Rural Groundwater Committee Objective

Develop policy, legislative, or other actionable recommendations for the Governor that provide a groundwater management framework that assists rural communities to manage local groundwater resources, protect water users, and sustainably manage aquifers.

- These recommendations will assist rural communities outside the state's Active Management Areas (AMAs) and Irrigation Non-Expansion Areas (INAs) in managing local groundwater resources and mitigating further aquifer depletion.
- These recommendations should be broad enough to address the specific groundwater basin's management needs and tailored to the basin's unique characteristics.

Challenges

- Groundwater basins across Arizona are experiencing high rates of aquifer depletion.
- These basins lack access to an alternative water supply and most basins rely solely on groundwater.
- There are lack of management programs or regulatory framework to sustainably manage groundwater outside the AMAs and INAs.
- Due to the lack of groundwater management options available, rural communities are vulnerable to losing access to vital groundwater supplies.
- Each groundwater basin possesses unique variables that influence the impact of groundwater overuse and aquifer depletion.

Proposal Concepts

Initial proposal concepts provided by ADWR staff at the June 29, 2023, Rural Groundwater Committee meeting, concepts suggested by committee members at that meeting, and concepts submitted after the meeting follow below.

Concepts are provided as submitted. Inclusion does not constitute endorsement. ADWR and the Rural Groundwater Subcommittee will evaluate the concepts for consistency for the State's objective and principles of responsible water management. ADWR and the subcommittee will discuss and prioritize the concepts, with the goal of selecting the most promising concepts for further discussion and development into potential proposals for the committee to consider as recommendations to the Council. Discussion and development of a concept does not presuppose it will ultimately be viable, including ADWR concepts.

ADWR Initial Concepts

Recommend Framework for Managing Rural Groundwater

Proposed Groundwater Management Concepts for Rural Arizona

- Groundwater Conservation Areas (GCA 2014-2015)
- Rural Management Areas (RMA 2022)
- Local Groundwater Stewardship Areas (LGSA 2023)

ADWR Starting Point Proposal

- Goal

    - Customizable by area with local input.
    - Prevent long term declines in groundwater levels – limits on depth to groundwater and rate of depletion.
- Requirements
    - Groundwater monitoring, metering, and reporting to track goal progress.
    - Limits on new wells that will impact ability to meet the goal. Require mitigation program.
    - Non-expansion of largest users of groundwater.
    - Incent/encourage supply mitigation options (recharge, reuse, rainwater capture).
    - Mandatory conservation requirements.
    - Local input and ADWR approval and enforcement authority.
    - Customizable for unique situations in each basin are based on geographic, hydrogeologic, climatic, economic, ecological and end water user conditions.

Committee Concepts Submitted as Comments at the June 29, 2023, Rural Groundwater Committee Meeting

Committee Comments on Groundwater Data

- Have there ever been detailed studies of each non-AMA groundwater basin? (Springer)
- Can ADWR prepare an inventory of current basin information? (Megdal)
- ASU Kyl Center has an online visualization tool of basin water levels. (Porter)
- NAU is currently evaluating every operable steam gauge in the state and will publish a statewide assessment this fall. (Springer)
- Is there a short-term way to introduce more well monitoring and data collection to direct conversations away from some of the "red herrings" or misconceptions about industries' use of groundwater use? (Fabritz)

Committee Comments on Groundwater Management Frameworks

- We could come up with a management framework that subdivides large basins into more manageable areas. (Doba)
- Keep in mind that previous rural groundwater management proposals came from rural areas but never got hearings at the state level. (Kuzdas)
- There are already existing, centralized systems in place that receive rural input and have had great success. AMAs and INAs utilize local input and remain a good option. I would like to see an intermediate solution that is not all or nothing. (Sen. Kerr)
- Mohave County thinks that it would be nice to have a third option besides AMAs and INAs but will support the action of this committee. (Lingenfelter)
- INAs only target agriculture, and we need to focus on other industries. (Sen. Kerr)
- INAs are very limited and do not provide management beyond irrigation expansion limits and reporting requirements. They need to be looked at differently than AMAs. (Megdal)
- The establishment of the Hualapai INA only limits future irrigation but does not solve existing groundwater deficits, and we need to create tools to address those challenges. (Lingenfelter)

Other Ideas

- Let's determine what our short-term, mid-term, and long-term goals can be. (Rep. Travers)
- I support breaking goals to short, medium, and long-term goals to manage this challenge. (Fabritz)

Committee Concepts Submitted in Follow Up to the June 29, 2023, Rural Groundwater Committee Meeting

From: **Abraham E Springer** <Abe.Springer@nau.edu>
Date: Tue, Jul 4, 2023 at 4:04 PM
Subject: RE: Rural Groundwater Subcommittee meeting
To: Bruce Hallin <bhallin@azwater.gov>

Bruce, I would like to participate in the subcommittee. But, like many others, I can only participate remotely on the July 11 meeting, since I'll be in Tucson for the WRRC conference.

Following are some potential local indicators and other criteria for groundwater management that were suggested by the Coconino County Watershed Partnership at their recent retreat.

- Indicator species at groundwater discharge locations from aquifers (springs or groundwater supported streams),
- Percent of saturated thickness of an aquifer, instead of a depth criteria,
- Incentivized standards for compliance, and/or
- Use of local/regional, non-AMA groundwater models that have been built largely non-regulatory purposes.

Abe Springer, PhD
https://scholar.google.com/citations?user=X53gmAQAAAAJ&hl=en
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Northern Arizona University sits at the base of the San Francisco Peaks, on homelands sacred to Native Americans throughout the region. We honor their past, present, and future generations, who have lived here for millennia and will forever call this place home.

From: **Paul, Haley** <Haley.Paul@audubon.org>
Date: Thurs, Jul 6, 2023 at 10:14 AM
Subject: Rural Groundwater Committee: Audubon Policy Ideas and Timeline Considerations
To: Bruce Hallin <bhallin@azwater.gov>
Cc: John Riggins <jrriggins@azwater.gov>, Trent Blomberg <tblomberg@azwater.gov>, Tom Buschatzke <tbuschatzke@azwater.gov>, Patrick Adams <padams@az.gov>

Dear Bruce,

Attached please find Audubon's policy ideas and timeline considerations for the Rural Groundwater Committee of the Governor's Water Policy Council. Thank you for the opportunity to contribute.

See you on July 11 at 10 AM.

Sincerely,
Haley
--
Haley Paul
Arizona Policy Director
480-371-4778 | haley.paul@audubon.org

National Audubon Society | **Audubon Southwest**
Join the Western Rivers Action Network | audubon.org/westernwater

Rural Groundwater Committee of the Governor's Water Policy Council: Policy ideas and timeline considerations

Audubon is grateful for the opportunity to contribute ideas to the Rural Groundwater Committee process. We see opportunity for both near-term and mid-term action that the Governor and the Legislature can take to address Rural Arizona's pressing groundwater issues.

For consideration by the Rural Groundwater Committee, Audubon proposes:

1) To create a framework for managing groundwater in Rural Arizona that is, per ADWR's presentation on June 29, "customizable by area with local input. [For] prevent[ing] long term declines in groundwater levels-limits on depth to groundwater and rate of depletion," we suggest starting the conversation with the Rural Groundwater Committee and Subcommittee members with the March 2023 version of the Local Groundwater Stewardship Area legislation (attachment). A portion of the monies allocated from the $40 million Arizona Water Resiliency Fund could be considered for seed funding to support such a new groundwater management framework. **Mid-term action.**

2) The Arizona Department of Water Resources (ADWR) should consider implementation of a voluntary groundwater monitoring program whereby well owners can participate in a metering and monitoring program in exchange for receiving free metering technology, along with an agreement to provide their data to ADWR. Furthermore, ADWR may also consider developing index wells of its own by partnering with state agencies, such as the Arizona Department of Transportation, to site new index wells on state property in areas of the state of high concern or areas with a lack of data. Monies from the $40 million Arizona Water Resiliency Fund could be considered for both of these purposes. **Near-term action.**

3) ADWR should provide the Rural Groundwater Committee a list of groundwater basins at most acute risk of groundwater level declines and other negative impacts from over pumping. These basins could then be the locations where ADWR, within its existing statutory authority, could begin the evaluation process to determine if those groundwater basins qualify for an Active Management Area (AMA) or an Irrigation Non-Expansion Area (INA). ADWR should consider initiating the processes for these evaluations in the summer/fall of 2023, in order that the Rural Groundwater Committee may ultimately recommend ADWR's implementation of new AMAs or INAs as part of their suite of recommendations that are forwarded to the Governor's Water Policy Council in December 2023. **Near-term action**.

