



Southern Arizona Water Users Association

SAWUA is a voluntary nonprofit association organized in 1999 to discuss, analyze, and recommend ways to preserve and enhance the quality and quantity of Southern Arizona’s water resources.

The Association is comprised of governmental bodies, municipal water providers, agricultural water users, and others interested in working cooperatively to achieve the objective of the Association.

The Association believes it should exercise leadership and initiative to determine and encourage the most effective management of the region’s sustainable supplies of quality water.

The Association is not, nor is it intended to be, a substitute for local government. It is, however, an organization through which its individual members can work on water resource issues and coordinate their efforts.

SAWUA is providing this quarterly publication as a service to parties that have interest in issues and legislation that impact water policy decisions in Southern Arizona.

Enhanced Aquifer Management Stakeholder Group

SAWUA members are actively participating in Arizona Department of Water Resources’ (ADWR) Enhanced Aquifer Management Stakeholder Group, which will continue to work through issues during the first half of the 2014 calendar year, if not beyond. While the process is not expected to immediately generate legislation, expectations exist for the 2015 legislative session.

The stakeholder process began in September 2013 with the objective of working with stakeholders to create a concept paper that would provide a policy and regulatory framework for managing storage and recovery to meet water management objectives.

ADWR initiated this effort in response to the recognition that certain areas within Active Management Areas (AMA) continue to experience declines in local groundwater levels. These declines can result in land subsidence, earth fissuring, increased pumping costs, decreased water quality and possible physical availability issues.

According to ADWR, current law allows a party to recharge and store water in one location and recover in another location, provided such transactions occur with in the same AMA. For example, the Central Arizona Groundwater Replenishment District is not required to replenish mined groundwater in the same location within the AMA where pumpage originally occurred.

The imbalance in selected areas in which significant pumping of groundwater has occurred may create impediments to future economic growth and creates uncertainty about Arizona’s long term groundwater supply.

Arizona’s Underground Water Storage (UWS) Program provides guidelines for how water may be stored and recovered. Under the UWS program, artificial recharge activities require that a percentage of the recharged volume be made non-recoverable, otherwise referred to as “cuts to the aquifer,” in order to provide a broad general benefit to the aquifer.

see Enhanced Aquifer Management, page 2

Preview of Water Legislation for 2014

Since 2001, SAWUA has maintained an active and respected presence at the Arizona Legislature, working to advocate for effective water policy, mitigating those measures that otherwise may potentially have adverse impacts and, when necessary, opposing legislation that would be detrimental to Southern Arizona or statewide water policy interests.

Throughout the course of the 2014 legislative session, SAWUA will contribute to the water policy debate by communicating with elected officials, senior staff and stakeholders on matters that impact our region.

see Preview of Water Legislation, page 4

Enhanced Aquifer Management (continued)

Currently long-term storage credits have a 5% cut when they are stored. In other words, if you recharge water for use beyond the year they are stored, then 5% of the water must remain in the aquifer. If you store water and recover it within the same year, there is no cut to the aquifer.

As a result of the stakeholder process, ADWR is considering an alternative cut to the aquifer provision in order to support comprehensive aquifer management within the AMA through the implementation of a combination of incentives and disincentives that would change the percentage of the required cut, based on the proximity of the recharge and recovery of water to a recharge facility or within the boundaries of a Groundwater Savings Facility.

As of this writing, the proposal reflects a 0% cut to the aquifer if recovery is within one mile of where the water was recharged. A 10% cut occurs if recovery is outside of one mile of where the recharge occurred but within the same sub-basin. A 20% cut occurs if recovery is in a different sub-basin than where recharge occurred.

From SAWUA's perspective, the proposed modification to the cut percentages may actually deter the Tucson AMA from reaching safe-yield. In fact, SAWUA has demonstrated that the current laws and rules are successfully moving the Tucson AMA to safe-yield.

The current policies have incentivized regional cooperation in the Tucson AMA to address areas of water level declines.

This is evident in the increase use of Central Arizona Project (CAP) water and effluent, including wheeling of CAP water through Tucson Water's system, increased use of the reclaimed system, and a regional in-channel managed effluent recharge project.

The regional water providers in the Tucson AMA have invested in recharge and recovery infrastructure to increase the use of renewable supplies, which is the primary goal of the Assured Water Supply Rules.

Accordingly, SAWUA is concerned that the proposed new cut to the aquifer policy may, inadvertently, become a disincentive to future purchases of renewable supplies and potentially limit future infrastructure projects needed to reverse water level declines. That is, if water providers and users receive less water from their investments, they will be less able to invest in those renewable supplies and infrastructure.

Some providers within the Tucson AMA then may have to turn to the Central Arizona Groundwater Replenishment District (CAGR) to meet their demand, which means that CAGR would likely need to acquire additional water resources to meet a growing replenishment obligation.

