Local Groundwater Stewardship Areas Proposal Questions & Answers

To provide clarity on the <u>Local Groundwater Stewardship Areas proposal</u> and respond to <u>recent misinformation</u>, the Water for Arizona Coalition has prepared this Q & A.

You can see the <u>working draft of the Local Groundwater Stewardship Area proposal</u> and its <u>companion explainer</u>. The page numbers in the answers below refer to the pages in the <u>working draft proposal</u>.

Q: Will the proposed legislation called Local Groundwater Stewardship Areas allow as few as two people to designate irreversible groundwater districts throughout a county?

A: There are multiple levels of accountability and checks and balances in the Local Groundwater Stewardship Areas (LGSA) proposal, including how an LGSA gets designated. Only the Arizona Department of Water Resources (ADWR) may designate an LGSA. The designation process can be initiated in three ways:

- 10 percent of registered voters in the proposed LGSA petition the Arizona Department of Water Resources,
- The County Board of Supervisors petition the Arizona Department of Water Resources, or
- The Arizona Department of Water Resources initiates the process directly.

Once the process is initiated, ADWR will hold a public hearing and will evaluate whether specific aquifer health conditions justify designation (for example, whether there are physical indications of over pumping like declining levels in wells or land subsidence, or sinking). This initiation and designation process is similar to what is already in law to designate an Active Management Area (AMA) or Irrigation Non-Expansion Areas (INA) (A.R.S. 45–412 [AMA] and A.R.S. 45–432 [INA]) (pages 20–22).

Neither an LGSA designation nor LGSA management plans would be irreversible. Reexamination of the LGSA designation is required by its 10th anniversary. If the ADWR Director determines that conditions to have the LGSA no longer exist, the Director must hold a public hearing to rescind the LGSA. While the LGSA remains, the LGSA local council must examine and either readopt or modify the LGSA management plan every ten years (pages 22 and 28).

Finally, related to the potential geographic scope of an LGSA, LGSAs can only be established following the boundaries of groundwater basins or sub-basins determined to be at risk. This ensures that tools are used precisely only where they are needed. Based on input from Northern Arizona communities, the LGSA proposal makes an exception to this only in the complex aquifers of Northern Arizona to allow communities to target local problems precisely given the unique hydrologic character of groundwater basins on the Colorado Plateau (pages 20–21). In either case, there are protections in place to ensure that LGSA boundaries would be based on relevant hydrologic factors and not indiscriminately imposed throughout counties.

Q: How would members of the Local Groundwater Stewardship Area Districts be appointed?

A: As proposed, a Local Groundwater Stewardship Area's local council would be made up of nine members, appointed through a bipartisan process (<u>pages 25–26</u>).

The County Board of Supervisors, members of legislature, and the governor appoint the LGSA local council members (similar to the <u>WIFA board appointment process</u>), considering knowledge and experience related to groundwater use and management.

At least six of the nine seats must be local residents living within the LGSA. Up to three seats are allowed for non-residents of the LGSA to accommodate situations where there may be farming, ranching, mining, or other stakeholders who may have significant investment and interest in groundwater use within the LGSA but live outside of it (pages 22–23).

Q: Instead of requiring a unanimous vote of county supervisors to adopt the most stringent assured water supply regulations in the nation, would LGSAs only require only a simple majority?

A: Counties may currently, by unanimous vote, adopt a mandatory adequacy ordinance, which is intended to protect homebuyers by requiring developers to demonstrate that a new subdivision has a 100-year water supply before allowing new homes to be sold (A.R.S. 11-823).

As proposed, an LGSA local council may choose to recommend, through an LGSA management plan, that a county adopt mandatory adequacy *only within* the boundaries of the LGSA—providing a more precise way to use the tool in an area of need (versus county-wide).

