

**Section 1. Section 5-572, Arizona Revised Statutes, is amended to read:**

**5-572. Use of monies in state lottery fund; report**

A. If there are any bonds or bond related obligations payable from the state lottery revenue bond debt service fund, the state lottery revenue bond debt service fund shall be secured by a first lien on the monies in the state lottery fund after the payment of operating costs of the lottery, as prescribed in section 5-555, subsection A, paragraph 1, until the state lottery bond debt service fund contains sufficient monies to meet all the requirements for the current period as required by the bond documents. Debt service for revenue bonds issued pursuant to this chapter shall be paid first from monies that would have otherwise been deposited pursuant to this section in the state general fund. After the requirements for the current period have been satisfied as required by the bond documents, the monies in the state lottery fund shall be expended for the expenses of the commission incurred in carrying out its powers and duties and in the operation of the lottery.

B. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsection A of this section, ~~ten million dollars~~ \$10,000,000 shall be deposited in the Arizona game and fish commission heritage fund established by section 17-297.

C. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A and B of this section, ~~five million dollars~~ \$5,000,000 shall be allocated to the department of child safety for the healthy families program established by section 8-481, ~~four million dollars~~ \$4,000,000 shall be allocated to the Arizona board of regents for the Arizona area health education system established by section 15-1643, ~~three million dollars~~ \$3,000,000 shall be allocated to the department of health services to fund the teenage pregnancy prevention programs established in Laws 1995, chapter 190, sections 2 and 3, ~~two million dollars~~ \$2,000,000 shall be allocated to the department of health services for the health start program established by section 36-697, ~~two million dollars~~ \$2,000,000 shall be deposited in the disease control research fund established by section 36-274 and ~~one million dollars~~ \$1,000,000 shall be allocated to the department of health services for the federal women, infants and children food program. The allocations in this subsection shall be adjusted annually according to changes in the GDP price deflator as defined in section 41-563, and the allocations are exempt from the provisions of section 35-190 relating to lapsing of appropriations. If there are not sufficient monies available pursuant to this subsection, the allocation of monies for each program shall be reduced on a pro rata basis.

D. If the state lottery director determines that monies available to the state general fund may not equal ~~eighty four million one hundred fifty thousand dollars~~ \$84,150,000 in a fiscal year, the director shall not authorize deposits to the Arizona game and fish commission heritage fund pursuant to subsection B of this section until the deposits to the state general fund equal ~~eighty four million one hundred fifty thousand dollars~~ \$84,150,000 in a fiscal year.

E. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A through D of this section, ~~one million dollars~~ \$1,000,000 or the remaining balance in the fund, whichever is less, is appropriated to the department of economic security for grants to nonprofit organizations, including ~~faith based~~ FAITH-BASED organizations, for homeless emergency and transitional shelters and related support services. The department of economic security shall submit a report on the amounts, recipients, purposes and results of each grant to the governor, the speaker of the house of representatives and the president of the senate on or before December 31 of each year for the prior fiscal year and shall provide a copy of this report to the secretary of state.

F. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A through E of this section, and after a total of at least ~~ninety nine million six hundred forty thousand dollars~~ \$99,640,000 has been deposited in the state general fund, ~~three million five hundred thousand dollars~~ \$3,500,000 shall be deposited in the Arizona competes fund established by section 41-1545.01. The balance in the state lottery fund remaining after deposits into the Arizona competes fund shall be deposited in the university capital improvement lease-to-own and bond fund established by section 15-1682.03, up to a maximum of eighty percent of the total annual payments of lease-to-own and bond agreements entered into by the Arizona board of regents.

G. OF THE MONIES REMAINING IN THE STATE LOTTERY FUND EACH FISCAL YEAR AFTER APPROPRIATIONS AND DEPOSITS AUTHORIZED IN SUBSECTIONS A THROUGH F OF THIS SECTION, \$50,000,000 SHALL BE DEPOSITED IN THE DEPARTMENT OF WATER RESOURCES LOCAL GROUNDWATER STEWARDSHIP FUND ESTABLISHED BY SECTION 45-119.

~~G.~~H. All monies remaining in the state lottery fund after the appropriations and deposits authorized in this section shall be deposited in the state general fund.

~~H.~~I. Except for monies expended for debt service of revenue bonds as provided in subsection A of this section, monies expended under subsection A of this section are subject to legislative appropriation.

~~I.~~J. The commission shall transfer monies prescribed in this section on a quarterly basis.

**Sec. 2. Section 9-461.05, Arizona Revised Statutes, is amended to read:**

**9-461.05. General plans; authority; scope**

A. Each planning agency shall prepare and the governing body of each municipality shall adopt a comprehensive, long-range general plan for the development of the municipality. The planning agency shall coordinate the production of its general plan with the creation of the state land department conceptual land use plans under title 37, chapter 2, article 5.1 and shall cooperate with the state land department regarding integrating the conceptual state land use plans into the municipality's general land use plan. The general plan shall include provisions that identify changes or modifications to the plan that constitute amendments and major amendments. The plan shall be adopted and readopted in the manner prescribed by section 9-461.06.

B. The general plan shall be so prepared that all or individual elements of the plan may be adopted by the governing body and that the plan may be made applicable to all or part of the territory of the municipality.

C. The general plan shall consist of a statement of community goals and development policies. The plan shall include maps, any necessary diagrams and text setting forth objectives, principles, standards and plan proposals. The plan shall include the following elements:

1. A land use element that:

(a) Designates the proposed general distribution and location and extent of such uses of the land for housing, business, industry, agriculture, recreation, education, public buildings and grounds, open space and other categories of public and private uses of land as may be appropriate to the municipality.

(b) Includes a statement of the standards of population density and building intensity recommended for the various land use categories covered by the plan.

(c) Identifies specific programs and policies that the municipality may use to promote infill or compact form development activity and locations where those development patterns should be encouraged.

(d) Includes consideration of air quality and access to incident solar energy for all general categories of land use.

(e) Includes policies that address maintaining a broad variety of land uses, including the range of uses existing in the municipality when the plan is adopted, readopted or amended.

(f) For cities and towns with territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, includes consideration of military airport or ancillary military facility operations. If a city or town includes land in a high noise or accident potential zone as defined in section 28-8461, the city or town shall identify the boundaries of the high noise or accident potential zone in its general plan for purposes of planning land uses in the high noise or accident potential zone that are compatible with the operation of the military airport or ancillary military facility pursuant to section 28-8481, subsection J.

(g) Includes sources of aggregates from maps that are available from state agencies, information from the Arizona geological survey on how to locate existing mines, consideration of existing mining operations and suitable geologic resources, policies to preserve currently identified aggregates sufficient for future development and policies to avoid incompatible land uses, except that this subdivision ~~shall~~ **DOES** not ~~be construed to~~ affect any permitted

underground storage facility or limit any person's right to obtain a permit for an underground storage facility pursuant to title 45, chapter 3.1.

2. A circulation element consisting of the general location and extent of existing and proposed freeways, arterial and collector streets, bicycle routes and any other modes of transportation as may be appropriate, all correlated with the land use element of the plan.

D. For cities and towns with a population of more than two thousand five hundred persons but less than ten thousand persons and whose population growth rate exceeded an average of two percent per year for the ten-year period before the most recent United States decennial census and for cities and towns with a population of ten thousand or more persons according to the most recent United States decennial census, the general plan shall include, and for other cities and towns the general plan may include:

1. An open space element that includes:

(a) A comprehensive inventory of open space areas, recreational resources and designations of access points to open space areas and resources.

(b) An analysis of forecasted needs, policies for managing and protecting open space areas and resources and implementation strategies to acquire additional open space areas and further establish recreational resources.

(c) Policies and implementation strategies designed to promote a regional system of integrated open space and recreational resources and a consideration of any existing regional open space plans.

2. A growth area element, specifically identifying those areas, if any, that are particularly suitable for planned multimodal transportation and infrastructure expansion and improvements designed to support a planned concentration of a variety of uses, such as residential, office, commercial, tourism and industrial uses. This element shall include policies and implementation strategies that are designed to:

(a) Make automobile, transit and other multimodal circulation more efficient, make infrastructure expansion more economical and provide for a rational pattern of land development.

(b) Conserve significant natural resources and open space areas in the growth area and coordinate their location to similar areas outside the growth area's boundaries.

(c) Promote the public and private construction of timely and financially sound infrastructure expansion through the use of infrastructure funding and financing planning that is coordinated with development activity.

3. An environmental planning element that contains analyses, policies and strategies to address anticipated effects, if any, of plan elements on air quality, water quality and natural resources associated with proposed development under the general plan. The policies and strategies to be developed under this element shall be designed to have community-wide applicability and shall not require the production of an additional environmental impact statement or similar analysis beyond the requirements of state and federal law.

4. A cost of development element that identifies policies and strategies that the municipality will use to require development to pay its fair share toward the cost of additional public service needs generated by new development, with appropriate exceptions when in the public interest. This element shall include:

(a) A component that identifies various mechanisms that are allowed by law and that can be used to fund and finance additional public services necessary to serve the development, including bonding, special taxing districts, development fees, in lieu fees, facility construction, dedications and service privatization.

(b) A component that identifies policies to ensure that any mechanisms that are adopted by the municipality under this element result in a beneficial use to the development, bear a reasonable relationship to the burden imposed on the municipality to provide additional necessary public services to the development and otherwise are imposed according to law.

5. A water resources element that addresses:

(a) The known legally and physically available surface water, groundwater and effluent supplies.

(b) THE MANAGEMENT GOALS OF A LOCAL GROUNDWATER STEWARDSHIP AREA THAT ARE APPLICABLE TO ALL OR PART OF THE TERRITORY OF THE MUNICIPALITY NOT INCLUDED WITHIN AN ACTIVE MANAGEMENT AREA, PURSUANT TO SECTIONS 45-655 AND 45-656.

~~(b)~~ (c) The demand for water that will result from future growth projected in the general plan, added to existing uses.

~~(c)~~ (d) An analysis of how the demand for water that will result from future growth projected in the general plan will be served by the water supplies identified in subdivision (a) of this paragraph or a plan to obtain additional necessary water supplies **IN A MANNER THAT IS CONSISTENT WITH ACHIEVING ANY APPLICABLE LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS.**

E. The general plan shall include for cities with a population of fifty thousand persons or more and may include for cities with a population of less than fifty thousand persons the following elements or any part or phase of the following elements:

1. A conservation element for the conservation, development and utilization of natural resources, including forests, soils, rivers and other waters, harbors, fisheries, wildlife, minerals and other natural resources. The conservation element may also cover:

(a) The reclamation of land.

(b) Flood control.

(c) Prevention and control of the pollution of streams and other waters.

(d) Regulation of the use of land in stream channels and other areas required for the accomplishment of the conservation plan.

(e) Prevention, control and correction of the erosion of soils, beaches and shores.

(f) Protection of watersheds.

2. A recreation element showing a comprehensive system of areas and public sites for recreation, including the following and, if practicable, their locations and proposed development:

(a) Natural reservations.

(b) Parks.

(c) Parkways and scenic drives.

(d) Beaches.

(e) Playgrounds and playfields.

(f) Open space.

(g) Bicycle routes.

(h) Other recreation areas.

3. The circulation element provided for in subsection C, paragraph 2 of this section shall also include for cities with a population of fifty thousand persons or more and may include for cities with a population of less than fifty thousand persons recommendations concerning parking facilities, building setback requirements and the delineations of such systems on the land, a system of street naming and house and building numbering and other matters as may be related to the improvement of circulation of traffic. The circulation element may also include:

(a) A transportation element showing a comprehensive transportation system, including locations of rights of-way, terminals, viaducts and grade separations. This element of the plan may also include port, harbor, aviation and related facilities.

(b) A transit element showing a proposed system of rail or transit lines or other mode of transportation as may be appropriate.

4. A public services and facilities element showing general plans for police, fire, emergency services, sewage, refuse disposal, drainage, local utilities, rights-of-way, easements and facilities for them.

5. A public buildings element showing locations of civic and community centers, public schools, libraries, police and fire stations and other public buildings.

6. A housing element consisting of standards and programs for the elimination of substandard dwelling conditions, for the improvement of housing quality, variety and affordability and for provision of adequate sites for housing. This element shall contain an identification and analysis of existing and forecasted housing needs. This element shall be designed to make equal provision for the housing needs of all segments of the community regardless of race, color, creed or economic level.

7. A conservation, rehabilitation and redevelopment element consisting of plans and programs for:

(a) The elimination of slums and blighted areas.

(b) Community redevelopment, including housing sites, business and industrial sites and public building sites.

(c) Other purposes authorized by law.

8. A safety element for the protection of the community from natural and artificial hazards, including features necessary for such protection as evacuation routes, peak load water supply requirements, minimum road widths according to function, clearances around structures and geologic hazard mapping in areas of known geologic hazards.

9. A bicycling element consisting of proposed bicycle facilities such as bicycle routes, bicycle parking areas and designated bicycle street crossing areas.

10. An energy element that includes:

(a) A component that identifies policies that encourage and provide incentives for efficient use of energy.

(b) An assessment that identifies policies and practices that provide for greater uses of renewable energy sources.

11. A neighborhood preservation and revitalization element, including:

(a) A component that identifies city programs that promote home ownership, that provide assistance for improving the appearance of neighborhoods and that promote maintenance of both commercial and residential buildings in neighborhoods.

(b) A component that identifies city programs that provide for the safety and security of neighborhoods.

F. The water resources element of the general plan does not require:

1. New independent hydrogeologic studies.

2. The city or town to be a water service provider.

G. The land use element of a general plan of a city with a population of more than one million persons shall include protections from encroaching development for any shooting range that is owned by this state and that is located within or adjacent to the exterior municipal boundaries on or before January 1, 2004. The general plan shall establish land use categories within at least one-half mile from the exterior boundaries of the shooting range that are consistent with the continued existence of the shooting range and that exclude incompatible uses such as residences, schools, hotels, motels, hospitals or churches except that land zoned to permit these incompatible uses on August 25, 2004 are exempt from this exclusion. For the purposes of this subsection, "shooting range" means a permanently located and improved area that is designed and operated for the use of rifles, shotguns, pistols, silhouettes, skeet, trap, black powder or any other similar sport shooting in an outdoor environment. Shooting range does not include:

1. Any area for the exclusive use of archery or air guns.

2. An enclosed indoor facility that is designed to offer a totally controlled shooting environment and that includes impenetrable walls, floor and ceiling, adequate ventilation, lighting systems and acoustical treatment for sound attenuation suitable for the range's approved use.

