



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

ARIZONA MUNICIPAL WATER USERS ASSOCIATION BOARD OF DIRECTORS

**MEETING NOTICE AND AGENDA
Thursday, April 23, 2020 – 11:00 a.m.**

**This meeting will be held via Webex
Join by phone: 1-408-418-9388 (Access Code: 969 200 605)**

Agenda and materials are available at:
www.amwua.org/what-we-do/public-meetings

A. Call to Order

B. General Business—Items for Discussion and Possible Action

1. Approval of the Minutes from the February 27, 2020 Meeting
2. Schedule Next Meeting Date: Thursday, May 28, 2020, 11:00 a.m.
3. Recommendation for 2020 AMWUA Board President and Vice President
4. 2020 Legislative Session
5. CAWCD Rates, Taxes and Capital Charges
6. AMWUA Annual Action Plan
7. AMWUA Quarterly Financial Statements – Second Quarter

C. Executive Director's Report

D. Future Agenda Items

E. Executive Session

Pursuant to A.R.S. Section 38.431.03.A.1, the AMWUA Board of Directors may vote to convene in Executive Session to discuss the annual evaluation of the AMWUA Executive Director. No action to be taken after Executive Session.

F. 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 telephone or internet conferencing.

Arizona Municipal Water Users Association



BOARD OF DIRECTORS

MEETING MINUTES

February 27, 2020

VOTING MEMBERS PRESENT

Mayor Cathy Carlat, Peoria, Vice 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 Curtis Nielson, Avondale
Councilmember Kevin Thompson, Mesa
Councilmember Bart Turner, Glendale

VOTING MEMBERS NOT PRESENT

Councilwoman Thelda Williams, Phoenix

OTHERS PRESENT

Patrick J. Adams, AMWUA	Brian Draper, Mesa	Clark Princell, Phoenix
Anthony Alejandro, Peoria	Sam Draper, AMWUA	John Reader, Goodyear
Alexis Apodaca, Chandler	Gretchen Erwin, Goodyear	Sarah Saenz, AMWUA
Anna Bartholomew, SRP	Kathy Ferris, AMWUA	Drew Swieczkowski, Glendale
Gretchen Baumgardner, Gilbert	Brett Fleck, Peoria	Warren Tenney, AMWUA
Anthony Beckham, SRP	Jessica Fox, AMWUA	Sheri Trapp, AMWUA
Cindy Blackmore, Avondale	Kayleigh Gallagher, ASU	Theresa Ulmer, Ulmer Consulting
Cynthia Campbell, Phoenix	Lacey James, Avondale	Tammi Watson, CAP
Gregg Capps, Chandler	Keith Lammersen, JLL	Emily Webb, Avondale
Ginna Carico, Goodyear	Diana Pina, AMWUA	Marge Zylla, Tempe
Eddie Cook, Gilbert	Cape Powers, Peoria	

A. Call to Order

Mayor Carlat called the meeting to order at 11:04 a.m. She introduced Vice Mayor Anderson of Gilbert to the Board as the newest Board Member. Additionally, she recognized Eddie Cook for serving on the AMWUA Board of Directors and the mission of AMWUA for 7 years. Mr. Cook appreciated AMWUA and the journey that he was a part of with AMWUA and with water.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the January 30, 2020 Meeting

Upon a motion by Councilmember Thompson and a second by Vice Mayor Kuby, the AMWUA Board of Directors unanimously approved the January 30, 2020 meeting minutes.

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

3. 2020 Legislative Session

Mr. Tenney reported that SB 1301, the bill that would allow the Banking Authority to directly transfer its stored credits to M&I users for recovery, has been passed by the Senate 30-0. AMWUA is waiting to see what happens to it in the House and will keep the Board updated.

Mr. Tenney reviewed the bills that have been introduced since the last Board meeting along with bills that may need to be revisited. He presented the Board with an updated motion clarifying AMWUA's positions as he reviewed the bills presented in the legislative summary.

Mr. Tenney gave brief overviews of HB 2595, HB 2671, HB 2672, HB 2677, HB 2787, HB 2818, SB 1488, SB 1494 and AMWUA's recommended positions for each.

Mr. Tenney stated that HB 2880 was introduced on behalf of the Pinal AMA Stakeholder Group and would make two changes addressing groundwater physical availability issues in the Pinal AMA. He reviewed both changes explaining that first, it would change the Assured Water Supply (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. The intent is that the new certificate must still show that the water use is the same or less. This change would apply to all AMAs not just to the Pinal AMA.

Mr. Tenney stated that HB 2880's second change would amend statute to allow a water provider in the Pinal AMA to retain the volume of groundwater approved in their most recent designation of AWS without having to revisit it in a future designation process. Currently, designated water providers in all AMAs must re-demonstrate physical availability of groundwater when renewing their designation. This issue arose because the city of Eloy wanted to decrease their designation as a member service area of the CAGR. This change would be limited to the Pinal AMA.

Mr. Tenney stated that AMWUA's position is to oppose unless the bill is amended to apply to all AMAs because the proposed change for designated water providers is being made in the AWS statutes, which creates a problem because ADWR has in place comprehensive rules to implement the AWS statutes. These rules set forth procedures for how ADWR will review AWS applications and by specifically prohibiting in statute ADWR from reviewing physical availability of groundwater in the Pinal AMA but no other AMAs, it would prevent ADWR from amending or interpreting its rules to give equal treatment to water providers in other AMAs.

Mr. Tenney stated that AMWUA believes what Pinal AMA has proposed regarding protecting the physical groundwater availability for designated providers is a positive proposal if applied to all AMAs because it would provide assurance to designated providers who have invested in water resources and infrastructure to develop a 100-year AWS.

