

TO: Pinal AMA Water Policy Study Committee

FROM: Dick Powell

It seems the real problem within the Pinal AMA is the existence of 2,000,000 plus extinguishment credits. If these are credits that can be used every year, over and over, rather than each credit used one year only and the total amount spread over 100 years, we are out of water now !

Question: Where do the two million plus agricultural extinguishments credits in the Pinal AMA portfolio come from? Can we see a chronology of the credits as they were accumulated by the year and the amount of acreage extinguished each year?

Jeff Tannler was kind enough to share the following:

<u>Year</u>	<u>irrigation rights</u>	<u>irrigation acreage</u>
1985	1,122	281,671
2013	1,964	258,243
Change	+ 848	<23, 428>

“Note: The groundwater code was established in 1980, but it took a few years for water rights to be verified and certificates to be issued. 1985 we feel is the best indicator for how many rights/acres existed originally. There are more irrigation rights now because a lot of farms have been split up into smaller farms in the past years.” - (Jeff Tannler)

The number of total acres extinguished is 23,428 according to this information.

23,428 acres X 1 ½ credits per acres extinguished
= 35,142 extinguishment credits

23,428 acres x 4 credits per acre extinguished
= 93,712 extinguishments (if more credits per acre
were given at any point)

How do we explain the 2,000,000 plus credits in existence? It would take the extinguishment of 1,333,333 acres x 1 ½ credits per acre to equal 2,000,000 credits. The 1985 original acreage was only 281,671 which @1 ½ credits per acre, would

only produce 422,507 credits if every acre that existed in the original AMA was extinguished.

If the 2,000,000 plus inventory of extinguishment credits could itself be extinguished, any change to the current schedule would be un-necessary.