



Public Notice Pursuant to A.R.S. § 38-431.02

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
MANAGEMENT BOARD**

MEETING NOTICE AND AGENDA

Wednesday, March 13, 2019 – 10:00 a.m.

**Arizona Municipal Water Users Association
Board Conference Room
3003 North Central Avenue, Suite 1550
Phoenix, Arizona 85012**

A. Call to Order

B. General Business—Items for Discussion and Possible Action

1. Approval of the Minutes from the February 13, 2019 Meeting
2. Schedule Next Meeting Date: Wednesday, April 10, 2019, 10:00 a.m.
3. 2019 Legislative Session
4. Status of Lower Basin Drought Contingency Plan
5. Colorado River Shortage Awareness Campaign
6. Fiscal Year 2020 Annual Plan

C. Management Board Members' Updates

D. Executive Director's Report

E. Future Agenda Items

F. Adjournment

*The order of the agenda may be altered or changed by the AMWUA Management Board. Members of the AMWUA Management Board will attend either in person or by telephone or internet conferencing.

More information about AMWUA public meetings is available in the AMWUA office, online at www.amwua.org/what-we-do/public-meetings, or by request.

Arizona Municipal Water Users Association



MANAGEMENT BOARD

MEETING MINUTES

February 13, 2019

VOTING MEMBERS PRESENT

Mr. Javier Setovich, Goodyear, Vice Chairman
Mr. Brian Biesemeyer, Scottsdale
Ms. Cindy Blackmore, Avondale
Mr. David Burks, Peoria
Ms. Cynthia Campbell for Ms. Karen Peters, Phoenix
Mr. Craig Johnson, Glendale
Ms. Jessica Marlow, Gilbert
Mr. Jake West, Mesa
Mr. Steve White for Ms. Holly Rosenthal, Tempe

VOTING MEMBERS NOT PRESENT

Mr. John Knudson, Chandler, Chairman

OTHERS PRESENT

Patrick J. Adams, AMWUA	Stuart Peckham, SRP
Michelle Barclay, AMWUA	Diana Piña, AMWUA
Gretchen Baumgardner, Tempe	Cape Powers, Peoria
Ned Blum, CLA	Clark Princell, Phoenix
Chris Connor, Chandler	Tony Staffaroni, CAP
Kathy Ferris, AMWUA	Warren Tenney, AMWUA
Brett Fleck, AMWUA	Steven Townsend, Arcadis
Sandra House, Glendale	Sheri Trapp, AMWUA
Lacey James, Avondale	Heather Turrentine, Gilbert
Sam Jaskolski, AMWUA	Peter Tymkiw, Arcadis
John Matta, Arcadis	Carol Ward, AMWUA

A. Call to Order

Mr. Setovich called the meeting to order at 10:01 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the January 9, 2019 Meeting

Upon a motion by Mr. Johnson and a second by Mr. Biesemeyer, the AMWUA Management Board unanimously approved the January 9, 2019 meeting minutes.

2. Next meeting scheduled: Wednesday, March 13, 2019, 10:00 a.m., in the AMWUA office

The order of the agenda was altered by the AMWUA Management Board.

5. AMWUA Quarterly Financial Statements – Second Quarter

Mr. Tenney reported that AMWUA's financial statements for the second quarter of Fiscal Year 2019 show that AMWUA is operating within the resources provided. He noted that the majority of the budget line items are either at or below the approved budget for this fiscal year and the differences are primarily due to the timing of the expenses in relation to the year-to-date totals and should even out by fiscal year end. He reported that the Water Conservation line item is showing over budget due to the \$50,000 contribution to the *Water—Use It Wisely* campaign; however, that is offset by the \$50,000 over budget in revenue due to the Arizona Department of Water Resources (ADWR) reimbursement.

Upon a motion by Mr. Burks and a second by Ms. Blackmore, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors accept the second quarter financial statements as presented.

3. 2019 Legislative Session

Mr. Tenney reported that AMWUA accomplished its 2019 legislative agenda with the passing of the Drought Contingency Plan (DCP) and the removal of the 2025 sunset for effluent recharge credits. He also stated that AMWUA hosted a Legislative Breakfast on January 30th and it was well attended.

Mr. Tenney reported that at the last AMWUA Board of Directors meeting, the Board unanimously supported House Bill (HB) 2394 and HB 2464. He said AMWUA is currently tracking 35 bills, but that amount should decrease after next week when the bills that will actually be moving forward will be known.

Mr. Tenney reviewed the following 19 bills that AMWUA recommends supporting:

- HB 2009: would extend the Arizona Navigable Stream Adjudication Commission for another four years. This commission is determining which rivers and streams were navigable at the time of statehood. This bill has passed the House and moved to the Senate.

