



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

ARIZONA MUNICIPAL WATER USERS ASSOCIATION MANAGEMENT BOARD

MEETING NOTICE AND AGENDA

MONDAY, MAY 8, 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: 835 6259 0707
(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 12, 2023 Meeting
2. Schedule Next Meeting Date: Wednesday, June 14, 2023 – 10:00 a.m.
3. 2023 Legislative Session
4. Colorado River Conditions
5. Fiscal Year 2023 Quarterly Financial Statements – Third Quarter
6. Fiscal Year 2024 Preliminary Draft Budget

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, or by request.

Arizona Municipal Water Users Association

MANAGEMENT BOARD

MEETING MINUTES

April 12, 2023

HYBRID MEETING

MEMBERS PRESENT

Chris Hassert, Mesa, Chair
Brian Biesemeyer, Scottsdale, Vice Chair
Kirk Beaty, Avondale
Barbara Chappell, Goodyear
Tara Ford, Tempe
John Knudson, Chandler
Jessica Marlow, Gilbert
Cape Powers, Peoria
Ron Serio, Glendale

MEMBERS NOT PRESENT

Troy Hayes, Phoenix

OTHERS PRESENT

Jeannie Aguilar, AZ State Land Dept	Sandra House, Glendale	Diana Pina, AMWUA
Lisa Ahnen, CLA	Heather King, Glendale	Phillip Richards, APS
Trevor Baggione, ADEQ	Simone Kjolsrud, Chandler	Barbara Singh, Glendale
Michelle Barclay, AMWUA	Kathy Macdonald, Mesa	Tina Sleeper, Tempe
Gretchen Baumgardner, Scottsdale	Marisa Manheim, ASU	Martin Stiles, CAP
Craig Caggiano, Tempe	David McNeil, Glendale	Drew Swieczkowski, Glendale
Cynthia Campbell, Phoenix	Mike Milby, CliftonLarsonAllen	Warren Tenney, AMWUA
Brian Draper, Mesa	Scott Miller, APS	Thomas Throssell, CAP
Kathy Ferris, AMWUA	Brad Moore, AMWUA	Sheri Trapp, AMWUA
Brett Fleck, Peoria	Jenna Norris, Peoria	Theresa Ulmer, Ulmer Consulting
Jake Golden, Phoenix	Jacob Perez Laurent, AMWUA	Stefan Watson, Gilbert

A. Call to Order

Mr. Hassert 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 March 8, 2023 Meeting

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

2. Schedule Next Meeting Date: Monday, May 8, 2023 at 10:00 a.m.

3. ADEQ Presentation on PFAS Rule and Direct Potable Reuse Permit Process

Mr. Baggione, ADEQ Water Quality Division Director, reported on ADEQ's statutory charges for monitoring the waters of the state to detect the presence of new and existing pollutants. He stated that ADEQ has expanded their efforts of monitoring PFAS within the last ten years. Mr. Baggione reviewed the roadmap for how ADEQ will expand its PFAS activities and the standards in which it is currently testing within non-transient, non-community, and community systems. Mr. Baggione also reported on the involvement of public and private water systems that have participated in the testing and that ADEQ is strategizing on how to best report this data. Mr. Baggione reported on the short- and long-term plans of ADEQ such as utilizing state and federal funds, gathering data, assisting drinking water systems, and reaching out to providers for sampling.

Mr. Biesemeyer asked if the Department has taken a position on any proposed maximum contaminant level (MCL). Mr. Baggione answered that the Department has not and has previously not commented on the science behind health and safety assessments. Mr. Biesemeyer noted that these determinations do not leave a buffer of compliance in testing. Mr. Knudson asked if there will be any guidelines for collecting samples. Mr. Baggione responded that ADEQ does have an approved quality assured project plan for collection of samples but there is room for error due to the prevalence of PFAS. Mr. Knudson noted that the relativity of exposure to PFAS is in all substances, not just drinking water. Mr. Baggione agreed with those concerns. Mr. Powers emphasized the importance on how sampling and its results are addressed in public communications and the municipalities want to cooperate with ADEQ on giving the public the proper information and address any concerns. Mr. Baggione noted that ADEQ surface water program tests for over 200 contaminants, while there are over 40,000 active industrial chemicals in use.

Mr. Baggione provided an update on the Direct Potable Reuse and the timelines for the Technical Advisory Group, its subgroups, and the Framework Draft Document. Mr. Baggione reported on all the next steps of ADEQ regarding DPR and highlighted the dates for comment on the Draft DPR Framework on June 30th.

Mr. Biesemeyer noted concern that the way drafted standards are written would make it difficult for the City of Scottsdale to meet, despite operating a facility capable of DPR for 25 years. Mr. Biesemeyer reported that he will send a list of concerns and noted that these standards might prevent providers from being able to begin DPR projects, even when broad public support to move towards recycled water for drinking water as seen in a City of Scottsdale survey.

