

Freeport-McMoRan Sierrita Inc.
6200 W. Duval Mine Rd.
PO Box 527
Green Valley, Arizona 85622-0527

September 29, 2008

Via Certified Mail # 7002 1000 0005 6776 3169
Return Receipt Requested

Ms. Cynthia S. Campbell
Arizona Department of Environmental Quality
Water Quality Compliance Section
1110 West Washington Street
Phoenix, Arizona 85007-2935

Re: Mitigation Order on Consent Docket No. P-50-06
Response to ADEQ's September 5, 2008 Comments

Dear Ms. Campbell:

On August 25, 2008, Freeport-McMoRan Sierrita Inc. (Sierrita) submitted a letter to the Arizona Department of Environmental Quality (ADEQ) requesting an extension of time for Sierrita to submit the Feasibility Study (FS) required by Mitigation Order on Consent Docket No. P-50-06. ADEQ approved the requested extension in a letter dated September 5, 2008 and requested that Sierrita address three comments. ADEQ's September 5, 2008 comments are presented below in italics, followed by Sierrita's responses.

ADEQ Comment No. 1: In its August 25, 2008 letter, Freeport references new data it has received from the Upper Santa Cruz Providers and Users Group (USC/PUG) in April 2008 relating to water use and additional information it received from the Bureau of Reclamation in August 2008, relating to the Central Arizona Project (CAP) recharge proposals. Freeport states that this information was incorporated into its groundwater flow and transport model (PDSIM) and that it will use this revised model in conducting the Feasibility Study. ADEQ would like to see the information Freeport incorporated into the model and a description of how the PDSIM was revised based on this information prior to receiving the Feasibility Study. Please provide this information to ADEQ on or before October 1, 2008.

Sierrita Response:

The PDSIRM, as described in the Aquifer Characterization Report (HGC, 2007)¹ was calibrated to simulate historic groundwater flow and sulfate transport in the vicinity of the Sierrita Tailing Impoundment (STI) through the year 2006. Preparing the calibrated model to simulate future conditions required specifying future rates and locations of groundwater withdrawals and recharge. Originally, the model was prepared to simulate future conditions using water system plans submitted by water companies to the Arizona Department of Water Resources (ADWR)², communications with water providers³, and the numerical model

¹ Hydro Geo Chem, Inc. 2007. Aquifer Characterization Report: Task 5 of Aquifer Characterization Plan, Mitigation Order in Consent Docket No. P-50-06, Pima County, Arizona. December 28, 2007.

² Water system plans obtained from ADWR for Farmers Investment Co. (FICO), Farmers Water Co., Green Valley Water Improvement District, Las Quintas Serenas Water Company, and Quail Creek Water Company.

³ Communications with Community Water Company of Green Valley and Sahuarita Water Company.

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developed by ADWR for the Tucson Active Management Area (Mason and Bota, 2006)⁴. In April, 2008 the Upper Santa Cruz Providers and Users Group (PUG) issued a report of water use projections for the southern Tucson Active Management Area (Hedden et al, 2008)⁵. Revising the future projections in the numerical model to incorporate the estimates in the PUG report was considered important for the following reasons:

- The PUG report estimates are comprehensive and included reliable and recent information on future withdrawal and recharge sources for which information was previously unavailable.
- The PUG report estimates were developed by a committee of water providers and users in the Green Valley area, and are therefore more coordinated and more regional in focus than estimates made by individual users.
- The PUG report estimates were determined to be reliable and completed as part of a public process, and likely to be considered relevant by the community.

Issues not specifically addressed in the PUG report were the location of future (i.e., not currently existing) wells anticipated in the PUG report to be necessary, and the allocation of pumping among wells for water providers with multiple wells. In some cases the information previously provided by individual water users was helpful in resolving these issues.

A remaining question was the location of the recharge facility being proposed by the Rosemont Copper Mine. In August, 2008, the Bureau of Reclamation issued a public memorandum on the future use of Central Arizona Project Water (Erwin, 2008)⁶. This memorandum located the proposed recharge site within a 20-acre parcel in Section 29, Township 17 South, Range 14 East, approximately 1.5 miles east of Old Nogales Highway along the extended alignment of El Corto Road.

A summary of the future pumping rates used in the numerical model, and the sources on which these estimates are based, is provided as Attachment A. The PUG report and the Bureau of Reclamation memorandum are provided as Attachment B and Attachment C, respectively. Using the PUG report, in combination with other resources, the recharge rates were modified as follows:

- Agricultural recharge was estimated to decrease by 2,250 acre-feet per year between 2010 and 2030⁵.

⁴ Mason, Dale E. and Bota, Liciniu. 2006. Regional Groundwater Flow Model of the Tucson Active Management Area; Tucson, Arizona: Simulation and Application. Modeling Report No. 13; Arizona Department of Water Resources, Hydrology Division; Phoenix, Arizona.

⁵ Hedden, Bob; Metz, Harold; Miller, Tom; Taylor, Ken; Thomson, Frank. 2008. Estimated Water Usage for USC/PUG Geographical Area, Years 2006-2030. Upper Santa Cruz Providers and Users Group. April 7, 2008. See Attachment B.

⁶ Erwin, Carol Lynn. 2008. Memorandum: Notice of Public Scoping for Preparation of Environmental Assessment (EA) on the Proposed Community Water Company of Green Valley (CWC) Central Arizona Project (CAP) Water Distribution System and Recharge Facility (Action by September 12, 2008). United State Department of Interior, Bureau of Reclamation, Phoenix Area Office. August 11, 2008. See Attachment C.

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- Artificial recharge of wastewater effluent generally increased throughout the model domain. The Robson Ranch/Quail Creek Recharge Facility was assumed to be recharging its full allotment of 2,240 acre-feet per year by the year 2010⁷, and recharge from the Sahuarita wastewater treatment facility, which was permitted to recharge up to 896 acre-feet per year at the end of 2007, was assumed to be recharging in 2008⁸.
- Future recharge rates for the eight golf courses in the Green Valley area were specified to be constant in time².
- Modeled seepage rates from the Sierrita Tailing Impoundment were based on projected mining activity, measurements of tailing properties, and on simulations of tailing drain down after the end of mining operations.
- Recharge of CAP water by the Rosemont Copper Mine was based on the mine's commitment to offset 105 percent of its total pumping volume with recharge of Central Arizona Project (CAP) water⁹. The PUG report estimates that the Rosemont Mine recharge of CAP water be approximately 7,000 acre-feet per year at a new recharge facility.

ADEQ Comment No. 2: *Freeport should include a meeting of the Community Action Group (CAG) in September 2008 or early October 2008 for the purpose of giving the CAG an update and explanation of the necessity for an extension of time to submit the Feasibility Study. As you know, the Mitigation Order requires at least four (4) meeting of the CAG each year. In order to meet that requirement, Freeport should conduct the next meeting in the near future so at least one additional meeting can be held before the end of the calendar year.*

Sierrita Response:

On September 22, 2008, ADEQ was notified by electronic mail that the next Community Advisory (not Action) Group meeting will be held on October 7, 2008 from 1:00 to 3:00 pm at the Joyner Green Valley Public Library in Green Valley, Arizona. As requested by ADEQ, Sierrita will update and explain to the CAG the necessity for an extension of time to submit the Feasibility Study.

ADEQ Comment No. 3: *In approving the Aquifer Characterization Report (ACR), ADEQ endorsed Freeport's suggestion to install a nested sentinel well on the southeastern portion of the sulfate plume, west of Community Water Company's Well #10. If that well has not already been installed, ADEQ believes the well should be installed and sampled during this quarter for inclusion in the quarterly groundwater sampling.*

⁷ Arizona Department of Water Resources (ADWR). 2006. Semi-Annual Status Report: Underground Water Storage, Savings, and Replenishment (Recharge) Program. ADWR Water Management Division. December 30, 2006.

⁸ ADWR. 2007. Semi-Annual Status Report: Underground Water Storage, Savings, and Replenishment (Recharge) Program. ADWR Water Management Division. December 31, 2007.

