Utah’s water needs are changing. We need more flexible mechanisms to provide water to the users in the state. The Governor’s 2017 Recommended Water Strategy identified water banking as a flexible water management tool that could be used to support agriculture while also providing water for urban and environmental needs. A diverse group of over 70 stakeholders representing agriculture, public water suppliers, conservation groups, and other interests have spent thousands of hours developing the proposed “Water Banking Act,” which would create a temporary water banking program for Utah. To develop the Act, the group studied various basins throughout Utah and reviewed water banking programs in other western states. In its most simple form, a water bank facilitates the voluntary temporary transfer of the use from one user to another.

In addition, the Legislature unanimously passed Senate Joint Resolution 1 during the 2019 General Session, requesting water banking legislation to consider during the 2020 session. An extensive outreach effort has been made to solicit comments from stakeholders throughout Utah, including over 40 meetings to date, with more planned for the future (see meeting list in side bar).

**Water Banking Concept and Draft Legislation**

In response to the Legislature’s request for the 2020 session, the Stakeholder Group has prepared SB 26—water banking legislation to address existing legal barriers to water market activity, incentivize the use of water banks, authorize existing market activities, and provide a governance structure for water banks to protect local water users. The legislation is intended to be a pilot that will be tested through three demonstration projects in specific watersheds.

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**OUTREACH MEETINGS**

- Bear River Water Users Association
- Farm Bureau Board Meeting
- Farm Bureau meetings in:
  - Emery
  - Sanpete
  - Piute
  - Richfield
- League of Cities and Towns
- Jordan River Commission Technical and Board Meeting
- CLE International
- State Water Development Commission
- Price River Watershed Committee
- Cache Water District
- Utah Water Summit
- American Water Users Associations
- Utah Water Task Force
- Executive Water Task Force Board Meeting
- Utah Association of Special Districts
- Utah Association of Conservation Districts
- Salt Lake Watershed Symposium
- Rural Water User Association
- Uinta Basin Water Summit
- Weber River Symposium
- Uinta Basin Water Summit
- Water Quality Board
- Daggett County Commission
Key Elements of the Local Water Banking Concept

1. **Pre-Application Stage**: Local water users meet to identify local needs, feasibility of water bank, potential transactions, and stakeholder engagement.

2. **Water Bank Application**: Local water users submit an application to the Board of Water Resources detailing bank operations and policies. The Board approves complete applications.

3. **Water Bank Operation**: Designated bank administrators facilitate bank transactions and distribute water in coordination with the State Engineer.

4. **Annual Report**: Bank reports on key metrics of water bank operations.

5. **Sunset**: The legislation has a 10-year sunset period that can be extended or repealed.

Statewide Water Marketing Strategy & Demonstration Projects

The Stakeholder Group has pursued funding to work with local water users to develop a Utah water banking concept. To date, the Legislature appropriated $400,000 to the Division of Water Resources, which also has been awarded an additional $400,000 federal grant to develop a statewide water marketing strategy and facilitate three demonstration projects in the state. These demonstration projects will inform best practices for continuing to develop local water markets in Utah.

For more information visit: utahwaterbank.org