Public Notice Pursuant to A.R.S. § 38-431.02
ARIZONA MUNICIPAL WATER USERS ASSOCIATION
MANAGEMENT BOARD

MEETING NOTICE AND AGENDA

Wednesday, August 12, 2020 – 10:00 a.m.

This meeting will be held via Webex
[Access this Link to join. Access Code: 146 991 1358]
Public Attendees: Please mute audio and disable video when joining the meeting.
Join by Phone: 1-408-418-9388 (same access code as above)

A. Call to Order

B. General Business—Items for Discussion and Possible Action
   1. Approval of the Minutes from the June 10, 2020 Meeting
   2. Schedule Next Meeting Date: Wednesday, September 9, 2020, 10:00 a.m.
   3. Water Loss Control Training and Technical Assistance Program
   4. 5th Management Plan and Non-Per Capita Conservation Program
   5. CAWCD Board Strategic Planning Process
   6. Landscaping with Style Website
   7. AMWUA Quarterly Financial Statements – Fourth Quarter

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 by internet conferencing.

More information about AMWUA public meetings is available online at www.amwua.org/what-we-do/public-meetings, or by request.
MANAGEMENT BOARD
MEETING MINUTES
June 10, 2020
WEBEX TELECONFERENCE

VOTING MEMBERS PRESENT

Mr. Javier Setovich, Goodyear, Chairman
Ms. Jessica Marlow, Gilbert, Vice Chair
Mr. Brian Biesemeyer, Scottsdale
Ms. Cindy Blackmore, Avondale
Ms. Tara Ford, Tempe
Mr. Craig Johnson, Glendale
Mr. John Knudson, Chandler
Ms. Karen Peters, Phoenix
Mr. Cape Powers, Peoria
Mr. Jake West, Mesa

OTHERS PRESENT

Patrick J. Adams, AMWUA
Erin Andres, Phoenix
Michelle Barclay, AMWUA
Anna Bartholomew, SRP
Gretchen Baumgardner, Scottsdale
Anthony Beckham, SRP
Jessica Blazina, Avondale
Ned Blum, CLA
Eric Braun, Gilbert
Craig Caggiano, Tempe
Cynthia Campbell, Phoenix
Greg Capps, Chandler
Sam Draper, AMWUA
Gretchen Erwin, Goodyear
Paulette Fenderson, Phoenix
Kathy Ferris, AMWUA
Brett Fleck, Peoria
Jessica Fox, AMWUA
Diana Pina, AMWUA
Sarah Saenz, AMWUA
Martin Stiles, CAP
Drew Swieczkowski, Glendale
Warren Tenney, AMWUA
Sheri Trapp, 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 May 13, 2020 Meeting

Upon a motion made by Ms. Peters and a second by Mr. Johnson, the AMWUA Management Board unanimously approved the May 13, 2020 meeting minutes.

2. Next meeting scheduled: Wednesday, August 12, 2020, 10:00 a.m.
The order of the agenda was changed to allow discussion of Item #6 and Item #7 with AMWUA’s financial consultant present.

6. Membership Dues Stabilization Fund and Office Lease Stabilization Fund Policy

Mr. Tenney discussed the positive financial situation and how AMWUA will be under budget a considerable amount due to having one less full-time employee, savings from the new office lease amendment, and from spending less on expenditures due to the COVID-19 situation. He discussed a few options on how best to utilize the money during the current economic uncertainty. First, AMWUA could reimburse the money directly to the cities. Second, the unspent money could be a carryover for the new fiscal year, which would reduce membership dues for fiscal year 2021 between 8 to 10 percent. He stated that with this option, the challenge would be the following year, when membership dues would most likely increase by at least 8 to 10 percent. Lastly, Mr. Tenney presented a proposal to establish a Membership Dues Stabilization Fund with the unspent funds to help decrease membership dues in subsequent fiscal years under the assumption that the economic situation from COVID-19 continues to impact budgets and AMWUA operations continue without any financial interruptions.

Mr. Tenney also presented the proposal to establish the Office Lease Stabilization Fund to offset the impact of the rent increase under the 10-year lease amendment for AMWUA’s current office space. Mr. Tenney reported that under the lease amendment beginning April 1, 2021, AMWUA’s rent will increase and subsequently increase each fiscal year. However, for the remaining three months of FY 2021 and the first three months of FY 2022, AMWUA will receive six months of free rent. Mr. Tenney stated that rather than reduce the office space line item of the FY 2021 budget, AMWUA staff is proposing that it remain the same and use the monies associated with those six months of rent to create a reserve to help smooth the increased rent each year thereafter. AMWUA would still budget for the rent during those months and set it aside in the Office Lease Stabilization Fund. Beginning with FY 2022 and continuing until all monies in the fund have been expended, the fund will be used to reduce the office space line item in future budgets.

