ARIZONA STATE HOUSE OF REPRESENTATIVES
RESEARCH STAFF

Paul Bergelin
Committee on Natural
Resources, Energy & Water
Telephone: (602) 926-3458

TO: JOINT LEGISLATIVE AUDIT COMMITTEE

DATE: January 23, 2020

SUBJECT: Sunset Review of the Arizona Department of Water Resources

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Attached is the final report of the sunset review of the Arizona Department of the Water Resources which was conducted by the House Natural Resources, Energy & Water Committee of Reference.

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona
The Honorable Douglas A. Ducey

Speaker of the House of Representatives
Representative Russell Bowers

President of the Senate
Senator Karen Fann

House Members
Representative Griffin, Chair
Representative Dunn, Vice-Chair
Representative Cano
Representative Cook
Representative Engel
Representative Finchem
Representative Gabaldón
Representative Longdon
Representative Nutt
Representative Pierce
Representative Shope
Representative Tsosie
Representative Udall

Arizona Department of Water Resources
Arizona State Library, Archives & Public Records
House Republican Staff
House Democratic Staff
House Research Staff

Senate Resource Center
Senate Republican Staff
Senate Democratic Staff
Senate Research Staff
Office of the Auditor General

House of Representatives
Natural Resources, Energy & Water
Committee of Reference
Sunset Review of the
Arizona Department of Water Resources

Final Report

January 2020

House Members
Representative Gail Griffin, Chair
Representative Timothy M. Dunn, Vice-Chair
Representative Andres Cano
Representative David L. Cook
Representative Kirsten Engel
Representative Mark Finchem
Representative Rosanna Gabaldón
Representative Jennifer Longdon
Representative Becky A. Nutt
Representative Steve Pierce
Representative Thomas "T.J." Shope, Jr.
Representative Myron Tsosie
Representative Michelle Udall

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    b. Summary of Committee Activity
    c. Committee Recommendation
II. Appendix
    a. Minutes and reference materials from the January 14, 2020 Natural Resources, Energy & Water Committee of Reference

Report 2020

Background

The Arizona Department of Water Resources (ADWR) was established by the Legislature in 1980 by transferring the powers and duties of the Arizona Water Commission and State Water Engineer relating to surface water, groundwater, dams and reservoirs (Laws 1980, 4th Special Session, Chapter 1).

ADWR's primary responsibility is to administer and enforce the following statutes:

- Arizona's Groundwater Code;
- Underwater storage savings and replenishment statutes;
- Dam safety statutes; and
- Surface water rights statutes.

Additionally, ADWR provides technical assistance to the adjudication court, licenses well drillers, explores methods of augmenting water supplies, develops policies that promote water conservation and collects and analyzes data on water levels and other hydrologic characteristics. Finally, the agency negotiates with other political entities to secure Arizona's Colorado River entitlement and represents the State in water rights discussions with the federal government (Title 45).

ADWR is set to terminate on July 1, 2020 unless legislation is enacted for its continuation (A.R.S. § 3020.10).

Summary of Committee Activity

The Natural Resources, Energy & Water Committee of Reference met on January 14, 2020 to review the performance audit and sunset review conducted by the Auditor General, evaluate ADWR's response to the sunset factors and receive public testimony.

Committee Recommendation

The Natural Resources, Energy & Water Committee of Reference recommended that ADWR be continued for 8 years until July 1, 2028.

Appendix A:

January 14, 2020 Natural Resources, Energy & Water Committee of Reference
Minutes and Reference Materials

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

COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER
Report of Regular Meeting
Tuesday, January 14, 2020
House Hearing Room 1 -- 10:00 A.M. (NOTE TIME CHANGE)

Convened 10:06 A.M.
Recessed
Reconvened
Adjourned 12:33 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
1-14-20

Members Present
Mr. Cano
Mr. Cook
Ms. Engel
Mr. Finchem
Mrs. Gabaldón
Ms. Longdon
Ms. Nutt
Mr. Pierce
Mr. Tsosie
Mrs. Udall
Mr. Dunn, Vice-Chairman
Ms. Griffin, Chairman

Members Absent
Mr. Shope, Jr.

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Presentations

Name	Organization	Attachments (Handouts)
Monette Kiepke	Arizona Auditor General	4
Thomas Buschatzke	ADWR	5, 6
Joe Hart	Mining Advisory Council	7
Robert Broscheid	Arizona State Parks	8

Committee Action

Bill	Action	Vote	Attachments
	Allow the Archeology Advisory Council to Sunset	6-5-0-2	9
	Allow the Archeology Advisory Council to be continued for three years	5-6-0-2	10, 11

Stacey Farrell

Stacey Farrell, Committee Secretary
January 14, 2020

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

Conv: 10:06A
Adj: 12:33pm

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

REGULAR MEETING AGENDA

COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER*

DATE Tuesday, January 14, 2020 ROOM HHR 1 TIME 10:00 A.M. (NOTE TIME CHANGE)

Members:

Mr. Cano	Ms. Longdon	Mr. Tsosie
Mr. Cook	Ms. Nutt	Mrs. Udall
Ms. Engel	Mr. Pierce	Mr. Dunn, Vice-Chairman
Mr. Finchem	Mr. Shope	Ms. Griffin, Chairman
Mrs. Gabaldón		

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1. Performance Audit and Sunset Review of the Arizona Department of Water Resources
   - Presentation by the Auditor General
   - Response by the Arizona Department of Water Resources
   - Public Testimony
   - Recommendation by the Committee of Reference
2. Sunset Review of the Governor's Archaeological Advisory Council
   - Response by the State Parks Board
   - Public Testimony
   - Discussion
   - Recommendation by the Committee of Reference
3. Sunset Review of the Arizona Outdoor Recreation Coordinating Committee
   - Response by the Arizona State Parks Board
   - Public Testimony
   - Discussion
   - Recommendation by the Committee of Reference
4. Sunset Review of the Mining Advisory Council
   - Response by the Mining Advisory Council
   - Public Testimony
   - Discussion
   - Recommendation by the Committee of Reference

*The Natural Resources, Energy & Water Committee may be performing functions of a Committee of Reference pursuant to A.R.A. 41-2954

SF
01/08/2020

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.

Attachment 1

Information Registered on the Request to Speak System

House Natural Resources, Energy & Water (1/14/2020)

1, Performance Audit and Sunset Review of the Arizona Department of Water Resources

Support:

Don Isaacson, CENTRAL ARIZONA WATER CONSERVATION DISTRICT; Rebecca Hudson-Nunez, Analyst, Corporate Public Affairs, FREEPORT-MCMORAN INC.; Steve Trussell, Arizona Mining Association, AZ ROCK PRODUCTS ASSN; Megan Martin, SALT RIVER PROJECT (SRP); Mark Lewis, representing self

All Comments:

Steve Trussell, Arizona Mining Association, AZ ROCK PRODUCTS ASSN: The Arizona Rock Products and Arizona Mining Associations support the continuance of the Arizona Department of Water Resources.; Mark Lewis, Self: The DWR runs the water bank, and they spent over $276 million of taxes and fees without a full audit, ever. Fully audit the water bank for 15 years.

2, Sunset Review of the Governor's Archaeological Advisory Council

Support:

Patrick Bray , representing self

Oppose:

Sandy Bahr, Conservation Director, representing self

4, Sunset Review of the Mining Advisory Council

Support:

Steve Trussell, Arizona Mining Association, AZ ROCK PRODUCTS ASSN

All Comments:

Steve Trussell, Arizona Mining Association, AZ ROCK PRODUCTS ASSN: In the spirit of reducing government, the AMA and ARPA supports the sunset or elimination of the Mining Advisory Council. It has not convened in several years and agencies have worked well with industry to resolve key matters.

3, Sunset Review of the Arizona Outdoor Recreation Coordinating Committee

Attachment 2

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD

HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on NREW Bill Number

Date 01/14/20 ☒ Support ☐ Oppose ☐ Neutral

Name Sandy Bahr Need to Speak? ☐ Yes ☐ No

Representing Sierra Club Are you a registered lobbyist? yes

Complete Address 514 W Roosevelt St Phoenix AZ 85003

E-mail Address sandy.bahr@sierraclub.org Phone Number 602-999-5780

Comments:

*****FIVE-MINUTE SPEAKING LIMIT*****

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD

HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on COR-Natural Resources & Water Bill Number ADWR audit

Date 1-14-20 ☒ Support ☐ Oppose ☐ Neutral

Name Don Isaacson Need to Speak? ☐ Yes ☒ No

Representing CAWCD Are you a registered lobbyist? yes

Complete Address 3101 N. Central Ave

E-mail Address dhb isaacsonlaw@az.rr.com Phone Number 602-274-2200

Comments: support continuation of DWR

*****FIVE-MINUTE SPEAKING LIMIT*****

ARIZONA STATE LEGISLATURE

Fifty-fourth Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **NATURAL RESOURCES, ENERGY & WATER**

CHAIRMAN: Gail Griffin VICE-CHAIRMAN: Timothy M. Dunn

DATE	01/14/20	/20	/20	/20	/20
CONVENED	10:06 Am	m	m	m	m
RECESSED					
RECONVENED					
ADJOURNED	12:33pm				
MEMBERS	-				
Cano	✓				
Cook	✓				
Engel	✓				
Finchem	✓				
Gabaldón	✓				
Longdon	✓				
Nutt	✓				
Pierce	✓				
Shope	—				
Tsosie	✓				
Udall	✓				
Dunn, Vice-Chairman	✓				
Griffin, Chairman	✓				

√ Present --- Absent exc Excused

Attachment 3

ARIZONA
Auditor General
Making a Positive Difference

Arizona Department of Water Resources

Performance Audit and Sunset Review

Report 19-101

Issued January 2019

Presenter: Monette Kiepke

Date: January 14, 2020

Attachment 4

Department manages Arizona's water

- Regulates groundwater use in specific areas
- Administers surface water rights for Arizona's rivers and streams (except the Lower Colorado River)
- Oversees nonfederal dam safety and flood warning

