

Senate Engrossed

supply and demand; assessment; groundwater.

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

# SENATE BILL 1202

AN ACT

AMENDING SECTION 45-105, ARIZONA REVISED STATUTES; RELATING TO THE  
DEPARTMENT OF WATER RESOURCES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 45-105, Arizona Revised Statutes, is amended to  
3 read:

4 45-105. Powers and duties of director

5 A. The director may:

6 1. Formulate plans and develop programs for the practical and  
7 economical development, management, conservation and use of surface water,  
8 groundwater and the watersheds in this state, including the management of  
9 water quantity and quality.

10 2. Investigate works, plans or proposals pertaining to surface  
11 water and groundwater, including management of watersheds, and acquire,  
12 preserve, publish and disseminate related information the director deems  
13 advisable.

14 3. Collect and investigate information on and prepare and devise  
15 means and plans for the development, conservation and use of all  
16 waterways, watersheds, surface water, groundwater and groundwater basins  
17 in this state and of all related matters and subjects, including  
18 irrigation, drainage, water quality maintenance, regulation of flow,  
19 diversion of running streams adapted for development in cooperating with  
20 the United States or by this state independently, flood control, use of  
21 water power, prevention of soil waste and storage, conservation and  
22 development of water for every useful purpose.

23 4. Measure, survey and investigate the water resources of this  
24 state and their potential development and cooperate and contract with  
25 agencies of the United States for such purposes.

26 5. Acquire, hold and dispose of property, including land,  
27 rights-of-way, water and water rights, as necessary or convenient for the  
28 performance of the groundwater and water quality management functions of  
29 the department.

30 6. Acquire, other than by condemnation, construct, improve,  
31 maintain and operate early warning systems for flood control purposes and  
32 works for the recovery, storage, treatment and delivery of water.

33 7. Accept grants, gifts or donations of money or other property  
34 from any source, which may be used for any purpose consistent with this  
35 title. All property acquired by the director is public property and is  
36 subject to the same tax exemptions, rights and privileges granted to  
37 municipalities, public agencies and other public entities.

38 8. Enter into an interagency contract or agreement with any public  
39 agency pursuant to title 11, chapter 7, article 3 and contract, act  
40 jointly or cooperate with any person to carry out the purposes of this  
41 title.

42 9. Prosecute and defend all rights, claims and privileges of this  
43 state respecting interstate streams.

44 10. Initiate and participate in conferences, conventions or  
45 hearings, including congressional hearings, court hearings or hearings of

1 other competent judicial or quasi-judicial departments, agencies or  
2 organizations, and negotiate and cooperate with agencies of the United  
3 States or of any state or government and represent this state concerning  
4 matters within the department's jurisdiction.

5 11. Apply for and hold permits and licenses from the United States  
6 or any agency of the United States for reservoirs, dam sites and  
7 rights-of-way.

8 12. Receive and review all reports, proposed contracts and  
9 agreements from and with the United States or any agencies, other states  
10 or governments or their representatives and recommend to the governor and  
11 the legislature action to be taken on such reports, proposed contracts and  
12 agreements. The director shall take action on such reports, if authorized  
13 by law, and review and coordinate the preparation of formal comments of  
14 this state on both the preliminary and final reports relating to water  
15 resource development of the United States army corps of engineers, the  
16 United States secretary of the interior and the United States secretary of  
17 agriculture, as provided for in the flood control act of 1944 (58 Stat.  
18 887; 33 United States Code section 701-1).

19 13. Contract with any person for imported water or for the  
20 acquisition of water rights or rights to withdraw, divert or use surface  
21 water or groundwater as necessary for the performance of the groundwater  
22 management functions of the director prescribed by chapter 2 of this  
23 title. If water becomes available under any contract executed under this  
24 paragraph, the director may contract with any person for its delivery or  
25 exchange for any other water available.

26 14. Recommend to the administrative heads of agencies, boards and  
27 commissions of this state, and political subdivisions of this state, rules  
28 to promote and protect the rights and interests of this state and its  
29 inhabitants in any matter relating to the surface water and groundwater in  
30 this state.

