

# Local Groundwater Stewardship Areas

Overview of Purpose, Process, & Key Features

*February 27, 2023 - Discussion Draft*

# Introduction & Overview

Rural communities across Arizona depend on groundwater and face mounting and significant water challenges. Yet, they have limited options to address these issues and meet local water demands. Arizona needs an alternative groundwater conservation option for rural communities to ensure the state has a secure water and economic future.

**This document provides the background, purpose, process, and key features of proposed Local Groundwater Stewardship Area (LGSA) legislation.**

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# Background Information

With limited surface water sources, Arizonans rely heavily on groundwater to meet their water needs.

However, lack of protection of limited groundwater resources has led to depletion of stored groundwater, declining water levels, and significant challenges for communities, agriculture, businesses, and the environment.

Outside of Arizona's Active Management Areas (AMAs) and Irrigation Non Expansion Areas (INAs), there is essentially no oversight of groundwater withdrawal or use.

This means that, in much of the state, there is no mechanism for tracking or managing the total amount withdrawn, for assessing or addressing the impacts of new uses on existing uses, or for managing groundwater in order to sustain water supplies and ensure stability and certainty for rural Arizona.

Some Arizona communities are already experiencing the consequences of this lack of protection, including wells drying up or needing to be deepened (at substantial expense); conflicts arising among neighbors; depletion of aquifers that communities rely on; fissures and property damage caused by land subsidence; and the diminishment of flow in some rivers and streams.

AMAs and INAs are currently the only groundwater management options available but are often viewed as rigid tools that may not be a good fit for different parts of the state.

The Legislature made a historic investment in water in 2022 through a greatly expanded WIFA, yet the lack of underlying groundwater protections could complicate the ability of public funds to be invested in rural Arizona in financially sound and responsible ways.

A groundwater recharge project, for example, cannot guarantee any water captured and stored underground will be available for future use if another water user may drill a well nearby and pump that same water.

Inaction is increasingly seen as not viable by rural communities facing groundwater challenges, as demonstrated in 2022 by voters in the Douglas Basin who approved the state's 6<sup>th</sup> AMA. In addition, in 2022, ADWR designed the state's 4<sup>th</sup> INA in the Hualapai Valley Basin following a petition by the Mohave County Board of Supervisors.

Discussions have continued over many years without yet finding a viable solution; however, continuing inaction has increasingly negative consequences for the state's economy, communities, agriculture, environment, and quality of life.

# Purpose of the Bill

Local Groundwater Stewardship Areas (LGSAs) are a proposed flexible alternative for groundwater protection in rural Arizona.

The purpose of the LGSA concept is to provide an opt-in framework for local and state coordination in planning and managing groundwater in areas outside of Active Management Areas.

The concept is shaped by several important guiding principles:

- *Expanding the toolbox for rural communities with options to create locally tailored, basin-level solutions to meet needs, while ensuring appropriate balance and accountability through state support and implementation.*
- *Providing an opt-in, flexible alternative to the more rigid options of new AMAs or INAs, or the status quo of unlimited pumping of finite groundwater.*
- *Providing dedicated funding for administration, technical support, and implementation.*
- *Offering numerous types of voluntary conservation programs and incentives, which can be customized in the local planning process to help meet area goals and support all water users.*
- *Promoting stability of shared groundwater supplies and provide value and opportunities for all water users and rural economies.*

