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tomorrow, today.**

March 5, 2025

Director Buschatzke
1110 West Washington Street, Suite 310
Phoenix, AZ 85007

Via email to ag2urban@azwater.gov

Re: Draft Ag-to-Urban Proposal from February 26, 2025 informal stakeholder meeting

Dear Director Buschatzke,

The Town of Gilbert is writing to express support for the draft proposal outlined by the Arizona Department of Water Resources (ADWR) in the Ag-to-Urban Informal Stakeholder Meeting held on February 26, 2025. The comprehensive approach presented in the meeting addresses critical water management challenges in Arizona, particularly in the Phoenix and Pinal Active Management Areas (AMAs).

The proposed Ag-to-Urban program offers a pragmatic solution to the pressing issue of water scarcity by incentivizing the transition of existing irrigated agricultural lands to urban use. Gilbert is supportive of the inclusive stakeholder process and of developing an effective Ag-to-Urban program that allows sustainable growth while protecting the aquifer.

As ADWR is aware, the main driver for developing this Ag-to-Urban program is the results of the Phoenix AMA model. In addition to showing unmet demand, this 100-year model is based on a steady rate of existing and proposed pumping and does not assess the drastic increase in pumping that will occur within the next decade under anticipated Colorado River shortages. Recognizing that there can be diminished flexibility in water demand when agricultural lands are converted to new development, and especially considering future Colorado River shortages, the following guardrails of the proposed draft policy are of the utmost importance to the Town of Gilbert:

1. **IGFR Eligibility:** The clear criterion for eligible lands provides a transparent and fair process for participants. The IGFR eligibility requirements of 3 out of the past 5 years irrigation history, acre-by-acre basis, no overlying existing issued Certificates, and model review are necessary to result in a reduction in agricultural groundwater use from the program.
2. **Quantification of Credits:** The method for quantifying Physical Availability Conservation Credits provides critical safeguards for the program by establishing a defensible lump sum volume rather than an indefinite annual right. The 1 acre-foot per acre conversion rate is a balanced and reasonable measure that reflects the actual water needs and usage patterns in the area. It provides a reasonable incentive for

agricultural landowners to participate in the program while ensuring that the water savings are significant enough to make a meaningful impact on the region's water supply. The conversion rate is a critical component of the program's success, and Gilbert believes it will help achieve the desired outcomes of water conservation and sustainable management.

3. **Replenishment and Management Goals:** The program's alignment with the existing assured water supply rules ensure that groundwater use remains consistent with Arizona's management goals.
4. **Sunset Review:** The built-in sunset review after ten years allows for the evaluation and adjustment of the program, ensuring its effectiveness and adaptability over time.
5. **Applicability to Designations:** The applicability of these policies to Designations of Assured Water Supply (DAWS) is particularly noteworthy. By allowing Physical Availability Conservation Credits to be used exclusively for designations, the program ensures that water resources are managed in a comprehensive way that supports long-term sustainability.

The Ag-to-Urban program represents a significant change in Arizona's existing water management policies and therefore requires rigorous review to align with 45 years of sustainable groundwater management. We believe that the inclusive stakeholder process facilitated by ADWR has produced the imperative dialogue and scrutiny for a policy change of this magnitude. The proposed draft policy includes the necessary guardrails to result in reductions in existing pumping for both near- and long-term benefits to the aquifer. Gilbert commends ADWR for its data driven and holistic approach to the program's development.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauren Hixson". The signature is fluid and cursive, written in a professional style.

Lauren Hixson, P.E.
Water Resources Manager