SCIF Stakeholder Meeting #1:

Background on the CAP Wheeling Process and the SCIF

January 14, 2026

Agenda

- Welcome
- Stakeholder Meeting Process
- Wheeling Contract Process
- Overview of Proposed SCIF Project
- Q&A

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Stakeholder Meetings Process

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CAP and SRP Stakeholder Engagement

- CAP is a project participant for SCIF, has reviewed initial design development, and will be a cooperating agency for environmental review
- SRP is preparing to start NEPA in 2026
- Prior to NEPA:
  - Requests for additional information regarding SVR water quality and resulting delivered CAP water quality
- Additional public engagement will occur as a part of NEPA

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Stakeholder Meeting Series

Connecting CAP & SRP Systems: SRP-CAP Interconnect Facility (SCIF) Water Quality Analysis

1. January 14, 2026, 1-3pm: Stakeholder Briefing
   - Background on the CAP Wheeling Process and the SCIF
2. January 29, 2026, 9-11am: Stakeholder Briefing
   - Initial SCIF Water Quality Modeling Results
3. February 11, 2026, 9-11am: Stakeholder Roundtable
   - Feedback on SCIF and Water Quality Modeling
4. TBD: Stakeholder Briefing
   - SCIF Water Quality – Response and Next Steps

CAP Headquarters

Livestreamed

questions@cap-az.com

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Wheeling Contract Process

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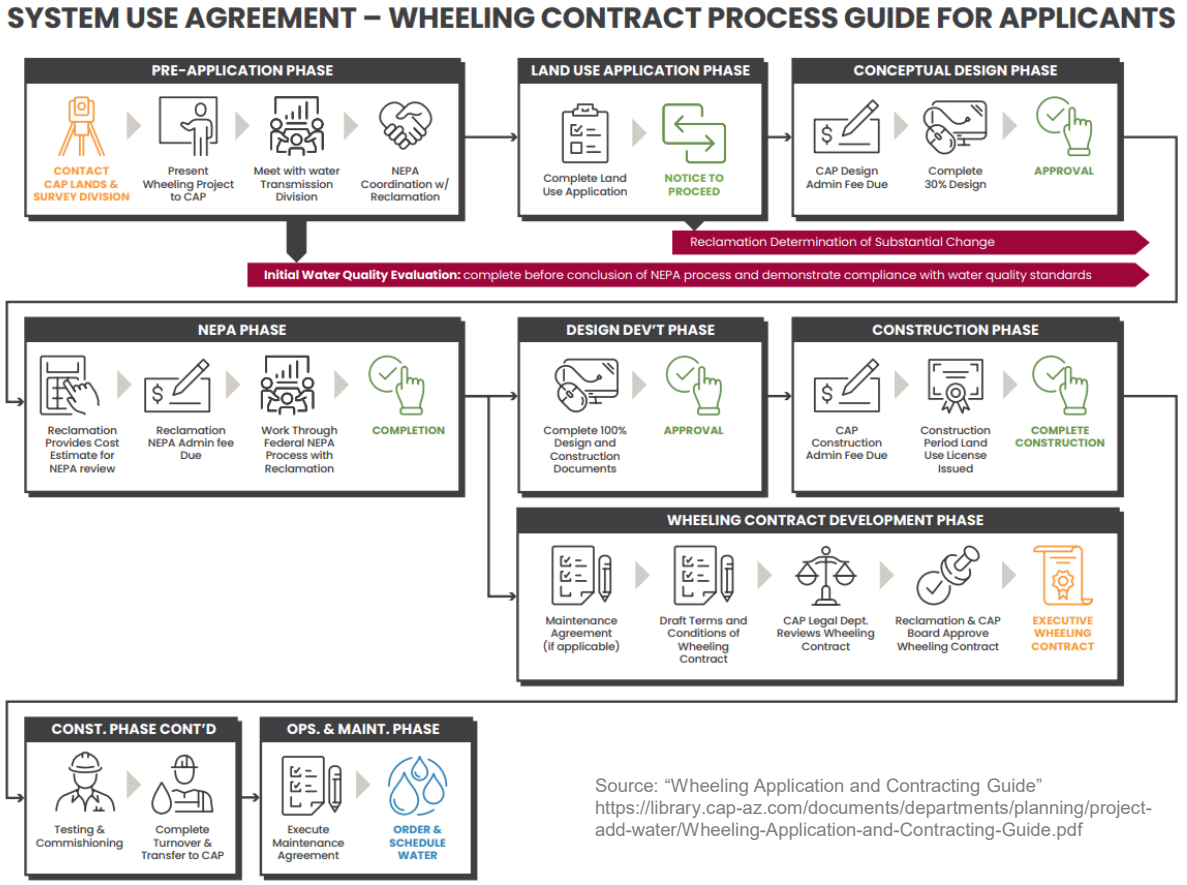
Wheeling Contract Process

- Approval of wheeling projects is a multi-step process, with roles for Reclamation, CAP, the wheeling parties, and stakeholders.
- CAP has developed a guidance document that outlines the steps for design and review of physical infrastructure and identifies the main process steps, including pre-application, review under the National Environmental Policy Act (NEPA), construction and ongoing operations.



Source: "Wheeling Application and Contracting Guide" https://library.cap-az.com/documents/departments/planning/project-add-water/Wheeling-Application-and-Contracting-Guide.pdf

