

## ANNUAL MEETING

Each year, the Agri-Business Council hosts an Annual Business Meeting. This meeting is one of two major events ABC holds each fiscal year to benefit the entire agriculture community in the State of Arizona. This year's Meeting was held on Friday, May 9, 2008 at 8:30am at the Heard Museum in Phoenix, Arizona. In honor of the 30th Anniversary of ABC, Central Arizona Project produced a video highlighting ABC and its purpose, associations and efforts to protect and maintain water flow and agribusiness in the State of Arizona. A special thank you goes out to Central Arizona Project, Studio 522 and all of those who helped contribute to the video. If you would like to view the video, please contact us for a copy.

We were thrilled to welcome nine speakers to our event. Our speakers included: Susan Bitter Smith, President of the Board of Directors of Central Arizona Project, Lorri Gray, Lower Colorado Regional Director for the Bureau of Reclamation, Larry Walkoviak, Upper Colorado Regional Director for the Bureau of Reclamation, United States Congressman John Shadegg, Jim Holway, Professor of Practice at ASU, Marco Antonio Camou Loera, Undersecretary of Agriculture in Sonora (SAGARHPA), Dan Keppen, Executive Director of the Family Farm Alliance, Alan Stephens, President of Western Progress and Lori Faeth, Policy Advisor with the Office of the Governor, State of Arizona.

We also presented three awards this year to show our appreciation to some wonderful and deserving representatives of and advocates for the agricultural industry. Our first award went to Grant Ward who received the 2008 President's Award for his time and service as President of ABC. He was unable to attend, so thanks to his associates at Maricopa-Stanfield for accepting the award on his behalf. The Special Recognition Award went to Bill Scott for years of leadership and service to the Agri-Business Council and Agricultural Community at large. The third award was the prestigious Water Buffalo Award given to Charles Slocum, ABC Executive Committee Member for over 25 years. This award was presented by Congressman John Shadegg for Charlie's years of service and his continuous support of agriculture and water rights in the State of Arizona. Thanks again to all who participated and made this such a fantastic event. We especially want to thank our four sponsors for their generous support: Central Arizona Project, Salt River Project, Farm Credit Services Southwest, and Central Arizona Project Association.

AGRI-BUSINESS COUNCIL OF ARIZONA  
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THANKS TO ALL WHO PARTICIPATED IN THE 2008 ANNUAL BUSINESS MEETING. TO VIEW MORE PICTURES PLEASE VISIT OUR WEBSITE AT [WWW.AGRIBUSINESSARIZONA.ORG](http://WWW.AGRIBUSINESSARIZONA.ORG).



## AGRI-BUSINESS COUNCIL OF ARIZONA, INC.

Arizona's Reclamation Representative to the National Water Resources Association  
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## PRESIDENT'S MESSAGE

Each year at our Annual Business Meeting, we review and elect officers to serve the needs of our members and the direction of the Agri-Business Council. The officers elected to serve for the 2008-2010 term are Bill Plummer, President; Jackie Meck, Vice President; Jim Sweeney, Secretary and George Seperich, Treasurer. I am honored to serve as your newly elected President and look forward to serving with the other officers and Executive Committee.

I want to extend my thanks and deep appreciation to our recent past President, Grant Ward, for his service for the past two years and particularly his willingness to continue serving throughout the tougher times these past few months. We all look forward to Grant returning to continue to serve on the Executive Committee.

Our Annual Meeting this year was a great success thanks to our gracious sponsors and to all those who attended! We enjoyed the setting of the Heard Museum and received many compliments on the wonderful food. Our speakers did a great job of providing the attendees with updates on current water issues including legislation at the state and federal levels.

On June 20, we had our Executive Committee Meeting at the Desert Ridge Marriott prior to the Arizona-Mexico Commission Plenary Session later that afternoon. We appreciate Laki Kondylas with the Australian Trade Commission and Susan Barnes with Sentek sharing a great presentation on water issues in Australia. We welcomed Jose Camalich from the Department of Agriculture in Sonora, as well as Enrique Donnadiou and Claudia Gutierrez from ITSON, to the meeting. Jose Camalich gave an update on the developments of the Consejo in Sonora, which is moving forward with SAGARHPA and ITSON's help. The time that all of these representatives have given us is greatly appreciated. It's always interesting to hear about the experiences of others involved in water issues outside the United States.

