



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

## **ARIZONA MUNICIPAL WATER USERS ASSOCIATION MANAGEMENT BOARD**

### **MEETING NOTICE AND AGENDA**

**Wednesday, April 12, 2023 – 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: 862 3574 6843  
(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 March 8, 2023 Meeting
2. Schedule Next Meeting Date: **Monday, May 8, 2023 – 10:00 a.m.**
3. ADEQ Presentation on PFAS Rule and Direct Potable Reuse Permit Process
4. 2023 Legislative Session
5. Colorado River Conditions
6. Messaging about Colorado River Shortage Adaptation
7. AMWUA Annual Action Plan

#### **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**

**March 8, 2023**

**HYBRID MEETING**

#### **MEMBERS PRESENT**

Chris Hassert, Mesa, Chair  
Brian Biesemeyer, Scottsdale, Vice Chair  
Kirk Beaty, Avondale  
Craig Caggiano for Tara Ford, Tempe  
Troy Hayes, Phoenix  
John Knudson, Chandler  
Jessica Marlow, Gilbert  
Cape Powers, Peoria  
Ron Serio, Glendale

#### **MEMBERS NOT PRESENT**

Barbara Chappell, Goodyear

#### **OTHERS PRESENT**

Michelle Barclay, AMWUA	Tara Gonzales, Phoenix	Jacob Perez Laurent, AMWUA
Gretchen Baumgardner, Scottsdale	Sandra House, Glendale	Diana Pina, AMWUA
Anthony Beckham, SRP	Patty Kennedy, Phoenix	Nazario Prieto, Phoenix
Cynthia Campbell, Phoenix	Simone Kjolsrud, Chandler	Martin Stiles, CAP
Brian Draper, Mesa	Sara Konrad, AWBA	Drew Swieczkowski, Glendale
Sam Draper, AMWUA	Kathy Macdonald, Mesa	Warren Tenney, AMWUA
Kathy Ferris, AMWUA	Mike Milby, CliftonLarsonAllen	Thomas Throssell, CAP
Brett Fleck, Peoria	Brad Moore, AMWUA	Sheri Trapp, AMWUA
Jake Golden, Phoenix	Jenna Norris, Peoria	Theresa Ulmer, Ulmer Consulting

#### **A. Call to Order**

Mr. Hassert called the meeting to order at 10:01 a.m.

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

1. Approval of the Minutes from February 8, 2023 Meeting

Mr. Biesemeyer noted a name correction in the minutes.

Upon a motion made by Mr. Biesemeyer and a second by Mr. Serio, the AMWUA Management Board unanimously approved of the February 8, 2023 meeting minutes.

2. Schedule Next Meeting Date: Wednesday, April 12th, 2023 at 10:00 a.m.

Mr. Hassert reported that the May 10<sup>th</sup> Management Board meeting will conflict with the AZ Water Conference and AMWUA staff will coordinate to change the meeting date.

3. 2023 Legislative Session

Mr. Tenney reported on the legislative session and the bills to be recommended for action by the AMWUA Board of Directors. Mr. Tenney gave an update on three bills that AMWUA previously took positions on:

**HB 2445** s/e subdivisions leased properties exemption; emergency, which AMWUA supports.

**HB 2535** private property; wells; regulation; prohibition, which AMWUA opposes.

**SB 1660** water; effluent; credits, which AMWUA opposes.

Mr. Tenney explained that staff recommended changing AMWUA's position from monitor to support for **SB 2448** agricultural irrigation appropriation.

Mr. Tenney explained that the appropriation for a new canal in Pinal County is part of a pending settlement agreement between the Ak Chin Indian Community and two irrigation districts. The settlement is anticipated to lead to Reclamation approving the water quality standards for moving non-Colorado River water through the CAP canal, which is why it is important to the AMWUA cities.

Mr. Tenney reported on the following bill recommended to oppose but seek amendment and then monitor:

**HB 2669** prohibition, biosolids, land application

Mr. Tenney elaborated that HB 2669 is primarily focused to resolve land application of biosolids within Yuma, but if passed in its current state would drastically reduce the number of acres available for land application and significantly increase the costs for larger municipality utilities. Mr. Tenney reported that this bill is addressing an issue in Yuma and reported that the sponsor is amenable to seek an amendment to solely address Yuma County.

Mr. Powers asked who is for and against HB 2669 within the county. Mr. Tenney reported AMWUA's understanding is that there is broad support for HB 2669 in Yuma County and he is not aware of who is in opposition.

Mr. Caggiano asked if there was any position to moving from a monitor to a support position on HB 2669 if it is amended. Mr. Tenney responded that the position of monitor was given since the bill would not have an impact on water management if amended. He stated that it is beneficial that AMWUA is working with the sponsor to make the appropriate changes.

Ms. Theresa Ulmer reported that she is working within the Democratic caucus so all legislators understand SB 1660.

Upon a motion made by Mr. Powers and a second from Mr. Biesemeyer, the AMWUA Management Board unanimously approved to recommend the positions for SB 1448 and HB 2669 to the AMWA Board of Directors.

#### 4. Colorado River Conditions

Mr. Tenney reported on the current status of the Bureau of Reclamation SEIS Process and noted that the federal government may share a modeling alternative later this month. Mr. Tenney reported that voluntary short-term cuts are expected to total 650,000 acre-feet and Reclamation is to release a draft SEIS by the end of April.