Ms. Ulmer reported that she expressed to stakeholders that AMWUA supports the Pinal AMA stakeholder process and what they are trying to do but the way the bill stands currently, it is an issue. She stated that developers are not supportive of AMWUA's position and have no plans of amending HB 2880.

Vice Mayor Lopez asked why developers are concerned to include all AMAs. Ms. Ferris stated that if some of the groundwater is secured by designated providers then developers believe it is not to their benefit by having less groundwater availability. The way the rules are written, developers want to claim as much of the groundwater and remove any entitlement to the cities.

Mr. Tenney emphasized the importance of being able to assure that the groundwater that the cities have had in their designation does not get reduced. As the Phoenix AMA develops, there will be less groundwater in the future, but that burden should not be on the cities who have already invested in their infrastructures plus it does not stop or prevent development.

Vice Mayor Kuby asked if it was applied to all AMAs would developers then be worried about litigation. Mr. Tenney stated that the developers have not been clear on why they do not want it to go beyond the Pinal AMA.

Mayor Lane stated that it seems obvious what the developers are trying to do a reallocation of groundwater that has already been secured. He stated that there needs to be assurance that the cities' positions are sustained. Ms. Ferris agreed that CAGR membership grows on groundwater and the more that is available, the more they can develop their lands. Mayor Lane stressed the consequential affects if HB 2880 stays as is. Mayor Lane and Mayor Carlat discussed how there needs to be specific communication and assertion when speaking with legislators about this bill moving forward.

Vice Mayor Kuby addressed concern that advice from ADWR, an agency of AMWUA, is not being recognized by the government.

Upon a motion by Councilmember Turner and a second by Mayor Lane, the AMWUA Board of Directors unanimously recommended that AMWUA adopt the legislative positions as recommended by the AMWUA Management Board and as outlined in the legislative summary, as follows:

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 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 Unless Amended

HB 2671 S/E water supply development fund; appropriation (Griffin & Bowers)
HB 2880 assured water supply; availability; plats (Roberts, Finchem, Shope)

Oppose

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

4. CAWCD Board Strategic Planning Process

Mr. Tenney gave a presentation to the AMWUA Board of Directors on the Central Arizona Water Conservation District (CAWCD) strategic planning process. He stated that the objectives in the process were to oversee operations and policies, develop a 6-year strategic plan from 2021-2027, and start from beginning without modifying the current strategic plan.

Mr. Tenney gave a brief overview of CAWCD's statutory authorities. He outlined CAWCD's current strategic plan and the new upcoming strategic planning schedule with goals for each meeting over the next year.

Mayor Lane addressed concern about how CAWCD had, in the past, perhaps overextended their mission such as selling and buying surplus power. Mr. Tenney stated that is why AMWUA is closely following the plan and process in order to see what CAWCD's focus will be for this new strategic plan.

Mayor Carlat and Mr. Tenney discussed statutory authority of CAWCD.

Vice Mayor Kuby asked about the relationship between CAWCD and the Arizona Corporation Commission and acquiring of power. Mr. Tenney stated that CAWCD does not have a direct tie with ACC though they have been acquiring power through the Navajo Generating Station and now on the open market.

Mr. Tenney stated that AMWUA will be following the CAWCD strategic plan process because of the implications it has on its members, while working with CAWCD to convey what is

important to AMWUA. AMWUA recently had an opportunity to present at a CAWCD event about the first 50 years of AMWUA. Mr. Tenney and Councilmember Cook gave an overview of AMWUA and how it represents the collective position of its ten members, speaks on issues that the members are concerned with, and engages in all levels of the municipalities. Mr. Tenney reported that AMWUA conveyed how important the municipal provider's responsibility is in delivering water to its communities and that AMWUA and CAP are inherently linked because CAP would not exist without the municipalities and, vice versa, the municipalities would not look how they do without CAP.

Mr. Tenney said that it is important to convey to CAWCD that municipalities want CAWCD to continue to deliver their Colorado River water, maintain and operate the canal, and pay the federal debt. AMWUA will also convey the importance of better defining of the costs and what is included in the OM&R rates with expectation for future costs, and implications that the CAGR has on AMWUA's allocations.

Mayor Lane raised concern on items that could be deferred by taxes and the defining of costs included in the OM&R rates which usually involves capital and could have consequential affects for customers. Mr. Tenney stated that such concerns have been expressed by the WRAG and AMWUA planned to give a presentation on OM&R rates to the Board in the future.

Mr. Tenney stated that AMWUA has appreciated working and dialoguing on a number of issues with CAWCD over the last few months.

5. [Update on Governor's Water Council and ADWR Management Plans](#)

Mr. Tenney reported that the Governor's Water Augmentation Innovation & Conservation Council is scheduled to meet again on March 13th. The Post 2025 Committee has been compiling a list of issues that should be addressed to improve water management after 2025. Mr. Tenney stated that the goal is to first agree on what the challenges are before trying to come up with solutions. He stated that at the February meeting, they discussed the different types of unreplenished groundwater pumping and that unless we are aware of and understand what is happening with groundwater pumping, we will not be able to effectively deal with it. He stated that they are also working with ADWR so that the Post 2025 Committee can develop issue papers about exempt wells in the Prescott AMA and about the concerns on the hydrologic disconnect between where recharge happens and recovery then occurs.

Mayor Lane asked about the issues that were raised in the report that came through on CAGR from the ASU Kyl Center. Mr. Tenney stated that some of those issues from the report have been raised in the Post 2025 committee.

