APRIL PINGER-TORNQUIST

Apache Junction Water Utilities Community Facilities District

Oct. 19, 2021

Here's what we'll cover today:

CAP Facts, Figures and Economic Impact

Colorado River Basin System:

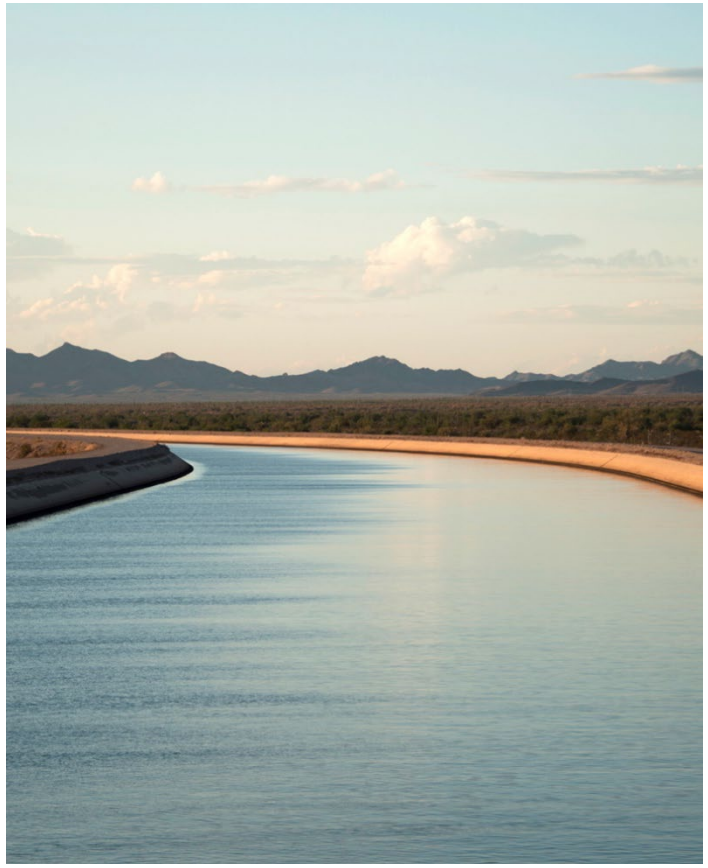
- Reservoirs
- Snowpack/runoff
- Projections

Colorado River Shortage:

- The U.S. Secretary of the Interior has declared the first-ever shortage on the Colorado River for 2022

What's next?

- Beyond shortage
- Arizona Reconsultation Committee



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CAP Facts and Figures and Economic Impact

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Central Arizona Project

- 336-mile aqueduct stretches from Lake Havasu to Tucson
  - 14 pumping plants lift water nearly 3,000 feet
  - 10 siphons, 3 tunnels
  - Lake Pleasant/New Waddell Dam & Pump Generating Station

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CAP Service Area

3 counties

23,790 square miles

< 8” annual rainfall

5 million people (approx. 80% of Arizona’s population)

350,000 acres of irrigated agriculture

11 tribes

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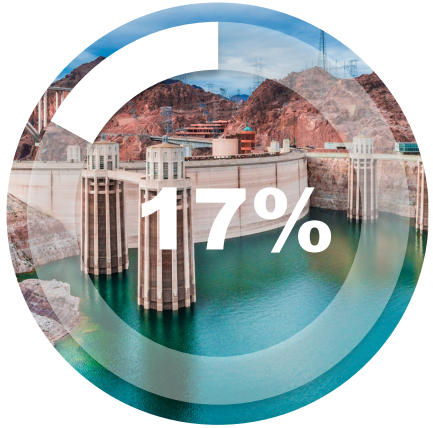
CAP Water Usage

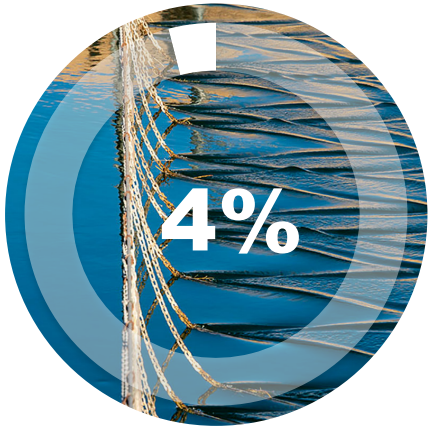
Municipal & Industrial (subcontracts)

Tribal (contracts)

Agricultural



Contributions To Lake Mead (Drought Contingency Plan)



