



Public Notice Pursuant to A.R.S. § 38-431.02

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
MANAGEMENT BOARD**

MEETING NOTICE AND AGENDA

Wednesday, February 12, 2025, 10:00 a.m.

**This meeting will be held as a Hybrid meeting.
Attendance in person is welcomed; Others may join via Zoom.**

Access this [Link](#) to join via Zoom. Meeting ID: 845 3218 4774
(Option to join by phone: 602-753-0140, same Meeting ID as above)

- A. Call to Order**
- B. General Business—Items for Discussion and Possible Action**
 - 1. Approval of the Minutes for the January 15, 2025 Meeting
 - 2. Next Meeting Date: March 12, 2025, 10:00 a.m.
 - 3. Ag-to-Urban Concept
 - 4. 2025 Legislative Session
- C. Member Reports**
- D. Executive Director’s Report**
- E. Future Agenda Items**
- F. Adjournment**

*The order of the agenda may be altered or changed by the AMWUA Management Board. Members of the AMWUA Management Board may attend in person or by internet conferencing.

More information about AMWUA public meetings is available online at www.amwua.org/what-we-do/public-meetings, or by request.

Arizona Municipal Water Users Association



**MANAGEMENT BOARD
MEETING MINUTES
January 15, 2025
HYBRID MEETING**

MEMBERS PRESENT

Kirk Beaty, Avondale, Chair
David Burks, Peoria, Vice Chair
John Knudson, Chandler
Jessica Marlow, Gilbert
Mark Roye for Ron Serio, Glendale
Barbara Chappell, Goodyear
Chris Hassert, Mesa
Troy Hayes, Phoenix
Kevin Rose, Scottsdale
Tara Ford, Tempe

AMWUA STAFF PRESENT

Barry Aarons, Aarons Co.
Michelle Barclay, AMWUA
Paul Bergelin, AMWUA

Tyenesha Fields, AMWUA
Rhett Larson, AMWUA
Warren Tenney, AMWUA

Sheri Trapp, AMWUA
Simone Williams, AMWUA

A. Call to Order

Kirk Beaty called the meeting to order at 10:00 a.m.

B. General Business – Items for Discussion and Possible Action

1. [Approval of the Minutes from the December 15th, 2024, Meeting](#)

Upon a motion made by Chris Hassert and a second made by Tara Ford, the AMWUA Management Board unanimously approved the December 15, 2024 meeting minutes.

2. [Next Meeting Date: Wednesday, March 12, 2025, at 10:00 a.m.](#)

3. [2025 Legislative Session](#)

Barry Aarons noted that Griffin had already introduced around 50 bills by this time last year, whereas only 17 had been introduced so far this year. He expressed cautious optimism about the pace and progress of the session.

Paul Bergelin, AMWUA's Water Policy Advisor, provided an overview of the legislative session, highlighting that "cautious optimism" compared to the previous year. At this time, 304 bills and

Arizona Municipal Water Users Association

23 memorials and resolutions had been introduced in the House and Senate, with 17 bills relating to water. Of those, eight bills are recommended for AMWUA to support or oppose. He emphasized the rapid pace of the session, with key legislative work concluding within two months, including committee hearings.

Mr. Bergelin outlined AMWUA's legislative priorities, focusing on advocating for water security, which is vital for communities and economies. Lawmakers are urged to recognize the challenges threatening water security, including groundwater sustainability, Colorado River pressures, and the need for renewable water supplies. AMWUA supports municipal water providers, an effective ADWR and ADEQ, the Groundwater Management Act, the Assured Water Supply Program, effective conservation measures, efforts to endorse advanced water purification, and sustainable funding for safe drinking water initiatives.

He provided insights into early legislative trends, including bills addressing illegally created Wildcat subdivisions, efforts to revoke active management areas (AMAs), and measures supporting water hauling for rural areas. At this point, no bills have been introduced that undermine the Assured Water Supply Program.

Mr. Bergelin then detailed the eight bills:

- House Bill 2056 prohibits geoengineering, broadly defined to include cloud seeding, with violations classified as Class 4 felonies. AMWUA staff recommends opposing due to concerns over restricting water augmentation techniques.
- House Bill 2082 proposes expanding tax exemptions for water infrastructure to include wastewater infrastructure, a measure AMWUA supports for parity.
- House Bills 2088 and 2089 would allow for the revoking of subsequent AMAs, which AMWUA staff recommends opposing both. HB 2089 only applies to subsequent AMAs, not initial AMAs.
- House Bill 2093 strengthens penalties for illegal land subdivisions by increasing fines per illegally created lot, a measure AMWUA supports to deter wildcat subdivisions.
- House Bill 2103 allocates \$1 million to the Department of Water Resources for potential litigation regarding Arizona's Colorado River allocation, which is recommended for support.
- HB 2162 would require metering and annual reporting for nonexempt wells, which is a measure AMWUA has supported in previous legislative sessions.
- Senate Bill 1013, which was also introduced last year and vetoed, would require a two-thirds vote from a city or town council or a county board of supervisors to levy, increase, or assess any tax or fee. AMWUA is concerned about this bill due to its potential implications for increasing water rates. Barry Aarons noted the bill passed the Senate Government Committee this morning by a four-to-three vote.

Warren Tenney, Executive Director of AMWUA, added that while each of these bills remains relevant to AMWUA's legislative agenda, none rise to the level where AMWUA would take the lead in either strong opposition or support.

John Knudson asked if the bills discussed at this meeting had been reviewed by the Water Resources Advisory Group and the InterGovs. Mr. Tenney responded that AMWUA is striving to provide timely analyses of bills to the members' Water Resources Managers and the InterGovs.

The starting point for positions is aligning with the legislative agenda, which was approved last November. Along with emails, regular meetings are held with the Water Resources Advisory Group and the InterGovs to ensure open communication.

Mr. Knudson asked how communication among AMWUA and its members has been improved to avoid challenges from the last legislative session. Plus, how will AMWUA's position on bills be determined when there are differences of opinion. Mr. Tenney said this session is expected to be even more challenging due to the increase of politics in water discussions. This is why increased communication with water resources managers, the InterGovs, and the Management Board will be important. While each bill is looked at individually, Mr. Tenney acknowledged that some bills may impact only a few members while others affect everyone. For significant bills, a deeper conversation may be necessary, so there is a common understanding of the bill as well as for members to have an internal discussion. This is why it is important to look at bills on a case-by-case basis. If there are differences of opinion on a major bill, it will be important to discuss so we communicate formally the reasons for not taking a position. He stressed the importance of maintaining unity with our positions as much as possible, as AMWUA's influence comes from its strength in numbers. Mr. Tenney added that AMWUA is in a better position this year, having learned from last session's experience, and communication channels are better for this session.

The Management Board approved a motion made by John Knudson, and seconded by Troy Hayes, to recommend to the AMWUA Board of Directors adopt the positions, as presented, for the legislation discussed.

Sheri Trapp, AMWUA's Communications Director, reviewed AMWUA's initiative to message the importance of water security to Legislators. Ms. Trapp explained that a brief on water security and a fact sheet on the Colorado River had been developed and reviewed in December. AMWUA had drafted and reviewed with the Water Resources Advisory Group and the InterGovs talking points about the 100-year Assured Water Supply standard and Advanced Water Purification.

