

**Central Arizona Water Conservation District**  
**(a Multi-County Water Conservation District**  
**and Municipal Corporation)**



**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended December 31, 2020**

**Prepared By:**  
Central Arizona Project  
Finance and Accounting Department  
Douglas A. Dunlap, CPA, Finance and Accounting Manager



**CAP**

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CENTRAL ARIZONA PROJECT

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**CAP**

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CENTRAL ARIZONA PROJECT



April 15, 2021

***TO OUR BOARD, STAKEHOLDERS AND CONSTITUENTS:***

I am pleased to submit the Comprehensive Annual Financial Report (Annual Report) for the Central Arizona Water Conservation District (CAWCD, District, Central Arizona Project or CAP) for the fiscal year ended December 31, 2020.

This submission is our tenth Financial Report prepared under the guidelines of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

This report has been prepared by the CAWCD Finance and Accounting Department. Management is responsible for the accuracy and completeness of the report, including the reliability of information and fairness of presentation. All appropriate disclosures necessary to enable the reader to gain an understanding of the District's financial position and results of operation have been included.

To the best of our knowledge and belief, this report is accurate and complete in all material respects, and prepared in a way to fairly present the financial position and results of operation of the District in conformance with accounting principles generally accepted in the United States of America. Management has established a comprehensive internal control framework designed to protect the District's assets and provide sufficient reliable information to allow the preparation of this report. Because the cost of internal controls should not outweigh their anticipated benefits, the District's internal control framework is designed to provide reasonable rather than absolute assurance that this report is free of material misstatement.

The District's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The independent auditors have issued an unmodified opinion, which appears at the beginning of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' opinion, and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A is complementary to this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE DISTRICT

In the early 20th century, Arizona's leaders knew the state's future depended on a water supply that was secure, stable and renewable. They pursued that vision and in 1968, President Lyndon B. Johnson signed the Colorado River Basin Project Act, which authorized construction of the Central Arizona Project (CAP) by the U.S. Department of the Interior's Bureau of Reclamation.

The CAP is a 336-mile system that brings Colorado River water to central and southern Arizona, is the state's single largest renewable water supply and serves 80% of the state's population. It provides a way for 1.5 million acre-feet of Arizona's Colorado River allotment to be delivered to the most populous areas of the state and reduce the use of groundwater for farming and other activities. In 1971, the Central Arizona Water Conservation District was created to provide Arizona a means to repay the federal government for the reimbursable costs of construction and to manage and operate the physical system.

CAWCD is governed by a 15-member popularly elected Board of Directors. CAWCD Board members are elected from Maricopa (10), Pima (4) and Pinal (1) counties, serving staggered six-year terms. The Board regularly meets one to two times per month and adheres to all open meeting laws.

CAWCD's daily operations are managed by nearly 500 professionals who are responsible for system maintenance and operations, repayment obligations, public outreach and engaging in water resource management programs related to the CAP.

CAWCD has more than 80 long-term water users that fall into three user groups. They use the CAP's Colorado River water to run businesses, water crops and maintain households, all of which are critical to the quality of life in Arizona.

### Native American Tribes

- Through a contract with the U.S. Department of the Interior, the CAP delivers water to Native American Tribes in central and southern Arizona. The tribes may use their water in their community or lease it to others.

### Municipal & Industrial

- Through subcontracts with the U.S. Department of the Interior and CAWCD, the CAP delivers "raw" water to cities and water utilities that then treat the water they deliver to customers.

### Agricultural

- CAWCD's agricultural water users are primarily large irrigation districts that deliver water to farmers. Through the Arizona Water Settlement Act, Agriculture has access to up to 300,000 acre-feet of excess water (water available after the contracts and subcontracts orders are met).

CAWCD has statutory responsibilities to provide groundwater replenishment services through the Central Arizona Groundwater Replenishment District (CAGRDR). CAGRDR has a statutory obligation to replenish groundwater used by members in CAP's three-county service area. Created in 1993, CAGRDR must replenish groundwater withdrawals made by new developments enrolled in the CAGRDR, and water providers and homeowners agree to pay the cost to replenish any amount of groundwater pumped beyond limitations set by the state.

## **Relationships**

CAWCD establishes and maintains collaborative relationships with water users, tribal nations and regional, state and federal agencies. These relationships help CAWCD respond to emerging issues affecting the District and its stakeholders and advance the understanding of policy issues important to CAP operations and the entire state.

Since 2009, CAWCD has had water orders in excess of the available supply and it is expected that this situation will continue. Due to potential shortage, CAWCD, in coordination with its customers and the Department of Water Resources, has been forbearing some of its water entitlement and leaving it in Lake Mead. In 2018 and 2019, CAWCD and the Arizona Department of Water Resources led Arizona on its development of a Drought Contingency Plan (DCP). DCP is a set of agreements developed through a collaborative process amongst the federal government, seven Basin states, water users and Mexico designed to protect the Colorado River system through voluntary reductions and increased conservation. While it will not prevent a shortage, it will help reduce the impact and severity of shortages.

There is an Upper Basin DCP involving Colorado, New Mexico, Utah, Wyoming and the US; a Lower Basin DCP involving Arizona, California, Nevada and the US; and a companion agreement which connects these two programs and links them to Mexico through a US-Mexico agreement.

The current long-term management of the Colorado River system operating guidelines (known as the 2007 Guidelines) and DCP remain in effect through 2026 at which time the U.S. Secretary of the Interior will put in place new guidelines. To ensure Arizona remains stronger together, the Arizona Department of Water Resources and Central Arizona Project have convened the Arizona Reconsultation Committee (ARC) to develop an Arizona perspective on the upcoming guidelines.

CAP water rates are based on the cost of service. CAWCD always endeavors to keep costs, and consequently rates, as low as possible while prudently operating and maintaining the reliability of such a critical resource.

Previously, the Navajo Generating Station (NGS) provided 85-90% of the power for CAP deliveries. In early 2017, the NGS owners indicated that it was not economically feasible to operate the coal-fired plant past 2019, when the plant and coal leases expired. As the Bureau of Reclamation held a 24.3% ownership of NGS for the benefit of CAWCD, CAWCD is responsible for its portion of the decommissioning costs. The remaining decommissioning costs have been completely recorded and funded by the end of 2020.

The cost of water delivery is covered approximately 85% by water delivery charges, and 15% by general ad valorem property tax. As a result, CAWCD is directly impacted by changes in property values in its service area. CAWCD's property taxes are levied based on the Primary Limited Property Value (LPV), which is forecasted to increase 5.0% to 6% over the next few years.

CAGR currently replenishes groundwater on behalf of 24 member service areas (MSA) and 1,201 member land (ML) subdivisions representing approximately 292,000 homes.

## **Revenue**

CAWCD generates revenue in a variety of ways to fund its operation and maintenance and to fulfill repayment obligations to the federal government and bondholders. Revenue is generated by the sale of water and power, capital and facility-use fees paid by water users, property taxes paid by non-Indian reservation residents of Maricopa, Pima and Pinal counties, and investments.

The price of water is determined annually by the CAWCD Board of Directors based on projections of energy, operation, maintenance and replacement costs. As a public entity, CAWCD does not make a profit and has a responsibility to provide a reliable water supply at a reasonable price.

CAGR members pay for all costs associated with the CAGR and is not supported by any of CAWCD's other revenue sources.

## **Repayment**

CAWCD has a responsibility to make an annual payment to the federal government for reimbursement of the CAP related to power, agriculture and municipal & industrial (M&I) allocation. The payment is currently \$55-\$60 million per year. Payment is made from excess revenues received related to power, transmission, miscellaneous revenues related to the Basin Development Fund, property taxes and capital charges to customers that have long-term contracts for M&I use.

## **LONG-TERM FINANCIAL PLANNING**

In 2005, CAWCD implemented a biennial financial planning process that includes the strategic plan, the budget, the long-range financial plan, rate-setting, and reserve planning. A benefit of the biennial process is the ability to redeploy staff during the second year of the biennium to focus on more strategic areas, which allows more in-depth analysis of issues affecting CAWCD and their financial impacts. Budget and business planning occur in odd years for the subsequent two years and are more tactical in nature. In even years, the focus is on more strategic activities. As the focus shifts back and forth between shorter-term and longer-term planning horizons, the work done in each year of the biennium complements and enhances the work in the alternate year, and each year in the process serves as the basis for the work in the following year.

### **Biennial Budget**

The biennial budget serves as the foundation for the District's financial planning and control. The budget is prepared in odd years for the following two years. The budget preparation process culminates in approval of the biennial budget by the CAWCD Board in November of each odd year. The budget process provides for updates to the second year if necessary. The General Manager must execute the budget within specific guidelines that are designed to provide operational flexibility while maintaining accountability. The 2020 – 2021 biennial budget was approved in November 2019 by the Board.

### **Capital Improvement Program**

The biennial budget includes the District's Capital Improvement Program (CIP) and capital equipment budget, which cover the two years of the budget plus an additional four years of projections. The CIP is also updated during the long-range financial planning process in even years.

### **Reserve Planning, Rate Setting and the Long-Range Financial Plan**

As part of its two-year financial planning cycle, in even years, which are the off years from the biennial budget, CAWCD updates its long-range financial planning model. This model includes projections of water deliveries, revenues, expenses, capital improvements and related expenditures and reserve balances, and serves as the basis for reserve planning and the rate-setting process. The projections are built up from underlying trends and assumptions such as customer demand, electricity and fuel prices, interest rates, materials costs, the labor market, property values and timing of major repairs and replacements.



## **Financial Policies and Procedures**

The District has a set of comprehensive financial policies applicable to finance and accounting practices, the basis of accounting, the basis of budgeting, the budget approval process, capital asset management, capitalization, cash management, debt management, investments and financial reporting. A synopsis of these policies appears in the biennial budget.

## **MAJOR INITIATIVES**

Underlying all of CAWCD's major initiatives is the CAWCD Board of Directors Strategic Plan. The Board and staff are currently operating under the 2016 Plan. In December 2020, the Board approved a revised 2022 Plan. Staff are currently revising their Business Plans to support the 2022 Plan.

The 2016 Plan is organized under six Key Results Areas (KRAs): Leadership and Public Trust, Finance, Project Reliability, Water Supply, Electric Power and Replenishment. Underneath each of the KRAs are Strategic Issues, followed by Strategic Objectives, and then followed by Action Plans. The following are some of the major issues included.

### **Water Leadership**

This strategic issue is aimed at ensuring the CAWCD Board maintains an open and informed presence within Arizona and the water community regarding current issues and threats, and maintains continual outreach efforts to inform and educate CAWCD stakeholders and constituents.

### **Maintaining CAP's Financial Health**

Objectives and action plans in this area emphasize ongoing coordination among budgeting, long-range planning, rate-setting and reserve planning activities to help ensure stable and predictable rates, sufficient and appropriate sources of funding and flexible financing alternatives.

### **CAP Workforce**

This strategic issue is a collection of objectives and action plans aimed at building relationships among employees and work groups during times of increased retirements, the challenge of generational change as newer workers replace the aging workforce, changing demographics and a more diverse workforce and customer community. They also include maintaining the District's Voluntary Protection Plan (VPP) safety leadership designation, implementing programs that will enhance CAP's position as a regional employer of choice and action plans that will enhance the skills and job proficiency of our workforce, such as recruitment and succession planning activities, more robust knowledge transfer and training programs and an enterprise-wide leadership development program.

### **Effectively Manage, Operate and Maintain CAP Assets**

Objectives and action plans in this area include continuously refining a comprehensive plan to assess CAP physical assets through data-driven considerations utilizing industry best practices that contain technology-related activities.

## **Reliability of the CAP Water Supply**

Reliability includes developing strategies to optimize and augment water supplies to strengthen the CAP system through a variety of CAWCD, Arizona and broader Basin States activities. It also includes continued development of recovery plans to support our stakeholders in the event of a shortage. In recognition of potential shortages in the near term and in coordination with CAWCD stakeholders, the Arizona Department of Water Resources, the Bureau of Reclamation and the other basin states, CAWCD has been participating in programs to reduce Colorado River water consumption to increase the level of Lake Mead. The program has been successful in holding off a shortage through at least 2022 based on current projections. A structural deficit still exists in the supply and demand of Lake Mead releases. On average there are more releases than inflows into the lake as discussions on resolving the imbalance are ongoing.

## **Generation Resources**

Efforts in this area include dealing with the impact of regulatory rulemaking and contract renegotiation at the Navajo Generating Station and identifying sustainable power generation and transmission resources for the future. When it was determined NGS was going to shut down operations, the Board embarked on establishing a power portfolio to balance maintaining predictable rates, diversifying power supplies and being able to take advantage of market opportunities.

## **CAGRD Management and Oversight**

These objectives and action plans include identification and acquisition of water supplies to meet long-term replenishment obligations and evaluate potential revisions to legislature related to the CAGRD.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded CAWCD the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ending December 31, 2019. This was the ninth time CAP applied for this recognition and was found to be "proficient" in all areas. The Annual Report consists of the audited financial statements and Management's Discussion and Analysis that has been produced in previous years, supplemented by a significant amount of business, demographic and statistical information. The Annual Report format has been designed to demonstrate a constructive "spirit of full disclosure" to clearly communicate the organization's financial story and motivate potential users and user groups to read the report that might otherwise be considered to be of interest only to accountants or investors.

The GFOA presented a Distinguished Budget Presentation Award to CAWCD for its Biennial Budget for the Biennium beginning January 1, 2020. The District has received this esteemed award for each of its annual or biennial budgets since 2001. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

In 2020, CAWCD received the Excellence in Procurement Award from the National Purchasing Institute for the 13th consecutive year. This prestigious award is earned by those organizations that demonstrate excellence by obtaining a high score based on standardized criteria designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization.

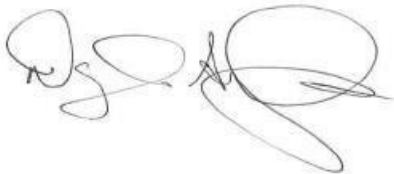
Central Arizona Project recently was awarded the Association of Metropolitan Water Agencies' 2020 Platinum Award for Utility Excellence for its exceptional operation and performance. The award recognizes outstanding achievement in implementing nationally recognized Attributes of Effective Utility Management, including product quality, customer satisfaction, employee and leadership development, operational optimization, financial viability, community sustainability, operational resiliency, infrastructure stability, stakeholder understanding and support and water resource adequacy. AMWA awarded nine Sustainable Water Utility Management Awards this year, including two repeat winners. CAP previously was honored by AMWA with the 2016 Gold Award for Exceptional Utility Performance.

In 2019, CAWCD and the Arizona Department of Water Resources received the Governor's Award for Arizona's Future at Arizona's 39<sup>th</sup> Annual Environmental Excellence Awards on behalf of the Arizona Drought Contingency Plan Steering Committee for the collaboration, compromise and consensus it took to get the Drought Contingency Plan enacted.

## **ACKNOWLEDGEMENTS**

The preparation of this report could not have been accomplished without the dedicated service of the CAWCD Finance and Accounting Department and the assistance and input of personnel throughout the District. The guidance of our independent auditor, as always, was invaluable and is sincerely appreciated. I also want to thank the CAWCD Board of Directors, the General Manager and the Management Council for their ongoing involvement, interest and support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Dunlap', with a large, stylized flourish at the end.

Douglas A. Dunlap, CPA  
Finance and Accounting Manager

# THE CAWCD BOARD OF DIRECTORS



Lisa A. Atkins  
President



Terry Goddard  
Vice President



Sharon B. Megdal, Ph.D.  
Secretary

## Maricopa County

A. Alexandra Arboleda	Term Ending 2022
B. Lisa A. Atkins	Term ending 2024
C. Jennifer Brown	Term ending 2022
D. Terry Goddard	Term ending 2024
E. Benjamin W. Graff	Term ending 2022
F. Jim Holway	Term ending 2022
G. Mark Lewis	Term ending 2022
H. Heather Macre	Term ending 2024
I. Jennifer Martin	Term ending 2024
J. April Pinger	Term ending 2024

## Pima County

K. Karen Cesare	Term ending 2020
L. L.M. "Pat" Jacobs IV	Term ending 2020
M. Sharon B. Megdal, Ph.D.	Term ending 2020
N. Mark Taylor	Term ending 2020

## Pinal County

O. Jim Hartdegen	Term ending 2020
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## **District Management**

The District is governed by a fifteen-member Board of Directors elected for staggered six-year terms by voters in each of its three member counties (Maricopa, Pima, and Pinal). The number of directors from each county is based on population. Currently, ten members are elected from Maricopa County, four from Pima County and one from Pinal County. The General Manager supervises the District's current staff of approximately 476 full-time employees. The current members of the District's Management Council are as follows:

General Manager	Theodore C. Cooke
Assistant General Manager, Operations & Maintenance	Robert D. Moody
General Counsel	Jay Johnson
Director, Centralized Maintenance & Reliability	Brian M. Buzard
Director, Water Policy	Patrick Dent
Director, Operations & Engineering	Darrin Francom
Director, Finance & Administration	Christopher H. Hall
Director, Field Maintenance	Phil Rettinger
Director, Public Affairs	Bridget P. Schwartz-Manock
Director, Employee Services	Bonnie L. Stone
Manager, CAGRD	Laura Grignano



**Government Finance Officers Association**

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

**Presented to**

**Central Arizona  
Water Conservation District**

**For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended**

**December 31, 2019**

*Christopher P. Morill*

**Executive Director/CEO**

# TABLE OF ORGANIZATION





**CAP**

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CENTRAL ARIZONA PROJECT



## **FINANCIAL SECTION**



**CAP**

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CENTRAL ARIZONA PROJECT



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Central Arizona Water Conservation District  
Phoenix, Arizona

### **Report on the Financial Statements**

We have audited the accompanying statement of net position of the Central Arizona Water Conservation District (District), as of December 31, 2020, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Arizona Water Conservation District as of December 31, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability and contributions to the Arizona State Retirement System Plan, and the schedule of the District's changes in total OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Central Arizona Water Conservation District's basic financial statements. The introductory section, supplementary information, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors  
Central Arizona Water Conservation District

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
April 15, 2021



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

The management of Central Arizona Water Conservation District (the District or CAWCD) offers the readers of CAWCD's financial statements this analysis and overview of the financial activities for the calendar year ended December 31, 2020. Readers are encouraged to consider the information presented here in conjunction with the District's financial statements, including accompanying notes, to enhance their understanding of the District's financial performance. The narrative will guide the readers through the District's financial performance and how it relates to CAWCD's stewardship of Central Arizona's Colorado River water entitlement and its vision to enhance the quality of life and ensure sustainable growth for current and future residents of Arizona.

**FINANCIAL HIGHLIGHTS**

The District's financial resources are obtained primarily from water delivery charges, capital charges, Central Arizona Groundwater Replenishment District member rates and dues and property taxes. Financial results are influenced by a number of factors, including the energy/power market, property valuations, capital needs for the maintenance, repair and replacement of aging infrastructure, snowpack, runoff and local rainfall. The following are some of the key highlights for the year ended 2020. A more detailed narrative analysis occurs in the Condensed Financial Information section.

- Assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources (net position) at the end of 2020 by \$890.4 million.
- The District's unrestricted cash reserve balances or working capital reserves at the end of 2020 were \$49.3 million. The unrestricted reserves or working capital reserves are used to meet CAWCD's ongoing obligations to customers and creditors.
- Operating revenues were \$265.5 million, a \$36.7 million decrease as compared to 2019.
- Operating expenses were \$234.5 million, a \$43.4 million decrease as compared to 2019.
- Non-operating revenues were \$99.4 million, a \$2.3 million increase over 2019.
- Non-operating expenses were \$28.1 million, a \$0.8 million increase over 2019.
- Capital spending was \$33.0 million in 2020. Capital costs vary from year to year based on infrastructure needs.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**DISCUSSION OF BASIC FINANCIAL STATEMENTS**

CAWCD's annual financial reporting includes the basic financial statements and accompanying notes as required for its business type activities. The District reports on a calendar year basis and all financial statements are presented as of and for the year ended December 31, 2020. This annual report includes the following statements:

STATEMENT	DESCRIPTION
<b>Statement of Net Position</b>	A snapshot of the District's resources (assets and deferred outflows of resources) and obligations (liabilities and deferred inflows of resources) as of the last day of the calendar year. The difference between the assets/deferred outflows of resources and liabilities/deferred inflows of resources is the District's net position.
<b>Statement of Revenues, Expenses, and Changes in Net Position</b>	Lists the District's revenue (income) and expenses, both operating and non-operating for a calendar year. A positive change in net position signifies that the District received revenue in excess of the funds needed to cover expenses.
<b>Statement of Cash Flows</b>	Provides, on a cash basis, information on the District's cash receipts (sources of cash) and cash disbursements (uses of cash) for the calendar year as they apply to operating, non-capital, capital and investing financing activities. The statement includes a reconciliation to the changes in net position (accrual basis) and the balance of cash and cash equivalents.

Management's Discussion and Analysis (MD&A) will cover portions of each of these statements and provide the reader condensed summaries within each section to make the discussions easier to follow. For more detailed information on the District's financial activities, separated by funds, see the combining schedules of net position and statements of revenues, expenses, and changes in net position in the Supplementary Information section located after the Notes to the Financial Statements.

The District's activities are accounted for using the accrual method and incorporate the requirements of Governmental Accounting Standards Board Statement (GASBS) No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended. Under enterprise fund accounting, the District is a single accounting entity for financial reporting purposes and is similar to a private business enterprise. However, within this single accounting entity, the District has identified a number of financial activities that are useful to track separately. These activities are referred to as "funds and accounts." The CAWCD Insurance Company, Inc. is a blended component unit of CAWCD, also referred to as the Captive Insurance Company (Captive). The District is not required to, and does not, publish separate financial statements for any of the individual funds and accounts except for the Captive. The Captive is required under the corporation laws for the State of Hawaii, to conduct its own external audit and publish its own audited financial statements.

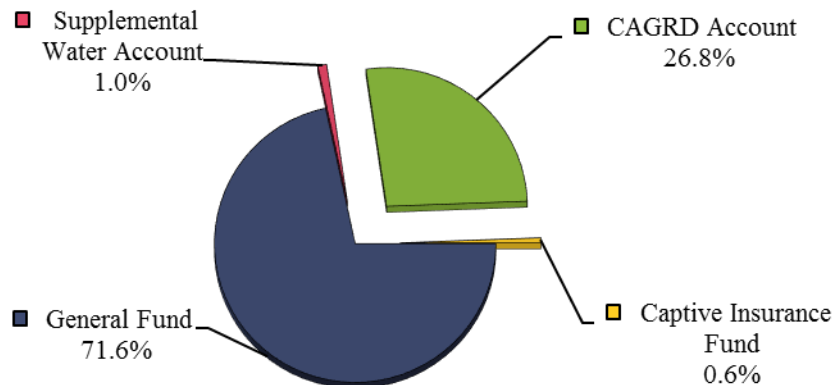


**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

FUND/ACCOUNT	DESCRIPTION
<b>General Fund</b>	The General Fund is the largest fund within the District and covers CAWCD's core business activities including the delivery of Colorado River water to central Arizona through the Central Arizona Project (CAP) canal and repayment of reimbursable construction costs to the Department of the Interior - Bureau of Reclamation (BOR).
<b>Supplemental Water Account</b>	The Supplemental Water Account includes activities related to a trust fund established by Section 7 of Public Law 98-530 and ARS § 45-3715.01 to acquire or conserve water to supplement Colorado River supplies. Funds are held by the Arizona State Treasurer.
<b>Central Arizona Groundwater Replenishment District Account</b>	The Central Arizona Groundwater Replenishment District (CAGRD) was established in 1993 as authorized by ARS § 48-3771, et seq. The CAGRD is a replenishment authority designed to help water providers and landowners comply with the State's Assured Water Supply Rules and to meet the objectives of the 1980 Groundwater Management Act.
<b>Captive Insurance Company</b>	CAWCD Insurance Company, Inc., aka Captive Insurance Company, was established to provide a self-insurance mechanism for CAWCD to fund claims for property, casualty and health insurance. The Captive is a tax exempt wholly-owned corporation formed in 2003.

Please refer to the Notes to the Financial Statements for additional, more detailed information on these funds and accounts. The following is a breakdown of the various funds and accounts which indicates the relative size of each by net position within CAWCD.

**Fund Account Breakdown by Net Position  
as of 12/31/20**



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**CONDENSED FINANCIAL INFORMATION**

The following financial information and narrative will provide the reader with an overview of the District's financial activities, including comparisons, for the years ended December 31, 2020 and December 31, 2019. This discussion will highlight areas within the financial statements that support and advance CAWCD's operations and business purpose to the residents of the State of Arizona.

This first section contains information on CAWCD's assets, liabilities and net position.

