

House Engrossed Senate Bill
basin management areas; appropriation

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

SENATE BILL 1221

AN ACT

AMENDING TITLE 45, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 3.1; AMENDING SECTION 49-1270, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO GROUNDWATER.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 45, chapter 2, Arizona Revised Statutes, is
3 amended by adding article 3.1, to read:

4 ARTICLE 3.1. BASIN MANAGEMENT AREAS

5 45-445. Basin management area; initiation procedures;
6 petition; definition

7 A. THE DESIGNATION OF A BASIN MANAGEMENT AREA MAY BE INITIATED IN
8 THE GILA BEND, HUAPAI VALLEY OR WILLCOX GROUNDWATER BASIN BY EITHER OF
9 THE FOLLOWING:

10 1. THE DESIGNATION OF THE DIRECTOR AND THE DIRECTOR'S FINDING OF
11 ANY OF THE FOLLOWING:

12 (a) LAND SUBSIDENCE WITHIN THE GROUNDWATER BASIN DUE TO GROUNDWATER
13 WITHDRAWAL IS ENDANGERING PROPERTY OR POTENTIAL STORAGE CAPACITY.

14 (b) THERE HAS BEEN ACCELERATED DECLINE IN GROUNDWATER LEVELS WITHIN
15 THE GROUNDWATER BASIN OVER THE PRECEDING FIVE YEARS AS MEASURED BY AT
16 LEAST TEN INDEX WELLS ACROSS THE BASIN.

17 (c) THE GROUNDWATER BASIN WAS PREVIOUSLY DESIGNATED AS A SUBSEQUENT
18 IRRIGATION NON-EXPANSION AREA THAT IS LOCATED OUTSIDE OF A BASIN OR
19 SUBBASIN FROM WHICH GROUNDWATER MAY BE TRANSPORTED TO AN ACTIVE MANAGEMENT
20 AREA PURSUANT TO ARTICLE 8.1 OF THIS CHAPTER.

21 (d) THE DEPARTMENT HAS REPORTED OBSERVED MEAN DECLINES IN
22 GROUNDWATER LEVELS IN THE BASIN GREATER THAN FIFTY FEET DURING THE PERIOD
23 FROM 2000 THROUGH 2020.

24 2. A PETITION TO THE DIRECTOR SIGNED BY AT LEAST TEN PERCENT OF THE
25 REGISTERED VOTERS WHO RESIDE WITHIN THE BOUNDARIES OF THE GROUNDWATER
26 BASIN SPECIFIED IN THE PETITION AS OF THE MOST RECENT REPORT COMPILED BY
27 THE COUNTY RECORDER IN COMPLIANCE WITH SECTION 16-168, SUBSECTION H.

28 B. IF A GROUNDWATER BASIN IS LOCATED IN TWO OR MORE COUNTIES, THE
29 NUMBER OF REGISTERED VOTERS REQUIRED TO SIGN THE PETITION PRESCRIBED BY
30 SUBSECTION A, PARAGRAPH 2 OF THIS SECTION SHALL BE AT LEAST TEN PERCENT OF
31 THE REGISTERED VOTERS WHO RESIDE WITHIN THE BOUNDARIES OF THE GROUNDWATER
32 BASIN, AS OF THE MOST RECENT REPORT COMPILED BY THE COUNTY RECORDER IN
33 COMPLIANCE WITH SECTION 16-168, SUBSECTION H.

34 C. THE FORM OF THE PETITION PRESCRIBED BY SUBSECTION A, PARAGRAPH 2
35 OF THIS SECTION SHALL BE SUBSTANTIALLY SIMILAR TO AN INITIATIVE PETITION,
36 AND THE APPLICANT FOR THE PETITION SHALL COMPLY WITH SECTION 19-111,
37 SUBSECTIONS A, B AND E, EXCEPT THAT THE DUTIES REQUIRED OF THE SECRETARY
38 OF STATE SHALL BE PERFORMED BY THE COUNTY RECORDERS OF THE COUNTIES IN
39 WHICH THE REGISTERED VOTERS OF THE GROUNDWATER BASIN RESIDE. THE PETITION
40 MUST BE INITIATED IN THE OFFICE OF THE RELEVANT COUNTY RECORDER BY A
41 PERSON WHO HAS RESIDED IN THE BASIN FOR AT LEAST FIVE YEARS. A PETITION
42 MAY NOT BE ACCEPTED MORE THAN ONE HUNDRED EIGHTY DAYS AFTER THE DATE OF
43 SUBMISSION OF THE APPLICATION FOR PETITION. FOR THE PURPOSES OF THIS
44 SECTION, ON REQUEST OF A COUNTY RECORDER, THE DIRECTOR SHALL TRANSMIT TO
45 THE COUNTY RECORDER ANY FACTUAL DATA CONCERNING THE BOUNDARIES OF THE

1 GROUNDWATER BASIN THAT MAY AID THE COUNTY RECORDER IN DETERMINING WHICH
2 REGISTERED VOTERS OF THE COUNTY ARE RESIDENTS AND, FOR THE PURPOSES OF
3 THIS SECTION, ARE ELIGIBLE VOTERS OF THE GROUNDWATER BASIN. THE
4 TRANSMITTED DATA SHALL INCLUDE A MAP OF THE RESIDENCES IN THE GROUNDWATER
5 BASIN.

6 D. ON THE VALID SUBMISSION OF THE REQUISITE SIGNATURES, THE
7 RESPECTIVE COUNTY BOARD OF SUPERVISORS SHALL COOPERATE TO INCLUDE A
8 QUESTION ON THE NEXT GENERAL ELECTION BALLOT FOR ALL REGISTERED VOTERS WHO
9 RESIDE IN THE GROUNDWATER BASIN. THE BALLOT QUESTION SHALL BE WORDED,
10 "SHOULD THE (NAME OF GROUNDWATER BASIN) BE DESIGNATED A BASIN MANAGEMENT
11 AREA?" FOLLOWED BY THE WORDS "YES" AND "NO".

12 E. WITHIN THIRTY DAYS AFTER THE GENERAL ELECTION RESULTS ARE
13 CERTIFIED, IF A MAJORITY OF ELIGIBLE VOTERS VOTED IN FAVOR OF THE
14 FORMATION OF THE BASIN MANAGEMENT AREA, THE DIRECTOR SHALL DO BOTH OF THE
15 FOLLOWING:

16 1. MAKE AND FILE IN THE DIRECTOR'S OFFICE WRITTEN FINDINGS WITH
17 RESPECT TO MATTERS CONSIDERED DURING THE PUBLIC MEETINGS. IF THE DIRECTOR
18 DECIDES TO DESIGNATE A BASIN MANAGEMENT AREA, THE DIRECTOR SHALL MAKE AND
19 FILE AN ORDER DESIGNATING THE BASIN MANAGEMENT AREA.

20 2. FILE A TRUE MAP OF THE BASIN MANAGEMENT AREA IN THE OFFICE OF
21 THE COUNTY RECORDER OF THE COUNTY OR COUNTIES IN WHICH THE BASIN
22 MANAGEMENT AREA IS ESTABLISHED.

23 F. FOR THE PURPOSES OF THIS SECTION, "LAND SUBSIDENCE":

24 1. MEANS THE SETTLING OR LOWERING OF THE SURFACE OF LAND THAT
25 RESULTS FROM THE WITHDRAWAL OF GROUNDWATER.

26 2. DOES NOT INCLUDE THE SETTLING OF THE ALLUVIUM OF A RIVER
27 CHANNEL.

28 45-445.01. Meetings; boundaries; notice; establishment

29 A. IF THE DIRECTOR DESIGNATES A BASIN AS A BASIN MANAGEMENT AREA
30 INDEPENDENT OF A GENERAL ELECTION, THE DIRECTOR SHALL HOLD A SERIES OF
31 PUBLIC MEETINGS AS FOLLOWS:

32 1. THE DIRECTOR SHALL GIVE REASONABLE NOTICE OF EACH MEETING,
33 INCLUDING PUBLISHING THE NOTICE ONCE EACH WEEK FOR TWO CONSECUTIVE WEEKS
34 IN A NEWSPAPER OF GENERAL CIRCULATION IN EACH COUNTY IN WHICH THE PROPOSED
35 BASIN MANAGEMENT AREA IS LOCATED. THE DIRECTOR AND THE COUNTIES IN WHICH
36 THE PROPOSED BASIN MANAGEMENT AREA IS LOCATED SHALL POST THE NOTICE ON THE
37 DEPARTMENT'S AND COUNTIES' WEBSITES. THE NOTICE SHALL CONTAIN THE TIME
38 AND PLACE OF THE MEETING, THE LEGAL DESCRIPTION AND A MAP CLEARLY
39 IDENTIFYING AND DESCRIBING ALL LANDS TO BE INCLUDED IN THE PROPOSED BASIN
40 MANAGEMENT AREA AND ANY OTHER INFORMATION THE DIRECTOR DEEMS NECESSARY.

