103d CONGRESS 1ST SESSION **S. 1146**

To provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, Arizona, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 23 (legislative day, JUNE 22), 1993 Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

A BILL

- To provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, Arizona, and for other purposes.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

- 4 This Act may be cited as the "Yavapai-Prescott
- 5 Indian Tribe Water Rights Settlement Act of 1993".

6 SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATIONS.

- 7 (a) FINDINGS.—The Congress finds that—
- 8 (1) it is the policy of the United States, in ful-9 fillment of its trust responsibility to the Indian 10 tribes, to promote Indian self-determination and eco-

nomic self-sufficiency, and to settle, wherever pos sible, the water rights claims of Indian tribes with out lengthy and costly litigation;

4 (2) meaningful Indian self-determination and
5 economic self-sufficiency depend on the development
6 of viable Indian reservation economies;

7 (3) quantification of rights to water and devel-8 opment of facilities needed to utilize tribal water 9 supplies effectively is essential to the development of 10 viable Indian reservation economies, particularly in 11 arid western States;

(4) on June 7, 1935, and by actions subsequent
thereto, the United States established a reservation
for the Yavapai-Prescott Indian Tribe in Arizona adjacent to the city of Prescott;

16 (5) proceedings to determine the full extent of 17 Yavapai-Prescott Tribe's water rights are currently 18 pending before the Superior Court of the State of 19 Arizona in and for Maricopa County, as part of the 20 general adjudication of the Gila River system and 21 source;

(6) recognizing that final resolution of the general adjudication will take many years and entail
great expense to all parties, prolong uncertainty as
to the full extent of the Yavapai-Prescott Tribe's en-

titlement to water and the availability of water supplies to fulfill that entitlement, and impair orderly
planning and development by the Tribe and the city
of Prescott; the Tribe, the city of Prescott, the
Chino Valley Irrigation District, the State of Arizona and the United States have sought to settle all
claims to water between and among them;

representatives of the Yavapai-Prescott 8 (7)9 Tribe, the city of Prescott, the Chino Valley Irriga-10 tion District, the State of Arizona and the United 11 States have negotiated a Settlement Agreement to 12 resolve all water rights claims between and among them, and to provide the Tribe with long term, reli-13 14 able water supplies for the orderly development and 15 maintenance of the Tribe's reservation;

16 (8) pursuant to the Settlement Agreement and 17 the Water Service Agreement, the quantity of water 18 made available to the Yavapai-Prescott Tribe by the 19 city of Prescott and the Chino Valley Irrigation Dis-20 trict will be secured, such Agreements will be continued in perpetuity, and the Tribe's continued on-res-21 22 ervation use of water for municipal and industrial, recreational and agricultural purposes will be pro-23 vided for: 24

(9) to advance the goals of Federal Indian pol-1 2 icy and to fulfill the trust responsibility of the Unit-3 ed States to the Tribe, it is appropriate that the 4 United States participate in the implementation of 5 the Settlement Agreement and contribute funds to firm up the city of Prescott and the Yavapai-Pres-6 cott Tribe's long-term water supplies so as to enable 7 the Tribe to utilize fully its water entitlements in de-8 9 veloping a diverse, efficient reservation economy; and

10 (10) providing funds for the acquisition and de-11 velopment of replacement water in exchange for the CAP contract of the Yavapai-Prescott Tribe and the 12 CAP subcontract of the city of Prescott is a cost-ef-13 fective means for the United States to ensure reli-14 able, long-term water supplies for the Yavapai-Pres-15 16 cott Tribe and to promote efficient, environmentally 17 sound use of available water supplies in the Verde 18 River basin.