4. 2023 Legislative Session

Mr. Tenney gave a brief overview of the ongoing 2023 Legislative Session. Mr. Tenney reported on the bill recommended for support:

Striker SB 1391 Use of monies in state lottery fund

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

Striker SB 1278 State preemption; utilities; appliances

Mr. Tenney noted that 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”.

Mr. Tenney reported on the status of **SB 1660** and the added amendment allowing a 25% cut to the aquifer and limit application for LTSCs to the end of 2025, which AMWUA remains opposed to.

Mr. Powers asked if the Sierra Club is in support of SB 1660. Mr. Tenney responded that the Sierra Club has voiced support due to the amendment.

Upon a motion made by Ms. Marlow and a second by Mr. Biesemeyer, the AMWUA Management Board unanimously approved to recommend the legislative positions to the AMWUA Board of Directors.

Mr. Barry Aarons, the Aarons Co., expanded on the bills presented by Mr. Tenney and reported on the current legislative session. Mr. Hassert asked if SB 1660 includes any regulation of water quality on the recharged effluent from industries. Mr. Aarons responded that he believes there are standard water quality requirements within the bill for those industries.

5. [Colorado River Conditions](#)

Mr. Tenney reported on the favorable hydrologic conditions in the Upper Basin and the possibility of between a 7.48 MAF to 9 MAF release from Lake Powell to Lake Mead. Mr. Tenney stressed that one good winter will not be enough to stabilize the Colorado River, a statement repeated during the release of the Draft SEIS from the Bureau of Reclamation. Mr. Tenney reported that the objective of the SEIS is to modify the operating guidelines by this summer so Reclamation has tools to be able to take actions for 2024. Mr. Tenney then gave an overview of the action alternatives within the Draft SEIS and while it focuses on 2024, it could apply additional shortage reductions in later years. Mr. Tenney reported on the changes to the Operational Tiers in both Lake Powell and Lake Mead and the 2,083 MAF targeted reduction volumes in 2024. Mr. Tenney then reported on the details and the differences of the shortage contributions at Lake Mead elevations under 1,045 feet. Mr. Tenney reported that Reclamation described the two action alternatives as bookends to make the Basin States negotiate between alternatives. Mr. Tenney noted there is a 45-day comment period on the Draft SEIS. Mr. Tenney reported that the Draft SEIS does not provide any new clarity on what to expect for 2024 but the AMWUA cities should use any reprieve to transition into using significantly less Colorado River water. Mr. Tenney reported that AMWUA will prepare comments regarding the Draft SEIS for Reclamation.

Mr. Serio asked if there is any indication that California will negotiate. Mr. Tenney reported that there have been positive comments from primary negotiators. Mr. Tenney noted that California has also reported that deviation from the priority system is problematic.

Mr. Powers reported that the Draft SEIS did address protection of the Power Pools and the consensus is primarily among the Lower Basin States. Mr. Powers noted that the Draft SEIS did not include any evaluation of evaporation and losses proposed by the six-state consensus proposal. Mr. Powers reported that the environmental study will continue to determine actions in 2025 and 2026.

6. [Messaging about Colorado River Shortage Adaptation](#)

Ms. Sheri Trapp, Communications Manager, reported on the current messaging priorities with the impact of increased media attention on the Colorado River Shortage. Ms. Trapp reported that AMWUA will highlight shortage adaptation preparations, elevate conservation messaging, and provide facts on growth and development. Ms. Trapp noted that this messaging is meant to be adapted by each member to fit their unique water supply but provide consistent statements to be used by any city staff receiving inquiries from the public and media. Ms. Trapp then reviewed the messaging points on growth and development provided in the FAQ. Ms. Trapp reported that AMWUA will distribute the FAQs to members as internal documents to begin messaging efforts answering growth and development, and the FAQ document will be presented at the next Regional Communications meeting on April 26th.

7. [AMWUA Annual Action Plan](#)

Mr. Tenney presented AMWUA's proposed Annual Action Plan for Fiscal Year 2024, which serves as a road map for how AMWUA can accomplish its overall strategic plan and mission. Mr. Tenney detailed the annual action plan's areas of focus, day-to-day operations of the organization, and the Subregional Operating Group (SROG).

Brad Moore, Water Policy Analyst, reported on Legislation and Finances.

Jacob Perez Laurent, Program Assistant, reported on Conservation and Efficiency.

Sheri Trapp, Communications Manager, reported on Enhanced Communications and Enhanced Messaging on the Colorado River Shortage.

Mr. Tenney also reported on the objectives for the Colorado River Transition and Sustainable Water Management.

Mr. Biesemeyer and Mr. Hassert individually expressed appreciation on the AMWUA Annual Action Plan.

Upon a motion made by Ms. Chappell and a second from Mr. Serio, the AMWUA Management Board unanimously approved to recommend the AMWUA Annual Action Plan to the AMWUA Board of Directors.

C. **Member Reports**

There were no member reports at this time.

D. **Executive Director's Report**

Mr. Tenney reported that the AMWUA Board of Directors and Management Board approved a position on the Water Banking Authority's recovery policy. He reported that the Banking Authority has held a stakeholder discussion, putting forward proposals for firming and distribution of credits. Mr. Tenney noted that the Bank is taking comments to which AMWUA will formally provide its approved position.

