

Central Arizona Project

Year-to-Date

1st Quarter

Financial Review

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Financial Overview

The following discussion presents an overview of the financial activities and condition of the Central Arizona Water Conservation District (CAWCD or District). It summarizes the 2024 financial and budget performance through the first quarter and provides a projection for the full year. More detailed explanations are covered on the following pages.

Highlights

TOTAL REVENUES: As shown on the graphs to the right, total revenues through the first quarter were \$61 million, \$3 million lower than budget. The full-year total revenue forecast is \$458 million, \$19 million lower than budget. The full-year variance is primarily because:

- Water Operations & Maintenance (O&M) charges are forecast \$12 million lower than budget because of system conservation agreements that were not in place at the time of the budget.
- Other revenues are forecast \$7 million lower than budget, primarily because CAGR rate revenue is lower due to less-than-expected obligation.

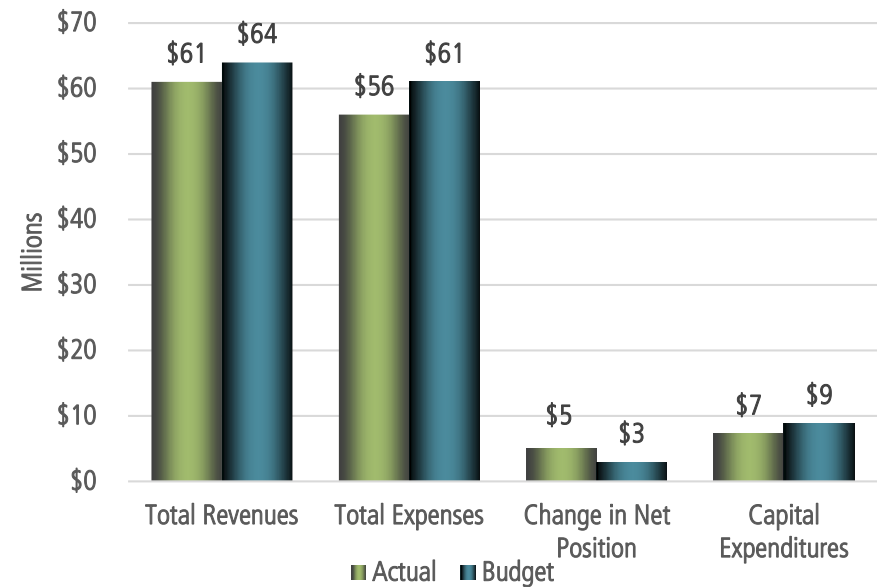
TOTAL EXPENSES: As shown on the graphs to the right, total expenses through the first quarter were \$56 million, \$5 million lower than budget. The full-year total expense forecast is \$284 million, \$12 million lower than budget. The biggest influence on the full-year variance is Energy, which is forecasted \$6 million lower than budget.

See Total Revenues and Total Expenses sections on pages 6-7 for additional information.

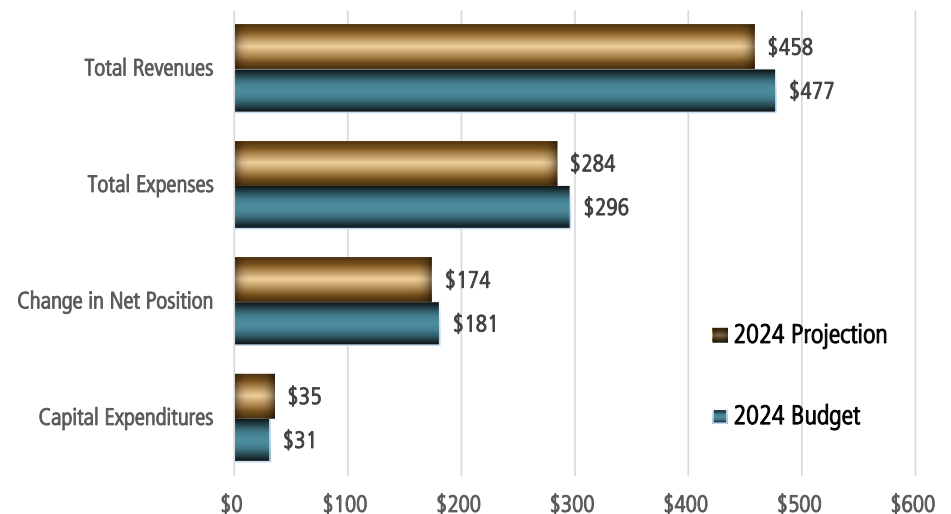
CHANGE IN NET POSITION: The change in net position—which is the difference between revenues and expenses—was \$5 million through the first quarter, \$2 million higher than budget. The full year forecast is \$174 million, \$7 million lower than budget. See Statements of Net Position on page 4 for additional information.

CAPITAL: Capital spending through the first quarter was \$7 million, \$2 million lower than budget. The full-year capital spending forecast is \$35 million, \$4 million higher than budget. The Project Steering Committee has reviewed and adjusted planned capital spending later in 2024, and it will continue to review projects and equipment needs to determine if additional adjustments can be made or if additional spending authority is needed. See Capital section starting on page 53 for additional information.

1st Quarter 2024 - Actual vs Budget



Full Year 2024 - Projection vs Budget



Statements of Net Position

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Total assets and deferred outflows at the end of 2024 are projected to be \$87 million higher than the 2023 year-end balance.

CURRENT ASSETS: One of the largest component of the District's current assets is water inventory, which represents long term storage credits (LTSCs) and lake inventories. Water inventory is projected to increase by \$4 million in 2024.

Cash and cash equivalents are projected to increase \$18 million. Other current assets—which are primarily made up of accounts receivable—are expected to decrease \$14 million. The receivable balance is expected to decrease because the 2024 year-end rate reconciliation is not expected to result in significant water customer receivables like it did in 2023.

NONCURRENT ASSETS: The largest component of the District's capital assets is the net permanent service right (PSR). The PSR represents the District's right to operate the Central Arizona Project system and collect revenues from operations, for which the District has incurred a repayment obligation to the United States. For 2024, amortization of the PSR is approximately \$18 million, and the net PSR will decrease from \$975 million to \$957 million. Net capital operating assets, which grow as a result of completed capital projects, are projected to increase by \$11 million.

Investments and restricted assets are expected to increase by \$88 million, following the increased reserve targets to address long-term maintenance and capital projects.

Through the 2007 Arizona Water Settlements Act, the District acquired 96,295 acre-feet of non-Indian agricultural water rights, valued at \$89 million. In 2021, 44,530 acre-feet were allocated to M&I contractors leaving a remaining balance of 51,765 acre-feet valued at \$48 million. The remaining NIA priority water rights were previously indicated to be reallocated by 2030.

DEFERRED OUTFLOWS OF RESOURCES: Includes Pension & Other Post-Employment Benefits (OPEB) valuation and upfront payments. Valuations are done at the end of the year.

<i>(Dollars in millions)</i>	2023	2024	Change	
Current Assets				
Cash and cash equivalents	\$ 236	\$ 254	\$ 18	7.6%
Funds held by federal gov't	5	7	2	40.0%
Water inventory	241	245	4	1.7%
Other current assets	88	74	(14)	(15.9%)
	570	580	10	1.8%
Noncurrent Assets				
Investments and restricted assets	613	701	88	14.4%
Agricultural water rights	48	48	-	0.0%
Capital assets - operating, net	346	357	11	3.2%
Capital assets - PSR, net	975	957	(18)	(1.8%)
Other assets	6	2	(4)	(66.7%)
	1,988	2,065	77	3.9%
Deferred Outflows of Resources				
Pension & OPEB valuation and Upfront Payments	10	10	-	0.0%
Total Assets & Deferred Outflows	\$ 2,568	\$ 2,655	\$ 87	3.4%

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION

CURRENT LIABILITIES: Current liabilities include payables, accrued interest, and current principal obligations. Overall, current liabilities are projected to decrease \$31 million in 2024, primarily because accounts payable is projected to decrease \$25 million due to a large 2023 customer payable that is not expected at the end of 2024.

NONCURRENT LIABILITIES: Noncurrent liabilities are projected to decrease \$49 million, primarily because the federal repayment obligation will decrease \$43 million from the annual payment. In addition, contract revenue bonds are expected to decrease \$6 million as debt payments are made.

DEFERRED INFLOWS OF RESOURCES: Deferred inflows include customer deposits and upfront payments, as well as deferred inflow OPEB and pension valuation. Deferred inflows of resources are expected to decrease by \$7 million in 2024 through the use of voluntary rate stabilization funds.

NET POSITION: Net position—which is the difference between Total Assets and Deferred Outflows and Total Liabilities and Deferred Inflows—is projected to increase \$174 million in 2024.

Total liabilities, deferred inflows of resources, and net position

2024 vs. 2023

(in millions)

	2023	2024	Change	
Current liabilities	177	146	\$ (31)	(17.5%)
Noncurrent liabilities				
Repayment obligation, net	857	814	\$ (43)	(5.0%)
Contract revenue bonds	39	33	(6)	(15.4%)
Ag water right debt	89	89	-	0.0%
Asset retirement obligation	21	21	-	0.0%
Other noncurrent liabilities	85	85	-	0.0%
Total noncurrent liabilities	1,091	1,042	(49)	(4.5%)
Deferred inflows of resources				
Customer deposits and upfront payments	44	37	(7)	(15.9%)
Deferred inflow OPEB	12	12	-	0.0%
Deferred inflow pension	4	4	-	0.0%
Total deferred inflows of resources	60	53	(7)	(11.7%)
Net position				
Investments in capital assets	379	418	39	10.3%
Restricted, net	105	104	(1)	(1.0%)
Unrestricted, net	756	892	136	18.0%
Total net position	1,240	1,414	174	14.0%
Total liabilities, deferred inflows of resources, & net position	\$ 2,568	\$ 2,655	\$ 87	3.4%

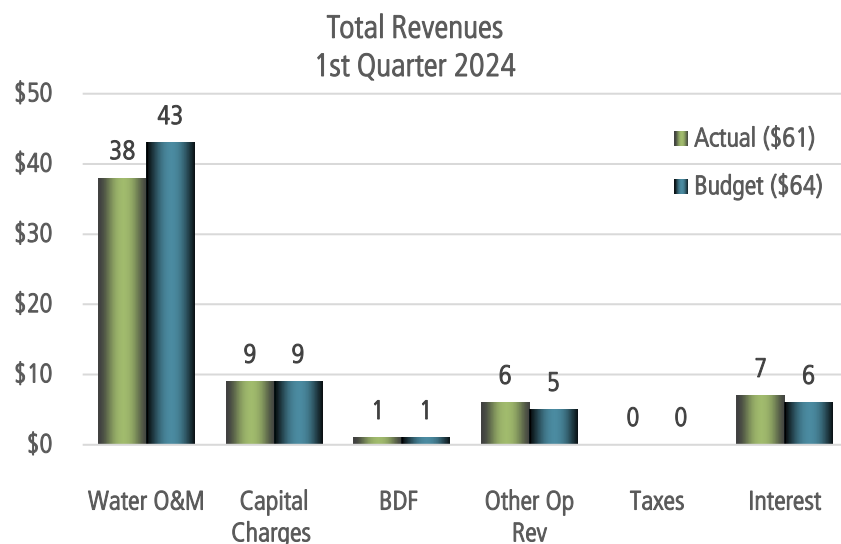
Statements of Revenues, Expenses & Change in Net Position

Net position increased \$5 million through the first quarter, compared to a budgeted increase of \$3 million. Net position is projected to increase by \$174 million for the year. The factors contributing to the year-to-date and full-year net position change are discussed in the sections that follow.

TOTAL REVENUES

1ST QUARTER 2024 BUDGET PERFORMANCE: Total revenues through the first quarter were \$61 million compared to a budget of \$64 million.

- Water O&M revenues were \$38 million, \$5 million lower than budget, because of system conservation agreements that were not in place when the budget was prepared.
- All other revenue categories were at or near budget.



FULL-YEAR 2024 BUDGET PERFORMANCE:

At year-end, total revenues are projected to be \$458 million, \$19 million lower than budget.

Operating Revenues are projected to be \$20 million lower than budget.

- Water O&M charges are projected to be \$12 million lower because of a system conservation agreement that was not in place when the budget was completed and lower energy costs.
- Other operating revenues are projected to be \$7 million lower than budget, primarily because CAGR rate revenues are projected to be \$7 million lower than budget due to lower-than-expected obligation.
- All other operating revenue categories are projected to be at or near budget.

Nonoperating Revenues are expected to be at or near budget.

Full-Year 2024						
<i>(Dollars in millions)</i>	Projected		Budget		Variance	
Operating Revenues						
Water O&M charges	\$	223	\$	235	\$	(12) (5.1%)
Water service capital charges		36		37		(1) (2.7%)
BDF revenues		7		7		- 0.0%
Other revenues		61		68		(7) (10.3%)
		327		347		(20) (5.8%)
Nonoperating Revenues						
Property taxes		104		104		- 0.0%
Interest income & other		27		26		1 3.8%
		131		130		1 0.8%
Total Revenues	\$	458	\$	477	\$	(19) (4.0%)

TOTAL EXPENSES

1ST QUARTER 2024 BUDGET PERFORMANCE: Total expenses through the first quarter were \$56 million, \$5 million lower than budget.

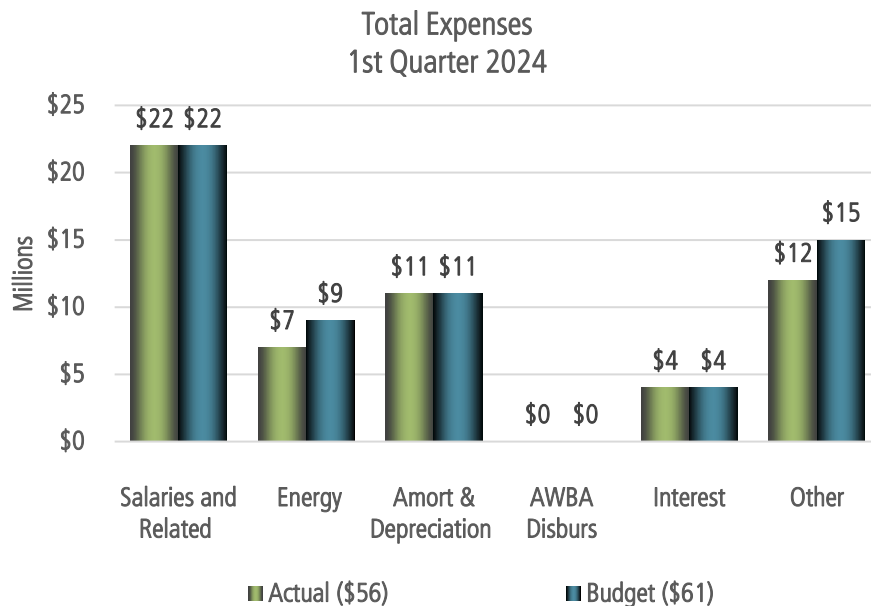
- Energy charges were \$2 million lower than budget, primarily because natural gas prices were lower than expected.
- Other expenses were \$3 million lower than budget, primarily because of lower-than-expected conservation program costs and lower recovery expenses.
- All other expense categories were at budget.

FULL-YEAR 2024 BUDGET PERFORMANCE: At year end, total expenses are projected to be \$284 million, \$12 million lower than budget.

Operating Expenses are projected to be \$12 million lower than budget.

