



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

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

MEETING NOTICE AND AGENDA

Thursday, September 28, 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: 826 5678 5220
(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 August 24, 2023, Meeting
2. Schedule Next Meeting Date: October 26, 2023, 11:00 a.m.
3. Overview and Status of the Governor’s Water Policy Council

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, or by request.



**BOARD OF DIRECTORS
MEETING MINUTES
August 24, 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 Curtis Nielson, Avondale
Councilwoman Ann O'Brien, Phoenix
Vice Mayor Matt Orlando, Chandler
Mayor David Ortega, Scottsdale

OTHERS PRESENT

Lisa Alvarez, Avondale
Amy Arguilez, Gilbert
Gretchen Baumgardner, Scottsdale
Michelle Barclay, AMWUA
Kirk Beaty, Avondale
Anthony Beckham, CAP
Paul Bergelin, AMWUA
Rebecca Bernat, AWBA
Harry Cooper, AMWUA
Miranda DeWitt, Mesa

Ray Diaz, Goodyear
Kathleen Ferris, AMWUA
Brett Fleck, Peoria
Jake Golden, Phoenix
Lisa Gray, CliftonLarsonAllen
Simone Kjolsrud, Chandler
Mike Milby, CliftonLarsonAllen
Brad Moore, AMWUA
Jacob Perez Laurent, AMWUA
Abigail O'Brien, Mesa

Diana Pina, AMWUA
Tina Sleeper, Tempe
Ginger Spencer, Phoenix
Warren Tenney, AMWUA
Sheri Trapp, AMWUA
Tammi Watson, CAP
Emily Webb, Peoria
Adam Wiechman, ASU

A. Call to Order

Councilmember Turner called the meeting to order at 11:02 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the June 22, 2023, Meeting

Upon a motion made by Councilmember Lauritano and a second from Mayor Ortega, the AMWUA Board of Directors unanimously approved of the June 22, 2023, meeting minutes.

2. Schedule Next Meeting Date: Thursday, September 28, 2023 – 11:00 a.m.

3. Activities of the Governor's Water Policy

Mr. Paul Bergelin, AMWUA's Water Policy Advisor, shared a presentation to provide an overview on the Governor's Water Policy Council. The Council has two focus areas and two corresponding committees: Assured Water Supply - review and make recommendations for changes to AWS policies to address challenges revealed by modeling projections, and Rural Groundwater - develop and recommendations for a rural management framework outside of current AMAs.

The Governor has asked these committees to have proposals developed by December 2023, which may include legislation, administrative changes, and executive concerns.

Since Warren Tenney serves on the Assured Water Supply Committee, Mr. Bergelin reviewed some initial concepts discussed so far by that committee. These included: commingling supplies, building infrastructure, incentivize developments on agricultural lands, alternative designations, address wildcat subdivisions, build-to-rent properties, and industrial user gaps in the AWS program.

Mr. Tenney added that since the deadline the Governor wants to receive recommendations by the end of December, we anticipate that as proposals are developed, we will be busy in analyzing them. These recommendations from the Council could become a focus for the next legislative session.

Vice-Mayor Orlando asked when will proposals be available. Mr. Tenney responded that we could see proposals as early as next month. With the short time frame given the Council, we are hoping the Council will come to agreement on proposals/recommendations, but which will be challenging to reach based on the diverse interests in the Council. The Assured Water Supply Program and the rural groundwater issues are "hot" topics and there are very divergent views on how they should be addressed. We will continue to keep the Board apprised of progress and will bring forward proposals as they are presented to the Council.

Councilmember Lauritano asked what the process will be once the Council presents its recommendations – will it go to the Governor, will it go to legislature, and will we have a voice?

Mr. Tenney responded that this is similar to Governor Ducey's Water Council; however, the challenge is that Governor Hobbs has asked that we not just talk about issues, but make recommendations. This could include acquiring legislative change, rule process through ADWR, or action from the Governor. The Legislature has established a joint legislative water committee, but it has not been very active. We are anticipating some proposals developed by the Council, but there could be counter proposals coming from legislature. We are unsure how we will move forward in the process. Mr. Tenney stated that it is good that we are on the Council, and we are engaged on the discussions so if there are proposals that have merit we can steer them in a direction that they will be beneficial to the AMWUA cities.

Vice Mayor Orlando said this is a dynamic process that is moving fast. It will be important as Board members to get our cities' staff engaged to support. We rely on AMWUA to keep us apprised and we are here to support AMWUA staff.

Mayor Ortega asked about the current status of WIFA, which he understood has received numerous applications for augmentation projects. Councilmember Turner said that Mr. Tenney will be covering WIFA updates in his Executive Director's Report and that may answer Mayor Ortega's questions.

Council Member O'Brien asked about the representation on the Joint Legislative Water Council and if they have had very many meetings? Mr. Tenney responded that the Joint Legislative Water Council is comprised of six legislative members. He stated that they have only had two meetings to date. We are monitoring when they have meetings. They did have a presentation about the Phoenix AMA groundwater model and about Tucson Water.

