

# Southern Arizona Water Users Association



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SAWUA is a voluntary nonprofit association organized in 1999 to discuss, analyze, and recommend ways to preserve and enhance the quality and quantity of Southern Arizona's water resources.

Avra Water Co-Op

BKW Farms

Community Water Company of Green Valley

Farmers Investment Company

FICO/ Farmers Water Co

Flowing Wells Irrigation District

Green Valley Water Improvement District

Kai Farms

Marana Utilities Department

Metro Water District

Oro Valley Water Utility

Pima County Regional Wastewater Reclamation Department

Red Rock Utilities

Sahuarita Water Company

Sahuarita Wastewater Utility

Tucson Water

## 2015 Legislative Session Wrap-Up

While the Arizona Legislature conducted its business in the shortest session in the last 50 years, the Southern Arizona Water Users Association (SAWUA) continued to actively advocate on behalf of our region's water related interests.

For the past 14 years, SAWUA has maintained a responsive and respected presence at the Arizona Legislature, working with elected officials, senior appointed officials and stakeholders to advocate for effective water policy, mitigating those measures that otherwise may potentially have adverse impacts, and when necessary, opposing legislation that would be detrimental to Southern Arizona or statewide water policy interests.

This edition of the SAWUA Quarterly Bulletin is intended to provide an overview of the major legislation impacting water policy during the 2015 legislative session.

### Past Investment Provides Current Stability

Arizona is fortunate that due to our ongoing planning efforts and our willingness to invest in water infrastructure, our residents, industries and agricultural interests are not experiencing a current water crisis. Yet, without question, planning and investing must continue if we are to avoid a water crisis in the future.

In April, U.S. Senator Jeff Flake held a forum on the Colorado River Supply Challenges at the University of Arizona. During the course of the discussion, Senator Flake highlighted Arizona's years of water planning that has clearly allowed the state to avoid being in the same predicament as California. Senator Flake noted that Arizona continues to plan by looking for augmenting opportunities on the Colorado River along with the innovative Central Arizona Project (CAP) water storage agreements that have been successfully negotiated among Phoenix, Tucson, and Metro Water District.

A month earlier, SAWUA hosted its second water forum for elected officials, senior appointed officials and administrators. With over 70 individuals in attendance, participants heard presentations from Tom Buschatzke, Director of the Arizona Department of Water Resources (ADWR), and David Modeer, General Manager of CAP, among others. In addition to the presentations on past, present and future water policy, a panel discussion elaborated on how state-wide water issues affect Southern Arizona.

Specifically, Buschatzke emphasized the historical significance of the proactive accomplishments in water policy. Among the examples included the establishment of the 1980 Groundwater Management Act and the Assured Water Supply Rules, both of which continue to be the most progressive groundwater regulations in the country. Likewise, Arizona invested in infrastructure to efficiently and effectively use its water, namely CAP. Arizona also has reduced its overall demand for water through conservation efforts among municipalities and agriculture so that Arizona's overall water usage today is the same as in 1957.

Modeer joined Buschatzke in highlighting that the drought on the Colorado River has exasperated the structural deficit of the Colorado River allocations among the seven Colorado River Basin states. ADWR and CAP are working closely together to encourage other Basin states to take measures that will keep Lake Mead's water level from dropping further than the anticipated shortage declaration. A shortage declaration is anticipated to occur in 2017.

**see Investment, page 2**

**Investment (continued)**

On behalf of SAWUA, President Warren Tenney, emphasized that the proactive and collaborative efforts among SAWUA members has placed the region in the best position to weather the upcoming shortage declaration on the Colorado River.

That being said, it is critical for Southern Arizona, as well as all of Arizona, to continue our commitment to ensuring that the availability of water remains in order to maintain and expand the Arizona economy.

**Noteworthy Legislation**

**Critical CAP Property Tax Extended until 2030**

As enacted, HB 2661 extends the existing Central Arizona Water Conservation District property tax until January 1, 2030.

Under the legislation, the assessment is capped at \$.04 per \$100 assessed value property tax through 2024. Beginning in 2025, the levy is reduced to \$.03 per \$100 assessed value for the remaining five years.

It is worth noting that despite the fiscally conservative nature of the Arizona Legislature, HB 2661 was enacted without a single no vote throughout the entire legislative process. This represents the Governor’s and Legislature’s understanding of the importance to continue investing in our water resources and infrastructure.

**Rule Making Restrictions**

As enacted, HB 2297, relating to limitations on state agency rule making authority, prohibits agencies from adopting rules that would increase existing regulation on property rights or business, unless the rule is part of an overall effort to reduce regulatory burdens, is necessary to implement statute or is required by a final court order or decision.

Despite concerns raised by the Arizona Department of Water Resources (ADWR), Governor Ducey signed the legislation.

The legislation may likely restrict ADWR’s ability to effectively

implement the Groundwater Management Act through the necessary adoption of related administrative rules. Having such restrictions placed upon ADWR could be critical with a looming Colorado River shortage and increasing pressures placed on the State’s groundwater.

HB 2297 establishes a high standard of “necessary to implement statutes or is required by a final court order or decision.” This standard creates a significant exposure to interpretation, as to what constitutes “necessary.”

Furthermore, the “public health and safety” exemption is very narrow and does not take into account the importance of rule making in situations that impact public health and safety, but otherwise would not qualify as a disaster or catastrophic event. Yet, would, nevertheless, represent a significant risk to the public.

**CAGRD De-Enrollment**

As enacted, HB 2325 provides the process for real property that qualifies as member land under the Central Arizona Groundwater Replenishment District (CAGRD) to terminate its member land status.

Through this legislation, CAGRD no longer needs to plan for meeting the replenishment obligations tied to property that is no longer planned for development and is de-enrolled.

In order for property to become de-enrolled, strict guidelines must be followed by a land owner. This is primarily to ensure that lands do not de-enroll to avoid the financial responsibilities of being a member land and then later re-enroll.

**Alternative Assured Water Supply Certificate**

Over the last two years, there has been an ongoing discussion about the interest in creating an alternative mechanism for a property owner to obtain an Assured Water Supply Certificate. While HB 2361 did not advance during this legislative session, the issue will likely return in 2016.

As introduced, HB 2361 would have allowed the owner of land that previously qualified as member land

in a conservation district, and for which had been issued a certificate of assured water supply, based on that qualification to apply to ADWR for a reissued certificate of assured water supply, that is not based on the land qualifying as member land.

The bill required ADWR to notify the conservation district about an application that has been granted and to execute a declaration that the covenants, conditions and restrictions (CC&Rs) previously recorded against the land are revoked.

Stipulated requirements for the district and the real property if the application has been granted and if no individual lot or parcel of subdivided land within the real property has been sold or leased and there is no public report for the land from the Real Estate Commissioner.

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