



Brief History of Ark Basin Water Bank

- In 2001, the legislature approved a bill that proposed to test the concept of water banking for five years in the Arkansas River basin (House Bill 1354).
- The bill authorized the State Engineer to promulgate rules and regulations for the temporary and voluntary banking of storage water rights. Rules were promulgated in 2002, and the Arkansas River Pilot Water Bank became operation in 2003.

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- The original bill was scheduled to sunset in 2007 (allowed for the Legislature to evaluate success of program).
 - House Bill 1318, expanded the pilot project from the Arkansas Valley to six other water districts and restricted out of basin transfers.
 - Bank Format: One-year leasing program for stored water rights
 - Year Established: 2001
 - Year Active: 2003

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- **Market Structure:** Clearinghouse facilitating trades between willing buyers and sellers through an online bulletin board listing service.
 - The bank was administered by the Southeastern Colorado Water Conservation District with regulatory oversight provided by the State Division Engineer's office.
 - **Participation:** Short-term water transfers from agricultural community to urban uses

Water Bank Deposits

Arkansas River Basin Water Bank Deposits

Depositor	Quantity (AF)	Source	Price	Status
Farm	47.32	Lake Meredith	\$800/AF/YR	Withdrawn
Farm	140	Lake Meredith	\$800/AF/YR	Withdrawn
Farm	135.51	Lake Meredith	\$500/AF/YR	Withdrawn
Farm	8.02	Twin Lakes	\$1000/AF/YR	Listed

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- Bidders were required to register with the bank. In 2003, a total of nine cities, two landowners, and one irrigation company registered with the bank.
 - Bidders expressed limited interest primarily because of the asking price (Requested lease prices within the bank ranged from \$500 to \$1000 per AF/Year).

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- High asking prices (\$500-\$1,000).
 - Banking participants have indicated that the timeline required to complete a transactions is too lengthy for annual agreements-- approval for a transaction was expected to take a minimum of 2 to 3 months.
 - Municipalities participating in the program have indicated that the review period constrains the usefulness of the bank for addressing short-term municipal needs.
 - Transparency--Names and contact information for depositors and bidders were provided on the banking website. This allowed for buyers or sellers to contact each other without going through the bank.