

# ARIZONA WATER BANKING AUTHORITY

## ANNUAL PLAN OF OPERATION

# 2022



**Thomas Buschatzke, Chair**

**December 2021**



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## EXECUTIVE SUMMARY

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The operation of the Arizona Water Banking Authority (AWBA) continues to change. Initial activities of the AWBA were primarily to store excess Central Arizona Project (CAP) water to create long-term storage credits (LTSCs). These LTSCs will be used to mitigate the effects of future Colorado River shortages on municipal and industrial (M&I) water users, provide groundwater management benefits, assist the State in the settlement of Indian water rights claims, and assist both California and Nevada through interstate banking arrangements. While the concept of the AWBA originally arose to make beneficial use of the State's full entitlement of Colorado River water, it serves multiple purposes, including certain statutory obligations. With the first-ever Colorado River shortage declaration by the Secretary of the Interior (Secretary) for 2022, the AWBA is transitioning to its next phase, making its stored water supplies available to meet its responsibilities.

The AWBA has made considerable progress toward meeting its objectives, developing more than 4.4 million acre-feet of credits for future use, including 613,846 acre-feet for interstate banking on behalf of Nevada. In recent years, and with the adoption of the Lower Basin Drought Contingency Plan (LBDCP), excess CAP water supplies have been used to conserve water in Lake Mead, leaving little to no water supplies available to the AWBA. As a result, the AWBA has focused on other methods for acquiring credits to continue to make progress on its firming goals. In 2022, the Colorado River will operate under a Tier 1 shortage condition, which will reduce Arizona's Colorado River supplies by 512,000 acre-feet. Consequently, there will be no water available to the AWBA, but more notably, the AWBA will have its very first firming requirement.

The AWBA 2022 Plan of Operation proposes to purchase 30,140 acre-feet of credits for a total cost of \$8.26 million. LTSC acquisitions are anticipated to occur in both the Phoenix and Tucson Active Management Areas (AMA). Potential LTSC purchases total 27,160 acre-feet and are estimated to cost \$7.4 million. Additionally, the AWBA plans to spend \$866,600 to purchase 2,980 acre-feet of Intentionally Created Surplus (ICS) Firming Credits pursuant to a 2019 intergovernmental agreement (IGA) with the Gila River Indian Community (Community). This agreement is a component of Arizona's plan for implementing the LBDCP. These credits will be used to meet the AWBA's firming obligations to the Community after 2026.

While significant, the reductions in Colorado River supplies under a Tier 1 shortage condition will not impact supplies for CAP M&I subcontractors or on-river M&I contractors in 2022. However, the reductions will impact CAP non-Indian agricultural (NIA) pool supplies. As a result, the AWBA has an obligation under the Arizona Water Settlements Act of 2004 to firm supplies for the Community. Based on the total supplies available to the CAP NIA pool in 2022, the AWBA must firm 6,429 acre-feet. There are no other firming or replenishment requirements for the AWBA in 2022. Additionally, the Southern Nevada Water Authority (SNWA) did not request the development of intentionally created unused apportionment. Therefore, there will be no credits recovered for interstate purposes.



## INTRODUCTION

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The AWBA was initially created in 1996 to store Arizona's unused Colorado River water entitlement in central and southern Arizona, and to develop long-term storage credits (LTSCs) for the following purposes: (1) firming existing water supplies for Colorado River and CAP M&I water users during Colorado River shortages or CAP service interruptions; (2) helping meet the water management objectives of the Groundwater Code; (3) meeting the State's obligations in the settlement of Indian water rights claims; and (4) assisting Nevada and California through interstate banking. The AWBA's enabling legislation has been amended over time allowing it to store other renewable supplies and to purchase credits in addition to storing excess CAP water supplies. The 2022 Plan does not include the storage of other renewable supplies but does include credit purchases.