⁹ Westland Resources, Inc (WRI). 2007. Rosemont Project Electrical Power Supply and Water Supply Supplement. Prepared for Augusta Resource Corporation. July 25, 2007

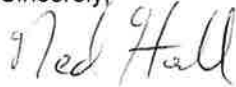
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Sierrita Response:

Sierrita has initiated the process of identifying potential locations for the monitoring well and determining property ownership. As soon as a preferred location is identified, Sierrita will initiate access negotiations. Sierrita is also in the process of scheduling and contracting drilling services with the intent of installing the monitoring well during the fourth quarter of 2008. Once the monitoring well is installed, it will be included in the ongoing groundwater monitoring program.

Please do not hesitate to contact Mr. Stuart Brown at (503) 675-5252 or myself at (520) 648-8857 if you have any question regarding this submittal.

Sincerely,



E. L. (Ned) Hall
Chief Environmental Engineer

ELH:ms
20080929_002

xc: Joan Card, Arizona Department of Environmental Quality
John Broderick, Sierrita
Chad Fretz, Sierrita
Ray Lazuk, Freeport-McMoRan Copper & Gold Inc.
Stuart Brown, Bridgewater Group, Inc.
Jim Norris, Hydro Geo Chem, Inc.

ATTACHMENT A
PUMPING WELLS AND RATES

Attachment A Pumping Wells and Rates

Annual Withdrawal (acre-feet)									
Well ID	Water Right Owner	ADWR Registration	UTM East	UTM North	2010	2020	2030	2040	Basis for Estimate
Agriculture									
Farmers Water Company and Farmers Insurance Company ¹									
C1	FICO Continental	624008	503353	3529320	0	0	0	0	PUG report. Allocation based on system water plan and/or historical pumping
C4	FICO Continental	624010	501760	3525384	1472	1330	1057	1057	PUG report. Allocation based on system water plan and/or historical pumping
E10A	FICO Continental	086931	502452	3523995	0	0	0	0	PUG report. Allocation based on system water plan and/or historical pumping
E11A	FICO Continental	624018	502092	3527822	537	485	386	386	PUG report. Allocation based on system water plan and/or historical pumping
E12	FICO Continental	624019	500635	3520347	378	342	272	272	PUG report. Allocation based on system water plan and/or historical pumping
E13	FICO Continental	624020	503122	3526403	1092	987	785	785	PUG report. Allocation based on system water plan and/or historical pumping
E15	FICO Continental	624022	500333	3518794	586	530	421	421	PUG report. Allocation based on system water plan and/or historical pumping
E16	FICO Continental	624023	503328	3525727	726	656	522	522	PUG report. Allocation based on system water plan and/or historical pumping
E3A	FWC/FICO Continental	624011	502198	3523933	936	1005	874	874	PUG report. Allocation based on system water plan and/or historical pumping
E5A	FWC/FICO Continental	624012	502184	3524332	514	626	577	577	PUG report. Allocation based on system water plan and/or historical pumping
E6	FICO Continental	624013	502425	3525169	530	479	381	381	PUG report. Allocation based on system water plan and/or historical pumping
E7	FICO Continental	624014	503086	3525553	7	7	6	5	PUG report. Allocation based on system water plan and/or historical pumping
E8	FICO Continental	624015	502374	3525166	314	284	225	225	PUG report. Allocation based on system water plan and/or historical pumping
E9	FICO Continental	624016	500862	3521222	286	259	206	206	PUG report. Allocation based on system water plan and/or historical pumping
NP2	FICO Continental	624028	500929	3519541	0	0	0	0	PUG report. Allocation based on system water plan and/or historical pumping
W11	FWC/FICO Continental	624025	499969	3520085	359	487	468	468	PUG report. Allocation based on system water plan and/or historical pumping
W12	FICO Continental	624026	500156	3521299	1001	905	719	719	PUG report. Allocation based on system water plan and/or historical pumping
W9	FICO Continental	624024	501271	3524132	956	863	686	686	PUG report. Allocation based on system water plan and/or historical pumping
FICO623990	FICO Sahuarita	623990	505931	3536661	0	0	0	0	PUG report. Allocation based on system water plan and/or historical pumping
S12	FWC/FICO Sahuarita	623981	505183	3535660	1137	1186	1015	1015	PUG report. Allocation based on system water plan and/or historical pumping
S19	FICO Sahuarita	623982	504841	3532023	1369	1237	983	983	PUG report. Allocation based on system water plan and/or historical pumping
S22	FICO Sahuarita	623983	503660	3531621	563	509	405	405	PUG report. Allocation based on system water plan and/or historical pumping
S25	FICO Sahuarita	623985	503037	3533248	1261	1139	906	906	PUG report. Allocation based on system water plan and/or historical pumping
S29	FICO Sahuarita	623986	503806	3535671	496	448	357	357	PUG report. Allocation based on system water plan and/or historical pumping
S31	FICO Sahuarita	623987	505995	3537476	356	322	256	256	PUG report. Allocation based on system water plan and/or historical pumping
S33	FICO Sahuarita	623988	503859	3532226	585	529	420	420	PUG report. Allocation based on system water plan and/or historical pumping
S40	FICO Sahuarita	623991	505004	3534851	1318	1191	947	947	PUG report. Allocation based on system water plan and/or historical pumping
S43	FICO Sahuarita	623993	503813	3537068	852	770	612	612	PUG report. Allocation based on system water plan and/or historical pumping
S44	FICO Sahuarita	623994	503859	3530811	1593	1439	1144	1144	PUG report. Allocation based on system water plan and/or historical pumping
S45	FICO Sahuarita	623995	504834	3532831	1769	1598	1271	1271	PUG report. Allocation based on system water plan and/or historical pumping
S46	FICO Sahuarita	623996	502647	3532239	1047	946	752	752	PUG report. Allocation based on system water plan and/or historical pumping
S48	FICO Sahuarita	623997	504987	3537067	688	622	494	494	PUG report. Allocation based on system water plan and/or historical pumping
S49	FICO Sahuarita	623998	504793	3538083	477	431	343	343	PUG report. Allocation based on system water plan and/or historical pumping
S50	FICO Sahuarita	623999	504991	3538695	38	35	28	28	PUG report. Allocation based on system water plan and/or historical pumping
S51	FICO Sahuarita	624000	503017	3535471	1268	1146	911	911	PUG report. Allocation based on system water plan and/or historical pumping
S52	FWC/FICO Sahuarita	624001	504790	3535663	540	649	595	595	PUG report. Allocation based on system water plan and/or historical pumping
S52A	FWC/FICO Sahuarita	534992	504806	3534853	107	259	289	289	PUG report. Allocation based on system water plan and/or historical pumping
S53	FICO Sahuarita	624002	503453	3532635	1650	1491	1185	1185	PUG report. Allocation based on system water plan and/or historical pumping
S54	FICO Sahuarita	624003	503069	3531047	1321	1194	949	949	PUG report. Allocation based on system water plan and/or historical pumping
S55	FICO Sahuarita	624004	502062	3531858	1904	1721	1368	1368	PUG report. Allocation based on system water plan and/or historical pumping
S56	FICO Sahuarita	624005	505213	3534443	455	411	327	327	PUG report. Allocation based on system water plan and/or historical pumping
201058	Farmers Water Co	201058	506980	3532009	10	10	10	10	PUG report. Allocation based on system water plan and/or historical pumping
FICO543409	FICO	543409	500252	3521313	520	470	374	374	PUG report. Allocation based on system water plan and/or historical pumping
FICO624008	FICO	624008	500844	3522312	0	0	0	0	PUG report. Allocation based on system water plan and/or historical pumping
FICO624017	FICO	624017	502434	3523937	0	0	0	0	PUG report. Allocation based on system water plan and/or historical pumping
FICO624042	FICO	624042	502790	3531624	0	0	0	0	PUG report. Allocation based on system water plan and/or historical pumping
Model Total					31,021	28,999	23,523	23,522	
PUG Total					31,020	28,995	23,510	--	
Municipal Water Providers									
Community Water Company									
CW3	Community Water Company	627483	500048	3523810	0	0	0	0	Rates and allocation estimates provided by Community Water Company
CW5	Community Water Company	627484	501234	3522497	0	0	0	0	Rates and allocation estimates provided by Community Water Company
CW6	Community Water Company	627485	500891	3525794	0	0	0	0	Rates and allocation estimates provided by Community Water Company
CW7	Community Water Company	502546	499660	3528094	0	0	0	0	Rates and allocation estimates provided by Community Water Company
CW8	Community Water Company	543600	499799	3525661	0	0	0	0	Rates and allocation estimates provided by Community Water Company
CW9	Community Water Company	588121	501072	3528741	0	0	0	0	Rates and allocation estimates provided by Community Water Company
CW10	Community Water Company	207982	500975	3523255	1349	1540	1724	1724	Rates and allocation estimates provided by Community Water Company

