

AUTHORIZED LEGISLATIVE TRANSFERS FROM THE ARIZONA WATER BANKING FUND FOR FY 2022

Pursuant to Sections 60 and 97 of Senate Bill 1823, the legislature has authorized the use of \$1,412,400 in funds from the Arizona Water Banking Fund for Fiscal Year (FY) 2022. The funds will be used to support the following:

- Sec. 97. Arizona Department of Water Resources (ADWR) \$1,212,400
- Sec. 60. Arizona Navigable Stream Adjudication Commission (ANSAC) \$ 200,000
- \$1,412,200**

Based on the previous actions of the AWBA Commission, staff recommends that the funds needed for these transfers be taken proportionally from the Phoenix and Tucson Active Management Area withdrawal fee subaccounts as identified in the table below.¹

1. ANSAC - Since the timing of the transfers for ANSAC cannot be known in advance, staff assumes the transfers from the AWB Fund will occur during the first half of the fiscal year (Calendar Year (CY) 2021). This transfer is not expected to impact the AWBA’s 2021 Plan of Operation.
2. ADWR - Monies authorized for use by ADWR have typically been transferred during the second half of the fiscal year. ADWR has indicated the monies would be expended similarly for FY 2022. A fund transfer during the second half of the fiscal year would allow the AWBA to carry out its 2021 Plan of Operation as adopted and incorporate the reductions in withdrawal fees into the Plan of Operation for calendar year 2022.

The following table identifies the share from each subaccount based on estimated revenues collected in Calendar Years 2021 and 2022.

Water Banking Fund (withdrawal fees)	Revenues Available 2021 (million)	Pro Rata Share of Transfer (ANSAC)	Transfer Amount	Revenues Available 2022 (million)	Pro Rata Share of Transfer (ADWR)	Transfer Amount
Phoenix AMA	\$ 2.00	84%	\$168,000	\$ 2.00	84%	\$1,018,416
Tucson AMA	\$ 0.39	16%	\$32,000	\$ 0.39	16%	\$193,984

¹ Pursuant to A.R.S. § 45-611(C)(3), § 45-613(D) and § 45-615.01, Pinal AMA withdrawal fees are not available to the AWBA through 2026.