



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

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

### **MEETING NOTICE AND AGENDA**

**THURSDAY, JUNE 22, 2023 – 11:00 a.m.**

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

**Access this [Link](#) to join via Zoom. Meeting ID: 823 9384 4940**  
(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 May 25, 2023 Meeting
2. Schedule Next Meeting Date: Thursday, August 24, 2023 – 11:00 a.m.
3. 2023 Legislative Session
4. Colorado River and the Lower Basin Plan
5. Phoenix AMA Model: Findings and Implications
6. Agreement with the University of Arizona for the Smartscape Program
7. Fiscal Year 2024 Proposed Budget

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

#### **D. Future Agenda Items**

#### **E. Adjournment**

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

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

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**Arizona Municipal Water Users Association**



**BOARD OF DIRECTORS  
MEETING MINUTES  
May 25, 2023  
HYBRID MEETING**

**BOARD MEMBERS PRESENT**

Councilmember Bart Turner, Glendale, President  
Councilmember Sheri Lauritano, Goodyear, Vice President  
Councilmember Scott Anderson, Gilbert, Secretary-Treasurer  
Mayor Jason Beck, Peoria  
Councilmember Arlene Chin, Tempe  
Councilmember Mark Freeman, Mesa  
Councilmember Curtis Nielson, Avondale  
Councilwoman Ann O'Brien, Phoenix  
Vice Mayor Matt Orlando, Chandler  
Mayor David Ortega, Scottsdale

**OTHERS PRESENT**

Erin Andres, Phoenix  
Liz Barker Alvarez, Avondale  
Alexis Apodaca, Chandler  
Michelle Barclay, AMWUA  
Kirk Beaty, Avondale  
Anthony Beckham, SRP  
Senator Ken Bennett, District 1  
Paul Bergelin, AMWUA  
Rob Bohr, Gilbert  
Councilmember Wally Campbell, Goodyear

Ray Diaz, Goodyear  
Kathleen Ferris, AMWUA  
Brett Fleck, Peoria  
Hayley Howard, Glendale  
Simone Kjolsrud, Chandler  
Sara Konrad, AWBA  
Kathy Macdonald, Mesa  
Marisa Manheim, ASU  
Mike Milby, CliftonLarsonAllen  
Brad Moore, AMWUA

Abigail O'Brien, Mesa  
Diana Pina, AMWUA  
Jacob Perez Laurent, AMWUA  
Ryan Peters, Chandler  
Cape Powers, Peoria  
John Raeder, Goodyear  
Tina Sleeper, Tempe  
Martin Stiles, CAP  
Drew Swieczkowski, Glendale  
Warren Tenney, AMWUA  
Sheri Trapp, AMWUA

**A. Call to Order**

Councilmember Turner called the meeting to order at 11:01 a.m.

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

1. [Approval of the Minutes from the April 27, 2023 Meeting](#)

Upon a motion made by Vice Mayor Orlando and a second by Councilmember Nielson, the AMWUA Board of Directors unanimously approved of the April 27, 2023 meeting minutes.

2. [Schedule Next Meeting Date: Thursday, June 22, 2023 – 11:00 a.m.](#)

3. [2023 Legislative Session](#)

Mr. Tenney reported that the Legislature is on recess until June 12<sup>th</sup>.

Mr. Tenney reported that Representative Griffin and Senator Kerr have formed a Joint Legislative Water Committee for the purpose of soliciting information from water user stakeholders and the public to address water security issues in Arizona.

Mr. Tenney reported that the Governor's Water Policy Council has met, and Governor Hobbs has challenged the Council to develop solutions for improving the Assured Water Supply program and looking at rural groundwater issues. Mr. Tenney reported that he has expressed interest to join the members of the committee to address the Assured Water Supply Program and will keep the Board informed on activities of the Committee.

Councilmember Nielson asked how often the Governor's Water Policy Council is expected to meet. Mr. Tenney responded that the Council is expected to meet monthly, with the two smaller working committees meeting sooner than that. Mr. Tenney reported that Kathleen Ferris, AMWUA's Legal Counsel, is also a member of the Water Policy Council.

#### 4. Colorado River Conditions

Mr. Tenney reported that the Lower Basin States have announced a plan for additional Colorado River reductions through 2026. Mr. Tenney reported that this plan is based on the favorable hydrology that allows for more modest reductions over a three-year period. Mr. Tenney reported that Lake Powell will have a release of 9.5 MAF in Water Year 2023, with unregulated inflow to Powell being expected at 151% of the 30-year average. Mr. Tenney reported that Lake Mead is most likely to end 2023 at elevation 1,070 feet, placing it in a Tier 1 shortage. Mr. Tenney reported this would be confirmed by the August 24-month study, though the favorable hydrology indicates a lower likelihood for Lake Powell or Lake Mead to reach critical levels before 2026.

