

# Agenda Item 5

## Discussion on AWBA policy for the distribution of long-term storage credits for firming CAP M&I subcontractors through 2026

AWBA Special Meeting  
March 4, 2019

Presented by  
Virginia O'Connell, AWBA Manager



# Policy for CAP M&I Firming

- Background:
  - Statutory requirement to distribute credits to CAWCD “to the extent necessary to meet the demands of CAWCD M&I subcontractors” during shortage conditions
  - Previously considered issues related to distribution including reduced distribution volumes to account for:
    - AWS drought exemptions (20%)
    - Conservation/preservation
    - Accrual of LTS credits
  - Elected to wait until more is known on affects of shortages before considering policies



# Policy for CAP M&I Firming

- LBDCP Implementation
  - Desire for certainty of water supplies available to meet demand and ensure sufficient resources for mitigation of LBDCP water reductions
  - AWBA provides certainty by agreeing to fully firm CAP M&I supplies through 2026 (Interim Period)
    - Estimated firming volume (93 KAF -285 KAF)
- Experience provides insight for developing firming policy after Interim Period



# Policy for CAP M&I Firming

- Policy:

During the Interim Period, the AWBA will distribute LTS credits pursuant to A.R.S. 45-2457(B)(7) to meet all reductions to scheduled CAP M&I Priority Water due to a Shortage Condition or required DCP Contributions

- Term:

Effective date of LBDCP until conclusion of Interim Period



# Questions?

