

ARIZONA WATER BANKING AUTHORITY

Wednesday - September 18, 2012

Please provide your e-mail address so that we may update our correspondence lists

Name (please print)	Phone No.	E-Mail
CLIFF NEAL	602-261-8532	cliff.neal@phoenix.gov
Jeff Ehlers	602 236-5504	jeffroy.ehlers@srpn-t.com
Michael Moreno		
Andrew Craddock - ADWC		
Linda Sauer	520 502 5972	linda.sauer@aznr.us
Ken Seasholes		
Dee Korich	500-837-2238	dee.korich@tucsonaz.gov

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Name (please print)	Phone No.	E-Mail
Thomas McCann	623-869-2343	tmccann@cap-az.com
Tom Harbour	623-869-2107	tharbour@cap-az.com
V.C. DANOS	6022480402	vdanos@amwua.org
JOE SINGLETON	5205181926	jsingleton@pcwaaz-az.org
Patrick Dent	623-869-2581	pdent@cap-az.com
Gary Given	623-869-2158	ggiven@CAP-AZ.com
Beth Miller		
Colette Moore	480-644-4304	colette.moore@mesval.gov
Robin Stinnett	602-333-4449	rstinnett@avardale.org
Terri Sue Rossi		
Nicole Klobas	602 771 8472	ndklobas@azwater.gov
Dale Kupel	602-495-5853	
Dave Crockett	5205574192	dcrockett@fwid.org
Tom Maher	702-862-3702	tom.maher@snwa.com
Grant Buma	928 669 1313	grant.buma@crit-man.gov
Dee Fuerst	623-869-2087	dfuerst@cap-az.com

Arizona Water Banking Authority
3550 N. Central Avenue, Phoenix, Arizona 85012
Telephone 602-771-8487
Fax 602-771-8686
Web Page: www.azwaterbank.gov

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 19, 2012 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.

Dated this 18th day of September, 2012

FINAL AGENDA

Arizona Water Banking Authority Commission Meeting

Members of the commission will attend either in person or by teleconference.

- I. Welcome/Opening Remarks
- II. Approval of Minutes
 - June 20, 2012 meeting
- III. Water Banking Staff Activities
 - Deliveries
 - Webpage update
 - Update on credit distribution discussions
 - ADWR Fourth Management Plan participation
- IV. Interstate Water Banking
 - Meeting with Southern Nevada Water Authority
 - Overview of AZ State Treasurer's Office Quarterly Report
- V. Draft 2013 Annual Plan of Operation
 - Partner meetings
 - Discussion of water delivery schedule (Table 2)
 - Water and facility rates
 - Funding availability
 - Public meetings
- VI. Call to the Public

- VII. Consideration of Action to go into Executive Session of the Authority Commission pursuant to A.R.S. §38-431.03.A.4 to discuss with its attorneys and AWBA staff regarding the AWBA's position on water rights settlement negotiations with the Hualapai Indian Tribe as they relate to potential Indian firming obligations for the Tribe. The discussions and minutes of the executive session shall be kept confidential. [The executive session of the Authority Commission is not open to the public]

- VIII. Reconvene in Open Session

- IX. Consideration of Action Related to Items Discussed in Executive Session

Future Meeting Date:

Wednesday, December 19, 2012

This is a tentative agenda that is subject to change prior to the scheduled meeting date. Please contact the AWBA at (602) 771-8487 24 hrs in advance of meeting for final agenda.

All visitors must use the south elevators; please stop at the 2nd 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 Michelle Moreno at 602-771-8530 or 602-771-8501 (TDD). Requests should be made as early as possible to allow time to arrange the accommodation.

ARIZONA WATER BANKING AUTHORITY
Draft Minutes

June 20, 2012
Arizona Department of Water Resources



AUTHORITY MEMBERS

Sandra Fabritz-Whitney, Chairman
Maureen R. George, Vice-Chairman
Lisa A. Atkins, Secretary
Marshall P. Brown
John Mawhinney

EX OFFICIO MEMBERS

Senator Steve Pierce
Representative Andy Tobin

Welcome/Opening Remarks

Chairman Sandra Fabritz-Whitney welcomed the attendees. All members of the Authority were present except *ex-officio* members, Senator Steve Pierce and Representative Andy Tobin.

