



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

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
BOARD OF DIRECTORS**

MEETING NOTICE AND AGENDA

Thursday, February 27, 2020 – 11:00 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 30, 2020 Meeting
2. Schedule Next Meeting Date: Thursday, March 26, 2020, 11:00 a.m.
3. 2020 Legislative Session
4. CAWCD Board Strategic Planning Process
5. Update on the Governor’s Water Council and ADWR Management Plans
6. Nominating Committee for Vacant AMWUA Board Officer Positions

C. Executive Director’s Report

D. Future Agenda Items

E. Executive Session

Pursuant to A.R.S. Section 38.431.03.A.7, the AMWUA Board of Directors may vote to convene in Executive Session to discuss the first amendment to the AMWUA Office Lease Agreement.

F. Consideration of Action Pursuant to Executive Session

G. 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 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



BOARD OF DIRECTORS

MEETING MINUTES

January 30, 2020

VOTING MEMBERS PRESENT

Councilmember Eddie Cook, President, Gilbert
Mayor Cathy Carlat, Peoria
Vice Mayor Lauren Kuby, Tempe (teleconference)
Mayor Jim Lane, Scottsdale
Councilmember Sheri Lauritano, Goodyear
Vice Mayor René Lopez, Chandler
Councilmember Curtis Nielson, Avondale
Councilmember Kevin Thompson, Mesa
Councilmember Bart Turner, Glendale
Councilwoman Thelda Williams, Phoenix

OTHERS PRESENT

Barry Aarons, The Aarons Co.	Gretchen Erwin, Goodyear	Diana Pina, AMWUA
Patrick J. Adams, AMWUA	Kathy Ferris, AMWUA	Cape Powers, Peoria
Anna Bartholomew, SRP	Paulette Fenderson, Phoenix	Sarah Saenz, AMWUA
Eric Braun, Gilbert	Brett Fleck, Peoria	Drew Swieczkowski, Glendale
Cynthia Campbell, Phoenix	Jessica Fox, AMWUA	Warren Tenney, AMWUA
Gregg Capps, Chandler	Lacey James, Avondale	Sheri Trapp, AMWUA
Briana Cortinas, Peoria	Leah Jones, ASU	Tammi Watson, CAP
Sam Draper, AMWUA		

A. Call to Order

Councilmember Cook called the meeting to order at 11:01 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the December 5, 2019 Meeting

Upon a motion by Councilmember Thompson and a second by Councilmember Lauritano, the AMWUA Board of Directors unanimously approved the December 5, 2019 meeting minutes.

2. Next meeting scheduled: Thursday, February 27, 2020, 11:00 a.m., in the AMWUA office

3. 2020 Legislative Agenda

Mr. Tenney reported that there have been over 1,000 bills introduced so far this legislative session with more water bills than expected. He stated that AMWUA will continue to track all legislation dealing with water because it affects overall water management.

Mr. Tenney reported that AMWUA has been working with CAP, ADWR, and AWBA to develop the legislative language for SB 1301. This legislation will help simplify and create flexibility for the recovery process, keeping overall costs down for the end user. The Arizona Water Banking Authority (AWBA) has been storing water for 25 years in order to provide to municipal and industrial (M&I) users in the possibility of the Colorado River allocations being cut during a shortage. As currently written in statute, AWBA will transfer the credits to CAP and then CAP will recover those credits for municipal users. The Recovery Planning Advisory Group (RPAG) has been looking at how to implement recovery, identifying that in near-term shortages, municipal providers could recover those credits by using their own existing infrastructure. To create this flexibility for recovery options, the RPAG has been advocating to allow AWBA to distribute credits to M&I users. SB 1301 would allow the Banking Authority to distribute credits to both CAP and directly to municipal providers depending on need. Mr. Tenney reported that the CAP Board, AWBA, and Southern Arizona are supportive of the legislative proposal for SB 1301.

Vice Mayor Lopez asked for clarity on the requirements of the AWBA to transfer credits to CAP and the cities that are required to do recovery on their own. Mr. Tenney explained that AWBA has the credits and if there is a shortage they will determine how those credits are distributed. Mr. Aarons stated that this legislation will help with the flexibility of whether the credits will be directly distributed to the city or give the credit to CAP for distribution.

