

BOARD OF DIRECTORS

Information Summary

December 17, 2009

Subject

Legislative Issues Anticipated for the Upcoming 2010 Legislative Session

Policy Question

What will AMWUA's position be on water-related legislative proposals, once legislation is introduced?

Summary

The Second Regular Session of the 49th Legislature is set to begin on January 11, 2010. The pre-filing of bills began November 15, 2009.

At this point in the legislative process, AMWUA staff has identified water-related legislation that may come before the Arizona State Legislature in 2010. If the legislation is introduced, an in-depth analysis will be developed providing details of the key provisions of that particular bill, along with identifying possible policy issues. Board members will be updated on the status of the legislation at future Board meetings and through the AMWUA Legislative Summary, which is posted to the AMWUA web site each Friday afternoon during the legislative session.

Possible legislation that may be introduced in the 2010 session includes:

1. CAGR Revenue Bonding and Sustainability Policies.
2. Revival of the bill to waive the Aquifer Protection Permit (APP) provisions for natural gas storage in salt domes.
3. A proposal from Resolution Copper to allow the accumulation of long-term storage credits that currently cannot be earned due to statutory provisions regarding water that "cannot be used directly."
4. Authorization to use proceeds from the Central Arizona Water Conservation District's (CAWCD's) four-cent ad valorem tax, commonly called the Water Storage Tax, to pay the Arizona Water Banking Authority to store water for Indian firming.
5. A proposal to change the priority for allocation of CAP water to make excess CAP water more accessible to the Arizona Water Bank.
6. Authorization for CAWCD to invest in acquisition of energy for operation of the CAP.

The Arizona Department of Water Resources (ADWR) operating budget and potential revenue sources to finance ADWR's operations will also be legislative issues to be monitored during the 2010 session. ADWR is seeking comments on "ADWR Funding Strategy: For FY 2010 and Beyond."

Considerations

It appears the 2010 legislative session will, again, focus on addressing state budget issues. Water-related legislative proposals have not been widely circulated. The main issues, which appear to be on the horizon for the upcoming legislative session, relate to bills that failed in the 2009 session. As more information becomes available, an analysis of the impacts of a given piece of legislation will be brought before the AMWUA Board.

Prior Committee Action

The AMWUA Board has taken positions on a number of legislative proposals in past legislative sessions.

At the December 9, 2009, AMWUA Management Board meeting, the Management Board recommended that AMWUA prepare written comments regarding the funding proposals submitted by ADWR.

Recommendation

This is an informational item. No action is being requested.

Attachment

ADWR Funding Strategy: For FY 2010 and Beyond