Mr. Biesemeyer asked about the specified amounts being used for each fund. Mr. Tenney reported the total that the six months of rent would generate which would go into the Office Stabilization Fund and any unspent funds from the current fiscal year would go into the Dues Stabilization Fund. Mr. Tenney and Mr. Biesemeyer discussed AMWUA’s current contingency and reserve funds. Mr. Tenney explained that the Membership Dues Fund would be distinctly different than the reserve funds and be used for separate situations, especially with uncertainty due to COVID-19. Mr. Biesemeyer stated that it seemed somewhat unnecessary to have four funds to manage.

Mr. Setovich asked if there was any concern from the Board with strategy or methodology on how the funds are retained and suggested discussing the consolidation on some funds. Mr. Knudson said with the current pandemic situation, Chandler is looking for all cost saving methods and would like to use the funds towards future uncertainties. Mr. Setovich agreed
that with the uncertainty, he suggested looking at the benefits of either asking for a refund to use the money as each city sees fit or strategize to use the money to stabilize future AMWUA rates.

Mr. Biesemeyer stated that he supports the Office Stabilization Fund but would rather use the unspent FY savings towards city needs to reduce any burden in the current crisis.

Mr. Setovich stated that after reviewing the totals in each fund, he believes that AMWUA is in a financially good place with all contingencies and reserves.

Ms. Blackmore stated that Avondale would prefer to not get a check back, but rather receive a credit towards future dues. Mr. Tenney stated that from previous discussions, the Management Board has preferred to receive the credit towards the next year fiscal year.

Ms. Peters also agreed with receiving a credit rather than a refund towards future dues but wanted to clarify on the fiscal year. She stated that it should not be towards a fiscal year that has already been paid or about to pay. Mr. Tenney clarified that the credit would be towards FY 2021 though most cities have already approved their budgets for FY 2021, which includes the AMWUA membership dues.

Mr. Biesemeyer explained Scottsdale’s budget and how it would look to receive the credit towards FY 2021. Ms. Blackmore stated that it would be similar for Avondale and that it would show up as a savings in FY 2021. Mr. Setovich stated that Goodyear has a tentatively approved budget and that it would be easier to deal with a savings than an additional future cost. Mr. West agreed that Mesa would prefer a credit so that they can apply it to its operational fund. Mr. Setovich clarified that the cities would be looking for a credit for FY 2021. Mr. Tenney stated the budget would then be amended to a carryover which then would reduce the dues for FY 2021.

Upon a motion made by Mr. Biesemeyer and a second by Ms. Marlow, the AMWUA Management Board unanimously approved to recommend using the unspent money from FY 2020 as a carryover for the FY 2021 budget and to recommend the adoption of the policy to establish an Office Lease Stabilization Fund as presented to the Board.

7. **AMWUA Fiscal Year 2021 Draft Budget**

Mr. Tenney briefly reviewed the AMWUA FY 2021 draft budget reporting that there have been no changes made to the budget since the prior month, but that the budget would be adjusted with the previous motion to include the carryover. He then recommended that the AMWUA Management Board recommend the adoption of the FY 2021 draft budget to the AMWUA Board of Directors.

Upon a motion made by Ms. Peters and a second by Mr. West, the AMWUA Management Board unanimously approved to recommend to the AMWUA Board of Directors the adoption of the AMWUA Fiscal Year 2021 draft budget.
3. **Update on the Governor’s Water Council and ADWR Management Plans**

Mr. Tenney gave an update regarding the Governor’s Water Augmentation Innovation & Conservation Council and the Management Plans. He reported that ADWR is working to develop the 5th Management Plan (5MP), which by statute requires each AMA to have a plan that oversees the work on how to improve groundwater management from 2020 to 2025. The significance of the 5MP is that it remains in place for how ADWR manages the AMAs beyond 2025 since the statutes are silent about what happens after 2025. He stated that the Governor’s Water Council has a committee looking at addressing issues and the structure for managing groundwater post 2025. ADWR has held various meetings on different aspects of the 5MP but there is no significant progress or development to report. Mr. Tenney explained that AMWUA is planning to work with the WRAG and the Conservation Advisory Group to step back and look at what objectives there are to gain from the 5MP since ADWR has been seeking input from stakeholders. He stated that this is a great opportunity to work with ADWR on what would be beneficial for overall water management in the 5MP. The Conservation Group has already begun to look at the Best Management Practices that are part of what is called the non per capita conservation program.

