



# Arizona Lower Basin Drought Contingency Plan Steering Committee Meeting November 29, 2018



# Arizona LBDCP Steering Committee Meeting Agenda

- Welcome and Introductions
- Meeting Goal
- Implementation Plan Overview
- Mitigation Component
- Offset Component
- Delegate Discussion
- Next Steps

# Today's Goals

- Review Implementation Plan Proposal
- Delegates attempt to reach consensus around the Plan
- Chart a path forward to adopt this Plan as Arizona's LBDCP Implementation Plan

# Updates on the process

- To provide more time for consensus to emerge from the small group discussions, the 10/25 and the 11/8 Steering Committee Meetings were cancelled
- CAWCD Board authorized use of CAP water and financial resources on 11/15 for an interim mitigation proposal and continued negotiation of a broader program
- The Implementation Plan attempts to reflect positions expressed by delegates and stakeholders during the Steering Committee process

# CAWCD Board Action 11/15

- The CAWCD Board authorized the following:
  - Utilization of up to 400 kaf of CAP ICS and up to 50 kaf of CAP Project Water in Lake Pleasant, while maximizing opportunities to maintain CAP ICS water in Lake Mead.
  - Creation of a compensated conservation program to obtain necessary quantities of water for mitigation purposes, up to 250,000 af and a cost of up to \$60M to be included in CAP FOM&R rates.
  - Support for development of separate programs for groundwater infrastructure and system efficiency for CAP Ag Districts in cooperation with the U.S., the State of Arizona, the Ag districts, tribes, and others. Funding participation TBD.
  - CAWCD Board delegates and the GM to bring the Interim Plan Proposal to the AZ LBDCP Steering Committee and to continue to negotiate a mitigation plan within the general parameters of the Interim Plan Proposal.

# Update on small group meetings

- ADWR/CAWCD/BOR/GRIC met with small groups and key stakeholders over the last week to obtain input on the Implementation Plan
- Groups included:
  - Arizona legislative leaders
  - Ag representatives
  - CAP M&I subcontractors
  - Developer interests
  - NGOs
  - Tribal representatives
  - On-River water users

# Implementation Plan – Two 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
  - M&I and Indian priority fully mitigated first
  - NIA volume based on actual orders/operating conditions
  - NIA 75% under T1 and T2a (until no supplies)
  - NIA 50% under T2b (until no supplies)
- 2026
  - Zero mitigation
- No mitigation for any water user in T3 or 2026, whichever occurs first



# Mitigation Plan – Two Examples

- Example 1: Base Example assumes:
  - 2020 – 2022 T1
  - 2023 – 2024 T2a
  - 2025 T2b
  - 2026 T3
- Example 2: Poor Hydrology Example assumes:
  - 2020 T1
  - 2021 – 2022 T2a
  - 2023 – 2024 T2b
  - 2025 – 2026 T3
- These examples are to illustrate the plan and are not hydrologic predictions

# Base Example

## Mitigation Costs ~\$60M for Compensated Mitigation

	2019 No Shortage	2020 Tier 1 Shortage	2021 Tier 1 Shortage	2022 Tier 1 Shortage	2023 Tier 2a Shortage	2024 Tier 2a Shortage	2025 Tier 2b Shortage	2026 Tier 3 Shortage	TOTALS IN AF
<b>AG POOL</b>	<b>0</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>79,750</b>	<b>79,750</b>	<b>76,500</b>	<b>70,000</b>	<b>621,000</b>
<i>CAP Water</i>	0	105,000	105,000	88,500	9,750	9,750	6,500	0	324,500
<i>GW Infrastructure</i>	0	0	0	16,500	70,000	70,000	70,000	70,000	296,500
<b>NIA</b>	<b>0</b>	<b>76,957</b>	<b>76,957</b>	<b>92,908</b>	<b>109,067</b>	<b>109,067</b>	<b>78,366</b>	<b>0</b>	<b>543,322</b>
<i>GRIC Compensated<sup>1</sup></i>	0	29,140	29,140	30,764	50,973	50,973	32,449	0	223,439
<i>GRIC CAP Water</i>	0	20,000	20,000	25,000	15,000	15,000	15,000	0	110,000
<i>Cities NIA CAP water</i>	0	27,817	27,817	37,144	43,094	43,094	30,197	0	209,883
<b>M&amp;I</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INDIAN PRIORITY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,767</b>	<b>0</b>	<b>12,767</b>
<b>TOTAL</b>	<b>0</b>	<b>181,957</b>	<b>181,957</b>	<b>197,908</b>	<b>188,817</b>	<b>188,817</b>	<b>167,633</b>	<b>70,000</b>	<b>1,177,089</b>

<sup>1</sup> GRIC prefers wet water deliveries, if available, rather than compensated mitigation and is actively soliciting NIA Pool users to also accept compensation in lieu of water



