

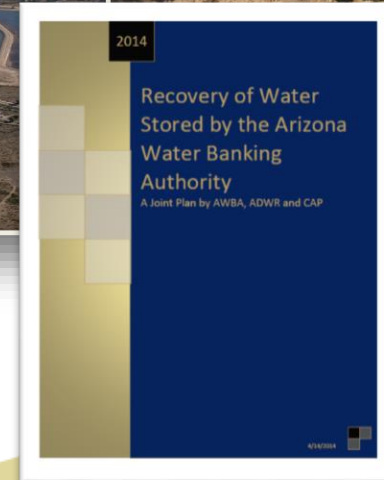


PROTECTING ARIZONA'S  
WATER SUPPLIES  
for ITS NEXT CENTURY



Banking Water Now  
for Arizona's Future

# Recovery Planning Advisory Group (RPAG)



YOUR WATER. YOUR FUTURE.

# Agenda – Credit Distribution and Recovery Methods Meeting

- Intro & Welcome
- Key Questions
- Credit Distribution
- Recovery Methods
- Stakeholder Concepts
- Next Meeting (July)

# Schedule

- Background & Overview of 2014 Joint Recovery Plan to Present (Meeting 1)
- Updated Modeling (Meeting 2)
  - Risk tolerance
- Modeling Breakout Meeting
- Methods & Credit Distribution (Meeting 3)
  - Joint Recovery Plan and SUA
  - Stakeholder proposals
- Meeting 4
- Future meetings
- Other Topics Important to Stakeholders

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# Key Question for Today

- How will recovery work?
  - The volume and location of recovery will be determined by credit requests, credit distribution, and recovery opportunities.
  - Joint Recovery Plan identifies three recovery methods – credit exchange, indirect, and direct recovery.
  - Each recovery method has its own attributes.

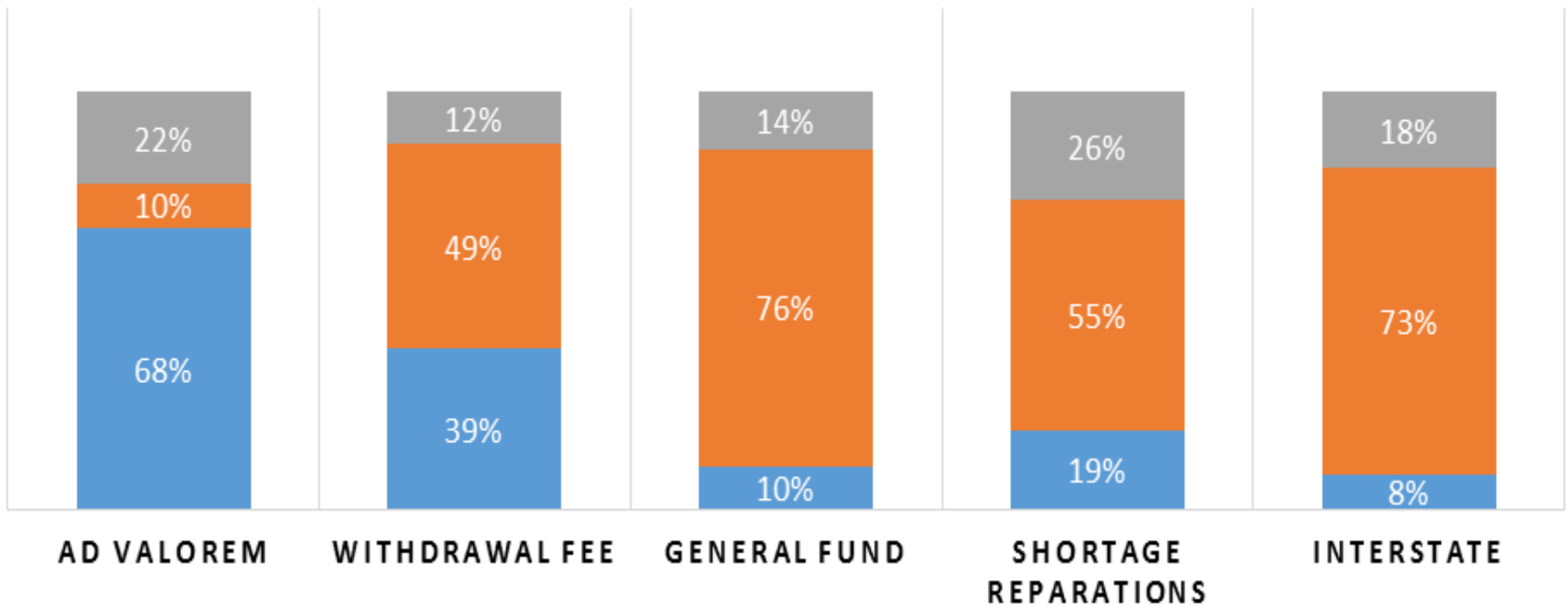
# Intrastate Funding Sources and Allowable Uses