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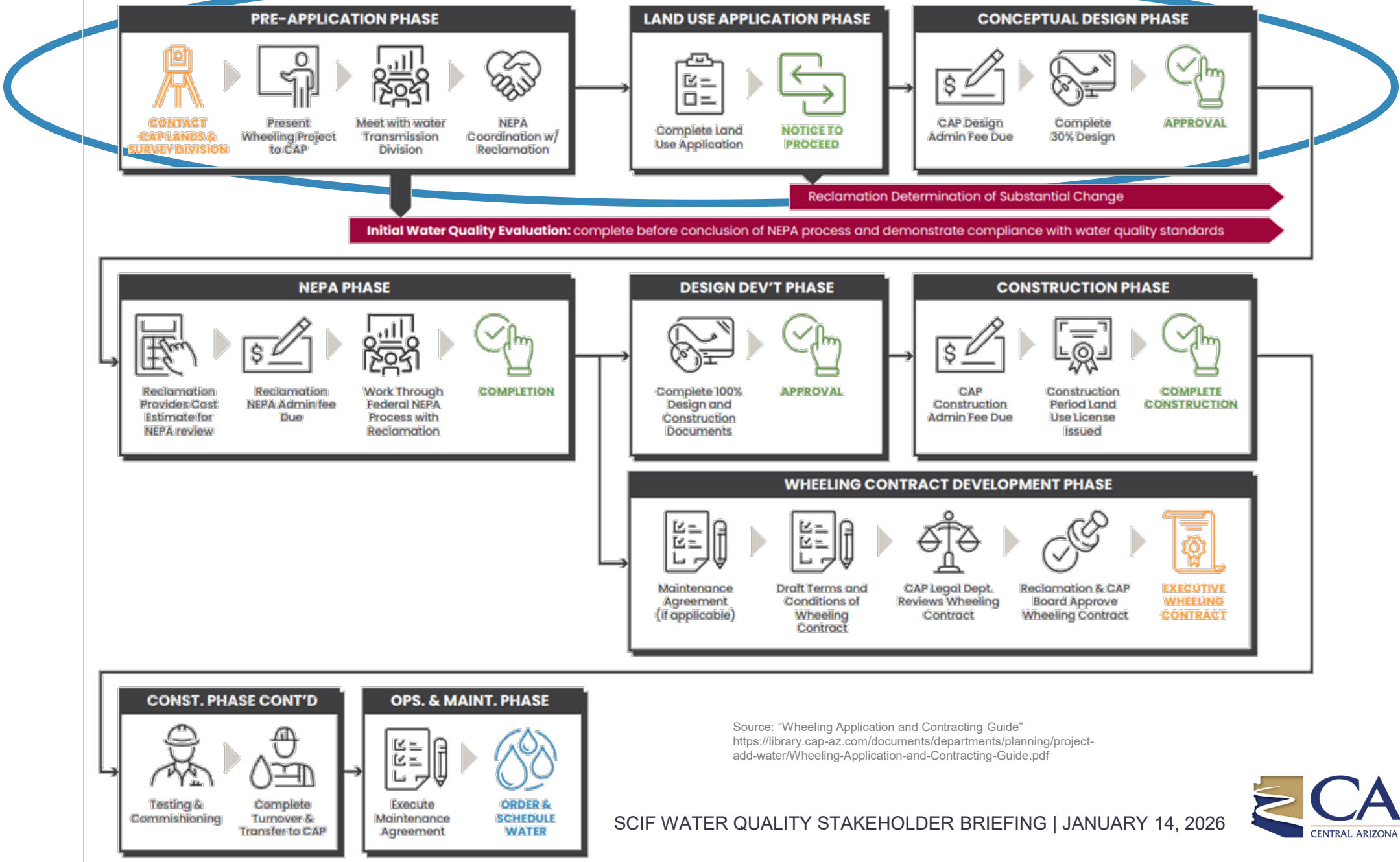
SYSTEM USE AGREEMENT – WHEELING CONTRACT PROCESS GUIDE FOR APPLICANTS



Source: "Wheeling Application and Contracting Guide" https://library.cap-az.com/documents/departments/planning/project-add-water/Wheeling-Application-and-Contracting-Guide.pdf

System Use Agreement

- The CAP System Use Agreement resolved long-standing interpretation issues regarding two provisions in the 1988 Master Repayment Contract
  - **Article 8.17 –**"Rights Reserved to the United States to Have Water Carried by Project Facilities" = Reclamation Wheeling
  - **Article 8.18 –**"Wheeling Non-Project Water" = CAWCD Wheeling
- Reclamation 8.17 wheeling is on an 'as available' basis, and Reclamation has indicated that non-federal parties should seek CAWCD Wheeling Contracts

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Uniform Water Quality Standards

- Article 12.1 of the System Use Agreement directs CAWCD and Reclamation to establish uniform water quality standards. That provision is also supported by Article 8.18 of the CAP Master Repayment Contract

12. **WATER QUALITY:**

12.1 Reclamation and CAWCD shall establish uniform water quality standards for any Non-Project Water introduced into the CAP System.

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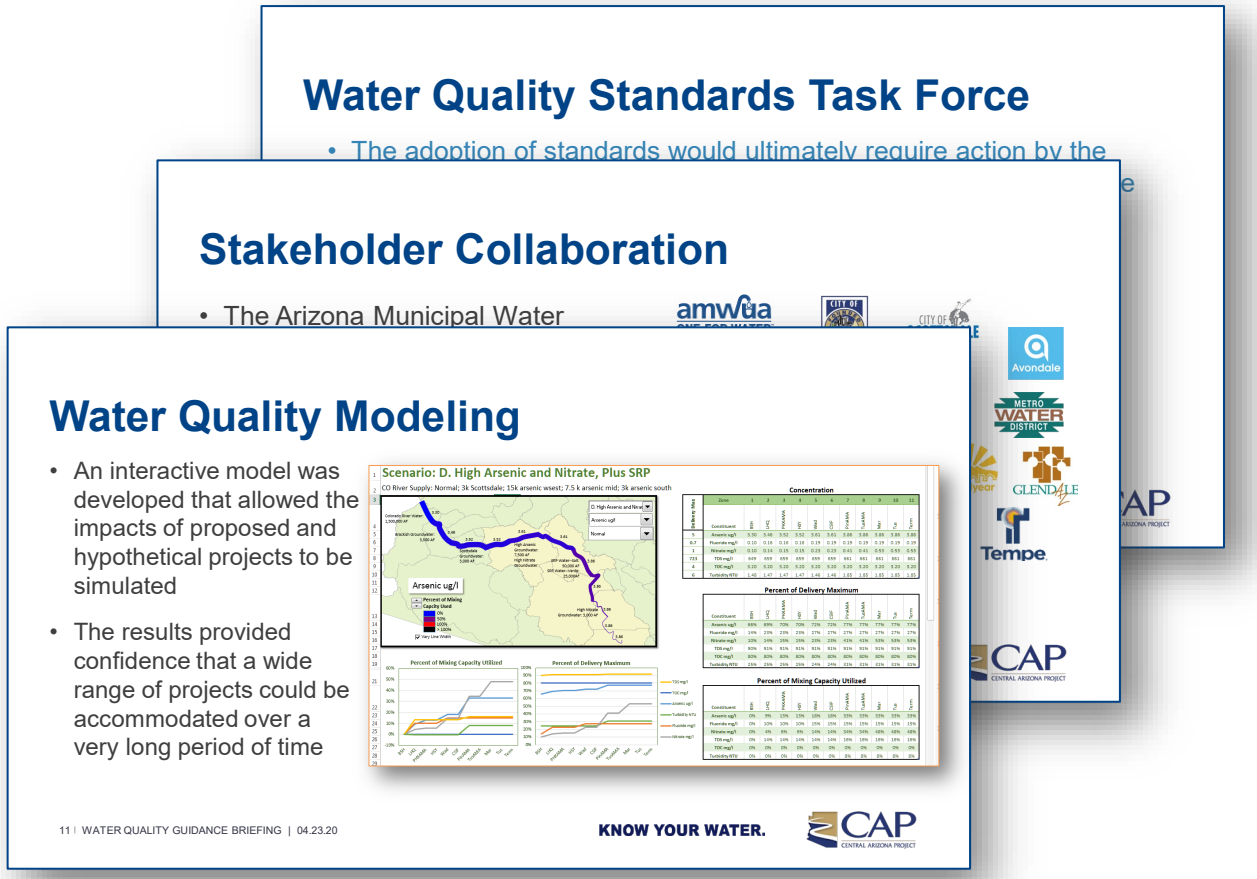
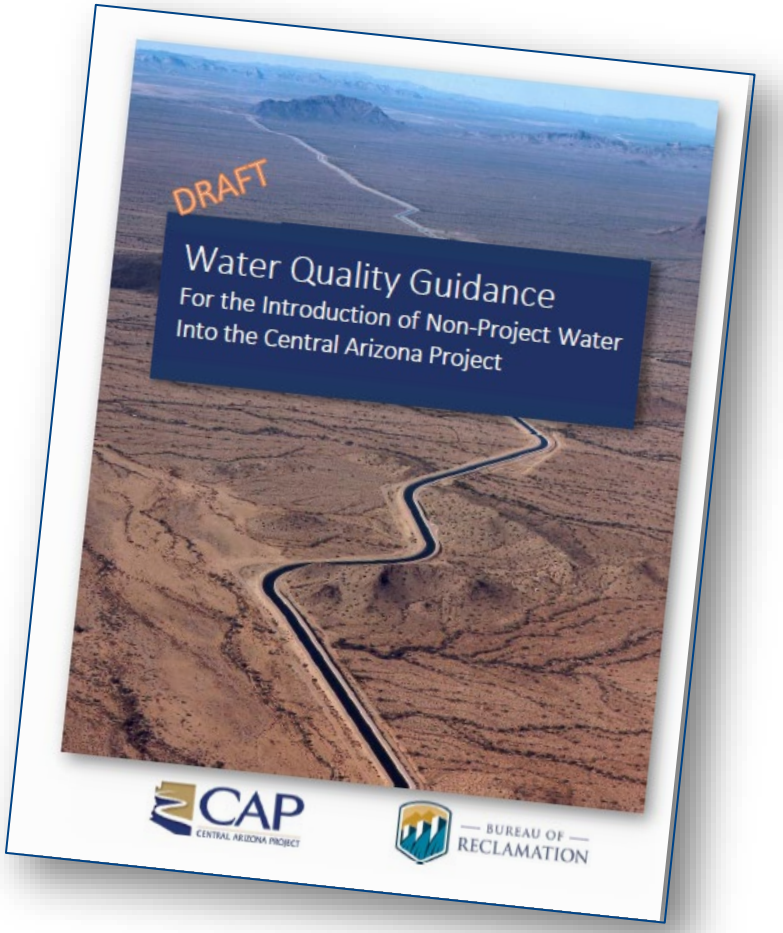
Development of WQ Standards

