



BUILDING LEGACIES SINCE 1984

October 16, 2025

DOCKETSUPERVISOR@AZWATER.GOV

Arizona Department of Water Resources
Attn: Sharon Scantlebury, Docket Supervisor
1802 W. Jackson Street
Phoenix, Arizona 85007

Re: Support for CAGR D 2025 Plan of Operation

Dear Ms. Scantlebury:

DMB Associates, Inc. (“DMB”) has been involved in numerous real estate development projects in the Phoenix metropolitan area for several decades. Among other projects, DMB, acting through its affiliate, DMB White Tank, LLC, is the developer of Verrado, an 8,800-acre master-planned community located in Buckeye, Arizona. As a company deeply involved in the housing subdivision process, DMB recognizes the vital importance of the Central Arizona Groundwater Replenishment District (“CAGR D”) in providing an assured water supply for housing developments based on the responsible and sustainable use of groundwater. DMB strongly supports the 2025 Plan of Operation submitted to the Department by the CAGR D dated August 12, 2025 (the “Plan”) for the Phoenix, Pinal and Tucson Active Management Areas (“AMAs”). DMB urges the Department to approve the Plan by determining that the Plan is consistent with achieving the management goal of each of the AMAs (a “Consistency Determination”).

The Department should approve the Plan and issue a Consistency Determination for each AMA because:

- Over the past 30 years, CAGR D has consistently and timely met all of its replenishment obligations in each of the AMAs;
- In the Plan itself, CAGR D has satisfied all of the statutory elements required for a Consistency Determination for each of the AMAs; and
- The Department’s timely approval of the Plan and issuance of Consistency Determinations is absolutely critical to the implementation of both the Alternative Path to Designation of Assured Water Supply (or ADAWS) program, adopted by Department rule in November 2024, and the Ag-to-Urban program recently enacted by the Legislature and effective in September, 2025.

As you are aware, the State imposed a moratorium on the use of groundwater to provide an assured water supply in most of the Phoenix AMA in 2023. The moratorium has created enormous delays in housing development and general investment uncertainty in the Phoenix AMA where groundwater is a proposed water supply. Over the last several years, many interested parties, including the Department, other state

leaders, municipal water providers, and the private sector, have worked together to develop two new programs aimed at lifting the moratorium and allowing housing development to move forward in a responsible manner. These are the ADAWS program, adopted by Department rule in November 2024, and the ag-to-urban program recently enacted by the Legislature and effective in September, 2025.

However, without a Consistency Determination by the Department for the Phoenix, neither of these programs can be utilized to alleviate the effects of the moratorium.

Both the ADAWS and ag-to-urban programs require membership in the CAGRDR. CAGRDR membership satisfies the assured water supply requirement that the use of groundwater is consistent with achieving the AMA's management goal. But, CAGRDR membership only 'counts' as proof of consistency with achieving the AMA's management goal if the Department has issued a Consistency Determination for CAGRDR's Plan of Operation.

At present, CAGRDR is operating under its 2015 Plan of Operation. That plan is set to expire on December 31, 2025. If the new 2025 Plan is not approved by that time, members in the CAGRDR will not be able to prove consistency with achieving the AMA's management goal, and the assured water supply process will grind to a halt. By issuing Consistency Determinations for the three AMAs on or before December 31, 2025, the Department will ensure a smooth transition from the CAGRDR's 2015 Plan of Operation to the 2025 Plan of Operation, without any gaps in time.

Thank you for the opportunity to comment on the Plan.

Sincerely,



David Nilsen
Senior Vice President