

Senate Engrossed

groundwater replenishment; member lands; areas

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SENATE BILL 1181

AN ACT

AMENDING SECTIONS 48-3771, 48-3775, 48-3778, 48-3780 AND 48-3781, ARIZONA
REVISED STATUTES; RELATING TO MULTI-COUNTY WATER CONSERVATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-3771, Arizona Revised Statutes, is amended to
3 read:

4 48-3771. District replenishment obligations; replenishment
5 location; source of replenishment; exception

6 A. For each active management area in which member lands or member
7 service areas are or may be located, the district shall replenish
8 groundwater in an amount equal to the groundwater replenishment obligation
9 for that active management area. Except as provided in section 48-3781,
10 subsection G, the district shall complete the replenishment of the
11 groundwater replenishment obligation of that active management area
12 applicable to a particular year within three full calendar years after the
13 year that the district incurs the groundwater replenishment obligation.
14 Replenishment of the groundwater replenishment obligation of an active
15 management area applicable to a particular year is complete when the
16 amount of water added to aquifers through water storage that has been
17 credited directly to the district's conservation district account pursuant
18 to title 45, chapter 3.1, plus long-term storage credits that have been
19 transferred from the district's long-term storage account to its
20 conservation district account pursuant to title 45, chapter 3.1, less the
21 groundwater replenishment obligation of member lands and member service
22 areas located in the active management area and applicable to previous
23 years, less the contract replenishment obligations relative to municipal
24 providers in the active management area for previous years and the year of
25 the calculation, equals or exceeds the groundwater replenishment
26 obligation of the active management area for that year.

27 B. With respect to the portion of the groundwater replenishment
28 obligation attributable to a parcel of member land or a member service
29 area, the district shall replenish groundwater in the active management
30 area where the parcel of member land or the member service area is located
31 in an amount equal to the groundwater replenishment obligation applicable
32 to that parcel of member land or that member service area.

33 C. Except as provided by title 45, chapter 3.1, the district may
34 replenish groundwater with central Arizona project water or water from any
35 other lawfully available source except groundwater withdrawn from within
36 an active management area.

37 D. Notwithstanding any other provision of this chapter, if a parcel
38 of member land is included in the service area of a municipal provider
39 that is not a member service area but that has been designated as having
40 an assured water supply under section 45-576, the parcel of member land
41 has no parcel replenishment obligation and the district has no groundwater
42 replenishment obligation attributable to that parcel of member land for as
43 long as the designation remains in effect.

44 E. Notwithstanding any other provision of this chapter **AND EXCEPT**
45 **AS PROVIDED IN SUBSECTION F OF THIS SECTION**, if a parcel of member land is

1 included in the service area of a municipal provider that is a member
2 service area and that has been designated as having an assured water
3 supply under section 45-576, the parcel of member land has no further
4 parcel replenishment obligation.

5 F. AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, A
6 MUNICIPAL PROVIDER THAT SUBMITS AN APPLICATION FOR A NEW DESIGNATION OF
7 ASSURED WATER SUPPLY PURSUANT TO RULES ADOPTED BY THE DEPARTMENT OF WATER
8 RESOURCES IN THE PHOENIX ACTIVE MANAGEMENT AREA THAT RELIES ON A MEMBER
9 SERVICE AREA AGREEMENT MAY ELECT FOR ALL PARCELS OF MEMBER LAND IN THE
10 MUNICIPAL SERVICE AREA TO RETAIN A REPLENISHMENT OBLIGATION. FOR PARCELS
11 OF MEMBER LAND THAT RETAIN A REPLENISHMENT OBLIGATION, THE DISTRICT SHALL
12 REPLENISH GROUNDWATER IN AN AMOUNT EQUAL TO THE OBLIGATION APPLICABLE TO
13 THAT PARCEL OF MEMBER LAND.