Approval of Minutes

Maureen George requested the minutes for the March 21, 2012 meeting be revised on the bottom of page 3 to reflect that she had requested a written opinion of the Law of the River issues. With that change, the Authority approved the minutes of the March 21, 2012 AWBA meeting.

Water Banking Staff Activities

Virginia O'Connell gave a brief summary of AWBA deliveries for 2012. She noted that while deliveries in the Phoenix AMA are ahead of plan, they are virtually spot-on for the Tucson and Pinal AMAs. She expects 2012 actual deliveries to meet planned deliveries by year end for a total of 120,000 acre-feet including 1,000 acre-feet for the Southside Replenishment Bank. Finally, Ms. O'Connell reminded the Commission that no interstate deliveries will be made in 2012. Marshall Brown noticed that the AWBA has exceeded its storage goal for the Tonopah Desert Recharge Project. He asked if this meant the AWBA would be exceeding its overall goal for the Phoenix AMA or if future deliveries to other facilities would be reduced. Ms. O'Connell supported Mr. Brown's observation and stated that the AWBA does not intend to exceed its delivery goal for the Phoenix AMA. Discussions are currently underway to reduce future deliveries to other facilities to offset earlier deliveries to TDRP in excess of its specific storage goal.

Ms. O'Connell indicated that at its June Board meeting, the Central Arizona Water Conservation District (CAWCD) Board adopted a resolution pursuant to A.R.S. § 48-3715.02 applying the taxes levied through the 2012-2013 tax year to repayment of the construction costs or payment of the annual operation, maintenance and replacement costs of the CAP and that such taxes would be deposited in a designated account at CAWCD for such purposes. Mr. Brown remarked that the resolution's language was different than in past years. He asked for an explanation. Ms. O'Connell indicated that the language has been getting broader overtime but still includes the purposes required by the AWBA. Tom McCann (CAWCD), supported Ms. O'Connell's statements and added that there has been no decision to change the actual disposition of the funds and thus no change for the AWBA. He indicated that the CAWCD Board is simply maintaining its discretion.

Ms. O'Connell provided an overview of interstate accounting pursuant to the Interstate Water Banking Agreement and its amendments. She described how the \$100 million paid by the Southern Nevada Water Authority (SNWA) in 2005 and deposited into the Nevada Resource Subaccount was used to indirectly provide a loan to pay for the cost

of storing water on behalf of Nevada to date. SNWA is required to repay the water storage costs plus the interest that would have accrued on the \$100 million absent the loan. The Arizona State Treasurer's Office tracks what this amount would have been. Ms. O'Connell reminded Commission members that the Arizona Legislature swept nearly \$20 million of the \$100 million originally deposited into the Resource Subaccount. The total amount of funds that were swept has been subtracted from the interest calculation to insure that SNWA is charged the appropriate amount. Based on this adjustment, Nevada owes nearly \$100 million, which includes nearly \$19 million in interest. Ms. O'Connell provided the interest earnings schedule for Commission members and indicated that a new schedule would be provided at each Bank meeting.

Ms. O'Connell provided a virtual tour of a new functionality on the AWBA website where water stored by the AWBA can be queried by interstate and intrastate deliveries, by AMA and by facility. Staff is still populating the data and once everything has been quality controlled, the AWBA will make it available to everyone.

Tim Henley provided an update on the three Indian settlements: White Mountain Apache Tribe (WMAT), Navajo Nation-Hopi Tribe and the Hualapai Tribe. Under the WMAT settlement, Mr. Henley indicated the parties are moving toward an enforceability date at the end of 2014. Specifically, Mr. Henley explained that the Arizona Legislature appropriated \$2 million in the 2012 Legislative Session. Regarding the Navajo Nation-Hopi Tribe settlement, Mr. Henley indicated that negotiations appeared to be on track. Last week, however, the Hopi Tribal Council voted 11 to 4 to reject Senator Kyl's bill on the settlement. In addition to rejecting the bill, the Tribal Council required Tribal representatives to personally tell Kyl the Tribe was rejecting the bill and that all future water settlements would have to go to the vote of the Tribe and not just the Council. Mr. Henley described this as a considerable set back. He indicated that the Navajo's could be facing similar issues.

