

## Agenda Number 9.c.i

**CONTACT:** Christopher Brooks      Laura Grignano  
623-869-2438      623-869-2113  
cbrooks@cap-az.com      lgrignano@cap-az.com

**MEETING DATE:** Thursday, June 1, 2023

**AGENDA ITEM:** Discussion and Consideration of Action to Approve a Purchase and Sale Agreement for Long-Term Storage Credits between CAWCD and Stone Applications LLC (*Groundwater Replenishment*^) - Brooks

**RECOMMENDATION:** The CAGRD and Underground Storage Committee recommends that the Board approve the Purchase and Sale Agreement for Long Term Storage Credits between CAWCD and Stone Applications LLC.

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**FISCAL IMPLICATIONS:** Yes

**Impact on Budget:**

None

Additional spending authority requested: None

**Impact on Reserves:**

The acquisition requires an expenditure of \$1,000,000 from the Infrastructure & Water Rights Fund.

**Impact on Rates:**

None

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

Groundwater Replenishment: *Fulfilling CAP's groundwater replenishment responsibilities in accordance with statutory requirements*

**PREVIOUS BOARD ACTION/ACTIVITY:**

May 4, 2023	CAGRD & Underground Storage Committee Report to CAWCD Board
May 18, 2023	CAGRD & Underground Storage Committee: Discussion and Consideration of Action to Recommend the Board Approve a Purchase and Sale Agreement for Long Term Storage Credits between CAWCD and Stone Applications LLC

**ISSUE SUMMARY/DESCRIPTION:**

CAGRD staff have recently developed a proposed long-term storage credit (LTSC) acquisition with Stone Applications, LLC (Seller) for the purchase of 2,500 LTSCs in the Phoenix AMA. The credits will be purchased for \$400/LTSC, or a total of \$1,000,000. The price for these credits is indicative of the current market for LTSCs in the Phoenix AMA as shown by data from other recent purchases. Credit prices have increased significantly due to the affects of shortage on both CAP delivery rates and the overall credit market.

The CAGRD and Underground Storage Committee voted at their May 18 meeting to recommend that the Board approve the agreement. This agreement is being considered in an expedited fashion in order complete the acquisition prior to the board summer break.

**SUGGESTED MOTION:**

I move that the CAWCD Board approve the Purchase and Sale Agreement for Long Term Storage Credits between CAWCD and Stone Applications LLC

**ATTACHMENTS:**

1. Presentation
2. Purchase and Sale Agreement for Long Term Storage Credits