The county still has the sole authority to adopt the ordinance; the LGSA local council can only recommend to the county through an approved management plan. Because LGSAs have numerous checks, balances, and steps to approve a local management plan, the LGSA provides a slightly more streamlined approach to county approval of a mandatory adequacy ordinance, but only within the boundaries of the LGSA. The LGSA proposal does not alter the existing unanimous vote requirements if an ordinance is considered by a county without an LGSA recommendation or outside the boundaries of an LGSA (pages 8–9).

Q: What are the boundaries of an LGSA? Can they target specific properties?

A: LGSAs can only be established following a groundwater basin or subbasin boundary with exceptions for the unique hydrological context of Northern Arizona. LGSAs are in fact a basin – or subbasin – wide approach and provide no way to tailor boundaries based on land ownership. (Pages 20–21). Additionally, numerous levels of accountability and checks and balances are in place in the LGSA proposal to ensure that all steps of LGSA implementation are based on hydrologic conditions and involve public notice and input.

Q: Will a Local Groundwater Stewardship Area local council require me or my business to pay new taxes or fees? What other restrictions could it impose on me?

A: No. LGSAs do not include any new taxes or fees nor do they give any entity new taxing authorities. LGSAs include dedicated funding for local groundwater management explicitly *without* new taxes or fees (pages 2, 14–15). Additionally, no zoning, planning, or condemnation authority whatsoever is given to the LGSA local

council. In fact, no groundwater management implementation authority is given to the LGSA local council itself. The local council's role is to choose a management goal for the LGSA and work with ADWR to develop a management plan, but the local council may only recommend and request actions to be implemented by the relevant existing governmental entities. Based on the management plan, the LGSA local council recommends certain actions to local jurisdictions such as counties or towns (see magesta3-26 for local council responsibilities) or requests ADWR to take certain actions (see magesta3-26 for list of actions to choose from). The local council may mix and match actions from a predefined list of options to put in a management plan, but all implementation authorities remain with either existing local jurisdictions or with ADWR.

Q: Does the Local Groundwater Stewardship Area proposal include an optional conservation and incentives program?

A: Yes. The LGSA proposal does include an optional conservation and incentives program, which would only be included in an LGSA management plan if the LGSA local council and community chooses to do so (page 26).

The conservation and incentives program tool would allow for mixing both voluntary and mandatory conservation requirements and incentives tailored to meet local needs and conditions. Because LGSAs include dedicated funding without taxes or fees, conservation and incentives could be funded and compensated (*see also* pages 14–15).

Q: Does the Local Groundwater Stewardship Area proposal require groundwater measuring and reporting?

A: It depends. As proposed, the LGSA proposal does include an *option* for the local council to require measuring and reporting of groundwater use within the LGSA, but that requirement would only apply if the LGSA local council and community chose to include it in the LGSA management plan and if approved by ADWR, following a public hearing. If approved, it would only apply to large wells with capacity to pump more than 35 gallons per minute (pages 17; 26–27). In addition, remote sensing and satellite-based approaches and other less-invasive methods for reporting would be allowed (page 17), in addition to a tax break for installing meters (if meters were used as a measuring method) (pages 10–11).

Q: Does the Local Groundwater Stewardship Area proposal require groundwater rationing and withdrawal fees?

A:.Rather than rigid groundwater rationing, LGSAs would provide new flexibility and ways to customize local groundwater planning and management to fit local needs and context. For example, in the case of irrigated agriculture, an LGSA local council may choose to include a management tool called an Interim Irrigation Protection Area in the management plan. If approved by ADWR through a public hearing, irrigators would be able to move or expand irrigated acreage on a farm unit as long as the change does not increase water use, does not cause an unreasonable decline in the groundwater table, and is consistent with the LGSA goals. This is management flexibility that irrigated agriculture would not have under an INA or an AMA (pages 28–31). There may be some groundwater conservation standards in place for various types of uses if the LGSA local council and community decide to utilize the optional conservation and incentives

program. Again, such standards would be designed to fit local needs and context, as opposed to rigid groundwater rationing. The LGSA does not allow groundwater withdrawal fees—nor any fees or taxes.

Q: Does the Local Groundwater Stewardship Area proposal provide new funding?