- Energy expenses are projected to end the year \$6 million lower than budget because natural gas prices are lower than expected and shaping opportunities.
- Other expenses are projected to be \$10 million lower than budget, primarily because:
 - ◇ Water for Underground Storage is expected to be \$5 million lower than budget because of less obligation than expected.
 - ◇ Outside services are expected to be \$3 million lower than budget because of lower-than-expected conservation program and recovery expenses.
- Amortization and Depreciation is expected to be \$4 million higher than budget because of more work-in-process being completed than expected.

All other operating and nonoperating expense categories are expected to be at or near budget.



Full-Year 2024

(Dollars in millions)

<i>(Dollars in millions)</i>	Projected	Budget	Variance	
Operating Expenses				
Salary and related costs	\$ 87	\$ 87	\$ -	0.0%
Energy	60	66	6	9.1%
Amortization and depreciation	47	43	(4)	(9.3%)
Other	73	83	10	12.0%
	267	279	12	4.3%
Nonoperating Expenses				
AWBA Disbursements	1	1	-	0.0%
Interest Expense	16	16	-	0.0%
	17	17	-	0.0%
Total Expenses	\$ 284	\$ 296	\$ 12	4.1%



Statement of Revenues, Expenses and Change in Net Position

All Funds/Accounts

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024			
	Actual	Budget	Variance		Projected	Budget	Variance	
			(\$)	(%)			(\$)	(%)
Operating Revenues								
Water O&M charges	\$ 37,977	\$ 42,619	\$ (4,642)	(10.9%)	\$ 222,819	\$ 234,927	\$ (12,108)	(5.2%)
Water service capital charges	9,124	9,361	(237)	(2.5%)	36,517	37,314	(797)	(2.1%)
Basin Development Fund revenues	1,289	1,445	(156)	(10.8%)	7,024	6,699	325	4.9%
Other revenues	6,117	4,577	1,540	33.6%	60,810	68,293	(7,483)	(11.0%)
Total Operating Revenues	\$ 54,507	\$ 58,002	\$ (3,495)	(6.0%)	\$ 327,170	\$ 347,233	\$ (20,063)	(5.8%)
Operating Expenses								
Salaries and related costs	\$ (21,699)	\$ (21,536)	\$ (163)	(0.8%)	\$ (86,578)	\$ (86,442)	\$ (136)	(0.2%)
Energy	(6,952)	(9,441)	2,489	26.4%	(60,107)	(66,412)	6,305	9.5%
Transmission	(3,578)	(3,981)	403	10.1%	(13,698)	(15,388)	1,690	11.0%
Amortization	(4,531)	(4,531)	0	0.0%	(18,125)	(18,126)	1	0.0%
Depreciation	(6,931)	(6,518)	(413)	(6.3%)	(29,097)	(25,496)	(3,601)	(14.1%)
Other Operating Costs:								
Outside services	(7,134)	(8,944)	1,810	20.2%	(42,245)	(45,431)	3,186	7.0%
Materials and supplies	(3,814)	(3,515)	(299)	(8.5%)	(11,106)	(10,876)	(230)	(2.1%)
Water for underground storage	3,139	2,591	548	21.2%	512	(3,560)	4,072	114.4%
Overhead	5,669	3,767	1,902	50.5%	4,192	4,148	44	1.1%
Other expenses	(6,653)	(5,291)	(1,362)	(25.7%)	(11,052)	(11,206)	154	1.4%
Subtotal other costs	(8,793)	(11,392)	2,599	22.8%	(59,699)	(66,925)	7,226	10.8%
Total Operating Expenses	(52,484)	(57,399)	4,915	8.6%	(267,304)	(278,789)	11,485	4.1%
Operating Income/(Loss)	\$ 2,023	\$ 603	\$ 1,420	235.6%	\$ 59,866	\$ 68,444	\$ (8,578)	(12.5%)
Non-operating Revenues/(Expenses)								
Property taxes	\$ -	\$ -	\$ -		\$ 104,377	\$ 104,377	\$ -	0.0%
Interest income and other	6,544	6,184	360	5.8%	27,314	25,888	1,426	5.5%
Disbursements to AWBA	-	(175)	175	100.0%	(700)	(711)	11	1.5%
Interest expense and other	(4,051)	(4,051)	-	0.0%	(16,442)	(16,442)	-	0.0%
Total Non-operating Revenues/(Expenses)	2,493	1,958	535	27.3%	114,549	113,112	1,437	1.3%
Change in Net Position	4,516	2,561	1,955	76.3%	174,415	181,556	(7,141)	(3.9%)
Net position at beginning of period	1,239,817	1,222,600	17,217	1.4%	1,239,817	1,222,600	17,217	1.4%
Net position at end of period	\$ 1,244,333	\$ 1,225,161	\$ 19,172	1.6%	\$ 1,414,232	\$ 1,404,156	\$ 10,076	0.7%

Statement of Revenues, Expenses and Change in Net Position By Fund/Account

(Dollars in Thousands)

	1st Quarter 2024	Elimination	General Fund	Supplemental Water	CAGR Account	Captive Insurance Fund
Operating Revenues						
Water O&M charges	\$ 37,977	\$ (3,262)	\$ 41,239	\$ -	\$ -	\$ -
Water service capital charges	9,124	(326)	9,450	-	-	-
Basin Development Fund Revenues	1,289	-	1,289	-	-	-
Other revenues	6,117	(3,287)	880	-	5,336	3,188
Total Operating Revenues	54,507	(6,875)	52,858	-	5,336	3,188
Operating Expenses						
Salaries and related costs	(21,699)	-	(21,348)	-	(351)	-
Energy	(6,952)	-	(6,952)	-	-	-
Transmission	(3,578)	-	(3,578)	-	-	-
Amortization	(4,531)	-	(4,531)	-	-	-
Depreciation	(6,931)	-	(6,916)	-	(15)	-
Other operating costs:						
Outside services	(7,134)	-	(7,000)	-	(74)	(60)
Materials and supplies	(3,814)	-	(3,814)	-	-	-
Water for recharge	3,139	3,687	-	-	(548)	-
Overhead	5,669	-	6,018	-	(349)	-
Other expenses	(6,653)	3,188	(7,194)	-	(19)	(2,628)
Subtotal other costs	(8,793)	6,875	(11,990)	-	(990)	(2,688)
Total Operating Expenses	(52,484)	6,875	(55,315)	-	(1,356)	(2,688)
Operating Income/(Loss)	2,023	-	(2,457)	-	3,980	500
Nonoperating Revenues/(Expenses)						
Property taxes	-	-	-	-	-	-
Interest income and other	6,544	-	5,245	41	1,203	55
Disbursements to AWBA	-	-	-	-	-	-
Interest expense and other	(4,051)	-	(4,027)	-	(24)	-
Total Nonoperating Revenues/(Expenses)	2,493	-	1,218	41	1,179	55
Change in Net Position	4,516	-	(1,239)	41	5,159	555
Net position at beginning of period	1,239,817	(2,350)	888,509	9,023	331,277	13,358
Net position at end of period	\$ 1,244,333	\$ (2,350)	\$ 887,270	\$ 9,064	\$ 336,436	\$ 13,913

Statement of Revenues, Expenses and Change in Net Position By Fund/Account

(Dollars in Thousands)

	Full Year 2024	Elimination	General Fund	Supplemental Water	CAGR D Account	Captive Insurance Fund
Operating Revenues						
Water O&M charges	\$ 222,819	\$ (15,995)	238,814	\$ -	\$ -	\$ -
Water service capital charges	36,517	(1,908)	38,425	-	-	-
Basin Development Fund Revenues	7,024	-	7,024	-	-	-
Other revenues	60,810	(12,853)	2,547	-	58,362	12,754
Total Operating Revenues	327,170	(30,756)	286,810	-	58,362	12,754
Operating Expenses						
Salaries and related costs	(86,578)	-	(85,124)	-	(1,454)	-
Energy	(60,107)	-	(60,107)	-	-	-
Transmission	(13,698)	-	(13,698)	-	-	-
Amortization	(18,125)	-	(18,125)	-	-	-
Depreciation	(29,097)	-	(29,036)	-	(61)	-
Other operating costs:						
Outside services	(42,245)	-	(40,305)	-	(1,675)	(265)
Materials and supplies	(11,106)	-	(11,105)	-	(1)	-
Water for recharge	512	18,002	-	-	(17,490)	-
Overhead	4,192	-	5,695	-	(1,503)	-
Other expenses	(11,052)	12,754	(12,247)	-	(200)	(11,359)
Subtotal other costs	(59,699)	30,756	(57,962)	-	(20,869)	(11,624)
Total Operating Expenses	(267,304)	30,756	(264,052)	-	(22,384)	(11,624)
Operating Income/(Loss)	59,866	-	22,758	-	35,978	1,130
Nonoperating Revenues/(Expenses)						
Property taxes	104,377	-	104,377	-	-	-
Interest income and other	27,314	-	21,673	306	5,277	58
Disbursements to AWBA	(700)	-	(700)	-	-	-
Interest expense and other	(16,442)	-	(16,109)	-	(333)	-
Total Nonoperating Revenues/(Expenses)	114,549	-	109,241	306	4,944	58
Change in Net Position	174,415	-	131,999	306	40,922	1,188
Net position at beginning of period	1,239,817	(2,350)	888,509	9,023	331,277	13,358
Net position at end of period	\$ 1,414,232	\$ (2,350)	\$ 1,020,508	\$ 9,329	\$ 372,199	\$ 14,546

Statement of Net Position

(Dollars in Thousands)

	2023	As of 03/31/2024	As of 12/31/2024
ASSETS			
Current Assets			
Cash	\$ 15,576	\$ 18,451	\$ 19,455
Cash Equivalents	219,966	202,593	234,146
Total cash and cash equivalents	235,542	221,044	253,601
Receivables			
Due from water customers	15,436	19,540	1,472
Due from property taxes, less allowance for doubtful accounts	47,216	37,173	50,327
Other Receivables	21,678	16,600	22,545
Water inventory	241,367	247,496	244,801
Funds held by federal government	5,227	1,364	7,436
Other assets	3,653	2,172	120
Total Current Assets	570,119	545,389	580,302
Noncurrent Assets			
Investments	490,843	479,597	581,759
Restricted assets	122,026	115,508	119,482
Agriculture water rights	47,663	47,663	47,663
Capital assets, less accumulated depreciation	345,885	346,260	356,510
Permanent service right, less accumulated amortization	975,053	970,521	956,927
Other assets	5,869	5,869	1,839
Total Noncurrent Assets	1,987,339	1,965,418	2,064,180
TOTAL ASSETS	2,557,458	2,510,807	2,644,482
DEFERRED OUTFLOWS OF RESOURCES			
Pension & OPEB Valuation and Upfront Payments	10,363	10,363	10,329
Total Deferred Outflows of Resources	10,363	10,363	10,329
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,567,821	\$ 2,521,170	\$ 2,654,811

Statement of Net Position

(Dollars in Thousands)

	2023	As of 03/31/2024	As of 12/31/2024
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 56,290	\$ 32,841	\$ 31,040
Accrued payroll, payroll taxes and other accrued expenses	11,078	9,792	9,155
Water operations, capital charges, and unearned revenue	44,075	79,073	40,734
Asset retirement obligation due within one year	2,559	2,559	845
Current liabilities payable from restricted assets, advances to federal government, and other Non-current assets:			
Accrued interest payable	17,293	4,177	15,865
Repayment obligation, due within one year	40,456	42,808	42,808
Contract revenue bonds, due within one year	5,725	5,910	5,910
Total Current Liabilities	177,476	177,160	146,357
Noncurrent Liabilities:			
Repayment obligation, due after one year	856,623	813,815	813,815
Contract revenue bonds, due after one year, net	39,036	33,001	32,625
Non-Indian agricultural 9(d) debt	88,689	88,689	88,689
Asset retirement obligation due after one year	21,235	19,514	21,169
Other non-current liabilities	84,776	85,376	85,408
Subtotal Noncurrent Liabilities	1,090,359	1,040,395	1,041,706
Total Liabilities	1,267,835	1,217,555	1,188,063
DEFERRED INFLOWS OF RESOURCES			
Customer Deposits	44,011	43,124	36,358
Deferred Inflow OPEB	11,991	11,991	11,991
Pension Valuation	4,167	4,167	4,167
Total Deferred Inflows of Resources	60,169	59,282	52,516
NET POSITION			
Net investment in capital assets	379,096	421,247	418,279
Restricted	104,734	111,331	103,617
Unrestricted	755,987	711,755	892,336
Total Net Position	1,239,817	1,244,333	1,414,232
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,567,821	\$ 2,521,170	\$ 2,654,811

Statement of Net Position by Fund

(Dollars in Thousands)

	As of 12/31/2024	Elimination	General Fund	Supplemental Water	CAGR Account	Captive Insurance
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 253,601	\$ -	\$ 206,241	\$ -	\$ 31,879	\$ 15,481
Receivables	74,344	(7,329)	66,323	-	15,350	-
Water inventory	244,801	-	21,317	-	223,484	-
Funds held by / advanced to federal government	7,436		7,436			
Other	120	(1,447)	(71)	-	1,623	15
Total Current Assets	580,302	(8,776)	301,246	-	272,336	15,496
Noncurrent Assets						
Investments and restricted assets	701,241	(2,350)	592,566	9,329	99,446	2,250
Agriculture water rights	47,663	-	47,663	-	-	-
Capital assets, less accumulated depreciation	356,510	-	331,115	-	25,395	-
Permanent service right, less accumulated amortization	956,927	-	956,927	-	-	-
Other assets, less accumulated amortization	1,839	-	1,839	-	-	-
Bond issuance costs, net of accumulated amortization	-	-	-	-	-	-
Total Noncurrent Assets	2,064,180	(2,350)	1,930,110	9,329	124,841	2,250
TOTAL ASSETS	2,644,482	(11,126)	2,231,356	9,329	397,177	17,746
DEFERRED OUTFLOWS OF RESOURCES	10,329	-	10,329	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 2,654,811	\$ (11,126)	\$ 2,241,685	\$ 9,329	\$ 397,177	\$ 17,746

Statement of Net Position by Fund

(Dollars in Thousands)

	As of 12/31/2024	Elimination	General Fund	Supplemental Water	CAGR Account	Captive Insurance
LIABILITIES						
Current Liabilities						
Accounts payable / accrued payroll	\$ 40,195	\$ (7,354)	\$ 24,715	\$ -	\$ 19,634	\$ 3,200
Water operations and capital charges deferred revenue	40,734	-	40,734	-	-	-
Accrued Decommissioning - Current	845		845			
Other current liabilities	64,583	(1,422)	60,661	-	5,344	-
Total Current Liabilities	146,357	(8,776)	126,955	-	24,978	3,200
Noncurrent Liabilities						
Asset retirement obligation due after one year	21,169		21,169			
Repayment obligation, due after one year	813,815	-	813,815	-	-	-
Contract revenue bonds, due after one year, net	32,625	-	32,625	-	-	-
Non-Indian agricultural 9(d) debt	88,689	-	88,689	-	-	-
Other noncurrent liabilities	85,408	-	85,408	-	-	-
Total Noncurrent Liabilities	1,041,706	-	1,041,706	-	-	-
Total Liabilities	1,188,063	(8,776)	1,168,661	-	24,978	3,200
DEFERRED INFLOWS OF RESOURCES						
Customer Deposits and Upfront Payments	36,358	-	36,358	-	-	-
Deferred Inflow OPEB	11,991		11,991			
Pension Valuation	4,167	-	4,167	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	52,516	-	52,516	-	-	-
NET POSITION						
Net Investment in capital assets	418,279	-	396,759	-	21,520	-
Restricted	103,617	-	66,339	9,329	25,699	2,250
Unrestricted	892,336	(2,350)	557,410	-	324,980	12,296
TOTAL NET POSITION	1,414,232	(2,350)	1,020,508	9,329	372,199	14,546
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 2,654,811	\$ (11,126)	\$ 2,241,685	\$ 9,329	\$ 397,177	\$ 17,746

2024 Spending Authority

(Dollars in Thousands)

	General Fund Operating ¹	CAGR Operating ²	Captive Insurance Fund	Capital Budget
Board Approved Budget (no additional spending authority)	\$ 189,859	\$ 4,817	\$ 11,917	\$ 31,424
Accounting Changes & Adjustments:				
Final Spending Authority	\$ 189,859	\$ 4,817	\$ 11,917	\$ 31,424
Actual operating expenses	\$ 190,247	\$ 4,894	\$ 11,624	\$ 35,373
Variance (\$) Fav/(Unfav)	\$ (388)	\$ (77)	\$ 293	\$ (3,949)
Variance (%)	(0.2%)	(1.6%)	2.5%	(12.6%)

NOTES

¹ Energy and transmission are excluded because of market volatility and are administered by an Energy Risk Oversight

² CAGR water for recharge to meet obligations is excluded.