FUNDING SOURCE	Firming M&I CAP	Firming On-River M&I (P4)	Firming Indian Settlements (NIA)	Fulfilling Water Management Objectives
Ad Valorem Taxes	X			
Groundwater Withdrawal Fees	X		X	X
General Fund	X	X	X	X
Shortage Reparations	X	X	X	X

<b>Funding Source</b>	<b>Phoenix AMA</b>	<b>Pinal AMA</b>	<b>Tucson AMA</b>	<b>Total</b>
4-Cent Ad Valorem Tax	1,419,558	215,882	459,842	2,095,283
Withdrawal Fees	332,063	421,560	105,734	859,357
General Fund	42,316	306,968 <sup>2</sup>	54,546	403,830
<b>Other Intrastate:</b>				
Indian Firming Appropriation	-	-	28,481	28,481
Shortage Reparation	20,642	60,507	28,340	109,489
GSF Operator Full Cost Share	-	14,125	-	14,125
<b>Intrastate TOTAL</b>	<b>1,814,579</b>	<b>1,019,042</b>	<b>676,943</b>	<b>3,510,565</b>
Interstate - Nevada	51,009	440,241 <sup>3</sup>	109,791	601,041
<b>TOTAL</b>	<b>1,865,588</b>	<b>1,459,283</b>	<b>786,734</b>	<b>4,111,606</b>

