

Senator Lisa Otondo
Arizona State Senate
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DISTRICT 4



COMMITTEES:
NATURAL RESOURCES,
ENERGY & WATER
TRANSPORTATION &
TECHNOLOGY

Arizona State Senate

December 3, 2018

Dear CAWCD Board Members and DCP Steering Committee Members,

The DCP Implementation Plan proposed at the November 29, 2018 Steering Committee meeting was a delicate compromise. Nearly every interest group has some problems with it, but nearly every interest group indicated its support during the comment portion of the meeting. Most importantly, the proposal would leave water in Lake Mead to achieve the goal of the Drought Contingency Plan. The so-called "Friendly Amendment" offered by CAWCD undermines the good faith negotiations that led to this hard fought compromise.

Please let me explain my observations and perspective. The amendment was not circulated in advance, creating deep suspicion about its drafters' motives. This threatens to trigger further amendments from others who want to modify the deal, thus negating the progress we have made. My experience in the legislature has taught me that one ill-conceived modification can unravel an agreement and divert us from our common goal.

While the amendment is vague and confusing, one thing is clear—it would make more than the "minor modifications" described when it was presented. Most grievously, it would transfer first priority water purchased from the Colorado River Indian Tribes (CRIT) to the Central Arizona Project. CAWCD proposes to use the CRIT water to make a portion of Arizona's required contributions to DCP. Relieved of its obligation to contribute lower priority CAP water to DCP, CAWCD would be free to divert more water from Lake Mead and deliver it to undisclosed CAP water users, instead of doing all it can to keep water in the Lake. That is contrary to what we are all trying to achieve.

From the beginning, all participants in this process have known that any transfer of Colorado River water to central Arizona would be unacceptable. My constituents, including on-river users and cities, are vehemently opposed to this amendment. It is a deal breaker.

Lake Mead is in serious danger of crashing to disastrous levels. Again, I remind you that time is not our friend. Governor Ducey has pledged \$30 million to facilitate the DCP implementation plan as presented, and not this last minute add-on. We must preserve the compromise that has been reached and the progress we have made. The CAWCD Board should withdraw its proposed amendment, showing it is supportive of the common goal. If it does not, the DCP Steering Committee must reject the amendment.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lisa A. Otondo".

Senator Lisa Otondo
Legislative District 4

DOUGLAS A. DUCEY
Governor



THOMAS BUSCHATZKE
Director

ARIZONA DEPARTMENT of WATER RESOURCES
1110 West Washington Street, Suite 310
Phoenix, Arizona 85007
602.771.8500
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December 3, 2018

Re: Proposed Amendment to Implementation Plan

Dear President Atkins and Director Cesare:

First, I would like to thank CAWCD staff for their substantial contributions to the development of the Implementation Plan as presented to the Steering Committee on November 29, 2018. As I said at the Steering Committee meeting, I fully endorse the Implementation Plan as presented. Governor Ducey's intention to include in his budget proposal \$30 million in State funding of system conservation demonstrates the Administration's commitment to the Implementation Plan.

I am writing to you regarding the "friendly amendment" to the Implementation Plan proposed by Director Cesare at the meeting. I agree with the need to work to resolve the uncertainty regarding USF to GSF transactions. In fact, the Implementation Plan assumes that those uncertainties will be resolved.

However, I cannot support the remainder of the proposed amendment for reasons that follow.

The amendment essentially proposes to reduce the 150,000 acre-feet of system conservation to be funded by the State and non-governmental organizations (NGOs), instead diverting 75,000 acre-feet of conservation to serve as the DCP Contribution that would otherwise come from CAP water users.

One of the strengths of the Implementation Plan is that it identifies a path forward while respecting the objections expressed by stakeholders. During the Steering Committee process and small group meetings, On-River Contractors have clearly stated that they view use of On-River supplies to meet the DCP Contribution as an indirect transfer of water from the River to Central Arizona and strongly oppose such a transaction. The proposed amendment ignores that concern by using On-River supplies to meet the obligations that would otherwise come from Central Arizona.

Given Governor Ducey's proposal to include \$30 million of upfront funding for system conservation and the financial commitment from NGOs, it is clear that the necessary offset for use of CAP ICS will be achieved while respecting the objections of On-River Contractors.


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Additionally, the proposal to include 7,000 acre-feet per year over three years for the CAGRDR pool, if the CAGRDR – Gila River Indian Community – Gila River Water Storage, LLC, acquisition is not executed, is unnecessary. My understanding is that the acquisition will be dependent on the authorization of the DCP (and any necessary Implementation Plan components) by the Arizona Legislature. If the Arizona Legislature fails to authorize the execution of the DCP agreements, then the Implementation Plan itself, and any amendments to that plan, will also fail.

I believe the Implementation Plan is a viable path forward. I ask that you continue to work together with us, and with all stakeholders, to finalize the Implementation Plan as originally proposed at the November 29th meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas Buschatzke', with a long horizontal flourish extending to the right.

Thomas Buschatzke
Director

cc: Alexandra Arboleda
Jennifer Brown
Terry Goddard
Benjamin Graff
Jim Hartdegen
Jim Holway
Pat Jacobs
Mark Lewis
Heather Macre
Sharon Megdal
Pamela Pickard
Mark Taylor
Steering Committee Delegates
Ted Cooke