



**Southern Arizona
Water Users Association**

2010 Legislative Issues Briefing

**Celebrating 10 Years of Service
to Southern Arizona**

Forward

Ten years ago, water interests in Southern Arizona came together to form the Southern Arizona Water Users Association (SAWUA). During its first decade, SAWUA has strived to encourage and facilitate the most effective management of water resources within our respective boundaries. SAWUA understands the strategic significance of developing regional consensus on water matters that impact all users. In order to achieve this goal, SAWUA's primary mission is to have an active and consistent presence in the development of Arizona water policy.

Accordingly, this legislative briefing document is intended to provide elected and senior appointed officials with an overview of water related issues and policies that impact Southern Arizona. Towards that end, SAWUA remains available to provide additional information and clarification on these issues as well as any other water-related matter.

SAWUA Board of Directors
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Statement of Mission & Principles



The Southern Arizona Water Users Association (Association) is a voluntary nonprofit association organized to discuss, analyze and recommend ways to preserve and enhance the quality and quantity of Southern Arizona's water resources.

SAWUA is comprised of governmental bodies, municipal and private water providers, and agricultural water users interested in working cooperatively to achieve the objective of the Association. Our membership is comprised of the water experts and professionals serving Southern Arizona.

Our objective is to ensure water flows every time the tap is turned on. To meet that goal, SAWUA believes it should exercise leadership and initiative to determine and encourage the most effective management of the region's sustainable supplies of quality water. This includes and involves:

- Discussing and analyzing federal, state, regional and local water resource management, policy and planning.
- Consulting, coordinating, and cooperating in the development of effective water resource policy and planning, including legislation and rules.
- Ensuring appropriate policies and programs are in place to protect the quantity and quality of water resources within and available to Southern Arizona.

SAWUA 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 as one voice on water resource issues and coordinate their efforts.

SAWUA'S YEAR 2009 IN REVIEW

SAWUA members were active participants in various venues addressing water policy including reliability, sustainability, and issues related to growth. In 2009, due to critical state budget issues, minimal water legislation was addressed by the state legislature; however, SAWUA members remained active participants in various meetings and stakeholder processes addressing water policy, and continued to monitor legislation and work with legislators as needed.

SAWUA's Board agreed to take a more proactive approach to achieving the goal of safe yield for the Tucson Active Management Area by 2025. To this end, SAWUA partnered with the Water Conservation Alliance of Southern Arizona (Water CASA) and the Arizona Department of Water Resources (ADWR) to explore and enhance local efforts for meeting safe yield. An initial step in this process entailed securing a \$9,000 grant for the purpose of hiring an intern to enter previously collected data to update ADWR's groundwater model of the Tucson Active Management Area. Once the model is updated, ADWR will be better positioned to determine what progress (or lack thereof) has been made regionally toward safe yield.

In September, SAWUA was invited to participate on a water panel at the League of Arizona Cities and Towns Conference. Philip Saletta (Oro Valley Water) discussed water issues in Southern Arizona and how those issues compare with other parts of the state.

In November, SAWUA was also invited to testify before the Arizona State Legislature's Ad Hoc Committee on Energy and Water Development. Warren Tenney (Metro Water District) presented a summary of Southern Arizona's current water usage, reasons to secure additional water supplies, and the challenges facing water providers.

SAWUA remained actively involved throughout the year in the Central Arizona Project's (CAP) Acquisition, Development &

Delivery (ADD) Water process. The ADD Water process was initiated with the basic assumption that any new water to meet future needs of water providers in the three-county CAP area would be moved through the CAP canal; and therefore, the CAP would be the entity to pursue acquiring new supplies as a way to avoid a competitive bidding war among water utilities for new water sources. Numerous stakeholder meetings, large and small, have been held through 2009 with a number of SAWUA members attending to develop the sharing and financing criteria for any new water resource. The ADD Water process is to wrap up on the conceptual level in early 2010.

Each year, SAWUA contributes to organizations and events that promote water-related issues and policies consistent with SAWUA's objective. In 2009, SAWUA made the following contributions:

- \$1500 toward sponsorship of the Annual Conference of the Water Resources Research Center at the University of Arizona that was held in March 2009. The Conference was entitled "Best Practices for Stakeholder Engagement in Water Resources Planning." Betsey Rieke, former Assistant Secretary of the Interior for Water and Science as well as former Director of the Arizona Department of Water Resources, gave the opening keynote address on her experiences with major water negotiations; and during a luncheon talk, Grady Gammage of Gammage & Burnham shared his thoughts on the challenges facing Arizona's water planners.
- SAWUA also contributed a total of \$6,000 to Water for People toward sponsorship of three locally sponsored fundraising events including the "Ride With Purpose" AWWA fundraiser, the Water for People Golf Classic, and the El Tour de Tucson Water for People "Pedal With Purpose." SAWUA members also participated in these three events.

