

**ARIZONA WATER BANKING AUTHORITY
Draft Minutes**

**January 21, 2020
Arizona Department of Water Resources**



I. Welcome

Chair Thomas Buschatzke welcomed the attendees. All members were in attendance. Chair Buschatzke attended in person. Commission members Ray Jones, Kathryn Sorensen, Alexandra Arboleda and Mark Clark attended via teleconference. *Ex-officio* members, Senate President Karen Fann and Representative Gail Griffin, were not in attendance.

AUTHORITY MEMBERS
Thomas Buschatzke, Chair
Ray L. Jones, Vice-Chair
Kathryn Sorensen, Secretary
Alexandra Arboleda
Mark Clark

EX OFFICIO MEMBERS
The Honorable Karen Fann
The Honorable Gail Griffin

**II. Discussion and Possible Consideration of Action on
Potential Amendments to Arizona Revised Statutes § 45-2457(B)(7) Concerning the
Direct Distribution of AWBA Long-Term Storage Credits**

Virginia O'Connell, AWBA Director, briefed Commission members on a statutory amendment to AWBA statutes proposed by the Arizona Municipal Water Users Association (AMWUA). The amendment would authorize the AWBA to distribute long-term storage credits (LTSCs) accrued with water storage tax funds directly to Central Arizona Water Conservation District's (CAWCD) municipal and industrial (M&I) subcontractors for firming purposes. At present, these LTSCs can only be distributed to CAWCD. The proposed change aims to simplify the process of CAWCD redistributing the LTSCs to M&I subcontractors who choose to recover AWBA LTSCs independently. She noted the language makes clear that LTSCs that are distributed to M&I subcontractors cannot be sold, and that the subcontractor is responsible for all recovery costs and assignment fees. Staff from AWBA, ADWR and CAWCD have agreed that the changes are consistent with the expectations of the Recovery Planning Advisory Group and that they would recommend the proposed changes to their governing bodies. Ms. O'Connell indicated that the CAWCD Board adopted a position to support the amendment on January 9, 2020. She added that AMWUA agreed it would withdraw its support for the amendment if there were any substantive changes as the proposed bill moved through the legislative process.

Secretary Sorensen made a motion that the Commission adopt a position to support AMWUA's proposed amendment to A.R.S. § 45-2457(B)(7), absent substantive changes. Commissioner Mark Clark seconded the motion. Chair Buschatzke asked if members had questions or comments. Hearing none, he asked for questions or comments from the public. Warren Tenney, AMWUA, expressed appreciation for staff collaboration on the proposed language. He noted that in addition to streamlining the process, the amendment will give M&I subcontractors greater planning certainty and will also help to reduce recovery costs in the near term. With no additional comments, the Commission voted unanimously to approve the motion.

III. Call to the Public

Chair Buschatzke asked for public comment. There were no additional comments. Chair Buschatzke noted that the next AWBA meeting was scheduled for Wednesday, March 11, 2020. The meeting adjourned at 2:10 p.m.