Mr. Aarons acknowledged the fast pace of legislative deadlines but emphasized that the process is more like a marathon. He said the experience from the previous year, while difficult, should focus on what was learned and how AMWUA can be more effective moving forward. He commended Mr. Tenney for bringing together the various components of AMWUA's members to understand varying priorities and then have a unified approach to water policy. Mr. Aarons emphasized the importance of leveraging expertise across water and governmental policy to find the best strategic position. AMWUA is well-positioned to advocate effectively for water policy that serves the best interests of its member cities. He concluded by welcoming any questions.

4. [Ag-to-Urban Concept](#)

Mr. Tenney explained that the Act to Urban concept will be a significant topic during the legislative session and beyond. The Arizona Department of Water Resources (ADWR) is pursuing the concept through rulemaking, while legislators want it done through legislation. The concept aims to reduce excessive agricultural groundwater pumping by retiring Irrigated Grandfathered Rights (IGFRs) to create groundwater credits that support designations.

ADWR has proposed seven guardrails to ensure the program benefits the aquifer, including limiting eligibility to lands irrigated three out of the last five years, consumer protections, modeling reviews, restrictions on groundwater movement, time frame limitations, conservation requirements, and determining conversion rates and replenishment requirements. While there is general support for the concept, ADWR and some stakeholders have stressed the need for a thorough analysis to confirm whether it effectively reduces groundwater pumping. AMWUA has launched its own analysis to verify ADWR's findings and will continue monitoring the process.

Simone Williams, AMWUA's Water Policy Analyst, then shared that AMWUA wants to verify ADWR's broader-scale analysis and refine it to a more localized service area level. It is to confirm whether the proposed program effectively reduces groundwater pumping and mitigates any unintended consequences.

As an example of such analysis, Ms. Williams reviewed information that ADWR has done to identify eligible IGFR (Irrigated Grandfathered Rights) lands under an Ag-to-Urban program. She pointed out the complexity of different data sources, such as ADWR's records and USDA cropland data, of some IGFRs only partially irrigated, raising questions about determining how much groundwater was pumped by the IGFR and that not all IGFRs are irrigated only by groundwater. Analyzing these factors shows the complexity of developing the Ag-to-Urban program and doing the analysis to ensure that the final policy effectively benefits the aquifer while mitigating any potential localized impacts.

Mr. Tenney noted that ADWR aims to complete the rulemaking process by the end of 2025, while legislators are eager to pursue a quicker legislative solution. ADWR has stressed the importance of stakeholder engagement, with its first meeting scheduled for the following day. Senator Shope has organized a separate legislative stakeholder meeting later in the month.

Mr. Tenney underscored the need for a well-researched proposal that ensures long-term groundwater savings compared to historical agricultural pumping. He also emphasized the importance of maintaining the Central Arizona Groundwater Replenishment District's (CAGRD) stability. Another key consideration is the 4.7 million acre-feet of water stored in groundwater savings facilities, which are tied to many IGFRs. Any Ag to Urban proposal must account for this stored water to prevent it from being compromised by new development.

Mr. Knudson asked if the guardrail of establishing a timeline and limits involve having this credit from the agricultural conversion be ongoing, or is it designed to be a temporary resource.

Mr. Tenney responded that there have been no specific details provided regarding that guardrail. ADWR has only mentioned that they want to consider some limitations or time frames, but they have not yet put forward any concrete specifics on what that might look like.

Mr. Knudson asked if the limitation would be related to when agricultural lands would naturally convert to urban. He said it would be a concern if it is a perpetual right because it could harm the aquifer regardless of how low the conversion rate would be for acre-feet to acre.

Mr. Tenney responded that when discussing the timeline guardrail, ADWR suggested having a sunset date; however, what is being suggested is whether these credits are good for 100 years

or should there be some limitation on how much is applied. This is one of many points that need to be discussed in the stakeholder process, which will be complicated.

5. Annual Financial Audit Report for Fiscal Year 2024

Mr. Tenney reported that the annual financial audit for the fiscal year ending June 30, 2024, was completed. The audit, conducted by Forvis Mazars, confirms that AMWUA's financial statements fairly represent its position as of June 30, 2024. While there was a discrepancy in the recording of payments related to the Arizona State Retirement System for fiscal year 2023, all balances are accurate as of fiscal year 2024. No other significant issues were found. AMWUA completed the fiscal year under budget and remains financially stable.

Mark Roye made a motion to recommend the AMWUA Board of Directors accept the Fiscal Year 2024 audit, as presented. David Burks seconded the motion, and the Management Board passed it unanimously.

C. Member Reports

There were no member reports.

D. Executive Director's Report

Mr. Tenney stated there have been no new developments regarding the Colorado River post-2026 negotiations with the new Administration. There is interest in the appointment of a new commissioner for Reclamation and how that person may influence the analysis of alternatives and negotiations among the basin states. As of this morning, the Upper Basin snow water equivalent and water year-to-date precipitation are 94% of the median. In Arizona, it has been an exceptionally dry winter, with no precipitation in December. Snow equivalent levels are at 6% for the Salt River and 5% for the Verde River. The total reservoir capacity for the Salt and Verde River systems is at 81%.

Mr. Tenney reported that the advertisement for the vacation conservation position has been extended and renamed "Water Conservation and Demand Management Coordinator" to attract top candidates. The goal is to fill the position as soon as possible, but ensuring the best fit is a priority.

E. Future Agenda Items

There were no requested future agenda items.

F. Adjournment

Mr. Beaty adjourned the meeting at 11:22 a.m.

AMWUA MANAGEMENT BOARD
INFORMATION SUMMARY
February 12, 2025

Ag-to-Urban Concept

ANNUAL PLAN REFERENCE

Legislation

Effectively advocate with one voice at the Legislature.

- Monitor, analyze and clarify state and federal legislation of interest to our members.
- Engage with legislators to inform them about the issues important to AMWUA including identifying and working with legislators to champion water issues.

Strategic Plan: Collaborate and Advocate for Solutions, Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy

SUMMARY

The Ag-to-Urban concept is being pursued through two different tracks. SB 1611 would establish an Ag-to-Urban program through legislation. Senator Shope is leading this effort, which has included meetings with stakeholders. ADWR is also holding stakeholder meetings in an effort to establish an Ag-to-Urban program through a rulemaking process that would be completed by the end of 2025.

AMWUA staff will provide an update about dual efforts to develop an Ag-to-Urban program and what have been the main concepts and issues raised in both stakeholder discussions.

RECOMMENDATION

It is requested that the AMWUA Management Board ask questions and discuss the Ag-to-Urban concept.

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

February 12, 2025

2025 Legislative Session

ANNUAL PLAN REFERENCE

Legislation

Effectively advocate with one voice at the Legislature.

- Monitor, analyze and clarify state and federal legislation of interest to our members.
- Engage with legislators to inform them about the issues important to AMWUA including identifying and working with legislators to champion water issues.

Strategic Plan: Collaborate and Advocate for Solutions, Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy

SUMMARY

The First Regular Session of the 57th Legislature began on January 13, 2025. As of the writing of this report on February 6, 2025, a combined 1,487 bills and 105 memorials and resolutions have been introduced. Of those, 113 bills are water related. The AMWUA Board has taken a position of support or oppose on 31 of those bills. There are at least seven bills that staff will review with the Management Board to request its recommendation.

We anticipate more bills will be dropped on February 10, 2025, when it is the last date for Representatives to introduce legislation. Therefore, we plan to update this report prior to the February 12, 2025 Management Board meeting.

Staff will review the bills introduced since the January 30, 2025 AMWUA Board meeting plus note the status of bills that AMWUA is closely tracking.

RECOMMENDATION

Staff requests that the AMWUA Management Board recommend to the AMWUA Board of Directors the adoption of the legislative positions presented in this Board packet and discussed at the February 12, 2025 meeting.

