

2013 Annual Report and Ten-Year Plan

AWBA Quarterly Meeting
June 18, 2014

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Arizona Water
Banking Authority

Annual Report Requirements

- **Accounting of AWBA transactions and proceedings for previous year - 2013**
- **All monies expended from Banking Fund and monies remaining**
- **Amount of water stored**
- **Number of long-term storage credits distributed or extinguished**
- **Ten-Year Plan**



2013 Plan of Operation

- **Initial Plan – 52,546 AF**
 - 51,546 AF storage
 - 1,000 AF Southside Replenishment Bank
 - No Interstate storage
- **Final Deliveries – 78,230 AF**
 - includes 1,000 AF to SSRB
- **Arizona Consumptive Use – 2.78 MAF**
 - On-river 1.13 MAF
 - Central Arizona Project 1.65 MAF



Interstate Banking

- **Draft Third Amended and Restated Agreement presented in December 2012**
- **Public comment period**
- **Final Draft presented March 2013**
- **Agreement executed May 20, 2013**



Interstate Banking

- **Agreement Highlights:**
 - **AWBA is no longer obligated to accrue 1.25 MAF credits**
 - **SNWA and AWBA can agree to future storage, including storing Nevada’s unused apportionment**
 - **Future storage is on a “pay-as-you-go” basis**
 - **Administrative costs – 15% of actual or \$20,000 in years when AWBA does not store for SNWA**



Interstate Banking

- **Term of agreement changes:**
 - Agreement terminates when all existing and future credits are recovered
 - Existing credits must be recovered by December 31, 2063
 - Future credits must be recovered within 50 years of date of storage
 - Existing credits are recovered first
- **Any opportunities to reduce recovery costs will not burden Arizona water users**



Indian Firming Program

- **Gila River Indian Community**
 - Firm up to 15,000 AF/yr when CAP NIA Priority supplies are insufficient to meet demand
 - Agreement between the Secretary and State executed November 15, 2007
 - Defines AWBA's responsibilities as the State's agent
 - Allows for separate firming agreements
 - Initiated discussions with the Community to develop an agreement for a firming plan



Indian Firming Program

- **Hualapai Tribe**
- **White Mountain Apache Tribe**
 - **3,750 AF firming obligation**
 - **Enforceability date April 30, 2021**
 - **Conform WMAT Water Rights Quantification Agreement to Federal legislation**
 - **Approval of Quantification Agreement by Gila River and Little Colorado River adjudication courts**
 - **State contribution of \$2 million toward construction of WMAT Rural Water System**



Indian Firming Program

- **Navajo Nation/Hopi Tribe**
 - **Legislation introduced to Congress Feb. 14, 2012 authorizing Little Colorado River Settlement**
 - **3,205.5 AF firming obligation**
 - **Hopi Tribal Council rejected the legislation in June**
 - **Navajo Nation Council rejected settlement in July**
 - **Navajo Nation filed amended complaint with U.S. District Court for Arizona on June 3, 2013**



Southside Replenishment Bank

- **AWBA Required to Deliver 15,000 AF to Gila River Indian Community to Establish Southside Replenishment Bank**
- **Requires Minimum Delivery of 1,000 AF per Year**
- **Can Be Used to Offset a Replenishment Obligation in Protection Zones**

Southside Replenishment Activities	2013 Deliveries (AF)	Cumulative Deliveries (AF)
Replenishment Obligations	0	0
Replenishment Bank	1,000	5,000
Total Direct Deliveries	1,000	5,000



Action Planning

- **Ten-Year Plan Projections**
 - **Decreasing Excess CAP Water availability (1.2 MAF in 2012 vs. 690,000 AF in 2013)**
 - **Increasing water delivery costs**
 - **AWBA effectively put further behind in achieving its firming goals**
 - **Multiple AWBA objectives competing for same limited resources**



Action Planning

- **Developed Special Action Planning Process:**
 - Prioritize competing responsibilities
 - Identify actions to be implemented
- **Two Solutions for Immediate Attention**
 1. Evaluate ability to purchase credits accrued by others
 2. Evaluate use of general fund appropriation for Indian firming
- Requested input from stakeholders



Action Planning

- **Bureau of Reclamation Releases August 24-Month Study**
 - **Indicates release from Lake Powell for water year 2014 would be 7.48 MAF**
- **With two consecutive releases of 7.48 MAF, elevations in Lake Mead could reach 1,075 feet, triggering a Tier 1 shortage (320 KAF) by 2016**
- **No Excess CAP water available to the AWBA**