41 2. THE FIRST AND SECOND MEETINGS SHALL BE HELD AT A LOCATION IN THE
42 COUNTY IN WHICH THE MAJOR PORTION OF THE PROPOSED BASIN MANAGEMENT AREA IS
43 LOCATED NOT MORE THAN SIXTY DAYS AFTER THE FIRST PUBLICATION OF THE NOTICE
44 OF THE MEETING. AT THE MEETING, THE DIRECTOR SHALL PRESENT ANY DATA ON
45 GROUNDWATER LEVELS FOR THE PROPOSED BASIN MANAGEMENT AREA FROM THE

1 DEPARTMENT AND SHALL DESCRIBE THE EFFECTS OF THE PROPOSED FORMATION OF THE
2 BASIN MANAGEMENT AREA, THE COST OF APPLICATIONS THAT USERS MAY SUBMIT TO
3 THE DEPARTMENT AND THE EFFECTS OF WATER CONSERVATION. ANY PERSON MAY
4 APPEAR AT THE MEETING, EITHER IN PERSON OR BY REPRESENTATIVE, AND MAY
5 SUBMIT ORAL OR DOCUMENTARY INFORMATION REGARDING THE PROPOSED ACTION OR
6 ANY SECONDARY MODELING CHALLENGING THE MODELING COMPLETED BY THE
7 DEPARTMENT PURSUANT TO SECTION 45-445.

8 3. THE DIRECTOR MAY CALL ANY OTHER PUBLIC MEETINGS THE DIRECTOR
9 DEEMS NECESSARY.

10 B. WITHIN THIRTY DAYS AFTER THE FINAL PUBLIC MEETING AS DECLARED BY
11 THE DIRECTOR, THE DIRECTOR SHALL DO BOTH OF THE FOLLOWING:

12 1. DECLARE THE BASIN MANAGEMENT AREA ESTABLISHED.

13 2. FILE A COPY OF THE DIRECTOR'S FINDINGS PURSUANT TO SECTION
14 45-445, SUBSECTION A AND A TRUE MAP OF THE BASIN MANAGEMENT AREA IN THE
15 OFFICE OF THE COUNTY RECORDER OF THE COUNTY OR COUNTIES IN WHICH THE BASIN
16 MANAGEMENT AREA IS ESTABLISHED.

17 45-445.02. Basin management areas; certificate of groundwater
18 rights; groundwater users; application; annual
19 report

20 A. WITHIN FIFTEEN MONTHS AFTER A BASIN MANAGEMENT AREA IS
21 ESTABLISHED, THE DIRECTOR SHALL GRANT TO EACH WATER USER WHO APPLIES FOR A
22 CERTIFICATE OF GROUNDWATER RIGHTS A CERTIFICATE THAT ENTITLES THE USER TO
23 USE THE ANNUAL ALLOCATED AMOUNT OF WATER AS FOLLOWS:

24 1. FOR MUNICIPAL OR INDUSTRIAL USERS, ON APPLICATION THE DIRECTOR
25 SHALL GRANT THE USER A CERTIFICATE OF GROUNDWATER RIGHTS THAT IS
26 CONSISTENT WITH THE MAXIMUM AMOUNT OF GROUNDWATER WITHDRAWN AND USED BY
27 THE USER IN ACRE-FEET IN ANY ONE YEAR IN THE FIVE PRECEDING YEARS BEFORE
28 THE DATE OF FORMATION OF THE BASIN MANAGEMENT AREA.

29 2. FOR IRRIGATION USERS, THE DIRECTOR SHALL GRANT THE USER A
30 CERTIFICATE OF GROUNDWATER RIGHTS THAT IS CONSISTENT WITH THE AVERAGE USE
31 OF THE IRRIGATION GROUNDWATER USER IN ACRE-FEET OVER THE TEN YEARS
32 PRECEDING THE DATE OF FORMATION OF THE BASIN MANAGEMENT AREA. THE
33 DIRECTOR SHALL EXCLUDE FROM THE CALCULATION OF THE AVERAGE AMOUNT OF WATER
34 USED ANNUALLY BY AN IRRIGATION USER IN THE TEN YEARS PRECEDING DESIGNATION
35 OF THE BASIN MANAGEMENT AREA ANY YEARS DURING WHICH THE IRRIGATION USER
36 DID NOT USE WATER.

37 B. THE DEPARTMENT SHALL INCREASE THE AMOUNT OF WATER ENTITLED TO A
38 USER VIA A CERTIFICATE OF GROUNDWATER RIGHTS IF THE USER HAS MADE
39 SUBSTANTIAL CAPITAL INVESTMENT IN THE TWELVE MONTHS BEFORE THE PETITION IS
40 CIRCULATED FOR A BASIN MANAGEMENT AREA DESIGNATION.

41 C. FOR PLANNED RESIDENTIAL OR MIXED-USE DEVELOPMENTS THAT HAVE BEEN
42 APPROVED BY THE APPLICABLE ZONING AUTHORITY, THE LANDOWNER SHALL BE
43 GRANTED A CERTIFICATE OF GROUNDWATER RIGHTS EQUAL TO THE PROJECTED WATER
44 DEMAND OF THE DEVELOPMENT AT BUILD OUT.

1 D. BEGINNING AFTER A BASIN MANAGEMENT AREA PETITION IS APPROVED,
2 NEW GROUNDWATER PUMPING MAY NOT OCCUR IN THE BASIN MANAGEMENT AREA, EXCEPT
3 THAT A USER WITH A CERTIFICATE OF GROUNDWATER RIGHTS MAY RETIRE OR
4 DIMINISH THE GROUNDWATER USER'S WITHDRAWAL FROM AN EXISTING WELL AND
5 WITHDRAW AN EQUAL AMOUNT OF GROUNDWATER FROM A REPLACEMENT WELL OR
6 EXISTING WELL FOR THE SAME USE CONSISTENT WITH THE GROUNDWATER USER'S
7 CERTIFICATED GROUNDWATER RIGHT ON THE SAME PROPERTY OR MAY WITHDRAW
8 INTENTIONALLY RECHARGED WATER OR TRANSFER A CERTIFICATE OF GROUNDWATER
9 RIGHTS AND THE ASSOCIATED GROUNDWATER AS PRESCRIBED BY THIS ARTICLE IF
10 THERE REMAINS A NET BENEFIT OF TEN PERCENT OR MORE TO THE AQUIFER.

11 E. THE DEPARTMENT MAY NOT REQUIRE A GROUNDWATER USER TO METER ANY
12 WELLS LOCATED IN A BASIN MANAGEMENT AREA OR TO REPORT THE USER'S
13 GROUNDWATER USE BEYOND THE REQUIREMENTS PRESCRIBED IN SUBSECTION F OF THIS
14 SECTION.

15 F. A GROUNDWATER USER SHALL ANNUALLY REPORT TO THE DEPARTMENT AN
16 ESTIMATE OF GROUNDWATER USE BASED ON PUMPING CAPACITY AND THE POWER USAGE
17 OF THE USER'S GROUNDWATER PUMPING OR OTHER SIMILARLY RELIABLE AND
18 ACCESSIBLE METHODS. FOR THE PURPOSES OF THIS SUBSECTION:

19 1. A USER MAY VOLUNTARILY ACQUIRE AND REPORT METERING DATA.

20 2. THE ANNUAL REPORT A GROUNDWATER USER SUBMITS TO THE DEPARTMENT
21 IS A PUBLIC RECORD.

22 3. REPORTS AND THE CORRESPONDING DATA MAY BE PRESENTED AS EVIDENCE
23 IN ANY COURT IN THIS STATE ONLY IF THE CASE DOES NOT INVOLVE A GENERAL
24 STREAM ADJUDICATION OR A FEDERALLY RESERVED WATER RIGHT. A GROUNDWATER
25 USER MAY CONSENT TO THE WAIVER OF THIS PRIVILEGE.

26 G. AN APPLICATION FOR A CERTIFICATE OF GROUNDWATER RIGHTS SHALL
27 INCLUDE ALL OF THE FOLLOWING:

28 1. THE APPLICANT'S NAME AND MAILING ADDRESS.

29 2. THE NAME OF THE BASIN MANAGEMENT AREA SUBJECT TO THE APPLICATION
30 FROM WHICH THE APPLICANT HAS WITHDRAWN GROUNDWATER.

31 3. A SWORN STATEMENT THAT ALL INFORMATION CONTAINED IN THE
32 APPLICATION IS TRUE, COMPLETE AND CORRECT ACCORDING TO THE BEST BELIEF AND
33 KNOWLEDGE OF THE APPLICANT.

34 4. IF THE APPLICATION IS FOR MUNICIPAL OR INDUSTRIAL GROUNDWATER
35 USE:

36 (a) THE MAXIMUM AMOUNT OF GROUNDWATER THE APPLICANT WITHDREW AND
37 USED IN ANY ONE YEAR DURING THE FIVE YEARS PRECEDING THE DATE OF FORMATION
38 OF THE BASIN MANAGEMENT AREA.

39 (b) THE APPLICANT'S USE OR TYPE OF USE OF GROUNDWATER WITHDRAWN BY
40 THE APPLICANT.

41 (c) THE LOCATION OF EACH WELL FROM WHICH THE APPLICANT WITHDRAWS
42 GROUNDWATER OR HAS WITHDRAWN GROUNDWATER.