Mr. Tenney presented a summary of water legislative bills to the Board that were introduced to date. He explained each bill, highlighting bills that AMWUA will be supporting and monitoring.

Vice Mayor Lopez asked about the federal funding for HB 2286. Councilmember Turner explained that because Luke Air Force Base is a federal facility, the City of Glendale requested federal and state support, as well as AMWUA's support to receive and treat wastewater from the Luke AFB using the city's infrastructure.

Councilmember Turner asked about supporting HB 2567 because the EPA comes out with their ruling at the end of the year and there is concern about duplicate testing. Councilmember Turner, Councilmember Cook, and Mr. Aarons discussed monitoring the bill if it gets assigned. Mr. Tenney stated that if the bill gets assigned, then AMWUA could additionally talk to the sponsor about the concern in duplicate testing.

Vice Mayor Lopez addressed concern with HB 2618 and the extended sunset date. Mr. Aarons stated that sunset dates were originally 10 year extensions, but legislators changed it to 8 years which is consistent for other bills and agencies being recommended for 8 year continuations.

Mr. Tenney reported that the Colorado River community wants to prevent river water from being transferred into Central Arizona because they feel it should benefit communities along the

river. He stated that HB 2405 would prohibit the transfer of any Priority 4 Colorado River water to non-Colorado River communities. This is in response to the Town of Queen Creek's application to acquire and transfer Priority 4 water from La Paz County, which ADWR is currently reviewing and will make a recommendation to the Bureau of Reclamation since the Secretary of the Interior makes the final decision on all transfers. Therefore, it is even questionable if the State can pass such legislation and overstep the Secretary of the Interior's authority. AMWUA understands the positions on both sides but feel it is prudent to be neutral. AMWUA has conveyed that it is more concerned about the need for water to supplement the Colorado River allocations when they are cut during a shortage than finding water to augment supplies, still having the option to work with high priority Colorado River water owners to help backfill such shortage cuts of our allocations. AMWUA is recommending to monitor this bill.

Mr. Tenney reported that AMWUA is closely monitoring HB 2672, 2674, and 2675, sponsored by Representative Griffin. These bills deal with surface water rights working around issues raised in the General Stream Adjudication (GSA) which is problematic because they could be deemed unconstitutional which then creates litigation that would continue to drag out the overall GSA process. AMWUA, SRP and others are monitoring HB 2674 and 2675 to see if the problems with these bills can be addressed. SRP is opposing HB 2672 because it may upend the prior appropriation doctrine for surface water by shifting the burden of proof to senior water right holders to demonstrate whether junior water right holders are impacting their senior rights. Based on SRP's position, AMWUA is now recommending to oppose HB 2672.

Vice Mayor Lopez asked for additional clarity about HB 2672 and the impact that could occur by junior water right holders. Mr. Tenney explained that this bill will cause the senior water right holders to be responsible for the burden of proof whereas currently it is the junior rights responsibility to show that they will not jeopardize the right of the senior user. Ms. Ferris stated that it was unclear why there needed to be a law to prevent stopping a junior right holder from using water unless impacted. Mayor Lane, Ms. Ferris, Vice Mayor Lopez and Mayor Carlat further discussed the language of HB 2672 and the possible reasons for the change in appropriation.

Mr. Tenney reviewed the bills that the Management Board recommended to the Board of Directors for support, all which promote positive water management and stay consistent with AMWUA's legislative agenda. He also reviewed two bills that the Management Board recommended to monitor.

Vice Mayor Lopez addressed concern on why AMWUA wanted to monitor and not support HB 2159. Mr. Tenney stated that it is deemed outside of the Phoenix AMA's and has not yet been assigned so AMWUA will continue to monitor it.

Upon a motion by Councilmember Thompson and a second by Vice Mayor Lopez, the AMWUA Board of Directors unanimously moved to support SB 1301 which provides for the direct distribution of Arizona Water Banking Authority credits to municipal and industrial water users and to adopt the legislative positions with the amendment to monitor HB 2567.

4. Water Loss Control Training and Technical Assistance Program

Mr. Tenney stated that AMWUA has been working for over a year to have Water Loss Control Training & Technical Assistance for its members and asked Mr. Adams to give an overview.