Mr. Tenney reported that the Lower Basin States Plan aims to conserve an additional 3 million acre-feet (MAF) through 2026, with half of the water being conserved by the end of 2024. Mr. Tenney noted that a press release from the Department of Water Resources on the Plan reported Arizona's contribution to this plan being around 1.8 MAF. Mr. Tenney reported that up to 2.3 MAF in System Conservation through voluntary compensation primarily funded through the federal Inflation Reduction Act. Mr. Tenney reported that the remaining conservation would be compensated through other federal, state, or local sources, or be offset with ICS in 2023 – 2026.

Mr. Tenney noted the safety measures within the Lower Basin States Plan, including reduced releases from Lake Powell to Lake Mead and the buffer zone that prevents further declines in Lake Mead's elevations.

Mr. Tenney reported that Reclamation and the other Basin States are reviewing the Lower Basin States Plan and Reclamation has put the Draft SEIS on hold, as this favorable hydrology has allowed more time to pursue the 2026 reconsultation. Mr. Tenney reported that the 2026 negotiations provide a long-term opportunity to address further demand reductions to the overallocated Colorado River that is producing less water. Mr. Tenney reported that Lake Mead is still in decline and maintains a 2 MAF deficit. He stated that communities must take this time to prepare for a less abundant Colorado River becoming the new normal, with no single year of favorable hydrology being followed by another, subsequent favorable year.

Vice Mayor Orlando asked for clarification that Arizona would contribute up to 1.8 MAF in the Lower Basin Plan. Mr. Tenney said that the reported 1.8 MAF would be a proposed voluntary system conservation figure given by subcontractors of Colorado River water in the State.

Councilwoman O'Brien asked how accurate the projections are from the 24-month study. Mr. Tenney noted that there have been previous concerns that the projected levels from the 24-month study were more optimistic to what would become the reality. Mr. Tenney reported that there is enough confidence from both Reclamation and the Lower Basin States to move from the Draft SEIS to the Reconsultation in 2026.

Councilmember Lauritano asked about the contributions from California and Nevada. Mr. Tenney responded that the 2007 Interim Guidelines and DCP have determined the Tier 1 status for 2024, and while we are not sure how California will supply their contributions, the 3 MAF is a firm goal. Vice Mayor Orlando asked if it is possible that Arizona would be made to contribute all 3 MAF in this agreement. Mr. Tenney answered that no, the three Lower Basin States will all contribute, with Arizona only contributing up to its agreed amount. Mr. Tenney noted that while there could be additional contributions from cities, it would be in addition to the 3 MAF commitment from this Lower Basin States Plan. Mr. Tenney stated that Arizona water experts all agree that this is not the time to slow down on efforts to rely on less Colorado River water.

#### 5. Fiscal Year 2023 Quarterly Financial Statements – Third Quarter

Mr. Tenney reported on the revenues and expenses report from July 1, 2022 to March 31, 2023. He stated that AMWUA is currently \$108,000 under the year-to-date budget due to savings in payroll, salaries, and taxes but anticipates that figure to decrease closer to \$60,000 by the end of the fiscal year.

Upon a motion made by Mayor Ortega and a second from Mayor Beck, the AMWUA Board of Directors unanimously approved of the Fiscal Year 2023 Financial Statements – Third Quarter.

#### 6. Fiscal Year 2024 Preliminary Draft Budget

Mr. Tenney reported on the summary of the AMWUA preliminary draft budget and explained it was a 8.3 percent more than the current budget and slightly higher than what had been projected last December. He noted that the largest expense category is administration, including salaries and ASRS contributions. Mr. Tenney reported that the draft budget balances necessary staff resources to achieve AMWUA's goals while remaining fiscally conservative. Mr. Tenney reported that the budget shows two positions, the Conservation Coordinator and Office Manager, which must still be filled in the next fiscal year and could be revised before the final budget is reviewed in June. Mr. Tenney then gave a detailed overview of each budget category regarding increases found in specific categories within the budget. Mr. Tenney reported that each member assessment may be higher or lower than the overall increase to the budget. He also reported that there is an anticipated carry-over amount of \$60,000 that will reduce the projected assessments given to members, and the exact amount of this carry-over will be added at the end of the fiscal year.

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

Mr. Tenney reported that the first period of the WIFA Conservation Grant Fund applications ended earlier this week. We are pleased to hear a majority of AMWUA members have submitted applications in the first round of grants targeting landscape conversions, removal of non-functional turf, and enhance existing rebate programs within their service areas. Mr. Tenney reported that there will be at least two more rounds of application periods for these funds and AMWUA will continue to facilitate WIFA application discussions with both the WRAG and CEAG to utilize the \$200 million.