# Key Features of the Bill

LGSA Designation Process	LGSA Council	Management Plan Contents	Implementation
<ul style="list-style-type: none"><li>• <b>Designation criteria</b> that must be met before an LGSA may be designated</li><li>• <b>Area/Extent</b> for an LGSA</li><li>• <b>Process for designation</b>, including three paths – county, resident, or ADWR - for initiating the designation, and for all paths, an ADWR hearing and order to formally designate an LGSA.</li></ul>	<ul style="list-style-type: none"><li>• <b>LGSA Council composition and appointment process</b>, including the total number of and qualifications for LGSA Councils, and the process for appointing members to the council.</li><li>• <b>Roles, responsibilities, and limitations</b> of the LGSA council.</li></ul>	<ul style="list-style-type: none"><li>• <b>Goals</b> for the LGSA related to improving groundwater conditions, goals must relate to reason for designation.</li><li>• <b>Opt-in management tools</b> to address the groundwater challenges and achieve the LGSA goals.</li><li>• <b>Tracking</b> to assess progress towards the goals</li></ul>	<ul style="list-style-type: none"><li>• <b>Dedicated funding</b> to support plan development and implementation</li><li>• <b>Approval &amp; implementation</b> of management tools by the relevant regulatory authorities, including ADWR.</li><li>• <b>LGSA Review/ Plan Re-adoption</b> at regular periods to ensure that the LGSA designation and Plan are still appropriate</li></ul>

*\*See next slides for additional information on each feature, along with references to the relevant LGSA bill sections*

## *LGSA Designation Process*

### **LGSA designation may be initiated in three ways:**

1. By a County Board of Supervisors, upon resolution and signed petition submitted to ADWR, *OR*
2. By local voters, upon a signed petition signed by 10% of the voters within the proposed area submitted to ADWR, *OR*
3. By the ADWR director.

If a petition is received, or if the ADWR director determines that it is warranted, **ADWR will hold a public hearing** to consider whether an LGSA should be designated. The ADWR will evaluate whether both criteria are true:

1. One of more of the following conditions exist in the proposed area:
  - a. Groundwater use exceeds the rate of recharge
  - b. There are physical indications of over pumping
  - c. Additional action is needed to protect surface water rights or federal reserved rights
  - d. Additional action and cooperation is needed to protect groundwater as the only or primary drinking water supply
2. Establishment of an AMA is not necessary.

If warranted, **ADWR will designate the area** as a Local Groundwater Stewardship Area.

*See LGSA Bill Section 13, 45-651  
(as proposed to be amended)*

## *LGSA Council*

**The LGSA Council is composed of 9 members.** Council members serve five-year terms and are eligible for one reappointment.

At least 6 of the 9 members must be residents within the LGSA, and all members are appointed based on their:

- Knowledge of, interest in, and experience relating to the condition, development, use and conservation of groundwater within the LGSA.
- Ability to effectively represent the interests of all stakeholders involved in the planning and management of groundwater resources within the LGSA.

Prospective Council Members must submit an application to ADWR demonstrating their merit and qualifications. ADWR shares the applications with all appointing parties.

**Council members are appointed** by the Governor (3 members), County Board(s) of Supervisors (2 members), Senate leadership (1 member each by the Majority and Minority leaders), and House leadership (1 member each by the Majority and Minority leaders). The order that appointments are made is staggered each term.

The **key roles and responsibilities of the LGSA Council** include: analyzing local conditions and possible management actions, preparing an LGSA Plan, and making recommendations to relevant regulatory agencies related to implementing the management actions contained in the Plan. The LGSA Council must form a Technical Committee with at least one representative from ADWR. A Council may form a Steering Committee, Advisory Committee, or other similar committees to engage residents and interested parties in development and implementation of the Plan.

*See LGSA Bill Section 13, 45-652  
(as proposed to be amended)*

*See LGSA Bill Section 13, 45-653,  
45-654 (as proposed to be  
amended)*

## Management Plan Contents

**LGSA Councils must develop and adopt an LGSA Management Plan**, which must include four main components:

1. One or more **goals** for the LGSA. Goals may include, as appropriate:
  1. Achieving safe yield
  2. Preventing long-term declines in groundwater levels
  3. Controlling and preventing subsidence
  4. Controlling and preventing water quality degradation
  5. Addressing other environmental or natural resource issues relevant to the groundwater resources within the LGSA.
2. A description of the hydrologic, geologic, ecological, and demographic **conditions** in the LGSA and how the goals relate to those conditions,
3. **Proposed actions** to achieve the LGSA goals, and identification of the relevant regulatory agency or other entity with the legal authority to approve and implement the proposed action
  - *Note that any action included in the plan is provisional and is not implemented or enforceable until and unless approved by the relevant entity*
  - *See next slide for additional information on potential actions that could be included in a Management Plan*
4. Methods to **monitor** and report on progress towards the LGSA goals.

