

1 that the Plan is consistent with achieving the management goal for each AMA if all of the following
2 have been demonstrated:

- 3
4 A. CAGR D has identified sufficient water supplies to meet its replenishment obligations for
5 current members during the 20 calendar years following submission of the Plan and has
6 identified additional water supplies potentially available for its projected groundwater
7 replenishment obligations for the 100 calendar years following submission of the Plan for
8 current members and potential members based on reasonable projections of real property and
9 service areas that could qualify for membership in the 10 years following submission of the
10 Plan.
- 11 B. The replenishment reserve target for each AMA was calculated as prescribed in A.R.S. § 48-
12 3772(E), and CAGR D is developing a replenishment reserve in each AMA pursuant to A.R.S.
13 § 48-3772(E).
- 14 C. CAGR D has identified sufficient capacity at storage facilities and projects to be used for
15 replenishment purposes during the 20 calendar years following submission of the Plan.
- 16 D. CAGR D has made a reasonable estimate of its projected replenishment obligations for the 100
17 calendar years following submission of the Plan as required by A.R.S. § 45-576.02(C)(2)(b).¹

18 **II. SUMMARY OF PUBLIC COMMENTS**

19 No oral comments were made at the public hearings conducted in connection with the Plan.

20 The Department received written comments, which are summarized below.

21 The Department received supportive comments from: Arizona Municipal Water Users
22 Association; Maricopa-Stanfield Irrigation and Drainage District; Central Arizona Irrigation and
23 Drainage District; Garrett Development Corp.; DMB Associates, Inc.; Buckeye Tartesso, LLC.;

24
25

¹ The analysis of the projected replenishment obligation in this Decision and Order is based on the statute in effect as
26 of September 26, 2025.

1 and Douglas Ranch Management Development Company, LLC.

2 On October 30, 2025, pursuant to A.R.S. § 45-576.03(L), CAGRDR responded to those
3 supportive comments and provided a revised Table 6.1: Available AMA Storage Capacity
4 **(Attachment A)**.

5
6 **III. FINDINGS**

7 After reviewing the Plan and public comments received during the public comment period,
8 the Director makes the following findings:

9 **A. CAGRDR has identified sufficient water supplies to meet its replenishment obligations for**
10 **current members in the Tucson AMA during the 20 calendar years following the submission of**
11 **the Plan.**

12 1. CAGRDR has estimated its replenishment obligations for current members during the
13 20 years following submission of the Plan, culminating in a total obligation of 83,560
14 acre-feet for the year 2044 for all three AMAs. For the Tucson AMA, CAGRDR has
15 estimated that its replenishment obligation for current members will be 8,900 acre-feet for
16 the year 2044.

17 2. CAGRDR has identified an average of 38,495 acre-feet per year over 100 years of
18 “secured” supplies, identified in Table 4.1 of the Plan, which it plans to use to meet its
19 replenishment obligations in all three AMAs. This amount includes 2,051 acre-feet per
20 year averaged over 100 years of Long-Term Storage Credits (“LTSCs”) located in the
21 Tucson AMA.²

22 3. In addition to these “secured” supplies, CAGRDR has identified between 303,500 and
23 780,850 acre-feet per year of additional supplies that CAGRDR states are currently
24

25 ² By letter dated February 28, 2025, the Department requested that CAGRDR remove the Non-Indian Agricultural
26 Priority Central Arizona Project water due to the uncertainty of future availability. CAGRDR did so in its response.

1 available and likely to be used to meet its 20-year replenishment obligation for current
2 members within all three AMAs.³

- 3 4. With respect to CAGR D's obligation to identify supplies to meet its replenishment
4 obligations for current members during the 20 years following submission of the Plan,
5 CAGR D is not required to demonstrate that it has already acquired all the supplies needed
6 to meet its projected replenishment obligations. Instead, CAGR D may identify supplies
7 which are likely to be available for acquisition by CAGR D for purposes of satisfying its
8 replenishment obligation for current members during the 20 years following submission
9 of the Plan. These must be supplies which are not presently subject to legal or
10 administrative barriers preventing their acquisition and use for replenishment purposes
11 during that 20-year period. In its review of the 2025 Plan of Operation, the Department
12 reviewed the low estimates of supplies that are likely to be available to CAGR D to provide
13 a conservative review of whether the Plan is consistent with the management goal of each
14 AMA.

15 **B. Long-Term Storage Credits**

- 16 1. Beyond the amounts of "secured" supplies listed in Table 4.1 of the Plan,
17 CAGR D has identified between 14,200 and 49,600 acre-feet per year of LTSCs within
18 the AMAs as being available for replenishment purposes during the 20 years following
19 the submission of the Plan with between 2,200 and 9,300 acre-feet per year of LTSCs
20 that could be available to CAGR D. CAGR D defines LTSCs for this purpose as any
21 existing LTSC not currently owned (or subject to an existing purchase agreement) by
22 CAWCD, CAGR D, or the Arizona Water Banking Authority, and not currently
23

24 ³ Some of the supplies identified by CAGR D may require consultation with or review by the Director, including a
25 recommendation to the Secretary of the Interior or issuance of a permit or other license. Nothing in this Decision and
26 Order reflects the necessary consultation, review, or approval required by law. The Director will consider such
matters upon submittal of the appropriate request(s) or application(s).

1 pledged to a Designation of Assured Water Supply. CAGR D has calculated an annual
2 available supply of existing LTSCs by dividing the total number of LTSCs by 100
3 years.

4 2. While LTSCs will be available in all three AMAs, only those LTSCs which are
5 located within the Tucson AMA should be included for purposes of CAGR D's
6 identification of supplies available to meet its 20-year replenishment for current members
7 in the Tucson AMA. For LTSCs in one AMA to be available for replenishment purposes
8 within another AMA, water would need to be recovered and physically transferred to the
9 other AMA. This most likely means that the water would need to be transported through
10 the CAP canal, or "wheeled." Wheeling of such water would require an agreement
11 between the U.S. Bureau of Reclamation and CAWCD, which has yet to be executed.
12 Because LTSCs located in the Phoenix and Pinal AMAs are presently subject to a legal
13 and/or administrative barrier which would prevent their physical transfer to the Tucson
14 AMA, they may not be included in CAGR D's calculation of supplies available to meet its
15 20-year replenishment obligation for current members in the Tucson AMA.

16 3. Based on the Department's accounting, approximately 20% of all available LTSCs
17 are located in the Tucson AMA, so CAGR D's estimate of 2,200 acre-feet per year of
18 available credits it can acquire (15% of 14,200), is reasonable.

19 C. CAP Water

20 1. CAGR D has identified between 91,700 and 183,400 acre-feet per year of CAP water
21 that may be available for replenishment purposes during the 20 years after submission of
22 the Plan in all three AMAs. In arriving at this estimate, CAGR D assumed that any M&I
23 or Indian priority CAP water not currently utilized as part of a long-term commitment
24 may be currently available. This includes: (1) all supplies that CAP subcontractors have
25 not ordered from 2018-2022; (2) supplies currently being used to develop LTSCs; and (3)
26

1 supplies that are currently subject to short-term lease agreements or short-term Colorado
2 River system conservation programs. CAGRDR further reduced these estimates by 9,200
3 acre-feet to account for CAP Water allocated to tribes that is not available for use off
4 reservation.

