MODIFICATIONS TO THE THIRD MANAGEMENT PLAN

2000 – 2010

PHOENIX ACTIVE MANAGEMENT AREA

ARIZONA DEPARTMENT OF WATER RESOURCES

MAY, 2008

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This booklet contains modifications to the management plan for the Phoenix Active Management Area ("AMA") for the third management period, 2000 to 2010 ("Third Management Plan"). The Third Management Plan was adopted by the Director of Water Resources ("Director") in December 1999. It is the third in a series of five management plans mandated by the 1980 Groundwater Management Act ("Act"). As required by the Act, the Third Management Plan contains mandatory conservation requirements for persons withdrawing, distributing or using groundwater within the Phoenix AMA. The Third Management Plan also contains a Groundwater Quality Management Program, an Augmentation and Recharge Program, a Water Management Assistance Program and a chapter on plan implementation.

The Third Management Plan was modified in 2003 to comply with legislation enacted in 2002 requiring the Director to calculate irrigation water duties for most farms regulated under the Base Agricultural Conservation Program using an irrigation efficiency of 80 percent and requiring the Director to include as a modification to the Third Management Plan an Agricultural Best Management Practices Program as an alternative to the Base Program. At that time, modifications were also made to the Municipal and Industrial Conservation Programs, as well as to the Water Management Assistance Program.

The modifications contained in this booklet were adopted by the Director on April 1, 2008, and became effective on May 20, 2008. The following is a description of the modifications:

1. The Director added a modified Non-Per Capita Conservation Program ("NPCCP") for large municipal providers in the municipal conservation program of the Third Management Plan as required by legislation enacted during the 2007 legislative session (Laws 2007, Ch. 139). Under the modified NPCCP, all large municipal providers that are not designated as having an assured water supply and that are not regulated as a large untreated water provider or as an institutional provider must submit a provider profile to the Director by July 1, 2009 and be regulated under the modified NPCCP beginning January 1, 2010 or the date the Director approves the provider's provider profile, whichever is later. Large municipal providers regulated under the modified NPCCP must implement a public education program, a metering program and one or more additional water conservation measures to be selected from a list of measures included in the program. The number of additional water conservation measures that a provider must implement is determined by the number of service connections to the provider's water distribution system.

A large municipal provider designated as having an assured water supply will continue to be regulated under its existing municipal conservation program unless it elects to be regulated under the modified NPCCP. The conservation program for small municipal providers, whose average annual use is less than 250 acre-feet, is unaffected by the modifications.

2. The Director made a number of conforming changes to the text of Chapter 5 of the Third Management Plan, as well as to the municipal conservation and monitoring and reporting requirements and the appendices.

The official language of the modifications described above is set forth in the pages that follow. The Arizona Department of Water Resources appreciates the input it received from the Phoenix AMA Groundwater Users Advisory Council and the large group of public stakeholders in developing the modifications. Anyone desiring more information about the modifications or the Third Management Plan should contact the Phoenix AMA office at 602-771-8585.

Sincerely,

Herbert R. Guenther
Director

MODIFICATIONS TO CHAPTER 5

MUNICIPAL CONSERVATION PROGRAM

THIRD MANAGEMENT PLAN

PHOENIX ACTIVE MANAGEMENT AREA

MAY 2008

The following are modifications to Chapter 5, Municipal Conservation Program, of the Third Management Plan for the Phoenix Active Management Area. Language deleted is shown in strikethrough. Language added is in uppercase. If no changes are made to a section, subsection, paragraph, sub-paragraph or appendix, "No change" is indicated.

5.1 INTRODUCTION

5.2 STATUTORY PROVISIONS

5.2.1 Per Capita Requirements for Large Municipal Providers

The Groundwater Code (Code) requires that the management plans for each AMA include a conservation program for municipal uses. For the First, Second and Third Management Plans, the Code expressly mandates that the programs require reasonable reductions in per capita use. A.R.S. §§ 45-564(A)(2), 45-565(A)(2), and 45-566(A)(2). To comply with this mandate the Department developed the Total Gallons Per Capita Per Day Program (Total GPCD Program). As originally enacted, the Code did not exempt any municipal providers from the requirement to achieve reductions in per capita use. Consequently, the Municipal Conservation Program in the First Management Plan established maximum gallons per capita per day (GPCD) requirements for all municipal providers, regardless of size.

In 1986, the Legislature amended the statutes governing the Second and Third management plans to exempt "small municipal providers" from the requirement to achieve reasonable reductions in per capita use. Laws 1986, Ch. 107, §§ 2 and 3. Instead of requiring small municipal providers to achieve reductions in per capita use, the statutes require the director to establish "reasonable conservation requirements for small municipal providers." A.R.S. §§ 45-565(A)(4) and 45-566(A)(4). Until 1994, "small municipal provider" was defined in the Code as "a city, town, private water company or irrigation district that supplies water for non-irrigation use, serves less than five hundred people and supplies less than one hundred acre-feet of water for non-irrigation use during a calendar year." Laws 1986, Ch. 107, § 1. In 1994, the Legislature changed the definition of small municipal provider to "a municipal provider that supplies two hundred fifty acre-feet or less of water for non-irrigation use during a calendar year." A.R.S. § 45-561(13).

~~Two~~ THREE other statutory amendments have created exceptions to the requirement that municipal providers achieve reasonable reductions in per capita use. In 1991, the Legislature exempted large untreated water providers from the requirement to achieve reductions in per capita use. Laws 1991, Ch. 211, §§ 16, 17, and 18. In 1992, the Legislature enacted legislation requiring the director to include in each management plan a Non-Per Capita Conservation Program for large municipal providers as an optional, alternative program to the program requiring reductions in per capita use. Laws 1992, Ch. 183 §§ 5, 7, and 9. IN 2007, THE LEGISLATURE ENACTED LEGISLATION REQUIRING THE DIRECTOR TO MODIFY THE THIRD MANAGEMENT PLAN TO INCLUDE A MODIFIED NON-PER CAPITA CONSERVATION PROGRAM. THE 2007 LEGISLATION REQUIRES ALL LARGE MUNICIPAL PROVIDERS THAT ARE NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ARE NOT LARGE UNTREATED WATER PROVIDERS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM BEGINNING JANUARY 1, 2010, OR THE DATE THEIR PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. LARGE MUNICIPAL PROVIDERS THAT ARE DESIGNATED AS HAVING AN ASSURED WATER SUPPLY

MAY ELECT TO BE REGULATED UNDER THE NPCCP. Those amendments are described in greater detail in the following two sections.

5.2.2 Conservation Requirements for Large Untreated Providers

[No change]

5.2.3 Non-Per Capita Conservation Requirements for Large Municipal Providers

In 1992, the Legislature enacted legislation requiring the Department to include in the management plans a Non-Per Capita Conservation Program (ORIGINAL NPCCP) as an optional, alternative program to the Total GPCD Program requiring reasonable reductions in per capita use. Each provider regulated under the ORIGINAL NPCCP is required to implement specific residential and non-residential conservation programs for interior and exterior water use, a public education program relating to water conservation, and a program to meter most service area connections. Additionally, providers who are regulated under the ORIGINAL NPCCP are required to ~~either~~ reduce their groundwater pumping consistent with the AWS Rules (A.A.C. R12-15-701, *et seq.*) ~~or eliminate their use of mined groundwater by the year 2010~~. The ORIGINAL NPCCP is a performance-based program with compliance determined by the effective implementation of stipulated conservation measures and the required groundwater reduction. ~~For the Third Management Plan, the statutory requirements for the NPCCP are found in A.R.S. § 45-566.01.~~ THE ORIGINAL NPCCP IS SET FORTH IN SECTION 5-104 OF THE THIRD MANAGEMENT PLAN. ONLY LARGE MUNICIPAL PROVIDERS THAT ARE DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ARE REGULATED UNDER THE ORIGINAL NPCCP AS OF JANUARY 1, 2008 MAY CONTINUE TO BE REGULATED UNDER THE ORIGINAL NPCCP.

IN 2007, LEGISLATION WAS ENACTED REQUIRING THE DIRECTOR TO MODIFY THE THIRD MANAGEMENT PLAN TO INCLUDE A MODIFIED NON-PER CAPITA CONSERVATION PROGRAM (MODIFIED NPCCP). THE LEGISLATION PROVIDES THAT THE MODIFIED NPCCP SHALL REQUIRE A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE PROGRAM TO IMPLEMENT WATER CONSERVATION MEASURES WITHIN ITS SERVICE AREA, INCLUDING A PUBLIC EDUCATION PROGRAM, A METERING PROGRAM AND ONE OR MORE ADDITIONAL WATER CONSERVATION MEASURES. THE DIRECTOR IS REQUIRED TO INCLUDE IN THE MANAGEMENT PLAN A LIST OF WATER CONSERVATION MEASURES THAT A PROVIDER MUST SELECT FROM TO COMPLY WITH THE MODIFIED NPCCP. THE DIRECTOR MUST DESIGN THE MODIFIED NPCCP TO ACHIEVE A WATER USE EFFICIENCY IN THE SERVICE AREAS PROVIDERS REGULATED UNDER THE PROGRAM EQUIVALENT TO THE WATER USE EFFICIENCY ASSUMED BY THE DIRECTOR IN ESTABLISHING THEIR TOTAL GPCD REQUIREMENTS. UNLIKE THE ORIGINAL NPCCP, THERE IS NO REQUIREMENT THAT A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NPCCP LIMIT ITS GROUNDWATER USE TO A SPECIFIED VOLUME WHILE REGULATED UNDER THE PROGRAM.

A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT A LARGE UNTREATED WATER PROVIDER IS REQUIRED TO BE REGULATED UNDER THE MODIFIED NPCCP BEGINNING JANUARY 1, 2010, OR THE DATE THE PROVIDER'S PROVIDER PROFILE

IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. HOWEVER, A LARGE MUNICIPAL PROVIDER MAY AGREE TO BE REGULATED UNDER THE MODIFIED NPCCP EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE BEFORE THAT DATE. ALTHOUGH LARGE MUNICIPAL PROVIDERS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY ARE NOT REQUIRED TO BE REGULATED UNDER THE MODIFIED NPCCP, THEY MAY ELECT TO BE REGULATED UNDER THE PROGRAM BY SUBMITTING TO THE DIRECTOR A WRITTEN NOTICE OF THE ELECTION AND A PROVIDER PROFILE THAT IS APPROVED BY THE DIRECTOR. THE MODIFIED NPCCP IS SET FORTH IN SECTION 5-104.01 OF THE MUNICIPAL CONSERVATION REQUIREMENTS AND MONITORING AND REPORTING REQUIREMENTS.

5.2.4 Conservation Requirements for Individual Users

[No change]

5.2.5 Distribution System Requirements

[No change]

5.3 RELATIONSHIP OF SECTOR TO ACHIEVEMENT OF MANAGEMENT GOAL

[No change]

5.4 ASSURED WATER SUPPLY PROGRAM

[No change]

5.4.1 Consistency With Management Goal

In order to demonstrate that a proposed use is consistent with the management goal for the Phoenix AMA, the AWS Rules require applicants to demonstrate that renewable supplies, including groundwater replenished by the CAGRD, will be used to satisfy most of the water demand of the development or water service area for 100 years. A.A.C. R12-15-~~705~~ 722. For a municipal provider applying for a Designation of AWS, this means that most of the water demand for both existing and new customers must be met with water supplies other than mined groundwater.

5.4.2 Consistency With Management Plan

[No change]

5.4.2.1 Consistency With Management Plan Criteria for Applicants for Certificates of Assured Water Supply

[No change]

5.4.3 Assured Water Supply Role in the Municipal Conservation Program

[No change]

5.5 FIRST AND SECOND MANAGEMENT PLANS

[No change]

5.5.1 First Management Plan Approach

[No change]

5.5.2 Second Management Plan Approach

[No change]

5.5.3 Overview of Changes During the Second Management Period

[No change]

5.5.3.1 Management Plan Modifications

5.5.3.1.1 First Modification (1991):

[No change]

5.5.3.1.2 Second Modification (1995):

[No change]

5.5.3.2 Legislative Change

[No change]

5.6 MUNICIPAL PROGRAM ISSUES

[No change]

5.6.1 Private Water Company Issues

Some municipal water providers regulated under the Municipal Conservation Program are privately owned companies separate from the city, town, or county in which they are located. While local plumbing and landscape ordinances may apply within the private water company service area, the water company itself lacks the authority to enact ordinances regulating water use by its customers. In addition to being regulated by the Department, private water companies are regulated by the Arizona Corporation Commission (ACC), an elected body whose mission includes exercising exclusive state regulatory authority over public service corporations (public utilities) in the public interest. The ACC monitors the operations of approximately 350 private water utility companies throughout Arizona, reviewing company financial records and

recommending revenue requirements and rates and charges to be collected. The regulatory responsibilities of the ACC are fully defined in Article XV of the Arizona Constitution and §§ 40-201, *et seq.*, Arizona Revised Statutes (including A.R.S. § 40-250 requiring that all public service corporations obtain ACC approval before establishing or changing any rate).

Private water companies have raised several issues regarding the relationship of the Department's requirements and the ACC's review of rate recovery associated with the requirements. The most significant issues identified include: (1) the perception of uncertainty in the ability to recover the holding costs of CAP subcontracts and financing the construction of facilities for receipt and use of renewable supplies and (2) the impact of the ACC's position in rate cases that implementation of conservation programs is discretionary because the Department does not identify specific conservation programs or measures needed to be carried out by the provider.

These issues have been extensively reviewed and discussed by the Department staff, private water company representatives, and ACC staff. The ACC has indicated that "although they cannot guarantee recovery of costs prior to their incurrence" they would consider cost recovery for the use of renewable supplies and the implementation of conservation measures, applying the principles of "used and useful" and "least-cost alternative." In the past, these principles have meant that a provider would have to be actively providing a resource in order to recover costs, and any conservation measure implemented would have to be the most cost-effective option before the recovery of costs would be allowed. Private water companies argue that these principles do not guarantee cost recovery, as they are considered by the ACC on a case-by-case basis.

~~During the development of the Third Management Plan, the Department explored the possibility of establishing a municipal conservation program designed exclusively for private water companies. In order to meet the goals of the Department and obtain the support of the ACC, the Department considered a program that would mandate specific conservation measures and reduce reliance on groundwater supplies. Upon further examination, it was determined that additional statutory authority would be needed to implement such a program. It was decided by the Department not to pursue this action at this time. However, Department staff, with the cooperation of the regulated community, will continue to explore options. Some of these options include continued dialogue between the two agencies aimed at establishing a united strategy in achieving the most economically efficient reduction in reliance on mined groundwater by private water companies, including providing more certainty of cost recovery for providers.~~

5.6.2 Renewable Water Supply Use

[No change]

5.6.3 Total Gallons Per Capita Per Day Program Issues

[No change]

5.7 THIRD MANAGEMENT PLAN MUNICIPAL CONSERVATION PROGRAM

[No change]

5.7.1 Conservation Requirements for Large Municipal Providers

In order to establish TOTAL GALLONS PER CAPITA PER DAY conservation requirements for large municipal providers in the Second Management Plan, the Department identified existing water use patterns and service area characteristics that influence a provider's water conservation potential. Assumptions about future service area population growth, water supply, and demand were also included in the analysis. This assessment was referred to as the "municipal provider profile." Targets for each water use sector or component (existing residential, new residential, non-residential and lost and unaccounted for water) were combined to establish a preassigned total GPCD requirement based on projected population growth for the years 1992, 1995, and 2000. The two intermediate dates, 1992 and 1995, were established to allow a phase-in to achieve the final Second Management Plan requirement in 2000.

For the Third Management Plan, the Department used a similar approach to identify service area water use characteristics. Information gathered through annual reports, annual population estimates supplied by the Maricopa Association of Governments (MAG), and individual interviews conducted to determine existing water conservation programs were used to determine water conservation potential for each large municipal provider.

EXCEPT AS PROVIDED IN THE NEXT PARAGRAPH, the Code requires additional reasonable reductions in per capita use by large municipal providers in the Third Management Plan. Pursuant to this statutory requirement, the Department will calculate a total GPCD requirement for each large municipal provider. However, the Department will not initially combine the water use components into a preassigned total GPCD requirement. Instead, in order to eliminate the uncertainty of population projections, each component is assigned a separate water use rate with a total GPCD requirement calculated each year based on actual population growth within the service area. As in the Second Management Plan, there will be two intermediates and a final GPCD requirement for all large municipal providers. Each large municipal provider will be noticed of its GPCD components for its service area and the method for calculating a total GPCD requirement. Providers may apply for a variance from or an administrative review of the conservation requirements within 90 days after the notice is given. Alternatively, a large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may apply for ~~one of the alternative programs: the Non-Per Capita Conservation Program (NPCCP),~~ the Alternative Conservation Program (ACP)~~, or the Institutional Provider Program (IPP)~~ OR MAY ELECT TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM (NPCCP). ADDITIONALLY, LARGE MUNICIPAL PROVIDERS REGULATED UNDER THE ORIGINAL NPCCP AS OF JANUARY 1, 2008 MAY CONTINUE TO BE REGULATED UNDER THAT PROGRAM WHILE THE THIRD MANAGEMENT PLAN CONSERVATION REQUIREMENTS ARE IN EFFECT. ~~Large municipal providers who do not apply for an alternative program will be regulated under the Total GPCD Program~~.

PURSUANT TO LEGISLATION ENACTED IN 2007, LARGE MUNICIPAL PROVIDERS THAT ARE NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ARE NOT LARGE UNTREATED WATER PROVIDERS WILL BE REGULATED UNDER THE MODIFIED NPCCP SET FORTH IN SECTION 5-104.01 BEGINNING ON JANUARY 1, 2010, OR THE DATE THE PROVIDER'S PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. HOWEVER, THE PROVIDER MAY VOLUNTARILY AGREE TO BE REGULATED UNDER THE MODIFIED NPCCP

EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B) PRIOR TO THAT DATE. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY ELECT TO BE REGULATED UNDER THE MODIFIED NPCCP BY SUBMITTING A WRITTEN NOTICE OF THE ELECTION TO THE DIRECTOR, TOGETHER WITH A PROVIDER PROFILE THAT IS SUBSEQUENTLY APPROVED BY THE DIRECTOR PURSUANT TO SECTION 5-104.01(B). A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE INSTITUTIONAL PROVIDER PROGRAM DESCRIBED IN SECTION 5.7.1.4 SHALL CONTINUE TO BE REGULATED UNDER THAT PROGRAM.

5.7.1.1 Total Gallons Per Capita Per Day Program

~~As in previous management periods,~~ EXCEPT AS PROVIDED IN SECTION 5.7.1.5, the base municipal program for the Third Management Plan will be the Total GPCD Program. Each large municipal provider regulated under this program must limit its annual gallons per capita per day water usage within its service area to the amount allowed under their total GPCD requirement.

5.7.1.1.1 Total Gallons Per Capita Per Day Program Development

[No change]

5.7.1.1.1.1 Analysis of Existing Residential Conservation Potential

[No change]

5.7.1.1.1.2 Models for New Residential Users

[No change]

5.7.1.1.1.3 Analysis of Non-Residential Water Use

[No change]

5.7.1.1.1.4 Lost and Unaccounted for Water

[No change]

5.7.1.1.2 Total Gallons Per Capita Per Day Compliance

5.7.1.1.2.1 Compliance Calculation

[No change]

5.7.1.1.2.2 Flexibility Account

[No change]

5.7.1.1.2.3 Annual Population Estimates

[No change]

5.7.1.2 ORIGINAL Non-Per Capita Conservation Program

The ORIGINAL NPCCP was added to the Second Management Plan in 1995 after being developed in cooperation with representatives of the water using community. This program requires a provider to implement specific conservation measures within its service area instead of requiring compliance with per-capita conservation requirements. A provider in ~~this program~~ THE ORIGINAL NPCCP must implement reasonable conservation measures, or RCMs, for interior and exterior residential water uses and interior and exterior non-residential uses, as well as an education program. The RCMs must be designed to result in water use efficiency within the provider's service area equivalent to the water use efficiency assumed in the provider's total GPCD requirement.

