

APPENDIX C. Water Storage Credit Policies and Rules

(excerpted from Arizona Department of Water Resources. *Application Packet for Underground Storage, Savings, and Replenishment Projects*. Revised May 1997)

1.6 Uses of the Stored Water

Under the Underground Water Storage, Savings, and Replenishment (UWS) program, stored water may be used and accounted for by annual recovery, long-term recovery, or replenishment.

Almost any water stored under the program may be recovered within the same calendar year. Recovery within the same year as storage is called recovery on an annual basis and is considered to be equivalent to direct use of the water. Therefore, water stored and recovered within the same year is not subject to the same restrictions as long-term storage.

If water is to be stored for use in later years, it must meet the eligibility requirements for long-term storage and recovery. These eligibility requirements focus on whether the storer could put the water to direct use rather than storing it for future use, particularly if the storer will be using groundwater to supply its immediate needs. If the storage does qualify for long-term storage, a credit is made to the storer's long-term storage account and will be available for use at any time the storer wishes to call on it.

Water that is eligible for long-term storage may also be used for replenishment. Under the UWS program, a replenishment district has two accounts, a normal long-term storage account and a replenishment account. The replenishment account is the account that determines whether the district is meeting its replenishment obligations. A replenishment district that acquires long-term storage credits, either from storage or from assignments, may direct those credits to be registered to its long-term storage account or directly to its replenishment account.

1.7 Benefit to the Aquifer

The UWS program ensures a lasting benefit to the aquifers in which water is stored. Generally, the statutes provide that only 95% of the recoverable amount of the water that is stored is registered to a long-term storage account. This ensures that 5% of the water stored will remain in the aquifer.

There are three exceptions to this rule. One hundred percent of the recoverable amount of water is credited to a long-term storage account if the stored water is one of the following: 1) effluent, unless the effluent was stored at a managed USF in which case 50% of effluent stored could be credited to the storage account, 2) water that has been imported into an AMA through the efforts of the storer, or 3) water that has been imported into a groundwater basin through the efforts of the storer, if the storage occurs outside an AMA.

1.9 Legal Characteristics of Stored Water

One of the most important principles of the UWS program is that the stored water maintains the legal characteristics of the source water. For example, if Central Arizona Project (CAP) water is stored, the water, when it is recovered, may be used in the same way as any CAP water. Thus, although the recovered water may physically be groundwater, it is not legally counted as such for Arizona Groundwater Code purposes.

1.10 Assignments of Long-Term Storage Credits

All long-term storage credits earned under the UWS program may be assigned to another entity. The assignment of credits is not valid until ADWR is notified in writing of the transaction. ADWR has the authority to examine the assignment of credits to determine if the stored water would have been eligible for long-term storage had it been stored by the assignee rather than the assignor. If the water would not have qualified, ADWR may disallow the assignment.

1.11 Water that Cannot Reasonably be Used Directly

“Water that cannot reasonably be used directly” is one of the most significant terms in the UWS program. Water management in Arizona is designed to encourage use of renewable water before the use of non-renewable groundwater. Thus, the UWS program prevents the accrual of long term storage credits by persons who could reasonably put the renewable water supply to direct use.

Only water that cannot reasonably be used directly is eligible for long-term storage credits. The UWS statutes provide a listing of water sources that automatically qualify as water that cannot reasonably be used directly and the statutes should be consulted to determine if a particular water source automatically qualifies (A.R.S. § 45-802.01(21)). This listing is an inclusive, not exclusive, listing and thus, water supplies in addition to those specifically listed may qualify as water that cannot reasonably be used directly if that fact can be proven to the satisfaction of the Director of ADWR.

1.12 Effluent Stored at a Managed Facility

The UWS statutes restrict the amount of storage credits that may be earned by storing effluent at a managed USF. In most cases, 50% of the recoverable amount of effluent stored at a managed USF can be recovered on an annual basis or can be credited to a long-term storage account. In addition, long-term storage credits earned by storing effluent at a managed USF cannot be used to demonstrate an assured water supply under the Arizona Groundwater Code.