Mr. Tenney reported that ADWR is anticipated to soon release the Phoenix Active Management Area (AMA) groundwater model to show the updated health of the aquifer and to project physical availability of groundwater in the AMA over the next 100 years. Mr. Tenney reported that this model is a tool for the Assured Water Supply programs for Certificates and Designations. He added that previous models that have been released have generated media attention, such as the Pinal AMA model and Lower Hassayampa Sub-basin model. Mr. Tenney reported that due to this, AMWUA has worked on consistent talking points that may be shared with the media. Mr. Tenney stated that regardless of what the Phoenix AMA model reveals, all the AMWUA cities have invested in their water portfolios to not solely rely on groundwater. Mr. Tenney added that the AMWUA cities are well positioned to continue to thrive and develop because they have demonstrated they have secured supplies to meet their projected demand as designated providers.

Mr. Tenney reported that Governor Hobbs appointed Justin Manuel to the CAWCD Board for Pima County and he has a strong water background as the Assistant Director of Water Resources for the Tohono O'odham Nation.

Councilmember Turner emphasized the importance for members to be aware of their water portfolios to explain to citizens about their water providers' usage of water.

Mayor Beck asked if there is an expected release date for the Phoenix AMA model. Mr. Tenney reported that it is expected to be released soon and clarified that the model is the entirety of the Phoenix AMA produced by the Department of Water Resources. Mr. Tenney reported that AMWUA will prepare a presentation about the model report for the Board following its release.

Mayor Beck commented while all the AMWUA cities have diverse water supplies, this model could negatively affect the opportunities for economic development in the Phoenix AMA, much like how the Lower Hassayampa Model negatively affected Buckeye. Mayor Beck requested to know more about what this model could say with ample time to prepare a response prior to its release.

Mr. Tenney said that AMWUA had requested advanced notification about the release of the model. He reported that while these models will show problem areas in the Phoenix AMA over the next 100 years, it is used as a tool for assured water supply determinations. Mr. Tenney reported that AMWUA wanted to be prepared for the media inquiries that members might receive, which is why it has been developing messaging. Councilmember Lauritano commented that the AMWUA members must continue to push the facts about municipal water use that might not make the news. Mr. Tenney noted that each of the AMWUA cities are well-positioned due to their 100-year designation. Councilmember Nielson commented that the Westmarc forum was focused almost completely on water and noted that information must be tailored for the public to understand their water supplies. Mr. Tenney commented that it is important to be messaging to individual communities that members are taking steps to rely on less water from the Colorado River and continue to enhance their conservation programs.

#### **D. Future Agenda Items**

There were no future agenda items discussed at this time.

#### **E. Adjournment**

Councilmember Turner adjourned the meeting at 12:02 p.m.

## **BOARD OF DIRECTORS**

### **INFORMATION SUMMARY**

June 22, 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 May 25, 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 Board of Directors discuss the current status of the 2023 legislative session.

Depending on legislative activity before the June 22, 2023 meeting, the AMWUA Board of Directors 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*

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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: 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*

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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*

### **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: 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 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*

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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: Support*

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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*

**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*



## BOARD OF DIRECTORS INFORMATION SUMMARY

June 22, 2023

### Colorado River and the Lower Basin Plan

#### 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 the recently announced Lower Basin Plan, which aims to conserve an additional 3 million acre-feet of water among the Lower Basin States through the end of 2026. Up to 2.3 million acre-feet will be achieved over the three-year period through voluntary compensation provided by the federal government. The remainder may be achieved through compensation provided by state and local entities and Intentionally Created Surplus. The Lower Basin Plan is possible due to this winter's above average snowpack, which provided a reprieve from last fall's projections that Lake Powell or Lake Mead could reach critical levels before 2026.

Staff will provide an overview of the Lower Basin Plan, the favorable hydrology in the Colorado River Basin, and any new information about what action Reclamation may take moving forward.

#### RECOMMENDATION

The AMWUA Board of Directors is requested to ask questions and discuss the Colorado River and the Lower Basin Plan.

## **BOARD OF DIRECTORS**

### **INFORMATION SUMMARY**

June 22, 2023

## **Phoenix AMA Model: Findings and Implications**

### **ANNUAL PLAN REFERENCE**

#### **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.
- Redesignation – Assist our members in working with ADWR as issues may arise in the Assured Water Supply Designation process.
- 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*

### **SUMMARY**

AMWUA staff will present on the findings of the Phoenix AMA groundwater model that was released June 1, 2023. The Arizona Department of Water Resources uses groundwater models to evaluate the physical availability of groundwater, which is one criteria that must be satisfied when making Assured Water Supply determinations. The purpose of the Assured Water Supply Program is to ensure water must be available before any residential development can occur. The Phoenix AMA groundwater model currently projects that there will be a 4% shortfall in groundwater to meet anticipated demands over the next 100 years.

Staff will provide an overview of this groundwater model, its 100-year projection, and implications for future development.

### **RECOMMENDATION**

The AMWUA Board of Directors is requested to ask questions and discuss the Phoenix AMA model.