SAWUA TEN YEARS OF ACCOMPLISHMENTS

The Southern Arizona Water Users Association (SAWUA) has been active in establishing itself as a viable organization during its first ten years. Following are a few of SAWUA's achievements over the past decade:

- **One Voice** – SAWUA provides a unified voice at the Legislature and in stakeholder processes regarding water issues and policies that affect Southern Arizona. It produces an annual legislative briefing for Legislators and their staff. SAWUA has become a presence at the Capitol for water legislation. SAWUA members have also been appointed to participate on various legislative and Governor-appointed committees.
- **Exempt Well Legislation** – SAWUA supported legislation that improved the management of water resources by limiting the drilling of exempt wells near the distribution system of a municipal provider with an Assured Water Supply designation within an Active Management Area (AMA). SAWUA pursued this legislation because the continued proliferation of new exempt wells within service areas was counter to a designated water providers' responsibility to properly manage groundwater resources and use renewable sources of water. The 2005 legislation was developed through water providers successfully working with the leading private property rights advocates (Arizona Association of Realtors, Arizona Cattlemen's Association, and the Arizona Farm Bureau) to develop a solution with reasonable and limited restrictions on the drilling of new exempt wells within AMAs. The legislation purposely did not impact existing exempt wells or impact wells outside of the AMAs.

- **Multi-Jurisdictional Water Infrastructure District** – SAWUA supported the statutory creation of a multi-jurisdictional water infrastructure district. This legislation allows multiple entities to come together to finance and operate large water infrastructure to the benefit of all participants. Voter authorization is required for such a district.
- **Graywater Tax Credit** – SAWUA supported the Water Conservation Alliance of Southern Arizona’s (Water CASA) successful efforts to establish a tax credit for homebuilders and homeowners who install a graywater system.
- **ADWR’s Budget** – SAWUA has long advocated for the importance of the Arizona Department of Water Resources to be optimally funded to support agency operations and regulatory responsibilities. SAWUA’s current concerns are outlined more fully under ADWR Legislation starting on Page 9.
- **Monthly Forum** – SAWUA provides members an opportunity to meet monthly, or ad hoc if needed, and discuss current and outstanding issues. Members also monitor the activities of the Arizona Department of Water Resources, Central Arizona Project, Arizona Water Banking Authority, Arizona Department of Environmental Quality, and other water entities.

PREVIEW OF 2010 **LEGISLATIVE SESSION**

Maintaining a Fiscally-Sound and Effective Arizona Department of Water Resources (ADWR)

SAWUA anticipates that balancing the state budget and developing policies to facilitate fiscal stability will continue to be the primary focus of the 2010 legislative session in Arizona, as they were in the 2009 session. While recognizing the challenges associated with declining revenues and an unbalanced budget, SAWUA equally recognizes that management of the State's limited water resources remains a vital function of ADWR and remains the utmost importance to the long-term economic health of Arizona.

Arizona has the most proactive and effective groundwater management policies in the Western United States. Continued eroding of ADWR's funding will jeopardize the agency's ability to effectively meet its regulatory responsibility of managing Arizona's water resources. Accordingly, SAWUA strongly encourages all impacted parties to identify and consider all viable funding options that will preserve ADWR's capacity to carry out its critical mission. Among the options worthy of consideration is the opportunity to replace the agency's reliance on the General Fund with a series of self-supporting fees that will generate adequate revenue to meet ADWR's ongoing funding requirements. However, SAWUA is also concerned about the potential of legislative fund transfers on fees collected by ADWR that may be reallocated to support unrelated programs. Additional comments on this specific topic start on Page 9.

Central Arizona Groundwater Replenishment District Revenue Bonding Authority

During the 2009 legislative session, the Central Arizona Water Conservation District (CAWCD) along with stakeholders developed legislation that would allow the Central Arizona Groundwater Replenishment District (CAGRDR) to have revenue bonding authority to secure water for its replenishment obligation. The CAGRDR is a mechanism for landowners and water providers to demonstrate an assured water supply under ADWR's Assured Water Supply Rules, which became effective in 1995. The CAGRDR must replenish the amount of groundwater pumped or delivered by its members that exceeds the pumping limitations imposed by the Assured Water Supply Rules. The CAGRDR has an increasing replenishment obligation and must purchase the water necessary to meet that obligation. The CAWCD Board believed that being able to purchase water when it is available through revenue bonds would give greater flexibility to the CAGRDR in securing the needed water.

Despite strong stakeholder and legislative support, the legislation was not enacted during the 2009 legislative session. Senator John Nelson has agreed to reintroduce and sponsor this legislation for 2010.

CAGRDR Sustainability Issues

Throughout the 2008 calendar year, the Arizona Municipal Water Users Association (AMWUA) held stakeholder meetings to look at how to improve the oversight of the CAGRDR, which meets the replenishment obligations of the CAWCD. Based on those meetings, the stakeholders agreed that a few changes ought to be made to the CAGRDR's statutes. The proposed legislation includes requiring that a landowner follows the CAGRDR enrollment process and not just only file for a member land declaration; ADWR would be able to determine between the second and eighth year, rather than the sixth

year, that the Plan of Operation should be revised because it is not consistent with the management goal of one or more Active Management Area (AMA) and the CAGR D must submit a revised Plan within one calendar year; and also clarify that if ADWR determines that the Plan is not consistent, that determination only applies to that portion of the Plan that is deemed inconsistent rather than the whole Plan. The stakeholders agreed that further analysis of the CAGR D could be beneficial to continue to address other sustainability issues related to the CAGR D including the issue of replenishing water closer to the area of where the groundwater is pumped.

