



**CENTRAL ARIZONA PROJECT
Board of Directors
August 6, 2020 - 10:00 AM**

Virtual Meeting
The public may view the meeting at
www.cap-az.com/board/meetings

Update to attachments for Agenda Item 2d

FINAL AGENDA

Times shown are approximate. Some items may take more or less time than scheduled, or the President may grant requests to hear items in an order other than shown.

1. Pledge of Allegiance, Moment of Silence and Safety Minute - Macre (10:00)
2. Consideration of Action to Approve Items on the Consent Agenda** (10:05)
 - a. Minutes of the June 4, 2020 Regular Meeting - Megdal
 - b. Renewal of Water Storage Agreements for the Town of Gilbert - Adams
 - c. Renewal of Water Storage Agreement for Flowing Wells Irrigation District - Adams
 - d. Renewal of Water Storage Agreements for the Town of Oro Valley - Adams
 - e. Water Storage Agreement for the United States of America Department of the Interior Bureau of Reclamation - Adams
 - f. Contract for Bridge Crane and Office at Red Rock Pumping Plant - Francom
 - g. Construction Contract for the Covered Vehicle Parking at Multiple Sites Project - Francom
 - h. Purchase Contract for Microwave Communication System Replacement - Rettinger
3. Consideration of Action to Approve Items Removed from the Consent Agenda
4. Reports of Committees and Possible Consideration of Committee Recommendations (10:10)
 - a. Public Policy Committee - Cesare
 - i. Possible Consideration of Action on Policy Issues that Could Impact CAP, including but not limited to S. 4228
 - b. Finance, Audit and Power Committee - Goddard
 - c. CAGRD and Underground Storage Committee - Megdal
5. Report on June 16, 2020 Arizona Water Protection Fund Commission Meeting - Jacobs (10:50)
6. Report on June 17, 2020 Arizona Water Banking Authority Meeting - Arboleda (11:00)
7. Report on NIA Reallocation - Dent/Lohse (11:10)
8. Discussion of Proposed CAGRD-City of Peoria M&I Subcontract Assignment and Transfer Agreement and Long-Term Storage Credit Acquisition - Craddock (11:25)
9. Report on Draft Water Quality Guidance Document Including Comments Received - Seasholes (11:45)
10. Report on Colorado River Conditions (*Water Supply: Reliability of the CAP Water Supply*[^]) - Cullom (12:05)
11. Report on Augmentation Discussions - Cullom (12:15)
 - a. MWD Regional Recycled Water Project
 - b. Minute 323 Binational Study of Water Desalination Opportunities in the Sea of Cortez

12. Discussion on Proposed System Conservation Projects for 2021 - Cullom (12:30)
13. Report on Arizona Reconsultation Process – Cooke/Dent (12:40)
 - a. June 25, 2020 Arizona Reconsultation Committee Meeting (ARC)
 - b. July 30, 2020 ARC Modeling and Analysis Workgroup Meeting
14. Discussion on Potential Availability of Excess Water in 2021 - Shapiro (12:55)
15. Report on Legal Matters (*Leadership & Public Trust: Relationships-Customers^*) - Johnson (1:10)
16. Directors' Report on Current Events (1:20)
17. Future Agenda Items (1:35)
18. President's Report on Current Events - Atkins (1:40)
19. General Manager's Report on Current Events - Cooke (1:50)
20. Public Comment (2:00)
21. Consideration of Action to go into Executive Session of the Board for the following purposes:
(*The discussions and minutes of the executive session shall be kept confidential. The executive session of the Board is not open to the public.*)***
 - a. Pursuant to ARS 38-431.03.A.3 and A.4, for discussion or consultation with the attorneys for the District for legal advice regarding Indian water rights settlement negotiations, and in order to consider its position and instruct its attorneys regarding Indian water rights settlements negotiations; and
 - b. Pursuant to ARS 38-431.03.A.3 and A.4., for discussion or consultation with the attorneys for the District for legal advice regarding the Multi-Species Conservation Program, and in order to consider its position and instruct its attorneys regarding negotiations relating to the Multi-Species Conservation Program; and
 - c. Pursuant to A.R.S. §38-431.03.A.3 to obtain legal advice from the District's attorneys on any matter listed on the agenda
22. Reconvene in Open Session
23. Consideration of Action Regarding Items Discussed in Executive Session
24. Adjourn

CAP Board members are elected by the voters in Maricopa, Pima and Pinal Counties. Visit cap-az.com/board to learn more about the Board. Those interested in meeting with a Board member may contact the member directly to schedule an appointment. Space will be made available at CAP Headquarters.

****** Items listed in the Consent Agenda may be acted on by the Board without discussion. Any item listed on the Consent Agenda may be removed from the Consent Agenda and acted on separately by the Board.

******* The Executive Session is expected to last approximately one hour and will not be open to the public.

^ *Linkage to 2016 CAWCD Board of Directors Strategic Plan.*

In accordance with the Americans with Disabilities Act (ADA), if you need reasonable accommodations due to a disability, please contact the CAP office at (623.869.2333) or TDD (623.869.2183) at least seventy-two (72) hours in advance of the meeting.



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
June 4, 2020**

The regular meeting of the Central Arizona Project ("CAWCD" or "CAP") Board of Directors was called to order by President Lisa A. Atkins on June 4, 2020, at 10:00 a.m. The meeting was held virtually and broadcast for the public via livestream

Board Members present were: President Lisa A. Atkins, Maricopa County; Vice President Terry Goddard, Maricopa County; Secretary Sharon B. Megdal, Pima County; Alexandra Arboleda, Maricopa County; Jennifer Brown, Maricopa County; Karen Cesare, Pima County; Jim Holway, Maricopa County; Pat Jacobs, Pima County; Mark Lewis, Maricopa County; Heather A. Macre, Maricopa County; Jennifer Martin, Maricopa County; April Pinger-Tornquist, Maricopa County; Mark Taylor, Pima County.

Board Members not present were: Benjamin W. Graff, Maricopa County; and Jim Hartdegen, Pinal County.

Staff members present were Ted Cooke, General Manager; Robert Moody, Assistant General Manager; Jay Johnson, General Counsel; Bridget Schwartz-Manock, Director of Public Affairs; Patrick Dent, Director of Water Policy; Christopher Hall, Director of Finance & Administration; Darrin Francom, Director of Operations, Power and Engineering; Laura Grignano, Manager, CAGRD; Doug Dunlap, Manager, Finance and Accounting; Chuck Cullom, Manager, Colorado River Programs; Jeff Gray, Manager, Legislative Affairs; Marcus Shapiro, Water Systems Supervisor; Greg Adams, Senior Attorney; Chris Brooks, Senior Water Resources Analyst; Mohammed Mahmoud, Senior Policy Analyst; Megan Casey, Public Affairs Management Analyst; and Jennifer Miller, Board Support Specialist.

Bridget Schwartz-Manock, Director of Public Affairs, performed a roll call and confirmed a quorum was present. President Atkins announced the meeting was being held virtually, noting that she was in the Board room at CAP Headquarters with General Manager Ted Cooke and a handful of staff and the rest of the Board was participating via WebEx. She noted the meeting was broadcast via livestream for the public and public comments could be submitted at cap-az.com/comment.

1. PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE AND SAFETY MINUTE - MEGDAL

Secretary Megdal led the Board Members and public in reciting the Pledge of Allegiance and observing a moment of silence, and gave a safety minute on summer car safety.

2. RECOGNITION OF EMPLOYEES CELEBRATING SERVICE ANNIVERSARIES: 20 YEARS - AUDY MILLER, ALAN LEAGUE, BONNIE STONE, PHIL FORTNAM, ART GARZA, ROBERT MARQUEZ AND JESSE PHILLIPS; 30 YEARS - WILLIAM HARKER - COOKE

President Atkins and General Manager Ted Cooke recognized employees celebrating 20 and 30-year anniversaries of their employment at CAP.

3. RECOGNITION OF THE 40TH ANNIVERSARY OF THE GROUNDWATER MANAGEMENT ACT (JUNE 12, 1980) - ATKINS/BABBITT

President Atkins recognized the 40th anniversary of the passage of the Groundwater Management Act. She congratulated ADWR on four decades of excellence, and shared video comments from former Governor and Secretary of the Interior Bruce Babbitt with this thoughts on the milestone.

4. CONSIDERATION OF ACTION TO APPROVE ITEMS ON THE CONSENT AGENDA

In response to a question from Board Member Jacobs, Greg Adams, Senior Attorney, reported that the water storage agreements with the Ak-Chin Indian Community (item 4h) and the City of Avondale (item 4f) are new agreements to recharge water at Tonopah Desert Recharge Project (TDRP), and the water storage agreement with the City of Peoria (item 4g) is a renewal of an expired agreement.

In response to a question from Board Member Jacobs, Chris Hall, Director of Finance and Administration, said the resolution regarding the water storage tax (item 4kiii) specifies amounts for the Arizona Water Banking Authority (AWBA) as pre-approval to purchase long-term storage credits (LTSC) in the active management areas (AMA) listed in the resolution, and noted any additional funding requests would come back to the CAWCD Board for review and approval.

Board Member Pinger-Tornquist asked if the programmable logic controller replacement (item 4b) is an upgrade or a replacement. Darrin Francom, Director of Power, Operations and Engineering, responded that the current technology is obsolete and the replacements reflect the newest technology.

On a motion (Secretary Megdal) and a second (Board Member Jacobs), approved the minutes of the May 7, 2020 regular meeting; approved the award of a design-build contract to Quantum Integrated Solutions, Inc. in the amount of \$816,000 plus an additional \$163,200 (20%) for contingencies (totaling \$979,200), for the Programmable Logic Controller Replacement project at the Waddell Pumping Plant, and authorized the General Manager, or his designee, to execute the contract and administer the contingency; approved the award of the Design and Pre-Construction Services Contract to Gracon LLC. in the amount of \$442,937 plus an additional \$44,294 (10%) contingencies (totaling \$487,231), for the Mark Wilmer Fire Protection System Project and authorized the General Manager, or his designee, to execute the contract and administer the contingency; approved the award for a construction contract to Corbins Electric in the amount of \$450,024 plus an additional \$90,005 (20%) for contingencies (totaling \$540,029), for the Construction of the Condition Based Monitoring Project, at Twin Peaks, Sandario, Brawley, and San Xavier Pumping Plants, and authorized the General Manager, or his designee, to execute the contract and administer the contingency; authorized the President or her designee to execute the ICS Delivery Agreement Amendment between the United States and Central Arizona Water Conservation District; approved the Agreement for Water Storage at the Tonopah Desert Recharge Project between CAWCD and the City of Avondale; approved the Agreement for Water Storage at the Tonopah Desert Recharge Project between CAWCD and the City of Peoria; approved the Agreement for Water Storage at the Tonopah Desert Recharge Project between CAWCD

and Ak-Chin Indian Community; approved the award of a purchasing contract to ABM Industry Groups LLC (formally GCA Services Group, Inc.) for janitorial services at CAP Headquarters, Waddell Pumping Plant, Salt Gila Pumping Plant, and Pinal Field Office field locations beginning July 1, 2020 through June 30, 2021 for \$382,690 plus \$57,404 (15%) for contingencies, totaling \$440,094 with the option for CAP to renew the contract for two additional one-year terms, and authorized the General Manager to execute the agreement; approved the CAP Final 2021-2026 Water Rate Schedules; approved the CAGRD Final Rate Schedule for 2020/21 through 2025/26; adopted the Final Underground Water Storage O&M and Underground Water Storage Capital Charge Rate Schedule for 2021 through 2026; fixed the CAWCD General Ad Valorem Tax Rate at ten cents (\$0.10) per one hundred dollars (\$100) of assessed valuation for the 2020/2021 tax year; fixed the CAWCD Water Storage Tax Rate at four cents (\$0.04) per one hundred dollars (\$100) of assessed valuation for the 2020/2021 tax year; and adopted a resolution determining that all of the Water Storage tax levied in tax year 2020/2021, except for \$10 million requested by the AWBA for the purchase of long term storage credits in 2021, is required for CAP repayment or annual operations, maintenance and replacement costs, including CAWCD costs for AWBA M&I firming. Motion passed.

Voting yes: Lisa A. Atkins, Terry Goddard, Sharon B. Megdal, Alexandra Arboleda, Jennifer Brown, Karen Cesare, Jim Holway, Pat Jacobs, Mark Lewis, Heather A. Macre, Jennifer Martin, April Pinger-Tornquist, Mark Taylor

5. **CONSIDERATION OF ACTION TO APPROVE ITEMS REMOVED FROM THE CONSENT AGENDA**

None.

6. **REPORTS OF COMMITTEES AND POSSIBLE CONSIDERATION OF COMMITTEE RECOMMENDATIONS**

6.a. **PUBLIC POLICY COMMITTEE - CESARE**

Board Member Cesare gave an update on the June 4, 2020 Public Policy Committee meeting. She reported the Legislature adjourned for the year, noting the session ended early due to the COVID-19 pandemic and many of the bills CAP was monitoring did not make it through the process. She also reported that the Committee received updates on federal COVID-19-related legislation and reported on ongoing discussions related to possible infrastructure legislation.

6.b. **FINANCE, AUDIT AND POWER COMMITTEE - GODDARD**

Vice President Goddard thanked the Board for approving the tax rates on consent agenda item 4k.

6.c. **CAGRD AND UNDERGROUND STORAGE COMMITTEE - MEGDAL**

Secretary Megdal gave an update on the May 21, 2020 meeting of the CAGRD Committee. She noted the meeting was brief and included one agenda item regarding the proposed acquisition of 50,000 LTSCs from the Tohono O'odham Nation, with no public comment. Secretary Megdal also reviewed upcoming agenda items for the August Committee meeting.

7. DISCUSSION AND CONSIDERATION OF ACTION ON PROPOSED LONG-TERM STORAGE CREDIT ACQUISITION BETWEEN CAGR D AND TOHONO O'ODHAM NATION - BROOKS

Chris Brooks, Senior Water Resources Analyst, gave a presentation on the proposed LTSC acquisition between CAGR D and the Tohono O'odham Nation. He reviewed the key terms of the two-year agreement and how the agreement will be executed if approved by the Board.

In response to a question from Board Member Taylor, Mr. Brooks noted that the Nation commits 30,000-35,000 acre-feet to storage each year. Mr. Brooks answered a question from Board Member Jacobs providing details on funds used in the agreement. Secretary Megdal commented that she is delighted to approve this agreement with the Nation.

On a motion (Secretary Megdal) and a second (Board Member Cesare), approved the Purchase and Sale Agreement for Long Term Storage Credits between CAWCD and the Tohono O'odham Nation. Motion passed.

Voting yes: Lisa A. Atkins, Terry Goddard, Sharon B. Megdal, Alexandra Arboleda, Jennifer Brown, Karen Cesare, Jim Holway, Pat Jacobs, Mark Lewis, Heather A. Macre, Jennifer Martin, April Pinger-Tornquist, Mark Taylor

8. REPORT ON WATER OPERATIONS - SHAPIRO

Marcus Shapiro, Water Systems Supervisor, gave a report on CAP water operations. He reviewed year-to-date diversions from the Colorado River and the total Arizona contribution volumes to Lake Mead. He also reported on 2020 CAP deliveries, noting that CAP continues to coordinate the distribution of the 75,000 acre feet of unexpected water supply that will be made available this year. Mr. Shapiro also shared the 12-month forecast for Lake Pleasant operations. He also provided updates on TDRP, Alamo Dam releases, outreach and maintenance and capital project work.

In response to a question from Board Member Taylor, Mr. Shapiro said he was not aware of additional plans for conservation in 2020 by the Bureau of Reclamation (BOR). Chuck Cullom, Colorado River Programs Manager, noted that BOR is working to increase their system conservation contribution in 2021. In response to a question from Board Member Cesare, Mr. Shapiro said the reported deliveries are for calendar year 2020. In response to questions from Board Member Jacobs, Mr. Shapiro noted the deliveries are based on requests from CAP water users, and Mr. Cullom noted that a 345,000 acre foot contribution to Lake Mead is equivalent to about 4.3 feet of elevation in the lake. In response to a question from Board Member Taylor, Mr. Shapiro reported that Lake Pleasant is at a high enough elevation that it limits how much water can be stored there, which is why some water will be stored at TDRP.

9. REPORT ON COLORADO RIVER CONDITIONS - MAHMOUD

Mohammed Mahmoud, Senior Policy Analyst, gave an update on the status of the reservoirs in the Colorado River System. He also reported on unregulated inflow into Lake Powell for water year 2020, noting that runoff projections are below average. He shared a table of the probability to system conditions, noting that an 8.23maf release from Lake Powell and Drought Contingency Plan (DCP) Tier 0 are forecast for 2021.

In response to a question from Jennifer Brown, Dr. Mahmoud provided information about the stress test variables used to forecast the probability of system conditions.

9.a. REPORT ON ASU/CAP/NASA PROJECT ON LONG-RANGE SCENARIO MODELING OF THE COLORADO RIVER BASIN - MAHMOUD/DR. ENRIQUE VIVONI, ARIZONA STATE UNIVERSITY

President Atkins noted that the presentation came from a future agenda request from Board Member Pinger-Tornquist. Dr. Mahmoud gave an overview of the timeline of activities for the ASU/CAP/NASA Project (Project) and introduced Dr. Enrique Vivoni from Arizona State University. Dr. Vivoni said the Project is an applied science partnership that will result in enhanced long-range and scenario modeling for CAP's use. He shared details on the Project, noting that projections indicate increases in temperature and declines in precipitation and runoff in the Colorado River Basin. He said this information will be explored with stakeholders to get feedback as to how to represent these projections to the model. Dr. Vivoni reviewed next steps for the Project and the various efforts that are underway.

In response to a question from Board Member Pinger-Tornquist, Dr. Vivoni noted that the model being used is open source software and they do not intend to generate intellectual property. He also noted that the Project will use existing climate products to draw the hydrologic models, and explained how the climate predictors were selected. He also explained the variables used in the models. Board Member Pinger-Tornquist commented that the presentation was fascinating and expressed interest in further conversations with Dr. Vivoni.

Board Member Brown expressed appreciation for the work being done and asked Dr. Vivoni to review the list of people who have contributed to the Project. Board Member Taylor thanked Dr. Vivoni for the presentation and asked whether BOR has been involved in discussions on the Project. Dr. Vivoni replied that several BOR staff members are involved in the stakeholder group. Board Member Arboleda commented that the partnership and collaboration is inspiring and asked when the final results are anticipated. Dr. Vivoni replied that the team is one year into the three-year project and Mr. Cullom noted that CAP's intention is to take the model product and utilize it in future decision making. Dr. Vivoni reviewed the funding of the project in response to a question from Board Member Pinger-Tornquist. Board Member Holway commented that the Project has the potential to change how universities and water management agencies interact and expressed support for continued investment in this type of work.

10. REPORT ON LEGAL MATTERS - JOHNSON

None.

The Board recessed from 12:15-12:25 p.m.

Ms. Schwartz-Manock performed a roll call and confirmed a quorum was present.

11. DIRECTORS' REPORT ON CURRENT EVENTS

Secretary Megdal and Board Members Brown, Cesare, Jacobs and Taylor shared updates on recent CAP activities.

12. FUTURE AGENDA ITEMS

Board Member Taylor requested a presentation on CAP's relationship with Salt River Project (SRP) as it relates to both policy and operations. Board Member Brown echoed that request. Board Member Jacobs requested that staff give the presentation from a recent WRRC webinar at a future Board meeting and requested a briefing on leaving water in Lake Mead. Board Member Holway requested a presentation on climate models and work being done in Arizona in addition to CAP's efforts. Board Member Cesare requested a presentation on metrics on CAP's advertising in mobile apps. Secretary Megdal requested a presentation on communications strategies and an update on tribal water rights settlements.

13. PRESIDENT'S REPORT ON CURRENT EVENTS - ATKINS

President Atkins announced that anyone contemplating system conservation projects with CAP water for 2021 should share their concept with CAP staff, and noted that the Board will hear a report on any planned system conservation projects at the August Board meeting. She also reviewed the schedule of upcoming meetings, noting that all August meetings will be held virtually.

14. GENERAL MANAGER'S REPORT ON CURRENT EVENTS - COOKE

Mr. Cooke reviewed the items that are scheduled to be on the August consent agenda, including the renewal of water storage agreements for the Town of Gilbert, Flowing Wells Irrigation District, and the Town of Oro Valley; a water storage agreement with BOR; a contract for a bridge crane and office at Red Rock Pumping Plant; a construction contract for covered vehicle parking at six CAP locations; an equipment purchase contract for HVAC chiller equipment at Mark Wilmer Pumping Plant; a purchase contract for microwave equipment; and a design services contract for motor exciter replacement at Hassayampa Pumping Plant.

Mr. Cooke gave an update on the Arizona Reconsultation Committee (ARC) meeting planned for June 25, 2020, including the purpose, delegates and goals for the ARC. He also reported on ongoing augmentation discussions with Metropolitan Water District of Southern California.

15. PUBLIC COMMENT

None.

16. CONSIDERATION OF ACTION TO GO INTO EXECUTIVE SESSION OF THE BOARD FOR THE FOLLOWING PURPOSES: PURSUANT TO A.R.S. §38-431.03.A.3 TO OBTAIN LEGAL ADVICE FROM THE DISTRICT'S ATTORNEYS ON ANY MATTER LISTED ON THE AGENDA

No executive session was held.

17. RECONVENE IN OPEN SESSION

18. CONSIDERATION OF ACTION REGARDING ITEMS DISCUSSED IN EXECUTIVE SESSION

None.

19. **ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 1:01 p.m.

Sharon B. Megdal
Board Secretary

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 2.b

CONTACT: Greg Adams
623-869-2124
gadams@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Renewal of Water Storage Agreements for the Town of Gilbert - Adams

RECOMMENDATION: Staff recommends that the Board approve the renewed Agreements for Water Storage at the Agua Fria Recharge Project and Tonopah Desert Recharge Project between CAWCD and the Town of Gilbert.

FISCAL IMPLICATIONS: No

Impact on Budget:

\$0

Additional spending authority requested: None

Impact on Reserves:

None

Impact on Rates:

None

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD Board of Directors 2016 Strategic Plan

- Water Supply: Reliability of the CAP Water Supply

PREVIOUS BOARD ACTION/ACTIVITY:

Board previously approved the agreements between CAWCD and the Town of Gilbert to store water at the Agua Fria Recharge Project and Tonopah Desert Recharge Project.

ISSUE SUMMARY/DESCRIPTION:

The Town of Gilbert ("Gilbert") desires to renew its existing Water Storage Agreements with CAWCD to store water at the Agua Fria Recharge Project and Tonopah Desert Recharge Project. Pursuant to the terms of the water storage agreements, the Town of Gilbert desires to renew the water storage agreements for an additional term of 10 years.

Attached are the Agreements for Storage of Water at the Agua Fria Recharge Project and Tonopah Desert Recharge Project. The water storage agreements include CAWCD's standard requirements pertaining to scheduling storage capacity, water measurement and accounting, billing and payment. The water storage rate charged to the Town of Gilbert for recharge on any particular year is established in CAWCD's Water Rate Schedule.

SUGGESTED MOTION:

I move that the Board approve the Agreements for Water Storage at the Agua Fria Recharge Project and Tonopah Desert Recharge Project between CAWCD and the Town of Gilbert.

ATTACHMENTS:

1. WSA - Gilbert at AFRP 2020 final execution copy
2. WSA - Gilbert at TDRP 2020 final execution copy

**AGREEMENT FOR STORAGE OF WATER
AT THE
AGUA FRIA RECHARGE PROJECT**

1. PARTIES:

This agreement is made and entered into the _____ day of _____, 20_____, by and between the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as “CAWCD”, and the TOWN OF GILBERT, hereinafter referred to as “GILBERT”.

2. RECITALS:

2.1 CAWCD is responsible for constructing and operating the Agua Fria Recharge Project (the “AFRP”), an underground storage facility that is located in the Phoenix Active Management Area, within the floodplain of the Agua Fria River. The AFRP is unique because it consists of two components: (a) an in-channel component, known and regulated as the managed underground storage facility pursuant to ADWR permit no. 71-569775.0008, where CAP water is released from the Agua Fria Siphon Blowoff Structure into the channel of the Agua Fria River for underground storage and/or conveyance as in-channel surface water flows approximately four miles downstream to the constructed underground storage facility; and (b) a constructed component, known and regulated as the constructed underground storage facility pursuant to ADWR permit No. 71-569776.0009, consisting of an in-channel diversion dam and headworks structure, which divert water from the channel into a conveyance canal for delivery to approximately 115 acres of spreading basins. The AFRP is more specifically located in portions of Sections 31 and 32, Township 5N, Range 1E, and Section 6, Township 4N, Range 1E, GSRB&M, Maricopa County, Arizona.

2.2 ADWR has issued CAWCD a Constructed Underground Storage Facility Permit (Permit No. 71-569776.0009) and a Managed Underground Storage Permit for the AFRP (Permit No. 71-569775.0008). The Permits together authorize the underground storage of a combined maximum of 30,000 acre-feet of water per year at the AFRP. The AFRP is a State Demonstration Recharge Project pursuant to A.R.S. § 45-891.01, et seq.

2.3 GILBERT desires to store CAP water at the AFRP and CAWCD agrees to make available unused storage capacity at the AFRP for such storage, in accordance with the provisions of this Agreement.

NOW THEREFORE, in consideration of the foregoing, the payments to be paid by GILBERT, and the covenants and agreements contained in this Agreement, and other good and valuable consideration, CAWCD and GILBERT agree as follows:

3. DEFINITIONS:

As used in this Agreement, the following terms, when capitalized, have the following meanings:

- 3.1 ADWR: The Arizona Department of Water Resources.
- 3.2 AGUA FRIA RECHARGE PROJECT or AFRP: The combined constructed underground storage facility and managed underground storage facility, constructed and operated by CAWCD pursuant to the Permits, which is located in portions of Sections 31 and 32, Township 5N, Range 1E, and Section 6, Township 4N, Range 1E, GSRB&M, Maricopa County, Arizona.
- 3.3 AGUA FRIA SIPHON BLOWOFF STRUCTURE: The point at which GILBERT water is diverted from the CAP canal for delivery into the AFRP.
- 3.4 CENTRAL ARIZONA PROJECT (CAP): The water delivery works of the CAP including, but not limited to, the CAP canal, its turnout structures and associated measuring devices.
- 3.5 GILBERT WATER: CAP water scheduled by GILBERT under the terms of its CAP Water Service Subcontract and any other contractual entitlement to CAP Water held by GILBERT.
- 3.6 PARTY/PARTIES: Either one or both of the parties to this Agreement.
- 3.7 PERMITS: The Constructed Underground Storage Facility Permit issued by the ADWR for the AFRP, permit No. 71-569775.0008, and the Managed Underground Storage Facility Permit issued by the ADWR for the AFRP, permit No. 71-569776.0009.

4. SCOPE OF SERVICES:

This Agreement is limited to the diversion of water at the Agua Fria Siphon Blowoff Structure into the AFRP and the storage of such water at the AFRP by CAWCD for the benefit of GILBERT. CAWCD shall deliver GILBERT water, which is scheduled by GILBERT to the Agua Fria Siphon Blowoff Structure

and CAWCD shall store such water underground at the AFRP for the benefit of GILBERT.

5. TERM OF AGREEMENT:

This Agreement shall become effective when executed by both Parties and shall remain in effect for ten (10) years unless the Parties agree in writing to extend the term or unless it is sooner terminated or canceled in accordance with the terms of this Agreement.

6. CONDITIONS RELATING TO STORAGE:

6.1 All storage of GILBERT water at the AFRP shall be consistent with Arizona water law.

6.2 GILBERT shall obtain a water storage permit from ADWR authorizing it to store GILBERT water at the AFRP.

6.3 CAWCD's storage of GILBERT water at the AFRP shall, at all times, comply with the Permits. CAWCD shall be responsible for filing annual reports as required by the Permits. CAWCD shall promptly notify GILBERT of any changes or modifications to the Permits that would affect GILBERT's rights under this Agreement. If one or both of the Permits are canceled or expire for any reason, GILBERT may terminate this Agreement.

7. PROCEDURE FOR SCHEDULING STORAGE CAPACITY

7.1 As soon as practicable after the date of execution of this Agreement, GILBERT shall submit to CAWCD a proposed schedule indicating the amount of AFRP storage capacity it desires to use during the year in which this Agreement is executed. Thereafter, on or before October 1 of each year during the term of this Agreement, GILBERT shall submit to CAWCD a proposed schedule indicating the amount of AFRP storage capacity GILBERT desires to use during the following year.

7.2 As soon as practicable after receipt of GILBERT's proposed schedule following the execution of this Agreement, CAWCD shall return to GILBERT the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of AFRP storage capacity that is available to GILBERT for the year in which this Agreement is executed. Thereafter, on or before November 15 of each year during the term of this Agreement, CAWCD shall return to GILBERT the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of AFRP storage capacity that is available to GILBERT for the following year, if any.

8. WATER STORAGE RATE

8.1 Each year under the term of this Agreement, CAWCD shall establish a per acre-foot recharge rate ("Annual Recharge Rate") for use of AFRP storage capacity for the following year, in accordance with CAWCD's adopted Recharge Rate Policy. GILBERT shall be obligated to pay CAWCD this annual Recharge Rate for each acre-foot of storage capacity used by GILBERT during the year. Such payment shall be in accordance with the provisions of Section 13 below.

9. OPERATING AGENT:

9.1 CAWCD shall be responsible for operating the AFRP.

9.2 CAWCD shall retain sole responsibility and authority for decisions relating to the AFRP operating and maintenance practices, including maintenance scheduling and the selection of periods when maintenance will be done.

9.3 Whenever practicable, CAWCD shall inform GILBERT ninety (90) days in advance of any matter which may substantially affect the AFRP or the rights of GILBERT.

10. DESTRUCTION/RECONSTRUCTION OF THE AFRP:

In the event of destruction of all or part of the AFRP, CAWCD may repair or reconstruct the AFRP, but CAWCD shall not be obligated to do so.

11. WATER MEASUREMENT AND ACCOUNTING:

11.1 CAWCD shall base its accounting for water delivered to the AFRP on actual measurements, methods required by the Permit and/or generally accepted accounting and engineering practices.

11.2 CAWCD shall install and maintain a flow measurement system in the Agua Fria Siphon Blowoff Structure to measure the amount of water diverted from the CAP into the AFRP. CAWCD shall test and maintain the accuracy of this system within a plus or minus 5 percent of actual flows.

11.3 CAWCD shall determine evaporation losses representative of the conditions at or near the AFRP using the method indicated in the Permits or using actual measurements, when available. Any other losses in the AFRP shall be calculated using generally accepted engineering practices.

- 11.4 All losses that occur at the AFRP, other than by evaporation, will be calculated using generally accepted engineering practices and water-level readings from the gauges in the basins.
- 11.5 CAWCD shall prepare a monthly water accounting report of water stored at the AFRP for GILBERT. The report shall include the daily amount of water stored and the losses calculated as described in this Section.
- 11.6 CAWCD shall provide the ADWR with water accounting reports for the AFRP as required by the Permits.
- 11.7 The water accounting reports prepared pursuant to this Section shall be sent to GILBERT monthly and shall be retained by CAWCD for at least three years.
- 11.8 CAWCD shall provide GILBERT copies of the AFRP annual report submitted to ADWR.

12. WATER QUALITY:

GILBERT shall indemnify and hold harmless CAWCD against all losses to third parties resulting from water quality degradation or harm to property caused by GILBERT's use of the AFRP, due to the commingling of GILBERT water with the groundwater or water flowing above or below the surface of the Agua Fria riverbed. Further, GILBERT waives any claim on its own behalf against CAWCD for water quality degradation or harm to property arising from such commingling, unless such claim is intended to enforce the indemnification provision of this Section; provided, however, that GILBERT shall indemnify and hold harmless CAWCD only to the extent that indemnification is not provided to CAWCD by the State of Arizona pursuant to A.R.S. §45-898.01; and provided, further, however, that GILBERT's indemnification shall only extend to the percentage of degradation attributable to the water stored on behalf of GILBERT at the AFRP under the terms of this Agreement. GILBERT retains the right to claims over or against any other entity, including CAWCD, storing water in the AFRP in the amount proportionate to such amount stored by those other entities. In no event shall CAWCD assume liability for water quality degradation resulting from the storage of water in the AFRP, solely due to its performance of obligations as the operating agent under this Agreement.

13. BILLING AND PAYMENTS:

- 13.1 On or before the 15th day of each month, CAWCD will bill GILBERT for each acre-foot of storage capacity used by GILBERT during the previous month. The amount billed to GILBERT shall be equal to the Annual Recharge Rate multiplied by the number of acre-feet of GILBERT water delivered to the AFRP as measured at the Agua Fria Siphon Blowoff Structure. GILBERT shall pay CAWCD within thirty (30) days of receipt of such bill. Payment is not contingent upon and is not related to GILBERT's accrual of long-term storage credits from water stored at the AFRP.
- 13.2 If payment due under this Agreement remains unpaid more than sixty (60) days after its due date, CAWCD may terminate this Agreement effective upon written notice to GILBERT. In the event CAWCD terminates this Agreement, GILBERT shall remain obligated to pay any outstanding balance.

14. AUTHORIZATIONS AND APPROVALS:

GILBERT shall be responsible for obtaining, at its own expense, any permits, authorizations and approvals required for the underground storage and recovery of water in the AFRP or for GILBERT's performance under this Agreement. GILBERT shall keep CAWCD informed of its applications for such permits and authorizations. CAWCD will share information with GILBERT to assist GILBERT in its permit application. GILBERT shall also be responsible for filing any annual reports or other documents necessary to maintain its right to store water at the AFRP.

15. LIABILITY

- 15.1 Each Party shall assume liability for its own negligence and shall indemnify the other against any damages the non-negligent Party incurs as a result of the negligent Party's action or inaction.
- 15.2 CAWCD shall assume no liability to GILBERT for claims of damage resulting from CAWCD's decision to curtail or stop water flows to the AFRP site during storm or emergency conditions.
- 15.3 CAWCD shall assume no liability to GILBERT for quantities of recoverable or unrecoverable water stored underground or removed from underground storage; nor to replace water lost, unintentionally misdirected or otherwise failing to reach the underlying aquifer.

CAWCD, GILBERT and any other entities storing water at the AFRP shall share in any deficiency resulting from such lost, misdirected or otherwise unstored water in proportion to the amount of the AFRP capacity it used at the time the deficiency accrued.

- 15.4 Liability, as described in Section 12 related to water stored in the AFRP by GILBERT prior to termination of this Agreement, shall remain with GILBERT after termination of this Agreement. This Section 15.4 shall survive expiration or termination of this Agreement, and remain in full force and effect.
- 15.5 In the event any third party institutes an action against CAWCD, GILBERT or other entities storing water at the AFRP for claims arising from the activities undertaken pursuant to this Agreement, the parties named in the action shall meet to determine the procurement of legal counsel and the steps to take to defend against the action.

16. INSURANCE

- 16.1 During the term of this Agreement, unless otherwise agreed in writing by CAWCD, GILBERT shall procure and maintain in force or cause to be procured and maintained in force the following types of insurance:
 - 16.1.1 Commercial General Liability Insurance naming CAWCD as an additional insured, including bodily injury, personal injury, property damage, wrongful death, and contractual liability with a minimum limit of \$1,000,000 per occurrence.
 - 16.1.2 Business Automobile Liability Insurance with a minimum limit of \$1,000,000.
 - 16.1.3 Worker's Compensation as required by Arizona State law and Employees' Liability Insurance with limits of \$1,000,000 per accident, \$1,000,000 per employee per disease and \$1,000,000 aggregate for disease.
 - 16.1.4 Commercial Umbrella – combined single limit of \$4,000,000.
- 16.2 Any insurance carried by CAWCD shall be excess and not contributory insurance to any insurance afforded hereunder. GILBERT shall submit satisfactory proof of insurance to CAWCD prior to use of the AFRP. Such proof of insurance shall be in the form of a certificate stating the coverage provided and that such insurance shall not be canceled until after thirty (30) days prior written notice thereof shall have been given to CAWCD.

16.3 With written approval of CAWCD, GILBERT may self-insure or combine the coverages required by this Agreement with coverages outside the scope of that required by this Agreement.

16.4 If GILBERT fails to acquire, provide or continue the insurance coverages required CAWCD may terminate this Agreement immediately upon written notice to GILBERT.

17. DEFAULT:

17.1 GILBERT and CAWCD shall pay all monies and carry out all other performances, duties and obligations agreed to be paid and/or performed by them pursuant to this Agreement. A default by GILBERT or CAWCD in the covenants and obligations to be kept and performed by it shall be an act of default under this Agreement.

17.2 In the event of a default by CAWCD or GILBERT, then, within thirty (30) days following notice of such default by the non-defaulting Party, the defaulting Party shall remedy such default either by advancing the necessary funds and/or rendering the necessary performance. Such notice shall specify the existence and nature of such default. If such default is not remedied within the time specified, the non-defaulting party may terminate this Agreement upon 24 hours written notice.

18. UNCONTROLLABLE FORCES:

Neither Party to this Agreement shall be considered in default in the performance of any of its obligations under this Agreement (other than obligations of GILBERT to pay costs and expenses) when a failure of performance is due to Uncontrollable Forces. The term "uncontrollable forces" shall mean any cause beyond the control of the Party unable to perform such obligation, including but not limited to, the failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by or failure to obtain the necessary authorizations or approvals from any governmental agency or authority not a Party to this Agreement, which by exercise of due diligence, it shall be unable to overcome.

19. RESOLUTION OF DISPUTES:

19.1 A Party having a dispute under this Agreement that cannot be resolved by the Parties, may submit the dispute to arbitration. Arbitration shall be subject to the following provisions:

19.1.1 Arbitration shall be binding only upon the consent of the Parties.

19.1.2 A Party wishing to submit a dispute to arbitration shall provide thirty (30) days written notice to the other Party of its intent to pursue arbitration and shall name one arbitrator at that time. Within fifteen (15) days of receiving this notice, the other Party to the dispute shall name one arbitrator and give written notice to the other Party of its selection. The two selected arbitrators shall, within five (5) days of selection of the second arbitrator, jointly select a third arbitrator.

19.1.3 Within thirty (30) days from the selection of the third arbitrator, the arbitrators shall hold a hearing. Within thirty (30) days from the conclusion of the hearing, the arbitrators shall render a decision on the dispute.

19.1.4 Arbitration shall be subject to the Arizona Arbitration Act, Arizona Revised Statutes, Title 12, Chapter 9, Article 1. In the event of a conflict between this Agreement and the Arizona Arbitration Act, the provisions of this Agreement shall prevail.

19.1.5 A Party that is dissatisfied with the results of non-binding arbitration may pursue any other legal or equitable remedy not expressly provided for in this Section 19 and available to resolve the dispute.

20. ACTION PENDING RESOLUTION OF DISPUTES:

Pending the resolution of a dispute pursuant to Section 19, each Party shall proceed, to the extent legally permissible, in a manner consistent with this Agreement, and shall make payments required in accordance with the applicable provisions of this Agreement. Any amount paid by a Party pursuant to this Section 20 during the course of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due.

21. GOVERNING LAWS

This Agreement shall be governed by laws of the State of Arizona.

22. BINDING OBLIGATIONS:

All of the obligations set forth in the Agreement shall bind CAWCD and its successors and assigns. This Agreement shall not be assigned by GILBERT or accrue to GILBERT's successor, nor shall the AFRP capacity use rights hereunder of GILBERT be used by another party, without the prior written consent of CAWCD. CAWCD retains the right to sell, lease, assign or otherwise convey its ownership of the AFRP to a third party. In such event, CAWCD may cancel this Agreement upon written notice to GILBERT.

23. NOTICES:

23.1 Notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Central Arizona Water Conservation District
c/o General Manager
P.O. Box 43020
Phoenix, AZ 85080-3020

TOWN OF GILBERT
c/o Water Resources Manager
50 E. Civic Center Drive
Gilbert, AZ 85296

23.2 A Party may, at any time, by notice to the other Party, designate different or additional persons or different addresses for the giving of notices.

24. THIRD PARTY BENEFICIARIES:

This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

25. WAIVER:

The waiver by either Party of a breach of any term, covenant or condition in this Agreement shall not be deemed a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term covenant or condition of this Agreement.

26. HEADINGS:

Title and paragraph headings are for reference only and are not part of this Agreement.

27. ENTIRE AGREEMENT:

The terms, covenants and conditions of this Agreement constitute the entire agreement between the Parties relative to the use of AFRP storage capacity, and no understandings or agreements not herein expressly set forth shall be binding upon them. This Agreement may not be modified or amended in any manner unless in writing and signed by both Parties.

28. CONFLICT OF INTEREST

This Contract is subject to cancellation pursuant to the provisions of A.R.S. §38-511 relating to conflict of interest.

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Lisa A. Atkins, President

Attest: _____
Sharon B. Megdal, Secretary

[REMAINDER OF PAGE IS INTENTIONALLY BLANK]

TOWN OF GILBERT

By:_____

Its:_____

Attest:

By: _____

Its: _____

Approved as to form:

Town Attorney

**AGREEMENT FOR STORAGE OF WATER
AT THE
TONOPAH DESERT RECHARGE PROJECT**

1. PARTIES:

This Agreement is made and entered into the _____ day of _____, 20____, by and between the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as "CAWCD", and the TOWN OF GILBERT, hereinafter referred to as "GILBERT".

2. RECITALS:

2.1 CAWCD has constructed and is responsible for operating the Tonopah Desert Recharge Project (the "TDRP"), an underground storage facility that is located in the Hassayampa Sub-basin of the Phoenix Active Management Area in western Maricopa County.

2.2 ADWR has issued CAWCD a Constructed Underground Storage Facility Permit (Permit No. 71-593305.0003) for the TDRP. The permit authorizes the underground storage of a maximum of 150,000 acre-feet per annum not to exceed 2,000,000 acre-feet in storage at any time. The TDRP is a State Demonstration Recharge Project pursuant to A.R.S. § 45-891.01, et seq.

2.3 GILBERT desires to store CAP water at the TDRP and CAWCD agrees to make available unused storage capacity at the TDRP for such storage, in accordance with the provisions of this Agreement.

NOW THEREFORE, in consideration of the foregoing, the payments to be paid by GILBERT, and the covenants and agreements contained in this Agreement, and other good and valuable consideration, CAWCD and GILBERT agree as follows:

3. DEFINITIONS:

As used in this Agreement, the following terms, when capitalized, have the following meanings:

3.1 ADWR: The Arizona Department of Water Resources

3.2 CENTRAL ARIZONA PROJECT (CAP): The water delivery works of the CAP including, but not limited to, the CAP canal, its turnout structures and associated measuring devices.

- 3.3 GILBERT WATER: CAP water scheduled by GILBERT under the terms of its CAP Water Service Subcontract and any other contractual entitlement to CAP Water held by GILBERT.
- 3.4 TDRP: The constructed underground storage facility, constructed and operated by CAWCD pursuant to the Permit, which is located in portions of Sections NW ¼ of the NE ¼; SW ¼ of the NE ¼ and the W ½ of Section 33, T. 3N, R. 7W and the NW ¼ of Section 4, T. 2N, R. 7W, GSRB&M, Maricopa County, Arizona.
- 3.5 TDRP TURNOUT STRUCTURE: The point at which GILBERT water is diverted from the CAP canal for delivery into the TDRP.
- 3.6 PARTY/PARTIES: Either one or both of the parties to this Agreement.
- 3.7 PERMIT: The Constructed Underground Storage Facility Permit issued by the ADWR for the TDRP, Permit No. 71-593305.0003.

4. SCOPE:

This Agreement is limited to the diversion of water at the TDRP Turnout Structure, and the storage of such water at the TDRP by CAWCD for the benefit of GILBERT. CAWCD shall deliver GILBERT water, which is scheduled by GILBERT for storage at the TDRP in accordance with this Agreement, and CAWCD shall store such water underground at the TDRP for the benefit of GILBERT.

5. TERM OF AGREEMENT:

This Agreement shall become effective when executed by both Parties and shall remain in effect for ten (10) years unless the Parties agree in writing to extend the term or unless it is sooner terminated or canceled in accordance with the terms of this Agreement.

6. CONDITIONS RELATING TO STORAGE:

- 6.1 All storage of GILBERT water at the TDRP shall be consistent with Arizona law.
- 6.2 GILBERT shall obtain a water storage permit from ADWR authorizing it to store GILBERT water at the Constructed TDRP.
- 6.3 CAWCD's storage of GILBERT water at the TDRP shall, at all times, comply with the Permit. CAWCD shall be responsible for filing annual reports as required by the Permit. CAWCD shall promptly notify GILBERT of any changes or modifications to the Permit that would affect rights under this Agreement. If the Permit is canceled or expires for any reason, GILBERT may terminate this Agreement.

7. PROCEDURE FOR SCHEDULING STORAGE CAPACITY:

7.1 As soon as practicable after the date of execution of this Agreement, GILBERT shall submit to CAWCD a proposed schedule indicating the amount of TDRP storage capacity it desires to use during the year in which this Agreement is executed. Thereafter, on or before October 1 of each year during the term of this Agreement, GILBERT shall submit to CAWCD a proposed schedule indicating the amount of TDRP storage capacity GILBERT desires to use during the following year.

7.2 As soon as practicable after receipt of GILBERT's proposed schedule following the execution of this Agreement, CAWCD shall return to GILBERT the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of TDRP storage capacity that is available to GILBERT for the year in which this Agreement is executed. Thereafter, on or before November 15 of each year during the term of this Agreement, CAWCD shall return to GILBERT the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of TDRP storage capacity that is available to GILBERT for the following year, if any.

8. WATER STORAGE RATE:

Each year under the term of this Agreement, CAWCD shall establish a per acre-foot recharge rate ("Annual Recharge Rate") for the use of TDRP storage capacity for the following year, in accordance with CAWCD's adopted Recharge Rate Policy. GILBERT shall be obligated to pay CAWCD this Annual Recharge Rate for each acre-foot of storage capacity used by GILBERT during the year. Such payment shall be in accordance with the provisions of Section 13 below.

9. OPERATING AGENT:

9.1 CAWCD shall be responsible for operating the TDRP.

9.2 CAWCD shall retain sole responsibility and authority for decisions relating to the TDRP operating and maintenance practices, including maintenance scheduling and the selection of periods when maintenance will be done.

9.3 Whenever practicable, CAWCD shall inform GILBERT ninety (90) days in advance of any matter which may substantially affect the TDRP or the rights of GILBERT.

10. DESTRUCTION/RECONSTRUCTION OF THE TDRP:

In the event of destruction of all or part of the TDRP, CAWCD may repair or reconstruct the TDRP, but CAWCD shall not be obligated to do so.

11. WATER MEASUREMENT AND ACCOUNTING:

- 11.1 CAWCD shall base its accounting for water delivered to the TDRP on actual measurements, methods required by the Permit and/or generally accepted accounting and engineering practices.
- 11.2 CAWCD shall install and maintain a flow measurement system to measure the amount of water diverted from the CAP into the TDRP. CAWCD shall test and maintain the accuracy of this system within plus or minus 5 percent of actual flows.
- 11.3 CAWCD shall determine evaporation losses representative of the conditions at or near the TDRP using the method indicated in the Permits or using actual measurements, when available. Any other losses in the TDRP shall be calculated using generally accepted engineering practices.
- 11.4 All losses that occur at the TDRP, other than by evaporation, will be calculated using generally accepted engineering practices and water-level readings from the gages in the basins.
- 11.5 CAWCD shall prepare a monthly water accounting report of water stored at the TDRP for GILBERT. The report shall include the daily amount of water stored and the losses calculated as described in this Section.
- 11.6 CAWCD shall provide the ADWR with water accounting reports for the TDRP as required by the Permit.
- 11.7 The water accounting reports prepared pursuant to this Section shall be sent to GILBERT monthly and shall be retained by CAWCD for at least three years.
- 11.8 CAWCD shall provide GILBERT copies of TDRP annual reports submitted to ADWR.