14 G. IF, PURSUANT TO SUBSECTION F OF THIS SECTION, A MUNICIPAL
15 PROVIDER'S SERVICE AREA CONTAINS MEMBER LANDS AND THE MUNICIPAL PROVIDER
16 APPLIES TO BECOME DESIGNATED AS HAVING AN ASSURED WATER SUPPLY, THE
17 MUNICIPAL PROVIDER SHALL NOTIFY THE DISTRICT AND THE DIRECTOR OF THE
18 DEPARTMENT OF WATER RESOURCES AT THE TIME OF APPLICATION WHETHER IT
19 CHOOSES TO ASSUME THE MEMBER LANDS' REPLENISHMENT OBLIGATION UNDER THE
20 MUNICIPAL PROVIDER'S DESIGNATION OF ASSURED WATER SUPPLY AND MEMBER
21 SERVICE AREA AGREEMENT. THIS SECTION DOES NOT AUTHORIZE NEW MEMBER LANDS
22 TO BE ENROLLED WITHIN THE MUNICIPAL PROVIDER'S SERVICE AREA AFTER THE
23 SERVICE AREA IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY.

24 H. IF A MUNICIPAL PROVIDER CHOOSES TO ALLOW PARCELS OF MEMBER LAND
25 WITHIN ITS SERVICE AREA TO RETAIN THE PARCEL REPLENISHMENT OBLIGATION
26 PURSUANT TO THIS SECTION, THE DESIGNATION OF ASSURED WATER SUPPLY AND
27 MEMBER SERVICE AREA AGREEMENT FOR THE MUNICIPAL PROVIDER SHALL PROVIDE
28 THAT THE PARCELS OF MEMBER LAND RETAIN THE PARCEL REPLENISHMENT OBLIGATION
29 FOR THE LESSER OF EITHER OF THE FOLLOWING:

30 1. TEN YEARS FROM THE DATE OF COMMENCEMENT OF THE FIRST TERM OF THE
31 DESIGNATION.

32 2. THE FIRST TERM OF THE DESIGNATION.

33 I. ON THE LESSER OF THE CONDITIONS PRESCRIBED BY SUBSECTION H OF
34 THIS SECTION, THE MUNICIPAL PROVIDER SHALL BEGIN TO ASSUME A PERCENTAGE OF
35 THE GROUNDWATER DELIVERED TO PARCELS OF MEMBER LAND AND ANY ASSOCIATED
36 PARCEL REPLENISHMENT OBLIGATION AND PROVIDE THE INFORMATION TO THE
37 DISTRICT IN THE ANNUAL REPORTS REQUIRED BY SECTION 48-3775. IN THE FIRST
38 YEAR OF REPORTING PURSUANT TO THIS SUBSECTION, THE MUNICIPAL PROVIDER MAY
39 ASSUME NOT LESS THAN TEN PERCENT OF THE TOTAL REPORTED GROUNDWATER
40 DELIVERED TO EACH PARCEL OF MEMBER LAND. IN EACH SUCCESSIVE YEAR THE
41 MUNICIPAL PROVIDER SHALL ASSUME AT LEAST AN ADDITIONAL TEN PERCENT SO THAT
42 WITHIN TEN YEARS, ALL REPORTED GROUNDWATER DELIVERED AND PARCEL
43 REPLENISHMENT OBLIGATION ARE ASSUMED BY THE MUNICIPAL PROVIDER AND THE
44 PARCELS OF MEMBER LAND HAVE NO FURTHER PARCEL REPLENISHMENT OBLIGATION.

1 J. AFTER A MUNICIPAL PROVIDER ASSUMES ALL GROUNDWATER DELIVERIES
2 FROM ALL PARCELS OF MEMBER LAND AS PRESCRIBED BY SUBSECTION I OF THIS
3 SECTION, THE MUNICIPAL PROVIDER SHALL CEASE SUBMITTING REPORTS TO THE
4 DISTRICT FOR PARCELS OF MEMBER LAND PURSUANT TO SECTION 48-3775 WHILE THE
5 MUNICIPAL PROVIDER'S DESIGNATION OF ASSURED WATER SUPPLY REMAINS VALID.

6 K. IF A MUNICIPAL PROVIDER ASSUMES THE PARCEL REPLENISHMENT
7 OBLIGATION OF MEMBER LANDS PURSUANT TO A DESIGNATION OF ASSURED WATER
8 SUPPLY THAT RELIES ON A MEMBER SERVICE AREA AGREEMENT, ANY GROUNDWATER
9 ALLOWANCE OR EXTINGUISHMENT CREDITS, AS PROVIDED IN RULES ADOPTED BY THE
10 DEPARTMENT OF WATER RESOURCES PURSUANT TO SECTION 45-576, ASSOCIATED WITH
11 THE MEMBER LANDS ASSUMED BY THE MUNICIPAL PROVIDER MAY BE USED AS FOLLOWS:

12 1. IF THE PARCEL REPLENISHMENT OBLIGATION AND REPORTED GROUNDWATER
13 DELIVERED TO THE MEMBER LANDS ARE ENTIRELY ASSUMED ON THE INITIAL
14 DESIGNATION OF AN ASSURED WATER SUPPLY, THE REMAINING EXTINGUISHMENT
15 CREDITS OR GROUNDWATER ALLOWANCE ASSOCIATED WITH THE MEMBER LANDS MAY BE
16 USED BY THE MUNICIPAL PROVIDER AS AUTHORIZED PURSUANT TO A MEMBER SERVICE
17 AREA AGREEMENT.

