

ARIZONA WATER BANKING AUTHORITY

WEDNESDAY, AUGUST 20, 1997

PLEASE PRINT

PHOENIX DEPARTMENT OF WATER RESOURCES

1	NAME: LISA CHASE REPRESENTING: BROWN & BAIN	BUSINESS ADDRESS: PO BOX 2265 TUCSON AZ 85705	TEL: 520-798-7925 FAX: 520-798-7945
2	NAME: JOHN ALGOTS REPRESENTING: FORT MOHAVE INDIAN TRIBE	BUSINESS ADDRESS: 500 MERRIMARTHA NEEDLES CA 92363	TEL: 520-346-1606 FAX: 520-346-1216
3	NAME: WILLIAM VAN ALLEN REPRESENTING: NEW MAGMA IDD	BUSINESS ADDRESS: 34630 N. SCHNEPF QUEEN CREEK AZ 85242	TEL: 602-987-3461 FAX: 602-987-0660
4	NAME: G.L. EDWARDS REPRESENTING: CRC, NEV	BUSINESS ADDRESS: 555 E WASHINGTON AVE LAS VEGAS NV 89101	TEL: 702-486-2690 FAX: 702-486-2697
5	NAME: CHUCK AHLBERG REPRESENTING: COX & COX	BUSINESS ADDRESS: 4252 N. BROWN AVE. SCOTTSDALE AZ 85252	TEL: 254-7203 FAX
6	NAME: DENNIS RULE REPRESENTING: CITY OF TUCSON	BUSINESS ADDRESS: PO BOX 27210 TUCSON AZ 85726-7210	TEL: 520-791-2666 FAX: 520-791-3293
7	NAME: RICHARD SIEGEL REPRESENTING: SRP	BUSINESS ADDRESS: PO BOX 52025 PHOENIX AZ 85072	TEL: 236-2277 FAX: 236-2159
8	NAME: V.C. DANOS REPRESENTING: AMWUA	BUSINESS ADDRESS: 4041 N. CENTRAL, #900 PHOENIX AZ 85012	TEL: 248-8482 FAX: 248-8423
9	NAME: HARRY RUZGERIAN REPRESENTING: MWD OF SO. CALIF.	BUSINESS ADDRESS:: 350 S. GRAND LOS ANGELES CA 90071	TEL: 213-217-6082 FAX: 213-217-6949

ARIZONA WATER BANKING AUTHORITY

WEDNESDAY, AUGUST 20, 1997

PLEASE PRINT

PHOENIX DEPARTMENT OF WATER RESOURCES

10	NAME: LEE STOREY REPRESENTING: MCWA	BUSINESS ADDRESS:	TEL: 604-2110 FAX: 263-5333
11	NAME: TIMOTHY L. RECHT REPRESENTING: ROBERT S. LYNCH (IEDA)	BUSINESS ADDRESS: 340 E. PALM LN. STE 140 PHOENIX AZ 85004-4529	TEL: 254-5908 FAX: 257-9542
12	NAME: DON POPE REPRESENTING: YUMA WATER USERS/STUDY COMM.	BUSINESS ADDRESS PO BOX 5775 YUMA AZ 85366-5775	TEL: 520-627-8824 FAX: 520-627-3005
13	NAME: BILL CHASE REPRESENTING: CITY OF PHOENIX	BUSINESS ADDRESS	TEL: 261-8855 FAX: 495-5650
14	NAME: CYNTHIA STEFANOVIC REPRESENTING: AZ STATE LAND DEPT	BUSINESS ADDRESS 1616 W. ADAMS PHOENIX AZ 85007	TEL: 542-2669 FAX: 542-4668
15	NAME: CHUCK CULLOM REPRESENTING: BOOKMAN-EDMONSTON	BUSINESS ADDRESS	TEL: 258-0234 FAX
16	NAME: PAUL NORMAN REPRESENTING: CITY OF SCOTTSDALE	BUSINESS ADDRESS	TEL: 994-2405 FAX: 994-2548
17	NAME: JAN LAUEY REPRESENTING: AZ STATE LAND DEPT.	BUSINESS ADDRESS 1616 W. ADAMS PHOENIX AZ 85007	TEL: 542-2674 FAX: 542-4666
18	NAME: BETH MILLER REPRESENTING: MESA	BUSINESS ADDRESS PO BOX 1466 MESA AZ 85211	TEL: 644-2647 FAX: 644-2768

ARIZONA WATER BANKING AUTHORITY

WEDNESDAY, AUGUST 20, 1997

PLEASE PRINT

PHOENIX DEPARTMENT OF WATER RESOURCES

19	NAME: TOM SCHULTZ REPRESENTING: DAMES & MOORE	BUSINESS ADDRESS 1790 E. RIVER RD. TUCSON AZ 85718	TEL: 520-529-1141 FAX: 520-529-2449
20	NAME: PAUL ORME REPRESENTING: CAIDD	BUSINESS ADDRESS H.C. 63, BOX 3042 MAYER AZ 86333	TEL: FAX
21	NAME: SUSAN SELBY REPRESENTING: SO. NEVADA WATER AUTHORITY	BUSINESS ADDRESS 1001 S. VALLEY VIEW LAS VEGAS NV 89153	TEL: FAX
22	NAME: JEFF JOHNSON REPRESENTING: SO. NEVADA WATER AUTHORITY	BUSINESS ADDRESS 1001 S. VALLEY VIEW LAS VEGAS NV 89153	TEL: FAX
23	NAME: DAVID IWANSKI REPRESENTING: AGRI-BUSINESS COUNCIL	BUSINESS ADDRESS 2406 S. 24TH STREET, E-103 PHOENIX AZ 85034	TEL: 231-9224 FAX: 244-2431
24	NAME: BOB MILLER REPRESENTING: AMWUA	BUSINESS ADDRESS	TEL: FAX
25	NAME: REPRESENTING	BUSINESS ADDRESS	TEL: FAX
26	NAME: REPRESENTING	BUSINESS ADDRESS	TEL: FAX
27	NAME: REPRESENTING	BUSINESS ADDRESS	TEL: FAX

Arizona Water Banking Authority
500 North Third Street, Phoenix, Arizona 85004
Telephone 602-417-2418
Fax 602-417-2401

FINAL AGENDA
Wednesday, August 20, 1997
9:30 a.m.

Arizona Department of Water Resources
3rd floor Conference Room

- I. Welcome / Opening Remarks
- II. Adoption of Minutes of June 30th Meeting
- III. Update of 1997 Plan of Operation
- IV. Discussion of WEB Page
- V. Initial Discussions of Pricing for 1998
- VI. Discussion of Innovations in American Government Award Program
- VII. Update on Mohave County Discussions
- VIII. Update on the AWBA Study Commission
- IX. Update on Interstate Discussions
- X. Call to the Public
- XI. Adjournment

Future Meeting Dates:

Wednesday, September 17, 1997

Wednesday, October 15, 1997

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Arizona Water Banking Authority at (602) 417-2418 or (602) 417-2455 (TDD). Requests should be made as early as possible to allow time to arrange the accommodation.

ARIZONA WATER BANKING AUTHORITY
Draft Minutes

June 30, 1997

Arizona Department of Water Resources



AUTHORITY MEMBERS
Rita P. Pearson, Chairman
Tom Griffin, Vice-Chairman
Bill Chase, Secretary
Grady Gammage
Richard S. Walden

EX OFFICIO MEMBERS
Senator Pat Conner
Rep. Bill McGibbon

Welcome / Opening Remarks

Chairman Pearson introduced Senator Pat Conner and Representative Bill McGibbon as the newly appointed ex officio Water Banking Authority members to the meeting. Roll call was taken of the Authority members in attendance. All members of the Authority were present except for Grady Gammage.

Adoption of Minutes of May 21st Meeting

The May 21st minutes were adopted as submitted.

Discussion and adoption of FY98 Budget

Tim Henley gave an overview of the budget for FY97 for the Water Banking Authority. The Administrative budget is going to be approximately \$280,000. The Bank will have purchased approximately 150,000 af of water at a cost of approximately \$4.4 million. The revenues that have been collected; the \$.04 tax, the \$2 million general fund appropriation, not including any withdrawal fees, will be approximately \$7.8 million. Based on the Bank's expenditures versus revenues, the Bank will go into next fiscal year with a \$3 million carry over.

The proposed budget for FY98 is higher than FY97 due to the \$150,000 for the consultant that will be working with the Authority. The consultant will be looking into developing information and data to help put together recovery plans.

Next year's budget will reflect about \$10 million cost for delivering water to the recharge facilities. The overall budget will be about \$10.3 million, including the cost of delivering water plus the administrative budget.

The current projection of revenues for FY98 is approximately \$12 million including the \$2 million which has already been received (general fund appropriation).

The Bank is expecting about \$6.4 million generated through the \$.04 tax, and \$3.4 million in withdrawal fees. There is about \$130,000 worth of interest, based on the funds and how they're invested by ADWR.

Mr. Henley estimated that there will be about a \$4 million carry over in next year's budget. In developing the budget, Mr. Henley continued to carry forward the \$36.00 that CAP had approved for 1997-98 as the cost of delivery of water.

