



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1660

water; effluent; credits

Purpose

Allows an industrial facility to construct and operate an on-site wastewater treatment facility for wastewater, and discharge its effluent after treatment by the on-site wastewater treatment facility, to a constructed underground storage facility, under outlined conditions.

Background

A person who wishes to operate a constructed underground storage facility must apply for and obtain a constructed underground storage facility permit from the Arizona Department of Water Resources (ADWR). Additionally, the person must apply for and obtain a water storage permit to store water in the constructed underground storage facility and a recovery well permit to recover the water stored at the storage facility. Each permit is subject to its own application requirements as prescribed by law (A.R.S. §§ [45-811.01](#); [45-831.01](#); and [45-834.01](#)).

The Director of ADWR is required to establish a long-term storage account for each person holding long-term storage credits. Up to 95 percent of the recoverable water stored at a storage facility may be credited to a long-term storage account if the conditions prescribed in law are satisfied. A long-term storage account may include a subaccount for each active management area, irrigation non-expansion area, groundwater basin or groundwater subbasin in which the person's stored water is located and may be subdivided by type of water ([A.R.S. § 45-852.01](#)).

Effluent is water that has been collected on a sanitary sewer for subsequent treatment in a facility that is regulated by the Arizona Department of Environmental Quality and that remains effluent until it acquires the characteristics of groundwater or surface water ([A.R.S. § 45-101](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

Water Storage Permit

1. Prohibits facilities that treat and store effluent from being exempt of aquifer protection permit requirements.
2. Allows the Director of ADWR to issue a water storage permit for effluent if the effluent:
 - a) will be stored at a constructed underground storage facility at the site where the water was used before treatment; and
 - b) if the application is for a new water storage permit, the application be received by the Director of ADWR by December 31, 2025.

3. Allows the applicant for the water storage permit for effluent to submit amendments, supplements, modifications or renewals of the water storage permit after the application is timely submitted.
4. Allows effluent that has been stored pursuant to a water storage permit to be used only by the storer for a nonirrigation use at the same site where the water was stored.

Long-Term Storage Credit

5. Requires the Director of ADWR to credit 75 percent of the recoverable amount of stored effluent water to the storer's long-term storage credit.
6. Allows a person who holds long-term storage credits or who may recover water on an annual basis to recover the water stored pursuant to a water storage permit if the stored water is not effluent.

Report

7. Requires the Director of ADWR to prepare a report regarding water storage permits for effluent that includes:
 - a) the number of water storage permits that were issued in the preceding calendar year;
 - b) the total amount of water stored pursuant to those permits in the preceding calendar year; and
 - c) the total amount of stored water that was withdrawn in the preceding calendar year.
8. Requires the Director of ADWR to submit the report to the Governor, the President of the Senate and the Speaker of the House of Representatives on June 30 of each year and provide a copy of the report to the Secretary of State.

Miscellaneous

9. Adds to the definition of *effluent water*, water that is not originally supplied by a city, town or private water company, that is used in an industrial facility and that is used by an industrial facility located within the service area of a wastewater provider that holds a certificate of convenience and necessity issued by the Arizona Corporation Commission and that is treated at the site of use to meet or exceed aquifer water quality standards as determined by the Arizona Department of Environmental Quality.
10. Defines *industrial facility* as an enterprise that consists of the facilities and equipment used for producing, processing or assembling goods, not including facilities used for agriculture, mining or power generation.
11. Makes technical and conforming changes.
12. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Prohibits the exemption of effluent from aquifer protection permit requirements.

2. Modifies regulations regarding effluent stored pursuant to water storage permits.
3. Adds to the definition of *effluent water*.

Amendments Adopted by Committee of the Whole

1. Adds, to the requirements for issuing a water storage permit, that if the application is for a new water storage permit, the application must be received by the Director of ADWR by December 31, 2025, except that the applicant for the permit may submit amendments, supplements, modifications or renewals of the permit after the application is timely submitted.
2. Requires the Director of ADWR to credit 75 percent of the recoverable amount of stored effluent water to the storer's long-term storage credit.
3. Allows water to continue to be stored and long-term storage credits to continue to accrue and be used by the holder of a lawfully issued permit without regard to whether the water was stored and long-term storage credits were accrued or used after December 31, 2025.
4. Requires the Director of ADWR to prepare a report regarding water storage permits for effluent, and outlines the included information.
5. Defines *industrial facility*.
6. Makes conforming changes.

Senate Action

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Prepared by Senate Research
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RA/slp