CRITERIA FOR EVALUATING WATER TRANSACTION OPPORTUNITIES*

Threshold Criteria	Example Positive Findings	Example Negative Findings
Evidence of historic & legal use of water right	• Satellite photo review of property / Site visit • Document leasing history • Diversion & delivery records, and other records showing use (e.g., utility bills, ledgers showing crops grown, etc.) • Excusable non-use under UC 73-1-4	• Water use outside of WR terms • Leasing or renting without documentation • No evidence of historic use on property
Clear title / ownership of water by seller	• Owner is owner of record with State Engineer or is listed as the owner on the share certificate • Title review confirms ownership; or • Contract/lease establishing control	• Multiple owners whose interests are undefined • Undocumented previous ownership transfer • Disputed ownership claims
Evidence that there is legally transferrable water from right	• Water right is listed in a decree, proposed determination, or is otherwise not barred • Owner proposes to fallow current farmland • Precedent lease or sale transactions	• Water rights has lapsed or is barred (a water use claim barred by decree) • Water right is stacked (supplemental) • Water is surplus to historic use
Legal framework is available to transfer right to GSL use	• Preliminary agreement from DWRi • Precedent transactions	• Restrictions in irrigation company bylaws • Restrictions in irrigation district • Restrictions in UDWRi policies
Physical pathway is available to convey water (or in-kind water) to GSL use	• Agreements in place to convey water to GSL • Distribution system in place to shepherd water • Preliminary River Commissioner agreement • Water right has a priority date that will allow for water more successful distribution • Opportunity to exchange water right/shares for water that can be easily distributed to GSL (e.g., reservoirs)	• Downstream canals that "sweep" river • Canal conveyance without company approval • Dry reach of river along conveyance • Water right is too junior to be distributed
Analysis indicates that transaction will provide net new inflow to GSL or protect existing flows	• Changes in agricultural practices will reduce water demand • Water was previously leased for irrigation • New or expanded use will be offset • Retains existing water flows to GSL (i.e., avoids potential transfer away from the lake/wetlands)	• Water right is stacked (supplemental) • Water is surplus to historic use
Ability to monitor direct benefits of transaction	• Inflows occur at location with existing equipment • Inflow channel with ability to install equipment • Ability to calculate flows	• Dispersed inflow into GSL • Expensive monitoring plan required
Transaction is cost effective	• Price ($/AF) is within range of observed pricing • Transaction costs are reasonable	• Price is significantly higher than comparables • Transaction costs are greater than water costs

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Desired Criteria	Example Positive Findings	Example Negative Findings
Helps establish partnerships that lead to future water transactions or water management arrangements	• Working with water districts, municipalities, irrigation companies, etc.	• Represents small private water right & owners hold no other water • Located in small tributary water system with limited replicability
Provides a reliable and/or long-term supply to GSL	• Water right is often in priority • Water transaction involves reservoir storage • Multi-year leasing • Water right is being purchased	• Water right is frequently curtailed • Water right is being leased for 1 year
Provides opportunity to repeat or scale in the future	• Shares in large ditch company • Seller with other significant water holdings • Located in area with multiple other water rights	• Private water right with no neighbors • Located in isolated area • Unique water holding
Short & inexpensive completion timeline	• Transaction & inflows occur within 6-12 months • No new infrastructure required	• Transaction requires significant diligence • Implementation requires building infrastructure
Leverages matching funds or in-kind assistance	• Grant funds available to complete project • Local partners willing to share costs • Seller is willing to donate water right	• No opportunities to share costs • Likely to have local opposition • Conflicts with other planned projects
Integrated with existing local programs and builds cooperation	• Integrates with local land use plans • Provides recreation / infrastructure benefits • Provides inflows at area with health concern • Can be leased long-term or leased with an option to purchase	• Likely to have local opposition • Contrary to local land use or other plans
Provides inflow to a priority habitat location	• Inflow to Waterfowl Management Area, Refuge, or other high priority	• Inflow to isolated bay or hard to access location
Provides multiple benefits (water quality, habitat, community, recreation, etc.)	• Positive impact for habitat, ecology, recreation, dust mitigation, etc. • Distribution of water will benefit other instream uses or communities (e.g., Jordan River flows)	• Provides water to GSL at location with relatively low habitat benefit

* Note – flexibility in evaluation criteria is important to ensure the ability to not exclude unique or creative options.

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