The numbers will be finalized and ready for the beginning of 1998. The Operating Plan is scheduled to be completed by January 1998.

Bill Chase commented on the price of the water that is being sold to the Bank. He stated that there is a committee that has been set up to look at all the prices within CAWCD. The use of water by CAWCD, either for in lieu purposes or for recharge, is counted as municipal and industrial water use in the CAP, and it has the effect of adding to the repayment obligations of the CAP to the federal government. Mr. Chase stated that that cost has not been calculated and has not been included in the \$36.00 fee that is currently being charged. Mr. Chase asked if the CAWCD makes a decision to add in the effect of that repayment obligation, will the Bank be looking at \$45.00 instead of \$36.00 for 1998.

The committee is being formed and will include two members of the Authority, Mr. Griffin and Mr. Chase. They were assigned to work on the pricing. Mr. Chase stated that they will probably be invited to work with CAP on the pricing.

Chairman Pearson called on Mr. Larry Dozier, of CAWCD, to give an overview of these costs. Mr. Dozier stated that the President of CAWCD will appoint at least one committee and maybe a task force to look at CAP's pricing of the water. This committee should be appointed at the August CAP board meeting. CAWCD agreed to give the Bank some stability and forward planning, and set a rate of \$36.00 for 1997 and 1998.

Ms. Pearson asked Mr. Dozier if the Bureau has decided formally if the water is going to be treated as M&I for repayment purposes. Mr. Dozier affirmed stating that the water is not authorized for Ag use and under the state law it is treated as M&I water going into groundwater storage. There have not been any estimates done at this time regarding the pricing.

Mr. Chase stated that the way the budget looks at this time, the Bank has too much revenue for what the Bank is doing. The most expensive activity that the Bank will undertake is the direct recharge activities, the things that will be done at GRUSP and Agua Fria. Next year's budget has quite a bit more monies programmed than the previous year.

Karl Kohloff addressed the members stating that he wanted to comment on the matter of recharge and \$10.3 million. Mr. Kohloff stated that he was personally disappointed in the direct recharge portion of the budget. He stated that they were able to put 60,000 af of water in GRUSP in January through June and he does not understand why the Bank is not maximizing January through June at 10,000 af a month. He felt that that was poor planning on the Bank's part. He felt that the very best time to recharge is the summer months and that the Bank should take advantage of it.

Mr. Henley addressed Mr. Kohloff's concerns stating that the problem was operational. Mr. Henley did agree that the Bank should try to maximize the use of water. As the Bank addresses these issues they need to look at where the funds are collected. These are only estimates and could change when more formal capacities are available. Next year there could be more constraints.

Tom Griffin moved to adopt the proposed budget for FY98. The budget was adopted as proposed.

Update of 1997 Plan of Operation

Mr. Henley gave a brief overview of the changes that have occurred over the last six months. Jim Sweeney, of MWD, has been working with the AMAs and has come to some resolutions on the permit, and it is Mr. Henley's understanding that the permit will come out of the public process around the middle of July. This permit will allow MWD to operate a groundwater savings facility. Recognizing that, the Bank has drafted a three party-agreement. The agreement has been signed by CAWCD and should be signed by MWD shortly. The agreement will then be available for the signatures of the Chairman and the Secretary of the Authority. Water should begin to be recharged on the west side. The lack of west side recharge was a concern of the AMA this year. This recharge should not be affected as much by the CAP operation. The potential now is to pick up about 18,000 af more than the Bank anticipated.

GRUSP's water has been turned off. There were some capacity constraints because CAP had some operating constraints. Now that the siphons are down CAP delivery to GRUSP could affect CAP's storage at Waddell. CAP opted to shut off GRUSP at this time to help protect the storage in Waddell. SRP has indicated that once the siphon comes back up and CAP is able to pump from the River they will be able to start using that again. Larry Dozier feels that by early September they could be in a position to start recharging water at GRUSP. Water may not be recharged until after September or early October. The Bank may be able to get about 30,000 - 40,000 af at that time.

The Bank is currently on discussions with SRP to look at the potential exchanges with SRP. The way this would work is when CAP, for whatever reasons, is not able to deliver water SRP could potentially release water from surface water storage south of the Verde, recharge that water into GRUSP, in the Bank's name,

and later in the year when there are no capacity constraints on the CAP, they would take delivery for direct use of CAP as opposed to releasing water out of storage from the Salt River system. Mike Pearce, Chief Counsel for ADWR and Chuck Cahoy, Legal Counsel for the Water Banking Authority, are working on that agreement now and they will be getting back with SRP to continue discussions. This may not be available until 1998.

Bill Chase stated that GRUSP is looked at as an “orphan child”, always the first to be shut off and the last thing that gets turned on when there are problems. He feels this creates a good tool for GRUSP and the Bank.

Larry Dozier stated that the siphon repair is to be done in June. They are trying to get water in the system, approximately 20,000 af. This should allow some water to go back into GRUSP at least by September.

Ms. Pearson feels that there is a great need to develop a better system to avoid these problems in the future, so that the Bank can better plan storage and optimize the revenues that is available to do the storage. This way the Bank will have some certainty that the planning will be carried through.

Mr. Henley commented that he received a call from Mike Leonard, RWCD, to use their SRP project system to help do some in lieu recharge in areas that are not available, based on just utilizing the CAP system. Mr. Leonard has raised that question to see if the Bank is interested. There would be a cost for RWCD to utilize the outside SRP system.

Agua Fria is moving along. They have had a pre-application meeting to discuss some of the issues. Meetings have been set up with the technical people of that project, and will continue to have frequent meetings, and hopefully be in a position to do some direct recharge at the beginning of 1998.

Other ongoing projects are the Lower Santa Cruz where CAP is looking to be a major partner; and Pima Mine Road which is beginning construction.

The latest Bureau of Reclamation projections of Arizona's use are at 2.81 million af. At 2.81 million af Arizona does benefit from the surplus declaration this year.

Summary of CAP Strategic Planning Session

In the upcoming months CAP will be looking into pricing for the Bank. Bill Chase commented that there were a number of issues discussed regarding pricing. Nothing at this time has been decided, but one of the issues that did come up that will be a difficult issue for the CAP is that of postage stamp energy rate and whether it is applicable to anything other than direct subcontract. The water that is being sold to the Bank is being sold as excess water and not under direct contract, so if the Board ultimately decides that the postage stamp energy rate only applies to the direct contracts then the Bank will have a different mix of energy to look at.

Mr. Henley stated that one of the things that the CAWCD Board has to do every year is they have to agree to assess the ad valorem taxes. CAWCD did agree to assess ad valorem tax of \$.04 on \$100.00 of assessed evaluation on water storage. They have adopted a resolution that indicated that they did not need that ad valorem tax this year for their repayment and so they made it available to the Bank. This is a major source of Water Banking's revenues.

Update on Mohave County Discussions

Mr. Henley gave an overview of the discussion on the Mohave County Proposal meetings. At the last meeting the committee had indicated that they would start developing an outline of issues. That outline could potentially be used to develop the agreements. Based on any discussions or additions that the members of the Authority may have, the committee will then pursue it in more depth and detail. One of the big issues that the committee perceived is who will actually sign the agreements. Will it be just Mohave County or will it be the members of the Authority. One issue that was raised by the committee is that they would like to see the agreements as a three-party contract, between the County interest, the Water Bank, and the Department of Water Resources (ADWR).

The committee is interested in the amount of water and where the water will be located. Recovery is one of the biggest issues. The next step in the process will be to sit down and discuss the issues and develop a language in the process.

Tom Griffin commented that the committee is looking at December 1997 to be the date to look at the issues of recovery.

Bill Chase felt that there were a number of items that were policy related for the board. He inquired as to whether these issues will be brought before the board (Authority members) before any decisions are made. Mr. Henley affirmed, stating that all issues will be brought before the Authority members.

Update on the AWBA Study Commission

Herb Dishlip stated that since the May 21 meeting there are a number of activities that the Study Commission has ongoing.

Mr. Dishlip gave an overview of each Study Commission subcommittee:

Water Banking Benefits Outside of CAP Service Area - a preliminary draft of an issue paper has been written. Seven primary issues have been identified for further study and discussion. In that meeting, one issue that was anticipated had to do with water supply shortages, primarily to the Colorado River contractors who have the same priority as CAP. There was a presentation done by the ADWR staff on several alternative approaches for looking at shortages and how those shortages could be allocated.

Interstate & Intrastate Banking and Marketing Issues - The committee reviewed and identified five issues regarding intrastate water banking and one issue with several sub-issues associated with interstate banking. At the meeting the issues were discussed in depth. After the discussion the group recommended the issue paper be revised combining several issues.

On June 26 the subcommittee provided information with regards to water banking activities in California, Idaho and Texas. The information was reviewed. The revised issues papers were discussed. A schedule was set to work further on the draft of the report.

In August, the subcommittee should be prepared to have recommendations with regard to the issues.

Indian Issues - The committee discussed the results of the fact finding at Tohono O'odham Nation held in Sells. The group decided the report should recognize the distinction between the kinds of issues associated with different tribes.

