

Water Markets and Water Banking

In Utah

Legislative Water Development Commission

October 15, 2019

Water Banking

Voluntary – Temporary – Local

The Need and Context

Case Study: Lower Arkansas Valley, CO

Buy and Dry: The purchase and fallowing of agricultural lands in order to transfer and use the water rights for non-agricultural uses, primarily to support expanding urban growth in distant municipalities.

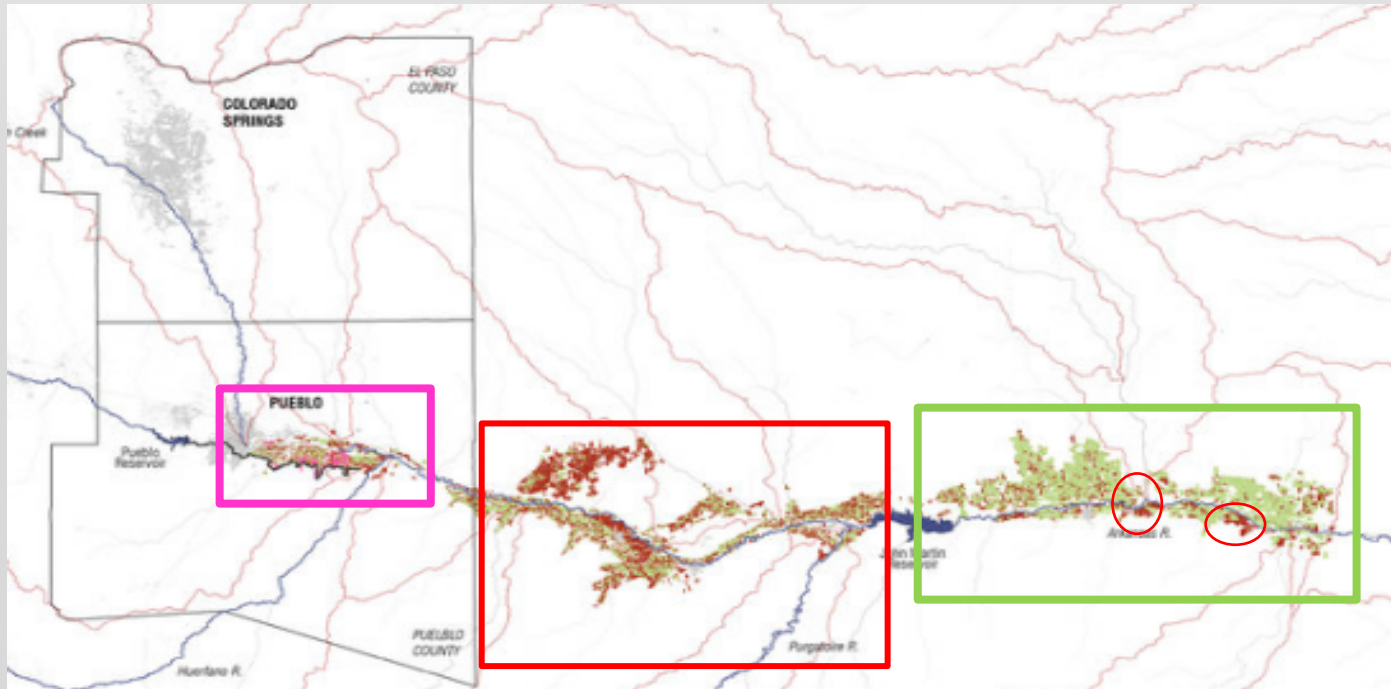
Pueblo and Colorado Springs, Colorado

Estimated 78% growth in population between 2008- 2050

“Buy-and-dry” transfers have fallowed $\frac{1}{4}$ of the area’s agricultural lands