Although the AWBA can utilize general fund appropriations to conduct its business, in recent years the only funds available to the AWBA have been groundwater withdrawal fees collected in the Active Management Areas (AMAs) and *ad valorem* property taxes levied and collected by the Central Arizona Water Conservation District (CAWCD). The availability of these funds for AWBA use varies both on an annual basis and by the amounts collected within each AMA/County. There are also restrictions on how the AWBA may utilize these revenues to meet its firming responsibilities. The costs to store water for Nevada, the AWBA's only interstate partner at this time, are paid by Nevada at the time storage occurs.

AWBA water storage is accomplished through the Recharge Program administered by the Arizona Department of Water Resources (ADWR). Through this program, the AWBA stores renewable water supplies in either underground storage facilities (USF) or groundwater savings facilities (GSF). The Recharge Program mandates an accounting of the water stored and the corresponding LTSCs accrued. The credits will be distributed by the AWBA when they are needed in the future. The use of these credits is dependent on the source of funds utilized to develop the credits.

The Plan is intended to govern the operations of the AWBA over the course of the entire calendar year. The AWBA recognizes that day-to-day adjustments in the normal operations of the CAP may affect the actual monthly deliveries made on behalf of the AWBA when available excess supplies have been scheduled or when turn back supplies become available during the year. If the adjustments do not impact the overall annual delivery projections contained in the Plan, they will be addressed by staff and reported to the AWBA members as needed.



## 2022 PLAN OF OPERATION

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The AWBA's Plan for 2022 has two components. The first component addresses the AWBA's ability to develop LTSCs through water storage or acquisition as well as the development of other non-storage firming resources. The second component assesses the need to distribute or extinguish LTSCs or other firming credits to satisfy a firming and/or replenishment responsibility, or to make water available for interstate purposes. In developing its Plan, the AWBA also takes into consideration comments solicited from the public and recommendations made by the GUACs in the Phoenix, Pinal and Tucson AMAs.

### Credit Development

The AWBA evaluates three critical factors for accruing or acquiring credits: 1) the amount of water and CAP canal capacity available to the AWBA for delivery; 2) the storage capacity available for use by the AWBA at the various recharge facilities and 3) the funds available to store water or purchase credits.

#### 1. Water Availability

In accordance with the Bureau of Reclamation's Annual Operating Plan<sup>1</sup>, which sets the annual operations for Lake Mead and Lake Powell for the following year, the Colorado River will operate under a Lower Basin Tier 1 shortage condition in 2022. As a result, Arizona's Colorado River entitlement will be reduced by 512,000 acre-feet. This volume includes 320,000 acre-feet in reductions under the 2007 operating guidelines<sup>2</sup> and 192,000 acre-feet in additional contributions to Lake Mead under the LBDCP. Consequently, there will be no water available to CAWCD's Statutory Firming Pool that is used by the AWBA, as well as the Agricultural pool, and a portion of the NIA pool. As a result, the AWBA's 2022 Plan will focus on developing credits through non-storage alternatives.

#### 2. Storage Capacity

Since there are no supplies available for storage, the availability of storage capacity is of less concern for the 2022 Plan. However, in the event water becomes available during the year, the AWBA should have sufficient capacity available to store the water as these supplies would likely to be minimal. Additional water storage permits are not anticipated for 2022.

#### 3. Available Funds

The AWBA will have an estimated \$1.26 million in withdrawal fee revenues available for use in calendar year 2022: \$866,600 for the Phoenix AMA and \$396,000 for the Tucson AMA.

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<sup>1</sup> Draft Annual Operating Plan for Colorado River Reservoirs 2022 dated August 26, 2021.

<sup>2</sup> Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead.



