



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

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

### **MEETING NOTICE AND AGENDA**

***February 11, 2026 – 10:00 a.m.***

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

***Access this [Link](#) to join via Zoom. Meeting ID: 815 3667 5632***

***(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 January 14, 2026 Meeting
2. Next Meeting Date: March 11, 2026 @ 10:00 a.m.
3. Post-2026 Colorado River Operations
4. 2026 Legislative Session

**C. Member Reports**

**D. Executive Director's Report**

**E. Future Agenda Items**

**F. Adjournment**

\*The order of the agenda may be altered or changed by the AMWUA 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.

**MANAGEMENT BOARD**  
***MEETING MINUTES***  
**January 14, 2026**  
**HYBRID MEETING**

**MEMBERS PRESENT**

Kirk Beaty, Avondale, Chair  
David Burks, Peoria, Vice Chair  
Jeremy Abbott, Chandler  
Jessica Marlow, Gilbert  
Ron Serio, Glendale  
Ray Diaz, Goodyear  
Chris Hassert, Mesa  
Brandy Kelso, Phoenix  
Jill Brumand, Scottsdale  
Tara Ford, Tempe

**AMWUA STAFF PRESENT**

Michelle Barclay, AMWUA	Rhett Larson, AMWUA	Sheri Trapp, AMWA
Paul Bergelin, AMWUA	Dr. Caitlyn Hall, AMWUA	Aly Slobodzian, AMWUA
Tyenesha Fields, AMWUA	Warren Tenney, AMWUA	

**A. Call to Order**

Kirk Beaty called the meeting to order at 10:03 a.m.

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

**1. Approval of the Minutes from the December 10, 2025, Meeting**

Upon a motion by David Burks, seconded by Brandy Kelso, the AMWUA Management Board unanimously approved the amended meeting minutes from December 10, 2025.

**2. Next Meeting Date: Wednesday, March 11, 2026 @ 10:00 a.m.**

**3. Post-2026 Colorado River Operations**

Warren Tenney, AMWUA's Executive Director, noted that 2026 is a pivotal year for the Colorado River. Mr. Tenney shared a candid overview of current conditions, stating that negotiations, hydrology, and the recently released Draft Environmental Impact Statement (EIS) present significant challenges. Mr. Tenney emphasized the importance of acknowledging these realities in order to plan and prepare effectively for a post-2026 management landscape.

Paul Bergelin, AMWUA's Water Policy Advisor, reported that Basin States negotiations remain difficult, hydrologic conditions continue to decline, and the Draft EIS raises significant concerns, including reliance on Lower Basin States to absorb shortages and that reductions greater than the previously anticipated 1.5 million acre-feet will be necessary. The alternatives that best stabilize system in a scenario where the river is producing 10 to 12 million acre-feet could require Arizona to take significant reductions. If placed only on CAP, CAP M&I pool could be reduced between 35% to 100%. All of which signals the need to prepare for multiple years with significantly signal need to prepare for multiple years with significantly smaller deliveries. Mr. Bergelin explained that all alternatives in the Draft EIS still carry risk of Lake Mead reaching Dead Pool levels over the next 20 years. He added that AMWUA will work with other stakeholders to have unified comments on the draft EIS before the March 2 deadline.

Kirk Beaty asked a question regarding the "no action" alternative and whether it would maintain current operations or revert to previous guidelines. Mr. Bergelin explained that the no action alternative relies on existing federal authorities, assumes expiration of the 2007 Guidelines, and includes additional reductions. Mr. Bergelin noted that under this alternative, impacts to the Lower Basin States are the smallest, estimated at approximately 400,000 acre-feet, depending on federal operational authority but place the system at greatest risk.

Mr. Beaty also asked about impacts to hydropower. Mr. Bergelin noted that the draft EIS includes consideration of hydropower impacts through reservoir elevation modeling, which accounts for power generation limitations at critical levels. Mr. Bergelin added that staff continues to review the draft EIS to further evaluate these impacts.

**4. 2026 Legislative Session**

AMWUA Government Relations Director, Aly Slobodzian, reported that more than 500 bills have been introduced this legislative session, including 37 water-related bills, with staff recommending official positions on 10 and monitoring several others. Ms.

Slobodzian reviewed key milestones during the session calendar. She explained that staff will continue using the Board-approved legislative agenda to guide bill analysis, provide weekly updates, coordinate with members, and bring formal recommendations to the Board as the session progresses.

