



## SB 1611 (Arizona Water Authority)

Water for Arizona Coalition | March 09, 2022

The Water for Arizona Coalition (WAC) supports policies that ensure water security for all Arizonans. WAC acknowledges the need for a Statewide entity to be created which can finance efforts to augment the State's water resources. WAC is grateful for the opportunity to participate in that dialogue and respectfully asks that this process include and reflect the holistic approach, management, acquisition and conservation policies which have historically led Arizona to the leadership position it holds today. Regretfully, we do not feel that SB 1611 sufficiently reflects the principles and approaches of Arizona's past successes.

The Arizona Water Authority (AWA) proposal has opened the door for the legislature to seize a historic opportunity to engage in meaningful negotiations to craft high-impact water investments and policy solutions that benefit the entire state. WAC believes that an AWA could potentially be very useful under three conditions: 1) if it were structured for a more limited role as a water infrastructure financing authority; 2) if its purpose was more clearly defined to address pressing water reliability needs; and 3) if it were combined with the right guidelines, governance, and needed water policy reforms. The following principles should guide and help to inform the development of such legislation.

**Arizona's water challenges are here and now.** Groundwater levels are declining in many parts of the state and Colorado River shortages are deepening. Any investment in ocean desalination or other water importation—even if successful—will take many years, likely a decade or longer, to complete. This means that any imported water will not arrive in Arizona for years to come, will be very expensive, and will only replace a fraction of the water lost even under current Colorado River shortage conditions. Fortunately, there are proven water management strategies, plans, and conservation projects that increase water supplies or reliability at a fraction of the cost per unit of water of ocean desalination or other importation. These strategies can be implemented right now, in order to make a near-term and long-term difference, if the legislature enacts a balanced approach to water security while promoting conservation and more efficient use of existing water supplies.

**Local communities must be empowered.** The AWA proposal does not address the serious water challenges faced by rural Arizona communities that depend on groundwater, and it will not protect farmers, ranchers, property owners, or rivers. As we plan to invest in water supplies and infrastructure cost-effectively, we must also “plug the holes in the Arizona water management bucket”. Rural communities need the state to provide resources - not just planning money and loans - and to empower them to plan for their water future at the local level.

**Public investments in water should benefit all Arizonans.** The purpose of water investments should be to enhance the security and reliability of water supplies for all of Arizona. This purpose must be the cornerstone of any new agency, and its governance, planning requirements, authorities, and operations should be structured accordingly. The agency's investments should be based on well-defined criteria and mechanisms to ensure consideration and funding for a wide range and geographic distribution of water projects. Project evaluation and selection should strike a balance between meeting local needs and goals of communities

across Arizona and addressing identified statewide priorities. WAC believes that the AWA could be structured to serve a more narrowly defined role as a water infrastructure financing authority if the purpose of the authority were more clearly focused on improving water supply reliability, and if appropriate structures and governance mechanisms were incorporated. To fulfill a narrow and useful role as a financing authority, an AWA would not need the ability to buy, own, hold or transfer water rights.

**An open, transparent stakeholder dialogue is needed** to develop legislation to provide for the most effective, inclusive, and immediate pathways to respond to this moment of critical water needs for all Arizona communities.

**The legislature has a historic opportunity to address Arizona's water challenges with statewide water investments, conservation, and policy reforms.** WAC believes that legislation authorizing a new financing authority should include the following principles and policy reforms:

1. Structure AWA authorities, project selection criteria, and operations to meet the water reliability needs of all Arizonans and to ensure that public funding goes to address, rather than exacerbate, the state's existing water security challenges.
2. Require appropriate representation, governance, oversight, transparency, and accountability to offer confidence that investments serve the public interest and meet Arizona's needs.
3. Establish a Rural Management Area program to allow local communities in rural groundwater basins at risk to plan for their future and to protect property owners.
4. Extend the 5<sup>th</sup> Management Period and authorization of future management periods for Active Management Areas to enable water management actions to respond to changing Colorado River hydrology.
5. Allocate resources among different funds for distinct types of projects and beneficiaries, including a larger share of the available funds for the Water Supply Development Revolving Fund, which could include forgivable grants for on-the-ground project construction. Rural Arizona communities need significant funds over a number of years for projects that build resilience.
6. Authorize funding and project selection criteria that prioritize conservation programs and multi-benefit projects, such as forest and watershed health, aquifer recharge, water recycling and reuse, and natural infrastructure, and which favor increased water supply reliability for current uses over expanding water demands.
7. Include provisions to ensure that state money can qualify and be used as matching funds to leverage additional federal Bipartisan Infrastructure funding for Arizona water projects.
8. Commit to a robust framework for 4<sup>th</sup> Priority Colorado River that allows water to remain with river communities in order to meet future goals and considers third party impacts and overall river system health.

*The Water for Arizona Coalition is a group of five conservation organizations – American Rivers, National Audubon Society, Business for Water Stewardship, Environmental Defense Fund, and Western Resource Advocates – that supports policies and innovative practices to ensure a reliable water supply to meet the state's needs. Collectively, we have over 60,000 Arizona members, as well as hundreds of hunter, angler, business, and outdoor recreation partners around the state. The coalition was recognized as an Arizona Capitol Times "2020 Leader of the Year" for our efforts to protect Arizona's most valuable resource.*

