



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

ARIZONA MUNICIPAL WATER USERS ASSOCIATION MANAGEMENT BOARD

MEETING NOTICE AND AGENDA

January 14, 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 December 10, 2025 Meeting
2. Next Meeting Date: February 11, 2026 @ 10:00 a.m.
3. Post-2026 Colorado River Operations
4. 2026 Legislative Session
5. Water Conservation Rebate Tax Parity

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, or by request.

Arizona Municipal Water Users Association

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**MANAGEMENT BOARD
MEETING MINUTES
December 10, 2025
HYBRID MEETING**

MEMBERS PRESENT

Kirk Beaty, Avondale, Chair
David Burks, Peoria, Vice Chair
Jeremy Abbott, Chandler
Jessica Marlow, Gilbert
Mark Roye for Ron Serio, Glendale
Barbara Chappell, Goodyear
Chris Hassert, Mesa
Brandy Kelso, Phoenix
Gretchen Baumgardner for Kira Peters, Scottsdale
Craig Caggiano for Tara Ford, Tempe

AMWUA STAFF PRESENT

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

A. Call to Order

Kirk Beaty called the meeting to order at 10:00 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the November 12, 2025, Meeting

Upon a motion by Jeremy Abbott, seconded by Gretchen Baumgardner, the AMWUA Management Board unanimously approved the amended meeting minutes from November 12, 2025.

2. Next Meeting Date: Wednesday, February 11, 2025 @ 10:00 a.m.

3. Post-2026 Colorado River Operations

Paul Bergelin, AMWUA's Water Policy Advisor, provided an update on the Colorado River noting that late autumn precipitation resulted in a slight increase in Basin storage at Lakes Powell and Mead, the first since 2011, though overall conditions remain near crisis levels. Mr. Bergelin explained that only about 42 to 43 percent of the water currently stored in the reservoirs is accessible and that projections indicate a potential risk of Lake Powell falling below penstock elevations under adverse hydrologic scenarios.

Mr. Bergelin reported that improved soil moisture and increasing snowpack levels may support spring runoff, though conditions remain variable. Mr. Bergelin also stated that there are no major updates on the post 2026 negotiations, with Basin states now facing a February 14 deadline to submit alternatives for environmental review.

Mr. Bergelin cautioned that deeper Colorado River delivery reductions may be required, with Arizona and particularly Central Arizona Project users facing the risk of additional cuts. Mr. Bergelin concluded by emphasizing the importance of protecting municipal water providers and continuing to invest in long term water security.

4. 2026 Legislative Session

Warren Tenney, Executive Director, provided an update noting that the 2026 legislative session begins next month and that Representative Griffin has pre filed several bills, including House Bill 2027, which would require the Department of Water Resources to reevaluate groundwater calculations used in the 100-year Assured Water Supply program. Mr. Tenney stated that this bill could undermine existing designations and that AMWUA intends to oppose it.

Mr. Tenney reported increased legislative focus on Colorado River reductions, conservation, and long-term water security, including early discussions about creating a dedicated funding source for future water supplies. He also noted ongoing stakeholder discussions regarding the state's data center tax credit, with proposals aimed at improving water efficiency.

Mr. Tenney added that AMWUA and the Southern Arizona Water Users Association recently briefed legislators on the Colorado River from a municipal perspective and emphasized the importance of continued engagement with policymakers ahead of a busy and challenging legislative session.

Gretchen Baumgardner asked whether AMWUA will continue partnering with the Southern Arizona Water Users Association during the legislative session. Mr. Tenney responded that AMWUA has and will continue to coordinate with SAWUA

each session, along with the Northern Arizona Municipal Water Users Association, to share information and align municipal advocacy on key legislation.

Kirk Beaty asked how effectively the Colorado River message is being received by legislators and whether it is viewed as a statewide priority. Mr. Tenney responded that legislative awareness has increased and that AMWUA is actively working to communicate the statewide and municipal impacts of Colorado River conditions, noting recent discussions have been encouraging and that informational materials have been shared with all legislators.