Regarding the Hualapai Tribe, Mr. Henley explained that Arizona signed a non-disclosure agreement so he is not free to speak about the details except that negotiations are on a fast track and the parties want to see Senator Kyl introduce a bill this year. He was free to explain staff's position, which he described as follows:

- AWBA will not agree to increase the firming obligation above the 8,724 acre-foot commitment in the Arizona Water Rights Settlement (AWSA);
- AWBA will not agree to firm leases or any water not being used on Tribal lands;
- Same basic terms apply (i.e. 100 years and M&I priority)

Maureen George asked why staff took these positions. Mr. Henley explained that these positions were consistent with the positions taken in the Navajo Nation-Hopi Tribe negotiations. John Mawhinney asked when the Commission members would be able to discuss the settlement substantively. Mr. Henley suggested the parties are not quite ready, but will be soon and at that time, the Commission should hold an executive session to discuss the details.

Distribution of AWBA Long-term Storage Credits during Shortages

Ms. O'Connell indicated that two Information Briefs had been developed on this topic: one brief capping firming at no more than 20% of CAP M&I entitlements and the other brief exploring distributing the credits at less than 20% to extend the life of the credits. Ms. O'Connell indicated that the AWBA received comments from five organizations.

The comments can be organized into three topics: comments related to the 20% threshold, comments related to a comprehensive stakeholder process and comments related to the Tucson AMA firming goal. Regarding the 20% threshold, comments varied from supporting the 20% cap on firming to opposing any firming above those levels. Regarding extending the credits, comments supported limiting distribution of credits to 20% of entitlements and in some cases supporting lower percentages. Regarding a comprehensive stakeholder process, comments reflected a desire to create a comprehensive stakeholder process to guide the development of a recovery plan, to recognize and define interrelationships and authorities of the organizations involved (i.e. AWBA, CAWCD, ADWR and USBOR) and the need to include Indian firming.

Regarding the Tucson AMA firming goal, comments reflected an on-going desire to continue pursuing the firming goals of the Tucson AMA. Specifically, comments indicated that all options have not been exhausted to meet the goal. Chairman Fabritz-Whitney asked if the comments gave any specific examples of other options being considered. Ms. O'Connell replied that the comments did not provide specific examples, however an option she is aware of is using Maricopa County monies to store water in Pima County.

Ms. O'Connell indicated that two groups are working on the credit distribution issue: one is an interagency workgroup between the AWBA, ADWR and CAWCD and the other is an ad hoc group with stakeholder representatives. The ad hoc group is also working on the issue of accruing long-term storage credits during a shortage. She explained that staff is conducting an analysis to determine the likelihood of this happening and the potential magnitude of the issue.

Mr. Mawhinney expressed concern about coordination between the two groups. He is looking for a cohesive recommendation. Ms. O'Connell described the relationship between the two groups indicating that the interagency work group will ultimately develop an intergovernmental agreement and the ad hoc group provides feedback to the interagency work group. Ms. Fabritz-Whitney added that the work conducted by these smaller groups is the foundation for broader stakeholder meetings in the future.

Ms. George asked if staff would provide the specific comments on the briefing papers to Commission members. Furthermore, Ms. George asked if Ms. O'Connell could keep Commission members up-to-date on the position of stakeholders regarding this topic in the event stakeholders cannot arrive at a unified recommendation and the Commission has to balance interests. Mr. Brown corroborated Ms. George's concerns and request.

Mr. Mawhinney indicated that it would be helpful to him if he had a written policy or procedure from CAWCD regarding how CAP water will be delivered during shortages. Tom McCann, CAWCD, explained that priorities are already established at the higher

levels, for example between Indian and M&I users, but there is no specific policy allocating within a priority. Mr. McCann explained that attempts had been made to do this in the 1983 Record of Decision, in the subcontracts themselves and in the Gila River Indian Community Settlement. Parties attempted to reconcile this in the Arizona Water Settlements Act. What they arrived at was for CAWCD to try to maximize deliveries as much as possible. Mr. McCann added that the reality of a shortage deep enough to affect M&I users is far enough out that anything specific would be of no value when the actual time arrived and that it was better to remain flexible. Mr. McCann further described that CAWCD intends to deliver all water ordered during shortages and that CAWCD believes that is the point of having stored the water.