3. A national guard facility located in a city or town with a population of more than one million persons.

4. A facility that was not owned by this state before January 1, 2002.

H. The policies and strategies to be developed under these elements shall be designed to have community wide applicability and this section does not authorize the imposition of dedications, exactions, fees or other requirements that are not otherwise authorized by law.

**Sec. 3. Section 11-804, Arizona Revised Statutes, is amended to read:**

**11-804. Comprehensive plan; contents**

A. The commission shall formulate and the board of supervisors shall adopt or readopt a long-term comprehensive plan for the development of the area of jurisdiction in the manner prescribed by this article. The comprehensive plan, with the accompanying maps, plats, charts and descriptive matter, shall show the commission's recommendations for the development of the area of jurisdiction. The comprehensive plan shall be made with the general purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of the area of jurisdiction pursuant to the present and future needs of the county. The comprehensive plan shall be developed so as to conserve the natural resources of the county, to ensure efficient expenditure of public monies and to promote the health, safety, convenience and general welfare of the public. The comprehensive plan may include studies and recommendations relative to the location, character and extent of highways, railroads, bus and other transportation routes, bicycle facilities, bridges, public buildings, public services, schools, parks, open space, housing quality, variety and affordability, parkways, hiking and riding trails, airports, forests, wildlife areas, dams, projects affecting conservation of natural resources, air quality, water quality and floodplain zoning. In the preparation of the comprehensive plan, the commission shall make surveys and studies of the present conditions and prospective future growth of the area of the jurisdiction. The comprehensive plan shall be a public record, but its purpose and effect shall be primarily as an aid to the county planning and zoning commission and to the board of supervisors in the performance of their duties. The comprehensive plan shall include provisions that identify changes or modifications that constitute amendments and major amendments to the plan.

B. In addition to the other matters that are required or authorized under this section and this article, for counties with a population of more than one hundred twenty-five thousand persons, the comprehensive plan shall include, and for other counties the comprehensive plan may include:

1. Planning for land use that designates the proposed general distribution and location and extent of uses of the land for housing, business, industry, agriculture, recreation, education, public buildings and grounds, open space and other categories of public and private uses of land appropriate to the county. The land use plan shall include:

(a) A statement of the standards of population density and building intensity recommended for the various land use categories covered by the plan.

(b) Specific programs and policies that the county may use to promote compact form development activity and locations where those development patterns should be encouraged.

(c) Consideration of air quality and access to incident solar energy for all general categories of land use.

(d) Policies that address maintaining a broad variety of land uses, including the range of uses existing in the county at the time the plan is adopted, readopted or amended.

(e) Currently identified sources of aggregates from maps that are available from state agencies, information from the Arizona geological survey on how to locate existing mines, consideration of existing mining operations and suitable geologic resources, policies to preserve currently identified aggregates sufficient for future development and policies to avoid incompatible land uses, except that this subdivision ~~shall-DOES not be construed to~~ affect any permitted underground storage facility or limit any person's right to obtain a permit for an underground storage facility pursuant to title 45, chapter 3.1.

2. Planning for circulation consisting of the general location and extent of existing and proposed freeways, arterial and collector streets, bicycle routes and any other modes of transportation as may be appropriate, all correlated with the land use plan under paragraph 1 of this subsection.

3. Planning for water resources that addresses:

(a) The known legally and physically available surface water, groundwater and effluent supplies.

(b) **THE MANAGEMENT GOALS OF A LOCAL GROUNDWATER STEWARDSHIP AREA THAT ARE APPLICABLE TO ALL OR PART OF THE AREA OF JURISDICTION NOT INCLUDED WITHIN AN ACTIVE MANAGEMENT AREA, PURSUANT TO SECTIONS 45-655 AND 45-656.**

~~(c)~~ (c) The demand for water that will result from future growth projected in the comprehensive plan, added to existing uses.

~~(d)~~ (d) An analysis of how the demand for water that will result from future growth projected in the comprehensive plan will be served by the water supplies identified in subdivision (a) of this paragraph or a plan to obtain additional necessary water supplies **IN A MANNER THAT IS CONSISTENT WITH ACHIEVING ANY APPLICABLE LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS.**

4. Planning for energy use that:

(a) Encourages and provides incentives for efficient use of energy.

(b) Identifies policies and practices for greater use of renewable energy.

C. In addition to the other matters that are required or authorized under this section and this article, for counties with a population of more than two hundred thousand persons, the comprehensive plan shall include, and for other counties the comprehensive plan may include:

1. Planning for open space acquisition and preservation. The open space plan shall include:

(a) A comprehensive inventory of open space areas, recreational resources and designations of access points to open space areas and resources.

(b) An analysis of forecasted needs, policies for managing and protecting open space areas and resources and implementation strategies to acquire additional open space areas and further establish recreational resources.

(c) Policies and implementation strategies designed to promote a regional system of integrated open space and recreational resources and a consideration of any existing regional open space plan.

2. Planning for growth areas, specifically identifying those areas, if any, that are particularly suitable for planned multimodal transportation and infrastructure expansion and improvements designed to support a planned concentration of a variety of uses, such as residential, office, commercial, tourism and industrial uses. The mixed use planning shall include policies and implementation strategies that are designed to:

(a) Make automobile, transit and other multimodal circulation more efficient, make infrastructure expansion more economical and provide for a rational pattern of land development.

(b) Conserve significant natural resources and open areas in the growth area and coordinate their location to similar areas outside the growth area's boundaries.

(c) Promote the public and private construction of timely and financially sound infrastructure expansion through the use of infrastructure funding and financing planning that is coordinated with development activity.

3. An environmental planning element that contains analyses, policies and strategies to address anticipated effects, if any, of plan elements on air quality, water quality and natural resources associated with proposed development under the comprehensive plan. The policies and strategies to be developed under this element shall be designed to have countywide applicability and shall not require the production of an additional environmental impact statement or similar analysis beyond the requirements of state and federal law.

4. A cost of development element that identifies policies and strategies that the county will use to require development to pay its fair share toward the cost of additional public facility needs generated by new development, with appropriate exceptions when in the public interest. This element shall include:



(a) A component that identifies various mechanisms that are allowed by law and that can be used to fund and finance additional public services necessary to serve the development, including bonding, special taxing districts, development fees, in lieu fees and facility construction, dedications and privatization.

(b) A component that identifies policies to ensure that any mechanisms that are adopted by the county under this element result in a beneficial use to the development, bear a reasonable relationship to the burden imposed on the county to provide additional necessary public facilities to the development and otherwise are imposed pursuant to law.

D. The water resources element of the comprehensive plan does not require:

1. New independent hydrogeologic studies.
2. The county to be a water service provider.

E. In applying an open space element or a growth element of a comprehensive plan, a county shall not designate private or state land as open space, recreation, conservation or agriculture unless the county receives the written consent of the landowner or provides an alternative, economically viable designation in the comprehensive plan or zoning ordinance, allowing at least one residential dwelling per acre. If the landowner is the prevailing party in any action brought to enforce this subsection, a court shall award fees and other expenses to the landowner. Each county shall incorporate this subsection into its comprehensive plan and provide a process for a landowner to resolve discrepancies relating to this subsection.

F. The policies and strategies to be developed under these elements shall be designed to have regional applicability.

G. For counties with territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the commission shall also consider military airport or ancillary military facility operations and shall identify the boundaries of any high noise or accident potential zone as defined in section 28-8461 in its comprehensive plan for purposes of planning land uses in the high noise or accident potential zone that are compatible with the operation of the military airport or ancillary military facility pursuant to section 28-8481, subsection J.

**Sec. 4. Section 11-823, Arizona Revised Statutes, is amended to read:**

**11-823. Water supply; adequacy; exemptions**

A. To protect the public health and safety, the general regulations adopted by the board pursuant to section 11-821, subsection B, if approved by unanimous vote of the board of supervisors, may provide that, except as provided in subsection ~~C-D~~ and subsection ~~D-E~~, paragraph 1 of this section, the board shall not approve a final plat for a subdivision composed of subdivided lands, as defined in section 32-2101, located outside of an active management area, as defined in section 45-402, unless one of the following applies:

1. The director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 and the subdivider has included the report with the plat.
2. The subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108.

**B. IF RECOMMENDED BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655, SUBSECTION D, PARAGRAPH 1, SUBDIVISION (A), ITEM (II) AND APPROVED BY MAJORITY VOTE OF THE BOARD OF SUPERVISORS, THE GENERAL REGULATIONS ADOPTED BY THE BOARD PURSUANT TO SECTION 11-821, SUBSECTION B MAY PROVIDE THAT, EXCEPT AS PROVIDED IN SUBSECTION D AND SUBSECTION E, PARAGRAPH 1 OF THIS SECTION, THE BOARD SHALL NOT APPROVE A FINAL PLAT FOR A SUBDIVISION COMPOSED OF SUBDIVIDED LANDS, AS DEFINED IN SECTION 32-2101, THAT IS LOCATED WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA UNLESS ONE OF THE FOLLOWING APPLIES:**

- 1. THE DIRECTOR OF WATER RESOURCES HAS DETERMINED THAT THERE IS AN ADEQUATE WATER SUPPLY FOR THE SUBDIVISION PURSUANT TO SECTION 45-108 AND THE SUBDIVIDER HAS INCLUDED THE REPORT WITH THE PLAT.**



2. THE SUBDIVIDER HAS OBTAINED A WRITTEN COMMITMENT OF WATER SERVICE FOR THE SUBDIVISION FROM A CITY, TOWN OR PRIVATE WATER COMPANY THAT IS DESIGNATED AS HAVING AN ADEQUATE WATER SUPPLY BY THE DIRECTOR OF WATER RESOURCES PURSUANT TO SECTION 45-108.

~~B-C.~~ If the board ~~unanimously~~ adopts the provision authorized by subsection A OR B of this section:

1. The board may include in the general regulations an exemption from the provision for a subdivision that the director of water resources has determined will have an inadequate water supply because the water supply will be transported to the subdivision by motor vehicle or train if all of the following apply:

(a) The board determines that there is no feasible alternative water supply for the subdivision and that the transportation of water to the subdivision will not constitute a significant risk to the health and safety of the residents of the subdivision.

(b) If the water to be transported to the subdivision will be withdrawn or diverted in the service area of a municipal provider as defined in section 45-561, the municipal provider has consented to the withdrawal or diversion.

(c) If the water to be transported is groundwater, the transportation complies with the provisions governing the transportation of groundwater in title 45, chapter 2, article 8.

(d) The transportation of water to the subdivision meets any additional conditions imposed by the county.

2. The board shall promptly give written notice of the adoption of the provision to the director of water resources, the director of environmental quality and the state real estate commissioner. The notice shall include a certified copy of the provision and any exemptions adopted pursuant to paragraph 1 of this subsection. Water providers may be eligible to receive monies in a water supply development fund, as otherwise provided by law.

3. The board shall not rescind the provision or amend it in a manner that is inconsistent with subsection A OR B of this section. If the board amends the provision, it shall give written notice of the amendment to the director of water resources, the director of environmental quality and the state real estate commissioner. The board may rescind an exemption adopted pursuant to paragraph 1 of this subsection. If the board rescinds the exemption, it shall give written notice of the rescission to the director of water resources, the director of environmental quality and the state real estate commissioner, and the board shall not readopt the exemption for at least five years after the rescission becomes effective.

4. If the board approves a subdivision plat pursuant to subsection A, ~~paragraph 1 or 2~~ OR B of this section, the board shall note on the face of the plat that the director of water resources has reported that the subdivision has an adequate water supply or that the subdivider has obtained a commitment of water service for the proposed subdivision from a city, town or private water company designated as having an adequate water supply pursuant to section 45-108.

5. If the board approves a subdivision plat pursuant to an exemption authorized by paragraph 1 of this subsection or granted by the director of water resources pursuant to section 45-108.02 or 45-108.03:

(a) The board shall give written notice of the approval to the director of water resources and the director of environmental quality.

(b) The board shall include on the face of the plat a statement that the director of water resources has determined that the water supply for the subdivision is inadequate and a statement describing the exemption under which the plat was approved, including a statement that the board or the director of water resources, whichever applies, has determined that the specific conditions of the exemption were met. If the director of water resources subsequently informs the board that the subdivision is being served by a water provider that has been designated by the director as having an adequate water supply pursuant to section 45-108, the board shall record in the county recorder's office a statement disclosing that fact.

~~C-D.~~ Subsection A OR B of this section does not apply to:

1. A proposed subdivision that the director of water resources has determined will have an inadequate water supply pursuant to section 45-108 if the director grants an exemption for the subdivision pursuant to section 45-108.02 and the exemption has not expired or the director grants an exemption pursuant to section 45-108.03.

2. A proposed subdivision that received final plat approval from the county before the requirement for an adequate water supply became effective in the county if the plat has not been materially changed since it received the final plat approval. If changes were made to the plat after the plat received the final plat approval, the director of water resources shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108. If the county approves a plat pursuant to this paragraph and the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the county shall note this on the face of the plat.

~~D-E~~. If the subdivision is composed of subdivided lands as defined in section 32-2101 outside of an active management area and the board has not adopted a provision pursuant to subsection A **OR B** of this section:

1. If the director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 or if the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108, the board shall note this on the face of the plat if the plat is approved.

2. If the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the board shall note this on the face of the plat if the plat is approved.

**Sec. 5. Title 43, chapter 10, article 5, Arizona Revised Statutes, is amended by adding sections 43-1090 and 43-1090.01, to read:**

**43-1090. Credit for water measuring devices**

A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2023 THROUGH DECEMBER 31, 2028, A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR EACH RESIDENT WHO IS NOT A DEPENDENT OF ANOTHER TAXPAYER FOR INSTALLING A WATER MEASURING DEVICE REQUIRED UNDER SECTION 45-604(E), DURING THE TAXABLE YEAR IN THE TAXPAYER'S RESIDENCE LOCATED IN THIS STATE. THE CREDIT IS EQUAL TO FIFTY PERCENT OF THE INSTALLED COST OF THE DEVICE.

B. THE MAXIMUM CREDIT IN A TAXABLE YEAR MAY NOT EXCEED TWO HUNDRED DOLLARS. THE PERSON WHO PROVIDES THE WATER MEASURING DEVICE SHALL FURNISH THE TAXPAYER WITH AN ACCOUNTING OF THE COST TO THE TAXPAYER. A TAXPAYER MAY CLAIM THE CREDIT UNDER THIS SECTION ONLY ONCE IN A TAX YEAR AND MAY NOT CUMULATE OVER DIFFERENT TAX YEARS TAX CREDITS UNDER THIS SECTION EXCEEDING, IN THE AGGREGATE, ONE THOUSAND DOLLARS FOR THE SAME RESIDENCE.

C. IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE UNDER THIS TITLE, THE AMOUNT OF THE CLAIM NOT USED TO OFFSET TAXES UNDER THIS TITLE MAY BE CARRIED FORWARD FOR NOT MORE THAN FIVE CONSECUTIVE TAXABLE YEARS AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY.

D. SPOUSES WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

E. TO QUALIFY FOR THE CREDIT UNDER THIS SECTION THE WATER MEASURING DEVICE AND ITS INSTALLATION SHALL MEET THE REQUIREMENTS OF RULES ADOPTED BY THE DEPARTMENT OF WATER RESOURCES PURSUANT TO SECTION 45-604(G).

G. A WATER MEASURING DEVICE THAT WAS INSTALLED BEFORE TITLE WAS CONVEYED TO THE TAXPAYER DOES NOT QUALIFY FOR A CREDIT UNDER THIS SECTION.

**43-1090.01. Credit for water measuring devices; commercial and industrial applications**

A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2023 THROUGH DECEMBER 31, 2028, A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR A TAXPAYER WHO IS INSTALLING ONE OR MORE WATER MEASURING DEVICE REQUIRED UNDER SECTION 45-604(E), WHICH MEETS THE REQUIREMENTS OF RULES ADOPTED BY THE DEPARTMENT OF WATER RESOURCES PURSUANT TO SECTION 45-

604(G), DURING THE TAXABLE YEAR FOR COMMERCIAL, INDUSTRIAL OR ANY OTHER NONRESIDENTIAL APPLICATION IN THE TAXPAYER'S FACILITY LOCATED IN THIS STATE.

B. THE AMOUNT OF THE CREDIT IS EQUAL TO TWENTY-FIVE PER CENT OF THE INSTALLED COST OF THE DEVICE.

C. THE PERSON WHO PROVIDES OR INSTALLS THE DEVICE SHALL FURNISH THE TAXPAYER WITH AN ACCOUNTING OF THE COST TO THE TAXPAYER.

D. THE TAXPAYER MAY NOT CUMULATE TOTAL TAX CREDITS UNDER THIS SECTION EXCEEDING TWO THOUSAND DOLLARS IN TOTAL CREDITS IN ANY YEAR.

E. IF THE ALLOWABLE CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE UNDER THIS TITLE, THE AMOUNT OF THE CLAIM NOT USED TO OFFSET TAXES UNDER THIS TITLE MAY BE CARRIED FORWARD FOR NOT MORE THAN FIVE CONSECUTIVE TAXABLE YEARS AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY.

F. CO-OWNERS OF A BUSINESS, INCLUDING PARTNERS IN A PARTNERSHIP AND SHAREHOLDERS OF AN S CORPORATION, AS DEFINED IN SECTION 1361 OF THE INTERNAL REVENUE CODE, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE CREDIT ALLOWED UNDER THIS SECTION BASED ON THE OWNERSHIP INTEREST OR FINANCIAL INVESTMENT IN THE SYSTEM. THE TOTAL OF THE CREDITS ALLOWED ALL SUCH OWNERS MAY NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN ALLOWED A SOLE OWNER.

**Sec. 6. Title 43, chapter 11, article 6, Arizona Revised Statutes, is amended by adding section 43-1185, to read:**

**43-1185. Credit for water measuring devices; commercial and industrial applications**

A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2023 THROUGH DECEMBER 31, 2028, A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR A TAXPAYER THAT IS INSTALLING ONE OR MORE WATER MEASURING DEVICE REQUIRED UNDER SECTION 45-604(E), WHICH MEETS THE REQUIREMENTS OF RULES ADOPTED BY THE DEPARTMENT OF WATER RESOURCES PURSUANT TO SECTION 45-604(G), DURING THE TAXABLE YEAR FOR COMMERCIAL, INDUSTRIAL OR ANY OTHER NONRESIDENTIAL APPLICATION IN THE TAXPAYER'S FACILITY LOCATED IN THIS STATE.

B. THE AMOUNT OF THE CREDIT IS EQUAL TO TWENTY-FIVE PER CENT OF THE INSTALLED COST OF THE DEVICE.

C. THE PERSON WHO PROVIDES OR INSTALLS THE DEVICE SHALL FURNISH THE TAXPAYER WITH AN ACCOUNTING OF THE COST TO THE TAXPAYER.

D. THE TAXPAYER MAY NOT CUMULATE TOTAL TAX CREDITS UNDER THIS SECTION EXCEEDING TWO THOUSAND DOLLARS IN TOTAL CREDITS IN ANY YEAR..

E. IF THE ALLOWABLE CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE UNDER THIS TITLE, THE AMOUNT OF THE CLAIM NOT USED TO OFFSET TAXES UNDER THIS TITLE MAY BE CARRIED FORWARD FOR NOT MORE THAN FIVE CONSECUTIVE TAXABLE YEARS AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY.

F. CO-OWNERS OF A BUSINESS, INCLUDING CORPORATE PARTNERS IN A PARTNERSHIP, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE CREDIT ALLOWED UNDER THIS SECTION BASED ON THE OWNERSHIP INTEREST OR FINANCIAL INVESTMENT IN THE SYSTEM. THE TOTAL OF THE CREDITS ALLOWED ALL SUCH OWNERS MAY NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN ALLOWED A SOLE OWNER.

**Sec. 7. Section 45-105, Arizona Revised Statutes, is amended to read:**

**45-105. Powers and duties of director**

A. The director may:

1. Formulate plans and develop programs for the practical and economical development, management, conservation and use of surface water, groundwater and the watersheds in this state, including the management of water quantity and quality.
2. Investigate works, plans or proposals pertaining to surface water and groundwater, including management of watersheds, and acquire, preserve, publish and disseminate related information the director deems advisable.
3. Collect and investigate information on and prepare and devise means and plans for the development, conservation and use of all waterways, watersheds, surface water, groundwater and groundwater basins in this state and of all related matters and subjects, including irrigation, drainage, water quality maintenance, regulation of flow, diversion of running streams adapted for development in cooperating with the United States or by this state independently, flood control, use of water power, prevention of soil waste and storage, conservation and development of water for every useful purpose.
4. Measure, survey and investigate the water resources of this state and their potential development and cooperate and contract with agencies of the United States for such purposes.
5. Acquire, hold and dispose of property, including land, rights-of-way, water and water rights, as necessary or convenient for the performance of the groundwater and water quality management functions of the department.
6. Acquire, other than by condemnation, construct, improve, maintain and operate early warning systems for flood control purposes and works for the recovery, storage, treatment and delivery of water.
7. Accept grants, gifts or donations of money or other property from any source, which may be used for any purpose consistent with this title. All property acquired by the director is public property and is subject to the same tax exemptions, rights and privileges granted to municipalities, public agencies and other public entities.
8. Enter into an interagency contract or agreement with any public agency pursuant to title 11, chapter 7, article 3 and contract, act jointly or cooperate with any person to carry out the purposes of this title.
9. Prosecute and defend all rights, claims and privileges of this state respecting interstate streams.
10. Initiate and participate in conferences, conventions or hearings, including congressional hearings, court hearings or hearings of other competent judicial or quasi-judicial departments, agencies or organizations, and negotiate and cooperate with agencies of the United States or of any state or government and represent this state concerning matters within the department's jurisdiction.
11. Apply for and hold permits and licenses from the United States or any agency of the United States for reservoirs, dam sites and rights-of-way.
12. Receive and review all reports, proposed contracts and agreements from and with the United States or any agencies, other states or governments or their representatives and recommend to the governor and the legislature action to be taken on such reports, proposed contracts and agreements. The director shall take action on such reports, if authorized by law, and review and coordinate the preparation of formal comments of this state on both the preliminary and final reports relating to water resource development of the United States army corps of engineers, the United States secretary of the interior and the United States secretary of agriculture, as provided for in the flood control act of 1944 (58 Stat. 887; 33 United States Code section 701-1).
13. Contract with any person for imported water or for the acquisition of water rights or rights to withdraw, divert or use surface water or groundwater as necessary for the performance of the groundwater management functions of the director prescribed by chapter 2 of this title. If water becomes available under any contract executed under this paragraph, the director may contract with any person for its delivery or exchange for any other water available.
14. Recommend to the administrative heads of agencies, boards and commissions of this state, and political subdivisions of this state, rules to promote and protect the rights and interests of this state and its inhabitants in any matter relating to the surface water and groundwater in this state.

15. Conduct feasibility studies and remedial investigations relating to groundwater quality and enter into contracts and cooperative agreements under section 104 of the comprehensive environmental response, compensation, and liability act of 1980 (P.L. 96-510) to conduct such studies and investigations.
16. Dispose informally by stipulation, agreed settlement, consent order or alternative means of dispute resolution, including arbitration, if the parties and director agree, or by default of any case in which a hearing before the director is required or allowed by law.
17. Cooperate and coordinate with the appropriate governmental entities in Mexico regarding water planning in areas near the border between Mexico and Arizona and for the exchange of relevant hydrological information.
  - B. The director shall:
    1. Exercise and perform all powers and duties vested in or imposed on the department and adopt and issue rules necessary to carry out the purposes of this title.
    2. Administer all laws relating to groundwater, as provided in this title.
    3. Be responsible for the supervision and control of reservoirs and dams of this state and, when deemed necessary, conduct investigations to determine whether the existing or anticipated condition of any dam or reservoir in this state is or may become a menace to life and property.
    4. Coordinate and confer with and may contract with:
      - (a) The Arizona power authority, the game and fish commission, the state land department, the Arizona outdoor recreation coordinating commission, the Arizona commerce authority, the department of health services, active management area water authorities or districts and political subdivisions of this state with respect to matters within their jurisdiction relating to surface water and groundwater and the development of state water plans.
      - (b) The department of environmental quality with respect to title 49, chapter 2 for its assistance in the development of state water plans.
      - (c) The department of environmental quality regarding water plans, water resource planning, water management, wells, water rights and permits, and other appropriate provisions of this title pertaining to remedial investigations, feasibility studies, site prioritization, selection of remedies and implementation of the water quality assurance revolving fund program pursuant to title 49, chapter 2, article 5.
      - (d) The department of environmental quality regarding coordination of databases that are necessary for activities conducted pursuant to title 49, chapter 2, article 5.
5. Cooperate with the Arizona power authority in the performance of the duties and functions of the authority.
6. Maintain a permanent public depository for existing and future records of stream flow, groundwater levels and water quality and other data relating to surface water and groundwater.
7. Maintain a public docket of all matters before the department that may be subject to judicial review pursuant to this title.
8. Investigate and take appropriate action on any complaints alleging withdrawals, diversions, impoundments or uses of surface water or groundwater that may violate this title or the rules adopted pursuant to this title.
9. Adopt an official seal for the authentication of records, orders, rules and other official documents and actions.
10. Provide staff support to the Arizona water protection fund commission established pursuant to chapter 12 of this title.
11. Exercise and perform all powers and duties invested in the chairperson of the Arizona water banking authority commission as prescribed by chapter 14 of this title.
12. Provide staff support to the Arizona water banking authority established pursuant to chapter 14 of this title.

13. PROVIDE STAFF SUPPORT TO LOCAL GROUNDWATER STEWARDSHIP AREAS ESTABLISHED PURSUANT TO CHAPTER 2, ARTICLE 13 OF THIS TITLE.

14. IN CARRYING OUT ITS TECHNICAL ASSISTANCE DUTIES FOR A LOCAL GROUNDWATER STEWARDSHIP AREA PURSUANT TO 45-653 AND 45-654, CONSULT WITH ANY RELEVANT INDIAN TRIBES IF THE LOCAL GROUNDWATER STEWARDSHIP AREA INCLUDES ANY PORTION OF AN INDIAN RESERVATION OR LAND OR WATER RESOURCES OWNED OR MANAGED BY AN INDIAN TRIBE.

15~~13~~. In the year following each regular general election, present information to the committees with jurisdiction over water issues in the house of representatives and the senate. A written report is not required but the presentation shall include information concerning the following:

(a) The current status of the water supply in this state and any likely changes in that status.

(b) Issues of regional and local drought effects, short-term and long-term drought management efforts and the adequacy of drought preparation throughout the state.

(c) The status of current water conservation programs in this state.

(d) The current state of each active management area and the level of progress toward management goals in each active management area.

(e) Issues affecting management of the Colorado river and the reliability of this state's two million eight hundred thousand acre-foot allocation of Colorado river water, including the status of water supplies in and issues related to the Colorado river basin states and Mexico.

(f) The status of any pending or likely litigation regarding surface water adjudications or other water-related litigation and the potential impacts on this state's water supplies.

(g) The status of Indian water rights settlements and related negotiations that affect this state.

(h) Other matters related to the reliability of this state's water supplies, the responsibilities of the department and the adequacy of the department's and other entities' resources to meet this state's water management needs.

16 ~~14~~. Not later than December 1, 2023 and on or before December 1 of each year thereafter, prepare and issue a water supply and demand assessment for at least six of the forty-six groundwater basins established pursuant to section 45-403. The director shall ensure that a water supply and demand assessment is completed for all groundwater basins at least once every five years. The director may contract with outside entities to perform some or all of the assessments and those outside entities shall be identified in the assessment.

**Sec. 8. Title 45, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 45-119, to read:**

**45-119. Department of water resources local groundwater stewardship fund; limitation; annual report**

A. THE DEPARTMENT OF WATER RESOURCES LOCAL GROUNDWATER STEWARDSHIP FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED FROM THE STATE LOTTERY FUND PURSUANT TO SECTION 5-572 AND INTEREST AND OTHER INCOME RECEIVED FROM INVESTING MONIES IN THE FUND.

B. THE DIRECTOR SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. MONIES RECEIVED PURSUANT TO SECTION 5-572 SHALL BE DEPOSITED DIRECTLY IN THE FUND. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

C. THE DEPARTMENT SHALL SPEND ALL MONIES IN THE FUND TO IMPLEMENT AND SUPPORT LOCAL GROUNDWATER STEWARDSHIP AREAS THAT ARE ESTABLISHED PURSUANT TO CHAPTER 2, ARTICLE 13 OF THIS TITLE, INCLUDING ADMINISTRATION AND ENFORCEMENT OF ACTIONS IN THE PLAN IMPLEMENTED BY THE DEPARTMENT PURSUANT TO SECTION 45-656.

