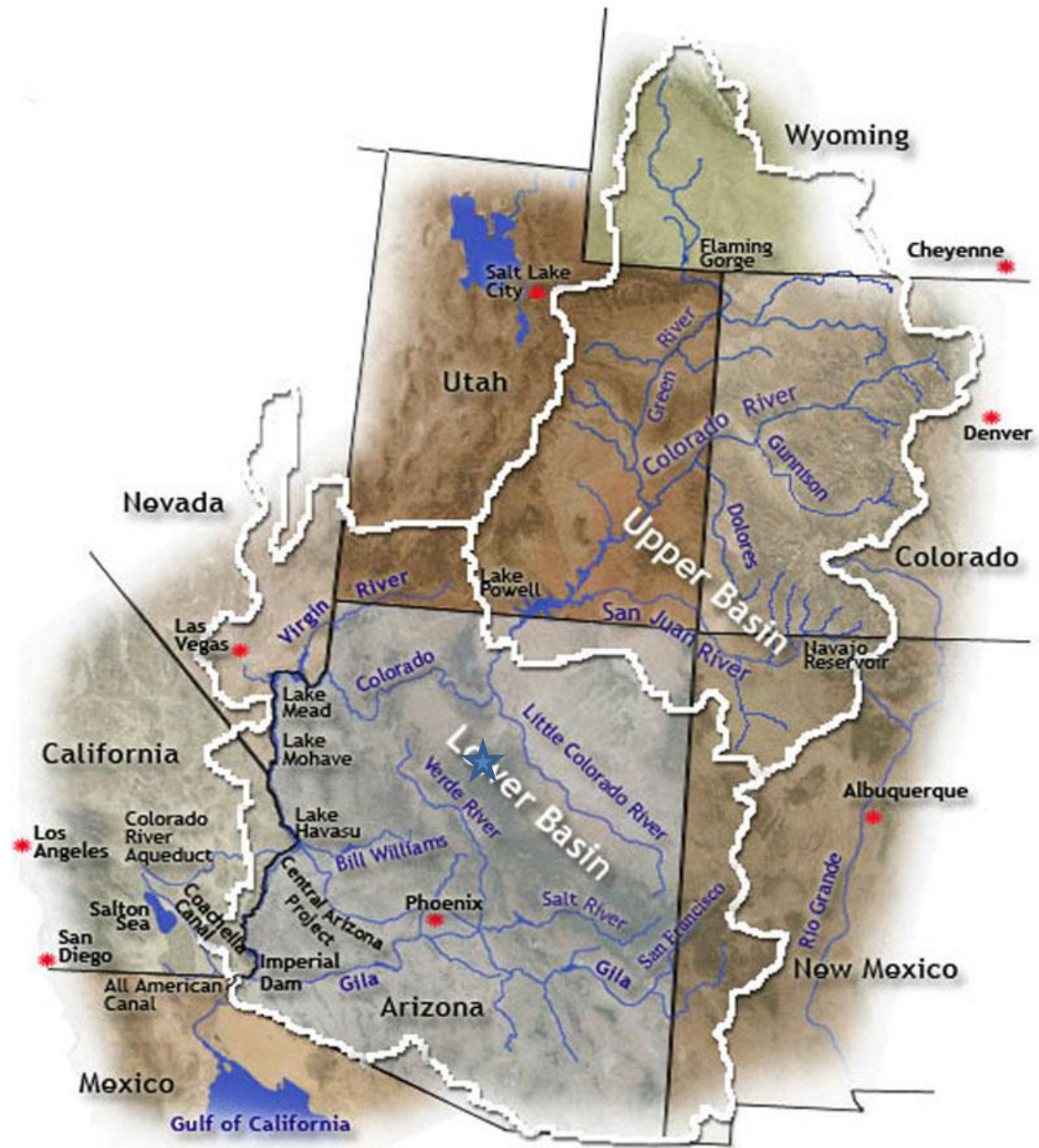


Water Supplies for Diversion from Lake Powell

Presentation to the Coconino Plateau
Watershed Partnership

September 26, 2014

Gerry Walker - ADWR



Map of the Colorado River Basin

A Unique Set of Circumstances

- The primary issue with a pipeline from Lake Powell is that the point of diversion is within the Upper Basin while the source of available supplies are within the Lower Basin or the places of use (Flagstaff, Williams) are within the Lower Basin
- This requires Congressional authorization

Water Within the Context of a Navajo-Hopi Settlement

- The Navajo and Hopi Reservations are within the Little Colorado River watershed and both tribes asserted claims in the LCR Adjudication
- Both tribes asserted claims to the Lower Colorado River in Arizona
- In 2008, the parties agreed to a proposed comprehensive settlement subject to final approvals but in 2011 the parties were informed that the Western Navajo Pipeline was not feasible.

2008 Proposed Settlement Agreement

Pertinent Lower Colorado River Components

- Both tribes would receive an allocation of Arizona's Lower Basin apportionment
- Federal government would fund Western Navajo Pipeline (\$510 million in 2010)
- Federal legislation would provide that water from Lake Powell would be accounted for as Lower Basin apportionment
- Portion of Navajo Nations Colorado River water could be diverted from San Juan (UB) and delivered to Window Rock (LB) and accounted for as CAP water as authorized in the New Mexico Rural Water Projects Act (6,411 AF)

Water Within the Context of a Navajo-Hopi Settlement (con't)

- In 2012, bill introduced in Congress authorizing a Little Colorado River settlement
- Although primarily Little Colorado River components, there were two Lower Colorado River Components
 - Reallocation of CAP water to Navajo Nation for use at Window Rock
 - Retention of Colorado River for Future Lower Basin Settlement

