

Arizona
Department of
Environmental
Quality



Arizona
Department
of Water
Resources



Arizona
Corporation
Commission



Blue Ribbon Panel on Water Sustainability Economic Funding Working Group

Meeting Notes

March 15, 2010

- I. Chair Snider called the meeting to order at 1:00 PM. Introductions (16 present in person) Attendance list attached.
- II. Discussion of future meeting schedule was postponed to the end of the meeting although Casa Grande was determined to be the location.
- III. Review on Blue Ribbon Panel effort to date, included discussion of major points from March 5, 2010. Two main points were recognized:
 - The amount of overlap of the working groups' topics.
 - The issue of multiple agencies responsible for tracking different aspects of reclaimed water use. WateReuse may be able to serve as a data warehouse of this information.
- IV. Scope of Working Group and process. Questions and ideas raised during discussion include:
 - What are the other working groups developing? The Economic Funding Working Group may be serving as an umbrella group on economic issues for the other working groups.
 - What and how are infrastructure options evaluated, and which are best on economics or most feasible?
 - What is good economics? Is it only the ability to pay back a loan, or should it include social costs? What is the cost/benefit?
 - What are incentives to use reclaimed water vs. the existing costs of groundwater or other sources of renewable water?
 - What are economic barriers to using reclaimed water? Small utilities have been limited in using or generating reclaimed water.
 - What's the consumer demand and the willingness to pay? Do consumers have or need incentives?
 - Reclaimed water is the least used and recognized of renewable water sources. Allocated amounts of Colorado River and storms are known, but reclaimed water is an unknown big potential.Ideas for scope can be narrowed to the following points:
 - Identify potential funding sources, including finding funding for the other working groups' recommendations.
 - Economic/financial feasibility of a recommendation or project.
 - Potential incentives.
 - Will need to have information on other Working Groups' recommendations before can find funding sources for them.
- V. Review of existing regulations, incentives, and financial support for reclaimed water use, included:

- Regulations for reclaimed water, stormwater and grey water.
- Explanation on replenishment districts, specifically CAGR, which is only in the AMAs, uses CAP water, and receives funding through liens on land and two tariffs.
- Disincentive to recharge water because of capital costs of infrastructure. For developers, it's cheapest to use CAGR for assured water supply. But what is available for existing homes?
- ADEQ regulations on water quality - what is the end use and what are the incentives?
- Water use laws limits groundwater use on lakes and golf courses. Also, ACC will restrict use of water for golf courses or lakes, through policy not rules. Some counties also have water restrictions for ornamental purposes.
- Consumptive uses may be seasonal although reclaimed water is generated year round; this may require recharging extra reclaimed water.

VI. Brainstorming Session (overlapped with review of existing regulations). Discussed existing uses that are working or could be implemented:

- Use of reclaimed water by City of Phoenix and Palo Verde Power Plant, SRP's Desert Basin Generation Station and Casa Grande wastewater treatment plant. Energy generators can use a high amount of reclaimed water for cooling, but may still need secondary source of water, depending on seasonal demands.
- For energy generators like SRP, excess reclaimed water can be banked for later, and can also trade water credits. This allows use of lesser quality water for energy and save higher quality for other uses.
- Riparian restoration.
- Arizona tax credit for grey water.
- Australia has individual grey water piped out to trees on property.
- Stormwater recharge - impounded for watering parks in Pima County.
- Stormwater can be used to irrigate for agriculture, as done in Mesa. There are some seasonal issues, and still requires infrastructure to capture and store water.
- Future sources could be to convert septic to sewer (water from septic is wasted).
- If reclaimed water use can be increased, can continue to grow and maintain quality of life. Must continue to plan for future uses (or no growth).

VII. BRP schedule and Working Group's work products includes the following homework assignments for the next meeting:

- Other states survey of reclaimed water use: Pima County
- Reclaimed water uses allowed in Arizona: Wendy LeStarge
- Legal status on grey water use (prohibitions or incentives): Pima County
- NRCD and stormwater harvesting: Grant Ward
- Economic feasibility studies: Ed deSteiguer
- Public and private funding sources related to water infrastructure: Judy Navarrete and Robert Wagner.
- What incentives are available in each person's area (regulatory, financial or other): all members

VIII. Next meeting is set for April 12 1:00 PM, with a second meeting as needed on April 26 1:00 PM