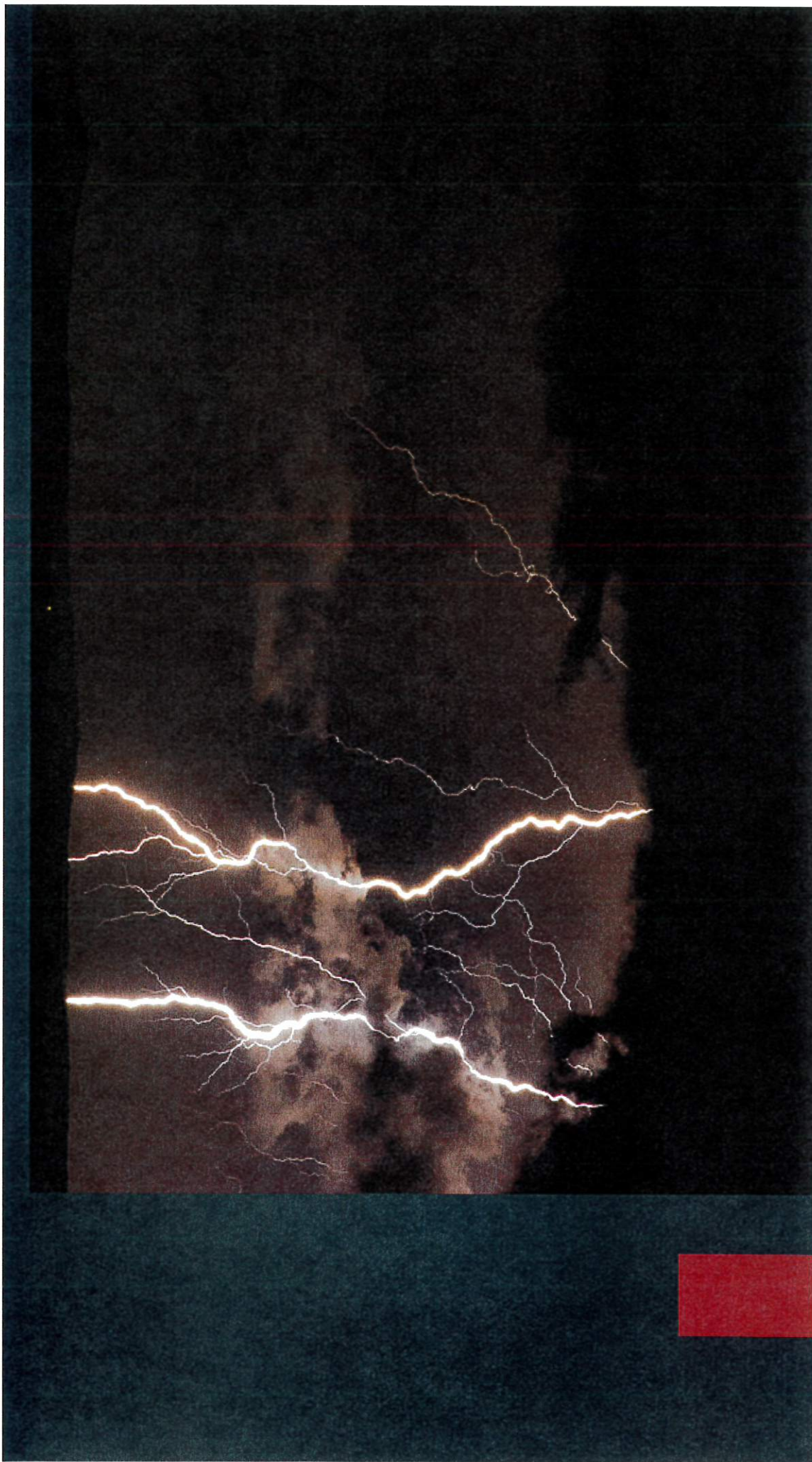


FIRST WATER BANK OF UTAH



First
Water
Bank of
Utah





A Little More Light and a Lot Less Noise

The Water Bank is not:

A governmental entity

An effort to control or “steal”
water

Available to only a select few
Expensive

First Water Bank of Utah is:

Voluntary

Local

Responsive to local needs and protective of water users

An open and transparent marketplace



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,

Handwritten signature of Senator Janel Iwanicki.

