



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

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

MEETING NOTICE AND AGENDA

April 23, 2026 – 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: 865 3483 4377
(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 for the March 26, 2026 Meeting
2. Next Meeting Date: May 28, 2026 @ 11:00 a.m.
3. Post-2026 Colorado River Operations
4. 2026 Legislative Session
5. Post-2026 Colorado River Shortage Awareness Messaging

C. Executive Director’s Report

D. Future Agenda Items

E. Executive Session

Pursuant to A.R.S. Section 38.431.03.A.1, to discuss the annual evaluation of the AMWUA Executive Director and other personnel-related matters.

F. Consideration of Action Pursuant to Executive Session

G. 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.

Arizona Municipal Water Users Association

3003 North Central Avenue, Suite 1550, Phoenix, Arizona 85012 • (602) 248-8482 • amwua.org

BOARD OF DIRECTORS
MEETING MINUTES
March 26, 2026
HYBRID MEETING

BOARD MEMBERS PRESENT

Mayor Scott Anderson, Gilbert, President
Mayor Mark Freeman, Mesa, Vice President
Vice Mayor Keshia Hodge Washington, Phoenix, Secretary/Treasurer
Vice Mayor Curtis Nielson, Avondale
Councilmember Matt Orlando, Chandler
Councilmember Bart Turner, Glendale
Councilmember Laura Kaino, Goodyear
Councilmember Jennifer Crawford, Peoria
Mayor Lisa Borowsky, Scottsdale
Councilmember Nikki Amberg, Tempe

AMWUA STAFF PRESENT

Tyenesha Fields, AMWUA	Dr. Caitlyn Hall, AMWUA	Sheri Trapp, AMWUA
Rhett Larson, AMWUA	Warren Tenney, AMWUA	Aly Slobodzian, AMWUA

A. Call to Order

Mayor Scott Anderson called the meeting to order at 11:03 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the February 26, 2026, Meeting

Upon a motion by Councilmember Matt Orlando, seconded by Councilmember Laura Kaino the AMWUA Board of Directors unanimously approved the meeting minutes from February 26, 2026.

2. Next Meeting Date: Thursday, May 28, 2026 @ 11:00 a.m.

3. Post-2026 Colorado River Operations

Warren Tenney, AMWUA's Executive Director, provided an update on the Colorado River, emphasizing that the region is at a critical crossroads with no favorable long-term outlook due to declining water supply. Mr. Tenney noted that Arizona and other Basin States are facing unprecedented, long-term reductions and that there is no consensus among states or the federal government on a sustainable solution, with current proposals failing to stabilize the system. Mr. Tenney reported worsening hydrologic conditions, including low storage levels, poor snowpack, and increasing risk of "Dead Pool" conditions impacting water delivery and hydropower.

Mr. Tenney stated that while significant reductions are needed to protect the system, there is limited political will, and short-term solutions are being prioritized over long-term planning. Mr. Tenney emphasized the need for federal involvement, shared responsibility among all Basin States, and equitable distribution of reductions. In response to ongoing uncertainty, Mr. Tenney encouraged municipalities to take proactive steps to ensure long-term water reliability, including reducing demand, developing new water sources, and preparing to operate with significantly less reliance on the Colorado River.

Vice Mayor Kesha Hodge Washington shared that congressional leaders are informed on Arizona's water challenges, but a unified federal response is currently lacking. Vice Mayor Hodge Washington emphasized the need for clearer advocacy with the Federal Government, expressed concern about limited visible action from Lower Basin States, and stressed that municipalities must lead by example in reducing their water use. Vice Mayor Hodge Washington highlighted the urgency of worsening conditions, including the risk of dead pool, and called for proactive local action while balancing public messaging.

Vice Mayor Curtis Nielson asked whether Arizona has long-term projections for future water needs similar to electricity planning, raising concerns about growth, new industries, and potential gaps in planning. In response, Mr. Tenney stated that a comprehensive statewide projection has not been done in approximately 15 to 20 years and that there is no clear estimate of future water supply needs.

Councilmember Matt Orlando raised concerns about declining water levels impacting hydropower and asked whether these risks are being addressed, emphasizing the need to view the river as an interconnected water and energy system.

Mayor Scott Anderson noted that cities have drought contingency plans in place and will be implementing increasingly stricter measures as conditions worsen, with more visible actions expected as drought levels intensify.

4. 2026 Legislative Session

Aly Slobodzian, AMWUA's Government Relations Director, reported that legislative activity is progressing with many tracked bills no longer advancing, which is a positive outcome. Ms. Slobodzian highlighted key priority bills moving forward, including funding for Colorado River litigation, while noting others that have stalled or failed. Ms. Slobodzian also outlined several bills AMWUA opposes due to potential negative impacts on water management, storage, and municipal authority.

Councilmember Bart Turner questioned Senate Bill 1054, and Ms. Slobodzian responded that while it lacks momentum, it is concerning because it could allow voters to overturn drought management measures. Ms. Slobodzian also explained that Senate Bill 1200 proposes changes to the 1987 lakes statute that would allow an exception for groundwater use to continue at effluent manmade lakes that have acted as a conduit to irrigate landscaping. AMWUA opposes as written but may reevaluate if amended to address key concerns.

Upon a motion by Councilmember Bart Turner, seconded by Vice Mayor Hodge Washington, the AMWUA Board of Directors unanimously accepted the legislative positions as presented below.

Oppose

HB 2094 (assured water supply; certificate; model)

HB 2263 (Colorado River water; replenishment; restrictions)

HCR 2016 (NOW: fees; taxes; freeze; affordability)

SB 1054 (NOW: municipalities; emergency measures; voting)

Oppose, Seek to Amend

SB 1200 (NOW: bodies of water; effluent; landscaping)

5. AMWUA Annual Action Plan

Mr. Tenney stated that the Colorado River crisis will continue to influence planning and decision-making. He explained that AMWUA's annual action plan has been refined to be more focused, streamlined, and action-oriented to better protect water security and prepare for post-2026 conditions.

Mr. Tenney reported that the plan focuses on four priority areas: legislation, outreach and communications, sustainable water management, and demand management. He stated that legislative efforts will continue to emphasize advocacy for the municipal water perspective and strengthening AMWUA's role at the state and federal levels. He noted that outreach and communications will focus on simplifying complex water issues, improving public understanding, and coordinating messaging with stakeholders.

Mr. Tenney stated that sustainable water management efforts will include preparing for reductions in Colorado River supplies, coordinating with partner agencies, protecting aquifer conditions, and supporting the development of new water supplies and infrastructure. Mr. Tenney added that AMWUA will also explore funding mechanisms to support long-term water security. Mr. Tenney reported that demand management efforts will focus on improving drought response, developing shortage strategies, and coordinating actions among municipalities to manage water use effectively.

Councilmember Matt Orlando asked for clarification on next steps, including whether the plan would move to the Technical and Management Committees for strategy development and implementation, and how collaboration would occur moving forward. Mr. Tenney explained that the plan serves as a roadmap and has been presented to the Management Board, which recommended adoption. Following adoption, AMWUA would pursue accomplishing the actions throughout the fiscal year in coordination with the Board, Management Board, the WRAG, CEAG, InterGovs, and relevant stakeholders.