- HB 2013: would appropriate \$1 million from the state general fund to the Arizona Water Protection Fund. AMWUA has supported this bill in previous sessions. This bill has passed the House and moved to the Senate.
- HB 2428: would require counties and cities to install water-free urinals in all new construction or remodeling of existing public buildings. AMWUA recommends supporting this bill, if it can be amended to require either a water-free urinal or to allow urinals with the WaterSense label. This bill has been assigned to a committee but has yet to be heard.
- HB 2396 & Senate Bill (SB) 1368: would mandate measuring and annual reporting for non-exempt wells throughout the state. AMWUA supported similar legislation last year. AMWUA expects this bill to be strongly opposed, like last year.
- HB 2477: would clean up state statutes by removing language introduced in 1995 that dealt with the General Stream adjudication process that has subsequently been found unconstitutional.
- HB 2484 & SB 1221: would allow a person with an irrigation grandfathered right to use their groundwater to water plants on or above the surface. These bills are moving in their respective chambers.
- HB 2580 & SB 1450: would appropriate \$15 million from the state general fund for the Game and Fish Commission to provide grants to municipalities and other political jurisdictions to eradicate invasive vegetation. The projects must assist in fire and flood prevention. This bill passed committee in the House yesterday.
- HB 2591 & SB 1265: seeks money from the state general fund for the Water Quality Assurance Revolving Fund (WQARF). AMWUA has supported similar legislation in the past to fund WQARF. AMWUA does not anticipate this bill will move forward.
- HB 2592: would appropriate \$6.1 million to ADWR for hiring hydrologists and other support staff. This bill is awaiting committee assignment.
- SB 1477: would direct the State Land Commission and State Forester to remove hazardous vegetation on state land for fire suppression and watershed management. This bill was assigned to committee.
- SB 1478: would require cities or towns with Wildland-Urban Interface (WUI) to adopt an ordinance requiring private property within the WUI to remove any vegetation, natural fuels, or trash that is a fire hazard. This bill would appropriate \$1 million for cities or towns in a matching program for wildfire fuel removal. This bill was assigned to committee.
- SB 1544: would prevent a property owner or Homeowner's Association from prohibiting the use of a water saving device or water conservation practice as part of a property agreement. This bill is not expected to move forward.
- House Resolution (HR) 2002: would designate April 14-20, 2019 as Arizona Water Professionals Appreciation Week.

Ms. Campbell and Mr. Biesemeyer discussed concerns with HB 2428's threshold on renovations requiring the installation of no-water urinals. Mr. Setovich stated that it may be

a good idea to discuss the return on investment and the long-term impact on operations of no-water urinals with the bill sponsor because it may not be as beneficial as other conversation approaches, particularly economically. Ms. Marlow, Ms. Campbell, and Mr. Tenney confirmed that HB 2428 applies to local municipalities and the state.

Mr. Tenney reviewed the following three bills that AMWUA recommends opposing:

- HB 2449: would allow a county not in an Active Management Area to vote not to readopt the mandatory 100-year adequate water supply requirement. The county board of supervisors would have to vote unanimously, and certain conditions must be in place. This bill is similar to the bills that then Senator Griffin introduced in 2016 and 2018, which AMWUA opposed. This bill has yet to be heard in committee.
- HB 2476: would alter Arizona water law by removing the statutes that govern the forfeiture of water rights not put to beneficial use. This is the legislation that the Gila River Indian Community said would cause them to walk away from DCP. AMWUA is concerned with this bill's potential implications on different types of beneficial use for surface waters of the state, including underground storage and the exchange of effluent or Central Arizona Project (CAP) water for surface water. This bill has yet to be assigned to a committee.
- HB 2586: would alter the Groundwater Code and Central Arizona Groundwater Replenishment District (CAGR) statutes, significantly undermine the assured water supply requirements, and put undue pressure on the ADWR Director to approve transfers and leases of Colorado River water to CAGR. This bill has not yet been scheduled for committee.

Ms. Ferris, Mr. Biesemeyer, Ms. Campbell, Mr. Tenney, Mr. Johnson, and Mr. Burks discussed current Arizona law governing the forfeiture of water rights not put to beneficial use. Ms. Ferris stated that this is a complicated issue and it is important to oppose HB 2476 because it was already deemed unconstitutional by the Supreme Court. She said it also removes clarity about underground storage.

Mr. Biesemeyer expressed concerns with HB 2609 and asked who is pushing the bill. Ms. Ulmer stated that Representative Peterson and Representative Cook are pushing this bill. Mr. Biesemeyer said he would recommend monitoring HB 2609 with the intention of opposing the bill if it moves forward. Mr. Tenney agreed and said it may be a good idea to move HB 2609 to oppose because it deepens the acceptable level of the water table for groundwater pumping and could set precedent.