5 2. CAGRDR reduced its high estimate of 183,400 by 50% to arrive at 91,700 to provide
6 a conservative estimate that accounts for uncertainty regarding the future availability of
7 Colorado River supply through the CAP post-2026.

8 3. At the request of the Director, CAGRDR removed all CAP NIA supplies as a source
9 of supply to meet its replenishment obligation and reserve activities due to likely short-
10 term unavailability of those supplies and considerable uncertainty regarding long-term
11 availability of those supplies.

12 4. CAGRDR modeled CAP water availability under an assumed Tier 3 shortage under
13 the current and yet-to-be-replaced 2007 Interim Guidelines and the 2019 Lower Basin
14 Drought Contingency Plan which would trigger a 720,000 acre-feet per year reduction in
15 supplies consisting of all NIA Priority CAP water and plus some M&I and Indian Priority
16 water. CAGRDR used this model to demonstrate how it could still meet its 20-year
17 replenishment obligation in each AMA relying on 481,500 acre-feet of LTSCs in the
18 Phoenix AMA, 23,826 acre-feet per year of "wet water supplies" such as effluent, Tribal
19 Priority CAP water (GRIC Exchange), M&I Priority CAP water, and CAWCD dedicated
20 credits. Figure 4.1 in the Plan shows CAGRDR able to meet its 20-year replenishment
21 obligation in all AMAs with zero NIA Priority CAP water available and slightly reduced
22 availability of M&I and Indian Priority CAP Water.

23 5. The Director finds that CAGRDR's demonstration of its ability to meet its 20-year
24 replenishment obligation in the Tucson AMA under a Tier 3 shortage condition pursuant
25 to the current Colorado River operating guidelines to be reasonable.
26

1 6. The Director finds that CAGRD's estimate of 15,000 CAP Indian Priority (GRIC
2 Exchange) water, 6,426 CAP M&I water, and 91,700 acre-feet per year of additional CAP
3 water is available to CAGRD to meet its 20-year replenishment obligations in all three
4 AMAs, including the Tucson AMA.

5 **D. Colorado River Water (Other Than CAP Water)**

6 1. CAGRD has identified between 99,700 and 199,500 acre-feet per year of Colorado
7 River water (Priority 4 or higher) as being available for replenishment purposes for all
8 three AMAs during the 20 years following submission of the Plan.

9 2. The identified Colorado River water consists of a 20% consumptive use portion of
10 some individual contract holder entitlements in addition to fallow/lease agreements with
11 other entitlement holders. The low estimate presented above is 50% of the high estimate
12 assumed by CAGRD.

13 3. The Department's Substantive Policy Statement ("Policy and Procedure for
14 Transferring an Entitlement of Colorado River Water") is still in place and sets for the
15 policies and procedures for obtaining the Director's review and advice on proposed
16 transfers of Colorado River entitlements from a non-Indian contractor or subcontractor for
17 a term of more than one year pursuant to A.R.S. § 45-107(D). This Substantive Policy
18 Statement sets forth requirements for public notice and for opportunity for public
19 comments in the context of proposed conveyances and leases.

20 4. While the volume of Colorado River identified by CAGRD in the Plan is part of
21 CAGRD's acquisition program and is not yet "secured," CAGRD is not required to have
22 all supplies it plans to use to meet its 20-year replenishment obligation and may include
23 supplies likely to be available if those supplies are not subject to legal or administrative
24 barriers that prevent their use. However, the Director finds that Colorado River water
25 should not be included in the water supplies likely to be available for acquisition by
26

1 CAGRD to meet its 20-year replenishment obligation for current members. For Colorado
2 River water to be physically and legally available for replenishment purposes within the
3 three AMAs, such water must necessarily be wheeled through the CAP canal. These
4 supplies are presently subject to the same legal and administrative barriers specified in
5 Finding (B)(2) that currently prevents their transfer to the three AMAs. Therefore, this
6 supply may not be included in CAGRD's calculation of supplies available to meet its 20-
7 year replenishment obligation for current members.

8 **E. Effluent**

- 9 1. CAGRD has identified between 38,400 and 116,400 acre-feet per year of additional
10 effluent as being available for replenishment purposes during the 20 years following
11 submission of the Plan for all three AMAs with between 6,400 and 19,300 acre-feet per
12 year in the Tucson AMA. CAGRD describes effluent supplies as being currently
13 discharged from water reclamation facilities and not reused or recharged to earn LTSCs.
- 14 2. The 116,400 acre-feet per year identified in the Plan is effluent CAGRD identifies
15 as currently discharged from water reclamation facilities based on its review of discharge
16 data from the Arizona Department of Environmental Quality's Aquifer Protection
17 Permits and Arizona Pollutant Discharge Elimination System Permits located in each
18 AMA. The Department's own accounting of unused effluent supplies is similar across
19 all three AMAs and split out by individual AMA.
- 20 3. The lower number identified, 38,400 acre-feet per year, is based on CAGRD's
21 judgment that utilization of effluent by entities currently discharging it is likely to
22 increase as a future water supply for those entities to keep up with increased demands.
- 23 4. Assuming that the lower volume of effluent is likely to be available to CAGRD in
24 the following 20 years, the Director finds that 6,400 acre-feet per year of effluent is
25 available to CAGRD to meet its 20-year replenishment obligation in the Tucson AMA.
26

1 **F. Imported Groundwater**

2 CAGR D has identified 59,500 to 119,100 acre-feet per year of pumped groundwater from
3 Harquahala and Butler Valley basins as being available to meet its 20-year replenishment
4 obligation and potentially available to meet its 100-year replenishment obligation in Table 4.3 of
5 the Plan. However, the Plan notes in section 4.6.5 that these values are based on 100-year estimates
6 and, like Colorado River and LTSCs located in other AMAs, Imported Groundwater requires a yet-
7 to-be-completed wheeling agreement with the U.S. Bureau of Reclamation. The Director cannot
8 conclude that these supplies are available to CAGR D to meet its 20-year replenishment obligation.

9 **G. Desalinated Water**

10 CAGR D includes 0 to 100,000 acre-feet per year of potential supply to meet its 20-year
11 replenishment obligation in Table 4.3. The Director cannot consider any of this water to be
12 available for CAGR D to meet its 20-year replenishment obligations because there are no current
13 plans to develop desalination projects, as acknowledged by CAGR D in section 4.6.7.