Councilmember Laura Kaino stated she was pleased to see included in the plan development of new water supplies, noting hydrologic challenges with the Colorado River and the need for alternative sources. She also noted the importance of consistent messaging about demand management among water providers.

Mr. Tenney stated that AMWUA plans to coordinate efforts among members and expand regional collaboration as needed to ensure consistency and avoid mixed messaging.

Upon a motion by Vice Mayor Hodge Washington, seconded by Vice Mayor Nielson, the AMWUA Board of Directors unanimously adopted the Annual Action Plan as presented.

6. Status of KTAR Partnership

Sheri Trapp, AMWUA's Communications Director, presented an update on the KTAR media partnership, outlining progress and key outcomes at the halfway point of the initiative.

Ms. Trapp stated that the partnership was created to expand outreach, increase public awareness of water security, and share the municipal water perspective with a broader audience through features such as Water Watch Wednesday, sponsored articles, and digital advertising. Ms. Trapp reported increased website traffic, higher social media engagement, and strengthened brand recognition, with analytics showing growth in new visitors, impressions, and audience engagement.

Mayor Mark Freeman asked about opportunities for elected officials to participate in interviews or op-eds through the partnership. Ms. Trapp stated she would explore that while maintaining a distinction between sponsorship and newsroom content.

Councilmember Bart Turner asked about the length of the Water Watch Wednesday segments. Ms. Trapp stated that segments are typically brief, approximately one to two minutes depending on the topic, and are available on social media, the KTAR website, and radio. Ms. Trapp added that AMWUA is tagged in the content, allowing member cities to easily reshare and amplify the messaging.

7. Fiscal Year 2026 Quarterly Report – Second Quarter

Mr. Tenney stated that the second quarter financial statements show AMWUA is \$84,490 under budget as of December 31, primarily due to salary and administrative savings from two vacant positions. Mr. Tenney noted that the Management Board recommended acceptance of the financial statements as presented.

Councilmember Bart Turner asked whether the over- and under-budget variances were primarily due to timing. Mr. Tenney stated that the overages are largely timing-related, while some areas remain under budget because expenses have not yet occurred, but that the reported amount reflects the cumulative total.

Upon a motion by Councilmember Bart Turner, seconded by Vice Mayor Hodge Washington, the AMWUA Board of Directors unanimously accepted the quarterly financial reports as presented.

8. IRS Form 990 for Fiscal Year 2025

Mr. Tenney stated that AMWUA files IRS Form 990 annually to confirm its tax-exempt status. Mr. Tenney noted that the draft Form 990, prepared by CliftonLarsonAllen based on the audited FY 2025 financial statements, was included in the packet, and requested Board acceptance and authorization to file the final form with the IRS.

Upon a motion by Councilmember Matt Orlando, seconded by Vice Mayor Hodge Washington, the AMWUA Board of Directors unanimously accepted the IRS Form 990 as presented and authorized its filing.

C. Executive Director's Report

Mr. Tenney noted that SRP's total reservoir capacity has remained steady at 57% over the past three months, compared to 70% at the same time last year, reflecting a weaker winter season in Arizona.

D. Future Agenda Items

No future agenda items were requested.

E. Adjournment

Mayor Scott Anderson adjourned the meeting at 12:49 pm.

AMWUA BOARD OF DIRECTORS

INFORMATION SUMMARY

April 23, 2026

Post-2026 Colorado River Operations

ANNUAL PLAN REFERENCE

Colorado River Transition

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

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

SUMMARY

AMWUA, ADWR, CAWCD, and other Arizona water stakeholders submitted comments on the draft Environmental Impact Statement (EIS) that the U.S. Bureau of Reclamation issued in January. AMWUA's and others' comments highlighted the negative impacts Reclamation's proposed alternatives would have on Central Arizona, based on the reductions the Central Arizona Project would face. Including comments from the seven Basin States, Reclamation received comments from 23 tribes, 4 federal agencies, 28 non-governmental organizations, 71 local entities, 3 academic/research groups, 5 individual or groups of elected officials, and 21 resource-sector & business interests. Of the 162 comments submitted, it appears 53 were from Arizona interests. There is broad consensus that submitted comments are critical of the draft EIS, though for varying reasons across Basins.

Reclamation is to issue its final EIS for post-2026 Colorado River operating guidelines this summer. Reclamation continues to urge the Colorado River Basin States to engage in discussions to reach a consensus, even a short-term one, but discussions have not been productive.

With the lack of snowfall in the Upper Basin, the river's current hydrologic conditions remain critically low, with the inflow forecast for Lake Powell continuing to be adjusted downward. Reclamation projects that Lake Powell could drop to the minimum power pool (3,490 feet) by the end of this year.

AMWUA staff will update on the political, legal, and hydrologic situation for post-2026 Colorado River operations.

RECOMMENDATION

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

AMWUA BOARD OF DIRECTORS

INFORMATION SUMMARY

April 23, 2026

2026 Legislative Session

ANNUAL PLAN REFERENCE

Legislation

Effectively advocate with one voice at the Legislature.

- Analyze and engage on state and federal legislation of interest to our members.
- Engage with legislators to inform them about the issues important to AMWUA, including identifying and working with legislators to champion water issues.

Strategic Plan: Collaborate and Advocate for Solutions, Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2026 Water Policy

SUMMARY

Committees have wrapped for the 2026 legislative session, with the exception of Appropriations and Rules. Now, the legislature turns its focus on negotiating and passing a budget for FY 2027. AMWUA has narrowed efforts from tracking 122 water-related bills to focusing on 10 priority bills that remain active. This number may change if strike everything amendments arise that focus on topics covered in the Board-approved 2026 Legislative Agenda.

Two of AMWUA's priority bills have been sent to the governor's desk and vetoed: HB 2026 (assured water supply; commingling) and HB 2985 (CAP water; state land; allocation). On April 13th, the Governor's office announced a bill moratorium, refusing to sign any bills until budget negotiations restart.

Of the remaining eight priority bills, five are awaiting a full floor vote: HB 2758 (McMullen Valley; eligible entities; groundwater), HCR 2016 (NOW: fees; taxes; freeze; affordability), SB 1200 (NOW: bodies of water; effluent; landscaping), SB 1335 (NOW: groundwater savings credits; irrigation), and SB 1785 (water storage facility; withdrawals; area). One bill, SB 1448 (aggravated assault; utility workers) passed Third Read and has been transmitted back to the Senate for concurrence with AMWUA's amendment to include municipal water providers in House Judiciary. The final two bills, HB 2116 (appropriation; Colorado River litigation fund) and HB 4026 (public infrastructure improvements; distribution limit) are set aside to be included in budget negotiations.

At the April 23rd meeting, AMWUA staff will review with the AMWUA Board of Directors priority bills identified as most relevant to the 2026 legislative agenda and will be prepared to answer questions or provide clarification on the remaining bills.

