

ARIZONA WATER COMPANY

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Arizona Water Company Applauds Governor's Signing of Landmark Ag-to-Urban Water Legislation

Bipartisan bill strengthens water security while enabling sustainable growth
in Pinal and Phoenix Active Management Areas

PHOENIX, AZ – June 30, 2025 - Arizona Water Company (AWC) celebrates Governor Katie Hobbs' signing of the groundbreaking ag-to-urban water legislation, marking a pivotal moment in Arizona's approach to sustainable water management and long-term water security.

The newly signed Senate Bill 1611 was crafted through more than two years of bipartisan negotiations with farmers, homebuilders, conservationists, tribal communities, cities, water providers including AWC and policymakers. The legislation allows developers in Pinal and Phoenix Active Management Areas (AMAs) to access groundwater credits from voluntarily retired agricultural lands, helping sustain growth while protecting our most critical resource, groundwater.

"This historic legislation represents a win-win solution for Arizona's water future," said Casa Grande Mayor Lisa Navarro Fitzgibbons. "By allowing the conversion of agricultural water rights to urban use, we're creating a framework that reduces overall water consumption while supporting responsible growth in our communities."

Under the new law, landowners in groundwater-regulated areas who voluntarily retire farmland can convert their water rights to groundwater savings credits, which in turn can be used to provide developers with a 100-year assured water supply to construct new subdivisions while reducing groundwater use. The legislation incorporates key safeguards to ensure that development remains closely tied to farmlands with retired rights, reduces overall groundwater use, and maintains a balance between economic growth and conservation.

Key Benefits of the Legislation

The ag-to-urban program delivers multiple benefits for Arizona residents:

- **Water Conservation:** Creates significant water savings. Residential development typically uses 1-1.5 acre-feet of water annually compared to 4-6 acre-feet used by agricultural operations
- **Sustainable Growth:** Enables responsible development in parts of Pinal and Maricopa counties while maintaining strict water protections
- **Economic Opportunity:** Provides a sustainable water supply tied to developable farmlands. The costs of acquiring more expensive water supplies are mitigated and more affordable new housing opportunities are created
- **Aquifer Protection:** Includes robust safeguards by requiring groundwater replenishment and protecting long term water supplies

"This legislation addresses the concerns raised by water experts and ensures that Arizona's aquifers are protected for future generations," said Pinal County Chairman Stephen (Steve) Miller.

The legislation earned praise from diverse stakeholders, including the Gila River Indian Community. Senator T.J. Shope, the bill's sponsor emphasized the collaborative nature of the legislation, noting it's "something we all shook hands on for the future of our state. This major water policy sends a strong message that Arizona can work together on policy that benefits us all."

Rep. Teresa Martinez was instrumental in getting the bill through the Arizona House and added, "this water policy strikes the balance that Arizona needs. It promotes smart growth while conserving groundwater – a critical win for both our environment and our economy."

Arizona Water Company recognizes that hundreds of thousands of acres across Pinal and Phoenix AMAs will be eligible for the ag-to-urban conversion program. The company is committed to working with all stakeholders to ensure the program's successful implementation while maintaining sustainable water management for the state.

"This legislation positions Arizona as a national leader in innovative water policy," added Fred Schneider, President of Arizona Water Company. "We look forward to supporting its responsible implementation as we work together to secure our water future."

Arizona Water Company is committed to providing reliable water services while supporting sustainable water management practices throughout Arizona. Headquartered in Phoenix and in operation for 70 years, AWC provides safe, reliable water service to 300,000 Arizonans in more than 18 communities across the state. For more information, visit www.azwater.com.

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