



Central Arizona Project MEMO

CERTIFIED MAIL

No. 7005 1160 0003 1166 9165

RETURN RECEIPT REQUESTED

July 5, 2006

Mr. Herb Guenther, Director
Arizona Department Water Resources
500 N. Third St.
Phoenix, AZ 85004-3903

Re: Central Arizona Water Conservation District; Tax Levy for Water Storage, Pursuant to
A.R.S. § 48-3715.02, Subsections B and C

Dear Mr. Guenther:

Enclosed, pursuant to A.R.S. § 48-3715.03, is a certified copy of a resolution adopted by the Board of Directors of the Central Arizona Water Conservation District ("District") to the effect that all taxes levied on behalf of the District for water storage pursuant to A.R.S. § 48-3715.02, Subsections B and C, in the 2006-2007 tax year, shall be deposited in a designated account in the District fund established pursuant to A.R.S. § 48-3712, Subsection A, paragraph 5, to be used by the District to defray the annual operation, maintenance and replacement costs associated with the purchase of Central Arizona Project ("CAP") water by the Arizona Water Banking Authority for the purpose of firming CAP municipal and industrial water supplies and related administrative costs.

For the 2006-2007 tax year, this tax has been established at the rate of four cents (04¢) per one hundred dollars (\$100) of assessed valuation on all taxable property situated within the District's boundaries, which include Maricopa, Pima, and Pinal Counties.

Please contact us if you or your staff have any questions about this matter or about the enclosed resolution.

Sincerely yours,

for David S. "Sid" Wilson, Jr.
General Manager

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Enclosure

cc: David Petersen, State Treasurer

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
CENTRAL ARIZONA WATER CONSERVATION DISTRICT
REGARDING AD VALOREM TAX FOR WATER STORAGE**

(June 22, 2006)

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 2006-2007 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 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 all of the taxes levied pursuant to A.R.S. § 48-3715.02, subsections B and C, in the 2006-2007 tax year shall be applied to the annual operation, maintenance, and replacement costs of the Project; and
2. That all taxes levied pursuant to A.R.S. § 48-3715.02, subsections B and C, in the 2006-2007 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, to be used by the District to defray the annual operation, maintenance, and replacement costs associated with the purchase of Project water by the Arizona Water Banking Authority for the purpose of firming CAP municipal and industrial water supplies and related administrative costs; and
3. 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 22, 2006, 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 22nd day of June 2006.

By: 
Daniel J. Donahoe
Secretary