Action Planning

- **In September, AWBA approved a proposal to pursue legislation allowing the AWBA to purchase credits using any funds in the Arizona Water Banking Fund**
- **In October, AWBA approved the submittal of a request for an appropriation of \$664,000 to pay for the delivery of 4,000 AF to the Southside Replenishment Bank**



Action Planning

- **Initiated 4-Step Facilitated Process to Further Prioritize Responsibilities:**
 - 1. Environmental Scan**
 - 2. Vision and Commitments**
 - 3. Stakeholder Feedback and Focused Implementation**
 - 4. Final Decisions**



Action Planning

- **Environmental Scan**
 - Answered the question: “What are the actions, trends, paradigms and approaches emerging for the AWBA and others relative to protecting against the impact of shortages?”
 - From four perspectives: On the Horizon, Emerging, Established, and Dying concepts



Action Planning

- **Highlights of Environmental Scan:**
 - Increasing competition for diminishing resources
 - Possibility of near-term shortages
 - Falling below the 1,025 ft elevation
 - Recovery component must still be accomplished
 - Need for public outreach



Action Planning

- **Focus question for entire Action Planning Process**

“What potential roles, responsibilities and functions should the AWBA pursue in the future to assist the water community in managing water resources in Arizona?”

- **Vision – What does the AWBA want to see in place in 3-5 years?**



Action Planning

- **Vision Elements:**
 - **New water supplies acquired**
 - **Access to and flexibility of funding**
 - **Indian firming agreements finalized**
 - **Adopted, implementable recovery plan**
 - **Improved storage plan**
 - **Alternative shortage management strategies**
 - **Decision on AWBA statewide role**
 - **Outreach efforts incorporated in annual reports**



Modeling

- **ADWR, CAWCD, and AWBA staff workgroup continued work on developing consistent baseline assumptions for the Arizona CRSS model that all agencies would use**
- **A planning tool for determining when shortages might occur**
- **Collaborative effort that will continue over time**



Re-evaluation of AWBA Firming Goals

- **Goals originally developed in 1997**
- **Changes in Colorado River operations**
- **Changes in modeling**
- **Staff asked to re-evaluate firming goals based on new criteria**



Re-evaluation of AWBA Firming Goals

- **Two Modeling Scenarios:**
 1. **Interim Guidelines Extended**
 - Extending current operating rules beyond 2026
 2. **Interim Guidelines Preferred Alternative**
 - Interim guidelines through 2026, followed by 80 P 1050 operating criteria
- **Two Variables Each:**
 1. **Director's Shortage Sharing Guidelines**
 2. **Pro rata sharing based on annual uses**



Joint Recovery Plan

- **ADWR, CAWCD, and AWBA staff continued to work collaboratively to develop a recovery plan**
- **Objective is to provide framework for recovering AWBA credits in the future**
- **Feedback solicited from ad hoc stakeholder group**
- **Sections were presented to the public as they were completed**



Joint Recovery Plan

- **Roles and responsibilities of various groups**
- **Types of credits accrued and where they are located**
- **Methods of recovery and cost components**
- **When recovery may be needed, to what extent, and opportunities for recovery**
- **Implementation and activities that need to be accomplished**



Joint Recovery Plan

- **Highlights**

- Recovery in near and mid-term is primarily for Indian and on-River firming
- Less than a 35% chance for recovery before 2024
- Recovery for CAP M&I firming not expected before 2035
- Recovery for SNWA a key factor
- Majority of credits are in the Pinal AMA, but recovery methods are limited
- Important results are reassessed periodically



2014 Plan of Operation

- **Total Supplies Available to Pool – 84,408 AF**
 - CAGR Reserve 8,274 AF
 - Federal 11,381 AF
- **Projected AWBA Deliveries**
 - 59,753 AF deliveries for storage (no interstate)
 - 5,000 AF Southside Replenishment Bank
 - Least amount available for storage since 1997



Monies Collected and Expended in 2013

Source of Funds	Money Collected	Money Expended
General Funds	\$0	\$0
MCWA Prepayments	\$124,590	\$124,590
Interstate	\$6,130	\$0
Shortage Reparation	\$1,500,000	\$1,500,000
4-cent Tax		\$7,508,740
Maricopa County	-	\$3,903,720
Pinal County	-	\$1,305,480
Pima County	-	\$2,299,540
Withdrawal Fees	\$4,129,650	\$2,099,150
Phoenix AMA	\$2,106,520	\$728,000
Pinal AMA	\$1,619,020	\$997,600
Tucson AMA	\$404,110	\$373,550
TOTAL	\$5,760,370	\$11,232,480



