

1 ARIZONA DEPARTMENT OF WATER RESOURCES

2 BEFORE THE DIRECTOR

3 IN THE MATTER OF THE MODIFICATION  
4 OF CHAPTER 5 OF THE MANAGEMENT  
5 PLAN FOR THE PRESCOTT ACTIVE  
6 MANAGEMENT AREA FOR THE THIRD  
7 MANAGEMENT PERIOD, 2000-2010 FOR  
THE PURPOSE OF ADDING A MODIFIED  
NON-PER CAPITA CONSERVATION  
PROGRAM

ORDER OF ADOPTION

8 I. INTRODUCTION

9 On January 9, 2008, the director of water resources (“Director”) issued an order  
10 promulgating proposed modifications to Chapter 5 of the management plan for the Prescott active  
11 management area for the third management period, 2000-2010 (“Third Management Plan”), for  
12 the purpose of adding a modified Non-Per Capita Conservation Program (“NPCCP”) as required  
13 by A.R.S. § 45-566.01. A public hearing on the proposed modifications was held in Prescott,  
14 Arizona on March 5, 2008. The hearing record remained open for the submission of written  
15 comments until March 5, 2008 at 5:00 p.m.

16 As required by A.R.S. § 45-571(A), the Director has filed in the Department of Water  
17 Resources (“Department”) a written summary of the public hearing and findings with respect to  
18 matters considered during the hearing (“Summary of Hearing and Findings”). The Director  
19 indicated in the Summary of Hearing and Findings that the following two changes would be made  
20 to the proposed modifications in response to public comments: (1) in section 5.7.1.2.7 of the  
21 Third Management Plan, add language stating the Department will establish an advisory  
22 committee consisting of stakeholders to assist the Director in evaluating the effectiveness of the  
23 modified NPCCP; and (2) in Appendix 5H, change the language describing the conservation  
24 measures entitled “Market Surveys to Identify Information Needs/Assess Success of Messages”  
25 and “Distribution Plan for Water Conservation Materials” to allow a provider implementing one  
26 of those measures to replace the measure with another measure in Categories 1 through 7,

1 provided that the replacement measure is appropriate for the provider's service area as reflected in  
2 the provider's approved provider profile. The proposed modifications with the changes referred  
3 to above are shown in the document attached hereto entitled "Modifications to Chapter 5,  
4 Municipal Conservation Program, Third Management Plan, Prescott Active Management Area,  
5 April 2008."

6 **II. ORDER OF ADOPTION**

7 IT IS HEREBY ORDERED:

8 1. That the modifications to the Third Management Plan shown in the document  
9 attached hereto entitled "Modifications to Chapter 5, Municipal Conservation Program, Third  
10 Management Plan, Prescott Active Management Area, April 2008," are adopted by the Director.

11 2. That a summary of the modifications, findings and this Order shall be published  
12 once each week for two consecutive weeks in a newspaper of general circulation in each county in  
13 which the Prescott Active Management Area is located.

14 3. That pursuant to A.R.S. § 45-114(C), any person may file a motion for rehearing  
15 on or a review of the modifications no later than May 19, 2008 at 5:00 p.m. Any motion for  
16 rehearing or review must be filed with Kathy Donoghue, Docket Supervisor, Arizona Department  
17 of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012.

18 4. That this Order shall become effective for the purpose of judicial review as  
19 follows:

20 a. If no person files a motion for rehearing or review within the time allowed under  
21 paragraph 3 of this section, this order shall become final for the purpose of judicial review on  
22 May 20, 2008.

23 b. If any person files a timely motion for rehearing or review, the Director will issue a  
24 decision either granting or denying the motion and may make changes to the modifications after  
25 rehearing or review. After the Director issues a decision on all motions for rehearing or review,  
26 the Director will issue a second order of adoption and publish notice of that order once each week

1 for two consecutive weeks in a newspaper of general circulation in each county in which the  
2 Prescott Active Management Area is located. The second order of adoption shall become final for  
3 the purpose of judicial review when the notice is published for the final time.

4 GIVEN under my hand and the Official Seal of the Arizona Department of Water  
5 Resources this 3<sup>rd</sup> day of April, 2008.

6  
7   
8 Herbert R. Guenther  
9 Director  
Arizona Department of Water Resources

10 (SEAL)

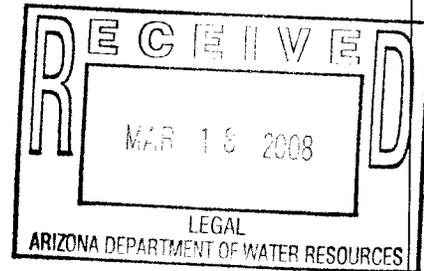
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MANAGEMENT PERIOD FOR THE )  
PURPOSE OF ADDING A MODIFIED )  
NON-PER CAPITA CONSERVATION )  
PROGRAM )  
\_\_\_\_\_ )

**ORIGINAL**



THIRD MANAGEMENT PLAN MODIFICATION HEARING  
PRESCOTT ACTIVE MANAGEMENT AREA

Prescott, Arizona  
March 5, 2008  
10:00 a.m.

PREPARED FOR:  
AZ DEP. WATER RESOURCES  
(Original)

PREPARED BY:  
MS. TANIS EASTRIDGE-THORPE  
Court Reporter

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

APPEARANCES

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NAME

AFFILIATION

MR. JOE SINGLETON  
MR. GORDON WAHL  
MR. ALAN DUBIEL  
MR. DANIEL TIMMONS  
MR. JOHN MUNDERLOH

ADWR  
ADWR  
N/A  
TOWN OF CHINO VALLEY  
TOWN OF PRESCOTT

BEFORE: MS. GERRY WILDEMAN, PRESCOTT AMA  
ACTING AS HEARING OFFICER

1 Prescott, Arizona  
2 March 4, 2008  
3 10:00 a.m.

4 P R O C E E D I N G S

5  
6 MS. GERRY WILDEMAN: This is the public hearing  
7 on the proposed modifications to the Third Management Plan  
8 for the Prescott AMA.

9 This is the time and place for the public hearing  
10 on proposed modifications to the Municipal Conservation  
11 Program of the Management Plan for the Prescott Active  
12 Management Area for the Third Management Period, 2000 to  
13 2010.

14 My name is Gerry Wildeman. I am Area Director  
15 for the Prescott Active Management Area, and I will be the  
16 hearing officer at this hearing. With me is Joe  
17 Singleton, Assistant Area Director for the Pinal Area  
18 Management Area. Joe has been involved in the development  
19 of the proposed modifications, and he will give a brief  
20 description of the modifications after my introductory  
21 remarks.

22 We have a court reporter here today to take down  
23 what is being said. It is important for speakers to  
24 please speak up so that the court reporter can accurately  
25 record your comments. If anyone has difficulty hearing me

1 or a speaker, please let me know.

2 If you haven't already done so, please sign the  
3 sign-in sheet on the table near the entrance. There are  
4 also speaker cards on the table. If you would like to  
5 speak today, please fill out a speaker card.

6 Before turning things over to Joe to describe the  
7 proposed modifications, I'd like to point out that the  
8 modifications relate to the conservation requirements for  
9 large municipal providers. The modifications do not  
10 affect small municipal providers, which are providers that  
11 serve less than 250 acre-feet of water per year for  
12 municipal uses.

13 I'd like to next point out that the purpose of  
14 this hearing is to receive oral or written comments on the  
15 proposed modification. Only comments and evidence for or  
16 against the proposed modifications will be accepted at  
17 this hearing. No comments or evidence will be received  
18 regarding any other issues relating to the Third  
19 Management Plan. If anyone has any questions or comments  
20 on issues or programs that are outside the scope of this  
21 hearing, they may contact me after the hearing.

22 The hearing will be conducted in an informal  
23 manner. As I mentioned in the beginning, a court reporter  
24 is recording everything being said. A copy of the  
25 transcript of the hearing will be available for review at

1 the Department's offices and will also be posted on the  
2 Department's website when it is available.

3 At the conclusion of the hearing, I will be  
4 accepting any written comments or documentary evidence  
5 that anyone may wish to file with the Department regarding  
6 the proposed modifications. The Department will also  
7 accept written comments on the proposed modification until  
8 5:00 p.m. today.

9 Written comments submitted after the hearing  
10 should be submitted to the Department's docket supervisor,  
11 Kathy Donoghue. Ms. Donoghue's fax number is  
12 602-771-8683. Her e-mail address is  
13 [kadonoghue@azwater.gov](mailto:kadonoghue@azwater.gov). I will repeat the fax number and  
14 e-mail address after the completion of oral comments.

15 I would now like to go over the process that will  
16 be followed after the close of the hearing record, which  
17 is today at 5 o'clock p.m. Within 30 days after the close  
18 of the hearing record, the Director will make and file in  
19 the Department a written summary and findings with respect  
20 to the comments and evidence received prior to the close  
21 of the record, including any written comments or evidence  
22 received before 5 o'clock p.m. today.

23 If in the findings, the Director decides to adopt  
24 the modifications, the Director will make and file in the  
25 Department an order adopting the modifications with any

1 changes made in response to the comments and evidence  
2 received before the close of the hearing record. Notice  
3 of the order will be sent to all persons who signed the  
4 attendance sheet today and to all persons who submitted  
5 comments or evidence prior to the close of the record.

6           The Director will also publish a summary of the  
7 modifications, findings and order of adoption once a week  
8 for two consecutive weeks in a newspaper of general  
9 circulation within the Prescott Active Management Area.  
10 Any person may file a request for rehearing or review of  
11 the order of adoption within 30 days after the second  
12 publication of the notice. The last day for filing  
13 requests for rehearing or review will be identified in  
14 both the mailed and published notices of the order of  
15 adoption. If no one files a timely request for rehearing  
16 or review, the modifications adopted by the order of  
17 adoption will become final.

18           If a timely request for rehearing or review is  
19 filed, the Director will have 60 days after receiving the  
20 request to issue a decision on the request. The Director  
21 may grant a rehearing, grant review without a rehearing,  
22 or deny the request. Following the Director's decision on  
23 a request for rehearing or review, the Director will issue  
24 a final order of adoption adopting the modifications with  
25 any changes made in response to the request for rehearing

1 or review. Notice of the final order of adoption will be  
2 published in a newspaper of general circulation within the  
3 AMA once a week for two consecutive weeks. The  
4 modification will become final upon the second  
5 publication.

6           Regardless of whether anyone files a request for  
7 rehearing or review, any person may seek judicial review  
8 of the Director's decision to adopt the modifications as  
9 provided in the Arizona Revised Statutes.  
10 §45-114, subsection C.

11           Within 30 days after the modification has  
12 become final, the Department will mail notice of the  
13 modifications to all municipal providers that will be  
14 affected by the modification. A provider that receives  
15 the notice may request an administrative review of the new  
16 requirements within 90 days after receiving the notice, as  
17 provided in Arizona Revised Statute §45-575, subsection A.  
18 If the provider demonstrates that it would be unreasonable  
19 to require the provider to comply with the new requirement  
20 because of the provider's unique circumstances, the  
21 Director may modify the requirements.

22           A provider may also request additional time  
23 to come into compliance with the new requirements by  
24 filing a variance from the requirement within 90 days  
25 after receiving the notice, as provided in Arizona Revised

1 Statute §35-574. The Director may allow the provider up  
2 to five additional years to come into compliance with the  
3 requirement if the provider demonstrates that compelling  
4 economic circumstances preventing it from complying by the  
5 date set forth in the requirement.

6 At the present time, the Department expects  
7 the modifications to be final by the middle of this year.

8 I will now turn the hearing over to Joe  
9 Singleton, who will describe to proposed modifications in  
10 greater detail.

11 MR. JOE SINGLETON: Thanks, Gerry.

12 The Third Management Plan was adopted by the  
13 Director of Water Resources in December of 1999. It  
14 contains conservation requirements for agricultural,  
15 municipal and industrial ground water users in the  
16 Prescott AMA. The requirements became effective in 2002,  
17 and will remain in effect until the Fourth Management Plan  
18 is adopted and becomes effective some time after 2010.

19 The Third Management Plan currently requires  
20 most large municipal providers, providers serving more  
21 than 250 acre-feet of water per year for municipal uses to  
22 be regulated under the total gallons per capita per day,  
23 or total GPCD program. The total GPCD program limits the  
24 total amount of water a large provider may deliver during  
25 a year to a volume base on its service area population

1 and total GPCD requirement.

2           The plan also provides that a large  
3 municipal provider regulated under the total GPCD program  
4 may apply to be regulated under one of two alternative  
5 programs. One of those programs is the Non-Per Capita  
6 Conservation Program which requires a large provider to  
7 implement specific conservation measures within its  
8 service area and to comply with a stringent groundwater  
9 cap.

10           But the provider is not required to comply  
11 with the GPCD requirement. Last year, the Legislature  
12 enacted into law Senate Bill 1557, which requires the  
13 Director of Water Resources to modify the Non-Per Capita  
14 Conservation Program so that it requires a large municipal  
15 provider regulated under the program implement a public  
16 education program, a metering program and one or more  
17 additional water conservation measures to be selected in a  
18 list of measures adopted in the plan.

19           The Director is required to design the  
20 modified Non-Per Capita Conservation Program to achieve  
21 water use efficiency in the service areas of municipal  
22 providers regulated under the program equivalent to the  
23 water use efficiency assumed by the Director in  
24 establishing the total GPCD requirement for those  
25 providers. The legislation requires all large municipal

1 water providers that are not designate as having an  
2 assured water supply and that cannot qualify as a large  
3 untreated water provider to submit a provider profile to  
4 the director by July 1st, 2009, and to be regulated under  
5 the modified Non-Per Capita Conservation Program,  
6 beginning January 1, 2010, or the date that the Director  
7 approves the provider's profile, whichever is later.

8           The large municipal providers designated as  
9 having an assured water supply are not required to be  
10 regulated under the modified Non-Per Capita Conservation  
11 Program. Those providers will continue to be regulated  
12 under the conservation program they were regulated under  
13 as of January 1st, 2008. But they may elect to be  
14 regulated under the modified Non-Per Capita Conservation  
15 Program if they wish to be regulated under that program.

16           The proposed modifications promulgated by  
17 the Director are for the purpose of implementing Senate  
18 Bill 1557. These modifications seek to change the  
19 Municipal Conservation Program chapter to include a  
20 modified Non-Per Capita Conservation Program for large  
21 municipal providers.

22           The modified Non-Per Capita Conservation  
23 Program was developed in concert with stakeholders after  
24 an extensive public process. The chapter will also be  
25 amended to require all large municipal water providers

1 without a designation of assured water supply except those  
2 regulated as large untreated providers to be regulated  
3 under the modified Non-Per Capita Conservation Program.

4           Providers regulated under the Institutional  
5 Provider Program will also be allowed to continue to be  
6 regulated under the existing provisions of that program.

7           Providers with a designation of assured  
8 water supply will be able to choose between the current  
9 regulatory structure and the new program. The modified  
10 Non-Per Capita Conservation Program is a performance-based  
11 program. Program requirements call for the submittal of  
12 the provider profile and the Annual Conservation Efforts  
13 Report, the provider's current water rate structure, and  
14 implementing a public water conservation education  
15 program.

16           The program also requires a provider to  
17 implement an additional number of measures based on the  
18 number of service connections in the system from a list of  
19 measures that is included within the program.

20           Systems with up to 5,000 connections must  
21 implement at least one additional measure. Those with  
22 5,001 to 30,000 connections must implement five additional  
23 measures, while those systems with more than 30,000  
24 connections must implement at least ten measures in  
25 addition to the public education program.

1           For existing large municipal water providers  
2 that are already implementing one or more water  
3 conservation practices that are on the list of water  
4 conservation measures, those measures will count towards  
5 the total minimum program requirements.

6           The provider profile must describe the water  
7 use patterns and the characteristics of the provider's  
8 service area. Additionally, the profile must contain a  
9 description of what conservation measures are being  
10 implemented, what additional measures, if any, will be  
11 implemented to comply with the program requirements and an  
12 explanation as to how those water conservation measures  
13 are relevant to the provider's existing service area  
14 characteristics for water use patterns.

15           ADWR will review and approve the provider  
16 profiles. The Annual Conservation Efforts Report will  
17 contain a description of conservation measures implemented  
18 during the year and an assessment of the outcome of  
19 implementing those measures. The report must also detail  
20 any additional measures that were substituted for previous  
21 measures during the year and an explanation on how the new  
22 measures are relevant to the service area characteristics  
23 for water use patterns of the service area. The report  
24 must also include a plan for implementing conservation  
25 measures that the provider is using for the current year.

1 MS. GERRY WILDEMAN: Thank you, Joe. I will now  
2 call the names of persons who filled out speaker cards.  
3 If you wish to speak and have not filled out a speaker  
4 card, please fill one of them out. They are on the table  
5 near the entrance.

6 When I call your name, state your name,  
7 identifying the person or entity that you represent and  
8 then give your comments.

9 So the first name is John Munderloh.

10 MR. JOHN MUNDERLOH: Do I have to restate my  
11 name? Okay. I'm John Munderloh.

12 MS. GERRY WILDEMAN: I had to read mine.

13 MR. JOHN MUNDERLOH: My name is John Munderloh.  
14 I represent the Town of Prescott Valley. We have two  
15 service areas that are reflected by the new legislation.  
16 Hopefully those will be combined into one soon; just so  
17 you all know. I don't know if that's necessary for the  
18 record.

19 And then, we are having to figure out what we do  
20 with you guys to turn that into one.

21 But I did have a number of comments prepared,  
22 comments in letter form addressed to Kathleen Donoghue.  
23 Some of the comments I had were carry overs from comments  
24 voiced by the Prescott AMA Ground Water Users Advisory  
25 Counsel, but not all of them. Basically I have four

1 comments.

2           The most significant change caused by Senate Bill  
3 1557 results in removing the requirement that a municipal  
4 provider regulated under the new -- I guess modified  
5 Non-Per Capita Conservation Program limit its ground water  
6 use to specified unit volume; however, ARS §45-566.01(D)  
7 contains language that could alter that interpretation.  
8 And although I think it's relatively clear within the  
9 language, within the modified TNP Chapter 5, I just wanted  
10 to make sure this was part of the record.

11           The Town suggests that ADWR clearly state that  
12 the point of compliance is the number of conservation  
13 programs implemented and not the specified unit volume  
14 water use.

15           Okay. Want me to keep going? Or are there  
16 questions?

17           Okay. The other three comments relate more  
18 specifically to Appendix 5H, which are the conservation  
19 programs listed by ADWR. So Appendix 5H, Section 3,  
20 contains a provision whereby the regulated community can  
21 petition ADWR to add water conservation measures to the  
22 already established list; however, there is no language in  
23 there allowing for modifications or deletions of  
24 conservation programs from that list. Since some of those  
25 programs suggested are not necessarily scientifically

1 proven to conserve water or may not be appropriate for  
2 water conservation in all areas, the Town suggests that  
3 ADWR allow modifications or deletions as well as additions  
4 to the list.

5           Comment number three, in Senate Bill 1557, the  
6 Legislature modified ARS §45-566.01(C)(1), specifically to  
7 encourage the use of inverted or tiered water rate  
8 structures. The conservation measures in Appendix 5H do  
9 not list water rate structures as a conservation measure.  
10 It seems that the Legislature was specifically interested  
11 in water rate structures as a measure, and the Town  
12 suggests that water rate structures be added to the list  
13 of water conservation measures allowable.

14           Just to be clear, that citation I read from the  
15 statute, that was from 1557.

16           Finally, in Appendix 5H, Category 1, the  
17 subcategory is entitled Market Surveys to Identify  
18 Information Needs/Assess Success or Messages. The Town  
19 believes that should be expanded to allow market surveys  
20 to identify the whole gamut of water conservation programs  
21 that may be most needed or most acceptable on the surface  
22 area. In other words, the market survey is too narrowly  
23 focused on information needs and doesn't focus on or does  
24 not allow inclusions of, say, technology needs or water  
25 marketing ideas or anything like that. So the Town

1 suggests that that be expanded.

2           Again, this kind of goes back to comment number  
3 two, whereby you can allow modifications or deletions.  
4 Currently there is no provision for that, as I already  
5 said.

6           Then, also, based on that same program, if DWR  
7 does expand the focus of the allowable survey, ADWR should  
8 also expand the allowable conservation program so that it  
9 can be expanded based on that survey. Right now, it only  
10 allows categories one through two from the list of  
11 conservation measures to be implemented. And that should  
12 be expanded to categories one through seven.

13           That's the limit of my comments at this time.

14           MS. GERRY WILDEMAN: Thank you, John.

15           The next name is Daniel Timmons.

16           MR. DANIEL TIMMONS: My name is Daniel Timmons  
17 and I have no additional comments at this time. I just  
18 put my name on there just in case.

19           MS. GERRY WILDEMAN: And if you want to note,  
20 Daniel is from the Town of Chino Valley.

21           Is there anyone else who would like to speak?

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

24           Then I have to go into the written. Is there  
25 anyone here that wishes to submit any written comments or

1 evidence that they have brought with them?

2 MR. JOHN MUNDERLOH: I do.

3 MS. GERRY WILDEMAN: Let the record show that a  
4 letter was written from John Munderloh, Town of Prescott  
5 Valley, to Kathy Donoghue.

6 As I mentioned earlier, written comments on the  
7 proposed rules may be submitted until 5 o'clock p.m.  
8 today. If you would like to submit written comments after  
9 the hearing, please fax or e-mail them to Kathy Donoghue,  
10 the Department's docket supervisor. Ms. Donoghue's fax  
11 number is 602-771-8683. And her e-mail address is  
12 kadonoghue@azwater.gov.

13 This public hearing is now adjourned. Thank you  
14 all for attending.

15 (10:21 a.m.)

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1 STATE OF ARIZONA. )  
 ) ss.  
2 COUNTY OF YAVAPAI )

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I HEREBY CERTIFY that the foregoing was taken before me, TANIS EASTRIDGE; that all proceedings had upon the taking of said hearing were recorded and taken down by me on a steno machine as backup and thereafter reduced to writing by me; and that the foregoing 18 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 15th day of March, 2008.

  
TANIS EASTRIDGE-THORPE  
Court Reporter

**MODIFICATIONS TO CHAPTER 5**  
**MUNICIPAL CONSERVATION PROGRAM**  
**THIRD MANAGEMENT PLAN**  
**PRESCOTT ACTIVE MANAGEMENT AREA**

**APRIL 2008**

The following are modifications to Chapter 5, Municipal Conservation Program, of the Third Management Plan for the Prescott Active Management Area. Language deleted is shown in strikethrough. Language added is in uppercase. If no changes are made to a section, subsection, paragraph, sub-paragraph or appendix, “No change” is indicated.

## **5.1 INTRODUCTION**

[No change]

## **5.2 STATUTORY PROVISIONS**

### **5.2.1 Per Capita Requirements for Large Municipal Providers**

The Groundwater Code (Code) requires that the management plans for each AMA include a conservation program for municipal uses. For the first, second, and third management plans, the Code expressly mandates that the programs require reasonable reductions in per capita use. A.R.S. §§ 45-564(A)(2), 45-565(A)(2), and 45-566(A)(2). To comply with this mandate the Department developed the Total Gallons Per Capita Per Day Program (Total GPCD Program). As originally enacted, the Code did not exempt any municipal providers from the requirement to achieve reductions in per capita use. Consequently, the municipal conservation program in the First Management Plan established maximum gallons per capita per day (GPCD) requirements for all municipal providers, regardless of size.