Attachment A Pumping Wells and Rates

Annual Withdrawal (acre-feet)									
Well ID	Water Right Owner	ADWR Registration	UTM East	UTM North	2010	2020	2030	2040	Basis for Estimate
CW11	Community Water Company	608518	502442	3530984	1349	1540	1724	1724	Rates and allocation estimates provided by Community Water Company
CW6r	Community Water Company	future	501123	3526046	781	876	981	981	Rates and allocation estimates provided by Community Water Company
CW9r	Community Water Company	future	501233	3528673	781	876	981	981	Rates and allocation estimates provided by Community Water Company
CW12	Community Water Company	future	500249	3523080	0	697	781	781	Rates and allocation estimates provided by Community Water Company
Model Total					4,259	5,529	6,191	6,191	
PUG Total					3,200	3,500	3,900	--	

Green Valley Water Improvement District

GV1	Green Valley Water	603428	499813	3522254	1455	1548	1597	1597	PUG report (including water supplied to golf courses ²). Allocation based on system water plan.
GV2	Green Valley Water	603429	499786	3521654	1660	1767	1823	1823	PUG report (including water supplied to golf courses ²). Allocation based on system water plan.
Model Total					3,115	3,315	3,420	3,420	
PUG Total					3,115	3,315	3,420	--	

Las Quintas Serenas

ST5	Las Quintas Serenas	608531	500619	3531941	90	102	102	102	PUG report. Allocation based on system water plan.
ST6	Las Quintas Serenas	608530	501248	3531353	203	228	228	228	PUG report. Allocation based on system water plan.
ST7	Las Quintas Serenas	566940	500778	3531036	316	355	355	355	PUG report. Allocation based on system water plan.
Model Total					610	685	685	685	
PUG Total					610	685	685	--	

Quail Creek Water Company²

AN-2(RROC2)	Quail Creek Water Company	608519	503457	3529250	0	0	0	0	PUG report. Allocation of rates based on historic rates and system water plan.
AN-4(RROC1)	Quail Creek Water Company	608521	503457	3527990	460	460	460	460	PUG report. Allocation of rates based on historic rates and system water plan.
QCWC_No11	Quail Creek Water Company	608597	505964	3526918	0	0	0	0	PUG report. Allocation of rates based on historic rates and system water plan.
QCWC_No13	Quail Creek Water Company	608522	504788	3528380	510	746	1046	1046	PUG report. Allocation of rates based on historic rates and system water plan.
QCWC_No16	Quail Creek Water Company	608598	506962	3526858	0	4	4	4	PUG report. Allocation of rates based on historic rates and system water plan.
Model Total					970	1,210	1,510	1,510	
PUG Total					970	1,210	1,510	--	

Sahuarita Water Company^{3,4}

SWC_1	Sahuarita Water Company	611144	502752	3537471	2210	2583	2583	2583	PUG report. Allocation of rates based on historic rates and estimates provided by Sahuarita Water Company. Locations of future wells uncertain
SWC_2	Sahuarita Water Company	562962	501558	3535872	0	0	0	0	PUG report. Allocation of rates based on historic rates and estimates provided by Sahuarita Water Company. Locations of future wells uncertain
SWC_3	Sahuarita Water Company	future	501134	3537343	50	1614	1614	1614	PUG report. Allocation of rates based on historic rates and estimates provided by Sahuarita Water Company. Locations of future wells uncertain
SWC_4	Sahuarita Water Company	future	501983	3534401	0	1144	1571	1571	PUG report. Allocation of rates based on historic rates and estimates provided by Sahuarita Water Company. Locations of future wells uncertain
SWC_5	Sahuarita Water Company	future	501134	3534401	0	1144	1571	1571	PUG report. Allocation of rates based on historic rates and estimates provided by Sahuarita Water Company. Locations of future wells uncertain
SWC_5	Sahuarita Water Company	future	501558	3537343	0	0	1571	1571	PUG report. Allocation of rates based on historic rates and estimates provided by Sahuarita Water Company. Locations of future wells uncertain
Model Total					2,260	6,485	8,910	8,910	
PUG Total					2,260	6,485	8,910	--	

Metal Mining

Freeport McMoRan Sierrita

IW1	Freeport McMoRan Sierrita	623129	496905.893	3521277.779	558	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW10	Freeport McMoRan Sierrita	508237	497370.367	3523122.199	491	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW11	Freeport McMoRan Sierrita	508235	497371.414	3523428.954	537	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW12	Freeport McMoRan Sierrita	545555	497364.911	3523969.869	242	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW13	Freeport McMoRan Sierrita	545556	497363.82	3524166.673	0	0	0	0	No anticipated use
IW14	Freeport McMoRan Sierrita	545557	497367.126	3524373.123	144	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW15	Freeport McMoRan Sierrita	545558	497372.873	3524567.261	70	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW16	Freeport McMoRan Sierrita	545559	497370.651	3524782.868	0	0	0	0	No anticipated use
IW17	Freeport McMoRan Sierrita	545560	497373.717	3525002.869	0	0	0	0	No anticipated use
IW18	Freeport McMoRan Sierrita	545561	497374.056	3525169.771	0	0	0	0	No anticipated use
IW19	Freeport McMoRan Sierrita	545562	497373.63	3525343.392	271	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW2	Freeport McMoRan Sierrita	623130	497485.462	3521360.552	861	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW20	Freeport McMoRan Sierrita	545563	497364.739	3525568.77	225	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW21	Freeport McMoRan Sierrita	545564	497374.585	3525773.267	255	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW22	Freeport McMoRan Sierrita	200554	497369.59	3523273.592	644	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW23	Freeport McMoRan Sierrita	200555	497369.238	3522970.788	327	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW24	Freeport McMoRan Sierrita	200556	497371.67	3522633.594	397	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW3	Freeport McMoRan Sierrita	623131	497366.194	3521722.609	0	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW3A	Freeport McMoRan Sierrita	201732	497366.22	3521722.64	923	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study

**Attachment A
Pumping Wells and Rates**

Annual Withdrawal (acre-feet)									
Well ID	Water Right Owner	ADWR Registration	UTM East	UTM North	2010	2020	2030	2040	Basis for Estimate
IW4	Freeport McMoRan Sierrita	623132	497371.699	3522465.879	371	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW5	Freeport McMoRan Sierrita	623133	497369.528	3522814.85	186	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW6A	Freeport McMoRan Sierrita	545565	497381.226	3523708.756	206	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW7	Freeport McMoRan Sierrita	623135	496427.52	3521306.55	0	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW8	Freeport McMoRan Sierrita	508238	497368.253	3522020.52	729	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
IW9	Freeport McMoRan Sierrita	508236	497369.791	3522207.639	409	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
S1	Freeport McMoRan Sierrita	623111	499930.800	3518792.700	2335	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
S2	Freeport McMoRan Sierrita	623112	499133.300	3517458.800	2169	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
S3	Freeport McMoRan Sierrita	623113	498136.200	3516036.900	2779	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
S4	Freeport McMoRan Sierrita	623114	497344.100	3514807.400	3623	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
S5	Freeport McMoRan Sierrita	623115	496560.800	3513400.500	4416	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
S6	Freeport McMoRan Sierrita	623116	496371.300	3511991.700	4005	TBD	TBD	TBD	Pumping for 2010 is average of 2006-2007 pumping. Pumping for others years to be determined in Feasibility Study
ESP1	Freeport McMoRan Sierrita	623102	499969.682	3526448.677	0	0	0	0	No anticipated use
ESP2	Freeport McMoRan Sierrita	623103	500241.637	3526924.656	0	0	0	0	No anticipated use
ESP3	Freeport McMoRan Sierrita	623104	500234.067	3527377.239	0	0	0	0	No anticipated use
ESP4	Freeport McMoRan Sierrita	623105	499916.831	3526132.758	0	0	0	0	No anticipated use
Model Total					27,173	TBD	TBD	TBD	
PUG Total					29,800	26,800	20,800	--	
Rosemont Mine									
Rosemont1	Augusta Resources	214277	508428	3533489	0	1500	1500	1500	PUG report
Rosemont2	Augusta Resources	future	507818	3533390	0	1500	1500	1500	PUG report
Rosemont3	Augusta Resources	future	507818	3533590	0	1500	1500	1500	PUG report
Rosemont4	Augusta Resources	future	508123	3533490	0	1500	1500	1500	PUG report
Model Total					0	6,000	6,000	6,000	
PUG Total					0	6,000	6,000	--	
Golf Courses¹									
Haven	Haven Golf	515867	501609	3526344	765	765	765	765	PUG report
TorresBlancas	Torres Blancas Golf	543409	502409	3521313	560	560	560	560	PUG report
CCoGV	Country Club of Green Valley	501760	501635	3527876	700	700	700	700	PUG report
Model Total					2,025	2,025	2,025	2,025	
PUG Total					2,025	2,025	2,025	--	
Other Users									
TwinButtes	Twin Butters Properties	future	500455	3530824	150	500	1500	1500	PUG report
StateLand	future developer	future	506015	3533579	0	500	1325	1325	PUG report
Model Total					150	1,000	2,825	2,825	
PUG Total					150	1,000	2,825	--	
ContSD39	Continental School District 39	601769	504049	3522942	4	4	4	4	Average pumping rate
Cox	Cox, W	604432	508795	3534015	3	3	3	3	Average pumping rate
Grant	Grant, M	801401	496059	3518416	2	2	2	2	Average pumping rate
GVINV_625711	Green Valley Investors	625711	501568	3526181	370	370	370	370	Average rate from 1990 -2007
GVINV_625712	Green Valley Investors	625712	501600	3526400	301	301	301	301	Average rate from 1990 -2007
Lamb	Lamb, V	628534	505340	3535044	4	4	4	4	10-yr average rate
LosArboles	Los Arboles MHP	524178	502573	3533448	53	53	53	53	10-yr average rate
OcotilloCommunity	Ocotillo Community	801309	498963	3511412	17	17	17	17	Pumping rate for 2001
Olivas	Olivas, Eugene	801154	503396	3531213	1	1	1	1	Average pumping rate
Model Total					755	755	755	755	
PUG Total					--	--	--	--	