2011 Annual Report

Ms. O'Connell reviewed the highlights of the 2011 Annual Report. In 2011, AWBA recharged nearly 137,000 acre-feet of water for approximately \$16.6 million including 1,000 acre-feet for delivery to the Southside Replenishment Bank. Since inception and through 2011, the AWBA has accrued nearly 3.7 million acre-feet of credits at a cost of just over \$287 million. Intrastate credits make up over 3 million acre-feet of these credits at the cost of \$58 per acre-foot. Interstate credits cost just under \$200 per acre-foot.

Ms. O'Connell reported that the 2011 plan had been modified to redirect 15,000 acre-feet of water scheduled to be stored in the Tucson AMA to the Pinal AMA. Ms. George asked for clarification about the use of the roughly 14,000 acre-feet of credits that accrued from that storage. Specifically, Ms. George wanted to know if the AWBA can use those credits for any purpose without condition, or is it for any purpose only if it is not needed in the Tucson AMA. Ms. O'Connell replied that it could be used for any purpose as the GSF partners in Pinal agreed to pay the AWBA's costs. The credits are currently identified for use in the Tucson AMA.

The AWBA also renewed its water storage agreements with groundwater savings facility operators, renewed and acquired various existing and new water storage permits, and amended its Master Water Storage Agreement with CAWCD.

In addition, staff conducted a water supply and demand study to evaluate the number of credits that are needed for all of the AWBA's goals and obligations and how long those credits will last. Mr. Mawhinney asked how the results of the study compared to similar studies conducted by CAWCD. He expressed concern about the organizations working from different bases. Dee Fuerst, CAWCD, described like-studies conducted by CAWCD and indicated that the prognosis is that recovery would only be required under severe conditions. She added that CAWCD, ADWR and the AWBA are already using the same model, but not necessarily the same parameters and components. Mr. Mawhinney asked if there is any significant variation numerically. Mr. Henley replied that there is not significant numerical variation. He added that the basic data is the same and results are virtually the same. Mr. McCann pointed out that the organizations are exploring the different assumptions and seeking to understand the differences.

Ms. O'Connell reviewed the components of the Ten-Year Plan (Plan) for 2013-2022, which included projections for water availability, storage capacity, and funding resources. She discussed the percent of the AWBA's goals that could be met within the

ten-year time frame. The Ten-Year Plan shows that there may not be sufficient water available to the AWBA to meet its obligation to Nevada. In addition, funding will become a limiting factor to some extent in Pinal County, but primarily in Pima County, which affects the AWBA's ability to meet the firming goals. Finally, absent general fund appropriations, withdrawal fees are the primary source of funding available for Indian firming. While it appears the Indian firming obligations could be met using withdrawal fee credits, the obligation could be higher than estimated, thus reducing the amount of withdrawal fee credits available for other water management purposes, including M&I firming.

Ms. George asked about on-going discussions with SNWA regarding the potential direct delivery of approximately 60,000 acre-feet of Nevada's annual entitlement of Colorado River water to Arizona for interstate storage under the Storage and Release Agreement (SIRA). Ms. O'Connell responded that there were no plans to store Nevada's unused apportion in Arizona this year. Discussions on the overall agreement are continuing. The next meeting is being scheduled for July.

Mr. Brown commented that the Ten-Year-Plan focuses on the status quo as far as recharge facilities and expanded capacity of existing facilities. He asked if the AWBA would be working with ADWR on the Fourth Management Plan to look for opportunities to expand storage in the Phoenix AMA in areas the AWBA has not stored in the past. Ms. O'Connell responded that the AWBA would be participating in the Fourth Management Plan.

Ms. George and other Commission members pointed out typographical errors in the Annual Report. Ms. George also asked for page 12 to clarify shortages can affect on-river as well as Indian water uses. Ms. O'Connell pointed out that on Table 5, 48% of the Interstate Water Banking Goal has been achieved and not 13%. Also, on table 8, the Indian firming obligation will be fully met and the 0% and N/A are errors.