## BOARD OF DIRECTORS

### INFORMATION SUMMARY

June 22, 2023

# Agreement with the University of Arizona for the Smartscape Program

## ANNUAL PLAN REFERENCE

### 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.

*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*

## SUMMARY

Smartscape is a comprehensive training program that instructs landscape and irrigation professionals on the fundamentals of design, installation, irrigation, and maintenance of sustainable desert-adapted landscapes and irrigation systems. The need for efficient water use, the regulatory environment, methods of landscape water conservation, and the principles of xeriscape are key components of the program. The program was developed collaboratively by AMWUA, Tucson Water, the University of Arizona Cooperative Extension, the Arizona Nursery Association, the Arizona Landscape Contractors Association, and industry representatives. AMWUA has coordinated and funded Smartscape in the Phoenix area since the program was formed in 1994. Since 2018, Smartscape en Español has been expanding landscape educational opportunities for Spanish speakers.

Smartscape supports AMWUA members in their efforts to increase water use efficiency in landscapes to extend their existing supplies and reduce future water demand to prepare for potential shortage restrictions. The program is accepted as a Best Management Practice (BMP) under the Non-Per Capita

Arizona Municipal Water Users Association

Conservation Program, assisting members in complying with the Arizona Department of Water Resources (ADWR) Management Plan requirements.

Since 2009, AMWUA has contracted with the University of Arizona to administer the Smartscape program through the Maricopa County Cooperative Extension. The Smartscape program has been funded by AMWUA with monies from the Conservation & Efficiency budget and by ADWR with monies from the Phoenix Active Management Area's Water Management Assistance Program (WMAAP). The agreements have been for two years to provide stability for the staff hired to coordinate the program and the current agreement expires on June 30, 2023. Through this agreement, AMWUA has worked with the Maricopa County Cooperative Extension to implement new Advanced Smartscape courses and improve the Smartscape Program's website features and accessibility in Maricopa County. AMWUA's contribution is proposed to increase to \$48,000 from \$30,000 annually to further identify targeted landscape education to include HOAs and property managers, attain Smartscape support staff for future contract periods, and explore virtual course offerings in Maricopa County.

ADWR has agreed to contribute funding to the Smartscape Program for the next two years. However, it is questionable if ADWR can continue to assist with funding the Smartscape Program beyond Fiscal Year 2025 since the WMAAP fee is currently set too low. Due to this uncertainty, AMWUA's agreement with the University of Arizona is to contribute the increased \$48,000 amount only in Fiscal Year 2024 upon completion of specified deliverables. This is to ensure the Smartscape Program has reliable, increased funding to meet its deliverables as outlined in AMWUA's Annual Action Plan until there is certainty of secure funding from the WMAAP for more than a single contract period at a time. AMWUA's contract agreement to provide the funding to the University is contingent upon the University also receiving funding from ADWR.

## **RECOMMENDATION**

At the June 14<sup>th</sup> meeting, the AMWUA Management Board recommended that the AMWUA Board of Directors approve the Executive Director's ability to enter into the one-year agreement between AMWUA and the University of Arizona for implementation of the Smartscape program.

## **SUGGESTED MOTION**

*I move to approve the Executive Director's ability to enter into the one-year agreement between AMWUA and the University of Arizona for implementation of the Smartscape program.*

## **ATTACHMENT**

- Agreement between AMWUA and the University of Arizona

## UNIVERSITY OF ARIZONA SERVICES AGREEMENT

This Agreement is effective on the date of the last authorized signature below (the "Effective Date"), between the Arizona Board of Regents (ABOR) for The University of Arizona (UNIVERSITY) and the Arizona Municipal Water Users Association, (SPONSOR) a non-profit corporation having a principal place of business at 3003 N. Central Avenue, Suite 1550, Phoenix, AZ 85012, and also known as the Party or Parties.

WHEREAS, SPONSOR desires UNIVERSITY to perform certain services for a project entitled Smartscape ("Project"), and is willing to provide funds for such Project; and

WHEREAS, UNIVERSITY is willing to undertake such Project, and to provide such resources as may be necessary.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, SPONSOR and UNIVERSITY agree as follows:

1. **Project Director**

The Project will be under the supervision and direction of Dr. Edward C. Martin, a UNIVERSITY employee; Maricopa County Cooperative Extension and Department of Biosystems Engineering.

2. **Billing and Payment**

The SPONSOR will provide UNIVERSITY the sum of \$48,000 by July 1, 2023 for the period of July 1, 2023 through June 30, 2024. This agreement type is:

X      FIXED PRICE

Invoices will be sent to the following address of the SPONSOR:

Arizona Municipal Water Users Association  
3003 North Central Avenue, Suite 1550  
Phoenix, Arizona 85012

Payment by SPONSOR shall be made within 30 days of receipt of invoices from UNIVERSITY. Checks shall be made payable only to The University of Arizona and shall identify this Agreement or a UNIVERSITY invoice. Checks should NOT be made payable to or identify individuals. Payments shall be sent to the following addresses:

**If sent by US Mail:**

The University of Arizona Sponsored Projects Services/Bursar ACCT #4208730  
1303 E University Blvd, Box 3  
Tucson, Arizona 85719-0521

**If sent by overnight delivery service:**

University of Arizona Bursar's Office  
888 N Euclid, Room 104  
Tucson AZ, 85719  
(520) 621-1998

University of Arizona EIN number is 74-2652689.