Notes:

- ¹ Includes groundwater withdrawal for both municipal and agricultural uses by Farmers Insurance Company and Farmers Water Company
- ² Withdrawals for Desert Hills, Canoa Hills, San Ingacio golf courses included in pumping from Green Valley Water Improvement District Wells
- Withdrawals for Quail Creek Golf Course included in pumping from Robson Ranch/Quail Creek wells
- ³ Listed as Rancho Sahuarita Water Company in PUG report
- ⁴ Withdrawals for the proposed Mission Peaks development including in pumping from Rancho Sahuarita wells

ATTACHMENT B

**ESTIMATED WATER USAGE FOR UPPER SANTA CRUZ
PROVIDERS AND USERS GROUP**

ESTIMATED WATER USAGE

FOR

USC/PUG GEOGRAPHICAL AREA

YEARS: 2006 - 2030

Prepared By:

**Bob Hedden
Harold Metz
Tom Miller
Ken Taylor
Frank Thomson**

April 7, 2008

The Upper Santa Cruz Providers and Users Group (USC/PUG or PUG) was formed in November, 2007 to discuss the long-term future of the aquifer serving the southern part of the Tucson AMA as shown in Attachments #1A & #1B. PUG members who are representatives from the major water users and water providers located within the indicated area became concerned about the long term water supply sustainability based on both current and future groundwater pumping rates. After the initial meeting, the PUG members developed the following goal for the organization:

“ USC/PUG desires to bring Central Arizona Project (CAP) water and other renewable water resources to the greater Green Valley/Sahuarita region to meet the long-term Demands on the local aquifer supporting growth, lifestyle, and the environment”

It was determined by the PUG members that in order to assess and evaluate the status of water usage within the PUG area, data needed to be collected for both current and future demands on the aquifer. A “Data and Fact Finding” sub-committee was formed to develop a “base” of data the PUG could use to formulate and implement an operational plan to attain the group’s stated goal.

The Fact Finding sub-committee determined a significant amount of data/information was already available from the following sources:

- A. Malcolm Pirnie Engineering Report dated October, 1997
- B. Pima County “Long-term Green Valley Water Supply” report dated October, 2007
- C. Arizona Department of Water Resources

After reviewing the information from the above sources, the Fact Finding Committee determined up-dating the Annual Water Usage as outlined in the Malcolm Pirnie report would provide the best base from which to estimate future water requirements. Actual water usage by major water user and major water provider was collected from the Arizona Department of Water Resources (ADWR) data bank for the years 2000 – 2006 (Attachment #2). Since it had been determined residential and commercial growth was

going to have the impact on future water usage, the actual number of residential hook-ups and commercial water usage in 2006 was developed from ADWR data and then verified by the individual water provider. Picking 2006 as the base year, the Fact Finding Committee developed a summary by major water user and water provider depicting an estimate of the net aquifer impact (over-draft) for that year. (Attachment #3) Where the Fact Finding Committee deviated from Malcolm Pirnie Report and the Pima County Report was the recognition of water recovery using the Tucson AMA and ADWR criteria. Waste water recovery and natural recovery (run-off and recharge) rates used by ADWR and Tucson AMA were included to calculate the "net impact" on the aquifer.

From the 2006 base year, estimates of water usage and recovery by major water users and water providers was developed for the years 2010, 2020, and 2030. Since the mines and golf courses were not expecting any growth during these periods, 2006 usage was used for the three periods indicated. Growth was expected primarily in residential construction both within existing locations plus potentially new areas of development (State Trust Land) within the PUG geographical area. Residential growth estimates were developed in conjunction with the major water provider and/or developer. (Attachments #4 & #5)

The Fact Finding Committee also developed data pertaining to the possible availability of CAP water at the Pima Mine Road Recharge Facility for recharge in the PUG geographical area. (Attachment #6)

From the data collected and estimates developed for future water usage, the Fact Finding Committee has developed a list of "Findings" and "Recommendations" we are including in this report for PUG consideration and action.

FINDINGS:

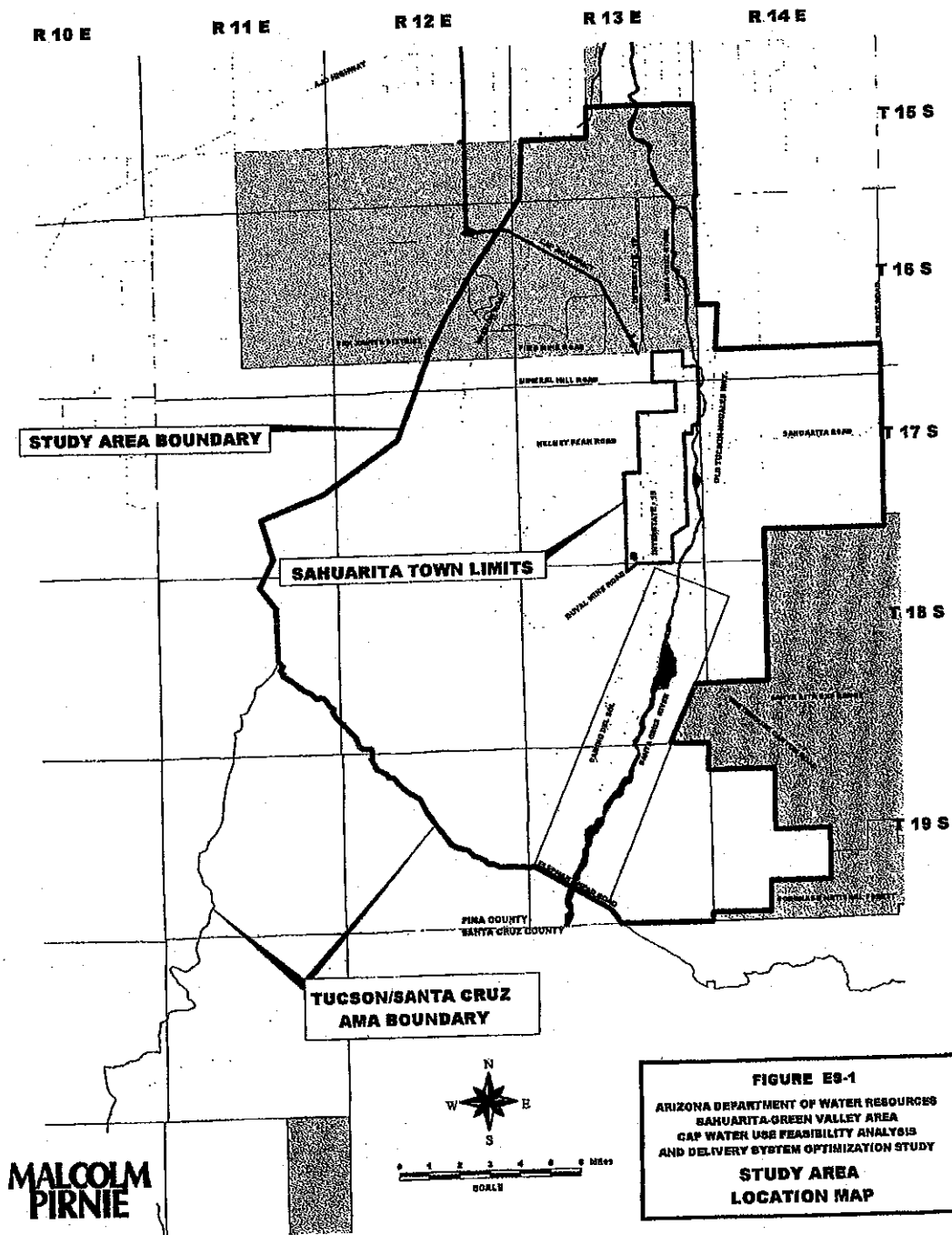
1. Water usage pertaining to the mines and golf courses was kept constant from 2006 – 2030 since neither entity expected any growth or significant water usage reduction during that period.
2. The number of residential hook-ups in 2006 (24635 units) double by 2020 (50130 units) and increase an additional 40% by 2030 to 70230 units
3. Net residential water usage grows from 3100 af in 2006 to 9000 af by 2030.
4. The Annual aquifer overdraft of 39100 af in 2006 continues to be reduced to an estimated 32255 af in 2030.
5. CAGRDR recharge commitments within PUG geographical area increase from 1875 af in 2006 to 15100 af in 2030.
6. Possible available (non-committed) CAP water at the Pima Mine Road Recharge Facility equals about 30000 af.
7. The proposed pipeline routes in the Malcolm Pirnie Report are still valid. The evaluation/rationale for suggesting the route along The Old Nogales Highway as the best and lowest cost route is also valid.

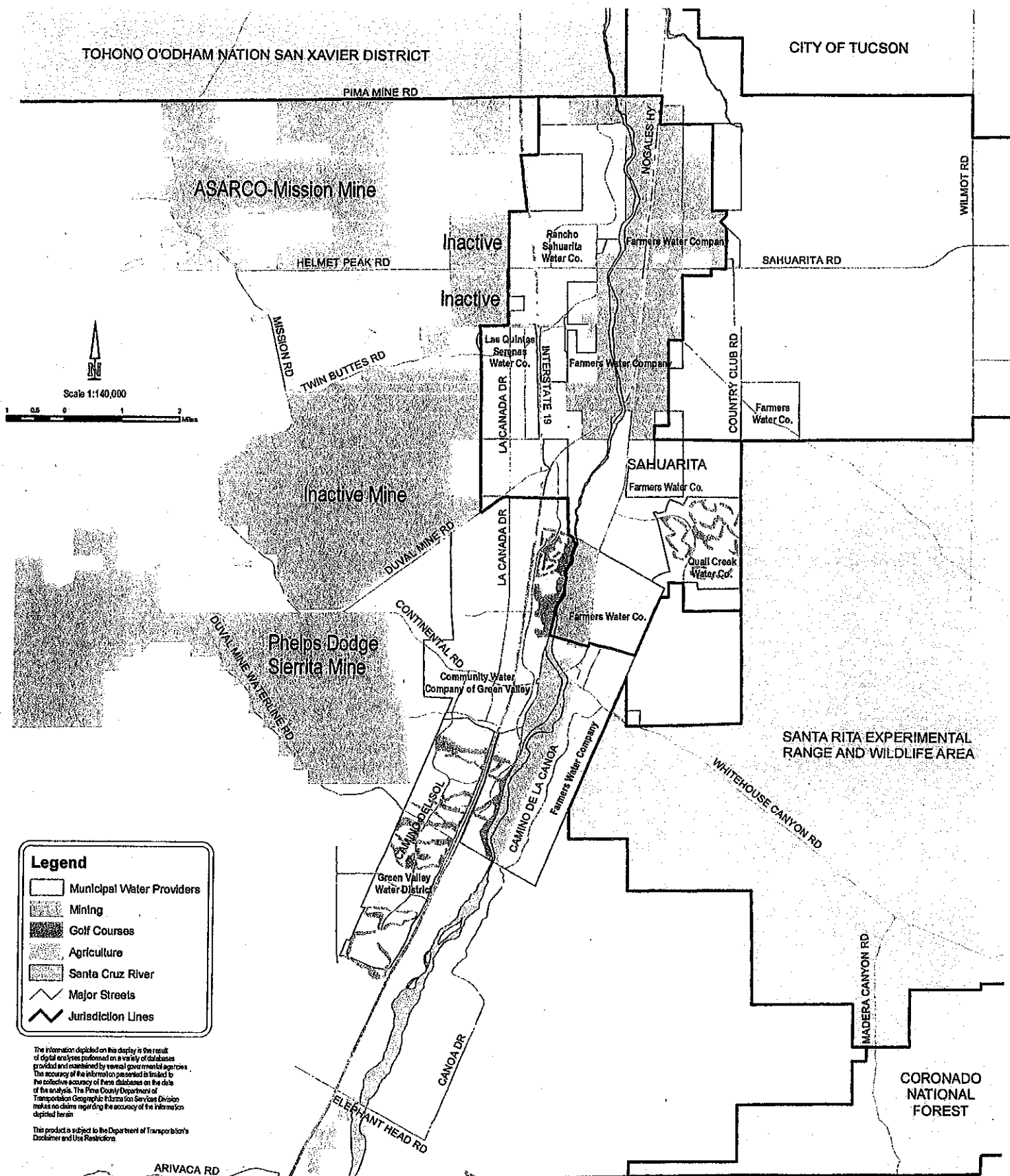
RECOMMENDATIONS:

1. The Fact Finding Committee estimated Water Usage and Recovery Report from 2006 – 2030 should be accepted by the PUG Core Group.
2. PUG should proceed with the evaluation of installing a 36" pipeline from the Pima Mine Road Recharge Facility to the Green Valley/Sahuarita area.
3. Evaluate and design possible recharge locations including associated delivery systems within the PUG geographical area. This would include a hydrological impact evaluation on the aquifer. We are recommending having several recharge locations.
- x 4. Evaluate the quality of the CAP water including possible treatment options required for use in either residential or non-residential instances.

5. Have Pima County conduct a study to increase the recovery of both natural and designed surface water run-off including identifying possible locations and methodology for this type of recovery.
6. Meet with CAGRD to establish parameters and guidelines for recharging their commitments within the PUG geographical area.
7. Meet with both Pima County Waste Water Reclamation and Sahuarita Waste Water Treatment personnel to discuss current effluent discharge parameters and long range plans for increased effluent discharge associated with residential expansion.

