



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

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

**MEETING NOTICE AND AGENDA**

***Thursday, May 26, 2022 – 11:00 a.m.***

**This meeting will be held as a Hybrid meeting.  
Attendance in person is welcomed; Others may join via Zoom.**

**Access this [Link](#) to join via Zoom. Meeting ID: 830 2620 8484**  
(Option to join by phone: 602-753-0140, same Meeting ID as above)

**A. Call to Order**

**B. General Business—Items for Discussion and Possible Action**

1. Approval of the Minutes from the April 28, 2022 Meeting
2. Schedule Next Meeting Date: June 23 2022, 11:00 a.m.
3. 2022 Legislative Session and Arizona Water Augmentation Authority Proposal
4. Colorado River Conditions and Messaging
5. AMWUA Fiscal Year 2022 Quarterly Financial Statements – Third Quarter
6. AMWUA Fiscal Year 2023 Preliminary Draft Budget

**C. Executive Director’s Report**

**D. Future Agenda Items**

**E. Adjournment**

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

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

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Arizona Municipal Water Users Association



**BOARD OF DIRECTORS**  
**MEETING MINUTES**  
**April 28, 2022**  
**HYBRID MEETING**

**VOTING MEMBERS PRESENT**

Councilmember Bart Turner, Glendale, President  
Councilmember Sheri Lauritano, Goodyear, Vice President  
Councilmember René Lopez, Chandler  
Councilmember Kevin Thompson, Mesa  
Councilmember Curtis Nielson, Avondale  
Councilwoman Ann O'Brien, Phoenix  
Mayor David Ortega, Scottsdale

**VOTING MEMBERS NOT PRESENT**

Councilmember Scott Anderson, Gilbert, Secretary-Treasurer  
Councilmember Doreen Garlid, Tempe

**OTHERS PRESENT**

Patrick J. Adams, AMWUA  
Erin Andres, Phoenix  
Alexis Apodada, Chandler  
Jamie Ashby, SRP  
Michelle Barclay, AMWUA  
Kirk Beaty, Avondale  
Riggs Brown, Traversant Group  
Craig Caggiano, Tempe  
Cynthia Campbell, Phoenix  
Ginna Carico, Goodyear  
Jennifer Davidson, Avondale

Miranda DeWitt, Mesa  
Ray Diaz, Goodyear  
Sam Draper, AMWUA  
Paulette Fenderson, Phoenix  
Kathy Ferris, AMWUA  
Jake Golden, Phoenix  
Lisa Gray, CliftonLarsonAllen  
Lauren Hixson, Gilbert  
Simone Kjolsrud, Chandler  
Kathy Macdonald, Mesa  
Jenna Norris, Peoria

Jacob Perez Laurent, AMWUA  
Diana Pina, AMWUA  
Cape Powers, Peoria  
David Simmons, Scottsdale  
Warren Tenney, AMWUA  
Sheri Trapp, AMWUA  
Theresa Ulmer, Ulmer Consulting  
Austin Walker, AMWUA  
Tammi Watson, CAP  
Emily Webb, Peoria  
Marge Zylla, Tempe

**A. Call to Order**

Councilmember Turner called the meeting to order at 11:03 a.m. He noted that Peoria would name a new representative in time for the May Board of Directors meeting.

**B. Approval of the Minutes from the March 24, 2022 Meeting**

Upon a motion made from Councilwoman O'Brien and a second from Councilmember Nielson, the AMWUA Board of Directors unanimously approved of the March 24, 2022 meeting minutes.

**C. Schedule Next Meeting Date: May 26, 2022, 11:00 a.m.**

**D. Discussion and Approval of Annual Action Plan**

Mr. Tenney presented AMWUA's proposed annual action plan for Fiscal Year 2023, that serves as a road map for how AMWUA can accomplish its overall strategic plan. Mr. Tenney detailed the annual action plan's areas of focus and day-to-day operations of the organization and the Sub-Regional Operating Group, or SROG. Mr. Tenney also reported on Sustainable Water Management and how AMWUA will continue its mission throughout the next fiscal year.

Sheri Trapp, Communications Manager, reported on AMWUA's Enhanced Communications and the updated Enhanced Messaging on the Colorado River Shortage from the past fiscal year and into fiscal year 2023.

Sam Draper, Conservation & Efficiency Program Manager, and Jacob Perez Laurent, Program Assistant, reported on Demand Management & Efficiency.

Austin Walker, Water Policy Analyst, reported on Finances and Patrick Adams, Water Policy Advisor, reported on Legislation, Redesignation, and Colorado River Management & Shortage Preparation.

Upon a motion made from Councilmember Thompson and a second from Councilmember Lopez, the AMWUA Annual Action Plan for Fiscal Year 2023 was approved unanimously by a majority of the AMWUA Board of Directors. Councilmember Garlid and Councilmember Anderson were not present at this meeting.

**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 and other personnel-related matters. Upon a motion from Councilmember Thompson and a second from Councilwoman O'Brien, the AMWUA Board of Directors approved to enter into Executive Session at 11:37 a.m.

The AMWUA Board of Directors re-entered regular session at 12:15 p.m.

**F. Consideration of Action Pursuant to Executive Session**

Councilwoman O'Brien made a motion to direct the AMWUA Executive Director to come forward with a budget for Fiscal Year 2023 reflecting the direction in Executive Session regarding salary adjustments for the Executive Director and AMWUA staff, and any one-time allocated funds. The motion was seconded by Councilmember Lopez and approved unanimously by a majority of the AMWUA Board of Directors present. Councilmember Garlid and Councilmember Anderson were not present during the Executive Session.

**G. General Business – Items for Discussion and Possible Action**

**1. 2022 Legislative Session and Arizona Water Authority Proposal**

Patrick Adams, Water Policy Advisor, reported on the current status of the Legislative Session. SB 1067, water infrastructure finance authority; cities, has been signed by the Governor. HB 2129, ADEQ direct potable reuse; rules, has passed out of the House and Senate committees and will be included in Budget negotiations.

Mr. Adams reported that proponents of SB 1171 are meeting to reduce the scope of the bill, and AMWUA had received a draft amendment with somewhat positive changes. However, AMWUA staff maintains a position of “oppose” to the bill in its current state, due to its negative impacts to the existing regulatory management within the Active Management Areas.

Mr. Adams then reported on a new bill, SB 1197, that originally was proposed to expand the service areas of irrigation districts in the AMAs to access more infrastructure. AMWUA staff has worked with sponsors of this bill to appropriately amend and limit its applicability to address the concerns of the AMWUA cities. The AMWUA Management Board approved a position to “support” the amended language to this bill, which was maintained as it passed through the Legislature and onto the Governor’s desk to be signed.

Mr. Tenney reported on the concerns that surround the current Arizona Water Authority proposal. As legislators clearly want to do something about water, Mr. Tenney reported on the opportunities to address remaining stakeholder concerns about the Authority proposal, such as the structure of governance, requirements regarding transparency and public participation, the vast powers provided to the Authority. Mr. Tenney reported that AMWUA will continue to suggest changes to the Authority as this entity is developed, such as fewer powers, identifying committed users of projects, and addressing the need for governance and transparency.

Mayor Ortega commented that during future negotiations of the Arizona Water Authority, some portion of \$1 billion funds be suggested towards direct potable reuse. While not all cities have the capacities of DPR infrastructure yet, the urgency of the shortage may allow funding to future reuse projects which can bolster utility demand.

## 2. Colorado River Conditions and Shortage

Mr. Adams reported that the hydrologic conditions in the Colorado River Basin are poor and runoff this spring and summer will have significant impacts on Colorado River reservoirs. Lake Powell elevations have reached critical levels and power generation becomes uncertain below elevation 3,525'. At the current rate, Lake Powell is projected to fall to minimum power pool in 2024. Glen Canyon Dam cannot properly sustain 7 million acre-feet deliveries when water levels are so low and the Department of the Interior is taking emergency steps to buffer Lake Powell’s elevations. Under current projections of a 7.48 MAF release, Lake Mead will fall into a Tier 2 shortage in 2023. Lake Mead may fall under the threshold of a Tier 3 shortage in 2024 under the minimum releases from Lake Powell.

Mr. Tenney reported that the Colorado River system is entering unprecedented territory and the extreme uncertainty of Lake Powell will affect the future yields from the system. It is imperative for all stakeholders at both federal and state levels to agree upon a reduced yield of the River moving forward. AMWUA members will continue to prepare for the accelerating shortage conditions, despite their secure water portfolios. The messaging of this shortage will need to adopt a more serious, long-term adaption to these sustained conditions. AMWUA will adapt messaging to prepare residents and elected officials to the new reality of less Colorado River water.

Councilmember Nielson commented that members will need to combat any untrue news or media surrounding these topics as shortage continues and the media presence rises. Mr. Tenney responded that AMWUA has been making a concerted effort to address the relevant issues in weekly blogs and the updated messaging. Councilmember Turner commented that if there is misrepresented or inaccurate information circulating, members should pass it along to AMWUA staff.

