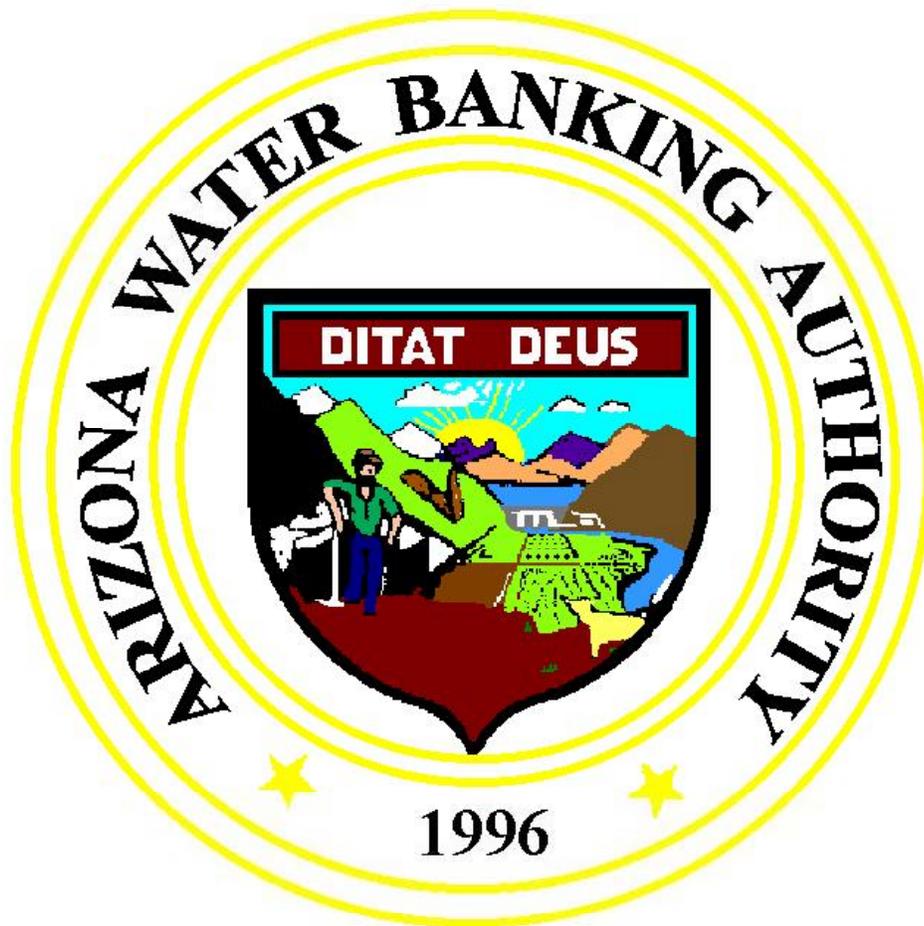


**ARIZONA WATER BANKING AUTHORITY**  
**ANNUAL PLAN OF OPERATION**  
**2005**



Herbert R. Guenther, Chairman

December 2004

## **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 (M&I) along the Colorado River and Central Arizona Project (CAP) M&I users during Colorado River shortages or CAP service interruptions; (2) help meet the water management objectives of the Groundwater Code; and (3) assist in the settlement of American Indian water rights claims. Changes in the AWBA's enabling legislation in 1999 authorized the AWBA to participate in other water banking activities, however, no new water banking activities are included in this annual Plan of Operation.

The AWBA's storage (or banking) of water is accomplished through the Underground Water Storage, Savings and Replenishment Act (UWS) enacted by the Arizona legislature in 1994 and administered by the Arizona Department of Water Resources (ADWR). Through this program, the AWBA stores renewable water that currently has no immediate, direct use in either underground storage (USF) or groundwater savings (GSF) facilities. A USF is a facility that allows water to physically be added to an aquifer. A GSF is a facility where the renewable water is used in place of groundwater, creating a groundwater savings. The UWS program mandates the accounting of the renewable water stored and the development of long-term storage credits. The long-term storage credits developed by the AWBA will then be utilized by the AWBA when future conditions warrant. The use of credits for the three objectives listed above may differ and is dependent on the source of funds utilized to develop them.

