

MEMORANDUM

To: Arizona Water Banking Authority Members
From: Kim Mitchell, Manager
Subject: Amended 2010 Annual Plan of Operation
Date: September 28, 2010



AUTHORITY MEMBERS
Herbert R. Guenther, Chairman
Maureen R. George, Vice-Chairman
Tom Buschatzke, Secretary
John Mawhinney
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EX OFFICIO MEMBERS
Senator Steve Pierce
Representative Kirk Adams

As approved by the Authority at the September 15, 2010 meeting, the 2010 Annual Plan of Operation (Plan) has been amended to reflect changes made to the original Plan due to additional supplies that have been made available to the AWBA and to include an interstate water banking component. Attached to this memorandum are an Amended Table 2, replacement paragraphs that discuss these changes, and an Amended Table 4 and 5. These changes constitute the Amended 2010 Plan of Operation.

Amended 9-15-10

The 2010 Annual Plan of Operation (Plan) has been amended to include additional supplies and water deliveries for interstate banking purposes. The following paragraphs have been changed and constitute the Amended 2010 Plan.

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I. Water Availability

The AWBA had planned to deliver for storage a total of 153,600 acre-feet of water under the original 2010 Plan of Operation (Plan). In September, an additional 57,000 acre-feet of water became available to the AWBA. This is in addition to 8,862 acre-feet of water made available earlier in the year, which had been delivered to the Pinal and Tucson AMAs. The 2010 Plan was amended to include the 8,862 acre-feet of water previously delivered and the additional 57,000 acre-feet of water scheduled for delivery to the Phoenix and Tucson AMAs. Thus, the total deliveries scheduled under the 2010 Amended Plan are 219,462 acre-feet.

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III. Available Funds

The AWBA requested \$691,800 in shortage reparation funds from the Southern Nevada Water Authority (SNWA) to purchase water that had become available earlier in the year. These deliveries were not included in the original 2010 Plan, but were delivered based on the Commission's direction to deliver water for this purpose, if additional water became available.

There is approximately \$4.1 million in Nevada Operating Fund monies to purchase water for interstate deliveries under the Amended 2010 Plan. This money is from funds previously disbursed to CAWCD and made available as a result of the 2009 reconciliation of interstate delivery costs.

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IV. Available Storage Facility Capacity

AWBA staff conferred with facility operators to discuss the potential for storing additional supplies. These discussions concluded that by storing the additional 57,000 acre-feet of water that had become available, the AWBA will be utilizing all of its storage capacity currently available in the Phoenix and Tucson AMAs.

Page 9, Table 2

Amended Table 2 Water Delivery Schedule (Acre-Feet) Calendar Year 2010															
AWBA-Recharge Sites		Permitted Capacity (AF)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
PHOENIX AMA :															
USF	HIEROGLYPHIC MTN	35,000	0	0	0	0	0	0	0	0	0	0	2,500	2,500	5,000
	AGUA FRIA		0	0	0	0	0	0	0	0	0	0	0	0	0
	TONOPAH DESERT*	150,000	0	2,583	7,113	1,137	8,131	15,338	14,895	0	9,000	9,000	9,000	3,148	79,345
	TONOPAH Interstate		0	0	0	0	0	0	0	0	0	0	2,500	2,500	5,000
															89,345
GSF	RWCD	105,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	NEW MAGMA	54,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	QUEEN CREEK	28,000	0	0	0	0	0	0	0	0	2,285	2,285	1,343	1,142	7,055
	TONOPAH ID	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0
															7,055
	TOTAL INTRASTATE		0	2,583	7,113	1,137	8,131	15,338	14,895	0	11,285	11,285	12,843	6,790	91,400
	TOTAL INTERSTATE		0	0	0	0	0	0	0	0	0	0	2,500	2,500	5,000
AMA TOTAL			0	2,583	7,113	1,137	8,131	15,338	14,895	0	11,285	11,285	15,343	9,290	96,400
PINAL AMA :															
GSF	CAIDD	110,000	0	0	0	0	0	0	0	11,400	0	0	0	0	11,400
	HOHOKAM	55,000	0	0	0	500	364	0	0	1,136	2,460	2,000	2,175	2,365	11,000
	MSIDD	120,000	800	0	2,500	2,100	3,100	1,000	500	2,000	2,000	1,400	1,000	400	16,800
															39,200
AMA TOTAL			800	0	2,500	2,600	3,464	1,000	500	14,536	4,460	3,400	3,175	2,765	39,200
TUCSON AMA:															
USF	AVRA VALLEY	11,000	607	428	565	438	500	471	419	0	0	0	0	0	3,428
	AVRA VALLEY Interstate		0	0	0	0	0	0	0	349	0	0	500	151	1,000
	LOWER SANTA CRUZ	50,000	3,957	1,709	3,854	2,920	2,733	3,777	1,484	0	0	0	0	0	20,434
	LSC Interstate		0	0	0	0	0	0	0	211	3,000	1,500	1,289	2,000	8,000
	CAVSARP	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
	CAVSARP Interstate		0	0	0	0	0	0	0	0	0	0	2,703	0	2,703
	SAVSARP	60,000	0	0	0	7,043	6,524	3,613	5,244	6,025	5,700	3,000	3,851	0	41,000
SAVSARP Interstate		0	0	0	0	0	0	0	0	0	0	0	2,297	2,297	
															78,862
GSF	CORTARO-MARANA ID	20,000	0	0	0	1,030	1,602	492	715	161	0	0	0	0	4,000
	KAI FARMS (Red Rock)	11,231	0	0	0	0	0	0	0	0	0	0	0	0	0
															4,000
	TOTAL INTRASTATE		4,564	2,137	4,419	11,431	11,359	8,353	7,862	6,186	5,700	3,000	3,851	0	68,862
	TOTAL INTERSTATE		0	0	0	0	0	0	0	560	3,000	1,500	4,492	4,448	14,000
AMA TOTAL			4,564	2,137	4,419	11,431	11,359	8,353	7,862	6,746	8,700	4,500	8,343	4,448	82,862
TOTAL INTRASTATE															
TOTAL INTERSTATE															
TOTAL RECHARGE															
DIRECT DELIVERY (Non-Storage):															
	Southside Replenishment Bank		0	0	0	0	0	0	0	0	1,000	0	0	0	1,000
	Southside Replenishment Obligation		0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL DIRECT		0	0	0	0	0	0	0	0	1,000	0	0	0	1,000
TOTAL DELIVERIES			5,364	4,720	14,032	15,168	22,954	24,691	23,257	21,282	25,445	19,185	26,861	16,503	219,462

