



Scoping Newsletter 1 November 2015

The Bureau of Reclamation (Reclamation), in cooperation with the Arizona Department of Water Resources (ADWR) and the Central Arizona Water Conservation District (CAWCD), is preparing an environmental assessment (EA) to act upon the recommendation by ADWR for the proposed reallocation of 46,629 acre-feet annually (AFA) of non-Indian agricultural (NIA) priority water to municipal and industrial (M&I) users in the Phoenix, Pinal, and Tucson Active Management Areas (AMAs) within the Central Arizona Project (CAP) service area. The Arizona Water Settlements Act of 2004 outlines that this water can be reallocated to M&I users upon approval by the Secretary of the Department of the Interior (Secretary). The reallocation of this water is needed to help AMAs meet their targets for reducing groundwater overdraft, while still developing their economies.

The EA is being prepared to meet the requirements of the National Environmental Policy Act (NEPA). The EA will help Reclamation and the Secretary understand the effects the proposed reallocations will have on the environment and natural resources. The EA, and any public comments received on its adequacy in describing the anticipated effects, will be considered prior to a decision being made whether or not to approve ADWR's recommendation for the proposed reallocations.

Under NEPA, the first phase in preparing an EA is to conduct "scoping." The purpose of scoping is to identify the environmental issues associated with the proposed project. Reclamation is asking the public for comments to help determine the scope of the analysis to be contained in the EA. Please send your thoughts, ideas, and concerns regarding the recommendation for proposed water reallocation and the issues that should be analyzed in the EA to Reclamation by December 18, 2015.

Reclamation is hosting three public meetings and open houses (December 8, 9, and 10, 2015) to provide the public with information on the proposed approval of ADWR's recommendation for water reallocation and an opportunity to submit written and oral comments directly to Reclamation. One meeting will be held in each of the AMAs where proposed recipients are located: Phoenix, Pinal County, and Tucson. The scoping meetings schedule is below. The open house portion of each meeting will be from 4:30 pm to 6:30 pm. Brief presentations from Reclamation regarding the EA process and from ADWR and CAWCD regarding the proposed project will begin at 4:30 pm, followed by the opportunity for the public to provide oral and/or written testimony, to view resource-specific information, and to ask

questions about specific resources and the NEPA process. Oral testimony will be limited to three minutes per person. A court reporter will be on hand to record comments.

We encourage you to attend one of the open houses and to share your scoping comments with Reclamation.

PROJECT DESCRIPTION

Historically, Arizona has relied heavily on groundwater to meet demand, resulting in overdraft of groundwater supplies, particularly in the central and southern parts of the state. Groundwater depletion is a serious issue that impacts drinking water quality, domestic water availability, economic growth, agricultural production, and environmental sustainability. Colorado River water delivered through the CAP plays an important role in reducing groundwater overdraft in the Phoenix, Pinal County, and Tucson communities by reducing groundwater use and providing a renewable source for groundwater recharge.

The CAP canal is 336 miles long, beginning at Lake Havasu on Arizona's western border at the Colorado River and terminating just south of Tucson. The CAP delivers about 1.5 million acre-feet annually (MAFA) of Colorado River water per year to Arizona's cities and towns, agricultural users, industries, and American Indian tribes and communities. An acre-foot (AF) is about the amount of water a family of four consumes in one year. The CAP was authorized by Congress in 1968 and was constructed between 1973 and 1993. The CAP is operated by the CAWCD and is overseen by an elected board of directors from Maricopa, Pima, and Pinal counties.

Since 1968, the Secretary has made multiple recommendations regarding the allocation of water for M&I, NIA, and Indian uses. Notably, in 1983, Secretary James Watt signed a Record of Decision published in the Federal Register (48 Fed. Reg. 12446) that identified specific amounts of CAP water to be allocated to M&I, NIA, and Indian users.

After the 1983 allocation recommendation, a total of 65,647 acre-feet annually (AFA) of M&I priority water, and 96,295 AFA of NIA priority water was not contracted. Therefore, the water was available for reallocation at a later time. The Arizona Water Settlements Act of 2004 (AWSA) was passed by Congress, establishing a final allocation of this available water. Under AWSA, a reallocation of the 65,647 AFA of previously uncontracted M&I priority water went to 20 specific M&I entities. Moreover, the Secretary made available 96,295 AFA of NIA priority water to ADWR to be held in trust for future allocation.

In 2012 ADWR began a reallocation process for 46,629 AFA of NIA priority water held in trust under the AWSA. They held public meetings and accepted applications from M&I users. The applications were reviewed and evaluated under specific criteria, with four primary goals:

- reduce groundwater overdraft
- provide additional water sources to areas with limited physical availability of groundwater
- meet current and future water demands
- meet the near-term demands for existing municipal water providers and industrial users of groundwater or excess CAP water that have permanent demands.

