REFERENCES TITLE: local groundwater stewardship areas

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2731

Introduced by
Representative Biasiucci

AN ACT

AMENDING SECTIONS 5-572, 9-461.05, 11-804 AND 11-823, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-119; AMENDING SECTIONS 45-401, 45-432, 45-433, 45-435 AND 45-437, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-437.04; AMENDING SECTIONS 45-453, 45-512, 45-598, 45-604 AND 45-632, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 13; RELATING TO WATER.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 5-572, Arizona Revised Statutes, is amended to read:

5-572. Use of monies in state lottery fund; report
A. If there are any bonds or bond related obligations payable from the state lottery revenue bond debt service fund, the state lottery revenue bond debt service fund shall be secured by a first lien on the monies in the state lottery fund after the payment of operating costs of the lottery, as prescribed in section 5-555, subsection A, paragraph 1, until the state lottery bond debt service fund contains sufficient monies to meet all the requirements for the current period as required by the bond documents. Debt service for revenue bonds issued pursuant to this chapter shall be paid first from monies that would have otherwise been deposited pursuant to this section in the state general fund. After the requirements for the current period have been satisfied as required by the bond documents, the monies in the state lottery fund shall be expended for the expenses of the commission incurred in carrying out its powers and duties and in the operation of the lottery.
B. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsection A of this section, ten million dollars $10,000,000 shall be deposited in the Arizona game and fish commission heritage fund established by section 17-297.
C. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A and B of this section, five million dollars $5,000,000 shall be allocated to the department of child safety for the healthy families program established by section 8-481, four million dollars $4,000,000 shall be allocated to the Arizona board of regents for the Arizona area health education system established by section 15-1643, three million dollars $3,000,000 shall be allocated to the department of health services for the teenage pregnancy prevention programs established in Laws 1995, chapter 190, sections 2 and 3, two million dollars $2,000,000 shall be allocated to the department of health services for the health start program established by section 36-697, two million dollars $2,000,000 shall be deposited in the disease control research fund established by section 36-274 and one million dollars $1,000,000 shall be allocated to the department of health services for the federal women, infants and children food program. The allocations in this subsection shall be adjusted annually according to changes in the GDP price deflator as defined in section 41-563, and the allocations are exempt from the provisions of section 35-190 relating to lapsing of appropriations. If there are not sufficient monies available pursuant to this subsection, the allocation of monies for each program shall be reduced on a pro rata basis.
D. If the state lottery director determines that monies available to the state general fund may not equal **eighty-four million one hundred fifty thousand dollars** $84,150,000 in a fiscal year, the director shall not authorize deposits to the Arizona game and fish commission heritage fund pursuant to subsection B of this section until the deposits to the state general fund equal **eighty-four million one hundred fifty thousand dollars** $84,150,000 in a fiscal year.

E. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A through D of this section, **one million dollars** $1,000,000 or the remaining balance in the fund, whichever is less, is appropriated to the department of economic security for grants to nonprofit organizations, including faith based FAITH-BASED organizations, for homeless emergency and transitional shelters and related support services. The department of economic security shall submit a report on the amounts, recipients, purposes and results of each grant to the governor, the speaker of the house of representatives and the president of the senate on or before December 31 of each year for the prior fiscal year and shall provide a copy of this report to the secretary of state.

F. Of the monies remaining in the state lottery fund each fiscal year after appropriations and deposits authorized in subsections A through E of this section, and after a total of at least **ninety-nine million six hundred forty thousand dollars** $99,640,000 has been deposited in the state general fund, **three million five hundred thousand dollars** $3,500,000 shall be deposited in the Arizona competes fund established by section 41-1545.01. The balance in the state lottery fund remaining after deposits into the Arizona competes fund shall be deposited in the university capital improvement lease-to-own and bond fund established by section 15-1682.03, up to a maximum of eighty percent of the total annual payments of lease-to-own and bond agreements entered into by the Arizona board of regents.

G. OF THE MONIES REMAINING IN THE STATE LOTTERY FUND EACH FISCAL YEAR AFTER APPROPRIATIONS AND DEPOSITS AUTHORIZED IN SUBSECTIONS A THROUGH F OF THIS SECTION, **$50,000,000 SHALL BE DEPOSITED IN THE DEPARTMENT OF WATER RESOURCES LOCAL GROUNDWATER STEWARDSHIP FUND ESTABLISHED BY SECTION 45-119**.

H. All monies remaining in the state lottery fund after the appropriations and deposits authorized in this section shall be deposited in the state general fund.

I. Except for monies expended for debt service of revenue bonds as provided in subsection A of this section, monies expended under subsection A of this section are subject to legislative appropriation.

J. The commission shall transfer monies prescribed in this section on a quarterly basis.
Sec. 2. Section 9-461.05, Arizona Revised Statutes, is amended to read:

9-461.05. **General plans; authority; scope**

A. Each planning agency shall prepare and the governing body of each municipality shall adopt a comprehensive, long-range general plan for the development of the municipality. The planning agency shall coordinate the production of its general plan with the creation of the state land department conceptual land use plans under title 37, chapter 2, article 5.1 and shall cooperate with the state land department regarding integrating the conceptual state land use plans into the municipality's general land use plan. The general plan shall include provisions that identify changes or modifications to the plan that constitute amendments and major amendments. The plan shall be adopted and readopted in the manner prescribed by section 9-461.06.

B. The general plan shall be so prepared that all or individual elements of the plan may be adopted by the governing body and that the plan may be made applicable to all or part of the territory of the municipality.

C. The general plan shall consist of a statement of community goals and development policies. The plan shall include maps, any necessary diagrams and text setting forth objectives, principles, standards and plan proposals. The plan shall include the following elements:

1. A land use element that:
   (a) Designates the proposed general distribution and location and extent of such uses of the land for housing, business, industry, agriculture, recreation, education, public buildings and grounds, open space and other categories of public and private uses of land as may be appropriate to the municipality.
   (b) Includes a statement of the standards of population density and building intensity recommended for the various land use categories covered by the plan.
   (c) Identifies specific programs and policies that the municipality may use to promote infill or compact form development activity and locations where those development patterns should be encouraged.
   (d) Includes consideration of air quality and access to incident solar energy for all general categories of land use.
   (e) Includes policies that address maintaining a broad variety of land uses, including the range of uses existing in the municipality when the plan is adopted, readopted or amended.
   (f) For cities and towns with territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, includes consideration of military airport or ancillary military facility operations. If a city or town includes land in a high noise or accident potential zone as defined in section 28-8461, the city or town shall identify the boundaries of the high noise or accident potential zone.
in its general plan for purposes of planning land uses in the high noise or accident potential zone that are compatible with the operation of the military airport or ancillary military facility pursuant to section 28-8481, subsection J.

(g) Includes sources of aggregates from maps that are available from state agencies, information from the Arizona geological survey on how to locate existing mines, consideration of existing mining operations and suitable geologic resources, policies to preserve currently identified aggregates sufficient for future development and policies to avoid incompatible land uses, except that this subdivision shall not be construed to affect any permitted underground storage facility or limit any person's right to obtain a permit for an underground storage facility pursuant to title 45, chapter 3.1.

2. A circulation element consisting of the general location and extent of existing and proposed freeways, arterial and collector streets, bicycle routes and any other modes of transportation as may be appropriate, all correlated with the land use element of the plan.

D. For cities and towns with a population of more than two thousand five hundred persons but less than ten thousand persons and whose population growth rate exceeded an average of two percent per year for the ten-year period before the most recent United States decennial census and for cities and towns with a population of ten thousand or more persons according to the most recent United States decennial census, the general plan shall include, and for other cities and towns the general plan may include:

1. An open space element that includes:
   (a) A comprehensive inventory of open space areas, recreational resources and designations of access points to open space areas and resources.
   (b) An analysis of forecasted needs, policies for managing and protecting open space areas and resources and implementation strategies to acquire additional open space areas and further establish recreational resources.
   (c) Policies and implementation strategies designed to promote a regional system of integrated open space and recreational resources and a consideration of any existing regional open space plans.

2. A growth area element, specifically identifying those areas, if any, that are particularly suitable for planned multimodal transportation and infrastructure expansion and improvements designed to support a planned concentration of a variety of uses, such as residential, office, commercial, tourism and industrial uses. This element shall include policies and implementation strategies that are designed to:
   (a) Make automobile, transit and other multimodal circulation more efficient, make infrastructure expansion more economical and provide for a rational pattern of land development.
(b) Conserve significant natural resources and open space areas in the growth area and coordinate their location to similar areas outside the growth area's boundaries.

(c) Promote the public and private construction of timely and financially sound infrastructure expansion through the use of infrastructure funding and financing planning that is coordinated with development activity.

3. An environmental planning element that contains analyses, policies and strategies to address anticipated effects, if any, of plan elements on air quality, water quality and natural resources associated with proposed development under the general plan. The policies and strategies to be developed under this element shall be designed to have community-wide applicability and shall not require the production of an additional environmental impact statement or similar analysis beyond the requirements of state and federal law.

4. A cost of development element that identifies policies and strategies that the municipality will use to require development to pay its fair share toward the cost of additional public service needs generated by new development, with appropriate exceptions when in the public interest. This element shall include:
   (a) A component that identifies various mechanisms that are allowed by law and that can be used to fund and finance additional public services necessary to serve the development, including bonding, special taxing districts, development fees, in lieu fees, facility construction, dedications and service privatization.
   (b) A component that identifies policies to ensure that any mechanisms that are adopted by the municipality under this element result in a beneficial use to the development, bear a reasonable relationship to the burden imposed on the municipality to provide additional necessary public services to the development and otherwise are imposed according to law.

5. A water resources element that addresses:
   (a) The known legally and physically available surface water, groundwater and effluent supplies.
   (b) THE MANAGEMENT GOALS OF A LOCAL GROUNDWATER STEWARDSHIP AREA ADOPTED IN A MANAGEMENT PLAN PURSUANT TO SECTIONS 45-655 AND 45-656 THAT ARE APPLICABLE TO ALL OR PART OF THE TERRITORY OF THE MUNICIPALITY.
   (c) The demand for water that will result from future growth projected in the general plan, added to existing uses.
   (d) An analysis of how the demand for water that will result from future growth projected in the general plan will be served by the water supplies identified in subdivision (a) of this paragraph or a plan to obtain additional necessary water supplies IN A MANNER THAT IS CONSISTENT WITH ACHIEVING ANY APPLICABLE LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS.
E. The general plan shall include for cities with a population of fifty thousand persons or more and may include for cities with a population of less than fifty thousand persons the following elements or any part or phase of the following elements:

1. A conservation element for the conservation, development and utilization of natural resources, including forests, soils, rivers and other waters, harbors, fisheries, wildlife, minerals and other natural resources. The conservation element may also cover:
   (a) The reclamation of land.
   (b) Flood control.
   (c) Prevention and control of the pollution of streams and other waters.
   (d) Regulation of the use of land in stream channels and other areas required for the accomplishment of the conservation plan.
   (e) Prevention, control and correction of the erosion of soils, beaches and shores.
   (f) Protection of watersheds.

2. A recreation element showing a comprehensive system of areas and public sites for recreation, including the following and, if practicable, their locations and proposed development:
   (a) Natural reservations.
   (b) Parks.
   (c) Parkways and scenic drives.
   (d) Beaches.
   (e) Playgrounds and playfields.
   (f) Open space.
   (g) Bicycle routes.
   (h) Other recreation areas.

3. The circulation element provided for in subsection C, paragraph 2 of this section shall also include for cities with a population of fifty thousand persons or more and may include for cities with a population of less than fifty thousand persons recommendations concerning parking facilities, building setback requirements and the delineations of such systems on the land, a system of street naming and house and building numbering and other matters as may be related to the improvement of circulation of traffic. The circulation element may also include:
   (a) A transportation element showing a comprehensive transportation system, including locations of rights-of-way, terminals, viaducts and grade separations. This element of the plan may also include port, harbor, aviation and related facilities.
   (b) A transit element showing a proposed system of rail or transit lines or other mode of transportation as may be appropriate.

4. A public services and facilities element showing general plans for police, fire, emergency services, sewage, refuse disposal, drainage, local utilities, rights-of-way, easements and facilities for them.
5. A public buildings element showing locations of civic and community centers, public schools, libraries, police and fire stations and other public buildings.

6. A housing element consisting of standards and programs for the elimination of substandard dwelling conditions, for the improvement of housing quality, variety and affordability and for provision of adequate sites for housing. This element shall contain an identification and analysis of existing and forecasted housing needs. This element shall be designed to make equal provision for the housing needs of all segments of the community regardless of race, color, creed or economic level.

7. A conservation, rehabilitation and redevelopment element consisting of plans and programs for:
   (a) The elimination of slums and blighted areas.
   (b) Community redevelopment, including housing sites, business and industrial sites and public building sites.
   (c) Other purposes authorized by law.

8. A safety element for the protection of the community from natural and artificial hazards, including features necessary for such protection as evacuation routes, peak load water supply requirements, minimum road widths according to function, clearances around structures and geologic hazard mapping in areas of known geologic hazards.