- Over more than two years, there was:
  - Establishment of a CAP Board Task Force
  - Extensive stakeholder engagement
  - Negotiation & compromise
  - Technical work
- *Wheeling non-Project Water was broadly supported, but stakeholders also emphasized the importance of the overall quality and stability of CAP water*



Numeric Standards

- The approach that was adopted rests on two kinds of numeric standards:
  - Strict and enforceable **Introduction Standards**
    - Standards for 200+ constituents
    - Many set at national drinking water standards or at non-detect levels
  - Target **Delivery Standards** for modeling and evaluation with a shortage-reduced CAP supply
    - Primarily set to reflect the historic range of values for CAP water
- Standards are evaluated using the CAP Systemwide Water Quality Model



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National Environmental Policy Act (NEPA)

- All wheeling projects must undergo NEPA review
  - For physical infrastructure and issuance of wheeling contracts
  - Reclamation is lead agency
  - As Operator, CAP coordinates with Reclamation on infrastructure modifications (e.g., turn-in design), and is available to provide technical support
  - There are NEPA requirements for public input and tribal consultation

From www.vnf.com/changing-nepa-implementation-and-what-that-may-mean-for-hydropower Strictly for illustration; No implied endorsement of views.

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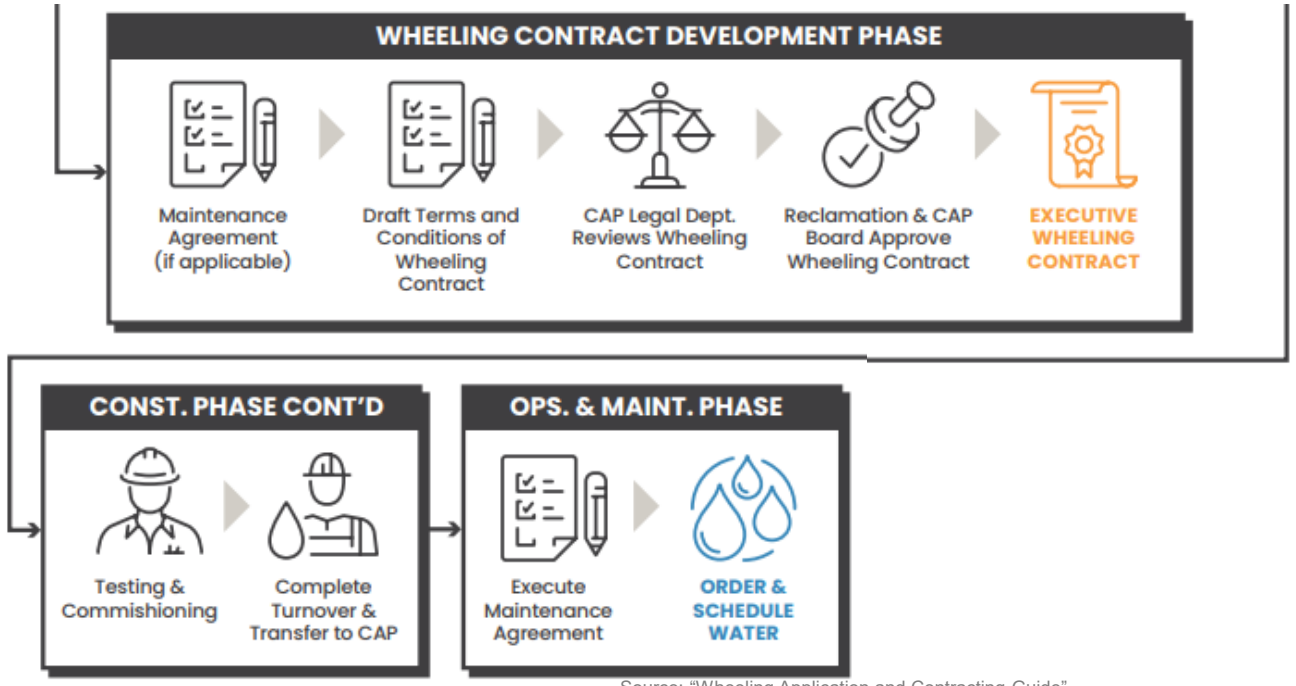
Wheeling Contract

- A final Wheeling Contract must include any modified operational requirements identified during the NEPA Review and will include ongoing monitoring requirements.
- Wheeling Contracts must be reviewed and approved by the CAWCD Board of Directors, then by Reclamation.
- All required contracts and agreements must be fully executed prior to ordering and moving water through the CAP infrastructure.