1 5. IF THE APPLICATION IS FOR AGRICULTURAL GROUNDWATER USE:
2 (a) A LEGAL DESCRIPTION AND A MAP OF ALL LAND OWNED BY THE
3 APPLICANT FOR WHICH THE APPLICANT CLAIMS THE RIGHT TO WITHDRAW AND USE
4 GROUNDWATER.
5 (b) THE AMOUNT OF WATER THE APPLICANT HAS USED FOR AGRICULTURAL
6 PURPOSES ON THE LAND EACH YEAR DURING THE TEN YEARS PRECEDING THE DATE OF
7 FORMATION OF THE BASIN MANAGEMENT AREA.
8 H. FOR IRRIGATION USERS, SUBSTANTIAL CAPITAL INVESTMENT INCLUDES
9 THE IMPROVEMENT OF LAND, INFRASTRUCTURE OR ON-SITE IRRIGATION DISTRIBUTION
10 FACILITIES, INCLUDING THE DRILLING OF WELLS.
11 I. FOR NON-IRRIGATION USE, SUBSTANTIAL CAPITAL INVESTMENT INCLUDES
12 COSTS RELATED TO ANY OF THE FOLLOWING:
13 1. ACQUISITION OF PERMITS AND APPROVALS, INCLUDING LEGAL, TECHNICAL
14 AND ENVIRONMENTAL SERVICES THAT ARE NECESSARY FOR THE AUTHORIZATION TO
15 PROCEED WITH THE PROJECT.
16 2. THE ACQUISITION OR LEASE OF LAND FOR PURPOSES OF RIGHTS-OF-WAY,
17 EASEMENT OR OTHER STATE OR FEDERAL LAND USE AUTHORIZATION.
18 3. IMPROVEMENT OF LAND FOR THE INTENDED NON-IRRIGATION USE.
19 4. CONSTRUCTION OF GROUNDWATER-RELATED INFRASTRUCTURE OR
20 IMPROVEMENTS, INCLUDING WATER DISTRIBUTION FACILITIES, STORAGE FACILITIES,
21 RECHARGE FACILITIES, THE DRILLING OR EQUIPPING OF WELLS, GROUNDWATER
22 TREATMENT FACILITIES WATER AND POWER TRANSMISSION AND OTHER
23 PROJECT-ASSOCIATED FACILITIES.
24 5. CONSTRUCTION AND MAINTENANCE OF ANCILLARY STRUCTURES THAT ARE
25 CRITICAL TO A NON-IRRIGATION PROJECT.
26 J. IF AN APPLICANT DEMONSTRATES A SUBSTANTIAL CAPITAL INVESTMENT IN
27 THE FACILITIES ASSOCIATED WITH A NON-IRRIGATION USE, THE DIRECTOR SHALL
28 ISSUE A GROUNDWATER PERMIT FOR THE IDENTIFIED USE. IF THE APPLICANT PUTS
29 GROUNDWATER TO BENEFICIAL USE FOR THE PURPOSES ASSOCIATED WITH THE PERMIT,
30 THAT VOLUME OF WATER BECOMES PERFECTED AND THE DIRECTOR SHALL ISSUE A
31 CERTIFICATE FOR THAT VOLUME OR INCREASE THE GROUNDWATER RIGHT ON THE
32 APPLICANT'S EXISTING CERTIFICATE. FOR THE PURPOSES OF THIS SUBSECTION, A
33 PERMIT HOLDER MAY APPLY TO PERFECT ALL OR PART OF THE PERMIT
34 VOLUME. PERMITS THAT ARE UNPERFECTED CANNOT BE TRANSFERRED AND PERMITS
35 CANNOT EARN FLEXIBILITY CREDITS.
36 K. FOR THE PURPOSES OF THIS ARTICLE, ANY DATA OR ESTIMATE A PERSON
37 SUBMITS REGARDING A PERSON'S GROUNDWATER USE IS A PUBLIC RECORD UNDER
38 TITLE 39, CHAPTER 1 AND MAY BE PRESENTED AS EVIDENCE IN ANY COURT IN THIS
39 STATE ONLY IF THE CASE DOES NOT INVOLVE A GENERAL STREAM ADJUDICATION OR A
40 FEDERALLY RESERVED WATER RIGHT OR THE GROUNDWATER USER CONSENTS TO THE
41 WAIVER OF THIS PRIVILEGE. IF A GROUNDWATER USER VOLUNTARILY SUBMITS
42 EVIDENCE OF WATER CONSERVATION, THE DEPARTMENT SHALL ISSUE THE WATER USER
43 A RECEIPT OF WATER CONSERVATION ACKNOWLEDGING THE AMOUNT OF WATER
44 CONSERVED. THE DEPARTMENT SHALL PROVIDE THE BASIN MANAGEMENT COUNCIL WITH

1 A COPY OF ALL PAST AND FUTURE RECEIPTS GRANTED IN THE GROUNDWATER BASIN
2 PURSUANT TO THIS SECTION.

3 45-445.03. Basin management areas; withdrawals of groundwater
4 right; flexibility account; conveyances; rules;
5 extinguishment

6 A. A PERSON WHO IS ENTITLED TO USE GROUNDWATER PURSUANT TO A
7 CERTIFICATE OF GROUNDWATER RIGHT MAY:

8 1. USE GROUNDWATER IN EXCESS OF THE AMOUNT ALLOWED BY THE RIGHT IN
9 AN AMOUNT DETERMINED PURSUANT TO SUBSECTION E OF THIS SECTION.

10 2. USE LESS THAN THE AMOUNT ALLOWED BY THE RIGHT IN ONE ACCOUNTING
11 PERIOD AND USE THE REMAINING AMOUNT ALLOWED BY THE RIGHT IN A SUCCEEDING
12 ACCOUNTING PERIOD OR PERIODS.

13 B. THE DIRECTOR SHALL ESTABLISH RULES FOR THE MAINTENANCE OF A
14 FLEXIBILITY ACCOUNT FOR EACH CERTIFICATE OF GROUNDWATER RIGHT IN A BASIN
15 MANAGEMENT AREA.

16 C. IF A PERSON WHO IS ENTITLED TO USE GROUNDWATER PURSUANT TO A
17 CERTIFICATE OF GROUNDWATER RIGHT USES SOLELY GROUNDWATER DURING ANY
18 ACCOUNTING PERIOD, THE DIRECTOR SHALL:

19 1. REGISTER A DEBIT TO THE ACCOUNT IF THE AMOUNT OF GROUNDWATER
20 USED DURING THE ACCOUNTING PERIOD IS GREATER THAN THE AMOUNT OF THE ANNUAL
21 ALLOCATION OF WATER GRANTED PURSUANT TO A CERTIFICATE OF GROUNDWATER RIGHT
22 OR THE AMOUNT OF WATER THAT THE PERSON IS ENTITLED TO USE UNDER AN ACTIVE
23 BASIN MANAGEMENT AREA MANAGEMENT PLAN PURSUANT TO SECTION 45-446.01.

24 2. REGISTER A CREDIT TO THE ACCOUNT IF THE AMOUNT OF GROUNDWATER
25 USED DURING THE ACCOUNTING PERIOD IS LESS THAN THE AMOUNT OF THE ANNUAL
26 ALLOCATION OF WATER GRANTED PURSUANT TO A CERTIFICATE OF GROUNDWATER RIGHT
27 OR THE AMOUNT OF WATER THAT THE PERSON IS ENTITLED TO USE UNDER AN ACTIVE
28 BASIN MANAGEMENT AREA MANAGEMENT PLAN PURSUANT TO SECTION 45-446.01.

29 D. IF A PERSON WHO IS ENTITLED TO USE GROUNDWATER PURSUANT TO A
30 CERTIFICATE OF GROUNDWATER RIGHT USES A COMBINATION OF SURFACE WATER,
31 EFFLUENT OR GROUNDWATER OR ANY COMBINATION THEREOF AND USES OF WATER BY
32 THE PERSON FROM ALL SOURCES, EXCEPT FOR SURFACE WATER, OTHER THAN COLORADO
33 RIVER WATER, RELEASED FOR BENEFICIAL USE FROM STORAGE, DIVERSION OR
34 DISTRIBUTION FACILITIES TO AVOID SPILLING THAT WOULD OTHERWISE OCCUR DUE
35 TO UNCONTROLLED SURFACE WATER INFLOWS THAT EXCEED FACILITY CAPACITY, IN
36 THE ACCOUNTING PERIOD:

37 1. EXCEED THE AMOUNT OF THE ANNUAL ALLOCATION OF WATER GRANTED
38 PURSUANT TO THE CERTIFICATE OF GROUNDWATER RIGHT OR THE AMOUNT OF WATER
39 THAT THE PERSON IS ENTITLED TO USE UNDER AN ACTIVE BASIN MANAGEMENT AREA
40 MANAGEMENT PLAN PURSUANT TO SECTION 45-446.01, THE AMOUNT OF GROUNDWATER
41 USED UP TO THE AMOUNT OF THE EXCESS, LESS ANY EFFLUENT USED, SHALL BE
42 REGISTERED AS A DEBIT TO THE ACCOUNT.

43 2. ARE LESS THAN THE AMOUNT OF THE ANNUAL ALLOCATION OF WATER
44 GRANTED PURSUANT TO THE CERTIFICATE OF GROUNDWATER RIGHT OR THE AMOUNT OF
45 WATER THAT THE PERSON IS ENTITLED TO USE UNDER AN ACTIVE BASIN MANAGEMENT

1 AREA MANAGEMENT PLAN PURSUANT TO SECTION 45-446.01, THE AMOUNT OF WATER
2 NOT USED THAT WOULD HAVE BEEN GROUNDWATER SHALL BE REGISTERED AS A CREDIT
3 TO THE ACCOUNT.

