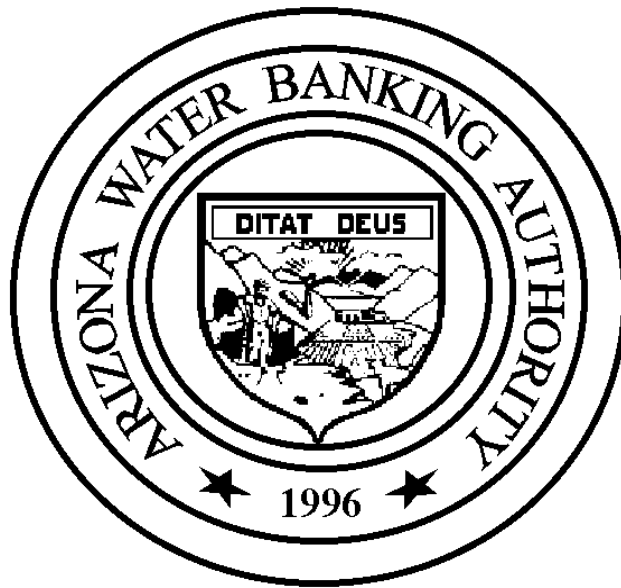


ARIZONA WATER BANKING AUTHORITY
ANNUAL PLAN OF OPERATION
2000



Rita P. Pearson, Chairman

December 1999

INTRODUCTION

The Arizona Water Banking Authority (AWBA) was created to store Arizona's unused Colorado River water entitlement in western, central and southern Arizona to develop long-term storage credits to: (1) firm existing water supplies for municipal and industrial users during Colorado River shortages or Central Arizona Project (CAP) service interruptions; (2) help meet the water management objectives of the Arizona Groundwater Code; and (3) assist in the settlement of American Indian water rights claims.

In addition to these functions, which were set forth in the AWBA's enabling legislation, the AWBA can now undertake some additional water banking activities. The Arizona Water Banking Authority Study Commission, created in 1996 to consider and recommend possible additional roles for the AWBA in carrying out Arizona's water policy, proposed a series of water banking amendments during the 1999 legislative session, all of which were approved by the Arizona Legislature and signed into law in April 1999 by Governor Hull. These statutory amendments include provisions to allow the AWBA to perform water banking services for specific entities in Arizona and create a mechanism for distribution of long-term storage credits earned on behalf of specific Arizona entities; to permit the AWBA to store effluent for the same purposes allowed for CAP water but only when all available excess CAP water has been stored or when excess CAP water is not available to the AWBA; to protect non-CAP surface water supplies; and to create a mechanism for long-term storage credit lending.

The AWBA is required by statute to approve an annual Plan of Operation by January 1 of each year. Prior to approval of the final plan, the AWBA is required to solicit public comment by presenting the plan to the groundwater users advisory councils for the Phoenix, Pinal and Tucson active management areas (AMA) and to the county board of supervisors for counties outside of the AMA's if water storage is proposed there within the current plan. Presentation of the Plan of Operation must be made at publicly noticed open meetings at which members of the public are permitted to provide comment.

The Plan of Operation is intended to govern the operations of the AWBA over the course of the entire calendar year. During the course of the year, changing circumstances may present limitations or provide new opportunities not contemplated in the adopted Plan, which could affect the overall delivery projections. In such circumstances, the AWBA may choose to modify its adopted Plan. If such modifications are required, the proposed modifications will be discussed and, if acceptable, approved at a public meeting of the AWBA.

The AWBA recognizes that day-to-day adjustments in the normal operations of the CAP or the individual storage facilities caused by maintenance and fluctuations in the weather may affect the actual monthly deliveries made on behalf of the AWBA. If the adjustments do not impact the overall annual delivery projections contained in the Plan, they will not be deemed modifications to the Plan and will be addressed by staff and reported to the AWBA members on an as-needed basis.

1999 PLAN OF OPERATION

In 1999, the AWBA's second full year of operation, the AWBA recharged approximately 250,000 acre feet of Colorado River water, bringing Arizona's total use of Colorado River water close to its normal year entitlement of 2.8 million acre feet (see Figure 1).