12. WATER QUALITY:

GILBERT shall indemnify and hold harmless CAWCD against all losses to third parties resulting from water quality degradation or harm to property caused by use of the TDRP, due to the commingling of GILBERT water with the groundwater. Further, GILBERT waives any claim on its own behalf against CAWCD for water quality degradation or harm to property arising from such commingling, unless such claim is intended to enforce the indemnification provision of this Section; provided, however, that GILBERT shall indemnify and hold harmless CAWCD only to the extent that indemnification is not provided to CAWCD by the State of Arizona pursuant to A.R.S. Section 45-898.01; and

provided, further, however, that GILBERT indemnification shall only extend to the percentage of degradation attributable to the water stored on behalf of GILBERT at the TDRP under the terms of this Agreement. GILBERT retains the right to claims over or against any other entity, including CAWCD, storing water in the TDRP in the amount proportionate to such amount stored by those other entities. In no event shall CAWCD assume liability for water quality degradation resulting from the storage of water in the TDRP, solely due to its performance of obligations as the operating agent under this Agreement.

13. BILLING AND PAYMENTS:

13.1 On or before the 15th day of each month, CAWCD will bill GILBERT for each acre-foot of storage capacity used by GILBERT during the previous month. The amount billed to GILBERT shall be equal to the Annual Recharge Rate multiplied by the number of acre-feet of GILBERT water delivered to the TDRP as measured at the TDRP Turnout Structure. GILBERT shall pay CAWCD within thirty (30) days of receipt of such bill. Payment is not contingent upon and is not related to GILBERT's accrual of long-term storage credits from water stored at the TDRP.

13.2 If payment due under this Agreement remains unpaid more than sixty (60) days after its due date, CAWCD may terminate this Agreement effective upon written notice to GILBERT. In the event CAWCD terminates this Agreement, GILBERT shall remain obligated to pay any outstanding balance.

14. AUTHORIZATIONS AND APPROVALS:

GILBERT shall be responsible for obtaining, at its own expense, any permits, authorizations and approvals required for the underground storage and recovery of water in the TDRP or for GILBERT's performance under this Agreement. GILBERT shall keep CAWCD informed of its applications for such permits and authorizations. CAWCD will share information with GILBERT to assist GILBERT in its permit application. GILBERT shall also be responsible for filing any annual reports or other documents necessary to maintain its right to store water at the TDRP.

15. LIABILITY:

15.1 Each Party shall assume liability for its own negligence and shall indemnify the other against any damages the non-negligent Party incurs as a result of the negligent Party's action or inaction.

- 15.2 CAWCD shall assume no liability to GILBERT for claims of damage resulting from CAWCD's decision to curtail or stop water flows to the TDRP site during storm or emergency conditions.
- 15.3 CAWCD shall assume no liability to GILBERT for quantities of recoverable or unrecoverable water stored underground or removed from underground storage; nor to replace water lost, unintentionally misdirected or otherwise failing to reach the underlying aquifer. CAWCD, GILBERT and any other entities storing water at the TDRP shall share in any deficiency resulting from such lost, misdirected or otherwise unstored water in proportion to the amount of the TDRP capacity it used at the time the deficiency accrued.
- 15.4 Liability, as described in Section 12 related to water stored in the TDRP by GILBERT prior to termination of this Agreement, shall remain with GILBERT after termination of this Agreement. This Section 15.4 shall survive expiration or termination of this Agreement, and remain in full force and effect.
- 15.5 In the event any third party institutes an action against CAWCD, GILBERT or other entities storing water at the TDRP for claims arising from the activities undertaken pursuant to this Agreement, the parties named in the action shall meet to determine the procurement of legal counsel and the steps to take to defend against the action.

16. INSURANCE:

- 16.1 During the term of this Agreement, unless otherwise agreed in writing by CAWCD, GILBERT shall procure and maintain in force or cause to be procured and maintained in force the following types of insurance:
 - 16.1.1 Commercial General Liability Insurance naming CAWCD as an additional insured, including bodily injury, personal injury, property damage, wrongful death and contractual liability with a minimum limit of \$1,000,000 per occurrence.
 - 16.1.2 Business Automobile Liability Insurance with a minimum limit of \$1,000,000.
 - 16.1.3 Worker's Compensation required by Arizona State law, and Employer's Liability Insurance with limits of \$1,000,000 per accident, \$1,000,000 per employee per disease, and \$1,000,000 aggregate for disease.
 - 16.1.4 Commercial Umbrella – combined single limit of \$4,000,000.

- 16.2 Any insurance carried by CAWCD shall be excess and not contributory insurance to any insurance afforded hereunder. GILBERT shall submit satisfactory proof of insurance to CAWCD prior to use of the TDRP. Such proof of insurance shall be in the form of a certificate stating the coverage provided and that such insurance shall not be canceled until after thirty (30) days prior written notice thereof shall have been given to CAWCD.
- 16.3 With written approval of CAWCD, GILBERT may self-insure or combine the coverages required by this Agreement with coverages outside the scope of that required by this Agreement.
- 16.4 If GILBERT fails to acquire, provide or continue the insurance coverages required CAWCD may terminate this Agreement immediately upon written notice to GILBERT.

17. DEFAULT:

- 17.1 GILBERT and CAWCD shall pay all monies and carry out all other performances, duties and obligations agreed to be paid and/or performed by them pursuant to this Agreement. A failure by GILBERT or CAWCD to adhere to the covenants and obligations to be kept and performed by it shall be an act of default under this Agreement.
- 17.2 In the event of a default by GILBERT or CAWCD, then, within thirty (30) days following notice of such default either Party may cure the default either by advancing the necessary funds and/or rendering the necessary performance. Such notice shall specify the existence and nature of such default. If such default is not remedied within the time specified, the non-defaulting Party may terminate this Agreement upon 24 hours written notice.

18. UNCONTROLLABLE FORCES:

Neither Party to this Agreement shall be considered in default in the performance of any of its obligations under this Agreement (other than obligations of GILBERT to pay costs and expenses) when a failure of performance is due to Uncontrollable Forces. The term "uncontrollable forces"; shall mean any cause beyond the control of the Party unable to perform such obligation, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by, or failure to obtain the necessary authorizations or

approvals from any governmental agency or authority not a Party to this Agreement, which by exercise of due diligence, it shall be unable to overcome.

19. RESOLUTION OF DISPUTES:

A Party having a dispute under this Agreement that cannot be resolved by the Parties may submit the dispute to arbitration. Arbitration shall be subject to the following provisions:

- 19.1.1 Arbitration shall be binding only upon the consent of the Parties.
- 19.1.2 A Party wishing to submit a dispute to arbitration shall provide thirty (30) days written notice to the other Party of its intent to pursue arbitration and shall name one arbitrator at that time. Within fifteen (15) days of receiving this notice, the other Party to the dispute shall name one arbitrator and give written notice to the other Party of its selection. The two selected arbitrators shall, within five (5) days of selection of the second arbitrator, jointly select a third arbitrator.
- 19.1.3 Within thirty (30) days from the selection of the third arbitrator, the arbitrators shall hold a hearing. Within thirty (30) days from the conclusion of the hearing, the arbitrators shall render a decision on the dispute.
- 19.1.4 Arbitration shall be subject to the Arizona Arbitration Act, Arizona Revised Statutes, Title 12, Chapter 9, and Article 1. In the event of a conflict between this Agreement and the Act, the provisions of this Agreement shall prevail.
- 19.1.5 A Party that is dissatisfied with the results of non-binding arbitration may pursue any other legal or equitable remedy not expressly provided for in this Section 19 and available to resolve the dispute.

20. ACTION PENDING RESOLUTION OF DISPUTES:

Pending the resolution of a dispute pursuant to Section 19, each Party shall proceed, to the extent legally permissible, in a manner consistent with this Agreement, and shall make payments required in accordance with the applicable provisions of this Agreement. Any amount paid by a Party pursuant to this Section 20 during the course of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due.

21. GOVERNING LAW:

The laws of the State of Arizona shall govern this Agreement.

22. BINDING OBLIGATIONS:

All of the obligations set forth in this Agreement shall bind CAWCD and its successors and assigns. This Agreement shall not be assigned by GILBERT or accrue to GILBERT's successor, nor shall the TDRP capacity use rights hereunder of GILBERT be used by another party. CAWCD retains the right to sell, lease, assign or otherwise convey its ownership of the TDRP to a third party. In such event, CAWCD may cancel this Agreement upon written notice to GILBERT.

23. NOTICES:

23.1 Notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Central Arizona Water Conservation District
c/o General Manager
P.O. Box 43020
Phoenix, AZ 85080-3020

Town of Gilbert
c/o Water Resources Manager
50 E. Civic Center Drive
Gilbert, AZ 85296

23.2 A party may, at any time, by notice to the other Party, designate different or additional persons or different addresses for the giving of notices.

24. THIRD PARTY BENEFICIARIES:

This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

25. WAIVER:

The waiver by either Party of a breach of any term, covenant or condition in this Agreement shall not be deemed a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition of this Agreement.

26. HEADINGS:

Title and paragraph headings are for reference only and are not part of this Agreement.

27. ENTIRE AGREEMENT:

The terms, covenants and conditions of this Agreement constitute the entire Agreement between the Parties relative to the leasing of TDRP storage capacity, and no understandings or agreements not herein expressly set forth shall be binding upon them. This Agreement may not be modified or amended in any manner unless in writing and signed by the Parties.

28. CONFLICT OF INTEREST:

This Contract is subject to cancellation pursuant to the provisions of A.R.S. § 38-511 relating to conflict of interest.

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Lisa A. Atkins, President

Attest: _____
Sharon B. Megdal, Secretary

[REMAINDER OF PAGE IS INTENTIONALLY BLANK]

TOWN OF GILBERT

By: _____

Its: _____

Attest:

By: _____

Its: _____

Approved as to form:

Town Attorney

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 2.c

CONTACT: Greg Adams
623-869-2124
gadams@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Renewal of Water Storage Agreement for Flowing Wells Irrigation District - Adams

RECOMMENDATION: Staff recommends that the Board approve the Agreement for Water Storage at the Lower Santa Cruz Replenishment Project between CAWCD and Flowing Wells Irrigation District.

FISCAL IMPLICATIONS: No

Impact on Budget:
\$0

Additional spending authority requested: None

Impact on Reserves:
None

Impact on Rates:
None

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD Board of Directors 2016 Strategic Plan

- Water Supply: Reliability of the CAP Water Supply

PREVIOUS BOARD ACTION/ACTIVITY:

On October 2, 2007 - Board approved the agreement between CAWCD and Flowing Wells Irrigation District to store water at the Lower Santa Cruz Replenishment Project.

ISSUE SUMMARY/DESCRIPTION:

Flowing Wells Irrigation District's ("FWID") existing Water Storage Agreement with CAWCD to store water at the Lower Santa Cruz Replenishment Project expire on October 2, 2007. Pursuant to the terms of the water storage agreement FWID desires to renew the water storage agreement for an additional term of ten (10) years.

Attached are the Agreements for Storage of Water at the Lower Santa Cruz Replenishment Project. The water storage agreement includes CAWCD's standard requirements pertaining to scheduling storage capacity, water measurement and accounting, billing and payment. The water storage rate charged to FWID for recharge on any particular year is established in CAWCD's Water Rate Schedule.

SUGGESTED MOTION:

I move that the Board approve the Agreement for Water Storage at the Lower Santa Cruz Replenishment Project between CAWCD and Flowing Wells Irrigation District

ATTACHMENTS:

1. WSA - FWID at LSCR 2020 final execution copy 2020

**AGREEMENT FOR STORAGE OF WATER
AT THE
LOWER SANTA CRUZ REPLENISHMENT PROJECT**

1. PARTIES:

This agreement is made and entered into the _____ day of _____, 2020, by and between the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as “CAWCD”, and FLOWING WELLS IRRIGATION DISTRICT, hereinafter referred to as “FWID”.

2. RECITALS:

2.1 CAWCD is responsible for operating the Lower Santa Cruz Replenishment Project (“LSCRCP”), an underground storage facility. The LSCRCP is located in the Tucson Active Management Area, within the Town of Marana, north of the Avra Valley airport and southwest of the Santa Cruz River in Section 3 of Township 12 South, Range 11 East, Pima County, Arizona.

2.2 ADWR has issued CAWCD a Constructed Underground Storage Facility Permit (Permit No. 71-561366.0006) for the LSCRCP. The Permit authorizes the underground storage of a maximum of 50,000 acre-feet per annum, not to exceed 600,000 acre-feet maximum in storage at any time at the LSCRCP. The LSCRCP is a State Demonstration Recharge Project pursuant to A.R.S. §45-891.01 et seq.

2.3 FWID desires to store CAP water at the LSCRCP and CAWCD agrees to make available storage capacity at the LSCRCP for such storage, consistent with the provisions of the Agreement for Tucson Area Reliability Among the Central Arizona Water Conservation District, the City of Tucson, Flowing Wells Irrigation District, Metropolitan Domestic Water Improvement District, the Town of Marana and the Town of Oro Valley dated January 4, 2011 (the “Tucson Area Reliability Agreement”), and in accordance with the provisions of this Agreement.

NOW THEREFORE, in consideration of the foregoing, the payments to be paid by FWID, and the covenants and agreements contained in this Agreement, and other good and valuable consideration, CAWCD and FWID agree as follows:

3. DEFINITIONS:

As used in this Agreement, the following terms, when capitalized, have the following meanings:

- 3.1 ADWR: The Arizona Department of Water Resources.
- 3.2 BKW WATER DELIVERY SYSTEM: The canal system, including pump stations, gates and measuring devices, owned by BKW Farms, Inc., which diverts water from the CAP canal at milepost 295.5 on the CAP canal.
- 3.3 CENTRAL ARIZONA PROJECT (CAP): The water delivery works of the CAP including, but not limited to, the CAP canal, its turnout structures and associated measuring devices.
- 3.4 FLOWING WELLS IRRIGATION DISTRICT WATER (FWID): CAP water scheduled by FWID under the terms of its CAP Water Service Subcontract.
- 3.5 LSCRП TURNOUT: The point on the BKW Water Delivery System at which CAP water is diverted from the BKW Water Delivery System into the LSCRП.
- 3.6 PARTY/PARTIES: Either one or both of the parties to this Agreement.
- 3.7 PERMIT: The Constructed Underground Storage Facility Permit issued by the ADWR for the LSCRП facility, permit no. 71-561366.0006.

4. SCOPE OF SERVICES:

This Agreement is limited to the transportation of FWID water through the BKW Water Delivery System to the LSCRП and storage of such water at the LSCRП by CAWCD for the benefit of FWID. CAWCD shall deliver FWID water, which is scheduled by FWID for storage at the LSCRП, to the LSCRП and CAWCD shall store such water underground at the LSCRП for the benefit of FWID.

5. TERM OF AGREEMENT:

This Agreement shall become effective when executed by both Parties and shall remain in effect for ten years unless the Parties agree in writing to extend the term or unless it is sooner terminated or canceled in accordance with the terms of this Agreement.

6. CONDITIONS RELATING TO STORAGE:

- 6.1 All storage of CAP water at the LSCRП shall be consistent with Arizona water law.
- 6.2 FWID shall obtain a water storage permit from ADWR authorizing it to store FWID water at the LSCRП.

CAWCD's storage of FWID water at the LSCRП shall, at all times, comply with the Permit. CAWCD shall be responsible for filing annual reports as required by the Permit. CAWCD shall promptly notify FWID of any changes or modifications to the Permit that

would affect FWID's rights under this Agreement. If the Permit is canceled or expires for any reason, FWID may terminate this Agreement.

7. PROCEDURE FOR SCHEDULING STORAGE CAPACITY:

7.1 As soon as practicable after the date of execution of this Agreement, FWID shall submit to CAWCD a proposed schedule indicating the amount of LSCRCP storage capacity it desires to use during the year in which this Agreement is executed. Thereafter, on or before October 1 of each year during the term of this Agreement, FWID shall submit to CAWCD a proposed schedule indicating the amount of LSCRCP storage capacity FWID desires to use during the following year.

7.2 As soon as practicable after receipt of FWID's proposed schedule following the execution of this Agreement, CAWCD shall return to FWID the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of LSCRCP storage capacity that is available to FWID for the year in which this Agreement is executed, consistent with the provisions of the Tucson Area Reliability Agreement. Thereafter, on or before November 15 of each year during the term of this Agreement, CAWCD shall return to FWID the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of LSCRCP storage capacity that is available to FWID for the following year.

8. WATER STORAGE RATE:

Each year under the term of this Agreement, CAWCD shall establish a per acre-foot recharge rate ("Annual Recharge Rate") for use of LSCRCP storage capacity for the following year, in accordance with CAWCD's adopted Recharge Rate Policy. FWID shall be obligated to pay CAWCD this annual Recharge Rate for each acre-foot of storage capacity used by FWID during the year. Such payment shall be in accordance with the provisions of Section 13 below.

9. OPERATING AGENT:

9.1 CAWCD shall be responsible for operating the LSCRCP.

9.2 CAWCD shall retain sole responsibility and authority for decisions relating to the LSCRCP operating and maintenance practices, including maintenance scheduling and the selection of periods when maintenance will be done.

9.3 Whenever practicable, CAWCD shall inform FWID ninety (90) days in advance of any matter which may substantially affect the LSCRCP or the rights of FWID.

10. DESTRUCTION/RECONSTRUCTION OF THE LSCR:

In the event of destruction of all or part of the LSCR, CAWCD may repair or reconstruct the LSCR, but CAWCD shall not be obligated to do so. If CAWCD elects not to repair or reconstruct the LSCR, FWID or CAWCD may terminate this Agreement. Notice of such termination shall be in writing and shall be effective ten (10) days after receipt of notice. Provided, however, FWID shall remain obligated to pay CAWCD any amounts owing for water storage services provided under this Agreement before the date of termination.

11. WATER MEASUREMENT AND ACCOUNTING:

- 11.1 CAWCD shall base its accounting for water delivered to the LSCR on actual measurements, methods required by the Permit and/or generally accepted accounting and engineering practices.
- 11.2 CAWCD shall install and maintain a flow measurement system to measure the amount of water diverted from the CAP into the LSCR. CAWCD shall test and maintain the accuracy of this system within plus or minus 5 percent of actual flows.
- 11.3 CAWCD shall determine evaporation losses representative of the conditions at or near the LSCR using the method indicated in the Permit or using actual measurements, when available. Any other losses in the LSCR shall be calculated using generally accepted engineering practices.
- 11.4 All losses that occur at the LSCR, other than by evaporation, will be calculated using generally accepted engineering practices and water-level readings from the gages in the basins.
- 11.5 CAWCD shall prepare a monthly water accounting report of water stored at the LSCR for FWID. The report shall include the daily amount of water stored and the losses calculated as described in this Section.
- 11.6 CAWCD shall provide the ADWR with water accounting reports for the LSCR as required by the Permit.
- 11.7 The water accounting reports prepared pursuant to this Section shall be sent to FWID monthly and shall be retained by CAWCD for at least three years.
- 11.8 CAWCD shall provide FWID copies of the LSCR annual reports submitted to ADWR.

12. WATER QUALITY:

FWID shall indemnify and hold harmless CAWCD against all losses to third parties resulting from water quality degradation or harm to property caused by FWID's use of the LSCR, due to the commingling of FWID water with the groundwater or water flowing above or below the surface of the Santa Cruz riverbed. Further, FWID waives any claim on its own behalf against CAWCD for water quality degradation or harm to property arising from such commingling, unless such claim is intended to enforce the indemnification provision of this Section; provided, however, that FWID shall indemnify and hold harmless CAWCD only to the extent that indemnification is not provided to CAWCD by the State of Arizona pursuant to A.R.S. §45-898.01; and provided, further, however, that FWID's indemnification shall only extend to the percentage of degradation attributable to the water stored on behalf of FWID at the LSCR under the terms of this Agreement. FWID retains the right to claims over or against any other entity, including CAWCD, storing water in the LSCR in the amount proportionate to such amount stored by those other entities. In no event shall CAWCD assume liability for water quality degradation resulting from the storage of water in the LSCR, solely due to its performance of obligations as the operating agent under this Agreement.

13. BILLING AND PAYMENTS:

13.1 On or before the 15th day of each month, CAWCD will bill FWID for each acre-foot of storage capacity used by FWID during the previous month. The amount billed to FWID shall be equal to the Annual Recharge Rate multiplied by the number of acre-feet of FWID water delivered to the LSCR as measured at the LSCR Turnout. FWID shall pay CAWCD within thirty (30) days of receipt of such bill. Payment is not contingent upon and is not related to FWID's accrual of long-term storage credits from water stored at the LSCR.

13.2 If payment due under this Agreement remains unpaid more than sixty (60) days after its due date, CAWCD may terminate this Agreement effective upon written notice to FWID. In the event CAWCD terminates this Agreement, FWID shall remain obligated to pay any outstanding balance.

14. AUTHORIZATIONS AND APPROVALS:

FWID shall be responsible for obtaining, at its own expense, any permits, authorizations and approvals required for the underground storage and recovery of water in the LSCR or for FWID's performance under this Agreement. FWID

shall keep CAWCD informed of its applications for such permits and authorizations. CAWCD will share information with FWID to assist FWID in its permit application. FWID shall also be responsible for filing any annual reports or other documents necessary to maintain its right to store water at the LSCRCP.

15. LIABILITY:

- 15.1 Each Party shall assume liability for its own negligence and shall indemnify the other against any damages the non-negligent Party incurs as a result of the negligent Party's action or inaction.
- 15.2 CAWCD shall assume no liability to FWID for claims of damage resulting from CAWCD's decision to curtail or stop water flows to the LSCRCP site during storm or emergency conditions.
- 15.3 CAWCD shall assume no liability to FWID for quantities of recoverable or unrecoverable water stored underground or removed from underground storage; nor to replace water lost, misdirected or otherwise failing to reach the underlying aquifer. CAWCD, FWID and any other entities storing water at the LSCRCP shall share in any deficiency resulting from such lost, misdirected or otherwise unstored water in proportion to the amount of the LSCRCP capacity it used at the time the deficiency accrued.
- 15.4 Liability, as described in Section 12 related to water stored in the LSCRCP by FWID prior to termination of this Agreement, shall remain with FWID after termination of this Agreement. This Section 15.4 shall survive expiration or termination of this Agreement, and remain in full force and effect.
- 15.5 In the event any third party institutes an action against CAWCD, FWID or other entities storing water at the LSCRCP for claims arising from the activities undertaken pursuant to this Agreement, the parties named in the action shall meet to determine the procurement of legal counsel and the steps to take to defend against the action.

16. INSURANCE:

- 16.1 During the term of this Agreement, unless otherwise agreed in writing by CAWCD, FWID shall procure and maintain in force or cause to be procured and maintained in force the following types of insurance:
 - 16.1.1 Commercial General Liability Insurance naming CAWCD as an additional insured, including bodily injury, personal injury, property damage, wrongful death, and contractual liability with a minimum limit of \$1,000,000 per occurrence.

16.1.2 Business Automobile Liability Insurance with a minimum limit of \$1,000,000.

16.1.3 Worker's Compensation as required by Arizona State law and Employees' Liability Insurance with limits of \$1,000,000 per accident, \$1,000,000 per employee per disease and \$1,000,000 aggregate for disease.

16.1.4 Commercial Umbrella – combined single limit of \$4,000,000.

16.2 Any insurance carried by CAWCD shall be excess and not contributory insurance to any insurance afforded hereunder. FWID shall submit satisfactory proof of insurance to CAWCD prior to use of the LSCRP. Such proof of insurance shall be in the form of a certificate stating the coverage provided and that such insurance shall not be canceled until after thirty (30) days prior written notice thereof shall have been give to CAWCD.

16.3 With written approval of CAWCD, FWID may self-insure or combine the coverages required by this Agreement with coverages outside the scope of that required by this Agreement.

16.4 If FWID fails to acquire, provide or continue the insurance coverages required, CAWCD may terminate this Agreement immediately upon written notice to FWID.

17. DEFAULT:

17.1 FWID and CAWCD shall pay all monies and carry out all other performances, duties and obligations agreed to be paid and/or performed by them pursuant to this Agreement. A default by FWID or CAWCD in the covenants and obligations to be kept and performed by it shall be an act of default under this Agreement.

17.2 In the event of a default by CAWCD or FWID, then, within thirty (30) days following notice of such default by the non-defaulting Party, the defaulting Party shall remedy such default either by advancing the necessary funds and/or rendering the necessary performance. Such notice shall specify the existence and nature of such default. If such default is not remedied within the time specified, the non-defaulting party may terminate this Agreement upon 24 hours written notice.

18. UNCONTROLLABLE FORCES:

Neither Party to this Agreement shall be considered in default in the performance of any of its obligations under this Agreement (other than obligations of FWID to

pay costs and expenses) when a failure of performance is due to Uncontrollable Forces. The term “uncontrollable forces” shall mean any cause beyond the control of the Party unable to perform such obligation, including but not limited to, the failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by or failure to obtain the necessary authorizations or approvals from any governmental agency or authority not a Party to this Agreement, which by exercise of due diligence, it shall be unable to overcome. Any Party rendered unable to fulfill any of its obligations under this Agreement by reason of an Uncontrollable Force shall give prompt written notice of such fact to the other Party and shall exercise due diligence to remove such inability. If, after the exercise of due diligence, a Party is unable to remove such inability, then either FWID or CAWCD may terminate this Agreement. Notice of such termination shall be in writing and shall be effective thirty (30) days after receipt of notice.

19. RESOLUTION OF DISPUTES:

19.1 A Party having a dispute under this Agreement that cannot be resolved by the Parties, may submit the dispute to arbitration. Arbitration shall be subject to the following provisions:

19.1.1 Arbitration shall be binding only upon the consent of the Parties.

19.1.2 A Party wishing to submit a dispute to arbitration shall provide thirty (30) day written notice to the other party of its intent to pursue arbitration and shall name one arbitrator at that time. Within fifteen (15) days of receiving this notice, the other Party to the dispute shall name one arbitrator and give written notice to the other Party of its selection. The two selected arbitrators shall, within five (5) days of selection of the second arbitrator, jointly select a third arbitrator.

19.1.3 Within thirty (30) days from the selection of the third arbitrator, the arbitrators shall hold a hearing. Within thirty (30) days from the conclusion of the hearing, the arbitrators shall render a decision on the dispute.

19.1.4 Arbitration shall be subject to the Arizona Arbitration Act, Arizona Revised Statutes, Title 12, Chapter 9, Article 1. In the event of a conflict between this Agreement and the Arizona Arbitration Act, the provisions of this Agreement shall prevail.

19.1.5 A Party that is dissatisfied with the results of non-binding arbitration may pursue any other legal or equitable remedy not expressly provided for in this Section 19 and available to resolve the dispute.

20. ACTION PENDING RESOLUTION OF DISPUTES:

Pending the resolution of a dispute pursuant to Section 19, each Party shall proceed, to the extent legally permissible, in a manner consistent with this Agreement, and shall make payments required in accordance with the applicable provisions of this Agreement. Any amount paid by a Party pursuant to this Section 20 during the course of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due.

21. GOVERNING LAWS:

This Agreement shall be governed by laws of the State of Arizona.

22. BINDING OBLIGATIONS:

All of the obligations set forth in the Agreement shall bind CAWCD and its successors and assigns. This Agreement shall not be assigned by FWID or accrue to FWID's successor, nor shall the LSCR capacity use rights hereunder of FWID be used by another party, without the prior written consent of CAWCD. CAWCD retains the right to sell, lease, assign or otherwise convey its ownership of the LSCR to a third party. In such event, CAWCD may cancel this Agreement upon written notice to FWID.

23. NOTICES:

23.1 Notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified:

Central Arizona Water Conservation District
c/o General Manager
P.O. Box 43020
Phoenix, AZ 85080-3020

Flowing Wells Irrigation District
c/o David Crockett, Superintendent
3901 N. Fairview Avenue
Tucson, AZ 85705

23.2 A Party may, at any time, by notice to the other Party, designate different or additional persons or different addresses for the giving of notices.

24. THIRD PARTY BENEFICIARIES:

This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

25. WAIVER:

The waiver by either Party of a breach of any term, covenant or condition in this Agreement shall not be deemed a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term covenant or condition of this Agreement.

26. HEADINGS:

Title and paragraph headings are for reference only and are not part of this Agreement.

27. ENTIRE AGREEMENT:

The terms, covenants and conditions of this Agreement constitute the entire agreement between the Parties relative to the use of LSCRP storage capacity, and no understandings or agreements not herein expressly set forth shall be binding upon them. This Agreement may not be modified or amended in any manner unless in writing and signed by both Parties.

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto.

[SIGNATURES ON NEXT PAGE]

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Lisa A. Atkins, President

Attest: _____
Sharon B. Megdal, Secretary

[REMAINDER OF PAGE IS INTENTIONALLY BLANK]

FLOWING WELLS IRRIGATION DISTRICT

By: _____
David Crockett, Superintendent

Attest: _____

Its: _____

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 2.d

CONTACT: Greg Adams
623-869-2124
gadams@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Renewal of Water Storage Agreements for the Town of Oro Valley - Adams

RECOMMENDATION: Staff recommends that the Board approve the renewed Agreements for Water Storage at the Lower Santa Cruz Replenishment Project and Pima Mine Road Recharge Project between CAWCD and the Town of Oro Valley.

FISCAL IMPLICATIONS: No

Impact on Budget:

\$0

Additional spending authority requested: None

Impact on Reserves:

None

Impact on Rates:

None

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD Board of Directors 2016 Strategic Plan

- Water Supply: Reliability of the CAP Water Supply

PREVIOUS BOARD ACTION/ACTIVITY:

Board previously approved the agreements between CAWCD and the Town of Oro Valley to store water at the Lower Santa Cruz Replenishment Project and Pima Mine Road Recharge Project.

ISSUE SUMMARY/DESCRIPTION:

The Town of Oro Valley ("Oro Valley") desires to renew their existing Water Storage Agreements with CAWCD to store water at the Lower Santa Cruz Replenishment Project and Pima Mine Road Recharge Project. Pursuant to the terms of the water storage agreement, the Town of Oro Valley desires to renew the water storage agreements for an additional term of 10 years. The Town of Oro Valley has approved the agreements.

Attached are the Agreements for Storage of Water at the Lower Santa Cruz Replenishment Project and Pima Mine Road Recharge Project. The water storage agreements include CAWCD's standard requirements pertaining to scheduling storage capacity, water measurement and accounting, billing and payment. The water storage rate charged to the Town of Oro Valley for recharge on any particular year is established in

CAWCD's Water Rate Schedule.

SUGGESTED MOTION:

I move that the Board approve the Agreements for Water Storage at the Lower Santa Cruz Replenishment Project and Pima Mine Road Recharge Project between CAWCD and the Town of Oro Valley.

ATTACHMENTS:

1. WSA - Oro Valley at LSCRП final execution copy
2. WSA - Oro Valley at PMRRP final execution copy

**AGREEMENT FOR STORAGE OF WATER
AT THE
LOWER SANTA CRUZ REPLENISHMENT PROJECT**

1. PARTIES:

This agreement is made and entered into the _____ day of _____, 2020, by and between the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as “CAWCD”, and the TOWN OF ORO VALLEY, hereinafter referred to as “ORO VALLEY”.

2. RECITALS:

- 2.1 CAWCD is responsible for operating the Lower Santa Cruz Replenishment Project (“LSCRCP”), an underground storage facility. The LSCRCP is located in the Tucson Active Management Area, within the Town of Marana, north of the Avra Valley airport and southwest of the Santa Cruz River in Section 3 of Township 12 South, Range 11 East, Pima County, Arizona.
- 2.2 ADWR has issued CAWCD a Constructed Underground Storage Facility Permit (Permit No. 71-561366.0006) for the LSCRCP. The Permit authorizes the underground storage of a maximum of 50,000 acre-feet per annum, not to exceed 600,000 acre-feet maximum in storage at any time at the LSCRCP. The LSCRCP is a State Demonstration Recharge Project pursuant to A.R.S. §45-891.01 et seq.
- 2.3 ORO VALLEY desires to store CAP water at the LSCRCP and CAWCD agrees to make available unused storage capacity at the LSCRCP for such storage, in accordance with the provisions of this Agreement and the Agreement for Tucson Area Reliability Among the Central Arizona Water Conservation District, the City of Tucson, Flowing Wells Irrigation District, Metropolitan Domestic Water Improvement District, the Town of Marana and the Town of Oro Valley dated January 4, 2011 (the “Tucson Area Reliability Agreement”).

NOW THEREFORE, in consideration of the foregoing, the payments to be paid by ORO VALLEY, and the covenants and agreements contained in this Agreement, and other good and valuable consideration, CAWCD and ORO VALLEY agree as follows:

3. DEFINITIONS:

As used in this Agreement, the following terms, when capitalized, have the following meanings:

- 3.1 ADWR: The Arizona Department of Water Resources.
- 3.2 BKW WATER DELIVERY SYSTEM: The canal system, including pump stations, gates and measuring devices, owned by BKW Farms, Inc., which diverts water from the CAP canal at milepost 295.5 on the CAP canal.
- 3.3 CENTRAL ARIZONA PROJECT (CAP): The water delivery works of the CAP including, but not limited to, the CAP canal, its turnout structures and associated measuring devices.
- 3.4 LSCRП TURNOUT: The point on the BKW Water Delivery System at which CAP water is diverted from the BKW Water Delivery System into the LSCRП.
- 3.5 PARTY/PARTIES: Either one or both of the parties to this Agreement.
- 3.6 PERMIT: The Constructed Underground Storage Facility Permit issued by the ADWR for the LSCRП facility, permit no. 71-561366.0006.
- 3.7 TOWN OF ORO VALLEY ("ORO VALLEY"): CAP water scheduled by ORO VALLEY under the terms of its CAP Water Service Subcontract.

4. SCOPE OF SERVICES:

This Agreement is limited to the transportation of ORO VALLEY water through the BKW Water Delivery System to the LSCRП and storage of such water at the LSCRП by CAWCD for the benefit of ORO VALLEY. CAWCD shall deliver ORO VALLEY water, which is scheduled by ORO VALLEY for storage at the LSCRП, to the LSCRП and CAWCD shall store such water underground at the LSCRП for the benefit of ORO VALLEY.

5. TERM OF AGREEMENT:

This Agreement shall become effective when executed by both Parties and shall remain in effect for ten (10) years unless the Parties agree in writing to extend the term or unless it is sooner terminated or canceled in accordance with the terms of this Agreement.

6. CONDITIONS RELATING TO STORAGE:

- 6.1 All storage of CAP water at the LSCRП shall be consistent with Arizona water law.
- 6.2 ORO VALLEY shall obtain a water storage permit from ADWR authorizing it to store ORO VALLEY Water at the LSCRП.

6.3 CAWCD's storage of ORO VALLEY water at the LSCRCP shall, at all times, comply with the Permit. CAWCD shall be responsible for filing annual reports as required by the Permit. CAWCD shall promptly notify ORO VALLEY of any changes or modifications to the Permit that would affect ORO VALLEY's rights under this Agreement. If the Permit is canceled or expires for any reason, ORO VALLEY may terminate this Agreement.

7. PROCEDURE FOR SCHEDULING STORAGE CAPACITY:

7.1 As soon as practicable after the date of execution of this Agreement, ORO VALLEY shall submit to CAWCD a proposed schedule indicating the amount of LSCRCP storage capacity it desires to use during the year in which this Agreement is executed. Thereafter, on or before October 1 of each year during the term of this Agreement, ORO VALLEY shall submit to CAWCD a proposed schedule indicating the amount of LSCRCP storage capacity ORO VALLEY desires to use during the following year.

7.2 As soon as practicable after receipt of ORO VALLEY's proposed schedule following the execution of this Agreement, CAWCD shall return to ORO VALLEY the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of LSCRCP storage capacity that is available to ORO VALLEY for the year in which this Agreement is executed, consistent with the provisions of the Tucson Area Reliability Agreement. Thereafter, on or before November 15 of each year during the term of this Agreement, CAWCD shall return to ORO VALLEY the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of LSCRCP storage capacity that is available to ORO VALLEY for the following year, consistent with the provisions of the Tucson Area Reliability Agreement.

8. WATER STORAGE RATE:

Each year under the term of this Agreement, CAWCD shall establish a per acre-foot recharge rate ("Annual Recharge Rate") for use of LSCRCP storage capacity for the following year, in accordance with CAWCD's adopted Recharge Rate Policy. ORO VALLEY shall be obligated to pay CAWCD this annual Recharge Rate for each acre-foot of storage capacity used by ORO VALLEY during the year. Such payment shall be in accordance with the provisions of Section 13 below.

9. OPERATING AGENT:

9.1 CAWCD shall be responsible for operating the LSCRCP.

- 9.2 CAWCD shall retain sole responsibility and authority for decisions relating to the LSCRП operating and maintenance practices, including maintenance scheduling and the selection of periods when maintenance will be done.
- 9.3 Whenever practicable, CAWCD shall inform ORO VALLEY ninety (90) days in advance of any matter which may substantially affect the LSCRП or the rights of ORO VALLEY.

10. DESTRUCTION/RECONSTRUCTION OF THE LSCRП:

In the event of destruction of all or part of the LSCRП, CAWCD may repair or reconstruct the LSCRП, but CAWCD shall not be obligated to do so. If CAWCD elects not to repair or reconstruct the LSCRП, ORO VALLEY or CAWCD may terminate this Agreement. Notice of such termination shall be in writing and shall be effective ten (10) days after receipt of notice. Provided, however, ORO VALLEY shall remain obligated to pay CAWCD any amounts owing for water storage services provided under this Agreement before the date of termination.

11. WATER MEASUREMENT AND ACCOUNTING:

- 11.1 CAWCD shall base its accounting for water delivered to the LSCRП on actual measurements, methods required by the Permit and/or generally accepted accounting and engineering practices.
- 11.2 CAWCD shall install and maintain a flow measurement system to measure the amount of water diverted from the CAP into the LSCRП. CAWCD shall test and maintain the accuracy of this system within plus or minus 5 percent of actual flows.
- 11.3 CAWCD shall determine evaporation losses representative of the conditions at or near the LSCRП using the method indicated in the Permit or using actual measurements, when available. Any other losses in the LSCRП shall be calculated using generally accepted engineering practices.
- 11.4 All losses that occur at the LSCRП, other than by evaporation, will be calculated using generally accepted engineering practices and water-level readings from the gages in the basins.
- 11.5 CAWCD shall prepare a monthly water accounting report of water stored at the LSCRП for ORO VALLEY. The report shall include the daily amount of water stored and the losses calculated as described in this Section.

- 11.6 CAWCD shall provide the ADWR with water accounting reports for the LSCRCP as required by the Permit.
- 11.7 The water accounting reports prepared pursuant to this Section shall be sent to ORO VALLEY monthly and shall be retained by CAWCD for at least three years.
- 11.8 CAWCD shall provide ORO VALLEY copies of the LSCRCP annual reports submitted to ADWR.

12. WATER QUALITY:

ORO VALLEY shall indemnify and hold harmless CAWCD against all losses to third parties resulting from water quality degradation or harm to property caused by ORO VALLEY's use of the LSCRCP, due to the commingling of ORO VALLEY Water with the groundwater or water flowing above or below the surface of the Santa Cruz riverbed. Further, ORO VALLEY waives any claim on its own behalf against CAWCD for water quality degradation or harm to property arising from such commingling, unless such claim is intended to enforce the indemnification provision of this Section; provided, however, that ORO VALLEY shall indemnify and hold harmless CAWCD only to the extent that indemnification is not provided to CAWCD by the State of Arizona pursuant to A.R.S. §45-898.01; and provided, further, however, that ORO VALLEY's indemnification shall only extend to the percentage of degradation attributable to the water stored on behalf of ORO VALLEY at the LSCRCP under the terms of this Agreement. ORO VALLEY retains the right to claims over or against any other entity, including CAWCD, storing water in the LSCRCP in the amount proportionate to such amount stored by those other entities. In no event shall CAWCD assume liability for water quality degradation resulting from the storage of water in the LSCRCP, solely due to its performance of obligations as the operating agent under this Agreement.

13. BILLING AND PAYMENTS:

- 13.1 On or before the 15th day of each month, CAWCD will bill ORO VALLEY for each acre-foot of storage capacity used by ORO VALLEY during the previous month. The amount billed to ORO VALLEY shall be equal to the Annual Recharge Rate multiplied by the number of acre-feet of ORO VALLEY Water delivered to the LSCRCP as measured at the LSCRCP Turnout. ORO VALLEY shall pay CAWCD within thirty (30) days of receipt of such bill. Payment is not contingent upon and is not related to ORO VALLEY's accrual of long-term storage credits from water stored at the LSCRCP.

13.2 If payment due under this Agreement remains unpaid more than sixty (60) days after its due date, CAWCD may terminate this Agreement effective upon written notice to ORO VALLEY. In the event CAWCD terminates this Agreement, ORO VALLEY shall remain obligated to pay any outstanding balance.

14. AUTHORIZATIONS AND APPROVALS:

ORO VALLEY shall be responsible for obtaining, at its own expense, any permits, authorizations and approvals required for the underground storage and recovery of water in the LSCRCP or for ORO VALLEY's performance under this Agreement. ORO VALLEY shall keep CAWCD informed of its applications for such permits and authorizations. CAWCD will share information with ORO VALLEY to assist ORO VALLEY in its permit application. ORO VALLEY shall also be responsible for filing any annual reports or other documents necessary to maintain its right to store water at the LSCRCP.

15. LIABILITY:

15.1 Each Party shall assume liability for its own negligence and shall indemnify the other against any damages the non-negligent Party incurs as a result of the negligent Party's action or inaction.

15.2 CAWCD shall assume no liability to ORO VALLEY for claims of damage resulting from CAWCD's decision to curtail or stop water flows to the LSCRCP site during storm or emergency conditions.

15.3 CAWCD shall assume no liability to ORO VALLEY for quantities of recoverable or unrecoverable water stored underground or removed from underground storage; nor to replace water lost, misdirected or otherwise failing to reach the underlying aquifer. CAWCD, ORO VALLEY and any other entities storing water at the LSCRCP shall share in any deficiency resulting from such lost, misdirected or otherwise unstored water in proportion to the amount of the LSCRCP capacity it used at the time the deficiency accrued.

15.4 Liability, as described in Section 12 related to water stored in the LSCRCP by ORO VALLEY prior to termination of this Agreement, shall remain with ORO VALLEY after termination of this Agreement. This Section 15.4 shall survive expiration or termination of this Agreement, and remain in full force and effect.

15.5 In the event any third party institutes an action against CAWCD, ORO VALLEY or other entities storing water at the LSCRCP for claims arising

from the activities undertaken pursuant to this Agreement, the parties named in the action shall meet to determine the procurement of legal counsel and the steps to take to defend against the action.

16. INSURANCE:

16.1 During the term of this Agreement, unless otherwise agreed in writing by CAWCD, ORO VALLEY shall procure and maintain in force or cause to be procured and maintained in force the following types of insurance:

16.1.1 Commercial General Liability Insurance naming CAWCD as an additional insured, including bodily injury, personal injury, property damage, wrongful death, and contractual liability with a minimum limit of \$1,000,000 per occurrence.

16.1.2 Business Automobile Liability Insurance with a minimum limit of \$1,000,000.

16.1.3 Worker's Compensation as required by Arizona State law and Employees' Liability Insurance with limits of \$1,000,000 per accident, \$1,000,000 per employee per disease and \$1,000,000 aggregate for disease.

16.1.4 Commercial Umbrella – combined single limit of \$4,000,000.

16.2 Any insurance carried by CAWCD shall be excess and not contributory insurance to any insurance afforded hereunder. ORO VALLEY shall submit satisfactory proof of insurance to CAWCD prior to use of the LSCRP. Such proof of insurance shall be in the form of a certificate stating the coverage provided and that such insurance shall not be canceled until after thirty (30) days prior written notice thereof shall have been give to CAWCD.

16.3 With written approval of CAWCD, ORO VALLEY may self-insure or combine the coverages required by this Agreement with coverages outside the scope of that required by this Agreement.

16.4 If ORO VALLEY fails to acquire, provide or continue the insurance coverages required, CAWCD may terminate this Agreement immediately upon written notice to ORO VALLEY.

17. DEFAULT:

17.1 ORO VALLEY and CAWCD shall pay all monies and carry out all other performances, duties and obligations agreed to be paid and/or performed by them pursuant to this Agreement. A default by ORO VALLEY or

CAWCD in the covenants and obligations to be kept and performed by it shall be an act of default under this Agreement.

17.2 In the event of a default by CAWCD or ORO VALLEY, then, within thirty (30) days following notice of such default by the non-defaulting Party, the defaulting Party shall remedy such default either by advancing the necessary funds and/or rendering the necessary performance. Such notice shall specify the existence and nature of such default. If such default is not remedied within the time specified, the non-defaulting party may terminate this Agreement upon 24 hours written notice.

18. UNCONTROLLABLE FORCES:

Neither Party to this Agreement shall be considered in default in the performance of any of its obligations under this Agreement (other than obligations of ORO VALLEY to pay costs and expenses) when a failure of performance is due to Uncontrollable Forces. The term "uncontrollable forces" shall mean any cause beyond the control of the Party unable to perform such obligation, including but not limited to, the failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by or failure to obtain the necessary authorizations or approvals from any governmental agency or authority not a Party to this Agreement, which by exercise of due diligence, it shall be unable to overcome. Any Party rendered unable to fulfill any of its obligations under this Agreement by reason of an Uncontrollable Force shall give prompt written notice of such fact to the other Party and shall exercise due diligence to remove such inability. If, after the exercise of due diligence, a Party is unable to remove such inability, then either ORO VALLEY or CAWCD may terminate this Agreement. Notice of such termination shall be in writing and shall be effective thirty (30) days after receipt of notice.

19. RESOLUTION OF DISPUTES:

19.1 A Party having a dispute under this Agreement that cannot be resolved by the Parties, may submit the dispute to arbitration. Arbitration shall be subject to the following provisions:

19.1.1 Arbitration shall be binding only upon the consent of the Parties.

19.1.2 A Party wishing to submit a dispute to arbitration shall provide thirty (30) day written notice to the other party of its intent to pursue arbitration and shall name one arbitrator at that time. Within fifteen (15) days of receiving this notice, the other Party to the dispute shall name one arbitrator and give written notice to the other Party of its selection. The two selected arbitrators shall, within five (5) days of selection of the second arbitrator, jointly select a third arbitrator.

19.1.3 Within thirty (30) days from the selection of the third arbitrator, the arbitrators shall hold a hearing. Within thirty (30) days from the conclusion of the hearing, the arbitrators shall render a decision on the dispute.

19.1.4 Arbitration shall be subject to the Arizona Arbitration Act, Arizona Revised Statutes, Title 12, Chapter 9, Article 1. In the event of a conflict between this Agreement and the Arizona Arbitration Act, the provisions of this Agreement shall prevail.

19.1.5 A Party that is dissatisfied with the results of non-binding arbitration may pursue any other legal or equitable remedy not expressly provided for in this Section 19 and available to resolve the dispute.

20. ACTION PENDING RESOLUTION OF DISPUTES:

Pending the resolution of a dispute pursuant to Section 19, each Party shall proceed, to the extent legally permissible, in a manner consistent with this Agreement, and shall make payments required in accordance with the applicable provisions of this Agreement. Any amount paid by a Party pursuant to this Section 20 during the course of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due.

21. GOVERNING LAWS:

This Agreement shall be governed by laws of the State of Arizona.