The meeting on the Indian Issues subcommittee with all of the tribes had to be postponed until the original fact finding trips to individual tribes have been completed.

On May 30 the Indian Issues subcommittee met on a fact finding trip to Fort McDowell. The group met with several members of the Fort McDowell tribal council to discuss water banking opportunities and questions regarding the Water Bank were discussed.

On June 16 there was another fact finding trip of the Indian Issues subcommittee with the Colorado River Indian Tribes. The members went to Parker and met with several members of the tribal council and had discussions regarding water banking, water leasing and potential for land following agreements.

The group decided at the June 26 meeting to draft a report for discussion at the August meeting.

July 14 the Indian Issues subcommittee will be going to Camp Verde and meet with the Yavapai Apache tribe on a fact finding trip.

Planning and Modeling Assumption - the committee reviewed studies performed by ADWR using a CRSS easy computer model, which predicts the availability of Colorado River supplied to Arizona in the future. The focus was on the assumption that would go into developing a base case. The purpose is to identify the alternative ways of looking at the supply assumptions for the future. The primary emphasis at this time is to predict cumulative shortages that may occur to the CAP and the River communities M&I sector over a 100 year planning horizon, then determine the volume of water the Water Bank may have to store to help mitigate the damages.

In September and October the full Study Commission members will meet and review the subcommittees' findings and recommendations.

Update on Interstate Discussions

Mr. Dishlip gave an overview discussion that the Bureau of Reclamation (BOR) has had in the ITS operations work groups. The BOR has been looking at longer range visions of the Colorado River management.

The BOR does not want to lose momentum with regards to study strategies for surplus and shortages. The outcome of the ITS' last operations work group meeting was that they have developed a number of studies looking at a variety of alternative ways to operate the River in surplus and shortages, and would like to follow through with some kind of study activity and get some more input.

The BOR has decided to form a special team working with the states to discuss modeling and assumptions. They would like to focus the team less on policy and more on issues. The technical team will be formed in conjunction with the Annual Operating Plan workgroup. There will be an interaction between the technical group and the workgroup.

The AOP process is not completed but July 29 is the formal consultation to present the plan that will be sent to the Secretary of Interior. The report has been drafted and is being routed internally within the BOR for comments and revisions.

California continues to work on their plan, the outline, series of bullet points, with regards to what kind of components they have. The California plan does identify that the Arizona Water Bank storage may be part of the plan.

Bill Chase asked what is the schedule to meet with California. Mr. Dishlip answered that there is another meeting of the state representatives scheduled for August 11 in San Diego.

Mr. Henley stated that there have been two meetings with Nevada since the May 21 Water Banking meeting. At the last meeting it was indicated to Nevada that the Bank would like information on what Nevada thought certainty meant and how they might try to address certainty. At the same time, Nevada asked the Water Bank what the Bank thought about forbearance and how it could work in terms of making sure the water was still available and wasn't taken by lower priority users in Arizona. Nevada brought back many issues of concerns about certainty, and the Bank has now been able to focus the discussion on how Arizona thinks interstate banking might work and give Nevada a better understanding, which may help them focus better on what certainty means to them and what they are willing to pay for certainty.

In conjunction, the Water Bank and Larry Dozier met with Nevada to talk about the issue of pricing. Nevada wanted a better understanding on how CAP water was priced.

Herb Dishlip has put together a brief paper looking at forbearance and the process that it would go through to come up with water that would be available for Nevada or California, if they are interested. The first step is that Nevada and California would have to identify to the Bank what they would like to recover at any given periods in the future. They would be placing their order with the Bank against the credits that have been recharged for them. At that time the Bank would have to confirm with the CAP that they are capable of forbearing that water, or recovering the water for their use, so that they could forebear it. After that, the Secretary defines how much water is available for Arizona to be ordered against Arizona's uses, or entitlement in that year. Arizona, at that time, will place the orders.

Ms. Pearson asked when the draft will be available for review by the Authority members. Mr. Dishlip answered that it could be available by fall.

Lake Mead Litigation Summary

Chuck Cahoy, Deputy Counsel for ADWR, gave an overview of the ongoing Lake Mead lawsuit stating that there has been a ruling by Judge Carroll. The court denied the BOR motion to dismiss Amendment Count 1. The BOR had claimed that the Southwest Center had not given the required 60 days notice to the Secretary on intent to sue, which is required, and the court found that this action was in essence claiming that the Secretary has abused his discretion and made other errors on the biological opinion and therefore was brought under the administrative procedures act, not the endangered species act. The administrative procedures act does not have a 60-day notice requirement and therefore the motion to dismiss was not granted and further action will be held on that count.

Counts 2 & 3: BOR failed to consider impact on endangered species, its reservoir operations and that its actions constitute the danger to the southwestern willow flycatcher. The court found that those actions were based on the endangered species act, therefore the 60 days notice provision did apply. The Judge dismissed Counts 2 & 3.

Ms. Pearson stated that she was in Washington DC with representatives from California and Nevada. She attended a briefing with the BOR to the congressional staff of the three states on this litigation and more specifically on the recent agreement by the three states and several of the agencies of the Interior to create a multi-state conservation plan. This is designed to deal with the preservation of more than 100 species, both plant and animal, on the Lower Colorado River, down to the Mexico border.

The focus was basically on the litigation, and the concerns of the ability of the BOR to operate the reservoir system on the Lower Colorado. It was being jeopardized by this litigation and what is expected to be a series of litigation efforts dealing with operations on the Lower Colorado and the fact the steps to be taken is to go back to Washington and amend the endangered species act to minimize the ability of the citizens' suits to threaten the operations of the Lower Colorado.

Call to Public

Dave Iwanski asked if it is the intent to limit the talks on the agreement between the Arizona Water Banking Authority and Mohave County Water Authority or will it be opened to other Mohave County water authority members. Tim Henley stated that this issue is still undecided. It really depends if the Mohave County Water Authority will act for all other entities, or if they have to be parties because they are the ones that hold the contracts. Mohave County Water Authority only holds one contract out of several in Mohave.

The agreement initially looked at was between the Mohave County Water Authority and its entities and the Water Banking Authority. If the Mohave County Water Authority could enter the agreement for all its members and satisfy their needs, which is to firm their contract, then it would be a two-party agreement between the Bank and the Authority. The Authority raised the question that in fact if the Department (ADWR) is involved in the overall contract for the River, if they should be a party to the contract.

Mr. Iwanski then stated that he would need to talk to Tom Griffin if there are other interested parties outside of the Mohave County Water Authority. He stated that he would like to address some of the issues with regards to firming, potential supplies and banking in areas other than geographic Mohave County area. He felt that those that are interested are not precluded in participating.

Mr. Henley commented that if other entities need an agreement similar to what Mohave County's looking at for the Bank, the Bank would be interested, too.

Don Pope asked if the in lieu recharge Ag water is credited to M&I. Ms. Pearson stated that CAWCD looks at the end use, what ultimately is the use of the water supply and the conclusion that ultimately it will be available to firm up M&I utilization, therefore it gets credited against use in the M&I column and ultimately raises the operational costs for the CAP.

Mr. Pope stated if the in lieu recharge is economical to do than the other way then why is in lieu is not maximized. Some entities are more interested in doing direct recharge, that they feel more comfortable building the recharge sites, particularly in the Tucson area where they have the Prop. 200 constraints. Looking at incentive pricing, Ms. Pearson felt that it is to get the best price possible for the Bank, and an incentive price might be more useful if the Bank can get more recharge, given the geographic constraints. Bill Chase stated that prices are set and its really a judgement call.

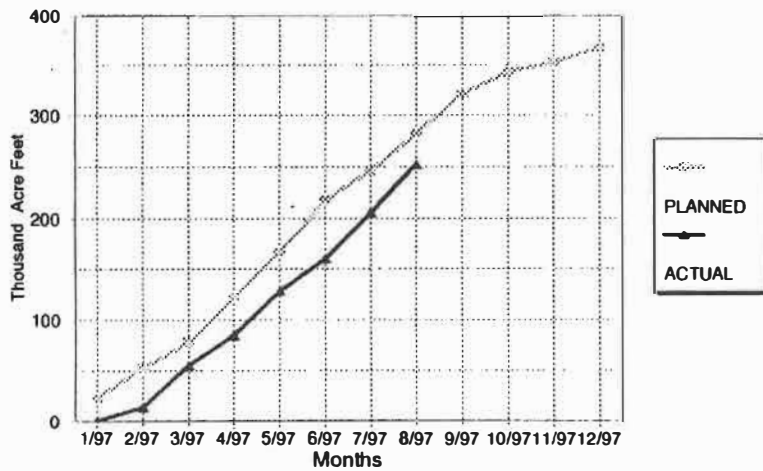
Mr. Pope addressed the Lake Mead issues, stating that there may be something coming from Yuma in regards to the problem with trying to clear the river from Morales. He commented that he hopes they get the same support.

Representative McGibbon asked if the Pima Mine Road site, under construction, plays any role in the Indian rights water settlement. Whether there is a dual purpose for using that site in order to satisfy some water rights settlements. Mr. Henley answered that there is a potential for that site. It has the potential to provide for water right settlements. Ms Pearson stated that she is not aware of any specific discussions about it having settlement possibilities, but it could.