Mr. Tenney reported on the productive hydrologic conditions this winter with precipitation in the Upper Basin nearing 120% above average. Mr. Tenney reported that Reclamation will pause releases from Flaming Gorge Reservoir to Powell. He stressed that one strong winter is not enough to bring the Colorado River system back to pre-aridification levels.

Mr. Tenney reported that the Colorado River is producing less water and Reclamation is anticipated to determine 2024 action by August but is weighing the variables and risks of their updated SEIS. Mr. Tenney reported that AMWUA anticipates shortages to CAP range from 40% – 50% to up to 100% due to the lower priority. Mr. Tenney reviewed examples of short- and long-term actions cities can do to adapt to Colorado River reductions and reduce reliance.

Mr. Powers asked if there is a discussion around the 500,000 AF withheld from Lake Mead in Lake Powell last year. Mr. Tenney answered that the decision to withhold releases from Flaming Gorge Dam has reintroduced this topic for future discussions around additional releases across the Basin. Mr. Biesemeyer stated that the examples of short- and long-term actions is helpful when communicating to elected officials about solutions.

Mr. Hassert stated that he and City of Mesa Water Resources Advisor, Brian Draper, met with their City Council for a long conversation about the city's water portfolio and drought preparedness plan. He noted that this initial conversation has opened the door for more in-depth discussion surrounding the municipalities water services.

#### 5. Messaging about Colorado River Shortage Adaptation

Ms. Sheri Trapp, AMWUA Communications Manager, reported that AMWUA is preparing its messaging efforts for the upcoming developments on the Colorado River, such as Reclamation's Draft SEIS in April and later decision in August. In addition, AMWUA will pursue messaging on issues that are raised in the discussion of Colorado River shortage, such as growth and conservation. Ms. Trapp reported that to assist with messaging on municipal conservation, AMWUA staff created a listing of all conservation best management practices (BMPs) that are collectively implemented by the AMWUA members. Ms. Trapp gave a brief overview on the BMP efforts that the members are collectively doing currently. Ms. Trapp reported that there is an opportunity to elevate joint messaging on conservation, such as offering guidance to residents and businesses, targeting turf grass, and promoting ordinances and design guidance. Ms. Trapp reported that messaging for outdoor water use needs to be simple and target residents who don't know they are overwatering into voluntary conservation efforts. Ms. Trapp reported that a joint effort in this messaging will broaden the reach and help members remain consistent in the conservation message.

Ms. Trapp shared the joint message – “water no more than twice a week” – that can be promoted by each city and adjusted within each member’s conservation messaging. Ms. Trapp reported this messaging has been evaluated by both the AMWUA WRAG and CEAG and is tentatively timed for late March and early April. In addition, this initiative has identified more opportunities for AMWUA to coordinate joint messages among members and any regional partners, such as reducing overseeding. Ms. Trapp reported that together the AMWUA members can change the narrative and optics of conservation in this time of shortage. Moving forward, AMWUA will highlight all current actions from the members and identify messages that provide simple guidance to residents on what they can do to cut water use.

Mr. Powers reported on an ASU graduate study showing that rate increases for conservation alone may not be as effective as combining messaging that details increased rates with conservation actions that may help reduce the impact of raised rates. Mr. Hassert commented that the City of Mesa implemented a Drought Commodity charge of \$0.08 per 1,000 gallons over 3,000 gallons/month, which does not distinguish among the rates. Mr. Hassert reported that this is a tool for adjusting rates as the Bureau of Reclamation comes together later this year with more information. Mr. Biesemeyer reported that when there is a high-tier rate increase linked with a conservation rebate program and messaging, it may be the following year in which residents take advantage. He stated that if a resident is able to stay below 10,000 gallons a month, the tiered rate increase would be moderate, around \$1 a month. He continued that it is contingent on water savings; if water use stays up, then rates will be higher per month to mitigate water consumption. Mr. Hayes reported Phoenix has proposed a water rate increase and reducing the amount of water that is within the fixed rate. He elaborated that messaging how reducing outdoor overwatering could nullify the impact of rate increases, due to its prevalence.

Mr. Tenney reported that residents want to do more in conservation and may only need simple direction on how to achieve that. He reported that this message can be adapted by each city, but the consistent messaging would create a large impact to introduce valley-wide efficient watering. Mr. Hassert commented that residents have concerns about their watering and having a simple, quick message they can remember and act upon is effective.

#### 6. Arizona Water Banking Authority Firming Policy

Mr. Tenney gave a background overview on the Arizona Water Banking Authority (AWBA) and noted that stakeholders have engaged with the AWBA, ADWR, and CAP on planning efforts to recover the over 1.6 MAF of water stored for reduced M&I supplies.

Mr. Tenney reported that during the DCP process, the AWBA Commission’s approved policy was to firm 100% of cuts to M&I subcontractors through 2026. The Commission directed staff to convene stakeholders to discuss how the AWBA may proceed with firming M&I subcontractors when near-term shortages are projected to be much deeper than anticipated. Mr. Tenney provided the example that the AWBA fully firming a 50% cut to the M&I starting in 2024 would deplete its Long-Term Storage Credits by 2031.

Mr. Tenney reported that AMWUA has convened with the WRAG to identify key elements of a successful firming policy, including the equity, timing, and certainty of distribution and recovery.

Mr. Tenney reported that AWBA’s historical assumption to proportionally firm up to 20% of M&I cuts is an ideal path forward, extending the depletion of credits to the year 2043 and providing more time for recovery infrastructure to be developed and delivered. Given its alignment with the key elements of an effective firming process, AMWUA staff recommends advocacy for a 20% pro rata firming policy by AWBA starting in 2024.

