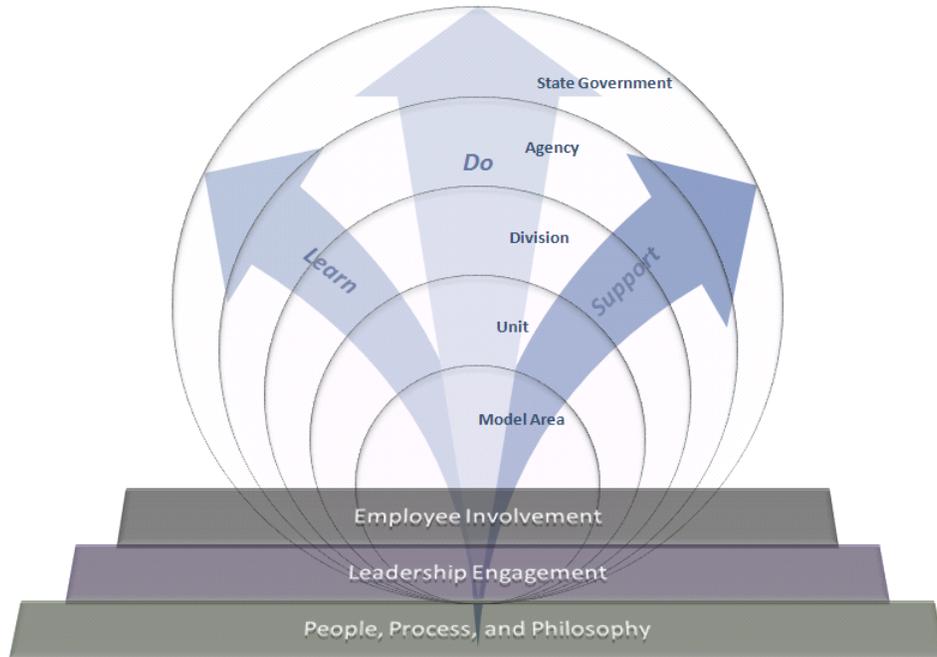
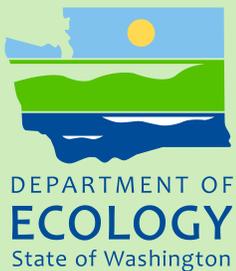


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## **Report to the Legislature: Water Resources Program Reforms and Efficiencies**

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# **Report to the Legislature:**

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## **Water Resources Program Reforms and Efficiencies**

*by*

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Water Resources Program  
Washington State Department of Ecology  
Olympia, Washington

## Program Mission

The mission of the Water Resources Program is to support sustainable water resources management to meet the present and future water needs of people and the natural environment, in partnership with Washington communities.

## Authorizing Laws

- RCW [18.104](#), *Water Well Construction Act (1971)*
- RCW [43.21A](#), *Department of Ecology (1970)*
- RCW [43.27A](#), *Water Resources (1967)*
- RCW [43.83B](#), *Water Supply Facilities (1972)*
- RCW [43.99E](#), *Water Supply Facilities – 1980 Bond Issue (Referendum 38) (1979)*
- RCW [86.16.035](#), *Department of ecology control of dams and obstructions (1935)*
- RCW [90.03](#), *Water code (1917)*
- RCW [90.08](#), *Stream patrolmen (1925)*
- RCW [90.14](#), *Water rights claims registration and relinquishment (1967)*
- RCW [90.16](#), *Appropriation of water for public and industrial purposes (1869)*
- RCW [90.22](#), *Minimum water flows and levels (1969)*
- RCW [90.24](#), *Regulation of outflow of lakes (1939)*
- RCW [90.28](#), *Miscellaneous rights and duties (1927)*
- RCW [90.36](#), *Artesian wells (1890)*
- RCW [90.38](#), *Yakima river basin water rights (Trust Water) (1989)*
- RCW [90.40](#), *Water rights of United States (1905)*
- RCW [90.42](#), *Water resource management (Trust Water) (1991)*
- RCW [90.44](#), *Regulation of public groundwaters (1945)*
- RCW [90.46](#), *Reclaimed water use (1992)*
- RCW [90.54](#), *Water resources act of 1971 (1971)*
- RCW [90.66](#), *Family farm water act (1977)*
- RCW [90.80](#), *Water conservancy boards (1997)*
- RCW [90.82](#), *Watershed planning (1997)*
- RCW [90.86](#), *Joint legislative committee on water supply during drought (2005)*
- RCW [90.90](#), *Columbia River basin water supply (2006)*
- RCW [90.92](#), *Pilot local water management program (Walla Walla) (2009)*

## Case law

Washington case law plays a vital role in providing determinations and rulings that also govern water resources management. The Water Resources Program's website on laws, rules, and case law can be found at <http://www.ecy.wa.gov/programs/wr/rules/rul-home.html>.

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# Acknowledgements

This report is a compilation of the work of our Lean teams. Their hard work and enthusiasm for improving our water rights processing work has contributed to greater efficiency, better customer service, and faster response times.

## **Faster Water Rights Cost Reimbursement Agreements**

March 8-9, 2011

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- Jacque Klug
- Victoria Leuba
- Laura Lowe
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## **Better Information and Quicker Decisions for Upper Kittitas Water Budget Neutral Applicants**

November 4, 2010

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June 28-July 1, 2011

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**Streamline and Clarify the Standard  
Water Right Permit Application  
Process--Phase 3: Permit Development  
and Management**

November 7-10, 2011

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# Executive Summary

In May 2011, through Second Engrossed Substitute House Bill 1087 (2ESHB 1087), the Legislature directed Ecology to review its water right application procedures. The budget proviso states:

*The department shall review its water rights application review procedures to simplify the procedures, eliminate unnecessary steps, and decrease the time required to issue decisions. The department shall implement changes to improve water rights processing for which it has current administrative authority. The department shall report on reforms implemented and efficiencies achieved as demonstrated through enhanced permit processing to the appropriate committees of the legislature on December 1, 2011, and October 1, 2012.*

The Water Resources Program is reviewing our existing water right application processes, with the intention of creating a streamlined process that is more efficient, takes less time, and adds value for the customer. In order to accomplish this efficiency work, the Water Resources Program has utilized the “Lean” process. Lean has helped companies like Toyota, Boeing, Group Health, and Virginia Mason to become more efficient, and the application of Lean in the government sector is being used in several other states with good success.

This report summarizes the efficiency reforms implemented to date. As additional reform work is scheduled to take place within the next 12 months, those reforms will be included in the report due October 1, 2012.

Although this is the first of two reports due on efficiency, we are already beginning to see the benefits of the actions we have implemented. Listed below are some of the action items identified at our six Lean workshops.

## **1. Better Information and Quicker Decisions for Upper Kittitas Water Budget Neutral (WBN) Applicants**

- Prepare focus sheets and other outreach products to explain the WBN process and steps involved.
- Develop additional tracking codes (event codes) to use in our Water Right Tracking System (WRTS) database, to more easily track WBN applications and decisions.
- Create a checklist of additional information that is useful to accompany a WBN application (such as well location, water level in well, parcel sales history, and so on), and share with potential applicants.
- Provide a response deadline when seeking feedback from fish co-managers in the Yakima Basin (Washington State Department of Fish and Wildlife, Yakama Nation,

irrigation district representative) as it relates to a WBN application, to avoid open-ended response times.

