



**Southern Arizona
Home Builders
Association**

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November 30, 2009

Mr. Jim Barry
Chairman, City/County Water Study
P.O. Box 2344
Tucson, AZ 85701

Dear Mr. Barry:

First of all, I would like to commend you, the members of the committee, and Staff for your tireless work on this project. It has been an exceptional commitment of time, energy and brain power for an issue of significant importance to our region.

SAHBA supports sound water and wastewater management decisions. Water is a precious resource that cannot be taken for granted. We remain engaged on this important regional issue for our members and we serve actively as a member of the Tucson Regional Water Coalition (TRWC).

Throughout the City/County Study process SAHBA has participated both as a passive observer and also actively by providing written comments and contributing to the TRWC's technical paper "Water as an Economic Resource." Perhaps most importantly, it is our industry that has arguably the greatest stake in the outcome of this process. "Growth," particularly whether or not we have enough water to accommodate it, has been the underlying theme from the beginning.

If water (or the perpetuation of a water scarcity...whether real or not) becomes the determining factor for future growth, it would create a situation that would be detrimental to our members and the broader community. Local businesses would go under, more jobs would be lost, more homes would be foreclosed, tax revenues would continue decline, social service programs would be increasingly strained and on, and on and on. Contrary to the views of some in this community, all of our problems would not be solved if there was no more growth.

We respect the role of Staff and the Study committee in this process. We know that it is not staff, nor the committee's intent, or role, to stop growth and economic development under the guise of preserving scarce water resources. Staff and committee members have too much pride in their work and command of the issues to let that happen.

Yet while the draft staff report provides a comprehensive analysis of the issues that came before by the committee, and outlines numerous policy recommendations based on the findings, there are several areas that should be improved. We have broken down our comments into two types: 1) General Suggestions – broader issues that reoccur through the document and 2) Specific Suggestions – requested changes on specific points in the report. We trust that the

staff and/or the committee will find value in our comments and incorporate them into the document to strengthen the final product.

General Suggestions:

- The Committee Portion and Finalization of the Report – We are concerned the final steps of the Phase II Report are being rushed for political expediency. For example, the Committee Report (Oversight Committee Concerns & Findings) was not part of the draft available for public comment and it does not appear there is a plan to solicit input on this section. We also understand that the committee is going to finalize the report on December 3 without any process for responding to or considering public input. Additionally, we are concerned adequate time has not been spent by the Committee deliberating the Staff Report.

Committee “sign-off,” and referral to the Mayor and Council or Board of Supervisors should be delayed until all comments from the public has reviewed the Committee portion of the report, have been evaluated in the committee process, and until there is unanimous consent from the Committee that the Staff Report has been given enough consideration.

- Quantify Environmental Benefits – Where assertions are made that riparian or other environmental degradation has occurred, and a recommendation is made to improve the natural conditions, the report should provide specific and detailed information that quantifies the anticipated outcome. This information will help inform policy makers and be used to evaluate successes. If this information has been provided in a Technical Report, there should be a citation or footnote.

Ex. “A large percentage of the historic area of riparian habitat in southeastern Arizona has been lost to or degraded by past human activities. In addition, changing environmental circumstances further threaten remaining riparian areas, especially those already made vulnerable by human actions.”

- Quantify Costs – As policy makers, and the public, evaluate the recommendations outlined in the report, financial costs deserve to be taken into consideration. All costs, including government staff resources, should be quantified for areas that will lead to additional costs.

Ex. “Rainwater harvesting should also be an element of all public projects where feasible and encouraged and/or required for private developments.”

- Utilize Cost Benefit Analysis – A cost benefit analysis (preferably by a third-party/independent source) should be performed for any recommendations that do have a financial or cost component in order for policymakers to know the return on the investment of the decisions they are being asked to make.

Ex. “We should increase conservation and maximize our use and re-use of renewable locally-generated water sources such as rainwater harvesting, stormwater capture and recharge, graywater systems, and maximizing the use of effluent and reclaimed water.”

- Define and Validate “Quality Growth” – Throughout the document it is expressed that future growth has to occur in the right and/or sustainable way. However, without any defining criteria, policymakers and the public are unable to determine what the committee’s intentions were. Staff should provide clearer definitions and/or parameters on what type of growth is acceptable. The committee should also recommend Tucson water extend water services to any development that is slated to occur in an identified “growth area.”

Ex. “If growth does occur, how can we accommodate it in the most sustainable manner possible? The paper addresses the forms and location of growth and makes the point that quality of growth is more important to focus on than quantity of growth.”