Annual Repayment Obligation

Master Repayment Contract (Accrual Basis)

(Dollars in Thousands)

	2023 Actual	2024		Variance (\$)	Notes
		Projection	Budget		
Sources of Funds					
Net line rental revenue	2,925	2,822	2,770	52	
Hoover 4.5 mil surcharge	2,587	2,029	2,049	(20)	
Parker-Davis	2,721	1,884	1,847	37	
Net CAP transmission revenues including line losses	(4,332)	(534)	(692)	158	A
Land-related revenues:					
Land use (net)	1,195	824	725	99	B
Land sales (net)	-	-	-	-	
Interest on deposits	131	412	135	277	C
Total Credits Toward Repayment	\$ 5,227	\$ 7,436	\$ 6,834	\$ 602	
Uses of Funds					
Principal	\$ 40,456	\$ 42,808	\$ 42,808	\$ -	
Interest	16,357	15,025	15,025	-	
Gross Payment <i>(Due Jan. 20th, following year-end)</i>	\$ 56,813	\$ 57,833	\$ 57,833	\$ -	
Net Due / Excess Funds for Repayment	\$ (51,586)	\$ (50,397)	\$ (50,999)	\$ 602	
CAP NGS Energy & Navajo Transmission Reconciliation	\$ (57)	\$ -	\$ -	\$ -	
Net Funds Due to/from Federal Government	\$ (51,644)	\$ (50,397)	\$ (50,999)	\$ 602	

Notes:

- A New CAP "One Transmission Rate" provides revenue higher than budgeted amount
- B Land use/rental revenue expected to end the year over budget
- C Interest will greatly exceed budget due to Bureau of Reclamation now applying interest for \$8M of prior years' prepayments of capital project funding

Staffing - Average Full Time Equivalent (FTE)

	1st Qtr	2024		Variance	
	2024	Actual	Budget	FTEs	% (*)
Management Council	11.0	11.0	13.0	2.0	15.4%
<i>AGM - Finance & Admin Group</i>					
Finance & Administration					
Finance & Accounting	20.7	20.9	21.0	0.1	0.4%
Supply Chain & Facilities	27.0	27.0	27.0	-	0.0%
Total Finance and Administration	47.7	47.9	48.0	0.1	0.2%
Technology & Governance					
Analytics	9.0	9.0	9.0	-	0.0%
Information Technology	28.9	29.0	29.0	0.0	0.1%
Enterprise Security	12.3	12.0	12.0	-	0.0%
Total Technology & Governance	50.2	50.0	50.0	0.0	0.1%
Employee Services					
Cent Learning & Development	5.1	5.8	6.0	0.2	3.5%
Environment, Health & Safety	10.4	10.9	11.0	0.1	1.3%
Human Resources	6.0	7.5	7.5	-	0.0%
Total Employee Services	21.5	24.2	24.5	0.3	1.0%
<i>AGM - Water Policy Group</i>					
Water Policy					
CAGRD	9.0	8.8	9.0	0.2	1.9%
Water Policy	9.0	9.1	10.0	0.9	9.4%
Total Water Policy	18.0	17.9	19.0	1.1	5.8%
General Counsel	6.0	6.0	6.0	-	0.0%
Public Affairs	17.0	17.0	17.0	-	0.0%
<i>AGM - Ops & Engineering Group</i>					
Centralized Maint & Reliability					
Centralized Maintenance	64.7	68.6	71.0	2.4	3.3%
Maintenance Control	41.2	42.5	43.0	0.5	1.3%
Total Centralized Maint & Reliability	105.9	111.1	114.0	2.9	2.6%
Field Maintenance					
Operational Technology	37.5	37.7	38.0	0.3	0.8%
South Area Maintenance	41.5	43.0	45.0	2.0	4.3%
West Area Maintenance	45.4	45.8	46.0	0.2	0.5%
Total Field Maintenance	124.4	126.5	129.0	2.5	1.9%
Operations and Engineering					
Engineering	65.0	64.7	65.0	0.3	0.5%
Power Program Admin	2.0	2.0	2.0	-	0.0%
Water Operations	23.0	23.0	23.0	(0.0)	(0.0%)
Total Operations and Engineering	90.0	89.7	90.0	0.3	0.3%
Vacancy/Salary Savings Equivalent		(9.4)	(15.0)	(5.6)	37.3%
Total FTE	491.7	491.9	495.5	3.6	0.7%

General Fund

The General Fund ended the first quarter with a net position decrease of \$1.2 million compared to a budgeted decrease of \$1.7 million. The General Fund is projected to end the year with a net position increase of \$132.0 million.

The following discussion summarizes the General Fund's 2024 budget performance through the first quarter and for the full year projection.

GENERAL FUND
Budget Performance - 1st Quarter 2024

<i>(Dollars in thousands)</i>	Actuals	Budget	Variance	
Revenues	\$ 58,103	\$ 61,524	\$ (3,421)	(5.6%)
Expenses	(59,342)	(63,268)	3,926	6.2%
Change in Net Position	(1,239)	(1,744)	505	
Beginning Net Position	888,509	877,540	10,969	
Ending Net Position	\$ 887,270	\$ 875,796	\$ 11,474	

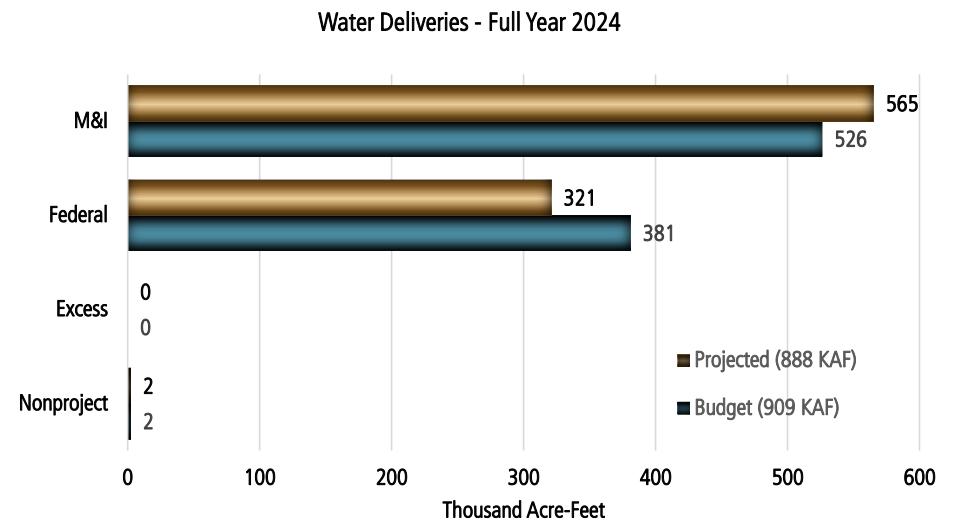
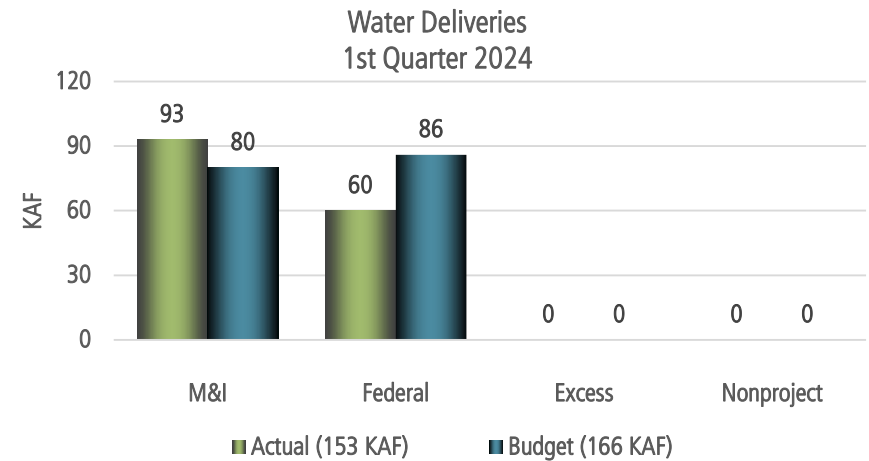
GENERAL FUND
Budget Performance - Full Year 2024

<i>(Dollars in thousands)</i>	Actuals	Budget	Variance	
Revenues	\$ 412,860	\$ 423,134	\$ (10,273)	(2.4%)
Expenses	(280,861)	(288,478)	7,617	2.6%
Change in Net Position	131,999	134,656	(2,656)	
Beginning Net Position	888,509	877,540	10,969	
Ending Net Position	\$ 1,020,508	\$ 1,012,196	\$ 8,313	

Water Deliveries

Through the first quarter, total water deliveries were 153 KAF, 13 KAF lower than budget. The full-year total water delivery forecast is 888 KAF, 21 KAF lower than budget.

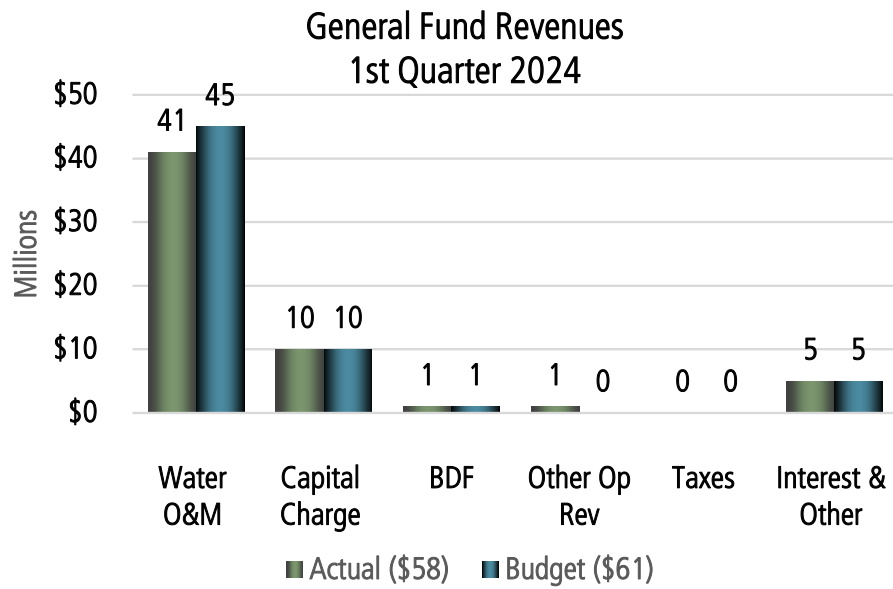
The lower delivery volume is because of a system conservation agreement that was not in place when the budget was completed. The variance between M&I and Federal deliveries is because a conservation agreement expected to come from M&I was met with Federal supplies.



Total Revenues

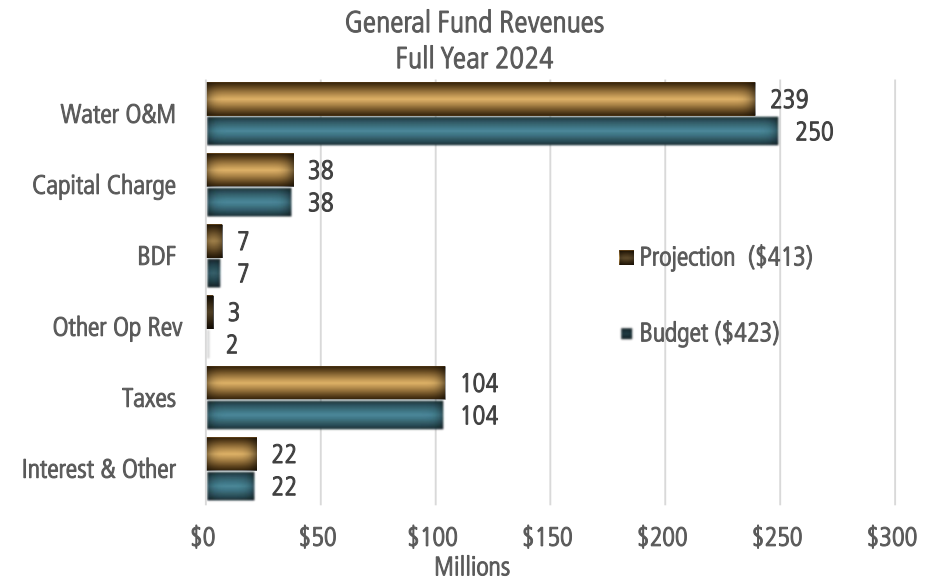
1ST QUARTER 2024 BUDGET PERFORMANCE: Through the first quarter of 2024, total General Fund revenues were \$58 million, \$3 million lower than budget.

- Water O&M revenues were \$4 million lower than budget because of lower delivery volumes due to a system conservation agreement that wasn't in place when the budget was completed.
- Other operating revenues were \$1 million higher than budget because recharge deliveries were higher than expected in the first quarter and earned renewable energy credits that are not budgeted.
- All other General Fund operating and nonoperating revenues were at budget.