Mr. Tenney stated that the Governor’s Water Council has a committee looking at how to manage the AMAs after 2025. He reported that Tim Thomure of Tucson Water and himself both co-chair the Post 2025 AMAs Committee with an approach to first agree on what challenges are facing the AMAs and then develop solutions. Mr. Tenney reviewed three issues discussed at the Committee’s February meeting including unreplenished groundwater withdrawal, exempt wells and hydrologic disconnect between recharge & recovery. Mr. Tenney explained that the issue briefs were distributed to the Committee Members and AMWUA received their feedback and comments. AMWUA took the lead with drafting the issue briefs and then working with ADWR. Mr. Tenney appreciated the efforts made by Ms. Fox and Mr. Adams in describing complex issues in a succinct, straightforward, informative manner without having to explain every detail of the entire Groundwater Management Act.

Mr. Tenney summarized the three issues as it pertained to the draft issue briefs. He reported that a second draft or version of the three issue briefs was made based on incorporating comments received from Committee members regarding the first drafts. He stated that the second draft was shared with Committee members and that they reviewed the issue briefs to be finalized at the first remote meeting for the Post 2025 AMAs Committee.

Mr. Tenney stated that taking the lead on the Post 2025 issues is a big undertaking for AMWUA but that it is consistent with the annual plan and has major opportunities as well as potential implications for AMWUA.

4. **Safe-Yield Analysis**

Mr. Tenney explained that as part of developing the 5th Management Plan, ADWR has held meetings to explain how they calculate safe-yield, which is the goal for three of the AMAs. AMWUA believed it would be beneficial to produce an analysis about how ADWR calculates...
safe-yield and how safe-yield has functioned as the goal. He stated that the objective with the analysis is to increase AMWUA’s understanding about safe-yield and also contribute the current dialogue initiated by ADWR so that AMWUA can work with ADWR and the water community to improve upon its management goal. Mr. Tenney introduced Ms. Fox to give a presentation on safe-yield.

Ms. Fox gave a presentation of AMWUA’s summary of its objectives and main findings from an analysis of safe-yield, specifically focusing on the Phoenix AMA. She began by giving background context on what AMWUA is currently doing with ADWR’s 5MP and GWAICC’s Post 2025 AMAs Committee. She explained what safe-yield is according to the management goal of the Phoenix AMA which is set by statute to be achieved by January 1, 2025.

Ms. Fox stated that AMWUA’s analysis had four main objectives to provide context on the issues surrounding the AMA’s management goals by: reviewing evolution and implementation, better understanding ADWR’s water budget accounting approach, evaluating progress toward the goal in the Phoenix AMA, and identifying issues with achieving safe-yield by 2025 and thereafter. She reviewed the current status of the Phoenix AMA and how it has not met the long-term balance called for by safe-yield and has been in a state of overdraft since 2010. After reviewing the Phoenix AMA numbers and ADWR’s safe-yield tracking, Ms. Fox explained how the analysis gave an opportunity to further evaluate progress towards the goal and identify major impediments that could hinder reaching the goal by 2025 or thereafter. The analysis does conclude that there are several barriers to potentially reaching the goal which include issues of implementation and measurement, too little recharge & replenishment compared to withdrawals, and too many elements of safe-yield remaining of the state’s regulatory control. There are still other groundwater management issues that the current goal for safe-yield does not capture. The next steps for AMWUA is to work with the Water Resources Advisory Group to reflect on how the AMA management goal could better lead to reductions in groundwater reliance, to continue participation in ongoing, state-led processes, and develop policy proposals addressing current methodology, solutions for groundwater management issues and future AMA management goals.

Mr. Setovich asked about municipalities’ groundwater use and the areas that make a significant impact in balancing use of water. Ms. Fox stated that the overall balance of agriculture is a huge source and explained the impact of agriculture’s groundwater use. Mr. Setovich suggested that the focus should be on areas that make a difference rather than on areas that can be controlled.

Mr. Tenney stated that when ADWR calculates safe-yield, the recharge that is done is not factored in with the calculation. Ms. Fox stated that when municipalities or water users earn a long-term storage credit from storing water underground, that is not included in the calculation in safe-yield and that water is then deemed surface water. Ms. Fox and Mr. Setovich discussed how water is measured between what is pumped and recharged.

Mr. Knudson stated that the physical disconnect between recharge and storage credits and safe-yield both point to a regional issue that AMWUA has and encouraged each city and service area to internalize the issue and attempt to solve the issues within each service area.
He discussed Chandler’s own efforts to create solutions and how the goal is to innovatively recharge locally rather than wait for a regional solution and eliminate or reduce exempt wells.

Mr. Tenney appreciated the discussion and Ms. Fox’s work on the analysis. He stated that AMWUA will provide the analysis to the Management Board. He encouraged them to reach out with questions or concerns to further move along the discussion.

5. Development of Conservation Awareness Campaign

Mr. Tenney stated AMWUA would like to increase awareness about why conservation matters and what each city is doing with conservation efforts. He introduced Ms. Trapp to give a presentation on AMWUA’s development of its Conservation Awareness Campaign.