4) ADWR could establish new AMAs and/ or INAs in areas of acute need in the spring of 2024 to provide Rural Arizona with progress to manage its groundwater. **Mid-term action**.

From: **Christopher Kuzdas** <ckuzdas@edfaction.org>
Date: Thurs, Jul 6, 2023 at 4:28 PM
Subject: Comments on Rural Groundwater in Response to ADWR Request to Committee Members
To: Bruce Hallin <bhallin@azwater.gov>, "jrriggins@azwater.gov" <jrriggins@azwater.gov>
Cc: Trent Blomberg <tblomberg@azwater.gov>, “padams@az.gov” <padams@az.gov>, Tom Buschatzke <tbuschatzke@azwater.gov>

Hi Bruce and John,

Please find attached my comments in response to ADWR’s request for input from Rural Groundwater Committee members ahead of the subcommittee meeting next week. I’ve also included two additional documents in the same attachment: (1) A matrix comparing key differences between Active Management Areas (AMAs), Irrigation Non-Expansion Areas (INAs), and the Local Groundwater Stewardship Area proposal; and (2) a slide deck that walks through the Local Groundwater Stewardship Area proposal. These additional documents may contain ideas and content that could potentially be helpful for the committee’s deliberations.

I look forward to working with ADWR and other committee members to address longstanding groundwater challenges in rural Arizona. Appreciate the opportunity to serve on the Governor’s Water Policy Council.

Please let me know if you have any questions or would like to talk further about my comments. See you next week.

Chris

--
Chris Kuzdas, Ph.D.
Senior Water Program Manager
Environmental Defense Action Fund
+1 602-478-9548

July 6, 2023

Director Tom Buschatzke
Arizona Department of Water Resources 1110 W. Washington, Suite 310
Phoenix, AZ 85007

Re: Comments in response to ADWR request for input from members of the Rural Groundwater Committee of the Governor's Water Policy Council

Dear Director Buschatzke:

Please find below comments in response to ADWR's request for input from Rural Groundwater Committee members. I've also included two attachments: (1) A matrix comparing key differences between Active Management Areas (AMAs), Irrigation Non-Expansion Areas (INAs), and the Local Groundwater Stewardship Area proposal; and (2) a slide deck that walks through the Local Groundwater Stewardship Area proposal. These attachments may contain ideas and content that could be helpful for the committee's deliberations.

I look forward to working with ADWR and other committee members to address longstanding groundwater challenges in rural Arizona.

1. **Move forward with executive action at the same time the Rural Groundwater Committee develops an alternative framework for rural groundwater management.** Rural Arizona communities cannot afford to be left behind any longer. One way or another, we must manage the water we have - groundwater.

    - Rural Arizona is the only place left across the entire Colorado River Basin where groundwater pumping is unlimited or open access. Rural Arizona comprises about 80% of the state's footprint and about 40% of the entire Colorado River Basin's footprint. Managing well the water we do have - groundwater - in more places in need across Arizona will only strengthen the state's position among other Colorado River Basin states and the federal government as negotiations on post-2026 river operations begin. As the Colorado River shrinks, Arizona's reliance on groundwater will increase. Nearly

1.5 million people now live in rural Arizona - many of these places highly or fully dependent on finite groundwater supplies. These water supplies are unmanaged and

unprotected and in a growing number of places vanishing. Whether Willcox or Phoenix or Pine, all Arizonans should have basic water security and dependable access to water supplies. Arizonans running out of water, no matter where they are, is of utmost concern for the entire state. Rural Arizona has been left behind for too long.

- It is important to acknowledge that rural communities have for years come to the Legislature with bipartisan proposals to allow customizable, locally-driven approaches to manage groundwater. Despite having broad support from across rural Arizona, these proposals from rural communities have not been given even a committee hearing. Examples of rural communities asking the Legislature to pass broadly supported bills include these op-eds by rural county supervisors in 2022 and 2023 (representing almost half of rural Arizonans), and recent op-eds by community leaders from northern Arizona, Pine, Willcox, and farmers in San Simon. Coconino, La Paz, Mohave, and Yavapai Counties passed resolutions urging the Governor and Legislature to act to protect local groundwater supplies on three occasions within the last year. In addition, both Mohave County leaders and organizers of the 2022 Douglas and Willcox AMA campaigns have stated that they pursued an INA and AMAs respectively because the Legislature has failed to provide alternative options.

- According to recent voter surveys, water is now the top issue among Arizona voters, 4 points ahead of high prices, immigration, and education. 3 out of 4 voters do not believe state officials are doing enough to protect Arizona's water supplies. There is also overwhelming support (~80%) for locally driven groundwater management, across all demographics, geographies, and political affiliations. In addition, 70% of statewide voters and even 60% of rural voters would support new Active Management Areas. Arizona voters do not want to hear leaders or public figures complain about negative headlines while nothing is done. Voters know we have a problem, and they want to see action.

- Dozens of rural community leaders have worked for years to advance proposals in the Legislature from rural Arizona, only to be met with bad faith roadblocks. Given that pattern, and the urgency of the problem and the growing number of rural communities asking for help while their water supplies slip away, moving forward immediately with executive action – including initiating new AMA and INA proceedings, and any other options that may be available - in rural basins with high need is warranted while this committee engages in its work.

- By no later than spring 2024, one way or another though the Executive or the Legislature, there must be action on rural groundwater management. Regardless of whether the Legislature chooses to engage with the Council's recommendations and proposed legislation for an alternative framework in the 2024 session, we must manage groundwater in more places to ensure water security for more Arizonans. The status quo of more and more rural Arizonans

running out of water, ignored, more and more rural communities facing mounting water supply risk and uncertainty, left powerless while their water supplies disappear, cannot continue. Moving forward with executive actionimmediately will set the stage - and make it clear that doing nothing and ignoring rural communities altogether is no longer an option.

2. **Use a good part of the $40 million in the new Arizona Water Resilience Fund with ADWR, and the $5 million allocated in the FY24 state budget to ADWR for statewide planning, to support the implementation of executive actions**, including designation proceedings for new AMAs, INAs, and other options that may be available through executive action. If the Legislature chooses to enact an alternative framework for rural groundwater in 2024, and the Governors signs it into law, the funds should then be made available to support communities who wish to pursue that alternative.

3. **Consider the principles below to help support crafting an alternative rural groundwater management framework:**

    - Expand the toolbox for rural communities with options to create locally tailored, basin- level solutions to meet needs, while ensuring appropriate balance and accountability through state support and implementation. Balance the need for meaningful local choice with state level accountability and support including financial and technical.

    - Promote stability of shared groundwater supplies and provide value and opportunities for all water users and rural economies.

    - The process and criteria to create a new alternative management area should be clear, science driven, public, and achievable. The initiation process, standards, and designation criteria should not be more difficult to achieve than what already exists in the AMA/INA options since one goal of a new framework is to enable a viable alternative to existing options.

