



Summary of SRP Water Allocation and Water Fees for 2009

On November 3rd, 2008, the SRP Board of Governors approved the following water allocation and water fees for calendar year 2009:

PLANNED WATER ALLOCATION AND ALLOCATION MIX

(SRP Member¹, Townsite and Special Contract Lands)

Stored Water (Surface)	3.0 acre-feet per acre
<u>Developed Water (Groundwater)</u>	<u>0.0 acre-foot per acre</u>
Total Water Allocation	3.0 acre-feet per acre

The planned allocation and allocation mix is based on the current projection of run-off into the SRP reservoir system. The allocation and allocation mix are subject to change based on the actual run-off conditions. For example, a “wet season” may increase the amount of stored water available and reduce the need to pump groundwater to satisfy the allocation of three acre-feet per acre.

ANNUAL WATER DELIVERY FEE

(All Lands - SRP Member and Non-Member Lands)

\$ 51.95 per active account
\$.26 per acre

The annual water delivery fee covers the cost of servicing the active accounts and includes record keeping of water orders, water charges and scheduling of subdivision accounts.

ANNUAL ASSESSMENT FEE

(SRP Member, New State, Maricopa Gardens, Class 9 Pump, and Special Pump Contract Lands)

\$27.50 per acre payable in two installments

1st Installment of \$13.75 per acre is due December 6, 2008

2nd Installment of \$13.75 per acre is due on or before June 6, 2009

The annual assessment fee helps to cover the costs related to construction, operation and maintenance of SRP’s water storage, transmission and distribution system. Payment of the 1st installment only includes the first acre-foot per acre of base allocation water. Payment of the 2nd installment includes the second acre-foot per acre base allocation water. Unpaid assessments are considered delinquent 30 days after the due date and accrue a one-percent per month late charge (penalty) on the unpaid balance.

¹ SRP member land is any land within the Salt River Reservoir District that has been assigned shares of stock in the Salt River Valley Water Users’ Association. The shares of stock are appurtenant to the land. Only individual shareholders (member landowners) have a voting right in the Salt River Valley Water Users’ Association.



Water Allocation and Water Fees for Calendar Year 2009

ADDITIONAL WATER FEES (after base allocation is exhausted):

(The annual assessments must be paid in full prior to purchase of any additional water)

Normal Flow Water

\$13.75 per acre-foot

Member and Non-Member Class "A" land, as defined in the Kent Decree, is entitled to Normal Flow water (river water that would have been available for irrigation in the valley if there were no upstream reservoirs). The actual entitlement is calculated each eight-day Normal Flow period based on a table developed in 1910 by Water Commissioner Frank P. Trott. The "Trott Table" uses the first year the land was continually cultivated (1869 to 1909) and the daily flows in the rivers upstream of the SRP reservoir system to determine which year lands are eligible for Normal Flow water.

Stored and Developed Water

\$13.75 per acre-foot

Stored and developed water includes the third acre-foot of allocated water for SRP member lands and all allocated water for Townsite and Special Contract lands. Stored water is river water that is stored in the SRP reservoir system. If the projected river flows are less than what is needed to satisfy the total annual water allocation, developed water (groundwater) is pumped to satisfy the deficit.

Group Subdivision Water

\$13.75 per acre-foot

Group subdivision water is only available to SRP member lands of one acre or less. Unlike other customers that operate on a water balance, group subdivision customers may sign up for irrigation water every 28 days from October through March and every 14 days from April through September (about 18 runs annually). SRP establishes the delivery schedule for each subdivision and limits the amount of time a customer may request for each delivery based on the account acreage and delivery flow rate. For example, a standard 1/5th acre account is limited to a 45-minute delivery at a flow rate of 50 miner's inches. The base allocation included with the annual assessment fee provides sufficient water for about five of the 18 annual irrigation runs. The group subdivision water covers the additional irrigation runs that exceed the base allocation. Although charged on an acre-foot basis, SRP requires a deposit for subdivision water. For calendar year 2009, the deposit is **\$68.75 per acre (\$13.75 per 1/5th acre)**. Any unused portion of the deposit will show as a credit on the subsequent year's assessment billing.



