

# Ag-to-Urban Public Information Presentation

September 18, 2025



# Meeting Logistics

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- In discussion portions, please speak clearly into the microphone, and identify yourself when speaking.
- Technical issues? Please contact the ADWR Help Desk.
  - Phone: 602-771-8444
  - Email: [tickets@azwater.gov](mailto:tickets@azwater.gov).



# Today's Agenda

- Background
- Groundwater Savings Credits Application
- The Preliminary Recommendation and Issuing Groundwater Savings Credits
- Pledging Groundwater Savings Credits to an Assured Water Supply
- Questions



# Background

# Acronyms to Know

- **A2U** = **The Ag-to-Urban Program**
- **AMA** = Active Management Area
- **AWS** = Assured Water Supply
- **CAWS** = Certificate of Assured Water Supply
- **DAWS** = Designation of Assured Water Supply
- **GSCs** = **Groundwater Savings Credits**
- **IGFR** = Irrigation Grandfathered Right

# Background

**CORRECTED**

Senate Engrossed

~~physical availability exemption credit; groundwater~~  
(now: groundwater savings credit; ADWR)

State of Arizona  
Senate  
Fifty-seventh Legislature  
First Regular Session  
2025

**CHAPTER 252**  
**SENATE BILL 1611**

AN ACT

AMENDING SECTION 9-463.01, ARIZONA REVISED STATUTES; AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-500.53; AMENDING TITLE 45, CHAPTER 2, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-465.05; REPEALING SECTION 45-465.05, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; AMENDING TITLE 45, CHAPTER 2, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-563.03; AMENDING SECTIONS 45-576, 45-576.08 AND 48-3772, ARIZONA REVISED STATUTES; RELATING TO GROUNDWATER.

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- The A2U Program was created last legislative session by Senate Bill 1611.
- The A2U program allows IGFR holders to voluntarily relinquish an IGFR in exchange for Groundwater Savings Credits (GSCs) in the Phoenix and Pinal AMAs.

# Background

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- GSCs provide a limited exemption from the physical availability evidentiary requirement of the Assured Water Supply Program for groundwater or recovery of stored water recovered outside the area of impact of storage.
- GSCs are **not** an authorization to withdraw groundwater or recover stored water outside the area of impact of storage.

# Background

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(now: groundwater savings credit; ADWR)

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- The Program becomes effective on September 26, 2025.
- ADWR will not accept applications before that date.

# Eligible Lands

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(now: groundwater savings credit; ADWR)

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Senate  
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Eligible lands are lands that:

- May be irrigated under an IGFR;
- Have been irrigated with groundwater or in lieu water in at least 3 of the preceding 5 years; and
- Do not have an overlying CAWS.

# Eligible Lands Cont.

**CORRECTED**

Senate Engrossed

~~physical availability exemption credit; groundwater~~  
(now: groundwater savings credit; ADWR)

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Senate  
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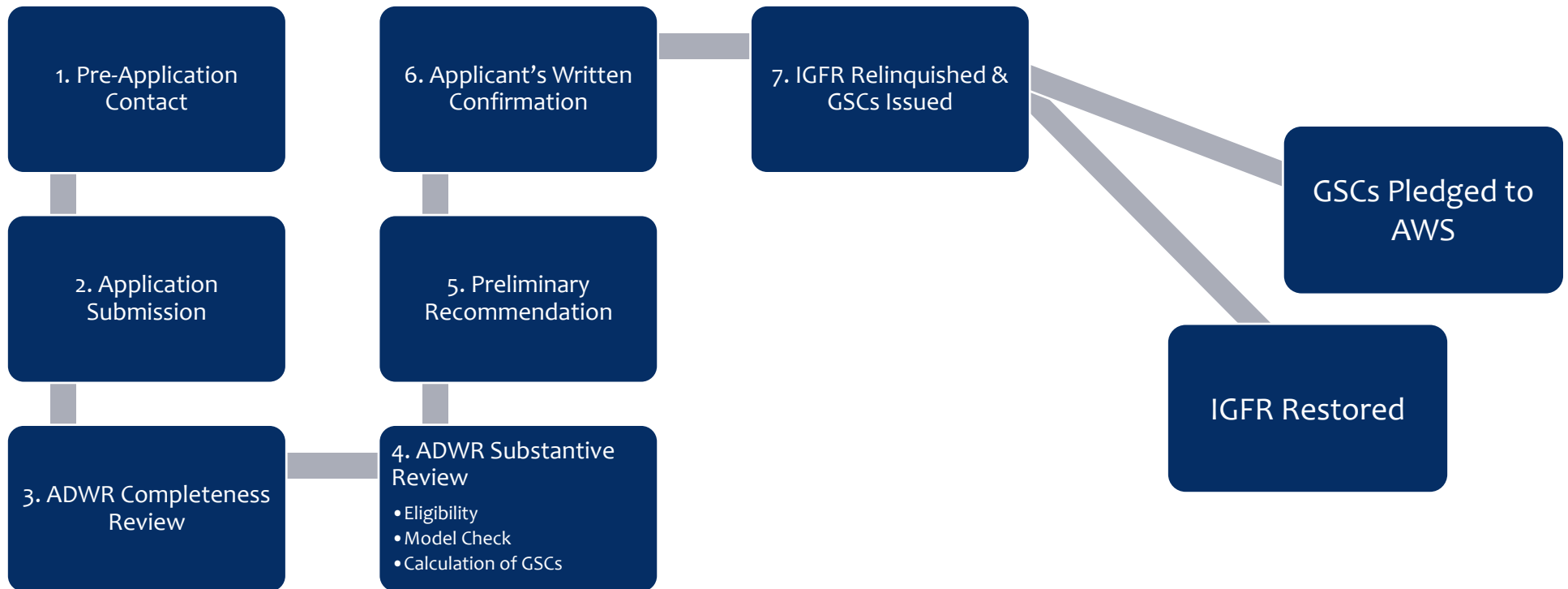
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Additionally, to be eligible to participate in the Program, the IGFR owner must:

- Have filed the previous 5 years of required annual reports;
- Not have a negative flex account balance; and
- Have complied with the Groundwater Management Act and the applicable management plan in their use of the IGFR.

# The Application Process



# Groundwater Savings Credits Application

# Pre-Application Contact


Before submitting your application, ADWR encourages you to contact ADWR to discuss your application.

- Phone: 602-771-8585
- Email: [ag2urban@azwater.gov](mailto:ag2urban@azwater.gov).

If you wish, a meeting may be scheduled to help you understand the application process and requirements.

# GSC Application Form

- Now available on the A2U webpage:  
<https://www.azwater.gov/ama/ag-to-urban> .
- The GSC Application Form contains 14 questions to be completed by the applicant.
- We will walk through those sections today.




**ARIZONA DEPARTMENT OF WATER RESOURCES  
ACTIVE MANAGEMENT AREA**  
1802 W JACKSON ST. BOX 79  
PHOENIX, AZ 85007  
(602) 771-8585

**APPLICATION TO RELINQUISH AN IRRIGATION GRANDFATHERED RIGHT  
FOR GROUNDWATER SAVINGS CREDITS PURSUANT TO A.R.S. § 45-465.05**

This application is submitted pursuant to A.R.S. § 45-465.05 to relinquish an Irrigation Grandfathered Right (IGFR) in exchange for Groundwater Savings Credits (GSCs). The information provided in this application will be used by the Arizona Department of Water Resources (ADWR) to determine both whether an IGFR is eligible to be relinquished in exchange for GSCs, and the volume of GSCs that an applicant is eligible to receive in exchange for the relinquishment.

Applicants must complete all sections of the application fully and accurately. Where additional space is required, clearly labeled supplemental sheets found in Appendices within the Application Guidelines document for this application may be attached. All required attachments are listed throughout the application and must be included for the application to be considered administratively complete. Incomplete applications may result in delays or denial.

1. **IGFR certificate number (58-):** \_\_\_\_\_
2. **Attach the Original Certificate of Grandfathered Groundwater Right.**  
**Attachment** \_\_\_\_\_
3. **Please provide all parcel numbers for the land to which the IGFR is appurtenant.**  
Assessor's Parcel Number (APN): \_\_\_\_\_  
Assessor's Parcel Number (APN): \_\_\_\_\_  
*Attach additional sheets if necessary. Attachment* \_\_\_\_\_
4. **Attach a copy of the deed(s).**
5. **For the land identified by parcel number, above, please provide any previous IGFR certificate numbers (58-) which were appurtenant to the land in the previous 5 years.**  
(58-): \_\_\_\_\_  
(58-): \_\_\_\_\_  
*Attach additional sheets if necessary. Attachment* \_\_\_\_\_

 **ARIZONA DEPARTMENT OF WATER RESOURCES**

# GSC Application Guidelines



## ARIZONA DEPARTMENT OF WATER RESOURCES APPLICATION GUIDELINES

### APPLICATION TO RELINQUISH AN IRRIGATION GRANDFATHERED RIGHT FOR GROUNDWATER SAVINGS CREDITS PURSUANT TO A.R.S § 45-465.05

In accordance with A.R.S. §§ 41-1008 and 1079, the Department of Water Resources provides the following information to assist applicants in submitting an Application to Relinquish an Irrigation Grandfathered Right for Groundwater Savings Credits.

#### Acronyms Used in these Guidelines

- **ADWR** Arizona Department of Water Resources
- **AMA** Active Management Area
- **AWS** Assured Water Supply
- **CAWS** Certificate of Assured Water Supply
- **DAWS** Designation of Assured Water Supply
- **GSCs** Groundwater Savings Credits
- **IGFR** Irrigation Grandfathered Right

#### Who May Apply to Relinquish an IGFR for GSCs?

A person who owns land within the Phoenix or Pinal AMAs that may be legally irrigated with groundwater pursuant to an IGFR may apply to the ADWR Director to permanently relinquish all of the IGFR in exchange for GSCs.