18 2. IF THE PARCEL REPLENISHMENT OBLIGATION AND REPORTED GROUNDWATER
19 DELIVERED TO THE MEMBER LANDS ARE ASSUMED IN STAGES AS PROVIDED IN
20 SUBSECTION I OF THIS SECTION, THE MUNICIPAL PROVIDER MAY USE THE
21 GROUNDWATER ALLOWANCE AND EXTINGUISHMENT CREDITS FOR THE MEMBER LANDS IN
22 THE SAME MANNER AS AUTHORIZED IN THE APPLICABLE AGREEMENT AND NOTICE OF
23 MUNICIPAL REPORTING REQUIREMENTS IF THE GROUNDWATER IS BEING REPORTED AS
24 DELIVERED TO MEMBER LANDS. THEREAFTER, ANY REMAINING EXTINGUISHMENT
25 CREDITS OR GROUNDWATER ALLOWANCE MAY BE USED BY THE MUNICIPAL PROVIDER AS
26 AUTHORIZED UNDER THE MEMBER SERVICE AREA AGREEMENT.

27 Sec. 2. Section 48-3775, Arizona Revised Statutes, is amended to
28 read:

29 48-3775. Reports

30 A. Except as provided in subsection H of this section, on or before
31 March 31 of each year after the recordation of the instrument described in
32 section 48-3774, subsection C, each municipal provider delivering water to
33 member land shall file ~~a report~~ with the district and with the director of
34 water resources **A REPORT** that contains the following information for the
35 preceding calendar year, which is the reporting year:

36 1. The amount of groundwater delivered by the municipal provider to
37 each parcel of member land, identified by the applicable tax parcel
38 number, and the basis for the calculation of the amount of groundwater
39 delivered.

40 2. The amount of groundwater delivered by the municipal provider to
41 the member land and the basis for the calculation of the amount of
42 groundwater delivered.

43 3. The amount of excess groundwater delivered by the municipal
44 provider to the member land and the basis for the calculation of the
45 amount of excess groundwater delivered.

1 4. The parcel replenishment obligation of each parcel of the member
2 land, identified by the applicable tax parcel number.

3 5. Such other information as the district may reasonably require.

4 B. On or before March 31 of each year after the qualification of a
5 municipal provider's service area as a member service area, the municipal
6 provider shall file ~~a report~~ with the district and with the director of
7 water resources **A REPORT** that contains the following information for the
8 preceding calendar year, which is the reporting year:

9 1. The amount of groundwater delivered by the municipal provider to
10 all customers within the member service area and the basis for the
11 calculation of the amount of groundwater delivered **AND, IF THE MUNICIPAL**
12 **PROVIDER HAS ENTERED INTO A MEMBER SERVICE AREA AGREEMENT PURSUANT TO**
13 **SECTION 48-3771, SUBSECTIONS H AND I, THE AMOUNT OF GROUNDWATER DELIVERED**
14 **TO MEMBER LANDS AND THE PERCENTAGE OF THOSE GROUNDWATER DELIVERIES ASSUMED**
15 **BY THE MUNICIPAL PROVIDER.**

16 2. The amount of excess groundwater delivered by the municipal
17 provider to all customers within the member service area and the basis for
18 the calculation of the amount of excess groundwater delivered.

19 3. Such other information as the district may require.

20 C. The district shall confirm the calculation of the parcel
21 replenishment obligation of each parcel of the member land and the service
22 area replenishment obligation of each member service area, using the
23 information provided in subsections A and B of this section.