Mayor Carlat asked about the status on finding out where the exempt groundwater pumping is occurring and who is reporting that information. Mr. Tenney stated that ADWR is working on those statistics along with AMWUA. He explained that because the exempt wells are not metered, they can only get an idea of what groundwater pumping is occurring if they were pumping at full capacity around the clock. There is a large focus on the Prescott AMA.

6. Nominating Committee for Vacant AMWUA Board Officer Positions

Mayor Carlat asked Mayor Lane, Councilwoman Williams and Councilmember Nielson to once again serve on the nominating committee to appoint vacant Board officer positions. She reported that Councilmember Thompson was willing to remain as Secretary-Treasurer, which he confirmed.

Mr. Tenney explained that the AMWUA Bylaws express that the Vice President will act as President, but the nominating committee will still need to provide a recommendation. Mayor Carlat is the only Board member who qualifies to serve as President, which would create a vacancy for the Vice President position. Mr. Tenney stated that per the bylaws, those who qualify were listed in the report. He requested for those interested in serving as Vice President to send a letter to him by March 6th and he will forward those to the nominating committee.

C. Executive Director's Report

Mr. Tenney reported that AMWUA had its first Water Loss Control Training day and it went well. He and AMWUA staff are waiting to hear feedback at the next WRAG meeting.

Mr. Tenney stated that AMWUA is preparing a one-page summary of key points on water issues to send to the Board of Directors in preparation for the National League of Cities visit in Washington D.C. The key points that AMWUA will emphasize include maintaining focus and funding for western water resources, investing in water infrastructure, sustaining funding for the WaterSense program, and that Federal agencies have their rulemaking be done with sound science and consideration of water providers' resources to implement new rules.

Mr. Tenney reported that on March 27th the Water Resources Research Center Annual Conference will be held, focusing on the Groundwater Management Act and its 40 years. AMWUA believes that attending will increase its visibility and has agreed to be their platinum sponsor, showing AMWUA's engagement on water issues and how important the GMA is for the future.

D. Future Agenda Items

There were no requests for future agenda items.

E. Executive Session

Mayor Carlat stated that pursuant to A.R.S. Section 38.431.03.A.1, the AMWUA Board of Directors may vote to convene in Executive Session. Upon a motion by Councilmember Thompson and a second by Vice Mayor Kuby, the AMWUA Board of Directors unanimously voted to convene in Executive Session.

F. Consideration of Action Pursuant to Executive Session

Mayor Carlat reconvened the AMWUA Board meeting in regular session at 12:32 p.m.

Vice Mayor Lopez made a motion that the AMWUA Board of Directors approve the "First Amendment to the Office Lease Agreement" between BPRE Phoenix Holdings, Limited Partnership, and AMWUA, and authorize AMWUA's Executive Director to execute the Amendment. The motion was seconded by Councilmember Thompson and was unanimously approved.

G. Adjournment

Upon a motion by Vice Mayor Lopez, a second by Councilmember Thompson and unanimous approval, Mayor Carlat adjourned the meeting at 12:33 p.m.

BOARD OF DIRECTORS
INFORMATION SUMMARY
April 23, 2020

Recommendation for 2020 AMWUA Board President and Vice President

STRATEGIC PLAN REFERENCE

Operational Principles – Facilitate our Strength in Numbers

SUMMARY

Pursuant to the AMWUA Bylaws, Mayor Carlat, Vice President and acting as President of the AMWUA Board of Directors, appointed Mayor Jim Lane, Scottsdale; Councilwoman Thelda Williams, Phoenix; and Councilmember Curtis Nielson, Avondale, to serve as members of a Nominating Committee to recommend to fill the vacancy for President and Vice President for the AMWUA Board of Directors for the remainder of calendar year 2020.

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.

The Nominating Committee is in agreement to recommend Mayor Cathy Carlat of Peoria as President and Councilmember Bart Turner of Glendale as Vice President. The Nominating Committee will formally make its recommendation for the vacant officer positions at the April 23, 2020 AMWUA Board meeting, at which time the Board may decide to act on that recommendation.

RECOMMENDATION

The AMWUA Board of Directors should consider approving the Nominating Committee's recommendation for President and Vice President for the AMWUA Board of Directors for the remainder of calendar year 2020.



BOARD OF DIRECTORS INFORMATION SUMMARY

April 23, 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

In response to the growing severity of the COVID-19 outbreak, the Arizona Legislature decided to recess the session and put in place a light funding package. On March 23, 2020, the Legislature passed an \$11.8 billion budget to fund essential government services, as well as \$55 million for the Department of Health Services to utilize in its response to the pandemic. The session was officially adjourned until April 13th, but considerable uncertainty remains as to when the legislators will reconvene, and what actions will be taken to address outstanding budget and policy issues. All bills are considered to be on hold until the Legislature reconvenes and decides how to proceed.

This legislative update includes a list of bills AMWUA has taken positions on and their status as of mid-April 2020.

RECOMMENDATION

The AMWUA Board of Directors is requested to review and discuss the legislation within this summary.

Key Water Legislation

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

Originally introduced as HB 2770, this striker 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.

AMWUA Position: Support

Status: Retained on House COW Calendar 2/26/20

HB 2620 law clinic; stream adjudications; appropriation (Bowers)

This bill allows local Arizona Universities to represent claimants who meet certain low-income requirements in the General Stream Adjudications. Appropriates \$500,000 to the University of Arizona to establish a law clinic for this purpose.

AMWUA Position: Monitor

Status: Passed Senate Approps Committee 3/10/20

HB 2672 water rights (Griffin)

This bill is proposing to codify a facet of western water law known as the “Futile Call” doctrine. As amended, this bill modifies statute to allow a junior water right holder to avoid curtailment by a senior right holder, if the junior user can prove that their curtailment would not produce water for the senior user.