The Department has established a list of standard RCMs that are designed to achieve an efficiency equivalent to the assumptions used in the Total GPCD Program. However, if the standard RCMs do not fit the service area characteristics of a provider, the program allows the provider the flexibility to substitute measures that are designed to achieve the same savings yet fit the unique characteristics of the provider's service area. For the third management period, the Department will establish a steering committee to assist the Department in reviewing the existing RCMs outlined below, the substitute RCMs contained in Appendix 5-I.4, and development of monitoring and reporting requirements that would benefit the administration of the alternative programs. This steering committee will be made up primarily of Department staff and large municipal providers that are regulated under an alternative program. Other persons who the director considers to be beneficial may also be included.

ONLY LARGE MUNICIPAL PROVIDERS REGULATED UNDER THE ORIGINAL NPCCP AS OF JANUARY 1, 2008 MAY BE REGULATED UNDER THAT PROGRAM. A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE ORIGINAL NPCCP ON THAT DATE WILL CONTINUE TO BE REGULATED UNDER THAT PROGRAM UNTIL THE EFFECTIVE DATE OF THE PROVIDER'S MUNICIPAL CONSERVATION REQUIREMENTS IN THE FOURTH MANAGEMENT PLAN, UNLESS THE PROVIDER ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM OR THE MODIFIED NPCCP OR APPLIES TO BE REGULATED UNDER THE ACP AND IS ACCEPTED FOR REGULATION UNDER THAT PROGRAM.

5.7.1.2.1 Groundwater Use Reduction Requirement

~~The provider must meet one of the following requirements~~ To be eligible to participate in the ORIGINAL NPCCP,~~: (1) the provider must be a member of a groundwater replenishment district, (2)~~ the provider must be designated as having a 100-year assured water supply under the Department's AWS Rules~~, or (3) the provider must implement a plan to reduce mined groundwater withdrawals to zero by the year 2010 using a straight-line volumetric reduction~~.

5.7.1.2.2 Reasonable Conservation Measures

[No change]

5.7.1.2.3 Compliance with the ORIGINAL Non-Per Capita Conservation Program

A large municipal provider regulated under the ORIGINAL NPCCP is in compliance with the program if it implements the agreed-to RCMs and limits its use of groundwater to the amount allowed under the AWS Rules ~~or the amount allowed under the straight-line reduction, whichever is applicable~~. The Department will use the written agreement for the ORIGINAL NPCCP to monitor progress with the program. Each year, along with the Annual Water Withdrawal and Use Report, the municipal provider will be required to submit a progress report describing the implementation of each RCM, the cost of implementing the program, estimated or actual water savings, and a description of any difficulties with the program. Providers regulated under the ORIGINAL NPCCP will also be required to comply with individual user, distribution system, and monitoring and reporting requirements contained in this chapter.

5.7.1.3 Alternative Conservation Program

The ACP was developed for the Second Management Plan to give large municipal providers with disproportionately increasing non-residential water use an alternative to the Total GPCD Program. The ACP allows providers with disproportionately increasing non-residential water use the flexibility to serve those non-residential uses while achieving water use efficiency levels comparable to those set by the Total GPCD Program. THE ACP IS AVAILABLE ONLY FOR LARGE MUNICIPAL PROVIDERS THAT HAVE BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY. The ACP consists of the following requirements that must be met by the provider: (1) a groundwater use limitation, (2) a residential GPCD requirement, and (3) non-residential RCMs.

5.7.1.3.1 Groundwater Use Limitation Requirement

A provider regulated under the ACP must limit its annual groundwater use ~~as follows: (1) If the provider is designated as having an assured water supply, it must limit its annual groundwater use~~ to the amount it can use consistent with the AWS Rules~~; or (2) If the provider is not designated as having an assured water supply, it must limit its annual groundwater use to its largest legal groundwater use during any one year from 1980 through 1989 if it was serving water on or before January 1, 1990, or to 50 percent of the largest legal groundwater use during any one year from January 1, 1990 through 1999 if it began serving water after January 1, 1990 but before January 1, 2000. A provider can achieve compliance with the groundwater use limitation requirement by permanently extinguishing grandfathered rights within the AMA, or by serving groundwater that will be replenished by a replenishment district, remediated groundwater that is accounted for as surface water under section 5-115 of the municipal conservation requirements, groundwater withdrawn outside of an AMA, or renewable supplies~~.

5.7.1.3.2 Residential Gallons Per Capita Per Day Requirement

[No change]

5.7.1.3.3 Non-Residential Reasonable Conservation Measures

[No change].

5.7.1.3.4 Compliance with the Alternative Conservation Program

A provider regulated under the ACP is in compliance with the program if it does not exceed its residential GPCD requirement, implements the agreed to non-residential RCMs, and limits its use of groundwater to the amount allowed under the AWS Rules ~~or the amount allowed under the historic use limitation, whichever is applicable~~. The Department will use the written agreement for the ACP to monitor progress with the program. Each year, along with the Annual Water Withdrawal and Use Report, the municipal provider will be required to submit a progress report describing the implementation of each non-residential RCM, the cost of implementing the program, estimated or actual water savings, and a description of any difficulties with the program. Providers regulated under the ACP will also be required to comply with individual user, distribution system, and monitoring and reporting requirements.

5.7.1.3.4.1 Groundwater Use Limitation

[No change]

5.7.1.3.4.2 Residential Gallons Per Capita Per Day Requirement

[No change]

5.7.1.3.4.3 Non-Residential Reasonable Conservation Measures

[No change]

5.7.1.4 Institutional Provider Program

The IPP in the Second Management Plan replaced the First Management Plan special provider category and will be continued in the Third Management Plan. The IPP allows those providers with primarily non-residential uses and who are unable to economically utilize non-groundwater sources to be regulated under a program that focuses on the specific institutional water use characteristics of their service area. The IPP is designed for large municipal providers who supply more than 90 percent of their total water deliveries to non-residential water users. Specifically, these non-residential uses may include prisons, hospitals, military installations, airports, and schools. A large municipal provider may request entrance into this program by submitting an application in writing to the director at any time during the management period. If the request is approved, the provider will be assigned a maximum residential GPCD requirement and specific conservation measures for non-residential uses, and will also be required to comply with individual user, distribution system, and monitoring and reporting requirements. The Department will grant institutional provider designation only if the Total GPCD Program is not appropriate and the provider demonstrates that it cannot qualify for the ACP or NPCCP ~~by limiting its groundwater use, retiring grandfathered groundwater rights, or using alternative sources of water~~.

5.7.1.5 MODIFIED NON-PER CAPITA CONSERVATION PROGRAM

A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS A LARGE UNTREATED WATER PROVIDER OR AN INSTITUTIONAL PROVIDER WILL BE

REGULATED UNDER THE MODIFIED NPCCP BEGINNING JANUARY 1, 2010, OR THE DATE ITS PROVIDER PROFILE IS APPROVED BY THE DIRECTOR AS PROVIDED IN SECTION 5.7.1.5.1, WHICHEVER IS LATER. A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY AGREE TO BE REGULATED UNDER THE MODIFIED NPCCP EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PRIOR TO THAT DATE. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY ELECT TO BE REGULATED UNDER THE MODIFIED NPCCP BY PROVIDING WRITTEN NOTICE OF THE ELECTION TO THE DIRECTOR, WHICH MUST INCLUDE A PROVIDER PROFILE AS DESCRIBED IN SECTION 5.7.1.5.1. THE PROVIDER WILL BE REGULATED UNDER THE MODIFIED NPCCP IF THE DIRECTOR APPROVES THE PROVIDER PROFILE. A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NPCCP IS EXEMPT FROM THE REQUIREMENTS OF THE TOTAL GPCD PROGRAM.

THE MODIFIED NPCCP IS A PERFORMANCE-BASED PROGRAM. EACH YEAR WHILE REGULATED UNDER THE PROGRAM, A PROVIDER MUST COMPLY WITH THE METERING REQUIREMENTS IN SECTION 5-114(7) AND IMPLEMENT A PUBLIC EDUCATION PROGRAM RELATING TO WATER CONSERVATION AND ONE OR MORE ADDITIONAL WATER CONSERVATION MEASURES WITHIN ITS SERVICE AREA. THE NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES THAT MUST BE IMPLEMENTED DEPENDS ON THE TOTAL NUMBER OF RESIDENTIAL AND NON-RESIDENTIAL SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM AND THE TIER LEVEL FOR THAT NUMBER OF CONNECTIONS (SEE SECTION 5.7.1.5.2). THE PROVIDER MUST SELECT THE ADDITIONAL WATER CONSERVATION MEASURES FROM A LIST OF MEASURES APPROVED BY THE DIRECTOR. THE INITIAL LIST OF APPROVED ADDITIONAL WATER CONSERVATION MEASURES IS SET FORTH IN APPENDIX 5-N. THE DIRECTOR MAY MODIFY THE LIST TO INCLUDE ADDITIONAL WATER CONSERVATION MEASURES PURSUANT TO THE PROCEDURE SET FORTH IN APPENDIX 5-N. ALL ADDITIONAL WATER CONSERVATION MEASURES SELECTED BY THE PROVIDER MUST BE REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

THE PROVIDER MUST IDENTIFY THE WATER CONSERVATION MEASURES THAT IT WILL IMPLEMENT IN ITS PROVIDER PROFILE THAT MUST BE SUBMITTED TO THE DIRECTOR BEFORE THE PROVIDER IS REGULATED UNDER THE MODIFIED NPCCP. IF THE DIRECTOR APPROVES THE PROVIDER PROFILE, THE PROVIDER MUST IMPLEMENT THE WATER CONSERVATION MEASURES IDENTIFIED IN THE PROVIDER PROFILE, UNLESS THE PROVIDER IMPLEMENTS A SUBSTITUTE WATER CONSERVATION MEASURE AS DESCRIBED IN SECTION 5.7.1.5.2. IF THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM INCREASES TO A HIGHER TIER LEVEL AFTER THE PROVIDER'S PROVIDER PROFILE HAS BEEN APPROVED BY THE DIRECTOR, THE PROVIDER MUST SUBMIT TO THE DIRECTOR A NEW PROVIDER PROFILE WITH THE APPROPRIATE NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES FOR THE NEW TIER LEVEL. THE PROVIDER MUST BEGIN IMPLEMENTING ALL OF THE WATER CONSERVATION MEASURES DESCRIBED IN THE NEW PROVIDER PROFILE WHEN IT IS APPROVED BY THE DIRECTOR.

5.7.1.5.1 PROVIDER PROFILE

A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS A LARGE UNTREATED WATER PROVIDER OR INSTITUTIONAL PROVIDER MUST SUBMIT A PROVIDER PROFILE TO THE DIRECTOR ON OR BEFORE JULY 1, 2009, OR WITHIN SIX MONTHS AFTER FIRST RECEIVING WRITTEN NOTICE OF ITS THIRD MANAGEMENT PLAN CONSERVATION REQUIREMENTS FROM THE DIRECTOR, WHICHEVER IS LATER. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ELECTS TO BE REGULATED UNDER THE MODIFIED NPCCP MUST SUBMIT A PROVIDER PROFILE TO THE DIRECTOR AT THE TIME THE PROVIDER GIVES WRITTEN NOTICE OF THE ELECTION TO THE DIRECTOR.

A PROVIDER PROFILE MUST CONTAIN THE FOLLOWING INFORMATION: (1) A DESCRIPTION OF THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS AND WATER USE PATTERNS; (2) A DESCRIPTION OF THE CONSERVATION MEASURES THE PROVIDER IS CURRENTLY IMPLEMENTING; (3) A DESCRIPTION OF THE PUBLIC EDUCATION PROGRAM AND ADDITIONAL WATER CONSERVATION MEASURES THAT THE PROVIDER INTENDS TO IMPLEMENT TO COMPLY WITH THE MODIFIED NPCCP; AND (4) AN EXPLANATION OF HOW THE ADDITIONAL WATER CONSERVATION MEASURES ARE RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. WITHIN 90 DAYS AFTER RECEIVING A PROVIDER PROFILE, THE DIRECTOR MUST EITHER APPROVE OR DISAPPROVE THE PROVIDER PROFILE AND SEND WRITTEN NOTICE OF THE DECISION TO THE PROVIDER. THE DIRECTOR IS REQUIRED TO APPROVE A PROVIDER PROFILE IF THE PROFILE DEMONSTRATES THAT THE PROVIDER WILL IMPLEMENT THE PUBLIC EDUCATION PROGRAM RELATING TO WATER CONSERVATION DESCRIBED IN APPENDIX 5-N AND THE REQUIRED NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES, AND THAT THE ADDITIONAL WATER CONSERVATION MEASURES ARE REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. IF THE DIRECTOR DOES NOT SEND WRITTEN NOTICE APPROVING OR DISAPPROVING A PROVIDER PROFILE WITHIN 90 DAYS AFTER RECEIVING THE PROFILE, THE PROVIDER PROFILE WILL BE DEEMED APPROVED. IF THE DIRECTOR DISAPPROVES A PROVIDER PROFILE, THE PROVIDER MAY APPEAL THE DIRECTOR'S DECISION.

IF THE DIRECTOR DISAPPROVES A PROVIDER PROFILE SUBMITTED BY A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND IS NOT REGULATED AS AN INSTITUTIONAL PROVIDER AND THAT IS NOT AN INSTITUTIONAL PROVIDER, THE PROVIDER MUST REVISE THE PROVIDER PROFILE TO CORRECT THE DEFICIENCIES AND SUBMIT THE REVISED PROVIDER PROFILE TO THE DIRECTOR WITHIN 90 DAYS AFTER RECEIVING WRITTEN NOTICE OF THE DISAPPROVAL, OR WITHIN 90 DAYS AFTER THE DIRECTOR'S DECISION DISAPPROVING THE PROVIDER PROFILE IS FINAL IF THE DIRECTOR'S DECISION IS APPEALED.

IF THE DIRECTOR DISAPPROVES A PROVIDER PROFILE SUBMITTED BY A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER MAY REVISE THE PROVIDER PROFILE TO CORRECT THE DEFICIENCIES AND SUBMIT THE REVISED PROVIDER PROFILE TO THE DIRECTOR. IF THE PROVIDER DOES NOT SUBMIT A REVISED PROVIDER PROFILE TO THE DIRECTOR, THE PROVIDER WILL NOT BE REGULATED UNDER THE MODIFIED NPCCP, BUT WILL CONTINUE TO BE REGULATED UNDER ITS EXISTING CONSERVATION PROGRAM.

WITHIN 90 DAYS AFTER RECEIVING A REVISED PROVIDER PROFILE, THE DIRECTOR MUST APPROVE OR DISAPPROVE THE PROVIDER PROFILE AND SEND WRITTEN NOTICE OF THE DECISION TO THE PROVIDER. IF THE DIRECTOR DOES NOT SEND WRITTEN NOTICE APPROVING OR DISAPPROVING THE REVISED PROVIDER PROFILE WITHIN THAT TIME PERIOD, THE REVISED PROFILE WILL BE DEEMED APPROVED. IF THE DIRECTOR DISAPPROVES A REVISED PROVIDER PROFILE, THE PROVIDER MAY APPEAL THE DECISION. IF THE PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER IS OUT OF COMPLIANCE WITH ITS CONSERVATION REQUIREMENTS BEGINNING ON THE DATE THE DIRECTOR'S DECISION DISAPPROVING THE REVISED PROVIDER PROFILE IS FINAL UNTIL THE PROVIDER SUBMITS A PROVIDER PROFILE THAT IS APPROVED BY THE DIRECTOR.

A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS A LARGE UNTREATED WATER PROVIDER OR AN INSTITUTIONAL PROVIDER WILL BE REGULATED UNDER THE MODIFIED NPCCP BEGINNING JANUARY 1, 2010 OR THE DATE ITS PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER. HOWEVER, THE PROVIDER MAY AGREE TO BE REGULATED UNDER THE MODIFIED NPCCP EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE EARLIER THAN THAT DATE. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ELECTS TO BE REGULATED UNDER THE MODIFIED NPCCP WILL BE REGULATED UNDER THE MODIFIED NPCCP IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE.

5.7.1.5.2 WATER CONSERVATION MEASURES

IN ADDITION TO THE METERING REQUIREMENTS IN SECTION 5-114(6), A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NPCCP MUST IMPLEMENT A PUBLIC EDUCATION PROGRAM RELATING TO WATER CONSERVATION AND ONE OR MORE ADDITIONAL WATER CONSERVATION MEASURES. THE REQUIRED COMPONENTS OF THE PUBLIC EDUCATION PROGRAM ARE DESCRIBED IN APPENDIX 5-N. THE NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES THAT MUST BE IMPLEMENTED DEPENDS ON THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM. A PROVIDER WITH 5,000 OR FEWER SERVICE CONNECTIONS MUST IMPLEMENT ONE ADDITIONAL WATER CONSERVATION MEASURE; A PROVIDER WITH 5,001 TO 30,000 SERVICE CONNECTIONS MUST IMPLEMENT FIVE ADDITIONAL WATER CONSERVATION MEASURES; AND A

PROVIDER WITH MORE THAN 30,000 SERVICE CONNECTIONS MUST IMPLEMENT TEN ADDITIONAL WATER CONSERVATION MEASURES. THE ADDITIONAL WATER CONSERVATION MEASURE OR MEASURES MUST BE SELECTED FROM THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES IN APPENDIX 5-N, OR ANY MODIFICATIONS OF THE LIST. ALL OF THE WATER CONSERVATION MEASURES MUST BE REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

AS STATED IN SECTION 5.7.1.5.1, A PROVIDER MUST IDENTIFY THE ADDITIONAL WATER CONSERVATION MEASURES IT INTENDS TO IMPLEMENT IN ITS PROVIDER PROFILE. ONCE THE PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, THE PROVIDER MUST IMPLEMENT THE WATER CONSERVATION MEASURES DESCRIBED BY THE PROVIDER IN THE APPROVED PROVIDER PROFILE WHILE THE PROVIDER IS REGULATED UNDER THE MODIFIED NPCCP. A PROVIDER MAY DISCONTINUE IMPLEMENTING A WATER CONSERVATION MEASURE IDENTIFIED IN ITS PROVIDER PROFILE, OTHER THAN THE PUBLIC EDUCATION PROGRAM, AND BEGIN IMPLEMENTING A SUBSTITUTE WATER CONSERVATION MEASURE IF BOTH OF THE FOLLOWING CRITERIA ARE MET:

- THE SUBSTITUTE WATER CONSERVATION MEASURE IS ON THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES DESCRIBED IN APPENDIX 5-N, OR ANY MODIFICATIONS OF THE LIST.
- THE PROVIDER DETERMINES THAT THE SUBSTITUTE WATER CONSERVATION MEASURE IS REASONABLY RELEVANT TO ITS EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

IF A PROVIDER BEGINS IMPLEMENTING A SUBSTITUTE WATER CONSERVATION MEASURE, THE PROVIDER MAY DISCONTINUE IMPLEMENTING THAT SUBSTITUTE MEASURE AND BEGIN IMPLEMENTING A NEW SUBSTITUTE MEASURE UNDER THE CRITERIA SET FORTH ABOVE. A PROVIDER THAT SUBSTITUTES A WATER CONSERVATION MEASURE MUST NOTIFY THE DIRECTOR OF THE SUBSTITUTION IN ITS NEXT CONSERVATION EFFORTS REPORT (SEE SECTION 5.7.1.5.3). IF THE DIRECTOR DETERMINES THAT THE SUBSTITUTE WATER CONSERVATION MEASURE IS NOT REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS, IT WILL NOTIFY THE PROVIDER OF THE DETERMINATION AND THE PROVIDER MUST RESUME IMPLEMENTING THE DISCONTINUED WATER CONSERVATION MEASURE OR A SUBSTITUTE MEASURE THAT THE DIRECTOR APPROVES. THE DIRECTOR'S DETERMINATION IS AN APPEALABLE AGENCY ACTION.