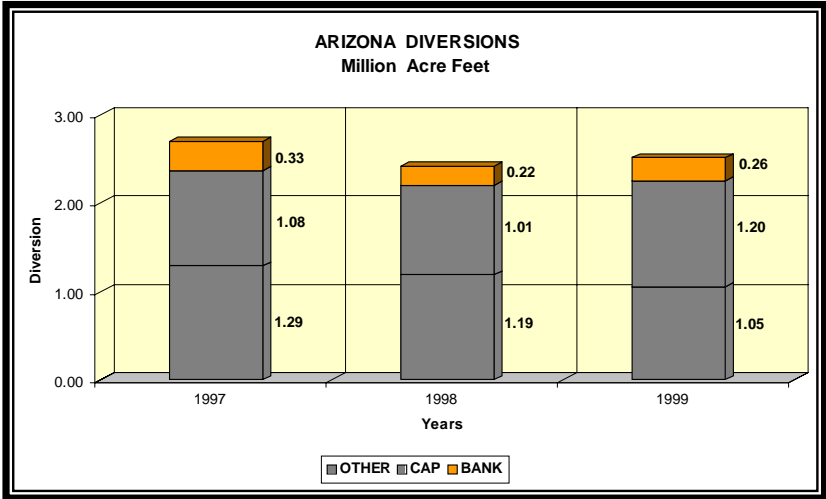


Figure 1

Because the Secretary of the Interior declared that the Colorado River was in surplus in 1999, the increased use by Arizona did not impact the other Lower Basin states' uses. Total estimated use of Colorado River water in the Lower Basin will be approximately 7.8 million acre feet in 1999 (see Figure 2).

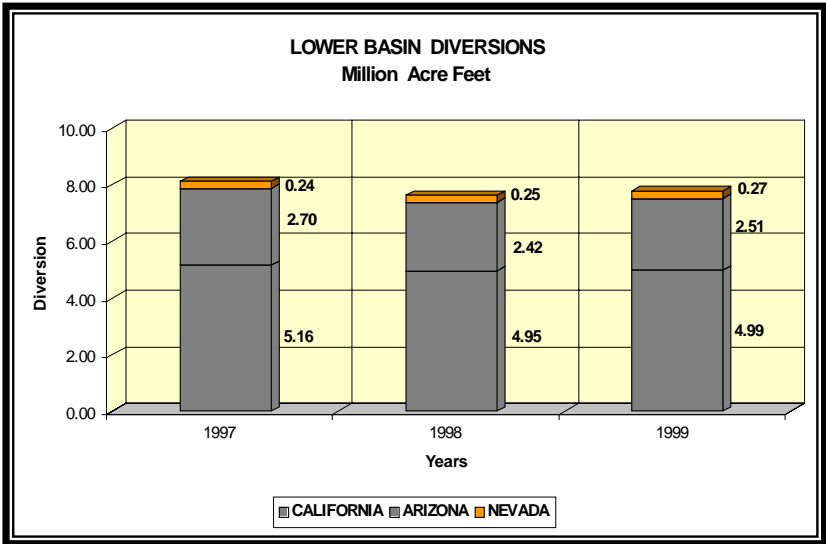


Figure 2

The AWBA recharged water at underground storage facilities (USF) and groundwater savings facilities (GSF) in 1999. Table 1 lists the AWBA's recharge partners for 1999, the amount of water that can be stored under each AWBA water storage permit, and the amount estimated to be recharged by the AWBA at each facility in 1999. Final figures generally become available in the middle of the following year (in this case, mid-2000). The amount of water stored is always greater than the amount of long-term storage credits earned by the AWBA because credits are computed by subtracting approximately 3-5% for losses and 5% for a "cut to the aquifer" from the total annual deliveries.

Table 1

AMA	Facility	Type	Permit Capacity	Amount Recharged
Phoenix	GRUSP	USF	200,000 AF	62,147 AF
	Queen Creek ID	GSF	28,000 AF	13,498 AF
	New Magma IDD	GSF	54,000 AF	46,328 AF
	SRP	GSF	200,000 AF	22,084 AF
	Maricopa Water District	GSF	18,000 AF	20,000 AF
Pinal	MSIDD	GSF	120,000 AF	20,722 AF
	CAIDD	GSF	110,000 AF	5,000 AF
	Hohokam ID	GSF	55,000 AF	39,625 AF
Tucson	Avra Valley (CAP)	USF	11,000 AF	3,730 AF
	Pima Mine Road (CAP)	USF	10,000 AF ¹	10,979 AF
	CAVSARP (Tucson)	USF	15,000 AF	7,761 AF
Total			821,000 AF	251,874 AF

¹ In mid-1999, the Pima Mine Road pilot permit was extended allowing an additional 10,000 AF over a two year period.

