

**Arizona Department of Water Resources
Third Management Plan Review Stakeholder Meeting Summary
June 23, 2006**

Next Meeting

The next stakeholder meeting will take place in mid-August 2006.
The August 2006 meeting time and location are TBD.

Draft Municipal BMP Program - Framework Presentation and Changes

Robin Stinnett gave a PowerPoint presentation discussing the development and current status of the BMP Program framework. The following program elements were covered and discussed. *The PowerPoint Presentation will be available at the Department's website, www.azwater.gov.*

Rate Structure Change (Proposed)

Steve Olea: Stated the ADWR may possibly consider changing the rate structure language to, "A private water company that does not already have a conservation rate structure will be required to request one in its next rate case or within **five** years of the TMP modification and notice, whichever comes first." (**Required Program Components, 2(a)**) The proposed language change would reduce from **five** to **three** years the amount of time a private water company (PWC) would be required to request a conservation rate structure.

Tier Structure Changes

The tier structure is still based upon the total number of service connections, however, the number of connections per tier was changed.

Tier 1 now includes providers with 5,000 or less service area connections.

Tier 2 now includes providers with 5,001 – 30,000 service area connections.

Tier 3 now includes providers with 30,001 or more service area connections.

The BMP subcommittee recommended these changes based on the increased complexity of service areas containing between 30,000 and 50,000 connections (these values were originally in Tier 2). The Department's rationale for requiring a greater number of BMPs for larger systems (the higher tiers) is that they contain more water uses and users and greater resources and capabilities than the smaller systems (e.g., Tier 1 providers).

BMP Category Changes

There are currently forty-three BMPs divided among seven categories. Some BMP definitions are nearing completion and will be made available to the stakeholders shortly. Providers are no longer required to achieve a minimum number of points in each BMP category to be in compliance with the overall program. The minimum number of BMPs required is dependant on the tier assigned to the water provider.

Conservation Efforts Report Update

The *Conservation Efforts Report* is currently being developed by the Department and will be emailed to the stakeholders for review and comment upon completion.

Public Relations Update

Water providers who excel and/or make significant contributions and investments in BMP Program technologies and innovations will be publicized on the Department's website. Additionally, ADWR will provide assistance to those providers that have questions or concerns about any aspect of the BMP Program.

Stakeholder Comments, Questions and Concerns

- Who determines the water conservation potential of a provider?
- Concern was raised about reinstating negotiations (similar to the NPCCP) when ADWR disagrees with the information contained in a provider profile and the associated conservation potential.
- Compliance was easily determined through NPCCP reporting requirements, but compliance under the BMP Program is vague in this regard.
- Would a water provider receive credit for conservation measures already implemented or would additional measures need to be selected for BMP Program enrollment?

Providers would conduct their own water conservation potential assessments for their service areas. The providers illustrate the connections between their BMP selections and the conservation potential within the service area. The assessment is then reviewed by ADWR to insure that these connections appropriately address the conservation potential, as assessed by the provider, within the service area. When concerns arise regarding the connection between BMP selections and water conservation potential, discussions between the provider and ADWR would occur. The potential for such discussions, however, would be minimized (unlike NPCCP negotiations) because the provider profile is designed to inform ADWR up front of the effectiveness of a selected BMP(s) and the associated conservation potential. Conservation measures already implemented by a provider would be credited under the BMP Program. Selection of additional conservation measures would be necessary if a provider still has less than the required number of BMPs (after credit for current conservation measures is applied) for their particular tier.

Finally, a provider is compliant under the BMP Program if implementation of their selected BMPs occurred the previous year, regardless of water conservation effectiveness. The BMP Program allows providers' the option for annual substitution of ineffective or unsuccessful BMPs.