In addition to legislation, AMWUA requested ADWR to make administrative changes that include adopting a substantive policy statement regarding its oversight of the Plan of Operation so it is consistent with the practices outlined in the stakeholders white paper; and ADWR should adopt another substantive policy statement regarding what happens to a municipal provider's designation of assured water supply if ADWR deems a Plan of Operation is inconsistent and the municipal provider is a member service area in the CAGR D.

SAWUA members participated in this stakeholder process and helped develop or clarify the concepts included in the proposed legislation and rules. SAWUA is supportive of efforts to ensure the sustainability of the CAGR D.

Although there was strong stakeholder and legislative support, this legislation was not enacted during the 2009 legislative session. Nevertheless, it is anticipated that similar legislation will be introduced during the 2010 legislative session.

ADWR Legislation

Throughout the interim period, ADWR had proposed pursuing legislation in several areas. Those areas are summarized on Pages 10 and 11 along with the most current information available by publication:

1. *Continuation of the Arizona Department of Water Resources.*

The Arizona Department of Water Resources (Department) was established in 1980. Its primary responsibilities are to ensure a long-term water supply for the State, to administer the State's water rights system, and to represent Arizona's water rights with the federal government. The Department has authority over groundwater (water beneath the surface). Conversely, the Department has no enforcement authority over surface water (lakes, streams, and reservoirs), and no statutory authority over effluent (treated wastewater).

The Department is currently statutorily set to sunset on July 1, 2010. The agency successfully completed its sunset review hearing and SAWUA supports continuing ADWR for another 10-year period.

2. *Establish a Designated Source of Revenue to Offset or Otherwise Reduce the Reliance of State General Fund Appropriations for ADWR Programs.*

For the past several fiscal years, the Arizona Legislature has been reducing the General Fund appropriation for ADWR with a current appropriation of approximately \$18 million. If a proposed 15% reduction is mandated, the agency's budget will be reduced to an estimated \$12 million. By comparison, according to ADWR, the optimal funding to support agency operations and regulatory responsibilities is \$23 million.

Accordingly, ADWR is proposing to become entirely self-funded through the establishment and enactment of a fee-for-service funding mechanism, as opposed to the current reliance of a General Fund appropriation.

In general, SAWUA fully supports the ADWR pursuit of achieving fiscal stability and predictability. Clearly, reducing the General Fund influence over the agency represents a significant stride towards that common goal and objective. However, SAWUA is concerned about the potential of legislative fund transfer on fees collected by ADWR that may

be reallocated to support unrelated programs. Provisions to protect against fund transfers would significantly increase SAWUA's support for a fee-for-service program. In fact, without assurance that these funds would actually be available to support programs benefiting water providers and water users, most SAWUA members would be reluctant to endorse such a proposal.

3. *Emergency Drought Transfer Legislation.*

Each legislative session, ADWR introduces legislation, as session law, that allows limited transfers of groundwater across basin boundaries outside of an AMA during drought emergencies and requires approval from the director of the ADWR. SAWUA supports this annual legislation.

Arizona Water Banking Authority Legislation

The Arizona Water Banking Authority (AWBA) plans to pursue legislation that would allow it to obtain excess Central Arizona Project (CAP) water for certain purposes including firming Indian Settlement water to meet the State's commitment under the Arizona Indian Settlement Act. In 2008 and 2009, more orders for excess water were placed than there was actual excess water. This raised the question of whether the AWBA would receive excess water for Indian Settlement water firming and also Municipal & Industrial (M&I) firming. The Central Arizona Water Conservation District (CAWCD) approved excess water to be available specific for the AWBA and reduced other excess contractors' water. Under the proposed legislation, the statutes would make it clear that the CAWCD can make available excess CAP water exclusively for the AWBA to meet the State's commitments to firm Indian Settlement water, firm excess water for M&I use in case of shortages, and for the purpose of meeting interstate contractual obligations.

SAWUA members support the Water Bank's goal of M&I firming and are especially interested in the firming goals for the Tucson Active Management Area.

COLORADO RIVER ISSUES

Arizona has an allocation of Colorado River water totaling 2.8 million acre-feet (MAF) per year. About 1.5 MAF of Arizona's allocation is delivered through the Central Arizona Project (CAP) Canal to municipal and industrial (M&I) and agricultural users in Maricopa, Pinal, and Pima Counties.

Overall, the Colorado River supplies water and power to more than 25 million people in Wyoming, Colorado, Utah, New Mexico, Arizona, Nevada, and California.

These Seven Basin States operate under the "Law of the River," a collection of statutes, agreements, compacts, and regulations. Representatives of the Seven Basin States worked out compromises to differences between the Upper Basin and Lower Basin States and on December 13, 2007, Department of the Interior Kempthorn signed a historic decision to implement innovative strategies for Colorado River management and



chart a water management course for the future. It was agreed to share adversity and consensus on the common themes of encouraging conservation, planning for shortages, implementing closer coordination of the operations of Lake Powell and Lake Mead, and preserving flexibility to deal with further challenges such as climate change and persistent drought. The Record of Decision is an historic agreement reflecting the continuation of the consultative approach to river management between the federal government and the affected states on the Colorado River.

The importance of the agreement on Colorado River management during times of shortage is further emphasized by the progressive and proactive groundwater management rules Arizona has in place. The Arizona Groundwater Management Act and Assured Water Supply Rules require water providers to move toward utilization of renewable water supplies, and CAP supplies the only significant source of renewable water supply available to Southern Arizona. As a result, the reliability of CAP deliveries is critical to Southern Arizona from a regulatory compliance standpoint. Perhaps of even more importance, CAP supplies the water resources necessary to meet the growing water demand in Southern Arizona.