- Occurrence of Future Growth – SAHBA, like Staff, the Committee, and local elected officials, supports sustainable growth. However, growth should not be viewed as something that can be “engineered.” Water should never be used as a tool to manage or engineer where future growth does or does not occur. This report is entirely void of any language or recommendations that validate the positive side of growth. This report fails to consider any of the unintended consequences (a stagnant community) of either no growth or policies that drive growth to other areas outside of the City and/or County. We ask that the committee minimize all references that imply growth management and include a section that highlights the benefits of growth to our community.
- ‘Wills’ and ‘Musts’ – Given that the report is providing “recommendations”, and not mandates, words like ‘will’ and ‘must’ should be removed in favor of ‘should’ in any Staff recommendations.

*Ex. “...certain water reservations for the environment **must** be made and sustained.”*

Specific Suggestions:

- See attachment.

We are confident the final Phase II report will be thoughtful, inclusive and respectful of our community’s environmental, social and economic needs. We are also confident that the elected representatives on the Board of Supervisors and Tucson City Council will initiate a thoughtful and transparent dialogue around each of the proposed recommendations before adopting any of them or directing staff to pursue them.

SAHBA remains committed to being a constructive part of this very important debate. If you have any questions, please contact me at 795-5114.
Sincerely,



David Godlewski
Government Liaison, SAHBA

SAHBA, SPECIFIC COMMENTS ON DRAFT PHASE II STAFF REPORT

Phase 2 Scope Guiding Principles

P. 3 – *“The adopted Scope of Work for Phase II includes a set of guiding principles which are grouped into four categories as follows:”*

This statement, and the bullet pointed list, is not an accurate reflection of what appears in the memorandum entitled “Updated Scope of Work” dated “April 1, 2008” from Nicole Ewing Gavin and Melaney Seacat to Messrs. Hein and Huckelberry. It goes beyond what has been approved and subtly interjects a “no growth” tone into the document (Ex. “Water conservation should be viewed as protecting a future water supply, not simply making more population growth possible.”). We ask that this section be replaced with the actual goals for Phase II which are outlined in the aforementioned memorandum.

II. SHARED GOALS AND RECOMMENDATIONS, Comprehensive, Integrated Planning

P. 6 – *“Water, in and of itself, does not provide answers for how to manage growth in a sustainable manner.”*

Water should not be used as a growth management tool as this sentence implies. We ask that it is removed.

P. 6 – *“Instead each of these services has been planned in a “silo” which has contributed to unmanaged growth, environmental problems, infrastructure and service deficits, and has diminished public resources.”*

This sentence is highly politicized and not supported by quantitative proof or analysis. We ask that it is removed.

P. 6 – *“Directing growth, both its form and location is critical to creating a sustainable water future.”*

The occurrence of growth is, in many ways, not an “engineered” process. We ask that the word ‘directing’ is removed.

P. 6 – *“In addition to form and location of growth, it is important to also consider type of growth. Is it just rooftops and retirees or does it include high paying jobs and young professionals?”*

This goes beyond what is appropriate for Staff and the Committee to consider as part of this Study. We ask that this sentence is removed.

P. 6 – *“While our population is likely still going to grow at some rate, there is no guarantee that in the future we will grow in the same manner as we have in the past. Declining growth is not necessarily a bad thing. Diversifying our economy can help to make our community more resilient to changing growth trends.”*

Statements like “declining growth is not necessarily a bad thing” is highly politicized and not supported by quantitative proof or analysis. We also question the Staff and Committee’s qualifications to make

statements about the composition of our local economy and how it may or may not influence future growth. We ask that these sentences are removed.

P. 8 – “The modeling exercise points out that as we grow, we have choices as a community and that we are not relegated to grow in the same form as we have in the past. In fact, it is clear that continuing our same pattern of growth is not a sustainable option going forward.”

To whom is it “clear”? Please clarify who is making this assumption.

P. 9 – *“Related to this, it is important that where we extend water and wastewater services matches up with where we want growth to occur.”*

Again, the occurrence of growth is, in many ways, not an “engineered” process. And water should not be used as a growth management tool. Water should be committed to its highest and best use. We ask that this sentence is removed.

P.10 - Recommendation 2.1 – *“The City and County should take steps to encourage growth and new development in areas identified as most suitable for development...”*

If future growth does occur where it has been identified to be most suitable, it seems only appropriate that Staff also recommends that Tucson Water extend service to those areas. Otherwise, what is the incentive to grow in certain areas? Will Staff agree to recommend that Tucson Water extend service to future residents in all identified growth areas? If not, we ask that this recommendation is removed.

P.10 - Recommendation 2.2 – *“The City and County should influence the location of future growth through where infrastructure is built and public services are provided.”*

This can be done by guaranteeing Tucson Water service around existing infrastructure even if it is beyond the current obligated to serve area. Until this type of incentive is in place, we ask that this recommendation is removed.

P.10 - Recommendation 2.3 – *“The City and County should influence the location of future growth through the acquisition of open space.”*

In other areas of the report Staff talks about adverse consequences of “sprawl.” However, the acquisition of more open space will likely lead to sprawl. Has Staff, or anyone else, conducted an analysis on the relationship between acquiring open space and the impact on where growth occurs?

