

KATIE HOBBS' PLAN FOR A RESILIENT ARIZONA



INTRODUCTION

Arizona should be the best place to live, work, and raise a family. But today, compounding threats — to our water, our natural resources, and our climate — are already disrupting our economy, our livelihoods, and our way of life. Outdated management and infrastructure leave too many of our neighbors without clean, safe, and reliable water. Wildfires, extreme heat, and drought are wreaking havoc on our forests, parks, rivers, and lakes. And as the effects of climate change become more extreme and unpredictable, the need to transition to a sustainable clean energy economy becomes increasingly urgent.

It's not enough to attempt to mitigate the damage that's already being done. Without reliable access to water, our economy and Arizona jobs will be put at risk. We need real leadership that brings people together and creates innovative solutions to expand job and economic opportunities while improving the health and well-being of Arizonans.

Arizona is one of just a handful of states without a dedicated state agency charged with overseeing sustainability and energy programs. That's why, as governor, Katie will establish the Water and Energy Innovation Initiative, tasked with securing our water supply and advancing a clean energy economy in partnership with state agencies, businesses, underserved communities, and tribal communities.

As governor, Katie will provide leadership to address the burgeoning water crisis, preserve our natural resources, and build a 21st-century clean energy economy

that puts Arizona on a path to long-term prosperity. Through the Resilient Arizona plan, Katie Hobbs will:

- Secure and modernize Arizona's water supply by better conserving and managing our water, investing in and upgrading our infrastructure, and providing the leadership needed to bring Arizonans together so that every stakeholder has a seat at the table.
- Protect Arizona's precious natural resources, like our forests, parks, and bodies of water, from the devastating effects of climate change that we're already experiencing.
- Invest in a 21st-century clean energy economy that lowers costs for Arizonans, diversifies our energy infrastructure, and addresses the challenges brought by climate change.

SECURING AND MODERNIZING OUR WATER INFRASTRUCTURE

Arizona's next governor must address a generational challenge: ever-disruptive water shortages that threaten access to water and the viability of our state's water supply. These problems are not new, but what's been missing is leadership. As governor, Katie will deliver results through innovative thinking, cooperation among tribes, farms, cities, and industries, and common sense leadership. That is how Arizona can be on the cutting edge of water security and management.

CONSERVING AND MANAGING WATER

Today, we face serious problems with our water conservation and management, and access to clean, safe, and reliable water remains inequitable. To address this, Katie will invest in 21st-century water systems that use innovative solutions to meet regional water supply needs, incentivize conservation, and provide reliable water to all Arizonans. And in order to build a future with long-term prosperity, we must not rush to implement ideas that need to be thoughtfully and collaboratively developed. Katie knows we need everybody at the table, which is why she will prioritize stakeholder cooperation and planning, regional discussions and negotiations on Colorado River issues and groundwater management, and advancing negotiations of tribal water settlements.

As governor, Katie will:

- **Promote conservation efforts through the Water and Energy Innovation Initiative to address Arizona's generational water challenges.**
 - Create a dedicated long-term expert leadership team through the Water and Energy Innovation Initiative, which will be responsible for coordinating programs to address water scarcity, water quality, and water infrastructure, implementing conservation efforts, and streamlining government agencies' water efforts.
 - Invest in local governments, businesses, and nonprofits in consultation with the Water and Energy Innovation Initiative to help implement water conservation and efficiency methods, and augmentation plans. These programs, which could be leveraged to attract federal dollars, will also encourage and advance voluntary agricultural water conservation techniques, such as laser leveling, drip irrigation, and conversion to lower water use crops.

› **Modernize groundwater management tools to empower rural communities to protect groundwater supplies.**

- Modernize the Arizona Groundwater Management Act — legislation that was groundbreaking at the time, but 42 years later, it has not kept up with continued growth, known sustainability issues, and the increasing impacts of climate change.
- For rural communities, promote access to a locally-tailored groundwater conservation and management program that would qualify for state funding and technical support. Many rural Arizona communities are experiencing rapid depletion of groundwater and are asking the state for help. In 80 percent of Arizona’s land area, home to 1.4 million people, there are effectively no restrictions on groundwater pumping and very few tools for local communities to manage water supplies. This means, for example, that a new large water user can sink a well and pump as much water as they can, even to the point of drying up neighboring wells or draining the community’s aquifer.
- Support funding for the Arizona Department of Water Resources to identify groundwater shortages and assist with local water resource planning.