*See LGSA Bill Section 13, 45-655*

*Note: Goals must relate to the reason for the LGSA designation*



## Opt-in Management Tools

The LGSA proposal includes a **variety of “opt-in” tools**, providing a menu of options to help meet local needs and advance the LGSA goals. Additionally, it is an **“all hands” approach**, integrating a variety of existing management tools and tailoring their application for the LGSA context. Some of the types of actions that may be included in an LGSA Plan are recommendations/ requests to:

**County and municipal governments**, which may include, as appropriate:

- Incentivizing or require water conservation through:
  - Integrating goals and relevant policies into Comprehensive and General Plan;
  - Adopting a “mandatory adequacy” ordinance under the Adequate Water Supply Program *within* the LGSA (a more precise application of mandatory adequacy vs county wide);
  - Establishing special zoning districts, overlay zoning districts, and relevant regulations to support goals;
  - Integrating water conservation actions into subdivision regulations;
  - Integrating water conservation actions into building codes and permit requirements
- Constructing and operating relevant infrastructure pursuant to a plan for recharge, storage, and recovery to improve aquifer recharge.

*See LGSA Bill Section 13, 45-655(D)(1)(a),(c); and complementary Sections 2-4*

**Water utilities**, which may include, as appropriate:

- establishing incentives and rules to encourage water conservation.

*See LGSA Bill Section 13, 45-655(D)(1)(b)*

**ADWR**, which may include, as appropriate:

- Water measuring devices for certain groundwater withdrawals;
- Records and annual reporting of certain groundwater withdrawals;
- Designation of a Subsequent Irrigation Non Expansion area with new acreage flexibilities;
- Well spacing/citing rules for new or replacement wells;
- Voluntary or mandatory conservation programs that apply to certain groundwater withdrawals;
- Programs to approve and fund voluntary, compensated land and water conservation plans.

*See LGSA Bill Section 13, 45-655(D)(2); and complementary Sections 5-16, 13*

Councils may select any combination of actions from the menu to include in a management plan in order to best meet the management goals, **however existing local and state authorities decide and ultimately implement actions**. This ensures communities and stakeholders are in a position to make choices about their own groundwater future while also providing balance, checks, accountability, and state-local coordination.

## Implementation

The LGSA bill includes **dedicated funding to support plan development and implementation**. \$50 million will be dedicated every year from state lottery funds for administration, technical support, implementation, incentives for agricultural, municipal/ residential, and industrial groundwater users, and other relevant activities for LGSAs. Additionally, an LGSA Council may secure other public or private funding and negotiate contracts to support development and implementation of a management plan.

**Approval and implementation of specific management actions** included in the management plan will be undertaken by the relevant local or state authority.

- *For example*, an LGSA Council may include an action in the plan to encourage water conservation fixtures and landscaping in new development. Once the Council has adopted the management plan, it will submit a recommendation to the relevant county and municipal governments within the LGSA to, i.e., integrate the LGSA goal into the relevant Comprehensive and/or General Plans and relevant water conservation fixtures and landscaping standards into building ordinances and/or subdivision regulations. It is then up to that county or municipal government to undertake their standard processes for considering and, if approved, implementing those actions.