5. AMWUA's Conservation Efforts

Caitlyn Hall, AMWUA's Water Conservation and Demand Management Coordinator, provided an update on conservation and demand management efforts, emphasizing the increasing importance of these programs in a post 2026 environment. Ms. Hall highlighted AMWUA's focus on coordinating among conservation staff, sharing best practices, and shifting from education-based efforts toward stronger data-driven demand management strategies.

Ms. Hall discussed the development and expansion of a conservation repository that compiles member drought preparedness plans, programs, and ordinances into a user-friendly tool to support coordination and knowledge sharing. Ms. Hall noted that the repository is already informing member planning for 2026 and 2027 and has received positive feedback from conservation teams.

Ms. Hall reported that AMWUA is working with municipalities to align priorities, identify collaboration opportunities, and improve coordination between conservation, water resources, and other departments. Ms. Hall noted that two working groups have been launched focused on data analytics and program evaluation and on commercial, non-residential, and HOA strategies, with strong participation.

Ms. Hall concluded that AMWUA is researching successful demand management approaches from other regions to prepare for Colorado River reductions and expressed appreciation for the efforts of member conservation teams.

Mr. Tenney added that conservation teams play a critical role in engaging with residents, addressing customer questions, and explaining local water challenges and the importance of conservation. He emphasized that the success of conservation programs depends largely on the staff implementing them, not solely on funding, and highlighted the essential role of conservation professionals within municipal water operations.

Management Board members discussed how their cities are evaluating future stages of their drought preparedness plans. Several noted they have begun internal and council-level discussions to prepare for potential actions. Members emphasized the

importance of proactive planning, coordination, and clear communication, particularly given differences in water portfolios, drought plans, and public perception.

6. Annual Financial Audit Report for Fiscal Year 2025

Mr. Tenney provided a financial update, reporting that the Fiscal Year 2025 audit conducted by Forvis Mazars reflects AMWUA's financial position as of June 30, 2025 and resulted in an unmodified opinion with no findings. He requested that the Management Board recommend acceptance of the Fiscal Year 2025 annual financial audit report to the AMWUA Board.

Upon a motion by David Burks, seconded by Jessica Marlow, the AMWUA Management Board unanimously approved Annual Financial Audit Report for Fiscal Year 2025 and recommended it to the AMWUA Board as presented.

7. AMWUA Management Board Chair and Vice-Chair for 2026

Jeremy Abbott reported that the nominating committee, which consisted of him, Ron Serio, and Tara Ford, recommended that Kirk Beaty and David Burks continue serving in their current roles as Chair and Vice Chair for another year. Both nominees accepted.

Upon a motion by Jeremy Abbott, seconded by Barbara Chappell, the Management Board unanimously approved Kirk Beaty as Chair and David Burks as Vice-Chair for 2026.

C. Member Reports

Gretchen Baumgardner stated that she has participated in AMWUA for more than 12 years and noted the value of the relationships, discussions, and knowledge sharing among member cities and advisory committee members, expressing appreciation for the collaboration and collective experience gained through AMWUA as she leaves Scottsdale to work for SRP.

Barbara Chappell reported that her city is advancing a rate program scheduled for City Council consideration on the 15th, with potential adoption the following week and implementation approximately 30 days later. She noted significant public discussion and negative feedback and stated that while she hopes the program is adopted, she does not expect a unanimous Council vote.

Craig Caggiano reported that his city unanimously approved utility rate increases effective January 1, averaging approximately 8.5 percent overall and consistent with the 2024 cost of service study, with a new study planned for next year.

Jessica Marlow reported that solid waste rates have varied due to market conditions and that improved recycling revenues may support future rate reductions. She highlighted successful

community listening sessions and outreach efforts that improved public understanding of utility rates and water resiliency.

Chris Hassert reported that his city approved a 2.5 percent residential rate increase and approximately a 12 percent commercial increase effective January 1, with additional commercial rate adjustments underway. He also noted approval of a new water and wastewater capacity fee to support growth related infrastructure.

D. Executive Director's Report

Mr. Tenney reported that SRP reservoir levels are approximately 57 percent following November precipitation, compared to 72 percent at the same time last year. He noted that the first Ag-to-Urban credits had been approved for retiring 160 acres of agricultural land to develop 825 single family homes in Buckeye.