14 **H. 20-Year Obligation Supplies**

- 15 1. Based on the foregoing, the Director finds it reasonable to assume a minimum total
16 of 182,759 acre-feet per year of supplies will be available for purposes of meeting
17 CAGR D's 20-year replenishment obligation for current members in all three AMAs. This
18 amount includes CAGR D's presently "secured" supplies in the amount of 38,495 acre-feet
19 per year and supplies likely to be available for acquisition by CAGR D in the amount of
20 144,300 acre-feet per year. This amount does not include any CAP NIA water, Colorado
21 River Water, Imported Groundwater, New Verde River, or Desalinated Water supplies. For
22 the Tucson AMA specifically, the Director finds that 10,223 acre-feet per year of AMA
23 specific supplies is available for CAGR D's 20-year replenishment obligation. in the Tucson
24 AMA.
25
26

2. The supplies identified by CAGR D to meet its replenishment obligations for current members during the 20 calendar years following submission of the Plan include supplies which are located in specific AMAs (“AMA-specific supplies”), as well as supplies which are likely to be available to the entire CAP service area generally. CAGR D has identified sufficient AMA-specific supplies and CAP service area supplies for purposes of meeting its 20-year replenishment obligation for current members in the Tucson AMA, as reflected in the table below:

	Phoenix AMA	Tucson AMA	Pinal AMA
Replenishment Obligation (in acre-feet) for Year 2044 for Current Members	69,800	8,900	4,900
“Acquired” LTSCs Available for Year 2044 (in acre-feet) per Table 4.1 of Plan	(6,701)	(1,623)	3,111
Additional LTSCs Available for Year 2044 (low estimate in acre-feet)	(7,600)	(2,200)	(4,400)
“Acquired” Effluent for Year 2044 (in acre-feet) per Table 4.1 of Plan	(2,400)	0	0
Additional Effluent Available for Year 2044 (low estimate in acre-feet)	(30,600)	(6,400)	(1,400)
“Acquired” AMA-specific CAP water for Year 2044 (in acre-feet) per Table 4.1 of Plan	(21,426)	0	0
Replenishment Obligation (in acre-feet) for Year 2044 for Current Members Not Met by AMA-specific supplies	1,073	none	none
Total available CAP water attributable to the CAP service area generally (low estimate in acre-feet)	(91,700)		
Unmet Replenishment Obligation (in acre-feet) for Year 2044 for Current Members	none	none	none

3. CAGR D has identified additional water supplies potentially available for its projected groundwater replenishment obligations in the Tucson AMA for the 100 calendar years following submission of the Plan for current members and potential members based on

1 reasonable projections of real property and service areas that could qualify for membership
2 in the 10 years following submission of the Plan.⁴

3 a. CAGR D has estimated its replenishment obligations for current and potential
4 members in all three AMAs in the 100 years following submission of the Plan, culminating
5 in 104,400 acre-feet of obligation for the year 2124. For the Tucson AMA only, CAGR D
6 has estimated that its replenishment obligation for current and potential members will be
7 12,000 acre-feet for the year 2124.

8 b. With respect to the requirement that CAGR D identify supplies sufficient to
9 meet its obligations for both current and potential members in the 100 years following
10 submission the Plan, CAGR D is entitled to rely upon not only supplies which are currently
11 and likely to be available but also supplies which *potentially* will be available for acquisition
12 in the future. New Verde River Supply is not available for use in the Tucson AMA. Further,
13 as noted above, Colorado River Water, Imported Groundwater, and Desalinated Water
14 should not be viewed as currently available for purposes of meeting CAGR D's 20-year
15 replenishment obligation for current members in the Tucson AMA because no standard
16 form of wheeling agreement necessary to transport Colorado River Water and Imported
17 Groundwater has been approved and the proposed Desalinated Water projects may not come
18 to fruition during the next 20 years. However, the Bureau of Reclamation may approve a
19 standard form of wheeling agreement in the future. The projects necessary for Desalinated
20 Water may be built as demand for those projects increases. Therefore, some supplies of
21 Colorado River Water, Imported Groundwater, and Desalinated Water may be included for
22 purposes of demonstrating sufficient potentially available supplies for purposes of meeting
23

24 ⁴ Some of the supplies identified by CAGR D may require consultation with or review by the Director, including a
25 recommendation to the Secretary of the Interior or issuance of a permit or other license. Nothing in this Decision and
26 Order reflects the necessary consultation, review, or approval required by law. The Director will consider such
matters upon submittal of the appropriate request(s) or application(s).

1 CAGRD's total replenishment obligation for current and potential members in the 100 years
2 following submission of the Plan..

3 c. CAGRD calculates that a minimum of 256,300 acre-feet per year of
4 combined LTSCs, Effluent, CAP Water, Colorado River Water, and Imported Groundwater
5 is potentially available for purposes of meeting its projected replenishment obligations for
6 current and potential members in all three AMAs in the 100 calendar years following
7 submission of the Plan.

8 d. Beyond the categories of supplies identified for purposes of meeting
9 CAGRD's 20-year replenishment obligation and potentially available for meeting
10 CAGRD's 100-replenishment obligation, CAGRD has identified estimates of potentially
11 available Desalinated Water. However, it appears that the total volume that CAGRD
12 estimates for this additional category of supply may not be potentially available for
13 replenishment purposes. It is unclear whether the projects necessary for this source of water
14 will ever be built. Nevertheless, the Director need not reach a determination with respect
15 to whether this additional source of supply is potentially available for purposes of satisfying
16 CAGRD's 100-year replenishment obligation, as CAGRD has identified sufficient other
17 supplies in satisfaction of the requirements of A.R.S. § 45-576.03(N)(1).

18 e. CAGRD's low estimate of 256,300 acre-feet per year of potentially available
19 supplies of combined LTSCs, Effluent, CAP Water, Colorado River Water, and Imported
20 Groundwater provides a conservative estimate of potentially available supplies consistent
21 with the Department's review of this plan. The identified supplies exceed CAGRD's
22 projected total 100-year replenishment obligation in all three AMAs, as shown in the table
23 below:
24
25
26

1 2 3 4 5 6	Replenishment Obligation (in acre-feet) for Year 2124 for Current and Potential Members	88,200 Phoenix AMA 12,000 Tucson AMA <u>4,240</u> Pinal AMA 104,440 Total
7 8 9 10 11 12 13 14 15 16	Potentially Available Supplies for Year 2124 (low estimate)	(256,000)
17 18 19 20 21 22 23 24 25 26	Unmet Replenishment Obligation (in acre-feet) for Year 2124	none

f. CAGR D’s demonstration that total potentially available supplies exceed its total replenishment obligations for all three AMAs is adequate for purposes of identifying sufficient supplies for CAGR D’s 100-year replenishment obligation in the Tucson AMA. As discussed above, a standard form of wheeling agreement permitting the movement of non-CAP water through the CAP may be approved in the future. Therefore, currently unavailable mechanisms to “transfer” supplies for replenishment purposes, such as through recovery and movement of water through the CAP canal and wheeling of Imported Groundwater or Colorado River Water potentially will be available in the future, making even AMA specific supplies available to the CAP service area generally.

