

AGENDA ITEM #: _____

DATE: June 10, 2019

CAR #: 2019-6655



CITY COUNCIL ACTION REPORT

SUBJECT: Authorization of Lower Basin Drought Contingency Implementation Plan Agreements

STAFF PRESENTER(S): Gretchen Erwin, Water Resources and Sustainability Manager

OTHER PRESENTER(S):

Summary:

Goodyear participated in the 41 member Steering Committee that developed the frame work for the Arizona Drought Contingency Plan (DCP). The terms of the DCP comprised of nine entities, which included Goodyear, agreeing to send a specified volume of their currently unused CAP supplies to the Pinal Active Management Area to partially offset the reductions to agriculture identified in the DCP. In return, the Arizona Water Banking Authority agreed to compensate the entities with Long-Term Storage Credits.

Two agreements are required to accomplish this goal; one allowing water to be sent to Pinal agriculture and one allowing the Arizona Water Banking Authority to provide the Long-Term Storage Credits in return.

Recommendation:

Authorize the City Manager to execute the two Lower Basin Drought Contingency Implementation Plan Agreements, substantially in the forms attached hereto, and authorizing the City Attorney or his/her designee to make non-substantive changes to the agreements before execution.

Fiscal Impact: The purchase of the CAP water is in the FY2020 Water Operating Fund base budget.

Background and Previous Actions

There have been no previous actions.

Staff Analysis

The City will be entering into an agreement with Maricopa-Stanfield Irrigation Drainage District and the Arizona Department of Water Resources that will obligate the city to store CAP water in an amount up to 2,000 acre-feet per year for a maximum of three years ending in 2022 in the event of a Tier 1 or Tier 2a Colorado River shortage as declared by the U.S. Bureau of Reclamation. The city will also be entering into an agreement with the Arizona Water Banking Authority that will allow the city to exchange Long-Term Storage Credits earned in Pinal Active Management Area for Long-Term Storage Credits in Phoenix Active Management Area.

The city's current policy is to purchase and store CAP water at CAP owned/operated recharge facilities in the Phoenix Active Management Area. Long-term or annual storage credits are used by the city for replenishment purposes.

Sending a small portion (2,000 acre-feet) of the city's currently unused CAP water to Pinal Active Management Area agriculture in return for long-term storage credits has no negative impact to the city or city services and is in line with our strategy of ordering water to generate Long-Term Storage Credits.

Attachments

Two agreements:

- 1) IGA for Water Storage with City of Goodyear and Maricopa-Stanfield Irrigation & Drainage District, and
- 2) Agreement to Exchange Long-Term Storage Credits with Arizona Water Banking Authority and City of Goodyear