

ARIZONA WATER BANKING AUTHORITY
Final Minutes



December 20, 2000
Arizona Department of Water Resources

AUTHORITY MEMBERS
Rita Pearson Maguire, Chairman
Tom Griffin, Vice-Chairman
Bill Chase, Secretary
George Renner
Richard S. Walden

EX OFFICIO MEMBERS
Representative Mike Gleason
Senator Ken Bennett

Welcome/Opening Remarks

All members of the Authority were present except Senator Ken Bennett. Chairman Rita Pearson Maguire welcomed new *ex officio* member Representative Mike Gleason who replaced Representative Gail Griffin effective December 15, 2000. Ms. Pearson Maguire also informed attendees that item number four had been removed from the agenda. The reasons for its removal would be discussed later in the meeting.

Ms. Pearson Maguire provided an update of the workshop that had been held at ADWR over the past few days. The workshop focused on legislation submitted by Senator Kyl and was held to educate congressional staff. The five components of the legislation are (1) CAWCD and Bureau of Reclamation Repayment Settlement and associated CAP allocation issues, (2) the Gila River Indian Community Settlement, (3) the Southern Arizona Water Rights Settlement Act (SAWRSA), (4) the San Carlos Apache Tribe (SCAT) settlement, and (5) Waivers and Enforcement components of the various settlements. Ms. Pearson Maguire noted that the SAWRSA is the most complete and the SCAT is the farthest from completion. The expectation is that the settlements will be complete within 45 days and approved by the appropriate governmental agencies within 60 days. Senator Kyle is confident that they can achieve these goals.

Ms. Pearson Maguire also informed attendees that the final EIS for the interim surplus criteria had been released the previous week. It was Arizona's opinion that it fell short of what it wanted even though the EIS was not expected to be a complete document but relevant benchmarks. The Record of Decision (ROD) associated with the EIS is supposed to be much more detailed. Arizona wants assurances of a return to a more conservative operating criteria following the 15 year interim period which is a very liberal operating plan. The ROD is to be issued on January 17, 2001 and becomes effective within 30 days following issuance.

Minutes

The Authority approved the minutes from the September 20, 2000 meeting.

Water Banking Staff Activities

Tim Henley, manager of the AWBA, reviewed the current deliveries. Actual deliveries have begun dropping off as the end of the year approaches. This drop off is a normal occurrence and primarily due to decreases at GRUSP for their dry out period and decreases at GSFs due to low numbers of winter crops. Overall, deliveries are anticipated to be about 280,000 acre feet for the year.

Mr. Henley also provided updates regarding subcommittee activities. The Interstate Water Banking Subcommittee has been meeting frequently and the members have been educating the negotiating team regarding their requirements for components of the two party agreement. It is anticipated that staff will have a draft of the two party agreement at the January 24, 2001 meeting of the subcommittee. Staff will also begin work on the agreement for ICUA and the

existing IGA with the CAWCD may need modification to reflect the interstate components. The January 24, 2001 meeting may be the last subcommittee meeting and all further interstate issues will be addressed at the quarterly Authority meetings. The Recovery Subcommittee has not met since the last Authority meeting and will likely meet again after the first of the year. Ms. Pearson Maguire asked if there were any questions regarding subcommittee activities to be answered by Mr. Henley. There were none.

Discussion and Approval Regarding Vidler Water Company USF Agreement (Agenda Item Removed)

Ms. Pearson Maguire asked Mr. Henley why this item had been removed. Mr. Henley responded that cost for storage was still an issue that had not yet been resolved. He stated that he wanted to have a better understanding of the issue before he brought it to the Authority. He anticipated that an agreement may be ready for the March meeting. Bill Chase had a question regarding some type of holding cost within the agreement. Mr. Henley stated that he thought that concept had been removed and replaced with an administrative cost. Ms. Pearson Maguire requested progress reports and wanted to know if Vidler's counsel, Mike Brophy had any comments. Mr. Brophy did not, however, Dorothy Palmer wanted the record to show that the AWBA's presentation of the 2001 Annual Plan of Operation had been removed from the agenda of the December 18, 2000 La Paz County Board of Supervisors meeting because there was a new member being seated in January 2001. Vidler Water Company's USF is within the new member's district, therefore the Board of Supervisors wanted the presentation to be done after the new member was seated.

Discussion and Approval of the 2001 Annual Plan of Operation

Mr. Henley stated that the three GUACs were supportive of the 2001 Annual Plan of Operation (Plan). He reviewed the final Plan and stated that it is very similar to the draft the Authority received in September. There is 6,000 acre feet of storage scheduled for GRUSP in November and December that was not present in the draft. This storage will be accomplished through a water exchange with Salt River Project (SRP). The exchange will likely take place at the end of the year, however, the AWBA may choose to reverse the exchange process because water delivery costs may be greater next year. All of the necessary agreements and permits have already been obtained for the exchange. The Plan also assumes that there is storage at the Agua Fria facility in 2001. George Renner stated that the first step of the condemnation process had been undertaken and further direction will be given at the January meeting of the CAWCD board. Mr. Henley noted that there is no storage scheduled for CAVSARP due to Tucson Water's decision to operate the facility for their own annual storage and recovery. However, if they operate better than anticipated, there may be some storage capacity available later in the year for the AWBA to utilize. The cost for the Plan is estimated to be \$12 million. There were no questions of Mr. Henley from either the Authority or the public.

The Plan was approved and adopted.

Call to the Public

Dave Iwanski of the Agri-Business Council commended Mr. Henley for his efforts on behalf of the Authority.

Mr. Renner commented that he would like Larry Dozier to provide an update regarding the CAP's record breaking deliveries in 2000. Mr. Dozier stated that the CAP will exceed 1.5 million acre feet of deliveries and that there have been numerous records set including total deliveries,

peak deliveries, monthly deliveries and others. There was a question regarding the quantity of CAP water taken by the SRP. Mr. Dozier replied that there was over 320,000 acre feet delivered to the SRP.

Mr. Chase complimented the CAP and stated that even with the unplanned deliveries to SRP, there were no curtailments.

The next AWBA meeting is scheduled for Wednesday, March 21, 2001. An Interstate Water Banking Subcommittee meeting is scheduled for Wednesday, January 24, 2001.

The meeting concluded at 11:30 a.m.