

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fourth Legislature - First Regular Session

HOUSE AD HOC COMMITTEE ON GROUNDWATER SUPPLY IN PINAL COUNTY

Report of Interim Meeting
Wednesday, November 13, 2019
House Hearing Room 1 -- 1:30 P.M.

**MINUTES RECEIVED
CHIEF CLERK'S OFFICE**

11-13-19

Convened 1:35 P.M.

Recessed

Reconvened

Adjourned 2:44 P.M.

Members Present

Representative Cook, Chairman
Mr. Buschatzke
Representative Campbell
Representative Gabaldón
Representative Rodriguez

Members Absent

Representative Griffin
Representative Roberts

Agenda

Original Agenda – Attachment 1

Request to Speak

Report – Attachment 2

Committee Attendance

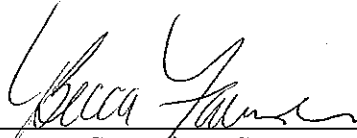
Report – Attachment 3

Review and Discussions

<u>Name</u>	<u>Organization</u>	<u>Attachments (Handouts)</u>
Dir. Buschatzke	ADWR	#4
Miller, Garfield, Lenderking	Pinal AMA Stakeholder Group	#5
Rep. Bret Roberts	Ad Hoc Committee Member	#6

Committee Action

<u>Action</u>	<u>Vote</u>	<u>Attachments</u>
Motion to approve committee recommendations	Voice vote - unanimous	#7



Becca Farmer, Committee Secretary
November 13, 2019

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

COM. 1:35 PM

Interim agendas can be obtained via the Internet at <http://www.azleg.gov/Interim-Committees>

adj. 2:44 PM

ARIZONA HOUSE OF REPRESENTATIVES

INTERIM MEETING NOTICE OPEN TO THE PUBLIC

HOUSE AD HOC COMMITTEE ON GROUNDWATER SUPPLY IN PINAL COUNTY

Date: Wednesday, November 13, 2019

Time: 1:30 P.M.

Place: HHR 1

AGENDA

1. ✓ Call to Order
2. Review and Discussion of Potential Committee Recommendations
3. Public Testimony — Fred Schneider, AZ Water Co.
4. Adjourn

review of incision

*Supervisor Miller
(recommendation letter)
William Garfield
Jake Lenderik's*

motion explained

Members:

Representative David L. Cook, Chair
 Representative Noel Campbell
 Representative Rosanna Gabaldón
 Representative Gail Griffin
 Representative Bret Roberts
 Representative Diego Rodriguez

Thomas Buschatzke

11/07/19
JY

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.

#1

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD



HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Groundwater Supply in Pinal County Ad Hoc Bill Number

Date 11-13-2019 Support Oppose Neutral

Name Fred Schneider Need to Speak? Yes No

Representing ARIZONA WATER CO Are you a registered lobbyist? Y

Complete Address 3805 N. Pinal Canyon Hwy

E-mail Address f.schneider@azwater.com Phone Number 602-240-6860

Comments: In Support

FIVE-MINUTE SPEAKING LIMIT

Attachment #2

ARIZONA STATE LEGISLATURE
 Fifty-fourth Legislature – First Regular Session

INTERIM COMMITTEE ATTENDANCE RECORD

COMMITTEE ON HOUSE AD HOC COMMITTEE ON GROUNDWATER SUPPLY
IN PINAL COUNTY

CHAIRMAN: David Cook VICE-CHAIRMAN: _____

DATE	9/24/19	/19	/19	11/13/19
CONVENED	pm			1:35 PM
RECESSED				—
RECONVENED				—
ADJOURNED				2:44 PM
MEMBERS				
Thomas Buschatzke				✓
Representative Noel Campbell				✓
Representative Rosanna Gabaldón				✓
Representative Gail Griffin				exc
Representative Bret Roberts				exc
Representative Diego Rodriguez				✓
David Cook, Chairman				✓

√ Present --- Absent exc Excused



DOUGLAS A. DUCEY
Governor

THOMAS BUSCHATZKE
Director

ARIZONA DEPARTMENT of WATER RESOURCES
1110 West Washington Street, Suite 310
Phoenix, Arizona 85007
602.771.8500
azwater.gov

November 13, 2019

Via E-Mail and Hand Delivery

Representative David L. Cook
Arizona House of Representatives
1700 West Washington Street, Suite H
Phoenix, Arizona 85007-2844

Re: October 21, 2019 Pinal Groundwater Ad Hoc Committee Meeting Questions

Dear Representative Cook:

Thank you for inviting Arizona Department of Water Resources (ADWR) modeling staff to the Committee hearing on October 21, 2019. At the October 21st meeting, ADWR committed to providing answers to questions from the Committee. Below are answers to questions asked by the Committee as well as questions and answers on topics raised in public comment at the October 21, 2019 meeting. ADWR used its best efforts, including reviewing the October 21, 2019 meeting recording, to capture the essence of questions and comments raised.

