

**ARIZONA WATER BANKING AUTHORITY**  
**Wednesday, September 20, 2006**

No.	NAME (Please print)	Phone No.
1	ALAN P. KLEINMAN	702-523-3306
2	Mark Myers	520-742-0416
3	John Hebrick	602-236-5649
4	Larry Duzier	
5	Katli Knox	602-926-5480
6	Tom McCann	623-869-2343
7	Gary Given	623-869-2158
8	Donald Gross	602-771-8411
9	Mcckin Peterson	702-486-2672
10	Tom Maher	702-862-3702
11	Fred Breedlove	
12	Gregg Gapp	480-782-3585
13	<del>John Bonavich</del>	
14	<del>Drew S. Jushi</del>	
15	JEFF ENLERS SRP	602-236-5504
16	Mike Pryor	623-773-6400
17	Kenneth Sewsholms	520-770-3800
18	Paul Li	602-254-5908
19	Karl KOHLHOFF	602-7235302
20	PAUL NELSON	623-773-6238
21		
22		
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ARIZONA WATER BANKING AUTHORITY  
Wednesday, September 20, 2006

No.	NAME (Please print)	Phone No.
1	Karen LaMartina	(520) 791-2666
2	Paul Orme	(623) 465-0445
3	John Miller	480-312-5009
4	John Hestand	520-796-1344
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**Arizona Water Banking Authority**  
3550 N. Central Avenue, Phoenix, Arizona 85012  
Telephone 602-771-8487  
Fax 602-771-8685  
Web Page: [www.awba.state.az.us](http://www.awba.state.az.us)

**PLEASE POST**

**NOTICE OF PUBLIC MEETING**

Pursuant to A.R.S. § 38-431.02, notice is hereby given that there will be a meeting of the Arizona Water Banking Authority Commission on Wednesday, September 20, 2006 at 10:00 a.m. at the Arizona Department of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012, Upper Verde Conference Room. The meeting is open to the general public. Members of the commission will attend either in person or by teleconference.

Dated this 15<sup>th</sup> day of September, 2006

**FINAL AGENDA**

**Arizona Water Banking Authority Commission Meeting**

- I. Welcome/Opening Remarks
- II. Approval of Minutes of June 21, 2006 Meeting
- III. Water Banking Staff Activities
  - Deliveries
  - Web Page
  - *4¢ ad valorem* tax
  - In lieu tax
  - Renewal of water storage agreements
  - Status of 7 basin states discussions
  - Status of Arizona shortage discussions
- IV. Draft 2007 Annual Plan of Operation
  - Discussion of Table 2
  - Water and facility rates
  - Partner meetings
  - Public meetings
  - Water storage permit renewal application-Kai Farms GSF
- V. Interstate Water Banking
  - Approval to submit interstate accounting report to JLBC pursuant to statute
  - Potential California request for ICUA

VI. Discussion of Arizona Water Settlements Act Firming Efforts

- Initial meeting with Bureau of Reclamation
- Initial meeting with Gila River Indian Community

VII. Call to the Public

*\*All visitors must use the south elevators; please stop at the 2<sup>nd</sup> floor to sign-in and receive a visitor's badge. Badges are to be displayed at all times. Visitors are also required to sign out and return their badges. Thank you for your assistance.*

*Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Virginia O'Connell at (602) 771-8491. Requests should be made as early as possible to allow time to arrange the accommodation.*

1225 W. Main Street, #101-142  
Mesa, Arizona 85201

June 20, 2006

The Honorable Janet Napolitano  
Governor of Arizona  
1700 West Washington  
Phoenix, Arizona 85007

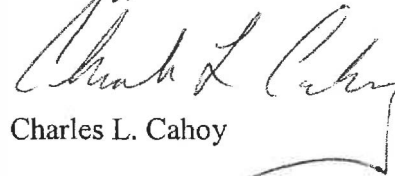
The Honorable Herb Guenther  
Chairman  
Arizona Water Banking Authority  
3550 N. Central Avenue  
Phoenix, Arizona 85012

RE: Resignation from Arizona Water Banking Authority Commission

Dear Governor Napolitano and Senator Guenther:

Please accept my resignation from the Arizona Water Banking Authority Commission, effective June 30, 2006. It has been an honor to serve this administration on the Commission for the past three years. I am leaving Arizona, however, and therefore will be unable to continue my service on the Commission.

Sincerely,



Charles L. Cahoy



STATE OF ARIZONA

JANET NAPOLITANO  
GOVERNOR

OFFICE OF THE GOVERNOR  
1700 WEST WASHINGTON STREET, PHOENIX, AZ 85007

MAIN PHONE: 602-542-4331  
FACSIMILE: 602-542-7601

September 7, 2006

Herbert Guenther, Director  
Arizona Water Banking Authority  
3550 N. Central Ave.  
Phoenix, AZ 85012-2105

Dear Mr. Guenther:

I am pleased to notify you that on September 07, 2006 Governor Napolitano appointed **Thomas Buschatzke** (replacing Charles Cahoy) to the **ARIZONA WATER BANKING AUTHORITY**.

This office has initiated the required paperwork for completion by the appointee including the Oaths of Office. The appointee may not begin serving on the Authority until the Oaths of Office have been signed and notarized by the appointee, attested to by the Secretary of State and filed by your office. The attested Oaths of Office will be mailed to you after the appointee has returned them to us.

I also enclose a current membership roster as reflected by our records. Please note any changes of address or other information and return the roster to my attention at the address above. For your information, our records reflect only the names of members appointed by the Governor. Many boards have other members whose records we do not maintain.

Yours very truly,

A handwritten signature in cursive script that reads "Dora Vasquez".

Dora Vasquez  
Director  
Governor's Office of Boards & Commissions

DV: br  
Enc.

## TOM BUSCHATZKE

### BIOGRAPHY

As the City of Phoenix' Water Resources Management Advisor, Tom Buschatzke is responsible for policy development for management of the City's water resources and works with City executive staff, the City Manager, the Mayor, and with members of City Council on a variety of water issues. Mr. Buschatzke also serves as the City's liaison with the Salt River Project, the Central Arizona Project and the Arizona Department of Water Resources.

Presently, Mr. Buschatzke is on the Governor's Colorado River Advisory Council; the Statewide Water Advisory Group; the Board of Director's of the Western Urban Water Coalition and serves as Chair of their Endangered Species Act Committee. He is a member of the Colorado River Water User's Association; American Water Resources Association; and the American Water Works Association.

Mr. Buschatzke's career in Arizona water resources began with a 1982 Arizona Department of Water Resources internship in the Phoenix AMA, and he ultimately became a Program Manager in the Adjudications Division. He began working for the City of Phoenix in 1988 as a Hydrologist in the Law Department where he provided assistance to City management and attorneys on issues relating to the City's water rights, water use and water supply. Tom holds a Bachelor of Science Degree in Geology from the State University of New York and has taken Master Degree level courses in Geology at Arizona State University. He has extensive knowledge of the City's water rights and has worked on negotiations for the Gila River Indian Community Water Rights Settlement; Plan 6 modifications to Roosevelt Dam; Endangered Species Act impacts on the City's water supply; the Arizona Groundwater Management Act; water delivery contracts with SRP; and a variety of other water resources issues, contracts and planning activities with local and regional implications.

**ARIZONA WATER BANKING AUTHORITY  
Draft Minutes<sup>1</sup>**

**June 21, 2006  
Arizona Department of Water Resources**



**AUTHORITY MEMBERS**  
Herbert R. Guenther, Chairman  
William K. Perry  
Vacant, Secretary  
John Mawhinney  
Maureen R. George

**EX OFFICIO MEMBERS**  
The Honorable Jake Flake  
The Honorable Lucy Mason

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**Welcome/Opening Remarks**

Chairman Herb Guenther welcomed the attendees. All members of the Authority were present except for John Mawhinney and *ex-officio* members Senator Jake Flake and Representative Lucy Mason.

Mr. Guenther announced that the budget, if signed by Governor Napolitano, included a general fund appropriation of 13.5 million to be used by the Authority to assist the State with Indian water settlements. He also noted that it was only a few days away from the AWBA's ten-year anniversary. House Bill 2494 established the AWBA in 1996 and the AWBA held its first meeting July 18, 1996. Mr. Guenther recognized the original Authority members and commented that Tim Henley had been the AWBA Manager since its inception. Tim has provided many years of invaluable contributions to both the Department of Water Resources (ADWR) and the AWBA. Mr. Guenther noted that although Mr. Henley retired in May, the AWBA would still be benefiting from his wealth of knowledge and expertise because he will now provide his assistance as consultant to the AWBA as well as ADWR. Mr. Guenther then introduced Kim Mitchell as the acting AWBA Manager.

**Approval of Minutes of March 22, 2006 and April 19, 2006 Meetings**

The Authority approved the minutes of the March 22, 2006 and April 19, 2006 meetings.

**Water Banking Staff Activities**

Kim Mitchell reviewed water deliveries and stated that deliveries were close to projected. Deliveries to the Tucson Active Management Area (AMA) were slightly below target and may be due to use by other partners. However, deliveries in the Phoenix AMA were ahead of schedule due to higher than projected deliveries to the Tonopah Desert Recharge Project.

Mr. Henley provided an update of the Seven-Basin States activities and noted that a letter describing the "Compromise Alternate" model, which the Seven-Basin States agreed upon, had been submitted to the Secretary of the Interior (Secretary) in response to the Environmental Impact Statement (EIS) scoping process. The Bureau of Reclamation is currently in the process of reviewing the research & analysis of the alternative model for the draft EIS, which is due by the end of 2006. Arizona and Nevada are also currently involved in discussions regarding the proposal of surplus

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<sup>1</sup> Please note that these are not formal minutes but a summary of discussion and action of the meeting. Official minutes are prepared prior to the next Authority meeting and are approved at that meeting.



declarations, labeled as Intentionally Created Surplus (ICS), and the means by which water could be delivered to Nevada to meet its needs. Mr. Guenther commented that the Lower Basin States are continuing to work out the details of the agreement and that they were looking at several different ideas, which were also being reviewed by outside council. He noted that newly appointed Secretary Kempthorne was also committed to meeting the same timeline set forth by former Secretary Norton. The Record of Decision for river operations must be completed by December 2007 for implementation by January 2008.