FULL YEAR 2024 BUDGET PERFORMANCE: Full year General Fund revenues are projected to be \$413 million, \$10 million lower than the full-year budget of \$423 million. The key factors contributing to the variance are:

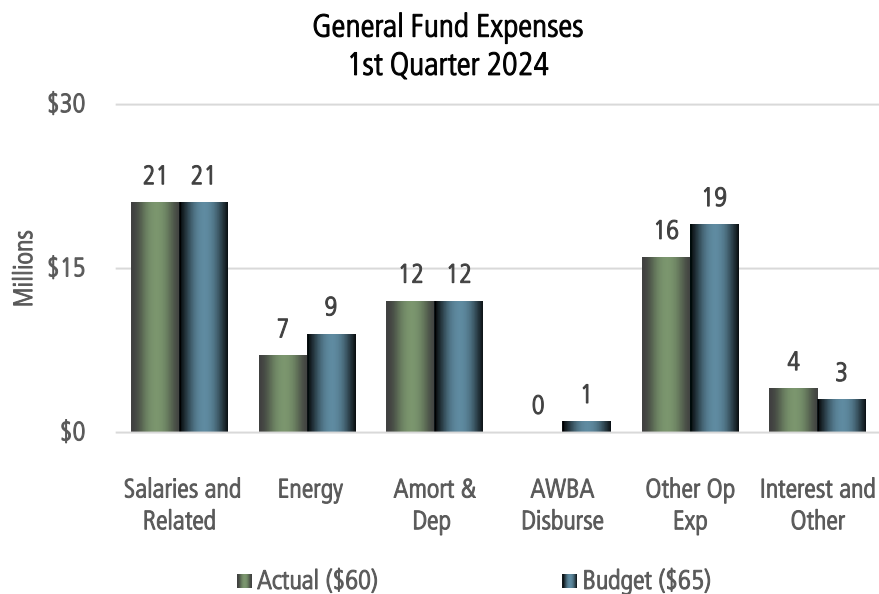
- Water O&M revenues are projected to be \$11 million lower than budget because of system conservation programs that were not in place when the budget prepared and lower energy costs.
- All other General Fund operating and nonoperating revenue categories are expected to be at or near budget.



Total Expenses

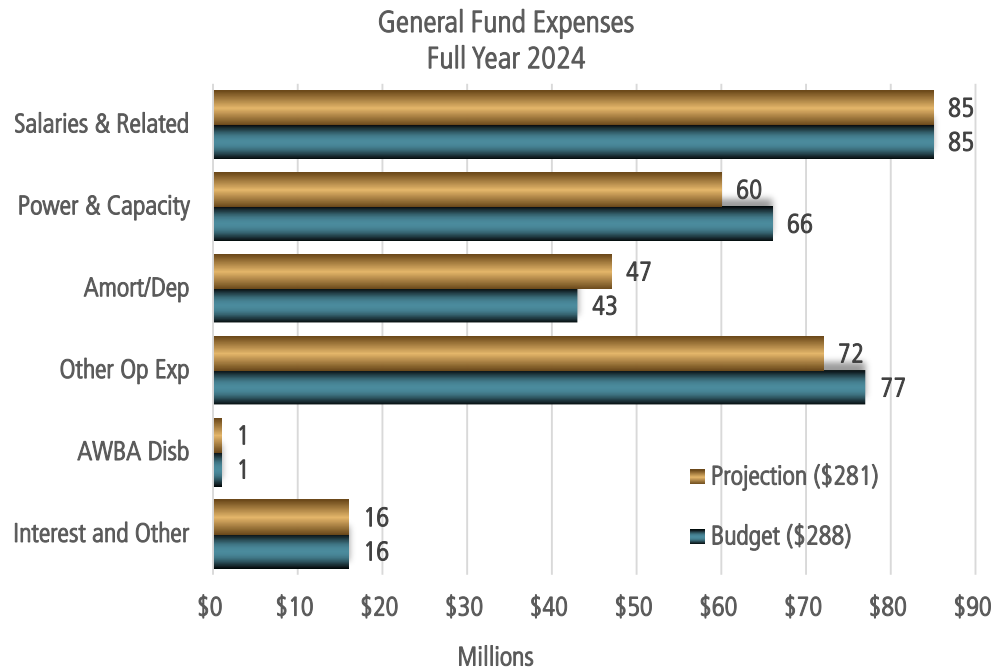
1ST QUARTER BUDGET PERFORMANCE: Through the first quarter of 2024, total General Fund expenses were \$60 million, \$5 million lower than budget. Key factors contributing to the variance were:

- Energy expenses were \$2 million lower than budget, primarily because natural gas prices were lower than expected.
- Other expenses were \$3 million lower than budget, primarily because of lower-than-expected conservation program and recovery expenses.
- All other expense categories were at or near budget.



FULL YEAR 2024 BUDGET PERFORMANCE: Total 2024 General Fund expenses are expected to be \$281 million, \$7 million lower than budget.

- Energy expenses are expected to end the year \$6 million lower than budget because natural gas prices were lower than expected and shaping opportunities.
- Other operating expenses are projected to be \$5 million lower than budget, primarily because outside services are expected to be \$3 million lower than budget due to lower-than-expected conservation program and recovery expenses.
- Amortization and Depreciation is expected to be \$4 million higher than budget because of more work-in-process being completed than expected.
- All other operating and nonoperating expenses are projected to be at or near budget.



General Fund Reserves

The District maintains several reserves, many of which are restricted for specific purposes. The District also maintains the following reserves that the Board has specified:

- **STRATEGIC RESERVES** are cash reserves for unusual or unplanned events, such as equipment failures, business interruption or unplanned costs. These reserves may be drawn upon if unusual or unplanned events occur, or they may never be used at all.
- **EXTRAORDINARY COST RESERVES** were established through Board action, and these reserves are essentially a revolving fund intended to pay for large expenses that may either not be appropriate for the water rate or may cause unplanned "spikes" in the water rate.
- **WORKING CAPITAL** is self-replenishing funds used to smooth out timing differences in revenues and spending, within and across years.

The CAWCD Board reviews each of the reserves targets biennially, and on April 4, 2024 approved separate revised reserve targets. Each of them is calculated with a consistent methodology applicable for each reserve type, in accordance with Government Finance Officers Association (GFOA) best practices.

Known planned expenses or events are included in the budget, and funded on a "pay as you go" basis through water rates and taxes. Other reserves have been established for specific purposes, such as the water storage reserve, or rate stabilization reserve, and are not included in these reserves.

Working Capital will fluctuate depending on operational needs of the District and capital spending. Funds typically decrease throughout the year until property taxes are received, primarily in May-June and again in November-December.

RESERVE MANAGEMENT GUIDELINES

The Board established Reserve Management Guidelines to identify a flow of funds. The general rule is to fill Strategic Reserves to target, then fill Working Capital to target, and then fill Extraordinary Cost Reserves to target. Extraordinary Cost Reserves are currently below the newly established target, and will take several years to get to the target. Once that target is met, any excess funds will flow to Working Capital.

END OF YEAR BALANCE PROJECTIONS

Strategic Reserves and Working Capital are projected to be at target at end-year. The Extraordinary Cost Reserve (ECR) is projected to be \$341 million at year-end. Of that total, through Q1, \$30 million is allocated from taxes to be applied to rates and an additional \$49 million is committed to various projects and programs, leaving an unallocated amount of \$262 million.

Board Established Targets

(Dollars in Millions)

Strategic Reserves

Capital Reserve	\$73
Operating Reserve	\$85
Contingency Reserve	\$8
Total Strategic Reserves Target	\$166

Total Extraordinary Cost Reserves Target	\$444
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Total Working Capital Target	\$91
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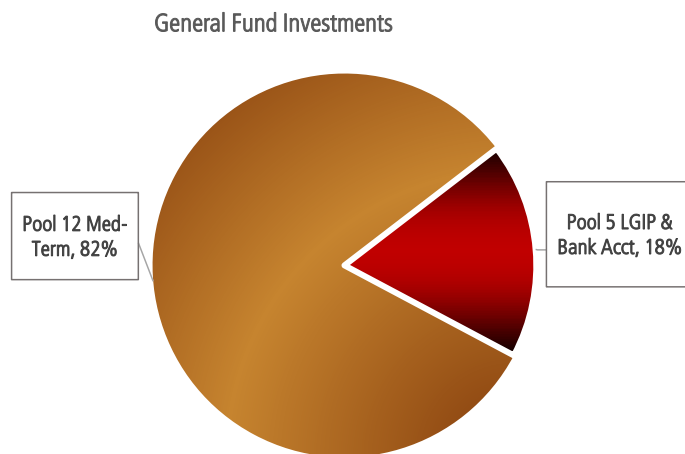
General Fund Cash and Investments

As prescribed by the District's Enabling Act, the Arizona State Treasurer holds the District's investments. These investments are held in the following investment pools:

- **Pool 5 (Local Government Investment Pool or LGIP)** – Used for liquid cash equivalent needs consisting of short-term investments.
- **Pool 12 (CAWCD Medium-Term Pool)** – Provides investments in medium- to long-term securities with a target duration of two to four years.

The average investment yields for funds invested with the State Treasurer through March 2024 was 3.66% for pool 12 and 5.36% for pool 5.

Funds needed to meet the immediate expenses and costs of the District are held with Bank of America.



As shown on the following table, the District maintains several reserves to

	Market Value as of	
<i>(Dollars in millions)</i>	3/31/24	12/31/23
Strategic Reserves		
Restricted Reserves		
Major Repair & Replacement Reserve	-	-
Assigned Reserves		
Capital Reserve	73	73
Operating Reserve	81	80
Contingency Reserve	8	8
Total Strategic Reserves	162	161
Working Capital	\$ 67	\$ 89
Extraordinary Cost Reserves	\$ 268	\$ 273
Other Reserves		
Navajo Decommissioning	\$ 17	\$ 18
Repayment Reserve	38	38
Emergency OM&R Reserve	7	7
System Use Reserve	4	4
Tribal ICS Reserve	35	34
Voluntary Rate Stabilization	7	7
Bond Reserve	5	7
9(d) Debt Reserve	22	22
Recovery Reserve	6	7
Recharge O & M	9	8
Total Other Reserves	150	152
Total Reserves	\$ 647	\$ 675

Statement of Revenues, Expenses and Change in Net Position

General Fund

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024				Notes
	Actual	Budget	Variance (\$)	(%)	Projected	Budget	Variance (\$)	(%)	
Water Deliveries (acre-feet in thousands)	153	165	(13)	(7.6%)	888	908	(20)	(2.2%)	A
Operating Revenues									
Water O&M charges	\$ 41,239	\$ 44,834	(3,595)	(8.0%)	238,814	\$ 250,185	\$ (11,371)	(4.5%)	A
Water service capital charges	9,450	9,641	(191)	(2.0%)	38,425	38,564	(139)	(0.4%)	
Basin Development Fund Revenues	1,289	1,445	(156)	(10.8%)	7,024	6,699	325	4.9%	B
Other revenues	880	284	596	209.9%	2,547	1,561	986	63.2%	C
Total Operating Revenues	52,858	56,204	(3,346)	(6.0%)	286,810	297,009	(10,199)	(3.4%)	
Operating Expenses									
Salaries and related costs	(21,348)	(21,197)	(151)	(0.7%)	(85,124)	(85,027)	(97)	(0.1%)	
Energy	(6,952)	(9,441)	2,489	26.4%	(60,107)	(66,412)	6,305	9.5%	D
Transmission	(3,578)	(3,981)	403	10.1%	(13,698)	(15,388)	1,690	11.0%	E
Amortization of Permanent Service Right	(4,531)	(4,531)	-	0.0%	(18,125)	(18,125)	0	0.0%	
Depreciation and Amortization	(6,916)	(6,503)	(413)	(6.4%)	(29,036)	(25,435)	(3,601)	(14.2%)	F
Other operating costs:									
Outside services	(7,000)	(8,491)	1,491	17.6%	(40,305)	(43,482)	3,177	7.3%	G
Materials and supplies	(3,814)	(3,515)	(299)	(8.5%)	(11,105)	(10,876)	(229)	(2.1%)	
Overhead	6,018	4,122	1,896	46.0%	5,695	5,630	65	1.2%	
Other expenses	(7,194)	(5,529)	(1,665)	(30.1%)	(12,247)	(12,543)	296	2.4%	
Total other operating expenses	(11,990)	(13,413)	1,423	10.6%	(57,962)	(61,271)	3,309	5.4%	
Total Operating Expenses	(55,315)	(59,066)	3,751	6.4%	(264,052)	(271,658)	7,606	2.8%	
Operating Income/(Loss)	(2,457)	(2,862)	405	14.2%	22,758	25,351	(2,593)	(10.2%)	
Nonoperating Revenues/(Expenses)									
Property taxes	-	-	-		104,377	104,377	-	0.0%	
Interest income and other	5,245	5,320	(75)	(1.4%)	21,673	21,748	(75)	(0.3%)	
Disbursements to AWBA	-	(175)	175	100.0%	(700)	(711)	11	1.5%	
Interest expense and other	(4,027)	(4,027)	-	0.0%	(16,109)	(16,109)	-	0.0%	
Net Nonoperating Income/(Loss)	1,218	1,118	100	8.9%	109,241	109,305	(64)	(0.1%)	
Change in Net Position	(1,239)	(1,744)	505	29.0%	131,999	134,656	(2,657)	(2.0%)	
Net Position at beginning of period	888,509	877,540	10,969	1.2%	888,509	877,540	10,969	1.2%	
Net Position at end of period	\$ 887,270	\$ 875,796	\$ 11,474	1.3%	1,020,508	\$ 1,012,196	\$ 8,312	0.8%	

Statement of Revenues, Expenses and Change in Net Position

General Fund

Notes

- A **Water O&M Charges:** 2024 water deliveries are forecast to be 20 KAF lower than budget because of additional system conservation agreements. Water O&M revenue is forecast \$11.4 million lower because of the lower deliveries and lower energy costs.
- B **Basin Development Fund Revenues:** Full year positive variance a result of new CAP "One Transmission Rate" providing revenue higher than budgeted amount.
- C **Other Revenues:** 2024 projection is \$986 thousand higher than budget, primarily because of higher recharge revenues than budgeted and renewable energy credits which are not budgeted.
- D **Energy:** Due to the shortage and conservation & preservation agreements, there are projected lower diversions and lower water deliveries creating the opportunity for greater shaping. Also, the mild winter resulted in lower natural gas usage in the market, increasing supply and reducing prices.
- E **Transmission:** Transmission costs generally follows energy prices, and beginning in 2024, the Western Area Power Administration (WAPA) combined four transmission systems under one rate, the One Transmission Rate (OTR) in order to improve price stability, streamline transmission scheduling, and to reduce administrative costs.
- F **Depreciation and Amortization:** Full-year variance is primarily due to ongoing impacts and delays in the supply chain. Previous year equipment and project material deliveries continue to increase, and prior year WIP transfer was higher than anticipated.
- G **Outside Services:** Full-year expenses forecasted to be \$3.2 million lower than budget, primarily because of lower-than-expected spending on conservation programs and recovery.

Water Volumes

(in Acre-Feet)

	1st Quarter 2024				Full Year 2024				Notes
	Actual	Budget	Variance		Projected	Budget	Variance		
			(A/F)	(%)			(A/F)	(%)	
PROJECT WATER DELIVERIES			-				-		
Municipal & Industrial Water Subcontract	92,511	79,776	12,735	16.0%	564,744	525,571	39,173	7.5%	
Federal Contract	60,226	85,571	(25,345)	(29.6%)	321,150	380,931	(59,781)	(15.7%)	
Subtotal Project Water Deliveries	152,737	165,347	(12,610)	(7.6%)	885,894	906,502	(20,608)	(2.3%)	A
Excess - There are no excess water deliveries expected in 2024.									
Ag Settlement Pool (includes Ag Forbearance)	-	-	-	-	-	-	-	-	
CAGRD Obligation	-	-	-	-	-	-	-	-	
CAGRD Obligation @ Scottsdale IWDS	-	-	-	-	-	-	-	-	
AWBA	-	-	-	-	-	-	-	-	
AWBA Interstate Banking Water	-	-	-	-	-	-	-	-	
USBR Firming	-	-	-	-	-	-	-	-	
CAGRD Replenishment Reserve	-	-	-	-	-	-	-	-	
Temporary water use permits	-	-	-	-	-	-	-	-	
Full Cost Excess (Unscheduled overruns)	-	-	-	-	-	-	-	-	
Subtotal Excess	-	-	-	-	-	-	-	-	
NONPROJECT WATER DELIVERIES									
Firming - Federal	-	-	-	-	1,040	1,040	-	0.0%	
Firming - CAWCD	-	-	-	-	-	-	-	-	
Other Wheeled Water-Federal	-	-	-	-	943	943	-	0.0%	
Other Wheeled Water - CAWCD	-	-	-	-	-	-	-	-	
Subtotal Nonproject Water	-	-	-	-	1,983	1,983	-	0.0%	
Total Water Deliveries	152,737	165,347	(12,610)	(7.6%)	887,877	908,485	(20,608)	(2.3%)	
Transfer of credits to CAGRD									
Take or Pay/Adjustment	-	-	-	-	11,401	14,194	(2,793)	(19.7%)	
Billed Fixed OM&R Water Volumes	152,737	165,347	(12,610)	(7.6%)	899,278	922,679	(23,401)	(2.5%)	

A The lower total delivery volume is because of a system conservation agreement that was not in place when the budget was completed. The variance between M&I and Federal deliveries is because a conservation agreement expected to come from M&I was met with Federal supplies.

