



ARIZONA HOUSE OF REPRESENTATIVES

HB2541: system conservation fund; appropriation.

PRIME SPONSOR: Representative Bowers, LD 25

BILL STATUS: [Natural Resources, Energy and Water](#)

Overview

Establishes the Arizona System Conservation Fund (Fund) and appropriates \$30 million to the Fund from the state General Fund (GF) in FY 2020.

History

In 2014, the United States Bureau of Reclamation signed an agreement with water authority's in four of the Colorado River basin states to jointly fund voluntary water conservation projects to conserve Colorado River water in Lake Mead and Lake Powell. The Pilot System Conservation Program was created to increase storage levels by a reduction of consumptive use for the benefit of the Colorado River system (www.usbr.gov).

[Laws 2017, Chapter 305](#) appropriated \$2 million per year to the Arizona Department of Water Resources (ADWR) in FYs 2018-2020 as financial contributions for efforts by Colorado River water users to conserve water in Lake Mead to reduce the likelihood of lake elevations dropping to levels that could result in reductions to Colorado River allocations.

Provisions

1. Establishes the Fund consisting of legislative appropriations, grants and contributions from private and public entities. (Sec. 1)
2. Appropriates \$30 million to the Fund from the state GF in FY 2020. (Sec. 3)
3. Allows the Director of ADWR to expend monies from the Fund to contract with Colorado River water users in Arizona to forgo water deliveries to create system conservation. Exempts these contracts from the Arizona Procurement Code. (Sec. 1)
4. Requires the system conservation created from using the Fund to provide for Colorado River water being conserved through a verified reduction in consumptive use in order to decrease the likelihood of lake elevations dropping to levels that could result in reductions to Arizona's Colorado River allocation. (Sec. 1)
5. Requires system conservation to be created for the benefit of the Colorado River system and not for the benefit of any individual user. (Sec. 1)
6. Requires the Director of ADWR to submit an annual report, beginning July 1, 2021, detailing Fund expenditures and the volume of water that was conserved in Lake Mead during the prior FY to the Governor, the President of the Senate and the Speaker of the House of Representatives. (Sec. 1)
7. Repeals the Fund on April 1, 2027. (Sec. 2)
8. Requires the State Treasurer, on notice from the Director of ADWR, to invest and divest any monies deposited in the State Treasury and to credit monies earned from investment to the Fund. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input checked="" type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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9. Exempts Fund monies from lapsing. (Sec. 1,3)
10. Specifies the Director of ADWR administers the Fund. (Sec. 1)
11. Contains an emergency clause. (Sec. 4)