Ms. Marlow clarified that while firming would be up to 20%, it would still be in credits and not with wet water. Mr. Tenney responded that this is correct. Mr. Knudson commented that how and where credits are recovered is important, with the Easy Valley seeing a rise in groundwater levels and excess credits being taken out of the recovering aquifer would be troubling. He added that water should be recovered where it was put in, and the infrastructure will need to be put in quickly. Mr. Tenney responded that using building infrastructure is crucial to avoid leaving credits in areas where they cannot be recovered, and Mr. Powers agreed with an example of the Aqua Fria credits stored from City of Peoria. Mr. Biesemeyer stated that if this recommended position is approved, the AWBA and CAP must begin developing means for recovery now as it may take years for stakeholders to receive that water. Mr. Tenney stated that with the recommended motion, it can be noted that the AMWUA Management Board reemphasize that the AWBA and CAP must expedite the recovery process. Mr. Hassert commented that there are still discussions to be had about the water quality of recovered groundwater.

Upon a motion from Mr. Biesemeyer and a second from Mr. Beaty, the AMWUA Management Board unanimously approved to recommend the position of the firming policy to the AMWUA Board of Directors.

### **C. Member Reports**

Mr. Beaty reported that the City of Avondale has moved to Stage 1 of their Drought Preparedness Plan.

Ms. Marlow reported that the Town of Gilbert's Council voted and approved of a rate increase on wastewater and reported on future infrastructure projects being planned. Ms. Marlow reported that the increased education on the Town's water needs has been successful with Council members.

Mr. Biesemeyer reported that he and Troy Hayes had given a presentation at the WateReuse Symposium on direct potable reuse. He shared that a citizen's survey about city services within the City of Scottsdale revealed public support for recycled water is growing to supplement the city's water supply.

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

Mr. Tenney reported that Trevor Baggione of ADEQ is going to meet with the AMWUA members in April to share about ADEQ's efforts regarding PFAs and give an update on direct potable reuse.

Mr. Tenney reported that Sam Draper will be leaving AMWUA, as she has accepted a position with the Audubon Society as the Policy Advisor.

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

Mr. Hassert requested a brief presentation from the Arizona Water Banking Authority about its history and the current topic of recovery as discussed today.

### **F. Adjournment**

Mr. Hassert adjourned the meeting at 11:41 a.m.

## MANAGEMENT BOARD

### INFORMATION SUMMARY

April 12, 2023

## ADEQ Presentation on PFAS Rule and Direct Potable Reuse Permit Process

### ANNUAL PLAN REFERENCE

#### Sustainable Water Management

Evaluate and pursue our members' contribution towards efforts and policies that will sustain and safeguard our water resources and prepare for the critical water management issues beyond 2025.

*Strategic Plan: Collaborate and Advocate for Solutions, Safeguard Water Supplies, Prepare for Impacts of Drought & Shortage, Interconnect Disciplines*

### SUMMARY

Trevor Baggione, Water Quality Division Director for the Arizona Department of Environmental Quality (ADEQ), will give a presentation about ADEQ's efforts to monitor PFAS contaminants and the Environmental Protection Agency's recent announcement of a drinking water standard rule for PFAS. Mr. Baggione will also provide an update on ADEQ's current rulemaking process for a Direct Potable Reuse (DPR) permit process, which is an important step for advancing the use of DPR systems in Arizona.

### RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions and discuss with Mr. Baggione about ADEQ's role with the new PFAS rule and the progress of the permit process for DPR.

**MANAGEMENT BOARD**  
**INFORMATION SUMMARY**  
April 12, 2023

## 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 First Regular Session of the 56<sup>th</sup> Legislature began on January 9, 2023. To date, over 1,600 measures have been introduced. As of the March 23, 2023 meeting, the AMWUA Board of Directors has adopted positions on 38 water-related bills. No further legislation is to be introduced unless it is presented as a floor amendment.

AMWUA staff will provide an update on the key water legislation that AMWUA is tracking. This legislative update includes one bill that staff recommends changing the position from monitor to support.

### RECOMMENDATION

Staff requests that the AMWUA Management Board formally recommend to the AMWUA Board of Directors the legislative position presented in this Board packet.

Depending on legislative activity before the April 12, 2023 meeting, the AMWUA Management Board may be asked to provide direction regarding introduced strike-everything amendments.



## **SUGGESTED MOTION**

*I move that the AMWUA Management Board formally recommend to the AMWUA Board of Directors the legislative positions presented in this Board packet.*

## **SUPPORT**

**SB 1391** s/e use of monies in state lottery fund; report (Griffin)

## **OPPOSE, SEEK AMENDMENT, THEN MONITOR**

**SB 1278** s/e state preemption; utilities; appliances; restrictions; prohibition; limitation; definitions (Montenegro)

## **Bills Recommended for Action**

### **[SB 1278](#) s/e state preemption; utilities; appliances; restrictions; prohibition; limitation; definitions (Montenegro)**

This bill would prohibit municipalities from imposing further regulation to limit what types of appliances utility customers can use. AMWUA is concerned that this bill could impact municipal water conservation initiatives because the bill as written applies to dishwashers “or other appliance that is designed to use the services of a utility provider”.