I look forward to serving as the President of the Agri-business Council of Arizona and to continuing the progress that has been made by ABC since its founding.

Bill Plummer  
President

## EXECUTIVE DIRECTOR'S REPORT

Where does the time go? It has been a busy last few months and I'd like to take a moment to focus on some of the positive happenings at ABC. First off, we're very grateful to have our recent past President Grant Ward back with us after some very challenging months in his life. His fighting spirit is an inspiration to us all.

We celebrated ABC's 30th Anniversary during our Annual Meeting at the Heard Museum in May. We had great speakers and a very nice Anniversary video created by the Central Arizona Project and Studio 522. We especially want to thank Kathryn Schmitt from CAP and Mike Sullivan at Studio 522 and members of ABC who contributed to the video's input. If you would like a copy of the video, please contact us at the office.

Recently, we conducted our fourth agricultural "Listening Session" at the Buckeye Chamber of Commerce along with our colleagues from the Arizona Water Institute and researchers from Arizona State University and the University of Arizona. We had a good representation of growers and Dairymen in attendance providing some unique discussion regarding the future of agriculture in that region of the state. Recently, we conducted our fourth agricultural "Listening Session" at the Buckeye Chamber of Commerce along with our colleagues from the Arizona Water Institute and researchers from Arizona State University and

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the University of Arizona. We had a good representation of growers and Dairymen in attendance providing some unique discussion regarding the future of agriculture in that region of the state. We are approaching the last session or two before researchers from ASU and the U of A finish developing future agriculture scenarios with help from members of ABC and the practitioners in the field. So far, we have conducted sessions in Yuma, Coolidge, Safford, and Buckeye. We hope to wrap everything up in the last few upcoming Sessions, including one in Tucson with the Southwest Indian Agricultural Association. For more information on the Sessions, please feel free to give us a call.

I hope you will consider joining us at our H<sub>2</sub>Open Golf Tournament on October 31st at the Francisco Grande Golf Resort and join in the fun. I witnessed a “Hole in One” by Paul Cherrington (SRP) last month in Washington State at the National Water Resources Association summer meeting. It could happen to you! Congratulations to Paul!

With so much more to talk about, I do want to give a special thanks to my Executive Assistant, Heidi Burnham. She has served us so well at ABC. She will be leaving at the end of August and will be greatly missed. I do at the same time want to welcome Anne Prince as my new Executive Assistant who is currently transitioning with Heidi and will assume the Executive Assistant duties full time in September. A huge THANK YOU to both!

Lastly, I want to thank you, our members, for your support and look forward to our continuing relationship as we work to enhance agribusiness and water opportunities in Arizona.

Chris Udall  
Executive Director

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## WATER INNOVATIONS FROM AUSTRALIA

Provided by Mr. Laki Kondylas,  
Australian Trade Commission District Manager

If droughts help water-related businesses grow, then Australia is the ideal location to be looking for innovative technologies. A group of eight companies visited Arizona in June to share some of their expertise as part of a trade mission led by the Australian Trade Commission (Austrade).

Arizona’s current drought seems mild in comparison to the 10-year dry spell in Australia, which Laki Kondylas describes as “the world’s driest inhabited continent.” But Mr. Kondylas, believes that Australia and Arizona share similar desert climates, where water is a precious resource, and thus providing a common platform for sharing products and expertise that will help both regions use their water resources more efficiently.

In the Australian water industry, federal and state government regulation has led to a boost in productivity. Instead of treating it as an entitlement, the government has allowed the price of water to reflect its scarcity and value. But more important in coping with the drought has been the private sector’s creative and entrepreneurial response, especially in agriculture, he said. “There has been this astounding growth in Australia of companies developing world-class innovative solutions to water issues.”

Some companies like Sentek Technologies have created precision irrigation products that measure the moisture of the soil and distribute only the water needed to maintain optimal production. With these systems in place, over-watering is no longer an issue. With sprinkler systems, crops sometimes get 60 times more water than is needed, damaging roots, decreasing productivity and increasing costs of production. In some cases, crop yields have increased even in the absence of adequate rainfall.