22. BINDING OBLIGATIONS:

All of the obligations set forth in the Agreement shall bind CAWCD and its successors and assigns. This Agreement shall not be assigned by ORO VALLEY or accrue to ORO VALLEY's successor, nor shall the LSCR capacity use rights hereunder of ORO VALLEY be used by another party,

without the prior written consent of CAWCD. CAWCD retains the right to sell, lease, assign or otherwise convey its ownership of the LSCR to a third party. In such event, CAWCD may cancel this Agreement upon written notice to ORO VALLEY.

23. NOTICES:

23.1 Notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified:

Central Arizona Water Conservation District

c/o General Manager
P.O. Box 43020
Phoenix, AZ 85080-3020

Town of Oro Valley

c/o Peter A. Abraham, P.E., Water Utility Director
11000 N. La Canada Drive
Oro Valley, AZ 85737

23.2 A Party may, at any time, by notice to the other Party, designate different or additional persons or different addresses for the giving of notices.

24. THIRD PARTY BENEFICIARIES:

This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

25. WAIVER:

The waiver by either Party of a breach of any term, covenant or condition in this Agreement shall not be deemed a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term covenant or condition of this Agreement.

26. HEADINGS:

Title and paragraph headings are for reference only and are not part of this Agreement.

27. ENTIRE AGREEMENT:

The terms, covenants and conditions of this Agreement constitute the entire agreement between the Parties relative to the use of LSCR storage capacity, and no understandings or agreements not herein

expressly set forth shall be binding upon them. This Agreement may not be modified or amended in any manner unless in writing and signed by both Parties.

28. CONFLICT OF INTEREST:

This Contract is subject to cancellation pursuant to the provisions of A.R.S. § 38-511 relating to conflict of interest.

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Lisa A. Atkins, President

Attest: _____
Sharon B. Megdal, Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TOWN OF ORO VALLEY

By: _____
Peter A. Abraham, P.E., Water Utility Director

ATTEST:

Town Clerk

Date: _____

APPROVED AS TO FORM:

Town Attorney

Date: _____

**AGREEMENT FOR STORAGE OF WATER
AT THE
PIMA MINE ROAD RECHARGE PROJECT**

1. PARTIES:

This agreement is made and entered into the _____ day of _____, 2020, by and between the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as "CAWCD", and the TOWN OF ORO VALLEY, hereinafter referred to as "ORO VALLEY".

2. RECITALS:

2.1 CAWCD and the City of Tucson have executed the Pima Mine Road Recharge Project Intergovernmental Agreement ("IGA"), which provides for, among other things, the construction and operation of the Pima Mine Road Recharge Project-Phases I and 11 (the "Expanded PMRRP"). CAWCD is responsible for operating the Expanded Pima Mine Road Recharge Project ("PMRRP"), an underground storage facility that is located in the Tucson Active Management Area, east of the Central Arizona Project terminus near Pima Mine Road.

2.2 ADWR has issued CAWCD a Constructed Underground Storage Facility Permit (Permit No. 71-577501.0003) for the Expanded PMRRP. The Permit authorizes the underground storage of a maximum of 30,000 acre feet of water annually at the Expanded PMRRP. The Expanded PMRRP is a State Demonstration Recharge Project pursuant to A.R.S. §45-891 .01 et seq.

2.3 Under the terms of the IGA, CAWCD is the Operating Agent for the Expanded PMRRP, and as such, is the designated agent for the City of Tucson for, among other things, the leasing of storage capacity in the Expanded PMRRP.

2.4 Oro Valley desires to store CAP water at the Expanded PMRRP and CAWCD agrees to make available unused storage capacity at the Expanded PMRRP for such storage, in accordance with the provisions of

NOW THEREFORE, in consideration of the foregoing, the payments to be paid by ORO VALLEY, and the covenants and agreements contained in this Agreement, and other good and valuable consideration, CAWCD and ORO VALLEY agree as follows:

3. DEFINITIONS:

As used in this Agreement, the following terms, when capitalized, have the following meanings:

- 3.1 ADWR: The Arizona Department of Water Resources.
- 3.2 CENTRAL ARIZONA PROJECT (CAP): The water delivery works of the CAP including, but not limited to, the CAP canal, its turnout structures and associated measuring devices.
- 3.3 EXPANDED PMRRP TURNOUT STRUCTURE: The point on the CAP aqueduct at which CAP water is diverted into the Expanded Pima Mine Road Recharge Project pipeline for delivery to the Expanded PMRRP.
- 3.4 IGA: The Pima Mine Road Recharge Project Intergovernmental Agreement between CAWCD and the City of Tucson dated May 18, 2020, and any amendments or supplements thereto.
- 3.5 PARTY/PARTIES: Either one or both of the parties to this Agreement.
- 3.6 PERMIT: The Constructed Underground Storage Facility, Permit No. 71-577501.0003.
- 3.7 TOWN OF ORO VALLEY ("ORO VALLEY"): CAP water scheduled by ORO VALLEY under the terms of its CAP Water Service Subcontract.

4. SCOPE OF SERVICES:

This Agreement is limited to the transportation of ORO VALLEY water through the Expanded PMRRP Turnout to Oro Valley and storage of such water at the Expanded PMRRP by CAWCD for the benefit of Oro Valley. CAWCD shall deliver ORO VALLEY water, which is scheduled by ORO VALLEY for storage at the Expanded PMRRP in accordance with this Agreement, and CAWCD shall store such water underground at the Expanded PMRRP for the benefit of ORO VALLEY.

5. TERM OF AGREEMENT:

This Agreement shall become effective when executed by both Parties and shall remain in effect for ten (10) years unless the Parties agree in writing to extend the term or unless it is sooner terminated or canceled in accordance with the terms of this Agreement.

6. CONDITIONS RELATING TO STORAGE:

- 6.1 All storage of ORO VALLEY water at the PMRRP shall be consistent with Arizona water law.

- 6.2 ORO VALLEY shall obtain a water storage permit from ADWR authorizing it to store ORO VALLEY water at the Expanded PMRRP.
- 6.3 CAWCD's storage of ORO VALLEY water at the Expanded PMRRP shall, at all times, comply with the Permit. CAWCD shall be responsible for filing annual reports as required by the Permit. CAWCD shall promptly notify ORO VALLEY of any changes or modifications to the Permit that would affect ORO VALLEY's rights under this Agreement. If the Permit is canceled or expires for any reason, ORO VALLEY may terminate this Agreement.

7. PROCEDURE FOR SCHEDULING STORAGE CAPACITY:

- 7.1 As soon as practicable after the date of execution of this Agreement, ORO VALLEY shall submit to CAWCD a proposed schedule indicating the amount of Expanded PMRRP storage capacity it desires to use during the year in which this Agreement is executed. Thereafter, on or before October 1 of each year during the term of this Agreement, ORO VALLEY shall submit to CAWCD a proposed schedule indicating the amount of Expanded PMRRP storage capacity ORO VALLEY desires to use during the following year.
- 7.2 As soon as practicable after receipt of ORO VALLEY's proposed schedule following the execution of this Agreement, CAWCD shall return to ORO VALLEY the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of Expanded PMRRP storage capacity that is available to ORO VALLEY for the year in which this Agreement is executed. Thereafter, on or before November 15 of each year during the term of this Agreement, CAWCD shall return to ORO VALLEY the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of Expanded PMRRP storage capacity that is available to ORO VALLEY for the following year, if any.

8. WATER STORAGE RATE:

Each year under the term of this Agreement, CAWCD shall establish a per acre-foot recharge rate ("Annual Recharge Rate") for use of Expanded PMRRP storage capacity for the following year, in accordance with CAWCD's adopted Recharge Rate Policy. ORO VALLEY shall be obligated to pay CAWCD this annual Recharge Rate for each acre-foot of storage capacity used by ORO VALLEY during the year. Such payment shall be in accordance with the provisions of Section 13 below.

9. OPERATING AGENT:

- 9.1 CAWCD shall be responsible for operating the Expanded PMRRP.
- 9.2 CAWCD shall retain sole responsibility and authority for decisions relating to the Expanded PMRRP operating and maintenance practices, including maintenance scheduling and the selection of periods when maintenance will be done.
- 9.3 Whenever practicable, CAWCD shall inform ORO VALLEY ninety (90) days in advance of any matter which may substantially affect the Expanded PMRRP or the rights of ORO VALLEY.

10. DESTRUCTION/RECONSTRUCTION OF THE EXPANDED PMRRP:

In the event of destruction of all or part of the Expanded PMRRP, CAWCD may repair or reconstruct the Expanded PMRRP, but CAWCD shall not be obligated to do so.

11. WATER MEASUREMENT AND ACCOUNTING:

- 11.1 CAWCD shall base its accounting for water delivered to the EXPANDED PMRRP on actual measurements, methods required by the Permit and/or generally accepted accounting and engineering practices.
- 11.2 CAWCD shall install and maintain a flow measurement system to measure the amount of water diverted from the CAP into the Expanded PMRRP. CAWCD shall test and maintain the accuracy of this system within plus or minus 5 percent of actual flows.
- 11.3 CAWCD shall determine evaporation losses representative of the conditions at or near the Expanded PMRRP using the method indicated in the Permit or using actual measurements, when available. Any other losses in the Expanded PMRRP shall be calculated using generally accepted engineering practices.
- 11.4 All losses that occur at the Expanded PMRRP, other than by evaporation, will be calculated using generally accepted engineering practices and water-level readings from the gages in the basins.
- 11.5 CAWCD shall prepare a monthly water accounting report of water stored at the Expanded PMRRP for ORO VALLEY. The report shall include the daily amount of water stored and the losses calculated as described in this Section.
- 11.6 CAWCD shall provide the ADWR with water accounting reports for the Expanded PMRRP as required by the Permit.

11.7 The water accounting reports prepared pursuant to this Section shall be sent to ORO VALLEY monthly and shall be retained by CAWCD for at least three years.

11.8 CAWCD shall provide ORO VALLEY copies of the Expanded PMRRP annual reports submitted to ADWR.

12. WATER QUALITY:

ORO VALLEY shall indemnify and hold harmless CAWCD against all losses to third parties resulting from water quality degradation or harm to property caused by ORO VALLEY's use of the Expanded PMRRP, due to the commingling of ORO VALLEY water with the groundwater. Further, ORO VALLEY waives any claim on its own behalf against CAWCD for water quality degradation or harm to property arising from such commingling, unless such claim is intended to enforce the indemnification provision of this Section; provided, however, that ORO VALLEY shall indemnify and hold harmless CAWCD only to the extent that indemnification is not provided to CAWCD by the State of Arizona pursuant to A.R.S. §45-898.01; and provided, further, however, that ORO VALLEY's indemnification shall only extend to the percentage of degradation attributable to the water stored on behalf of ORO VALLEY at the Expanded PMRRP under the terms of this Agreement. ORO VALLEY retains the right to claims over or against any other entity, including CAWCD, storing water in the Expanded PMRRP in the amount proportionate to such amount stored by those other entities. In no event shall CAWCD assume liability for water quality degradation resulting from the storage of water in the Expanded PMRRP, solely due to its performance of obligations as the operating agent under this Agreement.

13. BILLING AND PAYMENTS:

13.1 On or before the 15th day of each month, CAWCD will bill ORO VALLEY for each acre-foot of storage capacity used by ORO VALLEY during the previous month. The amount billed to ORO VALLEY shall be equal to the Annual Recharge Rate multiplied by the number of acre-feet of ORO VALLEY water delivered to the Expanded PMRRP as measured at the Expanded PMRRP Turnout. ORO VALLEY shall pay CAWCD within thirty (30) days of receipt of such bill. Payment is not contingent upon and is not related to ORO VALLEY's accrual of long-term storage credits from water stored at the Expanded PMRRP.

13.2 If payment due under this Agreement remains unpaid more than sixty (60) days after its due date, CAWCD may terminate this Agreement effective

upon written notice to ORO VALLEY. In the event CAWCD terminates this Agreement, ORO VALLEY shall remain obligated to pay any outstanding balance.

14. AUTHORIZATIONS AND APPROVALS:

ORO VALLEY shall be responsible for obtaining, at its own expense, any permits, authorizations and approvals required for the underground storage and recovery of water in the Expanded PMRRP or for ORO VALLEY's performance under this Agreement. ORO VALLEY shall keep CAWCD informed of its applications for such permits and authorizations. CAWCD will share information with ORO VALLEY to assist ORO VALLEY in its permit application. ORO VALLEY shall also be responsible for filing any annual reports or other documents necessary to maintain its right to store water at the Expanded PMRRP.

15. LIABILITY:

- 15.1 Each Party shall assume liability for its own negligence and shall indemnify the other against any damages the non-negligent Party incurs as a result of the negligent Party's action or inaction.
- 15.2 CAWCD shall assume no liability to ORO VALLEY for claims of damage resulting from CAWCD's decision to curtail or stop water flows to the Expanded PMRRP site during storm or emergency conditions.
- 15.3 CAWCD shall assume no liability to ORO VALLEY for quantities of recoverable or unrecoverable water stored underground or removed from underground storage; nor to replace water lost, misdirected or otherwise failing to reach the underlying aquifer. CAWCD, ORO VALLEY and any other entities storing water at the Expanded PMRRP shall share in any deficiency resulting from such lost, misdirected or otherwise unstored water in proportion to the amount of the Expanded PMRRP capacity it used at the time the deficiency accrued.
- 15.4 Liability, as described in Section 12 related to water stored in the Expanded PMRRP by ORO VALLEY prior to termination of this Agreement, shall remain with ORO VALLEY after termination of this Agreement. This Section 15.4 shall survive expiration or termination of this Agreement, and remain in full force and effect.
- 15.5 In the event any third party institutes an action against CAWCD, ORO VALLEY or other entities storing water at the Expanded PMRRP for claims arising from the activities undertaken pursuant to this Agreement, the

parties named in the action shall meet to determine the procurement of legal counsel and the steps to take to defend against the action.

16. INSURANCE:

16.1 During the term of this Agreement, unless otherwise agreed in writing by CAWCD, ORO VALLEY shall procure and maintain in force or cause to be procured and maintained in force the following types of insurance:

16.1.1 Commercial General Liability Insurance naming CAWCD as an additional insured, including bodily injury, personal injury, property damage, wrongful death, and contractual liability with a minimum limit of \$1,000,000 per occurrence.

16.1.2 Business Automobile Liability Insurance with a minimum limit of \$1,000,000.

16.1.3 Worker's Compensation as required by Arizona State law and Employees' Liability Insurance with limits of \$1,000,000 per accident, \$1,000,000 per employee per disease and \$1,000,000 aggregate for disease.

16.1.4 Commercial Umbrella – combined single limit of \$4,000,000.

16.2 Any insurance carried by CAWCD shall be excess and not contributory insurance to any insurance afforded hereunder. ORO VALLEY shall submit satisfactory proof of insurance to CAWCD prior to use of the Expanded PMRRP. Such proof of insurance shall be in the form of a certificate stating the coverage provided and that such insurance shall not be canceled until after thirty (30) days prior written notice thereof shall have been give to CAWCD.

16.3 With written approval of CAWCD, ORO VALLEY may self-insure or combine the coverages required by this Agreement with coverages outside the scope of that required by this Agreement.

16.4 If ORO VALLEY fails to acquire, provide or continue the insurance coverages required, CAWCD may terminate this Agreement immediately upon written notice to ORO VALLEY.

17. DEFAULT:

17.1 ORO VALLEY and CAWCD shall pay all monies and carry out all other performances, duties and obligations agreed to be paid and/or performed by them pursuant to this Agreement. A default by ORO VALLEY or CAWCD in the covenants and obligations to be kept and performed by it shall be an act of default under this Agreement.

17.2 In the event of a default by CAWCD or ORO VALLEY, then, within thirty (30) days following notice of such default by the non-defaulting Party, the defaulting Party shall remedy such default either by advancing the necessary funds and/or rendering the necessary performance. Such notice shall specify the existence and nature of such default. If such default is not remedied within the time specified, the non-defaulting party may terminate this Agreement upon 24 hours written notice.

18. UNCONTROLLABLE FORCES:

Neither Party to this Agreement shall be considered in default in the performance of any of its obligations under this Agreement (other than obligations of ORO VALLEY to pay costs and expenses) when a failure of performance is due to Uncontrollable Forces. The term "uncontrollable forces" shall mean any cause beyond the control of the Party unable to perform such obligation, including but not limited to, the failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by or failure to obtain the necessary authorizations or approvals from any governmental agency or authority not a Party to this Agreement, which by exercise of due diligence, it shall be unable to overcome.

19. RESOLUTION OF DISPUTES:

19.1 A Party having a dispute under this Agreement that cannot be resolved by the Parties, may submit the dispute to arbitration. Arbitration shall be subject to the following provisions:

19.1.1 Arbitration shall be binding only upon the consent of the Parties.

19.1.2 A Party wishing to submit a dispute to arbitration shall provide thirty (30) day written notice to the other party of its intent to pursue arbitration and shall name one arbitrator at that time. Within fifteen (15) days of receiving this notice, the other Party to the dispute shall name one arbitrator and give written notice to the other Party of its selection. The two selected arbitrators shall, within five (5) days of selection of the second arbitrator, jointly select a third arbitrator.

19.1.3 Within thirty (30) days from the selection of the third arbitrator, the arbitrators shall hold a hearing. Within thirty

(30) days from the conclusion of the hearing, the arbitrators shall render a decision on the dispute.

19.1.4 Arbitration shall be subject to the Arizona Arbitration Act, Arizona Revised Statutes, Title 12, Chapter 9, Article 1. In the event of a conflict between this Agreement and the Arizona Arbitration Act, the provisions of this Agreement shall prevail.

19.1.5 A Party that is dissatisfied with the results of non-binding arbitration may pursue any other legal or equitable remedy not expressly provided for in this Section 19 and available to resolve the dispute.

20. ACTION PENDING RESOLUTION OF DISPUTES:

Pending the resolution of a dispute pursuant to Section 19, each Party shall proceed, to the extent legally permissible, in a manner consistent with this Agreement, and shall make payments required in accordance with the applicable provisions of this Agreement. Any amount paid by a Party pursuant to this Section 20 during the course of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due.

21. GOVERNING LAWS:

This Agreement shall be governed by laws of the State of Arizona.

22. BINDING OBLIGATIONS:

All of the obligations set forth in the Agreement shall bind CAWCD and its successors and assigns. This Agreement shall not be assigned by ORO VALLEY or accrue to ORO VALLEY's successor, nor shall the Expanded PMRRP capacity use rights hereunder of ORO VALLEY be used by another party, without the prior written consent of CAWCD. CAWCD retains the right to sell, lease, assign or otherwise convey its ownership of the Expanded PMRRP to a third party. In such event, CAWCD may cancel this Agreement upon written notice to ORO VALLEY.

23. NOTICES:

23.1 Notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Central Arizona Water Conservation District
c/o General Manager
P.O. Box 43020
Phoenix, AZ 85080-3020

Town of Oro Valley
c/o Peter A. Abraham, P.E., Water Utility Director
11000 N. La Canada Drive
Oro Valley, AZ 85737

23.2 A Party may, at any time, by notice to the other Party, designate different or additional persons or different addresses for the giving of notices.

24. THIRD PARTY BENEFICIARIES:

This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

25. WAIVER:

The waiver by either Party of a breach of any term, covenant or condition in this Agreement shall not be deemed a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term covenant or condition of this Agreement.

26. HEADINGS:

Title and paragraph headings are for reference only and are not part of this Agreement.

27. ENTIRE AGREEMENT:

The terms, covenants and conditions of this Agreement constitute the entire agreement between the Parties relative to the use of Expanded PMRRP storage capacity, and no understandings or agreements not herein expressly set forth shall be binding upon them. This Agreement may not be modified or amended in any manner unless in writing and signed by both Parties.

28. CONFLICT OF INTEREST:

This Contract is subject to cancellation pursuant to the provisions of A.R.S. § 38-511 relating to conflict of interest.

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Lisa A. Atkins, President

Attest: _____
Sharon B. Megdal, Secretary

[SIGNATURES CONTINUED ON NEXT PAGE]

TOWN OF ORO VALLEY

By: _____
Peter A. Abraham, P.E., Water Utility Director

ATTEST:

Town Clerk

Date: _____

APPROVED AS TO FORM:

Town Attorney

Date: _____

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 2.e

CONTACT: Greg Adams
623-869-2124
gadams@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Water Storage Agreement for the United States of America Department of the Interior Bureau of Reclamation - Adams

RECOMMENDATION: Staff recommends that the Board approve the Agreements for Water Storage at the Lower Santa Cruz Replenishment Project between CAWCD and the United States of America Department of the Interior Bureau of Reclamation.

FISCAL IMPLICATIONS: No

Impact on Budget:

\$0

Additional spending authority requested: None

Impact on Reserves:

None

Impact on Rates:

None

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD Board of Directors 2016 Strategic Plan

- Water Supply: Reliability of the CAP Water Supply

PREVIOUS BOARD ACTION/ACTIVITY:

None.

ISSUE SUMMARY/DESCRIPTION:

The United States of America Department of the Interior Bureau of Reclamation ("United States") desires to enter into a Water Storage Agreement to store water at the Lower Santa Cruz Replenishment Project. Pursuant to the terms of the water storage agreement, the United States desires to entered into the water storage agreement for a term of 1 year.

Attached is the Agreement for Storage of Water at the Lower Santa Cruz Recharge Project includes CAWCD's standard requirements pertaining to scheduling storage capacity, water measurement and accounting, billing and payment. The water storage rate charged to the United States for recharge is established in CAWCD's Rate Schedule.

SUGGESTED MOTION:

I move that the Board approve the Agreement for Water Storage at the Lower Santa Cruz Replenishment Project between CAWCD and the United States of America Department of the Interior Bureau of Reclamation.

ATTACHMENTS:

1. WSA - United States at LSCRP Final Execution Copy 8-5-2020

**AGREEMENT FOR STORAGE OF WATER
AT THE
LOWER SANTA CRUZ RECHARGE PROJECT**

PARTIES:

This Agreement is made and entered into the _____ day of _____, 2020 by and between the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as "CAWCD", and the UNITED STATES OF AMERICA DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION, hereinafter referred to as "UNITED STATES".

1. RECITALS:

- 1.1 CAWCD is responsible for operating the Lower Santa Cruz Recharge Project (LSCR), an underground storage facility that is located in the Tucson Active Management Area (AMA), north of the Avra Valley airport and southwest of the Santa Cruz River. The LSCR is more specifically located in portions of Section 3 of Township 12S, Range 11E, Pima County, Arizona.
- 1.2 ADWR has issued Constructed Underground Storage Facility Permit No. 71-561366.0006 to CAWCD for the LSCR. The Permit authorizes the underground storage of a maximum of 50,000 acre-feet of water annually at the LSCR. The LSCR is a State Demonstration Project pursuant to A.R.S. § 45-891.01 et seq.
- 1.3 The United States desires to store United States CAP Water at the LSCR and CAWCD agrees to make available unused storage capacity at the

LSCRCP for such storage, in accordance with the provisions of this Agreement.

NOW THEREFORE, in consideration of the foregoing, the payments to be paid by the United States, and the covenants and agreements contained in this Agreement, and other good and valuable consideration, CAWCD and the United States agree as follows:

2. DEFINITIONS:

As used in this Agreement, the following terms, when capitalized, have the following meanings:

- 2.1 ADWR: The Arizona Department of Water Resources.
- 2.2 ANNUAL RECHARGE RATE: The Water Storage O&M and Water Storage Capital Charges for 2020, established by CAWCD's adopted rate policy, approved by the board of Directors, and referenced in Exhibit A attached hereto. The LSCRCP is located within the Tucson AMA and the Tucson AMA rates will apply to water stored pursuant to this Agreement.
- 2.3 BKW WATER DELIVERY SYSTEM: The canal system, including pump stations, gates, and measuring devices, owned by BKW Farms, Inc., which diverts water from the CAP canal at milepost 295.5 on the CAP canal.
- 2.4 CENTRAL ARIZONA PROJECT (CAP): Shall mean the Central Arizona Project a reclamation project authorized under Title 3 of the Colorado River Basin Project Act of 1968. (43 U.S.C. § 1521 et. seq.)
- 2.5 PARTY/PARTIES: Either one or both of the parties to this Agreement.
- 2.6 PERMIT: The Constructed Underground Storage Facility Permit No. 71-561366.0006.
- 2.7 TURNOUT STRUCTURE: The point on the BKW Water Delivery System at which CAP Water is diverted from the BKW Water Delivery System into the LSCRCP.

2.8 UNITED STATES CAP WATER: The CAP water the United States has legal rights to order, receive, and use.

3. SCOPE:

This Agreement is limited to the transportation of United States CAP Water through the BKW Water Delivery System to the LSCR, and the storage of such water at the LSCR by CAWCD for the benefit of the United States. CAWCD shall deliver United States CAP Water, which is scheduled by the United States, for storage at the LSCR in accordance with this Agreement, and CAWCD shall store such water underground at the LSCR for the benefit of the United States.

4. TERM OF AGREEMENT:

This Agreement shall become effective when executed by both Parties and shall remain in effect through December 31, 2020. Provided, however, water accounting provisions as described in section 11, billing and payment provisions described in section 13, and default provisions described in section 16 may extend beyond December 31, 2020, as necessary to carry out the provisions in accordance with the terms of this Agreement.

5. CONDITIONS RELATING TO STORAGE:

- 5.1 All storage of United States CAP Water at the LSCR shall be consistent with Arizona law and applicable federal laws.
- 5.2 The United States shall obtain a water storage permit from ADWR authorizing it to store United States CAP Water at the LSCR.
- 5.3 CAWCD's storage of United States CAP Water at the LSCR shall, at all times, comply with the Permit and any terms and conditions imposed on the United States pursuant to the water storage permit obtained in accordance with Section 6.2. CAWCD shall be responsible for filing annual reports as

required by the Permit. CAWCD shall promptly notify the United States of any changes or modifications to the Permit that would affect United States' rights under this Agreement. If the Permit is canceled or expires for any reason, the United States or CAWCD may terminate this Agreement.

6. PROCEDURE FOR SCHEDULING STORAGE CAPACITY:

- 6.1 As soon as practicable after the date of execution of this Agreement, the United States shall submit to CAWCD a proposed schedule indicating the amount of LSCR storage capacity it desires to use during the calendar year in which this Agreement is executed.
- 6.2 As soon as practicable after receipt of the United States' proposed schedule following the execution of this Agreement, CAWCD shall return to the United States the schedule, as adjusted by and acceptable to CAWCD, indicating the amount of LSCR storage capacity that is available to the United States in the year in which this Agreement is executed.
- 6.3 The United States and CAWCD have identified 6,695 acre-feet of LSCR storage capacity for use, contingent on the execution of this Agreement. At its discretion, the United States may submit to CAWCD a proposed schedule for additional water pursuant to Section 7.1 herein; however, the United States total LSCR storage capacity used under this Agreement shall not exceed 10,000 acre-feet.

7. WATER STORAGE RATE:

The United States shall be obligated to pay CAWCD the Annual Recharge Rate, referenced in Exhibit A attached hereto, for each acre-foot of storage capacity used by the United States during the year. Such payment shall be in accordance with the provisions of Section 13 below.

8. OPERATING AGENT:

- 8.1 CAWCD shall be responsible for operating the LSCRCP.
- 8.2 CAWCD shall retain sole responsibility and authority for decisions relating to the LSCRCP operating and maintenance practices, including maintenance scheduling and the selection of periods when maintenance will be done.
- 8.3 Whenever practicable, CAWCD shall inform the United States ninety (90) days in advance of any matter which may substantially affect the LSCRCP or the rights of the United States.

9. DESTRUCTION/RECONSTRUCTION OF THE LSCRCP:

In the event of destruction of all or part of the LSCRCP, CAWCD may repair or reconstruct the LSCRCP, but CAWCD shall not be obligated to do so.

10. WATER MEASUREMENT AND ACCOUNTING:

- 10.1 CAWCD shall base its accounting for all water delivered to the LSCRCP on actual measurements, methods required by the Permit and/or generally accepted accounting and engineering practices.
- 10.2 CAWCD shall install and maintain a flow measurement system to measure the amount of water diverted from the CAP into the LSCRCP. CAWCD shall test and maintain the accuracy of this system within plus or minus 5 percent of actual flows.
- 10.3 CAWCD shall determine evaporation losses representative of the conditions at or near the LSCRCP using the method indicated in the Permit or using actual measurements, when available. Any other losses in the LSCRCP shall be calculated using generally accepted engineering practices.
- 10.4 All losses that occur at the LSCRCP, other than by evaporation, will be calculated using generally accepted engineering practices and water-level readings from the gages in the basins.

- 10.5 CAWCD shall prepare a monthly water accounting report of water stored at the LSCRCP for the United States. The report shall include the daily amount of water stored and the losses calculated as described in this Section.
- 10.6 CAWCD shall provide the ADWR with water accounting reports for the LSCRCP as required by the Permit.
- 10.7 The water accounting reports prepared pursuant to this Section shall be sent to the United States monthly and shall be retained by CAWCD for at least three years.
- 10.8 CAWCD shall provide the United States copies of LSCRCP annual reports submitted to ADWR.

11. WATER QUALITY:

- 11.1 The Parties retain their own respective liability, if any, for any claims by third parties resulting from water quality degradation or harm to property caused by the United States' use of the LSCRCP, due to the commingling of United States CAP Water with the groundwater or water flowing above or below the surface of the Santa Cruz riverbed.

12. BILLING AND PAYMENTS:

- 12.1 On or before the 15th day of each month, CAWCD will bill the United States for each acre-foot of storage capacity used by the United States during the previous month. The amount billed to the United States shall be equal to the Annual Recharge Rate, as referenced in Exhibit A attached hereto, multiplied by the number of acre-feet of United States CAP Water delivered to the LSCRCP as measured at the Turnout Structure. The United States shall pay CAWCD within thirty (30) days of receipt of such bill. Payment is not contingent upon and is not related to the United States' accrual of long-term storage credits from water stored at the LSCRCP.

- 12.2 If payment due under this Agreement remains unpaid more than sixty (60) days after its due date, CAWCD may terminate this Agreement effective upon 30 days written notice to the United States. In the event CAWCD terminates this Agreement, the United States shall remain obligated to pay any outstanding balance.
- 12.3 All funding is limited to the amount of appropriated funds available to the United States.

13. AUTHORIZATIONS AND APPROVALS:

The United States shall be responsible for obtaining, at its own expense, any permits, authorizations and approvals required for the underground storage and recovery of water in the LSCR or for the United States' performance under this Agreement. The United States shall keep CAWCD informed of its applications for such permits and authorizations. CAWCD will share information with the United States to assist the United States in its permit application. The United States shall also be responsible for filing any annual reports or other documents necessary to maintain its right to store water at the LSCR.

14. LIABILITY:

- 14.1 CAWCD shall assume no liability to the United States for claims of damage resulting from CAWCD's decision to curtail or stop water flows to the LSCR site during storm or emergency conditions.
- 14.2 CAWCD shall assume no liability to the United States for quantities of recoverable or unrecoverable water stored underground or removed from underground storage; nor to replace water lost, unintentionally misdirected or otherwise failing to reach the underlying aquifer. CAWCD, the United States and any other entities storing water at the LSCR shall share in any deficiency resulting from such lost, misdirected or otherwise unstored water

in proportion to the amount of the LSCRCP capacity they used at the time the deficiency accrued.

14.3 Liability, as described in Section 12 related to water stored in the LSCRCP by the United States prior to termination of this Agreement, shall remain with the United States after termination of this Agreement.

14.4 In the event any third party institutes an action against CAWCD, the United States or other entities storing water at the LSCRCP for claims arising from the activities undertaken pursuant to this Agreement, the parties named in the action shall meet to determine the procurement of legal counsel and the steps to take to defend against the action.

15. DEFAULT:

15.1 The United States and CAWCD shall pay all monies and carry out all other performances, duties and obligations agreed to pursuant to this Agreement. A failure by the United States or CAWCD to adhere to the covenants and obligations to be kept and performed by it shall be an act of default under this Agreement.

15.2 In the event of a default by the United States or CAWCD, then, within thirty (30) days following notice of such default either Party may cure the default either by advancing the necessary funds and/or rendering the necessary performance. Such notice shall specify the existence and nature of such default. If such default is not remedied within the 30-day cure period, the non-defaulting Party may immediately terminate this Agreement.

16. UNCONTROLLABLE FORCES:

Neither Party to this Agreement shall be considered in default in the performance of any of its obligations under this Agreement (other than obligations of the United States to pay costs and expenses) when a failure of performance is due to Force

Majeure. The term "force majeure"; shall mean any cause beyond the control of the Party unable to perform such obligation, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by, or failure to obtain the necessary authorizations or approvals from any governmental agency or authority not a Party to this Agreement, which by exercise of due diligence, it shall be unable to overcome.

17. RESOLUTION OF DISPUTES:

18.1 A dispute between the Parties under this Agreement shall first be attempted to be resolved by informal negotiation.

18.2 A Party that is dissatisfied with the results of such informal negotiation may pursue any other legal or equitable remedy not expressly provided for in this Section 17 and available to resolve the dispute.

18. ACTION PENDING RESOLUTION OF DISPUTES:

While a dispute is pending a resolution pursuant to Section 18, each Party shall continue to comply with all the terms and conditions of this Agreement, including making any payments required herein. Any amount paid by a Party pursuant to this Section 19 during the course of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due.

19. GOVERNING LAW:

This Agreement and the rights, duties, and obligations of the parties hereto shall be governed and construed in accordance with the substantive laws of the State of Arizona and all applicable federal law.

20. OBLIGATIONS:

All of the obligations set forth in this Agreement shall bind CAWCD and its successors and assigns. This Agreement shall not be assigned by the United States or accrue to the United States' successor, nor shall the LSCRP capacity use rights hereunder of the United States be used by another party. CAWCD retains the right to sell, lease, assign or otherwise convey its ownership of the LSCRP to a third party. In such event, CAWCD may cancel this Agreement upon written notice to the United States.

21. NOTICES:

21.1 Notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Central Arizona Water Conservation District

c/o General Manager
P.O. Box 43020
Phoenix, AZ 85080-3020

**United States of America, Department of the Interior,
Bureau of Reclamation**

Regional Director
Interior Region 8: Lower Colorado Basin
Attn: LC-4400
P.O. Box 61470
Boulder City, NV 89006-1470

And

Area Manager
Phoenix Area Office
6150 W. Thunderbird Road
Glendale, AZ 85306-4001

21.2 A party may, at any time, by notice to the other Party, designate different or additional persons or different addresses for the giving of notices.

22. THIRD PARTY BENEFICIARIES:

This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

23. WAIVER:

The waiver by either Party of a breach of any term, covenant or condition in this Agreement shall not be deemed a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition of this Agreement.

24. HEADINGS:

Title and paragraph headings are for reference only and are not part of this Agreement.

25. ENTIRE AGREEMENT:

The terms, covenants and conditions of this Agreement constitute the entire Agreement between the Parties relative to the leasing of LSCRP storage capacity, and no understandings or agreements not herein expressly set forth shall be binding upon them. This Agreement may not be modified or amended in any manner unless in writing and signed by the Parties.

IN WITNESS WHEREOF, this Agreement No. 20-XX-30-W0687, including its Exhibit A, is executed by the Parties hereto.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: _____
Lisa A. Atkins, President

Attest: _____
Sharon B. Megdal, Secretary

UNITED STATES DEPARTMENT OF THE INTERIOR

By: _____
Terrance J. Fulp, Ph.D.
Regional Director
Interior Region 8: Lower Colorado Basin
Bureau of Reclamation

ANNUAL RECHARGE RATE SCHEDULE

1. A copy of the Central Arizona Project Final 2020-2024 Rate Schedule, dated June 6, 2019, is attached.

**CENTRAL ARIZONA PROJECT
FINAL 2020-2024 RATE SCHEDULE
ALTERNATIVE 1: SHORTAGE STARTS IN 2020**

June 6, 2019

DELIVERY RATES FOR VARIOUS CLASSES OF WATER SERVICE

Units = \$/ acre-foot

(The Letter Designations in the Formulas Refer to the Rate Components Shown Below)

DCP Tier			T1	T1	T1	T2a	T2a
	2018	Firm 2019	Firm 2020	Advisory			
				2021	2022	2023	2024
<u>Municipal and Industrial Subcontract (B+C)</u>	\$ 160	\$ 158	\$ 186	\$ 188	\$ 195	\$ 212	\$ 221
<u>Federal Contract (B+C)</u>	\$ 160	\$ 158	\$ 186	\$ 188	\$ 195	\$ 212	\$ 221
<u>Agricultural Settlement Pool (C)</u> ¹	\$ 65	\$ 62	\$ 58	\$ 57	\$ 57	\$ 59	\$ 61
<u>Agricultural Incentives</u>							
Meet Settlement Pool Goals	0	0	0	0	0	0	0
Meet AWBA/CAGRD GSF Goals	(1)	0	0	0	0	0	0
Meet Recovery Goals	(1)	0	0	0	0	0	0
<u>Excess (A+B+C)</u> ²	\$ 205	\$ 199	\$ 242	\$ 254	\$ 266	\$ 280	\$ 291
<u>Interstate (A+B+C+D)</u>	\$ 254	\$ 253	TBD	TBD	TBD	TBD	TBD

RATE COMPONENTS

Units = \$/acre-foot

	2018	Firm 2019	Firm 2020	Advisory			
				2021	2022	2023	2024
<u>Capital Charges</u>							
(A) Municipal and Industrial - Long Term Subcontract ³	\$ 45	\$ 41	\$ 56	\$ 66	\$ 71	\$ 68	\$ 70
<u>Delivery Charges</u>							
Fixed O&M ⁴	67	72	98	101	109	119	124
Big "R" ⁴	27	24	30	30	29	34	36
Fixed OM&R Rate Stabilization ⁴	1	0	0	0	0	0	0
(B) Fixed OM&R ⁴	\$ 95	\$ 96	\$ 128	\$ 131	\$ 138	\$ 153	\$ 160
(C) Pumping Energy Rate ⁵	\$ 65	\$ 62	\$ 58	\$ 57	\$ 57	\$ 59	\$ 61
(D) Property Tax Equivalency	\$ 49	\$ 54	TBD	TBD	TBD	TBD	TBD
(E) Proposed Rate Stabilization ⁶			\$ (18)	\$ (7)	\$ -	\$ -	\$ -

DIRECT UNDERGROUND WATER STORAGE

Units = \$/acre-foot

	2018	Firm 2019	Firm 2020	Advisory			
				2021	2022	2023	2024
<u>Underground Water Storage O&M</u> ⁷							
Phoenix AMA	\$ 13	\$ 13	\$ 13	\$ 13	\$ 14	\$ 14	\$ 15
Tucson AMA	15	15	15	15	15	15	15
<u>Underground Water Storage Capital Charge</u> ⁸							
Phoenix AMA	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Tucson AMA	9	9	9	9	9	9	9

**CENTRAL ARIZONA PROJECT
FINAL 2020-2024 RATE SCHEDULE
ALTERNATIVE 1: SHORTAGE STARTS IN 2020**

June 6, 2019

NOTES:

- 1) Rate is the Pumping Energy Rate component. Board policy is to allow the rate to increase no more than \$4/AF per year.
- 2) Excess includes the Arizona Water Banking Authority, CAGR and BOR and is administered according to CAP's Access to Excess policy.
- 3) For M&I subcontract water, the Capital Charge is paid on full allocation regardless of amount delivered and is not included in delivery rates. Capital charge rate for 2020 includes reduction of \$12/AF and 2021 includes a reduction of \$8/AF as a result of application of property taxes to federal repayment.
- 4) Fixed OM&R charge consists of Fixed O&M, "Big R" (Water delivery capital, large extraordinary maintenance projects and bond debt service) and Fixed OM&R Rate Stabilization. Debt service on CAP's Water Delivery O&M Revenue Bonds, Series 2016 is about \$3.6 million annually and is included in "Big R". This rate is collected on all ordered water whether delivered or not.
- 5) The pumping energy rate applies to all actual water volumes as opposed to scheduled. The energy rate decline post-2019, reflects the closure of the Navajo Generating Station.
- 6) Proposed application of Rate Stabilization, not included in above rates.
- 7) Underground Water Storage O&M is paid by all direct recharge customers using CAP recharge sites.
- 8) Underground Water Storage Capital Charge is paid by all direct recharge customers except AWBA for M&I firming, the CAGR, municipal providers within the CAP service area and co-owners of CAWCD recharge facilities using no more than their share of capacity.

Key Assumptions

- Non-Indian Ag reallocation occurs in 2021 for 2022 deliveries
- Wheeling starts in 2021 at 700 acre-foot/year and remains at that level
- Rates are in accordance with Arizona Implementation Plan for Drought Contingency Plan

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 2.f

CONTACT: Darrin Francom Ryan Johnson, System Admin
623-869-2276 623-869-2223
dfrancom@cap-az.com rjohnson@cap-az.com,
sa@suiteonemedia.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Contract for Bridge Crane and Office at Red Rock Pumping Plant - Francom

RECOMMENDATION: Staff recommends that the Board approve the award of a Construction Contract to Diamond Ridge Development Corp. for the Bridge Crane and Office Modifications at Red Rock Pumping Plant Project, and authorize the General Manager, or his designee, to execute an agreement up to \$243,030 plus an additional \$24,303 (10%) for contingencies (totaling \$267,333).

FISCAL IMPLICATIONS: No

Impact on Budget:

This project was not included in the 2020/2021 Biennial Budget, but was indicated as an advisory item post-2021. Adjustments in construction contract execution due to COVID has created capacity within the 2020 Capital Budget and within the Engineering Services Department to execute this needed work. This construction contract is scheduled to begin in the third quarter of 2020 and take approximately 3 months to complete, with all expenses will occurring in 2020.

The Project Steering Committee will continue to manage the project work and expenses within the current approved budget.

Additional spending authority requested: None required.

Impact on Reserves:

No impact on Strategic Reserves.

Impact on Rates:

No impact on water rates.

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD Board of Directors 2016 Strategic Plan: Project Reliability: Effectively Manage, Operate and Maintain CAP Assets

ARS Title 34-603 Procurement of professional services and construction-manager-at-risk, design-build, and job-order-contracting construction services

CAP Purchasing Policy

PREVIOUS BOARD ACTION/ACTIVITY:

November 2019 Board Approved the CAP 2020-2021 Biennial Budget

ISSUE SUMMARY/DESCRIPTION:

CAP Maintenance staff has identified an inadequacy of office space at the Red Rock Pumping Plant facility that impacts the day to day operations for the plant supervisor. A small prefabricated office structure exists within the plant for the supervisors use, but it does not readily accommodate meetings due to its size limitations and the noise produced by the pump units running adjacent to the office space. This project will construct a suitable administrative office in the existing concrete storage building directly adjacent the pumping plant.

The project will also install a free standing bridge crane inside the bay door of the same concrete storage building. The new 3-ton crane will allow the Heavy Overhaul Group (HOG) team to safely unload tool boxes, parts, and equipment at the Red Rock site. This will improve the HOG team's efficiency and ability to safely repair and rebuild equipment in the Tucson area, without having to send all the parts to CAP Headquarters machine shop. Electrical improvements will also be made to allow welding equipment and other repair machines to be operated, which can only currently be used with generator power supplied.

The project team is working closely with Diamond Ridge to develop and administer safe on-site working conditions for construction during the COVID19 pandemic as well as ensuring that there is appropriate distancing from CAP employees. Since this work is situated outside of the normal pumping plant work spaces, it facilitates physical separation and isolation between CAP pumping plant staff and contractor staff.

The contractor was selected pursuant to the competitive principles described in Title 34 of the Arizona Revised Statutes under the Job Order Contracting method and in accordance with CAP's Purchasing Policy. This allows CAP to engage a qualified contractor that meets the required criteria without needing to undertake a secondary bidding process. Accordingly, staff engaged Diamond Ridge Development Corp. in scope clarification and price negotiation discussions for the required construction scope of work and believes that the price proposed is fair and reasonable and in line with past similar contracts. Diamond Ridge Development Corp has successfully completed CAP Construction contracts in the past.

SUGGESTED MOTION:

I move that the Board of Directors approve the award of a Construction Contract to Diamond Ridge Development Corp. in the amount of \$243,030 plus an additional \$24,303 (10%) for contingencies (totaling \$267,333) for the Construction of the Bridge Crane and Office Modifications at Red Rock Pumping Plant Project, and authorize the General Manager, or his designee, to execute the contract and administer the contingency.

ATTACHMENTS:

None

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 2.g

CONTACT: Darrin Francom Ryan Johnson
623-869-2276 623-869-2223
dfrancom@cap-az.com rjohnson@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Construction Contract for the Covered Vehicle Parking at Multiple Sites Project - Francom

RECOMMENDATION: Staff recommends that the Board approve the award of a Construction Contract to Willmeng Construction Inc. for the Covered Vehicle Parking at Multiple Sites Project, and authorize the General Manager, or his designee, to execute an agreement up to \$271,682 plus an additional \$27,168 (10%) for contingencies (totaling \$298,850).

FISCAL IMPLICATIONS: No

Impact on Budget:

This project was not included in the 2020/2021 Biennial Budget, but was indicated as an advisory item post-2021. Adjustments in construction contract execution due to COVID has created capacity within the 2020 Capital Budget and within the Engineering Services Department to execute this needed work. This construction contract is scheduled to begin in the fourth quarter of 2020 and take approximately 3 months to complete, with all expenses occurring in 2020.

The Project Steering Committee will continue to manage the project work and expenses within the current approved budget.

Additional spending authority requested: None required.

Impact on Reserves:

No impact on Strategic Reserves.

Impact on Rates:

No impact on water rates.

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD Board of Directors 2016 Strategic Plan: Project Reliability: Effectively Manage, Operate and Maintain CAP Assets

ARS Title 34-603 Procurement of professional services and construction-manager-at-risk, design-build, and job-order-contracting construction services

CAP Purchasing Policy

PREVIOUS BOARD ACTION/ACTIVITY:

ISSUE SUMMARY/DESCRIPTION:

Staff have identified multiple plant and office facilities that do not currently have adequate covered parking for our needs. The six locations are Bouse Maintenance Yard, Hassayampa Pumping Plant, Pinal Field Office, Red Rock Pumping Plant, Tucson Field Office and Twin Peaks Pumping Plant. The steel parking canopies to be used are very similar to those currently at CAP Headquarters.

The project team is working closely with Willmeng Construction to develop and administer safe on-site working conditions for construction during the COVID19 pandemic, as well as ensuring that there is appropriate distancing from CAP staff. Since this work is entirely outside of the associated CAP facilities, physical separation and isolation of contractor's staff and CAP maintenance and operations staff can be more readily achieved.

The contractor was selected pursuant to the competitive principles described in Title 34 of the Arizona Revised Statutes under the Job Order Contracting method and in accordance with CAP's Purchasing Policy. This allows CAP to engage a qualified contractor that meets the required criteria without needing to undertake a secondary bidding process. Accordingly, staff engaged Willmeng Construction Inc in scope clarification and price negotiation discussions for the required construction scope of work and believes that the price proposed is fair and reasonable and in line with past similar contracts. Based in Phoenix, Willmeng Construction Inc. has successfully completed CAP Construction contracts in the past, and is a proven contractor on tenant improvement and civil works.

SUGGESTED MOTION:

I move that the Board of Directors approve the award of a Construction Contract to Willmeng Construction Inc. in the amount of \$271,682 plus an additional \$27,168 (10%) for contingencies (totaling \$298,850) for the Construction of the Covered Vehicle Parking at Multiple Sites Project, and authorize the General Manager, or his designee, to execute the contract and administer the contingency.