D. THE DEPARTMENT MAY USE MONIES IN THE FUND TO SUPPORT DEPARTMENT ACTIVITIES RELATED TO LOCAL GROUNDWATER STEWARDSHIP AREAS PURSUANT TO SECTIONS 45-651, 45-653, 45-654 AND 45-656, INCLUDING BUT NOT LIMITED TO, GRANTING MONIES FOR CONSERVATION ASSISTANCE TO WATER USERS WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA, ANY AGENCY OF THE STATE OR ANY POLITICAL SUBDIVISION, INDIAN TRIBE OR NONPROFIT ORGANIZATION EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(C) OF THE INTERNAL REVENUE CODE FOR THE PURPOSE OF IMPLEMENTING PROGRAMS TO APPROVE AND FUND VOLUNTARY, COMPENSATED LAND AND WATER CONSERVATION PLANS TO CONSERVE AND AUGMENT GROUNDWATER SUPPLIES APPROVED BY THE DIRECTOR PURSUANT TO SECTION 45-656, SUBSECTION G.

E. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

F. THE DEPARTMENT SHALL NOT EXERCISE ANY POWER OF EMINENT DOMAIN TO ACQUIRE PROPERTY USING MONIES FROM THE FUND.

G. ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DIRECTOR SHALL SUBMIT AN ANNUAL REPORT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVE AND THE CHAIRPERSONS OF THE SENATE AND HOUSE OF REPRESENTATIVES COMMITTEES ON NATURAL RESOURCES AND AGRICULTURE, OR THEIR SUCCESSOR COMMITTEES, AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE. THE ANNUAL REPORT SHALL INCLUDE INFORMATION ON THE AMOUNT OF MONIES SPENT OR ENCUMBERED IN THE FUND DURING THE PRECEDING FISCAL YEAR AND A SUMMARY OF THE PROJECTS, ACTIVITIES AND EXPENDITURES RELATING TO IMPLEMENTING AND SUPPORTING LOCAL GROUNDWATER STEWARDSHIP AREAS AND VOLUNTARY, COMPENSATED LAND AND WATER CONSERVATION PLANS.

**Sec. 9. Section 45-401, Arizona Revised Statutes, is amended to read:**

**45-401. Declaration of policy**

A. The legislature finds that the people of Arizona are dependent in whole or in part ~~upon~~ ON groundwater basins for their water supply and that in many basins and ~~sub-basins~~ SUBBASINS withdrawal of groundwater is greatly in excess of the safe annual yield and that this is threatening to destroy the economy of certain areas of this state and is threatening to do substantial injury to the general economy and welfare of this state and its citizens. The legislature further finds that it is in the best interest of the general economy and welfare of this state and its citizens that the legislature evoke its police power to prescribe which uses of groundwater are most beneficial and economically effective.

B. It is therefore declared to be the public policy of this state that in the interest of protecting and stabilizing the general economy and welfare of this state and its citizens it is necessary to conserve, protect and allocate the use of groundwater resources of the state and to provide a framework for the comprehensive management and regulation of the withdrawal, transportation, use, conservation and conveyance of rights to use the groundwater in this state.

C. IT IS FURTHER DECLARED TO BE THE PUBLIC POLICY OF THIS STATE THAT, GIVEN THE UNIQUE GEOGRAPHICAL AND HYDROLOGICAL REQUIREMENTS AND VARIED INTERESTS OF WATER USERS IN THE BASINS AND SUBBASINS WITHIN THIS STATE THAT ARE NOT PRESENTLY DESIGNATED AS ACTIVE MANAGEMENT AREAS, IT IS IN THE BEST INTEREST OF THE GENERAL ECONOMY AND WELFARE OF THIS STATE AND ITS CITIZENS THAT COUNTIES, LOCAL INTERESTS AND LOCAL RESIDENTS HAVE THE ABILITY TO COORDINATE WITH THE DEPARTMENT AND ADOPT A LOCAL MANAGEMENT PLAN TO DEFINE MANAGEMENT GOALS AND LOCALLY TAILORED ACTIONS FOR THE MANAGEMENT AND REGULATION OF THE WITHDRAWAL, USE AND CONSERVATION OF GROUNDWATER THROUGH DESIGNATION OF LOCAL GROUNDWATER STEWARDSHIP AREAS.

**Sec. 10. Section 45-453, Arizona Revised Statutes, is amended to read:**

**45-453. Groundwater rights and uses in areas outside active management areas; amounts; transportation; irrigation non-expansion areas**

In areas outside of active management areas, a person may:



1. Withdraw and use groundwater for reasonable and beneficial use, except as provided in ~~article~~ARTICLES 8.1 AND 13 of this chapter.
2. Transport groundwater pursuant to articles 8 and 8.1 of this chapter.
3. Use groundwater for irrigation purposes within the exterior boundaries of an irrigation non-expansion area only pursuant to article 3 of this chapter.

**Sec. 11. Section 45-598, Arizona Revised Statutes, is amended to read:**

**45-598. New wells and replacement wells in new locations in active management areas and local groundwater stewardship areas; rules; permit required**

A. The director shall adopt rules governing the location of new wells and replacement wells in new locations in active management areas AND LOCAL GROUNDWATER STEWARDSHIP AREAS to prevent unreasonably increasing damage to surrounding land or other water users from the concentration of wells. RULES ADOPTED BY THE DIRECTOR RELATED TO LOCAL GROUNDWATER STEWARDSHIP AREAS APPLY ONLY TO A LOCAL GROUNDWATER STEWARDSHIP AREA ON PETITION BY THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655 AND FOLLOWING AN ORDER OF THE DIRECTOR PURSUANT TO SECTION 45-656. ON PETITION BY THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655 AND FOLLOWING AN ORDER OF THE DIRECTOR PURSUANT TO SECTION 45-656, UNTIL AND UNLESS THE DIRECTOR ADOPTS RULES THAT APPLY ONLY TO LOCAL GROUNDWATER STEWARDSHIP AREAS, ANY RULES PREVIOUSLY ADOPTED BY THE DIRECTOR PURSUANT TO THIS SECTION THAT APPLY TO THE LOCATION OF NEW WELLS AND REPLACEMENT WELLS IN NEW LOCATIONS IN ACTIVE MANAGEMENT AREAS ALSO APPLY TO THE LOCATION OF NEW WELLS AND REPLACEMENT WELLS IN NEW LOCATIONS IN LOCAL GROUNDWATER STEWARDSHIP AREAS.

B. A person WHO IS entitled to withdraw groundwater in an active management area pursuant to article 5 or 6 of this chapter may construct a new well or a replacement well in a new location if the location of the new well or the replacement well complies with the rules adopted by the director pursuant to subsection A of this section and if the person has applied for and received a permit from the director pursuant to section 45-599.

C. IN A LOCAL GROUNDWATER STEWARDSHIP AREA IN WHICH THE DIRECTOR HAS ADOPTED RULES PURSUANT TO SECTION 45-655, SUBSECTION D, PARAGRAPH 2, SUBDIVISION (D) AND THAT HAVE BEEN APPROVED BY THE DIRECTOR PURSUANT TO SECTION 45-656, A PERSON WHO IS ENTITLED TO WITHDRAW GROUNDWATER MAY CONSTRUCT A NEW WELL OR A REPLACEMENT WELL IN A NEW LOCATION IF THE LOCATION OF THE NEW WELL OR THE REPLACEMENT WELL COMPLIES WITH THE RULES ADOPTED BY THE DIRECTOR PURSUANT TO SUBSECTION A OF THIS SECTION, IS CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS AND IF THE PERSON HAS APPLIED FOR AND RECEIVED A PERMIT FROM THE DIRECTOR PURSUANT TO SECTION 45-599.

~~C.~~D. An applicant for a general industrial use permit pursuant to sections 45-515 and 45-521 who proposes to construct a new well or a replacement well in a new location shall also apply for a permit pursuant to section 45-599.

~~D.~~E. A person who is entitled to withdraw groundwater in an active management area under article 5 or 6 of this chapter may withdraw groundwater under article 5 or 6 of this chapter from a well drilled to withdraw groundwater pursuant to a groundwater withdrawal permit issued under article 7 of this chapter if the location of the well complies with the rules adopted by the director under subsection A of this section and if the person has applied for and received a permit from the director pursuant to section 45-599. A person WHO IS entitled to withdraw groundwater in an active management area under a general industrial use permit issued under section 45-515 may withdraw groundwater under section 45-515 from a well used to withdraw groundwater pursuant to another category of groundwater withdrawal permit issued under article 7 of this chapter if the location of the well complies with the rules adopted by the director under subsection A of this section and if the person has applied for and received a permit from the director pursuant to section 45-599.

**Sec. 12. Section 45-604, Arizona Revised Statutes, is amended to read:**

#### 45-604. Water measuring devices

A. Except as provided in subsections B, C and D of this section, a person who withdraws groundwater from a nonexempt well in an active management area or an irrigation non-expansion area, a person who withdraws water from a ~~non-exempt~~ NONEXEMPT well in the Santa Cruz active management area or a person who withdraws groundwater for transportation to an initial active management area pursuant to article 8.1 of this chapter shall use a water measuring device approved by the director.

B. A person who holds a type 2 non-irrigation grandfathered right or a groundwater withdrawal permit in the amount of ten or fewer acre-feet per year is not required to use a water measuring device to measure withdrawals pursuant to that grandfathered right or groundwater withdrawal permit unless the person holds more than one such right or permit in the aggregate amount of more than ten acre-feet per year and withdraws more than ten acre-feet of groundwater per year pursuant to those rights or permits from one well.

C. In an irrigation non-expansion area:

1. A person who withdraws ten or fewer acre-feet of groundwater per year from a ~~non-exempt~~ NONEXEMPT well for a non-irrigation use is not required to use a water measuring device to measure withdrawals from that well.

2. A person who withdraws groundwater from a ~~non-exempt~~ NONEXEMPT well for an irrigation use is not required to use a water measuring device to measure withdrawals from that well if both of the following apply:

(a) Groundwater withdrawn from the well for an irrigation use is used only on land that is owned by a person who has the right under section 45-437 to irrigate ten or fewer contiguous acres at the place of the use.

(b) Groundwater withdrawn from the well is not used on land that is part of an integrated farming operation.

D. In an active management area, a person, other than an irrigation district, who withdraws groundwater from a ~~non-exempt~~ NONEXEMPT well for use pursuant to an irrigation grandfathered right that is appurtenant to ten or fewer irrigation acres is not required to use a water measuring device to measure withdrawals from that well unless groundwater withdrawn from the well is also used pursuant to either a service area right pursuant to article 6 of this chapter or a grandfathered groundwater right other than an irrigation grandfathered right that is appurtenant to irrigation acres that are exempt from irrigation water duties pursuant to section 45-563.02.

E. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION, ON PETITION BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655 AND FOLLOWING AN ORDER OF THE DIRECTOR PURSUANT TO SECTION 45-656, A PERSON WHO WITHDRAWS GROUNDWATER FROM A NONEXEMPT WELL IN A LOCAL GROUNDWATER STEWARDSHIP AREA SHALL USE A WATER MEASURING DEVICE OR OTHER MEASURING METHOD APPROVED BY THE DIRECTOR.

F. IN A LOCAL GROUNDWATER STEWARDSHIP AREA, ON PETITION BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655 AND FOLLOWING AN ORDER OF THE DIRECTOR PURSUANT TO SECTION 45-656, THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL MAY PRESCRIBE CERTAIN GROUNDWATER WITHDRAWALS FROM WELLS THAT ARE NOT REQUIRED TO USE A WATER MEASURING DEVICE TO MEASURE WITHDRAWALS FROM THAT WELL.

~~E.~~-G. The director shall adopt rules setting forth the requirements and specifications for water measuring devices.

#### **Sec. 13. Section 45-632, Arizona Revised Statutes, is amended to read:**

##### **45-632. Records and annual report of groundwater pumping, transportation and use; penalty**

A. Each person who is required to file an annual report under this section or who files an annual report under subsection E of this section shall maintain current accurate records of the person's withdrawals, transportation, deliveries and use of groundwater and, in the Santa Cruz active management area **AND IN A LOCAL GROUNDWATER STEWARDSHIP AREA AS PRESCRIBED BY SUBSECTION B, PARAGRAPH 6 OF THIS SECTION**, current accurate records of the person's withdrawals, deliveries and use of all water withdrawn from a well, as prescribed by the director under subsection ~~P~~-Q of this section.

B. Except as provided in subsections C and D of this section, an annual report shall be filed with the director by each person who:

1. Owns or leases a right under this chapter to withdraw, receive or use groundwater in an active management area, unless a report is filed for that person by an irrigation district under subsection E of this section or by another person in a form acceptable to the director.

2. Uses groundwater ~~which~~ THAT is transported from an active management area.

3. Is an individual user subject to a municipal conservation requirement for appropriate conservation measures included in a management plan adopted by the director pursuant to article 9 of this chapter.

4. Withdraws groundwater for transportation to an initial active management area pursuant to article 8.1 of this chapter.

5. Withdraws water from a well in the Santa Cruz active management area or who uses water, other than stored water, withdrawn from a ~~non-exempt~~ NONEXEMPT well in the Santa Cruz active management area.

6. WITHDRAWS WATER FROM A WELL IN A LOCAL GROUNDWATER STEWARDSHIP AREA THAT IS SUBJECT TO A REPORTING REQUIREMENT PURSUANT TO SECTIONS 45-655 AND 45-656.

C. Persons who withdraw groundwater from exempt wells and non-irrigation customers of cities, towns, private water companies and irrigation districts, except customers receiving water pursuant to a permit, are exempt from the record keeping and reporting requirements of this section for such water.

D. A person who owns or leases an irrigation grandfathered right that is appurtenant to ten or fewer irrigation acres is exempt from the record keeping and reporting requirements of this section for the irrigation grandfathered right unless one of the following applies:

1. The land to which the irrigation grandfathered right is appurtenant is part of an integrated farming operation.

2. Groundwater is withdrawn from the land to which the irrigation grandfathered right is appurtenant and delivered for use pursuant to either a service area right pursuant to article 6 of this chapter or a grandfathered groundwater right other than an irrigation grandfathered right that is appurtenant to irrigation acres that are exempt from irrigation water duties pursuant to section 45-563.02.

3. Groundwater is withdrawn from land that is both owned by the owner of the irrigation grandfathered right and contiguous to the land to which the irrigation grandfathered right is appurtenant and delivered for use pursuant to either a service area right pursuant to article 6 of this chapter or a grandfathered groundwater right other than an irrigation grandfathered right that is appurtenant to irrigation acres that are exempt from irrigation water duties pursuant to section 45-563.02.