Gregg Houtz briefed the Authority on current legislative activities and noted there were two House Bill (H.B.) amendments regarding interstate water banking. First, the Tully amendment to H.B. 2869 requires that the AWBA provide a full report to the Joint Legislative Budget Committee by October 1 of each year concerning the previous Fiscal Year. The report must provide an accounting of all interstate monies received and disbursed for interstate water banking purposes, including any pre-paid monies to the Central Arizona Project (CAP) and monies that have been placed in an account with the State Treasurers Office. He commented that this report would be a new report prepared by the AWBA because the AWBA's current annual report is based on the calendar year. Second, the proposed Burns amendment to H.B. 2869 reinforces it is only the Legislature who decides how the \$100 million from Nevada will be spent by specifying that the AWBA cannot spend, encumber, lend, or in any other way use monies received pursuant to the Interstate Water Banking Agreement, except for the direct costs incurred in storing water on behalf of the State of Nevada. Mr. Guenther asked if the bill had passed yet. Mr. Houtz commented that these were part of the reconciliation bills for the budget. William Perry asked if the Fiscal Year report was the only additional item required of the AWBA. Mr. Henley commented that it was and noted that staff already had the necessary information and only needed to put it into report format.

Ms. Mitchell provided an update on the website redesign and stated that the web design staff had already been provided with numerous changes. She noted that staff had been focusing on the annual report in the last few weeks, but expected to provide additional changes to the web design staff shortly. The website is anticipated to be completed in the next few months. Mr. Guenther suggested updating Mr. Henley's biography.

### **2005 Annual Report**

Ms. Mitchell reviewed the statutory requirements with respect to the AWBA's submittal of the Annual Report and provided a brief overview of the activities for calendar year 2005. Virginia O'Connell outlined the provisions of the ten year plan. The ten year plan is similar to last year's plan in that it does not include a general fund appropriation and it expends withdrawal fee revenues before 4¢ *ad valorem* tax revenues. Although Governor Napolitano signed H.B. 2835, which identifies the AWBA as the agent for meeting the State's firming obligations under the Indian Water Settlements Act, this ten year plan does not include an Indian settlement

component because the method to be used to meet the State's firming obligation has not yet been determined. This plan does however include storage at the Gila River Indian Irrigation and Drainage District Groundwater Savings Facility (GSF), which could be used to meet a portion of the State's firming requirements. Maureen George pointed out that the recovery section of the ten year plan should include a statement regarding the potential recovery for the Mohave County Water Authority (MCWA) under a shortage declaration, since long-term storage credits have already been assigned for this purpose. Chuck Cahoy commented that the footnote to Table 8 in the ten year plan should be corrected to identify that long-term storage credits had been transferred to the AWBA's MCWA sub-account as opposed to the MCWA account. Mark Myers (public) commented that because the capital costs associated with CAVSARP storage facility can be applied to the Tucson AMA's firming goals, the M&I firming obligation for Tucson may be met sooner than projected. A motion was made that the Authority approve the annual report and ten year plan with the changes discussed and transmit it to the required entities. The motion was adopted.

### **FY 2007 Administrative Budget**

Mr. Henley reviewed the administrative budget and noted that there was a cover sheet and summary sheets that provide more detailed information. For FY 2006, he noted that actual expenditures were less than budgeted due to vacancy savings, which also decreased other related costs. He noted that the FY 2007 budget is only slightly higher than FY 2006. The ADWR cost of services is somewhat less because an administrative assistant was not included. However, professional and outside services are higher because of his own contract for his efforts in supporting the AWBA and the potential need for a consultant with experience regarding Indian firming requirements. Mr. Henley commented that the AWBA had similarly contracted outside council in the past to assist with interstate activities. He concluded the discussion by reminding the Authority that administrative costs are paid out of the administrative account. The money in that account comes from the interest earned on the other accounts. Based on the current balance and anticipated interest gains, the account would be able to pay the projected administrative costs.

The FY 2007 budget was approved.

### **Amended 2006 Plan of Operation**

Ms. Mitchell informed the Authority that the water storage agreement between the AWBA and the Gila River Indian Irrigation & Drainage District (GRIIDD), approved by the Authority at the April 19 special meeting, was signed on June 16, 2006. The GRIIDD GSF permit and the AWBA's two water storage permits associated with this facility had also been issued. She reminded the Authority that the GSF was located in both the Phoenix and Pinal AMAs and therefore a water storage permit was required for each AMA for accounting purposes. Because deliveries have been scheduled for the GRIIDD GSF this year, 35,400 acre-feet for the Phoenix AMA and 17,600 acre-feet for the Pinal AMA, the 2006 Plan of Operation, specifically Table 2, which identifies the planned delivery schedule, must also be amended. The AWBA

plans to utilize monies collected from withdrawal fees to pay for deliveries to the GRIIDD GSF. However, because withdrawal fees are limited, deliveries previously scheduled using this fund will instead be shifted to deliveries for M&I firming in the Phoenix AMA, utilizing 4¢ *ad valorem* tax, and deliveries for interstate purposes in the Pinal AMA. AWBA staff will meet with CAWCD to work out the details on fee payments. Mr. Henley commented that staff did not want to spend the \$13.5 million allocated for Indian settlements prior to the enforceability date of the settlement. Mr. Cahoy suggested that if money is a limiting factor, the \$13.5 million should be used and noted that there were other Indian settlements where the credits could be used, should the enforceability provisions of P.L. 108-451 not be met.

The Amended 2006 Plan of Operation was approved.

### **Master Water Storage Agreement**

Ms. Mitchell reminded the Authority that the Master Water Storage Agreement (Agreement) is a contract between CAWCD and the AWBA that allows the AWBA to store CAP water at underground storage facilities operated by CAWCD. Amendment No. 1 to the Agreement proposes to add the newly constructed Tonopah Desert Recharge Project to the facilities listed in the Agreement. Ms. Mitchell noted that the Amended Agreement would be presented for approval at the CAWCD Board meeting the following day, June 22, and commented that staff recommended approval of the proposed amendment following approval by the CAWCD Board.

Amendment No. 1 to the Agreement was approved subject to approval and signature by CAWCD.

### **Discussion of Indian Firming Efforts**

Mr. Henley provided an update on the legislative changes associated with the Indian Firming program. He noted that H.B. 2835, which included the recommendations of the Indian Firming Technical Committee, was signed by the Governor on April 12, 2006. This bill provides the AWBA with additional tools for assisting the State in meeting its firming obligations. Mr. Henley also provided a schedule for developing the Arizona firming plan. An initial draft of the plan would be presented at the next AWBA meeting scheduled for September, followed by a public workshop in mid-October and a Final plan to be presented at the AWBA meeting scheduled for December. Ms. George requested that the draft agreement be distributed to the Authority members in advance to allow sufficient time for review.

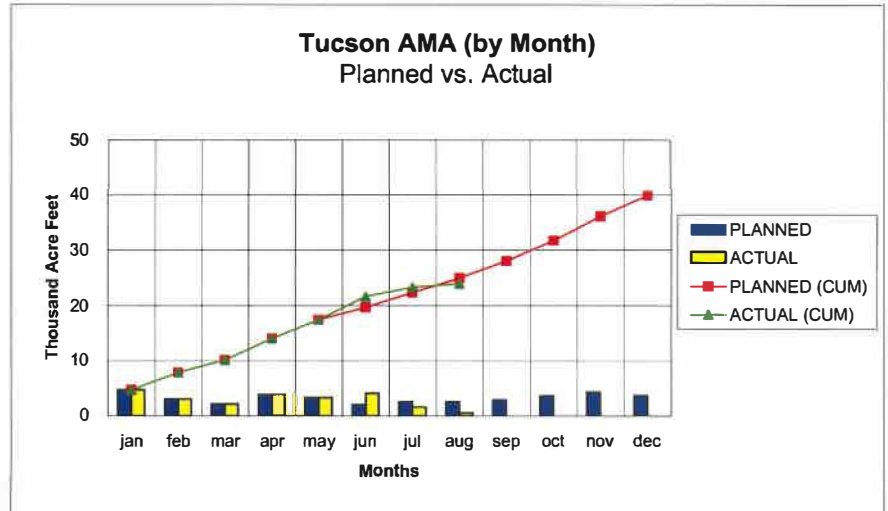
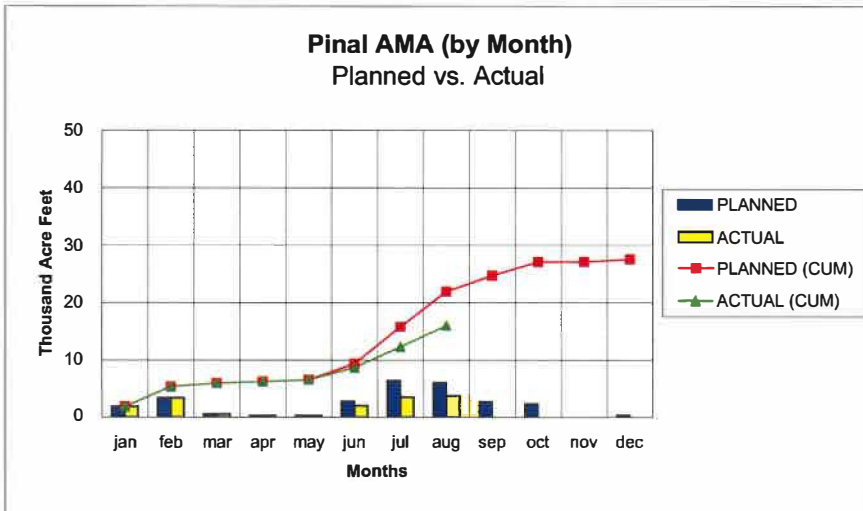
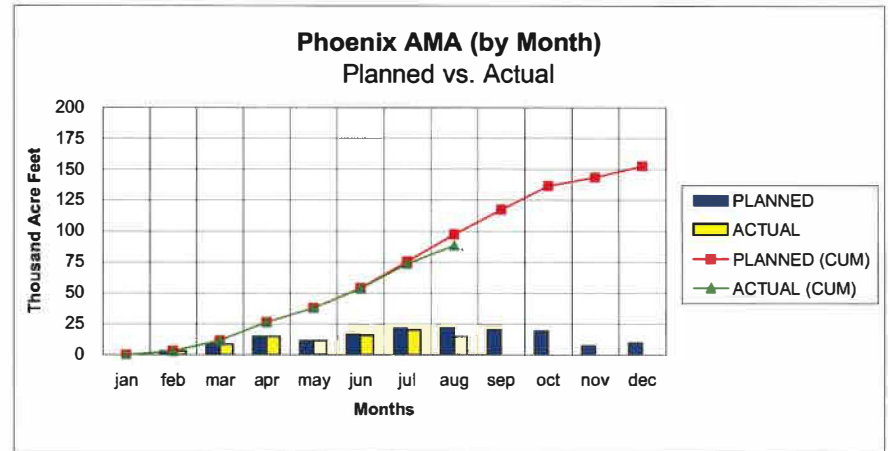
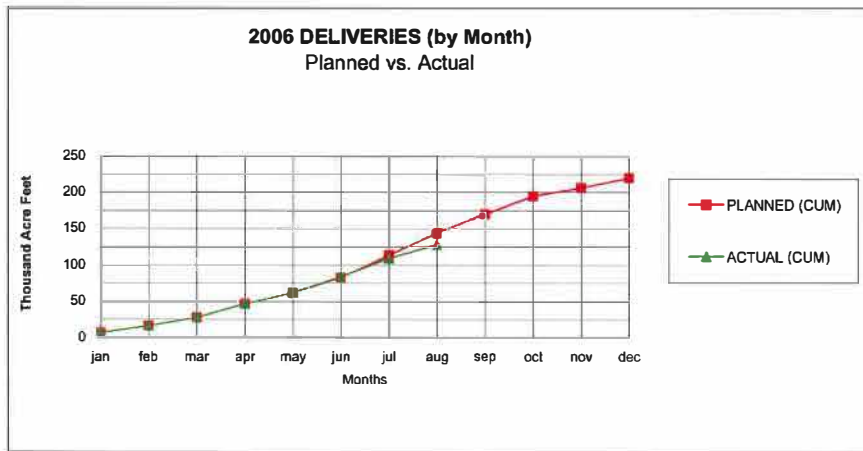
### **Call to the Public**

There was no additional public comment.

