



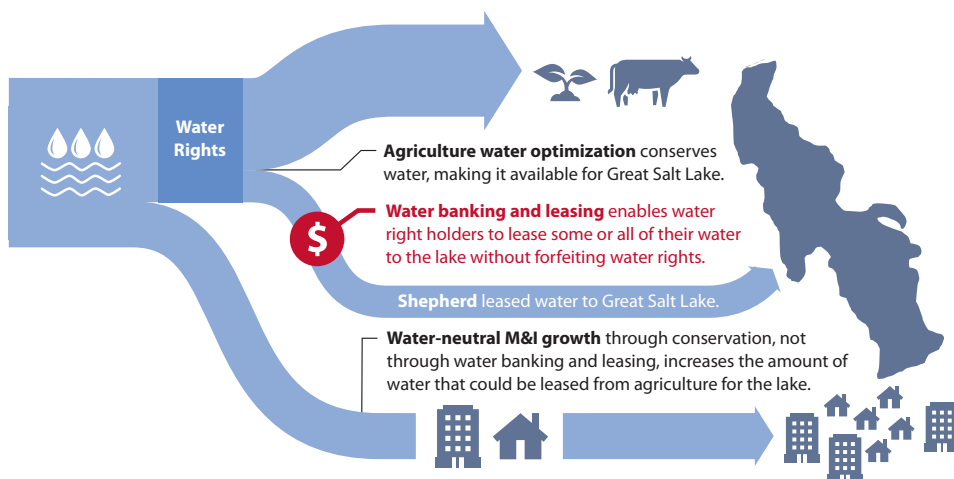
The State of Utah or the Great Salt Lake Trust could lease water for Great Salt Lake, reallocating water from willing sellers to willing buyers.

Summary

Water leasing enables water rights holders to voluntarily lease all or some of their water without forfeiting their water rights. Water banking is one mechanism to lease water, facilitated by Utah's 2020 Water Banking Act under Utah Code 73-31-101(20). Water banks can connect buyers and sellers through intermediaries and institutional processes. Potential exists to lease up to 200,000 - 300,000 acre-feet of water annually for Great Salt Lake. This solution should be paired with water shepherding, agriculture water optimization, and water-neutral M&I conservation to deliver water to the lake.

Key Facts and Insights

- How it works**
 - Water leasing does not forfeit water rights.
 - Water right priority transfers to leases provided it does not impair other water rights.
 - Water leases may be restricted to the amount of water historically consumed.
 - Requires a change application to deliver water to Great Salt Lake.
- Cost per acre-foot** – Existing water markets suggest the cost per acre-foot may range between \$150 and \$300. Prices will differ by priority date, location, and other factors, making them highly variable.
- Relative cost** - Water banking is a relatively cheap option to deliver water to Great Salt Lake because infrastructure needs are small. New infrastructure includes additional streamflow gages for water shepherding. Transaction costs include legal and hydrologic expertise.
- Part of a portfolio of solutions** – Agriculture water optimization reduces depletions so that a portion could be voluntarily leased to Great Salt Lake. Leased water must be shepherded to Great Salt Lake with improved streamflow gaging and monitoring. Water-neutral municipal and industrial (M&I) growth should focus on efficiency, conservation, and offsets to reduce competition for leased water.



Source: Great Salt Lake Strike Team

Expert Assessment Scorecard Results

	Low	High
Benefits		
Water brought to the lake	1 2 3 4 5	1 2 3 4 5
Air quality improvements	1 2 3 4 5	1 2 3 4 5
Biological health	1 2 3 4 5	1 2 3 4 5
Costs, Challenges, and Adaptations		
Financial cost*	1 2 3 4 5	1 2 3 4 5
Agriculture changes	1 2 3 4 5	1 2 3 4 5
Extractive industry changes	1 2 3 4 5	1 2 3 4 5
Cultural shift	1 2 3 4 5	1 2 3 4 5
Feasibility		
Speed of implementation	1 2 3 4 5	1 2 3 4 5
Legal/regulatory feasibility	1 2 3 4 5	1 2 3 4 5

*Leasing 200,000 acre-feet per year might cost between \$30 and \$60 million per year, depending on the market price to lease water.

Source: Great Salt Lake Strike Team

Policy Options and Tradeoffs

Water managers and policy-makers could regulate water leases to minimize unintended consequences. Water leasing and banking policy options and tradeoffs include, but are not limited to, the following:

Policy Options

- Increase water prices to incentivize leases.
- Exclude M&I buyers to facilitate urban conservation.
- Expect water leases to cost more in dry years and less in wet years.
- Irrigation companies or large agricultural users could lease water volumes large enough to be shepherded to the lake.

Tradeoffs

- Less water for agriculture.
- Transaction costs for legal and hydrologic expertise.
- Externalities, or side effects, of water leasing are common.
- Negligible effect on Great Salt Lake without water shepherding.