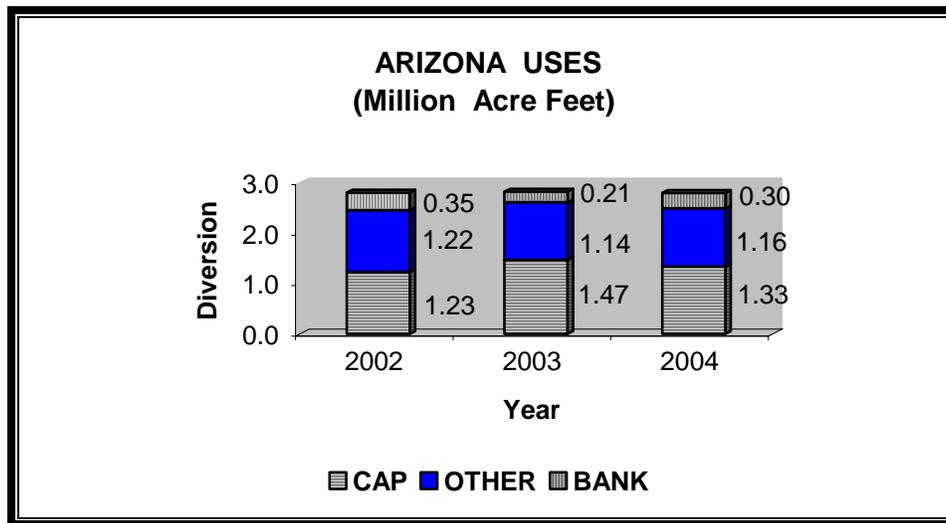
The AWBA is required by statute to approve an annual Plan of Operation (Plan) by January 1 of each year. Prior to approval of the final Plan, the AWBA is required to solicit public comment. This is achieved by presenting a draft of the Plan to the Groundwater Users Advisory Councils (GUAC) for the Phoenix, 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 Plan. Presentation of the draft Plan must be made at publicly noticed open meetings at which members of the public are permitted to provide comment. The AWBA also accepts public comment in writing up to the time the final draft Plan is presented for approval.

The Plan is intended to govern the operations of the AWBA over the course of the entire calendar year. 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.

## **2004 PLAN OF OPERATION**

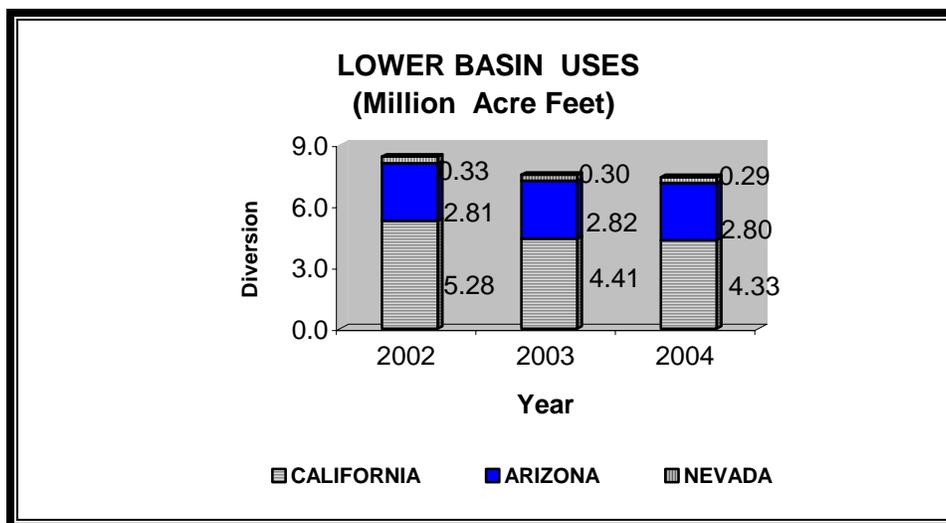
In 2004, the AWBA's eighth full year of operation, the AWBA recharged more than 304,000 acre feet of Colorado River water and Arizona's total use of Colorado River water is forecast to be 2.795 million acre feet by the Bureau of Reclamation data dated November 29, 2004. The CAP will adjust pumping from Lake Havasu into the canal to

bring Arizona's use as close to 2.8 million acre feet as possible. The AWBA has played a significant role in bringing Arizona to the third year of full utilization of the normal year entitlement (see Figure 1).



