

**NOTICE OF PROPOSED RULEMAKING**

**TITLE 12. NATURAL RESOURCES**

**CHAPTER 15. DEPARTMENT OF WATER RESOURCES**

**PREAMBLE**

**1. Sections Affected**

**Rulemaking Action**

R12-15-101	New Section
R12-15-102	New Section
R12-15-103	New Section
R12-15-104	New Section
R12-15-105	New Section
R12-15-106	New Section
R12-15-151	Repeal
R12-15-702	Amend
R12-15-703	Amend
R12-15-704	Amend
R12-15-705	Amend
R12-15-706	Amend
R12-15-707	Amend
R12-15-708	Amend
R12-15-710	Amend
R12-15-712	Amend
R12-15-713	Amend
R12-15-714	Amend
R12-15-730	Repeal
R12-15-806	Amend
R12-15-1208	Amend
R12-15-1210	Amend
R12-15-1211	Amend
R12-15-1213	Amend
R12-15-1219	Amend

**2. The statutory authority for the rulemaking, including both the authorizing statutes (general) and the implementing statutes (specific):**

Authorizing statutes: A.R.S. §§ 45-113(B), 45-133(C), 45-183(C), 45-273(E), 45-292(B), 45-467(Q), 45-476.01(B), 45-595(C), 45-596(L), 45-599(J), 45-871.01(A), 45-1021(A)(9), 45-1041(E) 45-1204(B), 45-1603 and 45-1605(A)

**3. A list of all previous notices appearing in the *Register* addressing the proposed rule:**

Notice of Rulemaking Docket Opening: 16 A.A.R. \_\_\_\_ (in this issue)

**4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

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**5. An explanation of the rule, including the agency's reasons for initiating the rule:**

**A. Purpose of Rulemaking and Background**

As a result of state revenue shortfalls, the amount of money appropriated to the Arizona Department of Water Resources (“Department”) from the state general fund for fiscal year 2010-2011 was significantly less than the amount appropriated for prior fiscal years. The Department’s appropriation from the state general fund for fiscal year 2011-2012 is not expected to increase. After fiscal year 2011-2012, the Governor has proposed that the Department receive no money from the state general fund, but instead become fully self-funded.

The decision to reduce the Department’s annual appropriations from the state general fund was based, in part, on the expectation that the Department would increase the fees it charges applicants in its permitting programs to cover the Department’s costs in implementing those programs. To facilitate this, the Legislature enacted two bills during 2010 relating to the Department’s fees. HB 2007, passed during the 7th special session in 2010, authorized the Department to increase fees in fiscal year 2010-2011 for services in that fiscal year. HB 2007 also exempted the Department from the formal rulemaking requirements in A.R.S. Title 41, Chapter 6 for the purpose of establishing the increased fees. SB 1359, passed during the 2010 regular session, created a Water Resources Fund to be used exclusively by the Department to carry out the purposes of A.R.S. Title 45, subject to legislative appropriations. The bill redirected many of the application fees collected by from the state general fund to

the Water Resources Fund and authorized the use of the Dam Repair Fund in support of dam safety program activities.

Prior to the enactment of the two bills described above, the Department began a review of the fees it charges for processing applications and other filings (collectively “applications”) to determine whether the fees were sufficient to cover the Department’s costs in processing the applications and whether the Department’s fee rules included all the fees it is authorized by statute to establish. Most of the fees had been in place without revision since at least 1994. Through this review, the Department determined that its application fees did not cover its application processing costs and that its fee rules did not include fees for several applications for which it has statutory authority to establish a fee.

In early 2010, the Department held a series of stakeholder meeting to discuss fee increases with stakeholders. During these meetings, the Department proposed charging an hourly fee of \$118.00 per hour for the time spent by Department staff in reviewing those applications that it estimates takes five or more hours to process. The Department proposed continuing to charge a fixed fee for all other applications, but proposed increasing the amount of those fees, except for the fees set in statute. Additionally, the Department proposed establishing new hourly or fixed fees for several applications for which it has specific statutory authority to establish a fee by rule, but for which it was not currently charging a fee.

After considering stakeholder comments on the proposed new and increased fees, the Department decided to go forward with its proposal to charge an hourly fee of \$118.00 for applications that it estimates takes an average of five or more hours to review, and higher fixed fees for all other applications for which a fee is not set in statute. However, in response to stakeholder comments, the Department made several adjustments to the fixed fees and to its proposed language setting forth the process for billing hourly fees. With these adjustments, the Department determined that all of the new and increased fees were reasonable, and that they would cover the Department's costs in processing the applications.

With the passage of HB 2007, the Department was authorized to adopt the new and increased fees for fiscal year 2010-2011 without going through the formal rulemaking requirements in A.R.S. Title 41, Chapter 6. In order to do so, HB 2007 required the Department to submit its fee plan to the Legislature by April 1, 2010. The Department submitted its fee plan on April 1, 2010 and subsequently filed a Notice of Exempt Rulemaking with the Arizona Secretary of State on June 15, 2010 to make the fees effective. The Notice of Exempt Rulemaking was published in the *Arizona Administrative Register* on July 9, 2010 (*See* 16 A.A.R. 1205, July 9, 2010). The fees became effective on June 15, 2010 and will repeal automatically effective July 1, 2011. The fee rules established through the Notice of Exempt Rulemaking are referred to in this Preamble as the "FY 2010-2011 Fee Rules."

The purpose of this rulemaking is to make the FY 2010-2011 Fee Rules permanent through a rulemaking proceeding under A.R.S. Title 41, Chapter 6. Prior to filing this Notice of Proposed Rulemaking, the Department provided stakeholders an opportunity to submit written comments on the FY 2010-2011 Fee Rules so that the Department could determine whether any changes should be made to the rules before initiating the formal rulemaking proceeding. The Department received six written comments from stakeholders during the comment period.

Based on the stakeholder comments, as well as the Department's own review of the rules, the Department decided to make a number of changes to the FY 2010-2011 Fee Rules before making the rules permanent through this proceeding. The following is a description of those changes:

1. The rules proposed to be adopted through this rulemaking proceeding (referred to in this Preamble as the "Proposed New Fee Rules"), include three new fees that were inadvertently omitted from the FY 2010-2011 Fee Rules: (a) a fixed fee of \$120.00 for the issuance of a revised certificate of grandfathered right following the extinguishment of a portion of the right for assured water supply extinguishment credits (R12-15-104(A)(3)(c)); (b) an hourly fee of \$118.00 per hour for an application to transport groundwater away from the Yuma groundwater basin pursuant to A.R.S. § 45-547 (R12-15-103(B)(2)(n)); and (c) an hourly fee of \$118.00 per hour for an application for a drought emergency groundwater transfer away from a groundwater basin outside of an active management area (R12-15-103(B)(2)(o)).

2. The definitions of “review hours” and “site inspection time” in section R12-15-101 of the Proposed New Fee Rules have been changed to exclude from the hourly fees any time spent by Department employees traveling to and from an inspection. With this change, only the time spent by Department employees in conducting the inspection and preparing an inspection report will be subject to an hourly fee. Mileage expenses at the rate set by the Arizona Department of Administration for state travel will continue to be charged for travel to and from an inspection. Additionally, a definition of “site inspection” has been added to clarify that a site inspection includes an inspection conducted before issuing a decision on an application, as well as an inspection conducted to determine whether water may be stored at an underground storage facility.
3. The definition of “review hours” in R12-15-101 of the Proposed New Fee Rules has been changed to exclude from the hourly fees any time spent by Department employees on a pre-decision administrative hearing. Additionally, the definition of “review-related costs” has been deleted and replaced with a definition of “mileage expenses.” In R12-15-103 and R12-15-104, the term “review-related costs” has been replaced with “mileage expenses.” With these changes, an applicant will not be charged for any time spent by Department staff on either a pre-decision administrative hearing or an administrative hearing following an appeal of the Department’s decision, or any costs incurred by the Department in conducting such hearings.
4. The FY2010-2011 Fee Rules contain a provision (12-15-102(C)) allowing a person with an application pending before the Department on the effective date of

the rules to request an expedited review of the application if the person agrees to pay an hourly application fee and if certain other criteria are met. After the FY2010-2011 Fee Rules were adopted, the Legislature amended A.R.S. § 45-104 to add a new subsection (H) authorizing the Department to contract with private consultants for the purpose of reviewing applications and providing that if the Department contracts with a consultant for that purpose, an applicant may request that the Department expedite the application review by using the services of the consultant and by agreeing to pay the Department the costs of the consultant's services. The Department has determined that any requests for an expedited review of an application should be made pursuant to that statutory provision. For that reason, the Proposed New Fee Rules do not include a provision allowing an expedited review of an application.

5. In both the FY2010-2011 Fee Rules and the Proposed New Fee Rules, the total fees for applications subject to an hourly fee are capped by a maximum fee. In the FY 2010-2011 Fee Rules, applications determined by the Department to be non-complex were assigned a maximum fee of \$10,000.00 and applications determined to be complex were assigned a maximum fee of \$65,000.00. In the Proposed New Fee Rules, applications previously assigned a maximum fee of \$65,000.00 have been further broken down into two categories – complex applications, which are assigned a maximum fee of \$65,000.00, and moderately complex applications, which are assigned a maximum fee of \$35,000.00. The maximum fee for non-complex applications remains at \$10,000.00, except that

- the maximum fees for applications for assignments of Type A and Type B certificates of assured water supply have been reduced to \$5,000.00.
6. R12-15-103(A) has been modified by deleting the language providing that the Department will adjust the \$118.00 hourly rate every July 1 based on changes to the Consumer Price Index. As a result, the hourly rate will remain at \$118.00 unless the Department changes the rate through a formal rulemaking proceeding. Every two years, the Department will conduct an assessment of the costs incurred by it in processing applications to determine whether the hourly rate is still appropriate or whether the hourly rate should be adjusted through a formal rulemaking proceeding.
  7. R12-15-103(B)(1), which imposes an hourly fee for applications for variances from the well construction requirements, has been changed to exclude applications for variances that have been pre-approved by the Department. No fee will be charged for applications for pre-approved variances.
  8. In the 2010-2011 Fee Rules, the fee for an application for a revised certificate of Type 2 non-irrigation grandfathered right to reflect new or additional points of withdrawal is an hourly fee of \$118.00 if the application includes a well drilled after June 12, 1980. If the application does not include a well drilled after June 12, 1980, the fee is a fixed fee of \$250.00. In the Proposed New Fee Rules, the fee for a revised certificate of Type 2 non-irrigation grandfathered right to reflect new or additional points of withdrawal is a fixed fee of \$250.00, regardless of when the well or wells sought to be added to the certificate were drilled. The Proposed New Fee rules also provide that the fee applies to the revision of a Type

- 2 non-irrigation grandfathered right to reflect the deletion of a point of withdrawal. *See* R12-15-104(A)(3)(d).
9. In R12-15-103(B)(9)(e) and (h), the maximum fees for a certificate of assured water supply and a water report have reduced from \$65,000.00 to \$35,000.00 if the certificate or water report is for land included in an analysis of assured or adequate water supply.
  10. R12-15-103(D)(1) has been modified by deleting the language that required the Department to include in a bill for hourly fees the number of review hours accrued by employee position type. A stakeholder comment on this language indicated that it gave the erroneous impression that there were different hourly fee rates for different employee position types. With this change, a bill will include the number of review hours accrued by activity and subactivity code during the billing period without indicating the employee position type.
  11. R12-15-103(D)(4) and R12-15-103(F)(1) have been modified to provide that a bill for hourly fees must provide that the fees are payable on a date that is at least 60 days after the date of the bill. In the 2010-2011 Fee Rules, the time period was 35 days after the date of the bill.
  12. A fee of \$120.00 is established for the re-issuance of a certificate of grandfathered right to reflect a change in family circumstances (e.g., the death of a spouse, marriage or divorce) or a transfer of the right from the rightholder to a trust in which the rightholder is a beneficiary or from a trust to the beneficiary of the trust. (R12-15-104(A)(3)(f)). In the past, the Department has considered the re-issuance of a certificate of grandfathered right to reflect these changes to be a

- conveyance of the right, and it charged the fee established for the conveyance of a certificate of grandfathered right. By establishing a separate fee of \$120.00 for these changes, the applicant will pay a lower fee than the fee charged for a conveyance of a certificate of grandfathered right (currently \$500.00).
13. R12-15-104(A)(6)(d), which imposes a fee of \$500.00 for an assignment of a surface water application, permit, certificate or statement of claim, has been changed by adding language setting a maximum fee of \$5,000.00 for a single application with multiple assignments.
  14. The FY2010-2011 Fee Rules contain a rule (R12-15-105) that imposes a fee of \$250.00 for a request for an extension of time to submit information in response to a written notification of deficiencies within the administrative completeness time-frame or a written request for additional information within the substantive review time-frame. This rule has been deleted in the Proposed New Fee Rules. Requests for extensions of time to submit additional information are typically associated with applications subject to an hourly fee. Instead of charging a separate fee for such a request, the time spent by Department staff in processing the request will be billed at the hourly rate.
  15. In the Proposed New Fee Rules, the dam safety inspection fees for low and very low hazard potential dams have been reduced. The FY 2010-2011 Fee Rules do not differentiate the dam safety inspection fees for dams based on their downstream hazard potential. Under those fee rules, all dams are subject to an inspection fee of between \$2,000.00 to \$4,200.00, depending on the length of the dam. The Department has determined that the inspection fees for low and very

low hazard potential dams should be reduced to a fixed fee of \$1,000.00 because the time required to inspect such dams is less than the time required to inspect high and significant hazard potential dams. See R12-15-105(A) and (B).