1. Service Area Rights

A. How are municipal service area rights established?

In an active management area, a city, town, private water company, community facilities district or domestic water improvement district has the right to withdraw groundwater within its service area and deliver the groundwater to residents and landowners within its service area. A.R.S. § 45-492(A). The right of a city, town, private water company or district to withdraw and deliver groundwater within its service area is referred to as a service area right.

ADWR has adopted a substantive policy statement (originally adopted in mid-1980s and updated March 17, 2005) containing procedures that a city, town, private water company or district must

Attachment #4

follow to establish a service area right (Substantive Policy GW 40). A city, town, private company or district that has been designated as having an assured water supply or that will serve a subdivision that has a certificate of assured water supply may establish a service area right by serving water to at least one customer pursuant to another water right or permit (typically a type 2 non-irrigation grandfathered right, but could also be surface water, CAP water, or effluent). A city, town, private water company or district that is not designated as having an assured water supply and that will not serve a subdivision that has a certificate of assured water supply may establish a service area right by serving water to at least four customers pursuant to another water right or permit. At least one of the four customers must be served for 90 consecutive days or more.

B. What area is included in a municipal service area?

The service area of a city, town, private water company or district is generally the area of land actually being served by the city, town, private water company or district, plus additions to such area that contain an operating distribution system owned by it. A.R.S. § 45-402(31). The service area of a city or town may extend beyond its corporate boundaries. A Certificate of Convenience and Necessity issued by the Arizona Corporation Commission generally limits the geographic extent of the area that the private water company may serve. For districts, the service area is limited by the district boundaries created pursuant to statute.

C. Is there a limit on how much groundwater may be withdrawn pursuant to a municipal service area right?

The right of a city, town, private water company or district to withdraw and deliver groundwater pursuant to a service area right is subject to conservation requirements developed by the Director of ADWR in the management plan for the active management area. A.R.S. § 45-492(A)(2). A city, town, private water company or district that has been designated as having an assured water supply and that is regulated under the total "gallons per capita per day" (GPCD) program in the management plan must limit its annual water deliveries to a maximum annual volume calculated based on the total GPCD rate assigned to it in the management plan.

A city, town, private water company or district that is not regulated under the total GPCD program is not required to limit its annual water deliveries, but it must comply with specific conservation measures established in the Non-Per Capita Conservation Program of the management plan. Those conservation measures are commonly referred to as Best Management Practices or BMPs.

D. Can groundwater withdrawn pursuant to a municipal service area right be sold to another entity outside the service area?

A city, town, private water company or district may not deliver groundwater withdrawn pursuant to its service area right to an entity outside of its service area. However, a city, town, private water company or district may supply groundwater to another city, town, private water company

or district in the same active management area if it is consistent with the management plan for the active management area and is approved by the Director of ADWR. A.R.S. § 45-492(C).

2. How was the effluent volume included in the Global-Santa Cruz Water Company designation determined?

In 2013, the Department designated Santa Cruz Water Company (also known as Global-Santa Cruz) as having an assured water supply through 2032 for both of its service areas in the Pinal AMA. That designation was based on an annual estimated water demand of 22,914.12 acre-feet per year. Santa Cruz demonstrated that 17,782.25 acre-feet per year of groundwater and 5,131.87 acre-feet per year of effluent (for a total of 22,914.12 acre-feet per year) would be physically, continuously, and legally available to meet the annual estimated water demand.

At the October 21 hearing of the Ad Hoc Committee, a question arose as to the limiting factor on the effluent volume determined to be available for purposes of the Global-Santa Cruz designation. The effluent is available to Global-Santa Cruz through an agreement with Palo Verde Utilities Company, LLC (Palo Verde) to provide effluent to Global-Santa Cruz's North Service Area. Although Palo Verde is expected to have the capacity to treat and deliver up to 6,716 acre-feet per year of effluent for non-potable use, the volume of effluent requested in the designation application and included in Global-Santa Cruz's 2013 designation was limited to the non-potable demand within the North Service Area. This is consistent with ADWR's standard practice. In the application materials, the 2032 non-potable effluent demand was estimated to be 5,131.87 acre-feet per year.

