

**Agenda Number 7.
Attachment 1. Red Line.**

AMENDED
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
CENTRAL ARIZONA WATER CONSERVATION DISTRICT
REGARDING AD VALOREM TAX FOR WATER STORAGE
FOR THE 2014/2015 TAX YEAR

(June 45, 20154)

WHEREAS, House Bill 2494 adopted by the Arizona Legislature in 1996 (Chapter 308, Laws of Arizona 1996, Forty-second Legislature, Second Regular Session) established the Arizona Water Bank and amended A.R.S. § 48-3715.02 relating to the tax levy for water storage; and

WHEREAS, A.R.S. § 48-3715.02, subsection B, provides that the Board of Directors (the "Board") of the Central Arizona Water Conservation District (the "District") shall fix the amount to be raised by direct taxation pursuant to its provisions, which amount shall not exceed four cents per one hundred dollars of assessed valuation; and

WHEREAS, the Board by separate action has fixed the tax rate pursuant to A.R.S. § 48-3715.02, subsection B, for the 2014/2015 tax year at four cents per one hundred dollars of assessed valuation; and

WHEREAS, A.R.S. § 48-3715.03 further provides that the Board shall determine annually by resolution whether any or all of the tax levied pursuant to A.R.S. § 48-3715.02, subsections B and C, shall be applied to the repayment of the construction costs of the Central Arizona Project ("CAP" or the "Project") or to the annual operation, maintenance, and replacement costs of the Project; and

WHEREAS, A.R.S. § 48-3715.03 further provides that those monies specified in such

resolution for repayment of the construction costs or payment of the annual operation, maintenance, and replacement costs of the Project shall be deposited in the District fund established pursuant to A.R.S. § 48-3712, subsection A, paragraph 5; and

WHEREAS, A.R.S. § 48-3715.03 further provides that any taxes that are levied pursuant to section 48-3715.2, subsections B and C and that are not deposited in the District fund established pursuant to A.R.S. § 48-3712, subsection A, paragraph 5 shall be deposited, pursuant to A.R.S. §§ 35-146 and 35-147, in the Arizona Water Banking Fund established pursuant to A.R.S. § 45-2425.

WHEREAS, as required by A.R.S. § 48-3715.03, on June 5, 2014, the Board adopted a resolution regarding the tax levied pursuant to A.R.S. 48-3715.2 for the 2014/2015 tax year (the "Original Resolution").

WHEREAS, on December 4, 2014, pursuant to the Intergovernmental Agreement Among Arizona Department of Water Resources, Arizona Water Banking Authority and Central Arizona Water Conservation District, as amended, (the "IGA"), the Board established the amount of four-percent tax revenues, by County, for the 2014/2015 tax year that will be available to the Arizona Water Banking Authority ("AWBA") for the purchase of long-term storage credits in 2015, as follows: \$3 million collected from Maricopa County for the purchase of long-term storage credits in the Phoenix AMA and \$3.1 million collected from Pima county for the purchase of long-term storage credits in the Tucson AMA.

WHEREAS, pursuant to the IGA, by notice dated May 11, 2015, the AWBA notified the District that it had negotiated an agreement to purchase 14,570 AF of long-term storage credits in the Tucson AMA from the City of Tucson, at \$208 per long-term storage credit, for a total

purchase price of \$3,041,433.59. The AWBA requested that this purchase be funded by transferring the four-cent tax revenues made available by the Board for AWBA's purchase of long-term storage credits in the Tucson AMA in 2015 to the Arizona Water Banking Fund.

WHEREAS, the IGA requires that after receipt of proper notice from the AWBA, the Board will amend the resolution it previously adopted for that year to direct the transfer of four-cent tax revenues to the Arizona Water Banking Fund.

WHEREAS, the Board desires to amend the Original Resolution to authorize the transfer of \$3,041,433.59 of the four-cent tax revenues collected from Pima County for the 2014/2015 tax year to the Arizona Water Banking Fund, as set forth below.

WHEREAS, A.R.S. § 48-3715.03 further provides that a certified copy of such resolution shall be delivered to the Arizona Department of Water Resources;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Arizona Water Conservation District, as follows:

1. That \$3,041,433.59 of the taxes levied pursuant to A.R.S. § 48-3715.02, subsections B and C, in Pima County, in the 2014/2015 tax year, shall be deposited in the Arizona Water Banking Fund established pursuant to A.R.S. § 45-2425.

2. That, except as provided in section 1 above, all of the remaining taxes levied pursuant to A.R.S. § 48-3715.02, subsections B and C, in the 2014/2015 tax year shall be applied to repayment of the construction costs or payment of the annual operation, maintenance, and replacement costs of the Project; and

23. That, except as provided in section 1 above, all taxes levied pursuant to A.R.S. § 48-3715.02, subsections B and C, in the 2014/2015 tax year be deposited in a designated District

account in the District fund established pursuant to A.R.S. § 48-3712, subsection A, paragraph 5;
and

43. That a certified copy of this resolution be delivered to the Arizona Department of Water Resources.

I, the undersigned, as Secretary of the Central Arizona Water Conservation District, hereby certify that the foregoing is a true and correct copy of the resolutions duly adopted by the Board of Directors of the Central Arizona Water Conservation District at a meeting thereof, duly called and held on June ~~5, 2014~~, 2015, at which a quorum was present and acting throughout. I further certify that said resolutions have not been modified or revoked since their adoption and are still in full force and effect.

SIGNED THIS ~~4~~⁵~~th~~ DAY OF JUNE 201~~4~~5.

By: _____
~~Lisa A. Atkins~~ Frank Fairbanks
Secretary