



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

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
MANAGEMENT BOARD**

MEETING NOTICE AND AGENDA

Wednesday, February 12, 2020 – 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 January 15, 2020 Meeting
2. Schedule Next Meeting Date: Wednesday, March 11, 2020, 10:00 a.m.
3. 2020 Legislative Session
4. CAWCD Board Strategic Planning
5. Update on the Governor's Water Council and ADWR Management Plans

C. Member Reports

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

January 15, 2020

VOTING MEMBERS PRESENT

Mr. Javier Setovich, Goodyear, Chairman
Ms. Jessica Marlow, Gilbert, Vice Chair
Ms. Lacey James for Ms. Cindy Blackmore, Avondale
Mr. John Knudson, Chandler
Mr. Cape Powers, Peoria
Mr. Kevin Rose for Mr. Brian Biesemeyer, Scottsdale
Mr. Drew Swieczkowski for Mr. Craig Johnson, Glendale
Mr. Jake West, Mesa

VOTING MEMBERS NOT PRESENT

Ms. Karen Peters, Phoenix
Ms. Tara Ford, Tempe

OTHERS PRESENT

Patrick J. Adams, AMWUA	Brian Draper, Mesa	Sarah Saenz, AMWUA
Erin Andres, Phoenix	Gretchen Erwin, Goodyear	Richard Siegel, SRP
Anthony Beckham, SRP	Paulette Fenderson, Phoenix	Martin Stiles, CAP
Ned Blum, CLA	Brett Fleck, Peoria	Warren Tenney, AMWUA
Craig Caggiano, Tempe	Sam Jaskolski, AMWUA	Sheri Trapp, AMWUA
Greg Capps, Chandler	Diana Pina, AMWUA	Theresa Ulmer, Ulmer Consulting

A. Call to Order

Mr. Setovich called the meeting to order at 10:00 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the December 11, 2019 Meeting

Upon a motion made by Mr. Knudson and a second by Mr. West, the AMWUA Management Board unanimously approved the December 11, 2019 meeting minutes.

2. Next meeting scheduled: Wednesday, February 12, 2020, 10:00 a.m., in the AMWUA office

Arizona Municipal Water Users Association

3. 2020 Legislative Session

Mr. Tenney reported that the legislative session began on Monday, January 13th. He stated that AMWUA has been working with stakeholders to develop a legislative proposal related to the recovery of water supplies stored for municipal use by the Arizona Water Banking Authority (AWBA), which has stored water for 25 years to provide to municipal and industrial (M&I) users in the possibility of the Colorado River allocations being cut during a shortage. Mr. Tenney stated that the Recovery Planning Advisory Group (RPAG) has been looking at how to ensure the implementation of recovery. It has been discussed that if AWBA distributed credits both to CAP and to M&I users, it would create more flexibility for recovery options. By allowing direct distribution, it would not only increase flexibility for recovery options, it would simplify the recovery process, keep overall cost down for the end user, and help complete the recovery implementation. Mr. Tenney reported that the CAWCD Board and Southern Arizona are supportive of this legislative proposal.

Ms. Ulmer reported that there is a bill holder open for this proposal. Senator Pratt is the bill sponsor and Senator Otondo is the co-sponsor. She reported that they are working to have a bill number by the end of the week. Mr. Tenney stated that this is a great opportunity to demonstrate to legislators that municipalities, CAP, ADWR and the Banking Authority can work together on water issues to create another tool to streamline recovery.

Mr. Knudson stated that he understands the importance of spreading the credits but addressed his concern for it diminishing the urgency for recovery and building a recovery system. Mr. Tenney stated that implementing a recovery system is the main focus for RPAG and that this legislation is to assist with short term shortages in which recovery could be done with the cities' existing infrastructure.

Mr. Tenney presented a summary of water legislative bills to the Management Board that were introduced to date and explained each bill.

Ms. Ulmer stated that this is not a permanent solution and will not impede what comes next but that it is a small piece to help progress move forward.