#### What do GSCs Do?

GSCs exempt the holder from the requirement to prove physical availability of groundwater or stored water recovered outside the area of impact of storage as part of an application for a CAWS or DAWS. GSCs **ARE NOT** an authorization to withdraw groundwater or recover stored water outside the area of impact of storage. If you have questions about CAWS/DAWS requirements, please visit: [azwater.gov/awss/frequently-asked-questions](https://www.azwater.gov/awss/frequently-asked-questions)



ARIZONA DEPARTMENT OF WATER RESOURCES

- Also available on the A2U webpage: <https://www.azwater.gov/ama/ag-to-urban> .
- The GSC Application Guidelines provide a brief overview of GSCs and walk through each section of the Application.

# Question 1

## Provide the IGFR Certificate Number.

- This number will start with 58- (for example, 58-123456.0000).
- You can find your certificate number on your IGFR certificate.
- If you don't know your certificate number, you can find it by inputting your parcel number(s) on this website <https://azwatermaps.azwater.gov/gfr/>.

### Certificate of Grandfathered Groundwater Right

STATE OF ARIZONA DEPARTMENT OF WATER RESOURCES

*This is to certify that pursuant to the provisions of  
Title 45, Chapter 2, Arizona Revised Statutes*

XXXXX  
XXXXXX  
XXXXXXXX

*is granted an*  
IRRIGATION GRANDFATHERED RIGHT

*in the*  
PHOENIX ACTIVE MANAGEMENT AREA

*for 144.73 irrigation acres of land. The rights are appurtenant to and groundwater may be used only on the irrigation acres of land described as follows:*

Assessor's Parcel Number(s) XXX-XX-XXX, XXX-XX-XXX in XXX Sec XX TXX RXX GSRB&M, as more fully described in the map attached hereto as Exhibit A and made a part hereof by reference.

*The use of groundwater on the above described land shall be for irrigation purposes in accordance with the laws of the State of Arizona and restrictions placed on use by the Director of the Department of Water Resources pursuant to Title 45, Chapter 2, Arizona Revised Statutes.*

Certificate Number **CERTIFICATE NO. 58-XXXXXX.XXXX**

*is granted this 15th day of July, 2025*



ARIZONA DEPARTMENT OF WATER RESOURCES

Clinton Chandler, Assistant Director  
Water Planning and Permitting Division

*The Department of Water Resources must be notified if the above named person(s) makes an address change or conveys ownership of the right to another person(s) or wishes to convert the right to a non-irrigation grandfathered right associated with retired irrigated land.*

# Question 2

## Attach the Original Certificate

- Please attach the original IGFR certificate. If you don't have the original certificate, contact ADWR.
- If you are submitting via e-mail, you must mail or deliver the original certificate to ADWR.

### Certificate of Grandfathered Groundwater Right

STATE OF ARIZONA DEPARTMENT OF WATER RESOURCES

*This is to certify that pursuant to the provisions of  
Title 45, Chapter 2, Arizona Revised Statutes*

XXXXX  
XXXXXX  
XXXXXXXX

*is granted an*  
IRRIGATION GRANDFATHERED RIGHT

*in the*  
PHOENIX ACTIVE MANAGEMENT AREA

*for 144.73 irrigation acres of land. The rights are appurtenant to and groundwater may be used only on  
the irrigation acres of land described as follows:*

Assessor's Parcel Number(s) XXX-XX-XXX, XXX-XX-XXX in XXX Sec XX TXX RXX GSRB&M, as more  
fully described in the map attached hereto as Exhibit A and made a part hereof by reference.

*The use of groundwater on the above described land shall be for irrigation purposes in accordance with the  
laws of the State of Arizona and restrictions placed on use by the Director of the Department of Water  
Resources pursuant to Title 45, Chapter 2, Arizona Revised Statutes.*

**CERTIFICATE NO. 58-XXXXXX.XXXX**

*is granted this 15th day of July, 2025*

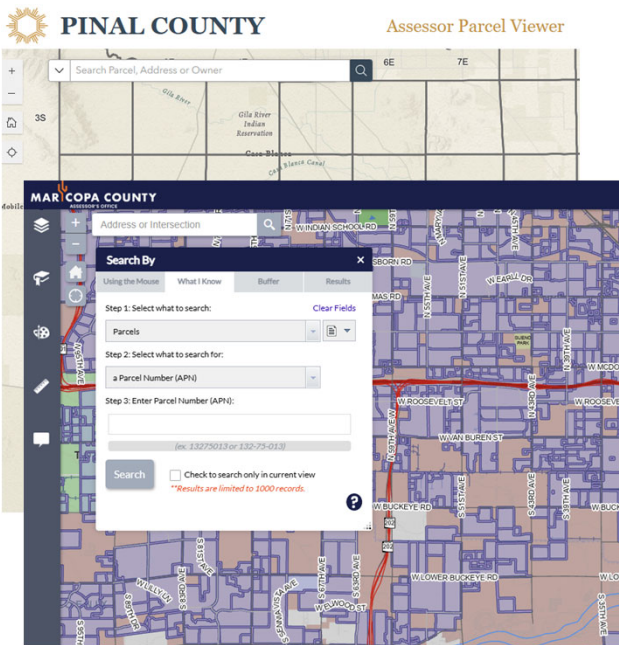
ARIZONA DEPARTMENT OF WATER RESOURCES



Clinton Chandler, Assistant Director  
Water Planning and Permitting Division

*The Department of Water Resources must be notified if the above named person(s) makes an address  
change or conveys ownership of the right to another person(s) or wishes to convert the right to a  
non-irrigation grandfathered right associated with retired irrigated land.*

