



STATEWIDE GROUP URGES EDUCATION ON WATER PRICING IN RELEASING WHITE PAPER ON RISING COST OF WATER

PHOENIX, Ariz. (July 15, 2014) – Perceptions about water issues in Arizona are as varied as the state’s terrain but one thing is for certain – the price we pay for our most precious natural resource is going to increase in the face of shortages triggered by continued drought and climate change.

That’s a key finding in a white paper released today by Arizona Forward titled, *“Valuing Arizona’s Water: The Cost of Service & The Price You Pay.”* The 45-year-old, business-based environmental public interest organization acknowledges factors driving the cost of water are complicated but imperative for state leaders to understand.

“A long-term, reliable water supply is critical to the economic vitality and sustainability of every Arizona community,” said Diane Brossart, president and CEO of Arizona Forward. “The Arizona Department of Water Resources is projecting a shortfall over the next 25 to 50 years. Every Arizonan should care about where the next supply is going to come from, how much it will cost and who will step up to lead on these vital issues.”

In addition to what impacts the cost of water statewide, topics addressed in the white paper include: the local nature of municipal water service; the distinction between the “price” charged for water delivered to a water customer and the “cost” of that water supply; conservation efforts; and future challenges and environmental considerations.

“The price we pay for water delivered to our homes and businesses can vary significantly depending on where you live in Arizona,” said Doug Von Gausig, mayor of Clarkdale and Chair of Arizona Forward’s Water Committee. “Rate-setting policies can also play a major role in the price we pay for water service. It’s important for policy-makers and rate-setters to understand all the costs involved now and in the future so we don’t end up spending more in the long run to provide reliable water service.”

The age of a utility’s infrastructure, the size of its customer base, where it gets its water and the quality of the “raw” water are different in each system, and they all affect the costs of acquiring, treating and delivering water to customers. There is almost no single factor that is consistent across all the water systems in Arizona, according to the paper.

“A few basic truths have emerged,” Brossart notes. “One is the certainty that water prices, almost without exception, will never be lower than they are today.”

The white paper cites several factors that will make water more expensive in Arizona's future:

- As population increases and water supply remains stable or declines, the cost of water will increase.
- As water infrastructure ages, maintenance and depreciation increases, and these costs will have to be passed along to consumers.
- As new resources are acquired, whether they are from new wells, new surface sources like rivers or lakes, or from desalination of ocean water, this "new water" will come at a higher cost than current sources.

Watershed management and the uncertainty of climate change were also identified as strong factors in future water costs. The Colorado, Salt, Gila and Verde Rivers provide more than half of all the water Arizona uses each year, and for them to continue doing so, the watersheds that feed the rivers need to be healthy.

Arizona Forward has spent more than a year developing its water pricing paper. The organization believes public education about the costs required to develop, maintain and operate water infrastructure and water supplies is key to an informed customer base. Additionally, an engaged public will make it easier to ensure an adequate, safe, reliable and sustainable water supply for Arizona.

"The process for producing the paper is as relevant as the document itself," Brossart explains, noting that it was challenging for the diverse statewide group of public and private sector members of the association to agree on how best to communicate its messages. "There was a lot of debate but at least we got people talking and working together. Water pricing is a vital aspect of Arizona's water future."

For a copy of "*Valuing Arizona's Water: The Cost of Service & The Price You Pay*," or additional information about Arizona Forward, visit arizonaforward.org.

Arizona Forward is a 45-year-old, non-profit public interest organization that brings public and private sector leaders together to encourage cooperative efforts to improve the environmental quality and economic vitality of cities and towns throughout Arizona. Its collective influence ensures healthy communities through smart growth and development, efficient transportation, improved air quality, responsible water management, energy alternatives, healthy forest ecosystems and meaningful education.

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