

ARIZONA WATER BANKING AUTHORITY  
Draft Minutes

December 2, 2015  
Arizona Department of Water Resources



AUTHORITY MEMBERS  
Thomas Buschatzke, Chair  
Ray L. Jones, Vice-Chair  
Clifford A. Neal, Secretary  
Jim Hartdegen  
Steven Moss

EX OFFICIO MEMBERS  
The Honorable David M. Gowan  
The Honorable Gail Griffin

### Welcome/Opening Remarks

Chair Thomas Buschatzke welcomed the attendees. All members of the Authority were present. *Ex-officio* members, Senator Gail Griffin and Speaker David Gowan, were not in attendance.

Chair Buschatzke announced that Cliff Neal would be resigning from the Commission effective January 2, 2016. Vice-Chair Ray Jones read a resolution honoring Mr. Neal's contribution. Commission member Jim Hartdegen moved to approve the resolution and Commission member Steven Moss seconded the motion. The motion passed unanimously.

### Approval of Minutes

Chair Buschatzke asked for a motion to approve minutes from the September 16, 2015 meeting. Mr. Neal moved to approve the minutes. Mr. Hartdegen seconded the motion and the minutes were approved.

### Water Banking Staff Activities

**Monthly Deliveries.** Ms. O'Connell reported that deliveries through October were up given additional water supplies made available by CAWCD for the AWBA. By year-end, the AWBA will have stored over 70,000 acre-feet. Most of that water will be stored in the Phoenix AMA for a total of over 42,000 acre-feet. Although 1,500 acre-feet of the additional supplies were scheduled for storage in the Pinal AMA, there was also turn back water of 3,200 acre-feet due to monsoon precipitation, resulting in a net decrease of approximately 1,700 acre-feet. Deliveries in the Tucson AMA are on target.

**Colorado River Update.** Don Gross, ADWR Colorado River Management, updated the Commission on the status of the Colorado River. He noted that Lake Powell is 51% full and Lake Mead is 38% full and that the upper basin system is approximately 80% full making it more likely that releases will be needed when flows enter the system in 2016. The most probable projected unregulated inflow into Lake Powell in 2016 is expected to be between 5.4 and 5.7 million acre-feet (MAF). The minimum is expected to be 3.4 MAF and the maximum is expected to be 11.8 MAF.

Elevations in Lake Powell are such that the system will be operating with the Upper Elevation Balancing Tier in 2016 meaning releases will be no lower than 8.23 MAF and may potentially be as high as 9 MAF. Lake Mead will be operating under normal or ICS surplus conditions. Current data now shows there will be no shortage in 2016 and the probability of a shortage in 2017 has also dropped to 18%.

Mr. Gross addressed projected El Nino conditions indicating that the probability of an El Nino condition in early 2016 is nearly 100%, which then tapers off in the March timeframe. He pointed out that while an El Nino year does not directly result in high inflows during the year where the condition exists, there may be a relationship between

El Nino years being followed by high flow years since the watershed is then fully saturated.

Chair Buschatzke asked how the system is tracking relative to modeled side inflows. Mr. Gross indicated actual side flows are slightly below modeled projections.

**CAP Update.** Patrick Dent, CAWCD, indicated that CAP deliveries will be approximately 1.72 MAF in 2015. Regarding the Memorandum of Understanding Reservoir Protection Plan, Arizona is responsible for leaving 345,000 acre-feet in the system between 2014 and 2017. To date, 190,000 acre-feet has been left in the system through ICS programs primarily agriculture and around 10,000 acre-feet through system conservation. CAP expects to leave another 130,000 in the system in 2016 and will meet the goal of 345,000 acre-feet by 2017. Mr. Neal asked if the state is limited to 100,000 acre-feet of ICS credits. Mr. Dent replied that it was, therefore the remaining 90,000 acre-feet is system conservation water. Finally, Mr. Dent described the Pilot System Conservation Project as a basin wide approach. There are 10 projects being considered in the upper basin and 5 in the lower basin for roughly 40,000 acre-feet. The goal is 75,000 acre-feet. Chair Buschatzke asked if there was more interest in participating than money available. Mr. Dent confirmed this.