The meeting concluded at 11:25 a.m.

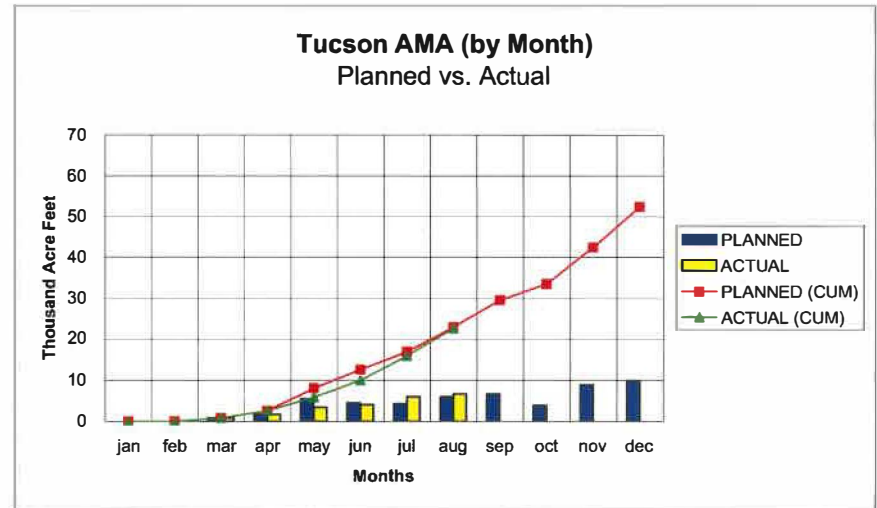
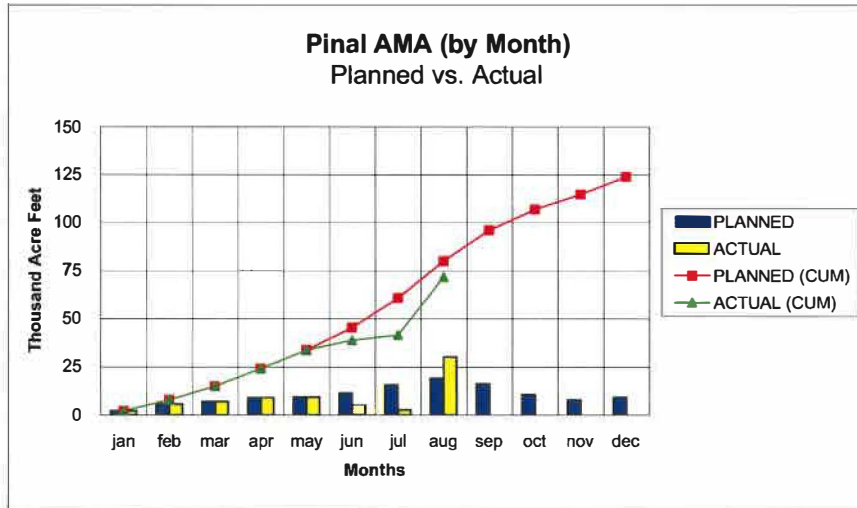
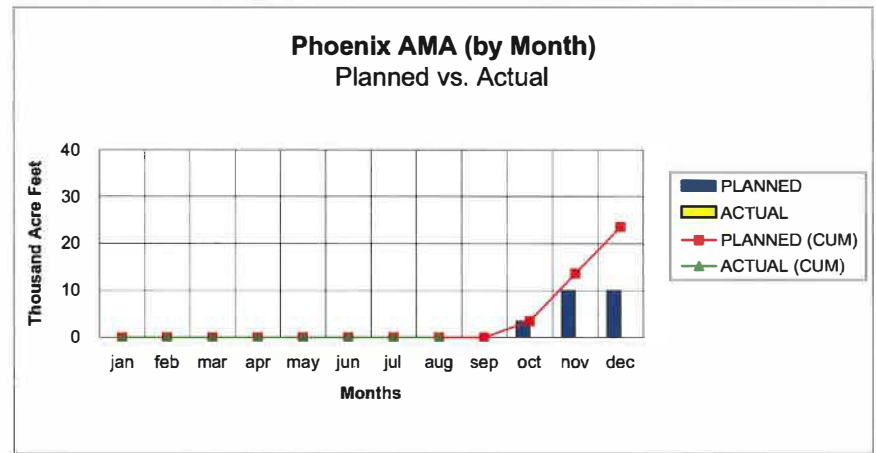
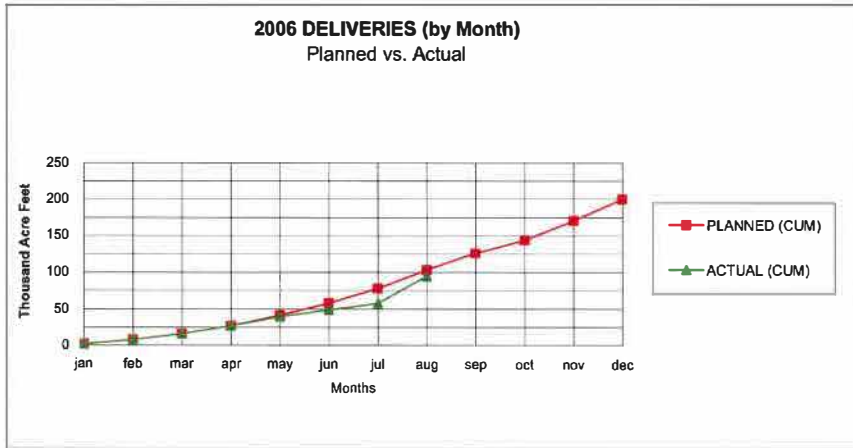
# 2006 Plan of Operation

## INTRASTATE



# 2006 Plan of Operation

## INTERSTATE



Actual deliveries updated  
Amended Plan of Operation

13-Sep-06  
21-Jun-06

Phoenix AMA

Intrastate

	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	total
GRUSP	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	2,500	2,500	2,500	2,500	10,000
AGUA FRIA	0	0	0	0	0	0	0	1,040	0	0	0	0	1,040
	0	0	0	0	0	249	1,690	2,800	2,800	2,800	2,800	2,800	15,939
HIEROGLYPHIC MTNS	0	0	0	0	0	0	0	1,522	0	0	0	0	1,522
	0	0	0	0	0	0	0	0	2,115	2,300	1,000	2,300	7,715
TONOPAH DESERT	0	3,002	8,529	14,842	11,404	11,384	12,781	10,979	0	0	0	0	72,921
	0	3,002	8,529	14,842	11,404	10,000	10,000	10,000	6,850	6,500	0	0	81,127
CHCID	0	0	0	0	0	44	35	0	0	0	0	0	79
	0	0	0	0	0	100	100	75	75	83	75	25	533
NMIDD	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
QCID	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	700	1,000	1,700
SRP	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
GRIIDD	0	0	0	0	0	4,323	7,245	957	0	0	0	0	12,525
	0	0	0	0	0	5,687	9,583	8,994	5,556	4,770	0	810	35,400
<b>Subtotal</b>	<b>0</b>	<b>3,002</b>	<b>8,529</b>	<b>14,842</b>	<b>11,404</b>	<b>15,751</b>	<b>20,061</b>	<b>14,498</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,087</b>
<b>Total to date</b>	<b>0</b>	<b>3,002</b>	<b>11,531</b>	<b>26,373</b>	<b>37,777</b>	<b>53,528</b>	<b>73,589</b>	<b>88,087</b>	<b>88,087</b>	<b>88,087</b>	<b>88,087</b>	<b>88,087</b>	<b>88,087</b>
<i>Projected total to date</i>	<i>0</i>	<i>3,002</i>	<i>11,531</i>	<i>26,373</i>	<i>37,777</i>	<i>53,813</i>	<i>75,186</i>	<i>97,055</i>	<i>116,951</i>	<i>135,904</i>	<i>142,979</i>	<i>152,414</i>	<i>152,414</i>

Interstate

GRUSP	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
AGUA FRIA	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
HIEROGLYPHIC MTNS	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
TONOPAH DESERT	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	3,500	10,000	10,000	23,500
CHCID	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
NMIDD	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
QCID	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
SRP	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
TID	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total to date</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,500</b>	<b>13,500</b>	<b>23,500</b>	<b>23,500</b>
<i>Projected total to date</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,500</i>	<i>13,500</i>	<i>23,500</i>	<i>23,500</i>

Combined

<b>Subtotal</b>	<b>0</b>	<b>3,002</b>	<b>8,529</b>	<b>14,842</b>	<b>11,404</b>	<b>15,751</b>	<b>20,061</b>	<b>14,498</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,087</b>
<b>Total to date</b>	<b>0</b>	<b>3,002</b>	<b>11,531</b>	<b>26,373</b>	<b>37,777</b>	<b>53,528</b>	<b>73,589</b>	<b>88,087</b>	<b>88,087</b>	<b>88,087</b>	<b>88,087</b>	<b>88,087</b>	<b>88,087</b>
<i>Projected total to date</i>	<i>0</i>	<i>3,002</i>	<i>11,531</i>	<i>26,373</i>	<i>37,777</i>	<i>53,813</i>	<i>75,186</i>	<i>97,055</i>	<i>116,951</i>	<i>139,404</i>	<i>156,479</i>	<i>175,914</i>	<i>175,914</i>