24 D. To the extent allowed by the assured water supply rules adopted
25 by the department of water resources pursuant to section 45-576,
26 subsection H, in calculating the excess groundwater of a member land or a
27 member service area, the municipal provider shall reduce the amount of
28 groundwater that may be used, consistent with such rules, at a member land
29 or delivered for use within the member service area and that is not
30 derived from credits on a straight line basis over the applicable period
31 of years prescribed in such rules. The municipal provider may apply any
32 credits applicable to the member land or the member service area as
33 ~~permitted~~ **ALLOWED** under such rules.

34 E. The district shall prepare and file with the director of water
35 resources on or before August 31 of each year for the prior calendar year,
36 which is the reporting year, an annual report that includes the following
37 information:

38 1. The total amount of water that was stored by the district during
39 the reporting year pursuant to each water storage permit issued to it
40 under title 45, chapter 3.1.

41 2. The amount of water stored by the district during the reporting
42 year to be credited to the district's conservation district account
43 pursuant to title 45, chapter 3.1.

1 3. The amount of water stored by the district during the reporting
2 year to be credited to the district's replenishment reserve subaccount
3 pursuant to title 45, chapter 3.1.

4 4. The groundwater replenishment obligations for the reporting year
5 and for the two calendar years preceding the reporting year, and the
6 extent to which the district has completed the groundwater replenishment
7 obligations applicable to each of those years.

8 5. The information required under section 45-877.01.

9 6. The amount of water stored by the district during the reporting
10 year to be credited to the district's long-term storage account pursuant
11 to title 45, chapter 3.1.

12 7. The amount of long-term storage credits the district has
13 transferred and credited to its conservation district account pursuant to
14 title 45, chapter 3.1 during the reporting year.

15 F. The district and the municipal providers required to file
16 reports under this section shall maintain current, accurate records of the
17 information required to be included in the reports.

18 G. If a municipal provider fails to file a report as required by
19 the district, the district may assess a penalty of up to ~~one thousand~~
20 ~~dollars~~ \$1,000 per day that the report is overdue.

21 H. A municipal provider shall not file the report required by
22 subsection A of this section for a parcel of member land that is included
23 in the service area of a municipal provider that is a member service area
24 that has been designated as having an assured water supply under section
25 45-576 UNLESS THE PARCEL OF MEMBER LAND IS SUBJECT TO A MEMBER SERVICE
26 AREA AGREEMENT AS PRESCRIBED IN SECTION 48-3771, SUBSECTIONS H AND I.

27 Sec. 3. Section 48-3778, Arizona Revised Statutes, is amended to
28 read:

29 48-3778. Annual assessment; general revenue law

30 A. On or before the third Monday of August of each year after the
31 qualification of any real property as member land, the district shall
32 charge an annual replenishment assessment against each parcel of member
33 land that is subject to a parcel replenishment obligation. This charge
34 becomes a lien on the parcel and shall be collected in the same manner as
35 an ad valorem tax. The assessments shall be calculated by the district
36 pursuant to this article and shall be sufficient to produce the amount of
37 money estimated as needed to pay the costs and expenses to replenish
38 groundwater established under section 48-3772, subsection A and taking
39 into account any annual replenishment tax levied against municipal
40 providers under section 48-3781 AND ANY MEMBER SERVICE AREA AGREEMENT
41 PURSUANT TO SECTION 48-3771, SUBSECTIONS H AND I.

42 B. The district shall promptly certify the assessments to the board
43 of supervisors of each county in which member lands are located, and these
44 boards of supervisors at the time of levying general county taxes shall

1 take the necessary steps for collection of replenishment assessments
2 against the parcels of member land within such county.

3 C. The assessment when collected shall be deposited, pursuant to
4 sections 35-146 and 35-147, in the special fund established under section
5 48-3773, subsection A, paragraph 3 to be spent by the district only for
6 the purposes authorized by this article.

7 D. All provisions of the general revenue laws for the collection of
8 taxes on real estate for county purposes apply to the collection of the
9 replenishment assessment imposed by this article, including all remedies
10 of the revenue laws for collecting delinquent taxes and provisions
11 relating to sales of real property for delinquent taxes. The exemptions
12 applicable to ad valorem taxes do not apply to assessments charged
13 pursuant to this section.

14 Sec. 4. Section 48-3780, Arizona Revised Statutes, is amended to
15 read:

16 48-3780. Qualification as a member service area; termination

17 A. The service area of a municipal provider qualifies as a member
18 service area only if all of the following apply:

19 1. The service area is located in an active management area in
20 which a part of the central Arizona project aqueduct is located.

