



2023 AWBA Annual Report

AWBA Quarterly Meeting

June 17, 2024

2023 Plan of Operation

- Tribal Firming Obligations:
 - Extinguished 14,575 AF of firming credits to firm the Gila River Indian Community (Community)
- Long-term storage credit purchases: 1,327 AF (Tucson AMA)
 - Purchased pursuant to A.R.S. § 45-841.01
- Intentionally Created Surplus Firming Credits development: 7,470 AF
 - Phoenix AMA: 7,468 AF
 - Pinal AMA: 2 AF
- No water storage deliveries

2023 Plan of Operation Expenditures

Funding Source	Phoenix AMA	Pinal AMA	Tucson AMA	Total
Water Storage Tax	-	-	-	-
Withdrawal Fees	2,230,502.40	537.60	\$321,926.31	\$2,552,966.31
Total	2,230,502.40	537.60	\$ 321,926.31	\$2,552,966.31

Other Activities

- Stakeholder meetings
- Agency coordination meetings

2023 AWBA Credit Activity




Objective and Location	Credits Available as of December 31, 2022 ¹	Credits Used during 2023	Credit Acquisitions during 2023	Credits Remaining as of December 31, 2023
	AF			
CAP M&I Firming (4-cent tax)				
Phoenix AMA	1,582,453	0	0	1,582,453
Pinal AMA	234,791	0	0	234,791
Tucson AMA	512,213	0	0	512,213
On-River M&I Firming (general fund)	403,830	0	0	403,830
Tribal Settlement Obligations:²				
Community - 15,000 AFY	169,281	14,575	7,470	162,176
LTSCs	105,390	0	0	105,390
Firming Credits	37,571	14,575	0	22,996
ICS Firming Credits	26,320	0	7,470	33,790
White Mountain Apache Tribe - 3,750 AFY	0	0	0	0
Hualapai - 557.5 AFY	0	0	0	0
Future Settlements – 4,416.5 AF	0	0	0	0
Federal Assistance (Southern Arizona Water Rights Settlement Act)	34,102	0	0	34,102

¹ Credits accrued or acquired through 2022.

² White Mountain Apache Tribe Water Rights Quantification Act enforceability date is December 30, 2027; Hualapai settlement enforceability date is April 15, 2029.

Objective and Location	Credits Available as of December 31, 2022 ¹	Credits Used during 2023	Credit Acquisitions during 2023	Credits Remaining as of December 31, 2023
	AF			
Groundwater Management³ (Withdrawal Fees)	776,265	0	1,327	777,592
Phoenix AMA	251,411	0	0	251,411
Pinal AMA	417,706	0	0	417,706
Tucson AMA	107,148	0	1,327	108,475
Shortage Reparatons⁴	109,489	0	0	109,489
Phoenix AMA	20,642	0	0	20,642
Pinal AMA	60,507	0	0	60,507
Tucson AMA	28,340	0	0	28,340
Pinal Redirect Credits⁵	14,125	0	0	14,125
Interstate - SNWA	613,846	0	0	613,846
Phoenix AMA	60,021	0	0	60,021
Pinal AMA	440,241	0	0	440,241
Tucson AMA	113,584	0	0	113,584

2023 AWBA Credit Activity (continued)



³ Withdrawal Fee LTSCs may be used for CAP M&I firming and/or Tribal settlement obligations if needed.

⁴ LTSCs accrued pursuant to the Arizona-Nevada Shortage-Sharing Agreement executed in 2007.

⁵ Credits accrued from water provided to Pinal AMA GSFs at full cost to the GSF operators.

Ten-Year Plan

- Planning tool, updated annually
- January 1, 2025 through December 31, 2026
 - Shortened timeframe in consideration of ongoing development of new operating guidelines
- Includes:
 - Firming projections and estimates: 2025-2026
 - Recovery capacity for M&I subcontractors: 2025-2026

Assumptions

- No excess CAP water available in 2025-2026
- Projected shortage reductions based on the 2007 Guidelines and the Lower Basin Drought Contingency Plan
- LTSC purchases determined annually through the Plan of Operation
- All remaining ICS firming credits anticipated to be purchased by 2026

