

**CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT
FINAL 2019/2020 - 2023/2024 RATE SCHEDULE
BASE CASE: SHORTAGE STARTS IN 2021**

June 6, 2019

CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT ASSESSMENT RATES

Units = \$/acre-foot

<i>Excludes any rate stabilization</i>	2017/18	Firm 2018/19	Firm 2019/20	Advisory			
				2020/21	2021/22	2022/23	2023/24
Phoenix Active Management Area							
Water & Replenishment Component ¹	\$ 214	\$ 192	\$ 238	\$ 323	\$ 334	\$ 339	\$ 344
Administrative Component ²	36	40	41	41	37	33	30
Infrastructure & Water Rights Component ³	353	353	353	353	353	353	353
Replenishment Reserve Charge ⁴	101	90	95	114	145	170	178
Total Assessment Rate (\$/AF)	\$ 704	\$ 675	\$ 727	\$ 831	\$ 869	\$ 895	\$ 905
Pinal Active Management Area							
Water & Replenishment Component ¹	\$ 204	\$ 204	\$ 211	\$ 253	\$ 265	\$ 280	\$ 290
Administrative Component ²	36	40	41	41	37	33	30
Infrastructure & Water Rights Component ³	353	353	353	353	353	353	353
Replenishment Reserve Charge ⁴	108	97	103	123	129	136	141
Total Assessment Rate (\$/AF)	\$ 701	\$ 694	\$ 708	\$ 770	\$ 784	\$ 802	\$ 814
Tucson Active Management Area							
Water & Replenishment Component ¹	\$ 238	\$ 221	\$ 242	\$ 267	\$ 276	\$ 282	\$ 286
Administrative Component ²	36	40	41	41	37	33	30
Infrastructure & Water Rights Component ³	353	353	353	353	353	353	353
Replenishment Reserve Charge ⁴	131	103	102	103	103	105	106
Total Assessment Rate (\$/AF)	\$ 758	\$ 717	\$ 738	\$ 764	\$ 769	\$ 773	\$ 775
Contract Replenishment Tax - Scottsdale ⁵							
Cost of Water	\$ 195	\$ 205	\$ 199	n.a.	n.a.	n.a.	n.a.
Cost of Transportation	0	0	0	n.a.	n.a.	n.a.	n.a.
Cost of Replenishment	0	0	0	n.a.	n.a.	n.a.	n.a.
Administrative Component ²	36	40	41	n.a.	n.a.	n.a.	n.a.
Total Tax Rate (\$/AF)	\$ 231	\$ 245	\$ 240	n.a.	n.a.	n.a.	n.a.

ENROLLMENT & ACTIVATION FEES

Units = \$/Unit

Enrollment Fee - Commercial Subdivisions ⁶	\$ 700	\$ 924	\$ 1,094	\$ 1,184	\$ 1,285	\$ 1,397	\$ 1,512
Enrollment Fee ⁷	\$ 284	\$ 284	\$ 284	\$ 304	\$ 325	\$ 347	\$ 372
Activation Fee - Minimum ⁸	\$ 282	\$ 282	\$ 282	\$ 302	\$ 323	\$ 345	\$ 370
Activation Fee - Phoenix AMA ⁸	\$ 610	\$ 820	\$ 1,080	\$ 1,180	\$ 1,290	\$ 1,400	\$ 1,520
Activation Fee - Pinal Post-2007 ⁸	\$ 610	\$ 820	\$ 1,080	\$ 1,180	\$ 1,290	\$ 1,400	\$ 1,520
Activation Fee - Tucson AMA ⁸	\$ 510	\$ 640	\$ 810	\$ 880	\$ 960	\$ 1,050	\$ 1,140

ANNUAL MEMBERSHIP DUES

Member Land Annual Membership Dues (\$/Lot) ⁹							
Phoenix Active Management Area	\$ 22.63	\$ 23.52	\$ 28.59	\$ 35.74	\$ 37.09	\$ 37.43	\$ 29.39
Pinal Active Management Area	\$ 14.88	\$ 15.35	\$ 19.36	\$ 25.20	\$ 27.04	\$ 28.16	\$ 22.63
Tucson Active Management Area	\$ 23.58	\$ 24.54	\$ 31.04	\$ 39.29	\$ 41.30	\$ 42.16	\$ 33.42
Member Service Area Annual Membership Dues (\$/AF) ⁹							
	\$ 74.44	\$ 76.53	\$ 97.22	\$ 128.79	\$ 140.67	\$ 149.06	\$ 121.57

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NOTES:

- 1) The Water & Replenishment Component covers the projected annual costs of satisfying replenishment obligations, including the purchase of long-term storage credits (LTSC) and the purchase and replenishment of water and effluent. For the Phoenix Active Management Area (AMA), replenishment is planned to be accomplished at direct underground storage facilities (USFs) and groundwater savings facilities (GSFs). For the Pinal AMA, replenishment is planned to be accomplished by purchase of credits from CAWCD. For the Tucson AMA, replenishment is planned to be accomplished at USFs.
- 2) The Administrative Component covers CAGRDR administrative costs except labor related costs associated with the acquisition of infrastructure and water rights. \$2/AF has been added to this component to fund the Board's CAGRDR conservation program.
- 3) The Infrastructure & Water Rights Component covers the cost to develop additional water supplies and the cost to construct additional infrastructure as the need arises.
- 4) The Replenishment Reserve Charge covers costs associated with establishing a replenishment reserve of LTSCs as provided in ARS Sections 48-3774.01 and 48-3780.01.
- 5) The components of the Contract Replenishment Tax - Scottsdale reflect the provisions in the Water Availability Status Contract to Replenish Groundwater between CAWCD and Scottsdale.
- 6) Enrollment Fees for Commercial Subdivisions are established per the November 5, 2015 CAP Board Amended Enrollment Fee and Activation Fee Policy. Enrollment Fees for Commercial Subdivisions are phased in over a two year period and starting in the 2018/2019 fiscal year forward are equal to the Member Land Enrollment Fee plus the Tucson AMA Activation Fee. If a Commercial Subdivision enrolls with more than 50 parcels, then the Commercial Subdivision Enrollment Fee applies on the first 50 parcels, and only the Member Land Enrollment Fee applies to the number of parcels over 50.
- 7) The Enrollment Fee is collected pursuant to the CAGRDR Enrollment Fee and Activation Fee Policy adopted by the Board on May 1, 2008. A \$2 per housing unit fee is included in the Enrollment Fee to help fund CAGRDR's conservation program.
- 8) The Activation Fees are in accordance with the Preliminary 2014/15 - 2019/20 CAGRDR Activation fee schedule adopted by the Board on November 7, 2013.
- 9) The Annual Membership Dues for Member Lands and Member Service Areas are pursuant to ARS Sections 48-3772.A.8. and 48-3779 as well as the Policy on Collection of CAGRDR Annual Membership Dues adopted by the Board on April 7, 2011.

ASSUMPTIONS:

- Annual Membership Dues (AMDs) are set at the maximum allowed by state statutes for all years, except for FY 2019/2020, which were softened by 15% to provide a smooth transition
- Water Replenishment & Replenishment Reserve rates are highly dependent on CAWCD rates
- Includes GRIC/GRWS/CAGRDR Agreement, which has a significant impact on previous Water Replenishment Rate in the Phoenix AMA