

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

CUSTOMER UTILITY PANEL

Thursday, August 24, 2023, 9:30 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Members: Michael Hutchinson, Chairman; Alton Washington, Vice Chairman; Chris Clark, Roxanne Coleman, Christie Ellis, Mary Gloria, Julie Graham, Audra Koester Thomas, Monte Nevitt Sr., Bryant Powell, Mary Ann Przybylski, Jay Schlum, Scott Stilgenbauer, and Mari Westerhausen

Roll Call

Safety Minute

Sustainability Minute

1. Request for Approval of the Minutes for the Meeting of April 27, 2023
.....CHAIRMAN MICHAEL HUTCHINSON
2. President's Office UpdateVICE PRESIDENT CHRIS DOBSON
3. Water Briefing: SRP, Colorado River, and Phoenix Active Management Area (AMA) Report CHRISTINA McJUNKIN

Informational presentation regarding the state of water in the valley, including a briefing on SRP water initiatives, Colorado River status, and the recent Phoenix AMA report published by the State.

4. Community Responses to Current Water Issues CHRISTINA McJUNKIN

Roundtable discussion among CUP Members to inform SRP Management and the Board of how valley communities are responding to the water challenges facing the valley.

5. CUP Member ISP Liaison Report CHRIS CLARK
6. CUP Member Update.....CHAIRMAN MICHAEL HUTCHINSON
7. Report on Current Events by the General Manager and Chief Executive Officer or DesigneesJIM PRATT
8. Future Agenda Topics.....CHAIRMAN MICHAEL HUTCHINSON

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



THE NEXT CUSTOMER UTILITY PANEL MEETING IS
SCHEDULED FOR THURSDAY, NOVEMBER 2, 2023

08/17/2023

SAFETY MINUTE: WATER WATCHER

SRP CUSTOMER UTILITY PANEL

SARA MCCOY
DIRECTOR, RISK MANAGEMENT

AUGUST 24, 2023



Delivering water and power™

SAFETY MINUTE: ASSIGN A WATER WATCHER

**ACTIVELY
WATCH!**

- Assign to adults who know how to swim and perform CPR.
- No distractions - put away devices and books.
- Have safety rings and poles available. Know the address.
- Monitor and keep count of everyone in the group.
- Pass the water watcher tag to another when needing to step away.
- Actively scan the pool during the event and before vacating the area.



My eyes are on everyone in the water.

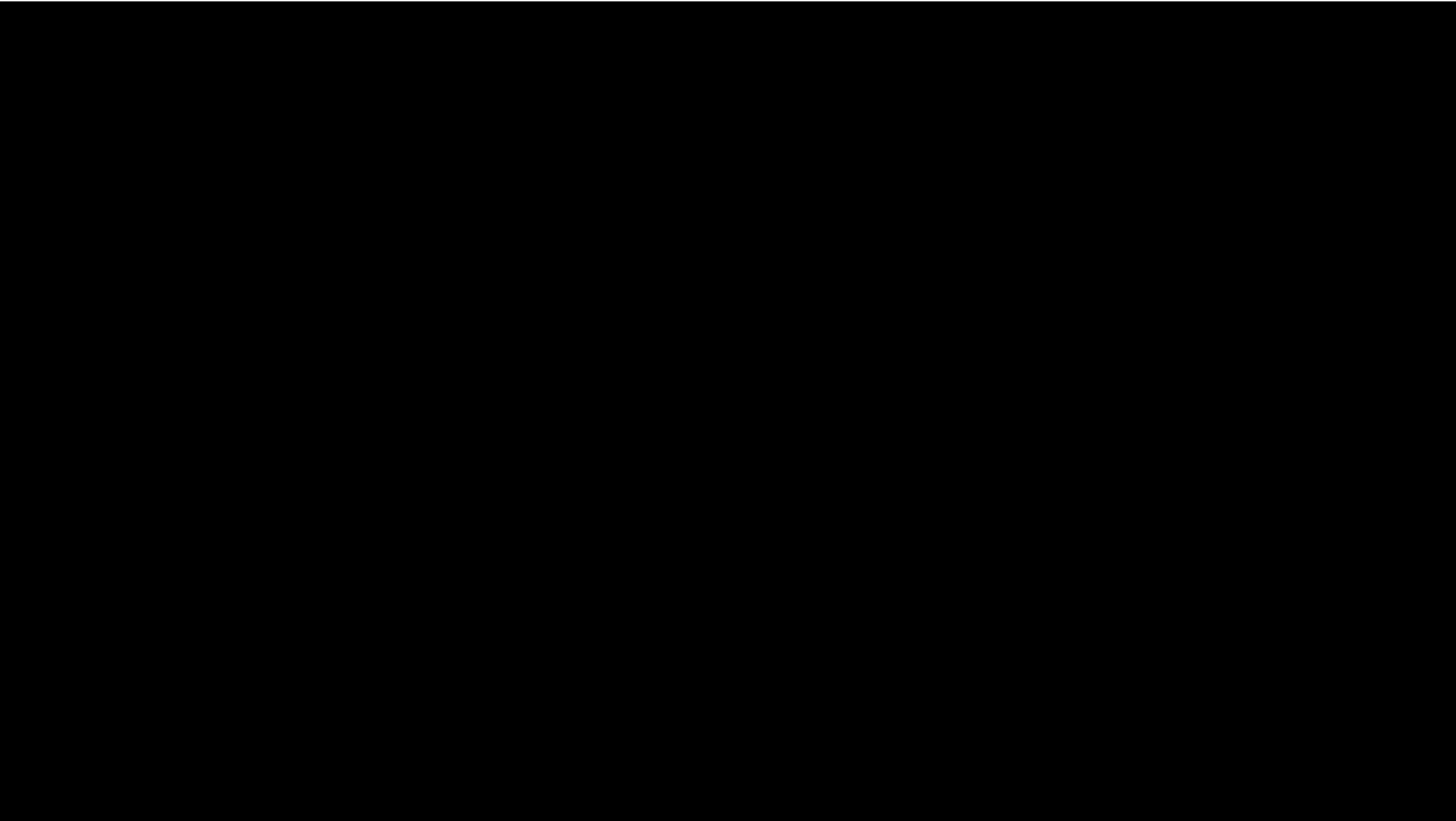
WATER WATCHER

SAFE SUMMER | BE WATER-SAFE

WATER WATCHER RESPONSIBILITIES:

- Take 15 minutes to vigilantly watch children in the pool.
- Put away cellphones and any other distractions.
- Hand off the Water Watcher tag to another responsible adult after 15 minutes.
- Call 911 if there is an emergency.





SUSTAINABILITY MINUTE: WATER CONSERVATION

SRP CUSTOMER UTILITY PANEL

CHRISTA MCJUNKIN

SENIOR DIRECTOR, WATER SUPPLY AND SYSTEM

AUGUST 24, 2023

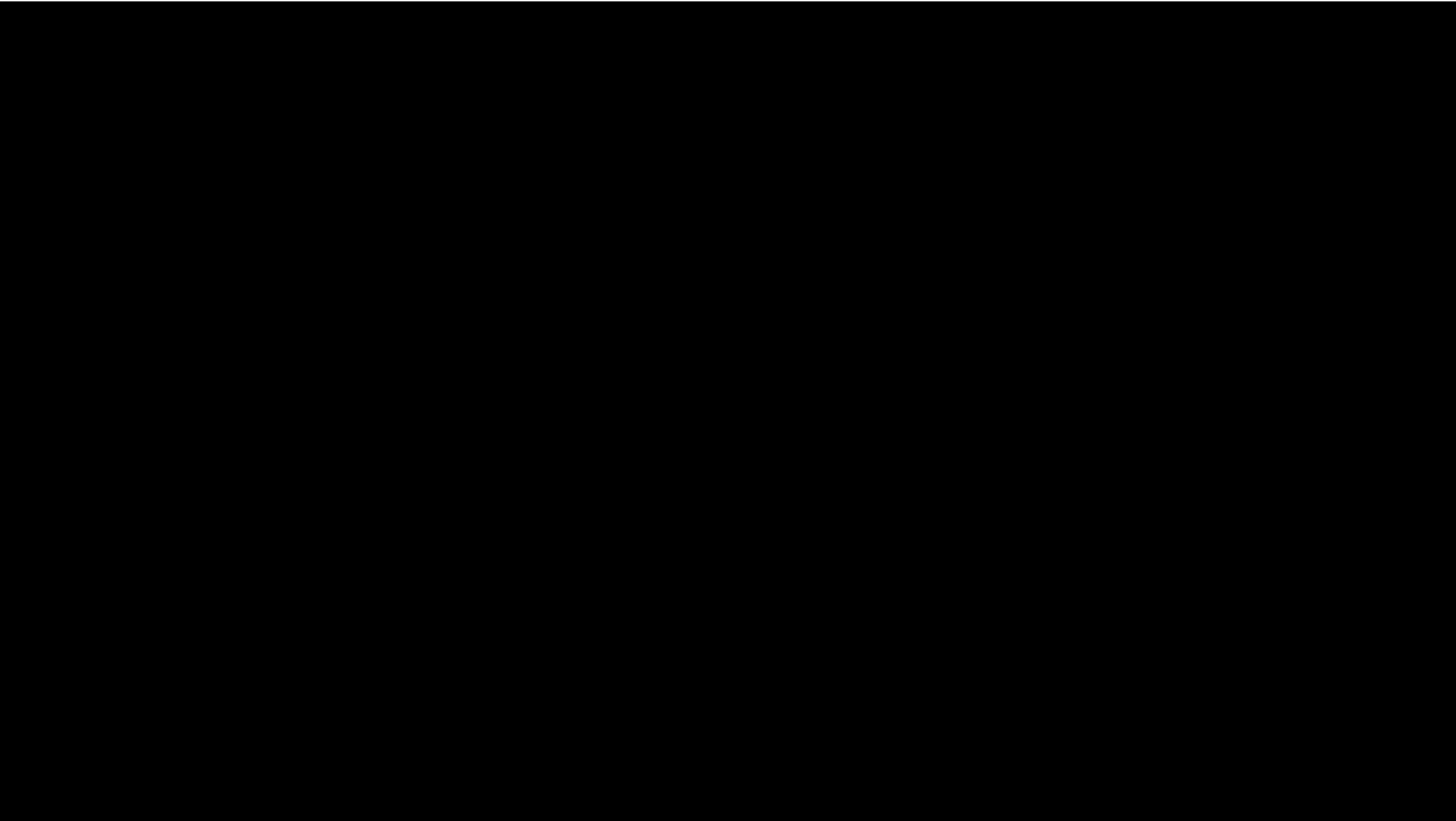


Delivering water and power™

SUSTAINABILITY MINUTE: WATER CONSERVATION

- Turn off the tap when not in use.
- Run your dishwasher and laundry only when it's full.
- Cut those long showers short.
- Fix plumbing leaks.
- Use drip irrigation to water your plants.





