Geosyntec consultants

MUNICIPAL CODE AND WATER RIGHTS

IN WASHINGTON STATE

PNWS-AWWA Conference

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OUTLINE

- Why think about water rights?
- What is driving demand for municipal water?
- Options for securing municipal water rights
- Municipal Water Right Transfer Programs

WASHINGTON STATE MUNICIPALITIES

Washington state contains **281** incorporated cities and towns[1] with a total population of **5,350,840**.[2]

1. *Census.gov*
2. *WA OFM*



WHY THINK ABOUT WATER RIGHTS?

- **Compliance**
  - Demonstrating legal authority for 20-year planning period for water system plan
- **Agility**
  - Ability to serve new customers with large demand
  - Portfolio diversity
- **Security**
  - Municipal water rights are being scrutinized and managed based on priority more than before
- **Long-term growth**
  - Options for acquiring additional water rights are limited
  - Recommend 50-year planning period for water rights

WHAT IS DRIVING DEMAND FOR MUNI WATER RIGHTS?

- **Growth**
  - Washington State annual growth rate of 0.8% (WA OFM)
- **Increased regulation** – Adjudications, worsening drought conditions
  - More water rights are becoming interruptible
  - Municipalities seek more senior rights
- **Limitations for rural water use**
  - Hirst decision
- **Water-intensive industrial customers**

RECENT EVENTS

Justice & Health

Disaster Declarations Ripple Through South Texas Amid Water Crisis

Small towns around Corpus Christi worry where they'll fall on the pecking order if the region's water runs out.

What a fourth year of drought means for Yakima Basin farms, fish and drinking water supplies

QUESTEN INGHRAM Yakima Herald-Republic Apr 10, 2026 0 5 min to read

Utah town cuts outdoor watering as supply hits critical levels

by Cristian Sida, KUTV | Sun, April 26, 2026 at 9:12 PM
Updated Sun, April 26, 2026 at 10:34 PM

On April 8, 2026, Ecology issued a drought declaration for all watersheds in the state du to low snowpack and multiple years of precipitation deficits. This is the state's fourth consecutive drought declaration – a record under the current drought framework established in 1989.

OPTIONS FOR MUNICIPAL WATER RIGHTS

There are three main options for acquiring additional municipal water rights in Washington state:

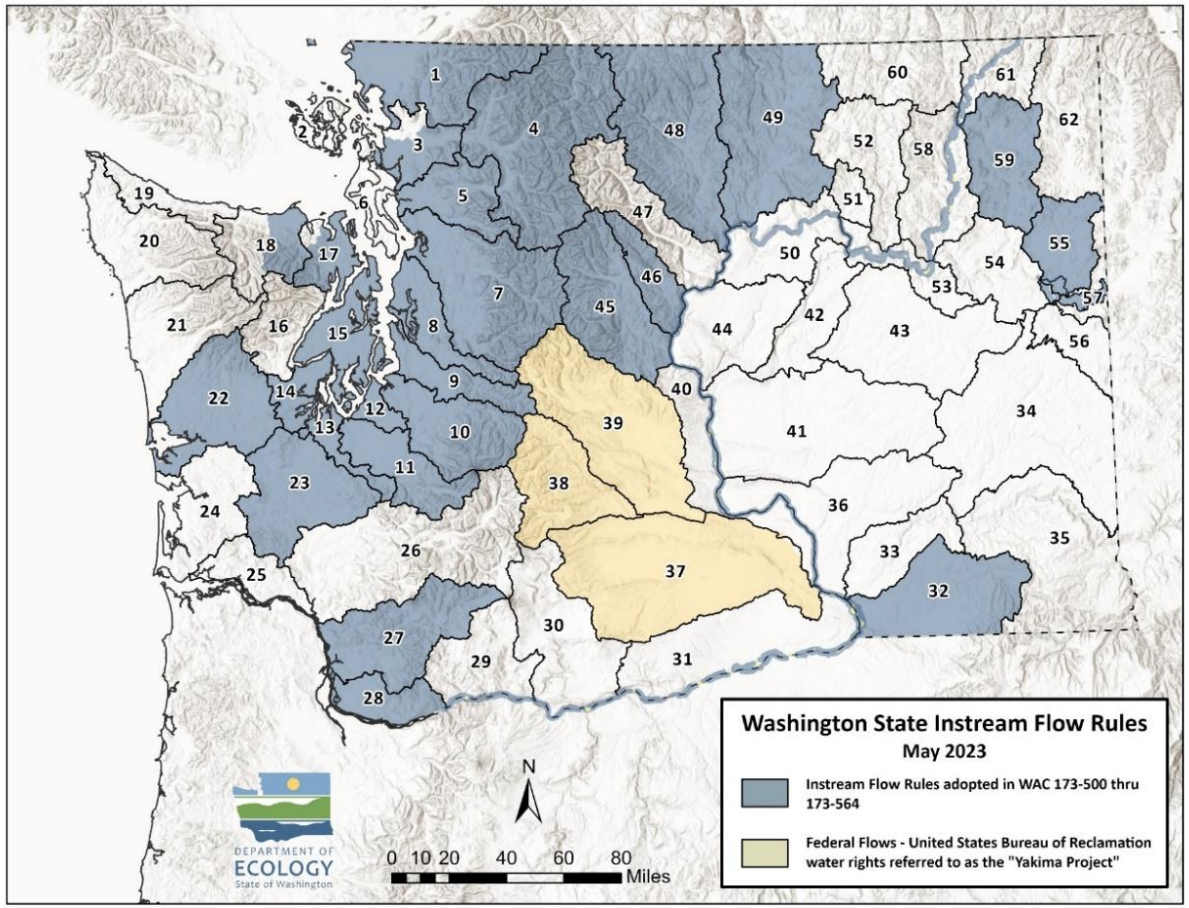
1. Applying for a **new water right**
2. Purchasing **mitigation** from a water bank
3. Purchasing/transferring an **existing water right**

All of these options are geographic and case-specific dependent.