4. The replenishment reserve target for the Tucson AMA was calculated as prescribed in Section 48-3772(E), and the CAGR D is developing a replenishment reserve in the Tucson AMA pursuant to A.R.S. § 48-3772(E).

a. CAGR D calculated and established the replenishment reserve target in the Tucson AMA consistent with A.R.S. § 48-3772(E) as 38,408 acre-feet in Table 5.1 of the Plan.

b. CAGR D has accrued 43,912 acre-feet of LTSCs in the Tucson AMA Replenishment Reserve Sub-account through calendar year 2024. In Table 5.2 of the Plan, CAGR D has demonstrated a steady accrual of LTSCs in its Tucson AMA Replenishment Reserve Sub-account over the past 10 years.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

c. In view of this information, CAGRD has demonstrated that it has established and met its replenishment reserve target in the Tucson AMA and is taking reasonable steps to continue to develop the replenishment reserve in accordance with A.R.S. § 48-3772(E).

5. The CAGRD has identified sufficient capacity at storage facilities and projects to be used for replenishment purposes in the Tucson AMA during the 20 calendar years following the submission of the Plan.

a. CAGRD has identified 73,500 acre-feet of available annual storage capacity in underground storage facilities (“USF”) in the Tucson AMA which CAWCD has exclusive access and to which CAGRD has been granted highest priority after entities with contractual rights to use CAWCD storage facilities.

b. CAGRD has identified 11,000 acre-feet of available annual storage in a groundwater savings facility (“GSF”) in the Tucson AMA, but CAGRD has only limited capacity to store at that facility.

c. CAGRD estimates the storage capacity available to it in the Tucson AMA is 55,138 acre-feet per year, which it determined by subtracting the average storage over the last six years by non-CAGRD entities in GSFs showing 55,138 acre-feet per year available to CAGRD to meet its replenishment obligations over the next 20 years. The Department reviewed USF and GSF permits in the Tucson AMA and finds this estimate similar to its own review. The Director finds that CAGRD has more than sufficient capacity for replenishment purposes over the next 20 years in the Tucson AMA.

I. CAGRD has made a reasonable estimate of its projected replenishment obligations in the Tucson AMA for the 100 calendar years following the submission of the Plan as required by A.R.S. § 45-576.02(C)(2)(b).

a. Section 45-576.02(C)(2)(b) provides that the CAGRD shall make an estimate of the CAGRD’s projected groundwater replenishment obligations for the 100

1 calendar years following submission of the Plan for current members and potential members
2 based on reasonable projections of real property and service areas that could qualify for
3 membership in the ten years following the submission of the Plan.

4 b. The Department reviewed CAGRD's projections of real property and service
5 areas that could qualify for membership in the ten years following submission of the Plan.
6 The Department considered projected population growth for the three AMAs, projected
7 supply and demand for each water use sector, projected water storage activities, and location
8 of expected growth in the context that the Tucson AMA is primarily served by designated
9 providers with member service area agreements to verify that the CAGRD's projections of
10 its future replenishment obligations are reasonable. The Director determined from the
11 Department's review that CAGRD's projections are reasonable.

12 **IV. DECISION**

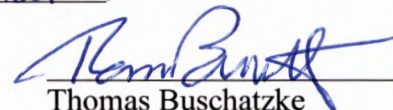
13 Based on the above findings, the Director hereby determines that the Plan is consistent with
14 achieving the management goal for the Tucson AMA.

15
16 **ORDER**

17 IT IS HEREBY ORDERED:

- 18 1. CAGRD's Plan of Operation is determined to be consistent with achieving the
19 management goal of the Tucson AMA.
- 20 2. Except as provided in A.R.S. § 45-576.03(R), this determination shall expire on the
21 date provided in A.R.S. § 45-576.03(M).
- 22 3. This Order shall become effective upon the date signed by the Director below.

23 GIVEN under my hand this 22 day of December, 2025.

24 
25 Thomas Buschatzke
26 Director

1 **COPY** of the foregoing Decision
and Order was sent by certified mail
2 this 22 day of December, 2025 to:

3 Laura Grignano
4 Manager, CAGR
5 Central Arizona Project
6 P.O. Box 43020
Phoenix, Arizona 85080

CMRRR#

9489 0090 0027 6628 4899 88

7 **COPY** of the foregoing Decision
8 and Order was sent via electronic mail
9 this 22 day of December, 2025 to the
10 following persons who submitted written
comments regarding the Plan:

11 Robert Anderson
12 Fennemore Craig, P.C.
13 *Attorney for DMB Associates, Inc.*

14 Arizona Municipal Water Users Association
15 Maricopa-Stanfield Irrigation and Drainage District
16 Central Arizona Irrigation and Drainage District
17 Garrett Development Corp.
18 Buckeye Tartesso, LLC.
19 Douglas Ranch Management Development Company, LLC

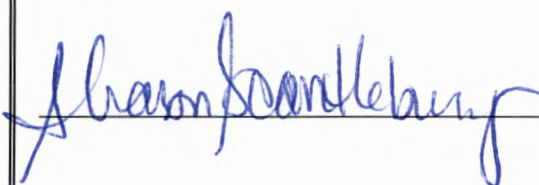
20 
21
22
23
24
25
26

Table 6.1**Available AMA Storage Capacity**

		2025	2030	2035	2040	2044
Phoenix AMA	Capacity Available	336,901	336,901	336,901	336,901	336,901
	CAGR D Obligation	36,900	48,400	55,700	64,900	70,500
	Excess Capacity	300,001	288,501	281,201	272,001	266,401
Pinal AMA	Capacity Available	221,214	221,214	221,214	221,214	221,214
	CAGR D Obligation	550	1,240	2,940	4,140	4,940
	Excess Capacity	220,664	219,974	218,274	217,074	216,274
Tucson AMA	Capacity Available	55,138	55,138	55,138	55,138	55,138
	CAGR D Obligation	3,500	6,700	8,700	9,500	9,900
	Excess Capacity	51,638	48,438	46,438	45,638	45,238

1 **ARIZONA DEPARTMENT OF WATER RESOURCES**
2 **BEFORE THE DIRECTOR**

3 **IN THE MATTER OF THE CENTRAL) DECISION AND ORDER**
4 **ARIZONA GROUNDWATER) DETERMINING THAT PLAN OF**
5 **REPLENISHMENT DISTRICT'S PLAN) OPERATION IS CONSISTENT WITH**
6 **OF OPERATION FOR THE PHOENIX) ACHIEVING THE MANAGEMENT**
7 **ACTIVE MANAGEMENT AREA) GOAL OF THE PHOENIX**
8 **SUBMITTED ON DECEMBER 30, 2024) ACTIVE MANAGEMENT AREA**
9)

10 **I. INTRODUCTION**

11 On December 30, 2024, the Central Arizona Groundwater Replenishment District ("CAGRDR"),
12 a division of the Central Arizona Water Conservation District ("CAWCD"), submitted to the
13 Arizona Department of Water Resources ("Department") its 2025 Plan of Operation ("Plan")
14 pursuant to A.R.S. § 45-576.02(C)(2). The Plan describes the activities that CAGRDR proposes to
15 undertake for the Phoenix, Pinal, and Tucson Active Management Areas ("AMAs") during the 100
16 years following submission of the Plan. By letters dated February 28 and July 1, 2025, the
17 Department determined there was not sufficient information to determine whether the Plan would
18 be consistent with the management goals of the AMAs and requested additional information.
19 CAGRDR responded to those requests on May 21 and September 9, 2025, respectively, with revised
20 versions of the Plan. In accordance with A.R.S. § 45-576.03(K), the Department held public
21 hearings on the Plan in Pinal and Tucson on October 9, 2025, and in Phoenix on October 10, 2025.
22 The hearing record remained open until October 17, 2025, at 5:00 p.m. for the submission of written
23 comments.