RECOMMENDATION

The Board of Directors is requested to ask questions, discuss, and if necessary, provide direction on the water bills discussed at the meeting.

Active Priority Bills

HB 2026 - assured water supply; commingling

Position: Oppose

Primary Sponsor: Griffin (R) | **Latest Action:** Governor vetoed on April 13

Bill content: HB 2026 would direct the Arizona Department of Water Resources (ADWR) to only consider the proposed water source for Certificate of Assured Water Supply (Certificate) application, and no other sources such as groundwater that are commingled in a provider's system. Most water providers utilize a combination of water supplies in their systems, such as groundwater, Central Arizona Project water, and Salt River Project water.

Water providers with Designations of Assured Water Supply (Designations) like the AMWUA cities have their water supplies reviewed every 10-15 years by the ADWR to determine compliance with Assured Water Supply (AWS) criteria. This regular review is why subdivisions that receive service from Designated providers do not need to obtain Certificates. Water providers that lack Designations must have their supplies regularly reviewed by ADWR when evaluating whether to issue a Certificate for a proposed development. Since the Phoenix AMA groundwater model projected that groundwater is overallocated over the next 100 years, ADWR has refused to issue any Certificates for proposed developments served by undesignated providers that have groundwater commingled in their distribution system.

HB 2026 is part of an effort to allow Certificates to be issued for developments served by undesignated providers if these providers obtain renewable water supplies for these developments. However, the key issue that must be addressed is limiting the amount of groundwater that these undesignated water providers pump. Absent any limitation, a provider could simply shift around renewable supplies in its portfolio to serve a Certificate while pumping greater volumes of groundwater, which runs counter to the goals of the AWS Program and Groundwater Management Act.

AMWUA impact: This bill exacerbates the current problems with Certificate-based development. In particular, could lead to increased unreplenished groundwater pumping to offset any renewable supply dedicated to the Certificate.

Historical context: HB 2204 is a repeat of HB 2024 (assured water supply; commingling) which was held in the Senate in the 2025 session and HB 2017 (assured water supply; commingling), which Governor Hobbs vetoed in the 2024 session.

HB 2116 - appropriation; Colorado River litigation fund

Primary Sponsor: Griffin (R) | **Latest Action:** Passed Senate Appropriations 8-0-2-0 on March 10

Position: Support

Bill content: HB 2116 appropriates \$1 million to the state General Fund to the Colorado River Litigation Fund in FY 2027. This fund was created as part of the FY 2026 budget and is administered by ADWR. Fund monies may only be used to initiate, defend, or participate in litigation related to Arizona's apportionment of Colorado River water or any other rights Arizona has to the river's waters. The fund received a \$1 million appropriation as part of the FY 2026 budget.

AMWUA impact: AMWUA's members all have CAP subcontracts. The state's ability to defend Arizona's claims to the Colorado River's waters is vital to the AMWUA cities.

Historical context: \$3 million was also appropriated to this fund in the 2025 session, which AMWUA supported.

HB 2758 - McMullen Valley; eligible entities; groundwater

Primary Sponsor: Griffin (R) | **Latest Action:** Removed from Senate Consent Calendar on March 24

Position: Support

Bill content: HB 2758 replaces the criteria for transporting groundwater from the McMullen Valley groundwater with criteria that are similar to those governing groundwater transportation from the Harquahala INA. In doing so, it broadens the entities that can transport groundwater from this basin and could increase the volume of groundwater that can be transported. Currently, only the City of Phoenix (if it still owned farmland in that basin) or a person who bought land that was in the Maricopa County side of the basin before 1988 could transport groundwater. HB 2758 would expand the eligible entities to include the state, its political subdivisions (such as cities and CAGR), and public service corporations, including those in La Paz County. Additionally, under current law, the annual volume of groundwater that could be transported was limited to 3 AF/acre for each acre of historically irrigated land owned on average over a 10-year rolling period. Up to 6 million acre-feet could be transported from this basin, though it's unclear if that limit applies to each transporting entity or all transporting entities. HB 2758 replaces these volumetric limits with a more complicated set of criteria focused on limiting groundwater pumping to a depth of 1,200 feet provided doing so does not cause the groundwater table to decline by more than 10 feet per year over a 100-year period. The amount withdrawn per acre of historically irrigated land cannot exceed 36 AF over a 10-year rolling period. However, ADWR can allow for greater volumes to be withdrawn if doing so will either not unreasonably increase damage to nearby residents or the transporting entities will mitigate the damage caused. Notably, La Paz County entities are limited to transporting only 10% of the annual volume of groundwater available for transportation. HB 2758 also establishes metering and reporting requirements for transporting groundwater as well as some more specific criteria on how La Paz County entities can utilize transported groundwater.

HB 2758 passed out of the House NREW Committee with an amendment that makes two major changes to this bill. First, it increases the amount of groundwater that La Paz County-affiliated entities may transport from McMullen Valley from 10% to 50% of the total annual volume of groundwater ADWR determines is available for transportation. Second, it limits that the amount of groundwater a La Paz-affiliated entity can sell or lease to Designated provider in the Phoenix, Tucson, or Pinal AMA is limited to 90% of the total cumulative volume of groundwater allocated to La Paz County. (Under the original language, there was no limit on how much groundwater could be sold to a Designated provider.) Taken together, the amendment increases amount of groundwater La Paz County-affiliated entities can transport from McMullen Valley while somewhat limiting how much of this groundwater may be sold or leased to Designated providers in the Phoenix, Pinal, and Tucson AMAs.

Additionally, a series of floor amendments made several changes major to HB 2758:

- Requires the affidavit of disclosure for land divisions to disclose information about a private well serving the property, whether the property is located in a basin from which groundwater can be transported to an initial AMA, and information about any on-site wastewater treatment systems such as septic tanks.
- Requires that rules adopted for transporting groundwater from the Harquahala INA will also apply to groundwater transported from McMullen Valley.
- Limits La Paz County entities to transporting no more than 10% of the total volume of groundwater available for transportation out of McMullen Valley. It also clarifies that any

transported groundwater sold or leased by a La Paz County entity will count towards its maximum per acre withdrawal limit.

- Directs ADWR to post and annually update the fees for transporting groundwater.
- Allows a county to designate a certain amount of the groundwater transportation fees it receives for its water improvements program, which provides financial assistance to residents who need to improve their drinking water well, install a tank to receive hauled water, or prepare their homes to have water directly delivered.
- Allows a county improvement district to be created in a subsequent AMA or basin from which groundwater may be transported to construct and operate a wastewater treatment facility or domestic water delivery system to deliver hauled water to residents. This district would be able to exercise eminent domain to secure a site to build a well and standpipe to make water available for delivery through water hauling.

AMWUA impact: HB 2758 could allow AMWUA cities and other municipal providers to transport groundwater from McMullen Valley.