Though the Amended 1999 Plan of Operation scheduled approximately 370,000 acre feet of water to be recharged around the state, the amount of water recharged amounted to approximately 251,800 acre feet. Several GSFs requested a reduction in water deliveries, and the AWBA recharged less water at GRUSP than originally anticipated. Figure 3 shows the acre foot break down between GSFs and USFs for 1999 and a comparison between 1999 and previous years.

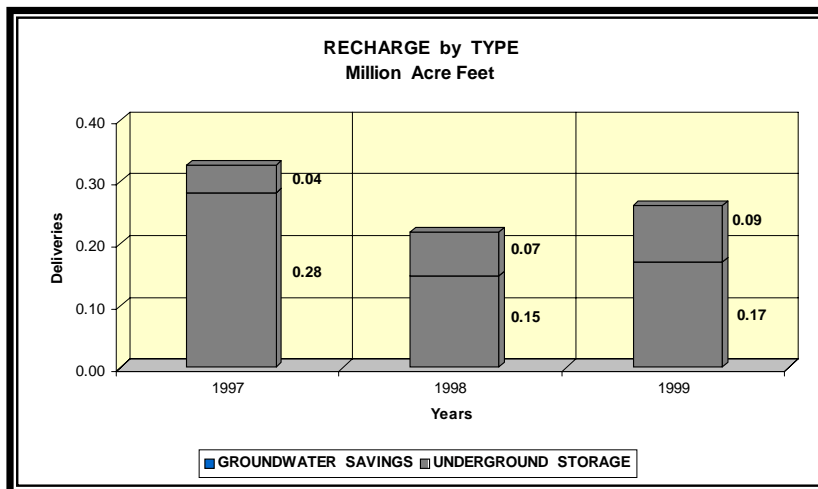


Figure 3

2000 PLAN OF OPERATION

When developing the 2000 Plan, the AWBA evaluated four critical factors: (1) the amount of unused water available to the AWBA for delivery, (2) the CAP capacity available to the AWBA for the delivery of unused water, (3) the funds available and the costs required to deliver the unused water, and (4) the capacity available for use by the AWBA at the various recharge facilities.

For water year 2000, the Secretary of the Interior has declared that the Colorado River is in a surplus condition. A surplus declaration means that surplus water would be available to the AWBA as a source of unused water. Therefore, water availability will not be a limiting factor for the AWBA in 2000.

The Central Arizona Project (CAP) 2000 Operating Plan accommodates the delivery of approximately 1.6 million acre feet of water. CAP's plan delivers approximately 1.1 million acre feet to its subcontractors, which leaves approximately 500,000 acre feet of capacity available for the AWBA. Based on this available capacity, the CAP's operations will not be a limiting factor for the AWBA in 2000.

The funding available to the AWBA from its three sources (county *ad valorem* property tax revenues, groundwater pumping fees, and general funds) to pay for the delivery of water in 1999 will be approximately \$20 million including the carryover from the previous years. Given the costs associated with the delivery of water and the fact that the GSF operators continue to pay \$21 of that cost when the water is delivered to their facilities, the \$20 million is adequate to fund the AWBA Plan and is not a limiting factor in 2000. For more information about the cost of the plan, please refer to the pricing section, *infra*.

To assist in developing the 2000 Plan, each facility operator submitted an annual delivery schedule to the CAP. (The CAP schedules the AWBA's deliveries for those USFs it will be operating.) The CAP staff utilized these schedules to compile an annual schedule for the CAP, including municipal and industrial (M&I) water, water for Indian tribes, incentive recharge water, agricultural pool water, and AWBA water. As discussed previously, this integrated schedule was developed to conform to a 1.6 million acre foot delivery year. Concurrently, the AWBA staff met with the facility operators to discuss their delivery schedules and confirm their continued interest in participating with the AWBA. These discussions confirmed the availability of substantial permitted recharge capacity but also that limited capacity is available to the AWBA. Some of the GSF availability was limited by delivery cost, and other facilities were limited by operational issues. Operational constraints or previous commitments to other partners limited the availability of USFs to the AWBA.

