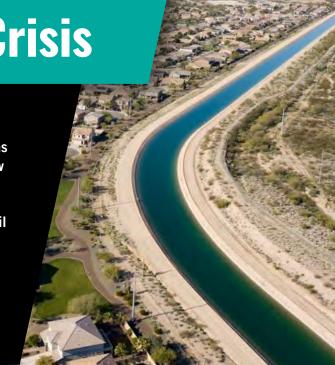
THE PROBLEM:

Governor Katie Hobbs'

Manufactured Water Crisis

For nearly a century Arizona has been a national model for how to properly manage and develop water resources. As a result, Arizona has enjoyed decades of economic growth while welcoming millions of new residents to live and work in our beautiful state.

Unfortunately, the future prosperity of Arizona was thrown into turmoil when Governor Katie Hobbs held a press conference (June 1, 2023) claiming Arizona is suffering from a water shortage and declared a moratorium on single family residential home development. Her decision was based upon dubious, unaudited water models prepared in secret by the Arizona Department of Water resources.



## THE TRUTH:

The truth is that Arizona has enough water from existing sources to continue growing for another century, with no impacts on current residents and business owners.

Yet a coalition of so-called water experts, government bureaucrats, radical environmentalists and profit-driven special interests are working with Governor Katie Hobbs to manufacture a water crisis for their own political and policy agenda.

## Arizona Is Not Running out of Water

Contrary to the claims that water supplies are dwindling in Arizona, the facts point to just the opposite. In reality, annual water consumption is lower today than it was 1990 despite our state population DOUBLING to 7.2 million residents! That is not a misprint—we have welcomed millions of new residents to the Grand Canyon State and are using less water in the process.

### How is this possible?

Through technological advancements in water reuse, water reclamation, increased water efficiency and the conversion of agriculture land for single family residential development, Arizona has more than enough surface and groundwater available to meet the demands of current and future water users.

## **ADWR Water Modeling is Defective**

Currently water policy in Arizona is being driven by so-called "expert modeling" being produced by the Arizona Department of Water Resources. Though modeling can provide some value when evaluating a complex issue, it should not be the sole basis for regulatory or policy decision making. The reason is that models are incapable of predicting the future and will be biased toward the assumptions made by the developers of the formula.

This holds true with the unaudited model prepared by ADWR projecting future water availability in Maricopa County. After evaluating the assumptions, it has been discovered that ADWR excluded many water-saving measures, including future recharge from effluent and the conversion of agriculture land into residential use. Whether this was unintentional or an attempt to cherry-pick data to manufacture an outcome, it demonstrates the inherent limitations of the modeling process.

## Moratorium on New Home Construction is Nonsensical and Economically **Damaging**

Even more perplexing than the claims that Arizona is running out of water is the "solution" provided by Gov. Hobbs and ADWR: shutting down future single family home construction in Maricopa County. In addition to destroying BILLIONS in economic activity and further exacerbating the housing shortage crisis, the housing moratorium will likely increase water usage in the region, for two reasons:

- 1) New single family home construction is the only industry required in Arizona to demonstrate a 100-year assured water supply. Commercial, industrial and high-density apartments—all of which use more water per acre than single family residential—are exempt from this requirement. By shutting down new single family home construction while continuing to allow the unlimited development of water intensive uses like industrial and commercial is nonsensical and undercuts Hobbs' public claims that Arizona is running out of water.
- 2) A large portion of new single family residential construction in Arizona occurs on agriculture land. This is significant because when Ag land is converted into residential, water usage declines by

as much as 70%. So when a farm is sold and homes are built, water usage goes down! Thanks to Governor Hobbs' building moratorium, this water saving activity will no longer occur.

## **Housing Shutdown Part of Larger Anti-Growth Agenda**

After declaring a water crisis and announcing a moratorium on new home construction, Governor Hobbs spent the next several weeks telling corporate CEO's, business organizations and the media that Arizona does in fact have more than enough water for future growth. On the surface this makes no sense—how can we be out of water for new single-family homes but have enough water for everything else?

That is because the moratorium was never about Arizona running out of water, it was to reorient and change the type of growth allowed to occur in our state. For decades it has been the goal of environmentalists, city planners and other liberal interest groups to impose high density urban development and enact growth boundaries around communities. Most residents strongly oppose replacing single family home construction with more condos and apartments, but that is exactly what has been set in motion by Governor Hobbs' building moratorium.

# Pro-Growth Water Solutions for 2024

## Say NO to California-Style Water Regulations

Various special interest groups and environmental organizations are attempting to exploit Governor Hobbs' manufactured water crisis to enact radical water laws designed to increase high density urban growth or create California-style water management areas in rural areas. These efforts to create artificial growth boundaries in Arizona must be rejected.



## Reform the ADWR **Modeling Process**

If modeling is going to be used as a tool to craft water policy, then significant reforms are needed to the modeling process. This would include requiring a public process for all future modeling and allowing for input on the modeling assumptions to ensure an honest accounting of existing and future water supplies.



## **Eliminate Roadblocks Preventing Conversion of Agriculture Land to** Residential Use

Converting agriculture land to single family residential reduces water usage by as much as 70%, yet existing water laws and Governor Hobbs' building moratorium are preventing this activity. Action is needed to rescind the housing moratorium and eliminate any regulatory barriers preventing the conversion of agricultural land to residential use.