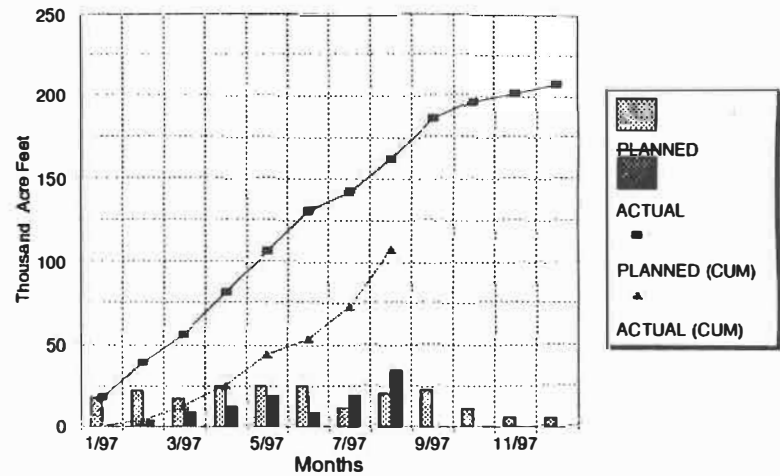
Ms. Pearson adjourned the meeting at 11:25 a.m.

1997 PLAN OF OPERATION

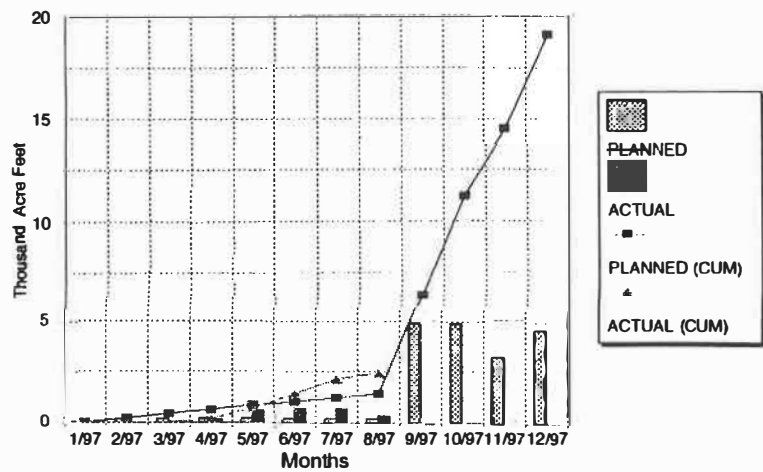
CUMULATIVE DELIVERIES (by Month)
Planned vs. Actual



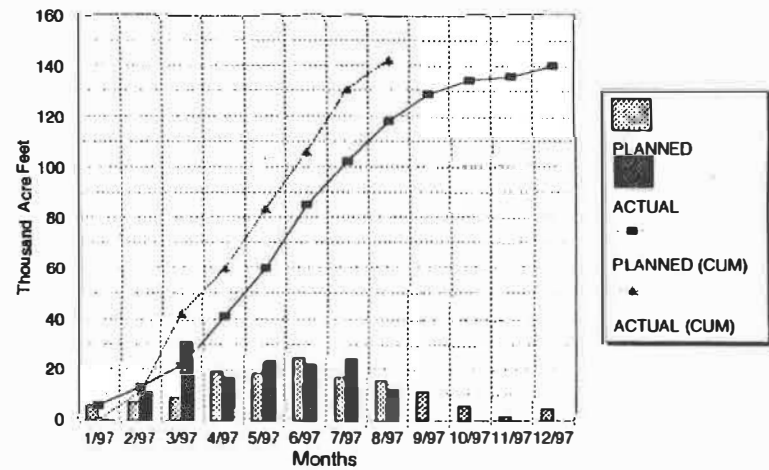
PHOENIX AMA DELIVERIES (by Month)
Planned vs. Actual



TUCSON AMA DELIVERIES (by Month)
Planned vs. Actual



PINAL AMA DELIVERIES (by Month)
Planned vs. Actual



Actual deliveries updated 19-Aug-97

	jan	feb	mar	apr	may	jun	jul	aug	total	
Phoenix AMA										
GRUSP	0	0	1,961	0	8,302	727	0	8,000	18,990	GRUSP
RWCD	0	0	3,689	8,121	8,326	4,676	8,267	6,240	39,319	RWCD
NMIDD	0	3,310	3,490	4,400	2,100	3,700	6,992	9,700	33,692	NMIDD
QCID	0	0	0	0	0	0	3,566	7,155	10,721	QCID
MWD	0	0	0	0	0	0	578	3,700	4,278	MWD
CHCID	<u>0</u>	<u>100</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>0</u>	<u>350</u>	CHCID
Subtotal	0	3,410	9,190	12,571	18,778	9,153	19,453	34,795	107,350	
Pinal AMA										
CAIDD	0	6,825	19,967	8,208	10,000	0	0	0	45,000	CAIDD
MSIDD	0	2,446	8,422	5,402	8,923	12,780	10,940	7,010	55,923	MSIDD
HIDD	<u>0</u>	<u>1,400</u>	<u>3,300</u>	<u>3,300</u>	<u>5,015</u>	<u>9,575</u>	<u>13,485</u>	<u>5,000</u>	<u>41,075</u>	HIDD
Subtotal	0	10,671	31,689	16,910	23,938	22,355	24,425	12,010	141,998	
Tucson AMA										
Avra Vally	0	0	0	55	644	743	695	300	2,437	Avra Vally
CAVSRP	0	0	0	0	0	0	0	0	0	CAVSRP
Pima Mine	0	0	0	0	0	0	0	0	0	Pima Mine
Lower Santa Cruz	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	L. Santa Cruz
Subtotal	0	0	0	55	644	743	695	300	2,437	
TOTAL	0	14,081	40,879	29,536	43,360	32,251	44,573	47,105	251,785	

Arizona Department of Water Resources

Recent Announcements

About ADWR

Arizona Water Information

Interactive Reference Data

Forms & Publications

Internet Links

Securing Arizona's Water Future



ADWR works to secure long-term water supplies for Arizona's communities. ADWR administers state water laws (except those related to water quality), explores methods of augmenting water supplies to meet future demands, and develops policies that promote conservation and equitable distribution of water. Also, ADWR oversees the use of surface and groundwater resources under state jurisdiction and negotiates with external political entities to protect Arizona's Colorado River water supply. Other responsibilities include management of flood-plains and non-federal dams to reduce loss of life and damage to property. The Department is not a municipal water provider.



This Web site was developed by [staff](#) at the University of Arizona's [Water Resources Research Center](#). Questions, suggestions, additions and other input can be sent with our [COMMENT FORM](#)

©1997, Arizona Department of Water Resources for the State of Arizona.

The State is not liable for any damages resulting from information that is unintentionally inaccurate or untimely.

This site is hosted on the [College of Agriculture's server](#) at the University of Arizona.



JOHN F. KENNEDY SCHOOL OF GOVERNMENT HARVARD UNIVERSITY

INNOVATIONS IN AMERICAN GOVERNMENT



An Awards Program of the Ford Foundation and Harvard University

★ Welcome

NEW ★ Current Award Year Updates

NEW ★ 10 Lessons Learned

NEW ★ Award Winners

★ Awards Calendar and Criteria

★ 1997 Innovations Application

★ Innovations Program Staff

★ Innovations National Selection Committee ★ Innovations Research **Updated**

★ Other WWW Resources



JFK School of Government, Harvard University

This is a working document. Your comments and suggestions are encouraged.

Aaron C. Yeater, Web Manager.

Last Modified: August 6, 1997



The Innovations in American Government Program

A Program of the Ford Foundation and Harvard University



The Ford Foundation and the John F. Kennedy School of Government at Harvard University announce the Innovations in American Government awards.

The Innovations Program strives to identify and celebrate outstanding examples of creative problem-solving in the public sector. Since its inception in 1986, the Program has recognized 180 innovative programs, which have received \$12 million in Ford Foundation grants. (No awards were made in 1989.) Of these programs, 105 have received \$100,000 grants, and 75 have received \$20,000 grants, which were first awarded in 1992.

In 1995, eligibility was expanded from innovations in state and local government to encompass innovations in federal government as well. All units of government--federal, state, and local, tribal, and territorial--within the United States of America are now eligible for recognition and awards.

While the Program encompasses all levels of American government, it retains its historic focus on domestic programs. Innovations that arise within defense and international agencies are eligible, but only if they have significant domestic policy content (for example, job training, base conversion, procurement reform, energy conservation, or environmental protection within the United States and territories).

The Innovations in American Government awards are intended to draw attention to exemplary achievements in government problem-solving and to amplify the voices of public innovators in communicating their practices. In addition, the Kennedy School develops instructional materials based on the contributions of award-winning innovations to the art of creative problem-solving in the public sector. Federal Awards are managed by the Council for Excellence in Government in Washington, D.C.