Upon a motion by Mr. Biesemeyer and a second by Mr. Johnson, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors oppose HB 2609. (Did they actually vote on this before voting on all the bills?)

Mr. Tenney reported that there are 13 other bills that AMWUA recommends monitoring.

Ms. Campbell asked about others' opinions of HB 2225, which changes the capacity of exempt wells. Ms. Ferris said the exempt wells statute is messy and she found this bill to not be properly drafted. Ms. Ulmer said she does not see HB 2225 going forward. She then noted that the sponsor is from Tempe and if the bill was to move forward that we would step in and find more information about the goal this bill is trying to achieve.

Upon a motion by Mr. Biesemeyer and a second by Mr. Johnson, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors take the following legislative positions:

Support: HB 2009; HB 2013; HB 2428—if amended; HB 2394; HB 2396/SB 1544; HB 2464; HB 2477; HB 2484/SB 1221; HB 2580/SB 1450; HB 2591/SB 1265; HB 2592; SB 1477; SB 1478; SB 1554; HR 2002

Oppose: HB 2449; HB 2476; HB 2586; HB 2609

Monitor: HB 2143; HB 2225; HB 2397/SB 1369; HB 2434; HB 2475; HB 2467; HB 2468; HB 2590; HB 2595; SB 1198; SB 1370

4. [Status of Lower Basin Drought Contingency Plan](#)

Mr. Tenney reported that the Governor signed legislation to authorize Arizona's participation in DCP on January 31, 2019. He said California is now the main focus for completing DCP as the Imperial Irrigation District is holding out on signing DCP in an effort to get \$200 million to restore the Salton Sea. He stated that the Secretary of the Interior has announced in the Federal Register that the United States is prepared to solicit recommendations from the governors of the seven Colorado River Basin States on federal actions to reduce risk to the Colorado River Basin in the absence of DCP. He said the comment period will be open from March 4 to March 19, 2019.

Mr. Tenney stated that ADWR, CAP, the Tribes, the U.S. Bureau of Reclamation (Reclamation), and other stakeholders continue to work on agreements for implementing DCP within Arizona. He noted that the DCP Steering Committee is scheduled to meet on February 19th.

Mr. Setovich and Mr. Tenney discussed that it is not completely clear which agreements that Arizona needs to have completed regarding its intrastate implementation plan.

Mr. Johnson said California and Nevada are slowly pulling their Intentionally Created Surplus (ICS) out of Lake Mead and asked if they are still doing that. Mr. Tenney said yes. He also noted that if DCP is completed by April, California can adjust its plans and return to previous ICS levels.

C. Management Board Members' Updates

The Management Board members were invited to report on water activities in their city/town.

Mr. Biesemeyer reported that the City of Scottsdale is sponsoring the AZ Water Association Water Distribution Annual Workshop in Scottsdale on February 20th for the East Valley. He encouraged folks to attend.

Mr. Setovich noted that the City of Goodyear will be hosting the AZ Water Association Water Distribution Annual Workshop in Goodyear for the West Valley.

D. Executive Director's Report

Mr. Tenney stated that last summer, the Central Arizona Water Conservation District (CAWCD) Board approved the framework for managing the quality of non-project water that is introduced into the CAP system, including major water quality elements and numeric criteria for six constituents. He said since then, CAWCD staff and stakeholders have developed proposed numeric standards for an expanded list of over 250 constituents. He reported that last week, the CAWCD Board approved those proposed standards. Mr. Tenney said CAWCD staff will now develop a guidance document, continue engaging with stakeholders, and coordinating with Reclamation. He noted that CAWCD publicly acknowledged AMWUA's facilitation of the stakeholder process for the last year and a half.

Mr. Tenney distributed copies of AMWUA's 2018 Achievements brochure to the AMWUA Management Board for them to share with others in management to give them a better understanding of AMWUA.

Mr. Setovich noted that at a previous meeting, Mr. Tenney mentioned that he would reach out to each AMWUA member's City Council. Mr. Tenney said he hopes to meet with each council in regard to AMWUA's 50th anniversary and speak with them about the Association, its accomplishments over the last 50 years, and plans for going forward. Mr. Tenney reported that he gave a presentation last week to Phoenix City Council's Water, Wastewater, Infrastructure and Sustainability Committee and will be meeting with the Scottsdale City Council on March 19th.

E. Future Agenda Items

There were no requests for future agenda items.

F. Adjournment

Mr. Setovich adjourned the meeting at 11:00 a.m.