MINUTES
CUSTOMER UTILITY PANEL
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

DRAFT

April 27, 2023

A meeting of the Customer Utility Panel (CUP) of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Thursday, April 27, 2023, from the Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

CUP Members present at roll call were M.T. Hutchinson, Chair; A.J. Washington, Vice Chair; and C.S. Clark, R.D. Coleman, C.M. Ellis, J.A. Graham, A. Koester Thomas, M.A. Nevitt Sr., B.F. Powell, M.A. Przybylski, J. Schlum, J.S. Stilgenbauer, and M. Westerhausen.

CUP Member absent at roll call was M.A. Gloria.

Also present were District Vice President C.J. Dobson; Board Liaison P.E. Rovey; Council Vice Chairman R.J. Shelton; Council Liaison J.L. Miller; Mmes. M.J. Burger, H.B. Cruz, M.K. Greene, and C.M. Sifuentes; and Messrs. T. Cooper, A.C. Davis, G.A. DeLizio, J.M. Felty, E.T. Hallock, K.J. Lee, A.S. Peterson, J.D. Spradling, and R.R. Taylor.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the CUP meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, April 25, 2023.

Safety Minute

Jay D. Spradling, SRP Director of Security Services, presented a safety minute regarding secured workplace safety tips.

Mr. J.D. Spradling left the meeting.

Sustainability Minute

Greg A. DeLizio, SRP Manager of Predictive Pricing, presented a sustainability minute regarding the use of tumblers as opposed to plastic bottles and water conservation.

Approval of Minutes

On a motion duly made by CUP Member A. Koester Thomas and seconded by CUP Vice Chair A.J. Washington, the CUP approved the minutes for the meeting of

January 26, 2023, as presented.

Corporate Secretary J.M. Felty polled the CUP Members on CUP Member A. Koester Thomas' motion to approve the minutes for the meeting of January 26, 2023. The vote was recorded as follows:

YES:	CUP Members M.T. Hutchinson, Chair; A.J. Washington, Vice Chair; and C.S. Clark, R.D. Coleman, C.M. Ellis, J.A. Graham, A. Koester Thomas, M.A. Nevitt Sr., B.F. Powell, M.A. Przybylski, J. Schlum, S. Stilgenbauer, and M. Westerhausen	(13)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	CUP Member M.A. Gloria	(1)

President's Office Update

District Vice President C.J. Dobson provided a President's Office update.

SRP Buy-Through Program Offerings

Using a PowerPoint presentation, Mr. G.A. DeLizio stated that the purpose of the presentation was to provide information regarding the development of SRP Buy-Through program offerings.

Mr. G.A. DeLizio reviewed the Buy-Through program terms, conditions, limitations, and definition pursuant to A.R.S. Section 30-810. He said that a public power entity that is an agricultural improvement district, as established pursuant to Arizona Revised Statutes Title 48, Chapter 17, shall offer a Buy-Through program before January 1, 2024.

Mr. G.A. DeLizio explained that this program should come with specific terms, conditions, and limitations, including a minimum qualifying load and a maximum program participation amount. He said that its design must ensure maintenance of system reliability while preventing any cost shift to non-participating customers.

Mr. G.A. DeLizio provided an overview of the history of Buy-Through programs in Arizona and the conceptual Buy-Through program price structure. He offered information on other Buy-Through programs and power prices in the West.

Mr. G.A. DeLizio concluded with a review of the Buy-Through program timeframe from December 2022 through its implementation in January 2024.

Mr. G.A. DeLizio responded to questions from the CUP.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Messrs. G.A. DeLizio and A.S. Peterson left the meeting.

SRP Sustainable Cities Program Pilot

Using a PowerPoint presentation, Tom Cooper, SRP Director of Corporate Strategy, Sustainability, and Economic Services, stated that the purpose of the presentation was to provide information regarding SRP's work with four Valley cities to pilot a Sustainable Cities Program, which was initiated by SRP Economic Development to work with and assist communities in identifying and promoting their sustainable assets and emphasizing their commitment to sustainable growth.

Mr. T. Cooper stated that promoting smart and sustainable economic growth is in line with SRP's 2035 Corporate Goal of proactively partnering with communities and Tribal Nations on economic development initiatives and programs related to water, energy, and sustainability; and SRP's FY23 Corporate Objective of developing and implementing a Sustainable City certification program to help participating communities promote their commitment to sustainable growth. He explained how sustainable cities are actively working and making significant progress in addressing economic health, the environment, and social/cultural impact through urban planning and city management. He said that sustainable cities are environmentally responsible, resilient, prepared for change, inclusive, and competitive.

Mr. T. Cooper stated that the objective of the pilot program is to work with and assist participating cities in identifying and promoting their sustainable assets, as well as emphasizing their commitment to sustainable growth in order to help ensure they are competitive for talent, investment, and jobs. He said the pilot program is eligible to municipalities that have an economic development department; seek support from their city management; and have an established working sustainability team.

Mr. T. Cooper said that Gilbert, Mesa, Tempe, and Phoenix are the municipalities currently participating in the pilot program. He explained how the pilot program allows communities to meet economic, environmental, and quality of life goals to be more competitive for investment long-term.

Mr. T. Cooper concluded with a reviewed the questionnaire that was implemented as well as its scoring results, the program deliverables and benefits, and a timeline and current status of the pilot program.

Mr. T. Cooper responded to questions from the CUP.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

CUP Member Integrated System Plan (ISP) Liaison Report

CUP Member C.S. Clark provided a liaison report regarding the ISP. He responded to questions from the CUP.

CUP Member M. Westerhausen and Board Member P.E. Rovey left the meeting during the report.

CUP Member Update

CUP Chair M.T. Hutchinson provided a CUP member update. CUP Member A. Koester Thomas provided an update on air quality and transportation issues in Maricopa County. CUP Member J. Schlum introduced himself to the CUP.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

Rob R. Taylor, SRP Associate General Manager and Chief Public Affairs Executive, reported on a variety of federal, state, and local topics of interest to CUP.

Future Agenda Topics

CUP Chairman M.T. Hutchinson asked the CUP if there were any future agenda topics. None were requested.

There being no further business to come before the CUP, the meeting adjourned at 11:11 a.m.

John M. Felty
Corporate Secretary

An aerial photograph of a large dam and reservoir situated in a deep, rugged canyon. The canyon walls are composed of layered, reddish-brown rock. The reservoir is a deep blue color, and the dam is a long, low structure across the river. The sky is a clear, pale blue.

Arizona Water Update

Christa McJunkin, Senior Director of Water Supply and System

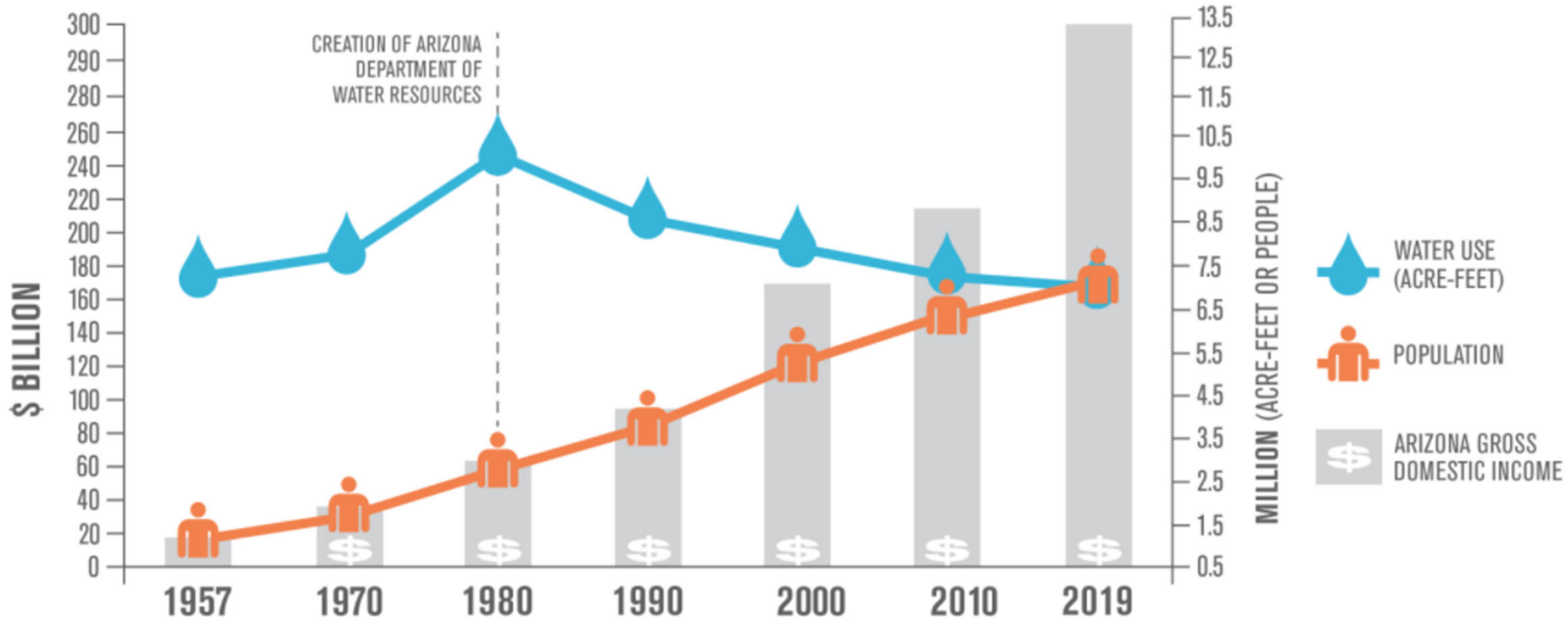
August 24, 2023

agenda

- **Overview of Arizona Water Management**
- **Phoenix AMA Groundwater Model**
- **Augmentation & Infrastructure Projects**
- **Colorado River Update**

Arizona Water Management

ARIZONA'S WATER MANAGEMENT SUCCESS



SOURCE: ADWR, 2020

8/24/2023, Customer Utility Panel, CM McJunkin

Ingredients for Success

- **1980 Groundwater Management Act**
- **Water Supply Augmentation and Water Supply Diversity**
- **Assured Water Supply Program**

Water Supply Diversity



Salt and Verde River
(SRP)



Groundwater



Colorado River
(CAP)



Effluent
(Treated Wastewater)

Assured Water Supply Program

- Requires 100-year renewable water supply be proven before development can occur
- Requires scientific studies and backup supplies
- Unique program in the US
- Forces water decisions and planning to occur before growth



Phoenix AMA Groundwater Model

TAPPED OUT —

No groundwater, no new homes, as Arizona severely restricts new housing

Cities, developers will have to turn to costly sources to build new homes.