Ms. Trapp gave a presentation explaining the importance of an awareness campaign and how AMWUA is focusing on why conservation matters by increasing the level of engagement, education, and inspiring water users to take action. AMWUA will provide the information necessary to make its target audience more water literate and educate them on what it means to be good stewards which will then better motivate them to act and play their part. AMWUA’s target audience includes elected officials, residents, and business/industries. Everyone plays a role but AMWUA has identified that elected officials has become a primary and essential target for water management policies and laws. Ms. Trapp explained how AMWUA will engage, educate and inspire action with each of the three target audiences.

Ms. Trapp explained how AMWUA will strategize, plan and execute the campaign with an established timeline that will include a detailed outline, a developed core message and continued collaboration with city staff and regional partners. Ms. Trapp asked for feedback from the AMWUA Management Board with a blueprint review.

Mr. Setovich appreciated Ms. Trapp’s presentation and stressed that awareness is essential and that Goodyear is working to also create awareness on the importance of water. He asked about the influential groups within the elected official and decision makers. Ms. Trapp added that AMWUA’s campaign is meant to support what the cities are already doing.

Mr. Biesemeyer stated that the elected officials rely on the residents for feedback and stated concern that they should not be the only focus. Ms. Trapp stated that AMWUA will continue to approach all three target audiences but that AMWUA is going to enhance the focus for elected officials and getting their support. Ms. Marlow agreed that AMWUA needs the support of elected officials.

Ms. Peters appreciated AMWUA’s efforts and stated that there’s always more that AMWUA and the cities can do.

C. Member Reports

Mr. Setovich stated that Goodyear is working to make meetings more conducive to the COVID-19 situation and making interacting remotely more versatile. He asked about AMWUA’s future
meetings and if the Board room will be more interactive. Mr. Tenney explained that there will be a slight expansion to the boardroom and that AMWUA is working to learn more on how to facilitate a hybrid meeting to remotely and physically meet, recognizing the benefits of both.

Mr. Knudson stated that Chandler has struggled with the changes that have resulted from COVID-19 but that most employees are back to work. They have had 7 COVID positive workers and have had to learn how to manage with the changes.

Mr. West stated that Mesa is slowly having facilities employees return to work and agreed that having remote meetings would be more beneficial.

Ms. Marlow stated that Gilbert has reopened many municipal facilities and about 25% of staff has returned to work but that there are still employee rotations with phases planned but that they are still waiting to see how things progress with potential exposures.

Ms. Peters appreciated Ms. Campbell’s efforts to develop the Central Arizona Water Clearing House, a platform for water managers to communicate with one another in order to discuss partnerships and demand. This effort just received a $200,000 grant to further develop the concept.

D. Executive Director’s Report

Mr. Tenney reported that the Water Resources Research Center will hold its annual conference remotely on June 18th and 19th, with over 500 people currently registered. He stated that the theme would be “Water at the Crossroads: The Next 40 Years” with a focus on the 40th anniversary of the Groundwater Management Act. AMWUA is the platinum sponsor for the conference and Former Governor Bruce Babbitt and Reclamation Commissioner Brenda Burman will be the two keynote speakers with a number of panels and presentations.

Mr. Tenney reported that AMWUA is continuing to do all its work remotely and anticipates continuing through the summer until there is further direction on having meetings of more than 10 people. He appreciated the AMWUA team for being productive and keeping up with various projects and efforts that are in the annual plan. He reported that AMWUA will continue to facilitate, educate, collaborate and advocate for our members.

E. Future Agenda Items

No future agenda items were identified.

F. Adjournment

Upon unanimous approval, Mr. Setovich adjourned the meeting at 11:37 a.m.
Water Loss Control Training & Technical Assistance Program

ANNUAL PLAN REFERENCE

Water Loss Control Training
Facilitate and administer the water loss control training and technical assistance program to benefit our members efforts to enhance distribution system water loss control and revenue recovery.

Strategic Plan: Objectives – Prepare for Impacts of Drought & Shortage, Augment Supplies, Interconnect Disciplines

SUMMARY

On January 30, 2020 the AMWUA Board of Directors authorized implementation of the AMWUA Water Loss Control Training and Technical Assistance Program. Since that time, AMWUA municipalities have had the opportunity to attend regular trainings and to receive in-depth, tailored technical assistance on the subject of water loss control from the Southwest Environmental Finance Center (SW EFC).

Stage 1 of the Program is drawing to a close. AMWUA staff and the SW EFC will provide an update to the Management Board on current progress and next steps of the Program.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions and discuss the status of the water loss control training and technical assistance program.
5th Management Plan and the Non-Per Capita Conservation Program

ANNUAL PLAN REFERENCE

Demand Management & Efficiency
Continue to excel as a leader in water conservation by assisting our members to strategize demand management and to raise awareness about ongoing conservation efforts in order to enhance water resource supply sustainability.

