

Director: Herb Guenther

JLBC Analyst: Jason Hampton

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	214.7	192.2	189.7
Personal Services	8,320,100	8,193,600	8,094,100
Employee Related Expenditures	1,827,700	1,916,700	1,807,900
Professional and Outside Services	612,000	0	0
Travel - In State	285,700	332,200	332,200
Travel - Out of State	25,100	21,300	21,300
Other Operating Expenditures	2,734,200	2,646,600	2,244,800
Equipment	437,200	307,600	375,000
OPERATING SUBTOTAL	14,242,000	13,418,000	12,875,300
SPECIAL LINE ITEMS			
Rural Water Studies	986,100	500,000	500,000
Water Banking Authority	1,000,000	0	500,000
Arizona Water Protection Fund Deposit	0	0	0
AGENCY TOTAL	16,228,100	13,918,000	13,875,300^{1/}
FUND SOURCES			
General Fund	16,228,100	13,918,000	13,875,300
AGENCY TOTAL	16,228,100	13,918,000	13,875,300

AGENCY DESCRIPTION — *The department administers and enforces Arizona’s groundwater code, administers surface water rights laws, and represents Arizona’s water rights with the federal government. The department also inspects dams and participates in flood control planning.*

PERFORMANCE MEASURES	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Appropriation
• Per capita water use in Active Management Areas (Acre Feet)	2.76	2.75	2.74	2.74
• % of Colorado River entitlement used	94	100	94	100
• % of Arizona’s unused Colorado River entitlement that is recharged via the Water Banking Authority	88	95	88	95
• Number of dams in a non emergency unsafe condition	17	17	15	13
• % of rural watershed studies contract deliverables completed and accepted	100	100	100	100
• % of agency staff turnover	12	12	12	6
• Administration as a % of total cost	11.8	4.7	11.8	5.5
• Customer satisfaction rating for Hydrology Program (Scale 1-8)	6.0	7.6	6.0	7.7

Technical Adjustments — The FY 2004 approved amount includes technical adjustments for Employee Related Expenditures, Risk Management charges, and lease-purchase rent charges. *(Please see the General Provisions section at the end of this Appropriations Report for further details on these changes.)*

Decrease FTE Position to Offset Rent Increase — The approved amount includes a reduction of (2.5) FTE Positions below FY 2003 to offset a 10% contractual rent increase. To fund the increase without requesting additional General Fund money, the Department of Water Resources will reduce their FTE Positions by (2.5) saving \$121,400.

^{1/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Special Line Items

Rural Water Studies — Monies in this Special Line Item are used to assess local water use needs and to develop plans for sustainable future water supplies in rural areas outside the state's Active Management Areas. These studies are administered through partnerships with local resource agency officials and stakeholders. The partnerships generally require the local entity to provide some matching resources to the General Fund amounts received. The studies are primarily conducted by the local entity, with the department providing technical advice and financial assistance. The approved amount is continued from FY 2003

Water Banking Authority — The Arizona Water Banking Authority seeks to fully utilize Arizona's allocation of Colorado River water by using the Central Arizona Project to store water for future needs of the state. The Authority is financed from the Arizona Water Banking Fund, which pays delivery costs of bringing the state's unused allocation into central and southern Arizona for underground storage or for irrigation in-lieu of pumping groundwater.

The approved FY 2004 amount includes \$500,000 from the General Fund for deposit in the Arizona Water Banking Fund. For each acre-foot of water purchased and stored with General Fund monies, a credit is given to the state's rural counties (excludes Maricopa, Pima, and Pinal). The credits can then be used to allow counties to pump the stored water if it becomes necessary to exceed their water usage allotment. Maricopa, Pima, and Pinal Counties receive storage credits from water purchased and stored with the revenues from groundwater withdrawal fees and a portion of the 4% property tax collected by the Central Arizona Project. Fund expenditures are not subject to legislative appropriation.

Arizona Water Protection Fund Deposit — The Arizona Water Protection Fund provides grants to protect river and stream habitat in the state. Grant decisions are made by the Water Protection Fund Commission.

A.R.S. § 45-2112 requires an annual \$5,000,000 General Fund appropriation to the Water Protection Fund. The Public Finance Omnibus Reconciliation Bill (ORB) (Laws 2003, Chapter 263) suspended this requirement, eliminated the appropriation in FY 2004, and directed that any appropriation to the fund should be set forth in the General Appropriation Act. The FY 2004 General Appropriation Act does not include an appropriation to the Water Protection Fund. The approved amount of zero is continued from FY 2003.

Fund Transfer — The General Appropriation Act transfers \$9,000,000 from the Arizona Water Banking Fund in FY 2004. This transfer is not part of the agency's appropriation and is not reflected in the table above.

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