WATER COMMITTEE
Tuesday, June 21, 2022, 9:30 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ  85281

This SRP District Committee meeting will be held in the Board Committee Room with an option to attend in-person or observe via Zoom. The public may receive the teleconference meeting access information by contacting the Corporate Secretary’s Office at (602) 236-4398. Supplemental materials will be posted on the SRP website.

Committee Members:  Paul Rovey, Chairman; Leslie Williams, Vice Chairman; and Anda McAfee, Randy Miller, Krista O’Brien, Mark Pace, and Jack White Jr.

Call to Order
Roll Call

1. CONSENT AGENDA: The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item................................................................. CHAIRMAN PAUL ROVEY

   • Request for approval of the minutes for the meeting of May 17, 2022

2. SRP’s 2035 Forest Health Goal Update ........................................... ELVY BARTON and PATRICK SIGL

   Informational presentation regarding an update on SRP’s 2035 Forest Health goal efforts. The Committee may vote to go into Executive Session, pursuant to A.R.S. §38-431.03(A)(3) and (A)(4), to have discussion or consultation with attorneys for legal advice regarding legal issues that may arise during the update.

3. Desert Botanical Garden Water Supply Alternatives ........... ANTHONY BECKHAM

   Informational presentation regarding SRP’s effort to assist the Desert Botanical Garden in evaluating options for alternative water supplies to meet their water demand, including a description of the general terms of a potential water agreement to address such alternatives.

4. Report on Current Events by the General Manager and Chief Executive Officer or Designees ................................................................. MIKE HUMMEL

5. Future Agenda Topics................................................................. CHAIRMAN PAUL ROVEY
The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-808, for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: All property in your possession, including purses, briefcases, packages or containers, will be subject to inspection.

THE NEXT WATER COMMITTEE MEETING
IS SCHEDULED FOR TUESDAY, AUGUST 16, 2022

06/14/2022
A meeting of the Water Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, May 17, 2022, in-person and via teleconference 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. The District and Salt River Valley Water Users’ Association (the Association) are collectively known as SRP.

Committee Members present at roll call were M.J. Herrera, Chairman; K.J. Johnson, Vice Chairman; R.C. Arnett, N.R. Brown, S.H. Williams, and K.B. Woods; and L.D. Rovey of the Association.


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 Water Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, May 13, 2022.

Chairman M.J. Herrera called the meeting to order.

Consent Agenda

Chairman M.J. Herrera requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member R.C. Arnett and seconded by Board Member K.B. Woods, the Committee unanimously approved and adopted the following item on the Consent Agenda:

• Minutes of the Water Committee meeting on April 19, 2022, as presented
Corporate Secretary J.M. Felty polled the Committee Members on Board Member R.C. Arnett’s motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

**YES:** Board Members M.J. Herrera, Chairman; K.J. Johnson, Vice Chairman; and R.C. Arnett, N.R. Brown, S.H. Williams, and K.B. Woods (6)

**NO:** None (0)

**ABSTAINED:** None (0)

**ABSENT:** None (0)

**Arizona Water Authority**

Using a PowerPoint presentation, Chuck J. Podolak, SRP Director of Water Rights and Contracts, stated that the purpose of the presentation was to provide information regarding proposed legislation to form an Arizona Water Authority.

Mr. C.J. Podolak provided background from 2019 to 2022 with respect to the Arizona Governor’s involvement with water supply issues. He defined the Arizona Water Authority as a new state entity charged with helping to meet the existing and future water needs of the state. Mr. C.J. Podolak explained that its governance is comprised of a 13-member committee including SRP; a ten-member board that includes directors from the Arizona Department of Water Resources (ADWR), the Arizona Department of Environmental Quality (ADEQ), and the Arizona Department of Administration (ADOA), together with seven members appointed by the Governor with provisions for partisan and geographic diversity; and a joint legislative committee on water that oversees expenditures over $50 million.

Mr. C.J. Podolak discussed the funding of the Long-term Water Augmentation and Rural Water Supply Development Funds; the powers and authorities of the Arizona Water Authority; and stakeholder feedback. He introduced Molly K. Greene, SRP Senior Director of State Government Relations.

In conclusion, Ms. M.K. Greene discussed the next steps in regards to the stakeholder engagement; the legislative process; and outlook.

Ms. M.K. Greene and Mr. C.J. Podolak responded to questions from the Committee.

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.

Council Chairman T.M. Francis; Council Member G.E. Geiger; and Council Member M.A. Freeman of the Association entered the meeting during the presentation.
Report on Current Events by the General Manager and Chief Executive Officer or Designees

Mike Hummel, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chairman M.J. Herrera asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Water Committee, the meeting adjourned at 10:13 a.m.

