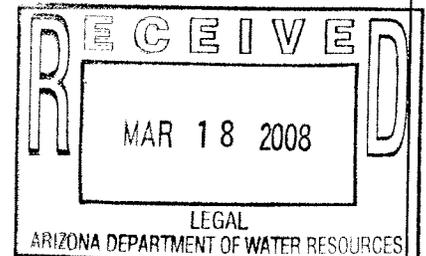


PROPOSED MODIFICATIONS TO THE MANAGEMENT PLAN
FOR THE PINAL ACTIVE MANAGEMENT AREA
FOR THE THIRD MANAGEMENT PERIOD, 2000-2010

ORIGINAL

PUBLIC HEARING



Casa Grande, Arizona
March 4, 2008
10:00 a.m.

Prepared For:
THE DEPARTMENT OF
WATER RESOURCES
(Original)
Prepared By:
LORENA K. WAGNER
Court Reporter

DRIVER and NIX
COURT REPORTERS
3131 East Clarendon Avenue
Suite 108
Phoenix, Arizona 85016
(602)266-6525

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PROPOSED MODIFICATIONS TO THE MANAGEMENT PLAN
FOR THE PINAL ACTIVE MANAGEMENT AREA
FOR THE THIRD MANAGEMENT PERIOD, 2000-2010

PUBLIC HEARING

commenced at 10:00 a.m. on March 4, 2008 at the State
of Arizona, Department of Water Resources; 1729 North
Trekell Road, Suite 105; Casa Grande, Arizona, before
LORENA K. WAGNER, a Court Reporter in and for the
County of Maricopa, State of Arizona.

* * * * *

A P P E A R A N C E S

DEPARTMENT OF WATER RESOURCES:

Randy Edmond, Area Director
Joe Singleton, Assistant Area Director

1 Casa Grande, Arizona
2 March 4, 2008
3 10:09 a.m.

4 * * * * *

5
6 PROCEEDINGS

7
8 MR. EDMOND: This is the time and place for
9 the public hearing on the Proposed Modifications to
10 the Municipal Conservation Program of the Management
11 Plan for the Pinal Active Management Area for the
12 Third Management Period, 2000 to 2010.

13 My name is Randy Edmond. I'm the Area
14 Director for the Pinal Active Management Area, and I
15 am the hearing officer at this hearing.

16 The Proposed Modifications are for the
17 purpose of modifying the non per capita conservation
18 program in the Municipal Conservation Program of the
19 Third Management Plan as required by legislation
20 enacted in 2007, specifically Senate Bill 1557.

21 The Director of Water Resources promulgated
22 the Proposed Modifications by an order entered on
23 January 9, 2008.

24 Notice of the time and place for this
25 hearing was published in the Casa Grande Dispatch

1 newspaper on January 31st and February 7, 2008.

2 Written notice of the time and place for the hearing
3 was also sent by first-class mail to all municipal
4 providers in the Pinal AMA on January 28, 2008. All
5 notices stated that the hearing would be held at this
6 location beginning at ten a.m. on this date.

7 What we're going to do at this time is move
8 to the other script because we now have someone in
9 attendance.

10 This is the time and place for the public
11 hearing on Proposed Modifications to the Municipal
12 Conservation Program of the Management Plan for the
13 Pinal Active Management Area for the Third Management
14 Period, 2000 to 2010.

15 My name is Randy Edmond. I am the Area
16 Director for the Pinal Active Management Area, and
17 I'll be the hearing officer at this hearing.

18 With me is Joe Singleton, Assistant Area
19 Director for the Pinal Active Management Area.

20 Joe has been involved in the development of
21 the Proposed Modifications, and he will give a brief
22 description of the modifications after my introductory
23 remarks.

24 We have a court reporter here today to take
25 down what is being said. It is important for speakers

1 to please speak up so that the court reporter can
2 accurately record your comments.