Water Revenues and Capital Charges

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024				Notes
	Actual	Budget	Variance		Actual	Budget	Variance		
			(\$)	(%)			(\$)	(%)	
PROJECT WATER REVENUES									
Municipal & Industrial Water Subcontract	\$ 24,978	\$ 21,631	\$ 3,347	15.5%	\$ 149,905	\$ 142,509	\$ 7,396	5.2%	A
Federal Contract	16,261	23,203	(6,942)	(29.9%)	85,347	103,289	(17,942)	(17.4%)	
Subtotal Project Water Deliveries	41,239	44,834	(3,595)	(8.0%)	235,252	245,798	(10,546)	(4.3%)	
Excess - There are no excess water delivery revenues expected in 2024.									
NONPROJECT WATER REVENUES									
Firming - Federal	-	-	-	-	277	282	(5)	(1.8%)	
Firming - CAWCD	-	-	-	-	-	-	-	-	
Other Wheeled Water-Federal	-	-	-	-	251	256	(5)	(2.0%)	
Other Wheeled Water - CAWCD	-	-	-	-	-	-	-	-	
Subtotal Nonproject Water Revenues	-	-	-	-	528	538	(10)	(1.9%)	
Water O&M Charges before adjustments	41,239	44,834	(3,595)	(8.0%)	235,780	246,336	(10,556)	(4.3%)	
Misc. Adjustments	-	-	-	-	-	-	-	-	
Transfer of credits to CAGR	-	-	-	-	3,034	3,849	(815)	(21.2%)	
Take/Pay Adj.	-	-	-	-	-	-	-	-	
Total Water O&M Charges	\$ 41,239	\$ 44,834	\$ (3,595)	(8.0%)	\$ 238,814	\$ 250,185	\$ (11,371)	(4.5%)	
CAPITAL & FACILITY USE CHARGES									
M&I subcontractors	9,441	9,441	\$ -	0.0%	37,762	37,762	-	0.0%	
M&I nonsubcontract	-	188	(188)	(100.0%)	604	752	(148)	(19.7%)	
Facility Use Charges - Pima & Maricopa (interstate)	-	-	-	-	-	-	-	-	
Facility Use Charges - Nonproject Water	-	12	(12)	(100.0%)	50	50	-	0.0%	
Underground storage facilities	9	-	9	-	9	-	9	-	
Total Capital & Facility Use Charges	\$ 9,450	\$ 9,641	\$ (191)	(2.0%)	\$ 38,425	\$ 38,564	\$ (139)	(0.4%)	

A The lower total water delivery revenue is because of a system conservation agreement that was not in place when the budget was completed. The variance between M&I and Federal revenues is because a conservation agreement expected to come from M&I was met with Federal supplies.

Energy & Transmission Adjustment

	1st Quarter 2024				Full Year 2024				Notes
	Actual	Budget	Variance		Projected	Budget	Variance		
			(\$)	(%)			(Amount)	(%)	
ENERGY (MWH)				-					
Waddell	112	-	(112)	0.0%	30,129	30,017	(112)	(0.4%)	
Hoover	22,559	28,557	5,998	21.0%	110,384	116,247	5,863	5.0%	
Long-term contracts	91,344	108,108	16,764	15.5%	392,767	464,474	71,707	15.4%	
Market Purchases	323,727	267,856	(55,871)	(20.9%)	1,126,630	1,078,541	(48,089)	(4.5%)	
Total MWH	437,742	404,521	(33,221)	(8.2%)	1,659,910	1,689,279	29,370	1.7%	
ENERGY RATE (\$/MWH)									
Waddell	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	
Hoover	58.56	49.62	(8.94)	(18.0%)	50.78	48.49	(2.29)	(4.7%)	
Long-term contracts	38.91	60.59	21.68	35.8%	37.44	51.18	13.73	26.8%	A
Market Purchases	24.78	26.41	1.63	6.2%	32.33	34.22	1.89	5.5%	B
Weighted Average (\$/MWH)	\$ 29.47	\$ 37.18	\$ 7.71	20.7%	\$ 34.81	\$ 39.97	\$ 5.15	12.9%	
ENERGY COSTS (\$000)									
Waddell	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	
Hoover	1,321	1,417	96	6.8%	5,605	5,637	32	0.6%	E
Long-term contracts	3,554	6,550	2,996	45.7%	14,706	23,770	9,064	38.1%	A
Market Purchases	8,022	7,073	(949)	(13.4%)	36,428	36,909	481	1.3%	B
Gross Energy Costs (\$000)	\$ 12,897	\$ 15,040	\$ 2,143	14.2%	\$ 56,739	\$ 66,316	\$ 9,577	14.4%	
Energy Scheduling Services	\$ 186	\$ 223	\$ 37	16.6%	\$ 803	\$ 892	\$ 89	10.0%	
MWD Agreement Expense	-	-	-	0.0%	80	80	-	0.0%	
Lake Pleasant Adjustment	(6,202)	(5,822)	380	(6.5%)	1,856	(1,637)	(3,493)	213.4%	C
Lake Roosevelt Adjustment	71	-	(71)	0.0%	629	761	132	17.3%	C
Total Energy (\$000)	\$ 6,952	\$ 9,441	\$ 2,489	26.4%	\$ 60,107	\$ 66,412	\$ 6,305	9.5%	
TRANSMISSION ADJUSTMENT									
Elec Trans-Losses	\$ 857	\$ 949	\$ 92	9.7%	\$ 3,096	\$ 3,798	\$ -	0.0%	D
Elec Trans-SRP SALT GILA	(43)	62	105	169.4%	79	249	170	68.5%	D
Elec Trans-Brady/Pichacho/RR	-	-	-	0.0%	-	-	-	0.0%	D
Elec Trans-WECC Trans	77	16	(61)	(381.3%)	185	177	(8)	-4.3%	D
Total Transmission Adjustment (\$000)	\$ 891	\$ 1,027	\$ 136	13.2%	\$ 3,360	\$ 4,224	\$ 864	20.5%	
OTHER ADJUSTMENT									
Other Income	(268)	-	268	0.0%	(268)	-	268	0.0%	E
Total Energy, Transmission & Other Adjustments (\$000)	\$ 7,575	\$ 10,468	\$ 2,893	27.6%	\$ 63,198	\$ 70,636	\$ 7,437	10.5%	

Notes explaining the variances are shown on following page.

Energy & Transmission Adjustment

Notes

- A As part of the CAP power portfolio, two long-term contracts were solidified at the end of 2019. The first is a 20 year power purchase agreement at a fixed contract energy price from a solar facility, and the second is a 5 year power purchase agreement from Salt River Project (SRP), in which the contracted energy price is tied to a natural gas index and is therefore variable in nature.
- B Due to the shortage and conservation & preservation agreements, there are projected lower diversions and lower water deliveries creating the opportunity for greater shaping. Also, the mild winter resulted in lower natural gas usage in the market, increasing supply and reducing prices. CAP took advantage of this and increased pumping when prices were \$0, or even negative (counterparties paid CAP to take energy when available supply outpaced demand), which will favorably impact the energy rate. The forecast includes favorable summer sales, and CAP continues to explore price stability and looks to the forward energy auctions as a method to accomplish this.
- C The Lake Pleasant & Lake Roosevelt variances are the net impact of storing (negative number) and releasing (positive number) water. The energy cost to store water in the lakes is held as inventory rather than being expensed. When used, the inventory amount is added to the energy cost. Lake Pleasant will contribute approximately 50 thousand acre-feet of water, decreasing inventory, and Lake Roosevelt (through the SRP/CAP exchange agreement) is planned to contribute 10 thousand acre-feet to fulfill water delivery orders.
- D Transmission costs, which are variable in nature, are included in energy costs. Transmission losses are contractually assessed to the affected transmission systems and are projected to decrease over planned amounts due to favorable rates. Beginning in 2024, WAPA combined four transmission systems under one rate, the One Transmission Rate (OTR) in order to improve price stability, streamline transmission scheduling, and to reduce administrative costs.
- E Sale of 2023 renewable energy certificates (RECs) as a result of the Salome AZ Solar 1 project, which passed all registration requirements and began collecting RECs in October of 2020, and CAWCD's portion of 2023 Hoover renewable energy certificates (RECs) sold by the Arizona Power Authority.

Underground Storage—Operations and Maintenance

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024				Notes
	Actual	Budget	Variance (\$)	(%)	Projected	Budget	Variance (\$)	(%)	
Water Deliveries (KAF)	27	16	11	68.8%	98	55	43	78.2%	A
Revenues									
Other revenues	\$ 393	\$ 222	\$ 171	77.0%	\$ 1,397	\$ 793	\$ 604	76.2%	A
Total Revenues	393	222	171	77.0%	1,397	793	604	76.2%	
Expenses									
Salaries and related costs	(72)	-	(72)		(96)	(23)	(73)	(317.4%)	
Other operating costs:									
Outside services	(43)	-	(43)		(219)	(205)	(14)	(6.8%)	
Materials and supplies	(17)	-	(17)		(17)	(17)	-	0.0%	
Other expenses	(148)	(48)	(100)	(208.3%)	(415)	(219)	(196)	(89.5%)	
Total other operating	(208)	(48)	(160)	(333.3%)	(651)	(441)	(210)	(47.6%)	
Total Expenses	(280)	(48)	(232)	(5)	(747)	(464)	(283)	(61.0%)	
Change in Net Position	113	174	(61)	(35.1%)	650	329	321	97.6%	
Net position at beginning of	8,265	4,485	3,780	84.3%	8,265	4,485	3,780	84.3%	
Net position at end of period	\$ 8,378	\$ 4,659	\$ 3,719	79.8%	\$ 8,915	\$ 4,814	\$ 4,101	85.2%	
Expense Summary									
Aqua Fria	\$ (9)	\$ -	\$ (9)		\$ (26)	\$ (17)	\$ (9)	(52.9%)	
Hieroglyphic Mountains	(90)	(6)	(84)	(1400.0%)	(243)	(59)	(184)	(311.9%)	B
Lower Santa Cruz	(90)	(17)	(73)	(429.4%)	(201)	(122)	(79)	(64.8%)	C
Pima Mine Road	(6)	-	(6)		(59)	(60)	1	1.7%	
Superstition Mountain	(85)	(25)	(60)	(240.0%)	(165)	(203)	38	18.7%	D
Tonopah Desert	-	-	-		(53)	(3)	(50)	(1666.7%)	E
Total Expenses	\$ (280)	\$ (48)	\$ (232)	(483.3%)	\$ (747)	\$ (464)	\$ (283)	(61.0%)	

Notes explaining the variances are shown on the following page.

Underground Storage Operations and Maintenance

Notes

- A **Water Deliveries and Total Revenues:** Total deliveries are forecast to be 43 KAF higher than budget. As a result, revenue is forecast to be \$604 thousand higher than budget.
- B **Hieroglyphic Mountains:** Full-year expense forecast is \$184 thousand higher than budget because of increased deliveries and unplanned maintenance work, which requires more FTEs (increase in salaries and overhead); power; and materials and supplies.
- C **Lower Santa Cruz:** Full-year expense forecast is \$79 thousand higher than budget because of unplanned maintenance work, which requires more FTEs (increase in salaries and overhead) and materials and supplies.
- D **Superstition Mountain:** Full-year expenses forecast is \$38 thousand lower than budget because planned 2024 maintenance was completed late in 2023.
- E **Tonopah Desert:** Full-year expense forecast is \$50 thousand higher than budget because of increased engineering services to support a permit renewal.



Underground Storage—Recovery

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024				Notes
	Actual	Budget	Variance		Projected	Budget	Variance		
			(\$)	(%)			(\$)	(%)	
Water Deliveries <i>(000 acre-feet)</i>									
Revenues									
Other revenues									
Total Revenues	-	-	-	-	-	-	-	-	
Expenses									
Salaries and related costs									
Other operating costs:									
Outside services	(82)	(375)	293	78.1%	(259)	(1,500)	1,241	82.7%	
Materials and supplies									
Other expenses									
Total other operating costs	(82)	(375)	293	78.1%	(259)	(1,500)	1,241	82.7%	
Total Expenses	(82)	(375)	293	78.1%	(259)	(1,500)	1,241	82.7%	
Change in Net Position	(82)	(375)	293	78.1%	(259)	(1,500)	1,241	82.7%	
Net position at beginning of period								-	
Net position at end of period	\$ (82)	\$ (375)	\$ 293	(78.1%)	\$ (259)	\$ (1,500)	\$ 1,241	(82.7%)	
Expense Summary									
Aqua Fria									
Hieroglyphic Mountains									
Lower Santa Cruz									
Pima Mine Road									
Superstition Mountain									
Tonopah Desert	\$ (82)	\$ (375)	\$ 293	78.1%	\$ (259)	\$ (1,500)	\$ 1,241	82.7%	A
Total	\$ (82)	\$ (375)	\$ 293	78.1%	\$ (259)	\$ (1,500)	\$ 1,241	82.7%	

Notes

A Tonopah Desert Recharge Project budgeted expenses were to develop a full-scale recovery project. However, test results from pilot wells indicated potential water quality issues. As a result, a smaller feasibility study is being conducted—at a much lower cost—to determine how economical it would be to continue pursuing a full-scale recovery project.

