

**CITY OF GOODYEAR  
CITY COUNCIL ACTION FORM**

**SUBJECT:** Approve agreement between  
the city of Goodyear and SRP

**STAFF PRESENTER:** Mark Holmes, Water  
Resources Manager

**CASE NUMBER:** N/A

**OTHER PRESENTER:** Dave Roberts,  
Associate General Manager SRP, and Christa  
McJunkin Director of Water Rights and  
Contracts SRP

**RECOMMENDATION:**

Approve the agreement between the city of Goodyear and the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District.

**PURPOSE:**

This agreement will allow the city of Goodyear to deliver its Central Arizona Project (CAP) water supplies to the Salt River Project (SRP) via the CAP SRP Interconnect Facility (CSIF) located at SRP's Granite Reef Dam. SRP would then deliver the city's CAP water allocation through their canal system to a point of receipt. Once received, the city would take direct delivery of its CAP water where it would be treated and delivered to Goodyear's water customers.

**BACKGROUND AND PREVIOUS ACTIONS:**

**BACKGROUND**

The newly adopted Integrated Water Master Plan (IWMP) analyzed growth planning horizons and determined that there are time-sensitive limitations to the physical availability of water that can be withdrawn on an annual basis within Water Planning Areas 2 & 3. The plan recommended that the city pursue direct delivery of its allocation of CAP water to ensure a long-term water supply for uninterrupted growth of the city and to ensure safe and reliable water for existing water customers. On December 19, 2016, staff presented the five partnership options for the delivery of its CAP water allocation in a work session and evaluated each option based on the pros and cons of partnership stability, protection of investments, opportunities of future expansion, level of control, technical feasibility, and costs. Based on this thorough evaluation, staff recommended the partnership with the Salt River Project (SRP) for the following reasons:

1. The SRP is the very first reclamation project in the United States that was signed into law in 1902.
2. SRP has created a water delivery system that can deliver Goodyear's water via three (3) canals making it very versatile.
3. SRP has water recharge projects whereby water can be recharged and stored underground.
4. SRP has a robust water recovery well network that can pump and recover long term storage credits for delivery to its customers.

5. SRP currently delivers about 800,000 acre-feet of water to most of the Phoenix metropolitan cities within its 400 square-mile water service area.
6. SRP can take direct deliveries of Central Arizona Project (CAP) water through the CAP SRP Interconnect Facility (CSIF).
7. SRP has created about 1.3 million acre-feet of water storage capacity within the Salt and Verde River watersheds.
8. SRP has established itself as a very stable partner with similar type agreements with most of the Phoenix Valley cities.
9. SRP is developing new water resources of which the city could further partner with SRP and expand its water resources portfolio.
10. The city will also solely control future expansion timing of the water treatment plant.
11. The city will control the design and engineering of the plant and the operations and maintenance costs associated with running the plant.
12. The SRP system is close to the city's eastern boundary providing a short distance for the water transmission system and very feasible with little technical or engineering difficulties as opposed to crossing Interstate-10.
13. The proposed alignment for the water transmission system between the SRP and future site of the city's plant is on lands that are undeveloped making the utility easement and construction very feasible.

Based on Staff's recommendation, the City Council provided direction to staff to explore a partnership opportunity with SRP.

## **PREVIOUS ACTIONS**

1. FY14-15 - \$720,000 approved in the Capital Improvement Plan by the City Council for updating the Integrated Water Master Plan.
2. April 15, 2014 – The City Council established the Water Planning Committee.
3. October 6, 2014 – The City Council appointed the members of the Water Planning Committee.
4. October 6, 2014 – The City Council approved a purchase order for \$601,509 for Carollo Engineering (Carollo) to update the city's Integrated Water Master Plan.
5. December 16, 2014 – The city approved Amendment #1 to the Integrated Water Master Plan for \$96,853 to conduct a thorough 5-year Capital Improvement Plan for the existing system.
6. June 15, 2015 – Carollo presented a 5-year capital improvement plan, Economists.com presented a 5-year utility rate study, and the Water Planning Committee presented recommendations to the City Council.
7. October 19, 2015 – The City Council received a Yellow Paper indicating the current status of the Integrated Water Master Plan.
8. October 26, 2015 – The City Council adopted the newly proposed 5-year rate plan that will support the new 5-year capital improvement plan for improvements to the existing utility system.
9. November 7, 2016 – Staff presented the Integrated Water Master Plan in a work session and received comments and direction related to five options of delivering CAP water to the city.
10. November 21, 2016 – The City Council adopted the 2016 Integrated Water Master Plan.

11. December 19, 2016 – Staff presented an evaluation of the five partnering options of delivering CAP water to the city utilizing a criteria and also presented a what if scenario of not delivering CAP water to the city. Staff received comments and direction related to Option 5 which highlighted a partnership opportunity with SRP.

### **STAFF ANALYSIS:**

The ability of Goodyear to directly and reliably deliver CAP water is an essential step in assuring the support of future growth. Additionally, establishing a relationship with Salt River Project as a water resources partner will not only ensure continuous water deliveries of the city's CAP water but also could allow the city to bank excess water supplies when available, store these water supplies within SRP aquifer storage facilities, and recover the city's stored water supplies through SRP's recovery well network, and deliver that water through their comprehensive delivery system. Also, SRP has been a key stakeholder in the historic and recent acquisition of new water supplies and this partnership could provide opportunities for the city for future needed water supplies.

SRP has established itself as a solid long-term partner for many of the Phoenix metropolitan cities with a long proven track record of success. Those partnerships have led to the success of these valley cities which in many instances now have the water resources and the delivery capabilities for their build-out.

### **FISCAL ANALYSIS:**

There will be operational and administrative costs associated with the CAP water that is delivered to the city by SRP. These fees do not become effective until the City takes delivery of water from SRP. When phase I of 8.0 MGD water treatment plant is operational the cost of transporting water to the plant will be approximately \$900,000 annually.

1. The city will have a leased capacity of up to 25,000 acre-feet per year within the CAP SRP Interconnect Facility (CSIF).
2. Goodyear shall pay \$13.00 per acre-foot or \$0.04 per 1,000 gallons as the CSIF lease.
3. Goodyear shall pay \$59.00 per acre-foot or \$0.18 per 1,000 gallons as the water transportation (wheeling) fee.
4. Goodyear shall pay an annual administration fee of \$2,525 (\$0.10 per acre-foot for 25,000 acre-feet of water delivered) for the first point of delivery and receipt.
5. Goodyear may pay an additional administration fee of \$786.00 for each additional point of delivery and receipt.

The city will need to construct:

- 1) An inter-connect with the SRP system.
- 2) A water transmission system between the SRP system and the city plant.
- 3) A new CAP surface water treatment plant to treat and deliver its CAP water to the water service area.

These capital costs will be implemented through the city's Capital Improvement Plan. As presented this project is not currently included in the CIP or IIP. Funding sources and

modifications are being evaluated for future funding consideration by council. Adoption of this agreement does not obligate the City to any of these costs.

**ATTACHMENTS:**

Proposed agreement between Goodyear and SRP