Mr. Tenney reported that the Bureau of Reclamation will convene an invitation only urban roundtable at the upcoming Colorado River Water Users Association Annual Conference to discuss municipal conservation efforts. He noted that Gilbert and Phoenix will participate on panels, providing an opportunity to highlight Arizona's conservation efforts and the challenges Colorado River conditions pose to cities.

Mr. Tenney wished members happy holidays and noting that AMWUA looks forward to continued collaboration in the coming year.

E. Future Agenda Items

No future agenda items were requested.

F. Adjournment

Mr. Beaty adjourned the meeting at 11:15 am.

AMWUA Management Board

INFORMATION SUMMARY

January 14, 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 reaching. We remain without any clarity for Colorado River's post-2026 operations, which is increasing uncertainty about the impact of reductions to Arizona in 2027 and beyond. The lack of decision also narrows the amount of time that municipal providers have to prepare for these reductions.

At the same time, the river's hydrology is bleak with this year's winter looking to be as poor or worse than last year's winter snowpack, which produced a 49% of average unregulated runoff inflow into Lake Powell. All of which indicates that greater reductions could be required sooner than anticipated.

RECOMMENDATION

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

MANAGEMENT BOARD

INFORMATION SUMMARY

Amended – January 13, 2026

January 14, 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 Second Regular Session of the 57th Legislature began on January 12, 2026. To date, 368 bills and resolutions have been introduced as of amending of this report. Of those, 34 bills are water related.

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

This report summarizes each water bill that has been introduced. Those bills that have been identified as most relevant to AMWUA's 2026 legislative agenda are listed first in the report and include a recommendation for support or oppose. The majority of introduced bills are being watched. "Watch" is intended to cover those bills that we are monitoring while we learn more about its intent or possible impact as well as those water bills that have little or no impact to AMWUA members per the 2026 legislative agenda.

At the January 14, 2026 meeting, AMWUA staff will review 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

Staff requests that the AMWUA Management Board recommend to the AMWUA Board of Directors adoption of the legislative positions presented in this Board packet.

Depending on the introduction of legislation before the January 14, 2026 Board meeting, the AMWUA Management Board may be asked to provide direction regarding additional legislation.

SUGGESTED MOTION

I move that the AMWUA Management Board recommend to the AMWUA Board of Directors that AMWUA adopt the following legislative positions as outlined in the Board packet:

SUPPORT

[HB 2116](#) - Appropriation; Colorado River litigation fund (Griffin)

[HB 2185](#) - Homeowners' associations; lawns; drought (Willoughby)

[HCR 2006](#) - Environment; natural resources; preservation; maintenance (Oscar De Los Santos)

OPPOSE

[HB 2025](#) - DWR; appealable agency actions; exemption (Griffin)

[HB 2026](#) - Assured water supply; commingling (Griffin)

[HB 2027](#) - Physical availability; review; designated providers (Griffin)

[HB 2028](#) - DWR; application; administrative completeness (Griffin)

[HB 2099](#) - Long-term storage credits; shortage; prohibition (Griffin)

[HB 2146](#) - Mesquite; drought tolerant plants; prohibition (Griffin)

Bills most relevant to AMWUA's 2026 Legislative Agenda –

[HB 2025](#) - DWR; appealable agency actions; exemption

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended 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 2026](#) - Assured water supply; commingling

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended 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 not 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 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 2027 - Physical availability; review; designated providers

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended 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.

Historical context: Repeat of HB 2366 (physical availability; review; designated providers) in 2024session. AMWUA opposed. Held in House.

HB 2028 - DWR; application; administrative completeness

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended 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: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 12, 2025

Recommended Position: Watch

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 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.

HB 2053 - Appropriation; stormwater recharge mapping; sites

Primary Sponsors(s): Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 12, 2025

Recommended Position: Watch

Bill content: HB 2053 appropriates \$100,000 to ADWR to update stormwater recharge map with a focus on identifying areas without preexisting surface water rights and optimal soil conditions, in collaboration with the Arizona Natural Resource Conservation Board and Salt River Project. Notably, these sites cannot include lands that stormwater may run off of and enter and stream of natural channel, thereby creating conflicts with existing surface water rights. That criterion may sharply limit the number of sites that could qualify.

