



Central Arizona Project 2026-2030 Proposed Rates

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email to
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Overview

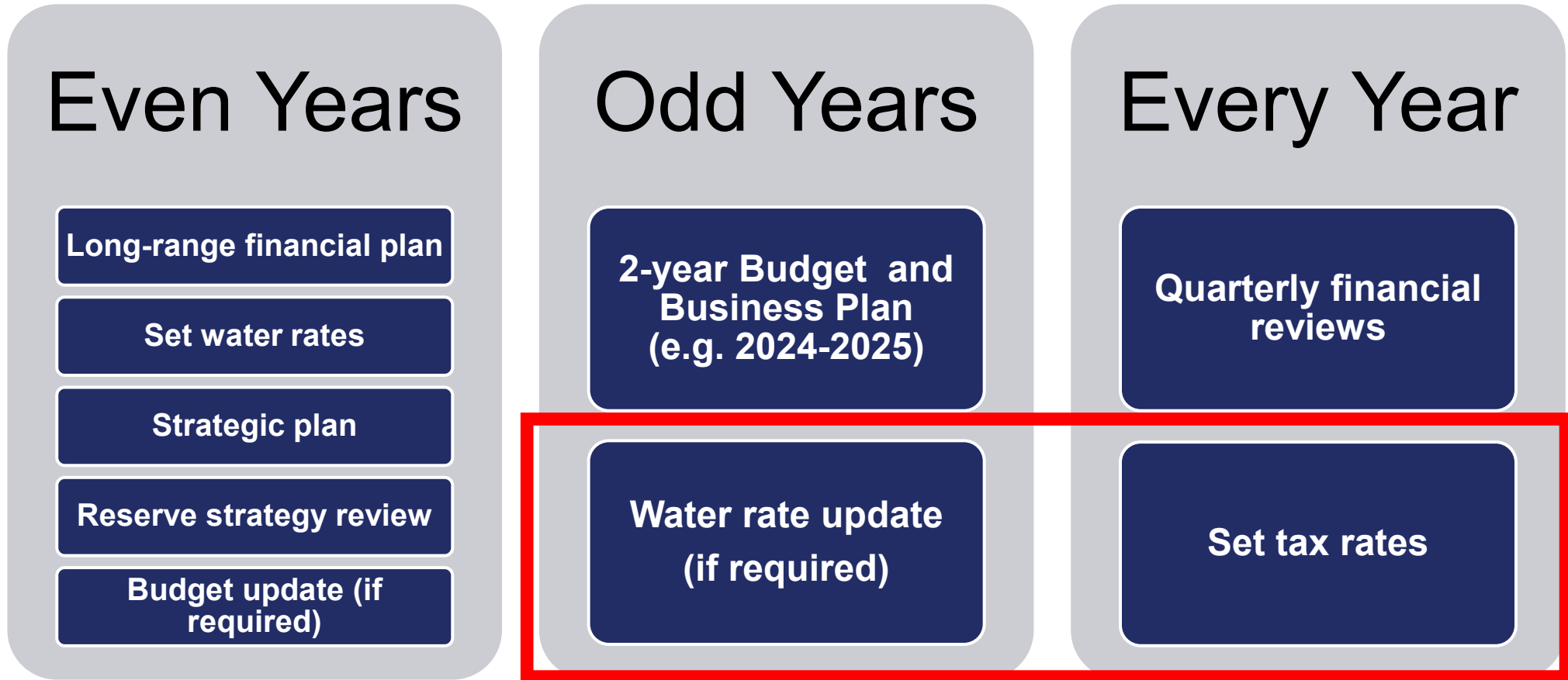
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Key Assumptions