MANAGEMENT BOARD
INFORMATION SUMMARY
March 13, 2019

2019 Legislative Session

ANNUAL PLAN REFERENCE

Legislation

Strategic Plan: Objectives – Advocate for Solutions, Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage; Collaboration – Legislature, Arizona Department of Water Resources, Central Arizona Project, Salt River Project, Water Community, and Business Community

Actions:

- Identify and track water legislation and other legislation of interest to our members.
- Analyze and respond to legislation that impacts our members by taking positions, working with Legislators and Congressional Delegation, and engaging the media and public as needed.

SUMMARY

The legislative session is moving forward. The next major legislative deadline is March 29th, the last day for House consideration of Senate bills and Senate consideration of House bills, though still subject to exceptions.

This summary will first discuss the key water legislation that AMWUA is tracking closely. The summary then lists other legislation that the AMWUA Board of Directors has taken a position on that is moving through the legislative process. The remainder of this summary will review legislation that, at the present time, appears to be not moving forward. AMWUA staff would be pleased to answer any questions AMWUA Management Board members may have regarding the bills included in this summary and any others.

RECOMMENDATION

It is recommended that the AMWUA Management Board discuss and ask questions regarding legislation impacting AMWUA's members. Depending on legislative action before the March 13, 2018 meeting, the AMWUA Management Board may be asked to provide direction regarding legislation to the AMWUA Board of Directors.

Key Water Legislation

HB 2111 Striker: carbon dioxide emissions committee; repeal (Griffin). This striker would allow a county that is not in an Active Management Area (AMA), through a unanimous vote of its county board of supervisors, to vote not to readopt the mandatory 100-year adequate water supply requirement. Upon rescinding the provision, the county would not be able to readopt the adequacy requirements for five years.

The original bill was modified in committee with a strike everything amendment on February 19, 2019. The strike everything amendment was introduced after the most recent AMWUA Management Board meeting; however, this bill is similar to legislation introduced by Representative Griffin in 2016 and 2018 that AMWUA opposed.

AMWUA Position: Oppose

Status: Retained on House Committee of the Whole (COW) Calendar 2/28/19

HB 2428: no-water urinals required; public buildings (Thorpe). This bill establishes that counties and municipalities must require the installation of water-free or ultra-low water use (≤ 0.5 gallon) urinals in all new construction or remodeling of existing public buildings where costs exceed \$10,000. The bill also mandates that within two years after the effective date of the legislation, all flushable urinals located in state buildings shall be replaced with the alternative fixtures. Representative Thorpe has expressed that his intention with the amendment is to execute a pilot test of the low water use fixtures in the House and Senate buildings; however, as written the bill would still require municipalities and counties to replace existing restroom fixtures upon initiating any new construction or renovation of existing buildings where costs exceed \$10,000. AMWUA is seeking clarification and amendments to HB 2428 so that AMWUA can support this bill.

AMWUA Position: Support, if amended.

Status: Passed Natural Resources Energy & Water (NREW) Committee 2/19/19

HB 2464: water infrastructure finance; municipal approval (Shope). The Water Infrastructure Finance Authority (WIFA) is an Arizona state agency that provides low interest loans for water and wastewater infrastructure improvement. Under current law, any city or town with a population of more than 50,000 must request voter authorization in order to accept a WIFA loan. HB 2464 raises this threshold, changing the requirement to apply to cities or towns with populations greater than 150,000.

AMWUA Position: Support

Status: Assigned to Senate Committees 2/25/19

HB 2580 | SB 1450: grants; invasive vegetation reduction (HB: Osborne | SB: Kerr). These bills would appropriate \$15 million from the state general fund for the Game and Fish Commission to provide grants to municipalities, counties, tribes, and political subdivisions of the State for projects to eradicate invasive vegetation. The projects must assist in fire and flood prevention and conservation of water and wildlife habitat.

AMWUA Position: Support

Status: HB 2580 assigned to Senate Committees 3/4/18 | SB 1450 transmitted to House 2/28/19

HB 2586: groundwater replenishment; water supply; credits (Cook). This bill raises concerns about how it would undermine the assured water supply requirements and set a negative precedent for all AMAs. Following the House Natural Resource Committee meeting, AMWUA attended a meeting to discuss the bill where we outlined our concerns about what the bill would do regarding an analysis of assured water supply in Pinal County and how it changes criteria for assured water supply determination. Following the meeting, AMWUA sent a letter to the sponsor, Representative Cook, to outline our concerns.

Before the February 28, 2019 AMWUA Board of Directors meeting, proponents of the bill offered to make adjustments based upon AMWUA's concerns. The AMWUA Board of Directors discussed HB 2586 including the proposed changes and noted appreciation for the invitation to collaborate. The offered changes are positive, but do not fully address AMWUA's concerns, including the lack of Arizona Department of Water Resources (ADWR) involvement in the formulation of this bill. The AMWUA Board maintained that water legislation impacting something as critical to Arizona as the Assured Water Supply regulations needs to be fully vetted in the water community before, not during, a legislative session.