Mr. Adams reviewed how the AMWUA cities are meeting or exceeding the State's requirement to keep the volumes of physical water loss below a threshold of 10%. Utilities also experience apparent losses, occurring when water is not measured properly or accounted for which causes the utility to lose revenue that it should be collecting for water that it is actually delivering. Mr. Adams stated that AMWUA cities have a massive amount of infrastructure and data to manage which is why the aim of the program is to help the cities through training and technical assistance to reduce both types of water loss: physical leaks and apparent losses.

Mr. Adams explained AMWUA's training program schedule summary over the next year 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. He stated that technical assistance will be tailored to each utility's needs and facility team with personalized instruction for each city from the Southwest Environmental Finance Center (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, advanced concepts and water loss interventions, and internal conclusions to provide them with resources and skills needed to sustain future water loss control efforts.

Mr. Adams stated that in 2018, AMWUA completed a survey of its members to gauge interest in water loss training, 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 SWEFC to provide the training and technical assistance. AMWUA finalized negotiations with ADWR and SWEFC for the program contracts which were unanimously recommended for approval by the AMWUA Management Board on January 15th. AMWUA believes that this program will be a great investment that will yield process improvements and efficiencies within each of its cities.

Upon a motion by Mayor Lane and a second by Mayor Carlat, the AMWUA Board of Directors unanimously approved AMWUA's Executive Director be authorized to enter into contracts in the form substantially as presented with ADWR for funding of the training program and with the University of New Mexico Southwest Environmental Finance Center for execution of the training program.

5. Update on Governor's Water Council and ADWR Management Plans

Mr. Tenney stated that the Governor's Water Augmentation Innovation & Conservation Council is scheduled to meet again in March. He has been meeting with ADWR staff to prepare for the February 13th meeting of the Post 2025 AMAs Committee. Mr. Tenney stated that the Post 2025 Committee is compiling a list of issues that should be addressed to improve water management after 2025. The Committee will first agree on what the challenges are before

coming up with solutions. For the February meeting, the Committee will focus on the different types of unreplenished groundwater pumping. Mr. Tenney stated that unless the State is aware of and understands what is happening with groundwater pumping, it will not be able to effectively deal with the issues. Other issues to discuss at the February meeting include exempt wells in the Prescott AMA and about the concerns with the hydrologic disconnect between where recharge happens and recovery then occurs.

C. Executive Director's Report

Mr. Tenney reported that AMWUA was pleased to receive an invitation to present to the CAWCD Board about AMWUA and its 50 years. Mr. Tenney stated that both he and Councilmember Cook will be giving a presentation at the CAWCD Board meeting on February 6th.

Mr. Tenney gave an update about the hydrology of the Colorado River Basin and the Salt and Verde watersheds. He reported that it has been a productive winter with a positive outlook for both of the watersheds that are critical to our water resources.

Mr. Tenney introduced Ms. Fox as AMWUA's new Water Policy Advisor, sharing her background in water, a Master of Science in Sustainability from ASU, and 8 years experience at CAP.

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 presented the Board with pamphlets that highlight AMWUA's accomplishments from 2019, encouraging them to share it in order to create a better understanding about AMWUA and the importance of all ten members working together on water issues.

D. Future Agenda Items

There were no requests for future agenda items.

E. Adjournment

Upon a motion by Vice Mayor Lopez, a second by Mayor Lane and unanimous approval from the AMWUA Board of Directors, Councilmember Cook adjourned the meeting at 11:58 a.m.



BOARD OF DIRECTORS
INFORMATION SUMMARY
February 27, 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 continues to move forward at a rapid pace. Friday, February 21, 2020 marks the last day for bills to be heard by committees in their house of origin. Since the AMWUA Board of Directors last met on January 30, 2020, the AMWUA Management Board has recommended legislative positions on an additional 18 bills. AMWUA Staff continue to work with legislators and stakeholders to support the legislative agenda and positions adopted by the AMWUA Board of Directors.

This legislative update includes a list of bills that the AMWUA Management Board are recommending for action as well as a status update on all bills for which AMWUA has already adopted legislative positions.

RECOMMENDATION

The AMWUA Board of Directors is requested to review the legislation within this summary and consider approving the recommended positions by the AMWUA Management Board.

Depending on the legislative updates that occur before the February 27, 2020 meeting, the AMWUA Board of Directors may be asked to consider action on additional legislation.