- Engage in efforts to pursue demand management best practices and policies in the 4th and 5th Management Plans, Post 2025 Committee, and with commercial, industrial and institution efficiencies.


SUMMARY

The Arizona Department of Water Resources (ADWR) is developing the 5th Management Plan for the Active Management Areas, which outlines regulatory requirements from conservation to underground storage. ADWR has initiated a 5th Management Plan Work Group to solicit stakeholder input as ADWR develops the Plan. ADWR has also established agricultural, industrial and municipal subgroups to look at sector specific issues.

In the Municipal Subgroup, ADWR has been looking at how to improve the Non-Per Capita Conservation Program (NPCCP). Large municipal water providers must comply with either the NPCCP or the Total Gallons Per Capita per Day (GPCD) Program, which are both regulated by ADWR. The Total GPCD Program sets a target GPCD that a large provider may not exceed. This target is recalculated each year based on a number of factors. The NPCCP requires providers to choose and implement a number of Best Management Practices (BMPs) based upon the size of the utility. The provider is able to select which BMPs it implements from a list that ADWR publishes, which takes into account stakeholder feedback as well as industry-wide accepted practices that best reduce water consumption and/or increase water use efficiency.
In response to ADWR’s request for proposals, AMWUA developed a proposal to restructure the NPCCP. This included working with the Conservation & Efficiency Advisory Group (CEAG). We see this as an opportunity for the State as well as AMWUA to continue to excel in water conservation. It is also an opportunity for AMWUA to effect greater change through policy by providing a specific proposal for how ADWR regulates municipal water providers. AMWUA staff presented the proposal at the July 28th 5th Management Plan Municipal Subgroup meeting.

AMWUA staff will present further information about the development of the 5th Management Plan and specifically about the NPCCP proposal.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions and discuss the development of the 5th Management Plan and the proposal to restructure the Non-Per Capita Conservation Program.
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 in the middle of its year-long 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 still on schedule despite having to adjust meetings due to the COVID-19 situation. The CAWCD Board has held two retreats (February and June) to develop the strategic plan plus there have been two forums held (March and July) to solicit input from stakeholders. The CAWCD Board is scheduled to hold a retreat September 2nd to further work on the strategic plan. The strategic plan will then be formally presented and discussed at the November CAWCD Board meeting with it more likely being approved at the December meeting.

The CAWCD Board has initially identified eight key result areas to guide the development of the new strategic plan (see attachment). These key result areas are Water Supply, Project Reliability, Power, Finance, Public Trust & Partnerships & Leadership, Stewardship & Sustainability, Groundwater Replenishment, and Workforce.
AMWUA has been following the CAWCD Board Strategic Planning effort since the new strategic plan will have a direct implication for CAWCD’s relationship with its municipal subcontractors.

**RECOMMENDATION**

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

**ATTACHMENT**

- Draft CAWCD Strategic Planning Framework
VISION

The Central Arizona Project serves as a collaborative leader and innovative partner in sustainable management and reliable delivery of water for Central Arizona.

KEY RESULTS AREAS (KRA)

KRA: Water Supply
Ensuring reliable and sufficient water supply for Central Arizona in the short- and long-term

Strategic Issues:
- Protect Lake Mead - Address declining levels in Lake Mead from drought and overallocation
- Develop plans and relationships to maintain a healthy Colorado River
- Collaborate in development of new water supplies

KRA: Project Reliability
Managing CAP’s physical and technology infrastructure effectively to ensure operational continuity

Strategic Issues:
- Continue to implement CAP’s best-in-class asset management program to ensure long-term infrastructure viability
- Maintain the security and efficiency of information technology systems and evaluate relevant emerging technologies
- Develop focused plans to support business continuity

KRA: Power
Building a stable, diversified, and reliable energy portfolio

Strategic Issues:
- Manage the impacts of the dynamic energy market on CAP power acquisitions
- Actively engage in the transmission market to ensure energy resources are delivered to CAP electrical loads
- Increase awareness of developments in energy efficiency and renewable resources, including storage
- Explore opportunities to minimize CAP’s carbon footprint

KRA: Finance
Maintaining long-term financial strength to achieve CAP’s goals and being prepared to address opportunities or challenges

Strategic Issues:
- Generate sufficient revenue to repay the federal government
- Manage capital and O&M budgets, debt, revenues, rates, and reserves effectively and transparently
- Solicit and incorporate input from customers and stakeholders on rate setting, capital charges, and taxes
- Develop risk management practices to minimize financial exposure
**KRA: Public Trust, Partnerships, and Leadership**
Earning and preserving public trust, building and maintaining partnerships, and providing informed water management leadership