Subsequently, the sponsor suggested holding the bill and having an ad hoc committee convene this summer to develop a solution to the issues raised in HB 2586. AMWUA has voiced its support for participating in such an effort.

AMWUA Position: Oppose

Status: Retained on House COW Calendar

HB 2609: Harquahala non-expansion area; groundwater transfer (Peterson & Cook). This bill adds a provision to statute allowing private water companies to withdraw groundwater from purchased land in the Harquahala irrigation non-expansion area (INA) and transport that water to an initial AMA. Previously, only political subdivisions of the state could purchase land and transfer the groundwater to AMAs. HB 2609 also deepens the acceptable level of the water table for groundwater pumping from 1,000 feet below ground to 1,500 feet.

The AMWUA Board took a position to oppose because like HB 2586, these issues and their implications warrant a broader stakeholder discussion outside of the legislative session.

AMWUA Position: Oppose

Status: Passed House COW 2/27/19

SB 1477: appropriation; best land management practices (Otondo and 16 others). This bill directs the State Land Commissioner and State Forester to establish a program promoting best land management practices for the removal of hazardous vegetation on state land for the purposes of fire suppression and watershed management. SB 1477 amends the program requirements to specifically include a plan for removal of hazardous vegetation from federal and tribal lands for the purposes of protecting infrastructure and municipal water supplies. The bill would appropriate \$4 million from the state general fund for the program.

AMWUA Position: Support

Status: Transmitted to House 3/4/19

Other Legislation

HB 2009: navigable stream adjudication commission; extension (Griffin and 12 others). This bill extends the legislative authorization for the Arizona Navigable Stream Adjudication Commission (ANSAC) for four years to June 30, 2024. The ANSAC is charged with determining which of Arizona's rivers and streams were navigable at time of statehood. If determined to be navigable at time of statehood, the land beneath the watercourse is subject to ownership by the State to be held in public trust. If non-navigable, the watercourse is subject to ownership by the person whose property it crosses. The commission was previously scheduled to sunset on June 30, 2020.

AMWUA Position: Support

Status: Assigned to Senate committees 2/25/19

HB 2013: appropriation; Arizona water protection fund (Griffin & Townsend). This bill would appropriate \$1 million from the state general fund in Fiscal Year 2019-20 to the Arizona Water Protection Fund. The Arizona Water Protection Fund is a state-run program administered by ADWR that funds projects to protect and enhance water quality and quantity in Arizona's rivers, streams, and riparian areas. Some of these efforts include revegetation, erosion control, channel stabilization, research, and water conservation. AMWUA has supported this legislation in previous years.

AMWUA Position: Support

Status: Assigned to Senate committees 2/25/19

HB 2467: west basin water users; committee (Cobb). This bill provides for the establishment of a West Basin Water Users Committee to serve Mohave and La Paz counties. Comprised of elected officials and other water-use stakeholders, the Committee is tasked with reviewing groundwater withdrawal data and recommending programs and policies to ADWR for the regional groundwater basins. The Committee is required to submit a report on its findings to ADWR, the Governor, and the Legislature by December 31, 2021. The Committee terminates on July 1, 2022.

AMWUA Position: Monitor

Status: Passed House Rules Committee 3/4/19

HB 2475: water use; criminal penalty; wells (Bowers). Arizona law classifies the act of unauthorized “taking water that another is entitled to” as a Class 2 Misdemeanor. This bill exempts a person from criminal charges for taking water, including subflow of a river or stream, through a registered well.

AMWUA Position: Monitor

Status: Assigned to Senate committees 3/5/19

HB 2477: adjudication statutes; unconstitutional provisions; repeal (Bowers). In 1995, the Arizona State Legislature enacted multiple bills with the intent of simplifying and expediting the General Stream Adjudication. After passage, these bills were legally challenged in the Supreme Court by multiple parties. The Court ultimately found that some of the legislative provisions affecting water rights and the adjudication were unconstitutional. HB 2477 repeals the provisions of statute that were deemed unconstitutional by the Arizona Supreme Court in 1999 but have remained in State statute to the present day.

AMWUA Position: Support

Status: Assigned to Senate committees 3/4/19

HB 2484 | SB 1221: irrigation grandfathered right; containerized plants (HB: Griffin | SB: Kerr). These bills state that in an initial AMA, a person who holds a certificate of irrigation grandfathered right may exercise that right to withdraw groundwater to water plants in containers on or above the ground surface. Among other things, these bills also require the right holder to separately measure any groundwater used for watering plants in containers and groundwater for irrigation; however, the total amount of water may not exceed the amount allowed by the irrigation water duty for the farm.

