

SUBSTANTIVE POLICY STATEMENT

This substantive policy statement is advisory only. A substantive policy statement does not include procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona administrative procedures act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under Arizona Revised Statutes § 41-1033 for a review of the statement.

PROCEDURES FOR ESTABLISHING NEW SERVICE AREA RIGHTS WITHIN ACTIVE MANAGEMENT AREAS

I. BACKGROUND

The Groundwater Code provides that in an active management area, a city, town or private water company has the right to withdraw and transport groundwater within its service area for the benefit of landowners and residents within its service area, and the landowners and residents are entitled to use the groundwater, subject to the statutory provisions relating to groundwater transportation and the conservation requirements established in the management plans. A.R.S. § 45-492(A). The right of a city, town or private water company to withdraw and transport groundwater within its service area is referred to as a service area right. "Service area" is defined in the Groundwater Code as the area of land actually being served water for non-irrigation use by a city, town or private water company plus additions to such area which contain an operating distribution system owned by the city, town or private water company primarily for the delivery of water for a non-irrigation use. A.R.S. § 45-402(31).

Occasionally, a city, town or private water company desires to establish a service area, either as its only service area or as an additional service area distinct from its existing service area. Because the Groundwater Code does not specify what must be done to establish a new or satellite service area, the Arizona Department of Water Resources ("Department") previously developed procedures that a city, town or private water company may follow to obtain a service area right for a new or satellite service area. Under those procedures, a city, town or private water company was entitled to a service area right for an area of land when it began serving four customers in the area, provided that at least one of those customers was served for a period of at least twelve months.

II. REVISED PROCEDURES FOR ESTABLISHING NEW SERVICE AREA RIGHTS

The Department has reviewed the service area establishment procedures and has determined that the procedures should be revised in several respects, including shortening the time period for establishing a service area right and clarifying several of the procedures. The attached document, entitled "Procedures for Establishment of a New

Service Area Right,” contains the revised service area establishment procedures. The attached document is hereby adopted as a substantive policy statement of the Department, replacing all prior policy statements establishing service area establishment procedures.

III. EFFECTIVE DATE

This substantive policy statement shall become effective immediately. The Director may modify or revoke this policy at any time.

Date: 17 MARCH 2005

A handwritten signature in cursive script, appearing to read "Herbert R. Guenther", written over a horizontal line.

Herbert R. Guenther, Director
Arizona Department of Water Resources