    - Provide an alternative, flexible approach to the more rigid options of new AMAs or INAs, or the status quo of unlimited pumping of finite groundwater. Provide a set of management tools that can be mixed and matched to address local goals and needs in different rural basins.

    - Provide dedicated funding for administration, technical support, and implementation including for any conservation requirements and/or incentives - with no new taxes or fees.

    - Offer numerous types of voluntary conservation programs and incentives, which can be customized in the local planning process, along with options for mandatory requirements that may be included in a management plan to help meet goals and support all water users.

    - Underlying management and protection of groundwater resources provides the necessary basis for significantly increased state investment in local agriculture, basin wide water security, and rural communities while protecting Arizona taxpayers and

ensuring fiscal responsibility. In contrast, in unprotected basins, public investments cannot guarantee public benefits and risk only subsidizing the deepest wells with Arizona taxpayer dollars.

4. **The stated goal of the Starting Point Proposal is a solid start and appropriately reflects the water challenges and needs faced by a growing number of rural communities across the state**. ("Customizable by area with local input. Prevent long term declines in groundwater levels – limits on depth to groundwater and rate of depletion")

5. **Attachments that may contain ideas and content helpful to the Rural Groundwater Committee and Subcommittee.** *[included at the end of this document]*

    - Matrix comparing Active Management Areas, Irrigation Non-Expansion Areas, and Local Groundwater Stewardship Areas (amended proposal from March 2023)

    - Local Groundwater Stewardship Area concept explainer slide deck (amended proposal from March 2023)

Sincerely,

Chris Kuzdas, PhD
Arizona Water Program Lead Environmental
Defense Action Fund
ckuzdas@edfaction.org
602-478-9548

From: **Stacey Travers** <STravers@azleg.gov>
Date: Thu, Jul 6, 2023 at 4:33 PM
Subject: Gov. Water Policy Council
To: Tom Buschatzke <tbuschatzke@azwater.gov>
Cc: Bruce Hallin <bhallin@azwater.gov>, Ben Alteneder <balteneder@azwater.gov>, Patrick Adams <padams@az.gov>

Gentlemen,

I just wanted to contribute some thoughts as we go forward and to make a special request so that we can proceed with as much information a possible in order to help achieve our goals as thoughtfully and wisely as we can.

Thank you again for the opportunity to be a part of the Governor's Water Policy Council. I have enjoyed your stewardship of the council committee meetings and am looking forward to what we can achieve going into next year.

Warmly

Stacey Travers

STACEY TRAVERS
1700 WEST WASHINGTON, SUITE H
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TOLL FREE: 1-800-352-8404
stravers@azleg.gov

DISTRICT 12

COMMITTEES:

NATURAL RESOURCES, ENERGY & WATER

MILITARY AFFAIRS & PUBLIC SAFETY

Dir. Tom Buschatzke
Arizona Department of Water Resources
1110 W Washington Street Suite 310
Phoenix, AZ 85007

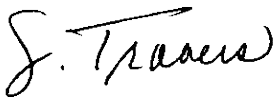
Director Buschatzke,

Thank you for your work in facilitating the Governor's Water Policy Council meetings. I left the first Rural Groundwater Committee meeting feeling optimistic that we'll walk out of this process in December with some real, tangible solutions.

I do, however, feel that the councilmembers were left doing a bit of guesswork in terms of which groundwater basins in rural Arizona need to be prioritized. I strongly believe that in order for us to make informed recommendations, we must first know which groundwater basins meet the criteria for existing statutory groundwater management tools. Please consider this letter a formal request for a list of groundwater basins outside of the existing AMAs and INAs that currently or are expected to soon meet the criteria for designation as an AMA or INA. I ask that this list be shared with each member of the Governor's Water Policy Council.

Respectfully,

Rep. Stacey Travers



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DISTRICT 12

COMMITTEES:

NATURAL RESOURCES, ENERGY & WATER

MILITARY AFFAIRS & PUBLIC SAFETY

Director Buschatzke,

Recent polling confirms what my Democratic colleagues at the Legislature have known for years: water security is a top issue for Arizonans and decisionmakers simply aren't doing enough to preserve our water supplies. This is especially true in rural Arizona where 43 years after the enactment of the historic Groundwater Management Act, groundwater pumping outside of existing active management areas and irrigation non-expansion areas remains completely unregulated.

Nowhere is the lack of action clearer than on the Natural Resources, Energy and Water Committee where I have personally witnessed carefully crafted solutions like HB 2731 that are supported by broad coalitions of stakeholders die without even a hearing. This legacy of inaction long precedes my time at the Legislature, but even the most casual of observers can see that the narrow interests of just a handful of industries seem to outweigh the interests of the majority of Arizonans in the minds of those who hold the reins.

The Governor's Water Policy Council presents a perfect opportunity for the Governor and the Director of the Department of Water Resources to finally act in the absence of meaningful solutions from the legislative majority. While I don't disagree that the Legislature is the preferred venue for such important advances in groundwater policy, the reality is that as long as a small handful of legislators block even bipartisan policy proposals to give rural Arizona the tools they need to address local water challenges, we cannot reasonably expect a different result. To continue to rely on the Legislature to act would be foolish and a disservice to the many communities in rural Arizona whose water security is, at best, uncertain because of the lax groundwater laws that govern vast swaths of the state outside of our urban areas.

As my expert colleagues on the Rural Groundwater Permitting Subcommittee will likely suggest, the options for action outside of the Legislature are numerous. Statute is largely silent on the Department's existing authority to create additional water management mechanisms aside from AMAs and INAs, which suggests that it could be possible to implement pieces of recent proposals like HB 2731 administratively. Separately, a statewide voluntary groundwater monitoring program could be instrumental in gathering data to inform inevitable future decisions regarding groundwater levels that are all but certain to continue declining without regulation.

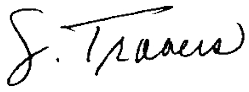
Elsewhere, statute is crystal clear: the Director of the Department of Water Resources has existing authority to unilaterally designate active management areas in places that are experiencing the effects of excessive groundwater pumping and where action is needed to preserve the existing supply of groundwater for future needs (A.R.S. § 45-412). In the absence of other adequate mechanisms like the more flexible options provided in HB 2731, the designation of AMAs in the areas where they are most

needed is the most appropriate existing policy tool to address the needs of rural Arizonans whose wells are going dry.

But to designate new AMAs, the Director must first determine which groundwater basins meet the criteria. That same section of statute that lists the criteria for AMA designations directs the Director to periodically review all areas outside of the AMAs to determine whether they meet the criteria for designation as AMAs. In order to make informed recommendations to the Governor regarding rural groundwater management, I believe it is imperative for members of this Council to have access to the list of groundwater basins which the Director currently believes meet the criteria for designation as AMAs. As such, I have requested that the Director remit the list of those groundwater basins to each member of this Council.

As a member of the Legislature, I would love the opportunity to debate the merits of policies like HB 2731 in a proper committee hearing. However, given the urgency of this issue and the pattern of inaction by those in power, I urge the Governor, the Director of the Arizona Department of Water Resources and this Council to explore all options to swiftly and effectively address the issue of unfettered groundwater pumping in rural areas via executive action.

Respectfully,
Rep. Stacey Travers

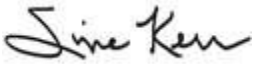


From: **Sine Kerr** <SKerr@azleg.gov>
Date: Thu, Jul 6, 2023 at 4:34 PM
Subject: Rural Groundwater Subcommittee Proposal
To: Bruce Hallin <bhallin@azwater.gov>

Bruce,

Please see attached outline of my proposal for the Rural Groundwater Subcommittee.

