



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

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION  
MANAGEMENT BOARD**

**MEETING NOTICE AND AGENDA**

***Tuesday, December 13, 2022 – 10:00 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: 829 4991 3985**  
(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 November 9, 2022 Meeting
2. Schedule Next Meeting Date: Wednesday, January 11, 2023, 10:00 a.m.
3. 2023 Legislative Session
4. Colorado River Conditions and Potential Responses
5. Messaging Efforts on the Colorado River Situation
6. Recommendation for 2023 AMWUA Management Board Chair and Vice-Chair

**C. Member Reports**

**D. Executive Director's Report**

**E. Future Agenda Items**

**F. Adjournment**

\*The order of the agenda may be altered or changed by the AMWUA Management Board. Members of the AMWUA Management Board 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

## MANAGEMENT BOARD

### MEETING MINUTES

November 9, 2022

HYBRID MEETING

#### VOTING MEMBERS PRESENT

Cape Powers, Peoria, Chair  
Tara Ford, Tempe, Vice Chair  
Kirk Beaty, Avondale  
Brian Biesemeyer, Scottsdale  
Chris Hassert, Mesa  
John Knudson, Chandler  
Eric Braun for Jessica Marlow, Gilbert  
Karen Peters, Phoenix  
Ron Serio, Glendale  
Ray Diaz for Javier Setovich, Goodyear

#### OTHERS PRESENT

Barry Aarons, Aarons Co.	Sam Draper, AMWUA	Kathy Macdonald, Mesa
Patrick J. Adams, AMWUA	Kathy Ferris, AMWUA	Marisa Manheim, ASU
Michelle Barclay, AMWUA	Brett Fleck, Peoria	Mike Milby, CliftonLarsonAllen
Gretchen Baumgardner, Scottsdale	Rachel von Gnechten, ADWR	Diana Pina, AMWUA
Anthony Beckham, SRP	Lisa Gray, CliftonLarsonAllen	Martin Stiles, CAP
Rebecca Bernat, AWBA	Lauren Hixson, Gilbert	Warren Tenney, AMWUA
Craig Caggiano, Tempe	Sandra House, Glendale	Sheri Trapp, AMWUA
Cynthia Campbell, Phoenix	Hayley Howard, Aarons Co.	Theresa Ulmer, Ulmer Consulting
Jennifer Davidson, Avondale	Simone Kjolsrud, Chandler	Stefan Walston, Gilbert
Brian Draper, Mesa	Jacob Perez Laurent, AMWUA	

#### A. Call to Order

Mr. Powers called the meeting to order at 10:00 a.m.

#### B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from October 12, 2022 Meeting

Upon a motion made by Ms. Peters and a second by Mr. Hassert, the AMWUA Management Board unanimously approved of the October 12, 2022 meeting minutes.

2. Schedule Next Meeting Date: Tuesday, December 13, 2022 at 10:00 a.m.

### 3. Colorado River Conditions and Potential Responses

Mr. Tenney reported that conditions on the Colorado River remain dire and Basin States remain in disagreement on who should contribute and the amount of reductions needed. During the last Arizona Reconciliation Committee meeting, both ADWR and CAP noted concerns about probable litigation regarding these reductions. The Bureau of Reclamation has begun a series of actions to stabilize the system, including the ongoing voluntary conservation programs, reducing releases from Powell to Mead over the next two years, accounting for Lower Basin evaporation and system losses, as well as evaluating possible revisions to the 2007 Interim Guidelines shortage triggers and reductions. Mr. Tenney elaborated on the funding strategies proposed by Reclamation in the “Lower Colorado Conservation and Efficiency Program”. Mr. Tenney noted that Arizona water users have expressed concerns with additional voluntary conservation contributions that are subsequently used by diversions from high-priority users. AMWUA has organized a meeting with Reclamation to thoroughly discuss the system conservation programs.

Mr. Biesemeyer asked if contributions are factored into future Colorado River supply cuts for those who participate in system conservation. Mr. Tenney responded that it is assumed so, however, AMWUA will ask Reclamation for a more definitive answer during the upcoming meeting. Mr. Powers asked for more clarity from Reclamation on what may happen if there are uncertain adjustments to Colorado River water supplies throughout the year.

Mr. Tenney then reported on the DCP Mitigation for NIA supplies in the upcoming Tier 2a shortage declaration and both ADWR and CAP have requested NIA priority users to consider compensation in lieu of ICS delivery to keep water in Lake Mead. Mr. Braun asked if the benefits of voluntary conservation through Reclamation’s plan carry on with participation in DCP mitigation. Mr. Tenney reported he was unsure. Ms. Peters asked if the ADWR and CAP mitigation match applies to both voluntary conservation programs. Mr. Tenney responded it only applies to the DCP mitigation, not the Inflation Reduction Act (IRA) funding. Mr. Hassert asked if a city with lost NIA would still be compensated if they are also receiving funds for voluntary conservation from the IRA. Mr. Tenney responded that the DCP mitigation is an agreed State mitigation program, while the federal funds would be for additional conservation actions.

