



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

ARIZONA MUNICIPAL WATER USERS ASSOCIATION MANAGEMENT BOARD

MEETING NOTICE AND AGENDA

January 14, 2025 – 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.

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 reached. 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

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 begins on January 12, 2026. As of the end of January 7, 2026, 275 measures have been pre-filed, including 30 bills that relate to water.

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, meeting with Legislators, stakeholders, our members' InterGovs, and attending CRWUA.

AMWUA staff will provide an overview of relevant legislation that has been introduced to date. We plan to update this legislative report prior to the January 14, 2026 meeting with a summary of introduced water bills to review with the Management Board.

RECOMMENDATION

The AMWUA Management Board will be asked to provide direction regarding legislation that will be presented at the January 14, 2026 meeting and summarized in an updated report prior to that meeting.

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.