Governor’s Water Augmentation Council
Finance Subcommittee
September 22, 2016 Meeting Summary

**Time: 10:00am – 11:15am**
**Location: Arizona Department of Water Resources**

*Welcome and opening remarks:*
Chairman Rick Lavis called the meeting to order and welcomed those in attendance. Members of the Governor’s Water Augmentation Council (GWAC) who were present and on the Finance Committee: Sandy Fabritz-Whitney, Cheryl Lombard, Bas Aja, Spencer Kamps and Sarah Porter. Two GWAC members who were unable to attend, Dave Roberts and Warren Tenney, were represented by Phillip Richards and Brett Fleck, respectively. ADWR staff present were: Gerry Walker, Clint Chandler, Doug Dunham, Martin Stiles, Michelle Moreno, Natalie Mast, John Riggins, and Zack Richards.

*Committee Objectives*
All text is paraphrased from audio recording.

Chairman Lavis proposed that the group should work towards creating a program for augmentation which will address current and future water demands, and in turn create the need for funding. He asked the question: how do we define augmentation? The Committee formed consensus on the definition of “Increasing available water supply for current and future human needs.” The Committee agreed that the possible categories of augmentation have been previously listed in ADWR’s *Strategic Vision for Water Supply Sustainability* report. These categories include: watershed management, weather modification, reclaimed/recycled water use, importation, large scale recharge and desalination projects.

Mr. Aja pointed out that specific sites and programs need to be identified before funding is sought from the legislature. Chairman Lavis followed up with the question: what previous augmentation projects have been done, on any scale? Any funding would you have to be in statewide interest and application.

Concerning the goals of the Committee, Ms. Fabritz-Whitney stated that we wait to address financing until we first identify projects. She then asked what the scale of the project should be? Mr. Kamps reminded the group that we need a pilot project that drives the goal. He added, the Committee should avoid a list of projects, but rather focus on a project that has direction, structure and project where funding can be shared. He also suggested that the Committee consider the bottled water tax.

Ms. Fabritz-Whitney stated that the Strategic Vision organizes augmentation projects by planning area. The list in the Vision is adaptable for each area. Mr. Lavis followed up by asking: if there an attempt to organize augmentation projects by planning area, even without a revenue stream? We want to arrive at a financing mechanism.

Ms. Fabritz-Whitney stated that there will have to be a statewide approach to the planning area projects. We did not have enough input from financial experts while writing the Strategic Vision.
Mr. Lavis suggested the following project: analyze and apply the augmentation projects to the planning areas, prioritize by cost effectiveness. He reminded the Committee that the objective is to address the entire state. While we can tailor the augmentation project needs to each planning area, we recognize that some will cost more money, effort and time. We need to price out each item.

The Committee was in favor of pursuing this project. However, it was noted that many communities cannot fund the projects that would be listed in the augmentation report. There was emphasis on practical merit of researching the localized projects for the 22 planning areas.

A brief discussion on the size of water augmentation followed. Is the goal to look for the next big bucket of water? Or is it several smaller buckets of water? Chairman Lavis responded: The Committee needs to create a package that has as its objective to add water to the system, and make it local-oriented. The goal is to develop a product that the legislature can consider.

The Committee reviewed the tasks assigned to staff for reporting on at the next committee meeting.

Assignment of Tasks
Chairman Lavis tasked ADWR staff to research the potential for cost-effective augmentation projects within each of the 22 planning areas, and detail the findings in a report. The report should include the following:

- Water demand and projected imbalances for each planning area
- The costs associated with these projected future imbalances through localized augmentation projects
- Planning areas listed in order of most urgent imbalances
- Prioritized and tailored augmentation options for each planning area
- Prioritized each planning area’s augmentation options by cost effectiveness and the area’s ability to pay
- Cost effectiveness will be measured by $/AF of water
- Identify assumptions used for estimating costs for each item

The next GWAC Finance Committee meeting will be held at the new ADWR office at 1110 West Washington St., Suite 310, Phoenix, AZ 85007. The meeting will be scheduled for the first week of November.