Executive Summary of Critical Issues
Topic - Recovery of Water Stored Underground

CAP Position
CAP is developing detailed Recovery Plans to recover water stored underground for: firming CAP M&I subcontracts during a shortage, interstate banking for Nevada, firming “on-river” users during a shortage, and Indian firming. Recovery for firming requires a shortage of Colorado River to CAP, while interstate water banking recovery is upon request by Nevada. The planning process started in 2006 with small workshops involving CAP, the AWBA and CAP customers to discuss the overall schedule and timeline in development of a comprehensive Recovery Plan. Detailed planning is scheduled to be completed in 2009, and will be an ongoing partnership and collaboration with the AWBA, CAP customers, ADWR and other interested entities. Based CAP’s Drought Impacts Study (July 2007), there is potential for a shortage to CAP beginning in 2011. However, while the water supply impacts of such a shortage are to excess water supply customers such as the AWBA the CAGRD, and possibly Ag Settlement Pool customers, CAP can anticipate recovering water for “on-river” users and for interstate water banking. It is unlikely that CAP will be recovering for M&I firming before 2025. Interstate recovery is ongoing for California, pursuant to the 1992 Demonstration Project Agreement between Metropolitan Water District of Southern California and CAWCD. Nevada may request recovery as early as 2009.

Issue Summary
The AWBA and CAP have over 2.3 million acre-feet (maf) of water stored underground, primarily to recover to fulfill M&I subcontract needs when a shortage of Colorado River supply limits our ability to meet subcontract orders. Potentially, another four to six maf may be stored for M&I firming, interstate banking and other purposes including Indian firming commitments. The prolonged drought on the Colorado River watershed combined with interstate water banking obligations and state legislation authorized the AWBA, in cooperation with ADWR and CAP, to store water as part of Arizona’s Indian firming obligation pursuant to the Arizona Water Settlements Act. These issues have renewed the questions about whether we can really recover the water, do we have a plan, what will it cost, should recovery plans be a part of the decision on where to store water, etc.

CAP is the only reasonable entity to manage the recovery of stored CAP water to be used to fulfill deliveries of CAP orders and to manage Arizona’s Colorado River apportionment. We expect and we plan to be the primary recovery entity.
There are two general concepts for recovering stored water. First, in-direct recovery will use available capacity in wells owned and operated by our customers. The groundwater pumped for in-direct recovery will be counted as CAP water delivered to our customers. We have in place contractual arrangements with irrigation districts that are groundwater savings facilities, that allow CAP to use available well capacity or to install CAP owned wells on irrigation district rights-of-way. We are developing detailed plans in cooperation with a number of CAP customers for in-direct recovery projects. Second, direct recovery will use wells that deliver water back to the CAP canal for delivery through the CAP system. We are developing detailed plans for direct recovery projects.

Even in these times of drought, we are at least 10 years away from needing to recover stored water for CAP M&I subcontractors. However, we are currently recovering water for interstate purposes and may need to recover for “on-river” firming purposes as early as 2011. We are continuing to monitor the water supply and water demand picture so that we can respond to potential shortages in a timely and responsible manner. Further, we have implemented a recovery planning process that will provide a comprehensive roadmap for future recovery activities. Recovering CAP water stored underground is a part of our long-term commitment to insure sufficient supplies are available to meet our customers needs.