In 1986, the Legislature amended the statutes governing the second and third management plans to exempt “small municipal providers” from the requirement to achieve reasonable reductions in per capita use. Laws 1986, Ch. 107, §§ 2 and 3. Instead of requiring small municipal providers to achieve reductions in per capita use, the statutes require the director to establish “reasonable conservation requirements for small municipal providers.” A.R.S. §§ 45-565(A)(4) and 45-566(A)(4). Until 1994, “small municipal provider” was defined in the Code as “a city, town, private water company or irrigation district that supplies water for non-irrigation use, serves less than five hundred people and supplies less than one hundred acre-feet of water for non-irrigation use during a calendar year.” Laws 1986, Ch. 107, § 1. In 1994, the Legislature changed the definition of small municipal provider to “a municipal provider that supplies two hundred fifty acre-feet or less of water for non-irrigation use during a calendar year.” A.R.S. § 45-561(13).

~~Two~~ **THREE** other statutory amendments have created exceptions to the requirement that municipal providers achieve reasonable reductions in per capita use. In 1991, the Legislature exempted large untreated water providers from the requirement to achieve reductions in per capita use. Laws 1991, Ch. 211, §§ 16, 17, and 18. In 1992, the Legislature enacted legislation requiring the director to include in each management plan a Non-Per Capita Conservation Program for large municipal providers as an optional, alternative program to the program requiring reductions in per capita use. Laws 1992, Ch. 183, §§ 5, 7, and 9. Those amendments are described in greater detail in the following two sections. **IN 2007, THE LEGISLATURE ENACTED LEGISLATION REQUIRING THE DIRECTOR TO MODIFY THE NON-PER CAPITA CONSERVATION PROGRAM IN THE THIRD MANAGEMENT PLAN. THE 2007 LEGISLATION REQUIRES ALL LARGE MUNICIPAL PROVIDERS THAT ARE NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ARE NOT LARGE UNTREATED WATER PROVIDERS TO BE REGULATED UNDER THE NEW NON-PER CAPITA CONSERVATION PROGRAM BEGINNING JANUARY 1, 2010, OR THE DATE THEIR PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. LARGE MUNICIPAL PROVIDERS THAT ARE DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY ELECT TO BE REGULATED UNDER THE NPCCP.**

### **5.2.2 Non-Per Capita Conservation Requirements for Large Municipal Providers**

~~In 1992, the Legislature enacted legislation requiring the Department to include in the management plans a Non Per Capita Conservation Program (NPCCP) as an optional, alternative program to the Total GPCD Program requiring reasonable reductions in per capita use. Each provider regulated under the NPCCP is required to implement specific residential and non-residential conservation programs for interior and exterior water use, a public education program relating to water conservation, and a program to meter most service area connections. Additionally, providers who are regulated under the NPCCP are required to either reduce their groundwater pumping consistent with the Assured Water Supply Rules (AWS-Rules) (A.A.C. R12-15-701, *et seq.*) or eliminate their use of mined groundwater by the year 2010. The NPCCP is a performance based program with compliance determined by the effective implementation of stipulated conservation measures and the required groundwater reduction. For the Third Management Plan, the statutory requirements for the NPCCP are found at A.R.S. § 45-566.01.~~

IN 2007, LEGISLATION WAS ENACTED REQUIRING THE DIRECTOR TO MODIFY THE THIRD MANAGEMENT PLAN TO REPLACE THE PREVIOUSLY ADOPTED NPCCP WITH A NEW NPCCP. THE LEGISLATION PROVIDES THAT THE NEW NPCCP SHALL REQUIRE A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE PROGRAM TO IMPLEMENT WATER CONSERVATION MEASURES WITHIN ITS SERVICE AREA, INCLUDING A PUBLIC EDUCATION PROGRAM, A METERING PROGRAM AND ONE OR MORE ADDITIONAL WATER CONSERVATION MEASURES. THE DIRECTOR IS REQUIRED TO INCLUDE IN THE MANAGEMENT PLAN A LIST OF WATER CONSERVATION MEASURES THAT A PROVIDER MUST SELECT FROM TO COMPLY WITH THE NPCCP. THE DIRECTOR MUST DESIGN THE NEW NPCCP TO ACHIEVE A WATER USE EFFICIENCY IN THE SERVICE AREA OF PROVIDERS REGULATED UNDER THE PROGRAM EQUIVALENT TO THE WATER USE EFFICIENCY ASSUMED BY THE DIRECTOR IN ESTABLISHING THEIR TOTAL GPCD REQUIREMENTS. UNLIKE THE PREVIOUS NPCCP, THERE IS NO REQUIREMENT THAT A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NEW NPCCP LIMIT ITS GROUNDWATER USE TO A SPECIFIED VOLUME WHILE REGULATED UNDER THE PROGRAM.

A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS AN INSTITUTIONAL PROVIDER IS REQUIRED TO BE REGULATED UNDER THE NEW NPCCP BEGINNING JANUARY 1, 2010, OR THE DATE THE PROVIDER'S PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. HOWEVER, A LARGE MUNICIPAL PROVIDER MAY AGREE TO BE REGULATED UNDER THE NPCCP EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE BEFORE THAT DATE. ALTHOUGH LARGE MUNICIPAL PROVIDERS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY ARE NOT REQUIRED TO BE REGULATED UNDER THE NPCCP, THEY MAY ELECT TO BE REGULATED UNDER THE PROGRAM BY SUBMITTING TO THE DIRECTOR A WRITTEN NOTICE OF THE ELECTION AND A PROVIDER PROFILE THAT IS SUBSEQUENTLY APPROVED BY THE DIRECTOR. THE NPCCP IS SET FORTH IN SECTION 5-104 OF THE THIRD MANAGEMENT PLAN.

### **5.2.3 Conservation Requirements for Individual Users**

[No change]

### **5.2.4 Distribution System Requirements**

[No change]

### **5.3 RELATIONSHIP OF SECTOR TO ACHIEVEMENT OF MANAGEMENT GOAL**

[No change]

### **5.4 ASSURED WATER SUPPLY PROGRAM**

The Code requires persons proposing to offer subdivided lands for sale or lease within an AMA to demonstrate that the proposed subdivision has an assured water supply. A.R.S. § 45-576. If a subdivider fails to demonstrate that a proposed subdivision has an assured water supply, the plat for the subdivision may not be approved by a city, town, or county, and the state Real Estate Commissioner may not issue a public report authorizing the sale or lease of the subdivided lands. A.R.S. § 45-576(B) and (C).

There are two mechanisms for demonstrating that a proposed subdivision has an assured water supply. First, the subdivider may apply for and obtain a Certificate of Assured Water Supply (Certificate of AWS) from the director. Second, the subdivider may obtain a written commitment of water service for the subdivision from a city, town, or private water company which the director has designated as having an assured water supply. A.R.S. § 45-576(A). For both of these purposes, “assured water supply” means that sufficient water of adequate quality will be continuously available to meet the water needs of the proposed use for at least 100 years; that the projected use is consistent with the management plan (i.e. conservation requirement and recharge recovery criteria) and achievement of the safe-yield management goal for the AMA; and that the financial capability has been demonstrated to construct the water facilities necessary to make the supply of water available for the proposed use, including a delivery system and any storage facilities or treatment works. A.R.S. § 45-576(I).

In 1995, the Department adopted rules to carry out the purposes of the assured water supply statute. A.A.C. R12-15-701, *et seq.* The AWS Rules specify in detail what an applicant for a Certificate of AWS or a Designation of Assured Water Supply (Designation of AWS) must demonstrate. Of particular relevance to the municipal conservation program are the requirements for demonstrating that a proposed use is consistent with the management plan and achievement of the management goal for the AMA.

The AWS Rules state:

~~In the Prescott Active Management Area, the proposed use of an applicant for a certificate of assured water supply or a designation of assured water supply is consistent with the achievement of the management goal of the active management area, regardless of the volume of groundwater withdrawn from within the active management area for the proposed use, until the director enters a final decision and order determining that the Prescott Active Management Area is no longer at safe yield ....A.A.C. R12-15-705(B).~~

Under the AWS Rules, after the director collected three consecutive years of normalized information indicating that the AMA is mining groundwater, the director was required to make a determination that the AMA is no longer at safe-yield. A Preliminary Decision that the AMA is no longer at safe-yield was made on August 28, 1998 and the director issued the Final Decision and Order that the AMA is no longer at safe-yield on January 12, 1999, after a public hearing and review process was undertaken. Water providers and future subdivisions which apply to the Department for Designations or Certificates of Assured Water Supply are now required to acquire renewable water to meet the water needs of new development. A.A.C. R12-15-705(F) 722(A).

#### **5.4.1 Consistency With Management Goal**

In order to demonstrate that a proposed use is consistent with the management goal of an AMA, the AWS Rules require applicants to demonstrate that renewable or imported supplies will be used to satisfy most

of the water demand of the development or water service area for 100 years. A.A.C. R12-15-705 722. For a municipal provider in the Prescott AMA applying for a Designation of AWS, this means that most of the water demand customers in new subdivision will have to be met with water supplies other than mined groundwater from within the AMA.

**5.4.2 Consistency with Management Plan**

[No change]

**5.4.2.1 Consistency With Management Plan Criteria For Applicants For Certificates Of Assured Water Supply**

[No change]

**5.4.3 Assured Water Supply Role in the Municipal Conservation Program**

[No change]

**5.5 FIRST AND SECOND MANAGEMENT PLANS**

[No change]

**5.5.1 First Management Plan Approach**

[No change]

**5.5.2 Second Management Plan Approach**

[No change]

**5.5.3 Overview of Changes During the Second Management Period**

[No change]

**5.5.3.1 Management Plan Modifications**

**5.5.3.1.1 First Modifications (1991):**

[No change]

**5.5.3.1.2 Second Modification (1995):**

[No change]

**5.5.3.2 Non-Management Plan Change**

[No change]

**5.5.3.2.1 Water Quality Assurance Revolving Fund**

[No change]

### **5.5.3.2.2 Determination of Safe-Yield Status and Related Legislation**

In 1998 the State Legislature enacted legislation dealing with the potential declaration that the Prescott AMA is no longer at safe-yield. The legislation required the Department to initiate the administrative process to determine the AMA's safe-yield status, to adopt interim guidelines prohibiting mined groundwater from being used to demonstrate an assured water supply until a final decision on the AMA's safe-yield status, and to amend the Department's AWS Rules after a declaration that the AMA is no longer at safe-yield. The AWS Rules ~~shall be~~ HAVE BEEN amended to specify the volume of groundwater that a designated municipal provider may serve to subdivisions which were approved (according to criteria in the legislation) prior to the effective date of the legislation.

### **5.5.3.2.3 Prescott AMA Service Area Population Calculation Methodology**

[No change]

## **5.6 MUNICIPAL PROGRAM ISSUES**

[No change]

### **5.6.1 Private Water Company Issues**

Some municipal water providers regulated under the Municipal Conservation Program are privately-owned companies separate from the city, town, or county in which they are located. While local plumbing and landscape ordinances may apply within the private water company service area, the water company itself lacks the authority to enact ordinances regulating water use by the citizens of these communities. In addition to being regulated by the Department, private water companies are regulated by the Arizona Corporation Commission (ACC), an elected body whose mission includes exercising exclusive state regulatory authority over public service corporations (public utilities) in the public interest. The ACC monitors the operations of approximately 350 private water utility companies throughout Arizona, reviewing company financial records and recommending revenue requirements and rates and charges to be collected. The regulatory responsibilities of the ACC are fully defined in Article XV of the Arizona Constitution and §§ 40-201, *et seq.*, Arizona Revised Statutes, including A.R.S. § 40-250, requiring that all public service corporations obtain ACC approval before establishing or changing any rate.

Private water companies have raised several issues regarding the relationship of the Department's requirements and the ACC's review of rate recovery associated with the requirements. The most significant issues identified include: (1) the perception of uncertainty in the ability to recover the holding costs of CAP subcontracts and financing the construction of facilities for receipt and use of renewable supplies and (2) the impact of the ACC's position in rate cases that implementation of conservation programs is discretionary, because the Department does not identify specific conservation programs or measures needed to be carried out by the provider.

These issues have been extensively reviewed and discussed by the Department staff, private water company representatives, and ACC staff. The ACC has indicated that "although they cannot guarantee recovery of costs prior to their incurrence" they would consider cost recovery for the use of renewable supplies and the implementation of conservation measures, applying the principles of "used and useful" and "least-cost alternative." In the past, these principles have meant that a provider would have to be actively providing a resource in order to recover costs and any conservation measure implemented would have to be the most cost-effective before the recovery of costs would be allowed. Private water companies argue that these principles do not guarantee cost recovery as they are considered by the Commission on a case-by-case basis.

~~During the development of the Third Management Plan, the Department explored the possibility of establishing a municipal conservation program designed exclusively for private water companies. In order to meet the goals of the Department and obtain the support of the ACC, the Department considered a program that would mandate specific conservation measures and reduce reliance on groundwater supplies. Upon further examination, it was determined that additional statutory authority would be needed to implement such a program. It was decided by the Department not to pursue this action at this time. However, Department staff, with the cooperation of the regulated community, will continue to explore options, including continued dialogue between the two agencies aimed at establishing a united goal in achieving the most economically efficient reduction in reliance on mined groundwater by private water companies including providing more certainty of cost recovery for providers.~~

#### **5.6.2 Renewable Water Supply Use Issues**

[No change]

#### **5.6.3 Total Gallons Per Capita Per Day Program Issue**

[No change]

#### **5.6.4 Residential User Issues**

[No change]

### **5.7 THIRD MANAGEMENT PLAN MUNICIPAL CONSERVATION PROGRAM**

[No change]

#### **5.7.1 Conservation Requirements for Large Municipal Providers**

The Department identified existing water use patterns and service area characteristics that influence a large municipal provider's water conservation potential in order to establish conservation requirements for large municipal providers in the Second Management Plan. Assumptions about future service area population growth and water supply and demand were also included in the analysis. This assessment was referred to as the "municipal provider profile." For the Third Management Plan, the Department used a similar approach to identify service area water use characteristics. Information was gathered through Annual Water Withdrawal and Use reports including water deliveries, monthly water use by sector, water source, and number of housing units added to the service area annually. Additional information included annual population estimates based on the municipal provider-supplied housing unit information from the annual reports, Arizona Department of Economic Security persons per housing unit data, and individual interviews with large municipal providers to assess existing water conservation programs to determine water conservation potential.

EXCEPT AS PROVIDED IN THE NEXT PARAGRAPH, the Code requires additional reasonable reductions in per capita use by large municipal providers in the Third Management Plan. Pursuant to this statutory requirement, the Department will calculate a total GPCD requirement for each large municipal provider. Each large municipal provider will be noticed of its total GPCD requirements for its service area. Municipal providers may apply for variance from or administrative review of the conservation requirements within 90 days after the notice is given. Alternatively, a large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may apply for ~~one of the alternative conservation programs: the Non-Per Capita Conservation Program (NPCCP), the Alternative Conservation Program (ACP), or the Institutional Provider Program (IPP)~~ ELECT TO BE REGULATED

UNDER THE NON-PER CAPITA CONSERVATION PROGRAM (NPCCP). Large municipal providers DESIGNATED AS HAVING AN ASSURED WATER SUPPLY who do not ~~apply for~~ ENROLL IN an alternative program will be regulated under the Total GPCD Program.

AS EXPLAINED IN GREATER DETAIL IN SECTION 5.7.1.2, LARGE MUNICIPAL PROVIDERS THAT ARE NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ARE NOT REGULATED AS INSTITUTIONAL PROVIDERS WILL BE REGULATED UNDER THE NPCCP BEGINNING ON JANUARY 1, 2010 OR THE DATE THEIR PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. UNTIL THEN, THEY MUST CONTINUE TO COMPLY WITH THE MUNICIPAL CONSERVATION PROGRAM UNDER WHICH THEY WERE REGULATED AS OF JANUARY 1, 2008. A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE INSTITUTIONAL PROVIDER PROGRAM DESCRIBED IN SECTION 5.7.1.4 SHALL CONTINUE TO BE REGULATED UNDER THAT PROGRAM.

#### **5.7.1.1 Total Gallons Per Capita Per Day Program**

As in previous management periods, EXCEPT AS PROVIDED IN SECTION 5.7.1.2, the base municipal program for the Third Management Plan will be the Total GPCD Program. All large municipal providers regulated under this program must limit the annual gallons per capita per day water usage within its service area to the amount allowed under its total GPCD requirements.

For the third management period, an annual total GPCD requirement will be calculated using a “component method.” The components of the total GPCD requirement are: existing residential use, new single family residential use, new multifamily residential use, non-residential use, and lost and unaccounted for water. Each component has an assigned per capita per day use rate as shown in Table 5-103.A and Section 5-103 of the Municipal Conservation Requirements at the end of this chapter. Each year IN WHICH THE PROVIDER IS REGULATED UNDER THE TOTAL GPCD PROGRAM, the sum of the per capita per day component volumes will be multiplied by the actual population in the service area in that year. The resulting allowable volume will be compared to the actual amount of water withdrawn, diverted, or received in the calendar year to determine compliance DURING THAT YEAR.

##### **5.7.1.1.1 Total Gallons Per Capita Per Day Program Development**

###### **5.7.1.1.1.1 Analysis of Existing Residential Conservation Potential**

[No change]

###### **5.7.1.1.1.2 Models For New Residential Users**

[No change]

###### **5.7.1.1.1.3 Analysis of Non-Residential Uses**

In the Second Management Plan, the proportion of non-residential water use to residential water use was held constant from base year levels for each provider. It was assumed that providers would have the ability to utilize non-potable supplies for new non-residential uses such as turf-related facilities and landscaping within industrial and commercial facilities. Specifically, the direct use of effluent to serve these needs would allow a provider to remain in compliance with municipal conservation requirements. Providers were also given the option of entering the ACP or the NPCCP, which did not contain per capita requirements for non-residential use. The alternative program did place a limit on mined groundwater use, however.

Non-residential water use by the two large providers for the past eleven years was evaluated in the Prescott AMA. Non-residential water use has increased in the Prescott Valley Water District water service area 387 percent since 1987. The proportion of deliveries for non-residential use in Prescott Valley Water District's service area has increased ten percent, from 16 percent in 1987 to 26 percent of total deliveries in 1995. Non-residential deliveries in the Prescott service area have increased 39 percent since 1987, but unlike Prescott Valley Water District, the proportion of total deliveries for non-residential uses has remained fairly constant over time.

**TABLE 5-4  
EXTERIOR WATER USE MODEL FOR NEW SINGLE FAMILY  
RESIDENTIAL DEVELOPMENT  
PRESCOTT ACTIVE MANAGEMENT AREA**

[No change]

Potential for effluent reuse still exists within the municipal sector. The exclusion of direct use effluent or effluent recovered inside the area of impact from the total GPCD requirement will continue through the third management period. Providers REGULATED UNDER THE TOTAL GPCD PROGRAM will also continue to have the option of ~~applying for~~ ENROLLING IN the ACP or the NPCCP, neither of which limits the per capita water use for the non-residential sector. Because providers with disproportionate increases in non-residential water use are expected to enter the ACP or the NPCCP, a provider's non-residential GPCD component in the Third Management Plan will remain the same as assumed for the provider in the final GPCD requirements in the Second Management Plan.

**5.7.1.1.1.4 Lost and Unaccounted for Water**

[No change]

**5.7.1.1.2 Total Gallons Per Capita Per Day Compliance**

**5.7.1.1.2.1 Annual Population Estimates**

[No change]

**5.7.1.1.2.2 Flexibility Account**

[No change]

**5.7.1.1.2.3 Compliance Calculation**

[No change]

**~~5.7.1.2 Non-Per Capita Conservation Program~~**

~~The NPCCP was added to the Second Management Plan in 1995 after being developed in cooperation with representatives of the water using community. This program requires a provider to implement specific conservation measures within its service area instead of requiring compliance with per capita conservation requirements. A provider in this program must implement reasonable conservation measures, or RCMs, for interior and exterior residential water uses and interior and exterior non-residential uses, as well as an education program. The RCMs must be designed to result in water use efficiency within the provider's service area equivalent to the water use efficiency assumed in the~~

provider's total GPCD requirement. The Department has established a list of standard RCMs which are designed to achieve an efficiency equivalent to the assumptions used in the Total GPCD Program. However, if the standard RCMs do not fit the service area characteristics of a provider, the program allows the provider the flexibility to substitute measures that are designed to achieve the same savings yet fit the unique characteristics of the provider's service area.

#### **5.7.1.2.1 — Groundwater Use Reduction Requirement**

The provider must meet one of the following requirements to be eligible to participate in the NPCCP: (1) the provider must be a member of a groundwater replenishment district, (2) the provider must be designated as having a 100-year assured water supply under the Department's AWS Rules, or (3) the provider must implement a plan to reduce mined groundwater withdrawals to zero by the year 2010 using a straight-line volumetric reduction.

#### **5.7.1.2.2 — Reasonable Conservation Measures**

A set of standard Residential, Non-Residential, and Education RCMs were developed by the Department with the aid of an advisory group made up of conservation program experts from the regulated community. Each RCM prescribes actions that must be taken by the provider to achieve water use efficiencies in each sector. Providers who have already implemented these measures will be required to implement additional conservation measures, consistent with the conservation potential for their service area, to qualify for the program. The Standard RCMs are outlined below. Additional substitute RCMs (Appendix 5D.4) were developed to allow a provider to develop a conservation program that meets the characteristics of its service area. In order for a provider to use a substitute RCM in place of a Standard RCM, the provider must apply to the director and demonstrate that the substitute RCM will be designed to achieve a water use efficiency equivalent to the Standard RCM.