# LTSCS PERCENTAGE BY AMA AND FUNDING DECEMBER 2016

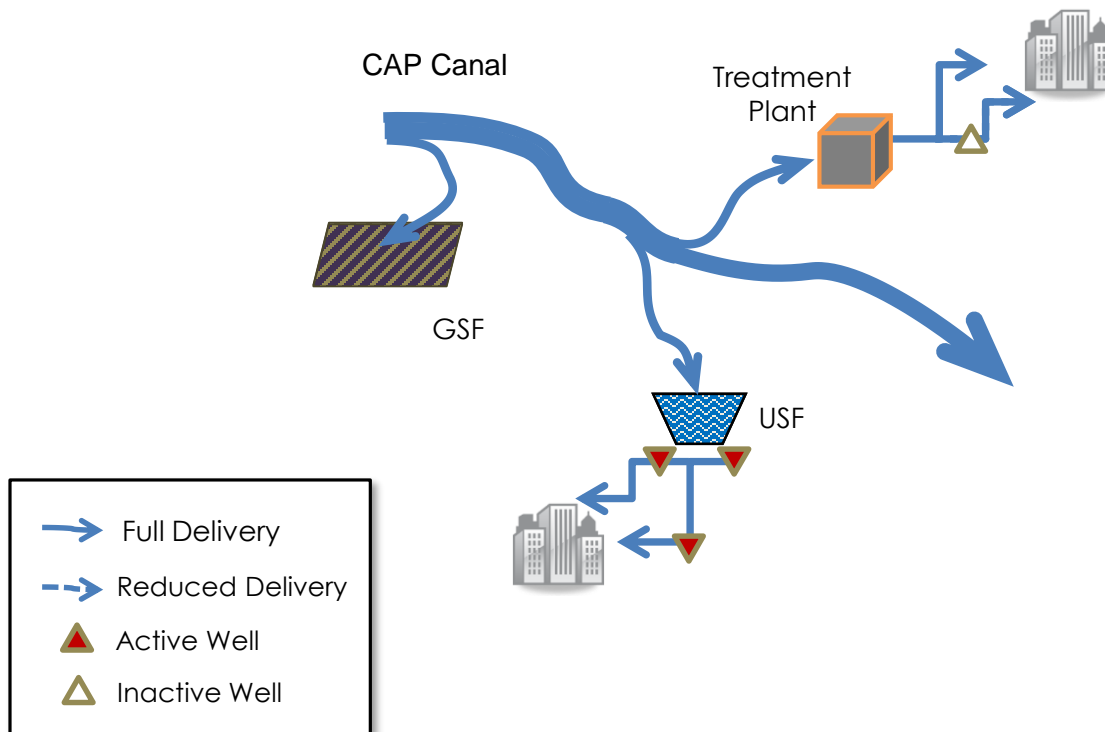
■ Phoenix ■ Pinal ■ Tucson





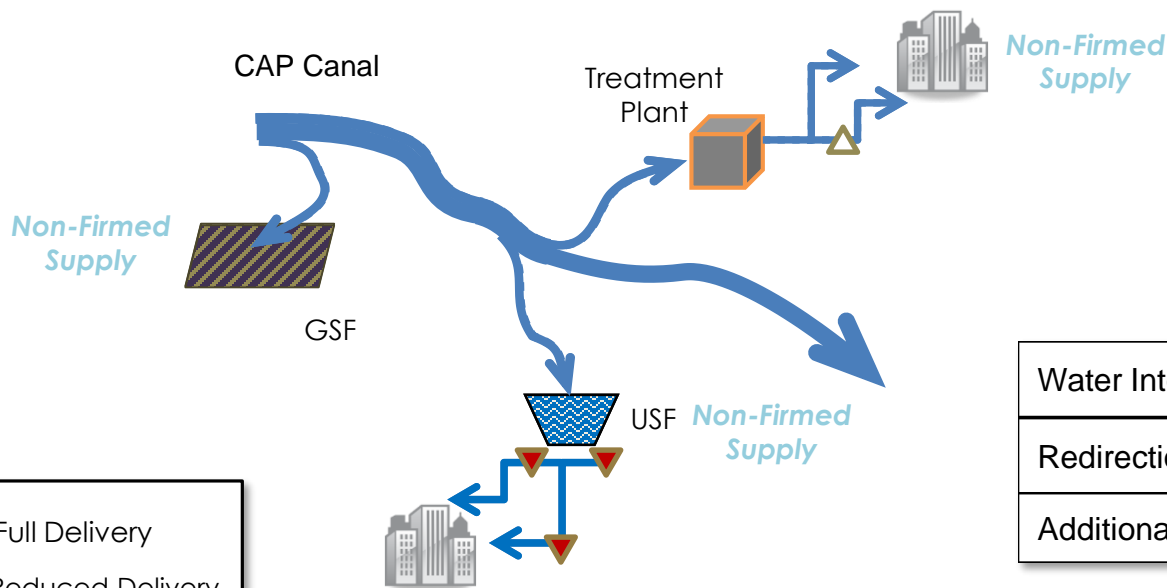
# Normal Deliveries

*Sufficient Project Water is available for full deliveries to CAP customers.*

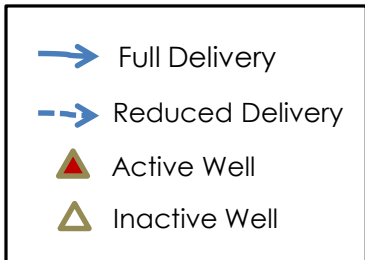


# Shortage Without Firming

*Reduction in deliveries to CAP customers based on their priority and shortage formula defined in Arizona Water Settlements Act. CAP customer absorbs their reduction by taking a reduced CAP delivery. No firming even with their own credits.*