Water Allocation and Water Fees for Calendar Year 2009

ADDITIONAL WATER FEES (con't):

Pump Right Water **\$40.75 per acre-foot**

Pump Right water is only available to SRP member lands that have a right to receive pump water. The pump right water rate may be reduced in the spring based on participation in the Valley's Groundwater Savings Facility (GSF). Under a cost sharing agreement, SRP accepts a contracted amount of CAP water in lieu of pumping groundwater to satisfy pump right demands on SRP member land. While the use of this water is still accounted for as groundwater, the energy cost savings are passed along to the SRP customers through a reduced price for pump right water.

Supplemental Supply Program Water **\$56.00 per acre-foot**

Supplemental supply program ("SSP") water, if available, may only be used on SRP member lands. Historically, the cities have not used all the pump right entitlements for SRP member lands that do not receive irrigation directly from SRP (accounts included in the city domestic water contracts). In the spring, the SRP Board may allocate a portion of this unused pump right water to customers who have an unforeseen need for additional water. Since the program began, the SRP Board has typically allocated between 1/2 to 1 acre-foot per acre of SSP water.

CITY DOMESTIC WATER CONTRACTS:

Pursuant to the terms of a domestic water contract, the cities have agreed to pay the annual assessment fees on behalf of landowners who no longer want to receive direct delivery irrigation water from SRP. In return for paying the annual assessments, the cities are allowed to use the land's water entitlement as a supply source for domestic water. The domestic water contract benefits the landowner by not having to pay the annual assessment fees on his inactive account and benefits the city by providing a source of water that can be treated and delivered back to the land as domestic water. At any time, the landowner may choose to reactivate his irrigation account and remove it from the city contract.

City Water Delivery Fee:

The city water delivery fee is the same rate as for all regular SRP member and non-member accounts. For 2009, the city water delivery fee is \$51.95 plus \$0.26 per acre of member and non-member lands that are cutover to the city domestic water contract account.



Water Allocation and Water Fees for Calendar Year 2009

CITY DOMESTIC WATER CONTRACTS (con't):

City Assessments:

The annual assessment fee under the city domestic water contract is the same as active SRP member lands (\$27.50 per acre). For non-member lands (Townsite and Class 3 Normal Flow Only), the rate for Non-Member ("In-Lieu") Assessments is \$27.50 per acre. Payment of the annual assessments and Non-Member assessments includes the first two acre-feet of water per acre.

City Water Fees:

The city water fees (normal flow, stored, developed and pump right) are the same as active SRP member and non-member lands.

City Shareholder Fee:

In addition to the annual water delivery fee there is also a fee for each individual account included in the city domestic water contract account. For calendar year 2009, the individual account fee is \$3.30 per account.

City Shareholder Balance:

The city shareholder balance is the sum of the delinquent charges and/or credits that are associated with the individual accounts when the accounts were cutover to the city domestic water contract account. For example, the city shareholder balance would include any prior year assessments, late fees (penalty) and service fees such as name change fees, new account fees and/or other fees established by the SRP Board of Governors that were accrued on the individual accounts prior to the accounts being cut over to the city domestic water account. Pursuant to the Water Delivery and Use Agreement, if a cutover account is reactivated in the same year that it was cutover to the city domestic account, the city domestic account is credited and the delinquent charges are transferred back to the individual account. SRP also reports any current year delinquent charges to the various Title companies that request account information for escrow purposes. Any payments collected through the escrow process for an account that has been cutover to the city's domestic account are credited to the city's account. If SRP is unable to locate the account owner, any money credits left on a cutover account may also be transferred to the city domestic account until such time that the owner can be located.

