53.8%	7 70.0%	11 55.0%	3 100.0%	2 20.0%	12 100.0%	-	14 100.0%
* NO RESPONSE	1 4.3%	1 7.7%	-	1 5.0%	-	-	-	-	-



Table 9 Page 9

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Q9. Have you ever considered buying more water rights? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?= Yes No		SELL WATER RIGHTS?= Yes No	
	Group 1	Group 2	Males	Females	Yes	No	Yes	No
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0
YES	9 39.1%	5 38.5%	4 40.0%	7 35.0%	2 66.7%	3 30.0%	5 41.7%	2 25.0%
NO	14 60.9%	8 61.5%	6 60.0%	13 65.0%	1 33.3%	7 70.0%	7 58.3%	6 75.0%



Table 10 Page 10

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Summary Table: Q10. What do you farm? (Please mark all that apply.)
 Percentage of respondents stating "YES" only.
 Shown in descending order, ranked highest to lowest.

	GROUP		GENDER		LEASE WATER RIGHTS?		SELL WATER RIGHTS?		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
D. CATTLE	16 69.6%	9 69.2%	7 70.0%	14 70.0%	2 66.7%	7 70.0%	8 66.7%	7 87.5%	8 57.1%
F. HAY	6 26.1%	3 23.1%	3 30.0%	6 30.0%	-	5 50.0%	1 8.3%	3 37.5%	3 21.4%
A. VEGETABLES	4 17.4%	2 15.4%	2 20.0%	4 20.0%	-	1 10.0%	3 25.0%	1 12.5%	3 21.4%
E. PIGS	2 8.7%	1 7.7%	1 10.0%	1 5.0%	1 33.3%	-	2 16.7%	-	2 14.3%
B. FRUIT	2 8.7%	1 7.7%	1 10.0%	2 10.0%	-	-	2 16.7%	-	2 14.3%
C. DAIRY	1 4.3%	-	1 10.0%	1 5.0%	-	-	1 8.3%	-	1 7.1%



Table 11 Page 11

Department of Ecology:
 Attitudes and Perceptions Among Kittitas Water Right Holders
 Focus Group Questionnaire
 Crosstabulated Results

Q11. Agree or disagree. Our farm has been successful over the past two years? (Please only mark one box.)

	GROUP		GENDER		LEASE WATER RIGHTS?		SELL WATER RIGHTS?		
	Group 1	Group 2	Males	Females	Yes	No	Yes	No	
TOTAL	23 100.0	13 100.0	10 100.0	20 100.0	3 100.0	10 100.0	12 100.0	8 100.0	14 100.0
(1) STRONGLY AGREE	4 17.4%	2 15.4%	2 20.0%	4 20.0%	-	1 10.0%	3 25.0%	1 12.5%	3 21.4%
(2) AGREE	8 34.8%	5 38.5%	3 30.0%	8 40.0%	-	5 50.0%	2 16.7%	4 50.0%	3 21.4%
(3) NEUTRAL	7 30.4%	3 23.1%	4 40.0%	5 25.0%	2 66.7%	2 20.0%	5 41.7%	1 12.5%	6 42.9%
(4) DISAGREE	4 17.4%	3 23.1%	1 10.0%	3 15.0%	1 33.3%	2 20.0%	2 16.7%	2 25.0%	2 14.3%
(5) DISAGREE AGREE	-	-	-	-	-	-	-	-	-
MEAN	2.48	2.54	2.40	2.35	3.33	2.50	2.50	2.50	2.50



Moderator's Guide – Water Rights Reverse Auction (v3.00)

(Strategic Research Associates, November 7, 2007)

Moderator notes are in blue, surrounded by brackets.

I. Introduction

Prior to discussion, participants fill out a written questionnaire. Discussion begins after all participants have completed it.

A. Introduction

1. What a focus group is . . .
2. Topic: *Your perceptions about water rights in the Yakima River Basin*
3. Why you're here . . .

