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

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
BOARD OF DIRECTORS

MEETING NOTICE AND AGENDA

Thursday, August 27, 2020 – 11:00 a.m.

This meeting will be held via AMWUA Zoom
Access this [link] to join. Meeting ID: 882 9914 8490
(Optional to join by phone: 1-346-248-7799, same Meeting ID as above)

A. Call to Order

B. General Business—Items for Discussion and Possible Action
   1. Approval of the Minutes from the June 25, 2020 Meeting
   2. Schedule Next Meeting Date: Thursday, September 24, 2020, 11:00 a.m.
   3. Legislative Outreach
   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. Executive Director’s Report

D. Future Agenda Items

E. Adjournment

*The order of the agenda may be altered or changed by the AMWUA Board of Directors. Members of the AMWUA Board of Directors will attend by internet conferencing.

More information about AMWUA public meetings is available online at [www.amwua.org/what-we-do/public-meetings](http://www.amwua.org/what-we-do/public-meetings), or by request.
VOTING MEMBERS PRESENT

Mayor Cathy Carlat, Peoria, President
Vice Mayor Scott Anderson, Gilbert
Vice Mayor Lauren Kuby, Tempe
Mayor Jim Lane, Scottsdale
Councilmember Sheri Lauritano, Goodyear
Vice Mayor René Lopez, Chandler
Councilmember Kevin Thompson, Mesa
Councilmember Bart Turner, Glendale
Councilwoman Thelda Williams, Phoenix

VOTING MEMBERS NOT PRESENT

Councilmember Curtis Nielson, Avondale

OTHERS PRESENT

Patrick J. Adams, AMWUA
Barry Aarons, The Aarons Co.
Alexis Apodaca, Chandler
Amy Arguizé, Gilbert
Michelle Barclay, AMWUA
Anna Bartholomew, SRP
Anthony Beckham, SRP
Cindy Blackmore, Avondale
Rob Bohr, Goodyear
Eric Braun, Gilbert
Gregg Capps, Chandler
Ginna Carico, Goodyear
Miranda DeWitt, Mesa
Sam Draper, AMWUA
Paulette Fenderson, Phoenix
Kathy Ferris, AMWUA
Jessica Fox, AMWUA
Doreen Garlid, Tempe
Ian Linssen, Mesa
Terry Piekarz, Tempe
Diana Pina, AMWUA
Cape Powers, Peoria
Sarah Saenz, AMWUA
Javier Setovich, Goodyear
Warren Tenney, AMWUA
Sheri Trapp, AMWUA
Tammi Watson, CAP
Emily Webb, Avondale
Marge Zylla, Tempe

A. Call to Order

Mayor Carlat called the meeting to order at 11:02 a.m.

B. General Business – Items for Discussion and Possible Action
1. Approval of the Minutes from the May 28, 2020 Meeting

Upon a motion by Councilwoman Williams and a second by Councilmember Turner, the AMWUA Board of Directors unanimously approved the May 28, 2020 meeting minutes.

2. Next meeting scheduled: Thursday, August 27, 2020, 11:00 a.m.

3. Safe-Yield Analysis

Mr. Tenney stated 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 to 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 objectives and main findings from an analysis of safe-yield, specifically focusing on the Phoenix AMA. She began by giving background context on how AMWUA is currently involved with ADWR’s 5MP and GWAICCC’s Post 2025 AMAs Committee. She explained what safe-yield is according to the management goal of the Phoenix AMA, which by statute is 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 AMAs management goals by reviewing its evolution and implementation, to better understand ADWR’s water budget accounting approach, to evaluate progress toward the goal in the Phoenix AMA, and to identify 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 and replenishment compared to withdrawals, and too many elements of safe-yield remaining out of the state’s regulatory control. There are other groundwater management issues that the current goal of safe-yield does not capture. The next steps for AMWUA are 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 to develop policy proposals addressing the current methodology and solutions for groundwater management issues and future AMA management goals.

Mayor Carlat asked about the high water users exempted from helping to reach safe-yield and if they are grandfathered in, will there ultimately be less and less exempt users. Ms. Fox stated that the volume of the grandfathered rights is large and although some conservation programs
apply to their water use, it is still unsure if those efforts will be enough and there are not enough requirements to recharge or replenish that would ever balance out the volume of those grandfathered rights.

Councilmember Turner asked about high water users that have been grandfathered in and if they are transitioning away from groundwater before it gets depleted or if the demand on groundwater will decrease. Ms. Fox stated that the efforts that the state has made to provide temporary renewable water supplies has been helpful when they’re available but there is a concern that without restrictions on long-standing groundwater rights, there isn’t a limit on those users and groundwater could be depleted.

Councilmember Turner asked if the water reduction and conservation techniques that agriculture has been employing could make a difference. Ms. Fox stated that some conservation requirements on agriculture are increasing the efficiency of agricultural water use but not necessarily reducing the volume of use.