Mr. Mawhinney made a motion to approve the Annual Report with corrections described during the meeting and any non-substantive corrections subsequently found by staff. Lisa Atkins provided the second to that motion. The motion carried.

Fiscal Year 2013 Administrative Budget

Ms. O'Connell reviewed the 2013 Administration Budget with the Commission members. Mr. Brown pointed out some minor discrepancies on budgeted amounts populating between the detailed and summary budget pages. Based on these comments, the budget was revised by staff during the meeting from just over \$600,000 to \$598,411. Mr. Brown moved to approve the budget as revised and Ms. George provided the second to that motion. The budget was passed by the Commission.

Call to the Public

There was no additional public comment.

The meeting adjourned at 12:30 p.m.

Arizona State Treasurer's Office
Calculation of Interest Earnings for Water Banking Authority
Reinvestment Method
For Period of June 27, 2005 thru August 31, 2012

Month	Invested Amount	Pool 3 Monthly Yield	Days in Month	Days in Year	Earnings for Period
June 2005	26,000,000.00	3.1172%	4	365	8,881.88
July 2005	26,008,881.88	3.2014%	31	365	70,718.08
August 2005	26,079,599.96	3.4005%	31	365	75,320.39
September 2005	26,154,920.35	3.5475%	30	365	76,261.30
October 2005	26,231,181.65	3.6669%	18	365	47,434.74
October 2005	100,231,181.65	3.6669%	13	365	130,903.85
November 2005	100,409,520.24	3.8494%	30	365	317,684.72
December 2005	100,727,204.96	3.9975%	31	365	341,982.66
January 2006	101,069,187.62	4.1374%	31	365	355,152.69
February 2006	101,424,340.31	4.4543%	28	365	346,566.69
March 2006	101,770,907.00	4.3770%	31	365	378,328.47
April 2006	102,149,235.47	4.5526%	30	365	382,228.45
May 2006	102,531,463.92	4.6378%	31	365	403,866.66
June 2006	102,935,330.58	4.8013%	30	365	406,211.02
July 2006	103,341,541.60	4.9615%	31	365	435,468.52
August 2006	103,777,010.11	5.0202%	31	365	442,477.31
September 2006	104,219,487.42	5.0989%	30	365	436,771.02
October 2006	104,656,258.44	5.0423%	31	365	448,190.57
November 2006	105,104,449.01	5.1630%	30	365	446,017.21
December 2006	105,550,466.22	5.1279%	31	365	459,693.68
January 2007	106,010,159.90	5.1560%	31	365	464,225.75
February 2007	106,474,385.65	5.3508%	28	365	437,047.89
March 2007	106,911,433.54	5.1622%	31	365	468,735.46
April 2007	107,380,169.00	5.2452%	30	365	462,929.15
May 2007	107,843,098.15	5.1578%	31	365	472,417.18
June 2007	108,315,515.33	5.2323%	30	365	465,813.10
July 2007	108,781,328.43	5.1575%	31	365	476,499.47
August 2007	109,257,827.90	5.1863%	31	365	481,259.18
September 2007	109,739,087.08	5.2974%	30	365	477,806.99
October 2007	110,216,894.07	5.1597%	31	365	482,993.68
November 2007	110,699,887.75	5.0624%	30	365	460,608.59
December 2007	111,160,496.34	4.8656%	31	365	459,362.68
January 2008	111,619,859.02	4.7045%	31	365	445,988.61
February 2008	112,065,847.63	4.6296%	29	365	412,213.19
March 2008	112,478,060.82	4.2184%	31	365	402,980.85
April 2008	112,881,041.67	4.6153%	30	365	428,202.63
May 2008	113,309,244.30	3.2147%	31	365	309,367.45
June 2008	113,618,611.76	3.1245%	30	365	291,781.93
July 2008	113,910,393.69	3.2197%	31	365	311,492.50
August 2008	114,221,886.19	3.6129%	31	365	350,488.76
September 2008	114,572,374.95	2.9316%	30	365	276,066.06
October 2008	114,848,441.01	2.1843%	31	365	213,062.11
November 2008	115,061,503.12	2.1190%	30	365	200,396.16