### 3. CAWCD Water Rates and Taxes

Mr. Tenney reported that the CAP staff released their delivery rates for 2023 and the projected rates through 2028. CAP has held two meetings for stakeholders to discuss increase to the future rates. Mr. Tenney reported that the 2023 delivery rates have increased nearly 60% since 2021 and municipal service providers have expressed that they have been preparing for the increases to the rates as a result of the Tiered shortages. However, he stated, no one could prepare for such an unplanned, significant increase to the delivery rates and it has presented a challenge to member utilities. AMWUA requests that CAP provide stability to their delivery rates by utilizing both sources of revenue. The stability would allow municipal water providers to project future costs toward their own water infrastructure projects. The Finance Audit and Power committee provided a recommendation to the CAP Board to utilize taxes to reduce the delivery rate increase.

Mr. Tenney reported that AMWUA will provide an updated letter from the President of the AMWUA Board of Directors, Councilmember Turner, in support of the FAP recommendation.

Councilmember Thompson asked if it would be beneficial for the Board officers of AMWUA and CAP to meet and discuss the delivery rates together. Mr. Tenney responded that there have been many efforts between AMWUA and CAP to discuss this topic. Due to timing, he suggested every Board member, and their fellow council members, reach out and talk to individual CAP Board members about their municipality's unique concerns. AMWUA Board members are encouraged to reach out to AMWUA staff for any specific contact information they may need.

Councilmember Turner requested clarification on if the FAP committee had already quantified how much of each revenue source would be used under their recommendation to their Board. Mr. Tenney responded that they had, but they are recommending using 6.5 cents of their 14 cent tax revenues to stabilize the 2023 rates. Mr. Tenney reported that the use of taxes would significantly reduce the increase to the CAP delivery rates.

#### **H. Executive Director's Report**

There was no Executive Director's report at this time.

#### **I. Future Agenda Items**

There were no future agenda items at this time.

#### **J. Adjournment**

Councilmember Turner adjourned the meeting at 12:59 p.m.

**BOARD OF DIRECTORS**  
**INFORMATION SUMMARY**  
May 26, 2022

**2022 Legislative Session and Arizona Water Augmentation Authority Proposal**

**ANNUAL PLAN REFERENCE**

**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: Collaborate and Advocate for Solutions, Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy*

**SUMMARY**

The Second Regular Session of the 55<sup>th</sup> Legislature began on January 10, 2022. Since the start of session, over 1,675 measures were introduced, and to date 228 have been signed by the Governor. Sporadic floor action continues as lawmakers focus on a path forward for budget negotiations.

The Legislature continues to debate proposals for making a major (\$1 billion) water investment, which has focused on the creation of an Arizona Water Augmentation Authority. After significant concerns were raised about the initial Authority legislation, a small group of stakeholders, including AMWUA, were asked by House and Senate leadership to develop conceptual revisions that would address the most problematic aspects of the proposal. The stakeholder group came to agreement on a suite of conceptual principles that would be necessary to make the Water Augmentation Authority concept viable, including more limited powers, increased transparency, and an improved governance structure. Legislative leadership and the Governor's representatives were receptive to the principles provided by stakeholders, which were subsequently incorporated into an updated draft, "Version 2.0" of the legislative language.

On the same day as Version 2.0 of the legislative language was circulated, the Senate Majority Caucus issued a memorandum announcing their concerns with creation of a new governmental entity, and proposing an alternative water investment package that utilizes existing agencies including the Arizona Financing Authority, the Water Infrastructure Financing Authority, and

ADWR. The memorandum provides a high-level conceptual overview, but does not include legislative language. Senate staff has said that stakeholder principles would be incorporated into any legislative language.

AMWUA and the other stakeholders addressed most of the initial concerns about the Authority through the incorporation of their principles in the Version 2.0 legislative language. Those principles and protections included in the Version 2.0 legislation include the following provisions:

- To provide clarity, the name of the Authority is changed to Arizona Water Augmentation Authority with a clear mission statement that the Authority is to benefit current and future residents, the economy, and environment by facilitating water conservation, reuse, and augmentation projects.
- To address concerns about vast powers, the Authority is prohibited from owning infrastructure or water rights within Arizona, with the exception of conveyance infrastructure for imported water.
- Any agreements between the Authority and end users located within a municipality's incorporated boundaries must be conditioned on the approval of that municipality.
- Funding decisions must be evaluated and determined in transparent, open meetings with project information made available for public review and comment.
- Water providers facing Colorado River shortage reductions must be taken into consideration, and given an opportunity to participate in large, out-of-state water supply development projects.
- The Authority must ensure that projects funded through expenditure from a State Augmentation Fund must be able to secure full cost recovery.
- There must be adequate representation for Arizona's major population centers, including explicit representation from Maricopa, Pinal, and Pima counties.
- A Board committee comprised of the Maricopa, Pinal, Pima counties members as the majority must approve long-term water augmentation projects before they are considered by the full Authority board.

These provisions in the Version 2.0 legislation have addressed AMWUA's major concerns and have greatly improved the Authority proposal, minimizing unintended negative consequences to the AMWUA cities, and providing a more appropriate mechanism for a large investment in water augmentation and infrastructure.

While there is disagreement between the Governor's Office, House, and Senate over the approach, there appears to be broad legislative support for a \$1 billion investment in Arizona's water future. Whether the Version 2.0 proposal from the House and Governor's Office moves

forward, or a compromise approach is reached with the Senate, it will be important that at a minimum, any state augmentation legislation includes the principles and protections developed by the stakeholders.

At the May 26, 2022 Board meeting, staff will provide a brief update on key legislative bills and then will provide an overview regarding the current status of the proposed water augmentation legislation.

### **RECOMMENDATION**

The AMWUA Board of Directors is requested to review the legislative update and ask any questions Board members may have.

It is anticipated that there may be further development regarding the water augmentation legislation before the May 26, 2022 meeting, and the AMWUA Board may be asked to provide direction to Staff. At this time, it is recommended that the AMWUA Board consider taking a position that, at a minimum, any state augmentation legislation includes the principles and protections that were outlined in this Board packet.

### **SUGGESTED MOTION**

*I move that the AMWUA Board of Directors adopt a position that, at a minimum, state augmentation legislation must include the principles and protections that are outlined in this report.*

## Legislative Positions Adopted by the AMWUA Board of Directors

### **HB 2037 expenditures; authority; water; wastewater (Cook)**

A s/e amendment was adopted and passed out of House NREW that significantly limited the scope of the bill to a sole change in the powers of a Board of Supervisors – allowing a Board to enter into agreements for the management and distribution of federal funds related to water supply projects.

*AMWUA Position: Monitor*

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### **HB 2053 department of environmental quality; continuation (Griffin)**

Extends the sunset date for the Arizona Department of Environmental Quality for eight years, through 2030.

*AMWUA Position: Support*

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### **HB 2055 Harquahala non-expansion area; groundwater transportation (H: Griffin)**

This bill adds a provision to statute allowing private water companies to withdraw groundwater from purchased land in the Harquahala irrigation non-expansion area (INA) and transport that water to an initial AMA. Currently, only political subdivisions of the state can purchase land and transfer the Harquahala groundwater to AMAs. This bill is similar to a measure introduced in 2019 (HB 2609) although previously problematic elements relating to the depth of allowable groundwater withdrawal have been removed.

AMWUA worked with the main proponent, EPCOR, to amend the proposal so that the definition of “private water company” is clearly limited to private utilities regulated by the Arizona Corporation Commission, excluding a broader interpretation of the term that could include entities such as investment firms and developers.

A floor amendment adopted on February 23<sup>rd</sup> adds several limitations to the bill – the groundwater must be used by the transporting entity’s customers within five years of transport and cannot be sold for use other than by the transporting entity. A private water company transferring the groundwater must pay for all associated costs from charges to customers where the water is actually transported for use. ADWR must adopt Rules for compliance and reporting related to Harquahala groundwater transfers.

*AMWUA Position: Neutral*

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**HB 2056 fifth management period; extension (Griffin and 3 others)**

Extends the Fifth Management Period by ten years, lengthening the Period from to 2025 to 2035. Extending the Fifth Management Period by a decade does not alter the end date of the 5MP regulations, as the conservation requirements continue to remain in effect indefinitely, whether the Period ends in 2025 or 2035.

ADWR sought to pursue legislative authority to establish a Sixth Management Period; however, it appears that this bill will not be amended to accomplish the Department’s objective. HB 2056 may be utilized as a vehicle.

*AMWUA Position: Monitor*

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**HB 2057 water supply development fund; revisions (Griffin & Bowers)**

The Water Supply Development Revolving (WSDR) fund was established in 2007 and was intended to assist rural water providers acquire water supplies through loans and grants. The statutory criteria associated with WSDR Fund were substantively modified in the 2021 Legislative Session by HB 2388 which expanded applicant eligibility, as well as a \$46 million appropriation to the Fund.

This bill, HB 2057, makes technical corrections, deletes references to the defunct WSDR Fund Committee, and makes conforming changes to last year’s legislation that expanded the maximum grant limit to \$250,000.

*AMWUA Position: Monitor*

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**HB 2099 municipalities; membership dues; limit (Cobb & 2 others)**

This bill applies to all organizations whose majority of paid members are cities or towns. HB 2099 establishes a “per capita” metric that divides a city’s membership dues by its total population. No city may pay membership dues to an organization if its “per capita” ratio is greater than the ratio of the largest city within the same organization.

This formula is incompatible with AMWUA’s calculation of membership assessments which are not solely based on population. This legislation would impair the ability of municipalities to establish and participate in organizations that do not follow this narrow structure for establishing membership dues.