**Statement of Net Position**

<i>(Dollars in millions)</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Assets</b>			
Current assets	\$ 406.9	\$ 425.8	\$ (18.9)
Noncurrent assets	1,954.2	1,864.2	90.0
Total assets	<u>2,361.1</u>	<u>2,290.0</u>	<u>71.1</u>
<b>Deferred outflows of resources</b>			
Pension and OPEB valuation	18.2	9.1	9.1
Total deferred outflows of resources	<u>18.2</u>	<u>9.1</u>	<u>9.1</u>
Total assets and deferred outflows of resources	<u>\$ 2,379.3</u>	<u>\$ 2,299.1</u>	<u>\$ 80.2</u>
<b>Liabilities</b>			
Current liabilities	\$ 159.5	\$ 146.4	\$ 13.1
Noncurrent liabilities	1,266.9	1,304.7	(37.8)
Total liabilities	<u>1,426.4</u>	<u>1,451.1</u>	<u>(24.7)</u>
<b>Deferred inflows of resources</b>			
Customer deposits	52.1	43.2	8.9
Pension and OPEB valuation	10.4	16.7	(6.3)
Total deferred inflows of resources	<u>62.5</u>	<u>59.9</u>	<u>2.6</u>
<b>Net Position</b>			
Net investment in capital assets	273.0	251.2	21.8
Restricted			
Master repayment agreement	38.3	41.9	(3.6)
Supplemental water account	9.1	8.8	0.3
CAGR Account	16.5	14.1	2.4
Other restricted	11.7	10.4	1.3
Unrestricted	541.8	461.7	80.1
Total net position	<u>890.4</u>	<u>788.1</u>	<u>102.3</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,379.3</u>	<u>\$ 2,299.1</u>	<u>\$ 80.2</u>

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Total Assets**

<i>(Dollars in millions)</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 117.6	\$ 107.0	\$ 10.6
Funds held by federal government	16.4	51.5	(35.1)
Water inventory	215.7	206.2	9.5
Other current assets	57.2	61.1	(3.9)
Total current assets	<u>406.9</u>	<u>425.8</u>	<u>(18.9)</u>
<b>Noncurrent Assets</b>			
Investments	420.0	314.3	105.7
Restricted assets	96.8	97.5	(0.7)
Agricultural water rights	88.7	88.7	-
Capital assets:			
Operating assets, net	303.9	295.9	8.0
Permanent service right, net	1,042.8	1,065.8	(23.0)
Other assets	2.0	2.0	-
Total noncurrent assets	<u>1,954.2</u>	<u>1,864.2</u>	<u>90.0</u>
Total assets	<u>2,361.1</u>	<u>2,290.0</u>	<u>71.1</u>
<b>Deferred Outflows of Resources</b>			
Pension valuation	11.9	3.2	8.7
OPEB valuation	6.3	5.9	0.4
Total deferred outflows of resources	<u>18.2</u>	<u>9.1</u>	<u>9.1</u>
Total assets and deferred outflows of resources	<u>\$ 2,379.3</u>	<u>\$ 2,299.1</u>	<u>\$ 80.2</u>

**Current Assets:** Current assets include cash and cash equivalents, receivables, funds held by the federal government, inventory and other current assets. In 2020, current assets decreased by \$18.9 million to \$406.9 million. Cash and cash equivalents increased \$10.6 million. Activity in these accounts includes transfers between short term and long term Local Government Investment Pools (LGIP). These transfers created an increase of \$19.4 million in the bank accounts and the District's LGIP Operating Account. A portion of these transfers occurred to cover the District's annual payment to the Federal government. The District transferred the remaining balance of the LGIP SO2 Credit account to partially fund the Decommissioning reserve resulting in a decrease of \$8.0 million.

Funds held by the federal government of \$16.4 million, represents the District's portion of the annual repayment obligation held by the Bureau of Reclamation (BOR). The decrease of \$35.1 million is due to the closing of the Navajo Generating Station (NGS) in 2019, terminating the surplus power from the station's operations.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

Water inventory includes CAWCD's portion of Lake Pleasant storage and Lake Roosevelt storage, CAGRD's replenishment reserves and CAGRD's long term storage credits (LTSC). Overall, water inventory increased \$9.5 million to \$215.7 million. In 2020, Lake Pleasant storage decreased \$6.2 million resulting from more water being pumped out of the Lake than was stored. CAGRD's replenishment reserves increased \$2.0 million and CAGRD's long term storage credits increased \$13.7 million due to CAGRD purchasing LTSC.

In 2020, other current assets decreased by \$3.9 million to \$57.2 million and includes water delivery receivables, property tax receivables, CAGRD member lands receivable, power program receivables and prepaid contracts. Receivables for water deliveries decreased \$5.5 million and will fluctuate dependent on water customer billing schedules and payments. Property tax receivables increased \$3.4 million and is based on increased property valuations. CAGRD Member Lands receivables decreased \$0.7 million. Power program receivables decreased \$2.1 million. Eliminations of activity between CAWCD and CAGRD were \$1.0 million.

**Noncurrent Assets:** Included in noncurrent assets are investments, restricted assets, agricultural water rights and capital assets. The largest capital asset is the permanent service right (PSR) and for this reason it is broken out in the asset table. The PSR represents the District's right to operate and maintain the CAP system and collect revenues from operations, for which the District has incurred a repayment obligation to the United States (see Note 2 of the financial statements for detailed information). The PSR is amortized each year and consequently decreases year over year. Capital assets are discussed in more detail in the Capital Assets and Noncurrent Debt Activity section of the MD&A.

Noncurrent assets increased by \$90.0 million during 2020. Investments and restricted assets increased \$105.0 million which included an increase in working capital of \$45 million, replenished capital reserve of \$13.5 million, funded Tribal ICS reserve \$19.7 million, increase in Extraordinary Cost Reserve of \$12.6 million and a transfer of AWBA funds to long term investment of \$14.0 million. CAGRD long term reserves increased by \$2.4 million. The LGIP NGS Decommissioning account decreased by \$14.4 million due to funds sent to the Federal government to cover decommissioning costs. The fluctuation in the fair value of investments and restricted assets created an increase of \$7.1 million in 2020 compared to 2019. The remaining \$5.2 million increase was due to interest earned on the LGIP reserve accounts. Operating assets increased \$8.0 million, including \$5 million in work in process. The majority of capital projects began towards the end of year leaving more projects as ongoing at the end of 2020. The Permanent Service Right decreased \$23.0 million in accordance with the annual amortization schedule.

**Deferred Outflows of Resources:** The District implemented GASBS No. 75 in 2018, a change in the reporting standard for Other Postemployment Benefits (OPEB). The deferred outflows of resources - OPEB valuation represents amounts to be expensed in future years. GASBS No. 68 establishes guidelines for financial reporting of pension liability. Part of the annual adjustment includes a fluctuation in the pension valuation based on annual reports from the Arizona State Retirement System (ASRS).

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Total Liabilities**

<i>(Dollars in millions)</i>	2020	2019	Change
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 50.1	\$ 29.5	\$ 20.6
Water operations and capital charges unearned revenue	34.0	30.7	3.3
Asset retirement obligation, due within one year	16.0	27.7	(11.7)
Repayment obligation, due within one year	32.9	32.9	-
Other current liabilities	26.5	25.6	0.9
Total current liabilities	<u>159.5</u>	<u>146.4</u>	<u>13.1</u>
<b>Noncurrent Liabilities</b>			
Asset retirement obligation, due after one year	36.6	51.1	(14.5)
Repayment obligation, due after one year	978.0	1,010.9	(32.9)
Bonds payable, due after one year	57.5	63.5	(6.0)
Non-Indian agriculture 9(d) debt	88.7	88.7	-
Other noncurrent liabilities	106.1	90.5	15.6
Total noncurrent liabilities	<u>1,266.9</u>	<u>1,304.7</u>	<u>(37.8)</u>
Total liabilities	<u>1,426.4</u>	<u>1,451.1</u>	<u>(24.7)</u>
<b>Deferred Inflows of Resources</b>			
Customer deposits	52.1	43.2	8.9
Pension valuation	2.7	6.9	(4.2)
OPEB valuation	7.7	9.8	(2.1)
Total deferred inflows of resources	<u>62.5</u>	<u>59.9</u>	<u>2.6</u>
Total liabilities and deferred inflows of resources	<u>\$ 1,488.9</u>	<u>\$ 1,511.0</u>	<u>\$ (22.1)</u>

**Current Liabilities:** Current liabilities include accounts payable, unearned revenue, accrued interest and expenses, and current principal obligations.

In 2020, current liabilities increased by \$13.1 million. Accounts payable and accrued liabilities increased \$20.6 million, which is driven by year-over-year variability in accounts payable obligations and the amount of CAGR's replenishment obligation.

Unearned revenue for water operations and capital charges increased \$3.3 million, which is a result of fluctuations in the annual invoicing schedules for the next year reflected in advanced invoicing for January 2021. The \$11.7 million decrease in the asset retirement obligation represents the change in the next year's amount due for the decommissioning of the NGS.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Noncurrent Liabilities:** The largest component of the District's noncurrent liabilities, \$978.0 million, is the federal repayment obligation which decreases annually in accordance with the annual payment schedule. The asset retirement obligation refers to the District's portion of the NGS Decommissioning due after one year (see Note 11). The remaining amount of non-current liabilities is a combination of contract revenue bonds of \$57.5 million, non-Indian agricultural debt of \$88.7 million and the noncurrent portion of the asset retirement obligation of \$36.6 million. Other noncurrent liabilities include pension liability of \$82.4 million, retirement health insurance liability of \$21.5 million, recovery liability of \$2.0 million and power agreement deposits of \$0.2 million.

**Deferred Inflows of Resources:** The deferred inflows of resources are the customer deposits related to the liability associated with the Rate Stabilization reserve account, various customer programs, pension valuation related to GASBS No. 68 and OPEB valuation related to GASBS No. 75.

**Total Net Position**

Net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, increased \$102.3 million in 2020.

**Net investment in capital assets:** Net investment in capital assets increased \$21.8 million in 2020. This increase is mainly related to the annual reduction of the Federal Repayment Obligation and Bonds Payable and by the increase in Property and Equipment. The amount associated with the amortization of the PSR (asset) is less than the District's annual principal payment to the federal government for the repayment obligation (liability). The annual repayment obligation is based on paying a percentage (which increases over time) of the remaining outstanding principal balance, plus interest, over a 50-year period, while amortization remains relatively flat over time. Currently, the asset is amortized approximately \$9.9 million less than the annual principal payment. As the payment percentage increases, the annual principal payment will continue to exceed amortization, increasing the net value of capital assets.

**Restricted net position:** Restricted net position increased \$0.4 million in 2020.

**Unrestricted net position:** Unrestricted net position increased \$80.1 million in 2020.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

This section of the MD&A discusses CAWCD's revenues, expenses and changes in the net position for 2020.

**Statements of Revenues, Expenses and Changes in Net Position**

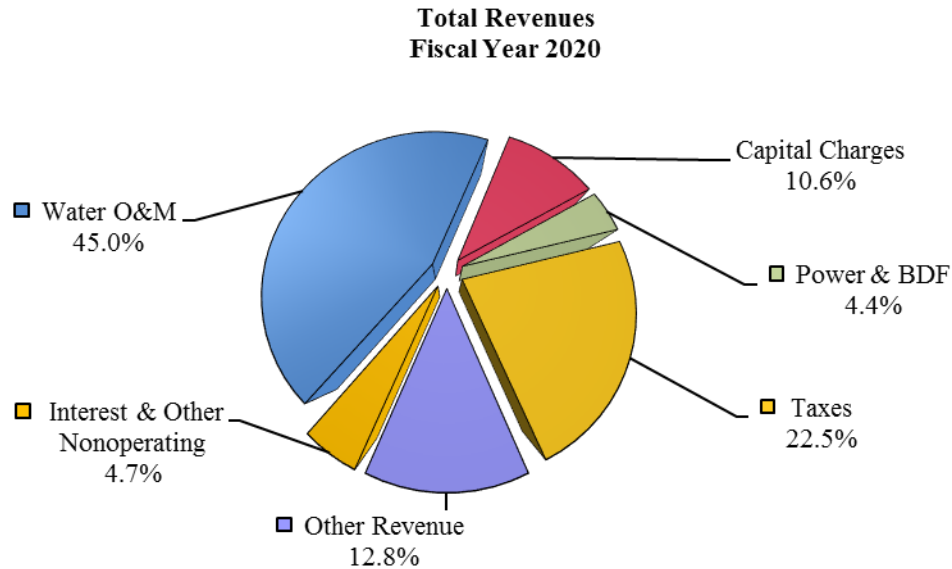
<i>(Dollars in millions)</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Total operating revenues	\$ 265.5	\$ 302.2	\$ (36.7)
Total operating expenses	<u>(234.5)</u>	<u>(277.9)</u>	<u>43.4</u>
Operating income	31.0	24.3	6.7
Non-operating revenues	99.4	97.1	2.3
Non-operating expenses	<u>(28.1)</u>	<u>(27.3)</u>	<u>(0.8)</u>
Changes in net position	102.3	94.1	8.2
Beginning net position	<u>788.1</u>	<u>694.0</u>	<u>94.1</u>
Ending net position	<u><u>\$ 890.4</u></u>	<u><u>\$ 788.1</u></u>	<u><u>\$ 102.3</u></u>

**Total Revenues**

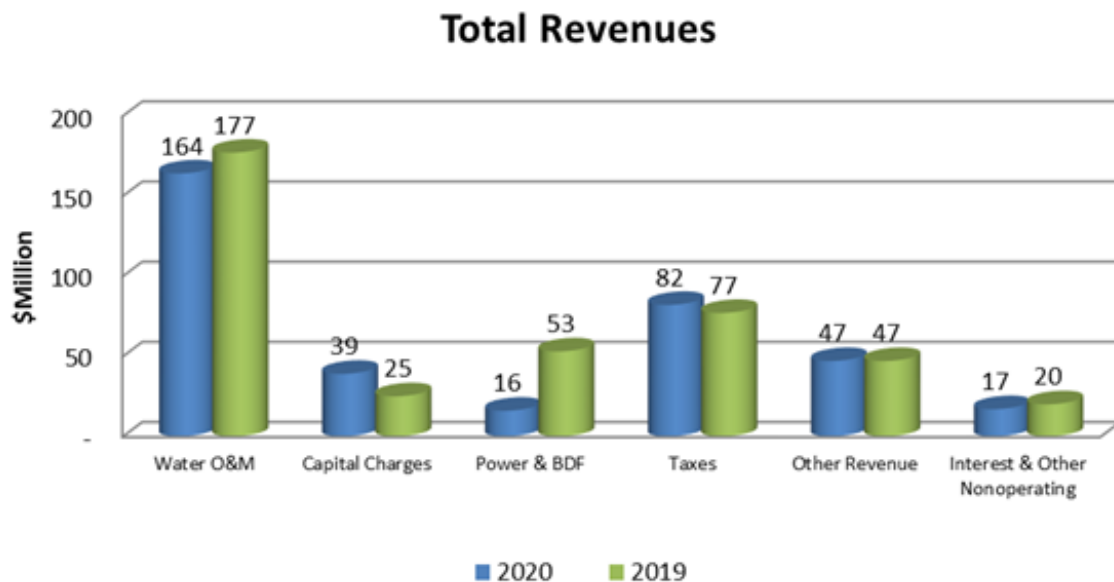
<i>(Dollars in millions)</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Operating revenues			
Water O&M charges	\$ 164.1	\$ 177.2	\$ (13.1)
Water service capital charges	38.6	25.5	13.1
Power and other BDF revenues	16.1	52.7	(36.6)
Other revenues	<u>46.7</u>	<u>46.8</u>	<u>(0.1)</u>
Total operating revenues	<u>265.5</u>	<u>302.2</u>	<u>(36.7)</u>
Non-operating revenues			
Property taxes	82.2	76.7	5.5
Interest income and other	<u>17.2</u>	<u>20.4</u>	<u>(3.2)</u>
Total nonoperating revenues	<u>99.4</u>	<u>97.1</u>	<u>2.3</u>
Total revenues	<u><u>\$ 364.9</u></u>	<u><u>\$ 399.3</u></u>	<u><u>\$ (34.4)</u></u>

Total revenues, as depicted in the following chart, include operating revenues, such as water delivery Operating and Maintenance (O&M) charges, water service capital charges, power and Basin Development Fund (BDF) revenues, other revenue including CAGR and recharge sites and non-operating revenues, such as property taxes and interest earnings.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**



In 2020, total revenues decreased by \$34.4 million over 2019. Water O&M decreased \$13.1 million. The majority of the decrease is due to lower reconciled rates as CAWCD is a cost of service organization. Capital charges increased \$13.1 million as a result of an increase in the capital charge rates. Power and BDF revenues decreased by \$36.6 million due to the closure of NGS in 2019 and the resulting loss of surplus power sales. The decrease in BDF revenue was slightly offset by an increase of \$2.4 million in BDF Land Use. Other operating revenue decreased \$0.1 million primarily due to an increase of \$0.8 million in CAGR revenue offset by \$0.9 million in Recharge O&M revenue. Property taxes revenue increased by \$5.5 million due to rising assessed property valuations. Interest and other non-operating income decreased by \$3.2 million due to a reduction in BDF interest of \$1.0 million, LGIP interest of \$3.0 million and sales of capital assets \$2.3 million, offset by an increase in fair value of the LGIP reserves of \$3.1 million. The sale of capital assets decreased due to the closing of auctions during 2020.



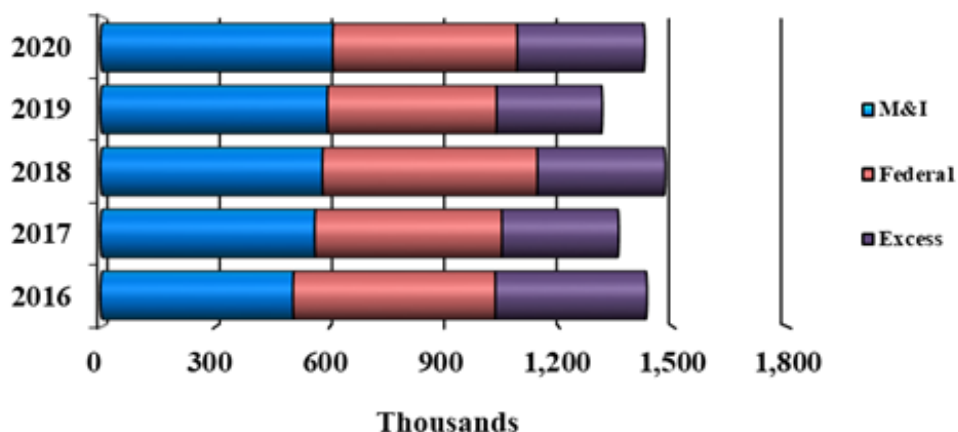


**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Water Deliveries**

Water deliveries were 1,424,841 acre-feet in 2020 and 1,314,350 acre-feet in 2019, an increase of 110,491 acre-feet due to additional availability of water as a result of some localized storms around Lake Pleasant. These figures do not include transfers of long-term storage credits or year-end customer reconciliations. Municipal and Industrial subcontract usage increased their 2020 deliveries by 14,390 acre-feet. Federal water deliveries increased 39,228 acre-feet over 2019. Excess water deliveries include Agriculture (Ag) as a part of the Ag Settlement Pool, CAGR for their Obligation and Replenishment reserve, Arizona Water Banking Authority (AWBA) for M&I Firming and United States Bureau of Reclamation (USBR) for Firming and Temporary Water Permits. In 2020, Excess deliveries increased 56,873 acre-feet compared to 2019.

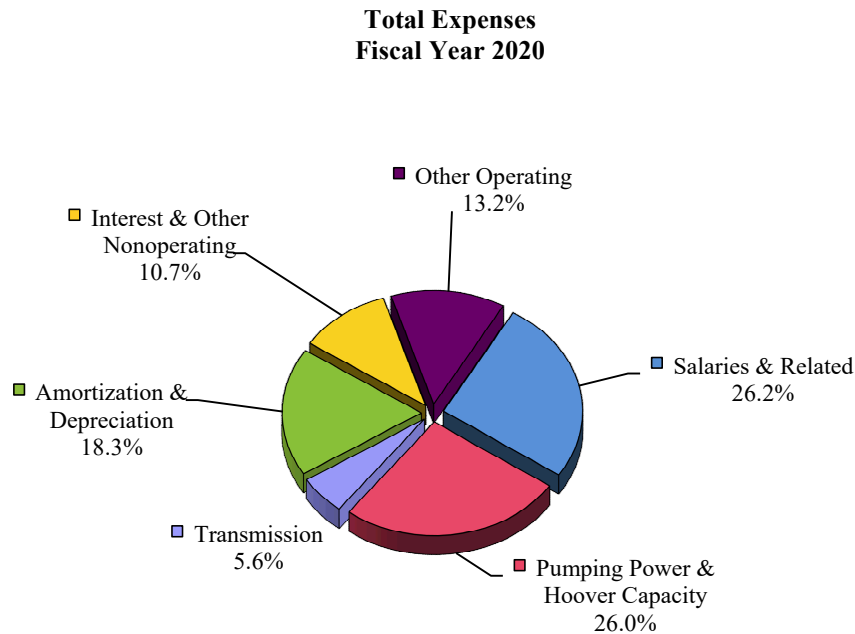
**Water Deliveries (Acre-Feet) 2016 to 2020**



<i>(Dollars in millions)</i>	2020	2019	Change
Operating expenses			
Salaries and related costs	\$ 68.7	\$ 66.4	\$ 2.3
Pumping power and Hoover capacity	68.2	75.9	(7.7)
Transmission	14.6	17.4	(2.8)
Amortization	23.0	23.0	-
Depreciation	25.1	25.0	0.1
Other operating expenses	34.9	70.2	(35.3)
Total operating expenses	<u>234.5</u>	<u>277.9</u>	<u>(43.4)</u>
Non-operating expenses			
Disbursements to AWBA	6.4	4.6	1.8
Interest expense & other nonoperating expenses	21.7	22.7	(1.0)
Total nonoperating expenses	<u>28.1</u>	<u>27.3</u>	<u>0.8</u>
Total expenses	<u>\$ 262.6</u>	<u>\$ 305.2</u>	<u>\$ (42.6)</u>

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

Total expenses include operating and non-operating expenses. Operating expenses consist of salaries and related cost, pumping power, transmission, amortization and depreciation as well as other operating expenses. Non-operating expenses are primarily interest, disbursements to AWBA and other financial expenses. Rates are set in a manner that will recover an appropriate share of the District's expected operating expenses from customers. Since rates are set in advance, actual expenses may differ from the estimates used to calculate rates, which may cause the reserves to fluctuate.



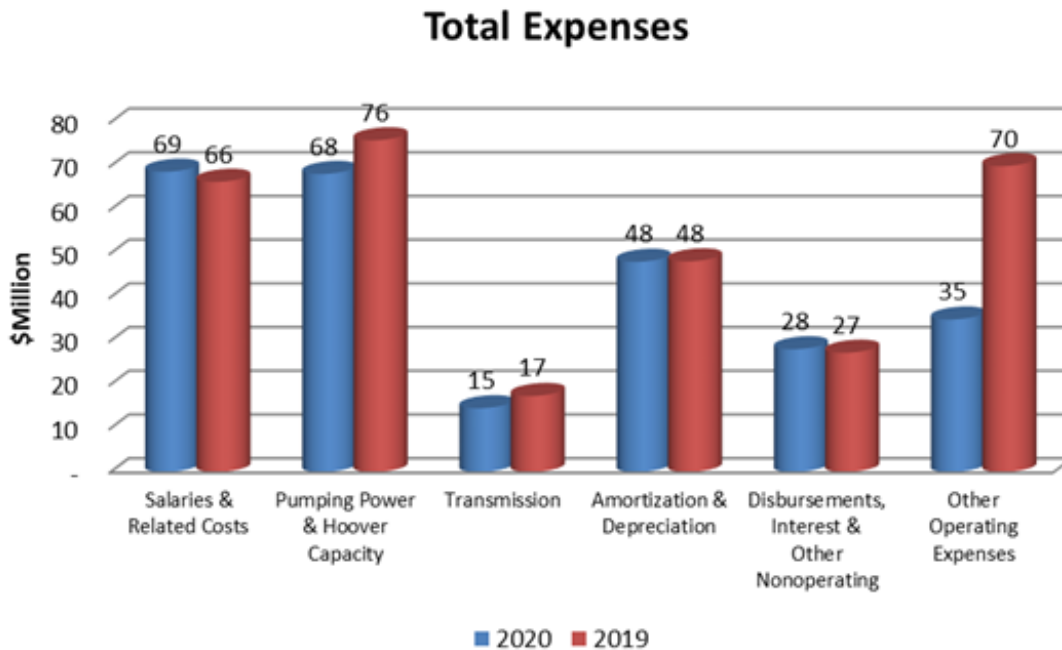
Overall, total expenses for 2020 decreased \$42.6 million compared to 2019.

Operating expenses decreased \$43.4 million. Salaries and related costs increased \$2.3 million to \$68.7 million. Pumping power, including hoover capacity charges, decreased \$7.7 million. This decrease includes a decrease of \$48.6 million in NGS pumping energy and shaping and displacement due to the closing of NGS in 2019 and an increase of \$31.7 in energy contracts and market purchases and an increase of \$9.2 in lake deviation expense for Lake Roosevelt and Lake Pleasant. Transmission expense is \$14.6 million, a \$2.8 million decrease over 2019 transmission expense. Depreciation expense increased \$0.1 million.

Other operating expenses which include NGS decommissioning expense, outside services, materials and supplies, overhead, and CAGR water purchases decreased \$35.3 million. NGS terminated operations in November 2019 and an additional \$25.7 million of NGS decommissioning costs was recorded in 2019. No expense was recorded for NGS decommissioning during 2020. CAGR water purchase expense increased by \$0.6 million. Materials and supplies increased \$0.3 million. Outside commercial services decreased \$10.8 million mostly due to a decrease in outside commercial contracts due to rescheduling of work loads during the 2020 shutdown of services for the COVID 19 outbreak. COVID 19 also contributed to the decrease in employee travel and training of \$1.8 million. Outside professional services increased \$4.2 million due to technical studies and computer services. Other expenses, including insurance loss claims and operational loss claims decreased by \$1.9 million compared to 2019. In 2019, CAP had operational loss claims due to an outage and equipment repair at the Mark Wilmer pumping plant.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

Disbursements to AWBA were increased by \$1.8 million to assist AWBA with the purchase of LTSC. Interest expense and other non-operating expenses decreased \$1.0 million. The decrease consists of less interest paid to the federal government for the master repayment obligation and the CAWCD Bond Series 2016 of \$1.2 million. This was offset by a \$0.2 million increase in bond interest for the CAGRD Bond Series 2019.



**Changes In Net Position and Ending Net Position**

Operating and non-operating impacts resulted in an increase in net position of \$102.3 million. The ending net position was \$890.4 million for the year.

**CAPITAL ASSETS AND NONCURRENT DEBT ACTIVITY**

**Capital Assets:** The District's investment in capital assets decreased \$15.0 million to \$1,346.7 million in 2020. The largest component of the District's capital assets is the PSR, net of accumulated amortization. The PSR (net) decreased from \$1,065.8 million in 2019 to \$1,042.8 million in 2020 per the amortization schedule, which is currently \$23.0 million per year. 2020 was a year for large projects for maintenance and repairs of the canal system, such as the Salt River siphon repair, leaving less time for capital projects. Other capital assets increased \$8.0 million in 2020, which are assets related to the CAP for meeting its responsibilities.