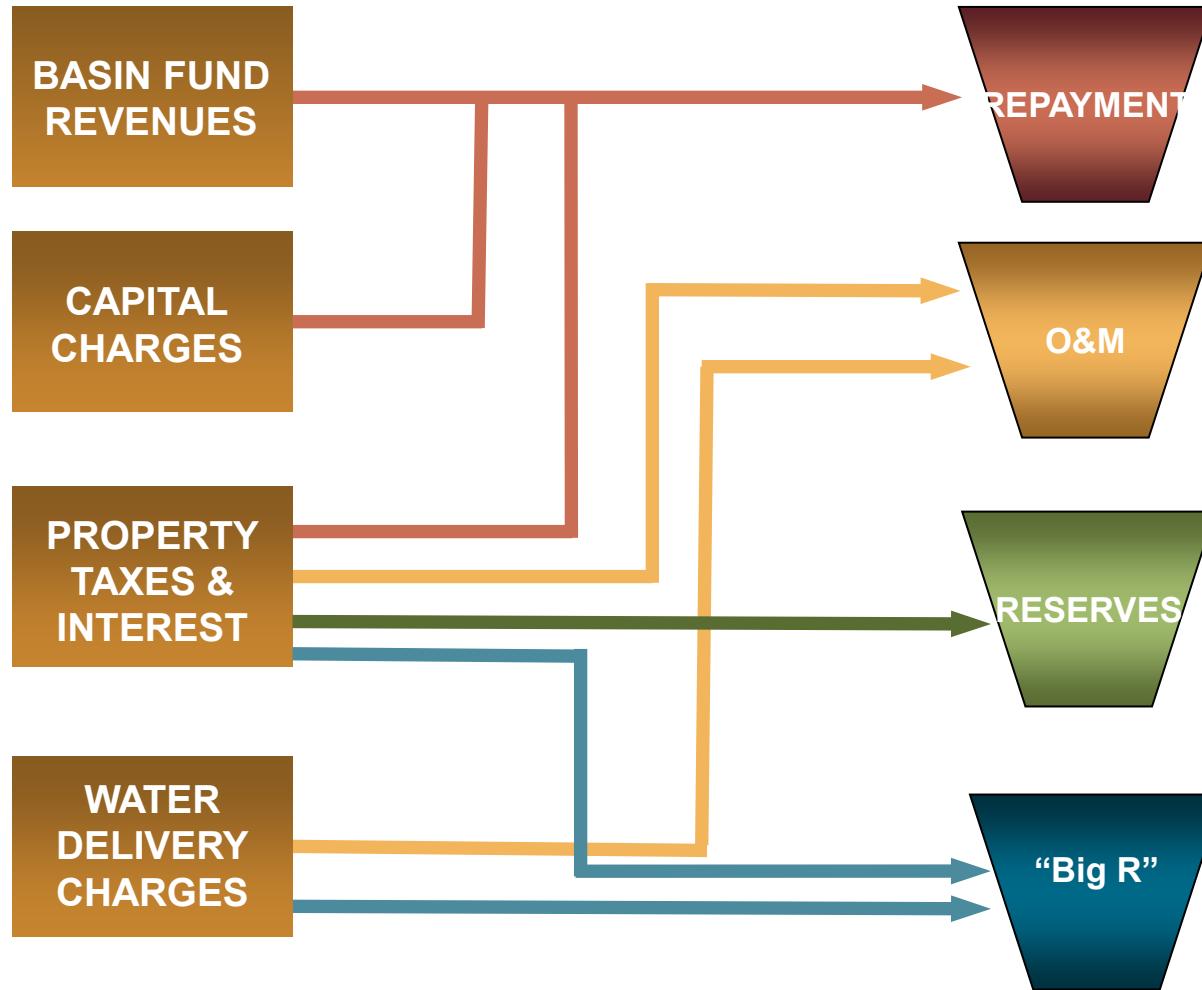
CAP Strategic Plan Finance Key Result Area (KRA) includes the following Strategic Issues:

 F I N A N C E	Generate sufficient revenue to repay the Federal Government	
	Manage capital and operations and maintenance budgets, debt, revenues, tax rates, water rates, and reserves effectively and transparently	
	Solicit and incorporate input from constituents, customers, and stakeholders on rate setting, capital charges, and taxes	
	Develop risk management and procurement practices to maximize financial exposure and maximize value	