December 2008	115,261,899.28	1.5987%	31	365	156,502.61
January 2009	115,418,401.88	1.4354%	31	365	140,707.36
February 2009	115,559,109.25	1.6489%	28	365	146,171.83
March 2009	107,140,365.07	1.4974%	31	365	136,257.30
April 2009	107,276,622.37	1.4366%	30	365	126,668.71
May 2009	107,403,291.08	0.6979%	31	365	63,661.90
June 2009	107,466,952.99	0.7880%	30	365	69,603.25
July 2009	107,536,556.24	1.0800%	31	365	98,639.01
August 2009	102,235,195.25	0.8400%	31	365	72,937.11
September 2009	102,308,132.36	0.7500%	30	365	63,066.66
October 2009	102,371,199.02	1.0800%	31	365	93,901.03
November 2009	102,465,100.05	0.9500%	30	365	80,007.00
December 2009	102,545,107.05	0.7600%	31	365	66,190.76
January 2010	102,611,297.81	0.7600%	31	365	66,233.48
February 2010	101,992,831.29	0.7700%	28	365	60,245.63
March 2010	102,053,076.92	0.8300%	31	365	71,940.43
April 2010	102,125,017.35	0.8900%	30	365	74,705.15
May 2010	97,199,722.50	0.9700%	31	365	80,076.59
June 2010	97,279,799.09	0.8900%	30	365	71,160.84
July 2010	97,350,959.93	0.8000%	31	365	66,145.31
August 2010	97,417,105.24	0.7800%	31	365	64,535.50
September 2010	97,481,640.74	0.7400%	30	365	59,290.20
October 2010	97,540,930.94	0.8000%	31	365	66,274.39
November 2010	97,607,205.33	0.6900%	30	365	55,355.32
December 2010	97,662,560.65	0.7300%	31	365	60,550.79
January 2011	97,723,111.43	0.6200%	31	365	51,458.58
February 2011	97,774,570.01	0.6800%	28	365	51,003.50
March 2011	97,825,573.52	0.7400%	31	365	61,482.70
April 2011	97,887,056.22	0.6500%	30	365	52,295.82
May 2011	97,939,352.04	0.6800%	31	365	56,563.33
June 2011	97,995,915.37	0.6700%	30	365	53,964.87
July 2011	98,049,880.25	0.5800%	31	365	48,299.64
August 2011	98,098,179.89	0.8000%	31	365	66,653.01
September 2011	98,164,832.90	0.9200%	30	365	74,228.75
October 2011	98,239,061.65	0.9200%	31	365	76,761.04
November 2011	98,315,822.69	0.9400%	30	365	75,959.07
December 2011	98,391,781.76	0.9000%	31	365	75,209.06
January 2012	98,466,990.82	0.8300%	31	365	69,412.48
February 2012	98,536,403.31	1.0500%	29	365	82,203.66
March 2012	98,618,606.97	1.1000%	31	365	92,134.10
April 2012	98,710,741.06	1.0200%	30	365	82,754.76
May 2012	98,793,495.82	1.0600%	31	365	88,941.21
June 2012	98,882,437.03	0.9100%	30	365	73,958.64
July 2012	98,956,395.68	0.6800%	31	365	57,150.71
August 2012	99,013,546.38	1.0800%	31	365	90,821.19

Total Earnings

18,753,983.57

Shown below are the dates and amounts for the Legislative Sweeps from the NV Resource Account.

<u>Month</u>	<u>Amount</u>
February 2009	8,564,916.00
July 2009	5,400,000.00
January 2010	684,700.00
April 2010	5,000,000.00