Mr. Tenney reported on the current procedures for reducing possible releases from Lake Powell, noting the reduced releases in 2023 and 2024 would drop Lake Mead below 1,000 feet.

Mr. Tenney reported that Reclamation has announced intent to develop a methodology for assessing system losses and evaporation in the Lower Basin as a consumptive use. CAP’s exposure for system losses, using methods from SNWA, could be around 200,000 acre-feet out of a total of 1.5 million acre-feet.

Mr. Tenney reported that Reclamation has published a Notice of Intent to evaluate modifications to the 2007 Interim Guidelines through the Environmental Impact Statement process, either through consensus from the Basin States or unilateral action from the Secretary of the Interior.

Mr. Tenney reported that the AMWUA members must decide whether to participate in system conservation from Reclamation and/or the DCP NIA Mitigation. In addition, AMWUA intends to develop comments on Reclamation’s proposed process to revise the 2007 Interim Guidelines and

voice support for accounting for evaporation losses proportionally by contractor. He stressed that the reduced releases from Powell could drive Lake Mead into sharp declines, well below Tier 2 elevations and the AMWUA members must use 2023 to continue preparing for less Colorado River water.

Mr. Biesemeyer stated that the City of Scottsdale supports accounting for evaporation and losses on the Colorado River but expressed that these accounted losses must decline proportionally to the reduction of Colorado River allotments. Mr. Tenney responded that Reclamation may be looking to apply these calculated losses as part of consumptive use. Mr. Biesemeyer responded that the reductions from DCP would have to be recalculated to accommodate the losses. Mr. Braun added that an alternative may be to recalculate subcontracts within Arizona. He noted that AMWUA should examine the differences of consumptive use versus diversions of subcontractors under this evaporation loss program. Mr. Tenney reported that discussions about evaporation are still at a high level. Mr. Hassert agreed and stressed that Arizona participate in this program's development and methodology to avoid compounding reductions. Mr. Serio commented that the assumption is that evaporation losses would apply to all priorities on the River proportionally, with the end goal of leaving water within Lake Mead. Mr. Tenney reiterated that AMWUA would move forward with the concept that evaporation should be accounted for proportionally among contractors, recognizing further development of the methodology, which could include where water is taken from the River along with what type of cuts to supply that have already been applied to the user.

Mr. Tenney added that AMWUA will compile the comments regarding revisions to the 2007 Interim Guidelines and share them with members prior to when they are due to Reclamation.

#### 4. [AMWUA Fiscal Year 2023 Quarterly Financial Statements – First Quarter](#)

Mr. Tenney reported that members received a copy of the AMWUA revenue and expense statements for July 1, 2022, through September 30, 2022. At the end of the first quarter for Fiscal Year 2023, AMWUA is showing that the year-to-date actual expenses are \$46,874 under the year-to-date budget, primarily due to having a position vacant along with other expenses having not yet occurred.

Upon a motion made by Mr. Hassert and a second from Mr. Biesemeyer, the AMWUA Management Board approved to recommend the AMWUA FY 2023 Quarterly Financial Statements – 1st Quarter to the AMWUA Board of Directors for acceptance.

#### 5. [AMWUA Annual Financial Audit Report for Fiscal Year 2022](#)

Mr. Tenney reported that members received the audit conducted by Heinfeld Meech & Co for Fiscal Year 2022. He reported that AMWUA's finances are in good standing, though the audit did cite a general finding about inconsistency in a secondary review of AMWUA's existing internal controls in conjunction with the new accounting guidelines known as GASB 87. This was due to a management change within AMWUA's financial consultant. Mr. Tenney stated that this lapse in the secondary review has subsequently been remedied as AMWUA's financial consultant has permanently assigned a new manager to the AMWUA account.

Upon a motion made by Mr. Braun and a second from Ms. Peters, the AMWUA Management Board approved to recommend the AMWUA Annual Financial Audit Report for Fiscal Year 2022 to the AMWUA Board of Directors for acceptance.

#### 6. Nominating Committee for AMWUA Chair and Vice-Chair

Mr. Powers reported that the AMWUA Management Board is to elect a Chair and Vice-Chair to serve from January 1, 2023 to December 31, 2023. Mr. Powers appointed Kirk Beaty, Jessica Marlow, and himself as the three-member nominating committee for members to recommend qualified Chair and Vice-Chair candidates by the December 13th meeting.

#### C. **Member Reports**

Mr. Biesemeyer reported that the Canal Convergence event has taken place in the City of Scottsdale, emphasizing brewery vendors showcasing reused water in their beverages served at the event. He noted the event was a good opportunity to educate citizens on the treatment and beneficial reuse of water.

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

Mr. Tenney reported that the new WIFA Board has been fully appointed and AMWUA is pleased by the municipal representation in the Board. He reported their first meeting is on November 10th and reminded Management Board members of the \$200 million in conservation funds and large amounts of funds for long-term augmentation projects.

Mr. Tenney reported that AMWUA held a regional communications meeting last Tuesday with over 80 participants as part of our Colorado River Shortage Awareness Campaign. Sheri Trapp, AMWUA Communications Manager, briefed about the current uncertainty surrounding the river, the Tier 2a Shortage, relevant messaging and resources that are available to help outreach efforts, hot topics among media and residents, and an outline of supporting materials from AMWUA. In addition, the attendees were provided details about Phoenix's Town Hall Meetings initiative.