Actual deliveries updated		13-Sep-06												total
Amended Plan of Operation		21-Jun-06												
		jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	
<b>Pinal AMA</b>														
Intrastate	CAIDD	0	0	0	0	0	0	0	3,300	0	0	0	0	3,300
		0	0	0	0	0	0	1,650	1,650	0	0	0	0	3,300
	MSIDD	1,130	1,560	0	300	310	0	0	0	0	0	0	0	3,300
		1,130	1,560	0	300	310	0	0	0	0	0	0	0	3,300
	HIDD	820	1,897	583	0	0	0	0	0	0	0	0	0	3,300
	820	1,897	583	0	0	0	0	0	0	0	0	0	3,300	
GRIIDD		0	0	0	0	0	2,129	3,569	471	0	0	0	0	6,169
		0	0	0	0	0	2,828	4,765	4,472	2,763	2,372	0	400	17,600
Subtotal		1,950	3,457	583	300	310	2,129	3,569	3,771	0	0	0	0	27,500
Total to date		1,950	5,407	5,990	6,290	6,600	8,729	12,298	16,069	16,069	16,069	16,069	16,069	27,500
Projected total to date		1,950	5,407	5,990	6,290	6,600	8,729	12,298	16,069	16,069	16,069	16,069	16,069	27,500
Interstate	CAIDD	0	0	0	0	0	0	0	13,142	0	0	0	0	13,142
		0	0	0	0	0	7,725	8,075	8,075	4,225	2,725	2,725	3,150	36,700
	MSIDD	2,239	5,720	3,441	5,798	9,462	5,061	440	8,039	0	0	0	0	40,200
		2,239	5,720	3,441	5,798	9,462	3,840	5,080	10,940	7,500	5,240	3,690	3,690	66,559
	HIDD	50	0	3,631	3,319	0	0	2,323	9,000	0	0	0	0	18,323
	50	0	3,631	3,319	0	0	2,500	0	4,500	2,700	1,500	2,500	20,700	
Subtotal		2,289	5,720	7,072	9,117	9,462	5,061	2,763	30,181	0	0	0	0	71,665
Total to date		2,289	8,009	15,081	24,198	33,660	38,721	41,484	71,665	71,665	71,665	71,665	71,665	71,665
Projected total to date		2,289	8,009	15,081	24,198	33,660	45,225	60,880	79,895	96,120	106,785	114,700	123,959	123,959
<b>Combined</b>														
Subtotal		4,239	9,177	7,655	9,417	9,772	7,190	6,332	33,952	0	0	0	0	99,165
Total to date		4,239	13,416	21,071	30,488	40,260	47,450	53,782	87,734	87,734	87,734	87,734	87,734	99,165
Projected total to date		4,239	13,416	21,071	30,488	40,260	51,825	69,130	89,795	106,020	116,685	124,600	133,859	151,459
<b>Tucson AMA</b>														
Intrastate	AVRA VALLEY	0	318	370	610	400	698	658	619	0	0	0	0	3,671
		0	318	370	610	400	150	650	650	1,035	685	685	1,047	6,600
	CAVSARP	1,000	1,000	0	0	2,000	2,000	1,000	0	0	0	0	0	7,000
		1,000	1,000	0	0	2,000	2,000	2,000	2,000	2,000	3,000	3,000	2,000	20,000
	PIMA MINE	582	0	970	1,735	1,006	1,439	0	0	0	0	0	0	5,732
	582	0	970	1,735	1,006	0	0	0	0	0	719	720	5,732	
LOWER SANTA CRUZ		3,233	1,812	902	1,553	0	0	0	0	0	0	0	0	7,500
		3,233	1,812	902	1,553	0	0	0	0	0	0	0	0	7,500
KAI-RED ROCK		0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal		4,815	3,130	2,242	3,898	3,406	4,137	1,656	619	0	0	0	0	23,903
Total to date		4,815	7,945	10,187	14,085	17,491	21,628	23,284	23,903	23,903	23,903	23,903	23,903	23,903
Projected total to date		4,815	7,945	10,187	14,085	17,491	19,641	22,291	24,941	27,976	31,661	36,065	39,832	39,832
Interstate	AVRA VALLEY	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0
	CAVSARP	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	2,000	3,000	5,000
	PIMA MINE	0	0	0	0	0	438	2,491	3,087	0	0	0	0	6,016
	0	0	0	0	2,200	2,014	500	2,200	2,014	1,000	2,200	2,200	14,328	
LOWER SANTA CRUZ		0	0	809	1,720	3,343	3,642	3,505	3,575	0	0	0	0	16,594
		0	0	809	1,720	3,343	2,500	3,800	3,800	4,700	2,925	4,700	4,700	32,997
KAI-RED ROCK		0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal		0	0	809	1,720	3,343	4,080	5,996	6,662	0	0	0	0	22,610
Total to date		0	0	809	2,529	5,872	9,952	15,948	22,610	22,610	22,610	22,610	0	22,610
Projected total to date		0	0	809	2,529	8,072	12,586	16,886	22,886	29,600	33,525	42,425	52,325	52,325
<b>Combined</b>														
Subtotal		4,815	3,130	3,051	5,618	6,749	8,217	7,652	7,281	0	0	0	0	46,513
Total to date		4,815	7,945	10,996	16,614	23,363	31,580	39,232	46,513	46,513	46,513	46,513	23,903	46,513
Projected total to date		4,815	7,945	10,996	16,614	25,563	32,227	39,177	47,827	57,576	65,186	78,490	92,157	92,157
<b>TOTAL</b>														
Total to date		9,054	15,309	19,235	29,877	27,925	31,158	34,045	55,731	0	0	0	0	222,334
Projected total to date		9,054	24,363	43,598	73,475	101,400	132,558	166,603	222,334	222,334	222,334	222,334	222,334	233,765
Projected total to date		9,054	24,363	43,598	73,475	103,600	137,865	183,493	234,677	280,547	321,275	359,569	401,930	419,530



# Central Arizona Project MEMO

**CERTIFIED MAIL**

**No. 7005 1160 0003 1166 9165**

**RETURN RECEIPT REQUESTED**

July 5, 2006

Mr. Herb Guenther, Director  
Arizona Department Water Resources  
500 N. Third St.  
Phoenix, AZ 85004-3903

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

Dear Mr. Guenther:

Enclosed, pursuant to A.R.S. § 48-3715.03, is a certified copy of a resolution adopted by the Board of Directors of the Central Arizona Water Conservation District ("District") to the effect that all taxes levied on behalf of the District for water storage pursuant to A.R.S. § 48-3715.02, Subsections B and C, in the 2006-2007 tax year, shall be deposited in a designated account in the District fund established pursuant to A.R.S. § 48-3712, Subsection A, paragraph 5, to be used by the District to defray the annual operation, maintenance and replacement costs associated with the purchase of Central Arizona Project ("CAP") water by the Arizona Water Banking Authority for the purpose of firming CAP municipal and industrial water supplies and related administrative costs.

For the 2006-2007 tax year, this tax has been established at the rate of four cents (04¢) per one hundred dollars (\$100) of assessed valuation on all taxable property situated within the District's boundaries, which include Maricopa, Pima, and Pinal Counties.

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

Sincerely yours,

*Dr* David S. "Sid" Wilson, Jr.  
General Manager

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110.02

Enclosure

cc: David Petersen, State Treasurer



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

**(June 22, 2006)**

WHEREAS, House Bill 2494 adopted by the Arizona Legislature in 1996 (Chapter 308, Laws of Arizona 1996, Forty-second Legislature, Second Regular Session) established the Arizona Water Bank and amended A.R.S. § 48-3715.02 relating to the tax levy for water storage; and

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 pursuant to its provisions, which amount shall not exceed four cents per one hundred dollars of assessed valuation; and

WHEREAS, the Board by separate action has fixed the tax rate pursuant to A.R.S. § 48-3715.02, subsection B, for the 2006-2007 tax year at 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 levied pursuant to A.R.S. § 48-3715.02, subsections B and C, in the 2006-2007 tax year shall be applied to the annual operation, maintenance, and replacement costs of the Project; and
2. That all taxes levied pursuant to A.R.S. § 48-3715.02, subsections B and C, in the 2006-2007 tax year be deposited in a designated District account in the District fund established pursuant to A.R.S. § 48-3712, subsection A, paragraph 5, to be used by the District to defray the annual operation, maintenance, and replacement costs associated with the purchase of Project water by the Arizona Water Banking Authority for the purpose of firming CAP municipal and industrial water supplies and related administrative costs; and
3. 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 June 22, 2006, 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 22nd day of June 2006.

By:   
Daniel J. Donahoe  
Secretary



P.O. Box 43020 • Phoenix, AZ 85080-3020  
23636 N. 7th Street • Phoenix, AZ 85024

623-869-2333 • www.cap-az.com

July 12, 2006

Mr. Herb Guenther  
Chairman  
Arizona Water Banking Authority  
3550 N. Central Avenue  
Phoenix, Arizona 85012

Dear Herb:

On February 4, 2005, the Arizona Water Banking Authority (AWBA) and the Mohave County Water Authority (MCWA) entered into an Agreement to Firm Future Supplies. In accordance with that agreement, AWBA has set aside certain long-term storage credits for the benefit of MCWA. Because those credits, which were accrued through storage of Central Arizona Project water, have now been reserved for use by an entity outside of the Central Arizona Water Conservation District's three-county service area, we are required to charge AWBA a fee in lieu of taxes. See A.R.S. §48-3715.B.

We understand that AWBA set aside the credits for MCWA in 2005. The in lieu tax rate for 2005 was \$20 per acre-foot. Accordingly, CAWCD will bill AWBA at that rate.

Under the Agreement to Firm Future Supplies, MCWA has agreed to prepay \$20 per acre-foot for all credits set aside for its benefit. MCWA will make 20 equal consecutive quarterly payments to AWBA.

CAWCD will bill AWBA for the in lieu fees associated with the credits reserved for MCWA on the same schedule as the MCWA prepayments under the Agreement to Firm Future Supplies. Enclosed is an invoice for the first payment.

Sincerely,

A handwritten signature in black ink, appearing to read "David S. 'Sid' Wilson, Jr.", with a long horizontal flourish extending to the right.

