

CASE STUDY

Converting Agricultural Land to Residential Development in an Irrigation Non-Expansion Area (INA)

A client plans to purchase an active farm with the intent to retire agricultural operations and develop a residential subdivision. During due diligence, you the agent discovers that the property is located within an Arizona Irrigation Non-Expansion Area (INA).

The client asks whether the existing irrigation water right can be used to supply the new subdivision, whether retiring the irrigation use changes their water options, and what restrictions apply to developers operating in an INA.

The agent needs to help the client understand how the INA designation affects groundwater use, subdivision approval, and long-term water availability without offering legal or engineering advice.



What are the water issues behind the scenario?

Background

- Irrigation Non-Expansion Areas (INAs) are designated by the Arizona Department of Water Resources (ADWR) to prevent the expansion of irrigated acreage in areas where groundwater supplies are limited.
- Within an INA, new irrigation is generally prohibited, and groundwater pumping is restricted to historically irrigated lands.
- When agricultural land is retired from irrigation, the associated groundwater use does not automatically convert into a transferable or “banked” water right for other purposes, such as residential subdivision supply.
- Retiring irrigation use may reduce pumping, but it does not create new groundwater entitlements for development.

Step by step actions that the agent should take:

1. Confirm whether the property is located within an INA using ADWR maps and official designations
2. Identify the irrigation status of the land, including irrigated acreage and well usage
 - Review title and deed, and confirm that there is a history of irrigation.
3. Verify well registration details in the ADWR Well Registry, including well type and authorized use
4. Clarify with ADWR whether the existing wells are legally authorized for non-irrigation purposes
5. Inform the client that retiring irrigation use does not automatically grant rights for subdivision water supply inside of an INA
6. Recommend consultation with a qualified water attorney and land-use planner experienced in INA regulations
7. Coordinate with the local planning authority and title company to understand subdivision approval requirements
8. Document all findings and referrals in writing and avoid making assurances about water availability



Agency/Resource	Source Link	When can you use it
ADWR INAs	https://www.azwater.gov/ama/ina-overview	Confirm INA designation, groundwater restrictions, and irrigated acreage rules
ADWR Well Registry	https://app.azwater.gov/WellRegistry/SearchWellReg.aspx	Verify well registration, type, and authorized use

How should you talk to your client about this?

Use of plain, professional language to convey the scenario:

- *This property is located in an Irrigation Non-Expansion Area, which limits how groundwater can be used.”*
- *“Even if irrigation is retired, that groundwater use doesn’t automatically transfer to residential development.”*
- *“INA rules are designed to prevent new groundwater demand, so development options can be restricted.”*
- *“Before moving forward, it’s important to consult professionals who specialize in water law and land planning.”*
- *“Our role is to identify the constraints and connect you with the right experts to evaluate feasibility.”*



Potential questions to consider depending on nuances:

- When agricultural irrigation is retired in an INA, are there any circumstances where groundwater use can be reauthorized for residential development?
- Can existing irrigation wells be converted to serve a subdivision, and if so, how?
- How do INA restrictions interact with county subdivision regulations and approvals?
- What common misconceptions do developers have about “retiring” irrigation water rights in Arizona?

Disclaimer: *This case study is provided for educational purposes only and reflects information available at the time it was developed. Arizona water laws, regulations, policies, and agency guidance may change over time. Always verify the most current information through official sources, such as the Arizona Department of Water Resources (ADWR), Arizona Department of Real Estate (ADRE), and other applicable state agencies. The Real Water Arizona project and its contributors are not responsible for decisions made based solely on this educational material.*