Department manages Arizona's water

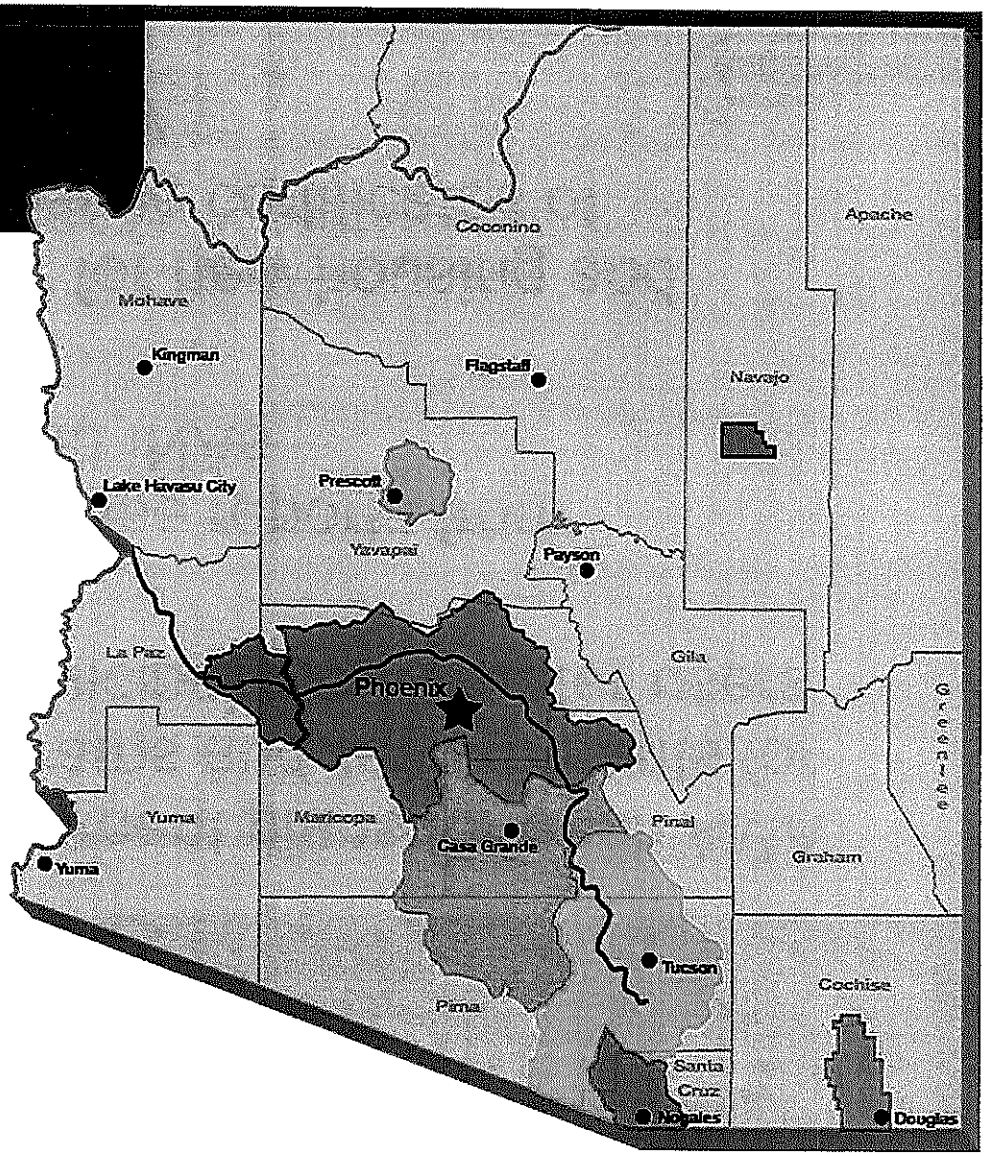
- Engages in State-wide water planning
  - Collects, analyzes, and provides data on water conditions throughout the State
  - Works with stakeholders to implement water-planning initiatives
  - Promotes and protects Arizona's entitlement to Colorado River water

Department regulates groundwater use in specific areas

- Active management areas (AMAs)—areas subject to groundwater regulation
- Irrigation nonexpansion areas (INAs)—areas where new irrigation is prohibited to preserve existing irrigation

State has 5 AMAs and 3 INAs

- Central Arizona Project canal
- Colorado River
- Joseph City INA
- Prescott AMA
- Harquahala INA
- Phoenix AMA
- Pinal AMA
- Tucson AMA
- Santa Cruz AMA
- Douglas INA



Department's groundwater regulation responsibilities

- Developing a series of management plans for each AMA that outline conservation programs and requirements for agricultural, industrial, and municipal groundwater users
- Collecting annual groundwater use reports from groundwater users in AMAs and INAs
- Evaluating availability of water for new housing and commercial developments to issue certificates of assured or adequate water supply

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Making a Positive Difference

Department's groundwater regulation responsibilities

- Issuing permits for storing and recovering renewable water supplies (such as surface water) to encourage their use in lieu of groundwater

- Issuing:
  - Well driller licenses
  - Groundwater withdrawal permits
  - Authority to drill, modify, or abandon wells throughout the State

ARIZONA Auditor General
Making a Positive Difference

Examples of Department meeting its statutory objectives and purposes

- For applications we reviewed, the Department timely and appropriately issued:
  - Certificates of assured water supply
  - Water storage permits
  - Well driller licenses
  - Well permits

ARIZONA Auditor General
Making a Positive Difference

Examples of Department meeting its statutory objectives and purposes

- Routinely collected groundwater levels from select wells located throughout the State
- Follows up to help ensure groundwater rights holders in AMAs submit required annual groundwater use reports

ARIZONA Auditor General
Making a Positive Difference

Department responsible for publishing AMA management plans

- Plans intended to help an AMA reduce amount of groundwater withdrawn and achieve management goals
- Plans are required for each AMA for each of the 5 management periods established in statute

Department behind schedule in adopting fourth and fifth management plans

Management plan/period	Adoption due date	Phoenix	Pinal	Prescott	Santa Cruz	Tucson
4th (2010-2020)	January 1, 2008	✗	✗	July 2014	✗	July 2016
5th (2020-2025)	January 1, 2019	✗	✗	✗	✗	✗

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Untimely plan development delays goal assessment and increased conservation

- Department uses plan development process as opportunity to assess progress in meeting AMA goals
- Statute requires or allows for additional or increased conservation measures in each subsequent plan
- Thus, untimely plan development delays:
  - Assessments of progress in meeting AMA goals
  - Implementation of any additional or increased conservation measures.

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Making a Positive Difference

Reduced staffing contributed to untimely management plan development

- Department's appropriated staffing was reduced by 61 percent between 2009 and 2014, impacting the number of staff available to work on the management plans

Recommendations—Develop the remaining management plans and conduct staffing analysis to determine staffing needed to do so

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Department should collect outstanding reports from well owners/drillers

- Well owners/drillers required to file various post-project reports that provide information on actual well conditions
- Reports not always filed
- Department lacked formal procedures for following up

Recommendation—Develop and implement follow up procedures to collect outstanding reports

ARIZONA Auditor General
Making a Positive Difference

Department should follow up with groundwater-use nonreporters in INAs

- Groundwater users within INAs are required to file annual groundwater-use reports
- Department assumes nonreporters did not use groundwater
- Percentage of potential reporters declined from 65% for 2015 to 56% for 2017
- Some nonreporters may not be reporting when required

Recommendation—Develop and implement follow-up procedures for nonreporters

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Department response

- Department agreed with findings and recommendations
- At initial followup:
  - 4 recommendations were in process
  - 1 recommendation to issue a required report on municipal providers' per capita water use and conservation efforts within the AMAs was implemented
- Next followup will be in summer 2020

ARIZONA
Auditor General
Making a Positive Difference

Arizona Department of Water Resources

Performance Audit and Sunset Review

Report 19-101

Issued January 2019

Presenter: Monette Kiepke

Date: January 14, 2020

Managing Arizona's Water Resources

Arizona House Of Representatives

Committee on Natural Resources, Energy & Water

Thomas Buschatzke
Director
Arizona Department of Water Resources

January 14, 2020

Attachment 5

ADWR's Role

MISSION:

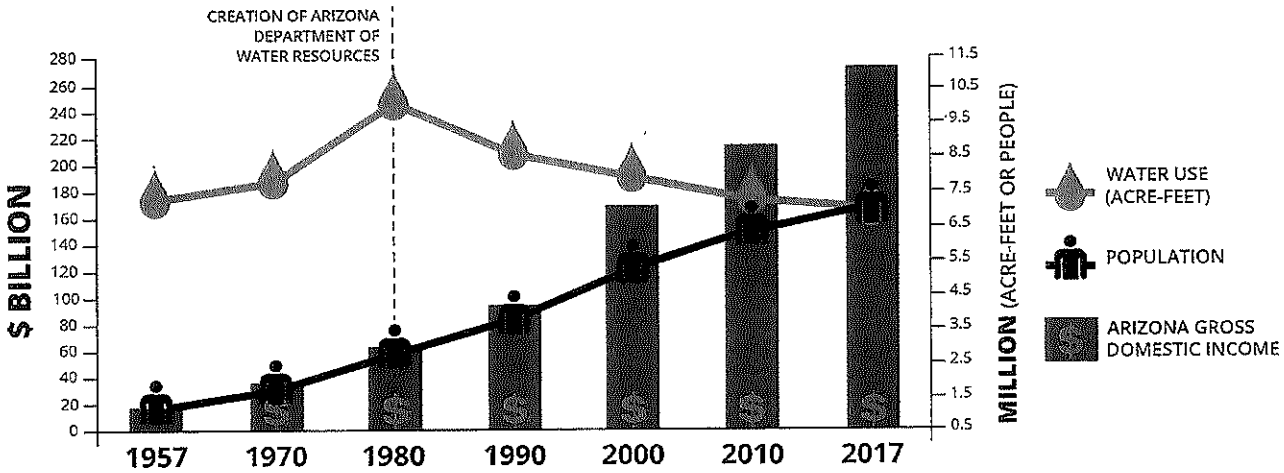
To protect, conserve, and enhance Arizona's water supplies by confronting water management challenges in a bold, thoughtful, and innovative manner