Mr. Setovich stated that it may be more important to monitor HB 2158 and HB 2226, which would require metering in rural Arizona, than to support it from a water management perspective. Mr. Swieczkowski stated that it would be helpful to have more information on metering in certain areas in order to do proper modeling and because the Verde River is important to water users in the Phoenix AMA.

Upon a motion by Mr. Powers and a second by Mr. Knudson, the AMWUA Management Board unanimously recommended to the AMWUA Board of Directors that AMWUA support legislation for the direct distribution of Arizona Water Banking Authority credits to municipal and industrial water users and adopt the legislative positions as presented in the meeting.

4. Water Loss Control Training and Technical Assistance Program

Mr. Tenney stated that AMWUA has been working for over a year now on being able to have Water Loss Control Training & Technical Assistance for its members. He stated that this program is ready to launch in February and asked Mr. Adams to give an overview.

Mr. Adams stated that in 2018, AMWUA completed a survey of its members to gauge interest in water loss training and technical assistance and to identify what an ideal program would look like. After completing that effort and receiving Board approval, AMWUA successfully petitioned the Phoenix GUAC to recommend usage of state funds for a \$300,000 program grant. Upon receiving the funding, AMWUA staff prepared an RFP, and its selection committee chose the Southwest Environmental Finance Center (SWEFC) to provide the training and technical assistance. AMWUA executed the contracts with ADWR for funding, and the SWEFC for providing the training services and is now ready to launch the program.

Mr. Adams highlighted AMWUA's training program with a heavy focus on generating more advanced system audits through data validation, identifying different components of non-revenue water, and evaluating intervention strategies based on where it makes economic sense to take action as well as training each utility on the American Water Works Association M36 methodology. Technical assistance is going to be tailored to each utility's needs and facility team with personalized instruction for each city from the SWEFC. The consultant will help with data analysis and troubleshooting for each utility, training staff in the methodology and equipping them with recommendations for process improvements, water loss interventions, and internal conclusions to provide them with resources and skills needed to sustain a water loss control program into the future. Mr. Adams reviewed the program schedule including 3 phases: building a water balance or level one audit validation, advanced assessment of data validation with an analysis of components of water loss, and economic assessments with intervention strategies.

Mr. Adams reported that AMWUA has been coordinating with the WRAG and other utility staff in anticipation of the program's start. He stated that it is crucial to have engagement throughout the utility in order to sustain a successful water loss control program. AMWUA believes that this program will be a great investment that will yield process improvements and efficiencies within each of its cities. Mr. Adams stated that being awarded a large grant to fund this project speaks to the reputation of the AMWUA cities' leadership and technical advancement in good water stewardship. There will be a kickoff webinar during the first week of February.

Mr. Setovich, Mr. Swieczkowski, Ms. James and Mr. Powers appreciated AMWUA for providing this program because they believe it will improve and advance the city's water loss control.

Upon a motion by Mr. Knudson and a second by Mr. Powers, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors support the water loss control training and technical assistance program by authorizing the Executive Director to enter into the funding agreement with ADWR and the contract with SWEFC.

5. Fiscal Year 2020 Budget Reconciliation

Mr. Tenney stated that AMWUA is anticipating being under budget at the end of the fiscal year and asked the Management Board for feedback and direction on what would work best for the cities and AMWUA in handling the reconciliation. He provided the Management Board with three options. The first would be to carry over the funds to the next fiscal year which would at first reduce the initial membership dues but then would raise in the next fiscal year. The second would be to issue a refund check back to the cities. The third option would be to add the total to the reserve fund.

Mr. Setovich recommended that it would be favorable to have a healthy reserve with a clearer understanding of what the reserve is used for.

Mr. West and Ms. Marlow discussed having a reserve with set goals for a plan to spend it. Mr. Swieczkowski agreed that it would be beneficial to save and prepare for additional developments.

