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July 1, 2025

Via email to lgrignano@cap-az.com and U.S. Mail

Laura Grignano, CAGRD Manager
P.O. Box 43020
Phoenix, AZ 85080

Re: 2025 CAGRD Plan of Operation Insufficient Information

Dear Ms. Grignano,

The Arizona Department of Water Resources (“Department”) received the Central Arizona Groundwater Replenishment District’s (“CAGRD”) amended 2025 Plan of Operation (“Plan”) on April 29, 2025. After reviewing the amended Plan and considering recent legislative changes to Title 45 and 48, the Department does not have sufficient information to determine whether the Plan would be consistent with the management goal of the Phoenix, Pinal, and Tucson active management areas (“AMAs”). Pursuant to Arizona Revised Statutes (“A.R.S.”) § 45-576.03(I), the Department requests that CAGRD provide an updated Plan that includes the following, as applicable:

1. Analysis of “Ag to Urban”

In order for the Department to determine that the Plan is consistent with the management goal of each AMA, among other requirements, CAGRD must demonstrate that it has sufficient water supplies to meet replenishment obligations for current members during the 20 years following submission of the Plan and additional water supplies potentially available to meet its projected replenishment obligations for 100 years following submission of the Plan, A.R.S. § 45-576.03(N)(1). CAGRD must include current and potential members based on reasonable projections of real property and service areas that could qualify for membership in the ten years following the Plan, A.R.S. § 45-576.03(N)(1). CAGRD must also demonstrate it has established a replenishment reserve target in each AMA consistent with A.R.S. § 48-3772(E), A.R.S. § 45-567.03(N)(2).

Further, the Department must be able to determine that CAGRD's estimate of its projected 100 year replenishment obligation is reasonable, A.R.S. § 45-576.03(N)(4).

The Department expects that with the passage of SB 1611¹, known as the "Ag to Urban" program, signed into law on June 30, 2025, CAGRD's replenishment obligation will increase in ways that have not been forecasted in the latest version of the Plan. In its February 28, 2025 letter to CAGRD, the Department flagged the potential for the passage of an Ag to Urban program during the review process of the Plan necessitating additional analysis from CAGRD. With the Ag to Urban program becoming law, it is now necessary for CAGRD to incorporate an analysis of the impacts of the program into its 2025 Plan of Operation. Additionally, SB 1611 changed the method of calculation of the replenishment reserve target in A.R.S. § 48-3772(E). To determine that the Plan is consistent with the management goal of the Phoenix, Pinal, and Tucson AMAs, as applicable, the Department requests CAGRD provide an updated Plan with analysis of the impact Ag to Urban has on the following:

- i. Update projected enrollment for 10 years following submission of the Plan.
- ii. Update projected 20-year replenishment obligation for each AMA.
- iii. Update projected 100-year replenishment obligation for each AMA.
- iv. Recalculate the replenishment reserve target for each AMA consistent with the revised calculation in A.R.S. § 48-3772(E).

2. Supplies for 100-Year Replenishment Obligation

The Department must be able determine that CAGRD has sufficient supplies to meet its 100-year replenishment obligation in each AMA to find that the Plan is consistent with the management goal pursuant to A.R.S. § 45-567.03(N)(1). The Department needs additional information to make this determination. Please provide written responses to the items identified below. To the extent CAGRD's response requires changes to existing tables, figures, and narratives in the Plan, such changes should be made in the updated Plan.

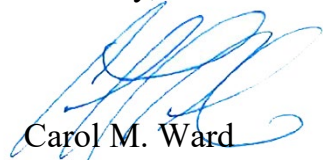
- i. The Plan needs to correlate the total 100-year obligation in each AMA to the total potentially available supplies in each AMA. Please provide breakdowns of potentially available supplies by AMA in Table 4.3.
- ii. The Department needs additional information about the following supplies identified as potentially available to meet 100-year replenishment obligation:

¹ Senate Bill 1611 can be found online at: <https://www.azleg.gov/legtext/57leg/1R/bills/SB1611P.pdf>

- a. **Long-Term Storage Credits (“LTSCs”)**: Please provide a breakdown of potentially available LTSCs by AMA and provide additional detail on the source of available LTSCs and a rationale for using a 50% factor to create the low volume estimate. If the CAGRD is planning for movement of LTSCs between AMAs, please provide an explanation of a mechanism to do so.
- b. **Effluent**: Please provide a breakdown of potentially available effluent supplies by AMA and provide additional narrative identifying the source of the effluent, the mechanism of use (i.e. direct delivery, exchange, etc.), and a rationale for using a 33% factor for the low estimate.
- c. **Central Arizona Project (“CAP”)**: Please provide additional explanation for using a 50% factor for the low estimate.
- d. **Imported Groundwater**: Groundwater transportation from the McMullen Valley Groundwater Basin is not authorized for use by CAGRD under A.R.S. § 45-552. Please remove any volumes associated with McMullen Valley from the potentially available supplies in the updated Plan.
- e. **Desalinated Water**: Please provide a rationale for using a 30% factor for the low estimate of availability or change the low estimate to zero.

Please respond by September 9th, 2025. If CAGRD has questions or needs clarification regarding the requests made in this letter, please contact me at cward@azwater.gov or (602) 771-8511.

Sincerely,



Carol M. Ward
Assistant Director, Planning & Permitting Division

cc: Landon Loveland *via email to lloveland@cap-az.com*
Patrick Dent *via email to pdent@cap-az.com*