**Figure 1**

The Bureau of Reclamation forecasts total use of Colorado River water in the Lower Basin to be 7.41 million acre feet in 2004 (see Figure 2).



**Figure 2**

The AWBA recharged water at both USFs and GSFs in 2004. Table 1 lists the AWBA's recharge partners for 2004, the amount of water that can be stored under each AWBA water storage permit, and the amount of water delivered to the facility by the AWBA in 2004. Table 1 values are based on actual deliveries through October with November and December's deliveries estimated. The amount of water delivered to a facility is always greater than the amount of long-term storage credits earned by the AWBA

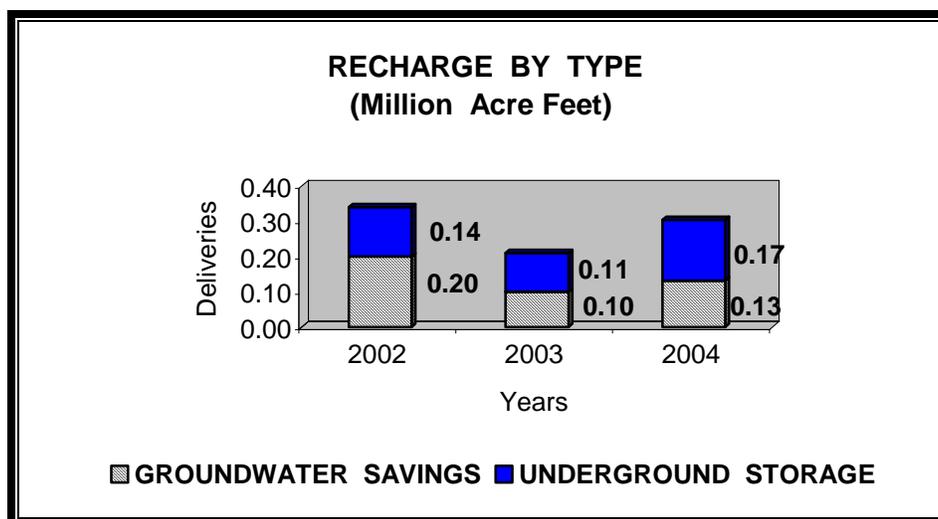
because credits are computed by subtracting approximately 3-5% for losses and 5% for a "cut to the aquifer" from the total annual deliveries. Final figures for credits earned generally become available in the middle of the following year after review of the annual reports filed with the ADWR and are reported in the AWBA's Annual Report.

**Table 1**

AMA	Facility	Type	Permit Capacity	Amount Delivered
Phoenix	Agua Fria (CAP)	USF	100,000 AF	17,201
	GRUSP	USF	200,000 AF	62,973
	Hieroglyphic Mtn. (CAP)	USF	35,000 AF	22,382
	Chandler Hts Citrus ID	GSF	3,000 AF	576
	New Magma IDD	GSF	54,000 AF	49,203
	Queen Creek ID	GSF	28,000 AF	9,146
	SRP	GSF	200,000 AF	8,000
	Tonopah ID	GSF	15,000 AF	2,646
Pinal	CAIDD	GSF	110,000 AF	19,700 <sup>1</sup>
	Hohokam ID	GSF	55,000 AF	18,382
	MSIDD	GSF	120,000 AF	23,700 <sup>2</sup>
Tucson	Avra Valley (CAP)	USF	11,000 AF	6,752
	CAVSARP	USF	60,000 AF	6,000
	Lower Santa Cruz (CAP)	USF	50,000 AF	38,107
	Pima Mine Road (CAP)	USF	30,000 AF	18,939
	Kai-Red Rock	GSF	11,231 AF	1,100
<b>Total</b>			<b>1,082,231 AF</b>	<b>304,807 AF</b>

<sup>1,2</sup> These deliveries include 3,000 AF to CAIDD and 7,000 AF to MSIDD for interstate water banking purposes

While the Plan originally had projected about 60% of the storage at USFs, the actual storage was closer to 57% at USFs and 43% at GSFs. This was the second year that storage at USFs exceeded storage at GSFs. This was again due, in part, to lack of funds limiting the amount of water that could be stored in the Pinal GSFs. The trend of a higher percentage of storage at USFs is expected to continue in the future as more USF capacity is developed and becomes available to the AWBA. Figure 3 shows the acre foot break down between GSFs and USFs for 2004 and a comparison between 2004 and previous years.