2-Year Financial Planning Process



General Fund Sources and Uses of Revenue



CAP Water Delivery Rate

- Water delivery rates are necessary to recover water delivery costs, on a long-term basis, net of other revenue sources
- Water rates are based on “Cost of Service” and reconciled annually
- In general, annual rates = costs ÷ deliveries
- Major rate-setting process in even years, with update (if necessary) in odd years
- Annual rates are published six years in advance:
 - 1 year **FIRM** – e.g., 2025
 - 1 year **PROVISIONAL** (becomes FIRM with no further action unless modified by the Board) – e.g., 2026
 - 4 years **ADVISORY** – e.g., 2027-2030

CAWCD is a Special Taxing District

The purposes for which the district may be formed:

1. To levy an ad valorem tax of not to exceed ten cents per one hundred dollars of assessed valuation against all taxable property within the boundaries of such counties in order to pay administrative costs and expenses of the district and to assist in repayment of central Arizona project costs undertaken to be repaid by the district to the United States in accordance with the terms of contractual obligations of the district and to authorize payment of the tax so collected to the United States as a contribution to the discharge of such contractual obligations.

A.R.S. §48-3703(1)

2. To contract with the secretary for the repayment of the cost and for the delivery of water supply in accordance with the provisions of PL 90-537, and to subcontract for such water supply. A.R.S. §48-3703(2)

CAWCD Tax Authority

Two taxes authorized:

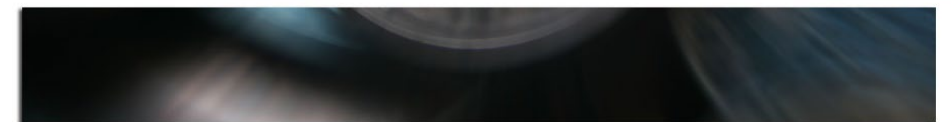
- General Ad Valorem Tax not to exceed 10 cents per \$100 of assessed valuation

A.R.S.§48-3715

- “Water Storage” Ad Valorem tax not to exceed 4 cents per \$100 of assessed valuation

A.R.S. §48-3715.02

CAWCD property taxes are based on Limited Property Value (LPV)



General Ad Valorem Tax

General Ad Valorem Tax may be used for any authorized purpose *except as a pledge towards repayment of revenue bonds*

Uses have included:

- ✓ creation of reserves
- ✓ operations & maintenance
- ✓ repayment
- ✓ capital projects
- ✓ working capital for recovery and system use agreements

Historical General Ad Valorem Tax rates:

1987/1988 through 1999/2000	10 cents
2000/2001 through 2002/2003	9 cents
2003/2004 through 2006/2007	8 cents
2007/2008 through 2011/2012	6 cents
2013/2014 through 2024/2025	10 cents



Water Storage Tax

3 decisions:

1. Decision to levy tax.
2. At what rate?
3. What is tax to be used for?

Authorized uses under current statute if retained which must be recorded by resolution:

- ✓ Federal Repayment
- ✓ CAWCD OM&R, which Includes items like drought mitigation programs, Ag Consideration and Ag Incentive and other CAWCD delivery costs
 - Under current statute, cannot be used for recovery
- ✓ Balance determined to not be needed for federal repayment or CAWCD OM&R must be transferred to the Arizona Water Banking Authority
 - Board may reduce amount reserved for repayment or OM&R to fund AWBA long term storage credit purchases

Tax has been retained at 4-cents since 1996

Sample Tax Bill

PARCEL/ACCOUNT# 123-45-678

LEGAL DESCRIPTION SEC/LOT 129 TWN/BLK 1N RNG/TR 3E

HUNTER C HASE PHASE 2 CONDOMINIUM MCR 822-37 UNIT
CHECK YOUR DEED FOR COMPLETE LEGAL DESCRIPTION.

Do you own several properties?

Find out how the Treasurer's Office can help you manage your account.

