

**DIRECTORS**  
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**SUPERINTENDENT**  
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TELEPHONE (623) 386-2046  
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To: RID Landowners and Customers  
From: Donovan Neese, P.E., Superintendent  
Re: Settlement and Agreement

Dear Landowner and Customer:

It is my honor to announce the Settlement and Agreement of the legal disputes that have been ongoing with the Salt River Project and the United States of America.

We have entered into this Settlement and Agreement after many years of protracted litigation, during which your Roosevelt Irrigation District (RID) Board worked tirelessly to represent your interests and secure the long-term security and reliability of the RID water supplies.

I am pleased to announce that this Settlement and Agreement secures the use of RID water supplies for each landowner and customer and will enable you to continue to have the benefits of a reliable and affordable water supply. The RID Board wishes to thank each of you for your patience and support throughout this process.

RID plans to schedule a landowner and customer meeting to share details of the Settlement and Agreement and answer questions you have as we move toward the implementation. In addition to the attached summary of the Agreement, the District will make the details public through various forms of communication. Of course, you are always welcome to contact us directly via letter, phone or email.

Again, on behalf of the RID Board and the entire RID Staff, I want to thank you for the opportunity to serve you. We look forward to a bright future together.

Thank you,

A handwritten signature in blue ink, appearing to read "Donovan L. Neese", is written over a horizontal line.

Donovan L. Neese, Superintendent

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**ATTACHMENT**  
**EXCERPTS FROM THE**  
**2020 SUPPLEMENTAL AGREEMENT AMONG ROOSEVELT IRRIGATION**  
**DISTRICT, SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER**  
**DISTRICT, SALT RIVER VALLEY WATER USERS' ASSOCIATION, AND THE**  
**UNITED STATES OF AMERICA**

- There have been a series of Agreements dating back to 1921 which were amended and supplemented in 1950.
- In 2015, RID initiated litigation relating to the terms and provisions of the Existing Agreement.
- In February 2020, the Parties negotiated and approved a Term Sheet to resolve all issues in the litigation.
- In March 2020, RID and SRP negotiated and approved the Settlement Agreement to settle the Litigation.
- The Existing Agreements are amended and extended.
- The Eastside Wells are the fifty-three (53) wells RID currently operates located within the boundaries of the SRRD.
- The use of the Eastside Wells will end when the number of Irrigated Acres is reduced to 2,000 acres.
- Beginning for the calendar year 2021 RID will pump water from the Eastside Wells for irrigation purposes at 5.6 AF-per-acre of Irrigated Acres.
- RID withdrawals of water from the Eastside Wells shall be used only for agricultural irrigation purposes and only on RID Lands.

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- The Annual Pumping Entitlement shall be modified each calendar year and reduced by 5.6 AF for each acre of Irrigated Acres (25,586 Irrigated Acres as of 02/26/2020) that is permanently urbanized.
- In the event of severe drought affecting the Salt River and Verde River watersheds such that SRP reduces their shareholders' water allotment to two (2) AF-per-acre, RID shall temporarily reduce its pumping from the Eastside Wells to an amount equal to four (4) AF-per-acre for each Irrigated Acre.
- In the event such drought worsens such that SRP reduces its shareholders' water allotment to less than two (2) AF-per-acre, RID shall temporarily reduce its pumping from the Eastside Wells below four (4) AF-per-acre in proportion to SRP reductions as follows: for each 0.1 AF-per-acre of the SRP shareholder water allotment reduction, RID shall reduce its pumping from the Eastside Wells 0.2 AF-per-Irrigated Acre; provided that in no event shall RID be required to reduce its pumping from the Eastside Wells to an amount less than two (2) AF-per-Irrigated Acre.
- Beginning in the calendar year 2021, RID shall serve Residential Urban Irrigation Acres with only water withdrawn from the Westside Wells, on a volumetric accounting basis.
- RID shall not deliver water pumped from eastside wells to Non-RID lands for any purpose, including agricultural irrigation uses.
- Contracted water in-lieu of groundwater pumping qualifying under the RID Groundwater Savings Facility permit (GSF Water) delivered to RID shall be subtracted from the Annual Pumping Entitlement in calculating the Eastside Well Pumping Limit.
- Once the Irrigated Acres decrease to 2,000 acres GSF Water may be delivered for use on RID's remaining Irrigated Acres, Residential Urban Irrigation Acres, and Public Area Parcels.

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- Beginning in calendar year 2021 and continuing until the end of calendar year 2040, RID shall pay back SRP for any Excess Water pumped during a calendar year during over the following 2 years
- Beginning in calendar year 2041 and thereafter RID shall pay back SRP for any Excess Water pumped during the following year.
- SRP may agree to transport water for any requesting entity in SRP's water delivery system for delivery to the RID water delivery system for such entity's M&I uses.
- RID shall determine the amount of water it may transport through its delivery system, the delivery schedule for such water, and the amount it shall charge for the use of its facilities for the transportation of that water.
- SRP shall work with RID, Phoenix, and the Salt River Pima-Maricopa Indian Community to extend the agreement for water from the 23<sup>rd</sup> Avenue Treatment Plant, also known as the "Three-Way Exchange Agreement", The maximum volume of exchanged effluent shall not exceed 30,000 AF-per-year, and (b) the effluent shall only be used on RID Lands.
- The quantity of exchanged effluent received by RID under the Three-Way Exchange Agreement shall be subtracted from the Annual Pumping Entitlement in calculating the Eastside Well Pumping Limit.
- In the event the Three-Way Exchange Agreement is extended so the exchanged effluent can be used by RID for both M&I and agricultural purposes, SRP shall agree that RID can also use the exchanged effluent for M&I purposes.
- In the event the Three-Way Exchange Agreement is not amended and extended, RID shall be able to withdraw water from the Eastside Wells to replace the effluent up to the amount of the Eastside Well Pumping Limit.
- The United States and SRP shall agree that, as among the Parties, RID holds title to the Eastside Wells.

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- During the term of the Contract, in the event RID determines it no longer needs any Eastside Well(s) and wishes to sell such Eastside Well(s), RID shall sell and SRP shall purchase such Eastside Well(s) at the appraised value
- RID shall pay all applicable fees for the delivery and use of spill or flood water by SRP at such time that SRP's Board of Governors approves such fees. RID shall pay the lowest fee that SRP charges any user for spill or flood waters.
- SRP shall continue to provide and wheel electric service to the Eastside Wells under terms and conditions substantially similar to other irrigation districts to which SRP provides electric service for pumping from wells.
- RID shall comply with the applicable legal requirements for changes in its district boundaries and in its service area. RID shall provide SRP and the United States with sixty (60) days' advance written notice of any proposed modifications to RID's district boundary or service area.
- RID's right to withdraw and transport water from the Eastside Wells shall never exceed the amounts as set forth in the Contract. RID hereby forever releases, disclaims, abandons, and forfeits any right to withdraw and transport water from the Eastside Wells in excess of the amounts agreed to in the Contract.
- As provided in Section 106(c) of the Arizona Water Settlements Act, Public Law 108-451, no acreage limitation or full cost pricing provisions of federal law shall apply to any RID Lands.
- The Parties agree that the delivery of irrigation water or use of Federal facilities pursuant to this Contract is subject to Reclamation Law and the rules and regulations promulgated by the Secretary of the Interior under Reclamation Law. The Parties agree that any provisions of this Contract that apply to the United States and that are set out in Section 25 are authorized under Reclamation Law.
- RID is responsible for complying with applicable Federal, State, and local laws, rules, and regulations related to pest management in performing its responsibilities under this Contract.