



## MANAGEMENT BOARD

### *Information Summary*

May 12, 2010

#### **Subject**

2010 Legislative Session Wrap-up

#### **Policy Question**

How will legislation adopted in the 2010 Legislative Session impact AMWUA members?

#### **Summary**

A number of water-related legislative issues were considered during the 2010 Legislative Session. The full AMWUA tracking list – complete with bill descriptions, status updates, and links to position papers – is attached and can be found on the AMWUA website.

#### **Background**

##### Legislature Adjourns *Sine Die* on April 29, 2010

The 49<sup>th</sup> Legislature adjourned *sine die* on April 29, 2010, the 109<sup>th</sup> day of the Second Regular Session. The adjournment brought to close a relatively uneventful session that featured many difficult issues – some of which garnered national news coverage – yet ended remarkably early in the year.

Water-related legislation was active this year from a variety of perspectives – water management, regulatory, fiscal, and planning. AMWUA tracked more than seventy (70) bills. AMWUA engaged actively on many of these measures by participating in negotiations, working votes, providing testimony, and discussing bills. AMWUA was successful in defeating harmful bills, in amending others, and in passing helpful bills.

#### **Considerations**

The following is a review of some of AMWUA’s priority issues for the 2010 Legislative Session:

##### AMWUA Sustainability Legislation/CAGRDR Revenue Bonding Legislation

SB1141 CAGRDR Bonding; Sustainability passed the Legislature on April 28, 2010, and awaits the Governor’s signature. The bill will implement a new formula for Member Service Areas

membership dues. AMWUA members that are also CAGR D members should review this formula when budgeting for future years.

#### Statewide Water Augmentation Authority; Study

HB2661 passed the Legislature and awaits the Governor's signature. AMWUA will work with the ADWR Director to secure a municipal water representative on the commission.

#### ADWR Budget and Fees Proposal

SB1359: ADWR; Fund passed the Legislature and awaits the Governor's signature. The bill was amended to specify that fee revenues for the Department are to be "held in trust" and not swept by the Legislature. The bill creates new authority for the Department to impose or increase fees. The bill allows the Department to retain revenues in a dedicated account, rather than depositing them in the General Fund.

HB2586: S/E Agency Fees; Rules passed the Legislature and awaits the Governor's signature. This bill establishes a fee commission to review Departments' fee needs and the legal framework for future adoption of fees. AMWUA will work with the Legislature and Governor's Office to secure the appointment of municipal water representation to the commission.

#### ADEQ Fees

HB2767: Water Quality Fees passed the Legislature and is awaiting the Governor's signature. The bill allows the Director to set water quality fees, such as APP, by rule rather than the current statutory cap. The bill also authorizes the Director to charge fees for the Pollution Discharge Elimination System (AZPDES) program. These permits were not previously subject to fees. HB2767 was amended to include "held in trust" language that specifies the revenues from these fees are for the use of the department and not subject to legislative sweeps. AMWUA members' wastewater divisions should monitor the fee setting process in order to account for potentially increased costs.

#### Mining

HB2617: Mining; Water; Permits; Rules passed the Legislature and is awaiting the Governor's signature. AMWUA worked to remove and narrow many of the provisions of the bill including those related to groundwater management, the Office of Administrative Hearings, agency fees, the powers of the proposed Mining Council, the litigation powers of the Mine Inspector, and the avoidance of duplicative laws or permitting. AMWUA will monitor the potential impacts of expedited permitting.

HB2289: Water Recharge; Direct Use was signed by the Governor. This was Resolution Copper's (RC) bill allowing them to retain Long Term Storage Credits while transferring water from a dewatering permit to the New Magma Irrigation District (NMID) via a pipeline. NMID would be required to use the water instead of groundwater withdrawals in order for RC to retain those credits.

Salt River Project/Prescott Valley Settlement  
SB1445 was signed by the Governor on April 26<sup>th</sup>.

Water Bank; Excess CAP

The Governor signed SB1356: Water Bank; Excess CAP on April 26, 2010. This bill codifies the Water Bank's authority to acquire Excess CAP water for storage and Indian firming.

**Prior Committee Action**

Legislative updates were included in each of the AMWUA Management Board and AMWUA Board of Directors' meetings during the 2010 legislative session.

**Recommendations**

This update is for informational purposes. Direction is not requested.

**Attachment**

AMWUA Legislative Tracking Sheet