David S. "Sid" Wilson, Jr.  
General Manager

lo:wpdocs\twm\guenther.ltr  
840.13

cc: Kim Mitchell, AWBA

## Shortage Sharing Scenarios - Pro Rata Reductions Based On Priority 4 Entitlements

(Values in Acre-feet)

Year	Priority 1-3 Mainstem Projected Consumptive Use <sup>1</sup>	Available for Priority 4 Diversions - Normal Supply <sup>2</sup>	Priority 4 Mainstem Total Entitlement	Priority 4 Mainstem Shortage Sharing Percentage	Arizona Portion of Lower Basin Shortage <sup>3</sup>	Available for Priority 4 Diversion - Reduced Supply	Priority 4 Mainstem Diversion - Reduced Supply	Projected Priority 4 Mainstem Diversion <sup>1</sup>	Priority 4 Mainstem Diversion - Net Reduction
<b>400,000 Acre-Foot Shortage</b>									
2010	1,171,867	1,556,133	164,652	10.58%	303,640	1,252,493	132,524	155,880	23,355
2016	1,177,135	1,550,865	164,652	10.62%	303,640	1,247,225	132,415	158,961	26,546
2025	1,185,597	1,542,403	164,652	10.68%	303,640	1,238,763	132,238	162,362	30,123
2031	1,191,580	1,536,420	164,652	10.72%	303,640	1,232,780	132,112	163,799	31,687
<b>500,000 Acre-Foot Shortage</b>									
2010	1,171,867	1,556,133	164,652	10.58%	379,550	1,176,583	124,492	155,880	31,387
2016	1,177,135	1,550,865	164,652	10.62%	379,550	1,171,315	124,356	158,961	34,605
2025	1,185,597	1,542,403	164,652	10.68%	379,550	1,162,853	124,135	162,362	38,227
2031	1,191,580	1,536,420	164,652	10.72%	379,550	1,156,870	123,977	163,799	39,822
<b>600,000 Acre-Foot Shortage</b>									
2010	1,171,867	1,556,133	164,652	10.58%	455,460	1,100,673	116,460	155,880	39,419
2016	1,177,135	1,550,865	164,652	10.62%	455,460	1,095,405	116,297	158,961	42,664
2025	1,185,597	1,542,403	164,652	10.68%	455,460	1,086,943	116,031	162,362	46,330
2031	1,191,580	1,536,420	164,652	10.72%	455,460	1,080,960	115,842	163,799	47,957

### ENDNOTES

<sup>1</sup> Source: Arizona Department of Water Resources 2003 mainstem Colorado River water use projections.

<sup>2</sup> An amount of 72,000 acre-feet has also been deducted to account for higher priority Ak-Chin and Salt River Pima-Maricopa Indian settlement water.

<sup>3</sup> This is the amount of shortage after Mexico's (16.7%) and Nevada's (7.42%) shortage volumes are deducted.

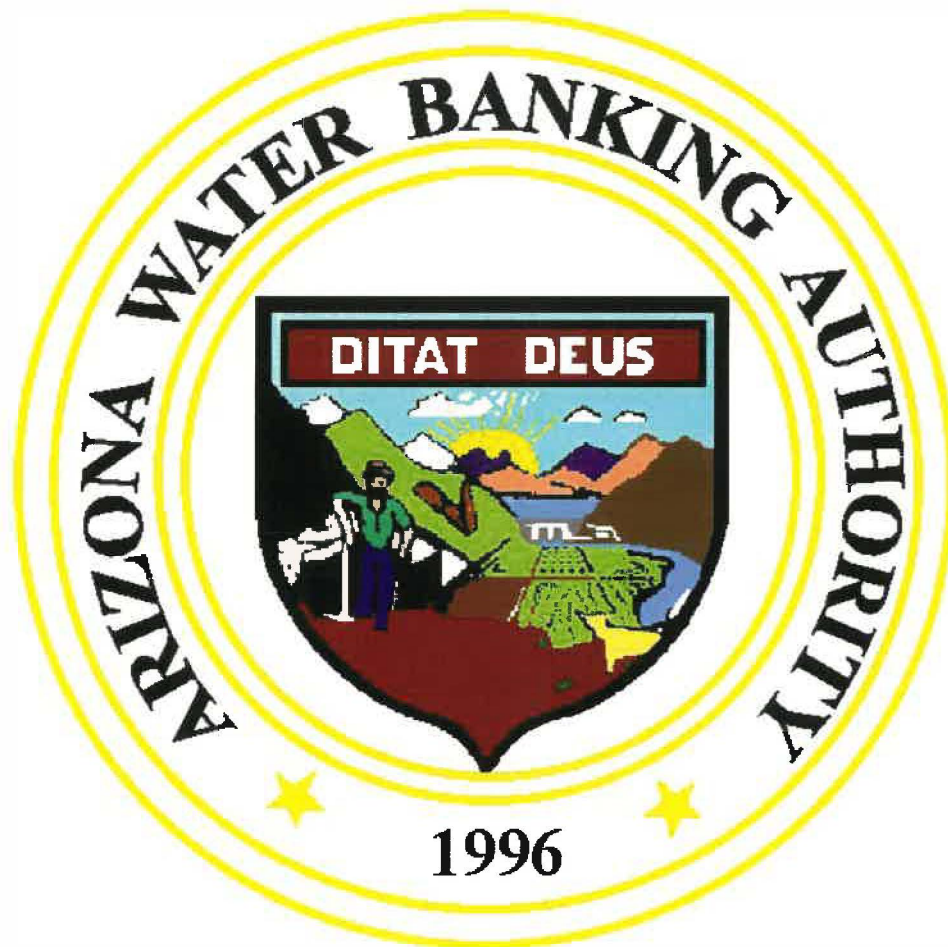
**PRIORITY 4 SHORTAGE SHARING ANALYSIS**

**Summary of Shortages to Priority 4 Mainstem Uses - Reduction in Diversions**

<b>Option</b>	<b>400,000 Acre-feet Shortage</b>	<b>500,000 Acre-feet Shortage</b>	<b>600,000 Acre-feet Shortage</b>
<b>COMPARISON OF SHORTAGE VOLUMES FOR SHORTAGES STARTING 2010</b>			
<b>Pro-Rata Reduction Based On Diversion</b>	<b>23,355</b>	<b>31,387</b>	<b>39,419</b>
<b>COMPARISON OF SHORTAGE VOLUMES FOR SHORTAGES STARTING 2031</b>			
<b>Pro-Rata Reduction Based On Diversion</b>	<b>31,687</b>	<b>39,822</b>	<b>47,957</b>

# ARIZONA WATER BANKING AUTHORITY

INTERSTATE WATER BANKING  
Fiscal Years 2004-2005 and 2005-2006



Submitted

October 1, 2006

## **Interstate Water Banking Report Requirement**

House Bill 2869, signed by Governor Napolitano on June 21, 2006, added a new section §45-2473 to Title 45, Chapter 14, Article 4 which mandates that the Arizona Water Banking Authority (AWBA) submit a report for interstate water banking to the Joint Legislative Budget Committee on or before October 1 of each year for the previous fiscal year. This report submitted by October 1, 2006 contains information for both fiscal years 2004-2005 and 2005-2006.

The report is required to be an accounting report of the AWBA's interstate water banking activities with the State of Nevada, including the Southern Nevada Water Authority (SNWA), and must include the following:

1. An accounting of all monies received through the Interstate Water Banking Agreement (Agreement) with the (SNWA).
2. An accounting of all disbursements made with interstate monies, including monies used to purchase or store water.
3. An accounting of any prepaid monies to the Central Arizona Water Conservation District (CAWCD).
4. An accounting of any monies received under the Agreement that are placed in an account with the State Treasurer.
5. Any contract that obligates the AWBA to pay or disburse monies to any other entity, including the CAWCD.

House Bill 2869 further stipulates that the AWBA can only use the monies received pursuant to an interstate water banking agreement to pay the costs directly incurred in meeting the interstate water banking obligations.

## BACKGROUND

The Colorado River Compact is one of the components of the “Law of the River” that governs the operations of the Colorado River. The “Law of the River” is comprised of federal and state statutes, interstate compacts, court decisions and decrees, contracts with the United States, an international treaty, operating criteria and administrative decisions. Together, these have resulted in a division of the waters of the Colorado River among the various users. Over the years, the seven states that utilize the Colorado River (the Basin states) have had discussions over various issues and the majority of the issues have been resolved via negotiation instead of litigation. Most currently, the issue facing the Basin states is drought and the potential impact to river operations and water supply. Because Arizona is a junior user on the river, it is important for the state to take steps to protect the Colorado River water supply for Arizona water users.

Under the 1964 decree in *Arizona v. California*, the allocation of water to the three states of the Lower Colorado River basin was recognized. This allocation was 4.4 million acre-feet (maf) to California, 2.8 maf to Arizona and 300,000 acre-feet to Nevada.

### Agreement for Interstate Water Banking

On July 3, 2001, the Agreement for Interstate Water Banking (2001 Agreement) among the AWBA, the Southern Nevada Water Authority (SNWA) and the Colorado River Commission of Nevada (CRCN) was executed<sup>1</sup>. In the 2001 Agreement, the AWBA agreed to use its “best efforts” to store water in Arizona in an amount sufficient to develop an aggregate total of 1.25 million acre-feet of long-term storage credits. Those credits would then be recovered to develop Intentionally Created Unused Apportionment (ICUA) for Nevada as a temporary supply of water to allow Nevada time to develop other long-term water supplies. The 2001 Agreement contained specific provisions to insure that any water stored for Nevada was water that could not be utilized by water users in Arizona. Nevada would pay the full cost of water delivery and storage in addition to all costs associated with recovery of the long-term storage credits. The 2001 Agreement was negotiated recognizing the surplus provisions of the Interim Surplus Guidelines (ISG).

The ISG published on January 25, 2001 by the United States Department of the Interior, control the operation of the Lower Colorado River system through 2016. The ISG provide more liberal surpluses to allow a transition period for California to reduce its reliance on Colorado River water and to implement measures to limit its total uses of Colorado River water in the state to 4.4 million acre-feet. Consequently, at the time the 2001 Agreement was negotiated, Nevada anticipated that its water needs would be met through 2016 by surplus water made available through the ISG. After 2016, Nevada intended to utilize credits stored on its behalf by the Arizona water bank. However, in 2004, surpluses under the ISG were not available because the projected storage content of Lake Mead was below the critical threshold content established in the ISG. Consequently, Nevada began exploring alternative ways to meet their water supply needs and approached Arizona with a proposal to amend the existing agreement in such a manner that Nevada’s water supply could be made more secure in the shorter term. Nevada began negotiations regarding the amendments with AWBA and CAWCD staff.

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<sup>1</sup> For purposes of this discussion, the SNWA and the CRCN will be collectively referred to as “Nevada”.