Other Excess

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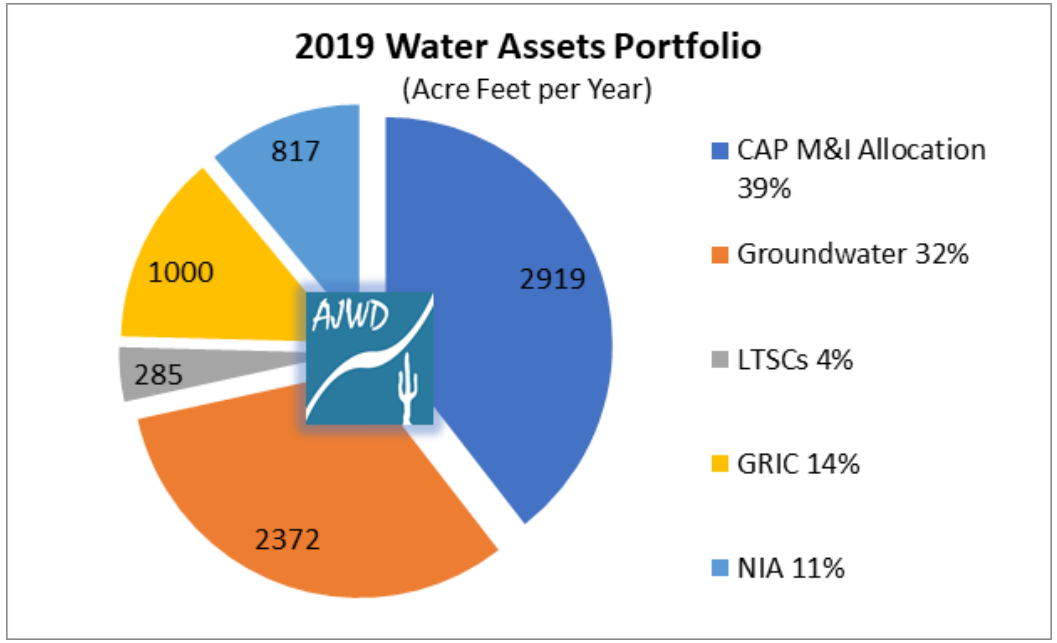
CAP Water: Apache Junction Water District

- The Apache Junction Water District supplies surface water from CAP for the Superstition Area Water Plant – this supply covers 90% of the system
- Groundwater is treated and blended with Colorado River water
- AJWD has CAP deliver raw water to the City of Mesa to be treated at the Brown Road Treatment Plant and delivered as a backup supply if necessary



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ECONOMIC IMPACT OF COLORADO RIVER WATER DELIVERED BY CAP TO ARIZONA

FACT SHEET

$2 TRILLION

The Colorado River water **CENTRAL ARIZONA PROJECT (CAP)** delivers has supported Arizona's gross state product (GSP) with $2 trillion in economic benefits since water deliveries began. The GSP represents the dollar value of all goods and services produced in the region and is a measurement of the economic output of a state. This economic impact supports 22 sectors of the Arizona economy related to gross state product and job-years of employment.

IN RECENT YEARS

Colorado River water delivered by CAP has supported an economic benefit exceeding

$100 BILLION PER YEAR

40%

ARIZONA'S GROSS STATE PRODUCT

1.6 MILLION JOBS

CAP's supply of water to its customers in **2017** is estimated at annual employment of nearly **1.6 MILLION JOBS.**