#### Standard RCMs

##### **A. Residential Interior**

1. Water Audit and Fixture Retrofit Program for Existing Residential Customers
2. Ordinance or Condition of New Service Prohibiting Installation or Replacement of Plumbing Fixtures in Residential Housing Units Unless Fixtures Meet Water Savings Standards

##### **B. Residential Exterior**

1. Audit Program for Existing Residential Customers
2. Landscape Watering Advice Program for Existing and New Residential Customers
3. Ordinance or Condition of New Service for Model Homes in New Residential Developments
4. Prohibit the Creation of Covenants, Conditions, and Restrictions Which Require the Use of Water-Intensive Landscaping or Which Prohibit the Use of Low-Water-Use Landscaping in New Residential Developments
5. *One additional landscape RCM from the three below (Choice of one of the following)*
  - a) Ordinance or Condition of New Service Limiting Use of Turf and Other Water-Intensive Landscaping in New Multifamily Developments; **or**
  - b) Ordinance or Condition of New Service Limiting Use of Turf and Other Water-Intensive Landscaping in Common Areas of New Single-Family and Multifamily Developments; **or**
  - c) Rebate Program for New Residential Customers

##### **C. Non-Residential Interior**

- ~~1. Interior Audit Program for Existing Facilities~~
- ~~2. Ordinance or Condition of New Service Prohibiting Installation or Replacement of Plumbing Fixtures in Non-Residential Facilities Unless Fixtures Meet Water Saving Standards~~
- ~~3. Distribution of Conservation Information to all New Non-Residential Customers and Submittal of Water Use Plan by New Large Facilities~~

**~~D. Non-Residential Exterior~~**

- ~~1. Exterior Audit Program for Existing Non-Residential Customers~~
- ~~2. Landscape Ordinance or Condition of New Service for New Facilities~~

**~~E. Education~~**

- ~~1. Public Information and Education Program~~

**~~5.7.1.2.3 Compliance with the Non-Per Capita Conservation Program~~**

~~A large municipal provider regulated under the NPCCP is in compliance with the program if it implements the agreed to RCMs and limits its use of groundwater to the amount allowed under the AWS Rules or the amount allowed under the straight line reduction, whichever is applicable. The Department will use the written agreement for the NPCCP to monitor progress with the program. Each year, along with the Annual Water Withdrawal and Use Report, the municipal provider will be required to submit a progress report describing the implementation of each RCM, the cost of implementing the program, estimated or actual water savings, and a description of any difficulties with the program.~~

**5.7.1.2 Non-Per Capita Conservation Program**

A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS AN INSTITUTIONAL PROVIDER WILL BE REGULATED UNDER THE NPCCP BEGINNING JANUARY 1, 2010, OR THE DATE ITS PROVIDER PROFILE IS APPROVED BY THE DIRECTOR AS PROVIDED IN SECTION 5.7.1.2.1, WHICHEVER IS LATER. THE LARGE MUNICIPAL PROVIDER MAY AGREE TO BE REGULATED UNDER THE NPCCP EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PRIOR TO THAT DATE. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY ELECT TO BE REGULATED UNDER THE NPCCP BY PROVIDING WRITTEN NOTICE OF THE ELECTION TO THE DIRECTOR, WHICH MUST INCLUDE A PROVIDER PROFILE AS DESCRIBED IN SECTION 5.7.1.2.1. THE PROVIDER WILL BE REGULATED UNDER THE NPCCP IF THE DIRECTOR APPROVES THE PROVIDER PROFILE. A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NPCCP IS EXEMPT FROM THE REQUIREMENTS OF THE TOTAL GPCD PROGRAM.

THE NPCCP IS A PERFORMANCE-BASED PROGRAM. EACH YEAR WHILE REGULATED UNDER THE PROGRAM, A PROVIDER MUST COMPLY WITH THE METERING REQUIREMENTS IN SECTION 5-113(5) AND IMPLEMENT A PUBLIC EDUCATION PROGRAM RELATING TO WATER CONSERVATION AND ONE OR MORE ADDITIONAL WATER CONSERVATION MEASURES WITHIN ITS SERVICE AREA. THE NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES THAT MUST BE IMPLEMENTED DEPENDS ON THE TOTAL NUMBER OF RESIDENTIAL AND NON-RESIDENTIAL SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM AND THE TIER LEVEL FOR THAT NUMBER OF CONNECTIONS (SEE SECTION 5.7.1.2.2). THE PROVIDER MUST SELECT THE ADDITIONAL WATER CONSERVATION MEASURES FROM A LIST OF MEASURES APPROVED BY THE DIRECTOR. THE INITIAL LIST OF APPROVED ADDITIONAL WATER

CONSERVATION MEASURES IS SET FORTH IN APPENDIX 5H. THE DIRECTOR MAY MODIFY THE LIST TO INCLUDE ADDITIONAL WATER CONSERVATION MEASURES PURSUANT TO THE PROCEDURE SET FORTH IN APPENDIX 5H. ALL ADDITIONAL WATER CONSERVATION MEASURES SELECTED BY THE PROVIDER MUST BE REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

THE PROVIDER MUST IDENTIFY THE WATER CONSERVATION MEASURES THAT IT WILL IMPLEMENT IN ITS PROVIDER PROFILE THAT MUST BE SUBMITTED TO THE DIRECTOR BEFORE THE PROVIDER IS REGULATED UNDER THE NPCCP. IF THE DIRECTOR APPROVES THE PROVIDER PROFILE, THE PROVIDER MUST IMPLEMENT THE WATER CONSERVATION MEASURES IDENTIFIED IN THE PROVIDER PROFILE, UNLESS THE PROVIDER IMPLEMENTS A SUBSTITUTE WATER CONSERVATION MEASURE AS DESCRIBED IN SECTION 5.7.1.2.2. IF THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM INCREASES TO A HIGHER TIER LEVEL AFTER THE PROVIDER'S PROVIDER PROFILE HAS BEEN APPROVED BY THE DIRECTOR, THE PROVIDER MUST SUBMIT TO THE DIRECTOR A NEW PROVIDER PROFILE WITH THE APPROPRIATE NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES FOR THE NEW TIER LEVEL. THE PROVIDER MUST BEGIN IMPLEMENTING ALL OF THE WATER CONSERVATION MEASURES DESCRIBED IN THE NEW PROVIDER PROFILE WHEN IT IS APPROVED BY THE DIRECTOR.

#### **5.7.1.2.1 PROVIDER PROFILE**

A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS AN INSTITUTIONAL PROVIDER MUST SUBMIT A PROVIDER PROFILE TO THE DIRECTOR ON OR BEFORE JULY 1, 2009, OR WITHIN SIX MONTHS AFTER FIRST RECEIVING WRITTEN NOTICE OF ITS THIRD MANAGEMENT PLAN CONSERVATION REQUIREMENTS FROM THE DIRECTOR, WHICHEVER IS LATER. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ELECTS TO BE REGULATED UNDER THE NPCCP MUST SUBMIT A PROVIDER PROFILE TO THE DIRECTOR AT THE TIME THE PROVIDER GIVES WRITTEN NOTICE OF THE ELECTION TO THE DIRECTOR.

A PROVIDER PROFILE MUST CONTAIN THE FOLLOWING INFORMATION: (1) A DESCRIPTION OF THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS AND WATER USE PATTERNS; (2) A DESCRIPTION OF THE CONSERVATION MEASURES THE PROVIDER IS CURRENTLY IMPLEMENTING; (3) A DESCRIPTION OF THE PUBLIC EDUCATION PROGRAM AND ADDITIONAL WATER CONSERVATION MEASURES THAT THE PROVIDER INTENDS TO IMPLEMENT TO COMPLY WITH THE NPCCP; AND (4) AN EXPLANATION OF HOW THE ADDITIONAL WATER CONSERVATION MEASURES ARE RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. WITHIN 90 DAYS AFTER RECEIVING A PROVIDER PROFILE, THE DIRECTOR MUST EITHER APPROVE OR DISAPPROVE THE PROVIDER PROFILE AND SEND WRITTEN NOTICE OF THE DECISION TO THE PROVIDER. THE DIRECTOR IS REQUIRED TO APPROVE A PROVIDER PROFILE IF THE PROFILE DEMONSTRATES THAT THE PROVIDER WILL IMPLEMENT THE PUBLIC EDUCATION PROGRAM RELATING TO WATER CONSERVATION DESCRIBED IN APPENDIX 5H AND THE REQUIRED NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES, AND THAT THE ADDITIONAL WATER CONSERVATION MEASURES ARE REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. IF THE DIRECTOR DOES NOT SEND WRITTEN NOTICE APPROVING OR DISAPPROVING A PROVIDER PROFILE WITHIN 90 DAYS AFTER RECEIVING THE PROFILE, THE PROVIDER

PROFILE WILL BE DEEMED APPROVED. IF THE DIRECTOR DISAPPROVES A PROVIDER PROFILE, THE PROVIDER MAY APPEAL THE DIRECTOR'S DECISION.

IF THE DIRECTOR DISAPPROVES A PROVIDER PROFILE SUBMITTED BY A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS AN INSTITUTIONAL PROVIDER, THE PROVIDER MUST REVISE THE PROVIDER PROFILE TO CORRECT THE DEFICIENCIES AND SUBMIT THE REVISED PROVIDER PROFILE TO THE DIRECTOR WITHIN 90 DAYS AFTER RECEIVING WRITTEN NOTICE OF THE DISAPPROVAL, OR WITHIN 90 DAYS AFTER THE DIRECTOR'S DECISION DISAPPROVING THE PROVIDER PROFILE IS FINAL IF THE DIRECTOR'S DECISION IS APPEALED.

IF THE DIRECTOR DISAPPROVES A PROVIDER PROFILE SUBMITTED BY A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER MAY REVISE THE PROVIDER PROFILE TO CORRECT THE DEFICIENCIES AND SUBMIT THE REVISED PROVIDER PROFILE TO THE DIRECTOR. IF THE PROVIDER DOES NOT SUBMIT A REVISED PROVIDER PROFILE TO THE DIRECTOR, THE PROVIDER WILL NOT BE REGULATED UNDER THE NPCCP, BUT WILL CONTINUE TO BE REGULATED UNDER ITS EXISTING CONSERVATION PROGRAM.

WITHIN 90 DAYS AFTER RECEIVING A REVISED PROVIDER PROFILE, THE DIRECTOR MUST APPROVE OR DISAPPROVE THE PROVIDER PROFILE AND SEND WRITTEN NOTICE OF THE DECISION TO THE PROVIDER. IF THE DIRECTOR DOES NOT SEND WRITTEN NOTICE APPROVING OR DISAPPROVING THE REVISED PROVIDER PROFILE WITHIN THAT TIME PERIOD, THE REVISED PROFILE WILL BE DEEMED APPROVED. IF THE DIRECTOR DISAPPROVES A REVISED PROVIDER PROFILE, THE PROVIDER MAY APPEAL THE DECISION. IF THE PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER IS OUT OF COMPLIANCE WITH ITS CONSERVATION REQUIREMENTS BEGINNING ON THE DATE THE DIRECTOR'S DECISION DISAPPROVING THE REVISED PROVIDER PROFILE IS FINAL UNTIL THE PROVIDER SUBMITS A PROVIDER PROFILE THAT IS APPROVED BY THE DIRECTOR.

A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS AN INSTITUTIONAL PROVIDER WILL BE REGULATED UNDER THE NPCCP BEGINNING JANUARY 1, 2010 OR THE DATE ITS PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. HOWEVER, THE PROVIDER MAY AGREE TO BE REGULATED UNDER THE NPCCP EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE EARLIER THAN THAT DATE. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ELECTS TO BE REGULATED UNDER THE NPCCP WILL BE REGULATED UNDER THE NPCCP IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE.

#### **5.7.1.2.2 WATER CONSERVATION MEASURES**

IN ADDITION TO THE METERING REQUIREMENTS IN SECTION 5-113(5), A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NPCCP MUST IMPLEMENT A PUBLIC EDUCATION PROGRAM RELATING TO WATER CONSERVATION AND ONE OR MORE ADDITIONAL WATER CONSERVATION MEASURES. THE REQUIRED COMPONENTS OF THE PUBLIC EDUCATION PROGRAM ARE DESCRIBED IN APPENDIX 5H. THE NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES THAT MUST BE IMPLEMENTED DEPENDS ON THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S

WATER DISTRIBUTION SYSTEM. A PROVIDER WITH 5,000 OR FEWER SERVICE CONNECTIONS MUST IMPLEMENT ONE ADDITIONAL WATER CONSERVATION MEASURE; A PROVIDER WITH 5,001 TO 30,000 SERVICE CONNECTIONS MUST IMPLEMENT FIVE ADDITIONAL WATER CONSERVATION MEASURES; AND A PROVIDER WITH MORE THAN 30,000 SERVICE CONNECTIONS MUST IMPLEMENT TEN ADDITIONAL WATER CONSERVATION MEASURES. THE ADDITIONAL WATER CONSERVATION MEASURE OR MEASURES MUST BE SELECTED FROM THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES IN APPENDIX 5H, OR ANY MODIFICATIONS OF THE LIST. ALL OF THE WATER CONSERVATION MEASURES SELECTED FOR IMPLEMENTATION MUST BE REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

AS STATED IN SECTION 5.7.1.2.1, A PROVIDER MUST IDENTIFY THE ADDITIONAL WATER CONSERVATION MEASURES IT INTENDS TO IMPLEMENT IN ITS PROVIDER PROFILE. ONCE THE PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, THE PROVIDER MUST IMPLEMENT THE WATER CONSERVATION MEASURES DESCRIBED BY THE PROVIDER IN THE APPROVED PROVIDER PROFILE WHILE THE PROVIDER IS REGULATED UNDER THE NPCCP. A PROVIDER MAY DISCONTINUE IMPLEMENTING A WATER CONSERVATION MEASURE IDENTIFIED IN ITS PROVIDER PROFILE, OTHER THAN THE PUBLIC EDUCATION PROGRAM, AND BEGIN IMPLEMENTING A SUBSTITUTE WATER CONSERVATION MEASURE IF BOTH OF THE FOLLOWING CRITERIA ARE MET:

- THE SUBSTITUTE WATER CONSERVATION MEASURE IS ON THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES DESCRIBED IN APPENDIX 5H, OR ANY MODIFICATIONS OF THE LIST.
- THE PROVIDER DETERMINES THAT THE SUBSTITUTE WATER CONSERVATION MEASURE IS REASONABLY RELEVANT TO ITS EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

IF A PROVIDER BEGINS IMPLEMENTING A SUBSTITUTE WATER CONSERVATION MEASURE, THE PROVIDER MAY DISCONTINUE IMPLEMENTING THAT SUBSTITUTE MEASURE AND BEGIN IMPLEMENTING A NEW SUBSTITUTE MEASURE UNDER THE CRITERIA SET FORTH ABOVE. A PROVIDER THAT SUBSTITUTES A WATER CONSERVATION MEASURE MUST NOTIFY THE DIRECTOR OF THE SUBSTITUTION IN ITS NEXT CONSERVATION EFFORTS REPORT (SEE SECTION 5.7.1.2.3 BELOW). IF THE DIRECTOR DETERMINES THAT THE SUBSTITUTE WATER CONSERVATION MEASURE IS NOT REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS, IT WILL NOTIFY THE PROVIDER OF THE DETERMINATION AND THE PROVIDER MUST RESUME IMPLEMENTING THE DISCONTINUED WATER CONSERVATION MEASURE OR A SUBSTITUTE MEASURE THAT THE DIRECTOR APPROVES. THE DIRECTOR'S DETERMINATION IS AN APPEALABLE AGENCY ACTION.

### **5.7.1.2.3 CONSERVATION EFFORTS REPORT**

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NPCCP MUST INCLUDE WITH ITS ANNUAL REPORT FILED BY MARCH 31 OF EACH YEAR A CONSERVATION EFFORTS REPORT THAT INCLUDES THE FOLLOWING INFORMATION FOR THE PREVIOUS CALENDAR YEAR:

- A DESCRIPTION OF THE WATER CONSERVATION MEASURES IMPLEMENTED DURING THE YEAR.
- AN ASSESSMENT OF THE OUTCOMES OF THE IMPLEMENTATION OF EACH MEASURE.

- THE PROVIDER'S PLAN FOR IMPLEMENTATION OF WATER CONSERVATION MEASURES DURING THE CURRENT YEAR.
- IF THE PROVIDER SUBSTITUTED A WATER CONSERVATION MEASURE DURING THE YEAR, A DESCRIPTION OF THE WATER CONSERVATION MEASURE THAT WAS DISCONTINUED, A DESCRIPTION OF THE SUBSTITUTE WATER CONSERVATION MEASURE AND AN EXPLANATION OF HOW THE SUBSTITUTE WATER CONSERVATION MEASURE IS RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

#### **5.7.1.2.4 WATER RATE STRUCTURE**

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NPCCP MUST INCLUDE IN ITS ANNUAL REPORT DUE BY MARCH 31 OF EACH YEAR A COPY OF ITS CURRENT WATER RATE STRUCTURE, UNLESS NO CHANGES HAVE BEEN MADE TO THE RATE STRUCTURE SINCE IT WAS LAST SUBMITTED TO THE DIRECTOR.

#### **5.7.1.2.5 RECORDS RETENTION**

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NPCCP MUST KEEP AND MAINTAIN ACCURATE RECORDS VERIFYING THAT THE PROVIDER IMPLEMENTED THE WATER CONSERVATION MEASURES THAT IT WAS REQUIRED TO IMPLEMENT DURING A YEAR AND RECORDS OF ITS WATER USE DURING THE YEAR. THE RECORDS FOR A YEAR MUST BE KEPT AND MAINTAINED FOR AT LEAST FIVE YEARS AFTER THAT YEAR.

#### **5.7.1.2.6 INDIVIDUAL USER REQUIREMENTS, DISTRIBUTION SYSTEM REQUIREMENTS AND MONITORING AND REPORTING REQUIREMENTS**

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NPCCP MUST COMPLY WITH THE INDIVIDUAL USER REQUIREMENTS IN SECTION 5-111, THE CONSERVATION REQUIREMENTS FOR MUNICIPAL DISTRIBUTIONS SYSTEMS IN SECTION 5-112 AND THE MONITORING AND REPORTING REQUIREMENTS IN SECTION 5-113.

#### **5.7.1.2.7 REVIEW OF NPCCP**

THE LEGISLATION REQUIRING THE DIRECTOR TO MODIFY THE THIRD MANAGEMENT PLAN TO INCLUDE THE NEW NPCCP REQUIRES THE DIRECTOR TO PERIODICALLY REVIEW THE PROGRAM TO EVALUATE ITS EFFECTIVENESS, INCLUDING THE LIST OF WATER CONSERVATION MEASURES APPROVED BY THE DIRECTOR. THE LEGISLATION AUTHORIZES THE DIRECTOR TO ESTABLISH AN ADVISORY COMMITTEE TO ASSIST THE DIRECTOR IN THE EVALUATION AND TO CONTRACT WITH AN INDEPENDENT RESEARCHER TO ASSIST IN THE EVALUATION. THE LEGISLATION PROVIDES THAT IF THE DIRECTOR DETERMINES THAT CHANGES TO THE PROGRAM ARE APPROPRIATE TO IMPROVE THE EFFECTIVENESS OF THE PROGRAM, THE DIRECTOR SHALL MODIFY THE PROGRAM PURSUANT TO A.R.S. § 45-572 IF THE CHANGES ARE CONSISTENT WITH THE EXISTING STATUTORY PROVISIONS. IF THE CHANGES THAT THE DIRECTOR DETERMINES ARE APPROPRIATE ARE NOT CONSISTENT WITH THE EXISTING STATUTORY PROVISIONS, THE DIRECTOR MUST GIVE WRITTEN NOTICE OF THE APPROPRIATE CHANGES TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND THE GOVERNOR. THE DIRECTOR INTENDS TO EVALUATE THE EFFECTIVENESS OF THE NPCCP AS PART OF THE FOURTH MANAGEMENT PLAN DEVELOPMENT PROCESS. THE DEPARTMENT WILL ESTABLISH AN ADVISORY COMMITTEE CONSISTING OF STAKEHOLDERS TO ASSIST IN THE EVALUATION.

### **5.7.1.3 Alternative Conservation Program**

The ACP was developed for the Second Management Plan to give large municipal providers with disproportionately increasing non-residential water use an alternative to the Total GPCD Program. The ACP allows providers with disproportionately increasing non-residential water use the flexibility to serve those non-residential uses while achieving water use efficiency levels comparable to those set by the Total GPCD Program. **THE ACP IS AVAILABLE ONLY FOR LARGE MUNICIPAL PROVIDERS THAT HAVE BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY.** The ACP consists of the following requirements that must be met by the provider:

(1) groundwater use limitation, (2) residential GPCD requirement, and (3) non-residential RCMs.

#### **5.7.1.3.1 Groundwater Use Limitation Requirement**

~~A provider regulated under the ACP must limit its annual groundwater use as follows: (1) If the provider is designated as having an assured water supply, it must limit its annual groundwater use to the amount it can use consistent with the AWS Rules; (2) If the provider is not designated as having an assured water supply, it must limit its annual groundwater use to its largest legal groundwater use during any one year from 1980 through 1989 if it was serving water on or before January 1, 1990, or to 50 percent of the largest legal groundwater use during any one year from January 1, 1990 through 1999 if it began serving water after January 1, 1990 but before January 1, 2000. A provider can achieve compliance with the groundwater use limitation requirement by permanently extinguishing grandfathered rights within the AMA, or by serving groundwater that will be replenished by a replenishment district, remediated groundwater that is accounted for as surface water under section 5-114 of the municipal conservation requirements, groundwater withdrawn outside of an AMA, or renewable supplies.~~

#### **5.7.1.3.2 Residential Gallons Per Capita Per Day Requirement**

[No change]

#### **5.7.1.3.3 Non-Residential Reasonable Conservation Measures**

[No change]

#### **5.7.1.3.4 Compliance with the Alternative Conservation Program**

[No change]

##### **5.7.1.3.4.1 Groundwater Use Limitation**

A provider regulated under the ACP is in compliance with the groundwater use limitation requirement of the ACP if no more groundwater is used in the calendar year than is allowed pursuant to the provisions of the program.

##### **5.7.1.3.4.2 Residential Gallons Per Capita Per Day Requirement**

[No change]

##### **5.7.1.3.4.3 Non-Residential Reasonable Conservation Measures**

[No change]

#### **5.7.1.4 Institutional Provider Program**

The IPP replaced the First Management Plan special provider category. The IPP allows those providers with unique water use characteristics who are unable to economically utilize non-groundwater sources an avenue to participate in a program that focuses on the specific institutional water use characteristics of the service area. The IPP is designed for municipal providers who supply more than 90 percent of their total water deliveries to non-residential water users. Specifically, these non-residential uses include prisons, hospitals, military installations, airparks, and schools. Providers may request entrance into this program by submitting an application to the director at any time during the management period. If the request is approved, the provider will be assigned specific conservation measures for non-residential uses and a maximum residential GPCD. The Department will grant institutional provider designation only if the Total GPCD Program is not appropriate and the provider demonstrates that it cannot qualify for the ACP or the NPCCP ~~by limiting its groundwater use, retiring grandfathered water rights, or using alternative sources of water.~~

#### **5.7.2 Conservation Requirements for New Large Municipal Providers**

A new large municipal provider is defined as a city, town, private water company, or irrigation district that begins serving more than 250 acre-feet of water for non-irrigation use per year after January 1, 2000. All new large providers THAT ARE DESIGNATED AS HAVING AN ASSURED WATER SUPPLY will initially be assigned to the Total GPCD Program. Their total GPCD requirement will be calculated consistent with the component methodology used for existing large municipal providers. The Department will determine the base year for the municipal provider as the year preceding the year in which the provider began serving greater than 250 acre-feet per year, unless the director determines that water usage during that year is not representative of historic water use. Additionally, the Department will collect residential and non-residential water use data during the base year and the total gallons of water withdrawn, diverted, or received by the provider in the service area. Using an analysis of conservation potential for existing residential users, the Department will calculate a GPCD requirement for existing residential users. New residential development will be assigned the interior residential model use rates of 57 GPCD for new single family and multifamily water users and the exterior water use model of 75 GPHUD for new single family and 58 GPHUD for new multifamily exterior water use. The non-residential component rate will be set at the actual non-residential use up to 20 GPCD. The 20 GPCD figure is based on the average, minimum non-residential per capita rate in large municipal water provider service areas without large turf-related facilities in the AMAs. Twenty GPCD is considered the minimum amount of non-residential use necessary for commercial purposes within a large provider service area. Any non-residential demand above this rate can be accommodated by either the ACP or the NPCCP. The annual amount of lost and unaccounted for water will be included in the component calculation up to 10 percent of the total water use in that year.

