

AUTHORIZED LEGISLATIVE TRANSFERS FROM THE ARIZONA WATER BANKING FUND FOR FY 2021

Pursuant to Sections 96 and 60 of Senate Bill 1692, the legislature has authorized the use of \$1,412,200 in funds from the Arizona Water Banking Fund for Fiscal Year (FY) 2021. The funds will be used to support the following:

- Sec. 96. Arizona Department of Water Resources (ADWR) \$1,212,200
- Sec. 60. Arizona Navigable Stream Adjudication Commission (ANSAC) \$ 200,000
- \$1,412,200**

Based on the previous actions of the AWBA Commission, staff recommends that the funds needed for these transfers be taken proportionally from the Phoenix, Pinal and Tucson Active Management Area withdrawal fee subaccounts as identified in the table below.

1. ANSAC - Since the timing of the transfers for ANSAC cannot be known in advance, staff assumes the transfers from the AWB Fund will occur during the first half of the fiscal year (Calendar Year (CY) 2020). The AWBA will have revenues from all three withdrawal fee subaccounts available for this transfer. This transfer is not expected to impact the AWBA’s 2020 Plan of Operation.

2. ADWR - Monies authorized for use by ADWR have typically been transferred during the second half of the fiscal year. ADWR has indicated the monies would be expended similarly for FY 2021. However, withdrawal fees levied by ADWR in the Pinal AMA during calendar years 2020 through 2026 will not be made available to the AWBA as they will be used by ADWR to support groundwater infrastructure and irrigation efficiency projects in the Pinal AMA.¹ Because withdrawal fees are collected in the year following the year in which they were levied, the AWBA will not have withdrawal fees collected in the Pinal AMA available for use in CY 2021. For this reason, staff recommends that monies be made available to ADWR using revenues collected in the Phoenix and Tucson AMAs. A fund transfer during the second half of the fiscal year would allow the AWBA to carry out its 2020 Plan of Operation as adopted, and incorporate the reductions in withdrawal fees into the 2021 Plan of Operation

The following table identifies the share from each subaccount based on revenues collected in Calendar Years 2020 and 23021.

Water Banking Fund (withdrawal fees)	Revenues Available 2020 (million)	Pro Rata Share of Transfer (ANSAC)	Transfer Amount	Revenues Available 2021 (million)	Pro Rata Share of Transfer (ADWR)	Transfer Amount
Phoenix AMA	\$ 2.02	53%	\$106,000	\$ 2.02	83%	\$1,006,126
Pinal AMA	\$ 1.40	37%	\$74,000	-	-	-
Tucson AMA	\$ 0.40	10%	\$20,000	\$ 0.40	17%	\$206,074

¹ A.R.S. § 45-611(C)(3), § 45-613(D) and § 45-615.01