WYATT MYSCOW, INSIDE CLIMATE NEWS - 6/2/2023, 7:35 AM

Arizona announces limits on construction in Phoenix area as groundwater disappears



By Ella Nilsen, CNN

Updated 5:56 PM EDT, Thu June 1, 2023



The Washington Post

+ Follow

Phoenix area can't meet groundwater demands over next century

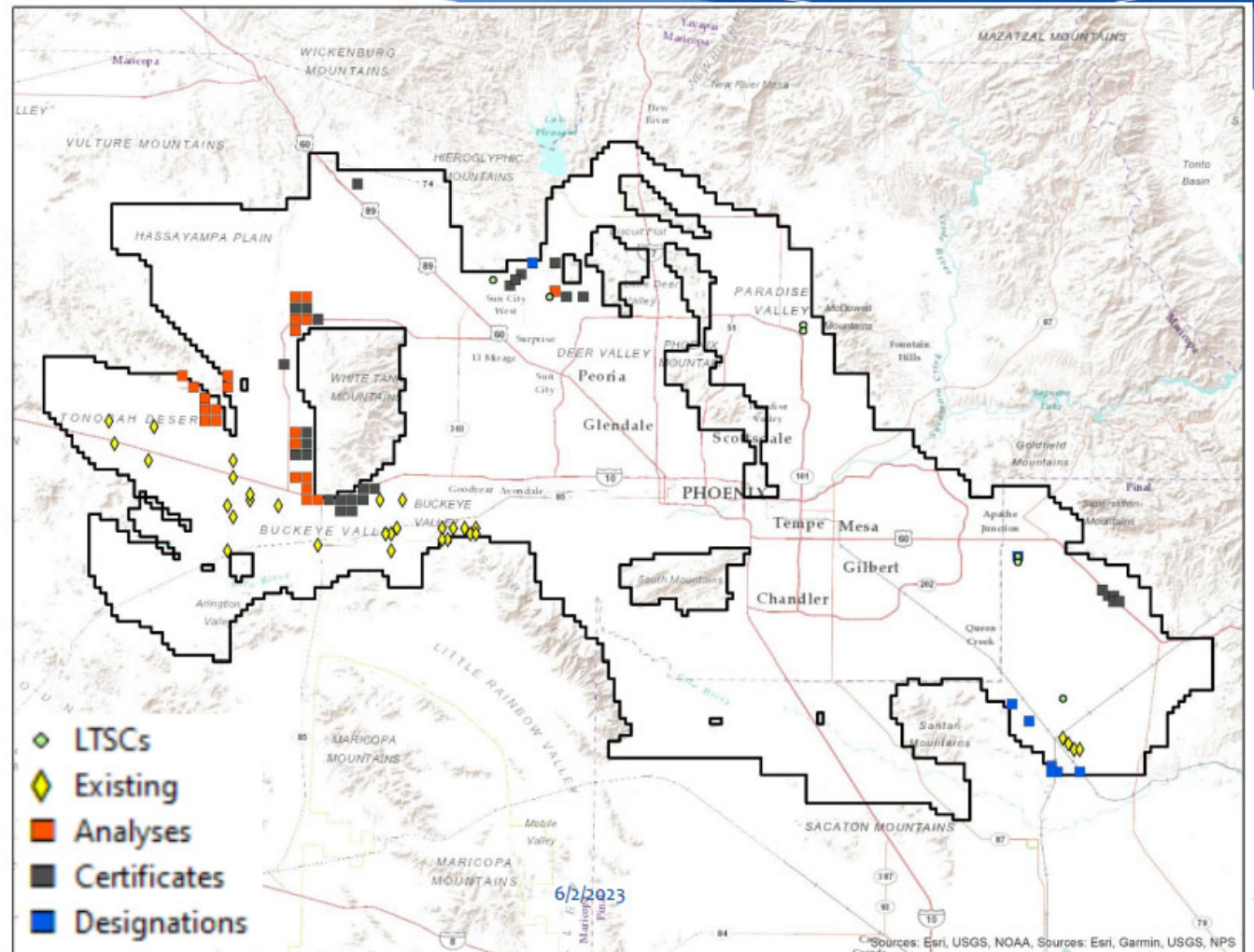
Story by Josh Partlow, Yvonne Wingett Sanchez, Isaac Stanley-Becker • Jun 1

ADWR Modeling Report

- **New, combined model for the entire Phoenix AMA**
- **Models current, committed and projected demand for 100 years**
- **Areas where wells go dry, water levels reach bedrock, or exceed 1,000 feet below land surface result in unmet demand**
- **4.86 million acre-feet, about 4% of total demand is unmet**

ADWR Modeling Report

Unmet Demand



Key Takeaways

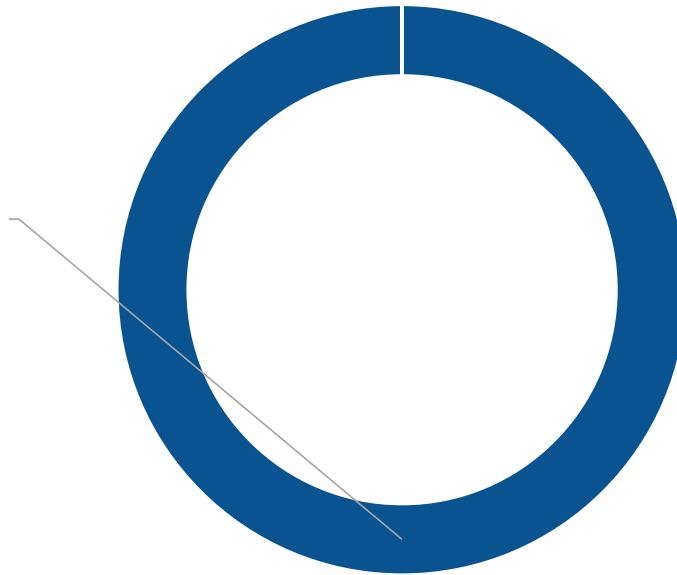
- **Phoenix metro is NOT halting housing development**
- **Commercial and industrial development NOT impacted**
- **Existing Certificates and Designations of Assured Water Supply are NOT impacted**
- **Temporary pause on new Certificates of Assured Water Supply reliant on groundwater**

Talking Points

- **Arizona is unique in the nation for using a 100-year timeframe for water planning prior to allowing development**
- **Water for growth has already been proven for most of the Valley**
- **Efforts are underway to secure new supplies**

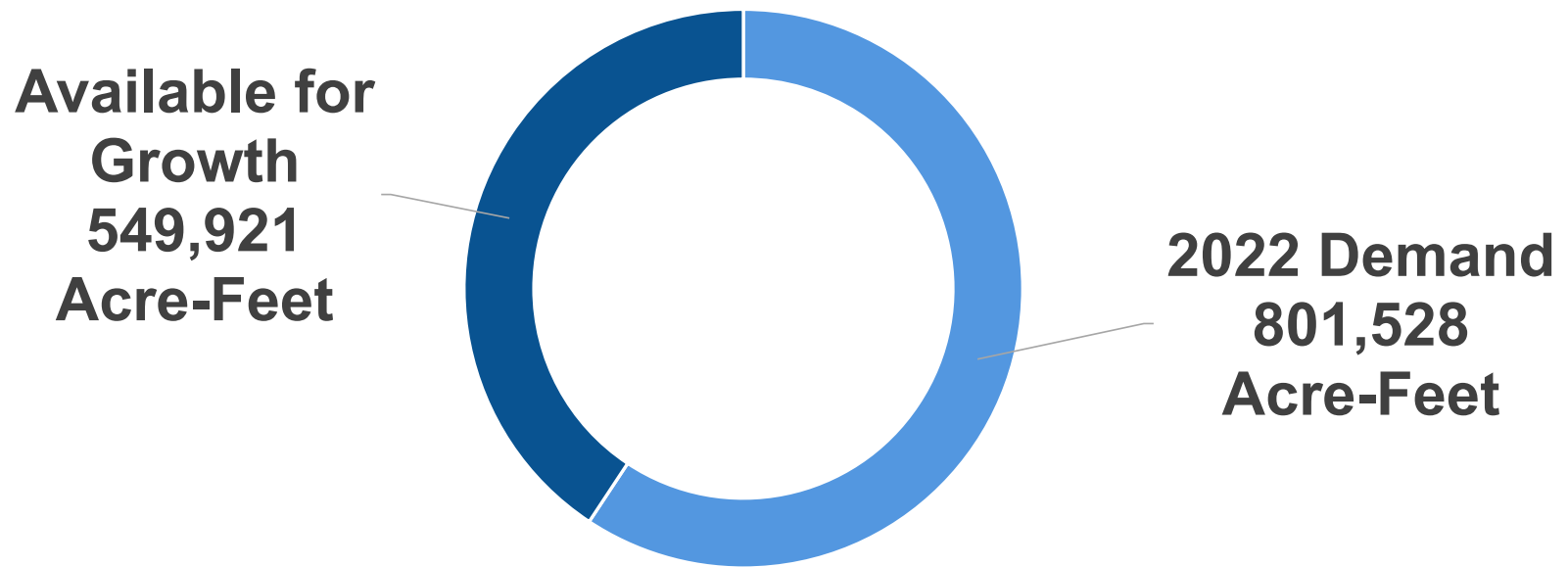
Designations of Assured Water Supply

**Proven Water
Supplies
1,351,449
Acre-Feet**



- Apache Junction
- Avondale
- Chandler
- El Mirage
- Fountain Hills
- Gilbert
- Glendale
- Goodyear
- Mesa
- Peoria
- Phoenix
- San Tan Valley
- Scottsdale
- Surprise
- Tempe

Designations of Assured Water Supply



Augmentation & Infrastructure Projects

Gila River Water Storage, LLC

- Partnership between Gila River Indian Community and SRP
- CAP water stored underground
- 420,000 acre-feet in the Phoenix AMA
- 560,000 acre-feet in the Pinal AMA
- Meets Assured Water Supply requirement
- Suitable for industrial/commercial uses
- Existing supply not subject to shortage

