

**DEPARTMENT OF WATER RESOURCES**

A.R.S. § 45-102

Rita P. Pearson, Director

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**General Fund and Arizona Water  
Protection Fund****FY 1998  
Actual****FY 1999  
Estimate****FY 2000  
Approved****FY 2001  
Approved**Program Summary

Administration	5,933,200	5,881,400	5,930,100	6,129,600
Surface Water Management	4,059,800	7,506,500	2,934,200	2,991,500
Groundwater Management	4,866,700	4,705,200	4,758,600	4,822,600
Hydrology	2,037,000	2,195,200	3,461,500	2,306,800
<b>Total Appropriations</b>	<b>16,896,700</b>	<b>20,288,300</b>	<b>17,084,400</b>	<b>16,250,500</b>

Expenditure Detail

FTE Positions	212.7	214.7	214.7 <sup>1/</sup>	214.7 <sup>1/</sup>
Personal Services	7,275,000	7,865,400	8,062,700	8,224,000
Employee Related Expenditures	1,532,100	1,654,700	1,655,900	1,726,000
Professional and Outside Services	433,800	294,900	294,900	294,900
Travel - In State	241,300	222,800	222,800	222,800
Travel - Out of State	22,100	35,700	25,000	25,000
Other Operating Expenditures	2,186,400	2,362,700	2,435,700	2,567,900
Equipment	723,500	413,000	345,200	345,200
<b>Operating Subtotal</b>	<b>12,414,200</b>	<b>12,849,200</b>	<b>13,042,200</b>	<b>13,405,800</b>
Indian Water Rights	78,000	100,500	100,200	101,600
Colorado River/CAP Study	49,800	50,000	50,000	50,000
Arizona Water Protection Fund	1,600,000	4,517,200 <sup>2/</sup>	0 <sup>2/</sup>	0
Lower Colorado Agreement	75,000	80,000	0	0
Early Flood Warning System	89,200	90,000	0	0
Flood Warning System	196,600	196,600	0	0
Flood Control Development	50,000	50,000	0	0
Flood Control and Warning Systems	0	0	336,600	336,600
Arizona Water Banking Authority	2,000,000	2,000,000	2,000,000	2,000,000
USGS Cooperative Agreement	343,900	354,800	355,400	356,500
Rural Water Studies	0	0	1,200,000 <sup>3/</sup>	0
<b>Total Appropriations</b>	<b>16,896,700</b>	<b>20,288,300</b>	<b>17,084,400<sup>4/</sup></b>	<b>16,250,500<sup>4/</sup></b>

Fund Summary

General Fund	16,821,700	20,208,300	17,084,400	16,250,500
Arizona Water Protection Fund	75,000	80,000	0	0
<b>Total Appropriations</b>	<b>16,896,700</b>	<b>20,288,300</b>	<b>17,084,400</b>	<b>16,250,500</b>

**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. These activities are to assure a long-term dependable water supply in the state. The department also inspects dams and participates in flood control planning to prevent property damage, personal injury, and loss of life. In support of these activities, it collects and analyzes data on water levels and on water-quality characteristics.*

<sup>1/</sup> Includes 2 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.

<sup>2/</sup> As authorized by A.R.S. § 45-2112B, any monies received from the lease or sale of Central Arizona Project water in FY 1999 or FY 2000 shall be deposited in the Arizona Water Protection Fund and an equal amount of the subsequent fiscal appropriation to the Water Protection Fund reverts to the state General Fund. (General Appropriation Act footnote)

<sup>3/</sup> The \$1,200,000 appropriated for Rural Water Studies in FY 2000 is exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations, until June 30, 2002. (General Appropriation Act footnote)

<sup>4/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

## DEPARTMENT OF WATER RESOURCES (Cont'd)

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**Equipment** — The approved FY 2000 amount includes a \$(67,800) General Fund reduction due to the elimination of one-time equipment in FY 1999.

**Indian Water Rights** — This office provides information regarding Indian water rights settlement issues and monitors settlement discussions throughout the state. The General Fund supports this Special Line Item, which includes 1 FTE Position in both FY 2000 and FY 2001.