9. A bicycling element consisting of proposed bicycle facilities such as bicycle routes, bicycle parking areas and designated bicycle street crossing areas.

10. An energy element that includes:
    (a) A component that identifies policies that encourage and provide incentives for efficient use of energy.
    (b) An assessment that identifies policies and practices that provide for greater uses of renewable energy sources.

11. A neighborhood preservation and revitalization element, including:
    (a) A component that identifies city programs that promote home ownership, that provide assistance for improving the appearance of neighborhoods and that promote maintenance of both commercial and residential buildings in neighborhoods.
    (b) A component that identifies city programs that provide for the safety and security of neighborhoods.

F. The water resources element of the general plan does not require:
   1. New independent hydrogeologic studies.
   2. The city or town to be a water service provider.

G. The land use element of a general plan of a city with a population of more than one million persons shall include protections from encroaching development for any shooting range that is owned by this state and that is located within or adjacent to the exterior municipal
boundaries on or before January 1, 2004. The general plan shall establish
land use categories within at least one-half mile from the exterior
boundaries of the shooting range that are consistent with the continued
existence of the shooting range and that exclude incompatible uses such as
residences, schools, hotels, motels, hospitals or churches except that
land zoned to permit these incompatible uses on August 25, 2004 are exempt
from this exclusion. For the purposes of this subsection, "shooting
range" means a permanently located and improved area that is designed and
operated for the use of rifles, shotguns, pistols, silhouettes, skeet, trap, black powder or any other similar sport shooting in an outdoor
environment. Shooting range does not include:

1. Any area for the exclusive use of archery or air guns.
2. An enclosed indoor facility that is designed to offer a totally
controlled shooting environment and that includes impenetrable walls,
floor and ceiling, adequate ventilation, lighting systems and acoustical
treatment for sound attenuation suitable for the range's approved use.
3. A national guard facility located in a city or town with a
population of more than one million persons.
4. A facility that was not owned by this state before January 1,
2002.

H. The policies and strategies to be developed under these elements
shall be designed to have community-wide applicability and this section
does not authorize the imposition of dedications, exactions, fees or other
requirements that are not otherwise authorized by law.

Sec. 3. Section 11-804, Arizona Revised Statutes, is amended to
read:

11-804. Comprehensive plan; contents
A. The commission shall formulate and the board of supervisors
shall adopt or readopt a long-term comprehensive plan for the development
of the area of jurisdiction in the manner prescribed by this article. The
comprehensive plan, with the accompanying maps, plats, charts and
descriptive matter, shall show the commission's recommendations for the
development of the area of jurisdiction. The comprehensive plan shall be
made with the general purpose of guiding and accomplishing a coordinated,
adjusted and harmonious development of the area of jurisdiction pursuant
to the present and future needs of the county. The comprehensive plan
shall be developed so as to conserve the natural resources of the county,
to ensure efficient expenditure of public monies and to promote the
health, safety, convenience and general welfare of the public. The
comprehensive plan may include studies and recommendations relative to the
location, character and extent of highways, railroads, bus and other
transportation routes, bicycle facilities, bridges, public buildings,
public services, schools, parks, open space, housing quality, variety and
affordability, parkways, hiking and riding trails, airports, forests,
wildlife areas, dams, projects affecting conservation of natural
resources, air quality, water quality and floodplain zoning. In the
preparation of the comprehensive plan, the commission shall make surveys
and studies of the present conditions and prospective future growth of the
area of the jurisdiction. The comprehensive plan shall be a public
record, but its purpose and effect shall be primarily as an aid to the
county planning and zoning commission and to the board of supervisors in
the performance of their duties. The comprehensive plan shall include
provisions that identify changes or modifications that constitute
amendments and major amendments to the plan.

B. In addition to the other matters that are required or authorized
under this section and this article, for counties with a population of
more than one hundred twenty-five thousand persons, the comprehensive plan
shall include, and for other counties the comprehensive plan may include:

1. Planning for land use that designates the proposed general
distribution and location and extent of uses of the land for housing,
business, industry, agriculture, recreation, education, public buildings
and grounds, open space and other categories of public and private uses of
land appropriate to the county. The land use plan shall include:
   (a) A statement of the standards of population density and building
       intensity recommended for the various land use categories covered by the
       plan.
   (b) Specific programs and policies that the county may use to
       promote compact form development activity and locations where those
       development patterns should be encouraged.
   (c) Consideration of air quality and access to incident solar
       energy for all general categories of land use.
   (d) Policies that address maintaining a broad variety of land uses,
       including the range of uses existing in the county at the time the plan is
       adopted, readopted or amended.
   (e) Currently identified sources of aggregates from maps that are
       available from state agencies, information from the Arizona geological
       survey on how to locate existing mines, consideration of existing mining
       operations and suitable geologic resources, policies to preserve currently
       identified aggregates sufficient for future development and policies to
       avoid incompatible land uses, except that this subdivision shall not
       be construed to affect any permitted underground storage facility or limit
       any person's right to obtain a permit for an underground storage facility
       pursuant to title 45, chapter 3.

2. Planning for circulation consisting of the general location and
extent of existing and proposed freeways, arterial and collector streets,
bicycle routes and any other modes of transportation as may be
appropriate, all correlated with the land use plan under paragraph 1 of
this subsection.

3. Planning for water resources that addresses:
   (a) The known legally and physically available surface water, groundwater and effluent supplies.
   (b) THE MANAGEMENT GOALS OF A LOCAL GROUNDWATER STEWARDSHIP AREA ADOPTED IN A MANAGEMENT PLAN PURSUANT TO SECTIONS 45-655 AND 45-656 THAT ARE APPLICABLE TO ALL OR PART OF THE AREA OF JURISDICTION.
   (c) The demand for water that will result from future growth projected in the comprehensive plan, added to existing uses.
   (d) An analysis of how the demand for water that will result from future growth projected in the comprehensive plan will be served by the water supplies identified in subdivision (a) of this paragraph or a plan to obtain additional necessary water supplies IN A MANNER THAT IS CONSISTENT WITH ACHIEVING ANY APPLICABLE LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS.

4. Planning for energy use that:
   (a) Encourages and provides incentives for efficient use of energy.
   (b) Identifies policies and practices for greater use of renewable energy.

C. In addition to the other matters that are required or authorized under this section and this article, for counties with a population of more than two hundred thousand persons, the comprehensive plan shall include, and for other counties the comprehensive plan may include:

1. Planning for open space acquisition and preservation. The open space plan shall include:
   (a) A comprehensive inventory of open space areas, recreational resources and designations of access points to open space areas and resources.
   (b) An analysis of forecasted needs, policies for managing and protecting open space areas and resources and implementation strategies to acquire additional open space areas and further establish recreational resources.
   (c) Policies and implementation strategies designed to promote a regional system of integrated open space and recreational resources and a consideration of any existing regional open space plan.

2. Planning for growth areas, specifically identifying those areas, if any, that are particularly suitable for planned multimodal transportation and infrastructure expansion and improvements designed to support a planned concentration of a variety of uses, such as residential, office, commercial, tourism and industrial uses. The mixed use planning shall include policies and implementation strategies that are designed to:
   (a) Make automobile, transit and other multimodal circulation more efficient, make infrastructure expansion more economical and provide for a rational pattern of land development.
(b) Conserve significant natural resources and open areas in the
growth area and coordinate their location to similar areas outside the
growth area's boundaries.
(c) Promote the public and private construction of timely and
financially sound infrastructure expansion through the use of
infrastructure funding and financing planning that is coordinated with
development activity.

3. An environmental planning element that contains analyses,
policies and strategies to address anticipated effects, if any, of plan
elements on air quality, water quality and natural resources associated
with proposed development under the comprehensive plan. The policies and
strategies to be developed under this element shall be designed to have
countywide applicability and shall not require the production of an
additional environmental impact statement or similar analysis beyond the
requirements of state and federal law.

4. A cost of development element that identifies policies and
strategies that the county will use to require development to pay its fair
share toward the cost of additional public facility needs generated by new
development, with appropriate exceptions when in the public interest.
This element shall include:
   (a) A component that identifies various mechanisms that are allowed
by law and that can be used to fund and finance additional public services
necessary to serve the development, including bonding, special taxing
districts, development fees, in lieu fees and facility construction,
dedications and privatization.
   (b) A component that identifies policies to ensure that any
mechanisms that are adopted by the county under this element result in a
beneficial use to the development, bear a reasonable relationship to the
burden imposed on the county to provide additional necessary public
facilities to the development and otherwise are imposed pursuant to law.

D. The water resources element of the comprehensive plan does not
require:
   1. New independent hydrogeologic studies.
   2. The county to be a water service provider.

E. In applying an open space element or a growth element of a
comprehensive plan, a county shall not designate private or state land as
open space, recreation, conservation or agriculture unless the county
receives the written consent of the landowner or provides an alternative,
economically viable designation in the comprehensive plan or zoning
ordinance, allowing at least one residential dwelling per acre. If the
landowner is the prevailing party in any action brought to enforce this
subsection, a court shall award fees and other expenses to the landowner.
Each county shall incorporate this subsection into its comprehensive plan
and provide a process for a landowner to resolve discrepancies relating to
this subsection.
F. The policies and strategies to be developed under these elements shall be designed to have regional applicability.

G. For counties with territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the commission shall also consider military airport or ancillary military facility operations and shall identify the boundaries of any high noise or accident potential zone as defined in section 28-8461 in its comprehensive plan for purposes of planning land uses in the high noise or accident potential zone that are compatible with the operation of the military airport or ancillary military facility pursuant to section 28-8481, subsection J.

Sec. 4. Section 11-823, Arizona Revised Statutes, is amended to read:

11-823. Water supply; adequacy; exemptions
A. To protect the public health and safety, the general regulations adopted by the board pursuant to section 11-821, subsection B, if approved by unanimous vote of the board of supervisors, may provide that, except as provided in subsection C- D and subsection D- E, paragraph 1 of this section, the board shall not approve a final plat for a subdivision composed of subdivided lands, as defined in section 32-2101, located outside of an active management area, as defined in section 45-402, unless one of the following applies:
1. The director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 and the subdivider has included the report with the plat.
2. The subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108.

B. IF RECOMMENDED BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655, SUBSECTION D, PARAGRAPH 1, SUBDIVISION (a), ITEM (ii) AND APPROVED BY MAJORITY VOTE OF THE BOARD OF SUPERVISORS, THE GENERAL REGULATIONS ADOPTED BY THE BOARD PURSUANT TO SECTION 11-821, SUBSECTION B MAY PROVIDE THAT, EXCEPT AS PROVIDED IN SUBSECTION D AND SUBSECTION E, PARAGRAPH 1 OF THIS SECTION, THE BOARD SHALL NOT APPROVE A FINAL PLAT FOR A SUBDIVISION COMPOSED OF SUBDIVIDED LANDS, AS DEFINED IN SECTION 32-2101, THAT IS LOCATED WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA UNLESS ONE OF THE FOLLOWING APPLIES:
1. THE DIRECTOR OF WATER RESOURCES HAS DETERMINED THAT THERE IS AN ADEQUATE WATER SUPPLY FOR THE SUBDIVISION PURSUANT TO SECTION 45-108 AND THE SUBDIVIDER HAS INCLUDED THE REPORT WITH THE PLAT.
2. THE SUBDIVIDER HAS OBTAINED A WRITTEN COMMITMENT OF WATER SERVICE FOR THE SUBDIVISION FROM A CITY, TOWN OR PRIVATE WATER COMPANY THAT IS DESIGNATED AS HAVING AN ADEQUATE WATER SUPPLY BY THE DIRECTOR OF WATER RESOURCES PURSUANT TO SECTION 45-108.
B. C. If the board unanimously adopts the provision authorized by subsection A OR B of this section:

1. The board may include in the general regulations an exemption from the provision for a subdivision that the director of water resources has determined will have an inadequate water supply because the water supply will be transported to the subdivision by motor vehicle or train if all of the following apply:
   (a) The board determines that there is no feasible alternative water supply for the subdivision and that the transportation of water to the subdivision will not constitute a significant risk to the health and safety of the residents of the subdivision.
   (b) If the water to be transported to the subdivision will be withdrawn or diverted in the service area of a municipal provider as defined in section 45-561, the municipal provider has consented to the withdrawal or diversion.
   (c) If the water to be transported is groundwater, the transportation complies with the provisions governing the transportation of groundwater in title 45, chapter 2, article 8.
   (d) The transportation of water to the subdivision meets any additional conditions imposed by the county.

2. The board shall promptly give written notice of the adoption of the provision to the director of water resources, the director of environmental quality and the state real estate commissioner. The notice shall include a certified copy of the provision and any exemptions adopted pursuant to paragraph 1 of this subsection. Water providers may be eligible to receive monies in a water supply development fund, as otherwise provided by law.

3. The board shall not rescind the provision or amend it in a manner that is inconsistent with subsection A OR B of this section. If the board amends the provision, it shall give written notice of the amendment to the director of water resources, the director of environmental quality and the state real estate commissioner. The board may rescind an exemption adopted pursuant to paragraph 1 of this subsection. If the board rescinds the exemption, it shall give written notice of the rescission to the director of water resources, the director of environmental quality and the state real estate commissioner, and the board shall not readopt the exemption for at least five years after the rescission becomes effective.

