

RESOLUTION 2010 -1
of the
Arizona Water Banking Authority

WHEREAS, the Arizona Water Banking Authority (“Authority”) is required to reserve a reasonable number of credits accrued with general fund appropriations for the benefit of fourth priority municipal and industrial users of Colorado River water in the State of Arizona that are outside the Central Arizona Water Conservation District service area (mainstream water users);

WHEREAS, the Authority is required to collect reimbursement for the cost of replacing credits that are distributed for that purpose;

WHEREAS, on January 21, 1998, the Authority adopted a motion identifying 420,000 acre-feet as the reasonable number of long-term storage credits (“credits”) to be developed and set aside for the benefit of mainstream water users;

WHEREAS, on March 20, 2002, the Authority adopted Resolution 2002-1, which provided, in part, that the first priority of the use of credits accrued with general fund appropriations shall be to develop and set aside a reasonable number of credits as determined by the Authority’s commission for the benefit of mainstream water users;

WHEREAS, 403,830 AF of credits of the 420,000 AF has been developed;

WHEREAS, on February 4, 2005, the Authority and the Mohave County Water Authority (“MCWA”) entered into an Agreement To Firm Future Supplies (“Firming Agreement”) under which the Authority has agreed to transfer 230,280 credits to MCWA during times of shortage and MCWA agreed to reimburse the Authority for any credits that have been transferred to MCWA;

WHEREAS, 173,550 AF of credits remain to be set aside for the remaining Priority 4 M&I entitlement holders;

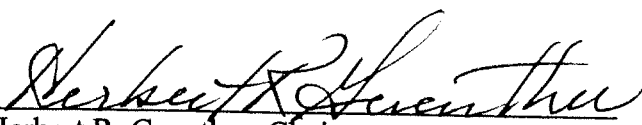
WHEREAS, the remaining Priority 4 M&I entitlement holders, their entitlement and their pro rata share of the remaining credits is as identified in Exhibit 1 Remaining Entitlement Holders;

WHEREAS, those entitlement holders have not approached the Authority requesting an agreement setting aside their pro rata share of the remaining credits.

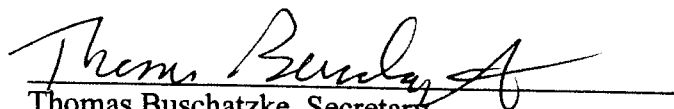
NOW, THEREFORE, BE IT RESOLVED by the Commission of the Authority, as follows:

1. That the Authority will continue to enter into agreements with those entities listed in Exhibit 1 for their pro rata share of the remaining credits until all available credits are exhausted;
2. That the agreements will include provisions similar in nature to the existing Firming Agreement, including agreement by the entity to reimburse the Authority for any credits that have been transferred and to make a prepayment for the credits transferred which will be established by the Authority at the time the agreement is offered;
3. That the Authority will establish a subaccount in the name of the entity in its Long-term Storage Account for the credits set aside in the agreement;
4. That the Authority will reduce the remaining available credits by the amount of credits set aside in any approved agreement;
5. That the Authority will adjust the pro-rata share of entitlement holders without an agreement with the Authority as new 4th Priority M&I entitlements are identified, i.e. additional conversion of 4th Priority agricultural entitlement to 4th Priority M&I entitlement.

IN WITNESS WHEREOF, the Chairman of the Authority approves this Resolution by affixing his signature below on this 17TH day of MARCH, 2010.


Herbert R. Guenther, Chairman
Arizona Water Banking Authority

Attest:


Thomas Buschatzke, Secretary
Arizona Water Banking Authority

Exhibit

EXHIBIT 1
REMAINING ENTITLEMENT HOLDERS

	Entitlement Holder	Entitlement	Pro Rata Share
	Marble Canyon	70	0.15%
Mohave County	Arizona-American Water Company	1,420	3.13%
	Brooke Water Company	440	0.97%
	New Bulhead City	3,139	6.91%
	Crystal Beach	132	0.29%
	Gold Standard Mines	75	0.17%
	Golden Shores WCD	2,000	4.40%
	New Lake Havasu City	3,139	6.91%
	McAllister Subdivision	40	0.09%
	Mohave County Water Authority	500	1.10%
	Mohave Valley IDD	<u>9,000</u>	<u>19.82%</u>
	<i>Sub Total</i>	19,885	43.93%
LaPaz County	City of Parker	1,030	2.27%
	Ehrenburg Improvement District	500	1.10%
	Gold Dome Mining	7	0.02%
	Hillcrest Water Company	84	0.18%
	Town of Quartzsite	1,070	2.37%
	La Paz County	500	1.10%
	CVIDD	300	0.66%
	B & F Investments	60	0.13%
	Springs del Sol DWID	<u>100</u>	<u>0.22%</u>
	<i>Sub Total</i>	3,651	8.04%
Yuma County	Desert Lawn	360	0.79%
	Roy	1	0.00%
	Smucker Park	33	0.07%
	Verizon	1	0.00%
	City of Somerton	750	1.65%
	Shepard Water Company	50	0.11
	Fisher Landing Water and Sewer	<u>53</u>	<u>0.12%</u>
	<i>Sub Total</i>	1,248	2.75%
	BLM	4,010	8.83%
	State Land Department	1,534	3.38%
	Indian Settlements (Kingman)	3,500	7.70%
	Recommended	43	0.09%
	Remaining (Not Yet Contracted)	<u>11,487</u>	<u>25.29%</u>
	<i>Sub Total</i>	20,574	45.29%
TOTAL		45,428	100%