Based on its adopted Plan, the AWBA anticipates recharging approximately 290,000 acre feet of Colorado River water in 2000. The Plan was developed utilizing permitted facilities located in Maricopa, Pinal, and Pima Counties. The Plan attempts to optimize, on a monthly basis, the delivery of Colorado River water to meet the AWBA's objectives. The Plan is flexible, and if additional recharge capacity can be identified and funding remains available, the Plan can be modified in the future to include additional facilities.

Based on projected uses, Arizona's use of Colorado River water in 2000 will be approximately 2.60 million acre feet (see Figure 4), which will be slightly greater than Arizona's 1999 use. The overall Lower Basin use is projected to be approximately 7.8 million acre feet (see Figure 5).

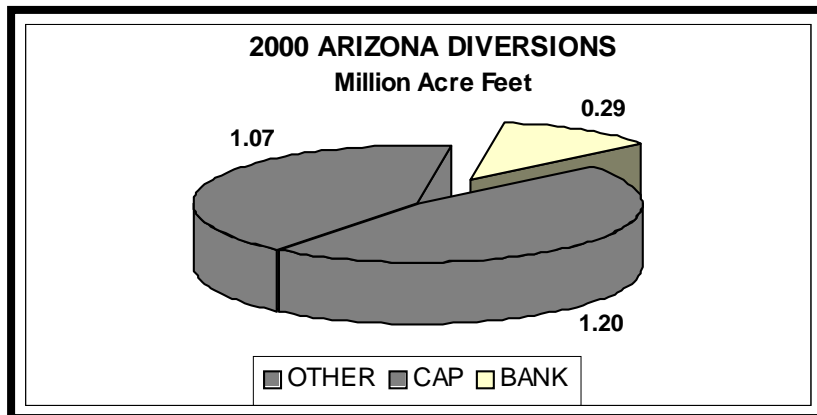


Figure 4

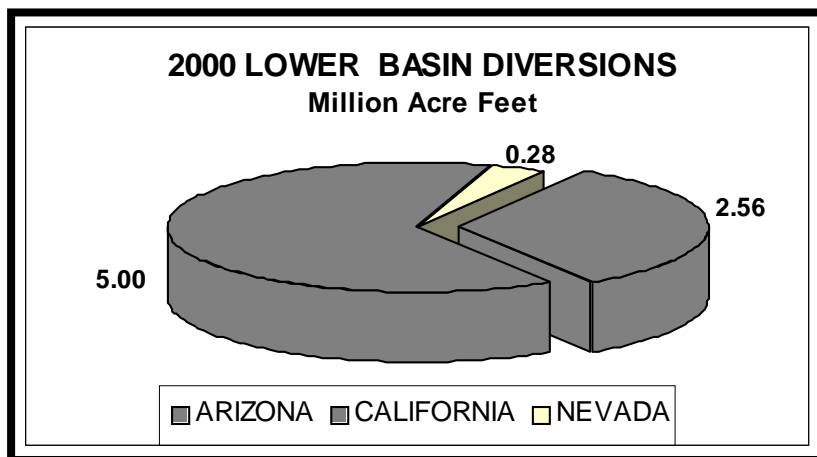


Figure 5

The CAWCD has proposed a policy for allocating excess water.¹ The policy establishes criteria for eligibility for a particular pool and establishes a pricing strategy for those pools.

¹ Excess water is all Colorado River water available for delivery through the CAP under normal, shortage, or surplus conditions on the Colorado River that is in excess of the amounts scheduled for delivery under long-term contracts and subcontracts.

The first pool of excess water would be full price, including any capital charge, and would be available for sale to any Arizona user (municipalities, agricultural entities, water companies, private entities, Indians, or federal agencies). The first pool may be limited by the CAWCD Board. The second pool is the Agricultural Pool priced at “energy rate 1.” This pool would be limited beginning at 400,000 acre feet and declining to 225,000 acre feet. The second priority pool is for non-Indian agricultural users only. The third pool would be incentive recharge at the “energy rate 2” plus other costs as set by current policy (approximately five dollars). This third priority pool is primarily for the AWBA, but cities or other municipal and industrial (M&I) entities could participate. If the federal government wanted to develop recharge credits, it could participate through the AWBA. Federal water banking efforts would be accomplished in a manner similar to that outlined in the proposed Interstate Water Banking rules first published in draft form in December 1997 and not yet finalized. Finally, the fourth pool would consist of any remaining available water for any use including non-Indian agricultural, Indian, federal, and recharge at the price set by the CAWCD Board each year. The fifth pool is for the AWBA for interstate storage purposes.