SUGGESTED MOTION

I move to recommend that the AMWUA Board of Directors adopt the following legislative positions as discussed at the February 12, 2025 Management Board meeting:

Oppose

[HB 2729 \(online exchange; groundwater sales\)](#)

[SB 1260 \(assured water supply; agricultural water \(Dunn\)\)](#)

[SB 1521 unbuilt certificates; assured water supply \(Dunn\)](#)

[SB 1522 waterlogged area; exemption area \(Dunn\)](#)

[SB 1523 water use; prohibition; landscaping \(Dunn\)](#)

[SB 1530 groundwater storage facility; withdrawals; area \(Petersen\)](#)

[SB 1611 physical availability exemption credit; groundwater \(Shope\)](#)

(each bill is hyperlinked to its individual summary in this report)

BILLS TO REVIEW WITH THE MANAGEMENT BOARD

HB 2729 (online exchange; groundwater sales)

Recommended Position - Oppose

This bill is a duplicate of last session's HB 2150 (groundwater sales; online exchange) and SB 1243 (groundwater sales; online exchange). It would establish an online marketplace for buying, selling, and leasing groundwater rights within Arizona's Phoenix, Tucson, and Pinal Active Management Areas (AMAs). The bill permits individuals with grandfathered groundwater rights to transfer these rights through a platform, with ADWR responsible for hosting the exchange and tracking transactions. Notably, water traded could be used for a Certificate of Assured Water Supply, because groundwater traded would be exempt from replenishment requirements and traditional AMA groundwater use limitations.

While the bill aims to create flexibility in groundwater management, it poses significant risks to designated providers. The exemption from replenishment requirements undermines AMA goals for groundwater sustainability, potentially leading to increased groundwater depletion. Additionally, the bill reduces municipal control over groundwater resources, complicating long-term water planning and potentially increasing costs for cities needing to secure alternative supplies. The marketplace could also create equity concerns, favoring entities with existing groundwater rights while disadvantaging others.

SB 1260 (assured water supply; agricultural water (Dunn))

Recommended Position - Oppose

Last session, Governor Hobbs signed into law SB 1081 (exemption area; assured water supply) ([Laws 2024, Chapter 226](#)), which allowed part of Buckeye's service area that fell within the Buckeye Waterlogged Area (BWLA) to obtain a Designation of Assured Water Supply if certain criteria were met. Among those criteria were that the portion to be designated had to be entirely within the boundaries of the Buckeye Water Conservation and Drainage District and that Buckeye had to contract with the district for at least 100 years to receive water that the district's landowners have the right to use on their lands.

SB 1260 would modify the criteria for this law by allowing part of Buckeye's service area that is within the BWLA and located on lands served by an "agricultural water company" to be designated if it had contracted with that company for at least 100 years to receive water that landowners have the right to use on lands served by this company. We have heard that this bill is intended for Arlington Canal Company. However, "agricultural water company" is not defined in the bill or anywhere else in statute, which opens the possibility for multiple entities to qualify. Moreover, this company is not a political subdivision, which raises questions about which lands it currently serves and will serve in the future. Finally, since the rights to the surface water in question have not been adjudicated, there are concerns that SB 1260 could complicate surface water claims from our members.

SB 1521 unbuilt certificates; assured water supply (Dunn)

Recommended Position - Oppose

SB 1521 allows the sale, transfer, or aggregation of unbuilt Certificates of Assured Water Supply separate from their original lots or parcels. Transactions are permitted within the same sub-basin of an active management area (AMA), and any wells must remain in the same sub-basin. The transferred certificate must be used for the same purpose as the original. If the transaction involves another lot or parcel within the same master planned community or common promotion plan, construction must begin within 10 years of the transaction. If not, construction on the proposed lot or subdivision must begin within 5 years. If the unbuilt certificate will be served by a municipal provider, it can be transferred anywhere within that provider's service area.

SB 1521 could weaken the Assured Water Supply Program, which ties water use to specific developments to ensure long-term sustainability. Certificates that rely on groundwater are issued when modeling demonstrates that a 100-year water supply exists for the proposed use at a particular location. Decoupling this physical availability determination from the original parcel(s) risks creating speculative water trading, potentially leading to over-allocation of groundwater resources within AMAs. This could complicate Designated providers' efforts to manage water supplies sustainably, as it introduces uncertainty about actual groundwater demand and growth projections in the region.

SB 1522 waterlogged area; exemption area (Dunn)

Recommended Position - Oppose

SB 1522 would allow Buckeye to pump up to 10,000 acre-feet of groundwater annually from the Buckeye Waterlogged Area (BWLA). This pumping would be deemed consistent with the Phoenix Active Management Area's (AMA) management goal, considered sufficient groundwater or surface water for an Assured Water Supply determination, and not considered excess groundwater for the purposes of reporting to the Central Arizona Groundwater Replenishment District. This change would apply retroactively starting in 1989 and would continue past 2035, when the BWLA is currently slated to expire.

This bill could undermine groundwater conservation efforts within the Phoenix AMA, potentially increasing unsustainable groundwater withdrawals and jeopardizing long-term regional water sustainability. Although the BWLA currently exists, there is no guarantee that it will exist into the future—particularly if effluent releases from the 91st Avenue Wastewater Treatment Plant are reduced. Declaring that pumping 10,000 acre-feet of groundwater/subflow will be physically available is questionable with the area's future hydrology. It therefore could harm long-term aquifer health and water security for AMWUA cities.

SB 1523 water use; prohibition; landscaping (Dunn)

Recommended Position – Oppose

SB 1523 would prohibit municipalities in the Prescott, Phoenix, Tucson, and Santa Cruz Active Management Areas (AMAs) from adopting or enforcing any requirement that mandates minimum numbers of trees, size for trees or shrubs, percentage of ground cover, or amount of turf. It would similarly prohibit requirements for open space beyond what is necessary for retention and detached sidewalks. Finally, SB 1523 would prohibit municipalities in these AMAs and the Pinal AMA from adopting or enforcing any requirement that establishes minimum turf requirements (except for functional turf associated with public recreational use areas or other public spaces) and the installation of plants not included in the Arizona Department of Water Resources low-water-use and drought-tolerant plant list.

Municipal governments enact minimum landscaping standards for various benefits, including providing shade to residents, combating heat island effects, and mitigating dust and air quality issues. These benefits are particularly important for keeping our communities livable as we face a hotter, dryer future in the desert.

SB 1530 groundwater storage facility; withdrawals; area (Petersen)

Recommended Position – Oppose

SB 1530 would require ADWR to assume that a recovery well located within the area of impact (AOI) if the permit applicant did not submit a hydrologic study, and the recovery well is located within one mile of any of the following:

- The exterior boundary of a constructed underground storage facility (USF) basin or “other water storage infrastructure”;
- The middle line of a drainage channel within the storage area of a managed USF; or
- The exterior boundary of a district that has received a permit to operate as a groundwater savings facility.

The changes made by SB 1530 would increase the area of impact for groundwater savings facilities and could similarly increase the AOI for other storage facilities. Doing so could harm the aquifer by allowing more pumping to qualify as recovery of stored water within the AOI and thus escape the 4-foot decline limitations established in the Phoenix AMA Management Plan. Taken together, these changes may limit the ability of water providers to recover stored water and create a way for a newly Designated water providers to avoid reductions to its physically available groundwater.

