

## BOARD OF DIRECTORS

### *Information Summary*

November 20, 2008

#### **Subject**

Status of the CAWCD ADD (Acquisition, Development, and Distribution) Water Process

#### **Policy Questions**

- What is the most appropriate mechanism by which to ensure that a reliable source of water will be available to AMWUA members when they need it and for the purposes for which it is needed?
- What is the best means by which to minimize competition, and consequently the cost, for those future supplies?
- What are AMWUA's priorities regarding the CAWCD ADD Water Process?

#### **Background**

In April 2006, the AMWUA Board of Directors approved a "Conceptual Framework for the 'Next Bucket'". Later that year, water interests, including the Central Arizona Water Conservation District (CAWCD) staff and municipal representatives, began to meet to discuss the "Next Bucket" a shorthand term for how we would meet future water supply needs. The need to address this concept was later included by the CAWCD Board in its 2006 Strategic Plan.

In its 2006 Strategic Plan, the CAWCD Board identified the development of new water supplies for the Central Arizona Project (CAP) three-county service area, as a strategic issue. It adopted a strategic objective to "Establish a collaborative process to determine when new supplies need to be acquired and what entities get those supplies and encourage fair competition and eliminate perceptions of unfair advantage." The associated action plan stated that "CAP takes the lead role in developing a process that includes water user entities, CAGR, and ADWR to decide the who, when, what, and how much questions. CAP, as owner/operator of the CAP system is the lead agency."

To address this task, a CAWCD staff internal project team prepared a proposed Stakeholder Participation Plan and presented it to the CAWCD Board in January 2008. The CAWCD Board then expanded the Project Team to include external Stakeholders and three Board members. In February 2008, the Project Team began to meet to refine and finalize the Stakeholder

Participation Plan. The Project Team developed the following statement to address the problem that the ADD Water Process was intended to solve:

“Long term water demands in CAP’s three-county service area are projected to exceed currently available supplies. A comprehensive strategy may be desirable for the acquisition and delivery of water to meet these future demands.”

The Project Team also determined that the following question should be posed to the Stakeholders:

“Assuming CAP is to be the primary entity that acquires, develops, and delivers new water supplies for its three-county service area, how should the water be shared and paid for?”

Other related issues would be addressed in the future.

The first meeting of the ADD Water Stakeholders was held on May 21, 2008. Stakeholders developed a summary of their interests and expectations and identified additional information that would be needed.

The Project Team continued to meet to discuss the structure of Stakeholder meetings. The purpose of the next series of Stakeholder meetings would be to identify broad criteria, “arenas”, associated with how water should be shared and paid for, and to identify, generally, a “bad” to “excellent” range of outcomes associated with these “arenas”. Three Stakeholder meetings were held to complete this phase of the process. These meetings were concluded on November 3, 2008.

The next phase of the process will focus on the development of possible program alternatives. These alternatives will later be evaluated to determine which alternatives best meet the criteria established by the Stakeholders.

## **Summary**

AMWUA staff and the AMWUA Water Resources Advisory Group (WRAG) meet regularly to discuss and provide input to the ADD Water Project Team. AMWUA staff and the WRAG also actively participate in the ADD Water Stakeholder meetings. As the ADD Water Process moves forward, AMWUA members will work together to develop proposals to address the needs of AMWUA members to acquire additional water supplies for future purposes and to meet the need for additional water supplies to ensure that reliable water supplies are available for the three-county CAWCD taxing and service area.

As the ADD Water process moves forward, AMWUA and its members will be asked to take positions on many issues in this process.

## **Considerations**

The April 26, 2006 “Conceptual Framework for the Next Bucket” identifies many of the policy considerations necessary for effective participation in the ADD Water Process.

Participants in the ADD Water Process have expressed concerns regarding the Stakeholder process. These concerns have focused on clarity of the process and how input developed in meetings will be used in subsequent meetings.

## **Prior Committee Action**

The AMWUA Management Board and Board of Directors have received regular updates at their monthly Board meetings.

At the November 12, 2008, Management Board meeting, the Management Board directed the AMWUA staff to continue to provide updates regarding the progress of the ADD Water Process.

## **Recommendations**

AMWUA staff recommends that the AMWUA staff and the Water Resources Advisory Group (WRAG) work together to develop positions for AMWUA Board approval regarding proposals to be developed in the ADD Water Process.

## **Attachment**

April 26, 2006 “Conceptual Framework for the Next Bucket”