Mr. Powers asked about the existing policy. Mr. Tenney explained the current policy and that the reserve money is set aside for capital expenditures or professional services that fall outside of normal AMWUA operations.

Mr. Powers stated that if the reserve is at an appropriate level, then he would prefer a carry-over of the funds.

C. **Member Reports**

Mr. Swieczkowski stated that the City of Glendale recently chose a firm to conduct their Zone 3 redundancy well program and are excited to get that kicked off.

Ms. James stated that Avondale will be going to City Council in February to vote for a new ordinance for high water users and new water users, in order to better manage and protect water use, giving more control to the Avondale City Council on usage.

D. **Executive Director's Report**

Mr. Tenney stated that AMWUA facilitated another meeting with the city staff to discuss the proposed revisions to the Lead and Copper Rule. AMWUA believes that this collaboration with cities and ADEQ will help individual cities with comments to EPA. Mr. Tenney noted this is an example of the types of facilitation AMWUA does and that AMWUA facilitated 147 meetings in 2019.

Mr. Tenney stated that to enhance communication about municipalities and water, AMWUA has been working hard to have the AMWUA blog be both timely and relevant. Mr. Tenney reported that AMWUA just launched a three-part series about the Groundwater Management Code

because it has been 40 years since the Groundwater Management Act was passed. Mr. Tenney appreciated Ms. Trapp's hard work and efforts on AMWUA's communication.

Mr. Tenney reported that CAP will hold a stakeholder roundtable on January 23rd to get feedback and input from stakeholders on two issues related to rates and finances. The first issue is if CAP should have a policy for how to address the impact of system conservation on OM&R rates. He stated that if water is left in Lake Mead, there will be less water to deliver, which will raise rates so the discussion will be whether the impact should spread throughout the rates, if the entity creating the system conservation should pay the OM&R rate for the water left behind, or if a thirty party should pay for it. The second issue discussed will be about the voluntary rate stabilization program, which will expire at the end of this year. This is the additional voluntary rate stabilization program created in 2014, when there was a rate reconciliation. A number of M&I subcontractors agreed to not have the monies from the rate reconciliation returned but have it held by CAWCD for an anticipated rate stabilization when a shortage negatively impacted rates. CAWCD also provided matching funds that increased the overall amount for the voluntary rate stabilization. Since that voluntary rate stabilization fund has not had to be utilized, CAWCD wanted to see if M&I users would want to extend the program beyond the deadline or have the funds returned. AMWUA cities that have participated along with SAWUA have stated that they would like to extend the voluntary rate stabilization if CAWCD's matching funds remain. Mr. Tenney stated that the roundtable is an opportunity for CAWCD to receive feedback about these issues.

Mr. Tenney reported that he sent the Management Board the projected assessments for Fiscal Year 2021 stating that he hoped it was useful information for their budgeting preparations.

E. Future Agenda Items

No future agenda items were identified.

F. Adjournment

Upon a motion made by Mr. Knudson, a second by Ms. Marlow and unanimous approval, Mr. Setovich adjourned the meeting at 10:59 a.m.



MANAGEMENT BOARD
INFORMATION SUMMARY
February 12, 2020

2020 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 second regular session of the 54th Legislature began on January 13, 2020. On January 30, 2020, the AMWUA Board of Directors unanimously adopted positions on 28 bills. Within this legislative update is a list of bills that AMWUA staff are recommending for action by the Management Board as well as a status update on all bills for which AMWUA has already adopted legislative positions.

RECOMMENDATION

Staff requests that the Management Board review the legislation within the Board Packet and recommend to the Board of Directors adoption of the positions recommended.

Depending on the legislative updates that occur before the February 12th, 2020 meeting, the AMWUA Management Board may be asked to provide additional direction to the AMWUA Board of Directors.