21 2. The municipal provider is not a member of a groundwater
22 replenishment district established pursuant to chapter 27 of this title.

23 3. The service area of the municipal provider is not a water
24 district member service area under chapter 28 of this title.

25 4. If the municipal provider or its predecessor previously
26 terminated member service area status pursuant to subsection B of this
27 section, the service area or any portion of the service area has not been
28 a member service area for at least ten years. The district may waive this
29 requirement if the district and the director of water resources determine
30 that previously unforeseen circumstances necessitate requalification of
31 the service area.

32 5. If the municipal provider or its predecessor previously
33 terminated member service area status pursuant to subsection B of this
34 section, the municipal provider agrees to pay to the district all charges
35 that would have otherwise been imposed by the district had the member
36 service area status remained in effect during the period since termination
37 became effective.

38 6. If all or a portion of the service area has previously qualified
39 as a member service area, the municipal provider agrees to pay an amount
40 equal to the amount of the replenishment taxes assessed against its
41 predecessor that were not paid, plus interest calculated in accordance
42 with section 48-3782, subsection A.

43 7. The conditions stated in section 45-576.01, subsection B,
44 paragraphs 2 and 3 are satisfied with respect to the district at the time
45 of the qualification.

1 8. The municipal provider publishes a resolution once each week for
2 two consecutive weeks in a newspaper of general circulation in the county
3 or counties where the service area is located that:

4 (a) Has attached to it a current map of the municipal provider's
5 service area.

6 (b) Declares the intent of the municipal provider that the service
7 area qualify as a member service area under this chapter.

8 (c) Declares that, for the privilege of withdrawing and delivering
9 excess groundwater within its service area and to ensure the continued
10 exercise of that privilege, the municipal provider shall pay an annual
11 replenishment tax to be determined by the district.

12 (d) Contains a covenant, binding against the municipal provider, to
13 pay to the district an annual replenishment tax based on the service area
14 replenishment obligation in an amount determined by the district as
15 necessary to allow the district to perform the groundwater replenishment
16 obligations.

17 (e) Authorizes the municipal provider to enter into a written
18 commitment with the district in the form and substance satisfactory to the
19 district regarding payment of the annual replenishment tax.

20 (f) Declares that the resolution applies to the service area of the
21 municipal provider as it currently exists and to all additions to and
22 extensions of the service area.

23 (g) Declares that the resolution is irrevocable for as long as the
24 district is obligated to perform the groundwater replenishment
25 obligations.

26 (h) IF APPLICABLE, DECLARES THAT THE MUNICIPAL PROVIDER HAS ELECTED
27 TO HAVE PARCELS OF MEMBER LAND WITHIN THE MEMBER SERVICE AREA OF THE
28 MUNICIPAL PROVIDER RETAIN THE REPLENISHMENT OBLIGATIONS AS AUTHORIZED
29 PURSUANT TO SECTION 48-3771, SUBSECTIONS H AND I.

30 B. A service area previously accepted as a member service area
31 pursuant to subsection A of this section terminates its member service
32 area status only if all of the following apply:

33 1. The municipal provider for the member service area has submitted
34 an application to the district requesting termination of member service
35 area status.

36 2. The municipal provider for the member service area has submitted
37 an application to the director of water resources requesting modification
38 of the municipal provider's assured water supply designation under section
39 45-576 that eliminates the municipal provider's reliance on member service
40 area status.

41 3. The applications provide evidence satisfactory to the director
42 of water resources that the municipal provider has obtained a substitute
43 supply of water, other than groundwater, that is determined by the
44 director of water resources to be consistent with assured water supply

1 requirements pursuant to section 45-576 and that is sufficient to
2 eliminate the municipal provider's reliance on member service area status.

3 4. The director of water resources has approved the municipal
4 provider's application to modify its assured water supply designation
5 based on the addition of the substitute water supply.

6 5. The municipal provider publishes a resolution once each week for
7 two consecutive weeks in a newspaper of general circulation in the county
8 or counties where the service area is located that:

9 (a) Has attached to it a current map of the municipal provider's
10 service area.

11 (b) Declares the intent of the municipal provider to terminate the
12 service area's member service area status.

13 (c) Declares that the district is no longer obligated to perform
14 the groundwater replenishment obligations on behalf of the service area.

15 (d) Revokes the resolution for the member service area provided for
16 in subsection A, paragraph 7 of this section.

