

**Metropolitan Domestic Water Improvement District  
Board of Directors Meeting**

**October 14, 2015**

**Approval of Amendment to Storage Agreement with Arizona Water Banking Authority  
at Avra Valley Recharge Project**

**Synopsis**

The Board of Directors is requested to consider approving an amendment to the storage agreement between Arizona Water Banking Authority (AWBA) and the District.

**Background**

The District acquired the Avra Valley Recharge Project (AVRP) from the Central Arizona Water Conservation District (CAWCD) as part of its water resources management and to meet Assured Water Supply regulations by recharging its Central Arizona Project (CAP) water at AVRP. In December 2010, the District entered into a five-year water storage agreement with AWBA to store water at AVRP with an expiration date of December 31, 2015.

**Issues**

AWBA desires to extend the storage agreement to December 31, 2035 to store Excess CAP water when there is unused storage capacity after the District determines other parties do not need the storage capacity. The current CAP water storage agreement with the Arizona Water Banking Authority is used to wheel the AWBA's Excess CAP water from the CAP canal to the recharge project through B.K.W. Farms' irrigation canal. AWBA wants to extend the term from five years to twenty years with an expiration on December 31, 2035 and requests no other changes. This change is acceptable since the past five years have shown that the agreement does function.

Under the amendment, the District retains that the storage fee rate can be annually increased by an inflation factor of 3 percent. The District remains responsible for tracking and reporting the daily volumes transported to AVRP under the agreement. Also, the District is not required to rebuild or repair AVRP nor is it liable for water quality degradation resulting from AWBA's stored water.

**Staff Recommendation**

It is recommended that the Board of Directors approve the first amendment to the storage agreement between the District and the Arizona Water Banking Authority with an expiration date of December 31, 2035. Staff finds the first amendment to the storage agreement with the Arizona Water Banking Authority to be beneficial to the District.

**Suggested Motion**

I move to approve the first amendment to the storage agreement with Arizona Water Banking Authority with an expiration date of December 31, 2035.

Respectfully submitted,

Joseph Olsen, P.E.  
General Manager