Number and Location of Long-Term Storage Credits Accrued in 2013 (AF)

Funding Source	Phoenix AMA	Pinal AMA	Tucson AMA
4-Cent Tax	24,560	10,881	13,987
Withdrawal Fees	4,798	7,258	2,199
General Fund	-	-	-
Shortage Reparation	-	-	8,846
Intrastate Total	29,358	18,139	25,032
Interstate - Nevada	-	-	
TOTAL	29,358	18,139	25,032



Monies Collected and Expended through 2013

Source of Funds	Collected	Expended	Available
General Funds	\$11,100,870	\$11,100,870	\$0
MCWA Prepayments	\$4,859,660	\$4,859,660	\$0
State Indian Firming	\$2,338,170	\$2,338,170	\$0
Interstate Water Banking	\$109,317,260	\$109,087,820	\$229,440
Shortage Reparation	\$4,499,750	\$4,499,750	\$0
4-cent Tax	\$283,316,660	\$144,237,000	\$94,079,660
Maricopa County	\$266,518,370	\$91,334,970	\$90,183,400
Pinal County	\$10,949,140	\$10,450,160	\$498,980
Pima County	\$45,849,150	\$42,451,870	\$3,397,280
Withdrawal Fees	\$47,233,420	\$44,956,840	\$2,276,580
Phoenix AMA	\$21,071,720	\$19,648,240	\$1,423,480
Pinal AMA	\$17,814,330	\$16,993,890	\$820,440
Tucson AMA	\$8,347,370	\$8,314,710	\$32,660
TOTAL	\$462,665,790	\$321,080,110	\$96,585,680



Identified Use of AWBA Credits through 2013

Objective	Funding Source	Goal (AF)	Credits Accrued (AF)	Progress Toward Goals/Oblig.	Estimated Remaining Costs (\$ Million)
M&I Firming					
Phoenix AMA	Maricopa 4¢	1,566,000	1,354,486	86%	\$39
Pinal AMA	Pinal 4¢	243,000	198,347	82%	\$2.4
Tucson AMA	Pima 4¢	864,000	404,315	47% W/Fees 58%	\$92.5 (\$4.2, \$10.3)
Groundwater Mgmt					
Phoenix AMA	Withdrawal Fees		210,116		
Pinal AMA	Withdrawal Fees		385,078		
Tucson AMA	Withdrawal Fees		95,374		
On-River M&I Firming	General Fund	420,000		96%	\$4.4



Identified Use of AWBA Credits through 2013

Objective	Obligation	Goal (AF)	Non- LTS Credit Obligation Achieved	Credits Accrued (AF)	Progress Toward Goals/Oblig.	Estimated Remaining Costs (\$ Million)
Indian Settlements:						
GRIC Firming	up to 15,000 AF/YR	350,000		105,390	30%	\$10.4
Future Settlements	up to 8,724 AF/YR	200,000		0	0%	\$15.6
Federal Assistance	\$3,000,000		\$3,000,000	34,102	100%	\$0
Southside Replenishment Bank	15,000 AF Direct Delivery		5,000		33%	\$1.7



Identified Use of AWBA Credits through 2013

Objective	Obligation	Goal (AF)	Non-Credit Obligation Achieved	Credits Accrued (AF)	Progress Toward Goals/Oblig.	Estimated Remaining Costs (\$ Million)
Interstate Water Banking - NV	600,651			600,651	100%	\$0
Other:						
Shortage Reparation		\$8,000,000	\$4,500,000	91,221	56%	\$3.5
Pinal Redirect Credits				14,125		



Credits Distributed or Extinguished

- **Cumulative Credits 3.897 MAF**
 - Arizona Uses 3.296 MAF
 - Nevada .601 MAF
- **No Credits Distributed during 2013**
- **No Credits Extinguished during 2013**
- **No development of Intentionally Created Unused Apportionment**



Questions?