31 15. Conduct feasibility studies and remedial investigations  
32 relating to groundwater quality and enter into contracts and cooperative  
33 agreements under section 104 of the comprehensive environmental response,  
34 compensation, and liability act of 1980 (P.L. 96-510) to conduct such  
35 studies and investigations.

36 16. Dispose informally by stipulation, agreed settlement, consent  
37 order or alternative means of dispute resolution, including arbitration,  
38 if the parties and director agree, or by default of any case in which a  
39 hearing before the director is required or allowed by law.

40 17. Cooperate and coordinate with the appropriate governmental  
41 entities in Mexico regarding water planning in areas near the border  
42 between Mexico and Arizona and for the exchange of relevant hydrological  
43 information.

1 B. The director shall:

2 1. Exercise and perform all powers and duties vested in or imposed  
3 on the department and adopt and issue rules necessary to carry out the  
4 purposes of this title.

5 2. Administer all laws relating to groundwater, as provided in this  
6 title.

7 3. Be responsible for the supervision and control of reservoirs and  
8 dams of this state and, when deemed necessary, conduct investigations to  
9 determine whether the existing or anticipated condition of any dam or  
10 reservoir in this state is or may become a menace to life and property.

11 4. Coordinate and confer with and may contract with:

12 (a) The Arizona power authority, the game and fish commission, the  
13 state land department, the Arizona outdoor recreation coordinating  
14 commission, the Arizona commerce authority, the department of health  
15 services, active management area water authorities or districts and  
16 political subdivisions of this state with respect to matters within their  
17 jurisdiction relating to surface water and groundwater and the development  
18 of state water plans.

19 (b) The department of environmental quality with respect to title  
20 49, chapter 2 for its assistance in the development of state water plans.

21 (c) The department of environmental quality regarding water plans,  
22 water resource planning, water management, wells, water rights and  
23 permits, and other appropriate provisions of this title pertaining to  
24 remedial investigations, feasibility studies, site prioritization,  
25 selection of remedies and implementation of the water quality assurance  
26 revolving fund program pursuant to title 49, chapter 2, article 5.

27 (d) The department of environmental quality regarding coordination  
28 of databases that are necessary for activities conducted pursuant to title  
29 49, chapter 2, article 5.

30 5. Cooperate with the Arizona power authority in the performance of  
31 the duties and functions of the authority.

32 6. Maintain a permanent public depository for existing and future  
33 records of stream flow, groundwater levels and water quality and other  
34 data relating to surface water and groundwater.

35 7. Maintain a public docket of all matters before the department  
36 that may be subject to judicial review pursuant to this title.

37 8. Investigate and take appropriate action on any complaints  
38 alleging withdrawals, diversions, impoundments or uses of surface water or  
39 groundwater that may violate this title or the rules adopted pursuant to  
40 this title.

41 9. Adopt an official seal for the authentication of records,  
42 orders, rules and other official documents and actions.

43 10. Provide staff support to the Arizona water protection fund  
44 commission established by chapter 12 of this title.

1           11. Exercise and perform all powers and duties invested in the  
2 chairperson of the Arizona water banking authority commission as  
3 prescribed by chapter 14 of this title.

4           12. Provide staff support to the Arizona water banking authority  
5 established by chapter 14 of this title.

6           13. In the year following each regular general election, present  
7 information to the committees with jurisdiction over water issues in the  
8 house of representatives and the senate. A written report is not required  
9 but the presentation shall include information concerning the following:

10           (a) The current status of the water supply in this state and any  
11 likely changes in that status.

12           (b) Issues of regional and local drought effects, short-term and  
13 long-term drought management efforts and the adequacy of drought  
14 preparation throughout the state.

15           (c) The status of current water conservation programs in this  
16 state.

17           (d) The current state of each active management area and the level  
18 of progress toward management goals in each active management area.

19           (e) Issues affecting management of the Colorado River and the  
20 reliability of this state's two million eight hundred thousand acre-foot  
21 allocation of Colorado River water, including the status of water supplies  
22 in and issues related to the Colorado River basin states and Mexico.

23           (f) The status of any pending or likely litigation regarding  
24 surface water adjudications or other water-related litigation and the  
25 potential impacts on this state's water supplies.