B. What we're going to be doing . . .

1. Discussion length – about two hours)
2. Your role / moderator's role
3. Tonight's procedures
 - a. Respond to my questions / respond to others in the group
 - b. Courtesy / raising hands
 - c. No right or wrong answers / Honest opinions
 - d. Discussion – for research purposes only
4. Food / Restroom / Taping / Questions

C. Participant introductions

1. First name only
2. Something about yourself (to share with the group)

II. General perceptions (warmup)

A. How many of you are located In-Basin? **[HANDS ONLY]**

B. How many of you are currently involved in farming or ranching activities?
[HANDS ONLY]

C. We're going to be talking today about your "water rights." When I use the term "water rights," how would you describe what comes to mind first? And this could be a phrase, sentence, or some kind of description? **[EXPLORE]**

D. For the purposes of this discussion, how would you best define the term "water rights"?

III. Reactions to water rights issues and the past reserve auction

Earlier in 2007, the Department of Ecology sent landowners like yourself a letter asking you to buy or lease your water rights in what the department calls a “Yakima Water Rights Reverse Auction.” [MODERATOR EXPANDS DEFINITION OF A “WATER RIGHTS REVERSE AUCTION” IF NEEDED.] First . .

- A. How many remember receiving this letter? [HANDS ONLY]
- B. When you first read the letter, how did you react to it? [EXPLORE]
 - 1. Why?
 - 2. How many responded to the letter? [HANDS ONLY]
 - 3. Among those not responding, how many of you would say you intentionally didn't respond? [HANDS ONLY]
- C. I'd like to explore your reactions to the idea of the Water Rights Reverse Auction in some detail (since most didn't respond to the letter). . . . I'd like to list on the easel the reasons you had *for not participating* in the reverse auction. And these could be anything, *including your perceptions about your water rights*. . . . I'll list each reason and then I want to go back and talk in detail about at least some of these. [MODERATOR LISTS EACH REASON ON AN EASEL. THE PROCESS CONTINUES UNTIL PARTICIPANTS SAY TO STOP. . . . IF THE FOLLOWING HAVE NOT ALREADY BEEN SUGGESTED, THEN THEY MAY BE ADDED AT MODERATOR'S DISCRETION:

COMPLEXITY (TOO CONFUSING)
TIME-LINE TOO SHORT
LIMITED OPTIONS
CONDITIONS
FEELINGS ABOUT DOE
HOLDING OUT FOR A PERSONAL REASON
SPECULATION (WATER WILL BECOME MORE VALUABLE)]

[FOR EACH REASON . . .]

- 1. Could you elaborate and explain how this is important? [EXPLORE AS NEEDED]
- 2. How many consider this a major factor in their non-response? [HANDS]

IV. How to improve the process and generate more participation

We've been talking about what you see as deficiencies of the process. Let's talk now about specific ways to improve it . . .

- A. First, what organization, if any, would you be *most* comfortable working with to sell or lease your water rights? Generate list, then explore Why?
 - 1. The WRC, or Washington River Conservancy
 - 2. The Department of Ecology?

3. The WWT, or Washington Water Trust

- B. Now that we have identified some of the organizations that you might be comfortable working with, let's talk about people within your community. Is there anyone whose knowledge of water rights, knowledge about the organizations we've already mentioned, or the overall process of acquiring or selling water rights that would make him/her a good person to represent, or interface with these land owners as well as organizations like ECY?

Say, you had to nominate someone, who would you trust and why?