17 6. All amounts owed by the water provider on behalf of the member
18 service area to the district have been paid.

19 7. The municipal provider has paid or made arrangements suitable to
20 the district for repayment of any capital costs incurred by the district
21 specifically on behalf of the member service area.

22 Sec. 5. Section 48-3781, Arizona Revised Statutes, is amended to
23 read:

24 48-3781. Annual replenishment tax; contract replenishment tax

25 A. On or before the third Monday of August of each year after the
26 qualification of the member service area of any municipal provider, the
27 district shall levy a replenishment tax against each municipal provider
28 having a qualified member service area for the privilege of withdrawing
29 and delivering excess groundwater within the member service area. The
30 replenishment tax shall be calculated by the district in accordance with
31 this article and shall be sufficient to produce the amount of money
32 estimated as needed to pay the costs and expenses to replenish groundwater
33 established under section 48-3772, subsection A, and taking into account
34 any annual replenishment assessment levied under section 48-3778 **AND ANY**
35 **MEMBER SERVICE AREA AGREEMENTS ENTERED PURSUANT TO SECTION 48-3771,**
36 **SUBSECTIONS H AND I.**

37 B. The district shall promptly transmit a statement to each
38 municipal provider having a member service area stating the amount of the
39 annual replenishment tax and any replenishment reserve fee due under
40 section 48-3780.01.

41 C. On or before the third Monday of August of each year after the
42 district enters into any contract to replenish water pursuant to section
43 48-3772, subsection B, paragraph 9, the district shall levy a tax against
44 each municipal provider that is a party to a contract to replenish
45 groundwater at the assessment rate provided in the applicable contract.

1 The district shall promptly transmit a statement to each municipal
2 provider that is a party to a contract to replenish groundwater stating
3 the amount of the replenishment tax due under the contract.

4 D. On or before October 15 of each year, each municipal provider
5 that has a member service area shall pay to the district an amount equal
6 to the annual replenishment tax levied by the district and any
7 replenishment reserve fee due under section 48-3780.01.

8 E. On or before October 15 of each year, each municipal provider
9 that is a party to a contract to replenish groundwater under section
10 48-3772, subsection B, paragraph 9 shall pay to the district the contract
11 replenishment tax levied by the district pursuant to the contract.

12 F. Annual replenishment taxes and contract replenishment taxes
13 collected by the district shall be deposited, pursuant to sections 35-146
14 and 35-147, in the special fund established pursuant to section 48-3773,
15 subsection A, paragraph 3 and shall be expended by the district only for
16 the purposes authorized by this article.

17 G. If a municipal provider is delinquent for more than ninety days
18 in the payment of its replenishment tax, the district shall promptly
19 notify the director of water resources of the delinquency. Except as
20 provided in subsection H of this section, for any municipal provider that
21 is delinquent for more than ninety days in the payment of its
22 replenishment tax, the district shall complete the replenishment of the
23 service area replenishment obligation. The district shall complete that
24 obligation within three full calendar years after the year that the
25 district is paid an amount equal to the delinquent replenishment tax, plus
26 interest calculated in accordance with section 48-3782, subsection A, or
27 within ten full calendar years after the year that the district incurs the
28 service area replenishment obligation, whichever is sooner.

29 H. The district is not required to complete the replenishment of
30 the service area obligation of a municipal provider that is delinquent for
31 more than ninety days in the payment of its replenishment tax if both of
32 the following apply:

33 1. The district is not paid an amount equal to the delinquent
34 replenishment tax, plus interest calculated in accordance with section
35 48-3782, subsection A, within ten full calendar years after the year that
36 the district incurs the service area replenishment obligation.

37 2. The municipal provider or its successor has violated section
38 45-492, subsection D or section 45-493, subsection D and the director of
39 water resources has not commenced an enforcement action against the
40 municipal provider or its successor for the violation within ten full
41 calendar years after the year that the district incurs the service area
42 replenishment obligation.

1 Sec. 6. Rules; department of water resources; extinguishment
2 credits; groundwater allowance; member land

3 On or before January 1, 2025, the department of water resources
4 shall amend rules adopted pursuant to section 45-576, Arizona Revised
5 Statutes, for the incorporation of extinguishment credits and groundwater
6 associated with member lands in a designation of assured water supply
7 consistent with section 48-3771, Arizona Revised Statutes, as amended by
8 this act.