SUGGESTED MOTION

I move that the AMWUA Management Board recommend to the AMWUA Board of Directors that AMWUA adopt the following legislative positions as outlined in the Board packet:

Support

HB 2677 groundwater replenishment reserves (Griffin)

HB 2770 water rights; general adjudications; funding (Campbell & 20 others)

SB 1488 appropriation; best land management practices (Otondo & 24 others)

SB 1494 department of water resources; continuation (Kerr & 5 others)

SB 1635 subsequent irrigation non-expansion areas; procedures (Otondo & 15 others)

SB 1636 groundwater pumping; measuring; reporting (Steele & 11 others)

SB 1637 wells; permits; spacing rules (Mendez & 10 others)

Monitor

HB 2672 water rights (Griffin)

HB 2758 | SB 1465 watershed health; use; survey (HB: Engel | SB: Dalessandro)

HB 2787 water; augmentation authority; special districts (Shope)

SB 1638 well drilling; groundwater basins (Dalessandro & 12 others)

SB 1639 adequate water supply; statewide requirements (Otondo & 11 others)

Bills Recommended for Action by the AMWUA Management Board

HB 2672 water rights (Griffin)

This bill modifies statute to prevent an entity with a senior water right from stopping a junior right holder from using water, unless curtailment of the junior user would produce water for the senior right holder. On February 3rd, 2020 an amendment was proposed by the bill Sponsor clarifying that to prevent curtailment, the burden of proof lies with the junior water right holder. The bill subsequently passed the House Committee on Natural Resources, Energy & Water on February 4th, 2020.

Recommendation: AMWUA modify existing position from “Oppose” to “Monitor” in light of amended language

HB 2677 groundwater replenishment reserves (Griffin)

This bill introduces clarifications to the calculation of CAGR’s 100-year replenishment obligation for the purpose of calculating the replenishment reserve target. Existing statute could be read to require the CAGR to calculate the replenishment reserve based on each AMA’s buildout obligation multiplied by 100. Modifies the statutory calculation of each AMA’s projected replenishment obligation to equal the cumulative projected obligation for each year following submission of the Plan of Operation. The bill passed the House Committee on Natural Resources, Energy & Water on February 4th, 2020. CAWCD testified in support of the language.

Recommendation: AMWUA modify existing position from “Monitor” to “Support” in light of CAWCD support

HB 2758 | SB 1465: watershed health; use; survey (HB: Engel, Campbell, Cobb, Gabaldón, Rodriguez | SB: Dalessandro & 3 others)

This bill directs ADWR to conduct a biennial assessment of watershed health throughout Arizona and to establish by 2022 a set of recommendations for how much “ecological water” is needed to sustain ecosystems, wildlife habitat, or communities that may rely on a watershed. The bill also provides for the appropriation of water for “watershed health uses,” defined as the conservation of water within a natural watercourse that supports the health of an individual watershed. Current statutes allow for the appropriation and beneficial use of water instream for fish, wildlife, and recreation purposes but not explicitly for the benefit of the watershed or ecosystem as a whole.

Recommended Position: Monitor

Status: HB 2758 assigned to House NREW Committee 2/4/20

SB 1465 assigned to Senate WAG Committee 2/3/20

HB 2770 water rights; general adjudications; funding (Campbell & 20 others)

Establishes the *General Adjudication Personnel and Support Fund*. Monies in the Fund can be used to provide additional full-time staff, equipment, or services for the Adjudication proceedings for both the Court and ADWR. Prior to any monies being allocated from the Fund, ADWR or the Supreme Court must prepare an expenditure plan for review by the Joint Legislative Budget Committee. The following sums are appropriated in FY2021: \$147,610 for two full-time paralegals for the Special Water Master, \$109,710 to expand the court's electronic case management system and \$2 million for the general purposes of the Fund.