HB 2985 - CAP water; state land; allocation

Primary Sponsor: Griffin (R) | **Latest Action:** Governor vetoed on April 13

Position: Oppose

Bill content: HB 2985 directs the Arizona State Land Department (ASLD) to begin a stakeholder process to adopt a procedure to allocate CAP water that is current allocated to it for parcels of state trust land that will be sold or leased. It does not, however, set a deadline for when this procedure must be adopted. As background, the ASLD initially had a CAP M&I allocation 39,006 AF, which was to be used for state trust lands within CAP's service area. Its subcontract was later amended to include a provision which specified that this water could be used for state trust lands that were within another M&I subcontractor's service area. These other subcontractors were Phoenix, Scottsdale, Mesa, Goodyear, Carefree, Apache Junction, and Tucson. Over time, ASLD has transferred part of its CAP entitlement to some of these water providers so that at present, it has 28,176 AF remaining.

AMWUA impact: We are concerned the unspecified procedure contemplated by HB 2985 could interfere with ASLD transferring the remaining parts of its CAP allocation to the AMWUA cities as has been expected ever since ASLD originally obtained its subcontract.

HB 4026 - public infrastructure improvements; distribution limit

Primary Sponsor: Carbone (R) | **Latest Action:** Passed Senate Appropriations, Transportation, and Technology as amended 9-0-1-0 on March 31

Position: Support

Bill content: HB 4026 modifies the structure of the Construction Sales Tax Public Infrastructure Reimbursement program, which has existed since 2012. As amended, the program allows a municipality that hosts an economic development project that brings in significant financial investment to retain up to 75% (down from 80%) of the sales tax generated by the project's construction to reinvest back into the additional public infrastructure needed. Projects must result in \$3B (up from \$500M) in economic investment in Maricopa and Pima Counties to qualify, while smaller counties must meet a \$100M threshold (up from \$50M). In Maricopa County, only four projects qualify: Intel in Chandler, Amkor

Technology in Peoria, Taiwan Semiconductor Manufacturing Company (TSMC) in Phoenix, and the LG Energy in Queen Creek.

Currently, the program has a \$200M lifetime cap, and there is only \$8M left for any future projects. HB 4026 raises the cap to \$300M while negotiations for the long-term continuation of the program continue. Additionally, the bill compels qualifying municipalities to contribute at least 5% of construction funding as a skin-in-the-game requirement.

AMWUA impact: The bill language has been modified from previous years to explicitly include the reclamation, recycling, treatment, and storage of water as qualifying public infrastructure uses that the reimbursed state construction sales tax can be reinvested into support. As a result, municipalities can utilize the changes in this bill to invest funds into more facets of their water systems.

HCR 2016 - NOW: fees; taxes; freeze; affordability

S/E Sponsor: Hoffman (R) | **Latest Action:** Passed Senate Government 4-3-1-0 on March 25

Position: Oppose

Bill content: A copy of HB 4030 and HCR 2052 in strike everything amendment-form, HCR 2016 prohibits municipalities and counties from increasing certain fees, taxes, or utility rates. For a municipal utility perspective, it prohibits municipalities from imposing fees greater than what was approved in their FY 2026 budget. It also prohibits utility rate increases beyond what was approved in the FY 2026 budget or rate schedule. However, municipalities that have not increased utility rates by more than a total of 12% over the preceding four fiscal years are exempt from this prohibition but are nonetheless limited to increasing their rates with inflation. Municipalities are allowed to adopt new or increased rates or development fees to finance acquiring or delivering a “new or additional water source”, which includes storage, treatment, and delivery infrastructure, as well as operations and maintenance costs.

The freeze in rates and fees begins on July 1, 2026 (or the beginning of FY27), until June 30, 2030 (end of FY30). The resolution also explicitly prevents municipalities from adopting new or amending current taxes, fees, or utility rate schedules during FY26 to circumvent the moratorium and also prohibits modifying service areas to keep costs down. If passed, this moratorium will be considered by voters on the November 2026 ballot. HCR 2016 matches the amended versions of HCR 2052 and HB 4030 in the House.

AMWUA impact: Municipal water providers will be forced to prepare for severe Colorado River reductions without proper financial resources. Cities will also be expected to provide the same level of services to their customers, despite increasing infrastructure needs, water resource uncertainty, and growing customer bases.

SB 1200 - NOW: bodies of water; effluent; landscaping

S/E Sponsor: Griffin (R) | **Latest Action:** Retained on House COW Calendar on April 7

Position: Oppose, seek to amend

Bill content: The strike-everything amendment to SB 1200 would add a new exemption to the Lakes Bill for effluent-filled lakes built before 2026 that are used as a conduit for groundwater. These lakes have always been prohibited since the Lakes Bill was passed in 1987. We understand that this amendment was proposed in response to ADWR’s adoption of a policy last year which reiterated these conduit lakes are expressly prohibited. (We understand that ADWR has begun enforcement actions against some lakes.) Under the amendment, effluent-filled lakes built before 2026 could be used as conduit lakes for

“landscaping and other purposes.” The owner/operator of the lake would need to meter and annually report the effluent and water used for landscaping. Additionally, a certain volume of effluent would need to be added to offset the other water added to the lake.

AMWUA impact: As written, the bill is too broad, opening up the statute to all lakes to be interpreted as conduit lakes, rather than lakes that are currently engaging in this practice. Additionally, allowing these lakes to be used for landscaping “and other purposes” is unnecessarily vague and may invite unintended uses. If an amendment is proposed on the floor narrowing SB 1200’s scope to grandfather existing such lakes and clarifies “other purposes” as recreation, AMWUA will re-evaluate its opposition.

SB 1335 - NOW: groundwater savings credits; irrigation

S/E Sponsor: Griffin (R) | **Latest Action:** Heard in Majority and Minority Caucuses on March 31

Position: Watch

Bill content: The strike-everything amendment for SB 1335 makes one change to the Ag-to-Urban Program that addresses a timing issue raised by the irrigated grandfathered right (IGFR) holders. Once a farmer relinquishes their IGFR for a groundwater savings credit issued by this program, they must fallow their land. However, it may take two or more years for a developer utilizing this credit to secure a Certificate of Assured Water Supply or to begin construction of the subdivision. During that gap, the farmer may lose income from lack of cultivation or having their lands no longer qualify as agricultural lands for the purposes of property taxes. The strike-everything amendment would allow a farmer to cultivate their lands for up to two years after a groundwater savings credit is issued for relinquishing their IGFR.

ADWR had raised this issue last year during negotiations, but it was not addressed in the Ag-to-Urban Program. ADWR is working with the sponsor and proponents to make some language changes to the strike-everything amendment to ensure it works as intended. They plan to introduce a revised amendment on the House floor.

AMWUA impact: Due to the two-year limit in this amendment, we believe the amount of additional agricultural pumping that will result from this proposed change is minimal when compared to historic pumping patterns.

SB 1448 - aggravated assault; utility workers

Primary Sponsor: Shope (R) | **Latest Action:** Passed House Third Read 41-13-6-0 and transmitted to the Senate for concurrence on April 13

Position: Support

Bill content: SB 1448 expands the protected class for aggravated assault to include public utility employees, including municipal water providers. AMWUA put forward an amendment with TEP that fixed the definition of “utility” to include municipal water providers.