(b) DECLARATION OF PURPOSES.—The Congress de-clares that the purposes of this Act are:

(1) to approve, ratify and confirm the Settlement Agreement among the Yavapai-Prescott Tribe,
the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States;

(2) to authorize and direct the Secretary of the
 Interior to execute and perform the Settlement
 Agreement;

4 (3) to authorize the actions and appropriations 5 necessary for the United States to fulfill its legal 6 and trust obligations to the Yavapai-Prescott Tribe 7 as provided in the Settlement Agreement and this 8 Act;

9 (4) to authorize appropriation of such sums as 10 may be agreed upon by the Secretary, city of Pres-11 cott, and the Yavapai-Prescott Tribe as necessary 12 for the Secretary to acquire the contract of the 13 Yavapai-Prescott Tribe for 500 acre-feet of CAP 14 water and the subcontract of the city of Prescott for 7,167 acre-feet of CAP water for use in the settle-15 ment of water rights of other Indian tribes having 16 17 claims to the water in the Salt and Verde River 18 system;

(5) to require that expenditures of such appropriations by the Yavapai-Prescott Tribe and Prescott
for the acquisition or development of replacement
water supplies in the Verde River basin shall not be
inconsistent with the goals of the Prescott Active
Management Area, preservation of riparian habitat,

flows and biota of the Verde River and its tribu taries;

3 (6) to authorize the Secretary to substitute all 4 or part of CAP Indian and non-Indian municipal 5 and industrial priority water acquired pursuant to this Act for CAP water of agricultural or municipal 6 7 and industrial priority acquired by the Secretary 8 pursuant to Public Law 101 - 628, the Fort McDowell Indian Community Water Rights Settle-9 ment Act, and assigned to that Community; and 10

(7) to repeal section 406(k) of Public Law 101–
628 which authorizes \$30,000,000 in appropriations
for the acquisition of land and water resources in
the Verde River basin and for the development
thereof as an alternative source of water for the
Fort McDowell Indian Community.

17 SEC. 3. DEFINITIONS.

18 For purposes of this Act:

(1) The term "CAP" means the Central Arizona Project, a reclamation project authorized under
title III of the Colorado River Basin Project Act of
1968 (43 U.S.C. 1521 et seq.).

(2) The term "CAWCD" means the Central Arizona Water Conservation District, organized under
the laws of the State of Arizona, which is the con-

tractor under a contract with the United States,
 dated December 1, 1988, for the delivery of water
 and repayment of costs of the Central Arizona
 Project.

5 (3) The term "CVID" means the Chino Valley
6 Irrigation District, an irrigation district organized
7 under the laws of the State of Arizona.

(4) The term "Community" means the Fort 8 McDowell Indian Community, a community of 9 Yavapai Indians organized under section 16 of the 10 11 Indian Reorganization Act of June 18, 1934 (25) 12 U.S.C. 476), and duly recognized by the Secretary. 13 (5) The term "Prescott AMA" means the Ac-14 tive Management Area, established pursuant to Ari-15 zona law and encompassing the Prescott ground 16 water basin, wherein the primary goal is to achieve 17 balance between annual ground water withdrawals 18 and natural and artificial recharge by the year 2025.

19 (6) The term "Prescott" means the city of20 Prescott, an Arizona municipal corporation.

(7) The term "Reservation" means the reservation established by the Act of June 7, 1935 (49
Stat. 332) and the Act of May 18, 1956 (70 Stat.
157) for the Yavapai-Prescott Tribe of Indians.

(8) The term "Secretary" means the Secretary of the United States Department of the Interior.

(9) The term "Settlement Agreement" means
that agreement entered into by the city of Prescott,
the Chino Valley Irrigation District, the YavapaiPrescott Indian Tribe, the State of Arizona, and the
United States, providing for the settlement of all
water claims between and among them.

9 (10) The term "Tribe" means the Yavapai10 Prescott Indian Tribe, a tribe of Yavapai Indians
11 duly recognized by the Secretary.

(11) The term "Water Service Agreement"
means that agreement between the Yavapai-Prescott
Indian Tribe and the city of Prescott providing for
water, sewer, and effluent service from the city of
Prescott to the Yavapai-Prescott Tribe.