4. If the board approves a subdivision plat pursuant to subsection A, paragraph 1 or 2 OR B of this section, the board shall note on the face of the plat that the director of water resources has reported that the subdivision has an adequate water supply or that the subdivider has obtained a commitment of water service for the proposed subdivision from a city, town or private water company designated as having an adequate water supply pursuant to section 45-108.
5. If the board approves a subdivision plat pursuant to an exemption authorized by paragraph 1 of this subsection or granted by the director of water resources pursuant to section 45-108.02 or 45-108.03:

(a) The board shall give written notice of the approval to the director of water resources and the director of environmental quality.

(b) The board shall include on the face of the plat a statement that the director of water resources has determined that the water supply for the subdivision is inadequate and a statement describing the exemption under which the plat was approved, including a statement that the board or the director of water resources, whichever applies, has determined that the specific conditions of the exemption were met. If the director of water resources subsequently informs the board that the subdivision is being served by a water provider that has been designated by the director as having an adequate water supply pursuant to section 45-108, the board shall record in the county recorder's office a statement disclosing that fact.

D. Subsection A OR B of this section does not apply to:

1. A proposed subdivision that the director of water resources has determined will have an inadequate water supply pursuant to section 45-108 if the director grants an exemption for the subdivision pursuant to section 45-108.02 and the exemption has not expired or the director grants an exemption pursuant to section 45-108.03.

2. A proposed subdivision that received final plat approval from the county before the requirement for an adequate water supply became effective in the county if the plat has not been materially changed since it received the final plat approval. If changes were made to the plat after the plat received the final plat approval, the director of water resources shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108. If the county approves a plat pursuant to this paragraph and the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the county shall note this on the face of the plat.

E. If the subdivision is composed of subdivided lands as defined in section 32-2101 outside of an active management area and the board has not adopted a provision pursuant to subsection A OR B of this section:

1. If the director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 or if the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108, the board shall note this on the face of the plat if the plat is approved.
2. If the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the board shall note this on the face of the plat if the plat is approved.

Sec. 5. Title 45, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 45-119, to read:

45-119. Department of water resources local groundwater stewardship fund; limitation; annual report

A. THE DEPARTMENT OF WATER RESOURCES LOCAL GROUNDWATER STEWARDSHIP FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED FROM THE STATE LOTTERY FUND PURSUANT TO SECTION 5-572 AND INTEREST AND OTHER INCOME RECEIVED FROM INVESTING MONIES IN THE FUND.

B. THE DIRECTOR SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. MONIES RECEIVED PURSUANT TO SECTION 5-572 SHALL BE DEPOSITED DIRECTLY IN THE FUND. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

C. THE DEPARTMENT SHALL SPEND ALL MONIES IN THE FUND TO IMPLEMENT AND SUPPORT LOCAL GROUNDWATER STEWARDSHIP AREAS THAT ARE ESTABLISHED PURSUANT TO CHAPTER 2, ARTICLE 13 OF THIS TITLE.

D. THE DEPARTMENT MAY USE MONIES IN THE FUND TO SUPPORT DEPARTMENT ACTIVITIES RELATED TO LOCAL GROUNDWATER STEWARDSHIP AREAS PURSUANT TO SECTIONS 45-651, 45-653, 45-654 AND 45-656. THE DEPARTMENT MAY ALSO GRANT MONIES TO ANY AGENCY OF THE STATE OR ANY POLITICAL SUBDIVISION, INDIAN TRIBE OR NONPROFIT ORGANIZATION EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(c) OF THE INTERNAL REVENUE CODE FOR THE PURPOSE OF IMPLEMENTING PROGRAMS TO APPROVE AND FUND VOLUNTARY, COMPENSATED LAND AND WATER CONSERVATION PLANS TO CONSERVE AND AUGMENT GROUNDWATER SUPPLIES APPROVED BY THE DIRECTOR PURSUANT TO SECTION 45-656, SUBSECTION G.

E. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

F. THE DEPARTMENT SHALL NOT EXERCISE ANY POWER OF EMINENT DOMAIN TO ACQUIRE PROPERTY USING MONIES FROM THE FUND.

Sec. 6. Section 45-401, Arizona Revised Statutes, is amended to read:

45-401. Declaration of policy

A. The legislature finds that the people of Arizona are dependent in whole or in part upon groundwater basins for their water supply and that in many basins and sub-basins withdrawal of groundwater is greatly in excess of the safe annual yield and that this is threatening to destroy the economy of certain areas of this state and is threatening to do substantial injury to the general economy and welfare of this state and its citizens. The legislature further finds that it is in the best interest of the general economy and welfare of this state and its citizens that the legislature evoke its police power to prescribe which uses of groundwater are most beneficial and economically effective.

B. It is therefore declared to be the public policy of this state that in the interest of protecting and stabilizing the general economy and welfare of this state and its citizens it is necessary to conserve, protect and allocate the use of groundwater resources of the state and to provide a framework for the comprehensive management and regulation of the withdrawal, transportation, use, conservation and conveyance of rights to use the groundwater in this state.

C. IT IS FURTHER DECLARED TO BE THE PUBLIC POLICY OF THIS STATE THAT, GIVEN THE UNIQUE GEOGRAPHICAL AND HYDROLOGICAL REQUIREMENTS AND VARIED INTERESTS OF WATER USERS IN THE BASINS AND SUBBASINS WITHIN THIS STATE THAT ARE NOT PRESENTLY DESIGNATED AS ACTIVE MANAGEMENT AREAS, IT IS IN THE BEST INTEREST OF THE GENERAL ECONOMY AND WELFARE OF THIS STATE AND ITS CITIZENS THAT COUNTIES, LOCAL INTERESTS AND LOCAL RESIDENTS HAVE THE ABILITY TO COORDINATE WITH THE DEPARTMENT AND ADOPT A LOCAL MANAGEMENT PLAN TO DEFINE MANAGEMENT GOALS AND LOCALLY TAILORED ACTIONS FOR THE MANAGEMENT AND REGULATION OF THE WITHDRAWAL, USE AND CONSERVATION OF GROUNDWATER THROUGH DESIGNATION OF LOCAL GROUNDWATER STEWARDSHIP AREAS.

Sec. 7. Section 45-432, Arizona Revised Statutes, is amended to read:

45-432. Subsequent irrigation non-expansion areas; designation; review

A. The director may designate an area which is not included within an active management area as a subsequent irrigation non-expansion area if the director determines that both of the following apply:

1. EITHER:
   (a) 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.
   (b) IF THE DESIGNATION OF THE SUBSEQUENT IRRIGATION NON-EXPANSION AREA IS BEING CONSIDERED IN RESPONSE TO A PETITION BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-435, SUBSECTION A, THE
DESIGNATION OF A SUBSEQUENT IRRIGATION NON-EXPANSION AREA IS CONSISTENT
WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS.

2. The establishment of an active management area pursuant to
section 45-412 is not necessary.

B. An irrigation non-expansion area established pursuant to this
section may include more than one groundwater sub-basin SUBBASIN but shall
not be smaller than a groundwater sub-basin SUBBASIN or include only a
portion of a groundwater sub-basin SUBBASIN, EXCEPT THAT A SUBSEQUENT
IRRIGATION NON-EXPANSION AREA DESIGNATED PURSUANT TO SUBSECTION A,
PARAGRAPH 1, SUBDIVISION (b) OF THIS SECTION MAY BE COTERMINOUS WITH THE
BOUNDARIES OF THE LOCAL GROUNDWATER STEWARDSHIP AREA OR A PORTION OF THE
LOCAL GROUNDWATER STEWARDSHIP AREA AS IDENTIFIED IN THE PETITION TO THE
DIRECTOR PURSUANT TO SECTIONS 45-655 AND 45-656.

Sec. 8. Section 45-433, Arizona Revised Statutes, is amended to
read:

45-433. Local initiation for designation; procedures

A. The designation of a subsequent irrigation non-expansion area
may be initiated by the director or by petition to the director signed by
either ANY OF THE FOLLOWING:

1. Not less than twenty-five irrigation users of groundwater, or
one-fourth of the irrigation users of groundwater within the boundaries of
the groundwater basin or sub-basin SUBBASIN specified in the petition.

2. Ten percent PERCENT of the registered voters residing within
the boundaries of the groundwater basin or sub-basin SUBBASIN specified in
the petition as of the most recent report compiled by the county recorder
in compliance with section 16-168, subsection G H. The form of the
petition shall be the same as for an initiative petition and the applicant
for such petition shall comply with the provisions of section 19-111. If
a groundwater basin or sub-basin SUBBASIN is located in two or more
counties, the number of registered voters required to sign the petition
shall be ten percent PERCENT of the registered voters residing within the
boundaries of the groundwater basin or sub-basin SUBBASIN, as of the most
recent report compiled by the county recorder in compliance with section
16-168, subsection G H, within the county in which the plurality of the
registered voters in the groundwater basin or sub-basin SUBBASIN resides.

3. A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION
45-656, SUBSECTION B.

B. Upon ON receipt of a petition pursuant to subsection A,
paragraph 2 of this section, the director shall transmit the petition to
the county recorder of each county in which the groundwater basin or
sub-basin SUBBASIN is located for verification of signatures. In
addition, the director shall transmit a map of the groundwater basin or
sub-basin SUBBASIN to the county recorder of each such county included.
The map shall be on a scale adequate to show with substantial accuracy
where the boundaries of the groundwater basin or sub-basin SUBBASIN cross
the boundaries of county voting precincts. The director shall also transmit to the county recorder all other factual data concerning the boundaries of the groundwater basin or sub-basin SUBBASIN that may aid the county recorder in the determination of which registered voters of the county are residents of the groundwater basin or sub-basin SUBBASIN.

Sec. 9. Section 45-435, Arizona Revised Statutes, is amended to read:

45-435. Hearing on designation of subsequent irrigation non-expansion areas and boundaries; notice; procedures


A. B. If the director finds that an area which is not included within an active management area meets the criteria specified in section 45-432, or a petition is filed pursuant to section 45-433, the director shall hold a public hearing to consider:

1. Whether to issue an order declaring the area an irrigation non-expansion area.

2. The boundaries of the proposed irrigation non-expansion area.

B. C. The director shall give reasonable notice of the hearing under the circumstances which shall include the publication once each week for two consecutive weeks in a newspaper of general circulation in each county in which the proposed irrigation non-expansion area is located. Any notice shall contain the time and place of the hearing, the legal description and a map clearly identifying and describing all lands to be included in the proposed irrigation non-expansion area and any other information the director deems necessary.

D. The hearing shall be held at a location in the county in which the major portion of the proposed irrigation non-expansion area is located NOT less than thirty days but NOT more than sixty days after the first publication of the notice of the hearing. At the hearing, the director shall present the factual data in his possession in support of or in opposition to the proposed action. Any person may appear at the hearing, either in person or by representative, and submit oral or documentary evidence for or against the proposed action. In making his determination, the director shall give full consideration to public comment and to recommendations made by local political subdivisions.
Sec. 10. Section 45-437, Arizona Revised Statutes, is amended to read:

**45-437. Irrigated acreage; water measuring device; annual report of groundwater pumping; penalty; transportation; exemption**

A. In an initial irrigation non-expansion area established pursuant to section 45-431, except as provided in subsection E of this section, only acres of land which were legally irrigated at any time between January 1, 1975 and January 1, 1980 may be irrigated with groundwater, effluent, diffused water on the surface or surface water, except as provided in sections 45-172, 45-437.01, 45-437.02, and 45-437.03 AND 45-437.04, and except that this does not prohibit irrigation with surface water used pursuant to decreed or appropriative rights established before June 12, 1980. Land which was not irrigated at any time from January 1, 1975 through January 1, 1980 is deemed to have been in irrigation if the director finds that substantial capital investment has been made in the twelve months before June 12, 1980 for the improvement of the land and on-site irrigation distribution facilities, including the drilling of wells, for an irrigation use. This subsection does not allow irrigation of land which could not have been legally irrigated under prior statutory law.

B. In a subsequent irrigation non-expansion area established pursuant to section 45-432, except as provided in subsection E of this section, only acres of land which were irrigated at any time during the five years preceding the date of the notice of the initiation of designation procedures may be irrigated with groundwater, effluent, diffused water on the surface or surface water, except as provided in sections 45-172, 45-437.01, 45-437.02 and 45-437.03, and except that this does not prohibit irrigation with surface water used pursuant to decreed or appropriative rights established before the date of the notice. Land which was not irrigated at any time during this five year period is deemed to have been in irrigation if the director finds that substantial capital investment has been made for the subjugation of such land for an irrigation use including on-site irrigation distribution facilities and a well or wells the drilling and construction of which were substantially commenced before the date of the notice of the initiation of designation procedures.