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Colorado River Basin

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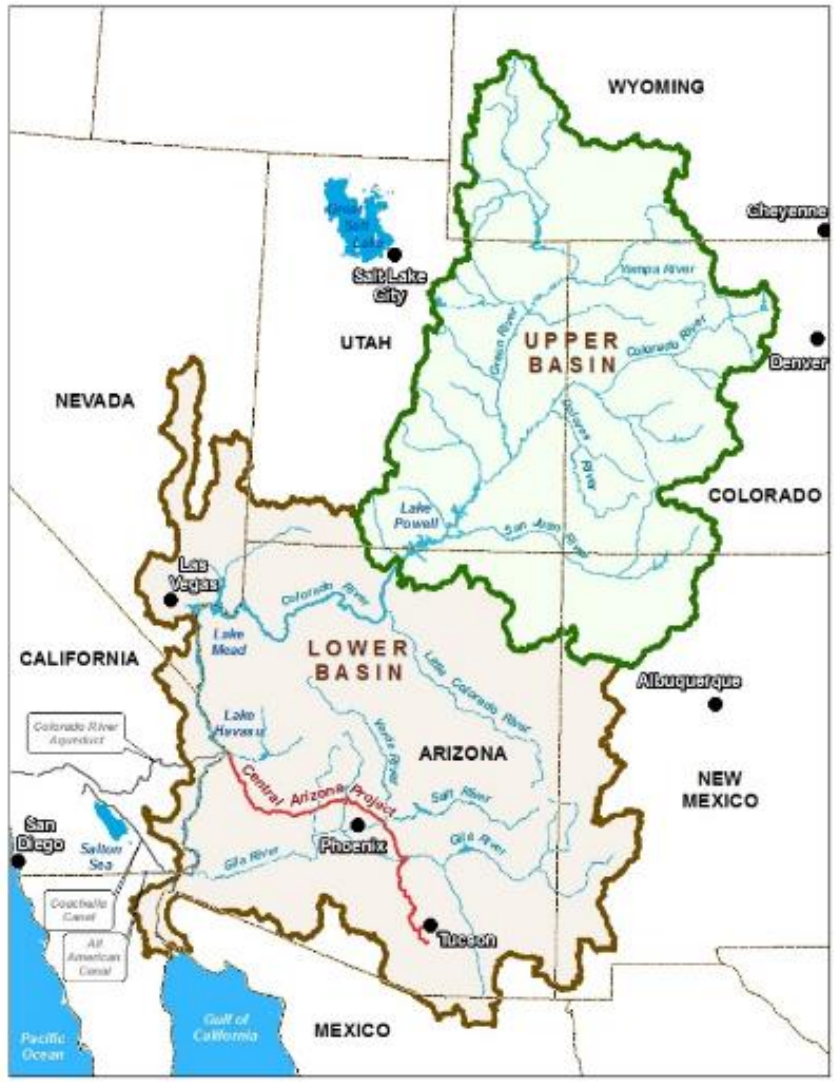
YOUR WATER. YOUR FUTURE.

Colorado River Basin

- Upper Basin States: Colorado, New Mexico, Utah, and Wyoming
- Lower Basin States: Arizona, California, and Nevada
- 7.5 million acre-feet (MAF) annual allocation of Colorado River water for the Upper Basin, 7.5 MAF for the Lower Basin and 1.5 MAF for Mexico
- Lower Basin allocations:
  - AZ (2.8 MAF)
  - CA (4.4 MAF)
  - NV (0.3 MAF)



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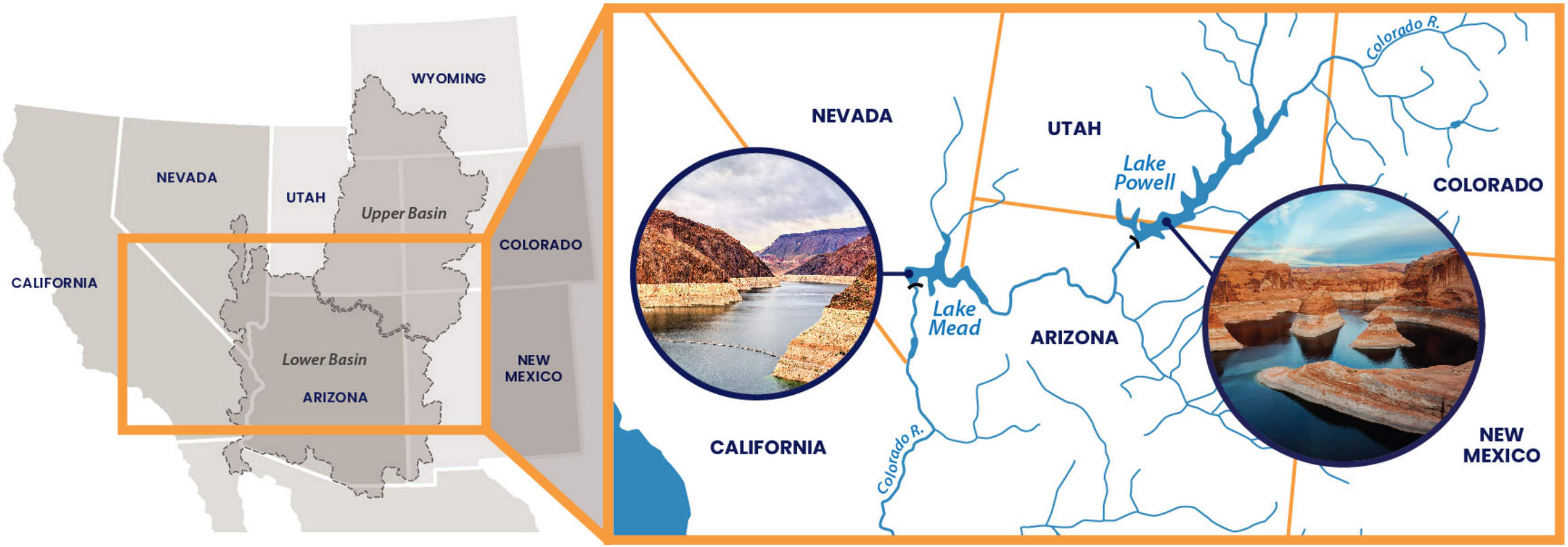
Colorado River Basin and Major Reservoirs