5.7.1.5.3 CONSERVATION EFFORTS REPORT

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NPCCP MUST INCLUDE WITH ITS ANNUAL REPORT FILED BY MARCH 31 OF EACH YEAR A CONSERVATION EFFORTS REPORT THAT INCLUDES THE FOLLOWING INFORMATION FOR THE PREVIOUS CALENDAR YEAR:

- A DESCRIPTION OF THE WATER CONSERVATION MEASURES IMPLEMENTED DURING THE YEAR.

- AN ASSESSMENT OF THE OUTCOMES OF THE IMPLEMENTATION OF EACH MEASURE.
- THE PROVIDER'S PLAN FOR IMPLEMENTATION OF WATER CONSERVATION MEASURES DURING THE CURRENT YEAR.
- IF THE PROVIDER SUBSTITUTED A WATER CONSERVATION MEASURE DURING THE YEAR, A DESCRIPTION OF THE WATER CONSERVATION MEASURE THAT WAS DISCONTINUED, A DESCRIPTION OF THE SUBSTITUTE WATER CONSERVATION MEASURE AND AN EXPLANATION OF HOW THE SUBSTITUTE WATER CONSERVATION MEASURE IS RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

5.7.1.5.4 WATER RATE STRUCTURE

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NPCCP MUST INCLUDE IN ITS ANNUAL REPORT DUE BY MARCH 31 OF EACH YEAR A COPY OF ITS CURRENT WATER RATE STRUCTURE, UNLESS NO CHANGES HAVE BEEN MADE TO THE RATE STRUCTURE SINCE IT WAS LAST SUBMITTED TO THE DIRECTOR.

5.7.1.5.5 RECORDS RETENTION

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NPCCP MUST KEEP AND MAINTAIN ACCURATE RECORDS VERIFYING THAT THE PROVIDER IMPLEMENTED THE WATER CONSERVATION MEASURES THAT IT WAS REQUIRED TO IMPLEMENT DURING A YEAR AND RECORDS OF ITS WATER USE DURING THE YEAR. THE RECORDS FOR A YEAR MUST BE KEPT AND MAINTAINED FOR AT LEAST FIVE YEARS AFTER THAT YEAR.

5.7.1.5.6 INDIVIDUAL USER REQUIREMENTS, DISTRIBUTION SYSTEM REQUIREMENTS AND MONITORING AND REPORTING REQUIREMENTS

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM MUST COMPLY WITH THE INDIVIDUAL USER REQUIREMENTS IN SECTION 5-112, THE CONSERVATION REQUIREMENTS FOR MUNICIPAL DISTRIBUTIONS SYSTEMS IN SECTION 5-113 AND THE MONITORING AND REPORTING REQUIREMENTS IN SECTION 5-114.

5.7.1.5.7 REVIEW OF MODIFIED NPCCP

THE LEGISLATION REQUIRING THE DIRECTOR TO MODIFY THE THIRD MANAGEMENT PLAN TO INCLUDE A MODIFIED NPCCP REQUIRES THE DIRECTOR TO PERIODICALLY REVIEW THE PROGRAM TO EVALUATE ITS EFFECTIVENESS, INCLUDING THE LIST OF WATER CONSERVATION MEASURES APPROVED BY THE DIRECTOR. THE LEGISLATION AUTHORIZES THE DIRECTOR TO ESTABLISH AN ADVISORY COMMITTEE TO ASSIST THE DIRECTOR IN THE EVALUATION AND TO CONTRACT WITH AN INDEPENDENT RESEARCHER TO ASSIST IN THE

EVALUATION. THE LEGISLATION PROVIDES THAT IF THE DIRECTOR DETERMINES THAT CHANGES TO THE PROGRAM ARE APPROPRIATE TO IMPROVE THE EFFECTIVENESS OF THE PROGRAM, THE DIRECTOR SHALL MODIFY THE PROGRAM PURSUANT TO A.R.S. § 45-572 IF THE CHANGES ARE CONSISTENT WITH THE EXISTING STATUTORY PROVISIONS. IF THE CHANGES THAT THE DIRECTOR DETERMINES ARE APPROPRIATE ARE NOT CONSISTENT WITH THE EXISTING STATUTORY PROVISIONS, THE DIRECTOR MUST GIVE WRITTEN NOTICE OF THE APPROPRIATE CHANGES TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND THE GOVERNOR. THE DIRECTOR INTENDS TO EVALUATE THE EFFECTIVENESS OF THE MODIFIED NPCCP AS PART OF THE FOURTH MANAGEMENT PLAN DEVELOPMENT PROCESS. THE DEPARTMENT WILL ESTABLISH AN ADVISORY COMMITTEE CONSISTING OF STAKEHOLDERS TO ASSIST IN THE EVALUATION.

5.7.2 Conservation Requirements for Large Untreated Water Providers

[No change]

5.7.3 Conservation Requirements for New Large Municipal Providers

A new large municipal provider is defined as a city, town, private water company, or irrigation district that begins serving more than 250 acre-feet of non-irrigation water per year after January 1, 2000. All new large municipal providers THAT HAVE BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY will initially be assigned to the Total GPCD Program. Their total GPCD requirement will be calculated consistent with the component methodology used for existing large municipal providers.

The Department will determine the base year for the new large municipal provider as the year, or years, preceding the year in which the provider began serving more than 250 acre-feet per year, unless the director determines that water usage during that period is not representative of historic water use. The Department will then collect residential and non-residential water use data for the base year and the total gallons of water withdrawn, diverted, or received by the provider in the service area. Using an analysis of conservation potential for existing residential users, the Department will calculate a GPCD requirement for existing residential users. New residential development will be assigned the interior residential model use rates of 57 GPCD for new single family and multifamily water users, the exterior water use model of 178 GPHUD for new single family, and 77 GPHUD for new multifamily exterior water use. The actual annual amount of non-residential water use will be included in the GPCD requirement, up to 18 GPCD. The annual amount of lost and unaccounted for water will also be included, up to 10 percent of the total water use in each year.

A new large provider REGULATED UNDER THE TOTAL GPCD PROGRAM may apply for an administrative review requesting a temporary adjustment to its total GPCD requirement in order to serve a turf-related facility. A temporary adjustment will be allowed if the provider demonstrates that direct use effluent or effluent recovered within the area of impact is committed to serve the turf-related facility beginning in four years, but a longer period is necessary for sufficient effluent to be produced to serve the entire facility. The adjustment will remain in effect only until sufficient direct use effluent or effluent recovered within the area of impact is

available to serve the entire facility, not to exceed eight years, and may be adjusted as the volume of effluent use increases. The adjustment will be terminated if the infrastructure necessary to deliver the effluent is not in place at the beginning of the fourth year after the provider commences service to the facility. A permanent adjustment will not be granted to a new large municipal provider. If a new large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY cannot serve a turf-related facility under its existing per capita requirement and direct use effluent or effluent recovered within the area of impact will not be physically available to serve the facility within a reasonable period of time, the provider may enroll in ~~the Non-Per Capita Conservation Program or~~ the Alternative Conservation Program DESCRIBED IN SECTION 5-105 OR MAY ELECT TO BE REGULATED UNDER THE MODIFIED NPCCP DESCRIBED IN SECTION 5-104.01, if it wishes to serve the facility.

Each new large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY will be notified of its total GPCD requirement and will be given two full years to comply with the requirement. ~~A~~ THE new large municipal provider may apply for ~~the NPCCP or~~ the ACP OR ELECT TO BE REGULATED UNDER THE MODIFIED NPCCP, in accordance with the provisions of these programs and is subject to the individual user, distribution system, and monitoring and reporting requirements contained in this chapter.

A NEW LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY WILL BE REGULATED UNDER THE MODIFIED NPCCP DESCRIBED IN SECTION 5-104.01. THE PROVIDER MUST SUBMIT A PROVIDER PROFILE CONTAINING THE INFORMATION DESCRIBED IN SECTION 5-104.01(B)(1) BY JULY 1, 2009 OR WITHIN SIX MONTHS AFTER RECEIVING WRITTEN NOTICE OF ITS CONSERVATION REQUIREMENTS FROM THE DIRECTOR, WHICHEVER IS LATER. THE PROVIDER MUST BEGIN COMPLYING WITH THE MODIFIED NPCCP UPON APPROVAL OF THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B)(2) OR (B)(3).

5.7.4 Conservation Requirements for Consolidated Municipal Providers and Providers that Acquire or Convey a Portion of a Service Area

If two or more municipal providers consolidate their service areas or if a large municipal provider acquires a portion of another provider's service area, the consolidated provider, acquiring provider, or conveying provider will receive a recalculated or revised conservation requirement. A consolidated provider that qualifies as a large municipal provider WILL BE REGULATED AS FOLLOWS:

- IF THE CONSOLIDATED PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, IT will be assigned to the Total GPCD Program and its GPCD components will be calculated by prorating the respective per capita component targets, populations, and water use as appropriate. ~~A~~ THE consolidated provider may apply for ~~the NPCCP or~~ the ACP OR MAY ELECT TO BE REGULATED UNDER THE MODIFIED NPCCP. If one of the consolidated providers was regulated under ~~one of these programs~~ THE ORIGINAL NPCCP prior to the consolidation, ~~the consolidated provider's application for the program must include only the information that has changed since the provider originally filed the application for the program~~ THE CONSOLIDATED PROVIDER WILL BE REGULATED UNDER THAT PROGRAM

UNLESS THE CONSOLIDATED PROVIDER ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM OR THE MODIFIED NPCCP.

- IF THE CONSOLIDATED PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER MUST SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SECTION 5-104.01(B)(1) WITHIN 60 DAYS AFTER THE CONSOLIDATION BECOMES EFFECTIVE OR JULY 1, 2009, WHICHEVER IS LATER. THE CONSOLIDATED PROVIDER WILL BE REGULATED UNDER THE MODIFIED NPCCP DESCRIBED IN SECTION 5-104.01 UPON APPROVAL OF THE PROVIDER PROFILE BY THE DIRECTOR.

Providers that acquire or convey a portion of a service area continue to be regulated under the conservation program they were under prior to the acquisition or conveyance. However, if ~~they were~~ THE CONVEYING OR ACQUIRING PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND WAS regulated under ~~either the NPCCP or~~ the ACP, ~~they~~ IT must reapply for regulation under that program within 180 days after the acquisition or conveyance and must submit only the information that has changed since the original application was filed. ALSO, IF THE CONVEYANCE OR ACQUISITION OCCURS ON OR AFTER JANUARY 1, 2010 AND THE CONVEYING OR ACQUIRING PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE CONVEYANCE OR ACQUISITION, IT WILL BE REGULATED UNDER THE MODIFIED NPCCP REGARDLESS OF WHETHER IT WAS REGULATED UNDER THAT PROGRAM PRIOR TO THE CONVEYANCE OR ACQUISITION. IF THE CONVEYING OR ACQUIRING PROVIDER IS REGULATED UNDER THE MODIFIED NPCCP AFTER THE CONVEYANCE OR ACQUISITION AND IT WAS REGULATED UNDER THAT PROGRAM IMMEDIATELY PRIOR TO THE CONVEYANCE OR ACQUISITION, THE PROVIDER MUST SUBMIT A NEW PROVIDER PROFILE TO THE DIRECTOR IF EITHER: (1) THE CONVEYANCE OR ACQUISITION RESULTED IN THE TOTAL NUMBER OF SERVICE AREA CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM INCREASING OR DECREASING TO A NEW TIER LEVEL; OR (2) THE DIRECTOR DETERMINES THAT THE PROVIDER'S SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS HAVE CHANGED.

5.7.5 Conservation Requirements for Small Municipal Providers

[No change]

5.7.6 Regulatory Requirements for All Municipal Providers

[No change].

5.7.6.1 Individual User Requirements

[No change]

5.7.6.2 Distribution System Requirements

[No change]

5.7.6.3 Monitoring and Reporting Requirements

All municipal providers are required to annually: (1) report to the Department information on the total quantity of water used within the service area and the total volume of water delivered for various municipal purposes, (2) calculate the volume of lost and unaccounted for water within the service area, and (3) report the total number of housing units, by unit type, added to the water service area from July 1 of the previous calendar year to July 1 of the reporting year.

Large municipal providers are required to separately measure and report the amount of water delivered each month for: irrigation uses; residential uses, separated by single family and multifamily; and non-residential uses, separated by water use categories, including turf-related facility use, commercial use, industrial use, government use, construction use, surface water treatment, and other uses.

All municipal providers are required to submit to the Department, on an annual basis, an updated service area and distribution system map delineating all potable and non-potable distribution lines greater than four inches, all potable treatment facilities, all well sites, and all non-potable treatment.

Large municipal providers regulated under the ORIGINAL NPCCP or the ACP are required to submit a progress report that includes an evaluation of the reasonable conservation measures in accordance with their written stipulated agreement. A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NPCCP MUST SUBMIT A CONSERVATION EFFORTS REPORT AS DESCRIBED IN SECTION 5-104.01(E) AND MUST REPORT THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM AS OF THE END OF THE REPORTING YEAR.

5.8 INCENTIVES FOR THE USE OF RENEWABLE SUPPLIES AND REMEDIATED GROUNDWATER

[No change]

5.9 NON-REGULATORY EFFORTS

[No change]

5.10 SUMMARY AND CONCLUSIONS

The Third Management Plan Municipal Program includes conservation requirements for large municipal providers, large untreated water providers, and small municipal providers. Large municipal providers are noticed of conservation requirement components for existing residential water use, new residential water use, non-residential water use, and lost and unaccounted for water use for the third management period. The components are used to calculate a total GPCD requirement for each calendar year based on growth within the large municipal provider's water service area. Large municipal providers DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may also apply for the ACP ~~or the NPCCP~~ OR ELECT TO BE REGULATED UNDER THE MODIFIED NPCCP. LARGE MUNICIPAL PROVIDERS REGULATED UNDER THE ORIGINAL NPCCP AS OF JANUARY 1, 2008 WILL CONTINUE TO BE REGULATED UNDER THAT PROGRAM UNLESS THEY ELECT TO BE REGULATED

UNDER THE TOTAL GPCD PROGRAM OR THE MODIFIED NPCCP. ~~Both of these alternative programs require a limitation or reduction in the provider's use of groundwater in order to qualify.~~ Large untreated providers will continue to be regulated under an acre-foot per gross acre basis. Small municipal providers are only required to reduce waste and improve water use efficiency within their water service areas during the third management period. LARGE MUNICIPAL PROVIDERS THAT ARE NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ARE NOT LARGE UNTREATED WATER PROVIDERS WILL BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM BEGINNING JANUARY 1, 2010 OR THE DATE THEIR PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, WHICHEVER IS LATER.

All municipal providers must comply with individual user, monitoring and reporting, and distribution system requirements. Information on water use, growth, and system losses, for example, must be reported to the Department on an annual basis.

5.11 FUTURE DIRECTIONS

The municipal sector in the Phoenix AMA, as a whole, has been on the forefront of reducing reliance on groundwater supplies since the Code went into effect in 1980. Achieving the Phoenix AMA goal of safe-yield will ensure that adequate water supplies exist for future water users. The utilization of renewable supplies in lieu of groundwater mining, combined with the implementation of effective conservation measures, is the management approach that will continue to be used by the Department to reach the safe-yield goal by 2025 or earlier. The Department recognizes the significant contribution the municipal sector has made to the achievement of the management goal for the Phoenix AMA. However, it is also recognized that, due to the significant growth potential in this sector through 2025 and beyond, this sector will ultimately be responsible for the majority of the demand and the ultimate benefactors of the conservation of groundwater supplies in the future. Thus, in order to ensure that adequate water supplies are available for this sector in the future, the Department will continue to rely heavily on this sector to achieve safe-yield. Through a combination of the AWS Rules and the Municipal Conservation Program, the municipal sector will be required to use all supplies efficiently through the programs developed in this and subsequent management plans to support the anticipated growth in this area.

The remaining issues that need to be addressed in the municipal sector during the third management period include providing a mechanism for private water companies and smaller municipalities to share the responsibility of developing the distribution and treatment facilities necessary to directly utilize renewable supplies. The Department will look at ways to encourage regional solutions and will provide technical assistance to accelerate the direct use of renewable supplies in these areas. ~~Additionally, designing a conservation program approach for private water companies that meets with the standards exercised by the ACC yet also addresses the legislative requirement of the Department to achieve safe-yield is another very important issue that needs to be resolved in the third management period.~~ Through discussions with the ACC, the Department will work closely to be involved in the development of ACC policies related to water conservation and supply acquisition. The Department will also work to develop an understanding with the ACC on the ability of private water companies to ~~implement alternative programs and~~ be given more assurance for the pass-through of costs associated with the required programs established by the Department.

Increasing the utilization of renewable supplies across the municipal sector, for both municipalities and private water companies, has been partially addressed through the implementation of the AWS Rules, resulting in a limitation of the amount of groundwater available for future growth. However, certain existing water users within the municipal sector have no requirements for the utilization of non-groundwater supplies. Comments have been made that the Department needs to develop additional incentives to encourage these users to accept and finance the more expensive renewable supplies. An analysis of the availability of renewable supplies for current and projected populations needs to be made to assess the likelihood of developing renewable supplies outside of the assured water supply requirements. Continued evaluations through groundwater modeling of the impact of continued pumping outside of areas that have been designated as having an assured water supply must also be conducted. A reevaluation of the "grandfathering in" and the responsibility of existing water users to remedy the continued overdraft has been identified as an area that needs new attention. The short-term and long-term impacts of additional incentives for renewable supplies should also be evaluated, especially with the tremendous growth potential and the need to identify efficient uses.

Addressing the relationship of the Assured Water Supply Program (AWS Program) and the management plan provisions is another area that the Department needs to accomplish. The inability to require new subdivisions outside the boundaries of a designated water service area to implement water conserving approaches and comply with the consistency with management plan criteria in the design and building of the subdivision needs to be addressed. Further, it is necessary to identify the role of conservation as a water supply in the AWS Program to strengthen the Department's assertion of efficient use of all water supplies to ensure a viable water supply into the future.

The Department and the regulated community have both realized that information regarding the water savings and cost/benefit of existing conservation programs and practices is not as readily available or even easily identifiable to produce a comprehensive evaluation of the successes or deficiencies in water conservation in the Phoenix AMA. In cooperation with the regulated community, the Department will work throughout the third management period to improve data collection and analyses of conservation measures and practices. The Department will continue to collect information on the best available technologies for residential and non-residential water use. Based on this information, the Department will evaluate its current Municipal Conservation Program approach to determine if alternatives can or should be developed to effectively evaluate the impacts of the municipal program. Additionally, it is the intent of the Department to continue to quantify reasonable goals for future reductions in municipal water use.

Finally, the Department will focus on developing water management strategies to address localized water conditions affecting the ability of municipal water providers to develop and maintain adequate water supplies in the Phoenix AMA. The development of critical area management will be a major focus of the Department during the third management period. The strategy for critical area management could include promoting water withdrawals from areas that are benefiting from natural and artificial recharge rather than from areas experiencing severe water level declines. Additional management strategies could include the development of incentives for recharge and direct use of renewable water supplies in these areas or disincentives for excessive withdrawals.