* Of the 33,000 acre-feet delivered to TDRP, 2,852 acre-feet were delivered in July.

INTERSTATE WATER BANKING

The original 2010 Plan did not include planned interstate deliveries. The Plan was amended to include 19,000 acre-feet of interstate deliveries: 5,000 acre-feet to the Phoenix AMA and 14,000 acre-feet to the Tucson AMA. The 19,000 acre-feet was determined based on an adjusted interstate rate provided by CAWCD in September, 2010 and the \$4.1 million that became available as a result of the 2009 reconciliation at the end of April, 2010.

Table 4. Amended 2010 Water and Facility Rates

CAWCD delivery rate to AWBA for water storage	\$133 per acre-foot
Interstate rate	\$187 per acre-foot ¹
Groundwater Savings Facility operator cost share rate ²	
Intrastate	
Phoenix and Pinal AMAs	\$33 per acre-foot
Tucson AMA	\$15 per acre-foot
Interstate	\$26 per acre-foot
Underground Storage Facility rate paid by AWBA	
Agua Fria Recharge Project (CAWCD) ³	\$8 per acre-foot
Hieroglyphic Mtns. (CAWCD) ³	\$8 per acre-foot
Tonopah Desert Recharge Project (CAWCD) ³	\$8 per acre-foot
West Maricopa Combine	\$26 per acre-foot
Avra Valley (CAWCD) ⁴	\$15 per acre-foot
Lower Santa Cruz (CAWCD/Pima County) ⁴	\$15 per acre-foot
Pima Mine Road (CAWCD) ⁴	\$15 per acre-foot
Clearwater Facility (Tucson Water – CAVSARP/SAVSARP)	\$14.30 per acre-foot
CAWCD rate to AWBA for Southside Replenishment Bank deliveries	\$118 per acre-foot

¹ Estimated reconciliation rate provided by CAWCD, September 2010.

² 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 \$104/af for intrastate deliveries to the Phoenix and Pinal AMAs, \$122/af to the Tucson AMA, and \$161/af for interstate deliveries.

³ Additional capital charge of \$15 per acre-foot for interstate storage.

⁴ Additional capital charge of \$9 per acre-foot for interstate storage.

Table 5. Funding for Amended 2010 Annual Plan of Operation

	Funds Available (\$)		Funds Utilized (\$)		Credits (AF)
	AWBA	CAWCD	AWBA	CAWCD	
Withdrawal Fees					
Phoenix AMA	\$1,700,000	-	\$1,700,000	-	11,500
Pinal AMA ¹	\$1,575,000	-	\$1,575,000	-	13,400
Tucson AMA	\$450,000	-	\$450,000	-	2,840
Four Cent Tax					
Phoenix AMA	\$0	\$110,643,000	\$0	\$10,920,000	73,870
Pinal AMA	\$0	\$1,968,000	\$0	\$1,963,000	18,060
Tucson AMA ^{2,3}	\$0	\$12,750,000	\$0	\$9,160,000	57,740
Other					
General	\$0				
Phoenix AMA		-	\$0	-	0
Pinal AMA		-	\$0	-	0
Tucson AMA		-	\$0	-	0
Gifts, Grants, Donations					
Shortage Repairs (NV):	\$691,800		\$691,800		
Phoenix AMA		-	\$0	-	0
Pinal AMA		-	\$500,000	-	4,600
Tucson AMA		-	\$191,800	-	1,190
Interstate Banking- Nevada					
Operating Subaccount	\$33,333,000 ⁴		\$4,008,000 ⁵		
Phoenix AMA			\$1,051,000		4,600
Pinal AMA			\$0		0
Tucson AMA			\$2,957,000		12,880
	Total Funds Available		Total Funds Expended		Credits
	\$163,110,800		\$30,467,800		200,680

¹ Includes expenditure for 1,000 acre-feet of direct deliveries for establishing the Southside Replenishment Bank under the Gila River Indian Water Settlement Program.

² Includes CAWCD's capital charge recovery for costs of construction of state demonstration projects when facilities are used for interstate purposes and by entities that do not pay the 4¢ *ad valorem* tax. Revenue through 2009 is estimated to be \$1,719,467.

³ Includes expenditure of \$120,176 for the assignment of an estimated 812 acre-feet of credits to the AWBA from the Tohono O'odham Nation pursuant to §45-841.01.

⁴ Includes \$18,000 in AWBA Operating Subaccount and \$33,315,000 available from the Southern Nevada Water Authority if water becomes available for interstate storage.

⁵ Available pursuant to CAWCD's 2009 reconciliation.