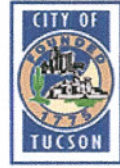




**City/County Water and Wastewater
Study Oversight Committee**



October 1, 2009

Clifford A. Neal, Manager
Planning and Replenishment
Central Arizona Water Conservation District
P.O. Box 43020
23636 North Seventh Street
Phoenix, Arizona 85024

Re: Your July 30, 2009 Letter to Jim Barry regarding the Technical Paper on Integrating Land Use Planning with Water Resources and Infrastructure

Dear Mr. Neal,

I thank you for sharing your perspective on the Technical Paper *Integrating Land Use Planning with Water Resources and Infrastructure*.

Staff prepared the attached response to your letter, both of which are now part of the public record.

Respectfully,

A handwritten signature in black ink, appearing to read "JTB", with a long horizontal line extending to the right.

Jim Barry, Chair
City/County Water and Wastewater Study

c: City/County Water/Wastewater Study Oversight Committee
C.H. Huckelberry, County Administrator, Pima County
Michael Letcher, City Manager, City of Tucson

City/County Staff Response to July 30, 2009 Letter from Cliff Neal with Central Arizona Project (CAP)

September 17, 2009

Thank you for your July 30, 2009 letter regarding the above technical paper. Your interest and participation in the City/County Water/Wastewater Infrastructure, Supply and Planning Study is very much appreciated as are your thoughtful comments on the technical paper on Integrating Land Use Planning with Water Resources and Infrastructure. In response to your specific comments:

Replenishment should occur close to the area of groundwater pumping. The law doesn't explicitly require replenishment to occur within the area of hydrologic impact, so although achieving safe yield is central to Tucson Active Management Area's goal, it would nevertheless be preferable for replenishment to occur in areas where groundwater levels continue to decline as a result of groundwater pumping. In some cases, groundwater replenishment is not occurring because recharge facilities are not located close to areas that rely on CAGR as the renewable source of supply. While we agree that CAGR is doing all that it is statutorily required, the statutory bar is set low. This is a concern not with the CAGR, per se, but with the minimal standard the CAGR is required to meet. Thus, while we recognize that the CAGR is not failing to provide recharge facilities, we still think that opportunities for regional collaboration exist and, as discussed in the technical paper's recommendations, regional solutions to address this hydrologic disconnect should be pursued, some with CAGR, itself, and others that would not require CAGR involvement.

This hydrologic disconnect has led to significant groundwater declines in some areas. This phase of the study addresses water planning as it relates to population growth, urban form and land use planning. As such it did not address agricultural or mining water use, some of which has senior rights. Not all groundwater level declines are attributable to the CAGR; in particular, the paper erred in attributing CAGR-replenished groundwater pumping as the cause of declines in the Green Valley area when most of the groundwater decline in that area can be attributed to longstanding mining and agricultural pumping. As population increases in Green Valley and Sahuarita, however, CAGR-replenished pumping is likely to become a larger issue. Population growth, land use planning and urban form guide and impact water planning and infrastructure needs which are all city and county governmental functions. The lack of infrastructure precludes the direct use of renewable water supplies in many areas such as the Northwest and far eastern portions of Pima County, through no fault of the CAGR.

It is unknown how the CAGR will meet its replenishment obligations. In spite of the uncertainty regarding the composition of CAGR supplies in the future, the CAGR's efforts to secure water supplies are appreciated. As water providers increase their use of available renewable water supplies such as CAP and reclaimed water, obtaining water will become more competitive and costly for all.

Financial implications are unknown. It is often stated that the days of cheap, inexpensive water are over. As demand for water supplies increase, and availability decreases, the costs to acquire and develop new water supplies will increase for the CAGR, as well as for all municipal water providers and others. It may be premature to state that costs will be extremely burdensome in the near future. While the CAGR has projected rates through 2013/14; future water costs are simply unknown at this time. Although water costs will increase, the paper's statement about the potential for de-valued properties and home foreclosures may have been overstated. That said, one of the fundamental issues with CAGR member land obligations is that the CAGR operates as a mechanism through which developers can offload the costs of acquiring new supplies through the CAGR, to future homebuyers and businesses. As with many of the issues with the CAGR, fault lies more with the legislature than with the District's professional efforts to meet its statutorily-derived obligations.

Your valuable input into this effort is acknowledged and appreciated. The City of Tucson and Pima County look forward to working with the CAGR and the other jurisdictions and water providers on collaborative solutions to address our future regional water resource challenges.