AMWUA impact: HB 2053 does not directly affect AMWUA's members.

HB 2054 - Water provider; definition; conservation district

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 12, 2025

Recommended Position: Watch

Bill content: HB 2054 allows CAGRD to be defined as a water provider that could new water supplies developed from WIFA's Long-Term Water Augmentation Fund.

AMWUA impact: We are researching what the implications would be for HB 2054.

HB 2055 - Brackish groundwater recovery program

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 12, 2025

Recommended Position: Watch

Bill content: HB 2055 creates a WIFA-managed Brackish Groundwater Recovery Fund to finance desalination efforts and brackish groundwater projects that will result in new sources of potable water. WIFA must use this fund and the Long-Term Water Augmentation Fund to provide matching dollars to develop and construct qualifying projects. HB 2055 outlines a schedule for WIFA to issue an RFP and evaluate proposals and adopt rules to govern the selection of projects. However, this fund may pull monies from the Long-Term Water Augmentation Fund, which may undermine WIFA's ability to secure a much-needed water importation project.

AMWUA impact: HB 2055 could divert WIFA's resources away from the long-term water augmentation projects that are more needed for Arizona' long-term water security and that AMWUA members are also interested in.

HB 2094 - Assured water supply; certificate; model

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended Position: Watch

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 a municipal provider's Designation 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 Certificates 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. Some of these pending Certificate applications could also be issued through the Ag-to-Urban Program. Therefore, the actual volume of new pumping enabled by HB 2094 may have less impact to the aquifer and CAGR than anticipated.

Historical context: HB 2094 is a repeat of the amended version of HB 2091 (NOW: assured water supply; certificate; model) from the 2025 session, which was vetoed by Governor Hobbs.

HB 2095 - Assured water supply; well depth

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended 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.

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 2097 - Irrigation non-expansion areas; withdrawal; maximum

Primary Sponsors: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended Position: Watch

Bill content: HB 2097 limits the amount of groundwater that someone may pump from a non-exempt well to irrigate lands in an irrigation non-expansion area (INA) to 6 AF/acre of legally irrigated land in any calendar year. It also authorizes ADWR to assess a \$150 penalty for failing to do so. Correctional facilities that irrigate land are exempt from this requirement. It also exempts users in a subsequent INA from metering non-exempt wells that are used to irrigate 10 or fewer contiguous areas that are not part of an integrated farming operation at a volume of less than 2.5 AF/acre. That person would still be required to file an estimate of water usage with ADWR. Finally, HB 2097 establishes a new process by which

someone in a subsequent INA may permanently retire and substitute irrigable acreage and drill a new non-exempt well.

AMWUA impact: Because it pertains to INAs, HB 2097 does not directly impact AMWUA’s membership. However, the provisions on subsequent INAs could increase pumping in the Harquahala INA and reduce that volume.

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

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended 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.

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 2116 - Appropriation; Colorado River litigation fund

Primary Sponsors: Gail Griffin (R) | **Latest Action:** Prefile on Dec. 30, 2025

Recommended Position: Support

Bill content: HB 2116 appropriates \$1 million from 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: \$1 million was also appropriated to this fund in the 2025 session, which AMWUA supported.

HB 2146 - Mesquite; drought tolerant plants; prohibition

Primary Sponsor: Gail Griffin | **Latest Action:** Prefiled on Jan. 07, 2026

Recommended 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 the Phoenix AMA's low water use and drought tolerant plant list.

AMWUA impact: HB 2146 could complicate projects currently under review by municipal planning and development departments. More importantly, it is confusing as to why a long-established drought tolerant tree would be removed from ADWR's low water use plant list.

HB 2151 - Surface water; irrigation; definition

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Jan. 07, 2026

Recommended Position: Watch

Bill content: Under the current state law enshrining the doctrine of prior appropriation, someone may appropriate unappropriated surface water for certain uses including municipal, irrigation, recreation or wildlife. However, none of these enumerated uses are explicitly defined in state law. HB 2151 would explicitly define "irrigation" as using water on lands to produce plants or parts of plants for sale, human consumption, or use as feed for livestock, range livestock, or poultry. Explicitly defining "irrigation" in state law raises numerous questions about what no longer qualifies as irrigation, and whether someone engaged in an activity that no longer qualifies as "irrigation" would lose a surface water right due to abandonment or forfeiture. It also sets a precedent for restricting allowable uses of surface water.