C. Except as provided in subsection F of this section, in an irrigation non-expansion area:

1. Each person withdrawing groundwater from a non-exempt well for an irrigation use and each person withdrawing more than ten acre-feet of groundwater per year from a non-exempt well for a non-irrigation use shall use a water measuring device approved by the director. Each person withdrawing groundwater from a non-exempt well shall file a report on a calendar year basis with the director on a form provided by the director.
NOT later than March 31 of the following year. In filing a report, each person withdrawing ten or fewer acre-feet of groundwater per year from a non-exempt well for a non-irrigation use shall estimate the quantity of groundwater withdrawn.

2. Transportations of groundwater are subject to the provisions of articles 8 and 8.1 of this chapter.

D. If a person, who is required under subsection C, paragraph 1 of this section to file an annual report for calendar year 1986 or any subsequent calendar year, fails to file a report for the calendar year in question on or before March 31 of the following year, the director may assess and collect a penalty of twenty-five dollars $25 for each month or portion of a month that the annual report is delinquent. The total penalty assessed under this subsection shall not exceed one-hundred-fifty dollars $150. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected under this subsection in the state general fund.

E. In an irrigation non-expansion area, a correctional facility under the jurisdiction of the state department of corrections may irrigate with groundwater, effluent, diffused water on the surface or surface water up to a total of ten acres of land that otherwise may not be irrigated pursuant to subsection A or B of this section if the irrigation is for the purpose of producing plants or parts of plants for consumption by inmates at the correctional facility as part of a prisoner work program and if the correctional facility notifies the director of water resources in writing of the location of the acres of land to be irrigated prior to their irrigation. The actual number of acres of land that a correctional facility may irrigate pursuant to this subsection shall be calculated by subtracting the number of acres of land the correctional facility may already irrigate under subsection A or B of this section from ten.

F. A person who withdraws groundwater from a non-exempt well for an irrigation use is exempt from subsection C, paragraph 1 of this section for those withdrawals if both of the following apply:

1. Groundwater withdrawn from the well for an irrigation use is used only on land that is owned by a person who has the right under subsection A or B of this section to irrigate ten or fewer contiguous acres of land at the place of the use.

2. Groundwater withdrawn from the well is not used on land that is part of an integrated farming operation.

Sec. 11. Title 45, chapter 2, article 3, Arizona Revised Statutes, is amended by adding section 45-437.04, to read:

45-437.04. Change of place or type of irrigation use; substitution of acres

IN A SUBSEQUENT IRRIGATION NON-EXPANSION AREA DESIGNATED PURSUANT TO SECTION 45-432, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (b), A PERSON WHO OWNS ACRES OF LAND THAT MAY NOT BE IRRIGATED PURSUANT TO SECTION 45-437
MAY APPLY TO THE DIRECTOR TO SUBSTITUTE THOSE ACRES FOR IRRIGATION ON
DEMONSTRATING THAT THE SAME NUMBER OF ACRES WILL BE PERMANENTLY RETIRED
FROM IRRIGATION. THE DIRECTOR MAY APPROVE THE SUBSTITUTION OF ACRES IF
THE OWNER DEMONSTRATES TO THE DIRECTOR’S SATISFACTION THAT ALL OF THE
FOLLOWING APPLY:

1. THE SUBSTITUTION OF ACRES WILL NOT RESULT IN AN INCREASE IN THE
   RATE OF WITHDRAWAL OF GROUNDWATER IN THE IRRIGATION NON-EXPANSION AREA.

2. THE SUBSTITUTION OF ACRES WILL NOT RESULT IN GROUNDWATER TO BE
   WITHDRAWN AT A RATE THAT WHEN ADDED TO THE EXISTING RATE OF WITHDRAWALS IN
   THE AREA WILL CAUSE AN UNREASONABLE DECLINE IN THE GROUNDWATER TABLE AT
   THE SITE OR SITES OF THE WITHDRAWALS.

3. THE SUBSTITUTION OF ACRES IS CONSISTENT WITH ACHIEVING THE LOCAL
   GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS.

Sec. 12. Section 45-453, Arizona Revised Statutes, is amended to read:

45-453. Groundwater rights and uses in areas outside active
management areas; amounts; transportation; irrigation non-expansion areas

In areas outside of active management areas, a person may:

1. Withdraw and use groundwater for reasonable and beneficial use, except as provided in article ARTICLES 8.1 AND 13 of this chapter.

2. Transport groundwater pursuant to articles 8 and 8.1 of this chapter.

3. Use groundwater for irrigation purposes within the exterior boundaries of an irrigation non-expansion area only pursuant to article 3 of this chapter.

Sec. 13. Section 45-512, Arizona Revised Statutes, is amended to read:

45-512. Categories of groundwater withdrawal permits

A. Except as provided in section 45-452, subsection H, section 45-513, subsection B and articles 5 and 6 of this chapter, a person may not withdraw groundwater from a nonexempt well in an active management area unless the person obtains a groundwater withdrawal permit from the director pursuant to this article. The categories of groundwater withdrawal permits are as follows:

1. Dewatering permits issued pursuant to section 45-513.

2. Mineral extraction and metallurgical processing permits issued pursuant to section 45-514.

3. General industrial use permits issued pursuant to section 45-515.

4. Poor quality groundwater permits issued pursuant to section 45-516.

5. Temporary permits issued pursuant to sections 45-517 and 45-518.

6. Drainage water permits issued pursuant to section 45-519.

7. Hydrologic testing permits issued pursuant to section 45-519.01.
B. ON PETITION BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655 AND FOLLOWING AN ORDER OF THE DIRECTOR PURSUANT TO SECTION 45-656, A PERSON MAY NOT WITHDRAW GROUNDWATER FROM A NEW NONEXEMPT WELL IN A LOCAL GROUNDWATER STEWARDSHIP AREA FOR DEWATERING, MINERAL EXTRACTION AND METALLURGICAL PROCESSING OR GENERAL INDUSTRIAL USE UNLESS THE PERSON OBTAINS A GROUNDWATER WITHDRAWAL PERMIT FROM THE DIRECTOR. THE DIRECTOR SHALL ADOPT REQUIREMENTS AND STANDARDS FOR THE GROUNDWATER WITHDRAWAL PERMIT PRESCRIBED BY THIS SUBSECTION THAT FOLLOW AS CLOSELY AS PRACTICABLE THOSE PRESCRIBED IN THIS ARTICLE FOR GROUNDWATER WITHDRAWAL PERMITS WITHIN ACTIVE MANAGEMENT AREAS.

Sec. 14. Section 45-598, Arizona Revised Statutes, is amended to read:

45-598. New wells and replacement wells in new locations in active management areas and local groundwater stewardship areas; rules; permit required

A. The director shall adopt rules governing the location of new wells and replacement wells in new locations in active management areas and local groundwater stewardship areas to prevent unreasonably increasing damage to surrounding land or other water users from the concentration of wells. Rules adopted by the director related to local groundwater stewardship areas apply only to a local groundwater stewardship area on petition by the local groundwater stewardship area council pursuant to section 45-655 and following an order of the director pursuant to section 45-656. On petition by the local groundwater stewardship area council pursuant to section 45-655 and following an order of the director pursuant to section 45-656, until and unless the director adopts rules that apply only to local groundwater stewardship areas, any rules previously adopted by the director pursuant to this section that apply to the location of new wells and replacement wells in new locations in active management areas also apply to the location of new wells and replacement wells in new locations in local groundwater stewardship areas.

B. A person who is entitled to withdraw groundwater in an active management area pursuant to article 5 or 6 of this chapter may construct a new well or a replacement well in a new location if the location of the new well or the replacement well complies with the rules adopted by the director pursuant to subsection A of this section and if the person has applied for and received a permit from the director pursuant to section 45-599.

C. IN A LOCAL GROUNDWATER STEWARDSHIP AREA THAT HAS ADOPTED RULES PURSUANT TO SECTION 45-655, SUBSECTION D, PARAGRAPH 2, SUBDIVISION (d) AND THAT HAVE BEEN APPROVED BY THE DIRECTOR PURSUANT TO SECTION 45-656, A PERSON WHO IS ENTITLED TO WITHDRAW GROUNDWATER MAY CONSTRUCT A NEW WELL OR A REPLACEMENT WELL IN A NEW LOCATION IF THE LOCATION OF THE NEW WELL OR THE REPLACEMENT WELL COMPLIES WITH THE RULES ADOPTED BY THE DIRECTOR PURSUANT TO SUBSECTION A OF THIS SECTION, IS CONSISTENT WITH ACHIEVING THE
LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT GOALS AND IF THE PERSON HAS
APPLIED FOR AND RECEIVED A PERMIT FROM THE DIRECTOR PURSUANT TO SECTION
45-599.

D. An applicant for a general industrial use permit pursuant to
sections 45-515 and 45-521 who proposes to construct a new well or a
replacement well in a new location shall also apply for a permit pursuant
to section 45-599.

E. A person who is entitled to withdraw groundwater in an
active management area under article 5 or 6 of this chapter may withdraw
groundwater under article 5 or 6 of this chapter from a well drilled to
withdraw groundwater pursuant to a groundwater withdrawal permit issued
under article 7 of this chapter if the location of the well complies with
the rules adopted by the director under subsection A of this section and
if the person has applied for and received a permit from the director
pursuant to section 45-599. A person WHO IS entitled to withdraw
groundwater in an active management area under a general industrial use
permit issued under section 45-515 may withdraw groundwater under section
45-515 from a well used to withdraw groundwater pursuant to another
category of groundwater withdrawal permit issued under article 7 of this
chapter if the location of the well complies with the rules adopted by the
director under subsection A of this section and if the person has applied
for and received a permit from the director pursuant to section 45-599.

Sec. 15. Section 45-604, Arizona Revised Statutes, is amended to
read:

45-604. Water measuring devices
A. Except as provided in subsections B, C and D of this section, a
person who withdraws groundwater from a nonexempt well in an active
management area or an irrigation non-expansion area, a person who
withdraws water from a non-exempt NONEXEMPT well in the Santa Cruz active
management area or a person who withdraws groundwater for transportation
to an initial active management area pursuant to article 8.1 of this
chapter shall use a water measuring device approved by the director.

B. A person who holds a type 2 non-irrigation grandfathered right
or a groundwater withdrawal permit in the amount of ten or fewer acre-feet
per year is not required to use a water measuring device to measure
withdrawals pursuant to that grandfathered right or groundwater withdrawal
permit unless the person holds more than one such right or permit in the
aggregate amount of more than ten acre-feet per year and withdraws more
than ten acre-feet of groundwater per year pursuant to those rights or
permits from one well.

C. In an irrigation non-expansion area:
1. A person who withdraws ten or fewer acre-feet of groundwater per
year from a non-exempt NONEXEMPT well for a non-irrigation use is not
required to use a water measuring device to measure withdrawals from that
well.
2. A person who withdraws groundwater from a non-exempt NONEXEMPT well for an irrigation use is not required to use a water measuring device to measure withdrawals from that well if both of the following apply:
   (a) Groundwater withdrawn from the well for an irrigation use is used only on land that is owned by a person who has the right under section 45-437 to irrigate ten or fewer contiguous acres at the place of the use.
   (b) Groundwater withdrawn from the well is not used on land that is part of an integrated farming operation.

D. In an active management area, a person, other than an irrigation district, who withdraws groundwater from a non-exempt NONEXEMPT well for use pursuant to an irrigation grandfathered right that is appurtenant to ten or fewer irrigation acres is not required to use a water measuring device to measure withdrawals from that well unless groundwater withdrawn from the well is also used pursuant to either a service area right pursuant to article 6 of this chapter or a grandfathered groundwater right other than an irrigation grandfathered right that is appurtenant to irrigation acres that are exempt from irrigation water duties pursuant to section 45-563.02.

E. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION, ON PETITION BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655 AND FOLLOWING AN ORDER OF THE DIRECTOR PURSUANT TO SECTION 45-656, A PERSON WHO WITHDRAWS GROUNDWATER FROM A NONEXEMPT WELL IN A LOCAL GROUNDWATER STEWARDSHIP AREA SHALL USE A WATER MEASURING DEVICE APPROVED BY THE DIRECTOR.

F. IN A LOCAL GROUNDWATER STEWARDSHIP AREA, ON PETITION BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SECTION 45-655 AND FOLLOWING AN ORDER OF THE DIRECTOR PURSUANT TO SECTION 45-656, THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL MAY PRESCRIBE CERTAIN GROUNDWATER WITHDRAWALS FROM NONEXEMPT WELLS THAT ARE NOT REQUIRED TO USE A WATER MEASURING DEVICE TO MEASURE WITHDRAWALS FROM THAT WELL.

G. The director shall adopt rules setting forth the requirements and specifications for water measuring devices.

Sec. 16. Section 45-632, Arizona Revised Statutes, is amended to read:

45-632. Records and annual report of groundwater pumping, transportation and use; penalty
A. Each person who is required to file an annual report under this section or who files an annual report under subsection E of this section shall maintain current accurate records of the person's withdrawals, transportation, deliveries and use of groundwater and, in the Santa Cruz active management area AND IN A LOCAL GROUNDWATER STEWARDSHIP AREA AS PRESCRIBED BY SUBSECTION B, PARAGRAPH 6 OF THIS SECTION, current accurate records of the person's withdrawals, deliveries and use of all water
withdrawn from a well, as prescribed by the director under subsection P–Q of this section.