Table 2 shows the AWBA's 2000 delivery schedule. Line One of this table provides estimates of the CAP's monthly deliveries to its M&I, agricultural, incentive recharge, and Indian customers. These deliveries have a scheduling priority over the AWBA's deliveries. These estimates do not include deliveries to New Waddell Dam.

Line Two shows the capacity available to the AWBA after the CAP makes its priority deliveries and its deliveries to New Waddell Dam. The CAP is capable of delivering approximately 180,000 acre feet of water each month. The AWBA's capacity is determined by subtracting customer deliveries from the available capacity. The available capacity does not always total 180,000 acre feet/month because of unique situations such as the filling of Lake Pleasant in the winter months, deliveries to the western portion of the aqueduct, New Waddell Dam releases to the aqueduct in the summer months and scheduled maintenance. During the fall and winter months, the capacity available to the AWBA is constrained because the CAP is making deliveries to Lake Pleasant.

Lines Three through Twenty-one represent the AWBA's 2000 Plan of Operation. This section identifies the AWBA's partners for 2000 and the amount of water scheduled to be recharged. The second column in this section identifies the AWBA's water storage permit capacities for each facility and the amount of that capacity that is available to the AWBA in 2000. The capacity available does not always equal the storage permit capacity because the storage facility operators may have agreements with other storage partners.

Line Twenty-three lists the CAP capacity remaining after the AWBA's deliveries are scheduled. The CAP has shown in the past that there is some operational flexibility to help meet deliveries in any given month. The AWBA staff will work closely with the CAP staff and our partners in an attempt to meet all scheduled deliveries.

The values in Table 2 reflect the delivery amounts at the CAP turnout and do not account for losses incurred between the turnout and the actual point of use. Those losses must be calculated and deducted from the deliveries to determine the actual credits earned by the AWBA.

In 2000, GSFs and USFs will comprise somewhat equal portions of the AWBA's water deliveries. Figure 6 shows the break down between GSF and USF water storage for 2000.

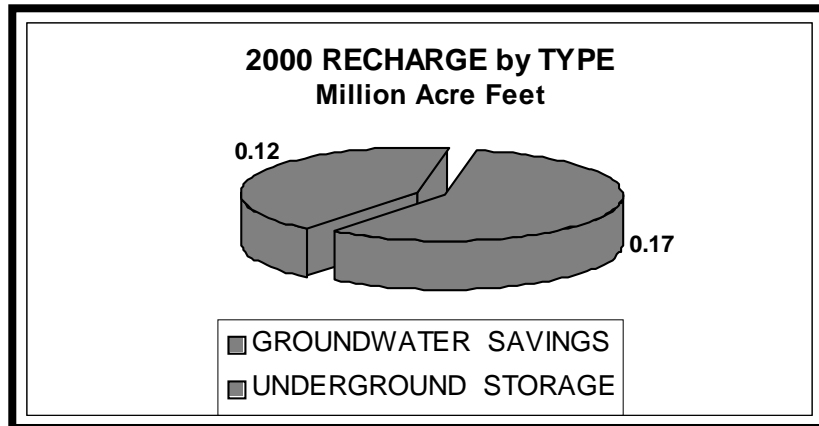


Figure 6

No recovery is anticipated in 2000. The AWBA began developing recovery concepts in 1999 to ensure that the benefit of the credits developed will be realized by the area in which the funds are collected. An environmental consulting firm hired by the AWBA completed much of its work in 1999 and received input from various water entities in a series of meetings held in April and May 1999. The process resulted in the production of a CD containing water data for the Pinal, Phoenix, and Tucson AMAs. The AWBA will continue to pursue recovery concepts in 2000 and beyond.