*AMWUA Position: Oppose*

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### **HB 2129 ADEQ direct potable reuse; rules (Griffin)**

On November 30, 2021, the Post-2025 AMAs Committee recommended a series of consensus proposals to the Governor’s Water Council, including a request that resources be provided to the Arizona Department of Environmental Quality (ADEQ) to fast track development of a Rulemaking for a Direct Potable Reuse (DPR) permit process.

ADEQ’s Regulatory Agenda anticipates that this Rulemaking and program development will take place in 2022, however no funds were specifically requested for this purpose in the agency’s FY23 Budget Request.

As co-chairs of the Post-2025 AMAs Committee, AMWUA and Valley Partnership have collaborated to pursue a legislative appropriation that would provide ADEQ with the financial resources to complete this Rulemaking, as well as a statutory deadline. Accelerating the implementation of DPR is a long-standing priority for the Arizona water community and an important step towards mitigating the impacts of drought and shortage. HB 2129 requires ADEQ to complete this rulemaking by December 31, 2024 and appropriates \$1,500,000 in FY 23 and \$1,500,000 in FY 24 assist the Department in developing the DPR program.

*AMWUA Position: Support*

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### **HB 2131 HOAs; artificial grass ban prohibited (Kavanagh)**

HB 2131 prevents a homeowner’s association (HOA) from prohibiting installation or use of artificial turf on any member’s property. The HOA may adopt reasonable rules regarding the installation and appearance of artificial grass. An agreement was reached between the Sponsor and the HOA lobby giving more discretion to the HOAs on the rules pertaining to artificial grass. The bill will not be further amended to ban natural turf mandates, but AMWUA staff still feel this is a step forward for encouraging outdoor water conservation.

*AMWUA Position: Monitor, seek amendments*

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### **HB 2231 universities; water rights adjudication (Griffin)**

Authorizes Arizona universities to offer pro bono assistance to General Stream Adjudication claimants who are “small landowners.” The provisions of this bill were included in a section of a 2021 budget reconciliation bill subsequently deemed unconstitutional by the Arizona Supreme Court, thus its reintroduction in this session.

*AMWUA Position: Monitor*

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### **HB 2256 assured water supply; service area (Cook)**

Requires the Director of ADWR, when determining the physical availability of groundwater to be drawn through future wells for an Assured Water Supply (AWS) Determination to assume that:

- The service area of a city or town is coterminous with the boundaries of the city or town;
- The service area of a private water company is coterminous with the boundaries of its certificate of convenience and necessity (CC&N); and
- The service area of a water improvement district is coterminous with the boundaries of the district.

AMWUA and ADWR have identified several concerns with this proposal. First, HB 2256 would establish statutory definitions of “service area” that directly contradict the Groundwater Code’s existing provisions that define and govern service area expansions. This bill would also allow AWS Determinations to be approved on the premise that a future well will be drilled in a location where there is no guarantee the water provider will have access in the future. ADWR has noted that this proposed legislation is inconsistent with the consumer protection goals of the AWS Program.

*AMWUA Position: Oppose*

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### **HB 2258 assured water; supply; nonlocal water (Cook)**

HB 2258 attempts to enable water providers delivering commingled water supplies (surface water, groundwater, effluent) to account for deliveries to an individual end user as if groundwater had not been delivered to that user. Presumably this would allow – or require – a water provider to account for certain water supplies going to specific end users, despite physical deliveries of a blended supply.

The objective of HB 2258 is to authorize water providers to wheel specific supplies to individual customers under this provision, ending the long-standing ADWR requirement that an applicant for a Determination of Assured Water Supply must demonstrate physical availability of any groundwater delivered through the water provider’s distribution system.

AMWUA and ADWR have identified significant concerns with this proposal, including that it undermines the AWS Program by preventing ADWR from evaluating physical availability of groundwater and could create infeasible municipal water provider reporting requirements. Furthermore, the requirement to assign specific water supplies to specific customers despite deliveries of a blended supply could lead to inequities in within a municipal water service area between different customers.

*AMWUA Position: Oppose*

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**[HB 2327](#) drought mitigation revolving fund; appropriation (Bowers & Toma)**

Appropriates \_\_\_\_\_ billion dollars (unspecified) to the Drought Mitigation Revolving Fund.

*AMWUA Position: Monitor*

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**[HB 2331](#) area of impact; stored water (Cook)**

HB 2331 moves statutory definitions of “Area of Impact” (AOI), previously only applicable to Designation applications in the Pinal AMA, to the Recharge Program statutes in Title 45, Chapter 3.1. The bill also expands the AOI for a Groundwater Savings Facility by adding a 1-mile buffer to the irrigation district boundaries.

Moving the AOI definitions as proposed would have broader impacts to the Recharge Program where “AOI” is used in other regulatory processes, such as permitting requirements for an Underground Storage Facility permit. Additionally, the proposed new definition that expands the AOI of a Groundwater Savings Facility by one mile further disconnects recovery from recharge.

*AMWUA Position: Oppose*

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**[HB 2406](#) water quality fee fund (Griffin)**

Expands the allowable uses of ADEQ’s Water Quality Fee Fund (WQFF) to include total maximum daily load (TMDL) development, nonpoint source rulemakings, and groundwater monitoring and standards development. Also allows ADEQ to pursue a rulemaking to update AZPDES and APP fees which have been static since 2011. Rep. Griffin is running this bill on behalf of ADEQ.

*AMWUA Position: Support*

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**[HB 2409](#) multi-county water districts; storage tax (Griffin)**

Extends CAWCD’s authority to levy the Water Storage Tax at 4¢ through 2029. The Water Storage Tax subsequently reduces to 3¢ in 2030 and expires in 2035.

CAWCD had originally sought to extend the tax levy at the full 4¢ through 2044. AMWUA has requested that CAWCD provide more specificity regarding the intended use of the tax revenues, and that the legislation clarify that recovery is an authorized use of the Water Storage Tax.

Prior to the introduction of HB 2409, AMWUA requested more specificity about how the Water Storage Tax revenues will be used and noted that it should be clarified that the tax can be utilized for recovery purposes. The Water Storage Tax funded the Arizona Water Banking Authority's storage of excess Colorado River water to firm M&I supplies reduced by shortage, and the same tax should be authorized to fund the recovery of that stored water.

*AMWUA Position: "Monitor," but willing to move to "Support" if the statutory amendments include language clarifying that the Water Storage Tax can be used for the purposes of recovery.*

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**[HB 2456](#) | [HB 2511](#) | [SB 1492](#) subsequent irrigation non-expansion areas; procedures (H: Cano, Cobb | S: Otondo)**

These measures introduce a number of modifications to the procedures for establishment of new irrigation non-expansion areas (INA). This proposal 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. The language aligns with the suggested statutory changes presented by ADWR in the summer of 2017 during the Governor's Water Solutions Conversations. AMWUA has previously supported this legislation.

*AMWUA Position: Support*

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**[HB 2459](#) appropriation; WQARF (Cano & 8 others)**

Appropriates \$15 million from the general fund in FY2022-23 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*

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**[HB 2460](#) wells; permits; spacing rules (Cano & 5 others)**

Requires that ADWR adopt rules governing the location of new and replacement wells >35 gpm located outside of AMAs, within groundwater basins that the Director determines to be experiencing declining groundwater levels. AMWUA has historically supported similar legislation.

*AMWUA Position: Support*

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**[HB 2510](#) | [HB 2661](#) rural management areas (Cobb & Biasiucci)**

For Mohave, La Paz, and Yuma counties this bill would allow the 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. For any Rural Management Area that is formed, a seven-person Council shall be appointed by the Governor. The Rural Management Area Council must adopt a Management Goal, Management Plan, and voluntary or mandatory best management practices designed to reduce groundwater withdrawals in the area. Any proposed actions to be implemented by ADWR in the Management Plan must be submitted for approval by the Department. HB 2510 also establishes the “Department of Water Resources Heritage Fund” consisting of monies deposited from the State Lottery, to support ADWR administration of the Rural Management Area.

*AMWUA Position: Monitor*

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**[HB 2512](#) Colorado River water; local communities (Cobb & Biasiucci)**

Prohibits transfer of on-river Priority 4 Colorado River water from outside of a “Colorado River community.”

*AMWUA Position: Monitor*

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**[HB 2538](#) water protection fund; appropriation (Griffin)**

This bill would appropriate \$1 million from the state general fund in Fiscal Year 2022-23 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*

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**[HB 2549](#) stored water; certificates; impact; accounting (Griffin)**

HB 2549 consolidates the legislative proposals of the Pinal AMA stakeholder group contained in HB 2256, HB 2258, and HB 2331. As noted, AMWUA and ADWR have serious concerns that these proposals undermine the Assured Water Supply Program.

*AMWUA Position: Oppose*

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**[HB 2556](#) water infrastructure finance; sunset repeal (Griffin)**

Repeals the statutory sunset for the Water Infrastructure Finance Authority of Arizona (WIFA), which will now be included under the sunset review of its governing body, the Arizona Office of Economic Opportunity (OEO). The next sunset review for the Arizona OEO and its Boards is July 1, 2023. WIFA supports this alignment.

*AMWUA Position: Support*

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**[HB 2560](#) ~~appropriation; DWR; water efficiency projects (Dunn)~~ group homes; monitoring; reporting; appropriation**

~~This bill would appropriate \$1 million from the state general fund in Fiscal Year 2022-23 to ADWR “to identify water efficiency projects that have significant potential for water savings but that also have legal impediments hindering implementation.” The policy objective for prioritizing projects that are legally questionable is unclear at this time.~~

This bill was amended with an unrelated strike everything amendment.