AMWUA impact: This bill would implement harsher sentences for offenders who attack water utility employees while servicing meters, ideally providing a greater deterrent to offenders and decreasing the likelihood of experiencing assault while on the job.

[SB 1785](#) - water storage facility; withdrawals; area

Position: Oppose

Primary Sponsor: Petersen (R) | **Latest Action:** Passed House COW on April 7

Bill content: SB 1785 attempts to codify part of ADWR’s policy defining the Area of Impact (AOI) for recovery wells. Under ADWR’s policy, water that is recovered within a groundwater savings facility (GSF) or within one mile of underground storage facility (USF) is counted as recovered water instead of groundwater pumping. (This ADWR policy also establishes a way for an applicant to establish an area of hydrologic impact for USFs that is based on sophisticated groundwater modeling.) SB 1785 requires ADWR to assume that a recovery well is located within the AOI if it is within a GSF, one mile of the exterior boundary of a constructed USF or “other water storage infrastructure,” or one mile of the middle line of a drainage channel within the storage area of a managed USF.

AMWUA impact: The language SB 1785 is vague, which could lead to any number of problematic outcomes for recovery. In particular, the inclusion of “other water storage infrastructure” raises concerns since it is not clearly defined. Plus, there are questions about appropriateness of taking a policy and placing it in statute, where any lawmaker could amend it, which have not been fully discussed.

Inactive Priority Bills

HB 2025 - DWR; appealable agency actions; exemption

Primary Sponsor: Griffin (R) | **Latest Action:** House Second Read on January 13

Position: Oppose

Bill content: HB 2025 repeals an exemption ADWR has related to licensing decisions that can be appealed to the Office of Administrative Hearings (OAH). For nearly all state agencies, an applicant can appeal an agency’s determination to OAH, where the case will be heard by an administrative law judge. The agency is largely bound by that judge’s determination unless it decides to appeal it to a court. Because ADWR is exempt from this process, it has more latitude to accept, reject, or modify that judge’s opinion. According to ADWR, it obtained this exemption in 2022 because the complexity of hydrology and water law could lead an administrative law judge to make erroneous decisions that would result in additional litigation.

AMWUA impact: HB 2025 could open the door for an administrative law judge to make an incorrect decision on Assured Water Supply determinations which could impact AMWUA’s members.

HB 2027 - physical availability; review; designated providers

Primary Sponsor: Griffin (R) | **Latest Action:** Retained on the House COW Calendar on February 25

Position: Oppose

Bill content: HB 2027 would endanger the Designations of all designated municipal providers in the Phoenix AMA. The bill prohibits ADWR from adopting the Carry-Over Rule in the Phoenix AMA, which allows Designated municipal water providers to carry over their unused physical availability groundwater when renewing their Designations. We do not know the ramifications since ADWR has already adopted this rule. However, HB 2027 directs ADWR to review the physical availability of groundwater and stored water for each Designated municipal water provider in the Phoenix AMA, which is different ADWR’s current review of the designations, which are nearing completion.

An amendment adopted in committee would make this bill worse. First, it would allow any Designated water provider enrolled as a CAGR Member Service Area to “carry over” the unused groundwater in its Designation. Doing so would likely allow these providers to remain Designated. However, the second thing the amendment does is exempt Certificate applications from proving that groundwater is physically available. This provision would likely cause CAGR’s Plan of Operation in the Phoenix AMA to implode because CAGR lacks sufficient supplies to meet this increased replenishment obligation. If CAGR’s Plan of Operation in the Phoenix AMA fails, we believe at least six MSA providers—including several private utilities that had up until now been exempt from this bill—could lose their Designations.

AMWUA impact: As amended, this bill would blow up CAGR and question and threaten the Designations of cities, towns, and private water companies in the Phoenix AMA. It would cause incalculable damage to growth and development in Phoenix metropolitan area and the entire state by questioning the designations of water providers.

HB 2028 - DWR; application; administrative completeness

Primary Sponsor: Griffin (R) | **Latest Action:** Latest Action: Scheduled for Senate Judiciary with an unrelated strike everything amendment on March 26

Position: Oppose

Bill content: Under current law, a state agency's determination that an application is not administratively complete is an appealable agency action that entitles the applicant to adjudication before the Office of Administrative Hearings. However, ADWR is exempt from this provision of state law, likely owing to the complexity of water law and hydrology.

AMWUA impact: HB 2028 could open the door for litigation on whether Certificate applications using outdated groundwater models are administratively complete. The result of this litigation could be adverse to the interests of AMWUA's members.

HB 2052 - management plan; water loss; percent

Primary Sponsor: Griffin (R) | **Latest Action:** Senate Second Read on March 4

Position: Oppose

Bill content: Like previous management plans, the 5th Management Plan requires municipal providers to limit the amount of Lost and Unaccounted for Water in their distribution systems. This limit is 10% for large water providers and 15% for small water providers (those that serve less than 250 AF/year). The 10% limit is significantly below the national average.

Lost and Unaccounted for Water is currently calculated based the total quantity of water from any source that enters the provider's system except for direct use of effluent. It is calculated on either an annual or three-year basis. As originally introduced, HB 2052 directed ADWR to amend its management plan to lower this requirement to 8% for all providers, regardless of being a small or large provider. It also changed the methodology for this calculation to include all effluent usage. While all water providers strive to operate efficiently, there are concerns about how expensive it will be meet this requirement and whether this expense is worth the volume of water saved. Moreover, ADWR's calculation of Lost and Unaccounted for Water is not entirely aligned with the American Water Works Association's guidance on calculating water loss.

The amended version of HB 2052 that passed out of the House directs ADWR to require a Designated water provider that receives CAP water to limit its lost and unaccounted for water to 10%. Unlike the methodology established in the management plan, which only considers indirect use of effluent, all effluent use is still included in this bill's calculation. This inclusion will pose a problem for some water providers. Additionally, the amended version of the bill states that achieving 8% or less of lost and unaccounted for water "is a goal that should be considered a best management practice." Using "best management practices" raises the question of whether this statement should be interpreted as requiring ADWR to amend the management plan to establish a new best management practice in the Non-Per-Capita Conservation Program for municipal providers.

AMWUA impact: This bill will likely require significant, expensive infrastructure replacement investments to comply, which will lead to water rate increases.

HB 2094 - assured water supply; certificate; model

Primary Sponsor: Griffin (R) | **Latest Action:** Removed from Senate Natural Resources agenda on March 10

Position: Oppose

Bill content: HB 2094 requires ADWR to review 20 pending Certificate applications in the Phoenix AMA that were halted as a result of the June 2023 Phoenix AMA groundwater model, and to complete their review using previous groundwater models. To be eligible, the municipal provider serving the development authorized by the Certificate must offer to sell enough LTSCs for 25% of the development's reported excess groundwater to CAGR. The annual obligation will continue as long as the development retains a replenishment obligation. Additionally, any Certificate authorized by HB 2094 would apply towards the amount of physically available groundwater a municipal provider would have if it applied for the Alternative Pathway to Designation (ADAWS).