SB 1611 physical availability exemption credit; groundwater (Shope)

Recommended Position - Oppose

SB 1611 would establish a program to convert Irrigation Grandfathered Rights (IGRs) in the Phoenix, Pinal, and Tucson Active Management Areas (AMAs) into a physical availability

exemption credit (PAEC) that could be used for Certificates and Designations of Assured Water Supply. Someone who obtains such a credit in the Phoenix or Tucson AMAs may choose to pump one of three pre-established annual volumes per irrigation acre which come with corresponding replenishment requirements:

- 2.0 AF per acre in which 67% of groundwater (1.33 AF per acre) must be replenished;
- 1.5 AF per acre in which 50% of groundwater (0.75 AF per acre) must be replenished; or
- 1.0 AF per acre in which 33% of the groundwater (0.33 AF per acre) must be replenished.

The remaining volume of groundwater would be considered consistent with the AMA's management goal. The Pinal AMA, the annual pumping volumes for a PAEC are smaller:

- 1.5 AF per acre in which 100% of groundwater must be replenished;
- 1.0 AF per acre in which 67% of groundwater (0.67 AF per acre) must be replenished; or
- 0.5 AF per acre in which 33% of groundwater (0.167 AF per acre) must be replenished.

A PAEC may be used for a Certificate or Designation if it meets all the following criteria:

- The groundwater will be used on retired irrigation acres or land within one mile of the retired acreage.
- The groundwater will be pumped from wells used to serve the IGR, wells within a mile of the wells used to serve the IGR, wells located on the retired acreage, or wells within one mile of the retired acreage.
- The applicant uses an Arizona Department of Water Resources-approved method of analysis to show that groundwater can be withdrawn to serve the proposed use for 100 years without causing the depth-to-static water level to drop below 1,000 feet below land surface for the Phoenix and Tucson AMAs and 1,100 feet below land surface for the Pinal AMA. In making this determination, ADWR will not consider other withdrawals of groundwater that exceed this depth-to-static water level over the 100-year period. Additionally, for pumping from wells that are within one mile of a well previously used to serve the IGR, the applicant may rely of ADWR's most recent AMA model run.

The resulting credit may be assigned to a municipal provider or subsequent owner of land associated with the relinquished IGR. Additionally, a credit will transfer to a Designated provider if it begins serving lands with a Certificate based on a credit.

Stakeholder discussions on this bill are ongoing and it is likely that several provisions will be amended. For example, the proponents need to clean up the ambiguous "must be replenished" language to focus on replenishment by the Central Arizona Groundwater Replenishment District. Additionally, there seems to be agreement that the land associated with the IGR must be irrigated for three of the past five years before the IGR can be relinquished to create a PAEC. However, there are still several concerning aspects of this bill, namely its potential to enable a significant volume of permanent groundwater pumping without requiring a provider to become designated under the Alternative Pathway to Designation. Additional guardrails are needed to ensure it does not undermine the water security of AMWUA's members.

BILLS WITH POSITIONS TAKEN BY THE AMWUA BOARD OF DIRECTORS

House Bills

HB 2056 geoengineering; prohibition (Fink)

Position – Oppose

HB 2056 would prohibit someone from engaging in geoengineering, which includes weather modification and clouding seeding. As part of that prohibition, this bill would repeal part of the statutes for the Arizona Department of Water Resources (ADWR) that allows it to regulate and license those who conduct weather control, cloud seeding, or other activities intended to artificially produce rainfall. HB 2056 requires the Arizona Department of Environmental Quality (ADEQ) Director to investigate credible reports of geoengineering within two hours of receipt. The ADEQ Director must also investigate reports of “excessive electromagnetic radiation or fields caused by human activity in any part of the spectrum.” Anyone found guilty of violating this prohibition would be guilty of class 4 felony and liable for a civil penalty of at least \$500,000 per violation with each day of geoengineering constituting a separate violation.

Cloud seeding has not been done in Arizona, but SRP is currently researching the feasibility of cloud seeding in the White Mountains in eastern Arizona. Cloud seeding may produce some increase in precipitation or snowpack, though the amount produced varies with each project. One dilemma in the drought-plagued southwest is that seeding only works when there are seed-able storms. It nonetheless may be premature remove this technology from being used to in Arizona.

HB 2088 subsequent AMA; director; removal (Griffin)

Position – Oppose

HB 2088 introduces a mechanism for periodic review of subsequent AMAs (Active Management Areas) by the ADWR Director. If areas within an AMA no longer meet statutory criteria, the AMA designation can be repealed following a public hearing process. Currently, once an AMA is designated, it cannot be rescinded.

A subsequent active management area (AMA) may be designated by the Arizona Department of Water Resources (ADWR) Director if any one of the following statutory criteria are satisfied:

1. Active management practices are needed to preserve existing groundwater supplies for future needs;
2. Land subsidence or fissuring is endangering property or potential groundwater storage capacity; or
3. Use of groundwater is resulting in actual or threatened water quality degradation.

Under current law, once a subsequent AMA is designated, it cannot be rescinded. ADWR Director Tom Buschatzke designated the Willcox AMA on December 19, 2024, and the process is underway to potentially declare a subsequent AMA in the Gila Bend Groundwater Basin.

In addition to technical concerns, all subsequent AMAs are in rural areas that primarily rely on groundwater. It is difficult to envision a scenario in which aquifer levels in part of an AMA stabilize enough that the AMA is no longer necessary.

We opposed HB 2061 ([subsequent active management area; removal](#)) last session out of concern that it would attempt to repeal the Douglas AMA. Our concern for that AMA and the newly created Willcox AMA remain. An AMA provides more stability by monitoring and managing groundwater pumping than the status quo.

HB 2089 subsequent AMA; voters; removal (Griffin)

Position – Oppose

As noted under HB 2088 (subsequent AMA; director; removal), a subsequent active management area (AMA) may be designated by the Director of the Arizona Department of Water Resources (ADWR) if at least one of three statutory criteria are satisfied or by vote of local residents through a statutorily prescribed process. Once established, there is no way to revoke a subsequent AMA.

HB 2089 would establish a process in which local residents could circulate a petition to revoke a subsequent AMA 10 years after it was designated. If at least 10% of residents sign this petition within the prescribed time frame, the applicable county board of supervisors will forward it to the ADWR Director. If the ADWR Director determines that the conditions for declaring a subsequent AMA still exist, the election to revoke the AMA is cancelled. However, if the ADWR Director determines that an AMA is no longer necessary or declines to file an order, an election will be held on whether to remove the AMA. (The ADWR Director's order is an appealable agency action. Depending on the outcome, the ADWR Director may need to file a new determination that could lead to the election being held or cancelled.)

All subsequent AMAs are in rural areas that are primarily reliant on groundwater. It is therefore difficult to imagine any plausible scenario in which aquifer levels would stabilize enough in the long-term that the AMA would no longer be necessary. Additionally, allowing the election to proceed if the ADWR Director declines to file an order on whether the AMA is necessary seems problematic. Given what would be at stake for a community's future when groundwater is the only reliable water supply, affirmative evidence that an AMA is no longer necessary should be required for an election to proceed.

HB 2090 acting in concert; evidence; exceptions (Griffin)

Position – Support

Acting in concert to illegally subdivide lands refers to the efforts of different parties to take turns acquiring and then dividing tracts of land among each other until the resulting lots have the same form and appearance as subdivided lands. This effort is seen as contributing to preventing "wildcat" subdivisions and steers clear of many requirements that apply to

subdivided lands, including demonstrating a 100-year water supply in an active management area.