*AMWUA Position: Monitor*

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**[HB 2619](#) rainwater harvesting program (Liguori & 11 others)**

The strike-everything amendment establishes the Rainwater Harvesting Grant Program within the Arizona Department of Water Resources. Grants are available to Program applicants at two Levels: Level 1 Grants may be used to reimburse up to 50% of a simple or passive rainwater harvesting system, up to \$500. Level 2 Grants may fund up to a maximum of \$2,000 for an “active and more complex” project, including installation of a rainwater harvesting system and storage tank. Various routine landscaping activities are identified and excluded from eligibility for grant funding. HB 2619 as amended appropriates \$1 million to ADWR to fund the Program.

*AMWUA Position: Support*

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**[HB 2761](#) water efficient plumbing fixtures (Mathis & 9 others)**

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 has supported this legislation each year since the 2019 session.

*AMWUA Position: Support*

**[SB 1022](#) | [HB 2467](#) groundwater pumping; measuring; reporting (S: Steele | H: Cano)**

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. AMWUA has historically supported this legislation, including in the 2020 and 2021 sessions.

*AMWUA Position: Support*

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**[SB 1023](#) | [HB 2463](#) well drilling; groundwater basins (S: Steele | H: Cano)**

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 adopted a “Monitor” position on this legislation in the 2020 and 2021 sessions.

*AMWUA Position: Monitor*

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**[SB 1067](#) cities; water infrastructure finance authority (Shope)**

SB 1067 would streamline the statutory process so that cities and towns with populations over 150,000, can also utilize WIFA financing for critical water infrastructure without having to place the issue on the ballot. This enables all municipalities to apply for WIFA’s infrastructure funds to meet the needs of their communities without delay.

Removing this regulatory hurdle will allow Arizona to capitalize on federal infrastructure funding and will bolster WIFA’s project portfolio. This will strengthen WIFA’s ability to maintain low interest rates and to leverage funds for even more infrastructure investment throughout the state. SB 1067 proposal has been met with positive feedback from WIFA staff as well as the broader water community.

On February 16<sup>th</sup> an amendment to SB 1067 was passed raising the population threshold to 300,000 persons, instead of removing the voter requirement altogether. On March 1<sup>st</sup>, a subsequent amendment was introduced and approved that would allow municipalities of any size to access funding authorized by Congress under the Infrastructure Investment and Jobs Act without an election, through FY 2027. The bill as amended was passed by the Senate in a near unanimous vote.

*AMWUA Position: Support*

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### **SB 1102 homeowners' associations; solar, water devices (Mendez & Salman)**

Homeowners Associations (HOA) cannot prohibit the installation of a water saving device or indoor or outdoor water conservation practice. The HOA may adopt reasonable rules governing proposed water conservation practices. AMWUA supported this legislation in 2019.

*AMWUA Position: Support*

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### **SB 1171 S/E treated process water; definitions (Kerr)**

Amends the statutory definition of “Water that cannot reasonably be used directly” (WaterBUD) to include *Treated Process Water*, defined as: “groundwater that is used for nonirrigation use in a facility that manufactures food and beverage products and subsequently treated at the site of use for storage.” This legislation is being introduced on behalf of two beverage manufacturing companies in the Valley who seek to recharge their industrial wastewater and generate long-term storage credits (LTSC) to increase their legally-allowable groundwater pumping. Currently, wastewater generated from industrial processes does not fall under the legal definition of “effluent” and is ineligible to accrue LTSC when stored underground. SB 1171 limits the use of treated process water LTSC to the AOI where the credits were created, and also limits the assignment (i.e., transfer or sale) of the LTSC to an affiliate or successor of the original storer.

The AMWUA cities have serious concerns with the proposed statutory amendments, particularly the potential for this bill to incentivize industrial users to extract fossil groundwater and convert it to LTSC for sale, as well as the precedent of allowing groundwater-dependent industrial users to proliferate and remove themselves from centralized water management.

*AMWUA Position: Oppose*

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### **SB 1197 s/e irrigation districts; service area; WIFA (Martinez)**

A strike-everything amendment was heard and passed out of House NREW committee on March 22. The new language makes two changes: (1) allows an irrigation district to access WIFA funds that originate from the Clean Water Act funding for an eligible project, and (2) allows an irrigation district to operate infrastructure that was not within its service area at the time the 1980 Groundwater Management Act was passed.

The objective of the WIFA-related provision is to allow the irrigation district(s) in Pinal to potentially access WIFA funds to treat the contaminated groundwater they currently pump into the Santa Rosa canal which is the driver of Ak-Chin litigation. Resolution of this lawsuit is needed before non-Project water can be introduced into the CAP canal.

The objective of the second, service area-related provisions is to allow the irrigation districts to

access groundwater wells just outside of District boundaries under the DCP mitigation program that appropriated \$20 million for groundwater pumping infrastructure rehabilitation. AMWUA has worked with proponents of the bill to limit the service area expansion provisions to irrigation districts who were not engaged in the distribution of groundwater as of 1980.

*Management Board Recommendation: Support amendment, oppose original striker language*

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**SB 1198 local governments; lobbying; prohibition (Peterson, Leach, and Cook)**

Local governments, including cities and towns, are prohibited from entering into a contract for lobbying services and may not spend monies for lobbying services unless that person is an employee of the city or town. Local governmental entities may not pay membership dues to an organization that engages in lobbying activities. Special taxing districts related to agriculture have specifically been exempted from this prohibition.

*AMWUA Position: Oppose*

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**SB 1489 subdivisions; definition; lots (Otondo & 6 others)**

Amends the statutory definition of “subdivision.” Currently subdivision is defined as land divided into six or more parcels where at least one parcel is less than 36 acres. SB 1489 would amend the definition to land divided into *four* or more parcels. It is AMWUA’s understanding that this bill is intended to address lot splits and wildcat subdivisions to bring more development under the jurisdiction of the Assured and Adequate Water Supply (AAWS) programs. From a water resource planning perspective, this would reduce the future unreplenished groundwater pumping associated with new developments that are not currently subject to AAWS requirements.

*AMWUA Position: Support*

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**SB 1564 domestic water districts; wastewater; annexation (Shope)**

Amends A.R.S. § 48-959, relating to the dissolution of domestic water and wastewater improvement districts. Under SB 1564, when any portion of a District is annexed into a city or town, if the municipality elects to provide water service to the newly annexed area, the District’s assets and liabilities from the newly annexed area are assumed by the city. If applicable, the District shall continue to operate outside of the boundaries of the newly annexed area. If the city determines that the District does not have the capacity to maintain

peak domestic demand and fire flow requirements in the newly annexed area, the District is dissolved and the city assumes its assets and liabilities.

*AMWUA Position: Monitor*

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**SB 1595 irrigation districts; uses; drainage permit (Kerr)**

This legislation would allow the Buckeye Water Conservation & Drainage District (BWCDD) to serve groundwater to municipal and industrial water users up to the volume approved in its Drainage Water Withdrawal Permit.

BWCDD has described this legislation as an effort to help nearby cities with an additional water supply as the groundwater would not carry a replenishment obligation because it originates from the Buckeye Waterlogged Area. It is unclear what local cities or users would seek to receive groundwater service from BWCDD under this new statutory authority.

AMWUA has engaged with BWCDD representatives and other stakeholders to better understand the intent and consequences of this legislation. AMWUA staff and member cities have expressed significant concerns regarding the ramifications of this proposal, however SB 1595 as introduced has not been modified substantively from earlier drafts shared with stakeholders.

This bill would lead to increased groundwater mining in the Buckeye Waterlogged Area, up to 30,000 AF per year, which would reduce physical availability of groundwater and count against the Phoenix AMA goal of safe-yield. The pumping and sale of this water has no conservation requirements, no replenishment obligations, and no withdrawal fees to contribute to the AMA water management objectives. Of most concern is the potential for future development to become reliant on groundwater from the waterlogged area that is temporary in nature as well as the precedence for irrigation districts to serve groundwater outside of their service area.

*AMWUA Position: Oppose*

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**SB 1600 water recharge; direct use (Shope)**

Amends the definition of “Water that cannot reasonably be used directly” (WaterBUD) to include Central Arizona Project water stored underground in the Pinal AMA by a water provider located in the Pinal AMA. WaterBUD generally prohibits entities from earning or purchasing long-term storage credits (LTSC) if they are simultaneously pumping groundwater. SB 1600 would remove this prohibition from Pinal AMA water providers recharging CAP water in the Pinal AMA.

*AMWUA Position: Neutral*

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**[SB 1611](#) | [HB 2725](#) Arizona Water Authority (S: Fann & Kerr | H: Bowers & Griffin)**

SB 1611 establishes the “Arizona Water Authority.” This bill is a placeholder for legislation under development by the Governor’s Office and House & Senate leadership. It is anticipated to restructure the Drought Mitigation Revolving Fund Board that was established in 2021 and create an entity to fund and oversee large augmentation projects.