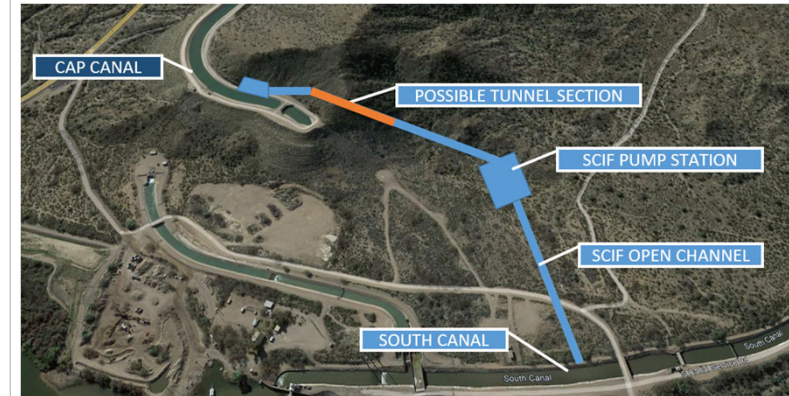
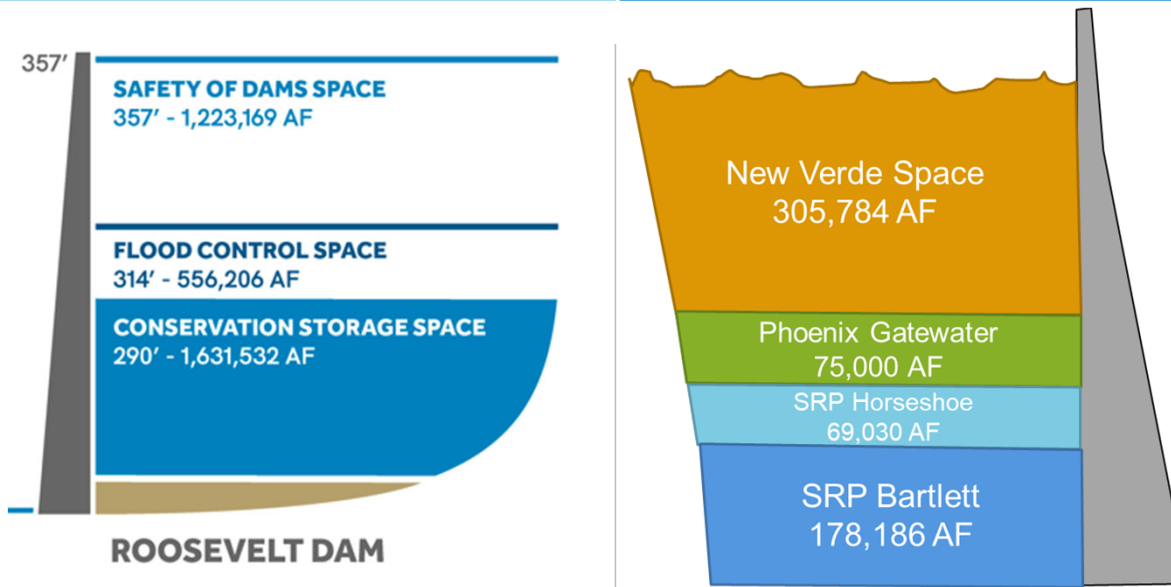