VISION:

Reliable water supplies to meet the needs of current and future Arizonans

ARIZONA'S WATER MANAGEMENT SUCCESS

ARIZONA WATER USE, POPULATION, AND ECONOMIC GROWTH (1957 - 2017)



TOTAL WATER USE (IN MILLIONS ACRE/FEET)

1957 7.1 MAF
2017 7 MAF

-1% CHANGE FROM 1957-2017

POPULATION (IN MILLIONS)

1957 1.1
2017 7

536% CHANGE FROM 1957-2017

GROSS DOMESTIC INCOME (IN BILLIONS)

1957 $ 13.4
2017 $$$$$$$$$$$$$$$$$$$ 274.8

1,951% CHANGE FROM 1957-2017

ADWR's Critical Functions

- Colorado River Management
- Technical assistance to the Court for General Stream Adjudications
- Administration of the Assured and Adequate Water Supply Program
- Statewide Regional Planning
- Dam Safety and Coordination of Flood Mitigation
- Administration of Recharge and Recovery Program
- Collection and Assessment of Hydrologic Data
- Administration of Groundwater Rights and Surface Water Rights
- Representation of the State of Arizona in Indian Water Rights Settlements

Auditor General Recommendations

Recommendation #1 - The Department should comply with its statutory requirements to develop and promulgate the remaining management plans for the five AMAs.

ADWR agrees and is currently implementing the recommendation:

- By statute, conservation programs must be designed to incrementally reduce groundwater withdrawals with each plan.
- **4th Management Plans**
  - Prescott, Tucson - completed prior to audit
  - Phoenix, Pinal and Santa Cruz - to be completed in 2020
- **5th Management Plans** development process is currently underway.

Auditor General Recommendations

Recommendation #2 - The Department should complete a staffing analysis to determine the appropriate level of AMA staffing needed to complete the AMA management plans, including whether cross-training could help address staffing needs, and assign staff resources accordingly.

ADWR agrees and is currently implementing the recommendation:

- ADWR assessed its staffing needs to complete the AMA management plans and created a new unit with 4 FTE positions
- The unit manager is under direct supervision of the Director
- ADWR will continually assess workloads and timelines to determine staffing needs to complete plans

Auditor General Recommendations

Recommendation #3 - The Department should develop and implement written policies and procedures to routinely follow up on and collect outstanding post-project reports from well owners and well drillers.

ADWR agrees and is currently implementing the recommendation:

- ADWR created written procedures to identify and reach out to well drillers for past-due reports. ADWR reaches out semiannually.
- ADWR is exploring ways to use each touch point with well owners and drillers to collect outstanding reports.

Auditor General Recommendations

Recommendation #4 - The Department should develop and implement written policies and procedures to follow up with nonreporting groundwater right holders in INAs, including requesting them to voluntarily report nonusage.

ADWR agrees and is currently implementing the recommendation:

- ADWR implemented an annual process to follow up with right holders in Irrigation Non-expansion Areas who had not filed groundwater usage reports.
  - ADWR sent 243 notices to nonreporting right holders.
  - Over 50% of respondents reported they had not used groundwater.
- This process is now standard work for ADWR.

Auditor General Recommendations

Recommendation #5 - Complete and issue the report on municipal providers' water conservation programs every 3 years, as required by A.R.S. §45-563.01.

ADWR agrees and implemented this recommendation:

- The last report was issued in October 2011.
- A new report was issued in January 2019 and will be issued every 3 years.

Arizona's Water Future

Successes and Challenges

Arizona's Water Future

The Drought Contingency Plan is the most significant water legislation passed in nearly 40 years .

It was a collaborative action that ensures that we continue to protect the river system while providing a reliable source of water to the 40 million people who rely on it.

Arizona Department of Water Resources

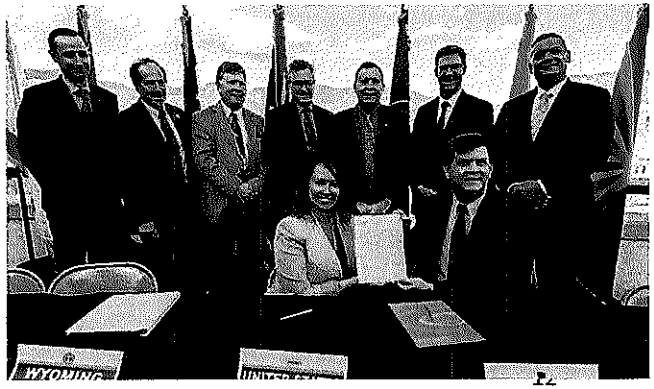
Drought Contingency Plan Recap

Lower Basin Drought Contingency Plan

- *ADWR & CAWCD jointly hosted 9 public Steering Committee meetings to discuss & recommend how to adopt and implement the LBDCP in a way that is acceptable to Arizona water users*
- ***January 31** – Arizona Legislature passed & Gov. Ducey signed SB 1227*
  - *The legislation authorized ADWR Director to sign the Interstate DCP Agreements on behalf of Arizona*

Colorado River Drought Contingency Plan

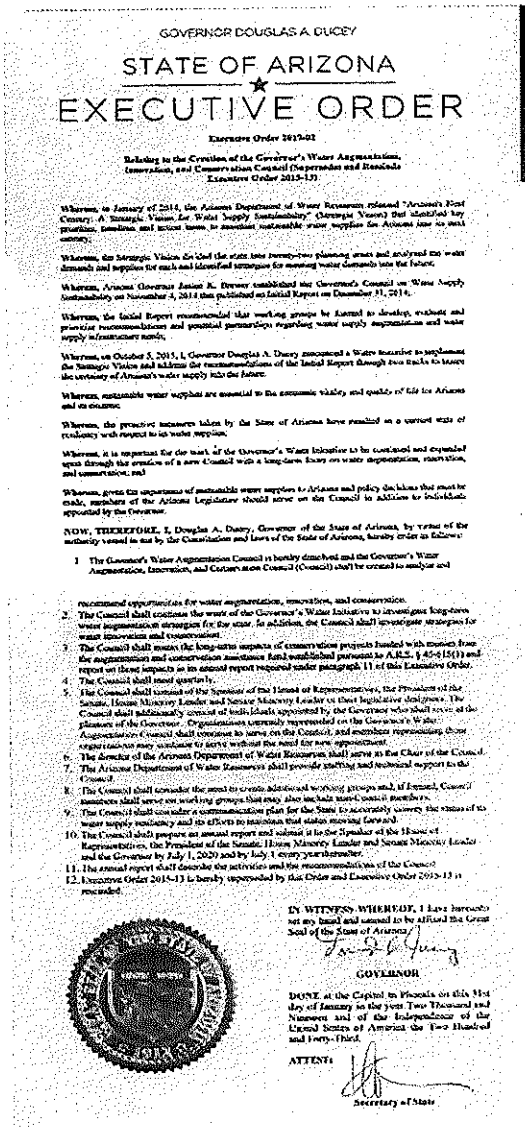
- ***March 27 & 28** – Reclamation & Colorado River Basin representatives testified at U.S. subcommittee hearings at the Senate (subcommittee chaired by AZ Sen. McSally) & the House (subcommittee chaired by Rep. Huffman; full committee chaired by AZ Rep. Grijalva)*
- **April 8** – Bill passed after announced by Sen. McSally & Rep. Grijalva
- ***April 16** – Signed by President Trump*
- ***May 20** – Signed & finalized by Lower Basin States, Reclamation & Interior*



Arizona Implementation Plan Update

Temporary Groundwater & Irrigation Efficiency Projects

- Arizona Water Banking Authority funds collected from Pinal AMA will be redirected to Pinal in 2020.
- ADWR met with representatives of CAP districts to discuss the application process and how to distribute funding.
- Each participating district and ADWR have executed a Framework Agreement.
- Harquahala Valley Irrigation District and Hohokam Irrigation District elected not to participate.
- Several districts are expected to apply for funding in early 2020.
- ADWR submitted an application for a federal grant from the Regional Conservation Partnership Program for $10 million.



GOVERNOR DOUGLAS A. DUCEY

STATE OF ARIZONA

EXECUTIVE ORDER

Executive Order 2019-02

Relating to the Creation of the Governor's Water Augmentation, Innovation, and Conservation Council (Supersedes and Rescinds Executive Order 2013-13)

Whereas, in January of 2014, the Arizona Department of Water Resources released "Arizona's First Century: A Strategic Vision for Water Supply Sustainability" (Strategic Vision) that identified key priorities, timelines and action items to assessment sustainable water supplies for Arizona into its second century;

Whereas, the Strategic Vision divided the state into twenty-two planning areas and analyzed the water demands and supplies for each and identified strategies for meeting water demands into the future;

Whereas, Arizona Governor Janice K. Brewer established the Governor's Council on Water Supply Sustainability on November 5, 2014 then published an Initial Report on December 31, 2014;

Whereas, the Initial Report recommended that working groups be formed to develop, evaluate and provide recommendations and potential partnerships regarding water supply augmentation and water supply infrastructure needs;

Whereas, on October 5, 2015, I, Governor Douglas A. Ducey announced a Water Initiative to implement the Strategic Vision and address the recommendations of the Initial Report through two tracks to insure the resiliency of Arizona's water supply into the future;

Whereas, sustainable water supplies are essential to the economic vitality and quality of life for Arizona and its citizens;

Whereas, the proactive measures taken by the State of Arizona have resulted in a current state of resiliency with respect to its water supplies;

Whereas, it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation, and conservation; and

Whereas, given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor.