ATTACHMENTS:

None

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 2.h

CONTACT: Philip Rettinger Jeff Guy
623-869-2398 623-869-2273
prettinger@cap-az.com jguy@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Purchase Contract for Microwave Communication System Replacement - Rettinger

RECOMMENDATION: Staff recommends that the Board approve the award of a purchasing contract to Aviat Networks for the replacement of the microwave communication system throughout the CAP Service area, with purchase and Installation to begin August 10, 2020 through December 15, 2021; and authorize the General Manager, or his designee, to execute an agreement for \$2,064,000 plus \$309,600 (15%) for contingencies for a total of \$2,373,600.

FISCAL IMPLICATIONS: Yes

Impact on Budget:

This contract is in-line with the estimates budgeted for the overall capital project. The Project Steering Committee manages project work and expenses within the overall approved capital budget.

Additional spending authority requested: None. This will be managed within the current spending authority.

Impact on Reserves:

None

Impact on Rates:

None

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

2016 CAWCD Board Strategic Plan

Project Reliability: Effectively Manage Operate and Maintain CAP Assets

Finance: Managing Assets

CAWCD Purchasing Policy

PREVIOUS BOARD ACTION/ACTIVITY:

November 7, 2019 Board approved the CAP 2020-2021 Biennial Budget

ISSUE SUMMARY/DESCRIPTION:

The current microwave communication system was purchased and installed in 2008/2009. Harris Corporation, now Aviat Networks, announced the "end of life" of this platform four years ago. Aviat is no longer providing support nor parts replacements for this system. The microwave system acts as both a primary and alternate path for CAP systems. In the event of a fiber optic failure, the microwave system is able to transmit CAP data to all locations within the CAP service area. The new proposed system will double the bandwidth capacity. Today's technology applications and systems are more resource intensive. This new system will

allow CAP systems to transmit data without degradation and delays.

PROCUREMENT PROCESS:

Aviat is a contracted supplier for the State of Arizona for Public Communication Equipment and Services.

CAP is a cooperative member agency and is authorized to use the state's cooperative purchasing agreement for this product and services.

SUGGESTED MOTION:

I move the Board of Directors approve the award of the microwave communication system replacement to Aviat via a State of Arizona contract purchase and authorize the General Manager, or his designee, to execute the agreement for \$2,064,000, plus \$309,600 (15%) for contingencies, totaling \$2,373,600.

ATTACHMENTS:

None

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 4.a.i

CONTACT: Bridget Schwartz-Manock Jeff Gray
623-869-2150 623-869-2425
bschwartzmanock@cap-az.com jgray@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Possible Consideration of Action on Policy Issues that Could Impact CAP, including but not limited to S. 4228

RECOMMENDATION: See attached documents and proposed staff recommendations.

FISCAL IMPLICATIONS: No

Impact on Budget:

None

Additional spending authority requested: None

Impact on Reserves:

None

Impact on Rates:

None

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

2016 Board Strategic Plan

- Leadership & Public Trust: Relationships – Improve Relationships with Customers and Stakeholders
- Leadership & Public Trust: CAP Board Leadership – Equip Board Members to Effectively Represent CAP and its Position
- Water Supply: Optimize Reliability and Sustainability of CAP Water Supply

PREVIOUS BOARD ACTION/ACTIVITY:

November 7, 2019 Public Policy Committee previewed and discussed the draft proposed 2020 Federal Legislative Agenda

December 5, 2019 Board adopted 2020 Federal Legislative Agenda

ISSUE SUMMARY/DESCRIPTION:

This update reports on and requests guidance on bills being considered by the United States Senate.

See attached documents and issue descriptions.

SUGGESTED MOTION:

I move that the Board adopt a position on the following pending federal legislation of interest to CAP: (staff recommendations in parentheses)

S. 4228 (MONITOR)

ATTACHMENTS:

1. S. 4228

116TH CONGRESS
2D SESSION

S. _____

To provide for the demonstration and deployment of water-energy technologies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. MCSALLY introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide for the demonstration and deployment of water-energy technologies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Water-Energy Tech-
5 nology Demonstration and Deployment Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) CENTER.—The term “Center” means the
9 Western Water Resilience Center established under
10 section 4(a).

1 (2) ELIGIBLE DESALINATION PROJECT.—The
2 term “eligible desalination project” means a desali-
3 nation or salinity reduction facility or project—

4 (A) to which the Bureau of Reclamation
5 holds title;

6 (B) that is operated by the Bureau of Rec-
7 lamation; or

8 (C) with respect to which the Bureau of
9 Reclamation is providing financial assistance.

10 (3) ELIGIBLE ENERGY EFFICIENCY PROJECT.—
11 The term “eligible energy efficiency project” means
12 the design, study, construction, expansion, upgrade,
13 or capital repair of a water delivery system to reduce
14 energy consumption associated with water delivery.

15 (4) ELIGIBLE REUSE PROJECT.—The term “eli-
16 gible reuse project” means a non-Federal water
17 reuse and recycling facility or project that contrib-
18 utes water to a region served by 1 or more projects
19 of the Bureau of Reclamation.

20 (5) NATIONAL LABORATORY.—The term “Na-
21 tional Laboratory” has the meaning given the term
22 in section 2 of the Energy Policy Act of 2005 (42
23 U.S.C. 15801).

24 (6) PROGRAM.—The term “program” means
25 the pilot program established under section 3(a)(1).

1 (7) RECLAMATION STATE.—The term “Rec-
2 lamation State” has the meaning given the term in
3 section 4014 of the Water Infrastructure Improve-
4 ments for the Nation Act (43 U.S.C. 390b note;
5 Public Law 114–322).

6 (8) SECRETARY.—The term “Secretary” means
7 the Secretary of the Interior.

8 (9) SELECTED PROJECT.—The term “selected
9 project” means an eligible desalination project, eligi-
10 ble reuse project, or eligible energy efficiency project
11 selected for the program under section 3(b).

12 **SEC. 3. WATER-ENERGY TECHNOLOGY DEPLOYMENT PILOT**
13 **PROGRAM.**

14 (a) ESTABLISHMENT.—

15 (1) IN GENERAL.—To advance Federal energy-
16 water nexus research, technology development, pol-
17 icy, and other goals by combining the resources of
18 the Department of the Interior and Department of
19 Energy, the Secretary, in consultation with the Sec-
20 retary of Energy, shall establish within the Bureau
21 of Reclamation a pilot program that provides for the
22 participation of the Secretary of Energy in selected
23 projects, in accordance with paragraph (2).

1 (2) PARTICIPATION OF SECRETARY OF ENERGY
2 IN SELECTED PROJECTS.—The Secretary of Energy
3 shall participate in a selected project by—

4 (A) identifying research and programs at
5 the Department of Energy (including the Na-
6 tional Laboratories) applicable to the selected
7 project;

8 (B) contributing funds to carry out the se-
9 lected project; or

10 (C) carrying out modeling, planning, de-
11 signing, or construction activities with respect
12 to the selected project.

13 (3) AGREEMENT.—The Secretary and the Sec-
14 retary of Energy shall enter into an agreement de-
15 scribing the responsibilities of the Secretary and the
16 Secretary of Energy, respectively, with respect to,
17 and the sources of funding for, each selected project.

18 (4) REQUIRED CONSULTATION.—The Secretary
19 shall consult with the Secretary of Energy with re-
20 spect to any activities carried out by the Secretary
21 of Energy under the program.

22 (b) SELECTION OF PROJECTS FOR PROGRAM.—

23 (1) ELIGIBLE DESALINATION PROJECTS.—

24 (A) IN GENERAL.—The Secretary shall se-
25 lect not fewer than 2, but not more than 5, eli-

1 gible desalination projects for the program that
2 the Secretary determines would—

3 (i) benefit from the participation of
4 the Secretary of Energy; and

5 (ii) advance the objectives of existing
6 research and development, technology com-
7 mercialization, or grant programs being
8 carried out by the Secretary of Energy (in-
9 cluding at the National Laboratories) by—

10 (I) lowering energy costs;

11 (II) increasing the amount or ef-
12 ficiency of salt removal;

13 (III) reducing salt discharge into
14 waterways;

15 (IV) improving water supply reli-
16 ability; or

17 (V) demonstrating a new tech-
18 nology or process.

19 (B) INCLUSIONS.—Of the eligible desalina-
20 tion projects selected under subparagraph
21 (A)—

22 (i) not less than 1 shall be an eligible
23 desalination project conducted in the upper
24 Colorado River Basin that—

1 (I) is authorized under the Colo-
2 rado River Basin Salinity Control Act
3 (43 U.S.C. 1571 et seq.); and

4 (II) uses zero liquid discharge
5 technology to remove naturally occur-
6 ring salinity from entering a Colorado
7 River Tributary; and

8 (ii) not less than 1 shall be an eligible
9 desalination project conducted in the lower
10 Colorado River Basin that—

11 (I)(aa) is authorized under the
12 Colorado River Basin Salinity Control
13 Act (43 U.S.C. 1571 et seq.); and

14 (bb) processes water to remove
15 salt and returns the water to the
16 mainstem of the Colorado River; or

17 (II) would provide similar
18 amounts of water to support Colorado
19 River drought contingency operations,
20 consistent with the Colorado River
21 Drought Contingency Plan Authoriza-
22 tion Act (Public Law 116–14; 133
23 Stat. 850), by improving efficiency in
24 deliveries of Colorado River water,
25 consistent with the treaty obligation

1 of the United States to Mexico under
2 the Agreement approving Minute 242
3 of the International Boundary and
4 Water Commission setting forth a
5 permanent and definitive solution to
6 the international problem of the salin-
7 ity of the Colorado River, entered into
8 force August 30, 1973 (24 UST
9 1968; TIAS 7708).

10 (2) ELIGIBLE ENERGY EFFICIENCY
11 PROJECTS.—The Secretary shall select not more
12 than 5 eligible energy efficiency projects for the pro-
13 gram that the Secretary determines would—

14 (A) benefit from the participation of the
15 Secretary of Energy; and

16 (B) advance the objectives of existing re-
17 search and development, technology commer-
18 cialization, or grant programs being carried out
19 by the Secretary of Energy (including at the
20 National Laboratories) by—

21 (i) improving the efficiency of existing
22 surface or groundwater pumps;

23 (ii) developing or improving a surface
24 water conveyance that reduces surface or
25 groundwater pumping;

- 1 (iii) reducing energy use needed for
2 water treatment;
3 (iv) demonstrating a new technology
4 or process; or
5 (v) incorporating energy generation
6 into water conveyance systems.

7 (3) ELIGIBLE REUSE PROJECTS.—The Sec-
8 retary shall select not more than 5 eligible reuse
9 projects for the program that the Secretary deter-
10 mines would—

11 (A) benefit from the participation of the
12 Secretary of Energy; and

13 (B) advance the objectives of existing re-
14 search and development, technology commer-
15 cialization, or grant programs being carried out
16 by the Secretary of Energy (including at the
17 National Laboratories) by—

- 18 (i) lowering energy costs;
19 (ii) improving water supply reliability;

20 or

21 (iii) demonstrating—

22 (I) a new technology or process;

23 or

24 (II) a combination of new and ex-
25 isting technologies or processes.

1 (4) SUBMISSION OF LIST OF SELECTED
2 PROJECTS.—As soon as practicable after the date of
3 completion of the selection process under paragraphs
4 (1) through (3), the Secretary shall submit a list of
5 the selected projects to—

6 (A) the Secretary of Energy;

7 (B) the Committee on Natural Resources
8 of the House of Representatives;

9 (C) the Committee on Energy and Com-
10 merce of the House of Representatives; and

11 (D) the Committee on Energy and Natural
12 Resources of the Senate.

13 (c) FUNDING.—

14 (1) USE OF EXISTING FUNDS.—Out of any
15 amounts made available to the Secretary and the
16 Secretary of Energy that are not otherwise obli-
17 gated, the Secretary and the Secretary of Energy,
18 respectively, shall use such sums as are necessary to
19 carry out this section.

20 (2) TREATMENT OF FUNDS CONTRIBUTED BY
21 THE SECRETARY OF ENERGY.—Amounts contributed
22 by the Secretary of Energy to a selected project
23 under paragraph (1) shall be nonreimbursable.

24 (3) TREATMENT OF FUNDS CONTRIBUTED BY
25 SECRETARY.—Amounts contributed by the Secretary

1 to a selected project under paragraph (1) shall be
2 reimbursed in accordance with any applicable con-
3 tract or agreement.

4 (d) EFFECT.—Nothing in this section—

5 (1) creates, impairs, alters, or supersedes a
6 Federal or State water right or interstate compact;
7 or

8 (2) affects or modifies any authorized purpose
9 of a selected project.

10 **SEC. 4. WESTERN WATER RESILIENCE CENTER.**

11 (a) ESTABLISHMENT.—Not later than 180 days after
12 the date of enactment of this Act, the Secretary and the
13 Secretary of Energy shall enter into a partnership with
14 1 or more institutions of higher education to establish a
15 center to conduct research on the development, commer-
16 cialization, and deployment of innovations in water and
17 energy technologies, to be known as the “Western Water
18 Resilience Center”.

19 (b) AUTHORIZED ACTIVITIES.—The Center shall con-
20 duct research on—

21 (1) data collection, modeling, and advanced
22 data analytics of precipitation, runoff, and water re-
23 sources at the regional level;

1 (2) the development of technology and systems
2 that improve management and assist in the develop-
3 ment of water infrastructure;

4 (3) addressing—

5 (A) Tribal water supply and quality; and

6 (B) any other factors that affect the reli-
7 able access of Indian Tribes to water resources;
8 and

9 (4) the establishment of a, or a partnership
10 with an existing, water technology accelerator that—

11 (A) would bring water innovations to mar-
12 ket by addressing multiple phases of technology
13 development, including validation, development,
14 startup, and scaling; and

15 (B) has an emphasis on binational collabo-
16 ration between the United States and Middle
17 Eastern countries, such as Israel.

18 (c) PRIORITY.—In entering into a partnership under
19 subsection (a), the Secretary and the Secretary of Energy
20 shall give priority to a partnership with an institution of
21 higher education that—

22 (1) has experience conducting research on water
23 scarcity issues;

24 (2) is located in a Reclamation State;

- 1 (3) has an established background of coordi-
- 2 nating with Indian Tribes on water issues; and
- 3 (4) is located in a State that has an established
- 4 presence in Israel for the promotion of trade.

INFORMATION BRIEF

BOARD OF DIRECTORS



Agenda Number 7

CONTACT: Patrick Dent Angie Lohse
623-869-2581 623-869-2572
pdent@cap-az.com alohse@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Report on NIA Reallocation - Dent/Lohse

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

2016 CAWCD Strategic Plan

Water Supply: Optimize reliability and sustainability of CAP water supply

PREVIOUS BOARD ACTION/ACTIVITY:

February 7, 2013 Discussion and Consideration of Action Regarding NIA Priority Water Reallocation

May 7, 2015 Discussion and Consideration of Action to Approve the Memorandum of Understanding among the United States Bureau of Reclamation, the Arizona Department of Water Resources, and the Central Arizona Water Conservation District for Preparation of an Environmental Assessment Supporting the Reallocation of Non-Indian Agricultural Priority Central Arizona Project Water

ISSUE SUMMARY/DESCRIPTION:

On June 3, 2020, the Bureau of Reclamation published a notice in the Federal Register regarding the proposed reallocation of 46,629 AF of CAP Non-Indian Agricultural priority water. This marked an important step in a process that is expected to result in the issuance of new CAP subcontracts.

The 46,629 AF of NIA priority water is a portion of the 96,295 AF was allocated to ADWR by the Secretary of the Interior, consistent with the Arizona Water Rights Settlements Act of 2004. ADWR holds this water in trust for reallocation to non-Indian municipal and industrial users in Arizona. ADWR began the reallocation process in 2012 with stakeholder meetings, and ADWR then proposed allocating the water in three phases. The first phase now reaching conclusion allocates 34,629 AF to municipal providers and the CAGR, and 12,000 AF to industrial users. ADWR developed selection criteria and then made a reallocation recommendation to the Secretary based on submissions from interested parties.

ADWR's recommendation to the Secretary in 2014 then initiated a federal process, including review under the National Environmental Policy Act. The Bureau of Reclamation led the NEPA review, which ultimately led to a Finding Of No Significant Impact in 2019. The FONSI allowed Reclamation to proceed with the recent Federal Register notice on the proposed reallocation action. There are additional steps required from both Reclamation and CAWCD, but barring further delay it is anticipated that subcontracts will be issued and in place for orders to be submitted by October of 2021, for water delivery beginning in 2022.

ATTACHMENTS:

1. Presentation



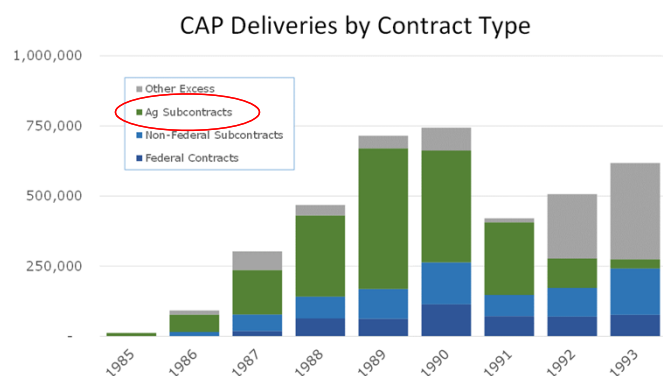
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PATRICK DENT AND ANGIE LOHSE

Report on NIA Reallocation

Non-Indian Agricultural Subcontracts

- In the early 1980s, Ag districts were issued long-term subcontracts for Non-Indian Agricultural priority water
- Allocations were for a percentage of the available supply, not fixed quantities
- It was anticipated that these subcontracts would use much of the available supply, but the cost of CAP water was often higher than groundwater, so the contracts were underutilized



Financial Issues

- In addition to the higher-than-anticipated cost of CAP water, the Ag districts had entered into contracts with the United States to construct districts' CAP delivery infrastructure and repay certain costs
- The infrastructure contracts were issued pursuant to §9(d) of the Reclamation Project Act of 1939 so this debt became known as "9(d) debit"
- By the early 1990s, several Ag districts were facing severe economic hardship, including bankruptcy
- These issues became the focus of two gubernatorial commissions, and were part of the repayment negotiation and litigation with the United States

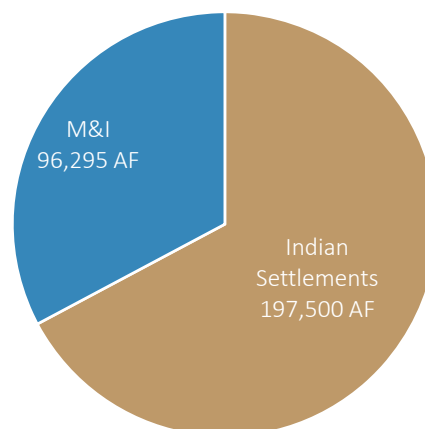
3 | NIA REALLOCATION | AUGUST 6, 2020

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2004 Arizona Water Rights Settlement Act

- These issues were ultimately resolved through the AWRSA
- Ag districts were allowed to relinquish their L-T CAP entitlements relieving them of their 9(d) debt
- The Ag entitlements were quantified and allocated or reserved



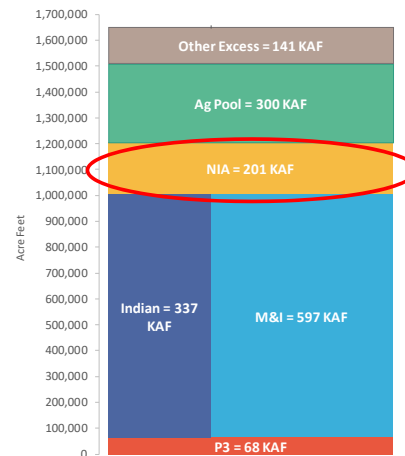
4 | NIA REALLOCATION | AUGUST 6, 2020

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NIA Priority Water

- Lowest priority of the long-term CAP contracts
- Reallocated NIA supply shares same priority with existing tribal and municipal NIA priority supplies



5 | NIA REALLOCATION | AUGUST 6, 2020

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ADWR M&I Reallocation Process

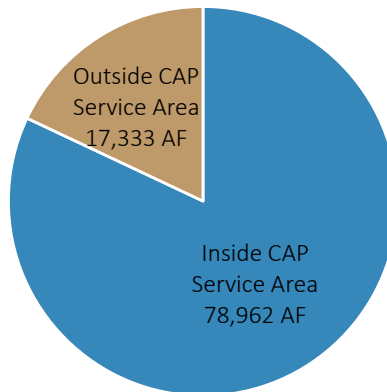
- ADWR's process began in 2012
- The process described how the allocation of 96,295 AF would occur at periodic intervals
- 'Pools' were created to allow different water users to "compete more fairly within their own category"
- Selection Criteria were developed to evaluate the applications

6 | NIA REALLOCATION | AUGUST 6, 2020

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M&I Reallocation: Inside vs. Outside CAP SA

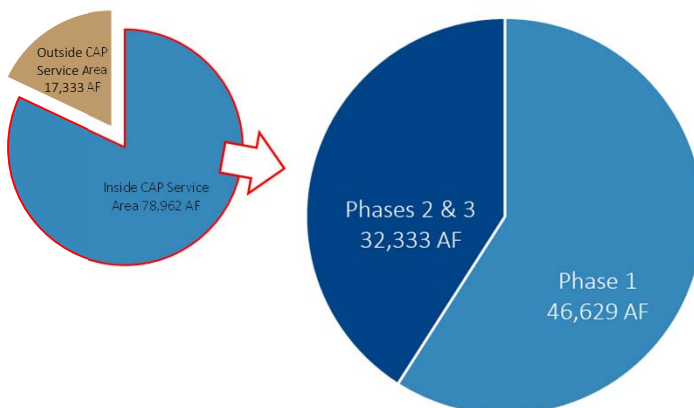


7 | NIA REALLOCATION | AUGUST 6, 2020

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M&I Reallocation: Phases for Inside CAP SA

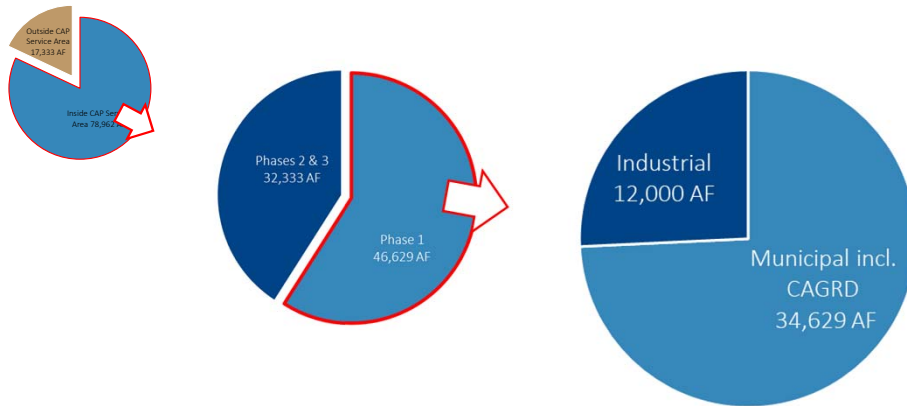


8 | NIA REALLOCATION | AUGUST 6, 2020

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M&I Reallocation: Pools for Phase 1



9 | NIA REALLOCATION | AUGUST 6, 2020

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ADWR Phase 1 Reallocation Goals

- Reduce GW overdraft
- Additional source of water to areas with limited GW
- Meet current and future water demands
- Meet near-term demands for existing municipal providers and industrial water users of GW or Excess water

10 | NIA REALLOCATION | AUGUST 6, 2020

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ADWR Phase 1 Selection Criteria

- Ability to pay for the water
- Direct use or storage and recovery
- Water management plan
 - Use supply by 2020
 - Infrastructure to directly use or store and recover the supply
 - Plan to meet shortage in the supply

11 | NIA REALLOCATION | AUGUST 6, 2020

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Timeline for M&I Reallocation

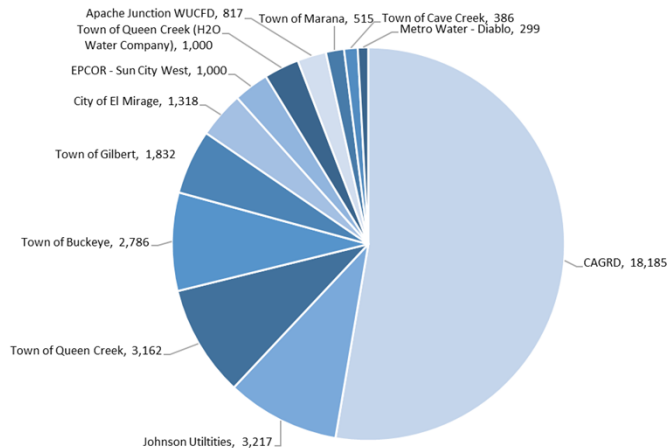


12 | NIA REALLOCATION | AUGUST 6, 2020

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Municipal Recipients and Volumes



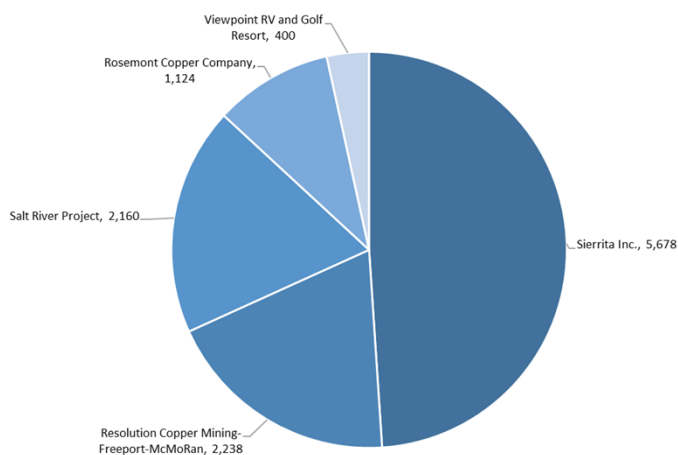
Apache Junction WUCFD	817 AF
CAGR D	18,185 AF
Carefree Water Company	112 AF
City of El Mirage	1,318 AF
EPCOR - Sun City West	1,000 AF
Johnson Utilities	3,217 AF
Metro Water - Diablo	299 AF
Town of Buckeye	2,786 AF
Town of Cave Creek	386 AF
Town of Gilbert	1,832 AF
Town of Marana	515 AF
Town of Queen Creek	3,162 AF
Town of Queen Creek (H2O Water Company)	1,000 AF
Total	34,629 AF

13 | NIA REALLOCATION | AUGUST 6, 2020

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Industrial Recipients and Volumes



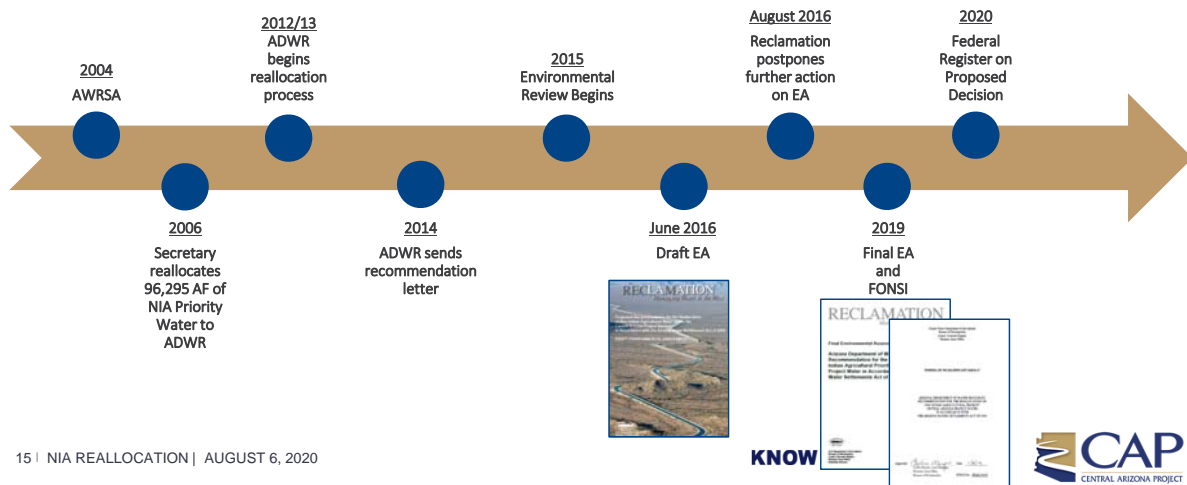
Viewpoint RV and Golf Resort	400 AF
New Harquahala Generating Company	400 AF
Rosemont Copper Company	1,124 AF
Salt River Project	2,160 AF
Resolution Copper Mining-Freeport-McMoRan	2,238 AF
Sierrita Inc.	5,678 AF
Total	12,000 AF

14 | NIA REALLOCATION | AUGUST 6, 2020

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Timeline for Environmental Review



NIA Priority Water - Cost

- 9(d) Debit @ \$665/acre-foot
- Back Capital Charges @ \$1,335/acre-foot



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Questions?

Next Steps

- Steps for Water Orders in 2021 and Delivery in 2022
 - Final Decision published in the Federal Register
 - Stakeholder engagement
 - Water Delivery Contracts
 - Three party agreements among CAWCD, Reclamation and Party
 - Notice in Superior Court



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Questions?

INFORMATION BRIEF

BOARD OF DIRECTORS



Agenda Number 8

CONTACT: Andrew Craddock Laura Grignano
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acraddock@cap-az.com lgrignano@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Discussion of Proposed CAGRDCity of Peoria M&I Subcontract Assignment and Transfer Agreement and Long-Term Storage Credit Acquisition - Craddock

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

Water Supply: Obtain Sufficient Water Supplies to Meet Replenishment Obligations

PREVIOUS BOARD ACTION/ACTIVITY:

None.

ISSUE SUMMARY/DESCRIPTION:

CAGRDC and representatives of the City of Peoria (Peoria) are completing a draft Long-Term Storage Credit Purchase and Sale Agreement (Agreement) under which CAGRDC will acquire from Peoria 35,911 long-term storage credits (LTSCs) over five consecutive years from 2021 through 2025. The annual total LTSCs purchased during the five-year term is 7,182.20 AF. The Agreement will be presented to and acted upon by the Peoria City Council on August 18, 2020. The CAWCD Board will be asked to approve the Agreement with Peoria at the September 2020 Board Meeting. This Agreement is the result of extensive negotiations between CAGRDC and Peoria associated with the proposed transfer and assignment of 1,885 acre-feet of CAP M&I Priority Water from CAGRDC to Peoria. The transfer and assignment of up to 1,885 acre-feet of CAP M&I Priority Water is contractual under section 5.5 of CAGRDC's Supplemental Contract (Attached) and a result of Peoria's acquisition of New River Utility Company in 2016.

Under the Agreement, CAWCD will acquire, for use by the CAGRDC for fulfillment of its replenishment obligations, 35,911 LTSCs at the estimated total cost of \$9,497,313. The annual cost per LTSC is equal to the "standard formula" utilized in numerous prior LTSC Agreement acquisitions. The standard formula equals the cost CAGRDC would pay to create an acre-foot of LTSC based on CAP water rates in a given year. The estimated annual purchase price for 7,182.20 LTSCs from 2021 through 2025 is as follows:

2021: \$1.726 million
2022: \$1.742 million
2023: \$1.933 million
2024: \$2.032 million
2025: \$2.062 million
Total: \$9.497 million

A minimum of 25,000 LTSCs will be transferred to CAGRDC from Peoria's LTSC Account and can include either CAP water, effluent or a combination of both, derived from water storage in the West Salt River Valley

sub-basin of the Phoenix Active Management Area. The remaining 10,911 LTSCs can originate from water storage in the WSRV sub-basin and/or from the recently reopened Tonopah Desert Recharge Project. Peoria retains discretion regarding the LTSC volume(s) to be transferred from specific recharge facilities throughout the Agreement term so long as it is in accordance with the requirements described above.

Upon CAWCD Board approval of the LTSC Agreement at the September 2020 Board Meeting, the CAWCD General Manager will enter into a companion agreement for the transfer and assignment of 1,885 acre-feet of CAP M&I Priority Water from CAGRD to Peoria.

ATTACHMENTS:

1. Presentation
2. Supplemental CAWCD Contract No 14-06-W-245 8-14-2007



YOUR WATER. YOUR FUTURE.

ANDREW CRADDOCK

CAGRD – City of Peoria

Proposed M&I Subcontract Assignment & Transfer Agreement
and Long-Term Storage Credit Acquisition

M&I Assignment and Transfer

**Long-Term Storage Credit Purchase & Sale
Agreement**

Next Steps

M&I Assignment & Transfer

3 | CAGRD – CITY OF PEORIA: M&I TRANSFER & LTSC AGREEMENTS| 08.06.20

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M&I Assignment & Transfer: Background

- U.S./CAWCD Supplemental Contract executed on 8/14/07 for fulfillment of CAGRD replenishment obligations
- CAGRD acquired four M&I entitlements in 2007
 - New River Utility Company (NRUC) - 1,885 AF
 - West End, Sunrise and LPSCO water companies also
- 2016: ACC approved Peoria's acquisition of all water utility assets of NRUC, whereby the CC&N of NRUC ceased to exist
- Peoria's DAWS has assumed all water service obligations of NRUC and has relieved CAGRD of all current and future replenishment obligations for former NRUC Member Lands (MLs) since January 1, 2016

4 | CAGRD – CITY OF PEORIA: M&I TRANSFER & LTSC AGREEMENTS| 08.06.20



M&I Assignment & Transfer: CAGRD Contract Section 5.5 Language

“To the extent that another entity (**City of Peoria**) relieves CAWCD, acting in its capacity as CAGRD, of its **current and future replenishment obligation** for MLs and MSAs located within the services areas identified in Exhibit A (**NRUC, LPSCO, etc.**), CAWCD will transfer to that entity an equal amount of its entitlement to CAP M&I Water up to the amount **(1,885 AF)** specified in Exhibit A for each service area.”

- M&I subcontract authorizes CAGRD staff to proceed with M&I transfer
- CAWCD GM signature will authorize staff to enter into M&I Assignment and Transfer Agreement with Peoria
- M&I transfer would be contingent on LTSC Purchase & Sale Agreement (PSA) approval by CAWCD Board (September 2020)

5 | CAGRD – CITY OF PEORIA: M&I TRANSFER & LTSC AGREEMENTS| 08.06.20



M&I Assignment & Transfer: Annual Water Use Data Verification

- 2017-2019: Peoria provided and CAGRD staff verified parcel level water delivery data on all eight NRUC Member Lands formerly enrolled in CAGRD
- 2017: Maximum annual water delivery of 1,456.84 AF
- Parties have held extensive discussions, data analyses and collaborative negotiations around contract language meaning of “current and future replenishment obligation” in determining a mutually-agreeable M&I transfer volume.
- LTSC Agreement “bridges the gap”- 1,885 AF vs. 1,456.84 AF

6 | CAGRD – CITY OF PEORIA: M&I TRANSFER & LTSC AGREEMENTS| 08.06.20



M&I Assignment & Transfer: Bridging Current vs. Future Replenishment “Gap”

- CAGRD and Peoria are proposing to “bridge the gap” via a LTSC PSA and subsequent M&I Transfer based on the following:
 - 1,885 AF: full former NRUC entitlement held by CAGRD
 - 1,456.84 AF: Peoria maximum one-year water delivery (2017)
 - 428.16 AF – “Gap”
- CAGRD receives a 100-year equivalent “gap” volume of LTSCs (42,816 AF) minus the water deliveries to former NRUC MLs (6,905 AF) by Peoria in years 2016 through 2020.
- Peoria would sell CAGRD 35,911 LTSCs from 2021-2025
 - $(42,816 \text{ AF} - 6,905 \text{ AF} = 35,911 \text{ AF of LTSCs})$
- CAGRD would transfer 1,885 AF of CAP M&I entitlement to Peoria
- CAGRD's new M&I volume reduced to 6,426 AF/YR (currently 8,311 AF/YR.)

7 | CAGRD – CITY OF PEORIA: M&I TRANSFER & LTSC AGREEMENTS| 08.06.20



Long-Term Storage Credit Purchase & Sale Agreement Proposal

8 | CAGRD – CITY OF PEORIA: M&I TRANSFER & LTSC AGREEMENTS| 08.06.20

KNOW YOUR WATER.



LTSC Purchase & Sale Agreement: Key Terms

- 35,911 LTSCs acquired over 5 year term
 - 7,182.20 LTSCs in 2021 through 2025
- Location of LTSCs
 - Minimum of 25,000 LTSCs from West Salt River Valley (WSRV) - Phoenix AMA recharge facilities
 - WSRV Facilities include Agua Fria Constructed & Managed USFs, Hieroglyphic Mtns., Peoria Beardsley Road (effluent) and SRP Agua Fria (effluent)
 - Remaining 10,911 LTSCs at Peoria's discretion from either WSRV facilities listed and/or Tonopah Desert Recharge Project

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LTSC Purchase & Sale Agreement: Key Terms

- Initial LTSC acquisition (expected in 4Q 2021) completed approximately one month after amended CAP M&I Priority Water contracts finalized with BOR and issued to CAWCD (for CAGRD) and Peoria
- LTSC acquisition price based on “standard formula” equal to CAGRD’s cost to create an acre-foot of LTSC in a given year

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LTSC Purchase and Sale Agreement: Acquisition Costs

Year*	M&I Capital	Fixed OM&R	Energy Rate	UWS O&M (PHX AMA)	LTSC Cost	Annual Cost
2021	\$ 53.00	\$ 104.00	\$ 56.00	\$ 13.00	\$ 240.43	\$ 1,726,784
2022	\$ 50.00	\$ 109.00	\$ 56.00	\$ 13.00	\$ 242.55	\$ 1,742,066
2023	\$ 69.00	\$ 114.00	\$ 57.00	\$ 13.00	\$ 269.15	\$ 1,933,081
2024	\$ 70.00	\$ 121.00	\$ 61.00	\$ 14.00	\$ 282.98	\$ 2,032,410
2025	\$ 68.00	\$ 127.00	\$ 61.00	\$ 14.00	\$ 287.23	\$ 2,062,972
Total Cost: 35,911 LTSCs/ 5 Years						\$ 9,497,313
* Rates: 2021 Firm, 2022 Provisional, 2023-2025 Advisory						

11 | PRESENTATION TITLE | DD.MM.YY



Next Steps

- August 18, 2020 Peoria City Council Meeting
 - Seek approval of LTSC Purchase & Sale Agreement and
 - M&I Assignment and Transfer Agreement
- September 3, 2020 CAWCD Board Meeting
 - Seek Board approval of LTSC Purchase & Sale Agreement
 - CAWCD GM signs M&I Assignment and Transfer Agreement with Peoria
- September 2020 – CY 2021
 - Initiate required actions to complete M&I Transfer
 - Adhere to CAWCD Policy and ADWR Substantive Policy on CAP M&I Transfers
 - Adhere to BOR Review Procedures and Requirements
 - Initial year (2021) of LTSC purchase; M&I Amended Contracts by 10/1/21

12 | CAGRDR – CITY OF PEORIA: M&I TRANSFER & LTSC AGREEMENTS | 08.06.20





YOUR WATER. YOUR FUTURE.
Questions?

acraddock@cap-az.com;
Office: (623) 869-2418

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

CENTRAL ARIZONA PROJECT

SUPPLEMENTAL CONTRACT BETWEEN THE UNITED STATES
AND THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT
FOR DELIVERY OF CENTRAL ARIZONA PROJECT WATER

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

CENTRAL ARIZONA PROJECT

SUPPLEMENTAL CONTRACT BETWEEN THE UNITED STATES
AND THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT
FOR DELIVERY OF CENTRAL ARIZONA PROJECT WATER

1. PREAMBLE: THIS SUPPLEMENTAL CONTRACT, made this 14th day of August, 2007, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act enacted December 21, 1928 (45 Stat. 1057), as amended, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, and particularly the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended, and the Arizona Water Settlements Act (118 Stat. 3478), all of which are commonly known and referred to as Federal Reclamation law, between the UNITED STATES OF AMERICA, hereinafter called the "United States," and the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter called "CAWCD," a multi-county water conservation district organized under the laws of Arizona with its principal place of business in Phoenix, Arizona; the United States and CAWCD are each individually sometimes hereinafter called "Party" and sometimes collectively called "Parties";

WITNESSETH THAT:

2. EXPLANATORY RECITALS:

2.1 The United States and CAWCD entered into a contract entitled "Contract for the Delivery of Water and Repayment of Costs of the Central Arizona Project," Contract No. 14-06-W-245, Amendment No. 1, dated December 1, 1988, hereinafter referred to as the "Master Contract", wherein CAWCD is

defined as the "Contractor."

2.2 Pursuant to the Master Contract, the United States and CAWCD entered into water service subcontracts with individual entities for delivery and use of Central Arizona Project municipal and industrial water (CAP M&I Water).

2.3 In 1993, the Arizona legislature created a groundwater replenishment authority to be operated by CAWCD throughout its three-county service area, referred to as the Central Arizona Groundwater Replenishment District (CAGRD).

2.4 The purpose of CAGRD is to provide a mechanism for landowners, developers and water providers to demonstrate an assured water supply under assured water supply rules adopted by the Arizona Department of Water Resources pursuant to Title 45, Chapter 2, of the Arizona Revised Statutes (A.R.S.).

2.5 Certain CAP M&I Subcontractors desire to assign some or all of their existing CAP M&I Water entitlements to CAWCD, and CAWCD desires to accept, hold and put to use such assigned CAP M&I Water entitlements to fulfill its CAGRD function in the manner set forth below.

2.6 By letter dated August 4, 2004, the Arizona Department of Water Resources recommended that these assignments be approved.

2.7 The United States and CAWCD desire to create a contractual framework for CAWCD to accept, hold and put to use CAP M&I Water entitlements assigned to it for the purpose of fulfilling its CAGRD function in the manner set forth below.

NOW THEREFORE, the Parties agree as follows:

3. DEFINITIONS: Definitions in the Master Contract are applicable to this Supplemental Contract. The first letters of terms so defined are capitalized herein. For the purposes of this Supplemental Contract, the following additional definitions shall apply:

3.1 Active Management Area means a geographic area that has been designated pursuant to A.R.S. 45-411 et seq. as requiring active management of groundwater.

3.2 ADWR means the Arizona Department of Water Resources, which is responsible for making recommendations to the United States regarding assignments of CAP allocations pursuant to A.R.S. § 45-107(D).

3.3 Member Land means any real property that meets the requirements of A.R.S. § 48-3774 and for which the CAGRDR enrollment process has been completed.

3.4 Member Service Area means the service area of a municipal provider that qualifies as a member service area under A.R.S. § 48-3780 and for which the CAGRDR enrollment process has been completed.

4. EFFECTIVE DATE AND TERM OF SUPPLEMENTAL CONTRACT:

4.1 Notwithstanding the terms and conditions of the Master Contract, this Supplemental Contract shall become effective upon the date on which the Secretary of the Interior publishes in the Federal Register the statement of findings described in section 207(c)(1) of the Arizona Water Settlements Act, 118 Stat. 3478. This Supplemental Contract shall be for permanent service as that term is used in Section 5 of the Boulder Canyon Project Act of 1928, 43 U.S.C. §617d. With respect to the entitlements to CAP M&I Water transferred from Sunrise Water Company, West End Water Company, Litchfield Park Service Company, and New River Utility Company, as identified in the initial Exhibit A, Project water shall be delivered under the terms of this Supplemental Contract for a period of 100 years beginning January 1 of the Year following that in which the Supplemental Contract becomes effective. With respect to future, additional assignments of entitlements to CAP M&I Water to CAWCD, Project water shall be delivered under the terms of this Supplemental Contract for the period of years identified in Exhibit A, as it may be amended.

4.2 This Supplemental Contract may be renewed upon written request by CAWCD upon terms and conditions of renewal to be agreed upon the parties not later than 1 year prior to the expiration of this Supplemental Contract; provided, that such terms and conditions shall be consistent with Article 9.9 of the Master Contract.

5. ENTITLEMENT TO CAP M&I WATER AND CONDITIONS RELATING TO USE:

5.1 CAWCD is entitled to take the amount of CAP M&I Water specified in Exhibit A for M&I uses, including groundwater recharge, solely in fulfillment of its CAGRDR obligations, as set forth in

paragraph 5.4 below. Nothing in this Supplemental Contract shall be construed to increase the quantity of water that the United States is obligated to deliver under the Master Contract.

5.2 This Supplemental Contract is subject to Public Law No. 108-451, Sections 104(d)(2)(C), and 104(e), relating respectively to the shortage sharing criteria described in paragraph 5.3 of the Tohono O'odham settlement agreement and to the prohibition on transfer and the exception.

5.3 CAWCD shall hold the United States, its officers, agents, and employees harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury, or death arising out of or connected with: (1) CAWCD's control, carriage, handling, use, disposal, or distribution of CAP M&I Water beyond any turnout on the Water Supply System; (2) the quality of CAP M&I Water; (3) interruptions or reductions in the quantity of water delivered as a result of operation, maintenance, replacement, repair, or failure of the Project works; or (4) reductions in the quantity of water available or delivered under Article 8.3 of the Master Contract because of the inherent priority of the water.

5.4 CAWCD will use CAP M&I Water under this Supplemental Contract first to satisfy its annual replenishment obligation for Member Lands and Member Service Areas located within the service areas of the transferring entities identified in Exhibit A. For groundwater withdrawals serving Member Lands or Member Service Areas within the boundaries of those transferring entities identified in Exhibit A, CAWCD shall replenish water either in the area of hydrologic impact of those groundwater withdrawals or within the same Active Management Area, as specified in Exhibit A. After all annual replenishment obligations for Member Lands and Member Service Areas located within the service area of the transferring entities identified in Exhibit A have been satisfied, CAWCD may use CAP M&I Water under this Supplemental Contract to satisfy its annual replenishment obligation for Member Lands enrolled as of the date of Exhibit A.

5.5 To the extent that another entity relieves CAWCD, acting in its capacity as CAGRD, of its

current and future replenishment obligation for Member Lands or Member Service Areas located within the service areas identified in Exhibit A, CAWCD will transfer to that entity an equal amount of its entitlement to CAP M&I Water up to the amount specified in Exhibit A for each service area. This transfer will be accomplished through a new or amendatory CAP M&I water service subcontract among CAWCD, the United States and the entity that has agreed to serve the Member Lands or Member Service Area. Pursuant to A.R.S. § 45-107(D), CAWCD shall submit the proposed subcontract among CAWCD, the United States, and the entity that has agreed to serve the Member Lands or Member Service Area, and all related exhibits and agreements to ADWR for review and comment.

6. OBLIGATIONS OF THE UNITED STATES AND CAWCD UNDER THE MASTER CONTRACT:

6.1 Except as provided in this Supplemental Contract, the rights and obligations of the United States and CAWCD under the Master Contract are not affected by this Supplemental Contract. The amount of CAWCD's repayment obligation to the United States under the Master Contract or the Revised Stipulation Regarding a Stay of Litigation, Resolution of Issues During the Stay and for Ultimate Judgment Upon the Satisfaction of Conditions, as it may be amended, (No. CIV 95-625-TUC-WDB(EHC), No. CIV 95-1720-PHX-EHC) shall not be affected by the execution and operation of this Supplemental Contract.

6.2 The terms and conditions in the Master Contract for CAP M&I Water shall apply to the CAP M&I Water that CAWCD obtains under this Supplemental Contract to fulfill its CAGR function, as if CAWCD were a Subcontractor. Among other things, CAWCD shall be responsible for scheduling, reporting, and paying all costs associated with the holding, using, or delivering CAP M&I Water assigned to it under this Supplemental Contract.

6.3 Any Federal costs associated with administration of this Supplemental Contract shall be paid by CAWCD to the United States under the annual work plan covered under Section 8 of the agreement entitled, "Operating Agreement Between the United States of America and the Central Arizona Water Conservation District for Operation and Maintenance of the Central Arizona Project," dated June 15, 2000.

7. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS: The expenditure or advance of any money or the performance of any obligation by the United States under this Supplemental Contract shall be contingent upon the appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve CAWCD from any obligations under this Supplemental Contract. No liability shall accrue to the United States in case funds are not appropriated or allocated.

8. RULES, REGULATIONS, AND DETERMINATIONS:

8.1 The Parties agree that the delivery of water or the use of Federal facilities pursuant to this Supplemental Contract is subject to Reclamation Law, as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Reclamation Law.

8.2 The Contracting Officer, after an opportunity has been offered to CAWCD for consultation, shall have the right to make rules, regulations, and determinations consistent with the provisions of this Supplemental Contract, the laws of the United States and the State of Arizona, including, without limitation, rules, regulations, and determinations relative to maximizing project benefits from pumping from Lake Havasu, the rate and schedule of pumping therefrom and the rate and schedule of pumping at the Hayden-Rhodes pumping plants, to add to or modify said rules, regulations, and determinations as may be deemed proper and necessary to carry out this Supplemental Contract, and to supply necessary details of its administration which are not covered by express provisions of this Supplemental Contract. CAWCD shall observe such rules, regulations and determinations and each subcontract shall so provide.

8.3 Where the terms of this Supplemental Contract provide for action to be based upon the opinion or determination of either Party to this Supplemental Contract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the event that CAWCD questions any factual determination made by the Contracting Officer, the findings as to the facts shall be made by the Secretary only after consultation with CAWCD and shall be conclusive upon the Parties.

9. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED: The provisions of this Supplemental Contract shall apply to and bind the successors and assigns of each Party, but no assignment or transfer of this Supplemental Contract or any part or interest therein shall be valid until approved in writing by the Contracting Officer.

10. NOTICES: Any notice, demand, or request authorized or required by this Supplemental Contract shall be deemed to have been given, on behalf of each Party, when mailed, postage prepaid, or delivered to the other Party at the following addresses:

10.1 Regional Director
Bureau of Reclamation
Attention: BCOO-4000
Post Office Box 61470
Boulder City, NV 89006-1470

10.2 General Manager
Central Arizona Water Conservation District
23636 North 7th Street
Phoenix, AZ 85024-3801

11. OFFICIALS NOT TO BENEFIT: No member of or Delegate to Congress, Resident Commissioner, or official of CAWCD shall benefit from this Supplemental Contract other than as a water user or landowner in the same manner as other water users or landowners.

12. EQUAL OPPORTUNITY: During the performance of this Supplemental Contract, CAWCD agrees as follows:

12.1 CAWCD will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. CAWCD will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, disability, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CAWCD agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

12.2 CAWCD will, in all solicitations or advertisements for employees placed by or on behalf of CAWCD, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, disability, or national origin.

12.3 CAWCD will send to each labor union or representative of workers with which it has a

collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising said labor union or workers' representative of CAWCD's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

12.4 CAWCD will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

12.5 CAWCD will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

12.6 In the event of CAWCD's noncompliance with the nondiscrimination clauses of this Supplemental Contract or with any of such rules, regulations, or orders, this Supplemental Contract may be canceled, terminated, or suspended, in whole or in part, and CAWCD may be declared ineligible for further government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said amended Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

12.7 CAWCD will include the provisions of Subsections 12.1 through 12.7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. CAWCD will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, That in the event CAWCD becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, CAWCD may request the United States to enter into such litigation to protect the interests of the United States.

13. COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS:

13.1 CAWCD shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (Public Law 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) and any other applicable civil rights laws, as well as with their respective

implementing regulations and guidelines imposed by the Department of the Interior or Reclamation.

13.2 These statutes require that no person in the United States shall, on the grounds of race, color, national origin, disability or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from Reclamation. By executing this Supplemental Contract, CAWCD agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

13.3 CAWCD makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other Federal financial assistance extended after the date hereof to CAWCD by Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. CAWCD recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article, and that the United States reserves the right to seek judicial enforcement thereof.

14. BOOKS, RECORDS, AND REPORTS: CAWCD shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Supplemental Contract, including CAWCD's financial transactions; water supply data; project operation, maintenance, and replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting Officer may require. Reports shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each Party to this contract shall have the right during office hours to examine and make copies of the other party's books and records relating to matters covered by this Supplemental Contract.

15. CONTRACT DRAFTING CONSIDERATIONS: This Supplemental Contract has been drafted, negotiated, and reviewed by the Parties, each of whom is sophisticated in the matters to which this Contract pertains, and no one Party shall be considered to have drafted this Supplemental Contract.

16. REMEDIES UNDER CONTRACT NOT EXCLUSIVE: Nothing in this Supplemental Contract shall be construed in any manner to abridge, limit, or deprive either Party of any means to enforce any remedy either at law or in equity for the breach of any of the provisions hereof, or of any other remedy which it would otherwise have.

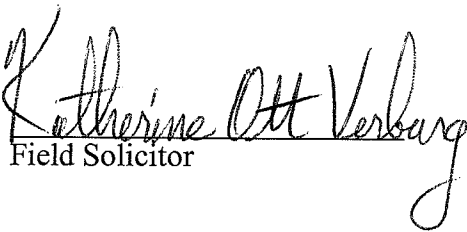
17. EXHIBIT A MADE PART OF SUPPLEMENTAL CONTRACT: Exhibit A may be amended from time to time to reflect additional assignments of CAP M&I Water to CAWCD to fulfill its CAGR function, as set forth in paragraph 5.4 above. The initial Exhibit A is attached hereto and made part hereof, and shall be in force and effect in accordance with its respective provisions until superseded by a subsequent exhibit executed by the Parties. Pursuant to A.R.S. § 45-107(D), for future assignments of CAP M&I Water, CAWCD shall submit proposed amendments to Exhibit A and all related exhibits and agreements to ADWR for review and comment.

IN WITNESS WHEREOF, the Parties have executed this Supplemental Contract to the Master Contract the day and year first above written.

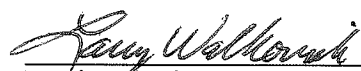
Approved as to Legal Sufficiency:

THE UNITED STATES OF AMERICA

By:


Field Solicitor

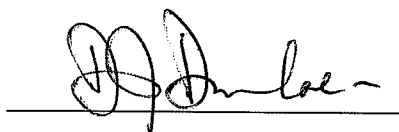
By:


Regional Director
Lower Colorado Region
Bureau of Reclamation

**CENTRAL ARIZONA WATER
CONSERVATION DISTRICT**

Attest:

By:



By:

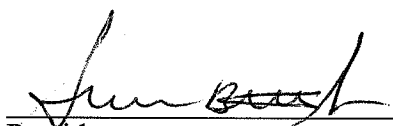

President

EXHIBIT A

1. This Exhibit A, made this _____ day of _____, 2007, to be effective under and as a part of the Supplemental Contract shall become effective on the date of the Supplemental Contract's execution and shall remain in effect until superseded by another Exhibit A executed by the Parties; Provided, That this Exhibit A or any superseding Exhibit A shall terminate with termination of the Supplemental Contract.
2. The following Subcontractors (transferring entities) have assigned the CAP M&I Water entitlements listed below to CAWCD for the purpose of fulfilling its CAGR function. Maps of the service areas of each of the CAP M&I Subcontractors listed below are attached to this Exhibit A and incorporated by reference.

Transferring Entity	Service Area	CAP M&I Water Assigned to CAWCD
Sunrise Water Company ¹	Map 1	944
West End Water Company ¹	Map 2	157
Litchfield Park Service Company ²	Map 3	4,760
New River Utility Company ¹	Map 4	1,885
Total:		7,746

¹ ADWR has determined that replenishment for Member Lands or Member Service Areas within the boundaries of this transferring entity shall be in the area of hydrologic impact of the groundwater withdrawals to be replenished.

² ADWR has determined that replenishment for Member Lands or Member Service Areas within the boundaries of this transferring entity shall be within the Active Management Area in which this transferring entity is located.

IN WITNESS WHEREOF, the Parties have executed this Exhibit A to the Supplemental Contract the day and year first above written.

THE UNITED STATES OF AMERICA

Approved as to Legal Sufficiency:

By: Katherine Ott Verburg
Field Solicitor

By: Sam Walhorn
Regional Director
Acting Lower Colorado Region
Bureau of Reclamation

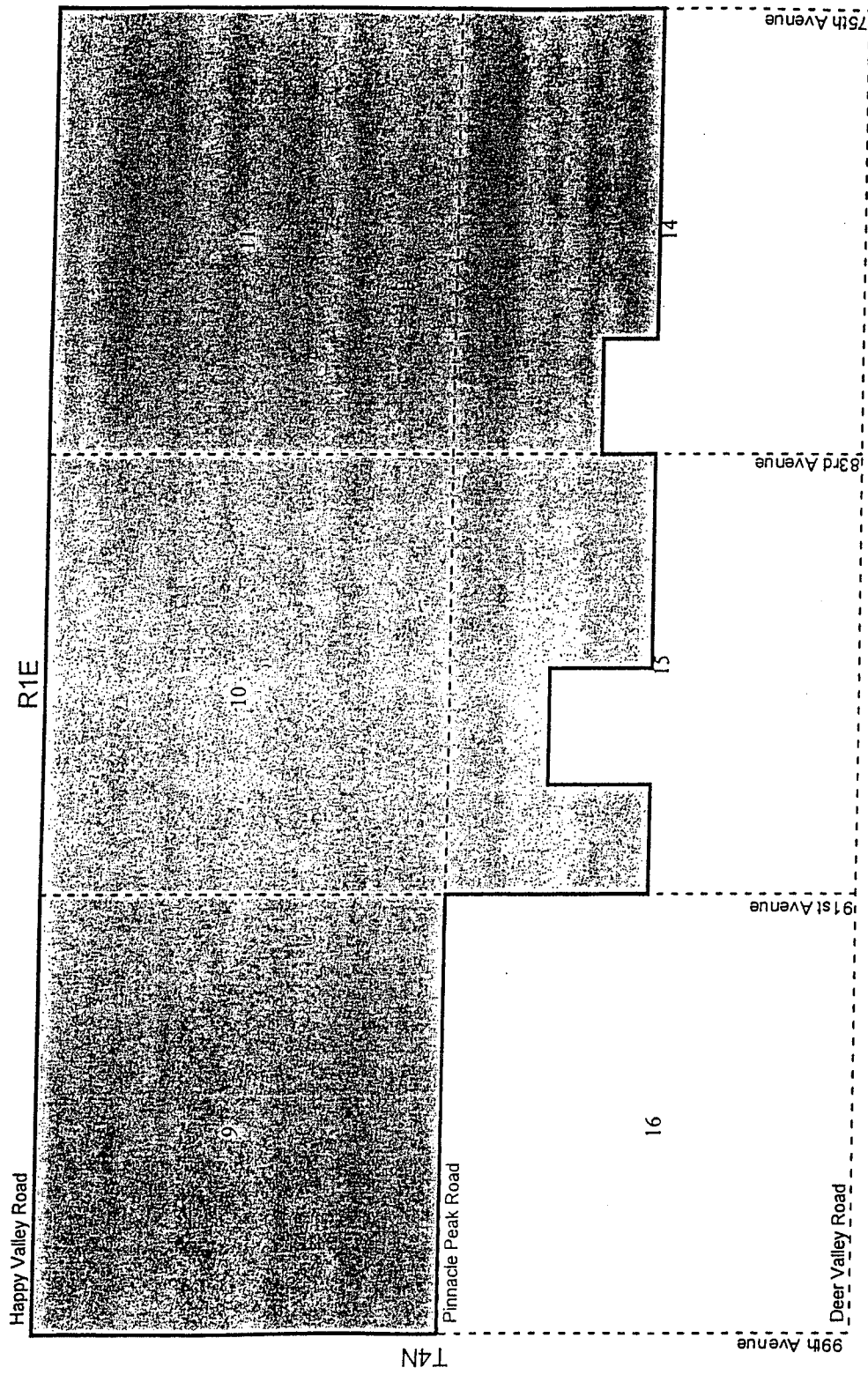
**CENTRAL ARIZONA WATER
CONSERVATION DISTRICT**

Attest:

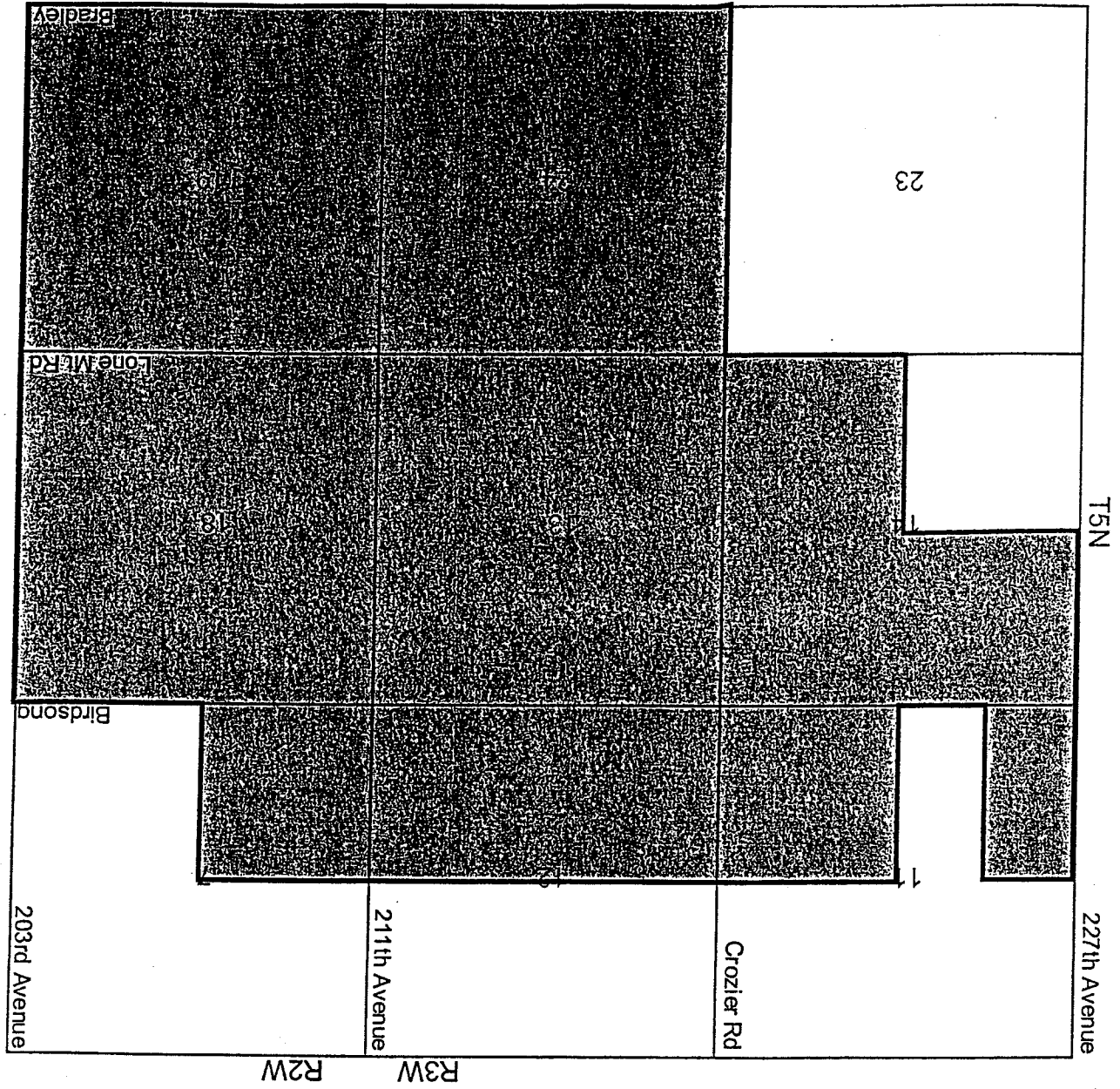
By: DD Dele
Secretary

By: Jim Beaman
President

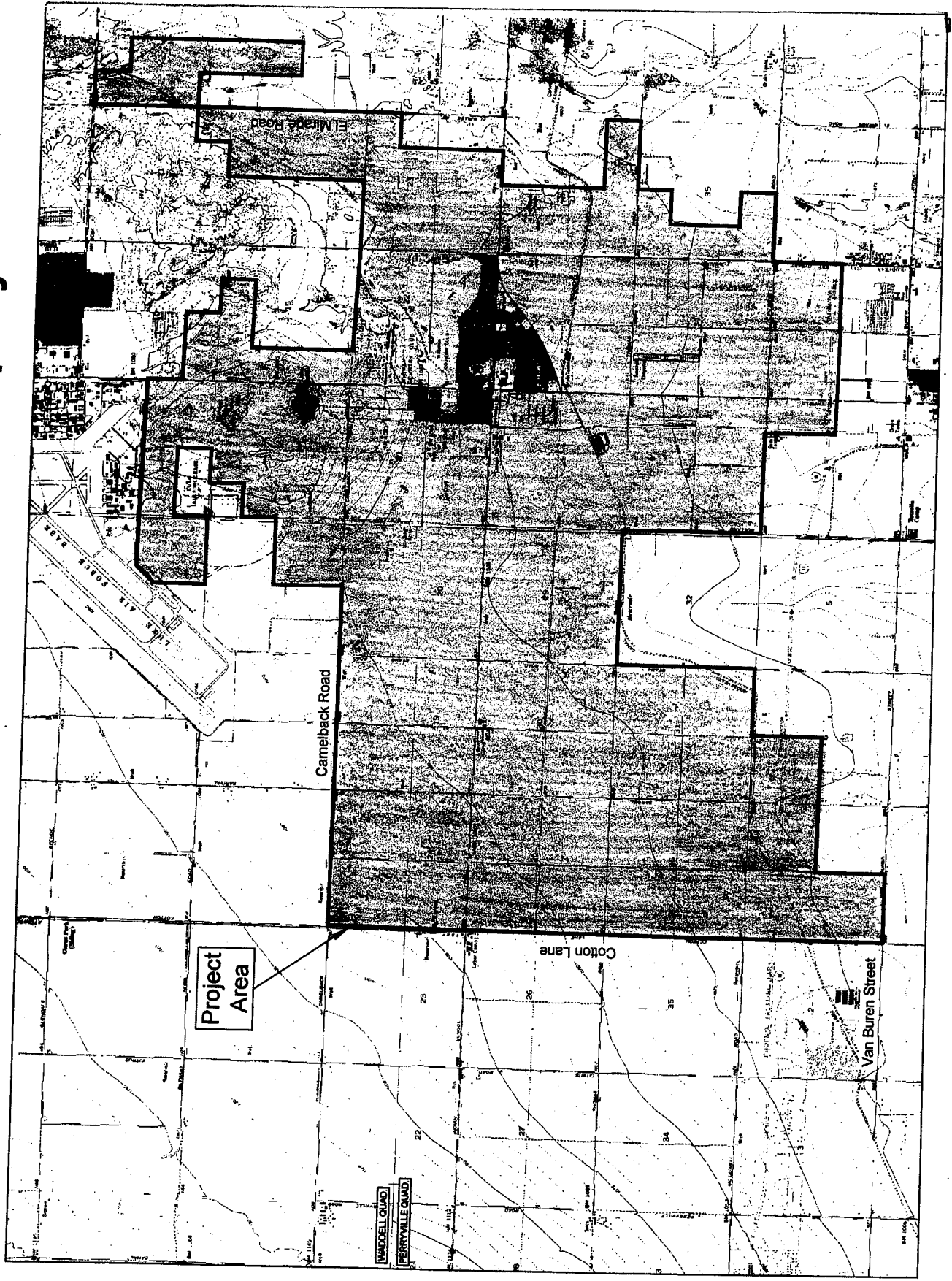
Sunrise Water Company



West End Water Company

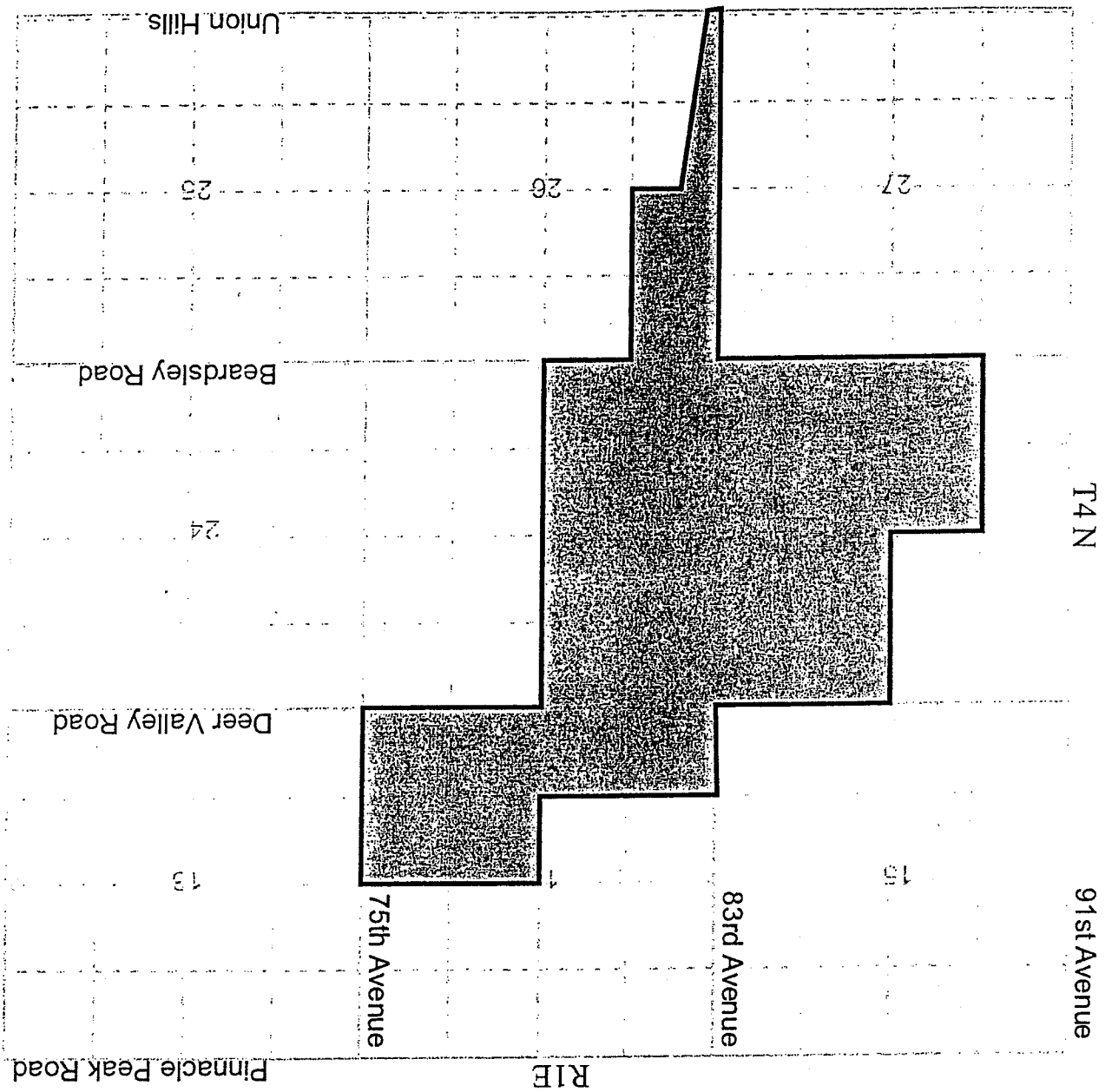


Litchfield Park Service Company



Map 3

New River Utility Company



INFORMATION BRIEF

BOARD OF DIRECTORS



Agenda Number 9

CONTACT: Ken Seasholes Phillip Pagels
623-869-2476 623-869-2252
kseasholes@cap-az.com ppagels@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Report on Draft Water Quality Guidance Document Including Comments Received - Seasholes

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD 2016 Board of Directors Strategic Plan

Water Supply--Optimize reliability and sustainability of CAP water supply

PREVIOUS BOARD ACTION/ACTIVITY:

May 24, 2017	Water Quality Standards Task Force meeting ("Overview & Context")
June 6, 2017	Water Quality Standards Task Force meeting ("Review of Standards and Operations")
September 12, 2017	Water Quality Standards Task Force meeting ("Stakeholders' Proposal")
February 8, 2018	Water Quality Standards Task Force meeting ("Process Update and Revised Stakeholder Proposal")
May 10, 2018	Water Quality Standards Task Force meeting ("WQSTF Approval of Consensus Proposal")
June 7, 2018	CAWCD Board Meeting ("Approval of Consensus Proposal")
January 17, 2019	Water Quality Standards Task Force meeting ("Approval for Delivery and Introduction Standards for a Broad Suite of Water Quality Constituents")
February 7, 2019	CAWCD Board Meeting ("Approval for Delivery and Introduction Standards for a Broad Suite of Water Quality Constituents")

ISSUE SUMMARY/DESCRIPTION:

On April 14, 2020 CAWCD and the Bureau of Reclamation released a draft document "Water Quality Guidance For The Introduction of Non-Project Water Into the Central Arizona Project." The document adds operational details to the "Consensus Proposal" on water quality approved by the Water Quality Task Force and the Board in 2018, and the "Broad Suite of Water Quality Constituents" approved in 2019. The draft Guidance Document is part of the implementation of "uniform water quality standards" for introduced non-Project supplies, as required in Section 12.1 of the CAP System Use Agreement. The document includes sections on required initial analysis and modeling, monitoring and reporting, enforcement, and detailed tables of numeric Introduction and Delivery standards. Following the draft document's release, a public briefing was conducted on April 23, 2020, and a two month comment period was initiated. Comments were received from ten parties: the Ak-Chin Indian Community; Arizona Water Company; City of Chandler; City of Scottsdale; Gila River Indian Community; Jacobs/HVWP; Pascua Yaqui Tribe; Salt River Project; San Carlos Apache Tribe; and the Town of Queen Creek.

Written comments from stakeholders (attached) reflected a range of views on the draft Guidance Document, including both its technical and policy implications. A number of constituents on the so-called “Characterize” list garnered particular attention, with commenters questioning the practical ability to meet the proposed temporary standards. Several commenters requested the establishment of a water quality advisory body, in part to provide input to CAP Staff on those kinds of issues.

There were also specific questions about the methods and levels for constituents on the “non-detect” list, and broader critiques about the inclusion of items beyond what is required under the federal Safe Drinking Water Act. Conversely, there were concerns, most notably from the Ak-Chin Community and San Carlos Apache Tribe, about whether the Introduction and Delivery Standards were sufficiently protective of the Project Water supply, including whether impacts to agricultural operations had been fully considered.

CAP and Reclamation are reviewing the comments in detail, and have initiated follow-up meetings with stakeholders that provided technical comments. A revised draft of the Guidance Document is being developed that is expected to address many of the issues raised by commenters. Once that draft is completed, additional opportunity for review and comment will be provided.

ATTACHMENTS:

1. Ak-Chin Indian Community - Comments on Draft Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project
2. AZWC_Comments on Draft Water Quality Guidance
3. City of Chandler Comments
4. City_of_Scottsdale_Combined_Comments
5. Gila River Indian Community comments on draft CAP System WQ Guidance
6. Jacobs_HVWP_Comments on CAP Draft Water Quality Guidance Document_as submitted
7. PYT Comments Regarding Draft Water Quality Guidance for the Introduction pf Non-Project Water into Central Arizona Project
8. San Carlos Apache Tribe Comments on Draft Water Quality Guidance
9. SRP_Comments on Draft Water Quality Guidance Document_w_table
10. Town of Queen Creek Comments on CAP Water Quality Guidance Document

From: [Munson, Catherine](#)
To: [Meyers, Leslie A](#); [Ted Cooke](#)
Cc: [Katosha Nakai](#); [Lance, Lisa C](#); [Tom Harbour](#); [Water Quality Guidance Document](#)
Subject: Ak-Chin Indian Community - Comments on Draft Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project
Date: Wednesday, June 24, 2020 2:55:30 PM
Attachments: [image006.png](#)
[062420.Comments on Water Guidelines.pdf](#)

Lesley and Ted,
I'm attaching the Ak-Chin Indian Community's comments on the Draft Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project. We would like to take Reclamation and CAP up on their prior offers to meet with us individually about the Guidance. We'll reach out to Patrick Dent at CAP and I'll follow-up with you Leslie/Lisa to arrange for such a meeting.
Warm regards,
Catherine



Catherine Munson
Kilpatrick Townsend & Stockton LLP
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AK-CHIN INDIAN COMMUNITY

Community Government

42507 W. Peters & Nall Road • Maricopa, Arizona 85138 • Telephone: (520) 568-1000 • Fax: (520) 568-1001



June 24, 2020

Leslie A. Meyers, P.E.
Area Manager, Phoenix Area Office
Bureau of Reclamation
6150 W. Thunderbird Rd.
Glendale AZ 85306
lmeyers@usbr.gov

Theodore Cooke
General Manager
Central Arizona Water Conservation District
P.O. Box 43020
Phoenix, AZ 85080-3020
tcooke@cap-az.com

Dear Ms. Meyers and Mr. Cooke:

I write on behalf of the Ak-Chin Indian Community to express the Community's concerns regarding the Draft Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project (the Draft Guidance). While the Community has concerns about numerous details of the Draft Guidance, some of which are identified herein, its principal issue is that the Draft Guidance fails to include necessary measures to ensure that Ak-Chin receives that quality of water that it is entitled to receive under its federal settlement act and its associated water delivery contract with the United States. In addition, the Community will arrange for a consultation with Reclamation and Central Arizona Water Conservation District regarding the Draft Guidance, after which the Community anticipates submitting supplemental comments.

A. The Draft Guidance fails to ensure that the United States will fulfill its statutory, contractual, and trust responsibilities to Ak-Chin.

As you are no doubt aware, the 1984 Ak-Chin Water Rights Settlement Act, Pub. L. 98-350, 98 Stat. 2698 (Oct. 19, 1984) (the 1984 Settlement Act), with certain limited exceptions not relevant here, requires the Secretary of the Interior to deliver to the Ak-Chin Reservation "not less than seventy-five thousand acre-feet of surface water suitable for agricultural use" each year. 1984 Settlement Act § 2(a). The 1984 Settlement Act goes on to identify the specific sources of surface water that Ak-Chin is entitled to receive—namely, 50,000 acre-feet (AF) of Colorado River water previously authorized for the Yuma-Mesa Division of the Gila River Project, with the balance consisting of Central Arizona Project water. *See id.* §§ (f)(1)-(2). These same obligations are reflected in the permanent water delivery contract that Ak-Chin entered into with the United States in 1985. The United States, through the Department of the Interior, thus has statutory and

contractual obligations, to say nothing of its pre-existing and continuing trust obligations to the Community, to ensure that “surface water suitable for agricultural use” reaches the Ak-Chin Reservation. Unfortunately, the Draft Guidelines do not even acknowledge these obligations, much less put in place measures to reflect how the United States will fulfill its trust responsibilities.

While the Draft Guidance appropriately recognizes the consistently high quality and chemical stability of the surface water in the CAP and the value that those characteristics have for CAP water users, *see* ¶ 2.1, the Guidance does nothing to ensure that the water in the CAP will retain those attributes as groundwater wheeling increases. True, the Draft Guidance calls for the development of introduction and delivery standards for water to be wheeled through the CAP works. But the current proposed standards for many constituents—including many that are specifically relevant to agriculture—fall well short of the historic quality of the surface water, and in some cases, risk causing the CAP water delivered to Ak-Chin to fall short of the minimum requirements for the Community’s agricultural pursuits and its domestic needs. These issues are addressed in more detail below. What is more, the Draft Guidance consistently charges Central Arizona Water Conservation District (CAWCD), rather than the Bureau of Reclamation or any other federal actor, with oversight and operational responsibilities for water wheeling while simultaneously explicitly disclaiming any obligation on CAWCD’s part to ensure the quality of water delivered. *See* ¶ 2.1.

The Community is also concerned by the Draft Guidance’s failure to identify any mechanism for consultation with CAP users, like Ak-Chin, who will be affected by non-Project being introduced into the CAP. For example, increased wheeling of non-Project water is highly likely to exacerbate existing water quality issues at Ak-Chin caused by the Maricopa-Stanfield Irrigation & Drainage District (MSIDD) and Central Arizona Irrigation & Drainage District’s (CAIDD) introduction of groundwater into the Santa Rosa Canal, yet the Draft Guidance does not outline any way for Ak-Chin to voice its concerns or ensure that it is considered in the context of any particular wheeling application. Unless this is addressed, it is all but certain that implementation of the Draft Guidance will result in excluding the voices of Ak-Chin, other tribal stakeholders, and numerous other parties that stand to be adversely affected by the increased presence of non-Project water in the CAP, and that exclusion will increase the odds that the United States runs afoul of its statutory, contractual, and trust responsibilities.

B. It is unclear if the Guidance applies to the Santa Rosa Canal.

Clarification is required about whether the anticipated guidelines will apply to the Santa Rosa Canal, which is owned by the United States, but operated MSIDD. The Draft Guidance defines “CAP System” as “transferred works of the Central Arizona Project (CAP).” Transferred works, in turn, include “those facilities owned by the U.S., but with contractual responsibility of the operation and maintenance (O&M) transferred to local irrigation districts.” *See* <https://www.doi.gov/ocl/bor-facilities>. To the extent the guidelines will apply to the Santa Rosa Canal, they are wholly inadequate to protect Ak-Chin’s rights to receive CAP water that is suitable for agriculture. Consultation with Ak-Chin on appropriate measures to protect Ak-Chin’s federal statutory right to CAP water of a certain quality would be required. We understand that Reclamation likely did not intend for the guidelines to apply to the Santa Rosa Canal and if that is the case, then final Guidance should clarify this point.

C. The Guidelines are inadequate to protect CAP water quality.

The Guidelines should be more rigorous with respect to their protection of the quality of the water in the CAP, particularly given the United States' statutory, contractual, and trust responsibility to maintain a certain water quality for Ak-Chin. Moreover, as acknowledged by the Draft Guidance, CAP water is high quality and suitable for a variety of uses, including potable uses, after minimal treatment, and relied upon by many tribes and cities to meet municipal needs. The Secretary is required to consider the impact of the wheeling of any non-Project water on water quality based on the Repayment Contract and he should do so with the goal of minimizing the impact of degradation on all water users. The Draft Guidance falls short of this goal in several respects.

As the Draft Guidance notes, the introduction of Non-Project water has the potential to alter, and possibly degrade, water quality in the CAP system. In fact, the delivery standards allow for a degradation of the CAP water in a way that will impact Ak-Chin's farming operations. The Draft Guidance allows for the wheeling of non-Project water to increase concentrations of Total Dissolved Solids (TDS), chlorides, and sodium, which at elevated levels have a direct impact on farming operations. The delivery standard for Total Dissolved Solids (TDS), in particular, should be reduced to be no greater than 680 mg/L, which correlates to the maximum range of TDS currently measured in the CAP aqueduct. Allowing the delivery standards to increase TDS levels in the CAP system from the current 5-year average of 629.7 mg/L to 747 mg/L amounts to a reversal of 50 years of progress in salinity reduction accomplished by the Colorado River Basin Salinity Control Program. Many of the crops that Ak-Chin grows are salt-sensitive and increased salinity in irrigation water will reduce crop yields, soil permeability, and cause Ak-Chin to use more of its water allocation to leach accumulated salts below the root zone. In short, increasing salinity of CAP water above the current range of measured values would have a direct negative impact on Ak-Chin Farms and the welfare of the Ak-Chin Community.

As you know, like many cities in Arizona, after minimal treatment at Ak-Chin's surface treatment plant, Ak-Chin uses its CAP water to meet the potable water needs of its Community members and commercial enterprises. While the Community recognizes that in various instances the Draft Guidance includes standards that are more strict than those required by the Arizona Department of Environmental Quality, Ak-Chin believes it is of critical importance that in no case will Non-Project water exceed the standards listed for Domestic Water Source requirements as currently contained in Title 18, Chapter 11 of the Arizona Administrative Code.

Ak-Chin has several other concerns with particular provisions included in the Draft Guidance, but believes all parties would benefit from an in-person individual consultation prior to Ak-Chin submitting additional comments. Our attorneys will contact Reclamation and CAWCD to arrange for such a meeting.

Very truly yours,



Robert Miguel,
Chairman
Ak-Chin Indian Community

From: [Regina Lynde](#)
To: [Water Quality Guidance Document](#)
Subject: Comments on Draft Water Quality Guidance
Date: Thursday, June 25, 2020 5:15:19 PM

To whom it may concern –

After reading the Draft Water Quality Guidance For the Introduction of Non-Project Water into the CAP Canal, I thought it was very thorough and complete. I did want to comment on two things though.

On page 13, under Section 5.2.1 Water Quality Reporting – Test Results, and page 15, Under Section 7.2.1 Exceedance of Introduction Standards – Proving Period it states that results must be sent electronically within 48 hours of receiving the results.

48 hours seems like a fast turnaround time. The Applicant never knows when sample results will be available from the lab. What if the Applicant is on vacation, out sick, in meetings all day, etc.. I think a week would be a better time line to report results to the CAWCD.

On page 13, Section 5.2.4 Water Quality Reporting – Annual Report, the annual report will detail sampling activity, operational data, and water quality data. Operational data is very vague. Please clarify what needs to be included in this.

Thank you for providing an opportunity to comment on the Draft.

Regina Lynde
Environmental Compliance Manager

ARIZONA WATER COMPANY

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602-240-6860 phone

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-



From: Christopher.Connor@chandleraz.gov
To: [Water Quality Guidance Document](#)
Subject: City of Chandler Comments
Date: Wednesday, June 24, 2020 3:55:23 PM
Attachments: [CAP WQ Chandler comments.pdf](#)

Good Afternoon,

Please see attached letter with the City of Chandler's comments on the Draft Water Quality Guidance document.

The City appreciates the opportunity to engage and comment on the document. We look forward to further communications about the process.

Thank you,

Chris Connor

Utility Regulatory Affairs Manager

Public Works & Utilities

City of Chandler

Desk: 480.782.3586 | Cell: 480.442.8632

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June 24, 2020

Central Arizona Project
23636 N. 7th St.
Phoenix, AZ 85024

Re: Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project

Dear CAWCD and Bureau of Reclamation Staff and Leadership,

The City of Chandler appreciates the opportunity to comment on the Draft Water Quality Guidance Document for the Introduction of Non-Project Water into the Central Arizona Project. The City recognizes the considerable effort that CAP, BOR, and stakeholders put forth to draft this documentation. The process to get to this point was considerable for all parties, but we view it as a necessity as the water quality of the canal is of the utmost importance.

Our specific comments and questions are listed below. Overall, the City of Chandler believes the document provides a good baseline to start a water quality program for CAP and its users. Further dialogue and development will be needed in order to finalize the document. We, like all stakeholders, look forward to future discussions as the process moves forward.

Sincerely,



John Knudson
Public Works & Utilities Director

Comments

Section 2.1 CAP Water Quality

"It [CAP water] meets most (if not all) established primary drinking water standards, and requires minimal treatment prior to delivery for potable uses."

Mailing Address

Mail Stop 905
P.O. Box 4008
Chandler, AZ 85244-4008

Public Works & Utilities

Utilities Administration
480-782-3800
480-782-3805 Fax
chandleraz.gov

Location

975 E. Armstrong Way
Building L
Chandler, AZ 85286

Comments: Omit this sentence. This overstates the readiness of the CAP water for consumption and minimizes the municipalities' role in providing safe drinking water. Though CAP water meets some of the EPA drinking water standards, it is far from ready for consumption. Municipalities spend millions of dollars every year to treat CAP water to meet all County, State, and Federal drinking water regulations in order to ensure the safety of our citizens. We understand that this sentence is already being redrafted and appreciate the effort to expedite the changes.

3.4.1.3 and 4.2.3 Chain of Custody (COC)

"Laboratories must receive the COC documentation submitted with each batch of samples and sign, date, and record the time the samples are transferred. Laboratories will also note any sample discrepancies (e.g., labeling, breakage). After generating the laboratory data report for the client, samples will be stored for a minimum of 30 days in a secured area of the lab prior to disposal."

Comments: Omit these sentences. These are all covered by each lab's Quality Assurance Program Manual (identified in the previous sentence) and do not need to be restated here. The requirement to store the sample for 30 days is also not needed. A lot of tests have holding times much shorter than this. For example, nitrate must be tested within 48 hours of collection. Any test for nitrate after the hold time window of 48 hours is not valid.

3.4.1.5 Initial Analysis Sampling – Surface Water

"...samples must be collected quarterly for a minimum of one year (February, May, August, November)."

Comments: Why these months, specifically? Just for ease of data collection?

4.3. Sampling Frequency

Comments: The framework of testing for everything quarterly for the initial two years and then reducing testing if there are no issues is sound. We would like to see a requirement

for more extensive testing if there is treatment on the non-project water. For example, if the non-project water being delivered into the canal comes from wells that are being treated for arsenic, then the discharge should be tested for arsenic monthly.

6.2 Modeling

"All modeling will be performed by CAWCD and shared with Reclamation results may be made available to Wheeling Entities and water users upon request."

Comments: Modeling results need to be shared with all CAP stakeholders, preferably online, in as close to real time as possible. Stakeholders should not need to send in a request for the data.

7.2.2 Exceedance of Introduction Standards – Ongoing Monitoring Period (Tier 2)

"Introduction of Non-Project Water must cease immediately and may not resume until an approved remedy can be implemented."

Comments: We agree with ceasing operation of a project upon a verification sample exceeding a limit. However, how is the project going to get shut off? Does this mean the CAP will have control of the operation or discharge of the project?

We would also like to see a way for projects to be turned off if a downstream user detects something that could be attributed to the non-project water. For instance, if a water treatment plant detects abnormally high arsenic in the canal and there is a project upstream that treats for arsenic, the possibility exists that the treatment has failed. It may be prudent to shut down the project immediately if the water is causing harm downstream.

"If, at the time of cessation, the cumulative volume of Non-Project Water introduced by Wheeling Entity, after accounting for any applicable losses, exceeds the amount delivered by CAWCD to that point in time, CAWCD will continue to satisfy the Non-Project Water delivery schedule up to the point where the Wheeling Entity's delivered water, less applicable losses, is equal to the volume of introduced water. The Wheeling Entity must consult with CAWCD to determine availability of water to be delivered."

Comments: Additional clarification is needed in this section. Can CAP provide an example?

Additional comments, in general:

We would like to see a formation of a Water Quality technical or advisory group. A small group of experts made up from CAP stakeholders could assist CAP and Reclamation on interpreting test results, advise staff on decisions regarding water quality and non-project water blending, and keep entities informed on new water quality issues and changing regulations.

We would also like to see some narrative standards added to the document. There are a number of issues that could be problematic for downstream users that wouldn't directly exceed a standard. For instance, it's possible that a project could discharge nitrate in small enough quantities that it doesn't exceed the Delivery Standard downstream, but it could be enough nitrate to proliferate an algae bloom close to the point of discharge. The algae in the canal could create physical issues downstream by clogging intakes or treatment structures.

The other reason to add narrative standards would be to cover unregulated compounds that aren't already listed in Table A-2. A current example would be the increasing amount of PFOA/PFOS compounds that are being identified. There are no current regulations for individual PFOA/PFOS compounds in Arizona, but there have now been over 70 compounds identified in drinking water. Research on and creating drinking water limits for PFOA /PFOS is ongoing. However, the presence of these compounds in water is an issue that the public is well engaged in. It would behoove all stakeholders to not allow these compounds in the canal at any detectable level.



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Scottsdale, AZ 85258

Phone: 480-312-5685
ScottsdaleAZ.gov/Water

June 2, 2020
Central Arizona Project
23636 N. 7th St.
Phoenix AZ, 85024

Re: Draft Document of the Water Quality Guidance For the Introduction of Non-Project Water into the Central Arizona Project

Dear CAWCD Staff and Leadership,

Scottsdale Water is very appreciative for the opportunity to give input and comments to the draft document, The Water Quality Guidance for the Introduction of Non-Project Water in the Central Arizona Project. Like all other stakeholders, we think it's important to have a voice in this effort. We recognize that due to COVID-19 concerns, the presentation was made electronically, which made interactive comments during the presentation more awkward and lacking in-depth dialogue. We would encourage CAP to continue the dialogue with its customers and partners as the development of the Guidance Manual continues.

General Comments

The opening comments in paragraph 2.1 reflect poorly on CAP understanding of water quality when in the second sentence it states, talking about CAP water, that "It meets most (if not all) established primary drinking water standards, and requires minimal treatment prior to delivery for potable uses". This is clearly an incorrect and misleading statement. Valley cities have spent hundreds of millions of dollars designing treatment facilities that treat CAP water to meet drinking water standards. While CAP staff was quick to recognize their error with this comment and have proposed new language – a credit to CAP staff – it is still an overall indicator of CAP staff's limited understanding of water quality.

While drinking water standards are mentioned, the document seems to have diverged from these standards to include an alphabet soup of potential contaminants, many with standards designed for soil and solid waste analysis. Scottsdale Water would like to encourage CAP to reevaluate this and place the emphasis back to drinking water standards and methods. Ultimately, drinking water standards are what each of the municipal customers need to meet to serve their residents. It seems contradictory to be able to meet new source approval standards from the Arizona Department of Environmental Quality for a drinking water well, and yet be unable to introduce this water into the CAP. Nevertheless, that is a circumstance the current introductory standards could create.

Technical Comments

We also believe that it's important that the technical water quality procedures and standards are correct as well as feasible. We asked our water quality and laboratory staff to review the document in its entirety but focus on the sampling and analysis sections as well as Tables A-1 and A-2. The feedback we are receiving from this staff is significant and concerning. Many of our concerns can be categorized into a few major groups that are outlined below:

1. Analytical methods Based on Sample Matrix – Analytical methods in the water industry are classified into three main categories: drinking water (Safe Drinking Water Act), wastewater (Clean Water Act) and hazardous waste/soil. When a sample is delivered to a laboratory it must be understood which of these programs the sample is trying to fulfill so that the laboratory knows what method(s) to use. It would seem that samples associated with the WQGM would fall under the drinking water program. If this is the case, then all analytical methods must be drinking water methods. This requires the lab to follow certain quality assurance criteria and achieve MRL needs. Some of the methods listed in Table A-2 are not drinking water methods and therefore cannot be used on drinking water samples. In section 3.4.1.2 of the WQGM there is a reference to use analytical methods listed in 40CFR 136. This section of the Code of Federal Regulation pertains to sampling for the Clean Water Act. Section 3.4.1.2 of the WQGM also references a section for methods listed in the laboratory licensure section of the Arizona Administrative Code, which will be referenced in the next discussion.
2. Laboratory Licensure – In section 3.4.1.2 of the WQGM it states that "A test result is valid only if the sample is analyzed by a laboratory that is licensed by the Arizona Department of Health Services ...". The ADHS licensed laboratories for contaminants that are required/regulated by an agency such as the USEPA or ADEQ. ADHS will not license laboratories for analyses that are not regulated by an agency. It was referenced on the conference call about the WQGM that data would only be reported to CAP and not to ADEQ, who has primacy over the SDWA in Arizona. Section 3.4.1.2 of the WQGM references AAC R9-14-610 related to analytical methods for licensure. These sections clearly outline that licensing is done first by matrix (i.e. drinking water) and then by analyte/method. For methods that can analyze for more than one analyte, the list of analytes available for license is listed. In Table A-1 and A-2 there are multiple contaminants listed that are not regulated, therefore ADHS will not grant a license to any laboratory. In addition, methods designated under the hazardous waste/soil program are not listed in the laboratory licensure section for drinking water and therefore a laboratory cannot be licensed. If the requirement for laboratory licensure is maintained for this program, the unregulated contaminants will need to be removed from the Tables.
3. Basis of Introductory/Delivery Standards – Table A-1 lists many contaminants that do not have an Introductory or Delivery standard. The preamble of Table A-1 states to use 3X the MRL or the current MCL as the standard if one is not listed. For unregulated contaminants, an MCL does not exist. For some of the contaminants listed, 3X the MRL is lower than the listed concentration currently in the canal. For some contaminants there is no historical data for the canal. How does any system



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interested in using this program know what standard they will be held to before starting work? For unregulated contaminants, systems are not required to treat for these contaminants prior to serving the water into the drinking water system. Why should a raw surface water be held to a higher standard?