The Secretary will use the information from the NEPA process to make her decision regarding whether to accept or reject the ADWR recommendation.



PURPOSE AND NEED FOR THE PROJECT

Purpose

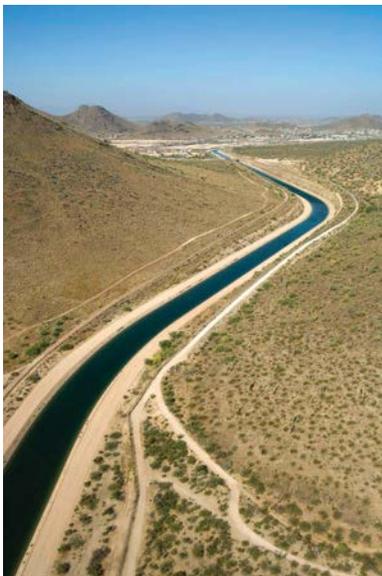
The AWSA obligates the Secretary to approve or reject ADWR's recommendation for reallocation. The purpose of the EA is to provide all the relevant information to the Secretary in a single, clear, and concise way so she can make an informed decision to accept or reject the recommendation and reallocate the NIA priority water. The purpose of the proposed action is to reallocate NIA Priority CAP water for M&I use pursuant to the AWSA and according to ADWR's recommendation.

Based on ADWR's recommendation, the proposed action would allow the reallocation of 46,629 AFA of NIA Priority CAP water to M&I users within the Phoenix, Pinal, and Tucson AMAs (see map).

Need

The need for the water reallocation is to address the continuing imbalance of water supply and demand in central Arizona, specifically the overdraft of groundwater in the Phoenix and Tucson AMAs. While Arizona's population has increased by 157 percent between 1980 and 2010 (ADWR 2015), statewide water use has either declined or remained constant at approximately 7 MAFA per year. This is attributed to retirement of agricultural lands, reclaimed water use, conservation efforts, and water management initiatives. Although water use has declined or remained constant, continued population growth in the state will eventually result in an overall water supply shortfall. Because of population growth, the projected statewide water demand will increase to between 8.1 and 8.6 MAFA by 2035 and to between 8.6 and 9.1 MAFA by 2060 (Water Resources Development Commission (WRDC) 2011).

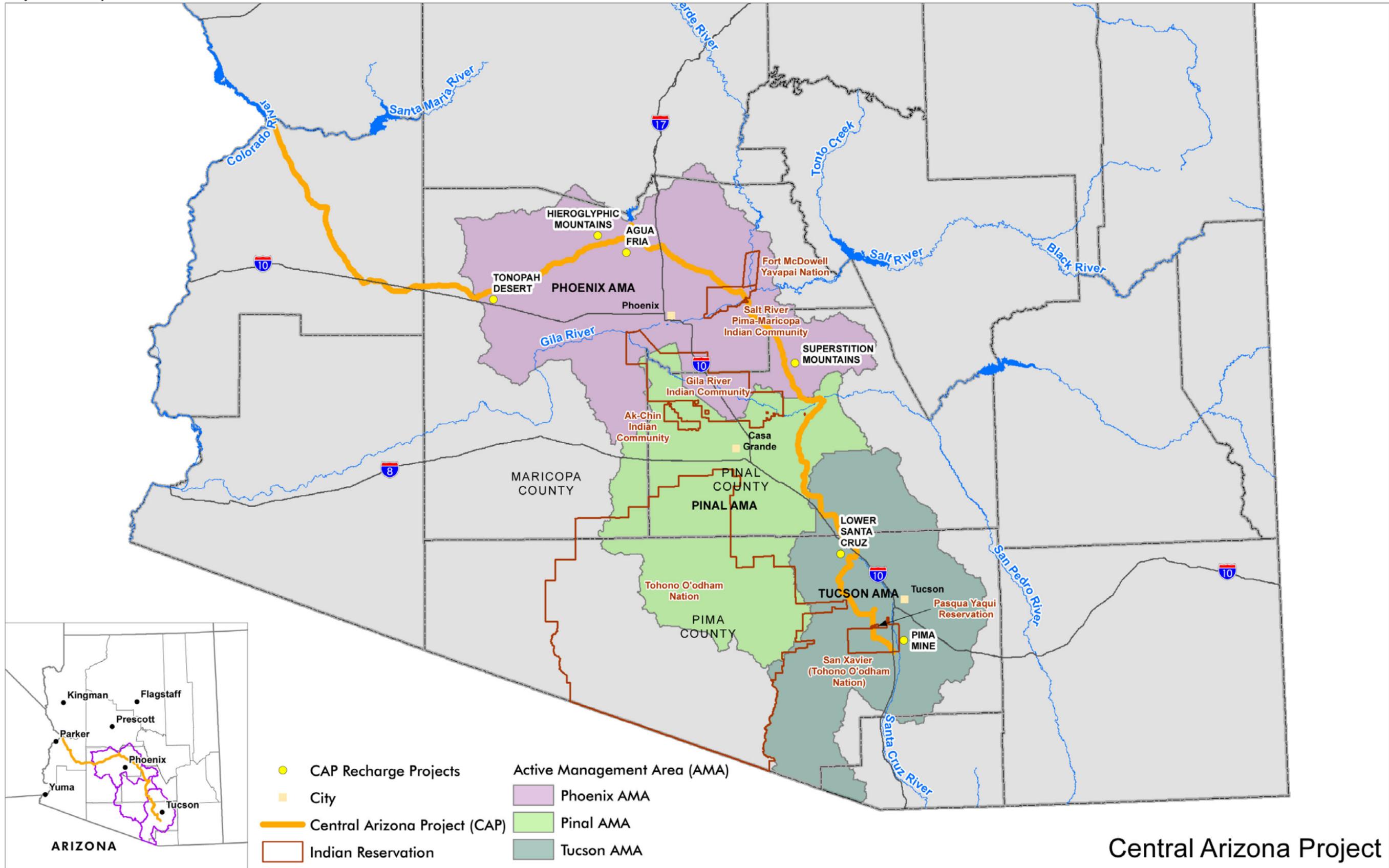
In 2006, municipal water demand was measured at 1.6 MAFA, which was 25 percent of all state water demand. The WRDC (2011) estimates that municipal demand will increase to roughly 2.7 MAFA by 2035 and 3.4 MAFA by 2060. Industrial uses account for approximately 6 percent of Arizona's water supply (about 400,000 AFA) and are also expected to increase over time to sustain economic growth. While these projections are based on high estimates of population growth, Arizona's urban populations are expected to grow even if economic growth is slower than expected. Between 0.9 and 3.2 MAFA of water will need to be developed in Arizona over the next 20 years to sustain population growth and meet consumption demands.