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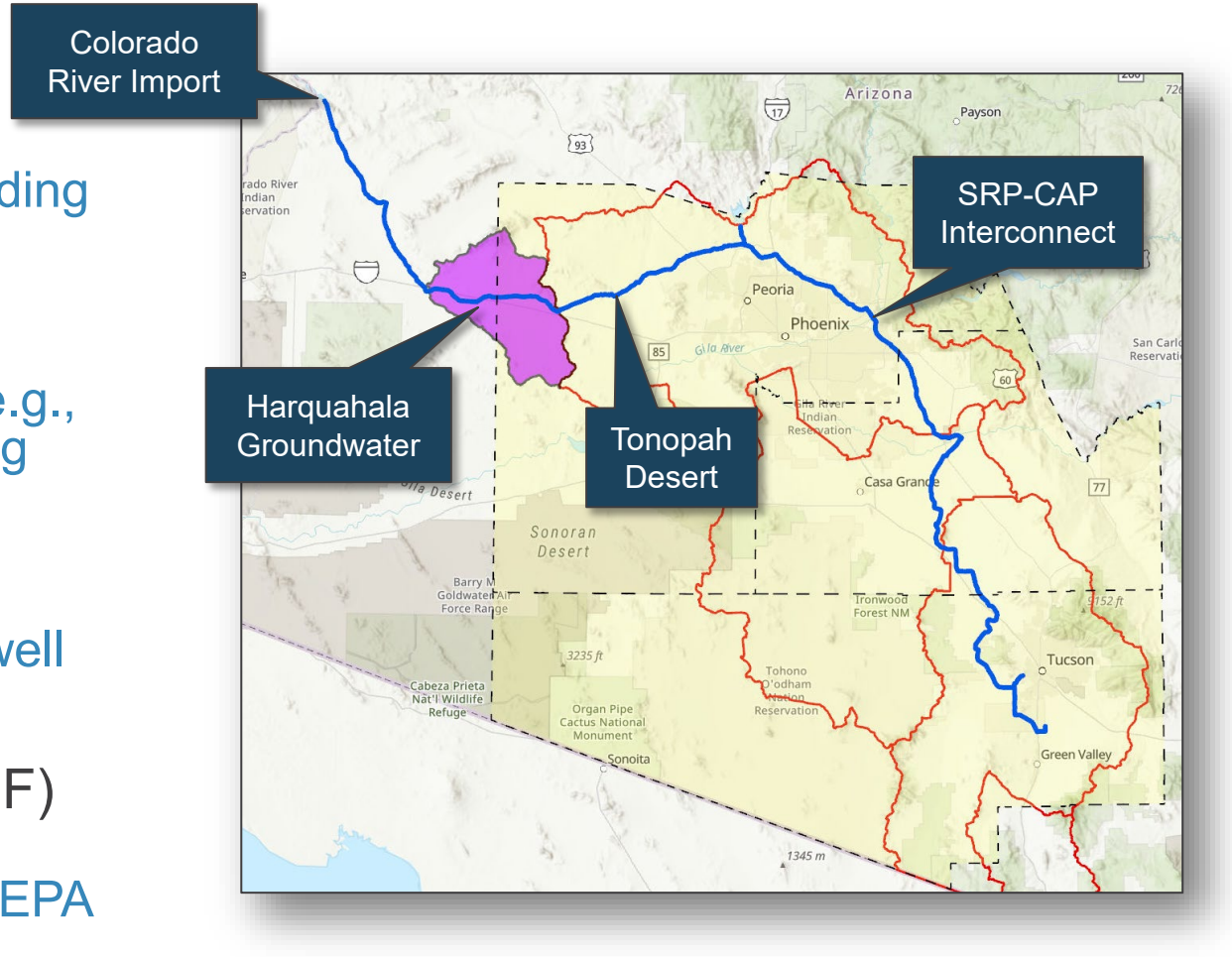
Existing and Proposed Wheeling Projects

- Colorado River transfer
  - Queen Creek transfer is active
  - La Paz County wheeling contract is pending
- Importation from the Harquahala groundwater basin
  - Formal processes have been initiated (e.g., Lands cases assigned, initial engineering work); NEPA on hold
- Recovery by TDRP
  - Project under re-evaluation due to test well results
- SRP-CAP Interconnection Facility (SCIF)
  - Project is being evaluated by SRP & participants prior to formal initiation of NEPA



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SRP - CAP Interconnection Facility Project