5.12 MUNICIPAL CONSERVATION REQUIREMENTS AND MONITORING AND REPORTING REQUIREMENTS

5-101. Definitions

[No change]

5-102. Large Municipal Providers – Conservation Programs

A. *Beginning with the calendar year determined under section 5-103, subsection A, paragraph 2, and continuing until the first compliance date for any substitute requirement in the Fourth Management Plan, a large municipal provider DESIGNATED AS HAVING AN ASSURED WATER SUPPLY shall be regulated under the Total Gallons Per Capita Per Day (GPCD) Program described in section 5-103, unless the provider ~~has applied for and been accepted for regulation~~ IS REGULATED under the ORIGINAL Non-Per Capita Conservation Program described in section 5-104 AS OF JANUARY 1, 2008, ~~or~~ APPLIES FOR AND IS ACCEPTED FOR REGULATION UNDER the Alternative Conservation Program described in section 5-105 or ~~is designated as an institutional provider under section 5-108~~ ELECTS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 PURSUANT TO SUBSECTION E OF THIS SECTION.*

If a large municipal provider DESIGNATED AS HAVING AN ASSURED WATER SUPPLY is accepted into ~~the Non-Per Capita Conservation Program,~~ the Alternative Conservation Program~~, or is designated as an institutional provider~~, the provider shall continue to comply with its total GPCD requirement until the first compliance date assigned by the director for the provider under the Alternative Conservation Program~~, the Non-Per Capita Conservation Program, or the Institutional Provider Program~~. IF A LARGE MUNICIPAL PROVIDER DESIGNATED AS HAVING AN ASSURED WATER SUPPLY ELECTS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01, THE PROVIDER SHALL CONTINUE TO COMPLY WITH THE CONSERVATION REQUIREMENTS IN EFFECT FOR THE PROVIDER AT THE TIME IT NOTIFIES THE DIRECTOR OF THE ELECTION UNTIL THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104.01, SUBSECTION (B)(2) OR (B)(3).

A large municipal provider that was regulated under the Non-Per Capita Conservation Program, the Alternative Conservation Program, or the Institutional Provider Program under the Second Management Plan and that applies to be regulated under the same program in the Third Management Plan 180 days following adoption of the plan shall continue to be regulated under the Non-Per Capita Conservation Program, the Alternative Conservation Program or the Institutional Provider Program under the Second Management Plan, whichever applies, until January 1, 2002 or until the director approves or denies the provider's application under the Third Management Plan, whichever is later.

B. *A large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY ~~may apply for~~ AND THAT WAS REGULATED UNDER the ORIGINAL Non-Per Capita Conservation Program as described in section 5-104 AS OF JANUARY 1, 2008 SHALL COMPLY WITH THE REQUIREMENTS IN THAT PROGRAM UNLESS THE PROVIDER ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103 OR THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 OR APPLIES AND IS ACCEPTED FOR THE ALTERNATIVE CONSERVATION PROGRAM DESCRIBED IN SECTION 5-105. ~~If the director approves the application, the provider shall comply with the requirements of the Non-Per Capita Conservation Program beginning on a date determined by the director but not later than January 1 of the year following the year in which the application is approved.~~ IF THE PROVIDER ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM, THE PROVIDER SHALL GIVE WRITTEN NOTICE OF THE ELECTION TO THE DIRECTOR AND SHALL COMPLY WITH THE TOTAL GPCD PROGRAM BEGINNING ON THE DATE THE DIRECTOR RECEIVES THE NOTICE OR SUCH OTHER DATE AS AGREED TO BY THE PROVIDER AND THE DIRECTOR. IF THE PROVIDER ELECTS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM, THE PROVIDER SHALL GIVE WRITTEN NOTICE OF THE ELECTION TO THE DIRECTOR PURSUANT TO SUBSECTION E OF THIS SECTION AND SHALL COMPLY WITH THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM AS PROVIDED IN SUBSECTION E OF THIS SECTION.*

C. *A large municipal provider DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may apply for the Alternative Conservation Program as described in section 5-105. If the director approves the application, the provider shall comply with the requirements of the Alternative Conservation Program beginning on a date determined by the director but not later than January 1 of the year following the year in which the application is approved.*

D. *A large municipal provider may apply for designation as an institutional provider pursuant to section 5-108. If the director approves the application, the provider shall comply with the institutional provider requirements assigned by the director beginning on a date determined by the director but not later than January 1 of the year following the year in which the application is approved.*

E. *A LARGE MUNICIPAL PROVIDER DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY ELECT TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM AS DESCRIBED IN SECTION 5-104.01 BY GIVING THE DIRECTOR WRITTEN NOTICE OF THE ELECTION TOGETHER WITH A PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(A)(2). IF THE PROVIDER ELECTS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM, THE PROVIDER SHALL COMPLY WITH THE PROGRAM BEGINNING ON THE DATE THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B)(2) OR (B)(3).*

~~E~~ F. *[No change]*

~~F~~ *G. [No change]*

H. A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS A LARGE UNTREATED WATER PROVIDER OR AN INSTITUTIONAL PROVIDER SHALL SUBMIT A PROVIDER PROFILE TO THE DIRECTOR AS PRESCRIBED IN SECTION 5-104.01(A)(2). THE PROVIDER SHALL BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 BEGINNING JANUARY 1, 2010 OR THE DATE THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B)(2) OR (3), WHICHEVER IS LATER, AND CONTINUING UNTIL THE EFFECTIVE DATE OF ANY SUBSTITUTE REQUIREMENT IN THE FOURTH MANAGEMENT PLAN. THE PROVIDER MAY AGREE TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B)(2) OR (3) EARLIER THAN JANUARY 1, 2010. UNTIL THE PROVIDER IS REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM AS PROVIDED IN THIS SUBSECTION, THE PROVIDER SHALL CONTINUE TO BE REGULATED UNDER THE CONSERVATION PROGRAM UNDER WHICH IT WAS REGULATED ON JANUARY 1, 2008.

I. IF THE DIRECTOR DESIGNATES A LARGE MUNICIPAL PROVIDER AS HAVING AN ASSURED WATER SUPPLY WHILE THE PROVIDER IS REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01, THE PROVIDER SHALL CONTINUE TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM UNLESS THE PROVIDER GIVES WRITTEN NOTICE TO THE DIRECTOR THAT IT ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103. IF THE PROVIDER ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM, THE DIRECTOR SHALL GIVE WRITTEN NOTICE TO THE PROVIDER OF ITS TOTAL GPCD REQUIREMENTS AND THE PROVIDER SHALL COMPLY WITH THE TOTAL GPCD REQUIREMENTS BEGINNING ON THE DATE SPECIFIED IN THE NOTICE.

5-103. Large Municipal Provider Total Gallons Per Capita Per Day Program

[No change]

5-104. ORIGINAL Non-Per Capita Conservation Program

A. Eligibility for the ORIGINAL Non-Per Capita Conservation Program

A large municipal provider ~~may apply for~~ IS ELIGIBLE TO BE REGULATED UNDER the ORIGINAL Non-Per Capita Conservation Program ~~if any of the following applies:~~ ONLY IF THE PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND WAS REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM AS OF JANUARY 1, 2008. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED

WATER SUPPLY AND THAT WAS REGULATED UNDER THE NON-PER CAPITA CONSERVATION PROGRAM AS OF JANUARY 1, 2008 SHALL BE REGULATED UNDER THE ORIGINAL NON-PER CAPITA CONSERVATION PROGRAM UNLESS THE PROVIDER ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103 OR THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM IN SECTION 5-104.01 OR APPLIES FOR AND IS ACCEPTED FOR REGULATION UNDER THE ALTERNATIVE CONSERVATION PROGRAM IN SECTION 5-105.

~~*1. The provider is a member of a groundwater replenishment district established under Title 48, Chapter 27, Arizona Revised Statutes.*~~

~~*2. The service area of the provider has qualified as a member service area under Title 48, Chapter 22, Arizona Revised Statutes, or as a water district member under Title 48, Chapter 28, Arizona Revised Statutes, and the conditions established under A.R.S. § 45-576.01(B)(2) and (3) are met by the conservation district or the water district, as applicable, for the AMA in which the service area is located.*~~

~~*3. The provider has developed a plan to both:*~~

~~*a) Reduce the proportion of mined groundwater supplied by it for use within its service area such that the result computed by dividing the volume of mined groundwater supplied by the provider for use within its service area in a year by the volume of all water supplied by the provider for use within its service area in that year does not exceed:*~~

~~*1) Two-thirds for 2000.*~~
~~*2) Three-fifths for 2001.*~~
~~*3) Eight-fifteenths for 2002.*~~
~~*4) Seven-fifteenths for 2003.*~~
~~*5) Two-fifths for 2004.*~~
~~*6) One-third for 2005.*~~
~~*7) Four-fifteenths for 2006.*~~
~~*8) One-fifth for 2007.*~~
~~*9) Two-fifteenths for 2008.*~~
~~*10) One-fifteenth for 2009.*~~

~~*b) Deliver no mined groundwater for use within its service area after January 1, 2010.*~~

~~*4. The provider is designated as having an assured water supply under rules adopted by the director pursuant to A.R.S. § 45-576.*~~

~~***B. Application for Non-Per Capita Conservation Program***~~

~~*A large municipal provider's application for the Non-Per Capita Conservation Program must be approved by the provider's governing body, and must include the following:*~~

~~1. A description and evaluation, including implementation dates, of the provider's existing conservation programs.~~

~~2. A description of conservation programs the provider intends to implement if approved for the Non-Per Capita Conservation Program, including a time schedule for implementing the programs.~~

~~3. If the provider is applying for the Non-Per Capita Conservation Program under subsection A, paragraph 3, a water supply plan demonstrating that the provider will reduce the proportion of mined groundwater supplied by it within its service area to the proportions described in that subparagraph, and that it will deliver no mined groundwater after January 1, 2010.~~

~~4. If the provider intends to comply with subsection D of this section by implementing one or more substitute RCMs in lieu of a standard RCM, or if the provider requests the director to modify a level of conservation potential for the provider's service area pursuant to subsection D, paragraph 1, subparagraph a of this section, an analysis of water use within the provider's service area that includes all of the following:~~

~~a. If the provider intends to implement one or more substitute RCMs, from either the same water use category or a system related substitute RCM, information demonstrating that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs. If the provider intends to implement one or more substitute RCMs that are not from the same water use category or system related substituted RCMs, information demonstrating that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs.~~

~~b. The amount of water used each month during the past three years by each of the following water use sectors, as applicable: (1) residential (disaggregated by single family and multifamily), (2) commercial, (3) industrial, (4) turf-related facilities, (5) government, (6) construction, (7) distribution system losses, and (8) any other uses. The provider is not required to include this information if it has already been reported to the Department.~~

~~c. An identification and evaluation of the water use sectors described in item b of this subparagraph that have the highest water conservation potential.~~

~~5. If the provider is requesting an individual incidental recharge factor under subsection C, paragraph 2 of this section:~~

~~a. A copy of a hydrological study that demonstrates the amount of water withdrawn, diverted or received for delivery by the provider for use within its service area during each of the preceding five years and the amount of~~

~~*incidental recharge that was attributable to the provider during those years. The study shall be prepared consistent with the methodology contained in Appendix 5-J.*~~

~~*b. A copy of a hydrological study projecting the average annual amount of water that will be withdrawn, diverted or received for delivery by the provider for use within its service area during the management period and the average annual amount of incidental recharge that will be attributable to the provider during the management period.*~~

~~*6. Any other information required by the director.*~~

~~***C. Incidental Recharge Factor***~~

~~*1. Standard Incidental Recharge Factor*~~

~~*The standard incidental recharge factor for the Phoenix AMA for the third management period is 4 percent. The standard incidental recharge factor shall be used to calculate the amount of mined groundwater supplied during a year by a large municipal provider that applied for the Non-Per Capita Conservation Program under subsection A, paragraph 3 of this section, unless the provider applies for and is granted an individual incidental recharge factor pursuant to paragraph 2 of this subsection.*~~

~~*2. Individual Incidental Recharge Factor*~~

~~*A large municipal provider that applies for the Non-Per Capita Conservation Program under subsection A, paragraph 3 of this section may request an incidental recharge factor that is different than the standard incidental recharge factor set forth in paragraph 1 of this subsection by submitting the information described in subsection B, paragraph 5 of this section with its application. The director shall establish a different incidental recharge factor for the provider, as described in Appendix 5-J, if the information submitted by the provider demonstrates that the ratio of the average annual amount of incidental recharge expected to occur within the provider's service area during the third management period to the average annual amount of water expected to be supplied by the provider for use within its service area during the third management period is different than the standard incidental recharge factor. If the director establishes an individual incidental recharge factor for the provider under this paragraph, the individual incidental recharge factor shall be used to calculate the amount of mined groundwater supplied by the provider during a year.*~~

~~D~~B. ~~Criteria for Approval of Application~~ ORIGINAL NON-PER CAPITA CONSERVATION PROGRAM REQUIREMENTS

A large municipal provider that ~~applies for~~ THAT IS REGULATED UNDER the ORIGINAL Non-Per Capita Conservation Program shall ~~be approved for the program only if all of the following conditions are satisfied, as applicable~~ COMPLY WITH THE FOLLOWING:

1. *The provider ~~agrees in writing to implement RCMs that the director determines will, if properly implemented, result in the achievement of a water use efficiency within the provider's service area equivalent to the water use efficiency assumed in the provider's total GPCD requirements for the third management period. To comply with this requirement, the provider must agree in writing to~~ SHALL implement the following RCMs for the following water use categories and programs ~~beginning on a date agreed upon by the director and the provider~~ AS SET FORTH IN THE WRITTEN AGREEMENT ENTERED INTO BETWEEN THE PROVIDER AND THE DIRECTOR WHEN THE PROVIDER WAS APPROVED FOR REGULATION UNDER THE PROGRAM:*

   a. *Residential Water Use*

      1) *<u>Residential interior water use category</u> - The provider shall ~~agree in writing to~~ implement the residential interior standard RCMs described in Appendix 5-I.1. In lieu of implementing one or both of the standard RCMs, the provider may ~~agree to~~ implement: A) one or more of the residential interior substitute RCMs or system-related substitute RCMs listed in the substitute RCM list described in Appendix 5-I.4 if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs; or B) one or more substitute RCMs that are not residential interior substitute RCMs or system-related substitute RCMs if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs. The director shall not approve a substitution of the standard residential interior water use RCMs if the substitution would result in the provider implementing no RCMs in the residential interior water use category.*

      2) *<u>Residential exterior water use category</u> - The provider shall ~~agree in writing to~~ implement the residential exterior standard RCMs described in Appendix 5-I.1. In lieu of implementing one or more of the standard RCMs, the provider may ~~agree to~~ implement: A) one or more of the residential exterior substitute RCMs or system-related substitute RCMs listed in the substitute RCM list described in Appendix 5-I.4 if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM; or B) one or more substitute RCMs that are not residential exterior substitute RCMs or system-related substitute RCMs if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs. The director shall not approve a substitution of the standard residential exterior water use RCMs if the substitution would result in the*

provider implementing no RCMs in the residential exterior water use category.

3) *Implementation level - The provider shall ~~agree to~~ implement residential interior or exterior RCMs for existing residential customers at the implementation level (minimum, moderate, or maximum) that corresponds to the level of conservation potential that the director determined existed for water use by existing residential users within the provider's service area when the director established the provider's total GPCD requirements for the third management period, as shown in Appendix 5-E, UNLESS THE LEVEL OF CONSERVATION POTENTIAL WAS MODIFIED BY THE DIRECTOR AT THE TIME THE PROVIDER ENTERED THE ORIGINAL NON-PER CAPITA CONSERVATION PROGRAM.*

   ~~*The director may modify a level of conservation potential shown for a provider in Appendix 5-E if the provider requests a modification in an application for administrative review pursuant to A.R.S. § 45-575(A) or in the provider's application for regulation under the Non-Per Capita Conservation Program, and the provider demonstrates that the level of conservation potential shown in Appendix 5-E is not accurate for the provider's service area. A provider requesting a modification of a level of conservation potential shall submit to the director a water use analysis containing the information described in subsection B, paragraph 4, of this section. If the level of conservation potential for water use by existing residential users as shown in Appendix 5-E, or as modified by the director, is "no reduction," the provider is not required to implement any RCMs for existing residential customers in that water use category.*~~

b. *Non-Residential Water Use*

1) *Non-residential interior water use category - The provider shall ~~agree in writing to~~ implement the non-residential interior standard RCMs described in Appendix 5-I.2. In lieu of implementing one or more of the standard RCMs, the provider may ~~agree to~~ implement: A) one or more of the non-residential interior substitute RCMs or system-related RCMs listed in the substitute RCM list described in Appendix 5-I.4 if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs; or B) one or more substitute RCMs that are not non-residential interior substitute RCMs or system-related substitute RCMs if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than the efficiency that would result from the implementation of the standard RCM or RCMs. The director shall not approve a substitution of the standard non-residential interior water use RCMs if the substitution would result in the provider implementing no RCMs in the non-residential interior water use category.*

2) *Non-residential exterior water use category - The provider shall ~~agree in writing to~~ implement the non-residential exterior standard RCMs described in Appendix 5-I.2. In lieu of implementing one or both of the standard RCMs, the provider may ~~agree to~~ implement: A) one or more of the non-residential exterior substitute RCMs or system-related RCMs listed in the substitute RCM list described in Appendix 5-I.4 if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area equivalent to the efficiency that would result from implementation of the standard RCM or RCMs; or B) one or more substitute RCMs that are not non-residential exterior water use RCMs or system-related substitute RCMs if the director determines that the substitute RCM or RCMs will be designed to achieve a water use efficiency within the provider's service area that is greater than equivalent to the efficiency that would result from the implementation of the standard RCM or RCMs. The director shall not approve a substitution of the standard non-residential exterior water use RCMs if the substitution would result in the provider implementing no RCMs in the non-residential exterior water use category.*

c. *Public Education Program*

The provider shall ~~agree in writing to~~ implement the education standard RCM described in Appendix 5-I.3. In lieu of implementing the standard RCM, the provider may ~~agree to~~ implement one or more of the education substitute RCMs listed in the substitute RCM list described in Appendix 5-I.4. The substituted RCM or RCMs must not duplicate other RCMs that the provider will implement as part of the Non-Per Capita Conservation Program.