Total available revenues take into consideration more than \$1.2 million in funds reallocated to ADWR by the legislature for fiscal year 2022. Withdrawal fees levied in the Pinal AMA through 2026 will not be made available to the AWBA but will be used to support groundwater and irrigation efficiency projects in the Pinal AMA.<sup>3</sup>

As in previous years, the CAWCD Board resolved to retain the water storage property taxes collected in its three-county service area for costs related to operation and maintenance (O&M) and/or for repayment of the Project. Revenues held by CAWCD have been used to offset AWBA delivery and storage costs at its recharge projects as part of O&M of the project. However, funds used for LTSC purchases must be deposited to the Arizona Water Banking Fund. The AWBA requested \$4 million in Maricopa County funds and \$3 million in Pima County funds be reserved for LTSCs purchases in 2022. This request was approved by the CAWCD Board in June 2021 as part of the Board’s resolution on use of the water storage tax for the 2021/2022 tax year.

### Water and Facility Rates

Although the 2022 Plan does not include storage of excess CAP water, the AWBA also utilizes CAP water rates as factors in pricing LTSC purchases. Additionally, rates are provided in the event supplies become available during the year. In June 2021, the CAWCD Board approved its final water delivery rate schedule for calendar year 2022. The rate for recharge is \$242 per acre-foot, which reflects costs associated with decreased delivery volumes under a Tier 1 shortage condition. CAWCD storage facility rates have remained the same. The AWBA’s rate for use of Tucson Water’s Clearwater facilities increases 3 percent each year.

**Table 1** reflects the water delivery rate charged by CAWCD for AWBA recharge deliveries, the cost share GSF operators pay for AWBA storage, and the rates the AWBA pays to utilize different USFs. There is no administrative cost component in the facility cost because the AWBA pays the CAWCD administrative costs on an annual basis.

**Table 1. 2022 Water and Facility Rates**

Recharge Rates	Cost per Acre-foot
CAWCD delivery rate for AWBA	\$242.00
Groundwater Savings Facility operator cost share rate <sup>1</sup>	
Phoenix and Pinal AMAs	\$34.00
Tucson AMA	\$16.00
Underground Storage Facility rate paid by AWBA	
CAWCD – Phoenix Facilities	\$13.00
CAWCD – Tucson Facilities	\$15.00
Tucson Water - Clearwater Facilities	\$19.78

<sup>1</sup> This rate is paid directly to CAP by the GSF operators and is not available as revenue to the AWBA.

<sup>3</sup> A.R.S. § 45-611(C)(3), § 45-613(D) and § 45-615.01.

## **Credit Purchases**

The AWBA has several options for credit development through non-storage means, including the acquisition of LTSCs through purchase agreements and payment for ICS developed in Lake Mead as part of the LBDCP.

### ***Purchases Pursuant to A.R.S. § 45-841.01***

The Tohono O’odham Nation (Nation) must offer the AWBA ten percent of any LTSCs determined accruable by ADWR from storage at the Mission Mine Complex at a price per acre-foot that is equal to the AWBA’s delivery and storage costs at the time of sale. If the Nation offers the AWBA credits in 2022, the AWBA will evaluate the offer to determine if it is reasonable to purchase those LTSCs. There is a restriction that the LTSCs may not be recovered within five miles of the exterior boundary of the reservation.

### ***Other LTSC Purchases***

The AWBA could potentially purchase an estimated 27,160 acre-feet of LTSCs in 2022 using both water storage tax funds and withdrawal fee revenues. At the request of the AWBA, the CAWCD Board reserved \$7 million in water storage tax funds for AWBA LTSC purchases: \$4 million in Maricopa County funds and \$3 million in Pima County funds. Based on the purchase price formulas identified in the AWBA’s current LTSC purchase agreements, the AWBA could purchase an estimated 25,710 acre-feet of LTSCs using these funds. This amount includes 14,740 acre-feet of LTSCs in the Phoenix AMA (~\$271/AF) and 10,970 acre-feet in the Tucson AMA (~\$273/AF). Additionally, the AWBA anticipates purchasing an estimated 1,450 acre-feet of LTSCs using withdrawal fees collected in the Tucson AMA. The AWBA has credit purchase agreements with the City of Peoria, the Ak-Chin Indian Community and the Nation. However, the decision to purchase/sell LTSCs is determined annually through mutual agreement. The AWBA continues to seek additional LTSC purchase opportunities. In addition to cost, consideration is also be given to the location of the credits that are available for sale.

