

RECLAMATION

Managing Water in the West

Arizona Water Settlements

Act of 2004

Development Fund Status

New Mexico CAP Entity Meeting

March 1, 2016



U.S. Department of the Interior
Bureau of Reclamation

Arizona Water Settlements Act (AWSA)

- Title I – Central Arizona Project Settlement (*Established the Development Fund as the Funding Mechanism for Settlement Purposes*)
- *Title II – Gila River Indian Community Water Rights Settlement*
- Title III – Southern Arizona Water Rights Settlement
- Title IV – San Carlos Apache Tribe Water Rights Settlement

Funding Priorities - Section 107 of AWSA

- First – (A) Fixed OM&R payments for Tribal CAP Water Use
- Second – (B) Gila River Indian Community
 - OM&R Trust Fund – Paid 2010
- Third – (C) Gila River Indian Community
 - SCIP rehabilitation

Funding Priorities - Section 107 of AWSA

- Fourth - (D) w/o regards to priority
 - (i) New Mexico Unit Fund (To be paid first)
 - (ii) New Mexico Unit Construction
 - (iii) CAP Distribution Systems
 - GRIC – Pima Maricopa Irrigation Project
 - San Carlos CAP Project
 - SAWRSA Sec 304
 - (iv) SCIDD – SCIP rehab
 - (v) Section 213(g)(1) and 214 and SAWRSA Amendments
 - (vi) Future Indian Water Settlement Subaccount
 - (vii) Gila River Gages - CUFA
 - (viii) Secretary's Implementation Costs

New Mexico Unit Funding

- (i) to make deposits totaling \$66,000,000 adjusted.....10 equal annual payments beginning in 2012
 - For NM Unit or other water utilization alternatives
- (ii) upon satisfaction of subsections 212(j) and (k)min. \$34,000,000 and max. \$62,000,000

New Mexico Unit Funding

- 212(j) Additional funding for New Mexico Unit...on a construction schedule basis, up to a maximum amount of \$34,000,000, as adjusted...upon satisfaction of the conditions that-
 - Notice – NM Unit
 - Record of Decision (NLT Dec. 31, 2019 *unless extended*)

New Mexico Unit Funding

- 212(k) Rate of Return exceeding 4% -
If the rate of return on carryover funds held in the Lower Colorado River Basin Development Fund on the date that construction of the NM unit is initiated exceeds an average effective annual rate of 4%.....

Development Fund Balances

- January 2010 – Approx. \$500 million
- January 2016 – Approx. \$304 million

Annual Source of Revenues

- Central Arizona Project Repayment

(shown in Thousands)

<u>Year</u>	<u>Amount</u>		<u>Year</u>	<u>Amount</u>		<u>Year</u>	<u>Amount</u>
2010	\$65,186		2022	\$59,477		2034	\$46,501
2011	\$68,198		2023	\$58,145		2035	\$45,162
2012	\$40,845		2024	\$56,813		2036	\$44,808
2013	\$54,458		2025	\$57,833		2037	\$44,454
2014	\$53,604		2026	\$56,417		2038	\$44,454
2015	\$57,768		2027	\$55,002		2039	\$44,454
2016	\$56,747		2028	\$53,586		2040	\$44,454
2017	\$55,725		2029	\$53,425		2041	\$44,454
2018	\$56,272		2030	\$51,968		2042	\$44,454
2019	\$55,192		2031	\$50,510		2043	\$44,454
2020	\$54,111		2032	\$49,444		2044	\$10,583
2021	\$53,031		2033	\$47,973		2045	\$9,166

- Interest bearing Account

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AWSA Funding Expectations Table 29.1.1

Exhibit 29.1.1

Dollars (\$1,000)

