

Recommendations

Utah's water challenges are unique and extensive. Water marketing is one solution but should not be considered a silver bullet for all water-related issues. While water marketing can, and often does, produce "win-win" solutions, it also represents a shift in how water users view and use water.

If Utah Stakeholders want to see additional water marketing activity in Utah, the Project Team makes the following recommendations:

- **Improve Statewide Price Transparency:** Improve transparency around recent and proposed water transfers, particularly price transparency. The State could maintain a central repository of water transfers to improve pricing transparency and provide examples of what Utahns have achieved through market methods. For example, the Water Banking Act already requires approved water banks to make annual reports of the volumes of water leased and pricing to the Board of Water Resources. Similarly, the System Conservation Pilot Program, operated through the Upper Colorado River Commission and facilitated by the Colorado River Authority of Utah, also collects lease prices.
- **Continued Education and Opportunities:** Continue to educate water users about water marketing options and opportunities. The State has invested substantial resources in creating the Water Marketing Website and materials produced by the Project Team. To get the greatest return, the State could continue promoting and utilizing these materials.

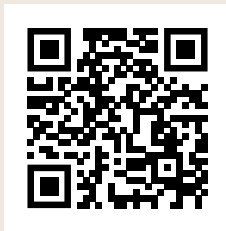
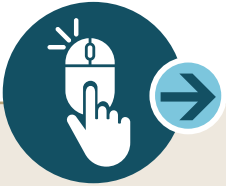


- **Improve Water Data:** Accurate water data is essential to water market activity. Water transfers will be limited if there is insufficient data to accurately track the movement of water from lessee to lessor. The Utah Division of Water Rights is already working to identify gaps in distribution data for key areas of the State most likely to explore water marketing, such as the Colorado River Basin and the Great Salt Lake Watershed. Removing “paper” or “bad” water rights from the State Engineer’s records will reduce speculation and limit transaction costs, thereby increasing the efficiency of implementing legitimate water transfers.
- **Commit Resources and Time:** Completing a water transaction takes substantial time and investment. Ensure that all parties interested are committed to the process. Use the Foundational Questions exercise to test the commitment level of various participants early in the process.
- **Accurately Assess Market Demand:** While people in a local area may have water, or may want water, that does not automatically translate into the conditions necessary to support a water market transaction. Supply and demand must match on several conditions, such as timing, availability, and interest, to ripen into a water marketing activity.



Recommendations for the Utah Water Banking Act

The Project Team has several specific recommendations regarding creating Water Banks under the Water Banking Act.



These work products are available on the [Utah water marketing website](#).

- Understand the purpose of a water transaction and whether a water bank under the Water Banking Act is the best tool to meet that goal. Establishing a water bank requires substantial time and resources. Successful water banks will likely be situations where parties benefit from the Act, such as those seeking forfeiture protections, environmental uses, or a one-time Change Application proceeding. Water banks will also be a favorable tool for aggregating many pieces of water across a large area.
- In 2022, HB 33 significantly expanded Utah's instream flow capabilities, which was a primary impetus for passing the Water Banking Act - this may affect some interest in water banks.
- Conduct public meetings and outreach to understand local concerns and/or opposition. The Project Team spent considerable time meeting with local Stakeholders, and in some cases more outreach was needed to address concerns or answer questions about the water banking process or impacts.

