

BOARD POLICY

Approved by CAWCD Board 5/2/13

CAWCD Underground Storage Facility Capacity Priority Policy

CAWCD currently owns and operates six underground storage facilities (USFs) with a total annual operational capacity of approximately 300,000 acre-feet. Requests by various entities for approval of water storage agreements at CAWCD underground storage facilities (USFs) continue to accumulate. Entities currently ordering CAP water for delivery and recharge at CAWCD USFs include the CAGRD, AWBA, municipal and private water providers, industrial users, water investment firms and Indian tribes. Water storage agreements do not guarantee water delivery or storage capacity. Although CAWCD has historically met nearly all customer requests for underground storage, the lack of a formal policy for prioritization of storage capacity has led to concerns about competing demands and the potential for insufficient storage at one or more of the USF sites.

CAWCD has statutory obligations to support the efforts of the Central Arizona Groundwater Replenishment District (CAGRD) and the Arizona Water Banking Authority (AWBA) to store and replenish water for the public benefit. CAWCD also has entered into contractual agreements with specific partners at different recharge locations and has made commitments to store water for system reliability purposes. CAWCD also desires to support the water management objectives of its CAP subcontractors. This policy provides priorities and guidelines to support these objectives. This policy does not prioritize access to CAP water, it relates only to prioritization of capacity in CAWCD USF's .

Policy Objective:

The objective of this policy is to convey a clear method for scheduling recharge capacity at CAWCD USFs. This policy describes scheduling practices already in place and communicates priorities that will be used to resolve conflicts for available capacity that may arise in the scheduling process. This policy is applicable to all entities who desire to store water at CAWCD USF's.

Policy Guidelines:

The following guidelines describe a methodology for scheduling storage capacity at CAWCD USFs.

<u>Step 1</u>: By October 1, contractors submit requests to CAP for storage capacity in a CAP USF, along with their request for CAP water deliveries.

<u>Step 2</u>: Before considering capacity in CAP USFs, CAWCD compiles all requests for water deliveries to determine if the projected available CAP water supplies will be sufficient to satisfy all requests.

<u>Step 3</u>: If requests for water deliveries exceed the projected available CAP water supplies, CAWCD makes adjustments to requested water delivery schedules in compliance with existing water scheduling guidelines and policies (e.g., Access to Excess Policy).

<u>Step 4</u>: CAWCD makes adjustments to CAP USF storage capacity requests based on the adjustments to water delivery schedules from Step 3.

<u>Step 5</u>: CAWCD compiles all requests for CAP USF storage capacity (with any adjustments as provided in Step 4) to determine if there will be sufficient storage capacity available to satisfy all requests.

<u>Step 6</u>: If there is not sufficient storage capacity at one or more CAP USFs to satisfy all requests from Step 5, CAWCD contacts requesters individually to determine their willingness to reduce their request or "relocate" some or all of their requested capacity to a different facility.

<u>Step 7</u>: If voluntary relocations/reductions from Step 6 are not sufficient, CAWCD convenes a meeting of all affected requesters to provide a forum for the requesters to come to agreement on the best way to share the storage capacity.

<u>Step 8</u>: If an agreement on sharing the storage capacity cannot be reached in Step 7, CAWCD uses the following priorities to establish the final storage schedules for CAP USFs:

- Water storage requests for entities with contractual rights to CAP storage facilities (up to the volume limit of the contractual right). This includes ownership partners and any reliability agreements that CAP has entered into for specific facilities.
- 2. Water storage requests for CAGRD replenishment obligations.
- 3. Water storage requests for entities with statutory firming obligations (with coequal priority) including:
 - a. AWBA
 - b. CAGRD Replenishment Reserve
 - c. United States (Indian Firming)
- 4. Individual CAP long-term contract entitlements priority will be given to entities storing within the AMA where their service area is located.
- 5. Individuals storing water under a CAP excess contract.

<u>Step 9</u>: CAWCD notifies all contractors of the final CAP USF storage schedules.