

INFORMATION BRIEF

BOARD OF DIRECTORS



Agenda Number 12

CONTACT: Vineetha Kartha Patrick Dent
623-869-2665 623-869-2581
vkartha@cap-az.com pdent@cap-az.com

MEETING DATE: Thursday, September 1, 2022

AGENDA ITEM: Discussion Regarding Proposed System Conservation Projects for 2023 (*Water Supply*[^]) - Kartha

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

2022 CAWCD Board Strategic Plan Water Supply: *Providing a reliable CAP water supply for the short- and long-term*

PREVIOUS BOARD ACTION/ACTIVITY:

March 2020 Board Adoption of Supplemental Guidance to Rate Setting Policy

ISSUE SUMMARY/DESCRIPTION:

At the March 5, 2020 CAWCD Board Meeting, the Board adopted supplemental guidance to the CAWCD Rate Setting Policy Regarding the Collection of Fixed OM&R for CAP System Conservation Projects. The policy outlined the process for the CAWCD Board to consider forgoing collection of Fixed OM&R for CAP system conservation projects. For some past system conservation projects, collection of Fixed OM&R rates has been forgone in the interest and support of creating system water in Lake Mead.

In addition, the supplemental guidance noted that CAWCD's commitments to forego remarketing of CAP water for Bureau of Reclamation (Reclamation) system conservation projects (as part of Reclamation's effort to meet their Lower Basin Drought Contingency Plan (LBDCP) conservation commitments) is governed by LBDCP agreements including the Agreement Regarding Lower Basin Drought Contingency Plan Commitments between Reclamation and CAWCD.

Pursuant to the supplemental guidance:

- June Board Meeting – request that those proposing system conservation projects for the coming year share their concepts with CAWCD
- August Board meeting - staff is to 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

Currently, the only imminent proposed system conservation project is that of the Fort McDowell Yavapai Nation (FMYN). FMYN and Reclamation are working on an agreement that identifies a reduction in the FMYN scheduled CAP delivery by 13,933 acre-feet in 2023 and 2024. This agreement will set forth conditions to create Colorado River System water that is anticipated to be applied toward Reclamation's LBDCP

commitment of 100,000 acre-feet and/or the 500 Plus Plan. FMYN receives compensation from Reclamation and CAWCD has agreed to forego remarketing of this reduced CAP delivery. In the development of the rates for 2023, 93,000 acre-feet of system conservation was considered in the delivery volume calculation. Consequently, the impact to the Fixed OM&R rate has been previously considered. This agreement is yet to be executed.

The FMYN supply that is being reduced has a recent history of use (through a lease or participation in system conservation activities). By meeting these criteria and by reducing an existing beneficial use, the FMYN project is consistent with CAWCD's criteria for system conservation. No negative discernable impacts to the CAP water supply are anticipated and System Conservation water helps to increase the storage and water elevation in Lake Mead. Any approved System Conservation will be included appropriately into CAP water orders in October and will also accordingly be reduced from the CAP diversion in 2023. In accordance with LBDCP agreements, CAWCD will provide a letter of concurrence to Reclamation once the reduced FMYN CAP water order is received.

Staff will present to the Board an overview of any additional 2023 system conservation projects as they become imminent.

ATTACHMENTS:

None