

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

November 13, 2019

**Authorization to Utilize the Miscellaneous Water Resources Consulting Services
Contract to Produce a Hydrology Report for Metro Main Service Area**

Synopsis

The Board of Directors is requested to authorize utilizing the Miscellaneous Water Resources Consulting Services Contract for Clear Creek and Associates to produce a Hydrology Report for inclusion in the approved Designation of Assured Water Supply (DAWS) modification application. The current DAWS for Metro Main includes the District's enrollment in the Central Arizona Groundwater Replenishment District (CAGRDR) as a member service area (MSA). The DAWS modification application, which requires an updated analysis of groundwater physical availability to maintain the District's allowable groundwater account in the DAWS, is the first step required by the District to de-enroll from CAGRDR only for the Metro Main service area.

Background

A water provider, when applying for a DAWS, includes an amount of groundwater based on projected demand and demonstrated physical availability to arrive at an allowable groundwater account. A hydrologic report was prepared for Metro Main to accompany the 1995 DAWS application establishing the District's account. The allowable groundwater account balance for Metro Main is currently 121,980 acre-feet. This account represents approximately 20-years of customer demand that would not require replenishment by the CAGRDR.

The District wishes to maintain the allowable groundwater account as a water source included in the modified DAWS. Additionally, remediated water from the South Shannon well will be preserved. New supplies to be added are the District's Central Arizona Project (CAP) allocation and Long Term Storage Account volumes. What is proposed to be removed is the need for CAGRDR membership.

Enrollment in the CAGRDR MSA requires payment of dues to maintain membership. The cost to the District for Metro Main CAGRDR membership in 2019 was \$41,882.38 with a per acre-foot rate of \$97.22. The acre-foot rate for 2020 will be \$128.79 resulting in a cost of approximately \$55,379. The two subsequent years have proposed acre-foot rates that increase further; \$140.67 and \$149.06 for 2021 and 2022 resulting in a cost of \$60,488 and \$64,095 respectively.

Assured Water Supply Physical Availability Analysis

A DAWS application requires an estimate of current, issued, committed, and future water

demands in the service area and for 100-years beyond total service area build-out. For the first DAWS, the District completed a Hydrology Report documenting that the Metro Main service area meets the physical availability test for 100-years of continuous groundwater supply sufficient for a build-out demand of 13,302 acre-feet per year.

Arizona Department of Water Resources (ADWR) has determined that to preserve the District's allowable groundwater account a new Hydrology Report and analysis performed with the most recent Tucson Active Management Area's groundwater flow model is required. Recent ADWR Substantive Policy Statements detail the newest guidelines for what is required to be included in the Hydrology Report. Clear Creek and Associates has provided a scope of work to perform this analysis for a not-to-exceed amount of \$24,600.

The District possesses an extensive water portfolio to meet its DAWS demand obligations at Metro Main, which includes renewable water credits from storage of the District's effluent, its M&I CAP Water subcontract of 13,460 acre-feet annually, and an annual permitted authorization from ADWR of 1,048 acre-feet of remediated water from the South Shannon Treatment System. In addition, the District's allowable groundwater account currently totals 121,980 acre-feet. Without a new physical availability analysis included with the proposed DAWS modification, this account would no longer exist in the District's water portfolio being used to meet the 100-year projection of demands. The appropriate value of the 121,980 acre-feet is \$24.4 million so ensuring this account remains within the District's DAWS water resource portfolio is a priority.

Next Steps

To preserve the District's allowable groundwater account, the District's Board of Directors is requested to authorize utilizing the Miscellaneous Water Resources Consulting Services Contract for Clear Creek and Associates to perform the Hydrology Report and analysis. This report would be included with the District's DAWS modification application submitted to ADWR; ADWR's review and approval process can take between 9 to 12 months. Staff estimates the DAWS modification application will only take 30 days to prepare because little will change regarding projections of build-out and 100-year demands from the current DAWS application. Staff does not believe the modification will take ADWR the full 12 months.

Once the modified DAWS is issued, the required need for CAGR membership at Metro Main will be lifted. This will ultimately require CAWCD's Board approval; however, there has already been precedent setting examples of providers de-enrolling from the CAGR.

Staff Recommendation

It is recommended that the Board of Directors authorize Clear Creek and Associates to produce a Hydrology Report for the District's DAWS modification, via the Miscellaneous Water Resources Consulting Services Contract for a not-to-exceed fee of \$24,600.

Suggested Motion

I move to authorize Clear Creek and Associates to produce a Hydrology Report for the District's DAWS modification, via the Miscellaneous Water Resources Consulting Services Contract for a not-to-exceed fee of \$24,600.

Respectfully submitted,

Wally Wilson
Water Resources Manager

I concur with the above-noted recommendation.
Respectfully submitted,

Joseph Olsen, P.E.
General Manager