Amended Agreement for Interstate Water Banking

The intent of the amendments was to assure Nevada access to the full 1.25 million acre-feet anticipated under the 2001 Agreement. For this access, Nevada would continue to bear the full cost of storing excess CAP water and later recovering that water. Nevada would also provide \$100 million to ensure that Arizona could acquire additional water resources if conditions warranted.

In summary, the amendments negotiated were as follows: (1) guaranteed Nevada a total of 1.25 million acre-feet of credits; (2) recognized that water other than Colorado River water may be the source of credits; (3) Nevada would pay the full cost of delivery, storage and recovery in addition to an additional sum of money to mitigate the risk of the guarantee; (4) identified a set schedule for recovery of long-term storage credits; and (5) a sufficient supply would be recovered to allow Nevada to use 340,000 acre-feet during a declared shortage on the Colorado River.

A discussion paper was prepared by AWBA staff, widely distributed to the public, and discussed at various meetings throughout the Phoenix and Tucson areas. This discussion paper included pertinent background information, a review of the current agreement and proposed changes, and a description of the benefits to Arizona. The Amended Agreement for Interstate Water Banking (Amended Agreement) was approved by the AWBA Commission on December 9, 2004 and executed on February 3, 2005.

The two most significant provisions of the Amended Agreement are that Arizona has now guaranteed Nevada that a sum total of 1.25 million acre-feet of credits will be developed on their behalf. In exchange for this guarantee, Nevada agreed to pay Arizona \$100 million above the actual cost of water delivery and storage. The initial \$100 million dollar payment was made in two installments in 2005.

The AWBA began storing water pursuant to the Amended Agreement in 2005. The Annual Report published by the AWBA in July of each year, for the previous calendar year, details the amount of interstate water stored and long-term storage credits accrued by the AWBA. Water stored on behalf of Nevada was stored in storage facilities located in Pinal and Pima Counties.

The Amended Agreement provides a temporary water supply for Nevada allowing time for development of other non-Colorado River resources and it provides Arizona additional flexibility to achieve its long-term water management goals.

Benefits to Arizona

The Amended Agreement provides an opportunity for the State of Arizona to secure numerous benefits for Arizona water users. Current projections indicate excess water within Arizona's 2.8 million acre-foot entitlement will be available for storage in the future. Without interstate banking, the AWBA does not have sufficient in-state funding to store the quantities of excess CAP water currently projected to be available. Interstate water banking is a mechanism that can maximize Arizona's utilization of its 2.8 million acre-foot entitlement.

The Amended Agreement also provides additional financial resources that could be used to develop alternative water supplies. In addition, water stored for interstate purposes provides revenues for the Arizona Water Projection Fund, which is the sole state funding source for

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riparian protection in Arizona. It also provides a potential funding source to support the Arizona portion of the Multi-Species Conservation Program. Furthermore, because the Amended Agreement reduces the amount of water that Nevada may recover in any year, it helps to accelerate the development of recovery arrangements for Arizona water users. Most importantly, the Amended Agreement helps strengthen Arizona's interstate relationship with Nevada. A strong relationship is critical as the seven Basin states continue discussions regarding the drought and shortages on the Colorado River.

## INTERSTATE ACCOUNTING

Pursuant to the Amended Agreement, funds are to be received by the AWBA from the SNWA in two ways:

1. \$100 million will be used to guarantee that AWBA can meet the terms of the Amended Agreement. This amount is intended to be the “insurance” payment to be used to develop alternative water resources to meet obligations to Nevada. Any alternative water supplies developed under the Amended Agreement that are not needed to fully meet the Nevada obligation would be available for Arizona water users. This payment was made upon request in two installments in June, 2005 and October, 2005 and deposited into a “Resource Account”. If the \$100 million is not needed as “insurance” then it continues to be available to Arizona for whatever purpose deemed appropriate.
2. \$230 million will be paid in 10 payments of \$23 million beginning in 2009 through 2018 and deposited into an “Operating Account”. This money will be used to pay CAWCD for the cost of water delivery and to pay facility operators for storage, as needed.

The Amended Agreement allows for some or all of the \$100 million to be “loaned” to the Operating Account and subsequently repaid to the Resource Account, with interest. This loaning provision was included in recognition of the fact that the AWBA may store water on behalf of SNWA prior to the 2009 commencement of scheduled payments into the Operating Account. Arizona did not use its full 2.8 maf allocation in calendar year (CY) 2005 and probably will not in CY 2006. As capacity became available, additional storage was completed to assist CAWCD in their attempts to insure that Arizona fully utilizes its 2.8 maf entitlement. Since the Operating Account payments do not begin until 2009, it was necessary for the AWBA to call for a portion of the \$100 million, loan it to the Operating Account, and continue to contract with CAWCD to store water for SNWA.

The total quantity of interstate storage is dynamic from year to year, but cannot exceed a quantity that would result in more than 200,000 acre-feet of long-term storage credits in any year pursuant to the Storage and Interstate Release Agreement (SIRA) between the Secretary of the Interior, the AWBA, the SNWA and CRCN.

As stated above, \$100 million was received from Nevada in two installments. A partial payment of \$26 million was received from SNWA in June, 2005, leaving a remaining balance of \$74 million. This \$26 million was used to pay CAWCD for the delivery and storage of water on behalf of SNWA in 2004 and 2005. The \$74 million payment was received in October, 2005 and deposited in a subaccount with the Arizona State Treasury.

It is important to note that although this report is based on fiscal year accounting, the AWBA operates on a calendar year. A.R.S. § 45-2456 requires by January 1 of each year, the AWBA shall adopt a Plan of Operation for that calendar year. Along with adoption of the annual Plan of Operation, funds are committed for the purchase, delivery, and storage of water for that calendar year.

INTERSTATE ACCOUNTING - Fiscal Years 2005 and 2006					
<b>Fiscal Year</b>	<b>\$ Received from NV<sup>1</sup></b>	<b>Disbursements<sup>2</sup></b>	<b>Prepayment Forwarded to CAWCD<sup>3</sup></b>	<b>AZ State Treasury End of FY Balance<sup>4</sup></b>	<b>\$ Committed for AWBA CY Plan of Operation<sup>5</sup></b>
2005	\$26,000,000	\$26,000,000	\$24,213,601	- 0 -	----
2006	\$74,000,000	\$11,230,940	- 0 -	64,774,399	\$27,681,485

<sup>1</sup>Initial payment of \$100 million deposited into a “Resource Account”. Subsequent payments of \$23 million beginning in 2009 through 2018 to be deposited into an “Operating Account”.

<sup>2</sup>Monies disbursed from subaccount at Arizona State Treasurer’s Office for purchase and storage of CAP water.

<sup>3</sup>Prepaid monies forwarded to CAWCD for delivery and storage of water on behalf of SNWA in 2004 and 2005.

<sup>4</sup>End of fiscal year balance, including accrued interest, in subaccount at Arizona State Treasurer’s Office.

<sup>5</sup>Monies committed for purchase of deliveries and storage of interstate water for the remainder of the calendar year (from Amended 2006 Plan of Operation, Table 2, Water Delivery Schedule, July through December).

# DRAFT

**Table 2**  
**Water Delivery Schedule**  
**Calendar Year 2007**  
(Acre-feet)

AWBA-Recharge Sites		Permitted Capacity (AF)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>PHOENIX AMA :</b>															
USF	GRUSP	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	GRUSP Interstate		0	0	0	0	0	0	0	0	0	0	0	0	0
	HIEROGLYPHIC	35,000	0	0	0	0	0	0	0	4,015	2,300	1,000	2,300		9,615
	HIEROGLYPHIC Interstate		0	0	0	0	0	0	0	0	0	0	0	0	0
	AGUA FRIA	100,000	0	0	0	0	0	249	1,690	2,800	2,800	2,800	2,800	2,800	15,939
	TONOPAH DESERT	150,000	6,700	3,718	9,809	9,808	10,000	12,000	12,000	12,000	12,000	13,000	10,000	12,000	123,035
	TONOPAH Interstate		0	0	0	0	0	0	0	0	0	0	0	0	0
															148,589
GSF	SRP	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	CHANDLER HGTS ID	3,000	0	0	50	50	50	100	75	75	50	83	0	0	533
	NEW MAGMA	54,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	QUEEN CREEK	28,000	0	0	0	0	0	0	0	0	400	2,500	1,500	1,500	5,900
	TONOPAH ID	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	GILA RIVER INDIAN IDD	37,520	0	0	0	0	0	4,651	10,299	8,033	2,990	2,791	0	2,625	31,389
TOTAL INTRASTATE		6,700	3,718	9,859	9,858	10,050	17,000	24,064	22,908	22,255	23,474	15,300	21,225	186,411	
TOTAL INTERSTATE		0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>AMA TOTAL</b>			6,700	3,718	9,859	9,858	10,050	17,000	24,064	22,908	22,255	23,474	15,300	21,225	<b>186,411</b>
<b>PINAL AMA :</b>															
GSF	CAIDD	110,000	0	0	0	6,000	6,000	6,000	2,000	0	0	0	0	0	20,000
	CAIDD Interstate		0	0	0	0	0	0	6,000	8,000	4,500	4,000	3,000	3,500	29,000
	HOHOKAM	55,000	800	1,900	4,200	3,300	0	0	2,750	7,050	0	0	0	0	20,000
	HOHOKAM Interstate		0	0	0	0	0	0	1,950	5,800	3,000	2,000	1,750	0	14,500
	MSIDD	120,000	3,370	7,280	3,441	5,909	0	0	0	0	0	0	0	0	20,000
	MSIDD Interstate		0	0	0	0	9,810	3,940	4,080	11,940	7,500	5,240	3,690	3,800	50,000
	GILA RIVER INDIAN IDD	18,480	0	0	0	0	0	2,291	5,073	3,956	1,473	1,375	0	1,294	15,462
															168,962
TOTAL INTRASTATE		4,170	9,180	7,641	15,209	6,000	8,291	9,823	11,006	1,473	1,375	0	1,294	75,462	
TOTAL INTERSTATE		0	0	0	0	9,810	3,940	10,080	21,890	17,800	12,240	8,690	9,050	93,500	
<b>AMA TOTAL</b>			4,170	9,180	7,641	15,209	15,810	12,231	19,903	32,896	19,273	13,615	8,690	10,344	<b>168,962</b>
<b>TUCSON AMA:</b>															
USF	AVRA VALLEY	11,000	650	650	650	650	650	150	650	650	650	300	300	650	6,600
	PIMA MINE RD	30,000	928	928	1,938	1,938	0	0	0	0	0	0	0	0	5,732
	PMR Interstate		0	0	0	0	2,200	2,014	1,100	2,200	0	0	0	0	7,514
	LOWER SANTA CRUZ	50,000	3,299	3,299	902	0	0	0	0	0	0	0	0	0	7,500
	LSC Interstate		0	0	2,397	3,300	3,800	2,500	3,800	3,800	3,800	103	3,800	646	27,946
	CAVSARP	80,000	0	0	0	0	0	0	0	0	0	0	2,300	7,700	10,000
	CAVSARP Interstate		0	0	0	0	0	0	0	0	0	0	0	0	0
															65,292
GSF	BKW	16,615	0	0	0	0	0	0	0	0	0	0	0	0	0
	KAI FARMS (Red Rock)	11,231	0	0	0	0	0	0	0	0	0	0	0	0	0
															0
TOTAL INTRASTATE		4,877	4,877	3,490	2,588	650	150	650	650	650	300	2,600	8,350	29,832	
TOTAL INTERSTATE		0	0	2,397	3,300	6,000	4,514	4,900	6,000	3,800	103	3,800	646	35,460	
<b>AMA TOTAL</b>			4,877	4,877	5,887	5,888	6,650	4,664	5,550	6,650	4,450	403	6,400	8,996	<b>65,292</b>
<b>TOTAL INTRASTATE</b>															
<b>TOTAL INTERSTATE</b>															
<b>TOTAL</b>															