With technology integration and improved administrative processes, we will be able to make decisions faster and therefore reduce the backlog of pending applications faster.

## **2. Faster Water Rights Cost Reimbursement Agreements**

- Eliminate the paper routing process for approval signatures, and replace it with a web-based (SharePoint) approval process. This SharePoint site will also provide a convenient place where any Ecology staff person can track pending contracts and find project information.
- Define roles and responsibilities for staff and create communication feedback loops so that contracts can be tracked. This will assist in speeding up the contracting process.
- Develop response time expectations for applicants and consultants. This will enhance Ecology's ability to develop cost reimbursement projects in a timely manner.

## **3. Faster Decisions on Trust Water Right Applications**

- Prioritize trust workload with clear criteria.
- Set and track goals toward trust decision targets.
- Assign a Trust Water Business Lead to provide training and support staff.
- Create more detailed assignment codes for the Water Right Tracking System (WRTS) to facilitate tracking and prioritizing trust work.
- Develop and adopt a trust-specific quality control checklist.

## **4. Streamline and Clarify the Standard Water Right Permit Application Process--**

### **Phase 1: Application Intake Process**

- Develop a more robust pre-application process that informs potential applicants about their likelihood of obtaining water, wait times, information needs, and options for processing before they incur such costs as consultant fees and non-refundable application fees.
- Change our forms from legal size to letter size so they are more user-friendly.
- Develop automated processes (RSS feeds) to share application information with interested parties.
- Standardize approaches in the regional offices regarding property ownership changes.
- Develop a more efficient process to route incoming applications to the regional offices.

## **5. Streamline and Clarify the Standard Water Right Permit Application Process--**

### **Phase 2: Investigation and Documentation Process**

- Develop application-decision work plans with a “basin-specific focus” and make every effort to act on all pending applications in the basin.
- Improve communication to better share basin work plans both inside and outside of the agency. Provide key stakeholders and legislators early notice of where Ecology is working and the expected outcomes of our application decisions.
- Implement a structured and efficient review process to remove applications that are no longer viable from the application queue.
- Provide clear expectations on information applicants will need to provide and study requirements. Use preliminary permits and other less formal means to request information from applicants.
- Develop a training program and an investigator’s manual to ensure consistency in application review and documentation across the state.

## **6. Streamline and Clarify the Standard Water Right Permit Application Process--Phase 3: Permit Development and Management Process**

- Eliminate duplicate copies in our clerical processes.
- Refocus our efforts on data entry standards and consistency among regions.
- Make a commitment to request and add email addresses to our system so we can use electronic notification for construction schedules.
- Revise our construction schedule notification form to ensure that fees are not sent to us until they are required.
- Improve our customer service as it relates to extensions on development schedules by notifying applicants before they are out of compliance.

# Purpose

The 2011 Legislature directed Ecology to review its water right application procedures in 2ESHB 1087. The bill states:

*(7) The department shall review its water rights application review procedures to simplify the procedures, eliminate unnecessary steps, and decrease the time required to issue decisions. The department shall implement changes to improve water rights processing for which it has current administrative authority. The department shall report on reforms implemented and efficiencies achieved as demonstrated through enhanced permit processing to the appropriate committees of the legislature on December 1, 2011, and October 1, 2012.*

This is the first report.

# Introduction

The Department of Ecology's Water Resources Program allocates surface and groundwater to meet the state's many water supply needs. Ecology is responsible for making decisions on applications for new water rights and for changes to existing water rights. Ecology is also responsible for managing an existing water right portfolio of approximately 50,000 certificates, 3,000 permits, 170,000 claims, and an estimated 400,000 permit-exempt groundwater withdrawals. Water rights processing is the largest activity of the Water Resources Program, employing about one third of total program FTEs. This activity received a directed budget reduction in the 2009-2011 Biennium of 25 percent and about 15 funded FTEs.

In the 1917 Water Code, Washington chose the prior appropriation system as the exclusive basis for allocating the state's water resources. In doing so the Water Code declared all unappropriated water to be waters belonging to the public. Prior appropriation by customary practices was recognized as early as the 1880s. Still, it was not until the 1917 code that the Legislature created the current permit system for surface water, which required applicants to obtain a permit before constructing works and putting the water to use. Existing water uses established under the riparian doctrine of water rights were grandfathered in by the Water Code. The Legislature placed groundwater appropriation under the same procedures in the 1945 Groundwater Code.

Ecology can issue a permit to appropriate public water if it can affirmatively answer each part of the four-part test identified in RCW 90.03.290:

- (1) Water is proposed to be put to a beneficial use.
- (2) Water is available for the proposed use.
- (3) Proposed use of water will not impair existing water rights.
- (4) The water use will not be detrimental to the public welfare.

Similarly, courts have held that Ecology must address the four-part test to deny an application. Insufficient information in applications, such as information regarding the impact of proposed water use on existing water rights, streams, and the public welfare, prevents Ecology from rendering decisions. Coupled with decades of highly variable funding, this is a central reason that the backlog of water right applications has grown to thousands.

Once a permit is issued, the permittee is on a schedule to develop the proposed water use. If requested, Ecology may issue extensions. Once the permit holder puts water to beneficial use and the amounts and other facts are verified, a final water right certificate is issued.

Water rights are also transferred or changed at the holder's request and with Ecology's approval. Typical changes involve the place of use, purpose of use, or the point of diversion or withdrawal. Temporary changes can be approved. The principle test applied is whether the change will impair any other water right, whether senior or junior to the right proposed for change.

Since 2001, the number of change applications filed and approved has increased dramatically to the point that they outnumber new applications received or approved. This reflects the fact that much of the water in the state has already been developed, resulting in a push to change existing water rights to other uses with higher economic value.

In 1994, the program's water rights processing budget was reduced by two-thirds and staffing fell from about 60 to 20 FTEs. The reason for this budget cut was a dispute in the Legislature over whether to increase water right fees to recoup one-half of the cost of processing water rights. When the fee bill failed, a severe reduction of State General Fund automatically occurred and required the program to lay off large numbers of experienced workers. The backlog of applications then grew rapidly, adding about 4,000 pending applications by 2001, and creating a backlog of about 7,000 applications for new water rights, changes to existing water rights, and for new reservoir permits.

Between 2001, when Ecology received additional funds for water right processing staff, until the budget reduction last biennium, the program had sufficient capacity to keep up with the number of incoming applications. Staffing and processing levels were still not high enough to reduce the backlog. Due to the loss of water right permit processing staff in the 2009-2011 biennium, when

this activity received a directed budget reduction of about 25 percent and 15 FTE, Ecology expects the backlog to grow faster than Ecology can process applications once the economy begins to recover.

At the direction of the 2011 Legislature, the Water Resources Program is reviewing our existing water right application processes, with the intention of creating a streamlined process that is more efficient, takes less time and adds value for the customer.

To help us streamline our process, we are applying the continuous process improvement principles and practices of *Lean* and *Value Stream Mapping*.

