# Arizona Water Banking Authority

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AUTHORITY MEMBERS
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Honorable Steve Pierce
Honorable Kirk Adams


June 17, 2009

Ms. Lorri Gray, Regional Director
U.S. Department of the Interior
Bureau of Reclamation
Lower Colorado River Regional Office
P.O. Box 61470
Boulder City, Nevada 89006

Mr. Jeffrey Kightlinger, General Manager
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

Mr. David Modeer, General Manager
Central Arizona Water Conservation District
P.O. Box 43020
Phoenix, AZ 85080-3020

RE: Certification of Intentionally Created Unused Apportionment (ICUA) for 2008 pursuant to the *Amended Letter Agreement for the Creation of Intentionally Created Unused Apportionment with Credits Created Under the 1992 Demonstration Agreement between CAWCD and MWD, December 11, 2007*

Dear Ms. Gray and Messrs. Kightlinger and Wilson:

Pursuant to the above-referenced Amended Letter Agreement, the Arizona Water Banking Authority (AWBA) is providing certification of the quantity of ICUA created in 2008 and the method used to create the ICUA to the U.S. Bureau of Reclamation, Metropolitan Water District of Southern California (Metropolitan), and the Central Arizona Water Conservation District (CAWCD).

A total of 28,442 acre-feet of ICUA was created in calendar year 2008 for the benefit of Metropolitan. ICUA was created through both the recovery and credit exchange methods. Of the total 28,442 acre-feet of ICUA developed in 2008 from credits previously accrued on behalf of Metropolitan, 27,442 acre-feet of LTSCs were recovered from wells within two irrigation districts in Pinal County, Arizona. The remaining balance of 1,000 acre-feet of ICUA were developed utilizing credit exchange whereby CAWCD exchanged LTSCs with the Central Arizona Groundwater Replenishment District (CAGRD) in lieu of CAGRD receiving Central Arizona Project water, which had been scheduled to be delivered to the CAGRD for storage in 2008.

A letter from the Arizona Department of Water Resources to the AWBA summarizing their review of CAWCD's annual reporting is enclosed for your information.

Please don't hesitate to contact me if you require additional information.

Sincerely,

Kim Mitchell

Kim Mitchell, Manager
Arizona Water Banking Authority

Enclosure

cc: Mr. Terry Fulp, Bureau of Reclamation
Ms. Ruth Thayer, Bureau of Reclamation
Mr. Roger K. Patterson, Metropolitan Water District of Southern California
Mr. Gerald "Jerry" Zimmerman, Colorado River Board of California
Mr. Larry Dozier, Central Arizona Water Conservation District
Mr. Herbert R. Guenther, Arizona Water Banking Authority
Ms. Kay Brothers, Southern Nevada Water Authority
Mr. George Caan, Colorado River Commission of Nevada

**JANICE K. BREWER**
Governor

**HERBERT R. GUENTHER**
Director

**ARIZONA DEPARTMENT OF WATER RESOURCES**

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105

(602) 771-8500

June 16, 2009

Kim Mitchell, Manager
Arizona Water Banking Authority
3550 North Central Avenue
Phoenix, Arizona 85012-2105

Dear Ms. Mitchell: Kim

The Department has reviewed the pertinent annual reporting and other documents concerning the Central Arizona Water Conservation District's (CAWCD) 2008 recovery and exchange of long-term storage credits (LTSCs) in the Pinal Active Management Area. The annual reports submitted by CAWCD indicated that 28,442 acre-feet of Intentionally Created Unused Apportionment (ICUA) was generated through: 1) CAWCD's recovery of 13,380 acre-feet of CAP LTSCs at the Central Arizona Irrigation and Drainage District Groundwater Savings Facility; 2) CAWCD's recovery of 14,062 acre-feet of CAP LTSCs at the Maricopa-Stanfield Irrigation and Drainage District Groundwater Savings Facility; and 3) the exchange of 1,000 acre-feet of CAP LTSCs with the Central Arizona Groundwater Replenishment District (CAGRD).

As CAWCD was in possession of a volume of CAP LTSCs in excess of the amounts recovered and assigned, the relevant permits for the recovery, and the scheduled direct delivery of 1,000 acre-feet of CAP water to the CAGRD was not realized, the Department agrees that the total of 28,442 acre-feet of CAP LTSCs were recovered/exchanged by CAWCD in 2008.

Sincerely,

Sandra Fabritz-Whitney
Assistant Director, Water Management

cc: Chuck Cullom, Central Arizona Project
Cliff Neal, Central Arizona Groundwater Replenishment District