AMWUA Position: Support

Status: HB 2484 was substituted for SB 1221 and signed by Governor 2/19/19

HR 2002: Arizona water professionals appreciation week (Gabaldón). Designates April 14-20, 2019 as Arizona Water Professionals Appreciation Week to express gratitude and appreciation for the water professionals who contribute to the delivery and management of Arizona’s safe and reliable water supplies.

AMWUA Position: Support

Status: Has not been heard in committee

Stalled Legislation

HB 2110 Striker: water efficient plumbing (Engel and six others). This striker, originally introduced as HB 2394, updates Arizona’s water efficiency standards for indoor water fixtures, starting in 2020. Arizona’s efficiency requirements for plumbing fixtures have not been updated since they were last aligned with federal standards in 1992. HB 2110 striker would bring these efficiency standards into alignment with the voluntary Environmental Protection Agency WaterSense standards, a national water efficiency certification program.

AMWUA testified in support of this bill; however, the House NREW Committee rejected HB 2110 along party lines.

AMWUA Position: Support

Status: Failed in NREW Committee 2/19/19

HB 2143: water, west basin advisory councils (Cobb & Biasiucci). This bill provides for the establishment of a Mohave County West Basin and a La Paz County West Basin Water Users Advisory Council, each made up of 10 appointed members. The Councils are tasked with reviewing groundwater withdrawal data and recommending programs and policies to ADWR for the regional groundwater basins. The Councils are required to submit a report of their respective findings to ADWR, the Governor, and the Legislature by December 31, 2022. The Councils terminate on July 1, 2027.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2225: exempt wells; capacity (Blanc, Chavez, Peten). The Groundwater Code defines exempt wells as those with a maximum pumping capacity of less than 35 gallons per minute (gpm) used to withdraw groundwater for non-irrigation uses. These wells are exempt from most of the provisions

of the Groundwater Code. This bill alters that criterion, changing the threshold for exemption to a maximum capacity of 20 gpm of pumping capacity.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2396 | SB 1368: water; well metering; nonexempt wells (HB: Engel | SB: Mendez). These bills mandate measuring and annual reporting for nonexempt groundwater wells throughout the state. Nonexempt wells include those with a pumping capacity greater than 35 gpm. Current law contains no measuring requirements for wells outside of the AMAs or INAs except for a person who withdraws groundwater for transportation to an initial AMA.

AMWUA Position: Support

Status: HB 2396 awaiting committee assignment | SB 1368 assigned to committee 2/4/19

HB 2397 | SB 1369: water adequacy requirements; statewide applicability (HB: Engel | SB: Mendez and five others). This bill would mandate that counties outside of the AMAs adopt an adequate water requirement for subdivided lands within the county. Currently, counties outside of an AMA have an option to adopt the mandatory adequacy provisions upon unanimous vote of the county Board of Supervisors.

AMWUA Position: Monitor

Status: HB 2397 assigned to committee 1/30/19 | SB 1369 assigned to committee 2/4/19

HB 2434: Colorado River Transfers; limitation (Cobb). This bill would add statutory language prohibiting the transfer of any Priority 4 Colorado River water from Mohave County irrigation and water conservation districts to any other county that does not border the Colorado River. Transfers from Mohave County to La Paz or Yuma counties would not be prohibited.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2449: adequate water supply; county review (Griffin). This bill would allow a county that is not in an AMA, through a unanimous vote of its county board of supervisors, to vote not to readopt the mandatory 100-year adequate water supply water requirement, if certain conditions are met. The conditions, which must be met by the county or largest city in the county, include participation in the following: groundwater recharge, reclaimed water reuse, water conservation programs, and use

of low water use plants in certain publicly owned areas. This bill reflects proposals that were put forth in the 2016 and 2018 legislative sessions and opposed by AMWUA.

AMWUA Position: Oppose

Status: Assigned to committee 2/7/19

HB 2468: Colorado River transfers; emergency rulemaking (Cobb). Requires the Director of ADWR to adopt an emergency rule that describes the policies and procedures of the Department when providing review and consultation of any transfers of Colorado River water rights and contracts. The emergency rule would also be required to outline the criteria the Department will use to evaluate any proposed transfers, leases, or allocations of mainstream Colorado River water.