17 SEC. 4. RATIFICATION OF SETTLEMENT AGREEMENT.

18 (a) Approval of Settlement Agreement.—To 19 the extent the Settlement Agreement does not conflict with the provisions of this Act, such Agreement is approved, 20 ratified and confirmed. The Secretary shall execute and 21 22 perform such Agreement, and shall execute any amendments to the Agreement and perform any action required 23 24 by any amendments to the Agreement which may be mutually agreed upon by the parties. 25

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(b) PERPETUITY.—The Settlement Agreement and 1 Water Service Agreement shall include provisions which 2 will ensure that the benefits to the Tribe thereunder shall 3 be secure in perpetuity. Notwithstanding the provisions of 4 section 2103 of the Revised Statutes of the United States 5 (25 U.S.C. 81) relating to the term of the Agreement, the 6 7 Secretary is authorized and directed to approve the Water 8 Service Agreement with a perpetual term.

9 SEC. 5. ACQUISITION AND ALLOCATION OF CAP WATER.

10 (a) ACQUISITION OF CONTRACTS.—The Secretary is 11 authorized and directed to acquire the CAP contract of 12 the Tribe, and the CAP subcontract of the city of Prescott 13 in exchange for an appropriate share of funds appro-14 priated to the Verde River Basin Water Fund established 15 pursuant to section 6.

16 (b) ALLOCATION OF WATER.—The Secretary may allocate to the Fort McDowell Indian Community all or part 17 of the water acquired pursuant to section 5(a) directly or 18 in lieu of water which the Secretary acquired from the 19 (hereinafter 20 Harquahala Valley Irrigation District 21 "HVID") pursuant to section 406(b) of the Act of Novem-22 ber 28, 1990 (Public Law 101-628; 104 Stat. 4483), and allocated to the Community in fulfillment of the United 23 24 States' obligations. In the event the Secretary allocates 25 water acquired pursuant to section 5(a) in lieu of water acquired from the HVID, the Secretary may reallocate
 HVID water to one or more other Arizona Indian tribes,
 bands or communities with claims to the Salt and Verde
 River System. The Secretary may reallocate HVID water
 either with its original CAP agricultural priority or as con verted to a CAP Indian priority.

7 (c) PRIORITY.—The priority of water acquired under this section, if allocated by the Secretary to the Commu-8 9 nity, or to any other Arizona Indian tribe, band or commu-10 nity, shall be the same as established in the Notice of Final Water Allocations to Indian and non-Indian Water 11 Users and Related Decisions, dated March 24, 1983 (48 12 FR 2446 et seq.). The Community or any other Arizona 13 tribe, band or community to whom such water may be allo-14 15 cated shall pay the United States or, if directed by the Secretary, the CAWCD, all operation, maintenance and 16 replacement costs associated with such CAP water. Water 17 service capital charges, or any other charges or payments 18 for such CAP water other than operation, maintenance 19 and replacement costs shall be nonreimbursable. 20

(d) EXCLUSION OF CERTAIN COSTS.—The Secretary
shall, for the purpose of determining the allocation and
repayment of costs of the CAP as provided in Article 9.3
of Contract No. 14–06–W–245, Amendment No. 1, between the United States and the CAWCD dated December

1, 1988, and any amendment or revision thereof, exclude
 the costs associated with water acquired under this section
 from the CAWCD's repayment obligation and such costs
 shall be nonreimbursable.

5 SEC. 6. REPLACEMENT WATER FUND; CONTRACTS.

6 (a) FUND.—The Secretary shall establish a fund to 7 be known as the "Verde River Basin Water Fund" (here-8 inafter called the "Fund") to provide replacement water 9 for the CAP water relinquished by the Tribe and by Pres-10 cott. Moneys in the Fund shall be available without fiscal 11 year limitations.

(b) CONTENT OF FUND.—The Fund shall consist of
moneys appropriated to it pursuant to the authorization
in section 9(a), and any moneys returned to the Fund pursuant to subsection (d).

16 (c) PAYMENTS FROM FUND.—The Secretary shall, subsequent to the publication of a statement of findings 17 18 as provided in section 12(a), cause to be paid from the Fund to the Tribe and to Prescott an amount equal to 19 the number of acre-feet of CAP water relinquished by the 20 21 Tribe and by Prescott times a value to be negotiated by 22 the Secretary with the Tribe and Prescott, respectively, 23 together with interest as provided in section 9(b).