**3. Scope of Work and Deliverables**

The UNIVERSITY will be responsible for the following activities, which will be conducted through the Cooperative Extension office, Maricopa County. Deliverables are contingent on successful support from Arizona Department of Water Resources in the amount of \$56,448.00 for the period of July 1, 2023 – June 30, 2024.

**A. Training Implementation and Curriculum Refinement**

- Implement a minimum of two 30-hour Smartscape courses per fiscal year, utilizing established curriculum and local experts to present the classes.
- Implement a minimum of one 30-hour Spanish Smartscape course per fiscal year.
- Implement a minimum of one Advanced Smartscape: Irrigation course per fiscal year.
- Development and implement a minimum of one Spanish Advanced Smartscape: Irrigation course per fiscal year.
- Implement a minimum of one Advanced Smartscape: Plant Materials course per fiscal year.
- Implement a minimum of one Spanish Advanced Smartscape: Plant Materials course per fiscal year.
- Develop and implement a minimum of one Advanced Smartscape: Urban Forest Management course per fiscal year.
- Develop a Smartscape course targeted towards HOAs and property managers to educate them on best management practices for water-efficient landscapes.
- Review and revise Smartscape curriculum, content, and materials of training courses as necessary, integrating current research-based University of Arizona, industry, and municipal documents.
- Continue to update the Smartscape Implementation Guide operating procedures manual.
- Explore feasibility of implementing hybrid (virtual and in-person) Smartscape courses and develop implementation plan accordingly.
- Develop Smartscape instructor roster/listing and identify potential instructor substitute/replacement availability.
- Explore options to hire and attain Smartscape support staff (part-time or full-time program assistant) in future contract periods, to assist in accomplishing Contract Deliverables.

**B. Promotion**

- Maintain the Smartscape website and social media sites, including links to AMWUA and ADWR, as well as the most current landscape industry and water conservation publications.

- Continue to provide guidelines to inform Smartscape graduates as to the appropriate use of the trademarked logo and ideas for marketing.
- Promote Smartscape training opportunities to landscape professionals and coordinate promotional efforts with industry organizations.
- Continue to provide information regarding local and national opportunities for landscape training and certification, including the role each plays and where each fits in the educational hierarchy.
- Coordinate promotional effort with AMWUA to include developing materials, information, and displays to educate consumers.
- Develop a promotional plan to advertise Smartscape classes to ensure that the industry is aware of training opportunities and that attendance is maximized.
- Develop a plan to promote hiring trained, certified landscape professionals, with a focus on Smartscape, to the public.
- Collaborate with AMWUA staff and the AMWUA Conservation & Efficiency Advisory Group to explore targeted-outreach opportunities for landscapers, HOAs, and property managers.
- Explore potential opportunities and methods to connect with HOAs and property management companies to educate them on best management practices for water-efficient landscapes.
- Participate in public events and conferences such as the SRP Water Expo, Arbor Day events, Home & Garden Shows, and the Desert Horticulture, SHADE, and WaterSmart Innovations conferences.
- Provide Smartscape program updates to the AMWUA Conservation & Efficiency Advisory Group at least once per fiscal year to maintain their support and engagement in the program.

#### C. Statewide Coordination

Coordinate efforts with Pima County Smartscape in order to ensure statewide program consistency. Overall course content and messaging should be consistent, with minor variations based on regional conditions. Collaborative content updates or revisions will be made as needed based upon University of Arizona research, or developments outlined by our respective sponsoring organizations, to maintain curriculum consistency and the integrity of the training. This would also include other County Extension offices that develop a Smartscape program.

#### D. Quantifying Smartscape Impacts

Investigate methods to demonstrate the impacts and value of the Smartscape program. Possible approaches would be sending questionnaires to past participants or conducting interviews by phone or in the field. The latter would afford the opportunity to assess the application of Smartscape principles.

#### **Contract Oversight**

The SPONSOR will have the authority to review the program of work and materials to ensure that the program continues to meet the objectives of the SPONSOR.

## **Deliverables**

A report of contract activities will be completed by the UNIVERSITY and submitted to the SPONSOR no later than December 31, 2023 and June 30, 2024. The report will include a summary of ongoing contract activities - trainings, overall course evaluations, promotion, and coordination.

## **Term of Agreement**

This Agreement shall commence on the date of execution of the Agreement and continue through June 30, 2024. The Period of Performance may be extended upon the mutual agreement of both parties.