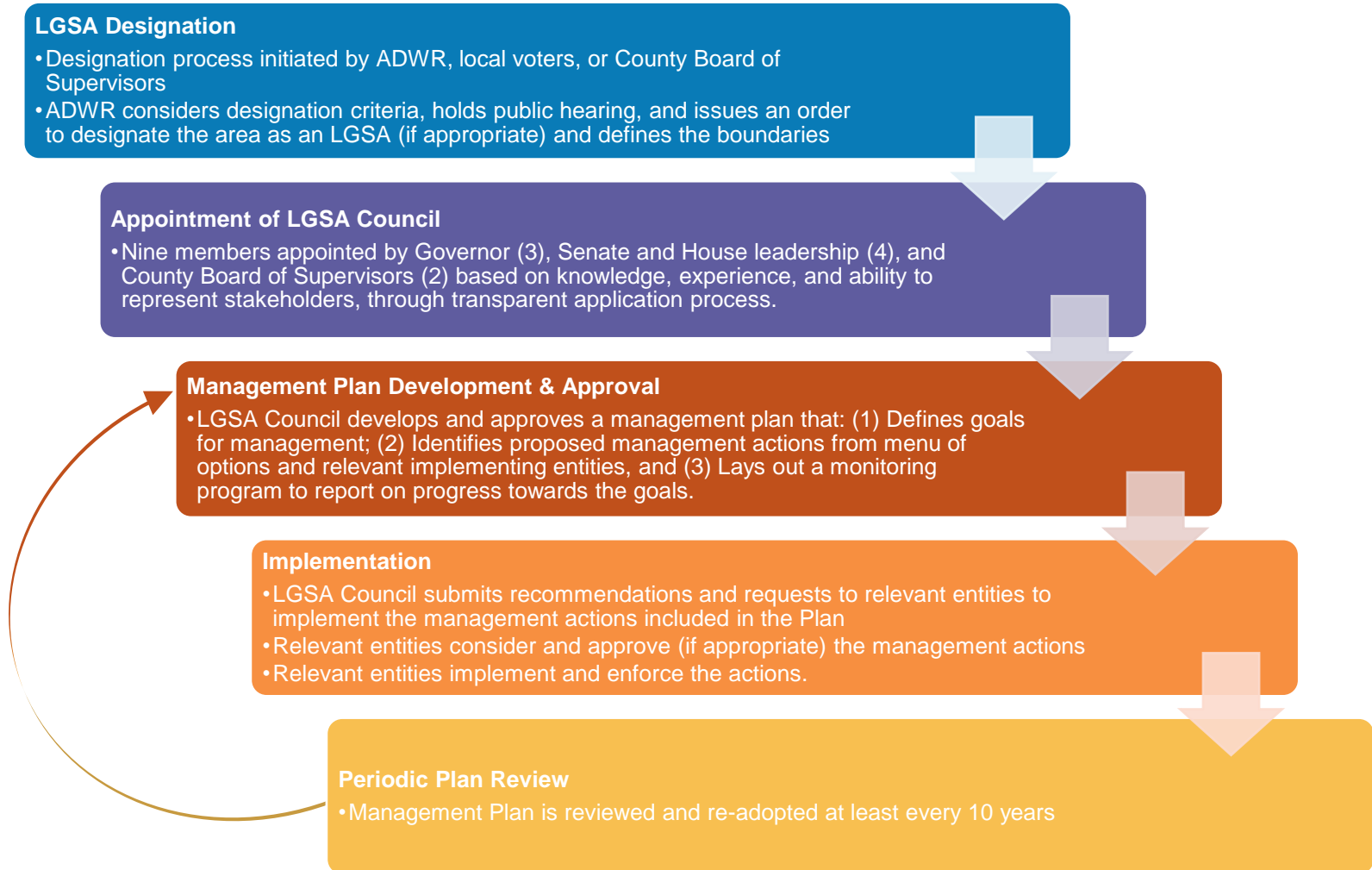
LGSA Management Plans must be **reviewed and readopted** (with modifications, as needed/appropriate) at least every ten years.