# Questions 3 and 4



**Question 3: Please provide all Assessor Parcel Numbers (APNs) for the land to which the IGFR is appurtenant.**

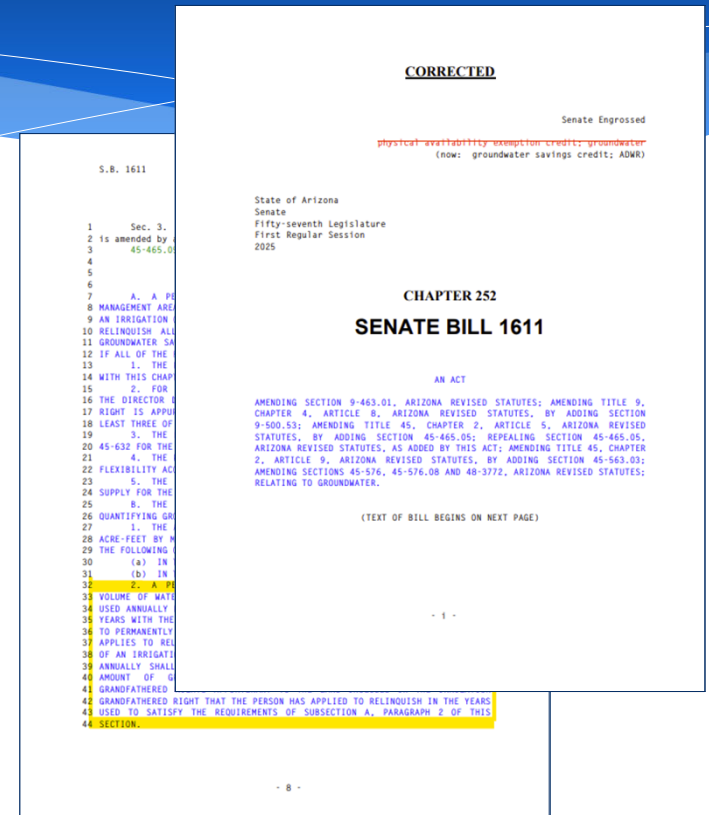
**Question 4: Please also attach a copy of your deed.**

- To access a copy of your deed, go to the applicable county assessor's website.
- Maricopa: <https://maps.mcasessor.maricopa.gov/>
- Pinal: <https://experience.arcgis.com/experience/f19af3d40ed54a979ecb678ee4980a3c>

# Question 5

For the land previously identified by parcel number, please provide any previous IGFR certificate numbers (58-) which were appurtenant to the land in the previous 5 years.

- If you don't know this information, it can be researched on our Imaged Records website: <https://infoshare.azwater.gov/docushare/dsweb/HomePage>.
- This is used to ensure that the minimum reduction requirement is met.



# Question 5 Continued

- The minimum reduction requirement ensures that water use associated with GSCs cannot be more than 60% of the of the **groundwater** or **in lieu water** used by the IGFR in the three highest use years in the preceding five years.
- If the IGFR to be relinquished has been split in the last 5 years, the statute requires ADWR to look to that IGFR's proportionate share of water used by previous IGFRs in the previous 5 years.

**CORRECTED**

Senate Enrolled  
Senate Enrolled  
~~physical availability exemption credit; groundwater~~  
(now: groundwater savings credit; ADWR)

State of Arizona  
Senate  
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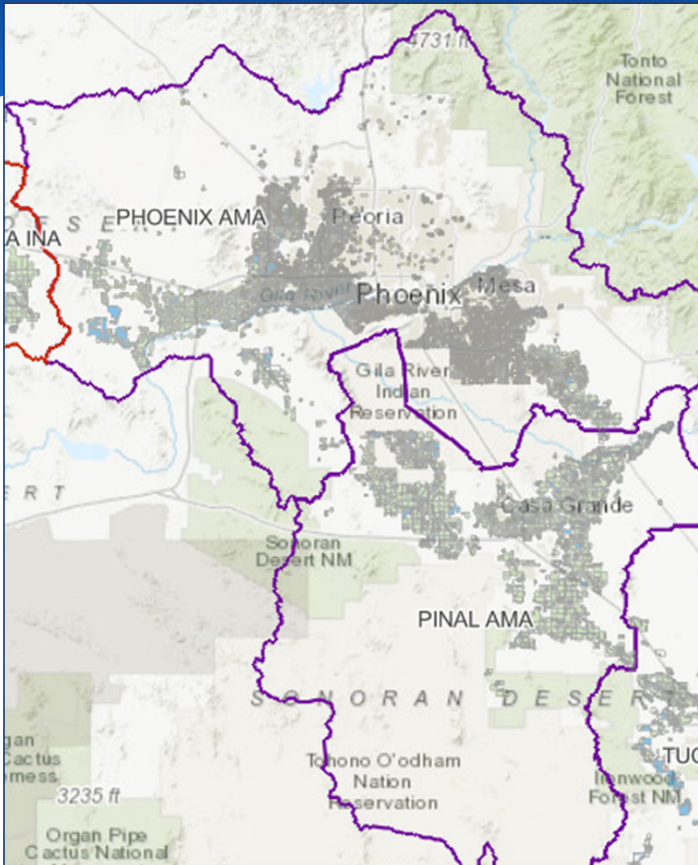
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44 SECTION.