### **4. Use of Facilities**

Insofar as the facilities of UNIVERSITY permit, UNIVERSITY will furnish facilities and such other equipment as may be reasonably required to perform this Agreement.

### **5. Property Administration**

Upon termination of this Agreement, any equipment, material, or supplies remaining in stock will become the property of UNIVERSITY.

### **6. Insurance and Liability**

The UNIVERSITY maintains general liability insurance and workmen's compensation coverage as required by state law and pertinent federal laws and regulations. In the event SPONSOR undertakes to perform any work on the Project on the premises of UNIVERSITY, then SPONSOR shall give assurances to UNIVERSITY of SPONSOR's adequate general liability insurance and workmen's compensation coverage. It is understood, however, that neither party to this Agreement is the agent of the other and neither is liable for the wrongful acts or negligence of the other.

### **7. Reports**

After the Scope of Work is fully performed, and within the time period specified in the Scope of Work, UNIVERSITY will submit to the SPONSOR a detailed technical report of the activities carried out, as required. It is understood, however, that UNIVERSITY shall not be restricted from publishing the results of this Project. When the results of the Project are published, UNIVERSITY agrees to acknowledge the support received from the SPONSOR.

### **8. Confidential Information**

SPONSOR and UNIVERSITY may choose, from time to time, in connection with work contemplated under this Agreement, to disclose confidential information to each other. All such disclosures must be in writing and marked as Confidential Information. The Parties will use reasonable efforts to prevent the disclosure to unauthorized third parties of any Confidential Information of the other Party and will use such information only for the purposes of this Agreement, and for three (3) years after the termination of this Agreement, provided that the receiving Party's obligations hereunder shall not apply to information that:



- A. is already in the receiving Party's possession at the time of disclosure; or,
- B. is or later becomes part of the public domain through no fault of the receiving Party; or,
- C. is received from a third party with no duty of confidentiality to the disclosing party; or,
- D. was developed independently by the receiving party prior to disclosure; or,
- E. is required to be disclosed by law or regulation.

Any information that is transmitted orally or visually, in order to be protected hereunder, shall be identified as such by the disclosing party at the time of disclosure and identified in writing to the receiving party, as Confidential Information, within thirty (30) days after such oral or visual disclosure.

9. **Intellectual Property Rights**

Title to any trade secrets, inventions, developments, or discoveries, works of authorship, whether patentable or not (collectively referred to as "Intellectual Property"), resulting directly from the Scope of Work, shall be allocated according to applicable employment contracts and U. S. Patent Law (Title 35 U. S. Code) and U.S. Copyright Law (Title 17 U.S. Code) in effect at the time the Intellectual Property was created. For that Intellectual Property determined to be solely owned by UNIVERSITY, the SPONSOR is granted an option to negotiate a license, on reasonable terms, to such Intellectual Property, such option to be exercised within six (6) months of notification of the Intellectual Property. For that Intellectual Property determined to be jointly owned by SPONSOR and UNIVERSITY, an exclusive option is provided to SPONSOR to negotiate for an exclusive license, on reasonable terms, to UNIVERSITY's rights, such option to be exercised within six (6) months of notification of the Intellectual Property. For that Intellectual Property determined to be solely owned by SPONSOR, UNIVERSITY shall claim no rights. SPONSOR is granted a non-exclusive license, for internal use only, to all original works developed within the Scope of Work for which UNIVERSITY owns the copyright.

10. **Termination**

UNIVERSITY may terminate this Agreement at any time upon thirty (30) days written notice to SPONSOR, if: (a) if cost-reimbursement, funding for the Project is fully expended in accordance with the scope of work and deliverables; or (b) performance of the Project is completed; or (c) if circumstances beyond its control preclude continuation of the Project, in which case, University shall refund to SPONSOR any unexpended funding for the Project as of the termination date. SPONSOR may terminate this Agreement at any time upon ninety (90) days written notice to UNIVERSITY if circumstances beyond its control preclude continuation of the Project. In the event that either Party shall commit any breach of or default in any of the terms or conditions of this Agreement, and also shall fail to remedy such default or breach within ninety (90) days after receipt of written notice thereof from the other Party hereto, the Party giving notice may, at its option and in addition to any other remedies which it may have at law or in equity, terminate this Agreement by sending notice of termination in writing to the other Party to such effect, and such termination shall be effective as of the date of the receipt of such notice. The defaulting Party shall be responsible for all costs and expenses associated with the termination and shall reimburse the non-defaulting Party for such.

11. **Arbitration**

In the event of a dispute hereunder that involves the sum of Fifty Thousand Dollars (\$50,000) or less, in money damages only, exclusive of interest, costs and attorneys' fees, the parties will submit the matter to binding arbitration pursuant to the Arizona Arbitration Act, ARS 12-1501, et seq., (the "Act") whose rules shall govern the interpretation, enforcement and proceedings pursuant to this paragraph. Except as otherwise provided in the Act, the decision of the arbitrator(s) shall be final and binding upon the parties.