**Table 3. 2007 Water and Facility Rates**

CAWCD delivery rate to AWBA	\$61 per acre-foot
Interstate rate	\$210 per acre-foot
Groundwater Savings Facility operator portion of delivery rate <sup>1</sup>	
Intrastate <sup>2</sup>	\$31 per acre-foot
Interstate	\$26 per acre-foot
Underground Storage Facility rate paid by AWBA	
Agua Fria Recharge Project (CAP) <sup>3</sup>	\$8.00 per acre-foot
Hieroglyphic Mtns. (CAP) <sup>3</sup>	\$8.00 per acre-foot
Tonopah Desert Recharge Project(CAP) <sup>3</sup>	\$8.00 per acre-foot
GRUSP	\$20.31 per acre-foot
Avra Valley (CAP) <sup>4</sup>	\$12.00 per acre-foot
Lower Santa Cruz (CAP/Pima County) <sup>4</sup>	\$12.00 per acre-foot
Pima Mine Road (CAP) <sup>4</sup>	\$12.00 per acre-foot
CAVSARP (Tucson Water)	\$13.17 per acre-foot

<sup>1</sup> This rate is paid directly to CAP by the GSF operators and is not available as revenue to the AWBA. The AWBA's rate for delivery of in lieu water is thus reduced to \$30/af for intrastate deliveries and \$184/af for interstate deliveries.

<sup>2</sup> The cost share portion for the Gila River Indian Irrigation District GSF is \$20/af through 2008 and reduces the AWBA rate to \$41/af for CY 2007.

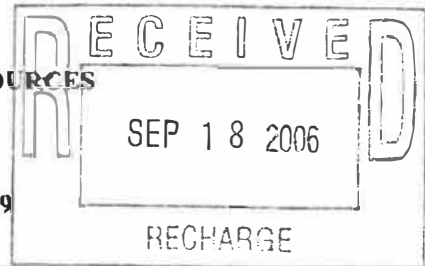
<sup>3</sup> Additional capital charge of \$15 per acre-foot for interstate water

<sup>4</sup> Additional capital charge of \$9 per acre-foot for interstate water

**Table 4. Funding for 2007 Annual Plan of Operation**

	Funds Available (\$)		Funds Utilized (\$)		Credits (AF)
	AWBA	CAP	AWBA	CAP	
<b>Withdrawal Fees</b>					
Phoenix AMA	\$2,200,000	-	\$2,200,000	\$0	42,670
Tucson AMA	\$825,000	-	\$825,000	\$0	10,370
Pinal AMA	\$2,080,000	-	\$2,080,000	\$0	59,200
<b>Four Cent Tax</b>					
Maricopa County	\$2,863,200	\$50,628,000	\$2,863,200	\$6,669,300	130,680
Pima County	\$0	\$4,390,500	\$0	\$1,384,300	17,370
Pinal County	\$0	\$527,000	\$0	\$354,000	10,970
<b>Other</b>					
<b>General Fund</b>	\$0	-	\$0	-	
Phoenix AMA	\$0	-	\$0	-	0
Tucson AMA	\$0	-	\$0	-	0
Pinal AMA	\$0	-	\$0	-	0
<b>Interstate Banking</b>					
Nevada	\$36,157,860		\$25,246,720		119,900
California	(not applicable)				
	<b>Total Funds Available</b>		<b>Total Funds Expended</b>		<b>Credits</b>
	\$99,671,560		\$41,622,520		391,160

ARIZONA DEPARTMENT OF WATER RESOURCES  
Water Management Division  
3550 North Central Ave, 2<sup>nd</sup> Floor  
Phoenix, Arizona 85012-2105  
Phone (602) 771-8585 Fax (602) 771-8689



APPLICATION FOR WATER  
STORAGE PERMIT (A.R.S § 45-831.01)

APPLICATION FEE \$ 250.00 DUE UPON FILING.

PERMIT FEE OF \$ 100.00, PLUS  
PUBLICATION FEES TO BE DETERMINED,  
WILL BE DUE PRIOR TO ISSUANCE OF PERMIT.

PLEASE SUBMIT ONE ORIGINAL AND ONE COPY OF THE  
COMPLETED APPLICATION AND ALL SUPPORTING MATERIALS

APPLICATION FOR: (Check one)

- New Water Storage Permit     Modification of Water Storage Permit     Renewal of Water Storage Permit  
No. 73- \_\_\_\_\_    No. 73- 558092.0800 \_\_\_\_\_

FOR OFFICE USE ONLY  
Application No.: \_\_\_\_\_  
Date Received: \_\_\_\_\_

GENERAL INFORMATION

- Name of Applicant: Arizona Water Banking Authority  
3550 N. Central Avenue                      Phoenix                      AZ                      85012  
Mailing Address                                      City                                      State                                      Zip  
Contact Person: Kim Mitchell                      Telephone: (602) 771-8487                      Fax: (602) 771-8685
- Name and permit number of storage facility where water storage will occur: Kai Farms-Red Rock 72-558092.0002
- Name of Active Management Area or Irrigation Non-Expansion Area where the facility will be located:  
Tucson AMA  
*(If the facility is NOT located within an AMA or INA, please indicate "NONE.")*
- Name of groundwater basin and subbasin where the facility will be located:  
Avra Valley Sub-basin
- If this water storage permit application is for the storage of CAP water and meets the requirements of A.R.S. §§ 45-831.01(G) or 45-871.01(E) and the applicant will **not** also be the holder of the storage facility permit, please submit a consent agreement signed by the facility permit holder.
- The maximum annual amount of water that may be stored at the facility: 11,231  
*(acre-feet per year)*
- The maximum annual amount of water proposed for storage pursuant to this water storage permit: 11,231  
*(acre-feet per year)*
- Proposed duration of the permit: Until expiration of the GSF permit
- The maximum amount of water proposed for storage for the duration of the permit pursuant to this water storage permit:  
112,310 (based on current proposed expiration of 10 years)  
*(acre-feet)*



10. Will the stored water be recovered on an annual basis pursuant to A.R.S. § 45-851.01?  Yes  No

11. Type of source water to be stored:

- CAP Water                       Effluent                                       Decreed and Appropriative Surface Water

If Decreed and Appropriative Surface Water, list river(s): \_\_\_\_\_

[NOTE: In order for the storer to accrue long-term storage credits for the stored water, the source water must comply with A.R.S. § 45-802.01(21), "Water that cannot reasonably be used directly".]

12. If the water to be stored is appurtenant to a place of use, the legal description of the location of that use: \_\_\_\_\_

*(quarter/quarter/quarter/section, township and range)*

13. What is the applicant's legal right to use the proposed source(s) of water?

- CAP Contract             Right to municipally treated effluent             Decreed and appropriative surface water right  
 Other, please explain: \_\_\_\_\_

Cite the right number, law, court decree, contract or other legal basis for acquiring and using each source of water to be stored pursuant to this permit: CAP contract EX-146-05, dated July 14, 2005

If municipally treated effluent will be stored and the applicant is the producer of the effluent, does the applicant certify that, after meeting all contractual obligations for delivery of effluent to other parties, the applicant retains the legal right to the volume of effluent requested in item 7 of this application?  Yes  No

14. Do you own the system through which the water to be stored will be delivered to the storage/savings facility?

- Yes  No **If no**, please provide a copy of the transportation agreement that allows the proposed water delivery system to be used to carry the water to be stored to the storage/savings facility.

15. Do you want this water storage permit to be designated as storing non-recoverable water pursuant to A.R.S. § 45-833.01?

- Yes  No

16. **For effluent storage:**

Is the facility where storage is to occur currently regulated under an Aquifer Protection Permit (APP) issued by the Arizona Department of Environmental Quality?  Yes  No

**If no**, will the applicant be obtaining an APP?  Yes  No

**If no to both**, please explain method of compliance with A.R.S. § 45-831.01(B)(2): \_\_\_\_\_

17. **For water storage at a Groundwater Savings Facility**, if the applicant is **not** the GSF permit holder, does the applicant agree to comply with the Plan of Operation for the GSF permit listed in Item 2 of this application?  Yes  No

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**NOTARIZED SIGNATURE**

I (We), Arizona Water Banking Authority, the applicant(s) named in this application, do hereby certify under the penalty of perjury, that the information contained and statements made herein are to the best of my (our) knowledge and belief true, correct and complete.

(602) 771-8487  
Telephone

Kim R. Mitchell  
Signature of owner or authorized agent

ACTING MANAGER, AZ WATER BANKING AUTHORITY  
Title

3550 N. Central Avenue  
Mailing Address

Phoenix  
City

AZ  
State

85012  
Zip

STATE OF ARIZONA )

County of MARICOPA )

) ss.



Subscribed and sworn to before me this 12th day of SEPTEMBER 2006

[Signature]  
Notary Public

DEC. 1, 2009  
My commission expires

**FACILITY CONSENT TO WATER STORAGE**

Pursuant to A.R.S. § 45-871.01(E)(1), this letter serves as consent from \_\_\_\_\_

Herb Kai Farms allowing  
(Storage/Savings Facility Permittee)

AWBA 73-558092.0801 to store up to 11,231 acre-feet  
(Water Storage Permit Applicant and application no.)

per year of CAP water at Kai-Red Rock GSF  
(Type of water to be stored) (Storage/Savings Facility Name)

in accordance with (check one)  Underground Storage Facility or  Groundwater Savings

Facility permit number 72-558092.0002  
(Facility permit no.)

