Central Arizona Project

- 336-mile aqueduct
- 14 pumping plants lift water nearly 3,000 feet
- Delivers ~ 1.6 MAF/yr
- Diverse customers: Tribes, Irrigation districts, Cities, Mines
- 80% AZ pop. reside in CAP Service Area
- 50% of AZ’s economy related to CAP deliveries
- Junior Priority, vulnerable to shortages
Origins of DCP

Lake Mead Elevation
(EOM Jan 2000 - Jan '19 and Projected 24 Months)

- CA QSA
- '07 Guidelines
- Minute 319
- PSCP & MOU
- Minute 323
- LB & UB DCP

Lake Mead Elevation (ft)

Observed Elevation
Projected 24 Month
1075 - First Shortage Level
Tier 2
Tier 3
Risk of Lake Mead < 1,020’

Full Hydrology (1906-2015)

- **2007 Projections**
  - (1906-2005 hydrology)
  - **No DCP**
    - (April 2018 Projections)
  - **With DCP**
    - (April 2018 Projections with Upper & Lower Basin DCPs & Binational WSCP)

Stress Test Hydrology (1988-2015)

- **2007 Projections**
  - (1906-2005 hydrology)
  - **No DCP**
    - (April 2018 Projections)
  - **With DCP**
    - (April 2018 Projections with Upper & Lower Basin DCPs & Binational WSCP)
Arizona’s DCP Process

- ADWR and CAWCD jointly convened an Arizona Steering Committee composed of over 40 representatives, including:
  - ADWR
  - CAWCD
  - Arizona Legislative Leaders
  - CAP municipal, industrial, and agricultural customers
  - CAP tribal customers
  - On-river municipal and agricultural users
  - On-river tribal users
  - BOR
- Process began on June 26th 2018, ending on February 19th 2019
  - 9 Steering Committee Meetings and
  - Multiple Work Group (3 WGs) and small group meetings,
# 2007 Interim Guidelines Shortage Reductions and Incremental DCP Contributions

<table>
<thead>
<tr>
<th>Lake Mead Elevation</th>
<th>AZ 2007</th>
<th>AZ DCP</th>
<th>AZ TOTAL</th>
<th>NV 2007</th>
<th>NV DCP</th>
<th>NV TOTAL</th>
<th>CA 2007</th>
<th>CA DCP</th>
<th>CA TOTAL</th>
<th>BOR DCP</th>
<th>MX Min 323</th>
<th>MX BWSCP</th>
<th>MX Total</th>
<th>TOTAL</th>
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<td>≤1090 &gt;1075</td>
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<td>192K</td>
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<td>8K</td>
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<td>125k</td>
<td>150k</td>
<td>275k</td>
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</table>
AZ & CAP Priority Pools

On-River users P1 – P3, largely Ag Users in Yuma, and Tribes

CAP P4 – junior to P1 – P3

On-River P4 – shares priority with CAP, located in Havasu, Parker, Mohave Co

CAP absorbs more than 95% of reductions in Arizona

CAP Priorities: 1 = P3 in CAP, 2 = Tribal + M&I, 3 = NIA Pool, 4 = Ag Pool, Recharge/Replenishment
CAP Priority Pools *(current use, estimated available)*

- **Indian Priority**
- **M&I Priority**
- **NIA Priority**
- **Ag Pool**
- **Other Excess**

- **Tribes**
- **Cities & Industry**
- **Long-Term Contracts**

Acre Feet:
- 0
- 200,000
- 400,000
- 600,000
- 800,000
- 1,000,000
- 1,200,000
- 1,400,000
- 1,600,000
CAP Priority Pools – ‘07 Guidelines

2007 Guideline Reductions to AZ
- 320,000 (Tier 1)
- 400,000 (Tier 2)
- 480,000 (Tier 3)

Acre Feet

- Other Excess
- Ag Pool
- NIA Priority
- Indian Priority
- M&I Priority
- Priority 3

CAP Priority Pools – ‘07 Guidelines

- 320,000 (Tier 1)
- 400,000 (Tier 2)
- 480,000 (Tier 3)
CAP Priority Pools – LBDCP

\[\begin{array}{c}
\text{Indian Priority} \\
\text{M&I Priority} \\
\text{Priority 3} \\
\text{NIA Priority} \\
\text{Ag Pool} \\
\text{Other Excess}
\end{array}\]

- Indian Priority: 512,000 (T1 + 192k)
- M&I Priority: 592,000 (T2 + 192k)
- Priority 3: 640,000 (T2 + 240k)
- NIA Priority: 720,000 (T3 + 240k)

\['07 Guidelines + LBDCP Contributions by AZ\]

- Other Excess: 192,000
Steering Committee Mission

Discuss and recommend how to adopt and implement the LBDCP in a way that is acceptable to Arizona water users
Steering Committee Objectives

• Seek broad commitment and support for the implementation of LBDCP in Arizona
• Recommend appropriate and sustainable processes and tools to implement LBDCP in AZ
• Obtain approval by the Arizona Legislature of a joint resolution authorizing the Director of ADWR to agree to the LBDCP
Proposed Sideboards