26           (g) The status of Indian water rights settlements and related  
27 negotiations that affect this state.

28           (h) Other matters related to the reliability of this state's water  
29 supplies, the responsibilities of the department and the adequacy of the  
30 department's and other entities' resources to meet this state's water  
31 management needs.

32           14. ~~Not later than December 1, 2023 and~~ On or before December 1 of  
33 each year ~~thereafter~~, prepare and issue a water supply and demand  
34 assessment for at least six of the fifty-one groundwater basins  
35 established pursuant to section 45-403. The director shall ensure that a  
36 water supply and demand assessment is completed for all groundwater basins  
37 and initial active management areas at least once every five years. The  
38 director may contract with outside entities to perform some or all of the  
39 assessments and those outside entities shall be identified in the  
40 assessment. **THE DIRECTOR SHALL INCLUDE ALL OF THE FOLLOWING IN EACH**  
41 **FIVE-YEAR WATER SUPPLY AND DEMAND ASSESSMENT FOR EACH GROUNDWATER BASIN:**

42           (a) **THE AVERAGE DEPTH-TO-STATIC LEVEL ACROSS THE GROUNDWATER BASIN**  
43 **AT THE END OF THE ASSESSMENT PERIOD, MEASURED IN FEET.**

- 1           (b) THE AVERAGE NET INCREASE OR DECREASE IN THE AVERAGE  
2 DEPTH-TO-STATIC LEVEL ACROSS THE GROUNDWATER BASIN OVER EACH OF THE FIVE  
3 YEARS PRECEDING THE END OF THE ASSESSMENT PERIOD, MEASURED IN FEET.
- 4           (c) THE MAXIMUM DEPTH OF BEDROCK AT THE DEEPEST POINT IN THE  
5 GROUNDWATER BASIN, MEASURED IN FEET.
- 6           (d) THE AVERAGE DEPTH-TO-BEDROCK LEVEL ACROSS THE GROUNDWATER  
7 BASIN, MEASURED IN FEET.
- 8           (e) THE TOTAL NUMBER OF ACTIVE INDEX WELLS IN THE GROUNDWATER  
9 BASIN, MEASURED IN WHOLE NUMBERS.
- 10          (f) THE AVERAGE DISTANCE BETWEEN EACH ACTIVE INDEX WELL IN THE  
11 GROUNDWATER BASIN, MEASURED IN MILES.
- 12          (g) THE AVERAGE GEOGRAPHIC DISTRIBUTION OR DENSITY OF ACTIVE INDEX  
13 WELLS IN THE GROUNDWATER BASIN, MEASURED IN NUMBER OF ACTIVE INDEX WELLS  
14 PER SECTION OF LAND.
- 15          (h) THE TOTAL ESTIMATED VOLUME OF GROUNDWATER IN STORAGE IN THE  
16 GROUNDWATER BASIN TO A DEPTH OF ONE THOUSAND TWO HUNDRED FEET AT THE END  
17 OF THE ASSESSMENT PERIOD, MEASURED IN ACRE-FEET.
- 18          (i) THE TOTAL ESTIMATED NUMBER OF YEARS' WORTH OF GROUNDWATER  
19 AVAILABLE IN THE GROUNDWATER BASIN TO A DEPTH OF ONE THOUSAND TWO HUNDRED  
20 FEET AT THE CURRENT ANNUAL AVERAGE RATE OF CHANGE IN THE GROUNDWATER  
21 BASIN, MEASURED IN YEARS.
- 22          (j) THE TOTAL NUMBER OF ACTIVE AND PASSIVE STORMWATER AND  
23 GROUNDWATER RECHARGE PROJECTS IN THE GROUNDWATER BASIN, MEASURED IN WHOLE  
24 NUMBERS.
- 25          (k) THE TOTAL VOLUME OF INCREASED GROUNDWATER RECHARGED IN THE  
26 GROUNDWATER BASIN DUE TO ACTIVE AND PASSIVE STORMWATER AND GROUNDWATER  
27 RECHARGE PROJECTS IN THE GROUNDWATER BASIN IN EACH OF THE FIVE YEARS  
28 PRECEDING THE END OF THE ASSESSMENT PERIOD, MEASURED IN ACRE-FEET.