3 If anyone has difficulty hearing me or a
4 speaker, please let me know.

5 If you haven't already done so, please sign
6 the sign-in sheet on the table near the entrance.

7 There are also speaker cards on this table.
8 If you would like to speak today, please fill out a
9 speaker card.

10 Before turning things over to Joe to
11 describe the Proposed Modifications, I'd like to point
12 out that the modifications relate to the conservation
13 requirements for most but not all large municipal
14 providers. The modifications do not affect small
15 municipal providers which are providers that serve
16 less than 250 acre feet of water per year for
17 municipal uses nor do they affect large untreated
18 water providers or institutional providers.

19 I'd like to next point out that the purpose
20 of this hearing is to receive oral or written comments
21 on the Proposed Modifications. Only comments and
22 evidence for or against the Proposed Modifications
23 will be accepted at this hearing. No comments or
24 evidence will be received regarding any other issues
25 relating to the Management Plan.

1 If anyone has any questions or comments on
2 issues or programs that are outside the scope of this
3 hearing, they may contact me after the hearing.

4 The hearing will be conducted in an
5 informal manner.

6 As I mentioned at the beginning, a
7 court reporter is recording everything being said. A
8 copy of the transcript of the hearing will be
9 available for review at the Department's offices and
10 will also be posted on the Department's website when
11 it is available.

12 At the conclusion of the hearing, I will be
13 accepting any written comments or documentary evidence
14 that anyone may wish to file with the Department
15 regarding the Proposed Modifications. The Department
16 will also accept written comments on the Proposed
17 Modifications until five p.m. tomorrow, March the 5th.

18 Written comments submitted after the
19 hearing should be submitted to the Department's Docket
20 Supervisor, Kathy Donoghue.

21 Ms. Donoghue's fax number is 602-771-8683.
22 Her e-mail address is kardonoghue@azwater.gov. I will
23 spell that. That's K-a-d-o-n-o-g-h-u-e. Again, it's
24 kardonoghue@azwater.gov. I will repeat the fax number
25 and the e-mail address after the completion of oral

1 comments.

2 I would like to now go over the process
3 that will be followed after the close of the hearing
4 record, which, again, is tomorrow at five p.m.

5 Within 30 days after the close of the
6 hearing record, the director will make and file in the
7 Department a written summary and findings with respect
8 to the comments and evidence received prior to the
9 close of the record, including any written comments or
10 evidence received before five p.m. tomorrow.

11 If in the findings the director decides to
12 adopt the modifications, the director will make and
13 file in the Department an order adopting the
14 modifications with any changes made in response to the
15 comments and evidence received before the close of the
16 hearing record. Notice of the order will be sent to
17 all persons who signed the attendance sheet today and
18 to all persons who submitted comments or evidence
19 prior to the close of the record.

20 The director will also publish a summary of
21 the modifications, findings, and order of adoption
22 once a week for two consecutive weeks in a newspaper
23 of general circulation within the Pinal Active
24 Management Area.

25 Any person may file a request for rehearing

1 or review of the order of adoption within 30 days
2 after the second publication of the notice. The last
3 day for filing requests for rehearing or review will
4 be identified in both the mailed and published notices
5 of the order of adoption.

6 If no one files a timely request for
7 rehearing or review, the modifications adopted by the
8 order of adoption will become final.

9 If a timely request for rehearing or review
10 is filed, the director will have 60 days after
11 receiving the request to issue a decision on the
12 request. The director may grant a rehearing, grant
13 review without a rehearing, or deny the request.

14 Following the director's decision on a
15 request for rehearing or review, the director will
16 issue a final order of adoption adopting the
17 modifications with any changes made in response to the
18 request for review or rehearing.

19 Notice of the final order of adoption will
20 be published in a newspaper of general circulation
21 within the AMA once a week for two consecutive weeks.
22 The modifications will become final upon the second
23 publication.

