

IPAG Comments RE March 16, 2005 AWBA Agenda Items

V. Discussion and Potential Action Regarding 2005 Annual Plan of Operation

- **Discussion regarding inclusion of interstate water banking and GSF partner cost share decrease**

IPAG believes that pricing can be an appropriate tool for achieving the AWBA's policy objectives, and supports the proposal to decrease the GSF partner cost-share in recognition of this year's unique operational issues.

- **Potential approval of amended 2005 Annual Plan of Operation**

IPAG reaffirms its previous 2005 storage priority recommendations for the Tucson AMA, and supports the use of interstate water to fully utilize any additional available recharge capacity.

IPAG also believes that AWBA staff may need additional operational flexibility to meet the AWBA's annual objectives in light of fluctuating circumstance. IPAG encourages the Authority Commissioners to consider developing general policy guidance for storage decisions that staff can then use to adjust to changing conditions during the year. This policy guidance could address a variety of issues, including: a range of projected CAP availability; utilization of State Demonstration Projects; and potential recovery options.

VII. Interstate Water Banking

- **Update on discussions regarding expenditure of funds obtained pursuant to the Amended Agreement for Interstate Water Banking**

The IPAG strongly supports maintaining the integrity and intent of the interstate agreement with Nevada. IPAG supports ongoing efforts to protect the \$100 million, including potential repayment of expenditures by beneficiaries. IPAG members are particularly concerned that the funds may be swept without taking into account the large number of unmet water infrastructure needs in the Tucson AMA and rest of the three-county CAP service area. Examples include: mitigating subsidence to maintain canal capacity; increasing total canal capacity; extending the CAP to reach subcontractors in Green Valley; storage, treatment and delivery facilities for northwestern Tucson; recovery infrastructure; and pipelines to make the FICO & AVID GSFs operational.