NOW, THEREFORE, I, Douglas A. Ducey, Governor of the State of Arizona, by virtue of the authority vested to me by the Constitution and laws of the State of Arizona, hereby order as follows:

1. The Governor's Water Augmentation Council is hereby dissolved and the Governor's Water Augmentation, Innovation, and Conservation Council (Council) shall be created to analyze and recommend opportunities for water augmentation, innovation, and conservation.
2. The Council shall continue the work of the Governor's Water Initiative to investigate long-term water augmentation strategies for the state. In addition, the Council shall investigate strategies for water innovation and conservation.
3. The Council shall assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. § 45-615(D) and report on these impacts as its annual report required under paragraph 11 of this Executive Order.
4. The Council shall meet quarterly.
5. The Council shall consist of the Speaker of the House of Representatives, the President of the Senate, House Minority Leader and Senate Minority Leader or their legislative designees. The Council shall additionally consist of individuals appointed by the Governor who shall serve at the pleasure of the Governor. Organizations currently represented on the Governor's Water Augmentation Council shall continue to serve on the Council, and members representing those organizations may continue to serve without the need for new appointment.
6. The director of the Arizona Department of Water Resources shall serve as the Chair of the Council.
7. The Arizona Department of Water Resources shall provide staffing and technical support to the Council.
8. The Council shall consider the need to create additional working groups and, if formed, Council members shall serve on working groups that may also include non-Council members.
9. The Council shall consider a communication plan for the State to accurately convey the status of its water supply resiliency and its efforts to transition that status moving forward.
10. The Council shall prepare an annual report and submit it to the Speaker of the House of Representatives, the President of the Senate, House Minority Leader and Senate Minority Leader and the Governor by July 1, 2020 and by July 1 every year thereafter.
11. The annual report shall describe the activities and the recommendations of the Council.
12. Executive Order 2013-13 is hereby superseded by this Order and Executive Order 2013-13 is rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

GOVERNOR

DONE at the Capitol in Phoenix on this 31st day of January in the year Two Thousand and Nineteen and of the Independence of the United States of America the Two Hundred and Forty-Third.

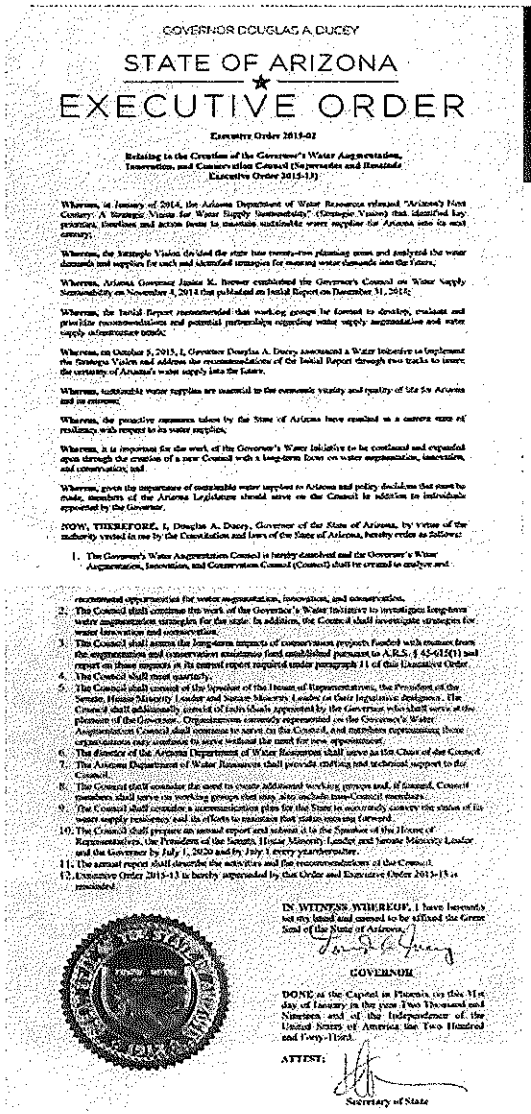
ATTEST:

Secretary of State

Governor's Water Augmentation, Innovation & Conservation Council

Created by Executive Order on January 31, day of DCP signing

- Dissolves the Governor's Water Augmentation Council (GWAC) and replaces with the Governor's Water Augmentation, Innovation and Conservation Council (GWAICC)
- Investigates long-term augmentation to benefit Arizona, and strategies for conservation and innovation in pursuit of more sustainable water supplies
- Meets quarterly and has formed working groups. Inaugural meeting, March 8, 2019



GOVERNOR DOUGLAS A. DUCEY

STATE OF ARIZONA

EXECUTIVE ORDER

Executive Order 2015-02

Relating to the Creation of the Governor's Water Augmentation, Innovation, and Conservation Council (Supersedes and Rescinds Executive Order 2015-13)

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Whereas, the Strategic Vision divided the state into twenty-two planning areas and analyzed the water demands and supplies for each and identified strategies for meeting water demands into the future;

Whereas, Arizona Governor Janice K. Brewer established the Governor's Council on Water Supply Sustainability on November 4, 2014 that published an Initial Report on December 31, 2014;

Whereas, the Initial Report recommended that working groups be formed to develop, evaluate and prioritize recommendations and potential partnerships regarding water supply augmentation and water supply infrastructure needs;

Whereas, on October 5, 2015, I, Governor Douglas A. Ducey announced a Water Initiative to implement the Strategic Vision and address the recommendations of the Initial Report through two tracks to insure the security of Arizona's water supply into the future;

Whereas, sustainable water supplies are essential to the economic vitality and quality of life for Arizona and its citizens;

Whereas, the proactive measures taken by the State of Arizona have resulted in a current state of resiliency with respect to its water supplies;

Whereas, it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation, and conservation; and

Whereas, given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor.

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3. The Council shall assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. § 45-615(1) and report on those impacts in its annual report required under paragraph 11 of this Executive Order.
4. The Council shall meet quarterly.
5. The Council shall consist of the Speaker of the House of Representatives, the President of the Senate, House Minority Leader and Senate Minority Leader or their legislative designees. The Council shall additionally consist of individuals appointed by the Governor who shall serve at the pleasure of the Governor. Organizations currently represented on the Governor's Water Augmentation Council shall continue to serve on the Council, and members representing those organizations may continue to serve without the need for new appointment.
6. The director of the Arizona Department of Water Resources shall serve as the Chair of the Council.
7. The Arizona Department of Water Resources shall provide staffing and technical support to the Council.
8. The Council shall consider the need to create additional working groups and, if formed, Council members shall serve on working groups that may also include non-Council members.
9. The Council shall consider a communication plan for the State to accurately convey the status of its water supply resiliency and its efforts to maintain that status moving forward.
10. The Council shall prepare an annual report and submit it to the Speaker of the House of Representatives, the President of the Senate, House Minority Leader and Senate Minority Leader and the Governor by July 1, 2020 and by July 1 every year thereafter.
11. The annual report shall describe the activities and the recommendations of the Council.
12. Executive Order 2015-13 is hereby superseded by this Order and Executive Order 2015-13 is rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

GOVERNOR

DONE at the Capitol in Phoenix on this 31st day of January in the year Two Thousand and Nineteen and of the Independence of the United States of America the Two Hundred and Forty-Third.

ATTEST:

Secretary of State

Governor's Water Augmentation, Innovation & Conservation Council

Created by Executive Order on January 31, day of DCP signing

- Chaired by Director of ADWR
- Includes previous members of the GWAC, plus Speaker of the House, President of the Senate and House and Senate Minority Leaders, or their legislative designees, plus others as appointed by the Governor
- Shall consider a communication plan for Arizona to accurately convey Arizona's water resiliency and efforts to maintain resiliency going forward

Governor's Water Augmentation, Innovation & Conservation Council Committees

Desalination Committee

- Looking at a potential site for additional brackish groundwater desalination within Arizona.

Long-term Water Augmentation Committee

- Long-Term Water Augmentation Opportunities for Arizona report was released August 2019.
- It identifies potential opportunities to augment supplies in the state's 22 planning areas.
- It will continue to consider and potentially develop additional options for augmentation.

Governor's Water Augmentation, Innovation & Conservation Council Committees

Non-AMA Groundwater Committee

- Working to achieve a baseline understanding of Arizona groundwater outside the AMAs.
- Working to identify and discuss potential options, including Best Management Practices, to address groundwater challenges in those areas.

Post 2025 AMA Committee

- Focused on identifying water management challenges facing the AMAs and generating strategic solutions for 2025 and beyond.

Governor's Water Augmentation, Innovation & Conservation Council Membership

Governor's Water Augmentation, Innovation & Conservation Council Current Members			
Thomas Buschatzke (Chair)			
Basilio Aja	Glenn Hamer	Maria Dadgar	Spencer Kamps
Chris Camacho	Grady Gammage	Mark Smith	Stephanie Smallhouse
Christopher Udall	Doug Dunham	Misael Cabrera	Stephen Q. Miller
Cheryl Lombard	Jamie Kelley	Patrick Graham	Stephen Roe Lewis
Craig Sullivan	Jay Whetten	Philip Townsend	Timothy Thomure
Dave Roberts	John Kmiec	Philip Richards	Ted Cooke
David Brown	Kathleen Ferris	Ronald Doba	Virginia O'Connell
Dennis Patch	Kevin Rogers	Sandra Fabritz	Wade Noble
Edward P. Maxwell	Lisa Atkins	Sarah Porter	Warren Tenney
			William Garfield

Legislators Participating	
Council Members Appointed by Executive Order	
Representative Rusty Bowers, Speaker of the House	Representative Gail Griffin
Karen Fann, President of the Senate	Senator Sine Kerr
Senator David Bradley, Senate Minority Leader	Senator Lisa Otondo
Representative Charlene Fernandez, House Minority Leader	Senator Victoria Steele

House Ad Hoc Committee on Groundwater Supply in Pinal County

- On September 18, 2019, Speaker of the House Rusty Bowers announced the creation of the House Ad Hoc Committee on Groundwater Supply in Pinal County, chaired by Representative Cook.
- The committee was designed to study the supply of available groundwater and renewable water supplies in the Pinal AMA and to make recommendations on the modeling criteria of available groundwater supplies in the area.
- On October 11, 2019, Representative Cook proposed the creation of a local stakeholder group to examine potential solutions to the Assured Water Supply groundwater physical availability issue within Pinal County.