OPTIONS FOR MUNICIPAL WATER RIGHTS

New water rights

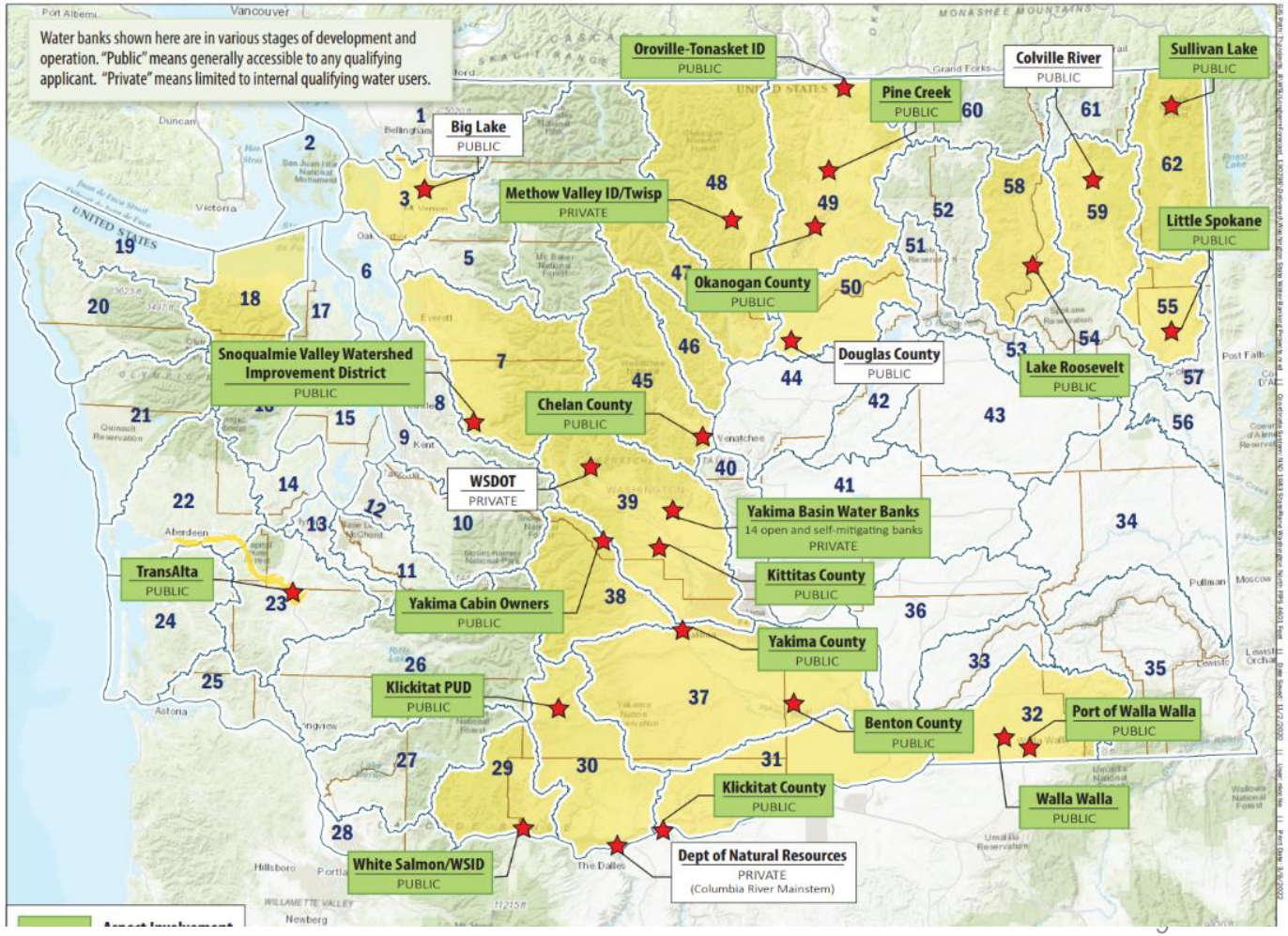
- Not available in most of the state without mitigation
- Generally interruptible in favor of senior users or instream flows
- Or have limited use for municipalities *(i.e., Quincy or Pasco Basin rights)*