SUGGESTED MOTION

I move that the AMWUA Board of Directors adopt the following legislative positions as recommended by the AMWUA Management Board and as outlined in the Board summary:

Support

HB 2595 S/E water rights; general adjudications; funding (Campbell & 20 others)

HB 2677 groundwater replenishment reserves (Griffin)

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

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

SB 1635 | HB 2895 subsequent irrigation non-expansion areas; procedures (S: Otondo | H: Cobb)

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)

HB 2880 assured water supply; availability; plats (Roberts, Finchem, Shope)

HB 2896 water; rural management areas (Cobb & 7 others)

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

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

Oppose

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

HB 2818 adjudication; subflow wells; claim; priority (Griffin)

Bills Recommended for Action by the AMWUA Board of Directors

HB 2595 S/E water rights; general adjudications; funding (Campbell & 20 others)

Originally introduced as HB 2770, this strike 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 bill appropriates nearly \$400,000 for the Court to immediately utilize and \$2 million for the general purposes of the Fund.

Recommended Position: Support

Status: Passed House NREW Committee 2/18/20

HB 2671 S/E 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. Currently statutory criteria exist that limit the disbursements from the fund to only water providers that are located within an AMA, or a jurisdiction that has voluntarily adopted adequate water supply provisions. The strike everything amendment removes those statutory criteria and proposes to exclude access to these funds for any water provider located within an AMA. AMWUA is working with the Sponsor to explore amended language.

Recommendation: AMWUA modify existing position from “Support” to “Oppose” in light of strike everything amendment

Status: Passed House NREW Committee 2/11/20

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

Status: Passed House Rules Committee 2/17/20

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

Status: Passed House Rules Committee 2/17/20

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 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: Passed House NREW Committee 2/19/20

HB 2818 adjudication; subflow wells; claim; priority (Griffin)

The General Stream Adjudications affect any entity who uses surface water within the Little Colorado or Gila River watersheds. This includes water users who are pumping groundwater that is hydrologically connected to a river or stream, known as subflow. Many small well owners throughout the State have installed groundwater wells near surface waters and may be unknowingly pumping subflow. This bill would allow a well owner (of any size) determined to be in a subflow zone to apply to the Court to receive a water right with a priority retroactively assigned to the date that water was first withdrawn from the well. Similar proposals in the late 1990s resulted in years of litigation and were ultimately deemed unconstitutional on the basis that retroactive legislation which impacted property rights violates the due process clause of the U.S. Constitution.

Recommended Position: Oppose

Status: Passed House NREW Committee 2/19/20

HB 2880 assured water supply; availability; plats (Roberts, Finchem, Shope)

This measure has been introduced on behalf of the Pinal AMA Stakeholder Group; entities working to address groundwater physical availability issues in the Pinal AMA. HB 2880 would amend statute to allow a water provider in the Pinal AMA retain the volume of groundwater approved in their most recent Designation of Assured Water Supply (AWS) without any future hydrologic review. Currently, Designated water providers in all AMAs must re-demonstrate physical availability of groundwater when renewing their Designations. The bill also changes the AWS statutes to allow developers to increase the number of housing units on a subdivision plat associated with existing Certificates of AWS. Current regulations require developers to apply for a new Certificate if a plat is revised and housing units are increased by 10% or more. AMWUA staff are working with the bill sponsors and ADWR to seek clarification on provisions within the bill.

Recommended Position: Monitor, seek amendments

Status: Passed House NREW Committee 2/19/20

HB 2896 water; rural management areas (Cobb & 7 others)

This bill would allow a County Board of Supervisors to establish a new type of water management jurisdiction called a Rural Management Area if a particular groundwater basin or subbasin meet certain criteria, generally related to groundwater depletion. Rural Management Areas may develop a Management Goal, Management Plan, and voluntary or mandatory best management practices designed to reduce groundwater withdrawals in the area. The proposed Management Plan must be submitted for approval by ADWR.

Recommended Position: Monitor

Status: Assigned to House NREW Committee 2/12/20

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: Passed Senate NRE Committee 2/19/20

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

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

Recommended Position: Support

Status: Transmitted to House 2/13/20

SB 1635 | HB 2895 subsequent irrigation non-expansion areas; procedures (S: Otondo | H: Cobb)

Similar to HB 2738, these measures introduce 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. These bills align with the suggested statutory changes presented by ADWR in the summer of 2017 during the Governor's Water Solutions Conversations.