24 (d) CONTRACTS.—The Secretary shall require, as a 25 condition precedent to the payment of any moneys pursu-

ant to subsection (c), that the Tribe and Prescott agree, 1 2 by contract with the Secretary, to establish trust accounts into which the payments would be deposited and adminis-3 tered, to use such moneys consistent with the purpose and 4 intent of section 7, to provide for audits of such accounts, 5 and for the repayment to the Fund, with interest, any 6 amount determined by the Secretary not to have been used 7 within the purpose and intent of section 7. 8

9 SEC. 7. EXPENDITURES OF FUNDS.

(a) BY THE CITY.—All moneys paid to Prescott for 10 relinquishing its CAP subcontract to the Secretary and de-11 12 posited into a trust account pursuant to section 6(d), shall be used for the purposes of defraying expenses associated 13 with the investigation, acquisition or development of alter-14 native sources of water to replace the CAP water relin-15 quished under this Act. Alternative sources shall be under-16 17 stood to include, but not be limited to, retirement of agricultural land and acquisition of associated water rights, 18 19 development of ground water resources outside the Pres-20 cott Active Management Area established pursuant to the laws of the State of Arizona, and artificial recharge. 21

(b) BY THE TRIBE.—All funds paid to the Tribe for
relinquishing its CAP contract to the Secretary, and deposited into a trust account pursuant to section 6(d), shall
be used to defray its water service costs under the Water

Service Agreement or to develop and maintain facilities
 for on-reservation water or effluent use.

3 (c) NO PER CAPITA PAYMENTS.—No amount of the 4 Tribe's portion of the Fund may be used to make per cap-5 ita payments to any member of the Tribe, nor may any 6 amount of any payment made pursuant to section 6(c) be 7 distributed as a dividend or per capita payment to any 8 constituent, member, shareholder, director or employee of 9 Prescott.

10 (d) DISCLAIMER.—Effective with the payment of 11 funds pursuant to section 6(c), the United States shall not 12 be liable for any claim or cause of action arising from the 13 use of such funds by the Tribe or by Prescott.

14 SEC. 8. ENVIRONMENTAL COMPLIANCE.

The Secretary, the Tribe and Prescott shall comply 15 with all applicable Federal environmental and State envi-16 ronmental and water laws in developing alternative water 17 sources pursuant to section 7(a). Development of such al-18 ternative water sources shall not be inconsistent with the 19 goals of the Prescott Active Management Area, preserva-20 tion of the riparian habitat, flows and biota of the Verde 21 22 River and its tributaries.

1 SEC. 9. APPROPRIATIONS AUTHORIZATION AND REPEAL.

2 (a) AUTHORIZATION.—There are authorized to be ap3 propriated to the Fund established pursuant to section
4 6(a):

5 (1) Such sums as may be required to meet the 6 amount agreed upon by the Secretary, city of Pres-7 cott, and the Yavapai-Prescott Tribe as necessary 8 for the acquisition of the CAP contract of the Tribe 9 and the CAP subcontract of the city of Prescott, 10 plus an amount necessary for any accrued interest 11 in accordance with subsection (b).

(2) Such sums as may be necessary, but not to
exceed \$200,000, to the Secretary for the Tribe's
costs associated with judicial confirmation of the settlement.

16 (3) Such sums as may be necessary to provide17 for the study required under section 11(d).

18 (4) Such sums as may be necessary to estab19 lish, maintain and operate the gauging station re20 quired under section 11(e).

(b) INTEREST.—Interest shall accrue and be paid by
the United States on the amount authorized in subsection
(a)(1) beginning October 1, 1993, or the date the agreement referred to in subsection (a) is entered into, whichever last occurs, and shall continue to accrue until appropriated, at rates determined by the Secretary of the Treas-

ury, taking into consideration the average market yield on
 outstanding Federal obligations of comparable maturity.

3 (c) STATE CONTRIBUTION.—The State of Arizona 4 shall contribute \$200,000 to the trust account established 5 by the Tribe pursuant to the Settlement Agreement and 6 section 6(d) for uses consistent with section 7(b).

