

ADWR Legislative Concepts for Discussion in SWAG

October 15, 2008

The background of the slide is a solid blue color. In the lower half, there are several faint, light blue concentric circles that resemble ripples on water, scattered across the bottom of the slide.

Budget

- Low revenue, high deficit
- We expect real challenges with our budget if there is indeed a special legislative session before the end of the calendar year, as well as during the next legislative session in the FY 2010 budget process.

HB 2209 (general appropriations act; 2008-2009)

ADWR Budget Highlights:

- Reduces the ADWR General Fund appropriation by \$6.9 million.
- The reduction is offset by a one-time transfer of \$6.9 million from the Arizona Water Bank to ADWR's Operating Budget.
- The Water Bank also gave up an additional \$5.5 million to help address the state's \$2.2 billion deficit.
- Up to \$10 million of lottery proceeds may be available for distribution to the Water Supply Development Fund that was created in the 2007 Water Adequacy legislative package.

Status: Signed by the Governor on 6/27/08 (Laws 2008, Chapter 285).



Budget, Continued

- If the \$6.9 million reduction remains in place, what are the consequences?
 - Reduce staff
 - Reduce or eliminate programs
 - Inability to manage and protect the State's water supply
 - Years of rebuilding
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Legislative Concept #1

- Create a designated source of revenue for supplementing ADWR activities, particularly the Department's scientific areas that are critical for supporting the Department's primary functions.
- Initial concept developed internally was to obtain legislative authority to develop an annual well registration fee.

Legislative Concept #1

- Questions that need to be answered:
 - How much is needed? Current estimation of annual cost for our hydrologic data collection activities = \$2.5 million to \$3 million.
 - Is that enough? Will the base be reduced?
 - New wells or new and existing wells?
 - Exempt or non-exempt?
 - Others?
- This is open for discussion. We are looking to you for advice on how we can protect the Department's ability to manage and protect the State's water supply.

Legislative Concept #2

- Expand the Transportation of Groundwater prohibition to include a prohibition on the transportation of reclaimed wastewater outside of the basin (including an AMA or INA) in which it was generated.

- Exceptions:
 - 1) transportation by a city, town or water provider within its service area if the service area is within 2 basins; and
 - 2) for any transportation occurring at the time the legislation is passed;
 - 3) transportation approved by the Director if effluent cannot be used or stored in the basin of origin, if any negative impacts to the basin of origin will be outweighed by benefits to the basin receiving the effluent, or if effluent will be used to mitigate potential damage caused by groundwater transportation into the basin of origin.

- Does not apply to the discharge of effluent into a streambed for the purpose of disposing the effluent and abandoning control over it.