

ARIZONA WATER COMPANY

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September 6, 2024

Arizona Department of Water Resources
Attn. Ms. Madison Moreno
1110 W Washington Street, Ste. 310
Phoenix, AZ 85007

Re: Douglas Active Management Area First Active Management Plan – Informal Draft
Comments

Dear Ms. Moreno:

Thank you for the opportunity for Arizona Water Company ("AWC") to offer comments and suggestions to the Arizona Department of Water Resources ("ADWR") Informal Draft of the Douglas Active Management Area ("DAMA") First Management Plan ("1MP"). Since the DAMA is the first subsequent AMA, this is the only First Management Plan to be developed since the 1980s. ADWR has the unique opportunity to use 40 years' worth of statutes, regulations, and best practices to inform the new DAMA. As is mentioned in the DAMA 1MP, the DAMA is unique and some of the existing programs found in the management plans of initial AMAs may not be applicable in the DAMA. Some programs and requirements may need to be considered more fully and possibly amended before adding them to the DAMA 1MP. Other programs and requirements may need to be completely removed because they do not apply to the DAMA. In general, our reaction is that the 1MP needs to be much simpler and begin closer to what entities are familiar with today. The 1MP should really be about establishing water rights, educating entities on how to report, creating data collection systems, and really giving water users time to adapt to the new AMA. During the 1MP, then ADWR, in collaboration with water users, can really focus on what water management programs make sense for this unique area. Nonetheless, we offer the following more specific comments by section.

Executive Summary

Page – 11 – The management goal implies that there will be subsequent management plans every ten years for the DAMA. If this is the first of many management plans, this needs to be described somewhere in the 1MP.

- How many management plans will there be?
 - How long does the DAMA have to reach its management goal?
 - Why is this a 1MP instead of a 5MP?
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If this type of information is not included in the 1MP, then such clarification needs to be provided in statute as was previously done for the Santa Cruz AMA when it split from the Tucson AMA (see §45-563.B). The information for new management plans by year should be introduced specifically in the introduction on page 10, perhaps in a table.

Chapter 2 Supply and Demand

Page 23 – 2.2 Overview of Demand and Supply by Water Use Sector

2.2.1 – Municipal Sector

There is a short discussion of the City of Bisbee and notes the fact that water received by the population inside the DAMA is provided from the Upper San Pedro groundwater basin. Please reference HB2368, or the now applicable statute, that allows for groundwater pumped from the Upper San Pedro groundwater basin to meet all of Bisbee’s municipal water demand including that portion located inside the DAMA, since the new law is an exception to other statutes regarding moving water from outside an AMA into an AMA.

Chapter 3 Underground Water Storage, Savings, and Replenishment Program

Page 36 – 3.2 Recharge and Recovery Overview

3.2.1 Primary Program Components

Paragraph 2 references, "Long-term storage credits may be transferred to another entity if that entity can meet the same provisions for earning credits as the storer, pursuant to A.R.S. §45-802.01(23)". We understand this statutory language is applicable to CAP long-term storage credits. There is no CAP water in the DAMA. The primary source of non-groundwater supply will be effluent which is not subject to this statutory language. This language may undermine efforts for water providers with customers that produce wastewater treated by another entity (i.e., a municipality) to have that effluent stored, recovered, and delivered back to those same water customers. Since effluent is really the only non-groundwater supply available in the DAMA, the 1MP should not say anything to restrict or discourage its use.

Page 37 – 3.2.2 Storage and Recovery Siting Criteria

Paragraph 4 references, "These siting criteria also link future use benefits to determinations under the AWS Program. If storage occurs in an area that has an issued demand through a Designation or Certificate of AWS, then it is deemed to contribute to groundwater supplies to be used in the future. If the storage does not meet these criteria, such as if it were located in a remote area with no issued demands from a Designation or Certificate of AWS, it must be determined by the director to otherwise be beneficial to the AMA, if recovery is to occur outside the area of impact of storage."

The reference to Designations and Certificates of Assured Water Supply ("AWS") is premature here. The DAMA 1MP references the AWS in Chapter 5 on page 57 5.2.1 and says, "The current AWS Rules do not address the uniqueness of subsequent AMAs; as such, the Rules will be modified to include content specific to the DAMA".

Please revise the language in 3.2.1 and 3.2.2 to encourage the use of effluent in the DAMA and remove references to the AWS program since no such program exists in the DAMA at this juncture. All entities should be allowed to accrue, buy, sell, and transfer Long Term Storage Credits ("LTSC") related to effluent rather than restricting the practice to AWS designated entities. This language can continue to remind people that the Adequate Water Supply rules will remain in place until and if an AWS program is developed in the DAMA.

