

Update on the Drought Contingency Plan

Phoenix GUAC

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Lower Basin Drought Contingency Plan

The Need:

Risks of Lake Mead falling below 1025' doubled between development of 2007 Interim Guidelines and 2013

The Goal:

Reduce the probability of reaching critical elevations that would cause draconian reductions in water deliveries

- Agreement between Arizona, California, Nevada & Reclamation
- **ADWR Director needs Arizona Legislature authority to sign (A.R.S. § 45-106)**
- Congressional authorization of Lower Basin & Upper Basin DCP was required

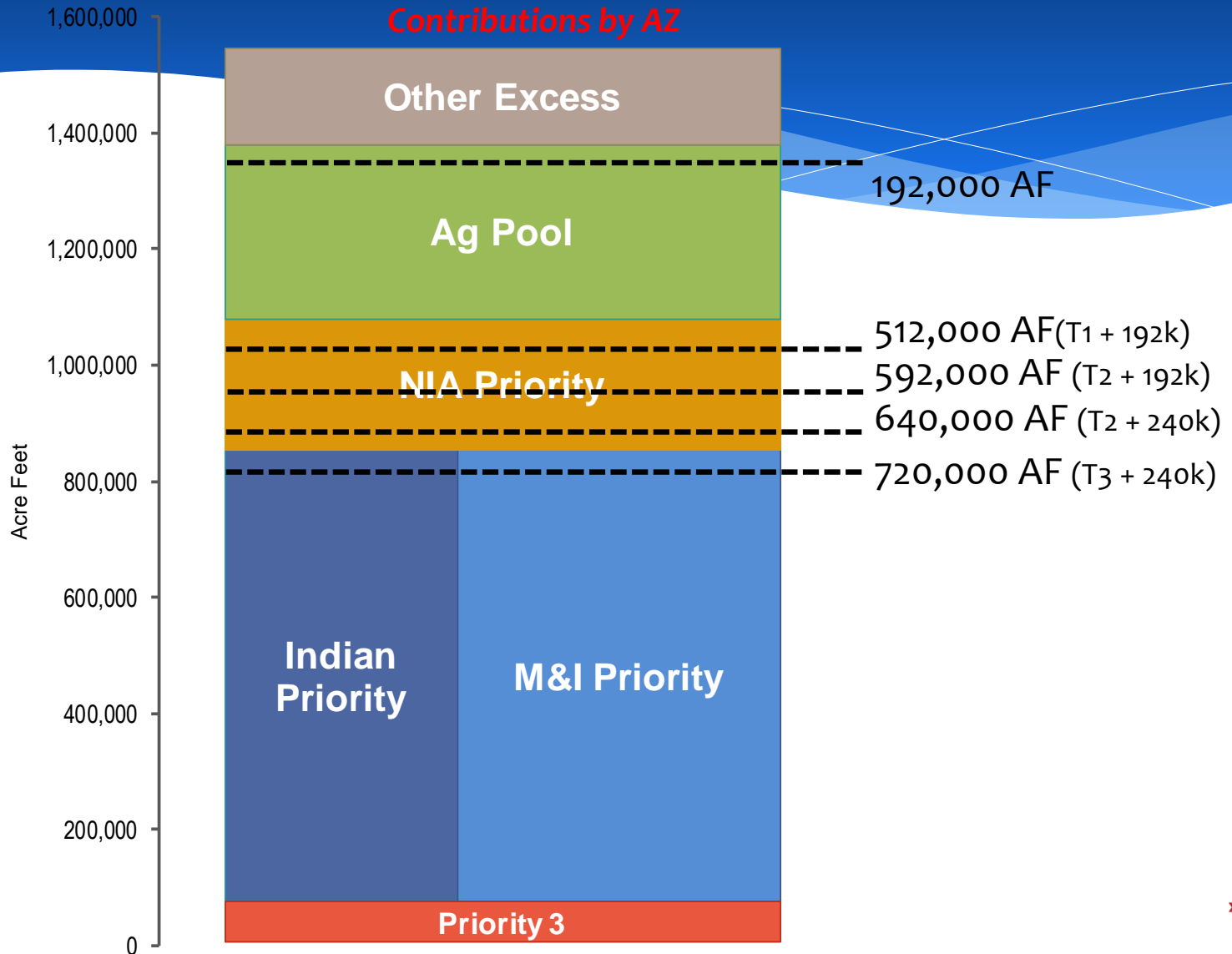


Lower Basin DCP Water Use Reductions

Lake Mead Elevation	AZ 2007	AZ DCP	AZ TOTAL	NV 2007	NV DCP	NV TOTAL	CA 2007	CA DCP	CA TOTAL	BOR DCP	MX Min 323	MX BWSCP	MX Total	TOTAL
≤1090 >1075	0	192K	192K	0	8K	8K	0	0	0	100k	0	41k	41k	341k
≤1075 >1050	320K	192K	512K	13K	8K	21K	0	0	0	100k	50k	30k	80k	713k
≤1050 >1045	400K	192K	592K	17K	8K	25K	0	0	0	100k	70k	34k	104k	821k
≤1045 >1040	400K	240K	640K	17K	10K	27K	0	200K	200K	100k	70k	76k	146k	1,113k
≤1040 >1035	400K	240K	640K	17K	10K	27K	0	250K	250K	100k	70k	84k	154k	1,171k
≤1035 >1030	400K	240K	640K	17K	10K	27K	0	300K	300K	100k	70k	92k	162k	1,229k
≤1030 >1025	400K	240K	640K	17K	10K	27K	0	350K	350K	100k	70k	101k	171k	1,288k
≤1025	480K	240K	720K	20K	10K	30K	0	350K	350K	100k	125k	150k	275k	1,475k

CAP Priority Pools

'07 Guidelines + LBDCP
Contributions by AZ



Steering Committee Meetings

- * Approximately 40 members of Arizona water community comprised the Steering Committee as delegates. Each delegate also had an alternate.
- * ADWR and CAWCD jointly hosted nine Steering Committee meetings between July 26, 2018 to February 19, 2019. The meetings were co-Chaired by the ADWR Director and CAWCD General Manager.
- * Steering Committee meetings were open to the public. Each meeting concluded with a call for public comment.



LBDCP Implementation Plan – 2 Components

➤ Mitigation Component

- Wet water CAP deliveries for mitigation
- Payment for reductions (Compensated Mitigation) when wet water mitigation is insufficient
- Money for new groundwater infrastructure for CAP Ag

➤ Offset Component

- System conservation and ICS creation to replace CAP ICS that is used for mitigation