Senator Janel Iwanicki
Assistant Senate Minority Whip

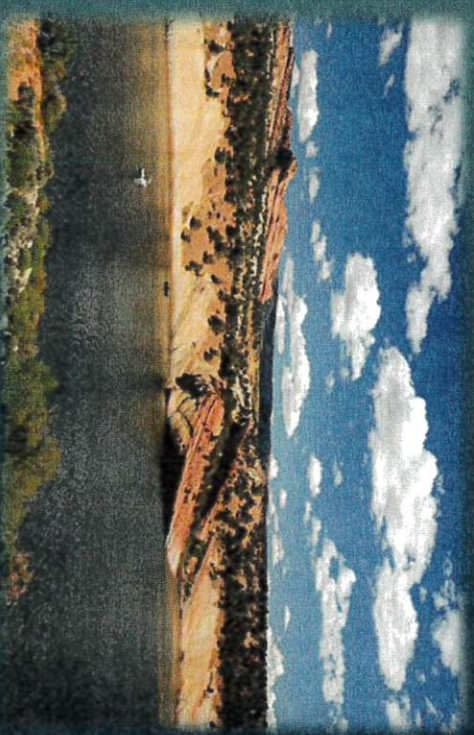
Handwritten signature of Representative Timothy Hawkes.

Representative Timothy Hawkes
House Rules Chair

Utah Water Banking Act §73-31-101

- ▶ **73-31-104 Objectives of water banks.**
- ▶ The objectives in creating a water bank are to:
 - ▶ (1) promote:
 - ▶ (a) the optimal use of the public's water;
 - ▶ (b) transparency and access to water markets;
 - ▶ (c) temporary, flexible, and low cost water transactions between water users; and
 - ▶ (d) Utah's agricultural economy by providing access to water resources and income for Utah's agricultural industry

Enacted by Chapter 342, 2020 General Session



'First Water Bank Of Utah' Approved For Vernal Area By Utah Water Board

by [Kristin Forbis](#) | Oct 9, 2023 | [Featured Stories](#), [News](#) | [0 comments](#)



The Utah Board of Water Resources met on October 5th and approved the aptly named 'First Water Bank of Utah' to be established in the Vernal area. Ryan Goodrich with Ashley Valley Water & Sewer Improvement District and Keith Despain with Vernal City were present at the board meeting as the board reviewed their documentation in pursuit of starting the first water bank in the state under the parameters and requirements spelled out in Utah code. The Water Banking Act was approved by the Utah Legislature in 2020 with the stated objective to promote the following: the optimal use of the public's water; transparency and access to water markets; temporary, flexible, and low-cost water transactions between water users; and promoting Utah's agricultural economy by providing access to water resources and income for Utah's agricultural industry. Goodrich shared with the board that this historic moment had been nearly 2 years in the making. The water bank opens up water transactions to everyone as it provides a marketplace on the digital platform . . . where anyone can go online and see what water is available to lease or purchase. While board members had questions for Goodrich and Despain, the overwhelming tone was one of being impressed and supportive of the work done to make their pursuit a reality. The Utah Board of Water Resources unanimously passed a motion to approve the 'First Water Bank of Utah'.



The First Water Bank of Utah Process

Become a Member

This is voluntary – the idea is similar to being a member of a credit union

Determine what water you may wish to deposit

The Bank will help file the change application to make the water available for use within the Service Area of the Bank

Make a “deposit”

The water right owner decides if, and when to make water available for lease

The water right owner decides the “terms” of the offer

The water right owner decides whether or not to complete the lease
These are “temporary” leases and do not involve a transfer of ownership

Participate in a Transaction

The Lessee searches the marketplace for water available for lease

The Lessee determines if the water works for their needs

The Lessee then “makes an offer”

If the offer is accepted, the transaction is completed, and the water is made available to the Lessee after payment is deposited in the Bank