**Figure 3**

## 2005 PLAN OF OPERATION

When developing a Plan of Operation, the AWBA evaluates 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. In addition to these critical factors, the AWBA takes into consideration recommendations made by the Groundwater Users Advisory Councils (GUAC) of the three AMAs regarding water management objectives and priorities for storage. In 2004, the Tucson GUAC provided guiding principles with respect to storage in the Tucson AMA<sup>1</sup>. In 2003, the Phoenix GUAC stated that they would prefer to see increased storage in the West Salt River Valley. That preference was included in development of this Plan.

### I. Water Availability

The factor of water availability consists of two parts: (1) the amount of water available on the Colorado River for diversion by the CAP within Arizona's allocation; and (2) the amount of CAP water available for delivery to the AWBA under the existing pool structure.

The Bureau of Reclamation distributed the Annual Operating Plan (AOP) for water year 2005 to the states by letter dated November 19, 2004. The 2005 AOP stated that the Normal condition is the criterion governing operation of Lake Mead. Under a Normal declaration, there is 2.8 million acre feet of water available for use within Arizona. The Bureau of Reclamation does not anticipate that there will be any unused state apportionment available in 2005. Arizona's on-river use is forecast to be 1.2 million acre feet, leaving 1.6 million acre feet available for diversion by CAP. It should also be noted that because CAP could bear the burden for inadvertent overruns by Arizona, it is possible that their Colorado River diversions may be decreased towards the end of the year if it appears Arizona will exceed its allocation. Conversely, there exists the possibility of increased CAP diversions if on-river uses are less than expected. Nonetheless, the amount of water available to be diverted by the CAP within Arizona's 2.8 million acre foot allocation was a limiting factor in this Plan.

With respect to availability of CAP water, the AWBA purchases water from the category that is termed excess water. Excess water is generally recognized to be all water available for delivery through the CAP, regardless of Secretarial declaration of condition, in excess of the quantities scheduled under long-term contracts and subcontracts. The availability of excess water is determined on an annual basis. Pursuant to current CAP policy, the AWBA has available to it any water not requested by another entity within Arizona and the AWBA shares an equal priority for water for municipal and industrial (M&I) firming with the Central

---

<sup>1</sup>For 2005, the Tucson GUAC recommended that the AWBA: (1) utilize all available funds and capacity until either was exhausted; and (2) utilize available capacity at CAVSARP, then Pima Mine Road while ensuring at least a proportionate share in the northwest USF and GSF facilities based on magnitude of CAP M&I subcontracts.

Arizona Groundwater Replenishment District. For a number of reasons, the amount of CAP water available to the AWBA was the significant limiting factor in this Plan. First, because the AWBA can only utilize water not requested by another higher priority user, the on-going drought has resulted in a decreased amount of water available to the AWBA as others increase their use of CAP water. In 2005, there were increased orders for M&I Incentive water as well as an increase in the amount of M&I subcontract water ordered. Additionally, the Salt River Project ordered more than 120,000 acre feet of CAP water. Second, the drawdown of Lake Pleasant was reduced in 2005. Over the last three years, a significant quantity of water has been taken from Lake Pleasant for delivery to customers. CAP has determined that it is no longer feasible to have a net outflow from Lake Pleasant and will operate to insure that there is a net inflow into the reservoir. The end result is less water available for delivery to customers.

With a 1.6 million acre foot diversion, the CAP 2005 Operating Plan accommodates the delivery of approximately 1.58 million acre feet of water. CAP's plan delivers approximately 1.454 million acre feet of water to higher priority users leaving less than 129,000 acre feet available to the AWBA.

## II. CAP System Capacity

Under normal operating conditions during a normal water supply year, CAP diverts approximately 1.6 million acre feet. While CAP staff believe that 1.8 million acre feet can be safely moved through the system, there are areas within the system that can become bottlenecks depending on the magnitude of downstream deliveries. In 2005, the CAP identified a bottleneck at the New River siphon in June and July due to the high downstream demand. This bottleneck essentially eliminated AWBA deliveries downstream of the siphon in those two months. Additionally, maintenance activities can also impact water deliveries. The CAP 2005 Operating Plan has planned maintenance at three pumping plants in the Tucson aqueduct for a week in the fall of 2005. This maintenance restricts deliveries to the southern end of the canal for this time period. While this factor imposed some temporal limitations on deliveries, it was not a significant limiting factor in developing this Plan.