Visit our website to explore your options:

Treasurer.maricopa.gov and see Multi-Parcel Owners

MARICOPA COUNTY
TREASURER'S OFFICE

treasurer.maricopa.gov
602-506-8511

Your 2024 Property Tax

Limited Value (Primary)
Full Cash Value (Secondary)

Previous Year Total

PRIMARY LIMITED VALUES

TYPE LIMITED
Land/Building 111.09
Personal Property Exemption
Primary Total 111.09

SECONDARY FULL CASH VALUES

TYPE FULL CASH
Land/Building 323.00
Personal Property Exemption
Primary Total 323.00

SPECIAL DISTRICT (VALUE/ACRES)

A= ACRES, S= SQUARE FEET

WHO IS TAXING ME?

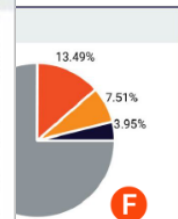
ROOSEVELT ELEMENTARY	G	C 602-243-4800	www.rsd66.org
ROOSEVELT ELEMENTARY BONDS		D 602-243-4800	www.rsd66.org
ROOSEVELT ELEMENTARY OVERRIDES		D 602-243-4800	www.rsd66.org
ROOSEVELT ELEMENTARY DESEGREGATION	H	C 602-243-4800	www.rsd66.org
PHOENIX HIGH SCHOOL		C 602-764-1100	www.phoenixunion.org
PHOENIX HIGH SCHOOL BONDS	I	D 602-764-1100	www.phoenixunion.org
PHOENIX HIGH SCHOOL OVERRIDES		D 602-764-1100	www.phoenixunion.org
PHOENIX HIGH SCHOOL DESEGREGATION		C 602-764-1100	www.phoenixunion.org
COMMUNITY COLLEGE DIST		C 480-731-8000	www.maricopa.edu
COMMUNITY COLLEGE DIST BONDS		D 480-731-8000	www.maricopa.edu
TOTALS FOR SCHOOLS/EDUCATION			
CITY OF PHOENIX	J	E 602-262-6011	www.phoenix.gov
CITY OF PHOENIX BONDS		D 602-262-6011	www.phoenix.gov
TOTALS FOR CITY OF PHOENIX			
GENERAL COUNTY FUND	K	B 602-506-8511	www.maricopa.gov
TOTALS FOR GENERAL COUNTY			
FLOOD CONTROL OF MARICOPA CITY		B 602-506-1501	www.fcd.maricopa.gov
CENTRAL AZ WATER CONSV DIST	L	F 623-869-2333	www.cap-az.com
FIRE DISTRICT ASSISTANCE TAX		B 602-506-8511	www.maricopa.gov
LIBRARY DISTRICT		B 602-652-3000	www.mcidaz.org
MARICOPA SPECIAL HEALTH DIST.		F 602-344-5011	www.valleywisehealth.org
MARICOPA SPECIAL HEALTH DIST. BONDS		D 602-344-5011	www.valleywisehealth.org
TOTALS FOR SPECIAL DISTRICTS			

2023 AMOUNT 2024 AMOUNT CHANGE

380.80	196.31	-48.4%
142.49	150.71	+5.8%
129.68	165.50	+27.6%
0.00	170.22	
283.54	193.46	-31.8%
116.73	122.12	+4.6%
75.60	74.98	-.8%
0.00	90.00	
114.17	116.49	+2.0%
6.32	6.23	-1.4%
1,249.33	1,286.02	
135.96	140.62	+3.4%
86.13	90.44	+5.0%
222.09	231.06	
127.43	128.76	+1.0%
127.43	128.76	
16.20	16.34	+0.5%
14.82	15.56	+5.0%
0.86	0.88	+2.3%
5.16	5.22	+1.2%
18.50	19.42	+5.0%
10.23	10.18	-0.5%
65.83	67.60	

Your tax rate includes an increase to cover the cost of property tax refunds ordered in class action litigation.