- Pre-firming concept to address NIA firming obligations from Indian water settlements



Mitigation Component- Key Terms

- 2020 – 2022
 - 100% mitigation for NIA Pool (annual determination of vol.)
 - Fixed volume for CAP AG, dependent on annual tier determination
- 2023 – 2025
 - No CAP Ag Mitigation (except groundwater infrastructure)
 - M&I and Indian priority fully mitigated first
 - NIA based on actual orders/operating conditions (until no supplies)
 - 75% under T1 and T2a
 - 50% under T2b
- 2026: Zero mitigation
 - No mitigation for any water user in T3 or 2026, whichever occurs first



AZ LBDCP Mitigation Program Summary

	2020	2021	2022	2023	2024	2025	2026
Ag Pool	105 KAF Tier 1	105 KAF Tier 1	**	No CAP Wet Water Mitigation			
			70 KAF Tier 2a/2b	Groundwater Infrastructure Program 70 KAF / Yr			
NIA Pool	100% Tier 1/2a/2b	100% Tier 1/2a/2b	100% Tier 1/2a/2b	75%* Tier 1/2a	75%* Tier 1/2a	50%* Tier 2b	NO Mitigation 2026 or Tier 3

* Until no supplies

Resources

Phoenix AMA USF-GSF ~46.5 KAF/Yr

Tier 1 or Tier 2a only

Tucson AMA GSF 35 KAF/Yr

** Tier 2a/2b

CAWCD ICS ~400 KAF
(includes 50 KAF SRP Exchange)

CAWCD Lake Pleasant ~50 KAF

CAWCD Operational Supplies ~30 KAF

CAWCD \$60 Million for Compensated Mitigation
or acquisition of additional wet water mitigation supplies

Offset Component– Key Terms

- Goal: Conserve **400 kaf** to offset delivery of CAP ICS
 - Offsets provided through:
 - **100 kaf**: US-Gila River Indian Community ICS
 - Pre-firming for US Tribal firming obligation
 - **50 kaf**: AWBA-GRIC ICS
 - Pre-firming for Arizona’s AWBA firming obligation
 - **150 kaf**: System Conservation
 - **50 kaf**: Additional Tribal ICS
 - **50 kaf**: CAP-SRP Exchange payback
 - Intent: Balance Mitigation and negate Lake Mead elevation impacts.



Arizona Came Together and Got It Done



Key Actions by State of Arizona

On January 31, 2019 Governor Ducey signed historic legislation ratifying the DCP. These include:

- * A joint Resolution (SJR1001) authorizing ADWR Director to sign interstate DCP Agreements on behalf of the State of Arizona.
- * Legislation necessary for the Intrastate DCP to be implemented was adopted (SB 1227) .

Governor Ducey also issued an Executive order creating the Water Augmentation, Innovation, and Conservation Council.



