

**Advisory Group on Water Trust, Banking, and Transfers
Meeting 1, April 16
9:30 am to 12:30 pm**

Meeting Notes

Welcome, review agenda, introductions

Carrie Sessions

- Agenda
- Webex practice
- Attendee list

Opening Remarks

Senator Warnick

Representative Springer

Senator Salomon

Representative Dent

Representative Goehner

(Representative Lekanoff gave opening remarks later in the meeting)

Process overview: objectives and administrative issues

Mary Verner

- Role of water trust, banking, and transfers in water supply management
- Protection of “public interest”
- Importance of hearing diversity of perspectives
- Fostering a healthy dialogue to provide timely input for the next legislative session

Carrie Sessions – see PowerPoint presentation

Opening Remarks

Representative Lekanoff

BREAK

Background presentation: Legal background of water transfers, trust water, and water banking

Peter Dykstra – see PowerPoint presentation

Discussion on concerns and priorities related to water trust, banking, and transfers

Dave Christensen

Poll: *How concerned are you about...* (Results available in Poll Results document)

- Transparency in water right sales
 - *Comment:* Fears about the long-term viability of agricultural communities
 - *Comment:* There should be transparency in the use of a public resource
 - *Comment:* Need more data to assess the risk of transfers
 - *Comment:* Public comment period required in transfer process provides built-in transparency; however, this process could be more visible to the broader public
 - *Comment:* Data may not be clearly accessible but is available
 - *Comment:* Changes are generally visible whereas simple transfers are not

- Social and economic impacts of out-of-basin transfers
 - *Comment:* Reiterate need for publicly available data on transfers to evaluate the problem; hope to see data in future meeting
 - *Comment:* Upstream communities are inherently disadvantaged in water access because transfers mainly go downstream
 - *Comment:* downstream regions in Yakima Basin are home to higher value agricultural industries and therefore have more capacity to obtain water
 - *Comment:* Need a mechanism to allow transfers to move upstream as well as down
 - *Comment:* Out-of-basin transfers appear small in number and in size
 - *Comment:* Even small out-of-basin transfers can have a large impact on basin of origin if supplies are already limited; e.g. Methow
 - *Comment:* Productivity gains shouldn't be the only metric to judge the value transfers
 - *Comment:* Risk of fallowing agricultural land in areas of high fire danger

- Private investment in water rights
 - *Comment:* More activity and competition will also reduce opportunities for unfair market behavior
 - *Comment:* More data needed on extent of private investments; likely dwarfed by water supplies controlled public entities
 - *Comment:* Public option for water banks is important to maintain fair market conditions

- Speculation in water rights
 - *Comment:* Need a better definition of speculation as it applies to water rights
 - *Comment:* Private sale of water right is often an important revenue source to many farmers especially as they approach retirement
 - *Comment:* How do we define some private transactions as speculative and others not?
 - *Comment:* Transfer process is very expensive and is a deterrent to speculative interest
 - *Comment:* High transaction cost is why agricultural communities face a disadvantage competing against investment firms
 - *Comment:* Speculation concerns are more an issue of labeling than anything else
 - *Comment:* Long-term donations to TWRP provide instream flow benefits

- Use of water banks in ways that are not in the public interest
 - *Comment:* How do we define public interest and who evaluates it?
 - *Comment:* Public interest may be difficult to define but monopolistic behavior and other obviously extreme cases should be disallowed

- *Comment:* Public interest should be defined as “local interest”

Poll – Trust Water: *Agree/disagree about the Trust Water Rights Program* (Results available in Poll Results document)

- I have a good understanding of how the TWRP functions
 - *Comment:* Need clarification on what trust water rights are eligible to be used for mitigation
 - *Comment:* Need clarification on status of certain trust water rights for use in pilot project mitigation [*out of program scope*]
- I think the TWRP functions well
 - *No comments*
- I value the function of the TWRP
 - *No comments*

Poll – *Discussion Questions* (Results available in Poll Results document; responses were collected but not discussed)

- A related issue I’m concerned about and haven’t heard about today is...
- I will consider the Advisory Group successful if it accomplishes...
- My advice for Ecology in this endeavor is...

Meeting Adjourned