Chapter 5 Municipal Conservation Program

Page 57 – 5.1 Introduction

In this first section, please include a table showing the different providers for each category described in the DAMA in order to help new DAMA water providers understand which category is applicable to them. For example, the sections referencing “large untreated water provider” and the dates (1989-1992) related to them and “municipal provider” agreements is very specific to what appears to be SRP and CAP customers. Consider only including categories of water providers that actually exist in the DAMA.

Page 57 – 5.2.1 Assured Water Supply Program in the Municipal Conservation Program

Until an AWS program has been developed for the DAMA, any references to such a program should be limited to Future Strategies in Chapter 8. In the meantime, this section should simply describe existing regulations (i.e., Adequate Water Supply) and how the Assured Water Supply rules are usually implemented in an AMA, but why they are not included at this time.

In the process of considering an AWS program, ADWR should consider whether an AWS program is appropriate for the DAMA given its limited access to non-groundwater supplies. Water providers will need to work with others in the region to help fully utilize the effluent available. Consequently, future rules related to Assured Water Supply and recharge and recovery will need to be harmonious with the management plan’s overall management goal. The way the 1MP is currently written, fully utilizing effluent appears to be discouraged and the references to the AWS program are inconsistent with the realities in the DAMA and combined these concepts do not complement the stated management goal.

Page 57-58 – 5.3 Municipal Conservation Programs

The description of the Municipal Conservations Programs references "This conservation program also includes a conservation program for small municipal providers, a program for large untreated providers, and requirements for the distribution of water for non-irrigation use by cities, towns, private water companies, and irrigation districts".

Some of the content scattered throughout the 1MP references items that may be unrelated to the situation in the DAMA. For example:

- Is there a large untreated water provider in the DAMA?

- Is there an agricultural district that has the legal authority to provide non-irrigation water to others?
- Is there the possibility of a large untreated provider developing in the DAMA?

If the answers are no, then perhaps this language from management plans in other AMAs can be removed. Additional language that doesn't pertain to the DAMA is confusing and irrelevant.

Page 63 – 5-503 Large Municipal Provider Integrated Water Resources Plan

An Integrated Water Resources Plan seems excessive for the DAMA especially given the reality that the only opportunities include reuse of effluent and conservation. Moreover, these plans can be expensive to prepare, and implementation of such plans can be cost prohibitive. The existing Community Water Systems Plans are updated every five years and provide sufficient information for ADWR to track and measure the success of conservation plans and infrastructure upgrades.

Page 65 – 5-505 Conservation Requirements for Large Untreated Water Providers

If there are no Large Untreated Water Providers in the DAMA, remove discussions regarding this program.

Page 66 – 5-507 Individual User Requirements for Municipal Providers and Individual Users

The individual user requirements continue to be confusing for all parties as witnessed at the 8/28/2024 GUAC meeting. Moreover, even after decades of implementation in the initial AMAs, there is still confusion about, for example, which entity is responsible for identifying an individual user (i.e., ADWR or the municipal provider)? In section B(3) and B(4) there are references to dates 1987 and 2002 regarding plants in medians and water features. These dates should reflect an implementation schedule applicable to DAMA. In fact, any references to dates in the DAMA IMP should reflect that everything so far will be grandfathered. Overall, this program should really be postponed until ADWR has a clear handle on who the potential individual users are.

Chapter 6 – Industrial Conservation Program

Page 75 – 6.2.1 Turf-Related Facility Program Description

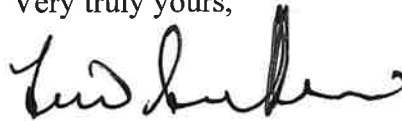
Regarding what constitutes a turf-related facility, the language is confusing. Specifically, it is unclear whether a turf-related facility is 10 or more acres per parcel, per owner (i.e. HOA common areas) or per "location" (i.e. multiple parcels owned by an HOA or by a school as examples). More clarification on what constitutes a turf-related facility would be helpful. Also, it would be helpful if ADWR inventoried these facilities itself and provided a list. This would be the clearest way to communicate. As it pertains to individual users, this is even more pertinent.

Our overall concerns lie with the expansion of the AWS program to include the DAMA, maintaining flexibility to use effluent including a compatible recharge and recovery regulatory structure, development of an integrated resource management plan, unnecessary conservation

reporting that is already handled with the CWS program, and clarification of Individual Users and Turf-Related facilities.

Thank you for the opportunity to provide comments and suggestions to the 1MP for the DAMA. Arizona Water Company remains committed to working with ADWR to achieve the goals of the DAMA well into the future. Should you have any questions regarding the suggestions in this letter, [REDACTED]
[REDACTED]

Very truly yours,



Terri Sue C. Rossi
Vice-President – Water Resources
[REDACTED]