AMWUA Position: Monitor

Status: Passed House, assigned to Senate WAG Committee 3/2/20

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 Senate Rules Committee 3/16/20

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 Senate Rules Committee 3/9/20

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.

AMWUA Position: Support
Status: Passed Senate Rules Committee 3/9/20

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.

AMWUA Position: Monitor
Status: Passed House, assigned to Senate WAG Committee 3/2/20

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 due process rights afforded by the Arizona Constitution.

AMWUA Position: Oppose

Status: Failed House vote on 2/27/20. Called for reconsideration by Rep. Peterson

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 had worked with bill supporters to see if the bill could be amended regarding the AWS designation provision but the Pinal Stakeholders wanted the bill to remain for only the Pinal AMA. AMWUA's position has been to oppose unless amended. The bill did pass the House with an amendment that clarified the legislative intent was only for Pinal AMA and did not prevent ADWR from pursuing similar approaches via rules. With that amendment, it is recommended that AMWUA's position shift to monitor.

Recommended AMWUA Position: Monitor

Status: Passed Senate WAG Committee 3/12/20

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

April 23, 2020 – AMWUA Board of Directors Meeting – Agenda Item #4

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: Assigned to House committees 3/5/20

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.

AMWUA Position: Support

Status: Passed Senate 3/5/20. Assigned to House committees

SB 1494 | HB 2618 department of water resources; continuation (SB: Kerr | HB: Griffin)

Extends ADWR's sunset date to 2028.

AMWUA Position: Support

Status: Signed by Governor 3/23/20

Update on Legislation with AMWUA Adopted Positions

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: Never assigned to committee

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 2/24/20, assigned to Senate committees

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 Senate Approps Committee 3/4/20

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

This bill would mandate measurement of water use and annual reporting for nonexempt groundwater wells throughout the state. Nonexempt wells include those with a pumping capacity greater than 35 gallons per minute (gpm). Current law contains no measuring requirements for wells outside of the AMAs or INAs except for a person who withdraws groundwater for transportation to an initial AMA.

AMWUA Position: Support

Status: Never heard in committee

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: Assigned, but never heard in committee

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: No 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 Senate Rules Committee 3/10/20

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

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

AMWUA Position: Monitor
Status: 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 Senate Rules Committee 3/17/20

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

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

AMWUA Position: Monitor
Status: Never heard in committee

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.

AMWUA Position: Oppose, seek amendment

Status: Passed House NREW Committee 2/11/20. Was not heard in Approps

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, but never heard in committee

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

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: Assigned, but never heard in committee

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

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.

AMWUA Position: Support

Status: Only heard for discussion. Neither bill was passed out of committee

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.

AMWUA Position: Monitor

Status: Only scheduled for an information hearing, held in Approps

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, but never heard in committee

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.

AMWUA Position: Support

Status: Assigned, but never heard in committee

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.

AMWUA Position: Monitor

Status: Assigned, but never heard in committee

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.

AMWUA Position: Monitor

Status: Assigned, but never heard in committee

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
April 23, 2020

CAWCD Water Rates, Taxes and Capital Charges

ANNUAL PLAN REFERENCE

Finances & Water

Examine, analyze and influence water positions and policies that impact our members' finances.

- CAWCD – Decisions regarding the use of property tax revenue.
Strategic Plan: Objectives – Minimize Financial Impacts, Prepare for Impacts of Drought & Shortage, Interconnect Disciplines; Collaboration – Central Arizona Project, Salt River Project, Arizona Department of Environmental Quality, Water Community

SUMMARY

On April 16, 2020, CAWCD's Finance Audit & Power (FAP) Committee supported CAWCD's staff's preliminary water delivery rates as part of the District's annual rate setting process. The proposed water delivery rate for 2021 is \$160 per acre-foot (AF), down from prior projections of \$187 per AF. This rate decrease is primarily due to better than expected Lake Mead levels that are anticipated to remain in a Tier 0 Shortage for 2021, rather than the original predictions of a Tier 1 shortage.

The FAP Committee also recommended to utilize property tax receipts for the federal debt repayment in both 2021 and 2022. The preliminary rate schedule allocates 1.5¢ of the Water Storage Tax and 0.5c of the general Ad Valorem Tax for use in 2021, and 2.5¢ of the general Ad Valorem Tax in 2022. Use of these tax receipts would result in capital charges of \$53 per AF in 2021, and \$50 per AF in 2022 – providing a cost reduction for M&I subcontractors.

The FAP Committee and CAWCD staff's recommendation to apply a total of 4.5¢ of property tax revenues to the District's federal repayment obligation is a positive development. This overall rate and tax proposal is aligned with the formal position adopted in 2017 by the AMWUA Board of Directors that CAWCD's tax revenues should be used along with capital charges to meet its federal repayment rather than solely depending upon capital charges. AMWUA has consistently advocated that CAWCD's taxing authority was granted in large part for the purpose of repaying the federal government for the construction of the Central Arizona Project, which benefits all

taxpayers in its three-county service area. This recommendation positively reflects the engagement and consideration of stakeholder concerns by CAWCD's staff.

AMWUA staff recommends that a letter be drafted to the CAWCD Board from the AMWUA Board of Directors to encourage approval of the recommended rates, taxes and capital charges. The letter is also an opportunity to ensure that the CAWCD Board understand that their municipal customers will be impacted financially for some time due to the COVID-19 pandemic.