2024 Rate Reconciliation

(Dollars in Thousands)

	Projected	Published	Budget
General Fund Operating Expenses	\$ 264,052	\$ 265,868	\$ 271,658
Adjustments for O&M Expenses			
Depreciation & Amortization	(47,161)	(48,207)	(43,560)
Energy	(60,107)	(65,698)	(66,412)
Transmission & Other Adjustments	(3,091)	(4,520)	(4,224)
Underground storage site O&M	(747)	(1,737)	(464)
Extraordinary Maintenance (when part of "Big R")	(2,657)	(10,318)	(2,503)
Other income	(882)	(487)	(768)
Compensated Mitigation (Funded by 'Big R')	(3,762)	-	(1,660)
Programs Funded by Water Storage Tax Reserve	(2,132)	(1,000)	(2,000)
Programs Funded by Recovery Reserve	(259)	(3,000)	(1,500)
Programs Funded by Extraordinary Cost Reserve	(9,401)	(1,358)	(12,385)
Total Adjustments	(130,199)	(136,325)	(135,476)
Fixed O&M Expenses	\$ 133,853	\$ 129,543	\$ 136,182
Energy, Transmission & Other Adjustments			
Energy	\$ 60,107	\$ 65,698	\$ 66,412
Transmission & Other Adjustments	3,091	4,520	4,224
Total Energy, Transmission & Other Adjustments	\$ 63,198	\$ 70,218	\$ 70,636

2024 Rate Reconciliation

(Dollars in Thousands)

Subcontract / Federal Rates

	Projected	Published	Budget	Variance Publ vs Proj
Water Delivery Costs (Thousands)				
Fixed O&M Expenses	\$ 133,853	\$ 129,543	\$ 136,182	\$ (4,310)
Total Energy & Transmission Adjustment Expenses	63,198	70,218	70,636	7,020
Water Delivery (Acre-Feet)				
Billed Fixed OM&R Water Volume	899,278	898,801	922,679	(477)
Pumping Energy Rate Water Volume	899,278	898,801	922,679	(477)
Water Delivery Rate (\$/AF)				
Calculated Fixed O&M Rate	\$ 148.84	\$ 145.00	\$ 147.59	\$ (3.84)
Capital Replacement Component ("Big R")	47.00	47.00	47.00	-
Total Fixed OM&R	195.84	192.00	194.59	(3.84)
Calculated Pumping Energy Rate	70.28	78.00	76.56	7.72
Total Pumping Energy Rate 1 ^A	70.28	78.00	76.56	7.72
Total Delivery Rate	\$ 266.12	\$ 270.00	\$ 271.15	\$ 3.88

Long Term Contract reconciliation-Fixed OM&R (\$000)- (refund)/bill	\$ 3,453
Long Term Contract reconciliation-Energy (\$000)- (refund)/bill	\$ (6,942)
Total Long Term Contract reconciliation (\$000)- (refund)/bill	\$ (3,489)

Notes:

- A The 2020 Voluntary Rate Stabilization program, for those entities that participated, will result in an \$11/acre-foot reduction in the pumping energy rate. The forecast above does not include this reduction.



Extraordinary Maintenance Projects

(Dollars in Thousands)

Expenses

Salaries and related costs

Other operating costs:

Outside services

Materials and supplies

Other expenses/overhead

Subtotal

Total Expenses

1st Quarter 2024					Full Year 2024					
Actual	Budget	Variance			Projection	Budget	Additional Spending	Total Spending Authority	Variance	
		(\$)	(%)						(\$)	(%)
\$ 2	\$ 12	\$ (11)	87.1%		\$ (291)	\$ (215)	\$ -	\$ (215)	\$ (75)	(35.0%)
-	-	-	0.0%		(2,060)	(2,060)	-	(2,060)	-	0.0%
-	0	(0)	100.0%		(2)	(2)	-	(2)	0	9.1%
1	13	(11)	88.8%		(304)	(225)	-	(225)	(79)	(34.9%)
1	13	(12)	89.1%		(2,366)	(2,288)	-	(2,288)	(78)	(3.4%)
\$ 3	\$ 25	\$ (22)	88.2%		\$ (2,657)	\$ (2,503)	\$ -	\$ (2,503)	\$ (154)	(6.1%)

	Total Project Costs									Notes		
	Through 2023	2024 Projection	Balance Remaining	Total Spending							Variance (\$)	Variance (%)
				Projection	Budget	Additional Spending	Authority					
EM-Reline Discharge Lines & Manifolds at Salt Gila	\$ -	\$ (2,657)	\$ (2,672)	\$ (5,328)	\$ (5,028)	\$ -	\$ (5,028)	\$ (300)	(6.0%)	A		
Total	\$ -	\$ (2,657)	\$ (2,672)	\$ (5,328)	\$ (5,028)	\$ -	\$ (5,028)	\$ (300)	(6.0%)			

Notes:

A Reline project at Salt Gila pumping plant forecast accommodates additional inspector for 10 weeks. This is a "Big R" funded project.



Central Arizona Groundwater Replenishment District (CAGRD)

BUDGET PERFORMANCE - Full Year 2024

<i>(Dollars in Thousands)</i>	Projection	Budget	Change	
Revenues	\$ 63,639	\$ 71,116	\$ (7,477)	(11%)
Expenses	(22,717)	(25,341)	2,624	10%
Change in Net Position	40,922	45,775	(4,853)	(11%)
Beginning Net Position	332,372	332,372	-	
Ending Net Position	\$ 373,294	\$ 378,147	\$ (4,853)	

Total Revenues

Total CAGRD revenues are projected to be \$63.6 million for the year, \$7.5 million lower than budget.

The full-year operating revenue forecast is \$8.9 million lower than budget.

- Rate forecast is \$7.1 million lower than budget because of lower obligation than estimated in the budget.
- Fee forecast is \$1.0 million lower than budget because of lower activations.
- Dues forecast is \$0.8 million lower than budget because of lower total infrastructure and water rights revenues, which directly impacts Dues revenue.

Nonoperating income is projected to be \$1.4 million higher than budget because of a favorable economic environment.

Total Expenses

Total CAGRD expenses are projected to be \$22.7 million for the year, \$2.6 million lower than budget, primarily because water expenses are forecast \$2.7 million lower because of lower obligation than expected. This expense represents an estimate of 2024 pumping and any 2024 long-term storage credit purchases from CAWCD.

Reserves

The CAGRD maintains the following cash reserves that are held by the Arizona State Treasurer:

Administrative – Funds are used to pay the administrative expenses of the CAGRD.

Infrastructure and Water Rights – Funds in this reserve are dedicated to the development of water supplies and infrastructure necessary for CAGRD to meet its replenishment obligations. In accordance with the current Plan of Operation and direction of the CAWCD Board of Directors, CAGRD is actively pursuing the development of additional water supplies that can be used to meet replenishment obligations in both the near-term and long-term.

To date, CAGRD has developed several different types of water supplies through a variety of mechanisms. These supplies range from permanent CAP M&I subcontract entitlements to a long-term lease of water from an Arizona Tribal community. CAGRD has entered into several agreements to purchase long-term storage credits and has contracted for a 100-year lease of municipal effluent. These various supplies represent the equivalent of approximately 35,000 acre-feet/year of 100-year water supply. A \$95 million long-term storage credit purchase was completed in 2019.

Water and Replenishment – Funds are used to purchase and recharge water to meet CAGRD's annual replenishment obligation on a cost-of-service basis. Water is not actually purchased until the revenues have been received by CAGRD. This methodology ensures CAGRD's financial health because it allows CAGRD to avoid going into debt for this activity.

Replenishment Reserve – Funds held in this reserve are used to accrue long-term storage credits to establish and build a replenishment reserve as required by state law.



Statement of Revenues, Expenses and Change in Net Position

CAGR

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024			
			Variance				Variance	
	Actual	Budget	(\$)	(%)	Projected	Budget	(\$)	(%)
Operating Revenues								
Other operating revenue								
Revenue-Rates	\$ 226	\$ -	\$ 226		\$ 31,112	\$ 38,224	\$ (7,112)	(18.6%)
Revenue-Fees	5,110	4,389	721	16.4%	16,913	17,915	(1,002)	(5.6%)
Revenue-Dues	-	-	-		10,337	11,120	(783)	(7.0%)
Total Operating Revenues	5,336	4,389	947	21.6%	58,362	67,259	(8,897)	(13.2%)
Operating Expenses								
Salaries and related costs	(351)	(339)	(12)	(3.5%)	(1,454)	(1,415)	(39)	(2.8%)
Depreciation	(15)	(15)	-	0.0%	(61)	(61)	-	0.0%
Other operating costs:								
Outside services	(74)	(385)	311	80.8%	(1,675)	(1,674)	(1)	(0.1%)
Water for underground storage	(548)	-	(548)		(17,490)	(20,191)	2,701	13.4%
Materials and supplies	-	-	-		(1)	(1)	-	0.0%
Overhead	(349)	(355)	6	1.7%	(1,503)	(1,482)	(21)	(1.4%)
Other expenses	(19)	(42)	23	54.8%	(200)	(184)	(16)	(8.7%)
Total other operating costs	(990)	(782)	(208)	(26.6%)	(20,869)	(23,532)	2,663	11.3%
Total Operating Expenses	(1,356)	(1,136)	(220)	(19.4%)	(22,384)	(25,008)	2,624	10.5%
Net Operating Income/(loss)	3,980	3,253	727	22.3%	35,978	42,251	(6,273)	(14.8%)
Non-operating Revenues/(Expenses)								
Interest income and other	1,203	793	410	51.7%	5,277	3,857	1,420	36.8%
Interest expense and other	(24)	(24)	-	0.0%	(333)	(333)	-	0.0%
Net Non-operating Income/(Loss)	1,179	769	410	53.3%	4,944	3,524	1,420	40.3%
Change in Net assets	\$ 5,159	\$ 4,022	\$ 1,137	28.3%	\$ 40,922	\$ 45,775	\$ (4,853)	(10.6%)

See page 39 for significant variance explanations.

CAGRD Replenishment Obligation Year and Corresponding Purchased Water

(in Acre-Feet)

REPLENISHMENT OBLIGATIONS

Acre-Feet by AMA	Phoenix AMA	Pinal AMA	Tucson AMA	Total AMAs
2024				
Outstanding Obligation - Year Ending	38,390	300	2,958	41,648
Prior year Obligations adjustment (prev est less CDAR)	(5,175)	(45)	(45)	(5,265)
Obligation Estimate for current year	35,507	277	2,979	38,763
Less CAWCD Deliveries to meet Obligation (CDAR)	(33,215)	-	(2,913)	(36,128)
Less CAWCD LTSC purchased to meet Obligation	-	(255)	-	(255)
Less I&WR LTSC purchased to meet Obligation	-	-	-	-
Outstanding Obligations at end of 2023	35,507	277	2,979	38,763

CAGRD Fund Balances

(Dollars in Thousands)

	2023 Actual	2024 Q1 Actual	2024 Projected
Administrative:			
Beginning Fund Balance	\$ 1,883	\$ 1,661	\$ 1,661
Administrative Component Revenue	1,537	136	1,481
Transfer from Phoenix Infrastructure	185	-	27
Total Cash Collected	1,722	136	1,508
Administrative (Operating) Expenses	(2,020)	(277)	(2,327)
Interest Income / Expense	76	22	88
Ending Fund Balance	\$ 1,661	\$ 1,542	\$ 930
Conservation:			
Beginning Fund Balance	\$ 911	\$ 863	\$ 863
Administrative Component Revenue	53	6	74
Administrative (Operating) Expenses	(146)	(5)	(190)
Interest Income / Expense	45	16	52
Ending Fund Balance	\$ 863	\$ 880	\$ 799

CAGR Fund Balances

(Dollars in Thousands)

	2024 Projected			
	Phoenix AMA	Pinal AMA	Tucson AMA	Total
Water and Replenishment:				
Beginning Fund Balance	\$ 5,403	\$ 146	\$ 882	\$ 6,431
Revenue	10,195	81	946	11,222
Prior year adjustment	-	50	-	50
Water Purchased	(9,003)	-	(754)	(9,757)
CAWCD Credits Purchased	-	(80)	-	(80)
I&WR Credits Purchased	-	-	-	-
Interest Income (Expense)	358	10	55	423
Ending Balance	\$ 6,953	\$ 207	\$ 1,129	\$ 8,289
Replenishment Reserve:				
Beginning Fund Balance	\$ 3,570	\$ 23	\$ 234	\$ 3,827
Replenishment Reserve Revenue	3,963	78	308	4,349
Water Purchased	-	-	-	-
CAWCD Credits Purchased	(3,451)	(26)	-	(3,477)
I&WR Credits Purchased	-	-	(303)	(303)
Interest Income / Expense	228	2	15	245
Ending Balance	\$ 4,310	\$ 77	\$ 254	\$ 4,641

CAGRD Fund Balances

(Dollars in Thousands)

	2023 Actual	2024 Q1 Actual	2024 Projected
Infrastructure and Water Rights:			
Beginning Fund Balance	\$ 76,153	\$ 92,530	\$ 92,530
Revenue	38,388	5,987	39,544
Proceeds from LTSC internal transfers	92	-	303
ICS Preservation payment	3,511	-	-
Reimbursement from Obligation fund	6,186	60	9,417
NIA Reallocation and 9(d) Debt	(7,430)	-	(7,430)
GRIC and other Lease Considerations	(8,618)	(6,328)	(14,619)
Water Costs for LTSC	(1,178)	(67)	(1,075)
LTSC purchases	(12,961)	(1,526)	(4,201)
Technical Studies & Other Operating Expenses	(1,168)	(311)	(1,661)
Debt Service payments	(3,974)	(992)	(3,970)
Interest Income / Expense	3,529	1,354	5,023
Ending Fund Balance	\$ 92,530	\$ 90,707	\$ 113,861

CAGR Enrollment and Activation Summary

Figure 1: Member Land Enrollment

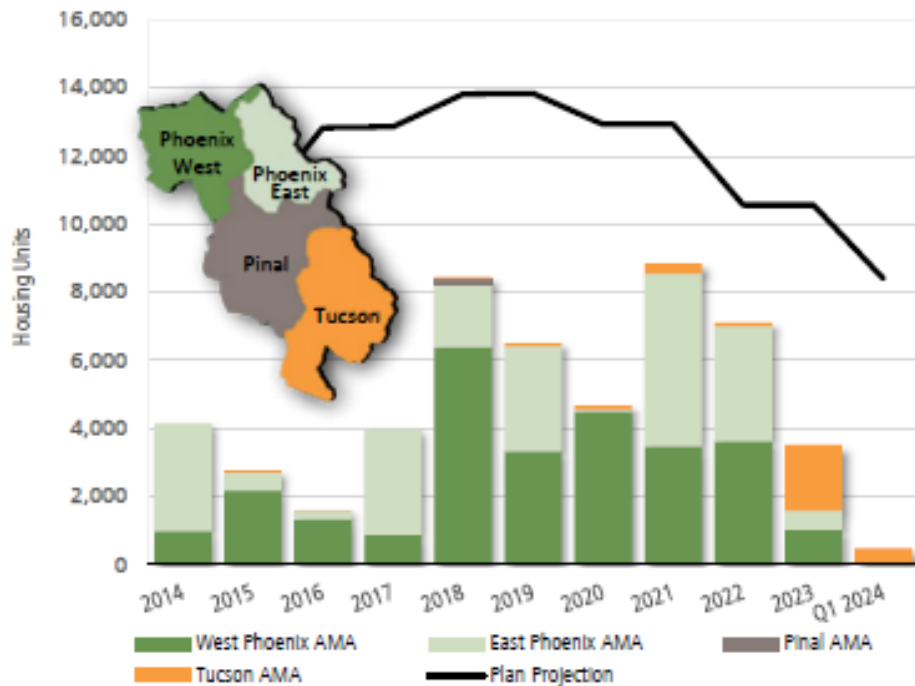


Figure 2: Activation Units

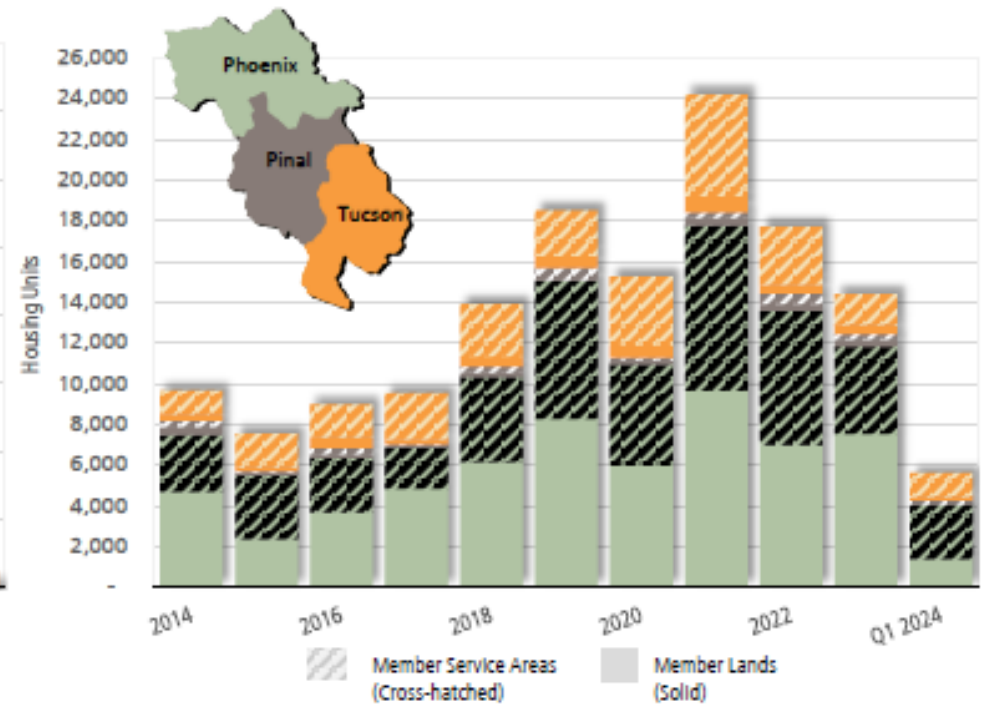


Table 1: Enrollment Units 2024

AMA	ML Lots	Projected Demand (AF/year)
West Phoenix	0	0
East Phoenix	0	0
Pinal	0	0
Tucson	480	161
TOTAL	480	161

