

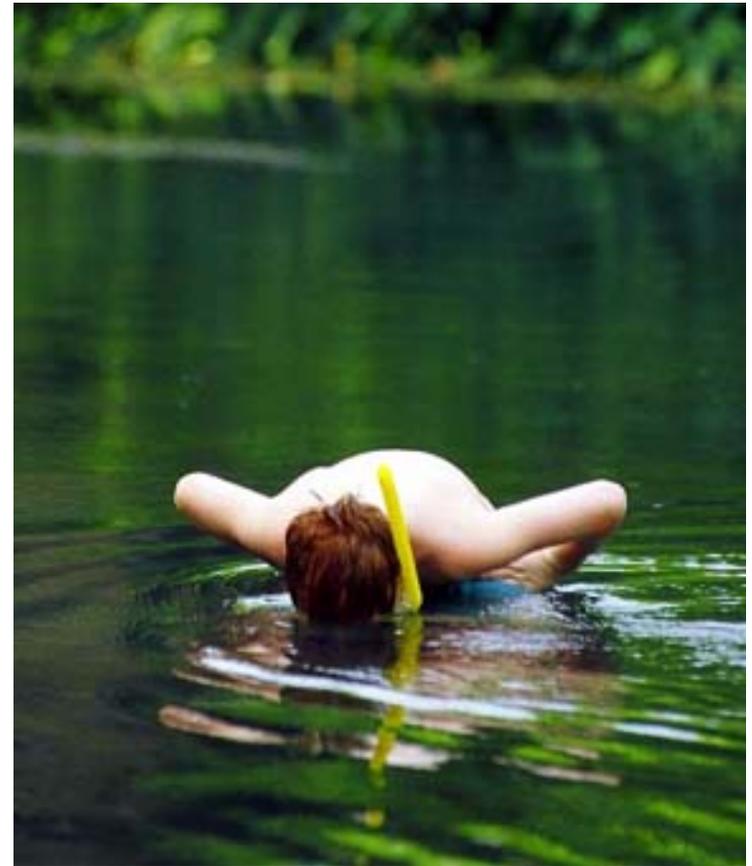
Water Markets for Environmental Flows



Finding the ways that work

What's in it for the Environment?

- Move toward more optimal valuation/use of limited water supplies
- Operational flexibility
- May be only way to get flows in fully appropriated systems



Opportunities

- Voluntary transfers (sales, leases, dry-year options) of existing water rights to meet shifts in demand
- Agricultural > municipal
- Agricultural > environmental use



Focus on water transactions for instream flows...

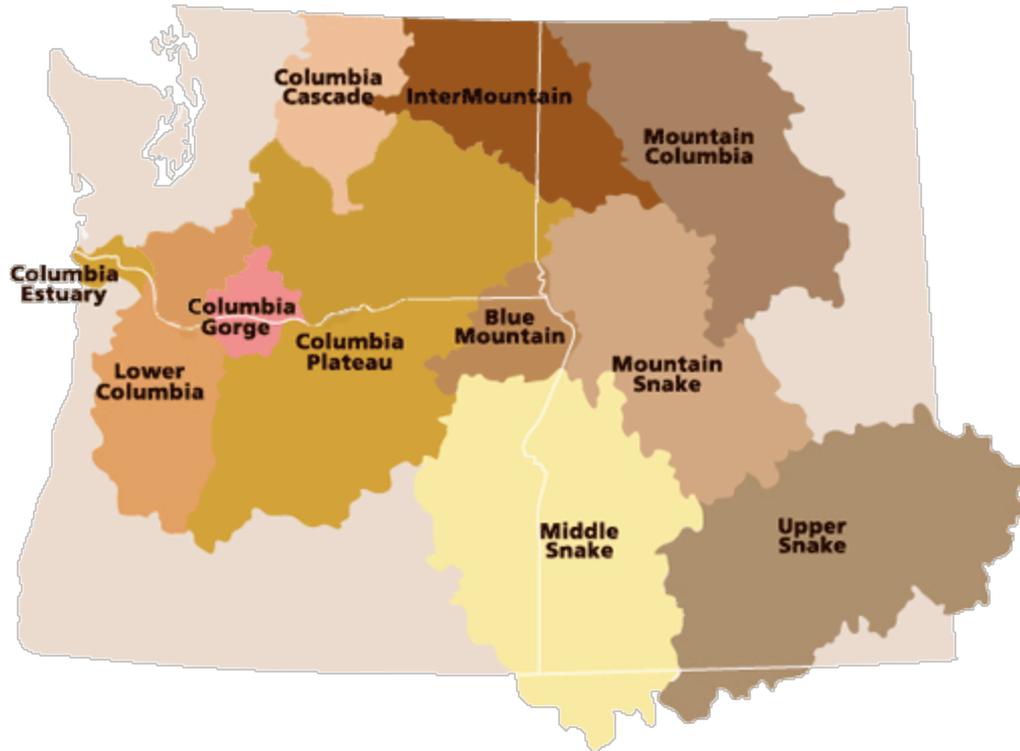
- Increasing use throughout the West
 - Meet endangered species flow needs
 - Recreational fishing (especially trout in cold water streams)
 - Many states now recognize instream use as “beneficial use,” though restrictions and conditions (e.g. state v private ownership of instream right) vary across states

Water Trust Examples

- Montana
- Colorado
- Freshwater Trust (Oregon)
- Washington Water Trust
- Texas



Columbia Basin Water Transactions Program



www.cbwtp.org

Deschutes River



- Began in 1996
- Ag to environment leases primarily (fish and water quality)
- Federal funding
- Experimented with reverse auction tool
- www.deschutesriver.org



Trans-Pecos Water Trust

- Started in 2005
- Features
 - Local board members, plus NGOs
 - Unused/under-used agricultural rights (almost 2000 acre-feet)
 - Added instream use to existing use via TCEQ amendment process clarified by SB 3
 - Downstream need
- Model for other locations/rivers?

Texas Water Trust

- Established in SB 1, 1997
- Very few rights
- No funding for purchases/leases
- Little outreach/promotion
- Real potential to become a tool in SB 3 implementation

Constraints



- How much flow you need when and where (SB 3 will help)
- Downstream “enforcement” more complicated than just adding instream use
- Additional challenges with freshwater flows needed for bays and estuaries and with larger-scale transfers