[Let participants generate a list of community members. If they are unwilling to provide a name, ask them why this option wouldn't work]

- C. Lets imagine terms and conditions in the letter had been simpler. If the question had simply been, "*Are you interested in selling or leasing your water right? We have funding and want to buy or lease water rights.*" would that have made you more likely to submit a bid?
- D. The options for bidding were purchase, or dry-year lease (10+ years), or split-season lease (5+ years). What important options, if any, did you feel were missing from the list?
1. Given your preferred price, would you tend to choose leasing or purchase?
[HANDS]
- E. Time-line
1. How long of a time-line should be available to submit a bid?
 2. How does a longer time-line make it more likely for you to participate?
[EXPLORE REASONS WHY A LONGER TIME-LINE WOULD ENTICE MORE SUBMISSIONS.]
- F. **[MODERATOR REFERS TO EASEL WITH REASONS LISTED FOR NON-PARTICIPATION, COMPILED EARLIER. THE MODERATOR HAS THE DISCRETION TO SKIP REASONS THAT OVERLAP WITH DISCUSSION ABOVE.]**
I'd like you to review this list again, but this time I'd like you to describe how things could be improved in some of these areas, with the goal to increase participation in bid submission. First . . . **[FOR EACH REASON CHOSEN BY THE MODERATOR TO DISCUSS . . .]**
1. For ___, how would you improve things (to encourage more participation by landowners like yourselves)?
 2. If these changes for ___ are implemented, how many say it would significantly improve your chances of submitting a bid? **[HANDS ONLY]**
- G. Assuming the major changes you've recommended are implemented for next year. In this case . . .
1. How many of you can see yourselves participating in next year's Water Rights Reverse Auction? **[HANDS ONLY]**
 2. If no, why not? Is there any change that could get you to participant?

V. Wrap-up

- A. Before we end, is there anything else you'd like to add about water rights or the Water Rights Reverse Auction?
- B. Honorarium & thank you

Discussion Group Questionnaire

(November 13, 2007)

Number: _____

Please don't turn page until instructed.

Q1. What is your age? *(Please only mark one box.)*

₁ Under 20 years old

₂ 20 to 34 years old

₃ 35 to 49 years old

₄ 50 to 64 years old

₅ 65 to 79 years old

₆ 80 to 95 years old

Q2. What is your gender? *(Please only mark one box.)*

₁ Male

₂ Female

Q3. How long has your family owned your property? *(Please only mark one box.)*

₁ Less than 5 years

₂ 5 to under 10 years

₃ 10 to under 15 years

₄ 15 to under 20 years

₅ 20 to under 25 years

₆ 25 to under 30 years

₇ 30 or more than years

Q4. How many acres does your family own? *(Please only mark one box.)*

- ₁ Less than 10 acres
- ₂ 10 to under 40 acres
- ₃ 40 to under 80 acres
- ₄ 80 to under 120 acres
- ₅ 120 to under 160 acres
- ₆ 160 to under 200 acres
- ₇ 200 or more acres

Q5. How many acres do you farm? *(Please only mark one box.)*

- ₁ 10 to under 40 acres
- ₂ 40 to under 80 acres
- ₃ 80 to under 120 acres
- ₄ 120 to under 160 acres
- ₅ 160 to under 200 acres
- ₆ 200 or more acres

Q6. How many acres do you irrigate (water)? *(Please only mark one box.)*

- ₁ 10 to under 40 acres
- ₂ 40 to under 80 acres
- ₃ 80 to under 120 acres
- ₄ 120 to under 160 acres
- ₅ 160 to under 200 acres
- ₆ 200 or more acres

Q7. Have you ever considered leasing your water rights? *(Please only mark one box.)*

₁ Yes

₂ No

Q8. Have you ever considered selling your water rights? *(Please only mark one box.)*

₁ Yes

₂ No

Q9. Have you ever considered buying more water rights? *(Please only mark one box.)*

₁ Yes

₂ No

Q10. What do you farm? *(Please mark all that apply.)*

₁ Vegetables

₂ Fruit

₃ Dairy

₄ Cattle

₅ Pigs

Q11. Agree or disagree. Our farm has been successful over the past two years? *(Please only mark one box.)*

₁ Strongly agree

₂ Agree

₃ Neutral

₄ Disagree

₅ Disagree agree