*Staff Recommendation: Oppose, seek amendment, then Monitor*

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### **[SB 1391](#) s/e use of monies in state lottery fund; report (Griffin)**

This bill would direct \$9,060,000 left over from the state lottery fund to ADEQ’s water quality fee fund, which has been underfunded for many years. ADEQ worked with Representative Griffin to develop this legislation as a permanent fix to the water quality fee fund’s structural deficit. This bill would allow ADEQ to fix that deficit without having to raise fees for water providers or rely on annual funding from the State General Fund.

*Staff Recommendation: Support*

## Positions Adopted by the AMWUA Board of Directors as of March 23, 2023

### **HB 2026 appropriation; on-farm efficiency fund (Dunn)**

Appropriates \$30 million to the “On-farm irrigation efficiency fund” created in the 2022 legislative session. The Fund is administered by University of Arizona and designed to fund improvements in irrigation water efficiency. The Fund is reportedly on track to have spent the entire \$30 million appropriation from the 2022 budget, offering \$1,500 per AF. For more information: <https://extension.arizona.edu/water-irrigation-efficiency-program>

*AMWUA Position: Monitor*

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### **HB 2048 | SB 1432 assured water; small residential developments (H: Bliss | S: Wadsack)**

The bill would require any developer who seeks a building permit for 6 or more residences in an unincorporated area of an AMA to apply for a Certificate of Assured Water Supply (AWS). This proposed concept differs from the existing AWS regulations by triggering the requirement with a building permit, rather than subdivision plat. It also requires a Certificate for rental properties, which are currently exempted from the AWS Program.

*AMWUA Position: Support, seek amendments*

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### **HB 2143 s/e gray water reuse; residential standards; rules (Kerr)**

This bill allows ADEQ to permit a graywater system that would use recycled shower and bath water for indoor toilet flushing. Such systems must have a NSF 350 Class R Certification - consistent with both the International Plumbing Code and the Uniform Plumbing Code, and meet ADEQ’s regulatory rules for such system, which ADEQ would be tasked to develop. Currently, Arizona allows graywater use outside but not indoors.

*AMWUA Position: Support*

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### **HB 2164 | SB 1448 subsequent irrigation; non-expansion areas; procedures (H: Stahl Hamilton | S: Sundarshan)**

This measure introduces a number of modifications to the procedures for establishment of new irrigation non-expansion areas (INA). The 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 requires 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. The bill has been introduced successively for a number of years, and AMWUA has supported the legislation.

*AMWUA Position: Support*

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**[HB 2217](#) s/e appropriation; brackish groundwater studies (Griffin)**

Appropriates \$50,000 to ADWR in FY24 to review and update studies on brackish groundwater in Arizona.

*AMWUA Position: Monitor*

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**[HB 2260](#) wells; permits; spacing rules (Cano)**

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 legislation to this effect.

*AMWUA Position: Support*

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**[HB 2266](#) groundwater pumping; measuring; reporting (Cano)**

Requires measuring, 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 supported this legislation in the 2020 and 2021 sessions.

*AMWUA Position: Support*

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**[HB 2278](#) well drilling; groundwater basins (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, 2021, and 2022 sessions.

*AMWUA Position: Monitor*

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**[HB 2323](#) water augmentation fund; brackish groundwater (Kolodin & 4 others)**

Currently, WIFA’s Long-Term Water Augmentation (LTWA) Fund carries a stipulation that 75% of the monies must be spent on a water supply development project that imports water from outside of Arizona. HB 2323 modifies the statutes to characterize brackish groundwater desalination as an importation project for the purposes of being eligible for this funding. Brackish groundwater desalination would already be eligible for the other 25% of LTWA Fund monies without this statutory change.

*AMWUA Position: Monitor*

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**[HB 2372](#) Colorado River water transfers; limit (Biasiucci, Gillette, Borrelli)**

This bill prohibits transfers of Colorado River P4 entitlements from La Paz County, Mohave County, and Yuma County to other areas of the state. The pending Queen Creek transfer is exempted from this prohibition. This language was introduced in 2022 as a strike-everything amendment that faced lawmaker concerns and opposition from CAP and the development community. Additional legislative intent language has been added that characterizes transfers as an attempt to circumvent “Colorado River water reductions by replacing those reductions with transferred water.”

*AMWUA Position: Monitor*

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**[HB 2376](#) agricultural land; foreign ownership; prohibition (Biasiucci & 9 others)**

Prohibits the Arizona State Land Department from leasing or subleasing agricultural state lands to an entity that is a foreign government or is a subsidiary of a foreign government. This legislation is a response to the reports of Fondomonte, a Saudi Arabian company, growing alfalfa for export on state lands with no pumping restrictions.

*AMWUA Position: Monitor*

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**[HB 2406](#) | [SB 1079](#) water treatment facilities; loan repayment (H: Terech | S: Shope)**

Removes the statutory requirement that cities and towns larger than 150,000 are required to hold an election to receive approval for a WIFA loan. The election requirement is an unnecessary stipulation as municipal loan agreements go before publicly elected city councils. The requirement causes additional delays and expenses for cities that seek federal infrastructure funds, and only impacts municipalities above the 150,000-person threshold. AMWUA ran this legislation in 2022, and SB 1079 has been introduced on AMWUA’s behalf by Senator Shope.

*AMWUA Position: Support*

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**[HB 2438](#) board of supervisors; powers; water (Griffin)**

Expands the authorities of a County Board of Supervisors to allow participation “in water reuse and recycling programs and regional wastewater recharge projects and related infrastructure.” Similar legislation was introduced last session on behalf of the Pinal County Board of Supervisors.