AMWUA impact: HB 2094 could enable up to 7,212 AF/year of new pumping if all 20 pending Certificate applications were issued. However, developments for at least 5 Certificate applications (with 4,130 AF/year of pumping) will either be served by currently Designated providers or providers that have submitted an ADAWS application to ADWR. At least one of these pending Certificate applications has now been issued through the Ag-to-Urban Program. Taken together, these new pathways mean that the scope of this bill could perhaps be narrowed.

However, after conversations with CAGR and no amendments to the original bills that would reduce replenishment obligation without new supplies, AMWUA recommends an oppose position to both bills as written.

HB 2095 - assured water supply; well depth

Primary Sponsor: Griffin (R) | **Latest Action:** Failed House Third Read as amended 30-24-6-0 on February 26

Position: Oppose

Bill content: HB 2095 redefines the statutory criteria for Assured Water Supply related to groundwater. Specifically, it directs ADWR to narrowly limit its modeling of whether groundwater is physically available by focusing on the groundwater level at the exact point of withdrawal after 100 years. This approach sharply contrasts with ADWR's current approach of using regional groundwater models when making determinations about physically available groundwater.

An amendment offered in the House NREW committee made technical changes to this bill.

AMWUA impact: HB 2095 would increase the amount of pumping in the Phoenix AMA, which will jeopardize the groundwater set aside in AMWUA members' Designations of Assured Water Supply and the water they have stored underground.

HB 2099 - long-term storage credits; shortage; prohibition

Primary Sponsor: Griffin (R) | **Latest Action:** Retained on House Committee of the Whole Calendar on March 4

Position: Oppose

Bill content: HB 2099 prohibits municipal providers from earning Long-Term Storage Credits (LTSCs) or storing Colorado River water or Central Arizona Project water during a period of shortage on the Colorado River. It similarly prohibits municipal provider from ordering Central Arizona Project water that it intends to store at an Underground Storage Facility during a period of shortage. Finally, it requires ADWR to "reject and invalidate" any assignment of LTSCs inconsistent with this prohibition. SB 1201 (Shope) is the mirror bill in the Senate.

An amendment adopted in the House NREW Committee narrows the bill's focus to specifically prohibit municipal water providers from storing CAP water at USFs to earn LTSCs during a declared shortage on the Colorado River. The amendment notably excludes transported groundwater and other types of non-CAP water delivered through the CAP from this prohibition. Doing so would allow municipal water providers to store transported groundwater and certain types of Colorado River water (such as Queen Creek's fourth priority Cibola water) at USFs.

AMWUA impact: HB 2099 undermines the ability of AMWUA's members to serve their customers during times of unprecedented Colorado River shortages. In addition to illegal overriding their M&I subcontracts for CAP water, HB 2099 also jeopardizes the ability of several municipal providers to participate in exchanges with Tucson, which were designed to ensure reliable water service.

HB 2146 - mesquite; drought tolerant plants; prohibition

Primary Sponsor: Griffin (R) | **Latest Action:** Held in House NREW on January 20

Position: Oppose

Bill content: ADWR maintains a low water use and drought tolerant plant list for each AMA. Each list regulates landscaping in medians and public rights-of-way irrigated with groundwater. The plants contained in these lists are tied to the requirements of other conservation programs detailed in each management plan. Recently, as part of the legislation establishing the Ag-to-Urban Program, municipalities in initial AMAs were prohibited from requiring the installation of plants not included in the low water use plant list. HB 2146 amends this requirement to prohibit ADWR from including any mesquite species in its list. There are currently five species of mesquite listed in ADWR's low water use and drought tolerant plant list. AMWUA is coordinating with Arizona Nursery Association, who is leading the opposition.

AMWUA impact: HB 2146 would remove a well-recognized drought tolerant tree from ADWR's low water use plant. Politicizing which plants are included on this list is a dangerous precedent that would undermine our long-term conservation efforts to reduce outdoor watering and promote low-water-use landscapes.

HB 2185 - homeowners' associations; lawns; drought

Primary Sponsor: Willoughby (R) | **Latest Action:** Senate Second Read on March 3

Position: Support

Bill content: A homeowners association (HOA) may not require overseeding during a "drought year," defined as any year that a municipality receives less than 80% of its contracted CAP or surface water allocation. Overseeding is the practice of adding new grass seed directly on top of previous seed, a water-intensive strategy mandated by many Arizona HOAs to improve lawn visual aesthetics. HB 2185 passed out of House NREW will amendment that addressed an error in how "drought year" is defined. Specifically, the amendment now clarifies that overseeding or overwatering lawns cannot occur during a drought declaration or drought emergency declaration issued by the governor. Arizona has had a drought emergency declaration in effect since June 1999 and a drought declaration in effect since May 2007, which means that this bill's limitation would become immediately effective.

AMWUA impact: Cities gain another conservation tool to protect their water supplies.

[HB 2263](#) - Colorado River water; replenishment; restriction

Primary Sponsor: Griffin (R) | **Latest Action:** Retained on House COW Calendar on February 25

Position: Oppose

Bill content: HB 2263 prohibits Colorado River from being used for replenishment in an AMA unless the water is delivered to a permitted facility that is owned by the Central Arizona Water Conservation District (CAWCD) or a permitted groundwater savings facility (GSF) on state lands or private land. The implication of this confusing language seems to be that CAGRDR would be limited to pursuing replenishment activities at CAWCD-owned underground storage facilities (USFs) or GSFs on state or private land. Doing so would stop Central Arizona Groundwater Replenishment District (CAGRDR) replenishment at the Granite Reef Underground Storage Project as well as several storage facilities owned about operated by the Gila River Indian Community. CAGRDR replenishment is a viable tool for offsetting groundwater pumping, and it is deeply problematic to limit the scope of its activities to certain storage sites.

An amendment adopted in the House NREW Committee specifies that this bill's limitation on using Colorado River water for replenishment at CAWCD-owned USFs and GSFs on state lands or private lands only applies to first priority main stem Colorado River.

AMWUA impact: HB 2263 would restrict CAGRDR from completing deliveries to facilities such as Granite Reef USF and other GRIC facilities.

[HB 2328](#) - municipal corporations; water supply; rates

Primary Sponsor: Marshall (R) | **Latest Action:** Senate Second Read on March 3

Position: Oppose

Bill content: HB 2328 would prohibit municipalities in Pima County from charging higher water rates to customers that reside outside of city limits, but within their service area. This bill is in response to a 2021 ordinance the City of Tucson adopted that increased water rates on some ratepayers who lived in unincorporated areas of Pima County. Pima County successfully sued, arguing that these residents were overcharged for their water. The City of Tucson has since revised rate-setting methodology and adopted new rate increase for these residents.

AMWUA impact: While HB 2328 applies only to municipalities in Pima County, this bill sets a dangerous precedent that infringes on municipal water providers' ability to oversee the necessary finances and operations to serve their customers.