### ***ICS Firming Credits***

As part of Arizona’s Implementation Plan for the LBDCP, the AWBA entered into an IGA with the Community to purchase 50,000 acre-feet of firming ICS created by the Community.<sup>4</sup> Due to a one-time, ten-percent assessment for system and evaporation losses, the 50,000 acre-feet of firming ICS resulted in 45,000 acre-feet of ICS, referred to as ICS Firming Credits under the IGA. These credits will be used to satisfy AWBA firming obligations to the Community after 2026. The AWBA has paid incrementally for the creation of firming ICS, which started at a rate of \$240 per acre-foot in 2019. The rate schedule has an annual escalator of three percent.

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<sup>4</sup> IGA between the AWBA and the Community for the Development of ICS Firming Credits executed May 20, 2019 (2019 IGA).

For 2022, the AWBA estimates purchasing 3,312 acre-feet of firming ICS at a cost of \$261.6 per acre-foot. The total cost is approximately \$866,400 and will result in roughly 2,980 acre-feet of ICS Firming Credits after assessment. ICS Firming Credits will be purchased using withdrawal fee revenues collected in the Phoenix AMA.

### Interstate Water Banking

The AWBA, Southern Nevada Water Authority (SNWA), and Colorado River Commission of Nevada (CRCN) executed a Third Amended and Restated Agreement for Interstate Banking on May 20, 2013. The amended agreement allows for storage to be determined annually by the parties and may include storage of Nevada’s unused apportionment. Storage is paid for by SNWA in years when storage occurs. There is no interstate storage planned for 2022.

### Accounting of Credits

The AWBA has a statutory requirement to account for all LTSCs accrued by the funding sources used to develop the credits. The AWBA also maintains an accounting of all non-storage firming credits, replenishment activities, and the funds used for these purposes.

The estimated cost of the 2022 Plan is \$8.26 million and is anticipated to develop 30,140 acre-feet of credits as described above. **Table 2** summarizes the estimates of the funds available to the AWBA, the funds to be utilized, the entity that holds the funds, and the credits estimated to accrue to those accounts based on the 2022 Plan.

**Table 2. Funding for 2022 Plan of Operation and Estimated Credits Developed**

Funding Source	Estimated Funds Available		Estimated Funds Utilized		Estimated Credits (AF)	
	AWBA	CAWCD	AWBA	CAWCD	Water Storage	Developed Credits
<b>Withdrawal Fees</b>						
Phoenix AMA <sup>1</sup>	\$866,600	-	\$866,400	-	0	2,980
Tucson AMA	\$396,000	-	\$396,000	-	0	1,450
<b>Water Storage Tax<sup>2</sup></b>						
Phoenix AMA	\$0	\$4,000,000	\$0	\$4,000,000	0	14,740
Pinal AMA	\$0	\$0	\$0	\$0	0	0
Tucson AMA	\$0	\$3,000,000	\$0	\$3,000,000	0	10,970
	<b>Total Funds Available</b>		<b>Total Funds Expended</b>		<b>Total Credits</b>	
	\$8,262,600		\$8,262,400		0	30,140

<sup>1</sup> Funds used to develop ICS Firming Credits at \$261.60/AF pursuant to AWBA’s 2019 IGA with the Community. Developed credits include a 10% loss factor.

<sup>2</sup> Funds reserved by the CAWCD Board of Directors for the 2021/2022 tax year for AWBA LTSC purchases.

## Distribution or Extinguishment of AWBA Credits

The Tier 1 Colorado River shortage reductions in 2022 will reduce a portion of the water supplies available to the CAP NIA pool. As a result, the AWBA will have a firming obligation as defined under the Arizona Water Settlements Act of 2004 (AWSA). However, the reduction in Colorado River supplies will not impact fourth priority CAP M&I priority subcontractors or on-River contractors. Therefore, the AWBA will not distribute LTSCs for this purpose in 2022. Additionally, SNWA has not requested the recovery of LTSCs accrued on its behalf.