7 (d) REPEAL.—Subsection 406(k) of the Act of No8 vember 28, 1990 (Public Law 101–628; 104 Stat. 4487)
9 is repealed.

10 SEC. 10. SATISFACTION OF CLAIMS.

11 (a) WAIVER.—The benefits realized by the Tribe and its members under the Settlement Agreement and this Act 12 shall constitute full and complete satisfaction of all mem-13 bers' claims for water rights or injuries to water rights 14 under Federal and State laws (including claims for water 15 rights in ground water, surface water and effluent) from 16 time immemorial to the effective date of this Act, and for 17 any and all future claims of water rights (including claims 18 for water rights in ground water, surface water, and efflu-19 ent) from and after the effective date of this Act. Nothing 20 in this Act shall be deemed to recognize or establish any 21 right of a member of the Tribe to water on the Tribe's 22 23 reservation.

(b) WAIVER AND RELEASE.—The Tribe, on behalf ofitself and its members, and the Secretary on behalf of the

United States, are authorized and required, as a condition 1 to the implementation of this Act, to execute a waiver and 2 release, except as provided in subsection (d) and the Set-3 tlement Agreement, of all claims of water rights or injuries 4 to water rights (including water rights in ground water, 5 surface water and effluent), from and after the effective 6 7 date of this Act, which the Tribe and its members may have, against the United States, the State of Arizona or 8 9 any agency or political subdivision thereof, or any other 10 person, corporation, or municipal corporation, arising under the laws of the United States or the State of Ari-11 12 zona.

13 (c) WAIVER BY UNITED STATES.—Except as provided in subsection (d) and the Settlement Agreement, the 14 United States, in its own right or on behalf of the Tribe, 15 shall not assert any claim against the State of Arizona 16 17 or any political subdivision thereof, or against any other person, corporation, or municipal corporation, arising 18 under the laws of the United States or the State of Ari-19 zona based upon water rights or injuries to water rights 20 21 of the Tribe and its members or based upon water rights 22 or injuries to water rights held by the United States on 23 behalf of the Tribe and its members.

24 (d) RIGHTS RETAINED.—In the event the waivers of 25 claims authorized in subsection (b) of this section do not become effective pursuant to section 12(a), the Tribe, and
 the United States on behalf of the Tribe, shall retain the
 right to assert past and future water rights claims as to
 all reservation lands.

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5 (e) JURISDICTION.—The United States District 6 Court for the District of Arizona shall have original juris-7 diction of all actions arising under this Act, the Settlement 8 Agreement and the Water Service Agreement, including 9 review pursuant to title 9, United States Code, of any ar-10 bitration and award under the Water Service Agreement.

(f) CLAIMS.—Nothing in this Act shall be deemed to
prohibit the Tribe, or the United States on behalf of the
Tribe, from asserting or maintaining any claims for the
breach or enforcement of the Settlement Agreement or the
Water Service Agreement.

16 (g) DISCLAIMER.—Nothing in this Act shall affect 17 the water rights or claims related to any trust allotment 18 located outside the exterior boundaries of the reservation 19 of any member of the Tribe.

(h) FULL SATISFACTION OF CLAIMS.—Payments
made to Prescott under this Act shall be in full satisfaction for any claim that Prescott might have against the
Secretary or the United States related to the allocation,
reallocation, relinquishment or delivery of CAP water.

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1 SEC. 11. MISCELLANEOUS PROVISIONS.

2 (a) JOINING OF PARTIES.—In the event any party 3 to the Settlement Agreement should file a lawsuit in any United States district court relating only and directly to 4 5 the interpretation or enforcement of the Settlement Agreement or this Act, naming the United States of America 6 7 or the Tribe as parties, authorization is hereby granted 8 to join the United States of America or the Tribe, or both, 9 in any such litigation, and any claim by the United States 10 of America or the Tribe to sovereign immunity from such suit is hereby waived. In the event Prescott submits a dis-11 pute under the Water Service Agreement to arbitration 12 or seeks review by the United States District Court for 13 the District of Arizona of an arbitration award under the 14 Water Service Agreement, any claim by the Tribe to sov-15 ereign immunity from such arbitration or review is hereby 16 waived. 17

18 (b) NO REIMBURSEMENT.—The United States of 19 America shall make no claims for reimbursement of costs 20 arising out of the implementation of the Settlement Agree-21 ment or this Act against any lands within the Yavapai-22 Prescott Indian Reservation, and no assessment shall be 23 made with regard to such costs against such lands.

