

Addendum to
Summary of Changes to Draft System Use Agreement and Exhibits

This document provides a summary of additional edits incorporated into the final drafts of the System Use Agreement and its exhibits¹ following the final negotiating session between CAWCD and Reclamation on January 30, 2017. The summary below is limited to changes to clarify the intent of existing language or other substantive changes. Additional changes to fix typographical errors or other minor cleanup changes are not summarized below.

System Use Agreement

- Subsections 2.3 and 2.4 – New recitals relating to CAP water allocations to Arizona Indian Tribes added to agreement. This language was added at Reclamation’s request to address comments received during the tribal consultation process.
- Subsection 11.5 – Language added that CAWCD will indemnify the United States from damages resulting from claims against the United States arising from CAWCD’s implementation of the scheduling priorities for use of CAP System capacity in Section 11 of the Agreement. The indemnification does not extend to damages resulting from claims challenging the scheduling priorities.

Exhibit B (Form of CAWCD Wheeling Contract)

- Subsection 14.1.3 – Capital Equivalency Charges – Language added that provides that CAWCD and the United States will consult regarding any appropriate charges for wheeling of Non-Project Water in addition to Fixed OM&R and Pumping Energy Charges following fulfillment of CAWCD’s repayment obligation. This language was added at Reclamation’s request to address comments received during the tribal consultation process.

Exhibit C (Terms of Reclamation Wheeling Contracts)

- Subsection 10.1.3 – Capital Equivalency Charges – Language added that provides that CAWCD and the United States will consult regarding any appropriate charges for wheeling of Non-Project Water in addition to Fixed OM&R and Pumping Energy Charges following fulfillment of CAWCD’s repayment obligation. This language was added at Reclamation’s request to address comments received during the tribal consultation process.

¹ Exhibit A (Map of CAP System Segments and CAP Terminus); Exhibit B (Standard Form of CAWCD Wheeling Contract); and Exhibit C (Terms of Reclamation Wheeling Contract).