Pinal County Groundwater Task Force

- The stakeholder group is chaired by Pinal County Supervisor Stephen Miller.
- Bill Garfield of Arizona Water Company and Jake Lenderking of Global Water serve as co-vice chairs.
- Two meetings have been held, one on December 9, 2019 and one on January 6, 2020.
- In support of this effort, the Department will continue providing technical support and input when requested.
- When evaluating proposals from the task force, the State's assessment will uphold Governor Ducey's commitment to consumer protection and water sustainability objectives of the Assured Water Supply Program

La Paz & Mohave West Basin Water Users Study Committees

- In 2019, Governor Ducey signed into law HB2467, which established a 10-member Mohave County West Basin Water Users Study Committee and a 10-member La Paz County West Basin Water Users Study Committee to analyze groundwater withdrawal data and make recommendations to ADWR on programs and policies for the basins.
- Co-chaired by Representative Cobb and Senator Borrelli, both committees are required to submit a report of their recommendations to ADWR, the Governor and the Legislature by December 31, 2021.
- ADWR has presented at all the official committee meetings.
  - The La Paz County committee meeting was held on September 19, 2019
  - The Mohave County committee held meetings on August 27, 2019 and December 9, 2019.

Proposed Transfer of Arizona 4th Priority Colorado River water:

GSC Farm LLC to the Town of Queen Creek

- GSC Farm, LLC proposes to transfer 2,083.1 acre-feet (af) of its Arizona fourth priority Colorado River water entitlement to the Town of Queen Creek.
- The water is currently held under contract directly between GSC Farm and the U.S. Bureau of Reclamation and irrigates approximately 485 acres of farmland located within the Cibola Valley Irrigation and Drainage District in La Paz County.
- Under the proposal, the 485 acres of land will be retired from agricultural uses and the 2,083.1 af of Colorado River water will be transferred to Queen Creek.
- Queen Creek proposes to use the water for municipal uses within its service area located in Maricopa and Pinal Counties.

Proposed Transfer of Arizona 4th Priority Colorado River water:
GSC Farm LLC to the Town of Queen Creek

- ADWR will evaluate the proposed transfer in accordance with the Department's January 16, 2019, Policy and Procedures for Transferring an Entitlement of Colorado River Water (Colorado River Transfer Policy).
- The public is invited to comment on this proposed transfer of a Colorado River entitlement.
- The comment period closes on January 15, 2020.
- Public comment was also taken at public meetings held at:
  - ADWR on November 19, 2019
  - Bullhead City on November 20, 2019
  - Town of Parker on November 21, 2019
  - City of Yuma on November 21, 2019
- After reviewing the comments, within 60 days, the Director of ADWR will issue a recommendation regarding the proposed transfer to the U.S. Secretary of the Interior unless additional time is needed to resolve claims of negative impacts to third parties.

Buckeye Waterlogged Area

- The area within the Phoenix AMA commonly known as the Buckeye Waterlogged Area (BWLA) was established in 1988 by A.R.S. § 45- 411.01.
- The BWLA was created in recognition of unique hydrologic conditions that existed in the area that made the application of normal agricultural conservation goals and methods impractical or inappropriate.
- The Director of ADWR was required to review the hydrologic conditions within the BWLA and submit a recommendation to the Governor, President of the Senate and Speaker of the House of Representatives by December 15, 2019 regarding extending the exemptions (A.R.S. § 45-411.01(F)).

Recommendations

- ADWR issued a report in December 2019. In it, ADWR recommended that the exemptions should be extended for **10 years** through December 31, 2034.

Buckeye Waterlogged Area

Recommendations

- **Legislation:**
  - ADWR recommends that any legislation extending the exemptions include a provision requiring ADWR to review the hydrologic conditions within the BWLA and submit a recommendation to the Governor, President of the Senate and Speaker of the House no later than November 17, 2031 regarding extending the exemptions past 2034.
  - ADWR also recommends that any legislation include a requirement that ADWR consult with the 3 irrigation districts in the BWLA and all cities and towns in the BWLA on the scope of the hydrologic review before beginning the review and on the status of the review periodically during this review.

Arizona Management System

- AMS provides the methods and tools to drive continuous improvement.

ADWR Successes:

- Improved AMA annual reporting process
- Completed and released 4 groundwater models
- ADWR used AMS problem-solving techniques to enhance coordination with the Dam Safety Unit to ensure compliance with State statutes and rules
- Online Tools Advancement:
  - Interactive Groundwater Right Map
  - Community Water Systems Online Reporting Tools
  - Online Wells Registry

Arizona Management System Breakout Successes

ADWR Open Well Capping Initiative

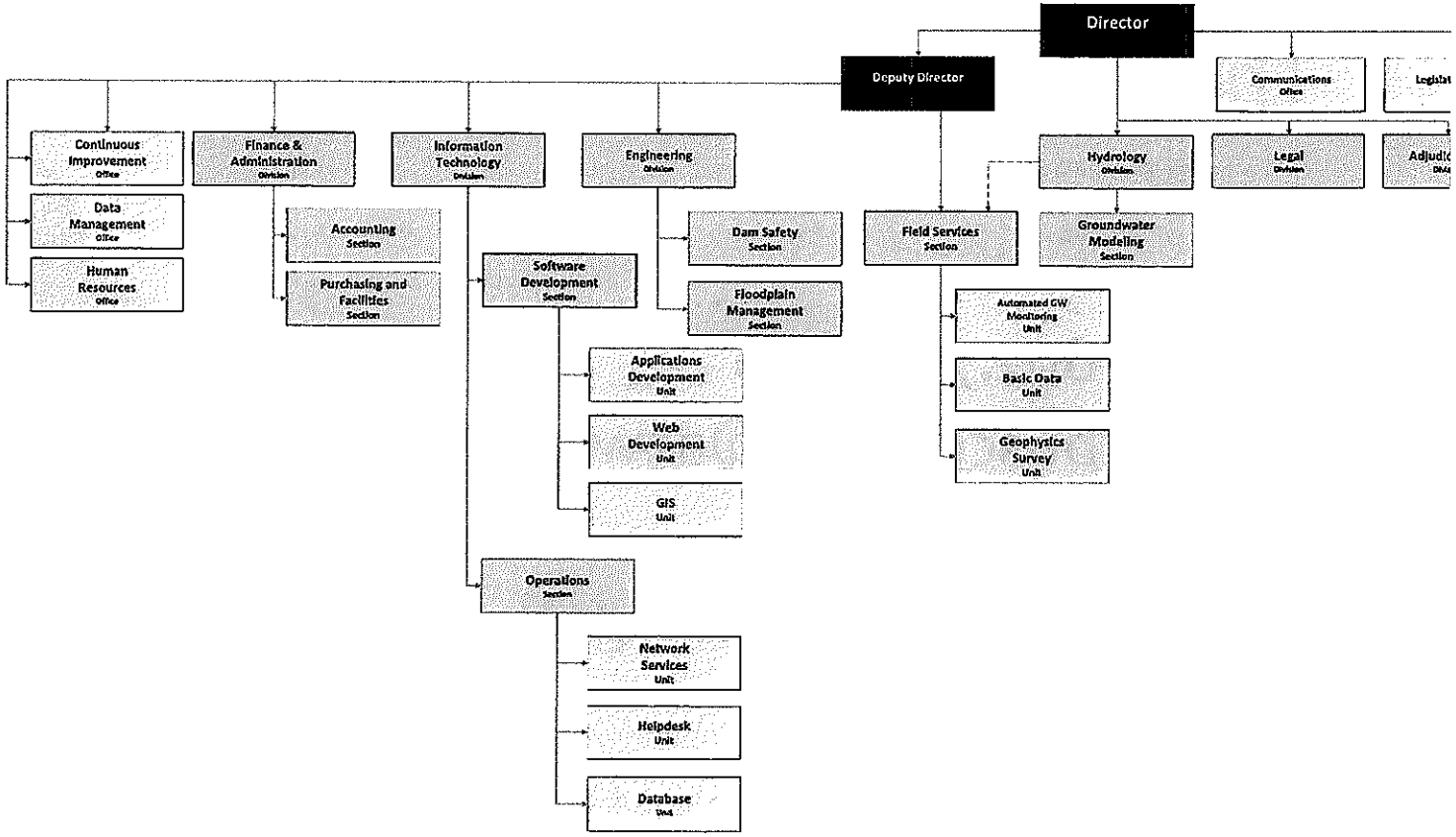
- ADWR's Compliance, Field Services and Wells sections met to address concerns related to potentially dangerous, open wells.
- Utilizing their AMS skills, the group designed a process, contracted with Arizona Correctional Industries to make temporary well caps, prioritized known open wells, and trained ADWR staff on how to cap wells.
- By May 2019, ADWR staff capped all known "emergency" wells (the most dangerous category) and capped **80%** of known open wells.
- Due to the positive publicity generated by this project, ADWR has received notifications of additional open wells.
- ADWR also has fielded offers of help from across the state.

Arizona Management System Breakout Successes

ADWR Data Warehouse – Recharge & Active Management Area

- ADWR's Data Management section, in conjunction with the Recharge and AMA sections, has made important data relating to Arizona's water use more easily available to the public.
- Utilizing their AMS skills, the team defined important terms, developed and enhanced data quality strategies and added the new data "live" to ADWR's website.
- These efforts help save staff time and significantly increase the public's access to data.

ADWR Organizational Chart



Questions?