# Question 6



## Identify the applicable AMA.

- The AMA will be identified on the IGFR certificate.
- Remember, only IGFRs in the Phoenix or Pinal AMAs are eligible to participate in the program.

# Question 7

Please list the name and contact information for the current IGFR rightholder(s).

- The name on the IGFR certificate must match the owner of the parcel(s).
- The name on the IGFR certificate will be the entity or person who will receive the GSCs.
- If the name on the parcel(s) does not match the IGFR certificate, then a 58-500 IGFR Change of Ownership form should be submitted. This form can be found at our website:

<https://www.azwater.gov/ama/conveyance>.

ARIZONA DEPARTMENT OF WATER RESOURCES  
ACTIVE MANAGEMENT AREA  
Mail to: 1802 W JACKSON ST BOX 79, PHOENIX, AZ 85007  
PHONE: 602-771-8585

**NOTIFICATION OF CHANGE OF OWNERSHIP OF AN IRRIGATION GRANDFATHERED RIGHT**

INSTRUCTIONS AND REQUIRED ATTACHMENTS

- ENCLOSE A RECORDED DEED THAT EVIDENCES THIS CONVEYANCE. DEEDS ARE AVAILABLE FROM THE COUNTY RECORDER. A PHOTOCOPIY IS ACCEPTABLE.
- THE FILING FEE FOR A NOTIFICATION OF CHANGE OF OWNERSHIP OF AN IRRIGATION GRANDFATHERED RIGHT IS \$ 500.00 (THE FEE TO CHANGE OWNERSHIP OF WELLS IS INCLUDED WITH THIS PAYMENT).
- THE FILING FEE FOR RE-ISSUANCE OF A CERTIFICATE TO REFLECT A CHANGE IN FAMILY CIRCUMSTANCE OR TRANSFER OF THE RIGHT TO OR FROM A TRUST IN WHICH THE RIGHTHOLDER IS A BENEFICIARY OR FROM A TRUST TO A BENEFICIARY OF THE TRUST IS \$120.00.
- THE FILING FEE FOR THE ISSUANCE OF A REVISED CERTIFICATE OF GRANDFATHERED RIGHT FOLLOWING PARTIAL EXTINGUISHMENT OF GRANDFATHERED RIGHT FOR ASSURED WATER SUPPLY EXTINGUISHMENT CREDITS IS \$120.00.
- PAYMENT MAY BE MADE BY CASH, CHECK, OR CREDIT CARD (IF YOU WISH TO PAY BY CREDIT CARD, PLEASE CONTACT THE ACTIVE MANAGEMENT AREA AT 602-771-8585). CHECKS SHOULD BE MADE PAYABLE TO THE ARIZONA DEPARTMENT OF WATER RESOURCES. FAILURE TO ENCLOSE THE FILING FEE WILL CAUSE THE NOTIFICATION TO BE RETURNED. FEES FOR A NOTIFICATION OF CHANGE OF OWNERSHIP OF AN IRRIGATION GRANDFATHERED RIGHT ARE AUTHORIZED BY A.R.S. § 45-113 AND A.A.C. R12-15-104.

In accordance with A.R.S. § 45-482(B), the undersigned party hereby notifies the Arizona Department of Water Resources of the conveyance of this Irrigation Grandfathered Right:

1. Certificate of Grandfathered Groundwater Right number: 58 - \_\_\_\_\_ . \_\_\_\_\_
2. Number of irrigation acres on certificate: \_\_\_\_\_
3. Number of irrigation acres to be conveyed: \_\_\_\_\_. If this number is 10 acres or less indicate whether the property will be part of a farming operation greater than 10 irrigation acres: Yes \_\_\_ No \_\_\_
4. Deed recording number: \_\_\_\_\_ Deed recording date: \_\_\_\_\_
5. Assessor's parcel number(s): \_\_\_\_\_
6. Wells serving this right (list by ADWR registration number, non-exempt production wells only):  
Wells owned by or being conveyed to the buyer: 55 - \_\_\_\_\_ 55 - \_\_\_\_\_ 55 - \_\_\_\_\_  
Non-owned, non-district wells: 55 - \_\_\_\_\_ 55 - \_\_\_\_\_ 55 - \_\_\_\_\_
7. Do you plan to retire or extinguish any portion of this right within the next 12 months? Retire \_\_\_ Extinguish \_\_\_

SELLER/GRANTOR (Print or Type)	BUYER/GRANTEE (Print or Type)
NAME _____	NAME _____
ADDRESS _____	ADDRESS _____
ADDRESS _____	TELEPHONE ( ) _____
TELEPHONE ( ) _____	BUYER'S SIGNATURE _____ DATE _____
	EMAIL ADDRESS _____