E. An irrigation district ~~which~~ THAT delivers and distributes groundwater in an active management area may file an annual report with the director for each person who holds an irrigation grandfathered right appurtenant to irrigation acres within the service area of the irrigation district, if the irrigation district delivers all the water used on the person's irrigation acres. If an irrigation district files an annual report for such a person, the irrigation district shall report the following information for each such person:

1. The name of the person and the certificate number of the person's irrigation grandfathered right.

2. The quantity of groundwater, if any, delivered during the calendar year.

F. Persons who are required to report under subsection B, paragraph 1 of this section and who withdraw groundwater during the calendar year in an active management area shall report the following information for each well:

1. The registration number and location of the well.

2. The quantity of groundwater withdrawn from the well during the calendar year. A person who, under section 45-604, subsection B, is not required to use and does not use a water measuring device to measure

withdrawals made pursuant to a type 2 non-irrigation grandfathered right or a groundwater withdrawal permit shall estimate the quantity of groundwater withdrawn pursuant to the grandfathered right or withdrawal permit.

3. The quantity of fuel or electricity consumed by the pump during the calendar year.

4. The uses to which the groundwater was applied or the persons to whom the groundwater was delivered during the calendar year.

G. Persons who are required to report under subsection B, paragraph 1 of this section and who use groundwater during the calendar year in an active management area and persons who are required to report under subsection B, paragraph 2 of this section shall report the following information:

1. The source of the groundwater, including:

(a) The name of the person from whom the groundwater was obtained.

(b) The registration number and location of the well, if known.

2. The quantity of groundwater used during the calendar year.

3. The specific uses to which the groundwater was applied during the calendar year.

H. Persons who are required to report under subsection B, paragraph 4 of this section and who transport groundwater during the calendar year to an initial active management area under article 8.1 of this chapter shall report the following information:

1. The registration number and location of each well.

2. The quantity of groundwater withdrawn from each well during the calendar year.

3. The quantity of groundwater transported during the calendar year to an initial active management area.

4. The quantity of groundwater that was withdrawn during the calendar year and that was not transported to an initial active management area and the uses to which the groundwater was applied.

5. The quantity of fuel or electricity consumed by each pump during the calendar year.

6. The uses to which the groundwater was applied or the persons to whom the groundwater was delivered during the calendar year.

I. Persons who are required to report under subsection B, paragraph 1 of this section and who neither withdraw nor use groundwater during the calendar year shall report the following information:

1. The fact that no groundwater was withdrawn or used during the calendar year.

2. The registration number and location of each well, if any.

J. Persons who are required to report under subsection B, paragraph 5 of this section and who withdraw water from a ~~non-exempt~~ NONEXEMPT well in the Santa Cruz active management area during the calendar year shall report the following information:

1. The registration number and location of the well.

2. The quantity of water, by type, withdrawn from the well during the calendar year.

3. The quantity of fuel or electricity consumed by the pump during the calendar year.

4. The uses to which the water was applied or the persons to whom the water was delivered during the calendar year.

K. Persons who are required to report under subsection B, paragraph 5 of this section and who use water withdrawn from a ~~non-exempt~~ NONEXEMPT well in the Santa Cruz active management area during the calendar year shall report the following information:

1. The source of the water, including:

(a) The name of the person from whom the water was obtained.

- (b) The registration number and location of the well, if known.
- 2. The quantity of the water, by type, used during the calendar year.
- 3. The specific uses to which the water was applied during the calendar year.

**L. PERSONS WHO ARE REQUIRED TO REPORT UNDER SUBSECTION B, PARAGRAPH 6 OF THIS SECTION AND WHO WITHDRAW WATER FROM A WELL IN A LOCAL GROUNDWATER STEWARDSHIP AREA DURING THE CALENDAR YEAR SHALL REPORT THE FOLLOWING INFORMATION:**

- 1. THE REGISTRATION NUMBER AND LOCATION OF THE WELL.**
- 2. THE QUANTITY OF WATER, BY TYPE, WITHDRAWN FROM THE WELL DURING THE CALENDAR YEAR.**
- 3. THE QUANTITY OF FUEL OR ELECTRICITY CONSUMED BY THE PUMP DURING THE CALENDAR YEAR.**
- 4. THE SPECIFIC USES TO WHICH THE WATER WAS APPLIED DURING THE CALENDAR YEAR.**

~~L-M.~~ If a person both withdraws groundwater in an active management area and uses such water, the person may combine the information required by subsections F and G of this section into one report. If a person both withdraws water, other than stored water, from a non-exempt well in the Santa Cruz active management area and uses such water, the person may combine the information required by subsections J and K of this section into one report.

~~M-N.~~ The director may require such other information in the report as may be necessary to accomplish the management goals of the applicable active management area.

~~N-O.~~ Each report shall contain either a sworn statement or a certification, under penalty of perjury, that the information contained in the report is true and correct according to the best belief and knowledge of the person filing the report.

~~O-P.~~ The annual report shall be maintained on a calendar year basis and shall be filed with the director no later than March 31 of each year for the preceding calendar year. If a person who is required under this section to file an annual report for calendar year 1985 or any subsequent calendar year fails to file a report for the calendar year in question on or before March 31 of the following year, the director may assess and collect a penalty of twenty-five dollars for each month or portion of a month that the annual report is delinquent. The total penalty assessed under this subsection shall not exceed one hundred fifty dollars. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected under this subsection in the state general fund.

~~P-Q.~~ The records and reports required to be kept and filed under this section shall be in such form as the director prescribes. The director shall prepare blank forms and distribute them on a timely schedule throughout each active management area and furnish them upon request. Failure to receive or obtain the forms does not relieve any person from keeping the required records or making any required report. The director shall cooperate with cities and towns, private water companies and irrigation districts in establishing the form of the records and reports to be kept and filed by them.

**Sec. 14. Title 45, chapter 2, Arizona Revised Statutes, is amended by adding article 13, to**

**read: ARTICLE 13. LOCAL GROUNDWATER STEWARDSHIP AREAS**

**45-651. Director and local initiation of local groundwater stewardship area; conditions; hearing**

**A. THE DIRECTOR MAY DESIGNATE AN AREA THAT IS NOT INCLUDED WITHIN AN ACTIVE MANAGEMENT AREA AS A LOCAL GROUNDWATER STEWARDSHIP AREA IF THE DIRECTOR DETERMINES THAT BOTH OF THE FOLLOWING APPLY:**

**1. ONE OR MORE OF THE FOLLOWING CONDITIONS EXIST IN THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA:**

- a. THE USE OF GROUNDWATER EXCEEDS THE ESTIMATED RECHARGE RATE.**

b. THERE ARE PHYSICAL INDICATIONS OF OVERPUMPING OF WATER THAT ARE DOCUMENTED OR RELIABLY OBSERVED OVER TIME. PHYSICAL INDICATIONS MAY INCLUDE DECLINING WATER LEVELS IN EXISTING WELLS, DECREASING WATER LEVELS OR FLOW IN HYDROLOGICALLY CONNECTED SURFACE WATER OR LAND SUBSIDENCE.

c. ADDITIONAL ACTION IS NEEDED TO PROTECT RIGHTS TO SURFACE WATER UNDER STATE OR FEDERAL LAW AND THAT WATER IS HYDROLOGICALLY CONNECTED TO GROUNDWATER.

d. GROUNDWATER IS THE ONLY OR PRIMARY DRINKING WATER SUPPLY IN THE AREA, AND ADDITIONAL ACTION AND COOPERATION ARE NEEDED TO ASSIST IN MEETING THE WATER SUPPLY NEEDS FOR THE COMMUNITIES WITHIN OR WITHDRAWING WATER FROM THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA

2. THE ESTABLISHMENT OF AN ACTIVE MANAGEMENT AREA PURSUANT TO SECTION 45-412 IS NOT NECESSARY.

B. THE DESIGNATION OF A LOCAL GROUNDWATER STEWARDSHIP AREA MAY BE INITIATED BY PETITION TO THE DIRECTOR SIGNED BY EITHER:

1. A COUNTY BOARD OF SUPERVISORS OF A COUNTY WITH LANDS THAT ARE WITHIN THE BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA SPECIFIED IN THE PETITION, WITH A RESOLUTION PASSED BY THE COUNTY BOARD OF SUPERVISORS DETERMINING THAT THE PUBLIC INTEREST, CONVENIENCE AND NECESSITY WILL BE SERVED BY DESIGNATING A LOCAL GROUNDWATER STEWARDSHIP AREA.

2. TEN PERCENT OF THE REGISTERED VOTERS WITHIN THE BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA SPECIFIED IN THE PETITION AS OF THE MOST RECENT REPORT COMPILED BY THE COUNTY RECORDER IN COMPLIANCE WITH SECTION 16-168, SUBSECTION G. THE FORM OF THE PETITION SHALL BE SUBSTANTIALLY SIMILAR TO AN INITIATIVE PETITION AND THE APPLICANT FOR THE PETITION SHALL COMPLY WITH SECTION 19-111. IF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED IN TWO OR MORE COUNTIES, THE NUMBER OF REGISTERED VOTERS REQUIRED TO SIGN THE PETITION SHALL BE TEN PERCENT OF THE REGISTERED VOTERS RESIDING WITHIN THE BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA, AS OF THE MOST RECENT REPORT COMPILED BY THE COUNTY RECORDER IN COMPLIANCE WITH SECTION 16-168, SUBSECTION G WITHIN THE COUNTY IN WHICH THE PLURALITY OF THE REGISTERED VOTERS IN THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA RESIDE.

C. ON RECEIPT OF A PETITION PURSUANT TO SUBSECTION B, PARAGRAPH 2 OF THIS SECTION, THE DIRECTOR SHALL TRANSMIT THE PETITION TO THE COUNTY RECORDER OF EACH COUNTY IN WHICH THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED FOR VERIFICATION OF SIGNATURES. IN ADDITION, THE DIRECTOR SHALL TRANSMIT A MAP OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA TO THE COUNTY RECORDER OF EACH INCLUDED COUNTY. THE MAP SHALL BE ON A SCALE ADEQUATE TO SHOW WITH SUBSTANTIAL ACCURACY WHERE THE BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA CROSS THE BOUNDARIES OF COUNTY VOTING PRECINCTS. THE DIRECTOR SHALL ALSO TRANSMIT TO THE COUNTY RECORDER ALL OTHER FACTUAL DATA CONCERNING THE BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA THAT MAY AID THE COUNTY RECORDER IN THE DETERMINATION OF WHICH REGISTERED VOTERS OF THE COUNTY ARE RESIDENTS OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA.

D. IF THE DIRECTOR FINDS THAT THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA MEETS THE CRITERIA SPECIFIED IN SUBSECTION A OF THIS SECTION OR A PETITION IS FILED PURSUANT TO SUBSECTION B OF THIS SECTION, THE DIRECTOR SHALL HOLD A PUBLIC HEARING TO CONSIDER:

1. WHETHER TO ISSUE AN ORDER DECLARING THE AREA A LOCAL GROUNDWATER STEWARDSHIP AREA.

2. THE BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA, WHICH SHALL BE COTERMINOUS WITH THE BOUNDARIES OF A GROUNDWATER BASIN OR SUBBASIN, EXCEPT THAT IN THE REGIONAL AQUIFER SYSTEMS OF NORTHERN ARIZONA THE BOUNDARIES MAY BE SMALLER THAN A SUBBASIN IF BASED ON REASONABLE HYDROLOGIC OR WATER MANAGEMENT CONSIDERATIONS.



E. THE DIRECTOR SHALL GIVE REASONABLE NOTICE OF THE HEARING UNDER THE CIRCUMSTANCES, INCLUDING PUBLISHING ONCE EACH WEEK FOR TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN EACH COUNTY IN WHICH THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED. ANY NOTICE SHALL CONTAIN THE TIME AND PLACE OF THE HEARING, THE LEGAL DESCRIPTION AND A MAP CLEARLY IDENTIFYING AND DESCRIBING ALL LANDS TO BE INCLUDED IN THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA AND ANY OTHER INFORMATION THE DIRECTOR DEEMS NECESSARY.

F. THE HEARING SHALL BE HELD AT A LOCATION IN THE COUNTY IN WHICH THE MAJOR PORTION OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED NOT LESS THAN THIRTY DAYS BUT NOT MORE THAN SIXTY DAYS AFTER THE FIRST PUBLICATION OF THE NOTICE OF THE HEARING. AT THE HEARING, THE DIRECTOR SHALL PRESENT THE FACTUAL DATA IN THE DEPARTMENT'S POSSESSION IN SUPPORT OF OR IN OPPOSITION TO THE PROPOSED ACTION. ANY PERSON MAY APPEAR AT THE HEARING, EITHER IN PERSON OR BY REPRESENTATIVE, AND SUBMIT ORAL OR DOCUMENTARY EVIDENCE FOR OR AGAINST THE PROPOSED ACTION. IN MAKING THE DETERMINATION, THE DIRECTOR SHALL GIVE FULL CONSIDERATION TO PUBLIC COMMENT AND TO RECOMMENDATIONS MADE BY LOCAL POLITICAL SUBDIVISIONS.

G. WITHIN THIRTY DAYS AFTER THE HEARING, THE DIRECTOR SHALL MAKE AND FILE IN THE DIRECTOR'S OFFICE WRITTEN FINDINGS WITH RESPECT TO MATTERS CONSIDERED DURING THE HEARING. IF THE DIRECTOR DECIDES TO DECLARE AN AREA A LOCAL GROUNDWATER STEWARDSHIP AREA, THE DIRECTOR SHALL MAKE AND FILE AN ORDER DESIGNATING THE LOCAL GROUNDWATER STEWARDSHIP AREA.

H. THE FINDINGS AND ORDER SHALL BE PUBLISHED IN THE MANNER AND FOR THE LENGTH OF TIME PRESCRIBED FOR THE PUBLICATION OF NOTICE OF THE PUBLIC HEARING, AND THE ORDER IS EFFECTIVE WHEN PUBLISHED FOR THE FINAL TIME. ALL FACTUAL DATA COMPILED BY THE DIRECTOR, RECORDS OF THE HEARING AND PUBLIC COMMENTS, A COPY OF THE FINDINGS AND A MAP IDENTIFYING THE LANDS INCLUDED IN THE LOCAL GROUNDWATER STEWARDSHIP AREA ARE PUBLIC RECORDS OF THE DEPARTMENT AND SHALL BE AVAILABLE FOR EXAMINATION BY THE PUBLIC DURING REGULAR BUSINESS HOURS. THE FINDINGS AND ORDER OF THE DIRECTOR ARE SUBJECT TO REHEARING OR REVIEW AND TO JUDICIAL REVIEW AS PROVIDED IN SECTION 45-114, SUBSECTION C.

