

<p align="center">City of Tempe</p>	
<p>Feedback on the alternative methods proposed at Stakeholder Meeting</p>	<p>New alternative you would like to be considered by AWBA staff</p>
<p>Scenario 1A, 1B and 1C would unnecessarily extend the credits for 100, 48.8 and 25.5 years, respectively, in the Phoenix AMA. We are concerned with any alternative that proposes extending the credit for so long that the credits lose value. The purpose of these credits are to help M&I subcontractors transition through a shortage not to be a forever source of water. We believe 20 years is a more useful transition period for that purpose.</p> <p>Tempe does not support a firming policy based on incentive or need. If the State would like to implement additional conservation measures, ADWR should develop those measures in concert with water users.</p> <p>Tempe supports a firming policy that is equitable, provides certainty for M&I subcontractors, and extends the distribution of credits long enough to build recovery infrastructure and secures other water supplies.</p> <p>Please note that Tempe agrees with AMWUA's comments regarding the alternative methods proposed at the Stakeholder meeting.</p>	<p>Tempe joins the other AMWUA municipalities to propose what we consider to be the most effective policy for the Water Bank to adopt to distribute long-term storage credits to M&I Subcontractors when their CAP water is cut by shortage. The AMWUA Board of Directors propose that the Arizona Water Banking Authority should adopt a firming policy of up to 20 percent pro rata firming of M&I cuts starting in 2024.</p> <p>This method would be based on the Bank's historical planning assumption to proportionally firm up to 20 percent of M&I cuts. It is straightforward and simple to administer. For more than a decade M&I subcontractors have used the 20 percent firming assumption in their planning efforts to prepare for Colorado River shortages. As the ten AMWUA cities face reductions of their M&I CAP water in 2024 and beyond, it is critical to have certainty now for how the Water Bank will distribute credits so that the cities can plan accordingly for their reduced reliance on Colorado River water.</p> <p>AMWUA's proposed firming method would extend the lifespan of the Water Bank's Phoenix AMA credits for 20 years (through 2043). This would allow time for recovery infrastructure to be in place to increase the likelihood of having wet water delivered and, therefore, would ensure the credits are recovered in such a way as to avoid negatively impacting the aquifer.</p> <p>In addition, this approach to firming is equitable. All M&I subcontractors invested in their CAP supplies with the expectation that the distribution of the Bank's credits would be impartial and proportional.</p>