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

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

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

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

• Use of water banks in ways that are not in the public interest
  o Comment: How do we define public interest and who evaluates it?
  o 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