Ms. Slobodzian summarized the bills for which AMWUA is recommending support and opposition. She noted that HB 2116 would add \$1 million to the Colorado River litigation fund; HB 2185 would prohibit HOA overseeding requirements during drought years; and HCR 2006 affirms the state's commitment to natural resource preservation.

Ms. Slobodzian explained that the bills recommended for opposition would add administrative burdens to ADWR, weaken assured water supply and groundwater management tools, eliminate long-term storage credits, or undermine conservation efforts, all of which could negatively impact reliable water planning in a Post-2026 Colorado River environment.

Ray Diaz asked for clarification on HB 2095 (assured water supply; certificate; model), and Ms. Slobodzian explained that the bill's modeling approach is problematic because it relies on a site-specific analysis rather than an AMA-wide approach.

Regarding HB 2099 (long-term storage credits; shortage; prohibition), Ms. Slobodzian explained it would remove long-term storage credits from cities' water management tools, which would significantly weaken long-term water reliability efforts and is the key reason AMWUA is strongly opposing the bill.

Ms. Slobodzian reported that staff is monitoring additional bills under a watch position, including HB 2052, which would lower allowable water loss thresholds for providers and include effluent. She noted concerns about potential financial and infrastructure impacts and the need to better understand the sponsor's intent before taking a formal position, emphasizing the importance of member input to evaluate costs and implementation challenges.

Jeremy Abbott commented on HB 2052, noting that while municipalities support reducing water loss, a strict percentage reduction could significantly impact ratepayers due to the cost of replacing aging infrastructure. Ms. Slobodzian agreed and emphasized the importance of communicating existing efficiency efforts and demonstrating the potential financial impacts to ratepayers, noting that affordability is a key legislative focus this session. She stated that illustrating unintended consequences will be critical as staff continues to evaluate the bill under a watch position.

Ms. Slobodzian also noted that staff is monitoring HB 2094, which would provide a pathway for pending assured water supply certificates. She explained that changes in groundwater demand and potential offsets have reduced overall impact compared to

prior sessions, but staff is continuing to evaluate the bill's details. Lastly, Ms. Slobodzian highlighted HB 2134, which would restrict contracts involving Chinese companies for critical infrastructure, noting that staff is conducting due diligence to assess potential impacts on member water systems.

Barry Aarons commented that while committee deadlines are usually firm, floor action deadlines are flexible and often extended, especially during slower sessions. He noted that disagreements over tax conformity legislation and potential gubernatorial vetoes could significantly prolong the session and delay budget negotiations, increasing the risk of unfavorable bills advancing and making it important to closely monitor those developments.

Upon a motion by Jeremy Abbott, seconded by Brandy Kelso, the AMWUA Management Board unanimously approved the recommended legislative positions as presented, which is also listed below.

#### **Support**

HB 2116 (appropriation; Colorado River litigation fund)  
HB 2185 (homeowners' associations; lawns; drought)  
HCR 2006 (environment; natural resources; preservation; maintenance)

#### **Oppose**

HB 2025 (ADWR; appealable agency actions; exemption)  
HB 2026 (assured water supply; commingling)  
HB 2027 (physical availability; review; designated providers)  
HB 2028 (ADWR; application; administrative completeness)  
HB 2095 (assured water supply; certificate; model)  
HB 2099 (long-term storage credits; shortage; prohibition)  
HB 2146 (mesquite; drought tolerant plants; prohibition)

#### **5. AMWUA's Conservation Efforts**

Dr. Caitlyn Hall, AMWUA's Water Conservation and Demand Management Coordinator, provided an update on efforts to advance federal tax parity for water conservation rebates. Dr. Hall explained that AMWUA is working with the Alliance for Water Efficiency and other Colorado River Basin states to advocate for legislation that would prevent conservation rebates from being federally taxed, aligning them with energy rebate treatment and reducing administrative burdens for cities and residents. Dr. Hall requested Management Board support for asking the AMWUA Board of Directors to sign letters to Arizona's congressional delegation in support of the Water Conservation Rebate Tax Parity Act, clarifying that individual letters will be sent to representatives and senators using a single board-approved letter template.

Mr. Tenney clarified that the draft letter is still being finalized in coordination with the Alliance for Water Efficiency and will be reviewed with member agencies before being brought to the Board, noting that staff is seeking confirmation to continue supporting this effort. The Management Board agreed to proceed with the request.

#### **C. Member Reports**

Jeremy Abbott announced that he has been appointed as the Director of Public Works and Utilities for the City of Chandler.