› **Streamline and expand water reuse efforts to increase usable water supplies while building resilience to drought.**

- Direct the Water Infrastructure Finance Authority to issue loans and grants to expand water reuse efforts and use a grant program to help Arizonans implement proven and available reuse practices. Water reuse will play a key role in optimizing the use of water supplies. One of the few sources of “new” water supplies for Arizona in the next decade is the reuse of water for domestic purposes at large scale, also known as direct potable reuse.

› **Ensure the water that Arizonans are consuming is clean and safe.**

- Allocate up to \$5 million per year in Arizona Department of Environment Quality funding for cleaning up toxic PFAS chemicals, which never break down in the environment, leak into the water we drink, and are linked to increased rates of cancer and other diseases.
- Allocate up to \$15 million in a one-time grant program to help rural Arizonans, and Latino and Indigenous communities, who are unable to secure a certified well driller, to dig permitted wells that don’t risk contamination from nearby sources.

BUILDING WATER INFRASTRUCTURE

Historically, Arizona has been a leader in water management, and we must continue to build upon that legacy by providing the leadership needed to take swift action to mitigate current challenges posed by climate change. Climate change is bringing increased risks and variability to our water supplies. As climate experts have pointed out, we are already experiencing the effects of climate change in Arizona from hotter days to longer droughts to more weather events that wreak havoc on our livelihoods and economy. Our water infrastructure needs to be prepared to handle these drastic swings to ensure we have clean and reliable water supplies now and for our future generations. Building water systems for the future will require Arizonans to come to the table to make short and long-term investments for the shared benefit of our communities, the economy, and the environment and to avoid projects that benefit only special interests.

As governor, Katie will:

› Invest in Arizona's water infrastructure to ensure reliable water supplies for all Arizonans.

- Instead of haphazardly pushing through any single water infrastructure project, Katie will make available sufficient resources in funding for the Water Infrastructure Finance Authority, in coordination with the Water and Energy Innovation Initiative, to provide for large-scale, long-term water infrastructure projects that address wide-spread impacts of climate change, drought, and lack of access to water supplies. This funding would also serve

as potential matching funds to access federal infrastructure resources. The bottom line is the cost of waiting for a decade or more for any single piece of water infrastructure underestimates Arizona's rapidly deteriorating water supply and the needs we will face as a state in the coming years.

› Cultivate untapped water supplies, as part of a comprehensive approach to water security.

- There is a danger in laser-focusing on any single idea and failing to move forward now on a portfolio of proven water security strategies. There are no easy "silver bullet" solutions to Arizona's water challenges, but Katie will provide the leadership needed to implement short and long-term solutions to address our water supply crisis.

› Reevaluate current proposals, such as the Arizona Water Authority.

- To meet Arizona's water challenges, we must implement short and long-term solutions using a deliberative and inclusive process. However, the current Arizona Water Authority proposal is half-baked, lacks accountability and transparency, and leaves out important input from Arizona's many diverse water stakeholders. The fact is, the Water Authority as proposed would be given unchecked and unaccountable power over our water resources with the clear potential to put corporate interests ahead of the needs of everyday Arizonans. In its current form, it simply is an idea not ready for prime time and one that could do more harm than good in addressing the water crisis.

PROVIDING WATER LEADERSHIP FOR ARIZONA

In order to address the growing risks to our water supplies, we must improve and expand Arizona's water and wastewater systems. Katie will convene all stakeholders and put Arizona on a path to keep growing its economy while ensuring the long-term sustainability of our water supplies for everyone.

As governor, Katie will:

- › **Move quickly and effectively to address concerns related to water scarcity, quality, and infrastructure that have long been ignored, which includes working with federal partners for funding to address these issues.**
- › **Support a resolution of tribal rights water rights claims, which affect half of the federally recognized tribes in Arizona.**
 - Katie will work to secure federal funding to make the resolution of tribal water rights claims a reality through the construction of water infrastructure on tribal lands.

ADDRESSING WILDFIRES AND SUSTAINING OUR NATURAL RESOURCES

Arizona's natural resources are some of our most treasured assets. From our national and state parks to our rivers and lakes, these jewels are the foundation of our economy and way of life. But today, our public lands are being devastated by the repercussions of climate change, like severe droughts and out-of-control wildfires. In addition to these impacts to public lands, families don't have enough green spaces where kids can play.

Katie knows that the best way to sustain our natural resources is to invest in forest and watershed protection, and preserve and promote the many beautiful parks and other green spaces in our state. Katie also recognizes that our urban areas need more cool and protected streets and play areas.