P.11 - Recommendation 2.4 – *“The City and County should continue to work with PAG to do growth and urban form scenario modeling on a regional level...”*

We ask that all of the jurisdictions in So. AZ are included in this process as well.

P. 11 - GOAL #3 – *“The historic disconnect between land use planning and water resource and infrastructure planning has a number of negative impacts, including (1) continued groundwater level declines in some areas of the valley impacting both existing residents, customers, businesses, and the environment; and (2) the stimulation of growth in places that lack adequate water infrastructure, as well*

as other types of public infrastructure and services, causing costly impacts to local governments, other service providers, and existing tax payers.”

Lacking specific facts and figures about the precise cost to government and tax payers, we ask that this is removed. And in fact, SAHBA has a fact-based study that demonstrates new residential growth leads to a positive fiscal impact to local governments.

P. 12 - GOAL #3 – *“A concern with the current policy is that it does not prevent additional development from occurring outside of the Tucson Water service area. Developers are often able to find alternative access to water which usually means drilling wells, contributing to the pumping/recharge disconnect, and potentially contributing to continued groundwater declines and the adverse impacts associated with continued groundwater declines.”*

Provided that developers are complying with all local and state regulations/laws this language should be removed.

P. 13 - GOAL #4: *“GROWTH SHOULD PAY FOR ITSELF OVER TIME AND BE FINANCIALLY SUSTAINABLE”*

This sentence is highly politicized and not supported by quantitative proof or analysis. It goes beyond what is appropriate for Staff to recommend. Again, SAHBA has a fact-based study that demonstrates new residential growth leads to a positive fiscal impact to local governments. We ask that this goal is removed.

Page 14 – *“...certain water reservations for the environment must be made and sustained.”*

Why “must” they be made and sustained? At what level has a public discussion occurred where taxpayers/ratepayers have identified this as a priority? We ask that this be removed or the word must is substituted for ‘should’.

P. 17 – *“Restoration should also be viewed as a local economic opportunity. By employing local talent and community volunteers, we support the development of a local green economy. Community involvement in restoration also builds a sense of stewardship among participants. Children who have had limited opportunity to interact with nature, at-risk youth, and seniors with time available to share and an interest in doing so are all populations that could benefit from an opportunity to be directly involved in riparian restoration.”*

What facts or analysis supports this? Whom is the “payer”? Government? Absent an economic analysis to support this claim, we ask that it is removed.

P. 18 – *“...creating small pockets of desert-adapted habitat (i.e. upland or xero-riparian habitat) within the fabric of the urban community.”*

Does Staff support a landscape solution to accomplish this objective or must it occur through land set-asides? Would they be willing to eliminate other development/land use regulations to accomplish this goal?

P. 19 – *“Rainwater harvesting should also be an element of all public projects where feasible and encouraged and/or required for private developments.”*

Absent a third party cost/benefit analysis on rainwater harvesting, we ask that this is removed.

P. 21 – “In order to balance the water needs for individual restoration projects with the ability to commit appropriate water supplies, it is important to match each restoration project with the least expensive water supply of suitable quality that is physically available for use at the restoration site.”

Water should go to its highest and best use. There is no supporting documentation for this claim. We ask that it is removed.

Page 22 - Recommendation 5.1 – “The City and County will finalize the IGA for the Conservation Effluent Pool, which will annually provide up to 10,000 acre feet of effluent for environmental enhancements. This agreement will be delivered to the City Mayor and Council and the County Board of Supervisors for review and approval.”

We ask that the Staff modify this language to recommend that a public and transparent deliberation occur about the costs and benefits of this IGA.

Page 22 – Recommendation 5.2 – “The City and County will work with stakeholders and other resource experts to link water conservation to the protection of future supplies and to environment preservation/restoration by identifying mechanisms to reserve water saved through conservation programs for specific environmental uses/projects.”

We ask that the word ‘will’ be replaced for ‘should.’

Page 25 – “Recommendation 2.4 - The City of Tucson and Pima County will continue encouraging rainwater harvesting on both residential and commercial properties to defray the high costs associated with stormwater management, and to develop a new source of local, renewable water supply.”

Absent a third party cost/benefit analysis on rainwater harvesting, we ask that this is removed.

P. 27 – “Because of the level of uncertainty we face, an adaptive, flexible, and regularly updated scenario planning approach is needed to ensure we are as prepared as a community for drought in the variety of ways it may get triggered and manifest itself. There is less need for certainty in forecasts than there is for a regularly monitored credible range of possibilities that the utilities and the community can prepare for.”

We ask that staff includes language to the effect of “however, verified facts and figures will be used to support water policy and regulatory changes based on climate change and/or drought.”

Page 27 - Recommendation 4.4 – “Incorporate the consideration and evaluation of the use of reclaimed water into the City and County development review processes.”

Water should not be used as a growth management tool. We ask that this sentence is removed.