4 E. THE MAXIMUM EXCESS AMOUNT OF GROUNDWATER THAT A PERSON MAY USE
5 PURSUANT TO THIS SECTION IN ANY ONE YEAR SHALL BE EQUAL TO TWENTY-FIVE
6 PERCENT OF THE ANNUAL ALLOCATION OF WATER GRANTED PURSUANT TO A
7 CERTIFICATE OF GROUNDWATER RIGHT. AN OWNER OF A CERTIFICATE OF
8 GROUNDWATER RIGHT AND THE PERSON USING GROUNDWATER PURSUANT TO THE RIGHT
9 ARE DEEMED TO VIOLATE THIS SECTION IF THE FLEXIBILITY ACCOUNT FOR THE
10 RIGHT IS IN ARREARS AT ANY TIME IN EXCESS OF THIS AMOUNT. GROUNDWATER
11 EQUAL TO THE CREDIT BALANCE IN THE FLEXIBILITY ACCOUNT MAY BE USED AT ANY
12 TIME.

13 F. IF A CERTIFICATE OF GROUNDWATER RIGHT IS CONVEYED IN WHOLE OR IN
14 PART, EACH ACRE-FOOT CONVEYED SHALL CARRY WITH IT A PROPORTIONAL SHARE OF
15 ANY DEBITS OR CREDITS IN THE FLEXIBILITY ACCOUNT FOR THE RIGHT.

16 G. EACH PERSON WHO OWNS A CERTIFICATE OF GROUNDWATER RIGHT AND
17 WHOSE RIGHT HAS REGISTERED A CREDIT BALANCE TO ITS FLEXIBILITY ACCOUNT MAY
18 CONVEY OR SELL ALL OR A PORTION OF THE CREDIT BALANCE TO ANY PERSON,
19 INCLUDING THE CONVEYOR OR SELLER OF THE CREDIT BALANCE, WHO OWNS ANOTHER
20 CERTIFICATE OF GROUNDWATER RIGHT IN THE SAME GROUNDWATER BASIN. A PERSON
21 WHO SELLS OR CONVEYS ALL OR A PORTION OF A CREDIT BALANCE PURSUANT TO THIS
22 SUBSECTION, AND THE PERSON TO WHOM THE CREDIT BALANCE IS SOLD OR CONVEYED,
23 SHALL NOTIFY THE DIRECTOR OF THE SALE OR CONVEYANCE WITHIN THIRTY DAYS
24 AFTER THE SALE OR CONVEYANCE ON A FORM PRESCRIBED AND FURNISHED BY THE
25 DIRECTOR.

26 H. A SALE OR CONVEYANCE OF ALL OR PART OF A CREDIT BALANCE UNDER
27 SUBSECTION G OF THIS SECTION IS EFFECTIVE ONLY IF THE DIRECTOR RECEIVES
28 THE NOTICE REQUIRED BY SUBSECTION G OF THIS SECTION WITHIN THIRTY DAYS
29 AFTER THE SALE OR CONVEYANCE. AFTER RECEIVING THE NOTICE, THE DIRECTOR
30 SHALL REGISTER A DEDUCTION OF THE CREDIT AMOUNT CONVEYED OR SOLD FROM THE
31 CONVEYOR'S OR SELLER'S FLEXIBILITY ACCOUNT BALANCE AND THE CORRESPONDING
32 ADDITION TO THE CONVEYEE'S OR PURCHASER'S FLEXIBILITY ACCOUNT BALANCE.
33 THE DEDUCTION AND ADDITION TO THE FLEXIBILITY ACCOUNT BALANCES ARE
34 EFFECTIVE AS OF THE DATE OF THE SALE OR CONVEYANCE.

35 I. EACH PERSON WHO OWNS A CERTIFICATE OF GROUNDWATER RIGHT AND
36 WHOSE RIGHT HAS REGISTERED A CREDIT BALANCE TO ITS FLEXIBILITY ACCOUNT MAY
37 EXTINGUISH ALL OR A PORTION OF THE CREDIT BALANCE. THE PERSON WHO
38 EXTINGUISHES ALL OR A PORTION OF A CREDIT BALANCE PURSUANT TO THIS
39 SUBSECTION SHALL NOTIFY THE DIRECTOR OF THE EXTINGUISHMENT ON A FORM
40 PRESCRIBED AND FURNISHED BY THE DIRECTOR.

41 J. THE EXTINGUISHMENT OF ALL OR PART OF A CREDIT BALANCE UNDER
42 SUBSECTION I OF THIS SECTION IS EFFECTIVE AS OF THE DATE THE DIRECTOR
43 RECEIVES THE NOTICE REQUIRED BY SUBSECTION I OF THIS SECTION. AFTER
44 RECEIVING THE NOTICE, THE DIRECTOR SHALL REGISTER A DEDUCTION OF THE

1 CREDIT AMOUNT EXTINGUISHED FROM THE FLEXIBILITY ACCOUNT BALANCE OF THE
2 PERSON WHO EXTINGUISHED THE CREDIT BALANCE.

3 45-445.04. Use of municipal and industrial groundwater rights

4 THE OWNER OF A MUNICIPAL AND INDUSTRIAL CERTIFICATE OF GROUNDWATER
5 RIGHTS MAY:

6 1. USE GROUNDWATER WITHDRAWN PURSUANT TO THE CERTIFICATE OF
7 GROUNDWATER RIGHTS FOR ANY NONAGRICULTURAL USE AT ANY LOCATION IN THE
8 BASIN MANAGEMENT AREA SUBJECT TO THE PROVISIONS GOVERNING TRANSPORTATION
9 OF GROUNDWATER PRESCRIBED IN ARTICLE 8 OF THIS CHAPTER.

10 2. WITHDRAW GROUNDWATER PURSUANT TO THE CERTIFICATE OF GROUNDWATER
11 RIGHTS ONLY FROM THOSE WELLS OUTLINED ON THE USER'S CERTIFICATE OF
12 GROUNDWATER RIGHTS.

13 3. REQUEST THE DIRECTOR TO ISSUE A REVISED CERTIFICATE OF
14 GROUNDWATER RIGHTS TO REFLECT NEW OR ADDITIONAL POINTS OF WITHDRAWAL OR
15 NEW OR ADDITIONAL TYPES OF NONAGRICULTURAL USE.

16 4. LEASE ALL OR PART OF THE MUNICIPAL AND INDUSTRIAL GROUNDWATER
17 RIGHT. IF A GROUNDWATER RIGHT IS LEASED, THE LESSEE MAY USE GROUNDWATER
18 WITHDRAWN PURSUANT TO THE GROUNDWATER RIGHT AS PRESCRIBED BY THIS SECTION.

19 45-445.05. Use of agricultural groundwater rights

20 A. THE OWNER OF AN AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHTS
21 PURSUANT TO SECTION 45-445.02 MAY:

22 1. USE GROUNDWATER WITHDRAWN PURSUANT TO THE CERTIFICATE OF
23 GROUNDWATER RIGHTS FOR ANY AGRICULTURAL USE ON ANY LAND DESCRIBED IN THE
24 CERTIFICATE OF GROUNDWATER RIGHTS.

25 2. REQUEST THE DIRECTOR TO ISSUE A REVISED CERTIFICATE OF
26 GROUNDWATER RIGHTS TO REFLECT NEW OR ADDITIONAL ACRES OF LAND WITHIN THE
27 BASIN MANAGEMENT AREA ON WHICH THE OWNER WISHES TO USE GROUNDWATER
28 WITHDRAWN PURSUANT TO THE CERTIFICATE OF GROUNDWATER RIGHTS FOR
29 AGRICULTURAL PURPOSES.

30 B. THE RIGHT TO USE GROUNDWATER PURSUANT TO THIS SECTION IS
31 APPURTENANT TO THE ACRES OF LAND DESCRIBED IN THE AGRICULTURAL CERTIFICATE
32 OF GROUNDWATER RIGHTS. AN AGRICULTURAL GROUNDWATER RIGHT IS OWNED BY THE
33 OWNER OF THE LAND TO WHICH THE GROUNDWATER RIGHT IS APPURTENANT AND MAY BE
34 LEASED FOR AGRICULTURAL USE WITH THE LAND TO WHICH IT IS APPURTENANT.

35 C. THE OWNER OR LESSEE OF AN AGRICULTURAL CERTIFICATE OF
36 GROUNDWATER RIGHTS MAY WITHDRAW OR RECEIVE GROUNDWATER FROM ANY LOCATION
37 IN THE BASIN MANAGEMENT AREA SUBJECT TO THE PROVISIONS GOVERNING
38 TRANSPORTATION OF GROUNDWATER PRESCRIBED IN ARTICLE 8 OF THIS CHAPTER.

39 45-445.06. Right to convert agricultural groundwater rights
40 for municipal and industrial use

41 A. THE OWNER OF AN AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHTS
42 MAY CONVERT ALL OR PART OF THE GROUNDWATER RIGHT TO A MUNICIPAL AND
43 INDUSTRIAL USE.

1 B. A MUNICIPAL OR INDUSTRIAL GROUNDWATER USER MAY WITHDRAW AND USE
2 A CONVERTED AGRICULTURAL GROUNDWATER RIGHT ANNUALLY FOR MUNICIPAL AND
3 INDUSTRIAL USE AS FOLLOWS:

4 1. IF THE MUNICIPAL AND INDUSTRIAL USE IS ON LAND DESCRIBED IN THE
5 AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHTS, EIGHTY-FIVE PERCENT OF THE
6 AMOUNT OF THE AGRICULTURAL GROUNDWATER RIGHT ALLOCATION.