HB 2090 would clarify that it is unlawful to act in concert by dividing a parcel into six or more lots within a ten-year time period. It would declare that familial relationships, well sharing agreements, and road maintenance agreements are on their own insufficient grounds for showing acting in concert. For counties outside of Maricopa and Pima, using the same contractor, architect, engineer, home inspector, landscape architect, or surveyor would in and of itself similarly be insufficient grounds for acting in concert.

Representative Griffin introduced a similar bill last session ([HB 2006 – real estate; acting in concert](#)), which passed through the House but was ultimately held on the Senate floor. AMWUA took a neutral position on this bill because while it attempted to address concerns raised by the Governor’s Water Policy Council, the language was inconsistent with the council’s recommendation.

By providing more clarity on what constitutes acting in concert to illegally subdivide land, HB 2090 could make it easier for county attorneys or the State Real Estate Commissioner to take action against “wildcat” subdivisions. However, more information is needed on whether the carve-outs to acting in concert make it difficult to prosecute this offense.

[HB 2093 subdivided lands; violations; civil penalties \(Griffin\)](#)

Position – Support

Under current law, those who illegally subdivide lots may be assessed a civil fine of now more than \$2,000 per infraction. However, an infraction that involves more than one lot in a subdivision is considered a single infraction. HB 2093 would amend statute so that the civil fine would apply per lot where a violation occurs.

This change is consistent with a recommendation from the Governor’s Water Policy Council to combat illegally subdividing. Rep. Griffin introduced a similar bill last year (HB 2007 – subdivided lands; civil penalties) that passed the House but never received a floor vote in the Senate. AMWUA supported this bill last session. In AMAs, illegally subdividing lands undermines the Assured Water Supply Program and with it, the Groundwater Management Act. Supporting this bill is warranted.

[HB 2103 appropriation; Colorado River Compact; defense \(Griffin\)](#)

Position – Support

HB 2103 appropriates \$1 million from the state General Fund to the Arizona Department of Water Resources to defend, protect, and enforce Arizona’s allocation of Colorado River water under the Colorado River Compact.

HB 2162 reporting; groundwater pumping; measuring (Crews)

Position – Support

There are different requirements for metering and annual reporting pumping from wells in Arizona based on the well’s pumping capacity, location, and use. For example, “exempt wells” which have a pumping capacity of less than 35 gallons per minute are not required to use a water measuring device. By contrast, most nonexempt wells in active management areas (AMAs), irrigation non-expansion areas (INAs), and wells in four groundwater basins and sub-basins that are used to transport groundwater to initial AMAs must have a measuring device and any pumping annually reported. However, there are certain exemptions for AMAs and INAs that apply to nonexempt wells that withdraw 10 or fewer AF annually or that serve 10 or fewer irrigation acres.

HB 2162 would generally require metering and annually reporting for all nonexempt wells in Arizona. However, those using a nonexempt well outside of an AMA or INA to pump 10 or fewer AF annually for a non-irrigation use would be exempt from this requirement. These users would have to annually report an estimate of annual pumping to ADWR. Similarly, those who withdraw groundwater from a nonexempt well outside of an AMA or INA to irrigate lands would be exempt from metering if the groundwater was used to irrigate 10 or fewer acres that are not part of an integrated farming operation. This exemption for smaller farming operations would also apply to annual reporting requirements.

Similar versions of this bill have been introduced in previous sessions (HB 2399 – report; groundwater pumping; measuring [2024], HB 2266 – reporting; groundwater pumping; measuring [2023], HB 2467 – reporting; groundwater pumping; measuring [2022], SB 1022 – groundwater pumping; measuring; reporting [2022]). None of have ever received a committee hearing.

HB 2203 historical water use; subsequent AMA (Griffin)

Position – Oppose

Under current law, the five years preceding the designation of an active management area (AMA) dictate which lands may continue to be irrigated. For example, if land was irrigated any time within the five years preceding the initiation of a process to designate a subsequent AMA, it may continue to be irrigated once the AMA was established. A similar five-year historical period applies when determining the service area of an irrigation district within an AMA and how much groundwater may be pumped from Type 1 and Type 2 non-irrigation grandfathered rights.

HB 2203 would lengthen this historical period from five to ten years, which would have the effect of increasing the amount of land that may be legally irrigated in a subsequent AMA as well as the volume of groundwater that may be pumped from Type 1 and Type 2 non-irrigation grandfathered rights. Taken together, these changes would increase the amount of pumping that could occur in a subsequent AMA and undermine efforts to reduce aquifer depletion. These changes would apply retroactively from August 29, 2022, which would make it apply to

the Douglas AMA and Willcox AMA, as well as any subsequent AMA that is designated moving forward.

There is one technical change that may need to be remedied. By redefining the service area of an irrigation district that delivered groundwater when an AMA was designated to include any lands that were irrigated at any time in the preceding ten (instead of five) years, HB 2203 would enable the expansion of some irrigation districts' service areas in initial AMAs. In all likelihood, this expansion could not lead to a corresponding increase in irrigated acreage because the other changes HB 2203 makes only apply to subsequent AMAs. However, this discrepancy may need to be addressed.

HB 2204 assured water supply; commingling (Griffin)

Position - Oppose

HB 2204 would direct the Arizona Department of Water Resources (ADWR) to consider any type of waters that are commingled when making an Assured Water Supply (AWS) determination.

Most water providers utilize a combination of water supplies in their systems, such as groundwater, Central Arizona Project water, and Salt River Project water. Water providers that have Designations of Assured Water Supply like the AMWUA cities have their water supplies reviewed every 10-15 years by the ADWR to determine compliance with AWS criteria. This is why subdivisions that receive service from these designated providers do not need to obtain Certificates of Assured Water Supply (CAWS). Water providers that lack designations must have their supplies regularly reviewed by ADWR when it is evaluating whether to issue a CAWS for a proposed development. Since the Phoenix AMA groundwater model projected that groundwater is overallocated over the next 100 years, ADWR has refused to issue any CAWS for proposed developments served by undesignated providers that have groundwater commingled in their distribution system.

There has been an effort to allow CAWS to be issued for developments served by undesignated providers if these providers obtain renewable water supplies for these developments. However, the key issue that must be addressed is limiting the amount of groundwater that these undesignated water providers pump. Absent any limitation, a provider could simply shift around renewable supplies in its portfolio to serve a CAWS while pumping greater volumes of groundwater, which is inimical to the AWS Program's goal.

HB 2204 also contains a provision prohibiting ADWR from requiring a subdivider to obtain a water supply that is more than 100% of the water needed to meet the subdivider's purpose when applying for a CAWS or commitment of water service. There are concerns that this amendment could make this bill conflict with ADWR's upcoming Alternative Pathway to Designation rules which led us to change our recommended position to oppose.

HB 2204 is a repeat of [HB 2017 \(assured water supply; commingling\)](#) from last session, which Governor Hobbs vetoed. AMWUA was opposed to that bill.

HB 2248 well drilling application; location; GPS (Mathis)

Position – Support

To drill a well or deepen an existing well, someone must file a notice of intention to drill with the Arizona Department of Water Resources (ADWR). This notice requires certain information about the well, including a legal description of its location on a tract of land. However, legal descriptions are imprecise measurements of location. HB 2248 would additionally require GPS coordinates for the well's location on any notice of intention to drill. Having this location data would enhance the accuracy of ADWR's datasets and, in turn, lead to better information that can inform policy.