12. **Conflict of Interest**

This Agreement is subject to the provisions of A.R.S. § 38-511 regarding Conflict of Interest. The State of Arizona may cancel this Agreement if any person significantly involved in negotiating, drafting, securing or obtaining this Agreement for or on behalf of the Arizona Board of Regents becomes an employee in any capacity of any other party or a consultant to any other party with reference to the subject matter of this Agreement while the Agreement or any extension thereof is in effect.

13. **State Obligation**

The Parties recognize that the performance by the Arizona Board of Regents on behalf of The University of Arizona may be dependent upon the appropriation of funds by the State Legislature of Arizona. Should the Legislature fail to appropriate the necessary funds or if the UNIVERSITY's appropriation is reduced during the fiscal year, the Board of Regents may reduce the scope of the agreement or cancel the agreement without further duty or obligation. The Board agrees to notify the SPONSOR as soon as reasonably possible after the unavailability of said funds comes to the Board's attention.

14. **Notices**

Notices shall be in writing and deemed effective when sent, postage prepaid to:

SPONSOR:

Arizona Municipal Water Users Association  
3003 North Central Avenue, Suite 1550  
Phoenix, Arizona 85012

UNIVERSITY:

***For U.S. Postal Service:*** SPONSORED PROJECTS SERVICES  
PO BOX 210158  
TUCSON AZ 85721-0158

***For Fed Ex, UPS or other expedited delivery:***  
SPONSORED PROJECTS SERVICES  
888 N EUCLID AVE RM 510

TUCSON AZ 85719-4824  
Phone (520) 626-6000

15. **General Provisions.**

A. **Compliance**

The Parties agree to comply with the provisions of applicable State and Federal regulations governing Equal Employment Opportunity and Non-discrimination and Immigration.

B. **Non-competition**

This Project shall not involve competition with local business units that generally offer similar goods and services.

C. **Independence**

Permission to use UNIVERSITY facilities and other resources under this Agreement does not constitute endorsement by the UNIVERSITY of the SPONSOR's views or objectives.

D. **Audit**

It is understood that if the ultimate source of at least a portion of the SPONSOR's funds for this project is Federal, this Agreement is subject to Federal Audit.

E. **Entire Understanding**

This Agreement embodies the entire understanding of the Parties and supersedes any other agreement or understanding between the Parties relating to the subject matter hereof.

F. **Waiver, Amendment, Modification**

No waiver, amendment or modification of this Agreement shall be valid or binding unless written and signed by the Parties. Waiver by either Party of any breach or default of any clause of this Agreement by the other Party shall not operate as a waiver of any previous or future default or breach of the same or different clause of this Agreement.

G. **Assignment**

This Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided that this Agreement shall be binding upon and inure to each Party's respective successors in interest.

H. **Choice of Law**

This Agreement shall be interpreted pursuant to the laws of the State of Arizona. Any arbitration or litigation between the parties shall be conducted in Pima County, Arizona, and SPONSOR hereby submits to venue and jurisdiction in Pima County, Arizona.

I. **Severability**

If any provision of the Agreement is held void or unenforceable, the remaining provisions shall nevertheless be effective, the intent being to effectuate the Agreement to the fullest extent possible.

J. Independent Contractors

The Parties are deemed independent contractors and may not bind each other, except as provided for herein or authorized in writing by the other Party.

The Arizona Board of Regents for and on behalf of The University of Arizona:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Arizona Municipal Water Users Association:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have read this Agreement, and understand the obligations placed on me and my laboratory and other UNIVERSITY employees under my supervision and agree to be bound by it.

---

PRINCIPAL INVESTIGATOR

Date: xxxxxx, 2023

Exhibits:    A. Budget and Payments

The following budget represents the anticipated costs and funding for conducting the Scope of Work pursuant to this Agreement.

<b>Program Year</b>	<b>Program Budget</b>
07/01/2023 to 06/30/2024	\$48,000

The anticipated dates and amounts of payments are as follows:

<u>DATE</u>	<u>AMOUNT</u>
07/01/2023	\$ 48,000
<b><u>TOTAL</u></b>	<b><u>\$ 48,000</u></b>

## BOARD OF DIRECTORS

### INFORMATION SUMMARY

June 22, 2023

## Fiscal Year 2024 Proposed 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 proposed 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 proposed budget totals \$1,629,939, which is an increase of \$125,398 (8.3%) 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. A challenge for the budget is that two positions – the Conservation Coordinator and the Office Manager – are in the process of being filled for the next fiscal year. Therefore, this remains the best estimate.

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 proposed 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 91<sup>st</sup> Avenue Wastewater Treatment Plant.

This proposed budget is \$125,398 (8.3%) 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 are 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. However, 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 actual member assessments for 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**

At the June 14<sup>th</sup> meeting, the AMWUA Management Board recommended that the AMWUA Board of Directors adopt the proposed AMWUA budget for Fiscal Year 2024.

