

UTAH STATE LEGISLATURE

STATE CAPITOL • SALT LAKE CITY, UTAH 84114

WWW.LE.UTAH.GOV



January 27, 2020

SB 26 – Water Banking Amendments

Dear Colleague:

Continuing to successfully steward Utah's limited water resources is a challenging task. SB 26 – Water Banking Amendments is the result of three years of hard work by the Water Banking Working Group and represents the best in collaborative problem solving. It is one of many tools that will be needed to address the complex realities of Utah's changing water conditions and increasing demand. Passage of SB 26 puts local water users in the driver's seat of their future and will benefit Utah.

SB 26 is a continuation of concepts endorsed by the Utah legislature in 2019 under SJR01 and is the result of an intensive, collaborative stakeholder process. Water banks are market tools that exist in some form in most other western states. Since the passage of SJR01, the Working Group has invested thousands of hours in talking with water users across the State and developing a Utah specific water banking concept. SB 26 works in concert with existing state water policies and programs, including the Governor's Recommended Water Strategy, and is a key opportunity to help safeguard Utah's water security. SB 26 ultimately provides water users greater flexibility in how they manage and use local water rights.

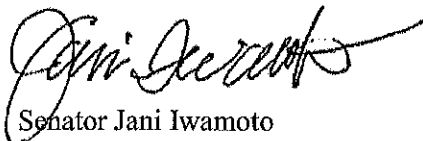
SB 26 is a 10-year pilot project that facilitates the creation of voluntary local water banks created and designed by local water right holders, who would organize and oversee the temporary leasing and use of water rights between local users. SB 26 couples local water user initiative with appropriate state oversight to ensure water banks are responsive to local needs and protective of water users. The bill allows for the creation of open transparent marketplaces for the leasing of water rights that ultimately reduces transaction costs, creates a local income stream, and increases access to water.

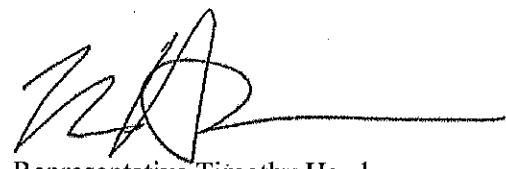
To test the concepts of SB 26, the Legislature authorized a one-time appropriation of \$400,000 in 2019 in conjunction with its passage of SJR01, and the Working Group has successfully received an additional \$400,000 through the Bureau of Reclamation WaterSMART Water Marketing Grant Program. These funds will primarily be used to develop a statewide water marketing strategy and to assist local water users in getting a working water bank operating in three demonstration areas. Lessons learned and resources developed in these three demonstration projects will be applied to and used to assist other water users in starting water banks in their local area.

SB 26 is the culmination of literally thousands of hours of work by a diverse group of the water user community and State partner agencies. Members of the Working Group have traveled extensively across the State presenting the concepts of SB 26 and soliciting feedback from local water users. SB 26 presents a unique opportunity for the State to add an innovative, flexible water management option to its toolbox.

SB 26 is in the best interest of the State and will help Utah prepare for a more secure tomorrow. We urge you to vote in favor of the bill.

Respectfully,


Senator Jani Iwamoto
Assistant Senate Minority Whip


Representative Timothy Hawkes
House Rules Chair