More information about the District's capital assets is provided in Note 9 of the financial statements.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

<b>(Dollars in millions)</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Capital assets			
Land	\$ 3.2	\$ 3.2	\$ -
Work-in-process	21.4	16.7	4.7
Intangibles	31.2	32.2	(1.0)
Capital equipment	112.2	101.3	10.9
Structures and improvements	135.9	142.5	(6.6)
Total operating assets	<u>303.9</u>	<u>295.9</u>	<u>8.0</u>
Permanent service right	<u>1,042.8</u>	<u>1,065.8</u>	<u>(23.0)</u>
Total capital assets	<u>\$ 1,346.7</u>	<u>\$ 1,361.7</u>	<u>\$ (15.0)</u>

**Noncurrent Debt:** The District's noncurrent debt decreased \$38.9 million in 2020 related to CAP reducing the revenue bonds obligation and the federal repayment obligation.

**SCHEDULE OF NONCURRENT DEBT**

<b>(Dollars in millions)</b>	<b>2020</b>	<b>2019</b>	<b>Change</b>
Noncurrent Liabilities			
Repayment obligation	\$ 978.0	\$ 1,010.9	\$ (32.9)
Bonds payable, due after one year	<u>57.5</u>	<u>63.5</u>	<u>(6.0)</u>
Total long-term debt	<u>\$ 1,035.5</u>	<u>\$ 1,074.4</u>	<u>\$ (38.9)</u>

Other noncurrent liabilities are discussed in the previous Total Liabilities section of the MD&A. More information about the District's repayment obligation is provided in Note 2 of the financial statements. Note 12 discusses the District's issuance of Water Delivery O&M Revenue Bonds, Series 2016 and the District's issuance of Water Acquisition Revenue Bonds, Series 2019.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**CURRENTLY KNOWN ECONOMIC FACTORS IMPACTING THE FUTURE FINANCES OF CAWCD**

- Under 2007 Interim Guidelines, shortage sharing criteria agreed to among the basin states and the Department of the Interior, if the water elevation in Lake Mead falls to certain levels, the Secretary of the Interior (Secretary) will declare a shortage. The Upper and Lower Basin States worked on the Drought Contingency Plan (DCP), which is designed to protect the Colorado River system through reductions and increased conservation. They were developed through a collaborative process amongst the federal government, states, water users and Mexico. Federal legislation implementing DCP occurred in 2019. The DCP added Tier 0 as an additional shortage level. The Tier 0 shortage trigger in Lake Mead is at elevation 1,090 feet, at which point Arizona's reduction is 192,000 acre-feet. At a Tier 1 shortage, Lake Mead elevation 1,075 feet, reductions to Arizona's supply increases to 512,000 acre-feet. Additional shortage triggers occur at elevation 1,050 feet (592,000 acre-foot reduction); 1,045 feet (640,000 acre-foot reduction) and 1,025 feet (720,000 acre-foot reduction). The DCP agreements run through 2026 when it is anticipated that new shortage sharing rules will be negotiated and put into effect. Reductions to Arizona's Colorado River supply under DCP could begin as early as 2022. In 2018 and early 2019, the Arizona Department of Water Resources and Central Arizona Project jointly led nearly 40 stakeholders through months of public and small group meetings. During this process, new arrangements, which form a package called the Arizona Implementation Plan, were negotiated. The package of agreements shares the burden of impacts from the Colorado River reductions and the benefits of increased reliability for Arizona water users. In the event of a shortage, Fixed O&M costs have to be absorbed by lower delivery volumes, and water delivery rates increase correspondingly. A structural deficit remains in Lake Mead. There is more water allocated out to downstream users than on average comes into the lake. Several pilot programs have been implemented since 2015 to leave water in Lake Mead, which have resulted in increases in water rates, use of property tax revenues and are anticipated to continue in future years.
- It is anticipated that the first NIA reallocation of 46,629 acre-feet will occur in 2021. If the reallocation occurs, the District will receive \$40.6 million in back capital charges, \$ 21.7 million in back capital charge interest and \$31 million in 9(d) debt contributed payments from entities receiving the allocation. The CAGRDR has been allocated 18,185 acre-feet from this pool. Entities have the choice of paying the full amount upfront or paying over 5 years at a 2.5% interest rate. The 9(d) debt payments will be deposited into a dedicated reserve to make the upcoming payments. Interest will also accumulate in the account. The back capital charge and associated interest will be available for the District's use for federal debt repayment. See Note 14 for more information on the NIA 9(d) Debt.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The information contained in the Management's Discussion and Analysis is intended to give our customers, taxpayers and other stakeholders a general overview of the District's finances, issues that affect the District's financial position and accountability for the money it receives. If you have questions about the report or need additional financial information, contact:

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## **BASIC FINANCIAL STATEMENTS**

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

<b>ASSETS</b>	<i>(In Thousands)</i>
<b>CURRENT ASSETS</b>	
Cash	\$ 19,605
Investments	98,019
Total Cash and Cash Equivalents	<u>117,624</u>
Receivables:	
Due From Water Customers	2,720
Property Taxes, Less Allowance of \$751	40,184
Other Receivables	11,521
Water Inventory	215,715
Funds Held by Federal Government	16,428
Other Assets	2,707
Total Current Assets	<u>406,899</u>
<b>NONCURRENT ASSETS</b>	
Investments	419,981
Restricted Assets	96,823
Agricultural Water Rights	88,719
Capital Assets:	
Operating Assets, Less Accumulated Depreciation of \$244,342	303,858
Permanent Service Right, Less Accumulated Amortization of \$746,792	1,042,835
Other Assets	2,000
Total Noncurrent Assets	<u>1,954,216</u>
 Total Assets	 <u>2,361,115</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Valuation	11,830
OPEB Valuation	6,336
Total Deferred Outflows of Resources	<u>18,166</u>
 Total Assets and Deferred Outflows of Resources	 <u><u>\$ 2,379,281</u></u>

See accompanying Notes to Basic Financial Statements.



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**DECEMBER 31, 2020**

**LIABILITIES**

*(In Thousands)*

**CURRENT LIABILITIES**

Accounts Payable	\$ 40,408
Accrued Payroll, Payroll Taxes and Other Accrued Expenses	9,745
Water Operations and Capital Charges Unearned Revenue	33,980
Asset Retirement Obligation, Due Within One Year	15,972
Current Liabilities Payable from Restricted Assets, Advances to Federal Government, and Other Noncurrent Assets:	
Accrued Interest Payable	21,269
Repayment Obligation, Due Within One Year	32,929
Bonds Payable, Due Within One Year	5,245
Total Current Liabilities	<u>159,548</u>

**NONCURRENT LIABILITIES**

Asset Retirement Obligation, Due After One Year	36,545
Repayment Obligation, Due After One Year	977,992
Bonds Payable, Due After One Year	57,532
Non-Indian Agricultural 9(d) Debt	88,719
Other Noncurrent Liabilities	106,073
Total Noncurrent Liabilities	<u>1,266,861</u>

Total Liabilities	<u>1,426,409</u>
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**DEFERRED INFLOWS OF RESOURCES**

Customer Deposits	52,079
Pension Valuation	2,694
OPEB Valuation	7,713
Total Deferred Inflows of Resources	<u>62,486</u>

**NET POSITION**

Net Investment in Capital Assets	272,995
Restricted for Master Repayment Agreement	38,294
Restricted for Supplemental Water Account	9,112
Restricted for CAGR Account	16,492
Restricted for Captive Insurance Company	2,250
Restricted for Bond Trust Account	9,218
Restricted for Power Agreement	188
Unrestricted	541,837
Total Net Position	<u>890,386</u>

Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,379,281</u>
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See accompanying Notes to Basic Financial Statements.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2020**

(In Thousands)

**OPERATING REVENUES**

Water Operations and Maintenance Charges	\$ 164,105
Water Service Capital Charges	38,582
Power and Basin Development Fund Revenues	16,079
Other Operating Revenues	46,710
Total Operating Revenues	<u>265,476</u>

**OPERATING EXPENSES**

Salaries and Related Costs	68,743
Pumping Power	65,078
Power Transmission	14,578
Hoover Capacity Charges	3,079
Amortization of Permanent Service Right	23,001
Depreciation	25,052
Other Operating Expenses	34,958
Total Operating Expenses	<u>234,489</u>

**OPERATING INCOME**

30,987

**NONOPERATING REVENUES (EXPENSES)**

Property Taxes	82,233
Interest Income and Other Nonoperating Revenues	17,180
Disbursements to AWBA	(6,361)
Interest Expense and Other Nonoperating Expenses	(21,748)
Total Nonoperating Revenues (Expenses)	<u>71,304</u>

**CHANGES IN NET POSITION**

102,291

Net Position - Beginning of Year

788,095

**NET POSITION - END OF YEAR**

\$ 890,386

See accompanying Notes to Basic Financial Statements.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2020**

*(In Thousands)*

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Customers	\$ 260,710
Cash Paid to Employees	(65,780)
Cash Paid to Suppliers	(127,704)
Net Cash Provided by Operating Activities	<u>67,226</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash Disbursements to Arizona Water Banking Authority	(6,361)
Cash Received from Property Taxes	78,762
Net Cash Provided by Noncapital Financing Activities	<u>72,401</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Payments on Repayment Obligation, Including Interest	(2,581)
Payments on Bonds Payable	(3,165)
Interest Paid on Bonds	(2,379)
Additions to Capital Assets	(33,041)
Proceeds from Insurance of Impaired Capital Assets	1,616
Net Cash Used by Capital and Related Financing Activities	<u>(39,550)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Increase in Restricted Assets	(5,503)
Decrease in Restricted Assets	7,142
Purchase of Investments	(114,095)
Proceeds from Sale and Maturities of Investments	14,496
Investment Income Received	8,466
Net Cash Used by Investing Activities	<u>(89,494)</u>

**CHANGE IN CASH AND CASH EQUIVALENTS**

10,583

Cash and Cash Equivalents - Beginning of Year	<u>107,041</u>
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**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 117,624

*See accompanying Notes to Basic Financial Statements.*

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

(In Thousands)

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 30,987
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Amortization of Permanent Service Right	23,001
Depreciation	25,052
BDF Revenue - Repayment Credit	(51,530)
Changes in Operating Assets and Liabilities:	
Due from Water Customers	5,446
Due from Other Receivables	2,900
Water Inventory	(9,519)
Other Assets	(972)
Funds Held by Federal Government	35,102
Deferred Outflows of Resources - Pension Valuation	(5,939)
Deferred Outflows of Resources - OPEB Valuation	(3,114)
Accounts Payable	18,652
Accrued Payroll, Payroll Taxes and Other Accrued Expenses	1,972
Water Operations and Capital Charges Unearned Revenue	3,316
Asset Retirement Obligation	(26,330)
Net Pension Liability	10,950
Retirees Health Insurance	5,419
Other Noncurrent Liabilities	(750)
Deferred Inflows of Resources - Customer Deposits	8,908
Deferred Inflows of Resources - Pension Valuation	(4,222)
Deferred Inflows of Resources - OPEB Valuation	(2,103)
Net Cash Provided by Operating Activities	<u>\$ 67,226</u>

**SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES**

Increase in Fair Value of Investments	\$ 6,172
Increase in Fair Value of Restricted Assets	938
Loss on Disposal of Capital Assets	14
Amortization of Bond Premium	696
Total Noncash Capital and Related Financing and Investing Activities	<u>\$ 7,820</u>

See accompanying Notes to Basic Financial Statements.

## Notes to the Financial Statements

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**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Reporting Entity**

The Central Arizona Water Conservation District (CAWCD or District) is a multi-county water conservation district organized within the State of Arizona encompassing Maricopa, Pima, and Pinal counties. The District's popularly elected Board of Directors serves as its governing body. Under the requirements of Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement Nos. 39, 61, and 80, the District is a primary government with a single blended component unit, the CAWCD Insurance Company, Inc. (Captive). The Captive is included as a blended component unit because it provides services exclusively to the District. The CAWCD Insurance Company issues separate financial statements and they can be found on its website or obtained upon request from the District. The District was authorized in 1971 by the Arizona State Legislature for the primary purpose of creating a single entity to enter into an agreement with the United States Department of the Interior, Bureau of Reclamation (Reclamation), for repayment of the reimbursable cost of the Central Arizona Project (CAP). The District is further empowered to serve as the operating agent of the CAP.

The CAP is a multi-purpose water resource project authorized by the Congress of the United States in 1968 by the Colorado River Basin Project Act and was constructed by Reclamation. The CAP is intended to deliver an average of approximately 1.5 million acre-feet of Arizona's annual share of Colorado River water to central and southern Arizona, which will partially replace existing groundwater uses and supplement surface water supplies. It also provides flood control, power, recreation, and fish and wildlife benefits.

Under its enabling legislation (A.R.S. §48-3701 et seq.), the District has the authority to levy ad valorem taxes against all taxable property within its boundaries. The first ad valorem tax, which may not exceed 10 cents per \$100 of assessed valuation, is for the District's operations and repayment of the construction cost repayment obligation of the CAP (Note 2). The ad valorem tax for operations and repayment was levied at 10 cents per \$100 of assessed valuation for the tax years ending June 30, 2021 and June 30, 2020. The second ad valorem tax, which may not exceed 4 cents per \$100 of assessed valuation, is for water storage to the extent that it is not required for the District's operations or the construction cost repayment obligation of the project. The ad valorem tax for water storage was levied at 4 cents per \$100 of assessed valuation in the tax years ending June 30, 2021 and June 30, 2020. Proceeds are deposited by the District with the State Treasurer and used by the District to defray annual operation, maintenance and replacement cost. The respective counties collect property taxes on behalf of the District.

In 1993, the State legislature gave the District additional authority to provide replenishment services within the District's three-county service area. This authority is commonly referred to as the Central Arizona Groundwater Replenishment District (CAGRD). The CAGRD began enrolling members in 1995. The CAGRD is responsible for using renewable water supplies to replenish (or recharge) excess groundwater used by its members. All costs of the CAGRD are to be paid by its members through assessments based on replenishment services provided.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting**

The accounting policies of the District conform to generally accepted accounting principles as applicable to an enterprise fund of a governmental unit. Accordingly, the District is accounted for using the flow of economic resources, measurement focus and the accrual basis of accounting, whereby revenues are recorded when they are earned, and expenses are recorded when the liability is incurred. CAWCD is a primary government with a single-blended component unit, the CAWCD Insurance Company, Inc. (Captive). However, the District has identified a number of financial activities that it wishes to track separately, referred to as funds and accounts:

- General Fund – Represents CAWCD's core business, the delivery of Colorado River water to central Arizona through the Central Arizona Project (CAP) and repayment of reimbursable construction costs and is, by an order of magnitude, the largest fund within the District.
- Central Arizona Groundwater Replenishment District Account (CAGRDR) – Represents the activities of the CAGRDR as authorized by Arizona Revised Statutes (ARS) § 48-3771 et. seq.
- Supplemental Water Account – Represents the activities related to a trust fund established by Section 7 of Public Law 98-530 and ARS § 45-3715.01 to acquire or conserve water to supplement Colorado River supplies.
- Captive Insurance Fund – Represents the activities related to the CAWCD Captive Insurance Company, Inc., to provide a self-insurance mechanism for health, property and casualty insurance.

These "funds" and "accounts" have been combined in the accompanying financial statements and all material inter-fund transactions have been eliminated.

The *statement of net position* presents the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three components:

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation and is reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted net position* results when constraints placed on asset's use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of those assets which do not meet the definition of the two preceding categories. Unrestricted net position often are designated to indicate that management consider them to be available for general operations. The unrestricted component often has constraints on resources which are imposed by management but can be removed or modified by the District Board of Directors.



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Bond Issuance Costs and Premiums**

Bond issuance costs are expensed immediately. Bond premiums are amortized over the term of the related bonds on the interest method. Bond premiums are presented as an increase of the face amount of bonds payable.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Investments**

All funds, except the Captive, are to be invested in obligations issued or guaranteed by the United States or any of its agencies, collateralized repurchase agreements, obligations of the state and local governments, prime quality commercial paper and other instruments as set forth in the District's enabling legislation.

Investments are managed by the State Treasurer and maintained in investment pools (the state of Arizona Local Government Investment Pool (LGIP) 5 and the CAWCD Long-Term Pool 12). The LGIP 5 consists of participating interest earning investment contracts with maturities of less than one year. The investments are reported at fair value and the District's investments approximate the value of the pool shares and are considered a cash equivalent. The CAWCD Long-Term Pool 12 is recorded at fair value in accordance with GASBS No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Water Inventory**

Water inventory is valued at cost, which approximates market, using the average flow of cost method. The water inventory adjustment recognizes that the cost of power used to pump water into Lake Pleasant should be recovered, through operations maintenance and replacement (OM&R) charges, in the year the water is delivered to customers, not the year in which it is pumped into Lake Pleasant. The water inventory adjustment is valued at the actual energy cost.

In 2002, the District entered into a water exchange agreement with Salt River Project (SRP) that allowed for an exchange of up to 150,000 acre-feet. Water inventory is valued at cost, which approximates market, using the average flow of cost method. Any intentionally created surplus credits (ICS) the District earns are expensed.

The District purchased long-term storage credits (LTSC) from outside organizations through CAGRDR funds. These LTSC are recorded at cost using average cost valuation method. The LTSC are maintained in separate accounts for the Replenishment Reserve and general inventory. The Replenishment Reserve is required by state statute as a means to ensure a pool of LTSC available to meet replenishment obligations in the event of a shortage or lack of other supply. The goal of the Replenishment Reserve is established statutorily and CAGRDR must demonstrate progress toward the established goal. The general storage credits are LTSC that CAGRDR holds that it has purchased or created and are available to meet its replenishment obligation or add to its Replenishment Reserve.

**Capital Assets and Depreciation**

Capital assets are initially recorded at cost. Contributed assets are recorded at acquisition value as of the date received. Internally constructed assets are recorded at cost plus an allocation of overhead costs. Depreciation is provided on the straight-line method based on the estimated useful lives of the assets ranging from three to fifty years. The costs of additions and replacements are capitalized. Work-in-process is capitalized as projects are completed. Major components of a project that have been completed and placed in service are depreciated. Repairs and maintenance are charged to expense as incurred. Retirements, sales and disposals are recorded by removing the cost and accumulated depreciation from the asset and accumulated depreciation accounts with any net resulting gain reflected in nonoperating revenue or any net resulting loss as operating expense within the Statements of Revenues, Expenses and Changes in Net Position.

Nondepreciable intangibles are water rights that are perpetual and do not decrease in value. Depreciable intangibles include water rights if agreements are for shorter terms (see Note 9 for further discussion) and computer software.

The Permanent Service Right is an intangible asset that represents that District's right to operate the CAP water delivery system (see Note 9).

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets and Depreciation (Continued)**

Operating assets are capitalized when over \$25,000 and are stated at cost. Assets are depreciated on the straight-line method over the estimated useful lives as follows:

Land	Not Depreciated
Intangibles – Nondepreciable	Not Depreciated
Structures and Improvements	5 to 40 Years
Equipment	3 to 20 Years
Intangibles – Depreciable	3 to 100 Years

**Investments**

Investments held by governmental entities are reported at fair value. Fair value adjustments are included in interest income and other nonoperating revenues.

**Restricted Assets**

Restricted assets are primarily funds held by the State Treasurer or trustees that are restricted by enabling legislation or contract.

**Deferred Outflows and Inflows of Resources**

Deferred outflows and inflows of resources are reported in the basic financial statement of net position in a separate section following assets and liabilities, respectively. The District elected the optional statement of net position presentation.

The District recognizes the consumption of net position that is applicable to a future reporting period as deferred outflows of resources. The deferred outflows of resources are related to the District's pension plan and other postemployment benefits (OPEB).

The District recognizes the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources. The deferred inflows of resources relate to the District's pension and OPEB plans and customer deposits.

**Pension Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pensions, and pension expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) and additions to, or deductions from, ASRS's fiduciary net position have been determined on the same basis as they are reported by ASRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 17).

**Other Postemployment Benefits (OPEB)**

The District provides post-retirement healthcare insurance benefits for its retirees as a single-employer defined benefit plan which is administered through CAWCD Insurance Company, Inc. (Captive). Eligible retirees are provided medical, dental and life insurance benefits for spouses and family (see Note 19).

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

The District records revenue from the sale of water, the sale of power, the levy of property taxes and the provision of certain contract services to other external or third-party entities. Water rates consist of water service capital charges and OM&R charges. Generally, OM&R charges are determined by the Board of Directors after giving consideration to the amount of OM&R costs to be paid by the various subcontractors and through property taxes. Water is delivered to subcontractors and other customers based on delivery requests. Revenue from OM&R charges is recognized as it is earned and revenue from water service capital charges is recognized monthly. Generally, OM&R charges for scheduled water deliveries are due in advance of delivery.

Revenues from contract services and the sale of power are recorded when earned.

Property taxes are recorded as a receivable when levied and the receivable is reduced when money is received from the counties..

**Operating and Nonoperating Revenues**

The District's primary operating revenues are water sales, capital charges associated with water sales, power and Lower Colorado River Basin Development Fund (BDF) revenues and CAGR rates and fees. The District's primary nonoperating revenues are property taxes and interest earnings.

**Operating and Nonoperating Expenses**

The District's primary operating expenses are salaries and related costs, pumping power, amortization/depreciation, and outside services (other operating expenses). The District's primary nonoperating expense is interest related to the federal debt repayment and interest on bonds and disbursements to the Arizona Water Bank Authority (AWBA).

**Application of Restricted or Unrestricted Resources**

In cases where an expense is incurred for purposes for which both restricted and unrestricted net position is available, the expense is applied to the restricted net position first.

**Statement of Cash Flows**

For the purpose of the statement of cash flows, cash and investments with a maturity of less than one year at the time of purchase are treated as cash and cash equivalents due to their high liquidity.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 MASTER REPAYMENT AGREEMENT**

**The Agreement**

The Bureau of Reclamation and the District have a contract for delivery of water and repayment of costs of the CAP. This contract (the Master Repayment Agreement) was originally entered into in 1972 and amended in 1988. In the Master Repayment Agreement, Reclamation agreed to construct the CAP and the District agreed to repay various reimbursable construction costs of the CAP, various OM&R costs during construction and interest during construction on various costs.

**Commencement of Repayment**

Reclamation notified the District that the water supply system, the first CAP construction stage, was substantially complete on October 1, 1993. This notification initiated repayment by the District for the water supply system. Reclamation notified the District that the regulatory storage facilities stage, consisting of New Waddell and Modified Roosevelt Dams, was substantially complete on September 30, 1996. This notification initiated repayment by the District for the regulatory storage facilities stage.

The Master Repayment Agreement requires the District to make annual payments to the United States on the repayment obligation related to the completed construction stages. These payments are required to be made over a 50-year period and are based on paying a percentage of the remaining outstanding repayment obligation, plus interest, with each construction stage having a separate 50-year repayment period as follows: contract years 1-7: 1%; 8-14: 1.3%; 15-21: 1.6%; 22-28: 2%; 29-35: 2.6%; and 36-50: 2.7%.

**Repayment Litigation and Repayment Settlement**

As a result of disputes between the District and the United States regarding the amount of the District's repayment obligation, the District filed a lawsuit against the United States in July 1995, seeking a judicial determination of the District's repayment obligation. The United States also filed a lawsuit against the District. The two lawsuits were consolidated into a single action in the Federal District Court (the Court), in Phoenix, Arizona (the Repayment Litigation). On May 9, 2000, the litigation was settled, contingent upon the satisfaction of certain conditions within a specified time period (the Repayment Settlement). On April 8, 2003, the settlement was amended to extend the time for satisfaction of the conditions necessary for entry of final judgment. On December 10, 2004, the Arizona Water Settlements Act was enacted (the Settlements Act). The Settlements Act facilitated final judgment in the Repayment Litigation by authorizing actions that were necessary to satisfy the conditions of the Repayment Settlement. These conditions were subsequently satisfied. On November 21, 2007, a final judgment was entered based upon a stipulation for judgment filed by all of the parties to the Repayment Litigation. The time for appeal of the final judgment has expired. Accordingly, the Repayment Settlement is now fully effective. The major matters resolved by the Repayment Settlement are as follows.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 MASTER REPAYMENT AGREEMENT (CONTINUED)**

**The Arizona Water Settlement**

The Repayment Settlement required that there be a reallocation of CAP water supplies such that the total amount of CAP water allocated for federal uses be increased to 667,724 acre feet, or approximately 47% of average annual CAP supplies. The remaining CAP supplies, 747,276 acre-feet, or approximately 53% of average annual CAP supplies, were required to be made available for non-Indian agricultural, municipal, and industrial use.

This reallocation was accomplished through the relinquishment of long-term CAP entitlements by non-Indian agricultural CAP subcontractors and the eventual reallocation of those entitlements and other, uncontracted non-Indian agricultural (NIA) priority CAP water to Indian and municipal and industrial (M&I) water users. In return for the receipt of certain benefits, including the opportunity to purchase excess CAP water under short-term contracts at energy-only rates through 2030, NIA CAP subcontractors were offered the opportunity to relinquish their rights to NIA water under their long-term CAP subcontracts. All of the NIA CAP subcontractors agreed to permanently relinquish their entitlements to NIA water. (The Arizona State Land Department, a landowner within the Maricopa Stanfield Irrigation and Drainage District (MSIDD), initially elected to retain an entitlement of 9,026 acre-feet of MSIDD's entitlement under a long-term NIA CAP subcontract, but was subsequently terminated on September 1, 2009).

On August 25, 2006, the Secretary of the Interior (Secretary) reallocated 197,500 acre-feet of the relinquished and uncontracted NIA water for use by Arizona Indian tribes, bringing the total amount of CAP water allocated for federal use to 650,724 acre-feet. Under the Settlements Act, an additional 17,000 acre-feet of M&I priority CAP water may be transferred from nonfederal to federal uses in the future. If that additional water ultimately is not transferred, the District and the United States would adjust the District's repayment obligation as described below.