I. THE DIRECTOR SHALL FILE A TRUE COPY OF THE MAP IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OR COUNTIES IN WHICH THE LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED.

J. ON OR BEFORE THE TENTH ANNIVERSARY OF THE DESIGNATION OF THE LOCAL GROUNDWATER STEWARDSHIP AREA, THE DIRECTOR SHALL REVIEW WHETHER THE CONDITIONS FOR DESIGNATING THE LOCAL GROUNDWATER STEWARDSHIP AREA IN SUBSECTION A OF THIS SECTION STILL EXIST. IF THE DIRECTOR DETERMINES THAT THE CONDITIONS DO NOT EXIST, THE DIRECTOR SHALL FOLLOW THE SAME NOTICE AND HEARING PROCEDURES PRESCRIBED BY THIS SECTION TO RESCIND THE LOCAL GROUNDWATER STEWARDSHIP AREA DESIGNATION.

#### **45-652. Local groundwater stewardship area council; membership**

A. A LOCAL GROUNDWATER STEWARDSHIP AREA THAT IS FORMED PURSUANT TO THIS ARTICLE SHALL BE ADMINISTERED BY A COUNCIL CONSISTING OF NINE MEMBERS. AT LEAST SIX OF THE NINE MEMBERS MUST RESIDE WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA BOUNDARIES.

B. MEMBERS SHALL BE APPOINTED ON THE BASIS OF THEIR KNOWLEDGE OF, INTEREST IN, AND EXPERIENCE RELATING TO THE CONDITION, DEVELOPMENT, USE, AND CONSERVATION OF GROUNDWATER WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA, AND THEIR ABILITY TO EFFECTIVELY REPRESENT THE INTERESTS OF ALL STAKEHOLDERS INVOLVED IN THE PLANNING AND MANAGEMENT OF GROUNDWATER RESOURCES WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA.

C. THE FOLLOWING APPLY TO ALL MEMBERS APPOINTED PURSUANT TO THIS SECTION:

1. THE GOVERNOR SHALL APPOINT THREE MEMBERS.

2. THE BOARDS OF SUPERVISORS OF EACH COUNTY WITH LAND WITHIN THE BOUNDARIES OF THE LOCAL GROUNDWATER STEWARDSHIP AREA SHALL TOGETHER APPOINT TWO MEMBERS.



3. THE PRESIDENT OF THE SENATE AND MINORITY LEADER OF THE SENATE SHALL EACH APPOINT ONE MEMBER.

4. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL EACH APPOINT ONE MEMBER.

D. THE ORDER IN WHICH THE MEMBERS ARE APPOINTED PURSUANT TO SUBSECTION C IS:

1. FOR THE INITIAL TERM AND EVERY THIRD TERM THEREAFTER, THE PRESIDENT OF THE SENATE AND THE MINORITY LEADER OF THE SENATE SHALL APPOINT FIRST, THE GOVERNOR SHALL APPOINT SECOND AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT THIRD.

2. FOR THE SECOND TERM AND EVERY THIRD TERM THEREAFTER, THE GOVERNOR SHALL APPOINT FIRST, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT SECOND AND THE PRESIDENT OF THE SENATE AND THE MINORITY LEADER OF THE SENATE SHALL APPOINT THIRD.

3. FOR THE THIRD TERM AND EVERY THIRD TERM THEREAFTER, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT FIRST, THE PRESIDENT OF THE SENATE AND THE MINORITY LEADER OF THE SENATE SHALL APPOINT SECOND AND THE GOVERNOR SHALL APPOINT THIRD.

E. BEFORE A MEMBER IS APPOINTED TO A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SUBSECTION C OF THIS SECTION, THE PROSPECTIVE MEMBER SHALL SUBMIT AN APPLICATION TO THE DIRECTOR FOR THE PURPOSE OF DEMONSTRATING THEIR MERIT AND QUALIFICATIONS BASED ON THE ELIGIBILITY CRITERIA IN SUBSECTION B OF THIS SECTION. THE DIRECTOR SHALL TRANSMIT ALL APPLICATIONS TO THE APPOINTING PARTIES IDENTIFIED IN SUBSECTION C OF THIS SECTION AS THEY ARE RECEIVED.

F. APPOINTED MEMBERS SERVE FIVE-YEAR TERMS OF OFFICE BEGINNING AND ENDING ON THE THIRD MONDAY IN JANUARY AND ARE ELIGIBLE FOR ONE REAPPOINTMENT. A MEMBER MAY BE REMOVED ONLY FOR CAUSE BY THE PERSON WHO THEN HOLDS THE SAME OFFICE AS THE PERSON WHO APPOINTED THAT MEMBER

G. MEMBERS OF THE COUNCIL SHALL SERVE WITHOUT COMPENSATION, EXCEPT THAT EACH MEMBER SHALL BE REIMBURSED FOR TRAVEL AND SUBSISTENCE WHILE ENGAGED IN BUSINESS OF THE COUNCIL IN THE SAME MANNER AS IS PROVIDED BY LAW FOR STATE OFFICERS.

**45-653. Local groundwater stewardship area council; powers and duties; limitations; local groundwater stewardship area plan**

A. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL:

1. IDENTIFY AND ANALYZE WATER MANAGEMENT PRACTICES AND OTHER POSSIBLE ACTIONS FOR USE IN MITIGATING THE WATER CONDITIONS IDENTIFIED IN THE RESOLUTION DESIGNATING THE LOCAL GROUNDWATER STEWARDSHIP AREA AND IN BRINGING THE AMOUNT OF WATER PUMPED INTO BALANCE WITH THE AMOUNT OF WATER RECHARGED IN THE LOCAL GROUNDWATER STEWARDSHIP AREA.

2. AFTER CONSULTATION WITH THE DEPARTMENT AND INTERESTED PARTIES AND AFTER HOLDING HEARINGS AS PRESCRIBED BY SECTION 45-656, ADOPT AND SEND TO THE DIRECTOR THE LOCAL GROUNDWATER STEWARDSHIP AREA PLAN FOR THE LOCAL GROUNDWATER STEWARDSHIP AREA.

B. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL MAY:

1. REQUEST HYDROLOGIC MODELING AND OTHER TECHNICAL ASSISTANCE FROM THE DEPARTMENT, INCLUDING CREATION OR REFINEMENT OF A GROUNDWATER MODEL OR OTHER MODELING OF FUTURE WATER RESOURCE CONDITIONS AND OUTCOMES AND OF THE POTENTIAL EFFECTIVENESS OF DIFFERENT TOOLS FOR MEETING THE LOCAL GROUNDWATER STEWARDSHIP AREA GOALS.

2. REQUEST ASSISTANCE FROM THE DEPARTMENT IN CREATING AN AREA PLAN FOR THE LOCAL GROUNDWATER STEWARDSHIP AREA.

3. GATHER INFORMATION AND DATA.

4. COMMISSION OR CREATE REPORTS.

5. RECOMMEND BEST MANAGEMENT PRACTICES AND OTHER MEASURES FOR IMPLEMENTATION IN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO ACHIEVE THE GOALS OF THE LOCAL GROUNDWATER STEWARDSHIP AREA.

6. COOPERATE WITH FEDERALLY RECOGNIZED INDIAN TRIBES, CITIES, TOWNS AND COUNTIES AND OTHER PUBLIC OR PRIVATE AGENCIES OR ORGANIZATIONS TO ENGAGE IN COORDINATED REGIONAL PLANNING RELATED TO WATER RESOURCES.

7. ESTABLISH A STEERING COMMITTEE, ADVISORY COMMITTEE OR OTHER SIMILAR ORGANIZATIONAL STRUCTURE TO SOLICIT AND RECEIVE PARTICIPATION, COMMENT AND ADVICE FROM RESIDENTS OF THE LOCAL GROUNDWATER STEWARDSHIP AREA AND OTHER INTERESTED PARTIES REGARDING THE DEVELOPMENT AND OPERATION OF THE LOCAL GROUNDWATER STEWARDSHIP AREA AND THE AREA PLAN.

8. SEEK AND RECEIVE PUBLIC AND PRIVATE MONIES TO ASSIST WITH ITS PLANNING, MANAGEMENT AND PURPOSE, INCLUDING GRANTS TO PROVIDE TECHNICAL AND FINANCIAL ASSISTANCE TO GROUNDWATER USERS WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA, INCLUDING MUNICIPAL CORPORATIONS, SPECIAL DISTRICTS, OTHER POLITICAL SUBDIVISIONS OR AUTHORITIES IN THIS STATE, INDIAN TRIBES AND PRIVATE ENTITIES RELATING TO THE MANAGEMENT OF GROUNDWATER RESOURCES WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA OR FOR ANY OTHER PURPOSES TO CARRY OUT OR ACCOMPLISH THE PURPOSES OF THIS ARTICLE.

9. NEGOTIATE, MAKE, EXECUTE, ACKNOWLEDGE AND PERFORM ANY CONTRACT, AGREEMENT OR OBLIGATION IT DEEMS ADVISABLE FOR THE INTEREST OF THE COUNCIL OR TO CARRY OUT OR ACCOMPLISH THE PURPOSES OF THIS ARTICLE. ALL CONTRACTS SHALL BE SIGNED BY THE CHAIRPERSON, OR IN THE CHAIRPERSON'S ABSENCE THE VICE CHAIRPERSON, AND ATTESTED BY THE SECRETARY.

10. IT IS THE EXPRESS INTENT OF THE LEGISLATURE THAT THE DESIGNATION OF A LOCAL GROUNDWATER STEWARDSHIP AREA NOT ALTER THE LEGAL CHARACTER OF ANY SURFACE WATERS OR GROUNDWATER WITHIN THIS STATE, AFFECT THE VESTED WATER RIGHTS ASSOCIATED WITH ANY SURFACE WATERS OR GROUNDWATER OR ESTABLISH ANY PRECEDENT THAT COULD BE USED IN A COURT OF LAW TO DEFINE, LIMIT OR EXTEND THE RIGHTS OF THIS STATE OR THE UNITED STATES OVER THE SURFACE WATERS AND GROUNDWATER FOUND WITHIN THIS STATE. THIS SECTION DOES NOT AUTHORIZE A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL TO ESTABLISH A MANAGEMENT PRACTICE THAT WOULD PREVENT A WATER USER FROM USING A WELL TO DIVERT APPROPRIABLE SURFACE WATER TO WHICH THE WATER USER HAS A RIGHT UNDER STATE OR FEDERAL LAW.

11. A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL MAY NOT TAKE ANY ACTIONS TO RESTRICT, REGULATE, OR AUTHORIZE TRANSPORTATION OF GROUNDWATER IN A MANNER THAT IS INCONSISTENT WITH ARTICLES 8 AND 8.1 OF THIS TITLE.

**45-654. Local groundwater stewardship area council; administrative duties**

THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL:

1. KEEP THE MINUTES OF ITS MEETINGS AND ALL RECORDS, REPORTS AND OTHER INFORMATION RELATIVE TO ITS WORK AND PROGRAMS IN PERMANENT FORM INDEXED AND SYSTEMATICALLY FILED.

2. ELECT FROM ITS MEMBERS A CHAIRPERSON AND VICE CHAIRPERSON FOR TERMS OF TWO YEARS EXPIRING ON THE THIRD MONDAY OF JANUARY OF EACH EVEN NUMBERED YEAR.

3. DESIGNATE THE PERSON OR PERSONS WHO SHALL EXECUTE ALL DOCUMENTS AND INSTRUMENTS ON BEHALF OF THE COUNCIL.

4. MANIFEST AND RECORD ITS ACTIONS BY MOTION, RESOLUTION OR OTHER APPROPRIATE MEANS.

5. MAKE A COMPLETE RECORD OF ITS PROCEEDINGS THAT ARE OPEN TO PUBLIC INSPECTION DURING REGULAR BUSINESS HOURS.

6. FORM A TECHNICAL COMMITTEE TO PROVIDE TECHNICAL SUPPORT TO THE COUNCIL, WHICH SHALL INCLUDE AT LEAST ONE REPRESENTATIVE FROM THE DEPARTMENT AND MAY CONSIST OF MEMBERS OF THE COUNCIL AND MEMBERS OF THE PUBLIC SELECTED BY THE COUNCIL.

**45-655. Local groundwater stewardship area plan; contents; notice**

A. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL ADOPT A LOCAL GROUNDWATER STEWARDSHIP AREA PLAN FOR GROUNDWATER PROGRAMS AND POLICIES FOR THE LOCAL GROUNDWATER STEWARDSHIP AREA. THE AREA PLAN SHALL INCLUDE:

1. ONE OR MORE GOALS FOR THE LOCAL GROUNDWATER STEWARDSHIP AREA.

2. A DESCRIPTION OF THE HYDROLOGIC, GEOLOGIC, ECOLOGICAL AND DEMOGRAPHIC CONDITIONS IN THE LOCAL GROUNDWATER STEWARDSHIP AREA AND HOW THE GOALS RELATE TO THOSE CONDITIONS AND TO THE CONDITIONS IDENTIFIED IN THE RESOLUTION ESTABLISHING THE LOCAL GROUNDWATER STEWARDSHIP AREA.

3. PROPOSED ACTIONS CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA GOALS AND IDENTIFYING THE RELEVANT PUBLIC OR PRIVATE CORPORATION, MUNICIPALITY, COUNTY OR STATE AGENCY, INDIAN TRIBE OR FEDERAL AGENCY WITH AUTHORITY TO IMPLEMENT AND ENFORCE EACH PROPOSED ACTION.