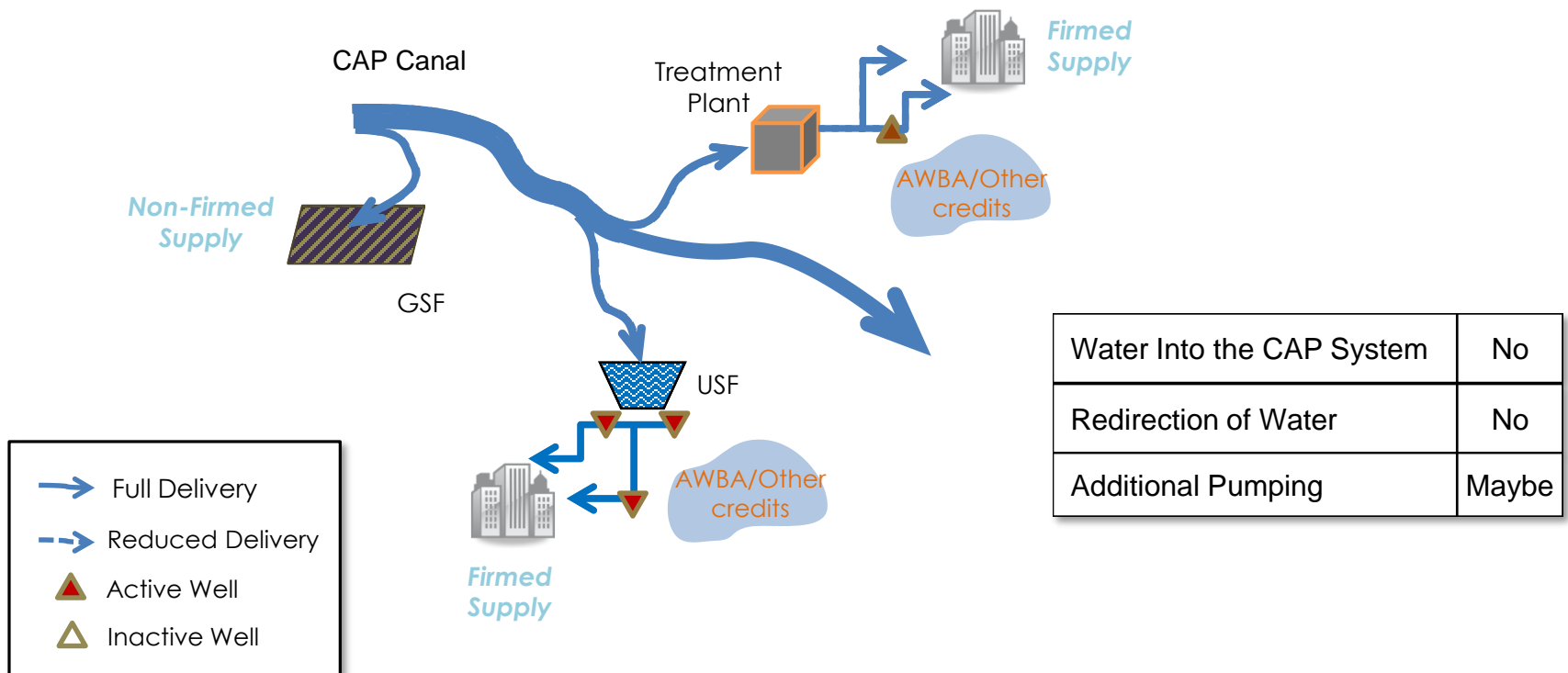


Water Into the CAP System	No
Redirection of Water	No
Additional Pumping	No



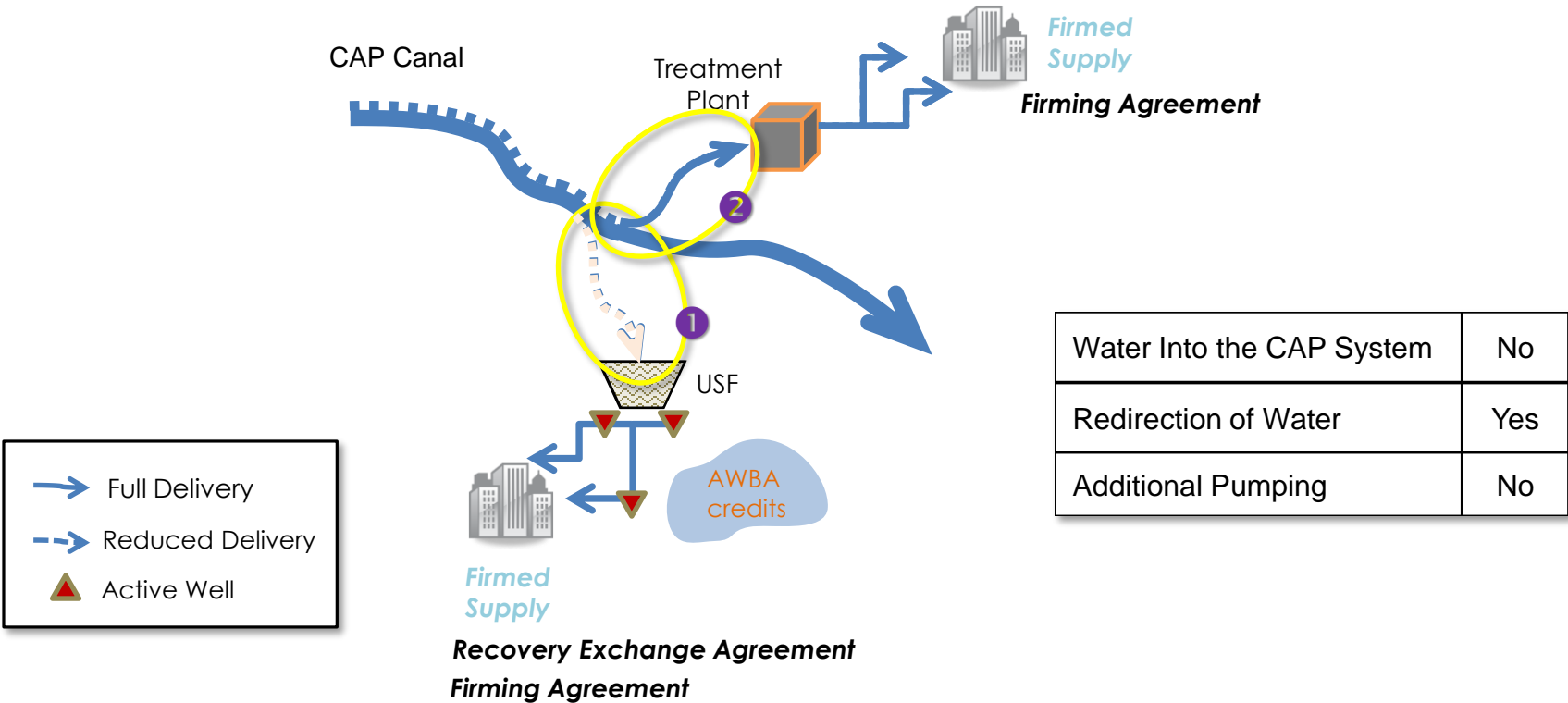
# Self-Firming

*CAP customer absorbs their