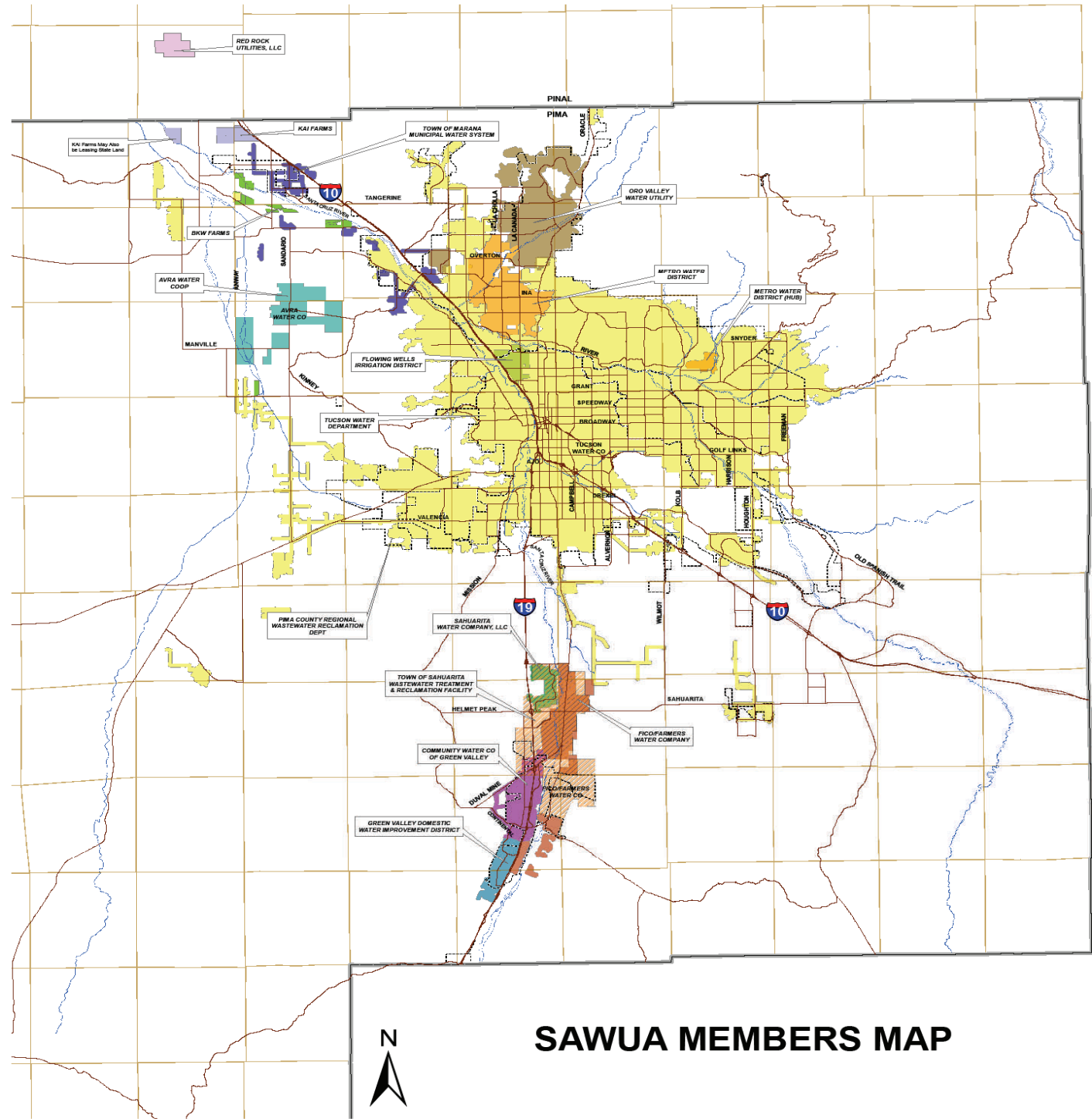
Impacts on the Colorado River related to climate change further pose potential challenges and highlight the need for continuing cooperation among the Seven Basin States related to managing shortages, augmenting supplies, and ensuring reliability and sustainability of the river.

Because of Southern Arizona's current and future reliance on Colorado River water, CAP reliability is a major concern. In addition to CAP reliability related to shortages on the river, Southern Arizona must also address physical reliability concerns related to its position on the CAP Canal – or rather at the end of the canal. The CAP terminates just south of Tucson (*see map on opposite page*), increasing potential concerns for CAP reliability not only during times of shortage on the river, but also due to planned maintenance or unplanned outages on the Canal.

SAWUA and its members are actively engaged in a Central Arizona Project process called ADD (Acquisition, Development, and Delivery) Water. The purpose of the ADD Water project is “[t]o develop alternatives for sharing and paying for the additional water needed to support current and future population in the three-county area.” The future importance of additional water supplies is critical to the economy of Arizona. ADD Water gives water providers an opportunity to band together in acquiring future water supplies rather than competing for them. By participating in the stakeholder process to define policies and structure for future water development, SAWUA will make the future of its ratepayers more certain and more affordable.