AMWUA impact: Although no AMWUA members appropriate surface water to irrigate lands, we want to further research to understand the precedent this bill could set for municipal water providers with surface water rights.

HB 2185 - Homeowners' associations; lawns; drought

Primary Sponsors: Julie Willoughby (R) | **Latest Action:** Prefiled on Jan. 09, 2026

Recommended Position: Support

Bill content: Prohibits a homeowners association (HOA) from requiring overseeding during a "drought year," which is 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.

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

Bills less relevant to AMWUA's 2026 Legislative Agenda –

HB 2023 - Land divisions; disclosure affidavit; recording

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended Position: Watch

Bill content: A land division under state law involves someone dividing a larger tract of land into five or fewer lots, parcels, or fractional interests any of which are 10 acres or smaller. Since they occur in

unincorporated areas, county boards of supervisors have the authority to adopt ordinances and regulations involving land divisions. Arizona law requires a seller of the parcels resulting from a land division to provide an affidavit of disclosure to a buyer. HB 2023 expands the disclosure requirements for this affidavit to require information on the property's water provider, a well registration status with ADWR, a buyer beware notice for well inspection and maintenance responsibilities, and the most recent inspection and pump dates for on-site wastewater treatment systems.

AMWUA impact: These requirements apply only to land sellers in unincorporated areas this bill will have a limited impact on AMWUA's members.

Historical context: Repeat of HB 2092 (land divisions; disclosure affidavit; recording) in 2025. AMWUA did not take a position. Governor vetoed for non-water policy reasons.

HB 2024 - Water supply development; definition; snowpack

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended Position: Watch

Bill content: The Water Infrastructure Finance Authority's Water Supply Development Revolving Fund provides grants and loans to water providers outside of the Phoenix, Pinal, and Tucson AMAs. This financial assistance can be used for several purposes, including acquiring water rights, water-related facilities or projects, and groundwater replenishment. HB 2024 would allow this fund to be used to finance weather modification projects that increase snowpack.

AMWUA impact: Since only rural communities are eligible, AMWUA's members are not impacted by this change.

HB 2029 - Water conservation grant fund; disclosure

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended Position: Watch

Bill content: HB 2029 requires CAP subcontractors that apply to WIFA's Water Conservation Grant Fund to include projected water savings, type of water the project will save, estimated savings for surface or groundwater, and the use plans for the water saved. WIFA already requires most of this information in its grant applications, which raises the question of whether this bill is even necessary.

AMWUA impact: Minimal, as WIFA already requires much of this information for current grant applications.

HB 2030 - Water conservation grant fund; education

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended Position: Watch

Bill content: HB 2030 removes education and research programs on how to reduce water consumption, increase water efficiency, or increase water reuse as qualifying uses of Water Conservation Grant Fund monies. Of the 213 grant applications that WIFA has approved, 11 have involved education and research programs (\$6.6 million). Among the applications included studying soil amendments that reduce water

usage, studying effluent reuse with the goal of rerouting discharge from the Douglas Wastewater Treatment Plant, and improving Flagstaff's groundwater flow model.

AMWUA impact: This bill could prevent cities from applying for funding for any future education and research on conservation.

HB 2031 - Grandfathered right; Willcox AMA; extension

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 02, 2025

Recommended Position: Watch

Bill content: Within AMAs, pumping groundwater requires someone to obtain a right or a permit from ADWR. A grandfathered groundwater right refers to a right to pump groundwater based on the individual's historic water usage, which is essentially grandfathered into the AMA. HB 2031 extends the application window to file for grandfathered groundwater rights in the Willcox AMA to 27 months after AMA's formation, retroactive from January 7, 2025. Extending the deadline might benefit some residents of the Willcox AMA who have not submitted their applications and might therefore lose their right to pump groundwater.

AMWUA impact: This bill is not applicable to the Phoenix AMA.

Historical context: Repeat of HB 2551 (grandfathered right; Willcox AMA; extension) in 2025 session. AMWUA did not take a position. Governor vetoed.