24 The Director of the Department ("Director") is required by A.R.S. § 45-576.03(M) to issue a
25 decision for each of the three AMAs determining whether the Plan is consistent with achieving the
26 management goal of each respective AMA. The Director must include findings with the decision
and a summary of all public comments received in writing and made at the public hearings held
with respect to this matter.

1 As provided in A.R.S. § 45-576.03(N), the Director must determine that the Plan is consistent
2 with achieving the management goal for each AMA if all the following have been demonstrated:

3 A. CAGR D has identified sufficient water supplies to meet its replenishment obligations for
4 current members during the 20 calendar years following submission of the Plan and has
5 identified additional water supplies potentially available for its projected groundwater
6 replenishment obligations for the 100 calendar years following submission of the Plan for
7 current members and potential members based on reasonable projections of real property and
8 service areas that could qualify for membership in the 10 years following submission of the
9 Plan.

10 B. The replenishment reserve target for each AMA was calculated as prescribed in A.R.S. § 48-
11 3772(E), and CAGR D is developing a replenishment reserve in each AMA pursuant to A.R.S.
12 § 48-3772(E).

13 C. CAGR D has identified sufficient capacity at storage facilities and projects to be used for
14 replenishment purposes during the 20 calendar years following submission of the Plan.

15 D. CAGR D has made a reasonable estimate of its projected replenishment obligations for the 100
16 calendar years following submission of the Plan as required by A.R.S. § 45-576.02(C)(2)(b).¹

17 **II. SUMMARY OF PUBLIC COMMENTS**

18 No oral comments were made at the public hearings conducted in connection with the Plan. The
19 Department received written comments, which are summarized below.

20 The Department received supportive comments from: Arizona Municipal Water Users
21 Association; Maricopa-Stanfield Irrigation and Drainage District; Central Arizona Irrigation and
22 Drainage District; Garrett Development Corp.; DMB Associates, Inc.; Buckeye Tartesso, LLC.;
23 and Douglas Ranch Management Development Company, LLC.

24 On October 30, 2025, pursuant to A.R.S. § 45-576.03(L), CAGR D responded to those

25 ¹ The analysis of the projected replenishment obligation in this Decision and Order is based on the
26 statute in effect as of September 26, 2025.

1 supportive comments and provided a revised Table 6.1: Available AMA Storage Capacity
2 (Attachment A).

3 III. FINDINGS

4 After reviewing the Plan and public comments received during the public comment period, the
5 Director makes the following findings:

6 A. CAGR D has identified sufficient water supplies to meet its replenishment obligations for
7 current members in the Phoenix AMA during the 20 calendar years following the submission of the
8 Plan.

9 1. CAGR D has estimated its replenishment obligations for current members during the 20
10 years following submission of the Plan, culminating in a total obligation of 83,600 acre-feet for the
11 year 2044 for all three AMAs. For the Phoenix AMA only, CAGR D has estimated that its
12 replenishment obligation for current members will be 69,800 acre-feet for the year 2044.

13 2. CAGR D has identified an average of 38,495 acre-feet per year over 100 years of “secured”
14 supplies, identified in Table 4.1 of the Plan, which it plans to use to meet its replenishment
15 obligations in all three AMAs.² This amount includes 9,446 acre-feet per year averaged over 100
16 years of Long-Term Storage Credits (“LTSCs”) located in the Phoenix AMA.

17 3. In addition to these “secured” supplies, CAGR D identified between 303,500 and 780,850
18 acre-feet per year of additional supplies that CAGR D states are currently available and likely to be
19 used to meet its 20-year replenishment obligation for current members within all three AMAs.³

20 4. With respect to CAGR D’s obligation to identify supplies to meet its replenishment
21 obligations for current members during the 20 years following submission of the Plan, CAGR D is

22 _____
23 ² By letter dated February 28, 2025, the Department requested that CAGR D remove the Non-
Indian Agricultural (“NIA”) Priority Central Arizona Project water due to the uncertainty of
future availability. CAGR D did so in its response.

24 ³ Some of the supplies identified by CAGR D may require consultation with or review by the
25 Director, including a recommendation to the Secretary of the Interior or issuance of a permit or
other license. Nothing in this Decision and Order reflects the necessary consultation, review, or
26 approval required by law. The Director will consider such matters upon submittal of the
appropriate request(s) or application(s).

1 not required to demonstrate that it has already acquired all the supplies needed to meet its projected
2 replenishment obligations. Instead, CAGRDR may identify supplies which are likely to be available
3 for acquisition by CAGRDR for purposes of satisfying its replenishment obligation for current
4 members during the 20 years following submission of the Plan. These must be supplies which are
5 not presently subject to legal or administrative barriers preventing their acquisition and use for
6 replenishment purposes during that 20-year period. In its review of the 2025 Plan of Operation, the
7 Department reviewed the low estimates of supplies that are likely to be available to CAGRDR to
8 provide a conservative review of whether the Plan is consistent with the management goal of each
9 AMA.

10 **B. Long-Term Storage Credits**

11 1. Beyond the amounts of "secured" supplies listed in Table 4.1 of the Plan, CAGRDR has
12 identified between 14,200 and 49,600 acre-feet per year of Long-term Storage Credits ("LTSCs")
13 within the AMAs as being available for replenishment purposes during the 20 years following the
14 submission of the Plan. CAGRDR defines LTSCs for this purpose as any existing LTSC not currently
15 owned (or subject to an existing purchase agreement) by CAWCD, CAGRDR, or the Arizona Water
16 Banking Authority, and not currently pledged to a Designation of Assured Water Supply. CAGRDR
17 has calculated an annual available supply of existing LTSCs by dividing the total number of LTSCs
18 available by 100 years.

19 2. While LTSCs will be available in all three AMAs, only those LTSCs which are located
20 within the Phoenix AMA should be included for purposes of CAGRDR's identification of supplies
21 available to meet its 20-year replenishment for current members in the Phoenix AMA. For LTSCs
22 in one AMA to be available for replenishment purposes within another AMA, water would need to
23 be recovered and physically transferred to the other AMA. This most likely means that the water
24 would need to be transported through the CAP canal, or "wheeled." Wheeling of such water would
25 require an agreement between the U.S. Bureau of Reclamation and CAWCD, which has yet to be
26

1 executed. Because LTSCs located in the Pinal and Tucson AMAs are presently subject to a legal
2 and/or administrative barrier which would prevent their physical transfer to the Phoenix AMA, they
3 may not be included in CAGR D's calculation of supplies available to meet its 20-year
4 replenishment obligation for current members in the Phoenix AMA.