In the August 25, 2006 allocation decision, the Secretary also reallocated up to 96,295 acre-feet of NIA priority CAP water to the Arizona Department of Water Resources to be held in trust for eventual reallocation to non-Indian M&I entities and reallocated 65,647 acre-feet of previously uncontracted M&I priority CAP water to M&I entities. New CAP subcontracts, incorporating the additional allocations of M&I water and certain amendments required by the Settlements Act, were offered to all subcontractors of CAP water service. All of those subcontracts have been fully executed, bringing the total amount of non-Indian M&I priority CAP water under subcontract to 620,678 acre-feet. This, together with the NIA priority water allocated to the Arizona Department of Water Resources, brings the total amount of CAP water currently in non-Indian hands to 764,276 acre-feet.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
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**NOTE 2 MASTER REPAYMENT AGREEMENT (CONTINUED)**

**Repayment Obligation**

The Repayment Settlement established the principal amount of the District's repayment obligation for the water supply system and regulatory storage facilities stages of the CAP at \$1,646,462,500 based upon the agreement to increase the amount of CAP water allocated for federal use to 667,724 acre-feet. The Repayment Settlement provides that the repayment obligation is subject to further adjustment, up or down, by \$1,415 per acre-foot if the total amount of CAP water ultimately made available for federal use is not 667,724 acre-feet. The District's repayment obligation would vary inversely with the amount of CAP water allocated for federal use. Thus, if the total amount of CAP water ultimately made available for federal use is less than 667,724 acre-feet, the District's repayment obligation would be increased by \$1,415 per acre-foot of the difference. There was no adjustment to the District's repayment obligation related to the CAP water allocated for federal use in 2020.

The Repayment Settlement provided that 73% of the District's repayment obligation will bear interest at the rate established in the Master Repayment Agreement of 3.342% per annum, and 27% of the repayment obligation will be noninterest bearing. The Repayment Settlement fixed these percentages for the duration of the repayment period.

**Construction Deficiencies and Other Credits**

Certain disputes regarding financial responsibility for CAP construction deficiencies were resolved by the Repayment Settlement, with the District receiving appropriate credit against payments due under its repayment obligation for work performed by the District to correct these deficiencies. Certain other credits against the annual payments due from the District were also recognized and applied in the Repayment Settlement.

In 2011, the District applied a one-time prepayment of \$12,000,000 from the sale of NGS Surplus Power pursuant to the Repayment Settlement. This amount is in lieu of the last \$12,000,000 due of the noninterest bearing portion of the Repayment Obligation.

**Application of Basin Development Fund Revenues**

The Repayment Settlement provided that all net miscellaneous revenues and net power revenues accumulating in the BDF of the United States Treasury in each year will be credited annually against the amount due from the District on its repayment obligation.

**NOTE 3 OPERATIONS**

**Operations and Maintenance Agreement**

Reclamation has transferred responsibility for operation and maintenance of completed CAP features to the District. The District performs these responsibilities under the Master Repayment Agreement, an agreement with Reclamation for the operation and maintenance of the facilities (the OM&R Transfer Contract), and an Operating Agreement between Reclamation and the District that took effect as part of the Repayment Settlement.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 OPERATIONS (CONTINUED)**

**Water Delivery Contracts and Subcontracts**

Long-term CAP water service began pursuant to contracts and subcontracts on October 1, 1993, upon notice of completion of the water supply system. Originally, the term of the contracts and subcontracts was generally 50 years beginning January 1, 1994. The Settlements Act required the Secretary to offer to amend all CAP contracts and subcontracts to, among other things, change the term of the contracts and subcontracts from 50 years to permanent water service, with an initial delivery term of 100 years. Pursuant to the Settlements Act, the District offered 60 new subcontracts and all were executed. In addition, the United States has entered into long-term contracts with eleven Indian entities for the delivery of CAP water. The District is not a party to these contracts but is obligated to deliver CAP water to Indian contractors under the Master Repayment Agreement.

The non-Indian subcontracts require the payment of a water service capital charge and an OM&R charge. For Municipal and Industrial (M&I) subcontractors, the water service capital charge is applicable to each subcontractor's maximum annual entitlement to CAP water. Under the M&I water service subcontracts and current District pricing structure, the M&I water service capital charge is a variable charge based on the estimated amount required to make the federal repayment less amounts available from the BDF or property taxes. The water service capital charge will not be greater than necessary to amortize project capital costs allocated to the M&I function with interest. Indian contractors of CAP water pay no water service capital charge, since the capital costs associated with the delivery of CAP water to Indian entities are not reimbursable by the District pursuant to the Master Repayment Agreement.

The OM&R costs of the CAP are of two types: energy costs and fixed costs. Energy costs are incurred to pump water from the Colorado River through the CAP aqueduct system and fixed costs are the nonenergy costs associated with operation, maintenance, and replacement. The District completed a cost of service study to better define what components properly constitute fixed OM&R costs and how to allocate those costs among classes of CAP water users.

M&I subcontractors and Indian contractors must pay OM&R charges on water scheduled for delivery.

Indian tribes, or the United States on behalf of Indian tribes, pay the fixed OM&R charges and pumping energy charges associated with the delivery of CAP water to Indian tribes. Under the Settlements Act, the United States may use funds available in the BDF to pay Indian fixed OM&R charges. The United States pays all OM&R charges for water delivered to the Ak-Chin Indian Community pursuant to a 1984 settlement of that tribe's water rights claims. Disputes that existed with respect to the amounts of those charges and the proper method of calculating OM&R charges were resolved as part of the Repayment Settlement.



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**NOTE 3 OPERATIONS (CONTINUED)**

**Water Delivery Contract and Subcontracts (Continued)**

As an integral part of the Repayment Settlement, the District also offers a special pool of excess water to NIA water users pursuant to two-party contracts between the District and NIA water users. Those users pay pumping energy charges, but not fixed OM&R charges, for that water.

The District's Board of Directors uses the District's Long-Range Financial Plan (LRFP) to assist in setting rates for water service. In 2005, the Board of Directors adopted a two-year planning cycle. The Board revised the policy in 2010. As a result, water service charges are set every other year, including firm rates for the next year, provisional rates for the following year, and advisory rates for the subsequent four years. The provisional rates become firm the subsequent year unless updated by the Board prior to the commencement of the second year during the rate update process. The water service charges charged to M&I subcontractors and the United States on behalf of Indian contractors of CAP water service for 2020 were confirmed by the Board of Directors on June 6, 2019, at which time the Board also approved advisory rates for 2021 through 2024.

Details regarding water deliveries and charges are set forth in the unaudited tables appended to these financial statements as Statistical Section.

**POWER**

The Navajo Generating Station supplied the majority of power to CAP prior to 2020. It was taken out of service in mid-November 2019 and is no longer a method of power supply to CAP.

**Hoover Surcharge**

The Hoover Act also provided for the addition of a surcharge to the rates for energy sold in Arizona from the Boulder Canyon (Hoover) and Parker-Davis projects of 4.5 mills per kilowatt-hour. Revenues from the surcharge on Hoover power sales began in 1987 and revenues from Parker-Davis power sales began in 2005. Revenues from this surcharge are credited to the Basin Development Fund.

The District records these revenues as funds held by the federal government as of December 31 of each year and then applies them against the annual payment due from the District the following January 20. The application of these revenues against the annual payments due from the District under the Master Repayment Agreement is required by the Repayment Settlement.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 OPERATIONS (CONTINUED)**

**POWER (CONTINUED)**

**Market Purchases**

CAWCD has an agreement with an energy cooperative to handle trading, scheduling, imbalance and interchange services to fulfill the daily/short-term power purchasing needs. CAWCD has another agreement with a firm to handle the market forward purchases, most of which is accomplished via energy auctions.

**Long-Term Contracts**

In addition to Hoover Dam, CAWCD entered into 2 long-term power purchase agreements. The first is a 20-year agreement with a solar facility to provide energy from a 30 MW facility. The second is a 5-year agreement, beginning in January 2020, with SRP for 35 MW. These two agreements provided over 12% of the power required for pumping needs in 2020.

**MULTI-SPECIES CONSERVATION PROGRAM**

On March 3, 2005, the District's Board of Directors adopted a resolution authorizing participation in the Lower Colorado River Multi-Species Conservation Program (LCR MSCP) and approving related documents.

The LCR MSCP is a comprehensive program for the protection of 26 covered species and their habitat in the Lower Colorado River Basin, including six endangered and threatened species. The purpose of the LCR MSCP is to comply with the Endangered Species Act (Act) and thereby protect existing and future activities associated with water use and power production.

The LCR MSCP is intended to satisfy the requirements of Section 7 of the Act for the federal agencies involved and the requirements for issuance of a Section 10 permit to the non-federal participants for the non-federal activities covered by the program.

The covered Arizona activities include on-going diversions of Colorado River water by users such as the CAP, future diversions, including transfers of Colorado River entitlements and changes in the points of diversion of up to 200,000 acre-feet per year, and on-going and future use of hydropower from Hoover, Parker and Davis Dams. The Section 10 permit issued to Arizona participants, including the District, authorizes the "incidental taking" of covered species during the course of carrying out covered activities.

The total costs of the program are approximately \$626,000,000, in 2003 dollars, over the 50-year period of the program and the permit (adjusted for inflation over the fifty years this amount is estimated to be \$1,209,055,000). The federal government will bear 50% of this cost. The Lower Basin States of Arizona, California and Nevada will bear the other 50%. Of the share allocated to the States, Arizona will bear 25%, or approximately \$78 million. The payments due each fiscal year will be indexed for inflation on an annual basis. The District's cost associated with the program was \$3,998,000 in 2020.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 OPERATIONS (CONTINUED)**

**MULTI-SPECIES CONSERVATION PROGRAM (CONTINUED)**

The Arizona participants in the program include 26 entities that are agencies that have been actively involved in developing the program since its inception or are water or power users that want the protection of the Section 10 permit. The documents include: an Implementing Agreement among state and federal participants; a Funding and Management Agreement among state and federal participants; a Trust Indenture and Joint Payment Agreement from Arizona participants to a trustee; and a Permit issued by the United States Fish and Wildlife Service.

The Implementing Agreement essentially defines the relationship of the parties to the Fish and Wildlife Service with respect to the LCR MSCP. The Funding and Management Agreement defines the obligations of the state parties and Reclamation with respect to payment of LCR MSCP costs. The Trust Indenture and Joint Payment Agreement from Arizona participants to a trustee defines the relationship of the Arizona parties with respect to payment of Arizona's share of LCR MSCP costs. The Permit issued by the United States Fish and Wildlife Service is the document that gives the state parties the right to "take" species during the course of carrying out otherwise lawful activities such as water diversion and power use.

The Funding and Management Agreement allowed Arizona to pay less than 25% of the States' costs during the first ten years, in return for agreeing to make up the difference between what it pays in the early years and 25% over the next 20 years, with an inflation adjustment at the agreed rate. The District has agreed to underwrite payment of Arizona's share of LCR MSCP costs. The District may elect to pay the full 25% at any time.

Under the Trust Indenture and Joint Payment Agreement, water and power users named in the Permit are required to share in paying Arizona's share of MSCP costs. Pre-1968 and post-1968 water users (including the District) paid 25 cents per acre-foot of consumptive use of Colorado River water during the first ten years of the program; pre-1968 water users pay 50 cents per acre-foot thereafter and post-1968 water users (including the District) pay \$1.00 per acre-foot thereafter. These amounts are in 2003 dollars, and are to be escalated by a specified inflation index. Power users in Arizona will pay 12.5% of Arizona's costs. The District will have the obligation under the Trust Indenture and Joint Payment Agreement to pay any portion of the Arizona obligation that is not covered by the payments made by other Arizona participants. No party will have any right to enforce the obligation to pay other than through requesting that the Fish and Wildlife Service suspend or revoke the Permit as to any party that fails to pay its share.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 OPERATIONS (CONTINUED)**

**CENTRAL ARIZONA GROUNDWATER CONSERVATION DISTRICT (CAGR)**

CAGR is operating under the 2015 Plan of Operation. The Plan, which was developed through a lengthy stakeholder process, was submitted to the Arizona Department of Water Resources (ADWR) on December 29, 2014. On August 15, 2015, the ADWR Director found the Plan to be consistent with the management goals of the Phoenix, Pinal and Tucson AMAs and subsequently approved the Plan. Statutes require CAGR to prepare and submit a new plan to ADWR every ten years. The 2015 Plan is effective through December 31, 2024.

CAGR was established with the requirement that all of the costs of CAGR be paid by its members. CAGR has three primary sources of revenues: annual replenishment assessments, up-front fees and membership dues. In addition, CAGR accrues interest on the reserves established by these sources. CAGR rates go into effect following the Board approval at its June Board meeting.

Annual replenishment assessments are collected from CAGR members based on the volume of excess groundwater they used in the previous year. CAGR's assessment rates are established by the individual AMA and consist of the following four components: (a) water and replenishment; (b) administrative; (c) infrastructure and water rights; and (d) replenishment reserve. Each assessment component is specifically assigned to cover costs incurred by CAGR.

CAGR has ongoing operating expenses and costs related to administration, planning, membership enrollment, water supply acquisition, annual reporting and satisfaction of annual replenishment obligation. The largest expenses incurred by CAGR result from purchasing and recharging water to meet existing obligation and acquisition of water rights to ensure satisfaction of future replenishment obligation.

**NOTE 4 TAXING AUTHORITY**

The District has the authority to levy two limited ad valorem taxes against all taxable property within its three county boundaries. The first ad valorem tax, which may not exceed 10 cents per \$100 of assessed valuation, is for the District's operations and payment of the District's repayment obligation to the United States. The second ad valorem tax, which may not exceed 4 cents per \$100 of assessed valuation, is for support of M&I firming through the Arizona Water Bank Authority to the extent that it is not required for the District's operations or payment of the repayment obligation.

The ad valorem property tax is levied against all taxable property in the District. Prior to 2015 property taxes were based on Full Cash Value (FCV). Starting in 2015, the property taxes are based on Primary (Limited) Assessed Value (LPV).

Tax Year	General Tax Rate	Water Storage Tax Rate	Period Collected
2019	\$ 0.10	\$ 0.04	October 1, 2019 to September 30, 2020
2020	\$ 0.10	\$ 0.04	October 1, 2020 to September 30, 2021

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
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**NOTE 4 TAXING AUTHORITY (CONTINUED)**

The property taxes due to the District are billed, along with State, County and other property taxes, in September of each year and are payable in two installments, October and March. The delinquent tax dates are November 1 and May 1 and delinquent taxes are subject to a penalty of 16% per annum unless the full year tax is paid by December 31. At the close of the tax collection period, the County Treasurer prepares a delinquent property tax list and the property so listed is advertised for sale in February of the succeeding year. In the event that there is no purchaser for the property at the tax sale, the title to such property is vested in the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent and current taxes.

Additional information concerning the full cash value and assessed value of property within the District's service area, tax levies, and tax collections appears in the Other District Information section.

**NOTE 5 CASH AND INVESTMENTS**

**Cash and Deposits**

The CAWCD and Captive accounts are on demand deposits at Bank of America and First Hawaiian Bank, respectively. As of December 31, 2020, the District reported \$19,605,000 in cash on its general ledger with bank balances of \$19,539,000 and a nonnegotiable certificate of deposit totaling \$2,395,000. The District's cash balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Pursuant to Arizona Revised Statutes (A.R.S.), Title 35, Chapter 10, all uninsured deposits of the CAWCD are collateralized as part of the Arizona Statewide Collateral Pool Program as administered by the Arizona Office of the Treasurer. All securities pledged are held in book-entry form and held at the Federal Reserve Bank.

**Investments**

As a multi-county water conservation district, the District's Enabling Act prescribes that the Arizona State Treasurer holds the District's investments, including the restricted assets in Note 7. The District had money in CAWCD Long-Term Pool 12 and LGIP-Pool 5 (Local Government Investment Pool). The District follows the Arizona State Treasury Investment Policy Statement. The target duration of the CAWCD Long-Term Pool 12 is 4.5 years. Securities, at time of purchase, will carry, as a minimum, an A or better rating (or equivalent) by any Nationally Recognized Statistical Rating Organization (NRSRO). Eligible securities include U.S. Treasury, U.S. agency, corporate notes, MBS/ABS, and money market instruments with a minimum of the top two ratings by any NRSRO or funds qualified in section IV (10) of the Arizona State Treasury Investment Policy Statement that invests in those assets. No state agency or general fund participation is allowed in this pool. CAWCD owns the securities in this pool (as opposed to shares).

The LGIP-Pool 5 is a pool used for liquid cash equivalent needs. The final maturity of any fixed-rate security shall not exceed 18 months from the settlement date of the purchase. The final maturity of any variable rate security shall not exceed two years. The dollar weighted average portfolio maturity shall not exceed 90 days.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
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**NOTE 5 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

The investment pools themselves are not required to register (and are not registered) with the Securities and Exchange Commission under the 1940 Investments Advisors Act. The activity and performance of the pools are reviewed monthly by the State Board of Investment in accordance with A.R.S. §35 311. However, the State Treasurer's Office only invests in SEC-registered investment company shares that have readily available share prices. The Master Custody Services for the Office of the Arizona State Treasurer is State Street Bank & Trust Company. The fair value of the District's position in the pool shares is the same as the value of the pool shares. Fair values of investments are determined using State Street Bank & Trust Company prices. State Street obtains security prices from independent, industry recognized data vendors who provide values that are either exchange based or matrix based. Matrix based pricing is the process of determining the price of a nonbenchmark security by adding (subtracting) a spread in basis points to the yield of a comparable benchmark that is actively priced. Equities are priced utilizing the primary exchange closing price. In the absence of a closing price, the bid price will be utilized.

The bid price is the price a buyer is willing to pay for a security. If no pricing source is available, the cost price or the last available price from any source will be utilized. All bonds are priced using an evaluated bid price, the closing trade/bid price or the most recent mid/bid price, except securities with a remaining maturity of 90 days or less are priced at amortized cost (amortizing premium/accreting discount on a straight-line to maturity method). The evaluated bid is based on a compilation of primary observable market information or a broker quote in a nonactive market. The mid/bid price is the midpoint between the best bid and offer. If no pricing source is available, the cost or the last available price from any source will be utilized.

The District's portion of pooled investments (current, noncurrent, and restricted assets, excluding \$2,250,000 of restricted cash) as of December 31, 2020 consisted of the following (stated at fair value):

	<i>(In Thousands)</i>
Local Government Investment Pool 5	\$ 114,699
Local Government Investment CAWCD Pool 12	487,481
BBVA Bank	4,089
Zions Bank	6,304
Total	<u>\$ 612,573</u>

Pool 5 is rated by Standard & Poor's Rating Service. The rating at December 31, 2020 was AAf/S1+. According to S&P Global Ratings, a 'AAf' rated fund's portfolio exposure is extremely strong, and a 'S1+' rated fund exhibits very low volatility of monthly returns. Pool 12 and other investment balances are not rated by a nationally recognized statistical rating organization. The District does not have a credit risk policy for its pooled investments.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The District does not have an interest rate risk policy for its pooled investments.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
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**NOTE 5 CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk (Continued)**

At December 31, 2020, the interest rate risks of the two pools in the aggregate are:

	Fair Value	Weighted- Average Maturity (Years)
	<i>(In Thousands)</i>	
Local Government Investment Pool 5	\$ 114,699	0.15
CAWCD Long-Term Pool 12	487,481	8.31
Money Market Funds	10,393	0.00
Total	<u>\$ 612,573</u>	<u>8.46</u>

The Board of Directors has designated end of year strategic reserve targets that are invested in Pool 12 investments. As of December 31, 2020, the reserves targets are as follows: capital reserves of \$70,000,000, contingency reserves of \$8,000,000 and operating reserves of \$75,000,000. The reserves are currently at their targets.

**NOTE 6 WATER INVENTORY**

The District maintains several types of water inventory (see Note 1).

**Lake Inventory**

Lake inventory is valued at the actual energy cost that was used to store water in the lake. The District's share of Lake Pleasant storage as of December 31, 2020 was 502,221 acre-feet valued at \$25,662,305. Typically Lake Roosevelt has an inventory balance, but through mutual agreement ended the year with an amount owed to Salt River Project of 9 acre-feet with a cost of \$45/acre-foot.

**Replenishment Reserve Long Term Storage Credits (LTSC)**

The District, through the CAGRDR, is statutorily required to establish a Replenishment Reserve. The purpose of the Replenishment Reserve is to help ensure that CAGRDR is capable of meeting its replenishment obligation and to enhance rate stability in times of water supply shortage or infrastructure failure. CAGRDR can use LTSC from the Replenishment Reserve to offset its annual replenishment obligation, rather than acquiring spot-market water supplies, which may be more expensive during shortage or outage conditions. The Reserve Target, calculated for each Active Management Area (AMA), is based on that specific AMA's projected obligation from the current CAGRDR Plan of Operation. CAGRDR has purchased some of the LTSC from CAWCD that were stored in previous years. The CAWCD credits do not have an inventory valuation. The balance of the Replenishment Reserve inventory as of December 31, 2020 is:

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**NOTE 6 WATER INVENTORY (CONTINUED)**

**Replenishment Reserve Long Term Storage Credits (LTSC) (Continued)**

	<u>Acre-Feet</u>	<u>Inventory Value</u> <i>(In Thousands)</i>
Phoenix AMA		
External purchases	125,300	\$ 12,822
CAWCD purchases	104,162	-
Tucson AMA		
External purchases	35,672	3,955
CAWCD purchases	3,988	-
Pinal AMA		
CAWCD purchases	5,383	-
Total	<u>274,505</u>	<u>\$ 16,777</u>

**Infrastructure & Water Rights Inventory (I&WR)**

CAGR D has acquired LTSC from outside organizations through CAGR D I&WR funds. These LTSC are recorded at cost using average cost valuation method. The credits are available to be utilized to fulfill obligations or be transferred to the Replenishment Reserve. In 2020, CAGR D and the Gila River Indian Community entered into a 25-year agreement to exchange 15,000 AF per year of Pinal LTSC for Phoenix LTSC. The parties also entered into a 25-year agreement to lease CAGR D 18,185 AF/year of the Gila River Indian Community NIA priority water. The balance of the I&WR LTSC inventory as of December 31, 2020 is:

	<u>Acre-Feet</u>	<u>Inventory Value</u> <i>(In Thousands)</i>
Phoenix AMA	372,705	\$ 83,576
Tucson AMA	139,976	24,900
Pinal AMA	360,000	64,800
Total	<u>872,681</u>	<u>\$ 173,276</u>

**CAWCD LTSC Inventory**

The District has internally created LTSC of 548,149 acre-feet as of December 31, 2020. These credits do not have an inventory valuation and are dedicated to CAGR D for its Replenishment Obligation and Replenishment Reserve.



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**NOTE 7 RESTRICTED ASSETS**

Restricted assets consist of the following at December 31, 2020:

	<i>(In Thousands)</i>
Master Repayment Agreement Repayment Reserves	\$ 58,388
Bond Trust Account	6,304
Restricted Power Agreement	187
Supplemental Water Account	9,112
CAGRD Account	20,582
Captive Insurance Company	2,250
Total	<u>\$ 96,823</u>

**Master Repayment and Operating Reserves**

The District is required under the terms of the Master Repayment Agreement to establish and fund over a ten-year period (1) an operations and maintenance reserve fund of \$4,000,000 for extraordinary costs of operations, maintenance and replacement of project works (interest must remain in the account), and (2) a repayment reserve fund of \$40,000,000 for the purpose of assuring payments of future obligations.

At December 31, 2020, the fair value of the operations and maintenance and repayment reserves totaled \$6,640,000, and \$40,000,000, respectively. See the cash and investments footnote (Note 5) for risk disclosures as of December 31, 2020 related to investments held by the Arizona State Treasurer.

The District redeemed its Series B bonds on November 1, 2007 and the Series A bonds were defeased in 2010. Per the Revised Stipulation Agreement, revenues from the Capacity Charge not necessary to pay debt service, costs, or rebate obligations associated with outstanding bonds or to fund reserves may be paid, at the District's option and in lieu of payment to Reclamation for deposit to the BDF, to CAWCD to be used by CAWCD solely to establish a reserve to cover the costs associated with major repair or replacement of CAP features.

At December 31, 2020, the fair value of the major repair and replacement reserve totaled \$11,748,000. See cash and investments (Note 5) for risk disclosures as of December 31, 2020 related to investments held by the Arizona State Treasurer.

**Restricted Power Agreement**

In 2018, a restricted asset was established for power agreements. Under the Power Purchase Agreement, a deposit is required for payment of liquidated damages prior to the start of construction of a solar power site. The initial deposit in 2018 was \$187,000. At December 31, 2020 the balance in the restricted power agreement account was \$187,000.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 RESTRICTED ASSETS (CONTINUED)**

**Bond Trust Accounts**

Revenue bonds were issued by the District in 2016 to finance capital improvement project expenditures on transmission projects. The bond trust accounts include the project fund, the debt service funds and a reserve fund. Bond trust accounts held by the trustee may be invested in direct obligations of, or obligations guaranteed by the U.S. government, certificates of deposit, or obligations of this State, all subject to meeting certain ratings by national agencies. The trustee holds the investments in trust for the District and the bondholders pursuant to the trust agreement. The District is required under the terms of the bond indenture to maintain a debt service reserve of \$3,625,000.

As of December 31, 2020, the fair value of the bond project fund was \$0 the debt service funds were \$2,666,000 and the debt service reserve fund was \$3,638,000.

**Supplemental Water Account**

In August 1985, the District's Board of Directors approved participation in an account established pursuant to legislation enacted by the Congress of the United States for the acquisition or conservation of water to supplement CAP water supplies (Supplemental Water account). The District and the United States government each have contributed \$1,000,000 to this account, which is administered by the District.

The District, acting as administrator of the account, is empowered to direct the expenditure of the trust funds in accordance with the provisions of a trust agreement between the District and the Arizona State Treasurer.

In November 2004, the Supplemental Water account was transferred from the LGIP to the CAWCD Long Term Pool, which invests primarily in U.S. Treasury, agency, corporate notes, mortgage backed securities/asset backed securities, and money market instruments with a minimum rating of A1/P1 and has a target duration of four to five years. See the cash and investments footnote (see Note 5) for the disclosures as of December 31, 2020 related to investments held by the Arizona State Treasurer.

**CAGRD Account**

The District is required by state statute to use replenishment reserve charges and fees within each active management area together with all interest earned on these charges and fees to store water in the active management area in advance of groundwater replenishment obligations for the purpose of developing long-term storage credits. See the cash and investments footnote (Note 5) for risk disclosures as of December 31, 2020 related to investments held by the Arizona State Treasurer.