HB 2253 water efficient plumbing fixtures (Mathis)

Position – Support

Starting in 2027, HB 2253 would prohibit someone from distributing, selling, importing, or installing plumbing fixtures in new residential construction or replacing fixtures in existing residential construction that either are not WaterSense-labeled, meet or exceed criteria established by the WaterSense Program, or do not have criteria established by the WaterSense Program. A similar prohibition would apply to evaporative cooling systems and decorative fountains that lack a water recycling or reuse system. ADWR would be allowed to waive this requirement for historic fixtures as determined by rule.

Some water providers have varying levels of requirements to use WaterSense-labeled fixtures for new developments. Although the requirements of HB 2253 may not result in considerable water savings, it would help facilitate a culture of water conservation.

HB 2270 groundwater model; stormwater recharge; AMAs (Griffin)

Position – Oppose

HB 2270 would require the Arizona Department of Water Resources (ADWR) to adopt rules to update its groundwater models for active management areas (AMAs) to account for any natural, incidental, or artificial stormwater recharge created through new or existing infrastructure. Any recharge generated by this new or existing infrastructure would be assumed to offset a portion of future groundwater use. Finally, ADWR would be required to annually update these models to reflect any new recharge.

Stormwater recharge have been discussed as a way to improve aquifer health, but there are many logistical challenges to these efforts which may make modeling impractical. The volume of water generated by precipitation and the frequency of precipitation events may vary with each year to the extent that it makes no appreciable difference in the long-term health of aquifers. Whether stormwater recharge actually percolates deep enough to benefit the aquifer is also an unresolved question. The Arizona Tri-University Recharge and Water Reliability Project is currently researching where and when water might be available for recharge. It would be best to wait for this group to conclude its work before proposing legislative changes. Finally,

there is the possibility that stormwater recharge is captured by a Designated provider's groundwater allowance, which increases by at least 4% annually based on incidental recharge.

[HB 2276](#) legislative ratification; rulemaking; regulatory costs (Gress)

Position – Oppose

HB 2276 would require any proposed rule that is “estimated to increase regulatory costs” in Arizona by more than \$100,000 within five years to be submitted to the Office of Economic Opportunity (OEO) for review. Any proposed rule that the OEO confirms will cost the state more than \$500,000 within five years may not become effective until the Legislature enacts legislation ratifying the proposed rule. After confirming the cost, the OEO would submit the proposed rule to the Administrative Rules Oversight Committee, and the Committee would submit the rule to the Legislature “as soon as practicable”. An agency is prohibited from submitting a finalized rule until the Legislature ratifies the rule, and the agency must terminate the proposed rule if the Legislature fails to ratify it within the same legislative session that it was submitted to the Committee. Additionally, any person regulated by an agency proposing a rule and any State Legislator may submit a rule to the OEO for review.

HB 1153 is similar to [SB 1153 \(regulatory costs; rulemaking; legislative ratification\)](#) from last year's session, which was vetoed, and [SCR 1012 \(rulemaking; legislative ratification; regulatory costs\)](#), which was voted down as Proposition 315.

HB 2276 is concerning because of the wide-ranging negative impacts it could have on the ability of ADWR, ADEQ, and every other state agency to fulfill their public service missions. It may also violate the separation of powers by overreaching legislative authority into executive branch functions. Oversight of agency rulemaking should be handled through public stakeholder processes, and not through the political machinations of the legislature.

[HB 2297](#) designation; assured water supply; offset (Griffin)

Position – Oppose

HB 2297 would write into statute the recently adopted rules for the Alternative Pathway to Designation (ADWR). However, this version of ADAWS would drastically reduce the cut to groundwater physical availability when a provider incorporates renewable supplies into its designation from 25% to 5% of the 100-year volume for those renewable supplies. We opposed this effort because the 25% “groundwater offset” is essential for ADAWS to work to sufficiently a provider's reduce long-term groundwater pumping when there is unmet demand in the Phoenix AMA.

[HB 2299](#) assured water supply; certificate; model (Griffin)

Position – Oppose

HB 2299 would require ADWR to review undecided or denied applications for Certificates of Assured Water Supply (CAWS) if the applicant requests such a review. Only applications filed within the Phoenix AMA and between January 26, 2021 and May 31, 2023 are eligible for review. ADWR must notify all eligible applicants of the possible review within five days of the effective date of this bill, and the review must be requested within 90 days of the effective date of this bill. ADWR must issue a determination for these reviews within 15 days and must use the 2006-2009 Salt River Valley Regional Model or the 2006 Lower Hassayampa Sub-basin Model when conducting these reviews.

HB 2299 is a repeat of [HB 2062 \(assured water supply; certificate; model\)](#) from last session, which was vetoed. It attempts to free up water that is held by certificates that were either denied or had their development put on hold due to the release of the Phoenix AMA Groundwater Model. The requirement for ADWR to use outdated models for these reviews would enable significantly more groundwater pumping, which would undermine aquifer health and could adversely impact some AMWUA members. It also has the potential to blow up the Central Arizona Groundwater Replenishment District by forcing it to assume more replenishment obligations than its portfolio can support.

[HB 2317](#) residential building materials; requirements; prohibition (Gillette)

Position – Oppose

HB 2317 prohibit a municipality from directly or indirectly prohibiting the use of building materials used in construction or modification of a residential building if that material is approved by the municipality's building code. A municipality would also be prohibited from applying similar restrictions on materials used in construction or modification of prefabricated buildings.

Municipalities use building regulations and plumbing codes to improve water efficiency in residences by requiring certain water efficient appliances and fixtures. For example, some cities and towns require appliances with third-party water efficiency certifications such as EPA WaterSense. Similarly, cities and towns may incorporate green building and graywater regulations into their municipal codes to encourage more efficient water reuse. These regulations may not be part of a national model code but are nonetheless important for reducing water use and stretching every drop of water further here in Arizona. This bill is concerning because it could make it harder for cities and towns to require necessary water conservation measures that help ensure water security for all of us.

HB 2319 private property; design; regulations; prohibition (Gillette)

Position – Oppose

HB 2319 would prohibit a municipality from adopting or enforcing any regulation, standard, stipulation or other requirement on an individually owned single-family lot that limits the use of a building material or product unless doing so would violate an applicable building code. This prohibition could have implications for municipalities that require WaterSense certified products. However, HB 2319 similarly limits a municipality from preventing the installation or use of water conservation products or materials.

HB 2412 augmentation; Phoenix; Pinal; Tucson; AMA (Kolodin)

Position – Oppose

HB 2412 would allow Long-Term Water Augmentation Fund monies to be used to create new sources of water within Arizona or purchase new water created in Arizona. However, fund monies cannot be used to purchase existing water or rights to existing water unless the purchase is related to creating a “new water source” or rights to “new water” created in Arizona. Fund monies could also be used to acquire or construct facilities to convey or deliver newly created water within Arizona. Finally, HB 2412 would require 75% of fund monies to be used for water supply development projects that benefit end users in the Phoenix, Pinal, and Tucson active management areas (AMAs).

HB 2412 never defines “new water” or “new sources of water” that are created in Arizona and how those differ from “existing water”, which is similarly undefined. Since HB 2412 prohibits fund monies from being used to “purchase existing water or rights to existing water from an in-state user unless the purchase is related to the creation of a new source of water,” it can be plausibly argued that water resulting from advanced water purification or raising Bartlett Dam would not qualify as “new water”. Additionally, the provision limiting the use of fund monies to end users in the Phoenix, Pinal, and Tucson AMAs is problematic because the projects supported by this fund could benefit other users.