Water Infrastructure & Augmentation Projects

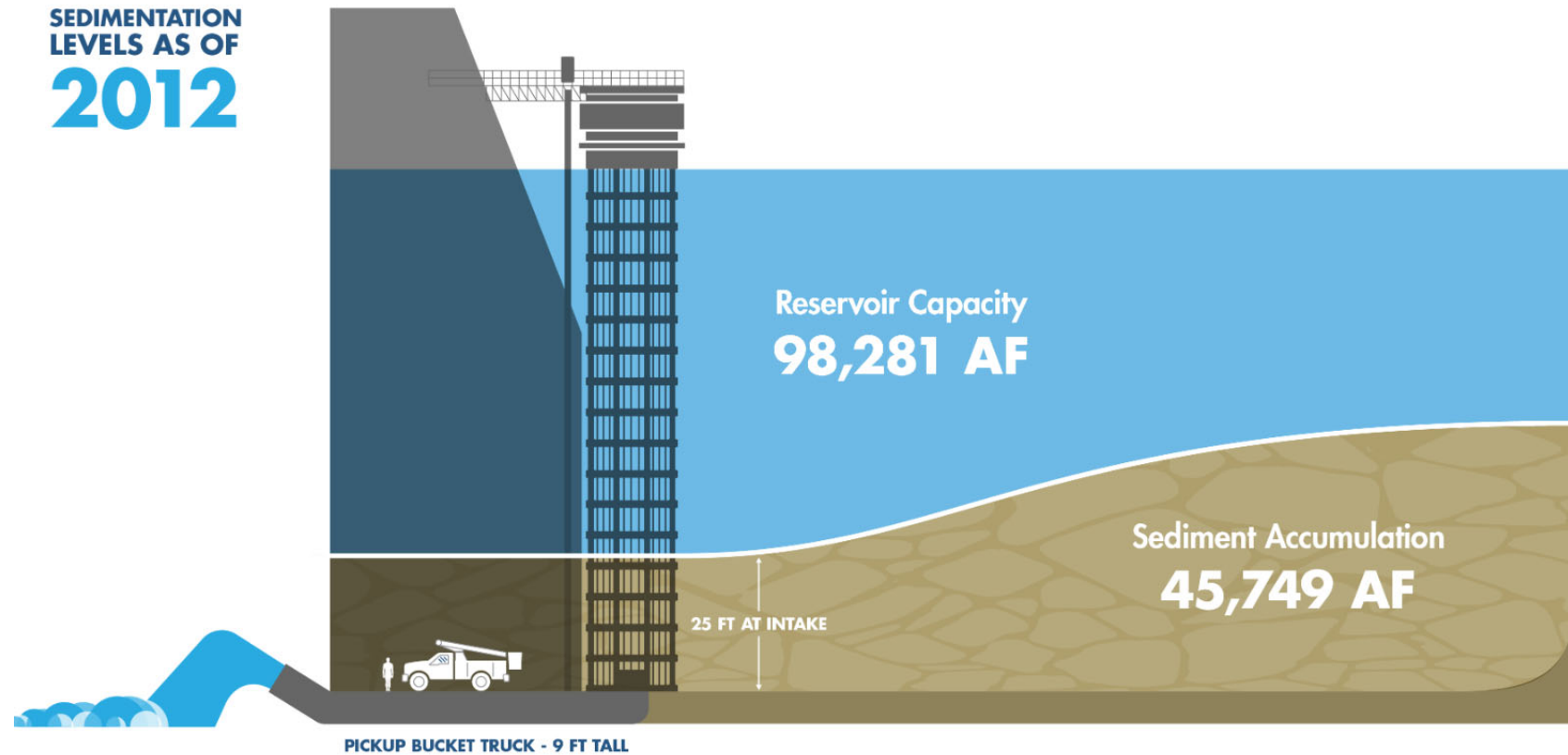
Roosevelt Flood Control Space

Bartlett Expansion

SRP-CAP Interconnection



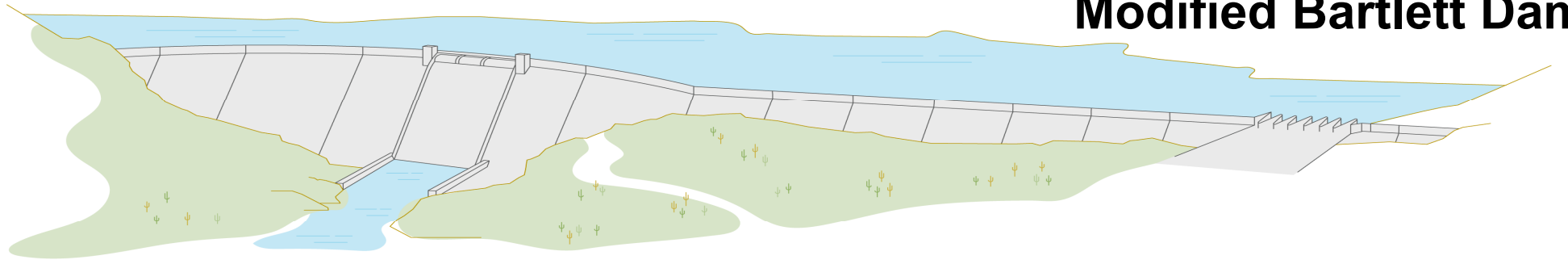
Sedimentation at Horseshoe Dam



Existing Bartlett Dam



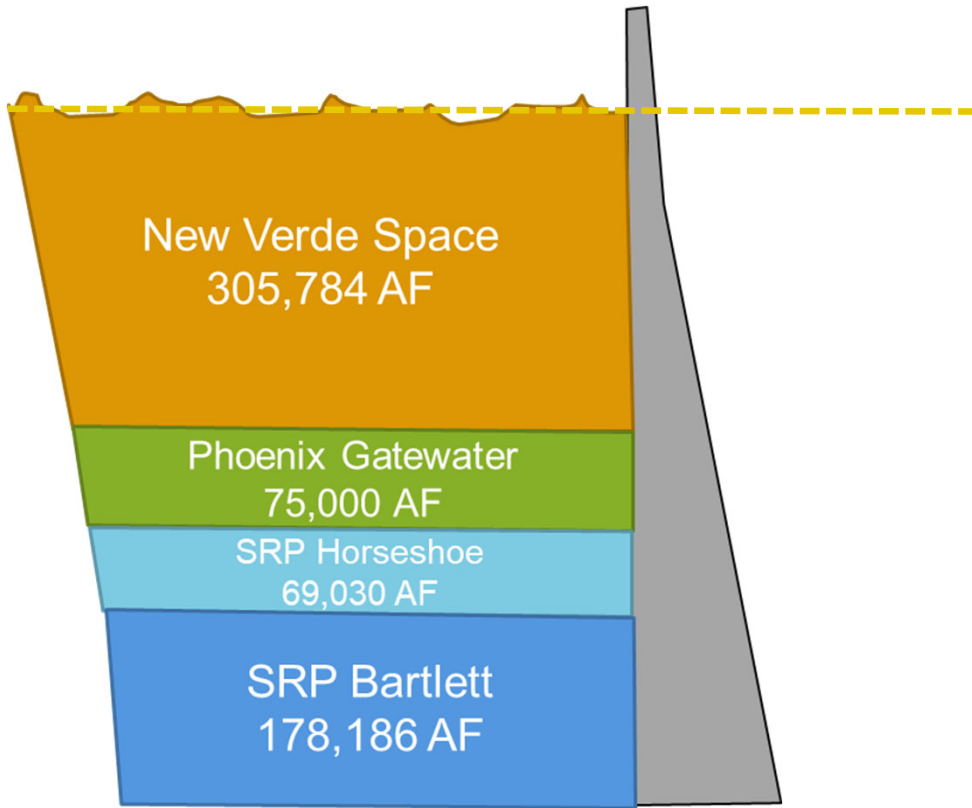
Modified Bartlett Dam



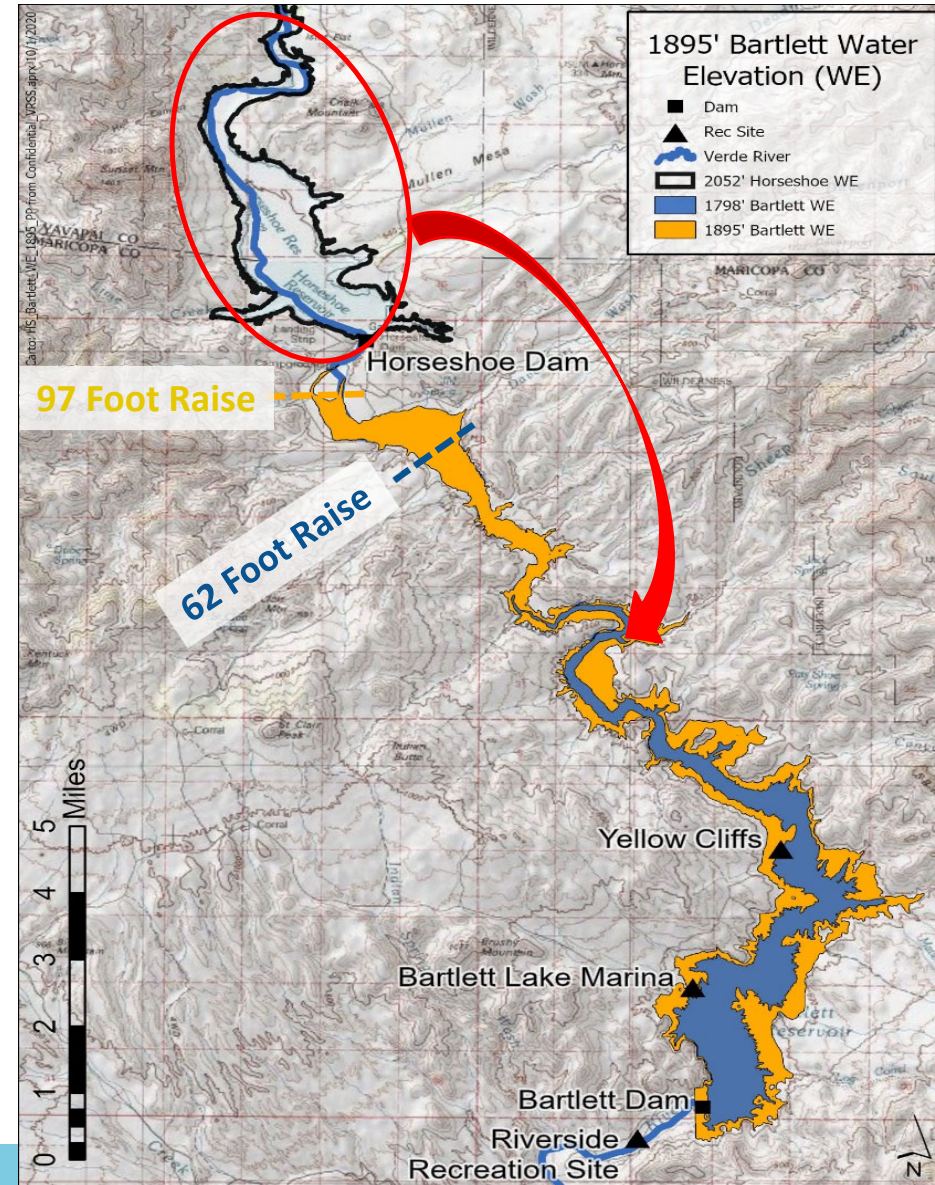
Bartlett Modification Options

Option 1: Increase dam height=97 Feet, 628,000 Acre-Foot Reservoir

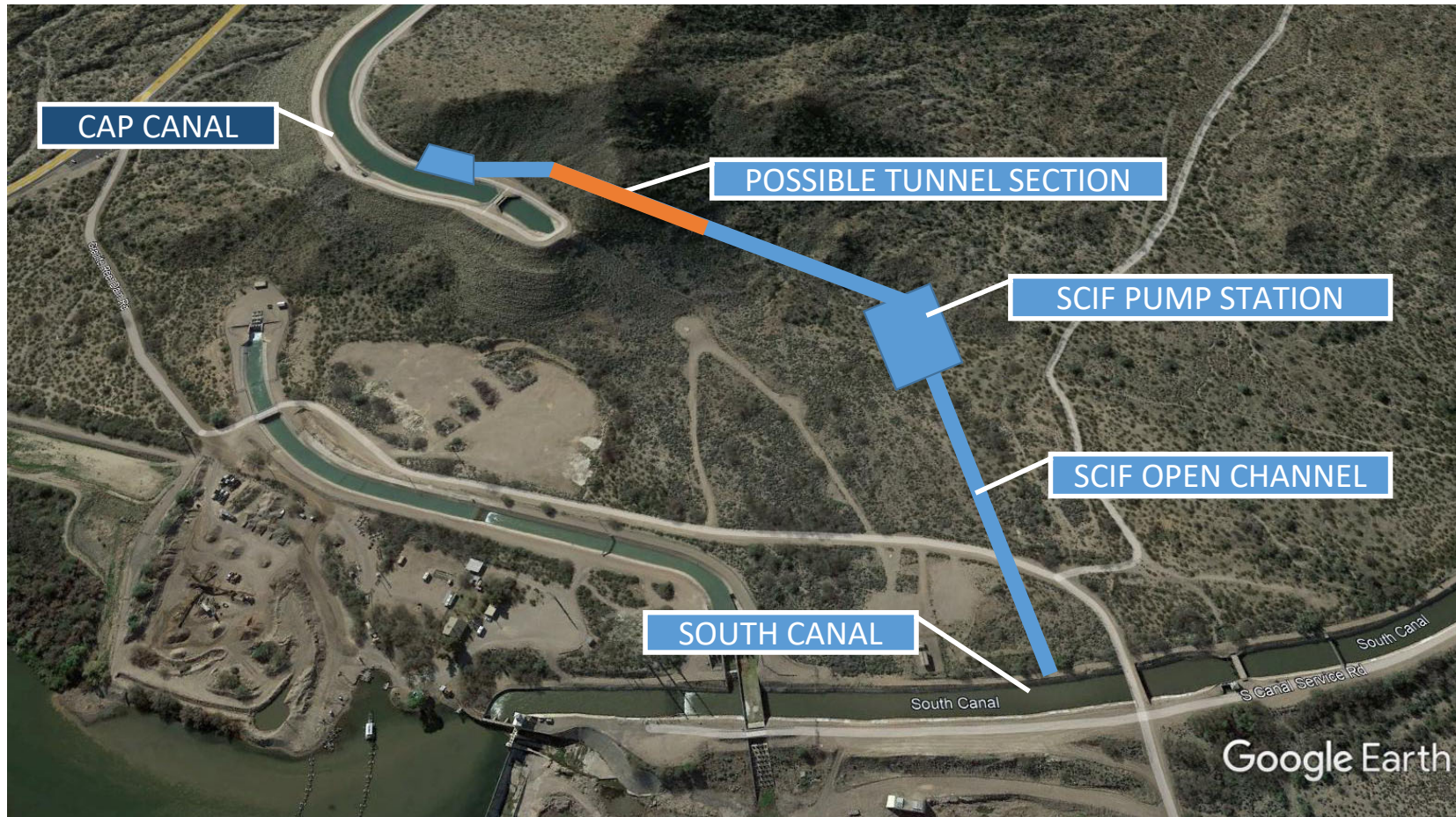
Option 2: Increase dam height=62 Feet, 422,000 Acre-Foot Reservoir



8/24/2023, Customer Utility Panel, CM McJunkin



SCIF – SRP/CAP Interconnection Facility



Additional Resources & Efforts

- **Water Infrastructure Finance Authority**
 - **Water Supply Development Fund**
 - **Water Conservation Grant Fund**
 - **Long-Term Water Augmentation Fund**
- **Governor's Water Policy Council**

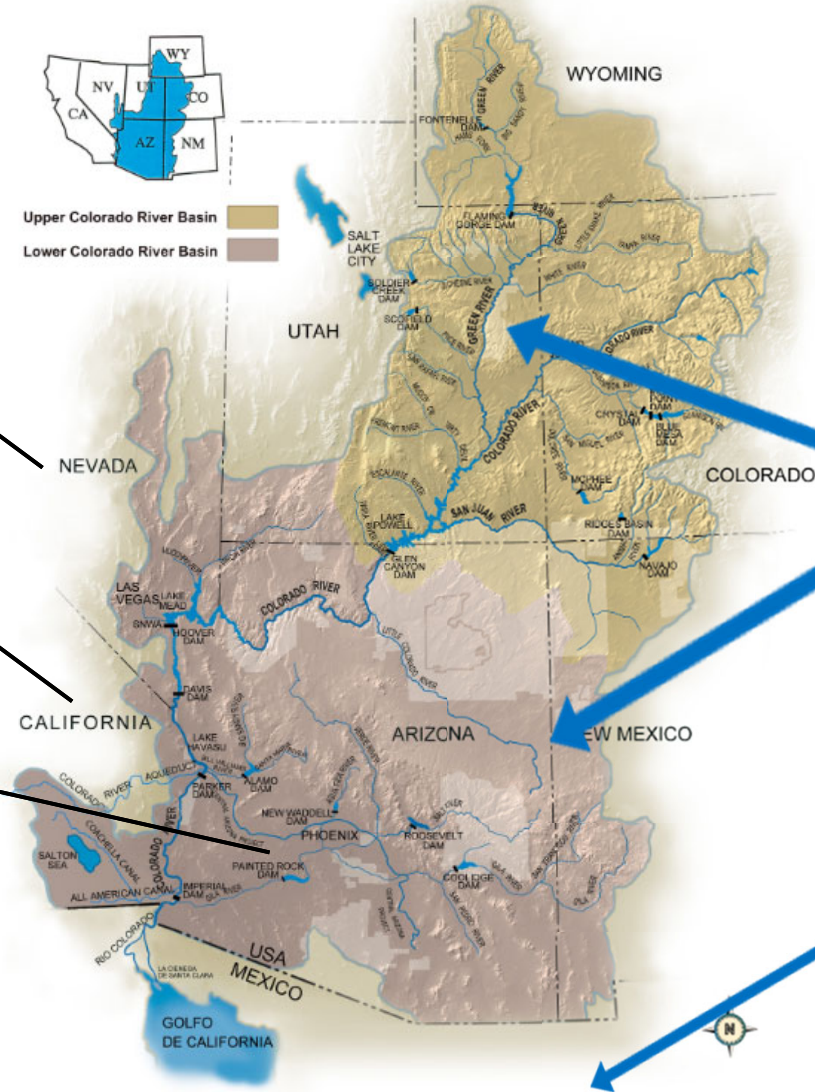
Colorado River Update

Apportionment

NV = 300 KAF

CA = 4.4 MAF

AZ = 2.8 MAF



7.5 MAF each to

Upper Basin
(CO, UT, WY, NM)