4. METHODS TO MONITOR AND REPORT ON PROGRESS TOWARD THE LOCAL GROUNDWATER STEWARDSHIP AREA'S GOALS.

B. THE GOALS SPECIFIED IN THE AREA PLAN MUST ADDRESS THE CONDITIONS IDENTIFIED IN THE RESOLUTION ESTABLISHING THE LOCAL GROUNDWATER STEWARDSHIP AREA. BEFORE ADOPTING AN AREA PLAN, THE COUNCIL SHALL CONSIDER THE VOTER APPROVED MANAGEMENT GOALS IN THE RELEVANT MUNICIPAL GENERAL PLANS ADOPTED PURSUANT TO SECTION 9-461.06, THE RELEVANT COUNTY COMPREHENSIVE PLANS ADOPTED PURSUANT TO SECTION 11-805 AND ANY GOALS INCLUDED IN ANY COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY ADOPTED FOR A COUNTY, CITY OR TOWN WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA. THE MANAGEMENT GOALS MAY INCLUDE, AS APPROPRIATE:

1. ACHIEVING SAFE YIELD.

2. PREVENTING LONG-TERM DECLINES IN GROUNDWATER LEVELS.

3. CONTROLLING AND PREVENTING SUBSIDENCE.

4. CONTROLLING AND PREVENTING WATER QUALITY DEGRADATION.

5. ADDRESSING OTHER ENVIRONMENTAL OR NATURAL RESOURCE ISSUES RELEVANT TO THE GROUNDWATER RESOURCES WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA.

C. THE AREA PLAN MUST INCLUDE MONITORING OF RELEVANT HYDROLOGIC, BIOLOGIC AND ECOLOGICAL CONDITIONS TO TRACK PROGRESS TOWARDS THE AREA GOALS. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL MAY COORDINATE WITH THE DIRECTOR OF WATER RESOURCES AND OTHER STATE AGENCIES, MUNICIPAL CORPORATIONS, SPECIAL DISTRICTS, PUBLIC AUTHORITIES, POLITICAL SUBDIVISIONS OF THIS STATE, PRIVATE ENTITIES, INDIAN TRIBES AND ANY AGENCIES OF THE UNITED STATES GOVERNMENT RELATED TO MONITORING OF RELEVANT RESOURCES.

D. THE LOCAL GROUNDWATER STEWARDSHIP AREA PLAN MAY INCLUDE:

1. ACTIONS THAT MAY BE RECOMMENDED BY THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL FOR IMPLEMENTATION BY RELEVANT CITIES AND TOWNS, COUNTY GOVERNMENTS OR OTHER PUBLIC AGENCIES WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA, WHETHER INDIVIDUALLY OR THROUGH AN INTERGOVERNMENTAL AGREEMENT OR CONTRACT THAT MAY INCLUDE:

(A) A RECOMMENDATION TO COUNTY AND MUNICIPAL GOVERNMENTS IN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO INCENTIVIZE OR REQUIRE WATER CONSERVATION AND PROTECTION OF WATER RESOURCES CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA GOALS THAT MAY INCLUDE:

(I) ADDRESSING AREA GOALS IN RELEVANT GENERAL PLANS ADOPTED PURSUANT TO SECTION 9-461.06 AND COMPREHENSIVE PLANS ADOPTED PURSUANT TO SECTION 11-805.

(II) ADOPTING THE PROVISION AUTHORIZED BY SECTION 11-823, SUBSECTION B.

(III) ESTABLISHING SPECIAL ZONING DISTRICTS OR REGULATIONS AUTHORIZED BY SECTION 9-462.01.

(IV) ADOPTING OVERLAY ZONING DISTRICTS AND REGULATIONS AUTHORIZED BY SECTION 11-811.

(V) REGULATING SUBDIVISIONS AS AUTHORIZED BY SECTIONS 9-463.01 AND 11-821.

(VI) REQUIRING THE ISSUANCE OF BUILDING PERMITS AUTHORIZED BY SECTION 9-467 OR ADOPTING BUILDING CODES AND OTHER RELATED CODES AUTHORIZED BY SECTION 11-861.

(B) A RECOMMENDATION TO WATER UTILITIES WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO ESTABLISH INCENTIVES AND RULES TO ENCOURAGE WATER CONSERVATION PURSUANT TO AND CONSISTENT WITH SECTIONS 9-511.01 AND 40-202 AND ARTICLE XV, SECTION 3, CONSTITUTION OF ARIZONA.

(C) A PLAN FOR RECHARGE, STORAGE AND RECOVERY TO IMPROVE AQUIFER RECHARGE CONSISTENT WITH CHAPTER 3.1 OF THIS TITLE, WITH A RECOMMENDATION TO COUNTY AND MUNICIPAL GOVERNMENTS REGARDING CONSTRUCTION AND OPERATION OF RELEVANT INFRASTRUCTURE.

2. PROPOSED ACTIONS FOR IMPLEMENTATION BY THE DEPARTMENT ON PETITION BY THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL IN ITS AREA PLAN THAT MAY INCLUDE:

(A) REQUIRING WATER MEASURING DEVICES PURSUANT TO SECTION 45-604 AND ANNUAL REPORT OF GROUNDWATER PUMPING PURSUANT TO SECTION 45-632 FOR CERTAIN WELLS.

(B) DESIGNATION OF AN INTERIM IRRIGATION PROTECTION AREA WITHIN ALL OR A PORTION OF THE LOCAL GROUNDWATER STEWARDSHIP AREA PURSUANT TO SECTION 45-458.

(C) ADOPTION OF RULES GOVERNING THE LOCATION OF NEW WELLS AND REPLACEMENT WELLS IN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO PREVENT UNREASONABLY INCREASING DAMAGE TO SURROUNDING LAND OR OTHER WATER USERS OR OTHERWISE PREVENT ACHIEVEMENT OF THE MANAGEMENT GOALS OF THE LOCAL GROUNDWATER STEWARDSHIP AREA FROM THE CONCENTRATION OF WELLS PURSUANT TO SECTION 45-598.

(D) IMPLEMENTATION OF VOLUNTARY OR MANDATORY CONSERVATION PROGRAMS THAT APPLY TO CERTAIN PERSONS WITHDRAWING, DISTRIBUTING OR RECEIVING GROUNDWATER WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA PURSUANT TO SECTION 45-657.

(E) IMPLEMENTATION OF PROGRAMS TO APPROVE AND FUND VOLUNTARY, COMPENSATED LAND AND WATER CONSERVATION PLANS WITH ACTIONS TO BE IMPLEMENTED BY LANDOWNERS AND WATER USERS WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO CONSERVE AND AUGMENT GROUNDWATER SUPPLIES WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA. THESE PROGRAMS MAY INCLUDE:

(I) SHORT-TERM OR LONG-TERM VOLUNTARY LAND USE OR WATER USE AGREEMENTS WITH LANDOWNERS OR WATER USERS.

(II) STORMWATER RETENTION AND RECHARGE INCENTIVES.

(III) LOW-WATER-USE DEVELOPMENT INCENTIVES.

(IV) GROUNDWATER MITIGATION OR OFFSET PROGRAMS.

(V) INCENTIVES FOR LOW-WATER-USE PRACTICES, FIXTURES OR LANDSCAPING TO REDUCE RESIDENTIAL AND COMMERCIAL WATER USE.

(VI) IRRIGATION EFFICIENCY AND CONSERVATION INCENTIVES.

3. ANY OTHER ACTIONS DEEMED APPROPRIATE BY THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL FOR ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS, WITH APPROVAL BY OR COORDINATION WITH OTHER ENTITIES AS NECESSARY TO IMPLEMENT THE ACTION.

**45-656. Adoption of local groundwater stewardship area plan; council hearings; department hearings; notice**

A. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL HOLD AT LEAST TWO PUBLIC HEARINGS TO RECEIVE PUBLIC COMMENT ON ANY PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA PLAN OR ANY AMENDMENT TO A MANAGEMENT AREA PLAN AFTER PROVIDING NOTICE OF THE HEARINGS AS PRESCRIBED IN SECTION 45-651 TO THE PERSONS AND ENTITIES PRESCRIBED BY SECTION 45-651. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL HEAR ALL PERSONS WHO WISH TO APPEAR BEFORE THE COUNCIL REGARDING THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA PLAN OR AMENDMENT. ON COMPLETION OF THE HEARINGS AND AFTER MAKING ANY CHANGES TO THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA PLAN OR AMENDMENT, THE COUNCIL SHALL ADOPT THE LOCAL GROUNDWATER STEWARDSHIP AREA PLAN. THE COUNCIL SHALL RECORD A CERTIFIED COPY OF THE PROCEEDINGS IN THE OFFICE OF THE COUNTY RECORDER FOR ANY COUNTY WITH LAND WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA AND SHALL SUBMIT A COPY TO THE DIRECTOR.

B. ON ADOPTION OF THE PLAN, THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL PETITION THE DEPARTMENT FOR APPROVAL BY THE DEPARTMENT OF ANY PROPOSED ACTIONS IN THE PLAN THAT WOULD BE IMPLEMENTED BY THE DEPARTMENT. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL SUBMIT TO THE APPROPRIATE CITIES, TOWNS AND COUNTIES AND OTHER PUBLIC AGENCIES ANY PROPOSED ACTIONS IN THE AREA PLAN THAT WOULD BE IMPLEMENTED BY THOSE CITIES, TOWNS AND COUNTIES OR OTHER PUBLIC AGENCIES IN THE LOCAL GROUNDWATER STEWARDSHIP AREA.

C. ON RECEIPT OF A PETITION BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SUBSECTION B OF THIS SECTION AND BEFORE IMPLEMENTING ANY RECOMMENDED ACTIONS CONTAINED IN THE AREA PLAN, THE DIRECTOR SHALL HOLD A PUBLIC HEARING ON THE ACTIONS PROPOSED FOR IMPLEMENTATION BY THE DEPARTMENT.

D. THE DIRECTOR SHALL GIVE NOTICE OF THE DEPARTMENT HEARING WITHIN THIRTY DAYS AFTER THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PETITIONS THE DEPARTMENT. THE NOTICE SHALL INCLUDE A SUMMARY OF THE PETITION AND PROPOSED ACTIVITIES FOR IMPLEMENTATION BY THE DEPARTMENT, THE AREA PLAN, A MAP OR A DESCRIPTION OF THE BOUNDARIES OF THE LOCAL GROUNDWATER STEWARDSHIP AREA AND THE TIME AND PLACE OF THE HEARING. THE NOTICE SHALL BE PUBLISHED ONCE EACH WEEK FOR TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN EACH COUNTY IN WHICH THE LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED.

E. THE HEARING SHALL BE HELD AT A LOCATION WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA AS SOON AS PRACTICABLE BUT AT LEAST THIRTY DAYS AND NOT MORE THAN SIXTY DAYS AFTER THE FIRST PUBLICATION OF THE NOTICE OF HEARING.

F. AT THE HEARING, THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL PRESENT DATA IN SUPPORT OF THE PETITION AND A SUMMARY OF THE PUBLIC COMMENTS RECEIVED. ANY PERSON MAY APPEAR AT THE HEARING EITHER IN PERSON OR BY REPRESENTATIVE AND SUBMIT ORAL OR DOCUMENTARY EVIDENCE FOR OR AGAINST THE PETITION FOR DEPARTMENT IMPLEMENTATION OF THE PROPOSED ACTIONS.

G. WITHIN THIRTY DAYS AFTER THE HEARING, THE DIRECTOR SHALL ISSUE A FINAL DECISION DETERMINING WHETHER THE PROPOSED ACTIONS INCLUDED WITHIN THE PETITION, SINGLY OR IN COMBINATION, ARE CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA GOALS. THE DIRECTOR SHALL INCLUDE A SUMMARY OF FINDINGS WITH RESPECT TO MATTERS CONSIDERED DURING THE HEARING WITH THE DECISION AND A SUMMARY OF ALL PUBLIC COMMENTS RECEIVED IN WRITING AND PUBLIC COMMENTS MADE AT THE PUBLIC HEARING.

H. INFORMATION COMPILED BY THE DIRECTOR IN CONNECTION WITH THE PLAN, RECORDS OF THE HEARING AND PUBLIC COMMENTS, A COPY OF THE FINDINGS AND A COPY OF THE AREA PLAN ARE PUBLIC RECORDS OF THE DEPARTMENT AND SHALL BE AVAILABLE FOR EXAMINATION BY THE PUBLIC DURING REGULAR BUSINESS HOURS.

I. THE FINAL DECISION OF THE DIRECTOR ARE SUBJECT TO REHEARING OR REVIEW AND TO JUDICIAL REVIEW AS PROVIDED IN SECTION 45-114, SUBSECTION C.

**45-657. Management plan review; readoption; modification**

A. ON OR BEFORE THE TENTH ANNIVERSARY OF THE MANAGEMENT PLAN'S MOST RECENT ADOPTION, THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL REVIEW AND EITHER READOPT THE EXISTING PLAN FOR AN ADDITIONAL TERM OF UP TO TEN YEARS OR SHALL ADOPT A NEW MANAGEMENT PLAN FOLLOWING THE PROCEDURES PRESCRIBED BY SECTION 45-656.

**45-658. Conservation programs for local groundwater stewardship area; rules**

A. THE DIRECTOR SHALL ADOPT RULES FOR CONSERVATION PROGRAMS FOR LOCAL GROUNDWATER STEWARDSHIP AREAS, WHICH SHALL ONLY APPLY WITHIN A LOCAL GROUNDWATER STEWARDSHIP AREA TO THE EXTENT THAT APPLICABLE CONSERVATION PROGRAMS ARE INCLUDED IN THE AREA PLAN PURSUANT TO SECTIONS 45-655 AND 45-656. THE DIRECTOR SHALL INCLUDE POLICIES AND METHODOLOGIES FOR CONSERVATION PROGRAMS FOR IRRIGATION, MUNICIPAL, AND INDUSTRIAL USES OF GROUNDWATER AND SHALL INCLUDE PROCESSES FOR PROVIDING NOTICE AND CONSIDERING VARIANCE APPLICATIONS.

B. THE DIRECTOR MAY ADOPT RULES FOR A SPECIFIC LOCAL GROUNDWATER STEWARDSHIP AREA AS NECESSARY TO CARRY OUT THE PURPOSES OF THIS SECTION AND SECTION 45-456 AND AS CONSISTENT WITH THE POWERS, DUTIES, AND LIMITATIONS OF THE DIRECTOR PURSUANT TO SECTIONS 45-105 AND 45-106.

EXCEPT FOR A PERSON WHO OBTAINS A VARIANCE OR WHO IS OTHERWISE EXEMPT FROM THE CONSERVATION PROGRAM RULES PURSUANT TO RULES ADOPTED BY THE DIRECTOR UNDER THIS SECTION, ALL PERSONS NOTIFIED PURSUANT TO NOTICE RULES ADOPTED BY THE DIRECTOR UNDER THIS SECTION SHALL COMPLY WITH ANY APPLICABLE CONSERVATION PROGRAM REQUIREMENT PURSUANT TO THE TERMS AND WITHIN THE TIME PERIOD PROVIDED IN THE RULES, OR IF NO TIME PERIOD IS PROVIDED IN THE RULES, NOT LATER THAN TWO YEARS FROM THE DATE OF NOTICE.