**Captive Insurance Company**

The Hawaii Insurance Division has established certain minimum capital and surplus requirements for the Captive which are required to be maintained at all times. In 2011, the required reserve increased to \$2,250,000 due to the additional medical insurance benefits and claims that were handled by the Captive since 2012. As of December 31, 2020, the Captive was in compliance with the minimum capital and surplus requirements of the State of Hawaii.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**NOTE 8    AGRICULTURAL WATER RIGHTS**

During 2007, as a result of the Arizona Water Settlement (Note 2), the District obtained agricultural water rights to be reallocated. In exchange for these water rights the District assumed payment of the Non-Indian Agricultural 9(d) debt (See Note 14).

The agricultural water rights are recorded at cost of the 9(d) debt and are anticipated to be partially reallocated beginning in 2021. The Arizona Department of Water Resources made a recommendation to the Bureau of Reclamation for reallocation of 46,629 acre-feet and the Bureau of Reclamation published the notice in the federal register. The next step is the contracting phase, which is anticipated to take place in 2021, making deliveries available in 2022. Upon allocation, recipients will pay a back capital charge, which goes toward the federal repayment, and a 9(d) debt charge, which will be deposited into a fund to make the 9(d) debt payments beginning in 2026.

**NOTE 9    CAPITAL ASSETS**

The District reports investment in capital assets in two separate categories. The first category includes those capital assets that are operational in nature and are more common types of capital assets. The second is the permanent service right (described below) which is reported separately due to the significance of the asset. It is an asset unique to federally funded projects that are subsequently turned over to special municipal operating districts. This separation provides readers of the District's financials key relevant information.

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**NOTE 9 CAPITAL ASSETS (CONTINUED)**

The following table represents the changes in operating capital assets for the year ended December 31, 2020:

	December 31, 2019 Balances	Increases	Decreases	December 31, 2020 Balances
		<i>(In Thousands)</i>		
Operating Assets not Depreciated:				
Land	\$ 3,198	\$ -	\$ -	\$ 3,198
Intangibles	3,930	-	-	3,930
Work-in-Process	16,657	29,290	(24,535)	21,412
Operating Assets being Depreciated:				
Land Improvements	9,776	63	-	9,839
Intangibles-Software	4,032	62	-	4,094
Intangibles-Water Rights	31,071	-	-	31,071
Structures and Improvements	218,153	4,082	-	222,235
Equipment	228,712	24,081	(372)	252,421
Total Operating Assets	<u>515,529</u>	<u>57,578</u>	<u>(24,907)</u>	<u>548,200</u>
Less Accumulated Depreciation for:				
Land Improvements	(3,198)	(646)	-	(3,844)
Intangibles-Software	(2,432)	(610)	-	(3,042)
Intangibles-Water Rights	(4,323)	(560)	-	(4,883)
Structures and Improvements	(82,228)	(10,155)	-	(92,383)
Equipment	(127,467)	(13,081)	358	(140,190)
Total Accumulated Depreciation	<u>(219,648)</u>	<u>(25,052)</u>	<u>358</u>	<u>(244,342)</u>
Operating Assets, Net	<u>\$ 295,881</u>	<u>\$ 32,526</u>	<u>\$ (24,549)</u>	<u>\$ 303,858</u>

Intangible assets consist of nondepreciable and depreciable assets. Non-depreciable assets are perpetual water rights and depreciable assets are water rights with an ending term date along with software.

**Realized Insurance Recovery**

The District realized \$1,596,739 in Other Non-Operating Revenue and an offset of \$82,743 to Operating Expenses for the reimbursement of covered losses associated with the Mark Wilmer Pumping Plant Unit 6 failure. Zurich American Insurance paid \$1,679,482 as final reimbursement for the loss.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**NOTE 9 CAPITAL ASSETS (CONTINUED)**

**Permanent Service Right**

The District's interest in the CAP represents a permanent service right pursuant to the Master Repayment Agreement and Repayment Settlement. The permanent service right represents the District's right to use the CAP water delivery system for the purpose of fulfilling its responsibility of delivering water as provided in the Master Repayment Agreement and to collect revenues produced by the CAP. The District has used the repayment obligation specified in the Repayment Settlement, plus certain advances to the federal government and other adjustments, in recording the permanent service right. The cost of the permanent service right may be adjusted in the future as a result of determinations to be made as a consequence of the Repayment Settlement.

Although the District's interest in the CAP is reflected in the accompanying statements of net position, the United States retains a paramount right or claim in the CAP arising from the original construction and operation of the CAP as a Federal Reclamation Project. The District's right to the possession and use of, and to all revenues produced by the CAP, is evidenced by the Master Repayment Agreement, various laws and other agreements with the United States. Legal title to the CAP will remain with the United States until otherwise provided by Congress.

The District amortizes/depreciates the permanent service right on the straight-line method over the original estimated useful lives of the major components of the CAP; generally 100 years for the aqueduct, 50 years for buildings and structures and 20 years for the pumping plant equipment.

The following table represents the changes in the permanent service right for the year ended December 31, 2020:

	December 31, 2019 Balances	Increases	Decreases	December 31, 2020 Balances
		<i>(In Thousands)</i>		
Permanent Service Right	\$ 1,789,627	\$ -	\$ -	\$ 1,789,627
Less Accumulated Amortization/ Depreciation				
Permanent Service Right	(723,791)	(23,001)	-	(746,792)
Permanent Service Right Asset, Net	<u>\$ 1,065,836</u>	<u>\$ (23,001)</u>	<u>\$ -</u>	<u>\$ 1,042,835</u>

The cost of periodic maintenance is charged to operations expense and the cost of major replacements is capitalized.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 10 DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows consist of the following:

	<i>(In Thousands)</i>
Deferred Outflows ASRS Pension	\$ 11,830
Deferred Outflows OPEB	<u>6,336</u>
Total	<u><u>\$ 18,166</u></u>

With the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, an additional line item was created, Deferred Outflows ASRS Pension. See Note 17 for further explanation.

With the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, an additional line item was created, Deferred Outflows OPEB. See Note 19, for further explanation.

**NOTE 11 ASSET RETIREMENT OBLIGATION**

The District is responsible for a minority share of the decommissioning costs of NGS and the related Kayenta mine and has recorded the obligation in accordance with GASBS 83 – *Certain Asset Retirement Obligations*.

In early 2017, the NGS owners indicated that it was not economically feasible to operate the coal-fired plant past 2019 and the plant ceased operation in November 2019. The asset retirement obligation primarily relates to final plant decommissioning and costs related to the closure of the mine.

The District's proportionate share of the remaining decommissioning cost is \$52.5 million as of December 31, 2020, of which \$15.9 million is due within one year. This represents 24.3% of the remaining total decommissioning costs.

The CAWCD Board established a committed reserve for the asset retirement obligation with a balance of \$52.5 million as of December 31, 2020.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 ASSET RETIREMENT OBLIGATION (CONTINUED)**

The following schedule shows the change in the District's asset retirement obligations during the year ended December 31, 2020:

	<i>(In Thousands)</i>
Balance - January 1	\$ 78,847
Decommission Payments	<u>(26,330)</u>
Balance - December 31	52,517
Less Amounts Due Within One Year	<u>(15,972)</u>
Asset Retirement Obligation, Due After One Year	<u><u>\$ 36,545</u></u>

**NOTE 12 BONDS PAYABLE**

Bonds payable consist of the following:

Water Delivery O&M Revenue Bonds, Series 2016 (2016 Bonds)

Original maturity amount of \$45,460,000, due in varying amounts through 2036; interest rates vary among individual maturities ranging from 2.00% to 5.00%.	<i>(In Thousands)</i> \$ 45,460
Original Issue Premium (OIP)	<u>8,848</u>
Total Issuance	54,308
Less Principal Payments	(6,060)
Less Premium Amortization	<u>(3,951)</u>
Balance Series 2016 as of December 31, 2020	44,297
Less Bonds Payable, Due Within One Year	<u>(1,725)</u>
Bonds Payable, Due After One Year	<u><u>\$ 42,572</u></u>

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 BONDS PAYABLE (CONTINUED)**

**Payments to Maturity-Bonds**

The required annual payments for debt service are as follows:

	Principal	Interest <i>(In Thousands)</i>	Total
<u>Year Ending December 31,</u>			
2021	\$ 1,725	\$ 1,881	\$ 3,606
2022	1,760	1,819	3,579
2023	1,845	1,729	3,574
2024	1,940	1,635	3,575
2025	2,035	1,545	3,580
2026 - 2030	11,705	6,117	17,822
2031 - 2035	14,940	2,803	17,743
2036	3,450	86	3,536
Total	<u>\$ 39,400</u>	<u>\$ 17,615</u>	<u>\$ 57,015</u>

Water Delivery O&M Revenue Bonds Series 2016 are secured by a pledge of revenues. The bonds are secured by revenues derived by the District from the Fixed O&M charges and capital replacement charges ("Big R" charges) to the extent attributable to the debt service on the bonds. Pledged Revenues do not include any income or moneys derived from taxes or assessments authorized by the Act, Power Revenues, "Big R" charges other than Bond Replacement charges, Rate Stabilization charges or the proceeds or investment income of any bonds of the District, other than the Bonds and Parity Obligations.

The Water Delivery O&M Revenue Bonds Series 2016 are subject to optional redemption prior to maturity. The Bonds maturing prior to January 1, 2027 will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after January 1, 2027 will be subject to call for redemption prior to maturity, at the option of the District, in whole or in part, on January 1, 2026 or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

Changes in bonds payable during the year ended December 31, 2020 are summarized below:

	December 31, 2019 Balance	Additions	Reductions <i>(In Thousands)</i>	December 31, 2020 Balance	Amount Due Within One Year
2016 Bonds	\$ 41,045	\$ -	\$ (1,645)	\$ 39,400	\$ 1,725
Bond Premium	5,593	-	(696)	4,897	-
Bonds Payable	<u>\$ 46,638</u>	<u>\$ -</u>	<u>\$ (2,341)</u>	<u>\$ 44,297</u>	<u>\$ 1,725</u>



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 BONDS PAYABLE (CONTINUED)**

**Payments to Maturity-Bonds (Continued)**

Water Acquisition Revenue Bonds, Series 2019 (2019 Bonds)

Original maturity amount of \$20,000,000, due through 2025, with an interest rate of 2.45%.	<i>(In Thousands)</i> \$ 20,000
Less Principal Payments	<u>(1,520)</u>
Balance Series 2019 as of December 31, 2020	18,480
Less Bonds Payable, Due Within One Year	<u>(3,520)</u>
Bonds Payable, Due After One Year	<u><u>\$ 14,960</u></u>

The required annual payments for debt service are as follows:

	Principal	Interest	Total
	<i>(In Thousands)</i>		
<u>Year Ending December 31,</u>			
2021	\$ 3,520	\$ 410	\$ 3,930
2022	3,605	322	3,927
2023	3,695	233	3,928
2024	3,785	141	3,926
2025	3,875	47	3,922
Total	<u><u>\$ 18,480</u></u>	<u><u>\$ 1,153</u></u>	<u><u>\$ 19,633</u></u>

Water Acquisition Revenue Bonds Series 2019, which are Private Placement Bonds, are secured by a pledge of revenues. The bonds are payable solely from CAGR infrastructure and water rights revenues comprised of enrollment fees, activation fees, the infrastructure on water rights component, and annual membership dues. Pledged Revenues do not include any income or moneys derived from taxes or assessments authorized by the Act, Power Revenues, District Operating and Maintenance Revenue, Water Delivery Charges, Replacement Charges other than that portion of the Replacement Charges attributable to debt service for the bonds, or the proceeds or investment income of any bonds of the District, other than the Bonds.

The Water Acquisition Revenue Bonds Series 2019 are subject to optional redemption prior to maturity. The Bonds will be subject to call for redemption prior to maturity, at the option of the District, in whole or in part, on July 1, 2022 or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption plus accrued interest to the date fixed for redemption, but without premium.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 12 BONDS PAYABLE (CONTINUED)**

**Payments to Maturity-Bonds (Continued)**

Changes in bonds payable during the year ended December 31, 2020 are summarized below:

	December 31, 2019 Balance	Additions	Reductions	December 31, 2020 Balance	Amount Due Within One Year
	<i>(In Thousands)</i>				
Bonds Payable	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (1,520)</u>	<u>\$ 18,480</u>	<u>\$ 3,520</u>

**NOTE 13 REPAYMENT OBLIGATION**

**Payments to Maturity**

The required annual payments under the Repayment Settlement on the repayment obligation, described in Note 2, are as follows:

	Principal	Interest	Total
	<i>(In Thousands)</i>		
<u>Year Ending December 31,</u>			
2021	\$ 32,929	\$ 20,101	\$ 53,030
2022	40,457	19,021	59,478
2023	40,457	17,689	58,146
2024	40,457	16,357	56,814
2025	42,808	15,025	57,833
2026-2030	216,548	53,848	270,396
2031-2035	221,878	17,709	239,587
2036-2040	222,272	354	222,626
2041-2045	153,115	-	153,115
Total	<u>\$ 1,010,921</u>	<u>\$ 160,104</u>	<u>\$ 1,171,025</u>

**Amounts Recorded in Financial Statements**

December 31, 2019 Balance	Additions	Reductions	December 31, 2020 Balance	Amount Due Within One Year
		<i>(In Thousands)</i>		
\$ 1,043,850	\$ -	\$ (32,929)	\$ 1,010,921	\$ 32,929

The repayment obligation and amounts due on that obligation reported in these financial statements reflect the terms of the Repayment Settlement.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**NOTE 14 NON-INDIAN AGRICULTURAL 9(d) DEBT**

During 2007, and as the result of the Arizona Water Settlement Act (see Note 2), long-term entitlements to CAP Non-Indian Agricultural (NIA) water were relinquished by CAP NIA subcontractors. Those rights will be reallocated to municipal and industrial (M&I) users (see Note 8). In exchange for relinquishing their rights, the NIA subcontractors were relieved of future payments due to the federal government known as NIA 9(d) debt. CAWCD became responsible for the 9(d) debt payments related to the Agricultural Water Rights that are held for M&I reallocation. Upon reallocation, the District will collect 9(d) charges from those M&I users sufficient to repay the District's costs in facilitating the relinquishment of the agricultural water rights.

The required annual payments related to the Non-Indian Agricultural 9(d) debt obligation are as follows:

	Principal	Interest (In Thousands)	Total
<u>Year Ending December 31,</u>			
2021-2026	\$ 2,718	\$ -	\$ 2,718
2027-2031	28,291	-	28,291
2032-2036	25,600	-	25,600
2037-2041	19,746	-	19,746
2042-2046	10,851	-	10,851
2047	1,513	-	1,513
Total	<u>\$ 88,719</u>	<u>\$ -</u>	<u>\$ 88,719</u>

**NOTE 15 OTHER NONCURRENT LIABILITIES**

Other noncurrent liabilities consist of the following:

	(In Thousands)
Retirees Health Insurance (Note 19)	\$ 21,455
Net Pension Liability (Note 17)	82,431
Recovery Liability	2,000
Power Agreement Liability	187
Total	<u>\$ 106,073</u>

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 15 OTHER NONCURRENT LIABILITIES (CONTINUED)**

**UNDERGROUND WATER STORAGE AND RECOVERY**

The Arizona Water Banking Authority (AWBA) and Southern Nevada Water Authority (SNWA) previously entered into agreements under which AWBA agreed to store 1,250,000 acre-feet of water within Arizona for the benefit of SNWA. Through 2012, 646,199 acre-feet of water had been stored under this agreement on behalf of SNWA. The parties signed an amended agreement in 2013, eliminating AWBA's obligation to store any water beyond the amount already stored. Additional water may be stored in future years if SNWA and AWBA both agree. During 2018, AWBA stored an additional 13,500 acre-feet on behalf of SNWA, bringing the total stored for SNWA to 659,699 acre-feet. AWBA creates long term storage credits (LTSC) from the deliveries, less a cut to the aquifer. Currently, AWBA has 613,846 acre-feet of LTSC designated for SNWA. When SNWA calls on the stored water, the District, as the recovery agent for AWBA, will recover stored water and forbear diversion of an equivalent volume of Colorado River water.

**NOTE 16 DEFERRED INFLOWS OF RESOURCES**

Deferred inflows consist of the following:

	<i>(In Thousands)</i>
Customer Deposits - Water	\$ 2,064
Customer Deposits - Rate Stabilization	23,385
Customer Deposits - Voluntary Rate Stabilization	7,181
Customer Deposits - Programs	19,449
Deferred Inflows ASRS Pension	2,694
Deferred Inflows OPEB	7,713
Total	<u><u>\$ 62,486</u></u>

In 2003, the Bureau of Reclamation prepaid the District for 31,270 acre-feet of water to be delivered to Maricopa County Municipal Water District (MWD) at a future date no later than December 31, 2034. The water is owed to MWD for construction activities relating to New Waddell Dam, and MWD has the discretion to determine when to receive the water. The water is priced at 2003 rates (\$2,064,000) and the interest earned on the prepayment is available to the District to offset the future cost of delivering the water to MWD.

Starting in 2012, the District began collecting a portion of the water delivery rate that is dedicated to a potential future water shortage. This portion of the rate has been deposited into a separate state treasurer account for rate stabilization and has the corresponding Customer Deposits – Rate Stabilization liability. The Board set a target of approximately \$30 million for this reserve and the reserve has reached that target. The fund will continue to earn interest until the reserve is used to assist customers.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
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**NOTE 16 DEFERRED INFLOWS OF RESOURCES (CONTINUED)**

After the 2014 Rate Reconciliation was completed, there was approximately \$10.5 million more collected from the published 2014 water delivery rates than the reconciled actual costs due to lower than budgeted energy costs. A customer workshop was held to discuss the interest in a voluntary one-year supplemental shortage program to help mitigate immediate rate impacts and allow them to be phased in over a longer time. Twenty-six of the thirty-four M&I and federal customers that responded opted-in to the program. A separate state treasurer account was established and interest will remain in the account until such time the funds are withdrawn.

In 2020, the Gila River Indian Community (GRIC) created 83,000 acre-feet of Intentionally Created Surplus (ICS) at \$99/af for a total deposit of \$8,217,000. Including 2019 activity, GRIC currently has a total of 200,000 acre-feet of ICS at a deposit total of \$19,449,000. The deposits are for the CAP Fixed OM&R charge when the ICS credits are consumed. The GRIC will only pay the energy rate at that time.

**NOTE 17 PENSION PLANS**

The District contributes to the Arizona State Retirement System plan described below. The plan is a component unit of the State of Arizona. At December 31, 2020, the District reported the following aggregate amounts related to the pension plan to which it contributes:

Statements of Net Position and Statements of Activities	Business Type Activities <i>(In Thousands)</i>
Net Pension Liability	\$ 82,431
Deferred Outflows of Resources	11,830
Deferred Inflows of Resources	2,694
Pension Expense	7,909

*(includes 401k savings plan ER contributions - See Note 18)*

**Arizona State Retirement System**

**Plan Descriptions** – District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB) plan; and a cost-sharing, multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report may be obtained by writing to the Arizona State Retirement System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or 1-800-621-3778. The report is also available on its website at [www.azasrs.gov](http://www.azasrs.gov).

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
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**NOTE 17 PENSION PLANS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Benefits Provided** – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date	
	Before 1-Jul-11	On or After 1-Jul-11
Years of Service and Age Required to Receive Benefit	Sum of Years and Age Equals 80 10 Years Age 62 Any Years Age 65	30 Years Age 55 25 Years Age 60 10 Years Age 62 Any Years Age 65
Final Average Salary is Based on	Highest Consecutive 36 Months of the Last 120 Months	Highest Consecutive 60 Months of the Last 120 Months
Benefit Percentage per Year of Service	2.1% to 2.3%	2.1% to 2.3%

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

The District's financial statements present an OPEB liability as it relates to the District's single-employer defined benefit plan (see Note 19). The ASRS health insurance premium benefit plan and long-term disability plan balances are not significant to the District's financial statements and are therefore omitted in this note and the basic financial statements.

**Contributions** – Pursuant to the Arizona Revised Statutes, contribution requirements for active members and their participating employers are established and may be amended by the ASRS Board. Contribution rates are actuarially determined and are expected to finance the costs of benefits earned by members during the year and any unfunded accrued liability. The cost of administering the Plan is financed through member and employer contributions and investment earnings. The contractually required contribution rate as a percentage of covered payroll for the period January 1, 2020 through June 30, 2020 was 11.94% for members and 11.45% for the District. The contractually required contribution rate as a percentage of covered payroll for the period July 1, 2020 through December 31, 2020 was 12.04% for members and 11.65% for the District.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**NOTE 17 PENSION PLANS (CONTINUED)**

**Arizona State Retirement System (Continued)**

In addition, the District is required by statute to pay an Alternate Contribution Rate (ACR) for retired ASRS members who return to work. The ACR contribution rate for the period January 1, 2020 through June 30, 2020 was 10.29%. The ACR contribution rate for the period July 1, 2020 through December 31, 2020 was 10.14%.

The District's contribution to the pension plan for the year ended December 31, 2020 was \$6,023,448.

**Pension Liability** – At December 31, 2020 the District reported a liability of \$82,430,919 for its proportionate share of the ASRS' net pension liability. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020.

Total liabilities as of June 30, 2020, reflect changes in actuarial assumptions based on results of an actuarial experience study for the five-year period ended June 30, 2016.

The District's proportion of the net pension liability was based on the District's actual contributions relative to the total of all participating employer's contributions. The District's proportion measured as of June 30, 2020 was 0.47575%, which was a decrease of 0.02042 from its proportion measured as of June 30, 2019.

**Pension Expense and Deferred Outflows/Inflows of Resources** – For the year ended December 31, 2020, the District recognized a pension expense for ASRS of \$6,813,049. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>(In Thousands)</u>	
Differences Between Expected and Actual Experience	\$ 746	\$ -
Changes of Assumptions or Other Inputs	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,951	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	2,694
Contributions Subsequent to the Measurement Date	3,133	-
Total	<u>\$ 11,830</u>	<u>\$ 2,694</u>

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
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**NOTE 17 PENSION PLANS (CONTINUED)**

**Arizona State Retirement System (Continued)**

The \$3,133 thousand reported as deferred outflows of resources related to ASRS pensions resulting from the District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u> <u>(In Thousands)</u>
2021	\$ (1,039)
2022	1,706
2023	2,876
2024	2,460
Total	<u>\$ 6,003</u>

**Actuarial Assumptions** – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Valuation Date	June 30, 2019
Actuarial Roll Forward Date	June 30, 2020
Actuarial Cost Method	Entry age normal
Asset Valuation	Fair value
Discount Rate	7.5%
Projected Salary Increases	2.7% to 7.2%
Inflation	2.3%
Permanent Benefit Increase	Included
Mortality Rate	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2016, and rolled forward using generally accepted actuarial procedures to June 30, 2020.

The long-term contribution to expected real return on ASRS pension plan investments was determined to be 5.48% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return, geometric basis, by the target asset allocation percentage excluding any expected inflation. On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective beginning July 2018. The ASRS' estimates of geometric real rates of return for each major asset class are summarized in the following table:



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 17 PENSION PLANS (CONTINUED)**

**Arizona State Retirement System (Continued)**

Asset Class	Target Asset Allocation Effective July 1, 2018	Real Return Geometric Basis	Long-Term Contributions to Expected Real Return
Equity	50 %	6.39 %	3.20 %
Credit	20	5.44	1.09
Real Estate	20	5.85	1.17
Interest Rate			
Sensitive Bonds	10	0.22	0.02
Total	100 %		5.48 %

**Discount Rate** – The discount rate used to measure the ASRS total pension liability was 7.5%, which was equal to the prior year. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate** – The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate at June 30, 2020.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
		<i>(In Thousands)</i>	
District's Proportionate Share of the Net Pension Liability	\$ 112,723	\$ 82,431	\$ 57,108

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 18 SAVINGS AND DEFERRED COMPENSATION PLANS**

The District has adopted and maintains the Central Arizona Water Conservation District Savings Plan (Savings Plan), a defined contribution plan, in accordance with Section 401(k) of the Internal Revenue Code. The Savings Plan provides that all active, nonunion employees are eligible to participate as of their date of employment. The Savings Plan is governed by the Board of Trustees.

Eligible employees are allowed to contribute up to 98% of their biweekly compensation, subject to Internal Revenue Service limits, and the District has agreed to contribute to an employee's account an amount equal to one-half of the amount contributed by the employee up to 3% of the employee's biweekly compensation. Contributions expense, paid by the District for the Savings Plan for the year ended December 31, 2020 was approximately \$1,095,700. Accrued benefits attributable to the District's contributions on behalf of participants vest 20% for each year of completed service.

The District has adopted and maintains the Central Arizona Water Conservation District Deferred Compensation Plan in accordance with Section 457 of the Internal Revenue Code. The District does not make contributions to this plan. Only employee contributions are accepted.

**NOTE 19 POSTEMPLOYMENT HEALTHCARE PLAN**

The District follows Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75), for certain postemployment health care benefits provided by the District.

**Plan Description**

The District provides post-retirement healthcare insurance benefits for its retirees as a single-employer defined benefit plan which is administered through CAWCD Insurance Company, Inc. (Captive). Eligible retirees are provided medical, dental and life insurance benefits for spouses and family. The Captive provides benefits to eligible retirees through the same plan as active employees and their beneficiaries. Because retirees are able to participate in the same plan and pay the same rates as active employees, an implicit rate subsidy exists through the duration of the coverage. Upon retirement, employees hired prior to January 1, 2016 have the choice of participating in the Arizona State Retirement System retiree healthcare plan or the District's healthcare plan. Employees hired on or after January 1, 2016 have the option to participate in the ASRS retiree healthcare plan but do not have the option to participate in the District's plan. To be eligible a retiree must qualify to receive retirement benefits from the Arizona State Retirement System and elect coverage at date of retirement. The District does not issue a separate financial report for the OPEB plan.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 19 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

**Plan Description (Continued)**

At December 31, 2019 (measurement date), plan membership consisted of the following:

Current Active Members	389 *
Current Retirees and Dependents	92
Total	<u>481</u>

*\*Excludes 88 active employees hired on or after January 1, 2016.*

The retiree's contribution rate structure for 2020 is as follows:

**Retirees Monthly Medical Rates (Prior to ASRS Subsidy)**

<b>Pre Age 65</b>	
Retiree Only	\$ 651.66
Retiree + 1	1,590.06
Retiree + Family	2,137.38
<b>Post Age 65</b>	
Retiree Only	488.74
Retiree + 1	1,192.52
Retiree + Family	1,739.90

**Retirees Monthly Dental Rates**

Retiree Only	32.87
Retiree + 1	92.25
Retiree + Family	152.31

**Retirees Monthly Life Insurance Rates**

Retiree Only	3.00
Retiree + 1	4.00

**Funding Policy**

Benefit provisions for the District's OPEB plan under Captive are pursuant to the District's policy and can be amended by the District Governing Board. The current funding policy is pay-as-you-go for OPEB benefits. There are no dedicated assets at this time to offset the OPEB liability.

