



MANAGEMENT BOARD

Information Summary

April 9, 2008

Subject

Water-related Legislation in the 2008 Legislative Session

Policy Question

Should AMWUA revisit its position on any water-related legislative issues?

Summary

The AMWUA Management Board has recommended positions on key legislative proposals and has expressed interest in closely monitoring several other issues. The following recap of the current status of these issues will help assess AMWUA's current position.

HB 2772 Groundwater Transfers; Coconino Plateau

The proposed groundwater transfer amendment to HB 2772 provides an exemption from the prohibition on inter-basin groundwater transfers for a city or town in the Coconino Plateau Groundwater Basin that was transporting groundwater into its service area from an adjacent groundwater basin, as of January 1, 2001.

Bill status: HB 2772 passed the House Committee of the Whole with the House Water and Agriculture amendment on March 27, 2008.

Staff Recommendation: Monitor HB 2772 as it moves through the process. Work with other interested stakeholders to assure that the limitations placed on Coconino Plateau water transfers are rigorously enforced.

SB 1044 Haulage Roads; Technical Correction (Strike-everything – Water; Recharge Permits)

The Senate Natural Resources and Rural Affairs Committee amended SB 1044 with a strike-everything amendment that authorizes the Director of the Arizona Department of Water Resources (ADWR) to issue a temporary cease and desist order and to suspend or revoke a permit if the Director finds that the hydrology report for an underground water storage facility or groundwater savings facility is "flawed or scientifically inaccurate." The amendment also expands the conditions that the Director must consider when issuing a permit to operate an underground storage facility.

The issue of unreasonable harm and how to determine what constitutes unreasonable harm has been raised in a number of forums. Due to the many variables (hydrologic, geologic, economic, etc.) associated with defining unreasonable harm, this determination has been left to the judicial branch. There is currently litigation in progress, *Southwest Sand and Gravel vs. Central Arizona Water Conservation District*, relating to this very issue.

Bill Status: SB 1044 has not cleared the Senate Rules Committee and is not expected to move forward at this time.

Staff Recommendation: This legislation is counter to AMWUA Board policies. Staff recommends that AMWUA oppose SB 1044 because of the detrimental impacts on recharge activities and infrastructure.

SB 1391 CAP Revenue Bonds

SB 1391 gives the Board of Directors of the Central Arizona Water Conservation District (CAWCD) the authority to use replenishment assessment revenues and replenishment taxes to repay revenue bonds issued to acquire water, water rights and effluent. HB 1391 also increases revenue bonding authority from \$250 million to \$500 million.

Bill Status: SB 1391 was held in the Senate Natural Resources and Rural Affairs Committee and is not expected to move forward this session.

Staff Recommendation: AMWUA staff recommends that it continue to participate in the CAGR D Funding Stakeholders' Process to develop a means by which to assure that the CAGR D has the funding available to meet its current and future replenishment obligations.

SB 1439 Water; General Industrial Use Permits

Current law requires the Director of the Arizona Department of Water Resources (ADWR) to issue a General Industrial Use Permit (GIU) if the intended general industrial use is located within three miles of the exterior boundary of the service area of a city, town or private water company and the use has been denied service by the city, town or private water company at the customary rate, in the customary manner. SB 1439 expands this provision to allow dairies to obtain a GIU, if the cost of the service would exceed by 25% the cost the applicant would otherwise incur in pumping groundwater.

Bill Status: SB 1439 was held in the Senate Natural Resources and Rural Affairs Committee on February 27, 2008.

Staff Recommendation: Oppose SB 1439, as introduced, and seek an amendment to exclude Safe-Yield Active Management Areas. SB 1439 is not expected to move forward this session.

Budget

Budget negotiations continue. Staff continues to monitor the budget for the Arizona Department of Water Resources.

Considerations

The AMWUA Legislative Resolutions provide guidance to staff regarding the Association's positions on legislative proposals as they move through the process. At this point in the process, most of the legislative proposals of concern appear to be resolved. Should any of the issues opposed by AMWUA begin to move, AMWUA will actively seek to assure that they do not become law.

Prior Committee Action

During each legislative session, bills that may have an impact on water management issues are monitored and distributed to the AMWUA members for discussion and action.

Recommendation

See recommendations associated with each bill, as listed above.

Attachments

There are no attachments.