=100,000 Acre-Feet of water transferred

Estimated 50% of farmland could be fallowed by 2050 to supply urban growth

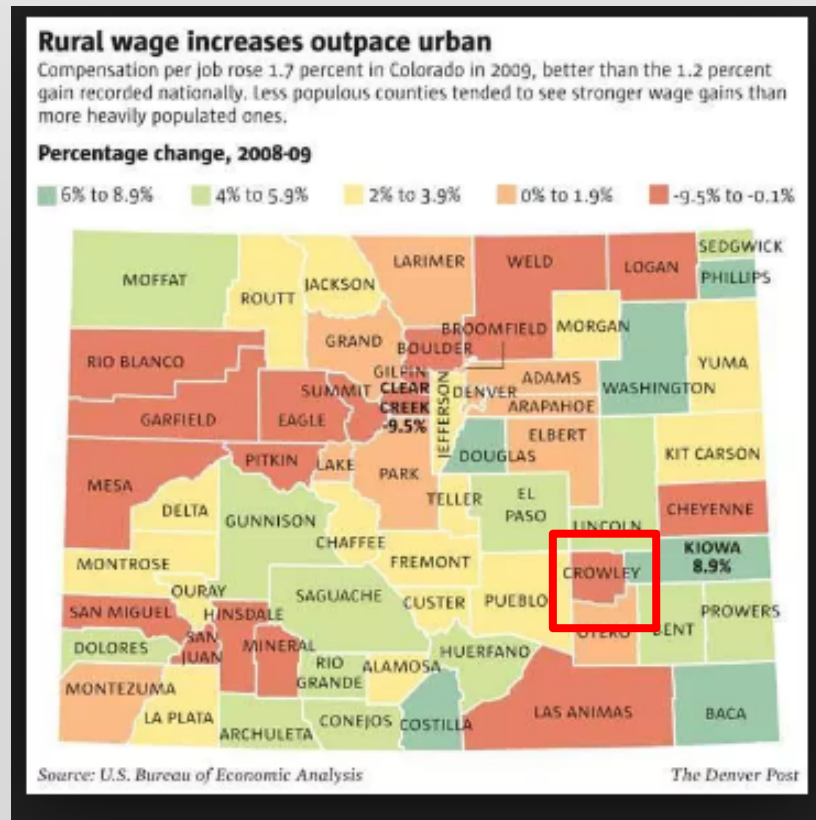


Red Dots = taken out of production via buy & dry
Pink = water rights transitioning (replace in place)
Green = productive farmland

Impacts of Buy-and-Dry: Crowley County, CO



Photo by Jennifer Goodland



.1% to - 9.5% wage growth (2008-2009)

70,000 acre-feet transferred to municipal use for Pueblo and Colorado Springs

50,000 acres reduced to 5,000

Poverty rate: 47.4% (2013-2017)

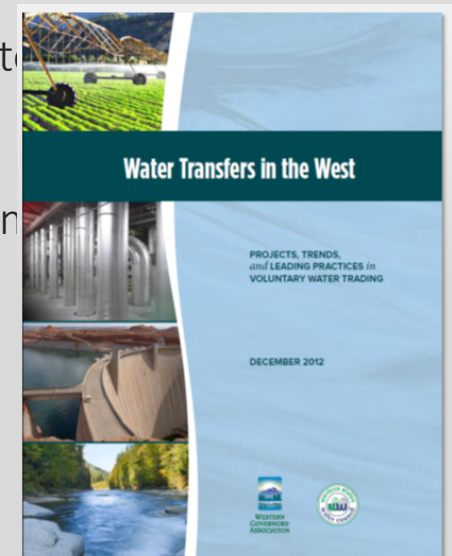
M&I owns 90% of water Twin Lakes Reservoir (primary Crowley County reservoir)

Noxious weeds and dust storms

What to do to avoid buy and dry?

Western states are developing market alternatives, including water banking, to avoid buy and dry.

- **“Water Transfers in the West” - Western Governor's Association (2012)**
- **2017 State Water Strategy Report – Utah Gov. Gary Herbert**
 - 3.5 Create mechanisms that help agricultural water users contribute to improving water management – including water banking.
 - 4.5. Facilitate development of environmental water markets to preserve natural systems and meet increasing demands.
 - 9.5. Facilitate temporary transfers of water to modernize Utah Water Law and Policy .
- **2017 -2019 Water Banking Working Group Statewide Initial Study Effort**



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Utah Water Banking Concept

Addressing the Need for a Flexible Alternative

Draft Legislation Key Concepts

- Defines objectives of water banking
- Addresses legal barriers to greater water marketing and banks
- Process to create water banks and annual reporting requirements
- Sunset date for legislation (10 years)