&

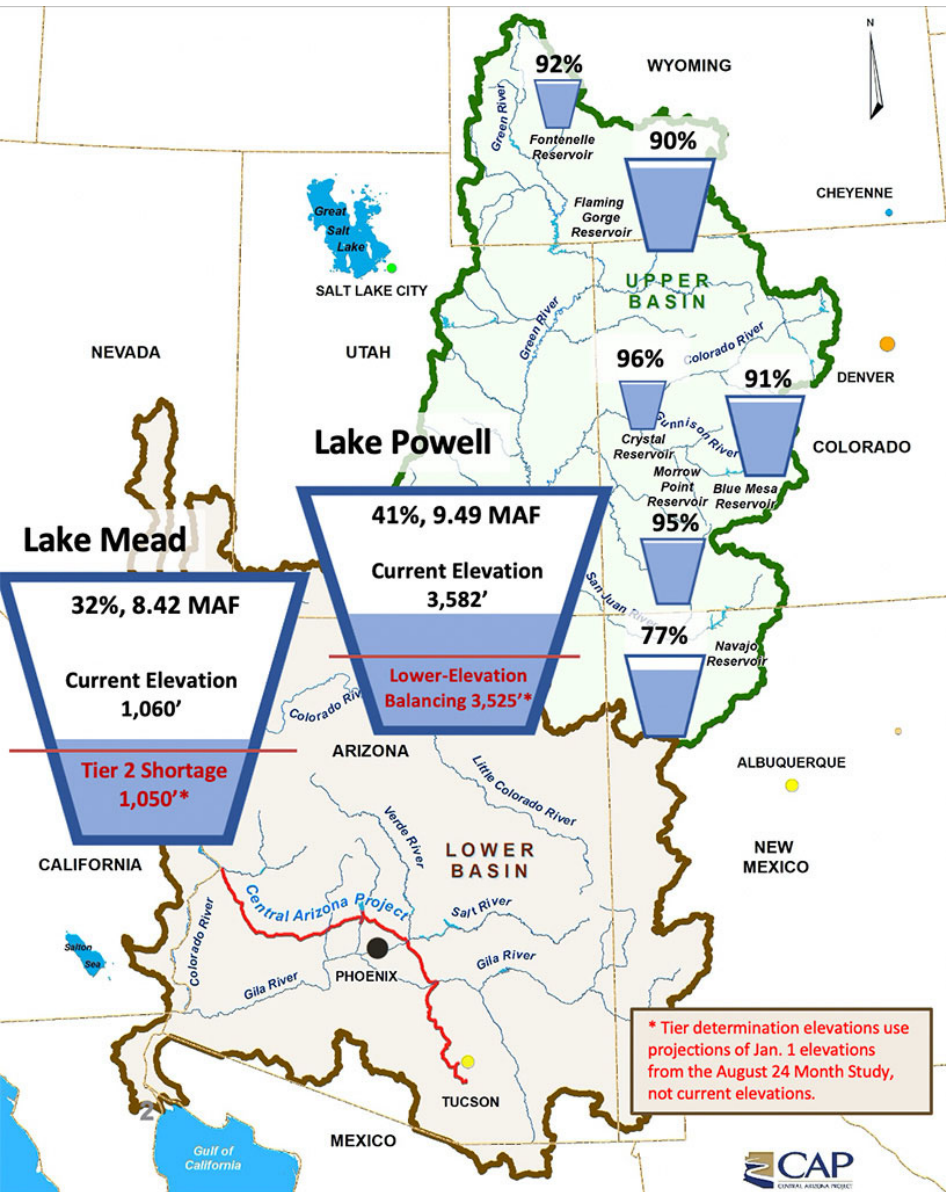
Lower Basin
(AZ, CA, NV)