B. Except as provided in subsections C and D of this section, an annual report shall be filed with the director by each person who:

1. Owns or leases a right under this chapter to withdraw, receive or use groundwater in an active management area, unless a report is filed for that person by an irrigation district under subsection E of this section or by another person in a form acceptable to the director.

2. Uses groundwater which is transported from an active management area.

3. Is an individual user subject to a municipal conservation requirement for appropriate conservation measures included in a management plan adopted by the director pursuant to article 9 of this chapter.

4. Withdraws groundwater for transportation to an initial active management area pursuant to article 8.1 of this chapter.

5. Withdraws water from a well in the Santa Cruz active management area or who uses water, other than stored water, withdrawn from a non-exempt well in the Santa Cruz active management area.

6. WITHDRAWS WATER FROM A WELL IN A LOCAL GROUNDWATER STEWARDSHIP AREA THAT IS SUBJECT TO A REPORTING REQUIREMENT PURSUANT TO SECTIONS 45-655 AND 45-656.

C. Persons who withdraw groundwater from exempt wells and non-irrigation customers of cities, towns, private water companies and irrigation districts, except customers receiving water pursuant to a permit, are exempt from the record keeping and reporting requirements of this section for such water.

D. A person who owns or leases an irrigation grandfathered right that is appurtenant to ten or fewer irrigation acres is exempt from the record keeping and reporting requirements of this section for the irrigation grandfathered right unless one of the following applies:

1. The land to which the irrigation grandfathered right is appurtenant is part of an integrated farming operation.

2. Groundwater is withdrawn from the land to which the irrigation grandfathered right is appurtenant and delivered for use pursuant to either a service area right pursuant to article 6 of this chapter or a grandfathered groundwater right other than an irrigation grandfathered right that is appurtenant to irrigation acres that are exempt from irrigation water duties pursuant to section 45-563.02.

3. Groundwater is withdrawn from land that is both owned by the owner of the irrigation grandfathered right and contiguous to the land to which the irrigation grandfathered right is appurtenant and delivered for use pursuant to either a service area right pursuant to article 6 of this chapter or a grandfathered groundwater right other than an irrigation grandfathered right that is appurtenant to irrigation acres that are exempt from irrigation water duties pursuant to section 45-563.02.
E. An irrigation district which delivers and distributes groundwater in an active management area may file an annual report with the director for each person who holds an irrigation grandfathered right appurtenant to irrigation acres within the service area of the irrigation district, if the irrigation district delivers all the water used on the person's irrigation acres. If an irrigation district files an annual report for such a person, the irrigation district shall report the following information for each such person:

1. The name of the person and the certificate number of the person's irrigation grandfathered right.
2. The quantity of groundwater, if any, delivered during the calendar year.

F. Persons who are required to report under subsection B, paragraph 1 of this section and who withdraw groundwater during the calendar year in an active management area shall report the following information for each well:

1. The registration number and location of the well.
2. The quantity of groundwater withdrawn from the well during the calendar year. A person who, under section 45-604, subsection B, is not required to use and does not use a water measuring device to measure withdrawals made pursuant to a type 2 non-irrigation grandfathered right or a groundwater withdrawal permit shall estimate the quantity of groundwater withdrawn pursuant to the grandfathered right or withdrawal permit.
3. The quantity of fuel or electricity consumed by the pump during the calendar year.
4. The uses to which the groundwater was applied or the persons to whom the groundwater was delivered during the calendar year.

G. Persons who are required to report under subsection B, paragraph 1 of this section and who use groundwater during the calendar year in an active management area and persons who are required to report under subsection B, paragraph 2 of this section shall report the following information:

1. The source of the groundwater, including:
   (a) The name of the person from whom the groundwater was obtained.
   (b) The registration number and location of the well, if known.
2. The quantity of groundwater used during the calendar year.
3. The specific uses to which the groundwater was applied during the calendar year.

H. Persons who are required to report under subsection B, paragraph 4 of this section and who transport groundwater during the calendar year to an initial active management area under article 8.1 of this chapter shall report the following information:

1. The registration number and location of each well.
2. The quantity of groundwater withdrawn from each well during the calendar year.
3. The quantity of groundwater transported during the calendar year to an initial active management area.
4. The quantity of groundwater that was withdrawn during the calendar year and that was not transported to an initial active management area and the uses to which the groundwater was applied.
5. The quantity of fuel or electricity consumed by each pump during the calendar year.
6. The uses to which the groundwater was applied or the persons to whom the groundwater was delivered during the calendar year.

I. Persons who are required to report under subsection B, paragraph 1 of this section and who neither withdraw nor use groundwater during the calendar year shall report the following information:
   1. The fact that no groundwater was withdrawn or used during the calendar year.
   2. The registration number and location of each well, if any.

J. Persons who are required to report under subsection B, paragraph 5 of this section and who withdraw water from a non-exempt NONEXEMPT well in the Santa Cruz active management area during the calendar year shall report the following information:
   1. The registration number and location of the well.
   2. The quantity of water, by type, withdrawn from the well during the calendar year.
   3. The quantity of fuel or electricity consumed by the pump during the calendar year.

K. Persons who are required to report under subsection B, paragraph 5 of this section and who use water withdrawn from a non-exempt NONEXEMPT well in the Santa Cruz active management area during the calendar year shall report the following information:
   1. The source of the water, including:
      (a) The name of the person from whom the water was obtained.
      (b) The registration number and location of the well, if known.
   2. The quantity of the water, by type, used during the calendar year.
   3. The specific uses to which the water was applied during the calendar year.

L. PERSONS WHO ARE REQUIRED TO REPORT UNDER SUBSECTION B, PARAGRAPH 6 OF THIS SECTION AND WHO WITHDRAW WATER FROM A NONEXEMPT WELL IN A LOCAL GROUNDWATER STEWARDSHIP AREA DURING THE CALENDAR YEAR SHALL REPORT THE FOLLOWING INFORMATION:
1. THE REGISTRATION NUMBER AND LOCATION OF THE WELL.

2. THE QUANTITY OF WATER, BY TYPE, WITHDRAWN FROM THE WELL DURING THE CALENDAR YEAR.

3. THE QUANTITY OF FUEL OR ELECTRICITY CONSUMED BY THE PUMP DURING THE CALENDAR YEAR.

4. THE SPECIFIC USES TO WHICH THE WATER WAS APPLIED DURING THE CALENDAR YEAR.

M. If a person both withdraws groundwater in an active management area and uses such water, the person may combine the information required by subsections F and G of this section into one report. If a person both withdraws water, other than stored water, from a non-exempt well in the Santa Cruz active management area and uses such water, the person may combine the information required by subsections J and K of this section into one report.

N. The director may require such other information in the report as may be necessary to accomplish the management goals of the applicable active management area.

O. Each report shall contain either a sworn statement or a certification, under penalty of perjury, that the information contained in the report is true and correct according to the best belief and knowledge of the person filing the report.

P. The annual report shall be maintained on a calendar year basis and shall be filed with the director no later than March 31 of each year for the preceding calendar year. If a person who is required under this section to file an annual report for calendar year 1985 or any subsequent calendar year fails to file a report for the calendar year in question on or before March 31 of the following year, the director may assess and collect a penalty of twenty-five dollars for each month or portion of a month that the annual report is delinquent. The total penalty assessed under this subsection shall not exceed one hundred fifty dollars. The director shall deposit, pursuant to sections 35-146 and 35-147, all penalties collected under this subsection in the state general fund.

Q. The records and reports required to be kept and filed under this section shall be in such form as the director prescribes. The director shall prepare blank forms and distribute them on a timely schedule throughout each active management area and furnish them upon request. Failure to receive or obtain the forms does not relieve any person from keeping the required records or making any required report. The director shall cooperate with cities and towns, private water companies and irrigation districts in establishing the form of the records and reports to be kept and filed by them.
Sec. 17. Title 45, chapter 2, Arizona Revised Statutes, is amended by adding article 13, to read:

ARTICLE 13. LOCAL GROUNDWATER STEWARDSHIP AREAS

45-651. County designation of local groundwater stewardship area; conditions; hearing; rescission

A. A COUNTY BOARD OF SUPERVISORS THAT IS IN A COUNTY WITH LANDS THAT ARE OUTSIDE OF AN ACTIVE MANAGEMENT AREA MAY DESIGNATE BY RESOLUTION ONE OR MORE GROUNDWATER BASINS, SUBBASINS OR PORTIONS OF THOSE BASINS THAT ARE LOCATED OUTSIDE OF AN ACTIVE MANAGEMENT AREA IN THE COUNTY AS A LOCAL GROUNDWATER STEWARDSHIP AREA. BEFORE MAKING A DESIGNATION, THE BOARD OF SUPERVISORS SHALL CONSIDER FROM ANY COUNTY, CITY OR TOWN WITHIN THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA ANY VOTER-APPROVED MANAGEMENT GOALS IN THE RELEVANT COUNTY COMPREHENSIVE PLAN ADOPTED PURSUANT TO SECTION 11-805, THE RELEVANT MUNICIPAL GENERAL PLAN ADOPTED PURSUANT TO SECTION 9-461.06 AND ANY GOALS INCLUDED IN A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY. THE COUNTY BOARD OF SUPERVISORS MAY DESIGNATE A LOCAL GROUNDWATER STEWARDSHIP AREA ONLY IF ON REVIEW OF AVAILABLE INFORMATION FROM THE DEPARTMENT, THE UNITED STATES GEOGRAPHICAL SURVEY AND OTHER SCIENTIFIC AND TECHNICAL SOURCES, THE BOARD FINDS THAT ONE OR MORE OF THE FOLLOWING CONDITIONS EXIST IN THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA:

1. THE USE OF GROUNDWATER EXCEEDS THE ESTIMATED RECHARGE RATE.
2. THERE ARE PHYSICAL INDICATIONS OF OVERPUMPING OF WATER THAT ARE DOCUMENTED OR RELIABLY OBSERVED OVER TIME. PHYSICAL INDICATIONS MAY INCLUDE DECLINING WATER LEVELS IN EXISTING WELLS, DECREASING WATER LEVELS OR FLOW IN HYDROLOGICALLY CONNECTED SURFACE WATER OR LAND SUBSIDENCE.
3. ADDITIONAL ACTION IS NEEDED TO PROTECT RIGHTS TO SURFACE WATER UNDER STATE OR FEDERAL LAW AND THAT WATER IS HYDROLOGICALLY CONNECTED TO GROUNDWATER.
4. GROUNDWATER IS THE ONLY OR PRIMARY DRINKING WATER SUPPLY IN THE AREA, AND ADDITIONAL ACTION AND COOPERATION ARE NEEDED TO ASSIST IN MEETING THE WATER SUPPLY NEEDS FOR THE COMMUNITIES WITHIN OR WITHDRAWING WATER FROM THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA.

B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, IF A GROUNDWATER BASIN IS BEING CONSIDERED FOR DESIGNATION AS A SUBSEQUENT ACTIVE MANAGEMENT AREA AND A HEARING HAS BEEN NOTICED PURSUANT TO SECTION 45-414, THE BASIN MAY NOT BE INCLUDED IN A PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA UNTIL AND UNLESS THE DIRECTOR HAS MADE A FINAL FINDING AND ORDER NOT DESIGNATING THE GROUNDWATER BASIN AS AN ACTIVE MANAGEMENT AREA. IF A GROUNDWATER BASIN IS BEING CONSIDERED FOR DESIGNATION AS A SUBSEQUENT ACTIVE MANAGEMENT AREA AND A PETITION HAS BEEN SUBMITTED TO A COUNTY BOARD OF SUPERVISORS THAT MEETS THE REQUIREMENTS OF SECTION 45-415, SUBSECTION A, THE BASIN MAY NOT BE INCLUDED IN A PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA UNTIL AND UNLESS AN ELECTION IS HELD PURSUANT TO SECTION
45-415 and the election does not result in designation of an active 
management area.

C. The county board of supervisors may adopt a resolution pursuant 
to subsection A of this section after all of the following:

1. Providing notice of the proposed resolution and a date and time 
for two or more hearings on the proposed resolution to the public and to 
the department of water resources, the department of environmental 
quality, counties, cities, towns and special taxing districts and to any 
public or private water providers in the proposed local groundwater 
steWARDSHIP area. The notice shall request public comment at the hearings 
on the proposed resolution and shall include at least the following:

   (a) The name of the proposed local groundwater stewardship area.

   (b) The boundaries of the proposed local groundwater stewardship 
area that will be coterminous with the boundaries of a groundwater basin 
or subbasin that is partially or completely within the county and may 
include incorporated and unincorporated areas of the county, except that 
in the regional aquifer systems of Northern Arizona the boundaries may be 
smaller than a subbasin if based on reasonable hydrologic or water 
management considerations. A local groundwater stewardship area may 
include areas in more than one county if the board of supervisors in each 
affected county adopts a resolution that supports the boundaries of the 
proposed local groundwater stewardship area within that county.

