



May 10, 2023

The Honorable Governor Katie Hobbs,
Governor's Office
Arizona State Capitol Complex
1700 W. Washington St.
Phoenix, AZ 85007

RE: HB 2444

On behalf of the Water for Arizona Coalition (WAC), a collective of five conservation organizations with more than 60,000 members in Arizona, we respectfully request your veto of House Bill 2444, which proposes to create a Natural Resource Conservation District (NRCD) Commission and NRCD Fund. HB 2444 fails a fundamental test of good financial stewardship because it does not ensure that taxpayer funds are protected. This means that the public could end up subsidizing predatory and unsustainable groundwater pumping throughout the state. Until rural Arizonans have the ability to protect their groundwater, bills like HB2444 cannot be—will not be—enough.

On its face, HB2444 represents a noble goal. Rural Arizona is facing a natural resource crisis: something must be done. Across 80% of Arizona, groundwater pumping is completely unregulated, meaning anyone can sink a new well and pump as much groundwater as they want regardless if that pumping dries up a neighbor's well, depletes nearby community water supplies, or dewateres connected rivers and streams. This groundwater free-for-all is a fundamental threat to our economy, family farms, and rural communities. Ignoring this threat guarantees increasingly negative impacts to the state as more groundwater basins are depleted and Arizona's foundation for rural economic development is undermined.

Diverse stakeholders recognize Arizona's groundwater crisis and have worked together to craft non-partisan, common-sense bills to address this need. And yet, certain special interests have blocked these bills year after year, leaving rural Arizona high and dry. As long as groundwater pumping is unregulated across greater Arizona, proposals that can funnel taxpayer money to large pumpers and special water-related projects in unregulated basins like HB 2444 cannot solve our groundwater crisis. Basic water management is necessary to provide security and assurance that publicly funded investments will yield meaningful public benefits—a basic principle of fiscal responsibility.

HB 2444 also proposes to enable NRCDs to access public funds from the Water Infrastructure Finance Authority (WIFA). In light of the funding prioritization criteria defined in A.R.S. 49-1274(B)(3), which prioritizes projects, in part, on "[t]he reliability and long-term security of the water supply to be developed through the project," it seems highly unlikely that NRCDs or other entities in unregulated groundwater basins could be competitive if they seek funds

from WIFA's Water Supply Development Revolving Fund. This would be due to, again, the lack of any groundwater management and protection in rural basins.

HB 2444 has been unanimously opposed by Democrats at every step of the way. In contrast, bills proposing groundwater management solutions with bipartisan support in the Legislature and across rural Arizona have been introduced year after year. Year after year, a small handful of special interests block these bills.

A veto of HB 2444 is an opportunity to send a powerful message to the Legislature that there will be no more taxpayer handouts to entities pumping large amounts of groundwater in unprotected basins. It is a reminder to rural Arizonans that the status quo is unacceptable and that they should not be forced to stand by as their groundwater is pumped out from under their feet. First things first, the Legislature must send a bill that allows rural communities to meaningfully manage and protect their groundwater, and only then will you consider sending any more state money to NRCDs.

WAC appreciates your leadership and commitment to water solutions for all Arizona communities. We look forward to working with you to accomplish this goal.

Thank you for your consideration and service to our state.

Respectfully,



Chris Kuzdas, Senior Water Program Manager
Environmental Defense Action Fund
& Co-Chair, Water for Arizona Coalition



Haley Paul, Policy Director
National Audubon Society
& Co-Chair, Water for Arizona Coalition



Kim Mitchell, Senior Water Policy Advisor
Healthy Rivers Program
Western Resource Advocates



Sinjin Eberle, Communications Director,
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American Rivers



Todd Reeve, Director
Business for Water Stewardship

The **Water for Arizona Coalition** is composed of Arizonans who support policies and innovative practices to ensure a reliable water supply to meet the state's needs. Collectively, we have over 60,000 Arizona members, as well as hundreds of hunter, angler, business, and outdoor recreation partners around the state.

Learn more at waterforarizona.com.

Member organizations: American Rivers • Business for Water Stewardship
Environmental Defense Fund • National Audubon Society • Western Resource Advocates