## III. Available Funds

The AWBA has significantly reduced funds available in 2005 in all of the AWBA Fund accounts. Due to legislative sweeps and expenditure of funds eliminating all carryover in the withdrawal fee accounts, the AWBA will only have revenues collected in March of 2005 available for use in this Plan. However, by Senate Bill 1402 signed by the governor in May of 2004, an additional \$2 million will be taken from the withdrawal fee accounts by the legislature in fiscal year 2005. In 2005, there is again no state general fund appropriation available to the AWBA. In 2004, the CAWCD Board resolved to continue to retain the county *ad valorem* property taxes collected in tax year 2005 and not transfer those revenues to the AWBA Fund. While the property tax revenues retained by CAP can be used to offset the cost of AWBA water deliveries in the tri-county CAP service area, those funds are not shown in the AWBA fund accounts. The impact of availability of

funds in developing the Plan differs by geographic location. Within the Phoenix AMA/Maricopa County, there were adequate revenues to fund the Plan. In the Pinal AMA/Pinal County, the availability of funds was a limiting factor in this Plan. In the Tucson AMA/Pima County, the availability of funds was initially perceived to be a limiting factor in this Plan. However, due to the reduced quantity of water available for storage by the AWBA, revenues were not a limiting factor in developing this Plan. Nonetheless, the availability of funds is expected to be a consideration in the Tucson area in 2006 and beyond. For more specific information about the cost of the Plan, please refer to the pricing section

The total amount of revenue available in the AWBA Fund in 2005 is more than \$16.2 million. This amount includes (1) carryover from previous years in the Maricopa County *ad valorem* account; and (2) withdrawal fees projected for March of 2005. Of that amount, \$14.40 million is available in Maricopa County, and approximately \$610,000 and \$1.18 million are available in Pima and Pinal County, respectively. There are additional funds available at CAP in the form of the retained *ad valorem* property tax revenues. Estimated CAP *ad valorem* tax balances at the end of 2004 are: Maricopa County (\$16.7 million); Pima County (\$3.2 million); and Pinal County (\$0).

The AWBA is statutorily mandated to reserve long-term storage credits accrued with general fund appropriation revenues for the benefit of M&I users of Colorado River water outside the CAP service area. By policy, the AWBA identified 420,000 acre feet as the number of credits needed for this on-river firming. In 2002, the AWBA passed a resolution identifying on-river firming as the highest priority of use of credits developed with the general fund appropriation. In 2005, there are no general fund revenues available to the AWBA. The absence of a general fund appropriation means that no on-river firming credits will be developed in 2005. To date, more than 395,000 acre feet of credits have been developed using general fund appropriation revenues.

#### IV. Available Storage Facility Capacity

AWBA staff conferred with facility operators to discuss their delivery schedules and their continued interest in participating with the AWBA. These discussions confirmed that there was significant interest in partnering with the AWBA and there was substantial permitted recharge capacity but, as in the past, previous commitments to other partners somewhat limited the availability of both the GSFs and the USFs to the AWBA. As previously discussed, the Tucson AMA provided the AWBA with priorities for USF facilities. To the extent possible, those priorities were met. However, facility operational constraints impacted storage in the Tucson AMA.

As the AWBA had sufficient facility capacity to store all of the CAP water available, storage facility capacity was not considered a limiting factor in development of the 2005 Plan.

Table 2 shows the AWBA's 2005 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 operational capacity of the CAP available after it makes its priority deliveries and its deliveries to New Waddell Dam. Although the CAP is capable of delivering approximately 180,000 acre feet per month, the available capacity does not always total that because of unique situations, i.e. 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 and outages. During the fall and winter months, the capacity available to the AWBA is constrained because the CAP is making deliveries to Lake Pleasant. In June and July, capacity is constrained at the New River siphon due to the high volume of downstream demand.

