

2025 Annual San Xavier Allottee Association: Long Term Storage Credit Update

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What is a Long Term Storage Credit?

In Arizona, long-term storage credits (LTSCs) are property rights that are earned when water is stored underground for more than one year:

Eligibility

- To be eligible, water must meet the following criteria:
 - It cannot be reasonably used directly
 - It was not recovered on an annual basis
 - It would not have been naturally recharged within an Active Management Area (AMA)
- Creation
 - LTSCs are created when water is stored in an Underground Storage Facility (USF) or Groundwater Savings Facility (GSF):
 - USFs: The state assigns a LTSC for 95% of each acre-foot of surface water or Colorado River water stored
 - GSFs: The state assigns a LTSC for 100% of each acre-foot of reclaimed water stored

LTSC? Continued

- Uses
 - LTSCs can be used for a variety of purposes, including:
 - Establishing an Assured Water Supply
 - Fulfilling replenishment obligations
 - Protecting municipal and industrial water users against future water shortages
 - Recovery
 - LTSCs can be recovered using a recovery well permitted by the Arizona Department of Water Resources (.gov). They can be recovered only from within the AMA they were stored.
 - Transfer
 - LTSCs can be bought and sold. The Arizona Water Banking Authority (AWBA) can purchase LTSCs to meet its storage goals.
 - LTSCs are a vital part of Arizona's water future. They are a result of Arizona's commitment to protect and manage its aquifers.
 - <https://www.azwater.gov/recharge/accounting>
 - <https://www.gilawater.com/needs/storagecredits.aspx#:~:text=Long%2Dterm%20storage%20credits%20are%20earned%20when%20water%20is%20stored,for%20their%20own%20future%20use.>
 - <https://storymaps.arcgis.com/stories/61c95c2245e549fbb51fb94e7e0070bb>

Southern Arizona Water Rights Settlement Act

- **SAWRSA History**

- In February 1975, the Federal Government, on behalf of the Papago Tribe/TON filed the U.S. vs. Tucson lawsuit against the City of Tucson, ASARCO, Farmers Investment Co. (FICO), et al. The U.S. claimed that these entities had depleted the San Xavier water supply by increased pumping and wanted the entities to stop pumping from the San Xavier aquifer.
- In March 1975, the Tribe, Rosanna Carlyle and John Lewis, on behalf of the San Xavier allotment owners, filed a separate lawsuit against the same defendants with the same claims. In December 1975, the two lawsuits were combined into one. From 1975 – 1982, the defendants, the Tribe/TON and allottees representatives then negotiated to resolve the lawsuit with federal legislation – the 1982 Southern Arizona Water Settlement Act (SAWRSA) passed by the U.S. Congress.

SAWRSA Continued

- The San Xavier Allottees' water rights were included in the lawsuit, as federal law required “just and equitable distribution” of water for the allotments. SAWRSA required that the allottees accept the settlement and dismiss the lawsuit. Allottee representatives opposed the dismissal.
- Eastern Schuk Toak District was included since it was within the boundary of the Tucson Active Management Area (TAMA), one of the MAs established by the 1980 Arizona Groundwater Management Act. Tucson and the other defendants wanted to settle all water claims in TAMA within SAWARSA.

Allocation of CAP Water to San Xavier and Schuk Toak Districts:

- The San Xavier allottees saw a need to amend the 1982 SAWRSA for the purposes of controlling water use, increasing benefits and for other purposes. Negotiations among the Nation, allottees and defendants resulted in the 2004 SAWRSA Amendments.
- San Xavier- 50,000 AFY to San Xavier, of which 35,000 AFY is “first right of beneficial use” for San Xavier District and allottees. San Xavier Cooperative Farm uses 8,000 AFY; 16,000 AFY to Schuk Toak ,
- 2018 CAP Order for use San Xavier ordered 7,150 AFY; to be used at the San Xavier Cooperative Farm ; Schuk Toak ordered 12,800 AFY for use at Schuk Toak farms
- Unused/Remaining CAP Water Allocation – The Tohono O’odham Legislative Council (TOLC) decided to store unused water in order to earn long term storage credits water under Arizona State Law (TOLC Resolution #09-511). Tohono O’odham Nation requested and received support from the San Xavier District Council (SXDC Resolution #2000-438)
- 2018 CAP Orders for Storing Unused Water Allocation for San Xavier water, 32,850 AFY; for Schuk Toak water, 3,200 AFY. This amount varies from year to year depending on the order and demand.

Allocation Continued

- In 2011, the TOLC Water Resource Committee Proposal for Revenue Sharing for Selling Credits
 - For sale of SX-CAP water credits, 50% to TON, 50% to SX District
 - Schuk Toak CAP water credits, 100% to TON
 - This proposal was postponed and never presented again.
- In 2019 the TOLC Water Resource Committee proposed to the TOLC to hire a water credit marketing firm to sell the credits. This was approved

Tohono O'odham Legislative Long Term Storage Resolution(s):

- **Resolution 19-372**

- September 12, 2019

- *Approving Tohono O'odham Nation Long-Term Storage Credit Marketing Plan*

- **Resolution 20-044**

- February 6, 2020

- *Approving a Purchase and Sale Agreement for Long Term Storage Credits Between the Tohono O'odham Nation and the Arizona Water Banking Authority*

- **Resolution 20-119**

- May 1, 2020

- *Approving a Purchase and Sale Agreement for Long Term Storage Credits Between the Tohono O'odham Nation and the Central Arizona Water Conservation District*

- **Resolution 20-393**

- November 23, 2020

- *Approving a Purchase and Sale Agreement for Long Term Storage Credits Between the Tohono O'odham Nation and Vihrea Development LLC*

TOLC Res. Continued

- Updates to WRC and TOLC for the year 2021

- **Resolution 22-172**

May 11, 2002:

Approving Purchase and Sale Agreement for Long Term Storage Credits Between the Tohono O’odham Nation and the Central Arizona Water Conservation District.

- **Resolution 22-173**

Approving a Purchase and Sale Agreement for Long Term Storage Credits Between the Tohono O’odham Nation and Vihrea Development LLC.

- **Resolution 23-017**

January 11th, 2023

Approving a Purchase and Sale Agreement for Long Term Storage Credits Between the Tohono O’odham Nation and Vilder Water Company Inc. (“Vilder”)

- **Resolution 23-220**

June 20th, 2023

Approving a Purchase and Sale Agreement for Long Term Storage Credits Between the Tohono O’odham Nation and the Central Arizona Water Conservation District (“CAWCD”)

- WRC Listening Session with SXD and STD Re: LTSC Proposal April 2023

TOLC Res. Continued

- WRC Response June 2023 not Supported
- July 2023 WRC discussed letter received from SXD

- **Resolution 23-428**

November 7th, 2023

Approving Addendum No. 2 to Tohono O'odham Long-Term Storage Credit Marketing

Resolution 24-251

August 8th, 2024

Approving Two Purchase and Sale Agreements for Long Term Storage Credits between the Tohono O'odham Nation and the Arizona Water Banking Authority

TOLC Res. Continued

- **Resolution 24-252**

August 8th, 2024

Approving Agreement with Queen Creek Irrigation District

- October 2024 San Xavier District Leadership requested a meeting with the Water Resource Committee. Included were OAG and LAO and Legal Counsel for SX District, Tom Leubben and San Xavier Allottee Association Administration Leadership and Board Members regarding San Xavier request for information and draft Water Code Amendments.

Questions?

Thank you!

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