Wednesday, August 13, 1997

3:33 PM

**Arizona Department of Water Resources
Award of Solicitation
- Technical Consulting Services**

Four Corners Environmental, Inc.

Phoenix, AZ

Contact: Richard J. Brose

Errol L. Montgomery & Associates, Inc.

Tucson, AZ

Contact: Mark M. Cross

Camp Dresser & McKee, Inc.

Tucson, AZ

Contact: Michael A. Fleury, P.E. DEE

Groundwater Resources Consultants, Inc.

Tucson, AZ

Contact: David B. Hawkins

Bookman-Edmonston Engineering

Phoenix, AZ

Contact: C. Laurence Linser

Westland Resources, Inc.

Tucson, AZ

Contact: Peter A. Livingston

GeoSystems Analysis, Inc.

Tucson, AZ

Contact: Michael Milczarek

Lone Mountain Archeological Services

Albuquerque, NM

Contact: Deni Seymour

Arizona Water Banking Study Commission Subcommittee Meeting Schedules

Indian Issues -

August 27, 1:00 p.m. - 3:00 p.m.

Interstate & Intrastate Banking and Marketing Issues -

August 27, 10:00 a.m. - 12:00 p.m.

Planning and Modeling Assumptions -

August 28, 9:00 a.m. - 11:00 a.m.

Water Banking Benefits Outside of CAP Service Area -

August 19, 10:00 a.m. - 12:00 p.m.

All meetings to be held at the Arizona Department of Water Resources unless otherwise noted.

*This is a tentative agenda that is subject to change prior to the scheduled meeting date. Please contact the AWBA at (602) 417-2440 24 hours in advance of meeting for final agenda.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Arizona Water Banking Authority at (602) 417-2440 or (602) 417-2455 (TDD). Requests should be made as early as possible to allow time to arrange the accommodation.



SOUTHERN NEVADA
WATER AUTHORITY

Administrative Office
1001 S. Valley View Blvd.
Las Vegas, Nevada 89153
Telephone: (702) 258-3939
Fax: (702) 258-3268

Project Office
1900 E. Flamingo, Ste. 170
Las Vegas, Nevada 89119
Telephone: (702) 862-3400
Fax: (702) 862-3470

July 25, 1997

Mr. Tim Henley, Manager
Arizona Water Banking Authority
500 North Third Street
Phoenix, Arizona 85004

Dear Mr. Henley,

SUBJ: INFORMATIONAL TOUR OF WATER BANKING AUTHORITY'S PRIMARY
RECHARGE SITES

The Southern Nevada Water Authority (SNWA) is interested in a technical tour of artificial recharge sites the Arizona Water Banking Authority (Bank) envisions utilizing for interstate banking. SNWA would like to tour the following sites and/or other potential large scale sites the Bank may utilize in the future (the sites are prioritized if time becomes a limiting factor):

Phoenix AMA: 1) Aqua Fria
2) Hassayampa
Tucson AMA: 3) Avra Valley (pilot project)
4) Pima Mine Road

SNWA is interested in the technical information associated with these sites including infiltration rates, aquifer characteristics, and water quality, as well as information regarding permitting requirements, conveyance capacity of Colorado River water, and potential recovery of recharged water within the AMA (acknowledging that recovery issues are preliminary).

SNWA is also interested in information on proposed sites, including sites that are outside AMA boundaries. Information on the Harquahala, Butler Valley, and Ranegras Plain are desired, along with the status and technical information collected to date on Queen Creek, Peoria/Skunk Creek, Brawley Wash, Canada Del Oro, South Avra Valley, and Tangerine Road.

A general map of the conveyance system used to supply in-lieu users with water is also desired. A conceptual understanding of the conveyance systems and some discussion on the use of Salt and Verde River water will enhance our knowledge of in-lieu recharge and canal-capacity limitations.

BOARD OF DIRECTORS

Mary J. Kincaid, Chair
County Commissioner

Paula L. Brown
North Las Vegas Councilman

Robert A. Groesbeck
Mayor, Henderson

Eric L. Lundgaard
Mayor, Boulder City

Myrna Williams
County Commissioner

Bruce L. Woodbury
County Commissioner

Patricia Mulroy
General Manager

Arnie Adamsen, Vice Chairman
Las Vegas Councilman

Mr. Tim Henley, Arizona Water Banking Authority
July 23, 1997
Page 2

As we discussed three people, Susan Selby, Jeff Johnson, and Terry Katzer, will attend the tour scheduled for August 21 and 22. We look forward to meeting with you and will contact you on or about August 18 to finalize times.

If you or your staff have any questions, please contact me or Jeff Johnson at (702) 258-3176 or 258-3948, respectively.

Sincerely,

A handwritten signature in cursive script that reads "Kay Brothers". The signature is written in black ink and is positioned above the typed name and title.

Kay Brothers
Director, SNWA Resources

KB:JJ:sh

c: David A. Donnelly, Deputy General Manager, Engineering/Operations

Calif. official unveils plan to conserve on water use

By Tony Perry
Los Angeles Times

SAN DIEGO — California's top water official Monday unveiled an intricate plan for Southern California to survive with significantly less water from the Colorado River in case the federal government makes good on a threatened cutback.

But the plan would require unprecedented cooperation between warring water agencies and also acquiescence from neighboring states whose anger over Southern California's lavish water use has been rising.

And neither that intrastate cooperation nor interstate acquiescence was immediately evident.

"California wants to continue to enjoy free water," complained Pat Mulroy, general manager of the Las Vegas-based Southern Nevada Water Authority.

As unveiled by David Kennedy, director of the state Department of Water Resources, the so-called California Plan contained blanks where crucial numbers about water usage and crop acreage should be.

What's more, a key portion of the plan, storing surplus water in Lake Mead, was immediately opposed by representatives from Colorado, Nevada and Arizona who had been invited to attend the meeting of California water agencies that draw on the Colorado River. The Arizona representative called the idea "a fairy tale" that will never happen.

Kennedy, an appointee of California Gov. Pete Wilson, is attempting to cobble together a plan to keep the state from being unprepared if U.S. Secretary of the Interior Bruce Babbitt carries through on his threat to reduce California's use of Colorado River water by upward of

20 percent.

"It's either this or 20 years of litigation," Kennedy said during a break in the meeting of the Colorado River Board of California.

Babbitt's top water consultant, a law professor at the University of California's Boalt Hall, expressed optimism, albeit cautiously, that an agreement can be reached on a list of divisive issues.

"There have been big steps taken but there are still a lot of blanks," said professor Joseph L. Sax.

The region's three agricultural districts meet weekly with Kennedy, Metropolitan Water District and other interested parties but progress on key points has been slow.

As outlined by Kennedy, the California Plan includes San Diego County buying water from water-rich Imperial Valley, and officials in Imperial Valley, Palo Verde Valley and Coachella Valley agreeing to cap the number of acres being irrigated with Colorado River.

The crucial numbers — how much water San Diego will buy, how much San Diego will pay MWD to have the water sent to San Diego via MWD's aqueduct, and the acreage limit to be imposed on the three agricultural districts — are still under negotiation.

Another key part of Kennedy's plan would be an agreement among Southern California agencies to stop complaining to the federal government that their neighboring agency is wasting water.

The urgency to develop a conservation plan springs from a tough speech last December by Babbitt, in which the former Arizona governor was blunt that California had been living wide and wet on other people's water for too long.

ARIZONA REPUBLIC, CL12

TUESDAY, AUGUST 12, 1997

The San Diego Union-Tribune

(Page B-2: 1,6,7,8; B-8:2,3,4,5)

Plan to tap water from Imperial Valley gains | State official sees some progress

Steve La Rue
STAFF WRITER

12-Aug-1997 Tuesday

A plan to pump conserved farm water from the Imperial Valley into San Diego County gained regional legitimacy yesterday from the state's director of water resources.

The plan to import 200,000 acre-feet of conserved irrigation water per year -- that's nearly half the amount San Diego County currently imports -- is among several programs in a preliminary state plan to cut California's use of water from the Colorado River.

California is entitled to 4.4 million acre-feet of that water each year but recently has been using about 5.2 million acre-feet.

Last December, Interior Secretary Bruce Babbitt criticized the state for guzzling the river water and told California to devise a plan to live within its legal entitlement, or face a cutoff of surplus river water in wet years.

"This is work in progress, I hope, with the emphasis on progress," David Kennedy, state director of water resources, said yesterday of a preliminary version of what is called "California's 4.4 Plan."

The venue was the Doubletree Hotel in Mission Valley at a meeting of officials of the seven states with entitlements on the river. The states are Utah, Colorado, Wyoming (the river's Upper Basin) and Nevada, Arizona, New Mexico and California (in the river's Lower Basin.)

An acre-foot is about 326,000 gallons, enough to satisfy the household needs of two families of four for a year.

"This is an endorsement of the direction we have been moving in all along," said Christine Frahm, chairwoman of the 34-member board of the San Diego County Water Authority.

The authority buys about 430,000 acre-feet of water a year from the Metropolitan Water District, which imports it from the Colorado River and

rivers in Northern California.

The draft plan also includes a number of important blanks where disputed issues have to be worked out among California agencies.