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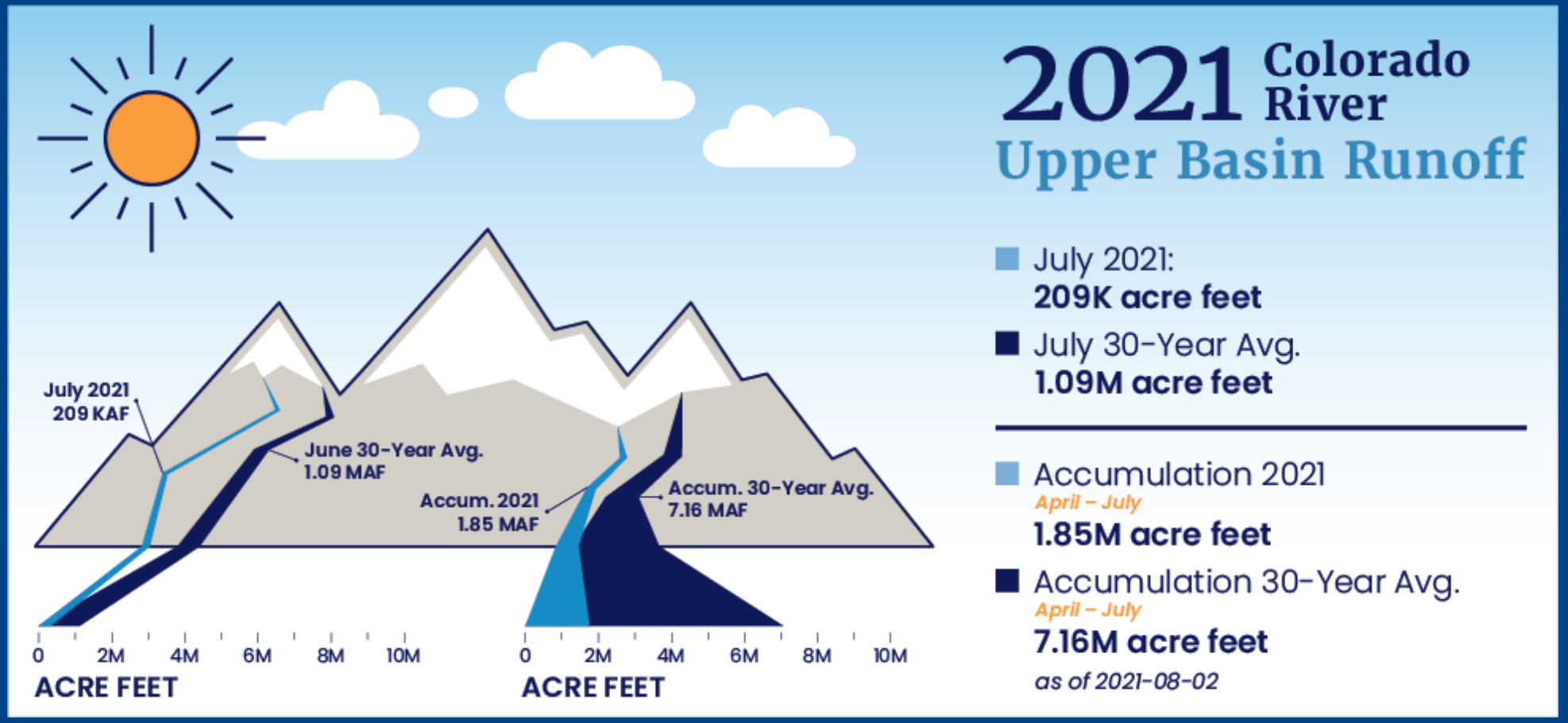
2021 Snowpack Runoff