**Colorado River/CAP Study** — The approved FY 2000 and FY 2001 General Fund amounts fund the costs of studies related to the Colorado River, as well as allocation negotiations with California and Nevada for Central Arizona Project water.

**Arizona Water Protection Fund** — This fund is used to provide grants to protect, maintain, enhance, and restore rivers, streams and riparian habitats in Arizona. Although the Department of Water Resources administers the fund, a separate Water Protection Fund Commission makes grant decisions. Due to a large unobligated fund balance, the approved FY 2000 and FY 2001 amounts includes no funding for the Arizona Water Protection Fund.

A.R.S. § 45-2112 requires an annual \$5,000,000 appropriation to the fund from the General Fund. Between FY 1995 and FY 1999, appropriations to the fund exceeded grants awarded by the commission. This led to an unobligated fund balance of nearly \$6,000,000. Because of this, Laws 1999, Chapter 3, 1<sup>st</sup> Special Session suspended the General Fund appropriation requirement in FY 2000 and FY 2001. It is estimated, however, that the fund balance, in addition to accumulated interest, will allow the commission to award up to \$7,000,000 in grants over the 2-year biennium.

**Lower Colorado Agreement** — Due to completion of a joint agreement between Arizona, California, Nevada, and federal agencies to develop the "Lower Colorado River Multi-Species Conservation Program Agreement," funding for this Special Line Item is eliminated in FY 2000. The agreement was aimed at conserving habitat and recovering listed endangered species on the Lower Colorado River.

**Early Flood Warning System** — Funding for this line item is used to support stream gauges for advance notice of flooding and for establishing warning systems that link gauges with emergency personnel via satellite. The approved FY 2000 and FY 2001 amount includes \$90,000 from the General Fund for this purpose. This amount, however, is included in a new Flood Control and Warning Systems Special Line Item that consolidates 3 flood-related Special Line Items.

**Flood Warning System** — The department is involved in developing a flood warning system, purchasing flood

warning equipment, and providing historical data for water supply management. The approved FY 2000 and FY 2001 amount includes \$196,000 from the General Fund for this purpose. This amount, however, is included in a new Flood Control and Warning Systems Special Line Item that consolidates 3 flood-related Special Line Items.

**Flood Control Development** — The department provides seed money to counties for developing flood control systems. The approved FY 2000 and FY 2001 amount includes \$50,000 from the General Fund for this purpose. This amount, however, is included in a new Flood Control and Warning Systems Special Line Item that consolidates 3 flood-related Special Line Items.

**Flood Control and Warning Systems** — This new Special Line Item consolidates funding from the Early Flood Warning System, Flood Warning System, and Flood Control Development Special Line Items.

**Arizona 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 supported by the Arizona Water Banking Fund, which pays the 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 Director of the Department of Water Resources chairs the authority.

The approved FY 2000 and FY 2001 amount includes \$2,000,000 from the General Fund each year for deposit in the non-appropriated 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 utilized, allowing the counties to pump the stored water, if they need to exceed their water usage allotment. Maricopa, Pima, and Pinal receive storage credits from water purchased and stored with revenues from a 4¢ property tax levied in the 3 counties. Revenue from this source totaled approximately \$8,000,000 in FY 1998 and was also deposited in the Arizona Water Banking Fund.

**USGS Cooperative Agreement** — Under agreement with the U.S. Geological Survey (USGS), the department monitors groundwater gauges in the state while the USGS monitors surface water gauges. The data from both is shared and used in water policy planning. The approved FY 2000 amount includes \$355,400 and 1 FTE Position for the agreement. Arizona monies are equally matched by the USGS. The FY 2001 amount continues the FY 2000 level of funding.

## **DEPARTMENT OF WATER RESOURCES (Cont'd)**

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**Rural Water Studies** — The approved amount includes one-time FY 2000 funding of \$1,200,000 from the General Fund to develop 9 watershed initiatives in rural Arizona. The department will oversee the initiatives by pairing local participants with technical support to identify, prioritize, and implement comprehensive policies and projects that foster sound water management in each of the watersheds. Much of the \$1,200,000 will be used to contract with technical expertise that will work with the local jurisdiction.