**Table 2
Preliminary Water Delivery Schedule (Acro-Foot)
Calendar Year 2013**

AWBA-Recharge Sites		Permitted Capacity (AF)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
PHOENIX AMA															
USF	HIEROGLYPHIC MTN	35,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	AGUA FRIA	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	TONOPAH DESERT	150,000	5,000	8,000	10,000	10,000	0	0	0	0	0	8,000	10,000	2,481	53,481
	SUPERSTITION MTNS	35,000	0	1,000	1,000	1,000	0	0	0	0	0	0	0	0	3,000
			56,481												
GSF	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	175	1,343	2,285	1,142	1,143	1,142	7,230
	TONOPAH ID	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0
			7,230												
AMA TOTAL INTRASTATE			5,000	9,000	11,000	11,000	0	0	175	1,343	2,285	9,142	11,143	3,623	63,711
PINAL AMA															
GSF	CAIDD	110,000	0	0	0	0	0	0	0	6,600	0	0	0	0	6,600
	HOHOKAM	55,000	0	0	0	0	0	0	0	1,650	1,650	1,650	1,650	0	6,600
	MSIDD	120,000	408	536	989	935	935	536	247	218	472	400	670	254	6,600
			19,800												
AMA TOTAL INTRASTATE			408	536	989	935	935	536	247	8,468	2,122	2,050	2,320	254	19,800
TUCSON AMA:															
USF	AVRA VALLEY	11,000	0	0	0	0	0	0	0	0	0	0	183	700	883
	LOWER SANTA CRUZ	50,000	2,000	2,000	2,000	2,000	2,000	0	0	0	0	117	0	0	10,117
	CAVSARP	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	SAVSARP	60,000	2,000	2,000	2,000	2,000	2,000	0	0	0	0	0	1,000	1,000	12,000
			23,000												
GSF	CORTARO-MARANA ID	20,000	0	0	0	1000	1000	1000	1000	0	0	0	0	0	4,000
	KAI FARMS (Red Rock)	11,231	0	0	0	500	500	500	500	0	0	0	0	0	2,000
	BKW Farms	14,316	0	0	0	0	0	0	0	0	0	0	0	0	0
			6,000												
AMA TOTAL INTRASTATE			4,000	4,000	4,000	5,500	5,500	1,500	1,500	0	0	117	1,183	1,700	29,000
TOTAL INTRASTATE			9,408	13,536	15,989	17,435	6,435	2,036	1,922	9,811	4,407	11,309	14,646	5,577	112,511
TOTAL INTERSTATE			0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RECHARGE			9,408	13,536	15,989	17,435	6,435	2,036	1,922	9,811	4,407	11,309	14,646	5,577	112,511
DIRECT DELIVERY (Non-Storage):															
Southside Replenishment Bank			0	1,000	0	0	0	0	0	0	0	0	0	0	1,000
Southside Replenishment Obligation			0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DIRECT			0	1,000	0	0	0	0	0	0	0	0	0	0	1,000
TOTAL DELIVERIES			9,408	14,536	15,989	17,435	6,435	2,036	1,922	9,811	4,407	11,309	14,646	5,577	113,511

Table 4. 2013 Water and Facility Rates

CAWCD delivery rate to AWBA for water storage	\$144 per acre-foot
Interstate rate	\$168 per acre-foot
Groundwater Savings Facility operator cost share rate ¹	
Intrastate	
Phoenix and Pinal AMAs	\$34 per acre-foot
Tucson AMA	\$16 per acre-foot
Interstate	\$26 per acre-foot
Underground Storage Facility rate paid by AWBA	
Agua Fria Recharge Project ²	\$8 per acre-foot
Hieroglyphic Mtn. Recharge Project ²	\$8 per acre-foot
Superstition Mountain Recharge Project ²	\$8 per acre-foot
Tonopah Desert Recharge Project ²	\$8 per acre-foot
Avra Valley Recharge Project	\$15 per acre-foot
Lower Santa Cruz Recharge Project ³	\$15 per acre-foot
Pima Mine Road Recharge Project ³	\$15 per acre-foot
Clearwater Facility (CAVSARP/SAVSARP)	\$15.63 per acre-foot
CAWCD rate to AWBA for Southside Replenishment Bank deliveries	\$144 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 \$110/af for intrastate deliveries to the Phoenix and Pinal AMAs, \$128/af to the Tucson AMA, and \$142/af for interstate deliveries.

² Additional capital charge of \$15 per acre-foot for interstate storage.

³ Additional capital charge of \$9 per acre-foot for interstate storage.