## **Lean Methods for Process Improvement**

### **What is Lean?**

“**Lean**” is a production practice and management philosophy developed by the Toyota Corporation that emphasizes value for the end customer. Working from the perspective of the customer, “value” is defined as any action or process that a customer would be willing to pay for.

Lean is centered on preserving value with less work. Lean is intended to be a cycle of continuous improvement.

Boeing has also adopted the principles of Lean, and has agreed to help state government incorporate Lean into our processes. The Governor’s Office asked state agencies to submit proposals for Lean projects, and the Water Rights Application Process was selected as a top priority for applying Lean principles.

### **What is Value Stream Mapping?**

Value Stream Mapping is a tool used in Lean workshops to uncover waste in a process. A key feature of Value Stream Mapping is that staff actually involved in the process develop a diagram, or map, showing all the steps in the process of accomplishing the work. They then design the new map based on their intimate knowledge of the work. This first diagram is called a “current state” map. The “current state” map shows where inconsistencies in the process exist, and where non-value added steps can be eliminated. Wait time and touch time (work time) are calculated for each step in the process.



**Phase 1: Value stream mapping the current water rights intake process, June 2011.**

After the “current state” map is agreed upon, a “future state” map is developed by the team that incorporates recommendations to eliminate waste and redundancy. The wait time and touch time are calculated in the new process showing efficiencies gained.



**Phase 1: Working on the future state map, June 2011.**



**Phase 1: Report to management, July 2011.**

Once the team works out a “future state” map, the team reports their recommendations to management. At the report to management, the team reviews the “current state” map (the old way), the “future state” map (the new way), the areas where change will be implemented, and the risks and benefits associated with doing things the new way. Management then has the opportunity to ask questions and provide comments.

Once management has approved the recommendations of the group, the implementation begins. For information on implementation, refer to the following section entitled “Ecology Water Resources Lean Projects.”

# Ecology Water Resources Lean Projects

The Water Resources Program began looking at applying Lean principles to our permitting process in 2010. Our first Lean workshop was conducted in November 2010, and the workshop focused on the Water Budget Neutral water rights process in the Upper Kittitas basin. The Water Resources Program was being criticized for the amount of time it took to process these applications, and it was an area ready for process improvement.

Since that first workshop just over a year ago, the Water Resources Program has taken the Lean principles to heart, and we have “leaned” our trust water right process, our cost reimbursement contracting process, and our standard water rights process.

This report describes the efficiencies we have identified, and the progress we have made in implementing those changes at the date of this report. The report is organized as follows:

- 1. Better Information and Quicker Decisions for Upper Kittitas Water Budget Neutral Applicants**
- 2. Faster Water Rights Cost Reimbursement Agreements**
- 3. Faster Decisions on Trust Water Right Applications**
- 4. Streamline and Clarify the Standard Water Right Permit Application Process**
  - a. Phase 1: application intake process
  - b. Phase 2: investigation and documentation process
  - c. Phase 3: permit development and management process

# 1. Better Information and Quicker Decisions for Upper Kittitas Water Budget Neutral Applicants

The team analyzed Water Budget Neutral (WBN) application processing for the Upper Kittitas County Ground Water Rule WAC 173-539A, with the following goals:

- Reducing the number of days to process a WBN application.
- Providing WBN applicants more information to manage expectations within areas where we need additional information (commonly referred to as yellow zones as it relates to mitigation suitability).

## Workshop recommendations

### **Explain the WBN process and steps involved to potential applicants.**

We have designed a website on Ecology's internet site to share information related to WBN processing with the public, including performance tracking and definitions of process steps. See [http://www.ecy.wa.gov/programs/wr/cro/wb\\_trac.html](http://www.ecy.wa.gov/programs/wr/cro/wb_trac.html).

### **Inform WBN applicants what information is helpful to include with their application.**

We have developed a list of additional information that would be useful in accompanying applications, such as well location, water level in well, parcel sales history, etc. We have provided the information to existing water bankers and staff fielding phone calls to share with potential applicants. This reduces Ecology's investigative time on processing the application.

### **Improve communication with potential applicants.**

- Prepare form letters for common communications.
- Designate a specific contact for each water bank.
- Direct phone calls on specific topics to specific staff.
- Have dedicated telephone time to return calls.

### **Provide streamlined options for mitigation bankers to submit a primary application on behalf of prospective secondary WBN mitigation credit purchasers.**

This would expedite the WBN process for prospective water users, especially with regard to notice requirements and water transfer work group proceedings. A Report of Examination<sup>1</sup>

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<sup>1</sup> Ecology's decision document that provides investigative findings to statutory requirements and recommends approval or denial of a water right application. ROEs are needed on some WBN applications because some application requests are above the threshold of the permit exemption.

for the primary or general trust water right application would document impairment and availability reviews. Notice of the primary application would be made in a newspaper of general circulation, identifying conditions of use and specific instantaneous and annual quantities available to secondary trust water mitigation purchasers within a mitigation suitability zone.

**Process applications in hydrogeologic areas where data is available, rather than strictly by priority date, unless it would affect the outcome of another application.**

When we receive an application in an area where we have previously collected data, we will process the application immediately, versus in the order it was received.

**Use additional tracking codes (event codes) in our WRTS database, to more easily track WBN applications and decisions.**

We now have additional database tracking codes that allow staff to quickly query for WBN applications and decisions.

**Use HQ staff to gain needed stream flow data in Upper Kittitas County tributaries.**

Additional stream flow measurements and fish surveys have been done on eight tributaries in Upper Kittitas County during the low flow period in September and October 2011 where data was lacking. This information is critical to analyzing a WBN application and the amount of mitigation needed.

**Avoid open-ended response times.**

In addition to setting deadlines for applicants to provide information (see above), we now provide deadlines for receiving feedback from fish co-managers in the Yakima Basin (Washington Department of Fish and Wildlife (WDFW), Yakama Nation, irrigation districts) as it relates to a WBN application. Depending on how complex a proposed project is, Ecology typically requests feedback on provided information in two to four weeks. This allows Ecology to process the application in a more timely fashion.

## **Outcomes**

Over the past year, we have gained improvements on the internal (staff) and external (applicants) communications and refined the newly developed process related to processing WBN applications. We increased the number of decisions per month following the Lean event in November 2010. While WBN processing time hasn't necessarily decreased we are also processing applications for creating more water banks and this longer term accomplishment competes directly with our capacity to process WBN applications. Whatever the status is for a particular application, efficiency improvements being implemented will provide better value and information, adding to improved processing times for applicants and mitigation bankers moving forward.

For more information on the issues discussed and solutions proposed at the workshop, refer to the progress report on page 21.

## **2. Faster Water Rights Cost Reimbursement Agreements**

As more water right applicants are selecting cost reimbursement for water right processing, the time to develop cost reimbursement contracts has grown, which frustrates both staff and applicants. The team's objective was to decrease the amount of time for developing and implementing a cost reimbursement agreement for initiating the Cost Reimbursement Process. Our goal is to complete the process in 30 working days, assuming that the applicant returns the signed agreement and deposit within 10 working days. The group identified several problems to address:

- Inadequate communication between both internal and external people involved in developing cost reimbursement projects.
- Job responsibilities were not defined for various staff involved in the process, leaving roles and responsibilities unclear.
- Slow response rates from applicants and consultants when more information was requested.
- Ecology contract support staff with limited time to manage our water rights cost reimbursement process.