**OPEB Liability**

The plan's total OPEB liability of \$21,454,905 was reported as of December 31, 2020 and was measured by an actuarial valuation as of December 31, 2019. The total OPEB liability as of December 31, 2019 reflects the following changes of actuarial assumptions and benefit terms for the Captive plan:

- Discount rate was decreased to 2.74% from 4.10%
- Second year trend rates for retiree contributions were updated to reflect actual rates for calendar year 2021
- Future healthcare cost trend rates were updated
- The excise tax ("Cadillac Tax") on certain high-cost health care plans is no longer valued following its repeal effective December 20, 2019

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 19 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

**OPEB Liability (Continued)**

The following table shows changes in the District's OPEB liability, the District's annual OPEB cost for the year, and the amount actually contributed to the Captive plan.

	<i>(In Thousands)</i>
Balances at January 1, 2020	\$ 16,036
Changes for the Year:	
Service Cost	713
Interest	679
Differences Between Expected and Actual Experience	1,087
Changes in Assumptions	3,333
Expected Benefit Payments	(393)
Net Changes	<u>5,419</u>
Balances at December 31, 2020	<u><u>\$ 21,455</u></u>

**OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended December 31, 2020 the District recognized OPEB expense of \$594,633. The following chart reflects the deferred outflows and inflows of resources related to the OPEB single-employer plan.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
	<i>(In Thousands)</i>	
Change of Assumptions or Other Inputs	\$ 5,036	\$ -
Differences Between Expected and Actual Experience	907	7,713
Benefits Paid Subsequent to the Measurement Date	393	-
Total	<u><u>\$ 6,336</u></u>	<u><u>\$ 7,713</u></u>

The \$392,629 reported as deferred outflows of resources related to OPEB resulting from District benefits paid subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
	<i>(In Thousands)</i>
2021	\$ (798)
2022	(798)
2023	(798)
2024	(87)
2025	666
Thereafter	45
Total	<u><u>\$ (1,770)</u></u>

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 19 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

**Actuarial Methods and Assumptions**

Calculations and projections are based on the benefits provided under the terms of the substantive plan (the plan understood by the District and the plan members) in effect at the time of valuation on the pattern of sharing costs between the District and plan members. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the District and plan members in the future.

Actuarial calculations reflect a long-term perspective, and the methods and assumptions use techniques designed to reduce short-term volatility in accrued liabilities and the actuarial value of assets.

The calculation of an accounting obligation does not, in and of itself, imply that there is any legal liability to provide the benefits valued, nor is there any implication that the District is required to implement a funding policy to satisfy the projected expense.

The District's actuarial methods and significant assumptions for the Captive single-employer postemployment plan for the most recent actuarial valuation are as follows:

Actuarial Valuation Date	December 31, 2018
Measurement Date	December 31, 2019
Actuarial Cost Method	Entry Age, level % of pay
Salary Increase	Wage inflation rate of 2.7% plus a merit component
Asset Valuation Method	N/A - No assets in qualified OPEB Trust
Discount Rate	2.74% (Based on the Bond Buyer or 20-Bond GO Index as of 12/26/2019)
Health Care Cost Trend Range	Medical: 4.5% - 7.0% Drug: 4.5% - 7.0%
Contribution Trend Rates	4.5% - 7.0%
Mortality Rates:	
Pre-Retirement	RP-2014 Employee mortality table projected generationally from 2014 in accordance with Ultimate MP 2017 Unisex scales
Post-Retirement	2017 State Retirees of Arizona Employee mortality table projected generationally from 2017 in accordance with Ultimate MP 2017 Unisex scales
Disabled	RP-2014 Disabled Retiree mortality table projected generationally from 2014 in accordance with Ultimate MP 2017 Unisex scales

Benefit projections assume the specified premium amount will follow the current practice of being paid for entirely by the retiree or on behalf of the retiree. The specified premium amounts are projected to increase at the contribution trend rates noted above. Demographic assumptions used in the December 31, 2019 valuation were based on the results of an Arizona State Retirement System actuarial experience study for the five-year period ended June 30, 2016.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 19 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

**Discount Rate**

The discount rate for OPEB funded entirely on a pay-as-you-go basis is the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). For this purpose, the Bond Buyer 20-Bond GO Index as of December 26, 2019 was used.

**Sensitivity Analysis**

The following table shows the net impact of the OPEB liability calculated using the discount rate of 2.74%, as well as what the District's liability would be if the discount rate is 1% less than and 1% greater than the current rate:

	1% Decrease (1.74%)	Current Discount Rate (2.74%) (In Thousands)	1% Increase (3.74%)
Captive OPEB Liability	\$ 25,825	\$ 21,455	\$ 18,093

The following table presents the OPEB liability calculated using the healthcare cost trend rate, as well as what the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% less than and 1% greater than the current rate:

	1% Decrease in Healthcare Rates	Current Healthcare Rates (In Thousands)	1% Increase in Healthcare Rates
Captive OPEB Liability	\$ 18,146	\$ 21,455	\$ 25,788

**NOTE 20 RISK MANAGEMENT AND CAPTIVE INSURANCE**

The District maintains a risk management program to protect it from financial harm by identifying, analyzing, and controlling risk at the lowest possible cost. Under this program, the District believes it is more economical to manage risks internally and insure for catastrophic loss. The District's Board of Directors has designated \$5,000,000 of noncurrent unrestricted investments as a reserve for property and liability damages. With the exception of automobile physical damage, and workers compensation which is self-insured with authority from the State of Arizona, the District insures itself through the CAWCD Insurance Company, Inc. (Captive).

The Captive was incorporated under the laws of the State of Hawaii as a nonprofit captive insurance company pursuant to Article 19 of Chapter 431 of the Hawaii Revised Statutes. The Captive received its Certificate of Authority from the Hawaii Insurance Division on December 18, 2003, and operations commenced on January 1, 2004. The Certificate of Authority enables the Captive to operate as a captive insurance company in the State of Hawaii. The District is the sole member of the Captive. The Captive provides up to \$2,000,000 of coverage based on risk profile. The District also purchases excess insurance on property, casualty, including public officials' liability, and workers compensation.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 20 RISK MANAGEMENT AND CAPTIVE INSURANCE (CONTINUED)**

**Reserve for Losses and Loss Expenses**

The reserve for losses and loss expenses includes the unpaid accumulation of case estimates for losses reported, estimates for losses incurred but not reported, and estimates of expenses for investigating and adjusting incurred losses. The reserve for unpaid losses and loss expenses is based upon the aggregated loss experience of the District and is estimated using individual case-basis valuations and statistical analysis. These estimates are subject to the effects of trends in loss severity and frequency. However, management believes the reserve for losses and loss expenses is adequate. The estimates are continually reviewed and adjusted, as necessary, as experience develops or new information becomes known; such adjustments are included in current operations.

The following table provides a reconciliation of the beginning and ending balances of the reserve for losses and loss expenses (included in accounts payable) at December 31, 2020 and 2019:

	2020	2019
	<u>(In Thousands)</u>	
Balance at January 1	\$ 5,421	\$ 5,935
Add Provision for Losses and Loss Expenses for		
Claims Occurring During:		
Current Year	8,325	8,291
Prior Year	109	(429)
	<u>8,434</u>	<u>7,862</u>
Deduct Losses and Loss Expense Payments for		
Claims Occurring During:		
Current Year	7,824	8,235
Prior Year	2,390	141
	<u>10,214</u>	<u>8,376</u>
Balance at December 31	<u>\$ 3,641</u>	<u>\$ 5,421</u>

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 20 RISK MANAGEMENT AND CAPTIVE INSURANCE (CONTINUED)**

**CAWCD Insurance Company, Inc.**

The District has consolidated the Captive's financial statement amounts as a blended component unit. The condensed component unit information for the CAWCD Insurance Company, Inc. for the year ended December 31, 2020 and combining financial statements are as follows:

<b>Condensed Combining</b>	<b>CAWCD</b>	<b>Captive</b>	<b>Eliminations</b>	<b>Total</b>
<b>Statement of Net Position</b>				
		<i>(In Thousands)</i>		
Current Assets	\$ 400,174	\$ 6,725	\$ -	\$ 406,899
Noncurrent Assets	1,954,316	2,250	(2,350)	1,954,216
Total Assets	2,354,490	8,975	(2,350)	2,361,115
Deferred Outflows of Resources	18,166	-	-	18,166
Total Assets and Deferred Outflows of Resources	<u>\$ 2,372,656</u>	<u>\$ 8,975</u>	<u>\$ (2,350)</u>	<u>\$ 2,379,281</u>
Current Liabilities	\$ 155,832	\$ 3,716	\$ -	\$ 159,548
Noncurrent Liabilities	1,266,861	-	-	1,266,861
Total Liabilities	1,422,693	3,716	-	1,426,409
Deferred Inflows of Resources	62,486	-	-	62,486
Net Investment in Capital Assets	272,995	-	-	272,995
Restricted Net Position	73,304	2,250	-	75,554
Unrestricted Net Position	541,178	3,009	(2,350)	541,837
Total Net Position	887,477	5,259	(2,350)	890,386
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,372,656</u>	<u>\$ 8,975</u>	<u>\$ (2,350)</u>	<u>\$ 2,379,281</u>
<b>Condensed Combining</b>	<b>CAWCD</b>	<b>Captive</b>	<b>Eliminations</b>	<b>Total</b>
<b>Statement of Activities</b>				
		<i>(In Thousands)</i>		
Operating Revenues	\$ 265,476	\$ 10,549	\$ (10,549)	\$ 265,476
Operating Expenses	236,375	8,663	(10,549)	234,489
Operating Income (Loss)	29,101	1,886	-	30,987
Nonoperating Income	71,275	29	-	71,304
Changes in Net Position	100,376	1,915	-	102,291
Net Position - Beginning of Year	787,101	3,344	(2,350)	788,095
Net Position - End of Year	<u>\$ 887,477</u>	<u>\$ 5,259</u>	<u>\$ (2,350)</u>	<u>\$ 890,386</u>



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 20 RISK MANAGEMENT AND CAPTIVE INSURANCE (CONTINUED)**

**CAWCD Insurance Company, Inc. (Continued)**

<b>Condensed Combining Statement of Cash Flows</b>	<b>CAWCD</b>	<b>Captive</b>	<b>Eliminations</b>	<b>Total</b>
	<i>(In Thousands)</i>			
Net Cash Provided by Operating Activities	\$ 67,157	\$ 69	\$ -	\$ 67,226
Net Cash Provided by Noncapital Financing Activities	72,401	-	-	72,401
Net Cash Used by Capital and Related Financing Activities	(39,550)	-	-	(39,550)
Net Cash Provided (Used) by Investing Activities	(89,523)	29	-	(89,494)
Net Increase in Cash and Cash Equivalents	10,485	98	-	10,583
Cash and Cash Equivalents - Beginning of Year	100,645	6,396	-	107,041
Cash and Cash Equivalents - End of Year	<u>\$ 111,130</u>	<u>\$ 6,494</u>	<u>\$ -</u>	<u>\$ 117,624</u>

**NOTE 21 SELF INSURANCE**

The District is self-insured for workers compensation. Medical, prescriptions, dental, vision, property, and casualty lines are insured in the District's owned single parent Captive insurance company.

The District was authorized to self-insure Workers Compensation by the Industrial Commission of Arizona effective January 1, 2011. A trust account was established and contributions from inception to December 31, 2020 total \$3,354,250. Cumulative amounts paid since inception for Workers Compensation claims expenses and incurred but not reported reserves (IBNR) totaled \$1,639,919 under the self-insured Workers Compensation program. Direct costs associated with Workers Compensation were \$771,363. Interest earned was \$12,755 leaving an unencumbered ending balance of \$955,723 in the Self-Insured Workers Compensation Trust Account.

<b>Self-Insured Paid Claims:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Medical, Dental, Vision (MDV)	\$ 7,782,637	\$ 8,086,865	\$ 8,203,505
IBNR - MDV	1,071,897	1,050,060	1,433,778
Property Casualty (PC)	2,179,520	122,948	228,234
IBNR - PC	829,848	2,622,368	2,754,078
Workers Compensation (WC)	249,874	167,068	294,451
IBNR - WC	1,739,223	1,785,098	1,745,164

Insurance settlements have not exceeded coverage in any of the past three years.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 22 COMMITMENTS AND CONTINGENCIES**

**Contingency Reserve**

The District's Board of Directors has designated \$8,000,000 of noncurrent unrestricted investments to act as a contingency reserve. Of this amount, \$5,000,000 has been set aside to be available for property and liability damages to respond to any claims, judgments, and related costs against the District, its officers, directors, and employees, if any, in excess of the outstanding insurance coverage. \$1,000,000 has been designated to be available for incurred but not reported (IBNR) claims under the District's self-funded medical insurance program. \$2,000,000 has been set aside to be available for extraordinary regulatory costs.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY AND SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
IN THE ARIZONA STATE RETIREMENT SYSTEM (ASRS) PLAN  
DECEMBER 31, 2020**

**Schedule of Proportionate Share of Net Pension Liability**

Arizona State Retirement System	Measurement Date (June 30,)						
	2014	2015	2016	2017	2018	2019	2020
	<i>(In Thousands)</i>						
District's Proportion of the Net Pension Liability	0.504364%	0.493820%	0.494950%	0.492510%	0.516110%	0.496170%	0.475750%
District's Proportionate of the Net Pension Liability	\$ 74,629	\$ 76,920	\$ 79,890	\$ 76,723	\$ 71,979	\$ 71,481	\$ 82,431
District's Covered Payroll	\$ 40,827	\$ 40,793	\$ 41,558	\$ 44,801	\$ 46,507	\$ 45,888	\$ 45,958
District's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	182.79%	188.56%	192.24%	171.25%	154.77%	155.77%	179.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.49%	68.35%	67.06%	69.92%	73.00%	73.24%	69.33%

**Schedule of District Contributions**

Arizona State Retirement System	Reporting Date (December 31,)						
	2014	2015	2016	2017	2018	2019	2020
	<i>(In Thousands)</i>						
Contractually Required Contribution	\$ 5,191	\$ 5,373	\$ 5,287	\$ 5,435	\$ 5,735	\$ 5,895	\$ 6,023
Contributions in Relation to the Contractually Required Contribution	5,191	5,373	5,287	5,435	5,735	5,895	6,023
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered Payroll	\$ 41,016	\$ 42,362	\$ 42,297	\$ 44,818	\$ 46,492	\$ 46,184	\$ 46,048
Contributions as a Percentage of Covered Payroll	12.66%	12.68%	12.50%	12.13%	12.34%	12.76%	13.08%

\* These pension schedules are intended to show information over a 10-year period.  
Additional years' information will be displayed as it becomes available.

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
NOTE TO ASRS REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2020**

**NOTE 1    ACTUARIALLY DETERMINED CONTRIBUTION RATE**

Actuarial determined contribution rates for ASRS are calculated as of June 30 one-year prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

ASRS	
Actuarial Valuation Date	June 30, 2019
Actuarial Roll Forward Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation	Fair Value
Discount Rate	7.5%
Projected Salary Increases	2.7% to 7.2%
Inflation	2.3%
Permanent Benefit Increase	Included
Mortality Rates	2017 SRA Scale U-MP

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CHANGES IN TOTAL OPEB LIABILITY  
DECEMBER 31, 2020**

	Reporting Fiscal Year (Measurement Date)			
	2020 (2019)	2019 (2018)	2018 (2017)	2017-2010 (2016-2009)
<b>Total OPEB Liability:</b>				
Balances at January 1, as Restated	\$ 16,036	\$ 16,441	\$ 23,113	Information not available
Changes for the Year:				
Service Cost	713	899	1,383	
Interest	679	589	914	
Differences Between Expected and Actual Experience	1,087	(3,521)	(9,937)	
Changes in Assumptions	3,333	2,053	1,599	
Expected Benefit Payments	(393)	(425)	(631)	
Net Changes	<u>5,419</u>	<u>(405)</u>	<u>(6,672)</u>	
Balances at December 31,	<u>\$ 21,455</u>	<u>\$ 16,036</u>	<u>\$ 16,441</u>	
Covered Payroll	\$ 38,566	\$ 42,069	\$ 34,781	
Plan Total OPEB Liability as a Percentage of Covered Payroll	55.63%	38.12%	47.27%	

*This schedule is intended to show information over a 10-year period  
Additional year's information will be displayed as it becomes available*

## **SUPPLEMENTARY INFORMATION**

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**COMBINING SCHEDULE OF NET POSITION – BY FUND AND ACCOUNT**  
**DECEMBER 31, 2020**  
*(In Thousands)*

<b>ASSETS</b>	<b>Total</b>	<b>Eliminations</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 19,605	\$ -
Investments	98,019	-
Total Cash and Cash Equivalents	<u>117,624</u>	<u>-</u>
Receivables:		
Due from Water Customers	2,720	-
Property Taxes, Less Allowance of \$751	40,184	-
Other Receivables	11,521	-
Water Inventory	215,715	-
Funds Held by Federal Government	16,428	-
Interfund Receivable	-	(1,004)
Other Assets	2,707	-
Total Current Assets	<u>406,899</u>	<u>(1,004)</u>
<b>NONCURRENT ASSETS</b>		
Investments	419,981	(2,350)
Restricted Assets	96,823	-
Agricultural Water Rights	88,719	-
Capital Assets:		
Operating Assets, Less Accumulated Depreciation of \$244,792	303,858	-
Permanent Service Right, Less Accumulated Amortization of \$746,792	1,042,835	-
Other Assets	2,000	-
Total Noncurrent Assets	<u>1,954,216</u>	<u>(2,350)</u>
 Total Assets	 2,361,115	 (3,354)
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Valuation	11,830	-
OPEB Valuation	6,336	-
Total Deferred Outflows of Resources	<u>18,166</u>	<u>-</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 2,379,281</u>	 <u>\$ (3,354)</u>



General Fund	Supplemental Water Account	Central Arizona Ground Water Replenishment District Account	Captive Insurance Company
\$ 12,962	\$ -	\$ 3	\$ 6,640
78,426	-	19,593	-
91,388	-	19,596	6,640
2,720	-	-	-
40,184	-	-	-
747	-	10,774	-
25,662	-	190,053	-
16,428	-	-	-
-	-	1,004	-
1,991	-	631	85
179,120	-	222,058	6,725
410,098	-	12,233	-
64,879	9,112	20,582	2,250
88,719	-	-	-
294,113	-	9,745	-
1,042,835	-	-	-
2,000	-	-	-
1,902,644	9,112	42,560	2,250
2,081,764	9,112	264,618	8,975
11,830	-	-	-
6,336	-	-	-
18,166	-	-	-
\$ 2,099,930	\$ 9,112	\$ 264,618	\$ 8,975

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**COMBINING SCHEDULE OF NET POSITION – BY FUND AND ACCOUNT**  
**DECEMBER 31, 2020**  
*(In Thousands)*

	<b>Total</b>	<b>Eliminations</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 40,408	\$ -
Accrued Payroll, Payroll Taxes and Other Accrued Expenses	9,745	-
Water Operations and Capital Charges Unearned Revenue	33,980	-
Interfund Payable	-	(1,004)
Asset Retirement Obligation, Due Within One Year	15,972	
Current Liabilities Payable from Restricted Assets, Advances to Federal Government, and Other Noncurrent Assets:		
Accrued Interest Payable	21,269	-
Federal Repayment Obligation, Due Within One Year	32,929	-
Bonds Payable, Due Within One Year	5,245	-
Total Current Liabilities	<u>159,548</u>	<u>(1,004)</u>
<b>NONCURRENT LIABILITIES</b>		
Asset Retirement Obligation, Due After One Year	36,545	-
Federal Repayment Obligation, Due After One Year	977,992	-
Bonds Payable, Due After One Year	57,532	-
Non-Indian Agricultural 9(D) Debt	88,719	-
Other Noncurrent Liabilities	106,073	-
Total Noncurrent Liabilities	<u>1,266,861</u>	<u>-</u>
Total Liabilities	<u>1,426,409</u>	<u>(1,004)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Customer Deposits	52,079	-
Pension Valuation	2,694	-
OPEB Valuation	7,713	-
Total Deferred Inflows of Resources	<u>62,486</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	272,995	-
Restricted for Master Repayment Agreement	38,294	-
Restricted for Supplemental Water Account	9,112	-
Restricted for CAGR D Account	16,492	-
Restricted for Captive Insurance Company	2,250	-
Restricted for Bond Trust Account	9,218	-
Restricted for Power Agreement	188	-
Unrestricted	541,837	(2,350)
Total Net Position	<u>890,386</u>	<u>(2,350)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,379,281</u>	<u>\$ (3,354)</u>

General Fund	Supplemental Water Account	Central Arizona Ground Water Replenishment District Account	Captive Insurance Company
\$ 29,709	\$ -	\$ 6,983	\$ 3,716
9,745	-	-	-
33,980	-	-	-
1,004	-	-	-
15,972	-	-	-
21,042	-	227	-
32,929	-	-	-
1,725	-	3,520	-
146,106	-	10,730	3,716
36,545	-	-	-
977,992	-	-	-
42,572	-	14,960	-
88,719	-	-	-
106,073	-	-	-
1,251,901	-	14,960	-
1,398,007	-	25,690	3,716
52,079	-	-	-
2,694	-	-	-
7,713	-	-	-
62,486	-	-	-
281,730	-	(8,735)	-
38,294	-	-	-
-	9,112	-	-
-	-	16,492	-
-	-	-	2,250
5,355	-	3,863	-
188	-	-	-
313,870	-	227,308	3,009
639,437	9,112	238,928	5,259
\$ 2,099,930	\$ 9,112	\$ 264,618	\$ 8,975

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –**  
**BY FUND AND ACCOUNT**  
**YEAR ENDED DECEMBER 31, 2020**  
*(In Thousands)*

	Total	Eliminations
<b>OPERATING REVENUES</b>		
Water Operations And Maintenance Charges	\$ 164,105	\$ (8,635)
Water Service Capital Charges	38,582	(1,322)
Power And Basin Development Fund Revenues	16,079	-
Other Operating Revenues	46,710	(10,781)
Total Operating Revenues	<u>265,476</u>	<u>(20,738)</u>
<b>OPERATING EXPENSES</b>		
Salaries And Related Costs	68,743	-
Pumping Power	65,078	-
Power Transmission	14,578	-
Hoover Capacity Charges	3,079	-
Amortization Of Permanent Service Right	23,001	-
Depreciation	25,052	-
Other Operating Expenses	34,958	(20,738)
Total Operating Expenses	<u>234,489</u>	<u>(20,738)</u>
Operating Income	<u>30,987</u>	-
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Property Taxes	82,233	-
Interest Income And Other Nonoperating Revenues	17,180	-
Disbursements to AWBA	(6,361)	-
Interest Expense And Other Nonoperating Expenses	(21,748)	-
Total Nonoperating Revenues (Expenses)	<u>71,304</u>	-
<b>CHANGES IN NET POSITION</b>	102,291	-
Net Position - Beginning of Year	<u>788,095</u>	<u>(2,350)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 890,386</u>	<u>\$ (2,350)</u>

General Fund	Supplemental Water Account	Central Arizona Ground Water Replenishment District Account	Captive Insurance Company
\$ 172,740	\$ -	\$ -	\$ -
39,904	-	-	-
16,079	-	-	-
3,049	-	43,893	10,549
231,772	-	43,893	10,549
67,654	-	1,089	-
65,078	-	-	-
14,578	-	-	-
3,079	-	-	-
23,001	-	-	-
24,991	-	61	-
30,996	-	16,037	8,663
229,377	-	17,187	8,663
2,395	-	26,706	1,886
82,233	-	-	-
16,293	297	561	29
(6,361)	-	-	-
(21,295)	-	(453)	-
70,870	297	108	29
73,265	297	26,814	1,915
566,172	8,815	212,114	3,344
\$ 639,437	\$ 9,112	\$ 238,928	\$ 5,259



**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
STATISTICAL SECTION**

This section of the Central Arizona Water Conservation District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. These tables are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 44, Economic Condition Reporting: The Statistical Section.

**Financial Trends**

These schedules contain trend information to help understand how the District's financial performance and fiscal health have changed over time.

**Tables**

A-D

**Revenue Capacity**

These schedules contain information to help assess the District's most significant revenue sources: water sales and property taxes.

E-J

**Debt Capacity**

These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue debt in the future.

K-L

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

M-P

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Q-R

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial report for the relevant year.

