

# Agenda Item No. 4

## **AWBA Standard Template Agreements for Firming CAP Municipal & Industrial Subcontractors**

**AWBA Quarterly Meeting  
September 13, 2022**

**Virginia O'Connell**



# Key Terms

- **Separate templates for public and private subcontractors**
- **Long-term agreement with annual decisions on firming method for shortage years.**
  - **First term through 2026 (10-Yr terms anticipated thereafter)**
  - **Neither party is obligated to offer/accept credits for direct distribution for a shortage year. A subcontractor may request delivery of firming water from CAWCD in lieu of credits**
- **Chronological timeline for actions between parties to develop firming proposals**
  - **Follows 3-yr planning triggers identified in 2021 Recovery Planning Update**
  - **Involves coordination and input from subcontractors**
  - **Accepted firming proposals are incorporated as firming plans into the AWBA Preliminary Plan of Operation in shortage year**
  - **Final firming volumes are included in the AWBA's Final Plan of Operation**



# Key Terms cont.

- **Credit distribution in accordance with firming plans, state regulations and policies**
  - Consideration of subcontractor locations, recovery partnerships, subcontractor storage locations, CAP needs, annual operational issues and any other relevant concerns
  - Recognition that transferred credits satisfy AWBA firming responsibility
  - Credits cannot be sold and subcontractor responsible for recovery costs and transfer fees
  - All credits transferred by December 31 of shortage year
- **Allows for amendments during a shortage year due to changes in water shortage volumes or operational issues**
- **Liability provision for transferred credits (i.e., water quality issues)**
- **Allows either party to terminate agreement, but firming commitments would continue during a shortage year**



# Questions ?