*AMWUA Position: Monitor*

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**BOARD OF DIRECTORS**  
**INFORMATION SUMMARY**  
May 26, 2022

## Colorado River Conditions and Messaging

### ANNUAL PLAN REFERENCE

#### Colorado River Management & Shortage Preparation

Assist, monitor and coordinate on the impacts of shortage declarations on the Colorado River along with the Reconsultation of the 2007 Colorado River Interim Guidelines to ensure our members' interests are forefront.

- Ongoing Coordination – Pursue opportunities to assist and synchronize continuing preparation efforts such as identifying ways to strengthen members' drought (shortage) preparedness plans.
- Risks – Analyze long-term risks of shortages to our members

*Strategic Plan: Facilitate our Strength in Numbers, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts*

### SUMMARY

AMWUA staff will give an update regarding current Colorado River conditions and shortage-related developments including information from the May 7, 2022 briefing from Reclamation, ADWR and CAP. AMWUA staff will also present updated Colorado River shortage messaging to better reflect the serious conditions on the Colorado River.

### RECOMMENDATION

The AMWUA Management Board recommended supporting the utilization of the expanded messaging for the Colorado River Shortage Awareness Campaign.

Board members are also requested to ask questions and discuss the Colorado River conditions as well as provide feedback to the presented messaging for AMWUA's Colorado River Shortage Awareness Campaign.

### ATTACHMENT

- Colorado River Shortage - Expanded Messaging



## Colorado River Shortage - Expanded Messaging – May, 2022

- Due to historic drought, climate change, and over-allocation, conditions on the Colorado River are worsening. While deeper shortages may come quicker than anticipated, our ten desert cities recognize the situation is serious and continue to strategically plan for a future with less water.
- The ten AMWUA cities have proactively invested in diverse water portfolios, infrastructure, and storing water underground for when they may need it most. These preparations bring water resiliency and dependability to their communities during challenging times, such as when one of their supplies is impacted by a shortage.
- For decades, cities have methodically, proactively, and carefully planned and invested in their water supplies. Now as the situation on the Colorado River continues to worsen quicker than expected, the cities are\_\_\_\_\_.
  - managing the water needs of new growth
  - reducing water use at their own facilities
  - enacting their drought/shortage plans
  - enhancing water loss control programs
  - investing in water supply resiliency projects like infrastructure
  - expanding customer outreach and conservation programs
  - pursuing new opportunities for water recycling
  - investigating water augmentation opportunities in Arizona
  - accessing water stored underground for times of need
- The AMWUA cities serve more than half of the state’s population while using only 11 percent of Arizona’s water. Their effective water management and efficient water use allow us to thrive in the desert, even in a future with less Colorado River water.
- Water conservation and efficiency are vital to a sustainable future here in the desert. With the deteriorating conditions on the Colorado River, practical water-wise changes in lifestyle will impact our community’s water future.
- Our ten desert cities remain committed to wise water management and efficient water use to ensure sustainable growth and a thriving economy.

**BOARD OF DIRECTORS**  
**INFORMATION SUMMARY**  
May 26, 2022

**AMWUA Fiscal Year 2022 Quarterly Financial Statements – Third Quarter**

**ANNUAL PLAN REFERENCE**

**Day-to-Day Operations**

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

- AMWUA will continue to wisely manage its financial resources  
*Strategic Plan: Facilitate our Strength in Numbers, Educate - Excel as an Expert and Resource*

**SUMMARY**

The AMWUA Statement of Revenues and Expenses for the period January 1, 2022 through March 31, 2022 and the Balance Sheet dated March 31, 2022 are presented for your information.

AMWUA actual revenue at the end of the third quarter is \$46,035 over year-to-date budget. This increase is due to the collection of \$45,000 from ADWR to fund the Water Loss Control Training Program, which was subsequently disbursed to the Program contractor for completion of technical services.

AMWUA has incurred year-to-date actual expenses that are \$71,670 under the year-to-date budget. This variance is primarily due to the savings in occupancy costs that resulted from the credit received under the new lease agreement. There were also savings in payroll salaries, payroll taxes and personnel due to changes in staff.

At its May 11, 2022 meeting, the AMWUA Management Board reviewed the AMWUA quarterly financial statements for the third quarter and recommended acceptance of the financial statements to the AMWUA Board of Directors.

**RECOMMENDATION**

The AMWUA Board of Directors is requested to accept the AMWUA Fiscal Year 2022 quarterly financial statements for the third quarter.

**SUGGESTED MOTION**

*I move that the AMWUA Board of Directors accept the AMWUA Fiscal Year 2022 quarterly financial statements for the third quarter as presented.*

**ATTACHMENTS**

- **Attachment A:** Statement of Revenues and Expenses
- **Attachment B:** Balance Sheet

## ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Statement of Revenues and Expenses  
(Actual to Budget Comparison)  
For Period July 1, 2021 through March 31, 2022

	Year-To-Date Actual	Year-To-Date Budget	Over(Under) Year-To-Date Variance	Approved Annual Budget	Over(Under) Budget Variance
<b>Funding Sources</b>					
Assessment - Water	1,241,619.00	1,241,619.00	0.00	1,241,619.00	-
Assessment - Wastewater	229,865.00	229,865.00	0.00	229,864.00	1.00
Water Loss Control Training Program Income	45,000.00	0.00	45,000.00	0.00	45,000.00
2021 Carryover Applied to Reduce Member Assessments	(75,000.00)	(75,000.00)	0.00	(75,000.00)	-
Interest Revenues	784.57	0.00	784.57	0.00	784.57
Other Revenues	250.00	0.00	250.00	0.00	250.00
<b>Net Revenues</b>	<b>1,442,518.57</b>	<b>1,396,484.00</b>	<b>46,034.57</b>	<b>1,396,483.00</b>	<b>46,035.57</b>
<b>Operating Expenses</b>					
Payroll (Salaries)	483,384.01	519,052.50	(35,668.49)	692,070.00	(208,685.99)
Deferred Compensation (ASRS Payments)	59,619.37	63,118.50	(3,499.13)	84,158.00	(24,538.63)
Payroll Processing, Taxes and Insurance	43,343.41	43,500.00	(156.59)	58,000.00	(14,656.59)
Medical and Disability Insurance	62,110.57	78,750.00	(16,639.43)	105,000.00	(42,889.43)
Cell Phone Allowance	5,723.94	6,000.00	(276.06)	8,000.00	(2,276.06)
Temporary Services/Receptionist	0.00	0.00	0.00	0.00	-
Legal/Consulting Services (Ferris Contract)	45,000.00	45,000.00	0.00	60,000.00	(15,000.00)
Legislative Services (Aarons Company-Contract)	37,800.00	37,800.00	0.00	50,400.00	(12,600.00)
Audit - Water	16,000.00	16,000.00	0.00	9,900.00	6,100.00
Audit - Waste Water	16,000.00	16,000.00	0.00	23,100.00	(7,100.00)
Website Services	0.00	3,750.00	(3,750.00)	5,000.00	(5,000.00)
Communication Services (Kossan Contract)	0.00	0.00	0.00	0.00	-
Consultant-Finance/Accounting	28,375.47	25,950.00	2,425.47	34,600.00	(6,224.53)
Audio/Visual Development	0.00	0.00	0.00	0.00	-
IT Services	3,600.00	4,500.00	(900.00)	6,000.00	(2,400.00)
Office Space - Lease	96,188.91	144,603.75	(48,414.84)	192,805.00	(96,616.09)
Common Area Maintenance	3,875.58	4,500.00	(624.42)	6,000.00	(2,124.42)
Telephone	5,493.79	3,750.00	1,743.79	5,000.00	493.79
E-Mail/Webpage/Internet	3,971.89	5,250.00	(1,278.11)	7,000.00	(3,028.11)
Travel/Conferences	5,624.48	4,312.50	1,311.98	5,750.00	(125.52)
Milage Reimbursement	1,522.84	2,062.50	(539.66)	2,750.00	(1,227.16)
Continuing Professional Ed	0.00	0.00	0.00	0.00	-
Staff Development	0.00	1,500.00	(1,500.00)	2,000.00	(2,000.00)
Copy Machine - Lease	3,159.79	3,900.00	(740.21)	5,200.00	(2,040.21)
Computer Hardware/Software	5,785.00	4,500.00	1,285.00	6,000.00	(215.00)
Office Supplies	1,752.39	3,750.00	(1,997.61)	5,000.00	(3,247.61)
Meetings	1,646.60	3,000.00	(1,353.40)	4,000.00	(2,353.40)
Outreach Efforts	1,724.00	4,500.00	(2,776.00)	6,000.00	(4,276.00)
Printing	243.84	1,725.00	(1,481.16)	2,300.00	(2,056.16)
Postage & Deliveries	688.21	1,500.00	(811.79)	2,000.00	(1,311.79)
Subscription & Reference	3,060.85	2,400.00	660.85	3,200.00	(139.15)
Dues & Memberships	821.49	2,437.50	(1,616.01)	3,250.00	(2,428.51)
Insurance	5,267.84	3,750.00	1,517.84	5,000.00	267.84
Equipment Maintenance	194.16	1,500.00	(1,305.84)	2,000.00	(1,805.84)
Water Loss Control Program	60,000.00	0.00	60,000.00	0.00	60,000.00
Water Conservation	37,213.66	52,500.00	(15,286.34)	70,000.00	(32,786.34)
<b>Total Operating Expenses</b>	<b>1,039,192.09</b>	<b>1,110,862.25</b>	<b>(71,670.16)</b>	<b>1,471,483.00</b>	<b>(432,290.91)</b>
Reserve and Contingency Funds Summary:					
Contingency Fund Balance on 03/31/22	\$600,000				
Reserve Fund Balance on 03/31/22	<u>252,778</u>				
<b>Total Contingency and Reserve Funds</b>	<b><u>\$852,778</u></b>				

### Reserve and Contingency Funds Summary

## Fund Restructuring:

On March 28, 2013 the Board of Directors established a Contingency Fund in the amount of \$600,000 with monies from AMWUA's current reserve amount. The Reserve Fund shall be the difference between AMWUA's current reserve amount and the \$600,000 used to establish the AMWUA Contingency Fund.