~~*2. If the provider is applying for the Non-Per Capita Conservation Program under subsection A, paragraph 1 of this section, the provider will be accepted into the program only if the conditions established in A.R.S. § 45-576.01(A)(2) and (3) are met by the groundwater replenishment district of which the provider is a member.*~~

~~*3. If the provider is applying for the Non-Per Capita Conservation Program under subsection A, paragraph 2 of this section, the provider will be accepted into the program only if the conditions established in A.R.S. § 45-576.01(B)(2) and (3) are met for the AMA by the multi-county water conservation district or AMA water district of which the provider is a member.*~~

~~*4. If the provider is applying for the Non-Per Capita Conservation Program under subsection A, paragraph 3 of this section, the provider will be accepted into the program only if the director has determined that the provider will reduce the proportion of mined groundwater supplied within its service area to the proportions described in that subparagraph.*~~

~~*5*~~*2. ~~If the provider is applying for the Non-Per Capita Conservation Program under subsection A, paragraph 4 of this section, the provider will be accepted into the program only if the director determines that the~~ provider ~~is designated as having~~*

~~*an the assured water supply under the rules adopted by the director under A.R.S. § 45-576.*~~ *THE PROVIDER SHALL NOT SUPPLY GROUNDWATER FOR USE WITHIN ITS SERVICE AREA IN AN AMOUNT THAT EXCEEDS THE AMOUNT OF GROUNDWATER THAT THE PROVIDER MAY SUPPLY UNDER THE ASSURED WATER SUPPLY RULES ADOPTED BY THE DIRECTOR PURSUANT TO A.R.S. § 45-576. IF THE PROVIDER'S DESIGNATION OF ASSURED WATER SUPPLY IS REVOKED OR OTHERWISE TERMINATES AFTER THE PROVIDER IS ACCEPTED INTO THE PROGRAM, THE PROVIDER SHALL BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM AS DESCRIBED IN SECTION 5-104.01.*

~~***E. Non-Per Capita Conservation Program Requirements***~~

~~*A large municipal provider regulated under the ORIGINAL Non-Per Capita Conservation Program shall comply with the following requirements, as applicable, until the effective date of any substitute conservation requirements established in the Fourth Management Plan:*~~

~~*1. The provider shall implement the RCMs agreed to in writing under subsection D C, paragraph 1 of this section beginning on a date agreed upon by the director and the provider.*~~

~~*2. If the provider applied for the Non-Per Capita Conservation Program under subsection A, paragraph 3 of this section, the provider shall reduce the proportion of mined groundwater supplied within its service area to the proportions described in that paragraph. A provider's failure to comply with this requirement during any year will be excused if the provider demonstrates to the director's satisfaction that the failure was due to drought conditions or the failure of a surface water distribution system.*~~

~~*3. If the provider applied for the Non-Per Capita Conservation Program under subsection A, paragraph 4 of this section, the provider shall not supply groundwater for use within its service area in an amount that exceeds the amount of groundwater that the provider may supply for use within its service area consistent with the rules adopted by the director pursuant to A.R.S. § 45-576. If the provider's designation of assured water supply is revoked or otherwise terminates after the provider is accepted into the program, the amount of groundwater the provider may supply for use within its service area consistent with the rules shall be determined by the director as the amount of groundwater the provider would have been allowed to supply under the rules if the provider's designation of assured water supply had not been revoked or terminated.*~~

5-104.01 MODIFIED NON-PER CAPITA CONSERVATION PROGRAM

A. PROVIDER PROFILE – SUBMITTAL DATE

1. LARGE MUNICIPAL PROVIDERS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY

a. *EXCEPT AS PROVIDED IN SUBPARAGRAPH (b) OF THIS PARAGRAPH, A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS A LARGE UNTREATED WATER PROVIDER OR AN INSTITUTIONAL PROVIDER SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION ON OR BEFORE JULY 1, 2009.*

b. *A NEW LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT RECEIVES WRITTEN NOTICE OF THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM FROM THE DIRECTOR AFTER JANUARY 1, 2009 SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION NO LATER THAN SIX MONTHS AFTER THE DATE OF THE NOTICE.*

2. *LARGE MUNICIPAL PROVIDERS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY*

a. *A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ELECTS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION AT THE TIME THE PROVIDER SUBMITS WRITTEN NOTICE TO THE DIRECTOR THAT THE PROVIDER ELECTS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM.*

b. *A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AT THE TIME IT RECEIVES WRITTEN NOTICE OF THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM FROM THE DIRECTOR AND WHOSE DESIGNATION OF ASSURED WATER SUPPLY IS TERMINATED AFTER THAT DATE SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION NO LATER THAN JULY 1, 2009 OR SIX MONTHS AFTER THE DESIGNATION IS TERMINATED, WHICHEVER IS LATER, UNLESS THE PROVIDER IS REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM AT THE TIME THE DESIGNATION IS TERMINATED.*

B. PROVIDER PROFILE – CONTENTS; REVIEW; APPROVAL OR DISAPPROVAL

1. *A PROVIDER PROFILE REQUIRED BY SUBSECTION A OF THIS SECTION SHALL CONTAIN THE FOLLOWING INFORMATION:*

a. *A DESCRIPTION OF THE PROVIDER'S EXISTING SERVICE AREA*

CHARACTERISTICS AND WATER USE PATTERNS.

b. *THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM, INCLUDING RESIDENTIAL AND NON-RESIDENTIAL CONNECTIONS.*

c. *A DESCRIPTION OF THE CONSERVATION MEASURES CURRENTLY BEING IMPLEMENTED BY THE PROVIDER.*

d. *A DESCRIPTION OF THE CONSERVATION MEASURES THAT THE PROVIDER INTENDS TO IMPLEMENT TO COMPLY WITH SUBSECTION (D)(1) OF THIS SECTION.*

e. *AN EXPLANATION OF HOW EACH OF THE CONSERVATION MEASURES THAT THE PROVIDER WILL IMPLEMENT TO COMPLY WITH SUBSECTION (D)(1)(b)OF THIS SECTION IS RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.*

2. *WITHIN 90 DAYS AFTER RECEIVING A LARGE MUNICIPAL PROVIDER'S PROVIDER PROFILE, THE DIRECTOR SHALL APPROVE OR DISAPPROVE THE PROVIDER PROFILE AND SEND WRITTEN NOTICE OF THE DECISION TO THE PROVIDER. THE DIRECTOR SHALL APPROVE THE PROVIDER PROFILE IF THE DIRECTOR DETERMINES THAT THE PROFILE CONTAINS INFORMATION DEMONSTRATING THAT THE PROVIDER WILL IMPLEMENT AT LEAST THE MINIMUM NUMBER OF WATER CONSERVATION MEASURES REQUIRED PURSUANT TO SUBSECTION (D)(1) OF THIS SECTION AND THAT THE CONSERVATION MEASURES TO BE IMPLEMENTED PURSUANT TO SUBSECTION (D)(1)(b) OF THIS SECTION ARE REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. IF THE DIRECTOR DISAPPROVES THE PROVIDER PROFILE, THE DIRECTOR SHALL INCLUDE WITH THE WRITTEN NOTICE OF THE DECISION THE REASONS FOR THE DISAPPROVAL. A DECISION OF THE DIRECTOR DISAPPROVING A PROVIDER PROFILE IS AN APPEALABLE AGENCY ACTION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10. IF THE DIRECTOR FAILS TO SEND THE PROVIDER WRITTEN NOTICE APPROVING OR DISAPPROVING THE PROVIDER PROFILE WITHIN 90 DAYS AFTER RECEIVING THE PROVIDER PROFILE, THE PROVIDER PROFILE SHALL BE DEEMED APPROVED.*

3. *IF THE DIRECTOR DISAPPROVES THE PROVIDER PROFILE SUBMITTED BY A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, WITHIN 90 DAYS AFTER THE DATE OF THE DIRECTOR'S WRITTEN NOTICE DISAPPROVING THE PROVIDER PROFILE, OR WITHIN 90 DAYS AFTER THE DIRECTOR'S DECISION IS FINAL IF THE PROVIDER FILES A TIMELY NOTICE OF APPEAL OF THE DECISION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10, THE PROVIDER SHALL REVISE THE PROVIDER PROFILE TO CORRECT THE*

DEFICIENCIES IDENTIFIED BY THE DIRECTOR IN THE WRITTEN NOTICE AND SUBMIT THE REVISED PROVIDER PROFILE TO THE DIRECTOR. IF THE DIRECTOR DISAPPROVES THE PROVIDER PROFILE SUBMITTED BY A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER MAY REVISE THE PROVIDER PROFILE TO CORRECT THE DEFICIENCIES IDENTIFIED BY THE DIRECTOR IN THE WRITTEN NOTICE DISAPPROVING THE PROVIDER PROFILE AND MAY SUBMIT THE REVISED PROVIDER PROFILE TO THE DIRECTOR. THE DIRECTOR SHALL APPROVE OR DISAPPROVE A REVISED PROVIDER PROFILE SUBMITTED UNDER THIS PARAGRAPH PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION. IF THE DIRECTOR DISAPPROVES THE REVISED PROVIDER PROFILE:

a. THE DECISION IS AN APPEALABLE AGENCY ACTION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.

b. IF THE PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE PROVIDER IS IN VIOLATION OF A.R.S. § 45-566.01 BEGINNING ON THE DATE THE DIRECTOR'S DECISION IS FINAL UNTIL THE PROVIDER SUBMITS A PROVIDER PROFILE THAT IS APPROVED BY THE DIRECTOR, EXCEPT THAT THE PROVIDER SHALL NOT BE IN VIOLATION PRIOR TO JANUARY 1, 2010.

C. COMMENCEMENT OF REGULATION UNDER MODIFIED NON-PER CAPITA CONSERVATION PROGRAM

1. EXCEPT AS PROVIDED IN PARAGRAPH 2 OF THIS SUBSECTION, A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT IS NOT REGULATED AS A LARGE UNTREATED WATER PROVIDER OR AN INSTITUTIONAL PROVIDER SHALL BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM BEGINNING JANUARY 1, 2010 OR THE DATE THE PROVIDER'S PROVIDER PROFILE IS APPROVED BY THE DIRECTOR PURSUANT TO SUBSECTION B OF THIS SECTION, WHICHEVER IS LATER.

2. A LARGE MUNICIPAL PROVIDER THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY AGREE TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM EARLIER THAN JANUARY 1, 2010 IF THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SUBSECTION B OF THIS SECTION PRIOR TO JANUARY 1, 2010.

3. A LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND THAT ELECTS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM SHALL BE REGULATED UNDER THE PROGRAM BEGINNING ON THE DATE THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SUBSECTION B OF THIS SECTION.

D. *REQUIRED WATER CONSERVATION MEASURES*

1. *A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM SHALL IMPLEMENT ALL OF THE FOLLOWING WATER CONSERVATION MEASURES WHILE REGULATED UNDER THE PROGRAM:*

   a. *A PUBLIC EDUCATION PROGRAM RELATING TO WATER CONSERVATION AS DESCRIBED IN APPENDIX 5-N.*

   b. *ONE OR MORE ADDITIONAL WATER CONSERVATION MEASURES SELECTED FROM THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES IN APPENDIX 5-N OR ANY MODIFICATION OF THE LIST MADE PURSUANT TO THE MODIFICATION PROCEDURE DESCRIBED IN APPENDIX 5-N. THE ADDITIONAL WATER CONSERVATION MEASURE OR MEASURES SHALL BE REASONABLY RELEVANT TO THE PROVIDER'S SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. THE EXACT NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES REQUIRED TO BE IMPLEMENTED UNDER THIS SUB-PARAGRAPH SHALL BE DETERMINED BASED ON THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM AND THE FOLLOWING THREE TIER LEVELS:*

TOTAL NUMBER OF SERVICE CONNECTIONS (INCLUDES BOTH RESIDENTIAL AND NON-RESIDENTIAL)	***REQUIRED NUMBER OF ADDITIONAL WATER CONSERVATION MEASURES***
TIER 1 *5,000 OR FEWER CONNECTIONS*	*ONE*
TIER 2 *5,001 TO 30,000 CONNECTIONS*	*FIVE*
TIER 3 *OVER 30,000 CONNECTIONS*	*TEN*

2. *EXCEPT AS PROVIDED IN PARAGRAPHS 4 AND 5 OF THIS SUBSECTION, A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM SHALL IMPLEMENT THE WATER CONSERVATION MEASURES REQUIRED BY PARAGRAPH 1 OF THIS SUBSECTION AS DESCRIBED BY THE PROVIDER IN THE PROVIDER'S APPROVED PROVIDER PROFILE.*

3. *IF THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM INCREASES TO A HIGHER TIER LEVEL AS DESCRIBED IN PARAGRAPH 1(b) OF THIS SUBSECTION AFTER THE DIRECTOR APPROVES THE PROVIDER'S PROVIDER PROFILE PURSUANT TO SUBSECTION (B)(2) OR (B)(3) OF THIS SECTION, THE PROVIDER SHALL SUBMIT TO THE DIRECTOR A NEW PROVIDER PROFILE WITHIN SIXTY DAYS AFTER THE PROVIDER BECOMES AWARE OF THE INCREASE AND SHALL INCLUDE IN THE PROFILE THE INFORMATION REQUIRED BY SUBSECTION (B)(1). THE PROVISIONS IN SUBSECTION (B)(2) AND (B)(3) SHALL APPLY TO THE NEW PROVIDER PROFILE WHEN IT IS SUBMITTED TO THE DIRECTOR. UNTIL THE NEW PROVIDER PROFILE IS APPROVED BY THE DIRECTOR, THE PROVIDER SHALL CONTINUE IMPLEMENTING THE WATER CONSERVATION MEASURES DESCRIBED BY THE PROVIDER IN ITS PREVIOUSLY APPROVED PROVIDER PROFILE. UPON APPROVAL OF THE NEW PROVIDER PROFILE BY THE DIRECTOR, THE PROVIDER SHALL IMPLEMENT ALL OF THE WATER CONSERVATION MEASURES DESCRIBED IN THE NEWLY APPROVED PROVIDER PROFILE.*

4 *A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM MAY DISCONTINUE IMPLEMENTING A WATER CONSERVATION MEASURE IDENTIFIED IN THE PROVIDER'S APPROVED PROVIDER PROFILE, OTHER THAN THE PUBLIC EDUCATION PROGRAM REQUIRED BY PARAGRAPH (1)(a) OF THIS SUBSECTION, AND BEGIN IMPLEMENTING A SUBSTITUTE WATER CONSERVATION MEASURE IF ALL OF THE FOLLOWING APPLY:*

   a. *THE SUBSTITUTE CONSERVATION MEASURE IS A MEASURE DESCRIBED ON THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN APPENDIX 5-N, OR ANY MODIFICATION OF THE LIST MADE PURSUANT TO THE MODIFICATION PROCEDURE DESCRIBED IN APPENDIX 5-N.*

   b. *THE PROVIDER DETERMINES THAT THE SUBSTITUTE WATER CONSERVATION MEASURE IS REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.*

5. *IF A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM IMPLEMENTS A SUBSTITUTE WATER CONSERVATION MEASURE PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION, THE PROVIDER MAY DISCONTINUE IMPLEMENTING THAT SUBSTITUTE WATER CONSERVATION MEASURE AND BEGIN IMPLEMENTING A NEW SUBSTITUTE WATER CONSERVATION MEASURE IF ALL OF THE FOLLOWING APPLY:*

   a. *THE NEW SUBSTITUTE CONSERVATION MEASURE IS A MEASURE*

DESCRIBED ON THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN APPENDIX 5-N, OR ANY MODIFICATION OF THE LIST MADE PURSUANT TO THE MODIFICATION PROCEDURE DESCRIBED IN APPENDIX 5-N.

b. THE PROVIDER DETERMINES THAT THE NEW SUBSTITUTE WATER CONSERVATION MEASURE IS REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.

6. IF A PROVIDER SUBSTITUTES A WATER CONSERVATION MEASURE PURSUANT TO PARAGRAPH 4 OR 5 OF THIS SUBSECTION, BOTH OF THE FOLLOWING SHALL APPLY:

a. THE PROVIDER SHALL NOTIFY THE DIRECTOR OF THE SUBSTITUTION IN THE CONSERVATION EFFORTS REPORT FILED BY THE PROVIDER FOR THE YEAR IN WHICH THE SUBSTITUTION OCCURRED, AS PROVIDED IN SUBSECTION (E)(4) OF THIS SECTION.

b. IF THE DIRECTOR DETERMINES THAT THE SUBSTITUTE WATER CONSERVATION MEASURE IS NOT REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS, THE DIRECTOR SHALL GIVE WRITTEN NOTICE OF THAT DETERMINATION TO THE PROVIDER AND THE PROVIDER SHALL BEGIN IMPLEMENTING THE DISCONTINUED WATER CONSERVATION MEASURE OR A SUBSTITUTE WATER CONSERVATION MEASURE FROM THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN APPENDIX 5-N, OR ANY MODIFICATION OF THE LIST MADE PURSUANT TO THE MODIFICATION PROCEDURE DESCRIBED IN APPENDIX 5-N, THAT THE DIRECTOR DETERMINES IS REASONABLY RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS. THE DIRECTOR'S DETERMINATION IS AN APPEALABLE AGENCY ACTION PURSUANT TO TITLE 41, CHAPTER 6, ARTICLE 10.

E. CONSERVATION EFFORTS REPORT

IN ADDITION TO ANY INFORMATION REQUIRED BY SECTION 5-114, A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM SHALL INCLUDE WITH ITS ANNUAL REPORTS REQUIRED BY A.R.S. § 45-632 A CONSERVATION EFFORTS REPORT CONTAINING THE FOLLOWING INFORMATION:

1. A DESCRIPTION OF THE WATER CONSERVATION MEASURES IMPLEMENTED DURING THE PREVIOUS YEAR.

2. AN ASSESSMENT OF THE OUTCOMES OF THE IMPLEMENTATION OF EACH WATER CONSERVATION MEASURE.

3. *THE PROVIDER'S PLAN FOR IMPLEMENTATION OF WATER CONSERVATION MEASURES DURING THE CURRENT YEAR.*

4. *IF THE PROVIDER SUBSTITUTED A WATER CONSERVATION MEASURE PURSUANT TO SUBSECTION (D)(4) OR (D)(5) OF THIS SECTION DURING THE REPORTING YEAR, A DESCRIPTION OF THE WATER CONSERVATION MEASURE THAT WAS DISCONTINUED, A DESCRIPTION OF THE SUBSTITUTE WATER CONSERVATION MEASURE AND AN EXPLANATION OF HOW THE SUBSTITUTE CONSERVATION MEASURE IS RELEVANT TO THE PROVIDER'S EXISTING SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS.*

F. WATER RATE STRUCTURE

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM SHALL INCLUDE IN ITS ANNUAL REPORTS FILED PURSUANT TO A.R.S. § 45-632 A COPY OF THE PROVIDER'S CURRENT WATER RATE STRUCTURE UNLESS NO CHANGES HAVE BEEN MADE TO THE RATE STRUCTURE SINCE IT WAS LAST SUBMITTED TO THE DIRECTOR.