5 3. Based on the Department's accounting, approximately 60% of all available LTSCs are
6 located in the Phoenix AMA, so CAGR D's estimate of 7,600 acre-feet per year of available credits
7 it can acquire (53% of 14,200) is reasonable.

8 **C. CAP Water**

9 1. CAGR D has identified between 91,700 and 183,400 acre-feet per year of CAP water that
10 may be available for replenishment purposes during the 20 years after submission of the Plan in all
11 three AMAs. In arriving at this estimate, CAGR D assumed that any M&I or Indian priority CAP
12 water not currently utilized as part of a long-term commitment may be currently available. This
13 includes: (1) all supplies that CAP subcontractors have not ordered from 2018-2022; (2) supplies
14 currently being used to develop LTSCs; and (3) supplies that are currently subject to short-term
15 lease agreements or short-term Colorado River system conservation programs. CAGR D further
16 reduced these estimates by 9,200 acre-feet to account for CAP Water allocated to tribes that is not
17 available for use off reservation.

18 2. CAGR D reduced its high estimate of 183,400 by 50% to arrive at 91,700 to provide a
19 conservative estimate that accounts for uncertainty regarding the future availability of Colorado
20 River supply through the CAP post-2026.

21 3. At the request of the Director, CAGR D removed all CAP NIA supplies as a source of supply
22 to meet its replenishment obligation and reserve activities due to likely short-term unavailability of
23 those supplies and considerable uncertainty regarding long-term availability of those supplies.

24 4. CAGR D modeled CAP water availability under an assumed Tier 3 shortage under the
25 current and yet-to-be-replaced 2007 Interim Guidelines and the 2019 Lower Basin Drought
26

1 Contingency Plan which would trigger a 720,000 acre-feet per year reduction in supplies consisting
2 of all NIA Priority CAP water and some M&I and Indian Priority water. CAGRDR used this model
3 to demonstrate how it could still meet its 20-year replenishment obligation in each AMA, relying
4 on 481,500 acre-feet of LTSCs in the Phoenix AMA, 23,826 acre-feet per year of “wet water
5 supplies” such as effluent, Tribal Priority CAP water (GRIC Exchange), M&I Priority CAP water,
6 and CAWCD dedicated credits. Figure 4.1 in the Plan shows CAGRDR able to meet its 20-year
7 replenishment obligation in the Phoenix AMA with zero NIA Priority CAP water available and
8 slightly reduced availability of M&I and Indian Priority CAP water.

9 5. The Director finds that CAGRDR’s demonstration of its ability to meet its 20-year
10 replenishment obligation in the Phoenix AMA under a Tier 3 shortage condition pursuant to the
11 current Colorado River operating guidelines to be reasonable.

12 6. The Director finds that 15,000 of CAP Indian Priority (GRIC Exchange) water, 6,426 CAP
13 M&I water, and 91,700 acre-feet per year of additional CAP water is available to CAGRDR to meet
14 its 20-year replenishment obligation in all three AMAs, including the Phoenix AMA.

15 **D. Colorado River Water (Other Than CAP Water)**

16 1. CAGRDR has identified between 99,700 and 199,500 acre-feet per year of Colorado River
17 water (Priority 4 or higher) as being available for replenishment purposes for all three AMAs during
18 the 20 years following submission of the Plan.

19 2. The identified Colorado River water consists of a 20% consumptive use portion of some
20 individual contract holder entitlements in addition to fallow/lease agreements with other entitlement
21 holders. The low estimate presented above is 50% of the high estimate assumed by CAGRDR.

22 3. The Department’s Substantive Policy Statement (“Policy and Procedure for Transferring an
23 Entitlement of Colorado River Water”) is still in place and sets forth the policies and procedures
24 for obtaining the Director’s review and advice on proposed transfers of Colorado River entitlements
25 from a non-Indian contractor or subcontractor for a term of more than one year pursuant to A.R.S.

26

1 § 45-107(D). This Substantive Policy Statement sets forth requirements for public notice and for
2 opportunity for public comments in the context of proposed conveyances and leases.

3 4. While the volume of Colorado River identified by CAGR D in the Plan is part of CAGR D's
4 acquisition program and is not yet "secured," CAGR D is not required to have secured all supplies
5 it plans to use to meet its 20-year replenishment obligation and may include supplies likely to be
6 available if those supplies are not subject to legal or administrative barriers that prevent their use.
7 However, the Director finds that Colorado River water should not be included in the water supplies
8 likely to be available for acquisition by CAGR D to meet its 20-year replenishment obligation for
9 current members. For Colorado River water to be physically and legally available for replenishment
10 purposes within the three AMAs, such water must necessarily be wheeled through the CAP canal.
11 These supplies are presently subject to the same legal and administrative barriers specified in
12 Finding (B)(2) that currently prevents their transfer to the three AMAs. Therefore, this supply may
13 not be included in CAGR D's calculation of supplies available to meet its 20-year replenishment
14 obligation for current members.

15 **E. Effluent**

16 1. CAGR D has identified 2,400 acre-feet per year of secured effluent in the Phoenix AMA and
17 between 38,400 and 116,400 acre-feet per year of additional effluent as being available for
18 replenishment purposes during the 20 years following submission of the Plan for all three AMAs.
19 CAGR D describes effluent supplies as being currently discharged from water reclamation facilities
20 and not reused or recharged to earn LTSCs.

21 2. The 116,400 acre-feet per year identified in the Plan is effluent CAGR D identifies as
22 currently discharged from water reclamation facilities based on its review of discharge data from
23 the Arizona Department of Environmental Quality's Aquifer Protection Permits and Arizona
24 Pollutant Discharge Elimination System Permits. The Department's own accounting of unused
25 effluent supplies is similar across all three AMAs and split out by individual AMA.

26

1 3. The lower number identified, 38,400 acre-feet per year, is based on CAGR D's judgment
2 that utilization of effluent by entities currently discharging it is likely to increase as a future water
3 supply for those entities to keep up with increased demands.

4 4. Assuming that the lower volume of effluent is likely to be available to CAGR D in the
5 following 20 years, the Director finds that 33,000 acre-feet per year of effluent is available to
6 CAGR D to meet its 20-year replenishment obligation in the Phoenix AMA.

7 **F. Imported Groundwater**

8 CAGR D has identified 59,500 to 119,100 acre-feet per year of pumped groundwater from
9 Harquahala and Butler Valley basins as being available to meet its 20-year replenishment obligation
10 and potentially available to meet its 100-year replenishment obligation in Table 4.3 of the Plan.
11 However, the Plan notes in section 4.6.5 that these values are based on 100-year estimates and, like
12 Colorado River Water and LTSCs located in other AMAs, Imported Groundwater requires a yet-
13 to-be-completed wheeling agreement with the U.S. Bureau of Reclamation. The Director cannot
14 conclude that these supplies are available to CAGR D to meet its 20-year replenishment obligation.

