

# Arizona Water Settlements Act: WHAT WOULD YOU CHOOSE?

<u>DIVERSION</u>	OR	<u>NON-DIVERSION</u>
<b>Conflict – winners/losers</b>		<b>Win-win</b>
<b>Meet needs of few with one project</b> (diversion(s) with off-stream storage, pipelines for agricultural or municipal use)		<b>Meet needs of all with many smaller projects</b> (municipal & agricultural conservation and infrastructure improvements, watershed restoration)
<b>High cost - &gt;\$350 million construction cost</b> AWSA funding covers < 1/3 of construction cost (AWSA funding available = up to \$128M (\$66M + \$34M - \$62M))		<b>Cost-effective - \$66M</b> AWSA funding covers 100% of cost (NM receives \$66M = \$6.6M/year over 10 yrs for non-diversion alternatives starting in 2012)
<b>Debt</b>		<b>No debt</b>
<b>Annual exchange cost - \$1.7M in 2011 and rising 5% annually</b>		<b>No exchange cost - \$0</b>
<b>Federal control</b>		<b>Local control</b>
<b>Insecure, uncertain supply</b>		<b>Secure, sustainable supply</b>
<b>Inefficient</b> (LOSES ~3000 - 6000 afy from evaporation = \$366K – \$732K in exchange costs in 2011)		<b>Efficient</b> (SAVES 4,200 afy municipal/ 2000+ afy agriculture)

### Lingering issues:

- Transparency – why is the public excluded from decision making process?
- Proposal evaluation process - Why no cost-effectiveness criterion to evaluate projects?
- Amount of AWSA subsidy – could be \$100 million rather than \$128 million based on performance of the Lower Colorado Basin Development Fund (22% less than anticipated)

The Gila Conservation Coalition supports a balanced, fair, and fiscally responsible approach to meeting the water needs of southwest NM.

### Non-diversion alternatives:

- Are cost-effective and don't put the taxpayer and water users in financial risk
- Provide security in supply over the long term
- Meet the water needs of everyone in southwest NM – municipalities, farmers/ranchers, environment



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