G. RECORDS RETENTION

FOR AT LEAST FIVE YEARS AFTER A YEAR IN WHICH A LARGE MUNICIPAL PROVIDER IS REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM, THE PROVIDER SHALL KEEP AND MAINTAIN THE FOLLOWING RECORDS:

1. *ACCURATE RECORDS VERIFYING THAT THE PROVIDER IMPLEMENTED THE WATER CONSERVATION MEASURES THAT IT WAS REQUIRED TO IMPLEMENT DURING THAT YEAR.*

2. *ACCURATE RECORDS OF THE PROVIDER'S WATER USE DURING THE YEAR.*

5-105. Alternative Conservation Program

A. Eligibility for the Alternative Conservation Program

A large municipal provider is eligible to apply for the Alternative Conservation Program if ~~one of the following applies:~~

~~1.~~ *the provider is designated as having an assured water supply under rules adopted by the director pursuant to A.R.S. § 45-576.*

~~*2. The provider agrees to limit its annual use of groundwater withdrawn from within the AMA as provided in subsection C, paragraph 1, subparagraph a, item 2 of this section.*~~

B. Application for Alternative Conservation Program

A large municipal provider's application for the Alternative Conservation Program must be approved by the provider's governing body, and must include the following:

~~*1. A plan to limit the provider's overall groundwater withdrawals as required by subsection C, paragraph 1 of this section.*~~

~~*2*~~*1. [No change]*

~~*3*~~*2. [No change]*

43. [No change]

C. Alternative Conservation Program Requirements

1. Groundwater Use Limitation Requirement

~~*a.*~~ *Beginning with a calendar year agreed upon by the director and a large municipal provider regulated under the Alternative Conservation Program, and for each calendar year thereafter until the first compliance date for any substitute requirement in the Fourth Management Plan, the provider shall limit its annual use of groundwater withdrawn from within the AMA to* ~~*the following, as applicable:*~~

~~*1) If the provider is designated as having an assured water supply under the rules adopted by the director pursuant to A.R.S. § 45-576,*~~ *the amount of groundwater that the provider may use consistent with the rules ADOPTED BY THE DIRECTOR PURSUANT TO A.R.S § 45-576, including any amount of groundwater that will be replenished by a conservation district pursuant to Title 48, Chapter 22, Arizona Revised Statutes.*

~~*2) If the provider is not designated as having an assured water supply under the rules adopted by the director pursuant to A.R.S. § 45-576, one of the following, as applicable:*~~

~~*a) If the provider was serving water as a large municipal provider on or before January 1, 1990, the provider's largest legal groundwater use during any one calendar year from calendar year 1980 through calendar year 1989.*~~

~~*b) If the provider began serving water as a large municipal provider after January 1, 1990 but before January 1, 2000, 50 percent of the provider's largest legal groundwater use during any one calendar year from January 1, 1990 through calendar year 1999.*~~

~~*b. The large municipal provider may achieve compliance with the groundwater use limitation requirement described in subparagraph a, item 2 of this paragraph by permanently extinguishing or causing to be permanently extinguished grandfathered rights to groundwater as described in subparagraph c of this paragraph, by serving groundwater that will be*~~

~~*replenished by a conservation district pursuant to Title 48, Chapter 22, Arizona Revised Statutes, by using remediated groundwater that is consistent with the accounting for surface water as provided in section 5-115, or by substituting non-groundwater supplies or groundwater withdrawn from outside the AMA for groundwater withdrawn from within the AMA, or by a combination of these methods.*~~

~~*e. Extinguishment of Groundwater Uses Associated with Grandfathered Rights*~~

~~*1) Applicability*~~

~~*Only irrigation grandfathered rights, Type 1 non-irrigation grandfathered rights and Type 2 non-irrigation grandfathered rights, as described in A.R.S. §§ 45-462 through 45-465, may be extinguished to meet the groundwater use limitation requirement. The large municipal provider shall not receive credit toward the achievement of the groundwater use limitation requirement for the extinguishment of either a Type 2 non-irrigation grandfathered right used for electrical energy generation or mineral extraction or processing purposes, or a Type 1 or Type 2 non-irrigation grandfathered right owned or previously owned by a municipal provider and used or previously used to serve the municipal provider's service area.*~~

~~*2) Annual Credits*~~

~~*The director shall determine the amount of annual credit a large municipal provider obtains for extinguishment of grandfathered rights to groundwater as follows:*~~

~~*a) For each irrigation grandfathered right extinguished or caused to be extinguished by the provider, the annual credit shall be the amount calculated by multiplying 1.5 acre-feet per acre by the number of water duty acres associated with the extinguishment, less any debits, in acre-feet, in the farm's operating flexibility account at the time the right is extinguished.*~~

~~*b) For each Type 1 non-irrigation grandfathered right or portion of such right extinguished or caused to be extinguished by the provider, the annual credit shall be the amount calculated by multiplying 1.5 acre-feet per acre by the number of acres to which the Type 1 non-irrigation grandfathered right is appurtenant, or a proportional amount thereof if only a portion of the right is extinguished.*~~

~~*c) For each Type 2 non-irrigation grandfathered right extinguished or caused to be extinguished by the provider, the annual credit shall be the full amount, in acre-feet, of the certificated Type 2 non-irrigation grandfathered right.*~~

~~3) Proof of Extinguishment~~

~~In order for a large municipal provider to obtain an annual credit for extinguishing or causing to be extinguished a grandfathered right to groundwater, the holder of the grandfathered right must deliver the Certificate of Grandfathered Right to the director before the calendar year in which the credit will be used, request that the grandfathered right be extinguished, and direct that the provider receive the annual credit. Only one provider may receive annual credit for any one portion of a grandfathered right that has been extinguished.~~

~~d. Compliance~~

~~The director shall determine whether a large municipal provider is in compliance with its groundwater use limitation requirement, as described in subparagraph a, item 2) of this paragraph in a calendar year as follows:~~

~~1) Add together the amount of annual credits received by the provider for extinguishing grandfathered rights to groundwater after January 1, 1990 pursuant to subparagraph c of this paragraph and pursuant to the Alternative Conservation Program in the second management plan.~~

~~2) Calculate the total volume of groundwater, in acre-feet, which the provider withdrew, diverted or received during the calendar year for use within the provider's service area. In making this calculation, the director shall not include any groundwater that a conservation district replenished or is obligated to replenish under Title 48, Chapter 22, Arizona Revised Statutes or any remediated groundwater qualifying under section 5-115.~~

~~3) Subtract the amount calculated in item 1) above from the volume calculated in item 2) above.~~

~~4) A provider is in compliance with its groundwater use limitation requirement if the amount calculated in item 3) of this subparagraph is equal to or less than the following, as applicable:~~

~~a) If the provider was serving water as a large municipal provider on or before January 1, 1990, the provider's largest legal groundwater use during any one calendar year from calendar year 1980 through calendar year 1989.~~

~~b) If the provider began serving water as a large municipal provider after January 1, 1990 but before January 1, 2000, 50 percent of the provider's largest legal groundwater use during any one calendar year from January 1, 1989 through calendar year 1999.~~

~~Annual credits that are not needed by the provider to comply with its groundwater use limitation requirement in one calendar year shall not carry forward to any following calendar year.~~

2. *Residential GPCD Requirement*

[No change]

3. *Non-Residential Requirement*

[No change]

5-106. Compliance with Total GPCD Requirement and Residential GPCD Requirement

[No change]

5-107. Conservation Requirements for Large Untreated Water Providers

[No change]

5-108. Conservation Requirements for Institutional Providers

[No change]

5-109. Consolidation of Municipal Provider Service Areas; Acquisition of a Portion of Another Municipal Provider's Service Area

A. Notification

[No change]

B. Regulation of Consolidated Provider

1. *Upon consolidation, a consolidated provider that qualifies as a large municipal provider AND THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY shall be regulated under the Total GPCD Program described in section 5-103, unless the consolidated provider ~~applies for and is accepted for regulation~~ IS REGULATED under the ORIGINAL Non-Per Capita Conservation Program described in section 5-104 AS PROVIDED IN PARAGRAPH 4 OF THIS SUBSECTION, ~~or~~ APPLIES FOR AND IS ACCEPTED FOR REGULATION UNDER the Alternative Conservation Program described in section 5-105 OR ELECTS TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 AS PROVIDED IN SECTION 5-102(E).*

2. *If the consolidated provider is DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND IS regulated under the Total GPCD Program, the director shall establish a total GPCD requirement for the consolidated provider consistent with the methodology used by the director to establish the consolidating providers' total GPCD requirements as set forth in Appendix 5-C.1. The director shall also establish and maintain a flexibility account for the consolidated provider in accordance with section 5-106, subsection A, with a beginning*

balance to be established by the director based on the ending balances in the flexibility accounts of the consolidating providers.

3. *If the consolidated provider IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND is accepted for regulation under the Alternative Conservation Program, the director shall establish a residential GPCD requirement for the consolidated provider consistent with the methodology used by the director to establish the consolidating providers' residential GPCD requirements as set forth in Appendix 5-K. The director shall also establish and maintain a flexibility account for the consolidated provider in accordance with section 5-106, subsection B, with a beginning balance to be established by the director based on the ending balances in the flexibility accounts of the consolidating providers.*

4. *If the consolidated provider applies for regulation under ~~the Non-Per Capita Conservation Program or~~ the Alternative Conservation Program and one of the consolidating providers was regulated under that program immediately prior to consolidation, the consolidated provider's application for regulation under the program shall include only the information required by ~~section 5-104 or~~ section 5-105 that has changed since the consolidating provider filed its application for the program.*

5. *IF THE CONSOLIDATED PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND ONE OF THE CONSOLIDATING PROVIDERS WAS REGULATED UNDER THE ORIGINAL NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104 AT THE TIME OF THE CONSOLIDATION, THE CONSOLIDATED PROVIDER SHALL BE REGULATED UNDER THE ORIGINAL NON-PER CAPITA CONSERVATION PROGRAM UNLESS THE CONSOLIDATED PROVIDER ELECTS TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103 OR THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 AS PROVIDED IN SECTION 5-102(B).*

6. *IF THE CONSOLIDATED PROVIDER QUALIFIES AS A LARGE MUNICIPAL PROVIDER AND IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE CONSOLIDATED PROVIDER SHALL SUBMIT TO THE DIRECTOR A PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B) WITHIN 60 DAYS AFTER THE CONSOLIDATION BECOMES EFFECTIVE OR JULY 1, 2009, WHICHEVER IS LATER. THE CONSOLIDATED PROVIDER SHALL BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 AS PROVIDED IN THAT SECTION.*

C. *Regulation of Acquiring Provider*

1. *Except as provided in ~~paragraph~~ PARAGRAPHS 2 AND 3 of this subsection, a large municipal provider that acquires a portion of another provider's existing service area shall continue to be regulated under the conservation program that the acquiring provider was regulated under immediately prior to the acquisition.*

2. *If the acquiring provider was regulated under ~~either the Non-Per Capita Conservation Program described in section 5-104 or~~ the Alternative Conservation Program described in section 5-105 immediately prior to the acquisition AND IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE ACQUISITION, the acquiring provider shall be regulated under the Total GPCD Program beginning on January 1 of the first calendar year after the acquisition unless the acquiring provider reapplies to be regulated under ~~the Non-Per Capita Conservation Program or~~ the Alternative Conservation Program~~, whichever is applicable,~~ within 180 days after the acquisition. If the acquiring provider reapplies to be regulated under ~~the Non-Per Capita Conservation Program or~~ the Alternative Conservation Program within 180 days after the acquisition, both of the following shall apply:*

   a. *The provider shall continue to be regulated under ~~the Non-Per Capita Conservation Program or~~ the Alternative Conservation Program~~, whichever is applicable,~~ until the director makes a final decision on the acquiring provider's application.*

   b. *The acquiring provider's application shall include only the information required by ~~section 5-104 or~~ section 5-105 that has changed since the acquiring provider filed its original application for the program.*

3. *IF ACQUISITION OCCURS ON OR AFTER JANUARY 1, 2010 AND THE ACQUIRING PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE ACQUISITION, OR IF THE ACQUIRING PROVIDER WAS REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 IMMEDIATELY PRIOR TO THE ACQUISITION, BOTH OF THE FOLLOWING SHALL APPLY:*

   a. *THE ACQUIRING PROVIDER SHALL BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 AFTER THE ACQUISITION. IF THE ACQUIRING PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE ACQUISITION, THE ACQUIRING PROVIDER MAY ELECT TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103 AS PROVIDED IN SECTION 5-102(B).*

   b. *IF THE ACQUIRING PROVIDER WAS REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM IMMEDIATELY PRIOR TO THE ACQUISITION, THE FOLLOWING SHALL APPLY:*

1) IF THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM INCREASES TO A HIGHER TIER LEVEL AS DESCRIBED IN SECTION 5-104.01(D)(1)(b) AS A RESULT OF THE ACQUISITION, THE PROVIDER SHALL SUBMIT TO THE DIRECTOR A NEW PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B)(1) WITHIN 60 DAYS AFTER THE ACQUISITION.

2) IF THE DIRECTOR DETERMINES THAT THE PROVIDER'S SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS HAVE CHANGED, THE DIRECTOR MAY REQUIRE THE PROVIDER TO SUBMIT A NEW PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B)(1).

3) IF THE PROVIDER SUBMITS A NEW PROVIDER PROFILE, SECTION 5-104.01(B)(2) AND (B)(3) SHALL APPLY TO THE NEW PROVIDER PROFILE. THE PROVIDER SHALL CONTINUE IMPLEMENTING THE WATER CONSERVATION MEASURES DESCRIBED BY THE PROVIDER IN ITS PREVIOUSLY APPROVED PROVIDER PROFILE UNTIL THE DIRECTOR APPROVES THE NEW PROVIDER PROFILE. UPON THE DIRECTOR'S APPROVAL OF THE NEW PROVIDER PROFILE, THE PROVIDER SHALL IMPLEMENT ALL OF THE WATER CONSERVATION MEASURES DESCRIBED IN THE NEWLY APPROVED PROVIDER PROFILE.

~~3~~4. [No change]

~~4~~5. [No change]

D. Regulation of Conveying Provider

1. Except as provided in ~~paragraph~~ PARAGRAPHS 2 AND 3 of this subsection, a large municipal provider that conveys a portion of its service area to another provider and that qualifies as a large municipal provider after the conveyance shall continue to be regulated under the conservation program that the provider was regulated under immediately prior to the conveyance.

2. If the conveying provider was regulated under ~~either the Non-Per Capita Conservation Program described in section 5-104 or~~ the Alternative Conservation Program described in section 5-105 immediately prior to the ~~acquisition~~ CONVEYANCE and if the conveying provider IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND qualifies as a large municipal provider after the conveyance, the conveying provider shall be regulated under the Total GPCD Program beginning on January 1 of the first calendar year after the ~~acquisition~~ CONVEYANCE unless the provider reapplies to be regulated under ~~the Non-Per Capita Conservation Program or~~ the Alternative Conservation Program~~, whichever is applicable,~~ within 180 days after the conveyance. If the conveying provider reapplies to be regulated under ~~the Non-Per Capita~~

~~Conservation Program or~~ the Alternative Conservation Program within 180 days after the conveyance, both of the following shall apply:

a. *The provider shall continue to be regulated under ~~the Non-Per Capita Conservation Program or~~ the Alternative Conservation Program~~, whichever is applicable,~~ until the director makes a final decision on the provider's application.*

b. *The provider's application shall include only the information required by ~~section 5-104 or~~ section 5-105 that has changed since the provider filed its original application for the program.*

3. *IF THE CONVEYANCE OCCURS ON OR AFTER JANUARY 1, 2010 AND THE CONVEYING PROVIDER IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE CONVEYANCE, OR IF THE CONVEYING PROVIDER WAS REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM IMMEDIATELY PRIOR TO THE CONVEYANCE, BOTH OF THE FOLLOWING SHALL APPLY:*

   a. *THE CONVEYING PROVIDER SHALL BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM AFTER THE CONVEYANCE. IF THE CONVEYING PROVIDER IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AFTER THE CONVEYANCE, THE PROVIDER MAY ELECT TO BE REGULATED UNDER THE TOTAL GPCD PROGRAM DESCRIBED IN SECTION 5-103 AS PROVIDED IN SECTION 5-102(B).*

   b. *IF THE CONVEYING PROVIDER WAS REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM IMMEDIATELY PRIOR TO THE CONVEYANCE, THE FOLLOWING SHALL APPLY:*

      1) *IF THE TOTAL NUMBER OF SERVICE CONNECTIONS TO THE PROVIDER'S WATER DISTRIBUTION SYSTEM DECREASES TO A LOWER TIER LEVEL AS DESCRIBED IN SECTION 5-104.01(D)(1)(b) AS A RESULT OF THE CONVEYANCE, THE PROVIDER SHALL SUBMIT TO THE DIRECTOR A NEW PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B)(1) WITHIN 60 DAYS AFTER THE CONVEYANCE.*

      2) *IF THE DIRECTOR DETERMINES THAT THE PROVIDER'S SERVICE AREA CHARACTERISTICS OR WATER USE PATTERNS HAVE CHANGED, THE DIRECTOR MAY REQUIRE THE PROVIDER TO SUBMIT A NEW PROVIDER PROFILE PURSUANT TO SECTION 5-104.01(B)(1).*

      3) *IF THE PROVIDER SUBMITS A NEW PROVIDER PROFILE, SECTION 5-104.01(B)(2) AND (B)(3) SHALL APPLY TO THE NEW PROVIDER PROFILE. THE PROVIDER SHALL CONTINUE IMPLEMENTING THE*

WATER CONSERVATION MEASURES DESCRIBED BY THE PROVIDER IN ITS PREVIOUSLY APPROVED PROVIDER PROFILE UNTIL THE DIRECTOR APPROVES THE NEW PROVIDER PROFILE. UPON THE DIRECTOR'S APPROVAL OF THE NEW PROVIDER PROFILE, THE PROVIDER SHALL IMPLEMENT ALL OF THE WATER CONSERVATION MEASURES DESCRIBED IN THE NEWLY APPROVED PROVIDER PROFILE.

~~3~~4. [No change]

~~4~~5. [No change]

5-110. Conservation Requirements for New Large Municipal Providers

A. Total GPCD Program – NEW LARGE MUNICIPAL PROVIDERS THAT ARE DESIGNATED AS HAVING AN ASSURED WATER SUPPLY

1. A new large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY shall be assigned to the Total GPCD Program described in section 5-103 and shall comply with its annual total GPCD requirement no later than the second full calendar year after the provider is given written notice of the requirement by the director, and for each calendar year thereafter until the first compliance date for any substitute requirement in the Fourth Management Plan.

2. [No change]

3. [No change]

B. MODIFIED Non-Per Capita Conservation Program

1. A new large municipal provider ~~may apply for regulation~~ THAT IS NOT DESIGNATED AS HAVING AN ASSURED WATER SUPPLY SHALL BE REGULATED under the MODIFIED Non-Per Capita Conservation Program in accordance with section ~~5-104~~ 5-104.01.

2. A NEW LARGE MUNICIPAL PROVIDER THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY MAY ELECT TO BE REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM IN ACCORDANCE WITH SECTION 5-102(E).

C. Alternative Conservation Program

1. Application

A new large municipal provider THAT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY may apply for regulation under the Alternative Conservation Program in accordance with section 5-105.

2. ~~*Substitute*~~ *Groundwater Use Limitation Requirement*

A new large municipal provider accepted into the Alternative Conservation Program ~~*is exempt from complying with the groundwater use limitation requirement as described in section 5-105, subsection C, paragraph 1, subparagraph a, but*~~ *shall limit its annual groundwater use to the* ~~*following amount as applicable:*~~

~~*a. If the provider is designated as having an assured water supply under the rules adopted by the director pursuant to A.R.S. § 45-576,*~~ *the amount the provider is allowed to use under* ~~*those*~~ *THE rules ADOPTED BY THE DIRECTOR PURSUANT TO A.R.S. § 45-576.*

~~*b. If the provider is not designated as having an assured water supply under the rules adopted by the director pursuant to A.R.S. § 45-576, the amount that it would be allowed to use if it was designated as having an assured water supply under those rules, as determined by the director.*~~

3. *[No change]*

4. *[No change]*

5-111. Conservation Requirements for Small Municipal Providers

[No change]

5-112. Individual User Requirements for Municipal Providers and Individual Users

[No change]

5-113. Conservation Requirements for Municipal Distribution Systems

[No change]

5-114. Monitoring and Reporting Requirements for Municipal Providers and Individual Users

For the calendar year 2002, or for the calendar year in which the municipal provider commences service of water, whichever is later, and for each calendar year thereafter until the first compliance date for any substitute requirement in the Fourth Management Plan:

1. *[No change]*

2. *[No change]*

3. *In addition to the information required by paragraphs 1 and 2 of this section, a large municipal provider regulated under the ORIGINAL Non-Per Capita*

Conservation Program described in section 5-104 shall include the following in its annual report required by A.R.S. § 45-632:

a. [No change]

b. [No change]

c. [No change]

4. IN ADDITION TO THE INFORMATION REQUIRED BY PARAGRAPHS 1 AND 2 OF THIS SECTION, A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 SHALL INCLUDE THE FOLLOWING INFORMATION IN ITS ANNUAL REPORT REQUIRED BY A.R.S. § 45-632:

a. A CONSERVATION EFFORTS REPORT AS PRESCRIBED BY SECTION 5-104.01(E).

b. THE TOTAL NUMBER OF CONNECTIONS TO THE PROVIDERS WATER DISTRIBUTION SYSTEM AS OF THE END OF THE REPORTING YEAR, INCLUDING RESIDENTIAL AND NON-RESIDENTIAL CONNECTIONS.

~~4~~ 5. [No change]

~~5~~ 6. [No change]

~~6~~ 7. [No change]

~~7~~ 8. [No change]

~~8~~ 9. [No change]

5-115. Remediated Groundwater Accounting for Conservation Requirements

[No change]

Appendices 5-A through 5-M

[No change]

APPENDIX 5-N

MODIFIED NON-PER CAPITA CONSERVATION PROGRAM
WATER CONSERVATION MEASURES
PHOENIX ACTIVE MANAGEMENT AREA

I. PUBLIC EDUCATION PROGRAM

A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM SHALL IMPLEMENT A PUBLIC EDUCATION PROGRAM THAT INCLUDES THE FOLLOWING COMPONENTS:

1. AT LEAST TWICE A YEAR, THE PROVIDER SHALL COMMUNICATE TO CUSTOMERS THE IMPORTANCE OF WATER CONSERVATION AND INFORM THEM OF THE KIND OF INFORMATION THAT IS AVAILABLE TO THEM FROM THE PROVIDER REGARDING WATER CONSERVATION HOW THEY CAN OBTAIN THE INFORMATION. COMMUNICATION CHANNELS SHALL INCLUDE ONE OR MORE OF THE FOLLOWING: WATER BILL INSERTS, MESSAGES ON WATER BILLS, PROVIDER WEB PAGE, POST CARDS, NEWSLETTERS OR PRINT PIECES. PROVIDING INFORMATION ON WEBSITES CONTAINING WATER CONSERVATION INFORMATION IS ENCOURAGED IF THE PROVIDER HAS NO WEB SITE OR HAS NO WATER CONSERVATION INFORMATION ON THEIR WEB SITE.