Councilmember Lauritano asked if there is any funding associated with this Council or will they have to go the legislature to get funding for these programs? Mr. Tenney responded there is not specific funding other than ADWR and members' time and efforts. The Governor's Water Council is being staffed by ADWR. Any drafting of legislation or reporting will be done by ADWR. Anything the Council comes to agreement on should be recognized as general support among the water community of Arizona and should be moved forward. Reaching this type of consensus is a bit challenging.

Councilmember O'Brien asked if anyone from the Joint Legislative Committee is represented on the Governor's committee? Mr. Tenney responded yes. Currently there are four legislators on the Council, both of the Chairs from the Senate and House Natural Resource Committee and a minority representative from both the Senate and House.

Councilmember O'Brien requested a list of the Joint Legislative Committee members and the Water Council members. Mr. Tenney said he will send those lists.

Councilmember Turner asked Mr. Tenney if the Assured Water Supply Committee will be addressing and considering lot splitting and rental properties? Mr. Tenney responded that at the last meeting, there was a discussion about build to rent developments and wild cat subdivisions. Issues have been identified but no specific proposals have moved forward at this time.

4. [Colorado River Conditions and Messaging](#)

Mr. Tenney reported that last week, Reclamation released its August 24-month study that shows the Colorado River will go from a Tier 2a shortage back to a Tier 1 shortage next year. Lake Mead is 33% full and Lake Powell is now 39% full, which is a big improvement from where we were last year with both reservoirs under 30% full.

Mr. Tenney reported that while the winter's favorable hydrology has given space for Reclamation and the Basin States to start discussions about the operational guidelines for the River after 2026, it is still understood that the River is overall producing less water. Even with the favorable snowpack this year, the projected run-off has already decreased by 750,000 acre-feet just since April. A new study published earlier this month re-emphasized that the hydrology from this winter is just a reprieve, and that the Colorado River remains on a trajectory to produce less water. The report states it would take another four to five similar wet winters in succession to refill Powell and Mead, which is highly unlikely based on the warmer and drier conditions facing the River. The authors of the report say it would take a 2 million acre-feet reduction in Basin-wide use in order to stabilize the system and start some storage recovery. Scientists and water managers continue to emphasize that the River is producing less water so we need to continue to prepare and plan for less Colorado River water in our future.

Sheri Trapp, AMWUA's Communications Director, presented the key points in an FAQ that AMWUA drafted to ensure we continue to have a coordinated and consistent message about the municipal perspective about the Colorado River. Ms. Trapp stated that these key points were reviewed with the WRAG last week. The FAQ explains what is happening on the Colorado River, why we will be in a Tier 1 Colorado River shortage again, what the Tier 1 shortage means for the AMWUA cities, and what's anticipated next for the Colorado River.

Ms. Trapp shared that these talking points can be customized for your communities, and we will distribute to their POI's and your staff. AMWUA will also continue to monitor the media attention and adapt messaging as needed.

Councilmember Lauritano thanked Ms. Trapp for her work.

Mayor Ortega shared that Scottsdale intends to keep water conservation in the news. Scottsdale recently entered a CAP water exchange with Tucson, which he views as an important proactive measure.

Vice Mayor Orlando thanked the AMWUA staff for its communications efforts. Chandler is increasing its water conservation efforts.

Councilmember Anderson said it was extremely positive that even though we will be back to a Tier 1 shortage, none of our communities are pulling back on any conservation efforts and that is commendable.

5. [Funding of ADWR's Water Management Assistance Program](#)

Mr. Tenney stated that in June, AMWUA staff presented the new Smartscape Agreement with the Cooperative Extension to the AMWUA Board. Smartscape has been a valuable conservation effort for many years, which AMWUA and ADWR has helped to fund. When working on the new agreement for Smartscape, ADWR staff expressed concern that their funding through the Water Management Assistance Program (WMAAP) will most likely not have enough monies to continue to support Smartscape as soon as in two years. While AMWUA has always supported the WMAAP and the conservation projects it finances, AMWUA staff believes it is important to elevate our advocacy for this program.

Mr. Harry Cooper, AMWUA's Conservation Coordinator, provided an overview about the Water Management Assistance Program and the potential funding challenges. The Water Management Assistance Program is funded by the Groundwater Withdrawal Fee.

Water Management Assistance Program was established in 1990 to provide financial and technical resources, implement conservation programs and augmentation projects, increase use of renewable water supplies, and gather information on water availability and hydrologic conditions. Mr. Cooper highlighted several projects currently funded by the Phoenix AMA WMAAP and over the last three decades.

Mr. Cooper shared a spreadsheet outlining the WMAP Fund Balance Projections at the current rate and stated that funding is in jeopardy of being unable to sustain funding for Legacy and/or new projects. This could occur as soon as 2025. He also presented a comparison table with a WMAP funding outlining that an increase of \$.10 to the Groundwater Withdrawal Fee would ensure funding for the WMAP.

The Phoenix AMA Groundwater Users Advisory Council (GUAC) will meet in September to set the new Groundwater Withdrawal Fee for the next year. AMWUA wants to advocate for the GUAC to recommend a funding increase to the Water Management Assistance Program to ensure existing conservations programs will continue and that additional efforts can be considered. With less Colorado River water in our future and increased pressure on groundwater, the Phoenix AMA needs to utilize the Groundwater Withdrawal Fee to promote and multiply conservation efforts.