# Poor Hydrology

## Mitigation Costs ~\$57M for Compensated Mitigation

	2019 No Shortage	2020 Tier 1 Shortage	2021 Tier 2a Shortage	2022 Tier 2a Shortage	2023 Tier 2b Shortage	2024 Tier 2b Shortage	2025 Tier 3 Shortage	2026 Tier 3 Shortage	TOTALS IN AF
<b>AG POOL</b>	<b>0</b>	<b>105,000</b>	<b>70,000</b>	<b>70,000</b>	<b>76,500</b>	<b>76,500</b>	<b>70,000</b>	<b>70,000</b>	<b>538,000</b>
CAP Water	0	105,000	70,000	53,500	6,500	6,500	0	0	
GW Infrastructure	0	0	0	16,500	70,000	70,000	70,000	70,000	
<b>NIA</b>	<b>0</b>	<b>77,007</b>	<b>145,730</b>	<b>145,424</b>	<b>78,366</b>	<b>78,366</b>	<b>0</b>	<b>0</b>	<b>524,893</b>
GRIC Compensated <sup>1</sup>	0	34,190	67,116	57,965	32,449	29,449	0	0	218,169
GRIC CAP Water	0	15,000	30,000	30,000	15,000	18,000	0	0	111,000
Cities NIA CAP water	0	27,817	48,614	57,459	30,197	30,917	0	0	195,724
<b>M&amp;I</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INDIAN PRIORITY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,767</b>	<b>12,767</b>	<b>0</b>	<b>0</b>	<b>25,534</b>
<b>TOTAL</b>	<b>0</b>	<b>182,007</b>	<b>215,730</b>	<b>215,424</b>	<b>167,633</b>	<b>167,633</b>	<b>70,000</b>	<b>70,000</b>	<b>1,088,427</b>

<sup>1</sup> GRIC prefers wet water deliveries, if available, rather than compensated mitigation and is actively soliciting NIA Pool users to also accept compensation in lieu of water



# Resources

## Wet Water:

- 400 kaf CAP ICS
- 50 kaf CAP Lake Pleasant
- 50 kaf CAP-SRP Exchange
- 100 kaf USF-GSF
- Up to 91 kaf GSF (A portion would require WaterBUD partial repeal)
- Up to 30 kaf of CAP operational supplies

## Compensated Mitigation

- \$60M payments for impacted NIA supplies in lieu of wet water delivery.

Money for GW Infrastructure Development for Pinal Ag  
16.5 kaf in 2022, 70 kaf/yr beginning in 2023.

# Water Sources

	2019 No Shortage	2020 Tier 1 Shortage	2021 Tier 1 Shortage	2022 Tier 1 Shortage	2023 Tier 2a Shortage	2024 Tier 2a Shortage	2025 Tier 2b Shortage	2026 Tier 3 Shortage	TOTALS
<b>USF-GSF</b>	<b>0</b>	<b>33,500</b>	<b>33,500</b>	<b>33,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,500</b>
<b>GSF (WaterBUD)</b>	<b>0</b>	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>9,750</b>	<b>9,750</b>	<b>6,500</b>	<b>0</b>	<b>65,000</b>
<b>Lake Pleasant</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>
<b>SRP Exchange</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>50,000</b>
<b>CAP ICS Deliveries</b>	<b>0</b>	<b>41,317</b>	<b>91,317</b>	<b>89,144</b>	<b>43,094</b>	<b>43,094</b>	<b>37,296</b>	<b>0</b>	<b>345,262</b>
<b>CAP Operational Supplies</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>30,000</b>
<b>TOTAL</b>	<b>0</b>	<b>142,817</b>	<b>152,817</b>	<b>150,644</b>	<b>67,844</b>	<b>67,844</b>	<b>58,796</b>	<b>0</b>	<b>640,762</b>

# Offset Component– Key Terms

- Goal to conserve 400 kaf to offset use of CAP ICS
- Offsets provided through:
  - 100 kaf US-GRIC ICS
    - Pre-firming for US Tribal firming obligation
  - 50 kaf AWBA-GRIC ICS
    - Pre-firming for Arizona's AWSA firming obligation
  - 150 kaf System Conservation
  - 50 kaf Additional Tribal ICS
  - 50 kaf - CAP-SRP Exchange payback

# Lake Mead Offset

	2019 No Shortage	2020 Tier 1 Shortage	2021 Tier 1 Shortage	2022 Tier 1 Shortage	2023 Tier 2a Shortage	2024 Tier 2a Shortage	2025 Tier 2b Shortage	2026 Tier 3 Shortage	TOTALS IN AF
SC	0	50,000	50,000	50,000	0	0	0	0	150,000
GRIC/ AWBA Firming	50,000	0	0	0	0	0	0	0	50,000
SRP Exchange ICS	0		10,000	10,000	10,000	10,000	10,000	0	50,000
Tribal ICS	0	25,000	25,000	0	0	0	0	0	50,000
US/GRIC Firming	100,000	0	0	0	0	0	0	0	100,000
TOTAL	150,000	75,000	85,000	60,000	10,000	10,000	10,000	0	400,000



# Potential Participants in Funding & Water

- CAWCD: Funding and Water
- SRP: Water in exchange
- CAP M&I Users: Water in USF-GSF
- GRIC: Water for ICS/System Conservation
- CAP AG: Shared investment in GW infrastructure
- State: Funding
- AWBA: LTSC for USF-GSF, Firming
- US: Funding of GW Infrastructure, Firming
- NGOs: Funding
- CRIT: Water for System Conservation
- YMIDD: Water for System Conservation
- MVIDD: Water for System Conservation
- Other Tribal entities: Water for ICS/System Conservation

# DELEGATES' COMMENTS

# Next Steps

- Refine details of implementation plan
  - Arizona ICS program
  - AWBA firming
  - Arizona System Conservation Program
- Seek broad consensus statements of support
- Identify and prepare appropriate legislative language
- Identify and develop necessary intra-state agreements



**With additional questions contact:**

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**Presentation Materials Available at:**

ADWR's website – [new.azwater.gov/lbdcp](http://new.azwater.gov/lbdcp)

CAWCD's website – [www.cap-az.com/AZDCP](http://www.cap-az.com/AZDCP)