MEMBERSHIP

- Avra Water Coop
- BKW Farms
- Community Water Co of Green Valley
- FICO/Farmers Water Company
- Flowing Wells Irrigation District
- Green Valley Domestic Water Improvement District
- Kai Farms
- Town of Marana Municipal Water System
- Metro Water District
- Oro Valley Water Utility
- Pima County Regional Wastewater Reclamation Department
- Red Rock Utilities, LLC
- Sahuarita Water Company, LLC
- Town of Sahuarita Wastewater Treatment & Reclamation Facility
- Tucson Water Department



SAWUA MEMBERS MAP

2010 MEMBERSHIP DETAILS

Board Members

Avra Water Co-op, Inc.

Chris E. Ward — General Manager



Avra Water Co-op, Inc. is a member-owned and governed not-for-profit water cooperative serving approximately 8,600 residents in the unincorporated Picture Rocks area of Pima County northwest of Tucson. The area also has a Colonia designation. The system, which currently relies entirely on groundwater, is regulated by the ADWR as a large user in the Tucson AMA, as a small community water system by the Arizona Department of Environmental Quality (ADEQ), and as a public service corporation by the Arizona Corporation Commission.

The system serves safe and affordable high-quality potable water to constituents in portions of Congressional District 7 and Arizona Legislative Districts 25 and 27. Mr. Ward has served as Vice President of SAWUA the past two years.

BKW Farms, Inc.

Ron Wong — Secretary/Treasurer



BKW Farms started farming and ranching operations in 1938. BKW is located in the Marana – Avra Valley area northwest of Tucson and developed a Groundwater Savings Facility with the CAWCD in 1993. Working in partnership with CAWCD, BKW operates two Underground Storage Facilities - the Avra Valley Recharge Project and the Lower Santa Cruz Recharge Project.

BKW is committed to working with water providers to manage land and water resources for the future.

Community Water Company of Green Valley
Arturo R. Gabaldón — President



Community Water Company of Green Valley was established in 1975 as a not-for-profit corporation and currently serves a population of approximately 22,000 in unincorporated Green Valley and the Town of Sahuarita. Community Water Company’s mission is to reliably deliver drinking water and to maintain a sustainable water supply for its customers.

Mr. Gabaldón is also a director of the Green Valley Sahuarita Chamber of Commerce.

FICO/Farmers Water Co
Richard s. Walden — Chairman, President
and CEO



Farmers Investment Co. (FICO) acquired properties in the Upper Santa Cruz Valley (SCV) in 1948 and the 1950’s. FICO owns and operates an integrated pecan enterprise – growing, harvesting, processing, and marketing pecans from its SCV farms.

Farmers Water Co. (FWC) was formed in 1959 as a wholly-owned subsidiary of FICO, initially to serve its own employees. Today it delivers water to 2500 customers in the Green Valley and Sahuarita areas. FWC’s goal is to provide adequate water quantity, quality, and pressure at all times.

The company, based in Sahuarita, is the world’s largest grower and processor of pecans. Farming operations cover more than 7000 acres at this time. Mr. Walden serves or has served on numerous boards and civic organizations. These include four terms on the Arizona Power Authority, past chair and board member of the National Pecan Sheller’s Association, the Arizona Water Banking Authority, Greater Tucson Economic Council, Governor’s Task Force on Groundwater Management, the University of Arizona’s School of Agriculture and Life Sciences Advisory Board, and the University of Arizona’s Eller College of Business and Public Administration.

Flowing Wells Irrigation District
David Crockett — Superintendent



Flowing Wells Irrigation District was established in 1922 to serve the irrigation and drinking water needs of its customers in the near north-west Tucson area. The District currently has 3,500 drinking water connections serving approximately 16,000 customers. The District has a staff of ten full-time employees and is governed by a three-member board of directors.

Mr. Crockett is a board member of the Water Conservation Alliance of Southern Arizona and Co-Chair of the Citizens Advisory Board Miracle Mile WQARF site. He has also served as President of SAWUA for the past two years.

Green Valley Domestic Water Improvement District
Larry A. Hoffman — District Manager



The Green Valley Domestic Water Improvement District is a public water district that was formed by its residents in May 2003. The service area is located 27 miles south of Tucson, and the District provides water to 4,412 residential connections and over 97 commercial connections in the southern area of Green Valley. The District is governed by an elected board of directors consisting of seven members. The staff is committed to providing safe quality water at a reasonable rate.

Kai Farms
Herb Kai — Partner



Kai Farms has been family owned and operated since 1938 and is located primarily in the Tucson AMA. The majority of water for the farms is received from the CAP through Groundwater Savings Facilities; the balance is pumped from the ground. The crops produced are: cotton, pecans, alfalfa, and small grains. The cotton is processed at the family-owned Trico gin.

Town of Marana Municipal Water System **Dorothy O'Brien — Utilities Director**



The Town of Marana was incorporated in 1977 to protect its water rights. The Town purchased its first water system in 1991, and the Water Department was formed in 1997.

The staff is committed to providing dedicated customer service, meeting public safety goals, and delivering the highest quality potable water at the most reasonable cost. The Town has 8 water systems with 18 wells and currently provides water to 5,000 customers. Current projections call for adding 100 to 150 customers a year. The Town received their designation of assured water supply in 2008 showing that 250,000 residents can be served.