Arizona Water
Banking Authority

Ten-Year Plan: Today's Agenda

- **Background**
 - Purpose of Plan
 - Guiding principles
 - Plan components
- **Ten-Year Plan**
- **Results**
- **Conclusions**
- **Recommended Actions**

Action
Planning



Purpose of Ten-Year Plan

- Support development of Annual Plan of Operation governing AWBA annual activities
- Support policy development
- Create strategy for meeting goals over time



Key Guiding Principles

- Covers 2015 to 2024
- Incorporates CAWCD 2014-2015 rate schedule
- Assumes a 3% increase in rates from through 2024
- Maximizes storage in Tucson
- No fund transfers
- 4¢ tax expires at end of 2016
- 4¢ tax monies available for water storage
- Continues CAWCD policies related to AWBA operation
- Assumes Excess CAP water will be available
- Withdrawal fees in Tucson used for M&I firming
- Withdrawal fees in Phoenix and Pinal used for Indian firming



Plan Components

- **Common Components**
 - Found in every Ten-Year Plan
- **Plan-Specific Components**
 - Specific to this Ten-Year Plan



Plan Components

- **Common Components**
 - **Components found in every Ten-Year Plan**
 - **Water available to AWBA**
 - **Funding**
 - **Storage Capacity**



Plan Components

- **Plan-Specific Components**
 - **Components specific to this Ten-Year Plan**
 - Re-evaluation of firming targets
 - Indian settlements
 - Shortages and surplus
 - Intrastate recovery and ICUA
 - Water management objectives
 - Interstate banking



Ten-Year Plan

ARIZONA WATER BANKING AUTHORITY – Ten-Year Plan

2015 – 2024

(Acre-feet)

YEAR	(a)		(b)		(c)		(d)		(e)		(f)		(g)				
	CAP Water Available for AWBA		CAP M&I Firming (4¢ tax)		Water Management (Withdrawal Fees)		Appropriation from General Fund		Shortage Repairs (\$8 Million)		Indian Settlement		Interstate Banking				
	Delivery	Credits	Delivery	Credits	Delivery	Credits	Delivery	Credits	Delivery	Credits	Delivery	Credits	Water Available	Delivery	Credits	ICUA	Remaining Credits
Pre-Plan ^(h)	n/a		1,989,462		579,551		403,830		98,981		236,925				600,651		600,651
2015	54,100	36,960	34,372	5,000	0	0	0	5,113	4,755	7,028	6,536	0	0	0	0	0	600,651
2016	38,600	27,793	25,847	0	0	0	0	4,973	4,625	5,834	5,426	0	0	0	0	0	600,651
2017	87,900	56,716	52,746	6,818	6,341	0	0	0	0	24,366	22,660	0	0	0	0	0	600,651
2018	77,800	53,338	49,604	1,868	1,737	0	0	0	0	22,594	21,012	0	0	0	0	0	600,651
2019	64,700	43,017	40,006	1,838	1,709	0	0	0	0	19,845	18,456	0	0	0	0	0	600,651
2020	51,800	33,691	31,332	1,665	1,549	0	0	0	0	16,444	15,293	0	0	0	0	0	600,651
2021	39,100	23,821	22,154	1,611	1,498	0	0	0	0	13,668	12,711	0	0	0	0	0	600,651
2022	29,700	16,571	15,411	1,560	1,451	0	0	0	0	11,569	10,759	0	0	0	0	0	600,651
2023	14,200	4,422	4,112	1,512	1,406	0	0	0	0	8,266	7,687	0	0	0	0	0	600,651
2024	64,300	44,736	41,605	1,467	1,365	0	0	0	0	18,097	16,830	0	0	0	0	0	600,651
TOTAL	522,200	2,306,652	596,607	403,830	108,361	374,294	600,651	0									



Water Available to AWBA

- 522,000 acre-feet available during Ten-Year Plan
- Volume of water available tightens until 2017
- Then gradually decreases again until 2024
- Expect variability

	(a)
YEAR	CAP Water Available for AWBA
Pre-Plan ^(*)	n/a
2015	54,100
2016	38,600
2017	87,900
2018	77,800
2019	64,700
2020	51,800
2021	39,100
2022	29,700
2023	14,200
2024	64,300
TOTAL	522,200



Water Available to AWBA

- Assumes 50% of water available can be stored in Tucson
- Assumes 25% of water available can be stored in Pinal and Phoenix each
- Assumes unused water cascades down Tucson-Pinal-Phoenix