### Arizona Water Settlements Act Requirements

The AWSA recognizes three categories where the state has firming responsibilities. The first two obligations relate to firming of CAP NIA water for the Community and other Arizona Indian tribes in times of shortage for a 100-year period (through 2107); the third obligation pertains to assisting the Secretary in carrying out federal obligations under the Southern Arizona Water Rights Settlement Act (SAWRSA).

#### 1. Gila River Indian Community

The AWBA must ensure that up to 15,000 acre-feet per year of CAP NIA water be made available to the Community during shortages. The AWBA has dedicated 173,170 acre-feet of credits for this purpose to date pursuant to its firming agreements with the Community.<sup>5</sup> This amount includes 105,390 acre-feet of withdrawal fee credits accrued from water stored at the Gila River Indian Irrigation and Drainage District GSF, 44,000 acre-feet of Firming Credits accrued on-Reservation and 23,780 acre-feet of ICS Firming credits accrued in Lake Mead.

Based on CAWCD's final accounting of 2022 water orders, the firming volume is 6,429 acre-feet. To satisfy this firming obligation, the AWBA and the Community elected to extinguish an equal volume of Firming Credits. **Appendix A** provides an accounting of the Firming Credits used for this purpose.

#### 2. Other Settlements

The AWBA must also firm up to 8,724 acre-feet per year of CAP NIA water for other Tribal Settlements. The White Mountain Apache Tribe entered into an agreement that will require the AWBA to firm 3,750 acre-feet per year once the agreement becomes enforceable. This water is intended to be leased by cities in the Phoenix AMA.<sup>6</sup> Therefore, the AWBA's firming obligation will be to the lessees. The enforceability date is April 30, 2023.

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<sup>5</sup> Intergovernmental Agreement (IGA) between the AWBA and the GRIC executed June 16, 2015; Agreement between the Arizona Water Banking Authority and the Gila River Indian Community for the Development of Firming Credits executed June 30, 2016, and the 2019 IGA.

<sup>6</sup> Lessees receiving firming CAP NIA water under the Quantification Agreement include the cities of Avondale, Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix and Tempe.

Additionally, the Hualapai Tribe entered into an agreement that would require the AWBA to firm up to 557.5 acre-feet per year. Legislation to approve this settlement is expected to be resubmitted to congress early 2022. Since these settlements are not yet enforceable, the AWBA does not have a firming requirement in 2022.

### **3. Federal Assistance**

The AWBA has completed the State's obligation to contribute \$3 million in cash or in-kind services to assist the Secretary in meeting Federal obligations to the Nation. This obligation was met by accruing LTSCs at an equivalent cost. These LTSCs will be distributed to the Secretary during shortages when requested.

#### ***Southside Replenishment Bank***

In addition to the firming requirements of the AWSA, the AWBA was required to deliver 15,000 acre-feet of water to the Community to establish the Southside Replenishment Bank. This obligation was satisfied in 2015. The Replenishment Bank can be used to fulfill obligations created under the AWSA for protection of the Reservation from off-reservation groundwater pumping.

In September 2021, ADWR informed the AWBA that there was no replenishment obligation for the 2020 reporting year. Therefore, credits will not be extinguished for this purpose in 2022. Pursuant to A.R.S. § 45-2623(A), if any replenishment obligation exists, the AWBA must satisfy the replenishment obligation by June 1 of the third calendar year following the year the obligation was created.