PROTECTION FROM WILDFIRES AND FLOODS

Prolonged droughts, extreme heat, and catastrophic wildfires, driven by climate change, are devastating our public lands and becoming an ever-greater threat to personal property and human life. Over the last few years, Arizona has experienced several mega-fires that have started destroying our cherished national forests and public lands. These hot, large fires scorch our trees, decimate wildlife habitats, put our firefighters at risk, and create life-threatening post-wildfire flooding that destroys private lands, businesses, and homes.

We cannot stand by while local communities fall victim to catastrophic wildfires and post-wildfire flooding due to a lack of federal agency forest management and action. Restoring and investing in our national forests and public lands will protect our communities, create more economic development opportunities, sustain our wildlife, and protect the rivers and lakes that provide us with our essential water supplies.

As governor, Katie will:

› Fight for healthy forests and watersheds.

- A large portion of our critical water supplies come from the forested lands throughout Arizona. Restoring our forests through targeted restoration projects helps ensure we have reliable water supplies. We have underinvested in forest and watershed health for years. Katie will fight to provide \$15 million every year in grants and additional employees to support on-the-ground restoration projects through the Arizona Department of Forestry and Fire Management.

› **Mitigate the effects of wildfires for those affected.**

- Too often, communities and private landowners impacted by devastating wildfires have not received the resources they need to get back to normal. Katie will work to ensure that \$25 million per year in state grants are fully allocated to communities and private landowners affected by post-wildfire impacts. Katie will also evaluate the need for post-wildfire support on an ongoing basis.

› **Support Arizona forest product businesses.**

- A thriving forest product industry can increase the pace of forest restoration. That's why Katie will work to provide preference in state purchasing to organizations that use forest products from industries that are enrolled in the Arizona Healthy Forest Enterprise, and will work to promote new markets for sustainable and innovative Arizona forest products such as engineered wood that can be used in high-rise buildings.

INVESTING IN OPEN SPACES AND PARKS

Arizonans love open spaces, including our parks, like Kartchner Caverns and Slide Rock. Visitors to our state parks help support our local economies, provide 4,200 jobs statewide and contribute \$272 million to our state's economy. Over the last 20 years, voters have made their voices heard in support of preserving open spaces and building more parks in their communities.

By having more green spaces and planting more trees, we will not only provide a place for our children to play, but we will also help reduce the "urban heat island" where materials like asphalt can increase already hot temperatures and disproportionately affect communities of color. We must invest more in green spaces to benefit our health, our children, and our environment in a way that is respectful of our cultural and historical heritage.

As governor, Katie will:

› **Invest in our state parks.**

- Katie will provide up to \$25 million every year for both the State Parks Department and local governments to preserve cultural and historical heritage, purchase open space, and install infrastructure to support park visitors. Preference will be given to projects that help to reduce the urban heat island effect.

› **Make our communities more livable and walkable.**

- Arizonans recognize the importance of the shade that trees provide. Under Katie's direction, our state will work with local governments to invest in planting more trees in more neighborhoods, which will improve our quality of life.

BUILDING A CLEAN ENERGY ECONOMY FOR A CHANGING CLIMATE

Climate change is not some hypothetical threat to be dealt with in the distant future. Arizonans are already feeling its effects through wildfires, extreme heat, and prolonged drought. Addressing this fundamental challenge requires swift action — including from our state government.

Although Arizonans are no strangers to heat, we've seen unprecedented temperatures across our state over the past few years. In 2020, Arizona was the second hottest year ever recorded in Arizona, with areas like Phoenix experiencing an astonishing 53 days of temperatures above 110 degrees. The implications of these scorching temperatures are far-reaching, particularly for underserved communities and communities of color.

Currently, Arizona is one of just a handful of states without a dedicated state agency charged with administering and coordinating sustainability and energy programs. By establishing the Water and Energy Innovation Initiative, Katie will make sure that the fight for a resilient Arizona remains a priority for her administration. As governor, Katie will work to lower energy costs, invest in the clean energy economy, and modernize our energy infrastructure. Arizona's families and businesses alike deserve a government that works for them.

LOWER ENERGY COSTS

Arizonans are seeing their energy costs rise, but we can take steps to blunt the negative effects. From inflation to supply chain backlogs to ever-growing economic inequality, Arizonans are in real need of economic relief. Katie has already called on Gov. Ducey and the legislature to put more money back in Arizonans' pocketbooks. Today, she's building upon her Affordable Arizona plan by providing a pathway to lower costs by making our use of energy more efficient and by conserving more of our resources.