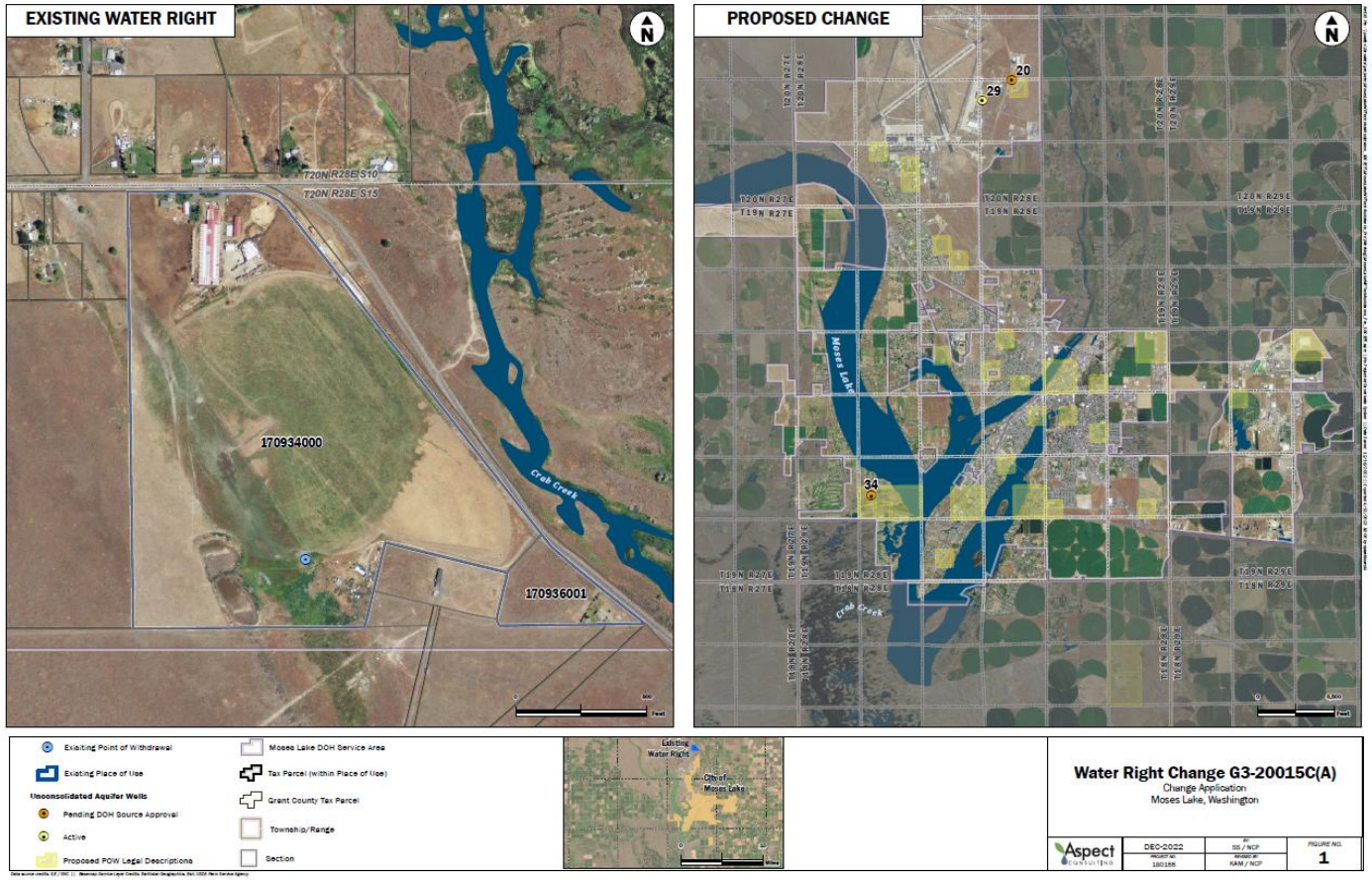
OPTIONS FOR MUNICIPAL WATER RIGHTS

Purchasing mitigation from a water bank

- Can be expensive
- Limited to certain geographies, sources, and types of use
- DOH requires long-term mitigation, and many banks only lease water



OPTIONS FOR MUNICIPAL WATER RIGHTS



Transferring existing rights

- Often the only option
- Commonly agriculture to municipal
- Domestic or municipal acquisitions related to service area expansion/consolidation

FINDING A WATER RIGHT FOR TRANSFER

Finding an eligible water right to transfer can take many years on top of the required permitting.

The "goldilocks" combination:

- ✓ Willing seller
- ✓ Valid water right in good standing
- ✓ Clear title
- ✓ Suitable transfer area/source
- ✓ Suitable period of use *(in many locations a seasonal right cannot be changed to year-round without mitigation)*

COSTS ASSOCIATED WITH WATER RIGHT TRANSFERS

- **Water right purchase price**
  - $3,000 and $10,000+ per acre-foot.
  - **Cost per ERU = ~$1,000 to ~$3,000**
- **Consultant fees**
  - Finding a water right
  - Reviewing potential water rights
  - Permitting support
- **Attorney fees**
  - Purchase and sale agreements, closing documents, litigation related to transfer
- **Ecology / Conservancy Board Fees**

WATER RIGHT TRANSFER PROGRAM GOALS

Many cities are establishing Water Right Transfer Programs with the goal of:

- Securing additional water rights,
- Capturing costs associated with future water right acquisitions, and
- Limiting relinquishment of existing rights.