3. Why are regional groundwater flow models developed and how are they used by ADWR?

ADWR develops regional groundwater flow models, including the Pinal model, because they are the best available tool to understand regional groundwater conditions and groundwater pumping impacts. ADWR uses regional groundwater flow models as a projection tool for regional planning and for regulatory permitting, including the assured water supply program. The assured water supply statutes, rules, and substantive policy statement require that certain demand assumptions and other assumptions be included in assured water supply model runs. Many of the assured water supply assumptions differ from assumptions used in groundwater modeling for other permitting programs, such as the recharge program, because of the different program requirements and purposes. The numeric groundwater flow model can also be used for scenario planning with assumptions that represent possible future conditions.

4. Why the immediate transition from agricultural use to AWS use?

The assured water supply rules require the model to include the estimated water demand (the 100-year demand) for all issued AWS determinations. See A.A.C. R12-15-716(B)(3)(c). To avoid overlapping or duplicative pumping, the model eliminates agricultural pumping where issued AWS determinations overlap with agricultural uses. For agricultural lands with AWS

development overlays, agricultural pumping and incidental agricultural recharge are eliminated from the model and the full associated AWS pumping is started on the first day of the projection period.

- 5. Why does ADWR require assured water supply applicants to ensure that their proposed demands do not negatively impact previously issued assured water supply determinations located in shallow parts of the aquifer?**

The purpose of the AWS program is to ensure that new subdivisions have a 100-year secure water supply. It would be inconsistent with this purpose to approve applications for AWS determinations that would negatively impact wells associated with previously issued AWS determinations, including wells located in shallow aquifers.

- 6. How did ADWR modify the aquifer thickness in the model?**

As part of the 2019 Pinal Model effort, ADWR re-analyzed and revised the basin stratigraphy in the 2014 Pinal Active Management Area (AMA) groundwater flow model. Modifications were made to address discrepancies between the thickness of the aquifer materials in the 2014 Pinal model (original depth to model bottom) and well depth information. Additional modifications were made to assimilate new data from recent subsurface hydrogeologic investigation of the Superstition Vistas Planning Area performed by the Arizona Geological Survey (AZGS) and the Salt River Project (SRP). Appendix B of the *2019 Pinal Model and 100 Year Assured Water Supply Projection Technical Memorandum* describes the structural modifications made to the model.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas Buschatzke', written in a cursive style.

Thomas Buschatzke
Director

November 7, 2019

The Honorable David L. Cook
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Re: Pinal AMA Stakeholder Group -- Plan to Address Water Supplies for Pinal
County

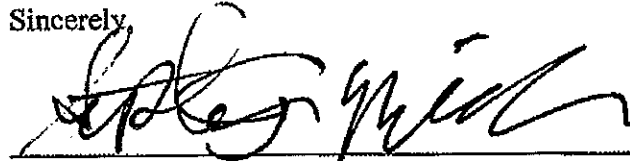
Dear Representative Cook:

At a meeting of the House Ad Hoc Committee on Groundwater Supply in Pinal County held at Pinal County's complex in Florence, Arizona on October 21, 2019, you proposed that Stephen Miller, Pinal County Supervisor, serve as Chair and that William Garfield from Arizona Water Company and Jake Lenderking from Global Water Resources serve as co-Vice Chairs of the yet to be formed Pinal AMA Water Supply Stakeholder Group ("Pinal Stakeholder Group"). Should you and the other Committee members authorize us to move forward, we hereby confirm our commitment of our time and resources to form the Pinal Stakeholder Group and to lead this group to identify solutions to the water supply challenges that face the Pinal Active Management Area portion of Pinal County.

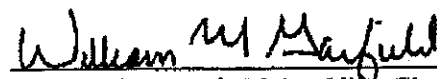
To that end, you have requested that we jointly prepare a plan to accomplish the goals of the Pinal Stakeholder Group and to submit such a plan to you and the other Committee members for their consideration. Accordingly, we include herein our initial plan to accomplish these goals. We look forward to receiving authorization from you and the other Committee members for this critical task.

Thank you for helping to facilitate efforts to find solutions to the water supply challenges that face the Pinal Active Management Area, its communities, and business interests.

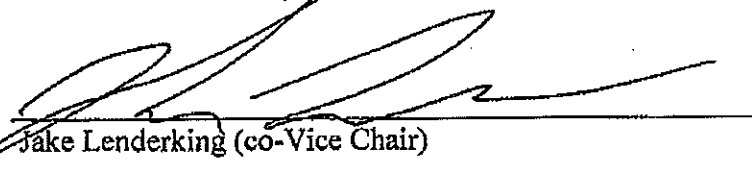
Sincerely,



Stephen Q. Miller Pinal County Supervisor District 3 (Chair)



William M. Garfield (co-Vice Chair)



Jake Lenderking (co-Vice Chair)

DRAFT STAKEHOLDER PLAN

After receiving authorization to proceed, and prior to moving forward with the Pinal Stakeholder Group, we will take all necessary actions to make meeting preparations, such as establishing a meeting place, where notes and materials will be posted online, who will maintain the web information, administrative needs, etc. We anticipate that the Pinal Stakeholder Group will meet every two weeks until we have identified solutions for the Pinal AMA's water supply needs. We anticipate exploring solutions with the Pinal Stakeholder Group within the first 60-90 days that can be implemented within the next 6 months as well as long term solutions that may take longer for the Pinal Stakeholder Group to accomplish.