Mr. Tenney reported that the CAP has published the preliminary delivery rates for next year and they are expected to be at Tier 3 level. CAP will hold a briefing to review their rate structure and Mr. Tenney noted that he believes these rates may need to be revisited in August after Reclamation has decided how much water CAP will deliver in 2024.

Mr. Hassert asked what the next step is for the Banking Authority proposals. Mr. Tenney responded that the Banking Authority will accept comments and will review them by May 2nd. He noted there was a request for CAP to review their own recovery efforts as the designated recovery agent of credits. Mr. Tenney reported that there is no deadline on these decisions.

E. Future Agenda Items

There were no future agenda items discussed at this time.

F. Adjournment

Mr. Hassert adjourned the meeting at 11:53 a.m.

MANAGEMENT BOARD

INFORMATION SUMMARY

May 8, 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 56th Legislature began on January 9, 2023. To date, over 1,600 measures have been introduced. As of the April 27, 2023 meeting, the AMWUA Board of Directors has adopted positions on 39 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.

RECOMMENDATION

Staff requests that the AMWUA Management Board discuss the current status of the 2023 legislative session.

Depending on legislative activity before the May 8, 2023 meeting, the AMWUA Management Board may be asked to provide direction regarding any legislative development that may differ from previous actions.

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

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

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

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

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

[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

[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

[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

[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

[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

[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

[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

[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

[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

[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

[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

[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

[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

[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

[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

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

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: Monitor

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

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

[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

[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

[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”.

AMWUA Position: Oppose, seek amendment, then Monitor

[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

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

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

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: Support

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

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

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

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

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

May 8, 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 released its draft Supplemental Environmental Impact Statement (SEIS) that outlined two alternatives that Reclamation could pursue to revise the 2007 operational guidelines. The two alternatives are seen as extreme options that Reclamation is considering in an effort to motivate the seven Basin States to negotiate a consensus somewhere in between.

Reclamation announced its April 24-month study that signals a 9.5 million acre-feet release from Lake Powell due to a projected favorable run-off; yet, Reclamation insists that action still must be taken in 2024 despite the positive hydrology of this year.

Staff will provide an overview of the Draft SEIS, the April 24-month study, and any new information about what action Reclamation may take for 2024.

RECOMMENDATION

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



MANAGEMENT BOARD INFORMATION SUMMARY

May 8, 2023

AMWUA Fiscal Year 2023 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 July 1, 2022 through March 31, 2023 and the Balance Sheet dated March 31, 2023 are presented for your information.

AMWUA actual revenue at the end of the third quarter is \$22,566 over year-to-date budget. This increase is due to the collection of interest revenue.

AMWUA has incurred year-to-date actual expenses that are \$108,539 under the year-to-date budget. This variance is primarily due to the savings in payroll salaries, payroll taxes and personnel due to changes in staff, as well as savings in water conservation expenses and a credit received for occupancy expenses from the prior year.

RECOMMENDATION

AMWUA staff is requesting that the AMWUA Management Board recommend to the AMWUA Board of Directors acceptance of the AMWUA quarterly financial statements for the third quarter as presented.

SUGGESTED MOTION

I move that the AMWUA Management Board recommend to the AMWUA Board of Directors acceptance of the AMWUA 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, 2022 through March 31, 2023