Meeting #1 - Stakeholder Process Kickoff and Briefing

Salt River Project

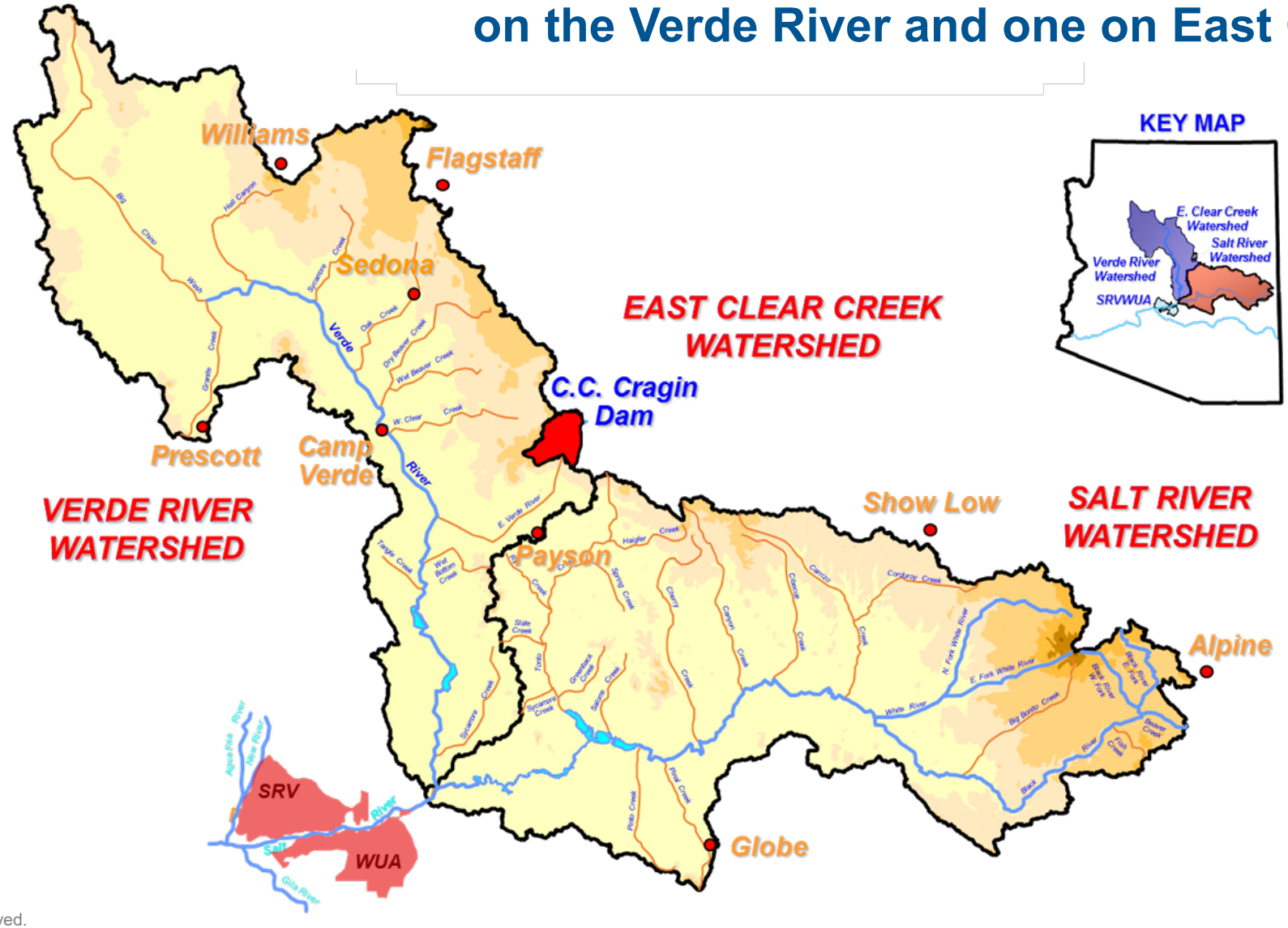
SCIF Overview

- SRP Watershed and Reservoir System
- Project Purpose, Benefits, and Use Cases
- Project Overview by Proposed Facility Component
- Project Cost and Milestone Schedule