TOTAL 1,664.68 1,713.44 +2.9%



AMOUNT	CHANGE
196.31	-48.4%
150.71	+5.8%
165.50	+27.6%
170.22	
193.46	-31.8%
122.12	+4.6%
74.98	-.8%
90.00	
116.49	+2.0%
6.23	-1.4%
1,286.02	
140.62	+3.4%
90.44	+5.0%
231.06	
128.76	+1.0%
128.76	
16.34	+0.5%
15.56	+5.0%
0.88	+2.3%
5.22	+1.2%
19.42	+5.0%
10.18	-0.5%
67.60	

Source: Maricopa County Treasurer's Website -- <https://treasurer.maricopa.gov/>

General Tax Information

1¢ of property tax currently generates approximately \$7.2 million in revenue

1¢ of property tax applied to federal repayment results in a reduction to M&I customer Capital Charges by approximately \$8.50/AF

1¢ of tax costs the owner of a \$200,000 LPV property home \$2.00 a year



Capital Charge Calculation

Start	Annual repayment amount
Subtract	Projected Basin Development Fund net revenues
Total	Net cash payment
Subtract	Taxes or reserves directed to repayment
Total	Cash needed from capital charges
Divide	M&I subcontract allocations + CAGRD LTSC purchases + excess water deliveries
Equals	Capital charge rate

Capital Charge

- Can only be used for Repayment, which is reimbursement for part of the cost to build the CAP system allocated to the non-federal water supply and commercial power
- Paid by M&I contract holders based on allocations (not deliveries)
- In recent years, the Board has begun to set Capital Charge one year ahead of other rates to give customers more predictability

(\$/af)	2025 Firm	2026 Proposed	2027 Advisory	2028 Advisory	2029 Advisory	2030 Advisory
M&I Capital Charge	54	56	64	64	61	59



CAWCD 2026-2030 Proposed Rates

Key Assumptions

General

- 2026 is anticipated to be at a Tier 1 shortage, which is a 512,000 acre-foot decrease
- Water volumes will be posted at 825,000 acre-feet
 - Conservation agreements total 260,000 acre-feet, of which approximately 100,000 acre-feet are finalized agreements. The balance of 160,000 acre-feet are anticipated to be finalized later
 - For planning purposes, volumes between 600,000 – 1,000,000 acre-feet, in increments of 100,000 acre-feet, are being provided
- No additional Non-Indian Ag (NIA) reallocation included in rate period

Key Assumptions

General

Though 2025/2026 taxes not voted on yet, utilize last tax rates established by CAWCD Board

- General ad valorem property tax rate held at 10¢
- Water storage tax held at maximum to be retained for federal repayment and CAWCD operational costs
 - Tax rate held at 4¢
 - No 2026 request for Arizona Water Banking Authority Long Term Storage Credit purchases
- No tax contribution reduction on water delivery rates or federal repayment incorporated into proposed rates other than what has been previously approved

Key Assumptions

Power

- Long-term contracts
 - Fully utilized during this period (Solar Phase 1 and Hoover)
- Approximately 40% of energy needs have been solidified for 2026; additional resources will be procured on the day-ahead market
- Salt River Project (SRP) Option expiring at the end of May 2025 with no extension in place
- Tucson Electric Power (TEP) Option expiring at the end of December 2025 with no extension in place
- Renewable Energy Certificates (REC) sales from Hoover and Solar Phase 1 not incorporated into rates

Key Assumptions

Transmission

- Based on basic characteristics, variable costs are included in energy & fixed costs are included in O&M
- El Paso Electric – 4 MW expires end of 2025 with the rest, 31MW, expiring end of September 2026

“Big R”

- New Harcuvar & McCullough transmission projects (~\$18 million) added in 2027-2029
- Electromechanical Relays Phase 3 (~\$10 million) added in 2027-2029
- Aqua Fria Siphon maintenance shifted to 2026 from 2027 (\$12.5 million)

“Big R” Update

Units = \$/acre-foot	Firm 2025	Proposed 2026	Advisory			
			2027	2028	2029	2030
<u>Current</u>						
"Big R" Spending (\$M)		\$ 48.2	\$ 37.1	\$ 54.8	\$ 54.0	\$ 45.3
<u>Previous</u>						
"Big R" Spending(\$M)		\$ 36.7	\$ 45.2	\$ 33.5	\$ 47.1	\$ 49.7
Spending Change (\$M) <i>incr/(decr)</i>		\$ 11.5	\$ (8.1)	\$ 21.3	\$ 6.9	\$ (4.6)
<u>Proposed</u>						
Water Volume (acre feet)	900K	825K	825K	825K	825K	825K
Annual “Big R” Revenue Required (\$M)	\$ 36.0	\$ 40.4	\$ 41.3	\$ 42.9	\$ 42.9	\$ 42.9
"Big R" Rate (\$/AF)	\$ 40	\$ 49	\$ 50	\$ 52	\$ 52	\$ 52