*AMWUA Position: Monitor*

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**[HB 2442](#) temporary non-expansion area (Griffin)**

This bill establishes procedures for the creation of a “temporary non-expansion area” (TNA) that prohibits irrigation of new acreage for a period of 5 years. To establish a TNA, at least 50% of “irrigation users of groundwater” or 10% of registered voters residing within the groundwater basin must submit a petition to the ADWR Director. After ADWR holds a public hearing on the TNA, the establishment of the TNA will be determined by election of all registered voters within the proposed boundaries. A majority of voters must approve the formation of the TNA for the regulations to take effect.

*AMWUA Position: Monitor*

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**[HB 2443](#) navigable stream adjudication commission; extension (Griffin)**

This bill extends the legislative authorization for the Arizona Navigable Stream Adjudication Commission (ANSAC) for four years to June 30, 2028. The ANSAC is charged with determining which of Arizona’s rivers and streams were navigable at time of statehood. If determined to be navigable at time of statehood, the land beneath the watercourse is subject to ownership by the State to be held in public trust. If non-navigable, the watercourse is subject to ownership by the person whose property it crosses. The commission is scheduled to sunset on June 30, 2024.

*AMWUA Position: Support*

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**[HB 2445](#) s/e subdivisions; leased properties exemption; emergency (Griffin)**

HB 2445 as amended expands the definition of “subdivision” to include six or more detached single residential homes that are located on lands that divided into six or more lots. It also repeals the exemption for leasehold offerings of one year or less from the definition of “subdivision.” The intent of the sponsor is to expand applicability of the Assured Water Supply Program to “build-to-rent” developments that often exploit Assured Water Supply Program loopholes. This bill goes one positive step further than HB 2616 in closing this loophole regarding “build-to-rent” housing. AMWUA is working ADWR and other stakeholders to ensure that the language of the bill achieves the desired intent.

*AMWUA Position: Support*

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**[HB 2448](#) appropriation; groundwater; Santa Rosa canal (Martinez, Cook, Smith)**

Appropriates \$25 million to ADWR to distribute to MSIDD and CAIDD to construct to convey groundwater separate from the Santa Rosa canal. This bill is related to a pending settlement between the Ak-Chin Indian Community and the two Pinal irrigation districts. The settlement is anticipated to lead to Reclamation approving the water quality standards for moving non-Colorado River water through the CAP canal.

*AMWUA Position: Support*

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**[HB 2535](#) private property; wells; regulation; prohibition (Smith & 23 others)**

In an unincorporated area, a well drilled on private property and any buildings or structures that rely on that well are not subject to “municipal regulation” if the area is annexed by a city or town. HB 2535 has the potential for broad and significant negative impacts on public health and safety – including preventing a municipality from implementing building safety codes, fire codes, or water quality and sanitation measures in an annexed area. AMWUA is working with the sponsor to develop amended language that alleviates these concerns.

*AMWUA Position: Oppose*

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**[HB 2590](#) s/e seller disclosure; water; solar; batteries (Griffin)**

The strike everything amendment requires that property sales disclosure forms include information on water hauling that the property may rely, and the source of the water supply. The bill also requires disclosures related to solar and battery devices on the property. AMWUA supports the water-related disclosure provisions associated with the bill.

*AMWUA Position: Support*

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**[HB 2616](#) subdivisions; leased properties (Bliss)**

Arizona’s Groundwater Code requires that prior to the sale of subdivided land in AMAs, an assured water supply must be demonstrated. HB 2616 removes an exemption from the definition of “Subdivision” for “leasehold offerings of one year or less.” Removing this exemption would expand the applicability of Assured Water Supply requirements to leasehold offerings of one year or less (i.e., build-to-rent properties). Rental properties such as apartments and mobile home communities would remain excluded from the definition of “subdivision.”

*AMWUA Position: Support*

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**[HB 2669](#) prohibition, biosolids, land application (Dunn)**

The prohibition will drastically reduce the number of acres available for land application and significantly increase costs for larger municipal utilities and their customers statewide without correcting any identified safety or health risk.

*This bill passed Senate NREW on March 30, 2023 with an amendment that removed the distance limitations for land applications and shifted the focus away from biosolids to the land application of sewage and septage.*

AMWUA Position: ~~Oppose, seek amendment, and then Monitor~~

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**[HB 2793](#) water efficient plumbing fixtures (Mathis & 6 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 drafted this legislation in 2019 and has supported it in subsequent legislative sessions.

*AMWUA Position: Support*

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**[SB 1090](#) groundwater pumping; foreign ownership; prohibition (Kern)**

“A corporation or other entity in which the government of another country has a controlling interest is not eligible to pump groundwater in this state.” Controlling interest is defined as direct or indirect ownership of at least 80% of the voting shares or interests of the entity.



*AMWUA Position: Monitor*

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**[SB 1223](#) water infrastructure; commerce grant fund (Shope)**

Appropriates \$8 million to the “Water Infrastructure and Commerce Grant Fund” in FY24. The Fund was created in 2022 for the purpose of providing grants to eligible entities for design and construction of water infrastructure. Eligible entities are Pinal County employers with more than 250 employees, or a private water company acting on the behalf of the Pinal County company.

*AMWUA Position: Monitor*

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**[SB 1257](#) water resources; assistant director (Peterson)**

Requires the Director of ADWR to appoint an Assistant Director whose exclusive duties are coordinating with WIFA and water users on water importation projects for augmentation, and projects to increase water storage.