Councilmember Lauritano asked why the fee was reduced a few years ago?

Mr. Tenney responded that in 2017 it was being noted that agriculture was the major contributor to the groundwater withdrawal fee and based on that there was concern by agriculture representatives on the Groundwater User Advisory Council that they thought it should be reduced – it has not been able to be increased. We understand agriculture contributes a lot; however, so do others. The WMAP is funded by the withdrawal fee is available for any sector to put a proposal forward to be able to have benefit from that and implement conservation programs.

Upon a motion made by Vice Mayor Orlando and a second from Mayor Ortega, the AMWUA Board of Directors unanimously approved for AMWUA to advocate for a funding increase to the Water Management Assistance Program (WMAP) for Legacy Projects to continue and that additional conversation efforts can be considered.

6. Fiscal Year 2023 Quarterly Financial Statements – Fourth Quarter

Mr. Tenney reported that the statement of revenues and expenses for Fiscal Year 2023. AMWUA ended the fiscal year with year-to-date actual expenses being \$78,078 under budget. This variance is primarily due to having three positions vacant for different periods of time during the year.

This \$78,000 that we were under budget was carried over and applied to the current Fiscal Year 2024 assessments. Also, per policy, the \$10,000 from the office lease stabilization fund was applied, so the Fiscal Year 2024 assessments were lowered by \$88,000.

Upon a motion made by Vice Mayor Orlando and a second from Councilmember Nielson, the AMWUA Board of Directors unanimously approved of the Fiscal Year 2023 Quarterly Financial Statements - Fourth Quarter.

C. **Executive Director's Report**

Mr. Tenney reported the legislative session ended at the beginning of the month. This last session was productive for AMWUA as we engaged with legislators on a number of bills. It is worth noting

that none of the bills that AMWUA opposed became law this year. Mr. Tenney noted appreciating for the coordination with the cities' Intergovs and with Barry and Theresa.

Mr. Tenney reported the WIFA Board did fund six municipal turf removal projects along with projects for advanced metering installations and agriculture system upgrades. The WIFA Board has awarded funds for 24 conservation projects to date, amounting to \$41.6 million. Another 120 proposals have been submitted for the remaining a \$158.3 million remaining from the \$200 million Conservation Grant fund. WIFA is still accepting other proposals. It is good that the AMWUA cities have applied for these conservation grant funds, and we hope that WIFA will keep the process moving. WIFA has also entered into an agreement with HDR Engineering to develop a process to solicit and judge long-term water augmentation projects.

Mr. Tenney reported that the precipitation in the Salt watershed this winter was very favorable – 125% above the 30-year median. Reservoirs on the Verde are 71% full and the Salt reservoirs are at 91% full. Unfortunately, this summer has produced below normal monsoon rainfall though there has been an upswing this month. SRP anticipates the higher-than-average temperatures and lower than average rain expected to continue for the next few months.

Mr. Tenney reported that AMWUA is now fully staffed. Since the June meeting, Harry Cooper, Conservation Coordinator, and Sherry Garcia, Office Manager, have joined the AMWUA team.

D. Future Agenda Items

No future agenda items were requested.

Councilmember Turner recognized Diana Pina for her 39 years of service to AMWUA as the Office Manager/Executive Assistant. He said that Ms. Pina has set the tone for AMWUA, always friendly, courteous, and professional. On behalf of the Board, he extended a heartfelt thank you for everything she has done for AMWUA. Councilmember presented Ms. Diana Pina with a service award.

Ms. Diana Pina expressed her appreciation to be associated with AMWUA throughout her career.

E. Adjournment

Councilmember Turner adjourned the meeting at 12:05p.m.

BOARD OF DIRECTORS

INFORMATION SUMMARY

September 28, 2023

Overview and Status of the Governor's Water Policy Council

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.

- 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, Pursue Post-2025 Water Policy

SUMMARY

Governor Hobbs has established her Water Policy Council to update the tools available for managing groundwater by proposing changes to the Assured Water Supply Program and improving management of rural groundwater. The Governor is asking the Water Council to review and make recommendations by the end of 2023 that would improve challenges facing both issues. Subsequently, the Council has been divided into two committees to develop proposals for the Assured Water Supply Program and rural groundwater.

The Assured Water Supply Committee is tasked to close gaps in the Assured Water Supply Program and find a path for developing on the periphery of the Valley where new certificates have been paused. Both are to be accomplished in a way that does not weaken the overall Program. ADWR and Committee members have put forward concepts that could be developed into proposals. At this point, the discussions surrounding these concepts are still at a preliminary stage.

AMWUA staff have focused primarily on the activities of the Assured Water Supply Committee since the Assured Water Supply Program directly impacts the AMWUA municipalities.

AMWUA staff will give an overview of the activities of the Governor's Water Policy Council and the Assured Water Supply Committee.

RECOMMENDATION

The AMWUA Board of Directors is encouraged to ask questions and discuss the current activities regarding the Governor's Water Policy Council.