ADWR 58-500 (Revised 6/2024)

# Question 8

## **Include the number of certificated acres on the IGFR certificate.**

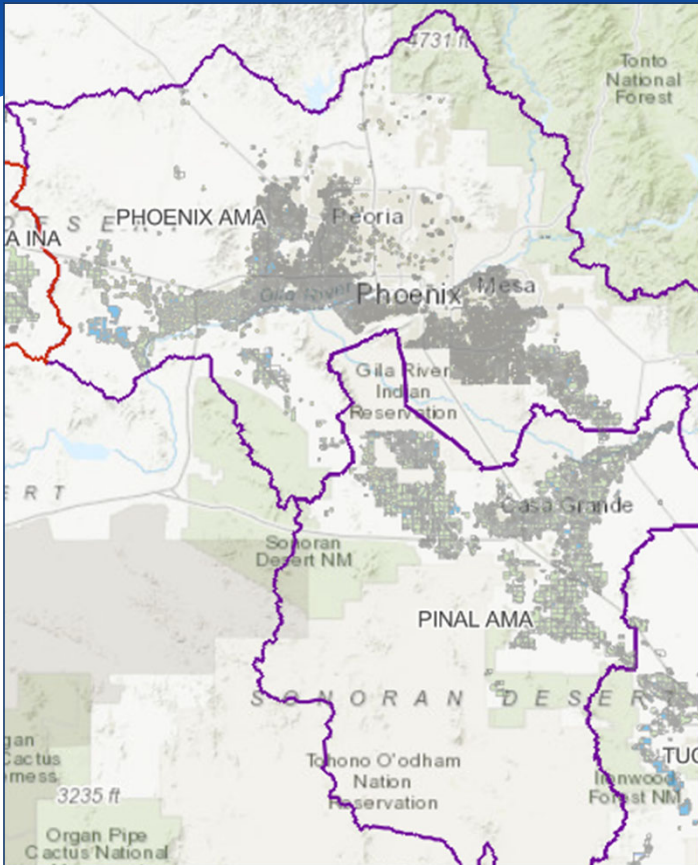
- If the number of acres listed on the application is **less** than the number listed on the certificate, you must first separate the acres to be relinquished from those remaining in irrigation because an IGFR must be relinquished in its entirety.
- If the application lists **more** acres than the certificate, the acreage shown on the certificate will be used to calculate the GSCs that ADWR may issue under the application. ADWR will verify the acreage and number of GSCs for which an applicant may be eligible with the applicant and require the applicant's written approval before processing the application.

## Question 9

**Please indicate whether your flex account has a negative account balance.**

- An IGFR with a negative flex account balance is ineligible to be relinquished for GSCs and will remain ineligible until the flex account balance is no longer negative. If your flex account balance is negative, please contact the AMA's Agricultural Lead or Agricultural Specialist before submitting your application. You can find current contact information at <https://www.azwater.gov/ama-contact-us>
- To check your current flex account balance, please use this link: <https://app.azwater.gov/querycenter/query.aspx?rptsessionid=B6FB7185F2BB8B6BE040000A16006832>.

# Question 10



**Please indicate whether the lands to which the IGFR is appurtenant have an overlying CAWS.**

Remember, IGFRs with an overlying CAWS are ineligible to receive GSC.

# Question 11

**For the previous 5 years, report the amount (in acre feet) of groundwater and in lieu water delivered, along with the applicable IGFR certificate number and total IGFR acres.**

- Annual Water Use Reports for the previous five calendar years must be on record with the Department. ADWR will verify the accuracy of these reports.
- Reports must show that the acres to which the right is appurtenant were legally irrigated with **groundwater** or **in lieu water** in at least 3 of the past 5 consecutive years. If this condition is not met, the IGFR is not eligible for the program.
- These values will be used to determine eligibility for relinquishment and to calculate the volume of groundwater historically used under the right.

# Question 11 Continued

- To find previously submitted reports go to our Imaged Records site: <https://infoshare.azwater.gov/docushare/dsweb/HomePage>.
- Please include the total IGFR acres of the IGFR certificate in each year, even if a previous IGFR certificate included more acres than the current IGFR certificate.
- If accurate and complete reports have not been submitted, then the delinquent reports must be submitted and all fees/late fees must be paid to ADWR before the application can be considered. ADWR will not update reports that are more than three years old.

## Question 12

**Identify if any of the wells that served the land to which the IGFR is appurtenant were operated by an irrigation district.**

- If yes, identify the district.
- Do not include irrigation district wells in your application.
- If you do not know if one of your wells is an irrigation district well, ADWR will contact the irrigation district directly for necessary information.

# Question 13

**Identify any wells that served the land to which the IGFR is appurtenant that are not operated by an irrigation district.**

- Wells that served the IGFR can be found on previous annual reports or the IGFR's facility report.
- Facility reports are found in our imaged records, or an updated facility report to assist you in your GSC application can be requested from ADWR at [ag2urban@azwater.gov](mailto:ag2urban@azwater.gov) or by calling 602-771-8585.