Table 2: Activation Units 2024

AMA	ML Lots	MSA Lots	Total Lots
Phoenix	1,386	2,677	4,063
Pinal	0	197	197
Tucson	154	1,199	1,353
TOTAL	1,540	4,073	5,613

CAGRD Enrollment and Activation Summary

Enrollment in 2024

An individual subdivision enrolls as a Member Land (ML) of CAGRD when: (1) its owner executes and records an irrevocable declaration of covenants, conditions, and restrictions ("ML Declaration") running with the land that includes the land in CAGRD and subjects it to the replenishment assessment; and (2) the owner and the municipal provider that will supply water to the subdivision execute and record an agreement ("ML Agreement") under which the water provider agrees to submit the water delivery information necessary to calculate the replenishment assessment for each parcel of land annually to CAGRD. Individual parcels within a CAGRD ML are categorized as Category 1 MLs or Category 2 MLs. Category 2 MLs are those parcels that are part of a golf course and that choose not to participate in CAGRD's replenishment reserve program. Category 1 MLs are all ML parcels that do not qualify as Category 2 MLs

Figure 1 illustrates the recent history of CAGRD member land enrollment from 2014 through 2024. **Table 1** provides a breakdown by AMA of member land enrollment activity through Q1 2024. ML enrollment occurred in the Tucson AMA and was comprised of 1 new subdivision with 480 lots and a projected demand of 161 AF/year. No new subdivisions enrolled within the Phoenix or Pinal AMA through Q1 2024..

No new Member Service Areas (MSAs) enrolled through Q1 2024 and there were no de-enrollments.

Activation in 2024

The Arizona Department of Real Estate issues a public report allowing the sale of lots within subdivisions. Prior to this report being issued for subdivisions within CAGRD MLs and MSAs, an Activation Fee must be paid to CAGRD per residential unit offered for sale. **Figure 2** shows the recent history of activation lots in Member Lands and Member Service Areas by AMA. MSA lots are represented with crosshatching while ML lots are solid colors by AMA. The number of lots activated through Q1 2024 totaled 5,613 (Member Land lots = 1,540; Member Service Area lots = 4,073). **Table 2** provides a breakdown by AMA of previously enrolled lots that were activated through Q1 2024. By comparison, there were 4,242 units activated in Q1 2023.



Statement of Revenues, Expenses and Change in Net Position

Captive Insurance Fund

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024				Notes
	Actual	Budget	Variance (\$)	Variance (%)	Projected	Total Spending Authority	Variance (\$)	Variance (%)	
Operating Revenues									
Other revenues	\$ 3,188	\$ 3,190	\$ (2)	(0.1%)	\$ 12,754	\$ 12,759	\$ (5)	(0.0%)	
Total Operating Revenues	3,188	3,190	(2)	(0.1%)	12,754	12,759	(5)	(0.0%)	
Operating Expenses									
Other Operating costs:									
Outside services	(60)	(68)	8	11.8%	(265)	(275)	10	3.6%	
Other expenses	(2,628)	(2,910)	282	9.7%	(11,359)	(11,642)	283	2.4%	A
Total Operating Expenses	(2,688)	(2,978)	290	9.7%	(11,624)	(11,917)	293	2.5%	
Net Operating Income/(Loss)	500	212	288	135.8%	1,130	842	288	(34%)	
Non-operating Revenues/(Expenses)									
Interest income and other	55	1	54	5,400.0%	58	4	54	1,350.0%	
Net Non-operating Income/(Loss)	55	1	54	5,400.0%	58	4	54	1,350.0%	
Change in Net Position	555	213	342	(160.6%)	1,188	846	342	(40.4%)	
Net position at beginning of period	13,358	7,246	6,112	84.3%	13,358	7,246	6,112	84.3%	
Net position at end of period	\$ 13,913	\$ 7,459	\$ 6,454	86.5%	\$ 14,546	\$ 8,092	\$ 6,454	79.8%	

Notes:

- A **Other Expenses:** Q1 underwriting expenses were \$283 thousand lower than budget because medical claims were lower than estimated. Full-year forecast is similar.



Statement of Revenues, Expenses and Change in Net Position

Supplemental Water Account

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024			
	Actual	Budget	Variance		Projected	Spending Authority	Variance	
			(\$)	(%)			(\$)	(%)
Operating Expenses								
Outside services	-	-	-		-	-	-	
Total Operating Expenses	-	-	-		-	-	-	
Non-operating Revenues/(Expenses)								
Interest income / FV Adj	\$ 41	\$ 70	\$ (29)	(41.4%)	\$ 306	\$ 279	\$ 27	9.7%
Interest expenses and other	-	-	-		-	-	-	N/A
Total Non-operating Revenues/(Expenses)	41	70	(29)	(41.4%)	306	279	27	9.7%
Change in Net Position	41	70	(29)	(41.4%)	306	279	27	9.7%
Net position at beginning of period	9,023	8,887	136	1.5%	9,023	8,887	136	1.5%
Net position at end of period	\$ 9,064	\$ 8,957	\$ 107	1.2%	\$ 9,329	\$ 9,166	\$ 163	1.8%



Capital

The Project Steering Committee (PSC) oversees the individual projects ensuring total capital spending does not exceed the annual approval amount and if necessary may request approval from the Board for additional spending.

The Project Management Office and Engineering with the support of the PSC reviewed the current projects and Asset Modifications. Change in scope, scheduling and timing are the main causes for project cost variances. The projects experiencing the most significant variances during 2024 are listed in the following table.



Electromechanical
Relay Replacements
Phase 2



Isolation Valves at
Black Mountain &
Snyder Hill

2024 CAWCD CAPITAL SPENDING

(Dollars in Thousands)

	2024 Projection	2024 Budget	Variance
Capital Equipment	\$ 7,420	\$ 6,800	\$ (620)
Capital Projects (by Absolute Variance)			
Electromechanical Relay Phase 2	5,266	1,559	(3,707)
Backup Power Systems Replacement at Checks & TO	742	2,796	2,054
SCADA Replacement Control Center	3,500	2,551	(949)
Roof Replacement Black Mountain/Snyder Hill	1,667	949	(718)
Air Compressors Brady, Picacho, Red Rock	1,586	894	(692)
Motor Exciters Twin Peaks/Sandario Snyder Hill/Black Mountain	770	211	(560)
Fire Hydrant Valves HQ	60	572	512
Isolation Valves Black Mountain/Snyder Hill	955	1,418	463
Harcuvar Substation Upgrade	-	400	400
All Other Capital Projects	13,407	13,275	(132)
Subtotal - Capital Projects	\$ 27,953	\$ 24,625	\$ (3,329)
Total CAWCD Capital Spending	\$ 35,373	\$ 31,424	\$ (3,949)

TOTAL CAWCD CAPITAL PROJECTS

Many of the projects cover multiple years. Consequently, projects may be completed early and increase costs in the current year or may be delayed and push costs into later years. For this reason, the PSC monitors the project's total cost performance, in addition to annual spending. The following table lists significant projects and their total projected variances.

(Dollars in Thousands)

	Projection	Budget	Variance
Capital Projects - Ten Largest			
Aqueduct Hydrology Improvement*	\$ 151,740	\$ 153,527	\$ 1,787
Electromechanical Relay Phase 2	40,850	21,282	(19,568)
Water Education Center*	27,464	27,121	(343)
SRP-CAP Interconnection Facility*	25,000	25,750	750
SCADA Replacement Control Center*	21,689	20,036	(1,653)
Backup Power Systems Replacement at Checks & TO	14,482	13,223	(1,259)
Generator Replacements PPs	13,987	12,394	(1,593)
TDRP Recovery Wells*	13,575	13,478	(97)
Condition Based Monitoring	12,928	13,156	228
Fire Protection Sys Upgrade Mark Wilmer	12,459	11,595	(864)



2024 Capital Spending Variance Summary

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024			
	Actual	Budget	Variance		Projection	Total Spending Authority	Variance	
			(\$)	(%)			(\$)	(%)
SUMMARY								
Capital & Cost-Shared Spending								
Salaries and related costs	1,107	1,253	\$ 146	11.7%	4,005	3,959	\$ (46)	(1.2%)
Equipment and structures	4,174	5,406	1,232	22.8%	22,168	18,633	(3,535)	(19.0%)
Other expenses:								
Outside services	750	874	125	14.3%	4,697	4,446	(251)	(5.7%)
Materials and supplies & other expenses	108	41	(67)	(163.8%)	311	238	(73)	(30.7%)
Overhead expenses	1,156	1,313	157	12.0%	4,192	4,148	(44)	(1.1%)
Subtotal Other Expenses	2,013	2,228	215	9.7%	9,200	8,832	(368)	(4.2%)
Total Capital	\$ 7,294	8,887	\$ 1,594	17.9%	\$ 35,373	\$ 31,424	\$ (3,949)	(12.6%)

2024 CAWCD Capital Spending Variance Detail

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024					
			Variance			Total	Variance			
Projects	Actual	Budget	(\$)	(%)	Projection	Spending Authority	(\$)	(%)	Notes	
CAPITAL EQUIPMENT										
Buildings & Structures	\$ -	\$ -	\$ -	-	\$ 156	156	\$ -	0.0%		
Vehicles	273	-	(273)	-	1,015	693	(322)	(46.5%)		
Field & Other Equipment	1,136	1,556	420	27.0%	5,969	5,671	(298)	(5.3%)		
Communication Equipment	-	-	-	-	280	280	-	0.0%		
Capital Equipment Total	\$ 1,409	\$ 1,556	\$ 147	9.5%	\$ 7,420	6,800	\$ (620)	(9.1%)	A	
2024-2025 Budgeted Projects										
Air Compressors Brady, Picacho, Red Rock	\$ 76	\$ 53	\$ (23)	(42.1%)	\$ 1,586	894	\$ (692)	(77.3%)	B	
Aqueduct Hydrology Improvement*	144	301	157	52.2%	949	1,285	335	26.1%		
Backup Power Systems Replacement at Checks & TO	152	220	68	31.0%	742	2,796	2,054	73.5%	C	
Condition Based Monitoring	659	715	56	7.8%	2,025	2,284	259	11.3%		
Discharge Valves at Bouse Hills, Little Harquahala & Hassayampa	339	18	(321)	(1812.0%)	666	699	33	4.7%		
Electromechanical Relay Phase 2	414	367	(47)	(12.8%)	5,266	1,559	(3,707)	(237.7%)	D	
Elevator System Replacement Phase 2	460	455	(5)	(1.1%)	577	455	(122)	(26.8%)		
Financial Planning Refresh 2024	230	141	(89)	(62.8%)	565	565	(0)	(0.0%)		
Fire Hydrant Valves HQ	34	560	526	93.9%	60	572	512	89.5%	E	
Fire Protection Sys Upgrade Mark Wilmer	399	900	501	55.7%	1,067	923	(144)	(15.6%)		
Fire Pump Replacement WAD	135	138	3	1.9%	774	500	(274)	(54.8%)		
Generator Replacements PPs	16	140	124	88.6%	733	1,064	331	31.1%		
Harcuvar Substation Upgrade	-	-	-	-	-	400	400	100.0%		
Isolation Valves Black Mountain/Snyder Hill	217	829	612	73.8%	955	1,418	463	32.7%		
Monitor Well Agua Fria Recharge*	12	13	1	9.5%	305	357	52	14.5%		
Motor Exciters Twin Peaks/Sandario Snyder Hill/Black Mountain	295	204	(91)	(44.6%)	770	211	(559)	(265.8%)	F	
Multi Use Buildings Headquarters-Bouse Maintenance Yard	15	156	141	90.4%	383	550	167	30.4%		
Network Refresh 2024	238	69	(169)	(246.2%)	275	275	0	0.0%		
Noise Reduction Project Phase 2 Mark Wilmer	119	298	179	60.1%	523	298	(225)	(75.4%)		
Parking Lot Upgrades Headquarters	6	217	211	97.2%	146	431	285	66.1%		
Programmable Logic Controller Replacement Waddell	118	367	249	67.9%	1,150	1,334	184	13.8%		
Roof Fall Protection Headquarters	-	-	-	-	38	26	(12)	(47.4%)		
Roof Replacement Black Mountain/Snyder Hill	54	25	(29)	(114.8%)	1,667	949	(718)	(75.7%)	G	
SCADA Replacement Control Center	673	596	(77)	(12.9%)	3,500	2,551	(949)	(37.2%)	H	
SRP-CAP Interconnection Facility*	-	-	-	-	-	85	85	100.0%		
Switchyard Security Hardening Delaney	66	50	(16)	(32.0%)	76	50	(26)	(52.0%)		
TDRP Recovery Wells*	224	3	(221)	(6746.0%)	229	3	(226)	(6898.8%)		
Water Education Center*	428	401	(27)	(6.7%)	2,011	1,701	(310)	(18.2%)		
West Entrance Gate Headquarters	342	24	(318)	(1296.8%)	363	24	(339)	(1384.5%)		
West Entrance Gate Phase 2 ROW Headquarters	-	-	-	-	90	90	-	0.0%		
Windows Server Refresh 2024	-	69	69	100.0%	275	275	0	0.0%		
Totals - 2024-2025 Budgeted Projects	\$ 5,865	\$ 7,331	\$ 1,466	20.0%	\$ 27,768	24,625	\$ (3,144)	(12.8%)		

2024 CAWCD Capital Spending Variance Detail (cont.)

(Dollars in Thousands)