Recommended Position: Support

Status: Awaiting committee assignment

HB 2787 water; augmentation authority; special districts (Shope)

This measure has been introduced on behalf of the Pinal County Water Augmentation Authority (CWAA). The bill would create a statutory framework for a CWAA to levy an assessment (similar to an ad valorem property tax) on property for the purposes of financing water supply development projects that will ultimately allow that property to be eligible for a Certificate of Assured Water Supply. HB 2787 also adds to the existing statutory authorities of County Improvement Districts the ability to acquire water supplies and develop infrastructure for water conveyance, reuse, or replenishment. Finally, this bill would require ADWR to transfer a minimum of \$200,000 per year of groundwater withdrawal fee monies to the Pinal CWAA. Currently, statute specifies that ADWR may transfer up to \$200,000 by annual determination.

Recommended Position: Monitor

Status: Awaiting committee assignment

SB 1488 appropriation; best land management practices (Otondo & 24 others)

This measure 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 outlines 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 general fund for the program.

Recommended Position: Support

Status: Assigned to Senate NRE/Approps/Rules Committees 2/3/20

SB 1494 department of water resources; continuation (Kerr & 5 others)

Mirrors HB 2618; extends ADWR's sunset date to 2028.

Recommended Position: Support

Status: Assigned to Senate WAG Committee 2/3/20

SB 1635 subsequent irrigation non-expansion areas; procedures (Otondo & 15 others)

Similar to HB 2738, this measure introduces a number of modifications to the procedures for establishment of new irrigation non-expansion areas (INA). This bill would allow ADWR to consider projected rates of groundwater withdrawal as part of the determination of a new INA. The bill also clarifies which entities are eligible to petition the State to create a new INA, and would mandate that petitioners submit a groundwater model and hydrologic assessment using methodology approved by the ADWR Director. This bill mirrors the suggested statutory changes presented by ADWR in the summer of 2017 during the Governor's Water Discussions.

Recommended Position: Support

Status: Assigned to Senate WAG Committee 2/5/20

SB 1636 groundwater pumping; measuring; reporting (Steele & 11 others)

Requires monitoring and annual reporting for nonexempt groundwater wells throughout the state. Water users who irrigate 10 or fewer acres that are not part of a larger farming operation, or water users who pump <10 acre-feet per year for non-irrigation use are exempted from this requirement.

Recommended Position: Support

Status: Assigned to Senate WAG Committee 2/5/20

SB 1637 wells; permits; spacing rules (Mendez & 10 others)

Requires that ADWR adopt rules governing the location of new and replacement wells >35 gpm statewide, within groundwater basins that the Director determines to be experiencing declining groundwater levels.

Recommended Position: Support

Status: Assigned to Senate WAG Committee 2/5/20

SB 1638 well drilling; groundwater basins (Dalessandro & 12 others)

Establishes a well drilling moratorium that prevents new wells in the Upper San Pedro and Verde Valley groundwater subbasins until the conclusion of the General Stream Adjudication unless a well is a replacement well or does not pump subflow.

Recommended Position: Monitor

Status: Assigned to Senate WAG Committee 2/5/20

SB 1639 adequate water supply; statewide requirements (Otondo & 11 others)

Mandates that a city, town, or county may only approve a subdivision plat if the development has demonstrated an adequate water supply.

Recommended Position: Monitor

Status: Assigned to Senate WAG Committee 2/5/20

Legislative Positions Adopted by the AMWUA Board of Directors on January 30, 2020

SB 1301 water banking; storage credits; subcontractors (Pratt & 2 others)

For nearly three decades the Arizona Water Banking Authority (AWBA) has stored Colorado River water underground to supplement the water supplies of Central Arizona Project (CAP) Municipal & Industrial (M&I) subcontractors. To access the stored water in times of shortage, current statutes require that the AWBA must first transfer the LTSC to CAP for recovery. This bill would provide the AWBA with the option to distribute LTSC directly to M&I subcontractors. The concept of direct distribution is an outcome of a stakeholder effort to plan for the recovery of water supplies stored by the AWBA. This legislative change would provide flexibility and simplicity for recovery of AWBA credits and reduces the cost of recovery to end users.

AMWUA Position: Support

Status: Scheduled for Senate WAG Committee 2/6/20

HB 2076: appropriation; DWR; additional staff (Gabaldón).