The individual comments related to the above discussion for Tables A-1 and A-2 are too numerous to provide in detail in this letter. We have provided comment to some sections of the main document and those are outlined in the appendix of this document. Due to the numerous concerns and questions over so much of this document, we request that CAP convene a sub-committee comprised of stakeholders including water quality and laboratory experts to discuss the concerns related to this document. We are concerned that the inaccuracies and feasibility in the details of this document would hinder that actual likelihood of being able to put non-project water in the system. We do understand that keeping the integrity of the system is paramount to CAWCD and its many stakeholders, but we would like the opportunity to talk through our concerns to ensure that the system can feasibly wheel non-project water.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Biesemeyer", written over a horizontal line.

Brian K. Biesemeyer
Executive Director, Scottsdale Water

Appendix

Section 2.1 CAP Water Quality

"It [CAP water] meets most (if not all) established primary drinking water standards and requires minimal treatment prior to delivery for potable uses."

Comments: It is not true that CAP water requires minimal treatment prior to delivery for potable systems. Every drinking water entity performs significant treatment on this water.

Section 2.3 Establishing Water Quality Standards

"Table A-2 – Includes primary and secondary EPA regulated contaminants, EPA unregulated contaminants, EPA recognized disinfection byproducts, and pathogens of concern that have rarely or never been found in the CAP. The Introduction and Delivery Standards are equivalent to the Method Reporting Limit (MRL) historically recognized by CAWCD."

Comment: there is no historical data for many of the compounds, and many compounds are not currently licensable by ADHS. There are several compounds in Table A2 that are naturally occurring and/or ubiquitous in the environment, i.e. silicon (silica), total coliform, E. coli, etc. We believe the MRLs and associated standards for several of these compounds in this list need to be vetted to determine what is applicable once background data in the canal is obtained.

"Table A-3 – Includes constituents that have the potential to be detected but are rare in most water supplies and there is currently no standard EPA analytical method for testing. Status of these constituents will be continually monitored and may be re-characterized at any time.

Comment: If there are no EPA standard methods for these constituents, it is not accurate to state that "the constituents have the potential to be detected".

Comment: Continually monitored implies real time monitoring capabilities, which we do not believe is the intent. Periodically monitored is a more accurate description.

Section 3.3 Applicant Financial Requirements

"Costs and expenses include but are not limited to the environmental clearances, permitting, facilities used to introduce and transport water into the CAP System, and the associated water quality testing and monitoring described in this document."

Comment: We agree that many of the testing cost need to be born on the deliverer, however the concern here is to what extend the monitoring and data sharing be the responsibility of the non-project water deliverer. If at any point a more robust water quality monitoring system be developed and utilized by more then the non-project water deliverers those cost should be shared with all that utilize that data.

Section 3.4.1.1 Physical Sampling Procedures

"Non-Project source water must be sampled by the Applicant using approved procedures outlined by the United States Environmental Protection Agency (EPA; SESDPROC-301-R4) or as amended. Similarly, Non-Project surface water must be sampled by the Applicant using approved procedures outlined by the EPA (SESDPROC-201-R4) or as amended"

Comment: These documents were developed by EPA Region 4's Science and Ecosystem Support Division for sampling projects in that region. It's unclear whether they are appropriate here. We believe a conversation needs to be had as to the applicability in this context and if there are other more appropriate procedures.

Section 3.4.1.2 Laboratory

"Laboratories must use analytical methods as prescribed in A.A.C. R9-14-610, 40 CFR 136.3, or an alternative analytical method approved under A.A.C. R9-14-610(C). A test result is valid only if the sample is analyzed by a laboratory that is licensed by the Arizona Department of Health Services, an out-of-state laboratory licensed under A.R.S. § 36-495.14, or a laboratory exempted under A.R.S. § 36-495.02, for the analysis Performed"

Comments: This section references 40 CFR 136.3 which are methods approved for wastewater or hazardous waste. Some of these methods are not able to be licensed for drinking water. This section also requires for a test result to be considered valid that laboratories must be licensed by ADHS. If ADHS does not license wastewater or hazardous waste methods on drinking water this requirement is not achievable. This section references A.A.C R9-14-610(C) which allows for ADHS to license for alternative methods if required by EPA or ADEQ. This project does not fall under the either of these agencies, therefore this section is not available to use to obtain a license. This point concerns us, and we believe a bigger conversation needs to be had as to what's appropriate laboratory licensing for this application and make sure that all parties understand the implications of an erroneous statement such as this.

Section 3.4.1.3 Chain of Custody

"After generating the laboratory data report for the client, samples will be stored for a minimum of 30 days in a secured area of the lab prior to disposal."

Comment: Do samples need to be stored in chilled environments that match any required sample preservation temperatures?

Section 3.4.1.4 Initial Analysis Sampling – Groundwater

"A sample of each well that is proposed as a Non-Project source is required and must be collected during the initial analysis phase"

Comment: This does not address blending procedures of a well field (several wells). Do all wells need to be sampled? Same time and procedure or is there alternate schedules based on a blending protocol?

Section 3.4.1.5 Initial Analysis Sampling – Surface Water

"If historic data is not available, current conditions must be tested and stability in water quality must be demonstrated."

Comment: Water quality stability should be defined as it is used in this paragraph as it is possible that concentrations of some contaminants already exist in the canal.

Section 3.4.2 Modeling of Introduction Standards

"For groundwater, if multiple wells are to be blended prior to introduction into the CAP, the Applicant is responsible for demonstrating (through modeling) that the blended composition of well water will meet established Introduction Standards"

Comment: Can we just take a sample of the combined water and analyze it. Do we need to do modeling? Is a simple numeric blending analysis considered to be a model?

Comment: Would a model still be required to prove blending would meet standards when there is also a requirement for a permanent sampling station at the canal turn in structure (section 4.2.1)? The last paragraph of this section needs clarification: "For blending purposes, values of constituents that are reported by a laboratory as "non-detect" should be considered to be 50% of the Method Reporting Limit (MRL) as listed in Appendix A." Question: If groundwater is blended and sampled at the permanent station located at the turn in, this requirement that ND must be reported as 50% of MRL does not make sense.

Section 3.4.4 CAWCD System-wide Modeling of Delivery Standards

"This model will include water quality and volume from all previously approved sources of Non-Project Water, a shortage-reduced Project Water supply of one million acre-feet, and additional CAP operational data. Results of the model will determine if the proposed introduction of Non-Project Water will meet established Delivery Standards over a range of operational scenarios."

Comment: When developing a project, it would be useful of its viability if the range of operational scenarios was made known. Investing millions of dollars without understand the effects of model parameters brings with it a level of uncertainty that is difficult to plan for and understand the financial scale of a project.

Section 3.4.5 Exceedance of Modeled Delivery Standards

"This may include reducing the relevant Introduction Standard(s) applicable to both the proposed and all previously approved Non-Project Water supply projects"

Comment: Does "reduce" in this section mean some delivery concentration standards could be increased?

Comment: This is of concern that projects that come first and invest millions of dollars could be affected by newer projects with the potential of incurring higher cost for the initial project or reduction or loss of that water. It's understandable that it's not a first come first serve system, but also the uncertainty built into this statement is concerning. It would be good to have a bigger conversation about some level of stability to projects that heavily invest in infrastructure. Existing projects should have some time protection for capital investment, provided water quality has not degraded significantly over that same time period.

Section 4.2.1 Physical Sampling Procedures

"A permanent water sampling station will be constructed within the turn-in structure/pipeline that will allow for an accessible and consistent point of obtaining a representative grab sample for analysis by the Wheeling Entity."

Comment: Does this sampling point have to be on CAWCD property? If so, what about access requirements? Would a permanent sampling station located in the discharge pipeline upstream of the canal turn-in (downstream of any pipeline blending point) be acceptable? This suggested location would provide better and safer access for staff collecting samples.

Section 4.2.3 Chain of Custody

Comment: Do samples need to be stored in chilled environments that match any required sample preservation temperatures?

Comment: Holding samples so long doesn't seem reasonable when many containments likely will expire before the end of that timeframe.

Section 4.3.1 Proving Period

Comment: Recommend following an amended drinking water, new groundwater source monitoring scheme. First year of monitoring will be quarterly for A-1 and semi-annual for A-2. If there are no concerns over any results, the second year is semi-annual for A-1 and annual for A-2.

Section 4.3.2 Supply Classification

Comment: The water classification would be determined "during" the proving period. Should the classification determination be made at the "end" of the proving period. Regarding real-time or monthly sampling: What duration would be required (one years' worth)?

Recommend following drinking water monitoring scheme.

Type A - Annual testing for A-1 and A-2 for three years. If no concerns, then decrease to every three years. If any contaminant exceeds a limit, then that contaminant is placed on quarterly monitoring.

Type B - Annual testing for A-1 and A-2. If any contaminant exceeds a limit, then that contaminant is placed on quarterly monitoring

Type C - as drafted

Section 5.2.1 Water Quality Reporting – Test Results

Comment: Recommend the following change of language: "These results will be transferred electronically in a format approved by the CAWCD Water Transmission Group within 2 weeks of receiving all final results from the laboratory. Any exceedance of an established water quality Introduction Standard will be reported by email within 48 hours of receipt of data and will be identified in the final report. All submitted water quality data will also be made available to Reclamation."

It makes sense to have a quick reporting time for an exceedance, but if the laboratory doesn't detect an exceedance the 48-hour time frame is unrealistic for all sampling data.

Section 5.2.4 Water Quality Reporting – Annual Report

Comment: for clarification purposes amended language to read "the previous Calendar Year".

Section 6.2 Modeling

"All modeling will be performed by CAWCD and shared with Reclamation results may be made available to Wheeling Entities and water users upon request."

Comment: Just as CAWCD has asked for annual reporting by it's wheeling entities, it seems fit that CAWCD will publish modeling results based on this data to the stakeholders without the statement "upon request". This statement makes it seem like the modeling data is not readily accessible to the stakeholders. This tool and its results should be blatantly transparent.

Section 7.2 Requirements

Comment: Would like to discuss the practical turn around time of a second sample of an exceedance. 5 days possess a challenge and since this is a verification sample a 7-10 business day sampling is asked for.

Section 7.2.2 Exceedance of Introductory Standards

Comment: Request clarification of the following statement in section *"If, at the time of cessation, the cumulative volume of Non-Project Water introduced by Wheeling Entity, after accounting for any applicable losses, exceeds the amount delivered by CAWCD to that point in time, CAWCD will continue to satisfy the Non-Project Water delivery schedule up to the point where the Wheeling Entity's delivered water, less applicable losses, is equal to the volume of introduced water."*

From: [Baumgardner, Gretchen](#)
To: [Water Quality Guidance Document](#)
Cc: [Biesemeyer, Brian K](#); [Grendahl, Suzanne](#)
Subject: RE: Scottsdale's Comments to the Water Quality Guidance Document
Date: Monday, June 29, 2020 7:49:48 AM
Attachments: [image001.png](#)
[SCOTTSDALE's CAP Water Quality Guidance Comments 2020 followup.pdf](#)

Good Morning,

Scottsdale would like to submit an addendum to our comment document. Please find attached a PDF of the excel file that tabulates individual comments on Table A-1 and A-2 of the Draft Water Quality Guidance Document. Although we know last Thursday was the deadline, we have been told that this addition is acceptable and welcomed. We appreciate the ability to do so.

We look forward to the conversation regarding our comments and concerns and findings ways to build a path forward. We believe it's important to understand the implication of new water into the canal and findings ways to ensue that future needs of all parties are considered and realistic solutions are found.

We patiently await CAP and The Bureau's response and dialogue.

Thank you,

Gretchen Baumgardner

Water Policy Manager | Scottsdale Water
(480) 312-5009



From: Baumgardner, Gretchen
Sent: Tuesday, June 2, 2020 4:22 PM
To: WQGuidanceDoc@cap-az.com
Cc: Biesemeyer, Brian K <BBiesemeyer@Scottsdaleaz.gov>; Grendahl, Suzanne <sgrendahl@Scottsdaleaz.Gov>
Subject: Scottsdale's Comments to the Water Quality Guidance Document

To Whom It May Concern,

Please find attached Scottsdale's comments to the CAP Water Quality Guidance Document. While we know that many conversations and hard work went into getting to this point, we believe there are still further issues that need to be addressed, and work to be done to ensure the feasibility of

wheeling non-project water in the CAP canal. We site several specific concerns in our comments, however, we believe that before considering finalizing this document more conversations need to be had to address our concerns. We appreciate CAP staff's dedication to this process and do hope for more dialogue to come.

Please reach out if you have any questions and we look forward to continuing this conversation.

Much Appreciated,

Gretchen Baumgardner

Water Policy Manager | Scottsdale Water

(480) 312-5009



Table A-1
Sorted by Analytical Method

Constituent	Recommended Analytical Methods	Units	Method Reporting Limit	Introduction Standard	Delivery Standard	CAP 5 Year Average (2015-2019)	Comments
Turbidity	EPA 180.1 / SM2130B	NTU	0.3	9	6	1.1	Lower MRL is not necessary based on CAP average
Potassium, Total	EPA 200.7	mg/L	1	TBD	Characterize	4.9	ADHS will not license laboratories for drinking water
Strontium	EPA 200.7	mg/l	0.01	TBD	Characterize	1.1	
Boron	EPA 200.7	mg/l	0.05	1	0.5	--	ADHS will not license laboratories for drinking water
Calcium, Total	EPA 200.7	mg/L	1	200	160	72.6	
Iron, Dissolved	EPA 200.7	mg/l	0.02	1000	100	ND	
Sodium, Total	EPA 200.7	mg/l	1	350	110	92.6	
Aluminum, Total	EPA 200.8	µg/l	20	TBD	Characterize	--	
Beryllium	EPA 200.8	µg/l	1	TBD	Characterize	ND	
Cadmium	EPA 200.8	µg/l	0.5	TBD	Characterize	ND	
Cobalt, Total	EPA 200.8	µg/l	2	TBD	Characterize	--	
Germanium	EPA 200.8	µg/l	0.3	TBD	Characterize	--	ADHS will not license laboratories for drinking water
Molybdenum	EPA 200.8	µg/l	2	TBD	Characterize	--	
Nickel	EPA 200.8	µg/l	5	TBD	Characterize	ND	
Vanadium	EPA 200.8	µg/l	3	TBD	Characterize		
Antimony	EPA 200.8	µg/l	1	6	Characterize	--	
Arsenic	EPA 200.8	µg/l	1	10	5	2.9	
Barium, Total	EPA 200.8	µg/l	2	2000	230	123.2	
Chromium	EPA 200.8	µg/l	1	100	10	ND	
Copper, Dissolved	EPA 200.8	µg/l	2	64	64	--	
Lead	EPA 200.8	µg/l	0.5	15	3	ND	
Manganese, Total	EPA 200.8	µg/l	2	250	27	5.7	
Selenium	EPA 200.8	µg/l	5	50	20	ND	
Silver, Total	EPA 200.8	µg/l	0.5	100	20	ND	
Thallium	EPA 200.8	µg/l	1	1	Characterize	ND	
Uranium	EPA 200.8	ug/L	0.7	30	5	4.1	Analyzed as total uranium by EPA 200.8 therefore non-radioactive
Zinc	EPA 200.8	µg/l	20	1	0.03	ND	Method reporting limit is greater than introductory and delivery standards.
Hexavalent Chromium	EPA 218.7	µg/l	0.05	16	3	0.05	
Mercury	EPA 245.1 / 200.8	µg/l	0.2	TBD	Characterize	ND	
Bromide	EPA 300.0	µg/l	25	TBD	Characterize	81.7	Lower MRL is not necessary based on CAP average
Nitrite as Nitrogen	EPA 300.0	mg/L	0.2	TBD	Characterize	--	Nitrate and Nitrite are always reported as nitrogen
Chloride	EPA 300.0	mg/l	10	450	170	91.5	Lower MRL is not necessary based on CAP average
Nitrate as Nitrogen	EPA 300.0	mg/l	0.5	10	1	0.12	
Sulfate	EPA 300.0	mg/l	10	400	250	237.4	Lower MRL is not necessary based on CAP average
Fluoride	EPA 300.0/SM4500F C	mg/l	0.2	4	0.7	--	
Perchlorate	EPA 314	µg/l	2	15	Characterize	ND	
Ammonia Nitrogen	EPA 350.1	mg/l	0.5	0.5	0.5	0.04	ADHS will not license laboratories for drinking water
Phosphorus, Total-P	EPA 365.1	mg/l	0.1	0.1	0.025	0.02	ADHS will not license laboratories for drinking water
Alpha, Gross	EPA 900.0	pCi/l	3	TBD	Characterize	--	
Beta, Gross	EPA 900.0	pCi/l	3	TBD	Characterize	--	
Dissolved Oxygen	Field	mg/L		---	---		
pH	Field			6.5-9.5			
Temperature	Field	°C		---	---		
Radium-226+228	GA Tech	pCi/l	1	TBD	Characterize	--	
Alkalinity in CaCO3 units	SM2320B	mg/l	20	250	170	122.3	Lower MRL is not necessary based on CAP average
Total Dissolved Solids (TDS)	SM2540C	mg/l	20	1150	747	629.7	Lower MRL is not necessary based on CAP average
Total Organic Carbon	SM5310C	mg/l	0.5	6	4	--	Lower MRL is not necessary based on CAP average

Table A-2

Sorted by Analytical Method

Constituent	Recommended Analytical Methods	Units	Method Reporting Limit	Introduction Standard	Delivery Standard	CAP 5 Year Average (2015-2019)	Comments
HPC	ADEQ SIM Plate Methods	MPN/mL	1	TBD	TBD	--	Standard of 1 MPN/100mL is unreasonable on undisinfected water. The canal as an open body of water will have vey high numbers so there will be no degradation from groundwater.
Cryptosporidium	EPA 1623	oocysts/L	0.1	0.1	0.1	0.05	
Giardia	EPA 1623	cysts/L	0.1	0.1	0.1	0.05	
Silicon as SiO ₂	EPA 200.8	mg/l	1.1	TBD	TBD	--	Background CAP is 8.6 so standards need to be adjusted
Total Kjeldahl Nitrogen	EPA 351.2	mg/l	0.1	0.1	0.1	--	ADHS will not license laboratories for drinking water
Alachlor	EPA 505	µg/l	0.05	0.05	0.05	ND	
Chlordane	EPA 505	µg/l	0.1	0.1	0.1	--	
Total PCB	EPA 505	µg/l	0.1	0.1	0.1	--	
Toxaphene	EPA 505	µg/l	0.5	0.5	0.5	--	
Aldrin	EPA 505	µg/l	0.01	0.01	0.01	--	
Aroclor 1016	EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1221	EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1232	EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1242	EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1248	EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1254	EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1260	EPA 505	µg/l	0.1	0.1	0.1	--	
Dieldrin	EPA 505	µg/l	0.01	0.01	0.01	--	
2,4,5-TP (Silvex)	EPA 515.4	µg/l	0.2	0.2	0.2	ND	
2,4-D	EPA 515.4	ug/L	0.1	0.1	0.1	0.07	
Dalapon	EPA 515.4	µg/l	1	1	1	ND	
Dinoseb	EPA 515.4	µg/l	0.2	0.2	0.2	ND	
Pentachlorophenol	EPA 515.4	µg/l	0.04	0.04	0.04	ND	
Picloram	EPA 515.4	µg/l	0.1	0.1	0.1	ND	
2,4,5-T	EPA 515.4	µg/l	0.2	0.2	0.2	ND	
2,4-DB	EPA 515.4	µg/l	2	2	2	ND	
3,5-Dichlorobenzoic acid	EPA 515.4	µg/l	0.5	0.5	0.5	ND	
Acifluorfen	EPA 515.4	µg/l	0.2	0.2	0.2	ND	
Bentazon	EPA 515.4	µg/l	0.5	0.5	0.5	ND	
Dicamba	EPA 515.4	µg/l	0.1	0.1	0.1	ND	
Dichlorprop	EPA 515.4	µg/l	0.5	0.5	0.5	ND	
Total DCPA Mono- and Di-acid Degradate	EPA 515.4	µg/l	0.1	0.1	0.1	0.05	
N-nitrosodiethylamine (NDEA)	EPA 521.1	µg/l	2	2	2	--	Analytical method 521 is outdated due to requiring old laboratory instrumentation and it is no longer possible for laboratories to analyze this method and achieve licensing with current instruments. A modified version of EPA 521 is available to generate data without licensing.
N-nitrosodimethylamine (NDMA)	EPA 521.1	µg/l	2	2	2	--	"
N-nitroso-di-n-propylamine (NDPA)	EPA 521.1	µg/l	2	2	2	--	"
N-nitrosopyrrolidine (NPYR)	EPA 521.1	µg/l	2	2	2	--	"
1,4-Dioxane	EPA 522	µg/l	0.07	0.07	0.07	--	
1,1,1-Trichloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1,2-Trichloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	

Table A-2

Sorted by Analytical Method

Constituent	Recommended Analytical Methods	Units	Method Reporting Limit	Introduction Standard	Delivery Standard	CAP 5 Year Average (2015-2019)	Comments
1,1-Dichloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2,4-Trichlorobenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2-Dichlorobenzene (1,2 DCB)	EPA 524.2	µg/l	0.5	0.5	0.5	--	
1,2-Dichloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2-Dichloropropane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,4 Dichlorobenzene (1,4 DCB)	EPA 524.2	µg/l	0.5	0.5	0.5	--	
Benzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Carbon Tetrachloride	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Chlorobenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
cis-1,2-Dichloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Dichloromethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Ethyl benzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Hexachlorobutadiene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Styrene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Tetrachloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Total Trihalomethanes	EPA 524.2	µg/l	3.0	3.0	3.0	ND	MRL is additive of MRLs of four THM compounds
Trichloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Vinyl Chloride	EPA 524.2	µg/l	0.5	0.5	0.5	ND	0.5 is recognized MRL for regulated VOCs
1,1,1,2-Tetrachloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1,2,2-Tetrachloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1-Dichloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1-Dichloropropene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2,3-Trichlorobenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2,3-Trichloropropane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2,4-Trimethylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,3,5-Trimethylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,3-Dichlorobenzene (1,3 DCB)	EPA 524.2	µg/l	0.5	0.5	0.5	--	
1,3-Dichloropropane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,3-Dichloropropene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
2,2-Dichloropropane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
2-Butanone (MEK)	EPA 524.2	µg/l	5	5	5	ND	
4-Methyl-2-Pentanone (MIBK)	EPA 524.2	µg/l	5	5	5	ND	
Bromobenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Bromochloromethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Bromodichloromethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Bromoethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	Contaminant not listed in EPA 524.2 therefore a laboratory cannot receive a license.
Bromoform	EPA 524.2	µg/l	1.0	1.0	1.0	ND	Compound not stable at lower levels; experience background interference
Bromomethane (Methyl Bromide)	EPA 524.2	µg/l	2.0	2.0	2.0	ND	Compound not stable at lower levels; experience background interference
Carbon Disulfide	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Chlorodibromomethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Chloroethane	EPA 524.2	µg/l	2.0	2.0	2.0	ND	Compound not stable at lower levels; experience background interference
Chloroform (Trichloromethane)	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Chloromethane(Methyl Chloride)	EPA 524.2	µg/l	0.5	0.5	0.5	ND	

Table A-2
Sorted by Analytical Method

Constituent	Recommended Analytical Methods	Units	Method Reporting Limit	Introduction Standard	Delivery Standard	CAP 5 Year Average (2015-2019)	Comments
Dibromomethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Dichlorodifluoromethane	EPA 524.2	µg/l	1.0	1.0	1.0	ND	Compound not stable at lower levels; experience background interference
Di-isopropyl ether	EPA 524.2	µg/l	3	3	3	ND	Contaminant not listed in EPA 524.2 therefore a laboratory cannot receive a license.
Isopropylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
M/P-Xylenes	EPA 524.2	µg/l	1.0	1.0	1.0	ND	MRL is additive of MRLs of two isomers of xylene
Methyl Tert-butyl ether (MTBE)	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Naphthalene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
N-Butylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
N-Propylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
o-Chlorotoluene	EPA 524.2	µg/l	0.5	0.5	0.5	--	
o-Xylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
p-Chlorotoluene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
p-Isopropyltoluene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
sec-Butylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Tert-Butylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Toluene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
trans-1,2-Dichloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
trans-1,3-Dichloropropene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Trichlorofluoromethane-Freon11	EPA 524.2	µg/l	1.0	1.0	1.0	ND	Lower MRL is difficult to achieve analytically
Xylenes (total)	EPA 524.2	µg/l	1.5	1.5	1.5	ND	MRL is additive of MRLs of three isomers of xylene
Atrazine	EPA 525.2	µg/l	0.05	0.05	0.05	ND	
Benzo(a)pyrene	EPA 525.2	µg/l	0.02	0.02	0.02	ND	
Di-(2-Ethylhexyl)adipate	EPA 525.2	µg/l	0.6	0.6	0.6	ND	
Di(2-Ethylhexyl)phthalate	EPA 525.2	µg/l	0.6	0.6	0.6	ND	
Endrin	EPA 525.2	µg/l	0.2	0.2	0.2	ND	
Heptachlor	EPA 525.2	µg/l	0.04	0.04	0.04	ND	
Heptachlor Epoxide (isomer B)	EPA 525.2	µg/l	0.05	0.05	0.05	ND	
Hexachlorobenzene	EPA 525.2	µg/l	0.05	0.05	0.05	ND	
Hexachlorocyclopentadiene	EPA 525.2	µg/l	0.05	0.05	0.05	ND	
Lindane	EPA 525.2	µg/l	0.04	0.04	0.04	ND	
Methoxychlor	EPA 525.2	µg/l	0.1	0.1	0.1	ND	
Metolachlor	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Simazine	EPA 525.2	µg/l	0.05	0.05	0.05	ND	
4,4'-DDD	EPA 525.2	µg/l	0.1	0.1	0.1	--	
4,4'-DDE	EPA 525.2	µg/l	0.1	0.1	0.1	--	
4,4'-DDT	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Acetochlor	EPA 525.2	µg/l	0.1	0.1	0.1	--	
alpha-Chlordane	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Gamma-Chlordane	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Molinate	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Thiobencarb	EPA 525.2	µg/l	0.1	0.1	0.1	--	
trans-Nonachlor	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Permethrin	EPA 525.3	µg/l	0.04	0.04	0.04	--	
alpha-Hexachlorocyclohexane	EPA 525.3	µg/l	0.01	0.01	0.01	--	
Dimethipin	EPA 525.3	µg/l	0.2	0.2	0.2	--	

Table A-2

Sorted by Analytical Method

Constituent	Recommended Analytical Methods	Units	Method Reporting Limit	Introduction Standard	Delivery Standard	CAP 5 Year Average (2015-2019)	Comments
Ethoprop	EPA 525.3	µg/l	0.03	0.03	0.03	--	
Oxyfluorfen	EPA 525.3	µg/l	0.05	0.05	0.05	--	
Profenofos	EPA 525.3	µg/l	0.3	0.3	0.3	--	
Tebuconazole	EPA 525.3	µg/l	0.2	0.2	0.2	--	
Tribufos	EPA 525.3	µg/l	0.07	0.07	0.07	--	
Butylated hydroxyanisole	EPA 530	µg/l	0.03	0.03	0.03	--	
o-Toluidine	EPA 530	µg/l	0.007	0.007	0.007	--	
Quinoline	EPA 530	µg/l	0.02	0.02	0.02	--	
Carbofuran (Furadan)	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Oxamyl	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
3-Hydroxycarbofuran	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Aldicarb (Temik)	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Aldicarb sulfone	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Aldicarb sulfoxide	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Baygon	EPA 531.2	µg/l	0.5	0.5	0.5	--	
Carbaryl	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Methiocarb	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Methomyl	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Acetochlor ethanesulfonic acid (ESA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Acetochlor oxanilic acid (OA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Alachlor ethanesulfonic acid (ESA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Alachlor oxanilic acid (OA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Metolachlor ethanesulfonic acid (ESA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Metolachlor oxanilic acid (OA)	EPA 535	µg/l	0.1	0.1	0.1	--	
NEtFOSAA	EPA 537.1	ng/l	2	2	2	--	
NMeFOSAA	EPA 537.1	ng/l	2	2	2	--	
Perfluorobutanesulfonic acid (PFBS)	EPA 537.1	ng/l	2	2	2	--	
Perfluorodecanoic acid (PFDA)	EPA 537.1	ng/l	2	2	2	--	
Perfluorododecanoic acid (PFDoA)	EPA 537.1	ng/l	2	2	2	--	
Perfluoroheptanoic acid (PFHpA)	EPA 537.1	ng/l	2	2	2	--	
Perfluorohexanesulfonic acid (PFHxS)	EPA 537.1	ng/l	2	2	2	--	
Perfluorohexanoic acid (PFHxA)	EPA 537.1	ng/l	2	2	2	--	
Perfluorononanoic acid (PFNA)	EPA 537.1	ng/l	2	2	2	--	
Perfluorooctanesulfonic acid (PFOS)	EPA 537.1	ng/l	2	2	2	--	
Perfluorooctanoic acid (PFOA)	EPA 537.1	ng/l	2	2	2	--	
Perfluorotetradecanoic acid (PFTA)	EPA 537.1	ng/l	2	2	2	--	
Perfluorotridecanoic acid (PFTrDA)	EPA 537.1	ng/l	2	2	2	--	
Perfluoroundecanoic acid (PFUnA)	EPA 537.1	ng/l	2	2	2	--	
Equilin	EPA 539	µg/l	0.004	0.004	0.004	--	
Estradiol (17-beta estradiol)	EPA 539	µg/l	0.0004	0.0004	0.0004	--	
Estriol	EPA 539	µg/l	0.0009	0.0009	0.0009	--	
Estrone	EPA 539	µg/l	0.0008	0.0008	0.0008	--	
Ethinyl estradiol (17-alpha ethynyl	EPA 539	µg/l	0.0009	0.0009	0.0009	--	
1-Butanol	EPA 541	µg/l	2	2	2	--	
2-Methoxyethanol	EPA 541	µg/l	0.4	0.4	0.4	--	
2-Propen-1-ol	EPA 541	µg/l	0.5	0.5	0.5	--	
Glyphosate	EPA 547	µg/l	6	6	6	--	

Table A-2

Sorted by Analytical Method

Constituent	Recommended Analytical Methods	Units	Method Reporting Limit	Introduction Standard	Delivery Standard	CAP 5 Year Average (2015-2019)	Comments
Endothall	EPA 548.1	µg/l	5	5	5	--	
Diquat	EPA 549.2	µg/l	0.4	0.4	0.4	--	
Paraquat	EPA 549.2	µg/l	2	2	2	--	
1,2-Dibromo-3-Chloropropane (DBCP)	EPA 551.1	ug/L	0.01	0.01	0.01	--	
Ethylene Dibromide	EPA 551.1	µg/l	0.01	0.01	0.01	--	
Bromochloroacetic Acid	EPA 552.3	µg/l	0.3	0.3	0.3		
Bromodichloroacetic Acid	EPA 552.3	µg/l	0.5	0.5	0.5	--	
Chlorodibromoacetic Acid	EPA 552.3	µg/l	0.3	0.3	0.3	--	
Dibromoacetic Acid	EPA 552.3	µg/l	0.3	0.3	0.3	--	
Dichloroacetic Acid	EPA 552.3	µg/l	0.2	0.2	0.2	--	
Monobromoacetic Acid	EPA 552.3	µg/l	0.3	0.3	0.3	--	
Monochloroacetic Acid	EPA 552.3	µg/l	2	2	2	--	
Total Haloacetic Acids (HAAS)	EPA 552.3	µg/l	0.2	0.2	0.2	--	
Trichloroacetic Acid	EPA 552.3	µg/l	0.5	0.5	0.5	--	
Acetaldehyde	EPA 556/556.1	µg/l	1	1	1	--	
Formaldehyde	EPA 556/556.1	µg/l	5	5	5	--	
Methanol	EPA 8015	µg/l	0.1	0.1	0.1	--	ADHS will not license laboratories for 8000 Series methods for drinking water
Acrolein	EPA 8260B	µg/l	25	25	25	--	ADHS will not license laboratories for 8000 Series methods for drinking water
HCFC-22	EPA 8260B	µg/l	2.5	2.5	2.5	--	ADHS will not license laboratories for 8000 Series methods for drinking water
Hexane	EPA 8260B	µg/l	2	2	2	--	ADHS will not license laboratories for 8000 Series methods for drinking water
Aniline	EPA 8270C	µg/l	20	20	20	--	ADHS will not license laboratories for 8000 Series methods for drinking water
Ethylene glycol	GC/FID	mg/l	5	5	5	--	ADHS will not license laboratories for 8000 Series methods for drinking water
Coliform, Total	SM9223	MPN/100mL	1	TBD	TBD	--	Standard of 1 MPN/100mL is unreasonable on undisinfected water. The canal as an open body of water will have vey high numbers so there will be no degradation from groundwater.
E. coli	SM9223	MPN/100 mL	1	TBD	TBD	--	Standard of 1 MPN/100mL is unreasonable on undisinfected water. The canal as an open body of water will have vey high numbers so there will be no degradation from groundwater.

From: [Hauter, Jason](#)
To: [Water Quality Guidance Document](#)
Subject: Gila River Indian Community comments on draft CAP System WQ Guidance
Date: Thursday, June 25, 2020 2:02:52 PM
Attachments: [LTR CAP WQ Guidance Comments June 25 2020.pdf](#)

To Whom It May Concern:

Please find the Gila River Indian Community's comments on the draft CAP Water Quality Guidance. Please do not hesitate to contact me if you have any questions.

Jason T. Hauter

AKIN GUMP STRAUSS HAUER & FELD LLP

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GILA RIVER INDIAN COMMUNITY

Executive Office of the Governor & Lieutenant Governor

"Putting Our People First"

Stephen Roe Lewis
Governor



Robert Stone
Lieutenant Governor

June 25, 2020

DELIVERED VIA ELECTRONIC MAIL TO: WQGuidanceDoc@cap-az.com

Central Arizona Water Conservation District
23636 North 7th Street Phoenix, AZ 85024

Subject: Gila River Indian Community's Comments Regarding the Water Quality
Guidance for the Introduction of Non-Project Water Into the Central Arizona
Project ("CAP")

To Whom It May Concern:

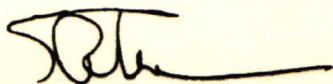
As the single largest entitlement holder of CAP water, the Gila River Indian Community ("Community") had representatives participate in the first meetings on water quality standards for CAP water wheeling projects in early 2017. The Community also participated in the numerous subsequent meetings of the CAP Task Force and stakeholders technical discussions hosted by Arizona Municipal Water Users Association to provide a single joint response to the water quality proposal requested by CAP. We reviewed the numerous drafts and supported the work in testimony before the CAP Task Force and CAP Board Meetings.

The current Draft Water Quality Guidance for the Introduction of Non-Project Water Into the Central Arizona Project ("Draft Guidance") reflects the extended discussions and input from the Community as well as a wide variety of stakeholders. The Draft Guidance both provides for wheeling of water through the CAP that will substantially strengthen Arizona's water resilience and implements a novel and effective science-based water-quality protection program that protects those taking out CAP water near the end of the system where water flows are less. Individual chemicals are addressed in detail and in logical groups. Man-made contaminants are entirely banned to the extent they can be detected. It also provides for tribes that are yet to pursue the process of wheeling water in the CAP. The Community hosted an early tribal consultation before the process of development of this document and stands ready to participate in future tribal consultations as they may be convened by the Bureau of Reclamation.

The Community firmly believes that early and meaningful involvement of CAP tribes helps lead to successful outcomes when CAP develops new policies to operate the CAP system. The CAP

staff and those CAP Board Members who participated in this process should be commended in supporting this inclusive process.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve", with a long horizontal flourish extending to the right.

Stephen Roe Lewis
Governor



Jacobs, working in collaboration with the Harquahala Valley Water Project (HVWP), appreciates the opportunity to provide comments on the *Draft Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project* document. Jacobs and HVWP recognize the challenges and complexity faced by CAP and Reclamation in developing the contents of this document to balance a range of policy concerns.

In this context, Jacobs and HVWP has spent considerable time and effort evaluating the document with particular focus on Tables A-1 through A-3. We would like to compliment CAP for the content of Tables A-2 and A-3 and the clarity they have brought relative to the content of Table 4 in the January 2019 Water Quality Standards Task Force document. These changes will allow potential non-project water users to better assess how compliance can be achieved for this significant list of organic compounds.

With regard to Table A-1, we strongly urge CAP to reconsider the proposed use of three times the method reporting limit (3x MRL) as the basis for establishing temporary introduction standards for the sixteen (16) constituents listed under the header "CAP Priority Contaminants – Characterize". We recognize that the concentrations of these constituents were not adequately characterized in the CAP supply prior to the start of temporary introduction standards setting process. However, we firmly believe that setting such stringent a set of standards is contrary to the intent of the CAP Board and other stakeholders to augment (or substitute) the CAP supply with non-project water, including recovered CAP water which has infiltrated through the vadose zone and mixed with in situ groundwater.

Since January 2020, CAP has sampled the CAP system for these and many other constituents. CAP has now developed a preliminary data set (four samples) that can be used in guiding the establishment of temporary introduction standards. Utilizing these data (as made available on the CAP website), we calculated the average and maximum values for each of the sixteen parameters using data for 2015 through 2020 as sampled at the Havasu Pumping Plant. These data, along with the draft temporary introduction standards, are shown in Table 1. Given that data now exists to quantify these sixteen constituents (where levels exceed the MRL), we believe it reasonable to establish temporary introduction standards that consider the CAP water quality data shown in Table 1 along with the approach that was used in establishing introduction

standards for the CAP Priority Constituents listed in Table A-1 of the Draft Water Quality Guidance document.

The CAP Priority Constituents are listed in Table 2, along with their associated drinking water maximum contaminant limits (MCLs), introduction standards, delivery standards and CAP average values over the 2015-2019 monitoring period. In examining the relationship between the introduction standards, the MCLs and the CAP 5-year average values, it is evident that the Water Quality Standards Task Force and CAP set the introduction standards based on either (1) the MCL, or (2) a 'dilution factor'. The MCL approach recognizes that introduction of non-project water should comply with applicable drinking water standards while the 'dilution factor' approach recognizes that the concentration of a priority constituent present in non-project water would be reduced or diluted when mixed with the much greater volume of project water. The dilution factor, or ratio of introduction standard (IS) divided by CAP 5-year average value (CAP), is shown in furthest right column in Table 2 for those constituents for which the introduction standard was not based on the MCL. In either case, the CAP Priority Constituent introduction standards were set to allow a higher concentration in the non-project water while still achieving an acceptable delivery standard. The dilution factors ranged from 1.3 to 320, with most ranging from 1.3 to 8.2.

Table 1.

Constituent	Units	Draft Temporary Introduction Standard (3x MRL)	Primary or Secondary MCL	CAP Average (2015-2020)	CAP Maximum (2015-2020)
CAP Priority Contaminants - Characterize					
Alpha, Gross	pCi/l	9	15	5.1	6.6
Aluminum, Total, ICAP	µg/l	60	50 - 200	181	480
Beryllium	µg/l	3	4	ND	ND
Beta, Gross	pCi/l	9	50	5.88	7.90
Bromide	µg/l	15	None	81	110
Cadmium	µg/l	1.5	5	ND	ND
Cobalt, Total	µg/l	6	None	ND	ND
Germanium	µg/l	0.9	None	ND	ND
Mercury	µg/l	0.6	2	ND	ND
Molybdenum	µg/l	6	None	4.5	4.9
Nickel	µg/l	15	None	ND	ND
Nitrite	µg/l	0.15	1	ND	ND
Potassium, Total, ICAP	µg/l	3	None	4.82	5.70
Radium-226+228	pCi/l	3	5	ND	ND
Strontium, ICAP	mg/l	0.03	None	1.10	1.30
Vanadium	µg/l	9	None	3.1	6.9

With the availability of both MCLs and CAP quality data, we believe the same approach should be considered in setting temporary introduction standards for the sixteen "Characterize" contaminants listed in Table 1. To this point, we have listed the 'Characterize' contaminants in Table 3 along with the draft temporary introduction standard, MCLs and the CAP average quality over the 2015-2020 monitoring period. Using this information, and the approach used for the Priority constituents, we have developed proposed temporary introduction standards that reflect the application of (1) the drinking water MCL (where available) or a (2) dilution factor (listed under the column 'Proposed NpW:CAP Ratio'). The proposed temporary introduction standards and NpW:CAP ratios are shown in Table 3. The use of the MCL/dilution factor approach would allow introduction of HVWP and other recovered groundwater supplies into the canal while still maintaining Project water quality within historic quality ranges. The proposed dilution factors range from 1 to 13 and certainly fall within the IS:CAP ratio range in Table 2.



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Table 2.

Constituent	Units	Primary ¹ or Secondary ² MCL	Introduction Standard	Delivery Standard	CAP 5 Year Average (2015- 2019)	IS:CAP Ratio
CAP Priority Constituents						
Alkalinity in CaCO ₃ units	mg/l	none	250	170	122	2.0
Ammonia Nitrogen	mg/l	none	0.05	0.05	0.04	1.3
Arsenic	µg/l	10 ¹	10	5	2.9	3.4
Barium, Total, ICAP/MS	µg/l	2000 ¹	2000	230	123	16
Calcium, Total, ICAP	mg/l	none	200	160	73	2.8
Chloride	mg/l	none	450	170	92	4.9
Hexavalent Chromium	µg/l	100 ^{1*}	16	3	0.05	320
Manganese, Total, ICAP	µg/l	50 ²	250	27	5.7	44
Nitrate as Nitrogen	mg/l	10 ¹	10	1	0.12	83
Phosphorus, Total-P	mg/l	none	0.1	0.025	0.02	5.0
Sodium, Total, ICAP	mg/l	none	350	110	93	3.8
Sulfate	mg/l	250 ²	400	250	237	1.7
Total Dissolved Solids (TDS)	mg/l	500 ²	1150	747	630	1.8
Turbidity	NTU	none	9	6	1.1	8.2
Uranium	pCi/l	30 ¹	30	5	4.1	7.3
*MCL is for total chromium which includes hexavalent chromium						

Table 3.

Constituent	Units	Draft Temporary Introduction Standard (3x MRL)	Primary ¹ or Secondary ² MCL	CAP Average (2015-2020)	Proposed NpW:CAP Ratio*	Proposed Temporary Introduction Standard**
CAP Priority Contaminants - Characterize						
Alpha, Gross	pCi/l	9	15 ¹	5.1	MCL	15
Aluminum, Total, ICAP	µg/l	60	50 - 200 ²	181	3x MRL	60
Beryllium	µg/l	3	4 ¹	ND	MCL	4
Beta, Gross	pCi/l	9	50 ¹	5.88	MCL	50
Bromide	µg/l	15	None	81	8.0	648
Cadmium	µg/l	1.5	5 ¹	ND	MCL	5
Cobalt, Total	µg/l	6	None	ND	3x MRL	6
Germanium	µg/l	0.9	None	ND	3x MRL	1.8
Mercury	µg/l	0.6	2 ¹	ND	MCL	2
Molybdenum	µg/l	6	None	4.5	3	15
Nickel	µg/l	15	None	ND	3x MRL	15
Nitrite	ug/L	0.15	1000 ¹	ND	MCL	1000
Potassium, Total, ICAP	µg/l	3	None	4.82	2	11.6
Radium-226+228	pCi/l	3	5 ¹	ND	MCL	5
Strontium, ICAP	mg/l	0.03	None	1.10	1	1.3
Vanadium	µg/l	9	None	3.1	13	40
*NpW = Non-Project Water						
**Where MCL is in place, proposed value is based on MCL. Where no MCL is established or value for CAP is ND, proposed value is based on 3x MRL.						

Many groundwaters in central and southern Arizona have higher concentrations of the “Characterize” contaminants compared to levels in the CAP supply. This reflects well-understood differences between Arizona groundwaters and Colorado River water. Reducing groundwater levels of these constituents to their 3x MRLs, or even background CAP levels, will very likely result in the need for reverse osmosis treatment for many introduced groundwater supplies—including recovered CAP water. Use of the proposed MCL and dilution factor approach will help CAP achieve the balance of important policy goals mentioned above.

Moreover, the use of dilution factors for the introduction of non-project water is further justified by the degree of dilution that will occur when non-project water is mixed with CAP water. To illustrate this, we have calculated the impact on CAP water quality for the following CAP & HVWP groundwater blending scenarios:

Blend 1: 1 million acre feet of CAP water with 5,000 acre feet of groundwater

Blend 2: 1 million acre feet of CAP water with 20,000 acre feet of groundwater

Blend 3: 1.347 million acre feet of CAP water with 5,000 acre feet of groundwater

Blend 4: 1.347 million acre feet of CAP water with 20,000 acre feet of groundwater

The volumes used in this analysis are based on the following:

- 1 million acre feet represents the estimated annual volume of CAP water that would be available under a shortage condition.
- 1.347 million acre feet represents the volume of CAP delivered in 2019
- 5,000 acre feet represents the volume of water to be supplied to the first customer of the HVWP
- 20,000 acre feet represents the production capacity of Phase 1 of the HVWP

The quality of the blended waters for each of the sixteen "Characterize" constituents were compared with the maximum values measured in the CAP system from 2015-2020. The results are shown in Table 4. Based on the high degree of dilution, the addition of HVWP groundwater under all four blending scenarios results in negligible increases in the concentration of all "Characterize" constituents with blend water concentrations well below the maximum concentrations seen in the six-year period of water quality monitoring at the Havasu Pumping Plant.

Table 4.