Proposed Water Delivery Rates

Units = \$/acre-foot	Firm 2025	Proposed 2026	Advisory			
			2027	2028	2029	2030
Water Volume (acre feet)	900K	825K	825K	825K	825K	825K
<u>Water Delivery Rates</u>						
Fixed O&M	160	175	185	187	199	209
"Big R"	<u>40</u>	<u>49</u>	<u>50</u>	<u>52</u>	<u>52</u>	<u>52</u>
Fixed OM&R	\$ 200	\$ 224	\$ 235	\$ 239	\$ 251	\$ 261
Pumping Energy Rate	\$ 95	\$ 85	\$ 88	\$ 91	\$ 94	\$ 97
Total Water Delivery Rate	\$ 295	\$ 309	\$ 323	\$ 330	\$ 345	\$ 358

Water Delivery Rate Updates

	2026	2027
	\$/AF	\$/AF
Fixed OM&R:		
Proposed @ 825 KAF	\$224	\$235
<i>Advisory @ 900 KAF</i>	<i>\$206</i>	<i>\$205</i>
<i>Volume impact @ 75 KAF decrease</i>	<i><u>+\$18</u></i>	<i><u>+\$19</u></i>
Advisory @ 825 KAF	\$224	\$224
Fixed OM&R Rate Change	\$0	\$11
Energy:		
Proposed	\$85	\$88
Advisory	\$98	\$101
Energy Rate Change	(\$13)	(\$13)
Water Delivery Rate Change	(\$13)	(\$2)

Capital Charges

Units = \$/acre-foot	Firm 2025	<i>No changes</i> Proposed 2026	Advisory			
			2027	2028	2029	2030

Capital Charges

Full rate	\$ 69	\$ 67	\$ 64	\$ 64	\$ 61	\$ 59
Board applied taxes to Repayment	\$ (15)	\$ (11)	TBD	TBD	TBD	TBD
Net Rate	\$ 54	\$ 56	\$ 64	\$ 64	\$ 61	\$ 59

No change from current Advisory rates



CAWCD Underground Storage 2026-2030 Proposed Rates

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Underground Storage Rates

Units = \$/acre-foot	Firm 2025	No changes Proposed 2026	Advisory				
			2027	2028	2029	2030	
<u>USF O&M Rates (\$/af)</u>							
Phoenix AMA	\$14		\$15	\$15	\$15	\$15	\$15
Tucson AMA	\$15		\$15	\$15	\$15	\$15	\$15
<u>USF Capital Charges (\$/af)*</u>							
Phoenix AMA	\$15		\$15	\$15	\$15	\$15	\$15
Tucson AMA	\$ 9		\$ 9	\$ 9	\$ 9	\$ 9	\$ 9

