AWRRC

Shortage Sharing and the Arizona Water Bank

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Director ADWR
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Shortage-Sharing

- Director's Shortage-Sharing Workgroup Recommendation
  - October 24, 2006

- AZ-NV Shortage-Sharing Agreement
  - February 9, 2007

- 7 State Agreement—December 14, 2007
Established in 2005 and made following recommendations:

- **Strategy for implementing future Lower Basin Colorado River shortages**
  - Tiered shortage based on Lake Mead elevations
  - Percentage distribution among Mexico, NV, and AZ

- **Allocating shortages among 4th priority Colorado River water users**
  - Calculate water available to 4th priority mainstream users based on shortage amount
  - Remainder of available supply to CAP
AZ Shortage-Sharing Stakeholder Workgroup Recommendation

- Establish replacement credit account
  - Include credits that require replacement after use
  - Credits are earmarked for entities who paid to replace

- Workgroup efforts generally incorporated into Reclamation’s EIS on shortage criteria and conjunctive management strategies for Lake Powell and Mead
AZ-NV Shortage-Sharing Agreement

- AZ and NV agree that NV will accept 4% of the Lower Basin share of shortage
- AZ and NV agree to only share up to 500 KAF shortages
- Nevada paid $8 million to Arizona to offset impacts from shortages
Shortages Allocated Between AZ & NV

400 KAF Shortage Tier
- Lake Mead elevation at or below 1075 ft; at or above 1050 ft:
  NV share of shortage = 13,000 AF
  AZ share of shortage = 320,000 AF

500 KAF Shortage Tier
- Elevation below 1050 ft and at or above 1025 ft:
  NV share of shortage = 17,000 AF
  AZ share of shortage = 400,000 AF

600 KAF Shortage Tier
- Elevation below 1025 ft:
  NV share of shortage = 20,000 AF
  AZ share of shortage = 480,000 AF

Shortage to Lower Basin greater than 500,000 AF, consult with Reclamation
Mexico’s Shortage Sharing

- Mexico’s shortage share estimated to be 17%
- State Department responsible to implement Mexico’s shortage
- Mexico’s shortage will reduce Arizona’s and Nevada’s shortage proportionally
What is the Arizona Water Bank?

- Authorized by Arizona State Legislature in 1996
- Store Arizona's unused Colorado River water
- Long-term security of Arizona's entitlement
Water Available to the AWBA

On-River

M&I & Tribes

AGRI

AWBA

1,000

2,500

3,000

1,500

2,000

1,000

2005 2010 2015 2020 2025 2030 2035

Year

Thousand Acre-Feet

M&I & Tribes

On-River

AWBA

AGRI
What does the Bank do?

- Assist in meeting management plan objectives of the 1980 Arizona Groundwater Code

- Provide drought protection for the municipal and industrial users of Arizona’s Colorado River water
What else does the Bank do?

- Assist in settlement of Indian water rights claims
- Loan credits and provide water banking services for others
- Interstate Banking
Five Member Commission
  • two ex-officio legislative members

Administration
  • Bank staff supported by Arizona Department of Water Resources and Central Arizona Water Conservation District
How is the Bank Funded?

- **State General Fund appropriation**
  - Provided annually at discretion of Legislature

- **Groundwater Withdrawal Fees**
  - Rate statutorily established at $2.50/AF
  - Collected by AMAs

- **4¢ ad valorem Tax Dollars**
  - Levied by CAWCD/Collected by County
  - CAWCD determines if funds are made available to AWBA

- **Other Sources**
  - Interstate
  - Gifts, Grants, Donations
How does the Bank work?

Schedule deliveries with Central Arizona Project

- **Storage Facility Agreements**
  - Groundwater Savings Facilities (GSF)
  - Underground Storage Facilities (USF)

- **Annual Plan of Operation**
Groundwater Savings Facility

(Indirect Recharge)
Underground Storage Facility

(Direct Recharge)
AWBA Performance

Volume of Water Delivered through 2008
(2008 forecasted)

Deliveries (1,000 Acre-Feet)

Year

Annual
Cumulative Volume
Interstate Water Banking

- Secretary of the Interior published rule Dec. 1999
- ADWR Director makes determination Jan. 2000
- AWBA Subcommittee
  - Principles
  - Nevada negotiations - Nevada’s goal 1.2 MAF
  - Three agreements
Agreement for Interstate Water Banking

- Agreement for Interstate Water Banking – July 3, 2001

AWBA to use its “best efforts” to store 1.25 MAF
Amended Agreement for Interstate Water Banking

- Amended Agreement for Interstate Water Banking - February 3, 2005
  - AWBA to guarantee storage of 1.25 MAF
  - NV agreed to pay $330 million ($100 million above cost of water delivery/storage as insurance against high cost water)
Arizona Water Settlements Act

- AWBA statutes amended to make Water Bank agent for the State

- Agreement between the Secretary of Interior and Arizona/AWBA for the Firming of Arizona Water Settlement Water - November 15, 2007
Indian Firming

State’s responsibility:

- Firm 15,000 AF water reallocated to Gila River Indian Community
- Firm 8,724 AF water reallocated to AZ Indian tribes
- Assist Secretary in carrying out obligations of Southern Arizona Water Rights Settlement Act (Tohono O’odham)
In Conclusion

- The AWBA was created to address a Statewide concern: Under-utilization of Arizona’s Colorado River water and reserve water for times of shortage.

- AWBA is achieving its goal—has stored over 3.0 million acre-feet for the future.

- Successful in reducing Arizona’s groundwater pumpage.
QUESTIONS?

Lower Basin No - Fly Zone
The Importance of the Colorado River to Arizona’s Future

June 24, 2008
Phoenix, Arizona