Pinal County Area
Water & Power Report

Presented by Maricopa-Stanfield
Irrigation & Drainage District

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Water Districts:
- New Magma Irrigation & Drainage District (CAP in Phoenix AMA)
- San Carlos Irrigation Project (Gila River & Pumps)
- San Carlos Irrigation District (SCIP & Pumps)
- Hohokam Irrigation & Drainage District (CAP)
- Central Arizona Irrigation & Drainage District (CAP & Pumps)
- Maricopa-Stanfield Irrigation & Drainage District (CAP & Pumps)

Power Suppliers:
- Electrical District No. 2
- Electrical District No. 3 (includes ED1)
- Electrical District No. 4
- Electrical District No. 5
Pinal County Water Users History

- Pinal County has a long history of supporting the development of all Colorado River Projects, including the CAP.

- Most Pinal Irrigation Districts taxed their lands and built systems to take delivery of CAP water after decades of solely pumping groundwater (1940’s – 1980’s).
Pinal County Water Users History (Cont.)

- Without CAP, farming the area would not have been sustainable at anywhere near historic levels.

- With the delivery of CAP water since 1990 to Pinal County, groundwater pumping has been substantially reduced and groundwater levels have been restored.
Investment in the Electrical Districts 2, 3, 4 and 5 have reached $300 million in 2012 (Hohokam leases their distribution lines from ED2).

Investment by CAIDDD, MSIDDD, Hohokam, NMID, and SCID for the construction of the water delivery systems as of 2012 totaled over $355 million. Approximately 70% of this cost assumed by others under the 2004 Settlement.
Total power usage for 2012 equaled in excess of 1.1 million MWH.

Water delivered through the canal and lateral systems of the IDs for 2012 was approximately 610,000 AF of surface water and 310,000 AF of groundwater totaling 920,000 AF (2/3 was CAP water and 1/3 was groundwater).
Concerns About Future Impacts to CAP Water Supplies for the Districts

Available Supply – Some (such as EPA) do not believe the Settlement Water Pools will be available to NIA from the 2017 – 2030 time period due to:

- Increased higher priority uses on the River.
- Climate change factors, which lead to continuing drought.
Concerns About Future Impacts to CAP Water Supplies for the Districts (Cont.)

NOTE: CAP and ADWR do not agree

- Pricing:
  - 2004 Energy Price - $28 / AF
  - 2014 Energy Price - $67 / AF
  - 2018 Projection - $79 / AF (CAP)
Concerns About Future Impacts to CAP Water Supplies for the Districts (Cont.)

- Increased NGS costs under new leases and contracts - $?
  - EPA Regulations - $10 / AF (SCRs)
  - $20 / AF (SCRs, Baghouses)

- Greenhouse Gas Tax?
Conclusions:

• Expectations under the 2004 Settlement Act were that there would be an orderly transition from 2017 – 2030 whereby there would be less CAP water as CAP Ag Pools were reduced (25% in 2017 / 25% in 2024 / 100% in 2030), and increases in groundwater use but not to historic levels.
Uncertainties as to available NIA CAP supplies between 2017 – 2030, and extraordinary cost increases in that supply, suggest that the return to 80-100% reliance on groundwater may be significantly accelerated.
Questions
See: Attachment 1

History of CAP Ag Water Pricing
ATTACHMENT 1

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History of CAP Ag Water Pricing
9. The larger districts (CAIDD and MSIDD) have delivered a mix of about 2/3 CAP water (200,000 AF / district) and 1/3 groundwater (100,000 AF / district) and will see that mix reverse itself immediately if CAP rates get too high, rather than the more orderly transition envisioned in the declining Ag Settlement Pool (reductions in 2017 and 2024);

10. CAP farmers have blended water costs in the range of $45 – $65 / AF, and compete with California Colorado River farmers whose rates are about $20 - $40 / AF. We recognize new revenue streams may be required to support additional Ag benefits with central Arizona which has a much more diverse farm economy now than in 1994, to use all the water off the River, reduce groundwater pumping, and to provide significant economic value.

11. We express support for an increase in the CAP 6 cent tax levy at the recent board meeting. We recognize new revenue streams may be required to support additional Ag benefits with central Arizona which has a much more diverse farm economy now than in 1994.