YEAR	(a) CAP Water Available for AWBA
Pre-Plan ^(f)	
2015	n/a
2016	54,100
2017	38,600
2018	87,900
2019	77,800
2020	64,700
2021	51,800
2022	39,100
2023	29,700
2024	14,200
TOTAL	64,300
	522,200



CAP M&I firming

	(b)	
YEAR	CAP M&I Firming (4¢ tax)	
	Delivery	Credits
Pre-Plan ^(*)		1,989,462
2015	36,960	34,372
2016	27,793	25,847
2017	56,716	52,746
2018	53,338	49,604
2019	43,017	40,006
2020	33,691	31,332
2021	23,821	22,154
2022	16,571	15,411
2023	4,422	4,112
2024	44,736	41,605
TOTAL		2,306,652

- Assumes \$13.5 million collected per year in Maricopa County
- Assumes \$850,000 collected per year in Pinal County
- Assumes \$3 million collected per year in Pima County



CAP M&I Firming

	(b)	
YEAR	CAP M&I Firming (4¢ tax)	
	Delivery	Credits
Pre-Plan ^(*)		1,989,462
2015	36,960	34,372
2016	27,793	25,847
2017	56,716	52,746
2018	53,338	49,604
2019	43,017	40,006
2020	33,691	31,332
2021	23,821	22,154
2022	16,571	15,411
2023	4,422	4,112
2024	44,736	41,605
TOTAL		2,306,652

- Assumes 4¢ tax monies are used after shortage reparation funds in Tucson AMA
- Assumes 4¢ tax monies are used before withdrawal fees in Tucson and Pinal AMAs



CAP M&I Firming

	(b)	
YEAR	CAP M&I Firming (4¢ tax)	
	Delivery	Credits
Pre-Plan ^(*)		1,989,462
2015	36,960	34,372
2016	27,793	25,847
2017	56,716	52,746
2018	53,338	49,604
2019	43,017	40,006
2020	33,691	31,332
2021	23,821	22,154
2022	16,571	15,411
2023	4,422	4,112
2024	44,736	41,605
TOTAL		2,306,652

- Assumes 80% of water available to store in Maricopa uses 4¢ tax monies
- Assumes 20% of water available to store in Maricopa uses withdrawal fees



CAP M&I Firming

	(b)	
YEAR	CAP M&I Firming (4¢ tax)	
	Delivery	Credits
Pre-Plan ^(*)		1,989,462
2015	36,960	34,372
2016	27,793	25,847
2017	56,716	52,746
2018	53,338	49,604
2019	43,017	40,006
2020	33,691	31,332
2021	23,821	22,154
2022	16,571	15,411
2023	4,422	4,112
2024	44,736	41,605
TOTAL		2,306,652

- 4¢ tax monies exhausted in Tucson and Pinal by 2017 (includes interest)
- Nearly \$70 million available in Phoenix AMA after 2024
- Expect around 320,000 acre-feet of credits accrued with 4¢ tax monies



Water Management

- Assumes \$1.7 million collected per year in Maricopa County
- Assumes \$1.5 million collected per year in Pinal County
- Assumes \$400,000 collected per year in Pima County

YEAR	(c)	
	Water Management (Withdrawal Fees)	
	Delivery	Credits
Pre-Plan ^(*)		
2015		579,551
2016	5,000	0
2017	0	0
2018	6,818	6,341
2019	1,868	1,737
2020	1,838	1,709
2021	1,665	1,549
2022	1,611	1,498
2023	1,560	1,451
2024	1,512	1,406
TOTAL	1,467	1,365
		596,607



Water Management

- Carry-over withdrawals fees exhausted in Pinal and Tucson AMAs by 2017
- Carry-over withdrawal fees available in Phoenix AMA throughout Plan
- \$3.8 million in withdrawal fees will remain in Phoenix at the end of the plan

YEAR	(c)	
	Water Management (Withdrawal Fees)	
	Delivery	Credits
Pre-Plan ^(a)		
2015		579,551
2016	5,000	0
2017	0	0
2018	6,818	6,341
2019	1,868	1,737
2020	1,838	1,709
2021	1,665	1,549
2022	1,611	1,498
2023	1,560	1,451
2024	1,512	1,406
TOTAL	1,467	1,365
		596,607



Water Management

- Assumes withdrawal fee credits accrued in Tucson used for M&I firming
- Assumes withdrawal fee credits accrued in Pinal and Phoenix AMAs to be used for Indian firming

