

# SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

## WATER COMMITTEE

Thursday, December 12, 2024, 9:30 AM

SRP Administration Building  
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Robert Arnett, Chair; Stephen Williams, Vice Chair; and Nicholas Brown, Mario Herrera, Kevin Johnson, Sandra Kennedy, and Krista O'Brien

Call to Order

Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item ..... CHAIR ROBERT ARNETT
  - Request for approval of the minutes for the meeting of November 19, 2024.
2. The Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program ..... MICHAEL MENDONCA and KYLE TILGHMAN

Informational presentation regarding an update on the status of SRP's application for itself and the SRP-Central Arizona Project (CAP) Interconnection Facility (SCIF) participants to participate in the Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program.
3. Report on Current Events by the General Manager and Chief Executive Officer and Designees ..... JIM PRATT
4. Future Agenda Topics ..... CHAIR ROBERT ARNETT

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

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



THE NEXT WATER COMMITTEE MEETING  
IS SCHEDULED FOR THURSDAY, JANUARY 16, 2025

12/05/2024



MINUTES  
WATER COMMITTEE  
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND  
POWER DISTRICT

**DRAFT**

November 19, 2024

A meeting of the Water Committee of the Salt River Project Agricultural Improvement and Power District (the District) convened at 9:30 a.m. on Tuesday, November 19, 2024, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines. The District and Salt River Valley Water Users' Association (the Association) are collectively known as SRP.

Committee Members present at roll call were R.C. Arnett, Chair; S.H. Williams, Vice Chair; M.J. Herrera, S.D. Kennedy, and K.H. O'Brien; and L.D. Rovey of the Association.

Committee Members absent at roll call were N.R. Brown and K.J. Johnson.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members R.J. Miller, M.V. Pace, and P.E. Rovey; Council Chair J.R. Shelton; Council Liaisons M.L. Farmer and M.C. Pedersen; Council Members E.L. Gorsegner, B.E. Paceley, M.G. Rakow, C. Resch-Geretti, and R.W. Swier; and I.R. Avalos, A.M. Beckham, M.J. Burger, A.P. Chabrier, J.D. Coggins, A.C. Davis, J.M. Felty, O.A. Galvan, C.M. Jovanovic, K.J. Lee, S.B. Lutz, B.R. Maldonado, C.A. McGinnis, C.M. McJunkin, M.S. Mendonca, G.A. Mingura, B.A. Olsen, J.M. Pratt, J.L. Rodriguez, C.M. Sifuentes, K.J. Tilghman, and R.R. Taylor of SRP.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Water Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, November 15, 2024.

Chair R.C. Arnett called the meeting to order.

Consent Agenda

Chair R.C. Arnett requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M.J. Herrera and seconded by Vice Chair S.H. Williams, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Water Committee meeting on October 22, 2024, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.J. Herrera's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members R.C. Arnett, Chair; S.H. Williams, Vice Chair; and M.J. Herrera, S.D. Kennedy, and K.H. O'Brien	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members N.R. Brown and K.J. Johnson	(2)

### Colorado River Hydrology and Operations Update

Using a PowerPoint presentation, Michael S. Mendonca, SRP Senior Director of Water Strategic Services, stated that the purpose of the presentation was to provide information regarding the Colorado River hydrology and efforts by the United States, the seven basin states, Tribes, water users, and other related interests in the basin to address drought conditions, including interim measures to conserve water prior to the expiration of the 2007 Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead, and the development of the Post-2026 Operational Guidelines and Strategies for Lake Powell and Lake Mead.

M.S. Mendonca presented a map reflecting the apportionment, under the 1922 Compact, of 7.5 million acre-feet (MAF) of water to the Upper Basin (Colorado, Utah, Wyoming, and New Mexico); 7.5 MAF of water to the Lower Basin (Arizona, California, and Nevada); and 1.5 MAF of water to Mexico under the 1944 Treaty.

M.S. Mendonca, with the aid of a chart, discussed the near-term annual water conservation efforts from Lake Mead from 2007 projected through the end of 2026. They stated that efforts by water users in lowering the consumptive use of water in the Lower Basin have been diverse and extensive.

M.S. Mendonca highlighted that the Lower Basin consumptive use in Water Year 2023 was the lowest in four decades. They provided end-of-month elevations for Lake Mead from January 2020 projected through July 2026, and noted that projected system conditions have stabilized, but modest intermediate-term risks persist.

M.S. Mendonca detailed the following proposals being considered among the Bureau of Reclamation and the seven basin states: 1) Upper and Lower Basin Proposals – proposals use similar methodologies, but include significant differences in results; 2) Tribal Guiding Principles – actively protect Tribal water rights, empower Tribes by adopting a portfolio of flexible tools; 3) Cooperative Conservation Alternative – includes a near-term climate response trend and considers a multi-benefit approach to environmental programs; and 4) Academic Proposal – creates more flexibility for annual Lake Powell releases. They outlined the objectives of the Lower Basin states as

follows: 1) improve the sustainability of the system; 2) increase predictability of water conservation reductions; 3) address the structural deficit; and 4) share the risks and benefits of conservation.

M.S. Mendonca discussed the similarities and key differences between the Upper Basin and Lower Basin proposals. They said that negotiations regarding a consensus agreement continues among the basin states; however, if an agreement cannot be reached, interstate litigation is possible.

M.S. Mendonca stated that the Arizona Department of Water Resources (ADWR) Director is asking for a \$1 million set-aside appropriation for litigation if a sufficient post-2026 agreement is not reached. They explained that Arizona is advocating for an Upper Basin and Lower Basin split in total reductions.

M.S. Mendonca presented a timeline for the Reclamation Environmental Impact Statement (EIS) process to evaluate the environmental impacts of the various proposals and concluded with a discussion of how the post-2026 negotiations impact SRP.