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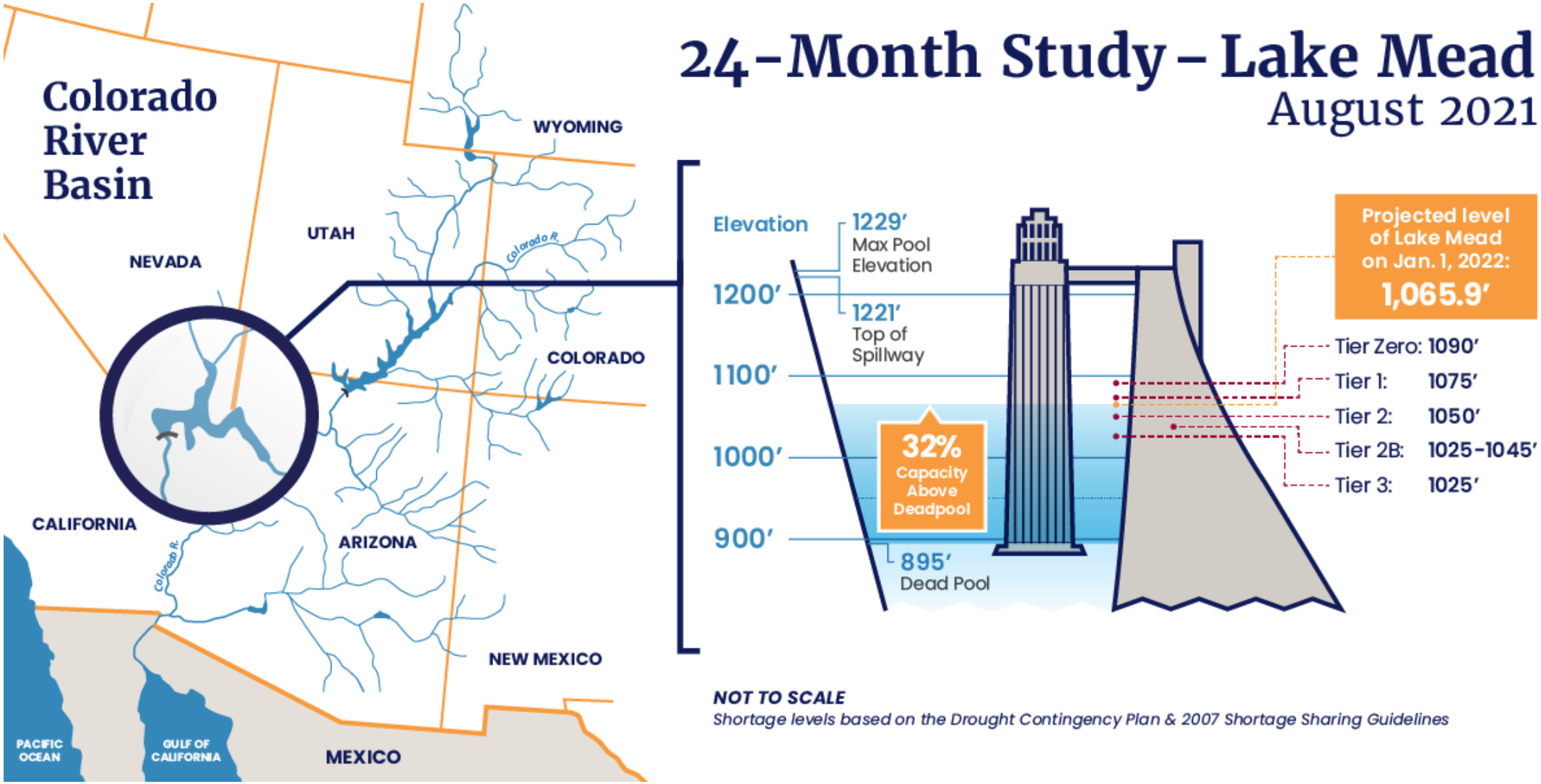
24-Month Study – Lake Mead
August 2021



NOT TO SCALE

Shortage levels based on the Drought Contingency Plan & 2007 Shortage Sharing Guidelines