Credit Distribution or Extinguishment

- Firming volume estimations (2025-2026) based on projected shortage tiers
 - Used Reclamation's five-year projections
 - Used CAWCD demand estimations for M&I subcontractors, Tribal firming and on-River firming
- Recovery capacity analysis (2025-2026) for different shortage tiers
 - Used CAWCD demand estimations for M&I subcontractors
 - Included information provided by discussions with subcontractors

Shortage Probabilities (2025-2026)

Operational Tier	Tier Reductions (AF)	Shortage Probability ¹	
		2025	2026
Surplus Condition ($\geq 1,145$)		0%	0%
Normal Year (< 1145 and > 1075)		0%	20%
Normal (< 1145 and > 1090)		0%	0%
Tier Zero (≤ 1090 and > 1075)	192,000	0%	20%
Any Shortage (≤ 1075)		100%	80%
Tier 1 Shortage (≥ 1050 and ≤ 1075)	512,000	100%	77%
Tier 2 Shortage (≥ 1025 and < 1050)		0%	3%
Tier 2a (> 1045 and < 1050)	592,000	0%	3%
Tier 2b (≥ 1025 and ≤ 1045)	640,000	0%	0%
Tier 3 Shortage (< 1025)	720,000	0%	0%

¹ Shortage probabilities from Reclamation's Five-Year table projections of future Colorado River system conditions, May 2024 CRMMS-ESP. These projections do not represent the full range of future possibilities that could occur with different modeling assumptions.

Estimated Community Firming Volumes (2025-2026)

	Tribal Firming (acre-feet)	
Operational Tier	2025	2026
Normal Year (Tier 0)	0	0
Tier 1 Shortage	9,545	9,835
Tier 2a Shortage	14,867	14,773
Tier 2b Shortage	13,968	13,897
Tier 3 Shortage	12,642	12,562
Most Probable Firming Volumes	9,545	9,835
	Total AWBA Firming (acre-feet)	
2-Year Total Volumes	19,380	

Estimated M&I Recovery Capacity (2025-2026)

Year	Tier 1 (AF)	Tier 2a (AF)	Tier 2b (AF)	Tier 3 (AF)
2025	0	2,397	11,899	27,285
2026	0	4,412	14,034	29,669

Estimated recovery well capacity incorporates 2022 feedback from impacted M&I subcontractors

Location and Objective	Estimated Credits Available through 2024 (acre-feet)	Estimated Credits Used/Exchanged through 2026 (acre-feet)	Estimated Credits Remaining End of 2026 (acre-feet)
CAP M&I Firming	2,329,457	0	2,329,457
Phoenix AMA	1,582,453	0	1,582,453
Pinal AMA	234,791	0	234,791
Tucson AMA	512,213	0	512,213
On-River M&I Firming	403,830	0	403,830
Tribal Settlement Obligations:	156,006	19,380	139,962
Community - 15,000 AFY	156,006	19,380	139,962
LTSCs ¹	105,390	2,554	102,836
Firming Credits ¹	16,826	16,826	0
ICS Firming Credits	37,126	0	37,126
WMAT - 3,750 AFY	0	0	0
Hualapai - 557.5 AFY	0	0	0
Future Settlements - 4416.5 AFY	0	0	0
Federal Assistance (SAWRSA)² \$3 million provided in LTSCs	34,102	0	34,102
Groundwater Management ³	778,120	0	778,120
Phoenix AMA	233,596	38,475	195,121
Pinal AMA	435,521	- 43,225	478,746
Tucson AMA	109,003	4,750	104,253
Shortage Reparations	109,489	0	109,489
Pinal Redirect Credits	14,125	0	14,125
Interstate - SNWA	613,846	0	613,846

Utilization of AWBA Credits by 2026



¹ Assumes the use of firming credits and LTSCs accrued on-Reservation because the Community committed to leave ICS in Lake Mead until December 31, 2026.

² Credits could be requested by Reclamation during this time period.

³ Reflects maximum volume of credits that could be exchanged pursuant to LTSC exchange agreement under the Implementation Plan by December 31, 2026.

Conclusion

- Tier 1 Shortage Condition anticipated in 2025 and 2026
- New operating guidelines anticipated for 2027 and beyond
- Only Tribal firming anticipated (2025-2026)
 - 19,380 acre-feet for the Community (12.4% of credits dedicated to the Community)
- Expected development of ICUA on behalf of SNWA postponed to begin in 2028 (2,500 acre-feet annually)

Questions?