Lines Three through Eighteen represent the AWBA's 2005 Plan of Operation. This section identifies the AWBA's partners for 2005 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 based on the facility permits and the amount of that capacity that is available to the AWBA in 2005. The capacity available does not always equal the storage permit capacity because the storage facility operators may have agreements with other storage partners. Line Nineteen lists the total amount of AWBA storage scheduled for the year 2005. Line Twenty lists the CAP capacity remaining after the AWBA's deliveries are scheduled.

The AWBA will, as a high priority task, work with the CAWCD and stakeholders in early 2005 to begin the development of a recovery plan. While no recovery is scheduled in 2005, the recovery of long-term storage credits may be necessitated sooner than originally anticipated because of potential requests from California or Nevada to develop Intentionally Created Unused Apportionment. In addition, a recovery plan will assist the AWBA in determining appropriate locations for water storage.

**Table 2**  
**ARIZONA WATER BANKING AUTHORITY**  
Water Delivery Schedule  
Calendar Year 2005  
(ACRE-FEET)

2004  
Deliveries  
(AF)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total			
1	Estimated CAP Deliveries + Losses : (M&I, Indian, Ag Pool, Incentive Recharge)	63,000	65,000	114,000	148,000	180,000	197,000	198,000	182,000	123,000	81,000	48,000	55,000	1,454,000			
2	Available Excess CAP Capacity for AWBA:	7,253	8,078	13,688	8,324	8,340	2,988	6,463	14,798	13,620	15,417	12,211	17,546	128,726			
AWBA -- Recharge Sites :		Permitted Capacity (AF)	Requested Capacity (AF)														
PHOENIX A M A :														<b>AMA TOTAL</b>	<b>69,362</b>		
3	USF GRUSP	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	62,973	
4	HIEROGLYPHIC MTN.	35,000	6,800	0	100	100	0	0	0	0	0	1,767	2,417	2,416	6,800	22,382	
5	AGUA FRIA	100,000	5,000	500	0	0	1,000	1,000	0	0	0	0	1,000	1,500	5,000	17,201	
6	GSF CHCID	3,000	533	0	0	50	50	50	100	75	75	50	83	0	533	576	
7	MWD	18,000	6,300	0	0	0	1,050	1,050	1,050	1,050	1,050	0	0	0	6,300	0	
8	NEW MAGMA	54,000	35,084	0	0	0	0	4,000	1,500	3,000	6,000	6,500	6,000	5,584	2,500	49,203	
9	QUEEN CREEK	28,000	7,645	0	0	0	0	0	0	2,285	2,000	800	960	1,600	7,645	9,146	
10	SRP	200,000	8,000	800	800	800	800	800	0	0	800	800	800	800	8,000	8,000	
PINAL A M A :														<b>AMA TOTAL</b>	<b>27,500</b>		
11	GSF CAIDD	110,000	9,000	0	0	0	0	0	2,000	2,000	1,500	1,000	1,000	1,500	9,000	19,700	
12	HOHOKAM	55,000	9,500	275	1,000	5,600	2,625	0	0	0	0	0	0	0	9,500	18,382	
13	MSIDD	120,000	9,000	300	0	1,960	880	1,440	0	0	1,750	920	720	450	580	9,000	23,700
TUCSON A M A :														<b>AMA TOTAL</b>	<b>31,864</b>		
14	USF AVRA VALLEY	11,000	3,225	338	338	338	0	0	338	338	338	300	247	0	650	3,225	
15	CLEARWATER	60,000	10,000	0	0	0	0	0	0	0	0	0	4,000	0	6,000	10,000	
16	PIMA MINE ROAD	30,000	6,939	2,040	2,040	2,040	819	0	0	0	0	0	0	0	6,939	18,939	
17	LOWER SANTA CRUZ	30,000	10,700	3,000	3,800	2,800	1,100	0	0	0	0	0	0	0	10,700	38,107	
18	GSF KAI - RED ROCK	11,231	1,000	0	0	0	0	0	0	500	500	0	0	0	1,000	1,100	
19	TOTAL (USF + GSF):		128,726	7,253	8,078	13,688	8,324	8,340	2,988	6,463	14,798	13,620	15,417	12,211	17,546	304,807 <sup>1</sup>	
20	Remaining CAP Capacity:			0	0	0	0	0	0	0	0	0	0	0	0		

<sup>1</sup>This total includes 2,646 acre feet delivered to the Tonopah Irrigation District. Additionally, 3,000 acre feet of the deliveries to CAIDD and 7,000 acre feet of the deliveries to MSIDD were for interstate water banking purposes pursuant to the Amended 2004 Annual Plan of Operation.