### **Workshop recommendations**

- Eliminate the paper routing process for approval signatures and replace it with an automated signature web-based application (SharePoint). This SharePoint site will also provide a convenient place for a staff person to determine the status of pending contracts and project information.
- Clarify staff roles and responsibilities of contracting and permitting staff and create communication feedback loops to support contract tracking.
- Prioritize hiring a Water Resources Contract Specialist to manage contracts. A dedicated Water Resources Contract Specialist would be more responsive and accessible than the contract support staff outside of the Program.

- Develop a more efficient process for putting accumulated cost reimbursement backfill dollars to work.
- Develop response time expectations for applicants and consultants to enhance Ecology's ability to develop cost reimbursement projects in a timely manner.

We have implemented the automated signature workflow in SharePoint, and have successfully completed the routing process in just four days.

## Outcomes

Implementing these recommendations in FY12 will result in a faster contracting process within Ecology, a faster response time from Ecology's contractors, and a more efficient process for using accumulated backfill money.

For more information on the issues discussed and solutions proposed at the workshop, refer to the progress report on page 24.

## 3. Faster Decisions on Trust Water Right Applications

*The state trust water rights program was created by the Legislature as a legal mechanism to enable the voluntary transfer of water and water rights to the state, either temporarily or permanently. These rights are held in trust for both instream and out-of-stream uses. The trust water retains the seniority of the original right and is not subject to relinquishment while in trust status. (RCW 90.42)*

Trust Water provisions are very complicated parts of the water code. There was a general sense of confusion and frustration among staff dealing with Trust Water. Externally, a lack of trust in the trust program inhibits our environmental protection goals. There is also dissatisfaction among our business partners (Washington Water Trust and Trout Unlimited) and applicants over processing time for trust applications. Finally, the emergence of water banking is contributing to the ever increasing number and complexity of trust applications.

The team's objective was to identify efficiencies so that high-priority non-donation trust applications can be processed within nine months. The group focused on the following issues:

- Prioritize the trust water rights workload.
- Set and track goals.
- Provide training and support to staff.

- Using the Water Right Tracking System (WRTS) to track and prioritize trust work.
- Improve the quality and consistency of application processing.

## **Workshop recommendations**

### **Prioritize trust workload.**

Most of the trust water rights work originates in Central Regional Office (CRO) and the Office of Columbia River (OCR). For that reason, we decided to pilot a method for prioritizing applications in that office. The supervisors and staff that work on trust water rights applications will meet quarterly for one year to determine if this method is a good model for the entire agency. At the first meeting, they reviewed all pending non-donation trust applications to identify the priority work for the next nine months. Trust Water donations were excluded as they should be processed much sooner than nine months after receipt, and are processed differently. Ecology is also working on the intake form for donations to help make processing them more efficient.

### **Set and track goals.**

As part of the first quarterly trust prioritization meeting, the attendees shared their workload concerns and made a plan to process all prioritized work in nine months. In the future, the processing time for all prioritized trust applications will be tracked and reported at each quarterly meeting.

### **Appoint a Trust Water Business Lead.**

The program has also appointed a Trust Water Business Lead to train and support staff. A training session for the Trust Water Implementation Group (TWIG) was held in mid-November, and further training sessions are tentatively scheduled to occur four times per year.

The business lead will periodically process trust water changes and donations to stay current on changes to trust water processing mandated by new laws and legal precedence. Opportunities for doing this work will be scheduled with the regional trust water coordinators at the quarterly TWIG meetings.

### **Create Water Rights Tracking System (WRTS) assignment codes.**

New assignment codes in WRTS are in place. These codes greatly assist staff with identifying the types of trust applications currently pending, and help with prioritizing, tracking, and reporting our goals.

### **Develop and adopt a trust water rights specific Quality Control Checklist.**

The Lean team is currently adapting an existing quality control checklist to be specific to processing trust water right applications.

### **Outcomes**

Trust water rights work will be prioritized based on highest values and complete in nine months.

For more information on the issues discussed and solutions proposed at the workshop, refer to the progress report on page 26.

## **4. Streamline and Clarify the Standard Water Rights Permit Application Process**

The standard water rights process consists of six stages. Much attention is given to the first two stages in the process, application and permitting, but the last four stages are also necessary to reach the certificate stage, also known as a “perfected” water right.

Because the water rights process is lengthy and complicated, our facilitator recommended breaking the process up into several phases. The following table describes the stages of a water right, and the corresponding phase of our Lean process.

<b>Stage</b>	<b>Purpose</b>	<b>Lean Phase</b>
1. Application	Establishes intent to appropriate	Phase 1
2. Permit	Authorization to develop	Phase 2
3. Beginning of construction	Infrastructure begun	Phase 3
4. Completion of construction	Infrastructure complete	Phase 3
5. Proof of Appropriation	Water put to beneficial use	Phase 3
6. Certificate	“Perfection” of water right	Phase 3

These Lean workshops were facilitated by Frank Newman from the Boeing Company. Frank encouraged us to invite a customer to each of the workshops. We would like to acknowledge the following customers for their time and participation.

- Phase 1: Tom McDonald, Cascadia Law Group
- Phase 2: Steve Prather, Clark Public Utilities, *and* Tom McDonald, Cascadia Law Group
- Phase 3: Gerald Peterson, Washington Water Service

These customers provided valuable insight and opinions about our processes, and we ended up with a better outcome as a result of their participation.

## **A. Phase 1: application intake process**

The discussion for this first phase focused on fees and fee processing. The Lean team for Phase 1 discovered several issues around how and when we collect fees. Water right applications are typically first received in Ecology's Fiscal Office because it is required by the state auditor. There is a statutory, non-refundable fee required at the time of application submittal; the minimum fee is \$50.00, but could be as much as \$25,000.00. Once Fiscal Office staff receives the application, they deposit the fee and forward the application paperwork to staff in the Water Resources Program. Ecology has 5 days after receiving the application to verify that fees are correct, and to request additional fees if necessary.

### **Workshop recommendations**

Since applicants send fees directly to Ecology's Fiscal Office, the regional staff don't see the application until after the money has been deposited. Applicants often have expectations about receiving a quick and positive decision on their application, and their frustration is exacerbated by the state "taking" their money.

During the Lean workshop, we developed a pre-application process, so that applicants meet with us *before* they pay non-refundable fees. We use this time to inform the applicant about the various processing options available, like cost reimbursement, or priority processing if they qualify. We let them know how long it might take for them to get their application processed, and whether the basin they are applying in has water available. This is a better process for us as well as the applicant, because we screen out many of the non-viable applications and applicants know what to expect before they commit their money.

Prior to the Lean workshop, our Fiscal Office had three different processes for getting applications to the regional offices. Fiscal Office staff scanned water right applications for two regions, used overnight mail for another, and hand-delivered applications to the fourth. These processes were done to accommodate the 5-day statutory requirement for Ecology to collect additional fees if required.

