

# Fiscal Note

**BILL #** HB 2186

**SPONSOR:** Kolodin

**PREPARED BY:** Micaela Andrews

**TITLE:** remedial groundwater incentive; brackish groundwater

**STATUS:** As Amended by Senate NREW

## Description

The bill would allow an applicant's use or proposed use of brackish groundwater to be considered by the Department of Water Resources (DWR) as part of meeting the certification or designation of assured water supply within an Active Management Area (AMA).

## Estimated Impact

We estimate that the bill would increase DWR's workload and costs, however, the magnitude of this impact cannot be determined in advance.

The increase to DWR's workload would ultimately depend on the number of applicants in AMAs that specifically propose to use brackish groundwater as part of meeting adequate water supply requirements. In addition, the bill would require DWR to establish new rules, change operational processes and update information systems to separately track brackish groundwater approvals, plans and annual reports as well as differentiate brackish groundwater withdrawals from regular groundwater withdrawals. These new rule and data requirements would increase DWR administrative costs.

DWR has not yet provided its estimate of the bill's fiscal impact.

## Analysis

The state has designated 6 groundwater basins as AMAs: Prescott, Phoenix, Pinal, Tucson, Santa Cruz, and Douglas. AMAs are subject to certain statutory and administrative regulations for the use of water including the certification and designation of an assured 100-year water supply for new subdivision developments. An entity seeking to develop a subdivision in an AMA must either: 1) Receive a commitment of water service from a designated provider that has already been certified by DWR (such as a city or private water company); or 2) Apply directly to DWR for an assured water supply certificate.

As part of evaluating the water supplies of designated providers or individual applications, DWR evaluates the availability of water, water quality, the financial capacity to construct the systems for the delivery, storage and treatment of water, and consistency with the management plan and management goal for the associated AMA.

The bill would specify the process for an applicant to show that their use of brackish groundwater is consistent with the DWR criteria listed above. Because the bill would create additional data for DWR to review as part of the assured water supply process, along with outlining rules and data requirements, the bill would increase DWR's workload and costs. DWR currently assesses fees for applications relating to adequate and assured water supply regulations for newly-created subdivisions, which may potentially offset some of the bill's costs.

## Local Government Impact

None.

3/28/24

