

Other Water Banks and Inquiries

During the course of the project, several other water banking efforts were initiated that sought to utilize the Water Banking Act to develop a local water management tool. The following sections provide brief descriptions of the most significant of these other water banking initiatives.

Ashley Valley Water and Sewer Improvement District

The Ashley Valley Water & Sewer Improvement District (“AVWSID”) was formed in 1974 as a special district that provides culinary (potable) water service and sewer service to residents in unincorporated portions of Uintah County, primarily outside of Vernal. The AVWSID and the City of Vernal inquired with the Project Team about a possible water bank in December 2022. The goal of the discussion was to look at creating a Statutory Water Bank to formalize much of the leasing activity already conducted by AVWSID and to incorporate an electronic trading platform for water transactions. AVWSID wanted to create a platform that could later be expanded to include new leasing activity in the area.



To move this goal ahead, AVWSID, in conjunction with Vernal City, and WetX, a private software company, formed the “First Water Bank of Utah.” The Project Team worked with the First Water Bank of Utah to draft the necessary legal documents such as Articles of Incorporation, Bylaws, and policies, to meet the criteria to satisfy the requirements of becoming a Statutory Water Bank under the Utah Water Banking Act. Many of the materials developed in the Snyderville Basin Pilot Project were used to assist and guide the creation of the First Water Bank of Utah’s documents.



The Project Team then worked with the Division of Water Resources staff and the Board of Water Resources to draft and complete a Statutory Water Bank Application Checklist and staff guidance as well as a Statutory Water Bank Application. This application looks similar to, but differs from, the Contract Water Bank Application in that it relies heavily on citations to the applicant's organizational documents. To show how the Statutory Water Bank would work, the First Water Bank of Utah also identified a set of initial transactions that may be completed through the newly formed bank.

The First Water Bank of Utah submitted an application for a Statutory Water Bank in August 2023 and received approval from the Utah Board of Water Resources in October 2023. The bank is now approved and initial transfers of water rights into the bank occurred in 2024. The First Water Bank of Utah has been successful and is seeking to expand by creating a sister water bank that deal with ground water transactions.

Mt. Nebo Water Agency

The Mt. Nebo Water Agency ("Mt. Nebo") is a public entity formed in 2014 by eight municipal and agricultural water users located in southern Utah County to facilitate cooperative water planning, resource sharing, water distribution, and to provide for responsible growth and sustainable agricultural water supplies. Its founding members include Utah County, Payson City, Salem City, Spanish Fork City, the Central Utah Water Conservancy District, Goshen Valley Local District, Santaquin City, and the Town of Genola.

Groundwater resources in the region have undergone significant drawdown over the past several decades. Likewise, surface water resources within the Mt. Nebo boundary are considered fully appropriated. These limitations around available water supply have led to a water supply-demand imbalance in southern Utah County. Further, a regional water supply study conducted for Mt. Nebo in 2019 identified additional imbalances between future water supplies and demands in terms of location and type of use (e.g., agricultural versus municipal).



Mt. Nebo seeks to address the near-term concerns of agricultural users and the long-term concerns of municipal water users regarding these water supply-demand imbalances through the creation of a water bank. Mt. Nebo received a grant award in 2021 to study and develop a water banking strategy for southern Utah County. Initial efforts have since been conducted to determine the scope, feasibility, and demand for a potential water bank by investigating: (1) the geographic boundaries, (2) the types of water rights that can be enrolled, (3) the type of end uses, (4) monitoring requirements, (5) annual operations and accounting, and (6) potential challenges facing a potential water bank within the Mt. Nebo boundary. This feasibility study is still under development. Work to date has included a hydrologic investigation of potential transfer zones and a survey of water users in the Mt. Nebo region to identify potential water bank participants and scale of demand for water bank transfers.

Iron County Groundwater Bank

The Iron County Groundwater Bank is a concept that was initiated by a local water user who wanted to establish a more structured approach to conducting local water leases. Historically, the area has seen water leases resulting from two-party negotiations with limited transparency and ongoing approvals by the State Engineer's Office.

The concept of an Iron County Groundwater Bank was to create a statutory water bank across Iron County that allows deposits and withdrawals of pre-approved groundwater rights. One of the primary purposes of the bank was to provide more price transparency for water right holders, with an annual auction being used as part of the water bank to match buyers and sellers. The Project Team provided some initial assistance to the bank proponent to discuss the need for and benefits of a water bank, to consult on the water bank structure and regulatory approvals, and to develop a draft list of steps that would be required to support a water bank application. At the present time, the bank proponent is conducting additional outreach in the local area of interest and continues to evaluate whether water banking may attract additional interest from Stakeholders.