After the Lean workshop, we changed the way that the Fiscal Office handles paperwork and eliminated the need for overnight mail and scanning. Fiscal Office staff now put the paperwork into a box where Water Resources Staff from Headquarters pick them up and scan them on the copier. The applications are sent directly from the copier to a SharePoint document library, and the regional staff is automatically notified that they have new paperwork to review.

## **Other actions identified**

- We have created water availability focus sheets describing the water picture in each of our 62 WRAs (Water Resource Inventory Areas).
- We are redesigning our water rights web page to include:
  - An online fee estimator so applicants can see up front what their fees will be.
  - A better use of technology to notify interested parties about new incoming applications through the use of RSS feeds.
- We reformatted our water right applications from legal size to letter size to be more customer-friendly.

## **B. Phase 2: application investigation and documentation process**

The Lean team for Phase 2 focused on four major issues:

- Developing strategies for reducing the number of pending applications in the backlog.
- Designing a better process for new applications.
- Communicating about where Ecology is working and what we expect the outcomes to be (both internally and externally).
- Providing consistency in the investigation and documentation process.

The majority of pending applications are for water in water-short or closed basins. The issue of dealing with applications in the backlog was a big issue for the group to address, and there was a lot of discussion about various best practices already being used as a way to reach our goal of 500 water rights decisions this fiscal year.

## **Workshop recommendations**

- More extensive use of preliminary permits. Preliminary permits are described in RCW 90.03.290 as a means for Ecology to obtain information needed in order to make a decision on a permit which wasn't provided at the time of application. This process allows the applicant up to three years to obtain the necessary information, and provides a process for Ecology to cancel the permit if the applicant does not follow through with the terms of their preliminary permit.
- Contacting all the applicants in a basin where we are working to see if they are still interested in obtaining a water right. Many applicants' plans have changed by the time we begin processing in a given area.

- We identified the need for better communication about where we are working, and discussed the approach of going basin-by-basin in a cycle to process pending applications. We also acknowledged that there are some basins in the state where we cannot process applications because of surface water closures with no reasonable means of mitigation. Communicating this information up front to new applicants and those with pending applications will help to manage expectations and provide more predictability.
- One region went to extraordinary lengths to track down applicants that had moved. We have standardized that process, and will make two attempts before sending them an application rejection.
- We identified a number of administrative changes to improve consistency and work flow:
  - Develop a permit manual to incorporate our policies, procedures, and best practices into a desktop resource.
  - Document our work flow and procedures better.
  - Prepare a desk manual for Water Right Tracking System coordinators and support staff that describes criteria for our water right permit files.
  - Continue to refine our ActiveDocs<sup>2</sup> system and Front-Loaded Application<sup>3</sup> modules.

## **C. Phase 3: permit development and management process**

The primary focus of Phase 3 was permit maintenance, including construction schedules, extensions, proof examinations, and eventually issuing a water right certificate.

Once an applicant has a water right permit, they still have obligations to meet in order to maintain a permit in good standing. These obligations include timely reporting on their beginning and completion of construction schedules, requesting extensions as appropriate, filing necessary forms and fees, and ultimately proving that the water they requested has been put to beneficial use. Once the water has been put to beneficial use, Ecology issues a water right certificate. This is called “perfecting” a water right.

This workload becomes a lesser priority when we are either short-staffed, or directed to work elsewhere. The 2012 Budget (E2SHB 1087 ) provided language (see below) directing Ecology

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<sup>2</sup> ActiveDocs Opus is a document automation and assembly application which integrates the water resources database with document production.

<sup>3</sup> Front loaded applications refers to a practice in which the agency specifies information needs up front so the applicant can supply it at the beginning of an application process rather than later in the review process.

to make 500 water right decisions this fiscal year, so the permit development and maintenance work has been given a lesser priority, or has been deferred, until we reach our permitting goal.

**Sec. 302.**

*(7)(b) \$500,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for processing water right permit applications only if the department of ecology issues at least five hundred water right decisions in fiscal year 2012, and if the department of ecology does not issue at least five hundred water right decisions in fiscal year 2012 the amount provided in this subsection shall lapse and remain unexpended. The department of ecology shall submit a report to the office of financial management and the state treasurer by June 30, 2012, that documents whether five hundred water right decisions were issued in fiscal year 2012.*

E2SHB 1087 also required that we post information on the number of applications received and acted upon on the agency's Internet site, and included a budget proviso that specifies \$1,075,000 solely for processing the backlog of water rights.

*(c) The department shall maintain an ongoing accounting of water right applications received and acted on and shall post that information to the department's internet site.*

*(11) \$1,075,000 of the general fund--state appropriation for fiscal year 2012 and \$1,075,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for processing the backlog of pending water rights permit applications in the water resources program.*

## **Workshop recommendations**

At the phase 3 Lean workshop, participants discussed reminder letters for extensions of development schedules. In many cases, we issue permits that include a development schedule. This allows the applicant time to develop the infrastructure to use the water that they requested in their permit. In most cases, that development schedule may be several years long, and we may not have contact with the applicant during that time. Our current practice has been to notify the applicant after their development schedule has expired.

Our customer in the Lean workshop told us that it would create a better relationship between us and the applicant if we provided a reminder notice to the customer *before* their extension expires, rather than sending them a letter once they are past due. We agreed to change our process, and to notify the customer before their development schedule is late. Our goal is to provide better customer service, and to have a higher percentage of permits that are in compliance with their development schedules.

We agreed to make a more concerted effort to collect email addresses so we could send reminder notices via email rather than USPS mail, and to continue to pursue better methods for maintaining current contact information.

We also discussed automating our reminder letters and past due notices by pulling the information from our water rights tracking system to generate our correspondence, and will be implementing that recommendation.

We identified the need to revise our permit extension form because it causes confusion about when fees are required. As a result, applicants occasionally send in fees when they are not required. We will revise our construction schedule notification form to ensure that fees are not sent to us until they are required.

We identified some discrepancies in how our individual regions input and track events in our data system. In order to maintain consistency in our data we have committed to refocus our efforts on data entry standards and consistency among regions.

### **Summary of outcomes for Phases 1-3**

With the institution of the pre-application process in FY 12, Ecology will provide better information to our customers that will result in some customers with earlier access to water and fewer applications accumulating in our backlog.

With technology integration and improved administrative processes, we will be able to make decisions faster and therefore reduce the backlog of pending applications faster.

With the manuals, checklists, and established procedures, we will have more consistency in our work across the state.

With recommendations we are implementing, we will be able to track and communicate to permit holders permit development schedules and manage permit development to the certificate process faster.

For more information on the issues discussed and solutions proposed at the workshop, refer to the progress report on page 28.

# Conclusion

Ecology is using the Lean process-improvement method to help us see our processes from the customer's perspective. We are pinpointing where work is duplicated, where the delays occur, and what changes could lead to more efficient water right decisions. The goal is to make our processes as simple and workable as possible, and to eliminate wasted time and effort.

Ecology is confident that these Lean process-improvement efforts will:

- Streamline and clarify the standard water right permit application process.
- More quickly process and bill for water right cost reimbursement agreements.
- Make faster decisions on trust water-right applications.
- Provide better information and quicker decisions for water-budget-neutral applicants.