This bill would appropriate \$6.1 million to the Arizona Department of Water Resources (ADWR) for the purpose of hiring hydrologists and other support staff.

AMWUA Position: Support

Status: Awaiting committee assignment

HB 2098: dam safety study committee (Griffin).

This bill would create a Dam Safety Study Committee consisting of two appointed legislators and the Director of ADWR or their nominee. The Committee would be required to consider the safety of dams throughout Arizona complete a report of their findings by December 31st, 2020.

AMWUA Position: Support

Status: Assigned to House NREW Committee

HB 2101: appropriation; Arizona water protection fund (Griffin & Nutt).

This bill would appropriate \$1 million from the state general fund in Fiscal Year 2020-21 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: Passed Approps. Committee 1/30/20

HB 2158 | SB 1405: water; well metering; nonexempt wells (HB: Engel | SB: Mendez).

This bill would mandate measurement of water use and annual reporting for nonexempt groundwater wells throughout the state. Nonexempt wells include those with a pumping capacity greater than 35 gallons per minute (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: SB 1405 assigned to Senate WAG Committee 1/29

HB 2159 | SB 1385: water adequacy requirements; statewide applicability (HB: Engel | SB: Mendez)

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: SB 1385 assigned to Senate WAG Committee 1/29/20

HB 2174: 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 2212 appropriation; DEQ; testing; remediation (Gabaldón)

Appropriates \$500,000 for ADEQ to test public water systems for PFAS and assist systems that exceed the health advisory level determined by the U.S. EPA.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2213: WQARF; Appropriation (Gabaldón).

Appropriates \$20 million from the general fund in FY2020-21 to the Water Quality Assurance Revolving Fund. 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: Awaiting committee assignment

HB 2226: water measuring devices; report (Kavanagh).

Authorizes the ADWR Director to require water measuring and reporting for groundwater pumping in areas outside of the AMAs. This requirement may only be applied to wells with a maximum pump capacity greater than 35 gpm.

AMWUA Position: Support

Status: Awaiting committee assignment

HB 2286 appropriation; wastewater treatment infrastructure (Osborne & 3 others)

Luke Air Force Base's (AFB) wastewater treatment plant was originally constructed in 1942 and is approaching the end of its useful life. The City of Glendale has agreed to receive and treat wastewater from Luke AFB using the City's infrastructure. This bill would appropriate \$5 million from the general fund in FY2020-21 to defray costs associated with the construction of water reclamation infrastructure related to this project.

AMWUA Position: Support

Status: Assigned to House NREW and Approps. Committees 1/22

HB 2309 groundwater; waterlogged area exemption; date (Dunn)

The Buckeye Waterlogged Area (BWLA) was established by the Legislature in 1988, covering an area surrounding the Gila River from confluence with the Salt River west to Gillespie Dam, which includes part of Avondale and Goodyear. Within the BWLA, farmlands are exempt from water duties, certain irrigation districts are exempt from conservation requirements, and entities pumping groundwater are not required to pay withdrawal fees. Statute requires that ADWR review the area's hydrologic conditions and make a recommendation to the Governor and Legislature on whether or not the exemptions should continue. ADWR published its findings in December 2019 and recommended that the BWLA continue through 2034. This bill would extend the BWLA exemptions through 2034, as recommended by ADWR.

AMWUA Position: Support

Status: Passed House Rules Committee 2/3/20

HB 2405 Colorado River fourth priority water (Cobb & Biasiucci)

This bill would add statutory language prohibiting the transfer of any Priority 4 (P4) Colorado River water to non-"Colorado river communities." Similar legislation was introduced in 2019 prohibiting transfers of P4 water out of Mohave and La Paz Counties. ADWR is currently reviewing an application to transfer P4 water from La Paz County to Queen Creek and is expected to make its recommendation to the Bureau of Reclamation in the coming months.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2447 gaming compacts; water claims; prohibition (Rep Pierce, Bowers, Griffin, Dunn, Finchem; Sen Fann, Allen.)