Colorado River shortage and future of the Colorado River system

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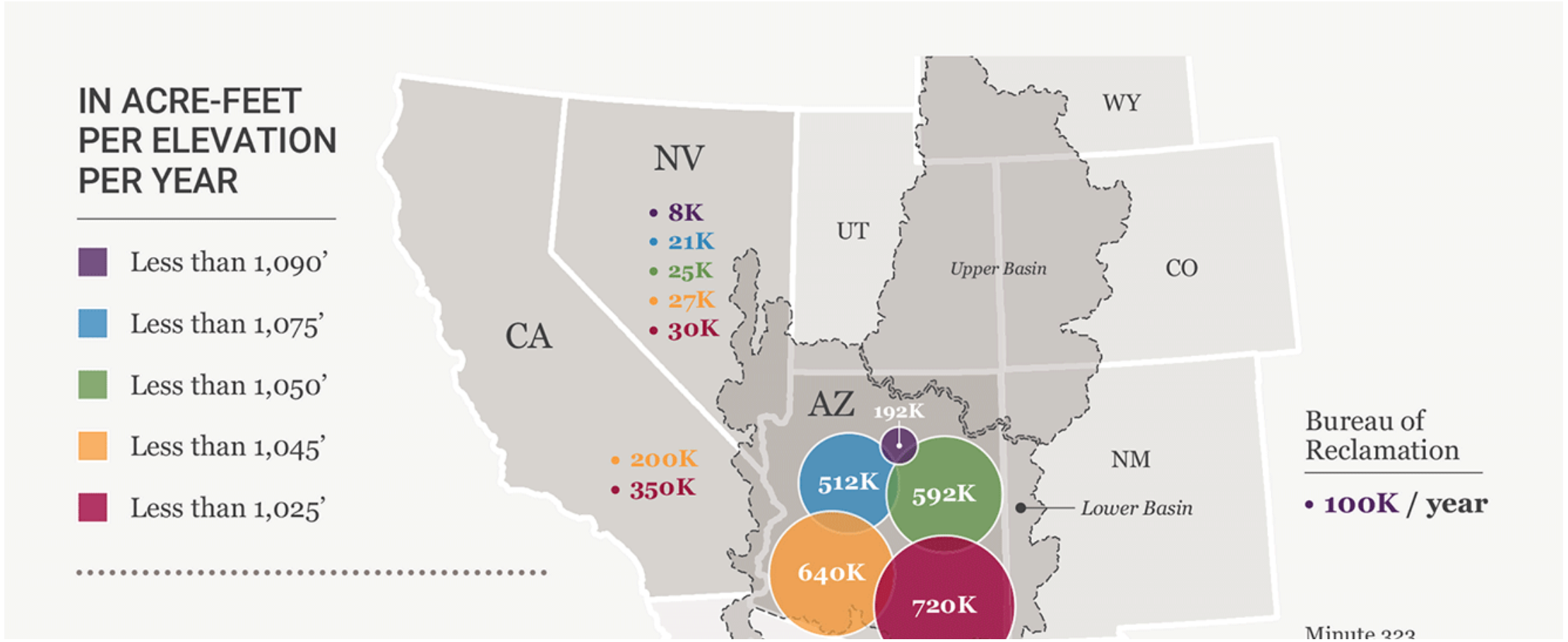
Lower Basin DCP Contributions to Lake Mead



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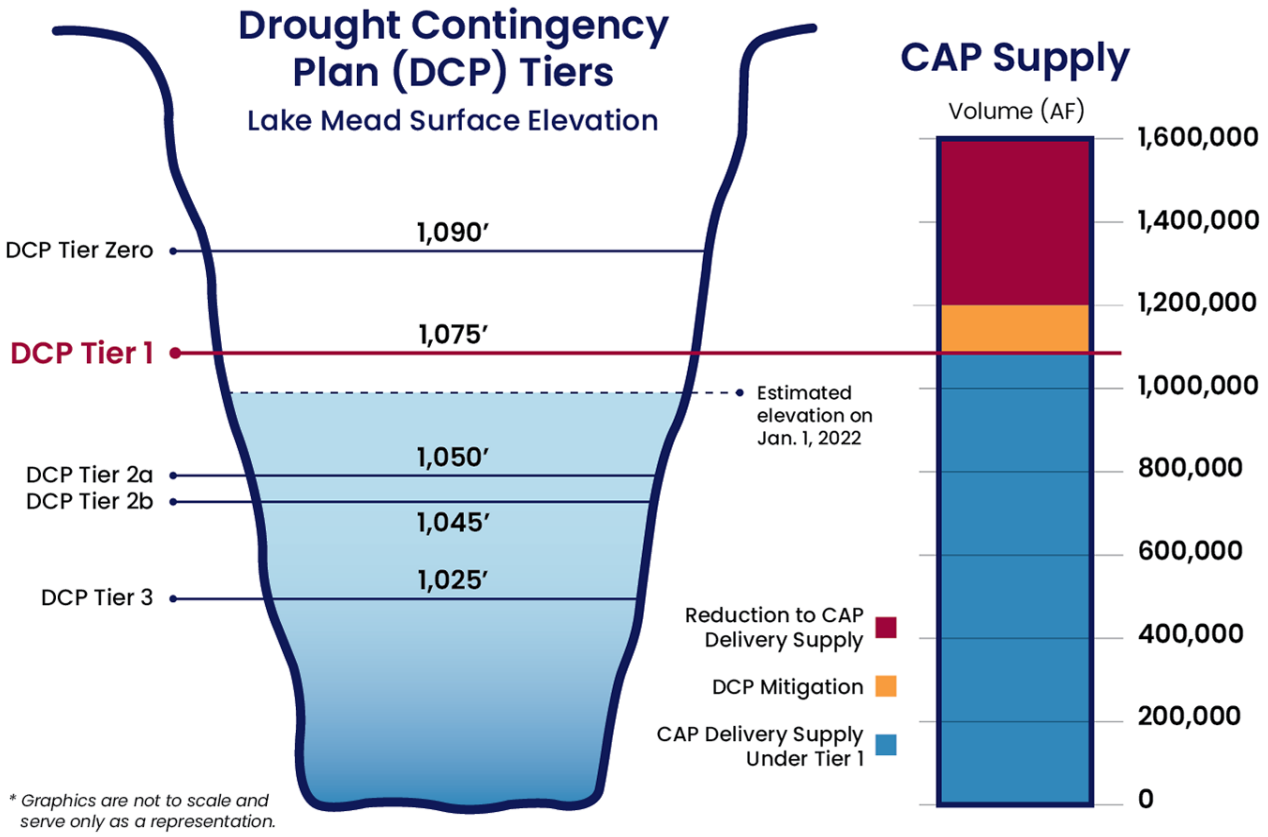
Arizona (CAP) Contributions in Shortage

