



DOUGLAS A. DUCEY
Governor

THOMAS BUSCHATZKE
Director

ARIZONA DEPARTMENT of WATER RESOURCES
1110 West Washington Street, Suite 310
Phoenix, Arizona 85007
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March 4, 2019

The Honorable Douglas A. Ducey
Governor, State of Arizona
1700 West Washington Street
Phoenix, AZ 85007

Re: Arizona Drought Contingency Implementation Plan Thirty-Day Update

Dear Governor Ducey,

Pursuant to Section 17 of Senate Bill 1227, "The director of water resources shall: [...] Report to the president of the senate, the speaker of the house of representatives, the governor and the committees with jurisdiction over water issues in the house of representatives and the senate on the status of any agreement necessary to the intrastate drought contingency implementation plan thirty, sixty and ninety days after enactment of the joint resolution regarding the Colorado River drought contingency implementation plan."

In accordance with this requirement, the Director of the Arizona Department of Water Resources (ADWR) submits the following status update:

1. The Overarching Arizona Implementation Agreement is in draft concept form. The parties involved are ADWR, Central Arizona Water Conservation District (CAWCD), and others that are to be determined.
2. The Central Arizona Project (CAP) Agriculture Mitigation Agreement draft terms are being worked on. The parties involved are CAWCD, Central Arizona Irrigation and Drainage District (CAIDD), Maricopa Stanfield Irrigation and Drainage District (MSIDD), Hohokam Irrigation District (HID), San Carlos Irrigation and Drainage District (SCIDD), Harquahala Valley Irrigation District (HVID) and the Queen Creek Irrigation and Drainage District (QCIDD).
3. The CAP Non-Indian Agriculture (NIA) Mitigation Agreement draft terms are being worked on. The parties involved are CAWCD, the Gila River Indian Community (GRIC), City of Chandler, Town of

Gilbert, City of Mesa, City of Phoenix, City of Scottsdale, and the City of Tempe. Phoenix City Council approved the terms of the agreement on 2/20/2019.

4. The CAWCD and Salt River Project (SRP) Exchange Agreement draft is complete. The parties involved are CAWCD and SRP.
5. The Arizona Intentionally Created Surplus (ICS) Framework Agreement is in draft form. The parties are ADWR, CAWCD and the United States.
 - a. The AZ ICS Exhibits are reliant upon the completion of the AZ ICS Framework Agreement. ICS exhibits were submitted by CAWCD, Mohave Valley Irrigation and Drainage District (MVIDD), Wellton Mohawk Irrigation and Drainage District (WMIDD), Colorado River Indian Tribes (CRIT), and the Gila River Indian Community (GRIC). These exhibits have been shared with California and Nevada and are awaiting interstate review and approval as part of the interstate DCP documents.
6. The CRIT System Conservation Agreement is in draft form. The parties involved are ADWR, Bureau of Reclamation (BOR), CRIT and CAWCD. The Environmental Defense Fund will participate in the funding of the CRIT system conservation through a separate funding agreement with the CRIT.
7. The CAWCD and ADWR Exchange of Letters has been completed. The parties involved are ADWR and CAWCD. The exchange of letters was executed by ADWR and CAWCD on 1/30/2019.
8. The Groundwater Savings Facility to Groundwater Savings Facility Agreement is in draft form. The parties involved are EPCOR and CAP Agriculture Districts.
9. Underground Storage Facility to Groundwater Savings Facility Agreements:
 - a. The Agreement for the exchange of Arizona Water Banking Authority (AWBA) Long Term Storage Credits (LTSC) with the City of Phoenix, City of Scottsdale, City of Avondale, City of Chandler, City of Peoria, City of Goodyear, City of Tucson, EPCOR, and Freeport McMoran is in draft form. The Phoenix City Council approved the terms of this agreement on 2/20/2019.
 - b. The Underground Storage Facility to Groundwater Savings Facility Agreement is in draft form. The parties are the City of Phoenix, City of Scottsdale, City of Avondale, City of Chandler, City of Peoria, City of Goodyear, City of Tucson, EPCOR, and Freeport McMoran and CAIDD, MSIDD, HID, and HVID. The Phoenix City Council approved the terms of this agreement on 2/20/2019.
 - c. The AWBA Recovery Agreements are in concept form. The parties involved are AWBA and recovery partners who are to be determined.
10. The agreement between the United States and the GRIC to purchase ICS for the purposes of meeting the United States tribal firming obligation is in draft concept form. The parties involved are the United States and the GRIC.

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11. The Agreement between the AWBA and the GRIC for purchase of ICS for purposes of meeting the AWBA's obligations to the GRIC under the Arizona Water Settlements Act is in draft form. The parties involved are: AWBA and GRIC.

12. The GRIC, Central Arizona Groundwater Replenishment District (CAGR), and Gila River Water Storage LLC (GRWS) Water Supply Acquisition Agreements have been finalized. The parties involved are GRIC, GRWS, CAWCD and the United States. The agreements were fully executed by CAWCD, GRIC and GRWS on 1/31/2019.

Please do not hesitate to contact me at 602.771.8426 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Buschatzke". The signature is fluid and cursive, with a large initial "T" and "B".

Thomas Buschatzke
Director

cc: Speaker Rusty Bowers
President Karen Fann
Madam Chairman Gail Griffin
Madam Chairman Sine Kerr