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CERTIFIED MAIL No. 7014 0150 0000 2642 0444
RETURN RECEIPT REQUESTED

March 12, 2018

Mr. Tom Buschatzke, Director
Arizona Department of Water Resources
1110 W. Washington St. Ste. 310
Phoenix, AZ 85007

Re: Central Arizona Water Conservation District; Regarding Ad Valorem Tax for Water Storage, Pursuant to A.R.S. §48-3715.02, Subsections B and C and A.R.S. §48-3715.03.

Dear Mr. Buschatzke:

Enclosed, pursuant to A.R.S. § 48-3715.02, subsection B, is a certified copy of an amended resolution regarding the 4-cent tax reserves to be used for repayment or annual operations, maintenance, and replacement costs of the project, including underground storage for the purpose of M&I firming by the Arizona Water Banking Authority. This provides that the Board of Directors of the Central Arizona Water Conservation District (the "District") shall fix the amount to be raised by direct taxation, which amount shall not exceed four cents per one hundred dollars of assessed valuation.

A.R.S. § 48-3715.03 further provides that the Board shall determine annually by resolution whether any or all of the tax levied pursuant to A.R.S. § 48-3715.02, subsections B and C, shall be applied to the repayment of the construction costs of the Central Arizona Project ("Project") or to the annual operation, maintenance, and replacement costs of the Project. A.R.S. § 48-3715.03 further provides that those monies specified in such resolution for repayment of the construction costs or payment of the annual operation, maintenance, and replacement costs of the Project shall be deposited in the District fund established pursuant to A.R.S. § 48-3712, subsection A, paragraph 5.

Please contact us if you and your staff have any questions about this matter or the enclosed resolution.

Sincerely,

Ted Cooke
General Manager

Enclosure

cc: Jeff DeWitt, State Treasurer
Virginia O'Connell, Arizona Water Banking Authority

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
CENTRAL ARIZONA WATER CONSERVATION DISTRICT
REGARDING AD VALOREM TAX FOR WATER STORAGE

(March 1, 2018)

WHEREAS, A.R.S. § 48-3715.02, subsection B, provides that the Board of Directors (the "Board") of the Central Arizona Water Conservation District (the "District") shall fix the amount to be raised by direct taxation, which amount shall not exceed four cents per one hundred dollars of assessed valuation; and

WHEREAS, A.R.S. § 48-3715.03 further provides that the Board shall determine annually by resolution whether any or all of the tax levied pursuant to A.R.S. § 48-3715.02, subsections B and C, shall be applied to the repayment of the construction costs of the Central Arizona Project ("CAP" or the "Project") or to the annual operation, maintenance, and replacement costs of the Project; and

WHEREAS, A.R.S. § 48-3715.03 further provides that those monies specified in such resolution for repayment of the construction costs or payment of the annual operation, maintenance, and replacement costs of the Project shall be deposited in the District fund established pursuant to A.R.S. § 48-3712, subsection A, paragraph 5; and

WHEREAS, A.R.S. § 48-3715.03 further provides that a certified copy of such resolution shall be delivered to the Arizona Department of Water Resources;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Arizona Water Conservation District, as follows:

1. That all of the taxes that have been levied pursuant to A.R.S. § 48-3715.02, subsections B and C, and deposited in the designated District account in the District fund

established pursuant to A.R.S. § 48-3712, subsection A, paragraph 5 in accordance with prior resolutions and state law, shall be applied to repayment of the construction costs or payment of the annual operation, maintenance, and replacement costs of the Project, including costs associated with underground storage for the purpose of M&I firming by the Arizona Water Banking Authority; and

2. That a certified copy of this resolution be delivered to the Arizona Department of Water Resources.

I, the undersigned, as Secretary of the Central Arizona Water Conservation District, hereby certify that the foregoing is a true and correct copy of the resolutions duly adopted by the Board of Directors of the Central Arizona Water Conservation District at a meeting thereof, duly called and held on March 1, 2018, at which a quorum was present and acting throughout. I further certify that said resolutions have not been modified or revoked since their adoption and are still in full force and effect.

SIGNED THIS 1st DAY OF MARCH 2018.

By: Sharon B. Megdal
Sharon B. Megdal
Secretary