

**Metropolitan Domestic Water Improvement District
Board of Directors Meeting**

February 13, 2017

**Stipulation and Order on Review on Conservation Requirements
for Metro Southwest - Diablo Village in the
Arizona Department of Water Resources Fourth Management Plan**

Synopsis

The Board of Directors is requested to approve the Stipulation and Order on Review from the Arizona Department of Water Resources (ADWR) for amended conservation requirements at Metro Southwest - Diablo Village. This review was requested by District staff and ADWR has agreed to the District's proposed amendment of a new gallons per capita per day (GPCD) usage target of 87. The original target was calculated from incomplete and highly variable data collected prior to the District's acquisition of Metro Southwest – Diablo Village.

Background

One of the tools ADWR uses to manage water in Arizona is the establishment of mandatory conservation requirements for groundwater users within each active management area (AMA). The District is part of the Tucson AMA. Conservation requirements are defined in ADWR management plans, the first of which took effect in 1987. Under the management plans, municipal water provider service areas fall under either the Gallons Per Capita Per Day Program (GPCD Program) or the Modified Non-Per Capita Conservation Program (Modified NPCCP), depending on several factors, including whether there is a designation of assured water supply. Additionally, the District is required to maintain system water losses below 10% annually. Current conservation requirements are outlined in the Third Management Plan, which was intended to apply to years 2000-2010 but is in effect until it is replaced by ADWR. The Fourth Management Plan (4MP) was adopted in September 2016 but new conservation requirements will not take effect until January 1, 2019.

Issues

In the final draft review process of the 4MP, District staff discovered unrealistic water conservation target for Metro Southwest - Diablo Village, which is currently under the GPCD Program. Upon further review of the 2000 to 2009 data used by ADWR, staff discovered that the data submitted by Thim Utilities from their Annual Groundwater Withdrawal and Use reports was incomplete. The reports had a highly variable annual water use ranging from 46.7 acre-feet to 250 acre-feet, which caused large annual deviations and a very high standard deviation, resulting in a higher calculated median.

Upon reviewing data from the 2010 to 2015 annual reports submitted by the District, staff found the data was consistent with time. Staff addressed this concern to ADWR during the public comment periods of the 4MP process and requested the change. ADWR responded that the conservation targets could not be changed during the 4MP process because the data set used for developing the conservation targets was fixed under statute, but the District could request an administrative review once the 4MP was adopted by ADWR.

The District filed an application for administrative review for Metro Southwest - Diablo Village's water conservation target on October 13, 2016 and provided an alternative target based on the more recent and complete data period.

On December 6, 2016, ADWR formally notified the District that it had completed its review of the District's application and concurred with the District's findings. ADWR included a Stipulation and Order on Review for the District's consideration, which adjusts the Metro Southwest - Diablo Village GPCD target to 87 instead of 62. The revised target more closely aligns with the GPCD history for the service area. The GPCD was 94 in 2010 and 84 in 2015.

Recommendation

It is recommended that the Board of Directors agree to the Arizona Department of Water Resource's Stipulation and Order on Review for the Fourth Management Period for Metropolitan Domestic Water Improvement District's Metro Southwest - Diablo Village service area, and authorize the General Manager to sign the agreement.

Suggested Motion

I move the Board of Directors agree to the Arizona Department of Water Resource's Stipulation and Order on Review for the Fourth Management Period for Metropolitan Domestic Water Improvement District's Metro Southwest - Diablo Village service area, and authorize the General Manager to sign the agreement.

Respectfully submitted,

Michael W. Block
Water Resources Manager

I concur with the above-noted recommendation.

Respectfully submitted,

Joseph Olsen, P.E.
General Manager