If the proposed action is approved, users within the Phoenix, Pinal, and Tucson AMAs would receive the reallocated NIA priority water. The Phoenix and Tucson metropolitan areas account for about 80 percent of Arizona's population and are expected to continue to be the major population centers, while Pinal County is currently dominated by an agricultural economy (Arizona Department of Economic Security 2012). The primary goal for the Phoenix and Tucson AMAs is to achieve a balance between the pumping and the replenishment of groundwater by 2025, so that groundwater resources are not depleted. The primary goals for the Pinal AMA are to develop nonirrigation uses of water, preserve the agricultural economy, and conserve water for future nonirrigation use.

Both Phoenix and Tucson continue to experience annual overdraft of groundwater supplies after renewable supplies are considered, including water currently allocated from CAP and offsets to groundwater pumping. The proposed action would contribute to the ADWR goal of reducing groundwater overdraft by increasing renewable surface water supplies that can be used for consumption and for recharging groundwater sources.

Project Area Map



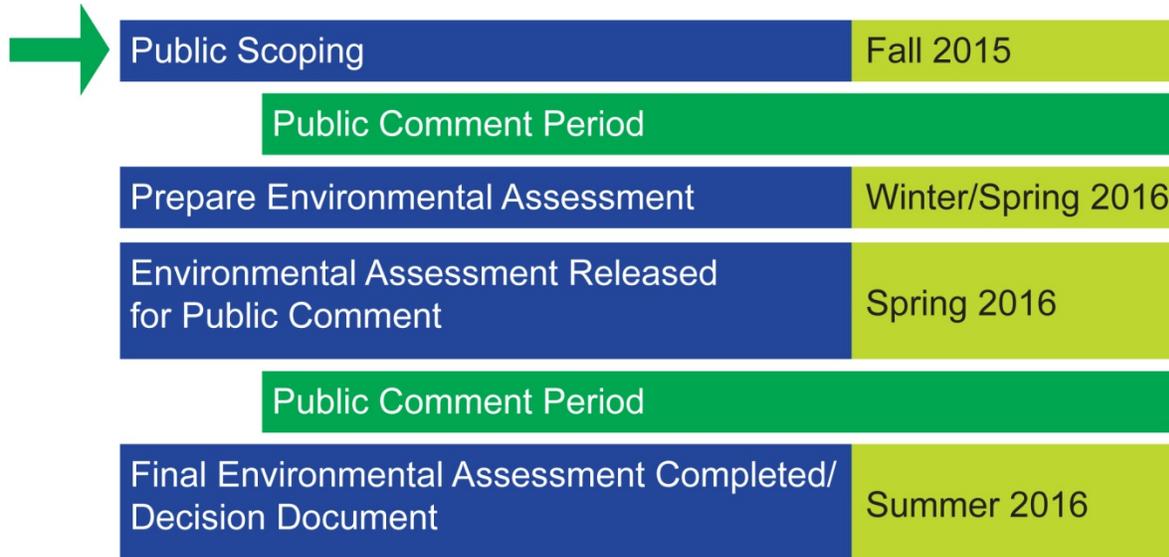
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|---------------------------------|------------------------------|
| ● CAP Recharge Projects | Active Management Area (AMA) |
| ■ City | ■ Phoenix AMA |
| — Central Arizona Project (CAP) | ■ Pinal AMA |
| ▭ Indian Reservation | ■ Tucson AMA |

