



Recovery Planning Activities

Report of Individual Stakeholder Meetings

September 13, 2023-PRIV

Recovery Planning Activities

- Reclamation's August 24-month study projects a Tier 1 shortage in 2024
- CAWCD projections show no impact to the CAP M&I priority pool in 2024 under a Tier 1 shortage
- No CAP M&I firming anticipated for the AWBA in 2024
- AWBA and subcontractors are not required to finalize firming proposals
- AWBA firming agreement:
 - 29 requests to enter into agreement
 - 16 fully executed
 - 13 in-progress

Individual Stakeholder Meetings

AWBA Commission directed staff to reach out to stakeholders who commented during the stakeholder process to better understand their following concerns:

- **Challenges for systems regulated by the Arizona Corporation Commission**
- **Alternative method unachievable by CAGR**
- **Loss of LTSC value over time**
- **Complexity of one alternative method**

AWBA Staff met with 9 stakeholders between July 27 and August 28, 2023.

Individual Stakeholder Meetings

Stakeholder concerns addressed regarding an alternative firming method requiring CAP M&I demand reduction:

- **Challenges for systems regulated by the Arizona Corporation Commission (3 entities):**
 - Rate cases require a lot of resources
 - Suggest different criteria for every class of water provider

Individual Stakeholder Meetings

Stakeholder concerns addressed regarding an alternative firming method requiring CAP M&I demand reduction:

- **Unachievable by CAGR D (1 entity):**
 - Limits and opportunities
 - Suggest dividing CAP M&I subcontractors into different categories and establishing different criteria for each category

Individual Stakeholder Meetings

Stakeholder concerns addressed regarding alternative firming methods:

- **Loss of LTSC value over time (3 entities):**
 - Value of LTSCs is the opportunity cost, the certainty that LTSCs would be distributed when the availability of Colorado River is uncertain
 - Concerns over the availability of LTSCs and groundwater after multiple years of shortages impacting the CAP M&I pool
 - Agreement that entities should not earn LTSCs during a shortage

Individual Stakeholder Meetings

Stakeholder concerns addressed regarding an alternative firming method requiring CAP M&I demand reduction:

- **Complexity of the method (3 entities):**
 - Large water providers are regulated under different conservation programs
 - Recommend defining the term “demand”