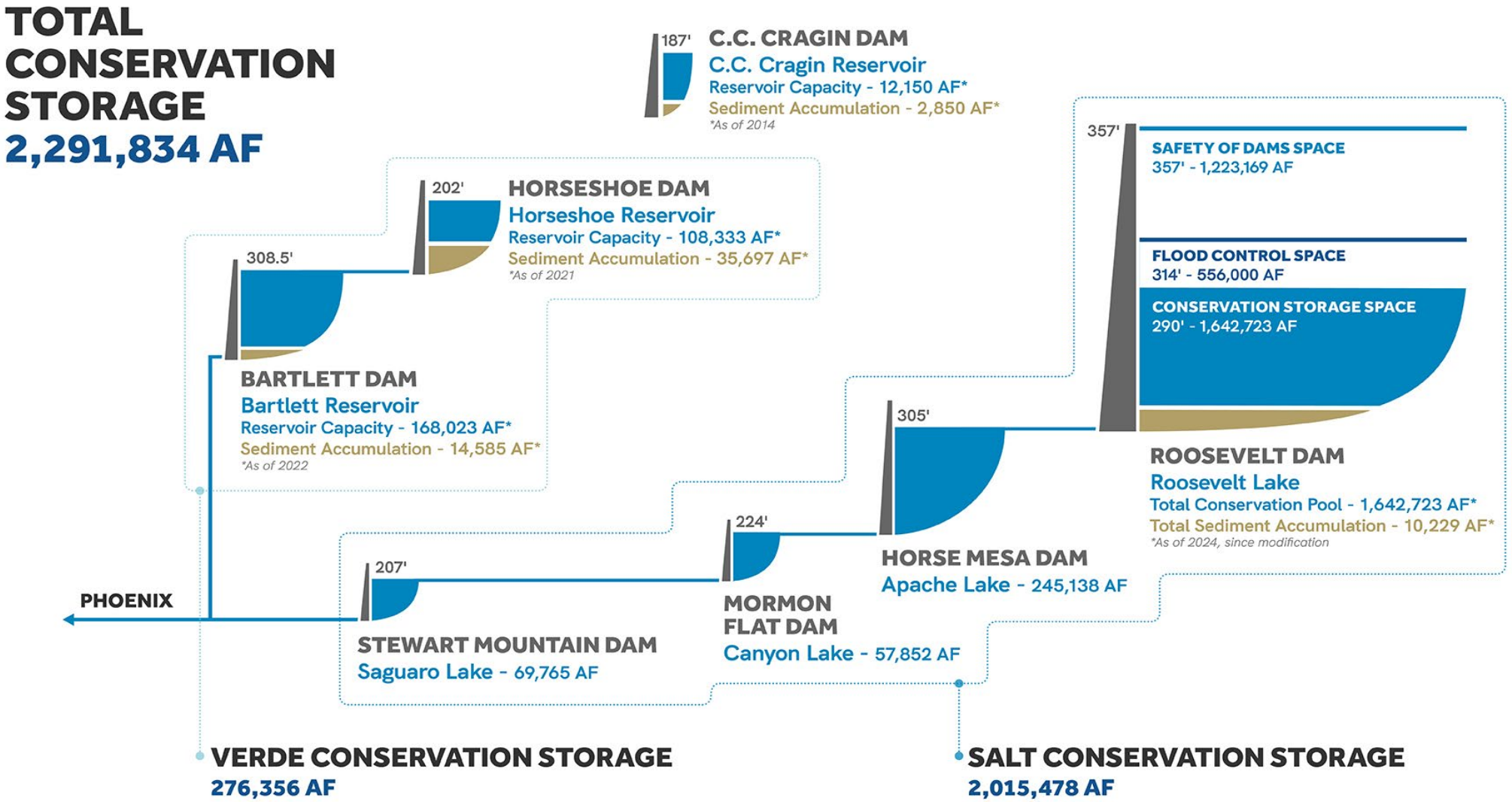
SRP Watersheds and Reservoir System

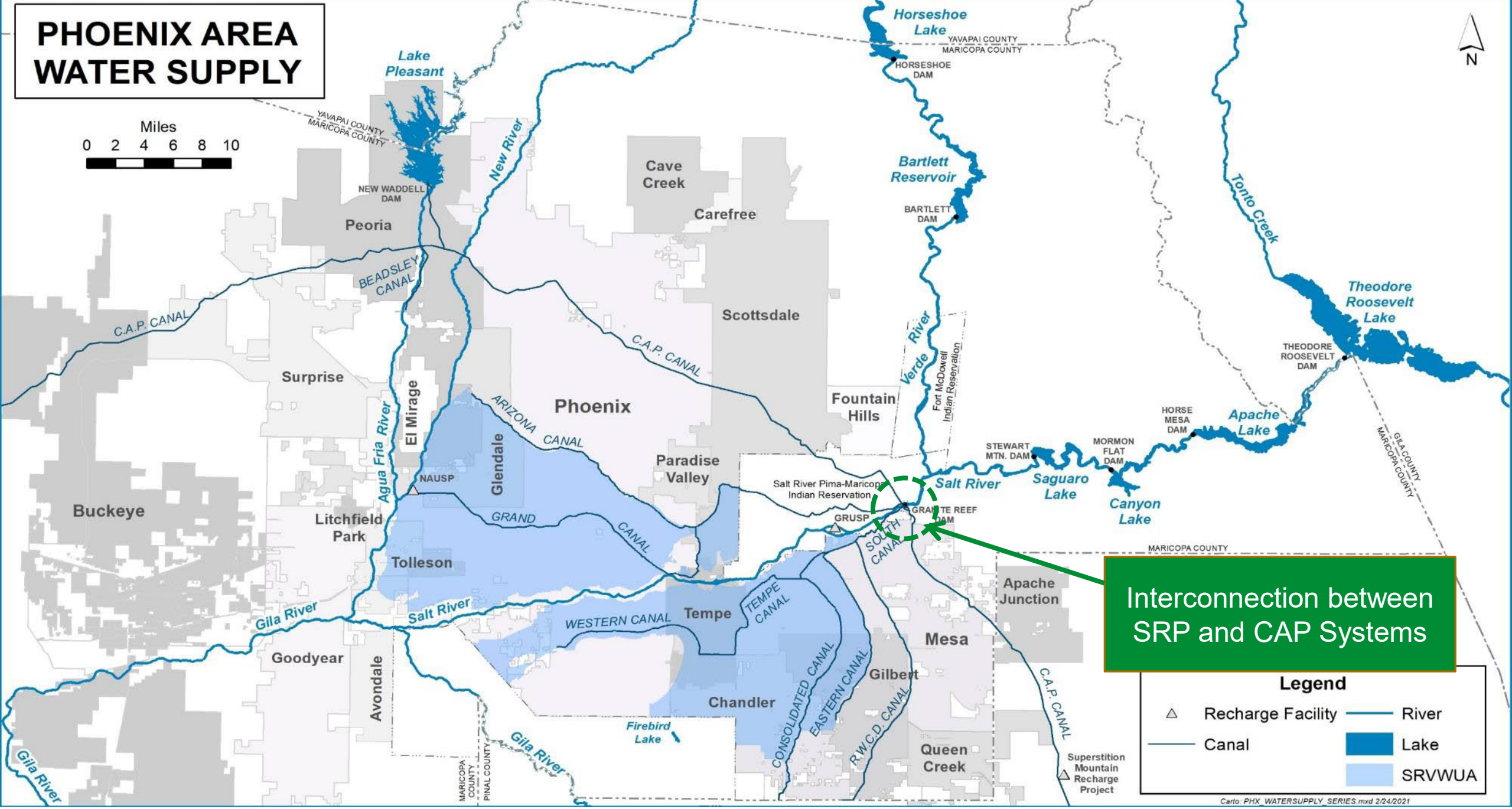
SRP Watersheds

SRP manages seven reservoirs across a 13,000 square-mile watershed: four on the Salt River, two on the Verde River and one on East Clear Creek



SRP Reservoir System




PHOENIX AREA WATER SUPPLY
Miles
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Horseshoe Lake
YAVAPAI COUNTY
MARICOPA COUNTY
HORSESHOE DAM
Lake Pleasant
NEW WADDELL DAM
New River
Bartlett Reservoir
BARTLETT DAM
Tonto Creek
Theodore Roosevelt Lake
THEODORE ROOSEVELT DAM
Cave Creek
Carefree
Peoria
BEADSLEY CANAL
C.A.P. CANAL
Scottsdale
Surprise
El Mirage
Agua Fria River
ARIZONA CANAL
Phoenix
Fountain Hills
Verde River
Fort McDowell Indian Reservation
HORSE MESA DAM
Apache Lake
STEWART MTN. DAM
MORMON FLAT DAM
Saguaro Lake
Canyon Lake
Salt River
Salt River Pima-Maricopa Indian Reservation
GRANITE REEF DAM
GILA COUNTY
MARICOPA COUNTY
NAUSP
GRUSP
Glendale
Paradise Valley
Buckeye
Litchfield Park
Tolleson
GRAND CANAL
SOUTH CANAL
MARICOPA COUNTY
Apache Junction
Gila River
Salt River
WESTERN CANAL
Tempe
TEMPE CANAL
Mesa
Goodyear
Avondale
Gilbert
CONSOLIDATED CANAL
EASTERN CANAL
R.W.C.D. CANAL
C.A.P. CANAL
Chandler
Firebird Lake
Queen Creek
Superstition Mountain Recharge Project
MARICOPA COUNTY
PINAL COUNTY
Interconnection between SRP and CAP Systems
Legend
Recharge Facility
River
Canal
Lake
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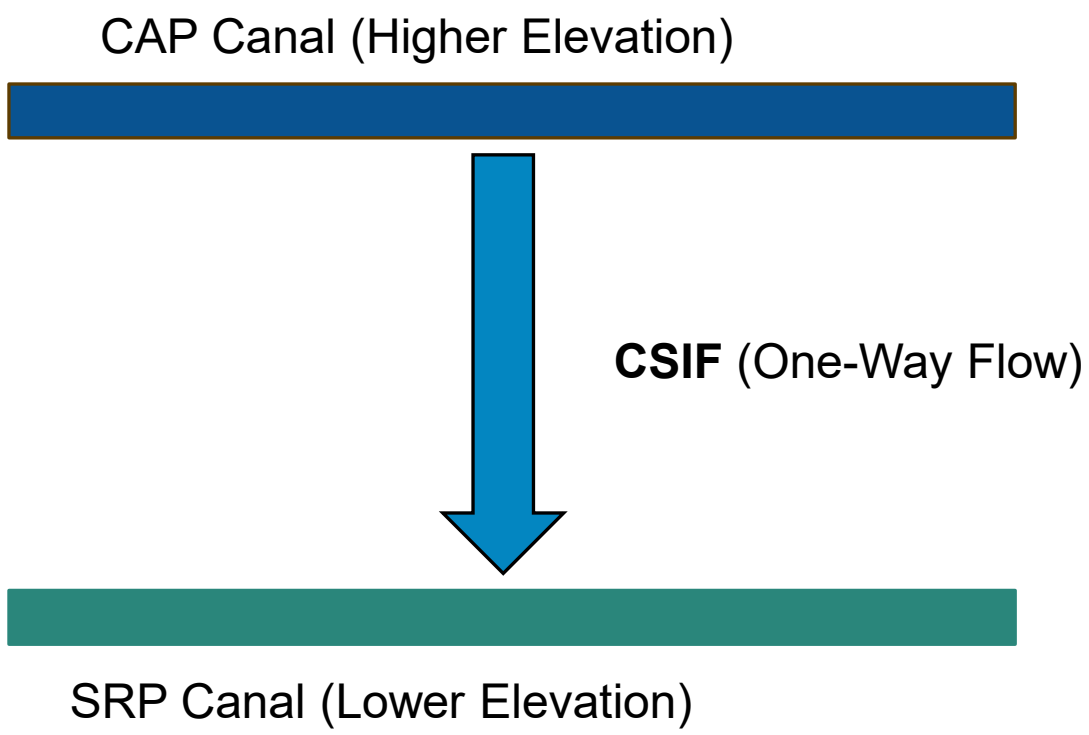
Project Purpose, Benefits, and Use Cases

A Proven Partnership: CAP-SRP Interconnection Facility



Total Water Conveyed: CSIF established in 1990, 3.7 million acre-feet moved through CSIF

- Improve Water Supply Resiliency: Delivery, Recharge, and Exchanges
- Drought Response (2000-2004): Enabled SRP to acquire and exchange 600,000 acre-feet of CAP water during critically low supply conditions in SRP's system
- Maintenance Support (2019): Ensured uninterrupted water delivery during major repairs to CAP's Salt River siphon.