These changes will help Ecology issue important water right decisions at a faster pace, deliver better value for our applicant customers, and will provide better outcomes for Washington's communities, economy, and the environment.

# **Appendix A: Progress Reports for Water Resources Program's Lean Workshops**



# Lean Project Progress Report: Better Information and Quicker Decisions for Upper Kittitas Water Budget Neutral Applicants

Prepared By: Melissa Downes

<b>Background</b>	Ken Slattery and Maia Bellon started gearing up for the 2011 legislative session and began the Lean journey with Water Resources Program Staff at CRO in early November 2010. The Kittitas water budget neutral work was a pilot Lean event. The Water Budget Neutral (WBN) process was selected because it was a new and ad hoc process created in response to adoption of WAC 173-539A in July 2009.		
<b>Project Objective(s)</b>	The team invested 1day analyzing WBN application processing for the Upper Kittitas County Ground Water Rule WAC 173-539A. Three goals were identified: <ul style="list-style-type: none"> <li>• To reduce the number of days to process a WBN application;</li> <li>• To provide WBN applicants information to manage expectations within areas Ecology identified as potentially suitable (“yellow zones”);</li> <li>• To obtain Ecology management support, reduce employee stress, and resolve workload issues related to WBN processing and WAC 173-539A (non-process improvements).</li> </ul>		
<b>Value Stream Mapping Outcome</b>	<b>Current Situation (Old Way)</b>	<b>Future (New Way)</b>	<b>Benefits</b>
	Not enough information accessible to the public regarding the Water Budget Neutral requests, which would generate excessive phone inquiries to staff.	Designed a website on Ecology’s internet site (Kittitas Water Exchange) to share WBN processing information with external customers including performance tracking, pending application status, and definitions of process steps.	<ul style="list-style-type: none"> <li>• Provides public information related to WBN applications</li> <li>• Reduces staff time spent on phone calls</li> <li>• Reduces employee stress so they can focus on core WBN processing work</li> </ul>
	Every time we needed to formally communicate to WBN applicants, CRO-WR staff prepared letters from scratch, a time intensive process.	Prepared form letters in common topic areas allowing us to more quickly communicate with applicants.	<ul style="list-style-type: none"> <li>• Reduces staff time spent on generating letters</li> <li>• Reduces employee stress so they can focus on core WBN processing work</li> </ul>
	Water Right Tracking System (WRTS) did not meet the needs of WBN applications. Staff were tracking data in a separate spreadsheet or on paper hard copies.	WR IT section provided additional WRTS database tracking codes allowing CRO-WR staff to quickly query for WBN applications and decisions.	<ul style="list-style-type: none"> <li>• Centralized data</li> </ul>



**Actions Needed to Implement Future State**

**Completed**

- Approximately 24 WR staff received Lean Methods training hosted by Department of Personnel (DOP) in November & December of 2010.
- Realigned Water Transfer Working Group (WTWG) process, completing hydrogeology work and get fish input prior to WTWG – eliminating unknowns and the need to revisit WTWG multiple times.
- Utilize WR-HQ staff to measure stream flow during critical low flow months (Sept & Oct) and perform basic fish surveys in Upper Kittitas tributaries where data is lacking. This information is critical in analyzing a WBN application and the ability to utilize the US Bureau of Reclamation(USBR)/Ecology storage contract as a mitigation tool.
- Communication strategy launched to manage applicant expectations. See [http://www.ecy.wa.gov/programs/wr/cro/wb\\_trac.html](http://www.ecy.wa.gov/programs/wr/cro/wb_trac.html)

**In Progress**

- Discuss mitigation suitability map alternatives/updates with USBR, WDFW and Yakama Nation (co-fish managers in the Yakima Basin) as periodic updates are available.
- Check in with staff frequently to stay atop of WBN workload management to reduce staff burn-out and stress related to external performance expectations.

**Under Development**

- Revisit the WBN flow process after the 3-phase Lean water right processing review is completed.



<b>Results to Date</b>	<p>Over the past year, we have gained improvements on the internal (staff) and external (applicants) communication pieces versus the widget piece.</p> <p>Number of decisions per month increased in WBN applications located in ‘Yellow’ zones after the Lean event in November 2010.</p>		
<b>Discussion about Results</b>	<ul style="list-style-type: none"> <li>• May and June 2010 number of decisions per month were high because we had a high percentage of ‘green’ (suitable mitigation) WBN applications to start out with, then we invested in the Yellow zone processing which is more challenging and time intensive...Lean in Nov. 2010 and we are starting to see improvements in number of decisions per month, even if the average cycle time hasn’t decreased.</li> <li>• We have limited budget and staff resources. CRO has reallocated staff (average of 4.5 FTE) working on other permitting activities to perform WBN processing. CRO-WR had to create a new process as a result of a rule adoption (WAC 173-539A) in July 2009. We do not constrain ourselves by the application priority date, we move onto applications quickly if we have already processed apps in the same area; we are not “recreating the wheel” every time.</li> <li>• One reason WBN processing time hasn’t necessarily decreased is because we are also working on starting more water banks and this longer term accomplishment competes directly with our capacity to process WBN applications. The mix of applications received (more yellow and red than green), and the challenges presented by such applications, are other factors beyond Ecology control that affect average processing times. Whatever the status is for a particular application, efficiency improvements being implemented will provide better value and improve processing times for that particular applicant, and for mitigation bankers moving forward.</li> </ul>		
<b>Future Action Plan (Milestones)</b>	<b>What?</b>	<b>Who?</b>	<b>When?</b>
	Revisit the WBN flow process after the 3-phase Lean for our grander water right processing is complete.	Tom Loranger Melissa Downes WBN staff	2012
	Update Mitigation Suitability Map(s) as Ecology collects more stream flow and fish habitat data for Upper Kittitas Tributaries	Melissa Downes	On-going
	Develop a process that is understandable and efficient in navigating the options under the USBR/Ecology storage contract (mitigation tool).	Bob Barwin	On-going
	Update Kittitas Water Exchange Website as more information becomes available to manage external expectations on WBN application processing.	Melissa Downes Chris Anderson	On-going