This bill would prohibit the State of Arizona from negotiating or executing any Tribal-State gaming compacts with tribes who are involved in water rights litigation. Many if not all tribal nations are

involved in the General Stream Adjudications. Negotiation of tribal gaming contracts has been underway for the past few years, as many are set to expire in 2023.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2456 environmental quality programs; terminations; repeal (Griffin)

This bill proposes to remove the statutory termination dates for multiple programs administered by the Arizona Department of Environmental Quality (ADEQ). Current statutes include sunset dates for these individual programs, separate from ADEQ's sunset review as an entire agency. Removing the termination dates for these programs would align their sunset reviews with the ADEQ sunset review.

AMWUA Position: Support

Status: Passed House Rules Committee 2/3/20

HB 2567 appropriation; lead screening; charter schools (Engel & 7 others)

Appropriates \$100,000 for ADEQ to conduct water quality testing for lead in charter schools. ADEQ conducted a voluntary, statewide lead screening program in 2017 but did not include charter schools.

AMWUA Position: Monitor

Status: Awaiting committee assignment

HB 2618 department of water resources; continuation (Griffin)

Extends ADWR's sunset date to 2028.

AMWUA Position: Support

Status: Passed House NREW Committee 2/4/20

HB 2620 ombudsman; assistance; surface water adjudications (Bowers)

Arizona's Ombudsman-Citizens' Aide is an entity established by the legislature that investigates and acts upon citizen complaints regarding state agencies. This bill would create an Assistant Ombudsman-citizens' Aide for the purpose of assisting claimants in the General Stream Adjudication who do not have legal representation. The bill requires this Assistant to cooperate with local law schools to coordinate law students that may help those claimants with "fewer legal resources available to them."

AMWUA Position: Monitor
Status: Assigned to House NREW Committee 1/30/20

HB 2671 water supply development fund; appropriation (Griffin & Bowers)

Appropriates \$50,000,000 to the state Water Supply Development Revolving fund. This fund was established in 2007 and was intended to assist rural water providers acquire water supplies through loans and grants. Since establishment, the fund has not had any monies for utilization.

AMWUA Position: Support
Status: Held in committee 1/28/20

HB 2674 water; substitute acreage (Griffin, Bowers, Dunn, Nutt)

Adds statutory provisions that would allow an irrigator to retire irrigated acres and apply that water right to new, “substitute” lands. The substitute lands must be contiguous to the retired acres and part of the same farming unit. The irrigator must notify ADWR that the retired acres were damaged by floodwaters or, report that a “condition” (including soil quality or the shape of the farmland) exists that is limiting the efficient irrigation of those original acres and that the substitution of new land will facilitate more efficient water use.

AMWUA Position: Monitor
Status: Passed House NREW Committee 2/4/20

HB 2675 water conservation notice; no abandonment (Griffin, Bowers, Dunn, Nutt)

Allows a water right holder to file a “Water Conservation Plan” with ADWR. Upon filing a plan that outlines water conservation measures that are planned or will be implemented, the water rights included in that notice would be shielded from a claim of abandonment or forfeiture. The Plan can be extended by 10-years, indefinitely. An amendment to bill on 2/4/20 included a legislative intent clause specifying that the Legislature intends the provisions to only apply prospectively.

AMWUA Position: Monitor
Status: Passed House NREW Committee 2/4/20

HB 2737 water efficient plumbing fixtures (Rep. Engel, Campbell, Payne; Sen. Otondo, Pratt)

Arizona adopted water-efficiency standards for indoor plumbing fixtures in 1992 which have since been superseded by various federal laws and requirements. This bill would update Arizona’s

water-efficiency standards to align with criteria established by the WaterSense Program, a public-private partnership between industry, utilities, and regulators.

AMWUA Position: Support

Status: Assigned to House NREW Committee 2/4/20

HB 2738: irrigation non-expansion areas; water supplies (Engel & 2 others).

