ABSTRACT

Water Rights Trading – Water Allocation Solution or Exploitation?

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There are many competing interests for high quality water and the resource is becoming scarce and over-appropriated in many locations. Municipalities, industry, and agriculture are competing for the same limited resource. In the Northwest, water allocation decisions being made by State regulatory agencies now consider the potential for impacting threatened and endangered fish and their habitat. As a result, it is increasingly difficult if not impossible to obtain new surface water rights or groundwater rights. In response to this dilemma, there is increasing interest in buying and selling existing water rights. There are numerous regulations that govern the transfer of water rights from one location to another; however, there are some who are concerned that market driven water allocation decisions will result in exploitation of the resource and elimination of irrigated agriculture. Will water trading dry up streams and result in less water for fish? Will water trading cause farmland to become fallow as water is transferred to municipal uses? If water trading is inhibited, how will municipalities, industries and agriculture meet increasing water demands in the future and what impact will this have on our economy? How should water allocation decisions be made? This presentation discusses how water trading is being done in the Northwest and touches on the issues raised by these questions.