**45-659. Interim irrigation protection areas**

THE DIRECTOR MAY DESIGNATE AN AREA WHICH IS NOT INCLUDED WITHIN AN ACTIVE MANAGEMENT AREA AS AN INTERIM IRRIGATION PROTECTION AREA IF THE DIRECTOR DETERMINES THAT ALL OF THE FOLLOWING APPLY:

1. A PETITION FOR DESIGNATION OF AN INTERIM IRRIGATION PROTECTION AREA HAS BEEN SUBMITTED TO THE DIRECTOR SIGNED BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-656.

2. THERE IS LIMITED GROUNDWATER SUPPLY IN THE AREA SUCH THAT EXPANSION OF IRRIGATION COULD THREATEN AVAILABILITY OF GROUNDWATER FOR EXISTING IRRIGATION USES OR OTHER USES IN THE PROPOSED INTERIM IRRIGATION PROTECTION AREA

4. THE ESTABLISHMENT OF AN INTERIM IRRIGATION PROTECTION AREA, SINGLY OR IN COMBINATION WITH OTHER PROPOSED ACTIONS INCLUDED WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA PLAN, IS CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA GOALS.

**45-660. Limitation on number of irrigated acres**

A. IF PROCEDURES ARE INITIATED BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL FOR DESIGNATING AN INTERIM IRRIGATION PROTECTION AREA BY SUBMITTING A PETITION TO THE DIRECTOR, AN IRRIGATION USER MAY IRRIGATE WITHIN THE PROPOSED AREA ONLY ACRES OF LAND WHICH WERE IRRIGATED AT ANY TIME DURING THE FIVE YEARS PRECEDING THE DATE OF THE NOTICE OF THE INITIATION OF DESIGNATION PROCEDURES.

B. THE LIMITATION ON THE ACRES WHICH MAY BE IRRIGATED SHALL CONTINUE IN EFFECT UNTIL THE DIRECTOR MAKES A FINAL DETERMINATION PURSUANT TO SECTION 45-456.

**45-661. Hearing on designation of interim irrigation protection areas and boundaries; notice; procedures; findings upon hearing; order**

A. IF THE DIRECTOR FINDS THAT AN AREA WHICH IS NOT INCLUDED WITHIN AN ACTIVE MANAGEMENT AREA MEETS THE CRITERIA SPECIFIED IN SECTION 45-458 THE DIRECTOR SHALL HOLD A PUBLIC HEARING TO CONSIDER:

1. WHETHER TO ISSUE AN ORDER DECLARING THE AREA AN INTERIM IRRIGATION PROTECTION AREA.
2. THE BOUNDARIES OF THE PROPOSED INTERIM IRRIGATION PROTECTION AREA.

B. THE DIRECTOR SHALL GIVE NOTICE OF AND HOLD A HEARING PURSUANT TO THE PROCEDURES PRESCRIBED BY SECTION 45-656. AFTER THE HEARING, THE DIRECTOR SHALL PREPARE WRITTEN FINDINGS PURSUANT TO SECTION 45-656.

C. THE FINAL DECISION OF THE DIRECTOR MADE PURSUANT TO SECTION 45-656 IS SUBJECT TO REHEARING OR REVIEW AND TO JUDICIAL REVIEW AS PROVIDED IN SECTION 45-114, SUBSECTION C.

**45-662. Irrigated acreage in interim irrigation protection area; exemption**

A. IN AN INTERIM IRRIGATION PROTECTION AREA ESTABLISHED PURSUANT TO SECTION 45-658 AND SECTION 45-656, EXCEPT AS PROVIDED IN SUBSECTION E OF THIS SECTION, ONLY ACRES OF LAND WHICH WERE LEGALLY IRRIGATED AT ANY TIME DURING THE FIVE YEARS PRECEDING THE DATE OF THE NOTICE OF THE INITIATION OF DESIGNATION PROCEDURES MAY BE IRRIGATED WITH GROUNDWATER, EFFLUENT, DIFFUSED WATER ON THE SURFACE OR SURFACE WATER, EXCEPT AS PROVIDED IN SECTIONS 45-172, 45-662, 45-663 AND 45-664, AND EXCEPT THAT THIS DOES NOT PROHIBIT IRRIGATION WITH SURFACE WATER USED PURSUANT TO DECREED OR APPROPRIATIVE RIGHTS ESTABLISHED BEFORE THE DATE OF THE NOTICE. LAND WHICH WAS NOT IRRIGATED AT ANY TIME DURING THIS FIVE YEAR PERIOD IS DEEMED TO HAVE BEEN IN IRRIGATION IF THE DIRECTOR FINDS THAT SUBSTANTIAL CAPITAL INVESTMENT HAS BEEN MADE FOR THE SUBJUGATION OF SUCH LAND FOR AN IRRIGATION USE INCLUDING ON-SITE IRRIGATION DISTRIBUTION FACILITIES AND A WELL OR WELLS THE DRILLING AND CONSTRUCTION OF WHICH WERE SUBSTANTIALLY COMMENCED BEFORE THE DATE OF THE NOTICE OF THE INITIATION OF DESIGNATION PROCEDURES.

B. IN AN INTERIM IRRIGATION PROTECTION AREA, A CORRECTIONAL FACILITY UNDER THE JURISDICTION OF THE STATE DEPARTMENT OF CORRECTIONS MAY IRRIGATE WITH GROUNDWATER, EFFLUENT, DIFFUSED WATER ON THE SURFACE OR SURFACE WATER UP TO A TOTAL OF TEN ACRES OF LAND THAT OTHERWISE MAY NOT BE IRRIGATED PURSUANT TO SUBSECTION A OF THIS SECTION IF THE IRRIGATION IS FOR THE PURPOSE OF PRODUCING PLANTS OR PARTS OF PLANTS FOR CONSUMPTION BY INMATES AT THE CORRECTIONAL FACILITY AS PART OF A PRISONER WORK PROGRAM AND IF THE CORRECTIONAL FACILITY NOTIFIES THE DIRECTOR OF WATER RESOURCES IN WRITING OF THE LOCATION OF THE ACRES OF LAND TO BE IRRIGATED PRIOR TO THEIR IRRIGATION. THE ACTUAL NUMBER OF ACRES OF LAND THAT A CORRECTIONAL FACILITY MAY IRRIGATE PURSUANT TO THIS SUBSECTION SHALL BE CALCULATED BY SUBTRACTING THE NUMBER OF ACRES OF LAND THE CORRECTIONAL FACILITY MAY ALREADY IRRIGATE UNDER SUBSECTION A OF THIS SECTION FROM TEN.

**45-663. Flood damaged acres in interim irrigation protection area; substitution of acres; definitions**

A. IN AN INTERIM IRRIGATION PROTECTION AREA, A PERSON WHO OWNS ACRES OF LAND WHICH MAY BE IRRIGATED PURSUANT TO SECTION 45-661 MAY RETIRE THOSE ACRES FROM IRRIGATION AND SUBSTITUTE FOR THOSE ACRES THE SAME NUMBER OF ACRES IN THE SAME INTERIM IRRIGATION PROTECTION AREA IF THE OWNER DEMONSTRATES TO THE DIRECTOR'S SATISFACTION THAT ALL OF THE FOLLOWING APPLY:

1. THE LEGALLY IRRIGATED ACRES WERE DAMAGED BY FLOODWATERS AFTER BEING IRRIGATED. 2. IT IS NOT ECONOMICALLY FEASIBLE TO RESTORE THE FLOOD DAMAGED ACRES TO IRRIGATION USE.

B. FOR PURPOSES OF THIS SECTION:

1. "FLOODWATERS" MEANS A TEMPORARY AND EROSION OVERFLOW OF WATERS ON LANDS NOT NORMALLY COVERED BY WATER WHICH OCCURRED AFTER JANUARY 1, 2018.



2. "LEGALLY IRRIGATED ACRES" MEANS ACRES WHICH MAY BE IRRIGATED PURSUANT TO SECTION 45-661.

**45-664. Impediments to efficient irrigation in interim irrigation protection area; substitution of acres; definitions**

A. IN AN INTERIM IRRIGATION PROTECTION AREA, A PERSON WHO OWNS ACRES OF LAND WHICH ARE CONTIGUOUS AND WHICH MAY BE IRRIGATED PURSUANT TO SECTION 45-661 MAY APPLY TO THE DIRECTOR TO RETIRE A PORTION OF THOSE ACRES FROM IRRIGATION AND SUBSTITUTE FOR THE RETIRED ACRES THE SAME NUMBER OF ACRES. THE DIRECTOR MAY APPROVE THE SUBSTITUTION OF ACRES IF THE OWNER DEMONSTRATES TO THE DIRECTOR'S SATISFACTION THAT ALL OF THE FOLLOWING APPLY:

1. A LIMITING CONDITION ASSOCIATED WITH THE ACRES TO BE RETIRED FROM IRRIGATION SUBSTANTIALLY IMPEDES THE IMPLEMENTATION OF MORE EFFICIENT IRRIGATION PRACTICES ON THE LEGALLY IRRIGATED ACRES.

2. THE SUBSTITUTION OF ACRES WILL SUBSTANTIALLY REDUCE THE LIMITING CONDITION AND WILL SUBSTANTIALLY FACILITATE THE IMPLEMENTATION OF MORE EFFICIENT IRRIGATION PRACTICES.

3. THE SUBSTITUTE ACRES ARE WITHIN THE SAME FARM UNIT AS THE LEGALLY IRRIGATED ACRES THAT WILL NOT BE RETIRED.

4. THE SUBSTITUTION WILL NOT REDUCE THE NUMBER OF ACRES OF LAND WITHIN THE FARM UNIT THAT ARE ELIGIBLE TO RECEIVE CENTRAL ARIZONA PROJECT WATER.

5. IF THE ACRES TO BE RETIRED ARE LOCATED WITHIN THE EXTERIOR BOUNDARIES OF AN IRRIGATION DISTRICT, THE SUBSTITUTE ACRES WILL BE LOCATED WITHIN THE EXTERIOR BOUNDARIES OF THE SAME IRRIGATION DISTRICT.

6. THE AREA OF LAND WITHIN THE SUBSTITUTE ACRES THAT IS PHYSICALLY CAPABLE OF BEING IRRIGATED AT THE TIME THE APPLICATION FOR SUBSTITUTION OF ACRES IS FILED DOES NOT EXCEED THE AREA OF LAND WITHIN THE ACRES TO BE RETIRED THAT IS PHYSICALLY CAPABLE OF BEING IRRIGATED AT THE TIME THE APPLICATION FOR SUBSTITUTION OF ACRES IS FILED.

B. FOR PURPOSES OF THIS SECTION:

1. "LEGALLY IRRIGATED ACRES" MEANS ACRES OF LAND WHICH ARE CONTIGUOUS AND WHICH MAY BE IRRIGATED PURSUANT TO SECTION 45-661.

2. "LIMITING CONDITION" MEANS ANY CONDITION THAT LIMITS THE ACHIEVEMENT OF MORE EFFICIENT IRRIGATION ON THE LEGALLY IRRIGATED ACRES, INCLUDING IRREGULARLY SHAPED LEGALLY IRRIGATED ACRES AND POOR QUALITY SOILS.

**45-665. Change of place or type of irrigation use; substitution of acres; farm unit conservation and efficiency**

A. IN AN INTERIM IRRIGATION PROTECTION AREA, A PERSON WHO OWNS ACRES OF LAND THAT MAY NOT BE IRRIGATED PURSUANT TO SECTION 45-661 MAY APPLY TO THE DIRECTOR TO SUBSTITUTE THOSE ACRES FOR IRRIGATION OR EXPAND THOSE ACRES FOR IRRIGATION ON DEMONSTRATING THAT EITHER:

1. THE SAME NUMBER OF ACRES WILL BE RETIRED FROM IRRIGATION IN THE SAME INTERIM IRRIGATION PROTECTION AREA.

2. THE EXPANSION OF ACRES WILL BE WITHIN THE SAME FARM UNIT AND WILL INCLUDE IMPLEMENTATION OF MORE EFFICIENT IRRIGATION PRACTICES WITHIN THE FARM UNIT.

B. THE DIRECTOR MAY APPROVE THE SUBSTITUTION OR EXPANSION OF ACRES IF THE OWNER DEMONSTRATES TO THE DIRECTOR'S SATISFACTION THAT ALL OF THE FOLLOWING APPLY:

1. THE SUBSTITUTION OR EXPANSION OF ACRES WILL NOT RESULT IN AN INCREASE IN THE RATE OF WITHDRAWAL OF GROUNDWATER IN THE INTERIM IRRIGATION PROTECTION AREA.

2. THE SUBSTITUTION OR EXPANSION OF ACRES WILL NOT RESULT IN GROUNDWATER TO BE WITHDRAWN AT A RATE THAT WHEN ADDED TO THE EXISTING RATE OF WITHDRAWALS IN THE AREA WILL CAUSE AN UNREASONABLE DECLINE IN THE GROUNDWATER TABLE AT THE SITE OR SITES OF THE WITHDRAWALS.

3. THE SUBSTITUTION OR EXPANSION OF ACRES IS CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS.

**45-666. Review and modification of boundaries of interim irrigation protection areas**

A. THE DIRECTOR MAY REVIEW AND MODIFY THE BOUNDARIES OF AN INTERIM IRRIGATION PROTECTION AREA AS CONDITIONS REQUIRE AND FACTUAL DATA JUSTIFY.

B. THE DIRECTOR SHALL REVIEW THE BOUNDARIES OF AN INTERIM IRRIGATION PROTECTION AREA UPON RECEIPT OF A PETITION SIGNED BY THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL OR BY PERSONS WHO TOGETHER WITHDRAW NOT LESS THAN ONE-FOURTH OF THE GROUNDWATER WITHDRAWN IN THE INTERIM IRRIGATION PROTECTION AREA.

C. BEFORE MODIFYING THE BOUNDARIES OF AN INTERIM IRRIGATION PROTECTION AREA, THE DIRECTOR SHALL GIVE NOTICE OF AND HOLD A HEARING ON THE PROPOSED MODIFICATIONS PURSUANT TO THE PROCEDURES PRESCRIBED BY SECTION 45-45-656. AFTER THE HEARING, THE DIRECTOR SHALL PREPARE WRITTEN FINDINGS PURSUANT TO SECTION 45-656.