*AMWUA Position: Monitor*

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**[SB 1306](#) | [HB 2731](#) local groundwater stewardship areas. (S: Borrelli | H: Biasiucci)**

SB 1306 and HB 2731 creates a new water management framework titled “Local Groundwater Stewardship Areas” (LGSA) that can be established via designation by a County Board of Supervisors, the Director of ADWR, or petition of residents within a groundwater basin if certain conditions related to groundwater depletion are met. For any LGSA that is formed, the Governor shall appoint persons to an LGSA Council that represents water users in the area. The Council is charged with establishing a Management Plan and Goal(s) for the LGSA and recommending best management practices designed to reduce groundwater withdrawals in the area. SB 1306 also establishes the Department of Water Resources Local Groundwater Stewardship Fund consisting of monies deposited from State Lottery, to support ADWR’s administration of the LGSA.

*AMWUA Position: Monitor*

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**[SB 1358](#) homeowners’ associations; solar, water devices (Mendez & 5 others)**

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. This bill could empower individual homeowners to

convert their landscapes to desert-appropriate landscapes and make positive reductions in outdoor water use. AMWUA supported this legislation in 2022.

*AMWUA Position: Support*

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**[SB 1390](#) water infrastructure finance authority; amendments (Kerr)**

This bill makes various technical and conforming changes to the WIFA legislation that was passed in 2022. Clean up amendments include clarification that WIFA is not a public service corporation, the WIFA Board is authorized to adopt policies and guidelines regarding employee compensation, and conforming changes to align the definition of “eligible entity” for the Conservation Grant Fund with existing WIFA statutes.

*AMWUA Position: Support*

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**[SB 1391](#) s/e use of monies in state lottery fund; report (Griffin)**

This bill would direct \$9,060,000 left over from the state lottery fund to ADEQ’s water quality fee fund, which has been underfunded for many years. ADEQ worked with Representative Griffin to develop this legislation as a permanent fix to the water quality fee fund’s structural deficit. This bill would allow ADEQ to fix that deficit without having to raise fees for water providers or rely on annual funding from the State General Fund.

*AMWUA Position: Monitor*

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**[SB 1438](#) active management; non-expansion area; fees (Sundareshan)**

Allows ADWR to reduce fees for the certification of grandfathered rights in Active Management Areas and Irrigation Non-Expansion Areas established after January 1, 2022 without having to pursue a Rulemaking. This would apply to the newly formed Douglas AMA and Hualapai INA.

*AMWUA Position: Monitor*

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**[SB 1439](#) state lands; leases; groundwater use (Sundareshan, & 2 others)**

Requires the Arizona State Land Department to collect annual withdrawal fees and groundwater pumping data from any lessees of ASLD agricultural lands located outside of an AMA or INA.

*AMWUA Position: Support*

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**[SB 1448](#) subsequent active management area; designation (Sundareshan & 7 others)**

Requires the ADWR Director to designate a groundwater basin as an AMA if it is determined that AMA practices are needed to preserve the existing supply of groundwater, land subsidence is occurring, or groundwater withdrawals are threatening water quality degradation. Previously the ADWR had the discretion to designate subsequent AMAs for these reasons, not a mandate.

*AMWUA Position: Monitor*

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**[SB 1660](#) water; effluent; credits (Kerr, Kaiser, Dunn)**

Expands the legal definition of effluent to include wastewater generated by industrial facilities that is treated at the site of use. SB 1660 allows an industrial facility to treat and recharge its wastewater to earn effluent LTSC. The bill stipulates that LTSC earned by the industrial effluent can only be “used” at the site of storage.

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. The bill also sets a precedent of allowing groundwater-dependent industrial users to proliferate and remove themselves from centralized water management, threatening the aquifers that municipal water providers rely upon. AMWUA opposed previous iterations of this legislation in 2022. An amendment has been offered that makes clarifying changes to the bill – but it does not satisfy AMWUA and other stakeholder concerns.

*AMWUA Position: Oppose*

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**[SB 1667](#) water; rural management areas (Mendez)**

ADWR is directed to assess all groundwater basins in the State outside of AMAs and identify if there are conditions related to groundwater declines. If such conditions exist, ADWR shall notify the County Board of Supervisors, who may subsequently designate those Basins as a Rural Management Area (RMA). The Management Goal of an RMA is stabilization of groundwater levels and sustaining base flows in any hydrologically connect surface waters. A five-member RMA Advisory Council shall be appointed by the County Board of Supervisors to develop a Management Plan.

*AMWUA Position: Monitor*

## MANAGEMENT BOARD

### INFORMATION SUMMARY

April 12, 2023

## Colorado River Conditions

### 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. The U.S. Bureau of Reclamation is anticipated to release this month a draft Supplemental Environmental Impact Statement (SEIS) that will consider various options Reclamation could pursue to revise the 2007 operational guidelines. Along with the draft SEIS process, Reclamation is factoring the hydrologic conditions from the winter snowpack and the amount of voluntary system conservation before deciding this summer what action it will take in 2024.

### RECOMMENDATION

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

## MANAGEMENT BOARD

### INFORMATION SUMMARY

April 12, 2023

# Messaging about Colorado River Shortage Adaptation

## 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 a brief update regarding the continual efforts to have consistent messaging on the evolving Colorado River situation. As the Colorado River shortage continues to receive more attention, the public and media have raised questions about growth and development. AMWUA staff would like to share high-level talking points that its members could use in response to these inquiries.