A new large provider REGULATED UNDER THE TOTAL GPCD PROGRAM may apply for an administrative review requesting a temporary adjustment to its total GPCD requirement in order to serve a turf-related facility. A temporary adjustment will be allowed if the provider demonstrates that direct use effluent or effluent recovered within the area of impact is committed to serve the turf-related facility beginning in four years, but a longer period is necessary for sufficient effluent to be produced to serve the entire facility. The adjustment will remain in effect only until sufficient direct use effluent or effluent recovered within the area of impact is available to serve the entire facility, not to exceed eight years, and may be adjusted as the volume of effluent use increases. The adjustment will be terminated if the infrastructure necessary to deliver the effluent is not in place at the beginning of the fourth year after the provider commences service to the facility. A permanent adjustment will not be granted to a new large municipal provider. If a new large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY cannot serve a turf-related facility under its existing per capita requirement and direct use effluent or effluent recovered within the area of impact will not be physically available to

serve the facility within a reasonable period of time, the provider may enroll in the Non-Per Capita Conservation Program or the Alternative Conservation Program, if it wishes to serve the facility.

A NEW LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY WILL BE REGULATED UNDER THE NPCCP DESCRIBED IN SECTION 5-104. THE PROVIDER MUST SUBMIT A PROVIDER PROFILE CONTAINING THE INFORMATION DESCRIBED IN SECTION 5-104(B)(1) BY JULY 1, 2009 OR WITHIN SIX MONTHS AFTER RECEIVING WRITTEN NOTICE OF ITS CONSERVATION REQUIREMENTS FROM THE DIRECTOR, WHICHEVER IS LATER. THE PROVIDER MUST BEGIN COMPLYING WITH THE NPCCP UPON APPROVAL OF THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104(B)(2) OR (B)(3).

### **5.7.3 Conservation Requirements for Consolidated Municipal Providers and Providers that Acquire or Convey a Portion of a Service Area**

~~If two or more municipal providers consolidate their service areas or if a large municipal provider acquires a portion of another provider's service area, the consolidated provider, acquiring provider, or conveying provider will receive a recalculated or revised conservation requirement. A consolidated provider that qualifies as a large municipal provider will be assigned to the Total GPCD Program and its GPCD components will be calculated by prorating the respective per capita component targets, populations, and water use as appropriate. A consolidated provider may apply for the NPCCP or the ACP if one of the consolidated providers was regulated under one of these programs prior to the consolidation. The consolidated provider's application for the program must include only the information that has changed since the provider originally filed the application for the program. Providers that acquire or convey a portion of a service area continue to be regulated under the conservation program they were under prior to the acquisition or conveyance. However, if they were regulated under either they must reapply for regulation under that program within 180 days after the acquisition or conveyance and must submit only the information that has changed since the original application was filed.~~

IF TWO OR MORE MUNICIPAL PROVIDERS CONSOLIDATE THEIR SERVICE AREAS OR IF A LARGE MUNICIPAL PROVIDER ACQUIRES A PORTION OF ANOTHER PROVIDER'S SERVICE AREA, THE CONSOLIDATED PROVIDER, ACQUIRING PROVIDER, OR CONVEYING PROVIDER WILL RECEIVE A RECALCULATED OR REVISED CONSERVATION REQUIREMENT. A CONSOLIDATED PROVIDER THAT QUALIFIES AS A LARGE MUNICIPAL PROVIDER WILL BE REGULATED AS FOLLOWS:

- IF THE CONSOLIDATED PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, IT WILL BE ASSIGNED TO THE TOTAL GPCD PROGRAM AND ITS GPCD COMPONENTS WILL BE CALCULATED BY PRORATING THE RESPECTIVE PER CAPITA COMPONENT TARGETS, POPULATIONS, AND WATER USE AS APPROPRIATE. THE CONSOLIDATED PROVIDER MAY APPLY FOR THE ACP OR MAY ELECT TO BE REGULATED UNDER THE NPCCP.
- IF THE CONSOLIDATED PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER MUST SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SECTION 5-104(B)(1) WITHIN 60 DAYS AFTER THE CONSOLIDATION BECOMES EFFECTIVE OR JULY 1, 2009, WHICHEVER IS LATER. THE CONSOLIDATED PROVIDER WILL BE REGULATED UNDER THE NPCCP DESCRIBED IN SECTION 5-104 UPON APPROVAL OF THE PROVIDER PROFILE BY THE DIRECTOR.

PROVIDERS THAT ACQUIRE OR CONVEY A PORTION OF A SERVICE AREA CONTINUE TO BE REGULATED UNDER THE CONSERVATION PROGRAM THEY WERE UNDER PRIOR TO

THE ACQUISITION OR CONVEYANCE. HOWEVER, IF THE CONVEYING OR ACQUIRING PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND WAS REGULATED UNDER THE ACP, IT MUST REAPPLY FOR REGULATION UNDER THAT PROGRAM WITHIN 180 DAYS AFTER THE ACQUISITION OR CONVEYANCE AND MUST SUBMIT ONLY THE INFORMATION THAT HAS CHANGED SINCE THE ORIGINAL APPLICATION WAS FILED. ALSO, IF THE CONVEYANCE OCCURS ON OR AFTER JANUARY 1, 2010 AND THE CONVEYING OR ACQUIRING PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE CONVEYANCE OR ACQUISITION, IT WILL BE REGULATED UNDER THE NPCCP REGARDLESS OF WHETHER IT WAS REGULATED UNDER THAT PROGRAM PRIOR TO THE CONVEYANCE OR ACQUISITION. IF THE CONVEYING OR ACQUIRING PROVIDER IS REGULATED UNDER THE NPCCP AFTER THE CONVEYANCE OR ACQUISITION AND IT WAS REGULATED UNDER THAT PROGRAM IMMEDIATELY PRIOR TO THE CONVEYANCE OR ACQUISITION, THE PROVIDER MUST SUBMIT A NEW PROVIDER PROFILE TO THE DIRECTOR IF EITHER: (1) THE CONVEYANCE OR ACQUISITION RESULTED IN THE TOTAL NUMBER OF SERVICE AREA CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM INCREASING OR DECREASING TO A NEW TIER LEVEL; OR (2) THE DIRECTOR DETERMINES THAT THE PROVIDER'S SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS HAVE CHANGED.

#### **5.7.4 Conservation Requirements for Small Municipal Providers**

[No change]

#### **5.7.5 Regulatory Requirements for All Municipal Providers**

[No change]

##### **5.7.5.1 Individual User Requirements**

[No change]

##### **5.7.5.2 Distribution System Requirements**

[No change]

##### **5.7.5.3 Monitoring and Reporting Requirements**

All municipal providers are required to annually: (1) report to the Department information on the total quantity of water used within the service area and the total volume of water delivered for various municipal purposes, (2) calculate the volume of lost and unaccounted for water within the service area, and (3) report the total number of housing units, by unit type, added to the service area from July 1 of the previous calendar year to July 1 of the reporting year.

Large municipal providers are required to separately measure and report the amount of water delivered each month for: irrigation uses; residential uses, separated by single family and multifamily; and non-residential uses, separated by water use categories, including turf-related facility use, commercial use, industrial use, government use, construction use, surface water treatment, and other uses.

All municipal providers are required to submit to the Department, on an annual basis, an updated water service area and distribution system map delineating all potable and nonpotable distribution lines greater than 4 inches, all potable treatment facilities, all well sites, and all nonpotable treatment.

Large municipal providers regulated under the ~~NPCCP~~ or the ACP are required to submit a progress report that includes an evaluation of the reasonable conservation measures in accordance with their written stipulated agreement. A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NPCCP MUST SUBMIT A CONSERVATION EFFORTS REPORT AS DESCRIBED IN SECTION 5-104(E) AND MUST REPORT THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM AS OF THE END OF THE REPORTING YEAR.

**5.8 INCENTIVES FOR THE USE OF RENEWABLE SUPPLIES AND REMEDIATED GROUNDWATER**

[No change]

**5.9 NON-REGULATORY EFFORTS**

[No change]

**5.10 SUMMARY AND CONCLUSIONS**

The Third Management Plan Municipal Program includes conservation requirements for large municipal providers and small municipal providers. Large municipal providers are noticed of conservation requirement components for existing residential water use, new residential water use, non-residential water use, and lost and unaccounted for water use for the third management period. The components are used to calculate a total GPCD requirement for each calendar year based on growth within the large municipal provider's water service area. Large municipal providers DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may also apply for the ACP or ENROLL IN the NPCCP if non-residential growth within the water service area occurs disproportionately to residential growth. Both of these alternative conservation programs require a limitation or reduction in the provider's use of groundwater in order to qualify. Small municipal providers are essentially required to reduce waste and improve water use efficiency within their water service areas during the third management period.

AS A RESULT OF LEGISLATION ENACTED IN 2007, THE NON-PER CAPITA CONSERVATION PROGRAM INITIALLY INCLUDED IN THE THIRD MANAGEMENT PLAN HAS BEEN MODIFIED IN SEVERAL RESPECTS. AS REQUIRED BY THE LEGISLATION, ALL LARGE MUNICIPAL PROVIDERS THAT ARE NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ARE NOT REGULATED AS INSTITUTIONAL PROVIDERS WILL BE REGULATED UNDER THE PROGRAM BEGINNING JANUARY 1, 2010 OR THE DATE THEIR PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. LARGE MUNICIPAL PROVIDERS THAT HAVE BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY ARE NOT REQUIRED TO BE REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM, BUT THEY MAY ELECT TO BE REGULATED UNDER THAT PROGRAM AS AN ALTERNATIVE TO THE TOTAL GPCD PROGRAM. PROVIDERS REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM MUST IMPLEMENT A REQUIRED NUMBER OF WATER CONSERVATION MEASURES WITHIN THEIR SERVICE AREA. THE REQUIREMENT TO LIMIT GROUNDWATER USE TO A SPECIFIED VOLUME HAS BEEN ELIMINATED.

All municipal providers must comply with monitoring and distribution system requirements. Information on water use, growth, and system losses, for example, must be reported to the Department on an annual basis.

~~Many regulatory program and water management issues were raised by the Department and municipal providers during the development of the Third Management Plan. These issues include: the difficulties~~

~~private water companies experience in implementing conservation programs and transitioning to the use of renewable water supplies; difficulties encountered with the use of a total GPCD requirement to regulate water use efficiency; the potential for and challenges of utilization of additional renewable supplies; and the relationship of the municipal sector to the achievement of the AMA goals. Addressing these issues may require additional legislation and management plan modifications during the third management period. Cooperation between the Department and municipal providers will result in solutions to these issues that improve water management within the AMA and lead to improved efficiency of use in the municipal sector.~~

## **5.11 FUTURE DIRECTIONS**

A priority for the early years of the third management period will be working with municipal providers and communities throughout the AMA on short and long term water planning. Department staff will work with other parties to collect further hydrologic data and to expand the groundwater and surface water monitoring system. These additional data will be used to further refine the Department's hydrologic model and to work cooperatively with water providers to analyze alternative water supply scenarios.

Throughout the third management period, the Department will work to improve data collection on water demands and conservation measures. Additional analyses of municipal growth patterns will be performed. The Department will continue to collect information on the best available technologies for residential and non-residential water use. The Department will continue to quantify what a reasonable goal is for future reductions in municipal water use.

The relative contributions of conservation versus augmentation of water supplies to the goal of safe-yield will be evaluated. The effectiveness of conservation programs and the extent to which increasing efficiency of use can contribute to the overall goals of the AMA will also be evaluated. This may include focusing the conservation assistance program on municipal research or evaluation projects or increasing direct assistance to providers.

~~The Department will continue to explore the possibility of developing a separate Private Water Company Program during the third management period.~~ Through discussions with the ACC, the Department will continue to develop policies related to water conservation and supply acquisition and foster an understanding with the ACC on a private water company conservation program and the ability to provide more assurance on the pass-through of costs associated with the required programs established by the Department.

5.12 **MUNICIPAL CONSERVATION REQUIREMENTS AND MONITORING AND REPORTING REQUIREMENTS**

5-101. **Definitions**

*In addition to the definitions set forth in Chapters 1 and 2 of Title 45 of the Arizona Revised Statutes, unless the context otherwise requires, the following words and phrases used in this chapter shall have the following meanings:*

1. *[No change]*
2. *[No change]*
3. *[No change]*
4. *[No change]*
5. *[No change]*
6. *[No change]*
7. *“Existing non-residential customer” means, with respect to a large municipal provider regulated under the Non-Per Capita Conservation Program described in section 5-104 or the Alternative Conservation Program described in section 5-105, a non-residential customer to whom the provider served water on the date the provider was accepted for regulation under the program.*
- ~~8. “Existing residential customer” means, with respect to a large municipal provider regulated under the Non-Per Capita Conservation Program described in section 5-104, a residential customer to whom the provider served water on the date the provider was accepted for regulation under the program.~~
- ~~9~~ 8. *[No change]*
- ~~10~~ 9. *[No change]*
- ~~11~~ 10. *[No change]*
- ~~12. “Extinguish” means, for the Alternative Conservation Program’s groundwater use limitation requirement, to cause a grandfathered groundwater right to cease to exist through a formal process established by the director.~~
- ~~13~~ 11. *[No change]*
- ~~14~~ 12. *[No change]*
- ~~15~~ 13. *[No change]*
- ~~16. “Incidental recharge” and “incidental recharge factor” have the definitions prescribed by A.R.S. § 45-561.~~
- ~~17~~ 14. *[No change]*
- ~~18~~ 15. *[No change]*

~~19~~ 16. [No change]

~~20~~ 17. [No change]

~~21~~ 18. [No change]

~~22~~ 19. [No change]

~~23~~ 20. [No change]

~~24. “Mined groundwater” has the definition prescribed by A.R.S. § 45-561, section 5-103, subsection D.~~

~~25~~ 21. [No change]

~~26~~ 22. [No change]

~~27~~ 23. [No change]

~~28~~ 24. [No change]

~~29~~ 25. [No change]

~~30~~ 26. [No change]

~~31~~ 27. [No change]

~~32~~ 28. “New non-residential customer” means, with respect to a large municipal provider regulated under ~~the Non-Per Capita Conservation Program described in section 5-104~~ ~~or~~ the Alternative Conservation Program described in section 5-105, a non-residential customer that begins receiving water from the provider after the provider is accepted for regulation under the program.

~~33. “New residential customer” means, with respect to a large municipal provider regulated under the Non-Per Capita Conservation Program described in section 5-104, a residential customer that begins receiving water from the provider after the provider is accepted for regulation under the program.~~

~~34~~ 29. [No change]

~~35~~ 30. [No change]

~~36~~ 31. [No change]

~~37~~ 32. “Non-residential exterior water use” means, with respect to a large municipal provider regulated under ~~the Non-Per Capita Conservation Program described in section 5-104~~ ~~or~~ the Alternative Conservation Program described in section 5-105, water supplied by the provider and used for exterior water use purposes by non-residential customers, other than individual users, within the provider's service area.

~~38~~ 33. “Non-residential interior water use” means, with respect to a large municipal provider regulated under ~~the Non-Per Capita Conservation Program described in~~

~~section 5-104 or the Alternative Conservation Program described in section 5-105, water supplied by the provider and used for interior water use purposes by non-residential customers, other than individual users, within the provider's service area.~~

~~39~~ 34. "Reasonable Conservation Measures" or "RCMs" means policies, practices, rules, regulations, ordinances, or the use of devices, equipment or facilities, that meet either of the following criteria:

- a. An established and generally accepted practice among water providers that results in efficient use or conservation of water, or
- b. A practice for which sufficient data are available from existing water conservation projects to indicate that significant water conservation or conservation related benefits can be achieved; that the practice is technically and economically reasonable and not environmentally or socially unacceptable; and that the practice is not otherwise unreasonable for most water providers to implement.

~~40~~ 35. [No change]

~~41. "Residential exterior water use" means, with respect to a large municipal provider regulated under the Non-Per Capita Conservation Program described in section 5-104, water supplied by the provider and used for exterior water use purposes by residential customers within the provider's service area.~~

~~42. "Residential interior water use" means, with respect to a large municipal provider regulated under the Non-Per Capita Conservation Program described in section 5-104, water supplied by the provider and used for interior water use purposes by residential customers within the provider's service area.~~

~~43~~ 36. [No change]

~~44~~ 37. [No change]

~~45~~ 38. [No change]

~~46~~ 39. [No change]

~~47~~ 40. [No change]

~~48~~ 41. [No change]

~~49~~ 42. [No change]

~~50~~ 43. [No change]

## **5-102 . Large Municipal Providers - Conservation Programs**

- A. Beginning with the calendar year determined under Section 5-103, subsection A, paragraph 2, and continuing until the first compliance date for any substitute requirement in the Fourth Management Plan, a large municipal provider DESIGNATED AS HAVING AN ASSURED WATER SUPPLY shall be regulated under the Total Gallons Per Capita Per Day (GPCD) Program described in section 5-103, unless the provider ~~has applied for and been accepted~~

~~for regulation~~ *ELECTS TO BE REGULATED under the Non-Per Capita Conservation Program described in section 5-104 or APPLIES FOR AND IS ACCEPTED FOR REGULATION UNDER the Alternative Conservation Program described in section 5-105, or is designated as an institutional provider under section 5-108.*

*If a large municipal provider DESIGNATED AS HAVING AN ASSURED WATER SUPPLY is accepted into ~~the Non-Per Capita Conservation Program, the Alternative Conservation Program, or is designated as an institutional provider,~~ the provider shall continue to comply with its total GPCD requirement until the first compliance date assigned by the director for the provider under the Alternative Conservation Program, ~~the Non-Per Capita Conservation Program, or the Institutional Provider Program.~~ IF A LARGE MUNICIPAL PROVIDER DESIGNATED AS HAVING AN ASSURED WATER SUPPLY ELECTS TO BE REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104, THE PROVIDER SHALL CONTINUE TO COMPLY WITH THE CONSERVATION REQUIREMENTS IN EFFECT FOR THE PROVIDER AT THE TIME IT NOTIFIES THE DIRECTOR OF THE ELECTION UNTIL THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104, SUBSECTION (B)(2) OR (B)(3).*

- B.** *A large municipal provider DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may ~~apply for~~ ELECT TO BE REGULATED UNDER the Non-Per Capita Conservation Program as described in section 5-104 BY GIVING THE DIRECTOR WRITTEN NOTICE OF THE ELECTION TOGETHER WITH A PROVIDER PROFILE PURSUANT TO SECTION 5-104(A)(1). IF THE PROVIDER ELECTS TO BE REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM, THE PROVIDER SHALL COMPLY WITH THE PROGRAM BEGINNING ON THE DATE THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104(B)(2) OR (B)(3). ~~If the director approves the application, the provider shall comply with the requirements of the Non-Per Capita Conservation Program beginning on a date determined by the director but not later than January 1 of the year following the year in which the application is approved.~~*
- C.** *A large municipal provider DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may apply for the Alternative Conservation Program as described in section 5-105. If the director approves the application, the provider shall comply with the requirements of the Alternative Conservation Program beginning on a date determined by the director but not later than January 1 of the year following the year in which the application is approved.*
- D.** *A large municipal provider may apply for designation as an institutional provider pursuant to section 5-108 5-107. If the director approves the application, the provider shall comply with the institutional provider requirements assigned by the director beginning on a date determined by the director but not later than January 1 of the year following the year in which the application is approved.*
- E.** *[No change]*
- F.** *A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY SHALL SUBMIT A PROVIDER PROFILE TO THE DIRECTOR AS PRESCRIBED IN SECTION 5-104(A). THE PROVIDER SHALL BE REGULATED UNDER THE NPCCP DESCRIBED IN SECTION 5-104 BEGINNING JANUARY 1, 2010 OR THE DATE THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104(B)(2) OR (3), WHICHEVER IS LATER, AND CONTINUING UNTIL THE EFFECTIVE DATE OF ANY SUBSTITUTE REQUIREMENT IN THE FOURTH MANAGEMENT PLAN. THE PROVIDER MAY AGREE TO BE*

REGULATED UNDER THE NPCCP EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104(B)(2) OR (3) EARLIER THAN JANUARY 1, 2010. UNTIL THE PROVIDER IS REGULATED UNDER THE NPCCP AS PROVIDED IN THIS SUBSECTION, THE PROVIDER SHALL CONTINUE TO BE REGULATED UNDER THE CONSERVATION PROGRAM UNDER WHICH IT WAS REGULATED ON JANUARY 1, 2008.

- G. IF THE DIRECTOR DESIGNATES A LARGE MUNICIPAL PROVIDER AS HAVING AN ASSURED WATER SUPPLY WHILE THE PROVIDER IS REGULATED UNDER THE NPCCP DESCRIBED IN SECTION 5-104, THE PROVIDER SHALL CONTINUE TO BE REGULATED UNDER THE NPCCP UNLESS THE PROVIDER GIVES WRITTEN NOTICE TO THE DIRECTOR THAT IT ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103. IF THE PROVIDER ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM, THE DIRECTOR SHALL GIVE WRITTEN NOTICE TO THE PROVIDER OF ITS TOTAL GPCD REQUIREMENTS AND THE PROVIDER SHALL COMPLY WITH THE TOTAL GPCD REQUIREMENTS BEGINNING ON THE DATE SPECIFIED IN THE NOTICE.