One involves the terms of the water transfers, which are expected to be agreed upon within several weeks by negotiators for the San Diego County Water Authority and the Imperial Irrigation District.

A more thorny issue is the rate that the Metropolitan Water District should be allowed to charge the water authority for transporting the Imperial Valley water over MWD'S 242-mile Colorado River Aqueduct.

Still another sticking point is a proposal by MWD to change the rules for the operation of Lake Mead to allow California to save, or "bank," water in that federal reservoir that it does not use in wet years, so that it is available in drier years.

Rita Pearson, director of the Arizona Department of Water Resources, said her state strongly opposes this because it has the last priority to river water.

"California gets all the benefit and Arizona takes all the risks and gets no benefit," under this plan, she said. John Wodraska, MWD general manager, said MWD might offer to share water with Arizona during shortages so it can achieve water banking on Lake Mead. MWD officials say water banking would benefit Southern California.

The draft plan also includes a 60-day deadline for water agencies to settle their disputes, and it cannot go into force without such settlements.

"They can either do that or they can all go off to court for the next 20 years to 10 years," Kennedy said of the water agencies.



News



Site Index



Los Angeles Times

SCIENCE

HELP?

Introducing Flat Rates For Business
Long Distance Made Easy



Tuesday, August 12, 1997

Water Thrift Plan for State Unveiled

■ Resources: Complex proposal would have agencies cooperate to cut Colorado River use. Neighboring states say California is still unfair and call the idea a 'fairy tale.'

By TONY PERRY, Times Staff Writer

[PREV STORY](#)

[NEXT STORY](#)

SAN DIEGO--The state's top water official Monday unveiled an intricate plan for Southern California to survive with significantly less water from the Colorado River in case the federal government makes good on a threatened cutback.

But the plan would require unprecedented cooperation between warring water agencies and acquiescence from neighboring states whose anger over Southern California's lavish water use has been rising.

And neither that intrastate cooperation nor interstate acquiescence was immediately evident.

"California wants to continue to enjoy free water," said Pat Mulroy, general manager of the Las Vegas-based Southern Nevada Water Authority.

As unveiled by David Kennedy, director of the state Department of Water Resources, the so-called California Plan contained blanks where crucial numbers about water usage and crop acreage should be.

What's more, a key portion of the plan, storing surplus water in Lake Mead, was immediately opposed by representatives from Colorado, Nevada and Arizona who had been invited to attend the meeting of California water agencies that draw on the Colorado River. The Arizona representative called the idea "a fairy tale" that will never happen.

Kennedy, an appointee of Gov. Pete Wilson, is attempting to cobble together a plan to keep the state from being unprepared if Secretary of the Interior Bruce Babbitt carries through on his threat to reduce California's use of Colorado River water by more than 20%.

"It's either this or 20 years of litigation," Kennedy said during a break in the meeting of the Colorado River Board of California.

Babbitt's top water consultant, a professor at the University of California's Boalt Hall School of Law, expressed optimism, albeit cautiously, that an agreement can be reached on a list of divisive issues.

"There have been big steps taken but there are still a lot of blanks," said Joseph L. Sax. "As you know, there is a long history of non-progress on these issues."

Southern California's three largest agricultural water districts--in the Coachella, Palo Verde (Blythe area) and Imperial valleys--continue to meet weekly with Kennedy, the Metropolitan Water District and other interested parties, but progress on key points has been slow.

"Sometimes I leave the meetings and I feel good," said Tom Levy, general manager of the Coachella Valley Water District. "Other times I leave and feel suicidal."

Kennedy said he hoped to have a proposal ready within two months. As he has outlined it, the California Plan includes San Diego County buying water from the water-rich Imperial Valley, and officials in the Imperial, Palo Verde and Coachella valleys agreeing to cap the number of acres being irrigated with Colorado River water.

The crucial numbers--how much water San Diego will buy, how much San Diego will pay the MWD to have the water sent to San Diego via the district's aqueduct, and the acreage limit to be imposed on the three agricultural districts--are still under negotiation.

Another key part of Kennedy's plan would be an agreement among Southern California agencies to stop complaining to the federal government that their neighboring agency is wasting water.

Coachella, for example, has long complained that the Imperial Irrigation District, the largest water user in Southern California and the largest agricultural irrigation district in the country, is notoriously wasteful.

"If we're going to have peace," Kennedy said, "we're going to have to start by not having any side skirmishes."

Said Levy, "He wants to cut my tongue out."

Kennedy's plan calls for storing surplus water in Lake Mead, the behemoth reservoir behind Hoover Dam. That is particularly important to the MWD, water wholesaler to 16 million people in Southern California, because it would allow the mega-agency to "bank" water for years in which the Colorado River flow is diminished.

Other states, however, oppose such a move for fear it would turn Lake Mead into a reservoir for California and not a facility for several states. Lake Mead is run by the federal government, which would have to approve the banking idea.

The Arizona, Colorado and Nevada officials said Kennedy's plan for conservation and sharing does not go far enough. They complained that it does nothing to prepare for years in which the Colorado River dips so that not even the assured allocations--in California's case, 4.4 million acre-feet--can be counted on.

"What I see is an effort by California to continue to use 4.4 million for an indefinite period of time" even in low years, said Rita Pearson, director of Arizona's Water Resources Department. "That is simply unfair."

California for years has been exceeding its Colorado River allocation and has known that it could not continue to do so

indefinitely. The urgency to develop a conservation plan springs from a tough speech last December by Babbitt, in which the former Arizona governor bluntly stated that California had been living wide and wet on other people's water for too long.

In a speech to officials from the seven Western states that draw from the Colorado River, Babbitt said California could no longer count on taking more water each year from the Colorado River than it is guaranteed under a decades-old agreement between the states and the federal government.

Officials in Arizona, Nevada, Colorado, Utah, Wyoming and New Mexico have pressured the federal government to rein in California's draw from the Colorado River, which supplies 70% of Southern California's water.

Last year, California took 18% more than its allocated share, largely because Babbitt declared that Arizona and Nevada had unused surplus allocations. But those states are rapidly approaching the day when they will need their entire allocations, leaving California with a shortfall.

That 18% represents 800,000 acre-feet, enough to satisfy the needs of 1.6 million families for a year--hence the pressure on California and its regional agencies to find a way to survive with less through conservation and sharing.

To provide even greater incentive for California to change its water-using ways, Babbitt said that he would like to see a plan from California even before Nevada and Arizona begin needing their entire allocations.

Without such a plan, Babbitt said, he would be disinclined to declare the unused portion of Nevada and Arizona's allocations to be surplus, thus leading to an immediate and drastic cutback for Southern California.

Sax, who assisted Babbitt in writing the speech, said the two-month time frame mentioned by Kennedy seems appropriate for getting a plan to the Interior chief. In two months Babbitt would just be deciding whether surpluses exist for 1998.

[Search the archives](#) of the Los Angeles Times for similar stories. You will not be charged to look for stories, only to retrieve one.

Copyright Los Angeles Times

[PREV STORY](#)

[NEXT STORY](#)

News Site Index



Las Vegas SUN archives

August 14, 1997

A thirst for the Colorado

California's water appetite leaves bad taste in Arizona, Nevada mouths

SANTA ANA, Calif. (AP) -- California wants another month or two to fill in the blanks of a plan for living on its share of the Colorado River.

But those blanks are about as big as California's water needs, and its neighbors say it is past time for the thirstiest state in the West to quit hogging the trough.

"Mother Nature has been kind to California these past couple of years, but it won't always be kind," said Pat Mulroy, general manager of the Southern Nevada Water Authority.

Other states, which have been letting California take their "surplus" water, may not always be kind either, she suggested.

"Let's talk about shortages, let's anticipate what a shortage would look like and how we're going to deal with it," Mulroy said Wednesday, two days after a draft of the long-awaited "California plan" was circulated at a San Diego meeting by California's top water official.

Agreement sought

David Kennedy, director of the state Department of Water Resources, has been trying to patch together a master agreement among Southern California's cities, which have a low priority for Colorado water, and the farm districts that have enjoyed first call for most of this century.

The object is to bring California within its Colorado River allocation of 4.4 million acre-feet annually. An acre-foot is enough water for one or two families a year, and California in recent years has been taking about 5.2 million acre-feet.

"I'm pleased to see that there is a plan, finally," said Rita Pearson, director of Arizona's Department of Water Resources. "But it's not really a 4.4 plan. It's a 5.2 plan."

California, in other words, still envisions taking more than its share.

Local water suppliers wonder what's wrong with that. Thanks to several wet

years, there is now plenty of water in the river and the reservoirs. Forecasts are for more surplus.

"One of the presumptions of the other states is that if there is surplus water and if California is entitled to it, that somehow we shouldn't be able to make use of it," said Wayne A. Clark, board president of the Orange County Water District in Southern California.

"I'm not sure what that presumption is based on," he said.

"It's sort of like California, at least the coastal area, is sort of the Evil Empire," he said. "That's a facetious comment, but it seems to be the perception."

A major obstacle to the plan has been strife in the giant Metropolitan Water District of Southern California. San Diego has been negotiating with the Imperial Irrigation District, a high-priority agricultural user, for a guaranteed supply.