Best regards,



Senator Sine Kerr
Majority Whip
Legislative District 25
602-926-5955
SKerr@azleg.gov
Chair Natural Resources, Energy, & Water Committee
Vice-Chair Committee on Director Nominations
Education Committee
Appropriations Committee
Rules Committee

Rural Groundwater Management Principles

1) Application
    a. Regulation applied evenly across all sectors, including agriculture, industrial, residential, and municipal
    b. Prospective
    c. Account for planned/existing infrastructure investment
2) Formation
    a. Petition by majority of groundwater users in basin and 10% of registered voters
    b. Public notice, comment, and hearing
    c. Election by voters within boundary of basin or subbasin
3) Data
    a. Groundwater modeling
        i. distribution and comment prior to publishing
        ii. opportunity for and evaluation of secondary modeling
    b. Economic analysis similar to 41-1055
4) Regulation

a. Five-year temporary duration
b. No new groundwater use. Groundwater users from preceding five years restricted from new acreage (agriculture) or new development (industrial, residential, municipal) with exemptions:
    i. Recharged water into aquifer may be withdrawn with net benefit to aquifer
    ii. Transferred use (retiring of grandfathered ag rights to residential, reduced industrial to industrial, etc. permissible)

5) Reporting
    a. Incentive voluntary reporting
    b. Protect individual water user information / publicly accessible reporting figures must be in basin-wide aggregate

Additional documents submitted by Chris Kuzdas

Local Groundwater Stewardship Areas

INA, AMA, and LGSA Comparison Matrix

Arizona is in a water crisis and needs new policies and investments to protect this precious resource. The Colorado River is at a historical and unfathomable low level, coupled with colossal fissures, land subsidence, and resident wells drying up across rural Arizona. Rural Arizonans are forced to choose between leaving their groundwater virtually unprotected or implementing groundwater regulations that are not suited to their needs. There is a better way: Local Groundwater Stewardship Areas (LGSAs or Stewardship Areas). This document compares Stewardship Areas to existing groundwater protections called Active Management Areas (AMAs) and Irrigation Non-Expansion Areas (INAs).

Creation Mechanism, Criteria, Process, and Administration:

In Arizona, groundwater is virtually unregulated unless geographic-based protections are put into place. While the details vary in important ways, AMAs and INAs both allow AMAs and INAs to be initiated by the public or by the ADWR Director; provide a public hearing process; and outline requirements that must be met to establish an AMA or INA. Proposed Stewardship Areas build and expand upon these important elements.

	AMA	**INA**	**Stewardship Areas**
Creation Mechanism	Director Designation The Director designates "subsequent" AMAs and is required to periodically review all non-AMA areas to determine if they meet the requirements to become an AMA.[1] Voter Initiation 10% of the voters within a proposed AMA may petition that the proposed AMA be submitted to a vote. Any registered voter within the groundwater basin shall be allowed to vote.[2] In 2022, a sufficient number of voters petitioned to have AMA designation on the ballot in the Douglas basin and the Willcox basin. In the general election,	Director Designation The Director may designate "subsequent" INAs in areas that are not included in an AMA.[5] Voter or Groundwater User Petition Voters or groundwater users may initiate designation procedures by the Director. The Director decides whether to make the designation.[6]	The Director designates an LGSA based on the creation criteria below. This process can be started in three different ways: 1. Director initiation. 2. A county board of supervisors with lands within the proposed LGSA passes a resolution to petition the Director. 3. 10% of registered voters within the proposed LGSA petition the Director.

[1]A.R.S. 45-412. Note, the term "subsequent" distinguishes new AMAs from those that were created by the legislature when it passed the Groundwater Management Act. *See* A.R.S. 45-411.

[2] A.R.S. 45-415. Note some technical changes for proposed AMAs that are located in more than one county.

[5] A.R.S. 45-432-33. Note, the term "subsequent" distinguishes new INAs from those that were created by the legislature when it passed the Groundwater Management Act. *See* A.R.S. 45-431.

[6] A.R.S. 45-433. Note some technical changes for proposed AMAs that are located in more than one county.

	voters approved designation in the Douglas basin,[3] but not in the Willcox basin.[4]		
Creation Criteria	If initiated by voters, petition and election criteria must be satisfied.[7] If designated by the Director, an AMA may be established if <u>any</u> of the following apply:[8] 1. Active management practices are necessary to preserve the existing supply of groundwater for future needs. 2. Land subsidence or fissuring is endangering property or potential groundwater storage capacity. 3. Use of groundwater is resulting in actual or threatened water quality degradation.	An INA may be established if <u>both</u> of the following apply:[9] 1. There is insufficient groundwater to provide a reasonably safe supply for irrigation of the cultivated lands in the area at the current rates of withdrawal. 2.The establishment of an AMA is not necessary.	An LGSA may only be established if both of the following exist: 1. Establishing an AMA is not necessary, and 2. One or more of the following apply: a. Groundwater use exceeds the recharge rate. b. There are physical indications of over pumping. c. Additional action is needed to protect surface water rights that are hydrologically connected to groundwater. d. Groundwater is the only or primary supply of drinking water and action is needed to meet community water needs.
Creation Process	<u>Hearing</u> If initiated by the Director, the Director holds a hearing to determine whether to create an AMA and the boundaries of the AMA.[10] The hearing is to be held within the proposed AMA between 30 and 60 days from the first notice publication. The Director is required to give full consideration to public comments and recommendations from local political subdivisions.	<u>Hearing</u> The Director holds a hearing to determine whether to create an INA and the boundaries of the INA.[13] The hearing is to be held in the county where the major portion of the proposed INA is located between 30 and 60 days from the first notice publication. The Director is required to give full consideration to public comments and	<u>Hearing</u> The director holds a hearing to determine whether to create an LGSA and the boundaries of the proposed LGSA (coterminous with the basin or subbasin with exceptions for Northern Arizona regional aquifer systems). The hearing shall be in the county where the major portion of the proposed LGSA is located between 30 and 60 days from the first notice publication. The Director is required to give full

[3] https://new.azwater.gov/ama/douglas-ama.
[4] https://new.azwater.gov/ama/faqs-willcox-ama.
[7] A.R.S. 45-415.
[8] A.R.S. 45-412.
[9] A.R.S 45-432.
[10] A.R.S. 45-413.
[13] A.R.S. 45-435.

	Notice Notice includes publication once a week for 2 consecutive weeks in a newspaper of general circulation in the relevant counties. Notice shall include time and place of hearing, legal description and map of proposed AMA, and any other necessary information.[11] Findings and Order The Director files their finding and order within 30 days of the hearing. All data, hearing transcripts, etc. shall be publicly available. Findings and orders are subject to judicial review.[12]	recommendations from local political subdivisions. Notice Notice includes publication once a week for 2 consecutive weeks in a newspaper of general circulation in the relevant counties. Notice shall include time and place of hearing, legal description and map of proposed INA, and any other necessary information.[14] Findings and Order The Director files their finding and order within 30 days of the hearing. All data, hearing transcripts, etc. shall be publicly available. Findings and orders are subject to judicial review.[15]	consideration to public comments and recommendations made by local political subdivisions. Notice Notice includes publication for 2 consecutive weeks in a newspaper of general circulation in the relevant counties. Notice shall include time and place of hearing, legal description and map of proposed LGSA, and any other necessary information. Findings and Order The Directors files their finding and order within 30 days of the hearing. All data, hearing transcripts, etc. shall be publicly available. Findings and orders are subject to judicial review.
Review and Modification	Subsequent AMAs The Director may review and modify AMA boundaries on their own initiative or by public petition. The Director must follow the notice and hearing procedures for AMAs.[16]	The Director may review and modify INA boundaries on their own initiative or by public petition. The Director must follow the notice and hearing procedures for INAs.[17] An INA may be converted into an AMA by the Director or by public petition and election.[18]	ADWR is required to conduct a review of the LGSA at least every 10 years to determine whether conditions have changed. If conditions have changed and the LGSA designation is no longer needed, the LGSA can be rescinded by the Director through the same notice and hearing procedures as designation.
Administration	Groundwater Users Advisory Councils 5-member advisory councils are appointed by the Governor to represent groundwater users in the AMA.[19] The Council advises and makes recommendations on	NOT APPLICABLE	LGSA Council The LGSA Council is composed of 9 members. At least 6 of the 9 members must be residents within the LGSA, and all members are appointed based on their: • Knowledge of, interest in, and experience