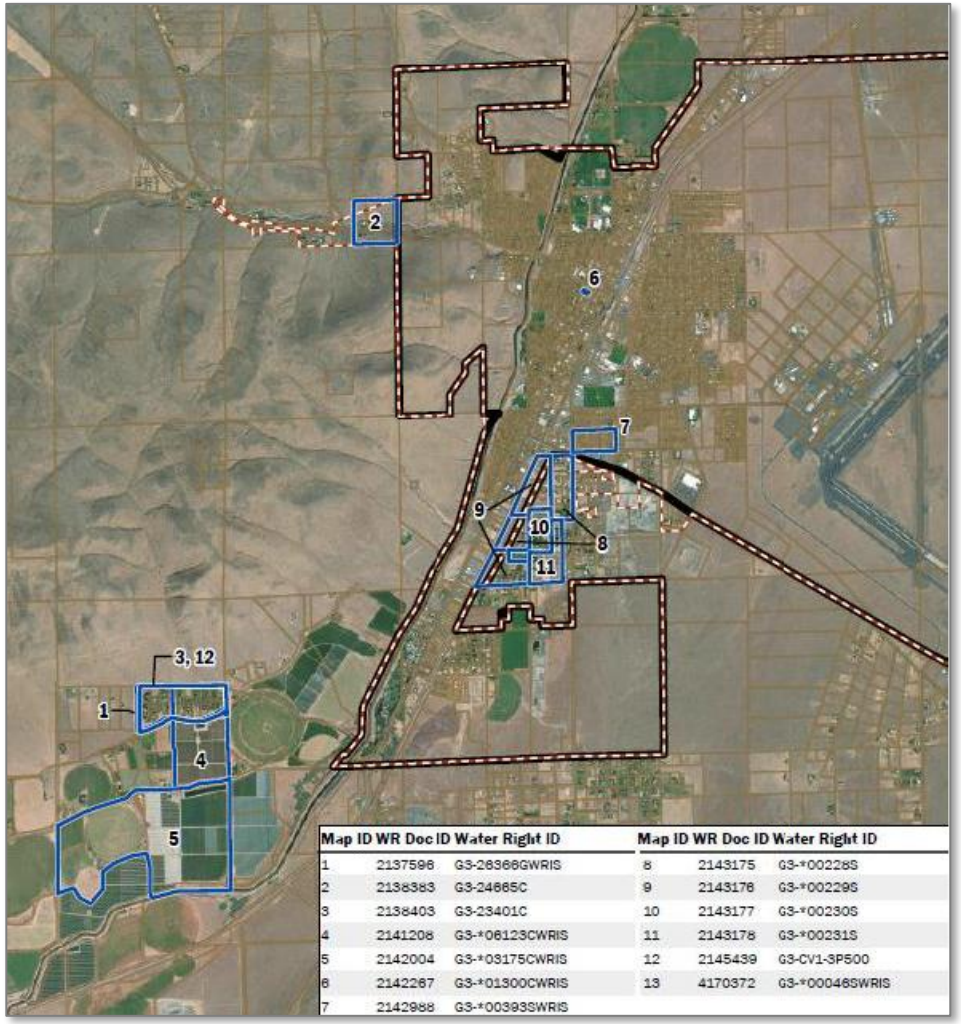
Example programs:

- **City of Entiat (Chapter 13.50)**
- City of Moses Lake (Chapter 13.15)
- City of Pasco (Chapter 13.45)
- City of Union Gap (Chapter 12.04.015)
- City of Cashmere (Chapter 13.10.025)

MISSED/FUTURE OPPORTUNITIES

As City service area expands and/or consolidates existing systems, water rights associated with that land should be transferred to the City or risk forfeiture.

Example audit of overlapping / adjacent water rights completed for the City of Ephrata.



