

BOARD OF DIRECTORS

Information Summary

December 17, 2009

Subject

CAWCD ADD Water Process Update

Policy Statement

The AMWUA Board of Directors will be updated on the ADD Water Process and invited to give guidance on key issues.

Summary

The Central Arizona Water Conservation District (CAWCD) ADD Water process is focusing on the question: "Assuming CAWCD 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?" A stakeholders' working group, comprised of approximately 100 participants, met several times to discuss various aspects of an ADD Water program. During the spring and early summer, eight small working groups met to generate alternative proposals addressing several issues, including governance, financing, and the sharing of ADD Water supplies. Additionally, AMWUA developed a separate alternative in conjunction with the City of Tucson. The law firm of Fennemore Craig also developed an alternative on behalf of developers.

At stakeholders' meetings held on September 10 and 11, 2009, stakeholders attempted to find as much common ground on key issues as possible. A series of follow-up meetings (labeled the "Hammer-it-out-group" or HIOG) discussed whether consensus is achievable on the general structure of an ADD Water program. The HIOG process was completed on November 20, 2009. There will be a stakeholders' meeting on January 5, 2010, and a CAWCD Board Workshop on January 21, 2010.

The members of the HIOG were able to reach "emerging consensus" on a number of key issues, including the relative priorities to use the CAP system capacity for CAP and ADD Water deliveries, the target size of the ADD Water program, and limitations on use of ADD Water outside the CAP Service Area. However, the HIOG was unable to reach consensus on the issues of governance of the ADD Water program and how the ADD Water program will work with the responsibilities of the Central Arizona Groundwater Replenishment District (CAGRDR).

CAWCD staff will prepare a summary document of the work of the HIOG which will be distributed prior to the stakeholders' meeting on January 5, 2010. It is important to note that the areas of "emerging consensus" are interrelated so that consensus on one issue is contingent upon the consensus on the entire package of issues.

Prior Committee Action

In April 2006, the AMWUA Board of Directors adopted the "Conceptual Framework for the 'Next Bucket.'" This policy statement has been used as the direction to be followed in subsequent discussions of new water supply development.

In February 2008, the CAWCD began its stakeholder participation process. Updates on the process have been included as part of the AMWUA Management Board and Board of Directors' agendas since the initiation of the process.

In February 2009, the AMWUA Management Board and Board of Directors were asked to provide guidance on the "Potential Table of ADD Water Elements" and direction regarding discussions in the ADD Water stakeholder process.

In March 2009, staff updated the AMWUA Management Board and Board of Directors on the ADD Water process.

In April 2009, the AMWUA Management Board and Board of Directors discussed key assumptions being used in the ADD Water process.

In May 2009, the AMWUA Management Board and Board of Directors discussed "Project ADD Water: Expanded Canal Capacity Alternative" dated April 29, 2009. The focus of discussion was on providing guidance regarding: 1) Governance; 2) Participation; and 3) Master Planning.

In September 2009, the AMWUA Management Board and Board of Directors discussed a summary of alternatives compiled from the ADD Water stakeholders' process.

The Project ADD Water was discussed at the Joint AMWUA/CAWCD Board meeting on September 30, 2009.

In October and November 2009, the AMWUA Management Board and Board of Directors discussed the status of the agreements reached in the HIOG process.

At the December 2009 AMWUA Management Board meeting, the Management Board discussed emerging consensus in the ADD Water process and the document *Administration of ADD Water: Alternative Ideas to ADD Water Policy Briefing Paper #18 – November 19, 2009* and the updated HIOG document *Emerging Consensus' on Key Issues – December 8, 2009*.

December 17, 2009 – AMWUA Board of Directors' Meeting (Agenda Item #5)

Recommendation

This is an information and discussion item. Board discussion will provide guidance as AMWUA and member staffs continue to participate in the ADD Water process.

Attachment

- Administration of ADD Water – Alternative Ideas to ADD Water Policy Briefing Paper #18 Dated: 11/19/2009