[11] A.R.S. 45-413.
[12] A.R.S. 45-414.
[14] A.R.S. 45-435.
[15] A.R.S. 45-436.
[16] A.R.S. 45-417.
[17] A.R.S. 45-438.
[18] A.R.S. 45-439.
[19] A.R.S. 45-420.

	groundwater management programs and policies in the AMA.[20]		relating to the condition, development, use and conservation of groundwater within the LGSA. • Ability to effectively represent the interests of all stakeholders involved in the planning and management of groundwater resources within the LGSA. Prospective Council Members must submit an application to ADWR demonstrating their merit and qualifications. ADWR shares the applications with all appointing parties. Council members are appointed by the Governor (3 members), County Board(s) of Supervisors (2 members), Senate leadership (1 member each by the Majority and Minority leaders), and House leadership (1 member each by the Majority and Minority leaders). The order that appointments are made is staggered. (The composition of LGSA boards is similar to WIFA board.) ADWR is required to provide staff support to LGSAs.
Goals	<u>AMA Goals</u> Each AMA has a groundwater management goal.[21] Goals for the state's initial AMAs were established by statute. For subsequent AMAs, goals are established by the Director.[22]	NOT APPLICABLE	<u>LGSA Goals</u> The LGSA Council establishes one or more management goals. The goal(s) must address the conditions identified as a reason for LGSA designation. Goal(s) may include, as appropriate (but are not limited to): achieving safe yield, preventing long-term groundwater level declines, controlling and preventing subsidence, controlling and preventing water quality degradation, and/or

[20] A.R.S. 45-421.

[21] In the Phoenix, Prescott, and Tucson AMAs, the goal is to achieve safe yield, or long-term balance between groundwater withdrawals and recharge. A.R.S. 45-562. In the Pinal AMA, the goal is to "allow development of non-irrigation uses as provided in this chapter and to preserve existing agricultural economies in the active management area for as long as feasible, consistent with the necessity to preserve future water supplies for non-irrigation uses." *Id.* In the Santa Cruz AMA, the goal is to maintain a safe yield and prevent local water table declines. *Id.* The Director has not yet set the goal for the new Douglas AMA. https://new.azwater.gov/ama/douglas-ama.

[22] A.R.S. 45-569.

			addressing other relevant environmental or natural resource issues.
Management Plans	AMA Management Plans Each AMA has a management plan prepared and implemented by ADWR. Initial AMAs have 5 management plans, prepared and implemented by ADWR between 1980 and 2025. ADWR must promulgate an initial management plan for subsequent AMAs within 2 years of designation.[23] These plans are intended to move the AMAs towards meeting their respective management goal by imposing increasingly stringent, mandatory requirements on groundwater users in the AMA.[24] A public hearing is required prior to approval of management plans and goals for subsequent AMAs.[25]		LGSA Management Plans The LGSA Council must develop a management plan for the LGSA. The Council may request technical assistance and modeling support from ADWR in developing the plan. In addition to the goals, the plan must include monitoring of relevant hydrologic, biologic, and ecological conditions. The LGSA Council may choose, mix, and match from a variety of tools for inclusion in the plan to meet the goals. (See the chart with opt-in options below) The LGSA Council must hold at least 2 public hearings to receive public comment on any proposed LGSA plan or amendment, after providing notice. Plans must be reviewed every 10 years and readopted or modified. If the LGSA management plan includes tools that would need to be approved and implemented by ADWR, the Council must make the request to ADWR via a formal petition. ADWR would provide notice and a hearing prior to approval and implementation.

Fees, Regulations, and Groundwater Management:

Nowhere is the difference between AMAs and INAs starker than when it comes to fees, regulations, and groundwater management. AMAs come with hard and fast regulations–perhaps best suited to urban areas with some type of alternative water supplies.[26] INAs are limited to stopping new irrigated agriculture once agricultural water use is already unsustainable. Together, AMAs and INAs provide Arizonans groundwater protection tools designed for specific circumstances that may not apply throughout the state. Stewardship Areas provide a new opt-in, locally adaptable approach.

[23] A.R.S. 45-569.
[24] A.R.S. 45-563.
[25] A.R.S. 45-569(c).
[26] ADWR overviews of these regulations are available at https://infoshare.azwater.gov/docushare/dsweb/Get/Document-11348/Groundwater_Code_Overview.pdf and https://new.azwater.gov/sites/default/files/media/AMAFACTSHEET2016%20%281%29_0.pdf.

Additional documents submitted by Chris Kuzdas

It is difficult to compare AMA and INAs to LGSA because an LGSA requires local tailoring. Instead of hard and fast rules, LGSAs will be designed for local needs. For example, an LGSA Council may recommend that ADWR implement certain requirements (which will only happen if the Director determines those actions are consistent with the LGSA goals); the Council might recommend that local governments implement certain measures or incentives under existing local authorities; and more… The potential scope is likely best understood by looking at the chart at the end of this document.

	AMA	**INA**	**Stewardship Areas**
Fees	Fees vary based on the AMA and types of groundwater uses and permits, but may comprise: Irrigation Grandfathered Right Application Fees[27] Non-irrigation Grandfathered Right Application Fees Water Quality Assurance Fees[28] Groundwater withdrawal fees[29]	Subsequent INAs Irrigation Authority Application Fees[30]	LGSAs can choose, mix, and match from a variety of tools, a small handful of which could potentially implicate some fees in the ADWR implementation process. However, the bill allocates an annual $50 million deposit from the lottery fund to the Local Groundwater Stewardship Area Fund. The director may use the funds to implement and support an LGSA.
Prohibition Against New Irrigated Agriculture	Irrigating new acres for agriculture is prohibited. Only acres of land that were legally irrigated (or where substantial capital investment is made to irrigate) in defined periods before the creation of the AMA may be irrigated, with an exception for land irrigated with a decreed or appropriative surface water right.[31]	Irrigating new acres for agriculture is prohibited. Only acres of land that were legally irrigated (or where substantial capital investment is made to irrigate) in defined periods before the creation of the INA may be irrigated, with an exception for land irrigated with a decreed or appropriative surface water right.[32] Provides an exception to substitute new	LGSAs can choose, mix, and match from a variety of tools, one of which is designating an Interim Irrigation Protection Areas (IIPA) within an LGSA. These are intended to: • allow for easier modification of IIPA statues vs working within INA statues, i.e., can modify new IIPA section easily without risk of impacting existing INAs; • IIPA will have new acreage substitution flexibility (acres can move as long as water use is level and there is an equivalent

[27] Explanation received from ADWR.
[28] A.R.S. 45-616.
[29] A.R.S. 45-611. ADWR noted in its Douglas AMA FAQ that "Under the current statutes, there is no requirement for persons withdrawing groundwater in a subsequent AMA (an AMA formed after 1980), to pay a groundwater withdrawal fee," available at https://new.azwater.gov/ama/faqs-douglas-ama#:~:text=Currently%2C%20there%20are%20five%20AMAs,%2C%20Tucson%2C%20and%20Santa%20Cruz.
[30] Explanation received from ADWR.
[31] A.R.S. 45-452.
[32] A.R.S. 45-434; 45-437.