Current law (A.R.S. § 45-107(D)) already requires that any party preparing to transfer an allocation or entitlement of Colorado River water is obligated to submit the proposed contract to the Director of ADWR for review prior to its execution. ADWR presently operates under Substantive Policy Statement CR10 which governs the procedures for obtaining Departmental consultation and outlines the criteria that the Department uses to evaluate water transfers. The Director of ADWR adopted CR10 on January 16, 2019 and revised previous substantive policy statements on this issue.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2476: surface water forfeiture; repeal (Bowers). Under Arizona law, the owner of a water right that fails to put the appropriated water to beneficial use for five consecutive years forfeits that right. This is a primary tenant of western water law and can be found within the statutes of 16 western states. HB 2476 would remove this statutory provision, which could have a wide impact on nearly every water right in the state, and the proceedings of the General Stream Adjudication. This change conflicts with a prior Arizona Supreme Court ruling that found a previous attempt to retroactively modify the forfeiture of water rights through legislative changes to be unconstitutional.

The bill also removes statutory clauses that specifically protect certain types of beneficial use for surface waters of the state, including underground storage and the exchange of effluent or Central Arizona Project water for surface water. While removal of these beneficial use protections may be congruent with removing all grounds for water right forfeiture, AMWUA staff is cautious of any legislation that would eliminate safeguards on underground storage or water exchanges as beneficial uses.

AMWUA Position: Oppose

Status: Held in committee 2/19/19

HB 2590: appropriation; water districts; infrastructure; DCP (Cook). This bill would appropriate \$20 million from the state general fund for the development of groundwater infrastructure projects in Pinal County.

AMWUA Position: Monitor

Status: Failed in Appropriations 2/25/19

HB 2591: appropriation; WQARF (HB: Gabaldón). This bill appropriates \$20 million from the state general fund to the Water Quality Assurance Revolving Fund (WQARF) in Fiscal Year 2019-20. WQARF is a state-sponsored program established by the Legislature and administered by the Arizona Department of Environmental Quality to clean up hazardous soil and groundwater contamination.

AMWUA Position: Support

Status: HB 2591 passed NREW Committee 2/19/19

HB 2592: appropriation; DWR; hydrologists (Gabaldón). This bill would appropriate \$6.1 million to ADWR for the purpose of hiring hydrologists and other support staff. ADWR has stated that it faces challenges in competing with California for the hiring of technical hydrologic staff.

AMWUA Position: Support

Status: Awaiting committee assignment

HB 2595: adequate water supply; designation; standards (Gabaldón). On August 8, 2018, the Arizona Supreme Court held that ADWR is not required to consider unquantified federal reserved water rights as part of the legal or physical availability analysis in its determination of an adequate water supply. This decision addressed ongoing litigation over a large development near Sierra Vista. The Court's opinion was predicated on its interpretation of the adequate water supply statutes, reasoning that, (1) ADWR is not required to consider the impacts of an applicant's groundwater withdrawals on existing uses, but rather that the agency must consider existing groundwater uses on the supply of the applicant, (2) the legislature did not specify that unquantified federal reserved water rights must be considered in the determination of legally available water supplies, and that (3) a private water company's possession of a Certificate of Convenience & Necessity is, in effect, consumer protection for the legal availability of water.

HB 2595 attempts to alter adequate water supply statute to address these considerations. AMWUA staff have identified technical issues with the bill and do not anticipate its movement through the legislature.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2630 | SB 1370: freshwater ecosystems; ecological water; survey (HB: Engel | SB: Dalessandro)
This bill adds a statutory definition and provides for the appropriation of “ecological water.” Current statutes allow for the appropriation and beneficial use of water for fish and wildlife purposes but not explicitly for the benefit of the watershed or ecosystem as a whole.

SB 1370 would also require the Director of ADWR to perform a one-time survey of Arizona’s watersheds, identifying any ecological water needs and recommending any necessary environmental or policy improvements.

AMWUA Position: Monitor

Status: HB 2630 assigned to committee 2/12/19 | SB 1370 assigned to committee 2/4/19

SB 1198: water infrastructure finance authority; appropriation (Mendez and six others). This bill appropriates \$30 million from the state general fund to WIFA, a state agency that provides low-interest loans to water providers. It is assumed that the intent is to provide funds for the Water Supply Development Revolving Fund.

AMWUA Position: Monitor

Status: Assigned to committee 1/28/19

SB 1478: municipalities; counties; wildfire hazard removal (Otondo and 13 others). The Wildland-Urban Interface (WUI) is a federal land classification for areas where communities are located in and around forests. SB 1478 would require that cities or towns that contain a WUI must adopt an ordinance requiring private property within the WUI to remove any vegetation, natural fuels, or trash that constitute a wildfire hazard. This bill appropriates \$1 million for cities or towns to use in matching programs for the wildfire fuel removal.

AMWUA Position: Support

Status: Assigned to committee 2/5/19

SB 1544: water conservation; landscaping; rent; notice (Mendez and three others). This bill would forbid the owner of a property or Homeowners Association from prohibiting the use of a water saving device or water conservation practice as part of a property contract or rental agreement.