Additional Stakeholder Comments

- BMP language using the word “all” is problematic. In the case of the retrofit BMP, using “all homes prior to 1990,” seems to exclude providers who have made significant retrofitting efforts, but not to “all” homes.
- Concern was raised about the actual benefit derived from a “trial run” of the BMP Program, since the program would not be fully effective until 2010, near in time to the inception of the Fourth Management Plan (4MP). Momentum gathered from the BMP Program process might, however, alleviate the need for similar discussions during the 4MP.
- Concern was again raised on how calculations (GPCD, GPHUD) will be used in the BMP Program. Is workload efficiency being increased for anyone when GPCD values will still be calculated and reviewed?
- Several stakeholders urged that the BMP Program remain an alternative program for those providers successful under the NPCCP and GPCD Program. A suggestion was made to include language to the effect that providers who are compliant and wish to remain in their current programs be deemed compliant in the BMP Program through the remainder of the TMP.
- Possible legislative removal of the NPCCP and ACP from the TMP precludes conversations regarding these programs during 4MP development. This stakeholder process has been characterized as a revision of the TMP. Parties interested in 4MP development may not realize that current activities might remove conservation programs years in advance of the 4MP.
- Concern was raised over crafting a resolution through the stakeholder process based on an unknown judicial decision. How confident is ADWR that the outcome of the stakeholder process will be looked upon favorably by the court?

ADWR Response

Sandy Fabritz-Whitney: The Department's ideal design is the administration of a single conservation program. The differences between the BMP Program and current conservation programs are significant, with the BMP Program being easier to administer for both ADWR and water providers. The BMP program is advantageous because the multi-tiered approach allows everyone to enroll and the selection and effectiveness of conservation measures is controlled and explained by the providers. Additionally, many of the providers have already implemented BMP-type measures in their current programs allowing for an easy transition into the BMP Program. The possibility exists of including language stating that those designated providers compliant in their current programs, who wish to remain as such, would be complaint in the BMP Program, for the duration of the TMP.

Ken Slowinski: Issues raised in the lawsuit that remain undecided by the court, include disproportional GPCD increase of non-residential water use and whether ADWR can cap groundwater amounts in alternative conservation plans. These issues will remain on the Superior Court's inactive calendar until 12/1/06, pending review of and commitment to the development of alternatives to the current TMP water conservation programs. ADWR believes that if the PWCs hold a favorable view of the outcome of the stakeholder process, they will request dismissal of all remaining portions of the lawsuit before the court.

Provider Profile – Draft Comments

- Concern was raised about the dynamics of rapidly changing service areas and the possible need for additional BMP updates or changes to be done annually instead of waiting every three years as required by the provider profile.
- How should providers determine their population values?
- The “uses/losses” table should include as of date (July 1, 20xx) and an “Other metered uses” category.

Service areas that are rapidly changing can update information through their annual *Conservation Efforts Report* and may also substitute BMPs. The three-year minimum requirement was developed to eliminate the need for providers with relatively stable service areas from submitting a profile every year.

Service area population figures will be based on provider estimates. This information can be compiled in a variety of manners. The provider profile, however, requires a numerical breakdown of service connections for individual metered single residences (single family), master metered residential (multifamily and mobile home parks) and non-residential users.

Contacting ADWR

The Department will examine the comments and suggestions brought forward by the stakeholders at today's meeting. Additional written comments on the BMP draft framework are invited for submittal on or before July 17, 2006. Anyone wishing to submit comments may do so by sending them via email to rsstinnett@azwater.gov or to:

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3550 North Central Avenue
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Attention: Robin Stinnett

In Attendance

Stakeholders

Alice Brawley-Chesworth	City of Phoenix
Bob McCain	AMWUA
Christina Klien	City of Peoria
Cliff Neal	CAGR
Colette Moore	City of Mesa
Deanna Ikeya	City of Peoria
Denise Forbes	Ryley, Carlock & Applewhite
Donna DiFrancesco	City of Mesa
Elisa Klein	City of Scottsdale
Gregg Capps	City of Chandler
Jim Peterson	Town of Oro Valley
Jo Miller	City of Glendale
Karen Warner	City of Scottsdale
Linda Smith	City of Tucson
Mark Holmes	Town of Chino Valley
Mary Lu Nunley	City of Phoenix
Pete Smith	City of Tempe
Sally Ceccarelli-Wolf	Arizona American Water
Shaun Rydell	City of Prescott
Steve Rossi	City of Phoenix
Steve Olea	ACC
Tom Buschatzke	City of Phoenix
Tom Harrell	Arizona Water Company
Val Danos	AMWUA

ADWR

Andrew Craddock
Gordon Wahl
Joe Singleton
Mark Frank
Ken Slowinski
Paul Charman
Robin Stinnett
Sandra Fabritz-Whitney
Virginia Welford