Signature: Herb Kai  
(Holder of Storage Facility Permit or designated representative)

Printed Name: Herb KAI

Title: OWNER

Company: Herb KAI FARMS

Date: 9/12/06

DRAFT

**Table 2**  
**Water Delivery Schedule**  
**Calendar Year 2007**  
 (AFYD)

AWBA-Recharge Sites		Permitted Capacity (AF)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
<b>PHOENIX AMA :</b>																
USF	GRUSP	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
	GRUSP Interstate		0	0	0	0	0	0	0	0	0	0	0	0	0	
	HIEROGLYPHIC	35,000	0	0	0	0	0	0	0	0	4,015	2,300	1,000	2,300	9,615	
	HIEROGLYPHIC Interstate		0	0	0	0	0	0	0	0	0	0	0	0	0	
	AGUA FRIA	100,000	0	0	0	0	0	249	1,690	2,800	2,800	2,800	2,800	2,800	15,939	
	TONOPAH DESERT	150,000	6,700	3,718	9,809	9,808	10,000	12,000	12,000	12,000	12,000	13,000	10,000	12,000	123,035	
	TONOPAH Interstate		0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>148,589</b>																
GSF	SRP	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
	CHANDLER HGTS ID	3,000	0	0	50	50	50	100	75	75	50	83	0	0	533	
	NEW MAGMA	54,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
	QUEEN CREEK	28,000	0	0	0	0	0	0	0	0	400	2,500	1,500	1,500	5,900	
	TONOPAH ID	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
	GILA RIVER INDIAN IDD	37,520	0	0	0	0	0	4,651	10,299	8,033	2,990	2,791	0	2,625	31,389	
	<b>37,822</b>															
	<b>TOTAL INTRASTATE</b>			<b>6,700</b>	<b>3,718</b>	<b>9,859</b>	<b>9,858</b>	<b>10,050</b>	<b>17,000</b>	<b>24,064</b>	<b>22,908</b>	<b>22,255</b>	<b>23,474</b>	<b>15,300</b>	<b>21,225</b>	<b>186,411</b>
	<b>TOTAL INTERSTATE</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>AMA TOTAL</b>			<b>6,700</b>	<b>3,718</b>	<b>9,859</b>	<b>9,858</b>	<b>10,050</b>	<b>17,000</b>	<b>24,064</b>	<b>22,908</b>	<b>22,255</b>	<b>23,474</b>	<b>15,300</b>	<b>21,225</b>	<b>186,411</b>
<b>FINAL AMA :</b>																
GSF	CAIDD	110,000	0	0	0	6,000	6,000	6,000	2,000	0	0	0	0	0	20,000	
	CAIDD Interstate		0	0	0	0	0	0	6,000	8,000	4,500	4,000	3,000	3,500	29,000	
	HOHOKAM	55,000	0	500	3,600	6,200	0	1,000	1,500	4,500	2,700	0	0	0	20,000	
	HOHOKAM Interstate		0	0	0	0	0	0	0	5,000	5,500	1,500	2,500	0	14,500	
	MSIDD	120,000	3,370	7,280	3,441	5,909	0	0	0	0	0	0	0	0	20,000	
	MSIDD Interstate		0	0	0	0	9,810	3,940	4,080	11,940	7,500	5,240	3,690	3,800	50,000	
	GILA RIVER INDIAN IDD	18,480	0	0	0	0	0	2,291	5,073	3,956	1,473	1,375	0	1,294	15,462	
	<b>168,962</b>															
<b>TOTAL INTRASTATE</b>			<b>3,370</b>	<b>7,280</b>	<b>7,041</b>	<b>18,109</b>	<b>6,000</b>	<b>9,291</b>	<b>8,573</b>	<b>8,456</b>	<b>4,173</b>	<b>1,375</b>	<b>0</b>	<b>1,294</b>	<b>75,462</b>	
<b>TOTAL INTERSTATE</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,810</b>	<b>3,940</b>	<b>10,080</b>	<b>19,940</b>	<b>17,000</b>	<b>14,740</b>	<b>8,190</b>	<b>9,800</b>	<b>99,500</b>	
<b>AMA TOTAL</b>			<b>3,370</b>	<b>7,280</b>	<b>7,041</b>	<b>18,109</b>	<b>15,810</b>	<b>13,231</b>	<b>18,653</b>	<b>28,396</b>	<b>21,173</b>	<b>16,115</b>	<b>8,190</b>	<b>11,094</b>	<b>168,962</b>	
<b>TUCSON AMA:</b>																
USF	AVRA VALLEY	11,000	650	650	650	650	650	150	650	650	650	300	300	650	6,600	
	PIMA MINE RD	30,000	928	928	1,938	1,938	0	0	0	0	0	0	0	0	5,732	
	PMR Interstate		0	0	0	0	2,200	2,014	1,100	2,200	0	0	0	0	7,514	
	LOWER SANTA CRUZ	50,000	3,299	3,299	902	0	0	0	0	0	0	0	0	0	7,500	
	LSC Interstate		0	0	2,397	3,300	3,800	2,500	3,800	3,800	3,800	103	3,800	646	27,946	
	CAVSARP	80,000	0	0	0	0	0	0	0	0	0	0	2,300	7,700	10,000	
	CAVSARP Interstate		0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>65,292</b>																
GSF	BKW	16,615	0	0	0	0	0	0	0	0	0	0	0	0	0	
	KAI FARMS (Red Rock)	11,231	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>0</b>															
<b>TOTAL INTRASTATE</b>			<b>4,877</b>	<b>4,877</b>	<b>3,490</b>	<b>2,588</b>	<b>650</b>	<b>150</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>300</b>	<b>2,600</b>	<b>8,350</b>	<b>29,832</b>	
<b>TOTAL INTERSTATE</b>			<b>0</b>	<b>0</b>	<b>2,397</b>	<b>3,300</b>	<b>6,000</b>	<b>4,514</b>	<b>4,900</b>	<b>6,000</b>	<b>3,800</b>	<b>103</b>	<b>3,800</b>	<b>646</b>	<b>35,460</b>	
<b>AMA TOTAL</b>			<b>4,877</b>	<b>4,877</b>	<b>5,887</b>	<b>5,888</b>	<b>6,650</b>	<b>4,664</b>	<b>5,550</b>	<b>6,650</b>	<b>4,450</b>	<b>403</b>	<b>6,400</b>	<b>8,996</b>	<b>65,292</b>	
<b>TOTAL INTRASTATE</b>			<b>14,947</b>	<b>16,375</b>	<b>20,390</b>	<b>30,555</b>	<b>16,700</b>	<b>26,441</b>	<b>33,267</b>	<b>32,014</b>	<b>27,078</b>	<b>25,149</b>	<b>17,900</b>	<b>30,869</b>	<b>291,705</b>	
<b>TOTAL INTERSTATE</b>			<b>0</b>	<b>0</b>	<b>2,397</b>	<b>3,300</b>	<b>15,810</b>	<b>8,454</b>	<b>14,980</b>	<b>25,940</b>	<b>20,800</b>	<b>14,643</b>	<b>11,990</b>	<b>16,446</b>	<b>128,960</b>	
<b>TOTAL</b>			<b>14,947</b>	<b>16,375</b>	<b>22,787</b>	<b>33,855</b>	<b>32,510</b>	<b>34,895</b>	<b>48,267</b>	<b>57,954</b>	<b>47,878</b>	<b>39,992</b>	<b>29,890</b>	<b>41,315</b>	<b>420,665</b>	

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**Table 3. 2007 Water and Facility Rates**

CAWCD delivery rate to AWBA	\$61 per acre-foot
Interstate rate	\$210 per acre-foot
Groundwater Savings Facility operator portion of delivery rate <sup>1</sup>	
Intrastate <sup>2</sup>	\$31 per acre-foot
Interstate	\$26 per acre-foot
Underground Storage Facility rate paid by AWBA	
Agua Fria Recharge Project (CAP) <sup>3</sup>	\$8.00 per acre-foot
Hieroglyphic Mtns. (CAP) <sup>3</sup>	\$8.00 per acre-foot
Tonopah Desert Recharge Project(CAP) <sup>3</sup>	\$8.00 per acre-foot
GRUSP	\$20.31 per acre-foot
Avra Valley (CAP) <sup>4</sup>	\$12.00 per acre-foot
Lower Santa Cruz (CAP/Pima County) <sup>4</sup>	\$12.00 per acre-foot
Pima Mine Road (CAP) <sup>4</sup>	\$12.00 per acre-foot
CAVSARP (Tucson Water)	\$13.17 per acre-foot

<sup>1</sup> This rate is paid directly to CAP by the GSF operators and is not available as revenue to the AWBA. The AWBA's rate for delivery of in lieu water is thus reduced to \$30/af for intrastate deliveries and \$184/af for interstate deliveries.

<sup>2</sup> The cost share portion for the Gila River Indian Irrigation District GSF is \$20/af through 2008 and reduces the AWBA rate to \$41/af for CY 2007.

<sup>3</sup> Additional capital charge of \$15 per acre-foot for interstate water

<sup>4</sup> Additional capital charge of \$9 per acre-foot for interstate water

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**Table 4. Funding for 2007 Annual Plan of Operation**

	Funds Available (\$)		Funds Utilized (\$)		Credits (AF)
	AWBA	CAP	AWBA	CAP	
<b>Withdrawal Fees</b>					
Phoenix AMA	\$2,200,000	-	\$2,200,000	\$0	42,670
Tucson AMA	\$825,000	-	\$825,000	\$0	10,370
Pinal AMA	\$2,080,000	-	\$2,080,000	\$0	59,200
<b>Four Cent Tax</b>					
Maricopa County	\$2,863,200	\$50,628,000	\$2,863,200	\$6,669,300	130,680
Pima County	\$0	\$4,390,500	\$0	\$1,384,300	17,370
Pinal County	\$0	\$527,000	\$0	\$354,000	10,970
<b>Other</b>					
<b>General Fund</b>	\$0	-	\$0	-	
Phoenix AMA	\$0	-	\$0	-	0
Tucson AMA	\$0	-	\$0	-	0
Pinal AMA	\$0	-	\$0	-	0
<b>Interstate Banking</b>					
Nevada	\$36,157,860		\$25,246,720		119,900
California	(not applicable)				
	<b>Total Funds Available</b>		<b>Total Funds Expended</b>		<b>Credits</b>
	\$99,671,560		\$41,622,520		391,160