Chris Hassert reported a milestone for the City of Mesa's Central Mesa Reuse Pipeline Project, with a ceremony scheduled to mark installation of the final section of pipe. He explained that the 10.5-mile pipeline will connect effluent from the Northwest Water Reclamation Plant to Mesa's reuse system, enabling an exchange agreement to deliver effluent to the Gila River Indian Community and receive Colorado River water. He noted that full completion, including the pump station and storage tank, is expected later this year and will strengthen Mesa's water supply resilience.

Jill Brumand announced that David Walby has been appointed as the Interim Senior Director of Water Resources for the City of Scottsdale and will be representing the city at future Management Board meetings.

David Burks announced that Brett Fleck will be leaving the City of Peoria after accepting a director position out of state.

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

Mr. Tenney provided updates on SRP reservoir conditions, noting system storage at 57% full, down from 71% a year ago. He also summarized a recent meeting with development representatives aimed at improving dialogue on water and growth, highlighting shared goals for Arizona's water future. Mr. Tenney concluded by advising that preliminary projections show AMWUA's FY27 assessment may increase by approximately 8.25%, with the formal budget to be presented in May.

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

No future agenda items were requested.

#### **F. Adjournment**

Mr. Beaty adjourned the meeting at 11:14 am.

## AMWUA MANAGEMENT BOARD

### INFORMATION SUMMARY

February 11, 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

The seven Colorado River Basin States have been given until February 14, 2026 to reach an agreement for post-2026 operating guidelines by the federal government. However, there is no indication that consensus will be reached.

On January 9, 2026, the U.S. Bureau of Reclamation issued the draft Environmental Impact Study (EIS), which identifies five alternatives that provide a range of scenarios and responses that Reclamation needs to analyze before determining the post-2026 operational guidelines. The draft EIS projects how the five alternatives would perform under Reclamation's projections for the river's hydrology over the next 20 years. Those projections indicate that more than a 1.5 million acre-feet shortage will be necessary to prevent Lake Mead or Lake Powell from reaching critical infrastructure levels. Reclamation has asked for comments on the draft EIS by March 2<sup>nd</sup>.

The river's current hydrology is bleak with this year's winter snowpack looking to be as bad or worse than the 2002 snowpack, which produced a 28% runoff, the worst in modern time.

AMWUA staff will give an update about the implications of the draft EIS and Colorado River hydrology.

### RECOMMENDATION

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

## AMWUA MANAGEMENT BOARD

### INFORMATION SUMMARY

**Amended – February 9, 2026**

February 11, 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-2025 Water Policy*

### SUMMARY

The House and Senate bill introduction deadlines have passed, bringing the total legislation count to 1,996 bills and resolutions in circulation for the 2026 session, smashing the record for most legislation introduced set by last year's legislative session. The last week in February marks an important milestone where the most viable bills pass out of the original chamber to move forward through the legislative process. Most introduced bills do not advance past this deadline and will allow AMWUA to focus efforts on the water bills with the highest likelihood to land on the governor's desk. As of February 9, 2026, AMWUA is tracking 115 water-related bills.

In preparation for the 2026 Legislative Session, the AMWUA Board of Directors approved the 2026 Legislative Agenda at its December 11, 2025 meeting. AMWUA also prepared for the session with having its Government Relations Director, Aly Slobodzian, along with Barry Aarons and his team meet with Legislators and legislative staff, stakeholders, our members' InterGovs, and attend CRWUA.

At its January 22, 2026 meeting, the AMWUA Board of Directors adopted positions for 16 water bills. Subsequently, additional legislation has been introduced and reviewed by AMWUA staff to identify those most relevant to the 2026 legislative agenda. Those bills are designated in this report as "**NEW**".

At the February 26, 2026 meeting, AMWUA staff will review with the AMWUA Board of Directors those 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 AMWUA Management Board is requested to recommend to the AMWUA Board of Directors the legislative positions presented below. Since this report was drafted on February 5, 2026, additional legislation has been introduced that AMWUA staff would like the Management Board to consider recommending a position. Those bills are identified with an asterisk in the suggested motion.

Depending on the introduction of new legislation or amendment of existing water bills before the February 11, 2026 Management Board meeting, the AMWUA Management Board may be asked to recommend positions for additional legislation.