24 Regardless of whether anyone files a
25 request for rehearing or review, any person may seek

1 judicial review of the director's decision to adopt
2 the modifications as provided in Arizona Revised
3 Statutes Section 45-114, Subsection (C).

4 Within 30 days after the modifications
5 become final, the Department will mail notice of the
6 modifications to all municipal providers that will be
7 affected by the modifications.

8 A provider that receives the notice may
9 request an administrative review of a new requirement
10 within 90 days after receiving the notice as provided
11 in Arizona Revised Statutes Section 45-575,
12 Subsection (A).

13 If the provider demonstrates that it will
14 be unreasonable to require the provider to comply with
15 the new requirement because of the provider's unique
16 circumstances, the director may modify the
17 requirement.

18 A provider may also request additional time
19 to come into compliance with a new requirement by
20 filing a variance from the requirement within 90 days
21 after receiving the notice as provided in Arizona
22 Revised Statutes Section 45-574.

23 The director may allow the provider up to
24 five additional years to come into compliance with the
25 requirement if the provider demonstrates that

1 compelling economic circumstances prevent it from
2 complying by the date set forth in the requirement.

3 At the present time, the Department expects
4 the modifications to be final by the middle of this
5 year.

6 I will now turn the hearing over to
7 Joe Singleton who will describe the Proposed
8 Modifications in greater detail.

9 MR. SINGLETON: Thanks, Randy.

10 The Third Management Plan was adopted by
11 the Director of Water Resources in December of 1999.
12 It contained conservation requirements for
13 agricultural, municipal, and industrial ground water
14 users in the Pinal AMA.

15 The requirements became effective in 2002
16 and will remain in effect until the Fourth Management
17 Plan is adopted and becomes effective sometime after
18 2010.

19 The Third Management Plan currently
20 requires most large municipal providers serving more
21 than 250 acre feet of water per year for municipal
22 uses to be regulated under the total gallons per
23 capita per day or total GPCD program.

24 The total GPCD program limits the total
25 amount of water a large provider may deliver during a

1 year to a volume based on its service area population
2 and total GPCD requirement.

3 The Management Plan also provides that a
4 large municipal provider regulated under the total
5 GPCD program may apply to be regulated under one of
6 two alternative programs.

7 One of those programs is the non per capita
8 conservation program, which requires a large provider
9 to implement specific conservation measures within its
10 service area and to comply with a stringent ground
11 water cap; but the provider is not required to comply
12 with the GPCD requirement.

13 Last year the legislature enacted into law
14 Senate Bill 1557, which requires the Director of Water
15 Resources to modify the non per capita conservation
16 program so that it requires a large municipal provider
17 regulated under the program to implement a public
18 education program, a metering program, and one or more
19 additional water conservation measures to be selected
20 from a list of measures adopted in the plan.

21 The director is required to design the
22 modified non per capita conservation program to
23 achieve water-use efficiency in the service areas of
24 municipal providers regulated under the program
25 equivalent to the water-use efficiency assumed by the

1 director in establishing the total GPCD requirements
2 for those providers.

3 The legislation requires all large
4 municipal providers that are not designated as having
5 an assured water supply and that do not qualify as
6 large untreated water providers to submit a provider
7 profile to the director by July 1, 2009 and to be
8 regulated under the modified non per capita
9 conservation program beginning January 1, 2010 or the
10 date the director approves the provider's provider
11 profile whichever is later.

12 Large municipal providers designated as
13 having an assured water supply are not required to be
14 regulated under the modified non per capita
15 conservation program.

16 Those providers will continue to be
17 regulated under the conservation program they were
18 regulated under as of January 1st, 2008; but they may
19 elect to be regulated under the modified non per
20 capita conservation program if they wish to be
21 regulated under that program.

22 The Proposed Modifications promulgated by
23 the director are for the purpose of implementing
24 Senate Bill 1557. These modifications seek to change
25 the Municipal Conservation Program Chapter to include

1 a modified non per capita conservation program for
2 large municipal providers.