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ARIZONA DEPARTMENT of WATER RESOURCES
EST. 1980

PROTECTING ARIZONA'S WATER SUPPLIES *for* ITS NEXT CENTURY

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

1. An identification of the problem or the needs that the agency is intended to address.

The Arizona Department of Water Resources (ADWR) was created to ensure dependable long-term water supplies for Arizona's communities and citizens. ADWR administers and enforces the following statutes:

- Arizona's Groundwater Code
- Underground water storage savings and replenishment statutes
- Dam safety statutes
- Surface water right statutes

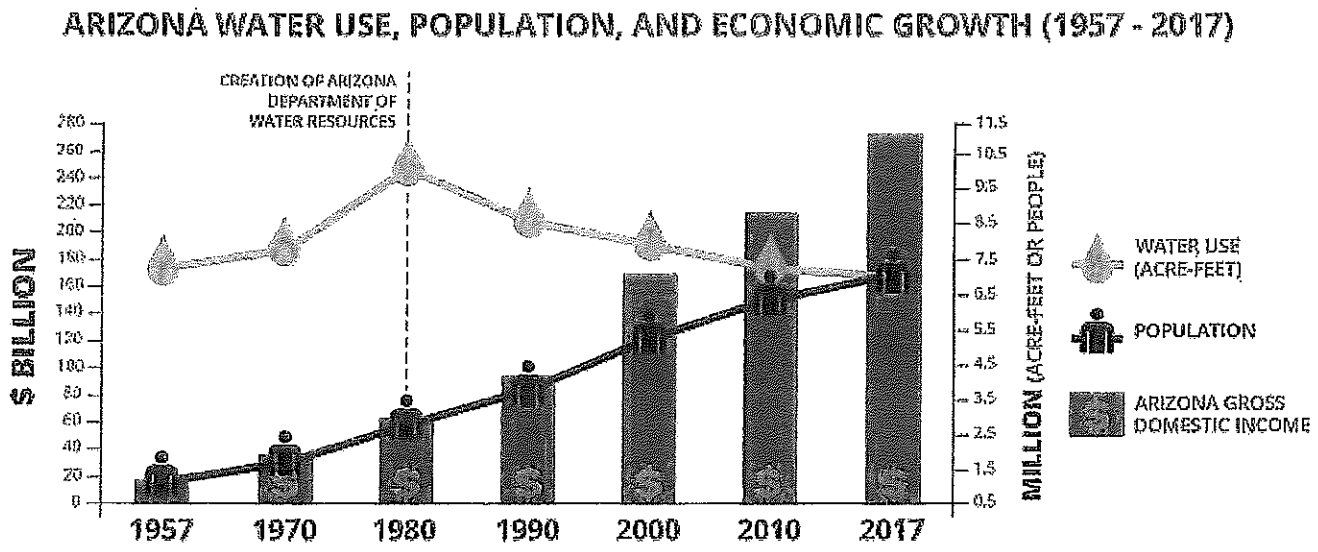
Additionally, ADWR provides technical assistance to the adjudication court, licenses well drillers, explores methods of augmenting water supplies, develops policies that promote water conservation and collects and analyzes data on water levels and other hydrologic characteristics.

ADWR negotiates with other political entities to secure Arizona's Colorado River entitlement and represents the State in discussions of water rights with the federal government.

2. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.

ADWR's statement of vision is "a reliable supply of water to meet the needs of current and future Arizonans." Its mission statement is "to protect, conserve, and enhance Arizona's water supplies by confronting water management challenges in a bold, thoughtful, and innovative manner."

ADWR has been effective in implementing its vision and its mission. As illustrated by the following graph that shows the changes in population, gross domestic income, and water use since 1957, the State's population and economy have grown while water use has declined.



Additionally, ADWR tracks numerous performance metrics on a monthly basis to assess performance. Please refer to Appendix A (ADWR Scorecard) to view ADWR's monthly reporting for FY 2019.

With the support of Governor Ducey and the Arizona State Legislature, ADWR staffing has increased from a recession-era low of 96.0 FTE positions to 145.0 authorized FTE positions from appropriated funds. In addition to these increased resources, ADWR has managed to increase productivity through the implementation of the Arizona Management System (AMS), which is based on Lean principles. For example, through implementation of AMS principles, the ADWR Dam Safety Section was able to complete safety inspections of 100% of the State's high hazard potential dams in the Department's jurisdiction for the first time in twelve years in FY 2017 and in each subsequent year.

ADWR has played a vital role in the realization and implementation of many initiatives that fulfil ADWR's mission to confront water management challenges in bold, thoughtful, and innovative ways and that will help achieve ADWR's vision of reliable water supplies to meet the needs of current and future Arizonans. These initiatives include the following:

- Accomplishing the passage and ongoing implementation of the Drought Contingency Plan, which will reduce the risk of Lake Mead falling to critical elevations.
- Accommodating increasing workload and technical requirements to fulfill ADWR's statutory role as technical advisors to the Adjudications Court, which will allow the acceleration of the proceedings to determine the extent and priority of water rights to the Little Colorado River and Gila River systems.
- Seeking sustainability in water supplies through the newly formed Governor's Water Augmentation Innovation and Conservation Council.
- Progressing toward the adoption of statutorily required Management Plans within the five Active Management Areas (AMA's), which will detail water conservation requirements and will move Arizona toward its long-term water management goals.

ADWR anticipates further accomplishments toward fulfilling its strategic vision in upcoming years. For a more in-depth examination of ADWR's anticipated accomplishments, please refer to Appendix B (ADWR's FY 2020 5-Year Strategic Plan).

3. An identification of any other agencies having similar, conflicting or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.

ADWR's objectives are unique among State agencies and do not conflict with or duplicate the objectives of other agencies.

ADEQ
While ADWR works to ensure the availability of water, the Arizona Department of Environmental Quality (ADEQ) regulates water quality to ensure healthy drinking water and to prevent current and future surface water and groundwater pollution. Thus, the missions of ADEQ and ADWR complement and do not conflict with each other. ADEQ and ADWR share information both formally and informally to ensure the best possible service for customers and the public.

ACC
Similarly, the Arizona Corporation Commission (ACC) regulates public water utilities but focuses its efforts on the quality of service and rates charged by public water utilities. The ACC seeks information from ADWR where it has questions about compliance with ADWR's statutory requirements or needs additional information about a water utility. The missions of the ACC and ADWR complement and do not conflict with each other.

ROC
Since 1980, pursuant to A.R.S. § 45-595, ADWR has tested and licensed well drillers. The examination consists of the following sections (A.A.C. § R-12-15-805):

1. **General Knowledge** – This section tests the applicant's knowledge of hydrologic concepts, practices in the well construction industry, groundwater protection, pollution, water quality and public health effects.
2. **Legal Requirements** – This section tests the applicant's knowledge of Arizona Revised Statutes Title 45, Chapter 2, Article 10 and its underlying rules.
3. **Specialized Sections** – This section tests the applicant's knowledge of at least one of six different areas, including cable tool drilling, air rotary drilling, mud rotary drilling, reverse rotary drilling, jetting and driving wells, and boring and auguring

In June of 2019, the Arizona Registrar of Contractors (ROC) also began testing well drillers. The ROC's examination covers drilling methods and materials, pumps and pumping equipment, casings and screenings, grouting and sealing, water quality and testing, rigs and derricks, abandonment, and OSHA safety. The Department is currently working with the ROC to identify potential areas of conflict and confusion for the regulated community and the public.

Federal Government
The federal government regulates water use only with respect to the Lower Colorado River, leaving groundwater and other stream/river regulation to ADWR. Similarly, the federal government retains jurisdiction for federal dams, but all non-federal dams are regulated by ADWR. Thus, ADWR's objectives do not conflict and are not duplicated at the federal level.

4. An assessment of the consequences of eliminating the agency or of consolidating it with another agency.

The impacts of eliminating ADWR or consolidating it with another potential entity that may perform similar functions would be felt in the following areas.

Dam Safety
ADWR regulates non-federal jurisdictional dams in the state. Dams are inspected for the potential of minor to catastrophic failure which would endanger public health, safety and welfare due to the potential for loss of life and property damage from flood events or dam failure.

Elimination of ADWR would leave these dams un-regulated, because no other agency or private entity monitors non-federal dams in Arizona. Deregulation of the dams would create the potential for abandonment or poor maintenance of the dams, which would place down-stream residents and landowners at risk of catastrophic loss of life and property.

Flood Warning
ADWR maintains flood warning, rain gauge, and communication equipment and participates in coordinated efforts with local, federal and other state agencies in flood warning or storm monitoring events. This includes operating the Arizona Flood Warning System, a collaborative online tool that disseminates real-time hydro-meteorological data and products for emergency managers, floodplain administrators, weather forecasters and the public. In addition, ADWR makes flood warning equipment available to local jurisdictions after wildfire events to monitor the higher risk of flash floods after severe burn events. These efforts reduce the risk to public health, safety and welfare.

Elimination of ADWR would eliminate the state-wide coordination of flood warning systems between local, county and federal partners. Another agency would need to provide emergency monitoring equipment after wildfires to provide the same level of public safety protection.

Floodplain Management
ADWR is the state-wide coordinator of the Federal Emergency Management Agency (FEMA) floodplain management program. ADWR acts as the liaison and technical advisor to local floodplain management districts and communities, aiding in their efforts to comply with the National Flood Insurance Program. Compliance with the federal requirements allows property owners to obtain flood insurance and allows for FEMA reimbursements after major flood events.

Elimination of ADWR would require local jurisdictions to interpret and deal directly with FEMA on specific requirements to maintain qualifications under the FEMA programs. ADWR is the state-wide coordinator for FEMA compliance, however, local jurisdictions implement specific floodplain management requirements.

Groundwater – Wells Permitting
The Groundwater Code requires all wells to be registered with ADWR and requires that all wells be constructed according to minimum standards by well drillers licensed by ADWR. The licensing requirements for well drillers and the minimum well construction standards for well construction protect the public health, safety and welfare by reducing contamination of groundwater resources.