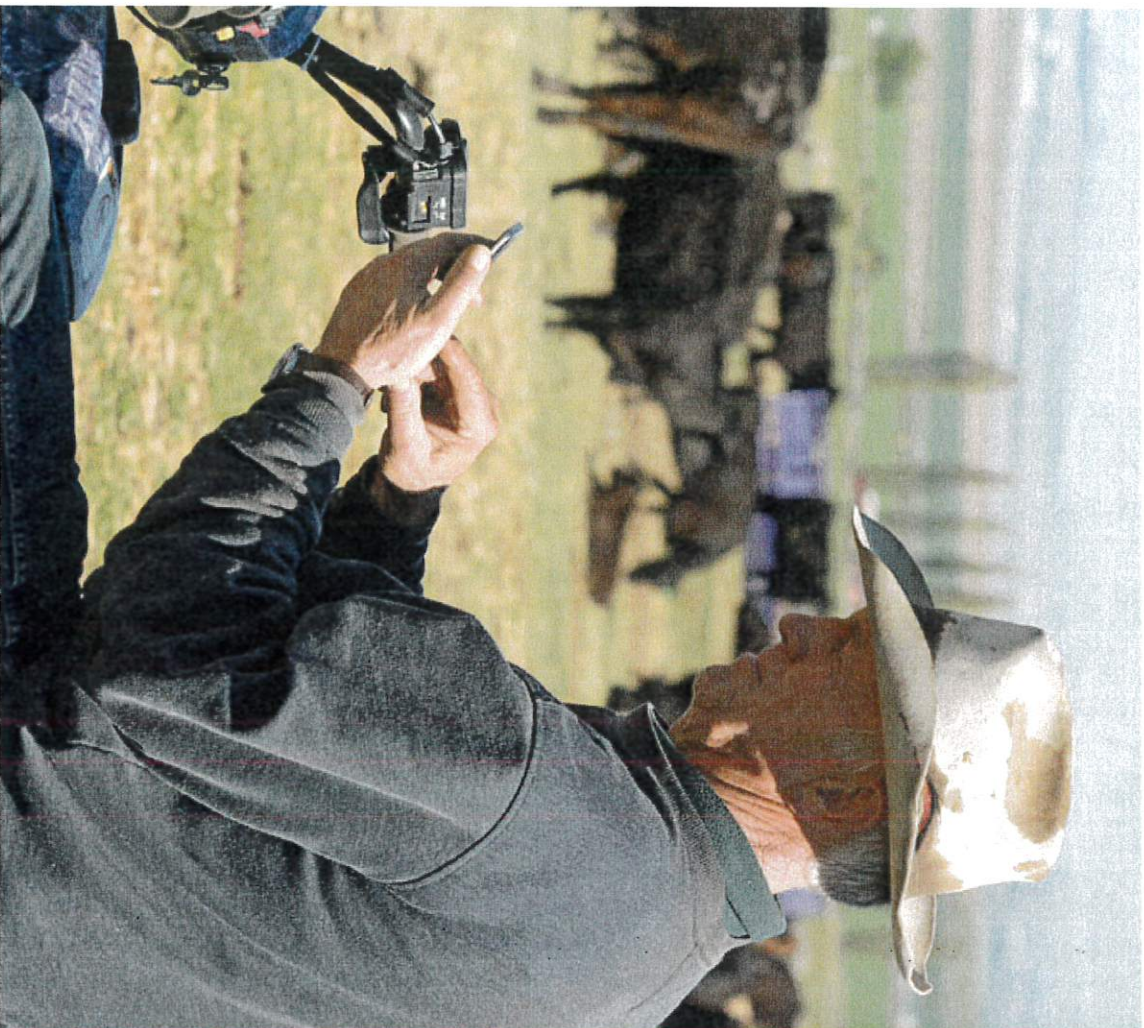
Protections for the Water Right Owner and the Lessee

For the owner of the water

- ▶ Participation is voluntary
- ▶ Terms are set by the owner
- ▶ These are “temporary” leases only
- ▶ The “deposit” must receive prior approval from the State Engineer’s Office
- ▶ The water is not delivered to the Lessee until payment is escrowed in the Bank
- ▶ “Unapproved” transactions will not be allowed

For the Lessee

- ▶ Participation is voluntary
- ▶ The Lessee can “shop” for water that they can use
- ▶ The Lessee gets to negotiate the terms of the lease
- ▶ The transaction is transparent
- ▶ Money is not released to Owner until water is delivered
- ▶ “Unapproved” transactions will not be allowed



Fast and Efficient -

► As the Bank is built out –
transactions will be able to be done
on your digital device.



Water Assets

Dashboard • Assets

Adam Williams
Admin

Search

+ Add New Water Asset

FIRST WATER BANK OF UTAH

Dashboard

Vault

Assets

WETX COMMUNITY

Marketplace

MY WATER

My Assets

FWBU ADMIN TOOLS

Vault Archive

Manage Organization

Assets

Location

Type

Status

Action



52-333

Circleville City, Utah

Water Right

Banked

...



52-34283

Marysvale Irrigation, Marysvale, Utah

Water Share

Offers Pending

...



52-7564

Circleville, Utah

Water Right

Unbanked

...



53-3982

Kingston Ditch Company, Kingston, Utah

Water Share

Under lease

...



52-8946

Steen Meadow Irrigation, Circleville, Utah

Water Right

Sale In Progress

...