reduction by taking a reduced CAP delivery and recovering their own credits or AWBA credits.*



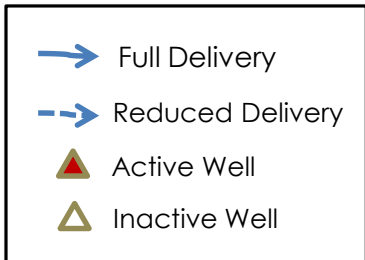
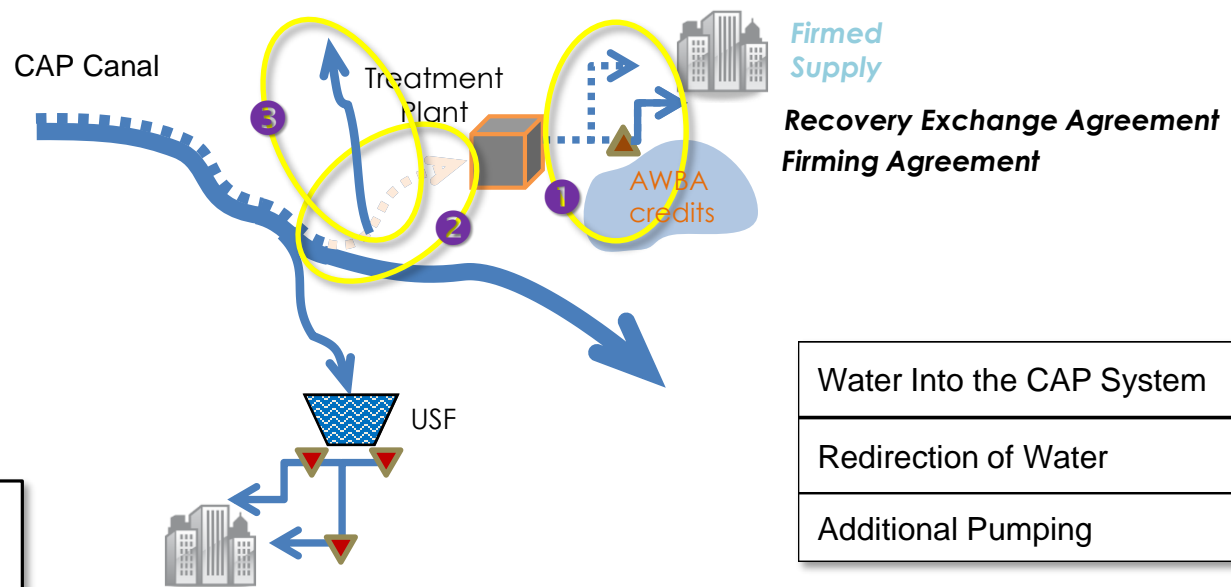
# Credit Exchange Recovery