RECOMMENDATION

The AMWUA Board of Directors should direct that a letter be sent to the CAWCD Board of Directors to encourage approval of the recommended rates, taxes and capital charges.



BOARD OF DIRECTORS INFORMATION SUMMARY

April 23, 2020

AMWUA Annual Action Plan

STRATEGIC PLAN REFERENCE

Operational Principles – Manage an Efficient and Effective Association

SUMMARY

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

AMWUA staff has drafted an annual action plan to guide AMWUA's efforts through Fiscal Year 2021. The Water Resources Advisory Group has reviewed this plan.

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

The annual plan's key areas of focus through Fiscal Year 2021 include: Day-to-Day Operations, Enhanced Communication, Legislation, Prepare for Redesignation, Demand Management & Efficiency, Water Loss Control Training, Sustainable Water Management, Recovery Implementation Plan, Finances & Water, Shortage Preparation and Colorado River Management.

RECOMMENDATION

The AMWUA Board of Directors is requested to review the proposed annual plan and to provide comments and feedback.

At its March 11th meeting, the AMWUA Management Board recommended that the AMWUA Board of Directors approve the AMWUA Annual Action Plan through Fiscal Year 2021 upon receiving the AMWUA Board's feedback.

Suggested Motion:

I move that the AMWUA Board of Directors approve the AMWUA Annual Action Plan through Fiscal Year 2021.

ATTACHMENT

- **Attachment A** – Draft AMWUA Annual Action Plan
- **Attachment B** – AMWUA Annual Action Plan FY2021 presentation

Arizona Municipal Water Users Association Draft Annual Action Plan - Fiscal Year 2021

AMWUA will pursue the following actions to ensure it achieves the vision and mission outlined in the 2016-2020 strategic plan. This action plan will guide the development of the Fiscal Year 2021 budget and will drive the organization's efforts through Fiscal Year 2021. Although this plan outlines primary areas of focus, AMWUA will remain flexible and vigilant to address unforeseen issues.

Day-to-Day Operations

Maintain the daily operations of an effective organization and the services members rely on.

- AMWUA will continue to serve its members through collaborating on issues and then advocating for the agreed-upon positions. Regular meetings of the AMWUA Board of Directors, Management Board, Water Resources Advisory Group, Conservation and Efficiency Advisory Group, Sub-Regional Operating Group, Water Finance Group and Communication Advisory Group will be used to facilitate such collaboration.
- AMWUA will continue to communicate with the public and decision makers about water and the important responsibilities of its members.
- AMWUA will continue to address ad hoc research and informational requests from members as well as questions from the public regarding regional water issues.
- AMWUA will continue to provide timely notification of water issues as well as summaries of key water meetings held throughout the year.
- AMWUA will continue to wisely manage its financial resources and effectively develop its personnel as an agile team with organizational depth.

Strategic Plan: Operational Principles – Facilitate our Strength in Numbers, Excel as an Expert and Resource, Manage an Efficient and Effective Association

Enhanced Communication

Improve how AMWUA conveys the municipal perspective on water issues, stays in front of water issues, and personalize water issues to better communicate how they affect the average citizen

- Work with member and partner PIOs and communications staffs to facilitate information exchange, identify shared challenges and opportunities, and enhance coordination of messaging and communication of water resource issues and information.
- Utilize a variety of communication platforms including the website, weekly blog, social media, and public presentations.

Strategic Plan: Objectives – Advocate for Solutions, Prepare for Impacts of Drought & Shortage, Interconnect Disciplines; Collaboration – Legislature; Arizona Department of Water Resources, Salt River Project, Central Arizona Project, Water Community; Operational – Facilitate our Strength in Numbers

Legislation

Effectively advocate with one voice at the Legislature.

- Monitor, analyze and clarify state and federal legislation of interest to our members.
- 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, Arizona Department of Water Resources, Central Arizona Project, Salt River Project, Water Community, and Business Community

Prepare for Redesignation

Begin strategizing how best to prepare our members to renew their assured water supply designations

- Identify issues that our members will need to address including impacts of the Salt River Project's supply mix and NIA water reliability.
- Engage with ADWR to ensure coordination with the redesignation process.

Strategic Plan: Objectives – Advocate for Solutions; Safeguard Water Supplies, Initiate Post-2025 Water Policy; Interconnect Disciplines; Collaboration – Central Arizona Project, Salt River Project, Water Community

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

- Increase outdoor water efficiency including efforts to research and develop outdoor water efficiency standards.
- Further quantify savings from water conservation efforts.
- 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.
- Engage in regional, statewide and national demand management efforts and elevate our members' programs.
- 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.

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

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

Sustainable Water Management

Evaluate and pursue our members' contribution towards efforts and policies that will sustain and safeguard our water resources 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 including in leading the Post-2025 AMAs Committee discussions.
- CAGR – Assess the impact CAGR has upon our members including participating in discussions about CAGR's long-term viability.
- Watershed Management – Work with SRP, the Nature Conservancy and others on improving and sustaining a healthy watershed.
- Arizona Water Banking Authority – Analyze how the Water Bank can best benefit municipal users moving forward.

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

Recovery Implementation Plan

Represent AMWUA interests in the Recovery Planning Advisory Group to complete a recovery implementation plan for M&I water firmed by the AWBA.

Strategic Plan: Objectives – Prepare for Impacts of Drought & Shortage; Collaboration – Arizona Department of Water Resources, Central Arizona Project, Arizona Water Banking Authority

Finances & Water

Examine, analyze and influence water positions and policies that impact our members' finances.

- CAWCD – Decisions regarding the use of property tax revenue, use of rate stabilization funds, recovery infrastructure financing, costs of System Use Agreement water quality requirements, and costs of shortage-related programs.
- SRP – Better understand the impact of SRP's long-term water costs.

