

Executive Summary of Critical Issues
Topic — Arizona Water Settlements Act

Last Updated
July 13, 2007

CAP Position

CAP strongly supports the successful implementation of the Arizona Water Settlements Act, Pub. L. 108-451. Timely satisfaction of the conditions in the Act will help insure the ultimate effectiveness of the CAP repayment settlement and the Gila River Indian Community Water Rights Settlement, thereby providing assurance to CAWCD of its water supply and repayment obligation.

Summary of Issue

Title 1 of the Act addresses general CAP issues. Specifically, it:

- Provides for a final allocation of CAP water, with 47% of the CAP supply permanently designated for Indian uses and 53% designated for non-Indian M&I or agricultural uses.
- Directs the Secretary of the Interior to reallocate 65,647 acre-feet of currently uncontracted CAP M&I water to M&I water providers in Arizona.
- Ratifies the Arizona Water Settlement Agreement among the United States, ADWR and CAWCD, which provides the framework under which agricultural subcontractors have conditionally relinquished their CAP entitlements in return for RRA relief and 9(d) debt relief.
- Directs the Secretary to reallocate water relinquished by agricultural subcontractors, with two-thirds going to Indian water rights settlements and one-third to the State of Arizona for future M&I use.
- Allows funds in the Lower Colorado River Basin Development Fund, after being credited against CAWCD's repayment obligation, to be used to pay the costs of delivering CAP water to Indian tribes, constructing distribution systems to deliver CAP water to Indian tribes, and other costs authorized under Titles 2 and 3 of the Act.

Title 2 of the Act is the Gila River Indian Community Water Rights Settlement and Title 3 is the Southern Arizona Water Rights Settlement Act Amendments.

The bill was passed by Congress on November 17, 2004, and signed by President Bush on December 10, 2004. But most of the Act will be repealed unless a number of conditions are satisfied by December 31,

2007. Those conditions include state legislation, amendment of the Navajo Power Marketing Plan, reallocation of CAP water, a firming agreement and numerous court approvals.

Status as of July 13, 2007

All required state legislation has been enacted. A proposed amended Navajo Power Marketing Plan was published in the Federal Register on August 14, 2006, and should be adopted by the Secretary of the Interior within the next few months. The Secretary of the Interior published a final CAP reallocation decision on August 25, 2006. The United States and the State of Arizona are close to completing a firming agreement. The process to obtain state court approval of the Gila River Indian Community Water Rights Settlement Agreement and the amendments to the Southern Arizona Water Rights Settlement is underway.

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