There is the recognized concern that agriculture and mining interests within the Tucson AMA would not have an incentive to use renewable supplies, as these two sectors, like the municipal sector, are not required to use renewable supplies.

SAWUA acknowledges that some regions of the Tucson AMA are better than others with respect to managing groundwater levels. However, all areas in Southern Arizona are actively implementing measures to enhance renewable supplies and improve water management. SAWUA asserts that such committed water management can be attributed to, in large part, to the success of the current regulations as well as the determination of water providers in Southern Arizona to reach and sustain safe-yield.

Nevertheless, as is often the case in the development of water policy in Arizona, a one-size fits all approach can be simultaneously advantageous and problematic, depending on the unique characteristics of each impacted region.

While it is recognized that the Phoenix AMA, with its nine sub-basins would likely benefit from the alternative to the aquifer provisions, the Tucson AMA is comprised of two sub-basins, thereby generating a negative impact in Southern Arizona.

By comparison, the nine sub-basins in the Phoenix AMA are located across multiple jurisdictions, creating water management conflicts, as opposed to the Tucson AMA, with two sub-basins, thereby experiencing minimal jurisdictional conflicts.

In response to the proposal, the Arizona Municipal Water Users Association (AMWUA) has developed its own proposal similar to ADWR's.

SAWUA supports the concept of the Phoenix AMA developing a unique policy and regulatory framework that will ensure the region's water sustainability. Likewise, SAWUA asserts the unique characteristics of the Tucson AMA equally requires a policy and regulatory framework that is best suited to assist the Tucson AMA reach safe-yield.

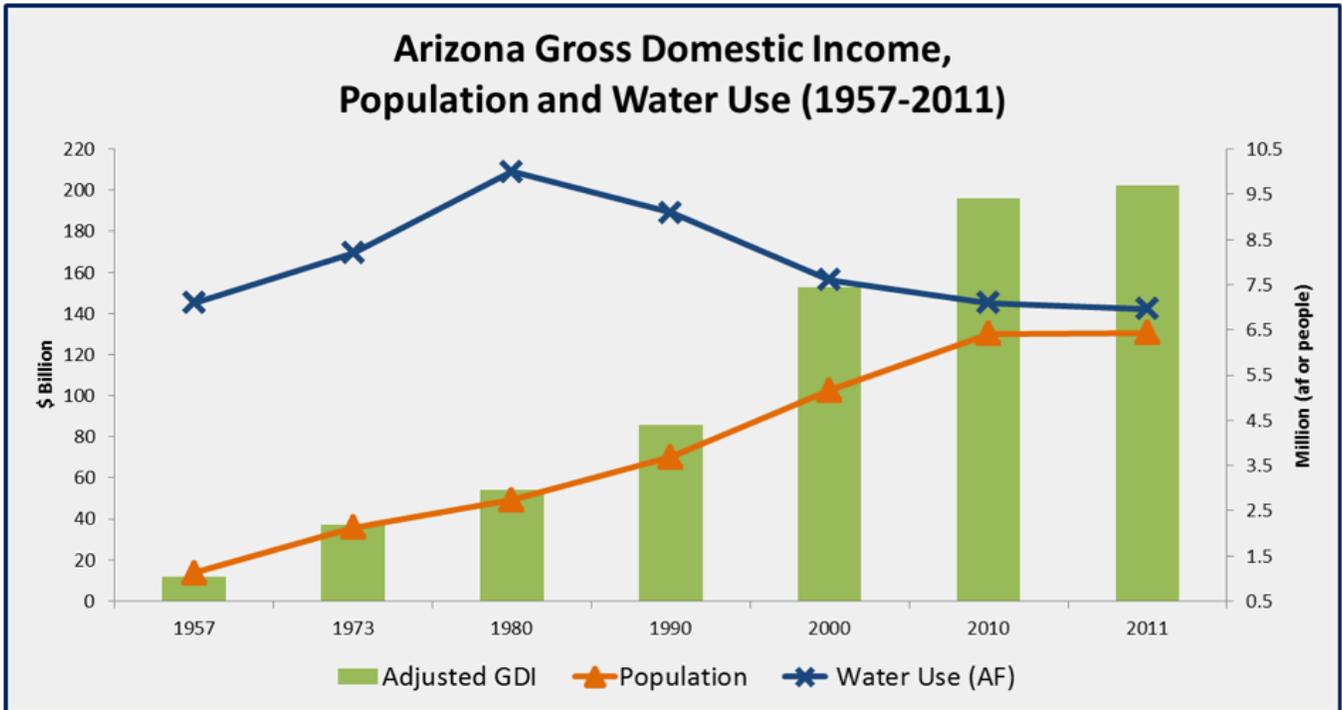
Accordingly, SAWUA will continue to actively participate in the Enhanced Aquifer Management Stakeholder Group process in order to reach consensus on statewide water policy that recognizes the unique characteristics of the Tucson AMA.

