

Drought plan fight between Arizona farms and cities escalates

By Tony Davis Arizona Daily Star and Howard Fischer Capitol Media Services Jan 20, 2019 Updated 14 hrs ago



This canal channels Central Arizona Project water to farmland in Pinal County.

Mike Christy / Arizona Daily Star

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Longstanding urban-rural tensions over a proposed drought plan have escalated after Pinal County farmers stepped up their request for state money for well-drilling to replace Colorado River water deliveries.

“Enough is enough,” responded 10 Phoenix-area cities through a spokesman. They say the state has already pledged millions to the farms for well drilling, and plenty of water to boot.

The dispute has unleashed claims and counterclaims from the two sides about the farms’ economic importance.

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Farms recently released a detailed University of Arizona study emphasizing economic impacts of water cuts and the farms' economic importance to Pinal County. It was financed by four irrigation districts that are seeking the additional money, and the cities are trying to poke holes in it.

The dispute threatens to put one more roadblock in the way of getting the Legislature to approve a plan to protect Lake Mead during the ongoing, prolonged drought in time to meet a Jan. 31 federal deadline.

Under the proposed drought plan, about 200 Pinal farmers are supposed to return to full groundwater pumping for the first time in more than 30 years. That would begin in 2022, after the third year of shortages in Central Arizona Project water deliveries to them from the Colorado River.

To help defray the well drilling costs, Gov. Doug Ducey has pledged \$5 million in new funds. He has agreed to provide millions more for the wells by supporting legislation to use revenue from a longstanding groundwater withdrawal fee for that purpose.

Now, the farmers want another \$5 million from the Legislature for well drilling, along with \$5 million from operators of the CAP. That's on top of \$5 million the CAP's board has already agreed to give the farmers.

The irrigation districts also want the Legislature to guarantee payment of another \$20 million to \$25 million for the well drilling in case the federal government turns down farmers' request for it.

Warren Tenney, executive director of the Arizona Municipal Water Users Association, representing Phoenix and nine other Maricopa County cities, said the drought

plan already has been more than generous to the farmers. He noted that the plan also provides 105,000 acre-feet a year of CAP water annually to farms for the first three years of shortages, which are likely to start next year. An acre-foot of water is enough to serve four typical Tucson households for a year.

“There has been a lot of effort, there has been a plan put in place to take care of Pinal agriculture,” Tenney said. “And the time is now for us to shift our focus from just one sector in one county to focus on Arizona’s economy as a whole.”

Paul Orme, the irrigation districts’ attorney, said the request for more money was triggered by the districts’ recent discovery that the total well-drilling tab had jumped from \$30 million to \$50 million. The cost rose because the districts concluded they need to drill more wells than previously thought to boost available capacity during peak watering seasons.

Explaining the request for a state guarantee, Orme added, “Our boards have never been comfortable with just keeping our fingers crossed that federal money will come through in a year or two. Our lobbyists suggested the state be the ones to backstop that. It’s the only way we felt we could get to certainty on well infrastructure.”

This request comes more than a month after the CAP signed off on the key principles underlying a drought plan, and after the Arizona Department of Water Resources endorsed the entire plan.

But farmers have said all along that they won’t support legislation for the drought plan without adequate funds for well drilling.

Orme said the farmers want more than just vague assurances: “It can’t just be numbers on paper. It has to be a reality.”

CONSERVATION ALSO AT ISSUE

This is the second new issue threatening to upend progress toward getting a plan approved by Jan. 31. If that doesn’t happen, U.S. Bureau of Reclamation Commissioner Brenda Burman has threatened to impose a federal plan to reduce river water use to protect Lake Mead.

The Colorado River provides 40 percent of Arizona’s water supply.

Last week, state House Democratic leaders balked at supporting drought-plan legislation because it has no provisions requiring water conservation. They and others, including many scientists, say the lake’s underlying problem is that Arizona is using more water than nature now provides.

Speaking specifically of the farms’ request, Kathy Ferris, a former Arizona Department of Water Resources director, asked in exasperation, “When do we have a deal? When is a deal a deal?”

“If you don’t bring this process to closure, people will keep asking for more and more. Somebody has to draw a line in the sand and say that’s enough: The deal is done and we’re moving forward,” said Ferris, now chief counsel for the Arizona Municipal Water Users Association.

Ferris was less critical of House Democrats’ hesitancy to support the drought bill because they’ve just started work on it, whereas farmers and other water interest groups have been grappling over the plan for months.

But Ferris, a registered Democrat herself, acknowledged that if the conservation issue persists, it could threaten the Jan. 31 deadline.

\$2.3B IN AGRICULTURE SALES CITED IN STUDY

The new UA study concluded Pinal County accounts for 45 percent of the state's sale of cattle , 42 percent of its cotton and cottonseed sales, 39 percent of milk sold in the state and 22 percent of Arizona's sale of other crops and hay.

Agriculture-related businesses, including food manufacturing, make up 25 percent of the county's manufacturing jobs, the study found.

The report says the total contribution of agriculture and agribusiness to the Pinal County economy in 2016 was nearly \$2.3 billion in sales.

In addition, the report says that if Arizona reduced the farms' CAP deliveries by 300,000 acre-feet — which would amount to the farms' entire supply or more — the county would lose about 7 percent of its total, non-farm agricultural sales, up to \$66.7 million. Countywide, up to \$104 million total sales, including related non-farm sales, would be lost. So would 270 to 480 full- and part-time jobs.

George Frisvold, a UA agricultural economics professor, was the study's lead author.

Eloy-area farmer Tiffany Shedd said many of the study's findings confirm what she knew about agriculture's importance to the county, but she was shocked at some of the specifics.

“Agriculture is the basis of Pinal County’s economy. The number-one industry in the Pinal study is food processing, mostly the dairies,” said Shedd, who with her husband grows cotton and wheat. Her husband is a fourth-generation farmer there.

“This study just shows that it’s not affecting just a few growers but could really hit a major production county in Arizona,” Shedd said of CAP cuts.

CITIES DISPUTE FARMS’ ECONOMIC IMPORTANCE

In response to the study, the municipal water users association released a brief analysis that sought to minimize Pinal agriculture’s importance to the state’s economy.

It found that Pinal farmers and associated agribusiness firms such as dairies represented two-tenths of 1 percent of the state’s economy in 2016. That’s about half the economic impact of Arizona’s golf industry.

Because roughly two-thirds of Pinal’s agriculture-related activity comes from livestock, dairies and associated businesses, raw materials for beef and dairy production such as alfalfa can be imported from elsewhere, the cities’ analysis said.

Finally, putting into place all the various mitigation measures for the drought plan to compensate farms, tribes, cities and other users for cutbacks will cost about \$19.4 million a year. Those costs can all be traced to the farms’ mitigation requests because cities and tribes wouldn’t have requested mitigation if farms weren’t getting it, Tenney said.

The benefits of mitigation to Pinal's agricultural economy, the analysis said, are about \$13.3 million per year.

The maneuvering by both sides comes as state lawmakers are set to begin debating the drought-plan legislation as soon as this week.

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