**Strategic Issues:**
- Continue to seek feedback and identify opportunities to improve customer service
- Increase awareness of CAP and engage the general public around CAP’s role in Arizona’s water
- Recognize competing needs among customers and stakeholders and developing a framework for feedback
- Continue active Board engagement with the public, customers, and stakeholders

**KRA: Stewardship and Sustainability**
Being recognized as conservation leaders and responsible, collaborative stewards of the Colorado River

**Strategic Issues:**
- Develop plans for climate change adaptation and mitigation to address climate-related impacts
- Explore opportunities to improve the water environment within CAP’s jurisdiction and through partnerships with others
- Continue to support the Multi-Species Conservation Plan (MSCP) and explore future opportunities related to species and habitat conservation
- Study the environmental impacts of moving non-Project water

**KRA: Groundwater Replenishment**
Fulfilling CAP’s groundwater replenishment responsibilities

**Strategic Issues:**
- Obtain sufficient supplies to meet CAP’s statutory replenishment obligation
- Participate actively in dialogues regarding the long-term role of CAGRD
- Evaluate the hydrologic relationship between member pumping and CAGRD replenishment
- Ensure continued responsible management, reasonable pricing, and financial viability of the CAGRD
- Continue public outreach and education regarding water conservation and groundwater replenishment

**KRA: Workforce**
Being a premier employer that attracts and retains a capable and diverse workforce

**Strategic Issues:**
- Develop far-reaching recruitment strategies to best support CAP’s hiring needs
- Develop programs to support building a diverse and representative workforce, including programs to attract qualified Tribal employees
- Engage in agile and innovative opportunities to enhance CAP’s workforce
- Evaluate the CAP’s workforce climate and engagement and act upon identified areas needing improvement
- Review and, as necessary, update policies and procedures to protect CAP employees
Landscaping with Style Website

ANNUAL PLAN REFERENCE

Demand Management & Efficiency
Continue to excel as a leader in water conservation by assisting our members to strategize demand management and to raise awareness about ongoing conservation efforts in order to enhance water resource supply sustainability.

- Sustain AMWUA’s resource materials including publications and websites that are utilized by our members.
- Expand promotion and visibility of existing and new AMWUA and member materials and programs along with the overall messaging about our water conservation efforts.


SUMMARY

AMWUA’s website houses multiple conservation subsites that were built from AMWUA’s popular landscaping publications. Since the AMWUA website was updated in 2017, we have been working to update these subsites to match the branding of the current site. The final phase was revamping Xeriscape: Landscaping with Style in the Arizona Desert. This project was completed this month and we would like to show it to the Management Board.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions and discuss the new Landscaping with Style website.
AMWUA Quarterly Financial Statements – Fourth Quarter

STRATEGIC PLAN REFERENCE

Operational Principles – Manage an Efficient and Effective Association

SUMMARY

The AMWUA Statement of Revenues and Expenses for the period July 1, 2019 through June 30, 2020, and the Statement of Net Position dated June 30, 2020 are presented for your information. The Statement of Revenues and Expenses show that AMWUA has operated within the resources provided and completed the fiscal year $141,533 under budget through June 30, 2020.

The primary savings to the budget is due to the personnel related line items from reduced headcount early in the fiscal year, accounting for almost $99,500 of the positive variance, and $22,000 in savings due to general reduction in spending, especially in travel and meals/meetings due to COVID-19. For accounting purposes, the statement shows the Water Loss Control Training Program is credited for $20,000 in savings; however, with this program funded by ADWR and then paid to the consultant, the Water Loss Control Training Program is budgetarily neutral. Therefore, the fiscal year ended with an available $121,533 under budget, which is the amount of the carryover to the Fiscal Year 2021 budget to reduce membership assessments.

The Statement of Net Position shows that AMWUA is in a good cash position and reflects the Local Government Investment Pool (LGIP) Account balance of approximately $851,140 that comprises the total of the Contingency and Reserve funds. The LGIP balance increases slightly from year to year due to interest earned.

RECOMMENDATION

Staff proposes that the AMWUA Management Board recommend that the AMWUA Board of Directors accept the quarterly financial statements as presented.