**5-103. Large Municipal Provider Total Gallons Per Capita Per Day Program**

[No change]

**5-104. Non-Per Capita Conservation Program**

**~~A. Eligibility for the Non-Per Capita Conservation Program~~**

~~A large municipal provider may apply for the Non-Per Capita Conservation Program if any of the following applies:~~

- ~~1. The provider is a member of a groundwater replenishment district established under Title 48, Chapter 27, Arizona Revised Statutes.~~
- ~~2. The service area of the provider has qualified as a member service area under Title 48, Chapter 22, Arizona Revised Statutes, or as a water district member under Title 48, Chapter 28, Arizona Revised Statutes, and the conditions established under A.R.S. § 45-576.01(B)(2) and (3) are met by the conservation district or the water district, as applicable, for the AMA in which the service area is located.~~
- ~~3. The provider has developed a plan to both:
  - ~~a. Reduce the proportion of mined groundwater supplied by it for use within its service area such that the result computed by dividing the volume of mined groundwater supplied by the provider for use within its service area in a year by the volume of all water supplied by the provider for use within its service area in that year does not exceed:
    - 1) Two thirds for 2000.
    - 2) Three fifths for 2001.
    - 3) Eight fifteenths for 2002.
    - 4) Seven fifteenths for 2003.
    - 5) Two fifths for 2004.
    - 6) One third for 2005.~~~~

- ~~7) Four fifteenths for 2006.~~
- ~~8) One fifth for 2007.~~
- ~~9) Two fifteenths for 2008.~~
- ~~10) One fifteenth for 2009.~~

~~b. Deliver no mined groundwater for use within its service area after January 1, 2010.~~

- ~~4. The provider is designated as having an assured water supply under rules adopted by the director pursuant to A.R.S. § 45-576.~~

#### **~~B. Application for Non-Per Capita Conservation Program~~**

~~A large municipal provider's application for the Non-Per Capita Conservation Program must be approved by the provider's governing body, and must include the following:~~

- ~~1. A description and evaluation, including implementation dates, of the provider's existing conservation programs.~~
- ~~2. A description of conservation programs the provider intends to implement if approved for the Non-Per Capita Conservation Program, including a time schedule for implementing the programs.~~
- ~~3. If the provider is applying for the Non-Per Capita Conservation Program under subsection A, paragraph 3, a water supply plan demonstrating that the provider will reduce the proportion of mined groundwater supplied by it within its service area to the proportions described in that subparagraph, and that it will deliver no mined groundwater after January 1, 2010.~~
- ~~4. If the provider intends to comply with subsection D of this section by implementing one or more substitute RCMs in lieu of a standard RCM, or if the provider requests the director to modify a level of conservation potential for the provider's service area pursuant to subsection D, paragraph 1, subparagraph a of this section, an analysis of water use within the provider's service area which includes all of the following:
  - ~~a. If the provider intends to implement one or more substitute RCMs, from either the same water use category or as a system related substitute RCM, information demonstrating that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs. If the provider intends to implement one or more substitute RCMs that are not from the same water use category or system related substitute RCMs, information demonstrating that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs.~~
  - ~~b. The amount of water used each month during the past three years by each of the following water use sectors, as applicable: (1) residential (disaggregated by single-family and multifamily), (2) commercial, (3) industrial, (4) turf related facilities, (5) government, (6) construction, (7) distribution system losses, and (8) any other uses. The provider is not required to include this information if it has already been reported to the Department.~~~~

- ~~c. An identification and evaluation of the water use sectors described in item b) of this subparagraph that have the highest water conservation potential.~~
- ~~5. If the provider is requesting an individual incidental recharge factor under subsection C, paragraph 2 of this section:~~
- ~~a. A copy of a hydrological study which demonstrates the amount of water withdrawn, diverted or received for delivery by the provider for use within its service area during each of the preceding five years and the amount of incidental recharge that was attributable to the provider during those years. The study shall be prepared consistent with the methodology contained in Appendix 5E.~~
- ~~b. A copy of a hydrological study projecting the average annual amount of water that will be withdrawn, diverted or received for delivery by the provider for use within its service area during the management period and the average annual amount of incidental recharge that will be attributable to the provider during the management period.~~
- ~~6. Any other information required by the director.~~

~~**C. Incidental Recharge Factor**~~

~~1. Standard Incidental Recharge Factor~~

~~The standard incidental recharge factor for the Prescott AMA for the third management period is zero percent (0%). The standard incidental recharge factor shall be used to calculate the amount of mined groundwater supplied during a year by a large municipal provider that applied for the Non Per Capita Conservation Program under subsection A, paragraph 3 of this section, unless the provider applies for and is granted an individual incidental recharge factor pursuant to paragraph 2 of this subsection.~~

~~2. Individual Incidental Recharge Factor~~

~~A municipal provider that applies for the Non Per Capita Conservation Program under subsection A, paragraph 3 of this section may request an incidental recharge factor that is different than the standard incidental recharge factor set forth in paragraph 1 of this subsection by submitting the information described in subsection B, paragraph 5 of this section with its application. The director shall establish a different incidental recharge factor for the provider, as described in Appendix 5E, if the information submitted by the provider demonstrates that the ratio of the average annual amount of incidental recharge expected to occur within the provider's service area during the third management period to the average annual amount of water expected to be supplied by the provider for use within its service area during the third management period is different than the standard incidental recharge factor. If the director establishes an individual incidental recharge factor for the provider under this paragraph, the individual incidental recharge factor shall be used to calculate the amount of mined groundwater supplied by the provider during a year. —~~

~~**D. Criteria for Approval of Application**~~

~~A large municipal provider that applies for the Non Per Capita Conservation Program shall be approved for the program only if all of the following conditions are satisfied, as applicable:~~

~~1. The provider agrees in writing to implement RCMs that the director determines will, if properly implemented, result in the achievement of a water use efficiency within the provider's service area equivalent to the water use efficiency assumed in the provider's total GPCD requirements for the third management period. To comply with this requirement, the provider must agree in writing to implement the following RCMs for the following water use categories and programs beginning on a date agreed upon by the director and the provider:~~

~~a. Residential Water Use~~

- ~~1) Residential interior water use category The provider shall agree in writing to implement the residential interior standard RCMs described in Appendix 5D.1. In lieu of implementing one or both of the standard RCMs, the provider may agree to implement: A) one or more of the residential interior substitute RCMs or system related substitute RCMs listed in the substitute RCM list described in Appendix 5D.4 if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs; or B) one or more substitute RCMs that are not residential interior substitute RCMs or system related substitute RCMs if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs. The director shall not approve a substitution of the standard residential interior water use RCMs if the substitution would result in the provider implementing no RCMs in the residential interior water use category.~~
- ~~2) Residential exterior water use category The provider shall agree in writing to implement the residential exterior standard RCMs described in Appendix 5D.1. In lieu of implementing one or more of the standard RCMs, the provider may agree to implement: A) one or more of the residential exterior substitute RCMs or system related substitute RCMs listed in the substitute RCM list described in Appendix 5D.4 if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs; or B) one or more substitute RCMs that are not residential exterior substitute RCMs or system related substitute RCMs if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs. The director shall not approve a substitution of the standard residential exterior water use RCMs if the substitution would result in the provider implementing no RCMs in the residential exterior water use category.~~
- ~~3) Implementation level The provider shall agree to implement residential interior or exterior RCMs for existing residential customers at the implementation level (minimum, moderate or maximum) that corresponds to the level of conservation potential that the director determined existed for interior and exterior water use by existing residential users within the provider's service area when the director established the provider's total GPCD requirements for the third management period, as shown in Table 5-104.D.~~

*The director may modify a level of conservation potential shown for a provider in Table 5-104.D if the provider requests a modification in an application for administrative review pursuant to A.R.S. § 45-575(A) or in the provider's application for regulation under the Non-Per Capita Conservation Program, and the provider demonstrates that the level of conservation potential shown in Table 5-104.D is not accurate for the provider's service area. A provider requesting a modification of a level of conservation potential shall submit to the director a water use analysis containing the information described in subsection B, paragraph 4, of this section.*

**TABLE 5-104.D  
EXISTING RESIDENTIAL CONSERVATION POTENTIAL  
PRESCOTT ACTIVE MANAGEMENT AREA**

<b>Large Municipal Provider</b>	<b>Existing Conservation Potential</b>
City of Prescott	Minimum
Prescott Valley Water District	Minimum

*b. Non-Residential Water Use*

*1) Non-residential interior water use category—The provider shall agree in writing to implement the non-residential interior standard RCMs described in Appendix 5D.2. In lieu of implementing one or more of the standard RCMs, the provider may agree to implement: A) one or more of the non-residential interior substitute RCMs or system-related RCMs listed in the substitute RCM list described in Appendix 5D.4 if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs; or B) one or more substitute RCMs that are not non-residential interior substitute RCMs or system-related substitute RCMs if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs. The director shall not approve a substitution of the standard non-residential interior water use RCMs if the substitution would result in the provider implementing no RCMs in the non-residential interior water use category.*

*2) Non-residential exterior water use category—The provider shall agree in writing to implement the non-residential exterior standard RCMs described in Appendix 5D.2. In lieu of implementing one or both of the standard RCMs, the provider may agree to implement: A) one or more of the non-residential exterior substitute RCMs or system-related RCMs listed in the substitute RCM list described in Appendix 5D.4 if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs; or B) one or more substitute RCMs that are not non-residential exterior substitute RCMs or system-related substitute RCMs if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs. The director shall not approve a substitution of the standard non-residential exterior*

~~water use RCMs if the substitution would result in the provider implementing no RCMs in the non-residential exterior water use category.~~

~~c. Public Education Program~~

~~The provider shall agree in writing to implement the education standard RCM described in Appendix 5D.3. In lieu of implementing the standard RCM, the provider may agree to implement one or more of the education substitute RCMs listed in the substitute RCM list described in Appendix 5D.4. The substituted RCM or RCMs must not duplicate other RCMs that the provider will implement as part of the Non Per Capita Conservation Program.~~

- ~~2. If the provider is applying for the Non Per Capita Conservation Program under subsection A, paragraph 1 of this section, the provider will be accepted into the program only if the conditions established in A.R.S. § 45-576.01(A)(2) and (3) are met by the groundwater replenishment district of which the provider is a member.~~
- ~~3. If the provider is applying for the Non Per Capita Conservation Program under subsection A, paragraph 2 of this section, the provider will be accepted into the program only if the conditions established in A.R.S. § 45-576.01(B)(2) and (3) are met for the AMA by the multi-county water conservation district or AMA water district of which the provider is a member.~~
- ~~4. If the provider is applying for the Non Per Capita Conservation Program under subsection A, paragraph 3 of this section, the provider will be accepted into the program only if the director has determined that the provider will reduce the proportion of mined groundwater supplied within its service area to the proportions described in that subparagraph.~~
- ~~5. If the provider is applying for the Non Per Capita Conservation Program under subsection A, paragraph 4 of this section, the provider will be accepted into the program only if the director determines that the provider is designated as having an assured water supply under the rules adopted by the director under A.R.S. § 45-576.~~

**~~E. Non Per Capita Conservation Program Requirements~~**

~~A large municipal provider regulated under the Non Per Capita Conservation Program shall comply with the following requirements, as applicable, until the effective date of any substitute conservation requirements established in the Fourth Management Plan:~~

- ~~1. The provider shall implement the RCMs agreed to in writing under subsection D, paragraph 1 of this section beginning on a date agreed upon by the director and the provider.~~
- ~~2. If the provider applied for the Non Per Capita Conservation Program under subsection A, paragraph 3 of this section, the provider shall reduce the proportion of mined groundwater supplied within its service area to the proportions described in that paragraph. A provider's failure to comply with this requirement during any year will be excused if the provider demonstrates to the director's satisfaction that the failure was due to drought conditions or the failure of a surface water distribution system.~~
- ~~3. If the provider applied for the Non Per Capita Conservation Program under subsection A, paragraph 4 of this section, the provider shall not supply groundwater for use within~~

~~its service area in an amount that exceeds the amount of groundwater that the provider may supply for use within its service area consistent with the rules adopted by the director pursuant to A.R.S. § 45-576. If the provider's designation of assured water supply is revoked or otherwise terminates after the provider is accepted into the program, the amount of groundwater the provider may supply for use within its service area consistent with the rules shall be determined by the director as the amount of groundwater the provider would have been allowed to supply under the rules if the provider's designation of assured water supply had not been revoked or terminated.~~

**A. PROVIDER PROFILE – SUBMITTAL DATE**

**1. LARGE MUNICIPAL PROVIDERS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY**

*a. EXCEPT AS PROVIDED IN SUBPARAGRAPH (b) OF THIS PARAGRAPH, A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS AN INSTITUTIONAL PROVIDER SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION ON OR BEFORE JULY 1, 2009.*

*b. A NEW LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT RECEIVES WRITTEN NOTICE OF THE NON-PER CAPITA CONSERVATION PROGRAM FROM THE DIRECTOR AFTER JANUARY 1, 2009 SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION NO LATER THAN SIX MONTHS AFTER THE DATE OF THE NOTICE.*

**2. LARGE MUNICIPAL PROVIDERS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY**

*a. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ELECTS TO BE REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION AT THE TIME THE PROVIDER SUBMITS WRITTEN NOTICE TO THE DIRECTOR THAT THE PROVIDER ELECTS TO BE REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM.*

*b. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AT THE TIME IT RECEIVES WRITTEN NOTICE OF THE NON-PER CAPITA CONSERVATION PROGRAM FROM THE DIRECTOR AND WHOSE DESIGNATION OF ASSURED WATER SUPPLY IS TERMINATED AFTER THAT DATE SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION NO LATER THAN JULY 1, 2009 OR SIX MONTHS AFTER THE DESIGNATION IS TERMINATED, WHICHEVER IS LATER, UNLESS THE PROVIDER IS REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM AT THE TIME THE DESIGNATION IS TERMINATED.*

**B. PROVIDER PROFILE – CONTENTS; REVIEW; APPROVAL OR DISAPPROVAL**

1. *A PROVIDER PROFILE REQUIRED BY SUBSECTION A OF THIS SECTION SHALL CONTAIN THE FOLLOWING INFORMATION:*
  - a. *A DESCRIPTION OF THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS AND WATER USE PATTERNS.*
  - b. *THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM, INCLUDING RESIDENTIAL AND NON-RESIDENTIAL CONNECTIONS.*
  - c. *A DESCRIPTION OF THE CONSERVATION MEASURES CURRENTLY BEING IMPLEMENTED BY THE PROVIDER.*
  - d. *A DESCRIPTION OF THE CONSERVATION MEASURES THAT THE PROVIDER INTENDS TO IMPLEMENT TO COMPLY WITH SUBSECTION (D)(1) OF THIS SECTION.*
  - e. *AN EXPLANATION OF HOW EACH OF THE CONSERVATION MEASURES THAT THE PROVIDER WILL IMPLEMENT TO COMPLY WITH SUBSECTION (D)(1)(b) OF THIS SECTION IS RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.*
2. *WITHIN 90 DAYS AFTER RECEIVING A LARGE MUNICIPAL PROVIDER'S PROVIDER PROFILE, THE DIRECTOR SHALL APPROVE OR DISAPPROVE THE PROVIDER PROFILE AND SEND WRITTEN NOTICE OF THE DECISION TO THE PROVIDER. THE DIRECTOR SHALL APPROVE THE PROVIDER PROFILE IF THE DIRECTOR DETERMINES THAT THE PROFILE CONTAINS INFORMATION DEMONSTRATING THAT THE PROVIDER WILL IMPLEMENT AT LEAST THE MINIMUM NUMBER OF WATER CONSERVATION MEASURES REQUIRED PURSUANT TO SUBSECTION (D)(1) OF THIS SECTION AND THAT THE CONSERVATION MEASURES TO BE IMPLEMENTED PURSUANT TO SUBSECTION (D)(1)(b) OF THIS SECTION ARE REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. IF THE DIRECTOR DISAPPROVES THE PROVIDER PROFILE, THE DIRECTOR SHALL INCLUDE WITH THE WRITTEN NOTICE OF THE DECISION THE REASONS FOR THE DISAPPROVAL. A DECISION OF THE DIRECTOR DISAPPROVING A PROVIDER PROFILE IS AN APPEALABLE AGENCY ACTION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10. IF THE DIRECTOR FAILS TO SEND THE PROVIDER WRITTEN NOTICE APPROVING OR DISAPPROVING THE PROVIDER PROFILE WITHIN 90 DAYS AFTER RECEIVING THE PROVIDER PROFILE, THE PROVIDER PROFILE SHALL BE DEEMED APPROVED.*
3. *IF THE DIRECTOR DISAPPROVES THE PROVIDER PROFILE SUBMITTED BY A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, WITHIN 90 DAYS AFTER THE DATE OF THE DIRECTOR'S WRITTEN NOTICE DISAPPROVING THE PROVIDER PROFILE, OR WITHIN 90 DAYS AFTER THE DIRECTOR'S DECISION IS FINAL IF THE PROVIDER FILES A TIMELY NOTICE OF APPEAL OF THE DECISION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10, THE PROVIDER SHALL REVISE THE PROVIDER PROFILE TO CORRECT THE DEFICIENCIES IDENTIFIED BY THE DIRECTOR IN THE WRITTEN NOTICE AND SUBMIT THE REVISED PROVIDER PROFILE TO THE DIRECTOR. IF THE DIRECTOR DISAPPROVES THE PROVIDER PROFILE SUBMITTED BY A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS*

*HAVING AN ASSURED WATER SUPPLY, THE PROVIDER MAY REVISE THE PROVIDER PROFILE TO CORRECT THE DEFICIENCIES IDENTIFIED BY THE DIRECTOR IN THE WRITTEN NOTICE DISAPPROVING THE PROVIDER PROFILE AND MAY SUBMIT THE REVISED PROVIDER PROFILE TO THE DIRECTOR. THE DIRECTOR SHALL APPROVE OR DISAPPROVE A REVISED PROVIDER PROFILE SUBMITTED UNDER THIS PARAGRAPH PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION. IF THE DIRECTOR DISAPPROVES THE REVISED PROVIDER PROFILE:*

- a. THE DECISION IS AN APPEALABLE AGENCY ACTION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.*
- b. IF THE PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER IS IN VIOLATION OF A.R.S. § 45-566.01 BEGINNING ON THE DATE THE DIRECTOR'S DECISION IS FINAL UNTIL THE PROVIDER SUBMITS A PROVIDER PROFILE THAT IS APPROVED BY THE DIRECTOR, EXCEPT THAT THE PROVIDER SHALL NOT BE IN VIOLATION PRIOR TO JANUARY 1, 2010.*

**C. COMMENCEMENT OF REGULATION UNDER NON-PER CAPITA CONSERVATION PROGRAM**

- 1. EXCEPT AS PROVIDED IN PARAGRAPH 2 OF THIS SUBSECTION, A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS AN INSTITUTIONAL PROVIDER SHALL BE REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM BEGINNING JANUARY 1, 2010 OR THE DATE THE PROVIDER'S PROVIDER PROFILE IS APPROVED BY THE DIRECTOR PURSUANT TO SUBSECTION B OF THIS SECTION, WHICHEVER IS LATER.*
- 2. A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY AGREE TO BE REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SUBSECTION B OF THIS SECTION PRIOR TO JANUARY 1, 2010.*
- 3. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ELECTS TO BE REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM SHALL BE REGULATED UNDER THE PROGRAM BEGINNING ON THE DATE THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SUBSECTION B OF THIS SECTION.*

**D. REQUIRED WATER CONSERVATION MEASURES**

- 1. A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM SHALL IMPLEMENT ALL OF THE FOLLOWING WATER CONSERVATION MEASURES WHILE REGULATED UNDER THE PROGRAM:*
  - a. A PUBLIC EDUCATION PROGRAM RELATING TO WATER CONSERVATION AS DESCRIBED IN APPENDIX 5H.*

- b. *ONE OR MORE ADDITIONAL WATER CONSERVATION MEASURES SELECTED FROM THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES IN APPENDIX 5H OR ANY MODIFICATION OF THE LIST MADE PURSUANT TO THE MODIFICATION PROCEDURE DESCRIBED IN APPENDIX 5H. THE ADDITIONAL WATER CONSERVATION MEASURE OR MEASURES SHALL BE REASONABLY RELEVANT TO THE PROVIDER'S SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. THE EXACT NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES REQUIRED TO BE IMPLEMENTED UNDER THIS SUB-PARAGRAPH SHALL BE DETERMINED BASED ON THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM AND THE FOLLOWING THREE TIER LEVELS:*

<b>TOTAL NUMBER OF SERVICE CONNECTIONS (INCLUDES BOTH RESIDENTIAL AND NON-RESIDENTIAL)</b>	<b>REQUIRED NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES</b>
<i>TIER 1 5,000 OR FEWER CONNECTIONS</i>	<i>ONE</i>
<i>TIER 2 5,001 TO 30,000 CONNECTIONS</i>	<i>FIVE</i>
<i>TIER 3 OVER 30,000 CONNECTIONS</i>	<i>TEN</i>

2. *EXCEPT AS PROVIDED IN PARAGRAPHS 4 AND 5 OF THIS SUBSECTION, A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM SHALL IMPLEMENT THE WATER CONSERVATION MEASURES REQUIRED BY PARAGRAPH 1 OF THIS SUBSECTION AS DESCRIBED BY THE PROVIDER IN THE PROVIDER'S APPROVED PROVIDER PROFILE.*
3. *IF THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM INCREASES TO A HIGHER TIER LEVEL AS DESCRIBED IN PARAGRAPH 1(b) OF THIS SUBSECTION AFTER THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SUBSECTION (B)(2) OR (B)(3) OF THIS SECTION, THE PROVIDER SHALL SUBMIT TO THE DIRECTOR A NEW PROVIDER PROFILE WITHIN SIXTY DAYS AFTER THE PROVIDER BECOMES AWARE OF THE INCREASE AND SHALL INCLUDE IN THE PROFILE THE INFORMATION REQUIRED BY SUBSECTION (B)(1). THE PROVISIONS IN SUBSECTION (B)(2) AND (B)(3) SHALL APPLY TO THE NEW PROVIDER PROFILE WHEN IT IS SUBMITTED TO THE DIRECTOR. UNTIL THE NEW PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, THE PROVIDER SHALL CONTINUE IMPLEMENTING THE WATER CONSERVATION MEASURES DESCRIBED BY THE PROVIDER IN ITS PREVIOUSLY APPROVED PROVIDER PROFILE. UPON APPROVAL OF THE NEW PROVIDER PROFILE BY THE*

*DIRECTOR, THE PROVIDER SHALL IMPLEMENT ALL OF THE WATER CONSERVATION MEASURES DESCRIBED IN THE NEWLY APPROVED PROVIDER PROFILE.*

- 4 A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM MAY DISCONTINUE IMPLEMENTING A WATER CONSERVATION MEASURE IDENTIFIED IN THE PROVIDER'S APPROVED PROVIDER PROFILE, OTHER THAN THE PUBLIC EDUCATION PROGRAM REQUIRED BY PARAGRAPH (1)(a) OF THIS SUBSECTION, AND BEGIN IMPLEMENTING A SUBSTITUTE WATER CONSERVATION MEASURE IF ALL OF THE FOLLOWING APPLY:*
  - a. THE SUBSTITUTE CONSERVATION MEASURE IS A MEASURE DESCRIBED ON THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN APPENDIX 5H, OR ANY MODIFICATION OF THE LIST MADE PURSUANT TO THE MODIFICATION PROCEDURE DESCRIBED IN APPENDIX 5H.*
  - b. THE PROVIDER DETERMINES THAT THE SUBSTITUTE WATER CONSERVATION MEASURE IS REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.*
- 5. IF A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM IMPLEMENTS A SUBSTITUTE WATER CONSERVATION MEASURE PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION, THE PROVIDER MAY DISCONTINUE IMPLEMENTING THAT SUBSTITUTE WATER CONSERVATION MEASURE AND BEGIN IMPLEMENTING A NEW SUBSTITUTE WATER CONSERVATION MEASURE IF ALL OF THE FOLLOWING APPLY:*
  - a. THE NEW SUBSTITUTE CONSERVATION MEASURE IS A MEASURE DESCRIBED ON THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN APPENDIX 5H, OR ANY MODIFICATION OF THE LIST MADE PURSUANT TO THE MODIFICATION PROCEDURE DESCRIBED IN APPENDIX 5H.*
  - b. THE PROVIDER DETERMINES THAT THE NEW SUBSTITUTE WATER CONSERVATION MEASURE IS REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.*
- 6. IF A PROVIDER SUBSTITUTES A WATER CONSERVATION MEASURE PURSUANT TO PARAGRAPH 4 OR 5 OF THIS SUBSECTION, BOTH OF THE FOLLOWING SHALL APPLY:*
  - a. THE PROVIDER SHALL NOTIFY THE DIRECTOR OF THE SUBSTITUTION IN THE CONSERVATION EFFORTS REPORT FILED BY THE PROVIDER FOR THE YEAR IN WHICH THE SUBSTITUTION OCCURRED, AS PROVIDED IN SUBSECTION (E)(4) OF THIS SECTION.*
  - b. IF THE DIRECTOR DETERMINES THAT THE SUBSTITUTE WATER CONSERVATION MEASURE IS NOT REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS, THE DIRECTOR SHALL GIVE WRITTEN NOTICE OF THAT DETERMINATION TO THE PROVIDER AND THE PROVIDER SHALL BEGIN IMPLEMENTING THE DISCONTINUED WATER CONSERVATION MEASURE OR A SUBSTITUTE WATER CONSERVATION MEASURE FROM THE LIST OF*

*ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN APPENDIX 5H, OR ANY MODIFICATION OF THE LIST MADE PURSUANT TO THE MODIFICATION PROCEDURE DESCRIBED IN APPENDIX 5H, THAT THE DIRECTOR DETERMINES IS REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. THE DIRECTOR'S DETERMINATION IS AN APPEALABLE AGENCY ACTION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.*

**E. CONSERVATION EFFORTS REPORT**

*IN ADDITION TO ANY INFORMATION REQUIRED BY SECTION 5-113, A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM SHALL INCLUDE WITH ITS ANNUAL REPORTS REQUIRED BY A.R.S. § 45-632 A CONSERVATION EFFORTS REPORT CONTAINING THE FOLLOWING INFORMATION:*

- 1. A DESCRIPTION OF THE WATER CONSERVATION MEASURES IMPLEMENTED DURING THE PREVIOUS YEAR.*
- 2. AN ASSESSMENT OF THE OUTCOMES OF THE IMPLEMENTATION OF EACH WATER CONSERVATION MEASURE.*
- 3. THE PROVIDER'S PLAN FOR IMPLEMENTATION OF WATER CONSERVATION MEASURES DURING THE CURRENT YEAR.*
- 4. IF THE PROVIDER SUBSTITUTED A WATER CONSERVATION MEASURE PURSUANT TO SUBSECTION (D)(4) OR (D)(5) OF THIS SECTION DURING THE REPORTING YEAR, A DESCRIPTION OF THE WATER CONSERVATION MEASURE THAT WAS DISCONTINUED, A DESCRIPTION OF THE SUBSTITUTE WATER CONSERVATION MEASURE AND AN EXPLANATION OF HOW THE SUBSTITUTE CONSERVATION MEASURE IS RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.*

**F. WATER RATE STRUCTURE**

*A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM SHALL INCLUDE IN ITS ANNUAL REPORTS FILED PURSUANT TO A.R.S. § 45-632 A COPY OF THE PROVIDER'S CURRENT WATER RATE STRUCTURE UNLESS NO CHANGES HAVE BEEN MADE TO THE RATE STRUCTURE SINCE IT WAS LAST SUBMITTED TO THE DIRECTOR.*

**G. RECORDS RETENTION**

*FOR AT LEAST FIVE YEARS AFTER A YEAR IN WHICH A LARGE MUNICIPAL PROVIDER IS REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM, THE PROVIDER SHALL KEEP AND MAINTAIN THE FOLLOWING RECORDS:*

- 1. ACCURATE RECORDS VERIFYING THAT THE PROVIDER IMPLEMENTED THE WATER CONSERVATION MEASURES THAT IT WAS REQUIRED TO IMPLEMENT DURING THAT YEAR.*
- 2. ACCURATE RECORDS OF THE PROVIDER'S WATER USE DURING THE YEAR.*

**5-105. Alternative Conservation Program**

**A. Eligibility for the Alternative Conservation Program**

*A large municipal provider is eligible to apply for the Alternative Conservation Program if one of the following applies:*

- ~~1.~~ *the provider is designated as having an assured water supply under rules adopted by the director pursuant to A.R.S. § 45-576.*
- ~~2.~~ *The provider agrees to limit its annual use of groundwater withdrawn from within the AMA as provided in subsection C, paragraph 1, subparagraph a, item 2 of this section.*

**B. Application for Alternative Conservation Program**

*A large municipal provider's application for the Alternative Conservation Program must be approved by the provider's governing body, and must include the following:*

- ~~1.~~ *A plan to limit the provider's overall groundwater withdrawals as required by subsection C, paragraph 1 of this section.*
- ~~2.~~ *1. A description and evaluation, including implementation dates, of the provider's existing conservation programs.*
- ~~3.~~ *2. A description of the proposed conservation strategies for all existing and new non-residential customers to be implemented by the provider under this program and the provider's schedule for implementation of all proposed conservation measures.*
- ~~4.~~ *3. If the provider intends to comply with subsection C, paragraph 3 of this section by implementing one or more substitute non-residential RCMs in lieu of a standard non-residential RCM, an analysis of water use within the provider's service area which includes all of the following:*
  - a. A demonstration that the substituted RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM.*
  - b. The amount of water used each month during the past three years by each of the following water use sectors, as applicable: (1) residential (disaggregated by single family and multifamily), (2) commercial, (3) industrial, (4) turf-related facilities, (5) government, (6) construction, (7) distribution system losses, and (8) any other uses. The provider is not required to include this information if it has already been reported to the Department.*
  - c. An identification and evaluation of the water use sectors described in subparagraph b of this paragraph that have the highest water conservation potential.*

**C. Alternative Conservation Program Requirements**

- 1. Groundwater Use Limitation Requirement*

~~a. Beginning with a calendar year agreed upon by the director and a large municipal provider regulated under the Alternative Conservation Program, and for each calendar year thereafter until the first compliance date for any substitute requirement in the Fourth Management Plan, the provider shall limit its annual use of groundwater withdrawn from within the AMA to the following, as applicable:~~

~~1) If the provider is designated as having an assured water supply under the rules adopted by the director pursuant to A.R.S. § 45-576, the amount of groundwater which the provider may use consistent with the rules ADOPTED BY THE DIRECTOR PURSUANT TO A.R.S. § 45-576, including any amount of groundwater that will be replenished by a conservation district pursuant to Title 48, Chapter 22, Arizona Revised Statutes.~~

~~2) If the provider is not designated as having an assured water supply under the rules adopted by the director pursuant to A.R.S. § 45-576, one of the following, as applicable:~~

~~a) If the provider was serving water as a large municipal provider on or before January 1, 1990, the provider's largest legal groundwater use during any one calendar year from calendar year 1980 through calendar year 1989.~~

~~b) If the provider began serving water as a large municipal provider after January 1, 1990 but before January 1, 2000, fifty percent of the provider's largest legal groundwater use during any one calendar year from January 1, 1990 through calendar year 1999.~~

~~b. The large municipal provider may achieve compliance with the groundwater use limitation requirement described in subparagraph a, item 2 of this paragraph by permanently extinguishing or causing to be permanently extinguished grandfathered rights to groundwater as described in subparagraph c of this paragraph, by serving groundwater that will be replenished by a conservation district pursuant to Title 48, Chapter 22, Arizona Revised Statutes, by using remediated groundwater that is consistent with the accounting for surface water as provided in section 5-114, or by substituting non-groundwater supplies or groundwater withdrawn from outside the active management area for groundwater withdrawn from within the active management area, or by a combination of these methods.~~

~~c. Extinguishment of Groundwater Uses Associated with Grandfathered Rights~~

~~1) Applicability~~

~~Only irrigation grandfathered rights, Type 1 non-irrigation grandfathered rights and Type 2 non-irrigation grandfathered rights, as described in A.R.S. §§ 45-462 through 45-465, may be extinguished to meet the groundwater use limitation requirement. The large municipal provider shall not receive credit toward the achievement of the groundwater use limitation requirement for the extinguishment of either a Type 2 non-irrigation grandfathered right used for electrical energy generation or mineral extraction or processing purposes, or a Type 1 or Type 2 non-irrigation grandfathered right owned or previously owned by a municipal provider and used or previously used to serve the municipal provider's service area.~~

~~2) Annual Credits~~

~~The director shall determine the amount of annual credit a large municipal provider obtains for extinguishment of grandfathered rights to groundwater as follows:~~

- ~~a) For each irrigation grandfathered right extinguished or caused to be extinguished by the provider, the annual credit shall be the amount calculated by multiplying 1.5 acre feet per acre by the number of water duty acres associated with the extinguishment, less any debits, in acre feet, in the farm's operating flexibility account at the time the right is extinguished.~~
- ~~b) For each Type 1 non irrigation grandfathered right or portion of such right extinguished or caused to be extinguished by the provider, the annual credit shall be the amount calculated by multiplying 1.5 acre feet per acre by the number of acres to which the Type 1 non irrigation grandfathered right is appurtenant, or a proportional amount thereof if only a portion of the right is extinguished.~~
- ~~c) For each Type 2 non irrigation grandfathered right extinguished or caused to be extinguished by the provider, the annual credit shall be the full amount, in acre feet, of the certificated Type 2 non irrigation grandfathered right.~~

~~3) Proof of Extinguishment~~

~~In order for a large municipal provider to obtain an annual credit for extinguishing or causing to be extinguished a grandfathered right to groundwater, the holder of the grandfathered right must deliver the Certificate of Grandfathered Right to the director before the calendar year in which the credit will be used, request that the grandfathered right be extinguished, and direct that the provider receive the annual credit. Only one provider may receive annual credit for any one portion of a grandfathered right which has been extinguished.~~

~~d. Compliance~~

~~The director shall determine whether a large municipal provider is in compliance with its groundwater use limitation requirement, as described in subparagraph a, item 2) of this paragraph in a calendar year as follows:~~

- ~~1) Add together the amount of annual credits received by the provider for extinguishing grandfathered rights to groundwater after January 1, 1990 pursuant to subparagraph c of this paragraph and pursuant to the Alternative Conservation Program in the second management plan.~~
- ~~2) Calculate the total volume of groundwater, in acre feet, which the provider withdrew, diverted or received during the calendar year for use within the provider's service area. In making this calculation, the director shall not include any groundwater that a conservation district replenished or is obligated to replenish under Title 48, Chapter 22, Arizona Revised Statutes or any remediated groundwater qualifying under section 5-114.~~
- ~~3) Subtract the amount calculated in item 1) above from the volume calculated in item 2) above.~~

~~4) A provider is in compliance with its groundwater use limitation requirement if the amount calculated in item 3) of this subparagraph is equal to or less than the following, as applicable:~~

~~a) If the provider was serving water as a large municipal provider on or before January 1, 1990, the provider's largest legal groundwater use during any one calendar year from calendar year 1980 through calendar year 1989.~~

~~b) If the provider began serving water as a large municipal provider after January 1, 1990 but before January 1, 2000, 50 percent of the provider's largest legal groundwater use during any one calendar year from January 1, 1989 through calendar year 1999.~~

~~Annual credits 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.~~

2. Residential GPCD Requirement

[No change]

3. Non-Residential Requirement

[No change]

**5-106. Compliance with Total Gallons Per Capita Per Day Requirement and Residential Gallons Per Capita Per Day Requirement - Flexibility Account**

[No change]

**5-107. Conservation Requirements for Institutional Providers**

[No change]

**5-108. Consolidation of Municipal Provider Service Areas; Acquisition of a Portion of Another Municipal Provider's Service Area**

**A. Notification**

[No change]

**B. Regulation of Consolidated Provider**

1. Upon consolidation, a consolidated provider that qualifies as a large municipal provider AND THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY shall be regulated under the Total GPCD Program described in section 5-103, unless the consolidated provider ~~applies for and is accepted for regulation~~ ELECTS TO BE REGULATED under the Non-Per Capita Conservation Program described in section 5-104 AS PROVIDED IN SECTION 5-102(B) or APPLIES FOR AND IS ACCEPTED FOR REGULATION UNDER the Alternative Conservation Program described in section 5-105.

2. *If the consolidated provider is DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND IS regulated under the Total GPCD Program, the director shall establish a total GPCD requirement for the consolidated provider consistent with the methodology used by the director to establish the consolidating providers' total GPCD requirements as set forth in Appendix 5B.1. The director shall also establish and maintain a flexibility account for the consolidated provider in accordance with section 5-106, subsection A, with a beginning balance to be established by the director based on the ending balances in the flexibility accounts of the consolidating providers.*
3. *If the consolidated provider is DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND IS accepted for regulation under the Alternative Conservation Program, the director shall establish a residential GPCD requirement for the consolidated provider consistent with the methodology used by the director to establish the consolidating providers' residential GPCD requirements as set forth in Appendix 5B.1. The director shall also establish and maintain a flexibility account for the consolidated provider in accordance with section 5-106, subsection B, with a beginning balance to be established by the director based on the ending balances in the flexibility accounts of the consolidating providers.*
4. *If the consolidated provider applies for regulation under ~~the Non-Per Capita Conservation Program~~ or the Alternative Conservation Program and one of the consolidating providers was regulated under that program immediately prior to consolidation, the consolidated provider's application for regulation under the program shall include only the information required by ~~section 5-104~~ or section 5-105 that has changed since the consolidating provider filed its application for the program.*
5. *IF THE CONSOLIDATED PROVIDER QUALIFIES AS A LARGE MUNICIPAL PROVIDER AND IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE CONSOLIDATED PROVIDER SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE PURSUANT TO SECTION 5-104(B) WITHIN 60 DAYS AFTER THE CONSOLIDATION BECOMES EFFECTIVE OR JULY 1, 2009, WHICHEVER IS LATER. THE CONSOLIDATED PROVIDER SHALL BE REGULATED UNDER THE NPCCP DESCRIBED IN SECTION 5-104 AS PROVIDED IN THAT SECTION.*

**C. Regulation of Acquiring Provider**

1. *Except as provided in ~~paragraph~~ PARAGRAPHS 2 AND 3 of this subsection, a large municipal provider that acquires a portion of another provider's existing service area shall continue to be regulated under the conservation program that the acquiring provider was regulated under immediately prior to the acquisition.*
2. *If the acquiring provider was regulated under ~~either the Non-Per Capita Conservation Program described in section 5-104 or the Alternative Conservation Program described in section 5-105~~ immediately prior to the acquisition AND IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE ACQUISITION, the acquiring provider shall be regulated under the Total GPCD Program beginning on January 1 of the first calendar year after the acquisition unless the acquiring provider reapplies to be regulated under ~~the Non-Per Capita Conservation Program or the Alternative Conservation Program, whichever is applicable,~~ within 180 days after the acquisition. If the acquiring provider reapplies to be regulated under ~~the Non-Per Capita Conservation Program or the Alternative Conservation Program~~ within 180 days after the acquisition, both of the following shall apply:*

- a. *The provider shall continue to be regulated under ~~the Non Per Capita Conservation Program~~ or the Alternative Conservation Program, whichever is applicable, until the director makes a final decision on the acquiring provider's application.*
  - b. *The acquiring provider's application shall include only the information required by ~~section 5-104~~ or section 5-105 that has changed since the acquiring provider filed its original application for the program.*
3. *IF THE ACQUISITION OCCURS ON OR AFTER JANUARY 1, 2010 AND THE ACQUIRING PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE ACQUISITION, OR IF THE ACQUIRING PROVIDER WAS REGULATED UNDER THE NPCCP IMMEDIATELY PRIOR TO THE ACQUISITION, BOTH OF THE FOLLOWING SHALL APPLY:*
- a. *THE ACQUIRING PROVIDER SHALL BE REGULATED UNDER THE NPCCP AFTER THE CONVEYANCE. IF THE ACQUIRING PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE ACQUISITION, THE PROVIDER MAY ELECT TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103 BY PROVIDING THE DIRECTOR WITH WRITTEN NOTICE OF THE ELECTION.*
  - b. *IF THE ACQUIRING PROVIDER WAS REGULATED UNDER THE NPCCP IMMEDIATELY PRIOR TO THE ACQUISITION, THE FOLLOWING SHALL APPLY:*
    - 1) *IF THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM INCREASES TO A HIGHER TIER LEVEL AS DESCRIBED IN SECTION 5-104(D)(1)(b) AS A RESULT OF THE ACQUISITION, THE PROVIDER SHALL SUBMIT TO THE DIRECTOR A NEW PROVIDER PROFILE PURSUANT TO SECTION 5-104(B)(1) WITHIN 60 DAYS AFTER THE ACQUISITION.*
    - 2) *IF THE DIRECTOR DETERMINES THAT THE PROVIDER'S SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS HAVE CHANGED, THE DIRECTOR MAY REQUIRE THE PROVIDER TO SUBMIT A NEW PROVIDER PROFILE PURSUANT TO SECTION 5-104(B)(1).*
    - 3) *IF THE PROVIDER SUBMITS A NEW PROVIDER PROFILE, SECTION 5-104(B)(2) AND (B)(3) SHALL APPLY TO THE NEW PROVIDER PROFILE. THE PROVIDER SHALL CONTINUE IMPLEMENTING THE WATER CONSERVATION MEASURES DESCRIBED BY THE PROVIDER IN ITS PREVIOUSLY APPROVED PROVIDER PROFILE UNTIL THE DIRECTOR APPROVES THE NEW PROVIDER PROFILE. UPON THE DIRECTOR'S APPROVAL OF THE NEW PROVIDER PROFILE, THE PROVIDER SHALL IMPLEMENT ALL OF THE WATER CONSERVATION MEASURES DESCRIBED IN THE NEWLY APPROVED PROVIDER PROFILE.*
- 3 4. *If the acquiring provider is regulated under the Total GPCD Program after the acquisition, the director shall establish a new total GPCD requirement for the acquiring provider consistent with the methodology used to establish the provider's total GPCD requirements in Appendix 5B.1, taking into account the addition to the provider's service area. The director may also adjust the balance in the acquiring provider's flexibility*

*account maintained under section 5-106, subsection A, to take into account the balance in the conveying provider's flexibility account at the time of the conveyance.*

- 4 5. *If the acquiring provider is regulated under the Alternative Conservation Program after the acquisition, the director shall establish a new residential GPCD requirement for the provider consistent with the methodology used to establish the residential GPCD requirements in Appendix 5B.1, taking into account the addition to the provider's service area. The director may also adjust the balance in the acquiring provider's flexibility account maintained under section 5-106, subsection A, to take into account the balance in the conveying provider's flexibility account at the time of the conveyance.*

#### **D. Regulation of Conveying Provider**

1. *Except as provided in ~~paragraph~~ PARAGRAPHS 2 AND 3 of this subsection, a large municipal provider that conveys a portion of its service area to another provider and that qualifies as a large municipal provider after the conveyance shall continue to be regulated under the conservation program that the provider was regulated under immediately prior to the conveyance.*
  2. *If the conveying provider was regulated under ~~either the Non-Per Capita Conservation Program described in section 5-104 or the Alternative Conservation Program described in section 5-105~~ immediately prior to the acquisition, and if the conveying provider IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND qualifies as a large municipal provider after the conveyance, THE CONVEYING PROVIDER shall be regulated under the Total GPCD Program beginning on January 1 of the first calendar year after the acquisition unless the provider reapplies to be regulated under ~~the Non-Per Capita Conservation Program or the Alternative Conservation Program, whichever is applicable~~, within 180 days after the conveyance. If the conveying provider reapplies to be regulated under ~~the Non-Per Capita Conservation Program or the Alternative Conservation Program~~ within 180 days after the conveyance, both of the following shall apply:
    - a. *The provider shall continue to be regulated under ~~the Non-Per Capita Conservation Program or the Alternative Conservation Program, whichever is applicable~~, until the director makes a final decision on the provider's application.*
    - b. *The provider's application shall include only the information required by ~~section 5-104 or~~ section 5-105 that has changed since the provider filed its original application for the program.**
3. *IF THE CONVEYANCE OCCURS ON OR AFTER JANUARY 1, 2010 AND THE CONVEYING PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE CONVEYANCE, OR IF THE CONVEYING PROVIDER WAS REGULATED UNDER THE NPCCP IMMEDIATELY PRIOR TO THE CONVEYANCE, BOTH OF THE FOLLOWING SHALL APPLY:
  - a. *THE CONVEYING PROVIDER SHALL BE REGULATED UNDER THE NPCCP AFTER THE CONVEYANCE. IF THE CONVEYING PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE CONVEYANCE, THE PROVIDER MAY ELECT TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103 BY PROVIDING THE DIRECTOR WITH WRITTEN NOTICE OF THE ELECTION.**

b. *IF THE CONVEYING PROVIDER WAS REGULATED UNDER THE NPCCP IMMEDIATELY PRIOR TO THE CONVEYANCE, THE FOLLOWING SHALL APPLY:*

- 1) *IF THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM DECREASES TO A LOWER TIER LEVEL AS DESCRIBED IN SECTION 5-104(D)(1)(b) AS A RESULT OF THE CONVEYANCE, THE PROVIDER SHALL SUBMIT TO THE DIRECTOR A NEW PROVIDER PROFILE PURSUANT TO SECTION 5-104(B)(1) WITHIN 60 DAYS AFTER THE CONVEYANCE.*
- 2) *IF THE DIRECTOR DETERMINES THAT THE PROVIDER'S SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS HAVE CHANGED, THE DIRECTOR MAY REQUIRE THE PROVIDER TO SUBMIT A NEW PROVIDER PROFILE PURSUANT TO SECTION 5-104(B)(1).*
- 3) *IF THE PROVIDER SUBMITS A NEW PROVIDER PROFILE, SECTION 5-104(B)(2) AND (B)(3) SHALL APPLY TO THE NEW PROVIDER PROFILE. THE PROVIDER SHALL CONTINUE IMPLEMENTING THE WATER CONSERVATION MEASURES DESCRIBED BY THE PROVIDER IN ITS PREVIOUSLY APPROVED PROVIDER PROFILE UNTIL THE DIRECTOR APPROVES THE NEW PROVIDER PROFILE. UPON THE DIRECTOR'S APPROVAL OF THE NEW PROVIDER PROFILE, THE PROVIDER SHALL IMPLEMENT ALL OF THE WATER CONSERVATION MEASURES DESCRIBED IN THE NEWLY APPROVED PROVIDER PROFILE.*

3 4. *[No change]*

4 5. *[No change]*

**5-109. Conservation Requirements for New Large Municipal Providers**

**A. Total GPCD Program**

1. *A new large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY shall be assigned to the Total GPCD Program described in section 5-103 and shall comply with its annual total GPCD requirement no later than the second full calendar year after the provider is given written notice of the requirement by the director, and for each calendar year thereafter until the first compliance date for any substitute requirement in the Fourth Management Plan.*
2. *[No change]*
3. *[No change]*

**B. Non-Per Capita Conservation Program**

1. *A new large municipal provider ~~may apply for regulation~~ THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY SHALL BE REGULATED under the NON-PER CAPITA CONSERVATION PROGRAM in accordance with section 5-104.*
2. *A NEW LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY ELECT TO BE REGULATED UNDER THE NON-*

PER CAPITA CONSERVATION PROGRAM IN ACCORDANCE WITH SECTION 5-102(B).