Other MWD members claim San Diego is hurting them by cutting its own deal. Kennedy's plan approves a San Diego "wheeling" agreement in principle but offers no specifics on prices or quantity.

It does call on the farm districts finally to quantify how much water they need for agriculture so cities can budget for themselves.

It envisions storing water in Lake Mead for dry years, but doesn't suggest specific criteria for sending water downstream.

If all governments, irrigation districts and Indian tribes along the river took all their entitlements most years, the Colorado would dry up.

Most to lose

And in a drought, Nevada, with the smallest allocation and no guaranteed farm water, would have the most to lose, Mulroy said.

"Neither Arizona nor Nevada are going to allow the reservoirs to be drawn down," she said. "If you want me to do something on your behalf and I have to bear the risk ... I'm not going to do it, am I?"

Kennedy has earned a diplomat's reputation, shuttling among the conflicting parties in California's water wars. But there's no guarantee that a final document can be completed soon, said Anita Fante, spokeswoman for the California water department.

Kennedy on Monday speculated it would take two months; in a meeting Wednesday he suggested only one month, said Keith G. Coolidge, a spokesman for the Orange County district.

"As long as California's demand is over 4.4 million, Arizona and Nevada are at risk," Pearson said.

"We have a lot of confidence in Dave Kennedy. It's a doable plan," Clark said.
"We have to work this out, and the pressure is on. I think we're going to come up with a supportable conclusion."

[Las Vegas SUN archives main page](#)

Questions or problems? [Click here.](#)

All contents copyright 1997 Las Vegas SUN, Inc.

Portions copyright 1997 Associated Press.

This page last modified Thursday, August 14, 1997 18:23:21

Las Vegas SUN archives

August 16, 1997

Where I Stand: We can't wait another 22 years to solve water problems

WE ALL NEED WATER, and the present facilities have us flirting with disaster each and every summer. In today's guest column, Patricia Mulroy, general manager of the Southern Nevada Water Authority, discusses improvements needed to continue serving the water needs of our growing communities, and whether a sales tax increase may be the feasible answer.

—

ASK ANY HISTORIAN, *What is the single most defining characteristic of Western living?* and he no doubt will tell you it is the availability of water. Even in Las Vegas, where we sell fantasy and sometimes tend to take things for granted, we have struggled to find ways to provide our precious water resources -- without which life would not be possible in this harsh desert.

Travel back in time to 1949. "A crisis came on July 19, 1949, when Mayor E.W. Cragin ordered a ban on lawn sprinkling between the hours of 9 a.m. and 5 p.m. because many sections of the city in higher elevations were without water. ... Sixteen million gallons of water per day were being used, at the rate of 700 gallons per capita. ... Harry Miller, president of the Las Vegas Valley Water District, seized the opportunity to tell the public, 'If there is any doubt in anyone's mind as to the need to bring in Lake Mead water for Las Vegas, the experience of the last few days should dissipate those doubts.'" (From "Water: A History of Las Vegas," by Florence Lee Jones and John F. Cahlan.)

That was in 1949. At that time, in an effort to save money, the water district for many years delivered raw, untreated Colorado River water to its customers through a tie-in to the Basic Management Inc. facilities. It wasn't until 1971 that the first stage of the Southern Nevada Water System was completed and treated river water, fit for human consumption, was finally delivered to our customers. Why did it take almost a quarter of a century of depleting our groundwater supplies and exposing our community to immense health risks before these essential facilities were built? Because no one was willing to pay for them. It wasn't until Nevada's congressional delegation secured federal assistance, and the transmission system and treatment plant were constructed by the U.S. Bureau of Reclamation and the state, that a more updated water system became reality.

In 1997, almost 50 years since Colorado River water first flowed into our valley, we confront the same issues – only this time the stakes are much higher. Now, the affected population is significantly larger, the economic consequences of failure are frightening to measure, and there is absolutely no hope of being bailed out of our dilemma by the federal government.

Today, *one single pipeline* delivers virtually all the water from Lake Mead used by a community of 1.2 million people. Individually our citizens use only 190 gallons per person per day. But coupled with 32 million yearly visitors, we are collectively demanding more than 500 million gallons each day during the summer months. That one piece of pipe that has served us well for 26 years simply cannot squeeze out enough water to meet our current needs.

Many people believe the new water system facilities being built only benefit those who are yet to move to Las Vegas. In truth, the need is far more immediate. We lack the needed pipes, pumps and reservoirs *today*. Every summer we flirt with severe water shortages. Because we have a limited backup system, we live on the razor's edge year-round. Had the accident that shut down the treatment plant for two days in February happened in July – when we use three times more water – or lasted longer, we would have had no choice but to ban all outdoor water use and severely restrict indoor water use. The fire threat to the community would also have been immense as dried-out dead grass, shrubs and trees exacerbated the danger.

Obviously, there would have been no outside irrigation, businesses would most likely have been shut down, and, quite candidly, the tourists would probably have had to leave because it is doubtful the Health District would allow the hotels to continue to operate without sufficient water.

Imagine this town without water for one week. What do you suppose would happen? When your entire existence is dependent on a single piece of aging pipe, the risk is tremendous. The question is not *Can we afford to build the system?* but *Can we afford not to build the system?*

If we adopt the premise that the system must be built, the issue becomes how do we pay for it and *who* should pay. In response to the community's desire to "have growth pay for growth," 79 percent of the system improvements are being paid for through connection charges paid by developers and 21 percent from water rates.

When a 24-member, multifaceted citizens committee looked at this 79/21 split it had several concerns. The first was the long-term effect on connection charges and water rates if there is no other funding source. It realized that in just a few years the 79 percent connection charge adds almost \$30,000 to the price of a modest new home, thereby making a home unaffordable to approximately 42,000 families who will have to stay in apartments indefinitely. As a result, the nature of our community could change dramatically from neighborhoods filled with a high percentage of homeowners to a more dense area filled with apartment dwellers.

One of the citizens committee's biggest concerns is the risk to the water ratepayer created by the lack of a third revenue source. Should any shortfall occur in connection charges, revenue will have to be made up by increased water rates. What does this mean? The additional cost for water to the homeowner in the summer will be \$1.33 per month *with the sales tax* and with normal, not extraordinary growth, \$15.90 *without the sales tax*. For a typical homeowners' association where it would cost \$6,396 *with the sales tax*, it would jump to \$76,752 *without the sales tax*. And for an average mobile home park, \$260 *with the sales tax* and \$3,127 *without the sales tax revenue*.

The citizens committee felt it would not be responsible to leave water rates -- and the ratepayers -- this vulnerable, and determined a third revenue source was critical to create a greater level of financial stability for our community water sources. A sales tax will also allow the tourists to ante up their fair share.

The dilemma faced by the Southern Nevada Water Authority is one of time. We were successful in completing the 1997 phase improvements (without which we would have had severe water shortages this summer) on time and \$15 million under budget. And we know we can't stop. Just to meet our present demands we must build *at least* the facilities needed through 2002 -- just four short years away. That means before the end of 1998 we will have awarded contracts approaching \$1.5 billion.

If the sales tax issue is not resolved before that, water rates alone will have to provide the guarantee to our bond buyers that the debt -- already spent -- will be repaid. In 1949, with just a few thousand residents, we could afford to stall for 22 years. Unfortunately, this time we don't have that luxury.

[Las Vegas SUN archives main page](#)

Questions or problems? [Click here.](#)

*All contents copyright 1997 Las Vegas SUN, Inc.
 Portions copyright 1997 Associated Press.
 This page last modified Saturday, August 16, 1997 17:10:39*

Colorado River Board 4.4 Plan California's Use of Its Colorado River Allocation

Preamble

The Colorado River Board (CRB) of California agencies recognize and agree that the components of the Plan are an inseparable package and none of the components can be implemented until the final agreement is approved by all of the agencies and the Secretary. All of the agencies agree to cooperate fully with each other, and with other agencies or governments as necessary, to secure the prompt and effective implementation of all aspects of this Plan, and to achieve as far as practicable the acceptance and implementation of the Plan within the Colorado River Basin.

Purpose

Establish the State's plan for California living within its allocation of Colorado River water.

- o Develop a conceptual water budget
- o Identify necessary conservation/transfer programs
- o Identify potential additional sources of water
- o Outline an implementation schedule for the various programs
- o Describe administration and accounting procedures
- o Identify related issues and programs

Problem Statement

- o California's current use of Colorado River water is averaging approximately 5.2 million acre-feet (MAF) a year, while its mainstream basic apportionment is 4.4 MAF a year, plus one-half of any available surplus water.

- o Of the 4.4 MAF, the agricultural agencies have the first three priorities, not to exceed a total of 3.85 MAF, and the Metropolitan Water District (MWD) has the fourth priority of 550,000 acre feet. MWD also has the fifth priority of 662,000 acre-feet. Several of the agencies have contracts to divert surplus water, when it is available.

- o Indian Tribes and Miscellaneous Present Perfected Right holders, which are not identified in the 7-Party Agreement, have the right to divert up to approximately 85,000 acre-feet a year within California's 4.4 MAF basic apportionment. These users are presently using approximately 32,000 acre-feet a year (assuming about 25,000 acre-feet of unmeasured return flow).