[HB 2492](#) - urban growth boundaries; prohibition

Primary Sponsors Taylor (R) | **Latest Action:** Failed House Third Read 27-29-3-1 on March 3

Position: Oppose

Bill content: HB 2492 prohibits cities, towns, counties, and state agencies from adopting any laws, rules, ordinances, contracts, or other regulatory measures that establish, recognize or maintain, any urban growth boundaries that effectively prevent new urban or suburban development, restrain trade or commerce, or prevent extending public services outside those boundaries. Since this bill has constitutional implications, it would require a 3/4 affirmative vote in each legislative chamber.

AMWUA impact: If enacted, this bill could be used to override the requirements of the Assured Water Supply Program.

HB 2757 - Butler Valley; La Paz; groundwater

Primary Sponsor: Griffin (R) | **Latest Action:** Heard in House Majority and Minority Caucuses on February 24

Position: Oppose

Bill content: In Butler Valley, groundwater can be withdrawn and transported to initial AMAs from land owned by the state or a political subdivision of this state. HB 2757 would limit transportation from this basin to only land that the La Paz County Board of Supervisors owns or leases. This transported groundwater could be used by La Paz County or a political subdivision or municipal provider within that county. It could also be sold or leased to CAGR to meet its replenishment obligation.

Butler Valley largely consists of state trust land. Under the current framework, a city or town could theoretically acquire or lease land for transporting groundwater at a better price than purchasing land in the Harquahala INA. (Whether that lower land price makes up for the costs of treating and transporting that groundwater to the CAP, which lies outside the basin, is a separate question.)

An amendment offered in the House NREW Committee limits the amount of Butler Valley groundwater that may be sold or leased to CAGR to 90% of the total cumulative volume of groundwater available in that basin to a depth of 1,200 feet.

AMWUA impact: HB 2757 effectively removes Butler Valley groundwater as a future supply for municipal providers in the Phoenix AMA.

HB 2824 - capital improvement; financing program

Primary Sponsor: Lopez (R) | **Latest Action:** Passed House Commerce 7-0-0-0 on February 12

Position: Support

Bill content: HB 2824 establishes the Commercial Property Assessed Capital Expenditure (CPACE) program in Arizona. CPACE is an opt-in loan financing tool currently used in 40 states to fund infrastructure redevelopment and improvements, including water and wastewater projects such as advanced metering, leak detection, and low-flow plumbing fixtures. CPACE can be used by municipalities or developers that own commercial private property and utilizes private capital (rather than taxpayer dollars). The loan is repaid through a voluntary special assessment attached to property and may transfer on sale or refinancing.

Organizations that support this program include the League of Cities and Towns, NAMWUA, Valley Partnership, NAIOP (commercial developers), and Chamber of Southern AZ.

AMWUA impact: CPACE can be a helpful tool for municipal water providers to use to finance future upgrades to key water and wastewater projects.

HB 4030 - rates; fees; taxes; increase; moratorium

Primary Sponsor: Olson (R) | **Latest Action:** Amended in House COW Calendar on March 11

Position: Oppose

Bill content: As amended, HB 4030 prohibits municipalities and counties from increasing certain fees, taxes, or utility rates. For a municipal utility perspective, it prohibits municipalities from imposing fees greater than what was approved in their FY 2026 budget. It also prohibits utility rate increases beyond what was approved in the FY 2026 budget or rate schedule. However, municipalities that have not increased utility rates by more than a total of 12% over the preceding four fiscal years are exempt from this prohibition but are nonetheless limited to increasing their rates with inflation. Municipalities are allowed to adopt new or increased rates or development fees to finance acquiring or delivering a “new or additional water source”, which includes storage, treatment, and delivery infrastructure, as well as operations and maintenance costs.

The freeze in rates and fees begins on July 1, 2026 (or the beginning of FY27), until June 30, 2030 (end of FY30). The bill also explicitly prevents municipalities from adopting new or amending current taxes, fees, or utility rate schedules during FY26 to circumvent the moratorium and also prohibits modifying service areas to keep costs down. This concept was also introduced as a concurrent resolution (HCR 2052) which, if it passes both chambers with a majority vote, will be referred to voters on the November 2026 ballot.

AMWUA impact: Municipal water providers will be forced to deal with severe Colorado River reductions without proper financial resources. Cities will also be expected to provide the same level of services to their customers, despite increasing infrastructure needs, water resource uncertainty, and growing customer bases.

HCR 2006 - environment; natural resources; preservation; maintenance

Primary Sponsor: De Los Santos (D) | **Latest Action:** House Second Read on January 26

Position: Support

Resolution content: Amends the Arizona Constitution to establish an inherent, inalienable right for all residents to a clean and healthy environment, including clean air and water with an emphasis on preservation.

AMWUA impact: While the bill does not directly impact AMWUA cities, the concurrent resolution aligns with the conservation principles outlined in the Legislative Agenda.

HCR 2038 - Colorado River; seven-state agreement

Primary Sponsor: Griffin (R) | **Latest Action:** Withdrawn from Senate Natural Resources agenda on March 17

Position: Support

Bill content: HCR 2038 expresses the legislature's support for a seven-state agreement that may come out of the Colorado River negotiations. Arizona is the only state of the seven Colorado River Basin States that requires approval from the legislature if the Upper and Lower Basin come to a consensus. In order to fulfill that obligation, Rep. Griffin has introduced a resolution in anticipation of any positive movement ahead of the October 1, 2026 deadline. However, this resolution is not effective or necessary if the Basin States cannot come to an understanding and pursue litigation or are subjected to federal intervention.

A floor amendment was adopted that makes technical changes as well as content changes emphasizing the Lower Basin’s talking points urging the Upper Basin to share in Colorado River reductions.

AMWUA impact: Any consensus that comes out of Colorado River negotiations affects AMWUA cities. Municipal water providers will benefit from a timely decision on river allocations post-2026, and the certainty provided will allow cities to better address Colorado River reductions.

HCR 2052 - rates; fees; taxes; increases; moratorium

Primary Sponsor: Olson (R) | **Latest Action:** Amended in House COW Calendar on March 11

Position: Oppose

Bill content: As amended, HCR 2052 prohibits municipalities and counties from increasing certain fees, taxes, or utility rates. For a municipal utility perspective, it prohibits municipalities from imposing fees greater than what was approved in their FY 2026 budget. It also prohibits utility rate increases beyond what was approved in the FY 2026 budget or rate schedule. However, municipalities that have not increased utility rates by more than a total of 12% over the preceding four fiscal years are exempt from this prohibition but are nonetheless limited to increasing their rates with inflation. Municipalities are allowed to adopt new or increased rates or development fees to finance acquiring or delivering a “new or additional water source”, which includes storage, treatment, and delivery infrastructure, as well as operations and maintenance costs.