## **SUGGESTED MOTION**

*I move that the AMWUA Management Board recommend the following legislative positions to the AMWUA Board of Directors:*

### **SUPPORT**

[\*\*HB 2722\*\*](#) - water; residential lease communities (Bliss)  
[\*\*SB 1448\*\*](#) - aggravated assault; utility workers (Shope)  
[\*\*SB 1560\*\*](#) - cap; water supply development fund (Dunn)  
[\*\*HCR 2038\*\*](#) - Colorado River; seven-state agreement (Griffin)

### **OPPOSE**

[\*\*HB 2492\*\*](#) - urban growth boundaries; prohibition (Taylor)  
[\*\*HB 2946\*\*](#) - municipalities; counties; development fees (Powell)  
[\*\*SB 1288\*\*](#) - assured water supply; analysis; availability (Dunn)  
[\*\*SB 1785\*\*](#) - water storage facility; withdrawals; area (Petersen)  
\*[\*\*HB 2985\*\*](#) - CAP water; state land; allocation (Griffin)  
\*[\*\*HB 4030\*\*](#) - rates; fees; taxes; increases; moratorium (Olson)  
\*[\*\*HCR 2052\*\*](#) - rates; fees; taxes; increases; moratorium (Olson)

## New Bills for Management Board Consideration

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

**Primary Sponsor:** Taylor (R) | **Latest Action:** House Second Read on January 21

**Recommended 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.

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### **NEW: [HB 2722](#) - water; residential lease communities**

**Primary Sponsor:** Bliss (R) | **Latest Action:** House Second Read on January 21

**Recommended Position:** Support

**Bill content:** HB 2722 would prohibit cities, towns, and counties in initial active management areas (AMAs) from approving a building permit for dwelling units in a “residential lease community” unless the units have a Certificate of Assured Water Supply (Certificate) or service from a water provider with a Designation of Assured Water Supply. They would also need to pay all applicable fees to the Central Arizona Groundwater Replenishment District. As defined under the bill, a residential lease community would include six or more detached residential dwelling units with one or more lots, parcels, or fractional interests that are offered for lease. This definition essentially captures build-to-rent developments. The bill’s requirements would not apply to existing or planned residential lease communities have received zoning entitlements by September 30, 2026.

**AMWUA impact:** HB 2722 is consistent with the recommendations of the Governor’s Water Policy Council from 2023 and would help ensure that build-to-rent properties could not proliferate outside of a Designated provider’s service unless they had a Certificate.

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### **NEW: [HB 2946](#) - municipalities; counties; development fees**

**Primary Sponsor:** Powell (R) | **Latest Action:** House Second Read on February 3

**Recommended Position:** Oppose

**Bill content:** HB 2946 makes numerous changes to how counties and municipalities assess development fees, when developers are required to pay development fees, how much development fees can increase, and establishes conditions under which credit must be provided for a development fee. For example, it requires increases of development fees up to 50% to occur in equal annual installments and prohibits increasing a development fee by more than 50% of the current fee, subject to some limitations. It also prohibits a municipality or county from increasing a development fee more than once every four years and assessing development fees on an accessory dwelling unit. Most concerning is that it requires a municipality that increases water or wastewater rate, fees, or service charges to fund new infrastructure or capital improvements to be subject to the same requirements as development fees.

**AMWUA impact:** HB 2946 would radically alter how municipalities handle development fees. The changes to how water and wastewater rates are established is especially alarming. There are already well-established statutory requirements that govern how municipal providers can increase water and wastewater rates, fees, and service charges. Requiring these providers to follow the complicated, involved process for development fees when setting water rates and related charges is unnecessarily burdensome.

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

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

**Recommended 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:** By overriding the most current groundwater modeling, SB 1288 could generate more than 150,000 acre-feet per year use of groundwater, which would harm current users. Additionally, this bill would dramatically increase CAGRD’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.

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**NEW: [SB 1448](#) - aggravated assault; utility workers**

**Primary Sponsor:** Shope (R) | **Latest Action:** Removed from Senate Public Safety agenda on February 4

**Recommended Position: Support**

**Bill content:** SB 1448 expands the protected class for aggravated assault to include public utility employees, including 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.

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**NEW: [SB 1560](#) - cap; water supply development fund**

**Primary Sponsor:** Dunn (R) | **Latest Action:** Scheduled for Senate Natural Resources on February 10

**Recommended Position: Support**

**Bill content:** SB 1560 removes the \$3 million cap on loans from the WIFA-managed Water Supply Development Revolving Fund (WSDRF).

**AMWUA impact:** This bill allows WIFA to meet the demands of their borrowers while maintaining the revolving health of the fund.

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**NEW: [HB 2985](#) - CAP water; state land; allocation**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Scheduled for House NREW on February 12

**Recommended 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 currently 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.