Mexico = 1.5 MAF

Colorado River Water Supply Report as of July 23

Total System Contents = 25.95 MAF

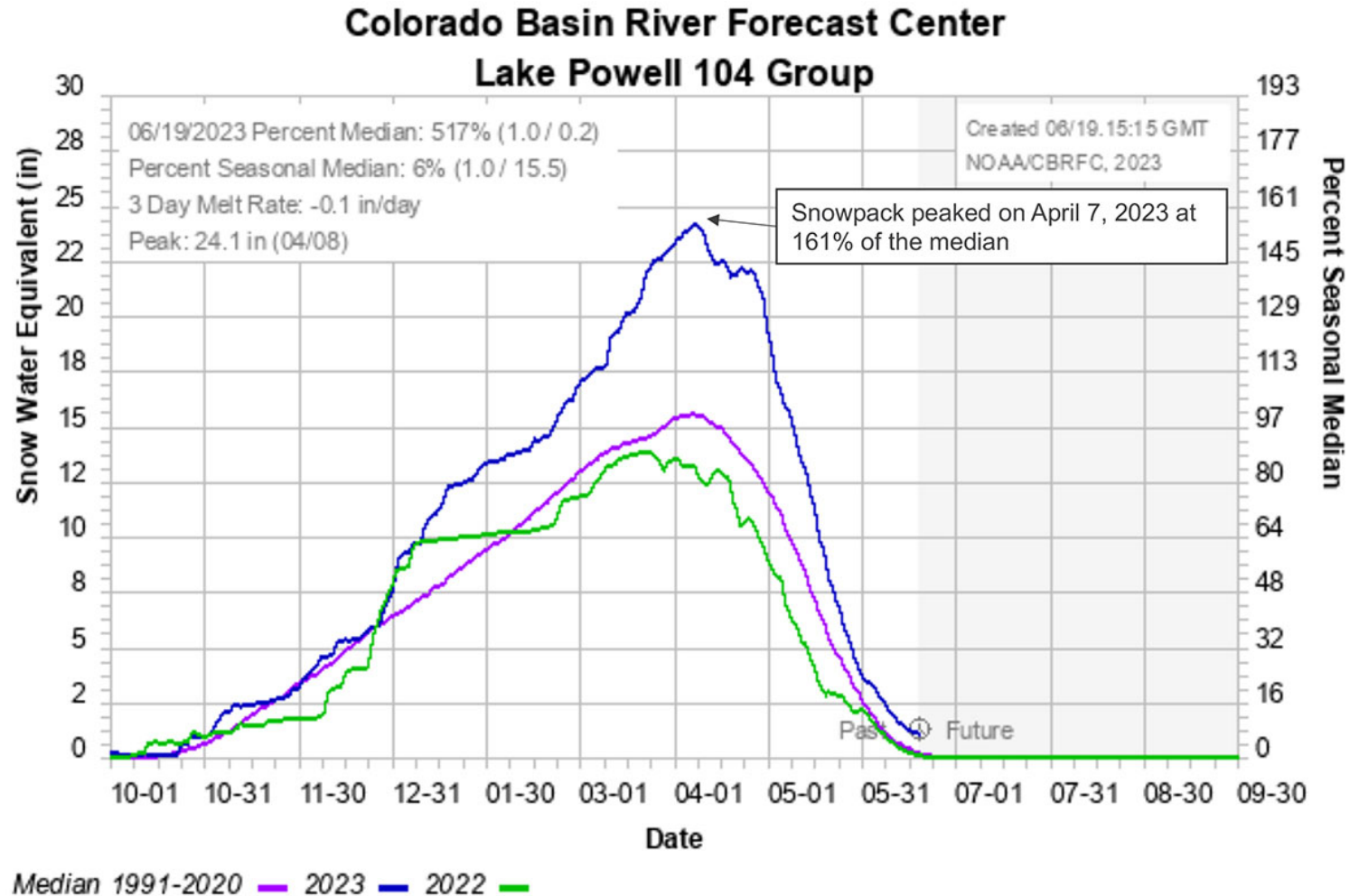
Last Year System Contents = 20.13 MAF



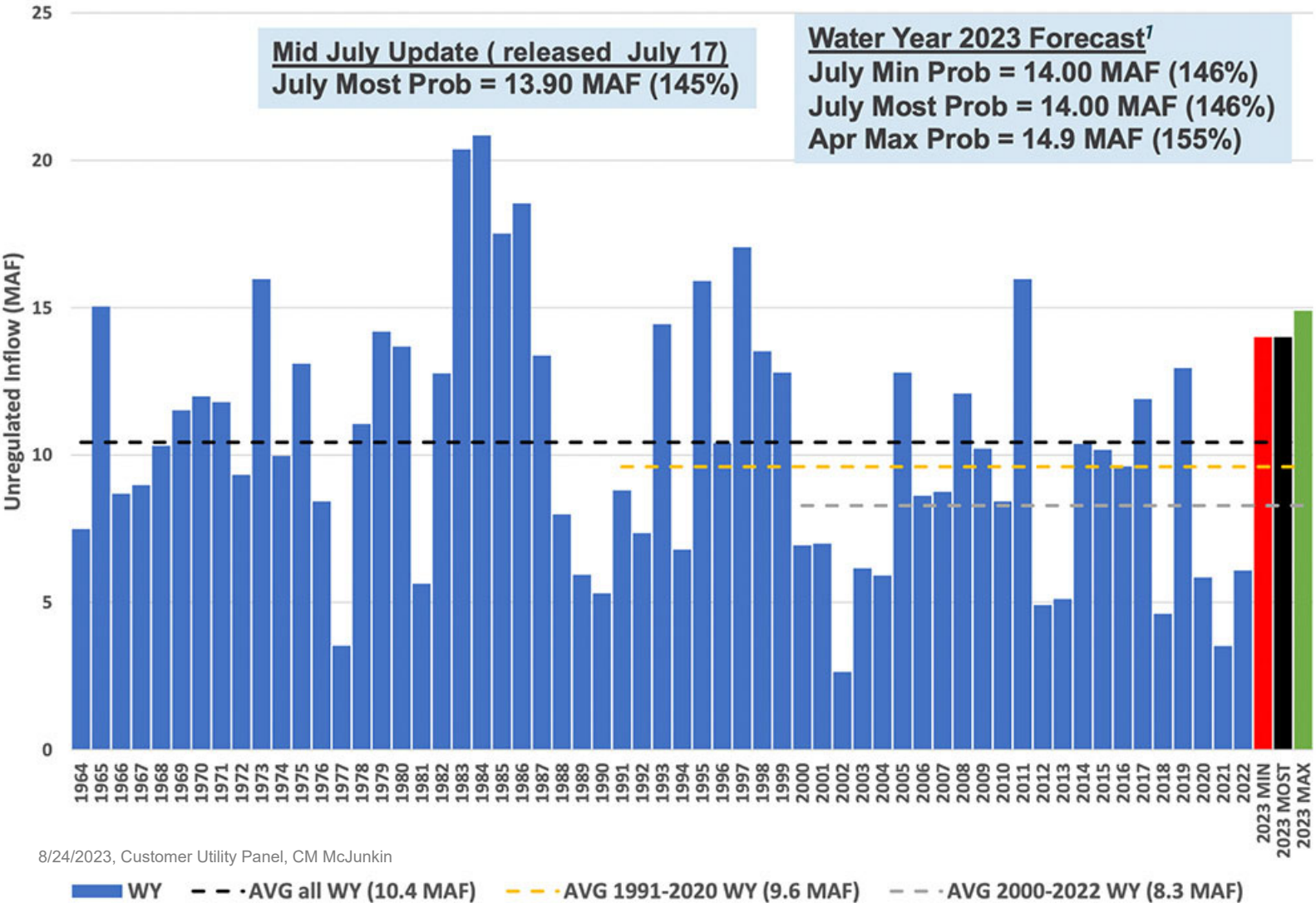
Snow Accumulation

Snow accumulation as of June 19th

- Peaked in April at 161% of the median
- 24 inches of Snow Water Equivalent across the Upper Basin

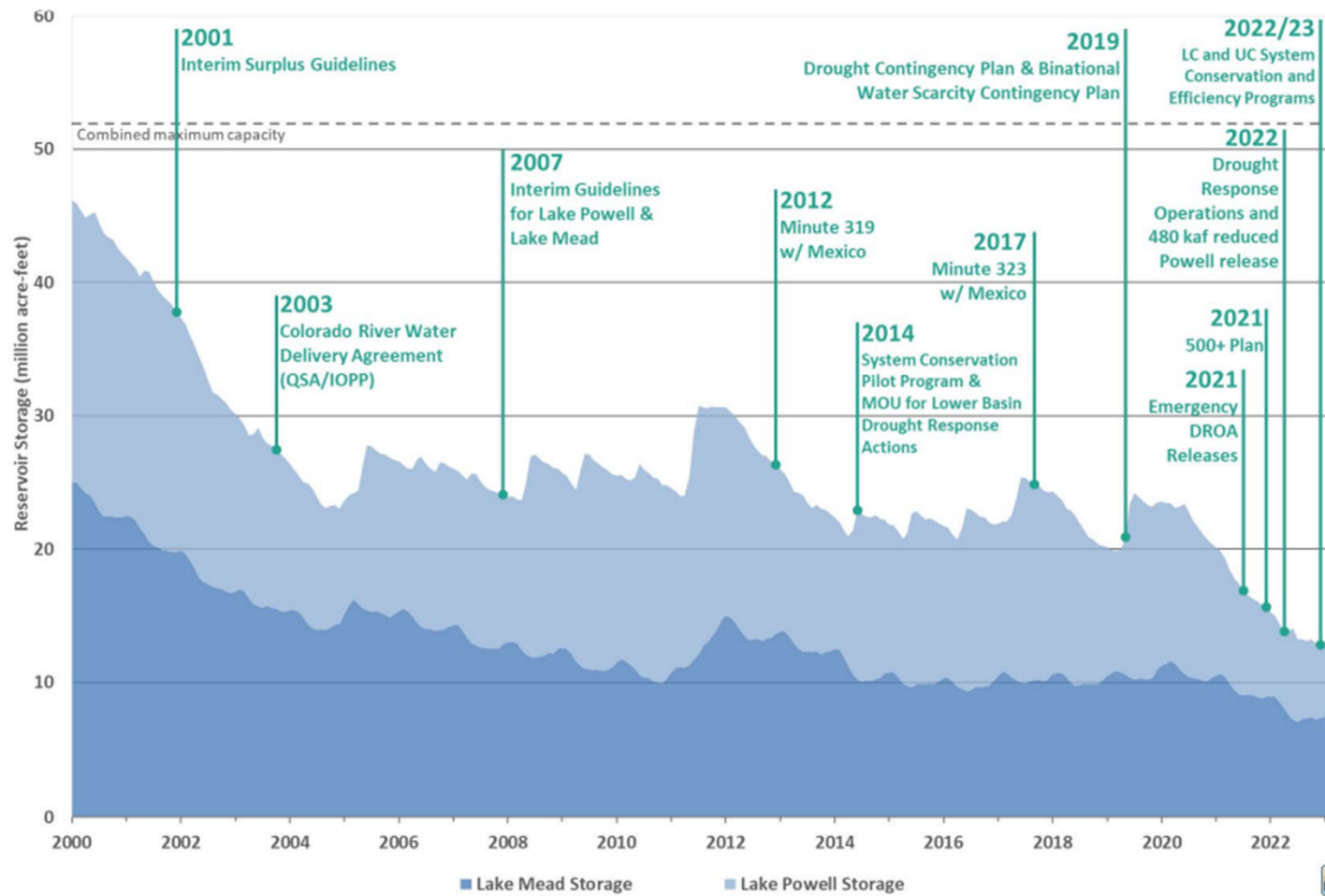


Unregulated Inflow to Lake Powell by Water Year (1964-2022)



Historical Inflow to Lake Powell

**Figure 1-2
Actions and Agreements to Protect Lake Powell and Lake Mead Reservoir Elevations
(since 2000)**



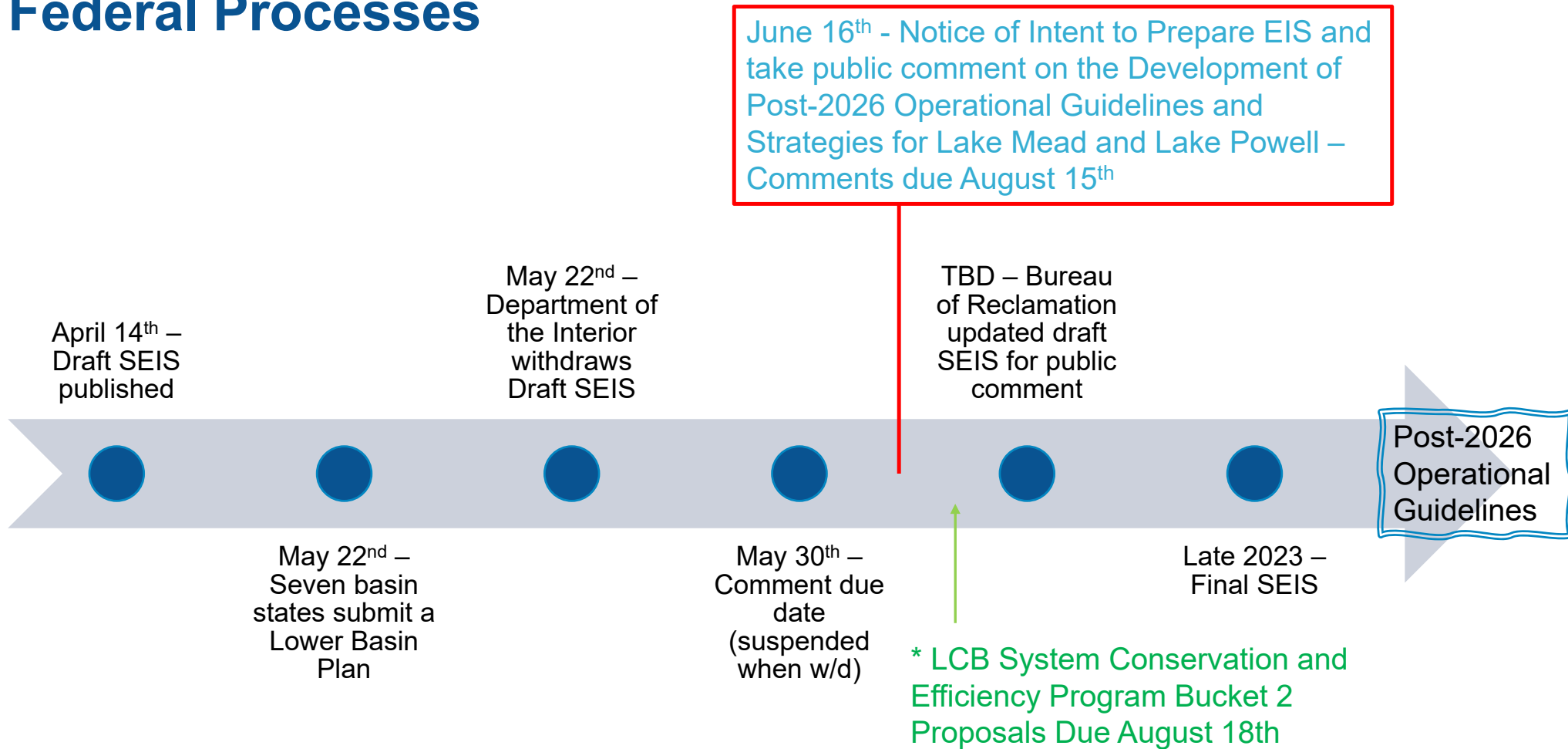
Federal Process Update

Long-term vs. Near-term Planning Processes

PLANNING EFFORT	NEAR-TERM COLORADO RIVER OPERATIONS (SEIS)	LONG-TERM COLORADO RIVER OPERATIONS (POST-2026)
RANGE OF OPERATIONS	<p>Limited sections of the 2007 Interim Guidelines;</p> <p>Develop the operational tools needed to address extreme drought and low water levels.</p>	<p>Revisit all sections of the 2007 Interim Guidelines and other operating agreements that expire in 2026.</p> <p>Public Scoping Process will help determine scope of post-2026 long-term planning process.</p>
DURATION	<p>2024 – 2026 (3 YEARS)</p>	<p>2026 AND BEYOND</p>