HB 2056 - Appropriation; brackish groundwater; feasibility study

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 12, 2025

Recommended Position: Watch

Bill content: HB 2056 appropriates \$100,000 from the state General Fund to ADWR in FY 2027 to conduct a feasibility study of potential brackish groundwater desalination project sites in Gila Bend, Ranegras Plain, West Salt River Valley, and the Little Colorado River Plateau groundwater basins. ADWR previously conducted an inventory of brackish groundwater in these areas in 2024, which outlined several challenges that would need to be overcome to utilize brackish groundwater.

AMWUA impact: HB 2056 does not impact AMWUA's members.

Historical context: The FY 2024 budget included a \$100,000 appropriation to ADWR to review and update information contained in studies on the availability of brackish groundwater.

HB 2077 - Multifamily developments; assured water supply

Primary Sponsor: Selina Bliss (R) | **Latest Action:** Prefiled on Dec. 18, 2025

Recommended Position: Watch

Bill content: HB 2077 prohibits a municipality or county from approving a building permit for a multifamily residential property in the Prescott AMA unless the applicant has obtained service from a Designated water provider or a Certificate. This prohibition does not apply to building permit applications that has applied for or received zoning entitlements before the bill's effective date.

AMWUA impact: Because HB 2077 is limited to the Prescott AMA, it does not apply to AMWUA's members.

Historical context: HB 2077 is similar to HB 2487 (residential lease community; Prescott AMA) from 2024.

HB 2096 - Forgivable financial assistance; cesspool remediation

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended Position: Watch

Bill content: HB 2096 allows a county to receive financial assistance from WIFA’s state revolving funds to remediate, close, or replace cesspools that present a risk to surface water, groundwater, or public health. These cesspools must be replaced with an on-site wastewater system approved by ADEQ or that is connected to a wastewater treatment facility. HB 2096 also requires WIFA to provide an annual report on the number of cesspools that have been remediated or replaced, the total amount of financial assistance awarded, and recommendations for improving this effort.

AMWUA impact: This bill likely applies to cesspool remediation efforts in rural Arizona and therefore does not impact AMWUA’s members.

HB 2098 - County water augmentation authorities; bond

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended Position: Watch

Bill content: HB 2098 expands the Pinal County Water Augmentation Authority’s (PCWAA) powers to issue revenue bonds to acquire or construct infrastructure such as recovery wells, storage projects, and water and wastewater treatment plants. PCWAA can also use bonds to acquire water and rights to water. It also outlines the process PCWAA’s Board must follow to secure bonds.

AMWUA impact: HB 2098 does not impact AMWUA’s members.

Historical context: HB 2098 is a repeat of SB 1134 (NOW: county water augmentation authorities; bond) from the 2025 session, which never received a concurrence and final vote in the Senate.

HB 2100 - Small land subdivision; requirements

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended Position: Watch

Bill content: HB 2100 would allow a county board of supervisors to adopt ordinances and regulations to enable a new process for splitting lands called “small land subdivisions.” This process would involve dividing a tract of land into 6-10 lots or parcels, all of which are more than 2 acres in size. This process could only occur in areas not subject to Assured Water Supply or mandatory adequate water supply requirements. To qualify, an applicant would need to file a small land subdivision public report with the county. The Arizona Department of Real Estate would issue this report, which would include a land survey, a road maintenance agreement, information on water access for the lots or parcels to be created and the availability of other utility services. The small land subdivision report would authorize the sale or lease of lots or parcels created by the small land subdivision. By creating a new way to divide lands into lots without requiring a disclosure of an Adequate Water Supply, HB 2100 is a step backwards for ensuring water security for potential homeowners.

AMWUA impact: HB 2100 does not impact AMWUA’s members.

Historical context: HB 2100 is a repeat of HB 2574 (small land subdivisions; requirements) from the 2025 session, which was vetoed by Governor Hobbs.

HB 2101 - Supply and demand; assessment; groundwater

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended Position: Watch

Bill content: ADWR is required each year to issue water supply and demand assessments for at least 6 of the 51 groundwater basins in Arizona. This assessment must also be completed for all basins and initial active management areas (AMAs) at least once every 5 years. HB 2101 would require these assessments to contain certain information, including changes in the average depth-to-static water level, depth-to-bedrock level, location and distribution of index wells, total volume of groundwater available, and the impact of any stormwater recharge projects.