**B. Explanation of Rules**

As required by HB 2007, the FY 2010-2011 Fee Rules will repeal automatically effective July 1, 2011. At that time, the fee rules that were in effect before the FY 2010-2011 Fee Rules were adopted (Sections R12-15-151 and R12-15-730, referred to in this Preamble as the “Existing Fee Rules”) will become effective again. The purpose of this rulemaking is to repeal the Existing Fee Rules and replace them with the Proposed New Fee Rules beginning on July 1, 2011, or as soon thereafter as is possible. The Proposed New Fee Rules are explained below.

Under the Proposed New Fee Rules, a person submitting an application to the Department will be charged either an hourly fee or a fixed fee. Applications that are subject to an hourly fee are listed in Section R12-15-103(B). Applications that are subject to a fixed fee are listed in Section R12-15-104(A).

The process the Department will use for billing hourly fees is set forth in Section R12-15-103. The Department will calculate the fee for an application that is subject to an hourly fee by multiplying the number of review hours spent by the Department employees in reviewing the application by an hourly rate of \$118.00, subject to a total maximum fee. The maximum fee for applications determined by the Department to be complex is \$65,000.00; the maximum fee for applications determined to be

moderately complex is \$35,000.00; and the maximum fee for applications determined to be non-complex is \$10,000.00 (\$5,000.00 for assignments of Type A and Type B certificates of assured water supply). Review hours include the time spent by Department employees in reviewing the application and making a decision thereon, including pre-application consultation time in excess of 60 minutes and site inspection time. Review hours do not include the first 60 minutes of pre-application consultation time, the time spent travelling to and from a site inspection, the time spent on a pre-decision administrative hearing and any time spent on the application following an appeal of the Department's decision on the application. Only the time spent by Department technical staff, management/supervisory staff and support staff responsible for processing an application is included in review hours.

A person filing an application that is subject to an hourly fee must submit an initial fee of \$2,000.00 at the time the application is filed. The Department will lower the initial fee upon request by an applicant if the Department estimates that the total application fee will be less than \$2,000.00. R12-15-103(C).

The Department will bill an applicant for hourly application fees no more than monthly, but at least quarterly. R12-15-103(D). The billing statement will specify when the bill is due, which will be at least 60 days after the date of the statement. If a bill for hourly fees becomes past due, the Department will suspend its review of the application and send a written notice to the applicant that bill is past due. If the applicant does not pay the outstanding bill by the date specified in the notice, which

must be at least 35 days from the date of the notice, the Department will deny the application. The applicable review time-frame will be suspended from the date the bill becomes past due until the applicant pays the bill in full or the application is denied. R12-15-103(E). The rules provide a process for requesting reconsideration of a bill for hourly fees. R12-15-103(G).

When the Department makes a determination whether to grant or deny an application that is subject to an hourly fee, it will send the applicant a final bill for the application fee. If the Department decides to issue a permit, the final bill will include the fee for preparation of the permit, charged at the applicable hourly rate (a separate fee will not be charged for issuance of the permit). If the amount already paid by the applicant exceeds the amount of the final bill, the Department will issue a refund to the applicant for the difference. If the amount of the final bill exceeds the amount already paid by the applicant, the applicant must pay the balance before the Department will release the final permit or approval to the applicant. R12-15-103(F). If a person receives a bill for hourly fees and the bill becomes past due, the Department will not accept any other application by that person until the person pays the past due amount in full. R12-15-103(H).

In addition to paying either a fixed fee or an hourly fee, the Proposed New Fee Rules require an applicant to pay any mileage expenses associated with the application and the actual cost of mailing or publishing any legal notice of the application. Mileage expenses are the Department's mileage expenses for travelling to and from a site

inspection conducted before issuing a decision on the application or before determining whether water may be stored at an underground storage facility, charged at the rate set by the Arizona Department of Administration for state travel by motor vehicle.

Section R12-15-105 sets forth fees for dam safety inspections and for the Department's review of dam safety inspection reports. The fee for an inspection of a high or significant hazard potential dam is between \$2,000.00 and \$4,200.00, depending on the size of the dam. The fee for an inspection of a low or very low hazard potential dam is \$1,000.00. The fee for reviewing a dam safety inspection report is \$750.00.

The Proposed New Fee Rules establish the following new fees not included in the Existing Fee Rules:

1. An hourly fee for an application for a variance from the well construction requirements, except for a variance that has been pre-approved by the Department. (R12-15-103(B)(1)).
2. An hourly fee for an application for approval of a contract by a city, town or private water company to supply groundwater to another city, town or private water company. (R12-15-103(B)(2)(e)).
3. An hourly fee for a notice of intention to establish a new service area right. (R12-15-103(B)(2)(f)).

4. An hourly fee for a final petition to establish a new service area right. (R12-15-103(B)(2)(g)).
5. An hourly fee for an application for extension of a service area to furnish disproportionately large amounts of water to an industrial or other large water user. (R12-15-103(B)(2)(h)).
6. An hourly fee for an application for the addition or exclusion of an area by an irrigation district. (R12-15-103(B)(2)(i)).
7. An hourly fee for an application by an irrigation district for delivery of groundwater to an industrial user with a general industrial use permit. (R12-15-103(B)(2)(j)).
8. An hourly fee for an application for determination of historically irrigated acres or an annual transportation allotment for lands in the McMullen Valley groundwater basin. (R12-15-103(B)(2)(k)).
9. An hourly fee for an application for determination of the volume of groundwater than can be transported for lands in the Harquahala irrigation non-expansion area to an initial active management area. (R12-15-103(B)(2)(l)).
10. An hourly fee for an application for determination of historically irrigated acres or an annual transportation allotment for lands in the Big Chino sub-basin of the Verde River groundwater basin. (R12-15-103(B)(2)(m)).
11. An hourly fee for an application for a permit to transport groundwater away from the Yuma groundwater basin. (R12-15-103(B)(2)(n)).
12. An hourly fee for an application for a drought emergency groundwater transfer

- away from a groundwater basin outside of an active management area. (R12-15-103(B)(2)(o)).
13. An hourly fee for an application to renew an analysis of assured or adequate water supply. (R12-15-103(B)(9)(c)).
  14. An hourly fee for an assignment of a certificate of assured water supply issued after September 12, 2006. (R12-15-103(B)(9)(i) and (j)).
  15. An hourly fee for an application for a new certificate of assured water supply for a subdivision for which a certificate was previously issued after September 12, 2006. (R12-15-103(B)(9)(m)).
  16. An hourly fee for an application for a letter stating that a landowner is not required to obtain a certificate of assured water supply. (R12-15-103(B)(9)(n)).
  17. An hourly fee for an application for change in use of a surface water right. (R12-15-103(B)(10)(d)).
  18. An hourly fee for a request for an extension of time to complete construction for a surface water right. (R12-15-103(B)(10)(f)).
  19. A fee of \$150.00 for a notice of intention to abandon a well. (R12-15-104(A)(1)(f)).
  20. A fee of \$120.00 for an application for issuance of a revised certificate of grandfathered right following the partial extinguishment of a grandfathered right for assured water supply extinguishment credits. (R12-15-104(A)(3)(c)).
  21. A fee of \$250.00 for an application to revise a certificate of Type 2 non-irrigation grandfathered right to delete a point of withdrawal. (R12-15-104(A)(3)(d)).

22. A fee of \$500.00 for an application for approval of a development plan to retire an irrigation grandfathered right for a Type 1 non-irrigation grandfathered right. (12-15-104(A)(3)(e)).
23. A fee of \$250.00 for an application for assignment of long-term storage credits. (R12-15-104(A)(4)(c)).
24. A fee of \$250.00 for an application for extinguishment of a grandfathered right for assured water supply credits. (R12-15-104(A)(5)(a)).
25. A fee of \$250.00 for the conveyance of assured water supply extinguishment credits. (R12-15-104(A)(5)(b)).
26. A fee of \$120.00 for the reissuance of a surface water permit or certificate. (R12-15-104(A)(6)(a)).
27. A fee of \$750.00 for the Department's review of a dam safety inspection report submitted by the owner. (R12-15-105(D)).

Unlike the Existing Fee rules, the Proposed New Fee Rules do not contain fees for copying public records. This is because the Department has determined that it has authority to charge reasonable copying charges under A.R.S. § 39-121.01(D)(1) without the need to adopt a rule. The Department's current copying charges can be found on its web site at [www.azwater.gov/AzDWR/IT/Fees.htm](http://www.azwater.gov/AzDWR/IT/Fees.htm).

The Proposed New Fee Rules will apply to applications filed on and after the effective date of the rules. An application filed prior to the effective date of the rules

will be subject to the application fees and costs in effect when the application was filed.

In addition to repealing the Existing Fee Rules and replacing them with the Proposed New Fee Rules, the Department is proposing to make amendments to several sections within 12 A.A.C. 15, Article 7 (Assured and Adequate Water Supply), Article 8 (Well Construction and Licensing of Well Drillers) and Article 12 (Dam Safety Procedures). Those amendments delete references to the Existing Fee Rules and replace them with references to the Proposed New Fee Rules.

**6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

None

**7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**8. The preliminary summary of the economic, small business, and consumer impact:**

This proposed rulemaking revises existing fees and establishes several new fees for the groundwater, surface water, dam safety, recharge, assured and adequate water supply, water exchange, bodies of water, water exportation and well drilling permit

programs and dam safety inspections program, under Title 45, Arizona Revised Statutes. This economic, small business and consumer impact statement contains an identification of the increased fees that political subdivisions and businesses that may be impacted will pay for permits, as well as the specific impacts to the Department and other State agencies from the Proposed New Fee Rules.

Since 1980, most of the Department's permit programs and dam safety inspection program have operated from general fund revenues – with few changes to the fees since that time. Since 2003, the well administration and enforcement fund was initiated by the legislature for operation of the well permitting program. In 2007, the legislature authorized the assured and adequate water supply fund to partially fund the operation of that permitting program. In 2010, the legislature authorized the dam repair fund to partially fund the operation of the dam safety program. The Department has implemented permit efficiencies and process improvements that will significantly improve the processing times for all of its permitting functions. The Department estimates that the proposed changes to its fees, if implemented based on the average permit actions issued in FY2008 and FY2009, would have recovered approximately \$4,814,882 for permits using the proposed \$118.00 per hour rate and increased fixed fees. The actual estimated revenue under the Existing Fee Rules for the average number of applications in FY 2008 and FY 2009 was \$1,158,660, a difference of \$3,656,222.

The purpose of this rulemaking is not to change any specific conduct of the regulated community. The purpose of this rulemaking is to increase most of the Department's fees and establish several new fees to allow the Department to come closer to recovering the costs to the Department for permitting and dam safety inspection services by charging \$118 per hour for permit applications estimated to take an average of five or more hours to process, charging increased or new fixed rate fees for all other permit applications for which the fees are not set in statute, and charging increased fees for dam safety permits and inspections. No changes are being made to fees that are set in statute.

The \$118.00 hourly fee rate has been calculated in the manner explained below. The expenses are based on all current permit staffing positions. Additionally, the Department has established annual performance measures relating to all of its permitting functions.