The freeze in rates and fees begins on July 1, 2026 (or the beginning of FY27), until June 30, 2030 (end of FY30). The resolution also explicitly prevents municipalities from adopting new or amending current taxes, fees, or utility rate schedules during FY26 to circumvent the moratorium and also prohibits modifying service areas to keep costs down. If passed, this moratorium will be considered by voters on the November 2026 ballot. HCR 2052 was also introduced as a bill (HB 4030) in the House by the same sponsor.

AMWUA impact: Municipal water providers will be forced to prepare for severe Colorado River reductions without proper financial resources. Cities will also be expected to provide the same level of services to their customers, despite increasing infrastructure needs, water resource uncertainty, and growing customer bases.

SB 1054 - NOW: municipalities; emergency measures; vote

S/E Sponsor: Rogers (R) | **Latest Action:** Passed Senate Third Read as amended 16-10-4-0 and transmitted to the House on March 18

Position: Oppose

Bill content: SB 1054 as amended requires any ordinance, resolution, or measure adopted at the council level as an emergency measure to be evaluated by voters on the ballot via a referendum. A referendum petition must be filed with the city clerk within thirty days of the measure’s adoption for referral to the ballot. The emergency measure must receive majority support from voters, otherwise the measure will no longer be in effect.

AMWUA impact: SB 1054 could have serious implications for municipal water providers attempting to plan and adapt to Colorado River reductions. SB 1054 specifies that a petition must be filed within 30 days but does not specify a timeline for the election. As a result, municipalities may be forced to wait until the next election cycle for voters to approve a council decision to take any emergency action related to Colorado River reductions, including deploying Drought Management Plans. Additionally, this bill would make it easier for voters to overturn unpopular yet critical action to maintain water security,

including curtailment policies, demand management practices, surcharges, or other enforcement mechanisms.

SB 1176 - stormwater storage; replenishment credits

Primary Sponsor: Petersen (R) | **Latest Action:** Scheduled for Senate Appropriations, Transportation, and Technology with an unrelated strike everything amendment on March 31

Position: Oppose

Bill content: SB 1176 is a repeat of the amended version of SB 1236 (NOW: storm water) from last legislative session. It would allow someone in the Phoenix AMA to recharge stormwater at a constructed underground storage facility (USF) to earn a “replenishment credit.” This credit can be used to offset the storer’s CAGR D replenishment obligation if pumping occurred within 2 miles of the USF where storage occurred or a portion of the service area of the water provider that pumped the groundwater is within 2 miles of USF where storage occurred. ADWR would treat these credits as groundwater, which means that storm water recharge could benefit modeling for Assured Water Supply purposes.

SB 1176 is a novel approach for incentively stormwater recharge, but several components of it will need to be overhauled so that this approach could actually be implemented without harming other water users. “Storm water” is very narrowly defined in this bill, which raises question as to whether any significant volume of this water would be available for recharge. There are also administrative hurdles related to ADEQ’s authority to require an aquifer protection permit for this type of recharge and how ADWR would permit a USF for this use. Finally, there are questions about whether it would be financially practical to build or modify USF that could include stormwater recharge.

AMWUA impact: As written, SB 1176 does not provide enough clarity for how it would work and be administered. However, stormwater recharge could, if done correctly, be a tool for mitigating aquifer drawdown. However, the sponsor has publicly expressed his desire to convert this bill into a vehicle for a future strike everything amendment for a subject unrelated to water. In the meantime, AMWUA will continue to monitor this bill.

SB 1201 - long-term storage credits; shortage; prohibition.

Primary Sponsor: Shope (R) | **Latest Action:** Senate Second Read on January 21

Position: Oppose

Bill content: SB 1201 prohibits municipal providers from earning Long-Term Storage Credits (LTSCs) or storing Colorado River water or Central Arizona Project water during a period of shortage on the Colorado River. It similarly prohibits municipal provider from ordering Central Arizona Project water that it intends to store at an Underground Storage Facility during a period of shortage. Finally, it requires ADWR to “reject and invalidate” any assignment of LTSCs inconsistent with this prohibition. HB 2099 (Griffin) is the mirror bill in the House.

AMWUA impact: SB 1201 undermines the ability of AMWUA’s members to serve their customers during times of unprecedented Colorado River shortages. In addition to illegal overriding their M&I subcontracts for CAP water, SB 1201 also jeopardizes the ability of several municipal providers to participate in exchanges with Tucson, which were designed to ensure reliable water service.

[SB 1288](#) - assured water supply; analysis; availability

Primary Sponsor: Dunn (R) | **Latest Action:** Withdrawn from Senate Natural Resources agenda on February 3

Position: Oppose

Bill content: This bill would require ADWR to consider an Analysis of Assured Water Supply (that was issued before May 31, 2023, and has not expired) as a valid demonstration of physical availability of groundwater for the amount stated in the analysis. The analysis must have included a finding of physical availability of groundwater. Additionally, ADWR must subtract the amount of groundwater “represented” by all Certificates that were already issued based on the analysis from the amount of groundwater considered physically available based on the analysis. An Analysis holder would be allowed to reduce the remaining volume of groundwater reserved in that Analysis by 15% after a Certificate has been issued. SB 1288 is an attempt to require ADWR to resume the granting of some Certificates despite the release of the Phoenix AMA groundwater model. Issued Analyses are already considered in the model, and it has been demonstrated that sufficient physical availability does not exist. The Analyses that this bill applies to would not have been issued if they were based on ADWR’s most recent modeling. In fact, ADWR has stopped issuing new Analyses in the Phoenix AMA simply because there is not enough physical availability of groundwater.

AMWUA impact: SB 1288 overrides the most current groundwater modeling, which would harm current users. Additionally, depending on which figures are used, this bill could at least double CAGR’s replenishment obligation—if not more—by the time all of these Certificates would be issued. Dramatically increasing CAGR’s obligation at a time when we face major reductions to the Colorado River and without new water supplies developed would threaten the Assured Water Supply Program.

AMWUA BOARD OF DIRECTORS

INFORMATION SUMMARY

April 23, 2026

Post-2026 Colorado River Shortage Awareness Messaging

ANNUAL PLAN REFERENCE

Enhanced Communication

Advance how AMWUA conveys the municipal perspective on water, stays ahead of water issues, and better communicates and personalizes impacts for the average citizen.

- Work with member and partner PIOs and communications staff to facilitate information exchange and enhance messaging coordination on water resource issues, the importance of conservation, and investing in water supplies and infrastructure.
- Engage with regional partners, agencies, and media to facilitate coordination on consistent messaging that educates the public and decision-makers on key topics, including reduced Colorado River water supply, groundwater challenges, and other emerging issues.
- Maximize AMWUA's various communication platforms, including website, weekly blog, social media, and public presentations and events.

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

SUMMARY

AMWUA staff will provide an overview of messaging regarding the Colorado River situation to ensure consistent communication about post-2026 and to assist in coordinating a unified message among AMWUA members, similar to previous versions of the Colorado River Shortage Awareness Campaign.

RECOMMENDATION

The AMWUA Board of Directors is requested to ask questions and discuss the messaging efforts for Post-2026 Colorado River shortages.