Elimination of ADWR would remove this public protection function. No other entity is responsible for establishing minimum well construction standards for wells.

Active Management Areas
The Groundwater Code established five Active Management Areas (AMAs) where groundwater overdraft was occurring. The Groundwater Code imposes strict regulations on the withdrawal and use of groundwater within the AMAs and makes ADWR responsible for administering and enforcing those regulations. Within AMAs, entities may withdraw groundwater from a non-exempt well only pursuant to a grandfathered groundwater right or a groundwater withdrawal permit issued by ADWR and large groundwater users must comply with conservation requirements established by ADWR and must report

their groundwater withdrawals to ADWR. These requirements ensure that long-term water supplies are available, which supports the public health, safety and welfare.

Elimination of ADWR and the regulation of groundwater use in AMAs could result in a return of severe groundwater overdraft with negative impacts to aquifers, as described previously. No other entity within the state provides enforcement of the Groundwater Code within AMAs.

Assured Water Supply
Under the Groundwater Code, new subdivisions within the Active Management Areas are required to demonstrate to ADWR that they have a 100-year renewable water supply. Arizona's Legislature established this requirement to ensure that the general public health, safety and welfare would be protected in that new subdivisions would have sufficient water to support the public's needs.

Elimination of ADWR would result in nonenforcement of Assured Water Supply requirements, which would allow for the construction and sale of homes without available water supplies. No other entity provides this type of consumer protection. This would endanger not only the health and safety of residents but could potentially impact the general economy of Arizona if water supply shortage perceptions limit investments in the state.

Adequate Water Supply
The Adequate Water Supply program acts as a consumer advisory program for new home buyers outside of the Active Management Areas. ADWR reviews the water supply plans for new subdivisions and determines whether there is a 100-year adequate water supply for the subdivision. Developers are required by statute to disclose ADWR's findings to potential homebuyers, so they are aware of the long-term water supplies before deciding whether to purchase a home. ADWR's review of a subdivision's water supply plans provides the public with important information regarding the subdivision's available long-term water supplies.

Elimination of ADWR would remove this consumer advisory program. No other entity provides this type of review.

Underground Water Storage
The Underground Water Storage laws allow the storage of renewable water supplies underground in aquifers for later recovery and use, including during times of shortage. ADWR administers these laws to protect public health and safety by ensuring that operators of underground storage facilities comply with appropriate standards, that contamination is not introduced into the aquifer, that existing contamination is not spread, and that nearby landowners are not unreasonably impacted by increasing the local water tables. Additionally, ADWR "protects" the credits created by storage activity.

Elimination of ADWR would endanger this positive water management activity. Underground storage would occur with no oversight and could create contamination in aquifers and damage to surrounding lands. Also, without the protection of credits, others would be free to pump the stored water, thus damaging the ability of the storing entity to recover the water at a later date. No other entity provides this type of review or protection.

Field Services
Field Services conducts detailed sweeps of water level measurements via wells and streams throughout the state on an annual, semi-annual, and ad-hoc basis. This basic data, in conjunction with other water use information, informs ADWR of the conditions of the aquifers in the state. This basic information feeds into the regulatory and water management policy decisions of ADWR, protecting the health, safety and welfare of the residents of the state.

Elimination of ADWR would result in a loss of valuable water-level information. No other entity monitors aquifers in such detail in the state.

Subsidence Monitoring
When large scale groundwater withdrawals occur, the loss of the groundwater causes the overlying soil layers to compact. This "subsidence" causes potentially large earth fissures, which can cause damage to homes, structures, livestock, vehicles, underground utilities and hard infrastructure such as roads and flood control structures. ADWR monitors subsidence to protect health and safety by informing the public of the impacts of large-scale groundwater withdrawals and the long-term impacts of the resulting subsidence, ADWR also informs the entities in charge of infrastructure of the potential impacts of subsidence.

Elimination of ADWR would eliminate the monitoring of subsidence within Arizona and the notification of subsidence impacts to the public, which would likely result in eventual hazards to life and property. No other entity conducts such state-wide monitoring of subsidence.

Groundwater Modeling
ADWR creates three-dimensional groundwater computer models of various aquifers within the state. Models are used to replicate historical conditions (a calibration period), to simulate current conditions and to project future conditions using specific use and supply assumptions. These models are critical to the implementation of ADWR's regulatory programs, particularly the Assured and Adequate Water Supply programs and the Underground Storage program. For that reason, groundwater modeling promotes the health, safety and welfare of the public.

Elimination of ADWR would result in a loss of knowledge regarding the current and projected conditions of aquifers in Arizona. No other entity conducts such modeling efforts.

Surface Water Permitting
ADWR makes decisions on applications to appropriate surface water and to sever and transfer existing surface water rights. This function promotes the health, safety and welfare of the state's citizens by allowing new uses of surface water and the movement of existing surface water rights under certain conditions. ADWR also acts as the registrar of surface water claims in the state. This registration of claims allows the public to ascertain potentially available supplies, protecting the health, safety and welfare of citizens.

Elimination of ADWR would eliminate the ability of persons to obtain new permits to appropriate surface water and to sever and transfer existing surface water rights. It would also result in the loss of the registry of surface water claims. No other entity has such authority in the state.

Adjudication Support
ADWR is the technical advisor to the Adjudication Court, which is conducting judicial proceedings to determine the extent and priority of the rights of persons to surface water, and in limited circumstances groundwater, within the state. This on-going litigation has far reaching impacts to the public health, safety and welfare due to the legal impacts of water supplies for participants in the adjudications process. Completion of the adjudication process will provide certainty to water users regarding their water rights. ADWR's role as technical advisor to the Adjudication Court promotes the health, safety and welfare of the state's citizens by ensuring that the Adjudication Court has sound technical information to make its decisions and by facilitating the completion of the adjudication process as expeditiously as possible.

Elimination of ADWR would remove ADWR as the technical advisor to the Adjudication Court. This would eliminate the independent technical advice that ADWR provides to the Adjudication Court and could delay the completion of the adjudication process.

Colorado River Management
The Colorado River is managed by the United States Department of Interior. ADWR acts as Arizona's representative in water management negotiations on the Colorado River with the six other Colorado River basin states as well as with the Republic of Mexico. ADWR works with the other Colorado River parties and with on-river and off-river water users on conservation programs to store water in Lake Mead to forestall potential shortages.

Elimination of ADWR would eliminate Arizona's representative in Colorado River negotiations. No other entity in the state is currently empowered to represent Arizona in dealing with state-wide issues concerning our Colorado River allocation. All other entities that have a Colorado River allocation have local interests that would override state-wide interests. ADWR has no Colorado River allocation and is therefore well-suited to represent the public health, safety and welfare of Arizona in general.

5. **The extent to which the agency potentially creates unexpected negative consequences that might require additional review by the committee of reference, including increasing the price of goods, affecting the availability of services, limiting the abilities of individuals and businesses to operate efficiently and increasing the cost of government.**

Regulation of Arizona's natural resources and protection of Arizonans does, at times, create strenuous debate, but any potential consequences of this regulation do not generally directly increase the price of goods, affect the availability of services, limit the ability of individuals and businesses to operate efficiently or increase the cost of government.

Appendix A - ADWR Scorecard

Fiscal Year 2019 Agency Performance Bowling Chart - Arizona Department of Water Resources