**Arizona Municipal Water Users Association**  
**Statement of Net Position**  
As of March 31, 2022

## ASSETS

## Current Assets

## Bank Accounts

1000 Petty Cash	500.00	
1015 Compass Checking 39 1139 0592	77,997.98	
1025 Compass Money Market 39 1098 8939	585,745.20	
1030 Investment Account (LGIP)	<u>852,778.08</u>	
Total Bank Accounts		\$ 1,517,021.26

## Other Current Assets

1050 Prepaid Expenses	<u>3,258.78</u>	
Total Other Current Assets		\$ 3,258.78
Total Current Assets		<u>\$ 1,520,280.04</u>

## Fixed Assets

1100 Furniture & Equipment	127,296.26	
1150 Leasehold Improvements	7,101.50	
1200 Accum Depreciation Furniture	-88,382.70	
1250 Accum Depreciation Leasehold	<u>-7,101.50</u>	
Total Fixed Assets		\$ 38,913.56

## Other Assets

1450 Deferred Outflow - Pension Resources	<u>175,261.23</u>	
Total Other Assets		\$ 175,261.23

<b>TOTAL ASSETS</b>		<u><u>\$ 1,734,454.83</u></u>
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**Arizona Municipal Water Users Association**  
**Statement of Net Position**  
As of March 31, 2022

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Credit Cards

2005 BBVA Compass Credit Card

5,870.36

Total Credit Cards

\$

5,870.36

Other Current Liabilities

2050 Accrued Expenses

113,536.79

2110 Retirees Excess Benefit Clearance

3,074.25

Total Other Current Liabilities

\$

116,611.04

Total Current Liabilities

\$

122,481.40

Long-Term Liabilities

2210 Net Pension Liability

942,563.00

2220 Deferred Inflow-Pension Resources

62,270.00

Total Long-Term Liabilities

\$

1,004,833.00

Total Liabilities

\$

1,127,314.40

Equity

3000 Fund Balance

203,813.95

Net Income

403,326.48

Total Equity

\$

607,140.43

TOTAL LIABILITIES AND EQUITY

\$

1,734,454.83



**BOARD OF DIRECTORS**  
**INFORMATION SUMMARY**  
May 26, 2022

## **AMWUA Fiscal Year 2023 Preliminary Draft Budget**

### **ANNUAL PLAN REFERENCE**

#### **Day-to-Day Operations**

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

- AMWUA will continue to wisely manage its financial resources and effectively develop its personnel as an agile team with organizational depth.

*Strategic Plan: Facilitate our Strength in Numbers*

### **SUMMARY**

Attached is the preliminary draft of the Fiscal Year 2023 annual budget, which includes a summary page with comments to explain increases or decreases for each line item.

Development of the Fiscal Year 2023 budget was guided by the Annual Action Plan for Fiscal Year 2023, which was approved last month. This budget allows AMWUA to continue to be a forum for its members to collaborate on water issues; to develop and advocate positions that safeguard our water resources; to promote key water policy issues with the Legislature, Arizona Department of Water Resources, Central Arizona Water Conservation District, Salt River Project, and other stakeholders; and to be at the forefront of demand management and water conservation efforts.

This preliminary draft budget shows an increase of \$33,046 (2.25%) from the approved Fiscal Year 2022 budget. The following summarizes the budget categories and provides explanation for line items that have an increase or decrease from last year's budget.

**Administration** – This includes salaries and Arizona State Retirement System (ASRS) contributions reflecting an increase of \$16,242 from the approved Fiscal Year 2022 budget. The increase is consistent with the motion made at the April 28, 2022 AMWUA Board meeting to direct the Executive Director to come forward with a budget for Fiscal Year 2023 reflecting the discussion in executive session regarding salary adjustments for the Executive Director and AMWUA staff. For Fiscal Year 2023, the administration budget strikes a balance between having the necessary staff resources for AMWUA to carry forth its mission and annual plan and being fiscally

conservative. What AMWUA is able to accomplish is directly linked to its staff and their time and effort to perform.

- Salaries include adjustments due to performance awards received half-way through Fiscal Year 2022, which is now reflected during the 12 months of the preliminary draft Fiscal Year 2023 budget.
- Performance Awards – Up to 6% for each full-time employee, except the Executive Director, is recommended for employees who excel in their performance. The percentage amount factors in the rising cost-of-living along with performance. The awards would occur half-way through Fiscal Year 2023.
- The Executive Director's compensation is adjusted based on the AMWUA Board of Directors' review.
- Arizona State Retirement – Includes an annual decrease in the Arizona State Retirement System contribution rate from 12.41% to 12.17% effective July 1, 2022.

**Employee Benefits** – This includes payroll processing, taxes, various insurances, and cell phone allowances. The main changes include:

- Payroll processing, taxes, insurance – The \$2,600 increase is based on processing fees and taxes.
- Health Insurance – The \$5,000 decrease is due to a lower-than-expected rise in insurance costs during calendar year 2022. AMWUA's insurance broker is projecting a 10% increase for calendar year 2023, which is factored into the line item.

**Professional Services** – This includes outside services that AMWUA utilizes throughout the year. The budget reflects two changes from last year.

- Legislative – A new two-year agreement with The Aarons Company for AMWUA's legislative services will be proposed that has a \$2,520 increase for Fiscal Year 2023.
- Audit – The \$1,000 increase is due to the agreement terms with the auditor, HeinfeldMeech.

**Occupancy** – These items are related to the leasing of office and meeting space for AMWUA and reflect an overall \$2,635 increase.

- Office Space – At the February 27, 2020 meeting, the AMWUA Board agreed to a 10-year lease amendment for AMWUA's current office space that began April 1, 2021. Per that amendment, the cost for the Office Space increases by \$2,635 in Fiscal Year 2023.
- Telephone – The \$1,000 increase is due to a new agreement with Cox Communications for AMWUA's landline telephone as well as increased internet speed.
- E-Mail/Webpage/Internet Access – Actual costs along with the above-noted agreement with Cox Communications has allowed this category to be lowered by \$1,000.

**Training and Travel** – This category covers items involved with staff participating in conferences, workshops, and training along with the related travel expenses. This category is slightly increased by \$250. It is expected the benefits of virtual meetings will continue to be recognized and utilized.

**Capital Outlay** – This category covers AMWUA’s primary capital property such as the copier and computer hardware and software. There are no anticipated changes in this category in Fiscal Year 2023.

**Office Operating Expenses** – These items cover AMWUA’s day-to-day office operating expenses. The main changes include:

- Outreach Efforts – The \$500 increase is associated with anticipated opportunities that would be under this category.
- Subscription & Reference – The \$1,300 increase is due to electronic payment subscriptions.
- Public Liability & Property Damage Insurance – A \$500 increase is anticipated for the actual costs for these policies.

**Water Conservation** – The \$11,500 increase to the full category amount is primarily due to updating the *Landscape Plants for the Arizona Desert* publication as outlined in the new annual plan. This falls under the line item for conservation and demand management-related projects and research.

The water conservation budget also includes a line item of \$30,000 committed to the existing contract with the University of Arizona for ongoing implementation of the long-standing Smartscape program to train landscape professionals in Maricopa County. ADWR provides matching funding for the program in the Phoenix Active Management Area. The remaining \$22,000 is dedicated to supporting sponsorships, events, and regional conservation efforts including educational and promotional materials.

As done the last couple of years, the value of AMWUA’s conservation efforts is based on accomplishing the annual plan, not on the amount set aside for water conservation in the budget in prior years. Therefore, the proposed budget includes the increase to advance AMWUA’s conservation goals per this fiscal year’s annual plan.

**Member Assessments** – This preliminary draft budget is \$33,046 (2.25%) more than the approved Fiscal Year 2022 budget; however, member assessments may be higher or lower depending upon the assessment calculation, which includes the fluctuation from the most recent MAG population numbers. The member assessments will also be higher in Fiscal Year 2023 because the actual member assessments in Fiscal Year 2022 was less than what was anticipated in the budget due to a carryover of \$75,000 from the Fiscal Year 2021 budget. A carryover of approximately \$45,000 is anticipated from the Fiscal Year 2021 budget to the Fiscal Year 2022 budget, along with \$10,000 from the Office Lease Stabilization Fund, that will reduce the member assessments in Fiscal Year 2023. The exact amount will be calculated at the end of the fiscal year. These unspent funds are due in large part to savings on building operating costs due to the office lease amendment and spending less on certain expenditures.

It is anticipated that future budgets will continue to see modest increases to ensure that AMWUA can continue to accomplish its mission. Since 2002, AMWUA’s Board has approved budgets

between \$1.296 million and \$1.528 million. When adjusted for inflation (CPI-U index), the draft Fiscal Year 2023 budget is \$566,650 lower than the 2002 budget.