7 2. IF THE MUNICIPAL AND INDUSTRIAL USE IS ON LAND OTHER THAN LAND
8 DESCRIBED IN THE AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHTS,
9 EIGHTY-FIVE PERCENT OF THE AMOUNT OF THE AGRICULTURAL GROUNDWATER RIGHT
10 ALLOCATION.

11 C. A PERSON WHO PROPOSES TO CONVERT AN AGRICULTURAL GROUNDWATER
12 RIGHT TO A MUNICIPAL AND INDUSTRIAL USE SHALL NOTIFY THE DIRECTOR, ON A
13 FORM PRESCRIBED AND FURNISHED BY THE DIRECTOR, OF THE CONVERSION AND THE
14 LOCATION OF EACH WELL FROM WHICH GROUNDWATER WILL BE WITHDRAWN FOR A
15 MUNICIPAL AND INDUSTRIAL USE AND THE TYPES OF USE FOR WHICH GROUNDWATER
16 WILL BE WITHDRAWN.

17 D. AFTER RECEIVING NOTICE OF A CONVERSION OF AN AGRICULTURAL
18 GROUNDWATER RIGHT TO A MUNICIPAL AND INDUSTRIAL USE, THE DIRECTOR SHALL
19 ISSUE TO THE OWNER A REVISED AGRICULTURAL CERTIFICATE OF GROUNDWATER
20 RIGHTS FOR THE REMAINING AGRICULTURAL USE, IF ANY, AND A NEW MUNICIPAL AND
21 INDUSTRIAL CERTIFICATE OF GROUNDWATER RIGHTS FOR THE CONVERTED MUNICIPAL
22 AND INDUSTRIAL USE.

23 45-445.07. Conveyance of certificate of groundwater rights

24 A. THE OWNER OF A MUNICIPAL AND INDUSTRIAL CERTIFICATE OF
25 GROUNDWATER RIGHTS MAY SELL OR CONVEY ALL OR PART OF THE GROUNDWATER RIGHT
26 FOR ANY NONAGRICULTURAL USE IN THE SAME GROUNDWATER BASIN.

27 B. WITHIN THIRTY DAYS AFTER A CONVEYANCE OF A GROUNDWATER RIGHT,
28 THE CONVEYOR OF ALL OR PART OF A MUNICIPAL AND INDUSTRIAL RIGHT AND THE
29 CONVEYEE OF THE MUNICIPAL AND INDUSTRIAL RIGHT SHALL NOTIFY THE DIRECTOR
30 OF THE CONVEYANCE ON A FORM PRESCRIBED AND FURNISHED BY THE DIRECTOR. FOR
31 THE PURPOSES OF THIS SUBSECTION, A NOTICE PROVIDED BY THE CONVEYOR AND THE
32 CONVEYEE SHALL INCLUDE THE FOLLOWING:

33 1. THE AMOUNT IN ACRE-FEET RETAINED BY THE CONVEYOR, IF ANY.

34 2. THE AMOUNT IN ACRE-FEET TRANSFERRED TO THE CONVEYEE.

35 3. THE TYPES OF USE FOR WHICH GROUNDWATER WILL BE WITHDRAWN BY THE
36 CONVEYOR, IF ANY.

37 4. THE TYPES OF USE FOR WHICH GROUNDWATER WILL BE WITHDRAWN BY THE
38 CONVEYEE.

39 5. THE LOCATION OF EACH WELL FROM WHICH GROUNDWATER WILL BE
40 WITHDRAWN BY THE CONVEYOR, IF ANY.

41 6. THE LOCATION OF EACH WELL FROM WHICH GROUNDWATER WILL BE
42 WITHDRAWN BY THE CONVEYEE.

43 7. OTHER INFORMATION AS THE DIRECTOR MAY REASONABLY REQUIRE.

1 C. AFTER RECEIVING NOTICE OF A CONVEYANCE OF A MUNICIPAL AND
2 INDUSTRIAL GROUNDWATER RIGHT, THE DIRECTOR SHALL ISSUE TO THE CONVEYOR A
3 REVISED MUNICIPAL AND INDUSTRIAL CERTIFICATE OF GROUNDWATER RIGHTS FOR THE
4 PORTION OF THE GROUNDWATER RIGHT RETAINED BY THE CONVEYOR, IF ANY, AND
5 ISSUE TO THE CONVEYEE A NEW MUNICIPAL AND INDUSTRIAL CERTIFICATE OF
6 GROUNDWATER RIGHTS FOR THE PORTION OF THE GROUNDWATER RIGHT CONVEYED.

7 D. IF THE OWNER OF AN AGRICULTURAL CERTIFICATE OF GROUNDWATER
8 RIGHTS CONVEYS LAND DESCRIBED IN THE GROUNDWATER USER'S CERTIFICATE, EACH
9 ACRE CONVEYED SHALL CARRY WITH IT A PROPORTIONAL SHARE OF THE ANNUAL
10 ALLOCATION OF GROUNDWATER GRANTED PURSUANT TO A CERTIFICATE.

11 E. WITHIN THIRTY DAYS AFTER THE CONVEYANCE OF LAND DESCRIBED IN AN
12 AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHTS, THE CONVEYOR AND THE
13 CONVEYEE SHALL EACH NOTIFY THE DIRECTOR OF THE CONVEYANCE ON A FORM
14 PRESCRIBED AND FURNISHED BY THE DIRECTOR. FOR THE PURPOSES OF THIS
15 SUBSECTION, A NOTICE PROVIDED BY THE CONVEYOR AND THE CONVEYEE SHALL
16 INCLUDE ALL OF THE FOLLOWING:

17 1. A LEGAL DESCRIPTION AND A MAP OF THE LAND RETAINED BY THE
18 SELLER, IF ANY.

19 2. A LEGAL DESCRIPTION AND A MAP OF THE LAND CONVEYED TO THE
20 CONVEYEE.

21 3. OTHER INFORMATION AS THE DIRECTOR MAY REASONABLY REQUIRE.

22 F. AFTER RECEIVING NOTICE OF A SALE OR CONVEYANCE OF AN
23 AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHT, THE DIRECTOR SHALL ISSUE TO
24 THE CONVEYOR A REVISED CERTIFICATE FOR THE PORTION OF THE GROUNDWATER
25 RIGHT RETAINED BY THE CONVEYOR, IF ANY, AND ISSUE TO THE CONVEYEE A NEW
26 AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHTS FOR THE PORTION OF THE
27 GROUNDWATER RIGHT CONVEYED.

28 G. THE OWNER OF AN AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHTS
29 MAY SELL OR CONVEY ALL OR PART OF THE RIGHT FOR AGRICULTURAL USE ON OTHER
30 LAND IN THE SAME GROUNDWATER BASIN.

31 H. WITHIN THIRTY DAYS AFTER A CONVEYANCE AS PRESCRIBED IN
32 SUBSECTION G OF THIS SECTION, THE CONVEYOR OF AN AGRICULTURAL CERTIFICATE
33 OF GROUNDWATER RIGHTS AND THE CONVEYEE SHALL NOTIFY THE DIRECTOR OF THE
34 CONVEYANCE ON A FORM PRESCRIBED AND FURNISHED BY THE DIRECTOR. THE NOTICE
35 PROVIDED BY THE CONVEYOR AND THE CONVEYEE SHALL INCLUDE THE FOLLOWING:

36 1. THE AMOUNT IN ACRE-FEET RETAINED BY THE CONVEYOR, IF ANY.

37 2. THE AMOUNT IN ACRE-FEET TRANSFERRED TO THE CONVEYEE.

38 3. A LEGAL DESCRIPTION AND A MAP OF THE LAND ON WHICH THE CONVEYOR
39 DESIRES TO USE GROUNDWATER FOR AN AGRICULTURAL PURPOSE AND THE PORTION OF
40 THE AGRICULTURAL GROUNDWATER RIGHT RETAINED.

41 4. A LEGAL DESCRIPTION AND A MAP OF THE LAND ON WHICH THE CONVEYEE
42 DESIRES TO USE GROUNDWATER FOR AGRICULTURAL USE PURSUANT TO THE
43 AGRICULTURAL GROUNDWATER RIGHT CONVEYED.

1 5. OTHER INFORMATION AS THE DIRECTOR MAY REASONABLY REQUIRE.

2 I. AFTER RECEIVING NOTICE OF A SALE OR CONVEYANCE OF AN
3 AGRICULTURAL CERTIFICATE OF GROUNDWATER RIGHTS FOR USE ON OTHER
4 AGRICULTURAL LAND, THE DIRECTOR SHALL ISSUE TO THE CONVEYOR A REVISED
5 CERTIFICATE OF GROUNDWATER RIGHTS FOR THE PORTION OF THE RIGHT RETAINED BY
6 THE CONVEYOR, IF ANY, AND ISSUE TO THE CONVEYEE A NEW AGRICULTURAL
7 CERTIFICATE OF GROUNDWATER RIGHTS FOR THE PORTION OF THE RIGHT CONVEYED.

8 J. NOTWITHSTANDING ANY OTHER LAW, THE TRANSFER OF FLEXIBILITY
9 CREDITS BETWEEN AN IRRIGATION USER AND A LIVESTOCK INDUSTRIAL USER THAT
10 SHARE COMMON OWNERSHIP SHALL NOT BE SUBJECT TO ANY REDUCTION IN THE
11 IRRIGATION GROUNDWATER RIGHT ALLOCATION.