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**NEW: [HB 4030](#) and [HCR 2052](#) - rates; fees; taxes; increases; moratorium**

**Primary Sponsor:** Olson (R) | **Latest Action:** Scheduled for House Ways and Means on February 11

**Recommended Position: Oppose**

**Bill content:** HB 4030 prohibits municipalities and counties from increasing fees, taxes, or utility rates beyond increases that have already been approved for their FY26 budgets. This freeze begins on July 1, 2026 (or the beginning of FY27), until June 30, 2030. 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 attempt to prepare for a 5-year fiscal freeze. HB 4030 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.

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

**Primary Sponsor:** Petersen (R) | **Latest Action:** Introduced on February 2

**Recommended Position: Oppose**

**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, which implications have not been fully discussed. AMWUA is reaching out to ADWR and other stakeholders to discuss implications for our member cities.

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**NEW: [HCR 2038](#) - Colorado River; seven-state agreement**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Scheduled for House NREW on February 10

**Recommended 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.

**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 plan for the future.

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## **Bills with Positions Adopted by the AMWUA Board of Directors**

### **HB 2025 - DWR; appealable agency actions; exemption**

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

**Adopted 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.

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### **HB 2026 - Assured water supply; commingling**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Scheduled for House NREW on February 10

**Adopted Position: Oppose**

**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 Certificates 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 Certificates while pumping greater volumes of groundwater, which runs counter to the goals of the AWS Program and Groundwater Management Act.

**AMWUA impact:** This bill could lead to increased unreplenished groundwater pumping to offset any renewable supply dedicated to the Certificate.

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## **HB 2027 - Physical availability; review; designated providers**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Scheduled for House NREW on February 10

**Adopted 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 physically 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.

**AMWUA impact:** This bill is an attempt to question and undermine the physically available groundwater for all Designated municipal providers and consequently threaten their ability to retain their Designations. This bill could cause incalculable damage to growth and development in Phoenix metropolitan area and the entire state by questioning the designations of water providers.

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## **HB 2028 - DWR; application; administrative completeness**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Scheduled for House NREW on February 10

**Adopted 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 averse to the interests of AMWUA's members.

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## **HB 2052 - Management plan; water loss; percent**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Placed on House Majority and Minority Caucus Calendars on February 3

**Adopted 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. HB 2052 directs 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 changes 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 to 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.

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

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### **HB 2095 - Assured water supply; well depth**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Scheduled for House NREW on February 10

**Adopted 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. SB 1200 (Shope) is the mirror bill in the Senate.

**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.

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### **HB 2099 - Long-term storage credits; shortage; prohibition**

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

**Adopted 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.

**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.

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### **HB 2116 - Appropriation; Colorado River litigation fund**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Transmitted to the Senate on February 2

**Adopted Position: Support**

**Bill content:** HB 2116 appropriates \$1 million from the state General Fund to the Colorado River Litigation Fund in FY 2027, in addition to the \$1 million appropriated last session for the same fund. 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.

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### **HB 2146 - Mesquite; drought tolerant plants; prohibition**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Removed from House NREW agenda on January 20

**Adopted 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 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.

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### **HB 2185 - Homeowners' associations; lawns; drought**

**Primary Sponsor:** Willoughby (R) | **Latest Action:** Placed on House Majority and Minority Caucus Calendars on February 3

**Adopted 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. A technical correction does need to be made with defining "drought year."

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

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### **HB 2328 - Municipal corporations; water supply; rates**

**Primary Sponsor:** Marshall (R) | **Latest Action:** Passed House Committee of the Whole on February 5

**Adopted 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 likely 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.

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### **HB 2757 - Butler Valley; La Paz; groundwater**

**Primary Sponsor:** Griffin (R) | **Latest Action:** House Second Read on January 21

**Adopted 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 CAGRD 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.)

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

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### **HB 2758 - McMullen Valley; eligible entities; groundwater**

**Primary Sponsor:** Griffin (R) | **Latest Action:** Placed on House Majority and Minority Caucus Calendars on February 3

**Adopted 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 CAGRD), 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 cause. 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.

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

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### **SB 1176 - stormwater storage; replenishment credits**

**Primary Sponsor:** Petersen (R) | **Latest Action:** Removed from Senate Natural Resources agenda on January 27

**Adopted 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 storers CAGRD 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 stormwater recharge could benefit modeling for Assured Water Supply purposes.

SB 1176 is a novel approach for incentivizing stormwater recharge, but several components of it will need to be overhauled so that this approach could be implemented without harming other water users. “Stormwater” 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 that 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:** SB 1176, as currently written, 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.

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

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

**Adopted 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.

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### **HCR 2006 - environment; natural resources; preservation; maintenance**

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

**Adopted 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:** No direct impact.

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