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

Shortage Preparation

Assist and coordinate on the impacts of a Tier 1 shortage declaration on the Colorado River and future shortages.

- Ongoing Coordination – Pursue opportunities to assist and synchronize continuing preparation efforts such as identifying ways to strengthen members' drought (shortage) preparedness plans.
- Enhanced Messaging – Facilitate the coordination of regional messages to ensure the public and decision makers understand how Colorado River shortage affects our water supplies; what our members have done, and continue to do, to prepare; our collective resilience to shortages; and increase the visibility and frequency of conservation awareness messaging.

Strategic Plan: Objectives – Safeguard Water Supplies, Prepare for Impacts of Drought & Shortage; Collaboration – Arizona Department of Water Resources, Salt River Project, Central Arizona Project, Water Community; Operational – Facilitate our Strength in Numbers

Colorado River Management

Monitor the Drought Contingency Plan, the Arizona DCP Implementation Plan, and reconsultation of the 2007 Colorado River Interim Guidelines to ensure our members' interests are considered.

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



amwua
ONE FOR WATER™

Annual Action Plan - Fiscal Year 2021



amwua
ONE FOR WATER™

Day to Day Operations



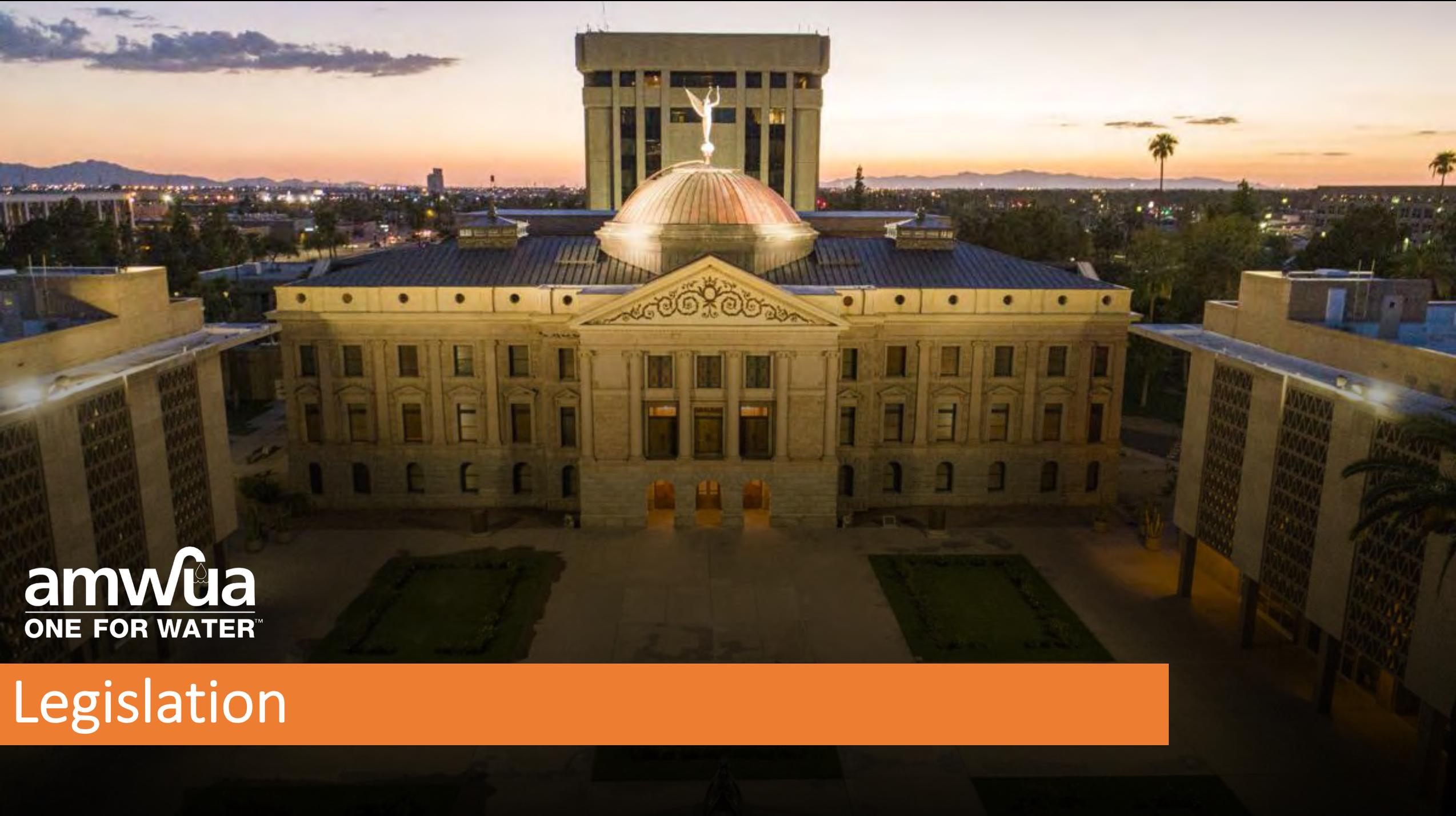
Day to Day Operations

Maintain the daily operations of an effective organization and services its members rely on.

- Collaborate
- Advocate
- Facilitate



Patrick J. Adams
Water Policy Analyst



amwua
ONE FOR WATER™

Legislation



Legislation

Effectively advocate with one voice at the Legislature.