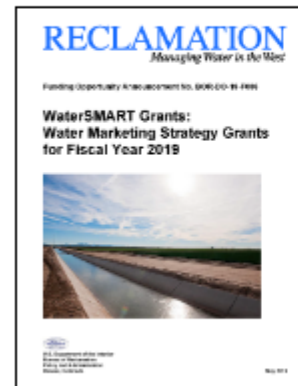
Where We Are Today

- **Senate Joint Resolution 1 (2019)**
- **Appropriation \$400,000**
- **2019 BOR WaterSMART Water Marketing Grant (July 31) - \$400,000**
- **DRAFT Legislation**

S.J.R. 1

Bill Sponsor:	Floor Sponsor:
	
Sen. Iwamoto, Jani	Rep. Barlow, Stewart E.

Reclamation makes up to \$3 million available for 2019 Water Marketing Strategy Grants funding opportunity



The 2019 Water Marketing Strategy Grants funding opportunity is now available from the Bureau of Reclamation. This funding opportunity is available to water entities to establish or expand water markets or water marketing activities. Reclamation will make available up to \$200,000 for simple projects that can be completed within two years and up to \$400,000 for more complex projects that can be completed in three years. Up to \$3 million is available for this funding opportunity. [Read More →](#)

Thoughts for Moving Forward

VOLUNTARY – TEMPORARY – LOCAL

Not a panacea:

Water banking just one tool we will need to preserve agriculture and create greater access to water

Slow and Steady:

Taking our time to get this right – term legislation; demonstration projects; built in assessment

Consensus:

Designing a concept that is based on input and needs of the broader water community

Exciting:

Opportunity to be innovative and impactful

NEWS & EVENTS

Events

Upcoming Events

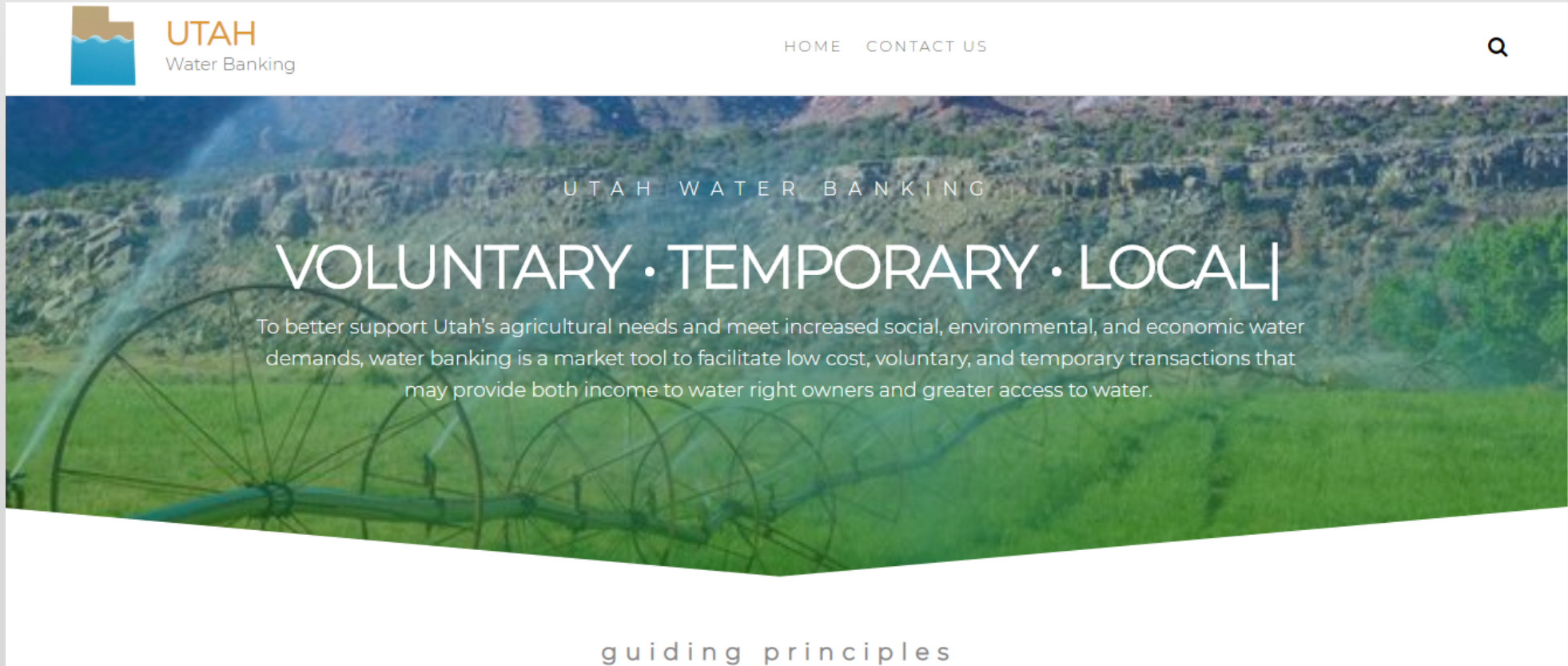
- (canceled) Oct 3, 2019 Delta Farm Bureau Presentation at 10:00 AM, Delta, UT
- [Oct 7, 2019 CLE International at 11:00 AM](#), Salt Lake City, UT
- [Oct 10, 2019 Piute Farm Bureau Presentation at 6:00 PM](#), Piute, UT
- [Oct 15, 2019 State Water Development Commission at 4:00 PM](#), Salt Lake City, UT
- Oct 21, 2019 Cache Water District Presentation at 5:30 PM, Cache, UT
- [Oct 29, 2019 Utah Water Users Summit at 1:30 PM](#), Provo, UT
- [Oct 30, 2019 Water Banking Large Committee Meeting at 1:00 PM](#), Salt Lake City, UT
- Oct 30, 2019 Richfield Farm Bureau Presentation at 6:30 PM, Richfield, UT
- [Nov 4, 2019 American Water Resources Association, National Conference at 1:00 PM](#), Salt Lake City, UT
- [Nov 7, 2019 Utah Association of Special Districts Water Banking Presentation 4:00 PM](#), Layton, UT
- [Nov 15, 2019 Utah Association of Conservation Districts at 1:00 PM](#), Provo, UT
- (tentative) Nov 20-21, 2019 Salt Lake County Watershed Symposium, Salt Lake City, UT
- [\(tentative\) Nov 20-22, 2019 Utah Farm Bureau Federation Annual Convention](#), Layton, UT
- (tentative) Nov 21, 2019 Utah Cattleman's Association Presentation
- [Jan 2020 \(tentative\) Uintah Basin Water Summit](#), Vernal, UT
- [Jan 22, 2020 Weber River Symposium](#), Ogden, UT
- [Feb 13, 2020 NBI Seminars at 1:00 PM](#), Salt Lake City, UT
- Mar 2020 Water Law & Policy Seminar

Town Hall Discussions

<https://utahwaterbank.org>

Next Steps:

We want to hear from you!



The screenshot shows the homepage of the Utah Water Banking website. At the top left is the logo for Utah Water Banking, featuring a stylized map of Utah and water waves. To the right of the logo are the words "UTAH Water Banking". In the top right corner, there are navigation links for "HOME" and "CONTACT US", and a search icon. The main content area features a large background image of a green field with a large metal wheel (likely part of an irrigation system) in the foreground. Overlaid on this image is the text "UTAH WATER BANKING" in a small, spaced-out font, followed by "VOLUNTARY • TEMPORARY • LOCAL" in a larger, bold font. Below this, a paragraph of text explains the purpose of water banking: "To better support Utah's agricultural needs and meet increased social, environmental, and economic water demands, water banking is a market tool to facilitate low cost, voluntary, and temporary transactions that may provide both income to water right owners and greater access to water." At the bottom of the page, the words "guiding principles" are written in a small, lowercase font.

info@utahwaterbank.org

Next Steps:

Survey

utahwaterbank.org/feedback



UTAH

Water Banking

Feedback Form and Opportunity to Comment

The State of Utah is exploring water banking as a potential way to better support Utah's agricultural needs and meet increased social, environmental, and economic water demands. Water banking is a market tool used to facilitate voluntary and temporary transactions that may provide both income to water right owners and greater water access flexibility.

Your feedback is essential in this process. Please let us know what you think!

OK

Water Banking

Voluntary – Temporary – Local

Frequently Asked Questions