

Approved by CAWCD Board
June 8, 2017

CAWCD POLICY ALLOWING THE USE OF THE CAGRDLONG-TERM CAP CONTRACT TO SATISFY THE ARIZONA WATER BANKING AUTHORITY'S FIRMLING OR INTERSTATE OBLIGATIONS

I. Process for CAGRDLong-Term Storage Credits

- A. Prior to the use of the CAGRDLong-Term CAP contract to satisfy the Arizona Water Banking Authority's firming or interstate obligations, CAWCD shall obtain approval from the United States Bureau of Reclamation that the process is consistent with the exchange requirements in the CAP System Use Agreement section 9.1 and in accordance with the Supplemental Contract between the United States and the Central Arizona Water Conservation District for Delivery of Central Arizona Project Water contract no. 14-06-W-245 and any subsequent supplements or amendments (the "Supplemental Contract").
- B. In any year in which CAWCD is required to recover long-term storage credits on behalf of the Arizona Water Banking Authority for either instate firming or interstate obligations, CAWCD may exchange up to the maximum quantity of CAP water available to CAGRDL under the Supplemental Contract, as authorized by the CAP System Use Agreement.
- C. For every long-term storage credit exchanged with the Supplemental Contract, CAGRDL shall accept an equal reduction in the volume of CAP water deliveries in that same calendar year.
- D. Any long-term storage credits transferred to CAGRDL for firming or instate obligations must be transferred into a conservation district account established under Arizona Revised Statute § 45-859.01 in satisfaction of a replenishment obligation.
- E. CAGRDL shall pay all charges, including CAP Fixed OM&R Charges, CAP Pumping Energy Charges, CAP Capital Charges, and any applicable water storage charges for CAP or non-CAP owned and operated facilities, that would otherwise have been associated with delivery of CAGRDL's CAP water order as if the CAP water order was fully delivered to CAGRDL as ordered and no exchange had taken place.
- F. By April 30 of the year following the year in which long-term storage credits were transferred, CAWCD shall pay \$15 to CAGRDL for each every long-term storage credit that CAWCD exchanges with CAGRDL.

II. Locations From Which CAGR D May Accept Long-Term Storage Credits

- A. Exhibit A of the Supplemental Contract, as amended, identifies the entities that have assigned CAP M&I water entitlements to CAGR D.
- a. In a given calendar year, CAGR D may only reduce CAP water deliveries for its CAP M&I water entitlements obtained from Sunrise Water Company, West End Water Company, New River Utility Company, and Valley Utilities Water Company for long-term storage credits that were created at water storage facilities within the area of hydrologic impact of the groundwater withdrawals to be replenished.
 - b. In a given calendar year, CAGR D may reduce CAP water deliveries for its CAP M&I water entitlements obtained from Litchfield Park Service Company and Chandler Heights Citrus Irrigation District for long-term storage credits that were created at water storage facilities in the Phoenix Active Management Area.
- B. To the extent that CAGR D obtains NIA Priority Water, in a given calendar year, CAGR D may reduce CAP water deliveries available for its CAP NIA Priority water entitlements for long-term storage credits that were created at any water storage facility in the Phoenix, Pinal, or Tucson Active Management Areas.