



**ARIZONA STATE SENATE**  
*Fifty-Sixth Legislature, Second Regular Session*

**AMENDED**  
FACT SHEET FOR H.B. 2201

Harquahala non-expansion area; groundwater transportation

Purpose

Allows a prescribed entity that owns land eligible to be irrigated in the Harquahala Irrigation Non-Expansion Area (INA) to withdraw groundwater from the land for transportation to a location for outlined purposes. Outlines eligible entities and locations and purposes that are eligible to receive the withdrawn groundwater.

Background

A groundwater replenishment district may lease the use of one or more of the wells from an irrigation district located entirely within the Harquahala INA to withdraw groundwater from a depth to 1000 feet, at an established rate. Arizona or a political subdivision of Arizona that owns land eligible to be irrigated in the Harquahala INA may withdraw groundwater from the land for transportation to an initial active management area (AMA) for its own use or use by the Arizona Water Banking Authority as prescribed ([A.R.S. § 45-554](#)).

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

Provisions

1. Allows a prescribed entity, rather than the state or a political subdivision of Arizona, that owns land eligible to be irrigated in the Harquahala INA to withdraw groundwater from the land for transportation to a location and for outlined purposes, rather than to an initial AMA for its own use or use by the Arizona Water Banking Authority:
  - a) by a public service corporation, if all costs associated with withdrawing, transporting and delivering groundwater away from the Harquahala INA are collected from the customers of the public service corporation's water district where the transported groundwater is used;
  - b) if before the withdrawal of groundwater from the Harquahala INA or the general effective date, whichever is later, the eligible entity has demonstrated compliance with outlined criteria using a hydrological study;
  - c) if before the withdrawal of groundwater from the Harquahala INA or the general effective date, whichever is later, the eligible entity installs water measuring devices, or other similarly reliable and accessible methods as approved by ADWR to determine the volume of groundwater withdrawn from all relevant wells and transported out of the Harquahala INA by pipelines, canals or conduits; and
  - d) if before the withdrawal of groundwater from the Harquahala INA or the general effective date, whichever is later, the eligible entity submits a monthly report to ADWR containing the:

- i. volume of groundwater the entity withdrew from the Harquahala INA in the preceding month;
  - ii. volume of groundwater the entity transported out of the Harquahala INA in the preceding month; and
  - iii. end use or destination of groundwater the entity transported out of the Harquahala INA in the preceding month.
2. States that the entities eligible to transport groundwater away from the Harquahala INA include:
  - a) the state;
  - b) a political subdivision of Arizona; and
  - c) a public service corporation that is regulated by the Arizona Corporation Commission and that holds a certificate of convenience and necessity for water service.
3. Requires the Director of Arizona Department of Water Resources (ADWR) to adopt rules to implement the transportation of groundwater withdrawn from the Harquahala INA, including for the reporting of the transported groundwater.
4. Requires the Director of ADWR to prescribe the contents of the hydrological study that is submitted with the application.
5. States that the locations and purposes eligible to receive groundwater transported away from the Harquahala INA include:
  - a) an initial AMA for use by an eligible entity or the Arizona Water Banking Authority; and
  - b) any location in La Paz County for use by an eligible entity.
6. Requires ADWR, by July 1 of each year, to submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and to provide a copy of the report to the Secretary of State, that includes the:
  - a) total amount of groundwater all eligible entities withdrew from the Harquahala INA in the preceding year;
  - b) total amount of groundwater each eligible entity withdrew from the Harquahala INA in the preceding year delineated by entity;
  - c) total amount of groundwater all eligible entities transported from the Harquahala INA in the preceding year;
  - d) total amount of groundwater each eligible entity transported from the Harquahala INA in the preceding year delineated by entity;
  - e) end use or destination of all groundwater all eligible entities transported from the Harquahala INA in the preceding year; and
  - f) end use or destination of all groundwater all eligible entities transported from the Harquahala INA in the preceding year delineated by destination or end use.
7. Exempts the ADWR from rulemaking requirements for one year.
8. Becomes effective on the general effective date.

Amendments Adopted by the Committee

1. Allows a prescribed entity that owns land eligible to be irrigated in the Harquahala INA to withdraw groundwater from the land for transportation to a location and for outlined purposes if before the withdrawal of groundwater from the Harquahala INA or the general effective date, whichever is later, the eligible entity has demonstrated compliance with outlined criteria using a hydrological study.
2. Makes technical changes.

Amendments Adopted by the Committee of the Whole

- Stipulates that a public service corporation that is regulated by the Arizona Corporation Commission and that holds a certificate of convenience and necessity for water service, rather than for water service in an initial AMA, is eligible to transport groundwater away from the Harquahala INA.

House Action

NREW          2/13/24    DPA    7-2-0-1  
3<sup>rd</sup> Read        2/26/24                    33-23-3-0-1

Senate Action

NREW          3/13/24    DPA    4-3-0

Prepared by Senate Research  
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RA/slp