The Department estimated the hourly rate for water permitting staff based on the permitting work of a full-time employee (FTE) and makes the following assumptions:

### **HOURS**

- Assumes an FTE works 2080 hours annually.
- NON-PROGRAM HOURS include:
  - hours related to employee SVHL (sick, vacation, holiday), calculated at the maximum available of 296 hours;

- hours related to training, meetings and minor tasks estimated at 331 hours;
- hours lost due to employee turnover – use a relatively low rate of 5% - 104 hours.
- TOTAL NON-PROGRAM HOURS estimated at 731 hours annually.
- PROGRAM HOURS include both review hours of specific applications and making decisions thereon, and those not related to review hours of specific applications. Some of the Program Hours are therefore not billable.
- TOTAL PROGRAM HOURS = 2080 – 731 = 1349 hours
- Non-billable Program Hours include customer service time, inter-division and inter-agency coordination, permit administration, program development (rules and policies) and travel. This is estimated at 440 hours annually.
- BILLABLE PROGRAM HOURS = 1349 – 440 = 909 hours

### **COSTS**

- Salaries + employee related expenses (ERE) related to Billable Program Hours performed by an FTE.
- ERE benefits rate of 40% is used.
- Non-Program Hours in support of Billable Program Hours are included in costs. This is estimated at 493 hours.
- Program staff includes Engineers, Hydrologists and the WRS Series at an average hour rate of \$24.68.

$$\text{Cost} = (909 + 493 \text{ hours}) \times \$24.68/\text{hour} \times 1.4 = \$48,442$$

- Management/ Supervisory hours in support of the FTE's work are included in costs, estimated at 200 hours. This includes working A/Ds, Managers, and Legal at an average hourly rate of \$40.00.  

$$\text{Cost} = (200 \text{ hours}) \times \$40.00/\text{hour} \times 1.4 = \$11,200$$
- Administration Support hours in support of the FTE's work are included in costs, estimated at 200 hours. This includes Water Resource Technicians and Administrative Assistants at an average hourly rate of \$17.94.  

$$\text{Cost} = (200 \text{ hours}) \times \$17.94/\text{hour} \times 1.4 = \$5,023$$
- Add Indirect expenses (56.35% of personal services and ERE by federal formula) for rent, utilities, etc., estimated at \$36,464.
- Add Other Expenses such as travel, equipment, operating expenses (supplies, etc.) and professional services, estimated at \$6,250.
- Total Costs Related to Permit Process for 1 FTE= \$107,379

**HOURLY RATE**

- Divide the total costs related to the permitting work of an FTE (\$107,379) by Billable Program Hours (909). This provides the Hourly Rate for Permit Processing (\$118.00).

The proposed fixed fees are based on either: (1) statutorily required fees (no changes to these are being proposed in this rulemaking), or (2) fees based on the estimated average hours assumed to process the application, up to a maximum of four hours.

Any applications assumed to take five or more hours to process were captured in the hourly fee proposal.

Under the Existing Fee Rules, dam safety inspection fees are based on dam height and do not differentiate based on a dam's downstream hazard potential. The proposed dam safety inspection fees for high and significant hazard potential dams are a graduated scale based on the length of the dam. Dam length is a better indicator of time necessary to conduct the inspection and complete the inspection report. The proposed dam safety inspection fees for low and very low hazard potential dams are a fixed value lower than those for high and significant hazard potential dams due to less time required for review of engineering standards and analyses, operational and maintenance plans and emergency action plans.

The Department estimates that the number of pending permit applications and projections for incoming work equates to more work hours than can be accomplished by the current staffing levels. Therefore, this analysis is based on the amount of work that can be accomplished based on the current number of authorized staff positions for water permitting services -19 technical staff (water resource specialists, engineers and hydrologists), 7 management /supervisor staff, and 4.5 support staff. The Department anticipates that the number of positions will not be increased for water permitting staff. Positions and activities related to permit-related inspections are included in this analysis although these hours and revenues are only a small percentage of the total.

Table I below compares the estimated fees for permit actions and dam safety inspections under the Existing Fee Rules to the estimated fees in the Proposed New Fee Rules. The table uses the assumptions for estimated review hours based on permitting staff estimates. These are only estimates as the Department has not historically tracked the hours for each permit type. With the proposed changes, the Department is now tracking in detail the billable hours for each permit type including permits that are identified under the fixed fee rates in order to continue evaluating the necessity of an hourly rate or fixed rate. The estimated review hours and fees under the Existing Fee Rules are based on the estimated average number of review hours to complete a project for permits issued under the permitting programs during calendar years 2008 and 2009 using the Existing Fee Rules. The information in Table I further assumes that the applications are fairly complete, and no public hearing is necessary. Note that a previously permitted facility will not necessarily experience any impact due to this rulemaking. This rulemaking primarily impacts the costs associated with review of pending applications submitted after the FY2010-2011 Fee Rules became effective on June 15, 2010 and applications that will be submitted in the future for a new permit or a modification to a permit.

***Table I. Comparison of Estimated Review Hours and Fees under Existing and Proposed New Fee Rules***

Category /Permit Type	Est. Review Hours for Hourly Fees	2008 – 2009 Average Number of Applications or Requests	Fee under Existing Fee Rules	Fixed Fee under Proposed New Fee Rules	Est. Total Hourly Fee under Proposed New Fee Rules (\$118/hr)	% Change In Cost
<b>WELLS</b>						
Variance from Well Construction Requirements	5	556	\$150		\$590	293%
Late Registration of Well		12	\$10	\$120		1100%
Well Drillers License *		31	\$50	\$50		0%
Reissue or Renewal of Well Drillers License		286	\$10	\$50		400%
Reactivation of Expired Well Drillers License		2	\$20	\$50		150%
Well Assignments - per well cost		52	\$10	\$120/well		Variable**
Well Capping*		20	\$300	\$300		0%
Notice of Intent to Abandon a Well (45-594)*		1,008	\$0	\$150		***
NOI to Drill Non-Exempt Well in same location in AMA, all wells in INA, wells >35gpm outside AMA/INA - (45-596, 597)*		50	\$150	\$150		0%
Notice of Intent to Drill Outside AMA or INA w/pump capacity <35 gpm for domestic use only (45-596)*		2,718	\$100	\$100		0%
Reissuance of Drill Card		30	\$10	\$120		1100%
Application for Permit to Drill Non-Exempt Well - Inside AMA (45-598 & 599)*		43	\$180	\$180		0%
<b>GROUNDWATER RIGHTS &amp; PERMITTING</b>						
GW Withdrawal Permit - Non-GIU (45-513, 514, 516, 517, 518, 519, 519.01, 520, 527) Issuance, Renewal, Modification, change in location	20	47	\$180		\$2,360	1211%
GW Withdrawal Permit - GIU (45-515, & 527): Issuance, Renewal, Modification	13	12	\$200		\$1,534	667%
Notice of Authority of Irrigate in an INA (45-437)	10	0	\$100		\$1,180	1080%
Restoration of Retired IGFR (45-469(O))	5	0	\$50		\$590	1080%
Contract by city, town or private water company to Supply	5	1	\$0		\$590	***

Category /Permit Type	Est. Review Hours for Hourly Fees	2008 – 2009 Average Number of Applications or Requests	Fee under Existing Fee Rules	Fixed Fee under Proposed New Fee Rules	Est. Total Hourly Fee under Proposed New Fee Rules (\$118/hr)	% Change In Cost
Groundwater to another city, town or private water company (45-492(C))						
Initial Notice of Intent to Establish New Service Area Right	5	2	\$0		\$590	***
Final Petition to Establishment New Service Area	5	2	\$0		\$590	***
Extension of Service Area to provide Disproportionate amount of Water to an Industrial or other large water user (45-493(A)(2))	5	0	\$0		\$590	***
Addition/Exclusion of Acres by Irrigation District (45-494.01)	8	0	\$0		\$944	***
Delivery of GW from an ID to a GIU permit holder (45-497(B))	5	0	\$0		\$590	***
Transp. of GW Withdrawn in McMullen Valley GW Basin to an AMA (45-552)	5	0	\$0		\$590	***
Transp. of GW Withdrawn in Harquahala INA to an initial AMA (45-554)	5	0	\$0		\$590	***
Transp. of GW Withdrawn in Big Chino Sub-Basin to an initial AMA (45-555)	5	0	\$0		\$590	***
Transp. Of GW away from the Yuma GW Basin (45-547)	5	1	\$0		\$590	***
Application for Emergency Transfer of GW from a GW Basin	5	0	\$0		\$590	***
Type 1 GFR associated w/ irrigation land retired after 6/12/1980 (45-469, 472) (Conveyance of IGFR to Type 1)	10	5	\$100		\$1,180	1080%
Ag Flex Account Transfer		15	\$100	\$250		150%
Conveyance of Notice of Irrigation Authority in an INA		11	\$35	\$500		1328%
Conveyances of GW Withdrawal permits		10	\$35	\$500		1328%
Late Application for Certificate of Grandfathered Right (45-463, 464, 465, 476.01 &476)*		25	\$100	\$100		0%
Conveyances/Re-Issuance of Certificate		9	\$35	\$500		1328%

Category /Permit Type	Est. Review Hours for Hourly Fees	2008 – 2009 Average Number of Applications or Requests	Fee under Existing Fee Rules	Fixed Fee under Proposed New Fee Rules	Est. Total Hourly Fee under Proposed New Fee Rules (\$118/hr)	% Change In Cost
of Grandfathered Right						
Reissuance of a Certificate of Grandfathered Right to reflect change in family circumstances or transfer to or from a trust		10	\$0	\$120		***
Re-Issuance of a Certificate Grandfathered Right after a partial extinguishment of the Grandfathered Right		10	\$0	\$120		***
Revised Certificated for new or additional points of withdrawal for T2 or deletion of point of withdrawal		34	\$35	\$250		614%
Approval of Development Plan for Retirement of IGFR (45-469)		6	\$0	\$500		***
Substitution of Flood Damaged Acres (INA 45-437.02 & AMA 45-465.01)	5	0	\$100		\$590	490%
Substitution for Impediments to Efficient Irrigation (INA 45-437.03 & AMA 45-465.02)	5	3	\$50		\$590	1080%
Substitution of Acres to be Irrigated w/ CAP water (45-452)	6	0	\$100		\$708	608%
<b>UNDERGROUND STORAGE &amp; RECOVERY</b>						
Issuance, Renewal or Modification of an Underground Storage Facility Permit	334	13	\$1250		\$39,412	3053%
Issuance, Renewal or Modification of a Groundwater Savings Facility Permit	94	1	\$650		\$11,092	1606%
Issuance, Renewal or Modification of a Water Storage Permit	25	28	\$350		\$2,950	743%
Recovery Well Application, including Emergency temporary recovery well permit	71	13	\$50 for first 10 wells + \$10 for each add. well		\$8,378	variable
Conveyance of Storage Facility Permit		1	\$300	\$500		67%
Conveyance of a Water Storage Permit		1	\$300	\$500		67%
Assignment of Long-Term Storage Credits		7	\$0	\$250		***
<b>ASSURED &amp;</b>						

Category /Permit Type	Est. Review Hours for Hourly Fees	2008 – 2009 Average Number of Applications or Requests	Fee under Existing Fee Rules	Fixed Fee under Proposed New Fee Rules	Est. Total Hourly Fee under Proposed New Fee Rules (\$118/hr)	% Change In Cost
<b>ADEQUATE WATER SUPPLY</b>						
Physical Availability Determination	211	4	\$5,000		\$24,898	398%
Analysis of Assured or Adequate Water Supply	211	15	\$7,500		\$24,898	232%
Renewal of a Analysis of Assured or Adequate Water Supply	32	1	\$0		\$3,776	***
Issuance of a Certificate of Assured Water Supply for land <u>not</u> included in an Analysis of AWS	70	11	\$5,000		\$8,260	65%
Issuance of a Certificate of Assured Water Supply included in an Analysis of AWS	211	11	\$5,000		\$24,898	398%
Issuance or Modification of Designation of Assured or Adequate Water Supply	300	8	\$10,000		\$35,400	254%
Issuance of a Water Report for land <u>not</u> included in an Analysis of AWS	70	7	\$2,000		\$8,260	313%
Issuance of a Water Report included in an Analysis of AWS	211	7	\$2,000		\$24,898	1145%
Assignment of Type A CAWS	12	16	\$0		\$1,416	***
Assignment of Type B CAWS	18	9	\$1000		\$2,124	112%
Classification of Type A CAWS	10	3	\$1000		\$1,180	18%
Material Plat Change Review	8	1	\$250		\$944	277%
Re-Issuance of CAWS - 704G	24	38	\$0		\$2,832	***
Exemption from requirement to obtain CAWS - 704M	24	9	\$0		\$2,832	***
Extinguishment of GFR (45-576: AAWS Rule)		25	\$0	\$250		***
Conveyance of Extinguishment Credits		10	\$0	\$250		***
<b>SURFACE WATER</b>						
Application to Appropriate Public Water (45-152)	56	25	\$75 - \$125		\$6,608	5186%
Application for Certificate of Water Right (45-152)	32	6	\$50		\$3,776	7452%
Reservoir Permit, Primary or Secondary	48	2	\$75 - \$125		\$5,664	4431%