Metropolitan Domestic Water Improvement District

Warren J. Tenney—Assistant General Mgr



The Metropolitan Domestic Water Improvement District was established in October 1992. The District is a public entity with the sole purpose of providing quality water to its 18,000 connections serving nearly 50,000 people primarily in the northwest region of the metropolitan Tucson area. The District also has a small service area near Sabino Canyon and Cloud Road.

Mr. Tenney has been with the District for 16 years and was active in the formation of SAWUA as well as assisting SAWUA through its years. As part of his duties with Metro Water District, he is actively involved with many water entities and agencies. He currently serves as the Chair of the Water Conservation Alliance of Southern Arizona. In November 2008, he was elected to represent Pima County on the Central Arizona Water Conservation District Board of Directors.

Oro Valley Water Utility
Philip C. Saletta, PE — Water Utility Director



The Oro Valley Water Utility is a department of the Town of Oro Valley. Established in 1996, the Utility provides water service to 18,395 customer connections serving approximately 48,000 people within the northwest region of metropolitan Tucson. Oro Valley Water Utility serves within the town boundaries and also in the Countryside area. Oro Valley has a seven-member Water Utility Commission that makes recommendations to the Town Council regarding water matters. Oro Valley delivers groundwater to its residential and commercial customers but also delivers reclaimed water for irrigation purposes to five golf courses and one school.

The Utility strives to provide a safe, reliable, and sustainable water supply to its customers while providing the highest quality of customer service.

Mr. Saletta is a member of the American Water Works Association, the Arizona Water Association, the Colorado River Water Users Association, and is an avid supporter of Water for People. He has also served as Treasurer of SAWUA for the past year.

Pima County Regional Wastewater Reclamation Department
Michael Gritzuk, PE — Department Director



Pima County operates the regional wastewater system serving over 900,000 residents throughout a service area of 750 square miles. The Regional Wastewater Reclamation Department collects, treats, and discharges 68 million gallons of wastewater daily through a 3400-mile sewer collection network and 11 treatment facilities. The Department is an enterprise fund supported by wastewater rates and fees.

Mr. Gritzuk is very involved locally and nationally in promoting the advance of the water industry and has served as President of the

National Water Reuse Association. He is also a member of the Board of Directors of the American Water Works Association.

Red Rock Utilities, LLC



Red Rock Utilities, LLC was established in 2004 to serve the water, wastewater, and reclaimed water needs of its customers in Southern Pinal County. The utility connected its first customer late in the fourth quarter of 2006 and currently serves approximately 500 customers.

Mark Weinberg—General Manager

Red Rock Utilities, LLC is managed by Diamond Ventures, Inc. a leading real estate development and investment company in Southern Arizona. In his role as Vice President of Land Development, Mr. Weinberg brings over 30 years of experience in the development of water supply and water quality infrastructure to the Utility. His past experience includes serving as General Manager for the *Foothills Water/Canada Hills Water Company* (now the Oro Valley Water Utility), which provided service to over 6,000 customers while under his management.

Robert Iannarino, PE, RLS—Vice President of Operations

As Vice President of infrastructure development with Diamond Ventures, Mr. Iannarino is responsible for operational control over existing and new plant facilities for Red Rock Utilities. He has over 28 years of site infrastructure design/development experience with major concentration in master-planned communities. He is a licensed Professional Engineer in Arizona, California, Nevada, New Mexico, and Ohio.

Sahuarita Water Company, LLC

Mark J. Seamans—President



Sahuarita Water Company, LLC is a privately-owned, for-profit domestic water supplier serving the fast-growing, master-planned community of Rancho Sahuarita in the Town of Sahuarita, 15 miles south of Tucson. Mr. Seamans has served as Secretary of SAWUA for the past two years.

Town of Sahuarita Wastewater Treatment and Reclamation Facility

Sheila Bowen — Assistant Town Engineer



The Town of Sahuarita Wastewater Treatment and Reclamation Facility (SWTRF) provides sewer services to residents in Rancho Sahuarita and Rancho Resort. The SWTRF operates as an enterprise fund, generating revenue from sewer rates and fees charged for providing sewerage service to its customers in Sahuarita.

The Environmental Protection Agency, Arizona Department of Environmental Quality and Pima County Department of Environmental Quality regulate and enforce standards of compliance for the SWTRF. The SWTRF is committed to providing dependable and cost effective wastewater collection, treatment and disposal services to its service areas.

Ms. Bowen is a licensed Professional Engineer in Arizona. She currently serves as Chair of the Pima County Regional Wastewater Reclamation Advisory Committee and as Vice Chair of the Metropolitan Domestic Water Improvement District Bond Oversight Committee.

Tucson Water Department

Jeff Biggs — Director



Tucson Water has been in existence for more than 100 years and is the largest municipal water utility in Southern Arizona serving nearly 80% (about 700,000 people) of the metropolitan population of Pima County. Tucson Water provides both potable and non-potable water to customers in a 300-square mile service area in and around greater Tucson. Tucson Water is a department of the City of Tucson and is governed by Tucson's Mayor and Council; however, the utility does not receive taxpayer support but instead operates as an enterprise fund and is self-supporting through water rates and fees. The utility has a staff of 580 people with an annual operating budget of approximately \$142 million.