## RECOMMENDATION

The AMWUA Management Board is requested to ask questions and discuss the messaging efforts for adapting to Colorado River shortages.



## MANAGEMENT BOARD

### INFORMATION SUMMARY

April 12, 2023

## AMWUA Annual Action Plan

### STRATEGIC PLAN REFERENCE

Operational Principles – Manage an Efficient and Effective Association

### SUMMARY

The AMWUA Board of Directors approved the Strategic Plan for 2021-2026 at its March 2021 meeting. At the same meeting, the AMWUA Board of Directors approved an Annual Action Plan that detailed how the Strategic Plan would be accomplished during the current fiscal year.

AMWUA staff has drafted a new Annual Action Plan to guide AMWUA's efforts through the remainder of this fiscal year and for Fiscal Year 2024. Based on the water issues that AMWUA's members continue to face, the new Annual Plan is very similar to the current one.

The Annual Action Plan serves to highlight focus areas for AMWUA though it is understood that staff will most likely need to address other issues that may arise during the upcoming year. Such issues would be identified with the AMWUA Management Board and the Water Resources Advisory Group to ensure consistency with AMWUA's Strategic Plan.

The Annual Action Plan's key areas of focus through Fiscal Year 2024 include: Day-to-Day Operations, Enhanced Communication, Legislation, Prepare for Redesignation, Demand Management & Efficiency, Sustainable Water Management, Finances & Water, and Colorado River Management & Shortage Preparation.

AMWUA staff have prepared a presentation that reviews the proposed Annual Action Plan.

### RECOMMENDATION

The AMWUA Management Board is requested to review the proposed Annual Action Plan and provide comments and feedback.

Staff proposes that the AMWUA Management Board direct AMWUA staff to incorporate comments from the AMWUA Management Board and recommend the AMWUA Board of

Directors' approval of the Annual Action Plan through Fiscal Year 2024 upon receiving the AMWUA Board's feedback.

#### **ATTACHMENTS**

- **Attachment A:** Draft Annual Action Plan for Fiscal Year 2024
- **Attachment B:** Strategic Plan for 2021-2026

**Arizona Municipal Water Users Association      D R A F T      D R A F T      D R A F T**  
**Annual Action Plan - Fiscal Year 2024**

Adopted \_\_\_\_\_, by the AMWUA Board of Directors

AMWUA will pursue the following actions to ensure it achieves the vision and mission outlined in the 2021-2026 Strategic Plan. This Action Plan will assist the development of the Fiscal Year 2024 budget and will guide the organization’s efforts through Fiscal Year 2024. Although this plan outlines primary areas of focus, AMWUA will remain flexible and vigilant to address unforeseen issues.

**Enhanced Communication**

Advance how AMWUA conveys the municipal perspective on water, stays in front of water issues, and better communicates and personalizes the impact to the average citizen.

- Work with member and partner PIOs and communications staff to facilitate information exchange, identify shared challenges and opportunities, and enhance messaging coordination on water resource issues and the importance of conservation.
- Facilitate the coordination of regional messaging to ensure the public and decision-makers understand the wide range of implications of reduced Colorado River water for municipalities.
- Maximize AMWUA’s various communication platforms, including website, weekly blog, social media, and public presentations and events.

*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*

**Legislation**

Effectively advocate with one voice at the Legislature.

- Analyze and engage on 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*

**Conservation & Efficiency**

Excel as a leader in water conservation by assisting our members with strategizing their program implementation and coordinating awareness about ongoing and new conservation efforts that enhance water resource supply sustainability.

- Enhance outdoor water efficiency efforts through research of data-driven practices, promotion of enhanced outdoor watering best practices, and expansion of Smartscape Program’s targeted outreach to landscapers and HOAs/property managers.
- Further explore methods to measure the impact of water conservation efforts through data analysis, including geospatial resources.
- Support innovative conservation and efficiency practices and policies for residential, commercial, industrial, and institutional sectors.
- Engage in regional, statewide and national conservation and efficiency decisions and efforts to elevate our members’ programs.
- Sustain AMWUA’s resource materials, including publications and websites that our members and the public utilize.
- Expand promotion and visibility of AMWUA members’ materials and programs and elevate overall messaging about our water conservation efforts.



*Strategic Plan: Facilitate our Strength in Numbers, Educate – Excel as an Expert and Resource, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Strengthen Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy, Minimize Financial Impact, Interconnect Disciplines*

### **Sustainable Water Management**

Promote efforts and policies that will sustain and safeguard our members' water resources and prepare for critical water management issues.

- Groundwater Management - Lead discussions and develop strategies to safeguard groundwater, including recovery's impact on the aquifer, post-2025 management issues in the AMAs, and legislation.
- Augmentation – Engage in water augmentation discussions and advocate for our members' perspectives per the Augmentation Principles.
- Redesignation – Assist our members in working with ADWR as issues may arise in the Assured Water Supply Designation process.
- Watershed Management – Work with SRP, the Nature Conservancy, and others on improving and sustaining a healthy watershed.
- Governor's Water Council – Actively protect and promote our members' perspectives.

*Strategic Plan: Facilitate our Strength in Numbers, Educate – Excel as an Expert and Resource, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Strengthen Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy, Interconnect Disciplines*

### **Colorado River Transition**

Assist, monitor, and coordinate the impacts of reduced Colorado River water to ensure our members' interests are forefront.

