Water Transfers in the West:
Trends Over the Last 22 Years of Water Rights Trading

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Data Source

- UC Santa Barbara’s Bren School
- Collected from the *Water Strategist*
- Includes 12 WGA member states
Water Transfers in the West: Total Transactions and Acre Feet Traded

- **1988**: 1,000,000 transactions, 1,500,000 acre feet
- **1989**: 1,000,000 transactions, 2,500,000 acre feet
- **1990**: 1,500,000 transactions, 2,500,000 acre feet
- **1991**: 2,000,000 transactions, 3,000,000 acre feet
- **1992**: 2,500,000 transactions, 3,000,000 acre feet
- **1993**: 3,000,000 transactions, 3,000,000 acre feet
- **1994**: 3,500,000 transactions, 3,500,000 acre feet
- **1995**: 4,000,000 transactions, 4,000,000 acre feet
- **1996**: 4,500,000 transactions, 4,500,000 acre feet
- **1997**: 5,000,000 transactions, 5,000,000 acre feet
- **1998**: 5,500,000 transactions, 5,500,000 acre feet
- **1999**: 6,000,000 transactions, 6,000,000 acre feet
- **2000**: 6,500,000 transactions, 6,500,000 acre feet
- **2001**: 7,000,000 transactions, 7,000,000 acre feet
- **2002**: 7,500,000 transactions, 7,500,000 acre feet
- **2003**: 8,000,000 transactions, 8,000,000 acre feet
- **2004**: 8,500,000 transactions, 8,500,000 acre feet
- **2005**: 9,000,000 transactions, 9,000,000 acre feet
- **2006**: 9,500,000 transactions, 9,500,000 acre feet
- **2007**: 10,000,000 transactions, 10,000,000 acre feet
- **2008**: 10,500,000 transactions, 10,500,000 acre feet
- **2009**: 11,000,000 transactions, 11,000,000 acre feet

Legend:
- **Number of Transactions**
- **Sum of Avg Annual Flow**
Thus far...

- The number of transfer transactions has trended up in recent years, but the volume of water traded has stayed in roughly the same range.

- Transfers make up about 2% of the surface water withdrawals for the study area.

- More volume is traded through leases, but sales have traditionally been the most common transaction type.
Water Transfers by State: Type of Transaction and Total Volume Traded
(From 1988 to 2009)

Arizona: 8.4 million AF
California: 13.3 million AF
Oregon: 1.5 million AF
Washington: 327,000 AF
Montana: 85,000 AF
Idaho: 6.6 million AF
Utah: 370,000 AF
Wyoming: 382,000 AF
Colorado: 1.6 million AF
New Mexico: 678,000 AF
Texas: 2.9 million AF

Leases
Sales
Other/Unknown
Water Transfers by State: Total Transactions (From 1988 to 2009)

- California: 638 Transfers
  - Leases: 148
  - Sales: 462
- Texas: 336 Transfers
  - Leases: 245
  - Sales: 91
- Nevada: 604 Transfers
  - Leases: 462
  - Sales: 142
- New Mexico: 138 Transfers
  - Leases: 74
  - Sales: 64
- Arizona: 217 Transfers
  - Leases: 69
  - Sales: 148
- Montana: 56 Transfers
  - Leases: 245
  - Sales: 91
- Wyoming: 65 Transfers
  - Leases: 245
  - Sales: 91
- Utah: 79 Transfers
  - Leases: 69
  - Sales: 148
- Idaho: 148 Transfers
  - Leases: 523
  - Sales: 115
- Oregon: 117 Transfers
  - Leases: 1812
  - Sales: 165
- Washington: 57 Transfers
  - Leases: 1812
  - Sales: 165
Thus far...

• In terms of volume, California is the biggest player by far, followed by Arizona and Idaho. Most of the transfer transactions occur through leases.

• By the number of transactions, however, Colorado dominates the transfer field. Most of Colorado’s transfers occur through sales, many in the C-BT; leases prevail in most other states.
We have seen how water is transferred and where water is transferred. Now, we will examine who transfers water.
Sales

In Four Categories:

Ag-to-Ag
Ag-to-Urban
Urban-to-Urban
Ag-to-Environmental
Number of Water Sales by Transaction Type
Total Volume Sold:
Ag-to-Ag, Ag-to-Urban, Urban-to-Urban, and Ag-to-Environmental
Thus far...

- Ag-to-urban transfers are the most common type of sale (but recall that the C-BT has a disproportionate influence on sales data).

- No clear trend is evident in the data regarding the volume of water sold.
Leases

Again, in Four Categories:

Ag-to-Ag

Ag-to-Urban

Urban-to-Urban

Ag-to-Environmental
Number of Water Leases by Transaction Type
Volume Transferred via Lease:
Ag-to-Ag, Ag-to-Urban, Urban-to-Urban, and Ag-to Environmental
Median Price per Acre Foot:
Ag-to-Ag, Ag-to-Urban, Urban-to-Urban, and Ag-to-Environmental

Sales

Leases
Thus far...

- The number of water leases has increased in recent years, particularly in the Ag-to-Environmental category.
- Urban-to-Urban and Ag-to-Ag transactions once transferred the volume of water, but more recently Ag-to-Environmental transfers have led in volume traded.
- Urban buyers are more frequently subject to high prices and price shocks than ag or environmental users.
Summary

• Water transfers occur across the West and are becoming more frequent.

• The large volumes of water traded through leases indicate that policy on lease transfers could be particularly influential.

• Ag-to-Urban transactions are the most common types of sales; Ag-to-Environmental leases are increasing in frequency and volume.
Research Questions

• How can we address limitations in the current data and obtain newer, stronger data in the future?

• What trends in drought, fire, or regulatory requirements have influenced transfers? How have economics and demographics shaped the trends we have seen?

• What policies help or hinder transfer markets?