M.S. Mendonca responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

R.T. Judd and B.J. Koch of SRP entered the meeting during the presentation.

#### Verde Reservoirs Sediment Mitigation Project (VRSMP) and SRP-Central Arizona Project (CAP) Interconnection Facility (SCIF) Project Updates

Using a PowerPoint presentation, Kyle J. Tilghman, SRP Director of Water Strategy, stated that the purpose of the presentation was to provide updates on two separate water resiliency projects, including 1) the VRSMP wherein SRP and the Bureau of Reclamation are studying options to recover lost water storage capacity on the Verde River Reservoir system and other purposes; and 2) the SCIF Project wherein SRP and others are analyzing whether to develop the SCIF to assist, either directly or through exchange, the transportation of non-SRP shareholder water between the SRP and CAP water delivery systems.

#### VRSMP

K.J. Tilghman provided an overview of the feasibility study alternatives as follows: 1) no action alternative; 2) non-structural alternative – Horseshoe and Bartlett Dams remain in place without modification, SRP dredges and sluices sediment; 3) Option 1 – 101.8-foot raise – estimated minimum of 650,000 acre-feet (AF) total storage, approximately 328,000 AF of New Verde Storage; and 4) Option 2 – 60.8-foot raise – estimated 402,000 AF total storage, approximately 80,000 AF of New Verde Storage. They explained that these alternatives create opportunities to restore lost capacity and create

new capacity; manage habitat in Horseshoe Reservoir; mitigate future sediment impacts; add flood control capacity and/or outlet works; and enhance recreation opportunities.

K.J. Tilghman presented an aerial view of Bartlett Dam/Reservoir reflecting the new dam alternative progression of alignments based on the appraisal and feasibility studies. They broke down the cost share of the VRSMP as follows: 1) requires minimum 50% non-federal cost share; 2) cost share agreement between the Bureau of Reclamation and SRP – supporting non-federal funding requirements/study with technical information; and 3) non-federal cost share agreement among 23 non-federal partners.

K.J. Tilghman presented an integrated timeline of the VRSMP feasibility study, together with non-federal proponent activities. They concluded with images of the trial quarry study near Bartlett Dam.

### SCIF Project

Next, K.J. Tilghman provided an aerial map of the existing CAP-SRP Interconnection Facility (CSIF) and the proposed SCIF Project. They reminded the Committee that the SCIF Project is a jointly funded project to deliver non-SRP shareholder water stored in SRP reservoirs and underground storage facilities to the CAP canal.

K.J. Tilghman highlighted that the SCIF Project will benefit the strategic interconnection for increased regional operational flexibility and improve the ability to transport Non-SRP shareholder water from SRP's system to CAP's system. They provided a status of the SCIF Project as follows: 1) completed 30% of the engineering design and have begun 60% of the remaining design; 2) Reclamation is considering providing federal funding under Phase 2 of the Lower Colorado River Basin System Conservation and Efficiency Program; 3) continuing stakeholder engagement discussions on water quality with CAP; and 4) the National Energy Policy Act (NEPA) Scoping Notice to be issued in spring 2025.

K.J. Tilghman provided a schedule from 2023 projected through 2029 regarding the overall finance and Phase 2 funding; the water quality analysis and environmental review by NEPA; and the design and construction. They concluded with a discussion on how the VRSMP and the SCIF Project align with SRP's 2035 Corporate Goals – Strategic Direction: Reliability.

K.J. Tilghman responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

M.J. O'Connor of SRP entered the meeting during the presentation.

Report on Current Events by the General Manager  
and Chief Executive Officer or Designees

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chair R.C. Arnett asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Water Committee, the meeting adjourned at 10:32 a.m.

John M. Felty  
Corporate Secretary





# **SRP and Partner Participation in the Lower Colorado River Basin System Conservation and Efficiency Program for SCIF**

**Water Committee Meeting**  
Kyle Tilghman | December 12, 2024

# Project Update

- SRP/CAP Interconnect Facility (SCIF) Objective:
  - Uses SRP and CAP reclamation project infrastructure to increase regional water supply redundancy and flexibility
  - Increases SRP's ability to deliver eligible Non-SRP shareholder water, either directly or through exchanges
- Design Planning
- Water Quality Sampling and Modeling
- NEPA Process Preparation
- Federal Funding Negotiation via the Lower Colorado River Basin System Conservation and Efficiency Program (Bucket 2)

# Federal Funding (Bucket 2) Concept

- Program developed and managed by the Bureau of Reclamation (BOR) to fund system conservation activities in the Lower Basin
- Program funded, in part, by the Inflation Reduction Act of 2022 and Bipartisan Infrastructure Law of 2021
- Focused on long-term efficiency improvements that result in water savings in the Colorado River System
- August 17, 2023 - SRP submitted a funding application to the BOR
- Summer 2024 – BOR announced that the SCIF project had been approved as a candidate to receive federal funds

# Federal Funding (Bucket 2) – SCIF Project

- SCIF Projected Total Project Costs = \$247M
- Bucket 2 Funding from BOR
  - Up to \$154M in project funding; used for construction costs only
  - SCIF Partners to fund the balance of construction costs
- SCIF Partners and water conservation
  - Funding provided in exchange for partners conserving a quantity of Colorado River water
  - SRP likely to enter into conservation agreements with partners
- SRP agreement with BOR
  - SRP and BOR are negotiating and expect to execute a System Conservation Implementation Agreement (SCIA)
  - Federal funding includes certain compliance requirements

## Next Steps

- On behalf of the partners, SRP will work with BOR on executing the SCIA
- Executed SCIA in place by mid-January 2025

**thank you!**