Map ID	WR Doc ID	Water Right ID	Map ID	WR Doc ID	Water Right ID
1	2137596	G3-26366GWRIS	8	2143175	G3-*00228S
2	2138383	G3-24665C	9	2143176	G3-*00229S
3	2138403	G3-23401C	10	2143177	G3-*00230S
4	2141208	G3-*06123CWRIS	11	2143178	G3-*00231S
5	2142004	G3-*03175CWRIS	12	2145439	G3-CV1-3P500
6	2142267	G3-*01300CWRIS	13	4170372	G3-*00046SWRIS
7	2142988	G3-*00393SWRIS			

WATER RIGHT TRANSFER PROGRAM OVERVIEW

Requires a water right transfer to the City for certain new water system connections or equivalent payment in lieu.

- Part of the development permitting process
- Updates to City Code and developer applications

Four main Code components:

1. Applicability
2. Transfer quantities
3. Transfer process
4. Fees

APPLICABILITY

In what cases does this program apply?

- New building applications
- New applications for water system connection (including industrial customers)

Customization options

- Limit to certain new connection types (ex. large water uses)
- Within existing City service area vs. outside
- Requiring only transfer of water rights (permitted or permit exempt) appurtenant to properties connecting to City water

QUANTITIES

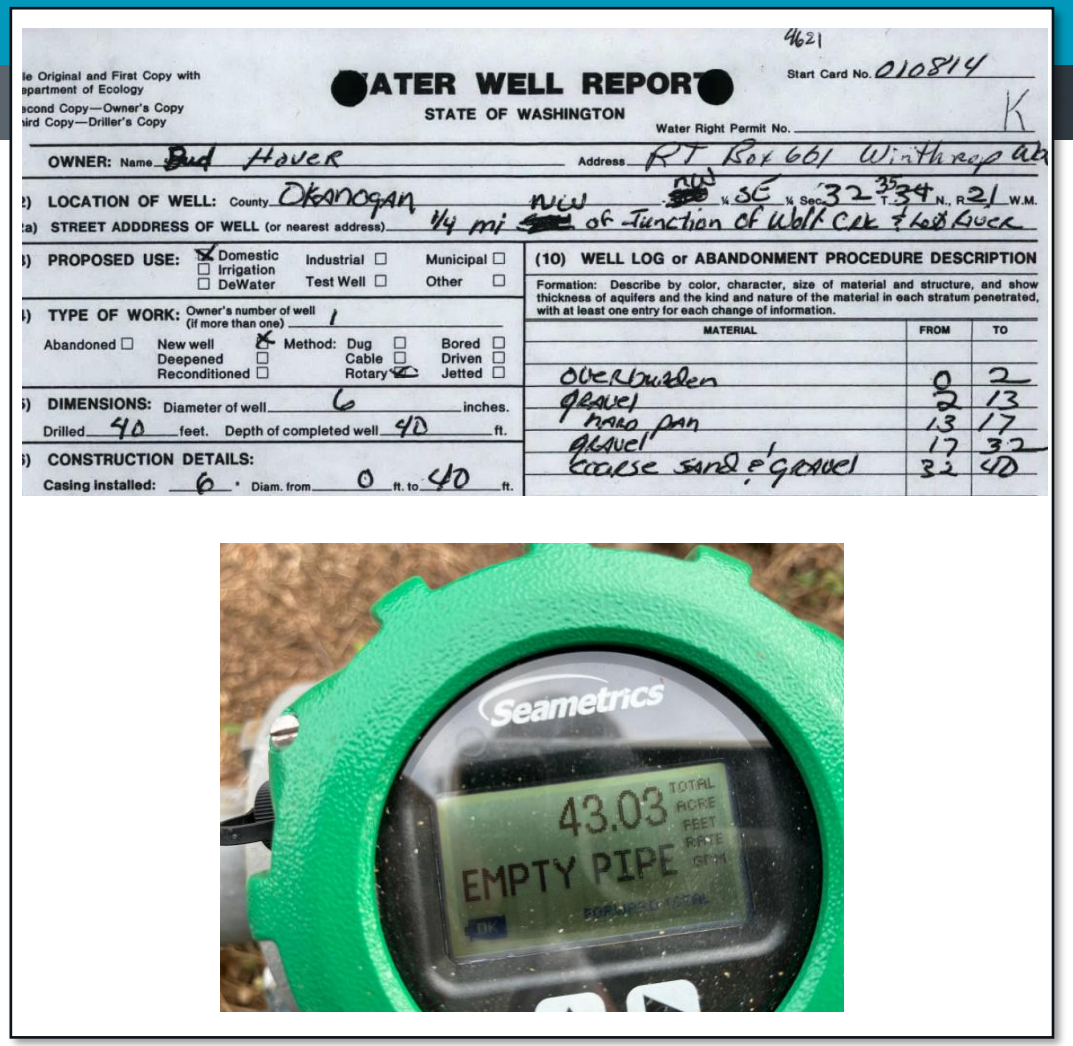
How is the required water right transfer quantity determined?