	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Over(Under)</u> Year-To-Date	<u>Approved</u> Annual	<u>Over(Under)</u> Budget
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Budget</u>	<u>Variance</u>
Funding Sources					
Assessment - Water	1,266,445.00	1,266,445.00	0.00	1,266,444.00	1.00
Assessment - Wastewater	238,097.00	238,097.00	0.00	238,097.00	-
Water Loss Control Training Program Income	0.00	0.00	0.00	0.00	-
2022 Carryover Applied to Reduce Member Assessments	(85,001.00)	(85,001.00)	0.00	(85,000.00)	(1.00)
Interest Revenues	22,565.84	0.00	22,565.84	0.00	22,565.84
Other Revenues	0.00	0.00	0.00	0.00	-
Net Revenues	1,442,106.84	1,419,541.00	22,565.84	1,419,541.00	22,565.84
Operating Expenses					
Payroll (Salaries)	483,810.79	529,867.50	(46,056.71)	706,490.00	(222,679.21)
Deferred Compensation (ASRS Payments)	58,729.40	64,484.25	(5,754.85)	85,979.00	(27,249.60)
Payroll Processing, Taxes and Insurance	44,488.85	45,300.00	(811.15)	60,400.00	(15,911.15)
Medical and Disability Insurance	61,344.73	75,000.00	(13,655.27)	100,000.00	(38,655.27)
Cell Phone Allowance	5,340.00	6,000.00	(660.00)	8,000.00	(2,660.00)
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)	39,690.00	39,690.00	0.00	52,920.00	(13,230.00)
Audit - Water	10,000.00	10,000.00	0.00	10,200.00	(200.00)
Audit - Waste Water	23,000.00	23,000.00	0.00	23,800.00	(800.00)
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	23,851.23	25,950.00	(2,098.77)	34,600.00	(10,748.77)
Audio/Visual Development	449.80	0.00	449.80	0.00	449.80
IT Services	3,600.00	4,500.00	(900.00)	6,000.00	(2,400.00)
Office Space - Lease	141,972.16	147,714.00	(5,741.84)	196,952.00	(54,979.84)
Common Area Maintenance	2,692.32	4,500.00	(1,807.68)	6,000.00	(3,307.68)
Telephone	4,476.45	4,500.00	(23.55)	6,000.00	(1,523.55)
E-Mail/Webpage/Internet	4,189.76	4,500.00	(310.24)	6,000.00	(1,810.24)
Travel/Conferences	5,172.24	4,500.00	672.24	6,000.00	(827.76)
Milage Reimbursement	955.45	2,062.50	(1,107.05)	2,750.00	(1,794.55)
Continuing Professional Ed	0.00	0.00	0.00	0.00	-
Staff Development	69.93	1,500.00	(1,430.07)	2,000.00	(1,930.07)
Copy Machine - Lease	2,654.05	3,900.00	(1,245.95)	5,200.00	(2,545.95)
Computer Hardware/Software	4,921.23	4,500.00	421.23	6,000.00	(1,078.77)
Office Supplies	1,650.21	3,750.00	(2,099.79)	5,000.00	(3,349.79)
Meetings	4,138.16	3,000.00	1,138.16	4,000.00	138.16
Outreach Efforts	5,474.87	4,875.00	599.87	6,500.00	(1,025.13)
Printing	813.56	750.00	63.56	1,000.00	(186.44)
Postage & Deliveries	573.38	750.00	(176.62)	1,000.00	(426.62)
Subscription & Reference	4,427.36	3,375.00	1,052.36	4,500.00	(72.64)
Dues & Memberships	1,151.28	2,437.50	(1,286.22)	3,250.00	(2,098.72)
Insurance	5,321.60	4,125.00	1,196.60	5,500.00	(178.40)
Equipment Maintenance	0.00	1,500.00	(1,500.00)	2,000.00	(2,000.00)
Water Loss Control Program	0.00	0.00	0.00	0.00	-
Water Conservation	37,407.53	61,125.00	(23,717.47)	81,500.00	(44,092.47)
Total Operating Expenses	1,027,366.34	1,135,905.75	(108,539.41)	1,504,541.00	(477,174.66)
Reserve and Contingency Funds Summary:					
Contingency Fund Balance on 03/31/23	\$600,000				
Reserve Fund Balance on 03/31/23	276,835				
Total Contingency and Reserve Funds	\$876,835				

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, 2023

ASSETS

Current Assets

Bank Accounts

1000 Petty Cash	500.00	
1015 Compass Checking 39 1139 0592	90,106.40	
1025 Compass Money Market 39 1098 8939	583,776.80	
1030 Investment Account (LGIP)	876,834.55	
Total Bank Accounts	\$ 1,551,217.75	

Other Current Assets

1050 Prepaid Expenses	10,549.90	
Total Other Current Assets	\$ 10,549.90	
Total Current Assets	\$ 1,561,767.65	

Fixed Assets

1100 Furniture & Equipment	133,700.55	
1150 Leasehold Improvements	7,101.50	
1160 Right-of-use Asset	1,409,508.16	
1200 Accum Depreciation Furniture	-100,171.78	
1250 Accum Depreciation Leasehold	-7,101.50	
1260 Accumulated amortization		
1265 Accumulated amortization Right-of-use asset	-246,663.92	
Total 1260 Accumulated amortization	-\$ 246,663.92	
Total Fixed Assets	\$ 1,196,373.01	

Other Assets

1450 Deferred Outflow - Pension Resources	237,768.23	
Total Other Assets	\$ 237,768.23	

TOTAL ASSETS	\$ 2,995,908.89	
---------------------	------------------------	--

Arizona Municipal Water Users Association
Statement of Net Position
As of March 31, 2023

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Credit Cards

2005 BBVA Compass Credit Card	5,420.29	
Total Credit Cards	<u>5,420.29</u>	\$ 5,420.29

Other Current Liabilities

2050 Accrued Expenses	51,973.94	
2070 ICMA Withheld	411.57	
2110 Retirees Excess Benefit Clearance	2,969.21	
Total Other Current Liabilities	<u>55,354.72</u>	\$ 55,354.72

Total Current Liabilities	<u>60,775.01</u>	\$ 60,775.01
---------------------------	------------------	--------------

Long-Term Liabilities

2210 Net Pension Liability	777,862.00	
2220 Deferred Inflow-Pension Resources	267,649.00	
2230 Lease Liability	1,277,402.02	
Total Long-Term Liabilities	<u>2,322,913.02</u>	\$ 2,322,913.02

Total Liabilities	<u>2,383,688.03</u>	\$ 2,383,688.03
-------------------	---------------------	-----------------

Equity

3000 Fund Balance	238,474.60	
Net Income	373,746.26	
Total Equity	<u>612,220.86</u>	\$ 612,220.86

TOTAL LIABILITIES AND EQUITY	<u><u>2,995,908.89</u></u>	\$ 2,995,908.89
------------------------------	----------------------------	-----------------

MANAGEMENT BOARD

INFORMATION SUMMARY

May 8, 2023

Fiscal Year 2024 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 Fiscal Year 2024 annual budget, which includes a summary page with comments to explain increases or decreases for each line item.