# Question 14

**Identify whether you have an active application for an Assured Water Supply (AWS) determination.**

- If yes, include the application number.
- If you need to find your application number, please contact the Assured Water Supply team:
  - Email: [assuredadequate@azwater.gov](mailto:assuredadequate@azwater.gov)
  - Phone: 602-771-8599.
- ADWR will try to coordinate and streamline the review process for both pending applications.

# Certification and Signature

The applicant certifies that the information in the application is true, correct, and complete, to the best of the applicant's knowledge and belief.

The applicant also affirms that use of the IGFR to be relinquished complies with the Arizona Groundwater Code (A.R.S. Title 45, Chapter 2) and the applicable AMA Management Plan. This includes:

- Proper and accurate submission of annual reports required under A.R.S. § 45-632;
- Adherence to all conservation requirements and applicable water use limitations;
- Compliance with all relevant statutes and administrative rules governing groundwater use, conveyance, and relinquishment.

# How to Submit Your Application

Applicants may submit a copy of their application online. Applicants should provide their application with the original IGFR certificate either in person or via mail to the Arizona Department of Water Resources:

Online: [ag2urban@azwater.gov](mailto:ag2urban@azwater.gov)

In Person: 1110 W Washington St, Suite 310  
Phoenix, AZ 85007

Mail: 1802 W Jackson St, Box 79  
Phoenix, AZ 85007

# The Preliminary Recommendation and Issuing Groundwater Savings Credits

# The Preliminary Recommendation

- Before the Director issues GSCs, ADWR staff will make a preliminary recommendation of:
  - The number of GSCs for which an IGFR is eligible, and
  - A determination of whether the model check requirements would be satisfied without updating the Director's most recent AWS projection.
- Before the Director acts on this preliminary recommendation, ADWR will provide a copy of the preliminary recommendation to the applicant.
- ADWR will not relinquish the IGFR or issue GSCs without a written confirmation from the applicant within 60 days of sending the preliminary recommendation.

# The Number of GSCs

- The preliminary recommendation will contain the number of GSCs in acre-feet for which an IGFR is eligible to be relinquished.
- This is calculated by multiplying the number of IGFR acres by the applicable conversion multiplier:
  - Phoenix AMA: 150
  - Pinal AMA: 100
- This number will be reduced if this does not meet the minimum reduction requirement.
- Note that this a lump sum that would be applied to an AWS application over 100 years.

# The Number of GSCs: The Minimum Reduction Requirement

The minimum reduction requirement:

- Take the average yearly use of groundwater for the 3 highest usage years of the preceding 5 years.
- Multiply that number by 60.
- If the product is less than regular calculation for GSCs, the lesser number will apply.

# The Number of GSCs: The Minimum Reduction Requirement

Hypothetical No. 1: IGFR in the Phoenix AMA with 100 Acres

- Year 1 used 500 AF
- Year 2 used 450 AF
- Year 3 used 475 AF
- Year 4 used 480 AF
- Year 5 used 500 AF

- 3 highest years = 1, 4, and 5
- 3 year sum = 1480
- 3-year average = 493.34
- Multiplied by 60 = 29,600.4  
(40% reduction)
- IGFR acres x 150 = 15,000

# The Number of GSCs: The Minimum Reduction Requirement

Hypothetical No. 1: IGFR in the Phoenix AMA with 100 Acres

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- 3 year sum = 1480
- 3-year average = 493.34

• Multiplied by 60 = 29,600.4  
(40% reduction)

• IGFR acres x 150 = 15,000

# The Number of GSCs: The Minimum Reduction Requirement

Hypothetical No. 2: IGFR in the Phoenix AMA with 100 Acres

- Year 1 used 250 AF
- Year 2 used 260 AF
- Year 3 used 230 AF
- Year 4 used 200 AF
- Year 5 used 230 AF

- 3 highest years = 1, 2, and 3
- 3 year sum = 740
- 3-year average = 246.67
- Multiplied by 60 = 14,800  
(40% reduction)
- IGFR acres x 150 = 15,000

# The Number of GSCs: The Minimum Reduction Requirement

Hypothetical No. 2: IGFR in the Phoenix AMA with 100 Acres

- Year 1 used 250 AF
- Year 2 used 260 AF
- Year 3 used 230 AF
- Year 4 used 200 AF
- Year 5 used 230 AF

- 3 highest years = 1, 2, and 3
- 3 year sum = 740
- 3-year average = 246.67
- Multiplied by 60 = 14,800  
(40% reduction)
- IGFR acres x 150 = 15,000

# The Model Check

An applicant who wishes to apply GSCs to CAWS or DAWS must show that groundwater can be withdrawn for that use without exceeding the depth of the aquifer or the regulatory depth. However, this analysis does NOT consider exceedances from other uses.

Remember, GSCs are exempt from the physical availability requirements of the AWS Program.

# The Model Check

An update to the Director's most recent AWS projection is not required if:

- The most recent AWS projection indicates sufficient supplies for the withdrawals based on any well that served the IGFR lands; and
- No more than 40% of the water delivered to the IGFR for the period used in the most recent AWS projection was in-lieu water.