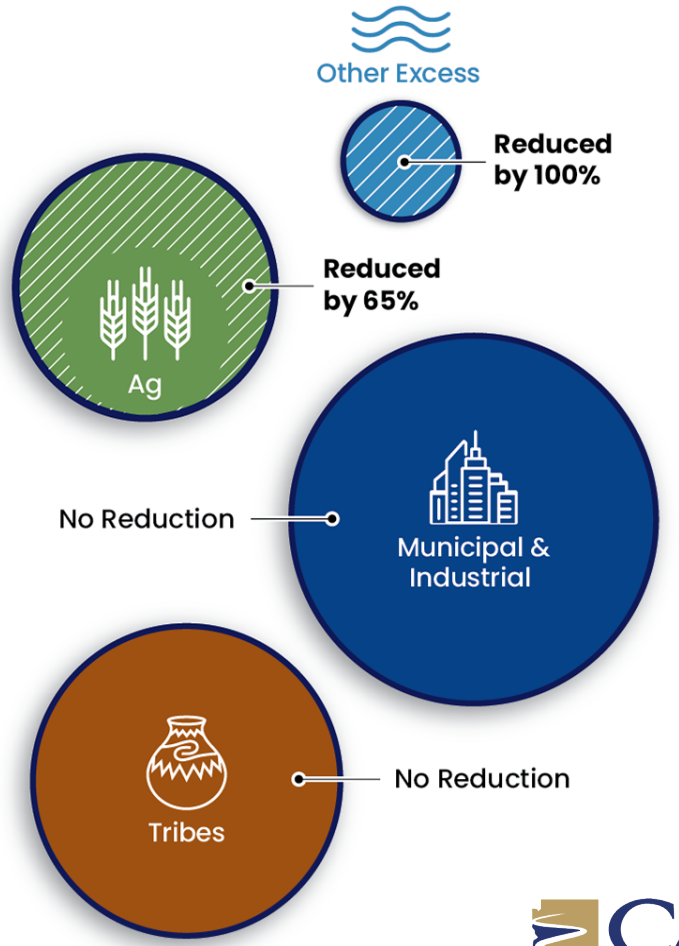
Tier 1 Shortage:

CAP Reductions



To learn more, please visit: www.cap-az.com/colorado-river-shortage

2022 Reduction to CAP Users After DCP Mitigation



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What’s next?

What's next?

- We knew this day was coming and actively prepared by investing in infrastructure and technology, and storing water underground. We are:
  - Increasing water conservation to benefit Lake Mead through local and interstate partnerships
  - Preparing to move non-Colorado River water through the system when necessary
  - Looking into augmentation efforts including desalination and exchanges
- The collaboration demonstrated by the DCP has kept us out of shortage until this point and gave us additional time to prepare.
- We recognize more actions are needed by all who share the Colorado River and stakeholders are already at work on the next set of guidelines to extend beyond 2026.

