

May 16, 2011

TO: JOHN MAWHINNEY, CHAIR
GROUNDWATER USERS ADVISORY COUNCIL

FROM: AD HOC SAFE YIELD TASK FORCE

PROGRESS REPORT

Using the original 2000 SYTF Issue Papers as a starting point, we have been meeting monthly over the past ten months. More than 55 people, representing nearly all water interests in the region including agriculture, industry, energy utilities, State agencies, all municipalities, the County, the University, the environment, the Nation, and water providers, have participated either by attending meetings or via email input.

Please note that all background documents, including the list of participants, our Rules of Engagement, and notes from all discussions, can be found posted on the SAWUA website.

As we prepare to move from idea discussion and priority development, TO ACTION we present, as promised, this progress report.

During the course of our discussions, more than 60 ideas have been generated in furtherance of our reaching the Safe Yield goal. All those issues are still on the table but we have collectively identified the following items that we believe have the highest priority for further consideration and action.

SAFE YIELD VS SUSTAINABLE WATER MANAGEMENT.

After considerable discussion and acknowledging that this issue continues to impede our progress toward getting TO ACTION, the general consensus was that we would focus our initial efforts on the Safe Yield goal as prescribed by statute for the time being.

Generally, the SYTF participants are anxious to get to the more complex, and most feel, more important, goal of getting the region to a Sustainable Water Balance. We will tackle this more difficult goal after we have the updated TAMA Groundwater model, scheduled for presentation to us by ADWR in September. At that juncture, with a better understanding of the problems, we will shift our focus to

solving water balance problems in sub-areas or critical areas of the AMA.

ACHIEVE FULL CAP UTILIZATION

This tops our list of goals we must reach to achieve our Save Yield goal and get to Sustainable Management. The Assessment, based on 2006 data, assumed we would be using between 175,000 and 177,000 AF of our M&I CAP allocations by 2025. Now, in 2011, we estimate we will be using approximately 197,000 AF as early as 2020 and that there is reasonable certainty we will have achieved full CAP utilization by 2025. (See Attachment A for a chart of current and planned CAP utilization in the AMA)

The SYTF agrees we need an annual monitoring effort for the region to assure we are on track to reach full CAP utilization by 2025. This will be explored in our MOVE TO ACTION phase.

REACH OPTIMUM UTILIZATION AND COMPREHENSIVE MANAGEMENT OF EFFLUENT

The ADWR Assessment recognized our inability to maximize our use of effluent as a major factor in our inability to reach Safe Yield. In 2006, the region produced 69,000 AF of effluent. A total of 12,000 AF were reused as reclaimed water and the balance (47,700 AF) was discharged into the Santa Cruz River. ADWR assumed in 2006 that approximately 19,000 AF a year of effluent was being lost to the AMA in flow that reaches beyond our AMA boundary into Pinal County. The Bureau of Reclamation is currently (2009) using a figure of 23,500 AF leaving our basin annually.

The SYTF is committed to reduce the amount of effluent leaving our AMA to zero. Regional effluent stakeholders are working in the Lower Santa Cruz area to make this a reality within the next five years.

ADWR has provided us with an additional scenario, Maximized Reclaimed Use, demonstrating that the increased use of available reclaimed water supplies could result in the AMA coming very close to achieving Safe Yield by 2025 (using the Low Demand Scenario). By increasing our effluent reuse in each sector: Municipal - 5,900 AF (11%), Industrial - 2,900 AF (5%), Agriculture - 4,000 AF (14%) we might realize the Safe Yield goal (See Attachment B). The SYTF will be examining this path in greater detail in upcoming meetings as we MOVE TO ACTION.

GENERATE THE REVENUE NECESSARY TO FUND SAFE YIELD ATTAINMENT.

Currently groundwater users in the TAMA are assessed by ADWR a \$3 Groundwater Withdrawal Fee: \$.50 to the AMA and \$2.50 to the AWBA. We advocate that the \$2.50/AF of the Fee continues to be used for water banking activities, which contribute to the long-term sustainability of our AMA. In the absence of the AWBA (due to the statutory planned sun setting), we want the funds to further functions similar to those of the AWBA that directly contribute to the long-term hydrologic sustainability of the Tucson AMA.

WITH WILLING PARTIES, FACILITATE MATCHING THE WATER USE TO THE WATER SOURCE.

Municipal providers are paying a lot of money to get CAP and effluent recharged. We should develop ways to spend that money to get Agricultural and Industrial users to directly use that CAP and effluent, leaving the groundwater that they would have pumped in the ground. One example: Provide incentives for providers and/or users to offset the cost of direct delivery and use of effluent. We could do that instead of recharging the effluent to accumulate credits.

This item will be explored further in our MOVE TO ACTION.

ASK THE INDUSTRIAL AND AGRICULTURAL SECTORS WHAT THEY ARE WILLING TO DO TO GET THE REGION TO SAFE YIELD.

Both sectors have taken steps to reduce their use of groundwater. They are valued participants in this SYTF process and we continue the dialogue that will bring about the further reduction of groundwater use by these sectors.

REGIONAL PUBLIC EDUCATION CAMPAIGN

There is agreement among the group that the public needs more, and better, explanation of the Safe Yield goal, the anticipated gap in our reaching that goal, and what is underway in the region to bring our region into sustainable balance. We will be having more detailed discussions about this needed campaign as we begin the MOVE TO ACTION phase of the SYTF.

In our recent discussions, the SYTF has expressed a preference for concentration on those items we can accomplish for, and in, the region without sanction by the State. As we MOVE TO ACTION those efforts will be our focus.

We anticipate another Progress Report to GUAC at the end of 2011.