*See LGSA Bill Section 1, 5-572, and Section 5, 45-119*

*See LGSA Bill Section 17, 45-655 and 45-656*

*See LGSA Bill Section 17, 45-656(A)*

# Summary of LGSA Process



# Summary of LGSA Bill Sections

<b>Sec. 1</b> 5-572. Use of monies in state lottery fund; report	<i>Dedicates funding for LGSA Plan development &amp; implementation; see also Sec. 5, which provides authority to ADWR to utilize the fund.</i>
<b>Sec. 2</b> 9-461.05. General plans; authority; scope	<i>Complementary change related to the opt-in management action of integrating LGSA goals into municipal general plans; see also Sec. 17, 45-655(D)(1)</i>
<b>Sec. 3</b> 11-804. Comprehensive plan; contents	<i>Complementary change related to the opt-in management action of integrating LGSA goals into county comprehensive plans; see also Sec. 17, 45-655(D)(1)</i>
<b>Sec. 4</b> 11-823. Water supply; adequacy; exemptions	<i>Complementary change related to the opt-in management action of adopting a mandatory adequacy ordinance; see also Sec. 17, 45-655(D)(1)</i>
<b>Sec. 5</b> 45-119. Department of water resources local groundwater stewardship fund; limitation; annual report	<i>Authorizes ADWR to utilize the funding dedicated; see also Sec. 1</i>
<b>Sec. 6</b> 45-401. Declaration of policy	<i>Builds on the Legislature's existing declaration of policy in the Groundwater Management Code to state the complementary policies of LGSAs.</i>
<b>Sec. 7</b> 45-432. Subsequent irrigation non-expansion areas; designation; review	<i>Complementary change related to the opt-in management action of designating an INA within an LGSA; see also Sec. 17, 45-655(D)(2)</i>
<b>Sec. 8</b> 45-433. Local initiation for designation; procedures	
<b>Sec. 9</b> 45-435. Hearing on designation of subsequent irrigation non-expansion areas and boundaries; notice; procedures	
<b>Sec. 10</b> 45-437. Irrigated acreage; water measuring device; annual report of groundwater pumping; penalty; transportation; exemption	
<b>Sec. 11</b> 45-437.04. Change of place or type of irrigation use; substitution of acres	<i>Adds additional flexibility for irrigation uses, which only applies if the Subsequent INA is designated within an LGSA (does not apply to existing INAs).</i>
<b>Sec. 12</b> 45-453. Groundwater rights and uses in areas outside active management areas; amounts; transportation; irrigation non-expansion areas	
<b>Sec. 14</b> 45-598. New wells and replacement wells in new locations in active management areas and local groundwater stewardship areas; rules; permit required	<i>Complementary change related to the opt-in management action of implementing well spacing/siting rules within an LGSA; see also Sec. 17, 45-655(D)(2)</i>
<b>Sec. 15</b> 45-604. Water measuring devices	<i>Complementary change related to the opt-in management action of requiring water measuring devices within an LGSA; see also Sec. 17, 45-655(D)(2)</i>
<b>Sec. 16</b> 45-632. Records and annual report of groundwater pumping, transportation and use; penalty	<i>Complementary change related to the opt-in management action of requiring reporting of groundwater pumping within an LGSA; see also Sec. 17, 45-655(D)(2)</i>
<b>Sec. 17</b> 45-651. Director and local initiation of local groundwater stewardship area; conditions; hearing	<i>Process and criteria for designation of an LGSA</i>
45-652. Local groundwater stewardship area council; membership	<i>Process and criteria for appointing LGSA Council members</i>
45-653. Local groundwater stewardship area council; powers and duties; local groundwater stewardship area plan	<i>Roles, responsibilities, and limitations of an LGSA Council</i>
45-654. Local groundwater stewardship area council; administrative duties	<i>Administrative duties of an LGSA Council</i>
45-655. Local groundwater stewardship area plan; contents; notice	<i>Contents of an LGSA Plan, which is developed and approved by an LGSA Council.</i>
45-656. Adoption of local groundwater stewardship area plan; council hearings; department hearings; notice	<i>Process for adopting an LGSA Plan by an LGSA Council; process for ADWR review and approval of relevant portions of the Plan (management tools to be approved and implemented by ADWR)</i>
45-657. Conservation programs for local groundwater stewardship area; rules	<i>Complementary change related to the opt-in management action of conservation programs within an LGSA; see also Sec. 17, 45-655(D)(2)</i>

See: [HB2731](#) and [SB1306](#)