TABLE A

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**NET POSITION BY COMPONENT – LAST TEN YEARS**  
*(Dollars in Millions)*

	2011	2012	2013	2014
Net investment in capital assets	\$ 143	\$ 162	\$ 174	\$ 196
Restricted	95	92	88	87
Unrestricted	333	319	331	363
Total net position	<u>\$ 571</u>	<u>\$ 573</u>	<u>\$ 593</u>	<u>\$ 646</u>



**TABLE A**  
**(Continued)**

<b>2015</b>		<b>2016</b>		<b>2017</b>		<b>2018</b>		<b>2019</b>		<b>2020</b>	
\$	236	\$	231	\$	248	\$	260	\$	251	\$	273
	79		79		85		101		75		75
	293		286		272		333		462		542
\$	608	\$	596	\$	605	\$	694	\$	788	\$	890

TABLE B

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**CHANGE IN NET POSITION – LAST TEN YEARS**  
*(Dollars in Thousands)*

	2011	2012	2013
<b>Operating Revenues</b>			
Water operations and maintenance charges	\$ 148,520	\$ 142,805	\$ 148,300
Water service capital charges	13,677	12,022	10,688
Power and Basin Development Fund revenues	46,800	21,611	28,555
Reimbursements and other operating revenues	16,547	19,407	24,171
Total operating revenues	225,544	195,845	211,714
Total operating expenses	204,311	220,718	216,981
Operating income (loss)	21,233	(24,873)	(5,267)
<b>Nonoperating Revenues (Expenses)</b>			
Property taxes, less assignment to AWBA	56,101	47,825	52,507
Gain (loss) on sale of assets	-	(3)	(22)
Interest income and other nonoperating income	9,515	7,708	681
Disbursements to AWBA	-	(531)	(706)
Interest expense and other nonoperating expenses	(28,968)	(28,114)	(27,260)
Total nonoperating revenues (expenses)	36,648	26,885	25,200
Changes in net position	57,881	2,012	19,933
Net position at beginning of year	513,156	571,037	573,049
Cumulative effect of change in accounting principle/ restatement adjustment	-	-	-
Net position at beginning of year	513,156	571,037	573,049
Net position at end of year	\$ 571,037	\$ 573,049	\$ 592,982

**TABLE B**  
**(Continued)**

	2014		2015		2016		2017		2018		2019		2020
\$	167,036	\$	164,298	\$	168,413	\$	182,814	\$	182,270	\$	177,157	\$	164,105
	14,565		15,573		15,861		19,652		30,300		25,510		38,582
	29,665		22,288		15,097		30,261		27,819		52,703		16,079
	27,518		30,948		30,709		36,414		40,227		46,848		46,710
	238,784		233,107		230,080		269,141		280,616		302,218		265,476
	227,415		230,330		286,663		318,283		232,040		277,892		234,489
	11,369		2,777		(56,583)		(49,142)		48,576		24,326		30,987
	60,994		63,376		64,571		68,760		72,007		76,718		82,233
	48		-		-		-		-		-		-
	7,174		3,455		5,687		6,512		9,111		20,380		17,180
	(495)		(3,041)		(269)		(17,889)		(2,738)		(4,561)		(6,361)
	(26,407)		(25,424)		(24,855)		(25,029)		(23,500)		(22,755)		(21,748)
	41,314		38,366		45,134		32,354		54,880		69,782		71,304
	52,683		41,143		(11,449)		(16,788)		103,456		94,108		102,291
	592,982		645,665		607,840		596,391		605,002		693,987		788,095
	-		(78,968)		-		25,399		(14,471)		-		-
	592,982		566,697		607,840		621,790		590,531		693,987		788,095
\$	645,665	\$	607,840	\$	596,391	\$	605,002	\$	693,987	\$	788,095	\$	890,386

TABLE C

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
SET WATER DELIVERY RATES FOR VARIOUS CLASSES OF WATER SERVICE  
– LAST TEN YEARS**

**Units = \$/Acre-Foot**

*(The Letter Designations in the Formulas Refer to the Rate Components Shown Below)*

	2011	2012	2013	2014
<b>Municipal and Industrial</b>				
Long Term Subcontract (C+D)	\$ 122	\$ 122	\$ 129	\$ 146
Excess Water (A+C+D)	137	137	144	166
Recharge (A+C+D)	137	137	144	166
AWBA Interstate Recharge (A+C+D+G)	167	165	168	189
<b>Federal (C+D)</b>	122	122	129	146
<b>Agricultural</b>				
Settlement Pool (D)	53	49	53	67
Long Term Subcontract (B+C+D)	-	-	-	-
<b>Agricultural Incentive</b>				
Meet Settlement Pool Goals	(8)	(4)	(6)	(14)
Meet AWBA/CAGR D GSF Goals	(2)	(1)	(1)	(2)
Meet Recovery Goals	(2)	(1)	(1)	(2)
<b>Miscellaneous</b>	-	-	-	-
<b><u>RATE COMPONENTS</u></b>				
<b>Capital Charges</b>				
(A) Municipal and Industrial - Long Term Subcontract	15	15	15	20
(B) Agricultural - Long Term Subcontract	-	-	-	-
<b>Delivery Charges</b>				
(C) Fixed OM&R	69	73	76	79
(D) Pumping Energy Rate 1	53	49	53	67
(E) Pumping Energy Rate 2	-	-	-	-
(F) Pumping Energy Rate 3	-	-	-	-
(G) Property Tax Equivalency	30	28	24	23
(H) Lost Federal Revenues	-	-	-	-
<b><u>UNDERGROUND STORAGE FEES</u></b>				
<b>Recharge O&amp;M</b>				
Phoenix AMA	8	8	8	8
Tucson AMA	15	15	15	15
<b>Recharge Capital Charge</b>				
Phoenix AMA	15	15	15	15
Tucson AMA	9	9	9	9

**TABLE C**  
**(Continued)**

2015		2016		2017		2018		2019		2020	
\$	157	\$	161	\$	164	\$	160	\$	158	\$	155
	179		184		195		205		199		211
	179		184		195		205		199		211
	-		-		-		254		-		-
	157		161		164		160		158		155
	75		76		77		65		62		56
	-		-		-		-		-		-
	(18)		(15)		(12)		-		-		-
	(2)		(2)		(2)		(1)		-		-
	(2)		(2)		(2)		(1)		-		-
	-		-		-		-		-		-
	22		23		31		45		41		56
	-		-		-		-		-		-
	82		85		87		95		96		99
	75		76		77		65		62		56
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		49		-		-
	-		-		-		-		-		-
	9		10		12		13		13		13
	15		15		15		15		15		15
	15		15		15		15		15		15
	9		9		9		9		9		9

TABLE D

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT ASSESSMENT RATES  
– LAST TEN YEARS  
Units = \$/Acre-Foot**

	2011/12	2012/13	2013/14
<b>Phoenix Active Management Area</b>			
Water & Replenishment Component	\$ 140	\$ 137	\$ 160
Administrative Component	42	44	45
Infrastructure & Water Rights Component	170	204	245
Replenishment Reserve Charge	51	52	58
Total Assessment Rate (\$/AF)	403	437	508
<b>Pinal Active Management Area</b>			
Water & Replenishment Component	116	117	140
Administrative Component	42	44	45
Infrastructure & Water Rights Component	170	204	245
Replenishment Reserve Charge	53	56	65
Total Assessment Rate (\$/AF)	381	421	495
<b>Tucson Active Management Area</b>			
Water & Replenishment Component	155	161	183
Administrative Component	42	44	45
Infrastructure & Water Rights Component	170	204	245
Replenishment Reserve Charge	60	65	75
Total Assessment Rate (\$/AF)	427	474	548
<b>Contract Replenishment Tax - Scottsdale</b>			
Cost of Water	137	137	144
Cost of Transportation	-	-	-
Cost of Replenishment	-	-	-
Administrative Component	42	44	45
Total Tax Rate (\$/AF)	179	181	189
<b>Enrollment Fee - Commercial Subdivisions</b>	-	-	-
<b>Enrollment Fee</b>	138	165	198
<b>Activation Fee</b>	136	163	196
<b>Member Land Annual Membership Dues (\$/Lot)</b>			
Phoenix AMA	6.88	9.87	13.19
Pinal AMA	0.90	1.29	1.74
Tucson AMA	4.34	6.24	8.38
<b>Member Service Area Annual Membership Dues (\$/AF)</b>	10.35	14.88	20.08

**TABLE D**  
**(Continued)**

2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
\$ 172	\$ 179	\$ 186	\$ 214	\$ 192	\$ 238	\$ 239
45	45	32	36	40	41	47
294	353	353	353	353	353	353
63	67	89	101	90	95	103
574	644	660	704	675	727	742
155	160	175	204	204	211	243
45	45	32	36	40	41	47
294	353	353	353	353	353	353
70	75	96	108	97	103	103
564	633	656	701	694	708	746
196	202	213	238	221	242	243
45	45	32	36	40	41	47
294	353	353	353	353	353	353
80	85	108	131	103	102	103
615	685	706	758	717	738	746
166	179	184	195	205	199	211
-	-	-	-	-	-	-
-	-	-	-	-	-	-
45	45	32	36	40	41	47
211	224	216	231	245	240	258
-	-	500	700	924	1,094	1,184
237	284	284	284	284	284	304
235	282	282	282	282	282	302
15.45	20.78	16.50	22.63	23.52	28.59	25.78
2.05	2.80	10.57	14.88	15.35	19.36	18.65
9.87	13.21	16.89	23.58	24.54	31.04	29.24
23.67	32.34	52.68	74.44	76.53	97.22	93.73

TABLE E

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**ACRE/FEET OF WATER DELIVERED BY WATER CUSTOMER TYPE – LAST TEN YEARS**

<b>Description</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Municipal & Industrial	452,466	489,207	496,394
Agricultural	400,532	401,223	400,817
Federal	501,553	548,374	532,645
Recharge (Excess)	265,162	160,002	90,148
Interstate Water Banking	—	—	—
Total Water Delivered	1,619,713	1,598,806	1,520,004
Transfer/Exchange of credits to CAGR D	120	—	13,323
	<u>1,619,833</u>	<u>1,598,806</u>	<u>1,533,327</u>
Capital Charges A/F Allocation	621,002	620,988	620,974

Note: Excludes transfer of stored water credits to CAGR D



**TABLE E**  
**(Continued)**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
503,518	494,984	540,665	590,309	616,725	608,921	620,739
400,741	318,279	280,797	257,851	242,849	256,143	255,415
534,281	551,728	530,141	490,525	563,156	443,221	482,449
87,420	84,218	79,307	18,630	43,000	6,065	66,238
—	—	—	—	13,500	—	—
1,525,960	1,449,209	1,430,910	1,357,315	1,479,230	1,314,350	1,424,841
9,706	8,794	4,995	14,892	—	—	—
1,535,666	1,458,003	1,435,905	1,372,207	1,479,230	1,314,350	1,424,841
620,960	620,946	620,932	620,918	620,743	620,729	620,714

TABLE F

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
PRINCIPAL REVENUE PAYERS (DOLLARS) – ANNUAL TOP TEN – LAST TEN YEARS**

	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Payers</b>			
Ak-Chin Indian Community	\$ 10,600,855	\$ 10,486,257	\$ 11,059,993
Arizona Water Banking Authority	15,577,192	16,494,584	10,643,489
Central AZ Groundwater Replenishment District	–	–	6,438,149
Central Arizona Irrigation & Drainage District	6,840,630	5,457,789	5,824,235
City of Mesa	5,594,974	6,475,243	6,007,296
City of Peoria	–	–	–
City of Phoenix	16,795,082	17,964,754	17,937,549
City of Scottsdale	8,719,832	9,079,276	9,952,476
City of Tucson	17,149,975	19,751,564	20,760,768
Gila River Indian Community	27,982,565	34,674,453	33,528,955
Maricopa Stanfield Irr. & Drainage District	–	5,221,823	–
Resolution Copper Mining, LLC	6,850,000	–	–
San Carlos Apache Nation	–	–	–
Tohono O'odham Indian Nation	6,136,128	5,752,881	5,577,100
Town of Gilbert	–	–	–

Note: Includes revenue from water O&M and capital charges

**TABLE F**  
**(Continued)**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 12,342,417	\$ 12,405,055	\$ 14,297,578	\$ 14,616,012	\$ 14,287,195	\$ 13,930,260	\$ 13,927,268
12,234,634	11,264,400	11,240,830	—	10,170,819	—	9,738,705
7,054,001	6,783,661	8,748,582	6,545,790	8,159,223	—	6,864,928
—	—	—	6,100,185	—	—	—
7,092,079	7,122,877	8,343,851	9,034,385	9,469,295	9,179,975	9,792,158
—	—	—	—	—	6,126,538	—
20,947,703	22,076,731	24,852,608	34,179,622	35,423,535	34,183,748	35,742,063
11,423,999	12,304,090	14,115,048	14,949,923	14,353,135	14,942,912	15,357,445
23,808,133	23,971,721	26,639,704	23,770,398	26,220,915	28,693,637	30,424,077
38,904,368	33,752,177	41,662,576	29,129,478	42,326,600	21,776,649	20,481,428
6,342,489	—	—	—	—	5,380,336	6,698,236
—	—	—	—	—	—	—
—	5,139,789	5,601,190	—	—	—	—
6,823,345	4,876,819	5,269,832	9,066,744	8,795,815	10,437,071	10,053,398
—	—	—	10,487,502	8,870,430	5,278,899	—

TABLE G

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
ACRE/FEET OF WATER DELIVERED BY CUSTOMER TYPE – TOP TEN CUSTOMERS  
– LAST TEN YEARS**

<b>Customer Type</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Municipal &amp; Industrial</b>			
Arizona Water Company	-	-	-
ASARCO	-	-	-
Central AZ Groundwater Replenishment District	28,106	27,841	42,873
City of Chandler	-	-	-
City of Glendale	10,735	10,735	13,128
City of Mesa	35,290	42,748	34,925
City of Peoria	12,070	12,849	12,542
City of Phoenix	93,985	104,018	96,404
City of Scottsdale	51,803	56,093	45,576
City of Tucson	124,203	144,172	144,172
EPCOR	18,966	18,611	20,619
Metro Domestic Water Improvement District	10,494	11,236	13,460
Town of Gilbert	7,235	7,235	-
Town of Oro Valley	-	-	7,000
<b>Agricultural</b>			
BKW Farms, Inc.	-	-	-
Central AZ Irrigation & Drainage District	111,070	120,597	124,369
Chandler Heights Citrus Irrigation District	-	-	-
Harquahala Valley Irrigation District	44,733	50,873	43,735
HoHokam Irrigation & Drainage District	35,926	36,323	40,273
Kai Farms	-	-	-
Maricopa Stanfield Irrigation & Drainage District	126,000	114,611	118,184
Metro Domestic Water Improvement District	4,000	4,000	4,000
New Magma Irrigation & Drainage District	30,325	37,838	30,694
Queen Creek Irrigation District	12,000	12,000	12,000
Roosevelt Water Conservation District	5,003	5,000	5,000
Salt River Project	-	-	3,800
San Carlos Irrigation & Drainage District	24,083	12,749	11,866
Tonopah Irrigation District	3,460	3,460	-

**TABLE G**  
**(Continued)**

2014	2015	2016	2017	2018	2019	2020
-	-	13,185	14,894	17,565	17,093	16,574
-	-	-	21,000	21,000	21,000	21,000
42,454	42,989	43,587	36,694	43,007	22,783	-
10,422	11,511	-	-	-	-	11,263
10,179	13,083	13,421	16,786	16,937	16,994	17,043
36,934	33,193	39,834	41,658	41,144	36,474	42,540
13,495	13,616	15,363	16,059	25,236	25,213	25,138
93,860	78,023	108,257	155,698	158,715	153,467	158,053
45,626	48,308	54,820	55,890	56,158	55,075	54,698
142,315	145,037	144,781	117,680	123,327	144,185	144,187
20,473	20,885	20,885	20,885	20,426	20,885	20,665
11,690	11,622	-	-	-	-	-
-	-	6,992	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4	-	-	-
126,978	99,558	94,069	97,885	85,426	92,653	91,964
-	-	-	-	-	-	167
34,580	37,691	34,282	25,922	27,239	29,285	27,083
40,996	36,230	37,551	31,228	29,084	30,473	29,456
-	-	11	-	-	-	-
124,546	111,735	100,949	95,626	92,686	95,799	102,656
4,000	-	-	-	-	-	-
30,340	7,591	-	-	-	-	-
12,006	8,500	4,598	3,500	2,900	2,415	-
5,000	1,253	41	-	6	-	-
3,800	3,800	-	-	-	-	-
11,243	8,613	7,035	1,386	5,508	2,346	1,425
-	1,364	2,261	2,300	-	3,052	2,664

**TABLE G**  
**(Continued)**

<b>Customer Type</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Recharge (Excess)</b>			
Active Resource Management	6,000	6,000	-
Arizona Water Banking Authority	120,524	132,973	53,640
Bureau of Reclamation	15,000	12,231	6,297
Central AZ Groundwater Replenishment District	14,270	5,648	6,621
Central Arizona Irrigation and Drainage District	14,110	-	6,695
City of El Mirage	11,154	-	-
Cortaro Marana Irrigation District	-	-	1,953
HoHokam Irrigation & Drainage District	-	-	6,333
Maricopa Stanfield Irrigation & Drainage District	-	-	6,600
New Magma Irrigation & Drainage District	-	-	-
Queen Creek Irrigation District	-	-	-
Resolution Copper Mining Company	50,000	-	-
Tonopah Irrigation District	-	-	-
Vidler Water Company	-	50	-
Water Utility of Greater Tonopah, Inc.	25,000	-	-
<b>Federal</b>			
Ak-Chin Indian Community	84,212	82,203	80,665
Central AZ Groundwater Replenishment District	-	-	-
City of Chandler	-	7,622	-
City of Goodyear	-	-	-
City of Mesa	-	-	-
City of Peoria	7,000	-	-
City of Phoenix	28,209	28,209	28,209
City of Scottsdale	13,178	10,981	25,178
Fort McDowell Yavapai Nation	13,933	13,933	13,933
Freeport McMoran Morenci	-	-	-
Gila River Indian Community	229,324	283,351	258,035
New Magma Irrigation & Drainage District	-	-	-
San Carlos Apache Tribe	32,755	27,706	29,078
San Xavier Co-op Farm	-	-	7,878
Schuk Toak	12,855	13,895	10,824
Tohono O'Odham Indian Nation	45,483	44,055	41,232
Town of Gilbert	12,049	12,049	12,049

**TABLE G**  
**(Continued)**

2014	2015	2016	2017	2018	2019	2020
-	-	-	-	-	-	-
54,839	57,444	39,115	1,901	38,160	-	46,155
11,381	8,433	5,000	1,000	5,000	-	6,695
4,018	5,445	8,099	-	-	6,065	12,182
1,700	-	5,840	3,800	-	-	4,500
-	-	-	-	-	-	-
1,852	898	1,500	2,099	1,000	-	-
5,700	3,700	5,840	3,800	2,700	-	3,000
6,700	4,200	5,840	3,800	8,400	-	4,500
-	-	-	-	-	-	953
-	-	-	-	-	-	35
-	-	-	-	-	-	-
-	-	-	-	-	-	400
-	-	-	-	-	-	-
-	-	-	-	-	-	-
78,828	83,745	88,638	88,767	88,310	85,998	89,071
-	-	-	-	-	-	20,239
7,622	-	7,622	7,622	7,622	7,622	-
-	-	-	7,000	-	-	-
-	9,842	-	-	-	-	-
-	-	-	7,000	-	-	-
28,209	64,353	28,209	28,209	28,209	28,209	28,188
25,178	28,461	25,178	25,178	18,678	25,178	25,178
13,933	13,933	-	-	-	-	-
-	-	-	12,000	20,505	31,000	12,000
254,126	222,585	257,626	177,414	260,214	135,372	128,328
-	-	-	-	-	-	10,780
30,780	35,776	34,790	13,963	14,000	14,000	14,000
-	-	7,148	-	-	-	-
12,750	10,615	10,464	-	-	-	-
45,336	34,056	32,475	53,877	54,444	62,713	60,133
12,049	12,049	12,049	55,323	45,982	24,190	30,720

**TABLE G**  
**(Continued)**

<b>Customer Type</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Total</b>			
Ak-Chin Indian Community	84,212	82,203	80,665
Arizona Water Banking Authority	120,524	132,973	54,640
Central AZ Groundwater Replenishment District	-	-	49,494
Central AZ Irrigation & Drainage District	125,586	120,597	131,064
City of Mesa	-	47,666	-
City of Phoenix	122,194	132,227	124,613
City of Scottsdale	64,981	67,074	70,754
City of Tucson	124,203	144,172	144,172
Gila River Indian Community	229,324	283,351	258,035
Harquahala Valley Irrigation District	-	50,873	-
HoHokam Irrigation & Drainage District	-	-	46,606
Maricopa Stanfield Irrigation & Drainage District	126,000	114,611	124,784
Resolution Copper Mining, LLC	50,000	-	-
Tohono O'Odham Indian Nation	45,483	-	-
Town of Gilbert	-	-	-
<b>Capital Charges A/F Allocation</b>			
EPCOR (Arizona American Water)	20,885	20,885	20,885
Arizona State Land Department (ADOT)	32,076	32,076	32,076
ASARCO, Ray Mine	21,000	21,000	21,000
Arizona Water Company	17,852	18,137	18,137
City of Glendale	17,236	17,236	17,236
City of Mesa	43,503	43,503	43,503
City of Peoria	25,236	25,236	25,236
City of Phoenix	122,120	122,204	122,204
City of Scottsdale	52,810	52,810	52,810
City of Tucson	144,172	144,172	144,172



**TABLE G**  
**(Continued)**

2014	2015	2016	2017	2018	2019	2020
78,828	83,745	88,638	88,767	88,310	85,998	89,071
59,839	62,444	-	-	-	-	46,155
46,472	48,434	51,686	-	-	-	-
128,678	99,558	99,909	101,685	85,426	92,653	96,464
-	43,035	44,752	46,576	46,062	41,392	47,458
122,069	142,376	136,466	183,907	186,924	181,676	186,241
70,804	76,769	79,998	81,068	74,836	80,253	79,876
142,315	145,037	144,781	117,680	123,327	144,185	144,187
254,126	222,585	257,626	177,414	260,214	135,372	128,328
-	-	-	-	-	-	-
46,696	-	43,391	-	-	-	-
131,246	115,935	106,789	99,426	101,086	95,799	107,156
-	-	-	-	-	-	-
-	-	-	53,877	54,444	62,713	60,133
-	-	-	55,323	45,982	24,190	-
20,885	20,885	20,885	20,885	20,885	20,885	20,885
32,076	32,076	32,076	32,076	32,076	32,076	32,076
21,000	21,000	21,000	21,000	21,000	21,000	21,000
18,137	18,137	18,137	18,137	18,137	18,137	18,137
17,236	17,236	17,236	17,236	17,236	17,236	17,236
43,503	43,503	43,503	43,503	43,503	43,503	43,503
25,236	25,236	25,236	25,236	25,236	25,236	25,236
122,204	122,204	122,204	122,204	122,204	122,204	122,204
52,810	52,810	52,810	52,810	52,810	52,810	52,810
144,172	144,172	144,191	144,191	144,191	144,191	144,191

TABLE H

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
SCHEDULE OF CUSTOMER ACTIVITY – WATER DELIVERY CHARGES AND CAPITAL CHARGES  
YEAR ENDED DECEMBER 31, 2020**

Customer	WATER DELIVERY CHARGES					
	Municipal & Industrial		Agricultural		Excess	
	A/F Delivered	Revenue \$	A/F Delivered	Revenue \$	A/F Delivered	Revenue \$
Ak Chin Indian Community	—	—	—	—	—	85,425
Arizona State Land Department (ADOT)	876	177,756	—	—	—	—
Arizona Water Banking Authority	—	—	—	—	46,155	9,738,705
Arizona Water Company	16,574	2,575,999	—	—	—	—
ASARCO, Inc.	21,000	3,255,000	—	—	—	—
Avondale, City of	5,416	839,480	—	—	—	—
Bureau of Reclamation	—	—	—	—	6,695	1,472,900
Buckeye, Town of	265	41,075	—	—	—	—
Carefree Water Company	650	100,750	—	—	—	—
Cave Creek Water Company	2,206	343,316	—	—	—	—
CAGR D	8,311	1,108,374	—	—	12,182	2,570,402
Central AZ Irrigation & Drainage District	—	—	91,964	4,827,872	4,500	949,500
Chandler Heights Citrus Irrigation District	—	—	167	9,352	—	—
Chandler, City of	11,263	1,745,765	—	—	—	—
Chaparral City Water Company	6,636	1,253,607	—	—	—	—
Circle City Water Company	—	—	—	—	—	—
Community Water Company - Green Valley	—	—	—	—	—	—
El Mirage, City of	508	78,740	—	—	—	—
Eloy, City of	2,165	336,169	—	—	—	—
EPCOR	20,665	3,224,855	—	—	—	—
Florence, Town of	2,048	317,440	—	—	—	—
Flowing Wells Irrigation District	2,800	434,000	—	—	—	—
Freeport-Miami	1,825	282,875	—	—	—	—
Freeport McMoran Morenci	—	—	—	—	—	—
Freeport McMoran Sierrita	—	—	—	—	—	—
Gila River Indian Community	—	—	—	—	—	507,725
Gilbert, Town of	7,235	1,121,425	—	—	—	—
Glendale, City of	17,043	2,660,772	—	—	—	—
Goodyear, City of	10,742	1,665,010	—	—	—	—
Green Valley Water Company	—	—	—	—	—	—
Harquahala Valley Irrigation District	—	—	27,083	1,516,648	—	—
HoHokam Irrigation & Drainage District	—	—	29,456	1,649,536	3,000	633,000
Marana, Town of	2,336	362,080	—	—	—	—
Maricopa County Parks & Recreation	437	82,387	—	—	—	—
Maricopa Stanfield Irrigation & Drainage District	—	—	102,656	5,748,736	4,500	949,500
Mesa, City of	42,540	6,593,700	—	—	—	—

