

ACTION BRIEF

BOARD OF DIRECTORS



Agenda Number 6.c.i

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MEETING DATE: Thursday, November 3, 2022

AGENDA ITEM: Discussion and Consideration of Action to Approve a Revised CAGR D Enrollment Fee and Activation Fee Policy (*Groundwater Replenishment*^) - Grignano

RECOMMENDATION: The CAGR D and Underground Storage Committee recommends the Board approve the revised CAGR D Enrollment Fee and Activation Fee Policy as attached.

FISCAL IMPLICATIONS: No

Impact on Budget:
None.

Additional spending authority requested: None.

Impact on Reserves:
None.

Impact on Rates:
None.

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

2022 CAWCD Board Strategic Plan
Groundwater Replenishment: *Fulfilling CAP's groundwater replenishment responsibilities in accordance with statutory requirements*

PREVIOUS BOARD ACTION/ACTIVITY:

Oct 20, 2022 Discussion and Consideration of Action to Recommend the Board Adopt a Revised CAGR D Enrollment Fee and Activation Fee Policy
Sept 15, 2022 Discussion on a Revised CAGR D Enrollment Fee and Activation Fee Policy

ISSUE SUMMARY/DESCRIPTION:

Staff recommends the Board adopt revisions to CAGR D's current "Enrollment Fee and Activation Fee Policy" to address possible instances in which an applicant enrolls in the CAGR D but is subsequently unable to obtain a Certificate of Assured Water Supply (CAWS) from the Arizona Department of Water Resources.

In many cases, enrollment into the CAGR D is a prerequisite for obtaining a CAWS. Currently, it is CAGR D's practice not to refund enrollment fees even if the applicant fails to receive a CAWS from the Department. This proposed change would allow for reimbursement of the enrollment fees with the exception of a non-refundable portion of the fee to cover the administrative processing costs of the enrollment application. Revenues from the enrollment fees are used by CAGR D to cover the costs of enrollment-related administrative activities as well as to acquire water rights and develop infrastructure necessary for CAGR D.

In addition, staff also proposes to revise the "Enrollment Fee and Activation Fee Policy" to allow for an additional administrative fee to be collected if the ownership of parcel(s) is changed during the course of the enrollment process. Changes in parcel ownership while a subdivision is being enrolled, other than indicated on the application, often result in additional administrative work not covered by the initial enrollment fees.

STAKEHOLDER PERSPECTIVES

The proposed policy revision to reimburse a portion of the enrollment fees is in response to a request from a potential applicant to provide more flexibility given the increasing uncertainty in obtaining a Certificate of Assured Water Supply (CAWS) from ADWR due to a lack of physically available groundwater in some areas of the Phoenix AMA.

At the September 15th and October 20th Committee meetings, stakeholders representing the development and home building community spoke in favor of the proposed policy revisions.

SUGGESTED MOTION:

I move the Board of Directors approve the revised CAGR D Enrollment Fee and Activation Fee Policy as attached.

ATTACHMENTS:

1. Draft CAGR D Enrollment Fee and Activation Fee Policy (redline)
2. Draft Member Land Enrollment Application (redline)
3. Draft Member Land De-Enrollment Application (redline)