HB 2413 effluent; proportional share; recharge; compensation (Kolodin)

Position – Oppose

HB 2413 would require a municipal provider that has an exclusive water area and that owns or operates a wastewater system that produces effluent to compensate customers for a proportional share of the effluent that the provider does not recharge into the active management area (AMA) aquifer. The bill would also declare that effluent not recharged into the AMA is an eligible customer's property. Additionally, HB 2413 prescribes a process by which each municipal provider would determine how much to compensate its customers for any wastewater they provide. Finally, HB 2413 authorizes the Arizona Department of Water Resources to enforce its provisions.

HB 2413 attempts to override *APS vs. Long* (1989), which established that effluent is the property right of the entity that produced it. In doing so, it could facilitate a taking and lead to Gift Clause violations. Were HB 2413 implemented, it would undo the long-term planning and economic development efforts that many municipal providers have undertaken. Treated effluent has any number of valuable applications beyond recharge into the aquifer, such as watering turf areas in public spaces or as an input for industrial processes. Moreover, HB 2413 never addresses what happens to effluent once a municipal provider recharges it into the aquifer. For example, could a provider store effluent underground to earn a long-term storage credit and then recover that effluent at a later date? Ultimately, this bill will harm the ability of municipal providers to utilize this important water resource as they determine is best for their residents.

HB 2414 remedial groundwater incentives; PFAS (Kolodin)

Position – Oppose

HB 2414 is similar to HB 2186 (remedial groundwater incentive; brackish groundwater) from last session. Under current law, there is an exemption that allows four municipal water providers (including Goodyear and Scottsdale) to pump up to a total of 65,000 acre-feet annually of remediated groundwater without it counting against their groundwater allowance and physical availability. These four providers were specified because they were the only ones who had utilized a previous statute regarding remediated water. They have never reached this annual threshold. In fact, at most these four providers pump close to half that volume of water. This exemption is slated to expire in 2050. However, HB 2413 would make this exemption permanent and would allow any water provider to apply for this exemption. Moreover, groundwater with PFAS that exceeds the maximum contaminant level would qualify for this exemption. Taken together, this bill would allow a dramatic expansion of pumping in any active management areas (AMA), which would be problematic for aquifer levels. The use of this remediated groundwater could be considered consistent with an AMA's management goal and could be used towards a Certificate or Designation of Assured Water Supply if the applicant meets metering and notice requirements.

Although PFAS contamination is a point of concern for municipal water providers, incentivizing its treatment by exempting its use from requirements of the Assured Water Supply Program is problematic. Aquifers in the Phoenix and Pinal AMAs will already be under considerable stress with anticipated cuts to the CAP M&I pools, and enabling up to 65,000 AF/year of unreplenished pumping will only worsen aquifer health.

HB 2476 appropriation; water conservation grant fund (Stahl Hamilton)

Position – Support

HB 2476 would appropriate \$100 million from the state General Fund to the Water Conservation Grant Fund in FY 2026. The Water Conservation Grant Fund received a \$200 million appropriation in American Rescue Plan Act (ARPA) monies and an additional \$14 million allocation of ARPA monies at the end of this calendar. The Water Conservation Grant Fund lacks a dedicated revenue source, and the infusion of state General Fund dollars could be helpful in

meeting Arizona’s conservation needs. Unlike ARPA monies, state General Fund dollars would come with less burdensome reporting requirements.

HB 2477 state lands; leases; groundwater use (Stahl Hamilton)

Position – Support

HB 2477 is a repeat of bills offered last legislative session (HB 2358 and SB 1106 – state lands; leases; groundwater use). It would require ADWR to establish rules to govern an annual groundwater withdrawal fee that it will levy upon each lessee of state trust land for agricultural purposes that is located outside of an active management area (AMA) or irrigation non-expansion area (INA). These lessees would be required to submit a report to ADWR each year that details the locations of any wells, the amount of groundwater withdrawn from these wells, and why the groundwater was used.

HB 2477 would disincentivize agricultural groundwater use on state trust lands outside of AMAs and INAs, including Butler Valley, which is one of three western Arizona groundwater basins from which groundwater may be withdrawn and transported to AMAs. It would also bring additional revenue to ADWR.

HB 2481 adequate water supply; statewide requirements (Stahl Hamilton)

Position – Support

HB 2481 is a repeat of HB 2359 (adequate water supply; statewide requirements) from last session. It would require a city, town, or county to ensure that a subdivision has an adequate water supply or will be served by a provider with an adequate water supply before it may be platted. This bill would also require the Department of Real Estate to ensure that a subdivision has an adequate water supply or will be served by a provider with an adequate water supply before it may issue a public report and allow sale or lease of the land. This bill would also repeal provisions that allow capital investment and infrastructure assurances that would allow development to continue despite no adequate water supply existing.

Currently, most areas outside of active management areas (AMAs) do not require an adequate water supply before development can occur. Developers may apply for determination of adequate water supply with ADWR, but it is not required. Some areas (e.g. Yuma County, Town of Clarkdale) do require an adequate water supply before development, despite not being located in an AMA. This bill would place that “mandatory adequacy” requirement on all areas of the state outside of AMAs and is therefore a big step forward in ensuring that we have water first, and then development.

HB 2485 land division; application; attestation (Mathis)

Position – Support

HB 2485 would require the applicant for a building permit for a residential single-family home in an unincorporated area to identify ownership interests in the property. A permit applicant for a home within a subdivision must provide a public report if they own or intend to create a subdivision. An applicant would be exempt from this requirement under certain circumstances. Additionally, HB 2485 would require a land division applicant to disclose any ownership interests in the property and sign an attestation statement on illegally subdividing lands.

HB 2550 department of water resources; review (Diaz)

Position – Oppose

HB 2550 would move up the termination date for the Arizona Department of Water Resources (ADWR) to July 1, 2026.

HB 2569 certificate; residential lease community; water (Griffin)

Position – No Position

HB 2569 would require an applicant for a building permit or approved building plan for residential dwelling units in a build-to-rent development (called “residential leases community”) or multi-family residential property to apply for a Certificate of Assured Water Supply (Certificate) unless the applicant has obtained service from a water provider with a Designation of Assured Water Supply (Designation). The applicant would also need to pay all applicable fees to the Central Arizona Groundwater Replenishment District (CAGR). These requirements would only apply to applications submitted after September 30, 2025. Crucially, these requirements would also only apply to an active management area (AMA) where the Legislature has “specifically authorized” the Alternative Pathway to Designation (ADAWS) and an ag-to-urban municipal program. Finally, HB 2569 would also exempt housing for agricultural workers from the definition of “subdivided lands,” which means that a Certificate or commitment of service from a Designated provider would not be required prior to their construction.

HB 2569 attempts to address the proliferation of build-to-rent developments in the Phoenix and Pinal AMAs, where projections unmet demand have halted the issuance of Certificates based on groundwater. While that goal is commendable, the criteria for qualifying AMAs make this legislation problematic because it requires the establishment of an ag-to-urban program. It’s also debatable whether the Legislature “specifically authorized” ADAWS. Moreover, any requirements for incorporating build-to-rent developments into the Assured Water Supply Program should apply to all AMAs.

HB 2571 stormwater infrastructure; groundwater recharge; credit (Griffin)

Position – Oppose

HB 2571 is similar to [HB 2020 \(long-term storage; stormwater; rainwater; rules\)](#) from last legislative session. That bill would have allowed someone to earn long-term storage credits by building infrastructure—including roadways and sidewalks—that lead to increased groundwater recharge in an active management area (AMA). We were concerned about the numerous implementation issues this bill would raise, ranging from which party would get credit for recharging stormwater to the methods used to calculate recharge to the water quality concerns this bill would raise. It was ultimately vetoed last year.