   (c) The reasons for the designation of the local groundwater 
steWARDSHIP area, including a preliminary finding that one or more of the 
conditions prescribed in subsection A of this section exist within the 
boundaries of the proposed local groundwater stewardship area.

2. Publishing notice of each hearing for three weeks in a newspaper 
of general circulation in the proposed local groundwater stewardship area 
and posting the notice on the county's website.

3. Allowing at least forty-five days for public comment on the 
proposed resolution.

4. Holding at least two public hearings in at least one of the 
communities affected by the proposed resolution, including tribal 
communities, where applicable.

D. After the hearings, if the county board of supervisors 
determines that the public interest, convenience and necessity will be 
served by designating the local groundwater stewardship area, the board 
shall state its findings and order the formation of the local groundwater 
steWARDSHIP area under the designated name. The board shall record a 
certified copy of the boundaries of the local groundwater stewardship area 
in the office of the county recorder of each county that contains any 
portion of the local groundwater stewardship area and shall provide to the 
director a copy of the boundaries of the local groundwater stewardship 
area. If a proposed local groundwater stewardship area includes areas in 
more than one county but is approved by less than all of the counties
WHERE IT IS PROPOSED TO APPLY, THE LOCAL GROUNDWATER STEWARDSHIP AREA SHALL BE ESTABLISHED ONLY IN THOSE COUNTIES THAT HAVE APPROVED THE ESTABLISHMENT OF THE LOCAL GROUNDWATER STEWARDSHIP AREA.

E. NOT LESS FREQUENTLY THAN EVERY TEN YEARS, A COUNTY BOARD OF SUPERVISORS SHALL REVIEW WHETHER THE CONDITIONS SPECIFIED IN THE RESOLUTION STILL EXIST IN THE LOCAL GROUNDWATER STEWARDSHIP AREA AND SHALL EITHER:

1. BY RESOLUTION, CONTINUE THE LOCAL GROUNDWATER STEWARDSHIP AREA DESIGNATION FOR AN ADDITIONAL EIGHT YEARS.

2. FOLLOWING THE SAME PROCEDURES FOR DESIGNATING A LOCAL GROUNDWATER STEWARDSHIP AREA PURSUANT TO SUBSECTIONS B AND C OF THIS SECTION, RESCIND THE DESIGNATION ON A FINDING THAT THE CONDITIONS SPECIFIED IN THE RESOLUTION NO LONGER APPLY IN THE LOCAL GROUNDWATER STEWARDSHIP AREA.

F. NOTWITHSTANDING SECTION 45-415, ANY BASIN, SUBBASIN OR PORTION OF THE BASIN OR SUBBASIN THAT IS SUBJECT TO A LOCAL GROUNDWATER STEWARDSHIP AREA DESIGNATION AND THAT HAS A LOCAL GROUNDWATER STEWARDSHIP AREA PLAN THAT HAS BEEN ADOPTED PURSUANT TO SECTION 45-656, SUBSECTION A MAY NOT DESIGNATE AN ACTIVE MANAGEMENT AREA PURSUANT TO SECTION 45-415 FOR TEN YEARS AFTER THE DATE OF FINAL ADOPTION OF THE INITIAL LOCAL GROUNDWATER STEWARDSHIP AREA PLAN.

G. IT IS THE EXPRESS INTENT OF THE LEGISLATURE THAT THE DESIGNATION OF A LOCAL GROUNDWATER STEWARDSHIP AREA NOT ALTER THE LEGAL CHARACTER OF ANY SURFACE WATERS OR GROUNDWATER WITHIN THIS STATE, AFFECT THE VESTED WATER RIGHTS ASSOCIATED WITH ANY SURFACE WATERS OR GROUNDWATER OR ESTABLISH ANY PRECEDENT THAT COULD BE USED IN A COURT OF LAW TO DEFINE, LIMIT OR EXTEND THE RIGHTS OF THIS STATE OR THE UNITED STATES OVER THE SURFACE WATERS AND GROUNDWATER FOUND WITHIN THIS STATE. THIS SECTION DOES NOT AUTHORIZE A COUNTY BOARD OF SUPERVISORS OR A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL TO ESTABLISH A MANAGEMENT PRACTICE THAT WOULD PREVENT A WATER USER FROM USING A WELL TO DIVERT APPROPRIABLE SURFACE WATER TO WHICH THE WATER USER HAS A RIGHT UNDER STATE OR FEDERAL LAW.

H. A COUNTY BOARD OF SUPERVISORS THAT IS IN A COUNTY WITH LANDS OUTSIDE OF AN ACTIVE MANAGEMENT AREA AND THAT IS CONSIDERING DESIGNATING A LOCAL GROUNDWATER STEWARDSHIP AREA MAY ASK THE DEPARTMENT TO PROVIDE AN ASSESSMENT OF LOCAL GROUNDWATER CONDITIONS THAT IS BASED ON AVAILABLE INFORMATION AND THAT INCLUDES VARIABLES OUTLINED IN SUBSECTION B OF THIS SECTION. THE DEPARTMENT SHALL USE MONIES PROVIDED IN SECTION 5-572, SUBSECTION G TO PERFORM THE ANALYSIS AND SHALL COMPLETE THE ANALYSIS WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE REQUEST FROM THE BOARD.

45-651.01. Director and local initiation of local groundwater stewardship area; conditions; hearing

A. THE DIRECTOR MAY DESIGNATE AN AREA THAT IS NOT INCLUDED WITHIN AN ACTIVE MANAGEMENT AREA AS A LOCAL GROUNDWATER STEWARDSHIP AREA IF THE DIRECTOR DETERMINES THAT BOTH OF THE FOLLOWING APPLY:
1. ONE OR MORE OF THE CONDITIONS IDENTIFIED IN SECTION 45-651, 
   SUBSECTION A EXIST IN ONE OR MORE GROUNDWATER BASINS, SUBBASINS OR 
   PORTIONS OF THOSE BASINS.
2. THE ESTABLISHMENT OF AN ACTIVE MANAGEMENT AREA PURSUANT TO 
   SECTION 45-412 IS NOT NECESSARY.
B. THE DESIGNATION OF A LOCAL GROUNDWATER STEWARDSHIP AREA MAY BE 
   INITIATED BY PETITION TO THE DIRECTOR SIGNED BY EITHER:
   1. NOT LESS THAN ONE-FOURTH OF THE USERS OF GROUNDWATER WITHIN THE 
      BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA SPECIFIED IN 
      THE PETITION.
   2. TEN PERCENT OF THE REGISTERED VOTERS WITHIN THE BOUNDARIES OF 
      THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA SPECIFIED IN THE PETITION 
      AS OF THE MOST RECENT REPORT COMPILED BY THE COUNTY RECORDER IN COMPLIANCE 
      WITH SECTION 16-168, SUBSECTION G. THE FORM OF THE PETITION SHALL BE 
      SUBSTANTIALLY SIMILAR TO AN INITIATIVE PETITION AND THE APPLICANT FOR THE 
      PETITION SHALL COMPLY WITH SECTION 19-111. IF THE PROPOSED LOCAL 
      GROUNDWATER STEWARDSHIP AREA IS LOCATED IN TWO OR MORE COUNTIES, THE 
      NUMBER OF REGISTERED VOTERS REQUIRED TO SIGN THE PETITION SHALL BE TEN 
      PERCENT OF THE REGISTERED VOTERS RESIDING WITHIN THE BOUNDARIES OF THE 
      PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA, AS OF THE MOST RECENT REPORT 
      COMPILED BY THE COUNTY RECORDER IN COMPLIANCE WITH SECTION 16-168, 
      SUBSECTION G WITHIN THE COUNTY IN WHICH THE PLURALITY OF THE REGISTERED 
      VOTERS IN THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA RESIDE.
C. ON RECEIPT OF A PETITION PURSUANT TO SUBSECTION B, PARAGRAPH 2 
   OF THIS SECTION, THE DIRECTOR SHALL TRANSMIT THE PETITION TO THE COUNTY 
   RECORDER OF EACH COUNTY IN WHICH THE PROPOSED LOCAL GROUNDWATER 
   STEWARDSHIP AREA IS LOCATED FOR VERIFICATION OF SIGNATURES. IN ADDITION, 
   THE DIRECTOR SHALL TRANSMIT A MAP OF THE PROPOSED LOCAL GROUNDWATER 
   STEWARDSHIP AREA TO THE COUNTY RECORDER OF EACH INCLUDED COUNTY. THE MAP 
   SHALL BE ON A SCALE ADEQUATE TO SHOW WITH SUBSTANTIAL ACCURACY WHERE THE 
   BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA CROSS THE 
   BOUNDARIES OF COUNTY VOTING PRECINCTS. THE DIRECTOR SHALL ALSO TRANSMIT TO 
   THE COUNTY RECORDER ALL OTHER FACTUAL DATA CONCERNING THE BOUNDARIES OF 
   THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA THAT MAY AID THE COUNTY 
   RECORDER IN THE DETERMINATION OF WHICH REGISTERED VOTERS OF THE COUNTY ARE 
   RESIDENTS OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA.
D. IF THE DIRECTOR FINDS THAT THE PROPOSED LOCAL GROUNDWATER 
   STEWARDSHIP AREA MEETS THE CRITERIA SPECIFIED IN SUBSECTION A OF THIS 
   SECTION OR A PETITION IS FILED PURSUANT TO SUBSECTION B OF THIS SECTION, 
   THE DIRECTOR SHALL HOLD A PUBLIC HEARING TO CONSIDER:
   1. WHETHER TO ISSUE AN ORDER DECLARING THE AREA A LOCAL GROUNDWATER 
      STEWARDSHIP AREA.
   2. THE BOUNDARIES OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP 
      AREA, WHICH SHALL BE COTERMINOUS WITH THE BOUNDARIES OF A GROUNDWATER 
      BASIN OR SUBBASIN, EXCEPT THAT IN THE REGIONAL AQUIFER SYSTEMS OF NORTHERN
ARIZONA THE BOUNDARIES MAY BE SMALLER THAN A SUBBASIN IF BASED ON REASONABLE HYDROLOGIC OR WATER MANAGEMENT CONSIDERATIONS.

E. THE DIRECTOR SHALL GIVE REASONABLE NOTICE OF THE HEARING UNDER THE CIRCUMSTANCES, INCLUDING PUBLISHING ONCE EACH WEEK FOR TWO CONSECUTIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN EACH COUNTY IN WHICH THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED. ANY NOTICE SHALL CONTAIN THE TIME AND PLACE OF THE HEARING, THE LEGAL DESCRIPTION AND A MAP CLEARLY IDENTIFYING AND DESCRIBING ALL LANDS TO BE INCLUDED IN THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA AND ANY OTHER INFORMATION THE DIRECTOR DEEMS NECESSARY.

F. THE HEARING SHALL BE HELD AT A LOCATION IN THE COUNTY IN WHICH THE MAJOR PORTION OF THE PROPOSED LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED NOT LESS THAN THIRTY DAYS BUT NOT MORE THAN SIXTY DAYS AFTER THE FIRST PUBLICATION OF THE NOTICE OF THE HEARING. AT THE HEARING, THE DIRECTOR SHALL PRESENT THE FACTUAL DATA IN THE DEPARTMENT'S POSSESSION IN SUPPORT OF OR IN OPPOSITION TO THE PROPOSED ACTION. ANY PERSON MAY APPEAR AT THE HEARING, EITHER IN PERSON OR BY REPRESENTATIVE, AND SUBMIT ORAL OR DOCUMENTARY EVIDENCE FOR OR AGAINST THE PROPOSED ACTION. IN MAKING THE DETERMINATION, THE DIRECTOR SHALL GIVE FULL CONSIDERATION TO PUBLIC COMMENT AND TO RECOMMENDATIONS MADE BY LOCAL POLITICAL SUBDIVISIONS.

G. WITHIN THIRTY DAYS AFTER THE HEARING, THE DIRECTOR SHALL MAKE AND FILE IN THE DIRECTOR'S OFFICE WRITTEN FINDINGS WITH RESPECT TO MATTERS CONSIDERED DURING THE HEARING. IF THE DIRECTOR DECIDES TO DECLARE AN AREA A LOCAL GROUNDWATER STEWARDSHIP AREA, THE DIRECTOR SHALL MAKE AND FILE AN ORDER DESIGNATING THE LOCAL GROUNDWATER STEWARDSHIP AREA.


I. THE DIRECTOR SHALL FILE A TRUE COPY OF THE MAP IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OR COUNTIES IN WHICH THE LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED.

