Greater Phoenix Economic Council

Greater Phoenix Water Stewardship

September 2026

Background

- Water is a precious resource in Arizona and stewardship has been a priority since before statehood. Arizona uses roughly the same amount of water today as it did in the 1950s despite a 5x increase in population and 15x economic increase.
    - Increased conservation methods and reduced agriculture demand have enabled the state to remain below its 1957 water usage levels, according to the Central Arizona Project (CAP), despite massive population growth and expansion of advanced industries.
    - Agricultural land uses require more water than most urban ones. Over time, Greater Phoenix has used less water as it has urbanized and pivoted to a high-tech economy.
    - Non-tribal water use in the Phoenix area fell 5% between 1985 and 2024.
        - During this time, the Phoenix area population grew by about 3 million people.
    - This trend in total water use is expected to continue as water efficiencies continue to advance and more land is converted from farming into urban development.
    - Arizona has 1.75x more water stored than it uses, with 12 MAF of water in reservoirs and underground, including 7.1 MAF in Greater Phoenix.
- Arizona was the first state to plan for a 100-year water future by passing the 1980 Groundwater Management Act. This act requires that, in active management areas (AMAs), including in Greater Phoenix, developments must certify a 100-year assured water supply before subdivision of land can occur.
    - Thus, in Greater Phoenix, long-term water supplies must be assured before growth and development takes place.
    - This requirement helps safeguard the water resources of residents and businesses, providing certainty for both the people already here that new plats of development will not threaten water availability, and for developers that they will not lose water rights after investing and building.

  The 1980 Groundwater Management Act and its assured water supply requirements have driven innovation in water management.
    - We are leaders in water reuse. More than 89% of water entering the waste stream in Greater Phoenix is reclaimed and reused for parks, schools, golf courses, aquifer recharge and power generation.
    - Municipal water providers have developed legally and physically diverse water portfolios often including a combination of Arizona's four main water sources: groundwater, Colorado River water, Salt & Verde River water, and reclaimed water. Less than one-third of Greater Phoenix's annual water usage comes from the Colorado River.

Colorado River

- Colorado River water is split between Upper Basin (Wyoming, Utah, Colorado, New Mexico) and Lower Basin (Arizona, California, Nevada) states. In 1922, the first agreement

between the basin was signed, allocating 7.5 million acre-feet (maf) per year to each basin. Arizona ratified the compact in 1944.

- In 1968, the Colorado River Basin Project Act was passed, authorizing the funding and construction of the Central Arizona Project, a 336-mile aqueduct that transports Colorado River water to Arizona.
    - Arizona's normal allocation is 1.6 maf per year.
    - As part of the negotiation, Arizona agreed to take junior water rights. California maintained priority. This played a role in the 2026 renegotiation of water rights.
- In 2026, the Department of the Interior announced its record of decision for Colorado River operating guidelines that will cover the next 10 years, with renegotiation every two years. The decision aligned closely with the Lower Basin Agreement that would dictate a reduction of 1.25 maf annually within the basin.
    - The reductions acre: Arizona will take a 760,000 acre-feet (af) cut; California: 440,000 af; Nevada: 50,000 af.
- For decades, Colorado River water and reclaimed water has been used to recharge and replenish aquifers in Greater Phoenix, creating an enormous bank of underground water that can be used during times of shortage.
    - Local aquifers are largely protected through the Groundwater Management Act precisely so that groundwater is available during times of need.
    - Groundwater levels are generally stable or improving in Greater Phoenix.
- There will always be challenges to overcome when planning for a resilient water future, but water managers continue to innovate. Arizona is actively advancing its efforts for additional conservation and reuse as well as water supply augmentation to address future water needs.
- Families and businesses considering a move to Arizona can trust that water security is a continual focus for both public and private leaders in the region.

Water Future

- The state's intentional water planning makes the Colorado River shortage less daunting than other environmental challenges faced across the U.S. Compared to building expensive infrastructure to mitigate the harm caused by superstorms, floodwater or rising sea levels, moving a defined quantity of water to bolster Arizona's supply is more attainable and affordable.
- In 2023, the state placed a moratorium on the use of native groundwater stocks for new developments in areas on the fringe of Greater Phoenix that do not already have a 100-year Assured Water Supply.
    - Although this sent shockwaves nationally, the move actually protects groundwater stocks for cities and existing developments and helps avoid over-depletion in the long term. It is another example of Arizona's proactive water management.
    - Growth can and will continue, but it will be less reliant on native groundwater stocks and instead will occur on alternative and augmented water supplies.
- The Water Infrastructure Finance Authority (WIFA) is a key driver in future planning for long-term water supply augmentation.
    - WIFA received $400 million in funding allocations for projects that import new water supplies.

    - It has allocated $200 million to 150 projects from the Water Conservation Grant Fund
    - The WIFA board is preparing to launch a $96 million loan program for in-state water providers
- In January 2025, Gov. Katie Hobbs announced a $60.3M investment to protect the state's water supply focusing on conservation, advanced technology, infrastructure improvements and water sustainability.
- The Verde River Sediment Mitigation Project is in its feasibility stage, evaluating how to best manage lost storage capacity at Horseshoe and Bartlett Dams, operated by Salt River Project (SRP). Considerations include removing sediment, raising the height of the existing dams or building a new Bartlett Dam.
- SRP and CAP, Arizona's two largest water providers, announced in November 2025 that they will connect their systems, allowing more flexibility through the interconnection of rivers and canals.
- The city of Phoenix is constructing an advanced water purification facility that reincorporate cleaned water back into the supply bank.