## **NEW FACILITIES**

There are no new storage facilities included in the 2005 Plan.

## **INTERSTATE WATER BANKING**

The Plan does not include an interstate water banking component. However, in the event that conditions change and opportunities may present themselves, the Plan may be amended to include interstate water banking as was done in 2002 and 2004.

## **PRICING**

On June 17, 2004, the CAWCD board adopted final water delivery rates for 2005. The rate for AWBA and other M&I Incentive recharge is \$73 per acre foot. The delivery rate is the pumping energy rate 2 component (\$62 per acre foot) plus 10 percent of the fixed OM&R charge (\$4.70 per acre foot) plus a component to recover lost revenues from federal deliveries (\$6.00 per acre foot). The components of the rate are the same as those in the 2001-2004 rates. For 2005, the pumping energy rate 2 was calculated using the average of the actual or forecast above threshold energy rates for the previous three years.

In 2005, the AWBA increased the cost share for the GSF partners to \$30 per acre foot. 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.

The Master Water Storage Agreement executed on July 1, 2002 describes the cost components that can be paid by the AWBA for storage at CAP facilities. On October 2, 2003, the CAWCD adopted a new policy regarding storage facility rates. Pursuant to the policy, the AWBA will pay an O&M component for all water stored; that component is calculated by CAP annually for each AMA based on a rolling ten year average. Additionally, for water stored for other than M&I firming purposes, the AWBA will pay a capital charge component. The capital charge is based on the total projected costs and projected storage of water over the lives of the facilities in the AMA and will not change annually unless there are significant changes in CAWCD's costs for recharge facilities in that AMA. There is no administration cost component in the facility cost because the AWBA pays the CAP administrative costs on an annual basis.

**Table 3. 2005 Water and Facility Rates for Intrastate Banking**

CAP's delivery rate to AWBA	\$73 per acre foot
Groundwater Savings Facility operator portion of delivery rate	\$30 per acre foot <sup>1</sup>
Underground Storage Facility rate paid by AWBA	
GRUSP (SRP)	\$19.15 per acre foot
Avra Valley (CAP) <sup>2</sup>	\$12.00 per acre foot
CAVSARP (Tucson Water)	\$12.50 per acre foot
Hieroglyphic Mtns. (CAP) <sup>2</sup>	\$8.00 per acre foot
Pima Mine Road (CAP) <sup>2</sup>	\$12.00 per acre foot
Lower Santa Cruz (CAP/Pima County) <sup>2</sup>	\$12.00 per acre foot
Agua Fria Recharge Project (CAP) <sup>2</sup>	\$8.00 per acre foot

<sup>1</sup> 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 \$43/af.

<sup>2</sup> See pertinent discussion. This is O&M component only.

For GRUSP, the cost is comprised of an annual administration component, a component for use of the SRP interconnection facility, a transportation component and a general facility component. The cost was set by agreement dated December 31, 2001 with a 3% annual increase. For CAVSARP, the cost includes an administration component, a capital component and an operations and maintenance component. The cost was set by agreement dated March 3, 2003 with a 3% annual increase.

The estimated total cost of the AWBA's 2005 Plan of Operation is approximately \$7.3 million which includes the USF use fees and the CAP delivery rate minus the 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 ADWR has established accounts that track both credits and funds.

Table 4 provides estimates of the funds available to be utilized by the AWBA including any funds carried over from previous years and an estimate of funds to be collected during the year, the funds to be utilized and the entity that holds the funds, and the credits that will accrue to those accounts based on the 2005 Plan.

