



## **Water Policy Priorities 2018-2019**

### **1. Extend effluent LTSC accrual beyond 2025**

Currently, the Long Term Storage Credits (LTSC) program to store reclaimed water in the ground for later use will sunset in 2025. Water providers throughout Arizona rely on reclaimed water credits to successfully plan for the future. In order to establish greater predictability, the legislative objective is to renew the statutory provisions without creating a new sunset date, thereby allowing the program to continue in perpetuity, thus enhancing the ability for long-term planning.

### **2. Increase LTSC effluent accrual to 95% for effluent in managed recharge projects, resulting in a 5% cut in LTSC for the aquifer and 0% cut on annual storage and recovery.**

The objective is to treat recharged reclaimed water the same as managed recharged Central Arizona Project (CAP) water. Accordingly, the legislation would provide a 95% LTSC for every acre-foot of water recharged. Currently, recharge reclaimed water that is stored in a managed project can only earn 50% credits, which ultimately results in a 50% cut to the aquifer.

### **3. Extend remediated groundwater waiver beyond 2025**

As the current remediated groundwater waiver program will sunset in 2025, the existence of a possible sunset serves as a disincentive for a water utility's continued operation and investment in existing groundwater remediation systems.

The existing groundwater treatment systems have yet to completely remediate the Water Quality Assurance Revolving Fund (WQARF)/Superfund identified contaminant plumes. Moreover, complete remediation could take decades longer, extending beyond 2025. Additionally, existing treatment systems are preventing the migration of the contaminant plumes into down gradient well fields. Without an extension of the waiver, it may be less expensive for water utilities to pump groundwater from wells that are more efficient and economical to operate, thereby increasing the exposure of additional contaminants if remediation ceases.

#### **4. Extend the AMA Management Plans beyond 2025**

The 1980 Arizona Groundwater Act provided a clear framework for groundwater management through 2025. Currently, there is no statutory guidance regarding the goals and objectives after 2025.

The Act created five Active Management Areas (AMAs), where heavy reliance on groundwater use was identified. For the Phoenix, Prescott and Tucson AMAs the statutory management goal is to attain safe-yield by 2025. The Tucson AMA has already reached safe-yield and the goal is to now maintain safe-yield.

Furthermore, to assist with the goals of the AMAs, there is statutory requirements for a series of five management plans to be in place until 2025 for each AMA. Recognizing that the AMAs are currently on the fourth management plan, with the fifth management plan still pending, there is more work to be done beyond 2025.

The AMAs management plans provide crucial guidelines for AMA providers to use good water resource management strategies to minimize the impacts to groundwater by municipal demands. Without the continuance of the management plans, providers may return solely to groundwater pumping which is more cost-effective than renewable resources, like CAP and recycled water, to meet demands.

#### **5. Complete the Lower Basin Drought Contingency Plan**

The Arizona Department of Water Resources (ADWR) and the Central Arizona Water Conservation District (CAWCD) are jointly leading discussions to complete the Lower Basin Drought Contingency Plan (LBDCP) in Arizona. Currently, the risk of Lake Mead falling below 1025' by 2026 has doubled since the development of the 2007 Interim Guidelines.

The goal is to reduce the probability of reaching critical elevations that would cause draconian reductions in water deliveries across the state. A steering committee consisting of approximately 40 water professionals in the state has been meeting to address four essential elements of LBDCP: 1) CAP Ag Mitigation, 2) Tribal ICS, 3) CAP Excess Water Plan and 4) the Arizona Conservation Plan. The objective is to reach a resolution with stakeholders by the end of November for consideration by the Arizona State leadership in early 2019

Furthermore, the LBDCP is a plan developed by Arizona, California, Nevada and the U.S. Bureau of Reclamation to mitigate risks to the Colorado River system. By implementing LBDCP additional contributions from Mexico will be triggered as detailed in Minute 323.

#### **6. Accomplish the Arizona Water Banking Authority reform as proposed by the 2017 Governor's Plenary Group**

*State's Proposal Statement Regarding the Use of the 4-Cent Tax for the Arizona Water Banking Authority (AWBA) Purposes:*

Clarify the language in A.R.S. § 48-3715.03 to provide that any unexpended 4-cent tax monies not applied to repayment and operations and maintenance (O&M) obligations in

any fiscal year, but reserved in an account held by CAWCD, shall be made available to the AWBA upon the request of the Chair of the AWBA.

*Proposal Statement Regarding Expanded AWBA Recovery and Firming Authority:*

To allow the recovery of AWBA's LTSCs in the most sustainable, cost-effective way, the State proposes the following:

- a. Authorize the AWBA to enter into recovery agreements that allow for recovery of long-term storage credits developed with 4-cent tax funds without distributing the credits to CAWCD.
- b. Authorize the AWBA to lease water for Municipal and Industrial (M&I) and On-River firming obligations.
- c. Authorize the AWBA to exchange long-term storage credits accrued with 4-cent tax monies and withdrawal fees for credits stored in another location.

## **7. Implementation of AWBA Recovery Plan**

Since the 1980's, the Arizona Water Banking Authority has been storing water underground to firm future M&I water supplies during shortage. It will eventually be necessary to physically recover these storage credits to firm up M&I CAP allocations. Maricopa providers require some firming water delivered to surface water treatment plants. Currently, infrastructure for this is minimal to nonexistent as a "wet water" recovery strategy.

In Southern Arizona, by comparison, firming water has been stored primarily where existing or soon to be recovery infrastructure, owned and operated by providers, will be able to recover AWBA credits as "wet water." It remains uncertain how will firming credits be allocated to individual CAP allottees in their respective AMAs during a shortage.

The Recovery Planning Advisory Group (RPAG) has been tasked with identifying constraints, developing equitable distribution strategies and the potential costs associated with recovery. A final plan will make recommendations for Arizona State leadership that will include changes to statutes, administrative rules and policies.

## **8. Finalize and implement CAP Non-Project Water Quality Program**

Water quality that could be discharged into the CAP canal is of significant concern for water utility providers and tribal governments. SAWUA's objective is to protect CAP water users in Southern Arizona from unacceptable levels of water constituents.

Currently, the Water Quality Standards Task Force comprised of CAWCD Board members is reviewing the legal, operational and policy matters associated with the introduction of non-project water into the CAP system. The goal of the task force is to develop, through stakeholder involvement, water quality standards for approval by the full Board and recommendation to Reclamation.