



June 12, 2024

Tom Buschatzke, Chair
Arizona Water Banking Authority
1110 W Washington St, Suite 310
Phoenix, AZ 85007

Re: AWBA Draft 2023 Annual Report

Dear Chair Buschatzke,

The City of Chandler appreciates the efforts of the Arizona Water Banking Authority to ensure CAP M&I subcontractors have reliable firming supplies available when Colorado River shortages impact normal deliveries. Thank you for providing an opportunity to comment on the Draft AWBA 2023 Annual Report.

We appreciate the challenges associated with projecting shortages post-2026 and hence only a two-year plan for M&I firming was offered instead of a Ten-Year Plan. The deep uncertainty associated with post-2026 operations is negatively impacting each water provider and our ability to plan. It would be very helpful to have more clarity on how the AWBA will accomplish firming for CAP M&I subcontractors post-2026.

Chandler requests the following actions and information to assist our planning efforts:

1. When will the Commission vote on the 20% firming for CAP M&I firming post-2026?
2. Based on the long-held 20% firming assumption, there may be insufficient recovery capacity available in the Phoenix AMA. Post-2026 recovery capacity needed in the Phoenix AMA may exceed 35,000 AF/yr. The current volume of CAP recovery capacity available in the Phoenix AMA is 22,363 AF per year. Are there additional options being explored to secure additional recovery capacity in the Phoenix AMA?
3. The 2021 Recovery Update document included a timeline with shortage triggers that initiate consultation three years out from the anticipated shortage year. We believe it would be prudent to begin the three-year planning activities as described in the 2021 Recovery Update. We request the Commission direct staff to follow the timeline and activities as outlined in that document, based on a 2027 shortage.

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4. The table numbers seem to be mislabeled in the Ten-Year Plan. For example, section 7.1.2 begins by referring to "Table 7 shows the permitted storage capacity...". However, the table below reporting on storage capacity is labeled as Table 3.
5. Table 6 labeled "Estimated Recovery Capacity Needed by AMA in Tier 3" indicates the total Tier 3 recovery capacity needed across all AMAs is 27,284 AF in 2025 and 29,670 in 2026. The calculation of recovery capacity needed appears to be based on assumptions about how much water will be needed to meet direct use demands. The footnote indicates assumptions are based on conversations from 2022. To ensure sufficient recovery capacity, we suggest updating these estimates based on the current and committed demands that will be served by 2027.
6. The Ten-Year Plan mentions a 40-acre parcel acquired by CAWCD for a direct recovery facility in the vicinity of Tonopah Desert Recharge Project (TDRP). What is the timeline for this direct recovery facility at TDRP and will the target production volumes continue to be in the range of "10 to 15 KAF/yr"?
7. The firming proposal for the Gila River Indian Community indicates that there will likely be a remaining balance of 6,783 AF of firming credits remaining after 2025, with zero firming credits remaining after 2026. Will the firming plan to meet the obligation to the Community in 2027 transition to the use of LTSCs accrued using withdrawal fees or will ICS Firming Credits be used in 2027?

Please feel free to contact me at 480-782-3663.

Thank you,

A handwritten signature in black ink that reads "Simone Kjolsrud".

Simone Kjolsrud
Water Resources Manager

cc: John Knudson, City of Chandler, Director Public Works & Utilities
Ken Seasholes, Central Arizona Project

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