12 45-445.08. Retirement; certificate of groundwater rights

13 A. THE OWNER OF A CERTIFICATE OF GROUNDWATER RIGHTS MAY RETIRE ALL
14 OR PART OF THE GROUNDWATER RIGHTS.

15 B. A PERSON WHO PROPOSES TO RETIRE ALL OR PART OF A CERTIFICATE OF
16 GROUNDWATER RIGHTS SHALL NOTIFY THE DIRECTOR OF THE RETIREMENT ON A FORM
17 PRESCRIBED AND FURNISHED BY THE DIRECTOR. THE NOTICE PROVIDED BY THE
18 PERSON PROPOSING TO RETIRE ALL OR PART OF A CERTIFICATE OF GROUNDWATER
19 RIGHTS SHALL INCLUDE THE FOLLOWING:

20 1. THE AMOUNT IN ACRE-FEET OF THE GROUNDWATER RIGHT TO BE RETIRED.

21 2. IF THE GROUNDWATER RIGHT TO BE RETIRED IS A MUNICIPAL AND
22 INDUSTRIAL GROUNDWATER RIGHT:

23 (a) THE TYPE OR TYPES OF USE FOR WHICH GROUNDWATER WILL BE
24 WITHDRAWN UNDER THE PORTION OF THE GROUNDWATER RIGHT NOT RETIRED, IF ANY.

25 (b) THE LOCATION OF EACH WELL FROM WHICH GROUNDWATER WILL BE
26 WITHDRAWN UNDER THE PORTION OF THE GROUNDWATER RIGHT NOT RETIRED, IF ANY.

27 (c) OTHER INFORMATION AS THE DIRECTOR MAY REASONABLY REQUIRE.

28 3. IF THE GROUNDWATER RIGHT TO BE RETIRED IS AN AGRICULTURAL
29 GROUNDWATER RIGHT:

30 (a) A LEGAL DESCRIPTION AND A MAP OF THE LAND ON WHICH THE PERSON
31 PROPOSING TO RETIRE THE GROUNDWATER RIGHT DESIRES TO USE FOR AGRICULTURAL
32 USE THE PORTION OF THE GROUNDWATER RIGHT NOT RETIRED, IF ANY.

33 (b) OTHER INFORMATION AS THE DIRECTOR MAY REQUIRE.

34 C. AFTER RECEIVING NOTICE OF RETIREMENT OF ALL OR PART OF A
35 CERTIFICATE OF GROUNDWATER RIGHTS, THE DIRECTOR SHALL ISSUE TO THE PERSON
36 WHO RETIRES THE GROUNDWATER RIGHT A REVISED CERTIFICATE OF GROUNDWATER
37 RIGHTS FOR THE PORTION OF THE GROUNDWATER RIGHT NOT RETIRED, IF ANY.

38 45-445.09. Basin management; active management area;
39 prohibition

40 THE DIRECTOR OR THE VOTERS OF A BASIN MANAGEMENT AREA MAY NOT
41 DESIGNATE A BASIN MANAGEMENT AREA AS AN ACTIVE MANAGEMENT AREA OR
42 IRRIGATION NON-EXPANSION AREA.

1 E. BASIN MANAGEMENT COUNCIL MEMBERS ARE NOT ELIGIBLE TO RECEIVE
2 COMPENSATION BUT ARE ELIGIBLE FOR REIMBURSEMENT OF EXPENSES PURSUANT TO
3 TITLE 38, CHAPTER 4, ARTICLE 2.

4 F. THE INITIAL BASIN MANAGEMENT COUNCIL MEMBERS SHALL ASSIGN
5 THEMSELVES BY LOT TO CLASS ONE AND CLASS TWO. CLASS ONE SHALL HAVE THREE
6 MEMBERS AND CLASS TWO SHALL HAVE TWO MEMBERS. IF A BASIN MANAGEMENT
7 COUNCIL IS ESTABLISHED SIXTY DAYS OR MORE BEFORE A REGULAR GENERAL
8 ELECTION, CLASS ONE SHALL BE SUBJECT TO RETENTION AT THE NEXT REGULAR
9 GENERAL ELECTION AFTER ESTABLISHMENT AND CLASS TWO SHALL BE SUBJECT TO
10 RETENTION ON THE REGULAR GENERAL ELECTION IMMEDIATELY FOLLOWING THE NEXT
11 REGULAR GENERAL ELECTION BALLOT AFTER ESTABLISHMENT. IF A BASIN
12 MANAGEMENT COUNCIL IS ESTABLISHED LESS THAN SIXTY DAYS BEFORE A REGULAR
13 GENERAL ELECTION, CLASS ONE SHALL BE SUBJECT TO RETENTION AT THE SECOND
14 NEXT REGULAR GENERAL ELECTION AFTER ESTABLISHMENT AND CLASS TWO SHALL BE
15 SUBJECT TO RETENTION AT THE THIRD REGULAR GENERAL ELECTION AFTER
16 ESTABLISHMENT.

17 G. AT LEAST SIXTY BUT NOT MORE THAN NINETY DAYS BEFORE THE REGULAR
18 GENERAL ELECTION IN WHICH A BASIN MANAGEMENT COUNCIL MEMBER IS SUBJECT TO
19 RETENTION, A COUNCIL MEMBER WHO DESIRES TO BE RETAINED SHALL FILE, IN THE
20 OFFICE OF THE CLERK OR CLERKS OF THE BOARD OF SUPERVISORS IN WHICH THE
21 BASIN MANAGEMENT AREA IS LOCATED, A DECLARATION OF THE COUNCIL MEMBER'S
22 DESIRE TO BE RETAINED. IF A COUNCIL MEMBER WHO IS SUBJECT TO RETENTION
23 DOES NOT FILE A DECLARATION OF THE COUNCIL MEMBER'S DESIRE TO BE RETAINED
24 IN OFFICE, THE COUNCIL MEMBER'S OFFICE BECOMES VACANT ON JANUARY 1
25 FOLLOWING THE GENERAL ELECTION IN WHICH THE COUNCIL MEMBER WOULD HAVE BEEN
26 A CANDIDATE FOR RETENTION.

27 H. THE NAME OF ANY BASIN MANAGEMENT COUNCIL MEMBER WHOSE
28 DECLARATION TO BE RETAINED IS FILED AS PROVIDED IN THIS SECTION SHALL BE
29 PLACED ON THE APPROPRIATE OFFICIAL BALLOT AT THE NEXT REGULAR GENERAL
30 ELECTION UNDER A NONPARTISAN DESIGNATION AND IN SUBSTANTIALLY THE
31 FOLLOWING FORM: SHALL (NAME OF COUNCIL MEMBER) OF THE (NAME OF BASIN)
32 BASIN MANAGEMENT COUNCIL BE RETAINED IN OFFICE? YES ___ NO ___ (MARK X AFTER
33 ONE).

34 I. IF A MAJORITY OF THOSE VOTING ON THE QUESTION VOTE "NO", A
35 VACANCY SHALL EXIST, WHICH SHALL BE FILLED AS PROVIDED IN THIS SECTION. A
36 COUNCIL MEMBER WHO RECEIVES A MAJORITY OF "NO" VOTES IS NOT RETAINED AND
37 IS NOT ELIGIBLE FOR APPOINTMENT ON ANY BASIN MANAGEMENT COUNCIL. IF A
38 MAJORITY OF THOSE VOTING ON THE QUESTION VOTE "YES", THE COUNCIL MEMBER IS
39 RETAINED IN OFFICE FOR ANOTHER FOUR-YEAR TERM, SUBJECT TO REMOVAL FOR
40 CAUSE ONLY BY THE GOVERNOR OR BY RECALL AS PROVIDED IN TITLE 19,
41 CHAPTER 2.

42 J. COUNCIL MEMBERS REMOVED FOR CAUSE OR RECALLED FROM OFFICE ARE
43 NOT ELIGIBLE FOR APPOINTMENT ON ANY BASIN MANAGEMENT COUNCIL. COUNCIL
44 MEMBERS WHO ARE NOT RECALLED OR REMOVED FOR CAUSE OR WHO DO NOT RECEIVE A
45 MAJORITY OF "NO" VOTES IN A RETENTION ELECTION ARE ELIGIBLE TO SERVE AS

1 MANY TERMS AS DESIRED UNTIL RECALLED, REMOVED FOR CAUSE OR RECEIVING A
2 MAJORITY OF "NO" VOTES IN A RETENTION ELECTION.

3 K. THE BASIN MANAGEMENT COUNCIL SHALL:

4 1. SELECT A CHAIRPERSON FROM THE COUNCIL'S MEMBERSHIP.

5 2. MEET AS OFTEN AS THE CHAIRPERSON DEEMS NECESSARY.

6 3. HOLD AT LEAST TWO PUBLIC MEETINGS IN THE BASIN AND ALLOW PUBLIC
7 COMMENT BEFORE ADOPTING A BASIN MANAGEMENT AREA MANAGEMENT PLAN.

8 4. SUBMIT A PROPOSED MANAGEMENT PLAN TO THE CHAIRPERSONS OF THE
9 HOUSE OF REPRESENTATIVES AND SENATE NATURAL RESOURCES, ENERGY AND WATER
10 COMMITTEES, OR THEIR SUCCESSOR COMMITTEES, BEFORE ADOPTING A MANAGEMENT
11 PLAN.

12 5. ON REQUEST OF THE CHAIRPERSON OF THE HOUSE OF REPRESENTATIVES OR
13 SENATE NATURAL RESOURCES AND ENERGY COMMITTEE, OR ITS SUCCESSOR COMMITTEE,
14 ATTEND A JOINT LEGISLATIVE HEARING TO EVALUATE A PROPOSED MANAGEMENT PLAN.