SCIF Two-Way Interconnection:

- Physical Connection: Two of Arizona's largest raw water providers to work together to enhance water security for the state of Arizona

SCIF Project Purpose

To secure Central Arizona's water supply through regional water resiliency and operational flexibility by enabling the exchange and conveyance of water between the SRP system and the CAP canal.

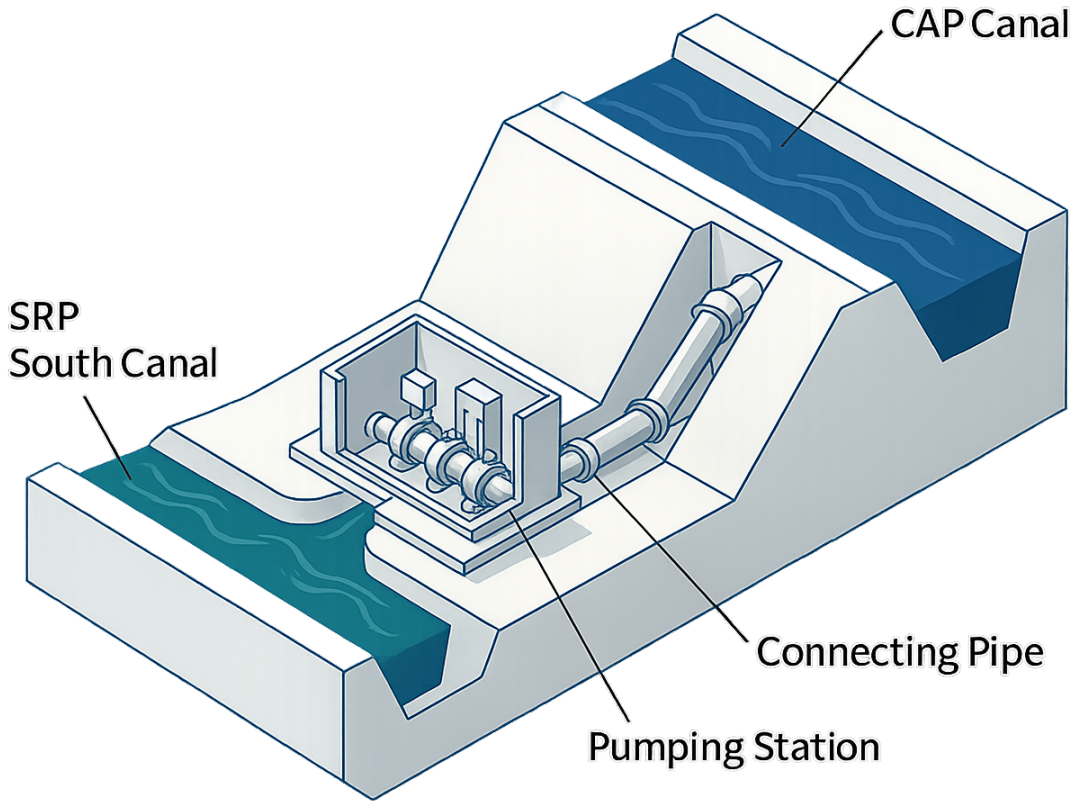
SCIF Project Benefits

- **Regional Water Resiliency:**
  - Link existing facilities through interconnection
  - Physically connects SRP to CAP
  - Respond to changing water supply conditions
  - Allows for wheeling water deliveries to locations on the CAP system upstream or downstream of the SCIF
  - Firming opportunities and utilizing new water development and augmentation
- **Operational Flexibility:**
  - Enable the delivery of SRP non-shareholder water
  - Reduce service disruptions due to maintenance and emergency outages

SRP-CAP Interconnection Facility Use CASE

Examples of SCIF Use Cases:

- New Conservation Space
- Long Term Storage Credits
- Additional examples can be realized through creative exchanges, delivery routing, and development of future water supplies.



Project Overview by Proposed Facility Component

Proposed Project Overview

Facility Components – Sedimentation Basin

- Removes larger suspended particulates through gravity settling to protect pumps
- Directs water through the basin before reaching the pump station
- Requires periodic maintenance to preserve capacity
- Sediment characterization studies are ongoing to determine final design, sizing, and effectiveness