Development of the Fiscal Year 2024 budget was guided by the Annual Action Plan for Fiscal Year 2024, 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 totals \$1,629,939, which is an increase of \$125,398 (7.7%) from the approved Fiscal Year 2023 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 category includes salaries and Arizona State Retirement System (ASRS) contributions reflecting an increase of \$86,056 from the current budget. This is a conservative estimate considering two positions need to be filled for the next fiscal year – the Conservation Coordinator and the Office Manager/Executive Assistant. It is hoped that a firmer number will be available when the final budget is presented in June.

For Fiscal Year 2024, 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 2023, which is now reflected during the 12 months of the preliminary draft Fiscal Year 2024 budget.
- The increase is also due to new hires, projected new hires, and adjustment of some salaries to ensure AMWUA remains competitive with comparative positions among its members.
- Performance Awards – Up to 4% for each full-time employee, except the Executive Director, is recommended for employees who excel in their performance. The awards would occur half-way through Fiscal Year 2023.
- Arizona State Retirement – Includes an annual increase in the Arizona State Retirement System contribution rate from 12.17% to 12.29% effective July 1, 2023.

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

- Payroll Processing, Taxes, Insurance – The \$9,600 increase is based on processing fees and taxes, which are directly linked to salaries.
- Health Insurance – The \$15,000 increase is a conservative estimate since the status for the two new employees is not yet known. AMWUA's insurance broker is projecting a 10% increase for calendar year 2024, which is factored into the line item.

Professional Services – This includes outside services that AMWUA utilizes throughout the year including legal, lobbying, and financial. The budget reflects a \$15,400 increase due to the Board approving in January 2023 a new agreement with CliftonLarsonAllen as AMWUA's financial consultant. The other professional services line items are the same as last year.

Occupancy – These items are related to the leasing of office and meeting space for AMWUA as well as telephone and internet access reflecting an overall \$5,792 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 \$8,292 in Fiscal Year 2024.
- Building Operating Costs – The shared maintenance costs for the office building are anticipated to decrease by \$2,500 based on the actual expenses from the current year.

Training and Travel – This category covers items involved with staff participating in conferences, workshops, and training along with the related travel expenses including mileage reimbursement. This overall category is increased by \$750 due to anticipated participation by staff at conferences though mileage reimbursement has been decreased to better reflect actuals from this year.

Capital Outlay – This category covers AMWUA’s primary capital property such as the copier and computer hardware and software. There is a \$700 increase anticipated in this category in Fiscal Year 2024.

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

- **Supplies** – The \$1,000 decrease is to better match the anticipated actual expenses.
- **Meetings** – This line item covers expenses associated with meetings, which includes lunches that are provided from time to time. The addition of \$750 is to better reflect the increased in-person gatherings.
- **Outreach Efforts** – The \$1,000 increase is associated with anticipated opportunities that would be under this category.
- **Subscription & Reference** – The \$500 decrease is due to moving the Adobe license to Computer Hardware & Software.
- **Dues & Membership** – The \$250 decrease is to better align with the actual expenses.
- **Public Liability & Property Damage Insurance** – A \$500 increase is anticipated for the actual costs for these policies.

Water Conservation – There is a \$500 increase to the full category amount. The water conservation budget has for years included 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. We have worked with the University of Arizona to develop a new contract that would expand the outreach of Smartscape among not just landscape professionals but also with Homeowner Associations. Therefore, that contract will increase to \$48,000, which ADWR provides matching funding for this program in the Phoenix Active Management Area.

The budget includes \$12,000 for conservation and demand management-related projects and research opportunities. The remaining \$22,000 is dedicated to supporting sponsorships, events, and regional conservation efforts including educational and promotional materials.

As done the last few 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 previous years. Therefore, the proposed budget reflects funding to advance AMWUA’s conservation goals per this fiscal year’s annual plan.

Member Assessments – The membership assessment is calculated as follows: One-half of the proposed water budget is allocated equally among all members and the other one-half is allocated based on total population. The population figures are taken from the Maricopa Association of Governments July 1, 2022 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 91st Avenue Wastewater Treatment Plant.