The membership assessment is calculated as follows: One-half of the proposed water budget is allocated equally among all members and the other half is allocated based on total population. The population figures are taken from the Maricopa Association of Governments July 1, 2021 official population estimates, which is the most recent. The wastewater portion of the budget continues to be allocated based on percentage of ownership of the 91<sup>st</sup> Avenue Wastewater Treatment Plant.

At its May 11, 2022 meeting, the AMWUA Management Board reviewed the preliminary draft budget and had no comments.

### **RECOMMENDATION**

The AMWUA Board of Directors is requested to review and provide feedback regarding the preliminary draft Fiscal Year 2023 budget.

The final budget for Fiscal Year 2023 will be presented at the June 23, 2022 Board meeting for consideration to adopt the budget.

### **ATTACHMENT**

- AMWUA Fiscal Year 2023 Preliminary Draft Budget

# ***Preliminary Draft Budget***

**Fiscal Year 2023**

**As of  
05/04/2022**



**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**  
**Fiscal Year 2023**  
**Preliminary Draft Budget**

**ASSESSMENT SUMMARY**

	<b>WATER FY 22</b>	<b>WATER FY 23</b>	<b>WASTEWATER FY 22</b>	<b>WASTEWATER FY 23</b>	<b>TOTAL FY 22</b>	<b>TOTAL FY 23</b>	<b>FY 22 Carryover</b>	<b>ADJ TOTAL FY 23</b>
CITY OF AVONDALE	76,269	78,622			76,269	78,622		78,622
CITY OF CHANDLER	107,426	110,541			107,426	110,541		110,541
TOWN OF GILBERT	106,001	105,553			106,001	105,553		105,553
CITY OF GLENDALE	102,879	109,464	14,837	15,357	117,716	124,821		124,821
CITY OF GOODYEAR	77,562	80,460			77,562	80,460		80,460
CITY OF MESA	146,168	149,396	32,844	33,994	179,012	183,390		183,390
CITY OF PEORIA	92,833	96,286			92,833	96,286		96,286
CITY OF PHOENIX	334,485	338,009	126,791	131,230	461,276	469,239		469,239
CITY OF SCOTTSDALE	103,907	104,364	22,762	23,559	126,669	127,922		127,922
CITY OF TEMPE	94,089	93,921	32,631	33,773	126,720	127,694		127,694
Total from Members	1,241,619	1,266,616	229,864	237,913	1,471,483	1,504,529		1,504,529
Other Funding Sources:								
<b>TOTAL All Sources</b>	<b>1,241,619</b>	<b>1,266,616</b>	<b>229,864</b>	<b>237,913</b>	<b>1,471,483</b>	<b>1,504,529</b>		<b>1,504,529</b>

Note #1. The Assessment Structure is based on the following formula: 50% of the water portion of the budget is allocated equally with the remaining 50% based on population according to the MAG 2021 official population estimates.

Note #2. Wastewater Assessments based on ownership in 91st Avenue Wastewater Treatment Plant @ 204.50 MGD.

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**  
**Fiscal Year 2023**  
**Preliminary Draft Budget**

**ASSESSMENT SUMMARY**

**FY 21 FY 22 Carryover**

	<b>WATER FY 22</b>	<b>WATER FY 23</b>	<b>WASTEWATER FY 22</b>	<b>WASTEWATER FY 23</b>	<b>TOTAL FY 22</b>	<b>FY 21 Carryover</b>	<b>ADJ TOTAL FY 22</b>	<b>TOTAL FY23</b>
CITY OF AVONDALE	76,269	78,622			76,269	1,714	74,555	78,622
CITY OF CHANDLER	107,426	110,541			107,426	5,478	101,948	110,541
TOWN OF GILBERT	106,001	105,553			106,001	5,306	100,695	105,553
CITY OF GLENDALE	102,879	109,464	14,837	15,357	117,716	4,929	112,787	124,821
CITY OF GOODYEAR	77,562	80,460			77,562	1,870	75,692	80,460
CITY OF MESA	146,168	149,396	32,844	33,994	179,012	10,159	168,853	183,390
CITY OF PEORIA	92,833	96,286			92,833	3,715	89,118	96,286
CITY OF PHOENIX	334,485	338,009	126,791	131,230	461,276	32,909	428,367	469,239
CITY OF SCOTTSDALE	103,907	104,364	22,762	23,559	126,669	5,053	121,616	127,922
CITY OF TEMPE	94,089	93,921	32,631	33,773	126,720	3,867	122,853	127,694
Total from Members	1,241,619	1,266,616	229,864	237,913	1,471,483	75,000	1,396,483	1,504,529
Other Funding Sources:								
<b>TOTAL All Sources</b>	<b>1,241,619</b>	<b>1,266,616</b>	<b>229,864</b>	<b>237,913</b>	<b>1,471,483</b>	<b>75,000</b>	<b>1,396,483</b>	<b>1,504,529</b>

Note #1. The Assessment Structure is based on the following formula: 50% of the water portion of the budget is allocated equally with the remaining 50% based on population according to the MAG 2021 (7.1.21) official population estimates.

Note #2. Wastewater Assessments based on ownership in 91st Avenue Wastewater Treatment Plant @ 204.50 MGD.

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**  
**Fiscal Year 2023**  
**Preliminary Draft Budget**

**EXPENDITURE SUMMARY**

	<b>WATER FY 22</b>	<b>WATER FY 23</b>	<b>WASTEWATER FY 22</b>	<b>WASTEWATER FY 23</b>	<b>TOTAL FY 22</b>	<b>TOTAL FY 23</b>
ADMINISTRATION	663,585	673,257	112,643	119,212	776,228	792,469
EMPLOYEE BENEFITS	147,348	144,275	23,652	24,125	171,000	168,400
PROFESSIONAL SERVICES	158,109	160,897	30,891	31,623	189,000	192,520
OCCUPANCY	155,215	157,962	55,590	55,478	210,805	213,440
TRAVEL, TRAINING & CONFER.	8,924	9,137	1,576	1,613	10,500	10,750
CAPITAL OUTLAY	9,574	9,514	1,626	1,686	11,200	11,200
OFFICE OPERATING EXPENSES	28,864	30,074	3,886	4,176	32,750	34,250
WATER CONSERVATION	70,000	81,500			70,000	81,500
<b>TOTAL</b>	<b>1,241,619</b>	<b>1,266,616</b>	<b>229,864</b>	<b>237,913</b>	<b>1,471,483</b>	<b>1,504,529</b>

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**  
**Fiscal Year 2023**  
**Preliminary Draft Budget**

**BUDGET COMMENTS**

	<b>BUDGET TOTAL FY 21</b>	<b>BUDGET TOTAL FY 22</b>	<b>ESTIMATED ACTUAL FY 22</b>	<b>BUDGET TOTAL FY 23</b>	
					<b>FY 23 BUDGET COMMENTS</b>
<b>ADMINISTRATION</b>					
Salaries	670,200	678,931	642,108	690,500	8 full-time positions - Increase due to performance awards effective 1/1/22 and Ex. Dir. salary adjustment 7/1/22
Performance Awards	3,910	13,139		15,990	Increase due to up to 6% performance award for staff only
Total Compensation	674,110	692,070	642,108	706,490	
Deferred Compensation:					
Arizona State Retirement	80,977	84,158	84,158	85,980	Increase reflects adjustment to salaries and overall 12.17% required by ASRS 12.17% effective July 01, 2022
Subtotal	755,087	776,228	726,266	792,470	
<b>EMPLOYEE BENEFITS</b>					
Payroll Processing, Taxes, Insur	61,000	58,000	56,200	60,400	Based on processing fees and taxes
Medical, Dental, Life, Disability	110,500	105,000	100,000	100,000	8 full-time staff - no change but includes 10% increase in calendar year 2023
Cell Phone Allowance	6,500	8,000	8,000	8,000	No change
Subtotal	178,000	171,000	164,200	168,400	
<b>PROFESSIONAL SERVICES</b>					
Website Services	5,000	5,000	5,000	5,000	No change
IT Services	5,000	6,000	6,000	6,000	No change
Legal/Policy Consulting	60,000	60,000	60,000	60,000	No change
Legislative	50,400	50,400	50,400	52,920	Increase due to proposed new two-year agreement
Financial and Accounting Service	34,600	34,600	34,600	34,600	No change
Audit	32,000	33,000	33,000	34,000	Increase per audit agreement
Subtotal	187,000	189,000	189,000	192,520	
<b>OCCUPANCY</b>					
Office Space	179,000	192,805	192,805	195,440	Increase per lease agreement
Building Operating Costs	1,500	6,000	5,500	6,000	No change
Telephone	5,000	5,000	6,500	6,000	Increase reflects costs under new agreement
E-Mail/Webpage/Internet Access	6,000	7,000	7,000	6,000	Decrease to better reflect actual costs
Subtotal	191,500	210,805	211,805	213,440	

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**  
**Fiscal Year 2023**  
**Preliminary Draft Budget**

