

RESOLUTION 2008-1
of the
Arizona Water Banking Authority

WHEREAS, the Arizona Water Banking Authority (“Authority”) is required to reserve a reasonable number of credits accrued with general fund appropriations for the benefit of fourth priority municipal and industrial users of Colorado River water in the State of Arizona that are outside the Central Arizona Water Conservation District service area (mainstream water users);

WHEREAS, the Authority is required to collect reimbursement for the cost of replacing credits that are distributed for that purpose and is required to replace those credits;

WHEREAS, on January 21, 1998, the Authority adopted a motion identifying 420,000 acre-feet as the reasonable number of long-term storage credits (“credits”) to be developed and set aside for the benefit of mainstream water users;

WHEREAS, on March 20, 2002, the Authority adopted Resolution 2002-1, which provided, in part, that the first priority of the use of credits accrued with general fund appropriations shall be to develop and set aside a reasonable number of credits as determined by the Authority’s commission for the benefit of mainstream water users;

WHEREAS, on February 4, 2005, the Authority and the Mohave County Water Authority (“MCWA”) entered into an Agreement To Firm Future Supplies (“Firming Agreement”) under which the Authority has agreed to transfer credits to MCWA during times of shortage and MCWA agreed to reimburse the Authority for any credits that have been transferred to MCWA;

WHEREAS, a Director’s Shortage-Sharing Workgroup (“Shortage-Sharing Workgroup”) was established to develop a strategy for implementing future Colorado River shortages in the lower basin, and for allocating shortages between the Central Arizona Project (“CAP”) and equivalent priority mainstream water users;

WHEREAS, the Shortage-Sharing Workgroup made the recommendation that the Authority create a revolving fund and that, as Authority credits are used and replaced, the new credits will be placed in the revolving fund and will be earmarked for the entity that paid to have the credits replaced and that the new credits would be available only for the purpose that the original credits were used;

WHEREAS, the MCWA agreed to the methodology for sharing Colorado River shortage allocations described in the Shortage-Sharing Workgroup Recommendation dated October 24, 2006.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Authority, as follows:

1. That the Authority will establish a separate replacement account that utilizes funds provided to the Authority from the reimbursement of credits transferred to mainstream water users and will use the funds in that account to replace those credits;
2. That those credits would be available to the entity that paid to replace the original credits under the same conditions as identified in A.R.S. § 45-2457(B)(2)(a);
3. That the Authority will keep a record of the entities that have reimbursed those credits and the amount of credits that have been replaced;

4. That the Authority has not foreclosed the opportunity for any mainstream water users to contract with the AWBA for firming.

IN WITNESS WHEREOF, the Chairman of the Authority approves this Resolution by affixing his signature below on this 12th day of March, 2008.



Herbert R. Guenther, Chairman
Arizona Water Banking Authority

Attest:



Thomas Buschatzke, Secretary
Arizona Water Banking Authority