

BOARD POLICY

**Approved by the CAWCD Board
July 7, 1994**

POLICIES FOR THE REVIEW AND APPROVAL OF EXCHANGES OF CAP ENTITLEMENTS OF SUBCONTRACTORS SITUATED OUTSIDE OF CAWCD'S SERVICE AREA

1. All such exchanges shall advance the State's policies of (a) reducing the use of groundwater in Active Management Areas, (b) promoting the early use of Central Arizona Project (CAP) water, and (c) assuring the long term availability of a water supply for the community which seeks to transfer its CAP entitlement.
2. Monies received by the transferring entity in return for the transfer of a CAP entitlement shall be dedicated exclusively to the development or acquisition of an alternative water supply.
3. The Central Arizona Water Conservation District (CAWCD) shall consider only those requests for the exchange of a CAP entitlement which are made through CAWCD. Each request shall be accompanied by an explanation of the reasons why the marketing of the entitlement is preferable to, or necessary in lieu of, the direct use of CAP water or a water-for-water exchange. CAWCD shall take responsibility for communicating with the United States Bureau of Reclamation and the Arizona Department of Water Resources regarding the proposed exchange.
4. The exchange shall be accomplished without harm to other contractors and subcontractors of CAP water service, and shall provide for the recovery by CAWCD of CAP water service capital charges, operation and maintenance charges, and charges in lieu of ad valorem taxes.
5. In order to assure adequate opportunity for review of and comment on the proposed exchange by the Arizona Department of Water Resources and the public, CAWCD shall provide not less than 60 days notice of the proposed exchange to interested parties prior to taking final action. All contracts regarding the exchange, including all related exhibits and agreements, shall be submitted to the CAWCD Board and to the Arizona Department of Water Resources in final form for review prior to execution.

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[1993 ADWR Policy on Marketing of CAP M&I Priority Water.pdf](#)