ARIZONA DEPARTMENT OF WATER RESOURCES

BEFORE THE DIRECTOR

IN THE MATTER OF THE MODIFICATION OF CHAPTER 5 OF THE MANAGEMENT PLAN FOR THE TUCSON ACTIVE MANAGEMENT AREA FOR THE THIRD MANAGEMENT PERIOD FOR THE PURPOSE OF ADDING A MODIFIED NON-PER CAPITA CONSERVATION PROGRAM	**ORDER OF PROMULGATON**

I. INTRODUCTION

On December 13, 1999, the director of water resources ("Director") adopted the management plan for the Tucson Active Management Area for the third management period ("Third Management Plan"). At the time the Third Management Plan was adopted, A.R.S. § 45-566(A)(2) provided that the plan shall include a municipal conservation program that requires large municipal providers to achieve reasonable reductions in per capita use unless they apply for and are accepted for regulation under the Non-Per Capita Conservation Program ("NPCCP"). A.R.S. § 45-566.01 provided that the NPCCP shall require a large municipal provider accepted for regulation under that program to implement specific conservation measures within its service area and limit its groundwater use to a specified volume. Chapter 5 of the Third Management Plan contains provisions consistent with these requirements, including a NPCCP in section 5-104 of the Municipal Conservation Requirements and Monitoring and Reporting Requirements.

Legislation enacted during the 2007 legislative session (S.B. 1557, herein referred to as the "2007 Legislation") amended A.R.S. § 45-566.01 to provide that the Director shall modify the NPCCP in the Third Management Plan to eliminate the groundwater use limitation requirement and to require large municipal providers regulated under the program to implement a public education program, a metering program and one or more additional water conservation measures to be selected from a list of measures adopted in the plan. The Director is required to design the

modified NPCCP to achieve water use efficiency within the service areas of municipal providers regulated under the program equivalent to the water use efficiency assumed by the Director in establishing the per capita conservation requirements for those providers. The 2007 Legislation requires all large municipal providers that are not designated as having an assured water supply to submit a provider profile to the Director by July 1, 2009 and to be regulated under the modified NPCCP beginning January 1, 2010 or the date the Director approves the provider's provider profile, whichever is later. The 2007 Legislation further provides that a large municipal provider designated as having an assured water supply shall not be regulated under the modified NPCCP unless the provider elects to be regulated under the program.

II. PROPOSED MODIFICATIONS

To comply with the 2007 Legislation, the Director proposes to modify Chapter 5 of the Third Management Plan in the manner shown in the document attached hereto entitled "Proposed Modifications to Chapter 5, Municipal Conservation Program, Third Management Plan, Tucson Active Management Area, January 2008." The following is a brief description of the proposed modifications.

1. Section 5-104 of the Municipal Conservation Requirements and Monitoring and Reporting Requirements is being modified in the manner required by the 2007 Legislation. As required by the 2007 Legislation, all large municipal providers that are not designated as having an assured water supply will be required to submit to the Director a provider profile by July 1, 2009 and begin complying with the modified NPCCP beginning January 1, 2010 or the date the Director approves the provider's provider profile, whichever is later. A large municipal provider designated as having an assured water supply will continue to be regulated under the conservation program it was regulated under as of January 1, 2008, unless the provider notifies the Director that it elects to be regulated under the modified NPCCP and submits a provider profile that is subsequently approved by the Director. Section 5-104 as modified sets forth the requirements for

submitting a provider profile. A large municipal provider may agree to be regulated under the modified NPCCP earlier than January 1, 2010 if the Director approves the provider's profile prior to that date.

2. Conforming changes are being made to other sections within Chapter 5 of the Third Management Plan and to several appendices to Chapter 5.

3. In sections 5.3.1 and 5.3.2 of the Third Management Plan, references to rules within the Department's Assured and Adequate Water Supply Rules are being changed to reflect recent amendments to the rules.

III. ORDER OF PROMULGATION

IT IS HEREBY ORDERED:

1. That the proposed modifications described in Section II above and shown in the document attached hereto entitled "Proposed Modifications to Chapter 5, Municipal Conservation Program, Third Management Plan, Tucson Active Management Area, January 2008," are promulgated as proposed modifications to the Third Management Plan pursuant to A.R.S. § 45-572.

2. That a public hearing on the proposed modifications shall be held at a location in the Tucson Active Management Area. Notice of the public hearing shall be given as provided in A.R.S. § 45-570.

GIVEN under my hand and the Official Seal of the Arizona Department of Water Resources this 9th day of January, 2008.

Herbert R. Guenther
Director
Arizona Department of Water Resources

(SEAL)