

Queen Creek Water Resource Management Strategy Report

Background

As the water provider and platting authority, the Town of Queen Creek has significant responsibility and authority to guide responsible water stewardship and land uses. Recognizing that land and water resources are finite in nature, Queen Creek plans for their productive, conjunctive uses to ensure orderly and long-lasting development within the Town. This Water Resource Management Strategy outlines Queen Creek's steps for safeguarding current water users while also providing adequate resources for future customers.

Queen Creek's Framework

Queen Creek's buildout water supplies are identified in the 2022 Comprehensive Utility Master Plan ("Master Plan") and will be sufficient to meet estimated build out demands based upon existing and future land uses. Understanding that future water demands may not replicate past water demands, Queen Creek will/has updated its Town Code establishing a "Water Use Allocation" for every new non-residential water customer to ensure that the Town has sufficient water resources to provide to every future water customer through buildout, without infringing on existing customers' needs. These Code sections build upon existing Code provisions that require water conservation measures for residential and non-residential customers. Additionally, Queen Creek has implemented many water conservation programs that support both residential and non-residential customers. The Code additions are intended to impact only those future large non-residential water users whose water demands could disrupt the delicate balance of water supply and demand for all of Queen Creek and its water customers.

Queen Creek's Sustainable Water Allocation Policy - Two Tiers

- Tier I Water sets the Water Use Allocation for non-residential customers using 60 Acre Feet of water annually (53,565 Gallons Per Day). It is estimated that nearly all new developments will be able to operate under the Tier I Water allocation. For the rare instance in which a proposed development needs more than Tier I water, Tier II Water could be available.
- Tier I Expanded Water Use Allocation increases the Tier I allocation by up to an additional 40 Acre Feet of Water annually, representing a total amount of up to 100 Acre Feet annually (89,275 Gallons Per Day) per water use or user. Town staff shall have the discretion to apply this allocation to specific projects consistent with the Towns adopted Economic Development Strategic Plan.
- Tier II Water is water that is available on the open market, should Tier I water not be sufficient or available for the proposed development. Queen Creek may assist the proposed customer in identifying sources of supply for the customer to acquire and contractually transfer to Queen Creek, through the Sustainable Water Agreement, to meet the user's demand above Tier I water supplies allocated to the user.

All Tiers of water are linked to the water meter and specific use at the site as specified in the Sustainable Water Service Agreement and cannot be transferred or joined with another use without authorization by Queen Creek.

Tier II Water Acquisition Approach

Any development that requires Tier II water can elect to pursue any of the following options or combination thereof:

Independently acquire the necessary Tier II water in sufficient quantity and term as required by the Town and transfer the same to the Town as is necessary. All costs of acquisition and delivery of the water will be the up-front responsibility of the project.

Utilize the Town to acquire the necessary Tier II water in sufficient quantity and term as is necessary. The project and the Town will enter into a repayment agreement which shall include all of the acquisition and related delivery costs and any reasonable administrative fees as determined by the Town. The specific repayment can include and of or combination of the following: up-front payment by the project, annual fixed payments over a specific term, and/or a commodity use allocation based upon a per gallon use of water.

Queen Creek may elect to participate, to some degree or another, in Tier II Water acquisition as required by a specific project on a case by case basis using the Key Industries of Focus as the guide, as discussed below.

Queen Creek's Key Industries of Focus

Through the General Plan, economic development priorities outlined in the Economic Development Strategic Plan and other planning documents, Queen Creek has outlined its key industries of focus. The Water Resource Management Strategy supports and aligns with these goals through the allocation of Tier I Expanded Water Allocation or the possible participation in the acquisition of Tier II water based upon consideration of the following areas:

1. **Redevelopment-** As portions of Queen Creek age, they can become underutilized for employment, recreational or social benefits to the community. While Tier I water supplies will be sufficient for existing as well as most future uses, an existing site may need additional water to support a new use that presents additional employment, recreational or social benefits in excess of the previous use. Tier I Expanded Water Allocation or Tier II water acquisition participation may be elected by Queen Creek, at its discretion, for opportunities that provide a substantial economic, recreational or social benefit in exceedance of the investment.
2. **Economic Development & Employment - High wage, employment** is the focus of this goal. Nearly all expected employment uses will have sufficient water dedicated from Tier I. However, in the instance of a new use that provides high wage jobs and a significant level of capital investment in one of the Town's Economic Development Targeted Sectors (Advanced Manufacturing, Agritainment/Destination Tourism, IT/Software, Healthcare and Business Services) and require more water Tier II water acquisition participation may be elected by Queen Creek, at its discretion, for opportunities that provide continued, long term benefits in exceedance of the investment.
3. **High Value Projects -** Projects that fall within the targeted sectors as outlined in the Economic Development Strategic Plan or meet a specific priority as identified by the Town Council, and will

bring significant levels of capital investment, jobs, wages, and/or regional/national benefits to the community, and that require a Tier I Expanded Water Use Allocation or Tier II Water Allocation, will be evaluated for the impacts on Queen Creek and the local economy. Depending upon the scope and scale of the project, an independent fiscal and economic analysis may be utilized to comprehensively review the project's impacts and to guide the Town in determining if and how much Tier II water acquisition participation will be elected for strategic opportunities that will provide continued, long term benefits and a significant return on investment to the community. This evaluation may include the use of consultants and/or economic models that evaluate the project's impacts, including but not limited to: additional direct revenues to be generated, secondary revenues from support businesses and the employed labor force, and quantification of general goodwill, prestige, and other benefits the project would bring to the community. The Town Manager shall consider this evaluation in making the determination on Tier I Expanded Water Use Allocation. This evaluation will be used to support the recommendation of the Town Manager to the Council in making its determination on the Town's participation in or offset of the costs related to Tier II Water that is required by the project. Each project will have its own set of unique circumstances, costs and benefits which the Council can consider in the approval of any participation by the Town in the acquisition of Tier II Water.

Queen Creek's Sustainable Water Allocation Policy provides a strong foundation for continued growth. It supports the three focus areas of Prosperous Community, Strong Economy and Exceptional Built Environment by providing water assurance for the long term.