	1st Quarter 2024				Full Year 2024				
			Variance			Total Spending Authority	Variance		
	Actual	Budget	(\$)	(%)	Projection		(\$)	(%)	Notes
Projects Without a Budget in 2024									
Motor Exciters & Control Unit Replacements at West Plants	\$ 1	\$ -	\$ (1)	-	\$ 1	-	\$ (1)	-	
Network Refresh 2023	7	-	(7)	-	7	-	(7)	-	
Potable Water Skid Replacement	12	-	(12)	-	35	-	(35)	-	
Pump Casings/Imprvmnts SND/BLK	-	-	-	-	142	-	(142)	-	
Totals - Projects Without a Budget in 2024	\$ 20	\$ -	\$ (20)	0.0%	\$ 185	-	\$ (185)	0.0%	
NET CAPITAL									
	\$ 7,294	\$ 8,887	\$ 1,593	17.9%	\$ 35,373	31,424	\$ (3,949)	(12.6%)	

- A **Capital Equipment:** Purchases delayed from prior years into Q1 2024 due to supply chain issues, primarily Fleet Maintenance.
- B **Air Compressors Brady, Picacho, Red Rock:** Material cost and contractor pricing exceeded budget. \$200K prepayment from 2023 rolled into this year causing additional variance for the pre-work completed.
- C **Backup Power Systems Replacement at Checks Turnouts & Microwave Sites:** Work delayed to 2024 due to supply chain issues with generators. Redesign taking place in 2024 and construction in 2025.
- D **Electromechanical Relay Replacement Phase 2:** Forecast updated to include the change to the overall plan as requested by maintenance managers. 2024: South Plants, 2025: BLK/SNY, 2026 WAD design. Adjustments made after finalizing new project scope.
- E **Fire Hydrant Valves HQ:** Project completed ahead of schedule based on production rate and efficiencies found with increased outage availability and adjacent work.
- F **Motor Exciters Twin Peaks/Sandario Snyder Hill/Black Mountain:** South Plant motor exciters delayed from prior years. A module required for fabrication was ordered in 2022, but not shipped until Q4 2023. Project is on track to be complete in 2024.
- G **Roof Replacement Black Mountain/Snyder Hill:** Project scope adjusted to include 3/8" slope requirement, overflow drains (\$250K), and drip edge detail (\$60K). Contractor pricing exceeded original internal estimate.
- H **SCADA Replacement Control Center:** Initiated Control Center Enterprise SCADA upgrade (\$1.9M), and ordered required equipment approved by PSC.
- * These projects are funded with sources separate from "Big R"

Total CAWCD Capital Projects Variance Detail

(Dollars in Thousands)

Projects	Through 2023	2024 Projection	Remaining Balance	Total Projected	Total Spending Authority	Variance (\$)	(%)	Notes
<u>2024 - 2025 Budgeted Projects</u>								
Air Compressors Brady, Picacho, Red Rock	\$ -	\$ 1,586	\$ 150	\$ 1,736	\$ 1,359	\$ (377)	(27.8%)	
Aqueduct Hydrology Improvement*	-	949	150,791	151,740	153,527	1,787	1.2%	A
Backup Power Systems Replacement at Checks & TO	9,480	742	4,260	14,482	13,223	(1,259)	(9.5%)	B
Condition Based Monitoring	8,761	2,025	2,142	12,928	13,156	228	1.7%	
Discharge Valves at Bouse Hills, Little Harquahala & Hassayampa	1,151	666	1,030	2,847	2,721	(126)	(4.6%)	
Electromechanical Relay Phase 2	5,872	5,266	29,712	40,850	21,282	(19,568)	(91.9%)	C
Elevator System Replacement Phase 2	4,862	577	3,933	9,372	8,951	(421)	(4.7%)	
Financial Planning Refresh 2024	-	565	-	565	565	-	0.0%	
Fire Hydrant Valves HQ	263	60	1,384	1,707	2,449	742	30.3%	D
Fire Protection Sys Upgrade Mark Wilmer	4,716	1,067	6,638	12,421	11,595	(826)	(7.1%)	
Fire Pump Replacement WAD	-	774	119	893	502	(391)	(77.8%)	
Generator Replacements PPs	-	733	13,254	13,987	12,394	(1,593)	(12.8%)	E
Harcuvar Substation Upgrade	-	-	3,451	3,451	3,195	(256)	(8.0%)	
Isolation Valves Black Mountain/Snyder Hill	290	955	2,344	3,589	3,462	(127)	(3.7%)	
Monitor Well Agua Fria Recharge*	53	305	39	397	424	27	6.5%	
Motor Exciters Twin Peaks/Sandario Snyder Hill/Black Mountain	210	770	618	1,598	1,428	(170)	(11.9%)	
Multi Use Buildings Headquarters-Bouse Maintenance Yard	-	383	1,950	2,333	2,317	(16)	(0.7%)	
Network Refresh 2024	-	275	-	275	275	-	0.0%	
Noise Reduction Project Phase 2 Mark Wilmer	6	523	978	1,507	1,420	(87)	(6.1%)	
Parking Lot Upgrades Headquarters	-	146	1,861	2,007	2,304	297	12.9%	
Programmable Logic Controller Replacement Waddell	3,142	1,150	1,605	5,897	6,458	561	8.7%	
Roof Fall Protection Headquarters	-	38	769	807	763	(44)	(5.8%)	
Roof Replacement Black Mountain/Snyder Hill	19	1,667	69	1,755	1,036	(719)	(69.5%)	F
SCADA Replacement Control Center*	1,882	3,500	16,307	21,689	20,036	(1,653)	(8.3%)	G
SRP-CAP Interconnection Facility*	-	-	25,000	25,000	25,750	750	2.9%	
Switchyard Security Hardening Delaney	110	76	496	682	536	(146)	(27.1%)	
TDRP Recovery Wells*	-	229	13,346	13,575	13,478	(97)	(0.7%)	
Water Education Center*	-	2,011	25,453	27,464	27,121	(343)	(1.3%)	
West Entrance Gate Headquarters	178	363	1,949	2,490	2,151	(339)	(15.7%)	
West Entrance Gate Phase 2 ROW Headquarters	-	90	547	637	637	-	0.0%	
Windows Server Refresh 2024	-	275	-	275	275	-	0.0%	
Totals - 2024-2025 Budgeted Projects	\$ 40,995	\$ 27,766	\$ 310,195	\$ 378,956	\$ 354,789	\$ (24,167)	(6.8%)	

Total CAWCD Capital Projects Variance Detail (cont.)

(Dollars in Thousands)

	Through 2023	2024 Projection	Remaining Balance	Total Projected	Total Spending Authority	Variance (\$)	(%)	Notes
Projects Without a Budget in 2024								
Motor Exciters & Control Unit Replacements at West Plants	\$ 13,635	\$ 1	\$ 1,901	\$ 15,537	\$ -	\$ (15,537)	-	
Network Refresh 2023	-	7	710	717	-	(717)	-	
Potable Water Skid Replacement	1,262	35	1,701	2,998	-	(2,998)	-	
Pump Casings/Imprvmnts SND/BLK	-	142	2,433	2,575	-	(2,575)	-	
Totals - Projects Without a Budget in 2024	\$ 14,897	\$ 185	\$ 6,745	\$ 21,827	\$ -	\$ (21,827)		
Totals - Budgeted & Unbudgeted	\$ 55,892	\$ 27,951	\$ 316,940	\$ 400,783	\$ 354,789	\$ (45,994)	(13.0%)	

- A **Aqueduct Hydrology Improvement***: Work beginning with design, and includes Phase 1 Hydrology and details design & Phase 2 Hydrology.
- B **Backup Power Sys Replacement-Checks & TOs**: Work delayed to 2024/25 due to supply chain issues with Generators. Work on IPSS continues at Turnouts, completion in 2024. Redesign taking place in 2024 and construction in 2025.
- C **Electro Mech Relay Phase 2**: The MWP plant phase has been moved up to accommodate the outage schedule. Project forecasts have increased to reflect current scope and inflation-adjusted pricing for future years.
- D **Fire Hydrant Valves HQ**: Project completed ahead of schedule based on production rate and efficiencies found with increased outage availability and adjacent work.
- E **Generator Replacements PPs**: Project design is underway and currently estimated to be complete in 2025. The forecast reflects the most current scope.
- F **Roof Replacement Black Mountain/Snyder Hill**: Project scope adjusted to include 3/8" slope requirement, overflow drains (\$250K), and drip edge detail (\$60K). Contractor pricing exceeded original internal estimate.
- G **SCADA Replacement Control Center**: Continued scope refinement has included additional equipment needs, and a new vendor contract. 2024 has seen the Control Center Enterprise SCADA upgrade (\$1.9M), and order of required equipment approved by PSC.
- * These projects are funded with sources separate from "Big R"



Strategic Plan Update

Q1 2024

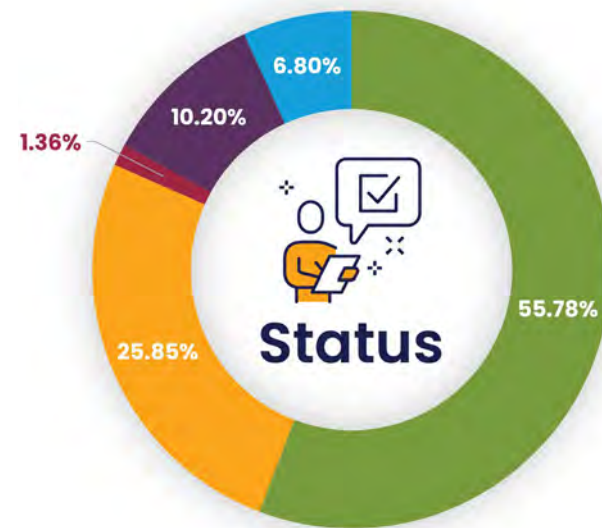
BACKGROUND

In 2020, the Board adopted the [2022 Board Strategic Plan](#). Facilitated by an external consultant, the 18-month process included several Board retreats, input from employees, and two rounds of stakeholder forums. Implementation of the new plan began with the 2022-23 budget cycle. The Plan provides high-level strategic guidance to the organization and defines CAP's Vision, Mission, and Values. It also defines eight Key Result Areas (KRAs) and identifies 3-5 Strategic Issues for each KRA. This hierarchy of issues serves as the context for many other planning activities at CAP, including the biennial budget, the "Big 5" organization-wide objectives, Board reports and employee performance goals. As part of CAP's two-year budget process, staff links the Board Strategic Plan to the biennial Business Plans to ensure that organizational goals are consistent with the strategic direction provided by the Board. The Public Affairs Department coordinates strategic planning activities for the organization.



PROGRESS UPDATE

For 2024-25, staff developed 147 action plans to implement the Board Strategic Plan. That work began on January 1, 2024.



- In Progress:** work is underway
- Ongoing:** work is continuous
- Not Yet Started:** work has not begun
- Upcoming:** work is scheduled
- Completed:** work is finished

STRATEGIC PLAN IN ACTION

Each quarter, we will highlight the work being done on the strategic plan.



KEY RESULT AREA: Finance

Maintaining long-term financial strength to achieve CAP's goals and being prepared to address opportunities or challenges.

Strategic Issue: Manage capital and operations and maintenance budgets, debt, revenues, tax rates, water rates, and reserves effectively and transparently.



Doug Dunlap, Finance and Accounting Manager, presented to the FAP Committee on March 21, 2024 as part of the two-step process to approve reserve targets and strategy.

Millions	2022 Target (Current)	2024 Target (Recommendation)
Operating Reserve:	\$ 80	\$ 80
Capital Reserve:	73	73
Contingency Reserve:		
Includes:		
- Property/Casualty Insurance	5	5
- Medical Insurance	1	1
- Legal	2	2
Strategic Reserves	\$ 161	\$ 166
Extraordinary Cost Reserve	\$ 281	\$ 444
Working Capital	\$ 89	\$ 91



KEY RESULT AREA: Groundwater Replenishment

Fulfilling CAP's groundwater replenishment responsibilities in accordance with statutory requirements

Strategic Issue: Ensure continued effective management, reasonable pricing, and financial viability of CAGR.



CAGR team members meet to continue work on the 2025 CAGR Plan of Operation.



KEY RESULT AREA: Power

Building a reliable, diversified, and sustainable energy portfolio

Strategic Issue: Actively engage in the transmission market to ensure access to diversified, low-cost energy resources.



CAP staff continues to evaluate CAP's use of transmission assets, including the potential for capacity purchases or sales, to seek the most efficient and effective usage that will reduce the overall cost to CAP.



KEY RESULT AREA: Project Reliability

Providing reliable and cost-effective operations, maintenance, and replacement of CAP infrastructure and technology assets

Strategic Issue: Implement and improve CAP's strategic asset management plan program to ensure long-term infrastructure viability.



Team members from the Mechanical Maintenance 3 Heavy Overhaul Group observe progress on the removal of a radial gate from Check 14.

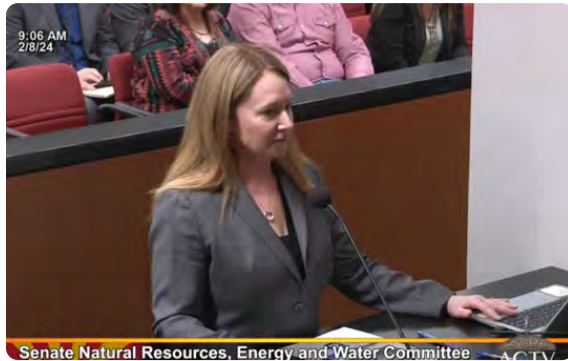


KEY RESULT AREA:

Public Trust, Partnerships, and Leadership

Earning and preserving public trust, building and maintaining partnerships, and providing informed water management leadership.

Strategic Issue: Continue active Board and staff engagement with constituents, stakeholders and other water entities.



General Manager Burman presented before to the Senate Natural Resources, Energy and Water Committee on February 8, 2024.



President Goddard and Director Brian Buzard hosted Senator Mark Kelly for a tour of CAP on March 15, 2024



The Gila River Indian Community Tribal Council invited CAWCD Board of Directors for a joint dinner on March 21, 2024



Board Members and staff attended State of the City and State of the State events throughout the CAP service area in Q1 2024.





KEY RESULT AREA: Stewardship and Sustainability

Serving as proactive leaders in sustainability and responsible, collaborative stewards of CAP's Colorado River Supply.

Strategic Issue: Evaluate and consider the relevant environmental impacts of moving non-Project water.



CAP staff conducts monthly sampling geared toward the analysis of nutrients such as nitrates, phosphates, total dissolved solids, and total suspended solids that can contribute to the growth of algae and other organisms, which can either be harmful or beneficial to the canal.



KEY RESULT AREA: Water Supply

Providing a reliable CAP water supply for the short- and long-term

Strategic Issue: Actively participate in plans and support relationships to maintain a healthy Colorado River System.



Arizona Reconsultation Committee meeting and press conference on March 6, 2024.





KEY RESULT AREA: Workforce

Being a premier employer that attracts and retains an exceptional and diverse workforce

Strategic Issue: Develop recruitment strategies to best support CAP's hiring needs



Staff attended All Majors Career Day at University of Arizona on February 13, 2024, chatting with college students about summer internships available at CAP and future job prospects.

Strategic Issue: Engage in innovative professional development opportunities to enhance CAP's workforce



CAP hosted the annual Safety Week of all employees March 25-28, 2024. Employees attend required training, elected classes and a health fair.