SAWUA Provides Testimony to EPA on NGS

At a November hearing in Tucson, Chris Ward, SAWUA President, testified before U.S. Environmental Protection Agency (EPA) regarding the Navajo Generating Station.

The EPA held a series of public hearings on its proposed Best Available Retrofit Technology (BART) rule for the Navajo Generating Station.

see Navajo Generating, page 4



Arizona’s Historic Population, Water Use and Gross Domestic Income (1957-2011)

ADWR Strategic Vision for Water Supply Sustainability

As a component of the Brewer Administration’s Four Cornerstones of Reform, the Arizona Department of Water Resources has announced its effort to develop a Strategic Vision for Water Supply Sustainability.

The strategic vision is intended to provide a comprehensive water supply and demand analysis for Arizona in conjunction with projected economic growth and development.

According to ADWR, if no action is pursued, recent studies suggest the potential for long-term imbalances between the availability of water supplies and the projected demand for water over the next 100 years.

The ADWR initiative will develop strategies for long-term water management to meet regional and statewide water needs.

It is anticipated that over the next 25 to 100 years, Arizona will need to identify and develop new sources of water, including water supply acquisition and importation.

ADWR has completed the initial analysis of water supply and demand challenges facing Arizona in the foreseeable future.

The state has been organized into 22 “Planning Areas,” in recognition that “no single strategy can

address projected water supply imbalances across the State.”

The planning areas have been established based on the availability of short-term and long-term strategies in each specific region.

In addition to the regional approach provided in the planning areas, the strategic vision will also identify water management measures that will have generate statewide solutions.

The full report can be viewed at www.azwater.gov/AzDWR/arizonas_strategic_vision



Navajo Generating Station (continued from page 2)

SAWUA determined that it was important to convey to the EPA that the water providers in Southern Arizona are supportive of the alternative proposal known as "Better-than-BART."

This alternative proposal would ensure that the desired NOx reduction goal is met while protecting the future of the Navajo Generating Station for the Central Arizona Project and all of its subcontractors, including SAWUA members.

SAWUA members have 177,904 acre-feet of Central Arizona Project water that is critical to the sound water management and economy of Southern Arizona. A sudden, near term closure of the Navajo Generating Station would have a direct adverse impact on water interests throughout Southern Arizona.

EPA is received comments through January 6, 2014 and is expected to announce a final decision on the matter after the public comment period is concluded.

Preview of Water Legislation (continued from page 1)

Towards that end, over the interim period, several legislative proposals have been explored by water related interests and the following represents legislation that we anticipate being introduced during the 2014 legislative session.

Despite multiple statewide meetings after the adjournment of the 2013 legislative session, the Ad Hoc Committee on Water Augmentation Authorities was unable to reach consensus or develop concepts for stakeholder review.

Briefly, HB 2338, introduced in 2013, would have established regional water augmentation authorities, consistent with the recommendations of the Water Resources Development Commission (WRDC). The recommendations included a matrix of the upfront capital funding needs for statewide projects. Accordingly, the WRDC's supplemental report provided a recommendation to form Regional Water Augmentation Authorities in an effort to assist local communities in developing future water supplies and water supply infrastructure to meet future demands.

It is anticipated that the same version of the 2013 water augmentation authority legislation will be introduced during the 2014 legislative session. Agricultural interests, which defeated HB 2338 in 2013, are widely expected to continue to oppose the legislation.

Separately, Greenstone Resource Partners will likely propose an alternative for developers to acquire a Certificate of Assured Water Supply without the reliance on Central Arizona Groundwater Replenishment District (CAGR) enrollment to meet assured water supply requirements. The legislation has received mixed reviews, given the complicated structure of obtaining an assured water supply designation and concern for any adverse impacts on the long-term viability of CAGR.

The Arizona Water Banking Authority (AWBA) has developed legislation to allow for long-term storage credits in order to meet current and long term obligations. According to the AWBA, the authority lacks adequate priority in the allocation of Colorado River water to meet its obligations. Obtaining storage credits will provide the AWBA with additional access to water resources. The legislation will likely require the to pursuit of Colorado River first before turning to storage credits, thereby avoiding a concern that Arizona would not be utilizing all of its Colorado River water allocation.

Lastly, the Intertribal Council of Arizona is pursuing legislation that will provide tribal governments with a non-voting ex-officio member on the Central Arizona Water Conservation District Board. The ex-officio member would be appointed by the Governor on a statewide basis and membership would not be subject to election.

SAWUA'S GOALS AND OBJECTIVES

- Discuss and analyze federal, state, regional and local water resource management, policy and planning.
- Consult, coordinate, and cooperate in the development of effective water resource policy and planning, including legislation.
- Ensure appropriate policies and programs are in place to protect the quantity and quality of water resources within and available to Southern Arizona.

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