- Monitor
- Analyze
- Engage



BROUGHT TO YOU BY...
amwua
ONE FOR WATER

amwua
ONE FOR WATER™

Water Loss Control Program



Water Loss Control Program

Enhance distribution system water loss control and revenue recovery through water loss control training through a technical assistance program.

- Facilitate
- Administer



amwua
ONE FOR WATER™

Prepare for Redesignation



Prepare For Redesignation

Continue to prepare our members for renewal of their Assured Water Supply Designations.

- Research
- Analyze
- Coordinate



Jessica Fox
Water Policy Advisor



amwua
ONE FOR WATER™

Sustainable Water Management



Sustainable Water Management

Evaluate and pursue our members' contribution towards efforts and policies.

- Governor's Water Council
- Watershed Management
- CAGR D
- Arizona Water Banking Authority



amwua
ONE FOR WATER™

Recovery Implementation Plan



Recovery Implementation Plan

- Recovery Planning Advisory Group
- Implementation plan for M&I water firming by the Arizona Water Banking Authority





FINANCE

amwua
ONE FOR WATER™

Finances & Water



Finances & Water

Examine, analyze and influence water positions and policies that impact our members' finances.

- SRP
- CAWCD



amwua
ONE FOR WATER™

Colorado River Management



Colorado River Management

- Monitor
- Reconsultation
- Ensure our members' interests are considered



Shortage Preparation



Shortage Preparation

Assist and coordinate for the impacts of a Tier 1 shortage declaration on the Colorado River and future shortages.

- Ongoing Coordination



Sheri Trapp

Communications Manager



amwua
ONE FOR WATER™

Enhanced Communications



Enhanced Communication

- Improve how AMWUA conveys the municipal perspective on water issues
- Shortage Preparation - Enhanced Messaging
- Stay in front of water issues
- Better communicate to our target audience



Sam Draper

Conservation & Efficiency Program Manager



amwua
ONE FOR WATER™

Demand Management & Efficiency

Goals



Excel as water conservation leaders



Be efficient with our existing water supplies



Raise awareness of our growing conservation efforts and successes

Increase Outdoor Water Efficiency

- Research and discuss outdoor water efficiency standards
- Encourage low-water-use landscapes



Explore Quantifying Water Conservation

- Research, analysis, and discussion
- Inventory AMWUA members' conservation programs



Enhance Best Practices

- Strategic planning
- Facilitate efficient and effective meetings
- Commercial, Institutional, and Industrial (CII) work group



Engage in Regional, Statewide, & National Efforts

- Collaborate with AMWUA members, partners, and agencies on issues
- Participate in conferences, events, and efforts



Sustain Resource Materials

- Coordinate continued publication reprints
- AMWUA's websites and webpages
- Enhance materials



Build Upon Messaging Efforts

Develop AMWUA
conservation awareness
and promotional
campaign

- Highlight successes and achievements
- Promote current efforts



Engage • Inform • Inspire Action



Goals



Excel as water conservation leaders



Be efficient with our existing water supplies



Raise awareness of our growing conservation efforts and successes

Objectives



Increase outdoor water efficiency



Explore quantifying water conservation



Enhance best practices



Engage in regional, statewide, and national efforts



Sustain resource materials



Build upon messaging efforts



amwua
ONE FOR WATER™

Advocate • Collaborate • Educate • Facilitate



BOARD OF DIRECTORS INFORMATION SUMMARY

April 23, 2020

AMWUA Quarterly Financial Statements – Second 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 December 31, 2019, and the Statement of Net Position dated December 31, 2019 are presented for your information. The Statement of Revenues and Expenses show that AMWUA is operating within the resources provided and is \$54,703 under budget through December 2019.

The majority of the budget line items are either at or below the approved budget for this fiscal year. The primary savings to budget is due to the personnel line items due to reduced headcount early this fiscal year. Most of the other line item variances are due to the timing of the expenses in relation to the year-to-date totals and should even out by fiscal year end.

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 \$846,000 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 its March 11th meeting, the AMWUA Management Board recommended that the AMWUA Board of Directors accept the quarterly financial statements as presented.

Suggested Motion:

I move that the AMWUA Board of Directors accept the AMWUA quarterly financial statements for the second quarter as presented.

ATTACHMENTS

- **Attachment A** – Statement of Revenues and Expenses
- **Attachment B** – Statement of Net Position

Arizona Municipal Water Users Association

ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Statement of Revenues and Expenses
 (Actual to Budget Comparison)
 For Period July 1, 2019 through December 31, 2019