45-652. Local groundwater stewardship area council; membership

A. A LOCAL GROUNDWATER STEWARDSHIP AREA THAT IS FORMED PURSUANT TO THIS ARTICLE SHALL BE ADMINISTERED BY A COUNCIL CONSISTING OF NINE MEMBERS. THE COUNTY BOARD OF SUPERVISORS SHALL NOMINATE AND THE GOVERNOR SHALL APPOINT THE MEMBERS OF THE COUNCIL TO REPRESENT THE WATER USERS AND RESIDENTS IN THE LOCAL GROUNDWATER STEWARDSHIP AREA AND ON THE BASIS OF THEIR KNOWLEDGE OF, INTEREST IN AND EXPERIENCE WITH PROBLEMS RELATING TO
THE DEVELOPMENT, USE AND CONSERVATION OF WATER. MEMBERS OF THE COUNCIL SHALL INCLUDE THE FOLLOWING:

1. EXCEPT AS PROVIDED IN PARAGRAPH 2 OF THIS SUBSECTION, IF THE BOUNDARIES OF A LOCAL GROUNDWATER STEWARDSHIP AREA ARE CONTAINED WITHIN ONE COUNTY:
   (a) ONE COUNTY SUPERVISOR, OR THE SUPERVISOR’S DESIGNEE, FROM THE COUNTY THAT ESTABLISHED THE LOCAL GROUNDWATER STEWARDSHIP AREA.
   (b) ONE MAYOR OR COUNCIL MEMBER, OR THE MAYOR’S OR COUNCIL MEMBER’S DESIGNEE, FROM A CITY OR TOWN WITHIN OR WITHDRAWING GROUNDWATER FROM WITHIN THE BOUNDARIES OF THE LOCAL GROUNDWATER STEWARDSHIP AREA, AS APPLICABLE.

2. IF THE BOUNDARIES OF A LOCAL GROUNDWATER STEWARDSHIP AREA ARE CONTAINED WITHIN TWO OR MORE COUNTIES, THE COUNCIL SHALL CONSIST OF THIRTEEN MEMBERS AND EACH ADDITIONAL COUNTY SHALL BE REPRESENTED BY THE FOLLOWING AND THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL BE EXPANDED TO INCLUDE THESE MEMBERS IN ADDITION TO THE MEMBERS OTHERWISE PRESCRIBED BY THIS SECTION:
   (a) ONE COUNTY SUPERVISOR, OR THE SUPERVISOR’S DESIGNEE, FROM EACH OF THE COUNTIES WITHIN THE BOUNDARIES OF THE LOCAL GROUNDWATER STEWARDSHIP AREA.
   (b) ONE MAYOR, OR THE MAYOR’S DESIGNEE, OF A CITY OR TOWN WITHIN OR WITHDRAWING GROUNDWATER FROM WITHIN THE BOUNDARIES OF THE LOCAL GROUNDWATER STEWARDSHIP AREA FROM A COUNTY WITH ALL OR A PORTION OF ITS JURISDICTION WITHIN THE BOUNDARIES OF THE LOCAL GROUNDWATER STEWARDSHIP AREA, AS APPLICABLE.

3. AT LEAST ONE PERSON WHO REPRESENTS AGRICULTURAL WATER USERS OR AGRICULTURAL INTERESTS WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA, SUCH AS A PERSON WHO IS ACTIVELY ENGAGED IN ANIMAL PRODUCTION AS THAT PERSON’S MAIN SOURCE OF INCOME, A PERSON WHO IS ACTIVELY ENGAGED IN PLANT PRODUCTION AS THAT PERSON’S MAIN SOURCE OF INCOME OR A REPRESENTATIVE OF A NATURAL RESOURCES CONSERVATION DISTRICT, AN IRRIGATION DISTRICT OR AN AGRICULTURAL WATER USERS ORGANIZATION, LOCATED IN THE COUNTY IN WHICH THE LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED.

4. AT LEAST ONE PERSON WHO REPRESENTS MINING OR INDUSTRIAL WATER USERS IN THE LOCAL GROUNDWATER STEWARDSHIP AREA.

5. AT LEAST ONE PERSON WHO REPRESENTS MUNICIPAL OR RESIDENTIAL WATER USERS OR INTERESTS WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA, SUCH AS A PERSON REPRESENTING A COMMUNITY WATER SYSTEM WITH ALL OR A PORTION OF ITS WELLS OR SERVICE AREA WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA, AN INDIVIDUAL WITH A WELL USED FOR DOMESTIC PURPOSES OR A PERSON REPRESENTING THE RESIDENTIAL REAL ESTATE OR HOMEBUILDING INDUSTRIES IN THE COUNTY IN WHICH THE LOCAL GROUNDWATER STEWARDSHIP AREA IS LOCATED.

6. AT LEAST ONE PERSON WHO REPRESENTS THE GOVERNING BODY OF AN INDIAN TRIBE, IF THE BOUNDARIES OF THE LOCAL GROUNDWATER STEWARDSHIP AREA...
INCLUDE ANY PORTION OF AN INDIAN RESERVATION OR IF ANY FEDERALLY 
RECOGNIZED INDIAN TRIBE OWNS LAND OR WATER RESOURCES WITHIN THE LOCAL 
groundwater stewardship area.

7. AT LEAST ONE BUT NO MORE THAN TWO AT-LARGE MEMBERS WITH 
KNOWLEDGE AND EXPERTISE RELATED TO WATER AND LAND RESOURCES WITHIN THE 
LOCAL GROUNDWATER STEWARDSHIP AREA. THE NUMBER OF AT-LARGE MEMBERS SHALL 
BE DETERMINED BASED ON MAINTAINING AN ODD NUMBER OF TOTAL COUNCIL MEMBERS. 

B. THE TERM OF OFFICE OF EACH MEMBER IS SIX YEARS EXCEPT THAT THE 
TERMS OF THE INITIAL MEMBERS SHALL BE STAGGERED SO THAT FOLLOWING 
COMPLETION OF THEIR INITIAL TERM, THE TERMS OF APPROXIMATELY ONE-THIRD OF 
THE MEMBERS EXPIRE ON THE THIRD MONDAY OF JANUARY IN EACH EVEN-NUMBERED 
YEAR.

C. MEMBERS OF THE COUNCIL SHALL SERVE WITHOUT COMPENSATION, EXCEPT 
THAT EACH MEMBER SHALL BE REIMBURSED FOR TRAVEL AND SUBSISTENCE WHILE 
ENGAGED IN BUSINESS OF THE COUNCIL IN THE SAME MANNER AS IS PROVIDED BY 
LAW FOR STATE OFFICERS.

45-653. Local groundwater stewardship area council; powers 
and duties; local groundwater stewardship area plan

A. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL:
1. IDENTIFY AND ANALYZE WATER MANAGEMENT PRACTICES AND OTHER 
POSSIBLE ACTIONS FOR USE IN MITIGATING THE WATER CONDITIONS IDENTIFIED IN 
THE RESOLUTION DESIGNATING THE LOCAL GROUNDWATER STEWARDSHIP AREA AND IN 
BRINGING THE AMOUNT OF WATER PUMPED INTO BALANCE WITH THE AMOUNT OF WATER 
RECHARGED IN THE LOCAL GROUNDWATER STEWARDSHIP AREA.

2. AFTER CONSULTATION WITH THE DEPARTMENT AND INTERESTED PARTIES 
AND AFTER HOLDING HEARINGS AS PRESCRIBED BY SECTION 45-656, ADOPT AND SEND 
TO THE DIRECTOR THE LOCAL GROUNDWATER STEWARDSHIP AREA PLAN FOR THE LOCAL 
GROUNDWATER STEWARDSHIP AREA.

B. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL MAY:
1. REQUEST HYDROLOGIC MODELING AND OTHER TECHNICAL ASSISTANCE FROM 
THE DEPARTMENT, INCLUDING CREATION OR REFINEMENT OF A GROUNDWATER MODEL OR 
OTHER MODELING OF FUTURE WATER RESOURCE CONDITIONS AND OUTCOMES AND OF THE 
POTENTIAL EFFECTIVENESS OF DIFFERENT TOOLS FOR MEETING THE LOCAL 
GROUNDWATER STEWARDSHIP AREA GOALS.

2. REQUEST ASSISTANCE FROM THE DEPARTMENT IN CREATING AN AREA PLAN 
FOR THE LOCAL GROUNDWATER STEWARDSHIP AREA.

3. GATHER INFORMATION AND DATA.

4. COMMISSION OR CREATE REPORTS.

5. RECOMMEND BEST MANAGEMENT PRACTICES AND OTHER MEASURES FOR 
IMPLEMENTATION IN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO ACHIEVE THE 
goals of the local groundwater stewardship area.

6. COOPERATE WITH FEDERALLY RECOGNIZED INDIAN TRIBES, CITIES, TOWNS 
AND COUNTIES AND OTHER PUBLIC OR PRIVATE AGENCIES OR ORGANIZATIONS TO 
ENGAGE IN COORDINATED REGIONAL PLANNING RELATED TO WATER RESOURCES.
7. ESTABLISH A STEERING COMMITTEE, ADVISORY COMMITTEE OR OTHER SIMILAR ORGANIZATIONAL STRUCTURE TO SOLICIT AND RECEIVE PARTICIPATION, COMMENT AND ADVICE FROM RESIDENTS OF THE LOCAL GROUNDWATER STEWARDSHIP AREA AND OTHER INTERESTED PARTIES REGARDING THE DEVELOPMENT AND OPERATION OF THE LOCAL GROUNDWATER STEWARDSHIP AREA AND THE AREA PLAN.

8. RECOMMEND THAT ANY PERSON WHO FILES A NOTICE OF INTENTION TO DRILL A NONEXEMPT WELL INSIDE A DESIGNATED LOCAL GROUNDWATER STEWARDSHIP AREA BE REQUIRED BY THE APPROVED LOCAL GROUNDWATER STEWARDSHIP AREA PLAN TO RECORD A COPY OF THE NOTICE IN THE OFFICE OF THE COUNTY RECORDER IN WHICH THE WELL IS TO BE LOCATED AND, ON COMPLETION OF THE WELL, RECORD A COPY OF THE WELL COMPLETION REPORT PRESCRIBED BY SECTION 45-600. FOR THE PURPOSES OF THIS PARAGRAPH, "NONEXEMPT WELL" MEANS A WELL WITH A MAXIMUM PUMPING CAPACITY OF MORE THAN THIRTY-FIVE GALLONS PER MINUTE.

9. SEEK AND RECEIVE PUBLIC AND PRIVATE MONIES TO ASSIST WITH ITS PLANNING, MANAGEMENT AND PURPOSE, INCLUDING GRANTS TO PROVIDE TECHNICAL AND FINANCIAL ASSISTANCE TO GROUNDWATER USERS WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA, INCLUDING MUNICIPAL CORPORATIONS, SPECIAL DISTRICTS, OTHER POLITICAL SUBDIVISIONS OR AUTHORITIES IN THIS STATE, INDIAN TRIBES AND PRIVATE ENTITIES RELATING TO THE MANAGEMENT OF GROUNDWATER RESOURCES WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA OR FOR ANY OTHER PURPOSES TO CARRY OUT OR ACCOMPLISH THE PURPOSES OF THIS ARTICLE.

10. NEGOTIATE, MAKE, EXECUTE, ACKNOWLEDGE AND PERFORM ANY CONTRACT, AGREEMENT OR OBLIGATION IT DEEMS ADVISABLE FOR THE INTEREST OF THE COUNCIL OR TO CARRY OUT OR ACCOMPLISH THE PURPOSES OF THIS ARTICLE. ALL CONTRACTS SHALL BE SIGNED BY THE CHAIRPERSON, OR IN THE CHAIRPERSON'S ABSENCE THE VICE CHAIRPERSON, AND ATTESTED BY THE SECRETARY.

45-654. Local groundwater stewardship area council; administrative duties

THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL:

1. KEEP THE MINUTES OF ITS MEETINGS AND ALL RECORDS, REPORTS AND OTHER INFORMATION RELATIVE TO ITS WORK AND PROGRAMS IN PERMANENT FORM INDEXED AND SYSTEMATICALLY FILED.

2. ELECT FROM ITS MEMBERS A CHAIRPERSON AND VICE CHAIRPERSON FOR TERMS OF TWO YEARS EXPIRING ON THE THIRD MONDAY OF JANUARY OF EACH EVEN NUMBERED YEAR.

3. DESIGNATE THE PERSON OR PERSONS WHO SHALL EXECUTE ALL DOCUMENTS AND INSTRUMENTS ON BEHALF OF THE COUNCIL.

4. MANIFEST AND RECORD ITS ACTIONS BY MOTION, RESOLUTION OR OTHER APPROPRIATE MEANS.

5. MAKE A COMPLETE RECORD OF ITS PROCEEDINGS THAT ARE OPEN TO PUBLIC INSPECTION DURING REGULAR BUSINESS HOURS.

6. FORM A TECHNICAL COMMITTEE TO PROVIDE TECHNICAL SUPPORT TO THE COUNCIL, WHICH SHALL INCLUDE AT LEAST ONE REPRESENTATIVE FROM THE DEPARTMENT AND MAY CONSIST OF MEMBERS OF THE COUNCIL AND MEMBERS OF THE PUBLIC SELECTED BY THE COUNCIL.
Local groundwater stewardship area plan; contents:

A. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL ADOPT A
LOCAL GROUNDWATER STEWARDSHIP AREA PLAN FOR GROUNDWATER PROGRAMS AND
POLICIES FOR THE LOCAL GROUNDWATER STEWARDSHIP AREA. THE AREA PLAN SHALL
INCLUDE:

1. ONE OR MORE GOALS FOR THE LOCAL GROUNDWATER STEWARDSHIP AREA.
2. A DESCRIPTION OF THE HYDROLOGIC, GEOLOGIC, ECOLOGICAL AND
DEMOGRAPHIC CONDITIONS IN THE LOCAL GROUNDWATER STEWARDSHIP AREA AND HOW
THE GOALS RELATE TO THOSE CONDITIONS AND TO THE CONDITIONS IDENTIFIED IN
THE RESOLUTION ESTABLISHING THE LOCAL GROUNDWATER STEWARDSHIP AREA.
3. PROPOSED ACTIONS CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER
STEWARDSHIP AREA GOALS AND IDENTIFYING THE RELEVANT PUBLIC OR PRIVATE
CORPORATION, MUNICIPALITY, COUNTY OR STATE AGENCY, INDIAN TRIBE OR FEDERAL
AGENCY WITH AUTHORITY TO IMPLEMENT AND ENFORCE EACH PROPOSED ACTION.
4. METHODS TO MONITOR AND REPORT ON PROGRESS TOWARD THE LOCAL
GROUNDWATER STEWARDSHIP AREA'S GOALS.