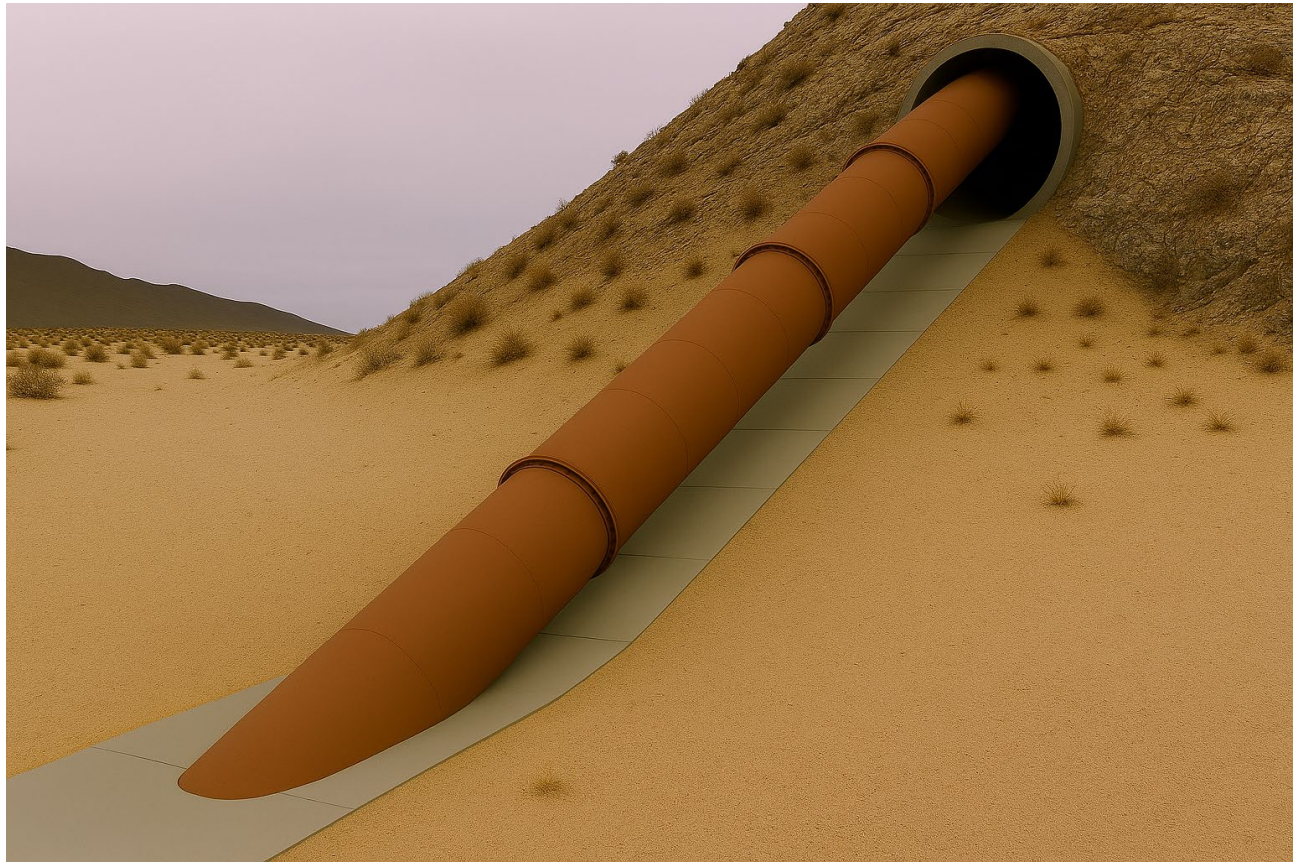
Facility Components - Pump Station

- Lifts and conveys water approximately 200 feet to the discharge structure
- Pump station will include a wet well and six pumps designed to deliver a total capacity of 500 CFS
- Two 84-inch diameter pipelines will combine into a single 120-inch pipeline to transport water to the CAP canal

Facility Components – Electrical Substation

- Supplies power to the pump station for lifting water uphill
- New 69-4.13kV distribution substation will tie into existing SRP 69kV distribution transmission line.
- Substation will be designed in accordance with SRP standards

Facility Components – Pipeline and Tunnel



- A tunnel is required to convey water to the CAP canal
- Preliminary 30% design estimates indicate a tunnel diameter of 16 feet to accommodate the proposed 120-inch pipeline
- The tunneling approach will be evaluated and recommendations provided upon completion of the 60% design phase

Facility Components – Discharge Structure

- When all facility components operate together, water will be conveyed into the CAP canal through the discharge structure

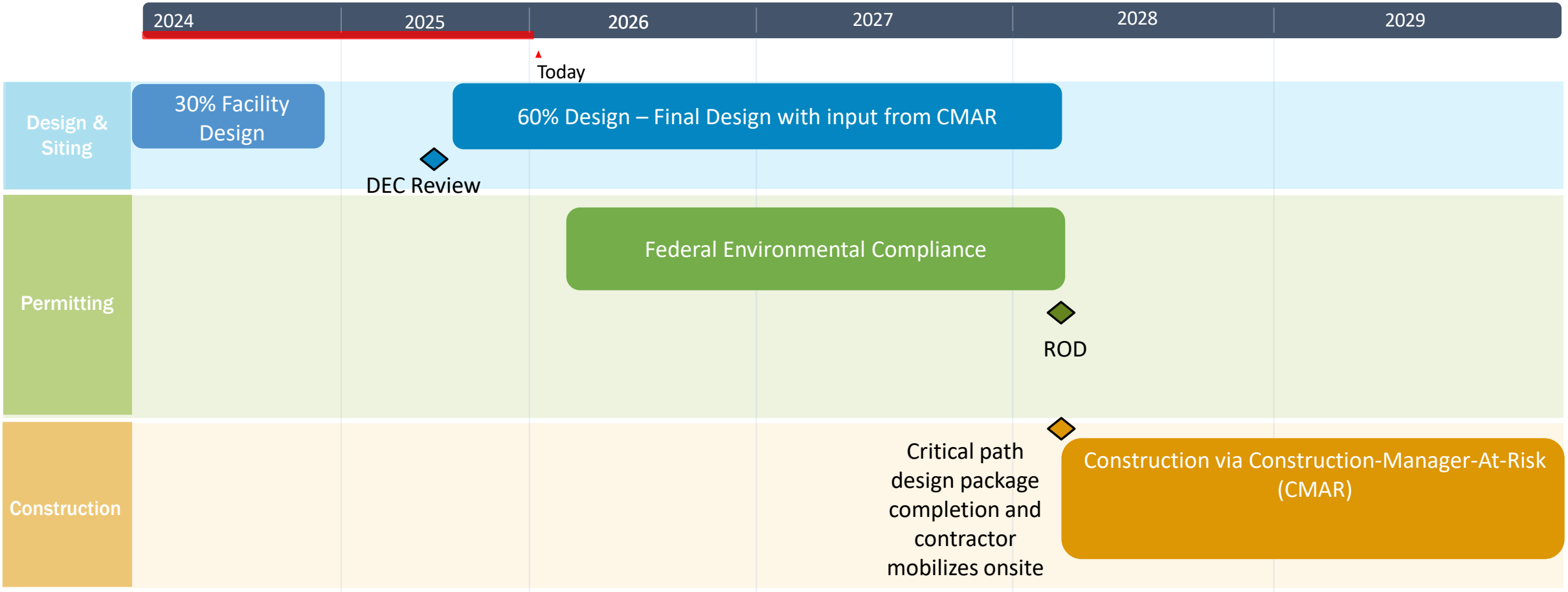
- Discharging SRP water into the CAP canal will enable innovative water exchanges and enhance the resiliency of Central Arizona’s water supplies

Project Cost and Milestone Schedule

Project Cost

- Planning and Construction
  - $247 million (August 2024 USD)
- Federal Financial Assistance Agreement
  - $154 million obligated through Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program
  - Funding is reserved for construction activities
- Remaining cost shared by non-federal project participants

SRP-CAP Interconnection Facility Milestone Schedule



Key Takeaways

1. The SCIF Project is complex and requires dialogue regarding the tools designed to implement wheeling projects.
2. Key logistical and operational parameters will continue to be developed throughout the NEPA and Wheeling Contract processes.
3. This series of meetings seeks to establish a common knowledge base to enable productive conversations regarding SCIF Water Quality impacts.
4. Additional forums for stakeholder input will be available throughout the development and environmental approval processes.

Questions?

Virtual attendees may submit questions to questions@cap-az.com

YOUR WATER. YOUR FUTURE.

Next Meeting: Water Quality Modeling

Hybrid | January 29, 2026 | 9am – 11am
Central Arizona Project, Lake Mead Conference Room

Additional questions/comments can be sent to questions@cap-az.com.

YOUR WATER. YOUR FUTURE.