Category /Permit Type	Est. Review Hours for Hourly Fees	2008 – 2009 Average Number of Applications or Requests	Fee under Existing Fee Rules	Fixed Fee under Proposed New Fee Rules	Est. Total Hourly Fee under Proposed New Fee Rules (\$118/hr)	% Change In Cost
(45-161)						
Application for Change in Use of Water (45-156)	36	1	\$0		\$4,248	***
Application for Severance and Transfer (45-172)	72	2	\$500		\$8,496	1599%
Exception to Limitation on Time of Completion of Construction (45-160)	8	3	\$0		\$944	***
Reissuance of Surface Water Permit or Certificate		0	\$0	\$120		***
Claim of Water Right for a Stockpond (45-273)*		7	\$10	\$10		0%
Filing Fee for Statement of Claim of Water Right*		0	\$5	\$5		0%
Assignment for application, permit, certificate or statement of claim		615	\$35	\$500/ assignment, w/max of \$5,000		1328%
Certification of water right for stockpond		7	\$30	\$120		300%
<b>DAM SAFETY</b>						
Approval of Plans for Construction, Enlargement, Repair, alteration or removal of Dam		12	Graduated fee based on project cost (0.5% to 2.0%)	2.0% of project cost		0% to 200%
Review of Dam Safety Inspection Report		10	\$0	\$750		***
Dam Safety Inspection Fee		100	\$100 + \$2 per foot of dam height	\$1,000 for LHP and VLHP; \$2000 to \$4200 for HHP and SHP, based on dam length		450% to 2000%
<b>OTHER</b>						
Filling a Body of Water w/ Poor Quality Water (45-132.C)	5	3	\$225		\$590	162%
Interim Water Use in a Body of Water (45-133)	5	1	\$200		\$590	195%
Temporary emergency permit to use sw or gw in a body of water (45-134)	5	0	\$50		\$590	1080%
Application for	5	0	\$250		\$590	136%

Category /Permit Type	Est. Review Hours for Hourly Fees	2008 – 2009 Average Number of Applications or Requests	Fee under Existing Fee Rules	Fixed Fee under Proposed New Fee Rules	Est. Total Hourly Fee under Proposed New Fee Rules (\$118/hr)	% Change In Cost
issuance/renewal/modification of Water Exchange Permit (45-1041, 1045)						
Notice of Water Exchange requiring Director Approval - disproportionate volumes	5	0	\$150		\$590	293%
Notice of Water Exchange - non-disproportionate volume – does not require approval pursuant to 45-1052(6)(b)			\$150	\$500		233%
Application to Transport Water Out of State (45-292)	200	1	\$500		\$23,600	4620%
License for Weather Control or Cloud Modification*		0	\$100	\$100		0%
Equipment License for Weather Control or Cloud Modification*		0	\$10	\$10		0%

\* These fees were limited by fee caps in the current statutes.

\*\* Variable increase based on number of wells which were not previously tracked

\*\*\* Cost did not increase; simply a cost for service is now being assessed

***A. Estimated Costs and Benefits to the Arizona Department of Water Resources and other state agencies.***

This rulemaking will increase the Department’s water permitting service revenues to more closely match the budgeted costs for water permitting services. For the current staffing levels for permitting staff, the Department estimates that approximately 30,195 hours will be associated with billable services for any one year. No additional increases in staffing will be required as a result of this rulemaking.

The Department estimates that the changes to the fees, if implemented for the average number of permit actions issued during calendar years 2008 and 2009, would have recovered approximately \$4,814,882 for permits using the proposed \$118.00 per hour

rate and increased fixed fees. The actual estimated annual revenue under the Existing Fee Rules for the average number of applications issued during calendar years 2008 and 2009 was \$1,158,660. If the Department does not adopt the Proposed New Fee Rules, there is an estimated annual loss of revenue of approximately \$3,656,222 beginning with fiscal year 2011-2012. It should be noted that the monies collected for well permitting will continue to be deposited in the well administration and enforcement fund established by A.R.S. § 45-606; the monies collected for assured and adequate water supply applications will continue to be deposited in the assured and adequate water supply fund established by A.R.S. § 45-580; monies collected from dam safety permits and dam safety inspections will continue to be deposited in the dam repair fund established by A.R.S. § 45-1212.01; and all other permit fees will be deposited in the water resources fund established by A.R.S. § 45-117.

The benefits of this rulemaking to the Department are that the funds listed above will more fully realize their legislative purpose, which is to fund the actual costs of the permitting programs previously funded in whole or in part by the state general fund.

The estimated additional revenues may be earned if the fee increases in this proposed rulemaking are adopted and the following assumptions are true:

1. The estimated number of applications are received for processing;
2. The estimated number of applications are processed and take the average number of hours to process;
3. The estimated number of dam safety inspections are performed;
4. All positions are staffed for the entire year (no vacancy savings, no turnover); and

5. Fees are paid on time for all billable hours and dam safety inspections performed.

A more probable scenario over the next few years is that the Department will experience some turnover, fewer applications will be received, and some portion of the fees will not be paid. Because of the uncertainty involved with estimating potential impacts, the Department used assumptions that provide the most favorable situation for the regulated community.

The Department derives additional benefits because fixed rate fees will be paid up front and hourly permit applications must pay an up-front cost of \$2,000. Also, the Department anticipates improved cash flow through monthly billing. Expenses for implementation of monthly billing are minimal, and include increased postage and paper, although the Department is developing computerized improvements to its invoicing program that will reduce costs associated with staff time to develop and process invoices. Based on the improvements, the Department expects no increase in staffing time and therefore will significantly benefit from implementing a monthly billing process.

Other state agencies that are required to obtain permits for which the proposed new fees will apply or that must comply with dam safety requirements include the Arizona Department of Transportation (ADOT), the Arizona State Land Department (AzSLD), the Arizona Department of Environmental Quality (ADEQ) and the Arizona Game and Fish Department (AzG&F). The ADOT obtains well permits, well

abandonment authorizations, and groundwater withdrawal permits. The AzSLD obtains groundwater rights, surface water rights, and assured or adequate water supply determinations. The ADEQ obtains groundwater withdrawal permits. The AzG&F obtains surface water rights and is responsible for twenty-nine dams. These agencies will experience increased fees in the same manner as other consumers and businesses. There are no exemptions for other state agencies from obtaining these permits or paying the application fees. The Department does not believe that there will be significant impacts on public employment in Agencies of this State directly affected by the proposed rulemaking.

The increased fees will allow the Department to process applications and dam safety inspections in a timelier manner, which benefits those state agencies seeking water permits and dam safety approvals and protects public health and safety.

***B. Estimated Costs and Benefits to Political Subdivisions.***

Table II below provides an overview of categories of permits that apply to the different political subdivisions. Political subdivisions in Arizona will experience increases in the permitting fees (see Table I for specific permits and the associated increased costs). The Department believes that the fees reflect the reasonable and fair cost of providing water permitting and dam safety inspection services and that the fixed rate fees for the less complex permits coupled with the simplified permitting process should reduce the impact to many applicants. The Department does not

believe that there will be significant impacts on public employment in political subdivisions of this State directly affected by the proposed rulemaking.

**Table II – Permits issued to Political subdivisions – FY 2010**

<b>PERMIT CATEGORY</b>	<b>POLITICAL SUBDIVISIONS</b>
Wells	Cities, towns, irrigation districts, domestic water improvement districts, community facilities districts
Groundwater Rights & Permits	Cities, towns, irrigation districts, domestic water improvement districts, community facilities districts
Underground Storage & Recovery	Cities, towns, irrigation districts, domestic water improvement districts, community facilities districts, multi-county water conservation districts, groundwater replenishment districts
Assured & Adequate Water Supply	Cities, towns, domestic water improvement districts, community facilities districts
Surface Water	Cities, towns, irrigation districts, domestic water improvement districts, community facilities districts, multi-county water conservation districts
Dam Safety	Cities, towns, irrigation districts, domestic water improvement districts, community facilities districts, county flood control districts, multi-county water conservation districts
Other (Lakes, Water Exchanges, Water Exportation)	Cities, towns, irrigation districts, domestic water improvement districts, community facilities districts, multi-county water conservation districts

The increased fees will allow the Department to process applications and dam safety inspections in a timelier manner, which benefits those political subdivisions seeking water permits and dam safety approvals and protects public health and safety.

***C. Businesses Directly Affected By the Rulemaking.***

Evaluation of the impacts to businesses depends on the category of permitting that is necessary to carry out their activities. Table III below provides a generalized overview of the types of businesses that typically require each category of permit issued by the Department.

***Table III – Permits Necessary for Business Activities in Arizona***

<b>PERMIT CATEGORY</b>	<b>BUSINESS TYPE</b>
Wells	Private Water Companies, Agricultural, Ranching/Animal Industry, Golf Courses, Power Plants, Rock Product Industries, Mining, Developers, Well Drillers
Groundwater Rights & Permits	Agricultural, Ranching/Animal Industry, Golf Courses, Power Plants, Rock Product Industries, Mining, Developers
Underground Storage & Recovery	Private Water Companies, Developers, Mining, Power Plants
Assured & Adequate Water Supply	Private Water Companies, Developers
Surface Water	Agricultural, Ranching, Golf Courses, Power Plants, Rock Product Industries, Mining, Developers
Dam Safety	Agricultural, Ranching, Mining, Power Plants
Other (Lakes, Water Exchanges, Water Exportation)	Developers, Mining, Power Plants

Businesses in Arizona will experience increases in the permitting and dam safety inspection fees (see Table I for specific permits and the associated increased costs).

The Department believes that the fees reflect the reasonable and fair cost of providing water permitting and dam safety inspection services and that the fixed rate fees for the less complex permits coupled with the simplified permitting process should reduce

the impact to many applicants. However, the Department does not believe that there will be significant impacts on private employment in businesses of this State directly affected by the proposed rulemaking.

The increased fees will allow the Department to process applications and dam safety inspections in a timelier manner, which benefits those businesses seeking water permits and dam safety approvals and protects public health and safety.

***D. Impacts to Small Businesses.***

Small businesses that are subject to this rulemaking include: well drillers and small ranches, farms, and small commercial businesses that are not served water by water utilities and require their own wells. The impacts to these businesses will be negligible in most cases. There are small increases proposed for the licensing of well drillers, however, these increases will improve the Department's ability to protect public health and safety by providing for enforcement of properly drilled wells within the State. The small ranches, farms, and small commercial businesses that are not served water by water utilities and require their own wells will not see significant impacts as the well permitting fees are not proposed to be increased. There is however, an increase in the fee for transfer of ownership of these wells that may have an impact on these small businesses.

The Department reviewed each of the proposed methods for reducing the impact on small businesses described in A.R.S. § 41-1055(B)(5)(c), below:

(i). Establish less costly compliance requirements for small businesses.

Individuals and small businesses in rural Arizona are disproportionate owners of low and very low hazard potential dams. The proposed fee increases for low and very low hazard dams are less than those for high and significant hazard dams, thereby reducing their impact on small businesses. Efficiencies enacted in the permitting programs provide the primary means for reducing the impact of those fee increases on small businesses.

(ii). Establish less costly schedules or less stringent deadlines for compliance in the proposed rulemaking for small businesses.

Not applicable

(iii). Exempt small businesses from any or all requirements of the rule.

The Department is not authorized by statute to exempt small businesses from permit fees. Additionally, exemptions for small businesses could cause a significant hardship on the Department. Because small businesses make up a significant percentage of the facilities for which the Department provides the services, it would not be feasible for the Department to make exemptions from fees for small businesses and still generate sufficient revenues to cover the reasonable and necessary costs of

the program. For certain water use activities, small businesses pay fewer fees than large businesses because they do not require the same permits that are required for large businesses. For example, a small business in an active management area may be adequately served by an exempt well (a well with a pump capacity of 35 gallons per minute or less), which does not require the business to obtain a grandfathered groundwater right or groundwater withdrawal permit.

***E. Estimated Costs and Benefits to Consumers and the Public.***

From the consumer's perspective, if permitted entities bear additional costs or realize savings, these entities may pass the costs or savings on to the consumer and the public through products, services or water rates. There is no way to predict whether these costs or benefits will be passed on or what the costs or benefits may be for each permit.