Parameter ¹	Units	MRL	CAP Average ²	CAP:HVWP Blend 1 ^a	CAP:HVWP Blend 2 ^b	CAP:HVWP Blend 3 ^c	CAP:HVWP Blend 4 ^d	CAP Maximum ²	Blends > CAP Maximum?
Alpha,Gross	pCi/L	3	5.1	5.1	5.1	5.1	5.1	6.6	No
Aluminum Total ICAP	ug/L	20	181	180	178	181	179	480	No
Beryllium	ug/L	1	ND	ND	ND	ND	ND	ND	No
Beta, Gross	pCi/L	3	5.9	5.9	5.9	5.9	5.9	7.9	No
Bromide	ug/L	5	81	84	92	83	89	110	No
Cadmium	ug/L	0.5	ND	ND	ND	ND	ND	ND	No
Cobalt	ug/L	2	ND	ND	ND	ND	ND	ND	No
Germanium	ug/L	0.3	ND	ND	ND	ND	ND	ND	No
Mercury	ug/L	0.2	ND	ND	ND	ND	ND	ND	No
Molybdenum	ug/L	2	4.5	4.5	4.6	4.5	4.6	4.9	No
Nickel	ug/L	5	ND	ND	ND	ND	ND	ND	No
Nitrite Nitrogen	mg/L	0.05	ND	ND	ND	ND	ND	ND	No
Potassium Total ICAP	mg/L	1	4.82	4.82	4.82	4.82	4.82	5.70	No
Radium 226+228	pC/L	3	ND	ND	ND	ND	ND	ND	No
Strontium , ICAP	mg/L	0.01	1.1	1.1	1.1	1.1	1.1	1.3	No
Vanadium	ug/L	3	3.1	3.2	3.7	3.2	3.5	6.9	No

¹At the Havasu Pumping Plant

²2015 - 2020

³ND = not detect (less than the MRL)

^aBlend of 1 Million AF of CAP water with 5000 AF of HVWP Water

^bBlend of 1 Million AF of CAP water with 20000 AF of HVWP Water

^cBlend of 1.347 Million AF of CAP water with 5000 AF of HVWP Water

^dBlend of 1.347 Million AF of CAP water with 20000 AF of HVWP Water

From: [Christopher Molina Jr.](#)
To: [Water Quality Guidance Document](#)
Cc: [Laura Berglan](#); [Robyn Interpreter](#); SMontgomery@milawaz.com; JayTomkus@milawaz.com; [Jane Westrope](#)
Subject: PYT Comments Regarding Draft Water Quality Guidance for the Introduction of Non-Project Water into Central Arizona Project
Date: Thursday, June 25, 2020 2:23:05 PM
Attachments: [PYT Comments Regarding Draft Water Quality 6.25.2020.pdf](#)

Good Afternoon Ms. Meyers

Here is the signed Letter from the Pascua Yaqui Tribes Chairmen office in regards to our comments regarding Draft Water Quality Guidance for the introduction of Non-Project Water into Central Arizona

If you do have any questions please feel free to contact the Attorney General Office at (520) 883-5106

Thank you

Christopher Molina Jr.
Admin Supp Services Tech
Office of the Attorney General
Office Number (520) 883-5109
Pascua Yaqui Tribe

PASCUA YAQUI TRIBE

OFFICE OF THE CHAIRMAN

June 25, 2020

Via Email: WQGuidanceDoc@cap-az.com

Ms. Leslie A. Meyers, Area Manager
U.S. BUREAU OF RECLAMATION
Phoenix Area Office
6150 West Thunderbird Road
Glendale, AZ 85306

RE: Pascua Yaqui Tribe's Comments Regarding Draft Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project

Dear Ms. Meyers:

On behalf of the Pascua Yaqui Tribe ("Tribe"), I write today to provide comments to the Draft Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project ("Draft Guidance").

At the outset, the Tribe recognizes the consensus process in development of the Draft Guidance and the constituent limits included therein. The Tribe monitored this effort and appreciates the active participation of our neighboring stakeholders, such as the Metro Water District and the City of Tucson, who raised issues common to those users who take water from the Central Arizona Project ("CAP") canal at the end of the project in the development of the Draft Guidance. While the Tribe further appreciates the completeness of this Draft Guidance, it is critical to note that the responsibility of the Bureau of Reclamation ("Reclamation") and CAP to remain vigilant in protecting the contract rights of federal contractors does not end with this guidance. As Non-Project Water is introduced into the canal, Reclamation and CAP have a continuing obligation to communicate and consult with the Tribe in order to protect the Tribe's federal contract water.

As is made clear in § 2.4 of the Draft Guidance, the document "does not alleviate the Applicant from satisfying any requirements of NEPA," and therefore does not alleviate the responsibility of Reclamation or CAP to protect federal trust assets, including the Tribe's contract water.¹ The Tribe's CAP allocation is a critical part of its water portfolio and it is incumbent on Reclamation and CAP to ensure that the water delivered in execution of that contract continues to be of adequate quality to meet its current uses on the Pascua Yaqui Reservation. If, as Non-Project Water is introduced to the system, there are impacts to the quality of water that deviate from the standards in the Guidance Document, Reclamation and CAP must address these impacts

¹ Pursuant to its contract with the Secretary of the Interior, the Pascua Yaqui Tribe is entitled to 500 Acre-Feet of Indian Priority water, to be delivered to the Pascua Yaqui Reservation via the CAP Project. Central Arizona Project Water Delivery Contract Between the United States and the Pascua Yaqui Tribe (December 11, 1980) at §§ 4.5 & 4.9.

immediately and prevent future degradation of water quality.² Further, as exceedances are reported to CAP, it is critical that the information be shared as quickly as possible with CAP water users, including federal contract holders, as required by § 7.2.3 of the Draft Guidance.

The Draft Guidance also requires that the applicant for introducing Non-Project Water be responsible for all costs associated with that project. As a federal contract holder and a lessee of additional CAP water, any impacts to Fixed OM&R from Non-Project Water would be unacceptable. As CAP staff noted at the April 23, 2020 Guidance Briefing,³ the Tribe understands that there will be an expanded role for CAP's water quality efforts, which will move forward independently of Non-Project Water wheeling projects. While ensuring water quality is important for contract holders, including the Tribe, it is critical that this expanded water quality role for CAP not be a functional subsidy to those entities engaged in the introduction and wheeling of Non-Project Water. As stated in § 3.3 of the Guidance Document, "all costs and expenses related to the transportation" of Non-Project Water must be borne by the applicant.

Finally, the Tribe appreciates the opportunity for review and comment every five years after the first introduction of Non-Project Water, as contemplated by § 8.2 of the Draft Guidance. As noted above, however, when Non-Project Water is introduced in the CAP system, as impacts from that introduction are realized by CAP users, Reclamation and CAP must be ready to accept feedback and, if necessary, to make revisions to its policy regarding Non-Project Water, as the need becomes apparent. CAP water is a federal trust asset that Reclamation and CAP have a continuing obligation to protect accordingly. As a result, Reclamation and CAP should not view the five-year review as the sole opportunity for comment and consultation on this program.

The Pascua Yaqui Tribe appreciates the opportunity to provide these comments. In addition to the Tribe, please ensure that our Water Rights Counsel, Ms. Robyn L. Interpreter and Ms. Susan B. Montgomery are included on all future notice and mailing lists related to this matter.

Yours Truly,

PASCUA YAQUI TRIBE

A handwritten signature in black ink, appearing to read 'PY', followed by a long horizontal line extending to the right.

Peter Yucupicio, Chairman

cc: Laura Berglan, Attorney General (Laura.Berglan@pascuayaqui-nsn.gov)
Robyn L. Interpreter (RInterpreter@milawaz.com)
Susan B. Montgomery (SMontgomery@milawaz.com)

² [Central Arizona Project System Use Agreement Between the United States and the Central Arizona Water Conservation District, §§ 12.1 – 12.3 \(February 1, 2017\)](#)

³ [Water Quality Guidance Briefing \(April 23, 2020\).](#)

From: [Elena Iyua](#)
To: [Water Quality Guidance Document](#)
Cc: [trambler](#); [tao etpison](#); [bernadette goode](#); [CM John Antonio, Jr.](#); [simon hooke](#); [Velasquez sneezysr](#); [john bush](#); [valerie Key](#); [ned anderson](#); [alred pike](#); [jonathan Kitcheyan](#); [joesparks](#); [Laurel Herrmann](#); [James Reilly](#); [Steve Titla](#); [Kevin Parsi](#); [Harding1 Burdette](#); [Justine Jimmie](#); [Christabelle Mull](#); [apachevern](#); [Alex Ritchie](#)
Subject: San Carlos Apache Tribe Comments on Draft Water Quality Guidance
Date: Thursday, June 25, 2020 9:58:17 PM
Attachments: [Comment.WQ guidelines non-project water to CAP.final signed.062520.pdf](#)

Hello Ms. Meyers,

Please find the attached letter from, Chairman Terry Rambler, that submits the following comments on the Draft Water Quality Guidance For the Introduction of Non-Project Water into the Central Arizona Project. If you have any further questions, feel free to contact our office at the number listed below. Thank you.

--

Elena T. Iyua
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San Carlos Apache Tribe
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SAN CARLOS APACHE TRIBE

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June 25, 2020

Via E-Mail to: WQGuidanceDoc@cap-az.com

Leslie Meyers
Area Manager
Phoenix Area Office
Bureau of Reclamation
U.S. Department of Interior
6150 W. Thunderbird Road
Glendale, AZ 85306

Re: Comments of the San Carlos Apache Tribe on the April 2020 Draft Water Quality Guidance For the Introduction of Non-Project Water into the Central Arizona Project

Dear Ms. Meyers:

On behalf of the 17,000 members of the San Carlos Apache Tribe (the "Tribe") and the San Carlos Council, the Tribe's governing body, I submit the following comments on the Draft Water Quality Guidance For the Introduction of Non-Project Water into the Central Arizona Project. In addition to these comments, the Tribe reserves the right to comment further as the program to introduce Non-Project water into the Central Arizona Project ("CAP") system moves forward.

Even as these comments are submitted, due to the COVID-19 pandemic, the Tribe's normal operations remain curtailed. Most tribal employees have been placed on administrative leave since before the Draft Guidance was made available for review. The Tribe's resources are primarily dedicated to fighting this deadly disease and attempting to safeguard our Members.

Leslie Meyers

Re: Draft Water Quality Guidance

June 25, 2020

Page 2 of 7

While the Tribe's efforts have kept the virus at bay on our Reservation over the last two months, since the last week of May some cases have developed requiring the Tribe engage in further actions. Arizona is now the second leading state for the rate of COVID-19 infections. The Tribe must devote the preponderance of its resources to safeguarding reservation residents.

The Tribe has prepared the comments for the Draft Water Quality Guidance. However, the Tribe must reserve its right to supplement these comments or provide additional comments at a later time. We ask that the Bureau of Reclamation ("Reclamation") carefully consider the comments submitted today and any comments, which the Tribe may provide at a later date.

Background Information

The CAP system was designed to divert and deliver Project Water, which is Colorado River water along with certain Agua Fria inflows captured at Lake Pleasant. The quality of CAP water has met high standards over the years and has required minimal treatment prior to delivery for potable uses. However, introducing Non-Project Water into the CAP system has raised concerns about whether this same standard of water quality can be sustained.

The Tribe views the proposed Water Quality Guidance as just that—as a guidepost that includes technical limitations for allowing Non-Project Water into the CAP system and to ensure continued high water quality within the CAP system.

The Tribe is aware that various stakeholders with expertise in water quality matters have collaborated in the development of the Water Quality Guidance. The Tribe understands that the water quality standards in the Water Quality Guidance are intended to ensure continued high water quality within the CAP system. However, Reclamation is still bound by its trust responsibility to the Tribe and other affected tribes and to protect tribal entitlements to high quality water within the CAP system as tribal assets.

Required Environmental Reviews Must Continue

Every application to wheel in the CAP system must be reviewed individually under the required environmental regulations, including the National Environmental Policy Act ("NEPA"). The CAP remains a federal facility and remains subject to the required environmental review for every application to wheel Non-Project Water into the CAP system. The Water Quality Guidance should be viewed as just that – as guidance. Applicants must still comply with the requirements of NEPA. And, the Water Quality Guidance document should assist in that review process. Reclamation needs to ensure that the Water Quality Guidance document adequately guarantees high quality water will continue to be delivered.

Consultation with the Tribe on Applications Must Occur

Consulting with tribes is an important part of making sure federal actions, including allowing wheeling into the CAP system, is done with the input and consideration of tribal nations' interests. Tribes should have access to the data reviewed by Reclamation and CAWCD which is used to make a determination of the likely effect of introducing Non-Project Water source into the CAP system.

The Tribe has a strong interest in maintaining the high water quality in the CAP system. Even as Reclamation and CAWCD attempt to increase the use of the CAP system, the introduction of Non-Project Water must not cause any degradation in the CAP water quality. Reclamation has a trust and fiduciary responsibility to Indian tribes. That responsibility includes the duty to ensure that the Tribe's CAP Water entitlement is not degraded by the introduction of Non-Project Water. Reclamation owes a continuing fiduciary duty and trust responsibility to the San Carlos Apache Tribe and all other tribes with CAP Water entitlements to ensure that the high quality of water in the CAP system is maintained. *See Draft Water Quality Guidance For the Introduction of Non-Project Water into the Central Arizona Project, paragraph 2.1, page 5.*¹

Costs of Applications and Review

The costs of the application and review of proposal, including the testing and other requirements, must be borne by the applicant. None of those costs should be covered by the CAP system, which would necessarily increase the costs to individual contractors. The Tribe is satisfied with the language in the Draft Guidance document that requires applicants bear all the costs associated with the review of applications.

CAP Water Quality Must Not Be Degraded

Even as Reclamation and CAWCD attempt to increase the beneficial use of the CAP system, the introduction of Non-Project Water must not cause any degradation in the water quality of the CAP system. Prohibiting the degradation of CAP water quality is part of Reclamation's trust responsibility to protect the Tribe's entitlement to CAP water. The following

¹ "CAP water is high quality and suitable for a variety of uses by tribes, cities, private water companies, irrigation districts and others. It meets most (if not all) established primary drinking water standards, and requires minimal treatment prior to delivery for potable uses. CAWCD has been monitoring water quality within the CAP system since 1996 and the historical data show a high degree of consistency through time. The historical data also provide a baseline for many of the water quality standards referenced in this document (see Appendix A). Although CAWCD does not warrant the quality of water and is under no obligation to treat the water, CAWCD recognizes that the high quality and chemical stability of CAP water is highly valued by water users.

comments address the Tribe's concerns related to the degradation of the quality of the water in the CAP system.

Water Quality Standards Should Not Be Sidestepped

Section 2.2 of the Draft Guidance states, "The Secretary is also required to take into consideration the impact that wheeling of such Non-Project water will have on the quality of the project water when considering the approval of such a contract." This section of the Draft Guidance goes on to state that "the System Use Agreement calls for CAWCD and Reclamation to establish 'uniform water quality standards' that must be adhered to by all parties introducing Non-Project Water into the CAP system." Section 2.5, however, states that "[a]lthough this document can be used as a general guideline, CAWCD and Reclamation reserve the right to modify its contents at any time and waive specific provisions, if applicable." The ability and intent to waive provisions of the Draft Guidance undermine the notion that the standards "must be adhered to by all parties," and weaken any confidence that Reclamation will use the Water Quality Guidance to prevent degradation of CAP water quality. Neither Reclamation nor CAWCD should have the ability to waive provisions of the Final Water Quality Guidance.

The Tribe finds it troubling that Section 3.4.5 states that:

In the event that modeling during the Initial Analysis shows that the proposed Non-Project Water supply would meet the Introduction Standards, but would, in combination with all other previously approved Non-Project Water sources, result in an exceedance of one or more Delivery Standards, CAWCD and Reclamation will take steps to accommodate the proposed project. This may include reducing the relevant Introduction Standard(s) applicable to both the proposed and all previously approved Non-Project Water supply projects, provided CAWCD and Reclamation have first consulted with all affected parties and provided opportunities for alternative resolution.

The Tribe does not understand why Reclamation would work to accommodate an applicant who would introduce non-project water to the CAP system at the expense of the water quality enjoyed by the CAP contractors and subcontractors. Reducing relevant standards to accommodate an applicant is unacceptable.

Variances Should Not Be Allowed

Likewise, in order to protect the high water quality of the CAP, variances should not be available. A variance simply allows for a degradation of the quality of the CAP water in the system. Instead of issuing a variance, if quality standards have been exceeded, the introduction of the non-project water should immediately cease in order to alleviate that level of the constituency in the system. The existing water in the CAP system should not be used to be a buffer for non-

project water of inferior quality. Dilution of constituents introduced by the non-project water is by nature a degradation of the water quality in the system.

Applicants Should Be Required to Demonstrate Introduction of Water Will Not Degrade CAP Water Quality Prior to Award of Wheeling Contract

The Tribe requests that applicants be required to prove, prior to the award of a wheeling contract, that the water they propose to introduce to the CAP system will not degrade the existing quality of the Colorado River water in the CAP system for delivery by CAWCD. To do so applicants should be required to demonstrate that no adverse chemical or ionic reaction would occur when introduced to the existing water in the CAP system, existing CAP facilities, and any municipal or other water treatment systems which treat CAP water. This should include, for example, the delivery and distribution systems of CAP water users, such as the Tribe's CAP exchange partners and the lessees of the Tribe's CAP water.

Limitation on Constituents Should Be More Stringent

The Tribe requests that the following limitations on constituents be adopted:

1. The Final Water Quality Guidance should not allow for the introduction of non-project water which contains human, animal or artificial hormones.
2. The Final Water Quality Guidance should not allow for the introduction of water with a higher biological or chemical oxygen demand than the existing CAP water in the system.
3. The Final Water Quality Guidance should not allow the introduction of constituents that have not previously been detected in CAP water. For example, non-project water with a detectable mercury load or compounds of mercury should not be allowed to be introduced into the CAP system. Additionally, non-project water with detectable lead or compounds of lead which would degrade the quality of CAP water, making the lead detectable, should not be introduced into the CAP system.

The Economic Value of the Tribe's CAP Water Should Not Be Risked

The Tribe encourages Reclamation to note that any introduction of constituents into the CAP system will diminish the economic value of the Tribe's CAP water for leasing and exchange purposes.

Water Quality Reporting Requirements Should Be More Stringent

The Tribe requests that the following provisions regarding reporting be adopted:

Leslie Meyers

Re: Draft Water Quality Guidance

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1. Under Section 5.2.2, Wheeling Entities should have to retain records for more than five years.
2. Section 3.4.1.3 should require that water samples be stored securely in refrigeration in order to preserve the integrity of the samples.
3. Section 5.2.1 should require water quality testing results to be reported instantaneously and simultaneously to Reclamation, CAWCD, and the Arizona Department of Environmental Quality. Water quality results should be available online to all CAP contractors and subcontractors.

Other concerns of the Tribe

Two provisions of the Water Quality Guidance document provide for testing by “a laboratory exempted under A.R.S. § 36-495.02”. *See e.g.* 3.4.1.2, 4.2.2. A.R.S. § 36-495.02 provides for the exemption of certain environmental laboratories under Title 36, Chapter 4.3, Article 1. Subsections A. 2 through A. 5 should be carefully examined to determine whether an exemption is truly appropriate in the Water Quality Guidance document. Further explanation should be provided to explain why the laboratories listed in these subsections are appropriately exempted.

No provision is made in the Water Quality Guidance document for an emergency process to stop Non-Project Water being introduced into the CAP system. CAWCD must be able to immediately halt the introduction of Non-Project Water in the event of a terrorist attack or the accidental introduction of deadly contamination by poison or otherwise.

As we say in our Apache language, Ahi'yí'é (thank you) for this opportunity to provide our thoughts on the Draft Water Quality Guidance document. We would be grateful for your careful consideration of and response to our comments.

Sincerely,

SAN CARLOS APACHE TRIBE



Terry Rambler
Chairman

Cc: Tao Etpison, Vice Chairman
San Carlos Council Members
Water Rights Team

Leslie Meyers

Re: Draft Water Quality Guidance

June 25, 2020

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Vernelda Grant, THPO
A.B. Ritchie, AG, DOJ
Chrono



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June 25, 2020

Patrick Dent
Director of Water Policy
Central Arizona Project
23636 N. 7th Street
Phoenix, AZ 85024

RE: Draft Water Quality Guidance Document

Dear Mr. Dent,

This letter is in response to the Central Arizona Project (CAP) and Bureau of Reclamation (BOR) Draft Water Quality Guidance document as presented on April 23, 2020. Salt River Project (SRP) has provided extensive technical and policy input to develop the Consensus Proposal for a blending-based water quality standard. The Consensus Proposal outlined a framework for managing the quality of non-CAP water transported in the CAP canal, including major water quality program elements and numeric criteria for the first six key constituents. We are pleased to see many of the major elements of the Consensus Proposal incorporated into this draft document, but still have a few concerns with implementation and how the guidance could impact the proposed future interconnection known as the Salt River-CAP Interconnection Facility (SCIF). After reviewing the draft document and hearing from some of our shared stakeholders, we share the comments below in hopes to further the conversation and work together on potential solutions. We also appreciate staff's willingness to share Appendix A in an editable format and have made comments directly in the document and have attached electronically in Excel format. In addition to the comments below, SRP supports the formation of a technical stakeholder group to further discuss and address this Guidance Document.

Comments

Section 2.1 CAP Water Quality

Stating that CAP water "meets most (if not all) established primary drinking water standards, and requires minimal treatment prior to delivery for potable uses" is highly overstating the ability for end users to make direct use of this surface water supply for direct potable water delivery. No raw surface water is safe to drink but for the most pristine of resources. All surface waters are exposed to natural contaminants carried by waterfowl and aquatic life to name a few. All raw surface waters have the potential to and commonly do carry variable to elevated levels of bacteria including coliform. Note also the unachievable standard suggested for raw surface water in Appendix A as assigned for bacteria and pathogens. Please remove this statement and revise Appendix A as noted in our attachment to this letter.

Section 3.4.1.5 Initial Analysis Sampling – Surface Water, second paragraph

"The Applicant must demonstrate that Introductory Standards can be met for all times of the year" is potentially problematic for the proposed SCIF project. Due to the restrictive introductory standards proposed, one of the operating criteria that may make SCIF a successful project, at least in the beginning, is to only operate during parts of the year SRP is on the Salt River. Even in times where Verde River water is being released, SRP may be able to operationally blend down below the introductory standard and demonstrate compliance. However, in and of itself, the Verde may not achieve the "all times of year" statement. Additionally, as stated in the introduction, "due to seasonal variability and complexity in surface waters..." and including real-time variations, weather, and source water blending, the statement that "introductory standards should be met at all times of the year and all operating conditions" is very restrictive. Accounting for "All" operational conditions is extremely complicated. For most any surface water, Turbidity, for example, can vary above or below the introductory standard depending on the time of day, weather, chlorophyll levels, sensor drift, or localized disturbances from wildlife or operations activities. The policy should provide for blending and operational provisions including blending model scenarios and historical data to demonstrate individual or blended surface water sources compliance with introductory standards across an operational range.

3.4.1.5 Initial Analysis Sampling – Surface Water, third paragraph

"If historic data is not available, current conditions must be tested and stability in water quality must be demonstrated."

This statement should be removed or rephrased. Stability in surface water quality is not manageable within the constraints of natural variability.

3.4.3. Review and Verification

"The Applicant will meet with CAWCD to discuss test results and model output. Original test results provided by the laboratory..."

Please clarify if actual laboratory reports are required or if tabulated laboratory data is acceptable (preferred).

Table 1, page 12

Recommend allowing an alternate annual sampling date when sources are seasonal. For example, you may want certain surface water supplies sampled on a different sampling schedule than for groundwater or other surface water supplies. Allow flexibility to work with the applicant to determine appropriate annual sampling schedule.

5.2.1. Water Quality Reporting – Test Results

The 48-hour turnaround time for all test results may be too restrictive. Consider requiring any exceedance to be reported within 48-hours of receiving the test results, but all other test results could have a longer time before reporting is due.

5.2.3. Operational Changes

Consider renaming this section as "Planned Operational Changes" since day-day operations require regular routine communications via operators and data telemetry controls.

5.2.4. Water Quality Reporting - Annual Report

Consider working with stakeholders on development of an electronic data report submittal in a consistent format across projects to facilitate an efficient CAP review of data.

7.2.2. Exceedance of Introduction Standards – Ongoing Monitoring Period

Note that real-time event dependent parameters such as Turbidity should be accommodated by an "operational variability" statement here and "proving period" to demonstrate effective compliance over a relevant time based statistics.

7.2.4.1 Variance – Proving Period

"The variance will be set for a fixed duration not to exceed the remaining time in the Proving Period (24 month maximum)"

Recommend changing to 48 months to allow for variances to demonstrate when standards may be set too strict and to inform the 5 year policy review.

7.2.4.2 Variance - Ongoing Compliance Period

"The variance is for a fixed duration, not to exceed two years"

Same comment as above. Recommend changing to 48 months to allow for variances to demonstrate when standards may be set too strict and to inform the 5 year policy review.

I hope this letter is helpful and we look forward to continuing to participate in the development of a final Water Quality Guidance Document. Many of these comments are nuanced and technical in nature. If these are not addressed, CAP and BOR may have drafted a document that will preclude most, if not all, opportunities to use the System Use Agreement and wheel water in the CAP canal. We don't think that was the intention, so again request the formation of a technical stakeholder group to help inform and refine the final drafting of this document.

Sincerely,



Christa McJunkin

cc: Colette Moore, SRP
Mike Ploughe, SRP

Constituent	Recommended Analytical Method	Units	MRL	Introduction Standard	Delivery Standard	CAP 5-Year Mean	SRP Comments
TABLE A-1							
Dissolved Oxygen	Field	mg/L		Non Degradation	Non Degradation		
pH	Field			6.5-9.5			
Temperature	Field	°C		Non Degradation	Non Degradation		Standard temp units are in Celsius
CAP Priority Constituents - Characterize							
Alpha, Gross	EPA 900.0	pCi/l	3	TBD	Characterize	--	
Aluminum	EPA 200.8	µg/l	20	TBD	Characterize	--	ICAP is not a constituent.
Beryllium	EPA 200.8	µg/l	1	TBD	Characterize	ND	
Beta, Gross	EPA 900.0	pCi/l	3	TBD	Characterize	--	
Bromide	EPA 300.0	µg/l	50	TBD	Characterize	81.70	MRL is not achievable.
Cadmium	EPA 200.8	µg/l	1	TBD	Characterize	ND	MRL is not achievable.
Cobalt, Total	EPA 200.8	µg/l	2	TBD	Characterize	--	
Germanium	EPA 200.8	µg/l	1	TBD	Characterize	--	MRL is not achievable.
Mercury	EPA 245.1	µg/l	0.2	TBD	Characterize	ND	
Molybdenum	EPA 200.8	µg/l	2	TBD	Characterize	--	
Nickel	EPA 200.8	µg/l	5	TBD	Characterize	ND	
Nitrite as Nitrogen	EPA 300.0	mg/l	0.25	TBD	Characterize	--	Units appear to be incorrect. MRL is not achievable.
Potassium, Total	EPA 200.7	mg/l	1	TBD	Characterize	4.90	ICAP is not a constituent.
Radium-226+228	Gamma Ray HPGE	pCi/l	1	TBD	Characterize	--	Main AZ RadChem lab uses HPGE.
Strontium	EPA 200.7	mg/l	0.01	TBD	Characterize	1.10	ICAP is not a constituent.
Vanadium	EPA 200.8	µg/l	3	TBD	Characterize	--	
CAP Priority Constituents							
Alkalinity in CaCO3 units	SM2320B	mg/l	5	250	170	122.30	SRP's MRL is 5 mg/L.
Ammonia Nitrogen	EPA 350.1	mg/l	0.5	0.05	0.05	0.04	MRL is not achievable without use of low-level methods.
Antimony	EPA 200.8	µg/l	1	6	Characterize	--	
Arsenic	EPA 200.8	µg/l	1	10	5	2.90	
Barium, Total	EPA 200.8	µg/l	2	2000	230	123.20	ICAP is not a constituent
Boron	EPA 200.7	mg/l	0.05	1	0.5	--	
Calcium, Total	EPA 200.7	mg/l	1	200	160	72.60	ICAP is not a constituent
Chloride	EPA 300.0	mg/l	2.5	450	170	91.50	
Chromium	EPA 200.8	µg/l	1	100	10	ND	
Copper, Dissolved	EPA 200.8	µg/l	2	64	64	--	
Fluoride	SM4500F C or EPA 300.0	mg/l	0.1	4	0.7	--	MRL is barely above most MDLs for fluoride; not achievable by most labs.
Hexavalent Chromium	EPA 218.7	µg/l	0.05	16	3	0.05	SRP's MRL for this method is 0.05 ug/L.
Iron, Dissolved	EPA 200.7	mg/l	0.02	1000	100	ND	ICAP is not a constituent
Lead	EPA 200.8	µg/l	1	15	3	ND	SRP's MRL for lead is 1.0 ug/L.
Manganese, Total	EPA 200.8	µg/l	2	250	27	5.70	ICAP is not a constituent
Nitrate as Nitrogen	EPA 300.0	mg/l	1	10	1	0.12	MRL is barely above the MDL; not achievable.
Perchlorate	EPA 314	µg/l	2	15	Characterize	ND	
Phosphorus, Total-P	EPA 365.3	mg/l	0.05	0.1	0.025	0.02	EPA 365.1 is not an approved method; MRL is below that of most laboratories using this method.
Selenium	EPA 200.8	µg/l	5	50	20	ND	
Silver Total	EPA 200.8	µg/l	0.5	100	20	ND	ICAP is not a constituent; SRP's MRL for silver by EPA 200.8 is 1.0 ug/L.
Sodium, Total	EPA 200.7	mg/l	1	350	110	92.60	ICAP is not a constituent

Sulfate	EPA 300.0	mg/l	15	400	250	237.40	SRP's MRL for sulfate is 15 ug/L; there is no need to calibrate lower, as sulfate is always detected at higher levels.
Thallium	EPA 200.8	µg/l	1	1	Characterize	ND	
Total Dissolved Solids (TDS)	SM2540C	mg/l	30	1150	747	629.70	SRP's MRL is 28.6 mg/L.
Total Organic Carbon	SM5310C	mg/l	0.5	6	4	--	SRP's MRL is 0.5 mg/L.
Turbidity	EPA 180.1	NTU	0.2	9	6	1.10	SRP's MRL is 0.2 NTU; instrument is not capable of lower MRL. Turbidity introduction standard does not take into account variable turbidity from storm events within the watersheds.
Uranium	EPA 200.8	ug/L	1	30	5	4.10	Units for 200.8 are ug/L. SRP's MRL is 1 ug/L.
Zinc	EPA 200.8	µg/l	20	1	0.03	ND	
TABLE A-2							
Regulated EPA Primary and Secondary Constituents							
1,1,1-Trichloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1,2-Trichloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1-Dichloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2,4-Trichlorobenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2-Dibromo-3-Chloropropane	EPA 504.1	µg/l	0.02	0.01	0.01	--	SRP's MRL is 0.02 ug/L - EPA 504.1.
1,2-Dichlorobenzene (1,2 DCB)	EPA 524.2	µg/l	0.5	0.5	0.5	--	
1,2-Dichloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2-Dichloropropane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,4 Dichlorobenzene (1,4 DCB)	EPA 524.2	µg/l	0.5	0.5	0.5	--	
2,4,5-TP (Silvex)	EPA 515.4	µg/l	1	0.2	0.2	ND	Standard non-DW MRL is 1 ug/L.
2,4-D	EPA 515.4	µg/l	1	0.1	0.1	0.07	Standard non-DW MRL is 1 ug/L.
Alachlor	EPA 525.2	µg/l	0.8	0.05	0.05	ND	Standard non-DW MRL is 0.8 ug/L
Atrazine	EPA 525.2	µg/l	0.8	0.05	0.05	ND	Standard non-DW MRL is 0.8 ug/L.
Benzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Benzo(a)pyrene	EPA 525.2	µg/l	0.16	0.02	0.02	ND	Standard non-DW MRL is 0.16 ug/L.
Carbofuran (Furadan)	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Carbon Tetrachloride	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Chlordane	EPA 525.2 or EPA 505	µg/l	0.1	0.1	0.1	--	EPA 505 may also be used.
Chlorobenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
cis-1,2-Dichloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Dalapon	EPA 515.4	µg/l	10	1	1	ND	Standard non-DW MRL is 10 ug/L.
Di-(2-Ethylhexyl)adipate	EPA 525.2	µg/l	4.8	0.6	0.6	ND	Standard non-DW MRL is 4.8 ug/L.
Di(2-Ethylhexyl)phthalate	EPA 525.2	µg/l	4.8	0.6	0.6	ND	Standard non-DW MRL is 4.8 ug/L.
Dichloromethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Dinoseb	EPA 515.4	µg/l	1	0.2	0.2	ND	Standard non-DW MRL is 1 ug/L.
Diquat	EPA 549.2	µg/l	0.4	0.4	0.4	--	
Endothall	EPA 548.1	µg/l	9	5	5	--	Standard non-DW MRL is 9 ug/L.
Endrin	EPA 525.2	µg/l	0.2	0.2	0.2	ND	
Ethyl benzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Ethylene Dibromide	EPA 504.1	µg/l	0.02	0.01	0.01	--	SRP's MRL is 0.02 ug/L - EPA 504.1.
Glyphosate	EPA 547	µg/l	6	6	6	--	
Heptachlor	EPA 525.2	µg/l	0.32	0.04	0.04	ND	Standard non-DW MRL is 0.32 ug/L.
Heptachlor Epoxide (isomer B)	EPA 525.2	µg/l	0.16	0.05	0.05	ND	Standard non-DW MRL is 0.16 ug/L.
Hexachlorobenzene	EPA 525.2	µg/l	0.8	0.05	0.05	ND	Standard non-DW MRL is 0.8 ug/L
Hexachlorobutadiene	EPA 524.2	µg/l	0.8	0.5	0.5	ND	Standard non-DW MRL is 0.8 ug/L
Hexachlorocyclopentadiene	EPA 525.2	µg/l	0.8	0.05	0.05	ND	Standard non-DW MRL is 0.8 ug/L
Lindane	EPA 525.2	µg/l	0.16	0.04	0.04	ND	Standard non-DW MRL is 0.16 ug/L.

Methoxychlor	EPA 525.2	µg/l	0.8	0.1	0.1	ND	Standard non-DW MRL is 0.8 ug/L
Metolachlor	EPA 525.2	µg/l	0.8	0.1	0.1	--	Standard non-DW MRL is 0.8 ug/L
Oxamyl	EPA 531.2	µg/l	1	0.5	0.5	ND	Standard non-DW MRL is 1.0 ug/L.
Pentachlorophenol	EPA 515.4	µg/l	0.4	0.04	0.04	ND	Standard non-DW MRL is 0.4 ug/L.
Picloram	EPA 515.4	µg/l	1	0.1	0.1	ND	Standard non-DW MRL is 1.0 ug/L.
Simazine	EPA 525.2	µg/l	0.5	0.05	0.05	ND	Standard non-DW MRL is 0.5 ug/L.
Styrene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Tetrachloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Total PCB	EPA 525.2 or EPA 505	µg/l	0.3	0.1	0.1	--	Some Arochlors within the total PCBs cannot be quantitated at the proposed MRL.
Total Trihalomethanes	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Toxaphene	EPA 525.2 or EPA 505	µg/l	1	0.5	0.5	--	Standard non-DW MRL is 1.0 ug/L.
Trichloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Vinyl Chloride	EPA 524.2	µg/l	0.5	0.3	0.3	ND	SRP's MRL is 0.5 ug/L.
Unregulated EPA Constituents							
1,1,1,2-Tetrachloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1,2,2-Tetrachloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1-Dichloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,1-Dichloropropene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2,3-Trichlorobenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2,3-Trichloropropane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,2,4-Trimethylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,3,5-Trimethylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,3-Dichlorobenzene (1,3 DCB)	EPA 524.2	µg/l	0.5	0.5	0.5	--	
1,3-Dichloropropane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,3-Dichloropropene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
1,4-Dioxane	EPA 522	µg/l	0.07	0.07	0.07	--	
1-Butanol	EPA 541	µg/l	2	2	2	--	
2,2-Dichloropropane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
2,4,5-T	EPA 515.4	µg/l	0.5	0.2	0.2	ND	Standard non-DW MRL is 0.5 ug/L.
2,4-DB	EPA 515.4	µg/l	2	2	2	ND	
2-Butanone (MEK)	EPA 524.2	µg/l	5	5	5	ND	
2-Methoxyethanol	EPA 541	µg/l	0.4	0.4	0.4	--	
2-Propen-1-ol	EPA 541	µg/l	0.5	0.5	0.5	--	
3,5-Dichlorobenzoic acid	EPA 515.4	µg/l	0.5	0.5	0.5	ND	
3-Hydroxycarbofuran	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
4,4'-DDD	EPA 525.2	µg/l	0.1	0.1	0.1	--	
4,4'-DDE	EPA 525.2	µg/l	0.1	0.1	0.1	--	
4,4'-DDT	EPA 525.2	µg/l	0.1	0.1	0.1	--	
4-Methyl-2-Pentanone (MIBK)	EPA 524.2	µg/l	5	5	5	ND	
Acetaldehyde	EPA 556/556.1	µg/l	5	1	1	--	Standard non-DW MRL is 5.0 ug/L.
Acetochlor	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Acetochlor ethanesulfonic acid (ESA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Acetochlor oxanilic acid (OA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Acifluorfen	EPA 515.4	µg/l	1	0.2	0.2	ND	Standard non-DW MRL is 1.0 ug/L.
Acrolein	EPA 8260B or EPA 624	µg/l	50	25	25	--	SRP's MRL for is 50 ug/L.
Alachlor ethanesulfonic acid (ESA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Alachlor oxanilic acid (OA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Aldicarb (Temik)	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Aldicarb sulfone	EPA 531.2	µg/l	0.5	0.5	0.5	ND	Standard non-DW MRL is 0.7 ug/L.
Aldicarb sulfoxide	EPA 531.2	µg/l	0.5	0.5	0.5	ND	

Aldrin	EPA 525.2	µg/l	0.01	0.01	0.01	--	Standard non-DW MRL is 0.1 ug/L.
alpha-Chlordane	EPA 525.2	µg/l	0.1	0.1	0.1	--	
alpha-Hexachlorocyclohexane	EPA 525.3	µg/l	0.01	0.01	0.01	--	
Aniline	EPA 8270C	µg/l	20	20	20	--	
Aroclor 1016	EPA 525.2 or EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1221	EPA 525.2 or EPA 505	µg/l	0.2	0.1	0.1	--	Standard non-DW MRL is 0.2 ug/L.
Aroclor 1232	EPA 525.2 or EPA 505	µg/l	0.3	0.1	0.1	--	Standard non-DW MRL is 0.3 ug/L.
Aroclor 1242	EPA 525.2 or EPA 505	µg/l	0.3	0.1	0.1	--	Standard non-DW MRL is 0.3 ug/L.
Aroclor 1248	EPA 525.2 or EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1254	EPA 525.2 or EPA 505	µg/l	0.1	0.1	0.1	--	
Aroclor 1260	EPA 525.2 or EPA 505	µg/l	0.2	0.1	0.1	--	Standard non-DW MRL is 0.2. ug/L.
Baygon	EPA 531.2	µg/l	0.5	0.5	0.5	--	
Bentazon	EPA 515.4	µg/l	0.5	0.5	0.5	ND	
Bromobenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Bromochloromethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Bromodichloromethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Bromoethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	Not in standard 524.2 list for SRP.
Bromoform	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Bromomethane (Methyl Bromide)	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Butylated hydroxyanisole	EPA 530	µg/l	0.03	0.03	0.03	--	
Carbaryl	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Carbon Disulfide	EPA 524.2	µg/l	0.5	0.5	0.5	ND	Not in standard 524.2 list for SRP.
Chlorodibromomethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	Not in standard 524.2 list for SRP.
Chloroethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Chloroform (Trichloromethane)	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Chloromethane(Methyl Chloride)	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Dibromomethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Dicamba	EPA 515.4	µg/l	0.1	0.1	0.1	ND	
Dichlorodifluoromethane	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Dichlorprop	EPA 515.4	µg/l	2	0.5	0.5	ND	Standard non-DW MRL is 2.0 ug/L.
Dieldrin	EPA 525.2	µg/l	0.1	0.01	0.01	--	Standard non-DW MRL is 0.1 ug/L.
Di-isopropyl ether	EPA 524.2	µg/l	3	3	3	ND	Not in standard 524.2 list for SRP.
Dimethipin	EPA 525.3	µg/l	0.2	0.2	0.2	--	
Equilin	EPA 539	µg/l	0.004	0.004	0.004	--	
Estradiol (17-beta estradiol)	EPA 539	µg/l	0.0004	0.0004	0.0004	--	
Estriol	EPA 539	µg/l	0.0009	0.0009	0.0009	--	
Estrone	EPA 539	µg/l	0.002	0.0008	0.0008	--	Standard non-DW MRL is 2.0 ng/L. (0.002 ug/L)
Ethinyl estradiol (17-alpha ethynyl estradiol)	EPA 539	µg/l	0.0009	0.0009	0.0009	--	
Ethoprop	EPA 525.3	µg/l	0.03	0.03	0.03	--	
Ethylene glycol	EPA 8015D	mg/l	5	5	5	--	
Formaldehyde	EPA 556/556.1	µg/l	5	5	5	--	
Gamma-Chlordane	EPA 525.2	µg/l	0.1	0.1	0.1	--	
HCFC-22	EPA 8260B	µg/l	2.5	2.5	2.5	--	
Hexane	EPA 8260B	µg/l	2	2	2	--	
Isopropylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
M/P-Xylenes	EPA 524.2	µg/l	1	0.5	0.5	ND	SRP's MRL is 1.0 ug/L.
Methanol	EPA 8015B	mg/L	0.5	0.1	0.1	--	Standard non-DW MRL is 0.5 mg/L.
Methiocarb	EPA 531.2	µg/l	1	0.5	0.5	ND	Standard non-DW MRL is 1.0 ug/L.
Methomyl	EPA 531.2	µg/l	0.5	0.5	0.5	ND	
Methyl Tert-butyl ether (MTBE)	EPA 524.2	µg/l	0.5	0.5	0.5	ND	Not in standard 524.2 list for SRP.
Metolachlor ethanesulfonic acid (ESA)	EPA 535	µg/l	0.1	0.1	0.1	--	
Metolachlor oxanilic acid (OA)	EPA 535	µg/l	0.1	0.1	0.1	--	

Molinate	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Naphthalene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
N-Butylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
N-nitrosodiethylamine (NDEA)	EPA 521	µg/l	2	2	2	--	
N-nitrosodimethylamine (NDMA)	EPA 521	µg/l	2	2	2	--	
N-nitroso-di-n-propylamine (NDPA)	EPA 521	µg/l	2	2	2	--	
N-nitrosopyrrolidine (NPYR)	EPA 521	µg/l	2	2	2	--	
N-ethyl perfluorooctanesulfonamidoacetic acid (NEtFOSAA)	EPA 537	ng/l	2	2	2	--	
N-methyl perfluorooctanesulfonamidoacetic acid (NMeFOSAA)	EPA 537	ng/l	2	2	2	--	
N-Propylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
o-Chlorotoluene	EPA 524.2	µg/l	0.5	0.5	0.5	--	Not in standard 524.2 list for SRP.
o-Xylene	EPA 524.2	µg/l	0.5	0.5	0.5	--	
o-Toluidine	EPA 530	µg/l	0.007	0.007	0.007	ND	
Oxyfluorfen	EPA 525.3	µg/l	0.05	0.05	0.05	--	
Paraquat	EPA 549.2	µg/l	2	2	2	--	
p-Chlorotoluene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	Not in standard 524.2 list for SRP.
Perfluorobutanesulfonic acid (PFBS)	EPA 537	ng/l	2	2	2	--	
Perfluorodecanoic acid (PFDA)	EPA 537	ng/l	2	2	2	--	
Perfluorododecanoic acid (PFDoA)	EPA 537	ng/l	2	2	2	--	
Perfluoroheptanoic acid (PFHpA)	EPA 537	ng/l	2	2	2	--	
Perfluorohexanesulfonic acid (PFHxS)	EPA 537	ng/l	2	2	2	--	
Perfluorohexanoic acid (PFHxA)	EPA 537	ng/l	2	2	2	--	
Perfluorononanoic acid (PFNA)	EPA 537	ng/l	2	2	2	--	
Perfluorooctanesulfonic acid (PFOS)	EPA 537	ng/l	2	2	2	--	
Perfluorooctanoic acid (PFOA)	EPA 537	ng/l	2	2	2	--	
Perfluorotetradecanoic acid (PFTA)	EPA 537	ng/l	2	2	2	--	
Perfluorotridecanoic acid (PFTrDA)	EPA 537	ng/l	2	2	2	--	
Perfluoroundecanoic acid (PFUnA)	EPA 537	ng/l	2	2	2	--	
Permethrin	EPA 525.2	µg/l	0.1	0.04	0.04	--	Standard non-DW MRL is 0.1 ug/L.
p-Isopropyltoluene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	Not in standard 524.2 list for SRP.
Profenofos	EPA 525.3	µg/l	0.3	0.3	0.3	--	
Quinoline	EPA 530	µg/l	0.02	0.02	0.02	--	
sec-Butylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Silica as SiO2	EPA 200.7	mg/L	0.5	0.2	0.2	--	Analyte should be Silica as SiO2. SRP's MRL is 0.5 mg/L. Introduction Standard is unrealistic for surface water or groundwater (always contains sand/silica).
Tebuconazole	EPA 525.3	µg/l	0.2	0.2	0.2	--	
Tert-Butylbenzene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Thiobencarb	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Toluene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Total DCPA Mono- and Di-acid Degradate	EPA 515.4	µg/l	0.1	0.1	0.1	0.05	Standard non-DW MRL is 0.5 ug/L.
Total Kjeldahl Nitrogen	EPA 351.2	mg/l	1	0.1	0.1	--	Standard MRL is 1.0 mg/L.
trans-1,2-Dichloroethylene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
trans-1,3-Dichloropropene	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
trans-Nonachlor	EPA 525.2	µg/l	0.1	0.1	0.1	--	
Tribufos	EPA 525.3	µg/l	0.07	0.07	0.07	--	
Trichlorofluoromethane-Freon11	EPA 524.2	µg/l	0.5	0.5	0.5	ND	
Xylenes (total)	EPA 524.2	µg/l	1	0.5	0.5	ND	SRP's MRL is 1.0 ug/L.
EPA Disinfection Byproducts							
Bromochloroacetic Acid	EPA 552.3	µg/l	1	0.3	0.3	--	Standard non-DW MRL is 1.0 ug/L.
Bromodichloroacetic Acid	EPA 552.3	µg/l	1	0.5	0.5	--	Standard non-DW MRL is 1.0 ug/L.