ATTACHMENT #1-A





Green Valley Area - Major Water Users - Figure 2

Pima County DOT Geographic Information Services
 Pima County Geographic Information Services
 201 North Stone Avenue - 9th Floor
 Tucson, Arizona 85701-1287
 (520) 790-6570 - FAX: (520) 790-3420
<http://www.dot.pima.gov>



ATTACHMENT # 2

Sahuarita/Green Valley Water Use for 2006

	2000	2001	2002	2003	2004	2005	2006	Percentage in 06
Ag Sector								
FICO	28,145	27,174	25,624	28,431	31,166	29,394	29,800	
Ag Total	28,145	27,174	25,624	28,431	31,166	29,394	29,800	39%
Muni								
Farmer's Water Company	538	555	668	662	740	669	859	
Green Valley DWID (excluding golf, see below)	874	891	1,003	1,033	1,139	1,121	1,075 1,000	
Community WC	2,448	2,275	2,495	2,525	2,572	2,854	2,871	
Rancho Sahuarita	16	139	259	433	497	840	984	
Las Quintas WC	442	433	496	484	482	508	588	
Quail Creek WC	95	83	136	216	238	354	413	
Muni Total	4,413	4,376	5,057	5,353	5,668	6,346	6,790 7,345	10%
Metal Mining								
Phelps Dodge (Sierrita)	26,156	24,247	18,229	19,256	26,483	28,492	26,690	
ASARCO (Mission)	12,498	8,899	6,750	4,627	5,877	5,056	7,893	
Mining Total	38,654	33,146	24,979	23,883	32,360	33,548	34,583	45%
Golf								
Quail Creek GC	447	425	429	530	508	499	460	
Country Club of Green Valley	615	609	711	657	652	710	701	
Haven GC	712	640	684	665	606	639	765	
Desert Hills GC*	479	449	496	460	474	497	485	
Torres Blancas GC	494	453	451	405	391	533	561	
Canoa Hills GC*	436	485	501	509	537	511	446	
San Ignacio GC*	436	454	508	495	496	533	452	
Canoa Ranch GC*	0	0	244	552	528	565	504	
Golf Total	3,619	3,515	4,024	4,273	4,192	4,487	4,374	6%
Sand and Gravel								
Cemex (Pima Mine)	404	530	121	116	327	184	177	
Rinker (Green Valley)	0	123	135	204	303	163	288	
S&G Total	404	653	256	320	630	347	465	1%
TOTAL	75,234	68,864	59,940	62,260	74,016	74,122	76,012 76,537	100%

Note, golf courses served by Green Valley DWID have an (*) next to them, Canoa Ranch is served through annual recovery of CAP.

Note, rounding of sector percentages causes total percentage to exceed 100%.

ATTACHMENT # 3

PUG BASE WATER USAGE & RECOVERY			
	2006		
<u>PROVIDERS/USERS</u>	<u>2006 USAGE</u>	<u>RECOVERY</u>	<u>RECV. BASIS</u>
FICO	29800 af	7450 af	25%
FREEPORT/McMoRan	26700 af *	5340 af	20%
ASARCO	7900 af	1580 af	20%
<u>WATER PROVIDERS</u>			
Farmers Water Co.	915 af	550 af	
Green Valley DWID	1075 af	645 af	
Community Water Co.	3100 af	1860 af	
Sahuarita Water Co.	1150 af	690 af	
Las Quintas Water Co.	590 af	355 af	
Quail Creek Water Co.	<u>415 af</u>	<u>250 af</u>	
Total Water Providers	7245 af	4350 af	60%
<u>GOLF COURSES</u>			
Quail Creek GC	460 af	90 af	
Country Club of Green Valley	700 af	140 af	
Haven GC	765 af	155 af	
Deaert Hills GC	485 af	95 af	
Torres Blancas GC	560 af	115 af	
Canoa Hills GC	445 af	90 af	
San Ignacio GC	455 af	90 af	
Canoa Ranch GC	<u>505 af</u>	<u>100 af</u>	
Total Golf Courses	4375 af	875 af	20%
<u>SAND/GRAVEL</u>	475 af		
Individual Homeowner Wells	330 af	200 af	60%
<u>OTHER RECOVERY</u>			
CAP - Canoa Ranch GC		505 af	Total
Natural Recharge/Recovery		17500 af	ADWR
SUB - TOTAL	76825 af	37725 af	
SHORTFALL		39100 af	
TOTAL	76825 af	76825 af	

ATTACHMENT #4

PUG ESTIMATED WATER USAGE & RECOVERY (2006 - 2030)								
MAJOR USERS & PROVIDERS	2006 BASE YEAR		2010 ESTIMATE		2020 ESTIMATE		2030 ESTIMATE	
	USAGE	RECOVERY	USAGE	RECOVERY	USAGE	RECOVERY	USAGE	RECOVERY
FICO	29800 af	7450 af	29800 af	7450 af	26800 af	6700 af	20800 af	5200 af
FREEPORT/McMoRan	26700 af	5340 af	28000 af	5600 af	28000 af	5600 af	28000 af	5600 af
ASARCO	7900 af	1580 af	8000 af		8000 af		8000 af	
WATER PROVIDERS								
Farmers Water Co.	915 af	515 af	1220 af	730 af	2195 af	1315 af	2710 af	1625 af
Green Valley DWID	1075 af	620 af	1225 af	705 af	1425 af	830 af	1530 af	890 af
Community Water Co.	3100 af	1800 af	3200 af	1860 af	3500 af	2030 af	3900 af	2260 af
Sahaurita Water Co.	1150 af	740 af	2210 af	1325 af	4160 af	2500 af	4220 af	2535 af
Las Quintos Water Co.	590 af	355 af	610 af	365 af	685 af	410 af	685 af	410 af
Quail Creek Water Co.	415 af	250 af	510 af	265 af	750 af	400 af	1050 af	630 af
GOLF COURSES	4375 af	875 af	4375 af	875 af	4375 af	875 af	4375 af	875 af
SAND and GRAVEL	475 af		550 af		750 af		750 af	
INDIVIDUAL HOMEOWNER WELL	330 af	200 af	365 af	220 af	500 af	300 af	660 af	400 af
POTENTIAL MAJOR USERS								
Mission Peaks Dev.			50 af		2325 af	1425 af	4690 af	2815 af
Twin Buttes Properties			150 af		500 af	300 af	1500 af	900 af
State Trust Land Use					500 af	300 af	1325 af	800 af
Rosemont Mine					6000 af		6000 af	
OTHER RECOVERY								
Natural Recharge/Recovery		17500 af		17500 af		17500 af		17500 af
CAP:								
ASARCO				8000 af		8000 af		8000 af
Canoa Ranch GC		500 af		500 af		500 af		500 af
Rosemont Mine						7000 af		7000 af
CAGR								
TOTALS	76825 af	37725 af	80265 af	45395 af	90465 af	55465 af	90195 af	57940 af
AQUIFER OVER-DRAFT	39100 af		34870 af		34480 af		32255 af	

ATTACHMENT # 5

	ESTIMATED RESIDENTIAL HOOK-UPS			
	2006 - 2030			
<u>WATER PROVIDERS/MAJOR USERS</u>	<u>2006</u>	<u>2010</u>	<u>2020</u>	<u>2030</u>
FARMERS WATER CO.	1870	2500	4500	8500
GREEN VALLEY WATER DISTRICT	4195	4500	5300	5700
COMMUNITY WATER CO.	11485	11900	13000	14500
SAHAURITA WATER CO.	3625	5885	11465	11665
LAS QUINTAS WATER CO.	1125	1175	1365	1365
QUAIL CREEK WATER CO.	1335	1850	2800	3800
MISSION PEAKS DEVEL.		150	7200	14200
TWIN BUTTES PROPERTIES			1500	4500
INDIVIDUAL RESIDENTIAL HOOK-UPS	1000	1100	1500	2000
STATE TRUST LAND			1500	4000
TOTAL EST. HOOK-UPS	24635	29060	50130	70230

ATTACHMENT #6

CAP Pima Mine Road Terminus Available Water

Acre-feet tabulations on a 10 month year basis to allow
for maintenance and system interruptions

	Case 1		Case 2	
	CAP Capacity cu ft/sec	CAP Capacity acre-feet per year	CAP Capacity cu ft/sec	CAP Capacity acre-feet per year
Indian Nations				
Schuk Toak District	0.0	0	26.5	16,000
(Upstream of Black Mountain)				
Black Mountain Reservoir				
(Feeds Pima Mine Road Terminus)				
Existing Black Mtn Pumps	200.0	120,670	200.0	120,670
CAP Allocations and Commitments				
(Upstream of Pima Mine Terminus)				
Indian Nations <i>Subtotal</i>	(110.2)	(66,500)	(83.7)	(50,500)
Pascua Yaqui	(0.8)	(500)	(0.8)	(500)
San Xavier 1	(64.4)	(38,850)	(37.9)	(22,850)
San Xavier 2	(30.0)	(18,100)	(30.0)	(18,100)
ASARCO	(15.0)	(9,050)	(15.0)	(9,050)
(Downstream of Pima Mine Terminus)				
Pima Mine Road Recharge Facility				
Existing facility	(49.7)	(29,990)	(49.7)	(29,990)
CAP Pima Mine Terminus				
(Downstream of Pima Mine Terminus)				
Net	40.1	24,180	66.6	40,180

1.0 = 724

161.5 = San Xavier 1 Design Capacity

Indian Nation Allocation = 66,500 acre feet per year

CN C4888f080311

Greater Green Valley/Sahuarita Region Water

Slide No: 12

UPPER SANTA CRUZ PROVIDERS AND USERS GROUP

Working Together for Long-Term, Regional Water Solutions

Press Release

Thursday, April 17, 2008

For Immediate Release

Contact: Dennis Skelton, Project Facilitator, (520) 625-8286
Bob Hedden, Data Committee Chairman, (520) 399-2832

UPPER SANTA CRUZ PROVIDERS AND USERS GROUP RELEASES INITIAL DATA FINDINGS AND ACTION RECOMMENDATIONS

(Green Valley/Sahuarita, Arizona) – The Upper Santa Cruz Providers and Users Group (USCPUG), a group of water providers and major water users in the Upper Santa Cruz basin, has released its initial data findings and action recommendations to further its goal to create broad-based, long-term solutions to the region's water concerns.