A: As proposed, the LGSA bill would establish a \$50 million per year fund within ADWR, using remaining revenue from the state lottery after all existing obligations for the lottery fund are met. ADWR may only use the funds for the explicit purpose of administering and implementing LGSAs.

ADWR may use the funds to support its activities related to LGSAs, including costs associated with providing technical support to an LGSA local council and implementing actions requested by the LGSA local council in the management plan and approved by ADWR following a public hearing.

The LGSA proposal includes an option for funding voluntary, compensated land and water conservation plans, which may include grants to water users, government agencies, nonprofits, and tribes. ADWR would only be authorized to make grants if the LGSA local council and community chose to include such a conservation plan in the LGSA management plan, and if approved by ADWR following a hearing (pages 14–15, 27).

Q: When forming goals and plans to manage groundwater, what is the role of a Local Groundwater Stewardship Area local council and what is the role of the Arizona Department of Water Resources?

A: Once an LGSA is designated by ADWR, the LGSA local council is responsible for establishing a management goal for the area and creating a management plan, mixing and matching from a variety of local- and state-level management actions to best fit local needs and context to achieve the goal (pages 22-25). ADWR provides technical support to the LGSA local council in developing the plan.

An LGSA local council has no authority to implement the management actions itself—those authorities remain with either local jurisdictions, like counties or towns, or ADWR and must go through a public hearing process before implementation. In addition, the set of actions that could be included in a management plan is limited to only those defined in the LGSA proposal (pages 25–27).

There are multiple levels of accountability and checks and balances in the LGSA proposal, especially related to the local council and the management planning process. For example, in passing the LGSA proposal, the legislature would be establishing allowable reasons for LGSA designation in statute, which guides ADWR's review when determining whether to designate an LGSA. If designated, the LGSA local council must establish goals that relate to the reason for the designation. If the LGSA local council includes any actions in the management plan that ADWR would implement, ADWR must, following a public hearing, determine whether the proposed actions would in fact be consistent with achieving the LGSA goals (pages 20–21, 25, 27). All together, the process strikes a balance between local and state roles in managing local groundwater resources, with transparency, accountability, and multiple levels of public input.

Q: Would the Local Groundwater Stewardship Area proposal allow groundwater speculation and out-of-basin exports of groundwater?

A: No. Rural groundwater basins in Arizona are currently open-access, meaning anyone can come in and sink a new well and pump as much water as they want for free – even if that pumping drains neighbors wells, tanks community water supplies, drives local farmers out of business, or depletes connected rivers and streams. In the *current* system, local groundwater is a free commodity, open to speculation and allowing predation of rural community water supplies – and this is what is happening as more foreign and out of state large pumpers move into rural basins and take as much water as they want for private profit at the expense of local water supplies that communities, local farmers and ranchers, and businesses rely on.

Additionally, groundwater cannot be transported out of any groundwater basin in Arizona except for a handful of exceptions explicitly identified in the groundwater code (A.R.S. 45–541, 45–544, 45–547). The LGSA proposal would not alter these provisions of the groundwater code.

Q: Does the Local Groundwater Stewardship Area proposal alter or expand the definition of an assured or adequate water supply in Arizona?

A: No. LGSAs would not alter or expand the definition of an assured or adequate water supply in Arizona, nor alter anything else about how these existing programs operate. The LGSA proposal simply provides a new avenue for the adequate water supply program to be proposed (by an LGSA local council through a management plan) and designated (by a local government upon a majority vote). In fact, the LGSA proposal enables a narrower and more tailored application of the adequate water supply program, allowing the tool to only be used precisely where it may be needed (pages 8–9).

LGSAs would help protect water for communities in rural Arizona, which is one of the greatest needs facing the state, by providing another way to manage groundwater that is more flexible and locally tailorable compared to AMAs or INAs. Many communities in rural Arizona are completely dependent on groundwater. Groundwater in Arizona is a finite water supply, and most basins receive relatively little natural recharge. It is imperative for rural communities to have access to more tools to manage this critical resource.



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