15 6. IN CONJUNCTION WITH THE DEPARTMENT, APPLY FOR AND DISTRIBUTE
16 GRANTS FOR WATER CONSERVATION, WATER AUGMENTATION OR WATER SYSTEM UPGRADES
17 WITHIN THE ACTIVE BASIN MANAGEMENT AREA. MONIES AWARDED PURSUANT TO THIS
18 PARAGRAPH SHALL BE DISTRIBUTED EQUITABLY ACROSS ALL SECTORS.

19 7. SUBMIT A PLAN FOR WATER MANAGEMENT TO THE DIRECTOR. THE PLAN
20 SHALL BE CONSISTENT WITH THE MANAGEMENT GOALS OF A BASIN MANAGEMENT AREA,
21 SHALL BE LEGALLY AND ECONOMICALLY FEASIBLE AND MUST BE APPROVED BY A
22 MAJORITY OF THE MEMBERS OF THE COUNCIL. THE PLAN MAY NOT REQUIRE MORE
23 THAN A TWO PERCENT ANNUAL REDUCTION IN A WATER USER'S ORIGINAL ALLOTMENT
24 GRANTED PURSUANT TO A CERTIFICATED GROUNDWATER RIGHT OR PROHIBIT A
25 GROUNDWATER USER FROM WITHDRAWING INTENTIONALLY CREATED GROUNDWATER
26 RECHARGE, INCLUDING EFFLUENT WITH A TEN PERCENT NET BENEFIT TO THE
27 AQUIFER. THE PLAN SHALL REQUIRE ANY ANNUAL REDUCTION IN WATER USE TO BE
28 EQUAL IN PERCENTAGE FOR ALL USERS WITH A CERTIFICATED GROUNDWATER
29 RIGHT. THE PLAN SHALL REQUIRE A WATER USER TO REDUCE ANNUAL WATER USE BY
30 TEN PERCENT OF THE ANNUAL ALLOCATION OF WATER THAT THE USER IS ENTITLED TO
31 PURSUANT TO A CERTIFICATE OF GROUNDWATER RIGHTS WITHIN TEN YEARS AFTER THE
32 FORMATION OF THE BASIN MANAGEMENT AREA AND MAY NOT REQUIRE ANY WATER USER
33 TO ACHIEVE TOTAL WATER USE REDUCTIONS IN INCREMENTS GREATER THAN TWO
34 PERCENT PER YEAR.

35 8. PROVIDE EDUCATION TO WATER USERS AND THE PUBLIC ON EFFICIENT
36 WATER MANAGEMENT AND CONSERVATION.

37 L. THE COUNCIL MAY:

38 1. AFTER RECEIVING THE REPORT OF HYDROLOGICAL CONDITIONS IN THE
39 BASIN PROVIDED BY THE DEPARTMENT IN THE YEAR FOURTEEN AFTER FORMATION OF
40 THE BASIN MANAGEMENT AREA AND BY AN AFFIRMATIVE VOTE OF FOUR OR MORE
41 COUNCIL MEMBERS:

42 (a) INCREASE THE MANDATORY REDUCTION IN THE ANNUAL ALLOCATION OF
43 WATER PURSUANT TO A CERTIFICATE OF GROUNDWATER RIGHTS BEGINNING IN YEAR
44 FIFTEEN AFTER FORMATION OF THE BASIN MANAGEMENT AREA BY NOT GREATER THAN

1 ONE PERCENT A YEAR AND IN A TOTAL AGGREGATE AMOUNT THAT IS EQUAL OR LESS
2 THAN THE DIRECTOR'S RECOMMENDATION IF ALL OF THE FOLLOWING APPLY:

3 (i) THE HYDROLOGICAL STUDY DEMONSTRATES THAT THE CONDITIONS IN
4 SUBSECTION M, PARAGRAPH 2, SUBDIVISION (c) OF THIS SECTION EXIST IN THE
5 BASIN.

6 (ii) THE COUNCIL HOLDS AT LEAST ONE PUBLIC MEETING ON THE
7 HYDROLOGICAL REPORT AND THE DIRECTOR'S RECOMMENDATION BEFORE VOTING ON ANY
8 REDUCTION IN THE ANNUAL ALLOCATION.

9 (iii) THE DIRECTOR RECOMMENDS THAT THE COUNCIL INCREASE THE
10 MANDATORY REDUCTION IN THE ANNUAL ALLOCATION OF WATER PURSUANT TO A
11 CERTIFICATE OF GROUNDWATER RIGHTS BETWEEN ONE AND FIVE PERCENT.

12 (b) DECREASE THE MANDATORY REDUCTION IN THE ANNUAL ALLOCATION OF
13 WATER PURSUANT TO A CERTIFICATE OF GROUNDWATER RIGHTS BEGINNING IN YEAR
14 FIFTEEN AFTER FORMATION OF THE BASIN MANAGEMENT AREA BY NOT GREATER THAN
15 ONE PERCENT A YEAR IF THE HYDROLOGICAL STUDY DEMONSTRATES THAT THE
16 CONDITIONS IN SUBSECTION M, PARAGRAPH 2, SUBDIVISION (c) OF THIS SECTION
17 EXIST IN THE BASIN.

18 2. ADOPT A BEST MANAGEMENT PRACTICES PROGRAM FOR MUNICIPAL USERS
19 THAT ALLOWS A MUNICIPAL USER WHO IS ENTITLED TO USE GROUNDWATER PURSUANT
20 TO A CERTIFICATE TO IMPLEMENT THE MUNICIPALITY'S CHOICE OF CONSERVATION
21 PROGRAMS APPROVED BY THE DEPARTMENT AND APPROPRIATE TO THE MUNICIPALITY'S
22 WATER USE. MUNICIPAL USERS THAT PARTICIPATE IN THE BEST MANAGEMENT
23 PRACTICES PROGRAM SHALL BE EXEMPT FROM ANY MANDATORY REDUCTION IN ANNUAL
24 ALLOCATION GRANTED PURSUANT TO A CERTIFICATE OF GROUNDWATER RIGHTS.

25 M. THE DIRECTOR SHALL:

26 1. STARTING FIVE YEARS AFTER FORMATION OF A BASIN MANAGEMENT AREA,
27 CONDUCT AN ECONOMIC STUDY TO BE RELEASED TO THE PUBLIC THAT EXAMINES THE
28 FOLLOWING:

29 (a) THE COSTS OF PERMANENTLY CLOSING THE BASIN MANAGEMENT AREA,
30 INCLUDING THE REDUCTION IN LOCAL PROPERTY, SALES AND TRANSACTION PRIVILEGE
31 AND INCOME TAXES.

32 (b) THE COSTS OF THE MANDATORY TEN PERCENT REDUCTION IN ANNUAL
33 GROUNDWATER USE PURSUANT TO CERTIFICATED GROUNDWATER RIGHTS, INCLUDING THE
34 REDUCTION IN LOCAL PROPERTY, SALES AND TRANSACTION PRIVILEGE AND INCOME
35 TAXES.

36 (c) THE TANGIBLE ECONOMIC BENEFITS OF PERMANENTLY CLOSING THE BASIN
37 MANAGEMENT AREA AND THE MANDATORY TEN PERCENT REDUCTION IN ANNUAL
38 GROUNDWATER USE PURSUANT TO CERTIFICATED GROUNDWATER RIGHTS. FOR THE
39 PURPOSES OF THIS SUBDIVISION, ECOSYSTEM BENEFITS DO NOT CONSTITUTE
40 TANGIBLE ECONOMIC BENEFITS.

41 2. NOT EARLIER THAN TEN YEARS AFTER FORMATION OF A BASIN MANAGEMENT
42 AREA, INITIATE A HYDROLOGICAL ANALYSIS OF THE GROUNDWATER BASIN THAT IS
43 RELEASED TO THE PUBLIC AND THE BASIN MANAGEMENT COUNCIL NOT MORE THAN
44 FOURTEEN YEARS AFTER FORMATION OF THE BASIN MANAGEMENT AREA. THE ANALYSIS
45 SHALL INCLUDE ALL OF THE FOLLOWING:

1 (a) A SUMMARY OF HYDROLOGICAL IMPROVEMENTS IN THE BASIN CAUSED BY
2 THE BASIN CLOSURE AND REGULATION.

3 (b) A REPORT OF TRANSFERS INVOLVING ALL OR PORTIONS OF CERTIFICATES
4 OF GROUNDWATER RIGHTS AND THE VOLUME OF WATER IN ACRE-FEET THAT WAS SAVED
5 AS A RESULT.

6 (c) A DETERMINATION AS TO WHETHER THE FOLLOWING CONDITIONS EXIST IN
7 THE BASIN:

8 (i) LAND SUBSIDENCE WITHIN THE BASIN DUE TO GROUNDWATER WITHDRAWAL
9 IS ENDANGERING PROPERTY OR POTENTIAL STORAGE CAPACITY.

10 (ii) THERE HAS BEEN ACCELERATED DECLINE IN GROUNDWATER LEVELS
11 WITHIN THE GROUNDWATER BASIN OVER THE PRECEDING FIVE YEARS AS MEASURED BY
12 AT LEAST TEN INDEX WELLS ACROSS THE BASIN.

13 (iii) THE DEPARTMENT HAS REPORTED OBSERVED MEAN DECLINES IN
14 GROUNDWATER LEVELS IN THE BASIN GREATER THAN FIFTY FEET DURING THE
15 PRECEDING TEN-YEAR.