*A CAP customer absorbs more than their reduction. The customer takes a reduced CAP delivery and recovers AWBA credits. The CAP water that was not physically delivered<sup>1</sup> is available for redirection to firm other CAP customers.<sup>2</sup>*



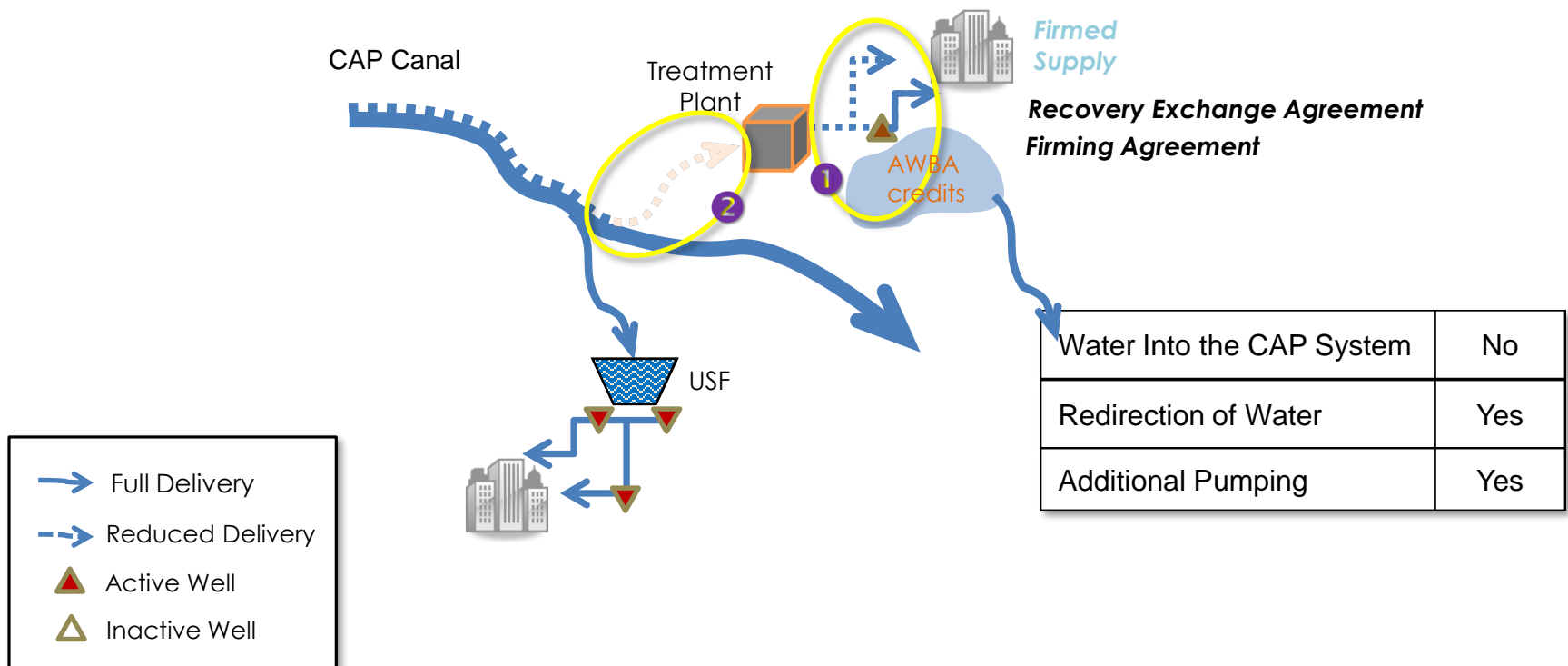
# Indirect Recovery

*A CAP customer absorbs more than their reduction. The customer takes a reduced CAP delivery and recovers AWBA credits by increased pumping.<sup>1</sup> The CAP water that was not physically delivered<sup>2</sup> is available for redirection to firm other CAP customers.*