Chlorodibromoacetic Acid	EPA 552.3	µg/l	2	0.3	0.3	--	Standard non-DW MRL is 2.0 ug/L.
Dibromoacetic Acid	EPA 552.3	µg/l	1	0.3	0.3	--	Standard non-DW MRL is 1.0 ug/L.
Dichloroacetic Acid	EPA 552.3	µg/l	1	0.2	0.2	--	Standard non-DW MRL is 1.0 ug/L.
Monobromoacetic Acid	EPA 552.3	µg/l	1	0.3	0.3	--	Standard non-DW MRL is 1.0 ug/L.
Monochloroacetic Acid	EPA 552.3	µg/l	1	2	2	--	Standard non-DW MRL is 1.0 ug/L.
Total Haloacetic Acids (HAAS)	EPA 552.3	µg/l	1	0.2	0.2	--	Standard non-DW MRL is 1.0 ug/L.
Trichloroacetic Acid	EPA 552.3	µg/l	1	0.5	0.5	--	Standard non-DW MRL is 1.0 ug/L.
Microbiology							Section name is incorrect. HPC and total coliform are not pathogens.
Coliform, Total	SM9223	MPN/100 mL	1	1	1	--	Introduction standard is unrealistic for surface water; cannot be achieved without sterilization.
Cryptosporidium	EPA 1623	oocysts/l	0.1	0.1	0.1	0.05	Introduction standard is unrealistic for surface water. Surface water contains Cryptosporidium excreted by animals.
E. Coli	SM9223	MPN/100 mL	1	1	1	--	Introduction standard is unrealistic for surface water. Surface water contains E. coli excreted by animals.
Giardia	EPA 1623	cysts/l	0.1	0.1	0.1	0.05	Introduction standard is unrealistic for surface water. Surface water contains Giardia excreted by animals.
HPC	SM9215 or equivalent	FU/ml or MPN/r	1	1	1	--	Introduction standard is unrealistic for surface water; cannot be achieved without sterilization.
TABLE A-3							
No EPA Tests Available (5-year Re-assessment)							Why include these analytes at all at this point? These are emerging contaminants, and health assessments are incomplete.
1,3-Butadiene	No EPA Test Available						
17 alpha-estradiol	No EPA Test Available						
2-Nonylphenol	No EPA Test Available						
4,4'-Methylenedianiline	No EPA Test Available						
4-Nitrophenol (qualitative)	No EPA Test Available						
Acephate	No EPA Test Available						
Acetamide	No EPA Test Available						
Bensulide	No EPA Test Available						
Benzyl chloride	No EPA Test Available						
Captan	No EPA Test Available						
Chloramben	No EPA Test Available						
Clethodim	No EPA Test Available						
Cumene hydroperoxide	No EPA Test Available						
Cyanotoxins	No EPA Test Available						
Anatoxin a	No EPA Test Available						
Cylindrospermopsin	No EPA Test Available						
Microcystin-LA	No EPA Test Available						
Microcystin-LF	No EPA Test Available						
Microcystin-LR	No EPA Test Available						
Microcystin-LY	No EPA Test Available						
Microcystin-RR	No EPA Test Available						
Microcystin-YR	No EPA Test Available						
Nodularin	No EPA Test Available						
Dacthal	No EPA Test Available						
Dicrotophos	No EPA Test Available						
Diuron	No EPA Test Available						

Equilenin	No EPA Test Available						
Erythromycin	No EPA Test Available						
Ethylene oxide	No EPA Test Available						
Ethylene thiourea	No EPA Test Available						
Hydrazine	No EPA Test Available						
L. Pneumophilia	No EPA Test Available						
Mestranol	No EPA Test Available						
Methamidophos	No EPA Test Available						
Nitrobenzene	No EPA Test Available						
Nitroglycerin	No EPA Test Available						
N-Methyl-2-pyrrolidone	No EPA Test Available						
N-nitrosodiphenylamine	No EPA Test Available						
Norethindrone (19-Norethisterone)	No EPA Test Available						
Oxirane, methyl	No EPA Test Available						
Oxydemeton-methyl	No EPA Test Available						
RDX (Hexahydro-1,3,5-trinitro-1,3,5-triazine)	No EPA Test Available						
Silicone	No EPA Test Available						
Tebufenozide	No EPA Test Available						
Tellurium	No EPA Test Available						
Thiodicarb	No EPA Test Available						
Thiophanate-methyl	No EPA Test Available						
Toluene diisocyanate	No EPA Test Available						
Triethylamine	No EPA Test Available						
Triphenyltin hydroxide (TPTH)	No EPA Test Available						
Urethane	No EPA Test Available						
Vinclozolin	No EPA Test Available						
Ziram	No EPA Test Available						

From: [Keith DeVore](#)
To: [Water Quality Guidance Document](#)
Cc: [Paul Gardner](#)
Subject: Town of Queen Creek Comments on CAP Water Quality Guidance Document
Date: Tuesday, June 23, 2020 10:47:29 AM
Attachments: [TOQC Comments on CAP Water Quality Document.pdf](#)

Hello,

Attached are the Town of Queen Creek's comments on the water quality draft document. I hope through our comments and the comments of others we can continue to have a discussion with CAP customers how to create a document that would better allow customers to put water into the canal.

The Town of Queen Creek has some serious concerns that the document as currently written would make it nearly impossible to put non-project water into the canal given the current introductory requirements.

We appreciate your time and we hope to continue to work through these issues.

Thank you

--

Keith DeVore
Town of Queen Creek
Water Resources Manager

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TOWN OF QUEEN CREEK ARIZONA

June 22nd 2020
Central Arizona Project
23636 N. 7th St.
Phoenix AZ, 85024

Draft Document of the Water Quality Guidance for the Introduction of Non-Project Water into the Central Arizona Project

Dear CAWCD Staff,

The Town of Queen Creek (TOQC) appreciates the opportunity to respond to the draft document provided by the Central Arizona Project (CAP) on The Water Quality Guidance for the Introduction of Non-Project Water in the Central Arizona Project. We understand given the current circumstances it was difficult to have much of a dialogue during the webinar on this document. In the webinar CAP stated this would be a dynamic document and CAP would seriously consider all comments. We would encourage CAP to continue to have ongoing discussions on this subject and help all customers looking to introduce non-project water into the canal.

There are two main points of concern the TOQC has with this document. The first is the idea of drinking water standards in the canal. While drinking water standards are discussed, the document does not stick to drinking water contaminants. There are mention of potential contaminants that are mostly designed for soil and solid waste analysis. The TOQC believes this document should stick to drinking water standard constituents and not venture into other potential contaminants that are not equated with drinking water issues.

There seems to be confusion about source water approval standards from ADEQ for a drinking water wells yet the CAP document states it would be unable to introduce this type of water in CAP. This seems contradictory that standards would be higher for water going into the canal than they are coming out of a well that provides drinking water.

These are a few general comments that should get to the heart of introduction standards into the canal, without mentioning the ability of the canal to dilute potential contaminants, standards that are set too high for testing purposes would completely negate any municipality's ability to introduce water into the canal. The TOQC has concerns that introductory standards would make it near impossible to introduce water, understanding that a minimal amount of water may be introduced and by the time that water reaches the next water treatment plant the water would be diluted to a point that would not cause harm to any water treatment plant along the canal.

The second main concern is testing methods outlined in the document.

1. Analytical methods: The water industry has classified three main categories for contaminants: Drinking Water (Safe Drinking Water Act), Wastewater (Clean water act) and Hazardous Waste/Soil. When a sample is delivered to a lab the lab must be notified which category the water belongs to. Some of the methods listed in Table A-2 are not drinking water methods and therefore cannot be used on drinking water samples.

2. Laboratory Licensing: In section 3.4.1.2 of the WQGM it states, “A test result is valid only if the sample is analyzed by a laboratory that is licensed by the Arizona Department of Health Services (ADHS). ADHS will not license labs for analyses that are not regulated by an agency. In table A-1 and A-2 there are multiple contaminants listed that are not regulated, therefore ADHS will not grant a license to any laboratory. All this being said, if the requirement for laboratory licensure is maintained for this program, the unregulated contaminants will need to be removed from the Tables.
3. Introduction Water Quality Standards – Table A-1 lists many contaminants (referred as ‘Characterize’) that do not have an Introductory or Delivery Standard. Table A-1 header states that a temporary Introduction Standard equal to 3 times the stated MRL or the current MCL, whichever is lower, will be used to regulate these contaminants. For unregulated contaminants present in a drinking water supply, a MCL does not exist. For some of the contaminants listed, 3 times the MRL is significantly lower than the historical concentration measured in the canal. For other contaminants, there is no historical data for the canal water. For unregulated contaminants, systems are not required to treat for these contaminants prior to serving the water into the drinking water system. The TOQC does not believe that water introduced into the canal should be held to a higher standard than water that is treated and used for drinking. The TOQC has significant concerns that these standards will make it highly unlikely, if not impossible for anyone to introduce water into the canal. The setting of Introduction Standards that are extremely stringent and have no real relationship to the quality of CAP water doesn’t take into account mass loadings from the introduced water and the degree of dilution that will occur in the canal, both of which will not affect the overall water composition in the canal, let alone the water that is taken out and served to residents as drinking water.

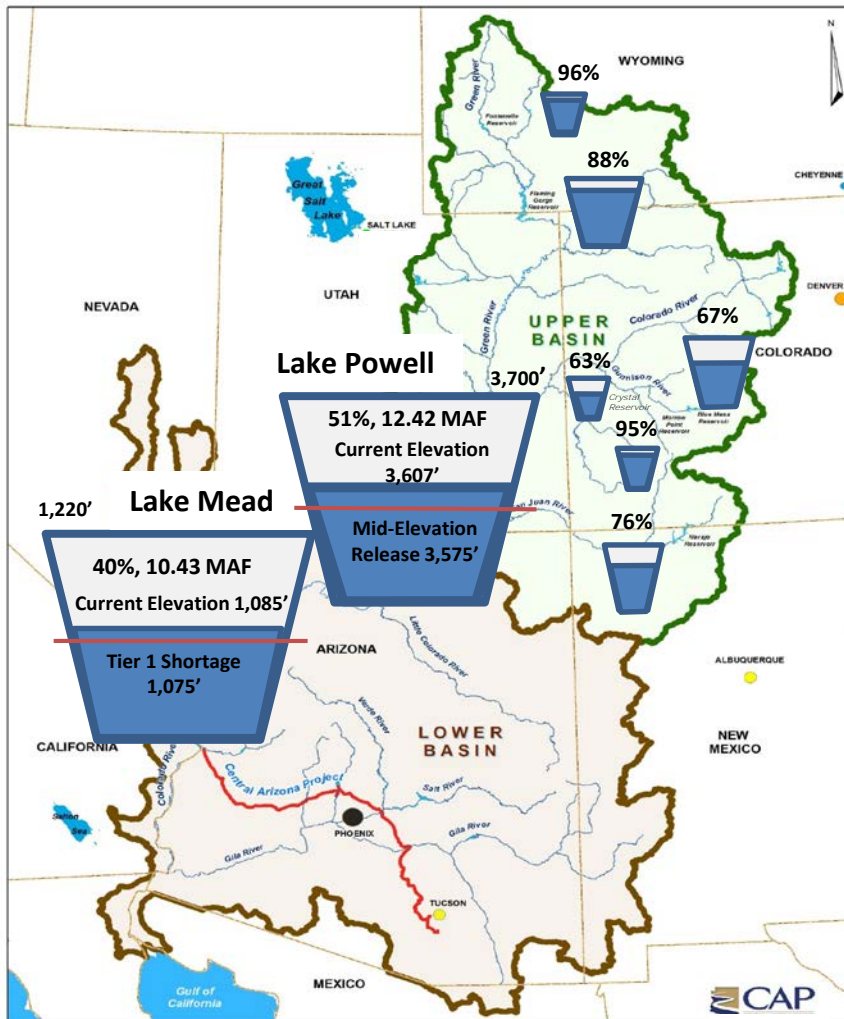
Once again the TOQC appreciates the opportunity to respond to the Draft Water Quality Guidance for the Introduction of Non-Project water into the Central Arizona Project Canal. Although we know this process has been a heavy lift up to this point, the TOQC would appreciate further discussion possibly in a group or committee format to work through these serious issues.

We believe we could address high level concerns that could be worked through quickly with discussion and education from CAP customers with plans to use non project water to move through the canal to the communities that will require water resources in the future. We do have concerns that inaccuracies and feasibility in the details of the document could hinder the opportunities to be able to put non-project water in the system. We agree, that it is imperative to maintain the integrity of the water in the canal but we also believe further discussion could help us add or subtract elements of this report that could allow the safe introduction of non-project water into the canal and still maintain the integrity of the system for the all CAP customers and stakeholders.

Thank you for your time,

Sincerely,

Paul Gardner



Colorado River Water Supply Report

System Contents: 28.46 MAF
As of July 27, 2020

Reservoir Capacities (MAF)			
Reservoir	Current	Change*	Maximum
Lake Mead	10.43	-0.71	25.90
Lake Powell	12.42	+0.42	24.30
Flaming Gorge Reservoir	3.30	+0.03	3.75
Navajo Reservoir	1.29	-0.07	1.70
Blue Mesa Reservoir	0.56	+0.03	0.83
Fontenelle Reservoir	0.33	+0.14	0.34
Morrow Point Reservoir	0.11	0.00	0.12
Crystal Reservoir	0.02	0.00	0.03

*With respect to previous month

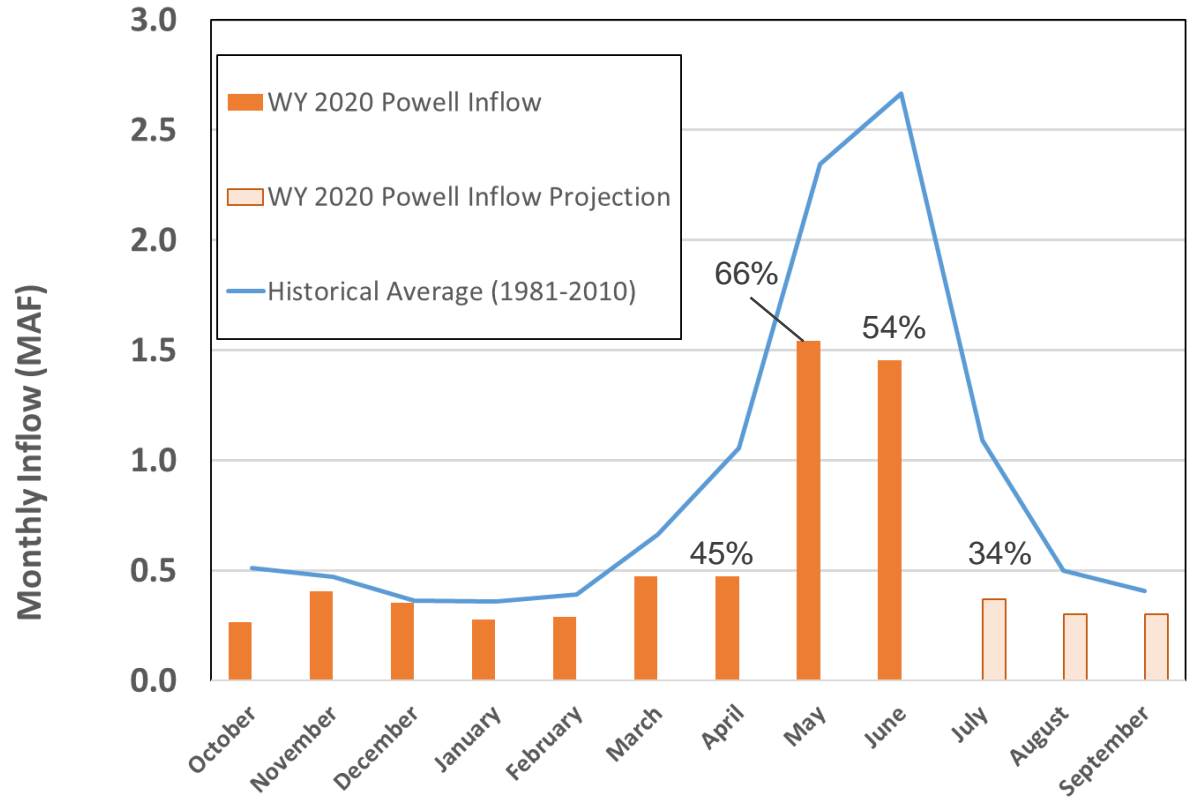
2020 Lake Powell Inflows

April unregulated inflow into Lake Powell was at 45% of the historical 30-year average (1981-2010), with May being 66% and June being 54%. The July forecasted inflow is projected to be 34% of the historical average.

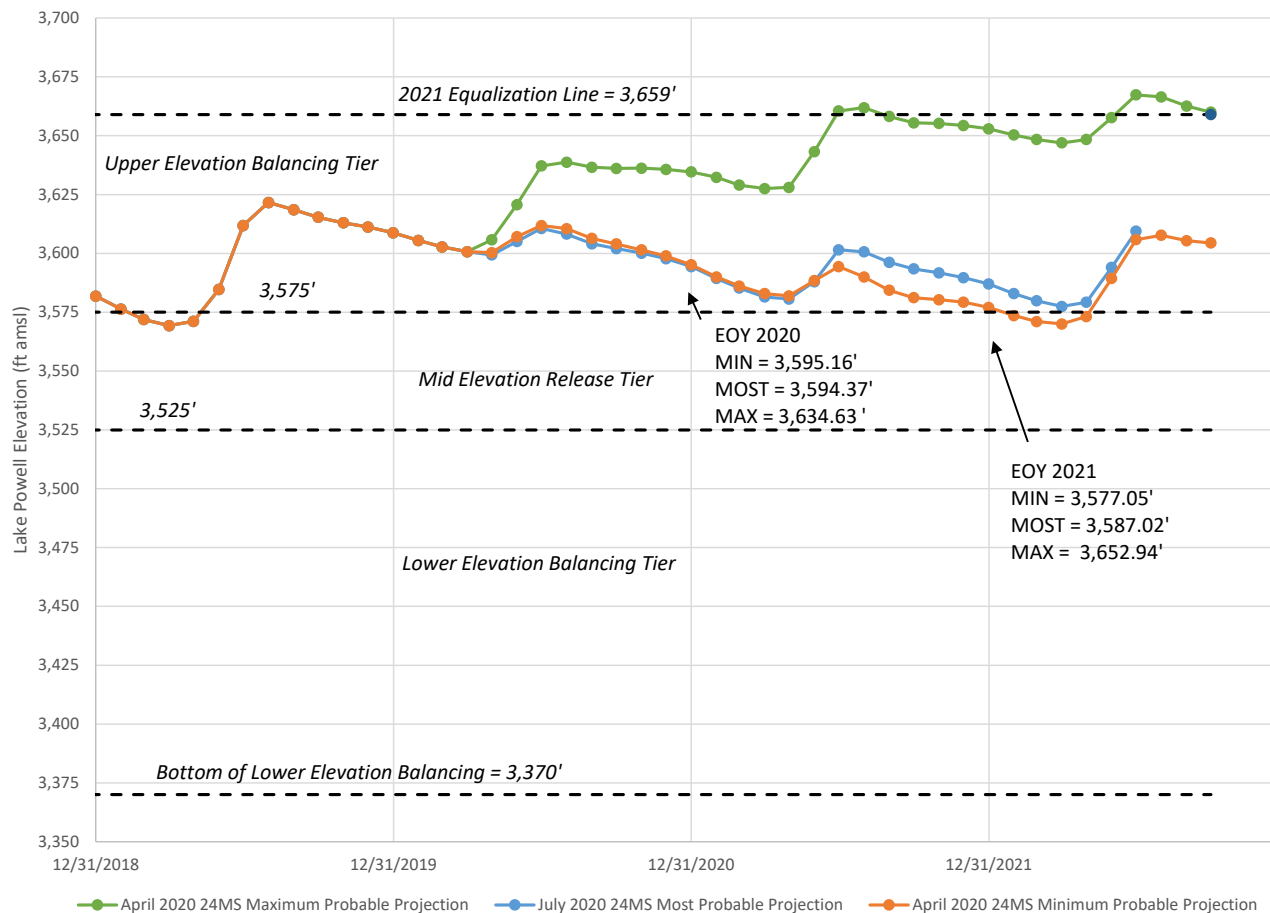
The April-July unregulated inflow into Lake Powell is projected to be 54% of the historical average.

Although the snowpack was tracking fairly closely with historical averages, the 2020 runoff projections are well below average due to dry soil moisture conditions throughout the Basin prior to this winter and warm spring and summer temperatures.

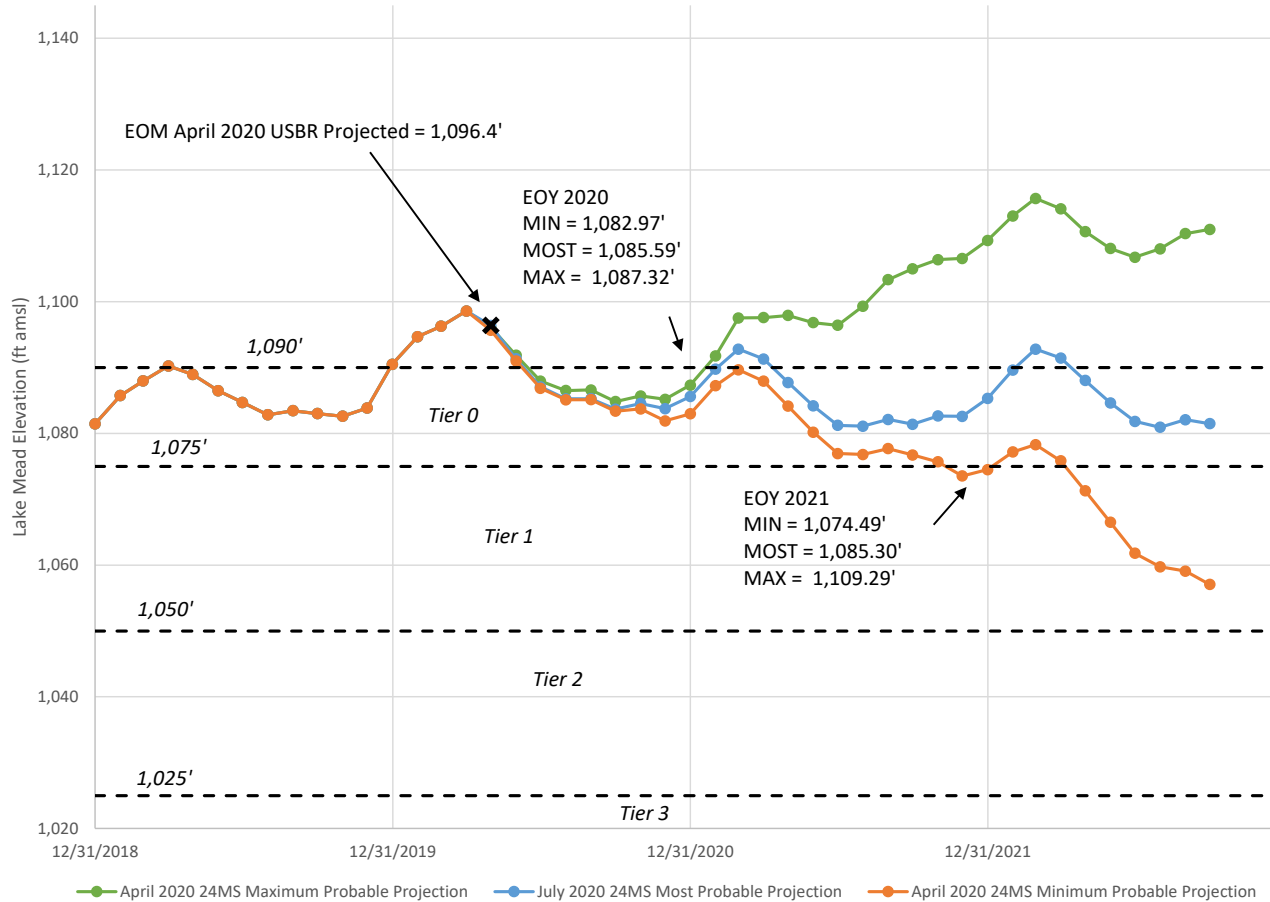
WY 2020 Lake Powell Unregulated Inflow (MAF)



April & July 2020 24-Month Studies Lake Powell Pool Elevation



April & July 2020 24-Month Studies Lake Mead Pool Elevation





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CHUCK CULLOM, COLORADO RIVER PROGRAMS

Report on Augmentation Discussions:

MWD Regional Recycled Water Project
Sea of Cortez Binational Desalination Opportunities

Colorado River Augmentation Background

- The Colorado River Basin Project authorized planning for projects to augment Colorado River supplies available for beneficial in the Colorado River Basin
- CAWCD has a junior priority in the Lower Basin and in Arizona, which puts CAP water users at risk of supply reductions due to drought and climate change
- CAWCD works cooperatively with the Secretary of the Interior, ADWR, and interstate partners to develop projects to improve the reliability of Colorado River supplies

CAWCD's Goals for Augmentation Efforts:

- Enhance the reliability of Colorado River supplies to benefit CAP long-term contractors/subcontractors
- Protect CAP Project Water supplies from the potential impacts of shortage/reductions
- In partnership with ADWR, facilitate future augmentation opportunities for Arizona water users



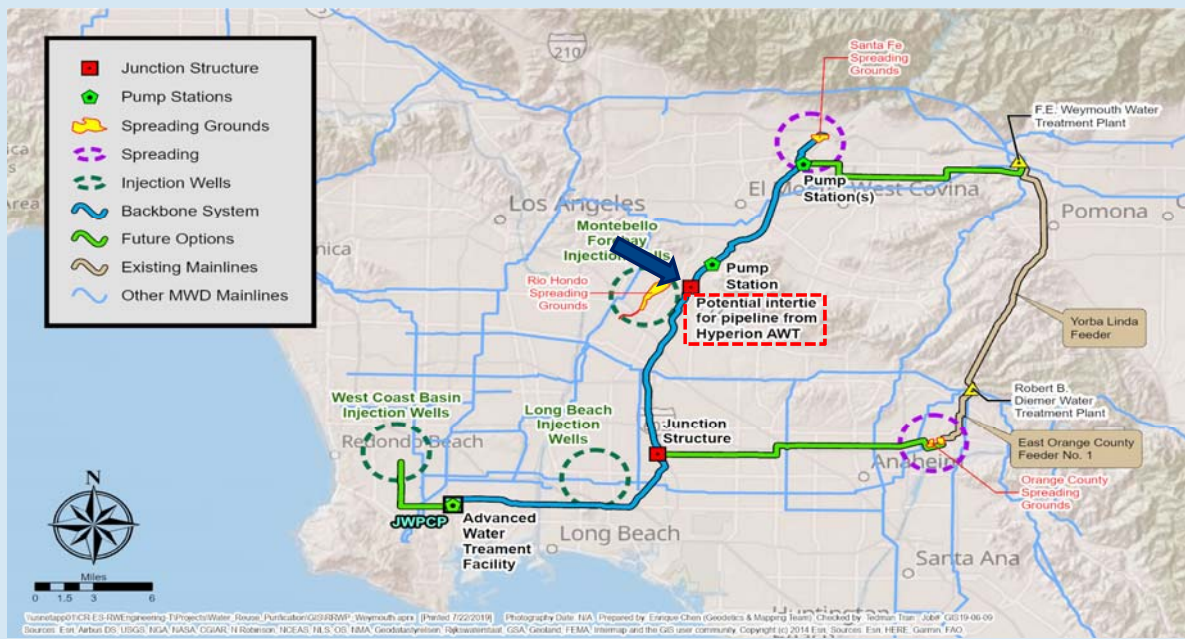
Current Augmentation Discussions

- **Metropolitan Water District of Southern California's Regional Recycled Water Project (RRWP)**
 - Goal - recycle wastewater to offset imported supplies, including Colorado River water
 - Project development timeline
 - Current planning mid-2020's
 - Full development early 2030's
 - Target Volume ~168 kaf/yr of recycled water
 - Augmentation potential through interstate exchange
 - ADWR and CAWCD are working cooperatively with MWD to explore augmentation opportunities

3 | REPORT ON AUGMENTATION DISCUSSIONS



RRWP Background



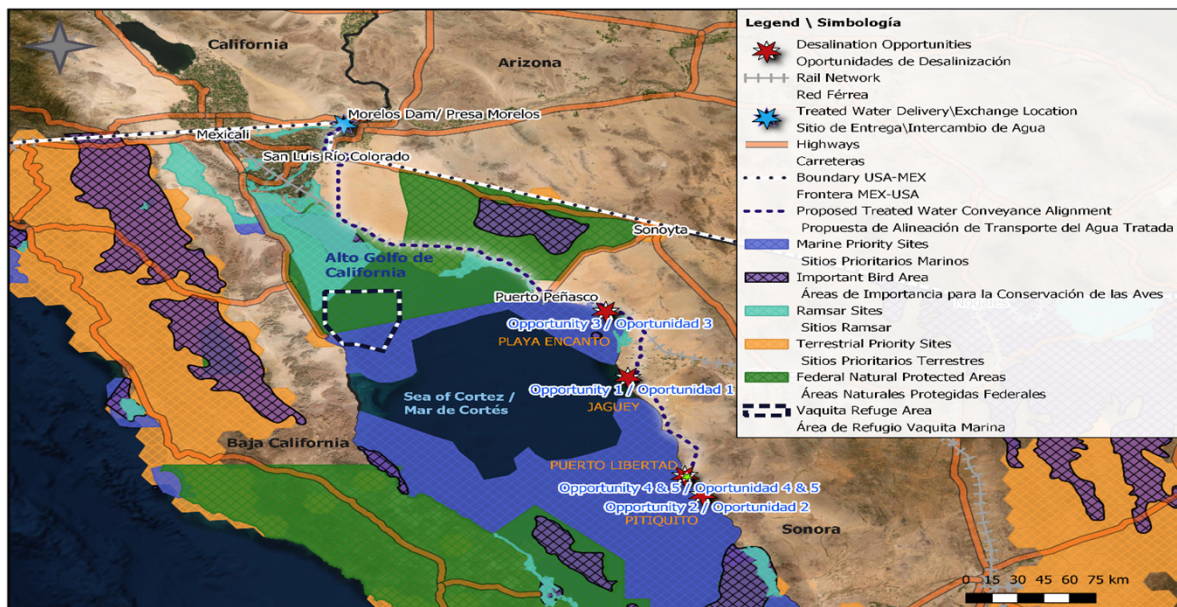
Current Augmentation Discussions

- **Binational Study of Ocean Desalination Opportunities in the Sea of Cortez**
 - Authorized under Minute 323, conducted by Binational Desalination Work Group through Black & Veatch
 - Funded by CAWCD, ADWR, SRP, FMI, SNWA, California Agencies
 - Initiated November 2018 and completed in May 2020
 - Submitted to IBWC/CILA June 2020
 - 3 options to develop 200,000 af/yr for Mexico and US water users
 - Technically and economically feasible, and avoids environmentally sensitive areas (marine and terrestrial)
 - Augmentation potential through international exchange
 - Key next step is to explore exchange concept

5 | REPORT ON AUGMENTATION DISCUSSIONS



Binational Study of Ocean Desalination Opportunities in the Sea of Cortez





KNOW YOUR WATER

Thank you



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CHUCK CULLOM, COLORADO RIVER PROGRAMS

Update on 2021 CAP System Conservation Plans and Concepts

August 6, 2020

CAP System Conservation: Updated Supplemental Guidance

Annually through 2026 operations CAWCD will:

- **June Board Meeting** – request that those proposing system conservation projects for the coming year share their concepts with CAWCD
- **August Board Meeting** – staff present an overview of any proposed system conservation projects for the coming year
- **August CAWCD Annual Water Users Meeting** – staff will share analysis of rate and water supply impacts and seek water user input
- **September Board Meeting*** – Board considers action regarding proposed system conservation project through forgoing remarketing of conserved water
- **October** – Approved system conservation to be included in water orders
- **January** –CAWCD reduces its diversions to generate the approved system conservation

*CAWCD's commitment to forgo remarketing of system conservation water for BOR projects is governed by the LBDCP agreements.

2021 CAP System Conservation Plans

- **Fort McDowell Yavapai Nation (FMYN) and Reclamation CAP System Conservation Project**
 - FMYN is negotiating a system conservation agreement with Reclamation for 2021
 - Estimated 2021 conservation volume = 13,683 af
 - FMYN has leased or conserved its 13,933 af CAP entitlement in recent years, and qualifies as having a history of use
 - Recent FMYN system conservation projects including:
 - 2016 = 13,933 af (Reclamation System Conservation)
 - 2019 = 13,683 af (Pilot System Conservation Project)
 - 2020 = 10,000 af (Reclamation DCP Contribution)

3 | UPDATE ON 2021 CAP SYSTEM CONSERVATION PLANS AND CONCEPTS



Arizona 2021 Colorado River System Conservation Plans

- **Colorado River Indian Tribes System Conservation Project**
 - 50,000 af in 2020 (Arizona LBDCP “Offset” program)
 - 50,000 af in 2021
 - Project continues in 2022
- **Mohave Valley Irrigation and Drainage District (MVIDD) – Reclamation System Conservation Projects:**
 - Convert 2020 ICS project to System Conservation ~ 6,000 af
 - 2021 System Conversation project ~7,000 af

4 | UPDATE ON 2021 CAP SYSTEM CONSERVATION PLANS AND CONCEPTS



CAP System Conservation Next Steps

Annually through 2026 operations CAWCD will:

- **June Board Meeting** – request that those proposing system conservation projects for the coming year share their concepts with CAWCD
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*CAWCD's commitment to forgo remarketing of system conservation water for BOR projects is governed by the LBDCP agreements.

5 | UPDATE ON 2021 CAP SYSTEM CONSERVATION PLANS AND CONCEPTS





Meeting Agenda

- Welcome and Introductions
- Colorado River Update
- 2020 Implementation of DCP
- Status of BOR's "7.D Review"
- Review of DCP Steering Committee Delegate Listening Sessions
- Arizona Reconsultation Committee Process Proposal
- Next Steps
- Call to the Public

June 25, 2020 ARC Committee Meeting

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2

This slide contains the meeting agenda. The title 'Meeting Agenda' is at the top left. A list of seven items follows. At the bottom left is the date 'June 25, 2020 ARC Committee Meeting'. At the bottom right is the Arizona Reconsultation Committee logo. The number '2' is in the bottom left.

Review of the 2007 Interim Guidelines (7.D. Review)

- Section XI.G.7.D. of the 2007 Interim Guidelines Record of Decision requires a review of the effectiveness to start by no later than December 31, 2020.
- Secretary Bernhardt directed Reclamation to initiate this review earlier than required.
- Goals of the Review
 - Evaluate the effectiveness of the 2007 Interim Guidelines
 - Document our operational experience
- Retrospective review of past operations and actions under the 2007 Interim Guidelines, *not* a consideration of future activities.

June 25, 2020 ARC Committee Meeting



Listening Session Summary

- 32 individual meetings with DCP Delegates (Oct '19 – Mar '20)
- High-level themes observed include:
 - An intra-Arizona process is needed to prepare for the new Guidelines
 - ADWR and CAWCD need to continue working collaboratively
 - Support for a process mirroring the Arizona LBDGP Steering Committee, including comparable representation
 - Need multiple levels to participate in the Arizona process
 - Many good ideas that will be considered in the development of the initial draft guiding principles
 - A variety of key issues were raised, and some may need to be addressed in the intra-Arizona process to implement new rules
 - Support for work groups, ad-hoc discussions, and confidential discussions to augment the Arizona process
 - Technical and legal/policy/strategic work is needed to develop and inform Arizona's perspectives

June 25, 2020 ARC Committee Meeting



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Reconsultation Process: 3 Levels

Anticipate that the Reconsultation process will operate at multiple levels:

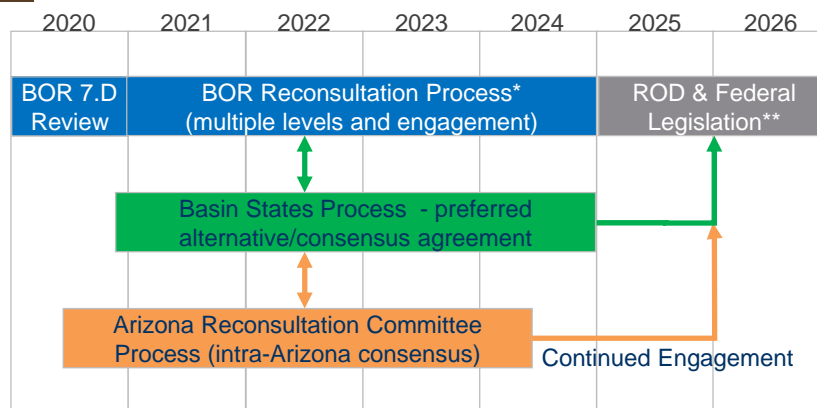
1. Reclamation-led level: similar to the 2007 Guidelines NEPA process (multiple tracks and engagement)
2. Basin States level: with the goal to develop a Basin States alternative
3. Arizona level: similar to the Arizona LBDCP Steering Committee process to:
 - Frame Arizona's position in the Basin States and Reclamation processes
 - Build support for and develop a framework to implement the new operating rules within Arizona
 - Facilitate broad representation including Arizona tribes and NGOs

June 25, 2020 ARC Committee Meeting



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Arizona's Estimate of Reconsultation Processes and Timeline



*Exact timing of BOR Reconsultation Process yet to be determined

** Federal legislation if necessary

June 25, 2020 ARC Committee Meeting



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ARC Goals

- Establish a process for continued engagement within Arizona throughout the Reconsultation process
- Provide a venue for developing and sharing stakeholder perspectives and values to guide Arizona's perspectives in the Reconsultation process
- Identify risks and benefits to inform Arizona's input to the Reconsultation process
- Continue the transparency that was established during the successful DCP Steering Committee effort

June 25, 2020 ARC Committee Meeting



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ARC Initial DRAFT Guiding Principles

- Respect existing "Law of the River" framework including existing rights, contracts and priorities
- Seek Basin-wide solutions with burdens shared across the Basin, not just by Arizona
- Focus on long-term sustainability including addressing the structural deficit, recognizing that conservation and supply augmentation are part of the long-term solution
- Arizona tribes are a vital component within the Arizona discussion
- Continue to collaborate with Mexico as part of the process
- No marketing of unused water
- No marketing of Arizona water out of state
- Arizona legislative leaders need to continue to be part of the discussion

June 25, 2020 ARC Committee Meeting



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ARC Next Steps

- July 30 - Convene the Modeling and Analysis Work Group:
 - Vineetha Kartha (ADWR) and Chuck Cullom (CAWCD) co-Chairs
- August - Convene the Arizona Strategy Team:
 - Patrick Dent (CAWCD) and Clint Chandler (ADWR) co-Chairs
- September 17 – ARC Meeting #2
 - Draft Agenda includes:
 - Colorado River update
 - Report on 2020 DCP implementation and 2021 plans
 - 7.D Review update
 - Discuss and confirm ARC process, goals, roles/responsibilities, and sideboards
 - Report from Modeling and Analysis WG
 - Report from Arizona Strategy Team
 - Continued discussion of initial Guiding Principles
 - Schedule next ARC meeting

June 25, 2020 ARC Committee Meeting



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For continued information
and updates, visit
new.azwater.gov/ARC or
cap-az.com/ARC

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Modeling and Analysis Work Group Kickoff

July 30, 2020

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Meeting Agenda

- Welcome and Introductions
- Modeling and Analysis Workgroup Overview
- Colorado River System – Modeling Background
- Arizona and CAP Colorado River Perspectives
- Modeling Tools Used in Analyses – Overall Colorado River, Arizona, and CAP Tools
- Modeling Framework and Proposal for Initial Scenarios
- Next Steps
- Call to the Public

July 30, 2020 Modeling Work Group



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Modeling and Analysis Workgroup

- Modeling analysis will be necessary to evaluate the long-term risks and vulnerabilities to Arizona's Colorado River supply
- Need to consider multiple scenarios and explore different proposals for new operations from **Arizona's perspective**
- ARC established the Modeling and Analysis Work Group (MAWG) – co-chaired by ADWR and CAWCD technical staff

July 30, 2020 Modeling Work Group



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MAWG Purpose and Goals

- Purpose
 - Support ARC decision making by providing fact-based analysis of risks, vulnerabilities and impacts to Arizona's overall Colorado River supply including On-River and CAP users.
- Goals
 - Analyze issues and answer technical questions posed by the ARC
 - Consider a range of future hydrologic conditions
 - Analysis of different operating scenarios including those provided by Reclamation
 - Consider a range of future demand conditions including analysis of different growth scenarios
 - Evaluate and validate technical enhancements to AZ specific modeling tools

July 30, 2020 Modeling Work Group



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Summary of key factors influencing available supply and impacts



Available Modeling and Analysis Tools

- **Colorado River (interstate tools)**
 - **24-Month Study:** Lower Basin shortages and the Coordinated Operations of Lake Powell and Lake Mead
 - **MTOM:** Risk-based operational planning and analysis
 - **CRSS:** Long-term planning studies, operational criteria development and risk analysis
- **Arizona (intrastate tools)**
 - **On-River Models:** Estimates demands and available supplies to Arizona On-River Colorado River users and salinity
 - **CAP Joint Shortage Analysis Model:** Model to evaluate the impact of variations in CAP supply to CAP users

Initial Modeling Proposal

- ADWR-CAWCD staff to prepare initial modeling scenarios
- At November WG Meeting, ADWR-CAWCD will present initial modeling scenarios for the Work Group to review and discuss, including ranges for key factors
- The Work Group will propose the initial modeling scenarios to the ARC as the basis for preliminary comparisons of key factors, risks, vulnerabilities and impacts
- ADWR-CAWCD will conduct model runs, and review results with WG, then report results to ARC

July 30, 2020 Modeling Work Group



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MAWG Next Steps

- Report to ARC on Work Group meeting and next steps
- Proposed Agenda for November MAWG meeting
 - Summary of recent Colorado River Trends
 - Outline initial modeling scenarios for consideration
 - Examples of modeling results for discussion and review

July 30, 2020 Modeling Work Group



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INFORMATION BRIEF

BOARD OF DIRECTORS



Agenda Number 14

CONTACT: Marcus Shapiro Darrin Francom
623-869-2528 623-869-2276
mshapiro@cap-az.com dfrancom@cap-az.com

MEETING DATE: Thursday, August 6, 2020

AGENDA ITEM: Discussion on Potential Availability of Excess Water in 2021 - Shapiro

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

Reliability of the CAP Water Supply: Optimize reliability and sustainability of CAP water supply

Board Policy: CAWCD Statement of Policy to Encourage Maximum Use of Available Colorado River Water

Board Policy: CAWCD Procedures to Distribute Excess Water and Turn-Back Water in 2020 through 2024

PREVIOUS BOARD ACTION/ACTIVITY:

January 31, 2018 Recommendation that the Board Approve the Excess Water Task Force Recommendations
February 1, 2018 Board Approval of Excess Water Task Force Recommendations
August 1, 2019 Discussion on Excess Water in 2020
September 5, 2019 Discussion and Consideration of Action to Approve Excess Water Policy

ISSUE SUMMARY/DESCRIPTION:

The Board Policy "CAWCD Procedure to Distribute Excess Water and Turn-Back Water in 2020 through 2024" outlines an annual process where Staff provide a preliminary recommendation to the Board at the August Board Meeting, and the Board considers making Other Excess water available to the Statutory and Supplemental Firming Pools at the September Board Meeting. Based on the most current information provided from Reclamation, it is likely that the August 24-month Study will project Tier Zero conditions for 2021. Tier Zero conditions require CAWCD to make a DCP contribution of 192,000 AF.

Given water orders from long-term contracts in recent years, it is unlikely that there will be excess water available beyond satisfaction of the Ag Pool. However, if long-term contract orders are significantly lower than recent years, staff recommends establishing the Statutory Firming Pools for 2021. The decision will provide operational planning guidance to address anticipated shifts in CAP water orders and use behaviors in 2020 and 2021

The Staff recommendation is based on two factors. First, analysis of current and projected conditions show limited risk of Tier One conditions in 2022, and very limited influence on operating conditions for 2022 from any additional increase in Arizona's Lake Mead contributions. The key variables driving Tier One risk for 2022 are Powell releases, intervening flows and interstate water demands. Second, the creation of the Statutory Firming Pool allows participants in the Statutory Firming pools to continue progress on their goals.

ATTACHMENTS:

1. Presentation



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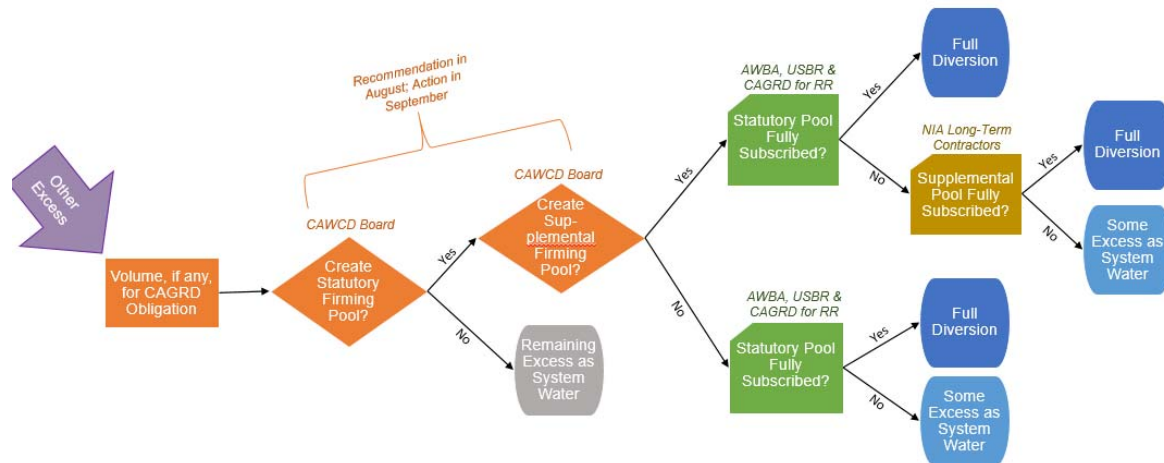
MARCUS SHAPIRO

Discussion on Potential Availability of Excess Water in 2021

Report on the Distribution of Unexpected Water Supply Availability

- CAWCD Procedure to Distribute Excess Water and Turn-Back Water in 2020 through 2024
- Excess Water Policy Decision Tree
- Excess Water Policy Timeline
- Recommendation

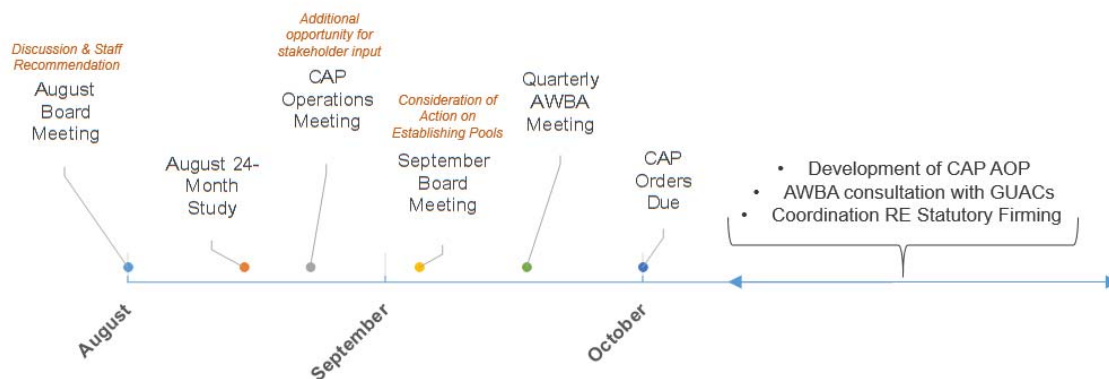
Excess Water Policy Decision Tree



3 | DISCUSSION ON POTENTIAL AVAILABILITY OF EXCESS WATER IN 2021 | 08/06/2020



Draft Excess Water Policy Timeline



4 | DISCUSSION ON POTENTIAL AVAILABILITY OF EXCESS WATER IN 2021 | 08/06/2020



Recommendation

- Operational Planning Guidance for 2021
- Create Statutory Firming Pool
 - Little influence on 2022 Operating Conditions
 - Continued progress on goals for participants of the Statutory Firming Pools

5 | DISCUSSION ON POTENTIAL AVAILABILITY OF EXCESS WATER IN 2021 | 08/06/2020



KNOW YOUR WATER

Thank You

DCRANDALL@CAP-AZ.COM



CAWCD BOARD OF DIRECTORS 2021 MEETING SCHEDULE

Updated 7/23/20

Board meetings are held on the first Thursday of each month*/**

No board meetings are held in July

Board committee meetings are held on the third Thursday of each month/****

No committee meetings are held in July.

No committee meetings are held in November or December unless needed.

Date	Time	Meeting	Location
January 7, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP
January 21, 2021	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
February 4, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP
February 18, 2021	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
March 4, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP
March 18, 2021	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
April 1, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	Pinal County
April 15, 2021	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
May 6, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP
May 20, 2021	10:00 am 2:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
June 10, 2021**	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP
June 24, 2021**	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
August 5, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP
August 19, 2021	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
September 2, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP
September 23, 2021***	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
October 7, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	Pima County
October 21, 2021	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
November 4, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP
November 18, 2021 (if needed)	10:00 am 12:30 pm	Finance, Audit and Power Committee CAGRD and Underground Storage Committee	CAP
December 2, 2021	9:00 am 10:00 am	Public Policy Committee CAWCD Board	CAP

* In January, if New Year's Day falls on a Wednesday or Thursday, the Board meeting will be moved to the second Thursday in January and the Board Committees will move to the fourth Thursday in January.

** In June, if the first Thursday falls in the same week as Memorial Day, the Board meeting will be moved to the second Thursday in June, and the Board Committees will move to the fourth Thursday in June

*** In September, the Board committee meetings may be moved to either the second Thursday or fourth Thursday as needed to allow for observance of Rosh Hashanah and Yom Kippur