Councilmember Turner stated that safe-yield does not translate the message correctly and suggested changing the name to reflect it as a sustainability issue rather than a safety issue.

Vice Mayor Lopez stated that when agriculture increases their irrigation efficiency, for example by moving away from flood irrigation, it should result in an increase in water savings, so he would like some validation that those efforts are not resulting in a large groundwater savings. Vice Mayor Lopez stated that despite the existing grandfathered users, we need to look at where we can move the needle to get closer to safe-yield, so he looks forward to the continued discussion to identify the impediments and also find the solutions.

Mayor Carlat asked if the exemptions stay with the land or if they convert if the land use converts. Ms. Fox stated that some grandfathered rights are tied to the land and others are not because there are different types of rights. She stated that as part of the Post 2025 Committee, the issue brief on unreplenished groundwater withdrawals provides more detail on the different water rights and exemptions.

4. 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 focused 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 also 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 Board of Directors with a blueprint review.

Vice Mayor Lopez suggested using older advertisements to show how far we have come in water conservation. Ms. Trapp agreed that past efforts have been effective and are very important and AMWUA has identified those and will continue to utilize them.

5. **Office Lease Stabilization Fund Policy**

Mr. Tenney reported that AMWUA staff is proposing the creation of an Office Lease Stabilization Fund in order to offset the impact of the rent increases under the 10-year lease amendment for AMWUA’s current office space that the AMWUA Board approved at the February meeting. Under the lease amendment that begins April 1, 2021, AMWUA’s rent will increase each fiscal year, by $0.50 per square foot. Mr. Tenney reported that for the remaining three months of Fiscal Year 2021 and the first three months of Fiscal Year 2022, AMWUA will receive six months of free rent. AMWUA is proposing that the monies associated with those six months of free rent be used to create a reserve to help smooth the increased rent each year thereafter. AMWUA would still budget for the rent during those six months and set it aside in the Office Lease Stabilization Fund. Beginning with Fiscal Year 2022 and continuing until all monies in the fund have been expended, the fund will be used annually to offset the office space line item in future budgets. The Management Board recommended approval of the policy to establish the Office Lease Stabilization Fund.

Vice Mayor Lopez asked about the $0.50 per square feet total and what it equates to as a percentage and about the 10-year lease and if there was the possibility for an early termination. Mr. Tenney stated that there are 8,059 square feet and that there is an early termination option at 7 years in the lease agreement.

Councilmember Turner asked if there was the possibility of a different model that doesn’t require all of the office space because of the pandemic situation. Mr. Tenney stated that AMWUA believes that having the space is important and will be utilized in the future. There is much value with meeting in person.

Upon a motion by Vice Mayor Anderson and a second by Councilmember Thompson, the AMWUA Board of Directors unanimously approved the recommendation for adoption of the policy to establish the Office Lease Stabilization Fund.

6. **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 a sizable carryover of unspent funds from the FY 2020 budget. The Management Board discussed these unspent funds at its June 10th meeting and recommended that they be used as a carryover in the FY 2021 budget to further reduce the total assessment to members possibly an additional eight percent. Mr. Tenney stated that AMWUA will send out the assessments for membership dues a few weeks later than usual after the exact amount has been calculated for the carryover. Mr. Tenney reported that the Management Board recommended the adoption of the AMWUA budget for FY 2021 as presented.

Vice Mayor Lopez asked about a traveling expense reduction and if it was already included into the FY 2021 budget. Mr. Tenney stated that the funds for travel expense were kept the same and that the carryover will reduce the membership dues assessment for FY 2021.

Vice Mayor Kuby stated that there shouldn’t be much travel expected with the current impacts from COVID-19 so she suggested cutting the travel expense budget. Mr. Tenney stated that when the budget was being prepared, AMWUA calculated ways to decrease the budget with unknown impacts that COVID-19 would financially have on its members.

Councilmember Turner recommended planning for the Water Technology Conference in Tel Aviv, Israel in the Fall of 2021. Mr. Tenney stated that AMWUA does anticipate events that will happen virtually but that AMWUA will stay aware of important conferences.

Upon a motion by Vice Mayor Kuby and a second by Councilmember Thompson, the AMWUA Board of Directors unanimously approved the adoption of the AMWUA Fiscal Year 2021 draft budget as presented.

7. **Agreement with The Aarons Company LLC**

Mr. Tenney requested that the Board authorize another two-year agreement with the Aarons Company LLC to assist with representing AMWUA at the State Legislature. He stated that Mr. Aarons and Ms. Ulmer have been an effective part of the AMWUA team’s efforts to monitor and evaluate legislation as well as to increase AMWUA’s presence at the Legislature including initiating the Vetting Forum for Water and holding strong relations and history at the Capitol, a major benefit to AMWUA. Mr. Tenney reported that the new agreement would cover the 2021 and 2022 legislative sessions.