An irrigation non-expansion area (INA) is a geographical area that has been designated as having insufficient groundwater for irrigation of cultivated lands. Within an INA expansion of new irrigated acreage is generally prohibited and water management regulations, such as well metering, apply. Arizona's Groundwater Code allows the Director of ADWR to designate new INA's based upon certain criteria, including if the Director determines that "there is insufficient groundwater . . . at the current rates of withdrawal." (Emphasis added). In 2015, a petition from irrigators in the San Simon Valley to establish a new INA was declined by ADWR; the Director noting in his decision that he could not consider future groundwater uses in the determination. These bills would require the Director to consider projected rates of groundwater withdrawals in their determination of a new INA.

AMWUA Position: Support

Status: Awaiting committee assignment

HR 2003 Arizona water professionals; appreciation week (Gabaldón)

Designates April 12-18, 2020 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

MANAGEMENT BOARD

INFORMATION SUMMARY

February 12, 2020

CAWCD Board Strategic Planning Process

ANNUAL PLAN REFERENCE

Finances & Water

Strategic Plan: Objectives – Minimize Financial Impacts, Prepare for Impacts of Drought & Shortage, Interconnect Disciplines; Collaboration – Central Arizona Project

Colorado River Management

Strategic Plan: Objectives – Safeguard Water Supplies; Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts; Collaboration – Central Arizona Project

Achieving Safe-Yield

Strategic Plan: Objectives – Advocate for Solutions; Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage, Augment Supplies, Initiate Post-2025 Water Policy; Collaboration – Central Arizona Project

SUMMARY

The Central Arizona Water Conservation District (CAWCD) Board of Directors is launching a process to develop its new strategic plan. The CAWCD Strategic Plan is utilized throughout CAWCD's operations from developing the budget to guiding policy decisions. The CAWCD Board is planning to start anew by drafting a new strategic plan with the help of an outside consultant rather than modifying the existing 2016 Strategic Plan. The new strategic plan is targeted to be completed by the end of the year and is meant to be in place for the next six years. The CAWCD Board will have four specific retreats to develop the plan as well as anticipated discussions during Board meetings. In March, CAWCD is holding meetings to solicit input from stakeholders.

CAWCD's current strategic plan focuses on six key result areas: Leadership & Public Trust, Finance, Project Reliability, Water Supply, Power, and Replenishment. It is anticipated that these same key result areas will be brought forth to guide the development of the new strategic plan.

AMWUA will follow closely the CAWCD Board Strategic Planning effort since the new strategic plan will have a direct implication for CAWCD's relationship with its municipal subcontractors. Regular updates regarding this process will be given to the Management Board.

RECOMMENDATION

The AMWUA Management Board is encouraged to discuss and ask questions regarding the CAWCD Strategic Planning Process.



MANAGEMENT BOARD

INFORMATION SUMMARY

February 12, 2020

Update on the Governor’s Water Council and ADWR Management Plans

ANNUAL PLAN REFERENCE

Achieving Safe-Yield

Evaluate and pursue our members’ contribution towards achieving and maintaining safe-yield and prepare for the critical water management issues beyond 2025.

- Governor’s Water Augmentation, Innovation and Conservation Council – Actively participate to protect and promote our members’ perspectives.
- Strategic Aquifer Protection – Work with ADWR and relevant stakeholders to build support for Strategic Aquifer Protection ideas to be incorporated into the Management Plan for the Phoenix AMA.

Strategic Plan: Objectives – Advocate for Solutions; Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage, Augment Supplies, Initiate Post-2025 Water Policy; Collaboration – Arizona Department of Water Resources, Salt River Project, Central Arizona Project, Water Community, Business Community

SUMMARY

The purpose of this agenda is to provide an opportunity for discussion if there are significant developments with the Governor’s Water Council and/or the ADWR’s Fourth and Fifth Management Plans.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions and discuss any updates presented regarding the Governor’s Water Council and ADWR’s management plan efforts.