Tucson Water holds the largest Central Arizona Project (CAP) municipal and industrial subcontract in the state and is currently the only water provider in Southern Arizona directly utilizing CAP to meet customer demand. Tucson Water's mission is to ensure customer satisfaction through high-quality water and service delivered in a cost-efficient and environmentally responsible manner.

Tucson Water is a member of the American Water Works Association, the Association of Metropolitan Water Agencies, Water for People, and numerous other professional water organizations.

DEFINITIONS

Acre-foot: A measurement of water quantity equal to 325,851 gallons (enough to cover one acre of land one foot deep).

Active Management Area (AMA): A region designated for state regulation by the Groundwater Management Act of 1980. There are five regions in the state, including the Tucson Active Management Area, where groundwater use is regulated through a series of successfully more stringent management plans. The goal in the Tucson Active Management Area is to reach safe yield by 2025. The other AMAs are Phoenix, Pinal, Prescott, and Santa Cruz.

American Water Works Association (AWWA): The national water utility organization. AWWA publishes its highly regarded journal and standards and leads the industry in educational and lobbyist endeavors.

Aquifer: An underground layer of permeable rock, sediment (usually sand or gravel), or soil that yields water.

Area of Hydrologic Impact (AHI): Generally refers to the area affected by a recharge project: the Arizona Department of Water Resources defines this as the area within a one-mile radius of the recharge project or where groundwater has risen one foot or more as a result of the recharge activities.

Arizona Corporation Commission (ACC): The state agency responsible for the oversight of corporations, including private water companies.

Arizona Dept of Environmental Quality (ADEQ): The state agency responsible for oversight, regulation, and enforcement of many aspects of the water industry, including water quality and operator certification.

Arizona Dept of Water Resources (ADWR): The state agency, created in 1980 by the Groundwater Management Act, designated to implement state water legislation.

Arizona Water Banking Authority (AWBA): Services provided by the AWBA to persons and Indian communities in this state to facilitate the storage of water and stored water lending arrangements. Water banking services include only arrangements by which water will be made available for use in this state; obtaining water storage permits; accruing, exchanging and assigning long-term storage credits. Water

banking services do not include interstate water banking undertaken by the Arizona Water Banking Authority (AWBA).

Assured Water Supply (AWS): A designation or certificate given to water providers or subdividers who can show that they have enough water for the next 100 years. In the Tucson area, these supplies must be primarily based on renewable water (e.g. Central Arizona Project water) rather than groundwater.

AWS Rules: ADWR rules within an AMA that restrict the use of mined groundwater and require a showing of a 100-year supply for each new subdivision (certificate) or for an entire service area (designation).

AZ Water: Formerly the Arizona Water & Pollution Control Association (AWPCA), AZ Water is a nonprofit educational organization founded in 1928 with a membership of 3,200 water/wastewater professionals dedicated to preserving and enhancing Arizona's water environment.

BMP: Best Management Practice.

Central Arizona Groundwater Replenishment District (CAGR): Under CAWCD's authority and responsibility to develop, store, augment, conserve, replenish or otherwise increase water supplies for the benefit of the district members, consistent with achieving safe yield.

Central Arizona Project (CAP): The 330-mile system of pump stations and concrete lined canal that brings Colorado River water to Central and Southern Arizona. The CAP District, known as the Central Arizona Water Conservation District, consists of Maricopa, Pinal, and Pima Counties and is governed by an elected board that must oversee the operation of the system and meet the federal repayment obligations.

Central Arizona Water Conservation District (CAWCD): The multi-county water conservation district established as a special taxing district for the purpose of contracting with the United States for the delivery of CAP water and the repayment of associated CAP costs.

Certificate of Assured Water Supply: A permit issued by the director for a development, other than a master-planned community, after the director determines that an assured water supply exists for the development pursuant to A.R.S. §45-576 and Article 7 of the Assured Water Supply Rules.

Colorado River Water Users Association (CRWUA): The Colorado River Water Users Association is a nonprofit, non-partisan organization, formed to plan, study, formulate and advise on ways to protect and safeguard the interests of all who use the Colorado River.

Designation of Assured Water Supply: A decision and order issued by the director designating a municipal provider as having an assured water supply pursuant to statute and the Assured Water Supply Rules.

Effluent: Generally refers to wastewater that has received at least secondary treatment (i.e. settling, aeration, disinfection). Reclaimed water receives additional infiltration and disinfection before use.

Exempt Well: A well in an AMA with a maximum pumping capacity of not more than 35 gallons per minute, which is used to withdraw groundwater for non-irrigation purposes.

Gallons Per Capita Per Day (GPCD): The average quantity of water each person uses in one day. ADWR established gpcd goals for each water provider in the Tucson AMA.

Gila River Indian Community (GRIC): The Gila River Indian Community (GRIC) traces its roots to the Hohokam, prehistoric Indians who lived and farmed along the Gila River Basin centuries ago. Composed of two members of tribes, the Pima and the Maricopa, GRIC is located in south-central Arizona.

Grandfathered Right (GFR): A right to withdraw and use groundwater within an AMA based on the fact of lawful withdrawals and use of groundwater prior to the AMA's designation. These rights include Irrigation Grandfathered Rights, Type 1 Non-Irrigation Grandfathered Rights, and Type 2 Non-Irrigation Grandfathered Rights.