Mayor Carlat and Councilwoman Williams voiced appreciation for Mr. Aarons’ and Ms. Ulmer’s efforts.

Councilwoman Williams asked if there would be an increase in the agreement. Mr. Tenney stated that there is an increase.

Upon a motion made by Councilwoman Williams and a second by Vice Mayor Kuby, the AMWUA Board of Directors unanimously approved the authorization of the AMWUA Executive Director to enter into the proposed agreement with The Aarons Company LLC at a monthly rate of $4,200.00 from July 1, 2020 through June 30, 2022.
C. Executive Director’s Report

Mr. Tenney stated that AMWUA’s current blog and the following blog will be about safe-yield and that AMWUA plans to share the analysis with ADWR and others interested in working on the issues raised regarding safe-yield.

Mr. Tenney reported that at the end of 2026, the U.S. Secretary of the Interior will put new guidelines in place for the long-term management of the Colorado River because the 2007 Interim Guidelines will expire in 2026. Reclamation is required to start reconsultation on these guidelines with the Seven Basin States by the end of the year to begin developing the new guidelines. ADWR and CAP have decided to reconvene the DCP Steering Committee, rename it the Arizona Reconsultation Committee, and develop Arizona’s perspective, or principles, that will guide the ADWR Director as he leads negotiations with the other Basin States. Mr. Tenney reported that the first meeting would be June 25th and that AMWUA is closely following the process to ensure that its collective municipal interests are at the forefront in the reconsultation process.

Mr. Tenney said AMWUA appreciated Ms. Saenz for her support as a part-time assistant for the last year and wished her well in her current transition.

Mr. Tenney reported that there will be a renovation to AMWUA’s office space including a slight expansion to the Board room as part of the lease amendment approved in February. The property management is currently reviewing bids in order to select a contractor. AMWUA will soon know the construction schedule and are hopeful that the renovation will be complete in July.

Vice Mayor Kuby appreciated her time in serving AMWUA for the past five years and explained that newly-elected Councilmember Doreen Garlid would be appointed by the Mayor to be on the AMWUA Board for Tempe. Mayor Carlat voiced appreciation for Vice Mayor Kuby’s service on the Board.

D. Future Agenda Items

There were no requests for future agenda items.

E. Adjournment

Upon unanimous approval from the AMWUA Board of Directors, Mayor Carlat adjourned the meeting at 12:06 p.m.
Legislative Outreach

ANNUAL PLAN REFERENCE

Legislation
Effectively advocate with one voice at the Legislature.
- Engage with legislators to inform them about the issues important to AMWUA including identifying and working with legislators to champion water issues.

Strategic Plan: Objectives – Advocate for Solutions, Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage; Collaboration – Legislature, Water Community

SUMMARY

AMWUA staff and our Legislative Consultant have continued to pursue ways to engage with Legislators. We developed a Water 101 briefing for legislative candidates for August 25, 2020. We partnered with the Southern Arizona Water Users Association (SAWUA) and Northern Arizona Municipal Water Users Association (NAMWUA) to present to candidates a high-level overview about Arizona water and how we ensure water sustainability for Arizona’s residents and economy.

AMWUA staff will give a report about the August 25th Water 101 briefing for legislative candidates.

RECOMMENDATION

Staff requests that the AMWUA Board of Directors ask questions about AMWUA’s legislative outreach efforts.
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 Board of Directors 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 Board of Directors 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: 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: 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

**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
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 Board of Directors 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