YEAR	(c)	
	Water Management (Withdrawal Fees)	
	Delivery	Credits
Pre-Plan ^(*)		
2015		579,551
2016	5,000	0
2017	0	0
2018	6,818	6,341
2019	1,868	1,737
2020	1,838	1,709
2021	1,665	1,549
2022	1,611	1,498
2023	1,560	1,451
2024	1,512	1,406
TOTAL	1,467	1,365
		596,607



Water Management

- Expect just over 17,000 acre-feet of credits accrued for Tucson M&I firming

YEAR	(c)	
	Water Management (Withdrawal Fees)	
	Delivery	Credits
Pre-Plan ^(*)		
2015		579,551
2016	5,000	0
2017	0	0
2018	6,818	6,341
2019	1,868	1,737
2020	1,838	1,709
2021	1,665	1,549
2022	1,611	1,498
2023	1,560	1,451
2024	1,512	1,406
TOTAL	1,467	1,365
		596,607



General Appropriation

- Assumes no general fund appropriation

		(d)	
YEAR	Appropriation from General Fund		
	Delivery	Credits	
Pre-Plan ^(*)		403,830	
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
TOTAL		403,830	



Shortage Reparations

- Assumes remaining shortage reparation monies will be used to store water in Tucson
- Expect over 9,000 acre-feet of credits accrued

YEAR	(e)	
	Shortage Reparations (\$8 Million)	
	Delivery	Credits
Pre-Plan ^(a)		
2015		98,981
2016	5,113	4,755
2017	4,973	4,625
2018	0	0
2019	0	0
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
TOTAL		108,361



Indian Settlement

		(f)	
YEAR	Indian Settlement		
	Delivery	Credits	
Pre-Plan ^(a)			236,925
2015	7,028		6,536
2016	5,834		5,426
2017	24,366		22,660
2018	22,594		21,012
2019	19,845		18,456
2020	16,444		15,293
2021	13,668		12,711
2022	11,569		10,759
2023	8,266		7,687
2024	18,097		16,830
TOTAL			374,294

- Pre-plan credits:
 - 28,000 acre-feet federal assistance credits
 - 208,000 acre-feet of existing withdrawal fee credits
- Assumes Phoenix and Pinal AMA withdrawal fee credits accrued used for Indian firming
- Expect over 137,000 acre-feet of credits



Interstate Banking

(g)

Interstate Banking

	Water Available	Delivery	Credits	ICUA	Remaining Credits
			600,651		600,651
2015	0	0	0	0	600,651
2016	0	0	0	0	600,651
2017	0	0	0	0	600,651
2018	0	0	0	0	600,651
2019	0	0	0	0	600,651
2020	0	0	0	0	600,651
2021	0	0	0	0	600,651
2022	0	0	0	0	600,651
2023	0	0	0	0	600,651
2024	0	0	0	0	600,651
TOTAL			600,651		0

- Assumes no storage for interstate
- Assumes no requests for ICUA during this planning period



Ten-Year Plan Results

Table 8. AWBA Percentage of Goals Achieved through 2024

Location and Objective	Funding Source	Estimated Goal	Obligation	Non-Credit Goal/Oblig. Achieved	Credits ² Accrued (AF)	Percent Goal/Oblig. Achieved
CAP M&I Firming	Water Storage Tax (4C Ad valorem) collected by County	1,566,000	AF		1,619,862	103%
Phoenix AMA ²		243,000	AF		243,047	100%
Pinal AMA ²		864,000	AF		586,850	68%
Tucson AMA ⁴		420,000	AF		403,830	96%
On-River M&I Firming ³		General Fund				
Indian Settlement Obligations: ⁶						
GRIC Firming	Withdrawal Fees	350,000	AF	up to 15,000 AF/YR	350,000	100%
	Phoenix AMA				88,313	
	Pinal AMA	200,000	AF	up to 8,724 AF/YR	261,687	
Future Settlements	Withdrawal Fees			\$3,000,000	200,000	100%
Federal Assistance	Appropriation			\$2,338,171	34,102	100%
Tucson AMA	Withdrawal Fees			\$630,490	28,481	
	Cost of Services			\$31,339	5,621	
Southside Replenishment Bank	Pinal AMA Withdrawal Fees			15,000 AF Direct Delivery	n/a	
Groundwater Management					15,000	100%
Phoenix AMA	Withdrawal Fees collected by AMA				77,655	
Pinal AMA ²					200,187	
Tucson AMA ⁴					0	
Other:						
Shortage Reparations-Nevada	Agreement with Nevada				8,000,000	108,361
Pinal Redirect Credits ^{4 and 7}	n/a					14,125



