



ARIZONA HOUSE OF REPRESENTATIVES

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Senate: NREW DP 7-0-0-0 | 3rd Read 28-1-1-0

House: NREW DP 10-0-0-0

SB 1432: assured water; small residential developments..

Sponsor: Senator Wadsack, LD 17

Transmitted to the Governor

Overview

An emergency measure that directs a municipality to provide water service through an intergovernmental agreement with a standpipe district for a maximum of three years to households that lack access to sufficient water and meet outlined criteria.

History

In Arizona's six active management areas (AMAs), someone who plans to sell or lease subdivided lands in an AMA must obtain a certificate of assured water supply from the Arizona Department of Water Resources (ADWR) or obtain a commitment for water service from a city, town or private water company with a designation of assured water supply. Otherwise, a municipality or county cannot approve the subdivision plat, and the State Real Estate Commissioner will not issue a public report authorizing the sale or lease of the subdivided lands. An assured water supply means:

- 1) Sufficient groundwater, surface water or effluent of adequate quality that will be legally, physically and continuously available to meet proposed water needs for at least 100 years;
- 2) Any projected groundwater use is consistent with the AMA's management plan and achieving its management goal; and
- 3) The applicant has demonstrated the financial capability to build the infrastructure necessary to make water available for the proposed use ([A.R.S. § 45-576](#)).

Provisions

Standpipe District

1. Directs a municipality that provides water service to provide this service through an intergovernmental agreement with a standpipe district for no more than three years using a standpipe for water hauling to those who reside outside the municipality's water service area and who do not have access to sufficient water if all the following criteria apply:
 - a) less than 750 households will be served in an unincorporated community within the standpipe district that is adjacent to the municipality;
 - b) the municipality previously provided water service to those who do not have access to sufficient water;
 - c) there is no other adequate source of water within 10 miles of the affected households;
 - d) the municipality will be reimbursed for the full reasonable costs of providing and delivering the water;
 - e) the impacted area is in a county with a population of more than 750,000 persons; and
 - f) providing the water at the standpipe does not, without the municipality's consent, reduce the amount of water available to residences and businesses within the municipality's water service area or to residences and businesses outside the service area with whom the municipality has directly contracted to provide water through means other than water hauling. (Sec. 1)

2. Instructs the standpipe district to enter into an intergovernmental agreement with the municipality. (Sec. 1)
3. Specifies that the intergovernmental agreements must provide that the standpipe district agrees to be responsible for:
 - a) delivering water to water haulers serving the members of the standpipe district and allowing self hauling of water;
 - b) paying the municipality for the full costs of providing the water to those eligible to receive water services;
 - c) billing residences for the cost of water being received;
 - d) providing an annual amount of water to residences that may exceed the annual amount of water previously received if the excess amount does not, without the municipality's consent, reduce the amount of water available to residences and businesses within the municipality or to any areas that the municipality is contracted to provide water to via means other than water hauling;
 - e) implementing necessary water conservation measures if the annual water limit is exceeded, suspended or reduced; and
 - f) working to identify long-term solutions for the area's water needs. (Sec. 1)
4. Specifies that the standpipe district may pay for, bill and provide water services either directly or through one or more third parties. (Sec. 1)
5. Requires the intergovernmental agreement to indemnify the municipality with respect to any actions taken or occurrences after the water is provided at the standpipe. (Sec. 1)
6. States that the provision of water and intergovernmental agreement are contingent on the standpipe district obtaining a water source from a third party absent a municipality's consent to use the municipality's own source of water. (Sec. 1)
7. Limits the receivable water from any standpipe district to not more than 750 residences. (Sec. 1)
8. Authorizes a municipality to reduce or suspend the amount of water provided if water becomes unavailable from a third party. (Sec. 1)
9. States that a municipality is not liable to any person or entity for providing or failing to provide water. (Sec. 1)
10. Stipulates the standpipe district provisions do not:
 - a) preclude execution or implementation of a voluntary agreement before the effective date; and
 - b) apply if such a voluntary agreement results in adequate water being supplied to the residences that would otherwise be served. (Sec. 1)
11. States property owners in the impacted area may join, or not join, the standpipe district. (Sec. 1)
12. Asserts the standpipe district provides water only to the members of the standpipe district. (Sec. 1)
13. Requires the standpipe district to be governed by a five-person Board of Directors that are members of the standpipe district on or before taking office. (Sec. 1)
14. States appointments to the standpipe district's Board of Directors must be made within 14 days of the occurrence of the conditions outlined or if such conditions already exist, within 14 days after the effective date. (Sec. 1)
15. Specifies that the standpipe district Board be composed of:

- a) one member appointed by the Speaker of the House of Representatives;
- b) one member appointed by the Senate President;
- c) one member appointed by the Governor;
- d) one member appointed by the Commissioner of the State Real Estate Department; and
- e) one member appointed by the Director of the Department of Water Resources. (Sec. 1)

- 16. Limits the standpipe district's powers to only those expressly contemplated. (Sec. 1)
- 17. Stipulates the standpipe district can levy a reasonable and minimal surcharge on the price of water to reimburse the standpipe district for costs of billing, administration and other reasonable expenses. (Sec. 1)
- 18. States the surcharge must not exceed 10% of a customer's bill without the unanimous approval of the standpipe district Board. (Sec. 1)
- 19. Asserts a standpipe district is not subject to eminent domain. (Sec. 1)
- 20. Specifies that a standpipe district in the impacted area, which conditions set forth apply, begins to exist when a majority of Board members are appointed. (Sec. 1)
- 21. Repeals the standpipe district provisions on January 1, 2026. (Sec. 2)

Miscellaneous

- 22. Requires the Director of the Arizona Department of Water Resources (ADWR) to study and provide the Governor, President of the Senate and Speaker of the House of Representatives, by December 31, 2023, a report on whether and how a person who seeks a building permit for six or more residences within an AMA should apply for and obtain a certificate of assured water supply from ADWR before presenting the permit application for approval to the county. (Sec. 3)
- 23. Exempts an applicant from obtaining a certificate of assured water supply if the applicant obtains a written commitment of water service from a city, town or private water company designated as having an assured water supply. (Sec. 3)
- 24. Adds an emergency clause. (Sec. 4)
- 25. Makes technical and conforming changes. (Sec. 1, 3)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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