At their August 12th meeting, the AMWUA Management Board recommended 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
<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Year-To-Date</th>
<th>Annual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment - Water</td>
<td>1,252,241.00</td>
<td>1,252,241.00</td>
<td>0.00</td>
<td>1,252,240.00</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment - Wastewater</td>
<td>214,613.00</td>
<td>214,613.00</td>
<td>0.00</td>
<td>214,613.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Loss Control Training Program Income</td>
<td>60,000.00</td>
<td>60,000.00</td>
<td>0.00</td>
<td>60,000.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017 Carryover Applied to Reduce Member Assessments</td>
<td>0.00</td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Revenues</td>
<td>14,197.32</td>
<td>0.00</td>
<td>14,197.32</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Revenues</td>
<td>50,036.43</td>
<td>0.00</td>
<td>50,036.43</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Revenues</td>
<td>1,591,077.75</td>
<td>1,466,855.00</td>
<td>124,222.75</td>
<td>1,466,853.00</td>
<td>124,224.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll (Salaries)</td>
<td>617,819.79</td>
<td>666,734.00</td>
<td>(78,914.21)</td>
<td>696,734.00</td>
<td>(8,144.44)</td>
<td></td>
<td></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>
<td>(13,342.11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Processing, Taxes and Insurance</td>
<td>55,709.70</td>
<td>61,000.00</td>
<td>(5,290.30)</td>
<td>61,000.00</td>
<td>(5,290.30)</td>
<td></td>
<td></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>
<td>(876.77)</td>
<td></td>
<td></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>
<td>(720.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary Services/Receptioned</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></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>
<td>0.00</td>
<td></td>
<td></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>
<td>(0.04)</td>
<td></td>
<td></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>
<td>5,700.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit - Waste Water</td>
<td>15,000.00</td>
<td>21,700.00</td>
<td>(6,700.00)</td>
<td>21,700.00</td>
<td>(6,700.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website Services</td>
<td>5,000.00</td>
<td>(5,000.00)</td>
<td>0.00</td>
<td>5,000.00</td>
<td>0.00</td>
<td></td>
<td></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>
<td></td>
<td></td>
<td></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>
<td>0.04</td>
<td></td>
<td></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>
<td>(2,000.00)</td>
<td></td>
<td></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>
<td>(200.00)</td>
<td></td>
<td></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>
<td>(1,667.86)</td>
<td></td>
<td></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>
<td>75.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>5,494.35</td>
<td>4,800.00</td>
<td>694.35</td>
<td>4,800.00</td>
<td>694.35</td>
<td></td>
<td></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>
<td>(2,756.11)</td>
<td></td>
<td></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>
<td>(8,144.44)</td>
<td></td>
<td></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>
<td>(376.07)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing Professional Ed</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
<td></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>
<td>1,149.31</td>
<td></td>
<td></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>
<td>(502.19)</td>
<td></td>
<td></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>
<td>865.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>12,026.14</td>
<td>6,500.00</td>
<td>5,526.14</td>
<td>6,500.00</td>
<td>5,526.14</td>
<td></td>
<td></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>
<td>(2,038.96)</td>
<td></td>
<td></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>
<td>(1,335.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing</td>
<td>1,968.31</td>
<td>2,300.00</td>
<td>(331.69)</td>
<td>2,300.00</td>
<td>(331.69)</td>
<td></td>
<td></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>
<td>(236.04)</td>
<td></td>
<td></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>
<td>1,318.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues &amp; Members</td>
<td>935.15</td>
<td>1,750.00</td>
<td>(814.85)</td>
<td>1,750.00</td>
<td>(814.85)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>2,785.86</td>
<td>4,100.00</td>
<td>(1,314.14)</td>
<td>4,100.00</td>
<td>(1,314.14)</td>
<td></td>
<td></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>
<td>(1,925.00)</td>
<td></td>
<td></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>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Conservation</td>
<td>152,059.46</td>
<td>90,000.00</td>
<td>62,059.46</td>
<td>90,000.00</td>
<td>62,059.46</td>
<td></td>
<td></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>
<td>(17,308.63)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Reserve and Contingency Funds Summary:**

| Reserve Fund Balance on 03/31/20 | $900,000 |
| Reserve Fund Balance on 03/31/20 | 215,140  |

**Total Contingency and Reserve Funds:**

<p>| Total Contingency and Reserve Funds | $1,115,140 |</p>
<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>1000 Petty Cash</td>
<td>484.78</td>
</tr>
<tr>
<td>1015 Compass Checking 25 287 5233</td>
<td>16,902.95</td>
</tr>
<tr>
<td>1025 Compass Money Market 25 100 20769</td>
<td>233,393.45</td>
</tr>
<tr>
<td>1030 Investment Account (LGIP)</td>
<td>851,140.33</td>
</tr>
<tr>
<td><strong>Total Bank Accounts</strong></td>
<td>$ 1,101,921.51</td>
</tr>
<tr>
<td><strong>Accounts Receivable</strong></td>
<td></td>
</tr>
<tr>
<td>1041 Other Receivables</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Other Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>1050 Prepaid Expenses</td>
<td>18,669.75</td>
</tr>
<tr>
<td><strong>Total Other Current Assets</strong></td>
<td>$ 18,669.75</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$ 1,120,591.26</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
</tr>
<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>$ 16,929.75</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
</tr>
<tr>
<td>1450 Deferred Outflow - Pension Resources</td>
<td>179,980.23</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>$ 179,980.23</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 1,317,501.24</td>
</tr>
</tbody>
</table>

Arizona Municipal Water Users Association
Statement of Net Position
As of June 30, 2020
# 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 (USD)</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><strong>Total Credit Cards</strong></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><strong>Total Other Current Liabilities</strong></td>
<td>$ 125,137.37</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></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><strong>Total Long-Term Liabilities</strong></td>
<td>$ 1,014,383.78</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></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><strong>Net Income</strong></td>
<td>141,533.42</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>$ 169,756.75</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND EQUITY**

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,317,501.24</td>
</tr>
</tbody>
</table>