Mr. Tenney reported that the Central Arizona Project elected a new general manager, Brenda Burman, beginning in the new year. Mr. Tenney also reported on the current election standings for the CAWCD Board and stated AMWUA will be reaching out to Board elects for outreach. Mr. Tenney reported that AMWUA Board member, Councilmember Kevin Thompson, is also leading in the election for the Arizona Corporation Commission.

Mr. Barry Aarons reported that, at this moment, there are many election races in Arizona that are too close to call, though it appears Arizona Republicans will hold the State's Senate and House.

#### E. **Future Agenda Items**

Ms. Peters suggested inviting the new CAP General Manager, Brenda Burman, to a future AMWUA meeting.

#### F. **Adjournment**

Mr. Powers adjourned the meeting at 11:17 a.m.

## MANAGEMENT BOARD

### INFORMATION SUMMARY

December 13, 2022

## 2023 Legislative Session

### 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 2023 Fifty-sixth Legislature convenes on January 9, 2023. AMWUA staff have been preparing for the 2023 Legislative Session with outreach to lawmakers, stakeholders in the water community, and coordination of the member cities. AMWUA and the Agribusiness Council facilitated their first annual Vetting Forum for Water. AMWUA has also hosted a Water 101 seminar for state legislators, and regular meetings with member city staffs.

AMWUA staff will provide an update to the Management Board on legislative preparation activities as well as the outlook for the 2023 session.

### RECOMMENDATION

The Management Board is encouraged to ask questions and discuss the 2023 Legislative Session with staff.

**MANAGEMENT BOARD**  
**INFORMATION SUMMARY**  
December 13, 2022

## Colorado River Conditions and Potential Responses

### 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 the Tier 2 Shortage declaration for 2023. The US Department of the Interior and US Bureau of Reclamation continue to signal that additional reductions could be implemented in 2023.

In October, Reclamation announced its Lower Colorado River Basin System Conservation Program in which it is incentivizing Colorado River water users to leave water in Lake Mead. Reclamation wants to see first if voluntary reductions through system conservation can provide some stabilization to the River.

Reclamation has also indicated that it is considering how to start factoring evaporation and other system losses in determining the water available from the River. Plus, Interior announced that it is revisiting the operating guidelines for Lake Powell and Lake Mead and is targeting Summer 2023 to have updated guidelines in place.

### RECOMMENDATION

The AMWUA Management Board is requested to ask questions and discuss the Colorado River shortage.

## MANAGEMENT BOARD

### INFORMATION SUMMARY

December 13, 2022

# Messaging Efforts on the Colorado River Situation

## ANNUAL PLAN REFERENCE

### Enhanced Communication

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

- Work with member and partner PIOs and communications staff to facilitate information exchange, identify shared challenges and opportunities, and enhance coordination of messaging and communication of water resource issues and information.
- Facilitate the coordination of regional messages to ensure the public and decision makers understand the various implications of Colorado River shortages on municipalities.
- Utilize various communication platforms, including the website, weekly blog, social media, and public presentations.

*Strategic Plan: Educate – Facilitate our Strength in Numbers, Excel as an Expert and Resource, Collaborate and Advocate for Solutions, Prepare for Impacts of Drought & Shortage, Interconnect Disciplines*

## SUMMARY

AMWUA staff will give an update regarding efforts to have the communication regarding the Colorado River situation continue to evolve as conditions change and to coordinate a consistent overall message among the AMWUA members.

## RECOMMENDATION

The AMWUA Management Board is requested to ask questions and discuss the messaging efforts about the Colorado River conditions.



**MANAGEMENT BOARD**  
***INFORMATION SUMMARY***  
**December 13, 2022**

**Recommendation for 2023 AMWUA Management Board Chair and Vice-Chair**

**STRATEGIC PLAN REFERENCE**

Operational Principles – Facilitate our Strength in Numbers

**SUMMARY**

The AMWUA Management Board is to elect a Chair and Vice-Chair to serve from January 1, 2023 through December 31, 2023. To accomplish this, the current Management Board Chair appointed a three-member nominating committee to recommend a candidate for Chair and a candidate for Vice-Chair at the December 13, 2022 meeting.

Per the AMWUA Bylaws, the qualifications for serving as an officer are 1) serve as a member of the current Management Board for at least the immediately preceding twelve months (January 2022 – December 2022); 2) have not missed more than three Management Board meetings in the preceding twelve months; 3) be able to serve at least one year as Chair or Vice-Chair; and 4) the Chair and Vice-Chair may serve a maximum of two consecutive years in the same position.

Based on those requirements, the Management Board members who qualify as Chair or Vice-Chair are Kirk Beaty, Brian Biesemeyer, Tara Ford, Chris Hassert, John Knudson, Jessica Marlow, Karen Peters, and Cape Powers.

**RECOMMENDATION**

The Management Board is requested to consider and approve the Nominating Committee's recommendation for Chair and Vice-Chair for 2023.