- o Arizona and Nevada are approaching full use of their mainstream basic apportionments of 2.8 MAF and 300,000 acre-feet, respectively. Thus, California's long-standing use of Arizona and Nevada's apportioned, but unused water is nearing an end.

- o The major objective for California is developing various programs, including transferring water from the agricultural users to the urban users, such that MWD's Colorado River Aqueduct can run at essentially full capacity without causing detrimental impacts in the agricultural service areas and to the other Colorado River basin states.

- o Depending on how the reservoirs are operated, total water use within the Colorado River basin is currently estimated to be 1 to 2 MAF below long-term average supplies. Given the large amount of reservoir storage in the basin and recognizing that periods of below normal supplies must be anticipated, there is likely to be some amount of surplus supplies over the next several decades. For purposes of this Plan, it is assumed that, based on current reservoir operating criteria, there is approximately a 50 percent probability of hydrologic surpluses in the decade prior to 2010; approximately 40 percent probability of hydrologic surpluses in the decade prior to 2020; and approximately 30 percent probability of hydrologic surpluses in the decade prior to 2030.

Legal Issues

There have been long-standing disagreements among the agencies on certain issues. Some of these issues need to be resolved by further negotiation, administrative action, litigation or legislation. Recognizing the mutual benefits of proceeding with

implementation of the Plan, the agencies hope definitive resolution of these legal issues will be resolved by agreement or deferred making resolution by other methods unnecessary. These issues include, without limitation, the following: legality of transfers; reasonable and beneficial use; wheeling arrangements; subordination/priorities; priority of Present Perfected Rights; forfeiture/abandonment based on historical average use.

Components of 4.4 Plan

- o **Core Conservation Programs** – The Plan includes conservation/transfer agreements between the agricultural and urban agencies. The transfer between IID and SD will require and is predicated on the assumption that a satisfactory wheeling arrangement between MWD and SD will be completed. These core transfers include:
 - IID/MWD 1988 Agreement (106,000 af/year)
 - IID/SD (200,000 af/year)
 - Future IID conservation/transfer (50,000 to 100,000 af/year)

- o **Non-firm Transfer Agreements** – The Plan includes prearranged measures to move water from agricultural areas to the coastal plain to help fill the Colorado River Aqueduct (e.g., land following in PVID).

- o **Accounting for Transfer Agreements** – The Plan proposes an accounting procedure that assures conserved water moves to the transferee and is so reflected in Reclamation's records.

- o Administration of Agricultural Entitlements – The Plan proposes to DOI the following measures for allocating and administering water entitlements within California’s first three priorities.

- General Concept:

- All water use is limited to reasonable beneficial use.
- Each district has a limited defined service area eligible to receive Colorado River water unless surplus water is available.
- Water use within priorities 1 and 2 will be assumed to be the average use of the preceding ten years within the respective districts.
- Priority 3 will be administered to ensure that the 3.85 MAF limit on the first three priorities is maintained.
- All transfers will be administered to reflect a corresponding reduction in the use of water within the 3.85 MAF entitlement of the agricultural agencies.
- Water transferred through eligible land following programs within priorities 1 and 2 will be limited to a specific unit consumptive use per acre.
- Any unused water from within the first three priorities will be available for use by the 4th and 5th priorities.

- Priority 1 – PVID
 - Acreage on the valley lands not to exceed 104,500 acres.
 - Water transferred through an eligible land fallowing program is limited to _____ acre-feet/acre per annum (4.6 acre-feet/acre/annum was used in the 1992-94 Test Fallowing Program).

- Priority 2 -- Yuma Project Reservation Division
 - Irrigated acreage of the Project lands not to exceed _____ acres.
 - The service area is limited to the findings of a Commission appointed by the Secretary.

- Priority 3 – IID, CVWD and PVID's lower mesa lands
 - The third priority is shared among IID, CVWD and lands on the lower Palo Verde Mesa.
 - The maximum eligible acreage to receive water within the third priority for IID is _____ acres.
 - The maximum eligible acreage to receive water within the third priority for CVWD is _____ acres.

- The maximum eligible acreage to receive water within the third priority for PVID's lower mesa lands is _____ acres.
- Repayment for exceeding the 3.85 MAF limit (including any transfers) occurs as follows:
- First, any water used on lands that exceed the maximum eligible acreage within the third priority.
 - Second, total overuse in the third priority will be repaid in succeeding year(s) and allotted among the agencies as follows: (this key issue is being worked on).
 - The third priority agencies will develop means of administering their respective repayment obligations .
- o Overrun Accounting -- The Plan proposes a process for reconciling actual use with allotted use on an annual basis, using Lake Mead storage as a "credit." An annual overrun by any entitlement holder will be repaid by "wet water" reductions approved and scheduled by the Secretary over the following _____ year(s). The maximum allowable accrual of an overrun is limited to _____ percent of the entity's entitlement. Repayment will not be required if flood control releases occur from Lake Mead during the repayment period.

- o Credit for Unmeasured Return-flows – The Plan assumes that DOI will give credit for all unmeasured return flows.

- o Reasonable and Beneficial Use – The California agencies will cooperate with the Bureau of Reclamation and the Department of Water Resources in their activities to evaluate water use practices with respect to reasonable and beneficial use. As one facet of this accord, the agencies will defer to the judgement of the State and federal agencies with respect to reasonable and beneficial use by other agencies and will not challenge the use by the other agencies.

- o Seepage Recovery - All-American & Coachella Canals – The Plan includes measures to recover or prevent seepage from the two canals, 67,000 af/year and 26,000 af/year, respectively. As noted below, the plan provides that the 16,000 acre-feet a year needed for the San Luis Rey Settlement may come from this supply.

- o San Luis Rey – The Plan recognizes the stated request of the Secretary of Interior to provide a 16,000 acre-foot per year water supply for the San Luis Rey Indian Settlement in northern San Diego County. As such, one component of the Plan is the early implementation of this settlement.

- o Conjunctive Use of Groundwater – The Plan includes measures to expand existing programs to store and recover Colorado River water in the Coachella groundwater basin. This includes direct recharge in the upper Whitewater River Basin and in-lieu and direct recharge in the lower Whitewater River Basin. CVWD and MWD are currently developing a study program to investigate the cost and feasibility of such programs.

CVWD is in the process of organizing a groundwater replenishment district to address current overdraft conditions. It will have authority to:

- Identify areas of benefit;
- Levy replenishment assessments; and
- Require well production reports from pumpers.

Conjunctive use in other basins near the Colorado River Aqueduct will be explored. During the transition period to full basin development, it is particularly important that available surplus water be stored in groundwater basins to the extent practicable.

- o Desalination of Drainage Water – Recognizing the serious water quality concerns about the use of Colorado River water in the urban area, the plan may include a component addressing the desalination and reuse of drainage water entering the Salton Sea.

- o Salton Sea Transfer Impacts -- The Salton Sea exists as the result of agricultural drainage from the Imperial, Coachella, and Mexicali Valleys. While this drainage is the source of water that keeps the sea from drying up, it contains salts which continue to increase the salinity of the sea. The Colorado River Board and the six agencies will work with the Salton Sea Authority, State of California, the federal government, and others in addressing impacts on the Salton Sea caused by reduced flows associated with agricultural conservation.

- o Colorado River Impacts -- The Colorado River Board and the six agencies will work with the Lower Colorado River Multi-Species Conservation Program Steering Committee in addressing environmental and related impacts of the Plan on the lower Colorado River.

- o Surplus Water - Reoperation of Lake Mead -- The Plan recognizes that even with full development in the upper basin, there will be surplus flows from time-to-time due to favorable runoff conditions and that a portion of these flows can be used in the urban and agricultural areas in conjunction with firm supplies. The plan also recognizes the need to address periods of low runoff. The Colorado River Board will work with the six agencies, the other states, and DOI to develop Lake Mead operating criteria that make greater use of the runoff and available storage without exposing the other states to unreasonable risks.

The Plan proposes that long-term operating criteria be based on the concept of protecting Lake Mead elevation _____ with a _____% probability. For the period prior to 2010, the Plan proposes criteria based on the concept of _____. The more liberal criteria prior to 2010 recognizes the present storage in the reservoirs, the present level of consumptive use in the basin, and the probability of future runoff.

- o Lake Mead Banking -- As part of the plan, the Colorado River Board will assist the California agencies in developing concepts associated with the use of interim banking in Lake Mead in a manner that does not adversely impact the other states. The objective is to encourage investments in core conservation measures. The following parameters are being discussed.
 - Storage could only be accumulated prior to the year _____.
 - The maximum storage would be limited to _____.
 - Storage would only be for conserved water.
 - If Lake Mead declines to elevation _____, stored water would be shared with the other states.

- o California Agencies Use of Arizona's Groundwater Bank -- The Plan includes interstate cooperative programs. The Colorado River Board will work with Arizona, Nevada, and the California agencies to pursue storage opportunities in Arizona's groundwater bank.

Schedule

The schedule is being developed.