Table 5. Funding for 2013 Annual Plan of Operation

	Funds Available (\$)		Funds Utilized (\$)		Credits (AF)
	AWBA	CAWCD	AWBA	CAWCD	
Withdrawal Fees					
Phoenix AMA	\$1,500,000	-	\$1,500,000	-	9,370
Pinal AMA ¹	\$1,200,000	-	\$1,200,000	-	8,830
Tucson AMA	\$400,000	-	\$400,000	-	2,410
Four Cent Tax					
Phoenix AMA	\$0	\$130,845,000	\$0	\$7,880,000	49,240
Pinal AMA	\$0	\$1,175,000	\$0	\$1,122,000	9,380
Tucson AMA ²	\$0	\$3,930,000	\$0	\$2,533,000	15,240
Other					
General	\$0				
Phoenix AMA		-	\$0	-	0
Pinal AMA		-	\$0	-	0
Tucson AMA		-	\$0	-	0
Gifts, Grants, Donations					
Shortage Reparations (NV):	\$1,500,000				
Phoenix AMA		-	\$0		0
Pinal AMA		-	\$0		0
Tucson AMA		-	\$1,500,000		9,030
Interstate Banking- Nevada					
Operating ³		\$0		\$0	0
	Total Funds Available		Total Funds Expended		Credits
	\$140,550,000		\$16,135,000		103,500

¹ Includes expenditure for 1,000 acre-feet of direct deliveries to establish the Southside Replenishment Bank under the Gila River Indian Water Settlement Program.

² Includes revenue from CAWCD's capital charge for construction of state demonstration projects when facilities are used for interstate purposes and by entities that do not pay the 4¢ *ad valorem* tax. Revenue through 2012 is estimated to be \$2,151,846.

³ Pursuant to a letter agreement between AWBA and SNWA executed December 9, 2010, storage of water on behalf of SNWA and annual payments to the Operating account have been suspended through 2014.

Table 7. Projected Percent of Goals and Obligations Achieved through 2013

Location and Objective	Funding Source	Goal	Obligation	Non-Credit Goal/Oblig. Achieved	Credits Accrued (AF)	Percent Goal/Oblig. Achieved
Phoenix AMA M&I Firming Groundwater Mgmt ¹	Ad valorem tax Withdrawal Fees	1,566,000 AF			1,294,683 299,868	83% 102%
Pinal AMA M&I Firming Groundwater Mgmt ¹	Ad valorem tax Withdrawal Fees	243,000 AF			200,551 400,164	83% 247%
Tucson AMA M&I Firming Groundwater Mgmt ^{1,2}	Ad valorem tax Withdrawal Fees	864,000 AF			378,883 94,841	44% 55%
On-River M&I Firming³	General Fund	420,000 AF			403,830	96% ⁴
Indian Settlements: GRIC Firming	Withdrawal Fees	350,000 AF ⁵	up to 15,000 AF/YR		0	0%
Future Settlements	Withdrawal Fees	200,000 AF ⁵	up to 8,724 AF/YR		0	0%
Federal Assistance Tucson AMA	Appropriation Withdrawal Fees Cost of Services ⁶		\$3,000,000	\$3,000,000 \$2,338,171 \$630,490	34,102 28,481 5,621	100%
Southside Repl. Bank	Withdrawal Fees		15,000 AF Direct Delivery		5,000	33%
Interstate Water Banking - NV Other: Shortage Reparations-Nevada Pinal Redirect Credits ⁸	Contract with Nevada Gifts, Grants, Donations N/A		1,250,000 AF ⁷		600,651 91,392 14,125	48% 56% N/A

¹ Withdrawal fees could be utilized for M&I firming if needed to reach firming goals.

² Includes credits acquired from the Tohono O'odham Nation pursuant to §45-841.

³ By resolution passed in 2002, the AWBA established on-river firming as the highest priority of use for credits accrued through expenditure of general fund appropriations: 256,174 AF of credits have been reserved pursuant to contract with Mohave County Water Authority.

⁴ This percentage reflects full utilization of general fund credits accrued to date and would change as other objectives are identified by the AWBA.

⁵ Based on estimates from the Indian Firming Study Commission Report dated January 6, 2006.

⁶ Include \$14,883 and \$16,456 deducted for payment of cost of services for FY08 and FY09, respectively.

⁷ Pursuant to the Amended Agreement for Interstate Water Banking, the AWBA has committed to have this number of long-term storage credits within the Nevada sub-account.

⁸ Credits accrued from 15,000 AF of water that was scheduled for the Tucson AMA and redirected to the Pinal AMA for storage at GSFs.