Last Updated: 07/29/2019

Performance Metric Title	Custom Field	JOP	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD	
Planning for Arizona's Future																
WCA0003 # of Governor's Water Initiative milestones completed by June 30, 2019	Clint	7/1/2018	2	4	8	11	13	16	16	20	21	24			Target	24
		22	2	4	8	9	10	11	12	[illegible]	[illegible]	[illegible]			Actual	[illegible]
WCA0007 Cumulative volume (Acre Feet) of water deliveries stored for future use by the Water Banking Authority	Virginia - completed	7/1/2018	18,590	26,602	30,979	33,519	36,809	38,000							Target	38,000
		18,187	19,187	19,489	24,941	35,480	37,137	38,000							Actual	38,000
Managing Water Supply																
WCA0012 Lake Mead Level	Vineetha	7/1/2018	0	0	0	0	0	0	0	0	0	0	0	0	Target	0
		5.49	2.05	4.5	4.18	4.83	6.25	6.4	[illegible]	[illegible]	5.85	9.27	9.7	10.88	Actual	10.88
WCA2840 Average lead time for Notice of Intent well application	Stella	7/1/2017	6	6	6	6	6	6	6	6	6	6	6	6	Target	6
		4.27	7.82	4.3	5.22	11.36	7.79	5.41	5.97	3.85	3.53	[illegible]	4.27	4.29	Actual	4.29
ADWR 0003 Failure to file water use annual reports	Ryan J.	1/1/2018	6.40%	6.30%	6.20%	6.10%	5.70%	5.50%	0.00%	0.00%	0.00%	7.00%	6.70%	6.50%	Target	6.50%
		5.49%	6.35%	5.94%	5.35%	5.21%	4.85%	4.79%	N/A	N/A	N/A	[illegible]	7.70%	7.59%	Actual	7.59%
WCA2860 Percentage of stockponds in compliance	Liza L.	7/1/2018	13%	14%	15%	12.0%	12.5%	13.0%	13.5%	14.0%	14.5%	15.0%	15.5%	16.0%	Target	16.0%
		0	10.69	10.94%	12.00%	12.60%	13.20%	13.20%	13.20%	14.60%	14.60%	15.00%	15.00%	15.30%	Actual	15.30%
Provide and Collect Information																
WCA0006 % of transactions completed online	Ryan J.	7/1/2018	17%	12%	12%	14%	10%	7%	12%	41%	45%	38%	24%	27%	Target	27%
		11%	8.80%	15.59%	15.25%	11.27%	16.77%	11.53%	47.73%	43.15%	48.7%	35.25%	23.65%	[illegible]	Actual	[illegible]
WCA3251 Agency Breakthrough - % of new wells entered in ADWR database with a GPS location	Stella Murillo	7/1/2018	Collecting baseline data												Target	N/A
			58%	38%	36%	29%	41%	48%	40%	21%	30%	38%	52%	36%	Actual	36%
WCA3252 Agency Breakthrough - # of data management best practices implemented	Lisa W.	7/1/2018	0	0	0	0	1	2	3	4	5	6	7	7	Target	7
		5	0	0	0	0	1	2	3	4	5	6	6	7	Actual	7
WCA3255 Agency Breakthrough - % of Wells Hub project complete	James D./Linda C. - completed	7/1/2018	73%	77%	83%	89%	95%	98%	100%	100%	100%	100%	100%	100%	Target	100%
		65%	73%	73%	77%	89%	95%	98%	100%	100%	100%	100%	100%	100%	Actual	100%
ADWR 0019 Completion percentage for filling small Public Records Request	Shauna														Target	
		5 business days			55%	95%	55%	10%	35%	30%	75%	28%	47%	89%	Actual	89%
WCA2736 # Accurate media hits about Arizona's water sustainability	Doug	7/1/2018	25	26	26	26	26	26	26	26	26	26	26	26	Target	26
		44	37	51	28	41	55	67	88	78	102	79	45	50	Actual	50
WCA2747 # of ADWR newsletter subscribers	Shauna	7/1/2018	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200	Target	8,200
			6,332	6,835	6,879	6,981	7,026	7,429	7,584	7,829	8,146	8,218	8,420	8,827	Actual	8,827
ADWR 0006 % Index wells that were unable to be measured	James D.	7/1/2018	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	Target	10%
			9%	2%	6%	8.70%	11.95%	10.43%	5.73%	3.83%	9.06%	5.68%	6.86%	1.36%	Actual	1.36%
ADWR 0007 Percentage of well driller logs received online	Ryan J.	4/1/2018	0								Collecting baseline data				Target	
		17.72%									17.72%	23.66%	27.88%	10.04%	Actual	10.04%
Protect Life and Property																
WCA2737 Number of significant-hazard dams inspected	Ravi	7/1/2018	0	0	0	2	2	2	2	2	3	4	4	6	Target	6
		15	0	0	0	2	2	2	2	2	2	4	4	6	Actual	6
WCA3256 Number of high-hazard dams inspected	Ravi	7/1/2018	5	7	17	25	32	44	53	61	82	90	100	108	Target	108
		108	5	7	19	28	36	50	57	67	90	103	104	108	Actual	108
WCA2832 Number of communities assisted with floodplain management programs	Ravi	7/1/2018	0	4	7	7	8	8	9	10	13	15	20	22	Target	22
		39	0	4	7	7	8	12	17	18	20	22	24	24	Actual	24
WCA3254 Agency Breakthrough - Number of milestones achieved in the open wells project	Jeff	N/A		5	8	11	13	15	17	18	20	22	23	24	Target	24
		N/A		5	7	11	13	15	17	18	20	21	23	24	Actual	24

Fiscal Year 2019 Agency Performance Bowling Chart - Arizona Department of Water Resources

Last Updated: 07/29/2019

Performance Metric Title	Custom Field	JOP	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD	
WCA3312 Well NOI notifications submitted to ADEQ/EPA for WQ review and consultation. Baseline analysis.	Tito C.		Collecting baseline data												Target	
			57	49	70	101	135	61	24	99	87	70	96	60	Actual	70
Support General Stream Adjudications																
WCA3250 % of assignments from Adjudications Court completed prior to deadline	Glen B.	N/A	100%	100%	100%	100%	100%	100%%	100%%	100%	100%	100%	100%	100%	Target	100%
		N/A	100.0%	100.0%	100%	100%	93%	100%	75%	100%	100%	100%	86%	100%	Actual	96%
Support Agency Functions																
WCA3253 Risk Sense score	Michael C.	7/1/2018	720	720	720	720	720	720	720	720	720	720	720	720	Target	720
		803	803	813	820	809	809	810	806	786	796	775	773	775	Actual	775
WCA0014 Arizona Management System Implementation Score	Rogelio	2.81			2.44			2.44			2.59			2.58	Actual	2.58
WCA3081 AMS deployment %	Rogelio	100%			84%			94%			96%			86%	Actual	86%
WCA3009 # of agency FTE count	Lupe B.	7/1/2018	119	119	119	119	119	119	119	119	119	119	119	119	Target	119
			141	142	141	141	143	142	143	143	142	146	144	146	Actual	146
ADWR 0016 % of travel claims submitted with accurate and complete information.	Jeri M.	7/1/2018	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	Target	70%
			60%	15%	69%	51%	56%	55%	71%	62%	66%	74%	64%	[illegible]	Actual	[illegible]
ADWR 0020 % of vehicles over 8,000 miles	Scott S.	7/1/2018	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Target	100.00%
			91.30%	91.30%	82.61%	82.61%	95.7%	100.0%	95.5%	100.0%	95.7%	95.7%	38.0%	95.7%	Actual	95.7%

ADWR's Vision: Reliable Water Supplies to Meet the Needs of Current and Future Arizonans

Mission: To protect, conserve, and enhance Arizona's water supplies by confronting water management challenges in a bold, thoughtful, and innovative manner

Agency Description: ADWR administers the State's water laws through the compilation and analysis of water supply data, coordination of research to augment water supplies for future demand and development of policies that promote conservation and water availability.

ADWR defends the integrity of the state water supply by overseeing surface water, groundwater, and Colorado River water supplies. As the technical experts for the state, ADWR represents and supports the adjudications proceedings and negotiates with national and international partners.

ADWR protects Arizona against the loss of life and property through the implementation of the dam safety, flood warning, and floodplain management programs.

Executive Summary:

ADWR has identified six priorities to accomplish our mission:
Protect the Colorado River System by taking action to fully implement the Drought Contingency Plan and preparing for the renegotiation of the 2007 interim guidelines.
Support General Streams Adjudication by aligning staffing and resources internally to meet all Court deadlines.
Protect the Life and Property of Arizonans by regularly inspecting those dams that present a potential hazard to life and property.
Improve the Accessibility and Accuracy of Arizona's Water Data by implementing internal processes to ensure both abundant and accurate water data for public and internal use.
Advance Water Planning Priorities by advancing critical groundwater modeling and water conservation priorities.
Recruit, Retain, and Develop Highly Skilled Personnel by evaluating new strategies to enhance our workforce and attract highly skilled candidates needed to achieve our mission.

Summary of Multi-Year Strategic Priorities

#	Five Year Strategy	Start Year	Progress / Successes
1	Protect the Colorado River System	2017	The Drought Contingency Plan (DCP) passed the US Congress and signed by the President. The Arizona State Legislature passed DCP and was signed by the Governor.
2	Support General Streams Adjudication	2017	ADWR recruited additional GIS staff, leveraged outside contractual resources, and is implementing new field technologies to address increasing court assignments and workload.
3	Protect the Life and Property of Arizonans	2017	Inspected 100% of high-hazard dams each year since FY 2017.
4	Improve the Accessibility and Accuracy of Arizona's Water Data	2018	ADWR implemented 7 new data quality milestones, which advanced our data maturity score. Additionally, ADWR exceeded it's target of 85% measurement of index wells by completing 89.8% of planned index well measurements.
5	Advance Water Planning Priorities	2019	ADWR expedited the Executive Order to establish the Governor's Water Augmentation, Innovation, and Conservation Council. Additionally ADWR established new positions to further completion of management plans pursuant to an Auditor General recommendation.
6	Recruit, Retain, and Develop Highly Skilled Personnel	2018	ADWR performed an internal employee engagement initiatives to determine potential issues facing its employees and has begun addressing these issues where possible in hopes that it will alleviate recruiting and retention challenges that ADWR continues to face.

Department of Water Resources

Fiscal Year 2020 Strategic Plan 2-pager

Current Annual Focus

Strategy #	FY20 Annual Objectives	Objective Metrics	Annual Initiatives
1	Reduce the risk of Lake Mead falling to critical levels	**% probability of arriving at a critically low Lake Mead elevation of 1,025 feet or lower**	1) Implement components of the DCP, including starting distribution of funding for well infrastructure ($29M), system conservation ($30M), grants for conservation ($2M) 2) Gather data from stakeholders to craft strategy for renegotiation of 2007 Interim Guidelines
2	Meet all court-imposed deadlines	**% of assignments from the Adjudications Court completed by the deadline**	1) Develop visual and project management tools to ensure Adjudications projects are completed before court deadlines 2) Align staffing and resources to prepare for the anticipated Adjudications court assignments
3	Minimize potential loss of life and property due to dam failure	**# of high hazard dams with safety deficiencies**	1) Develop and test a process to address safety deficiencies at unsafe high-hazard potential dams
4	Increase public ability to query and retrieve quality data	**Level of Maturity as rated by a comprehensive model for data management practices**	1) Upgrade ADWR's internal data management and data governance site in accordance with state best practices 2) Load 3 new critical data sets into the Enterprise Data Warehouse
4	Obtain 85% of planned well water level measurements	**% of actual vs planned water level measurements of index wells**	1) Develop and execute training to aid less experienced staff in minimizing well measurement failures 2) Update Standard Work regarding water level measurement
5	Expand and update coverage of groundwater models	**# of Arizona's 42 groundwater basins that are included in an updated groundwater model**	1) Initiate development of 6 new multiyear modeling efforts 2) Initiate multiyear update of 3 outdated models
5	Make progress toward adoption of the 4th Management Plans (MP) for the 5 Active Management Areas	**% of 4th Management Plans adopted**	1) Adopt the Phoenix AMA 4th MP 2) Present draft of Pinal AMA 4th MP to Pinal Groundwater Users Advisory Council and make available for public comment
6	Provide a more competitive classification structure for targeted positions	**% Employee Turnover** **% of ADWR offers accepted by applicants**	1) Rework classification structure for the Hydrologist, Water Resource Specialists, and Engineer classifications 2) Develop strategy for more effective hiring in Legal and IT