Central Arizona Project

PROPOSED RECIPIENTS

Recipient	Pool	Volume (acre-feet (AFA)/year)
Carefree Water Company	Municipal	112
Metropolitan Domestic Water Improvement District	Municipal	299
Town of Cave Creek	Municipal	386
EPCOR- Sun City West	Municipal	1,000
H ₂ O Water Company-Town of Queen Creek	Municipal	1,000
Town of Marana	Municipal	515
Apache Junction WUCFD	Municipal	817
City of El Mirage	Municipal	1,318
Town of Gilbert	Municipal	1,832
City of Buckeye	Municipal	2,786
Town of Queen Creek	Municipal	3,162
Johnson Utilities	Municipal	3,217
Central Arizona Groundwater Replenishment District	Municipal	18,185
Viewpoint RV and Golf Resort	Industrial	400
New Harquahala Generating Company	Industrial	400
Rosemont Copper Co.	Industrial	1,124
Salt River Project	Industrial	2,160
Resolution Copper Mining	Industrial	2,238
Freeport-McMoRan- Sierrita Inc.	Industrial	5,678
Total Volume (AFA/year)		46,629

PROJECT TIMELINE



HOW TO PROVIDE SCOPING COMMENTS

Reclamation requests your input to identify issues or concerns that should be analyzed in the EA for the proposed reallocation of CAP water. You can provide comments in two ways:

1. Attend one of the scoping open houses and provide written and/or oral comments to Reclamation staff there.
2. Send written comments to:

U.S. Department of the Interior, Bureau of Reclamation
Phoenix Area Office
Attn: Kimberly Musser (PXAO-1500)
6150 West Thunderbird Road
Glendale, AZ 85306-4001
E-mail: cap_NIA@eroresources.com

Please include your address, phone number, and e-mail address in your comment.

You should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. Please submit all comments by December 18, 2015. For questions regarding the EA process, please contact:

Kimberly Musser at (623) 773-6216 or kmusser@usbr.gov.

ADDITIONAL INFORMATION

Additional information regarding the proposed NIA CAP system water reallocation recommendation can be found on or requested through Reclamation's website:

<http://www.usbr.gov/lc/phoenix/>

Information about the background of the CAP can be found at:

<http://www.cap-az.com/>

Information about the Arizona Water Settlements Act of 2004, which provides the legal basis for the proposed project can be found at:

<http://www.azwater.gov/AzDWR/SurfaceWater/Adjudications/AZWaterSettlements.htm>

Information about ADWR's process for making recommendations for the proposed reallocation can be found at:

<http://www.azwater.gov/AzDWR/PublicInformationOfficer/Non-IndianAgriculturalReallocationProcess.htm>

REFERENCES

Arizona Department of Economic Security (ADES) 2012. Employment and Population Statistics: Medium Series Population Projections, 2012-2050. Available at: <https://population.az.gov/population-projections>.

Arizona Department of Water Resources (ADWR). 2014. Arizona's Next Century: A Strategic Vision for Water Supply Sustainability (Strategic Vision) (http://www.azwater.gov/AzDWR/Arizonas_Strategic_Vision/).

Water Resource Development Commission (WRDC). 2011. Final Report. Available at: http://www.azwater.gov/AzDWR/WaterManagement/WRDC_HB2661/documents/WRDCFinalReport_Volumel.pdf.

OPEN HOUSE SCHEDULE

Phoenix

December 8, 2015

4:30 to 6:30 PM

Kenilworth Elementary School Auditorium
1210 N 5th Ave
Phoenix, AZ 85003

Casa Grande

December 9, 2015

4:30 to 6:30 PM

Casa Grande Middle School Auditorium
300 W McMurray Blvd
Casa Grande, AZ 85122

Tucson

December 10, 2015

4:30 to 6:30 PM

Valencia Public Library Large Meeting Room
202 W Valencia Rd
Tucson, AZ 85706



U.S. Department of the Interior, Bureau of Reclamation
Phoenix Area Office
6150 West Thunderbird Road
Glendale, AZ 85306-4001