

## **BOARD OF DIRECTORS**

### *Information Summary*

September 17, 2009

#### **Subject**

Recap on the 2009 Legislative Issues

#### **Policy Statement**

This is a report on the current disposition of key legislation in the 2009 Legislative Session.

#### **Summary**

Each year, in advance of the upcoming legislative session, AMWUA staff prepares a summary of water-related legislation that may come before the Arizona State Legislature. These summaries provide a brief overview of possible legislation. If the legislation is introduced, a more in-depth analysis is developed providing detail on key provisions of the bill and identifying possible policy issues.

Once the legislation is introduced, AMWUA staff and the AMWUA Water Resources Advisory Group (WRAG) review the legislation and assess its relation to the AMWUA Board Resolutions and Issue Papers and the potential impact on water management. Based on this analysis, recommendations regarding an AMWUA position are then forwarded to the AMWUA Management Board and the AMWUA Board of Directors for action. Board members are apprised of the status of the legislation at monthly Board meetings and through the Legislative Summary, which is posted to the AMWUA Web site on Friday afternoons during the legislative session.

Following adjournment of the Legislature, AMWUA staff prepares a Final Legislative Summary that is distributed to AMWUA members and posted to the AMWUA website. This summary contains an overview of the legislation that was enacted into law, as well as the actual language of the legislation (session law). The Final Summary also contains the legislative action on the bills that passed, a history of the action on the legislation that did not pass, and a summary of the budget for the Arizona Department of Water Resources (ADWR).

#### **Key Issues and Considerations**

At the June board meetings, staff was tracking three remaining bills. Two of the House Bills were still under consideration, but no action had been taken on Senate bills. During the last two weeks of the legislative session the Senate and House heard Senate bills. SB 1288 was one of

the Senate bills that passed the Senate and was transmitted to the House of Representatives for action by that body.

### ***SB 1288 CAGRD Revenue Bonding; Sustainability Policies***

Concerns expressed by the private water companies were addressed by supporters of SB 1288. The private water companies withdrew their opposition to the bill and sent a letter to legislators stating that their concerns with SB 1288 had been addressed and they no longer opposed SB 1288.

SB 1288 passed the Senate Natural Resources, Infrastructure and Public Debt Committee and was voted out of the Senate by a vote of 21 to 8, with one member not voting. It passed the House Water and Energy Committee unopposed.

Despite the broad-based support from a variety of water community interests and legislators, SB 1288 did not pass. Two days before the Legislature adjourned, a member of House leadership informed proponents of the bill that SB 1288 would not move forward. Although representatives of both urban and rural communities, private water companies and land owners, and CAWCD Board members, contacted leadership and asked that the bill be allowed to advance, the House Majority Whip refused to allow the legislation to be heard in the House Republican caucus; thereby killing SB 1288.

*AMWUA supported SB 1288.*

### ***HB 2157 Wildlife; Aquatic Invasive Species***

HB 2157 allows the Director of the Department of Game and Fish to establish and maintain an aquatic invasive species program.

This legislation passed with the amendments that exempted water distribution systems from liability for transporting invasive species, thereby addressing the concerns of AMWUA members and other water providers.

*AMWUA initially had concerns with HB 2157, but supported the bill once the concerns were addressed.*

### ***HB 2352 Aquifer Protection Permits; Natural Gas***

HB 2352 adds certain injection wells that are used in connection with natural gas storage projects and that are subject to regulation, under specified federal laws, to the list of exemptions to the aquifer protection permit requirements.

HB 2352 failed to pass.

*AMWUA was neutral on HB 2352.*

## ***Arizona Department of Water Resources Budget***

With respect to key issues relating to ADWR's budget for FY 2010, funds from the Water Bank were again swept -- \$5.5 million -- this time going to the State General Fund to offset cuts to ADWR's budget. Sweeping funds from the Water Bank directly to the State General Fund, rather than to ADWR, has the effect of restoring ADWR's operational base and mitigating the impact of the cuts on ADWR's budget.

On August 6, 2009, the CAWCD Board authorized the filing of a petition for special action in the Arizona Supreme Court challenging the appropriation activities that have the effect of transferring funds from the Arizona Water Banking Fund to the State General Fund.

### **Prior Committee Action**

- At the February AMWUA Board meeting, Board members expressed concern regarding the provisions of HB 2157 and directed AMWUA staff to seek an amendment to resolve those issues. At the March meeting, AMWUA staff reported that the amendment had been drafted and adopted. AMWUA is now in support of the bill with the House Natural Resources and Rural Affairs Committee amendment.
- At the March meeting, the AMWUA Board members directed staff to work with stakeholders to resolve the concerns regarding HB 2352.

### **Recommendation**

There are no issues at this time that require a recommendation from AMWUA staff.

### **Attachment**

There are no attachments. For your convenience, a copy of the 2009 Legislative Summary will be provided at the September Board meeting.