This preliminary draft budget is \$125,398 (7.7%) more than the approved Fiscal Year 2023 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 2024 because the actual member assessments in Fiscal Year 2023 was less than what was anticipated in the budget due to a carryover of \$85,000 from the Fiscal Year 2022 budget. A carryover of approximately \$60,000 is anticipated from the Fiscal Year 2023 budget to the Fiscal Year 2024 budget, along with \$10,000 from the Office Lease Stabilization Fund, that will reduce the member assessments in Fiscal Year 2024. The exact amount will be calculated at the end of the fiscal year. The unspent funds are due primarily to having the Water Policy Analyst position vacant for nearly six months and other vacant positions during the current fiscal year.

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 \$1.623 million. When adjusted for inflation (CPI-U index), the draft Fiscal Year 2024 budget is at least \$594,000 lower than the Fiscal Year 2002 budget.

RECOMMENDATION

The AMWUA Management Board is requested to review and provide feedback regarding the preliminary draft Fiscal Year 2024 budget. The preliminary draft Fiscal Year 2024 budget will also be shared with the AMWUA Board of Directors for feedback at its May 25, 2023 meeting.

The final budget for Fiscal Year 2024 will be presented at the June 14, 2023 Management Board meeting for consideration for a recommendation to the AMWUA Board of Directors to adopt the budget at its June 22, 2023 meeting.

ATTACHMENT

- AMWUA Fiscal Year 2024 Preliminary Draft Budget

Preliminary Draft Budget

Fiscal Year 2024

5/2/2023



ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2024
Proposed Budget

ASSESSMENT SUMMARY

	WATER FY 23	WATER FY 24	WASTEWATER FY 23	WASTEWATER FY 24	TOTAL FY 23	TOTAL FY 24	FY 23 Carryover	ADJ TOTAL FY 24
CITY OF AVONDALE	78,612	85,801	-	-	78,612	85,801	1,693	84,108
CITY OF CHANDLER	110,526	120,288	-	-	110,526	120,288	5,187	115,101
TOWN OF GILBERT	105,539	115,060	-	-	105,539	115,060	4,657	110,403
CITY OF GLENDALE	109,449	119,309	15,369	16,012	124,818	135,322	5,087	130,234
CITY OF GOODYEAR	80,449	88,292	-	-	80,449	88,292	1,945	86,347
CITY OF MESA	149,376	162,550	34,021	35,446	183,396	197,996	9,468	188,528
CITY OF PEORIA	96,273	105,183	-	-	96,273	105,183	3,656	101,526
CITY OF PHOENIX	337,963	368,963	131,332	136,833	469,295	505,796	30,380	475,416
CITY OF SCOTTSDALE	104,350	113,423	23,577	24,564	127,927	137,988	4,491	133,496
CITY OF TEMPE	93,908	102,998	33,799	35,215	127,707	138,214	3,435	134,779
Total from Members	1,266,444	1,381,869	238,097	248,070	1,504,541	1,629,939	70,000	1,559,939
Other Funding Sources:								
TOTAL All Sources	1,266,444	1,381,869	238,097	248,070	1,504,541	1,629,939	70,000	1,559,939

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 2020 official population estimates.

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

Note #3. FY 2023 Carryover amount above includes the anticipated \$60,000 Carryover amount from 2023 and \$10,000 from the Office Lease Stabilization Fund.

ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Fiscal Year 2024

Proposed Budget

EXPENDITURE SUMMARY

	WATER FY 23	WATER FY 24	WASTEWATER FY 23	WASTEWATER FY 24	TOTAL FY 23	TOTAL FY 24
ADMINISTRATION	673,257	752,022	119,212	123,503	792,469	875,525
EMPLOYEE BENEFITS	144,275	162,602	24,125	25,398	168,400	188,000
PROFESSIONAL SERVICES	160,897	173,273	31,623	34,647	192,520	207,920
OCCUPANCY	159,065	163,140	55,887	57,604	214,952	220,744
TRAVEL, TRAINING & CONFER.	9,137	9,775	1,613	1,725	10,750	11,500
CAPITAL OUTLAY	9,514	9,876	1,686	1,624	11,200	11,500
OFFICE OPERATING EXPENSES	28,799	29,181	3,951	3,569	32,750	32,750
WATER CONSERVATION	81,500	82,000	-	-	81,500	82,000
TOTAL	1,266,444	1,381,869	238,097	248,070	1,504,541	1,629,939

ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Fiscal Year 2024

Proposed Budget

EXPENDITURES DETAIL

	FY 23 BUDGET WATER	FY 23 ACTUAL WATER	FY 24 BUDGET WATER	FY 23 BUDGET WASTEWATER	FY 23 ACTUAL WASTEWATER	FY 24 BUDGET WASTEWATER	FY 23 BUDGET TOTAL	FY 23 ACTUAL TOTAL	FY 24 BUDGET TOTAL
ADMINISTRATION									
Salaries	584,222	478,489	653,580	104,598	106,874	113,920	690,500	677,363	767,500
Performance Awards	15,990		12,200				15,990		12,200
Total Wages	600,212	478,489	665,780	104,598	106,874	113,920	706,490	677,363	779,700
Deferred Compensation:									
Arizona State Retirement	73,045	66,526	86,242	12,934	11,780	9,583	85,979	78,306	95,825
Subtotal	673,257	545,015	752,022	117,532	118,654	123,503	792,469	755,669	875,525
EMPLOYEE BENEFITS									
Payroll Processing, Taxes, Insur	51,315	49,859	60,123	9,085	9,459	9,877	60,400	59,318	70,000
Medical, Dental, Life, Disability	84,960	68,924	94,479	15,040	13,076	15,521	100,000	82,000	110,000
Cell Phone Allowance	8,000	5,749	8,000		1,091		8,000	6,840	8,000
Subtotal	144,275	124,532	162,602	24,125	23,626	25,398	168,400	148,158	188,000
PROFESSIONAL SERVICES									
Website Services	5,000		5,000				5,000		5,000
IT Services	5,097	4,800	5,153	903	1,200	847	6,000	6,000	6,000
Legal/Policy Consulting	60,000	60,000	60,000				60,000	60,000	60,000
Legislative	52,920	52,920	52,920				52,920	52,920	52,920
Financial and Accounting Services	27,680	29,600	40,000	6,920	7,400	10,000	34,600	37,000	50,000
Audit	10,200	8,200	10,200	23,800	25,800	23,800	34,000	34,000	34,000
Subtotal	160,897	155,520	173,273	31,623	34,400	34,647	192,520	189,920	207,920
OCCUPANCY									
Office Space	143,774	165,547	149,828	53,178	31,405	55,416	196,952	196,952	205,244
Building Operating Costs	5,097	2,263	3,006	903	429	494	6,000	2,692	3,500
Telecommunications	5,097	5,016	5,153	903	953	847	6,000	5,969	6,000
E-Mail/Webpage/Internet Access	5,097	4,695	5,153	903	891	847	6,000	5,586	6,000
Subtotal	159,065	177,521	163,140	55,887	33,678	57,604	214,952	211,199	220,744

ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Fiscal Year 2024

Proposed Budget

EXPENDITURES DETAIL

	FY 23 BUDGET WATER	FY 23 ACTUAL WATER	FY 24 BUDGET WATER	FY 23 BUDGET WASTEWATER	FY 23 ACTUAL WASTEWATER	FY 24 BUDGET WASTEWATER	FY 23 BUDGET TOTAL	FY 23 ACTUAL TOTAL	FY 24 BUDGET TOTAL
TRAINING AND TRAVEL									
Conferences/Travel	5,100	5,985	6,375	900	315	1,125	6,000	6,300	7,500
Milage Reimbursement	2,337	1,235	1,700	413	65	300	2,750	1,300	2,000
Continuing Professional Ed		1,502			80			1,582	
Staff Development	1,700	88	1,700	300	5	300	2,000	93	2,000
Subtotal	9,137	8,810	9,775	1,613	465	1,725	10,750	9,275	11,500
CAPITAL OUTLAY									
Copy Machine Expenses	4,417	2,700	4,294	783	1,800	706	5,200	4,500	5,000
Computer/Equipment/Software	5,097	3,280	5,582	903	3,282	918	6,000	6,562	6,500
Subtotal	9,514	5,980	9,876	1,686	5,082	1,624	11,200	11,062	11,500
OFFICE OPERATING EXPENSES									
Supplies	4,248	3,152	3,435	752	598	565	5,000	3,750	4,000
Meetings	3,398	3,782	4,079	602	718	671	4,000	4,500	4,750
Outreach Efforts	6,500	5,463	7,500		1,037		6,500	6,500	7,500
Printing	849	1,033	858	151	197	142	1,000	1,230	1,000
Postage & Deliveries	849	642	858	151	123	142	1,000	765	1,000
Subscription & Reference	3,823	2,920	3,435	677	555	565	4,500	3,475	4,000
Dues & Memberships	2,761	2,336	2,576	489	444	424	3,250	2,780	3,000
Insurance	4,672	4,623	4,723	828	877	777	5,500	5,500	5,500
Equipment Maintenance	1,699		1,717	301		283	2,000		2,000
Subtotal	28,799	23,951	29,181	3,951	4,549	3,569	32,750	28,500	32,750
WATER CONSERVATION									
Smartscape with Cooperative Ext.	30,000	30,000	48,000				30,000	30,000	48,000
Sponsorship, Events & Memberships	29,500	29,500	12,000				29,500	29,500	12,000
Projects and Messaging	22,000	22,000	22,000				22,000	22,000	22,000
Subtotal	81,500	81,500	82,000				81,500	81,500	82,000
Total Operating Expenses	1,266,444	1,212,989	1,381,869	238,097	222,294	248,070	1,504,541	1,435,282	1,629,939
FUNDING SOURCES									
Office Lease Stabilization Fund									10,000
2020-2021 carryover applied to member assessments	85,000						85,000		70,000
Member Assessments	1,181,444	1,114,309	1,381,869	238,097	222,088	248,070	1,419,541	1,425,282	1,549,939
Total Funding	1,266,444	1,114,309	1,381,869	238,097	232,088	248,070	1,504,541	1,435,282	1,629,939