For individual home owners that maintain their own well on their property, little or no impact will be felt as the fees for well permitting for small domestic wells is not changing. Private dam owners will experience increases in dam safety permitting and inspection fees. However, the Department believes that the fees reflect the reasonable and fair cost of providing dam safety permitting and inspection services.

The increased fees will allow the Department to process applications and dam safety inspections in a timelier manner, which benefits those persons seeking water permits and dam safety approvals and protects public health and safety.

***F. Estimated Costs and Benefits to State Revenues.***

This rulemaking will have no impact on state general funding revenues. The estimated revenue generated from these fees will be directed to the four funds previously identified (the well administration and enforcement fund; the assured and adequate water supply fund; the dam repair fund; and the water resources fund) for the purpose of funding the Department's permitting programs. With the downturn in the economy, the expected income from these new fees will be far less than the estimated \$4,814,882 that could have been recovered by the Department during prior years, based on the average permitting activity during calendar years 2008 and 2009. However, by making these new fees permanent, the Department will be better positioned to recover permitting program costs in FY 2011-2012 and beyond.

***G. A Description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed rulemaking.***

No other less intrusive or less costly methods are available to the Department to achieve the purpose of the proposed rulemaking. The Department's appropriation from the state general fund has been significantly reduced with the understanding that the Department would seek to recoup the cost of its services directly from the entities that require the permits and dam safety inspections.

**9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business and consumer impact statement:**

Name: Sandra Fabritz-Whitney, Assistant Director for Water Management  
Address: Department of Water Resources  
3550 N. Central Ave.  
Phoenix, AZ 85012  
Telephone: (602) 771-8586  
Fax: (602) 771-8689  
E-mail: safabritz@azwater.gov

**10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule:**

An oral proceeding regarding the proposed rules will be held as follows:

Date: January 31, 2011

Time: 10:00 a.m.

Location: Arizona Department of Water Resources

3550 N. Central Ave., Second Floor, Verde Conference Rooms

Phoenix, AZ 85012

Written comments may be submitted at any time during normal business hours prior to the close of the public record on January 31, 2011 at 5:00 p.m. Written comments not submitted at the oral proceeding should be submitted to: Docket Supervisor, Legal Division, Arizona Department of Water Resources, 3550 N. Central Ave., Second Floor, Phoenix, AZ 85012.

**11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**12. Incorporations by reference and their location in the rules:**

None

**13. The full text of the rules follows:**

**TITLE 12. NATURAL RESOURCES**  
**CHAPTER 15. DEPARTMENT OF WATER RESOURCES**

**ARTICLE 1. FEES**

Section

- R12-15-101. ~~Repealed~~ Definitions
- R12-15-102. ~~Repealed~~ Application Filing Fees
- R12-15-103. ~~Repealed~~ Applications Subject to Hourly Fee; Amount of Fee; Initial Fee; Billing and Payment; Request for Reconsideration of Fee; Past Due Fee
- R12-15-104. ~~Repealed~~ Applications and Filings Subject to Fixed Fee; Fixed Fee Schedule; Mileage Expenses; Costs for Legal Notices
- R12-15-105. ~~Repealed~~ Fee for Dam Safety Inspection; Fee for Review of Dam Safety Inspection Report
- R12-15-106. ~~Repealed~~ Fee for Well Capping
- R12-15-151. ~~Fee Schedule Effective July 1, 2011~~ Repealed

**ARTICLE 7. ASSURED AND ADEQUATE WATER SUPPLY**

Section

- R12-15-702. Physical Availability Determination
- R12-15-703. Analysis of Assured Water Supply
- R12-15-704. Certificate of Assured Water Supply
- R12-15-705. Assignment of Type A Certificate of Assured Water Supply
- R12-15-706. Assignment of Type B Certificate of Assured Water Supply
- R12-15-707. Application for Classification of Type A Certificate

- R12-15-708. Material Plat Change; Application for Review
- R12-15-710. Designation of Assured Water Supply
- R12-15-712. Analysis of Adequate Water Supply
- R12-15-713. Water Report
- R12-15-714. Designation of Adequate Water Supply
- R12-15-730. ~~Assured and Adequate Water Supply Fees Effective July 1, 2011~~  
Repealed

## **ARTICLE 8. WELL CONSTRUCTION AND LICENSING OF WELL DRILLERS**

### Section

- R12-15-806. License Fee; Issuance and Term of Licenses; Renewal; Display of License

## **ARTICLE 12. DAM SAFETY PROCEDURES**

### Section

- R12-15-1208. Application to Construct, Reconstruct, Repair, Enlarge, or Alter a High or Significant Hazard Potential Dam
- R12-15-1210. Application to Construct, Reconstruct, Repair, Enlarge, Alter, Breach, or Remove a Low Hazard Potential Dam
- R12-15-1211. Application to Construct, Reconstruct, Repair, Enlarge, Alter, Breach, or Remove a Very Low Hazard Potential Dam
- R12-15-1213. Completion Documents for a Significant or High Hazard Potential Dam
- R12-15-1219. Safety Inspections; Fees

## ARTICLE 1. FEES

### **R12-15-101. ~~Repealed~~ Definitions**

In addition to the definitions in A.R.S. §§ 45-101, 45-271, 45-402, 45-511, 45-561, 45-802.01, 45-1001, 45-1201 and R12-15-701, the following terms apply to this Article:

1. “Application” means a written request submitted by an applicant to the Department for the purpose of obtaining a permit, license or other legal authorization issued by the Department.
2. “Mileage expenses” means the Department’s mileage expenses for travelling to and from a site inspection calculated at the rate set by the Arizona Department of Administration for state travel by motor vehicle.
3. “Pre-decision administrative hearing” means an administrative hearing held on an application before the Department makes any decision on the application.
4. “Review hours” means the hours or portions of hours spent by Department employees in reviewing an application and making a decision thereon, including pre-application consultation time in excess of 60 minutes and site inspection time. Only time spent by the program staff members and technical review team members responsible for processing the application shall be included as review hours. Review hours do not include the first 60 minutes of pre-application consultation time, the time spent traveling to and from a site inspection, any time spent on a pre-decision administrative hearing and any time spent on the application after a party appeals the Director’s decision on the application pursuant to A.R.S. § 41-1092.03(B).

5. “Site inspection” means an inspection conducted by the Department before issuing a decision on an application or before issuing a decision on whether water may be stored at an underground storage facility.
6. “Site inspection time” means time spent on a site inspection. Site inspection time includes the time spent conducting the inspection and the time spent preparing an inspection report following the inspection, but does not include the time spent traveling to and from the inspection.

**R12-15-102. ~~Repealed~~ Application Filing Fees**

- A.** A person filing an application with the Department on or after the effective date of this Section shall pay an hourly application fee as provided in R12-15-103 or a fixed application fee as provided in R12-15-104, whichever applies. Fees for applications shall be paid in U.S. dollars by cash, check, cashier's check, money order, or any other method acceptable to the Department.
- B.** A person with an application pending before the Department prior to the effective date of this Section shall pay the application fees and costs in effect when the application was filed.

**R12-15-103. ~~Repealed~~ Applications Subject to Hourly Fee; Amount of Fee; Initial Fee; Billing and Payment; Request for Reconsideration of Fee; Past Due Fee**

- A.** The Department shall calculate the fee for an application listed in subsection (B) of this Section by multiplying the number of review hours for the application by

an hourly rate of \$118.00, plus any mileage expenses and the actual cost of mailing or publishing any legal notice of the application.

**B.** A person submitting an application listed below shall pay an hourly fee for the application, not to exceed the maximum fee shown for the application:

1. Wells:

<b><u>Type of Application</u></b>	<b><u>Maximum fee</u></b>
<u>Variance from well construction requirements that has not been pre-approved by the Department</u>	<u>\$10,000.00</u>

2. Groundwater:

<b><u>Type of Application</u></b>	<b><u>Maximum fee</u></b>
<u>a. Issuance, renewal or modification of groundwater withdrawal permit, other than a general industrial use permit</u>	<u>\$10,000.00</u>
<u>b. Issuance, renewal or modification of a general industrial use permit</u>	<u>\$65,000.00</u>
<u>c. Issuance of notice of authority to irrigate in an irrigation non-expansion area</u>	<u>\$10,000.00</u>
<u>d. Restoration of retired irrigation grandfathered right pursuant to A.R.S. § 45-469(O)</u>	<u>\$10,000.00</u>
<u>e. Approval of contract by a city, town or</u>	<u>\$10,000.00</u>

	<u>private water company to supply groundwater to another city, town or private water company pursuant to A.R.S. § 45-492(C)</u>	
f.	<u>Notice of intent to establish new service area right by a city, town or private water company</u>	<u>\$10,000.00</u>
g.	<u>Final petition to establish new service area right by a city, town or private water company</u>	<u>\$10,000.00</u>
h.	<u>Extension of the service area of a city, town or private water company to furnish disproportionately large amounts of water to an industrial or other large water user pursuant to A.R.S. § 45-493(A)(2)</u>	<u>\$10,000.00</u>
i.	<u>Addition and exclusion of area by an irrigation district pursuant to A.R.S. § 45-494.01</u>	<u>\$10,000.00</u>
j.	<u>Delivery of groundwater by an irrigation district to an industrial user with a general industrial use permit pursuant to A.R.S. § 45-497(B)</u>	<u>\$10,000.00</u>
k.	<u>Determination of historically irrigated acres</u>	<u>\$65,000.00</u>

	<u>or annual transportation allotment for lands in McMullen valley groundwater basin pursuant to A.R.S. § 45-552</u>	
<u>l.</u>	<u>Determination of volume of groundwater that can be transported from lands in Harquahala irrigation non-expansion area to an initial active management area pursuant to A.R.S. § 45-554</u>	<u>\$65,000.00</u>
<u>m.</u>	<u>Determination of historically irrigated acres or annual transportation allotment for lands in the Big Chino sub-basin of the Verde River groundwater basin pursuant to A.R.S. § 45-555</u>	<u>\$65,000.00</u>
<u>n.</u>	<u>Permit to transport groundwater away from the Yuma groundwater basin pursuant to A.R.S. § 45-547</u>	<u>\$65,000.00</u>
<u>o.</u>	<u>Drought emergency groundwater transfer away from a groundwater basin outside of an active management area</u>	<u>\$10,000.00</u>

3. Grandfathered Rights:

<u>Type of Application</u>	<u>Maximum fee</u>
<u>Type 1 non-irrigation grandfathered right for land</u>	<u>\$10,000.00</u>

<u>retired from irrigation after date of designation of active management area pursuant to A.R.S. § 45-469 or 45-472</u>	
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4. Substitution of Acres:

<u>Type of Application</u>	<u>Maximum fee</u>
a. <u>Substitution of flood damaged acres in an active management area or an irrigation non-expansion area</u>	<u>\$10,000.00</u>
b. <u>Substitution of acres to eliminate limiting condition impeding efficient irrigation in an active management area or an irrigation non-expansion area</u>	<u>\$10,000.00</u>
c. <u>Substitution of acres to allow irrigation with Central Arizona Project water in an active management area</u>	<u>\$10,000.00</u>

5. Lakes:

<u>Type of Application</u>	<u>Maximum fee</u>
a. <u>Permit to fill body of water with poor quality water pursuant to A.R.S. § 45-132(C)</u>	<u>\$10,000.00</u>
b. <u>Permit for interim water use in a body of</u>	<u>\$10,000.00</u>

<u>water</u>	
c. <u>Temporary emergency permit for use of surface water or groundwater in a body of water</u>	<u>\$10,000.00</u>

6. Water Exchange:

<u>Type of Application</u>	<u>Maximum fee</u>
a. <u>Issuance, renewal or modification of water exchange permit</u>	<u>\$65,000.00</u>
b. <u>Notice of water exchange for which approval is required pursuant to A.R.S. § 45-1052(6)(b)</u>	<u>\$10,000.00</u>

7. Water Exportation:

<u>Type of Application</u>	<u>Maximum fee</u>
<u>Permit to transport water out of state</u>	<u>\$65,000.00</u>

8. Underground Water Storage, Savings and Replenishment:

<u>Type of Application</u>	<u>Maximum fee</u>
a. <u>Issuance, renewal or modification of an underground storage facility permit</u>	<u>\$65,000.00</u>
b. <u>Issuance, renewal or modification of a groundwater savings facility permit</u>	<u>\$35,000.00</u>

c.	<u>Issuance, renewal or modification of a water storage permit</u>	<u>\$35,000.00</u>
d.	<u>Recovery well permit, including an emergency temporary recovery well permit</u>	<u>\$65,000.00</u>