15 **G. New Verde River Supply**

16 CAGR D includes 0 to 12,850 acre-feet per year as available to meet its 20-year replenishment
17 obligation in the Phoenix AMA, the higher number representing the maximum that could be
18 available to CAGR D from this source. The minimum availability showing zero is CAGR D's
19 acknowledgement that this project might not be built. Raising Bartlett Dam on the Verde River is
20 still in the feasibility study stage and it is not known whether this project will be completed such
21 that water will likely be available to CAGR D to meet its 20-year replenishment obligation. As
22 such, the Director cannot find that New Verde River Supply is a source of water available to meet
23 CAGR D's 20-year replenishment obligation.

24 **H. Desalinated Water**

25 CAGR D includes 0 to 100,000 acre-feet per year of Desalinated Water as a supply it can acquire
26

1 to meet its 20-year replenishment obligation in Table 4.3. The Director cannot consider any of this
2 water to be available for CAGR D to meet its 20-year replenishment obligations because there are
3 no current plans to develop desalination projects, as acknowledged by CAGR D in section 4.6.7.

4 **I. 20-Year Obligation Supplies**

5 1. Based on the foregoing, the Director finds it reasonable to assume a minimum total of
6 182,795 acre-feet per year of supplies will be available for purposes of meeting CAGR D's 20-year
7 replenishment obligation for current members in all three AMAs. This amount includes CAGR D's
8 presently "secured" supplies in the amount of 38,495 acre-feet per year and supplies likely to be
9 available for acquisition by CAGR D in the amount of 144,300 acre-feet per year. This amount does
10 not include any CAP NIA water, Colorado River Water, Imported Groundwater, New Verde River,
11 or Desalinated Water supplies. For the Phoenix AMA specifically, the Director finds that 68,272
12 acre-feet per year of AMA-specific supplies is available for CAGR D's 20-year replenishment
13 obligation in the Phoenix AMA with CAP Water available to the CAP service area covering the
14 remaining 1,073 acre-feet per year.
15

16 2. The supplies identified by CAGR D to meet its replenishment obligations for current
17 members during the 20 calendar years following submission of the Plan include supplies which are
18 located in specific AMAs ("AMA-specific supplies"), as well as supplies which will be available
19 to the entire CAP service area generally. CAGR D has identified sufficient AMA-specific supplies
20 and CAP service area supplies for purposes of meeting its 20-year replenishment obligation for
21 current members in the Phoenix AMA, as reflected in the table below:
22

23
24
25
26

	Phoenix AMA	Tucson AMA	Pinal AMA
Replenishment Obligation (in acre-feet) for Year 2044 for Current Members	69,800	8,900	4,900
“Acquired” LTSCs Available for Year 2044 (in acre-feet) per Table 4.1 of Plan	(6,701)	(1,623)	(3,111)
Additional LTSCs Available for Year 2044 (low estimate in acre-feet)	(7,600)	(2,200)	(4,400)
“Acquired” Effluent for Year 2044 (in acre-feet) per Table 4.1 of Plan	(2,400)	0	0
Additional Effluent Available for Year 2044 (low estimate in acre-feet)	(30,600)	(6,400)	(1,400)
“Acquired” AMA-specific CAP water for Year 2044 (in acre-feet) per Table 4.1 of Plan	(21,426)	0	0
Replenishment Obligation (in acre-feet) for Year 2044 for Current Members Not Met by AMA-specific supplies	1,073	none	none
Total available CAP Water attributable to the CAP service area generally (low estimate in acre-feet)	(91,700)		
Unmet Replenishment Obligation (in acre-feet) for Year 2044 for Current Members	none	none	none

3. CAGR D has identified additional water supplies potentially available for its projected groundwater replenishment obligations in the Phoenix AMA for the 100 calendar years following submission of the Plan for current members and potential members based on reasonable projections of real property and service areas that could qualify for membership in the 10 years following submission of the Plan.⁴

a. CAGR D has estimated its replenishment obligations for current and potential members in all three AMAs in the 100 years following submission of the Plan, culminating in 104,400 acre-feet of obligation for the year 2124. For the Phoenix AMA, CAGR D has estimated

⁴ Some of the supplies identified by CAGR D may require consultation with or review by the Director, including a recommendation to the Secretary of the Interior or issuance of a permit or other license. Nothing in this Decision and Order reflects the necessary consultation, review, or approval required by law. The Director will consider such matters upon submittal of the appropriate request(s) or application(s).

1 that its replenishment obligation for current and potential members will be 88,200 acre-feet for the
2 year 2124.

3 b. With respect to the requirement that CAGR D identify supplies sufficient to meet its
4 obligations for both current and potential members in the 100 years following submission the Plan,
5 CAGR D is entitled to rely upon not only supplies which are currently and likely to be available,
6 but also supplies which *potentially* will be available for acquisition in the future. As noted above,
7 Colorado River Water, Desalinated Water, Imported Groundwater, and New Verde River Supply
8 water should not be viewed as currently available for purposes of meeting CAGR D's 20-year
9 replenishment obligation for current members because no standard form of wheeling agreement
10 necessary to transport Colorado River Water and Imported Groundwater has been approved and the
11 proposed raising of Bartlett Dam and Desalinated Water projects may not come to fruition during
12 the next 20 years. However, the Bureau of Reclamation may approve a standard form of wheeling
13 agreement in the future. The projects necessary for New Verde River Supply and Desalinated Water
14 may be built as demand for those projects increases. Therefore, some supplies of Colorado River
15 Water, New Verde River Supply, Imported Groundwater, and Desalinated Water may be included
16 for purposes of demonstrating sufficient potentially available supplies for purposes of meeting
17 CAGR D's total replenishment obligation for current and potential members in the 100 years
18 following submission of the Plan.

19 c. CAGR D calculates that a minimum of 256,300 acre-feet per year of combined
20 LTSCs, Effluent, CAP Water, Colorado River Water, and Imported Groundwater is potentially
21 available for purposes of meeting its projected replenishment obligations for current and potential
22 members in all three AMAs in the 100 calendar years following submission of the Plan.

23 d. Beyond the categories of supplies identified for purposes of meeting CAGR D's 20-
24 year replenishment obligation and potentially available for meeting CAGR D's 100-replenishment
25 obligation, CAGR D has identified estimates of potentially available Desalinated Water and New
26

1 Verde River Supply. However, it appears that the total volume that CAGR D estimates for each of
 2 these additional categories of supplies may not be potentially available for replenishment purposes.
 3 It is unclear whether the projects necessary for both sources of water will ever be built.
 4 Nevertheless, the Director need not reach a determination with respect to whether these additional
 5 sources of supply are potentially available for purposes of satisfying CAGR D's 100-year
 6 replenishment obligation, as CAGR D has identified sufficient other supplies in satisfaction of the
 7 requirements of A.R.S. § 45-576.03(N)(1).