**BUDGET COMMENTS**

	<b>BUDGET TOTAL FY 21</b>	<b>BUDGET TOTAL FY 22</b>	<b>ESTIMATED ACTUAL FY 22</b>	<b>BUDGET TOTAL FY 23</b>	
					<b>FY 23 BUDGET COMMENTS</b>
<b>TRAINING AND TRAVEL</b>					
Conferences/Travel	9,000	5,750	5,750	6,000	Increase to reflect anticipated in-person meetings
Mileage Reimbursement	4,000	2,750	2,750	2,750	No change
Staff Development	1,000	2,000		2,000	No change
Subtotal	14,000	10,500	8,500	10,750	
<b>CAPITAL OUTLAY</b>					
Copy Machine Expenses	5,200	5,200	5,200	5,200	No Change
Computer/Equipment/Software	8,800	6,000	6,000	6,000	No Change
Subtotal	14,000	11,200	11,200	11,200	
<b>OFFICE OPERATING EXPENSES</b>					
Supplies	6,000	5,000	5,000	5,000	No Change
Meetings	5,000	4,000	4,000	4,000	No Change
Outreach Efforts	10,000	6,000	6,000	6,500	Increase to reflect anticipated activities
Printing	2,300	2,300	2,300	2,000	Reduction to reflect anticipated expenses
Postage & Deliveries	2,000	2,000	2,000	1,500	Reduction to reflect anticipated expenses
Subscription & Reference	1,300	3,200	3,200	4,500	Increase due to electronic payments subscription
Dues & Memberships	1,750	3,250	3,250	3,250	No Change
Insurance-Public Liability and Property Damage	4,400	5,000	5,000	5,500	Reflects anticipated increase to insurance costs
Equipment Maintenance	2,000	2,000	2,000	2,000	No Change
Subtotal	34,750	32,750	32,750	34,250	
<b>WATER CONSERVATION</b>					
Smartscape Program	30,000	30,000	30,000	30,000	Funding for UA Cooperative Extension to administer Smartscape program in Maricopa County
Projects, Research & Efficiency Initiatives	14,000	14,000	2,000	29,500	Funding for conservation, efficiency and demand management related research projects, including redevelopment of AMWUA Plants Book
Outreach	26,000	26,000	23,500	22,000	Funding for sponsorships, events, and regional conservation efforts including educational and promotional materials
Subtotal	70,000	70,000	55,500	81,500	Increase coordinates with objectives identified in Annual Action Plan
Total Operating Expenses	<u>1,444,337</u>	<u>1,471,483</u>	<u>1,399,221</u>	<u>1,504,529</u>	33,046    2.25%
<b>FUNDING SOURCES</b>					
Office Lease Stabilization Fund, per Board policy adopted 6/25/20 to offset Office Space Expense		10,000	10,000	10,000	
Anticipated carry over from FY 22		65,000		45,000	
Member Assessments	1,446,337	1,396,483	1,405,721	1,449,529	
Total Funding	<u>1,446,337</u>	<u>1,471,483</u>	<u>1,415,721</u>	<u>1,504,529</u>	

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**  
**Fiscal Year 2023**  
**Preliminary Draft Budget**

**EXPENDITURES DETAIL**

	<b>FY 22 BUDGET WATER</b>	<b>FY 22 ACTUAL WATER</b>	<b>FY 23 BUDGET WATER</b>	<b>FY 22 BUDGET WASTEWATER</b>	<b>FY 22 ACTUAL WASTEWATER</b>	<b>FY 23 BUDGET WASTEWATER</b>	<b>FY 22 BUDGET TOTAL</b>	<b>FY 22 ACTUAL TOTAL</b>	<b>FY 23 BUDGET TOTAL</b>
<b>ADMINISTRATION</b>									
Salaries	578,966	464,546	584,222	98,381	98,392	106,278	678,931	642,108	690,500
Performance Awards	13,139		15,990				13,139		15,990
Total Wages	592,105	464,546	600,212	98,381	98,392	106,278	692,070	642,108	706,490
Deferred Compensation:									
Arizona State Retirement	71,480	71,480	73,045	12,678	12,678	12,934	84,158	84,158	85,979
Subtotal	663,585	536,026	673,257	111,059	111,070	119,212	776,228	726,266	792,469
<b>EMPLOYEE BENEFITS</b>									
Payroll Processing, Taxes, Insur	49,584	47,482	51,315	8,416	8,718	9,085	58,000	56,200	60,400
Medical, Dental, Life, Disability	89,764	84,488	84,960	15,236	15,512	15,040	105,000	100,000	100,000
Cell Phone Allowance	8,000	6,759	8,000		1,241		8,000	8,000	8,000
Subtotal	147,348	138,729	144,275	23,652	25,471	24,125	171,000	164,200	168,400
<b>PROFESSIONAL SERVICES</b>									
Temporary Services/Receptionist									-0-
Website Services	5,000	5,000	5,000				5,000	5,000	5,000
Audio/Visual Development									
IT Services	5,129	4,800	5,097	871	1,200	903	6,000	6,000	6,000
Communication									
Legal/Policy Consulting	60,000	60,000	60,000				60,000	60,000	60,000
Legislative	50,400	50,400	52,920				50,400	50,400	52,920
Financial and Accounting Services	27,680	27,680	27,680	6,920	6,920	6,920	34,600	34,600	34,600
Audit	9,900	8,200	10,200	23,100	24,800	23,800	33,000	33,000	34,000
Subtotal	158,109	156,080	160,897	30,891	32,920	31,623	189,000	189,000	192,520
<b>OCCUPANCY</b>									
Office Space	139,828	162,898	142,671	52,977	29,907	52,769	192,805	192,805	195,440
Building Operating Costs	5,129	4,646	5,097	871	854	903	6,000	5,500	6,000
Telecommunications	4,274	5,491	5,097	726	1,009	903	5,000	6,500	6,000
E-Mail/Webpage/Internet Access	5,984	5,914	5,097	1,016	1,086	903	7,000	7,000	6,000
Subtotal	155,215	178,949	157,962	55,590	32,856	55,478	210,805	211,805	213,440

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**  
**Fiscal Year 2023**  
**Preliminary Draft Budget**

**EXPENDITURES DETAIL**

	<b>FY 22 BUDGET WATER</b>	<b>FY 22 ACTUAL WATER</b>	<b>FY 23 BUDGET WATER</b>	<b>FY 22 BUDGET WASTEWATER</b>	<b>FY 22 ACTUAL WASTEWATER</b>	<b>FY 23 BUDGET WASTEWATER</b>	<b>FY 22 BUDGET TOTAL</b>	<b>FY 22 ACTUAL TOTAL</b>	<b>FY 23 BUDGET TOTAL</b>
<b>TRAINING AND TRAVEL</b>									
Conferences/Travel	4,887	5,462	5,100	863	288	900	5,750	5,750	6,000
Milage Reimbursement	2,337	2,612	2,337	413	138	413	2,750	2,750	2,750
Continuing Professional Ed									
Staff Development	1,700	1,900	1,700	300	100	300	2,000	2,000	2,000
Subtotal	8,924	9,974	9,137	1,576	526	1,613	10,500	10,500	10,750
<b>CAPITAL OUTLAY</b>									
Copy Machine Expenses	4,445	3,120	4,417	755	2,080	783	5,200	5,200	5,200
Computer/Equipment/Software	5,129	3,000	5,097	871	3,000	903	6,000	6,000	6,000
Subtotal	9,574	6,120	9,514	1,626	5,080	1,686	11,200	11,200	11,200
<b>OFFICE OPERATING EXPENSES</b>									
Supplies	4,274	4,224	4,248	726	776	752	5,000	5,000	5,000
Meetings	3,419	3,379	3,398	581	621	602	4,000	4,000	4,000
Outreach Efforts	6,000	5,069	6,500		931		6,000	6,000	6,500
Printing	1,966	1,943	1,699	334	357	301	2,300	2,300	2,000
Postage & Deliveries	1,709	1,689	1,274	291	311	226	2,000	2,000	1,500
Subscription & Reference	2,735	2,703	3,823	465	497	677	3,200	3,200	4,500
Dues & Memberships	2,778	2,745	2,761	472	505	489	3,250	3,250	3,250
Insurance	4,274	4,224	4,672	726	776	828	5,000	5,000	5,500
Equipment Maintenance	1,709	1,689	1,699	291	311	301	2,000	2,000	2,000
Subtotal	28,864	27,665	30,074	3,886	5,085	4,176	32,750	32,750	34,250
<b>WATER CONSERVATION</b>									
Smartscape with Cooperative Ext.	30,000	30,000	30,000				30,000	30,000	30,000
Sponsorship, Events & Memberships	16,000	16,000	29,500				16,000	16,000	29,500
Projects and Messaging	24,000	24,000	22,000				24,000	24,000	22,000
Subtotal	70,000	70,000	81,500				70,000	70,000	81,500
Total Operating Expenses	<u>1,241,619</u>	<u>1,201,129</u>	<u>1,266,616</u>	<u>229,864</u>	<u>214,592</u>	<u>237,913</u>	<u>1,471,483</u>	<u>1,415,721</u>	<u>1,504,529</u>
<b>FUNDING SOURCES</b>									
Office Lease Stabilization Fund									10,000
2020-2021 carryover applied to member assessments	65,000						65,000		45,000
Member Assessments	1,166,619	1,114,309	1,266,616	229,864	222,088	237,913	1,396,483	1,405,721	1,449,529
Total Funding	<u>1,241,619</u>	<u>1,114,309</u>	<u>1,266,616</u>	<u>229,864</u>	<u>232,088</u>	<u>237,913</u>	<u>1,471,483</u>	<u>1,415,721</u>	<u>1,504,529</u>