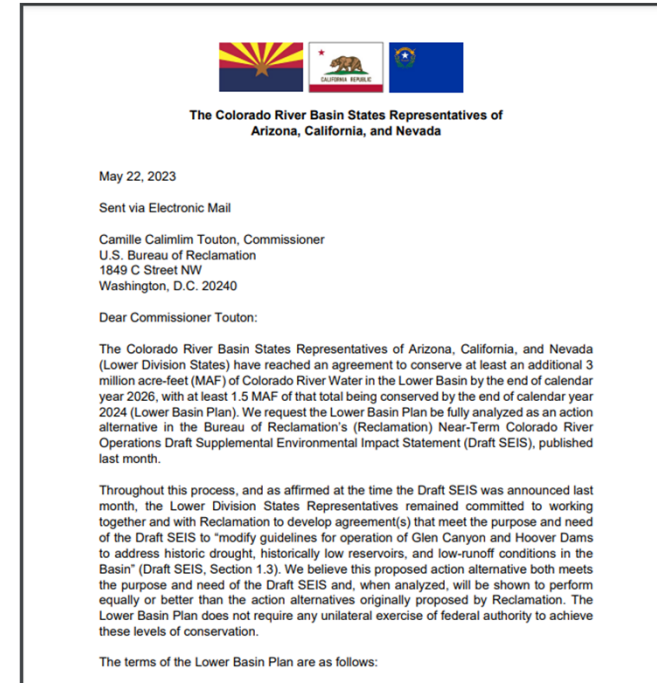
15 – Post-2026 Colorado River Operations Public Scoping

Federal Processes

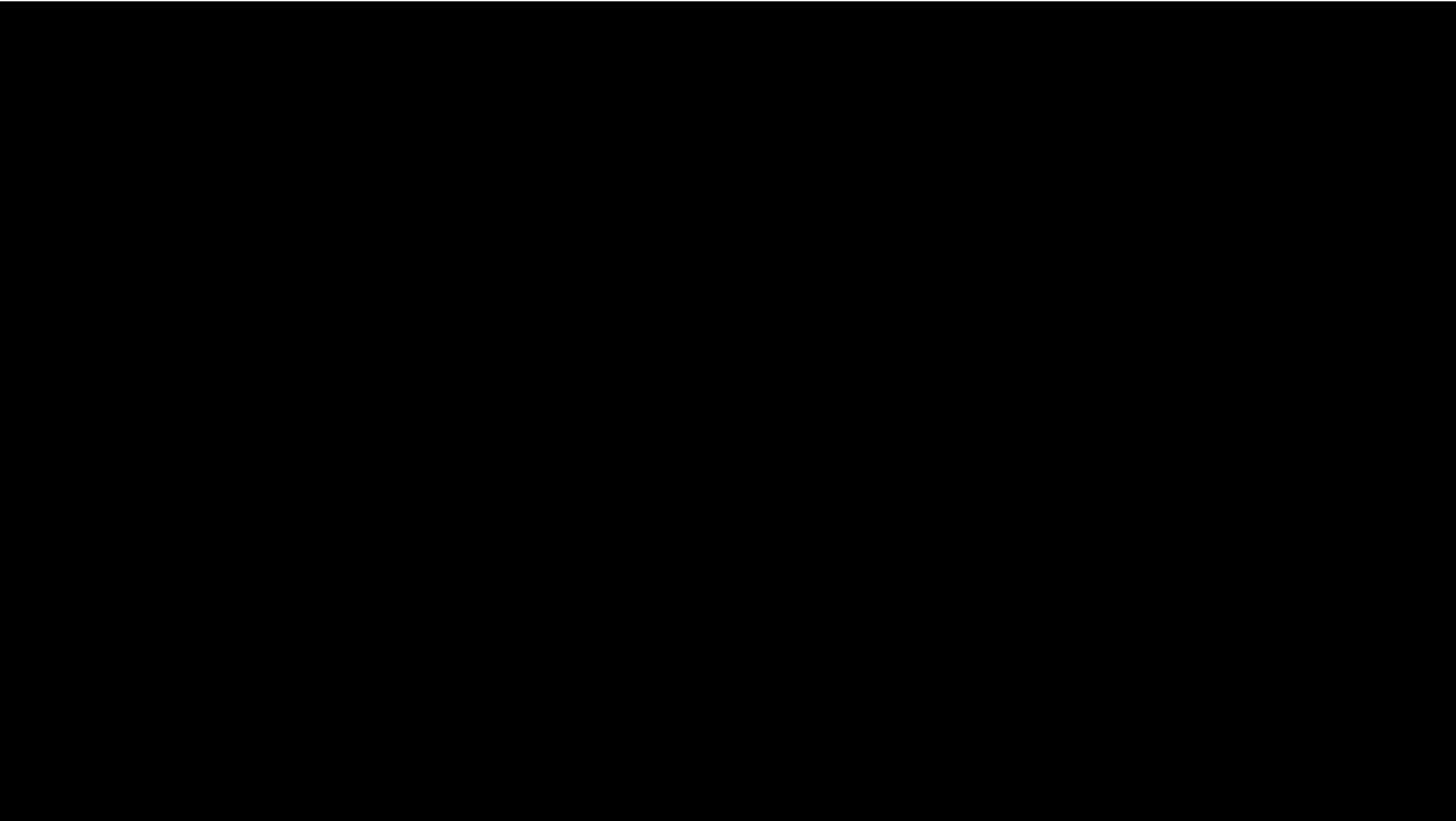


Lower Basin Plan Proposal

- 3 MAF of voluntary conservation through 2026
 - 1.5 MAF conserved in 2024
 - System conservation or ICS agreements
- Up to 2.5 MAF federally compensated
 - Funded largely by Inflation Reduction Act
 - Remainder of voluntary conservation likely funded by state programs
- Additional elevation triggers to protect Lake Mead and Lake Powell
 - If Mead projected to fall below 1025 ft (April 24-month study) – LB to propose a plan to avoid 1,000 ft within 45 days
 - If Powell projected to fall below 3,500 ft w/in 12 months (Any 24-Month Study) – Reclamation can reduce releases to no less than 6.0 MAF



thank you!



Arizona's Sound Water Management

Arizona Manages its Water Resources Prudently for Growth

- Arizona has regulations in place to plan for water needs ahead of growth. The 1980 Groundwater Management Act protects the water supply for the State's most populated areas while allowing for continued economic growth by requiring a designation or certificate that assures a 100-year assured water supply (AWS) in certain regions of the state before development.
- This high standard drives collaboration, creativity and outside-the-box-thinking and has resulted in innovations that span underground water recharge and replenishment; banking, water exchanges, reuse and reductions; and significant financial investment in renewable supplies and infrastructure.
- Arizona leaders have a strong record of working together to ensure reliable water supplies that serve existing and future growth. The Arizona Water Banking Authority has stored over 4 million acre-feet of excess CAP water supplies in underground facilities since its inception in 1996. The City of Phoenix reports that more water is banked, than used, on a daily basis.
- The Water Infrastructure Finance Authority of Arizona (WIFA) was established in 1997 to fund water and wastewater systems. The agency was expanded and currently has over \$1.2 billion to develop and facilitate water conservation, reuse and augmentation projects across the state, including importing new water supplies from outside the state.
- Arizona is a national leader when it comes to reuse of water. In central Arizona, 95% of the wastewater generated is reclaimed to serve beneficial uses¹.
- Arizona has earned a ranking as the third most efficient state for water use and uses the same amount of water as it did in 1957, despite having five times as many residents today.

Current Information and Recent Actions

- The June 1st, 2023, issuance of the Phoenix Active Management Area groundwater model and recent study of groundwater conditions across the Phoenix area present a challenge to new home development in some areas of the region. Total demand for the Phoenix AMA for 100 years is approximately 140 million acre-feet. The report indicates a relatively small amount of unmet demands (4%) or 4.9 million acre-feet over 100 years.
- Water providers in the Phoenix AMA have diverse water supplies and are not solely reliant on groundwater. Residents of the Greater Phoenix area are served by surface water, recycled water, and Colorado River water. SRP delivers untreated water to cities and shareholders – a service which will continue uninterrupted.
- Existing homes built pursuant to the AWS program have secure water supplies. This report also does not affect growth within designated areas, and developments utilizing non-groundwater sources.
- The Governor has formed a Water Policy Council and an Assured Water Supply (AWS) Committee that will focus on recommending actions to: 1) strengthen the AWS program; 2) protect consumers and aquifers; and 3) ensure future growth is not reliant on mined groundwater. The Phoenix AMA report will serve as an excellent real-world example for the AWS Committee to use in order to evaluate and thoroughly understand the impacts of proposed updates to the AWS program.



Arizona Water Facts

ARIZONA'S WATER SUPPLY



SOURCE: ADWR, 2020

ARIZONA'S WATER USE BY SECTOR (2019)



SOURCE: ADWR, 2020

Arizona's Water Future is Robust

- Careful planning and investment have produced a reliable and well-managed water supply, but further investment is necessary to support future growth. Short term solutions will be focused on water conservation measures and recovering underground water that has been saved to address events of declared shortage on the Colorado River. Long term solutions could include desalination projects and other water supply augmentation initiatives.
- Farmers will continue to incorporate technological advances to make their irrigation systems more efficient. In fact, the on-farm water irrigation efficiency program and fund, established in 2022 by the Arizona Legislature and Governor under the University of Arizona Cooperative Extension, was specifically designed to aid in this effort. This program received \$30 million in funding for FY23 and \$15.2 million for FY24.
- Given the Colorado River challenges, new businesses that are large water users and looking to expand or relocate in Arizona will need to be mindful of the state's water situation and collaborate in finding innovative solutions to address ongoing water challenges. Businesses like TSMC and Intel are leading the way in water efficiency and water recycling, providing impressive examples of how businesses innovate and adapt to the water needs of the region.
- Arizona boasts strong partnerships between the private and public sector in identifying and funding innovative projects such as the Roosevelt Dam Flood Control Space Operational Flexibility and the Bartlett Dam Modification Project that will facilitate new uses of renewable surface water supplies, as well as the SRP/CAP Interconnection Facility that will increase infrastructure flexibility for water managers to continue to provide reliable sources of water for the Valley and the State.
- The federal Inflation Reduction Act includes \$4 billion in funding to help states in the Colorado River Basin, including Arizona, address water challenges. Funding will be used to compensate farmers who voluntarily reduce their water deliveries under short- term or multi-year agreements. Funding will also provide cities and tribal communities with more tools to develop long-term solutions.
- Water leaders are increasing forest restoration efforts through partnerships, education and supporting industry to thin forested watersheds, thus increasing yield and reducing risk of catastrophic wildfires, which also reduces risks to water infrastructure and protects water quality.

Arizona's water future is secure.

ⁱ [A Win-Win-Win: Regulation, Use, and Pricing of Reclaimed Water in Arizona](#)