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AZ Reconsultation Committee (ARC)

ARIZONA RECONSULTATION COMMITTEE

- Establish a process for continued engagement within Arizona throughout the Reconsultation process
- Provide a venue for developing and sharing stakeholder perspectives and values to guide Arizona's guiding principles in the Reconsultation process
- Conduct fact-based technical work to understand the impacts to Arizona
- Continue the transparency established during the successful DCP Steering Committee effort
  - Open to the public and/or livestreamed
  - Presentations available on website

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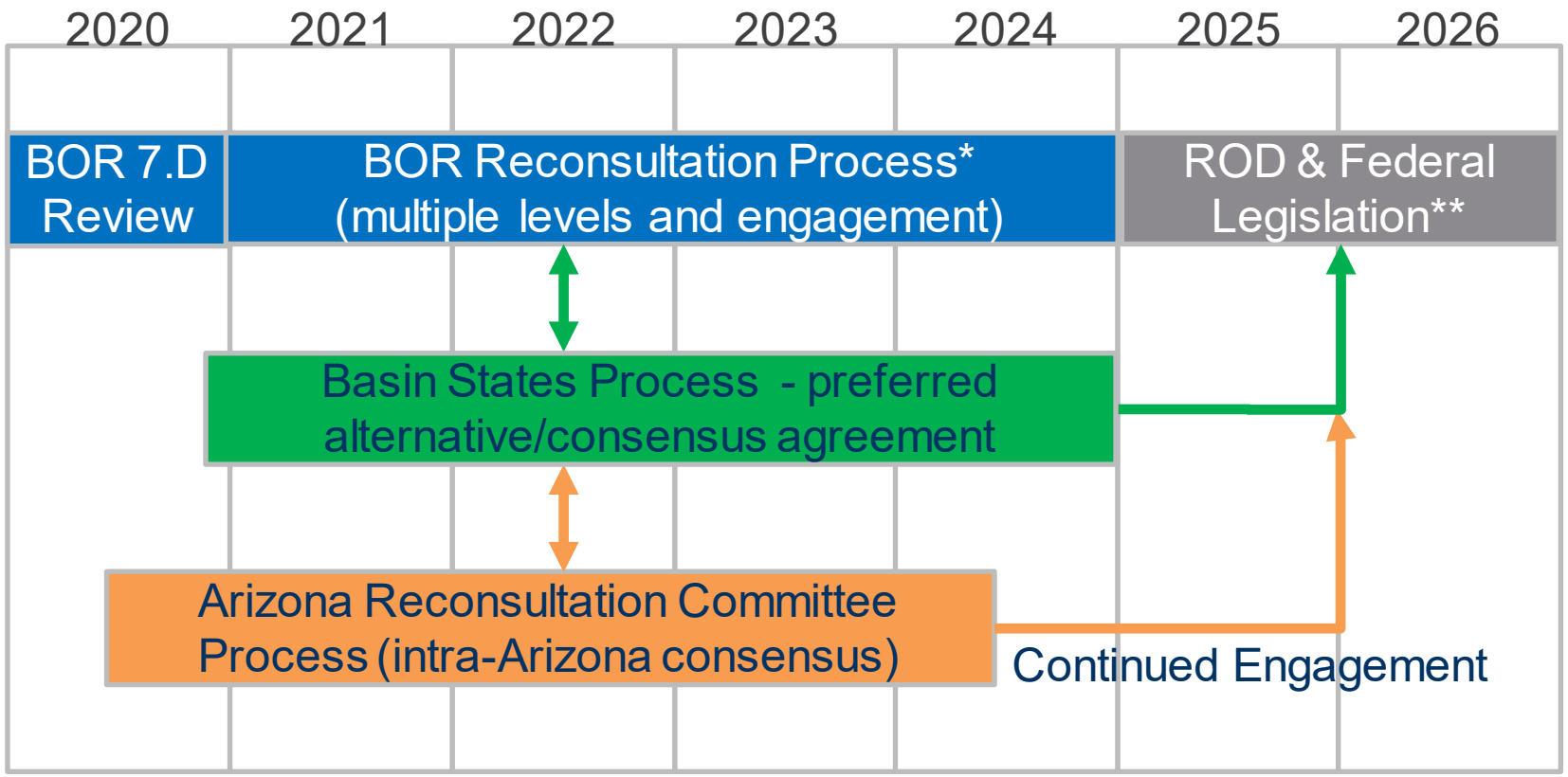
Arizona's Estimate of Reconsultation Processes and Timeline



*Exact timing of BOR Reconsultation Process yet to be determined

** Federal legislation if necessary

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For more information:

- CAP's news site – knowyourwaternews.com

- CAP's main website (with information on the Drought Contingency Plan and Arizona Reconsultation Committee – CentralArizonaProject.com

Other resources:

- Arizona Department of Water Resources -- new.azwater.gov

- US Bureau of Reclamation – usbr.gov

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Thank you!
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