Results: M&I Firming

Table 8. AWBA Percentage of Goals Achieved through 2024

Location and Objective	Funding Source	Estimated Goal	Obligation	Non-Credit Goal/Oblig. Achieved	Credits ¹ Accrued (AF)	Percent Goal/Oblig. Achieved
CAP M&I Firming	Water Storage Tax (4¢ Ad valorem) collected by County					
Phoenix AMA ²		1,566,000	AF		1,619,862	103%
Pinal AMA ²		243,000	AF		243,000	100%
Tucson AMA ²		864,000	AF		586,850	68%
On-River M&I Firming ³	General Fund	420,000	AF		403,830	96%



Results: Indian Firming

Table 8. AWBA Percentage of Goals Achieved through 2024

Location and Objective	Funding Source	Estimated Goal	Obligation	Non-Credit Goal/Oblig. Achieved	Credits ¹ Accrued (AF)	Percent Goal/Oblig. Achieved
Indian Settlement Obligations:⁵						
GRIC Firming	Withdrawal Fees	350,000	AF up to 15,000 AF/YR		350,000	100%
	Phoenix AMA				88,313	
	Pinal AMA				261,687	
Future Settlements	Withdrawal Fees	200,000	AF up to 8,724 AF/YR		200,000	100%
Federal Assistance			\$3,000,000	\$3,000,000	34,102	100%
Tucson AMA	Appropriation			\$2,338,171	28,481	
	Withdrawal Fees			\$630,490	5,621	
	Cost of Services			\$31,339	n/a	
Southside Replenishment Bank	Pinal AMA Withdrawal Fees		15,000 AF Direct Delivery		15,000	100%



Results: Other

Table 8. AWBA Percentage of Goals Achieved through 2024							
Groundwater Management							
Phoenix AMA	Withdrawal Fees collected by AMA					77,655	
Pinal AMA ⁵						200,187	
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Other:							
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Pinal Redirect Credits ⁷	n/a					14,125	



Conclusions



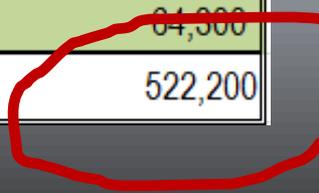
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Conclusions

	CAP Water Available for AWBA (2011 10-YR Plan)	CAP Water Available for AWBA (2012 10-YR Plan)	CAP Water Available for AWBA (2013 10-YR Plan)
2013	82,800	78,230	78,230
2014	78,400	70,900	64,753
2015	72,400	64,600	54,100
2016	66,500	45,800	38,600
2017	155,700	112,500	87,900
2018	154,200	102,100	77,800
2019	152,800	83,200	64,700
2020	151,300	64,200	51,800
2021	149,900	57,500	39,100
2022	148,400	50,800	29,700
2023	n/a	38,100	14,200
2024	n/a	n/a	84,900
TOTAL	1,212,400	689,700	522,200

Current volume is 43% of water available in 2011

Current volume is 76% of water available in 2012



Conclusions

Expect to produce around 480,000 acre-feet of credits

Current volume is 43% of water available in 2011

Current volume is 76% of water available in 2012

	CAP Water Available for AWBA (2011 10-YR Plan)	CAP Water Available for AWBA (2012 10-YR Plan)	CAP Water Available for AWBA (2013 10-YR Plan)
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2019	152,800	83,200	64,700
2020	151,300	64,200	51,800
2021	149,900	57,500	39,100
2022	148,400	50,800	29,700
2023	n/a	38,100	14,200
2024	n/a	n/a	64,300
TOTAL	1,212,400	689,700	522,200



Conclusions...