B. THE GOALS SPECIFIED IN THE AREA PLAN MUST ADDRESS THE CONDITIONS
IDENTIFIED IN THE RESOLUTION ESTABLISHING THE LOCAL GROUNDWATER
STEWARDSHIP AREA. BEFORE ADOPTING AN AREA PLAN, THE COUNCIL SHALL
CONSIDER THE VOTER APPROVED MANAGEMENT GOALS IN THE RELEVANT MUNICIPAL
GENERAL PLANS ADOPTED PURSUANT TO SECTION 9-461.06, THE RELEVANT COUNTY
COMPREHENSIVE PLANS ADOPTED PURSUANT TO SECTION 11-805 AND ANY GOALS
INCLUDED IN ANY COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY ADOPTED FOR A
COUNTY, CITY OR TOWN WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA. THE
MANAGEMENT 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 LOCAL GROUNDWATER
STEWARDSHIP AREA.

C. THE AREA PLAN MUST INCLUDE MONITORING OF RELEVANT HYDROLOGIC,
BILOGIC AND ECOLOGICAL CONDITIONS TO TRACK PROGRESS TOWARDS THE AREA
GOALS. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL MAY COORDINATE WITH
THE DIRECTOR OF WATER RESOURCES AND OTHER STATE AGENCIES, MUNICIPAL
CORPORATIONS, SPECIAL DISTRICTS, PUBLIC AUTHORITIES, POLITICAL
SUBDIVISIONS OF THIS STATE, PRIVATE ENTITIES, INDIAN TRIBES AND ANY
AGENCIES OF THE UNITED STATES GOVERNMENT RELATED TO MONITORING OF RELEVANT
RESOURCES.

D. THE LOCAL GROUNDWATER STEWARDSHIP AREA PLAN MAY INCLUDE:

1. ACTIONS THAT MAY BE RECOMMENDED BY THE LOCAL GROUNDWATER
STEWARDSHIP AREA COUNCIL FOR IMPLEMENTATION BY RELEVANT CITIES AND TOWNS,
COUNTY GOVERNMENTS OR OTHER PUBLIC AGENCIES WITHIN THE LOCAL GROUNDWATER
STEWARDSHIP AREA, WHETHER INDIVIDUALLY OR THROUGH AN INTERGOVERNMENTAL AGREEMENT OR CONTRACT THAT MAY INCLUDE:

(a) A RECOMMENDATION TO COUNTY AND MUNICIPAL GOVERNMENTS IN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO INCENTIVIZE OR REQUIRE WATER CONSERVATION AND PROTECTION OF WATER RESOURCES CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA GOALS THAT MAY INCLUDE:

(i) ADDRESSING AREA GOALS IN RELEVANT GENERAL PLANS ADOPTED PURSUANT TO SECTION 9-461.06 AND COMPREHENSIVE PLANS ADOPTED PURSUANT TO SECTION 11-805.

(ii) ADOPTING THE PROVISION AUTHORIZED BY SECTION 11-823, SUBSECTION B.

(iii) ESTABLISHING SPECIAL ZONING DISTRICTS OR REGULATIONS AUTHORIZED BY SECTION 9-462.01.

(iv) ADOPTING OVERLAY ZONING DISTRICTS AND REGULATIONS AUTHORIZED BY SECTION 11-811.

(v) REGULATING SUBDIVISIONS AS AUTHORIZED BY SECTIONS 9-463.01 AND 11-821.

(vi) REQUIRING THE ISSUANCE OF BUILDING PERMITS AUTHORIZED BY SECTION 9-467 OR ADOPTING BUILDING CODES AND OTHER RELATED CODES AUTHORIZED BY SECTION 11-861.

(b) A RECOMMENDATION TO WATER UTILITIES WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO ESTABLISH INCENTIVES AND RULES TO ENCOURAGE WATER CONSERVATION PURSUANT TO AND CONSISTENT WITH SECTIONS 9-511.01 AND 40-202 AND ARTICLE XV, SECTION 3, CONSTITUTION OF ARIZONA.

(c) A PLAN FOR RECHARGE, STORAGE AND RECOVERY TO IMPROVE AQUIFER RECHARGE CONSISTENT WITH CHAPTER 3.1 OF THIS TITLE, WITH A RECOMMENDATION TO COUNTY AND MUNICIPAL GOVERNMENTS REGARDING CONSTRUCTION AND OPERATION OF RELEVANT INFRASTRUCTURE.

2. PROPOSED ACTIONS FOR IMPLEMENTATION BY THE DEPARTMENT ON PETITION BY THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL IN ITS AREA PLAN THAT MAY INCLUDE:

(a) WATER MEASURING DEVICES FOR CERTAIN GROUNDWATER WITHDRAWALS FROM NONEXEMPT WELLS WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA PURSUANT TO SECTION 45-604.

(b) RECORDS AND ANNUAL REPORT OF GROUNDWATER PUMPING FOR NONEXEMPT WELLS PURSUANT TO SECTION 45-632.

(c) DESIGNATION OF A SUBSEQUENT IRRIGATION NON-EXPANSION AREA WITHIN ALL OR A PORTION OF THE LOCAL GROUNDWATER STEWARDSHIP AREA PURSUANT TO SECTION 45-433.

(d) RULES GOVERNING THE LOCATION OF NEW WELLS AND REPLACEMENT WELLS IN THE LOCAL GROUNDWATER STEWARDSHIP AREA TO PREVENT UNREASONABLY INCREASING DAMAGE TO SURROUNDING LAND OR OTHER WATER USERS OR OTHERWISE PREVENT ACHIEVEMENT OF THE MANAGEMENT GOALS OF THE LOCAL GROUNDWATER STEWARDSHIP AREA FROM THE CONCENTRATION OF WELLS PURSUANT TO SECTION 45-598.
(e) Voluntary or mandatory conservation programs that apply to certain persons withdrawing, distributing or receiving groundwater within the local groundwater stewardship area pursuant to section 45-657.

(f) Programs to approve and fund voluntary, compensated land and water conservation plans with actions to be implemented by landowners and water users within the local groundwater stewardship area to conserve and augment groundwater supplies within the local groundwater stewardship area. These programs may include:

(i) short-term or long-term voluntary land use or water use agreements with landowners or water users.

(ii) stormwater retention and recharge incentives.

(iii) low-water-use development incentives.

(iv) groundwater mitigation or offset programs.

(v) incentives for low-water-use practices, fixtures or landscaping to reduce residential and commercial water use.

(vi) irrigation efficiency and conservation incentives.

(g) Groundwater withdrawal permit requirements for withdrawal of groundwater from new nonexempt wells for certain purposes pursuant to section 45-512.

3. Any other actions deemed appropriate by the local groundwater stewardship area council for achieving the local groundwater stewardship area management goals, with approval by or coordination with other entities as necessary to implement the action.

45-656. Adoption of local groundwater stewardship area plan; council hearings; department hearings; notice

A. The local groundwater stewardship area council shall hold at least two public hearings to receive public comment on any proposed local groundwater stewardship area plan or any amendment to a management area plan after providing notice of the hearings as prescribed in section 45-651 to the persons and entities prescribed by section 45-651. The local groundwater stewardship area council shall hear all persons who wish to appear before the council regarding the proposed local groundwater stewardship area plan or amendment. On completion of the hearings and after making any changes to the proposed local groundwater stewardship area plan or amendment, the council shall adopt the local groundwater stewardship area plan. The council shall record a certified copy of the proceedings in the office of the county recorder for any county with land within the local groundwater stewardship area and shall submit a copy to the director. On or before the tenth anniversary of the management area plan's most recent adoption, the council shall review and readopt the management area plan for an additional term of up to ten years or shall adopt a new management plan as provided by this section.

B. On adoption of the plan, the local groundwater stewardship area council shall petition the department for approval by the department of any proposed actions in the plan that would be implemented by the
DEPARTMENT. THE LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL SHALL SUBMIT TO THE APPROPRIATE CITIES, TOWNS AND COUNTIES AND OTHER PUBLIC AGENCIES ANY PROPOSED ACTIONS IN THE AREA PLAN THAT WOULD BE IMPLEMENTED BY THOSE CITIES, TOWNS AND COUNTIES OR OTHER PUBLIC AGENCIES IN THE LOCAL GROUNDWATER STEWARDSHIP AREA.

C. ON RECEIPT OF A PETITION BY A LOCAL GROUNDWATER STEWARDSHIP AREA COUNCIL PURSUANT TO SUBSECTION B OF THIS SECTION AND BEFORE IMPLEMENTING ANY RECOMMENDED ACTIONS CONTAINED IN THE AREA PLAN, THE DIRECTOR SHALL HOLD A PUBLIC HEARING ON THE ACTIONS PROPOSED FOR IMPLEMENTATION BY THE DEPARTMENT.


E. THE HEARING SHALL BE HELD AT A LOCATION WITHIN THE LOCAL GROUNDWATER STEWARDSHIP AREA AS SOON AS PRACTICABLE BUT AT LEAST THIRTY DAYS AND NOT MORE THAN SIXTY DAYS AFTER THE FIRST PUBLICATION OF THE NOTICE OF HEARING.


G. WITHIN THIRTY DAYS AFTER THE HEARING, THE DIRECTOR SHALL ISSUE A PRELIMINARY DECISION DETERMINING WHETHER THE PROPOSED ACTIONS INCLUDED WITHIN THE PETITION, SINGLY OR IN COMBINATION, ARE CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA GOALS. WITHIN NINETY DAYS AFTER THE HEARING, THE DIRECTOR SHALL ISSUE A FINAL DECISION DETERMINING WHETHER THE PROPOSED ACTIONS INCLUDED WITHIN THE PETITION, SINGLY OR IN COMBINATION, ARE CONSISTENT WITH ACHIEVING THE LOCAL GROUNDWATER STEWARDSHIP AREA GOALS AND SUCH ORDERS AND DESIGNATIONS AS MAY BE REQUIRED TO IMPLEMENT THE ACTIONS APPROVED BY THE DECISION. THE DIRECTOR SHALL INCLUDE A SUMMARY OF FINDINGS WITH RESPECT TO MATTERS CONSIDERED DURING THE HEARING WITH THE DECISION AND A SUMMARY OF ALL PUBLIC COMMENTS RECEIVED IN WRITING AND PUBLIC COMMENTS MADE AT THE PUBLIC HEARING.

H. INFORMATION COMPILLED BY THE DIRECTOR IN CONNECTION WITH THE PLAN, A TRANSCRIPT OF THE HEARING, A COPY OF THE FINDINGS AND A COPY OF
THE AREA PLAN ARE PUBLIC RECORDS OF THE DEPARTMENT AND SHALL BE AVAILABLE FOR EXAMINATION BY THE PUBLIC DURING REGULAR BUSINESS HOURS.

I. THE FINDINGS AND ORDER OF THE DIRECTOR ARE SUBJECT TO REHEARING OR REVIEW AND TO JUDICIAL REVIEW AS PROVIDED IN SECTION 45-114, SUBSECTION C.

45-657. Conservation programs for local groundwater stewardship area; rules

THE DIRECTOR SHALL ADOPT RULES FOR THE CONSERVATION PROGRAMS TO BE IMPLEMENTED BY THE DEPARTMENT AND THAT MAY BE INCLUDED IN A LOCAL GROUNDWATER STEWARDSHIP AREA PLAN PURSUANT TO SECTION 45-655, SUBSECTION D, PARAGRAPH 2. THE DIRECTOR SHALL ESTABLISH POLICIES AND METHODOLOGIES FOR CONSERVATION PROGRAMS FOR IRRIGATION AND NONIRRIGATION USES OF GROUNDWATER THAT MAY BE USED IN LOCAL GROUNDWATER STEWARDSHIP AREAS IF ADOPTED IN A LOCAL GROUNDWATER STEWARDSHIP AREA MANAGEMENT PLAN PURSUANT TO SECTION 45-655 AND APPROVED BY THE DIRECTOR PURSUANT TO SECTION 45-656.