2. THE PROVIDER SHALL PROVIDE CUSTOMERS WITH FREE WRITTEN INFORMATION ON WATER CONSERVATION (I.E., PAMPHLETS, BROCHURES). THE INFORMATION SHALL BE AVAILABLE IN THE PROVIDER'S OFFICE AND THE PROVIDER SHALL SEND INFORMATION TO CUSTOMERS ON REQUEST. THE PROVIDER IS ENCOURAGED TO DISTRIBUTE WATER CONSERVATION INFORMATION AT OTHER LOCATIONS AS WELL.

II. ADDITIONAL WATER CONSERVATION MEASURES

THE FOLLOWING IS A LIST OF ADDITIONAL WATER CONSERVATION MEASURES THAT A LARGE MUNICIPAL PROVIDER REGULATED UNDER THE MODIFIED NON-PER CAPITA CONSERVATION PROGRAM DESCRIBED IN SECTION 5-104.01 MUST SELECT FROM TO COMPLY WITH THE PROGRAM. THE DIRECTOR MAY MODIFY THE LIST TO INCLUDE ADDITIONAL WATER CONSERVATION MEASURES PURSUANT TO THE PROCEDURE SET FORTH AT THE END OF THIS APPENDIX. A COPY OF THE MOST RECENT THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SHALL BE POSTED ON THE DEPARTMENT'S WEB SITE AND SHALL BE ON FILE IN THE PHOENIX ACTIVE MANAGEMENT AREA OFFICE.

CATEGORY 1: PUBLIC AWARENESS/PUBLIC RELATIONS

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO PROVIDE WATER USERS INFORMATION ON THE NEED FOR AND IMPORTANCE OF WATER CONSERVATION, AS WELL AS INFORMATION ON THE CONSERVATION SERVICES AVAILABLE TO THEM. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

LOCAL AND/OR REGIONAL MESSAGING PROGRAM

WATER PROVIDER ACTIVELY PARTICIPATES IN WATER CONSERVATION CAMPAIGN WITH LOCAL OR REGIONAL ADVERTISING. THE CAMPAIGN MUST PROMOTE WAYS FOR CITIZENS TO SAVE WATER. METHODS TO PROMOTE A CAMPAIGN MAY INCLUDE MEDIA SUCH AS TELEVISION AND RADIO COMMERCIALS, WEB SITES, AND UTILIZATION OF PROMOTIONAL MATERIALS SUCH AS BROCHURES (SPANISH AND ENGLISH), VEHICLE SIGNS (BUSSES, GARBAGE TRUCKS, ETC.), BOOKMARKS, AND MAGNETS, ETC.

SPECIAL EVENTS/PROGRAMS AND COMMUNITY PRESENTATIONS

AN EDUCATIONAL OR PROMOTIONAL EVENT WHERE CONSERVATION INFORMATION IS DISPLAYED AND AVAILABLE AND/OR PRESENTATIONS ARE GIVEN. EVENTS MAY INCLUDE HOME AND GARDEN SHOWS, ART SHOWS, COMMUNITY CELEBRATIONS, ENVIRONMENTAL SHOWS, ETC. TO RECEIVE FULL CREDIT FOR THIS MEASURE, A PROVIDER MUST ATTEND AND STAFF AT LEAST THREE EVENTS PER YEAR.

MARKET SURVEYS TO IDENTIFY INFORMATION NEEDS/ASSESS SUCCESS OF MESSAGES

WATER PROVIDER SURVEYS CUSTOMERS TO GATHER INFORMATION REGARDING INFORMATION NEEDS, PROGRAM PREFERENCES AND/OR RESPONSE TO CONSERVATION MESSAGES. PRIOR TO SURVEY DESIGN, THE PROVIDER MUST SET OBJECTIVES FOR THE SURVEY AND IDENTIFY SYSTEMATIC METHODS FOR DATA COLLECTION AND ANALYSIS, AS WELL AS FOR COMMUNICATION OF RESULTS. SURVEY RESULTS ARE USED TO IMPROVE CURRENT WATER CONSERVATION ACTIVITIES AND/OR TO PLAN FUTURE ACTIVITIES. THIS MEASURE WILL BE EFFECTIVE FOR ONLY ONE YEAR. IN SUBSEQUENT YEARS, THE PROVIDER MUST REPLACE THIS MEASURE WITH ANOTHER WATER CONSERVATION MEASURE FROM CATEGORIES 1 THROUGH 7 OF THIS SECTION THAT IS APPROPRIATE FOR THE PROVIDER'S SERVICE AREA AS REFLECTED IN THE PROVIDER'S APPROVED PROVIDER PROFILE.

CATEGORY 2: CONSERVATION EDUCATION AND TRAINING

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO ASSIST USERS IN BETTER UNDERSTANDING HOW TO CONSERVE WATER BY PROVIDING WRITTEN INFORMATION AND/OR TRAINING IN WATER CONSERVATION

TOOLS AND TECHNIQUES. THE FOLLOWING PROGRAMS QUALIFY UNDER THIS CATEGORY:

ADULT EDUCATION AND TRAINING PROGRAMS

THE WATER PROVIDER IMPLEMENTS AN ADULT EDUCATION AND/OR TRAINING PROGRAM. THE PROGRAM MUST INCLUDE A COMBINATION OF EFFORTS TO PROVIDE ADULTS WITHIN THE PROVIDER'S SERVICE AREA WITH HANDS-ON INFORMATION. THIS MAY INCLUDE, BUT IS NOT LIMITED TO, REGULARLY SCHEDULED WORKSHOPS FOR HOMEOWNERS, A SPEAKER'S BUREAU, AND/OR TRAINING PROGRAMS FOR LANDSCAPE PROFESSIONALS. PROGRAMS CAN BE TARGETED TOWARD HOMEOWNERS, LANDSCAPE PROFESSIONALS, AND/OR NON-RESIDENTIAL USERS. A PROVIDER THAT IMPLEMENTS MULTIPLE ADULT PROGRAMS/EFFORTS MAY BE ELIGIBLE TO RECEIVE CREDIT FOR MORE THAN ONE WATER CONSERVATION MEASURE IF THE PROGRAMS/EFFORTS CAN BE SHOWN TO BE SEPARATE AND DISTINCT FROM ONE ANOTHER (I.E., A PROVIDER THAT MAINTAINS AN ACTIVE SPEAKERS BUREAU AND OFFERS A WORKSHOP SERIES IS ELIGIBLE TO RECEIVE CREDIT FOR TWO WATER CONSERVATION MEASURES).

YOUTH CONSERVATION EDUCATION PROGRAM

THE WATER PROVIDER WORKS WITH SCHOOLS IN ITS SERVICE AREA TO INCREASE STUDENTS' UNDERSTANDING OF WATER RESOURCES AND TO PROMOTE WATER CONSERVATION. THE PROGRAM MAY INCLUDE, BUT IS NOT LIMITED TO, A COMBINATION OF PROVIDING INSTRUCTIONAL ASSISTANCE, EDUCATION MATERIALS, TEACHER EDUCATION, CLASSROOM PRESENTATIONS, AND FIELD TRIPS TO WATER RELATED FACILITIES. A PROVIDER THAT IMPLEMENTS MULTIPLE YOUTH PROGRAMS MAY BE ELIGIBLE TO RECEIVE CREDIT FOR MORE THAN ONE WATER CONSERVATION MEASURE IF THE PROGRAMS CAN BE SHOWN TO BE SEPARATE AND DISTINCT FROM ONE ANOTHER (I.E., A PROVIDER THAT OFFERS FREE WATER CONSERVATION SCHOOL ASSEMBLIES WITH ACCOMPANYING PRINTED MATERIALS FOR ELEMENTARY SCHOOL STUDENTS AND ALSO DISTRIBUTES A MIDDLE SCHOOL STUDENT ACTIVITY BOOK AND TEACHER GUIDE IS ELIGIBLE TO RECEIVE CREDIT FOR TWO WATER CONSERVATION MEASURES).

NEW HOMEOWNER LANDSCAPE INFORMATION

THE WATER PROVIDER MAKES LOW WATER USE LANDSCAPE INFORMATION PACKETS AVAILABLE TO ALL NEW OWNERS OF NEWLY CONSTRUCTED HOMES, EITHER THROUGH DIRECT DISTRIBUTION (MAIL OR DELIVERY) OR THROUGH DELIVERY BY THE HOME BUILDER. THE PROVIDER ALSO NOTIFIES NEW OWNERS OF EXISTING HOMES (RESALE) THAT INFORMATION ON LOW WATER USE LANDSCAPING IS AVAILABLE AND MUST PROVIDE SUCH INFORMATION ON REQUEST. THE NUMBER OF NOTIFICATIONS SENT AND PACKETS MAILED MUST BE RECORDED AND NOTED IN THE PROVIDER'S CONSERVATION EFFORTS REPORT.

XERISCAPE DEMONSTRATION GARDEN

THE WATER PROVIDER INSTALLS AND MAINTAINS A WATER EFFICIENT DEMONSTRATION GARDEN. THE GARDEN MUST BE AVAILABLE TO THE PUBLIC AND INCLUDE INTERPRETIVE SIGNAGE AND/OR LITERATURE ABOUT LOW WATER USE PLANTS AND/OR WATER EFFICIENT LANDSCAPE TECHNIQUES.

DISTRIBUTION PLAN FOR WATER CONSERVATION MATERIALS

THE WATER PROVIDER DEVELOPS, MAINTAINS AND UTILIZES A WRITTEN DISTRIBUTION PLAN FOR MARKETING WATER CONSERVATION MATERIALS AND PROGRAMS. THE PLAN MUST INCLUDE THE MARKETING CHANNELS THAT ARE AVAILABLE TO PROMOTE WATER CONSERVATION PROGRAMS AND HOW THOSE CHANNELS WILL BE USED. COMMUNICATION MODES USED TO PROMOTE WATER CONSERVATION PROGRAMS MAY INCLUDE WATER BILL INSERTS, CITY CABLE, ON-HOLD MESSAGES, E-MAIL MESSAGES, PUBLIC EVENTS, WATER CONSERVATION WORKSHOPS, WATER CONSERVATION WEB SITES, AND LOCAL PUBLICATIONS. DISTRIBUTION OUTLETS FOR WATER CONSERVATION MATERIALS MUST BE NOTED AND MAY CONSIST OF PARTNERSHIPS WITH LIBRARIES, BUSINESSES (I.E., LANDSCAPE ARCHITECTS, NURSERIES, REALTORS) OR OTHER RELATED ORGANIZATIONS (I.E., MASTER GARDENERS). THE PLAN MUST CONTAIN: (1) GOALS AND OBJECTIVES FOR DISTRIBUTION OF MATERIALS OVER A TWO-YEAR PERIOD, BEGINNING THE YEAR FOLLOWING PLAN DEVELOPMENT; (2) A TIMETABLE FOR DISTRIBUTION; AND (3) A MECHANISM FOR TRACKING DISTRIBUTION OF MATERIALS. THIS MEASURE WILL BE EFFECTIVE FOR ONLY ONE YEAR. IN SUBSEQUENT YEARS, THE PROVIDER MUST REPLACE THIS MEASURE WITH ANOTHER WATER CONSERVATION MEASURE FROM CATEGORIES 1 THROUGH 7 OF THIS SECTION THAT IS APPROPRIATE FOR THE PROVIDER'S SERVICE AREA AS REFLECTED IN THE PROVIDER'S APPROVED PROVIDER PROFILE.

CATEGORY 3: OUTREACH SERVICES

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO PROVIDE USERS WITH CONSULTATIONS, AUDITS AND/OR RETROFIT INFORMATION DESIGNED TO IMPROVE WATER USE EFFICIENCY. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

RESIDENTIAL AUDIT PROGRAM

THE WATER PROVIDER IMPLEMENTS AN AUDIT PROGRAM FOR RESIDENTIAL CUSTOMERS. THE AUDIT CAN BE SELF-AUDIT (PROVIDER OFFERS SELF-AUDIT KITS) OR CONDUCTED BY PROVIDER OR ITS DESIGNATED REPRESENTATIVE. AUDITS MAY INCLUDE INDOOR AND/OR OUTDOOR COMPONENTS, BUT MUST INCLUDE A METER CHECK. AN AUDIT MAY INCLUDE, BUT WOULD NOT BE LIMITED TO, IRRIGATION SYSTEM, POOL, WATER FEATURE, TOILETS, FAUCETS, AND SHOWER CHECKS. THE AUDIT PROGRAM MUST BE OFFERED TO ALL HOMES WITHIN A PROVIDER'S SERVICE AREA.

LANDSCAPE CONSULTATIONS (RESIDENTIAL AND/OR NON-RESIDENTIAL)

THE WATER PROVIDER OR A DESIGNATED REPRESENTATIVE OFFERS LANDSCAPE CONSULTATION SERVICES TO RESIDENTIAL AND NON-RESIDENTIAL CUSTOMERS. THE PROVIDER IMPLEMENTING THIS MEASURE MUST FOCUS ON THOSE PORTIONS OF ITS SERVICE AREA WITH THE GREATEST POTENTIAL FOR SAVINGS. SERVICES WOULD INCLUDE EVALUATION OF IRRIGATION SYSTEM, CONTROLLER PROGRAMMING/IRRIGATION SCHEDULING AND PLANT SELECTION/TURF CONVERSION POSSIBILITIES. A METER CHECK ALSO COULD BE INCLUDED. THE INDIVIDUAL PROVIDING THE CONSULTATION MUST PROVIDE EITHER ON-SITE WRITTEN SUGGESTIONS OR ON-SITE VERBAL SUGGESTIONS WITH WRITTEN FOLLOW-UP. OTHER RELATED PROGRAMS (I.E., REBATES FOR TURF REMOVAL/CONVERTING TO XERISCAPE) COULD BE OFFERED DURING THE CONSULTATION.

WATER BUDGETING PROGRAM

THE PROVIDER OFFERS ASSISTANCE TO ONE OR MORE NON-RESIDENTIAL WATER USER GROUPS (SUCH AS HOMEOWNER ASSOCIATIONS, INDUSTRY, COMMERCIAL PROPERTIES, GOVERNMENT FACILITIES OR PARKS) IN DEVELOPING MONTHLY AND/OR ANNUAL WATER USE TARGET AMOUNTS FOR OUTDOOR AND/OR INDOOR WATER USE THAT REFLECT HIGHLY WATER EFFICIENT WATER USE/APPLICATION RATES. THESE RATES SHOULD MEET OR EXCEED WATER USE EFFICIENCIES REQUIRED FOR SIMILAR USES IN THE DEPARTMENT'S THIRD MANAGEMENT PLAN. IF THEY ARE NOT ADDRESSED IN THE PLAN, WATER USE RATES SHOULD BE COMMENSURATE WITH STATE OF THE ART WATER EFFICIENCY STANDARDS FOUND ELSEWHERE IN THE BODY OF WATER CONSERVATION LITERATURE.

RESIDENTIAL INTERIOR RETROFIT PROGRAMS

THE WATER PROVIDER PROVIDES FREE OR LOW COST PLUMBING FIXTURES AND/OR FIXTURE RETROFITS, SUCH AS FAUCETS, FAUCET AERATORS, LOW FLOW SHOWERHEADS, TOILETS AND TOILET DAMS, TO RESIDENTIAL CUSTOMERS LIVING IN HOMES BUILT PRIOR TO ADOPTION OF THE 1990 UNIFORM PLUMBING CODE REQUIRING LOW FLOW PLUMBING FIXTURES. THE PROVIDER MUST OFFER THE FIXTURES/FIXTURE RETROFITS TO ALL RESIDENTIAL CUSTOMERS MEETING THE ABOVE CRITERIA UNLESS THE PROVIDER CAN DEMONSTRATE THAT TARGETING CERTAIN PORTIONS OF ITS WATER SERVICE AREA IS LIKELY TO YIELD THE HIGHEST PARTICIPATION AND/OR POTENTIAL WATER SAVINGS. THE PROVIDER MUST SELECT APPROPRIATE COMMUNICATION CHANNELS TO ADVERTISE THE PROGRAM.

NON-RESIDENTIAL INTERIOR RETROFIT PROGRAMS

THE WATER PROVIDER PROVIDES FREE OR LOW COST PLUMBING FIXTURES AND/OR FIXTURE RETROFITS, SUCH AS FAUCETS, FAUCET AERATORS, LOW FLOW SHOWERHEADS, TOILETS, URINALS, AND TOILET DAMS, TO NON-RESIDENTIAL CUSTOMERS WITH FACILITIES BUILT PRIOR

TO ADOPTION OF THE 1990 UNIFORM PLUMBING CODE REQUIRING LOW FLOW PLUMBING FIXTURES. THE PROVIDER MUST OFFER THE FIXTURES/FIXTURE RETROFITS TO ALL NON-RESIDENTIAL CUSTOMERS MEETING THE ABOVE CRITERIA UNLESS THE PROVIDER CAN DEMONSTRATE THAT TARGETING CERTAIN PORTIONS OF ITS WATER SERVICE AREA IS LIKELY TO YIELD THE HIGHEST PARTICIPATION AND/OR POTENTIAL WATER SAVINGS. THE PROVIDER MUST SELECT APPROPRIATE COMMUNICATION CHANNELS TO ADVERTISE THE PROGRAM.

CUSTOMER HIGH WATER USE INQUIRY RESOLUTION

THE WATER PROVIDER ASSIGNS A DESIGNEE(S) TO ASSIST CITIZENS WITH THEIR HIGH WATER-USE COMPLAINTS. THE PROGRAM INCLUDES A SITE INSPECTION TO DISCOVER THE CAUSE OF AN INCREASE IN THE WATER BILL. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST FOLLOW UP IN SOME WAY ON EVERY CUSTOMER INQUIRY AND KEEP A RECORD OF INQUIRIES AND FOLLOW-UP ACTIVITIES.

CUSTOMER HIGH WATER USE NOTIFICATION

THE WATER PROVIDER MONITORS CUSTOMERS FOR HIGH WATER USE. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST CONTACT THE HIGH WATER USE CUSTOMERS VIA TELEPHONE, BY EMAIL, BY MAIL OR IN PERSON. THE NOTIFICATION MUST INCLUDE INFORMATION ON PROVIDER SERVICES THAT COULD BENEFIT THE CUSTOMER, SUCH AS AUDIT PROGRAMS, PUBLICATIONS, AND REBATE PROGRAMS. THE TYPE OF NOTIFICATION AND THE CRITERIA USED FOR DETERMINING WHO GETS THE NOTIFICATION MUST BE RECORDED.

WATER WASTE INVESTIGATIONS AND INFORMATION

THE WATER PROVIDER ASSIGNS A DESIGNEE(S) TO ASSIST CITIZENS WITH WATER WASTE COMPLAINTS. A COMPLAINT INVESTIGATION WOULD TYPICALLY INCLUDE A SITE INSPECTION AND SOME TYPE OF FOLLOW-UP ACTION, SUCH AS EDUCATION OF THE CUSTOMER TO PREVENT WATER WASTE OR A LETTER OF ENFORCEMENT IF APPLICABLE. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST FOLLOW UP IN SOME WAY ON EVERY WATER WASTE COMPLAINT AND KEEP A RECORD OF COMPLAINTS AND FOLLOW-UP ACTIVITIES.

