

ARIZONA DEPARTMENT OF WATER RESOURCES

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Governor

ELIZABETH ANN RIEKE
Director

March 24, 1992

Mr. Michael Lacey
ASL Hydrologic and Environmental Services
2701 N. 16th Street Suite 106
Phoenix, Arizona 85006

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Dear Mike:

The letter is in response to your January 21, 1992 letter where you asked for clarification on two items. Your first question is restated below.

Under the First Management Plan, ADWR has allowed large providers to extend their service areas by initiating service through exercising a Type II non-irrigation GFR. After the initial year of service, ADWR "rolls" these deliveries into the service area right rendering them subject to gallons per capita per day (GPCD) limitations. Under what authority does ADWR conduct this procedure? Will the procedure remain the same for large providers under the Total GPCD program in the Second Management Period?

DWR does recognize water service area extensions based on the use by the municipal water provider of a Type 2, non-irrigation grandfathered right. Groundwater must be continuously withdrawn and delivered by the provider to its customers or used for purposes related to the development, maintenance or operation of the provider for a period of one year. Once this has occurred, the wells from which the withdrawals have been made plus the area that was served during the year are eligible for addition to the existing service area of the subject provider. All withdrawals from these "newly designated" service area wells are factored into the GPCD calculation for the provider, as are any population within these "newly designated" service areas. (Note: all withdrawals made by a provider in accordance with Type 1 or Type 2 non-irrigation rights prior to their designation as "withdrawals from service area wells," are also factored into the GPCD calculation).

This method of recognizing service area extensions is a DWR policy based upon our interpretation of ARS 45-402 and 45-491 et seq. of Chapter 2, Title 45 and is not an element of either the First or Second Management Plans. This policy shall remain in effect for the foreseeable future, however, is subject to change

pending necessary policy changes or any subsequent rule making.

Your second question is restated as follows:

Under the SMP/ACP requirements, providers are able to accrue annual credits through the extinguishment of all types of GFRs. Does the sum of all GFRs ever extinguished by a provider, subject to conversion losses, remain eligible for annual credits each year?

Providers are able to accrue credits for use in complying with the groundwater use limitation requirement of the Alternative Conservation Program of the SMP. Irrigation grandfathered rights, Type 1 non-irrigation grandfathered rights and certain Type 2 non-irrigation grandfathered rights may be extinguished to establish these credits (see Section 5-104.B.1.b of the Second Management Plan for the Phoenix AMA for a detailed description). The amount of the credits received based on the grandfathered rights extinguished are eligible for use each year of the Second Management Period. Please note that annual credits received which are not needed by the provider to comply with its groundwater use limitation requirement in one calendar year shall not carry forward to any following calendar year.

I hope that I have adequately answered your questions. If you have any additional questions or comments regarding these issues, please call me.

Sincerely,



Mark Frank
Deputy Director
Phoenix Active Management Area

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