Table 2
ARIZONA WATER BANKING AUTHORITY
Water Delivery Schedule
Calendar Year 2000
(ACRE-FEET)

1999
Deliveries
(ACRE
FEET)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total			
1	Estimated CAP Deliveries + Losses : (M&I, Indian, Ag Pools 1, 2 & 3, Incentive Recharge)	28,800	38,700	101,000	140,300	146,000	155,200	151,800	135,000	72,600	50,200	30,500	26,500	1,076,600			
2	Available Excess CAP Capacity for AWBA :	91,000	82,000	47,000	35,000	34,000	25,000	34,000	55,000	50,000	35,000	23,000	23,000	534,000			
	AWBA -- Recharge Sites :	Permitted Capacity (AF)	Requested Capacity (AF)														
LA PAZ COUNTY :																	
3	USF VIDLER WATER / MBT	10,000	?												?	0	
PHOENIX A M A :																	
4	USF GRUSP	200,000	85,000	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	4,600	4,600	6,600	75,200	62,147	
5	AGUA FRIA	100,000	15,000	0	0	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	15,000	0	
6	GSF CHCID	3,000	1,500	50	100	50	100	100	100	100	191	100	0	0	1,117	0	
7	MWD	18,000	18,000	0	0	0	0	0	0	1,633	2,353	2,353	0	0	6,339	20,000	
8	NEW MAGMA	54,000	47,200	2,000	2,000	3,200	2,500	3,000	3,500	3,700	9,700	9,600	3,500	2,500	2,000	47,200	46,328
9	QUEEN CREEK	28,000	20,000	0	0	0	0	0	3,946	7,270	3,720	1,600	1,050	2,460	20,046	13,498	
10	RWCD	100,000	?												?	0	
11	SRP	200,000	15,000	0	0	2,120	2,120	2,120	2,120	2,120	2,120	0	0	0	14,840	22,084	
12	TONOPAH ID	15,000	3,000	0	0	0	0	0	0	0	0	2,000	1,000	3,000	0	0	
P I N A L A M A :																	
13	GSF CAIDD	110,000	15,000	0	0	0	0	0	0	1,451	8,506	4,184	482	377	15,000	5,000	
14	HOHOKAM	55,000	46,000	2,300	3,500	6,500	6,000	7,500	4,500	7,600	3,500	2,000	800	2,000	46,200	39,625	
15	MSIDD	120,000	15,000	530	0	320	0	320	2,000	4,620	3,260	1,370	110	110	1,580	14,220	20,722
T U C S O N A M A :																	
16	USF Avra Valley	11,000	2,000	200	200	200	200	200	200	0	0	200	200	200	200	2,000	3,730
17	CAVSARP	15,000	7,500	500	500	500	500	500	500	500	500	500	500	500	6,000	7,761	
18	Pima Mine Road	10,000	12,500	1,000	1,100	0	0	1,300	1,300	1,300	1,300	1,300	1,300	1,300	12,500	10,979	
19	Lower Santa Cruz	30,000	10,000	0	0	0	0	0	1,000	1,800	1,800	900	1,800	1,800	9,100	0	
20	GSF Kai Avra	11,000	?												?	0	
21	Kai Red Rock	11,000	500	0	0	0	0	0	250	250	0	0	0	0	500	0	
22	T O T A L (USF + GSF) :		312,700	13,180	14,000	19,490	18,020	21,640	21,096	26,636	45,834	44,169	23,938	17,942	22,317	288,262	251,874
23	Remaining CAP Capacity :	77,820	68,000	27,510	16,980	12,360	3,904	7,364	9,166	5,831	11,062	5,058	683	245,738			

NEW PARTNERS

In 2000, the Annual Plan of Operation anticipates recharging water at several new facilities. Some facilities have existing agreements and deliveries have been scheduled while others are still negotiating agreements. If agreements can be negotiated, it is anticipated that the existing Plan could accommodate certain facilities without amendment.

Agua Fria Recharge Project

CAWCD is developing the Agua Fria Recharge Project as a Maricopa County State Demonstration Project. It will be the first recharge project in Arizona to incorporate a combination of streambed recharge and infiltration basins in a single underground storage facility. The Agua Fria Recharge Project is located in the Agua Fria River channel within the Salt River Valley groundwater basin of the Phoenix AMA. As of Fall 1999, land acquisition remains the final issue to be resolved before the Agua Fria may operate.

- (1) *Federal and State Environmental Requirements.* The U.S. Army Corps of Engineers (COE) has determined that the CAWCD's 404 permit application is complete and correct. The COE is currently drafting the 404 permit. The Arizona Department of Environmental Quality issued CAWCD the 401 permit for the project in July 1999. All other required regulatory permits have been acquired.
- (2) *Land Acquisition.* CAWCD is attempting to acquire access easements and rights-of-way to state and private land in the Agua Fria River channel. The Arizona State Land Department is currently reviewing the right-of-way application and issuance in early 2000 is anticipated. One of the 5 private land easements has been acquired and negotiations are continuing on the others.