As governor, Katie will:

- › **Provide a lifeline for families facing excess energy costs.**
 - Create a rebate program to provide vital support for families at risk of being unable to pay utility bills. By working with utilities to create a low-income rebate program for Arizonans at or below 150% of the federal poverty line, we can ensure that those who are most at risk of being unable to afford high electricity bills are able to take care of themselves and their families.
- › **Make energy efficiency home improvements more affordable.**
 - Prioritize programs incentivizing affordable energy-efficient home improvements.

- Pass a tax credit for qualified energy efficiency improvements, with a maximum benefit of \$200 per year, for items like windows, select high-efficiency air conditioners, heat pumps, and water heaters.
- Expand the mission of the Water Infrastructure Finance Authority to partner with local businesses to administer a pilot program providing low-interest financing to lower and middle-income Arizonans for cost efficiency improvements like solar panels and water reuse systems.
- Direct the Water and Energy Innovation Initiative to ensure federal dollars are being fully utilized under the Low Income Home Energy Assistance Program and the Home Weatherization Assistance Program.

› **Retrofit public buildings with commonsense energy efficiency improvements.**

- New and renovated public buildings provide prime opportunities to improve energy efficiency and help save taxpayer dollars. This can be accomplished by implementing commonsense guidance such as using life-cycle cost-effective lighting systems like energy-efficient LED lighting in buildings where lighting is already being replaced. And Katie will work to ensure new public buildings such as schools and government facilities will achieve Leadership in Energy and Environmental Design (LEED) certification to the fullest extent practicable.

CLEAN ENERGY

The Water and Energy Innovation Initiative will bring stakeholders together and work towards carbon-free energy by 2050. Although Arizona is the sunniest state in the nation, we rank fifth in the amount of solar energy produced. With recent advancements in energy storage technology and the price of solar energy now cheaper than ever, the time to transition the state away from fossil fuels and invest in a cleaner, greener economy is now. With a clean energy economy, we can support Arizona jobs in the solar and other clean energy industries. The Water and Energy Innovation Initiative will establish a goal of powering Arizona homeowners and businesses with clean energy in less than three decades by working with ratepayers, the Arizona Corporation Commission, all utilities, and the solar industry.

As governor, Katie will:

- › **Connect Arizona government with impacted communities and energy experts to leverage state and federal resources to modernize our energy and transportation sectors.**
- › **Upgrade state-owned buildings to meet improved energy efficiency standards and provide grants for Arizonans to make energy efficiency upgrades to their homes.**
- › **Work in close coordination with all utilities to determine the best data-driven approach to accomplishing clean energy goals with the ratepayer in mind. This includes identifying incentives for the broader adoption of rooftop solar and homeowner battery storage systems.**

MODERN ENERGY INFRASTRUCTURE

To provide a better future for Arizonans, we must create clean energy jobs and grow our economy, address inequities to access clean energy, and provide regulatory certainty for Arizona's businesses. Every Arizonan, no matter where they live, deserves access to affordable, reliable, and sustainable methods of transportation and energy generation and transmission. For too long, solar panels and electric vehicles have been luxuries that were out of reach for too many. And we continue to operate on an aging infrastructure built to support a fossil-fuel-powered economy. As we transition to a clean energy economy, Arizona must also prioritize uplifting underserved communities that have limited access to electricity. The bottom line is that we can and must transition to a clean energy economy that creates more economic opportunities for everyone.

As governor, Katie will:

› Invest in energy infrastructure, with a focus on disproportionately impacted communities.

- Increase access to sustainable energy for rural and tribal communities.
- Starting with communities that have been most impacted by air pollution, reduce emissions and fuel costs by electrifying school buses that can also be used as power banks while not on the road to reduce energy costs for our schools.
- Electrify state vehicle fleets and concentrate this effort on communities most impacted by carbon pollution.

› Identify long-term battery recycling solutions.

- Leverage federal dollars to plan an innovative battery recycling program within the Water and Energy Innovation Initiative, which will include collaboration with Arizona's research universities.

CONCLUSION

The future of Arizona demands that we step up to address the urgent challenges of our time. But there's nothing we can't accomplish if we put politics aside and work together. The policies in this plan are common sense solutions that will grow our economy, expand job opportunities, and preserve the very things about Arizona that make it special for generations to come.

As governor, Katie will make it a priority to bring people together and deliver results for Arizonans. That's how, together, we can build a sustainable, resilient, and more livable Arizona.