



December 27, 2024

SENT VIA EMAIL

The Honorable Katie Hobbs
Governor of Arizona
1700 West Washington Street
Phoenix, Arizona 85007

RE: Alternative Designation of Assured Water Supply Letter of Intent

Dear Governor Hobbs:

I am writing to confirm the City of Buckeye's intent to proceed with an application for an Alternative Designation of Assured Water Supply (ADAWS) for the Buckeye White Tanks Service Area, based on the terms and concepts presented by the Arizona Department of Water Resources (ADWR) on December 11, 2024. The City agrees with and supports the designation strategy that would establish separate designation service areas in Buckeye along distinct boundaries. We also agree the opportunity to utilize the best designation tool, such as ADAWS, is a thoughtful way to achieve a solution that protects groundwater while allowing the city to sustainably grow and continue to address the affordable housing needs for the Phoenix Valley.

The City commits to filing an ADAWS application in the first quarter of 2025 and to pursuing the application in good faith and with due diligence. Based on prior conversations with your staff, we are under the impression an ADAWS application from the City can be processed and approved prior to July 1, 2025 (based on receipt of the City's ADAWS application in first quarter of 2025). We are counting on that timeline.

The City's ability to utilize the ADAWS for the White Tanks and other water service areas is also premised upon your continued partnership on items discussed with your staff over the past few months. Specifically, the City is pursuing approval by ADWR that the approximately 600,000 acre-feet of water the City is seeking to purchase in the Harquahala Valley will be eligible for use for a future City designation. The City intends to close on its Harquahala water purchase on or before February 15, 2025 and will need as much certainty as possible from ADWR in order to do so. Additionally, it is the City's understanding and position that participation in the ADAWS program would not impair the legal rights of property owners that have received an Analysis of Assured Water Supply to receive a reliable and sufficient water source to meet the projected future demands (based on historical precedents for realistic growth) of a specific development during the term of an ADAWS designation.

In the context of the key policies and elements listed above, we appreciate this partnership with the Governor's Office and State of Arizona to implement the City's commitment to the White Tanks ADAWS, and the State's support for our efforts to expand the water resources accessible for growth in

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designated service areas and to make refinements to the Phoenix AMA groundwater model to the extent such efforts are compatible with the Assured Water Supply program. We strongly believe other areas of the City of Buckeye will be positioned to seek Designations in the very near future. With the establishment of other tools, such as the “Ag-to-Urban” conservation incentive currently in development in a rulemaking process, Designation for the entire City can become a reality. We welcome the opportunity to work with the Governor’s office and ADWR to further develop a designation framework for all service areas in the City of Buckeye.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Cotterman". The signature is fluid and cursive, with a large initial "D" and "C".

Dan Cotterman
Buckeye City Manager