The Agua Fria Recharge Project is expected to be available to the AWBA for recharge in July 2000.

Lower Santa Cruz Recharge Project

CAWCD and the Pima County Flood Control District (PCFCD) are jointly developing the Lower Santa Cruz Recharge Project in the Tucson AMA. PCFCD is the lead agency in the permit process, design and construction of the underground storage facility. CAWCD will be the owner and operator after the facility is constructed. The Lower Santa Cruz Recharge Project is located about one quarter mile northwest of the Avra Valley Recharge Project along the Santa Cruz River. Scheduled project completion and final acceptance is May 2000, and the facility should be available to the AWBA for recharge in June 2000.

Bouse Recharge Facility

Arizona Public Service (APS) has obtained a permit for this facility and has had discussions with AWBA staff regarding recharge in the year 2000. No agreement has been negotiated, however, APS has proposed that approximately 3,000 acre feet could be recharged at the facility beginning mid-year. Prior to including this facility in the plan, a public meeting with the La Paz County Board of Supervisors and AWBA approval to amend the plan would be required.

Vicksburg Farms Facility

The McMullen Valley Water Conservation and Drainage District has applied for an underground storage permit for this facility. The application has been publicly noticed and the draft permit is currently under review. The application is for a pilot project of 10,000 acre feet of storage over a 10 year period. No agreement has been negotiated, however there have been discussions with AWBA staff regarding water storage at this facility in the year 2000.

Kai Farms (Red Rock) at Picacho

Mr. Herb Kai has a GSF permit for this facility in the amount of 11,231 acre feet per annum. No agreement has been negotiated, however based on staff discussions with Mr. Kai, there has been a small amount of storage at this facility included in the Plan.

INTERSTATE WATER BANKING

The Secretary of the Interior published the final rule regarding Offstream Storage of Colorado River water on November 1, 1999 with an effective date of December 1, 1999. Prior to the AWBA initiating negotiations for interstate contracts, the Director of the Arizona Department of Water Resources (ADWR) must review the federal rule and make a determination that it adequately protects Arizona's rights to Colorado River water as defined by law. The ADWR's Legal Division is analyzing the adequacy of the rule with regard to protecting Arizona's rights. It is anticipated that ADWR will issue a draft opinion regarding this issue sometime in January 2000. The draft opinion will be distributed for public comment and finalized following the comment period.

No interstate banking is included in this plan because the Director has not completed her review and made her determination. If the Director determines that Arizona's entitlement is protected, the AWBA could decide to negotiate interstate agreements. Once an interstate agreement is negotiated, the Plan could be amended to reflect additional deliveries and storage for interstate purposes. Prior to amending the Plan of Operation, the public would have the opportunity to provide comment.

PRICING

The CAWCD established a subcommittee to review the existing delivery rate for the AWBA's water. Two members of the AWBA, Tom Griffin and Bill Chase, sat on the subcommittee which analyzed long-term delivery rates for incentive recharge water. Based on the subcommittee's recommendation, the CAWCD Board adopted a pricing policy that continues to offer incentive recharge water to both the AWBA and M&I subcontractors. For 2000, that policy established a rate of \$44 per acre foot consisting of the following components: Energy Rate 2; ten percent of fixed operation and maintenance costs of the CAP system; and compensation for lost revenues.

The AWBA's policy of recovering \$21 from its groundwater savings facility partners will continue for 2000. Table 3 reflects the water delivery rate the CAP will charge the AWBA, the rate the GSF operators will pay for use of the AWBA's water, and the various rates the AWBA will be charged to utilize the different USFs.

Table 3

2000 Water Rates	
CAP's delivery rate to AWBA	\$44 per acre foot
Groundwater Savings Facility operator portion of delivery rate	\$21 per acre foot ¹
Underground Storage Facility rate paid by AWBA	
GRUSP (SRP)	\$14 per acre foot
Avra Valley (CAP)	\$20.30 per acre foot
Pima Mine Road (CAP)	\$7.50 per acre foot
Central Avra Valley (Tucson Water)	\$14 per acre foot (estimate) ²
Lower Santa Cruz (CAP/Pima County)	\$16.50 per acre foot
Agua Fria Recharge Project	\$2.50 per acre foot

¹ 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 \$23/af.

² In 2000, the rate may be lower because of favorable energy costs.

