

Water Service Areas are an Essential Institution for Managing Water Resources

Whether from reading the news, paying your water bill, or doing some research before buying a home, you have probably heard the term “water service areas.” Even if you have not, service areas play an enormously important role in having clean, reliable drinking water delivered to your home every single day.

A water service area, sometimes called a water service territory, is simply defined as the geographic area in which a utility provides water. Arizona law defines a water service area as the area where water is being provided. It also stipulates that the service area must contain an “operating distribution system,” which includes the infrastructure needed to deliver or distribute the water. A similar definition can also apply when talking about electric utilities, cable utilities, or any other type of company that provides a similar service. In particular, water utilities have service areas that dictate where they must provide water service, wastewater service, or both. Within its service area, a water provider is responsible for providing sound infrastructure and clean water to all of its residents. Service areas also play important roles in water resources management, as well as in city planning and emergency response.



Groundwater is a resource that is especially important in an arid state such as Arizona. The passage of the Groundwater Management Act in 1980 gave service areas a significant role in managing groundwater use in Arizona, particularly within Active Management Areas (AMAs), where the majority of the state’s population lives and where stricter regulations exist. For example, water providers must account for their groundwater and meet conservation requirements within their service areas. Also, service areas delineate who is allowed to pump groundwater and where that pumping can occur. With few exceptions, only water providers are permitted to pump groundwater from within their service areas, a rule that helps utilities ensure a safe and reliable water source for their customers when other supplies may be in short supply.

The Groundwater Management Act also paved the way for today’s Assured Water Supply Program, which requires new homes built within AMAs to have a demonstrated 100-year water supply. Under the AWS regulations, a Designation of Assured Water Supply demonstrates that a municipal provider’s entire service area has a 100-year water supply. A designation is the platinum standard for consumer protection under the Assured Water Supply Program because it ensures that all residential and commercial customers are not relying solely on groundwater.

If service areas were no longer used to delineate the area served by a utility, it would also be difficult for a utility and regulators to determine what area should be covered by the utility's 100-year Designation of Assured Water Supply. Service areas also help developers know which rules apply to their development. New subdivisions not located within the service area of a designated provider must obtain a Certificate of Assured Water Supply, while those within designated service areas do not. Ultimately, service areas help ensure sustainable water management.

Service areas are important both for intricate water management policies and for more practical and straightforward reasons. Clearly defined service areas are useful and effective for communities because they define where a water provider may undertake essential activities, such as developing groundwater and surface water supplies, constructing treatment facilities, establishing water distribution systems, and overseeing the collection and treatment of wastewater. It is extremely costly to construct, manage, and maintain assets like treatment plants, distribution systems, and wells. Without the clear boundaries of service areas, multiple water providers could seek to serve the same city or neighborhood. The duplication of assets and efforts that would follow would be neither cost-effective nor practical.

There are common-sense benefits of not having multiple water providers competing to serve the same customers, and clear water service areas keep that from happening.

The security of clearly defined service areas enables water providers to prioritize sound water management. With clearly defined service areas, utilities can allocate revenues towards obtaining new water resources and carrying out infrastructure projects that will best serve their customers rather than having to compete with a neighboring utility. Similarly, clear service areas enable customers to hold their water utilities accountable for the service they provide and the rates that they charge. Additionally, overlapping water distribution systems would not only waste money but also bring a risk of water waste through system losses.

Water service areas are an essential institution that help us manage water resources in our arid state. The services provided within these areas are for the good of the public, and keeping these areas well-defined helps to prevent costly duplication of assets and efforts that would harm both taxpayers and our water resources. With a greater understanding of the importance of service areas, we can all work to ensure that these essential guardrails are strengthened, not weakened, so everyone can continue to enjoy responsible and equitable water services into the future.

The second part of this blog series will explain the in-depth history of service areas.

Read AMWUA's complete analysis of service areas and their history [HERE](#).

For 55 years, the Arizona Municipal Water Users Association has worked to protect our member cities' ability to provide assured, safe, and sustainable water supplies to their communities. For more water information, visit www.amwua.org.