USCPUG, formed in November 2007, appointed a "Data and Fact-Finding Committee", chaired by Bob Hedden, a Director of the Green Valley Domestic Water Improvement District. Other members of this committee are: Harold Metz of Twin Buttes Properties; Tom Miller of the Green Valley Community Coordinating Council; Ken Taylor of the Community Water Company of Green Valley; and Frank Thomson of Frank Thomson & Associates.

This committee was charged with assessing and evaluating the status of water usage within the Upper Santa Cruz water basin. This base data was accumulated from three primary sources: The Malcolm Pirnie Engineering Report (October 1997); The Pima County "Long-term Green Valley Water Supply" Report (October 2007); and the Arizona Department of Water Resources.

The committee's findings confirmed an estimated "overdraft" of groundwater in the Upper Santa Cruz water basin of 39,100 acre feet per year (AFY), decreasing to 32,255 AFY by the year 2030. The committee's recommendations include the evaluation of installing a 36-inch pipeline to deliver Central Arizona Project (CAP) water from the Pima Mine Road Recharge Facility to the Green Valley/Sahuarita Area. The committee also recommends the evaluation and design of possible recharge locations within the same area.

Information provided by the Community Water Company of Green Valley indicated that a 36-inch pipeline would be capable of delivering 30,000 AFY.

In addition to its core group of water providers and users, USC/PUG has sought input and advice from a broad spectrum of government, education and citizens groups.

###

USC/PUG CORE GROUP MEETING April 11, 2008

Time: 9:00 AM

Place: Sahuarita Town Hall

Agenda

1. Presentation by Pima County Administrator Mr. Chuck Huckleberry
2. Presentation of Data Committee findings and recommendations - Bob Hedden
Steering Committee recommends Core Group approval
3. Update on CWC pipeline project - Ken Taylor

ATTACHMENT C

**BUREAU OF RECLAMATION PUBLIC MEMORANDUM
ON CAP WATER USAGE**



IN REPLY REFER TO:

United States Department of the Interior
BUREAU OF RECLAMATION

Phoenix Area Office
6150 West Thunderbird Road
Glendale, Arizona 85306-4001



AUG 11 2008

PXAO-1500
ENV-6.00

MEMORANDUM

To: All Interested Parties, Organizations, and Agencies

From: Carol Lynn Erwin
Area Manager

Subject: Notice of Public Scoping for Preparation of an Environmental Assessment (EA) on the Proposed Community Water Company of Green Valley (CWC) Central Arizona Project (CAP) Water Distribution System and Recharge Facility (Action by September 12, 2008)

The Bureau of Reclamation has received CWC's final plans for taking and using its CAP water allocation. Pursuant to the National Environmental Policy Act, Reclamation is requiring preparation of an EA to describe the existing environment and anticipated environmental impacts from construction and operation of CWC's proposed CAP water system. Reclamation is inviting the public to provide input regarding issues and concerns that should be included in the EA.

BACKGROUND

On May 17, 1985, CWC entered into a CAP water service subcontract for 1,100 acre-feet (AF) of CAP water annually, with Reclamation and the Central Arizona Water Conservation District, which operates the CAP. This CAP water service subcontract was later amended in 1997 when New Pueblo Water Company transferred 337 AF annually to CWC. CWC also was allocated 1,521 AF annually as a result of the 2005 Arizona Water Settlements Act, making CWC's total CAP water allocation 2,858 AF annually.

Prior to entering into its initial subcontract, Reclamation reviewed CWC's conceptual plans for taking and using its CAP water allocation and determined they would not result in significant impacts. Because CWC did not plan to implement those plans in the reasonably foreseeable future, Reclamation indicated that CWC would need to submit final plans for taking and using its CAP water allocation to Reclamation for review and final environmental clearances prior to commencement of construction.

Recently, CWC provided Reclamation with final plans for taking and using its CAP water allocation. The prior conceptual plans indicated CWC would treat and directly use its CAP water. The final plans indicate CAP water would be recharged and CWC would continue to pump and serve ground water. Reclamation has determined an EA is needed due to the following: The final plans include construction and operation of a recharge facility; there has been a substantial amount of time that has gone by since Reclamation's original review; and,

the areas to be impacted and environmental conditions have changed. Based upon the EA, Reclamation will determine whether a Finding of No Significant Impact is appropriate or an environmental impact statement must be prepared prior to approving CWC's plans.

COMMENTS AND PUBLIC SCOPING MEETING

The purpose of the EA is to describe the proposed project and environmental impacts that are anticipated to result from its implementation. Brief descriptions of the proposed action and the No Action alternative to be included in the EA are provided in the attachment to this memorandum. The impacts we currently anticipate addressing in the EA include, but are not limited to, biological resources, cultural resources, land ownership and use, water quality and quantity, air quality, and socioeconomic resources.

Reclamation is interested in receiving your input regarding potential impacts of the proposed action, alternatives that should be considered, and/or other concerns and issues that should be addressed in the EA. We will be holding a public scoping meeting to solicit your comments. At this meeting you will have an opportunity to view our exhibits, listen to a short presentation regarding the proposed project, and provide verbal and/or written comments:

<u>Date and Time:</u>	August 26, 2008, at 5:00 p.m.
<u>Location:</u>	Green Valley Recreation West Center, 520-625-0288
<u>Address:</u>	1111 South Villa Arco Iris, Green Valley, Arizona 85614

Hearing-impaired, visually impaired, and/or mobility-impaired persons planning to attend this meeting may arrange for necessary accommodations by calling CWC at 520-625-8409, by August 15, 2008.

Comments may also be sent by mail to Reclamation's Phoenix Area Office at the above address, Attention: PXAO-1500 (Ms. Sandra Eto). To be most helpful, comments should be as specific as possible and sent to Reclamation by September 12, 2008. Comments may also be submitted by faxogram to 623-773-6486. Before including your name, address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment--including your personal identifying information--may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

We anticipate a draft EA will be available for a 30-day public review and comment period in late 2008, at which time we will notify the public of its availability. Copies will be made available at that time; it also will be posted on PXAO's web site, <http://www.usbr.gov/lc/phoenix/>.

If you have any questions, please call Ms. Eto at Reclamation's Phoenix Area Office, 623-773-6254, or write to her at the above address, Attention: PXAO-1500. Thank you for your interest in this project.

ATTACHMENT TO SCOPING NOTICE

Brief Description of the Proposed Community Water Company of Green Valley Central Arizona Project Water Delivery System Project

BACKGROUND

On May 17, 1985, Community Water Company of Green Valley (CWC) entered into a Central Arizona Project (CAP) water service subcontract for 1,100 acre-feet (AF) of CAP water annually, with Reclamation and the Central Arizona Water Conservation District, which operates the CAP. This CAP water service subcontract was later amended in 1997 when New Pueblo Water Company transferred 337 AF annually to CWC. CWC also was allocated 1,521 AF annually as a result of the 2005 Arizona Water Settlements Act, making CWC's total CAP water allocation 2,858 AF annually.

Reclamation must comply with the requirements of the National Environmental Policy Act prior to approving CWC's plans for taking and using its CAP water allocation. Reclamation has determined an environmental assessment (EA) is necessary. Based upon the EA, Reclamation will determine whether a Finding of No Significant Impact is appropriate, or an environmental impact statement must be prepared prior to approving CWC's plans. The impacts currently anticipated to be addressed in the EA include, but are not limited to, biological resources, cultural resources, land ownership and use, water quality and quantity,¹ air quality, and socioeconomic resources.

