

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

**November 10, 2014**

**Resolution 2014-5**

**Authorization to Modify Designation of Assured Water Supply for Metro-Main**

**Synopsis**

The Board of Directors is requested to approve Resolution 2014-5, which authorizes the District to modify its Designation of Assured Water Supply with the Arizona Department of Water Resources. The District has had a Designation of Assured Water Supply for Metro-Main since 1996 and it was modified in 2006. The District is required to submit a Designation of Assured Water Supply modification before January 1, 2015 to avoid having the current designation expire.

**Background**

A Designation of Assured Water Supply (DAWS) is required before any new development can occur within a service area, unless the municipal water provider instructs the developer to obtain their own Certificate of Assured Water Supply (CAWS) and apply for membership with the Central Arizona Groundwater Replenishment District (CAGRDR). A water provider with a DAWS is required to replenish all mined groundwater pumped within the entire service area. A water provider can accomplish this one of three ways: 1) Either the water provider can join the Central Arizona Groundwater Replenishment District as a member service area (MSA) and have the CAGRDR replenish the mined groundwater; or 2) the water provider can recharge and recover its own CAP water and/or effluent; or 3) directly use treated CAP water.

The Arizona Department of Water Resources (ADWR) issued a DAWS for Metro-Main on April 17, 1996 and received a DAWS modification on July 31, 2006. ADWR determined the District's previous DAWS's applications demonstrated proof of a membership contract with the CAGRDR to replenish any mined groundwater, proof of a physical quantity and quality of groundwater for 100 years, a description of the utility's water conservation program, and the financial capabilities of the District to complete capital improvements.

**DAWS Application Requirements**

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 application for a 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. The groundwater model for the physical availability test projected there would be sufficient groundwater for 100 years, which is based on showing that the groundwater level would not drop 1,000 feet below land surface. The model results indicated the groundwater level after 100 years would not exceed 300 feet below land surface in the southwest part of the service area and not greater than 650 feet below land surface in the northwest portion of the service area. ADWR reviewed and accepted the physical availability findings by agreeing the aquifer parameters used for the model were consistent with values in ADWR's groundwater model for the Tucson Active Management Area.

ADWR has indicated that the physical availability finding is still acceptable in large part because the recently completed demand audit shows an overall decrease in demand. The DAWs's build out demand is projected to be less than 8,500 acre-feet per year. This lower build out demand is because current per capita water use is much less than what was modeled for the 1996 DAWs.

The Assured Water Supply (AWS) Rules require a designated provider to replenish all mined groundwater (except four percent of the total pumpage) with renewable supplies (CAP water, effluent or remediated water). The District possesses an extensive water portfolio to meet its AWS replenishment 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. These supplies are projected to be sufficient to meet the renewable water credit needs of both Metro-Main.

The District obtained a Member Service Area designation from the Central Arizona Groundwater Replenishment District in 1995. The CAGRD member service area designation provides the District with the assurance that if the District cannot access renewable supplies, then CAGRD could be used to meet the District's replenishment needs, but at a more expensive cost.

ADWR requires documentation that Metro-Main's water conservation program meets ADWR's requirements. Staff submitted an updated list of materials previously submitted to ADWR in past AWS applications that are also relevant to Metro-Main.

Lastly, the AWS modification application requires documentation the District can financially meet its capital improvement obligations, which will be demonstrated by including the most recent financial audit report and a description of the District's revenue powers.

### **Next Steps**

ADWR rules require that the District Board of Directors must approve a resolution authorizing the General Manager to submit the DAWs modification application. Once the AWS application is submitted to ADWR, ADWR's review and approval process can be 9 to 12 months. Staff estimates the DAWs modification application will only take 30 days to prepare because little has

to be changed from the original DAWS application. Staff does not believe the modification will take ADWR the full 12 months. The Board of Directors is requested to ask any questions members may have and discuss with staff any aspect of the DAWS process.

**Staff Recommendation**

It is recommended that the Board of Directors approve Resolution 2014-5 authorizing the General Manager to submit a Modification of a Designation of Assured Water Supply application for Metro-Main to the Arizona Department of Water Resources.

**Suggested Motion**

I move to approve Resolution 2014-5 authorizing the General Manager to submit a Modification of a Designation of Assured Water Supply application for Metro-Main to the Arizona Department of Water Resources.

Respectfully submitted,

Warren Tenney  
Assistant General Manager

I concur with staff's report.

Respectfully submitted,

Joseph Olsen, P.E.  
General Manager