Proposed Schedule and Process

- Step 1. Kick-off meeting of Pinal Stakeholder Group (December 2019)
- Step 2. Presentation of Background Information (January 2020)
- Step 3. Stakeholders define the problem (February 2020)
- Step 4. Stakeholders reconvene to review, discuss, and define the problem from a comprehensive position. (March 2020)
- Step 5. Establish Evaluation Criteria (April 2020)
- Step 6. Develop Potential Alternatives and Solutions (May 2020)
- Step 7. Evaluation of Alternatives and Solutions (June 2020)
- Step 8. Present Results of Evaluations and Make Decisions about Alternatives and Solutions (July 2020)
- Step 9. Document Decisions Concerning Alternatives and Solutions (August 2020)
- Step 10. Leadership team prepares legislation and rule changes (early September 2020)

Proposed Make-up of Pinal Stakeholder Group

Stakeholder Category	Number of Members
<u>Local Government</u> Pinal County City of Casa Grande City of Maricopa City of Coolidge City of Eloy Town of Florence Town of Queen Creek	7
<u>Local Utilities</u> Arizona Water Company Global Water Resources Arizona Public Service Others	3
<u>Agriculture Interests</u> Maricopa Stanfield Irrigation and Drainage District Central Arizona Irrigation and Drainage District 2 Large Landowners of Farmland The Farm Bureau Cattleman's Association Others	6
<u>Development Interests</u> 4 Large Development Landowners Homebuilders Association of Central Arizona Attorney with expertise in Assured Water Supplies	6
<u>Local Organizations</u> Pinal Partnership Local Chamber of Commerce Local Economic Development Organization Kiwanis or Rotary Club Others	4
ADWR	1
<u>Pinal AMA Indian Communities</u> Gila River Indian Community Ak Chin Indian Community	2
Total Number of Members	29

BRET ROBERTS
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PHOENIX, ARIZONA 85007-2044
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TOLL FREE: 1-800-352-6404
broberts@azleg.gov



COMMITTEES:
REGULATORY AFFAIRS,
Vice-Chairman
APPROPRIATIONS
COMMERCE
JUDICIARY

DISTRICT 11

Arizona House of Representatives
Phoenix, Arizona 85007
November 13, 2019

JOINT LEGISLATIVE BUDGET

Representative David Cook
Arizona House of Representatives
1700 W Washington Street
Suite H- Room 309
Phoenix, Az 85007

Representative David Cook, Chairman
Ad Hoc Committee:
Groundwater Supply in Pinal County

Chairman Cook,

With regard to the November 13rd Ad Hoc Committee on Groundwater supply in Pinal County, I submit the following:

Please accept this letter in support of the following:

- 1) That the following be adopted by the Ad Hoc Committee
 - A) The creation of a local Pinal Stake holder group to explore and identify solutions
 - B) Include those necessary to have an all-inclusive group
 - C) That a time line be established for the group to react and present a consensus

It has been an honor to serve on this committee and work with members to find solutions for this important issue regarding Pinal County. I feel the above suggestions are imperative for the resolution and potential identification of ways in which we might successfully address water issues for the future of Pinal County.

Respectfully,

A handwritten signature in black ink that reads "Bret Roberts".

Bret Roberts
Representative District 11

BR: sa

Attachment #6

I move that the House Ad Hoc Committee on Groundwater Supply in Pinal County adopt the following recommendations:

1. The creation a Pinal Stakeholder Group to explore and identify short-term and long-term solutions of the water supply challenges that face the Pinal Active Management Area portion of Pinal County.
2. That the Pinal Stakeholder Group include local government, local utilities, agricultural, development, local community and economic organizations, the department of water resources, and the Pinal Indian Communities.
3. That the Pinal Stakeholder Group:
 - a. present background information (December 2019)
 - b. define areas of concern (January 2019)
 - c. establish evaluation criteria (February 2020)
 - d. develop potential solutions (March 2020)
 - e. evaluate and review potential solutions based on established criteria (April 2020)
 - f. present results (May 2020)
 - g. receive feedback on results (June 2020)
 - h. prepare necessary legislation and rule changes (July 2020)
4. That the Pinal Stakeholder Group identify consensus items that can be implemented within the first eight months.