John M. Felty
Corporate Secretary
SRP Forest Health Update

Elvy Barton
Water Committee
June 21, 2022
Agenda

- Forest Health Strategy
- SRP Partnerships
- Forest Thinning Projects
- Forest Thinning Benefits
  - Water Benefits
  - Carbon Benefits
Forest Health Strategy

**Attract Industry**
- 4FRI Phase 2 RFP
  - Cancelled Sept. 2021
- New 4FRI Restoration Strategy
  - High Priority Projects
- Forest Service Industry Analysis

**Partnerships & Projects**
- Expanding existing partnerships
- Creating new partnerships
- Increasing projects and acres

**Policy Initiatives**
- Federal Funding
  - Infrastructure Investment and Jobs Act
- State Funding
  - Grants
  - Good Neighbor Authority
SRP Partnerships

Ongoing Partnerships

• SRP – AZ Dept. of Forestry and Fire Management – Forest Service MOUs
  • Tonto National Forest: 45,000 acres over 10 years
  • Cragin Watershed: 31,000 acres over 10 years
• SRP – Town of Payson
• SRP Healthy Forest Initiative

New Partnerships

• SRP – AZ Game and Fish Dept.
• AZ Sportsman for Wildlife Conservation MOU
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<tr>
<th>Project Name</th>
<th>Acres</th>
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<tr>
<td>General Springs</td>
<td>3,519</td>
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<tr>
<td>Baker</td>
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<tr>
<td>Roosevelt</td>
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<tr>
<td>Gifford</td>
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<td>McCarty</td>
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<tr>
<td>Kinder</td>
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<tr>
<td>Kehl</td>
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<tr>
<td>Johnson</td>
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<td>Clover</td>
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<tr>
<td>Coldwater</td>
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<td>Windfall</td>
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<td>Milk Ranch</td>
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<tr>
<td>Moqui</td>
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<td><strong>Total</strong></td>
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<table>
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<td>Sparky</td>
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<tr>
<td>Hardscrabble</td>
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<td>Dude</td>
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<td>Keger</td>
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<td>Roberts</td>
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<td>Pringle Tater Chip</td>
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<td>Buckhead</td>
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<td>Haigler</td>
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<td><strong>Total</strong></td>
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Forest Thinning Video
Forest Health Water Benefits

Water Benefit Overview

- Watershed Hydrological Monitoring Model
  - Developed in partnership with ASU and SRP
  - Reviewed by Bonneville Environmental Foundation/ Blue Forest
- Water Benefits from three Categories
  - Reduced evapotranspiration
  - Increased water stored in soils
  - Increased in streamflow
Forest Health Carbon Benefits

Carbon Benefit Overview

• Methodology: Avoided Wildfire Emissions Accounting

• Carbon Benefits From Four Categories:
  • Avoiding catastrophic wildfire
  • Sequestering carbon in remaining trees
  • Sequestering carbon in wood products
  • Avoiding delayed forest regeneration

• 2.5M metric tons CO2e benefit to thin the Cragin Watershed
Forest Health Next Steps

- Develop new partnerships
  - Prescott National Forest
  - Coconino National Forest, Red Rock District
  - White Mountain Apache Tribe

- FY23 Corporate Goal to provide a Forest Health Offering to large commercial customers

- SRP – NAU research project to develop landscape-scale implementation priority model
thank you!
Overview

• Background
• Water Supply Alternatives
• DBG Agreement Terms
• Coordination with Phoenix
• Next Steps
Background

- Desert Botanical Garden (DBG) is a non-profit power SRP customer and City of Phoenix water customer (non-shareholder)
- SRP leadership has consistently participated on the DBG Board of Trustees
- In 2009, SRP helped the DBG reduce its water costs by switching from Phoenix’s potable water system to irrigation water through SRP’s Cross-Cut Canal
- A donor approached the DBG Board of Trustees to assist the DBG in acquiring an independent water supply
# Potential Alternative Water Supplies

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<tr>
<th></th>
<th>Type 2 Groundwater Rights</th>
<th>Long Term Storage Credits</th>
<th>Tribal CAP Water Lease</th>
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<tbody>
<tr>
<td><strong>Acquisition Costs</strong></td>
<td>Free - $2,500/AF</td>
<td>$250/AF - $450/AF</td>
<td>$5,000/AF - $10,000/AF</td>
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<td><strong>Transaction Type</strong></td>
<td>Annual Lease or Permanent Purchase</td>
<td>Annual Cost or Multi-Year Supply</td>
<td>One Time Cost; Lease term could be up to 25 years</td>
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<tr>
<td><strong>Delivery Costs</strong></td>
<td>$214/AF - Well Operations and Delivery Costs</td>
<td>$214/AF – Well Operations and Delivery Costs</td>
<td>CAP - $200/AF SRP WDUA - $54/AF</td>
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<tr>
<td><strong>Term</strong></td>
<td>Permanent/Lease</td>
<td>Single Use; Not a Permanent Supply</td>
<td>Not a Permanent Supply</td>
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</table>
DBG Agreement Terms

• Based on the existing Mesa Country Club Well Lease and Water Transportation/Exchange Agreement

• The agreement will likely include the following terms:
  • Initial Account Programming Fee
  • Annual Water Accounting Administration Fee
  • Water Exchange Terms
  • Well Capacity Agreement (Non-Member Wells)
  • Water Transportation Fee
Coordination with City of Phoenix

- DBG staff and SRP met with the City of Phoenix to discuss the change to an independent water right
- Phoenix understands DBG’s interest and would like a water conservation partnership with DBG as part of the transition
- DBG and Phoenix are working toward formalizing the partnership
Next Steps

DBG to

• Formalize partnership with City of Phoenix
• Acquire a Type 2 Groundwater Right

SRP

• Request Water Committee approval of a Water Transportation & Exchange Agreement with DBG
thank you!