The estimated total cost of the AWBA's 2000 Plan of Operation is approximately \$11 million which includes the USF use fees and the CAP delivery rate minus cost recovery from the GSF operator by the CAWCD.

ACCOUNTING

The AWBA's enabling legislation required the development of an accounting system that allows the tracking of all long-term storage credits accrued by the AWBA and the funding sources from which they were developed. The Arizona Department of Water Resources has established accounts that track both credits and funds.

Table 4 provides estimates of the funds available including funds carried over from previous years, the funds to be expended, and the credits that will accrue to those accounts based on the 2000 Plan.

Table 4

2000 PLAN OF OPERATION				
	FUNDING¹		CREDITS²	
	AVAILABLE	EXPENDED	AMOUNT	LOCATION
Withdrawal Fee				
Phoenix AMA	\$6,492,000	\$0	0	Phoenix AMA
Tucson AMA	\$1,966,000	\$0	0	Tucson AMA
Pinal AMA	\$3,096,000	\$1,505,000	59,000	Pinal AMA
Four Cent Tax				
Maricopa County	\$16,005,000	\$6,581,000	151,000 AF	Phoenix AMA
Pima County	\$3,626,000	\$296,000	5,000 AF	Tucson AMA
Pinal County	\$231,000	\$230,000	9,000 AF	Pinal AMA
Other				
General Fund	\$2,000,000	\$2,000,000	35,000 AF	
		\$550,000	13,000 AF	Phoenix AMA
		\$1,450,000	22,000 AF	Tucson AMA
		\$0	0 AF	Pinal AMA
California	(not applicable)			
Nevada	(not applicable)			
TOTAL	\$33,416,000	\$10,612,000	259,000 AF	

¹ Does not include groundwater savings facility partners' payment. The AWBA's partners make payments directly to the CAWCD.

² Estimate based on 89.78% of the deliveries (1998 actual Plan of Operation loss calculation)

Table 5 provides an estimate of the funds expended and the credits that will accrue to various accounts based on the AWBA's recharge activities since its inception.

Table 5

CUMULATIVE TOTALS			
1997-1999			
	EXPENDED	AMOUNT	CREDITS¹
			LOCATION
Withdrawal Fee			
Phoenix AMA	\$0		Phoenix AMA
Tucson AMA	\$0		Tucson AMA
Pinal AMA	\$0		Pinal AMA
Four Cent Tax			
Maricopa County	\$12,544,000	349,273 AF	Phoenix AMA
Pima County	\$2,040,000	34,248 AF	Tucson AMA
Pinal County	\$842,000	40,657 AF	Pinal AMA
Other			
General Fund	\$6,695,000	297,518 AF	
	\$2,060,000	61,009 AF	Phoenix AMA
	\$4,635,000	236,509 AF	Pinal AMA
California			
Nevada			
TOTAL	\$22,121,000	721,696 AF	

¹ Actual credits used for 1997 and 1998; credits estimated for 1999

PUBLIC REVIEW AND COMMENT

The AWBA staff held public meetings in conjunction with the Groundwater User Advisory Councils (GUAC) for the Phoenix, Tucson and Pinal Active Management Areas (AMA) as required by the AWBA's enabling legislation. In general, the GUACs were supportive of the AWBA's efforts to date.

Phoenix GUAC

There was some discussion and questions regarding the use of general fund money and status of withdrawal fees. It was explained that the withdrawal fees are primarily for water management purposes and as the AWBA's goal has been firming, thus far, withdrawal fees have not been utilized. There was a request that the statutorily mandated guidelines for public meetings associated with the Plan be included in the Plan. This information was included in the Introduction.

Pinal GUAC

There was discussion regarding the use of general fund money, the possible use of withdrawal fees and the \$21 per acre foot paid by the indirect users. There were no specific comments regarding the Plan or requests for modifications to it.

Tucson GUAC

The Tucson GUAC had a number of specific concerns with regard to the Plan. The GUAC requested that consideration be given to expenditure of general fund money in Pima County. The Plan has been modified pursuant to this request. There is a concern regarding the AWBA's limited participation in GSFs in the Tucson AMA. This is due to the existing \$21 cost share by the indirect user. There are on-going staff level discussions with the AMA directors regarding possible resolutions to this concern through the utilization of withdrawal fees. Further, the Plan now includes a small quantity of recharge at a GSF in the Tucson AMA. The GUAC again raised the issue of limited review time of the Plan.