8 e. CAGR D's low estimate of 256,300 acre-feet per year of potentially available
 9 supplies of combined LTSCs, Effluent, CAP Water, Colorado River Water, and Imported
 10 Groundwater provides a conservative estimate of potentially available supplies consistent with the
 11 Department's review of this Plan. The identified supplies exceed CAGR D's projected total 100-
 12 year replenishment obligation in all three AMAs, as shown in the table below:

14 Replenishment Obligation (in acre-feet) for Year 2124 for Current and 15 Potential Members	88,200 Phoenix AMA 12,000 Tucson AMA 4,240 Pinal AMA 104,440 Total
16 Available Supplies for Year 2124 (low estimate)	(256,000)
17 Unmet Replenishment Obligation (in acre-feet) for Year 2124	none

18
 19
 20 f. CAGR D's demonstration that total available supplies exceed its total replenishment
 21 obligations for all three AMAs is adequate for purposes of identifying sufficient supplies for
 22 CAGR D's 100-year replenishment obligation in the Phoenix AMA. As discussed above, a standard
 23 form of wheeling agreement permitting the movement of non-CAP water through the CAP canal
 24 may be approved in the future. Therefore, currently unavailable mechanisms to "transfer" supplies
 25 for replenishment purposes, such as through recovery and movement of water through the CAP
 26 canal and wheeling of Imported Groundwater or Colorado River Water potentially will be available

1 in the future, making even AMA-specific supplies available to the CAP service area generally.

2 4. The replenishment reserve target for the Phoenix AMA was calculated as prescribed in
3 Section 48-3772(E), and the CAGR D is developing a replenishment reserve in the Phoenix AMA
4 pursuant to A.R.S. § 48-3772(E).

5 a. CAGR D calculated and established the replenishment reserve target in the Phoenix
6 AMA consistent with A.R.S. § 48-3772(E) as 271,714 acre-feet in Table 5.1 of the Plan.

7 b. CAGR D has accrued 284,691 acre-feet of LTSCs in the Phoenix AMA
8 Replenishment Reserve Sub-account through calendar year 2024 and has identified an additional
9 55,366 acre-feet of LTSCs dedicated by CAWCD for CAGR D replenishment reserve purposes in
10 the Phoenix AMA. In Table 5.2 of the Plan, the CAGR D has demonstrated a steady accrual of
11 LTSCs in its Phoenix AMA Replenishment Reserve Sub-account over the past 10 years. CAGR D
12 has also demonstrated that sufficient LTSCs are currently available to meet CAGR D's combined
13 reserve target amounts for all three AMAs, relying on a combination of existing CAGR D reserve
14 credits and LTSCs held by CAWCD which have been dedicated to CAGR D for replenishment
15 reserve purposes. A significant volume of CAWCD credits is located in the Phoenix and Pinal
16 AMAs. CAGR D states that it will evaluate mechanisms by which to "transfer" or "exchange"
17 LTSCs as necessary to meet its replenishment obligations and/or reserve target amounts in other
18 AMAs. CAGR D states that the CAWCD-dedicated credits ensure that CAGR D can continue
19 building the Pinal AMA's reserve target while meeting the replenishment obligation in the Phoenix
20 AMA.

21 c. In view of this information, the Director has determined CAGR D has demonstrated
22 that it has met its replenishment reserve target in the Phoenix AMA and is taking reasonable steps
23 to develop the replenishment reserve in accordance with A.R.S. § 48-3772(E).

24 5. The CAGR D has identified sufficient capacity at storage facilities and projects to be used
25 for replenishment purposes in the Phoenix AMA during the 20 calendar years following the
26

1 submission of the Plan.

2 a. CAGR D has identified 258,000 acre-feet of currently available annual storage
3 capacity in underground storage facilities (“USF”) in the Phoenix AMA which CAWCD has
4 exclusive access and to which CAGR D has been granted highest priority after entities with
5 contractual rights to use CAWCD storage facilities.

6 b. CAGR D has further identified approximately 70,800 acre-feet of available annual
7 storage in groundwater savings facilities (“GSF”) in the Phoenix AMA which CAGR D calculated
8 with reference to historical usage of four GSFs in the Phoenix AMA by non-CAGR D GSF partners.
9 By reviewing all USF and GSF permits in the Phoenix AMA, ADWR found that storage capacity
10 for CAGR D exceeds CAGR D’s estimates.

11 c. Thus, the Director finds that these facilities provide more than sufficient capacity to
12 be used by CAGR D for replenishment purposes in the Phoenix AMA for the next 20 years.

13 **J.** CAGR D has made a reasonable estimate of its projected replenishment obligations in the
14 Phoenix AMA for the 100 calendar years following the submission of the Plan as required by A.R.S.
15 § 45-576.02(C)(2)(b).

16 1. Section 45-576.02(C)(2)(b) provides that the CAGR D shall make an estimate of the
17 CAGR D’s projected groundwater replenishment obligations for the 100 calendar years following
18 submission of the Plan for current members and potential members based on reasonable projections
19 of real property and service areas that could qualify for membership in the ten years following the
20 submission of the Plan.

21 2. The Department reviewed CAGR D’s projections of real property and service areas
22 that could qualify for membership in the ten years following submission of the Plan. The
23 Department considered projected population growth for the three AMAs, projected supply and
24 demand for each water use sector, location of expected growth, projected water storage activities,
25 impacts of the lack of groundwater physical availability on growth and replenishment in the
26

1 Phoenix and Pinal AMAs, impact of likely ADAWS providers, and CAGR D's analysis of the likely
2 impact of SB1611 on development and replenishment to verify that the CAGR D's projections of
3 its future replenishment obligations are reasonable. The Department determined from its review
4 that CAGR D's projections are reasonable.

5 **IV. DECISION**

6 Based on the above findings, the Director hereby determines that the Plan is consistent with
7 achieving the management goal for the Phoenix AMA.

8
9 **ORDER**

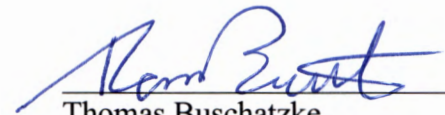
10 IT IS HEREBY ORDERED:

11 A. CAGR D's Plan of Operation is determined to be consistent with achieving the management
12 goal of the Phoenix AMA.

13 B. Except as provided in A.R.S. § 45-576.03(R), this determination shall expire on the date
14 provided in A.R.S. § 45-576.03(M).

15 C. This Order shall become effective upon the date signed by the Director below.

16 GIVEN under my hand this 22 day of December, 2025.

17
18 

19 Thomas Buschatzke
20 Director

21 **COPY** of the foregoing Decision
22 and Order was sent by certified mail
this 22 day of December, 2025 to:

23 Laura Grignano
24 Manager, CAGR D
25 Central Arizona Project
26 P.O. Box 43020
Phoenix, Arizona 85080

CMRRR#

9489 0090 0027 6628 4899 95

1 **COPY** of the foregoing Decision
2 and Order was sent via electronic mail
3 this 22 day of ~~December~~ 2025 to the
4 following persons who submitted written
5 comments regarding the Plan:

6 Robert Anderson
7 Fennemore Craig, P.C.
8 *Attorney for DMB Associates, Inc.*

9 Arizona Municipal Water Users Association
10 Maricopa-Stanfield Irrigation and Drainage District
11 Central Arizona Irrigation and Drainage District
12 Garrett Development Corp.
13 Buckeye Tartesso, LLC.
14 Douglas Ranch Management Development Company, LLC

15
16
17
18
19
20
21
22
23
24
25
26