# Lean Project Progress Report: Faster Water Rights Cost Reimbursement Agreements

Prepared By: Kurt Unger

<b>Background</b>	As more water right applicants are selecting cost reimbursement (CR) for water right processing, the time to develop CR contracts is becoming longer which is frustrating to applicants and to Ecology staff working on the projects.		
<b>Project Objective(s)</b>	Decrease the amount of time for developing and implementing a CR agreement to 30 working days* for initiating the CR process. <i>*Presuming applicant returns signed CR Agreement and deposit within 10 working days.</i>		
<b>Value Stream Mapping Outcome</b>	<b>Current Situation (Old Way)</b>	<b>Future (New Way)</b>	<b>Benefits</b>
	Communication between internal and external people involved in developing CR projects was identified as a concern. Particularly the process of authorizing new projects with a “Blue Router” signature sheet has been the source of most slowdowns and frustrations.	Blue Router replaced with SharePoint site and RSS feeds for signature	Time savings.
	Roles and responsibilities are unclear. Job responsibilities are not defined for various staff involved in the process leading to delays in developing contracts.	Define staff roles and responsibilities.	More clarity, less confusion and overlap.
	No response time expectations for applicants and consultants.	Develop response time expectations for applicants and consultants.	Time savings.
<b>Actions Needed to Implement Future State</b>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Replaced Blue Router with draft SharePoint Site and RSS feed, roles and expectations defined, response time expectations delineated. Two SharePoint site test runs completed.</li> </ul> <p><b>In Progress</b></p> <ul style="list-style-type: none"> <li>• First two actual uses of SharePoint site underway beginning October 24 without backfill issue resolved (see below). CR SharePoint training scheduled for first week of November.</li> </ul> <p><b>Under Development</b></p> <ul style="list-style-type: none"> <li>• Consultant “training” on new response time expectations.</li> <li>• Backfill issue resolution. Backfill comes from the original CR legislation. If we were paid to process one water right, we had to find a way to pay ourselves back for the time pulled away from the regular workload. There are 2 main issues for backfill: timing of backfill collection and project selection.</li> <li>• Since the CR legislation says Ecology is to be reimbursed, the previous legal opinion and strict accounting view both directed us to first accumulate enough staff hours to build up some backfill, pick some water rights as a backfill project, start that project to incur costs,</li> </ul>		

	<p>and finally loop back to the various CR applicants and bill them for backfill per the amount of direct hours spent on their project. Technically and legally ultra correct, but takes very detailed accounting and takes way too long. This is why CR customers get billed for backfill much later than their water rights processing. They don't understand why they get billed so late and Ecology loses money.</p> <ul style="list-style-type: none"> <li>• Solution: bill upfront for backfill with explanation and benefit delineated as to why.</li> <li>• Fiscal issue resolution with billing upfront.</li> </ul>		
<b>Results to Date</b>	The first 3 cost reimbursement agreements have been routed using the new process. The time to obtain all the signature approvals was 4 days, compared to several weeks using the old process.		
<b>Future Action Plan (Milestones)</b>	<b>What?</b>	<b>Who?</b>	<b>When?</b>
	Consultant "training" on new response time expectations.	Kurt Unger	After other issues are resolved
	SharePoint Training for CR staff.	Jeff Marti	Early November
	Backfill issue resolution.	Kurt Unger	Late November / early December
	First full CR run through with SharePoint site, consultants trained on response time expectations, and backfill issues resolved.	Kelsey Collins	January

# Lean Project Progress Report: Faster Decisions on Trust Water Right Applications

Prepared By: Kelsey Collins

<b>Background</b>	Trust Water is likely the most complicated part of the water code. There is a general sense of confusion and frustration among staff dealing with Trust Water. Externally, a lack of trust in the trust program inhibits our environmental protection goals. There is also dissatisfaction among our business partners (Washington Water Trust and Trout Unlimited) and applicants over processing time for trust applications. Finally, the emergence of water banking is contributing to the ever increasing number and complexity of trust applications.		
<b>Project Objective(s)</b>	Reduce the time to process prioritized trust water right applications* to 9 months.  <i>*Excluding Trust Water Donations, which should be processed much sooner than 9 months if they are considered priority work.</i>		
<b>Value Stream Mapping Outcome</b>	<b>Current Situation (Old Way)</b>	<b>Future (New Way)</b>	<b>Benefits</b>
	Trust applications are submitted and get put on the shelf.	<ul style="list-style-type: none"> <li>• A quarterly meeting is held to determine which trust applications are priority work.</li> <li>• These applications are assigned to staff to ensure they are processed within 9 months of being received.</li> </ul>	<ul style="list-style-type: none"> <li>• This meeting provides an opportunity to plan for future projects and discuss applications actively being processed.</li> <li>• The processing time for all trust applications will be tracked and reported at the next meeting.</li> </ul>
<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Prioritize trust workload and set and track goals (being piloted at Central Regional Office).</li> <li>• Assign a Trust Water Business Lead to provide training and support staff.</li> <li>• Appoint a sponsor to the Program Management Team that is highly involved with trust water processing.</li> <li>• Create more detailed assignment codes for the Water Right Tracking System (WRTS) database to facilitate tracking and prioritizing trust work.</li> </ul> <p><b>In Progress</b></p> <ul style="list-style-type: none"> <li>• Prioritize trust workload and set and track goals throughout the state</li> <li>• Continue training staff.</li> <li>• Develop and adopt a trust-specific Quality Control Checklist.</li> </ul>			

<p><b>Actions Needed to Implement Future State</b></p>	<p>Demand for Processing Trust Water Right Applications vs. Ecology’s Permitting Capacity</p> <p>During the Lean event we created this diagram showing where the unknown variables were. By holding Quarterly Prioritization Meetings we have begun to define the “Demand” for our services by tracking the existing and incoming trust applications. In so doing, we have also become more accountable and set quarterly goals.</p> <div data-bbox="310 390 1511 1360" style="border: 1px solid black; padding: 10px;"> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>BEFORE</b></p> </div> <div style="text-align: center;"> <p><b>AFTER</b></p> </div> </div> </div>		
<p><b>Results to Date</b></p>	<p>The first Quarterly Prioritization Meeting provided the Central Regional Office with a list of 81 pending trust applications (non-donations), of which 43 are being processed (prioritized) and 38 are not.</p>		
<p><b>Future Action Plan (Milestones)</b></p>	<p>Staff Trust Training</p>	<p><b>Who?</b></p>	<p><b>When?</b></p>
	<p>Reinvigorate the discussions with the Program Management Team to ensure that the Trust workload is being properly managed.</p>	<p>Peggy Clifford, Business Team Lead</p>	<p>November</p>
	<p>Quarterly Prioritization Meeting</p>	<p>Mark Schuppe, newly appointed PMT sponsor</p>	<p>Monthly meetings</p>

# Lean Project Progress Report: Streamline and Clarify the Standard Water Right Permit Application Process, Phases 1, 2, and 3