I. Reallocation of CAP Water to Navajo Nation for use at Window Rock

- Allocation of 6,411 AF of CAP NIA water *if* certain conditions satisfied with respect to NGS
- Water may be diverted from the San Juan River (UB) and delivered through the Navajo Gallup water supply project to Window Rock (LB)
- Water diverted above accounted for as part of Arizona's 2.8 MAF, accounted as delivery of CAP water, credited as reaching Lee Ferry pursuant to the Colorado River Compact
- Nothing in the Act establishes any precedent for any type of transfer between the UB and the LB

I. Reallocation of CAP Water to Navajo Nation for use at Window Rock

- That the water shall not be accounted for in this manner until the Secretary has developed and, as necessary, modified, in consultation with the Upper Colorado River Commission and the representatives of Governors on Colorado River Operations from each of the State signatories to the Colorado River Compact, all operational and decisional criteria, policies, contracts, guidelines, or other documents that control the operations of the Colorado River system reservoirs and diversion works, so as to adjust, account for, and offset, the diversion of water apportioned to Arizona, pursuant to the Boulder Canyon Project Act, from a point of diversion on the San Juan River in New Mexico

I. Reallocation of CAP Water to Navajo Nation for use at Window Rock

The 2009 Northwestern New Mexico Rural Water Projects Act includes the same limitations and also provides:

- That the water may not be accounted for as Arizona's CAP water until Article II(B) of the Decree in Arizona v. California is administered so that diversions from the main stream for the CAP are limited and reduced to offset the diversions
- That rights to the consumptive use of water available to the Upper Basin from the Colorado River System under the Colorado River Compact and the Upper Colorado River Basin Compact shall not be reduced or prejudiced by any use of the water, and that nothing in the Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission

II. Retention of Colorado River Water for Future Lower Basin Settlement

- Secretary will retain 22,589 AFA of CAP NIA priority water and 2,000 AFA of 4th priority water for a future settlement of Navajo Nation's claims
- Secretary will retain 1,000 AFA of CAP NIA priority water and 1,500 AFA of 4th priority water for a future settlement of Hopi Tribe's claims
- Retention of CAP water ends after 2031 if there is no settlement
- Secretary retains discretion to terminate the reservation of CAP water prior to 2031 if a tribe litigates its claims
- Federal legislation authorizes \$3.3 million to complete the feasibility investigation of the Western Navajo pipeline

Comparison of Settlement vs Non-settlement

Settlement

- Navajo and Hopi receive an allocation of NIA CAP water that could be leased
- Navajo and Hopi receive an allocation of 4th priority water that could be leased
- Enabling legislation would address UB and LB issue

No Settlement

- No Navajo or Hopi water available for lease except for the 4,218 AF of 4th priority water held by Hopi
- No enabling legislation to address UB and LB issue
- Entities would have to obtain either mainstem entitlement or CAP NIA Priority water

Mainstem Colorado River Water Priority System – Sale or Lease

- 1st Priority (P1) are present perfected rights as described by decree (*AZ v. CA*, 2006 consolidated)
- 2nd Priority (P2) are federal reservations and perfected rights established before 9/30/1968**
- 3rd Priority (P3) are for water users that executed contracts with BOR before 9/30/1968**
- 4th Priority (P4) are for water users with contracts, reservations or other rights after 9/30/1968
- 5th and 6th Priority are for unused or surplus water

Who holds Contracts? What are their Priorities?

- Large P1 Contract Holders include the CRIT, Cocopah Indian Reservation, Fort Mojave Indian Reservation, Fort Yuma Indian Reservation, Unit B Irrigation and Drainage District, Yuma County Water Users, City of Yuma
- Large P2 Contract Holders include Cibola NWR, Army and Navy for Yuma operations, Havasu NWR, Imperial NWR

Who holds Contracts? What are their Priorities?

- Large P3 Contract Holders include the Ak-Chin Indian Community, Gila Monster Farms, North Gila Valley Irrigation District, SRPMIC, Unit B Irrigation and Drainage District, Wellton-Mohawk IDD, Yuma Irrigation District, Yuma Mesa IDD, City of Yuma
- Large P4 Contract Holders include CAWCD, AGFD, ASLD, Bullhead City, BLM, Cibola Valley IDD, Lake Havasu City, Mohave County Water Authority, Mohave Valley IDD

Considerations with Respect to Mainstem Water

- P4 water has greatest exposure to shortages
- Would require Congressional authorization
- Unknown how UB will react
- Transfers pursuant to ADWR's policy regarding transferring an Entitlement of Colorado River water
 - Director will review transfers for the purpose of determining the potential impacts caused by redistribution of water
 - Some mainstem users have expressed concerns regarding transfers off-river
- Willingness and cost

Central Arizona Project Water

- Two ways in which CAP water could become available
 - NIA Reallocation scheduled for 2021 that reserved 17,333 AF for water users outside the CAP service area
 - NIA water reallocated to Arizona Indian Tribes pursuant to the Arizona Water Settlement Act (previously discussed!)
- Reallocated NIA water could be taken from Lake Powell with Congressional approval
- NIA CAP water has potential for shortage reductions

Desalination Discussion

Internal to State

- Arizona and Sonora
- Arizona partners include ADWR, CAP and SRP
- No volume identified
- Process moving slowly with a likely 20 year time frame for operational readiness
- Could augment Colorado River supplies and be used via exchange

Basin States and Mexico

- Basin States and Mexico
- Partners include IBWC, ConAgua, Reclamation and the Basin States
- Proposed facility at Rosarito
- Co-located with existing power plant
- Direct delivery (local area) and via exchange
- Quicker time frame