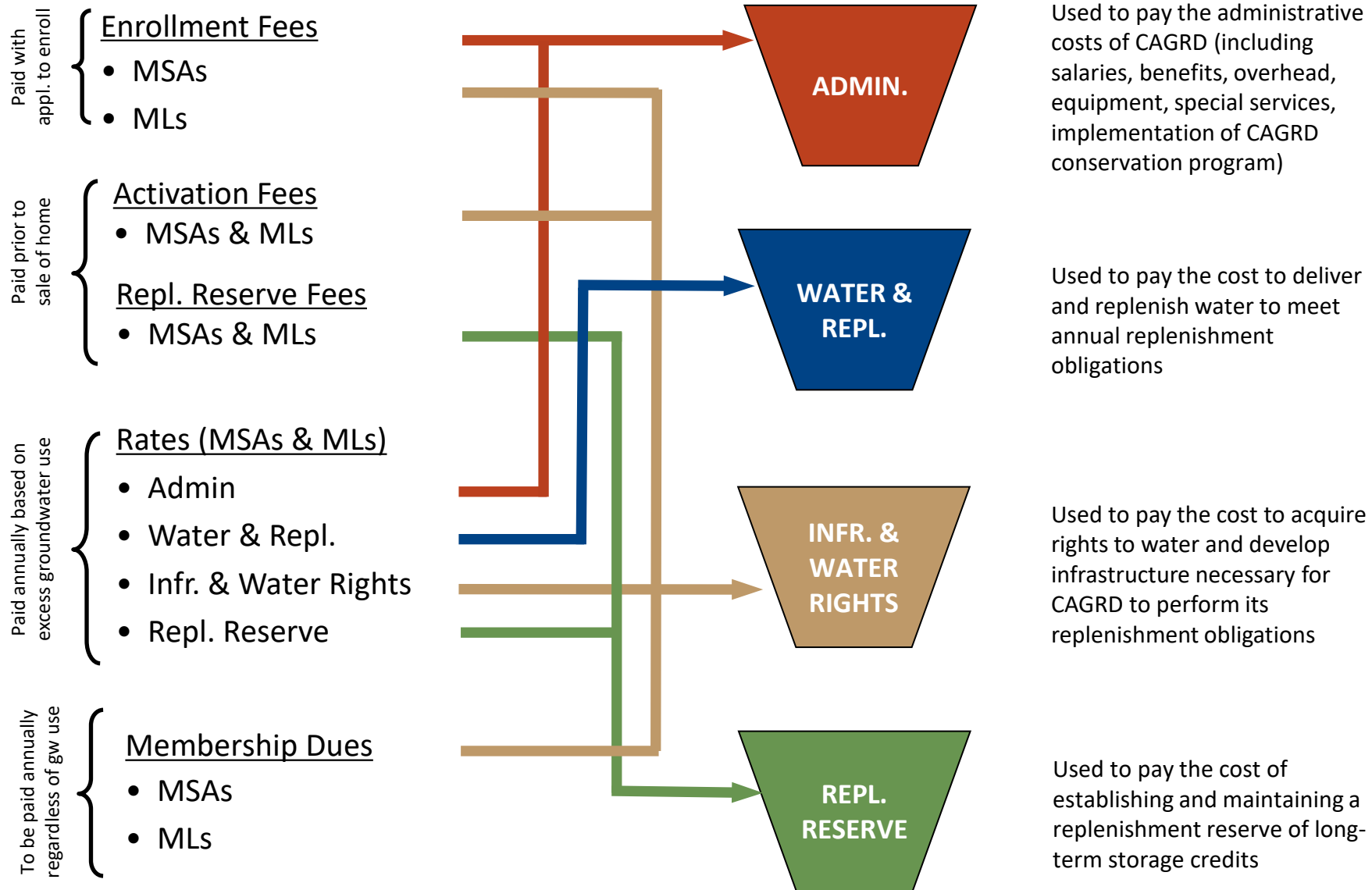
*Underground Water Storage Capital Charge is paid by all direct recharge customers except AWBA for M&I firming, the CAGRD, municipal providers within the CAP service area and co-owners of CAWCD recharge facilities using no more than their share of capacity.



CAGRD 2025/2026-2029/2030 Proposed Rates, Fees and Dues

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CAGRDR Revenue Stream



CAGRD Assumptions

- Rates are based on CAWCD Rates at 825K acre-feet
- Water & Replenishment and Replenishment Reserve Rates with water volumes from 600K acre-feet to 1.0M acre-feet will be shown separately
- Collect Annual Membership Dues at 100% allowable
- To Be Determined (TBD) for 2026/2027 forward Annual Membership Dues as legislation is pending
- Meet replenishment requirements in year following obligation created
- Continue progress toward replenishment reserve target at 1/3 of replenishment obligation