AMWUA Position: Support

Status: Assigned to committee 2/6/19



MANAGEMENT BOARD

INFORMATION SUMMARY

March 13, 2019

Status of the Lower Basin Drought Contingency Plan

ANNUAL PLAN REFERENCE

Colorado River Drought / Shortage

Strategic Plan: Objectives – Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts; Collaboration – Arizona Department of Water Resources, Central Arizona Project, Business Community

Actions:

- Remain engaged with developments to protect the Colorado River from drought and address the structural deficit.
- Seek ways AMWUA and its members can best individually and cooperatively respond to the increasing probability of a shortage declaration.

SUMMARY

As of March 4, 2019, the Bureau of Reclamation is formally soliciting comments from each Basin State on how the Secretary of the Interior might take action on the Colorado River to reduce risk in the absence of the Drought Contingency Plan (DCP). Should all the States come to an agreement on DCP before March 19, 2019, the Bureau will end its process for evaluating unilateral, federal actions. The Arizona Department of Water Resources and Central Arizona Project have sent a joint letter to the Bureau asserting that Arizona has completed its obligations towards interstate DCP completion.

In an attempt to secure \$200 million in funding for Salton Sea mitigation, California's Imperial Irrigation District (IID) has withheld its approval of the DCP. In response, the Metropolitan Water District of Southern California has proposed to make all of California's DCP contributions (cuts), in lieu of IID's participation. If this concept is approved, it would pave the way for DCP completion in California, and among the Basin States.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions regarding the status of DCP.

MANAGEMENT BOARD INFORMATION SUMMARY

March 13, 2019

Colorado River Shortage Awareness Campaign

STRATEGIC PLAN REFERENCE

Colorado River Drought / Shortage

Strategic Plan: Objectives – Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts; Collaboration – Arizona Department of Water Resources, Central Arizona Project, Salt River Project, Business Community

- Coordinate communications efforts among agencies and the membership to promote clear, consistent messaging to the public regarding drought and shortage.

SUMMARY

There is high probability that a Tier 1 shortage for the Colorado River will be declared in August 2019, to be effective January 1, 2020. The looming shortage along with the Drought Contingency Plan has increased awareness about water with the media and public. It is anticipated that more attention will be placed on water with an actual shortage declaration.

AMWUA staff has developed a Colorado River Shortage Awareness Campaign for our members to communicate a coordinated message about what a shortage on the Colorado River means to the cities. The goal for this communications campaign is to increase awareness about how the AMWUA cities have prepared for a Colorado River shortage and how the public can engage in using water wisely to increase our resiliency.

AMWUA staff will present this Campaign at the March 13, 2019 meeting in order to receive feedback from the AMWUA Management Board. AMWUA staff has discussed this effort with our members' communications, water resources, and conservation staffs.

RECOMMENDATION

The AMWUA Management Board is encouraged to review the proposed annual plan and to provide comments and feedback.

Upon providing feedback regarding the Colorado River Shortage Awareness Campaign, it is requested that the AMWUA Management Board recommend to the AMWUA Board of Directors to support this effort.

MANAGEMENT BOARD

INFORMATION SUMMARY

March 13, 2019

AMWUA Annual Action Plan

STRATEGIC PLAN REFERENCE

Operational Principles – Manage an Efficient and Effective Association

SUMMARY

The AMWUA Board of Directors approved the Strategic Plan for 2016-2020 at its September 2016 meeting. The current annual plan gave detail on how the Strategic Plan would be accomplished from February 2018 through Fiscal Year 2019. Most of the achievements under the current action plan were touted in the Accomplishments 2018 pamphlet that was distributed in January 2019.

AMWUA staff has drafted an annual action plan to guide AMWUA's efforts through Fiscal Year 2019. The Water Resources Advisory Group has reviewed this plan.

The annual plan highlights areas of focus for AMWUA, but it is certain that during the upcoming year AMWUA will also need to address other issues that arise.

The annual plan's key areas of focus through Fiscal Year 2020 include: Day-to-Day Operations, Shortage Preparation, Enhanced Communication, Recovery Implementation Plan, Legislation, Demand Management & Sustainability, Prepare for Redesignations, Achieving Safe-Yield, Finances & Water, and Colorado River Management.

RECOMMENDATION

The AMWUA Management Board is encouraged to review the proposed annual plan and to provide comments and feedback.

Staff proposes that the Management Board direct AMWUA staff to incorporate comments from the Management Board and to recommend to the AMWUA Board of Directors approval of the annual plan through Fiscal Year 2020 upon receiving the AMWUA Board's feedback.