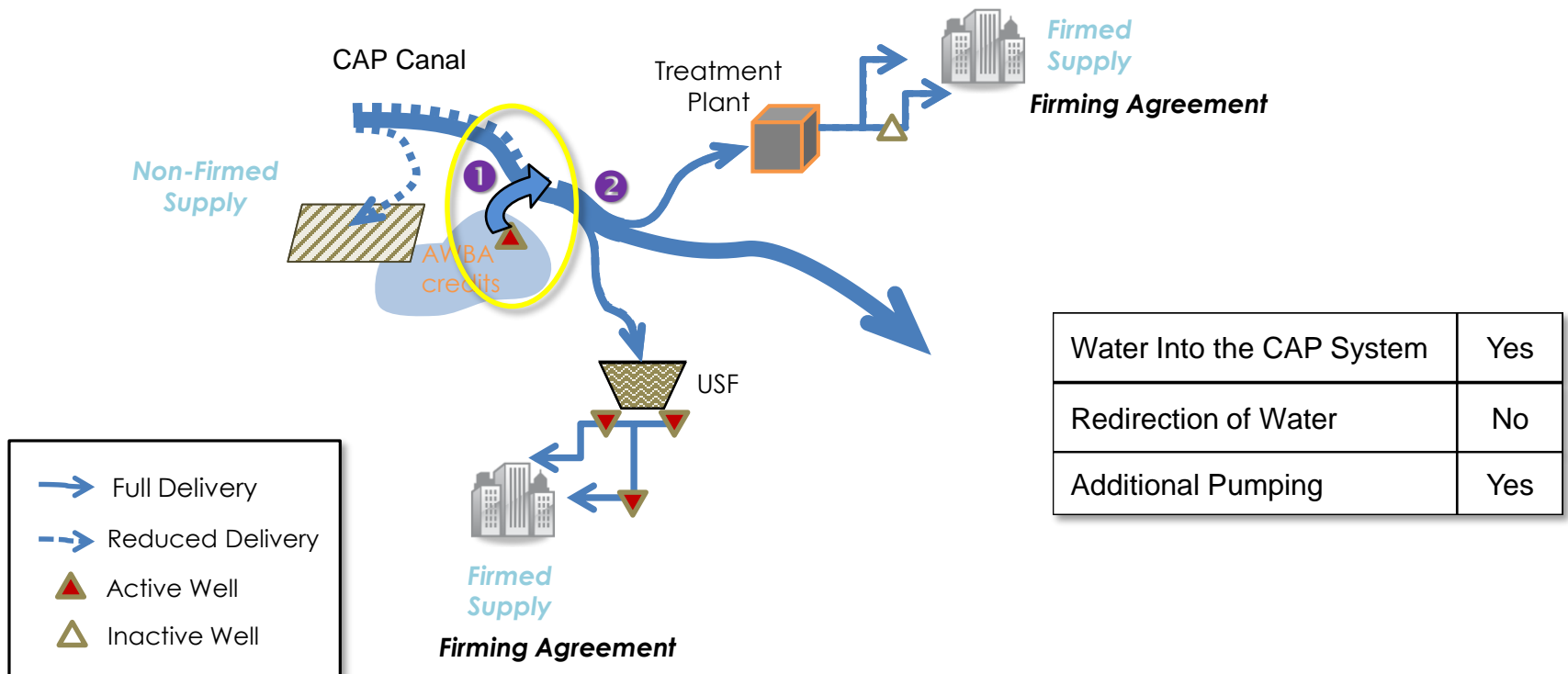
# Indirect Recovery

*A CAP customer absorbs more than their reduction. The customer takes a reduced CAP delivery and recovers AWBA credits by increased pumping.<sup>1</sup> The CAP water that was not physically delivered<sup>2</sup> is available for redirection to firm other CAP customers.*



# Direct Recovery

Stored water is pumped from recovery wells and then returned directly to the CAP system<sup>1</sup> to firm CAP customers<sup>2</sup>.



# Stakeholder Proposals





# Next Meeting

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# Wrap Up

- Questions/Comments
- Next possible meeting dates:
  - July 11, 17, 18, 24
- Will send a Doodle Poll to confirm best availability
- Contact Jeff Inwood with questions or comments [jinwood@azwater.gov](mailto:jinwood@azwater.gov)