9. Assured and Adequate Water Supply:

	<b><u>Type of Application</u></b>	<b><u>Maximum fee</u></b>
a.	<u>Physical availability determination</u>	<u>\$65,000.00</u>
b.	<u>Analysis of assured or adequate water supply</u>	<u>\$65,000.00</u>
c.	<u>Renewal of analysis of assured or adequate water supply</u>	<u>\$10,000.00</u>
d.	<u>Certificate of assured water supply for land not included in an analysis of assured water supply</u>	<u>\$65,000.00</u>
e.	<u>Certificate of assured water supply for land included in an analysis of assured water supply</u>	<u>\$35,000.00</u>
f.	<u>Issuance or modification of designation of assured or adequate water supply</u>	<u>\$65,000.00</u>
g.	<u>Water report for land not included in an analysis of adequate water supply</u>	<u>\$65,000.00</u>

<u>h.</u>	<u>Water report for land included in an analysis of adequate water supply</u>	<u>\$35,000.00</u>
<u>i.</u>	<u>Assignment of Type A certificate of assured water supply</u>	<u>\$5,000.00</u>
<u>j.</u>	<u>Assignment of Type B certificate of assured water supply</u>	<u>\$5,000.00</u>
<u>k.</u>	<u>Classification of Type A certificate of assured water supply pursuant to R12-15-707</u>	<u>\$10,000.00</u>
<u>l.</u>	<u>Review of revised plat to determine whether changes are material</u>	<u>\$10,000.00</u>
<u>m.</u>	<u>New certificate of assured water supply pursuant to R12-15-704(G)</u>	<u>\$10,000.00</u>
<u>n.</u>	<u>Letter stating that owner is not required to obtain a certificate of assured water supply pursuant to R12-15-704(M)</u>	<u>\$10,000.00</u>

10. Surface Water:

<u>Type of Application</u>	<u>Maximum fee</u>
<u>a. Permit to appropriate public water</u>	<u>\$35,000.00</u>
<u>b. Certificate of water right</u>	<u>\$10,000.00</u>
<u>c. Primary reservoir permit or secondary reservoir permit</u>	<u>\$35,000.00</u>

d.	<u>Change in use of water</u>	<u>\$35,000.00</u>
e.	<u>Severance and transfer of water right</u>	<u>\$65,000.00</u>
f.	<u>Request for extension of time to complete construction</u>	<u>\$10,000.00</u>

**C.** A person filing an application that is subject to an hourly fee shall submit a \$2,000.00 initial fee at the time the application is submitted to the Department. If requested by the applicant, the Department may set a lower initial fee if the Department estimates that the total application fee will be less than \$2,000.00. The Department shall not accept an application for which an initial fee is required under this subsection unless the initial fee is included with the application.

**D.** The Department shall bill the applicant for processing the application no more than monthly, but at least quarterly. Each bill shall contain the following information for the billing period:

1. The number of review hours accrued by activity and subactivity code during the billing period, the date of each activity, a description of each activity and the effective hourly rate for all activities;
2. A description and amount of any mileage expenses charged for the application;
3. A description and amount of the cost of mailing or publishing any legal notice of the application or notice of a pre-decision administrative hearing on the application; and

4. The total fees paid to date, the total fees due for the billing period, the date when the fees are payable, which shall be at least 60 days after the date of the bill, and the maximum fee for the application.

**E.** A bill for hourly fees becomes past due if the applicant does not pay the bill in full by the due date specified in the bill, unless the applicant submits a timely request for reconsideration of the bill pursuant to subsection (G) of this Section. If the applicant submits a timely request for reconsideration of the bill, the bill becomes past due if the applicant does not pay the amount due under the Director's decision on the request by the date specified in the decision. If a bill for hourly fees becomes past due, the following shall apply:

1. The applicable review time-frame shall be suspended from the date the bill became past due until the applicant pays the bill in full or the application is denied under subsection (E)(2) of this Section, whichever applies.

2. The Department shall suspend its review of the application and send a written notice to the applicant that the bill is past due. If the applicant does not pay the outstanding bill by the date specified in the notice, which shall be at least 35 days from the date of the notice, the application shall be denied.

**F.** After the Department makes a determination whether to grant or deny the application, or when an applicant withdraws the application, the Department shall prepare and send to the applicant a final itemized billing statement for the application fee.

1. If the total fee exceeds the amount of the initial fee paid plus all other payments made to date, the applicant shall pay the balance, up to the maximum fee for the application, plus any mileage expenses and the actual cost of mailing or publishing any legal notice of the application or notice of a pre-decision administrative hearing on the application, by the date specified in the statement, unless the applicant submits a timely request for reconsideration of the bill pursuant to subsection (G) of this Section. The statement shall specify a date, at least 60 days from the date of the statement, by which the applicant must pay the bill. If the applicant submits a timely request for reconsideration of the bill, the applicant shall pay the amount due under the Director's decision on the request by the date specified in the decision. The Department shall not release the final permit or approval until the final bill is paid in full.
2. If the total fee is less than the initial fee plus all other payments made to date, the Department shall refund the difference to the applicant within 35 days of the date of the statement.

**G.** An applicant may seek reconsideration of a bill for hourly fees by filing a written request for reconsideration with the Director. The request shall specify, in detail, why the bill is in dispute and shall include any supporting documentation. The written request for reconsideration shall be delivered to the Director in person, by mail, or by facsimile on or before the payment due date. The Director shall make a final decision on the request for reconsideration of the bill and mail a final written decision to the person within 20 business days after the date the Director

receives the written request. The decision shall specify a date, at least 35 days from the date of the decision, by which the applicant must pay the bill. The Director may reduce the amount of any fees billed under this Section if the Director determines that the number of review hours or mileage expenses billed to the applicant was incorrect or that time spent by the Department to review the application and make a decision thereon was not necessary or advisable.

**H.** If a person receives a bill under this Section and the bill becomes past due under subsection (E) or (F) of this Section, the Department shall not accept for filing any other application by that person until the person pays the past due amount in full.

**R12-15-104. ~~Repealed~~ Applications and Filings Subject to Fixed Fee; Fixed Fee Schedule; Mileage Expenses; Costs for Legal Notices**

**A.** The Department shall not accept or take action on the following applications and filings unless the fee shown for the application or filing is paid at the time the application or filing is submitted:

1. Wells:

<b><u>Type of Application</u></b>	<b><u>Fee</u></b>
a. <u>Late registration of well</u>	<u>\$120.00</u>
b. <u>Well driller's license</u>	<u>\$50.00</u>
c. <u>Re-issuance or renewal of well driller's license</u>	<u>\$50.00</u>

d.	<u>Re-activation of expired well driller's license</u>	<u>\$50.00</u>
e.	<u>Well assignment</u>	<u>\$120.00 per well</u>
f.	<u>Notice of intention to abandon a well</u>	<u>\$150.00</u>
g.	<u>Notice of intention to drill a well other than a well described in subsection (A)(1)(h) of this Section</u>	<u>\$150.00</u>
h.	<u>Notice of intention to drill a well that will not be located in an active management area or irrigation non-expansion area, that will be used solely for domestic purposes and that will have a pump with a maximum capacity of not more than 35 gallons per minute</u>	<u>\$100.00</u>
i.	<u>Re-issuance of drill card</u>	<u>\$120.00</u>
j.	<u>Permit to drill non-exempt well in an active management area</u>	<u>\$150.00 application fee plus \$30.00 permit fee</u>

2. Groundwater:

<u>Type of Application</u>	<u>Fee</u>
a. <u>Conveyance of farm's flexibility account balance</u>	<u>\$250.00</u>

b. <u>Conveyance of notice of authority to irrigate in an irrigation non-expansion area</u>	<u>\$500.00</u>
c. <u>Conveyance of groundwater withdrawal permit</u>	<u>\$500.00</u>

3. Grandfathered rights:

<b><u>Type of Application</u></b>	<b><u>Fee</u></b>
a. <u>Late application for certificate of grandfathered right</u>	<u>\$100.00</u>
b. <u>Conveyance of certificate of grandfathered right</u>	<u>\$500.00</u>
c. <u>Issuance of revised certificate of grandfathered right following partial extinguishment of grandfathered right for assured water supply extinguishment credits</u>	<u>\$120.00</u>
d. <u>Revised certificate of Type 2 non-irrigation grandfathered right to reflect new or additional points of withdrawal or the deletion of a point of withdrawal</u>	<u>\$250.00</u>

e.	<u>Approval of development plan to retire irrigation grandfathered right for a Type 1 non-irrigation grandfathered right</u>	<u>\$500.00</u>
f.	<u>Re-issuance of certificate of grandfathered right to reflect a change in family circumstances or a transfer of the right from the rightholder to a trust in which the rightholder is a beneficiary or from a trust to a beneficiary of the trust</u>	<u>\$120.00</u>

4. Underground Water Storage, Savings and Replenishment:

<u>Type of Application</u>	<u>Fee</u>
a. <u>Conveyance of storage facility permit</u>	<u>\$500.00</u>
b. <u>Conveyance of water storage permit</u>	<u>\$500.00</u>
c. <u>Assignment of long-term storage credits</u>	<u>\$250.00</u>

5. Assured water supply:

<u>Type of Application</u>	<u>Fee</u>
a. <u>Extinguishment of grandfathered right for extinguishment credits</u>	<u>\$250.00</u>
b. <u>Conveyance of extinguishment credits</u>	<u>\$250.00</u>

6. Surface Water:

<u>Type of Application or filing</u>	<u>Fee</u>
a. <u>Re-issuance of a surface water permit or certificate</u>	<u>\$120.00</u>
b. <u>Claim of water right for a stockpond pursuant to A.R.S. § 45-273</u>	<u>\$10.00</u>
c. <u>Statement of claim for a water right pursuant to A.R.S. § 45-183</u>	<u>\$5.00</u>
d. <u>Assignment of application, permit, certificate or statement of claim</u>	<u>\$500.00 per assignment, with a maximum fee of \$5,000.00 for a single application with multiple assignments</u>
e. <u>Certification of water right for a stockpond pursuant to A.R.S. § 45-275</u>	<u>\$120.00</u>

7. Dams:

<u>Type of Application</u>	<u>Fee</u>
<u>Approval of plans for construction, enlargement,</u>	<u>2 percent of the</u>

<u>repair, alteration or removal of dam</u>	<u>total project cost</u>
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8. Water Exchange:

<u>Type of Application</u>	<u>Fee</u>
<u>Notice of water exchange that does not require approval pursuant to A.R.S. § 45-1052(6)(B)</u>	<u>\$500.00</u>

9. Weather Modification:

<u>Type of Application</u>	<u>Fee</u>
a. <u>License for weather control or cloud modification</u>	<u>\$100.00</u>
b. <u>Equipment license for weather control or cloud modification</u>	<u>\$10.00</u>

**B.** In addition to the application or filing fee listed in subsection (A) of this Section, an applicant shall pay any mileage expenses and the actual cost of mailing or publishing any legal notice of the application.

**R12-15-105. ~~Repealed~~ Fee for Dam Safety Inspection; Fee for Review of Dam Safety Inspection Report**

**A.** The owner of a high or significant hazard potential dam shall pay a fee for the Department's dam safety inspection pursuant to R12-15-1219(A). The fee shall

be based on the total crest length of the dam plus appurtenant embankments and saddle dikes, as follows:

<u>Length (feet)</u>	<u>Fee</u>
<u>0 – 500</u>	<u>\$2,000.00</u>
<u>501 – 1,000</u>	<u>\$2,200.00</u>
<u>1,001 – 2,000</u>	<u>\$2,400.00</u>
<u>2,001 – 4,000</u>	<u>\$2,600.00</u>
<u>4,001 – 8,000</u>	<u>\$3,000.00</u>
<u>8,001 – 16,000</u>	<u>\$3,400.00</u>
<u>16,001 – 32,000</u>	<u>\$3,800.00</u>
<u>More than 32,001</u>	<u>\$4,200.00</u>

- B.** The owner of a low or very low hazard potential dam shall pay a fee for the Department’s dam safety inspection pursuant to R12-15-1219(A). The fee shall be \$1,000.00.
- C.** After conducting a dam safety inspection pursuant to R12-15-1219(A), the Director shall send to the dam owner a bill for the fee required by subsection (A) or (B) of this Section. The dam owner shall pay the fee by the date specified in the bill, which shall be at least 35 days from the date of the bill. Failure by a dam owner to pay a fee required by subsection (A) or (B) of this Section shall be considered a violation of R12-15-1219.