Recommended Position: Support

Status: SB 1635 Assigned to Senate WAG Committee 2/5/20

HB 2895 assigned to House NREW Committee 2/12/20

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: Passed Senate 2/13/20, transmitted to House

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: No 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 and complete a report of their findings by December 31st, 2020.

AMWUA Position: Support

Status: Passed House Rules Committee 2/17/20

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 House 2/13, transmitted to Senate.

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 1/29/20

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: No 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: No 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: No 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: Passed House Rules Committee 2/17/20

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 2/6/20, transmitted to Senate

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: No 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: No 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 2/11/20, transmitted to Senate

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: Assigned to House Regulatory Affairs Committee 2/10/20

HB 2618 department of water resources; continuation (Griffin)

Extends ADWR's sunset date to 2028.

AMWUA Position: Support

Status: Passed House 2/9/20, transmitted to Senate

HB 2620 S/E: law clinic; stream adjudications; appropriation (Bowers)

Originally requiring the Ombudsman-Citizens' Aide assist claimants in the General Stream Adjudication, this strike-everything amendment narrows the bill's scope to allow local Arizona universities to represent claimants in the Adjudication with fewer legal resources available to them. Appropriates \$500,000 to the University of Arizona to establish a law clinic for this purpose.

AMWUA Position: Monitor

Status: Passed House Rules Committee 2/17/20

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 the 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 Rules Committee 2/17/20

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: No 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



BOARD OF DIRECTORS
INFORMATION SUMMARY
February 27, 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 staff gave an overview of the CAWCD Strategic Planning Process to the AMWUA Management Board at its February 12, 2020 meeting. 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 AMWUA Board.

RECOMMENDATION

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



BOARD OF DIRECTORS

INFORMATION SUMMARY

February 27, 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 Board of Directors is encouraged to ask questions and discuss any updates presented regarding the Governor's Water Council and ADWR's management plan efforts.

BOARD OF DIRECTORS
INFORMATION SUMMARY
February 27, 2020

Nominating Committee for Vacant AMWUA Board Officer Positions

STRATEGIC PLAN REFERENCE

Operational Principles – Facilitate our Strength in Numbers

SUMMARY

With Councilmember Cook resigning from the Gilbert Town Council, the AMWUA Board President position becomes vacant. Mayor Cathy Carlata of Peoria, the AMWUA Board Vice President, then assumes the responsibilities of the President. Per the AMWUA By-laws, “if a vacancy occurs in any office prior to the end of the term of that office, the voting members of the Association shall elect a person to complete the unexpired term of the vacant office following the procedure set forth in this Section.” The procedure set forth is to have the Vice President, acting as President of the Board, appoint a three-member nominating committee to recommend names to fill the vacant officer positions.

According to the AMWUA By-laws, the officers are to each have served on the current Board of Directors at least from January 1, 2019 through December 31, 2019. Each officer is to be able to serve for a one year period. Specifically, for the position of President, the President must have been Vice President or Secretary-Treasurer of the Association for at least twelve months. Each officer may serve a minimum of one year and a maximum of two consecutive years in the same position. A member of the Board of Directors may serve a maximum of six consecutive years as an officer.

Per the By-laws, only Mayor Cathy Carlata of Peoria meets the requirements to serve as President. Therefore, the nominating committee is a formality in making a recommendation for that position; however, the nominating committee would still need to make a recommendation for filling the Vice President vacancy and possibly also the Secretary-Treasurer position.

The Board members who meet the requirements to serve as Vice President are as follows: Vice Mayor Lauren Kubly of Tempe; Mayor Jim Lane of Scottsdale; Councilmember Sheri Lauritano of Goodyear; Vice Mayor Rene Lopez of Chandler; Councilmember Kevin Thompson of Mesa; Councilmember Bart Turner of Glendale; and Councilwoman Thelda Williams of Phoenix.

RECOMMENDATION

Mayor Carlat, Vice President and acting as President of the AMWUA Board of Directors, is requested to appoint three members of the Board as a nominating committee to recommend names to fill any vacancy with the Board officers for the remainder of calendar year 2020.

Any Board member interested in serving as an officer should provide a letter of interest to the AMWUA Executive Director by March 6, 2020 so he can forward the letters to the nominating committee for consideration.