**Table 4. Funding for 2005 Annual Plan of Operation**

	Funds Available (\$)		Funds Utilized (\$)		Credits (AF)
	AWBA	CAP	AWBA	CAP	
<b>Withdrawal Fees</b>					
Phoenix AMA	\$662,500 <sup>1</sup>	-	\$662,455	\$0	13,000
Tucson AMA	\$610,000	-	\$610,000	\$0	7,000
Pinal AMA	\$1,182,500 <sup>1</sup>	-	\$1,182,500	\$0	26,000
<b>Four Cent Tax</b>					
Maricopa County	\$13,764,413	\$16,763,187	\$2,792,112	\$0	53,000
Pima County	\$0	\$3,243,847	\$0	\$2,060,640	23,000
Pinal County	\$0	\$0	\$0	\$0	0
<b>Other</b>					
<b>General Fund</b>	\$0	-	\$0	-	
Phoenix AMA	\$0	-	\$0	-	0
Tucson AMA	\$0	-	\$0	-	0
Pinal AMA	\$0	-	\$0	-	0
<b>Interstate Banking</b>					
Nevada	(not applicable)				
California	(not applicable)				
	<b>Total Funds Available</b>		<b>Total Funds Expended</b>		<b>Credits</b>
	\$36,226,447		\$7,307,707		122,000

<sup>1</sup>The withdrawal fees available for use in 2005 are reduced by \$2 million due to legislative transfer

Since inception, the AWBA has primarily utilized only the general fund and county *ad valorem* property tax revenues to purchase and store water based on an early philosophy of emphasizing development of M&I firming credits. The exception was Pinal County that previously required expenditure of groundwater withdrawal fees on an annual basis to permit the AWBA to meet the demand for AWBA participation in that county. In 2004, the AWBA funded the Plan through expenditure of both groundwater withdrawal fees and *ad valorem* tax revenues in an effort to eliminate carryover of groundwater withdrawal fees. The AWBA faces a similar situation in 2005. The 2005 Plan was developed expending all available withdrawal fees and requires utilization of some of the CAP funds, as well.

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

**Table 5. Cumulative Totals of Long-term Storage Credits 1997-2004**

	FUNDS EXPENDED	AMOUNT	CREDITS <sup>1</sup> LOCATION
Withdrawal Fee			
Phoenix AMA	\$8,878,303	149,873 AF	Phoenix AMA
Tucson AMA	\$4,722,728	66,231 AF	Tucson AMA
Pinal AMA	\$7,775,048	253,051 AF	Pinal AMA
Four Cent Tax			
Maricopa County	\$39,393,624	867,960 AF	Phoenix AMA
Pima County	\$13,212,072	188,169 AF	Tucson AMA
Pinal County	\$2,600,367	94,500 AF	Pinal AMA
Other			
General Fund	\$10,695,000	396,499 AF	
	\$2,042,572	59,937AF	Phoenix AMA
	\$2,325,112	39,748AF	Tucson AMA
	\$6,327,316	296,814 AF	Pinal AMA
California			
Nevada	\$10,076,945	120,411 AF	
<b>TOTAL</b>	<b>\$97,354,087</b>	<b>2,136,694 AF</b>	

<sup>1</sup> Actual credits used for 1997-2003; credits estimated for 2004

## PUBLIC REVIEW AND COMMENT

The AWBA staff held meetings with the GUACs for the Phoenix, Pinal and Tucson AMAs as required by statute. The Plan was distributed to the public and Table 2 was posted on the AWBA web page for public review and comment.

### Phoenix GUAC

In general, the GUAC supported the Plan and had no requests for changes to it. There were some questions regarding CAP's retention of the 4¢ *ad valorem* tax revenues and how those funds would be expended to meet the AWBA's goals. The GUAC also requested information regarding interstate water banking.

### Pinal GUAC

General discussion regarding the Plan included: the anticipated length of time that the AWBA will utilize GSF facilities for storage; the manner in which recovery could take place in the Pinal AMA; and the status of the agreements for interstate water banking. The Pinal GUAC did not submit written comments to the Plan and supported it in general.

#### Tucson AMA

General discussion regarding the Plan included: storage facility priority and the manner in which the AWBA attempted to meet the recommendations; interstate water banking; the potential for interstate recovery in 2005 for California; the reasons for the decreased water available to the AWBA; and the potential for additional water coming available in 2005. A request was made to modify Table 2 to include subtotals for the AMA. A written comment was received from the Tucson GUAC that requested more storage at the Pima Mine Road facility. Table 2 was adjusted accordingly to fully maximize use of the Pima Mine Road facility.

#### Public Comment

A written comment was received requesting alteration of the recovery language.