

Water Banking – Strategic Planning Project
Department of Ecology, Water Resources Program
 Update; November 15, 2019

Project Objectives:

- Develop a strategic plan on Ecology’s role in supporting and regulating water banking in Washington.
- Evaluate where banks are most effective in providing a public benefit. Identify how we can better support banks that serve the public interest.
- Evaluate the unintended consequences of water banking and the Trust Water Rights statute. Analyze how Ecology could play a greater role in regulating against these impacts.
- Develop policy recommendations to effectuate change (could include changes in practice, policy, rule, or statute).

Original Timeline:

Process Stage	Timeframe
Project launch – formation of a Water Resources workgroup	Fall 2018
Evaluation of other states (done by UW students)	Spring 2019
Problem identification and brainstorm of potential solutions	Summer / Fall 2019
Development of draft recommendations for internal review	Fall 2019
External vetting of potential recommendations	Spring 2020
Implementation of recommendations	Summer 2020

Accomplishments to Date:

- Review of banking in other states, including analysis of applicability to Washington.
- Identification of problems regarding the trust water statutes and water banking.
- Preliminary and conceptual development of potential policy options to address identified problems.
- 25+ stakeholder meetings completed, focused on problem identification and vetting of initial ideas.

Issues we have been Investigating:

- *Speculation in water rights:* What makes an acquisition or transfer speculative? Are stakeholders concerned about it? How widespread is this issue? If it is problematic, how do we guard against it?
- *Public benefit:* How do we ensure that we support banks that serve the greatest public benefit? Should we define public interest or public benefit?

- *Temporary trust:* Would making the Trust Water Rights Program less flexible help the function of water markets? What would be the administrative impact of reducing flexibility? What would be the environmental impact? Would this help alleviate concerns about speculation? Does the lack of clarity in statute regarding different kinds of trust water rights lead to confusion or problems in practice?
- *Administrative burden:* How we do ensure that we have the administrative capacity to process transfers for banks that serve the public interest? Would charging a fee for processing bank applications help to recover administrative costs and allow us to provide a better public service?