HB 2571 would allow someone that develops infrastructure, including sidewalks and roads, to be deemed as increasing groundwater recharge in an AMA, would then be able to earn and hold “physical availability credits” that cannot exceed the increased recharge or projected increased recharge over a 100-year period. These credits could be used to meet the physical availability requirements for an Assured Water Supply determination. ADWR would be required to adopt rules by 2026 to implement the requirements of this bill. Crucially, any person applying for these credits would be exempt from the requirements for water storage facilities.

According to the supporters of this bill, it is intended to allow stormwater to be recharged to benefit base flows in the Upper Verde River and reduce groundwater overdraft in the Prescott AMA. Though laudable, many provisions of this bill would need to be amended to better reflect those purposes. These changes could include limiting the bill’s applicability to the Prescott AMA and declaring any stormwater stored underground as non-recoverable.

HB 2638 on-farm efficiency program; continuation (Griffin)

Position – Support

The On-Farm Efficiency Program provides grants to farmers who install water efficient irrigation systems. The program is scheduled to sunset on December 31, 2026. HB 2638 would push its sunset date back to December 31, 2029.

HB 2691 groundwater replenishment districts; annual dues (Griffin)

Position – Support

HB 2691 would make changes to the calculation of annual membership dues that members must pay to the Central Arizona Groundwater Replenishment District (CAGR). As part of preparing the 2025 Plan of Operation, CAGR staff had identified inequities in the current AMD calculation that would lead to considerable inequities between Member Service Areas and Member Lands and among Member Lands in different active management areas (AMAs). These inequities arose because the annual membership dues calculation for Member Lands is based on the replenishment projections in the Plan of Operation, which is slated to decrease in the 2025. To remedy this issue, CAGR has proposed revising the calculation so that it will be based on the projected groundwater use per lot of Member Land parcels. The ultimate effect of this

change is that it will stabilize the annual membership dues and avoid any instances of rate shock, while still ensuring the CAGR collects the same amount necessary to operate.

HB 2692 – appropriation; department of water resources (Diaz)

Position – Oppose

HB 2692 would appropriate about \$13.3 million from the state General Fund to the Arizona Department of Water Resources (ADWR) in FY 2026. This appropriation is effectively a budget cut because represents approximately 45% of the funding that ADWR typically receives. HB 2692 additionally contains legislative findings that criticize ADWR for the release of the Phoenix AMA groundwater model and taking part in “overt political activities” that include designating subsequent active management areas (AMAs), administering the Governor’s Water Policy Council, the Alternative Pathway to Designation rulemaking, and potential ag-to-urban rulemaking. Threatening ADWR’s budget undermines Arizona’s position in Colorado River discussions and jeopardizes its ability to perform tasks that are directly relevant to AMWUA members, including the processing of Designation of Assured Water Supply applications, recovery well permits, and recharge permits.

HB 2697 water; residential lease communities (Bliss)

Position - Support

HB 2697 would prohibit cities, towns, and counties in initial active management areas (AMAs) from approving a building permit for dwelling units in a “residential lease community” unless the units have a Certificate of Assured Water Supply (Certificate) or service from a water provider with a Designation of Assured Water Supply. They would also need to pay all applicable fees to the Central Arizona Groundwater Replenishment District. As defined under the bill, a residential lease community would include six or more detached residential dwelling units with one or more lots, parcels, or fractional interests that are offered for lease. This definition essentially captures build-to-rent developments. The bill’s requirements would not apply to existing or planned residential lease communities have received zoning entitlements by September 30, 2025.

HB 2697 is consistent with the recommendations of the Governor’s Water Policy Council and would help ensure that build-to-rent properties could not proliferate outside of a Designated provider’s service unless they had a Certificate.

HCR 2016 reinstatement; WIFA monies (Griffin)

Position – Support

HCR 2016 is a resolution that states Arizona is committed to investing in long-term solutions for water scarcity in urban and rural Arizona, the Water Infrastructure Finance Authority's mission is critical to Arizona's future, private-public partnerships will be needed for the infrastructure

necessary to secure new water supplies, and that the Legislature will work to reinstate the full appropriation needed to secure new water supplies.

[HCR 2039](#) assured water supply; legislative intent (Griffin)

Position – Oppose

HCR 2039 expresses the Legislature’s disapproval of the Alternative Pathway to Designation rulemaking and Arizona Department of Water Resources’ denial of Certificate of Assured Water Supply applications based on projections of unmet demand in groundwater models.

Senate Bills

[SB 1013](#) municipalities; counties; fee increases; vote (Petersen)

Position – Oppose

SB 1013 is a repeat bill that prohibits a city or town council from levying or imposing an increase in any assessment, tax, or fee without a 2/3 vote. It also imposes a similar requirement on county boards of supervisors.

Senate President Petersen introduced an identical bill last session (SB 1056) that passed the Senate despite opposition from the Arizona League of Cities & Towns, the County Supervisors Association of Arizona, and numerous cities and towns. This bill stalled in the House after it was amended with a strike-everything amendment that contained a version of the language in SB 1181 (groundwater replenishment; member lands; areas) that applied only to the Pinal AMA. Ultimately, SB 1181 moved forward and was signed into law, and there was no effort to restore SB 1056 to its original language.

Last session, AMWUA opposed SB 1056 because it would create additional barriers that undermine the ability of cities and their water and wastewater utilities to serve their residents. The policy contained in this bill remains harmful to AMWUA’s membership. Therefore, a position of “oppose” is warranted.

[SB 1088](#) ADWR; hydrology reports (Hoffman)

Position – Oppose

SB 1088 would require the Arizona Department of Water Resources and Governor to provide a copy of any report an active management area’s (AMAs) hydrologic conditions to members of the House and Senate Natural Resources Committee 30 days before the report is formally issued. In doing so, it would give lawmakers, and any party that happens to receive this report from a lawmaker, a sneak preview of any projections and findings from an AMA groundwater model.

SB 1088 is identical to [SB 1289 \(DWR; hydrology reports\)](#), which Governor Hobbs vetoed last session. AMWUA opposed SB 1289. No one was given a copy of the reports on the projections and findings of the Pinal AMA or Phoenix AMA groundwater model before those were publicly released. Establishing a special exemption in state law would set a poor precedent.

[SB 1114 assured water supply; analysis; availability \(Dunn\)](#)

Position – Oppose

SB 1114 is a repeat of HB 2589 (assured water supply; analysis; availability) from last legislative session. This bill would require the Arizona Department of Water Resources (ADWR) to consider an Analysis of Assured Water Supply (that was issued before May 31, 2023, and has not expired) as a valid demonstration of physical availability of groundwater for the amount stated in the Analysis. The analysis must have included a finding of physical availability of groundwater. Additionally, ADWR must subtract the amount of groundwater “represented” by all Certificates that were already issued based on the analysis from the amount of groundwater considered physically available based on the analysis. An Analysis holder would be allowed to reduce the remaining volume of groundwater reserved in that Analysis by 15% after a Certificate has been issued.

SB 1114 is an attempt to require ADWR to resume the granting of some Certificates despite the release of the Phoenix AMA groundwater model. Issued Analyses are already considered in the model, and it has been demonstrated that sufficient physical availability does not exist. The Analyses that this bill applies to would not have been issued if they were based on ADWR’s most recent modeling. In fact, ADWR has stopped issuing new Analyses in the Phoenix AMA simply because there is not enough physical availability of groundwater. Requiring ADWR to issue Certificates based on the outdated modeling from these Analyses would be contrary sound water management or scientific best practices.