52-5241

LongCity/Name, StateName

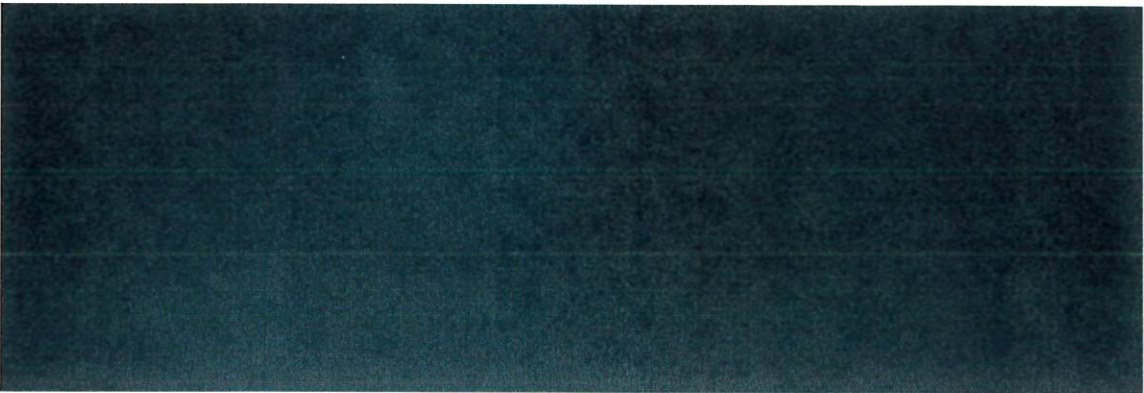
Water Right

Under Bank Review

...

Dense

Rows per page: 5 6-10 of 11



Adam Williams
Admin

FIRST WATER BANK OF UTAH

Dashboard

Vault

Assets

WEEDY COMMUNITY

Marketplace

MY WATER

My Assets

FWDU ADMIN TOOLS

Vault Archive

Manage Organization

Water Right: 95-333, Mapleton, Ut

Dashboard • Assets • Property Details: 95-333

Status **Unbanked**

Create & Manage

Bank Verification

Split & Lease



Water Right: 54-994

Total Acre Feet: 300

Use Type: **Irrigation**

Source: 633034,151, 4530520,379

Status: Value

Location: Mapleton, Ut

Value Per Acre Foot: \$1000.00

Quantity of Water (a1): Value

Bank this water right

Learn more about all assets.
Connectivity: adaptive,ink

Get started

Split or lease water right

Learn more about all assets.
Connectivity: adaptive,ink

Coming Soon

Documents

Water History

Water Usage

Market Activity

Filter by document name

+ Upload

Type

Name

Labels

Pages

Date

Action

Estement

photos-donate-2015-sr-lanka-7048...

n/a

08 Apr 2022

⋮

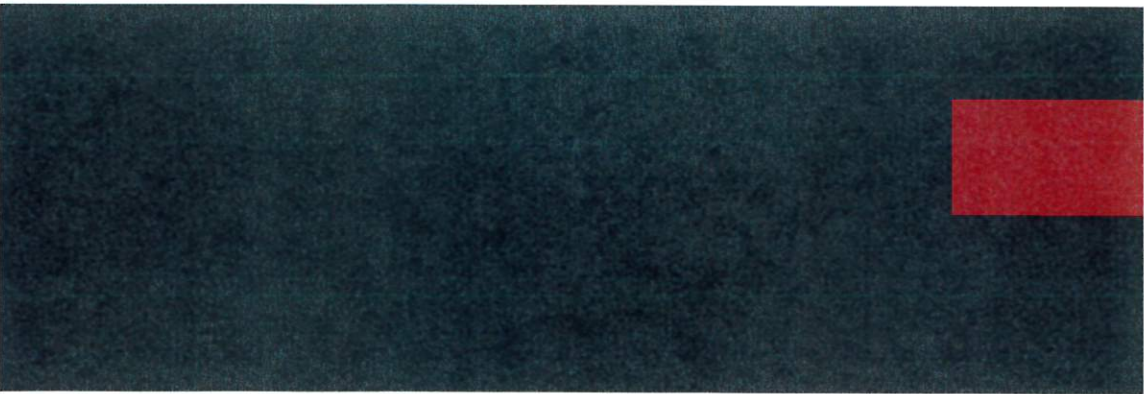
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08 Apr 2022

⋮



[https://www.fwbw.org/#::~:~:~text=The
%20First%20Water%20Bank%20of%20
Utah%20was%20established%20in
%20October,%20to%20prove%
20beneficial%20use.](https://www.fwbw.org/#::~:~:~text=The%20First%20Water%20Bank%20of%20Utah%20was%20established%20in%20October,%20to%20prove%20beneficial%20use.)



First Water Bank of Utah

Efficient



Transparent



Secure