#### **CAP M&I Subcontract Firming**

The reduction in CAP water supplies under a Tier 1 shortage condition will not impact CAP M&I priority subcontractors. Therefore, the LTSCs will not be distributed for firming purposes in 2022. Under current Colorado River operations, CAP M&I Priority supplies would only be impacted under Tier 2b or Tier 3 shortage conditions. When necessary, LTSCs will be distributed either to CAWCD for recovery and delivery of firming water to subcontractors or to subcontractors who have entered into a firming agreement with the AWBA and elected to receive LTSCs in a given shortage year. The AWBA has accrued over 2.3 million acre-feet of LTSCs using water storage tax funds, which are specifically used for CAP M&I firming purposes. **Table 3** identifies the volume of LTSCs accrued for each AMA.

#### **On-River Firming**

As with CAP M&I Priority subcontractors, there are no reductions in supply to Fourth Priority (P4) on-River M&I contractors under a Tier 1 shortage condition. Therefore, LTSCs will not be distributed for on-River firming purposes in 2022. In the near-term, on-River firming is not anticipated until a Tier 3 shortage condition occurs.

The AWBA entered into an agreement with the Mohave County Water Authority (MCWA) to reserve 256,174 acre-feet of LTSCs to firm MCWA subcontractors during times of shortage.<sup>7</sup> MCWA has also entered into an agreement with CAWCD for the exchange and recovery of these reserved LTSCs when they are needed. The distribution of these LTSCs will be based on requests made by MCWA in a shortage year. The AWBA has also set aside 147,656 acre-feet of LTSCs for the remaining P4 M&I entitlement holders. These entities may enter into similar firming agreements with the AWBA to receive their pro rata share of the available LTSCs during shortages.<sup>8</sup>

### **Interstate Requests for Intentionally Created Unused Apportionment**

The AWBA has accrued 613,846 acre-feet of LTSCs on behalf of SNWA. SNWA may request up to 40,000 acre-feet per year of recovery for the development of Intentionally Created Unused Apportionment (ICUA) by Arizona for diversion by SNWA.<sup>9</sup> However, if sufficient recovery capacity exists, SNWA may request the development of additional ICUA to replace reductions in supply during Colorado River shortages up to its annual entitlement. When SNWA requests water, the AWBA will distribute LTSCs to CAWCD for recovery and development of ICUA. CAWCD currently has agreements in the Pinal and Tucson AMAs for this purpose. Requests for the development of ICUA are not anticipated until 2025.

### **Achievement of Goals and Obligations**

In summary, the AWBA will extinguish 6,429 acre-feet of Firming Credits to satisfy a firming obligation to the Community. This is the only firming requirement for the AWBA in 2022. Additionally, the AWBA does not have a replenishment obligation for the Southside Protection Zones and there is no requirement to distribute LTSCs for the development of ICUA for SNWA.

**Table 3** identifies the volume of credits accrued or acquired by the AWBA through 2021, the estimated credits used to meet AWBA objectives, the balance of remaining credits and the volume of credits that may be needed by the AWBA to meet future firming requirements.

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<sup>7</sup> Amended Agreement to Firm Future Supplies between the AWBA and MCWA executed March 17, 2010.

<sup>8</sup> AWBA Resolution 2010-1.

<sup>9</sup> SNWA may request up to 20,000 acre-feet in the initial year and up to 30,000 acre-feet in the second year.