		acres for flood-damaged acres,[33] or to substitute less efficient acres for more efficient acres.[34]	reduction in acres elsewhere); • an IIPA may go away if and/or when a Stewardship Area is rescinded or if the IIPA tool is determined to no longer be needed, if such actions are determined to be warranted. Includes two flexibility options not currently provided in similar INA provision: • acreage substitution flexibility: acres can expand as long as there is an equivalent reduction of acreage elsewhere and withdrawals do not increase • irrigation efficiency within a farm unit: farm unit can expand or move acres as long as water use does not increase.
Well Siting/ Spacing	ADWR sets rules for well locations.[35]	NOT APPLICABLE	LGSAs can choose, mix, and match from a variety of tools, one of which is well siting/spacing standards. This tool can only be implemented upon request by the Council (via petition to ADWR) and upon a hearing and approval by the Director. ADWR can apply existing rules or can promulgate new rules for new well locations. ADWR, not the LGSA, promulgates the applicable rules.
Well Metering, and Reporting	With some exceptions, non-exempt wells are required to measure and report groundwater use. Exempt wells are generally not required to measure and report.[36]	With some exceptions, non-exempt irrigation wells are required to measure and report groundwater use. Non-irrigation, non-exempt wells withdrawing more than 10 acre-feet annually are required to measure and report groundwater use. Those withdrawing less than 10 acre-feet per year must report an estimate how much groundwater they withdraw. Exempt wells are generally not required	LGSAs can choose, mix, and match from a variety of tools, one of which is measuring and reporting requirements. This tool can be implemented only upon petition by an LGSA council and order of the Director. Non-exempt wells may be required to measure and report groundwater use, with the possibility of exceptions. Measuring may be done by a measuring device or some other method approved by the Director. Note, a tax credit for installing a water measuring device at a residence or for commercial or industrial purposes is

[33] A.R.S. 45-437.02.
[34] A.R.S. 45-437.03.
[35] A.R.S. 45-598.
[36] A.R.S. 45-604.

		to measure and report.[37]	availablewhen an LGSA opts in to require water measuring.
Assured and Adequate Water Supply Programs (100 Years' Water for Subdivisions)	A person who sells or leases subdivided lands must obtain an "assured water supply" designation, meaning they must demonstrate 100 years' worth of water is available to meet the new demands.[38]	NOT APPLICABLE	LGSAs can choose, mix, and match from a variety of tools, one of which is known as 'mandatory adequacy'. This tool can only be implemented upon request by the Council to the relevant county, city, or town government and upon approval by that entity to adopt an ordinance to require an adequate water supply prior to approval of a final plat for a subdivision.
Conservation Programs	AMA management plans create mandatory conservation requirements for groundwater users (agricultural, industrial, municipal).[39]	NOT APPLICABLE	LGSAs can choose, mix, and match from a variety of tools, one of which is conservation programs. Mandatory conservation programs that apply to certain types of uses can only be implemented upon request by the Council (via petition to ADWR) and upon a hearing and approval by the Director. The Director promulgates rules for conservation programs within LGSAs that opt in, and may adopt rules for specific LGSAs as necessary. Other types of conservation incentives, rates, and programs may be implemented upon request by the Council and approval by county and municipal governments, water utilities, and others, as applicable.

Opt-in Management Tools

The LGSA proposal includes a **variety of "opt-in" tools**, providing a menu of options to help meet local needs and advance the LGSA goals. Additionally, it is an **"all hands" approach**, integrating a variety of existing management tools and tailoring their application for the LGSA context. Some of the types of actions that may be included in an LGSA Plan are recommendations/ requests to:

[37] A.R.S. 45-437.
[38] A.R.S. 45-576.
[39] A.R.S. 45-563.

Additional documents submitted by Chris Kuzdas

County and municipal governments, *which may include, as appropriate:*

- Incentivizing or require water conservation through:
- Integrating goals and relevant policies into Comprehensive and General Plan;
- Adopting a “mandatory adequacy” ordinance under the Adequate Water Supply Program *within* the LGSA (a more precise application of mandatory adequacy vs county wide);
- Establishing special zoning districts, overlay zoning districts, and relevant regulations to support goals;
- Integrating water conservation actions into subdivision regulations;
- Integrating water conservation actions into building codes and permit requirements
- Constructing and operating relevant infrastructure pursuant to a plan for recharge, storage, and recovery to improve aquifer recharge.

See LGSA Bill Section 14, 45-655(D)(1)(a),(c); and complementary Sections 2-4

Water utilities, *which may include, as appropriate:*

- establishing incentives and rules to encourage water conservation.

See LGSA Bill Section 14, 45-655(D)(1)(b)

ADWR, *which may include, as appropriate:*

- Water measuring devices for certain groundwater withdrawals (with a tax incentive provided for device cost and installation);
- Records and annual reporting of certain groundwater withdrawals;
- Designation of an "Interim irrigation protection area" within the LGSA with acreage flexibilities;
- Well spacing/citing rules for new or replacement wells;
- Voluntary or mandatory conservation programs that apply to certain groundwater withdrawals;
- Programs to approve and fund voluntary, compensated land and water conservation plans.

See LGSA Bill Section 14, 45-655(D)(2); and complementary Sections 5-14

Additional documents submitted by Chris Kuzdas

Local Groundwater Stewardship Areas*

Overview of Purpose, Process, & Key Features

June 2023 - Discussion Draft

**As amended in March 2023*

Introduction & Overview

Rural communities across Arizona depend on groundwater and face mounting and significant water challenges. Yet, they have limited options to address these issues and meet local water demands. Arizona needs an alternative groundwater conservation option for rural communities to ensure the state has a secure water and economic future.

This document provides the background, purpose, process, and key features of proposed Local Groundwater Stewardship Area (LGSA) legislation.

Contents:

Background Information

With limited surface water sources, Arizonans rely heavily on groundwater to meet their water needs.

However, lack of protection of limited groundwater resources has led to depletion of stored groundwater, declining water levels, and significant challenges for communities, agriculture, businesses, and the environment.

Outside of Arizona's Active Management Areas (AMAs) and Irrigation Non Expansion Areas (INAs), there is essentially no oversight of groundwater withdrawal or use.

This means that, in much of the state, there is no mechanism for tracking or managing the total amount withdrawn, for assessing or addressing the impacts of new uses on existing uses, or for managing groundwater in order to sustain water supplies and ensure stability and certainty for rural Arizona.

Some Arizona communities are already experiencing the consequences of this lack of protection, including wells drying up or needing to be deepened (at substantial expense); conflicts arising among neighbors; depletion of aquifers that communities rely on; fissures and property damage caused by land subsidence; and the diminishment of flow in some rivers and streams.

AMAs and INAs are currently the only groundwater management options available but are often viewed as rigid tools that may not be a good fit for different parts of the state.

The Legislature made a historic investment in water in 2022 through a greatly expanded WIFA, yet the lack of underlying groundwater protections could complicate the ability of public funds to be invested in rural Arizona in financially sound and responsible ways.

A groundwater recharge project, for example, cannot guarantee any water captured and stored underground will be available for future use if another water user may drill a well nearby and pump that same water.

Inaction is increasingly seen as not viable by rural communities facing groundwater challenges, as demonstrated in 2022 by voters in the Douglas Basin who approved the state's 6th AMA. In addition, in 2022, ADWR designed the state's 4th INA in the Hualapai Valley Basin following a petition by the Mohave County Board of Supervisors.

Discussions have continued over many years without yet finding a viable solution; however, continuing inaction has increasingly negative consequences for the state's economy, communities, agriculture, environment, and quality of life.

Purpose of the Bill

Local Groundwater Stewardship Areas (LGSAs) are a proposed flexible alternative for groundwater protection in rural Arizona.

The purpose of the LGSA concept is to provide an opt-in framework for local and state coordination in planning and managing groundwater in areas outside of Active Management Areas.