Farmers have also begun to use what is called “aquifer storage recharge,” in which a system of gutters transfers rainwater to wetlands where it is naturally purified and then pumped into backup aquifers for later use. One company that visited Arizona was Ultimate Agri Products, a company based out of Melbourne, Australia, has a product called “aquatain,” a liquid silicone film that coats water molecules and reduces evaporation by up to 50 percent.

Mr Kondylas and a representative from Sentek Technologies, Ms Susan Barnes, recently presented to the board of the Agribusiness Council of Arizona on some of the lessons that can be learnt from Australia. For any additional information please contact Mr Laki Kondylas, Australian Trade Commission District Manager – Arizona on 480 421 2822 or laki.kondylas@ustrade.gov.au

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## NEW GUIDELINES AND CURRENT STATE OF THE SYSTEM

By Terry Fulp  
U.S. Bureau of Reclamation

During the period from 2000 to 2005, the Colorado River experienced the worst drought conditions in approximately one hundred years of recorded history. During this period, storage in the two major Colorado River reservoirs (Lake Powell and Lake Mead) dropped from nearly full to approximately 46 percent of capacity. At that time, there were no specific operational guidelines in place to address the operations of Lake Powell and Lake Mead during drought and low reservoir conditions. In addition, due to changing hydrologic conditions and anticipated future demands, lower reservoir conditions could occur with more frequency. These factors, along with increasing tensions among the seven Colorado River Basin States led the Department of Interior to conclude that additional management guidelines were necessary and desirable for the efficient management of the Colorado River.

In 2005, the Secretary of the Department of the Interior directed the Bureau of Reclamation (Reclamation), to engage in a process to develop guidelines for Lower Basin shortages and the operation of Lake Powell and Lake Mead, particularly under drought and low reservoir conditions. During the scoping phase of the National Environmental Policy Act process initiated to develop these guidelines, three important considerations were identified from which the Preferred Alternative was developed: 1) the importance of encouraging conservation of water, particularly during times of drought 2) the importance of considering reservoir operations at all operational levels, not just when reservoirs are low and 3) the importance of establishing operational guidelines for an interim period to gain valuable operational experience to inform future management decisions.

A Record of Decision (ROD) was issued in December 2007 officially adopting the guidelines (Guidelines) set forth in the Preferred Alternative. The ROD implements a robust solution to the unique challenges facing Reclamation in managing the Colorado River. The Guidelines are interim in duration, extending through 2026, providing the opportunity to gain valuable operating experience for the management of Lake Powell and Lake Mead. The Guidelines allow for the adjustment of the Lake Powell release to respond to low reservoir storage conditions in either Lake Powell or Lake Mead. The Guidelines also encourage efficient use and management of Colorado River water and enhance conservation opportunities in the Lower Basin. The shortage strategy for Lake Mead specifies particular shortage volumes that will be applied at specific reservoir elevations and a provision for the consideration of additional shortages if Lake Mead’s content continues to decline.

Due to above average runoff in the Upper Basin, the combined storage in Lake Powell and Lake Mead is expected to be at 54 percent of capacity (27.05 million acre-feet) by the end of the water year, a 5 percent increase from the end of water year 2007. Although drought conditions have eased this year, the historical record shows that there have been favorable years of hydrology during droughts that have lasted well over a decade. With these Guidelines in place, Reclamation and the Basin stakeholders are better positioned to face future hydrologic uncertainty.

More information relating to the Guidelines can be found in either the ROD or Final EIS. Both are available on Reclamation’s website at: <http://www.usbr.gov/lc/region/programs/strategies.html>

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## WELCOME TO OUR NEW MEMBERS

We would like to welcome Kelley Hall from El Paso Natural Gas Company and SouthWestern Power Group II as the newest members of ABC. We are thrilled to have them join us and extend our thanks for helping to make ABC the exceptional organization that it is!

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## UPCOMING EVENTS

Date	Event	Place
September 19, 2008	Executive Committee Meeting	Coolidge, Arizona
October 17, 2008	Executive Committee Meeting	Mesa, Arizona
October 31, 2008	H <sub>2</sub> Open Golf Tournament	Casa Grande, Arizona
November 14, 2008	Executive Committee Meeting	Tempe, Arizona
December 12, 2008	Executive Committee Meeting	Tucson, Arizona

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