ATTACHMENTS

- Attachment A – Statement of Revenues and Expenses
- Attachment B – Statement of Net Position
# ARIZONA MUNICIPAL WATER USERS ASSOCIATION

## Statement of Revenues and Expenses

*(Actual to Budget Comparison)*

For Period July 1, 2019 through June 30, 2020

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<td>1,466,855.00</td>
<td>124,222.75</td>
<td>1,466,853.00</td>
</tr>
</tbody>
</table>

## Operating Expenses

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Year-To-Date</th>
<th>Over(Under)</th>
<th>Approved</th>
<th>Over(Under)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll (Salaries)</td>
<td>617,819.79</td>
<td>686,734.00</td>
<td>(68,914.21)</td>
<td>686,734.00</td>
</tr>
<tr>
<td>Deferred Compensation (ASRS Payments)</td>
<td>70,976.89</td>
<td>84,319.00</td>
<td>(13,342.11)</td>
<td>84,319.00</td>
</tr>
<tr>
<td>Payroll Processing, Taxes and Insurance</td>
<td>55,700.70</td>
<td>61,000.00</td>
<td>(5,300.30)</td>
<td>61,000.00</td>
</tr>
<tr>
<td>Medical and Disability Insurance</td>
<td>86,123.23</td>
<td>87,000.00</td>
<td>(876.77)</td>
<td>87,000.00</td>
</tr>
<tr>
<td>Cell Phone Allowance</td>
<td>5,980.00</td>
<td>6,700.00</td>
<td>(720.00)</td>
<td>6,700.00</td>
</tr>
<tr>
<td>Temporary Services/Recessional</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Legal/Consulting Services (Farris Contract)</td>
<td>60,000.00</td>
<td>60,000.00</td>
<td>0.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Legislative Services (Aarons Company-Contract)</td>
<td>47,496.96</td>
<td>47,500.00</td>
<td>(0.04)</td>
<td>47,500.00</td>
</tr>
<tr>
<td>Audit - Water</td>
<td>15,000.00</td>
<td>9,300.00</td>
<td>5,700.00</td>
<td>9,300.00</td>
</tr>
<tr>
<td>Audit - Wastewater</td>
<td>15,000.00</td>
<td>21,700.00</td>
<td>(6,700.00)</td>
<td>21,700.00</td>
</tr>
<tr>
<td>Website Services</td>
<td>0.00</td>
<td>5,000.00</td>
<td>(5,000.00)</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Communication Services (Kossan Contract)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Consultant/Finance/Accounting</td>
<td>32,000.04</td>
<td>32,000.00</td>
<td>0.04</td>
<td>32,000.00</td>
</tr>
<tr>
<td>Audio/Visual Development</td>
<td>0.00</td>
<td>2,000.00</td>
<td>(2,000.00)</td>
<td>2,000.00</td>
</tr>
<tr>
<td>IT Services</td>
<td>4,800.00</td>
<td>5,000.00</td>
<td>(200.00)</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Office Space - Lease</td>
<td>177,332.14</td>
<td>179,000.00</td>
<td>(1,667.86)</td>
<td>179,000.00</td>
</tr>
<tr>
<td>Common Area Maintenance</td>
<td>9,725.94</td>
<td>9,650.00</td>
<td>75.94</td>
<td>9,650.00</td>
</tr>
<tr>
<td>Telephone</td>
<td>5,404.35</td>
<td>4,800.00</td>
<td>604.35</td>
<td>4,800.00</td>
</tr>
<tr>
<td>E-Mail/Webpage/Internet</td>
<td>3,243.89</td>
<td>6,000.00</td>
<td>(2,756.11)</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Travel/Conferences</td>
<td>855.56</td>
<td>9,000.00</td>
<td>(8,144.44)</td>
<td>9,000.00</td>
</tr>
<tr>
<td>Mileage Reimbursement</td>
<td>2,873.93</td>
<td>3,250.00</td>
<td>(376.07)</td>
<td>3,250.00</td>
</tr>
<tr>
<td>Continuing/Professional Ed</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Staff Development</td>
<td>2,149.31</td>
<td>1,000.00</td>
<td>1,149.31</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Copy Machine - Lease</td>
<td>4,697.81</td>
<td>5,200.00</td>
<td>(502.19)</td>
<td>5,200.00</td>
</tr>
<tr>
<td>Computer Hardware/Software</td>
<td>6,615.88</td>
<td>5,750.00</td>
<td>865.88</td>
<td>5,750.00</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>12,028.14</td>
<td>6,500.00</td>
<td>5,528.14</td>
<td>6,500.00</td>
</tr>
<tr>
<td>Meetings</td>
<td>2,961.04</td>
<td>5,000.00</td>
<td>(2,038.96)</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Outreach Efforts</td>
<td>8,665.00</td>
<td>10,000.00</td>
<td>(1,335.00)</td>
<td>10,000.00</td>
</tr>
<tr>
<td>Printing</td>
<td>1,866.31</td>
<td>2,300.00</td>
<td>(433.69)</td>
<td>2,300.00</td>
</tr>
<tr>
<td>Postage &amp; Deliveries</td>
<td>1,763.96</td>
<td>2,000.00</td>
<td>(236.04)</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Subscription &amp; Reference</td>
<td>2,618.03</td>
<td>1,300.00</td>
<td>1,318.03</td>
<td>1,300.00</td>
</tr>
<tr>
<td>Dues &amp; Members</td>
<td>836.15</td>
<td>1,750.00</td>
<td>(914.85)</td>
<td>1,750.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,765.86</td>
<td>4,100.00</td>
<td>(1,334.14)</td>
<td>4,100.00</td>
</tr>
<tr>
<td>Equipment Maintenance</td>
<td>75.00</td>
<td>2,000.00</td>
<td>(1,925.00)</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Water Loss Control Program</td>
<td>40,000.00</td>
<td>0.00</td>
<td>40,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Water Conservation</td>
<td>152,095.46</td>
<td>90,000.00</td>
<td>62,095.46</td>
<td>90,000.00</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>1,449,544.37</td>
<td>1,466,853.00</td>
<td>(17,308.63)</td>
<td>1,466,853.00</td>
</tr>
</tbody>
</table>