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2024
Proposed Budget

BUDGET COMMENTS

	BUDGET TOTAL FY 22	BUDGET TOTAL FY 23	ESTIMATED ACTUAL FY 23	BUDGET TOTAL FY 24	FY 24 BUDGET COMMENTS
ADMINISTRATION					
Salaries	678,931	690,500	677,363	767,500	8 full-time positions - Increase due to performance awards effective 1/1/23, new hires, anticipated new hires, and competitive salary adjustments
Performance Awards	13,139	15,990	-	12,200	Increase due to up to 4% performance award for staff only
Total Compensation	692,070	706,490	677,363	779,700	
Deferred Compensation:					
Arizona State Retirement	84,158	85,979	78,306	95,825	Increase due to 12.29% for ASRS & LTD along with adjustment to salaries
Subtotal	776,228	792,469	755,669	875,525	
EMPLOYEE BENEFITS					
Payroll Processing,Taxes, Insur	58,000	60,400	59,318	70,000	Based on processing fees and taxes
Medical, Dental, Life, Disability	105,000	100,000	82,000	110,000	8 full-time staff - increases due to respective employee statuses and anticipated 10% increase in 2024
Cell Phone Allowance	8,000	8,000	6,840	8,000	No change
Subtotal	171,000	168,400	148,158	188,000	
PROFESSIONAL SERVICES					
Website Services	5,000	5,000	-	5,000	No change
IT Services	6,000	6,000	6,000	6,000	No change
Legal/Policy Consulting	60,000	60,000	60,000	60,000	No change
Legislative	50,400	52,920	52,920	52,920	No change. Second year of current agreement
Financial and Accounting Service	34,600	34,600	37,000	50,000	Increase per new agreement approved by Board 1/26/23
Audit	33,000	34,000	34,000	34,000	No change
Subtotal	189,000	192,520	189,920	207,920	
OCCUPANCY					
Office Space	192,805	196,952	196,952	205,244	Increase due to lease agreement
Building Operating Costs	6,000	6,000	2,692	3,500	Reduction in anticipated shared maintenance costs per lease agreement
Telephone	5,000	6,000	5,969	6,000	No change - covers only telephone service for office
E-Mail/Webpage/Internet Access	7,000	6,000	5,586	6,000	No change
Subtotal	210,805	214,952	211,199	220,744	

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2024
Proposed Budget

BUDGET COMMENTS

	BUDGET TOTAL FY 22	BUDGET TOTAL FY 23	ESTIMATED ACTUAL FY 23	BUDGET TOTAL FY 24	COMMENTS
TRAINING AND TRAVEL					
Conferences/Travel	5,750	6,000	6,300	7,500	Increase to allow additional staff to attend conferences
Mileage Reimbursement	2,750	2,750	1,300	2,000	Reduced to match anticipated actuals
Staff Development	2,000	2,000	-	2,000	No change
Subtotal	10,500	10,750	9,182	11,500	
CAPITAL OUTLAY					
Copy Machine Expenses	5,200	5,200	4,500	5,000	Reduced to match new lease agreement
Computer/Equipment/Software	6,000	6,000	6,562	6,500	increase due to anticipation and increases due to Adobe software
Subtotal	11,200	11,200	11,062	11,500	
OFFICE OPERATING EXPENSES					
Supplies	5,000	5,000	3,750	4,000	Reduction to match anticipated actuals
Meetings	4,000	4,000	4,500	4,750	Increase to reflect more in-person meeting expenses
Outreach Efforts	6,000	6,500	6,500	7,500	Increase to reflect anticipated outreach efforts
Printing	2,300	1,000	1,230	1,000	No change
Postage & Deliveries	2,000	1,000	765	1,000	No change
Subscription & Reference	3,200	4,500	3,475	4,000	Reduction to match anticipated actuals - Adobe moved to Software
Dues & Memberships	3,250	3,250	2,780	3,000	Reduction to match anticipated actuals
Insurance-Public Liability and Property Damage	5,000	5,500	5,500	5,500	No change
Equipment Maintenance	2,000	2,000	-	2,000	No change
Subtotal	32,750	32,750	28,500	32,750	
WATER CONSERVATION					
Smartscape with Cooperative Ext.	30,000	30,000	30,000	48,000	Funding for UA Cooperative Extension to administer Smartscape program in Maricopa County
Research and Efficiency Initiatives	14,000	22,000	29,500	12,000	Funding for conservation, efficiency, and demand management related research and initiatives
Outreach	26,000	29,500	22,000	22,000	Funding for sponsorships, events, and regional conservation efforts including educational and promotional materials
Subtotal	70,000	81,500	81,500	82,000	
Total Operating Expenses	<u>1,471,483</u>	<u>1,504,541</u>	<u>1,435,189</u>	<u>1,629,939</u>	
FUNDING SOURCES					
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 23		85,000		70,000	
Carry over from FY 22	65,000	-		-	
Member Assessments	1,396,483	1,419,541		1,549,939	
Total Funding	<u>1,471,483</u>	<u>1,504,541</u>		<u>1,629,939</u>	