CATEGORY 4: PHYSICAL SYSTEM EVALUATION AND IMPROVEMENT

PROGRAMS TO ENSURE THAT THE WATER SYSTEM IS RUNNING AT OPTIMAL EFFICIENCY (MAINTENANCE) OR TO IMPROVE WATER USE EFFICIENCY IN THE PHYSICAL WATER SYSTEM BY MAKING ONE OR MORE PHYSICAL SYSTEM IMPROVEMENTS. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

LEAK DETECTION PROGRAM

THE WATER PROVIDER IMPLEMENTS A SYSTEMATIC EVALUATION OF ITS WATER DISTRIBUTION SYSTEM TO IDENTIFY AND FIX LEAKS. THE

PROVIDER MUST IMPLEMENT THIS PROGRAM THROUGHOUT ITS SERVICE AREA UNLESS THE PROVIDER CAN DEMONSTRATE THAT TARGETING CERTAIN PORTIONS OF THEIR WATER SERVICE AREA IS LIKELY TO YIELD THE HIGHEST POTENTIAL WATER SAVINGS.

METER REPAIR AND/OR REPLACEMENT PROGRAM

THE WATER PROVIDER IMPLEMENTS A PROGRAM TO SYSTEMATICALLY ASSESS THE METERS IN ITS WATER SERVICE AREA TO IDENTIFY UNDER-REGISTERING METERS AND TO REPAIR OR REPLACE THEM.

COMPREHENSIVE WATER SYSTEM AUDIT PROGRAM

THE WATER PROVIDER CONDUCTS A SYSTEMATIC AUDIT OF ITS WATER DISTRIBUTION SYSTEM, SYSTEMS CONTROL EQUIPMENT, AND WATER RECORDS TO IDENTIFY AND QUANTIFY WATER LOSSES. THE AUDIT MUST INCLUDE AN ANALYSIS OF RESULTS THAT INCLUDES PLANS FOR CORRECTIVE MEASURES AND CAN BE A PRECURSOR TO A LEAK DETECTION AND/OR METER REPAIR/REPLACEMENT PROGRAM. THIS WATER CONSERVATION MEASURE WILL BE EFFECTIVE FOR ONLY ONE YEAR (UNLESS THE PROVIDER CAN OFFER JUSTIFICATION FOR AN ONGOING OR MULTI-YEAR PROGRAM). IN SUBSEQUENT YEARS, THE PROVIDER MUST REPLACE THIS MEASURE WITH ANOTHER WATER CONSERVATION MEASURE FROM THIS LIST OF ADDITIONAL WATER CONSERVATION MEASURES TO CONTINUE TO MEET ITS MODIFIED NON-PER CAPITA CONSERVATION PROGRAM REQUIREMENTS.

CATEGORY 5: ORDINANCES / CONDITIONS OF SERVICE / TARIFFS

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO REDUCE WATER USE WITHIN THE SERVICE AREA AND/OR INCREASE WATER USE EFFICIENCY BY LIMITING OR REDUCING WATER USED FOR SPECIFIC PURPOSES. ORDINANCES WOULD APPLY TO CITIES AND TOWNS AND TARIFFS WOULD APPLY TO ACC REGULATED MUNICIPAL PROVIDERS (PRIVATE WATER COMPANIES). A WATER PROVIDER THAT IS NOT DIRECTLY PART OF A MUNICIPALITY CAN GET CREDIT IF IT WORKS WITH LOCAL OR COUNTY JURISDICTIONS TO IMPLEMENT A NEW ORDINANCE. EACH ORDINANCE/TARIFF/CONDITION OF SERVICE SELECTED FROM THE LIST BELOW WILL BE COUNTED AS ONE WATER CONSERVATION MEASURE.

- LOW WATER USE LANDSCAPING REQUIREMENTS FOR RESIDENTIAL, MULTI-FAMILY, NON-RESIDENTIAL, AND/OR COMMON AREAS.
- WATER TAMPERING / WATER WASTE ORDINANCES.
- PLUMBING CODE REQUIREMENTS, IF THEY ARE MORE RESTRICTIVE THAN THE 1990 UNIFORM PLUMBING CODE OR ITS EQUIVALENT.
- LIMITATIONS ON WATER FEATURES (FOUNTAINS, WATERFALLS, PONDS, WATER COURSES AND OTHER ARTIFICIAL WATER STRUCTURES) AND/OR WATER INTENSIVE LANDSCAPING AND TURF.

- ORDINANCE FOR MODEL HOMES IN NEW RESIDENTIAL DEVELOPMENTS - LANDSCAPING AT MODEL HOMES IN NEW RESIDENTIAL DEVELOPMENTS IS REQUIRED TO BE WATER EFFICIENT. WATER-INTENSIVE LANDSCAPING IS LIMITED TO FUNCTIONAL AREAS AND/OR LIMITED IN SIZE.
- GRAYWATER ORDINANCES - REQUIRED ONSITE GRAYWATER/WATER HARVESTING FEATURES AT RESIDENCES AND/OR BUSINESSES.
- REQUIREMENTS FOR CAR WASH WATER RECYCLING.
- LANDSCAPE WATERING RESTRICTIONS (TIME OF DAY, ETC.).
- REQUIREMENTS FOR HOT WATER RECIRCULATION DEVICES FOR RESIDENTIAL, MULTI-FAMILY, AND/OR NON-RESIDENTIAL SECTORS.
- RETROFIT ON RESALE - AS AN ORDINANCE OR AS A CONDITION OF SERVICE, THE OWNER OF A SINGLE-FAMILY HOME, A MULTI-FAMILY HOME COMPLEX, AND/OR A NON-RESIDENTIAL FACILITY IS REQUIRED TO REPLACE ALL PLUMBING FIXTURES INSIDE THE HOUSING UNIT/COMMERCIAL UNIT THAT DO NOT CONFORM TO CURRENT LOW WATER USING STANDARDS. THIS COULD BE DONE BY THE SELLER PRIOR TO SALE OR BY THE BUYER SUBSEQUENT TO THE SALE. RETROFITS WOULD INCLUDE REPLACEMENT OF TOILETS, SHOWERHEADS, AND FAUCETS.
- LANDSCAPE WATER USE EFFICIENCY STANDARDS FOR NON-RESIDENTIAL USERS.
- CONSERVATION TARIFF (PRIVATE WATER COMPANIES).
- REQUIRING A WATER USE PLAN TO BE SUBMITTED BY ALL NEW COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL USERS WITH A PROJECTED ANNUAL WATER USE REQUIREMENT OF TEN ACRE-FEET OR MORE PER YEAR. THE WATER USE PLAN MUST IDENTIFY ALL WATER USES ANTICIPATED BY THE USER, AND THE WATER EFFICIENCY MEASURES ASSOCIATED WITH THE USES. THE WATER USE PLAN MUST INCLUDE AT LEAST THREE OF THE FOLLOWING:
  1. STATEMENT OF WATER EFFICIENCY POLICY.
  2. WATER CONSERVATION EDUCATION/TRAINING FOR EMPLOYEES.
  3. IDENTIFICATION OF ON-SITE RECYCLING AND REUSE STRATEGIES.
  4. TOTAL COOLING CAPACITY AND OPERATING TDS OR CONDUCTIVITY FOR COOLING TOWERS.
  5. IDENTIFICATION OF BEST AVAILABLE TECHNOLOGIES USED FOR PROCESS, COOLING, AND DOMESTIC WATER USES.
  6. LANDSCAPE WATERING SYSTEM DISTRIBUTION UNIFORMITY AND LANDSCAPE WATER BUDGET.
  7. TOTAL ANNUAL WATER BUDGET FOR THE FACILITY.

CATEGORY 6: REBATES/INCENTIVES

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO PROVIDE USERS WITH AN INCENTIVE FOR IMPLEMENTING A WATER CONSERVATION PRACTICE.

PROGRAM CAN INCLUDE REBATES OR INCENTIVES SUCH AS FEE REDUCTIONS AND/OR WAIVERS. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

1. INCENTIVES (INDOORS)

TOILET REBATE PROGRAM

THE WATER PROVIDER OFFERS A FINANCIAL REBATE OR INCENTIVE TO ALL OWNERS OF RESIDENTIAL AND/OR MULTI-FAMILY HOMES IN THE PROVIDER'S SERVICE AREA THAT WERE CONSTRUCTED PRIOR TO ADOPTION OF THE 1990 UNIFORM PLUMBING CODE FOR THE REPLACEMENT OF HIGH WATER USE TOILETS WITH A ULF TOILET.

HIGH EFFICIENCY FLUSH TOILET REBATE PROGRAM

THE WATER PROVIDER OFFERS A FINANCIAL REBATE OR INCENTIVE TO ALL OWNERS OF RESIDENTIAL AND/OR MULTI-FAMILY HOMES IN ITS SERVICE AREA TO REPLACE A HIGH USE TOILET WITH AN HEF TOILET.

TOILET REPLACEMENT PROGRAM

THE WATER PROVIDER IMPLEMENTS A PROGRAM TO REPLACE HIGH USE TOILETS WITH ULF OR HEF TOILETS IN RESIDENTIAL AND/OR MULTI-FAMILY HOMES IN THE PROVIDER'S SERVICE AREA.

INDOOR WATER FIXTURE REPLACEMENT/REBATE/INCENTIVE PROGRAM

THE WATER PROVIDER IMPLEMENTS A PROGRAM TO RETROFIT INDOOR WATER FIXTURES, INCLUDING SHOWERHEADS, AERATORS AND TOILET FLAPPERS, IN ALL HOMES AND MULTI-FAMILY HOMES WITHIN ITS SERVICE AREA CONSTRUCTED PRIOR TO ADOPTION OF THE 1990 UNIFORM PLUMBING CODE. THE PROVIDER SHALL OFFER TO REPLACE THE FIXTURES OR SHALL OFFER A FINANCIAL REBATE OR INCENTIVE FOR HOMEOWNERS TO REPLACE THE FIXTURES.

REBATE FOR HOT WATER RECIRCULATING SYSTEMS/INSTANT HOT WATER SYSTEMS

THE WATER PROVIDER SHALL OFFER A FINANCIAL REBATE OR INCENTIVE TO RESIDENTIAL, MULTI-FAMILY, AND/OR NON-RESIDENTIAL CUSTOMERS TO INSTALL HOT WATER RECIRCULATION DEVICES OR DEVICES THAT PROVIDE INSTANT HOT WATER AT THE POINT OF USE.

WATER EFFICIENT APPLIANCE REBATE/INCENTIVE PROGRAM

THE WATER PROVIDER SHALL OFFER TO CUSTOMERS A FINANCIAL REBATE OR INCENTIVE FOR THE ACQUISITION OF WATER EFFICIENT APPLIANCES.

2. INCENTIVES (OUTDOOR)

GRAYWATER RETROFIT REBATE/INCENTIVE

THE WATER PROVIDER SHALL OFFER CUSTOMERS A FINANCIAL REBATE OR INCENTIVE FOR THE RETROFIT OF AN ONSITE GRAYWATER FEATURE, ALONG WITH EDUCATION ON HOW TO RETROFIT AND THE BENEFITS OF USING GRAYWATER ONSITE.

WATER HARVESTING RETROFIT REBATE/INCENTIVE

THE WATER PROVIDER SHALL OFFER CUSTOMERS A FINANCIAL REBATE OR INCENTIVE FOR THE INSTALLATION OF WATER HARVESTING FEATURES THAT MAY INCLUDE GUTTERS, DOWNSPOUTS, LANDSCAPE DESIGNS, AND CONTAINERS, ALONG WITH INFORMATION ABOUT WATER HARVESTING TECHNIQUES.

LANDSCAPE CONVERSION REBATE/INCENTIVE

THE WATER PROVIDER SHALL OFFER CUSTOMERS A FINANCIAL REBATE OR INCENTIVE FOR THE CONVERSION OF LANDSCAPE TO REDUCE THE OVERALL OUTDOOR WATER USAGE. THIS WOULD MOST LIKELY INVOLVE REPLACING TURF WITH A XERISCAPE LANDSCAPE. INFORMATION ABOUT LANDSCAPE CONVERSIONS MUST BE PROVIDED TO CUSTOMERS.

REBATE/INCENTIVE FOR INSTALLING XERISCAPES IN NEW LANDSCAPES

THE WATER PROVIDER OFFERS CUSTOMERS WITH NEW LANDSCAPES A FINANCIAL REBATE OR INCENTIVE FOR INSTALLING A XERISCAPE LANDSCAPE.

3. NON-RESIDENTIAL

COMMERCIAL AND INDUSTRIAL PROGRAM

THE WATER PROVIDER IDENTIFIES COMMERCIAL AND INDUSTRIAL CUSTOMERS WITH THE HIGHEST CONSERVATION POTENTIAL AND IMPLEMENTS A WATER CONSERVATION PROGRAM FOR THOSE CUSTOMERS. THE PROGRAM MAY INCLUDE TOILET REBATES OR REPLACEMENTS, AUDITS, INCENTIVES AND GRANTS.

LARGE LANDSCAPE CONSERVATION PROGRAM

THE WATER PROVIDER IMPLEMENTS A PROGRAM TO PROVIDE NON-RESIDENTIAL CUSTOMERS WITH SUPPORT AND INCENTIVES TO IMPROVE THEIR LANDSCAPE WATER USE EFFICIENCY.

NO/LOW INTEREST LOANS FOR IMPLEMENTING WATER CONSERVATION MEASURES

THE WATER PROVIDER OFFERS ASSISTANCE TO CUSTOMERS WISHING TO INVEST IN PROJECTS INTENDED TO REDUCE EXISTING WATER USE OR BRING NEW USES IN AT HIGH RATES OF EFFICIENCY.

CATEGORY 7: RESEARCH/INNOVATION PROGRAM

PROGRAMS IN THIS CATEGORY ARE DESIGNED TO ENCOURAGE WATER PROVIDERS TO CONDUCT SYSTEMATIC EVALUATIONS OF CONSERVATION MEASURES ALREADY IMPLEMENTED, TO IMPLEMENT STATE OF THE ART WATER CONSERVATION TECHNOLOGIES AND TECHNIQUES, AND/OR TO DEVELOP AND/OR TRY NEW TECHNOLOGIES AND TECHNIQUES. THE FOLLOWING PROGRAMS QUALIFY IN THIS CATEGORY:

- IMPLEMENTATION OF AN EMERGING TECHNOLOGY. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST SUBMIT WITH ITS CONSERVATION EFFORTS REPORT DOCUMENTATION THAT INCLUDES A DESCRIPTION OF THE TECHNOLOGY, ANY AVAILABLE INFORMATION ON WATER SAVINGS, A DESCRIPTION OF HOW THE TECHNOLOGY WAS IMPLEMENTED WITHIN THE PROVIDER'S SERVICE AREA AND A DESCRIPTION OF THE RESULTS. THIS DOCUMENTATION SHALL ALSO BE MADE AVAILABLE FOR PUBLIC DISTRIBUTION.
- INITIATING APPLIED RESEARCH TO ENHANCE PROGRAM DECISION MAKING OR PROVIDING FINANCIAL SUPPORT OR IN-KIND SERVICES FOR SUCH PROJECTS. TO RECEIVE CREDIT FOR THIS MEASURE, A PROVIDER MUST DESCRIBE ITS INVOLVEMENT/PARTICIPATION AND METHOD(S) OF SUPPORT. UPON COMPLETION OF THE RESEARCH AND SHALL SUBMIT DOCUMENTATION OF THE ANALYSIS AND RESULTS WITH ITS CONSERVATION EFFORTS REPORT. THIS DOCUMENTATION SHALL ALSO BE MADE AVAILABLE FOR PUBLIC DISTRIBUTION.
- EVALUATION OF NEW AND EMERGING TECHNOLOGIES AND PRACTICES. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST SUBMIT DOCUMENTATION WITH ITS CONSERVATION EFFORTS REPORT STATING THE OBJECTIVES OF THE EVALUATION, METHODS USED TO CONDUCT THE EVALUATION, AND RESULTS OF THE INVESTIGATION. THIS DOCUMENTATION SHALL ALSO BE MADE AVAILABLE FOR PUBLIC DISTRIBUTION.
- CONDUCTING A QUANTITATIVE ANALYSIS OF A CONSERVATION MEASURE THAT YIELDS RESULTS REGARDING ACTUAL WATER SAVINGS. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST SUBMIT DOCUMENTATION WITH ITS CONSERVATION EFFORTS REPORT STATING THE METHODS USED TO CONDUCT THE ANALYSIS AND THE RESULTS OF THE INVESTIGATION. THIS DOCUMENTATION SHALL ALSO BE MADE AVAILABLE FOR PUBLIC DISTRIBUTION.
- IMPLEMENTATION OF SMART IRRIGATION TECHNOLOGY. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST BRIEFLY DESCRIBE THE PROJECT LOCATION, IMPLEMENTATION METHODS, AND ESTIMATES OF IRRIGATION EFFICIENCY OR WATER SAVINGS, IF AND WHEN AVAILABLE, AND SUBMIT THE INFORMATION WITH ITS CONSERVATION EFFORTS REPORT.
- DEVELOPMENT OF INDUSTRY PARTNERSHIPS TO ENCOURAGE AND IMPLEMENT COLLABORATIVE EFFORTS AND ACTIVITIES DESIGNED TO

SAVE WATER. TO RECEIVE CREDIT FOR THIS MEASURE, A PROVIDER MUST DESCRIBE THE PARTNERSHIP, ITS OBJECTIVES, ITS ONGOING EFFORTS AND ANY EFFORTS PLANNED FOR THE FUTURE, AND SUBMIT THE INFORMATION IN ITS CONSERVATION EFFORTS REPORT.

- PROVIDING FINANCIAL SUPPORT OR IN-KIND SERVICES FOR DEVELOPMENT OF NEW CONSERVATION TECHNOLOGIES AND PRODUCTS. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST DESCRIBE ITS INVOLVEMENT/PARTICIPATION AND METHOD(S) OF SUPPORT. UPON COMPLETION OF THE RESEARCH, THE PROVIDER MUST SUBMIT DOCUMENTATION OF THE ANALYSIS AND RESULTS WITH ITS CONSERVATION EFFORTS REPORT.
- PILOTING A NEW INITIATIVE, PROJECT OR PROGRAM. TO RECEIVE CREDIT FOR THIS MEASURE, THE PROVIDER MUST SUBMIT DOCUMENTATION WITH ITS CONSERVATION EFFORTS REPORT THAT INCLUDES A DESCRIPTION OF THE PROJECT/PROGRAM, A DESCRIPTION OF HOW THE PROJECT/PROGRAM WAS IMPLEMENTED WITHIN THE PROVIDER'S SERVICE AREA, AND A DESCRIPTION OF THE RESULTS.

III. PROCEDURE FOR ADDING A WATER CONSERVATION MEASURE TO THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES IN SECTION II OF THIS APPENDIX

1. A LARGE MUNICIPAL PROVIDER MAY APPLY TO THE DIRECTOR TO ADD A WATER CONSERVATION MEASURE TO THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN SECTION II OF THIS APPENDIX.

2. UPON RECEIPT OF AN APPLICATION SUBMITTED PURSUANT TO PARAGRAPH 1 ABOVE, THE DIRECTOR SHALL REVIEW THE APPLICATION AND MAY REQUEST ADDITIONAL INFORMATION FROM THE APPLICANT AND MAY SEEK INFORMATION FROM OTHER SOURCES AS MAY BE NECESSARY TO DETERMINE WHETHER THE WATER CONSERVATION MEASURE SHOULD BE ADDED TO THE LIST.

3. IF THE DIRECTOR APPROVES THE APPLICATION, THE DIRECTOR SHALL ADD THE WATER CONSERVATION MEASURE TO THE LIST OF ADDITIONAL WATER CONSERVATION MEASURES SET FORTH IN SECTION II OF THIS APPENDIX. THE DIRECTOR SHALL POST THE MODIFIED LIST OF ADDITIONAL WATER CONSERVATION MEASURES ON THE DEPARTMENT'S WEB SITE AND SHALL FILE THE MODIFIED LIST WITHIN THE PHOENIX ACTIVE MANAGEMENT AREA OFFICE.