



City of Phoenix
OFFICE OF THE CITY MANAGER

March 5, 2025

Delivered via email to ag2urban@azwater.gov

Tom Buschatzke
Director
Arizona Department of Water Resources
1110 W Washington Street, Suite 310
Phoenix, AZ, 85007

RE: AG-TO-URBAN PROPOSAL PRESENTED ON FEBRUARY 26, 2025

For the past two years stakeholder groups have worked to develop a program by which development would be permitted in Active Management Areas (“AMAs”) with unmet groundwater demand by retiring Irrigation Grandfathered Rights (“IGFRs”) and replacing the groundwater uses these rights serve with less intensive water uses. Collectively these programs have been termed Agricultural-to-Urban (“Ag-to-Urban”). The City of Phoenix is supportive of an Ag-to-Urban concept provided that Ag-to-Urban has the guardrails necessary to generate real water savings and protect aquifer health.

On February 26, 2025, the Arizona Department of Water Resources (“ADWR”) shared a set of proposed program characteristics for the Agricultural-to-Urban (“Ag-to-Urban”) rules currently under development by ADWR. While there are some limited opportunities for improvement and a detailed analysis of final rules will be necessary, the City of Phoenix (“City”) is broadly supportive of the program characteristics as described.

However, the rulemaking process is not complete. If any of the program characteristics described in the February 26 briefing were changed, Ag-to-Urban could easily become a detriment to the aquifer and our communities. With this in mind the City would like to highlight the elements most critical to saving water and protecting aquifer health:

- **Conversion Rate.** The extent to which Ag-to-Urban could slow aquifer decline is highly contingent on the water use of future development. As every water provider knows, projecting water use is challenging and uncertain. Worse, the downside of overestimating water savings is people running out of water. Put simply, we cannot take that risk. Potential conversion rates should therefore be thoughtfully selected, as is done in the ADWR proposal.
- **Consistency with the Management Goal.** For longer than the careers of many of the people involved in this stakeholder process, the Management Goal for the Phoenix AMA has been safe yield. This goal has been reiterated and upheld by generations of Arizonans across decades of Management Plans. Ag-to-Urban cannot and should not undermine this core value. Development enabled by an Ag-to-Urban program must play by the same rules as any other development.

- **Credits vs. Rights.** As presented, the Ag-to-Urban program will create a finite number of Physical Availability Conservation Credits (“Credits”) rather than a perpetual right to pump groundwater. This recognizes that no right to a finite supply can be truly perpetual. We encourage ADWR to continue exploring this line of thought by considering if a cap on the total number of Credits that could be created by the program over its ten-year lifetime would be reasonable and feasible.
- **Eligibility.** The standard burden of proof to claim conservation savings across the Colorado River Basin is to demonstrate irrigation on participating acres for three of the past five years. There is no logical reason to rethink this broadly accepted interstate standard and eligibility should be limited specifically to the acres that have been irrigated for three of the past five years.
- **Limited to by Designated Providers.** Groundwater beneath lands served by a water provider with a Designation of Assured Water Supply is significantly more protected than groundwater outside of designated providers. These protections are a critical element in ensuring that an Ag-to-Urban program actually saves water and protects aquifer health. Further, limiting this program to designated providers also resolves portability issues raised by other stakeholders. Should Ag-to-Urban be made available to lands outside a designated provider, a significant reevaluation of all other program characteristics would be warranted and necessary.
- **Program Sunset.** It is prudent to include a sunset provision to any major changes in groundwater rules or law. If the program is successful and the aquifer actually benefits, we anticipate the program could be renewed. If the program is unsuccessful and the aquifer is harmed, a sunset provision will limit this harm.

The City of Phoenix thanks DWR for its robust stakeholder engagement on this issue. As part of this stakeholder engagement the City requests further analysis and discussion on how Ag-to-Urban could impact the Central Arizona Groundwater Replenishment District.

In closing, we are happy to see that the proposal being considered by DWR contains many of the guardrails necessary to ensure that Arizona remains a leader in groundwater management. We believe that with a limited number of small changes the outlined program could serve as a benefit both to the aquifer and development. The City is hopeful that a set of draft rules that embody this program guidelines can be made available for comment as soon as possible.

Respectfully,



Maxwell Wilson, PhD
Water Resources Management Advisor
City of Phoenix

cc:
Mayor Kate Gallego
Councilwoman Kesha Hodge Washington
Willa Altman-Kaough
Kalea Moore

Ginger Spencer
Troy Hayes
Frank McCune
Maegan Johnson
Charles Cahoy