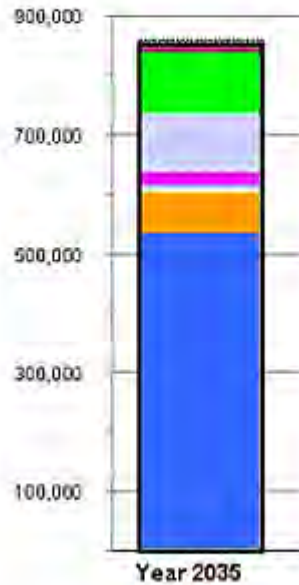


SCENARIO OPTION 3

SCENARIO OVERVIEW

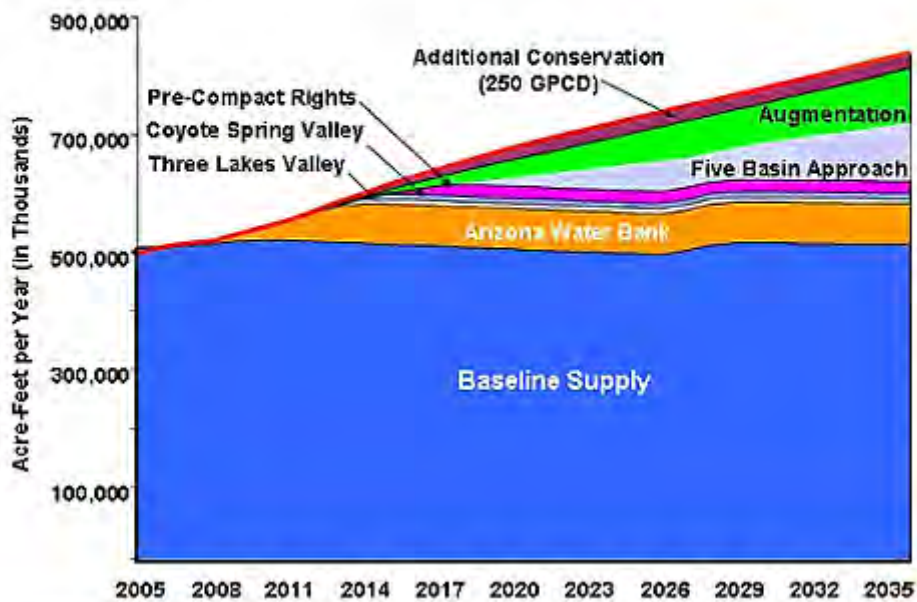
Resource Option	Yield (AFY)
Arizona Water Bank	68,000
Three Lakes Valley GW	8,000
Coyote Spring Valley GW	9,000
Pre-Compact Rights	20,000
Virgin – Surface Diversion	N/A
5 Basin Approach	100,000
6 Basin Approach	N/A
Augmentation Credits (full)	96,000
Additional Conservation*	20,000
Total	321,000



* 250 GPCD by 2020

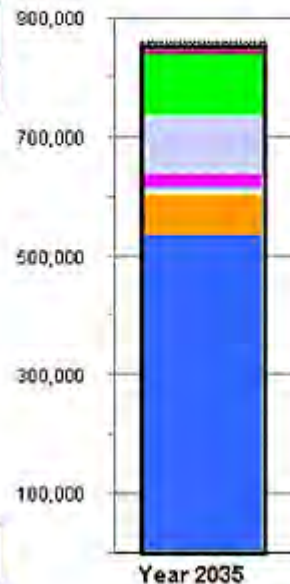
SCENARIO OPTION 3

SCENARIO TIMELINE



SCENARIO ESTIMATED COST

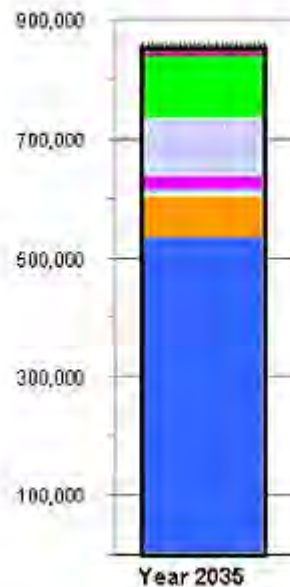
Resource Option	Capital Cost (\$ million)	Annualized Cost (\$/AF)		
		Capital	O&M	Total
Arizona Water Bank	\$ 280	\$ 282	\$ 180	
Three Lakes Valley Existing	55	471	80	
Coyote Spring Valley Existing	35	267	214	
Pre-Compact Rights	40	138	150	
5 Basin Approach	1,787	1,230	91	
Augmentation Credits		0	150	
Additional Conservation		?	?	
Total	2,196	496	133	
Total w/ Contingency	\$2,647	\$598	\$133	\$731



Total O&M cost, including existing supply = \$144/AF
(Does not include costs for additional conservation.)

SCENARIO IMPLEMENTATION ISSUES

- Availability of additional pre-Compact water rights for acquisition
- Cost to acquire pre-Compact water rights
- Approval of water rights
- Earliest development for 5 Basin Approach is 2015
- Community of origin concerns
- Environmental compliance
- Approval of augmentation credits
- Uncertainty regarding the yield and cost of additional conservation



INTEGRATED WATER PLANNING

2005 POPULATION PROJECTION

Resource Option	Yield (AFY)
Arizona Water Bank	68,000
Three Lakes Valley GW	8,000
Coyote Spring Valley GW	9,000
Pre-Compact Rights	20,000
Virgin – Surface Diversion	N/A
5 Basin Approach	100,000
6 Basin Approach	N/A
Augmentation Credits (full)	96,000
Additional Conservation	Varies
Total	321,000

