

Proposed Lease and Transfer from Town of Quartzsite to the Central Arizona Water Conservation District



Arizona Department of Water Resources
November 6, 2017

Arizona Department of Water Resources

ADWR is the state entity charged with promoting, protecting, and comprehensively managing Arizona's annual apportionment of 2.8 million acre-feet of Colorado River water.

- A.R.S. § 45-105: The Director is responsible for the water management of the state
- A.R.S. § 45-107: Cooperation with the Secretary of the Interior of the United States
 - A.R.S. § 45-107(A). “The director is authorized, for and on behalf of the state of Arizona, to consult, advise and cooperate with the secretary of the interior of the United States...”

Transfer of a Colorado River Water Delivery Contract

- **Pursuant to A.R.S. § 45-107, the Director must be consulted regarding all Colorado River contracts and negotiations**
- **Substantive Policy Statement CR8 establishes:**
 - The policy and procedure for transferring an entitlement of the Colorado River water including leases
 - Criteria and analysis the Department will utilize to evaluate proposed transfers including conveyances, leases or assignments, of mainstream Colorado River water
- **Public Notice Process**
 - Advertise the proposed transfer once per week for two consecutive weeks in a newspaper of general circulation within the state
 - Notice to the county planning and zoning department office within the county of origin
 - Contractor conveying its entitlement provides notice to all water users within its contract service area
 - Notices to interested parties

Review of the Transfer

Pursuant to the Substantive Policy Statement Director will consider several factors, including:

- Potential negative impacts to the water supplies of other Colorado River entitlement holders
- Water quality impacts to the water supplies of other Colorado River entitlement holders
- Water quality impacts related to return flows and other pertinent impacts that could occur as a result of the proposed transfer

The Director will issue a recommendation within 60 days from the end of the comment period unless additional time is needed to resolve claims of negative impacts to third parties.

If negative impacts are claimed the Department will provide up to 90 days for all parties to resolve or mitigate the claimed negative impacts. An extension maybe requested.

If no resolution the Department will make its recommendation independently from the parties at the end of the negotiation period

Town of Quartzsite - Central Arizona Water Conservation District Proposed Lease and Transfer

Town of Quartzsite

- Section 5 contract with U.S. Bureau of Reclamation for 4th Priority annual Entitlement for 1,070 acre-feet of water.
 - Subject to termination if no water put to beneficial use within the Quartzsite contract service area by January 28, 2029
 - Historical use of Colorado River water – zero acre-feet
- Current annual water demand: 600 acre-feet
- Projected annual water demand (2030): 660 acre-feet
- Current water source: Groundwater
Quail Trail Production Facility
Kofa Avenue Production Facility

CAWCD

- CAWCD's groundwater replenishment authority – CAGR D
- Annual long-term water supply: 38,166 acre-feet
- Current annual replenishment obligation: 30,000 acre-feet
- Projected annual replenishment obligation by 2034: 86,900 acre-feet

Current & Future Water Sources¹ (Annual quantity)

- CAP water supply – 8,311 acre-feet
- CAP water supply (NIA Priority) – 18,185 acre-feet
- CAP water supply tribal lease – 2,500 acre-feet
- Long-term storage credits – 6,770 acre-feet
- Effluent – 2,400 acre-feet

¹ As identified in the 2015 CAGR D Plan of Operation

Overview of the Lease Terms

- **Volume of Lease**

- Lease of entire volume of water under Quartzsite's Section 5 contract – 1,070 acre-feet per year

- **Lease term**

- 25 years commencing on January 1st of the year following the Final Effective Date
- Lease term proposed to renew automatically for one additional 25-year term unless either Quartzsite or CAWCD elect not to renew the lease for the additional term

- **Right of first refusal**

- Before entering into any agreement for the sale, lease, transfer, or conveyance of its Colorado River entitlement, in whole or in part, with a third party, Quartzsite must offer the same portion of its entitlement to CAWCD on the same terms and conditions

Comments

Deadline for comments : 5:00 PM on Monday, November 20, 2017

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**PROTECTING
ARIZONA'S WATER SUPPLIES
for ITS NEXT CENTURY**