**D.** The owner of a dam who submits a dam safety inspection report pursuant to R12-15-1219(E) shall pay a fee of \$750.00. The Department shall not accept a dam safety inspection report unless the fee is submitted with the report.

**R12-15-106. ~~Repealed~~ Fee for Well Capping**

The owner of a well that is capped by the Department pursuant to A.R.S. § 45-594(A) shall pay to the Department a fee of \$300.00, plus actual expenses over \$300.00. After capping an open well, the Department shall send the owner of the well a bill for the fee under this Section. The owner of the well shall pay the fee by the date specified in the bill, which shall be at least 35 days after the date of the bill.

**R12-15-151. ~~Fee Schedule Effective July 1, 2011~~ Repealed**

~~**A.** Beginning July 1, 2011, the Department shall only accept or take action on an application or filing upon payment of the appropriate fee as listed below. Payment may be made by cash, check, or by entry in an existing Department fee credit account established pursuant to R12-15-152.~~

~~**B.** The following fees shall be paid:~~

~~i. Surface water:~~

<b>Type of Application</b>	<b>Fee</b>
<del>a. Application for permit to appropriate</del>  <del>i. Less than 50 acre feet</del>	  \$50.00

ii.	50 acre feet or more	\$75.00
b.	Permit to appropriate	
i.	Less than 50 acre feet	\$25.00
ii.	50 acre feet or more	\$50.00
e.	Claim of water right for a stockpond and application for certificate	\$10.00
d.	Certificate of water right for stockpond	\$30.00
e.	Issue certificate of water right (except stockpond)	\$50.00
f.	Application for severance and transfer of water right	\$500.00
g.	Application to transport water out of state	\$500.00
h.	Assignment	
i.	Assignment of application for permit to appropriate, statement of claim or claim of water right for a stockpond	\$10.00
ii.	Assignment and reissuance of permit to appropriate	\$20.00
iii.	Assignment and reissuance of certificate of water right (except	\$35.00

<p>stockpond)</p> <p>iv. Assignment and reissuance of —  certificate of water right for a —  stockpond</p>	<p>\$20.00</p>
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2. Groundwater:

<b>Type of Application</b>	<b>Fee</b>
<p>a. Application for groundwater withdrawal permit, modifications and renewals (except applications for hydrologic testing and temporary dewatering permits)</p>	<p>\$150.00</p>
<p>b. Application for permit for hydrologic testing and temporary dewatering, modifications and renewals</p>	<p>\$50.00</p>
<p>e. Groundwater withdrawal permit</p>	<p>\$50.00</p>
<p>d. Convey groundwater withdrawal permit (except for permits for temporary electrical energy generation, temporary dewatering, hydrologic testing, and groundwater replenishment district withdrawals)</p>	<p>\$35.00</p>

e.	Application for notice of authority to irrigate in an irrigation non-expansion area	\$50.00
f.	Convey or reissue notice of authority to irrigate in an irrigation non-expansion area	\$35.00

3. ~~Water Exchanges:~~

<b>Type of Application</b>		<b>Fee</b>
a.	Statement of water exchange contract	\$100.00
b.	Application for water exchange permit	\$150.00
c.	Water exchange permit	\$100.00
d.	Renew or modify water exchange permit	\$100.00
e.	Notice of water exchange	\$150.00

4. ~~Wells:~~

<b>Type of Application</b>		<b>Fee</b>
a.	Reissue drilling card	\$10.00
b.	Permit to drill new or replacement well	\$30.00
c.	Registration of exempt well	No charge

d.	Registration of non-exempt well	\$10.00
e.	Late registration of any well (post 7/16/82)	\$10.00
f.	Well assignments (single or group of wells by same owner)	\$10.00
g.	Well driller's licenses (except single well license)	\$50.00
h.	Reissue or renew unexpired well driller's license	\$10.00
i.	Reactivate expired well driller's license	\$20.00
j.	Single well license	No charge
k.	Well capping	\$300.00 minimum plus actual expenses over \$300.00

5. Grandfathered Rights:

<b>Type of Application</b>		<b>Fee</b>
a.	Application for certificate of grandfathered right	\$75.00
b.	Late application for certificate of	\$100.00

	<del>grandfathered right</del>	
e.	<del>Convey or reissue certificate of grandfathered right</del>	\$35.00
d.	<del>Application for Type 1 non-irrigation grandfathered right associated with retired irrigation land</del>	\$50.00
e.	<del>Application to retire an irrigation grandfathered right from irrigation to non-irrigation</del>	\$100.00
f.	<del>Application for restoration of retired irrigation grandfathered right</del>	\$50.00
g.	<del>Purchase of flexibility account credit balance</del>	\$100.00

6. Substitution of Acres:

	<b>Type of Application or filing</b>	<b>Fee</b>
a.	<del>Application to substitute irregularly shaped acres in an irrigation non-expansion area or an active management area</del>	\$50.00
b.	<del>Application to substitute flood damaged acres in an irrigation non-expansion area or</del>	\$100.00

	<del>an active management area</del>	
e.	<del>Application to substitute CAP acres in an irrigation non-expansion area</del>	\$50.00
d.	<del>Application to substitute, or to reverse substitution of, CAP acres in an active management area</del>	\$100.00

7. ~~Assured and Adequate Water Supply:~~

<b>Type of Application</b>	<b>Fee</b>
<del>Applications, certificates, licenses, reports, and permits relating to assured and adequate water supply</del>	<del>The applicable fee prescribed in Article 7 of this Chapter</del>

8. ~~Underground Water Storage, Savings and Replenishment Program:~~

<b>Type of Application</b>	<b>Fee</b>
a. <del>Application for underground storage facility permit</del>	<del>\$750.00</del>
b. <del>Underground storage facility permit</del>	<del>\$500.00</del>
c. <del>Convey underground storage facility permit</del>	<del>\$300.00</del>

d.	Application for groundwater savings facility permit	\$500.00
e.	Groundwater savings facility permit	\$350.00
f.	Convey groundwater savings facility permit	\$300.00
g.	Application for water storage permit	\$250.00
h.	Water storage permit	\$100.00
i.	Convey water storage permit	\$300.00
j.	Application for recovery well permit	
	i. First 10 wells	\$50.00 per well
	ii. Over 10 wells	\$10.00 per well
k.	Recovery well permit	
	i. First 10 wells	\$50.00 per well
	ii. Over 10 wells	\$10.00 per well

9. Certificate of Groundwater Oversupply:

<b>Type of Application</b>		<b>Fee</b>
a.	Application for certificate of groundwater oversupply	\$150.00
b.	Certificate of groundwater oversupply	\$50.00

10. Lakes:

Type of Application	Fee
a. Application for permit to fill or refill a body of water  i. Poor quality groundwater  ii. Interim	\$150.00  \$50.00
b. Permit to fill or refill a body of water  i. Poor quality groundwater  ii. Interim	\$75.00  \$30.00
c. Application for determination of substantial capital investment to fill or refill a body of water	\$50.00
d. Application and permit for temporary emergency use of water to fill a body of water	\$50.00

11. Safety of Dams:

Type of Application	Fee
a. Application for review	No charge

b.	Application filing fee—review of plans and studies based upon dam cost	
i.	First \$100,000.00	2.0%
ii.	Next \$400,000.00	1.5%
iii.	Next \$500,000.00	1.0%
iv.	Remainder over \$1,000,000.00	0.5%
e.	Safety inspections	
i.	Per inspection	\$100.00
ii.	Plus, per foot of height	\$2.00

12. Weather Modification:

	<b>Type of Application</b>	<b>Fee</b>
a.	Application for weather modification license	\$100.00
b.	License to manufacture or sell weather modification equipment	\$10.00

13. Copies:

	<b><u>Type of Copies</u></b>	<b><u>Fee</u></b>
a.	Photocopies—	\$0.25 per page

b.	Microfiche copies	\$0.30 per page
b.	Computer reports	
	i. First page of report	\$15.00
	ii. Additional pages	\$0.25 each
e.	Certified copies	\$2.75 per page

~~C. In addition to the fees listed in subsection (B) of this Section, the applicant shall pay the Department the actual cost of mailing and/or publishing any legal notice required by statute.~~

## ARTICLE 7. ASSURED AND ADEQUATE WATER SUPPLY

### R12-15-702. Physical Availability Determination

A. A person may apply for a physical availability determination by submitting an application on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730, whichever applies~~, and providing the following information with the application:

1. No change
2. No change
3. No change

B. No change

C. No change

1. No change
  2. No change
- D.** No change
- E.** No change
- F.** No change

**R12-15-703. Analysis of Assured Water Supply**

- A.** No change
- B.** An applicant for an analysis shall submit an application on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730,~~ ~~whichever applies,~~ and attach the following:
1. No change
  2. No change
    - a. No change
    - b. No change
    - c. No change
    - d. No change
  3. No change
- C.** No change
- D.** No change
- E.** No change
1. No change
  2. No change

- 3. No change
- 4. No change
- 5. No change
- 6. No change
- F.** No change
  - 1. No change
  - 2. No change
- G.** No change
- H.** No change
  - 1. No change
  - 2. No change
  - 3. No change
- I.** No change
- J.** No change

**R12-15-704. Certificate of Assured Water Supply**

- A.** No change
- B.** An applicant for a certificate shall submit an application on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730,~~ ~~whichever applies,~~ and provide the following:
  - 1. No change
    - a. No change
      - i. No change

ii. No change

b. No change

c. No change

2. No change

3. No change

4. No change

5. No change

6. No change

**C.** No change

**D.** No change

**E.** No change

1. No change

2. No change

3. No change

**F.** No change

1. No change

2. No change

3. No change

4. No change

5. No change

6. No change

7. No change

**G.** No change

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change

**H.** No change

1. No change
  - a. No change
  - b. No change
  - c. No change
  - d. No change
  - e. No change
  - f. No change
2. No change

**I.** No change

**J.** No change

1. No change
2. No change
3. No change

**K.** No change

1. No change
2. No change

3. No change

**L.** No change

1. No change

2. No change

3. No change

4. No change

**M.** No change

1. No change

2. No change

3. No change

4. No change

**R12-15-705. Assignment of Type A Certificate of Assured Water Supply**

**A.** The certificate holder of a Type A certificate and the assignee may apply for approval of an assignment of the Type A certificate within the time allowed by A.R.S. § 45-579(A). The assignee may file the application if there is no certificate holder. The application shall be submitted on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730, whichever applies,~~ and the applicant shall provide the following:

1. No change

a. No change

b. No change

2. No change

- 3. No change
- 4. No change
  - a. No change
  - b. No change
- B.** No change
- C.** No change
- D.** No change
  - 1. No change
  - 2. No change
  - 3. No change
  - 4. No change
  - 5. No change
- E.** No change
- F.** No change

**R12-15-706. Assignment of Type B Certificate of Assured Water Supply**

- A.** The certificate holder of a Type B certificate or a certificate issued before the effective date of this Section that has not been classified pursuant to R12-15-707 and the assignee may apply for approval of an assignment of the certificate to another person within the time allowed by A.R.S. § 45-579(A). The assignee may file the application if there is no certificate holder. The application shall be submitted on a form prescribed by the Director with the initial fee required by

R12-15-103(C) or ~~R12-15-730, whichever applies~~, and the applicant shall provide the following:

1. No change
  - a. No change
  - b. No change
2. No change
3. No change
4. No change
5. No change
6. No change
7. No change
8. No change
9. No change

**B.** No change

**C.** No change

**D.** No change

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change
7. No change

- 8. No change
- E. No change
- F. No change
- G. No change

**R12-15-707. Application for Classification of a Type A Certificate**

- A. A holder of a Type B certificate or a certificate issued before the effective date of this Section may apply to the Director to classify the certificate as a Type A certificate by submitting an application on a form prescribed by the Director with the initial fee prescribed in R12-15-103(C) ~~or R12-15-730, whichever applies~~, and attaching evidence that the certificate meets the requirements of R12-15-704(H)(1).
- B. No change
- C. No change

**R-12-15-708. Material Plat Change; Application for Review**

- A. No change
- B. No change
  - 1. No change
  - 2. No change
  - 3. No change
- C. No change
  - 1. No change

a. No change

b. No change

c. No change

2. No change

a. No change

b. No change

c. No change

i. No change

ii. No change

iii. No change

3. No change

a. No change

b. No change

c. No change

d. No change

**D.** No change

1. No change

2. No change

3. No change

**E.** A person may apply for a review of a revised plat to determine whether any changes to the plat are material as follows:

1. The applicant shall submit an application on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730, whichever applies~~, and shall attach the revised plat.
2. No change
3. No change

**R12-15-710. Designation of Assured Water Supply**

**A.** A municipal provider applying for a designation of assured water supply shall submit an application on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730, whichever applies~~, and provide the following:

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change

**B.** No change

1. No change
2. No change

**C.** No change

**D.** No change

1. No change

- 2. No change
- 3. No change
- 4. No change
- 5. No change
- E.** No change
  - 1. No change
  - 2. No change
  - 3. No change
  - 4. No change
  - 5. No change
  - 6. No change
  - 7. No change
- F.** No change

**R12-15-712. Analysis of Adequate Water Supply**

- A.** No change
- B.** An applicant for an analysis shall submit an application on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730,~~ ~~whichever applies,~~ and attach the following:
  - 1. No change
  - 2. No change
    - a. No change
    - b. No change

c. No change

d. No change

3. No change

**C.** No change

**D.** No change

**E.** No change

1. No change

2. No change

3. No change

4. No change

**F.** No change

1. No change

2. No change

**G.** No change

**H.** No change

1. No change

2. No change

3. No change

**I.** No change

**J.** No change

**R12-15-713. Water Report**

**A.** No change

**B.** An applicant for a water report shall submit an application on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730~~, ~~whichever applies~~, and provide the following:

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change

**C.** No change

**D.** No change

1. No change
2. No change

**E.** No change

1. No change
2. No change
3. No change
4. No change
5. No change

**F.** No change

**G.** No change

**H.** No change

1. No change

- 2. No change
- I. No change
- J. No change

**R12-15-714. Designation of Adequate Water Supply**

A. A municipal provider applying for a designation of adequate water supply shall submit an application on a form prescribed by the Director with the initial fee required by R12-15-103(C) ~~or R12-15-730, whichever applies~~, and the following:

- 1. No change
- 2. No change
- 3. No change
- 4. No change
- 5. No change
- 6. No change

B. A city or town, other than a municipal provider, that is applying for a designation shall submit an application on a form prescribed by the Director with the initial fee required in R12-15-103(C) ~~or R12-15-730, whichever applies~~, and provide the following:

- 1. No change
- 2. No change
- 3. No change
- 4. No change
- 5. No change

- C. No change
  - 1. No change
  - 2. No change
- D. No change
  - 1. No change
  - 2. No change
  - 3. No change
  - 4. No change
- E. No change
  - 1. No change
  - 2. No change
  - 3. No change
  - 4. No change
  - 5. No change
- F. No change
- G. No change

**R12-15-730. ~~Assured and Adequate Water Supply Fees Effective July 1, 2011~~**

**Repealed**

- ~~A. With respect to an application listed in subsection (B) of this Section, beginning July 1, 2011, the Director shall accept or take action on the application only upon payment of the applicable fee as listed.~~
- ~~B. An applicant shall pay the following fees, as applicable:~~

APPLICATION	FEE
1. Certificate	\$3,000.00 for the first 20 lots; \$3.00 for each additional lot; maximum \$5,000.00
2. Assignment of certificate issued after September 12, 2006	None
3. Reissuance of certificate issued after September 12, 2006, pursuant to R12-15-704(G)	None
4. Assignment of certificate issued before September 12, 2006, with or without request for classification as Type A certificate	\$250.00 for the first 20 lots; \$0.50 for each additional lot; maximum \$1,000.00
5. Reissuance of certificate issued before September 12, 2006, pursuant to R12-15-704(G)	\$250.00 for the first 20 lots; \$0.50 for each additional lot; maximum \$1,000.00
6. Classification as Type A, for certificate issued before September 12, 2006 (not included in assignment application)	\$250.00 for the first 20 lots; \$0.50 for each additional lot; maximum \$1,000.00
7. Material plat change review	\$250.00

8.	<del>Designation or modification of designation that includes evaluation of physical, legal, and continuous availability or consistency with management goal</del>	<del>\$1,000.00 for the first 1,000 acre feet; \$0.50 for each additional acre foot; maximum \$10,000.00</del>
9.	<del>Modification of designation that does not include evaluation of physical, legal, and continuous availability or consistency with management goal</del>	<del>\$500.00</del>
10.	<del>Water report</del>	<del>\$900.00 for the first 20 lots; \$2.00 for each additional lot; maximum \$2,000.00</del>
11.	<del>Analysis</del>	<del>\$7,500.00</del>
12.	<del>Physical availability determination</del>	<del>\$5,000.00</del>

**ARTICLE 8. WELL CONSTRUCTION AND LICENSING OF WELL DRILLERS**

**R12-15-806. License Fee; Issuance and Term of Licenses; Renewal; Display of License**

- A. ~~Except as provided in subsection (B) of this subsection, the~~ The fee for a well driller's license shall be \$50.00.
- B. Upon submittal of the license fee and satisfactory completion of an examination, the Director shall issue the applicant a well drilling license. The license shall be numbered and shall state the specialized classifications of drilling activities for which the applicant is qualified and licensed. The applicant shall be licensed in only those classifications for which the qualifying party has passed the specialized sections of the examination. If the qualifying party subsequently passes other specialized sections, the applicant's license shall be amended. ~~Beginning July 1, 2010 through June 30, 2011, the~~ The applicant shall pay a fee of \$50.00 for the amendment of a well driller's license. ~~Beginning July 1, 2011, no fee shall be charged for an amendment to a well driller's license.~~
- C. No change
- D. No change
- E. A person may renew a well drilling license by submitting an application for renewal on forms prescribed and furnished by the Director and a fee of \$50.00. ~~Beginning July 1, 2010 through June 30, 2011, the renewal fee shall be \$50.00.~~ ~~Beginning July 1, 2011, the renewal fee shall be \$10.00.~~ If the application and renewal fee are postmarked on or before June 30, the well drilling contractor may operate as a licensee until actual issuance of the renewal license. A license which has expired may be reactivated and renewed within one year of its expiration by filing the required application and a reactivation fee of \$50.00. ~~Beginning July 1, 2010 through June 30, 2011, the reactivation fee shall be \$50.00.~~ ~~Beginning July~~

~~1, 2011, the reactivation fee shall be \$20.00.~~ If a license has been expired for one or more years for failure to renew, the well drilling contractor shall apply for a new license and repeat the examination.

**F.** No change

## **ARTICLE 12. DAM SAFETY PROCEDURES**

### **R12-15-1208. Application to Construct, Reconstruct, Repair, Enlarge, or Alter a High or Significant Hazard Potential Dam**

**A.** An application package to construct, reconstruct, repair, enlarge, or alter a high or significant hazard potential dam shall include the following prepared by or under the supervision of an engineer as defined in R12-15-1202(11):

1. No change
2. No change
3. An initial application fee based on the total estimated project cost and computed in accordance with A.R.S. § 45-1204 and ~~either R12-15-104(A)(7) or R12-15-151(B)(11), whichever applies.~~
4. No change
5. No change
6. No change
7. No change
8. No change
9. No change

10. No change

**B.** No change

1. No change

2. No change

3. No change

**R12-15-1210. Application to Construct, Reconstruct, Repair, Enlarge, Alter, Breach, or Remove a Low Hazard Potential Dam**

**A.** An application package to construct, reconstruct, repair, enlarge, or alter a low hazard potential dam shall include the following prepared by or under the supervision of an engineer as defined in R12-15-1202(11):

1. No change

2. An initial application fee based on the total estimated project cost, computed in accordance with A.R.S. § 45-1204 and ~~either R12-15-104(A)(7) or R12-15-151(B)(11), whichever applies.~~

3. No change

4. No change

5. No change

a. No change

b. No change

c. No change

6. No change

7. No change

8. No change
  9. No change
  10. No change
  11. No change
- B.** An application package for the breach or removal of a low hazard potential dam shall include the following:
1. No change
    - a. No change
    - b. No change
    - c. No change
  2. An initial application fee based on the total estimated project cost and computed in accordance with A.R.S. § 45-1204 and ~~either R12-15-104(A)(7) or R12-15-151(B)(11), whichever applies.~~
  3. No change
    - a. No change
    - b. No change
      - i. No change
      - ii. No change
      - iii. No change
    - c. No change
  4. No change
- C.** No change
- D.** No change

1. No change
  2. No change
- E.** No change
- F.** No change
- G.** Within 90 days after completing construction, reconstruction, repair, enlargement, or alteration of a low hazard potential dam, the owner shall file the following:
1. No change
  2. An additional fee or refund request computed in accordance with A.R.S. § 45-1209 and either R12-15-104(A)(7) or ~~R12-15-151(B)(11)~~, whichever applies, based on the actual cost of construction, reconstruction, repair, enlargement, or alteration.
  3. No change
    - a. No change
    - b. No change
    - c. No change
  4. No change
- H.** No change
1. No change
  2. No change
  3. No change
  4. No change

- I. Within 90 days after completing removal of a low hazard potential dam, the owner shall file the following. The Director shall remove the dam from jurisdiction upon approval of the submittal.
  - 1. No change
  - 2. An additional fee or refund request computed in accordance with A.R.S. § 45-1204 and either R12-15-104(A)(7) or ~~R12-15-151(B)(11)~~, whichever applies, based on the actual cost of removal.
  - 3. No change
  - 4. No change
- J. No change

**R12-15-1211. Application to Construct, Reconstruct, Repair, Enlarge, Alter, Breach, or Remove a Very Low Hazard Potential Dam**

- A. An application package to construct, reconstruct, repair, enlarge, or alter a very low hazard potential dam shall include the following prepared by an engineer or a person under the supervision of an engineer as defined in R12-15-1202(11):
  - 1. No change
    - a. No change
    - b. No change
    - c. No change
    - d. No change
    - e. No change
  - 2. No change

3. No change
4. An initial application fee based on the total estimated project cost and computed in accordance with A.R.S. § 45-1204 and ~~either R12-15-104(A)(7) or R12-15-151(B)(11), whichever applies.~~
5. No change
6. No change
  - a. No change
  - b. No change
  - c. No change
7. No change
8. No change
9. No change
- B.** No change
- C.** No change
- D.** No change
  1. No change
  2. No change
- E.** No change
- F.** No change
- G.** Within 90 days after completion of the construction, reconstruction, repair, enlargement, or alteration of a very low hazard potential dam, the owner shall file the following:
  1. No change

2. An additional fee or refund request computed in accordance with A.R.S. § 45-1209 and either R12-15-104(A)(7) or ~~R12-15-151(B)(11)~~, whichever applies, based on the actual cost of construction, reconstruction, repair, enlargement, or alteration.
3. No change
  - a. No change
  - b. No change
  - c. No change
4. No change

**H.** No change

1. No change
2. No change
3. No change

**I.** No change

**J.** No change

**K.** No change

**R12-15-1213. Completion Documents for a Significant or High Hazard Potential**

**Dam**

Within 90 days after completion of the construction or removal work for a significant or high hazard potential dam and final inspection by the Department, the owner shall file the following:

1. No change

2. An additional fee or refund request based on the actual cost of the construction, computed in accordance with A.R.S. § 45-1209 and ~~either R12-15-104(A)(7) or R12-15-151(B)(11), whichever applies.~~
3. No change
4. No change
5. No change
6. No change
7. No change
8. No change
  - a. No change
  - b. No change
  - c. No change
  - d. No change

**R12-15-1219. Safety Inspections; Fees**

- A. Except as provided in subsection (E), the Director shall conduct a dam safety inspection annually or more frequently for each high hazard potential dam, triennially for each significant hazard potential dam, and once every five years for each low and very low hazard potential dam. An owner of a dam shall pay the inspection fee required by ~~R12-15-106 or R12-15-151(B)(11)(c), whichever applies,~~ R12-15-105 for each inspection of the dam pursuant to this subsection.
- B. No change
  1. No change

2. No change
  3. No change
- C.** No change
1. No change
  2. No change
  3. No change
  4. No change
  5. No change
- D.** No change
- E.** Inspections by the Owner
1. No change
  2. No change
  3. ~~Beginning July 1, 2010 through June 30, 2011, a A safety inspection report submitted pursuant to this subsection shall include the fee required by ~~R12-15-106(C)~~ R12-15-105(D). ~~Beginning July 1, 2011, a person submitting a safety inspection report pursuant to this subsection is not required to include a fee with the report.~~~~
- F.** No change
1. No change
    - a. No change
    - b. No change
    - c. No change
    - d. No change

2. No change
  - a. No change
  - b. No change
  - c. No change
  - d. No change
3. No change
4. No change