CAGRD Results as Compared to Advisory rates

- Administrative rate component are consistent
- Water & Replenishment rates are consistent
 - Advisory rates increase due to CAWCD rates
- Replenishment Reserve rates are consistent
 - Advisory rates increase due to CAWCD rates
- Infrastructure and Water Rights rate component are consistent
- 2025/2026 Annual Membership Dues (AMDs) increase
 - Total Infrastructure and Water Rights collection increased as a result of higher obligation and activation forecasts

CAGRD Rates

Units = \$/acre-foot	Firm 2024/2025	No changes Proposed 2025/2026	Advisory			
			2026/2027	2027/2028	2028/2029	2029/2030
Phoenix Active Management Area						
Water & Replenishment Component	\$ 323	\$ 349	\$ 365	\$ 387	\$ 394	\$ 406
Administrative Component	65	67	67	67	67	67
Infrastructure & Water Rights Component	360	371	389	409	429	451
Replenishment Reserve Charge	108	116	123	129	131	135
Total Assessment Rate (\$/AF)	\$ 856	\$ 903	\$ 944	\$ 992	\$ 1,021	\$ 1,059
Pinal Active Management Area						
Water & Replenishment Component	\$ 342	\$ 361	\$ 373	\$ 395	\$ 394	\$ 406
Administrative Component	65	67	67	67	67	67
Infrastructure & Water Rights Component	360	371	389	409	429	451
Replenishment Reserve Charge	108	116	123	129	131	135
Total Assessment Rate (\$/AF)	\$ 875	\$ 915	\$ 952	\$ 1,000	\$ 1,021	\$ 1,059
Tucson Active Management Area						
Water & Replenishment Component	\$ 342	\$ 361	\$ 373	\$ 395	\$ 394	\$ 406
Administrative Component	65	67	67	67	67	67
Infrastructure & Water Rights Component	360	371	389	409	429	451
Replenishment Reserve Charge	108	116	123	129	131	135
Total Assessment Rate (\$/AF)	\$ 875	\$ 915	\$ 952	\$ 1,000	\$ 1,021	\$ 1,059

CAGRD Fees and Dues

	Firm 2024/2025	Proposed 2025/2026	Advisory			
			2026/2027	2027/2028	2028/2029	2029/2030
Units = \$/Unit						
Enrollment Fee - Commercial Subdivisions	\$ 1,494	\$ 1,568	\$ 1,647	\$ 1,729	\$ 1,815	\$ 1,906
Enrollment Fee	\$ 391	\$ 411	\$ 431	\$ 453	\$ 475	\$ 499
Activation Fee - Minimum	\$ 389	\$ 409	\$ 429	\$ 451	\$ 473	\$ 497
Activation Fee - Phoenix AMA	\$ 1,596	\$ 1,676	\$ 1,760	\$ 1,848	\$ 1,940	\$ 2,037
Activation Fee - Pinal Post-2007	\$ 1,596	\$ 1,676	\$ 1,760	\$ 1,848	\$ 1,940	\$ 2,037
Activation Fee - Tucson AMA	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,276	\$ 1,340	\$ 1,407
<u>Member Land Annual Membership Dues (\$/Lot)</u>						
Phoenix Active Management Area	\$ 26.93	\$ 29.47	TBD	TBD	TBD	TBD
Pinal Active Management Area	\$ 20.95	\$ 22.93	TBD	TBD	TBD	TBD
Tucson Active Management Area	\$ 30.63	\$ 33.52	TBD	TBD	TBD	TBD
Member Service Area Annual Membership Dues (\$/AF)	\$ 105.31	\$ 115.26	TBD	TBD	TBD	TBD

Annual Membership Dues Updates

	2025/2026 Previous	2025/2026 Proposed	Change
Member Land			
Annual Membership Dues (\$/Lot)			
Phoenix Active Management Area	\$ 27.72	\$ 29.47	\$ 1.75
Pinal Active Management Area	\$ 21.56	\$ 22.93	\$ 1.36
Tucson Active Management Area	\$ 31.53	\$ 33.52	\$ 1.99
Member Service Area			
Annual Membership Dues (\$/AF)	\$108.40	\$115.26	\$ 6.86



**Feedback/Questions:
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