The concept is shaped by several important guiding principles:

- *Expanding the toolbox for rural communities with options to create locally tailored, basin-level solutions to meet needs, while ensuring appropriate balance and accountability through state support and implementation.*
- *Providing an opt-in, flexible alternative to the more rigid options of new AMAs or INAs, or the status quo of unlimited pumping of finite groundwater.*
- *Providing dedicated funding for administration, technical support, and implementation.*
- *Offering numerous types of voluntary conservation programs and incentives, which can be customized in the local planning process to help meet area goals and support all water users.*
- *Promoting stability of shared groundwater supplies and provide value and opportunities for all water users and rural economies.*

Key Features of the Bill

LGSA Designation Process	LGSA Council	Management Plan Contents	Implementation
• **Designation criteria** that must be met before an LGSA may be designated • **Area/Extent** for an LGSA • **Process for designation**, including three paths – county, resident, or ADWR - for initiating the designation, and for all paths, an ADWR hearing and order to formally designate an LGSA.	• **LGSA Council composition and appointment process**, including the total number of and qualifications for LGSA Councils, and the process for appointing members to the council. • **Roles, responsibilities, and limitations** of the LGSA council.	• **Goals** for the LGSA related to improving groundwater conditions, goals must relate to reason for designation. • **Opt-in set of management tools** to address the groundwater challenges and achieve the LGSA goals. • **Tracking** to assess progress towards the goals	• **Dedicated funding** to support plan development and implementation • **Approval & implementation** of management tools by the relevant regulatory authorities, including AWDR. • **LGSA Review/ Plan Re-adoption** at regular periods to ensure that the LGSA designation and Plan are still appropriate

**See next slides for additional information on each feature, along with references to the relevant LGSA bill sections*

LGSA Designation Process

LGSA designation may be initiated in three ways:

1. By a County Board of Supervisors, upon resolution and signed petition submitted to ADWR, *OR*
2. By local voters, upon a signed petition signed by 10% of the voters within the proposed area submitted to ADWR, *OR*
3. By the ADWR director.

If a petition is received, or if the ADWR director determines that it is warranted, **ADWR will hold a public hearing** to consider whether an LGSA should be designated. The ADWR will evaluate whether both criteria are true:

1. One of more of the following conditions exist in the proposed area:
    a. Groundwater use exceeds the rate of recharge
    b. There are physical indications of over pumping
    c. Additional action is needed to protect surface water rights or federal reserved rights
    d. Additional action and cooperation is needed to protect groundwater as the only or primary drinking water supply
2. Establishment of an AMA is not necessary.

If warranted, **ADWR will designate the area** as a Local Groundwater Stewardship Area.

See LGSA Bill Section 14, 45-651 (as proposed to be amended)

LGSA Council

The LGSA Council is composed of 9 members. Council members serve five-year terms and are eligible for one reappointment.

See LGSA Bill Section 14, 45-652 (as proposed to be amended)

At least 6 of the 9 members must be residents within the LGSA, and all members are appointed based on their:

- Knowledge of, interest in, and experience relating to the condition, development, use and conservation of groundwater within the LGSA.
- Ability to effectively represent the interests of all stakeholders involved in the planning and management of groundwater resources within the LGSA.

Prospective Council Members must submit an application to ADWR demonstrating their merit and qualifications. ADWR shares the applications with all appointing parties.

Council members are appointed by the Governor (3 members), County Board(s) of Supervisors (2 members), Senate leadership (1 member each by the Majority and Minority leaders), and House leadership (1 member each by the Majority and Minority leaders). The order that appointments are made is staggered each term.

The **key roles and responsibilities of the LGSA Council** include: analyzing local conditions and possible management actions, preparing an LGSA Plan, and making recommendations to relevant regulatory agencies related to implementing the management actions contained in the Plan. The LGSA Council must form a Technical Committee with at least one representative from ADWR. A Council may form a Steering Committee, Advisory Committee, or other similar committees to engage residents and interested parties in development and implementation of the Plan.

See LGSA Bill Section 14, 45-653, 45-654 (as proposed to be amended)

Management Plan Contents

LGSA Councils must develop and adopt an LGSA Management Plan, which must include four main components:

1. One or more **goals** for the LGSA. Goals may include, as appropriate:
    1. Achieving safe yield
    2. Preventing long-term declines in groundwater levels
    3. Controlling and preventing subsidence
    4. Controlling and preventing water quality degradation
    5. Addressing other environmental or natural resource issues relevant to the groundwater resources within the LGSA.
2. A description of the hydrologic, geologic, ecological, and demographic **conditions** in the LGSA and how the goals relate to those conditions,
3. **Proposed actions** to achieve the LGSA goals, and identification of the relevant regulatory agency or other entity with the legal authority to approve and implement the proposed action
    - *Note that any action included in the plan is provisional and is not implemented or enforceable until and unless approved by the relevant entity*
    - *See next slide for additional information on potential actions that could be included in a Management Plan*
4. Methods to **monitor** and report on progress towards the LGSA goals.

See LGSA Bill Section 14, 45-655

Note: Goals must relate to the reason for the LGSA designation

Opt-in Management Tools

The LGSA proposal includes a **variety of "opt-in" tools**, providing a menu of options to help meet local needs and advance the LGSA goals. Additionally, it is an **"all hands" approach**, integrating a variety of existing management tools and tailoring their application for the LGSA context. Some of the types of actions that may be included in an LGSA Plan are recommendations/ requests to:

County and municipal governments, *which may include, as appropriate:*

- Incentivizing or require water conservation through:
  - Integrating goals and relevant policies into Comprehensive and General Plan;
  - Adopting a "mandatory adequacy" ordinance under the Adequate Water Supply Program *within* the LGSA (a more precise application of mandatory adequacy vs county wide);
  - Establishing special zoning districts, overlay zoning districts, and relevant regulations to support goals;
  - Integrating water conservation actions into subdivision regulations;
  - Integrating water conservation actions into building codes and permit requirements
- Constructing and operating relevant infrastructure pursuant to a plan for recharge, storage, and recovery to improve aquifer recharge.

See LGSA Bill Section 14, 45-655(D)(1)(a),(c); and complementary Sections 2-4

Water utilities, *which may include, as appropriate:*

- establishing incentives and rules to encourage water conservation.

See LGSA Bill Section 14, 45-655(D)(1)(b)

ADWR, *which may include, as appropriate:*

- Water measuring devices for certain groundwater withdrawals (with a tax incentive provided for device cost and installation);
- Records and annual reporting of certain groundwater withdrawals;
- Designation of an "Interim irrigation protection area" within the LGSA with acreage flexibilities;
- Well spacing/citing rules for new or replacement wells;
- Voluntary or mandatory conservation programs that apply to certain groundwater withdrawals;
- Programs to approve and fund voluntary, compensated land and water conservation plans.

See LGSA Bill Section 14, 45-655(D)(2); and complementary Sections 5-14

Councils may select any combination of actions from the menu to include in a management plan in order to best meet the management goals, **however existing local and state authorities decide and ultimately implement actions**. This ensures communities and stakeholders are in a position to make choices about their own groundwater future while also providing balance, checks, accountability, and state-local coordination.

Implementation

The LGSA bill includes **dedicated funding to support plan development and implementation**. $50 million will be dedicated every year from state lottery funds for administration, technical support, implementation, incentives for agricultural, municipal/ residential, and industrial groundwater users, and other relevant activities for LGSAs. Additionally, an LGSA Council may secure other public or private funding and negotiate contracts to support development and implementation of a management plan.

See LGSA Bill Section 1, 5-572, and Section 8, 45-119

Approval and implementation of specific management actions included in the management plan will be undertaken by the relevant local or state authority.

See LGSA Bill Section 14, 45-655 and 45-656

- *For example*, an LGSA Council may include an action in the plan to encourage water conservation fixtures and landscaping in new development. Once the Council has adopted the management plan, it will submit a recommendation to the relevant county and municipal governments within the LGSA to, i.e., integrate the LGSA goal into the relevant Comprehensive and/or General Plans and relevant water conservation fixtures and landscaping standards into building ordinances and/or subdivision regulations. It is then up to that county or municipal government to undertake their standard processes for considering and, if approved, implementing those actions.