Year	GRIC SCIP Rehab	GRIC SCIP Rehab	GRIC PMIP	GRIC PMIP	SCIDD Lining	SCIDD Lining	San Carlos CAP-IDD	SAWRSA Distribution System	Rec. Oversight	San Xavier Buyout	Cooperative Fund	Safford Loan	SRP HCP	UVD Rights Red.	Env. Compliance	Firming Costs	Other SAWRSA Costs	Future Settlements	Gila Valley Irrig. Distr.	NM Unit	Total Cost
2002	(1),(5)	(2),(5)	(1),(5)	(2),(5)	(1),(5)	(2),(5)	(3),(4)	(3),(4)	(3),(4)	(3)	(3)	(5),(6)	(5)	(3),(4)	(3),(4)	(3),(4)	(3)	(5)	(5)	(3),(7)	\$0
2003							\$1,500	\$3,700													\$30,158
2004			\$24,958				\$2,000	\$3,000													\$21,832
2005			\$16,832				\$3,000	\$7,000													\$23,870
2006			\$13,270				\$7,000	\$8,000				\$600									\$30,600
2007			\$15,000				\$7,000	\$6,000				\$600									\$28,600
2008			\$15,000				\$7,000	\$6,000				\$600									\$28,600
2009			\$15,000				\$7,000	\$6,000				\$600									\$28,600
2010	\$10,000	4.62%	\$10,000	2.72%	\$7,000	9.34%	\$10,000	\$2,436	\$400	\$18,300		\$1,400	\$2,000		\$500		\$2,000	\$0	\$16,752		\$80,671
2011	\$15,000	6.92%	\$12,500	3.40%	\$7,000	9.34%	\$10,000	\$15,000	\$400			\$1,400	\$2,000	\$6,000	\$600		\$2,000	\$0			\$56,900
2012	\$15,000	6.92%	\$15,000	4.08%	\$7,000	9.34%	\$10,000	\$15,000	\$400			\$1,400	\$2,000		\$600	\$2,500	\$1,518	\$0		\$9,040	\$64,458
2013	\$15,000	6.92%	\$15,000	4.08%	\$8,000	10.67%	\$10,000	\$15,000	\$400			\$1,400	\$2,000		\$400	\$2,500		\$16,667		\$9,040	\$80,407
2014	\$20,000	9.23%	\$15,000	4.08%	\$8,000	10.67%	\$10,000	\$15,000	\$400			\$1,400	\$2,000		\$400	\$2,500		\$16,667		\$9,040	\$85,407
2015	\$20,000	9.23%	\$15,000	4.08%	\$8,000	10.67%	\$2,436		\$400			\$1,400		\$1,500	\$2,500	\$2,500		\$16,667		\$9,040	\$79,443
2016	\$25,000	11.54%	\$17,500	4.76%	\$7,000	9.34%			\$400			\$1,400			\$2,500	\$2,500		\$16,667		\$9,040	\$82,007
2017	\$25,000	11.54%	\$17,500	4.76%	\$7,000	9.34%			\$400			\$1,184				\$2,500		\$16,667		\$9,040	\$79,291
2018	\$25,000	11.54%	\$17,500	4.76%	\$6,000	8.00%			\$400							\$2,500		\$16,667		\$9,040	\$77,107
2019	\$25,000	11.54%	\$17,500	4.76%	\$5,000	6.67%			\$400							\$2,500		\$16,667		\$9,040	\$76,107
2020	\$21,632	9.99%	\$17,500	4.76%	\$4,958	6.61%			\$400									\$16,667		\$9,040	\$70,197
2021			\$17,500	4.76%														\$16,667		\$9,020	\$43,187
2022			\$25,000	6.80%														\$16,667			\$41,667
2023			\$25,000	6.80%														\$16,666			\$41,666
2024			\$25,000	6.80%														\$16,666			\$41,666
2025			\$22,500	6.12%														\$16,666			\$39,166
2026			\$22,500	6.12%														\$16,666			\$43,166
2027			\$22,500	6.12%														\$16,666			\$43,100
2028			\$22,500	6.12%														\$10,000			\$26,500
2029			\$14,895	4.05%																	\$18,895
2030																					\$0
2031																					\$0
2032																					\$0
2033																					\$0
2034																					\$0
2035																					\$0
2036																					\$0
2037																					\$0
2038																					\$0
2039																					\$0
2040																					\$0
2041																					\$0
Total	\$216,632		\$482,455		\$74,958		\$86,936	\$42,019	\$4,400	\$18,300	\$16,000	\$13,984	\$10,000		\$7,500	\$20,000	\$5,518	\$250,000	\$16,752	\$90,380	\$1,363,334
Post 2010	\$216,632	100.00%	\$367,395	100.00%	\$74,958	100.00%	\$52,436	\$2,319	\$4,400	\$18,300	\$16,000	\$10,984	\$10,000		\$7,500	\$20,000	\$5,518	\$250,000	\$16,752	\$90,380	\$1,171,074

Notes

- (1) These costs are escalated costs are included only for comparison with other costs in this exhibit and are not to be used for funding purposes.
- (2) The percentages are calculated as a ratio of the unescalated total funding. Funding for these activities will be based on the percentages shown in these columns.
- (3) These costs are to be funded pursuant to the schedule and are not subject to adjustment in the event of shortfalls in the fund.
- (4) These costs are based on estimates made using the best available information at the time the estimate was made. Accordingly, Reclamation may adjust the estimates and schedules as needed to reflect costs at the time the work is done.
- (5) These costs are to be funded pursuant to the schedule set forth in this column and are subject to adjustment in the manner prescribed in subparagraph 29.3 of the Settlement Agreement.
- (6) Safford schedule is based on projections of interest rate and may be adjusted if interest rates change substantially from the projections.
- (7) The priority of funding for New Mexico will be as set forth in section 403(f)(2)(D)(i) of the Lower Colorado River Basin Projects Act (as amended). New Mexico first phase funding is not subject to adjustment in the event of shortfalls in the fund.

Important Factors

- San Carlos Apache CAP IDD System
- Construction Schedules
- Actual Cost indices
- Fixed OM&R rates and delivery amounts
- Investments
- Future Indian Water Settlements

Efforts to Sustain / Improve Development Fund

- TWG Agreement - Interior committed to make available not less than \$10 million/year to fund fixed OM&R costs for Tribes that would otherwise be payable from the Development Fund.
- Deferred Indian Settlement Sub-Account Deposits
- Investment Management
- Appropriations?

Questions?

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