CONTACT: Christopher Hall  
623-869-2632  
chall@cap-az.com  
Tony Staffaroni  
623-869-2397  
astaffaroni@cap-az.com

MEETING DATE: Thursday, October 6, 2022

AGENDA ITEM: Report on Roundtable on Proposed Creation of a Conservation Incentive Program (Stewardship and Sustainability*) - Hall

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:
2022 CAWCD Board Strategic Plan
Water Supply: Providing a reliable CAP water supply for the short- and long-term

PREVIOUS BOARD ACTION/ACTIVITY:
May 2022 Board requested staff explore a conservation incentive program by the next rate-setting cycle

ISSUE SUMMARY/DESCRIPTION:
At the May 2022 Board Meeting, the final motion to adopt the use of tax to offset a portion of the water delivery rates for 2023 was appended with, "and I move that we direct CAP staff to work with stakeholders to develop a conservation incentive program that is consistent with our legal authority". Prior to adopting this motion, several Board Members expressed a desire to link future rate mitigation with customer participation in a CAP conservation program.

While funding was not specifically set aside for this program, staff started conversations with stakeholders to explore a conservation incentive program, with the understanding that future financial assistance might be linked to it.

A roundtable discussion was held on September 28th for staff to gather information on conservation efforts already in existence and to hear ideas about how CAP can set up such a program within its authorities.

Outreach Efforts Prior to the Roundtable

- September 1: Invitation sent to all stakeholders (all cities and towns in the three-county service area, including those that do not have a CAP allocation)
- September 7: Individual reminders were sent to all Tribal stakeholders, with a reminder sent on September 19
- September 12: Individual reminders were sent to all East Valley cities and towns
- September 15: Individual reminders were sent to the city of Phoenix and AMWUA as well as all West Valley cities and towns that had not responded
- September 19: Individual reminders were sent to all Pima and Pinal County stakeholders
- September 22: Final reminder was sent out to all West Valley cities and towns that had not responded
STAKEHOLDER PERSPECTIVES:
20 participants, representing M&I customers, tribal customers, and irrigation districts attended the Roundtable and each of them took the opportunity to express the conservation efforts they already have in place, as well as areas where they could use more assistance. Many expressed a concern that staffing and administration of programs can be burdensome and that CAP might compete for employees if it were to stand up its own program. The consensus of the group generally sought support in the following ways:

1. Regional messaging on existing conservation programs. Many cities have limited budgets for outreach and giving their customers information on where they can go for conservation incentives would help increase participation in existing programs.

2. "Easy" grants. The recipients of federal grants in the room acknowledged it was administratively burdensome to apply for those grants, and even if they have the time to manage the grant, they may not have the financial resources to meet cost-sharing requirements. Smaller communities, in particular, may have no resources to pursue water conservation efforts. Creating a mechanism to provide cost-sharing or a streamlined stand-alone grant for conservation programs would be an attractive alternative to the current hurdles of seeking federal funding.

3. System Conservation. The participants explained that their efforts save hundreds of acre-feet, while CAP’s ability to pursue System Conservation can save thousands of acre-feet. It is a less-burdensome conservation mechanism that can be very cost effective and beneficial to the Colorado River System.

4. Rate stabilization. A few customers made note that their conservation budgets came from the same source as their CAP water budgets. When mid-year rate changes occur and the cities have to pay a higher rate than anticipated, they may have to reduce conservation budgets to pay for the difference. Using taxes to stabilize these unexpected mid-year adjustments would provide stability to existing conservation program budgets.

ATTACHMENTS:
None