Prepared By: Barbara Anderson

<b>Background</b>	<p>There is a backlog of about 7,000 water right permit applications. In 2011, state lawmakers enacted a new law that requires Ecology to review the water right application process to simplify the procedures, eliminate unnecessary steps, and decrease the time required to issue decisions. In June 2011 the program started analyzing the water right permit application process. Because of the complexity of water rights processing, this process was broken into three phases:</p> <ul style="list-style-type: none"> <li>• The application intake process for new water rights and changes to existing water rights.</li> <li>• The investigation and documentation process for determining whether to issue a permit.</li> <li>• The permit development (construction) process, record of decision, and water right certificate (permit management).</li> </ul>											
<b>Project Objective(s)</b>	<ul style="list-style-type: none"> <li>• Improve customer service.</li> <li>• Reduce the time it takes to make decisions on applications.</li> <li>• Reduce permit application backlog.</li> <li>• Develop consistency across region offices.</li> </ul>											
<b>Value Stream Mapping Outcome</b>	<table border="1"> <thead> <tr> <th data-bbox="297 961 716 1052">Current Situation (Old Way)</th> <th data-bbox="716 961 1062 1052">Future (New Way)</th> <th data-bbox="1062 961 1524 1052">Benefits</th> </tr> </thead> <tbody> <tr> <td data-bbox="297 1052 716 1570"> Customer submits water right application and non-refundable fees without consulting with Ecology first. </td> <td data-bbox="716 1052 1062 1570"> Ecology provides a pre-application consultation to applicants as way to weed and feed future water right applications, and to provide information up front <i>before</i> fees are paid. </td> <td data-bbox="1062 1052 1524 1570"> Applicants have a better understanding of: <ul style="list-style-type: none"> <li>• The availability of water in their project area.</li> <li>• Where they are in line and how long it may take to get a permit.</li> <li>• Any additional fees that might apply.</li> </ul> Ecology has a better process for weeding out non-viable applications. </td> </tr> <tr> <td data-bbox="297 1570 716 1946"> The fiscal office was using three different processes for the intake of the application and fee, and was taking on the additional responsibility for scanning our applications for two regions, overnight mailing them to one region, and hand-delivering </td> <td data-bbox="716 1570 1062 1946"> The fiscal office is now using one process to intake the application and fee.   Headquarters WR staff are now responsible for picking up the applications and </td> <td data-bbox="1062 1570 1524 1946"> Fiscal staff time is reduced so they are free to do their other work.   Application intake is faster in the regions because of the new same day scanning process.   We don't have to send water right </td> </tr> </tbody> </table>	Current Situation (Old Way)	Future (New Way)	Benefits	Customer submits water right application and non-refundable fees without consulting with Ecology first.	Ecology provides a pre-application consultation to applicants as way to weed and feed future water right applications, and to provide information up front <i>before</i> fees are paid.	Applicants have a better understanding of: <ul style="list-style-type: none"> <li>• The availability of water in their project area.</li> <li>• Where they are in line and how long it may take to get a permit.</li> <li>• Any additional fees that might apply.</li> </ul> Ecology has a better process for weeding out non-viable applications.	The fiscal office was using three different processes for the intake of the application and fee, and was taking on the additional responsibility for scanning our applications for two regions, overnight mailing them to one region, and hand-delivering	The fiscal office is now using one process to intake the application and fee.  Headquarters WR staff are now responsible for picking up the applications and	Fiscal staff time is reduced so they are free to do their other work.  Application intake is faster in the regions because of the new same day scanning process.  We don't have to send water right		
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	<p>applications to one other region.</p>	<p>scanning into SharePoint. Once the application is in SharePoint, an automatic email message is sent through the use of RSS (Really Simple Syndication) feed. This allows regions to receive scanned images of applications on the same day they are received at HQ.</p>	<p>applications overnight mail to Spokane anymore, and that saves money.</p>
	<p>The process for notifying interested parties about pending water right applications was labor intensive for some of the regions because it required staff to spend a lot of time copying and mailing.</p>	<p>We are now using RSS feed technology to notify interested parties about pending water right applications.</p>	<p>Reduces staff time and postage costs because we no longer have to copy the applications and mail them to interested parties. RSS feeds are free.</p>
	<p>Too much time spent tracking down applicants who have moved.</p>	<p>Staff will only make two attempts to track down applicants who have moved before the application is cancelled.</p>	<p>Implementing this new process will help Ecology weed out any applications in the backlog where the applicant has moved on and no longer needs the water.</p>
	<p>Applicants are required to provide Ecology a lot of information as part of their water right application.</p> <p>The current process does not provide clear guidance to the applicant about what kind of “more information” we will require them to submit before we can process their application.</p>	<p>During the pre-application consultation Ecology will provide the applicant with all the information requirements they must meet for Ecology to process their application. We are calling this a “Front-loaded” application.</p> <p>More extensive use of preliminary permits will</p>	<p>The applicant will have a better understanding of the type of information they will be required to submit as part of their application.</p> <p>This will result in a quicker processing of the application because the permit manager will have all the information required to start the review and make a decision.</p>

		also be used to speed up the decision-making process.	
	Our customers are sending in fees with one of our forms when the fee is not required.	We will revise our form to make it clearer when fees are required.	Customers will know when fees are required, and when they are not.
	We don't have email addresses for most of our customers, so we are unable to realize cost savings by sending notices out via email.	We will be making a concerted effort to collect and enter email addresses for our permit holders.	Customers will get more timely, and more frequent information, with less cost to the state.
	Often, the first communication a customer gets from us after a long period of no contact is a past due notice telling them that they need to submit an extension request for their project.	We will be changing our process to contact the customer while their permit is still in good standing so we can be more customer-friendly and helpful.	Customers will get more timely notices when their project milestones are due.  We will have a greater number of permit schedules that are in good standing.
<b>Actions Needed to Implement Future State</b>	<ul style="list-style-type: none"> <li>• Implement process for same day scanning of applications</li> <li>• Implement RSS feed for notifying interested parties of pending applications.</li> <li>• Publish updated new and change water right applications to a 8 ½ x 11 format to make the form easier to use.</li> <li>• Publish 62 water availability focus sheets to help facilitate the pre-application conference.</li> <li>• Develop a pre-application process, including development of forms for internal and external use</li> <li>• Develop Front-loaded modules to use as appendices to our applications</li> <li>• Develop a more comprehensive water rights website that includes most of the items listed above</li> </ul>		
<b>Results to Date</b>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Implemented process for same day scanning of applications with RSS feeds to the regions.</li> <li>• Implemented RSS feed for notifying interested parties of pending applications.</li> <li>• Published updated new and change water right applications to a 8 ½ x 11 format to make the form easier to use.</li> <li>• Published 62 water availability focus sheets to help facilitate the pre-application conference.</li> </ul> <p><b>In Progress</b></p> <ul style="list-style-type: none"> <li>• Designing the pre-application process, including developing: <ul style="list-style-type: none"> <li>○ External pre-application form</li> <li>○ Internal pre-application form</li> </ul> </li> </ul>		

	<b>Under Development</b> <ul style="list-style-type: none"> <li>• Front-load application modules</li> <li>• Updates to water right information on Ecology's web site to reflect new pre-application process.</li> <li>• Create a permit manual and provide training to permitting staff on best practices.</li> </ul>		
<b>Discussion about Results</b>	<ul style="list-style-type: none"> <li>• The value stream mapping process has the added benefit of buy-in from staff.</li> <li>• Because the staff that do the work are responsible for deciding the solutions, they are committed to ensuring the success.</li> </ul>		
<b>Future Action Plan (Milestones)</b>	<b>What?</b>	<b>Who?</b>	<b>When?</b>
	Finalize the pre-application forms	Jeff Marti, Laurie Dumar, Barb Anderson	November 18
	Develop the process for the pre-application conference.	Barb Anderson and Laurie Dumar are drafting a process for regional review and modify.	The first draft will be presented at the Nov. 3 <sup>rd</sup> follow-up meeting.
	Visit regional office to talk about the new pre-application process and other changes that have come out of the Lean events.	Tom Loranger, Barb Anderson, Jeff Marti	December 2011
	Identify teams to develop a permit writer's manual and training for new permit writers.	Tom Loranger	December 2011/ January 2012
	Identify a team to develop or update the clerical and WRTS coordinator manual.	Tom Loranger	December 2011/ January 2012
	Develop first draft of preliminary permit/ front loading module	Jeff Marti and team	Summer/Fall 2012