Proposed Action - Pipeline and New Recharge Site

CWC has been working for a number of years to ensure the future water supply for residents of the Green Valley area. The service area of CWC covers approximately 8-square miles (Figure 1). A 2007 report completed by Pima County states "the water table in Green Valley has been declining in past years and expected to continue to decline as water demands increase." Drawdown of the local aquifer has caused concerns regarding quantity of available water in the future. Despite the current slowdown in the economy, future residential development is likely to occur, as evidenced by the interest in large master-planned communities in this region in recent years. In addition, CWC is concerned about the presence of a sulfate plume from the Phelps Dodge Sierrita tailing impoundment (now owned by Freeport McMoRan Sierrita, Inc.) and its potential impact to CWC's operating wells, underscoring the need for an alternative water source.

CWC plans to construct and operate a raw water delivery pipeline and underground storage facility (recharge site) to deliver and recharge CAP water in the Green Valley area (Figure 2). Under the proposed project, the pipeline would be sized to provide additional flow capacity should other water users make arrangements with CWC to utilize the system for delivery of CAP water.

¹ Although the recharge location is distant from most existing wells and other development, the potential effects, if any, of underground mounding of the water to be recharged in this area will be evaluated.

A proposed 36-inch, raw water pipeline would begin at the existing CAP pipeline terminus, which is located at the southwest corner of the intersection of Interstate 19 and Pima Mine Road (Figure 2). It would proceed east along Pima Mine Road until turning south along Nogales Highway. At the intersection of the Nogales and Old Nogales Highways, the pipeline alignment would continue south along Old Nogales Highway approximately 0.9 miles. At this point, the pipeline size would be reduced to 20-inch pipe and would proceed easterly along the section line of Sections 31 and 32 of Township 17S, Range 14E (the extended alignment for El Corto Road) to a proposed 20-acre recharge site located in Section 29, T17S, R14E. Along this same alignment, a second 20-inch transmission pipeline from the recharge site would be constructed heading in a westerly direction along the section line to CWC's existing Well #11. Two booster stations would be constructed. The new pipeline would deliver up to 7,000 AF of CAP water per year to the recharge site for the first 15 years of operation (a total of 105,000 AF). After that, the rate of recharge may be reduced. Recovery wells would be constructed at the recharge site to recover CAP water after the first 15 years of operation, or sooner if the existing CWC wells become unusable due to sulfate contamination.

An agreement between CWC and Rosemont Copper Company (RCC) would provide the funding mechanism for the pipeline construction. The agreement would allow RCC to recharge CWC's CAP water allocation for a period of 15 years. RCC has made a commitment to the Green Valley community to recharge a total of 105% of any ground water withdrawn for the operation of its facilities. It is anticipated that this commitment, supplemented by additional sources, could result in a recharge volume of as much as 7,000 AF per year. Utilization of the CAP water supply for this recharge would help maintain the local aquifer and utilize renewable water sources.

No Action Alternative

The No Action Alternative would mean that no pipeline would be constructed in the near future for water conveyance and recharge of the aquifer. CWC is a member of a regional water planning group, the Upper Santa Cruz/Providers and Users Group. This group, formed in October 2007, has been studying ways to bring CAP and other renewable water resources to the greater Green Valley/Sahuarita region to address long-term water supply needs. It is anticipated CWC would continue to investigate ways to deliver its CAP water allocation for use within its water service area, either as part of a regional system, or as a discrete system. In the foreseeable future, however, CWC would continue to rely solely on pumped ground water for delivery to its customers. CWC's annual CAP water allocation of 2,858 AF would continue to be available for purchase as excess CAP water.

Without the delivery and use of its CAP water allocation—either directly or by recharge and recovery—CWC would not have an alternative potable water supply should its existing wells become contaminated by the sulfate plume from the mine tailing impoundment. In addition, without introducing a renewable water supply to the area, ground-water levels would continue to decline.

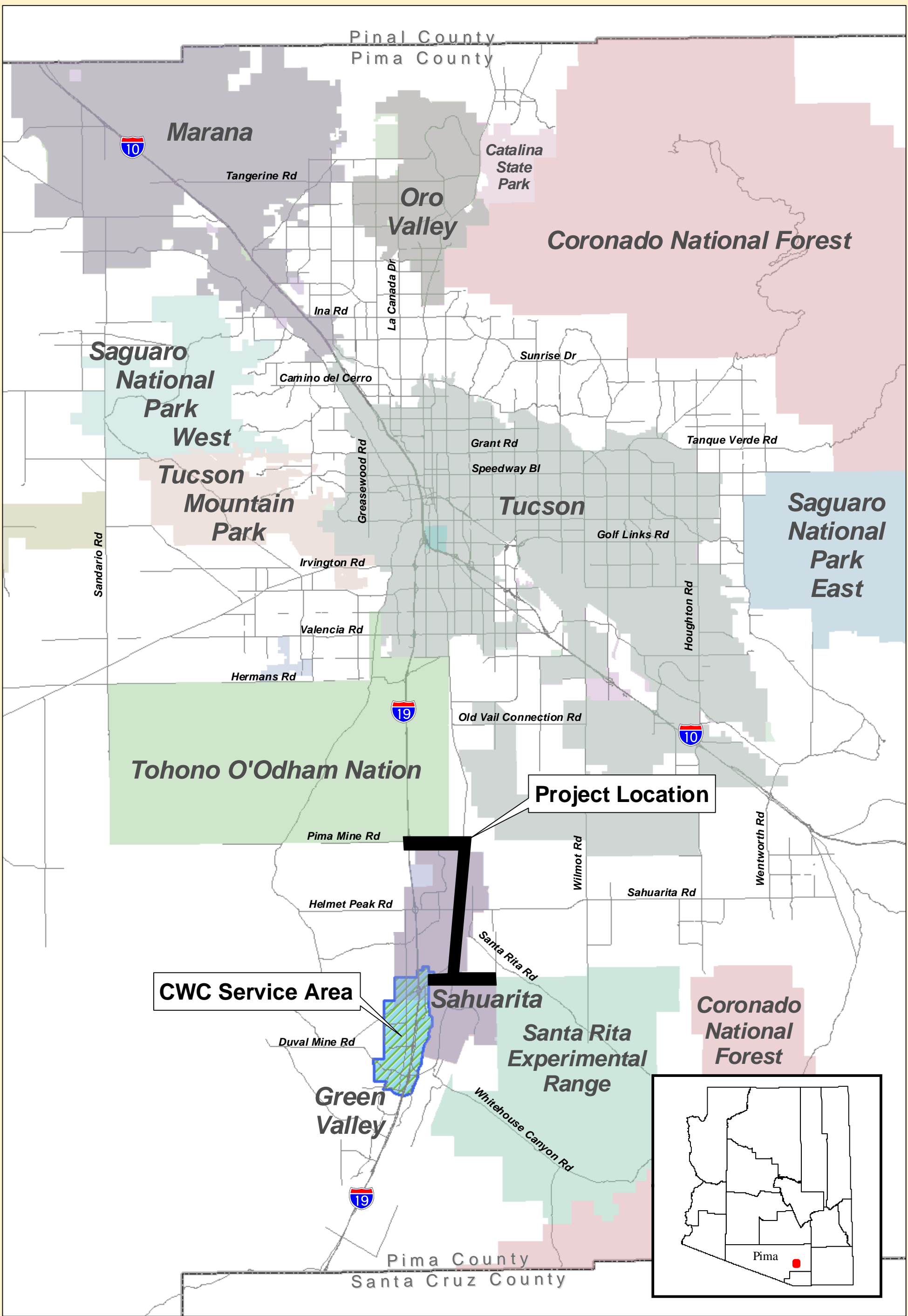


Figure 1
Location Map

CWC CAP
Water Delivery System

0 2 4 8
Miles

ERQ

Stantec

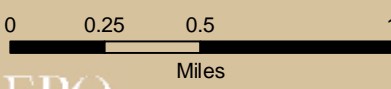
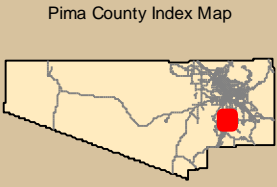
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Figure 2
Proposed Project
Components

CWC CAP
Water Delivery System



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