- Focus on the adoption and implementation of LBDCP in Arizona.
- *Operate within and respect existing legal authorities, contracts and priorities.*
- *Seek solutions that acknowledge that the impacts of a reduced supply differs among water users.*
- Please respect the Steering Committee process and each other.
- While CAP and ADWR are jointly leading the process, the input, ideas, questions, and dialogue from the delegates and public is vital and welcome.
- Agreement of appropriate documentation of proceedings
LBDCP Implementation Plan – 2 Components

• Mitigation Component
  • Wet water CAP deliveries for mitigation
  • Payment for reductions (compensated mitigation) when wet water mitigation is insufficient
  • Money for new groundwater infrastructure for CAP Ag

• Offset Component
  • System conservation and ICS creation to replace CAP ICS that is used for mitigation
  • Pre-firming concept to address NIA firming obligations from Indian water settlements
Mitigation Component- Key Terms

- 2020 – 2022
  - 100% mitigation for NIA Pool (annual determination of vol.)
  - Fixed volume for CAP AG, dependent on annual tier determination
- 2023 – 2025
  - No CAP Ag Mitigation (except USF to GSF and groundwater infrastructure)
  - M&I and Indian priority fully mitigated first
  - NIA volume based on actual orders/operating conditions
  - NIA 75% under T1 and T2a (until no supplies)
  - NIA 50% under T2b (until no supplies)
- 2026
  - Zero mitigation
  - No mitigation for any water user in T3 or 2026, whichever occurs first
CAP Priority Pools – LBDCP

'07 Guidelines + LBDCP Contributions by AZ

- Indian Priority
  - M&I Priority
  - Ag Pool
  - NIA Priority
  - Other Excess

- Priority 3

Acre Feet

- 0
- 200,000
- 400,000
- 600,000
- 800,000
- 1,000,000
- 1,200,000
- 1,400,000
- 1,600,000
Offset Component– Key Terms

- Conserve 400 kaf to offset use of CAP ICS
- Offsets provided through:
  - 100 kaf US-GRIC ICS
    - Pre-firming for US Tribal firming obligation
  - 50 kaf AWBA-GRIC ICS
    - Pre-firming for Arizona’s AWSA firming obligation
  - 150 kaf System Conservation
  - 50 kaf Additional Tribal ICS
  - 50 kaf - CAP-SRP Exchange payback
Participants (~24) in Funding & Water

- **CAWCD**: Funding and Water – 480 kaf & $65M
- **SRP**: Water in exchange - 50 kaf
- **CAP M&I Users (9)**: Water in USF-GSF – 100 kaf
- **GRIC**: Water for ICS – 200 kaf
- **CAP AG (7)**: Investment in GW infrastructure & taxes - $5M + $8M
- **State of Arizona**: Funding System Con. & GW - $39M
- **AWBA**: LTSC for USF-GSF, Firming - $12M
- **US**: Funding GW Infrastructure, Firming – BOR $24M, USDA tbd
- **NGOs**: Funding - $8M
- **CRIT**: Water for System Conservation – 150 kaf
### Intra-Arizona Implementation Status

<table>
<thead>
<tr>
<th>#</th>
<th>Agreement Name</th>
<th>Status</th>
<th>Actions Taken to Date</th>
<th>Parties</th>
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<tbody>
<tr>
<td>1</td>
<td>Arizona Implementation</td>
<td>Draft concept</td>
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<td>ADWR, CAWCD, others TBD</td>
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<td>CAP Ag Mitigation</td>
<td>Draft terms</td>
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<td>CAWCD, CAP Ag Distr.</td>
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<td>CAP NIA Mitigation</td>
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<td>CAWCD, CAP NIA customers</td>
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<td>CAWCD – SRP Exchange</td>
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<td>Arizona ICS Framework &amp; New AZ Exhibits</td>
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<td>ADWR, BOR, CAWCD (Exhibits - interstate approval)</td>
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<td>6</td>
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<td>ADWR, BOR, CAWCD, CRIT, others</td>
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<td>US – CAWCD LBDCP Obligations</td>
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<td>Final Letters</td>
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* Orange means approved by CAWCD Board, awaiting execution by the U.S. and CAWCD
** Green means fully executed and final
Intra-Arizona Implementation Status

<table>
<thead>
<tr>
<th>#</th>
<th>Agreement Name</th>
<th>Status</th>
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<td>Concept (volumes determined)</td>
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<td>Interstate Aggregate ICS Capacity</td>
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<td>16 *</td>
<td>GRIC-CAGRD Water Supply Acquisition Agreements</td>
<td>Final Agreements</td>
<td>Executed by CAWCD, GRIC and GRWS on 1/31/19</td>
<td>GRIC, GRWS, and CAWCD and the United States</td>
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* Orange means fully executed by CAWCD, GRIC and GRWS, awaiting execution by the U.S.
Arizona’s DCP Process Summary

- ADWR and CAWCD jointly convened an Arizona Steering Committee
- Steering Committee operated by consensus
- The implementation plan has 2 parts:
  - Mitigation
    - Reduce impacts for an interim period by providing additional supplies to reduce “pain”
  - Offset
    - Reduce risks by providing a “buffer” in Lake Mead
- The implementation plan has broad support
  - Arizona legislative actions (almost unanimous)
  - ~24 parties contributing/participating
  - Requires many intra-Arizona agreements (ongoing)
Arizona Came Together, & Got It Done
CAP
CENTRAL ARIZONA PROJECT
YOUR WATER. YOUR FUTURE.

PROTECT
LAKE MEAD