(c) GROUND WATER MANAGEMENT PLAN.—The Secretary, in consultation with the Tribe, is authorized to establish a ground water management plan for the reserva-

tion which, except as is necessary to be consistent with 1 the Water Service Agreement, the Settlement Agreement 2 and this Act, will be compatible with the ground water 3 management plan in effect for the Prescott Active Man-4 agement Area. In establishing a ground water manage-5 ment plan pursuant to this section, the Secretary may con-6 7 sult with the Arizona Department of Water Resources or 8 the Prescott Active Management Area Director.

9 (d) WATER STUDY.—The Secretary is authorized and 10 directed to study the sources and costs of water supplies which may be available to fulfill the trust responsibility 11 of the United States to the Tonto Apache Tribe of Arizona 12 with respect to water. Sources to be studied shall include 13 water service from the town of Payson, Arizona. The study 14 shall be commenced within 180 days after the enactment 15 of this Act and shall be completed within 1 year after it 16 is commenced. Copies of this study shall be provided to 17 the Committee on Interior and Insular Affairs of the 18 House of Representatives and the Select Committee on In-19 dian Affairs of the Senate. 20

(e) GAUGING STATION.—The Secretary, acting
through the Geological Survey, shall establish, maintain
and operate a gauging station at the State Highway 89
bridge across Granite Creek adjacent to the reservation
to assist the Tribe and the CVID in allocating the surface

flows from Granite Creek as provided in the Settlement
 Agreement.

3 SEC. 12. EFFECTIVE DATE.

4 (a) WAIVERS AND RELEASES.—The waivers and re-5 leases required by section 10(b) of this Act shall become 6 effective as of the date the Secretary causes to be pub-7 lished in the Federal Register a statement of findings 8 that—

9 (1) the Secretary has executed contracts for the 10 acquisition of the Tribe's CAP contract and the city 11 of Prescott's CAP subcontract as provided in section 12 6(d);

(2) the stipulation which is attached to the Settlement Agreement as exhibit 9.5, has been approved
in substantially the form of such exhibit no later
than December 31, 1994, such approval conditioned
upon subsequent appropriation of funds authorized
in section 9(a)(1) and deposit of such funds into the
Tribe's and Prescott's respective trust accounts;

20 (3) the Settlement Agreement has been modi21 fied to the extent it is in conflict with this Act and
22 has been executed by the Secretary; and

(4) the State of Arizona has appropriated and
deposited into the Tribe's trust account \$200,000 as
required by the Settlement Agreement.

(b) DEADLINE.—If the actions described in para-1 graphs (1), (2), (3), and (4) of subsection (a) have not 2 occurred by December 31, 1995, any contract between 3 4 Prescott and the United States entered into pursuant to section 6(d) shall not thereafter be effective, any funds 5 appropriated pursuant to section 9(a)(1) shall be returned 6 7 to the Treasury of the United States, and any funds appropriated by the State of Arizona pursuant to the Settle-8 9 ment Agreement shall be returned by the Tribe to the State of Arizona. 10

11 SEC. 13. OTHER CLAIMS.

12 (a) OTHER TRIBES.—Nothing in the Settlement 13 Agreement or this Act shall be construed in any way to 14 quantify or otherwise adversely affect the land and water 15 rights, claims or entitlements to water of any Arizona In-16 dian tribe, band or community, other than the Tribe.

(b) FEDERAL AGENCIES.—Nothing in this Act shall
be construed to affect the water rights or the water rights
claims of any Federal agency, other than the Bureau of
Indian Affairs on behalf of the Tribe.

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