

LEGISLATIVE TRANSFERS FROM THE AWBA FOR FY 2017

Sections 70 and 109 of Senate Bill 1526, identify total fund transfers of \$1,411,100 from the Arizona Water Banking Fund for Fiscal Year 2017. The transfers will be used in support of the following:

- Arizona Department of Water Resources (Sec. 109) \$1,211,100
- AZ Navigable Stream Adjudication Commission legal fees (Sec. 70) \$200,000

Based on the previous actions of the AWBA Commission and stakeholder input, staff recommends that the funds needed for this transfer be taken from each of the three Active Management Area withdrawal fee subaccounts on a proportional basis. The following table identifies the share transferred from each subaccount based on estimated revenues. The corresponding reductions in deliveries are also shown for each half of the fiscal year, given the AWBA operates on a Calendar Year basis.

Water Banking Fund (withdrawal fees)	Estimated Revenues	Pro Rata Share of Transfer	Transfer Amount	Reduction in Withdrawal Fee Deliveries (AF)	
				2016	2017
Phoenix AMA	\$2,100,000	54%	\$ 759,820	3,917	3,671
Pinal AMA	\$1,400,000	36%	\$ 506,550	3,377	3,146
Tucson AMA	\$400,000	10%	\$ 144,730	724	685

Legislative transfers for FY 2016 were not transferred from the AWB Fund until the second half of the fiscal year. Staff further recommends that if given a similar opportunity, fund transfers for FY 2017 be accomplished using withdrawal fee revenues collected in 2017. A fund transfer during the second half of the fiscal year would allow the AWBA to carry out its 2016 Plan of Operation as adopted, resulting in more water stored due to increasing water delivery and storage costs in 2017. In addition, any reductions in withdrawal fees would be already be incorporated into the 2017 Plan of Operation, giving the AWBA’s water storage partners more certainty.