AMWUA impact: The additional information required by HB 2101 will likely not impact AMWUA's members.

Historical context: HB 2101 is a repeat of HB 2271 (supply and demand; assessment; groundwater) from the 2025 session, which Governor Hobbs vetoed.

HB 2102 - Domestic water improvement districts; hauling

Primary Sponsors: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended Position: Watch

Bill content: A county board of supervisors may create a county improvement district in an unincorporated area that can serve various purposes, including building and operating a wastewater treatment plant or acquiring, building, and maintaining waterworks to deliver drinking water for domestic purposes. This district is governed by a county board of supervisors and can levy secondary property taxes, issue bonds and levy assessments. Additionally, this district can charge various user fees. HB 2102 would allow a county improvement district to be created in a subsequent AMA to build and operate waterworks such as standpipes or a system to deliver water for domestic uses through water hauling. The county board of supervisors would be authorized to acquire, construct, maintain wells and standpipes for this purpose. The district may also exercise eminent domain only to acquire and secure a site for building a single well and standpipe of make water available.

AMWUA impact: Because it only applies to subsequent AMAs, HB 2102 does not impact AMWUA's members.

Historical context: HB 2102 is a repeat of HB 2084 from the 2025 session, which passed out of the House but never received a hearing in the Senate.

HB 2103 - Water improvements program; water hauling

Primary Sponsor: Gail Griffin (R) | **Latest Action:** Prefiled on Dec. 29, 2025

Recommended Position: Watch

Bill content: A county board of supervisors can establish a program to help low-income or fixed-income owners of residential property deepen their wells or plumb or replumb their homes for a water delivery

system. Since a county must rely on gifts, grants, and donations to finance this effort, county boards of supervisors have been reluctant to establish this program. Only Mohave and Yuma County offer these programs. HB 2103 would allow this program to also include covering the costs of water hauling and acquiring or installing storage tanks to receive water delivered through water hauling.

AMWUA impact: Because it only applies to counties, HB 2103 does not impact AMWUA's membership.

Historical context: HB 2103 is a repeat of HB 2086 (water improvements program; water hauling), which Governor Hobbs vetoed in the 2025 session.

HB 2125 - Weather modification; license; rules

Primary Sponsor: Lisa Fink (R) | **Latest Action:** Prefiled on Jan. 06, 2026

Recommended Position: Watch

Bill content: HB 2125 overhauls ADWR's regulatory authority over cloudseeding and weather modification. It now requires any party that plans to engage in projects that augment precipitation, suppress hail, or disperse fog to receive a license from ADWR. A license may only be issued if the project will not cause flooding, damage, property, or harm wildlife and will use chemical compounds, and substances that have been reviewed and approved by ADEQ. ADWR is also required to provide notice to nearby residents and hold a public meeting in the affected area. A licensee is required to maintain insurance of evidence of financial surety for the duration of the project's operation. The bill also outlines the criteria and process for renewing and suspending a license and requires ADWR to maintain an online database of all licenses.

AMWUA impact: Since AMWUA's members do not engage in cloudseeding or other weather modification activities, the direct impact of this bill is minimal.

SB 1019 - Public water systems; fluoride; prohibition

Primary Sponsor: Janae Shamp (R) | **Latest Action:** Prefiled on Dec. 09, 2025

Recommended Position: Watch

Bill content: SB 1019 directs the Arizona Department of Environmental Quality to adopt rules prohibiting fluoride from being introduced into public water systems. Currently, Arizona does not require water utilities to add fluoride to drinking water. Some AMWUA members, such as the City of Avondale, do not add any fluoride to drinking water while others like the City of Mesa and City of Phoenix do. There are federal limits on the concentration of fluoride in drinking water. Under the Safe Drinking Water Act, the EPA established a maximum allowable fluoride concentration of 4.0 milligrams per liter (mg/L) in 1986. However, in April 2025, the EPA announced that it would review scientific literature on the health risks of fluoride in drinking water.

