

ADMINISTRATION OF ADD WATER

Alternative Ideas to ADD Water Policy Briefing Paper #18 November 19, 2009

Introduction

The CAWCD was established by the legislature to levy an ad valorem tax in order to assist in repayment of the CAP, to contract with the Secretary of the Interior for the repayment and delivery of CAP Water, and to subcontract for the use of CAP Water. A.R.S. § 48-3703. The legislature later expanded the duties of the CAWCD to add the responsibility to replenish excess groundwater pumped for member lands and member service areas. At that time, the legislature authorized CAWCD to:

"Acquire, transport, hold, exchange, own, lease, store or replenish, water, except groundwater withdrawn from an active management area, subject to the provisions of title 45, *for the benefit of member lands and member service areas.*

Acquire hold, exchange, own, lease, retire or dispose of water rights *for the benefit of member lands and member service areas.*"

A.R.S. § 48-3772.B (emphasis added).

The ADD Water Program will be a new area of responsibility for CAWCD that will likely require additional enabling legislation. Because of this, the respective roles of the CAWCD and ADD Water contractors will need to be defined. Existing models of administration for CAP Water or the replenishment of excess groundwater may not be suitable for the ADD Water Program for many reasons, including:

- At least part of the costs of acquiring ADD Water will be paid up-front and some ADD Water contractors may self-finance these costs (*See Policy Briefing Paper #10*).
- Any water rights acquired by CAWCD for ADD Water will be held for the benefit of the ADD Water contractors (*See Policy Briefing Paper #2*).
- ADD Water long-term service contracts will be for permanent service (*See Policy Briefing Paper #3*).

Additionally, a different model of administration for the ADD Water Program may help to avoid conflicts between this program and CAWCD's existing responsibilities.

CAWCD, as the operator of the CAP canal and other facilities used to transport ADD Water and the entity that will acquire ADD Water supplies for the benefit of the ADD Water contractors, has a significant role to play in the administration of an ADD Water Program. ADD Water contractors, who will ultimately pay either up-front or over time and who require certainty and clarity to allow informed decisions, should also have a significant role in certain aspects of the administration of an ADD Water program. In some cases, CAWCD should have sole decision-making authority. In other cases, CAWCD should consult with the ADD Water contractors before arriving at a decision. In certain cases, CAWCD should not proceed without the consent of the ADD Water contractors.

Following are some ideas on sharing the administration of the ADD Water Program. The organizational structure for implementing these ideas needs further exploration and is not addressed here.

Ideas

CAWCD Sole Decision-Making Responsibilities

Examples include:

1. All existing responsibilities as authorized by state and federal law, i.e., duties related to the CAP Project and the replenishment of excess groundwater.
2. Day-to-day operation of the ADD Water Program.

CAWCD Decision-Making Responsibilities in Consultation with ADD Water Contractors

Examples include:

1. Scheduling of ADD Water.
2. Development of an ADD Water reserve fund policy.
3. Procedure and guidance for assigning ADD Water contracts.
4. Any program for storing unused ADD Water supplies underground to ensure the reliability of future ADD Water deliveries to ADD Water contractors, as well as recovery of that stored water.

CAWCD Decision-Making Responsibilities Requiring Consent of ADD Water Contractors

Examples include:

1. Types of water sources that will be pursued for ADD Water, e.g., present perfected rights to Colorado River water, groundwater, or desalinated water.
2. Phases of ADD Water supply acquisition and infrastructure construction.
3. Upper limits on the costs of ADD Water acquisition and infrastructure construction, including environmental compliance.
4. Funding mechanisms for capital costs of ADD Water supplies and infrastructure.
5. Case-by-case determination of using ADD Water outside the CAP Service Area (i.e., those uses not specifically authorized by Policy Briefing Paper #11).
6. Form of the standard ADD Water contract.
7. Enabling legislation.