



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: NREW DP 8-0-1-0 | 3rd Read 28-0-2-0

House: NREW DPA/SE 11-1-0-0

SB 1171: unlawful feeding; wildlife; exception

S/E: treated process water; storage credits

Sponsor: Senator Gowan, LD 14

Caucus & COW

Summary of the Strike-Everything Amendment to SB 1171

Overview

Allows a food or beverage manufacturer to accrue long-term storage credits for storing treated process water. Limits who can use this stored water and be assigned the resulting credits. Outlines how the Arizona Department of Water Resources will account for treated process water when evaluating compliance with a management plan's conservation requirements.

History

The Groundwater Management Act and Industrial Users

The Groundwater Management Act regulates groundwater usage in designated areas of the state called active management areas (AMAs) (A.R.S. §§ [45-401](#) and [45-411](#)). Each AMA has a management goal and a series of successive management plans with various conservation measures and strategies for different water users to help achieve that goal (A.R.S. §§ [45-562](#) and [45-563](#)).

Industrial water users, including power plants and turf-related facilities, are covered by the act's requirement to include a conservation program for non-irrigation groundwater users ([A.R.S. § 45-567](#)). This program's requirements are based on using the latest commercially available conservation technology consistent with reasonable economic returns. Under the current management plans, industrial users must comply with certain requirements such as avoiding waste, endeavoring to recycle water, and tracking the total amount of water used by source (including effluent). There are additional requirements for certain users. For example, under the current management plans, each turf-related facility has a designated annual water allotment. Each acre-foot of direct use treated effluent or effluent that is recovered within the area of impact of storage is accounted for as 0.7 acre-feet of that maximum water allotment.

Storing Water for Long-Term Storage Credits

Statute allows a person to store and save water underground if they have obtained the appropriate permit. That person can earn long-term storage credits (LTSCs) when the water stored is considered water that cannot be reasonably used directly (waterBUD). To qualify as waterBUD, the water must be stored underground for over a year and meet additional statutory criteria, such as being effluent or being water delivered through the Central Arizona Project that is acquired by the Arizona Water Banking Authority. If appropriately stored, the amount of LTSCs credited to the person's long-term storage account is equal to 95% of the recoverable amount of water stored. (This is commonly called the "5% cut to the aquifer"). (A.R.S. §§ [45-802.01](#) and [45-852.01](#)). LTSCs can be granted, gifted, sold, leased, or exchanged and can be used to demonstrate an assured water supply or adequate water supply (A.R.S. §§ [45-854.01](#) and [45-855.01](#)).

Provisions

1. Defines *treated process water*, which is a separate category of water from effluent (Sec. 1)
2. Directs the Arizona Department of Water Resources, when determining compliance with the applicable conservation requirements in a management plan, to account for recovered treated process water in the same way it accounts for effluent. (Sec. 2)
3. Adds, to the definition of waterBUD, treated process water stored by a food or beverage manufacturer if the water is stored on the site where the water was used before treatment. (Sec. 3 and 4)
4. Adds, to the required conditions for issuing a water storage permit, that when treated process water is stored underground, the storer must be a food or beverage manufacturer that is storing the water at a constructed underground storage facility at the site where the water was used before treatment. (Sec. 5)
5. Stipulates that treated process water that is stored using a water storage permit may only be used by the storer for non-irrigation use at the same site where the water was stored. (Sec. 6)
6. Allows a person with LTSCs or who may recover water on an annual basis to recover treated process water that had been stored provided the recovery is within the area of impact. (Sec. 7)
7. Allows LTSCs created through storing treated process water to be assigned only to an affiliate or successor of the storer of that water. (Sec. 8)
8. Makes conforming changes. (Sec. 1, 3-4, 6, and 9)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note