**AWBA Outreach Talking Points.** Terri Sue Rossi, Technical Administrator for the AWBA, presented the talking points to the Commission. Mr. Neal suggested that a definition for water management and shortage reparation credits be added. Chair Buschatzke agreed, and he asked staff to make the modification. He also asked staff to make the talking points available to Commission members and the public. He added that the AWBA has a great story to tell and we should get that message out. Ms. O'Connell added that staff will update the talking points as needed, to include current data.

**Water Storage Agreements.** Ms. O'Connell informed Commission members that the amendment to the water storage agreement for the Avra Valley recharge project has been fully executed. Staff is now working with SRP to prepare a water storage agreement for SRP's GSF. The AWBA and SRP each have their own standard form agreements. Staff is comparing the agreements and plans to have a draft available for review as soon as possible since deliveries have been scheduled for the GSF in 2016. Staff expects to have the agreement on the agenda for consideration at the March meeting.

**Meetings.** Ms. O'Connell indicated that she had recently given two presentations: one at the Western States Water Council on interstate banking and a second at the recent meeting for Continuing Legal Education (CLE) where she partnered with Rita Pearson Maguire on a panel discussion concerning the role and significance of the AWBA. Mr. Neal commented that he saw the CLE presentation and it was excellent. Ms. O'Connell mentioned that she will be on a panel with Jason Hauter to discuss Indian water banking at Law Seminars International in January.

### **2016 Annual Plan of Operation**

Ms. O'Connell presented the AWBA 2016 Annual Plan of Operation (Plan). She described public comments received in addition to comments from presentations to the

Groundwater Users Advisory Council meetings in the Phoenix, Pinal and Tucson AMAs. She explained the AWBA will have over 4 MAF of credits by the end of 2015 including 2.7 million acre-feet for firming cities and Indian communities and nearly 900 KAF for water management purposes. Mr. Neal asked if the totals include credit development. Ms. O'Connell indicated that Table 1a is only water stored, but that Table 2 includes both. Chair Buschatzke asked for clarification between Mr. Dent's numbers of total CAP use and the numbers presented in the Plan. Mr. Dent explained that the difference between the 1.72 million acre-feet and 1.51 million acre-feet is the roughly 200,000 acre-feet of ICS and system conservation. He added the numbers are consistent.

Ms. O'Connell explained that by year end, the AWBA will have fully satisfied the Southside Replenishment Bank obligation.

In 2016, the AWBA will have 65,000 acre-feet of water available. The Plan maximizes storage in the Pinal and Tucson AMAs based on funding availability. While storage in the Phoenix AMA is not limited by funding, all storage capacity currently available to the AWBA will be utilized. Staff will continue to evaluate its storage opportunities should additional water become available during the year. The CAWCD Board could also consider resuming operations at the Tonopah Desert Recharge Project. The total Plan is expected to cost \$16 million including \$3 million for credit development. Ms. O'Connell reminded Commission members that the \$3 million is subject to CAWCD Board approval. Vice-Chair Jones asked for clarification on the use of water management credits versus 4¢ tax credits.

Chair Buschatzke asked for public comment. Hearing none, he asked for a motion to approve the 2016 Plan of Operation. Mr. Moss made a motion to approve the plan and Mr. Hartdegen seconded the motion. The motion passed.

### **CY 2016 Water Delivery Budget**

Ms. O'Connell presented the CY 2016 water delivery budget explaining the Commission will only approve monies from the Water Banking Fund, \$6.9 million. Chair Buschatzke asked for a motion. Mr. Neal moved to approve the water delivery budget. Mr. Hartdegen seconded the motion and the motion passed.

### **Call to the Public**

There were no public comments. Chair Buschatzke asked for a motion to adjourn. Mr. Neal made motion, Mr. Hartdegen seconded the motion. The meeting adjourned at 11:02 a.m.