**C. Alternative Conservation Program**

1. Application

A new large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may apply for regulation under the Alternative Conservation Program in accordance with section 5-105.

2. ~~Substitute~~ Groundwater Use Limitation Requirement

A new large municipal provider accepted into the Alternative Conservation Program is exempt from complying with the groundwater use limitation requirement as described in section 5-105, subsection C, paragraph 1, subparagraph a, but shall limit its annual groundwater use to the following amount as applicable:

a. ~~If the provider is designated as having an assured water supply under the rules adopted by the director pursuant to A.R.S. § 45-576, the amount the provider is allowed to use under those~~ THE rules ADOPTED BY THE DIRECTOR PURSUANT TO A.R.S. § 45-576.

b. ~~If the provider is not designated as having an assured water supply under the rules adopted by the director pursuant to A.R.S. § 45-576, the amount that it would be allowed to use if it was designated as having an assured water supply under those rules, as determined by the director.~~

3. [No change]

4. [No change]

**5-110. Conservation Requirements for Small Municipal Providers**

[No change]

**5-111. Individual User Requirements for Municipal Providers and Individual Users**

[No change]

**5-112. Conservation Requirements for Municipal Distribution Systems**

[No change]

**5-113. Monitoring and Reporting Requirements for Municipal Providers and Individual Users**

For the calendar year 2002, or for the calendar year in which the municipal provider commences service of water, whichever is later, and for each calendar year thereafter until the first compliance date for any substitute requirement in the Fourth Management Plan:

1. [No change]

2. [No change]

3. *In addition to the information required by paragraphs 1 and 2 of this section, a large municipal provider regulated under the Non-Per Capita Conservation Program described in section 5-104 shall include the following in its annual report required by A.R.S.*

*§ 45-632:*

~~*a. The information listed in the monitoring and reporting requirement sections of those RCMs set forth in Appendix 5D that the provider agrees in writing to implement pursuant to section 5-104, subsection E, paragraph 1.*~~

~~*b. If the provider applied for the Non-Per Capita Conservation Program under section 5-104, subsection A, paragraph 4, the information required to be submitted by the provider under the Assured Water Supply Rules adopted by the director pursuant to A.R.S. § 45-576.*~~

~~*c. Any other information required by the director in order to determine the provider's compliance with the Non-Per Capita Conservation Program.*~~

*a. A CONSERVATION EFFORTS REPORT AS PRESCRIBED BY SECTION 5-104(E).*

*b. THE TOTAL NUMBER OF CONNECTIONS TO THE PROVIDERS WATER DISTRIBUTION SYSTEM AS OF THE END OF THE REPORTING YEAR, INCLUDING RESIDENTIAL AND NON-RESIDENTIAL CONNECTIONS.*

4. *[No change]*

5. *[No change]*

6. *[No change]*

7. *[No change]*

**5-114. Remediated Groundwater Accounting for Conservation Requirements**

*[No change]*

**APPENDIX 5A**

**SMALL MUNICIPAL PROVIDERS  
PRESCOTT ACTIVE MANAGEMENT AREA**

[No change]

**APPENDIX 5B.1**

**COMPONENT GALLONS PER CAPITA PER DAY (GPCD) CALCULATION DESCRIPTION  
TOTAL GPCD PROGRAM  
PRESCOTT ACTIVE MANAGEMENT AREA**

[No change]

**APPENDIX 5B.2**

**COMPONENT GPCD CALCULATION - EXAMPLE CALCULATION  
PRESCOTT ACTIVE MANAGEMENT AREA**

[No change]

**APPENDIX 5C.1**

**EXTERIOR WATER USE MODEL FOR NEW RESIDENTIAL DEVELOPMENT  
SINGLE FAMILY HOUSING UNITS  
PRESCOTT ACTIVE MANAGEMENT AREA**

SWIMMING POOLS

[No change]

**APPENDIX 5C.2**

**EXTERIOR WATER USE MODEL FOR NEW RESIDENTIAL DEVELOPMENT  
SINGLE FAMILY HOUSING UNITS  
PRESCOTT ACTIVE MANAGEMENT AREA**

**EVAPORATIVE COOLING**

[No change]

**APPENDIX 5C.3**

**EXTERIOR WATER USE MODEL FOR NEW RESIDENTIAL DEVELOPMENT  
SINGLE FAMILY HOUSING UNITS  
PRESCOTT ACTIVE MANAGEMENT AREA**

LANDSCAPING

[No change]

**APPENDIX 5C.4**

**EXTERIOR WATER USE MODEL FOR NEW RESIDENTIAL DEVELOPMENT  
MULTIFAMILY HOUSING UNITS  
PRESCOTT ACTIVE MANAGEMENT AREA**

[No change]

***APPENDIX 5D.1***

***RESIDENTIAL INTERIOR AND EXTERIOR  
STANDARD  
REASONABLE CONSERVATION MEASURES***

[This Appendix is deleted in its entirety]

***APPENDIX 5D.2***

***NON-RESIDENTIAL INTERIOR AND EXTERIOR  
STANDARD  
REASONABLE CONSERVATION MEASURES***

[No change]

***APPENDIX 5D.3***

***EDUCATION  
STANDARD  
REASONABLE CONSERVATION MEASURES***

[This appendix is deleted in its entirety]

***APPENDIX 5D.4***

***SUBSTITUTE  
REASONABLE CONSERVATION MEASURES***

[No change]

**APPENDIX 5E**

**INDIVIDUAL INCIDENTAL RECHARGE FACTOR CALCULATION  
PRESCOTT ACTIVE MANAGEMENT AREA**

[This appendix is deleted in its entirety]

**APPENDIX 5F**

**LOW WATER USE PLANT LIST  
PRESCOTT ACTIVE MANAGEMENT AREA**

[No change]

**APPENDIX 5G**

**LOST & UNACCOUNTED FOR WATER REQUIREMENTS**

[No change]

## APPENDIX 5H

### NON-PER CAPITA CONSERVATION PROGRAM WATER CONSERVATION MEASURES PRESCOTT ACTIVE MANAGEMENT AREA

#### I. PUBLIC EDUCATION PROGRAM

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104 SHALL IMPLEMENT A PUBLIC EDUCATION PROGRAM THAT INCLUDES THE FOLLOWING COMPONENTS:

1. AT LEAST TWICE A YEAR, THE PROVIDER SHALL COMMUNICATE TO CUSTOMERS THE IMPORTANCE OF WATER CONSERVATION AND INFORM THEM OF THE KIND OF INFORMATION THAT IS AVAILABLE TO THEM FROM THE PROVIDER REGARDING WATER CONSERVATION HOW THEY CAN OBTAIN THE INFORMATION. COMMUNICATION CHANNELS SHALL INCLUDE ONE OR MORE OF THE FOLLOWING: WATER BILL INSERTS, MESSAGES ON WATER BILLS, PROVIDER WEB PAGE, POST CARDS, NEWSLETTERS OR PRINT PIECES. PROVIDING INFORMATION ON WEBSITES CONTAINING WATER CONSERVATION INFORMATION IS ENCOURAGED IF THE PROVIDER HAS NO WEB SITE OR HAS NO WATER CONSERVATION INFORMATION ON THEIR WEB SITE.
2. THE PROVIDER SHALL PROVIDE CUSTOMERS WITH FREE WRITTEN INFORMATION ON WATER CONSERVATION (I.E., PAMPHLETS, BROCHURES). THE INFORMATION SHALL BE AVAILABLE IN THE PROVIDER'S OFFICE AND THE PROVIDER SHALL SEND INFORMATION TO CUSTOMERS ON REQUEST. THE PROVIDER IS ENCOURAGED TO DISTRIBUTE WATER CONSERVATION INFORMATION AT OTHER LOCATIONS AS WELL.

#### II. ADDITIONAL WATER CONSERVATION MEASURES

THE FOLLOWING IS A LIST OF ADDITIONAL WATER CONSERVATION MEASURES THAT A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104 MUST SELECT FROM TO COMPLY WITH THE PROGRAM. THE DIRECTOR MAY MODIFY THE LIST TO INCLUDE ADDITIONAL WATER CONSERVATION MEASURES PURSUANT TO THE PROCEDURE SET FORTH AT THE END OF THIS APPENDIX. A COPY OF THE MOST RECENT THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SHALL BE POSTED ON THE DEPARTMENT'S WEB SITE AND SHALL BE ON FILE IN THE PRESCOTT ACTIVE MANAGEMENT AREA OFFICE.

##### CATEGORY 1: PUBLIC AWARENESS/PUBLIC RELATIONS

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO PROVIDE WATER USERS INFORMATION ON THE NEED FOR AND IMPORTANCE OF WATER CONSERVATION, AS WELL AS INFORMATION ON THE CONSERVATION SERVICES AVAILABLE TO THEM. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

*LOCAL AND/OR REGIONAL MESSAGING PROGRAM*

WATER PROVIDER ACTIVELY PARTICIPATES IN WATER CONSERVATION CAMPAIGN WITH LOCAL OR REGIONAL ADVERTISING. THE CAMPAIGN MUST PROMOTE WAYS FOR CITIZENS TO SAVE WATER. METHODS TO PROMOTE A CAMPAIGN MAY INCLUDE MEDIA SUCH AS TELEVISION AND RADIO COMMERCIALS, WEB SITES, AND UTILIZATION OF PROMOTIONAL MATERIALS SUCH AS BROCHURES (SPANISH AND ENGLISH), VEHICLE SIGNS (BUSSES, GARBAGE TRUCKS, ETC.), BOOKMARKS, AND MAGNETS, ETC.

*SPECIAL EVENTS/PROGRAMS AND COMMUNITY PRESENTATIONS*

AN EDUCATIONAL OR PROMOTIONAL EVENT WHERE CONSERVATION INFORMATION IS DISPLAYED AND AVAILABLE AND/OR PRESENTATIONS ARE GIVEN. EVENTS MAY INCLUDE HOME AND GARDEN SHOWS, ART SHOWS, COMMUNITY CELEBRATIONS, ENVIRONMENTAL SHOWS, ETC. TO RECEIVE FULL CREDIT FOR THIS MEASURE, A PROVIDER MUST ATTEND AND STAFF AT LEAST THREE EVENTS PER YEAR.

*MARKET SURVEYS TO IDENTIFY INFORMATION NEEDS/ASSESS SUCCESS OF MESSAGES*

WATER PROVIDER SURVEYS CUSTOMERS TO GATHER INFORMATION REGARDING INFORMATION NEEDS, PROGRAM PREFERENCES AND/OR RESPONSE TO CONSERVATION MESSAGES. PRIOR TO SURVEY DESIGN, THE PROVIDER MUST SET OBJECTIVES FOR THE SURVEY AND IDENTIFY SYSTEMATIC METHODS FOR DATA COLLECTION AND ANALYSIS, AS WELL AS FOR COMMUNICATION OF RESULTS. SURVEY RESULTS ARE USED TO IMPROVE CURRENT WATER CONSERVATION ACTIVITIES AND/OR TO PLAN FUTURE ACTIVITIES. THIS MEASURE WILL BE EFFECTIVE FOR ONLY ONE YEAR. IN SUBSEQUENT YEARS, THE PROVIDER MUST REPLACE THIS MEASURE WITH ANOTHER WATER CONSERVATION MEASURE FROM CATEGORIES 1 THROUGH 7 OF THIS SECTION THAT IS APPROPRIATE FOR THE PROVIDER'S SERVICE AREA AS REFLECTED IN THE PROVIDER'S APPROVED PROVIDER PROFILE.

**CATEGORY 2: CONSERVATION EDUCATION AND TRAINING**

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO ASSIST USERS IN BETTER UNDERSTANDING HOW TO CONSERVE WATER BY PROVIDING WRITTEN INFORMATION AND/OR TRAINING IN WATER CONSERVATION TOOLS AND TECHNIQUES. THE FOLLOWING PROGRAMS QUALIFY UNDER THIS CATEGORY:

*ADULT EDUCATION AND TRAINING PROGRAMS*

THE WATER PROVIDER IMPLEMENTS AN ADULT EDUCATION AND/OR TRAINING PROGRAM. THE PROGRAM MUST INCLUDE A COMBINATION OF EFFORTS TO PROVIDE ADULTS WITHIN THE PROVIDER'S SERVICE AREA WITH HANDS-ON INFORMATION. THIS MAY INCLUDE, BUT IS NOT LIMITED TO, REGULARLY SCHEDULED WORKSHOPS FOR HOMEOWNERS, A SPEAKER'S BUREAU, AND/OR TRAINING PROGRAMS FOR LANDSCAPE PROFESSIONALS. PROGRAMS CAN BE TARGETED TOWARD HOMEOWNERS, LANDSCAPE PROFESSIONALS, AND/OR NON-RESIDENTIAL USERS. A PROVIDER THAT IMPLEMENTS MULTIPLE ADULT PROGRAMS/EFFORTS MAY BE ELIGIBLE TO RECEIVE CREDIT FOR MORE THAN ONE WATER CONSERVATION MEASURE IF THE PROGRAMS/EFFORTS CAN BE SHOWN TO BE SEPARATE AND DISTINCT FROM ONE ANOTHER (I.E., A PROVIDER THAT MAINTAINS AN ACTIVE SPEAKERS BUREAU AND OFFERS A WORKSHOP

SERIES IS ELIGIBLE TO RECEIVE CREDIT FOR TWO WATER CONSERVATION MEASURES).

*YOUTH CONSERVATION EDUCATION PROGRAM*

THE WATER PROVIDER WORKS WITH SCHOOLS IN ITS SERVICE AREA TO INCREASE STUDENTS' UNDERSTANDING OF WATER RESOURCES AND TO PROMOTE WATER CONSERVATION. THE PROGRAM MAY INCLUDE, BUT IS NOT LIMITED TO, A COMBINATION OF PROVIDING INSTRUCTIONAL ASSISTANCE, EDUCATION MATERIALS, TEACHER EDUCATION, CLASSROOM PRESENTATIONS, AND FIELD TRIPS TO WATER RELATED FACILITIES. A PROVIDER THAT IMPLEMENTS MULTIPLE YOUTH PROGRAMS MAY BE ELIGIBLE TO RECEIVE CREDIT FOR MORE THAN ONE WATER CONSERVATION MEASURE IF THE PROGRAMS CAN BE SHOWN TO BE SEPARATE AND DISTINCT FROM ONE ANOTHER (I.E., A PROVIDER THAT OFFERS FREE WATER CONSERVATION SCHOOL ASSEMBLIES WITH ACCOMPANYING PRINTED MATERIALS FOR ELEMENTARY SCHOOL STUDENTS AND ALSO DISTRIBUTES A MIDDLE SCHOOL STUDENT ACTIVITY BOOK AND TEACHER GUIDE IS ELIGIBLE TO RECEIVE CREDIT FOR TWO WATER CONSERVATION MEASURES).

*NEW HOMEOWNER LANDSCAPE INFORMATION*

THE WATER PROVIDER MAKES LOW WATER USE LANDSCAPE INFORMATION PACKETS AVAILABLE TO ALL NEW OWNERS OF NEWLY CONSTRUCTED HOMES, EITHER THROUGH DIRECT DISTRIBUTION (MAIL OR DELIVERY) OR THROUGH DELIVERY BY THE HOME BUILDER. THE PROVIDER ALSO NOTIFIES NEW OWNERS OF EXISTING HOMES (RESALE) THAT INFORMATION ON LOW WATER USE LANDSCAPING IS AVAILABLE AND MUST PROVIDE SUCH INFORMATION ON REQUEST. THE NUMBER OF NOTIFICATIONS SENT AND PACKETS MAILED MUST BE RECORDED AND NOTED IN THE PROVIDER'S CONSERVATION EFFORTS REPORT.

*XERISCAPE DEMONSTRATION GARDEN*

THE WATER PROVIDER INSTALLS AND MAINTAINS A WATER EFFICIENT DEMONSTRATION GARDEN. THE GARDEN MUST BE AVAILABLE TO THE PUBLIC AND INCLUDE INTERPRETIVE SIGNAGE AND/OR LITERATURE ABOUT LOW WATER USE PLANTS AND/OR WATER EFFICIENT LANDSCAPE TECHNIQUES.

*DISTRIBUTION PLAN FOR WATER CONSERVATION MATERIALS*

THE WATER PROVIDER DEVELOPS, MAINTAINS AND UTILIZES A WRITTEN DISTRIBUTION PLAN FOR MARKETING WATER CONSERVATION MATERIALS AND PROGRAMS. THE PLAN MUST INCLUDE THE MARKETING CHANNELS THAT ARE AVAILABLE TO PROMOTE WATER CONSERVATION PROGRAMS AND HOW THOSE CHANNELS WILL BE USED. COMMUNICATION MODES USED TO PROMOTE WATER CONSERVATION PROGRAMS MAY INCLUDE WATER BILL INSERTS, CITY CABLE, ON-HOLD MESSAGES, E-MAIL MESSAGES, PUBLIC EVENTS, WATER CONSERVATION WORKSHOPS, WATER CONSERVATION WEB SITES, AND LOCAL PUBLICATIONS. DISTRIBUTION OUTLETS FOR WATER CONSERVATION MATERIALS MUST BE NOTED AND MAY CONSIST OF PARTNERSHIPS WITH LIBRARIES, BUSINESSES (I.E., LANDSCAPE ARCHITECTS, NURSERIES, REALTORS) OR OTHER RELATED ORGANIZATIONS (I.E., MASTER GARDENERS). THE PLAN MUST CONTAIN: (1) GOALS AND OBJECTIVES FOR DISTRIBUTION OF MATERIALS

OVER A TWO-YEAR PERIOD, BEGINNING THE YEAR FOLLOWING PLAN DEVELOPMENT; (2) A TIMETABLE FOR DISTRIBUTION; AND (3) A MECHANISM FOR TRACKING DISTRIBUTION OF MATERIALS. THIS MEASURE WILL BE EFFECTIVE FOR ONLY ONE YEAR. IN SUBSEQUENT YEARS, THE PROVIDER MUST REPLACE THIS MEASURE WITH ANOTHER WATER CONSERVATION MEASURE FROM CATEGORIES 1 THROUGH 7 OF THIS SECTION THAT IS APPROPRIATE FOR THE PROVIDER'S SERVICE AREA AS REFLECTED IN THE PROVIDER'S APPROVED PROVIDER PROFILE.

### **CATEGORY 3: OUTREACH SERVICES**

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO PROVIDE USERS WITH CONSULTATIONS, AUDITS AND/OR RETROFIT INFORMATION DESIGNED TO IMPROVE WATER USE EFFICIENCY. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

#### *RESIDENTIAL AUDIT PROGRAM*

THE WATER PROVIDER IMPLEMENTS AN AUDIT PROGRAM FOR RESIDENTIAL CUSTOMERS. THE AUDIT CAN BE SELF-AUDIT (PROVIDER OFFERS SELF-AUDIT KITS) OR CONDUCTED BY PROVIDER OR ITS DESIGNATED REPRESENTATIVE. AUDITS MAY INCLUDE INDOOR AND/OR OUTDOOR COMPONENTS, BUT MUST INCLUDE A METER CHECK. AN AUDIT MAY INCLUDE, BUT WOULD NOT BE LIMITED TO, IRRIGATION SYSTEM, POOL, WATER FEATURE, TOILETS, FAUCETS, AND SHOWER CHECKS. THE AUDIT PROGRAM MUST BE OFFERED TO ALL HOMES WITHIN A PROVIDER'S SERVICE AREA.

#### *LANDSCAPE CONSULTATIONS (RESIDENTIAL AND/OR NON-RESIDENTIAL)*

THE WATER PROVIDER OR A DESIGNATED REPRESENTATIVE OFFERS LANDSCAPE CONSULTATION SERVICES TO RESIDENTIAL AND NON-RESIDENTIAL CUSTOMERS. THE PROVIDER IMPLEMENTING THIS MEASURE MUST FOCUS ON THOSE PORTIONS OF ITS SERVICE AREA WITH THE GREATEST POTENTIAL FOR SAVINGS. SERVICES WOULD INCLUDE EVALUATION OF IRRIGATION SYSTEM, CONTROLLER PROGRAMMING/IRRIGATION SCHEDULING AND PLANT SELECTION/TURF CONVERSION POSSIBILITIES. A METER CHECK ALSO COULD BE INCLUDED. THE INDIVIDUAL PROVIDING THE CONSULTATION MUST PROVIDE EITHER ON-SITE WRITTEN SUGGESTIONS OR ON-SITE VERBAL SUGGESTIONS WITH WRITTEN FOLLOW-UP. OTHER RELATED PROGRAMS (I.E., REBATES FOR TURF REMOVAL/CONVERTING TO XERISCAPE) COULD BE OFFERED DURING THE CONSULTATION.

#### *WATER BUDGETING PROGRAM*

THE PROVIDER OFFERS ASSISTANCE TO ONE OR MORE NON-RESIDENTIAL WATER USER GROUPS (SUCH AS HOMEOWNER ASSOCIATIONS, INDUSTRY, COMMERCIAL PROPERTIES, GOVERNMENT FACILITIES OR PARKS) IN DEVELOPING MONTHLY AND/OR ANNUAL WATER USE TARGET AMOUNTS FOR OUTDOOR AND/OR INDOOR WATER USE THAT REFLECT HIGHLY WATER EFFICIENT WATER USE/APPLICATION RATES. THESE RATES SHOULD MEET OR EXCEED WATER USE EFFICIENCIES REQUIRED FOR SIMILAR USES IN THE DEPARTMENT'S THIRD MANAGEMENT PLAN. IF THEY ARE NOT ADDRESSED IN THE PLAN, WATER USE RATES SHOULD BE COMMENSURATE WITH STATE OF THE ART WATER EFFICIENCY STANDARDS FOUND ELSEWHERE IN THE BODY OF WATER CONSERVATION LITERATURE.

#### *RESIDENTIAL INTERIOR RETROFIT PROGRAMS*

THE WATER PROVIDER PROVIDES FREE OR LOW COST PLUMBING FIXTURES AND/OR FIXTURE RETROFITS, SUCH AS FAUCETS, FAUCET AERATORS, LOW FLOW SHOWERHEADS, TOILETS AND TOILET DAMS, TO RESIDENTIAL CUSTOMERS LIVING IN HOMES BUILT PRIOR TO ADOPTION OF THE 1990 UNIFORM PLUMBING CODE REQUIRING LOW FLOW PLUMBING FIXTURES. THE PROVIDER MUST OFFER THE FIXTURES/FIXTURE RETROFITS TO ALL RESIDENTIAL CUSTOMERS MEETING THE ABOVE CRITERIA UNLESS THE PROVIDER CAN DEMONSTRATE THAT TARGETING CERTAIN PORTIONS OF ITS WATER SERVICE AREA IS LIKELY TO YIELD THE HIGHEST PARTICIPATION AND/OR POTENTIAL WATER SAVINGS. THE PROVIDER MUST SELECT APPROPRIATE COMMUNICATION CHANNELS TO ADVERTISE THE PROGRAM.