LGSA Management Plans must be **reviewed and readopted** (with modifications, as needed/appropriate) at least every ten years.

See LGSA Bill Section 14, 45-657

Summary of LGSA Process

LGSA Designation

- Designation process initiated by ADWR, local voters, or County Board of Supervisors
- ADWR considers designation criteria, holds public hearing, and issues an order to designate the area as an LGSA (if appropriate) and defines the boundaries

Appointment of LGSA Council

- Nine members appointed by Governor (3), Senate and House leadership (4), and County Board of Supervisors (2) based on knowledge, experience, and ability to represent stakeholders, through transparent application process.

Management Plan Development & Approval

- LGSA Council develops and approves a management plan that: (1) Defines goals for management; (2) Identifies proposed management actions from menu of options and relevant implementing entities, and (3) Lays out a monitoring program to report on progress towards the goals.

Implementation

- LGSA Council submits recommendations and requests to relevant entities to implement the management actions included in the Plan
- Relevant entities consider and approve (if appropriate) the management actions
- Relevant entities implement and enforce the actions.

Periodic Plan Review

- Management Plan is reviewed and re-adopted at least every 10 years

Summary of LGSA Bill Sections

Sec. 1	**5-572.** Use of monies in state lottery fund; report	*Dedicates funding for LGSA Plan development & implementation; see also Sec. 5, which provides authority to ADWR to utilize the fund.*
Sec. 2	**9-461.05.** General plans; authority; scope	*Complementary change related to the opt-in management action of integrating LGSA goals into municipal general plans; see also Sec. 17, 45-655(D)(1)*
Sec. 3	**11-804.** Comprehensive plan; contents	*Complementary change related to the opt-in management action of integrating LGSA goals into county comprehensive plans; see also Sec. 17, 45-655(D)(1)*
Sec. 4	**11-823.** Water supply; adequacy; exemptions	*Complementary change related to the opt-in management action of adopting a mandatory adequacy ordinance; see also Sec. 17, 45-655(D)(1)*
Sec. 5	**43-1090**. Credit for water measuring devices	*Complementary change related to the opt-in management action of requiring a water measuring device within an LGSA; see also Sec. 14, 45-655(D)(2). This provision provides an income tax credits for individuals installing a water measuring device at a residence*
	43-1090.01. Credit for water measuring devices; commercial and industrial applications	*Complementary change related to the opt-in management action of requiring a water measuring device within an LGSA; see also Sec. 14, 45-655(D)(2). This provision provides an income tax credits for individuals installing one or more device(s) for commercial or industrial uses*
Sec. 6	**43-1185.** Credit for water measuring devices; commercial and industrial applications	*Complementary change related to the opt-in management action of requiring a water measuring device within an LGSA; see also Sec. 14, 45-655(D)(2). This provision provides an income tax credits for corporations installing one or more device(s) for commercial or industrial uses*
Sec. 7	**45-105.** Powers and duties of director	*Clarifies the powers and duties of the ADWr director related to supporting LGSAs, adding a requirement for ADWR to consult with tribes in carrying out its technical assistance duties for LGSAs*
Sec. 8	**45-119.** Department of water resources local groundwater stewardship fund; limitation; annual report	*Authorizes ADWR to utilize the funding dedicated; see also Sec. 1*
Sec. 9	**45-401.** Declaration of policy	*Builds on the Legislature's existing declaration of policy in the Groundwater Management Code to state the complementary policies of LGSAs.*
Sec. 10	**45-453**. Groundwater rights and uses in areas outside active management areas; amounts; transportation; irrigation non-expansion areas	*Conforming change to incorporate reference to new LGSA chapter 13*
Sec. 11	**45-598**. New wells and replacement wells in new locations in active management areas and local groundwater stewardship areas; rules; permit required	*Complementary change related to the opt-in management action of implementing well spacing/siting rules within an LGSA; see also Sec. 17, 45-655(D)(2)*
Sec. 12	**45-604**. Water measuring devices	*Complementary change related to the opt-in management action of requiring water measuring devices within an LGSA; see also Sec. 17, 45-655(D)(2)*
Sec. 13	**45-632**. Records and annual report of groundwater pumping, transportation and use; penalty	*Complementary change related to the opt-in management action of requiring reporting of groundwater pumping within an LGSA; see also Sec. 17, 45-655(D)(2)*

(continued on next page)

See: *HB2731 and SB1306*

Summary of LGSA Bill Sections

(continued from previous page)

Sec. 14	**45-651**. Director and local initiation of local groundwater stewardship area; conditions; hearing	*Process and criteria for designation of an LGSA*
	45-652. Local groundwater stewardship area council; membership	*Process and criteria for appointing LGSA Council members*
	45-653. Local groundwater stewardship area council; powers and duties; local groundwater stewardship area plan	*Roles, responsibilities, and limitations of an LGSA Council*
	45-654. Local groundwater stewardship area council; administrative duties	*Administrative duties of an LGSA Council*
	45-655. Local groundwater stewardship area plan; contents; notice	*Contents of an LGSA Plan, which is developed and approved by an LGSA Council.*
	45-656. Adoption of local groundwater stewardship area plan; council hearings; department hearings; notice	*Process for adopting an LGSA Plan by an LGSA Council; process for ADWR review and approval of relevant portions of the Plan (management tools to be approved and implemented by ADWR)*
	45-657. Management plan review; readoption; modification	*Establishes the process for recurring 10-year review of a management plan. 10-year review provides an opportunity to modify the management and monitoring actions in the plan and/or adjust monitoring to better assess progress towards goals if needed. The LGSA Council determines whether to readopt the plan or modify and adopt a new plan. Any new or modified actions in the plan are subject to the relevant local or state processes for approval and appeal*
	45-658. Conservation programs for local groundwater stewardship area; rules	*Complementary change related to the opt-in management action of conservation programs within an LGSA; see also Sec. 17, 45-655(D)(2)*
	45-659. Interim irrigation protection areas	*New sections added to create a new "Interim irrigation protection area" that can be created within an LGSA. These provisions replace the previous INA provisions, such that 'INAs within an LGSA' are no longer on the menu of optional tools that can be included an LGSA management plan. These "IIPA" provisions are modeled after similar INA statutes, revised for the LGSA/IIPA context. These are intended to:* • *allow for easier modification of IIPA statues vs working within INA statues, i.e., can modify new IIPA section easily without risk of impacting existing INAs;* • *IIPA will retain the new acreage substitution flexibility that was in the previous draft Stewardship Area INA tool (acres can move as long as water use is level and there is an equivalent reduction in acres elsewhere);* • *an IIPA may go away if and/or when a Stewardship Area is rescinded or if the IIPA tool is determined to no longer be needed, if such actions are determined to be warranted during 10-year review.* *Includes two flexibility options not currently provided in similar INA provision:* • *acreage substitution flexibility: acres can expand as long as there is an equivalent reduction of acreage elsewhere within the IIPA and withdrawals do not increase within the IIPA.* • *irrigation efficiency within a farm unit: farm unit can expand or move acres within the farm unit as long as water use does not increase*
	45-660. Limitation on number of irrigated acres	
	45-661. Hearing on designation of interim irrigation protection areas and boundaries; notice; procedures; findings upon hearing; order	
	45-662. Irrigated acreage in interim irrigation protection area; exemption	
	45-663. Flood damaged acres in interim irrigation protection area; substitution of acres; definitions	
	45-664. Impediments to efficient irrigation in interim irrigation protection area; substitution of acres; definitions	
	45-665. Change of place or type of irrigation use; substitution of acres; farm unit conservation and efficiency	
	45-666. Review and modification of boundaries of interim irrigation protection areas	

See: *HB2731 and SB1306*