	Year-To-Date	Year-To-Date	Over(Under)	Approved	Over(Under)
	Actual	Budget	Year-To-Date	Annual	Budget
			Variance	Budget	Variance
Funding Sources					
Assessment - Water	941,336.00	941,336.00	0.00	1,252,240.00	(310,904.00)
Assessment - Wastewater	166,495.00	166,495.00	0.00	214,613.00	(48,118.00)
2017 Carryover Applied to Reduce Member Assessments		0.00		0.00	-
Interest Revenues	9,104.54	0.00	9,104.54	0.00	9,104.54
Other Revenues	30,475.92	0.00	30,475.92	0.00	30,475.92
Net Revenues	1,147,411.46	1,107,832.00	39,580.46	1,466,853.00	(319,441.54)
Operating Expenses					
Payroll (Salaries)	311,144.10	348,367.00	(37,222.90)	696,734.00	(385,589.90)
Deferred Compensation (ASRS Payments)	34,831.89	42,159.50	(7,327.61)	84,319.00	(49,487.11)
Payroll Processing, Taxes and Insurance	27,654.32	30,500.00	(2,845.68)	61,000.00	(33,345.68)
Medical and Disability Insurance	41,801.90	43,500.00	(1,698.10)	87,000.00	(45,198.10)
Cell Phone Allowance	4,590.65	3,350.00	1,240.65	6,700.00	(2,109.35)
Temporary Services/Receptionist	0.00	0.00	0.00	0.00	-
Legal/Consulting Services (Ferris Contract)	30,000.00	30,000.00	0.00	60,000.00	(30,000.00)
Legislative Services (Aarons Company-Contract)	23,749.98	23,750.00	(0.02)	47,500.00	(23,750.02)
Audit - Water	15,000.00	9,300.00	5,700.00	9,300.00	5,700.00
Audit - Waste Water	14,250.00	21,700.00	(7,450.00)	21,700.00	(7,450.00)
Website Services	0.00	0.00	0.00	5,000.00	(5,000.00)
Communication Services (Kossan Contract)	0.00	0.00	0.00	0.00	-
Consultant-Finance/Accounting	16,000.02	16,000.00	0.02	32,000.00	(15,999.98)
Audio/Visual Development	0.00	0.00	0.00	2,000.00	(2,000.00)
IT Services	2,400.00	2,500.00	(100.00)	5,000.00	(2,600.00)
Office Space - Lease	89,146.62	89,500.00	(353.38)	179,000.00	(89,853.38)
Common Area Maintenance	2,661.00	4,825.00	(2,164.00)	9,650.00	(6,989.00)
Telephone	2,803.30	2,400.00	403.30	4,800.00	(1,996.70)
E-Mail/Webpage/Internet	1,760.51	3,000.00	(1,239.49)	6,000.00	(4,239.49)
Travel/Conferences	785.56	785.56	0.00	9,000.00	(8,214.44)
Milage Reimbursement	1,931.26	1,625.00	306.26	3,250.00	(1,318.74)
Continuing Professional Ed	0.00	0.00	0.00	0.00	-
Staff Development	2,149.31	500.00	1,649.31	1,000.00	1,149.31
Copy Machine - Lease	2,340.69	2,600.00	(259.31)	5,200.00	(2,859.31)
Computer Hardware/Software	3,780.93	3,780.93	0.00	5,750.00	(1,969.07)
Office Supplies	776.61	3,250.00	(2,473.39)	6,500.00	(5,723.39)
Meetings	1,967.01	2,500.00	(532.99)	5,000.00	(3,032.99)
Outreach Efforts	4,665.00	4,665.00	0.00	10,000.00	(5,335.00)
Printing	249.45	1,150.00	(900.55)	2,300.00	(2,050.55)
Postage & Deliveries	990.01	1,000.00	(9.99)	2,000.00	(1,009.99)
Subscription & Reference	1,391.84	650.00	741.84	1,300.00	91.84
Dues & Memberships	707.96	875.00	(167.04)	1,750.00	(1,042.04)
Insurance	684.32	684.32	0.00	4,100.00	(3,415.68)
Equipment Maintenance	0.00	0.00	0.00	2,000.00	(2,000.00)
Water Conservation	68,636.20	68,636.20	0.00	90,000.00	(21,363.80)
Total Operating Expenses	708,850.44	763,553.51	(54,703.07)	1,466,853.00	(758,002.56)
Reserve and Contingency Funds Summary:					
Contingency Fund Balance on 12/31/19	\$600,000				
Reserve Fund Balance on 12/31/19	246,347				
Total Contingency and Reserve Funds	\$846,347				

Arizona Municipal Water Users Association

Statement of Net Position

As of December 31, 2019

ASSETS			
Current Assets			
1000 Petty Cash	500.00		
1015 Compass Checking 25 287 52333	24,896.23		
1025 Compass Money Market 25 100 20769	506,773.56		
1030 Investment Account (LGIP)	846,346.68		
Total Bank Accounts	846,346.68	\$	1,378,516.47
 Accounts Receivable			
1041 Other Receivables	0.00		
Total Accounts Receivable	0.00	\$	-
 Other Current Assets			
1050 Prepaid Expenses	17,373.42		
Total Other Current Assets	17,373.42	\$	17,373.42
 Total Current Assets		 \$	 1,395,889.89
 Fixed Assets			
1100 Furniture & Equipment	181,344.29		
1150 Leasehold Improvements	52,665.08		
1200 Accum Depreciation Furniture	-165,662.80		
1250 Accum Depreciation Leasehold	-51,416.82		
Total Fixed Assets	-51,416.82	\$	16,929.75
 Other Assets			
1450 Deferred Outflow - Pension Resources	179,980.23		
Total Other Assets		\$	179,980.23
 TOTAL ASSETS		 \$	 1,592,799.87

Arizona Municipal Water Users Association
Statement of Net Position
As of December 31, 2019

LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Credit Cards			
2005 BBVA Compass Credit Card	1,220.62		
Total Credit Cards		\$	1,220.62
Other Current Liabilities			
2010 FICA Withheld and Accrued	0.00		
2050 Accrued Expenses	107,233.12		
2110 Retirees Excess Benefit Clearance	3,178.00		
Total Other Current Liabilities		\$	110,411.12
Total Current Liabilities		\$	111,631.74
Long-Term Liabilities			
2200 Deferred Revenues	31,138.78		
2210 Net Pension Liability	874,444.00		
2220 Deferred Inflow-Pension Resources	108,801.00		
Total Long-Term Liabilities		\$	1,014,383.78
Total Liabilities		\$	1,126,015.52
Equity			
3000 Fund Balance	28,223.33		
Opening Balance Equity	0.00		
Net Income	438,561.02		
Total Equity		\$	466,784.35
TOTAL LIABILITIES AND EQUITY		\$	1,592,799.87