

**Municipal Water Providers' Perspective of the CAGR**  
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In 1993, I was working for the Santa Cruz Valley Water District. It had been legislatively created on a trial basis to see if a regional approach to water management could be achieved in the Tucson area. While governance and finance issues ultimately kept it from becoming permanent, it was also argued that less of a need existed since something called the Central Arizona Groundwater Replenishment District was formed that same year. The CAGR was seen as simple – more like a buy or build now, pay later approach. The Santa Cruz Valley Water District was more complex – taking a comprehensive, collaborative approach to a region's water management by looking at infrastructure and replenishment needs.

Back in 1993, rationale given for the CAGR was that it would be transitory. It would be a bridge for entities without CAP subcontracts or without physical access to subcontracted CAP water to comply with the Assured Water Supply Rules until infrastructure and other means were in place for the direct use of CAP water.

So it is now 13 years later. What does that bridge look like now? Are we expecting the bridge to support more than it was originally designed for? Is it taking us to where we want to go or are we stuck on the bridge in a traffic jam?

Today, I want to give the perspective of municipal water providers regarding the CAGR. To do this, I solicited input from 16 respected water resource professionals in the Phoenix and Tucson areas by asking them each four questions.

First question – “Since its inception, how has the CAGR affected or impacted you as a municipal provider?” Seven of the respondents said that the CAGR had helped them to obtain or maintain an assured water supply designation. As conceived, the CAGR has been a bridge for many until they obtained their own renewable resources. This has been the case for us at Metro Water District. As one respondent said, CAGR has been an insurance policy to move us from a paper water perspective to that of a wet water user.

The other nine providers responded to the question by saying that although they may not be directly involved with the CAGR, they still have been impacted. They were troubled by the CAGR's impact to overall water management as well as to development. Which takes us to the second question – “What future concerns, if any, do you have about the CAGR in relationship to you as a municipal provider?”

It was noted that more growth has occurred in unincorporated areas rather than in the core urban area. This is not necessarily just envy on the part of the central cities but it raises questions about what is the best approach to water management and growth. One respondent said, “When growth occurs outside of city boundaries, there is a tendency for important transportation, recreational, and other quality of life impacts to be ignored or poorly planned.”

If the CAGR is a bridge to move us to renewable supplies, I found it ironic that one municipality said that because of the CAGR, it has been able to continue growing by using

groundwater as its primary potable supply. Another response echoed that the CAGRDR has allowed private development to proceed on groundwater rather than connect to a city's water system in which they would be using renewable water supplies. More specifically, CAGRDR has allowed all growth to the east and west of the central Phoenix area to be groundwater dependent. In turn, no surface water treatment plant has been built. Even with recharge facilities in those areas, groundwater use is projected to lower the water table in some areas on a scale that will also affect designated providers.

The primary concern expressed was competition. "I don't mind competing with CAGRDR, but I'm very worried that the playing field won't be level." This sentiment is in large part due to the CAWCD's governance over the CAGRDR. Human nature is such that no matter how unruly or problematic a teenager may be, the parent will still come to the teenager's rescue and show favoritism to him. Concern exists that CAWCD can and will allocate its resources, such as the CAP canal capacity, in ways that would favor the CAGRDR over non-CAGRDR providers.

Fear of competition also arises from another overarching concern - will the CAGRDR be able to acquire enough water to meet its replenishment obligation and how big should that obligation become? CAGRDR is responsible now for finding water for half of all the new homes in Arizona. By 2035, it is projected that the CAGRDR's annual replenishment obligation will be at least 227,000 acre feet. Municipal providers with their growing demands will be competing with the CAGRDR for the same water resources. Was not a goal for water management in Arizona to have wet renewable resources delivered? But now municipal providers will compete with the CAGRDR for the same renewable water - water either to be delivered to the public or to put in the ground.

The next question was "What do you think Arizona would look like if the CAGRDR had NOT been created?" Almost half of the respondents thought without the CAGRDR, we would not have the Assured Water Supply Rules. Arizona would have dry land subdivisions without an assured water supply and the Rules would have little meaning outside urban areas.

Others had a different view of how Arizona would look without the CAGRDR. Some were even so optimistic as to believe that ADWR and the Legislature would still have put in place the Assured Water Supply Rules. Many saw an Arizona where growth on desert lands would be limited without surface water supplies. More growth would have occurred through and within designated cities and towns that have surface water supplies or large recharge programs of their own. The development community would have had to work more with new communities and their water providers to acquire water supplies and do long-term supply planning for developments. Infrastructure to bring surface water would have been built.

These responses are interesting because the CAGRDR was to have been a bridge. Is this bridge taking us where we thought we would go? As one professional said, with the CAGRDR, the incentive to import renewable water supplies for direct use was destroyed. Another said that without the CAGRDR, we would have seen more exchanges, non-CAP water purchases, more water surface treatment plants, long-term leases and a greater emphasis on water conservation.

The sentiment is best expressed by the following. "If there had been no CAGRDR, developers and providers would have had to work together to create the necessary infrastructure to get CAP water to the users instead of recharging somewhere different than recovery. Without CAGRDR to

subsidize development, growth would be slower, our quality of life would be higher, and our economy would be less growth-based and more diversified and healthy.”

The final question was “If enrollment in CAGR D was to be capped, what alternatives exist or could be created to replace it?” One lone view was that enrollment should not be capped but CAGR D’s role should be expanded. A number of folks said the question should be when, not if, enrollment will be capped. Caution was expressed that if there is a cap, water buffalos would have to unite to defend the Assured Water Supply Rules. Yet capping the CAGR D was also not seen as the end of the world. It could present an opportunity for a regional authority or two to be formed. Development would secure assured water supply sources and bring additional financial resources for infrastructure on their own or with the assistance of municipalities, a regional authority, or another type of entity.

CAWCD is scheduled this fall to do strategic planning for the CAGR D, which has the potential to address these issues. With all due respect to CAWCD’s statutory oversight, the CAGR D discussion needs to be open and not just limited to CAWCD Board’s process. We need to move toward more direct use of renewable supplies while preserving our groundwater for times of shortages, insist on recharge occurring in areas of hydrologic impact, and we need to question where growth occurs in relationship to wet water resources. We need a robust, collaborative independent entity with separate governance.

In looking at the future, or maybe we should admit the future is now, let’s consider the following comment. “The time for water supply and land use planning to occur in the same conversation is upon us. We should avoid the California model – develop first and then figure out the water issues. We will end up there if we do not answer the hard questions about the CAGR D to find an appropriate balance between the water supplies and growth and development.”

The water professionals I spoke to do not want to just express concerns nor just respond to growth, they want solutions that bring us to the best long-term management of water. We’re not just saying the CAGR D is bad. This is not an us-versus-them debate. This dialogue is about what do we want Arizona to be, to become? We cannot be involved in what Arizona is to become if our role is only to respond to growth. Our knowledge and understanding of water management needs to be at the table and we need to step up to the plate.

Based on the concerns expressed, it is questionable if we should continue to rely on the bridge as it was built 13 years ago. Granted, it did help put in place the Assured Water Supply Rules. But has the CAGR D become today more like London Bridge at Lake Havasu? Yes, it has brought the desired growth and tourists. But is it really taking us anywhere or at least to where we intended or might it be falling down? If Arizona was innovative enough to develop the CAGR D thirteen years ago, there is no doubt in my mind that we can put together our collective minds and wills to build something more like a Golden Gate Bridge to take us to a better, more effective long-term management of our water resources linked with what we want Arizona to become.