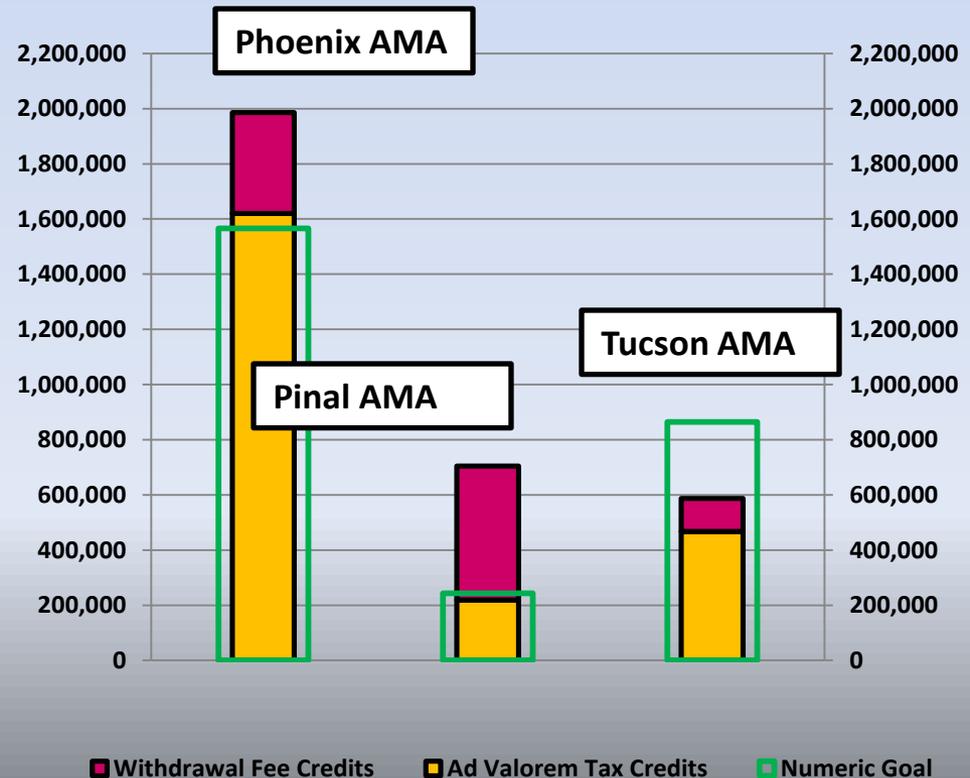
- **Region is moving closer to shortage conditions**
- **High likelihood of shortage as early as 2017**
- **If shortage is declared AWBA will be without water to store**
- **If recovery is triggered, then Indian obligations are expected to be affected first followed closely by on-River obligations**



- Numerically defined goals...

- Met in Phoenix in 2021
- Attainable in Pinal if withdrawal fee credits used
- Not attainable in Tucson even if withdrawal fee credits used

...more conclusions



...more conclusions

- **Southside Replenishment Bank fully subscribed for initial deposit of 15,000 acre-feet**
- **Indian firming goals can be met if withdrawal fee credits from Phoenix and Pinal AMAs are used**
- **275,000 acre-feet of withdrawal fee credits to address water management issues**



...more conclusions

- **Absent appropriations, withdrawal fees will become primary source of funding for Indian firming**
- **Funding impacts:**
 - **Nearly 90% of funding currently generated in Maricopa and Pima counties and around 35% of funding currently generated in Pinal county are water storage tax (i.e. 4¢ tax) funds**
 - **Water storage tax expected to be exhausted in Pinal and Pima counties by 2017**
 - **Water storage tax will be available to Maricopa county throughout this plan**



...last conclusions

- **Firming goal re-evaluation:**
 - **M&I goals fit within newly defined ranges**
 - **Indian firming below the newly defined range of 778,000 acre-feet to 1.3 million acre-feet**



Segway to Action Planning



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Bring it on home
...recommended actions



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Recommended actions...

- **Focus on Indian firming goals**
 - **Develop agreements for satisfying Indian firming obligations**
 - **Complete deliveries to SSRB**
 - **Seek general fund appropriations to support Indian firming**



...more recommended actions

- **Implement next step in Joint Recovery Plan**
- **Decide if numeric goals should be adjusted and if so how**
- **Establish policy on use of shortage reparation credits**
- **Apply Tucson AMA withdrawal fee credits to M&I firming**



...a few more

- **Continue evaluating Inter-AMA storage**
- **Supplement deliveries of Excess CAP water with purchase of LTSCs to leverage lower priced water today**
- **Pursue continuation of water storage tax beyond 2016**



...last recommended actions

- **Develop public outreach program**
- **Revise Action Plan Year-One Accomplishments to align with Ten-Year Plan**



2013 Annual Report and Ten-Year Plan

AWBA Quarterly Meeting
June 19, 2013

Presented by
Virginia O'Connell, AWBA Manager
Terri Sue Rossi, Technical Administrator



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