**TABLE H**  
**(Continued)**

WATER DELIVERY CHARGES				SUBCONTRACTOR CAPITAL CHARGES		TOTAL PAID
Federal		Total		Acre-Feet Allocation	Revenue \$ (a)	
A/F Delivered	Revenue \$	A/F Delivered	Revenue \$			
89,071	13,841,843	89,071	13,927,268	—	—	\$13,927,268
—	—	876	177,756	32,076	1,796,256	1,974,012
—	—	46,155	9,738,705	—	—	9,738,705
—	—	16,574	2,575,999	18,137	1,015,672	3,591,671
—	—	21,000	3,255,000	21,000	1,176,000	4,431,000
—	—	5,416	839,480	5,416	303,296	1,142,776
—	—	6,695	1,472,900	—	—	1,472,900
—	—	265	41,075	265	14,840	55,915
—	—	650	100,750	1,300	72,800	173,550
—	—	2,206	343,316	2,606	145,936	489,252
20,239	2,720,736	40,732	6,399,512	8,311	465,416	6,864,928
—	—	96,464	5,777,372	—	—	5,777,372
—	—	167	9,352	—	—	9,352
10,072	1,561,160	21,335	3,306,925	8,654	484,624	3,791,549
—	—	6,636	1,253,607	8,909	498,904	1,752,511
—	—	—	—	3,932	220,192	220,192
—	—	—	—	2,858	160,048	160,048
—	—	508	78,740	508	28,448	107,188
—	—	2,165	336,169	2,171	121,576	457,745
—	—	20,665	3,224,855	20,885	1,169,560	4,394,415
—	—	2,048	317,440	2,048	114,688	432,128
—	—	2,800	434,000	2,854	159,824	593,824
—	—	1,825	282,875	—	—	282,875
12,000	1,860,000	12,000	1,860,000	—	—	1,860,000
9,998	1,549,888	9,998	1,549,888	—	—	1,549,888
128,328	19,973,703	128,328	20,481,428	—	—	20,481,428
30,720	4,793,478	37,955	5,914,903	7,235	405,160	6,320,063
5,346	828,630	22,389	3,489,402	17,236	965,216	4,454,618
7,000	1,085,000	17,742	2,750,010	10,742	601,552	3,351,562
—	—	—	—	1,900	106,400	106,400
—	—	27,083	1,516,648	—	—	1,516,648
—	—	32,456	2,282,536	—	—	2,282,536
—	—	2,336	362,080	2,336	130,816	492,896
—	—	437	82,387	665	37,240	119,627
—	—	107,156	6,698,236	—	—	6,698,236
4,918	762,290	47,458	7,355,990	43,503	2,436,168	9,792,158

**TABLE H**  
**(Continued)**

Customer	WATER DELIVERY CHARGES					
	Municipal & Industrial		Agricultural		Excess	
	A/F Delivered	Revenue \$	A/F Delivered	Revenue \$	A/F Delivered	Revenue \$
Metro Domestic Water Improvement District	9,960	1,543,800	—	—	—	—
New Magma Irrigation & Drainage District	—	14,880	—	—	953	201,083
Oro Valley, Town of	10,305	1,597,275	—	—	—	—
Pascua Yaqui Tribe	—	—	—	—	—	—
Peoria, City of	25,138	3,906,092	—	—	—	—
Phelps Dodge Corporation	—	—	—	—	—	—
Phoenix, City of	158,053	24,527,420	—	—	—	—
Queen Creek Irrigation District	—	32,403	—	—	35	7,385
Queen Creek, Town of	495	76,725	—	—	—	—
Rio Verde Utilities, Inc.	812	125,860	—	—	—	—
San Carlos Apache Nation	—	—	—	—	—	—
San Carlos Irrigation & Drainage District	—	—	1,425	79,800	—	—
San Tan Irrigation District	—	—	—	—	—	—
Scottsdale, City of	54,698	8,497,495	—	—	—	—
Spanish Trails Water Company	3,037	470,735	—	—	—	—
Stone Applications, LLC	—	—	—	—	—	—
Surprise, City of	10,249	1,588,595	—	—	—	—
Tempe, City of	4,315	668,825	—	—	—	—
Temporary Water Permits	—	—	—	—	441	215,100
Tohono O'odham Nation	—	—	—	—	—	151,950
Tonopah Irrigation District	—	132,548	2,664	149,184	400	84,400
Tonto Hills DWID	67	10,781	—	—	—	—
Tonto Hills Utility Company	—	—	—	—	—	—
Tucson, City of	144,187	22,349,381	—	—	—	—
Vail Water Company	1,857	287,835	—	—	—	—
Water Utilities Comm Facilities District	1,402	217,706	—	—	—	—
Water Utility of Greater Tonopah, Inc.	—	—	—	—	—	—
Subtotal	608,116	\$ 94,648,931	255,415	\$ 13,981,128	78,861	\$ 17,567,075
Hohokam CDR Capital Charge Adjustments						
Water Storage Tax - AWBA						(12,285,014)
Year End Reconciliations		(6,993,375)				
2019 Reconciliation Adjustment						
Ag Forbearance - USBR Pre-pay discount \$4 a/f				322,112		
CAGRD elimination						
Transfer of Stored Water Credits						782,542
TOTAL	608,116	\$ 87,655,556	255,415	\$ 14,303,240	78,861	\$ 6,064,603

(a) Excess water deliveries include a component for facility use

**TABLE H**  
**(Continued)**

WATER DELIVERY CHARGES				SUBCONTRACTOR CAPITAL CHARGES		TOTAL PAID
Federal		Total		Acre-Feet Allocation	Revenue \$ (a)	
A/F Delivered	Revenue \$	A/F Delivered	Revenue \$			
—	—	9,960	1,543,800	13,460	753,760	\$ 2,297,560
10,780	1,929,620	11,733	2,145,583	—	—	2,145,583
—	—	10,305	1,597,275	10,305	577,080	2,174,355
2,201	343,036	2,201	343,036	—	—	343,036
7,000	1,085,000	32,138	4,991,092	25,236	1,413,216	6,404,308
—	—	—	—	2,906	162,736	162,736
28,188	4,371,219	186,241	28,898,639	122,204	6,843,424	35,742,063
197	30,535	232	70,323	—	—	70,323
—	4,137	495	80,862	495	27,720	108,582
—	—	812	125,860	812	45,472	171,332
14,000	2,170,000	14,000	2,170,000	—	—	2,170,000
—	—	1,425	79,800	—	—	79,800
—	—	—	—	236	13,216	13,216
25,178	3,902,590	79,876	12,400,085	52,810	2,957,360	15,357,445
—	—	3,037	470,735	3,037	170,072	640,807
10,000	1,550,000	10,000	1,550,000	—	—	1,550,000
—	—	10,249	1,588,595	10,249	573,944	2,162,539
178	27,590	4,493	696,415	4,315	241,640	938,055
—	—	441	215,100	—	—	215,100
60,133	9,901,448	60,133	10,053,398	—	—	10,053,398
5,902	1,068,262	8,966	1,434,394	—	—	1,434,394
—	—	67	10,781	—	—	10,781
—	—	—	—	71	3,976	3,976
—	—	144,187	22,349,381	144,191	8,074,696	30,424,077
—	—	1,857	287,835	1,857	103,992	391,827
1,000	155,000	2,402	372,706	2,919	163,464	536,170
—	—	—	—	64	3,584	3,584
482,449	\$ 75,515,165	1,424,841	\$ 201,712,299	620,714	\$ 34,759,984	\$ 236,472,283
			(12,285,014)		(52,677)	(52,677)
	(5,574,709)		(12,568,083)			(12,285,014)
			(27,270)			(12,568,083)
			322,112			(27,270)
			(9,956,896)			322,112
			782,542			(9,956,896)
						782,542
482,449	\$ 69,940,456	1,424,841	\$ 167,979,690	620,714	\$ 34,707,307	\$ 202,686,997

TABLE I

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
SCHEDULE OF AD VALOREM PROPERTY TAX – FULL CASH VALUE AND ASSESSED VALUE  
– LAST TEN YEARS**

<b>Tax Year</b>	<b>General Tax Rate</b>	<b>Water Storage Tax Rate</b>	<b>Full Cash Value</b>	<b>Assessed Value</b>
2011	\$ 0.06	\$ 0.04	\$ 456,157,812,248	\$ 48,999,660,396
2012	\$ 0.06	\$ 0.04	\$ 419,142,979,943	\$ 44,758,562,011
2013	\$ 0.10	\$ 0.04	\$ 403,224,528,684	\$ 41,836,049,147
2014	\$ 0.10	\$ 0.04	\$ 433,462,010,696	\$ 44,675,371,869
2015	\$ 0.10	\$ 0.04	\$ 443,241,856,037	\$ 44,435,156,807
2016	\$ 0.10	\$ 0.04	\$ 551,066,482,724	\$ 66,560,470,133
2017	\$ 0.10	\$ 0.04	\$ 585,225,972,497	\$ 70,918,771,749
2018	\$ 0.10	\$ 0.04	\$ 624,861,117,352	\$ 75,607,115,393
2019	\$ 0.10	\$ 0.04	\$ 677,765,663,183	\$ 80,659,630,972
2020	\$ 0.10	\$ 0.04	\$ 741,116,927,456	\$ 87,870,119,937

Source: Maricopa, Pinal and Pima County Assessor's Office.

See Note 4 for further explanation

TABLE J

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
SCHEDULE OF AD VALOREM PROPERTY TAX – TAX LEVY AND COLLECTIONS  
– LAST TEN YEARS**

Collections Through 12/31/20

Tax Year	Tax Levy	Collected to June 30 End of Tax Year		Cumulative Delinquent Taxes	Total Collections	
		Amount	Percent of Tax Levy		Amount	Percent of Tax Levy
2011	\$ 49,088,155	\$ 48,887,642	99.59%	\$ (19,566)	\$ 48,868,076	99.55%
2012	44,439,360	44,339,121	99.77%	55,484	44,394,605	99.90%
2013	58,546,802	58,164,668	99.35%	(3,938)	58,160,730	99.34%
2014	62,448,359	61,994,505	99.27%	397	61,994,902	99.27%
2015	62,152,675	61,785,526	99.41%	(12,350)	61,773,176	99.39%
2016	64,589,605	64,196,957	99.39%	(14,307)	64,182,650	99.37%
2017	67,936,275	67,599,128	99.50%	(30,607)	67,568,521	99.46%
2018	71,704,145	71,411,909	99.59%	(181,502)	71,230,407	99.34%
2019	76,005,465	73,856,175	97.17%	1,415,499	75,271,674	99.03%
2020	80,853,980	41,075,389	50.80%	-	41,075,389	50.80%

Source: Maricopa, Pima and Pinal County Treasurer's Office

TABLE K

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
REVENUE BONDS AND PLEDGED REVENUE – LAST TEN YEARS**

<b>2016 Revenue Bonds</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Principal Debt	\$ -	\$ -	\$ -	\$ -
Interest Debt	-	-	-	-
Total Debt Payment	-	-	-	-
Pledged Fixed OM&R Revenue	-	-	-	-
Debt Service Coverage Ratio	-	-	-	-
Total Debt on 2016 Revenue Bonds	-	-	-	-
Revenues*	46,800,100	21,611,300	28,554,600	29,664,900

<b>2019 Revenue Bonds</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Principal Debt	-	-	-	-
Interest Debt	-	-	-	-
Total Debt Payment	-	-	-	-
Pledged CAGRD Revenue	-	-	-	-
Debt Service Coverage Ratio	-	-	-	-
Total Debt on 2019 Revenue Bonds	-	-	-	-
Combined Debt on 2016 and 2019 Bonds	\$ -	\$ -	\$ -	\$ -

\* Provided for reporting purposes pursuant to 2016 Bond Indenture.

Note: Interest payments are due on January and July 1st of each year;  
principal payments are due on January 1st of each year.



**TABLE K**  
**(Continued)**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ -	\$ -	\$ 1,345,000	\$ 1,505,000	\$ 1,565,000	\$ 1,645,000
-	882,039	2,132,050	2,088,500	2,019,275	1,939,025
-	882,039	3,477,050	3,593,500	3,584,275	3,584,025
-	-	67,207,000	74,442,000	99,897,071	101,982,532
-	20.0	19.3	20.7	27.9	28.5
-	45,460,000	44,115,000	42,610,000	41,045,000	39,400,000
22,287,900	15,096,900	30,260,700	27,818,600	52,702,600	16,078,900
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
-	-	-	-	-	1,520,000
-	-	-	-	-	440,074
-	-	-	-	-	1,960,074
-	-	-	-	-	32,828,679
-	-	-	-	-	16.7
-	-	-	-	20,000,000	18,480,000
\$ -	\$ 45,460,000	\$ 44,115,000	\$ 42,610,000	\$ 61,045,000	\$ 57,880,000

TABLE L

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
FEDERAL REPAYMENT OBLIGATION (DOLLARS)  
PURSUANT TO THE STIPULATION AND ORDER FOR JUDGEMENT DATE 4/2003  
- LAST TEN YEARS**

Accounting Year Ending	Payment Made 21-Jan	Beginning Balance Interest Bearing		Beginning Balance Non-Interest Bearing	
		Stage I	Stage II	Stage I	Stage II
2011	2012	\$ 650,018,026	\$ 216,761,250	\$ 322,211,083	\$ 93,832,798
2012	2013	630,746,199	210,489,677	321,411,083	93,832,798
2013	2014	611,474,373	204,218,104	320,611,083	93,832,798
2014	2015	592,202,546	197,946,530	319,811,083	93,832,798
2015	2016	567,912,762	191,674,957	319,011,083	93,832,799
2016	2017	543,622,979	185,403,384	318,211,083	93,832,799
2017	2018	519,333,196	179,131,811	317,411,083	93,832,798
2018	2019	494,843,412	171,292,344	316,811,083	93,832,798
2019	2020	470,353,629	163,452,878	316,211,083	93,832,798
2020	2021	445,863,845	155,613,411	315,611,083	93,832,798

**TABLE L**  
**(Continued)**

<b>Payment Due</b>			<b>Short Term</b>	<b>Long Term</b>	
<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Balance as of</b>	<b>Balance as of</b>	<b>Total</b>
			<b>12/31</b>	<b>12/31</b>	<b>12/31</b>
\$ 26,343,400	\$ 28,967,763	\$ 55,311,163	\$ 26,343,400	\$ 1,256,479,757	\$ 1,282,823,157
26,343,400	28,114,103	54,457,503	26,343,400	1,230,136,357	1,256,479,757
26,343,400	27,260,443	53,603,843	26,343,400	1,203,792,958	1,230,136,358
31,361,357	26,406,782	57,768,139	31,361,357	1,172,431,600	1,203,792,957
31,361,357	25,385,422	56,746,779	31,361,357	1,141,070,244	1,172,431,601
31,361,357	24,364,061	55,725,418	31,361,357	1,109,708,888	1,141,070,245
32,929,250	23,342,701	56,271,951	32,929,250	1,076,779,638	1,109,708,888
32,929,250	22,262,257	55,191,507	32,929,250	1,043,850,387	1,076,779,637
32,929,250	21,181,813	54,111,063	32,929,250	1,010,921,137	1,043,850,387
32,929,250	20,101,370	53,030,620	32,929,250	977,991,887	1,010,921,137

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS – LAST TEN YEARS**  
*Data by Last Available Report Year*

Population by County (1)				Unemployment Rate (%) (1)			
<u>Year</u>	<u>Maricopa</u>	<u>Pinal</u>	<u>Pima</u>	<u>Year</u>	<u>Maricopa</u>	<u>Pinal</u>	<u>Pima</u>
2020	4,439,220	467,932	1,052,375	2020	6.90	7.10	7.40
2019	4,367,835	455,210	1,044,675	2019	3.60	4.50	4.10
2018	4,294,460	440,591	1,034,201	2018	4.30	5.10	4.70
2017	4,221,684	427,603	1,026,099	2017	3.90	4.70	4.20
2016	4,137,076	413,312	1,013,103	2016	4.20	5.10	4.50
2015	4,076,438	406,468	1,009,371	2015	4.60	5.60	5.00
2014	4,008,651	396,237	1,007,162	2014	5.20	6.30	5.50
2013	3,944,859	393,813	996,046	2013	5.90	7.20	6.10
2012	3,884,705	389,192	990,380	2012	6.60	7.80	6.70
2011	3,843,370	384,231	986,081	2011	7.60	8.70	7.70

Per Capita Income (2)				Personal Income (2)			
<u>Year</u>	<u>Maricopa</u>	<u>Pinal</u>	<u>Pima</u>	<u>Year</u>	<u>Maricopa</u>	<u>Pinal</u>	<u>Pima</u>
2019	49,704	32,182	45,456	2019	222,943,072	14,893,430	47,604,994
2018	47,694	30,644	44,028	2018	210,370,180	13,701,923	45,748,033
2017	45,573	29,309	41,637	2017	196,286,191	12,609,714	42,585,356
2016	43,845	28,492	39,889	2016	185,613,641	11,827,274	40,387,983
2015	42,962	27,866	39,177	2015	178,469,430	11,259,846	39,385,843
2014	41,320	27,068	38,120	2014	168,450,841	10,665,065	38,154,664
2013	39,451	26,096	36,794	2013	158,054,524	10,027,602	36,601,437
2012	39,123	24,973	36,372	2012	154,137,019	9,537,601	36,064,014
2011	37,554	24,594	35,215	2011	145,320,626	9,301,945	34,767,954
2010	36,021	23,317	33,986	2010	137,766,890	8,848,824	33,359,029

## Sources:

1. Office of Economic Opportunity: AZ Labor Statistics (<http://laborstats.az.gov>)
2. U.S. Department of Commerce - Bureau of Economic Analysis  
(<http://www.bea.gov/regional/bearfacts/countybf.cfm>)

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
MAJOR EMPLOYERS – STATE OF ARIZONA**  
*Data by Last Available Report Year*

Employer	2020			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Banner Health	38,190	1	18.60%	27,431	3	13.68%
State of Arizona	36,170	2	17.62%	52,420	1	26.15%
Wal-Mart Stores, Inc	33,619	3	16.38%	31,280	2	15.60%
Wells Fargo	16,700	4	8.13%	14,000	5	6.98%
Amazon.com	15,000	5	7.31%	-	-	-
Arizona State University	14,889	6	7.25%	12,043	8	6.01%
City of Phoenix	14,129	7	6.88%	16,375	4	8.17%
Raytheon	13,000	8	6.33%	11,500	9	5.74%
Maricopa County	12,910	9	6.29%	12,996	6	6.48%
University of Arizona	10,696	10	5.21%	-	-	-
Apollo Group Inc.	-	-	-	12,299	7	6.13%
Honeywell Aerospace	-	-	-	10,145	10	5.06%

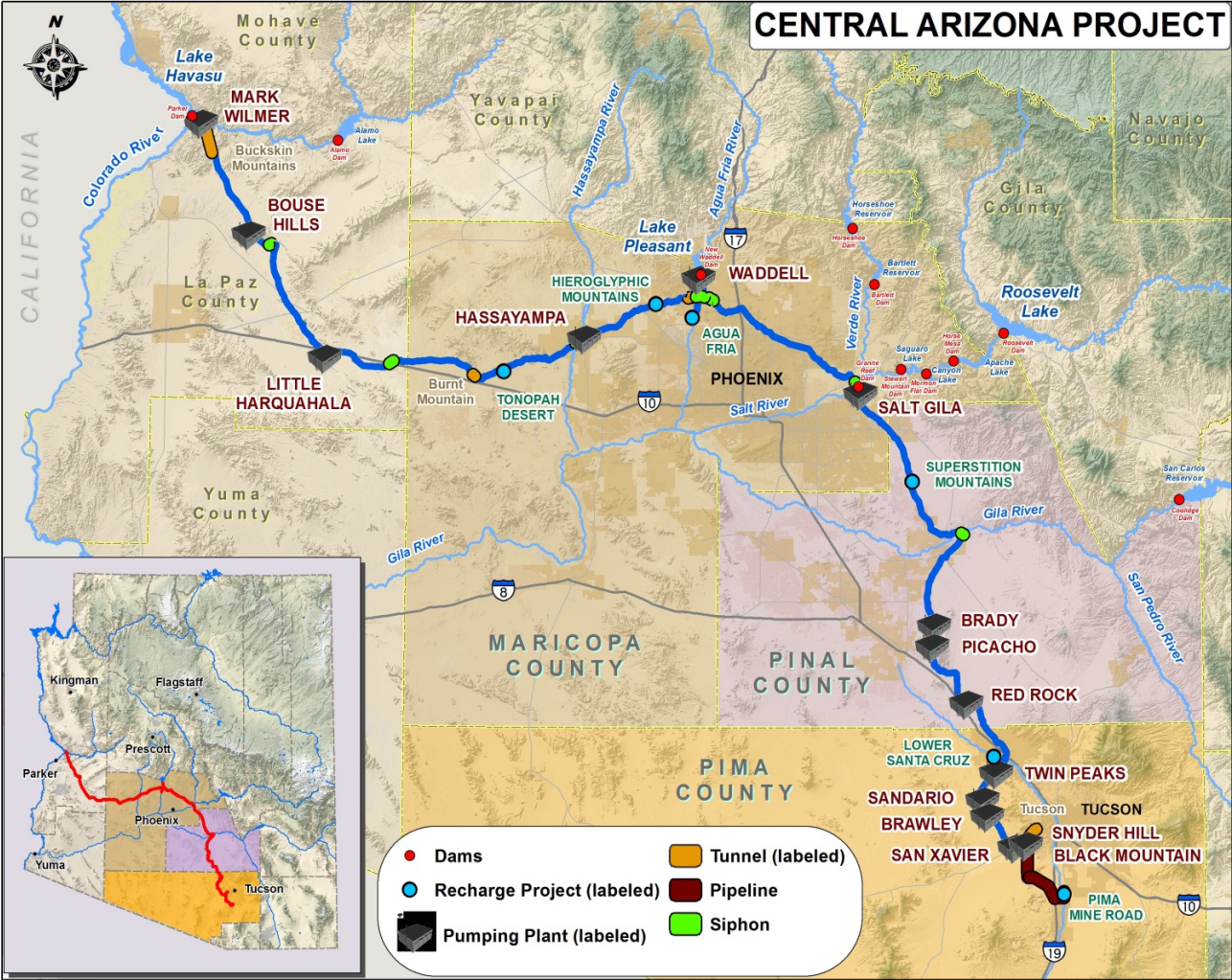
Sources: Phoenix Business Journal 2019 Book of Lists pg. 144  
Phoenix Business Journal 2010 Book of Lists pg. 166

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
AREA GROWTH BY COUNTY – LAST TEN YEARS**  
*In Square Miles*

<u>Year</u>	<u>Maricopa</u>	<u>Pima</u>	<u>Pinal</u>
2020	9,200	9,187	5,366
2019	9,200	9,187	5,366
2018	9,200	9,187	5,366
2017	9,200	9,187	5,366
2016	9,200	9,187	5,366
2015	9,200	9,187	5,366
2014	9,200	9,187	5,366
2013	9,200	9,187	5,366
2012	9,200	9,187	5,366
2011	9,200	9,187	5,366

Source: US Census Bureau, Census of Population and Housing.  
<http://quickfacts.census.gov/qfd/states/04/04021.html>

CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
CENTRAL ARIZONA PROJECT SYSTEM MAP



Aqueduct	Length	Pumping Plants	Lift (feet)	Tunnels & Siphons	Turnouts
Hayden-Rhodes	190	5	1,251	10	18
Fannin-McFarland	63	1	86	1	16
Tucson	83	9	1,569	1	12
Totals	336	15	2,906	12	46

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT**  
**CAPITAL ASSET STATISTICS – LAST TEN YEARS**  
*(Dollars in Millions)*

	2011	2012	2013
<b>Capital Assets</b>			
(net of depreciation and amortization)			
<b>Operating Assets</b>			
Land	\$ 1.9	\$ 1.9	\$ 1.9
Land Improvements	1.1	1.2	2.3
Work-in-process	20.2	36.1	43.7
Intangibles	28.9	28.2	27.6
Structures & improvements	59.0	56.3	52.4
Computers	6.1	4.8	5.6
Furniture/office equipment	0.1	0.2	0.2
Transportation	1.6	1.4	1.5
Field & other equipment	35.2	34.8	35.2
Communications	17.5	25.6	29.1
Total operating assets	171.6	190.5	199.5
<b>Permanent Service Right</b>	1,253.9	1,227.4	1,204.4
<b>Total Capital Assets</b>	<u>\$ 1,425.5</u>	<u>\$ 1,417.9</u>	<u>\$ 1,403.9</u>



**TABLE Q**  
**(Continued)**

2014	2015	2016	2017	2018	2019	2020
\$ 1.9	\$ 2.0	\$ 2.0	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2
5.0	4.7	4.5	7.9	7.2	6.6	6.0
20.9	33.6	48.4	55.7	19.3	16.7	21.4
31.7	32.5	32.3	33.9	33.2	32.2	31.2
76.6	80.0	82.7	84.6	132.7	135.9	129.9
7.1	4.6	7.3	4.4	4.6	5.2	5.6
0.3	0.2	0.1	0.1	-	-	-
1.8	2.3	2.5	2.7	3.1	3.2	3.3
46.3	64.4	62.7	67.3	69.8	70.9	82.8
27.1	25.6	25.2	25.6	23.8	22.0	20.5
218.7	249.9	267.7	285.4	296.9	295.9	303.9
1,181.3	1,158.3	1,135.3	1,112.1	1,089.0	1,065.8	1,042.8
\$ 1,400.0	\$ 1,408.2	\$ 1,403.0	\$ 1,397.5	\$ 1,385.9	\$ 1,361.7	\$ 1,346.7

**CENTRAL ARIZONA WATER CONSERVATION DISTRICT  
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM – LAST TEN YEARS**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General Manager	5.3	3.0	5.0
Water Policy	4.9	4.6	5.0
Communications and Public Affairs	7.9	10.0	8.0
Employee Services	37.7	42.3	41.3
Administration	65.3	65.0	68.5
Legal Services	5.8	6.0	6.0
Maintenance	234.4	228.5	233.2
Operations, Planning and Engineering	107.4	101.2	103.6
Total	468.7	460.6	470.6

*Source: District-Finance Department*

2019 and 2020 reflect the reorganization done on 6/5/19

Average calendar year full-time equivalent (FTE) positions are based on actual positions filled at the end of each calendar month and then averaged for the calendar year

**TABLE R**  
**(Continued)**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
11.0	2.4	4.3	6.6	6.8	12.2	12.0
17.5	20.4	15.2	16.9	16.0	15.7	16.8
8.0	8.0	13.8	14.2	15.0	14.2	16.1
0.0	0.0	32.8	32.8	32.2	32.0	29.6
113.5	124.9	125.2	127.6	129.4	85.2	83.3
5.6	5.0	4.7	4.9	4.7	5.0	5.0
229.9	221.4	187.6	188.6	190.9	233.5	230.3
91.2	89.0	91.7	92.3	89.3	84.6	83.3
476.7	471.1	475.3	483.9	484.3	482.4	476.4



**CAP**

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CENTRAL ARIZONA PROJECT