16 (d) AN ASSESSMENT WHETHER THE BASIN MANAGEMENT COUNCIL COULD
17 RESTORE ALL OR A PORTION OF USERS' MAXIMUM ANNUAL ALLOCATION OF WATER
18 PURSUANT TO CERTIFICATED GROUNDWATER RIGHTS WITHOUT SUBSTANTIALLY
19 ADVERSELY AFFECTING THE HYDROLOGICAL CONDITIONS IN THE BASIN.

20 (e) A RECOMMENDATION AS TO WHETHER THE BASIN MANAGEMENT COUNCIL
21 SHOULD RESTORE ALL OR A PORTION OF THE BASIN'S GROUNDWATER USERS'
22 CERTIFICATED WATER RIGHTS WITHOUT SUBSTANTIALLY AFFECTING THE BASIN.

23 3. PROVIDE TECHNICAL AND LEGAL SUPPORT TO THE COUNCIL ON REQUEST OF
24 ANY COUNCIL MEMBER.

25 4. NOT REQUIRE ANY USER IN A BASIN MANAGEMENT AREA TO MEASURE OR
26 REPORT WATER USE WITH THE USE OF DEVICES OR METHODS NOT PRESCRIBED IN THIS
27 ARTICLE.

28 5. NOT REQUIRE ANY GROUNDWATER USER IN A BASIN MANAGEMENT AREA TO
29 MEASURE WITHDRAWALS FROM ANY WELLS IN THE BASIN MANAGEMENT AREA EXCEPT AS
30 PRESCRIBED IN THIS ARTICLE.

31 6. ADOPT A WELL-SPACING REQUIREMENT FOR NONEXEMPT WELLS THAT ARE
32 DRILLED AFTER THE BASIN IS CLOSED.

33 7. ALLOW A PERSON TO DEEPEN OR CONSTRUCT A REPLACEMENT WELL AT
34 APPROXIMATELY THE SAME LOCATION WITHOUT CONDUCTING A WELL IMPACT ANALYSIS.

35 N. TWENTY-FOUR YEARS AFTER THE FORMATION OF A BASIN MANAGEMENT AREA
36 AND EVERY FIFTEEN YEARS THEREAFTER, THE BASIN MANAGEMENT COUNCIL SHALL SET
37 A SCHEDULE FOR THE PROCEEDING TEN-YEAR PERIOD OF MANDATORY REDUCTIONS IN
38 ANNUAL ALLOCATIONS OF GROUNDWATER PURSUANT TO CERTIFICATES OF GROUNDWATER
39 RIGHTS IN AN AMOUNT BETWEEN ZERO AND FIFTEEN PERCENT, WHICH SHALL TAKE
40 EFFECT AT THE BEGINNING OF THE NEXT YEAR. FOR THE PURPOSES OF THIS
41 SECTION, MANDATORY REDUCTIONS IN ANNUAL ALLOCATIONS SHALL NOT INCREASE OR
42 DECREASE BY MORE THAN ONE PERCENT A YEAR.

43 O. BEGINNING TWENTY-FIVE YEARS AFTER THE FORMATION OF A BASIN
44 MANAGEMENT AREA AND EVERY TEN YEARS THEREAFTER, THE DIRECTOR SHALL RELEASE

1 A HYDROLOGICAL REPORT AS PRESCRIBED BY THIS SECTION BASED ON THE PRIOR
2 TEN-YEAR PERIOD.

3 P. AT THE END OF EVERY TEN-YEAR PERIOD OF MANDATORY REDUCTIONS
4 PRESCRIBED IN SUBSECTION N OF THIS SECTION AND BEFORE THE BEGINNING OF THE
5 PROCEEDING TEN-YEAR PERIOD PRESCRIBED IN SUBSECTION N OF THIS SECTION, ALL
6 MANDATORY REDUCTIONS IN ANNUAL ALLOCATION AS PRESCRIBED BY THE BASIN
7 MANAGEMENT COUNCIL SHALL REMAIN IN EFFECT.

8 Q. NOTWITHSTANDING ANY OTHER LAW, A BASIN MANAGEMENT COUNCIL MAY
9 NOT REDUCE THE ANNUAL ALLOCATION OF GROUNDWATER AWARDED TO AN IRRIGATION
10 USER PURSUANT TO A CERTIFICATE OF GROUNDWATER RIGHTS IF THE IRRIGATION
11 USER FARMS LESS THAN ONE HUNDRED TWENTY ACRES AND USES LESS THAN TWO AND
12 ONE-HALF ACRE-FEET PER ACRE PER YEAR.

13 R. A BASIN MANAGEMENT COUNCIL MAY HAVE ONLY THOSE POWERS GIVEN TO
14 IT BY STATUTE AND MAY EXERCISE THE POWERS OF THE COUNCIL, INCLUDING THE
15 SUBMISSION AND ADOPTION OF A BASIN MANAGEMENT AREA MANAGEMENT PLAN, ONLY
16 ON A MAJORITY VOTE OF THE COUNCIL OR A FOUR PERSON MAJORITY AS PRESCRIBED
17 BY THIS SECTION. UNLESS OTHERWISE AUTHORIZED BY LAW, THE DIRECTOR MAY NOT
18 TAKE ANY ACTION IN A BASIN MANAGEMENT AREA NOT RECOMMENDED BY THE COUNCIL.

19 45-445.13. Basin management areas; goals

20 THE GOALS OF A BASIN MANAGEMENT AREA AND A BASIN MANAGEMENT COUNCIL
21 MAY BE ANY OF THE FOLLOWING AS DETERMINED BY THE COUNCIL:

22 1. TO PROTECT THE ECONOMY WHILE CONSIDERING THE NEED TO PRESERVE
23 GROUNDWATER FOR FUTURE NON-IRRIGATION USES.

24 2. TO GATHER AND OBTAIN A BETTER UNDERSTANDING OF THE GROUNDWATER
25 BASIN AND AQUIFER HEALTH BY INSTALLING INDEX WELLS AND PROMOTING WATER
26 USERS IN THE GROUNDWATER BASIN TO VOLUNTARILY PROVIDE GROUNDWATER DATA TO
27 THE COUNCIL.

28 3. TO PRESERVE EXISTING GROUNDWATER USES IN THE GROUNDWATER BASIN
29 WHILE ALLOWING THE DEVELOPMENT OF OTHER USES AND PRESERVING FUTURE WATER
30 SUPPLIES FOR OTHER USES.

31 4. TO REDUCE THE RATE OF AQUIFER DEPLETION, FROM THE CURRENT
32 DEPLETION RATE AT THE TIME A BASIN MANAGEMENT AREA IS ESTABLISHED TO A SET
33 RATE BY A SET YEAR AS DETERMINED BY THE COUNCIL.

34 5. TO ADDRESS THE ANNUAL AVERAGE DEPTH-TO-STATIC LEVEL ACROSS THE
35 GROUNDWATER BASIN FROM DROPPING BELOW A SET LEVEL.

36 6. TO MAINTAIN GROUNDWATER PROGRAMS IN THE GROUNDWATER BASIN THAT
37 PROVIDE REASONABLE ACCESS TO A SUPPLY OF WATER TO MEET REASONABLE
38 COMMERCIAL AND BASIC DOMESTIC NEEDS.

39 7. TO INCREASE THE TOTAL AMOUNT OF NATURAL, INCIDENTAL OR
40 ARTIFICIAL RECHARGE IN THE GROUNDWATER BASIN EACH YEAR, FROM A SET LEVEL
41 IN ACRE-FEET PER YEAR TO A HIGHER SET LEVEL IN ACRE-FEET PER YEAR, BY A
42 SET YEAR AS DETERMINED BY THE COUNCIL.

43 8. TO INCREASE THE TOTAL AMOUNT OF WATER REUSE IN THE GROUNDWATER
44 BASIN EACH YEAR, FROM A SET LEVEL IN ACRE-FEET PER YEAR TO A HIGHER SET
45 LEVEL IN ACRE-FEET PER YEAR, BY A SET YEAR AS DETERMINED BY THE COUNCIL.

1 Sec. 2. Section 49-1270, Arizona Revised Statutes, is amended to
2 read:

3 49-1270. Definitions

4 In this article, unless the context otherwise requires:

5 1. "Eligible entity" means any of the following:

6 (a) A water provider that distributes or sells water outside of the
7 boundaries of an initial active management area in which part of the
8 central Arizona project aqueduct is located.

9 (b) Any city, town, county, district, commission, authority or
10 other public entity that is organized and that exists under the statutory
11 law of this state or under a voter-approved charter or initiative of this
12 state that is located outside of the boundaries of an initial active
13 management area in which part of the central Arizona project aqueduct is
14 located.

15 (c) A BASIN MANAGEMENT COUNCIL ESTABLISHED PURSUANT TO TITLE 45,
16 CHAPTER 2, ARTICLE 3.1.

17 2. "Loan" means leases, loans or other evidence of indebtedness for
18 water supply development purposes issued from the water supply development
19 revolving fund.

20 3. "Loan repayment agreement" means an agreement to repay a loan
21 issued from the water supply development revolving fund entered into by an
22 eligible entity.

23 4. "Water supply development revolving fund" or "fund" means the
24 water supply development revolving fund established by section 49-1271.

25 Sec. 3. Emergency

26 This act is an emergency measure that is necessary to preserve the
27 public peace, health or safety and is operative immediately as provided by
28 law.