**Table 3. Uses of Accrued Credits in 2022 and Estimated Future Firming Volumes**

Objective and Location	Credits Available <sup>1</sup>	Estimated Credits Used	Estimated Credits Remaining	Estimated Firming Volumes Needed to Meet Objective <sup>2</sup>
	Acre-feet			
<b>CAP M&amp;I Firming (4-cent tax)</b>				
Phoenix AMA	1,572,092	0	1,572,092	1,885,000 – 2,985,000
Pinal AMA	233,740	0	233,797	293,000 – 463,000
Tucson AMA	510,131	0	510,131	1,040,000 – 1,647,000
<b>On-River M&amp;I Firming (gen. fund)</b>	403,830	0	403,830	221,000 – 359,000
<b>Tribal Settlement Obligations: <sup>3</sup></b>				
Community - 15,000 AFY	<b>173,170</b>	<b>6,429</b>	<b>166,741</b>	456,000 – 577,000
LTSCs	105,390	0	105,390	
Firming Credits	44,000	6,429	37,571	
ICS Firming Credits	23,780	0	23,780	
WMAT - 3,750 AFY	0	0	0	112,000 – 142,000
Hualapai - 557.5 AFY	0	0	0	17,000 – 21,000
<b>Future Settlements- 4416.5 AFY</b>	<b>0</b>	<b>0</b>	<b>0</b>	132,000 – 167,000
<b>Federal Assistance (SAWRSA)</b>	<b>34,102</b>	<b>0</b>	<b>34,102</b>	
<b>Groundwater Mgmt. <sup>4</sup> (W/Fees)</b>				
Phoenix AMA	251,411	0	251,411	
Pinal AMA	417,670	0	417,670	
Tucson AMA	107,148	0	107,148	
<b>Shortage Reparations <sup>5</sup></b>	<b>109,489</b>	<b>0</b>	<b>109,489</b>	
Phoenix AMA	20,642	0	20,642	
Pinal AMA	60,507	0	60,507	N/A
Tucson AMA	28,340	0	28,340	
<b>Pinal Redirect Credits <sup>6</sup></b>	<b>14,125</b>	<b>0</b>	<b>14,125</b>	
<b>Interstate - SNWA</b>	<b>613,846</b>	<b>0</b>	<b>613,846</b>	
Phoenix AMA	60,021	0	60,021	
Pinal AMA	440,241	0	440,241	
Tucson AMA	113,584	0	113,584	

<sup>1</sup> Credits accrued or acquired through 2021.

<sup>2</sup> Based on modeling results identified in the AWBA 2020 Annual Report (mean values).

<sup>3</sup> WMAT enforceability date is April 30, 2023; Hualapai settlement subject to congressional approval.

<sup>4</sup> Withdrawal Fee LTSCs may be used for CAP M&I firming and/or Tribal settlement obligations if needed.

<sup>5</sup> LTSCs accrued pursuant to Arizona-Nevada Shortage-Sharing Agreement executed in 2007.

<sup>6</sup> Credits accrued from water provided to Pinal AMA GSFs at full cost to the GSF operators.

## **PUBLIC REVIEW AND COMMENT**

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AWBA staff presented the 2022 Plan to the public in conjunction with the Groundwater Users Advisory Councils (GUAC) meetings for the Phoenix, Pinal and Tucson AMAs as required by statute. The Plan was also distributed to the public for review and comment.

The GUACs in all three AMAs supported the Plan as presented. In the Phoenix AMA there were questions concerning the AWBA's ability to purchase LTSCs under a tightening market. Staff responded that the AWBA has existing LTSC purchase agreements. The rate per acre-foot is equal to the AWBA's water storage rates. However, the decision to purchase/sell LTSCs is an annual determination between the parties. Opportunities for additional agreements would be discussed in open meeting and voted on by the Commission. Additionally, there was a question if the AWBA's ICS Firming Credits in Lake Mead would be used to firm the Community. Staff responded that the ICS Firming credits would be the first credits used to firm the Community beginning in 2026, subject to Colorado River operating guidelines.





## APPENDIX A

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### Firming Plan for Gila River Indian Community for Shortage Year 2022

Firming Credits Developed <sup>1</sup>				Firming Credits Utilized	Remaining Balance
Year	AF	Cost/AF	Total Cost	AF	
2015	16,000	\$ 157	\$ 2,512,000	6,429	9,571
2016	12,000	\$ 161	\$ 1,932,000		12,000
2017	7,000	\$ 164	\$ 1,148,000		7,000
2018	9,000	\$ 160	\$ 1,440,000		9,000
<b>TOTAL</b>	<b>44,000</b>		<b>\$ 7,032,000</b>	<b>6,429</b>	<b>37,571</b>

<sup>1</sup> Developed pursuant to IGA with the Community executed in 2016.