Key Elements of SB 1227

➤ Establishes Arizona System Conservation Fund

- * Appropriates \$30 m to the System Conservation Fund from the GF
- * ADWR authority to act as the fiscal agent for NGO contributions for system conservation (\$8 million)

➤ Authorization for Arizona Water Banking Authority to exchange credits between AMAs

Key Elements of SB 1227

➤ **Temporary Groundwater and Irrigation Efficiency Projects Fund (Fund)**

- * Appropriates a total of \$9 million from the State GF
 - * \$ 7 million in new GF appropriation
 - * \$ 2 million repurposed from the ADWR appropriation to conserve water in Lake Mead
- * Requires monies collected from the groundwater withdrawal fee to be deposited into the Fund (not more than \$2.50/AF in Pinal AMA)
- * **Repurposes the \$ 2 million appropriation from ADWR to the GUAC's Augmentation and Conservation Fund in FY 2020**



Key Elements of SB 1227

- **Limited repeal of “WaterBUD” – Allows up to 15,000 AF of water per year that is stored in a GSF in Pinal County to be used to earn LTSCs**
- **Increase accrual of LTSCs for managed recharge from 50% to 95%, allowing those credits to be applied to assured water supply determinations, and extending ability to accrue LTSC for effluent beyond 2025**
- **Requires the Director of ADWR to make various updates to the Legislature and Governor regarding intrastate DCP Agreements**

Actions Necessary for AZ to Execute the Lower Basin Drought Contingency Plan Agreements

#	Action	Parties	Status
1	State legislation authorizing ADWR, on behalf of the State of Arizona, to execute the LBDCP Agreements	Arizona legislature	<ul style="list-style-type: none"> Passed 1/31/19 Signed by Gov. Ducey 1/31/19 Immediately effective
2	Agreement Regarding Lower Basin Drought Contingency Plan Obligations	CAWCD and the United States	<ul style="list-style-type: none"> Final Agreement Approved by CAWCD Board on 1/31/19 To be executed by the U.S. with all DCP Agreements
3	Arizona ICS Framework Agreement	United States, CAWCD and ADWR	<ul style="list-style-type: none"> Final Agreement Approved by CAWCD Board on 3/7/19 Awaiting execution by ADWR and the United States
4	Exchange of Letters between CAWCD and ADWR	CAWCD and ADWR	<ul style="list-style-type: none"> Completed Letters executed and exchanged on 1/30/19
5	Overarching Implementation Agreement	CAWCD, ADWR, U.S., GRIC, CRIT, SRP	<ul style="list-style-type: none"> Final Agreement Approved by CAWCD Board (5/2/19) and AWBA (5/10/19)

Means Agreement Complete



List of Agreements to Implement LBDCP in Arizona

#	Agreement Name	Parties	Status
6	CAP Ag Mitigation Agreement	CAWCD and CAP Agricultural Districts	<ul style="list-style-type: none"> Final Agreement Approved by CAWCD Board (5/2/19)
7	CAP NIA Mitigation Agreement	CAWCD and CAP NIA water users	<ul style="list-style-type: none"> Final Agreement Approved by CAWCD Board (5/2/19)
8	CAWCD – SRP Exchange Agreement	CAWCD and Salt River Project	<ul style="list-style-type: none"> Final Agreement Fully executed by parties
9	CRIT System Conservation Agreement	ADWR, United States, CRIT and CAWCD	<ul style="list-style-type: none"> Final Agreement
10	GRIC Pre-Firming Agreement	AWBA and GRIC	<ul style="list-style-type: none"> Final Agreement
11	GRIC Firming Agreement	United States and GRIC	<ul style="list-style-type: none"> Final Agreement
12	GSF Storage Agreements LTSC Exchange Agreement GSF Storage Agreements	<ol style="list-style-type: none"> Pinal CAP AG districts, cities and others AWBA and cities 	<ul style="list-style-type: none"> AWBA approved credit exchange Agreement in draft form
13	AWBA Recovery Agreements	AWBA and recovery partners	<ul style="list-style-type: none"> Draft Concept
14	GRIC/CAGRD Water Supply Acquisition Agreements	CAWCD, GRIC and GRWS (Gila River Water Storage LLC)	<ul style="list-style-type: none"> Final Agreement Fully executed by parties U.S. approval pending

Means Agreement Complete



Requirement for Federal Legislation after Arizona Approval

- * The LBDCP will allow the delivery of ICS, or surplus water, during shortages, and may allow the apportionment of more than 4.4 maf to California during shortages, both of which are inconsistent with the Decree in *Arizona v. California*.
- * The UBDCP will allow the Upper Division States to develop a Demand Management Storage Program, which will allow water users in the Upper Basin to conserve water that would otherwise be consumptively used and store it in the Upper Basin reservoirs.
 - * Contrary to the 1922 Compact, Section 602(a) of the Basin Project Act, and the 2007 Guidelines, this stored water will not be subject to release to the Lower Basin.

Federal Action

- * Both Sen. McCrory and Rep. Grijalva introduced identical bills, which passed April 8.
- * President Donald Trump signed the Colorado River Drought Contingency Plan Authorization Act April 16.
- * The DCP Agreements were executed on May 20, 2019 at a signing ceremony at Hoover Dam



Questions?

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PROTECTING
ARIZONA'S WATER SUPPLIES
for **CURRENT & FUTURE GENERATIONS**

