# **ACTION BRIEF** BOARD OF DIRECTORS



# Agenda Number 8.c.2

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**MEETING DATE:** 

Thursday, September 7, 2023

AGENDA ITEM:

Discussion and Consideration of Action to Approve a Proposed Long Term Storage Credit Acquisition between CAWCD/CAGRD and the Tohono O'odham Nation

(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 the Tohono O'odham Nation.

FISCAL IMPLICATIONS: Yes

Impact on Budget:

None

Additional spending authority requested: None

Impact on Reserves:

The acquisition requires an expenditure of \$4,000,000 from the Infrastructure and Water Rights fund.

Impact on Rates:

None

#### 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:

CAGRD & Underground Storage Committee: Discussion of a Proposed Long Term June 15, 2023

Storage Credit Acquisition

CAGRD & Underground Storage Committee: Discussion and Consideration of Action August 17, 2023

> to Recommend the Board Approve a Proposed Long Term Storage Credit Acquisition between CAWCD/CAGRD and the Tohono O'odham Nation

## **ISSUE SUMMARY/DESCRIPTION:**

CAGRD staff have developed a proposed long-term storage credit (LTSC) acquisition opportunity with the Tohono O'odham Nation for the purchase of 10,000 LTSCs in the Phoenix AMA. These credits were created with CAP water delivered to the Agua Fria underground storage facility. The credits will be purchased for \$400/LTSC, or a total of \$4,000,000. 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 effects of shortage on both the CAP delivery rate and the overall credit market.

The LTSC Acquisition Agreement was approved by the Tohono O'odham Legislative Council on June 20, 2023 and the signed agreement is included in the meeting packet. If approved by the Board, the credits will be transferred and payment approved by early October.

## **SUGGESTED MOTION:**

I move that the CAWCD Board approve the Purchase and Sale Agreement for Long Term Storage Credits between CAWCD and the Tohono O'odham Nation.

## **ATTACHMENTS:**

- 1. Presentation
- 2. Purchase and Sale Agreement for Long Term Storage Credits between CAWCD and the Tohono O'odham Nation