NOTE: If the GSC application does not satisfy these requirements, or if the future well locations will not be within one mile of the wells used to satisfy the requirements, an AWS applicant must rely on an update to the AWS projection during the AWS application process to demonstrate that sufficient water will be available at the location of the wells used to serve the subdivision.

# The Model Check

If an IGFR is eligible for GSCs, the Preliminary Recommendation will state the number of GSCs for which the IGFR is eligible and indicate one of the following:

- The model check requirements cannot be satisfied without updating the Director's most recent AWS projection. This would occur at the AWS application stage.
- The model check requirements would be satisfied without updating the Director's most recent AWS projection. This determination will be valid for 2 years.

An applicant may choose to relinquish the IGFR in exchange for GSCs under either scenario.

# Issuing Groundwater Savings Credits

- Upon receipt of the applicant's written confirmation, ADWR will relinquish the IGFR and issue GSCs to the applicant.
- Irrigation of the IGFR with groundwater must stop immediately.
- The GSCs will run with the land until pledged to an AWS or until the IGFR is restored.
- If the applicant does not provide written confirmation within 60 days of the preliminary recommendation, ADWR will deny the application and return the original IGFR certificate.

# Pledging Groundwater Savings Credits to an Assured Water Supply

# Elements of an Assured Water Supply

Physical  
Water  
Availability

Continuous  
Water  
Availability

Legal Water  
Availability

Water  
Quality

Financial  
Capability

Consistency  
with the  
Management  
Plan

Consistency  
with the  
Management  
Goal

# GSCs Apply to Just One Assured Water Supply Element:

Physical  
Water  
Availability

Continuous  
Water  
Availability

Legal Water  
Availability

Water  
Quality

Financial  
Capability

Consistency  
with the  
Management  
Plan

Consistency  
with the  
Management  
Goal

# GSCs Apply to Just One Assured Water Supply Element:

Physical  
Water  
Availability

Continuous  
Water  
Availability

Legal Water  
Availability

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Quality

Financial  
Capability

Consistency  
with the  
Management  
Plan

Consistency  
with the  
Management  
Goal

GSCs

# Pledging GSCs to an AWS

To pledge GSCs to an AWS, an application must:

- Satisfy the Model Check requirements
- Show it meets the water use location requirements
- Show it will comply with water use restrictions

# The Model Check

- If the applicable GSCs indicated that the Model Check requirements would be satisfied without updating the Director's most recent AWS projection, an applicant may rely upon this determination if submitted within 2 years and if relying on wells within 1 mile of the wells used to serve the IGFR.
- Otherwise, the most recent AWS projection must be updated to modify the locations and/or rates of withdrawals for the proposed use. ADWR may update the model as a courtesy to the applicant.
- Remember, because this is an exemption from physical availability, this analysis does NOT consider exceedances from other uses.

# Water Use Location Limits

The A2U program limits where development based on GSCs can occur. These limits are distinct for CAWS and DAWS

## DAWS

- Groundwater may be used anywhere within the designation.
- The retired IGFR acres must be brought into the designation

## CAWS

- Groundwater must be used on the retired IGFR acres or land within 1 mile of those acres.

# Water Use Restrictions

On retired IGFR lands (and for lands with a CAWS that lie within 1 mile of the retired IGFR lands and rely on GSCs) municipal providers and HOAs may not apply water to:

- Non-functional turf;
- Water parks; or
- Decorative water features, including lakes, ponds, or lagoons (except for effluent lakes, ponds, or lagoons).

Municipalities may not require A2U subdivisions with a CAWS to:

- Increase lot sizes or reduce lot yield;
- Increase the size of a ROW to add landscape;

# Pledging GSCs to AWS

If you have questions about how GSCs would apply to your CAWS or DAWS application, please reach out to the AAWS team:

Phone: (602) 771-8599

Email: [assuredadequate@azwater.gov](mailto:assuredadequate@azwater.gov)

# Ag to Urban Rulemaking

- ADWR is required to adopt rules in 2026 regarding:
  - Establishment of a licensing timeframe for relinquishment of IGFRs for GSCs
  - A summary process to pledge GSCs to a designation
- ADWR will begin that process in early 2026.
- ADWR will notify our stakeholder list when we begin the rulemaking process. Please email [docketsupervisor@azwater.gov](mailto:docketsupervisor@azwater.gov) to be added to the list.

# Questions

# Questions

- If you are online, you may submit your question by through the chat or by raising your hand in the webinar.
- If your question is not answered during today's meeting, ADWR will be preparing an FAQ that will be posted on the A2U webpage.
- Meeting materials and the recording will also be posted on the A2U website: <https://www.azwater.gov/ama/ag-to-urban>
- If you have questions after the meeting, you may email:
  - [ag2urban@azwater.gov](mailto:ag2urban@azwater.gov) for questions about the A2U application.
  - [assuredadequate@azwater.gov](mailto:assuredadequate@azwater.gov) for questions about applying GSCs to AWS applications.
  - [docketsupervisor@azwater.gov](mailto:docketsupervisor@azwater.gov) to be added to the ADWR stakeholder email list for the A2U rulemaking.