AMWUA impact: Cities will no longer be able to add fluoride to their water supply. This does not affect water supply with naturally occurring fluoride.

SB 1087 - Helium exploration; aquifer protection permit

Primary Sponsor: Mark Finchem (R) | **Latest Action:** Prefiled on Jan. 05, 2026

Recommended Position: Watch

Bill content: Currently, an aquifer protection permit (APP) is required for any facility that discharges pollutants to the groundwater. However, certain uses are exempt from being required to obtain an APP, including ponds for livestock and wildlife, facilities using CAP water for underground storage, and surface impoundments to contain stormwater runoff. SB 1087 adds helium exploration and production wells that are designed to not discharge contaminants into an aquifer to these exempted uses. According to ADEQ, helium gas extraction can usually be achieved by drilling wells without any well stimulation, which means that an APP is not required. When well stimulation—which involves injecting fluids into a well to open pathways between particles in rock formation—is required to help helium gas flow, ADEQ does require an APP.

AMWUA impact: Helium gas extraction activities have largely been concentrated in northern Arizona and therefore do not impact AMWUA’s membership.

SB 1098 - Climate; weather; modification; prohibition; penalties

Primary Sponsor: John Kavanagh (R) | **Latest Action:** Prefiled on Jan. 07, 2026

Recommended Position: Watch

Bill content: SB 1098 prohibits injecting, releasing, or dispensing any chemical, compound, or substance within Arizona to affect temperature, climate, weather, or intensity of sunlight. Violating this prohibition is a class 4 felony subject to a civil penalty of up to \$100,000 per violation. Certain activities such as normal aircraft operations and fire suppression measures are exempt from this prohibition. The bill also repeals ADWR’s current authority to regulate weather control and cloud seeding, and in its place directs the agency to adopt rules to create a process to receive complaints.

AMWUA impact: No direct impact.

Historical context: This legislation is similar to HB 2056 (geoengineering; prohibition) from the 2025 legislative session.

HCR 2006 - Environment; natural resources; preservation; maintenance

Primary Sponsor: Oscar De Los Santos (D) | **Latest Action:** Prefiled on Jan. 07, 2026

Recommended 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.

AMWUA MANAGEMENT BOARD

INFORMATION SUMMARY

January 14, 2026

Water Conservation Rebate Tax Parity

ANNUAL PLAN REFERENCE

Conservation & Demand Management

Excel as a leader in water conservation by effectively strategizing with members on program development and implementation and coordinating awareness about conservation efforts to enhance sustainable water resources.

Strategic Plan: Facilitate our Strength in Numbers, Educate – Excel as an Expert and Resource, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Strengthen Groundwater Management, Prepare for Impacts of Drought & Shortage

SUMMARY

Under current federal tax law, water efficiency rebates provided by utilities are treated as taxable income, while energy efficiency rebates are exempt. This inconsistency reduces participation in water conservation programs and creates equity concerns for residents and businesses investing in water-saving improvements.

In 2016, the AMWUA Board of Directors adopted a resolution recognizing the need for federal tax parity for water conservation rebates to increase participation and improve program effectiveness across member cities. Despite different efforts through the years, there is still no tax parity for water conservation rebates.

The Water Conservation Rebate Tax Parity Act is a bipartisan legislative effort to align the tax treatment of water efficiency rebates with existing energy rebate exemptions. The Alliance for Water Efficiency is leading national advocacy efforts to support this legislation. Senator Ruben Gallego is a co-sponsor of the bill.

To show our support for this new legislative effort, we are working with The Alliance for Water Efficiency to draft a letter on behalf of the AMWUA cities, just as we did when this initiative first began in 2016. The letter would be sent to Arizona's congressional delegation. We are coordinating with peer organizations to elevate Arizona's position, and the Alliance for Water Efficiency is coordinating similar sign-on efforts across other Colorado River Basin states. Letters

from participating states will be compiled into a multi-state packet for submission to the Senate Finance and House Ways and Means Committees in February 2026.

RECOMMENDATION

The AMWUA Management Board is requested to recommend that the AMWUA Board of Directors sign the letter to Arizona's congressional delegation in support for The Water Conservation Rebate Tax Parity Act.