- Equivalent Residential Units consistent with the City water system plan
- May be based on parcel size (for irrigation)
- Other engineer estimates for commercial/industrial uses
- Ability to update quantities and fees later based on actual measured use

City could agree to purchase excess water right quantities if available.

PROCESS

- **Water Right Backup Documentation**
  - Proof of ownership / clear title
  - Supporting information for the validity and transferability of the right
- **Transfer of Water Right**
  - Convey the water right via deed and via Ecology
  - May not require a formal decision by Ecology in advance of approving the building permit application, given timelines



4621

WATER WELL REPORT
STATE OF WASHINGTON

Start Card No. 010814

Water Right Permit No. K

OWNER: Name Bud Hover Address RT Box 661 Winthrop Wa

LOCATION OF WELL: County Okanogan NW ¼ SE ¼ Sec 32 T 34 N., R 21 W.M.

STREET ADDDRESS OF WELL (or nearest address) 1/4 mi S of Junction of Wolf Crk & Loop Rock

PROPOSED USE: ☒ Domestic ☐ Irrigation ☐ DeWater ☐ Industrial ☐ Test Well ☐ Municipal ☐ Other

TYPE OF WORK: Owner's number of well (if more than one) 1
Abandoned ☐ New well ☒ Deepened ☐ Reconditioned ☐ Method: Dug ☐ Cable ☐ Rotary ☒ Bored ☐ Driven ☐ Jetted ☐

DIMENSIONS: Diameter of well 6 inches. Drilled 40 feet. Depth of completed well 40 ft.

CONSTRUCTION DETAILS: Casing installed: 6 " Diam. from 0 ft. to 40 ft.

(10) WELL LOG or ABANDONMENT PROCEDURE DESCRIPTION

Formation: Describe by color, character, size of material and structure, and show thickness of aquifers and the kind and nature of the material in each stratum penetrated, with at least one entry for each change of information.

MATERIAL	FROM	TO
overburden	0	2
gravel	2	13
hard pan	13	17
gravel	17	32
coarse sand & gravel	32	40

FEES

Fee Options

- Payment in lieu of water right transfer (based on market value or other method)
  - Payment in lieu only for smaller uses
  - Partial payment in lieu / partial water right transfer
- Reimbursable fee in advance of transfer, or payment later if transfer not approved
- Non-reimbursable water right review fee
- Water right permitting fee
  - Recoup consultant costs / processing fees for transfer applications

WHAT HAPPENS NEXT?

- File change / transfer application on the water right
  - Update purpose of use, place of use, and point of withdrawal / diversion
- Can process through County Water Conservancy Board (where available) or Ecology Cost Reimbursement
  - Expect 12-18 months for permitting
- Consolidated transfers may be possible for multiple small rights
- Additional studies may be required

CONCLUSION

- Water rights are hard!

CONCLUSION

- It's important to understand your water rights portfolio and options to address future needs
- Start planning early, there are no quick-fixes
- Transferring water rights can be time and cost-intensive
- Water Right Transfer Programs help municipalities:
  - Secure additional water rights
  - Capture costs associated with future water right acquisitions
  - Limit potential for relinquishment of existing rights

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QUESTIONS?

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