Reserve and Contingency Funds Summary:

- Contingency Fund Balance on 03/31/20: $900,000
- Reserve Fund Balance on 03/31/20: $251,140
- Total Contingency and Reserve Funds: $1,151,140
## ASSETS

### Current Assets

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 Petty Cash</td>
<td>484.78</td>
</tr>
<tr>
<td>1015 Compass Checking 25 287 52333</td>
<td>16,902.95</td>
</tr>
<tr>
<td>1025 Compass Money Market 25 100 20769</td>
<td>233,393.45</td>
</tr>
<tr>
<td>1030 Investment Account (LGIP)</td>
<td>851,140.33</td>
</tr>
<tr>
<td><strong>Total Bank Accounts</strong></td>
<td><strong>$ 1,101,921.51</strong></td>
</tr>
</tbody>
</table>

### Accounts Receivable

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1041 Other Receivables</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td><strong>$ -</strong></td>
</tr>
</tbody>
</table>

### Other Current Assets

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1050 Prepaid Expenses</td>
<td>18,669.75</td>
</tr>
<tr>
<td><strong>Total Other Current Assets</strong></td>
<td><strong>$ 18,669.75</strong></td>
</tr>
</tbody>
</table>

| **Total Current Assets**                          | **$ 1,120,591.26** |

### Fixed Assets

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100 Furniture &amp; Equipment</td>
<td>181,344.29</td>
</tr>
<tr>
<td>1150 Leasehold Improvements</td>
<td>52,665.08</td>
</tr>
<tr>
<td>1200 Accum Depreciation Furniture</td>
<td>-165,662.80</td>
</tr>
<tr>
<td>1250 Accum Depreciation Leasehold</td>
<td>-51,416.82</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td><strong>$ 16,929.75</strong></td>
</tr>
</tbody>
</table>

### Other Assets

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1450 Deferred Outflow - Pension Resources</td>
<td>179,980.23</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td><strong>$ 179,980.23</strong></td>
</tr>
</tbody>
</table>

| **TOTAL ASSETS**                                  | **$ 1,317,501.24** |
# Arizona Municipal Water Users Association

## Statement of Net Position

### As of June 30, 2020

### LIABILITIES AND EQUITY

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Credit Cards</strong></td>
<td></td>
</tr>
<tr>
<td>2005 BBVA Compass Credit Card</td>
<td>$8,223.34</td>
</tr>
<tr>
<td>Total Credit Cards</td>
<td>$8,223.34</td>
</tr>
<tr>
<td><strong>Other Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>2010 FICA Withheld and Accrued</td>
<td></td>
</tr>
<tr>
<td>2050 Accrued Expenses</td>
<td>$121,959.37</td>
</tr>
<tr>
<td>2110 Retirees Excess Benefit Clearance</td>
<td>$3,178.00</td>
</tr>
<tr>
<td>Total Other Current Liabilities</td>
<td>$125,137.37</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>$133,360.71</td>
</tr>
<tr>
<td><strong>Long-Term Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>2200 Deferred Revenues</td>
<td>$31,138.78</td>
</tr>
<tr>
<td>2210 Net Pension Liability</td>
<td>$874,444.00</td>
</tr>
<tr>
<td>2220 Deferred Inflow-Pension Resources</td>
<td>$108,801.00</td>
</tr>
<tr>
<td>Total Long-Term Liabilities</td>
<td>$1,014,383.78</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$1,147,744.49</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
</tr>
<tr>
<td>3000 Fund Balance</td>
<td>$28,223.33</td>
</tr>
<tr>
<td>Opening Balance Equity</td>
<td>$0.00</td>
</tr>
<tr>
<td>Net Income</td>
<td>$141,533.42</td>
</tr>
<tr>
<td>Total Equity</td>
<td>$169,756.75</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,317,501.24</td>
</tr>
</tbody>
</table>