3 The modified non per capita conservation
4 program was developed in concert with stakeholders
5 after an extensive public process. The chapter will
6 also be amended to require all large municipal water
7 providers without a designation of assured water
8 supply except those regulated as large and treated
9 providers to be regulated under the modified non per
10 capita conservation program.

11 Providers regulated under the Institutional
12 Provider Program will also be allowed to continue to
13 be regulated under the existing provisions of that
14 program.

15 Providers with a designation of assured
16 water supply will be able to choose between the
17 current regulatory structure and the new program.

18 The modified non per capita conservation
19 program is a performance-based program. Program
20 requirements call for the submittal of a provider
21 profile, an Annual Conservation Effort Report, the
22 provider's current water rate structure, and
23 implementing a Public Water Conservation Education
24 Program.

25 The program also requires a provider to

1 implement an additional number of measures based on
2 the number of service connections in the system from a
3 list of measures that is included within the program.

4 Systems with up to 5,000 connections must
5 implement at least one additional measure. Those with
6 5,001 to 30,000 connections must implement five
7 additional measures while those systems with more than
8 30,000 connections must implement at least ten
9 additional measures in addition to the public
10 education program.

11 For existing large municipal water
12 providers that are already implementing one or more
13 water conservation practices that are on the list of
14 water conservation measures, those measures will count
15 towards the total minimum program requirements.

16 The provider profile must describe the
17 water use patterns and characteristics of the
18 provider's service area. Additionally the profile
19 must contain a description of what conservation
20 measures are being implemented; what additional
21 measures, if any, will be implemented to comply with
22 the program requirements; and an explanation as to how
23 those water conservation measures are relevant to the
24 provider's existing service area characteristics or
25 water use patterns.

1 ADWR will review and approve the provider
2 profiles.

3 The Annual Conservation Effort Report will
4 contain a description of conservation measures
5 implemented during the year and an assessment of the
6 outcome of implementing those measures.

7 The report must also detail any measures
8 that were substituted for previous measures during the
9 year and an explanation on how the new measure is
10 relevant to the service area characteristics or water
11 use patterns of the service area.

12 The report must also include a plan for
13 implementing the conservation measures that the
14 provider is using for the current year.

15 MR. EDMOND: Thank you, Joe.

16 No one has filled out a card indicating
17 that they would like to present comments on the
18 Proposed Modifications.

19 Is there anyone here who wishes to speak on
20 Proposed Modifications?

21 Let the record reflect that no one wishes
22 to speak.

23 Is there anyone here who wishes to submit
24 any written comments or evidence that they have
25 brought with them?

1 Let the record reflect that no one wishes
2 to submit anything in writing.

3 As I mentioned earlier, written comments on
4 the proposed rules may be submitted until five p.m.
5 tomorrow, March 5th, 2008.

6 If you would like to submit written
7 comments after the hearing, please fax or e-mail them
8 to Kathy Donoghue, the Department's Docket Supervisor.

9 Ms. Donoghue's fax number is 602-771-8683,
10 and her e-mail address is kadonoghue@azwater.gov.
11 That's K-a-d-o-n-o-g-h-u-e @azwater.gov.

12 The hearing is now adjourned.

13 Thank you for attending.

14 (The proceedings concluded at 10:28 a.m.)
15
16
17
18
19
20
21
22
23
24
25

1 STATE OF ARIZONA)
2) ss.
3 COUNTY OF MARICOPA)

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I HEREBY CERTIFY that the foregoing was taken before me, LORENA K. WAGNER; that all proceedings had upon the taking of said hearing were recorded and taken down by me on a stenograph machine as a backup and thereafter reduced to writing by me; and that the foregoing 16 pages contain a full, true, and correct transcript of said record, all done to the best of my skill and ability.

WITNESS my hand this 18th day of March, 2008.


LORENA K. WAGNER
Court Reporter