

RESOLUTION NO. 2019-002

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER UTILITIES COMMUNITY FACILITIES DISTRICT (CITY OF APACHE JUNCTION, ARIZONA) AUTHORIZING THE DISTRICT TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE SALT RIVER VALLEY USERS' ASSOCIATION AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR A WELL LEASE, LONG TERM STORAGE CREDIT RECOVERY AND WATER TRANSPORTATION.

WHEREAS, the Salt River Valley Users' Association (the "Association") is an Arizona corporation; and

WHEREAS, the Salt River Project Agricultural Improvement and Power District (the "District") is a political subdivision of the State of Arizona; and

WHEREAS, the Water Utilities Community Facilities District (dba "Apache Junction Water District") ("AJWD") is an Arizona Revised Statutes ("A.R.S.") Title 48 special purpose and tax levying improvement district; and

WHEREAS, the Association owns land within the Salt River Reservoir District ("SRRD") and has valid appropriative rights to waters of the Salt and Verde Rivers; and

WHEREAS, the Association is responsible for delivery to its shareholders of waters developed, controlled or stored by it for the benefit of such lands; and

WHEREAS, the Association is the agent of the District in the operation of the water delivery system of the Salt River Project ("SRP"), a federal reclamation project pursuant to an agreement dated March 22, 1937, as amended by agreements dated February 28, 1944 and September 12, 1949, and is also the agent of the United States of America in the operation of the SRP pursuant to a contract dated September 6, 1917; and

WHEREAS, AJWD provides water service to a portion of the residents living in the City of Apache Junction; and

WHEREAS, AJWD is a party to an agreement dated March 12, 2018 with the City of Mesa allowing AJWD to have water delivered to and treated by the City of Mesa at its Val Vista

Water Treatment Plant for use by AJWD customers; and

WHEREAS, the Association and District agree to allow AJWD to obtain recovery well permits on certain SRP production wells, lease such production wells to recover long term storage credits, and transport water recovered under its recovery well permits to certain delivery points as mutually agreed upon by the Association, District and AJWD; and

WHEREAS, the Association, District and AJWD have crafted the attached written agreement in the form of an intergovernmental agreement which formalizes the arrangement.

NOW, THEREFORE, BE IT RESOLVED BY THE CHAIRMAN AND BOARD OF DIRECTORS AS FOLLOWS:

- 1) The Chairman and Board of Directors approve the form of the Intergovernmental Agreement for well lease, long-term storage credit recovery, and water transportation with the Association and District set forth in Attachment A; and the AJWD Director is hereby authorized to sign the agreement on behalf of AJWD.
- 2) The AJWD Director and/or his designee is authorized to take all steps necessary to carry out the purpose and intent of this resolution and to fulfill all the duties required under the agreement.

PASSED AND ADOPTED BY THE AJWD CHAIRMAN AND BOARD OF DIRECTORS, THIS _____ DAY OF _____, 2019.

SIGNED AND ATTESTED TO THIS _____ DAY OF _____, 2019.

JEFF SERDY
Chairman

ATTEST:

KATHLEEN CONNELLY
District Clerk

APPROVED AS TO FORM:

RICHARD J. STERN
District Attorney