## **SUGGESTED MOTION**

*I move to adopt the proposed AMWUA budget for Fiscal Year 2024.*

## **ATTACHMENT**

- AMWUA Fiscal Year 2024 Proposed Budget

# ***Proposed Budget***

**Fiscal Year 2024**

**6/22/2023**



**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**  
**Fiscal Year 2024**  
**Proposed Budget**

**ASSESSMENT SUMMARY**

	<b>WATER FY 23</b>	<b>WATER FY 24</b>	<b>WASTEWATER FY 23</b>	<b>WASTEWATER FY 24</b>	<b>TOTAL FY 23</b>	<b>TOTAL FY 24</b>	<b>FY 23 Carryover</b>	<b>ADJ TOTAL FY 24</b>
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:								
<b>TOTAL All Sources</b>	<b>1,266,444</b>	<b>1,381,869</b>	<b>238,097</b>	<b>248,070</b>	<b>1,504,541</b>	<b>1,629,939</b>	<b>70,000</b>	<b>1,559,939</b>

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

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**EXPENDITURE SUMMARY**

	<b>WATER FY 23</b>	<b>WATER FY 24</b>	<b>WASTEWATER FY 23</b>	<b>WASTEWATER FY 24</b>	<b>TOTAL FY 23</b>	<b>TOTAL FY 24</b>
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
<b>TOTAL</b>	<b>1,266,444</b>	<b>1,381,869</b>	<b>238,097</b>	<b>248,070</b>	<b>1,504,541</b>	<b>1,629,939</b>

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION**

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**EXPENDITURES DETAIL**

	<b>FY 23 BUDGET WATER</b>	<b>FY 23 ACTUAL WATER</b>	<b>FY 24 BUDGET WATER</b>	<b>FY 23 BUDGET WASTEWATER</b>	<b>FY 23 ACTUAL WASTEWATER</b>	<b>FY 24 BUDGET WASTEWATER</b>	<b>FY 23 BUDGET TOTAL</b>	<b>FY 23 ACTUAL TOTAL</b>	<b>FY 24 BUDGET TOTAL</b>
<b>ADMINISTRATION</b>									
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
<b>EMPLOYEE BENEFITS</b>									
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
<b>PROFESSIONAL SERVICES</b>									
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
<b>OCCUPANCY</b>									
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

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**EXPENDITURES DETAIL**

	<b>FY 23 BUDGET WATER</b>	<b>FY 23 ACTUAL WATER</b>	<b>FY 24 BUDGET WATER</b>	<b>FY 23 BUDGET WASTEWATER</b>	<b>FY 23 ACTUAL WASTEWATER</b>	<b>FY 24 BUDGET WASTEWATER</b>	<b>FY 23 BUDGET TOTAL</b>	<b>FY 23 ACTUAL TOTAL</b>	<b>FY 24 BUDGET TOTAL</b>
<b>TRAINING AND TRAVEL</b>									
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
<b>CAPITAL OUTLAY</b>									
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
<b>OFFICE OPERATING EXPENSES</b>									
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
<b>WATER CONSERVATION</b>									
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
<b>Total Operating Expenses</b>	<b>1,266,444</b>	<b>1,212,989</b>	<b>1,381,869</b>	<b>238,097</b>	<b>222,294</b>	<b>248,070</b>	<b>1,504,541</b>	<b>1,435,282</b>	<b>1,629,939</b>
<b>FUNDING SOURCES</b>									
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
<b>Total Funding</b>	<b>1,266,444</b>	<b>1,114,309</b>	<b>1,381,869</b>	<b>238,097</b>	<b>232,088</b>	<b>248,070</b>	<b>1,504,541</b>	<b>1,435,282</b>	<b>1,629,939</b>

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**BUDGET COMMENTS**

	BUDGET TOTAL FY 22	BUDGET TOTAL FY 23	ESTIMATED ACTUAL FY 23	BUDGET TOTAL FY 24	FY 24 BUDGET COMMENTS
<b>ADMINISTRATION</b>					
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	
<b>EMPLOYEE BENEFITS</b>					
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	
<b>PROFESSIONAL SERVICES</b>					
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	
<b>OCCUPANCY</b>					
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	



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**BUDGET COMMENTS**

	BUDGET TOTAL FY 22	BUDGET TOTAL FY 23	ESTIMATED ACTUAL FY 23	BUDGET TOTAL FY 24	COMMENTS
<b>TRAINING AND TRAVEL</b>					
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	
<b>CAPITAL OUTLAY</b>					
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	
<b>OFFICE OPERATING EXPENSES</b>					
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	
<b>WATER CONSERVATION</b>					
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>	
<b>FUNDING SOURCES</b>					
Office Lease Stabilization Fund, per Board policy adopted 6/25/20 to offset Office Space Expense	10,000	10,000		10,000	
Anticipated carry over from FY 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>	