- Short-Term Actions – Facilitate opportunities to assist and synchronize continuing preparation to ensure members can meet demands during severe shortage reductions. Such actions include operational adjustments, new infrastructure, lease & exchange agreements, recovery, conservation, and drought preparedness plans.
- Long-Term Reliance – Facilitate opportunities to support collaboration for actions to replace Colorado River water with other long-term supplies, including Direct Potable Reuse, Bartlett Dam expansion, and long-term augmentation alternatives.

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

### **Finances & Water**

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

- CAWCD – Influence decisions regarding the use of property tax revenue, OM&R expenditures, recovery infrastructure financing, and costs of shortage-related programs for the benefit of M&I subcontractors.
- SRP – Better understand the impact of SRP's long-term water costs including the expansion of Bartlett Dam.
- WIFA – Promote investment in projects that align with the Augmentation Principles.

*Strategic Plan: Collaboration and Advocate for Solutions, Safeguard Water Supplies, Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts*



## AMWUA Strategic Plan 2021 – 2026

Adopted March 25, 2021

*We are ten Valley cities, representing more than half of Arizona's population, working in collaboration for over 50 years to protect and ensure sustainable water supplies for our communities,*

### **Vision**

The Arizona Municipal Water Users Association will be a successful advocate, expert, and leader on water issues, working to protect its members' water supplies by ensuring laws and regulations support water resources sustainability enabling continued prosperity in the desert.

### **Mission**

The Arizona Municipal Water Users Association protects our members' ability to provide assured, safe, and sustainable water supplies to their communities. Working collaboratively, we advocate responsible water stewardship that supports economic prosperity and safeguards Arizona's water supplies for future generations.

### **Objectives**

Guided by its vision, AMWUA will facilitate discussion among our members on how to best pursue and advocate for the following objectives to accomplish AMWUA's mission. To achieve these objectives by 2026, AMWUA will advocate with one voice for those agreed-upon solutions to water management challenges affecting its members and Arizona.

#### *Facilitate our Strength in Numbers*

- Ensure AMWUA's organizational strength for facilitating discussion, encouraging consensus, and best serving its members is maximized through the full utilization, efficient structuring, and retention of a knowledgeable, effective, and productive staff and consultants.
- Research and analyze issues, legislation, and policies impacting water supplies and management and propose solutions that AMWUA members can collectively support and advance with one voice.
- Maximize the policy, administrative, and technical expertise of the AMWUA Board, AMWUA Management Board, Water Resources Advisory Group, and Conservation & Efficiency Advisory Group by providing timely information and engaging on issues in regular meetings.
- Support the long-term viability and partnership of the Sub-Regional Operating Group to oversee the 91<sup>st</sup> Avenue Wastewater Treatment Facility.
- Annually implement a resourceful, effective operating budget that demonstrates how AMWUA's mission and objectives will be accomplished.

#### *Educate - Excel as an Expert and Resource*

- Communicate effectively about water from the perspective of AMWUA members by maximizing the impact of AMWUA's website, digital platforms, media, and other public forums to advance the importance of planning and investing in water resources and infrastructure.
- Communicate the successes of our members in water management while highlighting the importance of efficient water use and strong statewide water management to ensure economic success.
- Promote AMWUA's expertise among its membership, the water community, and the public by having a presence at meetings, forums, events, and in the media while participating in regional, state, and national organizations to represent and advance the interests of our members.

### *Collaborate and Advocate for Solutions*

- Effectively work with and influence the Legislature, the Arizona Department of Water Resources, the Arizona Department of Environmental Quality, U.S. Bureau of Reclamation, Salt River Project, Central Arizona Water Conservation District, the water community, the business community, and other key players to pursue policies and positions beneficial to our members and Arizona.

### *Safeguard Water Supplies*

- Protect our members' existing water supplies, including groundwater, Salt & Verde Rivers water, Colorado River water, recycled water, and stored water.
- Advance awareness and the shared responsibility of our *One Water*, which represents all water sources, including the full reuse of water.
- Explore concepts for how our members can plan and invest in future water resources and infrastructure.
- Assist members in developing and implementing programs and policies that could further extend supplies through the efficient use and conservation of water.

### *Strengthen Groundwater Management*

- Support and protect the Groundwater Management Act and the AMA management goal of safe-yield.
- Support policies and efforts that enhances and strengthens the responsible use of groundwater in the Phoenix Active Management Area, particularly during a shortage.
- Promote ways ADWR can more effectively administer programs essential to AMWUA members.

### *Prepare for Impacts of Drought & Shortage*

- Assist our members with the development and implementation of measures to ensure the resiliency of their water supplies even during drought and shortage.
- Collaborate with AWBA, CAWCD, and ADWR to have a recovery implementation plan for M&I water firmed by AWBA to allow municipalities to better prepare for a shortage.
- Assist members with the ongoing development and implementation of programs and policies that promote water-efficiency and encourage conservation to manage demand.

### *Pursue Post-2025 Water Policy*

- Develop concepts for policies and programs that build on the accomplishments of the Groundwater Management Act and will carry forward sound water management for AMWUA members and Arizona beyond 2025.

### *Minimize Financial Impacts*

- Increase our members' understanding of CAWCD and SRP's respective finances and encourage CAWCD and SRP's financial stability.
- Work with CAWCD and SRP to convey how their respective rates and taxes impact the AMWUA members and collaborate to ensure the best benefits of those rates and taxes for AMWUA members.

### *Interconnect Disciplines*

- Develop ways to better maximize and connect the knowledge, practices, and activities of water resource planning, demand management, water quality, water/energy nexus, sustainability, economic development, and finance efforts.