Graywater: Used water from residential bathroom sinks, showers, tubs, and washing machines. Use of graywater for outdoor watering is permitted if criteria to protect health are met. Sewage is not graywater; rather, it is known as black water.

Groundwater: Water under the surface of the earth, regardless of the geologic structure in which it is standing or moving. Groundwater does not include water flowing in underground streams with ascertainable beds and banks.

Groundwater Management Act (GMA): Enacted by the legislature in 1980 to address the state’s groundwater overdraft problems.

In Lieu Water: Water that is delivered to a groundwater savings facility and that is used in an AMA or INA by the recipient on a gallon-for-gallon substitute basis for groundwater that otherwise would have been pumped from within an AMA or INA.

Irrigation District (ID): A political subdivision established as a special taxing district for either agricultural improvement or irrigation and conservation purposes.

Irrigation Non-Expansion Area (INA): A geographical area that has been designated as having insufficient groundwater to provide a reasonably safe supply for the irrigation of the cultivated lands at the current rate of withdrawal. Within INA's, new agricultural use of land occurring on land that was not irrigated in the five years preceding the designation of the INA is prohibited with a few exceptions for substitution or transfer of acres under specified circumstances.

Management Plan: A plan, updated every 10 years until 2025, that contains regulations and programs designed to assist the AMAs to achieve their water management goals.

Member Land: An individual subdivision that has been enrolled as a member of the CAGRDR.

Member Service Area: A designated water provider that has enrolled its entire service area as a member of the CAGRDR.

Municipal Provider: A city, town, private water company, domestic water improvement district, or irrigation district that supplies water for municipal use.

Non-Exempt Well: A well in an AMA generally drilled by a municipal provider with a maximum pumping capacity of more than 35 gallons per minute which is used to withdraw groundwater for non-irrigation purposes only.

Non-Per Capita Conservation Program: A voluntary alternative municipal program that requires providers to implement reasonable

conservation measures (RCM) relating to interior and exterior water use, in addition to an educational water conservation program. In order to qualify for entrance into the program, the provider is required to either 1) belong to a groundwater replenishment district, 2) reduce groundwater pumping consistent with AWS Rules or 3) eliminate mined groundwater use by 2010.

Pima Association of Governments (PAG): An association of municipalities in Pima County responsible to some extent for determining design and construction standards.

Private Water Company (PWC): A privately owned municipal provider regulated by the ACC.

Recharge: The replenishment of the groundwater through natural or artificial means. Direct recharge can be accomplished via surface basins, streambeds, or injection wells. Indirect or in-lieu recharge occurs when another water supply, such as CAP water, is utilized instead of groundwater, thereby saving the groundwater for use at a later time.

Reclaimed Water: Wastewater that has been treated for reuse. Typically, a separate water system conveys the reclaimed water to parks, golf courses, industries, and other reuse sites.

Renewable Water Supply: Supplies that are more quickly replenished (e.g. CAP water or effluent) than groundwater which may, in some cases, be impossible to replenish.

Safe Yield: A water management goal which attempts to achieve and thereafter maintain a long-term balance between the annual amount of groundwater withdrawn in an AMA and the annual amount of natural and artificial recharge in the AMA.

Southern Arizona Water Rights Settlement Act (SAWRSA): A federally approved bill designed as a comprehensive settlement of water rights issues involving the CAP and other water-related issues in Arizona. Groundwater withdrawals do not exceed the rate of replenishment

Stored Water: Water that is stored underground for the purpose of recovery pursuant to an underground water storage savings and replenishment permit.

TAMA: Tucson AMA.

Type 1 Non-Irrigation Grandfathered Right: A non-irrigation grandfathered right associated with retired irrigated land. A Type 1 non-irrigation right generally allows a right holder to either withdraw or receive no more than three acre-feet of groundwater per acre per year for a non-irrigation use on the retired land. Type 1 non-irrigation rights may not be transferred to another location, although groundwater pumped from appurtenant areas may be transported to a new location for non-irrigation uses subject to certain restrictions.

Type 2 Non-Irrigation Grandfathered Right: A non-irrigation ground right issued based on groundwater non-irrigation uses from 1975 to 1979. Generally, Type 2 non-irrigation grandfathered rights equal the maximum amount of groundwater withdrawn and used for non-irrigation purposes in any one of the five years preceding June 12, 1980. Type 2 non-irrigation grandfathered rights may be transferred to new locations within the same active management area through either a sale or lease.

Water Conservation Alliance of Southern Arizona (Water CASA): A voluntary organization of several southern Arizona water providers dedicated to the conservation of water and public education of their customers.

Water Infrastructure Finance Authority of Arizona (WIFA): WIFA is an independent agency of the State of Arizona and is authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects.

Water Resources Research Center (WRRC): The University of Arizona's Water Resources Research Center promotes understanding of critical state and regional water management and policy issues through research, community outreach, and public education.

Western Coalition of Arid States (WESTCAS): The group is dedicated to encouraging the development of water programs and regulations that assure adequate supplies of high quality water for those living in the arid regions while protecting the environment.

Wheeling: Using a second party's conveyance system to move a volume of water from one location to another.

Conversions and Equivalents

AF: Acre-foot

Ccf: 100 cubic feet

1 Ccf = 748 gallons = 0.002296 AF

1 AF = 325,851 gallons = 435.6 Ccf



**Southern Arizona
Water Users Association**

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