#### *NON-RESIDENTIAL INTERIOR RETROFIT PROGRAMS*

THE WATER PROVIDER PROVIDES FREE OR LOW COST PLUMBING FIXTURES AND/OR FIXTURE RETROFITS, SUCH AS FAUCETS, FAUCET AERATORS, LOW FLOW SHOWERHEADS, TOILETS, URINALS, AND TOILET DAMS, TO NON-RESIDENTIAL CUSTOMERS WITH FACILITIES BUILT PRIOR TO ADOPTION OF THE 1990 UNIFORM PLUMBING CODE REQUIRING LOW FLOW PLUMBING FIXTURES. THE PROVIDER MUST OFFER THE FIXTURES/FIXTURE RETROFITS TO ALL NON-RESIDENTIAL CUSTOMERS MEETING THE ABOVE CRITERIA UNLESS THE PROVIDER CAN DEMONSTRATE THAT TARGETING CERTAIN PORTIONS OF ITS WATER SERVICE AREA IS LIKELY TO YIELD THE HIGHEST PARTICIPATION AND/OR POTENTIAL WATER SAVINGS. THE PROVIDER MUST SELECT APPROPRIATE COMMUNICATION CHANNELS TO ADVERTISE THE PROGRAM.

#### *CUSTOMER HIGH WATER USE INQUIRY RESOLUTION*

THE WATER PROVIDER ASSIGNS A DESIGNEE(S) TO ASSIST CITIZENS WITH THEIR HIGH WATER-USE COMPLAINTS. THE PROGRAM INCLUDES A SITE INSPECTION TO DISCOVER THE CAUSE OF AN INCREASE IN THE WATER BILL. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST FOLLOW UP IN SOME WAY ON EVERY CUSTOMER INQUIRY AND KEEP A RECORD OF INQUIRIES AND FOLLOW-UP ACTIVITIES.

#### *CUSTOMER HIGH WATER USE NOTIFICATION*

THE WATER PROVIDER MONITORS CUSTOMERS FOR HIGH WATER USE. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST CONTACT THE HIGH WATER USE CUSTOMERS VIA TELEPHONE, BY EMAIL, BY MAIL OR IN PERSON. THE NOTIFICATION MUST INCLUDE INFORMATION ON PROVIDER SERVICES THAT COULD BENEFIT THE CUSTOMER, SUCH AS AUDIT PROGRAMS, PUBLICATIONS, AND REBATE PROGRAMS. THE TYPE OF NOTIFICATION AND THE CRITERIA USED FOR DETERMINING WHO GETS THE NOTIFICATION MUST BE RECORDED.

#### *WATER WASTE INVESTIGATIONS AND INFORMATION*

THE WATER PROVIDER ASSIGNS A DESIGNEE(S) TO ASSIST CITIZENS WITH WATER WASTE COMPLAINTS. A COMPLAINT INVESTIGATION WOULD TYPICALLY INCLUDE A SITE INSPECTION AND SOME TYPE OF FOLLOW-UP ACTION, SUCH AS EDUCATION OF THE CUSTOMER TO PREVENT WATER WASTE OR A LETTER OF ENFORCEMENT IF APPLICABLE. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST FOLLOW UP IN SOME WAY ON EVERY WATER WASTE

COMPLAINT AND KEEP A RECORD OF COMPLAINTS AND FOLLOW-UP ACTIVITIES.

**CATEGORY 4: PHYSICAL SYSTEM EVALUATION AND IMPROVEMENT**

PROGRAMS TO ENSURE THAT THE WATER SYSTEM IS RUNNING AT OPTIMAL EFFICIENCY (MAINTENANCE) OR TO IMPROVE WATER USE EFFICIENCY IN THE PHYSICAL WATER SYSTEM BY MAKING ONE OR MORE PHYSICAL SYSTEM IMPROVEMENTS. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

*LEAK DETECTION PROGRAM*

THE WATER PROVIDER IMPLEMENTS A SYSTEMATIC EVALUATION OF ITS WATER DISTRIBUTION SYSTEM TO IDENTIFY AND FIX LEAKS. THE PROVIDER MUST IMPLEMENT THIS PROGRAM THROUGHOUT ITS SERVICE AREA UNLESS THE PROVIDER CAN DEMONSTRATE THAT TARGETING CERTAIN PORTIONS OF THEIR WATER SERVICE AREA IS LIKELY TO YIELD THE HIGHEST POTENTIAL WATER SAVINGS.

*METER REPAIR AND/OR REPLACEMENT PROGRAM*

THE WATER PROVIDER IMPLEMENTS A PROGRAM TO SYSTEMATICALLY ASSESS THE METERS IN ITS WATER SERVICE AREA TO IDENTIFY UNDER-REGISTERING METERS AND TO REPAIR OR REPLACE THEM.

*COMPREHENSIVE WATER SYSTEM AUDIT PROGRAM*

THE WATER PROVIDER CONDUCTS A SYSTEMATIC AUDIT OF ITS WATER DISTRIBUTION SYSTEM, SYSTEMS CONTROL EQUIPMENT, AND WATER RECORDS TO IDENTIFY AND QUANTIFY WATER LOSSES. THE AUDIT MUST INCLUDE AN ANALYSIS OF RESULTS THAT INCLUDES PLANS FOR CORRECTIVE MEASURES AND CAN BE A PRECURSOR TO A LEAK DETECTION AND/OR METER REPAIR/REPLACEMENT PROGRAM. THIS WATER CONSERVATION MEASURE WILL BE EFFECTIVE FOR ONLY ONE YEAR (UNLESS THE PROVIDER CAN OFFER JUSTIFICATION FOR AN ONGOING OR MULTI-YEAR PROGRAM). IN SUBSEQUENT YEARS, THE PROVIDER MUST REPLACE THIS MEASURE WITH ANOTHER WATER CONSERVATION MEASURE FROM THIS LIST OF ADDITIONAL WATER CONSERVATION MEASURES TO CONTINUE TO MEET ITS NON-PER CAPITA CONSERVATION PROGRAM REQUIREMENTS.

**CATEGORY 5: ORDINANCES / CONDITIONS OF SERVICE / TARIFFS**

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO REDUCE WATER USE WITHIN THE SERVICE AREA AND/OR INCREASE WATER USE EFFICIENCY BY LIMITING OR REDUCING WATER USED FOR SPECIFIC PURPOSES. ORDINANCES WOULD APPLY TO CITIES AND TOWNS AND TARIFFS WOULD APPLY TO ACC REGULATED MUNICIPAL PROVIDERS (PRIVATE WATER COMPANIES). A WATER PROVIDER THAT IS NOT DIRECTLY PART OF A MUNICIPALITY CAN GET CREDIT IF IT WORKS WITH LOCAL OR COUNTY JURISDICTIONS TO IMPLEMENT A NEW ORDINANCE. EACH ORDINANCE/TARIFF/CONDITION OF SERVICE SELECTED FROM THE LIST BELOW WILL BE COUNTED AS ONE WATER CONSERVATION MEASURE.

- LOW WATER USE LANDSCAPING REQUIREMENTS FOR RESIDENTIAL, MULTI-FAMILY, NON-RESIDENTIAL, AND/OR COMMON AREAS.

- WATER TAMPERING / WATER WASTE ORDINANCES.
- PLUMBING CODE REQUIREMENTS, IF THEY ARE MORE RESTRICTIVE THAN THE 1990 UNIFORM PLUMBING CODE OR ITS EQUIVALENT.
- LIMITATIONS ON WATER FEATURES (FOUNTAINS, WATERFALLS, PONDS, WATER COURSES AND OTHER ARTIFICIAL WATER STRUCTURES) AND/OR WATER INTENSIVE LANDSCAPING AND TURF.
- ORDINANCE FOR MODEL HOMES IN NEW RESIDENTIAL DEVELOPMENTS - LANDSCAPING AT MODEL HOMES IN NEW RESIDENTIAL DEVELOPMENTS IS REQUIRED TO BE WATER EFFICIENT. WATER-INTENSIVE LANDSCAPING IS LIMITED TO FUNCTIONAL AREAS AND/OR LIMITED IN SIZE.
- GRAYWATER ORDINANCES - REQUIRED ONSITE GRAYWATER/WATER HARVESTING FEATURES AT RESIDENCES AND/OR BUSINESSES.
- REQUIREMENTS FOR CAR WASH WATER RECYCLING.
- LANDSCAPE WATERING RESTRICTIONS (TIME OF DAY, ETC.).
- REQUIREMENTS FOR HOT WATER RECIRCULATION DEVICES FOR RESIDENTIAL, MULTI-FAMILY, AND/OR NON-RESIDENTIAL SECTORS.
- RETROFIT ON RESALE - AS AN ORDINANCE OR AS A CONDITION OF SERVICE, THE OWNER OF A SINGLE-FAMILY HOME, A MULTI-FAMILY HOME COMPLEX, AND/OR A NON-RESIDENTIAL FACILITY IS REQUIRED TO REPLACE ALL PLUMBING FIXTURES INSIDE THE HOUSING UNIT/COMMERCIAL UNIT THAT DO NOT CONFORM TO CURRENT LOW WATER USING STANDARDS. THIS COULD BE DONE BY THE SELLER PRIOR TO SALE OR BY THE BUYER SUBSEQUENT TO THE SALE. RETROFITS WOULD INCLUDE REPLACEMENT OF TOILETS, SHOWERHEADS, AND FAUCETS.
- LANDSCAPE WATER USE EFFICIENCY STANDARDS FOR NON-RESIDENTIAL USERS.
- CONSERVATION TARIFF (PRIVATE WATER COMPANIES).
- REQUIRING A WATER USE PLAN TO BE SUBMITTED BY ALL NEW COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL USERS WITH A PROJECTED ANNUAL WATER USE REQUIREMENT OF TEN ACRE-FEET OR MORE PER YEAR. THE WATER USE PLAN MUST IDENTIFY ALL WATER USES ANTICIPATED BY THE USER, AND THE WATER EFFICIENCY MEASURES ASSOCIATED WITH THE USES. THE WATER USE PLAN MUST INCLUDE AT LEAST THREE OF THE FOLLOWING:
  1. STATEMENT OF WATER EFFICIENCY POLICY.
  2. WATER CONSERVATION EDUCATION/TRAINING FOR EMPLOYEES.
  3. IDENTIFICATION OF ON-SITE RECYCLING AND REUSE STRATEGIES.
  4. TOTAL COOLING CAPACITY AND OPERATING TDS OR CONDUCTIVITY FOR COOLING TOWERS.
  5. IDENTIFICATION OF BEST AVAILABLE TECHNOLOGIES USED FOR PROCESS, COOLING, AND DOMESTIC WATER USES.
  6. LANDSCAPE WATERING SYSTEM DISTRIBUTION UNIFORMITY AND LANDSCAPE WATER BUDGET.
  7. TOTAL ANNUAL WATER BUDGET FOR THE FACILITY.

**CATEGORY 6: REBATES/INCENTIVES**

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO PROVIDE USERS WITH AN INCENTIVE FOR IMPLEMENTING A WATER CONSERVATION PRACTICE. PROGRAM CAN INCLUDE REBATES OR INCENTIVES SUCH AS FEE REDUCTIONS AND/OR WAIVERS. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

1. INCENTIVES (INDOORS)

*TOILET REBATE PROGRAM*

THE WATER PROVIDER OFFERS A FINANCIAL REBATE OR INCENTIVE TO ALL OWNERS OF RESIDENTIAL AND/OR MULTI-FAMILY HOMES IN THE PROVIDER'S SERVICE AREA THAT WERE CONSTRUCTED PRIOR TO ADOPTION OF THE 1990 UNIFORM PLUMBING CODE FOR THE REPLACEMENT OF HIGH WATER USE TOILETS WITH A ULF TOILET.

*HIGH EFFICIENCY FLUSH TOILET REBATE PROGRAM*

THE WATER PROVIDER OFFERS A FINANCIAL REBATE OR INCENTIVE TO ALL OWNERS OF RESIDENTIAL AND/OR MULTI-FAMILY HOMES IN ITS SERVICE AREA TO REPLACE A HIGH USE TOILET WITH AN HEF TOILET.

*TOILET REPLACEMENT PROGRAM*

THE WATER PROVIDER IMPLEMENTS A PROGRAM TO REPLACE HIGH USE TOILETS WITH ULF OR HEF TOILETS IN RESIDENTIAL AND/OR MULTI-FAMILY HOMES IN THE PROVIDER'S SERVICE AREA.

*INDOOR WATER FIXTURE REPLACEMENT/REBATE/INCENTIVE PROGRAM*

THE WATER PROVIDER IMPLEMENTS A PROGRAM TO RETROFIT INDOOR WATER FIXTURES, INCLUDING SHOWERHEADS, AERATORS AND TOILET FLAPPERS, IN ALL HOMES AND MULTI-FAMILY HOMES WITHIN ITS SERVICE AREA CONSTRUCTED PRIOR TO ADOPTION OF THE 1990 UNIFORM PLUMBING CODE. THE PROVIDER SHALL OFFER TO REPLACE THE FIXTURES OR SHALL OFFER A FINANCIAL REBATE OR INCENTIVE FOR HOMEOWNERS TO REPLACE THE FIXTURES.

*REBATE FOR HOT WATER RECIRCULATING SYSTEMS/INSTANT HOT WATER SYSTEMS*

THE WATER PROVIDER SHALL OFFER A FINANCIAL REBATE OR INCENTIVE TO RESIDENTIAL, MULTI-FAMILY, AND/OR NON-RESIDENTIAL CUSTOMERS TO INSTALL HOT WATER RECIRCULATION DEVICES OR DEVICES THAT PROVIDE INSTANT HOT WATER AT THE POINT OF USE.

*WATER EFFICIENT APPLIANCE REBATE/INCENTIVE PROGRAM*

THE WATER PROVIDER SHALL OFFER TO CUSTOMERS A FINANCIAL REBATE OR INCENTIVE FOR THE ACQUISITION OF WATER EFFICIENT APPLIANCES.

2. INCENTIVES (OUTDOOR)

*GRAYWATER RETROFIT REBATE/INCENTIVE*

THE WATER PROVIDER SHALL OFFER CUSTOMERS A FINANCIAL REBATE OR INCENTIVE FOR THE RETROFIT OF AN ONSITE GRAYWATER FEATURE, ALONG

WITH EDUCATION ON HOW TO RETROFIT AND THE BENEFITS OF USING GRAYWATER ONSITE.

*WATER HARVESTING RETROFIT REBATE/INCENTIVE*

THE WATER PROVIDER SHALL OFFER CUSTOMERS A FINANCIAL REBATE OR INCENTIVE FOR THE INSTALLATION OF WATER HARVESTING FEATURES THAT MAY INCLUDE GUTTERS, DOWNSPOUTS, LANDSCAPE DESIGNS, AND CONTAINERS, ALONG WITH INFORMATION ABOUT WATER HARVESTING TECHNIQUES.

*LANDSCAPE CONVERSION REBATE/INCENTIVE*

THE WATER PROVIDER SHALL OFFER CUSTOMERS A FINANCIAL REBATE OR INCENTIVE FOR THE CONVERSION OF LANDSCAPE TO REDUCE THE OVERALL OUTDOOR WATER USAGE. THIS WOULD MOST LIKELY INVOLVE REPLACING TURF WITH A XERISCAPE LANDSCAPE. INFORMATION ABOUT LANDSCAPE CONVERSIONS MUST BE PROVIDED TO CUSTOMERS.

*REBATE/INCENTIVE FOR INSTALLING XERISCAPES IN NEW LANDSCAPES*

THE WATER PROVIDER OFFERS CUSTOMERS WITH NEW LANDSCAPES A FINANCIAL REBATE OR INCENTIVE FOR INSTALLING A XERISCAPE LANDSCAPE.

3. NON-RESIDENTIAL

*COMMERCIAL AND INDUSTRIAL PROGRAM*

THE WATER PROVIDER IDENTIFIES COMMERCIAL AND INDUSTRIAL CUSTOMERS WITH THE HIGHEST CONSERVATION POTENTIAL AND IMPLEMENTS A WATER CONSERVATION PROGRAM FOR THOSE CUSTOMERS. THE PROGRAM MAY INCLUDE TOILET REBATES OR REPLACEMENTS, AUDITS, INCENTIVES AND GRANTS.

*LARGE LANDSCAPE CONSERVATION PROGRAM*

THE WATER PROVIDER IMPLEMENTS A PROGRAM TO PROVIDE NON-RESIDENTIAL CUSTOMERS WITH SUPPORT AND INCENTIVES TO IMPROVE THEIR LANDSCAPE WATER USE EFFICIENCY.

*NO/LOW INTEREST LOANS FOR IMPLEMENTING WATER CONSERVATION MEASURES*

THE WATER PROVIDER OFFERS ASSISTANCE TO CUSTOMERS WISHING TO INVEST IN PROJECTS INTENDED TO REDUCE EXISTING WATER USE OR BRING NEW USES IN AT HIGH RATES OF EFFICIENCY.

**CATEGORY 7: RESEARCH/INNOVATION PROGRAM**

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO ENCOURAGE WATER PROVIDERS TO CONDUCT SYSTEMATIC EVALUATIONS OF CONSERVATION MEASURES ALREADY IMPLEMENTED, TO IMPLEMENT STATE OF THE ART WATER CONSERVATION TECHNOLOGIES AND TECHNIQUES, AND/OR TO DEVELOP AND/OR TRY NEW TECHNOLOGIES AND TECHNIQUES. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

- IMPLEMENTATION OF AN EMERGING TECHNOLOGY. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST SUBMIT WITH ITS CONSERVATION EFFORTS REPORT DOCUMENTATION THAT INCLUDES A DESCRIPTION OF THE TECHNOLOGY, ANY AVAILABLE INFORMATION ON WATER SAVINGS, A DESCRIPTION OF HOW THE TECHNOLOGY WAS IMPLEMENTED WITHIN THE PROVIDER'S SERVICE AREA AND A DESCRIPTION OF THE RESULTS. THIS DOCUMENTATION SHALL ALSO BE MADE AVAILABLE FOR PUBLIC DISTRIBUTION.
- INITIATING APPLIED RESEARCH TO ENHANCE PROGRAM DECISION MAKING OR PROVIDING FINANCIAL SUPPORT OR IN-KIND SERVICES FOR SUCH PROJECTS. TO RECEIVE CREDIT FOR THIS MEASURE, A PROVIDER MUST DESCRIBE ITS INVOLVEMENT/PARTICIPATION AND METHOD(S) OF SUPPORT. UPON COMPLETION OF THE RESEARCH AND SHALL SUBMIT DOCUMENTATION OF THE ANALYSIS AND RESULTS WITH ITS CONSERVATION EFFORTS REPORT. THIS DOCUMENTATION SHALL ALSO BE MADE AVAILABLE FOR PUBLIC DISTRIBUTION.
- EVALUATION OF NEW AND EMERGING TECHNOLOGIES AND PRACTICES. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST SUBMIT DOCUMENTATION WITH ITS CONSERVATION EFFORTS REPORT STATING THE OBJECTIVES OF THE EVALUATION, METHODS USED TO CONDUCT THE EVALUATION, AND RESULTS OF THE INVESTIGATION. THIS DOCUMENTATION SHALL ALSO BE MADE AVAILABLE FOR PUBLIC DISTRIBUTION.
- CONDUCTING A QUANTITATIVE ANALYSIS OF A CONSERVATION MEASURE THAT YIELDS RESULTS REGARDING ACTUAL WATER SAVINGS. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST SUBMIT DOCUMENTATION WITH ITS CONSERVATION EFFORTS REPORT STATING THE METHODS USED TO CONDUCT THE ANALYSIS AND THE RESULTS OF THE INVESTIGATION. THIS DOCUMENTATION SHALL ALSO BE MADE AVAILABLE FOR PUBLIC DISTRIBUTION.
- IMPLEMENTATION OF SMART IRRIGATION TECHNOLOGY. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST BRIEFLY DESCRIBE THE PROJECT LOCATION, IMPLEMENTATION METHODS, AND ESTIMATES OF IRRIGATION EFFICIENCY OR WATER SAVINGS, IF AND WHEN AVAILABLE, AND SUBMIT THE INFORMATION WITH ITS CONSERVATION EFFORTS REPORT.
- DEVELOPMENT OF INDUSTRY PARTNERSHIPS TO ENCOURAGE AND IMPLEMENT COLLABORATIVE EFFORTS AND ACTIVITIES DESIGNED TO SAVE WATER. TO RECEIVE CREDIT FOR THIS MEASURE, A PROVIDER MUST DESCRIBE THE PARTNERSHIP, ITS OBJECTIVES, ITS ONGOING EFFORTS AND ANY EFFORTS PLANNED FOR THE FUTURE, AND SUBMIT THE INFORMATION IN ITS CONSERVATION EFFORTS REPORT.
- PROVIDING FINANCIAL SUPPORT OR IN-KIND SERVICES FOR DEVELOPMENT OF NEW CONSERVATION TECHNOLOGIES AND PRODUCTS. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST DESCRIBE ITS INVOLVEMENT/PARTICIPATION AND METHOD(S) OF SUPPORT. UPON COMPLETION OF THE RESEARCH, THE PROVIDER MUST SUBMIT DOCUMENTATION OF THE ANALYSIS AND RESULTS WITH ITS CONSERVATION EFFORTS REPORT.
- PILOTING A NEW INITIATIVE, PROJECT OR PROGRAM. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST SUBMIT DOCUMENTATION WITH

ITS CONSERVATION EFFORTS REPORT THAT INCLUDES A DESCRIPTION OF THE PROJECT/PROGRAM, A DESCRIPTION OF HOW THE PROJECT/PROGRAM WAS IMPLEMENTED WITHIN THE PROVIDER'S SERVICE AREA, AND A DESCRIPTION OF THE RESULTS.

**III. PROCEDURE FOR ADDING A WATER CONSERVATION MEASURE TO THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES IN SECTION II OF THIS APPENDIX**

1. A LARGE MUNICIPAL PROVIDER MAY APPLY TO THE DIRECTOR TO ADD A WATER CONSERVATION MEASURE TO THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN SECTION II OF THIS APPENDIX.
2. UPON RECEIPT OF AN APPLICATION SUBMITTED PURSUANT TO PARAGRAPH 1 ABOVE, THE DIRECTOR SHALL REVIEW THE APPLICATION AND MAY REQUEST ADDITIONAL INFORMATION FROM THE APPLICANT AND MAY SEEK INFORMATION FROM OTHER SOURCES AS MAY BE NECESSARY TO DETERMINE WHETHER THE WATER CONSERVATION MEASURE SHOULD BE ADDED TO THE LIST.
3. IF THE DIRECTOR APPROVES THE APPLICATION, THE DIRECTOR SHALL ADD THE WATER CONSERVATION MEASURE TO THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN SECTION II OF THIS APPENDIX. THE DIRECTOR SHALL POST THE MODIFIED LIST OF ADDITIONAL WATER CONSERVATION MEASURES ON THE DEPARTMENT'S WEB SITE AND SHALL FILE THE MODIFIED LIST WITHIN THE PRESCOTT ACTIVE MANAGEMENT AREA OFFICE.